



Deutsche Bank AG, Pakistan Operations
(Incorporated in the Federal Republic of
Germany with limited liability)

Financial statements
for the period ended
31 March 2024

Deutsche Bank AG, Pakistan Operations
(Incorporated in the Federal Republic of Germany with limited liability)
Condensed Interim Statement of Financial Position
As at 31 March 2024

		31 March 2024	31 December 2023
	<i>Note</i>	(Un-audited)	(Audited)
		----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	12,903,178	14,125,650
Balances with other banks	7	2,975,598	2,612,845
Lendings to financial institutions	8	23,200,000	17,397,321
Investments	9	12,070,397	14,787,480
Advances	10	3,272,071	7,971,805
Fixed assets	11	691,674	740,723
Right-of-use assets	12	373,540	387,386
Intangible assets		-	-
Deferred tax assets	13	141,122	218,459
Other assets	14	3,105,969	2,591,339
		58,733,549	60,833,008
LIABILITIES			
Bills payable	15	1,211,019	832,304
Borrowings		-	-
Deposits and other accounts	16	33,615,951	36,431,582
Lease Liabilities	17	463,468	468,322
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	18	8,810,843	7,731,997
		44,101,281	45,464,205
NET ASSETS		14,632,267	15,368,803
REPRESENTED BY			
Head office capital account		9,601,326	9,984,045
Reserves		-	-
Deficit on revaluation of assets	19	(782)	(5,366)
Unremitted profit		5,031,723	5,390,124
		14,632,267	15,368,803
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan

Deutsche Bank AG, Pakistan Operations
(Incorporated in the Federal Republic of Germany with limited liability)
Condensed Interim Profit and Loss Account (Un-audited)
For three months period ended 31 March 2024

	Note	Three months period ended 31 March 2024	Three months period ended 31 March 2024	Three months period ended 31 March 2023	Three months period ended 31 March 2023
----- Rupees in '000 -----					
Mark-up / return / interest earned	21	2,285,770	2,285,770	2,185,158	2,185,158
Mark-up / return / interest expensed	22	664,594	664,594	1,262,065	1,262,065
Net mark-up / interest income		1,621,176	1,621,176	923,093	923,093
NON MARK-UP / INTEREST INCOME					
Fee and commission income	23	129,021	129,021	53,031	53,031
Dividend income		-	-	-	-
Foreign exchange income		278,500	278,500	274,139	274,139
Loss on securities	24	(24,729)	(24,729)	-	-
Other (loss) / income	25	(1,197)	(1,197)	6,796	6,796
Total non-markup / interest Income		381,595	381,595	333,966	333,966
Total Income		2,002,771	2,002,771	1,257,059	1,257,059
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	26	484,240	484,240	395,325	395,325
Workers Welfare Fund		30,466	30,466	17,443	17,443
Other charges	27	-	-	2	2
Total non-markup / interest expenses		514,706	514,706	412,770	412,770
Profit before provisions		1,488,065	1,488,065	844,289	844,289
Reversal and write offs - net	28	4,756	4,756	-	-
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,492,821	1,492,821	844,289	844,289
Taxation	29	(838,975)	(838,975)	(388,598)	(388,598)
PROFIT AFTER TAXATION		653,846	653,846	455,691	455,691

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan

Deutsche Bank AG, Pakistan Operations

(Incorporated in the Federal Republic of Germany with limited liability)

Condensed Interim Statement of Comprehensive Income (Un-audited)

For three months period ended 31 March 2024

	Three months period ended 31 March 2024	Three months period ended 31 March 2024	Three months period ended 31 March 2023	Three months period ended 31 March 2023
	------(Rupees in '000)-----			
Profit after taxation for the period	653,846	653,846	455,691	455,691
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	4,584	4,584	(615)	(615)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-
Total comprehensive income for the period	<u>658,430</u>	<u>658,430</u>	<u>455,076</u>	<u>455,076</u>

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan

Deutsche Bank AG, Pakistan Operations
(Incorporated in the Federal Republic of Germany with limited liability)
Condensed Interim Statement of Changes in Equity (Un-audited)
For three months period ended 31 March 2024

