



# **Deutsche Bank A.G Colombo Branch**

Interim Financial Statements

For the Three Months Ended 31 March 2022

## Deutsche Bank AG - Colombo Branch Income Statement

In Rupees Thousands

	Branch		
	Current Period	Previous Period	Change %
	From 01/01/22 to 31/03/22	From 01/01/21 to 31/03/21	
Interest income	702,115	676,907	4
Interest expenses	(93,415)	(99,100)	6
<b>Net interest income</b>	<b>608,700</b>	<b>577,807</b>	<b>5</b>
Fee and commission income	125,433	117,242	7
Fee and commission expenses	(6,803)	(13,258)	49
<b>Net fee and commission income</b>	<b>118,630</b>	<b>103,984</b>	<b>14</b>
Net gains / (losses) from trading	(241,241)	256,660	(194)
Net fair value gains/(losses) on:			
Net gains/(losses) from financial instruments at fair value through profit & loss	-	(32,173)	100
Financial liabilities at fair value through profit or loss	-	-	-
Net gains from derecognition of financial assets:			
At fair value through profit or loss	-	-	-
At amortised cost	-	-	-
At fair value through other comprehensive income	-	-	-
Net other operating income	35,593	26,587	34
<b>Total operating income</b>	<b>521,682</b>	<b>932,865</b>	<b>(44)</b>
Impairment reversal/(charges)	(391,026)	34,927	(1,220)
<b>Net operating income</b>	<b>130,656</b>	<b>967,792</b>	<b>(86)</b>
Personnel expenses	(109,868)	(104,689)	(5)
Depreciation and amortization	(30,408)	(16,726)	(82)
Other operating expenses	(287,355)	(238,636)	(20)
<b>Operating profit/(loss) before VAT on financial services</b>	<b>(296,975)</b>	<b>607,741</b>	<b>(149)</b>
Value Added Tax (VAT) on financial services	(0)	(81,772)	100
<b>Profit / (Loss) before Income Tax</b>	<b>(296,975)</b>	<b>525,969</b>	<b>(156)</b>
Income tax expenses	90,924	(118,707)	177
<b>Profit / (Loss) for the period</b>	<b>(206,051)</b>	<b>407,262</b>	<b>(151)</b>

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

In Rupees Thousands

	Branch		Change %
	Current Period From 01/01/22 to 31/03/22	Previous Period From 01/01/21 to 31/03/21	
<b>Profit/ (Loss) for the period</b>	<b>(206,051)</b>	<b>407,262</b>	<b>(151)</b>
<b>Items that will be reclassified to income statement</b>			
Exchange differences on translation of foreign operations	-	-	-
Net gains/(losses) on cash flow hedges	-	-	-
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	(4,611)	(12,096)	62
Share of profits of associates and joint ventures	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-
Others (specify)	-	-	-
Less: Tax expense relating to items that will be reclassified to income statement	1,107	-	-
	<b>(3,504)</b>	<b>(12,096)</b>	<b>71</b>
<b>Items that will not be reclassified to income statement</b>			
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-
Re-measurement of post-employment benefit obligations	-	-	-
Changes in revaluation surplus	-	-	-
Share of profits of associates and joint ventures Others (specify)	-	-	-
Others:			
Gain/(loss) on translating the Financial Statemtns of FCBU	1,530,608	283,671	440
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	<b>1,530,608</b>	<b>283,671</b>	<b>440</b>
<b>Other Comprehensive Income (OCI) for the period, net of taxes</b>	<b>1,527,104</b>	<b>271,575</b>	<b>462</b>
<b>Total comprehensive income/ (expense) for the period</b>	<b>1,321,053</b>	<b>678,837</b>	<b>95</b>

# Deutsche Bank AG - Colombo Branch

## Statement of Financial Position

In Rupees Thousands

	Current Period As at 31-03-2022	Previous Period As at 31-12-2021 (Audited)	Growth %
<b>Assets</b>			
Cash and cash equivalents	2,358,649	156,558	1,407
Balances with Central Bank	11,345,946	5,903,034	92
Placement with Banks	5,000,000	7,995,601	(37)
Placement with branches	11,600,534	5,978,294	94
Derivative financial instruments	170,710	2,437	6,905
Group balances receivable	3,171,193	2,733,485	16
Financial assets measured at fair value through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial assets at amortised cost			
- loans and advances	25,412,623	27,247,308	(7)
- debt and other instruments	5,241,396	3,830,912	37
Financial assets measured at fair value through other comprehensive income	1,207,908	1,123,699	7
Investment in Subsidiaries	-	-	-
Investments in associates and joint ventures	-	-	-
Property, plant & equipment	458,202	76,371	500
Investment properties	-	-	-
Goodwill and intangible assets	-	-	-
Deferred tax assets	198,055	104,750	89
Other assets	1,845,155	1,024,528	80
<b>Total assets</b>	<b>68,010,371</b>	<b>56,176,977</b>	<b>21</b>
<b>Liabilities</b>			
Due to banks	11,491	1,088	956
Due to branches	14,060,557	11,902,147	18
Derivative financial instruments	3,976	2,457	62
Financial liabilities recognized through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial liabilities at amortised cost			
- due to depositors	31,049,868	24,386,640	-
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Debt securities issued	-	-	-
Retirement benefit obligations	68,144	68,144	(0)
Current tax liabilities	148,802	209,404	(29)
Deferred tax liabilities	-	-	-
Other provisions	-	-	-
Other liabilities	1,049,349	361,615	190
Due to Subsidiaries	-	-	-
Group balances payable	4,354,981	3,303,331	32
<b>Total liabilities</b>	<b>50,747,168</b>	<b>40,234,826</b>	<b>26</b>
<b>Equity</b>			
Stated capital /Assigned capital	4,410,461	4,410,461	0
Statutory reserve fund	793,635	793,634	0
OCI Reserve	(29,205)	(25,702)	(14)
Retained earnings	3,569,528	4,026,216	(11)
Other reserves	8,518,784	6,737,542	26
<b>Total equity</b>	<b>17,263,203</b>	<b>15,942,151</b>	<b>8</b>
<b>Total equity and liabilities</b>	<b>68,010,371</b>	<b>56,176,977</b>	<b>21</b>
<b>Contingent liabilities &amp; commitments</b>	<b>56,316,406</b>	<b>45,651,093</b>	<b>23</b>
<b>Memorandum information:</b>			
No. of employees	88	88	
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

Sgd.  
**Vikas Arora**  
 Chief Country Officer  
 24.05.2022  
 Colombo

Sgd.  
**A R M Imesha Sanjeevanie**  
 Head of Finance

**Deutsche Bank AG - Colombo Branch**  
**Statement of Changes in Equity**

In Rupees Thousands	Stated capital/Assigned capital					Reserves					Total equity
	Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Statutory Reserve Fund	OCI Reserve	ECL reserve	Retained earnings	Exchange equalization of Capital	Exchange equalization of Reserves	Reserve through contributed assets	
<b>Balance as at 01/01/2022-Audited</b>	-	-	<b>4,410,461</b>	<b>793,635</b>	<b>(25,701)</b>	-	<b>4,026,214</b>	<b>665,365</b>	<b>453,622</b>	<b>5,618,554</b>	<b>15,942,150</b>
<b>Total comprehensive income for the period</b>											
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	(206,051)	-	-	-	(206,051)
ECL Reserve	-	-	-	-	-	310,541	(310,541)	-	-	-	-
Related taxes	-	-	-	-	1,107	-	-	-	-	-	1,107
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain on translating the Financials statement FCBU	-	-	-	-	-	-	-	663,344	867,264	-	1,530,608
Other comprehensive income	-	-	-	-	(4,611)	-	-	-	-	-	(4,611)
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>(3,504)</b>	<b>310,541</b>	<b>(516,592)</b>	<b>663,344</b>	<b>867,264</b>	-	<b>1,321,053</b>
<b>Transactions recognised directly in equity</b>											
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	(59,906)	59,906	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31/03/2022</b>	-	-	<b>4,410,461</b>	<b>793,635</b>	<b>(29,205)</b>	<b>250,635</b>	<b>3,569,528</b>	<b>1,328,709</b>	<b>1,320,886</b>	<b>5,618,554</b>	<b>17,263,203</b>

## Deutsche Bank AG - Colombo Branch Statement of Cash Flows

In Rupees Thousands

	Current Period 31-03-2022	Previous Period 31-03-2021
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	(296,975)	525,969
<b>Adjustment for</b>		
Non cash items included in profit before tax	653,717	162,863
Change in operating assets	(7,641,292)	1,379,424
Change in operating liabilities	9,551,973	(2,593,293)
Tax paid	(65,332)	(55,623)
Others	-	(956)
<b>Net cash generated from operating activities</b>	<b>2,202,091</b>	<b>(581,615)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	-
Dividend received from investments	-	956
<b>Net cash (used in ) from investing activities</b>	<b>-</b>	<b>956</b>
<b>Cash flows from financing activities</b>		
Interest paid on subordinated debt	-	-
Profit transfer to head office	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
Net increase/ ( decrease ) in cash & cash equivalents	2,202,091	(580,659)
Cash and cash equivalents at the beginning of the period	156,558	663,786
Cash and cah equivalents at the end of the period	<b>2,358,649</b>	<b>83,127</b>

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

**a. Bank - Current period 31/03/2022**

In Rupees Thousand	AC	FVPL	FVTOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	2,358,649	-	-	2,358,649
Balances with central banks	11,345,946	-	-	11,345,946
Placements with banks	5,000,000	-	-	5,000,000
Placements with Branches	11,600,534	-	-	11,600,534
Derivative financial instruments	-	170,710	-	170,710
Loans and advances	25,412,623	-	-	25,412,623
Financial assets at amortised cost - debt instruments	5,241,396	-	-	5,241,396
Financial assets recognized through profit or loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	1,207,908	1,207,908
Group Balances receivables	3,171,193	-	-	3,171,193
Other assets	661,394	-	-	661,394
<b>Total financial assets</b>	<b>64,791,735</b>	<b>170,710</b>	<b>1,207,908</b>	<b>66,170,353</b>
<b>LIABILITIES</b>				
Due to banks	-	11,491	-	11,491
Due to Branches	-	14,060,557	-	14,060,557
Derivative financial instruments	-	-	3,976	3,976
Financial liabilities	-	-	-	-
- due to depositors	-	31,049,868	-	31,049,868
- due to Debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Group Balances payable	-	4,346,748	-	4,346,748
Other liabilities	-	648,502	-	648,502
<b>Total financial liabilities</b>	<b>-</b>	<b>50,117,166</b>	<b>3,976</b>	<b>50,121,142</b>

AC - Financial assets/liabilities measured at amortised cost

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

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

**b. Bank – Previous period 31/12/2021**

In Rupees Thousand	AC	FVPL	FVTOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	156,558	-	-	156,558
Balances with central banks	5,903,034	-	-	5,903,034
Placements with banks	7,995,601	-	-	7,995,601
Placements with Branches	5,978,294	-	-	5,978,294
Derivative financial instruments	-	2,437	-	2,437
Loans and advances	27,247,308	-	-	27,247,308
Financial assets at amortised cost - debt instruments	3,830,912	-	-	3,830,912
Financial assets recognized through profit or loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	1,123,699	1,123,699
Group Balances receivables	2,733,485	-	-	2,733,485
Other assets	407,562	-	-	407,562
<b>Total financial assets</b>	<b>54,252,754</b>	<b>2,437</b>	<b>1,123,699</b>	<b>55,378,890</b>
<b>LIABILITIES</b>				
Due to banks	-	1,088	-	1,088
Due to Branches	-	11,902,147	-	11,902,147
Derivative financial instruments	-	-	2,457	2,457
Financial liabilities	-	-	-	-
- due to depositors	-	24,386,640	-	24,386,640
- due to Debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Group Balances payable	-	3,303,331	-	3,303,331
Other liabilities	-	75,417	-	75,417
<b>Total financial liabilities</b>	<b>-</b>	<b>39,668,623</b>	<b>2,457</b>	<b>39,671,081</b>

**Deutsche Bank AG - Colombo Branch**  
**Selected Performance Indicators**

	Current Period	Previous Period
	As at 31-03-2022	As at 31-12-2021
<b>Regulatory Capital (LKR in Millions)</b>		
Common Equity Tier 1	<b>14,076</b>	14,751
Tier 1 Capital	<b>14,076</b>	14,751
Total Capital	<b>14,085</b>	14,761
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier I Capital Ratio (Minimum requirement - 6.50%)	<b>29.30%</b>	34.20%
Tier I Capital Ratio (Minimum requirement - 8.00 %)	<b>29.30%</b>	34.20%
Total Capital Ratio (Minimum requirement - 12.00 %)	<b>29.32%</b>	34.22%
<b>Leverage Ratio - (Minimum Requirement- 3%)</b>	<b>16.92%</b>	20.74%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR in Millions)		
Domestic Banking unit	<b>23,947</b>	19,996
Off-Shore Banking unit	<b>16,227</b>	10,847
Statutory Liquid Assets Ratio,% (Minimum requirement 20 %)		
Domestic Banking unit	<b>89.80%</b>	73.89%
Off-Shore Banking unit	<b>79.33%</b>	72.86%
Total Stock of High-Quality Liquid Assets (LKR in Millions)		
	<b>4,834</b>	4,419
Liquidity Coverage Ratio (%) - (Minimum requirement - 100%)		
Rupee (%)	<b>298.71%</b>	246.00%
All Currency (%)	<b>137.46%</b>	137.66%
<b>Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)</b>	<b>132.17%</b>	133.25%
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non - Performing Advances Ratio, % (net Interest in Suspense)	<b>0.00%</b>	0.00%
Net Non - Performing Advances Ratio, % (net of Interest in Suspense and Provision)	<b>0.00%</b>	0.00%
<b>Profitability</b>		
Interest Margin, (%)	<b>3.86%</b>	3.93%
Return on Assets (before Tax), (%)	<b>-1.89%</b>	1.92%
Return on Equity, (%)	<b>-4.99%</b>	5.69%

