Annual Report 2014

GEGR • 1852

Bankhaus Lampe

Overview of Business Performance

Bankhaus Lampe Group

in million euros	2010	2011	2012	2013	2014
Total assets	3,139	3,051	3,132	2,903	2,779
Business volume	3,462	3,251	3,329	3,065	2,938
Loans and advances to clients	1,485	1,377	1,308	1,324	1,258
Loans and advances to banks	482	739	358	273	317
Client deposits	2,657	2,425	2,462	2,322	2,196
Liabilities to banks	109	194	212	152	114
Equity (including group net income for the year)	196	217	239	259	281
Net interest income (including current income)	51	61	57	56	64
Net commission income	68	79	71	87	92
Net income from proprietary trading activities	9	9	8	4	8
Administrative expenses	112	112	117	128	135
Group net income for the year	14	18	21	21	22
Number of employees	620	625	650	678	677

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Bankhaus Lampe

Contents

Dear clients and business partners,

Let us take a look back at the developments in the German banking sector. After the long phase of globalisation and focusing on capital markets, we can probably refer to the period since 2008 as a time of painful reorganisation. And this quite rightly so.

Banks were one of the key triggers of the financial crisis and repeatedly involved in manipulations and scandals in the past. Individual market players have thus damaged the trust in an entire industry.

As a result, the banking sector is literally flooded with regulations. There are a lot of discussions right now on the number of regulations and whether they make any sense, because existing redundancies, controversies and delays in their implementation cost banks time and money. There is almost no way to keep track of all the regulatory initiatives.

Topics like Basel III, EMIR, MiFID II, the financial transaction tax, the remuneration ordinance for institutions and the regulations for consumer rights are having a deep impact on the business models of banks and influence the management of their business activity. In some cases, these measures, coupled with the low-interest rate policy of the ECB, lead to a distorted competitive situation and negatively affect all participants in the financial market and ultimately, the customers.

The general partners of Bankhaus Lampe KG (left to right)
Prof. Dr. Stephan Schüller (Spokesman), Dr. Nicolas Blanchard and Ulrich Cosse

If the objectives of the regulatory system are a secure financial system and regained trust of the consumers, then regulation has to be simple and tough. This means, for example, the commitment to a high core capital ratio, because this is a key indicator for the stability of a bank.

Our annual net profit was once again fully retained in 2014. As a result, the consistent increase in equity has led to a solid core capital ratio of more than 14 % taking into consideration the more stringent requirements of Basel III.

Although there are certainly aspects of the regulatory system to be critical of, the banking sector in Germany has become more secure and is overall significantly more resilient than it was before the financial crisis.

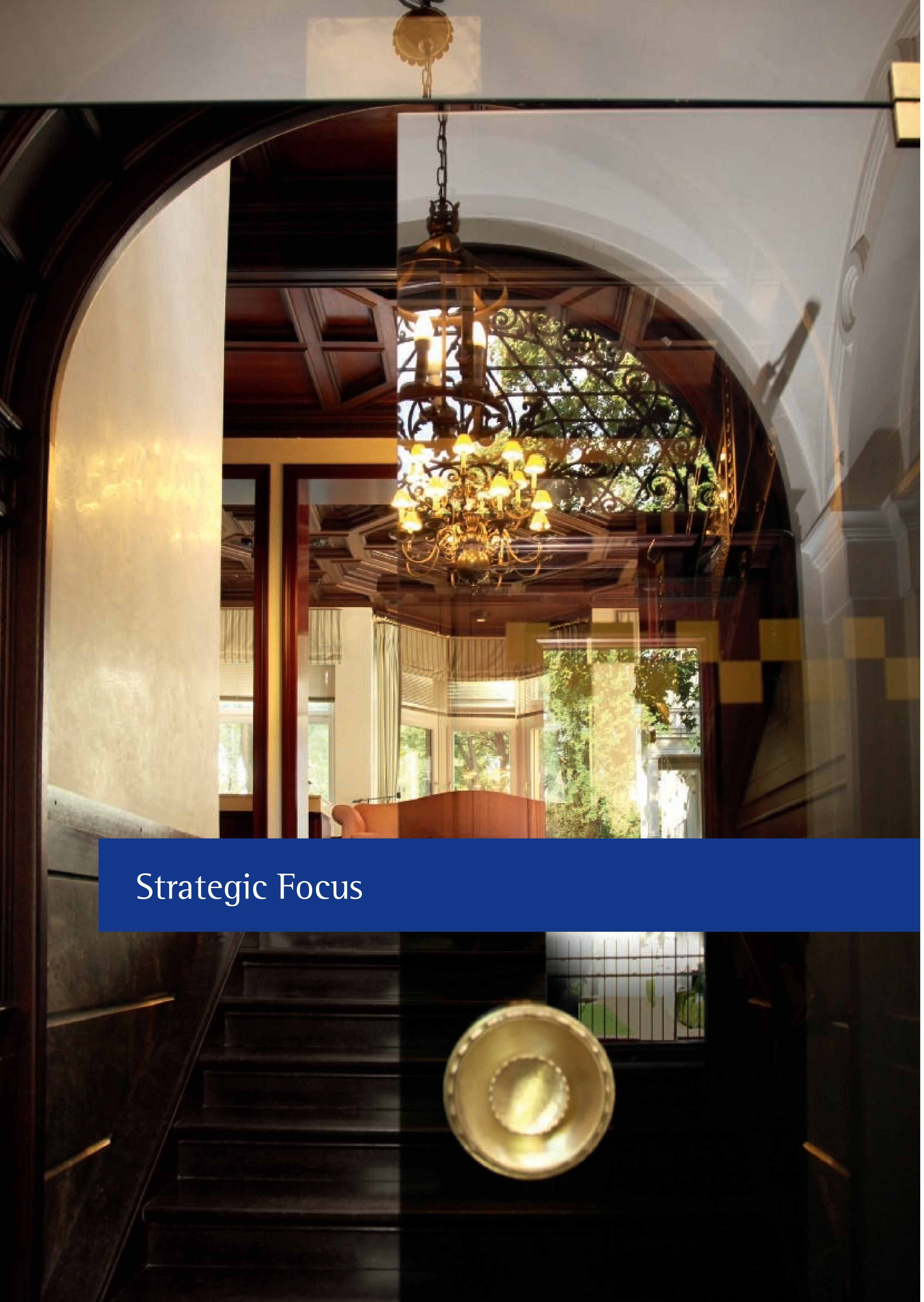
Regulation also offers valuable opportunities for all financial institutions, which they should utilise. Banks have to show convincingly that they are ready and able to change far beyond their responsibilities to date.

We are therefore very glad that our customers and business partners have trust in Bankhaus Lampe. We, as the general partners, take responsibility not only for our business activities but also for the implementation of regulations and an effective compliance culture. Together with our employees, we stand for values such as integrity, discretion, objectivity, neutrality and professionalism. Based on these values, we were able to complete another successful financial year in 2014.

We would also like to thank our clients and business partners for their continued confidence and support. We are driven and inspired by our desire to provide them with consistently exclusive services every day.

Yours faithfully,

Prof. Dr. Stephan Schüller | Dr. Nicolas Blanchard | Ulrich Cosse



Strategic Focus

For over 160 years, Bankhaus Lampe has been providing comprehensive and holistic advisory services to a select group of clients. Bankhaus Lampe is the first point of contact for wealthy private clients and companies in German-speaking countries as well as for institutional clients in the Eurozone, London and New York in all financial questions.

Since 1949, the Bank is part of the Oetker Group. The strong industrial shareholder background of the Oetker family provides the foundation for independence, stability and a business policy with a long-term approach.

// Within the Oetker Group, individual business units and companies are largely decentralised and managed independently. This entrepreneurial freedom enables Bankhaus Lampe to react quickly and efficiently to market conditions and to always develop the best solutions for its clients or seek them out in the market.

// The Banks extraordinary capital resources and support from the shareholders ensure stability and allow it to adopt long-term strategies.

// The general partners take responsibility for managing the Bank. Thus, the focus is on a continuously value-creating and stable performance of the Bank.

Bankhaus Lampe has the objective of always providing the best performance for its clients. The Bank also stands for reliability, honesty and transparency towards its clients and business partners as well as the enthusiasm and team spirit of the people who work for Bankhaus Lampe. The Bank's firm values, which both the general partner and the employees are committed to, form the foundation of the business activity.

Bankhaus Lampe connects the traditional banking business with forward-looking solutions. The service offering follows three principles: the focus on holistic advisory and strategic dialogue, value creation for clients and the limiting of the business carried on the balance sheet.

Business Segment: Wealthy Private Clients

The provision of individual, comprehensive and product-independent advisory services to wealthy clients on all relevant questions regarding their financial situation are among Bankhaus Lampe's core competencies. The Bank's private clients include in particular entrepreneurs, people of independent means, family offices and owners of large family fortunes.

Strategic wealth planning forms the basis of the business relationship. Bankhaus Lampe refrains from offering its own products to private clients. The key components are either asset management and wealth advisory services or the administration of endowment capital. The personal advisor develops an individual investment strategy together with the client. An investment mix that includes real assets or asset classes like alternative investments, or requires the integration of entrepreneurial interests, can also be taken into account. The advisory services also include inheritance and succession planning as well as the client's individual tax situation. To complement the range of comprehensive advisory services, the Bank also works with select co-operation partners in the areas of entrepreneurial investments, insurances and real estate financing.

The focus is always on the client's interests. As a matter of course, the Bank provides informative reporting, transparent pricing and the statement of portfolio commissions. However, the key to a good business relationship is the mutual trust between client and advisor. Bankhaus Lampe places great emphasis on ensuring that clients are consistently served by the same person over many years. This allows very personal and trusting relationships to be forged, on the basis of which in-depth advice can be provided in a wide range of personal and business situations. To ensure this, advisors of Bankhaus Lampe are responsible for a manageable number of clients. Moreover, the Bank's employees are eminently qualified and receive continuous training to fulfil the requirements of their discerning clients optimally. This is further illustrated by a specifically developed code of conduct, which is binding for all advisors.

In the administration of large assets of entrepreneurs and entrepreneurial families, family offices often are of central importance. They typically combine components of both private and institutional investors. For this segment, Bankhaus Lampe has established a special advisory team. The focus is on a cross-product strategic dialogue, including all types of entrepreneurial matters. This includes, for example, the assessment of strategic options, succession planning, the set-up of a family office and advisory on alternative investments or the participation in capital market offerings.

The Dale Investment Advisors GmbH subsidiary in Vienna completes the range of asset management services to wealthy private clients with investment models in the area of absolute return funds. It has been successfully managing large assets of Austrian families and institutions since 1997.

Business Segment: Corporate Clients

For the German mittelstand, Bankhaus Lampe is the independent partner in all financial matters. In this regard, Bankhaus Lampe operates as a flexible intermediary between companies, the capital market and institutional investors. The Bank advises primarily medium-sized enterprises with revenues greater than € 20 million. It also offers select advisory services to large listed companies or companies that are able to access the capital markets.

In addition to traditional banking products, for example, lending, payment transactions, cash and asset management, documentary foreign transactions, interest and currency management or M&A transactions, the Bank offers numerous advisory services specifically related to the capital markets business.

Bankhaus Lampe provides all services along the value-added chain of the equity business, from issues to placements for both domestic and international institutional investors as well as complementary investor classes such as family offices and foundations. The service offering in the area of equity issuances includes IPOs, capital increases with or without subscription rights as well as convertible and exchangeable bonds. Moreover, the Bank advises on secondary market placements. In addition to providing securities services, for example, a change in the legal form of the company and employee profit participation programmes, the Bank also takes on the role of a designated sponsor for selected issuers.

Furthermore, the Bank offers advisory services on private equity investments and fiduciary transactions, the procurement of mezzanine capital as well as individual investment and refinancing solutions.

The specialists at Bankhaus Lampe offer structuring and support services for debt instruments to companies that are able to access the capital market. These can include debt securities, mid-cap bonds and guaranteed instruments such as promissory note bonds or bonded loans. Structured solutions, for example, in the form of securitisations, complete the range of services.

A deep understanding of the respective company and its business environment is necessary to successfully advise and support clients in these complex matters. This understanding is based on a relationship in which Bankhaus Lampe's client advisors have worked together with the companies in question over many years.

Business Segment: Institutional Clients

Bankhaus Lampe's institutional clients include insurance companies, asset management companies, pension schemes, pension funds, foundations, associations, corporations, church and charitable institutions, as well as banks and asset managers.

The extensive range of services for this group of clients goes far beyond the administration of one-time placements. The close relationship with clients enables a level of trust at which client and advisor can discuss strategic questions and individual approaches.

Our established and successful equity and bond business forms the backbone of our advisory. Bankhaus Lampe offers institutional clients the opportunity to invest directly in equities and bonds and related derivative products according to individual specifications and requirement profiles.

The equity research covers not only the German large caps on the DAX but also in particular stocks on the MDAX, SDAX and TecDAX as well as a number of selected smaller companies. The range of services in the fixed-income & credit sales business covers domestic and foreign bearer instruments and registered securities, promissory note loans, selected corporate bonds and structured bond products. In addition, the Bank guides issuances by banks and companies through direct access to domestic and international syndicate banks. The Bank is an active member of the Bund Issues Auction Group (Bundesbieterkonsortium) and in the EFSF Market Group.

Institutional investors in the UK who are interested in German stocks are advised by London-based Lampe Capital UK. In the United States, these services are offered through a cooperation with International KBR Finance LLC in New York.

Asset management for institutional investors is provided by Lampe Asset Management GmbH. The company focuses on active investment approaches, which follow the individual investment goals of the clients and dispenses with passive index solutions. Key elements of the services are the strength in the area of fixed income securities as well as the specifically developed competency in the equity business and the absolute-return portfolio management. The segment of absolute-return products as part of a capital-preserving strategy is being further developed, also in view of the current capital market environment.

Lampe Equity Management GmbH offers numerous options for equity investment: energy infrastructure, shipping and private equity/ mezzanine financing for German mid caps.

Advisory concepts that emerge as a result of the strategic dialogue with the institutional investors complement the service offering. From origination and ongoing support through to the implementation of a transaction, these services can include aspects from the areas of procurement of investment opportunities (individual assets and portfolios) or financial advisory (e.g. on regulatory or capital structure matters).

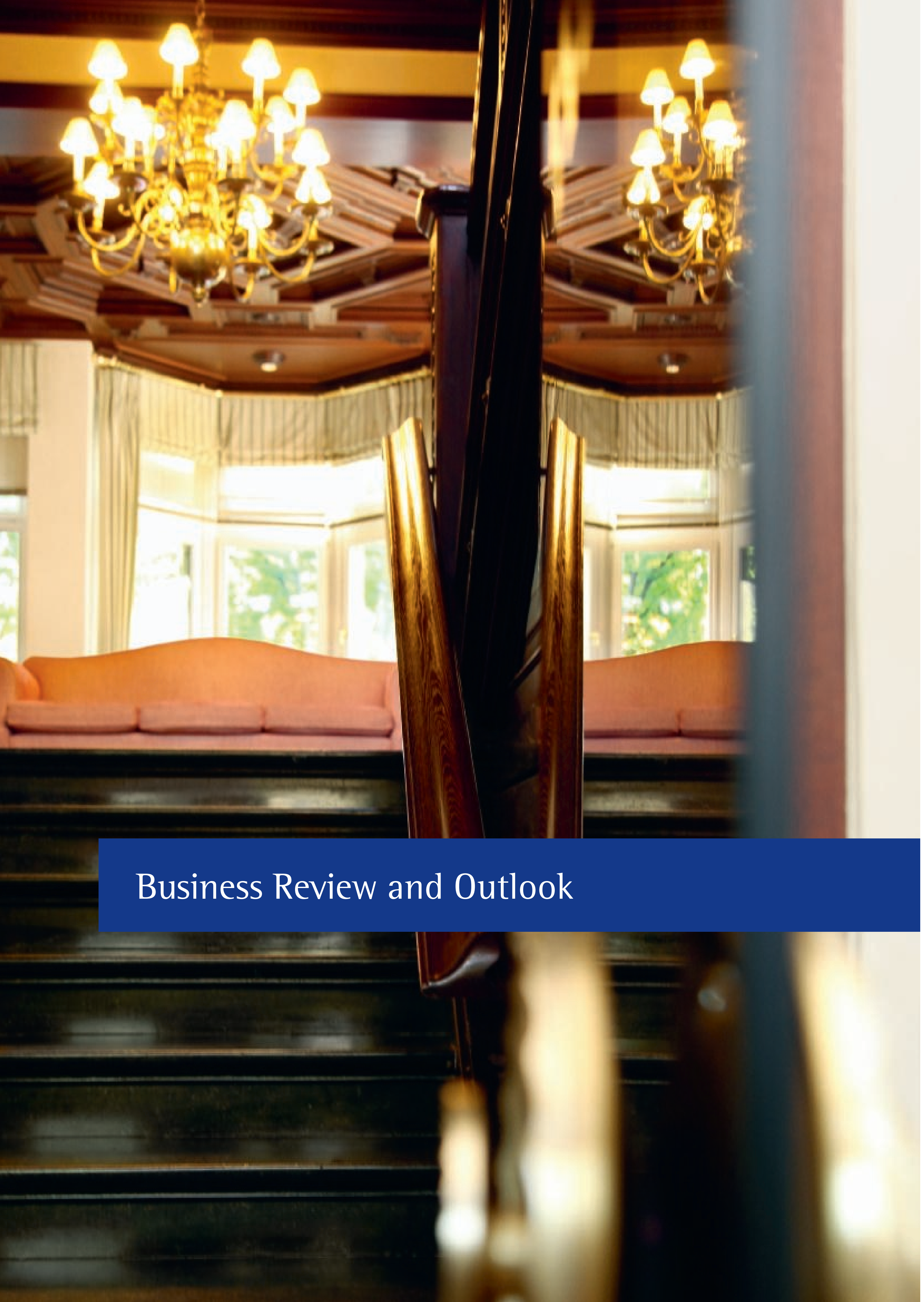
Thanks to its comprehensive business activities in both bonds and equities, asset management, alternative asset classes and expert advisory services, Bankhaus Lampe has established itself as one of the leading German names for institutional investors in Germany and abroad.

Strategic Outlook of the Bank

Bankhaus Lampe is well equipped to overcome the challenges facing the banking sector. Its longstanding tradition has led to a system of values that largely defines the Bank's corporate culture and business relationships with clients. The Bank will continue to cultivate these fundamental values, which will remain at the core of every business relationship. The personal liability of the general partners underlines the Bank's commitment to responsible and risk-aware corporate governance on a long-term basis.

Bankhaus Lampe is reacting to the increasingly restrictive conditions in the banking sector by creating individually tailored services that are both traditional and innovative, while bringing various client groups together in its role as an intermediary. The demand for independent advisory services remains high, particularly in turbulent economic times.

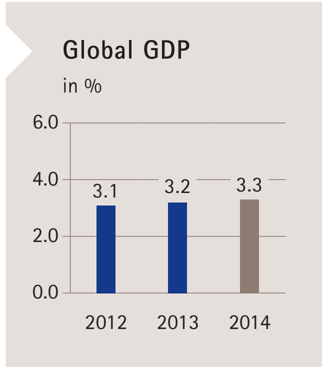
By combining its long-standing experience and forward-looking vision, Bankhaus Lampe offers its clients genuine added value compared with other financial institutions and offers a promising outlook for the years ahead.



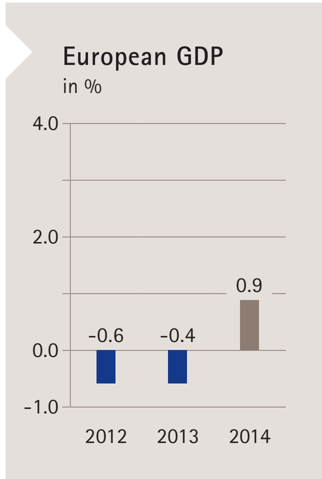
Business Review of 2014 and Outlook

General Economic Conditions

2014 was characterised by weak global economic momentum. In a number of industrialised nations, notably in the US, economic growth rebounded over the course of the year. In emerging markets, by contrast, growth was dragged down by lower capital inflows and structural problems. In addition, the number and intensity of geopolitical conflicts significantly increased. In particular, the higher level of uncertainty limited the willingness to invest. Global gross domestic product (GDP) grew 3.3 % in 2014, following 3.2 % in 2013.

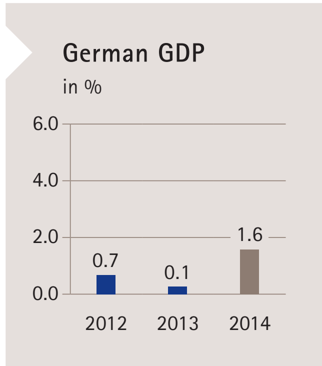


The euro area economy experienced slow but steady growth in 2014. Average annual GDP expanded by 0.9 % on the previous year (GDP declined by 0.4 % in 2013). The merely moderate recovery was mainly attributable to the absence of structural reforms to strengthen competition, notably in France and Italy. In addition, governments stimulated economic activity less than in the past.



Germany enjoyed stronger economic growth in 2014 than most other European countries. With average annual GDP growth of 1.6 %, Germany accounted for nearly half of the GDP growth in the monetary union. Positive growth contributions came in particular from exports and private consumption.

Over the course of 2014, the falling oil price put significant downward pressure on inflation in most industrialised countries. In the US, inflation fell from 2.1 % in July to 0.8 % in December. In the euro area, the inflation rate touched -0.2 % in December, the first time since 2009 that inflation entered negative territory. Accordingly, it clearly missed the ECB's target of below, but close to 2.0 %.



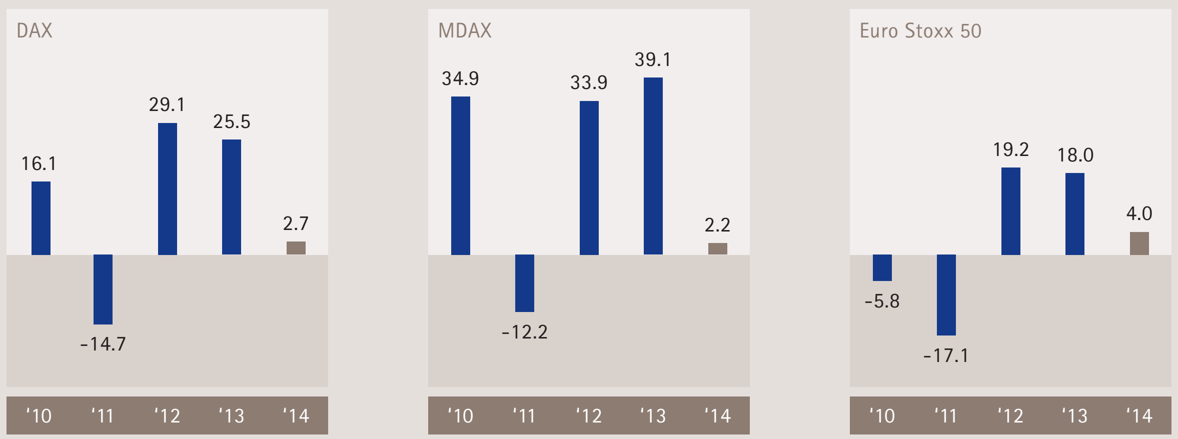
As inflation rates fell, so did medium-term inflation expectations. This prompted the ECB to lower its main refinancing rate to 0.05 % in September 2014. The central bank also adopted additional liquidity measures to expand its balance sheet back to its level from the spring of 2012. In addition, the ECB announced that it would purchase massive amounts of government bonds from member states if necessary. By contrast, the US central bank (Fed) reduced its purchases of US government bonds and mortgage-backed bonds over the course of the year, ending the quantitative easing (QE) programme altogether in October 2014.

