

Deutsche Bank AG Colombo Branch

Interim Financial Statements

For the three months ended 31 March 2023

Deutsche Bank AG - Colombo Branch Income Statement

In Rupees Thousands

	Current Period From 01/01/23 to 31/03/23	Previous Period From 01/01/22 to 31/03/22	Change %
Interest income	2,051,105	702,115	192
Interest expenses	85,849	93,415	(8)
Net interest income	1,965,256	608,700	223
Fee and commission income	197,478	125,433	57
Fee and commission expenses	30,213	6,803	344
Net fee and commission income	167,265	118,630	41
Net gains / (losses) from trading	608,887	(241,241)	352
Net fair value gains/(losses) on:	-	-	-
Net gains/(losses) from financial instruments at fair value through profit & loss	390,356	-	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	46,121	35,593	30
Total operating income	3,177,885	521,682	509
Impairment reversal/(charges)	(26,218)	(391,026)	93
Net operating income	3,151,667	130,656	2,312
Personnel expenses	157,746	109,868	44
Depreciation and amortization	34,073	30,408	12
Other operating expenses	297,627	287,355	4
Operating profit/(loss) before VAT on financial services	2,662,221	(296,975)	996
Value Added Tax (VAT) on financial services	417,434	-	100
Social Security Contribution Levy (SSCL) on financial services	57,977	-	100
Profit / (Loss) before Income Tax	2,186,810	(296,975)	836
Income tax expenses	(802,698)	90,924	(983)
Profit / (Loss) for the period	1,384,112	(206,051)	772

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

In Rupees Thousands

	Current Period From 01/01/23 to 31/03/23	Previous Period From 01/01/22 to 31/03/22	Change %
Profit/ (Loss) for the period	1,384,112	(206,051)	772
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	-	(4,611)	(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	-	1,107	(100)
	-	(3,504)	(100)
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 Statements of FCBU	(673,004)	1,530,608	(144)
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	(673,004)	1,530,608	(144)
Other Comprehensive Income (OCI) for the period, net of taxes	(673,004)	1,527,104	(144)
Total comprehensive income/ (expense) for the period	711,108	1,321,053	(46)

Deutsche Bank AG - Colombo Branch
Statement of Financial Position

In Rupees Thousands

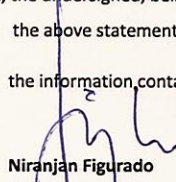
	Current Period As at 31-03-2023	Previous Period As at 31-12-2022 (Audited)	Growth %
Assets			
Cash and cash equivalents	15,586,687	13,452,453	16
Balances with Central Bank	10,741,256	17,868,618	(40)
Placement with Banks	-	-	-
Placement with branches	4,033,663	6,101,049	(34)
Derivative financial instruments	132,393	48,544	173
Group balances receivable	2,397,346	1,195,941	100
Financial assets measured at fair value through profit or loss			
- measured at fair value	8,173,225	-	100
- designated at fair value	-	-	-
Financial assets at amortised cost			
- loans and advances	31,233,371	26,839,736	16
- debt and other instruments	-	7,547,678	(100)
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	670,444	699,868	(4)
Investment properties	-	-	-
Goodwill and intangible assets	-	-	-
Deferred tax assets	57,311	41,246	39
Other assets	1,448,811	1,565,168	(7)
Total assets	74,516,846	75,402,640	(1)
Liabilities			
Due to banks	-	3,013	(100)
Due to branches	981,223	8,044,569	(88)
Derivative financial instruments	144,242	90,366	60
Financial liabilities recognized through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial liabilities at amortised cost			
- due to depositors	44,292,808	38,856,513	14
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Debt securities issued	-	-	-
Retirement benefit obligations	72,794	73,686	(1)
Current tax liabilities	1,459,264	1,259,992	16
Deferred tax liabilities	-	-	-
Other provisions	-	-	-
Other liabilities	1,923,697	2,059,747	(7)
Due to Subsidiaries	-	-	-
Group balances payable	691,729	774,770	(11)
Total liabilities	49,565,757	51,162,656	(3)
Equity			
Stated capital /Assigned capital	4,410,461	4,410,461	-
Statutory reserve fund	963,823	963,823	-
Retained earnings	7,858,085	6,419,207	22
Other reserves	11,718,720	12,446,493	(6)
Total equity	24,951,089	24,239,984	3
Total equity & liabilities	74,516,846	75,402,640	(1)
Contingent liabilities & commitments	73,732,662	89,321,906	(17)
Memorandum information:			
No. of employees	56	59	
No. of branches	1	1	

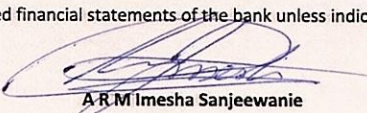
Note: Amounts stated are net of impairment & depreciation.

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.


Niranjana Figarado
 Chief Country Officer
 24.05.2023
 Colombo


A.R.M. Imesha Sanjeevan
 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	Fair Value Reserve	ECL reserve	Retained earnings	Exchange equalization of Capital	Exchange equalization of Reserves		Reserve through contributed assets
Balance as at 01/01/2023-Audited	-	-	4,410,461	963,823	(22,703)	265,328	6,419,206	1,861,560	1,632,737	8,709,569	24,239,981
Total comprehensive income for the period	-	-	-	-	-	-	1,384,112	-	-	-	1,384,112
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of FVTOCI	-	-	-	-	-	-	-	-	-	-	-
ECL Reserve	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on translating the Financials statement FCBU	-	-	-	-	-	-	-	(297,236)	(375,768)	-	(673,004)
Tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	1,384,112	(297,236)	(375,768)	-	711,108
Transactions recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Transfers to ECL reserve during the year	-	-	-	-	-	(54,767)	54,767	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Profit remittance to Head Office	-	-	-	-	-	-	-	-	-	-	-
Unremittable HO Expenses capitalization	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31/03/2023	-	-	4,410,461	963,823	(22,703)	210,561	7,858,085	1,564,324	1,256,969	8,709,569	24,951,089

Deutsche Bank AG - Colombo Branch
Statement of Cash Flows

	For the Quarter ended	
	Current Period 31-03-2023 Rs. '000	Previous Period 31-03-2022 Rs. '000
Cash flows from operating activities		
Profit / (Loss) before tax	2,186,810	(296,975)
Adjustment for		
Non cash items included in profit before tax	(227,110)	653,717
Change in operating assets	3,006,669	(7,641,292)
Change in operating liabilities	(2,211,079)	9,551,973
Dividend income	-	-
Net unrealised gain/(loss) from translation of Financial statements of Foreign Operation	(673)	-
Cash generated from operating activities	2,754,617	2,267,423
Contribution paid to defined benefit plans	(892)	-
Income tax paid	(619,491)	(65,332)
Net cash generated from operating activities	2,134,234	2,202,091
Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Proceeds from the sale of property, plant and equipment	-	-
Dividend received from investments	-	-
Net cash (used in) from investing activities	-	-
Cash flows from financing activities		
Profit transfer to head office	-	-
Net cash from financing activities	-	-
Net increase/ (decrease) in cash & cash equivalents	2,134,234	2,202,091
Cash and cash equivalents at the beginning of the period	13,452,453	156,558
Cash and cash equivalents at the end of the period	15,586,687	2,358,649

Deutsche Bank AG - Colombo Branch
Additional Disclosures

In Rupees Thousand	Current Period As at 31-03-2023	Previous Period As at 31-12-2022 (Audited)
By product – Domestic currency		
Demand deposits (current accounts)	13,156,029	15,755,415
Savings deposits	13,129,568	6,517,770
Margin deposits	2,554,962	3,299,450
Fixed deposits	79,644	62,598
Sub total	28,920,203	25,635,233
By product – Foreign currency		
Demand deposits (current accounts)	12,346,792	9,905,718
Savings deposits	384,650	1,511,836
Margin deposits	2,178,676	488,348
Fixed deposits	462,487	1,315,378
Sub total	15,372,605	13,221,280
Total	44,292,808	38,856,513
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	22,692,105	13,528,205
Trade finance	3,008,471	3,146,848
Staff loans	93,595	100,573
Supplier Finance	2,635,750	3,613,534
Sub total	28,429,921	20,389,160
By product – Foreign currency		
Overdrafts	2,357,265	4,125,814
Trade finance	468,483	2,260,817
Staff loans	-	-
Supplier Finance	-	88,239
Sub total	2,825,748	6,474,870
Total	31,255,669	26,864,030
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	12,291,263	11,890,349
Letters of credit	1,698,223	1,065,936
Forward exchange contracts	3,221,000	-
Usance Import Bills	-	140,456
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	13,472,575	12,610,111
Sub total	30,683,061	25,706,852
By product – Foreign currency		
Guarantees	24,687,411	30,985,085
Letters of credit	3,137,695	4,204,115
Forward exchange contracts	3,265,000	13,522,742
Usance Import Bills	346,374	2,365,453
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	11,613,121	12,537,658
Sub total	43,049,601	63,615,053
Total	73,732,662	89,321,905

Deutsche Bank AG - Colombo Branch
Additional Disclosures

	Current Period As at 31-03-2023	Previous Period As at 31-12-2022 (Audited)
In Rupees Thousand		
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	104,988,331	116,185,935
Less: Accumulated impairment under stage 1	39,533	44,363
Accumulated impairment under stage 2	27,165	38,904
Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	104,921,633	116,102,668
Movement of impairment during the period		
Under Stage 1		
Opening balance at 01/01/2023	44,363	21,607
Write-off during the year	-	-
Other movements	(4,830)	22,756
Closing balance at 31/03/2023	39,533	44,363
Under Stage 2		
Opening balance at 01/01/2023	38,904	-
Write-off during the year	-	-
Other movements	(11,739)	38,904
Closing balance at 31/03/2023	27,165	38,904
Under Stage 3		
Opening balance at 01/01/2023	-	-
Write-off during the year	-	-
Other movements	-	-
Closing balance at 31/03/2023	-	-
Total impairment	66,698	83,267

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

a. Bank - Current period 31/03/2023

In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	15,586,687	-	-	15,586,687
Balances with central banks	10,741,256	-	-	10,741,256
Placements with banks	-	-	-	-
Placements with Branches	4,033,663	-	-	4,033,663
Derivative financial instruments	-	132,393	-	132,393
Group Balances receivables	2,397,346	-	-	2,397,346
Financial assets recognized through profit or loss	-	8,173,225	-	8,173,225
Loans and advances	31,233,371	-	-	31,233,371
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Other assets	1,448,811	-	-	1,448,811
Total financial assets	65,441,134	8,305,618	42,339	73,789,091
LIABILITIES				
Due to banks	-	-	-	-
Due to Branches	-	981,223	-	981,223
Derivative financial instruments	-	-	144,242	144,242
Financial liabilities at amortised cost	-	-	-	-
- due to depositors	-	44,292,808	-	44,292,808
- due to Debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Group Balances payable	-	691,729	-	691,729
Other liabilities	-	1,923,697	-	1,923,697
Total financial liabilities		47,889,457	144,242	48,033,699

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 31/12/2022

In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	13,452,453	-	-	13,452,453
Balances with central banks	17,868,618	-	-	17,868,618
Placements with banks	-	-	-	-
Placements with Branches	6,101,049	-	-	6,101,049
Derivative financial instruments	-	48,544	-	48,544
Group Balances receivables	1,195,941	-	-	1,195,941
Financial assets recognized through profit or loss	-	-	-	-
Loans and advances	26,839,736	-	-	26,839,736
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Other assets	1,565,168	-	-	1,565,168
Total financial assets	67,022,965	48,544	42,339	67,113,848
LIABILITIES				
Due to banks	-	3,013	-	3,013
Due to Branches	-	8,044,569	-	8,044,569
Derivative financial instruments	-	-	90,366	90,366
Financial liabilities	-	-	-	-
- due to depositors	-	38,856,513	-	38,856,513
- due to Debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Group Balances payable	-	774,770	-	774,770
Other liabilities	-	2,059,747	-	2,059,747
Total financial liabilities		49,738,612	90,366	49,828,978

Deutsche Bank AG - Colombo Branch
Selected Performance Indicators

	Current Period As at 31-03- 2023	Previous Period As at 31-12- 2022
Regulatory Capital (LKR in Millions)		
Common Equity Tier 1	15,257	20,446
Tier 1 Capital	15,257	20,446
Total Capital	15,274	20,464
Regulatory Capital Ratios (%)		
Common Equity Tier I Capital Ratio (Minimum requirement - 6.50%)	27.08%	35.71%
Tier I Capital Ratio (Minimum requirement - 8.50 %)	27.08%	35.71%
Total Capital Ratio (Minimum requirement - 12.50 %)	27.11%	35.75%
Leverage Ratio (Minimum Requirement- 3%)	15.25%	20.47%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)		
Domestic Banking unit	29,272	36,853
Off-Shore Banking unit	15,696	10,336
Statutory Liquid Assets Ratio,% (Minimum requirement 20 %)		
Domestic Banking unit	80.60%	94.78%
Off-Shore Banking unit	168.31%	68.26%
Total Stock of High-Quality Liquid Assets (LKR in Millions)		
	18,390	17,049
Liquidity Coverage Ratio (%) - (Minimum requirement - 100%)		
Rupee (%)	686.36%	825.46%
All Currency (%)	429.32%	312.01%
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, (%)	10.44%	7.60%
Return on Assets (before Tax), (%)	11.62%	6.64%
Return on Equity, (%)	22.29%	17.26%

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 2022.
2. Inter-Entity Payable of LKR 504 Mn classified as funds available for capitalization and CBSL approval to be received for the same.
3. 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).
4. There was no pending litigation of a material nature against the Branch.
5. All known expenses have been provided in these Interim Financial Statements.
6. No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements.