



INCOME STATEMENT

| In Rupees Thousands | Deutsche Bank Colombo Branch | | |
|---|--|---|--------------|
| | Current Period From 01/01/23 to 30/06/23 | Previous Period From 01/01/22 to 30/06/22 | Change % |
| Interest income | 4,225,783 | 2,144,901 | 97 |
| Less : Interest expenses | 169,523 | 220,835 | (23) |
| Net interest income | 4,056,260 | 1,924,066 | 111 |
| Fee and commission income | 428,126 | 274,307 | 56 |
| Less : Fee and commission expenses | 41,284 | 16,209 | 155 |
| Net fee and commission income | 386,841 | 258,098 | 50 |
| Net gains / (losses) from trading | 1,417,465 | 883,527 | 60 |
| Net fair value gains / (losses) on: | | | |
| Financial assets at fair value through profit and loss | 526,023 | - | 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 | - | - | - |
| Net fair value gains/(losses) on at fair value through other comprehensive income | - | - | - |
| Net other operating income | 121,932 | (1,156,314) | 111 |
| Total operating income | 6,508,521 | 1,909,377 | 241 |
| Less : Impairment charges / (reversal) | 14,214 | 1,216,390 | (99) |
| Net operating income | 6,494,307 | 692,987 | 837 |
| Less : Expenses | | | |
| Personnel expenses | 296,916 | 266,473 | 11 |
| Depreciation and amortization | 68,953 | 49,208 | 40 |
| Other operating expenses | 1,093,930 | 737,012 | 48 |
| Operating profit / (loss) before VAT on financial services and SSCL | 5,034,508 | (359,706) | 1,500 |
| Less : Value Added Tax (VAT) on financial services | 781,750 | - | 100 |
| Less : Social Security Contribution Levy (SSCL) on financial services | 108,576 | - | 100 |
| Profit / (Loss) before Income Tax | 4,144,182 | (359,706) | 1,252 |
| Less : Income tax expenses | 1,521,105 | (110,717) | 1,474 |
| Profit / (Loss) for the period | 2,623,077 | (248,989) | 1,153 |

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| In Rupees Thousands | Deutsche Bank Colombo Branch | | |
|--|--|---|--------------|
| | Current Period From 01/01/23 to 30/06/23 | Previous Period From 01/01/22 to 30/06/22 | Change % |
| Profit / (Loss) for the period | 2,623,077 | (248,989) | 1,153 |
| 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 | - | - | - |
| Changes in revaluation surplus | - | - | - |
| Share of profits of associates and joint ventures | - | - | - |
| Gain / (loss) on translating the financial statements of FCBU | (985,189) | 2,594,691 | (138) |
| Less: Tax expense relating to items that will not be reclassified to income statement | - | - | - |
| | (985,189) | 2,594,691 | (138) |
| Other Comprehensive Income (OCI) for the period, net of taxes | (985,189) | 2,594,691 | (138) |
| Comprehensive Income / (Expense) for the period | 1,637,888 | 2,345,702 | (30) |

STATEMENT OF CASH FLOWS

| In Rupees Thousands | Deutsche Bank Colombo Branch | |
|--|---------------------------------|----------------------------------|
| | Current Period As at 30-06-2023 | Previous Period As at 30-06-2022 |
| Cash flows from operating activities | | |
| Profit / (Loss) before tax | 4,144,182 | (359,706) |
| Adjustment for | | |
| Non cash items included in profit before tax | 325,592 | 1,810,719 |
| (Increase)/decrease in operating assets | (5,289,831) | (10,819,392) |
| Increase/(decrease) in operating liabilities | (8,538,586) | 14,278,998 |
| Dividend received from investments | - | - |
| Net unrealized gain/(loss) arising from translating the financial statements of foreign operations | (985,189) | - |
| Net cash generated from operating activities | (10,343,832) | 4,910,619 |
| Contribution paid to defined benefit plans | (1,358) | - |
| Income tax paid | (1,237,291) | (126,725) |
| Net cash from / (used in) operating activities | (11,582,481) | 4,783,894 |
| Cash flows from financing activities | | |
| Purchase of property, plant and equipment | (20,205) | (8,342) |
| Proceeds from the sale of property, plant and equipment | - | - |
| Dividend received from investments | - | - |
| Net cash from / (used in) investing activities | (20,205) | (8,342) |
| Cash flows from financing activities | | |
| Profit transferred to head office | (191,692) | - |
| Net cash from / (used in) financing activities | (191,692) | - |
| Net increase / (decrease) in cash & cash equivalents | (11,794,378) | 4,775,552 |
| Cash and cash equivalents at the beginning of the period | 13,452,453 | 156,558 |
| Cash and cash equivalents at the end of the period | 1,658,075 | 4,932,110 |

