

Deutsche Bank A.G Colombo Branch

Interim Financial Statements

For the Nine Months Ended 30 September 2022

Deutsche Bank AG - Colombo Branch Income Statement

In Rupees Thousands

	Current Period From 01/01/22 to 30/09/22	Previous Period From 01/01/21 to 30/09/21	Change %
Interest income	4,058,566	1,980,572	105
Interest expenses	(373,723)	(279,869)	(34)
Net interest income	3,684,843	1,700,701	117
Fee and commission income	427,971	422,506	1
Fee and commission expenses	(23,999)	(33,881)	29
Net fee and commission income	403,972	388,625	4
Net gains / (losses) from trading	1,077,351	579,644	86
Net fair value gains/(losses) on:	-	-	-
Net gains/(losses) from financial instruments at fair value through profit & loss	-	(65,000)	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	241,878	104,680	131
Total operating income	5,408,044	2,708,650	100
Impairment reversal/(charges)	(1,409,338)	103,393	
Net operating income	3,998,706	2,812,043	42
Personnel expenses	(420,988)	(297,251)	(42)
Depreciation and amortization	(68,140)	(47,897)	(42)
Other operating expenses	(1,203,517)	(1,198,576)	(0)
Operating profit/(loss) before VAT on financial services	2,306,061	1,268,318	82
Value Added Tax (VAT) on financial services	(394,065)	(192,482)	(105)
Profit / (Loss) before Income Tax	1,911,996	1,075,836	78
Income tax expenses	(526,892)	(250,090)	(111)
Profit / (Loss) for the period	1,385,104	825,746	68

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

In Rupees Thousands

	Current Period From 01/01/22 to 30/09/22	Previous Period From 01/01/21 to 30/09/21	Change %
Profit/ (Loss) for the period	1,385,104	825,746	68
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	4,284	(16,799)	126
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	-	-	-
	4,284	-	-
Items that will not be reclassified to income statement			
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-
Re-measurement of post-employment benefit obligations	-	-	-
Changes in revaluation surplus	-	-	-
Share of profits of associates and joint ventures Others (specify)	-	-	-
Others:	-	-	-
Gain/(loss) on translating the Financial Statements of FCBU	3,028,277	234,881	1,189
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	3,028,277	218,082	1,289
Other Comprehensive Income (OCI) for the period, net of taxes	3,032,561	1,043,828	191
Total comprehensive income/ (expense) for the period	4,417,665	1,043,828	323

Deutsche Bank AG - Colombo Branch
Statement of Financial Position

In Rupees Thousands

	Current Period As at 30-09-2022	Previous Period As at 31-12-2021 (Audited)	Growth %
Assets			
Cash and cash equivalents	9,624,104	156,558	6,047
Balances with Central Bank	22,729,754	5,903,034	285
Placement with Banks	-	7,995,601	(100)
Placement with branches	6,567,743	5,978,294	10
Derivative financial instruments	92,634	2,437	3,701
Group balances receivable	1,489,504	2,733,485	(46)
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	26,745,827	27,247,308	(2)
- debt and other instruments	5,714,337	3,830,912	49
Financial assets measured at fair value through other comprehensive income	42,339	1,123,699	(96)
Investments in subsidiaries	-	-	-
Investments in associates and joint ventures	-	-	-
Property, plant & equipment	512,532	76,371	571
Investment properties	-	-	-
Goodwill and intangible assets	-	-	-
Deferred tax assets	430,294	104,750	311
Other assets	2,018,235	1,024,528	97
Total assets	75,967,303	56,176,977	35
Liabilities			
Due to banks	2,201	1,088	102
Due to branches	7,978,165	11,902,147	(33)
Derivative financial instruments	179,588	2,457	7,209
Financial liabilities recognized through profit or loss			
- measured at fair value	-	-	-
- designated at fair value	-	-	-
Financial liabilities at amortised cost			
- due to depositors	41,191,324	24,386,640	69
- due to debt securities holders	-	-	-
- due to other borrowers	-	-	-
Debt securities issued	-	-	-
Retirement benefit obligations	56,073	68,144	(18)
Current tax liabilities	846,673	209,404	304
Deferred tax liabilities	-	-	-
Other provisions	-	-	-
Other liabilities	3,575,747	361,615	889
Due to Subsidiaries	-	-	-
Group balances payable	616,270	3,303,331	(81)
Total liabilities	54,446,041	40,234,826	35
Equity			
Stated capital /Assigned capital	4,410,461	4,410,461	-
Statutory reserve fund	793,635	793,634	0
OCI Reserve	(21,417)	(25,702)	17
Retained earnings	4,988,371	4,026,216	24
Other reserves	11,350,212	6,737,542	68
Total equity	21,521,262	15,942,151	35
Total equity & liabilities	75,967,303	56,176,977	35
Contingent liabilities & commitments	67,957,444	45,651,093	49

Memorandum information:

No. of employees	86	88
No. of branches	1	1

Note: Amounts stated are net of impairment & depreciation.

