

## **Deutsche Bank**

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## **FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED 30 JUNE 2023

INCOME STATEMENT					
	Deutsche Bank Colombo Br				
In Rupees Thousands	Current Period From 01/01/23 to 30/06/23	Previous Period From 01/01/22 to 30/06/22	Chang		
Interest income	4,225,783	2,144,901	97		
Less : Interest expenses	169,523	220,835	(23		
Net interest income	4,056,260	1,924,066	111		
Fee and commission income	428,125	274,307	56		
Less : Fee and commission expenses	41,284	16,209	155		
Net fee and commission income	386,841	258,098	50		
Net gains / (losses) from trading	1,417,465	883,527	60		
Net fair value gains / (losses) on:					
Financial assets at fair value through profit and loss	526,023	-	10		
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	-	-			
Net fair value gains/(losses) on at fair value through other comprehensive income	-	-			
Net other operating income	121,932	(1,156,314)	11		
Total operating income	6,508,521	1,909,377	24		
Less : Impairment charges / (reversal)	14,214	1,216,390	(9		
Net operating income	6,494,307	692,987	83		
Less : Expenses					
Personnel expenses	296,916	266,473	1		
Depreciation and amortization	68,953	49,208	4		
Other operating expenses	1,093,930	737,012	4		
Operating profit / (loss) before VAT on financial services and SSCL	5,034,508	(359,706)	1,50		
Less : Value Added Tax (VAT) on financial services	781,750	-	10		
Less : Social Security Contribution Levy (SSCL) on financial services	108,576	-	10		
Profit / (Loss) before Income Tax	4,144,182	(359,706)	1,25		
Less : Income tax expenses	1,521,105	(110,717)	1,47		
Profit / (Loss) for the period	2,623,077	(248,989)	1,15		

	Deutsche Ba	ank Colombo Bra	anch
In Rupees Thousands	Current Period From 01/01/23 to 30/06/23	Previous Period From 01/01/22 to 30/06/22	Change
Profit / (Loss) for the period	2,623,077	(248,989)	1,153
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	-	-	-
Changes in revaluation surplus	-	-	
Share of profits of associates and joint ventures	-	-	-
Gain / (loss) on translating the financial statemtns of FCBU	(985,189)	2,594,691	(138)
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	(985,189)	2,594,691	(138)
Other Comprehensive Income (OCI) for the period, net of taxes	(985,189)	2,594,691	(138)
Comprehensive Income / (Expense) for the period	1,637,888	2,345,702	(30)

STATEMENT OF CASH FLOWS				
	Deutsche Bank Colombo Branch			
In Rupees Thousands	Current Period As at 30-06-2023	Previous Period As a 30-06-2022		
Cash flows from operating activities				
Profit / (Loss) before tax	4,144,182	(359,706		
Adjustment for				
Non cash items included in profit before tax	325,592	1,810,719		
(Increase)/decrease in operating assets	(5,289,831)	(10,819,392		
Increase/(decrease) in operating liabilities	(8,538,586)	14,278,998		
Dividend received from investments	-	-		
Net unrealized gain/(loss) arising from translating the financial statements of foreign operations	(985,189)	-		
Net cash generated from operating activities	(10,343,832)	4,910,619		
Contribution paid to defined benefit plans	(1,358)	-		
Income tax paid	(1,237,291)	(126,725		
Net cash from / (used in) operating activities	(11,582,481)	4,783,894		
Cash flows from financing activities				
Purchase of property, plant and equipment	(20,205)	(8,342		
Proceeds from the sale of property, plant and equipment	-	-		
Dividend received from investments	-	-		
Net cash from / (used in) investing activities	(20,205)	(8,342		
Cash flows from financing activities				
Profit transferred to head office	(191,692)	-		
Net cash from / (used in) financing activities	(191,692)	-		
Net increase / (decrease) in cash & cash equivalents	(11,794,378)	4,775,552		
Cash and cash equivalents at the beginning of the period	13,452,453	156,558		
Cash and cah equivalents at the end of the period	1,658,075	4,932,110		

STATEMENT OF CHANGES IN E	QUITY										
	Stated	capital/Assigned	capital				Reserves				
In Rupees Thousands	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	Total Equity
Balance as at 31/12/2022 - Audited		-	4,410,461	963,823	(22,703)	265,328	6,419,206	1,861,562	1,632,736	8,709,569	24,239,982
Total comprehensive income for the period											
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	2,623,077	-	-	-	2,623,077
Changes in fair value of FVTOCI	-	-	-	-	-	-	-	-	-	-	-
ECL Reserve	-	-	-	-	-	-	-	-	-		-
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain on translating the financial statement of FCBU	-	-	-	-	-	-	-	(434,980)	(550,209)	-	(985,189)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-		-	-	-	2,623,077	(434,980)	(550,209)		1,637,888
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	-	-	-	-	-	(65,986)	65,986	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to head office	-		-	-	-	-	(191,692)	-	-	-	(191,692)
Gain / (loss) on revaluation of property, plant and equipment	_		_		-	-	_	_	-	_	-
Balance as at 30/06/2023	-	-	4,410,461	963,823	(22,703)	199,342	8,916,577	1,426,582	1,082,527	8,709,569	25,686,178

	Deutsche Bank Co	olombo Brancl
Item	Current Period As at 30-06-2023	Previou Period As a 31-12-202
Regulatory Capital (LKR in Millions)		
Common Equity Tier I	18,213	20,446
Tier I Capital	18,213	20,446
Total Capital	18,224	20,46
Regulatory Capital Ratios (%)		
Common Equity Tier I Capital Ratio (Minimum requirement - 7.00%)	27.34%	35.71%
Tier I Capital Ratio (Minimum requirement - 8.50%)	27.34%	35.71%
Total Capital Ratio (Minimum requirement - 12.50%)	27.36%	35.75%
Leverage Ratio (Minimum requirement - 3%)	20.21%	20.47%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)		
Domestic Banking unit	27,910	36,85
Off-Shore Banking unit	11,076	10,336
Statutory Liquid Assets Ratio (Minimum requirement - 20.00%)		
Domestic Banking unit (%)	75.01%	94.78%
Off-Shore Banking unit (%)	78.78%	68.26%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	23,589	17,049
Liquidity Coverage Ratio (Minimum requirement - 100%)		
Rupees (%)	966.63%	825.46%
All Currency (%)	680.45%	312.01%
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	184.00%	144.00%
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	11.07%	7.60%
Return on Assets (before tax)	11.31%	6.64%
Return on Equity	20.91%	17.26%

ADDITIONAL DISCLOSURES		
	Deutsche Bank	Colombo Branch
In Rupees Thousands	Current Period As at 30-06-2023	Previous Period As at 31-12-2022 (Audited)
Analysis of customer deposits		
By product – Domestic currency		
Demand deposits	14,345,081	15,755,415
Savings deposits	8,194,471	6,517,770
Fixed deposits	4,565,457	3,299,450
Margin deposits	80,115	62,598
Sub total	27,185,124	25,635,233
By product – Foreign currency		
Demand deposits	9,668,500	9,905,718
Savings deposits	190,639	1,511,836
Fixed deposits	1,693,225	488,348
Margin deposits	-	1,315,378
Sub total	11,552,364	13,221,280
Total	38,737,488	38,856,513
Analysis of loans & advances, commitments, contingencies and impairment		
Product-wise Gross loans & advances		
By product - Domestic currency		
Overdrafts	15,432,848	13,528,205
Term loans	-	
Trade finance	2,763,552	3,146,848
Staff loans	101,062	100,573
Supplier finance	2,532,199	3,613,534
Sub total	20,829,661	20,389,160
By product – Foreign currency		
Overdrafts	2,068,209	4,125,814
Term loans Trade finance	643,060	2,260,817
Staff loans	643,060	2,200,617
Supplier finance	5,344	88,239
Sub total	2,716,613	6,474,870
Total	23,546,274	26,864,030
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	12,293,646	11,890,349
Letter of credit	257,111	1,065,936
Forward exchange contracts	3,692,657	
Usance import bills	-	140,456
Undrawn loan commitments  Sub total	20,420,505 <b>36,663,919</b>	12,610,111 25,706,852
By product – Foreign currency		
Guarantees	22,307,950	30,985,085
Letter of credit	1,629,013	4,204,115
Forward exchange contracts	3,745,950	13,522,742
Usance import bills	649,163	2,365,453
Undrawn loan commitments  Sub total	11,629,520	12,537,658
Total	39,961,596 76,625,515	63,615,053 89,321,905
Stage-wise impairment on loans & advances, commitments and contingencies	100 474 700	116 105 005
Gross loans and advances, commitments and contingencies	100,171,789	116,185,935
Less: Accumulated impairment under stage 1  Accumulated impairment under stage 2	20,785 26,267	44,363 38,904
Accumulated impairment under stage 2  Accumulated impairment under stage 3	20,207	30,504
Net value of loans and advances, commitments and contingencies	100,124,737	116,102,668
Manager A of the street of the		
Movement of impairment during the period Under Stage 1		
Opening balance at the beginning of the period	44,363	21,607
Charge/(write back) to the Income Statement	(23,578)	22,756
Write-off during the year	(23,370)	22,130
Closing balance at the end of the period	20,785	44,363
Under Stage 2	_3,100	,000
Opening balance at the beginning of the period	38,904	-
Charge/(write back) to the Income Statement	(12,637)	38,904
Write-off during the year	-	-
Closing balance at the end of the period	26,267	38,904
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Under Stage 3

Write-off during the year

Opening balance at the beginning of the period Charge/(write back) to the Income Statement

a. Bank - Current period as at 30/06/2023				
In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	1,658,075		-	1,658,075
Balances with Central Bank	16,215,731	-	-	16,215,731
Placements with banks	14,454,540			14,454,540
Placements with branches	1,010,330			1,010,330
Derivative financial instruments	-	53,132	-	53,132
Group balances receivables	2,015,819	-	-	2,015,819
Financial assets measured at fair value through profit or loss	-	7,813,992	_	7,813,992
Financial assets at amortised cost				
- loans and advances	23,532,664	-		23,532,664
- debt and other instruments	-	-	-	
Financial assets measured at fair value through other comprehensive income	_	_	42,339	42,339
Other assets	1,852,229	-	-	1,852,229
Total financial assets	60,739,388	7,867,124	42,339	68,648,851
In Rupees Thousand		AC	FVPL	Total
LIABILITIES				
Due to banks		-		
Due to branches		461,320		461,320
Derivative financial instruments		-	118,340	118,340
Financial liabilities at amortised cost				
- due to depositors		38,737,488	-	38,737,488
- due to debt securities holders			-	
- due to other borrowers			-	
Group balances payable		1,348,988	-	1,348,988
Other liabilities		346,479	-	346,479
Total financial liabilities		40,894,275	118,340	41,012,615

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

Group balances payable

Total financial liabilities

47,052

83,267

b. Bank - Previous period as at 31/12/2022	(Audited)			
In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	13,452,453	-	-	13,452,453
Balances with Central Bank	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 measured at fair value through profit or loss	_	_	_	
Financial assets at amortised cost				
- loans and advances	26,839,736	-	-	26,839,736
- debt and other instruments	7,547,678			7,547,678
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	74,570,644	48,544	42,339	74,661,527
In Rupees Thousand		AC	FVPL	Total
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 at amortised cost				
- due to depositors		38,856,513	-	38,856,513
- due to debt securities holders		-	-	-
- due to other borrowers		-	-	-

604,905 48,283,771

## 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 2022.
- 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.

Deutsche Ba Current Period As at 30-06-2023	ank Colombo Brar Previous	nch
Period As at		
	Period As at 31-12-2022 (Audited)	Growth %
1,658,075	13,452,453	(88)
16,215,731	17,868,618	(9)
14,454,540	-	-
1,010,330	6,101,049	(83)
53,132	48,544	9
2,015,819	1,195,941	69
7,813,992	-	100
-	-	
23,532,664	26,839,736	(12)
-	7,547,678	(100)
40.000	40.000	
42,339	42,339	-
-		-
GEE 700	600.000	- (6)
655,768	699,868	(6)
-		-
- -	41,246	36
56,028		18
1,852,229 <b>69,360,647</b>	1,565,168 <b>75,402,640</b>	(8)
03,300,047	73,402,640	(6)
	3,013	(100)
461,320	8,044,569	(94)
118,340	90,366	31
110,040	00,000	01
-		-
-	-	-
38,737,488	38,856,513	(0)
-	-	-
-	-	-
-	-	-
72,328	73,686	(2)
1,558,588	1,259,992	24
-	-	-
1,377,417	2,059,748	(33)
-	-	-
1,348,988	774,771	74
43,674,469	51,162,658	(15)
4,410,461	4,410,461	-
963,823	963,823	-
8,916,577	6,419,206	39
11,395,317	12,446,492	(8)
		6
69,360,647	75,402,640	(8)
76 625 545	90 224 005	(14)
70,023,515	03,321,303	(14)
56	FO	
(	11,395,317 25,686,178 69,360,647 76,625,515 56 1	25,686,178 24,239,982 69,360,647 75,402,640 76,625,515 89,321,905 56 59

18.08.2023 Colombo.

774,771

604,905

48,374,137

90,366

**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.

(Sgd.) **Niranjan Figurado** Chief Country Officer (Sgd.) A R M Imesha Sanjeewanie Head of Finance