

Deutsche Bank AG Colombo Branch

Interim Financial Statements

For the six months ended 30 June 2024

Deutsche Bank AG - Colombo Branch Income Statement

In Rupees Thousands	Current Period From 01/01/24 to 30/06/24	Previous Period From 01/01/23 to 30/06/23	Change %
Interest income	3,258,692	4,225,783	(23)
Less : Interest expenses	369,628	169,523	118
Net interest income	2,889,064	4,056,260	(29)
Fee and commission income	462,487	428,125	8
Less : Fee and commission expenses	36,354	41,284	(12)
Net fee and commission income	426,133	386,841	10
Net gains / (losses) from trading	736,019	1,417,465	(48)
Net fair value gains/(losses) on:			
Financial assets at fair value through profit or loss	(82,037)	526,023	(116)
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	221,606	121,932	82
Total operating income	4,190,785	6,508,521	(36)
Less : Impairment (charges) / reversal	(88,670)	14,214	n.m.
Net operating Income	4,102,115	6,494,307	(37)
Less : Expenses			
Personnel expenses	318,736	296,916	7
Depreciation and amortization	70,956	68,953	3
Other operating expenses	1,374,800	1,093,930	26
Operating profit/(loss) before VAT on financial services and SSCL	2,337,623	5,034,508	(54)
Less : Value Added Tax (VAT) on financial services	383,060	781,750	(51)
Less : Social Security Contribution Levy (SSCL) on financial services	53,202	108,576	(51)
Profit / (Loss) before Income Tax	1,901,361	4,144,182	(54)
Less : Income tax expenses	676,360	1,521,105	(56)
Profit / (Loss) for the period	1,225,001	2,623,077	(53)

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

In Rupees Thousands

	Current Period From 01/01/24 to 30/06/24	Previous Period From 01/01/23 to 30/06/23	Change %
Profit/ (Loss) for the period	1,225,001	2,623,077	(53)
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	-	-	-
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	-	-	-
	-	-	-
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	-	-	-
Related Tax	-	-	-
Changes in revaluation surplus	-	-	-
Share of profits of associates and joint ventures	-	-	-
Gain/(loss) on translating the Financial Statements of FCBU	(480,633)	(985,188)	51
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	(480,633)	(985,188)	51
Other Comprehensive Income (OCI) for the period, net of taxes	(480,633)	(985,188)	51
Total Comprehensive Income/ (Expense) for the period	744,368	1,637,889	(55)

Deutsche Bank AG - Colombo Branch
Statement of Financial Position

In Rupees Thousands

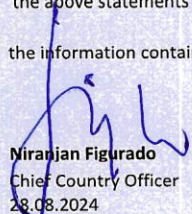
	Current Period As at 30-06-2024	Previous Period As at 31-12-2023 (Audited)	Growth %
Assets			
Cash and cash equivalents	140,148	542,721	(74)
Balances with Central Bank	14,835,998	12,346,488	20
Placement with banks	22,702,924	13,608,940	67
Placement with branches	1,572,231	49	n.m
Derivative financial instruments	7,080	38,983	(82)
Group balances receivable	2,142,423	1,719,105	25
Financial assets measured at fair value through profit or loss			
- measured at fair value	12,910,308	18,041,590	(28)
- designated at fair value	-	-	-
Financial assets at amortized cost			
- loans and advances	19,428,395	24,554,285	(21)
- 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	546,500	617,455	(11)
Investment properties	-	-	-
Goodwill and intangible assets	-	-	-
Deferred tax assets	142,759	95,572	49
Other assets	1,477,023	1,464,147	1
Total assets	75,948,128	73,071,674	4
Liabilities			
Due to banks	-	-	-
Due to branches	917,902	1,460,629	(37)
Derivative financial instruments	94,377	3,333	n.m
Financial liabilities recognized through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial liabilities at amortized cost			
- due to depositors	42,792,917	38,684,925	11
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Debt securities issued	-	-	-
Retirement benefit obligations	109,284	96,009	14
Current tax liabilities	860,384	1,572,176	(45)
Other liabilities	698,542	1,410,180	(50)
Due to Subsidiaries	-	-	-
Group balances payable	3,313,902	2,528,895	31
Total liabilities	48,787,308	45,756,147	7
Equity			
Stated capital /Assigned capital	4,410,461	4,410,461	-
Statutory reserve fund	1,220,019	1,220,019	-
Retained earnings	9,952,657	9,491,622	5
Other reserves	11,577,683	12,193,424	(5)
Total equity	27,160,820	27,315,527	(1)
Total equity & liabilities	75,948,128	73,071,674	4
Contingent liabilities & commitments	100,005,105	74,838,165	34
Memorandum information:			
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
 28.08.2024
 Colombo


A R M Imesha Sanjeewanie
 Head of Finance

Deutsche Bank AG - Colombo Branch
Statement of Changes in Equity

In Rupees Thousands	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	
Balance as at 31/12/2023-Audited	-	-	4,410,461	1,220,019	(22,703)	170,072	9,491,622	1,545,331	1,286,512	9,214,213	27,315,527
Total comprehensive income for the period											
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	1,225,001	-	-	-	1,225,001
Changes in fair value of FVTOCI	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on translating the Financial statement FCBU	-	-	-	-	-	-	-	(131,074)	(349,559)	-	(480,633)
Tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	1,225,001	(131,074)	(349,559)	-	744,368
Transactions recognized directly in equity											
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	-	-	-	-	-	(46,584)	135,109	-	(88,525)	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to Head Office	-	-	-	-	-	-	(899,075)	-	-	-	(899,075)
Unremittable HO Expenses capitalization	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/06/2024	-	-	4,410,461	1,220,019	(22,703)	123,488	9,952,657	1,414,257	848,428	9,214,213	27,160,820

Deutsche Bank AG - Colombo Branch
Statement of Cash Flows

In Rupees Thousands

	Current Period As at 30-06-2024	Previous Period As at 30-06-2023
	-	
<u>Cash flows from operating activities</u>		
Profit / (Loss) before tax	1,901,361	4,144,182
Adjustment for;		
Non cash items included in profit before tax	1,289,029	325,592
Change in operating assets	(3,595,929)	(5,289,831)
Change in operating liabilities	2,823,007	(8,538,587)
Dividend income	-	-
Net unrealized gain/(loss) from translation of Financial statements of Foreign Operation	(480,633)	(985,188)
Cash generated from operating activities	1,936,835	(10,343,832)
Contribution paid to defined benefit plans	(4,995)	(1,358)
Income tax paid	(1,435,339)	(1,237,291)
Net cash from/(used in) operating activities	496,501	(11,582,481)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	-	(20,205)
Proceeds from the sale of property, plant and equipment	-	-
Dividend received from investments	-	-
Net cash from/(used in) investing activities	-	(20,205)
<u>Cash flows from financing activities</u>		
Profit transferred to head office	(899,075)	(191,692)
Net cash from/(used in) financing activities	(899,075)	(191,692)
Net increase/(decrease) in cash & cash equivalents	(402,574)	(11,794,378)
Cash and cash equivalents at the beginning of the period	542,721	13,452,453
Cash and cash equivalents at the end of the period	140,147	1,658,075

Deutsche Bank AG - Colombo Branch
Additional Disclosures

In Rupees Thousand	Current Period As at 30-06-2024	Previous Period As at 31-12-2023 (Audited)
ANALYSIS OF CUSTOMER DEPOSITS		
<u>By product – Domestic currency</u>		
Demand deposits (current accounts)	11,740,493	10,574,926
Savings deposits	9,007,666	10,699,835
Fixed deposits	12,955,155	7,523,899
Margin deposits	52,843	53,968
Sub total	33,756,157	28,852,628
<u>By product – Foreign currency</u>		
Demand deposits (current accounts)	8,586,535	9,009,982
Savings deposits	450,225	370,271
Fixed deposits	-	452,044
Margin deposits	-	-
Sub total	9,036,760	9,832,297
Total	42,792,917	38,684,925
ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT		
<u>Product-wise Gross loans & advances</u>		
<u>By product – Domestic currency</u>		
Overdrafts	12,790,635	17,693,981
Trade finance	-	50,227
Staff loans	117,477	118,572
Supplier Finance	3,157,937	4,018,470
Sub total	16,066,049	21,881,250
<u>By product – Foreign currency</u>		
Overdrafts	2,348,203	2,264,459
Trade finance	1,103,636	469,584
Staff loans	-	-
Supplier Finance	-	-
Sub total	3,451,839	2,734,043
Total	19,517,888	24,615,293
<u>Product-wise commitments and contingencies</u>		
<u>By product – Domestic currency</u>		
Guarantees	10,791,351	11,250,305
Letters of credit	77,151	41,044
Forward exchange contracts	14,067,335	3,752,664
Usance Import Bills	-	-
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	15,147,499	11,804,539
Sub total	40,083,337	26,848,552
<u>By product – Foreign currency</u>		
Guarantees	19,527,754	22,671,130
Letters of credit	9,925,319	5,688,022
Forward exchange contracts	14,124,641	3,755,760
Usance Import Bills	999,626	521,260
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	15,344,427	15,353,441
Sub total	59,921,768	47,989,613
Total	100,005,105	74,838,165

In Rupees Thousand

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

Gross loans and advances, commitments and contingencies

Less: Accumulated impairment under stage 1

Accumulated impairment under stage 2

Accumulated impairment under stage 3

Net value of loans and advances, commitments and contingencies

Movement of impairment during the period

Under Stage 1

Opening balance at 01/01/2024

Charge/(write back) to the Income Statement

Write-off during the year

Closing balance at 30/06/2024

Under Stage 2

Opening balance at 01/01/2023

Charge/(write back) to the Income Statement

Write-off during the year

Closing balance at 30/06/2024

Under Stage 3

Opening balance at 01/01/2023

Charge/(write back) to the Income Statement

Write-off during the year

Closing balance at 30/06/2024

Total impairment

	Current Period As at 30-06-2024	Previous Period As at 31-12-2023 (Audited)
Gross loans and advances, commitments and contingencies	119,522,993	99,453,458
Less: Accumulated impairment under stage 1	229,699	167,062
Accumulated impairment under stage 2	42,870	15,823
Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	119,250,424	99,270,573
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	62,637	122,699
Write-off during the year	-	-
Closing balance at 30/06/2024	229,699	167,062
Under Stage 2		
Opening balance at 01/01/2023	15,823	38,904
Charge/(write back) to the Income Statement	27,047	(23,081)
Write-off during the year	-	-
Closing balance at 30/06/2024	42,870	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 30/06/2024	-	-
Total impairment	272,569	182,885

Deutsche Bank AG - Colombo Branch

Analysis of Financial Instruments on Measurement Basis

a. Bank - Current period 30/06/2024

In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	140,148	-	-	140,148
Balances with central bank	14,835,998	-	-	14,835,998
Placements with banks	22,702,924	-	-	22,702,924
Placements with branches	1,572,231	-	-	1,572,231
Derivative financial instruments	-	7,080	-	7,080
Group balances receivables	2,142,423	-	-	2,142,423
Financial assets measured at fair value through profit or loss	-	12,910,308	-	12,910,308
Financial assets at amortized cost				
- loans and advances	19,428,395	-	-	19,428,395
- debt and other instruments	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Other assets	1,477,023	-	-	1,477,023
Total financial assets	62,299,142	12,917,388	42,339	75,258,869

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	-	-	-
Due to branches	917,902	-	917,902
Derivative financial instruments	-	94,377	94,377
Financial liabilities at amortized cost			
- due to depositors	42,792,917	-	42,792,917
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Group balances payable	3,313,902	-	3,313,902
Other liabilities	286,261	-	286,261
Total financial liabilities	47,310,982	94,377	47,405,359

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
ASSETS				
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
Total financial assets	54,235,735	18,080,573	42,339	72,358,646

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
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
Total financial liabilities	42,973,730	3,333	42,977,063

Deutsche Bank AG - Colombo Branch Selected Performance Indicators

	Current Period	Previous Period
	As at 30-06-2024	As at 31-12-2023
Regulatory Capital (LKR in Millions)		
Common Equity Tier 1	20,733	24,224
Tier 1 Capital	20,733	24,224
Total Capital	20,820	24,284
Regulatory Capital Ratios (%)		
Common Equity Tier I Capital Ratio (Minimum requirement - 7.00%)	30.7%	40.4%
Tier I Capital Ratio (Minimum requirement - 8.50 %)	30.7%	40.4%
Total Capital Ratio (Minimum requirement - 12.50 %)	30.8%	40.5%
Leverage Ratio (Minimum Requirement- 3%)	22.9%	26.5%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)		
Domestic Banking unit	47,633	36,094
Off-Shore Banking unit	10,334	13,142
Statutory Liquid Assets Ratio (Minimum requirement 20%)		
Domestic Banking unit (%)	113.03%	94.50%
Off-Shore Banking unit (%)	126.42%	131.39%
Total Stock of High-Quality Liquid Assets (LKR in Millions)		
	27,605	29,939
Liquidity Coverage Ratio (Minimum requirement - 100%)		
Rupee (%)	958.79%	1001.04%
All Currency (%)	675.55%	766.51%
Net Stable Funding Ratio (%) (Minimum requirement - 100%)		
	232.00%	212.00%
Assets Quality (Quality of Loan Portfolio) (%)		
Impaired Loans (Stage 3) Ratio	0.00%	0.00%
Impairment (Stage 3) to Stage 3 Loans Ratio	0.00%	0.00%
Profitability (%)		
Interest Margin	7.76%	10.24%
Return on Assets (before Tax)	5.11%	10.71%
Return on Equity	8.97%	19.50%

Notes :

1. 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.
2. 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).
3. 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.
4. There was no pending litigation of a material nature against the Branch.
5. 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.