



Volksbanken Raiffeisenbanken  
cooperative financial network

**DZ BANK AG Hong Kong Branch**  
Interim Financial Disclosure  
For the half-year ended 30 June 2022



**DZ BANK**  
Bank on Germany

**KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT OF  
 DZ BANK AG HONG KONG BRANCH**

**Section A - Branch Information**

	<b>30-Jun-22</b> <u>in mio HKD</u>	<b>30-Jun-21</b> <u>in mio HKD</u>
<b>I. Profit and loss information</b>		
Interest income	144	123
Interest expense	<u>(88)</u>	<u>(52)</u>
<b>Net interest income</b>	<b><u>56</u></b>	<b><u>71</u></b>
Other operating income		
- Gains less losses arising from trading in foreign currencies	(9)	(2)
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income	60	32
- Fees and commission income	<span style="border: 1px solid black;">63</span>	<span style="border: 1px solid black;">37</span>
- Fees and commission expenses	<span style="border: 1px solid black;">(3)</span>	<span style="border: 1px solid black;">(5)</span>
- Others	<u>-</u>	<u>-</u>
<b>Other operating income</b>	<b><u>51</u></b>	<b><u>30</u></b>
<b>Total income</b>	<b>107</b>	<b>101</b>
Operating expenses		
- Staff and rental expenses	(35)	(38)
- Other expenses	(21)	(22)
- Net credit / (charge) for other provisions	<u>7</u>	<u>(4)</u>
<b>Operating expenses</b>	<b><u>(49)</u></b>	<b><u>(64)</u></b>
<b>Operating profit/(loss) before provisions</b>	<b>58</b>	<b>37</b>
Credit / (Charge) for bad and doubtful debts	<u>(4)</u>	<u>(43)</u>
<b>Operating profit/(loss)</b>	<b>54</b>	<b>(6)</b>
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
<b>Profit/(loss) before taxation</b>	<b>54</b>	<b>(6)</b>
Taxation charge	<u>-</u>	<u>-</u>
<b>Profit/(loss) after taxation</b>	<b><u>54</u></b>	<b><u>(6)</u></b>

**II. Balance Sheet Information**

<u>Assets</u>	30-Jun-22 in mio HKD	31-Dec-21 in mio HKD
Cash and balances with banks	501	925
Due from Exchange Fund	4	33
Placements with banks which have a residual contractual maturity of more than one month but not more than twelve months	6,053	4,629
Amount due from overseas offices	9,843	3,917
Trade bills	586	447
Certificates of deposit held	972	1,356
Securities held for trading purposes	-	-
Loans and receivables	8,056	7,771
Investment securities	10	10
Other investments	3	3
Property, plant and equipment and investment properties	27	31
<b>Total assets</b>	<b>26,055</b>	<b>19,122</b>
<u>Liabilities</u>		
Deposits and balances from banks	3,178	1,000
Deposits and balances from sovereign	-	-
Deposits from customers:		
- Demand deposits and current accounts	313	324
- Savings deposits	-	-
- Time, call and notice deposits	109	95
Amount due to overseas offices	17,347	15,510
Certificates of deposit issued	4,768	1,899
Issued debt securities	-	-
Other liabilities	145	88
Provisions	195	206
<b>Total liabilities</b>	<b>26,055</b>	<b>19,122</b>

**III. Additional balance sheet information**

	30-Jun-22 in mio HKD	31-Dec-21 in mio HKD
<b>(i) Loans and receivables</b>		
Gross amount of loans and receivables		
- Loans and advances to customers	7,704	7,557
- Loans and advances to banks	135	145
- Accrued interest and other accounts	217	69
	<u>8,056</u>	<u>7,771</u>
 Provisions for impaired loans and advances*		
- General provisions	-	-
- Specific provisions		
- Loans and advances to customers	123	124
- Loans and advances to banks	-	-
- Accrued interest and other accounts	-	-
	<u>123</u>	<u>124</u>

\* Impaired loans are advances to customers which have been classified as "substandard", "doubtful" and "loss" in accordance with the HKMA Return of Loans and Advances and Provisions (Form MA(BS)2A) completion instructions.

Gross impaired loans and advances to customers	198	201
Specific provisions - individually assessed	123	124
Gross impaired loans and advances to customers as a % of gross loans and advances to customers	2.6%	2.7%

As at 30 June 2022 and 31 December 2021, there were no collateral held against the impaired loans and advances to customers.

Breakdown of impaired loans and advances to customers by countries:

- Hong Kong	131	130
- Vietnam	67	71

**(ii) Loans and advances to customers by sector**

	30-Jun-22		31-Dec-21	
	in mio HKD	<u>% of advances covered by collateral or other securities</u>	in mio HKD	<u>% of advances covered by collateral or other securities</u>
<b>Loans and advances for use in Hong Kong</b>				
<u>Industrial, commercial and financial sectors</u>				
- Property development	-	0.0%	-	0.0%
- Property investment	-	0.0%	-	0.0%
- Financial concerns	150	0.0%	150	0.0%
- Stockbrokers	-	0.0%	-	0.0%
- Wholesale and retail trade	112	0.0%	113	0.0%
- Manufacturing	19	0.0%	19	0.0%
- Transport and transport equipment	-	0.0%	-	0.0%
- Recreational activities	-	0.0%	-	0.0%
- Information technology	-	0.0%	-	0.0%
- Others	-	0.0%	-	0.0%
Trade finance	33	0.0%	78	0.0%
Loans and advances for use outside Hong Kong	7,390	38.3%	7,197	41.5%
Gross amount of loans and advances to customers	<u>7,704</u>	36.7%	<u>7,557</u>	39.5%



(iii) **Loans and advances to customers by geographical segments**

Breakdown of exposures to countries outside Hong Kong that exceed 10% of the aggregate amount of advances to customers :

	30-Jun-22 in mio HKD	31-Dec-21 in mio HKD
- Australia	2,392	2,123
- Italy	798	839
- South Korea	1,870	1,906

The reported amounts have been taken into account the fact of risk transfer.

(iv) **International Claims**

(Countries or geographical segments constituting 10% or more of international claims after taking into account the effect of any recognised risk transfer)

Equivalent in millions of HKD

	30-Jun-22					
			<u>Non-bank private sector</u>			
	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>	<u>Others</u>	<u>Total</u>
<b>1. Developed Countries</b>	<b>9,851</b>	-	<b>1,613</b>	<b>3,586</b>	-	<b>15,050</b>
of which: - Germany	9,845	-	103	392	-	10,340
<b>2. Developing Asia Pacific</b>	<b>8,412</b>	-	<b>1,532</b>	<b>390</b>	-	<b>10,334</b>
of which: - China	2,438	-	109	33	-	2,580
- South Korea	5,968	-	1,421	-	-	7,389

Equivalent in millions of HKD

	31-Dec-21					
			<u>Non-bank private sector</u>			
	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>	<u>Others</u>	<u>Total</u>
<b>1. Developed Countries</b>	<b>3,932</b>	-	<b>1,701</b>	<b>3,362</b>	-	<b>8,995</b>
of which: - Australia	13	-	217	1,913	-	2,143
- Germany	3,918	-	115	440	-	4,473
<b>2. Developing Asia Pacific</b>	<b>7,217</b>	-	<b>1,609</b>	<b>382</b>	-	<b>9,208</b>
of which: - China	1,787	-	102	77	-	1,966
- South Korea	5,427	-	1,507	-	-	6,934

(v) Overdue or rescheduled assets

	30-Jun-22		31-Dec-21	
	in mio HKD	<u>% to total loans and advances to customers</u>	in mio HKD	<u>% to total loans and advances to customers</u>
Gross amount of overdue loans and advances to customers :				
- more than three months but not more than six months	-	0.0%	-	0.0%
- more than six months but not more than one year	-	0.0%	-	0.0%
- more than one year	79	1.0%	86	1.1%
	<u>79</u>		<u>86</u>	

As at 30 June 2022 and 31 December 2022, there were no overdue loans and advances to banks and other accounts.

Specific provision for overdue loans and advances to customers 46 52

As at 30 June 2022 and 31 December 2022, there were no collateral held against the overdue loans and advances to customers.

Breakdown of overdue loans and advances to customers by countries:

- Hong Kong	11	15
- Vietnam	68	71

Gross amount of rescheduled loans and advances

(excluding those which have been overdue for over three months and reported above)

- to customers	-	0.0%	-	0.0%
- to banks	-	0.0%	-	0.0%

As at 30 June 2022 and 31 December 2022, there were no repossessed assets held against loans and advances to customers, banks and other accounts. Upon repossession, DZ BANK AG HK Branch would continue to record loans concerned as loans and advances until realisation of the assets repossessed.

(vi) Non-Bank Mainland exposures

As at 30 June 2022

Types of Counterparties	On-balance sheet exposure in mio HKD	Off-balance sheet exposure in mio HKD	Total in mio HKD
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	252	591	843
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	32	15	47
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>284</b>	<b>606</b>	<b>890</b>
<b>Total assets after provision</b>	<b>25,860</b>		
<b>On-balance sheet exposures as percentage of total assets</b>	<b>1.10%</b>		

As at 31 December 2021

Types of Counterparties	On-balance sheet exposure in mio HKD	Off-balance sheet exposure in mio HKD	Total in mio HKD
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	280	604	884
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	47	31	78
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>327</b>	<b>635</b>	<b>962</b>
<b>Total assets after provision</b>	<b>18,916</b>		
<b>On-balance sheet exposures as percentage of total assets</b>	<b>1.73%</b>		

(vii) **Currency Risk**

Foreign currency exposure arising from trading, non-trading and structural positions :

(Individual currency constituting 10% or more of total net position in all foreign currencies)

Equivalent in millions of HKD	30-Jun-22				
	EUR	USD	AUD	CNY	Total
Spot assets	14,348	8,136	2,306	28	24,818
Spot liabilities	(11,245)	(8,584)	(1,651)	(1,976)	(23,456)
Forward purchases	4,772	8,258	-	1,990	15,020
Forward sales	(7,624)	(7,883)	(707)	(9)	(16,223)
Net option position	-	-	-	-	-
Net long (short) position	251	(73)	(52)	33	159

Equivalent in millions of HKD	31-Dec-21				
	EUR	USD	AUD		Total
Spot assets	7,802	7,839	2,137		17,778
Spot liabilities	(11,293)	(4,318)	(1,483)		(17,094)
Forward purchases	7,112	4,323	-		11,435
Forward sales	(3,479)	(7,909)	(707)		(12,095)
Net option position	-	-	-		-
Net long (short) position	142	(65)	(53)		24

IV. **Off-balance sheet exposures**

	30-Jun-22 in mio HKD	31-Dec-21 in mio HKD
<b>Contingent liabilities and commitments</b>		
<u>Contractual or notional amounts</u>		
- Direct credit substitutes	564	576
- Transaction-related contingencies	12	5
- Trade-related contingencies	149	87
- Note issuance and revolving underwriting facilities	-	-
- Other commitments	2,796	2,304
- Others	-	-
<b>Derivatives</b>		
<u>Notional amounts</u>		
- Exchange rate contracts	17,558	13,383
- Interest rate contracts	1,760	1,749
- Others	-	-
<u>Fair values Assets</u>		
- Exchange rate contracts	276	103 #
- Interest rate contracts	1	1
- Others	-	-
	<u>277</u>	<u>104</u>
<u>Fair values Liabilities</u>		
- Exchange rate contracts	166	112 #
- Interest rate contracts	3	5
- Others	-	-
	<u>169</u>	<u>117</u>

As at 30 June 2022 and 31 December 2021, the Bank has no bilateral netting arrangements.

# Amount as at 31 December 2021 is restated.

V. **Liquidity ratio**

	Q2 2022	Q2 2021
The average liquidity maintenance ratio for the financial period	156.61%	153.28%

The above ratios are calculated based on the arithmetic mean of the average values of each calendar month for the reporting period. Both Q2 2022 and Q2 2021 ratios are based on 3 months average.



**Section B - Bank Information (DZ BANK Group)**

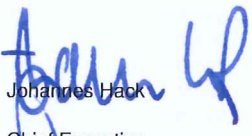
	31-Dec-21	30-Jun-21
<b>I. Capital and capital adequacy</b>		
Regulatory capital ratios with full application of the CRR		
- Consolidated Common Equity Tier 1 capital ratio	15.3%	15.4%
- Consolidated Tier 1 capital ratio	16.8%	16.8%
- Consolidated Total capital ratio	18.5%	18.7%
	<b>31-Dec-21</b>	<b>30-Jun-21</b>
	<u>in mio EUR</u>	<u>in mio EUR</u>
Consolidated shareholders' fund (Capital & Reserves)	28,661	28,503
<b>II. Other financial information</b>	<b>31-Dec-21</b>	<b>30-Jun-21</b>
	<u>in mio EUR</u>	<u>in mio EUR</u>
- Total assets	627,273	637,870
- Total liabilities	598,612	609,367
- Total loans and advances	303,324	294,002
- Banks	107,659	102,419
- Non-bank customers	195,665	191,583
- Total customer deposits	138,975	143,090
	<b>31-Dec-21</b>	<b>31-Dec-20</b>
	<u>in mio EUR</u>	<u>in mio EUR</u>
- Pre-tax profit*	3,096	1,445 #
- After-tax profit*	2,176	973 #

\* Pre-tax profit and After-tax profit presented in this disclosure statement are referred to the "Profit before taxes" and "Group net profit" respectively in DZ Bank Annual Report.

# Amount as at 31 December 2020 is restated.

**Statement of Compliance**

In preparing this financial information disclosure statement, DZ BANK AG HK Branch has fully complied with the disclosure standards set out in the "Banking (Disclosure) Rules" and "Guideline on the Application of the Banking (Disclosure) Rules" issued by the Hong Kong Monetary Authority ("HKMA").



Johannes Hack  
Chief Executive  
DZ BANK AG Hong Kong Branch