

Deutsche Bank Aktiengesellschaft, Hong Kong Branch

(Incorporated in the Federal Republic of Germany and
members' liability is limited)

Key Financial Information Disclosure Statement
Half-year Ended June 30, 2024



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 half-year ended June 30, 2024 as follow:

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 half-year ended June 30, 2024
Section A – Branch Information (Hong Kong Office Only)

(I) Income Statement Information

HKD Million	Half-year Ended June 30, 2024	Half-year Ended June 30, 2023
Interest income	3,247	2,638
Interest expense	(2,688)	(1,807)
Other operating income		
- Gains less losses arising from trading in foreign currencies	185	173
- Gains less losses on securities held for trading purposes	810	589
- Gains less losses from other trading activities	474	200
- <i>Net fees and commission income</i>		
- Gross fees and commission income	1,011	866
- Gross fees and commission expenses	(36)	(40)
- Others	(197)	(219)
Operating expenses		
- Staff expenses	(992)	(989)
- Rental expenses	(101)	(104)
- Others	(907)	(1,279)
Impairment losses and provisions for impaired loans and receivables	84	(62)
Profit/ (loss) before taxation	890	(34)
Taxation	(147)	(17)
Profit/ (loss) after taxation	<u>743</u>	<u>(51)</u>

(II) Balance Sheet Information

HKD Million	June 30, 2024	December 31, 2023
Assets		
Cash and balances with banks	5,405	5,148
Placements with banks with residual maturity between 1 months and 12 months	42	42
Due from Exchange Fund	825	1,095
Amount due from overseas offices of the institution	81,233	63,611
Trade bills	808	276
Securities held for trading purposes	24,851	20,098
Loans and receivables (including derivatives receivables)	63,405	67,939
Investment securities	4,338	4,002
Amount receivable under reverse repos	-	116
Other investments	496	497
Property, plant and equipment	546	1,085
Total assets	<u>181,949</u>	<u>163,909</u>
Liabilities		
Deposits and balances from banks	536	4,013
Deposits from customers		
- Demand deposits and current accounts	13,752	16,439
- Time, call and notice deposits	70,136	57,784
Amount due to overseas offices of the institution	53,180	39,821
Certificates of deposit issued	300	300
Other liabilities (including derivatives payables)	44,045	45,552
Total liabilities	<u>181,949</u>	<u>163,909</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	June 30, 2024	December 31, 2023
Loans and advances to customers	22,758	26,778
Loans and advances to banks	273	301
Accrued interest and other accounts	7,964	8,936
Derivative receivables	32,494	32,244
Less: Allowance for credit losses		
- Collectively assessed	28	16
- Individually assessed	56	304
	<u>63,405</u>	<u>67,939</u>

(iii) Trade bills

HKD Million	June 30, 2024	December 31, 2023
Trade bills	819	296
Less: Allowance for credit losses		
- Collectively assessed	2	-
- Individually assessed	7	17
Less: Country Risk Provision	2	3
	<u>808</u>	<u>276</u>

(iv) Impaired loans and advances to customers

	HKD Million	June 30, 2024 As % of advances to customers	HKD Million	December 31, 2023 As % of advances to customers
Impaired loans and advances to customer net of allowance for individually assessed credit losses				
- Impaired loans and advances to customers	376	1.65%	702	2.62%
- Individually assessed allowance	<u>(16)</u>		<u>(278)</u>	
	<u>360</u>		<u>424</u>	
Representing by geographical segments:				
- Hong Kong	-		127	
- Mainland China	-		135	
- Germany	12		20	
- Ghana	358		420	
- British Virgin Islands	6		-	

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

	June 30, 2024 HKD Million	December 31, 2023 HKD Million
Market value of collateral held against impaired loans and advances to customers	<u>315</u>	<u>344</u>
Covered portion of impaired loans and advances	<u>315</u>	<u>344</u>
Uncovered portion of impaired loans and advances	<u>61</u>	<u>358</u>

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

Impaired trades bills was HKD 12 million at June 30, 2024 and HKD 30 million at December 31, 2023.

There were no impaired advances to banks at June 30, 2024 and December 31, 2023.

(v) Overdue loans and advances and trade bills

	June 30, 2024 As % of advances to customers	December 31, 2023 As % of advances to customers
	HKD Million	HKD Million
Overdue advances to customers:		
- Over 1 month and up to 3 months	8	0.04%
- Over 3 months and up to 6 months	-	-
- Over 6 months and up to one year	-	-
- More than one year	<u>358</u>	<u>420</u>
	<u>366</u>	<u>262</u>
		<u>682</u>
Allowances for credit losses		
- individually assessed allowances	11	266
Representing:		
- Loans for use in Hong Kong	8	112
- Loans and advances for use outside Hong Kong	358	570
By geographical segments:		
- Ghana	358	420
- Hong Kong	8	127
- Mainland China	-	135
Market value of collateral held against overdue loans and advances to customers	<u>315</u>	<u>344</u>
Covered portion of overdue loans and advances to customers	<u>315</u>	<u>344</u>
Uncovered portion of overdue loans and advances to customers	<u>51</u>	<u>338</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 June 30, 2024 and December 31, 2023.

(vi) Rescheduled 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 June 30, 2024 and December 31, 2023.

No repossessed asset was held for impaired and overdue loans and receivables and trade bills at June 30, 2024 and December 31, 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	June 30, 2024		December 31, 2023	
	Gross advances	Collateral or other security	Gross advances	Collateral or other security
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Manufacturing	5	-	117	-
- Electricity and Gas	-	-	-	-
- Wholesale and retail trade	109	-	96	-
Transport and transport equipment	-	-	-	-
- Financial concerns	-	-	20	-
- Stockbrokers	-	-	-	-
- Others	<u>2,754</u>	<u>2,691</u>	<u>3,776</u>	<u>3,754</u>
	2,868	2,691	4,009	3,754
Individuals				
- Others	<u>985</u>	<u>985</u>	<u>1,037</u>	<u>1,037</u>
Total loans for use in Hong Kong	3,853	3,676	5,046	4,791
Trade finance	8,571	1,302	7,783	1,335
Loans for use outside Hong Kong	<u>10,334</u>	<u>9,480</u>	<u>13,949</u>	<u>12,819</u>
	<u>22,758</u>	<u>14,458</u>	<u>26,778</u>	<u>18,945</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	June 30, 2024	December 31, 2023
Hong Kong	4,930	4,684
United States	4,090	4,145
South Korea	4,008	6,748
Mainland China	5,705	6,559
Others	<u>4,025</u>	<u>4,642</u>
	<u>22,758</u>	<u>26,778</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 June 30, 2024			
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,553	6,174	8,727
Local governments, local government-owned entities and their subsidiaries and JVs	1,470	193	1,663
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	632	1,126	1,758
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>1,245</u>	<u>27</u>	<u>1,272</u>
Total	<u>5,900</u>	<u>7,520</u>	<u>13,420</u>
Total assets after provision	<u>181,949</u>		
On-balance sheet exposures as percentage of total assets	3.24%		
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 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%		

- (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 June 30, 2024

	Banks	Official Sector	Non-bank private sector Non-bank Financial institutions	Non-financial private sector	Total
Developed countries, of which	108,732	-	-	9,249	117,981
- <i>Germany</i>	86,644	-	-	1,742	88,386
- <i>United Kingdom</i>	20,390	-	-	225	20,615
- <i>United States</i>	350	-	-	4,658	5,008
Developing Africa and Middle East	26	-	-	460	486
Developing Asia and Pacific, of which	14,692	1,396	-	11,681	27,769
- <i>China</i>	14,293	1,396	-	7,281	22,970
Developing Latin America and Caribbean	-	-	-	382	382
Developing Europe	466	-	-	52	518
Offshore centres, of which	16,072	-	2	10,770	26,844
- <i>Hong Kong</i>	13,445	-	-	9,319	22,764
International organization	-	-	-	-	-
Total	<u>139,988</u>	<u>1,396</u>	<u>2</u>	<u>32,594</u>	<u>173,980</u>

HKD Million
At December 31, 2023

	Banks	Official Sector	Non-bank private sector Non-bank Financial institutions	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>

(xi) Currency risk

At June 30, 2024

Equivalent in HKD Million	USD	RMB	EUR	Other Foreign Currencies	Total
Spot assets	74,315	33,114	13,152	7,680	128,261
Spot liabilities	(83,984)	(15,360)	(19,734)	(7,722)	(126,800)
Forward purchases	987,497	892,997	27,708	16,828	1,925,030
Forward sales	(981,853)	(906,306)	(20,769)	(16,838)	(1,925,766)
Net options positions	-	-	-	-	-
Net long / (short) position	<u>(4,025)</u>	<u>4,445</u>	<u>357</u>	<u>(52)</u>	<u>725</u>

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>

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	June 30, 2024	December 31, 2023
Contingencies and commitments		
- Direct credit substitutes	122	95
- Transaction-related contingencies	9,246	10,829
- Trade-related contingencies	1,127	1,290
- Other commitments	1,474	1,957
- Others	<u>2,652</u>	<u>1,119</u>
	<u>14,621</u>	<u>15,290</u>
Derivatives		
- Exchange rate related derivative contracts	1,986,710	1,861,323
- Interest rate derivative contracts	1,278,419	1,357,149
- Others	<u>20,173</u>	<u>3,449</u>
	<u>3,285,302</u>	<u>3,221,921</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	June 30, 2024	December 31, 2023
Fair value assets		
- Exchange rate related derivative contracts	25,440	22,422
- Interest rate derivative contracts	7,010	7,086
- Others	<u>44</u>	<u>2,737</u>
	<u>32,494</u>	<u>32,245</u>
Fair value liabilities		
- Exchange rate related derivative contracts	25,746	24,084
- Interest rate derivative contracts	7,446	7,563
- Others	<u>304</u>	<u>2,830</u>
	<u>34,496</u>	<u>34,477</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 June 30, 2024	Quarter ended June 30, 2023
3 months average LMR	70.77%	59.54%

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 months 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 June 30, 2024	Quarter ended June 30, 2023
3 months average CFR	212.98%	193.19%

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, monitor, 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 and the interest rate risk in the banking book 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.

(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.

The Branch 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) interim disclosure statement as of June 30, 2024 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):

	June 30, 2024	December 31, 2023
- Common Equity Tier 1 capital ratio	13.5%	13.7%
- Tier 1 capital ratio	16.3%	16.1%
- Total capital ratio	18.6%	18.6%

Total shareholders’ equity was EUR 63.6 billion at June 30, 2024 and EUR 64.5 billion at December 31, 2023.

(II) Other Financial Information

Extracts from the consolidated financial statements for the half-year ended June 30, 2024:

EUR Billion	June 30, 2024	December 31, 2023
- Total assets	1,351	1,312
- Total liabilities	1,276	1,238
- Total loans and advances	477	474
- Total deposits	641	622

EUR Million	Period Ended June 30, 2024	Period Ended June 30, 2023
Income/ (loss) before income taxes	2,446	3,258

Further details of Deutsche Bank Aktiengesellschaft Group (Incorporated in the Federal Republic of Germany and members’ liability is limited) can be obtained from the interim report as of June 30, 2024 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.