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GSM/CR

31, May 2021

Private & Confidential

Attention: Mrs. V.A.A. N de Silva

Director,  
Dept. of Bank Supervision,  
Central Bank of Sri Lanka  
30, Janadhipathi Mawatha,  
Colombo 1.

Dear Madam,

Re: Compliance with Corporate Governance Direction Issued by Central Bank of Sri Lanka-Deutsche Bank AG- Colombo Branch -31 December 2020

In accordance with the circular dated 29 March , 2012, issued by Central Bank of Sri Lanka on 'Disclosures in Annual Reports- Banking Act Directions on Corporate Governance' , we wish to confirm that all the findings of our "Factual Findings Report" issued under "Sri Lanka Related Services Practice Statement 4750 on Agreed -upon Procedures Engagement" performed solely to assist with meeting the compliance requirement of the Corporate Governance Direction , have been incorporated in the Corporate Governance checklist of Deutsche Bank AG- Colombo Branch- 2020.

Yours faithfully,

CC: Mr. Vikas Arora  
Chief Country Officer  
Deutsche Bank AG  
Colombo Branch  
Bank House  
No. 86 Galle Road  
Colombo - 03  
Sri Lanka

EY202105316054

Partners: W.R.H. Fernando FCA FCMA, R.N. de Saram ACA FCMA, Ms. N.A. De Silva FCA, Ms. Y.A. De Silva FCA, W.R.H. De Silva ACA ACMA, W.K.B.S.P. Fernando FCA FCMA, Ms. R.R.M. Fernando FCA ACMA, Ms. L.K.H.L. Fonseka FCA, A.P.A. Gunasekera FCA FCMA, A. Herath FCA, D.K. Hulangamuwa FCA FCMA LLB (Lond), H.M.A. Jayasinghe FCA FCMA, Ms. A.A. Ludowyke FCA FCMA, Ms. G.G.S. Manatunga FCA, A.A.J.R. Perera ACA ACMA, Ms. P.V.K.N. Sajeewani FCA, N.M. Sulaiman ACA ACMA, B.E. Wijesuriya FCA FCMA.  
Principals: G.B. Goudian ACMA, T.P.M. Ruberu FCMA FCCA.

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31, May 2021

Chief Country Officer,  
Deutsche Bank AG  
Colombo Branch  
Bank House  
No. 86 Galle Road  
Colombo - 03

## Report of Factual Findings of Deutsche Bank AG-Colombo Branch on the compliance requirement of the Corporate Governance Directive issued by the Central Bank of Sri Lanka, 31 December 2020.

Dear Sirs,

In line with the letter of engagement, we have performed the procedures agreed with you and enumerated in Annexure I to this report, with respect to the Governance Report of the Board of Directors prepared and presented to meet the compliance requirement of the Corporate Governance directive issued by the Central Bank of Sri Lanka (CBSL). Our engagement was undertaken in accordance with the principles set out in Sri Lanka Standards on Related Services 4400 (SLSRS 4400) applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you to meet the compliance requirement of the corporate governance directive.

We report our findings in the attached Annexure I to this report.

Because the above procedures do not constitute an audit or review made in accordance with Sri Lanka Auditing Standards or Sri Lanka Standards on Review Engagements, we do not express any assurance on the compliance with the Corporate Governance directive issued by CBSL.

Had we performed additional procedures or had we performed an audit or review of the Governance Report in accordance with Sri Lanka Auditing Standards or Sri Lanka Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

This report relates only to the items specified above and does not extend to any financial statements of Deutsche Bank AG- Colombo Branch taken as a whole.

Yours faithfully

EY202105306023

Partners: W R H Fernando FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, Ms. Y A De Silva FCA, W R H De Silva ACA ACMA, W K B S P Fernando FCA FCMA, Ms. K R M Fernando FCA ACMA, Ms. L K H L Fonseka FCA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuwa FCA FCMA LLB (Lond), H M A Jayasinghe FCA FCMA, Ms. A A Ludowyke FCA FCMA, Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajeewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA  
Principals: G B Goudian ACMA, T P M Ruberu FCMA FCCA

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Annexure I

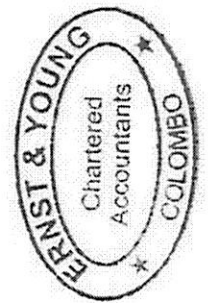
**Deutsche Bank AG-Colombo Branch- Corporate Governance- Factual Finding Report – 2020**

As a branch office of a foreign bank, Deutsche Bank AG-Colombo Branch has no separate board of directors in Sri Lanka, instead they have a Branch Management Board, appointed by their Head office to direct operations in Sri Lanka. This represents the heads of each division (business and support functions) chaired by the Chief Country Officer in Sri Lanka. Therefore, board composition, competency of board members, appointment of board members, and maximum/minimum number of members, maximum age, independent/non-independent status and retirement of board members are not applicable to Sri Lanka branch.