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 | FVTOCI Reserve | ECL reserve | Retained earnings | Exchange equalization of Capital | Exchange equalization of Reserves | | Reserve through contributed assets |
| Balance as at 31/12/2022 - Audited | - | - | 4,410,461 | 963,823 | (22,703) | 265,328 | 6,419,206 | 1,861,562 | 1,632,736 | 8,709,569 | 24,239,982 |
| Total comprehensive income for the period | | | | | | | | | | | |
| Profit / (loss) for the year (net of tax) | - | - | - | - | - | - | 2,623,077 | - | - | - | 2,623,077 |
| Changes in fair value of FVTOCI | - | - | - | - | - | - | - | - | - | - | - |
| ECL Reserve | - | - | - | - | - | - | - | - | - | - | - |
| Actuarial gain in defined benefits plans | - | - | - | - | - | - | - | - | - | - | - |
| Gain on translating the financial statement of FCBU | - | - | - | - | - | - | - | (434,980) | (550,209) | - | (985,189) |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | 2,623,077 | (434,980) | (550,209) | - | 1,637,888 |
| Transactions recognised directly in equity | | | | | | | | | | | |
| Share issue / increase of assigned capital | - | - | - | - | - | - | - | - | - | - | - |
| Share options exercised | - | - | - | - | - | - | - | - | - | - | - |
| Bonus issue | - | - | - | - | - | - | - | - | - | - | - |
| Rights issue | - | - | - | - | - | - | - | - | - | - | - |
| Transfers to reserves during the period | - | - | - | - | - | - | - | - | - | - | - |
| Transfers to ECL reserve during the year | - | - | - | - | - | (65,986) | 65,986 | - | - | - | - |
| Dividends to equity holders | - | - | - | - | - | - | - | - | - | - | - |
| Profit transferred to head office | - | - | - | - | - | - | (191,692) | - | - | - | (191,692) |
| Gain / (loss) on revaluation of property, plant and equipment | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 30/06/2023 | - | - | 4,410,461 | 963,823 | (22,703) | 199,342 | 8,916,577 | 1,426,582 | 1,082,527 | 8,709,569 | 25,686,178 |

SELECTED PERFORMANCE INDICATORS

| Item | Deutsche Bank Colombo Branch | |
|--|---------------------------------|----------------------------------|
| | Current Period As at 30-06-2023 | Previous Period As at 31-12-2022 |
| Regulatory Capital (LKR in Millions) | | |
| Common Equity Tier I | 18,213 | 20,446 |
| Tier I Capital | 18,213 | 20,446 |
| Total Capital | 18,224 | 20,464 |
| Regulatory Capital Ratios (%) | | |
| Common Equity Tier I Capital Ratio (Minimum requirement - 7.00%) | 27.34% | 35.71% |
| Tier I Capital Ratio (Minimum requirement - 8.50%) | 27.34% | 35.71% |
| Total Capital Ratio (Minimum requirement - 12.50%) | 27.36% | 35.75% |
| Leverage Ratio (Minimum requirement - 3%) | 20.21% | 20.47% |
| Regulatory Liquidity | | |
| Statutory Liquid Assets (LKR in Millions) | | |
| Domestic Banking unit | 27,910 | 36,853 |
| Off-Shore Banking unit | 11,076 | 10,336 |
| Statutory Liquid Assets Ratio (Minimum requirement - 20.00%) | | |
| Domestic Banking unit (%) | 75.01% | 94.78% |
| Off-Shore Banking unit (%) | 78.78% | 68.26% |
| Total Stock of High-Quality Liquid Assets (LKR in Millions) | 23,589 | 17,049 |
| Liquidity Coverage Ratio (Minimum requirement - 100%) | | |
| Rupees (%) | 966.63% | 825.46% |
| All Currency (%) | 680.45% | 312.01% |
| Net Stable Funding Ratio (%) (Minimum requirement - 100%) | 184.00% | 144.00% |
| 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 | 11.07% | 7.60% |
| Return on Assets (before tax) | 11.31% | 6.64% |
| Return on Equity | 20.91% | 17.26% |

