



Volksbanken Raiffeisenbanken
cooperative financial network

DZ BANK AG Hong Kong Branch
Interim Financial Disclosure
For the half-year ended 30 June 2025





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

Section A - Branch Information

	30-Jun-25 <u>in mio HKD</u>	30-Jun-24 <u>in mio HKD</u>
I. Profit and loss information		
Interest income	810	514
Interest expense	(712)	(405)
Net interest income	98	109
Other operating income		
- Gains less losses arising from trading in foreign currencies	(31)	5
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income	37	28
- Fees and commission income	42	29
- Fees and commission expenses	(5)	(1)
- Others	-	-
Other operating income	6	33
Total income	104	142
Operating expenses		
- Staff and rental expenses	(42)	(37)
- Other expenses	(31)	(28)
- Net credit / (charge) for other provisions	3	(17)
Operating expenses	(70)	(82)
Operating profit/(loss) before provisions	34	60
Credit / (Charge) for bad and doubtful debts	(12)	17
Operating profit/(loss)	22	77
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Profit/(loss) before taxation	22	77
Taxation charge	-	-
Profit/(loss) after taxation	22	77

II. Balance Sheet Information

	30-Jun-25 in mio HKD	31-Dec-24 in mio HKD
<u>Assets</u>		
Cash and balances with banks	1,201	637
Due from Exchange Fund	44	31
Placements with banks which have a residual contractual maturity of more than one month but not more than twelve months	5,120	4,578
Amount due from overseas offices	10,798	10,368
Trade bills	4,808	3,770
Certificates of deposit held	4,252	2,206
Held-to-maturity investments	-	-
Loans and receivables	9,934	8,303
Investment securities	-	-
Other investments	3	3
Property, plant and equipment and investment properties	26	22
Total assets	36,186	29,918
<u>Liabilities</u>		
Deposits and balances from banks	2,768	2,461
Deposits and balances from sovereign	1,003	1,425
Deposits from customers:		
- Demand deposits and current accounts	164	137
- Savings deposits	-	-
- Time, call and notice deposits	71	195
Amount due to overseas offices	14,839	14,326
Certificates of deposit issued	16,222	10,688
Issued debt securities	-	-
Other liabilities	996	578
Provisions	123	108
Total liabilities	36,186	29,918

III. Additional balance sheet information

	30-Jun-25 in mio HKD	31-Dec-24 in mio HKD
(i) Loans and receivables		
Gross amount of loans and receivables		
- Loans and advances to customers	9,294	7,492
- Loans and advances to banks	253	267
- Accrued interest and other accounts	387	544
	<u>9,934</u>	<u>8,303</u>

Provisions for impaired loans and advances*

- General provisions	-	-
- Specific provisions		
- Loans and advances to customers	57	45
- Loans and advances to banks	-	-
- Accrued interest and other accounts	-	-
	<u>57</u>	<u>45</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	92	73
Specific provisions - individually assessed	57	45
Gross impaired loans and advances to customers as a % of gross loans and advances to customers	1.0%	1.0%

As at 30 June 2025 and 31 December 2024, 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	92	73
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(ii) Loans and advances to customers by sector

	30-Jun-25		31-Dec-24	
	in mio HKD	% of advances covered by collateral or other securities	in mio HKD	% of advances covered by collateral or other securities
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	130	0.0%	180	0.0%
- Stockbrokers	-	0.0%	-	0.0%
- Wholesale and retail trade	113	0.0%	92	0.0%
- Manufacturing	-	0.0%	-	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	-	0.0%	-	0.0%
Loans and advances for use outside Hong Kong	9,051	22.6%	7,220	33.7%
Gross amount of loans and advances to customers	<u>9,294</u>	22.0%	<u>7,492</u>	32.5%

(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-25	31-Dec-24
	<u>in mio HKD</u>	<u>in mio HKD</u>
- Australia	2,904	2,482
- Indonesia	1,441	188
- South Korea	1,207	1,532
- Turkey	1,508	977

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-25					
			<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	10,918	-	1,416	3,232	-	15,566
of which: - Germany	10,883	-	35	321	-	11,239
2. Developing Asia Pacific	15,202	-	1,206	1,842	-	18,250
of which: - China	4,415	-	-	-	-	4,415
- South Korea	10,432	-	1,206	-	-	11,638

Equivalent in millions of HKD

	31-Dec-24					
			<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	10,468	-	1,464	2,790	-	14,722
of which: - Germany	10,419	-	46	287	-	10,752
2. Developing Asia Pacific	10,384	-	1,415	689	-	12,488
of which: - South Korea	7,977	-	1,415	117	-	9,509

(v) Overdue or rescheduled assets

	30-Jun-25		31-Dec-24	
	<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	-	0.0%	-	0.0%
	<u>-</u>		<u>-</u>	

As at 30 June 2025 and 31 December 2024, there were no overdue loans and advances to banks and other accounts.

Specific provision for overdue loans and advances to customers - -

As at 30 June 2025 and 31 December 2024, there were no collateral held against the overdue loans and advances to customers.

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 2025 and 31 December 2024, 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 2025

Types of Counterparties	On-balance sheet exposure <u>in mio HKD</u>	Off-balance sheet exposure <u>in mio HKD</u>	Total <u>in mio HKD</u>
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	92	540	632
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	23	13	36
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	115	553	668
Total assets after provision	36,063		
On-balance sheet exposures as percentage of total assets	0.32%		

As at 31 December 2024

Types of Counterparties	On-balance sheet exposure <u>in mio HKD</u>	Off-balance sheet exposure <u>in mio HKD</u>	Total <u>in mio HKD</u>
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	73	534	607
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	20	28	48
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	93	562	655
Total assets after provision	29,810		
On-balance sheet exposures as percentage of total assets	0.31%		

(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-25

	EUR	USD	Total
Spot assets	14,527	17,722	32,249
Spot liabilities	(10,470)	(7,600)	(18,070)
Forward purchases	3,388	45,263	48,651
Forward sales	(8,186)	(55,501)	(63,687)
Net option position	-	-	-
Net long (short) position	(741)	(116)	(857)

Equivalent in millions of HKD

31-Dec-24

	EUR	USD	AUD	Total
Spot assets	13,317	13,395	2,226	28,938
Spot liabilities	(8,732)	(5,982)	(2,092)	(16,806)
Forward purchases	3,549	28,620	810	32,979
Forward sales	(8,087)	(36,025)	(952)	(45,064)
Net option position	-	-	-	-
Net long (short) position	47	8	(8)	47

IV. **Off-balance sheet exposures**

30-Jun-25

in mio HKD

31-Dec-24

in mio HKD

Contingent liabilities and commitments

Contractual or notional amounts

- Direct credit substitutes	165	156
- Transaction-related contingencies	15	21
- Trade-related contingencies	331	288
- Note issuance and revolving underwriting facilities	-	-
- Other commitments	2,811	3,860
- Others	353	349

Derivatives

Notional amounts

- Exchange rate contracts	102,324	65,170
- Interest rate contracts	2,975	2,175
- Others	-	-

Fair values Assets

- Exchange rate contracts	404	780
- Interest rate contracts	4	-
- Others	-	-
	408	780

Fair values Liabilities

- Exchange rate contracts	981	630
- Interest rate contracts	4	5
- Others	-	-
	985	635

As at 30 June 2025 and 31 December 2024, the Bank has no bilateral netting arrangements.

V. Liquidity ratio	Q2 2025	Q2 2024
The average liquidity maintenance ratio for the financial period	251.14%	214.98%

The above ratios are calculated based on the arithmetic mean of the average values of each calendar month for the reporting period. Both Q2 2025 and Q2 2024 ratios are based on 3 months average.

<u>Section B - Bank Information (DZ BANK Group)</u>	31-Dec-24	30-Jun-24
I. Capital and capital adequacy		
Regulatory capital ratios with full application of the CRR		
- Consolidated Common Equity Tier 1 capital ratio	15.8%	15.7%
- Consolidated Tier 1 capital ratio	17.8%	17.8%
- Consolidated Total capital ratio	20.1%	20.2%
	31-Dec-24	30-Jun-24
	<u>in mio EUR</u>	<u>in mio EUR</u>
Consolidated shareholders' fund (Capital & Reserves)	32,578	31,181
II. Other financial information	31-Dec-24	30-Jun-24
	<u>in mio EUR</u>	<u>in mio EUR</u>
- Total assets	659,638	664,107
- Total liabilities	627,060	632,926
- Total loans and advances	352,220	344,872
- Banks	143,532	137,191
- Non-bank customers	208,688	207,681
- Total customer deposits	154,103	159,941
	31-Dec-24	31-Dec-23
	<u>in mio EUR</u>	<u>in mio EUR</u>
- Pre-tax profit*	3,303	3,189
- After-tax profit*	2,390	2,234

* 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.



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").

A handwritten signature in blue ink, appearing to read "Johannes Hack".

Johannes Hack

Chief Executive
DZ BANK AG Hong Kong Branch