**Notes :**

- These Financial Statements are prepared in accordance with LKAS 34 - Interim Financial Reporting laid down by the Institute of Chartered Accountants of Sri Lanka. There were no changes to Accounting Policies and methods of computation since the Audited Financial Statements for the year ended 31 December 2021.
- The Branch incurred an after tax loss of LKR 206 mn for the Q1 mainly due to,
  - Increase in SLDB impairment provision by LKR 378 mn (increase the provision cover to 12%) while SLDB portfolio has reported as stage 1 asset.
  - HO and IE payable/ receivable revaluation loss of LKR 783 mn was recognized as a result of the significant LKR depreciation.
- There was no pending litigation of a material nature against the Branch.
- All known expenses have been provided in these Interim Financial Statements.
- No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements.



**Deutsche Bank AG - Colombo Branch**  
**Additional Disclosures**

In Rupees Thousand	Current Period As at 31-03-2022	Previous Period As at 31-12-2021
<b>By product – Domestic currency</b>		
Demand deposits (current accounts)	12,209,251	11,803,951
Savings deposits	6,356,572	5,015,591
Margin deposits	20,430	33,325
Fixed deposits	1,978,832	1,778,750
<b>Sub total</b>	<b>20,565,085</b>	<b>18,631,617</b>
<b>By product – Foreign currency</b>		
Demand deposits (current accounts)	7,152,710	4,400,779
Savings deposits	3,185,007	1,252,943
Margin deposits	-	-
Fixed deposits	147,066	101,301
<b>Sub total</b>	<b>10,484,783</b>	<b>5,755,023</b>
<b>Total</b>	<b>31,049,868</b>	<b>24,386,640</b>
<b>Product-wise Gross loans &amp; advances</b>		
<b>By product – Domestic currency</b>		
Overdrafts	11,383,915	13,364,046
Term loans	-	-
Lease rental receivables	-	-
Credit Cards	-	-
Pawning	-	-
Trade finance	3,559,454	3,777,508
Staff loans	110,974	111,472
Supplier Finance	2,445,286	1,187,190
<b>Sub total</b>	<b>17,499,629</b>	<b>18,440,216</b>
<b>By product – Foreign currency</b>		
Overdrafts	5,354,560	4,480,437
Term loans	-	-
Guarantees	-	-
Bonds	-	-
Trade finance	2,567,509	4,331,228
Staff loans	-	-
Supplier Finance	-	4,755
<b>Sub total</b>	<b>7,922,069</b>	<b>8,816,420</b>
<b>Total</b>	<b>25,421,699</b>	<b>27,256,636</b>
<b>Product-wise commitments and contingencies</b>		
<b>By product – Domestic currency</b>		
Guarantees	10,688,452	14,690,362
Letters of credit	756,108	65,165
Bonds	-	-
Forward exchange contracts	-	-
Usance Import Bills	-	-
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	13,726,597	10,896,598
<b>Sub total</b>	<b>25,171,157</b>	<b>25,652,125</b>
<b>By product – Foreign currency</b>		
Guarantees	21,002,590	12,089,872
Letters of credit	4,036,525	3,190,061
Forward exchange contracts	(68)	14,976
Usance Import Bills	3,507,294	2,154,371
Core acceptance	277,978	77,770
Other commitments	-	-
Undrawn loan commitments	2,320,930	2,471,918
<b>Sub total</b>	<b>31,145,249</b>	<b>19,998,968</b>
<b>Total</b>	<b>56,316,406</b>	<b>45,651,093</b>

**Deutsche Bank AG - Colombo Branch**  
**Additional Disclosures**

In Rupees Thousand	Current Period As at 31-03-2022	Previous Period As at 31-12-2021
<b>Stage-wise impairment on loans &amp; advances, commitments and contingencies</b>		
Gross loans and advances, commitments and contingencies		
Less: Accumulated impairment under stage 1	35,164	21,607
Accumulated impairment under stage 2	3,799	-
Accumulated impairment under stage 3	-	-
<b>Net value of loans and advances, commitments and contingencies</b>	<b>81,699,142</b>	<b>72,886,122</b>
<b>Movement of impairment during the period</b>		
<b>Under Stage 1</b>		
Opening balance at 01/01/2022	21,608	5,743
Write-off during the year	-	-
Other movements	13,556	15,864
Closing balance at 31/03/2022	<b>35,164</b>	<b>21,607</b>
<b>Under Stage 2</b>		
Opening balance at 01/01/2022	0	149
Write-off during the year	-	-
Other movements	3,799	(149)
Closing balance at 31/03/2022	<b>3,799</b>	-
<b>Under Stage 3</b>		
Opening balance at 01/01/2022	-	-
Write-off during the year	-	-
Other movements	-	-
Closing balance at 31/03/2022	-	-
<b>Total impairment</b>	<b>38,963</b>	<b>21,607</b>