



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

Financial statements
for the quarter ended
31 March 2022

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 2022

	31 March 2022	31 December 2021
<i>Note</i>	(Un-audited)	(Audited)
	----- Rupees in '000 -----	
ASSETS		
Cash and balances with treasury banks	6 13,040,093	9,550,738
Balances with other banks	7 1,036,261	5,334,868
Lendings to financial institutions	8 -	4,431,289
Investments	9 18,175,647	14,352,092
Advances	10 5,866,720	4,339,519
Fixed assets	11 279,127	277,998
Intangible assets	12 -	-
Deferred tax assets	12 3,224	5,395
Other assets	13 1,494,869	1,573,195
	39,895,941	39,865,094
LIABILITIES		
Bills payable	14 828,418	775,747
Borrowings	15 32	9,334
Deposits and other accounts	16 24,992,167	25,879,216
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	17 4,850,199	4,335,438
	30,670,816	30,999,735
NET ASSETS	9,225,125	8,865,359
REPRESENTED BY		
Head office capital account	6,562,368	6,398,696
Reserves	-	-
Surplus/ (Deficit) on revaluation of assets	24 (19,403)	(2,730)
Unremitted profit	2,682,159	2,469,393
	9,225,125	8,865,359
CONTINGENCIES AND COMMITMENTS	18	

The annexed notes 1 to 32 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 2022

	Note	Three months period ended 31 March 2022	Three months period ended 31 March 2022	Three months period ended 31 March 2021	Three months period ended 31 March 2021
----- Rupees in '000 -----					
Mark-up / return / interest earned	19	776,488	776,488	616,401	616,401
Mark-up / return / interest expensed	20	345,710	345,710	373,710	373,710
Net mark-up / interest income		430,778	430,778	242,691	242,691
NON MARK-UP / INTEREST INCOME					
Fee and commission income	21	86,079	86,079	84,245	84,245
Dividend income		-	-	-	-
Foreign exchange income		191,199	191,199	217,227	217,227
Income / (loss) from derivatives		-	-	-	-
Loss on sale of securities	22	(28,734)	(28,734)	(10,103)	(10,103)
Other income	23	730	730	7,438	7,438
Total non-markup / interest Income		249,274	249,274	298,807	298,807
Total Income		680,052	680,052	541,498	541,498
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	25	293,257	293,257	271,207	271,207
Workers Welfare Fund		7,736	7,736	5,406	5,406
Other charges		-	-	-	-
Total non-markup / interest expenses		300,993	300,993	276,613	276,613
Profit before provisions		379,059	379,059	264,885	264,885
Reversal and write offs - net		-	-	-	-
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		379,059	379,059	264,885	264,885
Taxation	26	(166,293)	(166,293)	(128,097)	(128,097)
PROFIT AFTER TAXATION		212,766	212,766	136,788	136,788

The annexed notes 1 to 32 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 2022

	Three months period ended 31 March 2022	Three months period ended 31 March 2022	Three months period ended 31 March 2021	Three months period ended 31 March 2021
	------(Rupees in '000)-----			
Profit after taxation for the period	212,766	212,766	136,788	136,788
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	-	(16,673)	-	-
Total comprehensive income for the period	212,766	212,766	136,788	136,788

The annexed notes 1 to 32 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 2022

	31 March 2022	31 March 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	379,059	264,885
Adjustments for:		
Depreciation	16,528	30,984
Gain on disposal of operating fixed assets	(31)	(7,438)
Unrealized loss on securities classified as held-for-trading	(524)	10,631
Finance costs against lease	723	74
	<u>16,696</u>	<u>34,251</u>
	395,755	299,136
Decrease / (increase) in operating assets		
Lendings to financial institutions	4,431,289	(2,657,527)
Net investments in held-for-trading securities	(1,546,961)	(359,515)
Advances	(1,527,201)	(1,604,345)
Others assets (excluding advance taxation)	45,173	138,714
	<u>1,402,300</u>	<u>(4,482,673)</u>
(Decrease) / increase in operating liabilities		
Bills payable	52,671	60,120
Borrowings from financial institutions	(9,302)	(139,659)
Deposits and other accounts	(887,049)	900,068
Other liabilities	497,293	692,453
	<u>(346,387)</u>	<u>1,512,982</u>
Income tax paid	(120,309)	(112,330)
Net cash generated from operating activities	<u>1,331,359</u>	<u>(2,782,885)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Investment)/redemption in securities - net	(2,274,842)	-
Investments in operating fixed assets	(17,799)	(31,835)
Proceeds from sale of operating fixed assets	173	58,172
Net cash used in investing activities	<u>(2,292,468)</u>	<u>26,337</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(2,512)	(1,693)
Net cash used in financing activities	<u>(2,512)</u>	<u>(1,693)</u>
Effects of exchange rate changes on cash and cash equivalents	163,672	(552,475)
Increase in cash and cash equivalents	<u>(799,950)</u>	<u>(3,310,716)</u>
Cash and cash equivalents at beginning of the period	14,876,272	13,850,400
Cash and cash equivalents at end of the period	<u>14,076,322</u>	<u>10,539,684</u>

The annexed notes 1 to 32 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 2022

	Head office capital account	Deficit revaluation of investments	Unremitted profit	Total
----- (Rupees in '000) -----				
Balance as at 01 January 2021	6,302,781	-	1,918,567	8,221,348
Profit for the three months period ended 31 March 2021	-	-	136,788	136,788
Other comprehensive income - net of tax	-	-	-	-
	-	-	136,788	136,788
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	(552,475)	-	-	(552,475)
Remittance made to Head office	-	-	-	-
	(552,475)	-	-	(552,475)
Opening balance as at 01 April 2021	5,750,306	-	2,055,355	7,805,661
Profit after taxation for the nine months period ended 31 December 2021	-	-	379,441	379,441
Other comprehensive income - net of tax	-	(2,730)	34,597	31,867
	-	(2,730)	414,038	411,308
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	648,390	-	-	648,390
Remittance made to Head office	-	-	-	-
	648,390	-	-	648,390
Balance as at 01 January 2022	6,398,696	(2,730)	2,469,393	8,865,359
Profit after taxation for the three months period ended 31 March 2022	-	-	212,766	212,766
Other comprehensive income - net of tax	-	(16,673)	-	(16,673)
	-	(16,673)	212,766	196,094
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	163,672	-	-	163,672
Remittance made to Head office	-	-	-	-
	163,672	-	-	163,672
Balance as at 31 March 2022	6,562,368	(19,403)	2,682,159	9,225,125

The annexed notes 1 to 32 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)
Notes to the Condensed Interim Financial Information (Un-audited)
For three months period ended 31 March 2022

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 09 November 2021 is A- for long-term and A-2 for short-term, rating by Fitch on 23 September 2021 is BBB+ for long-term and F2 for short-term; and rating by Moody's on 04 August 2021 is A2 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;
- 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 IAS 34, 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 22 March 2019 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 2021.

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

There are certain new and amended standards, amendments and interpretations that are effective from 1 January 2022; however, these do not have any significant effect on interim financial statements of the Pakistan Operations.

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

There are certain other standards, amendments and interpretations with respect to the approved accounting standards that are not yet effective (enumerated in note 2 to the annual audited financial statements of the Pakistan Operation for the year 2021) and are not expected to have any material impact on the Pakistan Operation's condensed interim financial information in the period of their initial application. With regards to IFRS9 implementation, the SBP vide its BPRD Circular Letter No.24 of 2021 dated July 05, 2021 has extended the implementation date of IFRS 9 to January 01, 2022. Issuance of final application instructions by SBP is awaited.

3 SIGNIFICANT 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 2021.

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 2021.

5 FINANCIAL RISK MANAGEMENT

The outbreak of COVID-19 has significantly impacted the daily life, economic conditions, business and consumers' activities across the globe. While the spread of COVID-19 has affected countries and economies across the world including Pakistan, swift action by the Government has contained the crises and number of deaths from COVID-19 remained low. The Pakistan Operation's management is fully cognisant of the business challenges posed by the COVID-19 outbreak due to rapidly changing economic conditions and operating environment. The Pakistan Operations continues to serve customers through its branches and the digital channels by observing the Government instructions and adopting all possible precautionary measures for safety of its employees.

The Pakistan Operations continue to follow its current policies for managing credit, liquidity and market as disclosed in the annual financial statement for the period ended 31 December 2021.

6	CASH AND BALANCES WITH TREASURY BANKS	Note	31 March 2022	31 December 2021
			----- (Rupees in '000) -----	
	In hand			
	Local currency		22,922	18,808
	Foreign currency		<u>58,736</u>	<u>80,163</u>
			81,658	98,971
	With State Bank of Pakistan in			
	Local currency current account	6.1	6,005,561	2,706,971
	Foreign currency current account	6.2	69,905	67,252
	Foreign currency deposit account			
	Special cash reserve account	6.3	210,444	202,455
	Local US Dollar collection account	6.4	110,141	76,377
	Foreign currency capital account		6,562,368	6,398,696
			12,958,419	9,451,751
	With National Bank of Pakistan in			
	Local currency current account		16	16
			13,040,093	9,550,738
6.1	This represents current account maintained with SBP that includes requirements of section 22 (Cash Reserve Requirement) of the Banking Companies Ordinance, 1962 and an additional Cash Reserve Requirement for banks that meet / do not meet targets for Housing and Construction Finance as per DMMD Circular Letter 03 of 2020.			
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 issued by the SBP. Profit rates on these deposits are fixed by SBP on a monthly basis and were 0% p.a (31 December 2021: 0.00% p.a).			
6.4	This represents US Dollar settlement account opened with the SBP in accordance with FE Circular No. 2.			
7	BALANCES WITH OTHER BANKS		31 March 2022	31 December 2021
			----- (Rupees in '000) -----	
	In Pakistan			
	Current account		2,000	1,500
	Outside Pakistan			
	Current account			
	Interbranch		1,032,504	5,331,327
	Others		1,757	2,041
			1,034,261	5,333,368
			1,036,261	5,334,868
8	LENDINGS TO FINANCIAL INSTITUTIONS		31 March 2022	31 December 2021
			----- (Rupees in '000) -----	
	Repurchase agreement lendings (Reverse Repo)		-	4,431,289

9 INVESTMENTS	Note	31 March 2022			31 December 2021		
		Cost	Surplus / (Deficit)	Total	Cost	Surplus / (Deficit)	Total
----- (Rupees in '000) -----							
9.1 Investments by type:							
Held-for-Trading Securities							
-Treasury bills		1,988,419	(175)	1,988,244	-	-	
-Pakistan Investment Bonds		-	-	-	441,458	(699)	
Available-for-Sale Securities							
-Treasury bills		16,219,211	(31,808)	16,187,403	13,915,809	(4,476)	
Total investments		18,207,630	(31,983)	18,175,647	14,357,267	(5,175)	

9.2 Investments by segments:		31 March 2022			31 December 2021		
		Cost	Surplus / (Deficit)	Total	Cost	Surplus / (Deficit)	Total
----- (Rupees in '000) -----							
Federal Government Securities							
Treasury Bills		18,207,630	(31,983)	18,175,647	13,915,809	(4,476)	
Pakistan Investment Bonds		-	-	-	441,458	(699)	
		18,207,630	(31,983)	18,175,647	14,357,267	(5,175)	

9.3 Quality of Available-for-Sale Securities

Details regarding quality of Available-for-Sale (AFS) securities are as follows:

Federal Government Securities - Government guaranteed:	Cost	
	----- (Rupees in '000) -----	
-Market Treasury Bills	18,207,630	-

10 ADVANCES		Performing		Non Performing		Total	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.		5,874,718	4,347,517	30,885	30,885	5,905,603	4,378,402
Bills discounted and purchased		-	-	65,626	65,626	65,626	65,626
Advances - gross	10.1	5,874,718	4,347,517	96,511	96,511	5,971,229	4,444,028
Provision against advances							
- Specific		-	-	(96,511)	(96,511)	(96,511)	(96,511)
- General		(7,998)	(7,998)	-	-	(7,998)	(7,998)
	10.3	(7,998)	(7,998)	(96,511)	(96,511)	(104,509)	(104,509)
Advances - net of provision		5,866,720	4,339,519	-	-	5,866,720	4,339,519

10.1 Particulars of advances (Gross)		31 March 2022	31 December 2021
		---- Rupees in '000 ----	
In local currency		5,905,603	4,378,402
In foreign currencies		65,626	65,626
		5,971,229	4,444,028

10.2 Advances include Rs.96.511 million (31 December 2021: Rs. 96.511 million) which have been placed under non-performing status as detailed below:

Category of Classification	31 March 2022		31 December 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- Rupees in '000 -----				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loans	96,511	96,511	96,511	96,511
	96,511	96,511	96,511	96,511

10.3 Particulars of provision against advances	31 March 2022			31-Dec-21		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
Opening balance	96,511	7,998	104,509	96,511	7,998	104,509
Charge for the period / year	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
Closing balance	96,511	7,998	104,509	96,511	7,998	104,509

10.3.1 General provision represents amount recognized in line with the instructions received from the Head office.

10.3.2 Particulars of provision against advances	2021			2020		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	96,511	7,998	104,509	96,511	7,998	104,509
	96,511	7,998	104,509	96,511	7,998	104,509

11	FIXED ASSETS	Note	31 March 2022	31 December 2021
			----- Rupees in '000 -----	
	Capital work-in-progress	11.1	117,890	143,230
	Property and equipment		161,237	134,768
			<u>279,127</u>	<u>277,998</u>
11.1	Capital work-in-progress			
	Advances to suppliers		<u>117,890</u>	<u>143,230</u>
12	DEFERRED TAX ASSETS			
	Deductible Temporary Differences on			
	- Deficit on revaluation of investments		12,405	1,746
	- Accelerated tax depreciation		7,196	20,023
			<u>19,601</u>	<u>21,769</u>
	Taxable Temporary Differences on			
	- Post retirement employee benefits		(16,377)	(16,374)
			<u>3,224</u>	<u>5,395</u>
13	OTHER ASSETS			
	Income / Mark-up accrued in local currency		113,418	101,636
	Income / Mark-up accrued in foreign currency		27,635	37,386
	Advances, deposits, advance service charges / rent and other prepayments		42,194	26,118
	Advance taxation (payments less provisions)		1,144,646	1,177,799
	Receivable from defined benefit plan		9,450	9,450
	Marked to market gains on forward foreign exchange contracts		83,745	36,121
	Acceptances		41,150	184,988
	Others		37,305	4,371
			<u>1,499,543</u>	<u>1,577,869</u>
	Less: Provision held against other assets	13.1	(4,674)	(4,674)
	Other Assets (Net of Provision)		<u>1,494,869</u>	<u>1,573,195</u>
13.1	Provision held against other assets			
	Advances, deposits, advance rent & other prepayments		<u>4,674</u>	<u>4,674</u>
14	BILLS PAYABLE			
	In Pakistan		<u>828,418</u>	<u>775,747</u>
15	BORROWINGS			
	Unsecured			
	Overdrawn nostro accounts - Interbranch		<u>32</u>	<u>9,334</u>
16	DEPOSITS AND OTHER ACCOUNTS			

	31 March 2022			31 December 2021		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- Rupees in '000 -----					
Customers						
Non-Remunerative						
Current deposits	8,209,419	1,032,839	9,242,258	9,257,542	966,184	10,223,726
Remunerative						
Savings deposits	11,955,667	1,967	11,957,634	11,571,572	35,982	11,607,554
Term deposits	2,365,500	-	2,365,500	3,019,500	-	3,019,500
Others	1,426,728	-	1,426,728	1,028,436	-	1,028,436
	<u>23,957,314</u>	<u>1,034,806</u>	<u>24,992,120</u>	<u>24,877,050</u>	<u>1,002,166</u>	<u>25,879,216</u>
Financial Institutions						
Non-remunerative deposits - inter branch	47	-	47	-	-	-
	<u>47</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>23,957,361</u>	<u>1,034,806</u>	<u>24,992,167</u>	<u>24,877,050</u>	<u>1,002,166</u>	<u>25,879,216</u>

17	OTHER LIABILITIES		31 March 2022	31 December 2021
			----- Rupees in '000 -----	
	Mark-up/ Return/ Interest payable in local currency		147,023	12,358
	Unearned commission and income on bills discounted		27,685	26,060
	Accrued expenses		155,114	129,037
	Acceptances		41,150	184,988
	Dividends payable		293,527	56,675
	Marked to market loss on forward foreign exchange contracts		129,242	36,708
	Payable to DB Singapore		6,195	6,195
	Unremitted head office expenses		3,370,214	3,290,170
	Provision against off-balance sheet obligations		6,121	6,121
	Workers Welfare Fund		302,491	294,755
	Lease liability		32,240	34,029
	Others		339,196	258,342
			<u>4,850,199</u>	<u>4,335,438</u>
18	CONTINGENCIES AND COMMITMENTS	Note	31 March 2022	31 December 2021
			----- Rupees in '000 -----	
	-Guarantees	18.1	13,891,267	13,910,081
	-Commitments	18.2	<u>31,699,326</u>	<u>30,784,166</u>
			<u>45,590,593</u>	<u>44,694,247</u>
18.1	Guarantees			
	Financial guarantees		<u>13,891,267</u>	<u>13,910,081</u>
18.2	Commitments			
	Documentary credits and short-term trade-related transactions		1,265,257	2,848,779
	- letters of credit			
	Commitments in respect of:			
	- forward foreign exchange contracts	18.2.1	12,630,889	12,296,671
	- forward lending	18.2.2	17,321,899	15,072,227
	- forward sale of investments		-	440,759
	Other commitments	18.2.3	481,281	125,730
			<u>31,699,326</u>	<u>30,784,166</u>
18.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		6,393,462	3,879,298
	Sale		<u>6,237,427</u>	<u>8,417,373</u>
			<u>12,630,889</u>	<u>12,296,671</u>
The maturities of above contracts are spread over a period of six months.				
18.2.2	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend		<u>17,321,899</u>	<u>20,720,534</u>
18.2.3	Cheques in clearing		<u>481,281</u>	<u>125,730</u>
18.3	Other contingent liabilities			
<p>Appeals for various assessment years are pending before Income Tax Appellate Authorities / High Courts. Out of these appeals, decisions against demands of Rs. 638 million (31 December 2021: Rs. 638 million) have been made by the CIRA in favor of Pakistan Operations in respect of tax years 2011 to 2014. However, the tax department has filed appeals against the decisions of CIRA for tax years 2013 and 2014 involving demand of Rs. 513 million while no appeal effect orders have been passed by taxation officer for the remaining years. Further, Pakistan Operations are vigorously contesting the appeals for additional demands of Rs. 45 million against various issues (31 December 2021: Rs. 45 million) and the Pakistan Operations are confident that no additional liability would arise.</p>				
19	MARK-UP / RETURN / INTEREST EARNED		Three months period ended 31 March 2022	Three months period ended 31 March 2021
			----- Rupees in '000 -----	
	On:			
	Loans and advances		114,548	39,166
	Investments		395,228	7,574
	lendings to financial institutions		266,711	569,661
	Others		1	-
			<u>776,488</u>	<u>616,401</u>
20	MARK-UP / RETURN / INTEREST EXPENSED			
	On:			
	Deposits		344,554	373,158
	Borrowings		433	478
	Finance cost of lease liability		723	74
			<u>345,710</u>	<u>373,710</u>

21 FEE & COMMISSION INCOME	Three months period ended 31 March 2022	Three months period ended 31 March 2021
	----- Rupees in '000 -----	
Commission on trade	20,079	23,176
Commission on guarantees	15,444	19,072
Commission on cash management	4,380	1,759
Commission on remittances including home remittances	25,185	95
Commission on custodial services	20,991	40,143
	<u>86,079</u>	<u>84,245</u>
22 (LOSS) / GAIN ON SECURITIES		
Realised (loss) / gain on sale of government securities	(28,559)	528
Unrealised - held for trading	(175)	(10,631)
	<u>(28,734)</u>	<u>(10,103)</u>
23 OTHER INCOME		
Gain on sale of fixed assets - net	31	7,438
Others	699	-
	<u>730</u>	<u>7,438</u>
24 DEFICIT ON REVALUATION OF ASSETS		
Deficit on revaluation of:		
- Available for sale securities	(31,808)	(4,476)
Deferred tax on deficit on revaluation of:		
- Available for sale securities	12,405	1,746
	<u>(19,403)</u>	<u>(2,730)</u>
25 OPERATING EXPENSES		
Total compensation expense	136,817	115,615
Property expense		
Rent & taxes	31,134	18,278
Insurance	2,111	3,184
Utilities cost	3,287	3,232
Security (including guards)	1,888	1,968
Repair & maintenance (including janitorial charges)	2,441	714
Depreciation	4,494	4,494
Depreciation on right-of-use assets	2,170	13,892
	47,525	45,762
Information technology expenses		
Software maintenance	166	-
Hardware maintenance	4,838	2,676
Depreciation	5,034	3,149
Network charges	8,042	2,243
	18,080	8,068
Other operating expenses		
Legal & professional charges	1,032	8,631
Outsourced services costs	19,864	18,016
Travelling & conveyance	474	482
NIFT clearing charges	307	277
Depreciation	4,830	9,449
Training & development	52	26
Postage & courier charges	897	588
Communication	1,963	1,828
Head office / regional office expenses	56,339	56,626
Stationery & printing	1,654	3,182
Marketing, advertisement & publicity	1,283	-
Auditors Remuneration	-	768
Others	2,140	1,889
	<u>90,835</u>	<u>101,762</u>
	<u>293,257</u>	<u>271,207</u>
26 TAXATION		
Current	153,462	110,047
Deferred	12,831	18,050
	<u>166,293</u>	<u>128,097</u>

27 FAIR VALUE MEASUREMENTS

27.1 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

	31 March 2022			
	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	-	1,988,244	-	1,988,244
Other Assets				
- Unrealized gain on forward foreign exchange contracts	-	83,745	-	83,745
Financial Liabilities measured at fair value				
Other Liabilities				
- Unrealized loss on forward foreign exchange contracts	-	129,242	-	129,242
Off-balance sheet financial instruments measured at fair value				
Forward purchase of foreign exchange	-	6,477,207	-	6,477,207
Forward sale of foreign exchange	-	6,366,669	-	6,366,669
----- (Rupees in '000) -----				
----- (Rupees in '000) -----				
	31 December 2021			
	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	-	440,759	-	440,759
Other Assets				
- Unrealized gain on forward foreign exchange contracts	-	36,121	-	36,121
Financial Liabilities measured at fair value				
Other Liabilities				
- Unrealized loss on forward foreign exchange contracts	-	36,708	-	36,708
Off-balance sheet financial instruments measured at fair value				
Forward purchase of foreign exchange	-	3,915,419	-	3,915,419
Forward sale of foreign exchange	-	8,454,081	-	8,454,081

27.2 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) / Pakistan Investment Bonds(PIB)	The fair value of MTBs and PIBs are derived using PKRV rates.

28 SEGMENT INFORMATION

28.1 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 bond trading.

Infrastructure and Regional Management

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

	Three months period ended 31 March 2022			
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	----- (Rupees in '000) -----			
Profit & Loss				
Net mark-up / return	(229,908)	5,200	655,486	430,778
Inter segment revenue - net	554,981	(41,401)	(513,580)	-
Non mark-up / return / interest income	120,788	158,036	(29,550)	249,274
Total Income	445,861	121,835	112,356	680,052
Segment direct expenses	(62,929)	(8,948)	(229,116)	(300,993)
Inter segment expense allocation	(175,906)	(29,114)	205,020	-
Total expenses	(238,835)	(38,062)	(24,096)	(300,993)
Reversals / (Provisions)	-	-	-	-
Profit before tax	207,026	83,773	88,260	379,059
	31 March 2022			
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	----- (Rupees in '000) -----			
Balance Sheet				
Cash & Bank balances	-	-	14,076,354	14,076,354
Net inter segment lending	20,624,107	-	-	20,624,107
Lendings to financial institutions	-	-	-	-
Investments	-	1,988,419	16,187,228	18,175,647
Advances - performing	5,874,718	-	-	5,874,718
- non-performing	96,511	-	-	96,511
- provision against advances	(104,509)	-	-	(104,509)
Others	267,987	83,745	1,425,488	1,777,220
Total Assets	26,758,814	2,072,164	31,689,070	60,520,048
Borrowings	-	-	32	32
Deposits & other accounts	24,992,120	-	47	24,992,167
Net inter segment borrowing	-	1,942,922	18,681,185	20,624,107
Others	1,766,694	129,242	3,782,681	5,678,617
Total liabilities	26,758,814	2,072,164	22,463,945	51,294,923
Equity	-	-	9,225,125	9,225,125
Total Equity & liabilities	26,758,814	2,072,164	31,689,070	60,520,048
Contingencies & Commitments	32,959,704	12,630,889	-	45,590,593

Three months period ended
31 March 2021

	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	----- (Rupees in '000) -----			
Profit & Loss				
Net mark-up / return	(336,501)	7,470	571,722	242,691
Inter segment revenue - net	590,204	(26,404)	(563,800)	-
Non mark-up / return / interest income	121,444	114,617	62,746	298,807
Total Income	375,147	95,683	70,668	541,498
Segment direct expenses	(85,635)	(6,807)	(184,171)	(276,613)
Inter segment expense allocation	(195,164)	(13,264)	208,428	-
Total expenses	(280,799)	(20,071)	24,257	(276,613)
Reversals / (Provisions)	-	-	-	-
Profit before tax	94,348	75,612	94,925	264,885

31 December 2021

	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	----- (Rupees in '000) -----			
Balance Sheet				
Cash & Bank balances	-	-	14,885,606	14,885,606
Net inter segment lending	22,333,256	-	-	22,333,256
Lendings to financial institutions	-	-	4,431,289	4,431,289
Investments	-	440,759	13,911,333	14,352,092
Advances - performing	4,347,517	-	-	4,347,517
- non-performing	96,511	-	-	96,511
- provision against advances	(104,509)	-	-	(104,509)
Others	324,874	36,121	1,495,593	1,856,588
Total Assets	26,997,649	476,880	34,723,821	62,198,350
Borrowings	-	-	9,334	9,334
Deposits & other accounts	25,879,216	-	-	25,879,216
Net inter segment borrowing	-	440,172	21,893,084	22,333,256
Others	1,118,433	36,708	3,956,044	5,111,185
Total liabilities	26,997,649	476,880	25,858,462	53,332,991
Head office account	-	-	8,865,359	8,865,359
Total Equity & liabilities	26,997,649	476,880	34,723,821	62,198,350
Contingencies & Commitments	32,271,846	12,422,401	-	44,694,247

29 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 2022			31 December 2021		
	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	1,032,503	-	-	5,331,327	-	-
Advances						
Opening balance	-	27,123	-	-	73,105	-
Addition during the year	-	-	-	-	38,950	-
Repaid during the year	-	(1,522)	-	-	(84,932)	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	25,601	-	-	27,123	-
Other Assets						
Receivable from staff retirement fund	-	-	13,740	-	-	9,450
Borrowings						
Opening balance	9,334	-	-	20,819	-	-
Borrowings during the year	1,099	-	-	29,141,085	-	-
Settled during the year	(10,401)	-	-	(29,152,570)	-	-
Closing balance	32	-	-	9,334	-	-
Deposits and other accounts						
Opening balance	-	7,163	20,184	89	12,345	26,220
Received during the year	148,661	34,638	396,444	1,208,401	349,497	3,798,474
Withdrawn during the year	(148,613)	(39,426)	(403,402)	(1,208,490)	(354,679)	(3,804,510)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	47	2,375	13,226	-	7,163	20,184
Other Liabilities						
Interest / mark-up payable	-	-	-	-	-	-
Other liabilities	3,376,409	-	-	3,296,365	-	-
Contingencies and Commitments						
Other contingencies	6,541,030	-	-	6,733,125	-	-
				Three months period ended		
				31 March 2022		31 March 2021
				Head office and branches	Key management personnel	Head office and branches
						Key management personnel
				----- (Rupees in '000) -----		
Income						
Mark-up / return / interest earned				-	129	563
Expense						
Operating expenses				56,339	35,124	56,626
						17,526

30 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	31 March 2022	31 December 2021
	----- (Rupees in '000) -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	9,225,125	8,865,359
 Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	9,225,128	8,855,909
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	9,225,128	8,855,909
Eligible Tier 2 Capital	14,119	14,119
Total Eligible Capital (Tier 1 + Tier 2)	9,239,247	8,870,028
 Risk Weighted Assets (RWAs):		
Credit Risk	10,584,400	11,227,480
Market Risk	831,350	280,222
Operational Risk	4,837,150	4,837,150
Total	16,252,900	16,344,852
 Common Equity Tier 1 Capital Adequacy Ratio		
	56.76%	54.18%
Tier 1 Capital Adequacy Ratio	56.76%	54.18%
Total Capital Adequacy Ratio	56.85%	54.27%
 Leverage Ratio (LR):		
Eligible Tier-1 Capital	9,225,128	8,855,909
Total Exposure	59,230,970	71,027,492
Leverage Ratio	15.57%	12.47%
 Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	26,284,397	27,565,828
Total Net Cash Outflow	8,845,433	8,763,782
Liquidity Coverage Ratio	297%	315%
 Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	24,615,211	27,057,001
Total Required Stable Funding	8,546,169	9,422,550
Net Stable Funding Ratio	288%	287%

31 GENERAL

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

32 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on 28 March 2022.

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan