

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, 2022



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, 2022 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, 2022

Section A – Branch Information (Hong Kong Office Only)

(I) Income Statement Information

HKD Million	Year Ended December 31, 2022	Year Ended December 31, 2021
Interest income	4,015	2,431
Interest expense	(2,225)	(917)
Other operating income		
- Gains less losses arising from trading in foreign currencies	328	245
- Gains less losses on securities held for trading purposes	209	574
- Gains less losses from other trading activities	583	360
- <i>Net fees and commission income</i>		
- Gross fees and commission income	2,118	2,908
- Gross fees and commission expenses	(73)	(28)
- Others	(297)	257
Operating expenses		
- Staff expenses	(1,828)	(2,195)
- Rental expenses	(221)	(263)
- Others	(2,126)	(2,285)
Impairment losses and provisions for impaired loans and receivables	(137)	(89)
Impairment losses on assets	-	-
Profit/ (loss) before taxation	<u>346</u>	<u>998</u>
Taxation	(69)	(173)
Profit/ (loss) after taxation	<u>277</u>	<u>825</u>

(II) Balance Sheet Information

HKD Million	December 31, 2022	June 30, 2022
<b>Assets</b>		
Cash and balances with banks	7,329	5,933
Placements with banks with residual maturity between 1 months and 12 months	1,847	42
Due from Exchange Fund	1,381	952
Amount due from overseas offices of the institution	77,566	85,782
Trade bills	2,160	2,134
Securities held for trading purposes	6,872	10,974
Loans and receivables (including derivatives receivables)	65,512	66,066
Investment securities	2,105	2,659
Amount receivable under reverse repos	115	116
Other investments	496	499
Property, plant and equipment	<u>1,223</u>	<u>1,313</u>
Total assets	<u>166,606</u>	<u>176,470</u>
<b>Liabilities</b>		
Deposits and balances from banks	2,707	2,811
Deposits from customers		
- Demand deposits and current accounts	20,589	22,488
- Savings deposits	-	-
- Time, call and notice deposits	64,661	68,228
Amount due to overseas offices of the institution	45,811	55,097
Certificates of deposit issued	300	300
Other negotiable debt instruments	-	117
Other liabilities (including derivatives payables)	<u>32,538</u>	<u>27,429</u>
Total liabilities	<u>166,606</u>	<u>176,470</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, 2022	June 30, 2022
Loans and advances to customers	36,481	41,867
Loans and advances to banks	355	385
Accrued interest and other accounts	5,555	5,866
Derivative receivables	23,688	18,500
Less: Allowance for credit losses		
- Collectively assessed	16	55
- Individually assessed	551	497
	<u>66,512</u>	<u>66,066</u>

#### (iii) Trade bills

HKD Million	December 31, 2022	June 30, 2022
Trade bills	2,184	2,163
Less: Allowance for credit losses		
- Collectively assessed	-	-
- Individually assessed	7	17
Less: Country Risk Provision	17	12
	<u>2,160</u>	<u>2,134</u>

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

	December 31, 2022		June 30, 2022	
	As % of		As % of	
	advances to		advances to	
HKD Million	customers	HKD Million	customers	
Impaired loans and advances to customer net of allowance for individually assessed credit losses				
- Impaired loans and advances to customers	961	2.63%	2,116	5.05%
- Individually assessed allowance	<u>(513)</u>		<u>(476)</u>	
	<u>448</u>		<u>1,640</u>	
Representing by geographical segments:				
- Hong Kong	607		1,750	
- Mainland China	327		352	
- Germany	27		14	

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

	December 31, 2022 HKD Million	June 30, 2022 HKD Million
Market value of collateral held against impaired loans and advances to customers	<u>175</u>	<u>1,120</u>
Covered portion of impaired loans and advances	<u>175</u>	<u>1,120</u>
Uncovered portion of impaired loans and advances	<u>786</u>	<u>996</u>

The collateral held in respect of the impaired loans and advances to customers are cash, credit insurance and properties.

Impaired trades bills was HKD 15 million at December 31, 2022 and HKD 26 million at June 30, 2022.

There were no impaired advances to banks at December 31, 2022 and June 30, 2022.

(v) Overdue loans and advances and trade bills

	December 31, 2022		June 30, 2022	
	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	-	-	-	-
- Over 6 months and up to one year	-	-	471	1.12%
- More than one year	<u>934</u>	2.56%	<u>1,279</u>	3.06%
	<u>934</u>		<u>1,750</u>	
Allowances for credit losses				
- individually assessed allowances	510		469	
Representing:				
- Loans for use in Hong Kong	569		1,383	
- Loans and advances for use outside Hong Kong	365		367	
By geographical segments:				
- Hong Kong	607		1,750	
- Mainland China	327		-	
Market value of collateral held against overdue loans and advances to customers	<u>175</u>		<u>769</u>	
Covered portion of overdue loans and advances to customers	<u>175</u>		<u>769</u>	
Uncovered portion of overdue loans and advances to customers	<u>759</u>		<u>981</u>	

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

There were no overdue advances to banks and trade bills at December 31, 2022 and June 30, 2022.

(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, 2022 and June 30, 2022.

No repossessed asset was held for impaired and overdue loans and receivables and trade bills at December 31, 2022 and June 30, 2022.

(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, 2022		June 30, 2022	
	Gross advances	Collateral or other security	Gross advances	Collateral or other security
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Manufacturing	521	165	910	289
- Electricity and Gas	-	-	-	-
- Wholesale and retail trade	19	-	50	-
Transport and transport equipment	-	-	126	120
- Financial concerns	723	-	125	-
- Stockbrokers	-	-	-	-
- Others	<u>8,050</u>	<u>7,996</u>	<u>7,799</u>	<u>7,754</u>
	9,313	8,161	9,010	8,163
Individuals				
- Others	<u>3,499</u>	<u>3,499</u>	<u>3,549</u>	<u>3,549</u>
Total loans for use in Hong Kong	12,812	11,660	12,559	11,712
Trade finance	8,061	2,145	11,917	2,284
Loans for use outside Hong Kong	<u>15,608</u>	<u>14,794</u>	<u>17,391</u>	<u>16,241</u>
	<u>36,481</u>	<u>28,599</u>	<u>41,867</u>	<u>30,237</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, 2022	June 30, 2022
Hong Kong	7,429	7,865
United States	4,638	5,954
South Korea	301	5,477
Cayman Islands	2,344	2,185
Mainland China	2,511	3,205
Others	<u>19,258</u>	<u>17,181</u>
	<u>36,481</u>	<u>41,867</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
<b>At December 31, 2022</b>			
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,796	1,276	4,072
Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,861	1,069	3,930
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>1,846</u>	<u>21</u>	<u>1,867</u>
Total	<u>7,503</u>	<u>2,366</u>	<u>9,869</u>
Total assets after provision	<u>166,606</u>		
On-balance sheet exposures as percentage of total assets	4.50%		

HKD Million	On-balance sheet exposure	Off- balance sheet exposure	Total
<b>At June 30, 2022</b>			
Central government, central government-owned entities and their subsidiaries and JVs	2,618	1,542	4,160
Local governments, local government-owned entities and their subsidiaries and JVs	328	-	328
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,521	1,256	4,777
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>1,023</u>	<u>39</u>	<u>1,062</u>
Total	<u>7,490</u>	<u>2,837</u>	<u>10,327</u>
Total assets after provision	<u>176,470</u>		
On-balance sheet exposures as percentage of total assets	4.24%		

- (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, 2022

	Banks	Official Sector	Non-bank Financial institutions	Non-bank private sector Non-financial private sector	Total
Developed countries, of which	99,790	-	5	16,737	116,532
- <i>Germany</i>	85,592	-	5	3,957	89,554
- <i>United States</i>	724	-	-	4,667	5,391
Developing Africa and Middle East	12	-	-	6,589	6,601
Developing Asia and Pacific, of which	6,323	2,362	-	4,608	13,293
- <i>China</i>	5,645	2,362	-	2,892	10,899
Developing Latin America and Caribbean	-	-	-	1,317	1,317
Developing Europe	151	-	-	361	512
Offshore centres, of which	6,838	6	-	11,829	18,673
- <i>Hong Kong</i>	5,295	6	-	8,042	13,343
International organization	-	-	-	-	-
Total	113,114	2,368	5	41,441	156,928

HKD Million  
At June 30, 2022

	Banks	Official Sector	Non-bank Financial institutions	Non-bank private sector Non-financial private sector	Total
Developed countries, of which	105,121	-	-	19,001	124,122
- <i>Germany</i>	92,794	-	-	2,470	95,264
- <i>United States</i>	313	-	-	6,469	6,782
Developing Africa and Middle East	44	-	-	1,700	1,744
Developing Asia and Pacific, of which	10,827	-	-	10,364	21,191
- <i>China</i>	10,166	-	-	3,523	13,689
Developing Latin America and Caribbean	-	-	-	818	818
Developing Europe	23	-	-	426	449
Offshore centres, of which	4,051	2,333	-	12,894	19,278
- <i>Hong Kong</i>	2,093	2,333	-	8,749	13,175
International organization	-	-	-	-	-
Total	120,066	2,333	-	45,203	167,602

(xi) Currency risk

At December 31, 2022

Equivalent in HKD Million	USD	SGD	RMB	EUR	Other Foreign Currencies	Total
Spot assets	85,920	1,544	15,122	13,597	4,963	121,146
Spot liabilities	(80,273)	(1,991)	(15,984)	(19,510)	(5,129)	(122,887)
Forward purchases	447,513	3,186	373,447	20,410	13,982	858,538
Forward sales	(454,781)	(2,750)	(370,365)	(14,564)	(13,800)	(856,260)
Net options positions	-	-	-	-	-	-
Net long / (short) position	<u>(1,621)</u>	<u>(11)</u>	<u>2,220</u>	<u>(67)</u>	<u>16</u>	<u>537</u>

At June 30, 2022

Equivalent in HKD Million	USD	SGD	RMB	EUR	Other Foreign Currencies	Total
Spot assets	105,005	1,089	17,231	11,944	2,962	138,231
Spot liabilities	(97,708)	(2,272)	(14,410)	(19,530)	(2,940)	(136,860)
Forward purchases	412,268	2,846	309,916	30,769	11,121	766,920
Forward sales	(417,048)	(1,810)	(314,624)	(23,356)	(11,171)	(768,009)
Net options positions	-	-	-	-	-	-
Net long / (short) position	<u>2,517</u>	<u>(147)</u>	<u>(1,887)</u>	<u>(173)</u>	<u>(28)</u>	<u>282</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, 2022	June 30, 2022
<b>Contingencies and commitments</b>		
- Direct credit substitutes	307	493
- Transaction-related contingencies	3,908	3,317
- Trade-related contingencies	1,440	2,157
- Other commitments	1,991	3,204
- Others	-	-
	<u>7,646</u>	<u>9,171</u>
<b>Derivatives</b>		
- Exchange rate related derivative contracts	970,494	919,046
- Interest rate derivative contracts	1,860,158	1,823,259
- Others	2,760	2,584
	<u>2,833,412</u>	<u>2,744,889</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, 2022	June 30, 2022
Fair value assets		
- Exchange rate related derivative contracts	15,281	10,750
- Interest rate derivative contracts	8,347	6,160
- Others	<u>60</u>	<u>1,590</u>
	<u>23,688</u>	<u>18,500</u>
Fair value liabilities		
- Exchange rate related derivative contracts	14,743	10,684
- Interest rate derivative contracts	9,991	6,965
- Others	<u>32</u>	<u>41</u>
	<u>24,766</u>	<u>17,690</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, 2022	Quarter ended December 31, 2021
3 months average LMR	67.31%	63.26%

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, 2022	Quarter ended December 31, 2021
3 months average CFR	260.08%	199.71%

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.

### (xiii) 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, 2022 at [www.db.com/hongkong/](http://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

BIS capital ratios under CRR/CRD 4 (reported):

	December 31, 2022	June 30, 2022
- Common Equity Tier 1 capital ratio	13.4%	13.0%
- Tier 1 capital ratio	15.7%	14.9%
- Total capital ratio	18.4%	17.6%

Total shareholders' equity was EUR 62.0 billion at December 31, 2022 and EUR 59.8 billion at June 30, 2022.

(II) Other Financial Information

Extracts from the consolidated financial statements for the year ended December 31, 2022:

EUR Billion	December 31, 2022	June 30, 2022
- Total assets	1,337	1,387
- Total liabilities	1,264	1,318
- Total loans and advances	484	488
- Total deposits	621	613

  

EUR Million	Period Ended December 31, 2022	Period Ended December 31, 2021
Income/ (loss) before income taxes	5,594	3,390

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 2022 at [www.db.com](http://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.