Certification

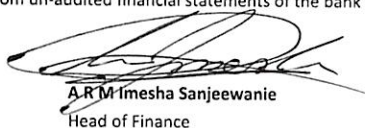
We, the undersigned, being the Chief Country Officer and Head of Finance of Deutsche Bank AG, Sri Lanka certify jointly that:-

(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 audited.


Vikas Arora

Chief Country Officer
 22.11.2022
 Colombo


A R M Imesha Sanjeevan
 Head of Finance

Deutsche Bank AG - Colombo Branch
Statement of Changes in Equity

	Stated capital/Assigned capital			Reserves				Total equity			
	Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Statutory Reserve Fund	FVTOCI Reserve	ECL reserve	Retained earnings		Exchange equalization of Capital	Exchange equalization of Reserves	Reserve through contributed assets
Balance as at 01/01/2022-Audited	-	-	4,410,461	793,635	(25,701)	-	4,026,214	665,365	453,622	5,618,554	15,942,150
Total comprehensive income for the period	-	-	-	-	-	-	1,385,104	-	-	-	1,385,104
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	(310,541)	-	-	-	-
ECL Reserve	-	-	-	-	-	310,541	-	-	-	-	-
Related taxes	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain on translating the Financials statement FCBU	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	1,181,696	1,846,582	-	3,028,278
Total comprehensive income for the period	-	-	-	-	4,284	-	4,284	-	-	-	4,284
Transactions recognised directly in equity	-	-	-	-	-	-	1,074,563	1,181,696	1,846,582	-	4,417,666
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	112,406	(112,406)	-	-	1,161,446	1,161,446
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/09/2022	-	-	4,410,461	793,635	(21,417)	422,947	4,988,371	1,847,061	2,300,204	6,780,000	21,521,262

Deutsche Bank AG - Colombo Branch
Statement of Cash Flows

	For the Quarter ended	
	Current Period	Previous Period
	30-09-2022	30-09-2021
	Rs. '000	Rs. '000
<i>Cash flows from operating activities</i>		
Profit / (Loss) before tax	1,911,996	1,075,836
Adjustment for		
Non cash items included in profit before tax	2,353,215	929,561
Change in operating assets	(6,498,121)	5,681,969
Change in operating liabilities	11,974,834	(8,054,343)
Tax paid	(215,167)	(203,525)
Others	-	(956)
Net cash generated from operating activities	9,526,757	(571,457)
<i>Cash flows from investing activities</i>		
Purchase of property, plant and equipment	(59,211)	(2,132)
Dividend received from investments	-	956
Net cash (used in) from investing activities	(59,211)	(1,176)
<i>Cash flows from financing activities</i>		
Interest paid on subordinated debt	-	-
Profit transfer to head office	-	-
Net cash from financing activities	-	-
Net increase/ (decrease) in cash & cash equivalents	9,467,546	(572,633)
Cash and cash equivalents at the beginning of the period	156,558	663,786
Cash and cash equivalents at the end of the period	9,624,104	91,153

Deutsche Bank AG - Colombo Branch
Additional Disclosures

In Rupees Thousand	Current Period As at 30-09-2022	Previous Period As at 31-12-2021 (Audited)
By product – Domestic currency		
Demand deposits (current accounts)	15,387,569	11,803,951
Savings deposits	7,568,373	5,015,591
Margin deposits	19,848	33,325
Fixed deposits	2,065,611	1,778,750
Sub total	25,041,401	18,631,617
By product – Foreign currency		
Demand deposits (current accounts)	12,719,752	4,400,779
Savings deposits	1,070,232	1,252,943
Margin deposits	2,003,347	6,268,534
Fixed deposits	356,592	6,301,859
Sub total	16,149,923	8,080,609
Total	41,191,324	26,712,226
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	12,417,079	13,364,046
Trade finance	999,995	3,777,508
Staff loans	102,237	111,472
Supplier Finance	5,533,486	1,187,190
Sub total	19,052,797	18,440,216
By product – Foreign currency		
Overdrafts	5,985,630	4,480,437
Trade finance	1,730,656	4,331,228
Staff loans	-	-
Supplier Finance	-	4,755
Sub total	7,716,286	8,816,420
Total	26,769,083	27,256,636
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	10,629,545	14,690,362
Letters of credit	756,108	65,165
Forward exchange contracts	-	-
Usance Import Bills	-	-
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	11,770,816	10,896,598
Sub total	23,156,469	25,652,125
By product – Foreign currency		
Guarantees	23,523,118	12,089,872
Letters of credit	7,168,258	3,190,061
Forward exchange contracts	25,771	14,976
Usance Import Bills	4,262,030	2,154,371
Core acceptance	-	77,770
Other commitments	-	-
Undrawn loan commitments	9,821,798	2,471,918
Sub total	44,800,975	19,998,968
Total	67,957,444	45,651,093

Deutsche Bank AG - Colombo Branch
Additional Disclosures

	Current Period As at 30-09-2022	Previous Period As at 31-12-2021 (Audited)
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	40,858	21,607
Accumulated impairment under stage 2	40,367	-
Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	94,645,302	72,886,122
Movement of impairment during the period		
Under Stage 1		
Opening balance at 01/01/2022	21,607	5,743
Write-off during the year	-	-
Other movements	19,251	15,864
Closing balance at 30/09/2022	40,858	21,607
Under Stage 2		
Opening balance at 01/01/2022	-	149
Write-off during the year	-	-
Other movements	40,367	(149)
Closing balance at 30/09/2022	40,367	-
Under Stage 3		
Opening balance at 01/01/2022	-	-
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/09/2022	-	-
Total impairment	81,225	21,607

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

a. Bank - Current period 30/09/2022

In Rupees Thousand	AC	FVPL	FVTOCI	Total
ASSETS				
Cash and cash equivalents	9,624,104	-	-	9,624,104
Balances with central banks	22,729,754	-	-	22,729,754
Placements with banks	-	-	-	-
Placements with Branches	6,567,743	-	-	6,567,743
Derivative financial instruments	-	92,634	-	92,634
Group Balances receivables	1,489,504	-	-	1,489,504
Financial assets recognized through profit or loss	-	-	-	-
Loans and advances	26,745,827	-	-	26,745,827
Financial assets measured at fair value through other comprehensive income	-	-	42,339	42,339
Other assets	927,973	-	-	927,973
Total financial assets	68,084,903	92,634	42,339	68,219,876
LIABILITIES				
Due to banks	-	2,201	-	2,201
Due to Branches	-	7,978,165	-	7,978,165
Derivative financial instruments	-	-	179,588	179,588
Financial liabilities at amortised cost	-	-	-	-
- due to depositors	-	41,191,324	-	41,191,324
- due to Debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Group Balances payable	-	605,007	-	605,007
Other liabilities	-	189,317	-	189,317
Total financial liabilities		49,966,014	179,588	50,145,602

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
ASSETS				
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
Group Balances receivables	2,733,485	-	-	2,733,485
Balances with central banks	27,247,308	-	-	27,247,308
Balances with banks	3,830,912	-	-	3,830,912
Financial assets measured at fair value through other comprehensive income	-	-	1,123,699	1,123,699
Other assets	407,562	-	-	407,562
Total financial assets	54,252,754	2,437	1,123,699	55,378,890
LIABILITIES				
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
Total financial liabilities		39,668,623	2,457	39,671,081

Deutsche Bank AG - Colombo Branch
Selected Performance Indicators

	Current Period As at 30-09- 2022	Current Period As at 31-12- 2021
Regulatory Capital (LKR in Millions)		
Common Equity Tier 1	15,561	14,751
Tier 1 Capital	15,561	14,751
Total Capital	15,579	14,761
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum requirement - 6.50%)	29.13%	34.20%
Tier I Capital Ratio (Minimum requirement - 8.50%)	29.13%	34.20%
Total Capital Ratio (Minimum requirement - 12.50%)	29.16%	34.22%
Leverage Ratio (Minimum Requirement- 3%)	16.58%	20.74%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)		
Domestic Banking unit	28,793	19,996
Off-Shore Banking unit	15,001	10,847
Statutory Liquid Assets Ratio,% (Minimum requirement 20%)		
Domestic Banking unit	78.16%	73.89%
Off-Shore Banking unit	74.47%	72.86%
Total Stock of High-Quality Liquid Assets (LKR in Millions)		
Liquidity Coverage Ratio (%) - (Minimum requirement - 100%)	21,807	4,419
Rupee (%)	815.00%	246.00%
All Currency (%)	591.13%	137.66%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)		
Assets Quality (Quality of Loan Portfolio)	138.00%	133.25%
Gross Non - Performing Advances Ratio, % (net Interest in Suspense)	0.00%	0.00%
Net Non - Performing Advances Ratio, % (net of Interest in Suspense and Provision)	0.00%	0.00%
Profitability		
Interest Margin, (%)	6.94%	3.93%
Return on Assets (before Tax), (%)	3.60%	1.92%
Return on Equity, (%)	9.91%	5.69%

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 2021.
2. IE Payable of LKR 1.16 bn has capitalized during the year and considered " reserve through contributed assets" in the statement of changes in equity.
3. There was no pending litigation of a material nature against the Branch.
4. All known expenses have been provided in these Interim Financial Statements.
5. No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements.