

Deutsche Bank AG Colombo Branch

Interim Financial Statements

For the nine months ended 30 September 2024

Deutsche Bank AG - Colombo Branch Income Statement

In Rupees Thousands

	Current Period From 01/01/24 to 30/09/24	Previous Period From 01/01/23 to 30/09/23	Change %
Interest income	4,558,588	6,340,646	(28)
Less : Interest expenses	535,150	311,185	72
Net interest income	4,023,438	6,029,461	(33)
Fee and commission income	706,216	621,944	14
Less : Fee and commission expenses	55,985	64,840	(14)
Net fee and commission income	650,231	557,104	17
Net gains / (losses) from trading	970,490	1,938,447	(50)
Net fair value gains/(losses) on:			
Financial assets at fair value through profit or loss	(2,199)	2,367,954	(100)
Financial liabilities at fair value through profit or loss	-	-	-
Net gains from derecognition of financial assets:			
At fair value through profit or loss	-	-	-
At amortized cost	-	-	-
Net fair value gains/(losses) on at fair value through other comprehensive income	-	-	-
Net other operating income	178,606	169,927	5
Total operating income	5,820,566	11,062,893	(47)
Less : Impairment (charges) / reversal	(96,574)	3,304	n.m.
Net operating Income	5,723,992	11,059,589	(48)
Less : Expenses			
Personnel expenses	513,833	451,745	14
Depreciation and amortization	106,103	106,079	0
Other operating expenses	1,965,514	1,897,860	4
Operating profit/(loss) before VAT on financial services and SSCL	3,138,542	8,603,905	(64)
Less : Value Added Tax (VAT) on financial services	557,228	1,352,761	(59)
Less : Social Security Contribution Levy (SSCL) on financial services	77,392	187,883	(59)
Profit / (Loss) before Income Tax	2,503,922	7,063,261	(65)
Less : Income tax expenses	879,934	2,612,561	(66)
Profit / (Loss) for the period	1,623,988	4,450,700	(64)

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

In Rupees Thousands

	Current Period From 01/01/24 to 30/09/24	Previous Period From 01/01/23 to 30/09/23	Change %
Profit/ (Loss) for the period	1,624,978	4,450,700	(63)
Items that will be reclassified to income statement			
Exchange differences on translation of foreign operations	-	-	-
Net gains/(losses) on cash flow hedges	-	-	-
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	-	-	-
Share of profits of associates and joint ventures	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-
Less: Tax expense relating to items that will be reclassified to income statement	-	-	-
	-	-	-
Items that will not be reclassified to income statement			
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-
Re-measurement of post-employment benefit obligations	-	-	-
Related Tax	-	-	-
Changes in revaluation surplus	-	-	-
Share of profits of associates and joint ventures	-	-	-
Gain/(loss) on translating the Financial Statements of FCBU	(636,195)	(724,611)	12
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	(636,195)	(724,611)	12
Other Comprehensive Income (OCI) for the period, net of taxes	(636,195)	(724,611)	12
Total Comprehensive Income/ (Expense) for the period	988,783	3,726,089	(73)

Deutsche Bank AG - Colombo Branch
Statement of Financial Position

In Rupees Thousands

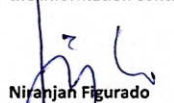
	Current Period As at 30-09-2024	Previous Period As at 31-12-2023 (Audited)	Growth %
Assets			
Cash and cash equivalents	174,816	542,721	(68)
Balances with Central Bank	12,676,344	12,346,488	3
Placement with banks	28,353,630	13,608,940	108
Placement with branches	1,553,064	49	n.m
Derivative financial instruments	302,172	38,983	675
Group balances receivable	1,933,441	1,719,105	12
Financial assets measured at fair value through profit or loss			
- measured at fair value	5,310,374	18,041,590	(71)
- designated at fair value	-	-	-
Financial assets at amortized cost			
- loans and advances	19,559,543	24,554,285	(20)
- debt and other instruments	-	-	-
Financial assets measured at fair value through other comprehensive income	42,339	42,339	-
Investments in subsidiaries	-	-	-
Investments in associates and joint ventures	-	-	-
Property, plant & equipment	512,340	617,455	(17)
Investment properties	-	-	-
Goodwill and intangible assets	-	-	-
Deferred tax assets	124,965	95,572	31
Other assets	1,839,730	1,464,147	26
Total assets	72,382,758	73,071,674	(1)
Liabilities			
Due to banks	2	-	-
Due to branches	2,373,909	1,460,629	63
Derivative financial instruments	6,565	3,333	n.m
Financial liabilities recognized through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial liabilities at amortized cost			
- due to depositors	37,146,842	38,684,925	(4)
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Debt securities issued	-	-	-
Retirement benefit obligations	110,899	96,009	16
Current tax liabilities	723,466	1,572,176	(54)
Other liabilities	810,009	1,410,180	(43)
Due to Subsidiaries	-	-	-
Group balances payable	3,805,832	2,528,895	50
Total liabilities	44,977,524	45,756,147	(2)
Equity			
Stated capital /Assigned capital	4,410,461	4,410,461	-
Statutory reserve fund	1,220,019	1,220,019	-
Retained earnings	10,181,576	9,491,622	7
Other reserves	11,593,178	12,193,424	(5)
Total equity	27,405,234	27,315,527	0
Total equity & liabilities	72,382,758	73,071,674	(1)
Contingent liabilities & commitments	98,509,002	74,838,165	32
Memorandum information:			
No. of employees	50	56	
No. of branches	1	1	

Note: Amounts stated are net of impairment & depreciation.

Certification

We, the undersigned, being the Chief Country Officer and Head of Finance of Deutsche Bank AG, Sri Lanka certify jointly that:-

- (A) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- (B) the information contained in these statements have been extracted from un-audited financial statements of the bank unless indicated as audited.


Niranjah Figurado
 Chief Country Officer
 22.11.2024
 Colombo


A.B.M. Imesha Sanjeewanie
 Head of Finance

Deutsche Bank AG - Colombo Branch
Statement of Changes in Equity

In Rupees Thousands	Stated capital/Assigned capital		Reserves					Reserve through contributed assets	Total equity		
	Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Statutory Reserve Fund	Fair Value Reserve	ECL reserve	Retained earnings			Exchange equalization of Capital	Exchange equalization of Reserves
Balance as at 31/12/2023-Audited	-	-	4,410,461	1,220,019	(22,703)	170,072	9,491,622	1,545,331	1,286,512	9,214,213	27,315,527
Total comprehensive income for the period											
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	1,623,988	-	-	-	1,623,988
Changes in fair value of FVTOCI	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on translating the Financial statement FCBU	-	-	-	-	-	-	-	(197,916)	(438,278)	-	(636,194)
Tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	1,623,988	(197,916)	(438,278)	-	987,794
Transactions recognized directly in equity											
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the year	-	-	-	-	-	-	-	-	-	-	-
Transfers to ECL reserve during the year	-	-	-	-	-	120,666	(35,949)	-	(84,717)	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to Head Office	-	-	-	-	-	-	(899,075)	-	-	-	(899,075)
Unremittable HO Expenses capitalization	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/09/2024	-	-	4,410,461	1,220,019	(22,703)	290,738	10,180,586	1,347,415	763,517	9,214,213	27,404,246

Deutsche Bank AG - Colombo Branch
Statement of Cash Flows

In Rupees Thousands

Current Period As at 30-09-2024	Previous Period As at 30-06-2023
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Cash flows from operating activities

Profit / (Loss) before tax

2,503,922	7,063,261
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Adjustment for;

Non cash items included in profit before tax

1,392,314	(2,386,863)
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Change in operating assets

313,734	(17,610,784)
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Change in operating liabilities

(1,354,839)	4,140,032
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Dividend income

-	-
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Net unrealized gain/(loss) from translation of Financial statements of Foreign Operation

(636,194)	(724,611)
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Cash generated from operating activities

2,218,937	(9,518,965)
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Contribution paid to defined benefit plans

(12,655)	(6,335)
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Income tax paid

(1,675,112)	(1,980,958)
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Net cash from/(used in) operating activities

531,170	(11,506,258)
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Cash flows from investing activities

Purchase of property, plant and equipment

-	(66,979)
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Proceeds from the sale of property, plant and equipment

-	-
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Dividend received from investments

-	-
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Net cash from/(used in) investing activities

-	(66,979)
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Cash flows from financing activities

Profit transferred to head office

(899,075)	(191,692)
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Net cash from/(used in) financing activities

(899,075)	(191,692)
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Net increase/(decrease) in cash & cash equivalents

(367,905)	(11,764,929)
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Cash and cash equivalents at the beginning of the period

542,721	13,452,453
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Cash and cash equivalents at the end of the period

174,816	1,687,524
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**Deutsche Bank AG - Colombo Branch
Additional Disclosures**

In Rupees Thousand	Current Period As at 30-09-2024	Previous Period As at 31-12-2023 (Audited)
ANALYSIS OF CUSTOMER DEPOSITS		
<u>By product – Domestic currency</u>		
Demand deposits (current accounts)	11,356,320	10,574,926
Savings deposits	10,445,935	10,699,835
Fixed deposits	5,373,683	7,523,899
Margin deposits	86,737	53,968
Sub total	27,262,675	28,852,628
<u>By product – Foreign currency</u>		
Demand deposits (current accounts)	9,558,301	9,009,982
Savings deposits	325,866	370,271
Fixed deposits	-	452,044
Margin deposits	-	-
Sub total	9,884,167	9,832,297
Total	37,146,842	38,684,925
ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT		
<u>Product-wise Gross loans & advances</u>		
<u>By product – Domestic currency</u>		
Overdrafts	13,994,138	17,693,981
Trade finance	174,533	50,227
Staff loans	116,810	118,572
Supplier Finance	3,068,703	4,018,470
Sub total	17,354,184	21,881,250
<u>By product – Foreign currency</u>		
Overdrafts	1,958,153	2,264,459
Trade finance	296,580	469,584
Staff loans	-	-
Supplier Finance	-	-
Sub total	2,254,733	2,734,043
Total	19,608,917	24,615,293
<u>Product-wise commitments and contingencies</u>		
<u>By product – Domestic currency</u>		
Guarantees	11,831,109	11,250,305
Letters of credit	-	41,044
Forward exchange contracts	11,852,324	3,752,664
Usance Import Bills	1,048,985	-
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	19,030,604	11,804,539
Sub total	43,763,021	26,848,552
<u>By product – Foreign currency</u>		
Guarantees	21,479,698	22,671,130
Letters of credit	5,652,467	5,688,022
Forward exchange contracts	11,583,722	3,755,760
Usance Import Bills	1,645,951	521,260
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	14,384,143	15,353,441
Sub total	54,745,981	47,989,613
Total	98,509,002	74,838,165

In Rupees Thousand

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

Gross loans and advances, commitments and contingencies

Less: Accumulated impairment under stage 1

Accumulated impairment under stage 2

Accumulated impairment under stage 3

Net value of loans and advances, commitments and contingencies

Movement of impairment during the period

Under Stage 1

Opening balance at 01/01/2024

Charge/(write back) to the Income Statement

Write-off during the year

Closing balance at 30/09/2024

Under Stage 2

Opening balance at 01/01/2023

Charge/(write back) to the Income Statement

Write-off during the year

Closing balance at 30/09/2024

Under Stage 3

Opening balance at 01/01/2023

Charge/(write back) to the Income Statement

Write-off during the year

Closing balance at 30/09/2024

Total impairment

	Current Period As at 30-09-2024	Previous Period As at 31-12-2023 (Audited)
Gross loans and advances, commitments and contingencies	118,117,919	99,453,458
Less: Accumulated impairment under stage 1	61,857	167,062
Accumulated impairment under stage 2	226,857	15,823
Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	117,829,205	99,270,573
Movement of impairment during the period		
Under Stage 1		
Opening balance at 01/01/2024	167,062	44,363
Charge/(write back) to the Income Statement	(105,205)	122,699
Write-off during the year	-	-
Closing balance at 30/09/2024	61,857	167,062
Under Stage 2		
Opening balance at 01/01/2023	15,823	38,904
Charge/(write back) to the Income Statement	211,034	(23,081)
Write-off during the year	-	-
Closing balance at 30/09/2024	226,857	15,823
Under Stage 3		
Opening balance at 01/01/2023	-	-
Charge/(write back) to the Income Statement	-	-
Write-off during the year	-	-
Closing balance at 30/09/2024	-	-
Total impairment	288,714	182,885

Deutsche Bank AG - Colombo Branch
Analysis of Financial Instruments on Measurement Basis

a. Bank - Current period 30/09/2024

In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	174,816	-	-	174,816
Balances with central bank	12,676,344	-	-	12,676,344
Placements with banks	28,353,630	-	-	28,353,630
Placements with branches	1,553,064	-	-	1,553,064
Derivative financial instruments	-	302,172	-	302,172
Group balances receivables	1,933,441	-	-	1,933,441
Financial assets measured at fair value through profit or loss	-	5,310,374	-	5,310,374
Financial assets at amortized cost				
- loans and advances	19,559,543	-	-	19,559,543
- debt and other instruments	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Other assets	1,839,730	-	-	1,839,730
Total financial assets	66,090,568	5,612,546	42,339	71,745,453

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	-	2	2
Due to branches	2,373,909	-	2,373,909
Derivative financial instruments	-	6,565	6,565
Financial liabilities at amortized cost			
- due to depositors	37,146,842	-	37,146,842
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Group balances payable	3,805,832	-	3,805,832
Other liabilities	279,561	-	279,561
Total financial liabilities	43,606,146	6,565	43,612,711

AC - Financial assets/liabilities measured at amortized cost

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

FVOCI - Financial assets measured at fair value through other comprehensive income

b. Bank - Previous period 31/12/2023 (Audited)

In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	542,721	-	-	542,721
Balances with central bank	12,346,488	-	-	12,346,488
Placements with banks	13,608,940	-	-	13,608,940
Placements with branches	49	-	-	49
Derivative financial instruments	-	38,983	-	38,983
Group balances receivables	1,719,105	-	-	1,719,105
Financial assets measured at fair value through profit or loss	-	18,041,590	-	18,041,590
Financial assets at amortized cost				
- loans and advances	24,554,285	-	-	24,554,285
- debt and other instruments	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Other assets	1,464,147	-	-	1,464,147
Total financial assets	54,235,735	18,080,573	42,339	72,358,646

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	-	-	-
Due to branches	1,460,629	-	1,460,629
Derivative financial instruments	-	3,333	3,333
Financial liabilities at amortized cost			
- due to depositors	38,684,925	-	38,684,925
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Group balances payable	2,528,895	-	2,528,895
Other liabilities	299,281	-	299,281
Total financial liabilities	42,973,730	3,333	42,977,063

Deutsche Bank AG - Colombo Branch
Selected Performance Indicators

	Current Period	Previous Period
	As at 30-09-2024	As at 31-12-2023
Regulatory Capital (LKR in Millions)		
Common Equity Tier 1	22,430	24,224
Tier 1 Capital	22,430	24,224
Total Capital	22,458	24,284
Regulatory Capital Ratios (%)		
Common Equity Tier I Capital Ratio (Minimum requirement - 7.00%)	31.0%	40.4%
Tier I Capital Ratio (Minimum requirement - 8.50 %)	31.0%	40.4%
Total Capital Ratio (Minimum requirement - 12.50 %)	31.0%	40.5%
Leverage Ratio (Minimum Requirement- 3%)	24.9%	26.5%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	17,590	29,939
Liquidity Coverage Ratio (Minimum requirement - 100%)		
Rupee (%)	686.31%	1001.04%
All Currency (%)	446.76%	766.51%
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	208.23%	212.00%
Assets Quality (Quality of Loan Portfolio) (%)		
Impaired Loans (Stage 3) Ratio	0.00%	0.00%
Impairment (Stage 3) to Stage 3 Loans Ratio	0.00%	0.00%
Profitability (%)		
Interest Margin	7.29%	10.24%
Return on Assets (before Tax)	4.54%	10.71%
Return on Equity	7.92%	19.50%

Notes :

1. These Financial Statements are prepared in accordance with LKAS 34 - Interim Financial Reporting laid down by the Institute of Chartered Accountants of Sri Lanka. There were no changes to Accounting Policies and methods of computation since the Audited Financial Statements for the year ended 31 December 2023.
2. The bank continues to assess the Economic Factor Adjustment (EFA) to reflect the economic environment when assessing collective impairment provisions in the subsequent periods. The recommended treatments as per the guidelines issued by the Central Bank of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka were considered in assessing the above-mentioned Expected Credit Losses (ECL).
3. DBU and FCBU retained profit for the year ended 31 December 2020 (Balance) and 2021 amounting to LKR 642.86 Mn and USD 1.38 Mn has been transferred to Head Office in April 2024, after obtaining approval from the Central Bank of Sri Lanka and tax clearance from the Department of Inland Revenue.
4. There was no pending litigation of a material nature against the Branch.
5. No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements other than the information disclosed in the notes.