

Deutsche Bank Aktiengesellschaft,
Hong Kong Branch
(incorporated in the Federal Republic of Germany and
members' liability is limited)
Key Financial Information Disclosure Statement
Year Ended December 31, 2023



Deutsche Bank Aktiengesellschaft, Hong Kong Branch (Incorporated in the Federal Republic of Germany and members' liability is limited) releases its Key Financial Information Disclosure Statement for the year ended December 31, 2023 as follows:-

Deutsche Bank Aktiengesellschaft, Hong Kong Branch
(Incorporated in the Federal Republic of Germany and members' liability is limited)

Key Financial Information Disclosure Statement for the year ended December 31, 2023
Section A – Branch Information (Hong Kong Office Only)

(I) Income Statement Information

HKD Million	Year Ended December 31, 2023	Year Ended December 31, 2022
Interest income	5,556	4,015
Interest expense	(4,051)	(2,225)
Other operating income		
- Gains less losses arising from trading in foreign currencies	292	328
- Gains less losses on securities held for trading purposes	1,340	209
- Gains less losses from other trading activities	333	583
- <i>Net fees and commission income</i>		
- Gross fees and commission income	1,593	2,118
- Gross fees and commission expenses	(65)	(73)
- Others	(227)	(297)
Operating expenses		
- Staff expenses	(1,953)	(1,828)
- Rental expenses	(223)	(221)
- Others	(2,078)	(2,126)
Impairment losses and provisions for impaired loans and receivables	<u>(132)</u>	<u>(137)</u>
Profit/ (loss) before taxation	385	346
Taxation	<u>(96)</u>	<u>(69)</u>
Profit/ (loss) after taxation	<u>289</u>	<u>277</u>

(II) Balance Sheet Information

HKD Million	December 31, 2023	June 30, 2023
Assets		
Cash and balances with banks	5,148	4,030
Placements with banks with residual maturity between 1 months and 12 months	42	1,457
Due from Exchange Fund	1,095	582
Amount due from overseas offices of the institution	63,611	51,412
Trade bills	276	550
Securities held for trading purposes	20,098	11,455
Loans and receivables (including derivatives receivables)	67,939	71,844
Investment securities	4,002	3,760
Amount receivable under reverse repos	116	116
Other investments	497	498
Property, plant and equipment	<u>1,085</u>	<u>1,156</u>
Total assets	<u>163,909</u>	<u>146,860</u>
Liabilities		
Deposits and balances from banks	4,013	1,651
Deposits from customers		
- Demand deposits and current accounts	16,439	16,069
- Time, call and notice deposits	57,784	41,474
Amount due to overseas offices of the institution	39,821	37,243
Certificates of deposit issued	300	300
Other liabilities (including derivatives payables)	<u>45,552</u>	<u>50,123</u>
Total liabilities	<u>163,909</u>	<u>146,860</u>

(III) Additional Information

(i) Basis of preparation

Deutsche Bank Aktiengesellschaft and its subsidiaries ('the Group') prepared its annual consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') endorsed by the European Union ('EU'). The financial information contained in this statement pertain only to the activities of Deutsche Bank Aktiengesellschaft, Hong Kong Branch (Incorporated in the Federal Republic of Germany and members' liability is limited) ('the Branch') and these have been prepared in accordance with the Group accounting policies, and as required by the Banking (disclosure) rules made under section 60A of the Banking Ordinance ('the Rules').

(ii) Loans and receivables

HKD Million	December 31, 2023	June 30, 2023
Loans and advances to customers	26,778	28,228
Loans and advances to banks	301	329
Accrued interest and other accounts	8,936	6,478
Derivative receivables	32,244	37,068
Less: Allowance for credit losses		
- Collectively assessed	16	16
- Individually assessed	304	243
	<u>67,939</u>	<u>71,844</u>

(iii) Trade bills

HKD Million	December 31, 2023	June 30, 2023
Trade bills	296	575
Less: Allowance for credit losses		
- Collectively assessed	-	-
- Individually assessed	17	9
Less: Country Risk Provision	3	16
	<u>276</u>	<u>550</u>

(iv) Impaired loans and advances to customers

	December 31, 2023		June 30, 2023	
	As % of		As % of	
HKD Million	advances to	HKD Million	advances to	
	customers		customers	
Impaired loans and advances to customer net of allowance for individually assessed credit losses				
- Impaired loans and advances to customers	702	2.62%	718	2.54%
- Individually assessed allowance	<u>(278)</u>		<u>(206)</u>	
	<u>424</u>		<u>512</u>	
Representing by geographical segments:				
- Hong Kong	127		127	
- Mainland China	135		133	
- Germany	20		11	
- Ghana	420		447	

(iv) Impaired loans and advances to customers (Continued)

	December 31, 2023 HKD Million	June 30, 2023 HKD Million
Market value of collateral held against impaired loans and advances to customers	<u>344</u>	<u>424</u>
Covered portion of impaired loans and advances	<u>344</u>	<u>424</u>
Uncovered portion of impaired loans and advances	<u>358</u>	<u>294</u>

The collateral held in respect of the impaired loans and advances to customers is credit insurance.

Impaired trades bills was HKD 30 million at December 31, 2023 and HKD 16 million at June 30, 2023.

There were no impaired advances to banks at December 31, 2023 and June 30, 2023.

(v) Overdue loans and advances and trade bills

	December 31, 2023		June 30, 2023	
	HKD Million	As % of advances to customers	HKD Million	As % of advances to customers
Overdue advances to customers:				
- Over 3 months and up to 6 months	-	-	447	1.58%
- Over 6 months and up to one year	420	1.57%	-	-
- More than one year	<u>262</u>	0.98%	<u>260</u>	0.92%
	<u>682</u>		<u>707</u>	
Allowances for credit losses				
- individually assessed allowances	266		196	
Representing:				
- Loans for use in Hong Kong	112		105	
- Loans and advances for use outside Hong Kong	570		602	
By geographical segments:				
- Ghana	420		447	
- Hong Kong	127		127	
- Mainland China	135		133	
Market value of collateral held against overdue loans and advances to customers	<u>344</u>		<u>424</u>	
Covered portion of overdue loans and advances to customers	<u>344</u>		<u>424</u>	
Uncovered portion of overdue loans and advances to customers	<u>338</u>		<u>283</u>	

The collateral held in respect of the overdue loans and advances to customers is credit insurance.

There were no overdue advances to banks and trade bills at December 31, 2023 and June 30, 2023.

(vi) Resheduled loans and receivables and trade bills

No rescheduled assets to customers which have been overdue for more than 1 month but not more than 3 months at December 31, 2023 and June 30, 2023.

No repossessed asset was held for impaired and overdue loans and receivables and trade bills at December 31, 2023 and June 30, 2023.

(vii) Analysis of advances to customers by industry sectors (as defined in the "Return of Quarterly Analysis of Loans and Advances and Provisions"- MA(BS)2A)

HKD Million	December 31, 2023		June 30, 2023	
	Gross advances	Collateral or other security	Gross advances	Collateral or other security
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Manufacturing	117	-	143	-
- Electricity and Gas	-	-	-	-
- Wholesale and retail trade	96	-	14	-
- Transport and transport equipment	-	-	34	-
- Financial concerns	20	-	738	-
- Stockbrokers	-	-	-	-
- Others	<u>3,776</u>	<u>3,754</u>	<u>5,023</u>	<u>5,020</u>
	4,009	3,754	5,952	5,020
Individuals				
- Others	<u>1,037</u>	<u>1,037</u>	<u>915</u>	<u>915</u>
Total loans for use in Hong Kong	5,046	4,791	6,867	5,935
Trade finance	7,783	1,335	7,904	2,849
Loans for use outside Hong Kong	<u>13,949</u>	<u>12,819</u>	<u>13,457</u>	<u>12,989</u>
	<u>26,778</u>	<u>18,945</u>	<u>28,228</u>	<u>21,773</u>

(viii) Analysis of advances to customers by geographical areas (as defined in the "Return of International Banking Statistics"- MA(BS)21 after taking into consideration, transfers of risk)

HKD Million	December 31, 2023	June 30, 2023
Hong Kong	4,684	3,201
United States	4,145	4,350
South Korea	6,748	6,745
Mainland China	6,559	5,742
Others	<u>4,642</u>	<u>8,190</u>
	<u>26,778</u>	<u>28,228</u>

(ix) Mainland Activities (as defined in the “Return of Mainland Activities” – MA(BS)20)

HKD Million	On-balance sheet exposure	Off- balance sheet exposure	Total
At December 31, 2023			
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,929	2,689	5,618
Local governments, local government-owned entities and their subsidiaries and JVs	1,007	220	1,227
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,646	1,650	3,296
Other entities of central government not reported above	-	-	-
Other entities of local governments not reported above	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	<u>1,133</u>	<u>40</u>	<u>1,173</u>
Total	<u>6,715</u>	<u>4,599</u>	<u>11,314</u>
Total assets after provision	<u>163,909</u>		
On-balance sheet exposures as percentage of total assets	4.10%		
HKD Million	On-balance sheet exposure	Off- balance sheet exposure	Total
At June 30, 2023			
Central government, central government-owned entities and their subsidiaries and JVs	1,553	1,255	2,808
Local governments, local government-owned entities and their subsidiaries and JVs	239	140	379
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,542	1,303	2,845
Other entities of central government not reported above	119	-	119
Other entities of local governments not reported above	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	<u>1,724</u>	<u>84</u>	<u>1,808</u>
Total	<u>5,177</u>	<u>2,782</u>	<u>7,959</u>
Total assets after provision	<u>146,860</u>		
On-balance sheet exposures as percentage of total assets	3.53%		

- (x) International claims (other than local claims in HKD) by geographical segments (as defined in the "Return of International Banking Statistics" – MA(BS)21 after taking into consideration, transfer of risks)

HKD Million
At December 31, 2023

	Banks	Official Sector	Non-bank Financial institutions	Non-bank private sector Non-financial private sector	Total
Developed countries, of which	91,330	-	-	9,762	101,092
- <i>Germany</i>	66,299	-	-	931	67,230
- <i>United Kingdom</i>	22,813	-	-	214	23,027
- <i>United States</i>	1,012	-	-	4,639	5,651
Developing Africa and Middle East	27	-	-	273	300
Developing Asia and Pacific, of which	14,062	2,421	-	14,078	30,561
- <i>China</i>	13,553	2,421	-	6,999	22,973
Developing Latin America and Caribbean	-	-	-	335	335
Developing Europe	26	-	-	50	76
Offshore centres, of which	13,114	-	1	10,011	23,126
- <i>Hong Kong</i>	8,896	-	-	8,671	17,567
International organization	-	-	-	-	-
Total	<u>118,559</u>	<u>2,421</u>	<u>1</u>	<u>34,509</u>	<u>155,490</u>

HKD Million
At June 30, 2023

	Banks	Official Sector	Non-bank Financial institutions	Non-bank private sector Non-financial private sector	Total
Developed countries, of which	83,457	-	3	11,882	95,342
- <i>Germany</i>	59,269	-	-	1,281	60,550
- <i>United Kingdom</i>	23,328	-	3	1,317	24,648
- <i>United States</i>	479	-	-	4,622	5,101
Developing Africa and Middle East	231	-	-	90	321
Developing Asia and Pacific, of which	14,228	380	-	13,791	28,399
- <i>China</i>	13,654	380	-	6,751	20,785
Developing Latin America and Caribbean	-	-	-	493	493
Developing Europe	39	-	-	50	89
Offshore centres, of which	2,731	-	1	6,271	9,003
- <i>Hong Kong</i>	741	-	-	3,468	4,209
International organization	-	-	-	-	-
Total	<u>100,686</u>	<u>380</u>	<u>4</u>	<u>32,577</u>	<u>133,647</u>

(xi) Currency risk

At December 31, 2023

Equivalent in HKD Million	USD	RMB	EUR	Other Foreign Currencies	Total
Spot assets	70,555	28,346	7,021	5,915	111,837
Spot liabilities	(73,716)	(14,376)	(16,791)	(5,644)	(110,527)
Forward purchases	840,377	727,596	52,046	20,383	1,640,402
Forward sales	(839,827)	(737,685)	(41,873)	(20,665)	(1,640,050)
Net options positions	-	-	-	-	-
Net long / (short) position	<u>(2,611)</u>	<u>3,881</u>	<u>403</u>	<u>(11)</u>	<u>1,662</u>

At June 30, 2023

Equivalent in HKD Million	USD	RMB	EUR	Other Foreign Currencies	Total
Spot assets	55,474	16,527	10,177	5,411	87,589
Spot liabilities	(59,828)	(13,352)	(13,186)	(5,236)	(91,602)
Forward purchases	631,405	520,851	26,269	24,396	1,202,921
Forward sales	(631,796)	(520,307)	(22,758)	(24,602)	(1,199,463)
Net options positions	-	-	-	-	-
Net long / (short) position	<u>(4,745)</u>	<u>3,719</u>	<u>502</u>	<u>(31)</u>	<u>(555)</u>

Internal reporting method is adopted as basis of calculating the net options positions.

(xii) Off-Balance Sheet Exposures

The following table summarizes contractual or notional amounts of off-balance sheet exposures:

HKD Million	December 31, 2023	June 30, 2023
Contingencies and commitments		
- Direct credit substitutes	95	303
- Transaction-related contingencies	10,829	4,572
- Trade-related contingencies	1,290	1,109
- Other commitments	1,957	3,906
- Others	<u>1,119</u>	<u>298</u>
	<u>15,290</u>	<u>10,188</u>
Derivatives		
- Exchange rate related derivative contracts	1,861,323	1,351,686
- Interest rate derivative contracts	1,357,149	1,332,381
- Others	<u>3,449</u>	<u>3,041</u>
	<u>3,221,921</u>	<u>2,687,108</u>

(xii) Off-Balance Sheet Exposures (continued)

The following table summarizes the fair value of the derivatives. There is no change in the fair value after the consideration of bilateral netting arrangements:

HKD Million	December 31, 2023	June 30, 2023
Fair value assets		
- Exchange rate related derivative contracts	22,422	29,127
- Interest rate derivative contracts	7,086	7,919
- Others	<u>2,737</u>	<u>22</u>
	<u>32,245</u>	<u>37,068</u>
Fair value liabilities		
- Exchange rate related derivative contracts	24,084	29,195
- Interest rate derivative contracts	7,563	9,264
- Others	<u>2,830</u>	<u>6</u>
	<u>34,477</u>	<u>38,465</u>

(xiii) Liquidity Maintenance Ratio

The liquidity maintenance ratio (LMR) is calculated in accordance with the Banking (Liquidity) Rules effective from 1 January 2015.

	Quarter ended December 31, 2023	Quarter ended December 31, 2022
3 months average LMR	62.52%	67.31%

The average LMR is the arithmetic mean of the average value of LMR for each calendar month as reported in the liquidity position return submitted for the reporting period. Average LMR are calculated based on 3 month average in according to Banking (disclosure) rules (BDR) section 103B.

(xiv) Core Funding Ratio

The core funding ratio (CFR) is calculated in accordance with the Banking (Liquidity) (Amendment) Rules 2017.

	Quarter ended December 31, 2023	Quarter ended December 31, 2022
3 months average CFR	204.00%	260.08%

The average CFR is the arithmetic mean of the average value of CFR for each calendar month as reported in the return submitted for the reporting period.

(xv) Liquidity risk management

Liquidity risk is defined as the risk arising from the branch's potential inability to meet all payment obligations when they fall due or to only being able to meet these obligations at excessive costs. The branch's liquidity management model provides a framework to identify, mitigate and manage the liquidity and funding risks to which the branch is exposed. The framework ensures that roles and responsibilities are clearly defined and understood, in both normal and stressed liquidity conditions.

Liquidity risk governance

Treasury is responsible for the overall liquidity risk management of the Branch, under the stewardship of local Treasury, Deutsche Bank Hong Kong Assets and Liabilities Committee provides the forum for managing capital, funding and liquidity risk of the Branch.

Liquidity Risk Management acting as an independent control function, responsible for the oversight of liquidity and funding risk management strategy and the validation of Liquidity Risk models which are developed by Treasury, to measure and manage the liquidity risk profile.

Liquidity and Treasury Reporting and Analysis Team is responsible for the internal reporting on liquidity and funding across the firm on a global and local level.

Treasury and LRM work with businesses and relevant functional areas to identify the relevant inherent liquidity risks and look to ensure that they are controlled and mitigated through its liquidity management framework.

Liquidity Management Tools

Liquidity risk is managed through the main below items:

- **Internal Stress testing**

Daily stress testing is one of the key tools for measuring liquidity risk and evaluating the Branch short-term liquidity position within the liquidity framework.

The stress testing approach is based on the use of Liquidity Risk Drivers, where each Liquidity Risk Drives reflects the potential liquidity outflows or inflows associated with different on and off-Balance sheet funding relevant items.

The Stressed Net Liquidity Positions reflect the Branch's ability to withstand certain defined stress scenarios - severe downgrade, emerging market and combined – through an eight-week horizon.

- **BAU Cash Flow Projection**

The liquidity position under normal conditions is calculated to supplement the stress test for day-to-day liquidity management. The cash inflows and outflows from assets, liabilities and off-balance sheets items are projected based on their contractual maturities or behavioural assumptions without any stress elements.

In deriving behavioural cash-flow assumptions, the Bank analyses historical observations on cash-flow patterns. Treasury has to make sure assumptions used are consistent and reasonable and they are supported by sufficient historical or empirical evidence. The assumptions will be presented in ALCO for review at least annually.

(xv) **Liquidity risk management (continued)**

- **Funding Matrix**

Funding Matrix is the Branch's primary tool for monitoring and managing funding risk. The Funding Matrix assesses the Branch's structural funding profile for the greater than one year time horizon.

All funding-relevant assets and liabilities are mapped into time buckets corresponding to their maturities. The liquidity maturity profile is based on contractual cash flow information. If the contractual maturity profile of a product does not adequately reflect the liquidity maturity profile, it is replaced by modelling assumptions. This enables the identification of expected excesses and shortfalls in term liabilities over assets in each time bucket, facilitating the management of potential liquidity exposures.

- **Liquidity Dashboard and Early Warning Indicators**

The liquidity Dashboard monitors a number of the Group's specific liquidity risk and market indicators which are considered to provide early warning indicators of deteriorations in the bank's liquidity risk profile and financial market conditions.

Contingency Funding Plan

The branch's CFP outlines how the branch would respond to an actual or anticipated liquidity risk scenario. This includes a decisive set of actions that can be taken to raise cash and/ or recover branch's liquidity metrics in a stress scenario.

Liquidity Cushion

The Branch maintains a liquidity cushion that is largely made up of the most liquid and readily marketable assets. The bank defines the following liquid assets can be included in its liquidity cushion:

- Cash on hand
- Unencumbered exchange Fund debt securities.
- Other unencumbered high quality government debt securities or similar instruments that can be easily or immediately monetized at all times irrespective.

Deutsche Bank Aktiengesellschaft, Hong Kong Branch (Incorporated in the Federal Republic of Germany and members' liability is limited) also diversifies the maturity bucket of debt securities to minimise re-financing risks.

Liquidity information disclosures can be obtained from the Deutsche Bank Aktiengesellschaft, Hong Kong Branch (Incorporated in the Federal Republic of Germany and members' liability is limited) annual disclosure statement as of December 31, 2023 at www.db.com/hongkong/.

Section B – Deutsche Bank Aktiengesellschaft Group (Incorporated in the Federal Republic of Germany and members' liability is limited) Information - Consolidated (Unaudited)

(I) Capital and Capital Adequacy

Capital adequacy ratios (reported/phase-in):

	December 31, 2023	June 30, 2023
- Common Equity Tier 1 capital ratio	13.7%	13.8%
- Tier 1 capital ratio	16.1%	16.1%
- Total capital ratio	18.6%	18.6%

Total shareholders' equity was EUR 64.5 billion at December 31, 2023 and EUR 62.4 billion at June 30, 2023.

(II) Other Financial Information

Extracts from the consolidated financial statements for the year ended December 31, 2023:

EUR Billion	December 31, 2023	June 30, 2023
- Total assets	1,312	1,300
- Total liabilities	1,238	1,228
- Total loans and advances	474	477
- Total deposits	622	593

EUR Million	Period Ended December 31, 2023	Period Ended December 31, 2022
Income/ (loss) before income taxes	5,678	5,594

Further details of Deutsche Bank Aktiengesellschaft Group (Incorporated in the Federal Republic of Germany and members' liability is limited) can be obtained from the annual report as of December 31 2023 at www.db.com.

Chief Executive's Declaration of Compliance

It is certified by the Chief Executive of Deutsche Bank Aktiengesellschaft Hong Kong Branch (incorporated in the Federal Republic of Germany and members' liability is limited) that the information disclosed above is in compliance with the Banking (disclosure) rules and the disclosure standards of the Supervisory Policy Manual – "Guideline on the Application of the Banking (Disclosure) Rules" issued by the Hong Kong Monetary Authority.