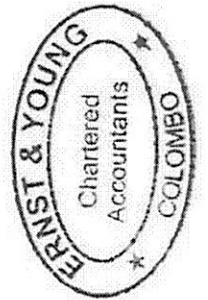
**The following sections of CBSL Corporate Governance Direction No.11 of 2007 are not applicable to the Deutsche Bank AG- Colombo Branch**

**3(1)(i)c & i, 3(i)(ii) to 3(1)(xiii), 3(1)(xvii) to 3(3) (iii), 3(4)(ii), 3(5)(i) to 3(5)(x), 3(6)(i), 3(6)(ii) a, b, e & l to q, 3(6)(iii)d, 3(6)(iv)b & f, 3(6)(v) e,f, 3(7)(iv) & , 3(7)(v)**

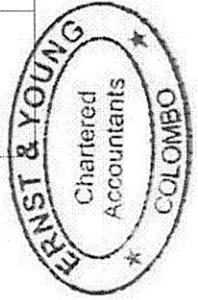
Agreed Upon Procedure	Result of Procedure
3(1)	
3(1)(i)	
<p>The responsibilities of the board</p> <p>Procedures to be carried out to ensure the board have strengthened the safety and soundness of the bank.</p> <p>a) Check the board approval of the bank's strategic objectives and corporate values.</p> <p>Check whether the bank has communicated the bank's strategic objectives and corporate values throughout the bank.</p>	<p>As far as Strategic Objectives are concerned, Sri Lanka is governed by the Regional Office in Singapore. The relevant Business Divisions receive their Business Plans and Objectives from the Regional Head Office in Singapore annually.</p> <p>Corporate Values are set by Deutsche Bank in Frankfurt which are shared among all branches globally.</p>



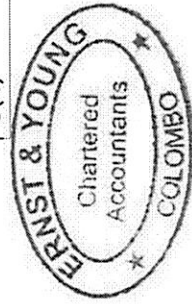
Agreed Upon Procedure	Result of Procedure
<p>b). Check the board approval of the overall business strategy of the bank. Check that the overall business strategy includes the overall risk policy, risk management procedures and mechanisms and they are documented. Check that the overall business strategy contains measurable goals, for at least the next three years.</p>	<p>At the branch level, risk management process is fully covered in the Risk Management Framework (RMF) . In addition, Integrated Risk Management (IRM) direction issued by the CBSL is also fully complied by the branch. Both RMF and IRM is covered under the ICAAP of the branch annually.  Branch does comply with the integrated Risk Management Policy issued by the Central bank of Sri Lanka</p>
<p>d) Check that the board has approved and implemented a policy of communication with all stakeholders, including depositors, creditors, share-holders and borrowers;</p>	<p>All policies and procedures are prepared globally and regionally and cascaded across the organization.</p>
<p>e) Check that the board has reviewed the adequacy and the integrity of the bank's internal control systems and management information systems;</p>	<p>There is an annual mechanism at the branch to identify the accuracy of the branch internal control systems by the Branch Management Board (BMB) through the process over design and effectiveness of internal control over financial reporting. Further Internal Audit Division of the Branch strengthens the process by verifying its effectiveness.  Also branch has to ensure that there is a continuous review on the process to ensure the reliability and the accuracy of all management information systems which are used by the BMB to monitor the operations and for their decision making.</p>



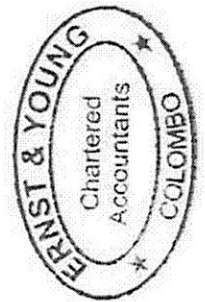
Agreed Upon Procedure	Result of Procedure
<p>f) Check that the board has identified and designated key management personnel, as Officers Performing Executive Functions of LCBs as defined in Banking Act Determination No. 3 of 2010 as per Bank Supervision Dept. Guideline ref. 02/17/550/0002/003 on 02 December 2015. Amended by CBSL Determination No. 1 of 2019</p>	<p>The following officers performing executive functions have been identified as key management personnel for the Branch office.</p> <ul style="list-style-type: none"> <li>• Chief Country Officer &amp; Head of Global Transaction Banking</li> <li>• Chief Operating Officer &amp; Chief Risk Officer</li> <li>• Head - Fixed Income &amp; Currencies, Asia Local Markets</li> <li>• Head - Risk Management Solutions Group</li> <li>• Head - Compliance &amp; AFC</li> <li>• Head - Branch Operations &amp; Country Technology Management</li> <li>• Country Treasurer</li> <li>• Head - Securities Services</li> <li>• Head - Finance</li> <li>• Senior Relationship Managers (2)</li> </ul>
<p>g) Check that the board has defined the areas of authority and key responsibilities for the board directors themselves and for the key management personnel;</p>	<p>Areas of authority and key responsibilities of Board of Directors are handled by Head Office level.</p> <p>Key responsibilities of Branch level key management personnel are defined in their job descriptions.</p> <p>Authority of key management personnel defined under delegated authority limits.</p>
<p>h) Check that the board has exercised appropriate oversight of the affairs of the bank by key management personnel, that is consistent with board policy;</p>	<p>At DB Colombo Branch, the Branch Management Board (BMB) exercised appropriate oversight of the affairs of the branch by key management personnel.</p> <p>As an example, we have seen Risk Management &amp; Control update provided by COO at their BMB meetings.</p>
<p>j) Check that the board has a succession plan for key management personnel.</p>	<p>Succession plan for key management personnel at branch level is in place approved by the BMB.</p>



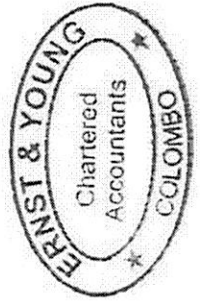
Agreed Upon Procedure	Result of Procedure
k) Check that the board has scheduled regular meetings with the key management personnel to review policies, establish communication lines and monitor progress towards corporate objectives.	Branch Management Board has held regular meetings with the key management personnel. We have seen Branch Management Board meeting minutes as evidence.
l) Check that the board has taken measures and processes in place to understand the regulatory environment and that the bank maintains a relationship with regulators.	This requirement is met locally through the Branch Management Board. Branch Management Board has taken measures and processes in place to understand the regulatory environment and that the bank maintains a relationship with regulators.  As an example, we have seen Regulatory and Compliance update provided by compliance officer at their BMB meetings held on 24.11.2020 and 27.07.2020.
m) Check that the board has a process in place for hiring and oversight of external auditors.	The Head Office has a process for appointing the auditors which is complied by the Branch office.
3(1)(xiv) Check that the board has forthwith informed the Director of Bank Supervision of the situation of the bank prior to taking any decision or action, if it considers that the procedures to identify when the bank is, or is likely to be, unable to meet its obligations or is about to become insolvent or is about to suspend payments due to depositors and other creditors.	In the context of Colombo Branch this requirement will be full-filled through the Local Branch Management Board in association with Global & Regional Management.
3(1)(xv) Check that the board has the bank capitalized at levels as required by the Monetary board.	Branch is capitalized at levels as required by the Monetary board in terms of the capital adequacy ratio and other prudential grounds. In the context of Colombo Branch this will be the responsibility of the Local Branch Management Board & ALCO.
3(1)(xvi) Check that the board publishes, in the bank's Annual Report, an annual corporate governance report setting out the compliance with Direction 3 of these Directions.	The Branch office publishes an extract of the Groups Governance report with its annual financials publication.
3(4) Management functions delegated by the board	



Agreed Upon Procedure		Result of Procedure
3(4)(i)	Check that the delegation arrangements have been approved by the board.	The delegation for the branch office is: Delegation of Authorities flow from the head office board through Group Heads, Global Heads and Regional Heads to the KMPs in each business and support function area.
3(4)(iii)	Check that the board review the delegation processes in place on a periodic basis to ensure that they remain relevant to the needs of the bank.	The delegation of authority limits are reviewed on a periodic basis by the respective Unit/Functional Heads.
3(5)(xi)	Check that the CEO functions as the apex executive-in-charge of the day-to-day management of the bank's operations and business.	In DB Colombo Branch, Chief Country Officer is the apex executive in charge.
3(6)	Board appointed committees	
3(6)(ii)	Audit Committee:	
c)	Check that the committee has made recommendations on matters in connection with:	At DB Colombo Branch the Branch Management Board (BMB) has oversight on external and internal audit functions.
	(i) the appointment of the external auditor for audit services to be provided in compliance with the relevant statutes;	
	(ii) the implementation of the Central Bank guidelines issued to auditors from time to time;	
	(iii) the application of the relevant accounting standards; and	

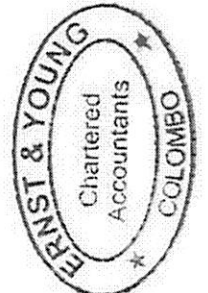


Agreed Upon Procedure		Result of Procedure
	(iv) the service period, audit fee and any resignation or dismissal of the auditor; provided that the engagement of the Audit partner shall not exceed five years, and that the particular Audit partner is not re-engaged for the audit before the expiry of three years from the date of the completion of the previous term	
d)	Check that the committee has obtained representations from the external auditor's on their independence, and that the audit is carried out in accordance with SLAuS.	At branch level an engagement letter is signed off by the External Auditors setting out their objectives and the need to carry out the audit as per the SLAuS.
f)	Check that the committee has discussed and finalized the nature and scope of the audit, with the external auditors in accordance with SLAuS before the audit commences.	Chief country officer and Engagement Partner has discussed and finalized the scope of the audit.
g)	Check that the committee has a process to review the financial information of the bank, in order to monitor the integrity of the financial statements of the bank, its annual report, accounts and quarterly reports prepared for disclosure, and a process in place to receive from the CFO the following: (i) major judgmental areas; (ii) any changes in accounting policies and practices; (iii) the going concern assumption; and (iv) the compliance with relevant accounting standards and other legal requirements, and; (v) in respect of the annual financial statements the significant adjustments arising from the audit.	At branch level, the Financial Statements and disclosures are reviewed by the Chief Country Officer (CCO) and Head of Finance. A Letter of Representation is provided signed by the CCO and Head of Finance confirming the applicable aspects referred to in sections (i) to (v).
h)	Check that the committee has met the external auditors relating to any issue in the absence of the executive management with relation to the audit.	At branch level, in lieu of the Audit Committee, the BMB members have met auditors, as required, to address any matters requiring attention during course of the audit.

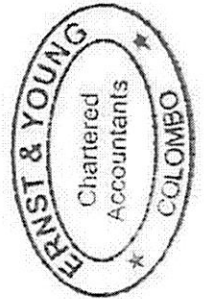




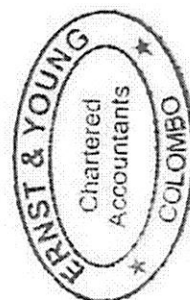
Agreed Upon Procedure		Result of Procedure
i)	Check that the committee has reviewed the external auditor's management letter and the management's response thereto.	At branch level, in lieu of the Audit Committee, the HOF and/or CCO would review the Management Letter and provide responses to the auditors. Other BMB members also would be involved in providing responses, as required.
j)	Check that the committee shall take the following steps with regard to the internal audit function of the bank: <ul style="list-style-type: none"> <li>I. Review the adequacy of the scope, functions and resources of the internal audit department, and satisfy itself that the department has the necessary authority to carry out its work;</li> <li>II. Review the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit department;</li> <li>III. Review any appraisal or assessment of the performance of the head and senior staff members of the internal audit department;</li> <li>IV. Recommend any appointment or termination of the head, senior staff members and outsourced service providers to the internal audit function;</li> <li>V. Check that the committee is apprised of resignations of senior staff members of the internal audit department including the chief internal auditor and any outsourced service providers, and to provide an opportunity to the resigning senior staff members and outsourced service providers to submit reasons for resigning;</li> </ul>	At DB Colombo Branch the Branch Management Board (BMB) has oversight on external and internal audit functions.



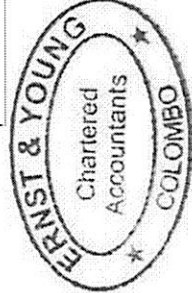
Agreed Upon Procedure	Result of Procedure
<p>VI. Check that the internal audit function is independent of the activities it audits and that it is performed with impartiality proficiency and due professional care.</p>	
<p>k) Check the minutes to determine whether the committee has considered major findings of internal investigations and management's responses thereto.</p>	<p>If there are any findings of internal investigations, they are escalated to BMB.</p>
<p>3(6)(iii) Does the following rules apply in relation to the Human Resources and Remuneration Committee:</p>	<p>The Regional Committee based in Singapore covers Colombo Branch.</p>
<p>a) Check that the committee has implemented a policy to determine the remuneration (salaries, allowances and other financial payments) relating to directors, CEO and key management personnel of the bank by review of the "Terms of reference" and minutes.</p>	<p>As per bank's regional policy the relevant regional business and operational management along with the Chief Country Officer get involved in matters pertaining to remunerations of branch level key management personnel.</p>
<p>b) Check that the goals and targets for the directors, CEO and the key management personnel are documented.</p>	<p>Goals and Objectives of branch level key management personnel are assigned by the relevant regional business and operational divisional management along with Chief Country Officer.</p>
<p>c) Check that the committee has considered evaluations of the performance of the CEO and key management personnel against the set targets and goals periodically and determine the basis for revising remuneration, benefits and other payments of performance-based incentives.</p>	<p>Performance evaluations of KMPs are handled by the relevant line managers and matrix managers.</p>
<p>3(6)(iv) Does the following rules apply in relation to the Board Nomination Committee:</p>	
<p>a) Check that the committee has implemented a procedure to select/appoint new directors, CEO and key management personnel.</p>	<p>Chief Country Officer is selected by Regional CEO. Staff for key positions are selected /appointed by CCO and Regional Senior Management.</p>



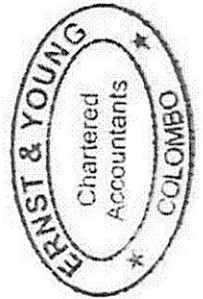
Agreed Upon Procedure		Result of Procedure
c)	Check that the committee has set the criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment or promotion to the post of CEO, and the key management personnel, by review of job descriptions.	For Colombo Branch, performed by Regional Senior Management and CCO.
d)	Check that the committee has obtained from the directors, CEO and key management personnel signed declarations that they are fit and proper persons to hold office as specified in the criteria given in Direction 3(3) and as set out in the Statutes.	Branch complies with the fit and proper directions of the key management personnel issued by the regulator.
e)	Check that the committee has considered a formal succession plan for the retiring directors and key management personnel.	Formal succession plan is in place for KMPs of the branch.
3(6)(v)	Does the following rules apply in relation to the Integrated Risk Management Committee (IRMC): a) The committee shall consist of at least three non-executive directors, CEO and key management personnel supervising broad risk categories, <i>i.e.</i> , credit, market, liquidity, operational and strategic risks and work within the framework of the authority and responsibility assigned to the committee.	Not applicable as Sri Lanka branch operates as a fully-fledged branch of Deutsche bank. However, there a separate committee at branch level to assess risk. Risk Management of the branch is clearly explained in the Risk Management Framework (RMF) .



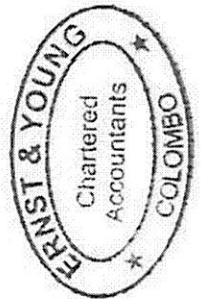
Agreed Upon Procedure	Result of Procedure
<p>b) Check that the committee has a process to assess all risks, <i>i.e.</i>, credit, market, liquidity, operational and strategic risks on a monthly basis through appropriate risk indicators and management information.</p> <p>In the case of subsidiary companies and associate companies, risk management shall be done, both on a bank basis and group basis.</p>	<p>Branch has a process to assess all risks, <i>i.e.</i>, credit, market, liquidity, operational and strategic risks on a monthly basis through appropriate risk indicators and management information.</p> <p>Further a risk dashboard and risk indicators with pre -approved limits in place.</p> <p>There are no subsidiaries or associate companies.</p>
<p>c) Check that the committee has reviewed the adequacy and effectiveness of all management level committees such as the credit committee and the asset-liability committee to address specific risks and to manage those risks within quantitative and qualitative risk limits as specified by the committee.</p>	<p>At Branch level ALCO is the only management level committee that reports to Risk Management. Adequacy and effectiveness of ALCO is evaluated through different forums.</p>
<p>d) Check that the committee has reviewed and considered all risk indicators which have gone beyond the specified quantitative and qualitative risk limits.</p>	<p>At branch level, they review risk limits from time to time.</p>
<p>g) Check that the committee submits a risk assessment report within a week of each meeting to the board seeking the board's views, concurrence and/or specific directions.</p>	<p>Risk Management Division submits a risk assessment report to the BMB on a quarterly basis.</p>
<p>h) Check that the committee has establish a compliance function to assess the bank's compliance with laws, regulations, regulatory guidelines, internal controls and approved policies on all areas of business operations and that there is a dedicated compliance officer selected from key management personnel to carry out the compliance function and report to the committee periodically.</p>	<p>Branch has established a compliance function to assess the bank's compliance with laws, regulations, regulatory guidelines, internal controls and approved policies.</p> <p>There is Head who is a KMP and two other staff members covering all aspects of Compliance and Anti-Money Laundering in line with CBSL directions.</p>
<p>3(7) 3(7)(ii) Related party transactions Check that there is a process to identify and report the following types of transactions been identified as transactions with related parties that is covered by this Direction.</p>	<p>All the Related Party transactions measured under the predetermined Head Office Policy.</p>



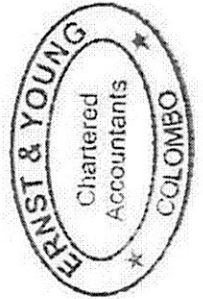
Agreed Upon Procedure		Result of Procedure
a)	The grant of any type of accommodation, as defined in the Monetary board's Directions on maximum amount of accommodation.	
b)	The creation of any liabilities of the bank in the form of deposits, borrowings and investments.	
c)	The provision of any services of a financial or non-financial nature provided to the bank or received from the bank.	
d)	The creation or maintenance of reporting lines and information flows between the bank and any related parties which may lead to the sharing of potentially proprietary, confidential or otherwise sensitive information that may give benefits to such related parties.	
3(7)(iii)	Does the board have a process to ensure that the bank does not engage in transactions with related parties as defined in Direction 3(7)(i) above, in a manner that would grant such parties "more favorable treatment" than that accorded to other constituents of the bank carrying on the same business	All the Related Party transactions measured under the predetermined Head Office Policy.
a)	Granting of "total net accommodation" to related parties, exceeding a prudent percentage of the bank's regulatory capital, as determined by the board.	
	For purposes of this sub-direction:	
	I. "Accommodation" shall mean accommodation as defined in the Banking Act Directions, No.7 of 2007 on Maximum Amount of Accommodation.	



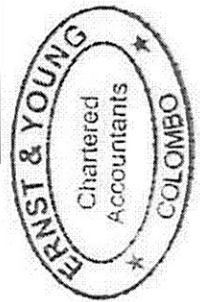
Agreed Upon Procedure		Result of Procedure
	<p>ii. The "total net accommodation" shall be computed by deducting from the total accommodation, the cash collateral and investments made by such related parties in the bank's share capital and debt instruments with a maturity of 5 years or more.</p>	
b)	Charging of a lower rate of interest than the bank's best lending rate or paying more than the bank's deposit rate for a comparable transaction with an unrelated comparable counterparty.	
c)	Providing of preferential treatment, such as favorable terms, covering trade losses and/or waiving fees/commissions, that extend beyond the terms granted in the normal course of business undertaken with unrelated parties;	
d)	Providing services to or receiving services from a related-party without an evaluation procedure;	
e)	Maintaining reporting lines and information flows that may lead to sharing potentially proprietary, confidential or otherwise sensitive information with related parties, except as required for the performance of legitimate duties and functions.	
c)	Check that there is a process to identify any director who fails to comply with the above sub-directions be deemed to have vacated the office of director and has the bank disclose such fact to the public	
d)	Check the process in place to ensure clause 3 (7) (v) (c) does not apply to any director who at the time of the grant of the accommodation was an employee of the bank and the accommodation was granted under a scheme applicable to all employees of such bank	



Agreed Upon Procedure	Result of Procedure
<p>3(7)(vi) Check that there is a process in place to identify when the bank grants any accommodation or "more favorable treatment" relating to the waiver of fees and/or commissions to any employee or a close relation of such employee or to any concern in which the employee or close relation has a substantial interest other than on the basis of a scheme applicable to the employees of such bank or when secured by security as may be approved by the Monetary board in respect of accommodation granted as per Direction 3(7)(v) above.</p>	<p>Accommodation has not been given to employees on a favorable basis other than the general schemes applicable to all employees of the branch.</p>
<p>3(7)(vii) Check that there is a process to obtain prior approval from the Monetary board for any accommodation granted by a bank under Direction 3(7)(v) and 3(7)(vi) above, nor any part of such accommodation, nor any interest due thereon been remitted without the prior approval of the Monetary board and any remission without such approval is void and has no effect.</p>	<p>All the Related Party transactions measured under the predetermined Head Office Policy.</p>
<p>3(8)</p>	
<p>3(8)(i)</p>	<p>Disclosures</p>
<p>Check that the board has disclosed:</p> <p>(a) Annual audited financial statements prepared and published in accordance with the formats prescribed by the supervisory and regulatory authorities and applicable accounting standards, and that such statements published in the newspapers in an abridged form, in Sinhala, Tamil and English.</p>	<p>Annual audited financial statements prepared and published accordingly.</p>
<p>(b) Quarterly financial statements are prepared and published in the newspapers in an abridged form, in Sinhala, Tamil and English.</p>	
<p>3(8)(ii) Check that the board has made the following minimum disclosures in the Annual Report:</p>	



Agreed Upon Procedure		Result of Procedure
a)	The statement to the effect that the annual audited financial statements have been prepared in line with applicable accounting standards and regulatory requirements, inclusive of specific disclosures.	Annual audited financial statements and quarterly financial statements, of Deutsche Bank AG- Colombo Branch are prepared as per Sri Lanka Accounting Standards and directives issued by the CBSL.
b)	The report by the board on the bank's internal control mechanism that confirms that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes has been done in accordance with relevant accounting principles and regulatory requirements.	A separate report (Statement of Internal Control) will be submitted to CBSL on/before 31 May 2021.
c)	Board has obtained the Assurance Report issued by the auditors under "Sri Lanka Standard on Assurance Engagements SLSAE 3050 -Assurance Reports for Banks on Directors' Statements on Internal Control" referred to in Direction 3(8)(ii)(b)above. (CBSL letter ref. 02/17/550/002/003 dated 29.03.2012).	A confirmation from external auditors (EY) have been obtained in the form of a separate report and submitted to CBSL, along with the Statement of Internal Control, on/before 31 May 2021.
e)	Total net accommodation as defined in 3(7) (iii) granted to each category of related parties. The net accommodation granted to each category of related parties shall also be disclosed as a percentage of the bank's regulatory capital.	Sri Lanka Branch has disclosed in annual audited financial statements under Notes to the FS in Note No 41. However, branch has to initiate actions to disclose net accommodation as a % of capital funds in future as required by the direction.
f)	The aggregate values of remuneration paid by the bank to its key management personnel and the aggregate values of the transactions of the bank with its key management personnel, set out by broad categories such as remuneration paid, accommodation granted and deposits or investments made in the bank.	Sri Lanka Branch has disclosed in their annual audited financial statements under Notes to the FS in Note No 41.1 &2.





Agreed Upon Procedure		Result of Procedure
g)	Confirmation by the Board in its annual corporate governance report that all the findings of the "Factual Findings Report" of auditors issued under "Sri Lanka Related Services Practice Statement 4750" have been incorporated in the Annual Corporate Governance Report. (CBSL letter ref. 02/17/550/002/003 dated 29.03.2012)	Sri Lanka Branch forward Head Office annual corporate governance report to CBSL.
h)	A report setting out details of the compliance with prudential requirements, regulations, laws and internal controls and measures taken to rectify any material non-compliances.	Sri Lanka Branch forward Head Office annual corporate governance report to CBSL. In addition, Branch confirms this in their letter to CBSL.
i)	A statement of the regulatory and supervisory concerns on lapses in the bank's risk management, or non-compliance with these Directions that have been pointed out by the Director of Bank Supervision, if so directed by the Monetary board to be disclosed to the public, together with the measures taken by the bank to address such concerns	Not applicable as Sri Lanka branch operates as a fully-fledged branch of Deutsche bank.  However, as per their letter to CBSL no concerns on lapses in the Bank's risk management or non-compliance with directions have been communicated by the Director of Bank Supervision.