ADDITIONAL DISCLOSURES

| In Rupees Thousands | Deutsche Bank Colombo Branch | |
|---|---------------------------------|--|
| | Current Period As at 30-06-2023 | Previous Period As at 31-12-2022 (Audited) |
| Analysis of customer deposits | | |
| By product - Domestic currency | | |
| Demand deposits | 14,345,081 | 15,755,415 |
| Savings deposits | 8,194,471 | 6,517,770 |
| Fixed deposits | 4,565,457 | 3,299,450 |
| Margin deposits | 80,115 | 62,598 |
| Sub total | 27,185,124 | 25,635,233 |
| By product - Foreign currency | | |
| Demand deposits | 9,668,500 | 9,905,718 |
| Savings deposits | 190,639 | 1,511,836 |
| Fixed deposits | 1,693,225 | 488,348 |
| Margin deposits | - | 1,315,378 |
| Sub total | 11,552,364 | 13,221,280 |
| Total | 38,737,488 | 38,856,513 |
| Analysis of loans & advances, commitments, contingencies and impairment | | |
| Product-wise Gross loans & advances | | |
| By product - Domestic currency | | |
| Overdrafts | 15,432,848 | 13,528,205 |
| Trade finance | 2,763,552 | 3,146,848 |
| Staff loans | 101,062 | 100,573 |
| Supplier finance | 2,532,199 | 3,613,534 |
| Sub total | 20,829,661 | 20,389,160 |
| By product - Foreign currency | | |
| Overdrafts | 2,068,209 | 4,125,814 |
| Term loans | - | - |
| Trade finance | 643,060 | 2,260,817 |
| Staff loans | - | - |
| Supplier finance | 5,344 | 88,239 |
| Sub total | 2,716,613 | 6,474,870 |
| Total | 23,546,274 | 26,864,030 |
| Product-wise commitments and contingencies | | |
| By product - Domestic currency | | |
| Guarantees | 12,293,646 | 11,890,349 |
| Letter of credit | 257,111 | 1,065,936 |
| Forward exchange contracts | 3,692,657 | - |
| Usance import bills | - | 140,456 |
| Undrawn loan commitments | 20,420,505 | 12,610,111 |
| Sub total | 36,663,919 | 25,706,852 |
| By product - Foreign currency | | |
| Guarantees | 22,307,950 | 30,985,085 |
| Letter of credit | 1,629,013 | 4,204,115 |
| Forward exchange contracts | 3,745,950 | 13,522,742 |
| Usance import bills | 649,163 | 2,365,453 |
| Undrawn loan commitments | 11,629,520 | 12,537,658 |
| Sub total | 39,961,596 | 63,615,053 |
| Total | 76,625,515 | 89,321,905 |
| Stage-wise impairment on loans & advances, commitments and contingencies | | |
| Gross loans and advances, commitments and contingencies | 100,171,789 | 116,185,935 |
| Less: Accumulated impairment under stage 1 | 20,785 | 44,363 |
| Accumulated impairment under stage 2 | 26,267 | 38,904 |
| Accumulated impairment under stage 3 | - | - |
| Net value of loans and advances, commitments and contingencies | 100,124,737 | 116,102,668 |
| Movement of impairment during the period | | |
| Under Stage 1 | | |
| Opening balance at the beginning of the period | 44,363 | 21,607 |
| Charge/(write back) to the Income Statement | (23,578) | 22,756 |
| Write-off during the year | - | - |
| Closing balance at the end of the period | 20,785 | 44,363 |
| Under Stage 2 | | |
| Opening balance at the beginning of the period | 38,904 | - |
| Charge/(write back) to the Income Statement | (12,637) | 38,904 |
| Write-off during the year | - | - |
| Closing balance at the end of the period | 26,267 | 38,904 |
| Under Stage 3 | | |
| Opening balance at the beginning of the period | - | - |
| Charge/(write back) to the Income Statement | - | - |
| Write-off during the year | - | - |
| Closing balance at the end of the period | 47,052 | 83,267 |

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

| a. Bank - Current period as at 30/06/2023 | | | | | |
|--|-------------------|------------------|---------------|-------------------|--|
| In Rupees Thousand | AC | FVPL | FVTOCI | Total | |
| ASSETS | | | | | |
| Cash and cash equivalents | 1,658,075 | - | - | 1,658,075 | |
| Balances with Central Bank | 16,215,731 | - | - | 16,215,731 | |
| Placements with banks | 14,454,540 | - | - | 14,454,540 | |
| Placements with branches | 1,010,330 | - | - | 1,010,330 | |
| Derivative financial instruments | - | 53,132 | - | 53,132 | |
| Group balances receivables | 2,015,819 | - | - | 2,015,819 | |
| Financial assets measured at fair value through profit or loss | - | 7,813,992 | - | 7,813,992 | |
| Financial assets at amortised cost | - | - | - | - | |
| - loans and advances | 23,532,664 | - | - | 23,532,664 | |
| - debt and other instruments | - | - | - | - | |
| Financial assets measured at fair value through other comprehensive income | - | - | 42,339 | 42,339 | |
| Other assets | 1,852,229 | - | - | 1,852,229 | |
| Total financial assets | 60,739,388 | 7,867,124 | 42,339 | 68,648,851 | |
| LIABILITIES | | | | | |
| Due to banks | - | - | - | - | |
| Due to branches | - | 461,320 | - | 461,320 | |
| Derivative financial instruments | - | - | 118,340 | 118,340 | |