



Volksbanken Raiffeisenbanken
cooperative financial network

DZ BANK AG Hong Kong Branch
Interim Financial Disclosure
For the half-year ended 30 June 2024



DZ BANK

Bank on Germany

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

Section A - Branch Information

I. Profit and loss information	30-Jun-24 <u>in mio HKD</u>	30-Jun-23 <u>in mio HKD</u>
Interest income	514	550
Interest expense	(405)	(460)
Net interest income	109	90
Other operating income		
- Gains less losses arising from trading in foreign currencies	5	7
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income	28	51
- Fees and commission income	29	54
- Fees and commission expenses	(1)	(3)
- Others	-	-
Other operating income	33	58
Total income	142	148
Operating expenses		
- Staff and rental expenses	(37)	(41)
- Other expenses	(28)	(24)
- Net credit / (charge) for other provisions	(17)	(7)
Operating expenses	(82)	(72)
Operating profit/(loss) before provisions	60	76
Credit / (Charge) for bad and doubtful debts	17	(8)
Operating profit/(loss)	77	68
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Profit/(loss) before taxation	77	68
Taxation charge	-	-
Profit/(loss) after taxation	77	68

II. Balance Sheet Information

	30-Jun-24 <u>in mio HKD</u>	31-Dec-23 <u>in mio HKD</u>
<u>Assets</u>		
Cash and balances with banks	576	835
Due from Exchange Fund	15	60
Placements with banks which have a residual contractual maturity of more than one month but not more than twelve months	5,070	3,700
Amount due from overseas offices	9,970	8,305
Trade bills	2,571	624
Certificates of deposit held	3,109	1,953
Held-to-maturity investments	115	111
Loans and receivables	7,916	7,888
Investment securities	-	-
Other investments	3	3
Property, plant and equipment and investment properties	24	27
Total assets	<u>29,369</u>	<u>23,506</u>
<u>Liabilities</u>		
Deposits and balances from banks	787	2,282
Deposits and balances from sovereign	-	-
Deposits from customers:		
- Demand deposits and current accounts	162	188
- Savings deposits	-	-
- Time, call and notice deposits	317	278
Amount due to overseas offices	15,200	13,331
Certificates of deposit issued	12,320	6,734
Issued debt securities	-	-
Other liabilities	447	557
Provisions	136	136
Total liabilities	<u>29,369</u>	<u>23,506</u>

III. Additional balance sheet information

	30-Jun-24 <u>in mio HKD</u>	31-Dec-23 <u>in mio HKD</u>
(i) Loans and receivables		
Gross amount of loans and receivables		
- Loans and advances to customers	7,152	7,190
- Loans and advances to banks	303	342
- Accrued interest and other accounts	461	356
	<u>7,916</u>	<u>7,888</u>
 Provisions for impaired loans and advances*		
- General provisions	-	-
- Specific provisions		
- Loans and advances to customers	48	68
- Loans and advances to banks	-	-
- Accrued interest and other accounts	-	-
	<u>48</u>	<u>68</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	73	98
Specific provisions - individually assessed	48	68
Gross impaired loans and advances to customers as a % of gross loans and advances to customers	1.0%	1.4%

As at 30 June 2024 and 31 December 2023, 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	73	98
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(ii) Loans and advances to customers by sector

	30-Jun-24		31-Dec-23	
	<u>in mio HKD</u>	<u>% of advances covered by collateral or other securities</u>	<u>in mio HKD</u>	<u>% of advances covered by collateral or other securities</u>
Loans and advances for use in Hong Kong				
<u>Industrial, commercial and financial sectors</u>				
- Property development	-	0.0%	-	0.0%
- Property investment	-	0.0%	-	0.0%
- Financial concerns	180	0.0%	180	0.0%
- Stockbrokers	-	0.0%	-	0.0%
- Wholesale and retail trade	55	0.0%	88	0.0%
- Manufacturing	19	0.0%	13	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	11	0.0%	11	0.0%
Loans and advances for use outside Hong Kong	6,887	38.3%	6,898	41.3%
Gross amount of loans and advances to customers	<u>7,152</u>	36.9%	<u>7,190</u>	39.7%

(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 :

	<u>30-Jun-24</u> in mio HKD	<u>31-Dec-23</u> in mio HKD
- Australia	2,605	2,578
- South Korea	1,648	1,752

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

	<u>30-Jun-24</u>					
			<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>
1. Developed Countries	10,060	-	1,296	3,301	-	14,657
of which: - Germany	10,043	-	59	285	-	10,387
2. Developing Asia Pacific	11,125	-	1,648	560	-	13,333
of which: - China	2,983	-	-	11	-	2,994
- South Korea	7,772	-	1,648	-	-	9,420

Equivalent in millions of HKD

	<u>31-Dec-23</u>					
			<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>
1. Developed Countries	8,469	-	1,376	3,332	-	13,177
of which: - Australia	4	-	192	2,411	-	2,607
- Germany	8,432	-	70	330	-	8,832
2. Developing Asia Pacific	7,112	-	2,173	578	-	9,863
of which: - China	2,009	-	404	11	-	2,424
- South Korea	5,099	-	1,769	-	-	6,868

(v) **Overdue or rescheduled assets**

	30-Jun-24		31-Dec-23	
	<u>in mio HKD</u>	<u>% to total loans and advances to customers</u>	<u>in mio HKD</u>	<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	11	0.2%	11	0.2%
	<u>11</u>		<u>11</u>	

As at 30 June 2024 and 31 December 2023, there were no overdue loans and advances to banks and other accounts.

Specific provision for overdue loans and advances to customers 11 10

As at 30 June 2024 and 31 December 2023, 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 11

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 2024 and 31 December 2023, 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 2024

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	54	572	626
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	21	23	44
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	75	595	670

Total assets after provision

29,234

On-balance sheet exposures as percentage of total assets

0.26%

As at 31 December 2023

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	85	468	553
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	22	13	35
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	107	481	588

Total assets after provision

23,369

On-balance sheet exposures as percentage of total assets

0.46%

(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-24			
	EUR	USD	AUD	Total
Spot assets	15,615	10,220	2,331	28,166
Spot liabilities	(9,993)	(7,107)	(2,027)	(19,127)
Forward purchases	4,757	44,772	478	50,007
Forward sales	(10,449)	(47,939)	(795)	(59,183)
Net option position	-	-	-	-
Net long (short) position	(70)	(54)	(13)	(137)

Equivalent in millions of HKD	31-Dec-23			
	EUR	USD	AUD	Total
Spot assets	10,824	9,301	2,336	22,461
Spot liabilities	(7,724)	(4,790)	(1,591)	(14,105)
Forward purchases	5,663	25,338	797	31,798
Forward sales	(9,035)	(29,794)	(1,552)	(40,381)
Net option position	-	-	-	-
Net long (short) position	(272)	55	(10)	(227)

IV. **Off-balance sheet exposures**

	30-Jun-24 in mio HKD	31-Dec-23 in mio HKD
Contingent liabilities and commitments		
<u>Contractual or notional amounts</u>		
- Direct credit substitutes	164	172
- Transaction-related contingencies	8	8
- Trade-related contingencies	177	225
- Note issuance and revolving underwriting facilities	-	-
- Other commitments	3,994	1,440
- Others	-	352
Derivatives		
<u>Notional amounts</u>		
- Exchange rate contracts	92,772	55,982
- Interest rate contracts	1,989	1,362
- Others	-	-
<u>Fair values Assets</u>		
- Exchange rate contracts	443	280
- Interest rate contracts	-	-
- Others	-	-
	<u>443</u>	<u>280</u>
<u>Fair values Liabilities</u>		
- Exchange rate contracts	389	419
- Interest rate contracts	5	5
- Others	-	-
	<u>394</u>	<u>424</u>

As at 30 June 2024 and 31 December 2023, the Bank has no bilateral netting arrangements.

V. Liquidity ratio	Q2 2024	Q2 2023
The average liquidity maintenance ratio for the financial period	214.98%	309.77%

The above ratios are calculated based on the arithmetic mean of the average values of each calendar month for the reporting period. Both Q2 2024 and Q2 2023 ratios are based on 3 months average.

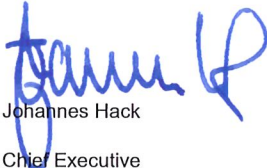
<u>Section B - Bank Information (DZ BANK Group)</u>	31-Dec-23	30-Jun-23
I. Capital and capital adequacy		
Regulatory capital ratios with full application of the CRR		
- Consolidated Common Equity Tier 1 capital ratio	15.5%	15.6%
- Consolidated Tier 1 capital ratio	17.7%	17.8%
- Consolidated Total capital ratio	20.1%	20.3%
	31-Dec-23	30-Jun-23
	<u>in mio EUR</u>	<u>in mio EUR</u>
Consolidated shareholders' fund (Capital & Reserves)	31,069	30,877
II. Other financial information	31-Dec-23	30-Jun-23
	<u>in mio EUR</u>	<u>in mio EUR</u>
- Total assets	644,589	653,374
- Total liabilities	613,520	622,497
- Total loans and advances	333,643	335,472
- Banks	128,867	130,065
- Non-bank customers	204,776	205,407
- Total customer deposits	159,641	164,391
	31-Dec-23	31-Dec-22
	<u>in mio EUR</u>	<u>in mio EUR</u>
- Pre-tax profit*	3,189	2,252 #
- After-tax profit*	2,234	1,341 #

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

Amounts as at 31 December 2022 are 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