	Head office capital account	Deficit on revaluation of investments	Unremitted profit	Total
	------(Rupees in '000) -----			
Balance as at 01 January 2023	7,734,312	(4,367)	3,393,816	11,123,761
Profit for the three months period ended 31 March 2023	-	-	455,691	455,691
Other comprehensive income - net of tax	-	(615)	-	(615)
	-	(615)	455,691	455,076
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	2,182,156	-	-	2,182,156
Remittance made to Head office	-	-	-	-
	2,182,156	-	-	2,182,156
Opening balance as at 01 April 2023	9,916,468	(4,982)	3,849,507	13,760,993
Profit after taxation for the nine months period ended 31 December 2023	-	-	1,533,173	1,533,173
Other comprehensive income - net of tax	-	(384)	7,444	7,060
	-	(384)	1,540,617	1,540,233
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	67,577	-	-	67,577
Remittance made to Head office	-	-	-	-
	67,577	-	-	67,577
Balance as at 01 January 2024 - as reported	9,984,045	(5,366)	5,390,124	15,368,803
Change in accounting policy as at January 01, 2024 - note 3.1.2	-	-	5,588	5,588
Balance as at 01 January 2024 - as restated	9,984,045	(5,366)	5,395,712	15,374,391
Profit after taxation for the three months period ended 31 March 2024	-	-	653,846	653,846
Other comprehensive income - net of tax	-	4,584	-	4,584
	-	4,584	653,846	658,430
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	(382,719)	-	-	(382,719)
Remittance made to Head office	-	-	(1,017,835)	(1,017,835)
	(382,719)	-	(1,017,835)	(1,400,554)
Balance as at 31 March 2024	9,601,326	(782)	5,031,723	14,632,267

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan

Deutsche Bank AG, Pakistan Operations
(Incorporated in the Federal Republic of Germany with limited liability)
Condensed Interim Cash Flow Statement (Un-audited)
For three months period ended 31 March 2024

	31 March 2024	31 March 2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,492,821	844,289
Adjustments for:		
Depreciation	49,603	26,515
Depreciation on right-of-use assets	-	-
Gain on government securities	-	-
Reversals in ECLs	(4,756)	-
Gain on sale of securities	-	-
Gain on sale of securities	-	-
Gain on disposal of operating fixed assets - net	1,197	(967)
Unrealised loss on investments held as FVTPL	24,729	-
Finance costs of lease liability	15,368	15,666
	<u>86,141</u>	<u>41,214</u>
	1,578,962	885,503
(Increase) / decrease in operating assets		
Lendings to financial institutions	(5,802,679)	(24,619,209)
Net investments in FVTPL securities	(9,601,144)	-
Advances	4,707,428	(285,049)
Others assets (excluding advance taxation)	(241,099)	(153,691)
	<u>(10,937,494)</u>	<u>(25,057,949)</u>
(Decrease) / increase in operating liabilities		
Bills payable	378,715	(358,795)
Borrowings from financial institutions	-	-
Deposits and other accounts	(2,815,631)	(2,734,803)
Other liabilities	1,081,498	904,953
	<u>(1,355,418)</u>	<u>(2,188,645)</u>
Income tax paid	(1,039,574)	(444,764)
Net cash (used in) / generated from operating activities	<u>(11,753,524)</u>	<u>(26,805,855)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in FVOCI securities	12,302,486	28,052,085
Investments in operating fixed assets	11,749	(52,264)
Proceeds from sale of operating fixed assets	346	4,650
Net cash generated from / (used in) investing activities	<u>12,314,581</u>	<u>28,004,471</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(20,222)	(15,621)
Remittance made to Head office	(1,017,835)	-
Net cash used in financing activities	<u>(1,038,057)</u>	<u>(15,621)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(382,719)</u>	<u>2,182,156</u>
Increase in cash and cash equivalents during the period	<u>(859,719)</u>	<u>3,365,151</u>
Cash and cash equivalents at beginning of the period	<u>16,738,495</u>	<u>14,420,212</u>
Cash and cash equivalents at end of the period	<u><u>15,878,776</u></u>	<u><u>17,785,363</u></u>

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan

1. STATUS AND NATURE OF BUSINESS

Deutsche Bank AG is a foreign banking company incorporated in the Federal Republic of Germany with limited liability. Its operations in Pakistan are carried out through two branches located at Karachi and Lahore ('the Pakistan Operations'). The Pakistan Operations are engaged in banking business as described in the Banking Companies Ordinance, 1962.

The credit rating provided by Standard & Poor's on 08 December 2023 is A for long-term and A-1 for short-term, rating by Fitch on 07 December 2023 is A- for long-term and F2 for short-term; and rating by Moody's on 04 December 2023 is A1 for long-term.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

- International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by SBP and SECP differ with the requirements of the IFRS, the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 The disclosures made in these condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 09 February 2023 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the Pakistan Operations for the year ended 31 December 2023.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period

As directed by SBP via BPRD Circular letter no. 7 of 2023, IFRS 9, Financial Instruments is effective for periods beginning on or after January 1, 2024. Except for the implementation of IFRS 9 in Pakistan, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

2.4 Standards, interpretations of and amendments to approved accounting standards that are not yet effective in the current period

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on these financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Pakistan Operations for the year ended 31 December 2023.

3.1 IFRS 9 'Financial Instruments'

3.1.1 Transitional Impact

The Bank has elected to follow the modified retrospective approach for restatement i.e. comparative figures have not been restated on the initial application of IFRS 9. Instead, the cumulative impact has been recorded as an adjustment to equity as of January 01, 2024. Accordingly, the information presented as of December 31, 2023 and for the period ended March 31, 2023 does not reflect the requirements of IFRS 9.

The following table reconciles the original measurement and carrying amounts of financial instruments in accordance with the previous financial reporting framework with the new measurement categories:

Financial Assets / Liabilities	Previous classification	Classification under IFRS 9	Carrying amount as of December 31, 2023	ECL	Carrying amount as of January 01, 2024
			----- (Rupees in '000) -----		
Cash and balances with treasury banks	Cost	Ammortized Cost	14,125,650	-	14,125,650
Balances with other banks	Cost	Ammortized Cost	2,612,845	-	2,612,845
Lendings to financial institutions	Cost	Ammortized Cost	17,397,321	-	17,397,321
Investments	AFS	FVOCI	14,787,480	-	14,787,480
Advances	Cost	Ammortized Cost	7,971,805	5,316	7,977,121
Other assets	Cost	Ammortized Cost	2,566,251	-	2,566,251
- Forward foreign exchange contracts	Fair value	FVTPL	25,088	-	25,088
Total Financial Assets			59,486,440	5,316	59,491,756
Bills payable	Cost	Ammortized Cost	832,304	-	832,304
Deposits and other accounts	Cost	Ammortized Cost	36,431,582	-	36,431,582
Other liabilities	Cost	Ammortized Cost	8,200,299	(272)	8,200,027
- Forward foreign exchange contracts	Fair value	FVTPL	20	-	20
Total Financial Liabilities			45,464,205	(272)	45,463,933
Net Financial Assets			14,022,235	5,588	14,027,823
Net Non Financial Assets			1,346,568	-	1,346,568
Total Net Assets			15,368,803	5,588	15,374,391

3.1.2 Reconciliation of retained earnings and surplus on revaluation of investments

The impact of the transition to IFRS 9 on the retained earnings and the surplus on revaluation of investments as at January 01, 2024 is as follows:

Retained Earnings	Rupees in '000
Closing balance as at December 31, 2023 - as reported	5,390,124
ECLs on adoption of IFRS 9 - net	5,588
Closing balance as at January 01, 2024 under IFRS 9 - as restated	5,395,712

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Pakistan Operations for the year ended 31 December 2023.

5. FINANCIAL RISK MANAGEMENT

The Pakistan Operations continue to follow its current policies for managing credit, liquidity and market risks as disclosed in the annual financial statement for the period ended 31 December 2023.

6 CASH AND BALANCES WITH TREASURY BANKS	<i>Note</i>	31 March 2024	31 December 2023
		----- (Rupees in '000) -----	
In hand			
Local currency		42,447	34,924
Foreign currency		18,749	20,790
		61,196	55,714
With State Bank of Pakistan in			
Local currency current account	6.1	2,468,358	3,536,354
Foreign currency current account	6.2	237,310	48,897
Foreign currency deposit account			
Special cash reserve account	6.3	443,009	444,496
Local US Dollar collection account	6.4	91,979	56,144
Foreign currency capital account		9,601,326	9,984,045
		12,841,982	14,069,936
		12,903,178	14,125,650

6.1 This represents current account maintained with SBP that includes requirements of section 22 (Cash Reserve Requirement) of the Banking Companies Ordinance, 1962 at a sum not less than such percentage of its demand and time liabilities in Pakistan as may be prescribed by SBP.

6.2 This represents statutory cash reserve in the current account maintained with SBP under the requirements of SBP.

6.3 This represents statutory cash reserve maintained against foreign currency deposits mobilized under FE 25 Circular No. 20 of 2021 issued by the SBP. Profit rates on these deposits are fixed by SBP on a monthly basis and were 4.32% to 4.35% p.a during the period (31 December 2023: 3.39% to 4.34% p.a during 2023).

6.4 This represents US Dollar settlement account opened with the SBP in accordance with FE Circular No. 2 of 2004.

7 BALANCES WITH OTHER BANKS	<i>Note</i>	31 March 2024	31 December 2023
		----- (Rupees in '000) -----	
In Pakistan			
Current account		1,000	1,500
Outside Pakistan			
Current account			
Interbranch	7.1	2,968,452	2,604,761
Others		6,146	6,584
		2,974,598	2,611,345
		2,975,598	2,612,845

7.1 This includes Rs. 1,992 million with Deutsche Bank New York, Rs. 831 million with Deutsche Bank Frankfurt, Rs. 141 million with Deutsche Bank Mumbai and various others (31 December 2023: Rs. 1,515 million with Deutsche Bank New York, Rs. 949 million with Deutsche Bank Frankfurt, Rs. 136 million with Deutsche Bank Mumbai and various others).

