

## **Deutsche Bank AG Colombo Branch**

Interim Financial Statements

For the three months ended 31 March 2024

## Deutsche Bank AG - Colombo Branch Income Statement

In Rupees Thousands

	Current Period From 01/01/24 to 31/03/24	Previous Period From 01/01/23 to 31/03/23	Change %
Interest income	1,679,424	2,051,105	(18)
Less : Interest expenses	163,202	85,849	90
<b>Net interest income</b>	<b>1,516,222</b>	<b>1,965,256</b>	<b>(23)</b>
Fee and commission income	216,427	197,478	10
Less : Fee and commission expenses	16,234	30,213	(46)
<b>Net fee and commission income</b>	<b>200,193</b>	<b>167,265</b>	<b>20</b>
Net gains / (losses) from trading	<b>459,835</b>	<b>608,887</b>	<b>(24)</b>
Net fair value gains/(losses) on:			
Financial assets at fair value through profit or loss	(13,169)	390,356	(103)
Financial liabilities at fair value through profit or loss	-	-	-
Net gains from derecognition of financial assets:			
At fair value through profit or loss	-	-	-
At amortized cost	-	-	-
Net fair value gains/(losses) on at fair value through other comprehensive income	-	-	-
Net other operating income	<b>249,448</b>	<b>46,121</b>	<b>441</b>
<b>Total operating income</b>	<b>2,412,529</b>	<b>3,177,885</b>	<b>(24)</b>
Less : Impairment (charges) / reversal	30,479	(26,218)	216
Net operating Income	<b>2,443,008</b>	<b>3,151,667</b>	<b>(22)</b>
<b>Less : Expenses</b>			
Personnel expenses	160,682	157,746	2
Depreciation and amortization	35,683	34,073	5
Other operating expenses	635,198	297,627	113
<b>Operating profit/(loss) before VAT on financial services and SSCL</b>	<b>1,611,445</b>	<b>2,662,221</b>	<b>(39)</b>
Less : Value Added Tax (VAT) on financial services	258,847	417,434	(38)
Less : Social Security Contribution Levy (SSCL) on financial services	35,951	57,977	(38)
<b>Profit / (Loss) before Income Tax</b>	<b>1,316,647</b>	<b>2,186,810</b>	<b>(40)</b>
Less : Income tax expenses	493,044	802,698	(39)
<b>Profit / (Loss) for the period</b>	<b>823,603</b>	<b>1,384,112</b>	<b>(40)</b>

**Deutsche Bank AG - Colombo Branch**  
**Statement of Profit or Loss and Other Comprehensive Income**

In Rupees Thousands

	Current Period From 01/01/24 to 31/03/24	Previous Period From 01/01/23 to 31/03/23	Change %
<b>Profit/ (Loss) for the period</b>	<b>823,603</b>	1,384,112	(40)
<b>Items that will be reclassified to income statement</b>			
Exchange differences on translation of foreign operations	-	-	-
Net gains/(losses) on cash flow hedges	-	-	-
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	-	-	-
Share of profits of associates and joint ventures	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-
Less: Tax expense relating to items that will be reclassified to income statement	-	-	-
	-	-	-
<b>Items that will not be reclassified to income statement</b>			
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-
Re-measurement of post-employment benefit obligations	-	-	-
Related Tax	-	-	-
Changes in revaluation surplus	-	-	-
Share of profits of associates and joint ventures	-	-	-
Gain/(loss) on translating the Financial Statements of FCBU	(415,179)	(673,004)	38
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	(415,179)	(673,004)	38
<b>Other Comprehensive Income (OCI) for the period, net of taxes</b>	<b>(415,179)</b>	<b>(673,004)</b>	<b>38</b>
<b>Total Comprehensive Income/ (Expense) for the period</b>	<b>408,424</b>	<b>711,108</b>	<b>(43)</b>

**Deutsche Bank AG - Colombo Branch**  
**Statement of Financial Position**

In Rupees Thousands

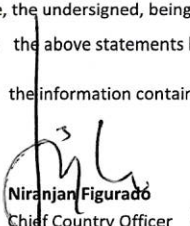
	Current Period As at 31-03-2024	Previous Period As at 31-12-2023 (Audited)	Growth %
<b>Assets</b>			
Cash and cash equivalents	1,798,593	542,721	231
Balances with Central Bank	14,307,413	12,346,488	16
Placement with banks	15,019,416	13,608,940	10
Placement with branches	3,003,495	49	nm
Derivative financial instruments	135,465	38,983	247
Group balances receivable	3,121,982	1,719,105	82
Financial assets measured at fair value through profit or loss			
- measured at fair value	10,397,738	18,041,590	(42)
- designated at fair value	-	-	-
Financial assets at amortized cost			
- loans and advances	20,505,348	24,554,285	(16)
- debt and other instruments	-	-	-
Financial assets measured at fair value through other comprehensive income	42,339	42,339	-
Investments in subsidiaries	-	-	-
Investments in associates and joint ventures	-	-	-
Property, plant & equipment	577,546	617,455	(6)
Investment properties	-	-	-
Goodwill and intangible assets	-	-	-
Deferred tax assets	87,591	95,572	(8)
Other assets	2,523,928	1,464,147	72
<b>Total assets</b>	<b>71,520,854</b>	<b>73,071,674</b>	<b>(2)</b>
<b>Liabilities</b>			
Due to banks	-	-	-
Due to branches	1,960,466	1,460,629	34
Derivative financial instruments	63	3,333	(98)
Financial liabilities recognized through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial liabilities at amortized cost			
- due to depositors	36,839,788	38,684,925	(5)
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Debt securities issued	-	-	-
Retirement benefit obligations	104,596	96,009	9
Current tax liabilities	1,321,763	1,572,176	(16)
Other provisions	-	-	-
Other liabilities	823,019	1,410,180	(42)
Due to Subsidiaries	-	-	-
Group balances payable	2,747,209	2,528,895	9
<b>Total liabilities</b>	<b>43,796,904</b>	<b>45,756,147</b>	<b>(4)</b>
<b>Equity</b>			
Stated capital /Assigned capital	4,410,461	4,410,461	-
Statutory reserve fund	1,220,019	1,220,019	-
Retained earnings	10,409,533	9,491,622	10
Other reserves	11,683,937	12,193,424	(4)
<b>Total equity</b>	<b>27,723,950</b>	<b>27,315,527</b>	<b>1</b>
<b>Total equity &amp; liabilities</b>	<b>71,520,854</b>	<b>73,071,674</b>	<b>(2)</b>
<b>Contingent liabilities &amp; commitments</b>	<b>71,743,100</b>	<b>74,838,166</b>	<b>(4)</b>
<b>Memorandum information:</b>			
No. of employees	55	56	
No. of branches	1	1	

**Note: Amounts stated are net of impairment & depreciation.**

**Certification**

We, the undersigned, being the Chief Country Officer and Head of Finance of Deutsche Bank AG, Sri Lanka certify jointly that:-

- (A) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- (B) the information contained in these statements have been extracted from un-audited financial statements of the bank unless indicated as audited.

  
**Niranjan Figurado**  
 Chief Country Officer  
 28.05.2024  
 Colombo

  
**A R M Imesha Sanjeeewanie**  
 Head of Finance

**Deutsche Bank AG - Colombo Branch**  
**Statement of Changes in Equity**

In Rupees Thousands	Stated capital/Assigned capital		Reserves						Total equity		
	Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Statutory Reserve Fund	Fair Value Reserve	ECL reserve	Retained earnings	Exchange equalization of Capital		Exchange equalization of Reserves	Reserve through contributed assets
<b>Balance as at 31/12/2023-Audited</b>	-	-	4,410,461	1,220,019	(22,703)	170,072	9,491,622	1,545,330	1,286,512	9,214,213	27,315,526
<b>Total comprehensive income for the period</b>											
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	823,603	-	-	-	823,603
Changes in fair value of FVTOCI	-	-	-	-	-	-	-	-	-	-	-
ECL Reserve	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on translating the Financial statement FCBU	-	-	-	-	-	-	-	(170,947)	(244,232)	-	(415,179)
Tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	823,603	(170,947)	(244,232)	-	408,424
<b>Transactions recognized directly in equity</b>											
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the year	-	-	-	-	-	-	-	-	-	-	-
Transfers to ECL reserve during the year	-	-	-	-	-	(8,053)	94,308	-	(86,255)	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to Head Office	-	-	-	-	-	-	-	-	-	-	-
Unremittable HO Expenses capitalization	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31/03/2024</b>	-	-	4,410,461	1,220,019	(22,703)	162,019	10,409,533	1,374,383	956,025	9,214,213	27,723,950

**Deutsche Bank AG - Colombo Branch**  
**Statement of Cash Flows**

In Rupees Thousands

	Current Period As at 31-03-2024	Previous Period As at 31-03-2023
<b><u>Cash flows from operating activities</u></b>		
Profit / (Loss) before tax	1,316,647	2,186,810
<b>Adjustment for;</b>		
Non cash items included in profit before tax	208,879	(227,110)
Change in operating assets	2,872,058	3,006,669
Change in operating liabilities	(1,990,649)	(2,211,079)
Dividend income	-	-
Net unrealized gain/(loss) from translation of Financial statements of Foreign Operation	(415,179)	(673)
<b>Cash generated from operating activities</b>	<b>1,991,756</b>	<b>2,754,617</b>
Contribution paid to defined benefit plans	(408)	(892)
Income tax paid	(735,476)	(619,491)
<b>Net cash from/(used in) operating activities</b>	<b>1,255,872</b>	<b>2,134,234</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant and equipment	-	-
Proceeds from the sale of property, plant and equipment	-	-
Dividend received from investments	-	-
<b>Net cash from/(used in) investing activities</b>	<b>-</b>	<b>-</b>
<b><u>Cash flows from financing activities</u></b>		
Profit transferred to head office	-	-
<b>Net cash from/(used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>1,255,872</b>	<b>2,134,234</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>542,721</b>	<b>13,452,453</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,798,593</b>	<b>15,586,687</b>

**Deutsche Bank AG - Colombo Branch  
Additional Disclosures**

In Rupees Thousand	Current Period As at 31-03-2024	Previous Period As at 31-12-2023 (Audited)
<b>ANALYSIS OF CUSTOMER DEPOSITS</b>		
<b><u>By product – Domestic currency</u></b>		
Demand deposits (current accounts)	9,721,258	10,574,926
Savings deposits	10,555,043	10,699,835
Fixed deposits	5,833,339	7,523,899
Margin deposits	55,377	53,968
<b>Sub total</b>	<b>26,165,017</b>	<b>28,852,628</b>
<b><u>By product – Foreign currency</u></b>		
Demand deposits (current accounts)	10,264,875	9,009,982
Savings deposits	383,460	370,271
Fixed deposits	26,436	452,044
Margin deposits	-	-
<b>Sub total</b>	<b>10,674,771</b>	<b>9,832,297</b>
<b>Total</b>	<b>36,839,788</b>	<b>38,684,925</b>
<b>ANALYSIS OF LOANS &amp; ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT</b>		
<b><u>Product-wise Gross loans &amp; advances</u></b>		
<b><u>By product – Domestic currency</u></b>		
Overdrafts	14,986,650	17,693,981
Trade finance	-	50,227
Staff loans	114,811	118,572
Supplier Finance	2,073,524	4,018,470
<b>Sub total</b>	<b>17,174,985</b>	<b>21,881,250</b>
<b><u>By product – Foreign currency</u></b>		
Overdrafts	1,772,177	2,264,459
Trade finance	1,629,422	469,584
Staff loans	-	-
Supplier Finance	-	-
<b>Sub total</b>	<b>3,401,599</b>	<b>2,734,043</b>
<b>Total</b>	<b>20,576,584</b>	<b>24,615,293</b>
<b><u>Product-wise commitments and contingencies</u></b>		
<b><u>By product – Domestic currency</u></b>		
Guarantees	12,916,095	11,250,305
Letters of credit	3,723	41,044
Forward exchange contracts	6,132,423	3,752,664
Usance Import Bills	94,333	-
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	13,597,126	11,804,539
<b>Sub total</b>	<b>32,743,700</b>	<b>26,848,552</b>
<b><u>By product – Foreign currency</u></b>		
Guarantees	21,648,100	22,671,130
Letters of credit	5,556,407	5,688,022
Forward exchange contracts	6,019,403	3,755,760
Usance Import Bills	897,273	521,261
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	4,878,216	15,353,441
<b>Sub total</b>	<b>38,999,399</b>	<b>47,989,614</b>
<b>Total</b>	<b>71,743,100</b>	<b>74,838,166</b>

In Rupees Thousand

**Stage-wise impairment on loans & advances, commitments and contingencies**

	Current Period As at 31-03-2024	Previous Period As at 31-12-2023 (Audited)
<b>Gross loans and advances, commitments and contingencies</b>	<b>92,319,684</b>	<b>99,453,459</b>
Less: Accumulated impairment under stage 1	139,650	167,062
Accumulated impairment under stage 2	15,789	15,823
Accumulated impairment under stage 3	-	-
<b>Net value of loans and advances, commitments and contingencies</b>	<b>92,164,244</b>	<b>99,270,574</b>

**Movement of impairment during the period**

**Under Stage 1**

Opening balance at 01/01/2024	167,062	44,363
Charge/(write back) to the Income Statement	(27,412)	122,699
Write-off during the year	-	-
Closing balance at 31/03/2024	139,650	167,062

**Under Stage 2**

Opening balance at 01/01/2023	15,823	38,904
Charge/(write back) to the Income Statement	(34)	(23,081)
Write-off during the year	-	-
Closing balance at 31/03/2024	15,789	15,823

**Under Stage 3**

Opening balance at 01/01/2023	-	-
Charge/(write back) to the Income Statement	-	-
Write-off during the year	-	-
Closing balance at 31/03/2024	-	-

**Total impairment**

**155,439**                      **182,885**



## Deutsche Bank AG - Colombo Branch

### Analysis of Financial Instruments on Measurement Basis

#### a. Bank - Current period 31/03/2024

In Rupees Thousand	AC	FVPL	FVTOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	1,798,593	-	-	1,798,593
Balances with central bank	14,307,413	-	-	14,307,413
Placements with banks	15,019,416	-	-	15,019,416
Placements with branches	3,003,495	-	-	3,003,495
Derivative financial instruments	-	135,465	-	135,465
Group balances receivables	3,121,982	-	-	3,121,982
Financial assets measured at fair value through profit or loss	-	10,397,738	-	10,397,738
Financial assets at amortized cost				
- loans and advances	20,505,348	-	-	20,505,348
- debt and other instruments	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Other assets	2,523,928	-	-	2,523,928
<b>Total financial assets</b>	<b>60,280,175</b>	<b>10,533,203</b>	<b>42,339</b>	<b>70,855,717</b>
<b>LIABILITIES</b>				
Due to banks	-	-	-	-
Due to branches	-	1,960,466	-	1,960,466
Derivative financial instruments	-	-	63	63
Financial liabilities at amortized cost				
- due to depositors	-	36,839,788	-	36,839,788
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Group balances payable	-	2,747,209	-	2,747,209
Other liabilities	-	292,502	-	292,502
<b>Total financial liabilities</b>		<b>41,839,965</b>	<b>63</b>	<b>41,840,028</b>

AC - Financial assets/liabilities measured at amortized cost

FVPL - Financial assets/liabilities measured at fair value through profit or loss

FVOCI - Financial assets measured at fair value through other comprehensive income

#### b. Bank - Previous period 31/12/2023 (Audited)

In Rupees Thousand	AC	FVPL	FVTOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	542,721	-	-	542,721
Balances with central bank	12,346,488	-	-	12,346,488
Placements with banks	13,608,940	-	-	13,608,940
Placements with branches	49	-	-	49
Derivative financial instruments	-	38,983	-	38,983
Group balances receivables	1,719,105	-	-	1,719,105
Financial assets measured at fair value through profit or loss	-	18,041,590	-	18,041,590
Financial assets at amortized cost				
- loans and advances	24,554,285	-	-	24,554,285
- debt and other instruments	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Other assets	1,464,147	-	-	1,464,147
<b>Total financial assets</b>	<b>54,235,735</b>	<b>18,080,573</b>	<b>42,339</b>	<b>72,358,646</b>
<b>LIABILITIES</b>				
Due to banks	-	-	-	-
Due to branches	-	1,460,629	-	1,460,629
Derivative financial instruments	-	-	3,333	3,333
Financial liabilities at amortized cost				
- due to depositors	-	38,684,925	-	38,684,925
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Group balances payable	-	2,528,895	-	2,528,895
Other liabilities	-	299,281	-	299,281
<b>Total financial liabilities</b>		<b>42,973,730</b>	<b>3,333</b>	<b>42,977,063</b>

## Deutsche Bank AG - Colombo Branch

### Selected Performance Indicators

	Current Period	Previous Period
	As at 31-03-2024	As at 31-12-2023
<b>Regulatory Capital (LKR in Millions)</b>		
Common Equity Tier 1	19,438	24,224
Tier 1 Capital	19,438	24,224
Total Capital	19,508	24,284
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier I Capital Ratio (Minimum requirement - 7.00%)	32.90%	40.40%
Tier I Capital Ratio (Minimum requirement - 8.50 %)	32.90%	40.40%
Total Capital Ratio (Minimum requirement - 12.50 %)	33.02%	40.50%
Leverage Ratio (Minimum Requirement- 3%)	22.70%	26.40%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR in Millions)		
Domestic Banking unit	38,329	36,094
Off-Shore Banking unit	12,104	13,142
Statutory Liquid Assets Ratio (Minimum requirement 20%)		
Domestic Banking unit (%)	94.55%	94.50%
Off-Shore Banking unit (%)	146.50%	131.39%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	24,419	29,939
Liquidity Coverage Ratio (Minimum requirement - 100%)		
Rupee (%)	1057.07%	1001.04%
All Currency (%)	636.68%	766.51%
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	197.00%	212.00%
<b>Assets Quality (Quality of Loan Portfolio) (%)</b>		
Impaired Loans (Stage 3) Ratio	0.00%	0.00%
Impairment (Stage 3) to Stage 3 Loans Ratio	0.00%	0.00%
<b>Profitability (%)</b>		
Interest Margin	8.18%	10.24%
Return on Assets (before Tax)	7.10%	10.71%
Return on Equity	11.92%	19.50%

#### Notes :

- These Financial Statements are prepared in accordance with LKAS 34 - Interim Financial Reporting laid down by the Institute of Chartered Accountants of Sri Lanka. There were no changes to Accounting Policies and methods of computation since the Audited Financial Statements for the year ended 31 December 2023.
- The bank continues to assess the Economic Factor Adjustment (EFA) to reflect the economic environment when assessing collective impairment provisions in the subsequent periods. The recommended treatments as per the guidelines issued by the Central Bank of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka were considered in assessing the above-mentioned Expected Credit Losses (ECL).
- DBU and FCBU retained profit for the year ended 31 December 2020 (Balance) and 2021 amounting to LKR 642.86 Mn and USD 1.38 Mn has been transferred to Head Office in April 2024, after obtaining approval from the Central Bank of Sri Lanka and the Department of Inland Revenue.
- There was no pending litigation of a material nature against the Branch.
- No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements other than the information disclosed in the notes.