Deutsche Bank AG, Colombo Branch

Pillar 3 Disclosures

as of March 31, 2026

Contents

INTRODUCTION

The purpose of this Report is to provide the Pillar 3 disclosures of DB Colombo Branch as required by Banking Act Direction No. 1 of 2016 issued by the Monetary Board, Central Bank of Sri Lanka, for capital requirements under Basel III for Licensed Commercial Banks and Licensed Specialized Banks.

DB Colombo Branch is a financial institution authorized and regulated by the Central Bank of Sri Lanka as a wholly owned branch of Deutsche Bank AG ("DBAG"), the parent company of the Deutsche Bank Group ("DB Group") located in Frankfurt, Germany. DB Colombo Branch's accounts are consolidated into the accounts of DB Group.

DB Group offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world. In July 2019, DB Group announced a material repositioning of DB to refocus on our core strengths and to allow us to improve our structural profitability. Our strategic transformation is designed to refocus our Core Bank around our core, market-leading businesses which typically operate in growing markets with attractive return potential. Our Core Bank comprises our four core operating divisions, namely the Corporate Bank (CB), the Investment Bank (IB), the Private Bank (PB), and Asset Management (AM). Moreover, we have Infrastructure functions, which perform control and service functions and, in particular, tasks relating to Group-wide, divisional resource-planning, steering and control, as well as tasks relating to risk, liquidity and capital management which form part of the Corporate & Other segment. CB combines Deutsche Bank's Corporate Finance and Global Transaction Banking Businesses with the latter providing cash management, trade finance and securities services, delivering the full range of commercial banking products and services for both corporates and institutions worldwide. IB is focusing on Origination & Advisory as well as Fixed Income & Currencies. PB corporate division combines the bank's expertise in private banking and Wealth Management in one corporate division. AM offers individuals and institutions traditional and alternative investments across all major asset classes.

DB Colombo Branch offers a comprehensive range of services such as Cash Management, Trade Finance, Investor Services, Foreign Exchange (FX) and Debt Capital Markets (DCM) products within the Corporate Bank and Investment Bank Business.

DB Colombo Branch Local/Global Infrastructure functions perform control and service functions and, in particular, tasks relating to Bank-wide, supra divisional, resource-planning, steering and control, as well as tasks relating to risk, liquidity and capital management. These include such as Risk, Finance, Compliance, Legal and Human Resources.

DB Colombo Branch publishes the Pillar 3 disclosure report on a quarterly basis in accordance with Banking Act Direction No. 1 of 2016 issued by the Monetary Board, Central Bank of Sri Lanka and posts the disclosure report in accordance with this Direction on its website at www.db.com/srilanka.

DB Colombo Branch's Pillar 3 disclosure is prepared on a stand-alone basis; there are no branches or subsidiaries to be consolidated.

The information provided in this Pillar 3 Report is unaudited.

REGULATORY REQUIREMENTS ON CAPITAL AND LIQUIDITY

1. Key Regulatory Ratios – Capital and Liquidity

Item	Page	Reporting Period Mar 31, 2026	Comparison Reporting Period Dec 31, 2025
Regulatory Capital (LKR ’000)			
Common Equity Tier 1, adjusted	5	22,938,646	26,844,518
Tier 1 Capital	5	22,938,646	26,844,518
Total Capital	5	22,992,787	26,922,131
Regulatory Capital Ratios (%)			
Common Equity Tier 1 Capital Ratio *(Minimum Requirement - 7.00%)*	6	43.02%	43.07
Tier 1 Capital Ratio *(Minimum Requirement - 8.50%)*	6	43.02%	43.07
Total Capital Ratio *(Minimum Requirement - 12.50%)*	6	43.13%	43.19
Leverage Ratio *(Minimum Requirement - 3%)*	9	25.05%	27.29%
Liquidity Coverage Ratio (%) – Rupee *(Minimum Requirement - 100%)*		930.34%	921.29%
Liquidity Coverage Ratio (%) – All Currency *(Minimum Requirement - 100%)*	11	816.43%	644.15
Net Stable Funding Ratio *(Minimum Requirement - 100%)*	10	203.86%	177.01%

The total Capital Ratio decreased marginally by 0.06 percentage points, mainly due to decreased CET 1 capital in Q1,2026

The Tier 1 Capital Ratio (CET 1 Capital Ratio) also decreased marginally by 0.05 percentage points due to the same reason as the total Capital ratio.

The Tier 2 capital adjustment of Loan Loss Provisions as per SLFRS 9 to CET 1 capital ratios has been incorporated into the Total Capital Ratio.

Q1-26 NSFR of 203.86% is above the regulatory requirement and internal threshold levels. During the two reporting periods, NSFR ratio increase mainly attributable to decrease in on balance sheet assets/exposures.

Increase in Liquidity Coverage Ratio (LCR) for all currencies and LKR in Q1-2026 is mainly due to increase in Govt. securities portfolio overnight SDF balance maintain with CBSL (HQLA).

2. Basel III Computation of Capital Ratios

Between the two reporting periods, Regulatory capital decreased

LKR '000

Item	Page	Reporting Period Mar 31, 2026	Comparison Reporting Period Dec 31, 2025
Common Equity Tier 1 (CET1) Capital after Adjustments		22,938,646	26,844,518

Common Equity Tier 1 (CET1) Capital		27,008,251	27,008,251
Equity Capital (Stated Capital)/Assigned Capital	12	4,410,461	4,410,461
Reserve Fund	12	1,408,424	1,335,923
Published Retained Earnings/(Accumulated Retained Losses)	12	11,997,856	12,070,357
Published Accumulated Other Comprehensive Income (OCI)		(22,703)	(22,703)
General and other Disclosed Reserves	12	9,214,213	9,214,213
Unpublished Current Year's Profit/Loss and Gains reflected in OCI		-	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		-	-
Total Adjustments to CET1 Capital		(4,069,605)	(163,733)
Goodwill (net)		-	-
Intangible Assets (net)		-	-
Others (Deferred Tax Assets, amount due from/to HO & branches)		(4,069,605)	(163,733)
Additional Tier 1 (AT1) Capital after Adjustments		-	-
Additional Tier 1 (AT1) Capital		-	-
Qualifying Additional Tier 1 Capital Instruments		-	-
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		-	-
Total Adjustments to AT1 Capital		-	-
Investment in Own Shares		-	-
Others (specify)		-	-
Tier 2 Capital after Adjustments		54,140	77,613
Tier 2 Capital		54,140	77,613
Qualifying Tier 2 Capital Instruments		-	-
Revaluation Gains		-	-
Loan Loss Provisions		54,140	77,613
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		-	-
Total Adjustments to Tier 2		-	-
Investment in Own Shares		-	-
Others (specify)		-	-
CET1 Capital		22,938,646	26,844,518
Total Tier 1 Capital		22,938,646	26,844,518
Total Capital		22,992,787	26,922,131

Common Equity Tier 1 Capital consists of the following items:

- *Assigned Capital is equity funds provided by the Head Office to the Branch at the time of incorporation in Sri Lanka.*
- *Reserve Fund is building up with Five percentage (5%) transfer of the profit after tax as per Direction issued by the Central Bank of Sri Lanka under section 76 (j) (1) of the Banking Act No. 30 of 1988 as amended by Banking (Amendment) Act No. 33 of 1995.*
- *Published Retained Earnings include Branch's un-remitted profits of 2022,2023 & 2024 to Head Office Frankfurt.*
- *General and other Disclosed Reserves include the un-remittable head office expenses converted to equity during the financial year 2013, 2016, 2020 and 2021 with the prior written approval of Central Bank of Sri Lanka.*
- *Tier 2 Capital includes the eligible Loan Loss provisions as per Explanatory Note No. 03 of 2019 issued by CBSL. Accordingly, 100% of the impairment for the assets in SLFRS Stage 1 and 50% of impairments for assets in SLFRS Stage 2 (subject to a maximum limit of 1.25% of RWA on credit risk under the Standardized Approach) are considered here.*

in LKR '000

Item	Page	Reporting Period Mar 31, 2026	Comparison Reporting Period 31-Dec-25
Total Risk Weighted Assets (RWA)		53,315,617	62,327,760
RWAs for Credit Risk	7	34,682,086	42,394,516
RWAs for Market Risk	8	8,277,032	8,956,248
RWAs for Operational Risk	9	10,356,499	10,976,996
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)		43.02%	43.07%
of which: Capital Conservation Buffer (%)		2.50%	2.50%
of which: Countercyclical Buffer (%)		-	-
of which: Capital Surcharge on D-SIBs (%)		-	-
Total Tier 1 Capital Ratio (%)		43.02%	43.07%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)		43.13%	43.19%
of which: Capital Conservation Buffer (%)		2.50%	2.50%
of which: Countercyclical Buffer (%)		-	-
of which: Capital Surcharge on D-SIBs (%)		-	-

3. Risk Weighted Assets (RWA)

3.1. Credit Risk under the Standardized Approach: Credit Risk Exposure and Credit Risk Mitigation (CRM) Effect

in LKR '000	Mar 31, 2026						Dec 31, 2025	
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)		RWA and RWA Density (%)	
Asset Class	On- Balance Sheet Amount	Off- Balance Sheet Amount	On- Balance Sheet Amount	Off- Balance Sheet Amount	RWA	RWA density (%)	RWA	RWA density (%)
Claims on Central Government and CBSL	27,583,178	-	-	-	-	0%	-	0%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	-
Claims on Banks Exposures	23,121,657	7,905,463	9,665,633	1,581,093	11,246,725	21%	10,063,710	16%
Claims on Financial Institutions	1,059,464	-	211,893	-	211,893	0.01	286,881	0.01
Claims on Corporates	13,261,629	9,663,379	13,019,783	7,996,722	21,016,505	39%	30,142,877	48%
Retail Claims	199,338	-	174,880	-	174,880	0%	183,827	0%
Claims Secured by Residential Property	65,057	2,000	65,057	2,000	67,057	0%	51,655	0%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	-	-	-	-	-	-	-	-
Higher-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	2,078,969	-	1,965,025	-	1,965,025	4%	1,665,567	3%
Total	67,369,292	17,570,842	25,102,271	9,579,815	34,682,086	65%	42,394,516	68%

Credit risk exposure on central government and CBSL increased on account of SDF balance (Placement) & increased investments Gov securities (T-Bills).

Increased exposures with banks (FI) attributable to increase in placements with unrated counterparty DB KL (Subsidiary).
Both ON & Off-balance sheet rupee & foreign currency exposures pertaining to unrated corporate FI counterparties decreased by 28% in Q1-2026.

3.2. Market Risk under Standardized Measurement Method

Item	**Mar 31, 2026**	Dec 31, 2025
(a) RWA for Interest Rate Risk	50,436	9,164
General Interest Rate Risk	50,436	9,164
(i) Net Long or Short Position	50,436	9,164
(ii) Horizontal Disallowance	-	-
(iii) Vertical Disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	-	-
(i) General Equity Risk	-	-
(ii) Specific Equity Risk	-	-
(c) RWA for Foreign Exchange & Gold	984,193	1,110,367
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	8,277,032	8,956,248

Market risk is defined as the risk of losses in on-balance sheet and off- balance sheet positions arising from movements in market prices. The market risks subject to the capital charge requirements and the risks pertaining to interest rate related instruments, equities in the trading book also the risks pertaining to foreign exchange position (including gold positions) across the bank.

The Colombo Branch's Market Risk RWA is attributable to the Interest Rate Risk of Securities in the Trading Book as well as FX Risk on open Foreign Exchange position.
Market risk exposure of the Branch decreased on account of decrease in open foreign exchange position in Q1, 2026. Increase in interest rate risk attributable to increased government securities portfolio in Q1-2026.

3.3. Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as of Mar 31, 2026			Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at Dec 31, 2025		
			1st Year	2nd Year	3rd Year			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%	-	12,764,278	6,787,169	6,339,802	15%	-	13,574,430	7,717,114	6,150,945
Capital Charges for Operational Risk (LKR'000)	1,294,562					1,372,124				
Risk Weighted Amount for Operational Risk (LKR'000)	10,356,499					10,976,996				

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events, and includes legal risk. Operational Risk (OR) excludes Business and Reputational Risk.
The Branch uses the Basic Indicator Approach which measures the RWA for Operational risk based on past three years net interest income and non-interest income, considering the adjustments listed in the Banking Act Directions No. 01 of 2016. Operational risk increased attributable to increase in net average gross revenues.

4. Basel III Computation of Leverage Ratios

in LKR '000 Item	Page	Reporting Period Mar 31, 2026	Comparison Reporting Period Dec 31, 2025
Tier 1 Capital		22,761,179	26,844,518
Total Exposures		90,848,497	98,357,328
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	13	69,238,350	77,583,225
Derivative Exposures		2,080,500	2,120,568
Securities Financing Transaction Exposures			
Other Off-Balance Sheet Exposures		19,529,647	18,653,535
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)		26.05%	27.29%

The Leverage Ratio calculated based on Tier1 Capital and the sum of our Total Assets along with off-Balance Sheet exposures.
Q1-2026 DB Colombo Branch's Leverage Ratio decreased on account of decreased Tier 1 Capital in Q1-2026

5. Net Stable Funding Ratio

in LKR '000

Item	Reporting Period Mar 31, 2026	Comparison Reporting Period Dec 31, 2025
Total Available Stable Funding	44,992,037	47,842,960
Required Stable Funding – On Balance Sheet Assets	20,248,152	24,847,911
Required Stable Funding – Off Balance Sheet Items	1,821,760	2,181,083
Total Required Stable Funding	22,069,912	27,028,994
NSFR	203.86%	177.01%

Q1-2026 DB Colombo Branch NSFR Ratio increased on account of decreased Balance sheet and Off-Balance sheet items (RSF) as at 31ST March 2026.

6. Basel III Computation of Liquidity Coverage Ratio (All currency)

in LKR '000	Reporting Period Mar 31, 2026		Comparison Reporting Period Dec 31, 2025	
Item	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	-	27,282,584	-	25,796,408
Total Adjusted Level 1A Assets	-	27,282,584	-	25,796,408
Level 1 Assets	-	27,282,584	-	25,796,408
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	113,993,426	13,366,763	93,934,070	16,018,823
Deposits	2,032,680	38,701	2,979,167	100,020
Unsecured Wholesale Funding	23,183,960	11,237,619	25,839,788	13,651,273
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	88,776,786	1,821,760	65,115,115	2,181,083
Additional Requirements	-	268,683	-	86,448
Total Cash Inflows	23,784,552	15,454,503	28,456,862	18,977,494
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	5,490,758	15,405,558	11,402,792	16,976,132
Operational Deposits	18,293,794	-	17,054,070	-
Other Cash Inflows	-	48,944	-	2,001362
Liquidity Coverage Ratio (%) (Stock of High-Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		816.43		644.15

Overall LCR ratio increased by 27% on account of increased HQLA. Between the two reporting periods HQLAs increased by 6%. This increased mainly attributable to increase in Govt. securities and excess cash balances at Central bank of Sri Lanka. During the two reporting periods, total Cash Outflows within 30 days decreased by 16% mainly due to decrease in customer balances while the total Cash Inflows within 30 days decreased by 18% between the two reporting periods on account of decreased placements with DB branches and subsidiaries.

Note : Calculation basis of Total Net Cash Flow

*If, Total Cash Inflows are greater than 75% of Total Cash Outflows : Total Net Cash Outflows = Total Cash Outflows - 75% * Total Cash Outflows*

If, Total Cash Inflows are not greater than 75% of Total Cash Outflows : Total Net Cash Outflows = Total Cash Outflows - Total Cash Inflows

7. Main features of Regulatory Capital Instruments

Description of the Capital Instrument	Mar 31, 2026	Dec 31, 2025
Assigned Capital		
DB Colombo, being a branch of Deutsche Bank AG Frankfurt, is provided assigned capital to support both business requirements and maintain minimum regulatory capital requirements. It is consequently governed by the laws and regulations of the Central Bank of Sri Lanka.		
Amount Recognized in Regulatory Capital (in LKR ‘000 as at the Reporting Date)	4,410,461	4,410,461
Accounting Classification	Equity	Equity
Reserve Fund		
This represents accumulated annual transfer of 5 % of profits after tax as required under Section 20 (1) of the Banking Act No. 30 of 1988.		
Amount Recognized in Regulatory Capital (in LKR ‘000 as at the Reporting Date)	1,408,424	1,335,923
Accounting Classification	Equity	Equity
Retained Earnings		
This represents all unremitted /audited profits of DB Colombo		
Amount Recognized in Regulatory Capital (in LKR ‘000 as at the Reporting Date)	11,997,856	12,070,357
Accounting Classification	Equity	Equity
Accumulated Other Comprehensive Income (OCI)		
This represents reserves created on changes in Fair Value of Available-for-Sale instruments, Actuarial loss on defined benefit plans and related taxes.		
Amount Recognized in Regulatory Capital (in LKR ‘000 as at the Reporting Date)	(22,703)	(22,703)
Accounting Classification	Equity	Equity
General and other Disclosed Reserves		
This represents all unpaid amounts due to DB Group which has been transferred to a "Special Reserve" with due approval from the regulators.		
Amount Recognized in Regulatory Capital (in LKR ‘000 as at the Reporting Date)	9,214,213	9,214,213
Accounting Classification	Equity	Equity

8. Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank Only

in LKR '000 ***Mar 31, 2026***	a **Carrying Values as Reported in Published Financial Statements**	b **Carrying Values under Scope of Regulatory Reporting**	c **Subject to Credit Risk Framework**	d **Subject to Market Risk Framework**	e **Not subject to Capital Requirements or Subject to Deduction from Capital**
Assets	72,431,834	72,431,834	66,309,828	14,929,979	4,299,020
Cash and cash equivalents	159,960	113,944	113,944	-	-
Balances with Central Banks	13,007,264	13,007,234	13,049,058	-	41,794
Balances/Placement with Banks	6,301,606	23,121,658	23,121,657	-	-
Placements with Branches	3,613,872	3,613,872	-	-	3,613,872
Securities borrowed	-	-	-	-	-
Derivative financial instruments	395,859	395,859	395,859	395,859	-
Group balances receivable	18,247,769	1,473,763	-	-	1,473,763
Financial assets recognized through profit or loss	-	-	-	-	-
- measured at fair value	-	14,534,120	14,534,120	14,534,120	-
- designated at fair value	14,534,120	-	-	-	-
Financial assets at amortized cost	-	-			
- loans and advances	14,480,454	14,480,454	13,526,024	-	(954,430)
- debt and other instruments	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	42,339	42,339	42,339	-	-
Securities held to maturity	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-
Investments in associates and joint ventures	-	-	-	-	-
Property, plant, and equipment	344,519	164,634	164,634	-	-
Investment properties	-	-	-	-	-
Goodwill and intangible assets	-	-	-	-	-
Assets for current tax	-	-	-	-	-
Deferred tax assets	124,021	124,020	-	-	124,021
Other assets	1,180,051	1,359,937	1,362,193	-	-

in LKR '000	a Carrying Values as Reported in Published Financial Statements	b Carrying Values under Scope of Regulatory Reporting	c Subject to Credit Risk Framework	d Subject to Market Risk Framework	e Not subject to Capital Requirements or Subject to Deduction from Capital
Total Liabilities & Equity	72,431,834	72,431,836	207,591,256	473,005	1,139,890
Due to banks	-	2,615	-	-	-
Due to branches	945,852	945,852	-	-	945,852
Derivative financial instruments	473,005	473,005	-	473,005	-
Financial liabilities designated at fair value through profit and loss		-	-		-
- measured at fair value	-	-	-	-	-
- designated at fair value	-	-	-	-	-
Financial liabilities at amortized cost		-	-	-	-
- due to depositors	35,353,030	35,353,030	-	-	-
- due to debt securities holders	-	-	-	-	-
- due to other borrowers	-	-	-	-	-
Debt securities issued	-	-	-	-	-
Retirement benefit obligations	161,642	161,642	-	-	-
Current tax liabilities	571,271	571,271	-	-	-
Deferred tax liabilities	-	-	-	-	-
Long term debts	-	-	-	-	-
Other provisions	340	-	-	-	-
Other liabilities	733,140	733,481	-	-	-
Group balances payable	3,926,254	3,923,639	-	-	194,038
Off-Balance Sheet Liabilities					
Guarantees	28,781,120	28,781,120	28,781,120	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	4,957,602	4,957,602	4,957,602	-	-
Other Contingent Items	2,696,477	2,696,477	2,696,477	-	-
Undrawn Loan Commitments	54,163,347	54,163,347	54,163,347	-	-
Other Commitments	116,992,710	116,992,710	116,992,710	-	-

in LKR '000 Mar 31, 2026	a Carrying Values as Reported in Published Financial Statements	b Carrying Values under Scope of Regulatory Reporting	c Subject to Credit Risk Framework	d Subject to Market Risk Framework	e Not subject to Capital Requirements or Subject to Deduction from Capital
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital	4,410,461	4,410,461	-	-	-
of which Amount Eligible for CET1	4,410,461	4,410,461	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	12,399,751	12,399,750	-	-	-
Other Reserves	13,457,088	13,457,090	-	-	-
Total Shareholders' Equity	30,267,300	30,267,301	-	-	-