8 LENDINGS TO FINANCIAL INSTITUTIONS	<i>Note</i>	31 March 2024	31 December 2023
		----- (Rupees in '000) -----	
Repurchase agreement lendings (Reverse Repo)	8.1	23,200,000	17,397,321

8.1 Reverse repo transaction has been made with State Bank of Pakistan at a rate of 21.00% p.a (2023: 21.00% to 22.39%) maturing within a week. The market value of this security at 31 March 2024 amounted to Rs. 23,186 million (2023: Rs. 17,972 million).

9 INVESTMENTS	31 March 2024				31 December 2023			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
9.1 Investments by type:	----- (Rupees in '000) -----							
FVTPL								
-Treasury bills	9,601,144	-	(24,729)	9,576,415	-	-	-	-
	9,601,144	-	(24,729)	9,576,415	-	-	-	-
FVOCI								
-Treasury bills	2,495,516	-	(1,534)	2,493,982	-	-	-	-
	2,495,516	-	(1,534)	2,493,982	-	-	-	-
AFS								
-Treasury bills	-	-	-	-	14,798,002	-	(10,522)	14,787,480
	-	-	-	-	14,798,002	-	(10,522)	14,787,480
Total Investments	12,096,660	-	(26,263)	12,070,397	14,798,002	-	(10,522)	14,787,480

10 ADVANCES	Performing		Non Performing		Total		
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	
	----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.		3,272,375	7,979,803	30,885	30,885	3,303,260	8,010,688
Bills discounted and purchased		-	-	65,626	65,626	65,626	65,626
Advances - gross		3,272,375	7,979,803	96,511	96,511	3,368,886	8,076,314
Credit loss allowance against advances							
-Stage 1	(304)	(7,998)	-	-	(304)	(7,998)	
-Stage 2	-	-	-	-	-	-	
-Stage 3	-	-	(96,511)	(96,511)	(96,511)	(96,511)	
	(304)	(7,998)	(96,511)	(96,511)	(96,815)	(104,509)	
Advances - net of credit loss allowance		3,272,071	7,971,805	-	-	3,272,071	7,971,805

10.1 Particulars of advances (gross)	31 March 2024	31 December 2023
	----- (Rupees in '000) -----	
In local currency	3,303,260	8,010,688
In foreign currencies	65,626	65,626
	3,368,886	8,076,314

10.2 Advances include Rs.96,511 (December 31, 2023: Rs. 96,511) which have been placed under non-performing / Stage 3 status as detailed below:-

Category of Classification	31 March 2024		31 December 2023	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
----- Rupees in '000 -----				
Domestic Loss	96,511	96,511	96,511	96,511

10.3 Particulars of credit loss allowance against advances	31 March 2024				31 December 2023		
	Stage 1	Stage 2	Stage 3	Total	General	Specific	Total
----- Rupees in '000 -----							
Opening balance	7,998	-	96,511	104,509	7,998	96,511	104,509
Impact of adoptn of IFRS 9	(5,316)	-	-	(5,316)	-	-	-
Charge for the period / year	-	-	-	-	-	-	-
Reversals	(2,378)	-	-	(2,378)	-	-	-
Closing balance	304	-	96,511	96,815	7,998	96,511	104,509

10.4 Advances - Particlurs of credit loss allowance	31 March 2024		
	Stage 1	Stage 2	Stage 3
----- Rupees in '000 -----			
10.4.1 Opening balance	7,998	-	96,511
Impact of adoptn of IFRS 9	(5,316)	-	-
New Advances	(2,378)	-	-
	304	-	96,511

10.4.2 Advances - Category of classification	Domestic		31 March 2024	
			Outstanding amount	Credit loss allowance Held
Performing	Stage 1		3,272,375	(304)
Underperforming	Stage 2		-	-
Non-Performing	Stage 3		-	-
Loss			96,511	(96,511)
			3,368,886	(96,815)

11	FIXED ASSETS	Note	31 March 2024	31 December 2023
			----- Rupees in '000 -----	
	Capital work-in-progress	11.1	9,418	24,091
	Property and equipment		<u>682,256</u>	<u>716,632</u>
			<u>691,674</u>	<u>740,723</u>
11.1	Capital work-in-progress			
	Advances to suppliers		<u>9,418</u>	<u>24,091</u>
12	RIGHT-OF-USE ASSETS			
	Buildings			
	At 01 January			
	Cost		494,434	494,434
	Accumulated Depreciation		<u>(107,048)</u>	<u>(51,664)</u>
	Net Carrying amount at 01 January		387,386	442,770
	Depreciation Charge for the period / year		<u>(13,846)</u>	<u>(55,384)</u>
	Net Carrying amount at the end of the period / year		<u>373,540</u>	<u>387,386</u>
13	DEFERRED TAX ASSETS			
	Deductible Temporary Differences on			
	- Deficit on revaluation of investments		753	5,156
	- Accelerated tax depreciation		<u>(67,836)</u>	<u>40,364</u>
	- Workers' Welfare Fund		<u>244,641</u>	<u>209,375</u>
			177,558	254,895
	Taxable Temporary Differences on			
	- Post retirement employee benefits		<u>(36,436)</u>	<u>(36,436)</u>
			<u>141,122</u>	<u>218,459</u>
14	OTHER ASSETS			
	Income / Mark-up accrued in local currency		314,514	425,772
	Income / Mark-up accrued in foreign currency		12,443	13,020
	Advances, deposits, advance service charges / rent and other prepayments		80,607	72,607
	Advance taxation (payments less provisions)		1,574,969	1,301,438
	Receivable from defined benefit plan		35,471	55,803
	Marked to market gains on forward foreign exchange contracts		947	-
	Acceptances		1,066,089	713,103
	Others		<u>25,603</u>	<u>14,270</u>
			3,110,643	2,596,013
	Less: Credit loss allowance held against other assets	14.1	<u>(4,674)</u>	<u>(4,674)</u>
			<u>3,105,969</u>	<u>2,591,339</u>
14.1	Credit loss allowance held against other assets			
	Advances, deposits, advance rent & other prepayments		<u>4,674</u>	<u>4,674</u>
15	BILLS PAYABLE			
	In Pakistan		<u>1,211,019</u>	<u>832,304</u>

16 DEPOSITS AND OTHER ACCOUNTS

	31 March 2024			31 December 2023		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
----- Rupees in '000 -----						
Customers						
Non-Remunerative						
Current deposits	15,392,520	3,243,172	18,635,692	18,777,805	3,371,169	22,148,974
Others	705,081	-	705,081	562,427	-	562,427
Remunerative						
Savings deposits	9,211,723	2,959	9,214,682	9,389,472	213	9,389,685
Term deposits	5,060,000	-	5,060,000	4,330,000	-	4,330,000
	30,369,324	3,246,131	33,615,455	33,059,704	3,371,382	36,431,086
Financial Institutions						
Non-remunerative deposits - inter branch	496	-	496	496	-	496
	30,369,820	3,246,131	33,615,951	33,060,200	3,371,382	36,431,582

17 LEASE LIABILITIES

Note 31 March 2024 31 December 2023

Outstanding amount at the start of the year	468,322	479,598
Lease payments including interest	(20,222)	(73,535)
Interest expense	15,368	62,259
Outstanding amount at the end of the year	463,468	468,322

Liabilities Outstanding

Not later than one year	22,832	20,230
Later than one year and upto five years	160,522	150,053
Over five years	280,114	298,038
Total at the year end	463,468	468,322

18 OTHER LIABILITIES

31 March 2024 31 December 2023

----- Rupees in '000 -----

Mark-up/ Return/ Interest payable in local currency	480,775	33,368
Unearned commission and income on bills discounted	44,178	50,473
Accrued expenses	355,626	364,631
Acceptances	1,066,089	713,103
Dividends received for Custodial clients	364,420	31,241
Marked to market loss on forward foreign exchange contracts	93	20
Payable to Deutsche Bank Singapore	6,195	6,195
Unremitted head office expenses	5,922,895	5,884,649
Credit loss allowance against off-balance sheet obligations	3,471	6,121
Workers Welfare Fund	457,761	427,295
Others	109,340	214,901
	8,810,843	7,731,997

18.1 Credit loss allowance against off-balance sheet obligations

Opening balance	6,121	6,121
Impact of adoption of IFRS 9	(272)	-
Charge for the period / year	-	-
Reversals	(2,378)	-
	(2,378)	-
Closing balance	3,471	6,121

19 DEFICIT ON REVALUATION OF ASSETS

Deficit on revaluation of:		
- FVOCI securities - debt	(1,534)	-
- Available for sale securities	-	(10,522)
Deferred tax on deficit on revaluation of:		
- FVOCI securities - debt	752	-
- Available for sale securities	-	5,156
	(782)	(5,366)

20 CONTINGENCIES AND COMMITMENTS

31 March 2024 31 December 2023

----- Rupees in '000 -----

-Guarantees	20.1	13,500,208	13,761,195
-Commitments	20.2	40,415,238	20,547,832
		53,915,446	34,309,027

20.1	Guarantees		
	Financial guarantees	<u>13,500,208</u>	<u>13,761,195</u>
20.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	5,211,215	6,246,964
	Commitments in respect of:		
	- forward foreign exchange contracts	20.2.1 703,204	25,108
	- forward lending	20.2.2 24,908,277	14,267,267
	Commitments for acquisition of:		
	- operating fixed assets	8,493	8,493
	Forward sale of investments	9,584,049	-
		<u>40,415,238</u>	<u>20,547,832</u>
20.2.1	Commitments in respect of forward foreign exchange contracts	31 March 2024 (Un-audited)	31 December 2023 (Audited)
		----- Rupees in '000 -----	
	Purchase	146,310	25,108
	Sale	556,894	-
		<u>703,204</u>	<u>25,108</u>
	The maturities of above contracts are spread over a period of six months.		
20.2.2	Commitments in respect of forward lending		
	These represent commitments that are revocable because these can be withdrawn at the discretion of the bank.		
20.3	Other contingent liabilities		
	The Pakistan Operations has Rs. 557 million as contingent tax liabilities (December 31, 2023: Rs. 557 million). During 2023, the Commissioner Appeals (CIRA) passed appellate order filed against the ammended assessment order for tax year 2017. The CIRA remanded back disallowances of head office expenses and depreciation, which had created a contingency of Rs. 357 million and decided various other issues in the same appellate order in favor of the bank reversing contingencies of Rs. 5 million. Other contingencies majorly include those for tax year 2012, 2013 and 2016. Primarily, these are disallowances made for unrealized exchange losses, mark up interest accrued and interest on loans to employees. The Pakistan Operations has filed appeals before the appellate forums against these amended assessment orders, where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. On the other hand, where the appellate authorities have not allowed relief, appeals are filed before higher appellate forums. The Pakistan Operations is vigorously contesting at different fora and confident that no additional liabilities would arise.		
21	MARK-UP / RETURN / INTEREST EARNED	Three months period ended 31 March 2024	Three months period ended 31 March 2023
		----- Rupees in '000 -----	
	On:		
	Loans and advances	289,279	220,908
	Investments	273,005	875,597
	Lendings to financial institutions	1,697,270	1,073,938
	Balances with banks	26,207	12,190
	Others	9	2,525
		<u>2,285,770</u>	<u>2,185,158</u>
21.1	Interest income recognised on:		
	Financial assets measured at amortised cost	2,012,765	-
	Financial assets measured at FVOCI	273,005	-
		<u>2,285,770</u>	<u>-</u>
22	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	649,226	1,246,398
	Borrowings	-	1
	Finance cost of lease liability	15,368	15,666
		<u>664,594</u>	<u>1,262,065</u>
23	FEE & COMMISSION INCOME		
	Commission on trade	87,802	30,953
	Commission on guarantees	17,676	16,833
	Commission on cash management	961	(3,059)
	Commission on remittances including home remittances	81	34
	Commission on custodial services	22,501	8,270
		<u>129,021</u>	<u>53,031</u>

Three months **Three months**
period ended **period ended**
31 March **31 March**
2024 **2023**
 ----- Rupees in '000 -----

24 LOSS ON SECURITIES

Unrealised loss on investments held as FVTPL

(24,729) -

25 OTHER (LOSS) / INCOME

(Loss) / gain on sale of fixed assets - net
 Prior years refunds on utilities costs

(1,197) 967
 - 5,829
(1,197) 6,796

26 OPERATING EXPENSES

Total compensation expense

193,670 148,178

Property expense

Rent & taxes
 Insurance
 Utilities cost
 Security (including guards)
 Repair & maintenance (including janitorial charges)
 Depreciation
 Depreciation on right-of-use assets

366	31,418
5,203	3,054
4,003	2,938
2,431	2,521
11,051	8,253
13,460	2,947
13,846	13,846
50,360	64,977

Information technology expenses

Software maintenance
 Hardware maintenance
 Depreciation
 Network charges

1,196	502
25,853	3,837
10,813	5,311
7,345	6,404
45,207	16,054

Other operating expenses

Legal & professional charges
 Outsourced services costs
 Travelling & conveyance
 NIFT clearing charges
 Depreciation
 Training & development
 Postage & courier charges
 Communication
 Head office / regional office expenses
 Stationery & printing
 Marketing, advertisement & publicity
 Auditors Remuneration
 Others

1,935	4,662
21,024	18,198
1,076	1,396
216	425
11,484	4,411
20	155
953	406
1,298	2,253
147,665	135,099
1,956	2,558
612	266
2,725	768
4,039	(4,481)
195,003	166,116
484,240	395,325

27 OTHER CHARGES

Others

- 2
- 2

28 REVERSALS OF CREDIT LOSS ALLOWANCE

Credit loss allowance against loans & advances
 Credit loss allowance against off-balance sheet obligations

(2,378) -
 (2,378) -
(4,756) -

29 TAXATION

Current
 Prior period
 Deferred

766,043 371,846
 - 3,182
 72,932 13,570
838,975 388,598

30 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The fair value of other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

30.1 Fair value of financial assets

The Pakistan Operations measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	31 March 2024			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets measured at fair value				
Investments				
- Federal Government Securities	-	2,493,982	-	2,493,982
Off-balance sheet financial instruments measured at fair value				
Forward purchase of foreign exchange	-	147,257	-	147,257
Forward sale of foreign exchange	-	556,894	-	556,894
	31 December 2023			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets measured at fair value				
Investments				
- Federal Government Securities	-	14,787,480	-	14,787,480
Off-balance sheet financial instruments measured at fair value				
Forward purchase of foreign exchange	-	25,088	-	25,088

30.2 Valuation techniques used in determination of fair values:

Financial instruments included in level 2 comprise of Market Treasury Bills and forward foreign exchange contracts.

Item	Valuation approach and input used
Forward foreign exchange contracts	The valuation has been determined by interpolating the FX revaluation rates announced by the State Bank of Pakistan.
Market Treasury Bills (MTB)	The fair value of MTBs are derived using PKRV rates.

31 SEGMENT INFORMATION

31.1 Segment Details with respect to Business Activities

DB Pakistan Operations operate under a transfer pricing framework that applies to all businesses and promotes pricing of :

- (i) assets in accordance with their underlying liquidity risk;
- (ii) liabilities in accordance with their funding maturity; and
- (iii) contingent liquidity exposures in accordance with the cost of providing for commensurate liquidity reserves to fund unexpected cash requirements.

Within this transfer pricing framework we allocate funding and liquidity risk costs and benefits to the business units and set financial incentives in line with the liquidity risk guidelines. Transfer prices are subject to liquidity (term) premiums depending on market conditions. Liquidity premiums are set by Treasury and picked up by a segregated liquidity account. The Treasury liquidity account is the aggregator of long- term liquidity costs. The management and cost allocation of the liquidity account is the key variable for transfer pricing funding costs within Deutsche Bank.

Corporate Bank

Corporate Bank provides commercial banking products and services for both corporates and financial institutions worldwide, including domestic and cross-border payments, cash management, international trade finance, depository, custody and related services.

Investment Bank

Global Emerging Markets provides Foreign Exchange services to clients in Pakistan on the back of cross-border payments, international trade, institutional flows and also engages in bond trading.

Infrastructure and Regional Management

It includes all the back office functions which are responsible for providing support services to the businesses. The Treasury business is also a part of Infrastructure and Regional Management.

	Three months period ended			
	31 March 2024			
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	----- (Rupees in '000) -----			
Profit & Loss				
Net mark-up / return	(355,309)	385	1,976,100	1,621,176
Inter segment revenue - net	1,661,525	(10,970)	(1,650,555)	-
Non mark-up / return / interest income	127,029	269,586	(15,020)	381,595
Total Income	1,433,245	259,001	310,525	2,002,771
Segment direct expenses	(203,776)	(25,950)	(284,980)	(514,706)
Inter segment expense allocation	(207,874)	(44,287)	252,161	-
Total expenses	(411,650)	(70,237)	(32,819)	(514,706)
Reversals / (Provisions)	4,756	-	-	4,756
Profit before tax	1,021,595	188,764	277,706	1,492,821
	31 March 2024			
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	----- (Rupees in '000) -----			
Balance Sheet				
Cash & Bank balances	-	-	15,878,776	15,878,776
Net inter segment lending	32,620,940	-	-	32,620,940
Lendings to financial institutions	-	-	23,200,000	23,200,000
Investments	-	-	12,070,397	12,070,397
Advances - performing	3,280,069	-	-	3,280,069
- non-performing	96,511	-	-	96,511
- provision against advances	(104,509)	-	-	(104,509)
Others	1,729,554	947	2,581,804	4,312,305
Total Assets	37,622,565	947	53,730,977	91,354,489
Borrowings	-	-	-	-
Deposits & other accounts	33,615,455	-	496	33,615,951
Net inter segment borrowing	-	854	32,620,086	32,620,940
Others	3,534,464	93	6,950,774	10,485,331
Total liabilities	37,149,919	947	39,571,356	76,722,222
Equity	-	-	14,632,267	14,632,267
Total Equity & liabilities	37,149,919	947	54,203,623	91,354,489
Contingencies & Commitments	53,203,749	703,204	8,493	53,915,446

	Three months period ended 31 March 2023			
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	----- (Rupees in '000) -----			
Profit & Loss				
Net mark-up / return	(1,026,684)	11,724	1,938,053	923,093
Inter segment revenue - net	1,665,787	387	(1,666,174)	-
Non mark-up / return / interest income	66,353	263,368	4,245	333,966
Total Income	705,456	275,479	276,124	1,257,059
Segment direct expenses	(129,238)	(10,303)	(273,229)	(412,770)
Inter segment expense allocation	(161,787)	(14,477)	176,264	-
Total expenses	(291,025)	(24,780)	(96,965)	(412,770)
Reversals / (Provisions)	-	-	-	-
Profit before tax	414,431	250,699	179,159	844,289
	31 December 2023			
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	----- (Rupees in '000) -----			
Balance Sheet				
Cash & Bank balances	-	-	16,738,495	16,738,495
Net inter segment lending	29,001,696	-	-	29,001,696
Lendings to financial institutions	-	-	17,397,321	17,397,321
Investments	-	-	14,787,480	14,787,480
Advances - performing	7,979,803	-	-	7,979,803
- non-performing	96,511	-	-	96,511
- provision against advances	(104,509)	-	-	(104,509)
Others	1,124,194	-	2,813,713	3,937,907
Total Assets	38,097,695	-	51,737,009	89,834,704
Borrowings	-	-	-	-
Deposits & other accounts	36,431,085	-	497	36,431,582
Net inter segment borrowing	-	(20)	29,001,716	29,001,696
Others	1,666,610	20	7,365,993	9,032,623
Total liabilities	38,097,695	-	36,368,206	74,465,901
Head office account (Equity)	-	-	15,368,803	15,368,803
Total Equity & liabilities	38,097,695	-	51,737,009	89,834,704
Contingencies & Commitments	34,275,426	25,108	8,493	34,309,027

32 RELATED PARTY TRANSACTIONS

Related parties comprise of Head office, other branches of the Bank and employees' retirement benefit funds. The transactions with related parties are conducted under normal course of business at arm's length prices. The Pakistan Operations also provide advances to employees at reduced rate in accordance with their terms of employment. The transactions and balances with related parties, other than those under the terms of employment and those disclosed elsewhere are summarized as follows:

	31 March 2024			31 December 2023		
	Head office and branches	Key management personnel	Other related parties	Head office and branches	Key management personnel	Other related parties
----- (Rupees in '000) -----						
Balances with other banks						
In current accounts	2,968,453	-	-	2,604,761	-	-
Advances						
Opening balance	-	10,103	-	-	34,775	-
Addition during the period	-	-	-	-	5,117	-
Repaid during the period	-	(5,215)	-	-	(6,578)	-
Transfer in / (out) - net	-	(2,647)	-	-	(23,211)	-
Closing balance	-	2,241	-	-	10,103	-
Other Assets						
Receivable from staff retirement fund	-	-	55,803	-	-	55,803
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	-	-	-	-
Settled during the period	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	496	8,027	9,966	423	2,079	31,485
Received during the period	-	61,851	140,306	5,012	131,152	1,381,655
Withdrawn during the period	-	(54,983)	(130,161)	(4,938)	(128,487)	(1,403,174)
Transfer in / (out) - net	-	(5,142)	-	-	3,283	-
Closing balance	496	9,753	20,111	496	8,027	9,966
Other Liabilities						
Other liabilities	5,922,895	-	-	5,884,649	-	-
Contingencies and Commitments						
Other contingencies	4,218,932	-	-	4,482,520	-	-

	Three months period ended			
	31 March 2024		31 March 2023	
	Head office and branches	Key management personnel	Head office and branches	Key management personnel
----- (Rupees in '000) -----				
Income				
Mark-up / return / interest earned	21,473	33	12,168	206
Expense				
Mark-up / return / interest paid	-	-	-	-
Operating expenses	147,665	22,294	135,099	49,968

2024 2023
(Un-audited) (Audited)
----- (Rupees in '000) -----

33 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) 14,610,629 15,334,763

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	14,610,629	15,334,763	
Eligible Additional Tier 1 (ADT 1) Capital	-	-	
Total Eligible Tier 1 Capital	14,610,629	15,334,763	
Eligible Tier 2 Capital	3,776	14,119	
Total Eligible Capital (Tier 1 + Tier 2)	14,614,405	15,348,882	

Risk Weighted Assets (RWAs):

Credit Risk	15,637,338	15,776,673	
Market Risk	429,414	123,705	
Operational Risk	8,557,996	8,557,996	
Total	24,624,747	24,458,374	

Common Equity Tier 1 Capital Adequacy Ratio	59.33%	62.70%	
Tier 1 Capital Adequacy Ratio	59.33%	62.70%	
Total Capital Adequacy Ratio	59.35%	62.76%	

Leverage Ratio (LR):

Eligible Tier-1 Capital	14,610,629	15,334,763	
Total Exposure	84,531,067	87,648,999	
Leverage Ratio	17.28%	17.50%	

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	39,667,482	40,219,051	
Total Net Cash Outflow	11,963,434	12,776,366	
Liquidity Coverage Ratio	332%	315%	

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	36,958,036	37,205,116	
Total Required Stable Funding	13,662,361	13,818,088	
Net Stable Funding Ratio	271%	269%	

34 GENERAL

34.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

35 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on May 06, 2024.

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan