

Deutsche Bank AG, Colombo Branch

Interim Financial Statements

For the Six Months Ended 30 June 2022

Deutsche Bank AG - Colombo Branch Income Statement

In Rupees Thousands

	Current Period From 01/01/22 to 30/06/22	Previous Period From 01/01/21 to 30/06/21	Change %
Interest income	2,144,901	1,311,982	63
Interest expenses	(220,835)	(198,268)	(11)
Net interest income	1,924,066	1,113,714	73
Fee and commission income	274,307	239,330	15
Fee and commission expenses	(16,209)	(19,283)	16
Net fee and commission income	258,098	220,047	17
Net gains / (losses) from trading	883,527	449,436	97
Net fair value gains/(losses) on:	-	-	-
Net gains/(losses) from financial instruments at fair value through profit & loss	-	(65,000)	100
Financial liabilities at fair value through profit or loss	-	-	-
Net gains from derecognition of financial assets:	-	-	-
At fair value through profit or loss			
At amortised cost			
At fair value through other comprehensive income			
Net other operating income	(1,156,314)	81,628	(1,517)
Total operating income	1,909,377	1,799,825	6
Impairment reversal/(charges)	(1,216,390)	120,401	
Net operating income	692,987	1,920,226	(64)
Personnel expenses	(266,473)	(197,848)	(35)
Depreciation and amortization	(49,208)	(32,867)	(50)
Other operating expenses	(737,012)	(749,039)	2
Operating profit/(loss) before VAT on financial services	(359,706)	940,472	(138)
Value Added Tax (VAT) on financial services	-	(150,254)	100
Profit / (Loss) before Income Tax	(359,706)	790,218	(146)
Income tax expenses	110,717	(216,701)	151
Profit / (Loss) for the period	(248,989)	573,517	(143)

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

In Rupees Thousands

	Current Period From 01/01/22 to 30/06/22	Previous Period From 01/01/21 to 30/06/21	Change %
Profit/ (Loss) for the period	(248,989)	573,517	(143)
Items that will be reclassified to income statement			
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	-	(3,244)	100
Share of profits of associates and joint ventures	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-
Others (specify)	-	-	-
Less: Tax expense relating to items that will be reclassified to income statement	-	-	-
	-	-	-
Items that will not be reclassified to income statement			
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	-	-	-
Changes in revaluation surplus	-	-	-
Share of profits of associates and joint ventures Others (specify)	-	-	-
Others:	-	-	-
Gain/(loss) on translating the Financial Statemtns of FCBU	2,594,691	236,554	997
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	2,594,691	233,310	1,012
Other Comprehensive Income (OCI) for the period, net of taxes	2,594,691	233,310	1,012
Total comprehensive income/ (expense) for the period	2,345,702	806,827	191

Deutsche Bank AG - Colombo Branch
Statement of Financial Position

In Rupees Thousands

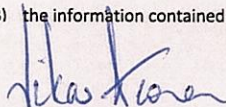
	Current Period As at 30-06-2022	Previous Period As at 31-12-2021 (Audited)	Growth %
Assets			
Cash and cash equivalents	4,932,110	156,558	3,050
Balances with Central Bank	18,047,988	5,903,034	206
Placement with Banks	-	7,995,601	(100)
Placement with branches	4,764,469	5,978,294	(20)
Derivative financial instruments	294,689	2,437	11,992
Group balances receivable	6,074,421	2,733,485	122
Financial assets measured at fair value through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial assets at amortised cost			
- loans and advances	31,179,817	27,247,308	14
- debt and other instruments	6,016,250	3,830,912	57
Financial assets measured at fair value through other comprehensive income	42,339	1,123,699	(96)
Investments in subsidiaries	-	-	-
Investments in associates and joint ventures	-	-	-
Property, plant & equipment	493,017	76,371	546
Investment properties	-	-	-
Goodwill and intangible assets	-	-	-
Deferred tax assets	393,814	104,750	276
Other assets	2,896,137	1,024,528	183
Total assets	75,135,051	56,176,977	34
Liabilities			
Due to banks	4,998	1,088	359
Due to branches	8,083,445	11,902,147	(32)
Derivative financial instruments	342,403	2,457	13,836
Financial liabilities recognized through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial liabilities at amortised cost			
- due to depositors	37,707,412	24,386,640	55
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Debt securities issued	-	-	-
Retirement benefit obligations	64,362	68,144	(6)
Current tax liabilities	261,026	209,404	25
Deferred tax liabilities	-	-	-
Other provisions	-	-	-
Other liabilities	3,101,841	361,615	758
Due to Subsidiaries	-	-	-
Group balances payable	6,120,266	3,303,331	85
Total liabilities	55,685,753	40,234,826	38
Equity			
Stated capital /Assigned capital	4,410,461	4,410,461	-
Statutory reserve fund	793,635	793,634	0
FVTOCI Reserve	(25,701)	(25,702)	0
Retained earnings	3,377,467	4,026,216	(16)
Other reserves	10,893,437	6,737,542	62
Total equity	19,449,298	15,942,151	22
Total equity & liabilities	75,135,051	56,176,977	34
Contingent liabilities & commitments	57,716,028	45,651,093	26
Memorandum information:			
No. of employees	86	88	
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.



Vikas Arora
 Chief Country Officer
 24.08.2022
 Colombo



A.R.M. Imesha Sanjeevanie
 Head of Finance

Deutsche Bank AG - Colombo Branch
Statement of Changes in Equity

	Stated capital/Assigned capital			Reserves				Total equity			
	Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Statutory Reserve Fund	FVTOCI Reserve	ECL reserve	Retained earnings		Exchange equalization of Capital	Exchange equalization of Reserves	Reserve through contributed assets
Balance as at 01/01/2022-Audited	-	-	4,410,461	793,635	(25,701)	-	4,026,214	665,365	453,622	5,618,554	15,942,150
Total comprehensive income for the period	-	-	-	-	-	-	(248,989)	-	-	-	(248,989)
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	(310,541)	-	-	-	-
ECL Reserve	-	-	-	-	-	310,541	-	-	-	-	-
Related taxes	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain on translating the Financials statement FCBU	-	-	-	-	-	-	-	1,170,836	1,423,855	-	2,594,691
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	310,541	(559,530)	1,170,836	1,423,855	-	2,345,702
Transactions recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	89,217	(89,217)	-	-	1,161,446	1,161,446
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/06/2022	-	-	4,410,461	793,635	(25,701)	399,758	3,377,467	1,836,201	1,877,477	6,780,000	19,449,298

Deutsche Bank AG - Colombo Branch
Statement of Cash Flows

	For the Quarter ended	
	Current Period 30-06-2022 Rs. '000	Previous Period 30-06-2021 Rs. '000
<i>Cash flows from operating activities</i>		
Profit / (Loss) before tax	(359,706)	790,218
Adjustment for		
Non cash items included in profit before tax	1,810,719	373,464
Change in operating assets	(10,819,392)	4,044,818
Change in operating liabilities	14,278,998	(5,650,052)
Tax paid	(126,725)	(111,246)
Others	-	(956)
Net cash generated from operating activities	4,783,894	(553,754)
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,342)	(525)
Dividend received from investments	-	956
Net cash (used in) from investing activities	(8,342)	431
<i>Cash flows from financing activities</i>		
Interest paid on subordinated debt	-	-
Profit transfer to head office	-	-
Net cash from financing activities	-	-
Net increase/ (decrease) in cash & cash equivalents	4,775,552	(553,323)
Cash and cash equivalents at the beginning of the period	156,558	663,786
Cash and cash equivalents at the end of the period	4,932,110	110,463

Deutsche Bank AG - Colombo Branch
ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

a. Bank - Current period 30/06/2022

In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	4,932,110	-	-	4,932,110
Balances with central banks	18,047,988	-	-	18,047,988
Placements with banks	-	-	-	-
Placements with Branches	4,764,469	-	-	4,764,469
Derivative financial instruments	-	294,689	-	294,689
Financial assets recognized through profit or loss	-	-	-	-
Loans and advances	31,179,817	-	-	31,179,817
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Group Balances receivables	6,074,421	-	-	6,074,421
Other assets	613,568	-	-	613,568
Total financial assets	65,612,373	294,689	42,339	65,949,401

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	4,998	-	4,998
Due to Branches	8,083,445	-	8,083,445
Derivative financial instruments	-	342,403	342,403
Financial liabilities	-	-	-
- due to depositors	37,707,412	-	37,707,412
- due to Debt securities holders	-	-	-
- due to other borrowers	-	-	-
Group Balances payable	3,996,476	-	3,996,476
Other liabilities	502,682	-	502,682
Total financial liabilities	50,295,013	342,403	50,637,416

AC - Financial assets/liabilities measured at amortised 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 31/12/2021

In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	156,558	-	-	156,558
Balances with central banks	5,903,034	-	-	5,903,034
Placements with banks	7,995,601	-	-	7,995,601
Placements with Branches	5,978,294	-	-	5,978,294
Derivative financial instruments	-	2,437	-	2,437
Financial assets recognized through profit or loss	-	-	-	-
Loans and advances	27,247,308	-	-	27,247,308
Financial assets at amortized cost - debt instruments	3,830,912	-	-	3,830,912
Financial assets measured at fair value through other comprehensive income	-	-	1,123,699	1,123,699
Group Balances receivables	2,733,485	-	-	2,733,485
Other assets	407,562	-	-	407,562
Total financial assets	54,252,754	2,437	1,123,700	55,378,890

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	1,088	-	1,088
Due to Branches	11,902,147	-	11,902,147
Derivative financial instruments	-	2,457	2,457
Financial liabilities	-	-	-
- due to depositors	24,386,640	-	24,386,640
- due to Debt securities holders	-	-	-
- due to other borrowers	-	-	-
Group Balances payable	3,303,331	-	3,303,331
Other liabilities	75,417	-	75,417
Total financial liabilities	39,668,623	2,457	39,671,081

Deutsche Bank AG - Colombo Branch
Selected Performance Indicators

	Current Period As at 30-06- 2022	Previous Period As at 31-12- 2021
Regulatory Capital (LKR in Millions)		
Common Equity Tier 1	15,206	14,751
Tier 1 Capital	15,206	14,751
Total Capital	15,223	14,761
Regulatory Capital Ratios (%)		
Common Equity Tier I Capital Ratio (Minimum requirement - 6.50%)	25.04%	34.20%
Tier I Capital Ratio (Minimum requirement - 8.50%)	25.04%	34.20%
Total Capital Ratio (Minimum requirement - 12.50%)	25.07%	34.22%
Leverage Ratio (Minimum Requirement- 3%)	16.42%	20.74%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)		
Domestic Banking unit	23,308	19,996
Off-Shore Banking unit	16,648	10,847
Statutory Liquid Assets Ratio,% (Minimum requirement 20%)		
Domestic Banking unit	70.07%	73.89%
Off-Shore Banking unit	72.55%	72.86%
Total Stock of High-Quality Liquid Assets (LKR in Millions)		
Liquidity Coverage Ratio (%) - (Minimum requirement - 100%)		
Rupee (%)	771.72%	246.00%
All Currency (%)	465.62%	137.66%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)		
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (net Interest in Suspense)	0.00%	0.00%
Net Non - Performing Advances Ratio, % (net of Interest in Suspense and Provision)	0.00%	0.00%
Profitability		
Interest Margin, (%)	5.64%	3.93%
Return on Assets (before Tax), (%)	-1.05%	1.92%
Return on Equity, (%)	-2.84%	5.69%

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 2021.
- The Branch incurred an after tax loss of LKR 249 mn for the first six months mainly due to;
 - Increase in SLDB impairment provision by LKR 1.5 bn (increase the provision cover to 20%) and SLDB portfolio was reported as stage 2 asset.
 - HO and IE payable/ receivable revaluation loss of LKR 1.2 bn was recognized as a result of the significant LKR depreciation.
- There was no pending litigation of a material nature against the Branch.
- All known expenses have been provided in these Interim Financial Statements.
- No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements.

Deutsche Bank AG - Colombo Branch
Additional Disclosures

In Rupees Thousand	Current Period As at 30-06-2022	Previous Period As at 31-12-2021 (Audited)
By product – Domestic currency		
Demand deposits (current accounts)	15,129,498	11,803,951
Savings deposits	10,441,697	5,015,591
Margin deposits	24,804	33,325
Fixed deposits	1,507,496	1,778,750
Sub total	27,103,495	18,631,617
By product – Foreign currency		
Demand deposits (current accounts)	7,153,677	4,400,779
Savings deposits	3,061,508	1,252,943
Margin deposits	24,716	-
Fixed deposits	364,016	101,301
Sub total	10,603,917	5,755,023
Total	37,707,412	24,386,640
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	16,275,916	13,364,046
Trade finance	1,356,051	3,777,508
Staff loans	106,851	111,472
Supplier Finance	6,226,989	1,187,190
Sub total	23,965,807	18,440,216
By product – Foreign currency		
Overdrafts	4,649,402	4,480,437
Trade finance	2,584,970	4,331,228
Staff loans	-	-
Supplier Finance	-	4,755
Sub total	7,234,372	8,816,420
Total	31,200,179	27,256,636
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	10,629,545	14,690,362
Letters of credit	756,108	65,165
Forward exchange contracts	-	-
Usance Import Bills	-	-
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	11,770,816	10,896,598
Sub total	23,156,469	25,652,125
By product – Foreign currency		
Guarantees	23,402,691	12,089,872
Letters of credit	5,206,156	3,190,061
Forward exchange contracts	6,662	14,976
Usance Import Bills	4,192,323	2,154,371
Core acceptance	-	77,770
Other commitments	-	-
Undrawn loan commitments	1,751,727	2,471,918
Sub total	34,559,559	19,998,968
Total	57,716,028	45,651,093

Deutsche Bank AG - Colombo Branch
Additional Disclosures

In Rupees Thousand	Current Period As at 30-06-2022	Previous Period As at 31-12-2021 (Audited)
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies		
Less: Accumulated impairment under stage 1	51,465	21,607
Accumulated impairment under stage 2	37,663	-
Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	88,827,079	72,886,122
Movement of impairment during the period		
Under Stage 1		
Opening balance at 01/01/2022	21,607	5,743
Write-off during the year	-	-
Other movements	29,858	15,864
Closing balance at 30/06/2022	51,465	21,607
Under Stage 2		
Opening balance at 01/01/2022	-	149
Write-off during the year	-	-
Other movements	37,663	(149)
Closing balance at 30/06/2022	37,663	-
Under Stage 3		
Opening balance at 01/01/2022	-	-
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/06/2022	-	-
Total impairment	89,128	21,607