In 2014, the financial market agenda was dominated by geopolitical trouble spots, divergent monetary policies among major central banks and the plummeting oil price. Government bond yields continued their downward trajectory, charting new all-time lows. In addition to the ECB's expansionary measures, disappointed growth and inflation expectations among many market participants also contributed to the decline in yields. Moreover, heightened geopolitical tensions caused a marked increase in investor risk aversion. The yield on 10-year US Treasuries fell from nearly 3.0 % in January to 2.0 % at the end of 2014. In Germany, the 10-year Bund yield fell from 1.95 % at the beginning of the year by as much as 145 basis points. Yields on peripheral government bonds and Bunds continued to converge.

The discernible divergence in monetary policies between the US and the euro area exerted downward pressure on the euro/US dollar exchange rate in 2014, which dropped from its high of 1.39 in the spring to 1.21 by the end of December.

The DAX ended 2014 at 9,806 points, nearly 3 % higher than at the beginning of the year. European equity markets delivered a positive performance, mainly due to the ECB's expansionary stance, as well as to positive impetus from US markets in view of the robust US economic growth.

Annual Performance of Key Stock Market Indices in %



Market and Sector Environment

Since the onset of the global financial crisis, conditions for the banking business have undergone a sea change. Continued low interest rate policies and tighter banking regulations have had a sustained impact on the market.

Catchwords such as Basel III, EMIR, MiFID II, the financial transaction tax, the Bank Remuneration Ordinance and consumer rights directives highlight the current regulatory themes that are affecting the management of banks and thereby their business models. These regulatory requirements, combined with low interest rate policies, result in counterproductive interactions by keeping inefficient banking models afloat through favourable ECB refinancing while at the same time undermining viable levels of profitability through stricter capital requirements and increasing costs for regulatory compliance. The necessary consolidation in the banking sector is artificially constrained as a result, leading to a distortion of competition. As a consequence, greater pressure is being exerted on all players in the financial sector.

This is aggravated by the fact that the system of international standards, European regulations and national laws and ordinances is not intrinsically viable while differences between major banks and smaller to medium-sized financial institutions are insufficiently taken into account. The principle of double proportionality traditionally requires that the intensity of ongoing bank supervision be commensurate with the significance of the institution and with the nature, scope and complexity of its business activities. It would appear, however, that this principle no longer applies. Furthermore, national specificities such as the three-pillar system in Germany, for example, or legal forms other than a public limited company are not adequately taken into account.

In summary, the implementation and adjustments required for regulatory purposes entail a massive deployment of resources and high costs for all banks.

These conditions also have a bearing on competition across all client groups.

In the Bank's business with wealthy private clients, not only are foreign financial services providers but also to an increasing degree independent asset managers entering the market.

Companies are tapping the capital market with ever greater frequency in order to diversify their financing base and become more independent of banks. On the financial investment side, conversely, private investors are increasingly turning to the capital market. Competitors in this environment include major banks, state banks, private banks, foreign banks and brokers.

In the institutional client business, in addition to the aforementioned service providers also asset managers and investment companies are entering the market.

What this means for banks is they will need to continuously monitor and rethink their business models if they are to continue successfully competing on the market. Accordingly, numerous financial institutions have already been forced to either abandon or shrink various business lines. In addition to a clear business model, in particular stable financial ratios and a sustainable strategy are needed in order to compete effectively in the current market environment.

Business Review of Bankhaus Lampe Group in 2014

In Germany, the Bankhaus Lampe Group has offices in Berlin, Bielefeld, Bonn, Bremen, Dresden, Düsseldorf, Frankfurt/Main, Hamburg, Munich, Münster, Osnabrück and Stuttgart. With its subsidiaries and cooperation arrangements abroad, the Bank is also represented in Vienna, London and New York. Bankhaus Lampe held up well in 2014 in what once again proved to be a challenging financial market environment.

Changes in the competitive landscape, regulatory challenges and the ongoing low interest rate phase call for periodic in-depth reviews of the business model. Bankhaus Lampe works continuously towards addressing these challenges while focusing at all times on its clients' interests, the Bank's economic viability and the interests of its shareholder partners. Against this backdrop, the Bank has been actively tackling the following challenges for a number of years:

// core capital ratio
// refinancing
// company size

For a private bank that prepares its accounts in accordance with the German Commercial Code (HGB) and has no external rating as a result, a high core capital ratio serves as an indicator of its financial reputation. Bankhaus Lampe has accordingly improved its core capital ratio in recent years, from 10.2 % in 2010 to more than 14.0 % in 2013. Despite the more stringent requirements under Basel III as of 1 January 2014, the Bank's core capital ratio will continue to increase following the planned full retention of its net income for 2014. The Bank has thus met all regulatory requirements with more than a comfortable margin.

Bankhaus Lampe's traditionally high client deposits ensured a solid refinancing base also in 2014.

To ensure adequacy in terms of size, the Bank continues to pursue an organic growth strategy that best meets its clients' needs, albeit without expanding its risk-weighted assets and hence total assets.

Bankhaus Lampe offers its clients not only traditional services but also modern and alternative services that are adapted to current financial market conditions and meaningfully bring together various client groups.

The Bank continues to focus its business activities on client advisory and support services for its three client groups wealthy private clients, corporate clients and institutional clients. The Bank strives for a close-knit, cross-client group network of branch operations and capital market-oriented business.

The high level of confidence placed in the Bank's expertise was evidenced by the better-than-average growth in its assets under management of more than € 3 billion to currently around € 20 billion in total.

Business Review by Segment

In a highly volatile year for capital markets, Bankhaus Lampe's wealth management – the main pillar of its wealthy private bank business – was well positioned. Despite geopolitical crises and low interest rate policies, all portfolio variants were in positive territory. In wealth management, the bulk of the variants even exceeded the benchmark. In particular, defensive profiles focusing on bonds delivered a very strong performance. Bankhaus Lampe has responded to the continued low interest rate environment by developing individual investment strategies. The investment experts' equity strategy with its focus on high-dividend stocks was particularly successful.

Other alternatives developed by Bankhaus Lampe in response to the low interest rate environment included providing access to entrepreneurial investments. Wealthy private clients were also offered attractive real estate investments in Germany and the US.

As of the middle of this year, the professional support of family offices will be bundled into the newly established Private Investors division. The Bank's close contacts to numerous family offices have increased over the years. The Bank boasts a unique understanding of the needs of significant family assets through its strong roots in German SMEs and its shareholder family.

In 2014, the corporate client business focused on the further expansion of services, holistic support and close cooperation with the capital market business.

Thanks to its high-quality credit portfolio, Bankhaus Lampe did not require the planned risk costs for FY 2014. In spite of stiff competition for companies with strong credit standing, Bankhaus Lampe managed to sustain a risk-adequate margin level.

Equity and debt transactions carried out for companies in 2014 significantly enhanced the Bank's visibility in capital markets, as well as its image as a strategic partner for companies. Bankhaus Lampe implemented a wide range of lead manager mandates.

In addition to solutions in capital market financing and in corporate finance, the Bank also strengthened its asset management concept offerings for companies investing non-essential liquidity.

In 2014 Bankhaus Lampe also entered into cooperations in leasing, factoring, purchasing optimisation, trade association contributions and balance sheet structure advisory services.

For institutional investors, Bankhaus Lampe expanded its portfolio of services and intensified its support approach in 2014. Through its Lampe Capital Finance GmbH subsidiary, the Bank has made mezzanine capital investments in German SMEs since 2014. The fund's first closing took place in early June 2014, with the first mezzanine investment following in December.

In addition to expertise in the German market, the Bank offers institutional investors attractive investments via its rapidly growing share and bond issuing business. Bankhaus Lampe's excellent investor network is an essential component of its successful primary market business.

The foundation of any successful client support strategy consists in a comprehensive knowledge of financial markets. The analysts at Bankhaus Lampe fully cover the DAX and MDAX in addition to analysing a large number of SDAX stocks, as well as a number of European blue chips, with a total coverage of up to 200 stocks. Regularly scheduled contacts with companies in addition to visits at the top management level ensure an in-depth understanding of companies' business performance while guaranteeing that analyses are the most up-to-date, for which Bankhaus Lampe Research again received several awards.

Notes on Net Assets and the Financial Situation

Total assets of the Bankhaus Lampe Group stood at € 2,779 million as at 31 December 2014, marginally missing the previous year's level of € 2,903 million.

Loans and advances to clients came to € 1,258 million as at 31 December 2014, slightly below the year-earlier level of € 1,324 million. The magnitude of the credit portfolio facilitates an adequate diversification of risks on the one hand and is also commensurate with the risk-bearing capacity of a private bank on the other. As Bankhaus Lampe KG's business activities are generally more focused on advisory services than on the on-balance sheet business, the current growth strategy is unlikely to result in a material increase in total assets.

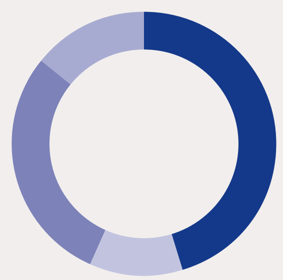
Due to factors relating to the balance sheet date, **client deposits** fell by € 126 million, to € 2,196 million, as at 31 December 2014 (previous year: € 2,322 million). Client deposits, which continued to account for 79 % of total assets, represent the most important source of refinancing, significantly exceeding the Bank's credit business and underlining the solidity of its balance sheet structure.

The Bank enjoyed a comfortable **liquidity position** throughout FY 2014. The liquidity ratio pursuant to the German Liquidity Regulation was 5.2 as at 31 December 2014 (previous year: 4.9).

Due to the allocation from shareholder funds of € 21 million, the Bank's **reported equity** rose to € 259 million and made up 9.3 % of total assets as at 31 December 2014 (previous year: 8.2 %).

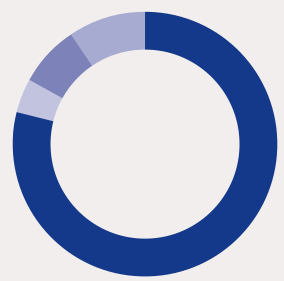
Balance sheet structure in 2014 in %

Loans and advances to clients	45.3 %
Loans and advances to banks	11.4 %
Securities	29.3 %
Other items	14.0 %



Assets

Liabilities to clients	79.0 %
Liabilities to banks	4.1 %
Other items	7.6 %
Balance sheet equity	9.3 %



Liabilities

Notes on the Income Situation

Net interest income increased by € 8.7 million year-on year to € 64.4 million. In particular, current income of € 25.6 million from equities, shareholdings and shares in affiliated companies, as well as interest income of € 29.5 million on fixed-income securities and debt register claims, contributed to the increase in net interest income. This was offset by a decline of € 2.7 million in interest income from credit and money market transactions. Profits from associated companies rose by € 1.5 million, to € 5.3 million.

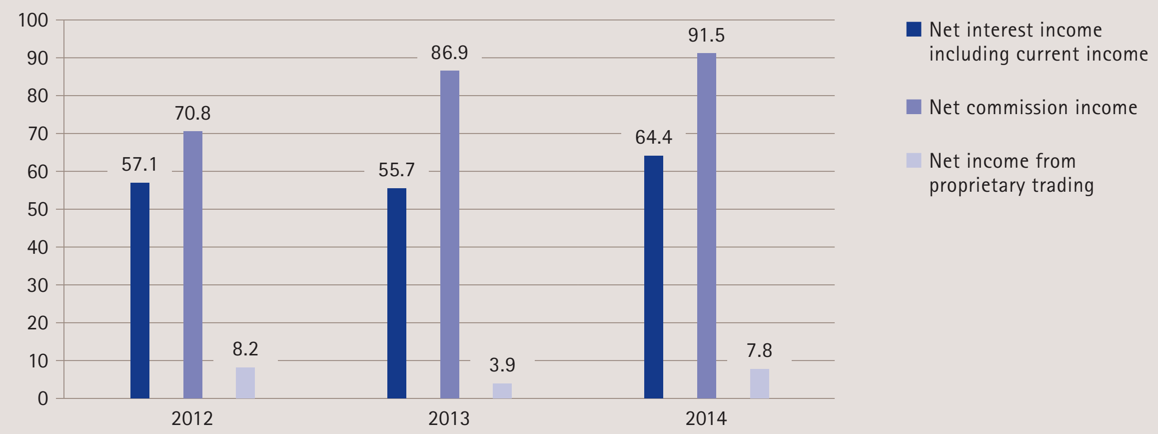
Net commission income, which is dominated by securities trading, totalled € 91.5 million, up 5.4 % from the previous year's level of € 86.9 million. The capital market-oriented advisory business also contributed significantly to income.

Net income from proprietary trading was up € 3.9 million on balance to € 7.8 million. Statutory reserves derived from net income from trading activities were also allocated in FY 2014 (as in the previous year) pursuant to section 340g of the German Commercial Code (HGB) in conjunction with section 340e paragraph 4 of the HGB and will be available as additional risk cover in the future.

The Bank reported a **valuation result** of € –5.0 million as at 31 December 2014 (previous year: € 3.4 million), which includes a valuation result from the credit business of € –4.0 million (previous year: € 1.9 million), with net reversals of specific valuation adjustments, provisions, depreciation and changes in general valuation adjustments set against allocations to contingency reserves under section 340f HGB.

As at 31 December 2014, Bankhaus Lampe reported a € 1.0 million net valuation gain on securities in the liquidity reserve (previous year: € 1.5 million).

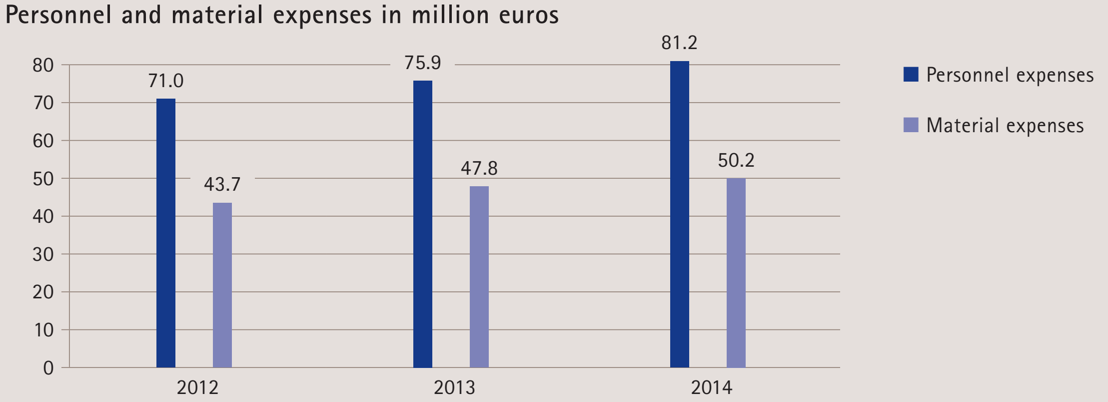
Components of results in million euros



Personnel and material expenses, including depreciation and valuation adjustments on intangible assets and property, plant and equipment, rose by 5.5 % in FY 2014, up from € 128.1 million to € 135.1 million. This was mainly attributable to an increase in personnel expenses to € 81.2 million (previous year: € 75.9 million), with material expenses nearly unchanged at € 50.2 million (previous year: € 47.8 million).

Other comprehensive income posted a decline (€ 2.3 million versus € 2.9 million in 2013). Other operating income was up € 0.2 million, to € 5.7 million. Other operating expenses of € 3.4 million (previous year: € 2.5 million) increased on the previous year, mainly due to higher allocations to provisions.

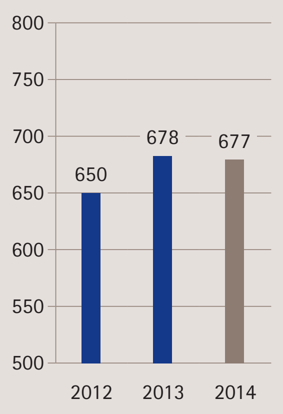
Personnel and material expenses in million euros



In FY 2014, Bankhaus Lampe KG did not require the planned **risk costs** in the credit business. This was partly due to a good credit portfolio quality and satisfactory economic conditions. All identifiable risks were taken into account via adequate valuation adjustments and provisions, which were fully covered by the Bank's net operating result.

The reported **accumulated profit** amounted to € 22.0 million (previous year: € 21.0 million). The Group plans to further strengthen its core capital by using this amount as part of a pay-out/clawback arrangement.

No. of employees



Corporate Responsibility

In addition to its clients, a company's most important and valuable resource is its employees. As a private bank with a strong focus on quality, Bankhaus Lampe assigns a high priority to this aspect of its business. Once again in 2014, Bankhaus Lampe invested great effort and care into the recruitment, support and sustainable development of its staff. Bankhaus Lampe's declared aim is to retain high-quality staff for as long as possible.

As at 31 December 2014, the Bankhaus Lampe Group had a total of 677 employees (previous year: 678), whose average length of service exceeded 10 years. The staff turnover rate – i.e. the ratio of those leaving the Bank to the total number of staff – was 7.1 %, only slightly above the sector average of 6.7 %.

Bankhaus Lampe attaches great importance to a high-quality level of continuous further training of its employees. The Bank's training and advanced qualification measures in 2014 focused on the themes of leadership and team building. A further priority is training in connection with regulatory and statutory requirements. Bankhaus Lampe also supports employees' continuing education and certified training courses such as training to become a financial planner, certified international investment analyst, chartered financial analyst or foundation consultant.

Since the spring of 2014, the Bank has implemented an occupational health management programme into its guidelines. The programme aims to maintain and promote the health, well-being and performance of the Bank's employees. The overall concept is intended to meaningfully supplement existing measures, such as workplace integration management following prolonged illness and eye examinations for PC users, with programme offerings covering the four themes of prevention, exercise, nutrition and stress management. The programme kicked off with health days dedicated to specific health-related service offerings.

The Bank's in-house trainee programme is designed to train qualified university graduates corresponding specifically to the requirements of Bankhaus Lampe, as well as to provide an opportunity for further professional and personal development. Since 2012, eight trainees have successfully completed this ambitious programme with its focus on the private and corporate client business. Additional trainees have participated in the apprenticeship programme since the autumn of 2014. The programme has borne fruit, with junior staff at the Bank having been integrated into selected trainee seminars.

As in past years, Bankhaus Lampe continued to promote young academic talent through the support of the University of Duisburg-Essen scholarship programme. In association with other companies, the UDE scholarship programme provides financial assistance to gifted, high-achieving students. In addition, close cooperation with select universities has afforded many students the opportunity to complete their internships at Bankhaus Lampe. Corresponding to their major fields of study, 24 student trainees and 53 interns applied their theoretical knowledge in practice over the year while giving individual departments the opportunity to become better acquainted with potential candidates for future positions at the Bank. The Oetker Group's ‚Stay in Touch' programme also provides Bankhaus Lampe with an interesting approach to remaining in contact with high-calibre, motivated trainees in the future. On the recommendation of the different specialist departments, 12 former interns currently take part in this programme.

Bankhaus Lampe supports cultural, social and community projects in the form of donations or personal commitment on the part of its employees. For example, regional sponsorships were awarded to talented young pianists in cooperation with Steinway Germany. The Bank continued its successful collaborations with the Kunstmuseum Bonn and the Zeit-Stiftung Ebelin & Gerd Bucerius foundation in Hamburg. Numerous conferences and symposiums on current financial, political and inter-generational topics of the future were held at the Bank's branches.

Staff members participated for the first time in a Corporate Volunteering Day by way of supporting charitable organisations through practical work.

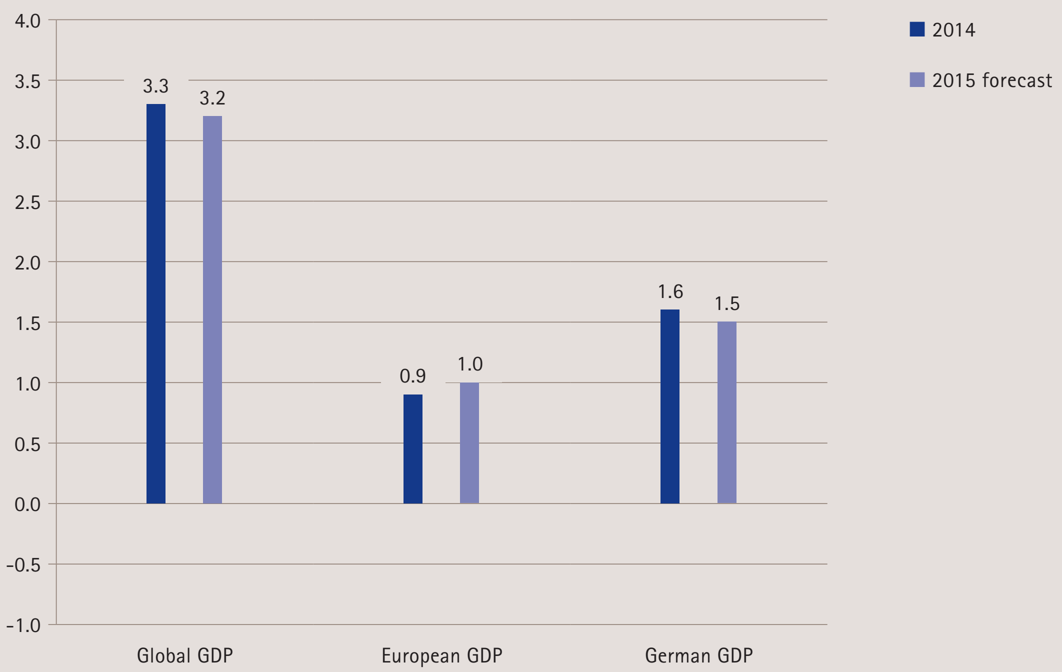
Many employees were also actively engaged outside of their activities at the Bank – for example, as speakers, visiting lecturers, association board members and association treasurers. In the area of social and healthcare services, our staff were involved with the Kinderschutzbund (association for the protection of children) in Bielefeld and the Deutsche Multiple Sklerose Gesellschaft (German multiple sclerosis society).

The aspects of sustainability and environmental protection are of central importance to a private bank that thinks and acts for the long term. Based on the Bank's environmental protection policy, corresponding guidelines have been developed that are binding on all staff. The primary objective of Bankhaus Lampe Group is to save energy and preserve resources. For example, nearly all locations are supplied with renewable electricity. In addition, planned renovations are simultaneously being used for implementing energy-saving measures.

Report on Events after the Balance Sheet Date

No events of particular significance have occurred since 1 January 2015 that could be expected to have a material effect on Bankhaus Lampe Group's net asset, financial and income situation.

2015 GDP growth forecast in %



Outlook

A moderate rise in global economic growth to 3.2 % is anticipated for 2015. Economic output in Europe is poised to increase by only 1.0 % over 2014. Accordingly, no appreciable change is expected compared to the previous year. Private consumption and investments stand to benefit from lower energy prices. However, this positive impetus will be moderated by escalating geopolitical crises and structural deficits in many European countries. GDP in Germany is projected to grow 1.5 % in 2015. The German economy likewise benefits from exceptional factors such as the low crude oil price, falling external value of the euro and low interests rates by German standards.

The 2015 inflation forecast is 0.1 % for the euro area and 0.3 % for Germany. The slump in energy prices will be primarily responsible for low inflation rates. In addition, sustained high unemployment in the euro area will dampen inflationary pressure.

In 2015 central banks in industrialised countries are expected to continue their low interest rate policies in their ongoing effort to contain the sovereign debt crisis by means of financial repression. The ECB's large-scale government bond purchase programme is driving yields downwards. Generally negative leads from the Treasury market – a key rate hike by the Fed is expected in June 2015, for example – will push euro area yields only marginally higher. On a 6- and 12-month horizon, the 10-year Bund yield is forecast at 0.6 % and 0.5 %, respectively.

The ECB's purchase programme has not only sent government bond yields lower but has also caused the external value of the euro to depreciate. As a change in forex market sentiment is on the cards, the euro is seen trading at USD 1.16 on a six-month horizon, and at USD 1.20 on a 12-month horizon. The divergence between Fed and ECB monetary policies, which was already reflected in the exchange rate at the beginning of the year, will cause liquidity supply to move in opposite directions. The euro should be supported in the medium term by the slower pace of fiscal consolidation and by a higher credit dynamic in the euro area. At the same time, perception in the US is likely to grow that the key rate will reach its cyclical high at a level well below current expectations.

The ECB's government bond purchases should initially lead to rising share prices. The DAX is expected to reach 11,900 points by mid-2015. As corporate profits are unlikely to justify the increase, the DAX will drop back to 11,000 points by the end of 2015.

Banks will continue to face a challenging environment in 2015. The persistent low interest phase, increasing regulatory requirements and severe loss of confidence will remain the main challenges for the banking sector.

Bankhaus Lampe will continue to work towards offering all clients a high-quality and independent range of services in 2015. The challenges of core capital ratio, refinancing and company size will be further addressed.

// The Bank plans to continue strengthening its capital base by achieving an adequate net income in 2015.
// A well-differentiated client deposit mix will ensure a solid refinancing base for Bankhaus Lampe in 2015 also. As in the past, growth in total assets is not one of the Bank's objectives; instead, it intends to maintain the volume of loans and advances to clients within a range of € 1.3 billion and € 1.5 billion.
// Bankhaus Lampe will continue to pursue its organic growth strategy across all divisions in 2015.

In the wealthy client business, the persistently low interest rate environment and volatile equity markets will necessitate intensive market observation, successful portfolio management and an adapted product offering. Accordingly, the Bank also anticipates increasing demand for alternative investments, which it can meet with the completed expansion of its portfolio of services.

The corporate client business has generated stable contributions to earnings in recent years and has been largely characterised by high credit quality accompanied by low default rates. Bankhaus Lampe continues to pursue a cautious lending policy in 2015. As in the previous year, its objective is to not require all of the planned risk costs.

Bankhaus Lampe will further implement its comprehensive support approach and coordinate the needs of companies, entrepreneurs and family assets in a trustworthy manner. To this end, the Bank will satisfy preferences for independence in terms of financing also by providing advisory services in the capital market. The Bank's existing range of services – supplemented by specialist services of its subsidiaries and by selected cooperations – meets the needs of the defined client groups.

Based on its experience in placing issues, Bankhaus Lampe will continue to expand its issuing business with institutional clients while focusing on a holistic and strategic approach to dialogue with institutional investors. In this way, Bankhaus Lampe is able to deliver genuine added value thanks to its extensive expertise. In addition, the Bank is continuously expanding its range of alternative investment offerings, as well as services designed to meet regulatory requirements.

Overall, Bankhaus Lampe expects net interest income to weaken significantly as the prevailing low interest rate level will continue and there will be no expansion of the capital-intensive business. Owing to its largely maturity-matched balance sheet structure, however, interest-related operations at Bankhaus Lampe will scarcely be impacted in comparison to other competitors by the decline in maturity transformation.

Bankhaus Lampe is confident regarding net commission income. The extension of service offerings to all three client groups is expected to have a positive impact.

It is difficult to estimate net income from proprietary trading owing to imponderables in the financial markets. However, the Bank anticipates that its trading activities will continue to contribute positively to earnings in 2015.

The expected increase in administrative expenses will be moderate.

On balance, the Bank expects net income in 2015 to be on a par with the previous year's level.

Bankhaus Lampe boasts a future-oriented business model, as well as a sustainable strategy. It is well equipped to operate in the current market environment thanks to its solid core capital base, comfortable deposit situation and stable background provided by its owners. Meeting upcoming regulatory requirements will remain a key challenge. Although the Bank is in a solid position thanks to its business model and will benefit from problems in the financial services industry, the importance of prudent management at the Bank will increase in periods of significant market turmoil.

Risk Report

The key objective of Bankhaus Lampe KG's risk management is to appropriately limit the major risks from business operations according to its risk-bearing capacity to enable it to generate a return on capital employed commensurate with risk. We therefore identify, assess, control, monitor and communicate the main risks promptly at Group level and back them with capital. We place a particular focus on risk concentrations. An annual risk review ensures that all risks are taken into account in their entirety. In the reporting year, no risks that endangered the continued existence of Bankhaus Lampe or its performance were identified.

For the purpose of a quarterly risk-bearing capacity calculation in accordance with the liquidation approach, all types of risk are evaluated at a confidence level of 99.9 % using a risk horizon of one year. All individual risks are calculated using a conservative approach, i.e. risk-lowering correlations are disregarded, and then aggregated to an overall bank risk level. The resulting figure must always be less than the sum of the Bank's equity and allowable reserves. Positive budget results are disregarded under the conservative approach.

In FY 2014, the overall bank risks calculated according to these methods were always well below the Bank's defined risk-bearing capacity. Utilisation at all reporting dates was between 51 % and 54 %.

As at 31 December 2014, the conservatively calculated total risk contribution of € 186.6 million was broken down by type of risk as follows:

- // 41.5 % credit risks
- // 20.4 % shareholding risks
- // 16.3 % market risks proprietary trading/liquidity reserve
- // 16.1 % operational risks/reputation risks
- // 3.9 % market liquidity risks proprietary trading/liquidity reserve
- // 1.8 % interest rate risks in the banking book

A calculation is also carried out every quarter in accordance with the going concern approach. Core capital and total capital invested in accordance with the Capital Requirements Regulation (CRR) is subtracted from the regulatory risk cover funds. The total bank risks (calculated at a confidence level of 95.0 %) are then compared to the remaining level of risk cover. According to this method, utilisation of the core capital was between 45 % and 56 % and of total capital between 46 % and 48 % as of all reporting dates.

Moreover, as part of a quarterly stress test that includes all risk classes, we simulate a serious economic downturn and an extreme loss of confidence in the markets or among clients following an external event. Utilisation of risk coverage including subordinate funds was between 55 % and 77 % as of all reporting dates.

Through qualitative inverse stress tests we analyse various scenarios, which could be critical to the survival of the Bank. These scenarios are based on the business model of a private bank and on the main sources of income and risk for the Bank.

In accordance with the requirements of the CRR, the consolidated total ratio in the report submitted to the bank supervisory authorities stood at 17.2 % as per 31 December 2014. The mandatory minimum requirement of 8.0 % was clearly exceeded during the entire financial year.

The Bank uses derivative financial instruments primarily as hedging instruments. Interest rate swaps in the OTC market and futures and options on Eurex are the preferred products. Such items are closely integrated into the risk management system. The report on the use of derivative financial instruments is included in the annex to the Bankhaus Lampe KG annual report.

In the following, the material risks as defined by the Bank are explained in more detail.

Credit Risks

Credit risks include potential losses due to default or a change in the credit rating of business partners. They are subdivided into general credit risks, counterparty risks, issuer risks and country risks.

The Bank's credit risk strategy follows all qualitative and quantitative requirements for risk control, and forms the basis of the credit business. The focus is on short-term financing in Germany. In order to avoid inappropriate concentrations of risk, the credit risk strategy specifies limits for credit value-at-risk, gross and net volumes of commitments, and other aspects.

The Bank's credit committee is responsible for the management of credit risks in both individual cases and the total portfolio. Supported by an early-warning system, risks are managed by the profit centres and individual key personnel. Close cooperation between the risk controlling department and back-office functions, together with the professional handling of problematic loans, ensures the prompt identification of potential risks. The client credit portfolio is characterised by above-average credit ratings.

The Bank applies a widely used and recognised credit portfolio model to quantify portfolio risk. The key performance indicator is the credit value-at-risk at a confidence level of 99.9 % for a one-year period. As at 31 December 2014, the credit value-at-risk came to € 61.3 million. It was also well below the defined upper limit for the entire period under review and therefore in accordance with the credit risk strategy.

In addition, migration risks for the client credit portfolio are calculated at the same confidence level. At year-end, the risk contribution stood at € 4.3 million.

Moreover, bank and issuer risks as well as risks for default on a commitment are analysed. These amounted to € 11.8 million as per 31 December 2014.

The analyses are complemented by regular model-based, historical and hypothetical stress tests and ongoing monitoring of relevant early-warning indicators. These provided no evidence of developments threatening the Bank's continued existence as a going concern. The procedure is based on specific rating systems for target customer groups and takes into account both quantitative and qualitative criteria. Significant parameter and method specifications are regularly reviewed and, if appropriate, adjusted to take account of altered conditions.

The risk controlling department submits a comprehensive quarterly report on risks within the credit portfolio and significant individual commitments, together with information on the utilisation of the various limits to the general partners and the advisory board. Efficient ad-hoc reporting completes the reporting. No unacceptable risks were detected at any time in the reporting year.

The Bank does not use securitisation or loan derivatives to hedge risks. It mitigates risks on an individual basis through volume reductions, sub-participations or by obtaining additional collateral or appropriate covenants. In addition, portfolio effects are used to minimise total risk.

In the year under review, the Bank reported a positive valuation result in the credit business. Additions to risk provisioning were significantly below the planned standard risk expenses.

Market Risks

Market risks are potential losses due to detrimental changes in market prices or price-influencing market parameters. Depending on the relevant factors, they can be subdivided into interest rate change risks, currency risks and other price risks, as well as spot rate, forward and option risks. Moreover, market risks also include spread risks from annuity bonds and promissory note loans.

A detailed trading strategy is applied to manage market risks. It defines proprietary trading as a supplementary source of revenue that contributes correspondingly to basic profitability. Proprietary trading occurs mainly in euros on European markets and stock exchanges and thus, currency risks play a subordinate role. The bank has no exposure to commodity risks.

The limit system is laid down in the trading strategy. It defines upper loss limits, loss limits, risk limits and volume limits if applicable, and includes reporting regulations as well as sanction mechanisms for cases of critical limit utilisations. At year end, the loss limits for proprietary trading, including the liquidity reserve of € 21.3 million, were broken down by type of risk as follows:

// 50.3 % spread risks
// 21.1 % interest rate risks
// 21.1 % price risks
// 7.5 % currency risks

In addition, a loss limit was set up for capital market transactions mostly as a reserve limit of € 12.0 million. All the aforementioned loss limits count as risk contributions in the calculation of the risk-bearing capacity instead of actual value-at-risks. In the case of mostly low limit utilisations, this represents a conservative approach.

Market risks are managed by an internal risk management committee, which meets at least once a month. The risk control department monitors risks controlled by trading.

The Bank uses the variance-covariance approach as its main instrument for risk measurement. Using this approach, it calculates risks from market price changes in the form of potential losses based on historical data from the last 250 trading days. Bankhaus Lampe quantifies the risks from potential changes in the market price as part of the daily control process at a confidence level of 97.7 % assuming a holding period of one trading day. In addition, risks are calculated based on a confidence level of 99.0 % and a ten-day holding period. As at 31 December 2014, these regulatory parameters resulted in a value-at-risk of € 12.2 million for all proprietary trading including the liquidity reserve. Limit allocation, specification of risk parameters and risk evaluation methods are regularly checked and adjusted as necessary if conditions change.

Trading results, risk estimates and limit utilisations are compiled every working day divided by risk area and broken down to the sub-portfolio level. This report is submitted to the general partners. Additional special analyses as well as model-based, historical and hypothetical stress tests complement the reporting. The quality of the risk assessment is ensured by back-testing analyses in which the statistical assumptions are compared with actual empirical trends.

The Bank uses Eurex products and OTC interest rate derivatives to hedge underlying positions in securities and promissory note loans. Hedge effects are monitored on a daily basis by the risk control department. In the case of critical utilisations, the Bank implements immediate reductions in its risk positions to protect the upper loss limit and loss limits at a confidence level of 99.9 %. In the year under review, there were no cases that necessitated action.

Interest Rate Risks in the Banking Book

In accordance with the trading strategy, interest rate risks in the banking book are kept to a minimum based on a refinancing policy and managed by the treasury department separately from other market risks. Additional monitoring is performed by the internal risk management committee.

In order to quantify a value-at-risk, a monthly historical simulation is carried out using the net present value method at a confidence level of 99.9 %. For fixed interest rate positions, agreed interest terms are taken into account throughout.

For variable and open-ended interest rate positions, appropriate mixing ratios of sliding averages are assumed based on expert assessments. Implicit options and potential special repayments play a subordinate role.

A monthly report to the general partners details the cash values, cash flow structures and key risk figures for the interest rate positions in the banking book, broken down by sub-portfolio. The report also contains limit utilisations, effects of interest rate shocks pursuant to the German Insolvency Regulation (SolvV), and the results of stress tests and back-testing. As significant fixed interest positions in the banking book are usually refinanced or interest-rate hedged through simultaneous back-to-back transactions with matching maturities, this type of risk is of minor importance for the Bank. As at 31 December 2014, the value-at-risk came to € 3.4 million.

Risks from Shareholdings

Risks from shareholdings are defined as potential losses that could arise from the provision of equity and mezzanine capital.

Bankhaus Lampe's strategic objectives for shareholdings are set out in a separate shareholding strategy. All of the Bank's shareholdings are classified as strategic holdings, financial holdings (including private equity), and other enterprises. They are allocated to the appropriate Bank division according to the operational management and responsibility.

Shareholding risk is managed and controlled by independent bodies within the Bank. Major decisions on shareholdings are made on a case-by-case basis by the Bank's general partners and, to some extent, with involvement of the limited partners. Moreover, a detailed investment process and total limit is also in place for the private equity business division. The business performance of the shareholdings is constantly monitored and analysed.

As part of internal risk control, capital backing is provided for all investments following the simple risk weighting approach in accordance with the CRR, based on a risk contribution of 37.0% calibrated at a confidence level of 99.9 %. The basis for this calculation comprises the book values of holdings, mezzanine capital, loans and, if applicable, additional funding obligations. As at 31 December 2014, this resulted in a conservatively calculated risk contribution of € 38.0 million. Ongoing monitoring of early-warning indicators completes the risk monitoring.

In comprehensive quarterly shareholdings reports and appropriate ad hoc reporting, the risk controlling department informs the general partners and the advisory board about the individual capital components of holdings as well as on all important developments of the various companies with respect to performance and risk. There were no critical developments in the year under review.

For risk management purposes, Bankhaus Lampe is generally granted extensive information and voting rights in the individual companies. In addition, the general partners or employees of the Bank normally sit on supervisory bodies.

Liquidity Risks

Liquidity risks include call, maturity, refinancing and market liquidity risks.

The main objective, set out in a separate liquidity strategy, is to secure the Bank's solvency at all times and at the same time optimise profit. Sufficient liquidity reserves are maintained permanently to avoid liquidity bottlenecks. Securities and derivative financial instrument transactions are generally concluded within the most liquid markets. We also take ECB eligibility into account in the case of annuity bonds and promissory note loans serving as a liquidity reserve. For the most part, liquidity maturity transformation is conducted on a very short-term basis. Thanks to a comfortable deposit situation in client business, liquidity remained very sound throughout the past year.

Any credit lines granted, but not utilised, are not included as reserve positions. Non-binding money market lines at other credit institutions are regularly tested.

The treasury department is responsible for controlling liquidity risks. The refinancing structure is constantly optimised by taking costs into account. The internal risk management committee is responsible for management of the risks, while the risk controlling department is in charge of monitoring them.

The Bank dispenses with using a model-based method to quantify liquidity risks. Bankhaus Lampe's consistently very good liquidity situation is demonstrated, for example, by the regulatory liquidity ratio, which was 5.19 as of 31 December 2014, and was consistently well above the minimum requirement of 1.0.

The Bank uses detailed monthly liquidity forecasts, early warning indicators and various stress tests to monitor liquidity risks, which are reported to the general partners. Such tests simulate in particular the effects of significant damage to the Bank's reputation or an extreme economic crisis on the Bank's liquidity situation. The results prove that sufficient refinancing would be ensured even if extreme scenarios were to occur.

A conservative liquidity policy and ongoing controlling reduce liquidity risks in money market trading. For potential emergency situations, Bankhaus Lampe maintains a sufficient reserve of demand deposits at all times. Market liquidity risks are restricted through limitation of the permissible markets for the individual trading portfolios and by means of rigorous internal requirements for counterparties and product selection. In addition, an appropriate capital charge is set for this type of risk in the risk-bearing capacity calculation. As at 31 December 2014, the risk contribution for proprietary trading, including the liquidity reserve, was € 7.2 million.

Operational Risks/Reputation Risks

Operational risks comprise the risks of losses incurred as a result of the inadequacy or failure of internal procedures, people or systems, or as a result of external events such as natural disasters. Legal risks are also defined as operational risks. Reputation risks are defined as a risk of loss resulting from damages to a firm's reputation.

A special strategy for operational and reputation risks forms the basis for handling these risks throughout the Bank. The general partners are responsible for managing this type of risk. Risk control is carried out by specific officers in the specialist departments.

Law firms retained by the Bank and the legal department of the bank are responsible for legal risks. An important tool for risk reduction here is the use of standardised agreements customary in the industry. Adequate provisions have been recognised for current litigation.

The particularly sensitive area of IT risks is covered by extensive and appropriate protective measures of technical and organisational character. The Bank also continually refines its information security and business continuity management systems in accordance with prevailing standards.

The Bank does not use model-based quantification of operational and reputational risks. Its methods of analysis consist of the maintenance of an internal database for cases of loss (of over € 1,000) together with a regular bank-wide self-assessment programme. Bankhaus Lampe uses the basis indicator approach in accordance with CRR to measure the regulatory capital requirement for operational risks.

For the internal risk calculation, the regulatory risk cover calculated at group level is adjusted for potential new or discontinued business divisions or shareholdings. To cover reputation risks, the ratio is subsequently multiplied by a predetermined factor to raise it to an appropriate level. As at 31 December 2014, the risk contribution thus stood at € 30.0 million.

The general partners are always kept fully informed about the Bank's operational and reputational risks. This is achieved through the quarterly standard reports taken from the loss database, a regular presentation on the development of selected operational and reputational risks, and ad hoc reporting on special cases.

The reduction of operational and reputational risks is achieved primarily through close communication between the risk units and the decision-makers and case-by-case risk-mitigating action. Raising risk awareness among all employees creates transparency and thus reduces the risk of loss.

Strategic Risks

Strategic risks refer to the uncertainty relating to earnings performance due to business policy decisions or changed conditions such as market environment, customer behaviour or technological advances.

Management of strategic risks by the Bank's general partners is based on an annual forward projection of the overall bank strategy as part of the strategy and planning processes. The decision makers are supported in their strategic management by the quarterly short-term income statement, the monthly profit and loss account, and analyses of the earnings structure in response to specific situations. This process ensures close monitoring of compliance with the strategic goals and guidelines.

Subsidiaries and Holdings

The Bankhaus Lampe Group comprises several subsidiaries and various holdings in addition to Bankhaus Lampe KG. The group offers a comprehensive range of advisory and other services that are tailored to the requirements of its clients.

Lampe Asset Management GmbH offers a comprehensive and professional array of asset management services to institutional clients. Using traditional asset management, individual specialist fund mandates and mutual fund concepts, the company can invest in equities, bonds and commodities.

The Company devises tailor-made investment solutions for each client and then implements these based on an active approach to asset management that focuses on the absolute return achievable for the client. Lampe Asset Management cooperates in settlement with many renowned custodian banks and capital investment companies. The company is a sought-after partner for segment funds in the Master KVG environment. Risk management is of particular importance, being a fundamental element of portfolio management – especially in the case of guaranteed value mandates.

Besides traditional investments, Lampe Asset Management GmbH is also increasingly offering its clients investment solutions that are geared towards sustainability criteria. When undertaking research in this area, Lampe Asset Management GmbH cooperates with oekom research AG.

Both the mutual fund business and actively managed balanced mandates performed positively. Above all, corporate clients, foundations, family offices and church-related investors increased their mandates in this area. This was pitted against a negative trend in the area of conventional bond products. Moreover, in FY 2014 Lampe Asset Management GmbH continued to withdraw from activities of a merely administrative nature in order to concentrate more intensively on the managing of assets. With an improved earnings situation, the overall volume of the reported assets therefore remained on a par with last year at € 6,230 million (vs. € 6,227 million in 2013).

Lampe Asset Management GmbH was awarded “5 stars” for its mutual fund offering in 2014 by Capital magazine in the Fonds-Kompass competition, and its LAM-Stifterfonds was named foundation fund of the year in 2014/2015. The FERI investor survey of institutional investors also gave Lampe Asset Management a top ranking again.

Lampe Beteiligungsgesellschaft

Lampe Beteiligungsgesellschaft mbH offers Bankhaus Lampe KG’s medium-sized corporate clients a range of complementary services for all aspects of acquisition and management of corporate investments of any type or legal form. In addition, its services also include the structuring and execution of customised fiduciary operations.

Lampe Credit Advisors

Lampe Credit Advisors GmbH offers advisory services for complex issues relating to European financial institutions, insurance companies and public-sector institutions. These services include regulatory advice, the structuring and arrangement of investment and refinancing solutions, portfolio and risk management services and comprehensive advisory and other services relating to strategic partnerships and equity holdings.

Lampe Credit Advisors GmbH is a partner in Caplantic GmbH, a joint venture established between Bankhaus Lampe and Nord/LB. The company offers banks, insurance companies and institutional investors administrative support, risk modelling and reporting on various investment products, especially alternative asset classes. Caplantic GmbH also structures innovative investment products, such as alternative (credit) funds or managed debt accounts that invest in loans and comparable financial instruments.

On 20/01/2015, the Talanx Group acquired a 45 percent stake in the company, 40 percent of which it obtained from Bankhaus Lampe. The three partners intend this collaboration to develop Caplantic into one of Germany’s leading service providers for alternative asset management and financial solutions.

Lampe Equity Management

Lampe Equity Management GmbH offers institutional investors domiciled in Germany exclusive investment opportunities in the field of alternative assets, including energy infrastructure, German SMEs and shipping.

Investments in the energy infrastructure sector are made via the holding company CEE Holding GmbH & Co. KGaA. In conjunction with a Luxembourg-based specialist fund, Lampe Alternative Investments S.A, SICAV-FIS (with the two sub-funds LAI-CEE Sidefund I and II), institutional investors have pooled roughly € 400 million in equity and thus achieved a total investment volume of some € 1 billion.

The CEE investments currently include 24 photovoltaic parks with a total output of 235 megawatts, of which 20 are located in Germany, three in France and one in England. In addition, the company has invested in ten German and three French windparks with a total output of 183 megawatts and eight biogas and biomass plants with an output of around 13 megawatts. As a result, the renewable energy plants run by the CEE Group generate a total of over 431 gigawatt hours of green electricity per year, supplying around 100,000 households in Germany.

In addition to these activities, CEE Holding has worked with RWE Innogy since 2011 to invest in technology companies in the field of cleantech, thus benefiting from the industrial expertise of the RWE Group.

Lampe Privatinvest

The subsidiary **Lampe Privatinvest Management GmbH** permits a select group of entrepreneurially minded private investors to buy up minority shareholdings in Germany's Mittelstand. A conscious decision has been taken not to use fund structures so that every investment is flexible and geared to the relevant investor's needs, as well as to ensure long-term support for the respective companies.

Lampe Capital Finance

Acting as a general partner of Lampe Mezzanine Fonds I GIKG GmbH & Co. KG, the subsidiary **Lampe Capital Finance GmbH** set up a mezzanine fund in 2014 that represents an interesting investment opportunity for institutional investors – particularly in the current low-interest environment. This fund only invests in Germany's Mittelstand. The possibility of investments from institutional and private investors provides SMEs with attractive funding alternatives.

Further investment opportunities in the field of shipping are offered via Vilmaris Management GmbH, the management company of Vilmaris GmbH & Co. KGaA, a shipping investment company that purchases, sells and charters sea-going vessels. Its portfolio currently consists of two bulk carriers and a newly built container ship that was added in 2013.

Due to the positive business trend and consistently high demand from investors, Lampe Equity Management has systematically and steadily expanded its range of products and services. For example, CEE Fund Advisory GmbH was founded in April 2014 to act as an investment advisor specialising in infrastructure investments. It advises funds and investment companies on the selection, analysis, acquisition and management of domestic and international project financing.

Lampe Vermögenstreuhand

As an independent multi-family office, **Lampe Vermögenstreuhand GmbH** pursued a holistic approach in advising families, companies and foundations on wealth-related issues until the end of 2014. Together with the clients, individual return and risk-oriented wealth strategies were developed, the right asset managers were selected and the total assets were managed by taking into account all asset classes. Individual solutions and transparent reporting when dealing with complex asset structures were an essential part of this service, as was cross-generation advice on succession planning. LVT's activities were transferred to Bankhaus Lampe over the course of 2014 for regulatory reasons.

DALE Investment Advisors

Bankhaus Lampe has access to the Austrian market through its majority holding in Vienna-based **DALE Investment Advisors GmbH**. DALE has extensive experience in catering for significant family wealth, private foundations and pension plans. Moreover, DALE has established itself in the field of ethical and sustainable investments and is a specialist in absolute return products. Bankhaus Lampe's clients in Germany also benefit from this expertise.

UNIVERSAL INVESTMENT

Bankhaus Lampe holds a major interest in **Universal-Investment-Gesellschaft mbH**, Frankfurt/Main. The stake was 50.0 % as at year-end. With funds under management of some € 203 billion (as at 31 December 2014), 971 special investor and mutual fund mandates and approximately 500 staff, Universal-Investment is one of Germany's most successful investment companies. It is an important partner for Bankhaus Lampe Group in the specialist fund area.

All the subsidiaries and investments performed at least in line with the planned targets in the year under review. Strong demand for client services and expert advice from the companies referred to above inspires confidence about the current business year as well.

Consolidated Financial Statements for 2014

Consolidated Balance Sheet for Bankhaus Lampe KG

as at 31 December 2014

Assets

in euros				2014	T€ 2013
Cash Reserves					
a) Cash on hand			582,393.53		987
b) Balances with central banks			187,651,100.94		383,636
thereof: at Deutsche Bundesbank	187,651,100.94			188,233,494.47	(383,636)
Loans and advances to banks					
a) Due on demand			202,030,765.11		148,820
b) Other claims			115,141,147.06	317,171,912.17	123,804
Loans and advances to clients				1,258,020,947.25	1,323,528
thereof: secured by liens on property	72,853,827.51				(107,839)
thereof: public sector loans	110,870,000.00				(137,370)
Debt securities and other fixed income securities					
Bonds and debt securities					
a) From public issuers		145,042,971.60			61,625
thereof: eligible as collateral for advances					
from Deutsche Bundesbank	145,042,971.60				(61,625)
b) From other issuers		255,061,741.23	400,104,712.83		261,767
thereof: eligible as collateral for advances					
from Deutsche Bundesbank	255,061,741.23			400,104,712.83	(261,767)
Equity and other variable-yield securities				5,242,096.70	4,542
Trading portfolio				408,405,410.18	389,363
Shareholdings				32,465,296.63	31,810
thereof: financial institutions	7,145,552.58				(7,146)
thereof: financial services institutions	0,00				(0)
Shareholdings in affiliated companies				276,000.00	556
thereof: financial institutions	0,00				(0)
thereof: financial services institutions	0,00				(0)
Shareholdings in associated companies				32,416,540.33	34,773
Fiduciary assets				11,944,633.11	13,173
thereof: fiduciary loans	11,944,633.11				11,952
Intangible assets				3,566,298.12	3,002
Property, plant and equipment				30,387,127.95	24,231
Other current assets				89,210,825.68	92,779
Accruals and deferred items				1,740,261.69	4,190
Total assets				2,779,185,557.11	2,902,585

Liabilities

in euros				2014	T€ 2013
Liabilities to banks					
a) Due on demand			61,143,714.98		56,938
b) Subject to an agreed term or period of notice			52,866,311.08	114,010,026.06	95,248
Liabilities to clients					
Other liabilities					
a) Due on demand		1,748,393,107.44			1,426,048
b) Subject to an agreed term or period of notice		447,910,122.74	2,196,303,230.18	2,196,303,230.18	896,151
Trading portfolio				32,652,826.73	12,568
Fiduciary liabilities				11,944,633.11	13,173
thereof: fiduciary loans	11,944,633.11				(11,952)
Other liabilities				9,778,105.49	8,700
Accruals and deferred items				2,380,291.44	4,790
Provisions					
a) Provisions for pensions and similar obligations			12,714,000.00		12,788
b) Tax provisions			3,851,817.69		3,545
c) Other provisions			30,145,168.52	46,710,986.21	30,635
Subordinated liabilities				27,723,640.28	27,724
thereof: due within two years	0,00				724
Profit participation capital				20,000,000.00	20,000
thereof: due within two years	0,00				0
Funds for general banking risks				36,400,000.00	35,500
thereof special items according to section 340e,					
paragraph 4 of the German Commercial Code (HGB)	3,700,000.00				(2,800)
Equity					
a) Subscribed capital			70,000,000.00		70,000
b) Capital reserve			172,000,000.00		151,000
c) Other surplus reserves			16,747,737.76		16,645
d) Adjustments for minority interests			534,079.85		133
e) Consolidated profit			22,000,000.00	281,281,817.61	21,000
Total liabilities				2,779,185,557.11	2,902,585
Contingent liabilities					
Liabilities arising from guarantees and warranty agreements				73,680,213.85	84,189
Other liabilities					
Irrevocable lending commitments				85,229,000.00	78,852

Consolidated Profit and Loss Account of Bankhaus Lampe KG

for the period from 1 January to 31 December 2014

Expenses

in euros			2014	T€ 2013
Interest payable			51,566,167.57	39,804
Commission payable			34,412,579.64	32,179
General administrative expenses				
a) Personnel expenses				
aa) Wages and salaries	71,616,746.34			66,816
ab) Social security contributions and expenditures				
for pensions and related employee benefits	9,533,921.11	81,150,667.45		9,134
including pensions: (8,033,652.07)				(2,351)
b) Other administrative expenses		50,244,032.74	131,394,700.19	47,753
Depreciation and valuation allowances on				
intangible assets and property, plant and equipment			3,743,714.65	4,399
Depreciation and valuation allowances to				
accounts receivable, certain securities and from reversal				
of provisions in the credit business			4,996,225.87	0
Other operating expenses			3,368,371.07	2,545
Taxes on income and profit			3,493,892.77	3,315
Other taxes not shown under „other operating expenses"			7,290.99	2
Allocation to the funds for general banking risks			0,00	0
Consolidated net income for the year			22,366,545.49	21,300
Total expenses			255,349,488.24	227,247

Revenues

in euros		2014	T€ 2013
Interest earned on			
a) Credit and money market transactions	55,529,777.84		58,248
b) Fixed-income securities and debt register claims	29,521,363.70	85,051,141.54	21,094
Current income from			
a) Equity and other variable-yield securities	24,126,895.83		11,718
b) Shareholdings	1,520,626.57		711
c) Shares in affiliated companies	0,00	25,647,522.40	0
Earnings from associated companies		5,294,026.66	3,768
Commission earnings		125,882,403.36	118,967
Net earnings from financial transactions		7,794,441.18	3,858
thereof: allocation according to section 340e			
paragraph 4 of the German Commercial Code (HGB): 900,000.00			(500)
Earnings from write-ups to accounts receivable, certain securities,			
and from reversal of provisions in the credit business		0,00	3,406
Earnings from write-ups to shareholdings, shares in affiliated			
companies and securities held as fixed assets		0,00	0
Other operating earnings		5,679,953.10	5,477
Total revenues		255,349,488.24	227,247

Net income for the year	22,366,545.49	21,300
thereof profit due to other partners	-366,545.49	-300
Profit carryforward from previous year	0,00	0
Withdrawals from other retained earnings	0,00	0
Allocations to other retained earnings	0,00	0
Group profit	22,000,000.00	21,000

Audit Certificate

We have audited the consolidated financial statements prepared by Bankhaus Lampe KG comprising the balance sheet, the profit and loss account, the annex as well as the cash flow statement and consolidated statement of change in shareholders' equity, and the group management report for the business year from 1 January to 31 December 2014. In accordance with the requirements of German commercial law, the preparation of the consolidated financial statements and the group management report is the responsibility of the general partners of the Company. Our responsibility is to express an opinion on the annual consolidated financial statements and the consolidated annual report based upon our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code (HGB) and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). These standards require that we plan and perform an audit such that any misstatements and infringements that would materially affect the presentation of net assets, financial position and results of operations in the consolidated financial report in accordance with principles of proper accounting and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations regarding potential misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report have primarily been examined on a random sample basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in the consolidation, the determination of the companies to be included in the consolidation, the accounting and consolidation principles used and significant estimates made by the Company's general partners, as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, 17 March 2015

PricewaterhouseCoopers
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Michael Peters	ppa. Marc Lilienthal
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Consolidated Financial Statements Annex General Disclosures

Basic Accounting Principles

The consolidated financial statements of Bankhaus Lampe KG as at 31 December 2014 were prepared in accordance with the provisions laid down in the German Commercial Code (HGB) in conjunction with the Regulation on Accounting for Credit and Financial Service Institutions (RechKredV). Pursuant to Section 313 HGB, these consolidated financial statements have an exempting effect on the companies included in the List of Shareholdings, published in the electronic Bundesanzeiger (German Federal Gazette), within the meaning of Section 264 Paragraph 4 HGB.

The consolidated financial statements comprise the balance sheet, the profit and loss statement, the notes, the cash flow statement and the statement of changes in equity capital. Furthermore, a group management report pursuant to Section 315 HGB has been prepared.

Scope of Consolidation

In addition to Bankhaus Lampe KG, the scope of consolidation includes the following companies:

Consolidated entities

Company	Equity in thousand euros	Share in company
Lampe UI Beteiligungs GmbH, Düsseldorf	29,577	100%
Lampe Asset Management GmbH, Düsseldorf [1]	3,000	100%
Lampe Beteiligungsgesellschaft mbH, Düsseldorf [1]	1,100	100%
Lampe Equity Management GmbH (sub-group), Hamburg [1]	273	100%
Lampe Verwaltungs-GmbH, Düsseldorf	1,175	100%
Lampe Credit Advisors GmbH, Düsseldorf	1,013	100%
DALE Investment Advisors GmbH, Wien	1,350	61%
Lampe Immobilien GmbH & Co. KG, Düsseldorf	289	100%
BTF Beteiligungs- und Treuhandgesellschaft mbH, Frankfurt/Main [1]	52	100%
Poseidon Beteiligungs-GmbH, Bielefeld [1]	52	100%
TETRARCH Aktiengesellschaft, Düsseldorf [1]	50	100%
Lampe Immobilien Verwaltungs GmbH, Düsseldorf	29	100%
Lampe Vermögenstreuhand GmbH, Düsseldorf [1]	26	100%

[1] A profit-and-loss transfer agreement exists with Bankhaus Lampe KG

Associated companies such as Universal-Investment-Gesellschaft mbH, Frankfurt/Main, and Caplantic GmbH, Hannover, are accounted for in the consolidated financial statements under the equity method.

Company	Equity in thousand euros	Share in company
Universal-Investment-Gesellschaft mbH, Frankfurt/Main	69,938	50%
Caplantic GmbH, Hannover	3,469	50%

The difference according to Section 312 Paragraph 1 HGB resulting from the equity method for associated companies was € 4.7 million.

The following table lists the aggregated financial information on shareholdings consolidated under the equity method.

in T€	31.12.2014	31.12.2013
Total assets	128,500	108,390
Total liabilities	55,093	46,134
Income	223,315	171,071
Profit	15,316	12,265

Other group companies were not included as the companies are of secondary importance for the net assets, financial position and results of operation pursuant to Section 296 Paragraph 2 HGB. Shareholdings in subsidiary companies that did not have to be included are stated at historical cost under financial assets.

Consolidation principles

The capital consolidation of the subsidiaries acquired before 31 December 2009 was done according to the book value method. The acquisition costs of an affiliated company were offset against the parent company share in its equity capital at the time of the affiliated company's acquisition or initial consolidation. Since 1 January 2010, capital consolidation has been done according to the revaluation method. Acquisition costs of an affiliated company are offset against the Group's share in equity at that date at which the company became a subsidiary. Equity of the subsidiary is set at the amount corresponding to the present value of assets, liabilities, prepaid and deferred items and special items to be included in the consolidated financial statements (if applicable, after adjustment of the valuation rates pursuant to Section 308 Paragraph 2 HGB).

If a difference remains on the asset side after offsetting, it is shown in the Group balance sheet as goodwill under the position "intangible assets" and is depreciated according to schedule over the expected useful life. A difference accruing on the liabilities side is shown under the item "Difference from capital consolidation" after equity. Consolidation under the equity method according to Section 312 Paragraph 1 HGB is carried out by offsetting the Bank's book value with the pro rata equity of the subsidiaries. Intra-Group receivables and liabilities, provisions, contingent liabilities and other liabilities, as well as expenses and income, are offset against each other. Interim results that are of secondary importance to providing an accurate view of the Group's net assets, financial position and results of operations are not eliminated.

Group Accounting Principles and Valuation Methods

The annual financial statements of Bankhaus Lampe KG and the domestic and foreign subsidiary companies included in the consolidated financial statements are prepared in accordance with standard accounting principles and valuation methods.

The accounting principles and valuation methods have remained unchanged from the previous year.

Loans and advances to banks and clients are always reported at their nominal amount or at their acquisition costs. All foreseeable credit and country risks have been taken into account by setting up specific valuation allowances and provisions.

Latent credit risk is accounted for by general valuation allowances according to commercial law principles. Furthermore, there is a provision for general banking risks pursuant to Section 340f HGB. For the purpose of showing risk provisioning in the profit and loss statement, the option of compensation of expenses and revenue was applied.

Bankhaus Lampe KG combines interest-bearing securities (annuity bonds) and receivables (promissory note loans) with derivatives into one portfolio valuation unit for the purpose of hedging interest rate risks. The financial instruments are valued using the market price. If there is no market price available, the fair value is determined based on generally accepted valuation models (e.g. discounted cash flow models, option price model).

It is assumed that the hedging ratio in the portfolio valuation unit is effective if it lies within a range between 80 % and 125 % according to customary international practices. The hedging ratio reflects the extent to which the reliably adequate offsetting changes in value or cash flows cancel each other out with respect to the hedged risk. The equalising changes in value from underlying transactions and hedging instruments are not recognised in the balance sheet (net hedge presentation method). As at the balance sheet date, annuity bonds and promissory note loans in a nominal amount of € 522 million were hedged by derivatives in a nominal amount of € 543 million. To account for unhedged spread risks, a provision for anticipated losses was made. The average residual term of the established portfolio valuation unit is six years.

Financial instruments in the trading portfolio are assessed at fair value minus a risk premium. Fair value is the amount at which an asset could be swapped between competent business partners who are willing to enter into a contract and who are independent of each other or at which a liability could be settled. There was an active market for all financial instruments shown in the trading portfolio so that the fair value corresponds to the market price.

The trading portfolio comprises all financial instruments that are purchased or sold with the intent of gaining a short-term proprietary-trading profit. Liabilities that are entered into with the intent of repurchasing them in the short term for the purpose of gaining a trading profit are shown as trading liabilities.

The trading portfolio states currency options with a nominal value of € 31 million and forward foreign exchange transactions with a nominal value of € 1,324 million. The performance of these currency options depends on the foreign exchange rates and their individual volatility. The performance of the forward foreign exchange transactions depends on the foreign exchange rates and forward premiums.

In order to account for possible residual realisation risks, the amount resulting from the market valuation is reduced by a risk premium, which is deducted from the asset side trading portfolio. The risk premium constitutes a value at risk according to the variance-covariance method pursuant to Section 315 SolvV. The calculation is based on a monitoring period of 250 days, a holding period of ten trading days and a confidence level of 99 %. As at 31 December 2014, the risk premium came to € 3,989 thousand.

Shareholdings and non-consolidated shares in affiliated companies are shown in the balance sheet at amortised acquisition costs according to the regulations applying to fixed assets. In case of anticipated permanent declines in value, unscheduled depreciations are made. If the reasons that led to depreciation no longer exist, a write-up is carried out up to a maximum of the acquisition costs. As in previous fiscal years, securities managed as fixed asset holdings are not part of the portfolio. The setting off permissible according to commercial law is applied.

Repurchase agreements are reported pursuant to the applicable principles of Section 340b HGB. Securities lent in securities lending transactions remain part of the balance sheet whereas borrowed securities are not stated on the balance sheet.

Property, plant and equipment, as well as purchased intangible assets, are listed on the balance sheet at their respective acquisition or production costs, reduced by scheduled depreciations. If permanent declines in value are anticipated, unscheduled depreciations are made. By analogy with the applicable tax regulations, certain items of the fixed assets are treated as low-value assets for reasons of simplicity.

Deferred taxes are determined for time differences between the commercial-law and tax-law valuation rates of assets, liabilities and prepaid and deferred items. In addition to the booking differences related to time, tax losses carried forward are accounted for. Due to Bankhaus Lampe KG's legal form, deferred taxes are determined on the basis of an income tax rate of currently 15.78 %, which comprises only trade tax. An overall tax burden resulting from this would be shown in the balance sheet as deferred tax liability. In the event of tax relief, the corresponding option to capitalise would not be used. In the relevant financial year, there was an overall deferred tax asset that was not shown in the balance sheet.

All other assets are stated on the balance sheet at their acquisition cost or their fair value.

Liabilities are stated on the balance sheet at their respective amount to be paid.

Provisions for pensions and similar liabilities are calculated on the basis of biometric probabilities (guideline tables Heubeck 2005G) according to the entry age actuarial cost method. The reported pension provisions include firm commitments. An annual adjustment of 1.70 % currently accounts for pension increases. The actuarial interest rate for discounting pension liabilities currently stands at 4.54 %. The bank utilises the option of using the average market interest rate of the past seven financial years for an assumed maturity of 15 years, which is determined and published by the Bundesbank. The interest rate used is based on the Bundesbank projection published on 31 October 2014. Lampe Equity Management GmbH has a surplus cover of € 137 thousand.

In order to fulfil the obligations from deferred compensation payments of employees, the respective financial resources have been invested in investment funds or qualifying insurance policies. The investment funds are held in trust for Bankhaus Lampe KG, and other creditors have no access to them. The qualifying insurance policies are pledged to the respective employees. The valuation is calculated based on a fair value of € 1,605 thousand; this value is balanced against the individual underlying liabilities, which came to € 1,949 thousand. The liability surplus of € 343 thousand is entered under provisions. Acquisition costs amount to € 546 thousand. The balanced interest expense from this liability is € 67 thousand.

Provisions for taxes and other provisions take into consideration all recognisable risks and uncertain liabilities. Valuation is carried out in the respective amounts to be paid, in accordance with a proper commercial assessment, to cover future payment obligations. Future price and cost increases are accounted for as far as there is sufficient objective evidence for their occurrence. For non-banking items, the effects of interest and changes in interest rates on subsequent periods are reported under other operating expenses (€ 939 thousand). The interest income from discounting longer-term provisions came to € 183 thousand.

The item Funds for general banking risks was created in accordance with the rules and regulations of Section 340g HGB.

The equity items were entered in the balance sheet at face value (Section 272 Paragraph 1 HGB).

In conducting loss-free valuation, provisions for anticipated losses are to be set aside in the banking book for a possible excess liability arising from transactions with interest-based financial instruments. All asset and liability items were included in the banking book that were not assignable to the trading book or were recognised under equity or equity-like items.

In determining a possible excess liability, both asset and liability amount or maturity congruencies were closed through fictitious forward transactions. The valuation of the banking book was conducted using the present-value method, whereby the book values of interest-bearing transactions of the banking book are compared against interest rate- induced present values. The need to cover any anticipated risk costs and administrative costs is carried out as a discount of the gross cash value of the banking book. The audit did not ascertain any need to accrue provisions.

Pursuant to Section 256a HGB, receivables and liabilities in foreign currency were translated into euros at the middle spot exchange rate prevailing on the balance sheet date. Forward transactions that have not yet been settled at balance sheet date are translated at the forward rate prevailing on the balance sheet date.

Due to the holistic management approach and the policy of not undertaking strategic foreign currency positions, the foreign currency-denominated balance sheet holdings and pending transactions are classified and valued as specially hedged (Section 340h in conjunction with Section 256a HGB). Accordingly, all expenses and income arising from currency translation are recognised in the profit and loss account in net income or net expenditure from proprietary trading.

Notes to Consolidated Financial Statements

Breakdown of receivables by residual terms

in thousand euros	31.12.2014	31.12.2013
Loans and advances to banks		
up to 3 months	12,916	6,350
more than 3 months and up to 1 year	25,307	4,969
more than 1 year and up to 5 years	20,452	110,916
more than 5 years	56,466	1,569
Loans and advances to clients		
up to 3 months	541,032	514,250
more than 3 months and up to 1 year	54,443	126,743
more than 1 year and up to 5 years	103,741	189,613
more than 5 years	93,265	3,256
indefinite term	465,540	489,665
Debt securities and other fixed income securities		
maturing in the next year	64,374	20,604

Breakdown of liabilities by residual terms

in thousand euros	31.12.2014	31.12.2013
Liabilities to banks with a definite term or notice period		
up to 3 months	23,846	17,687
more than 3 months and up to 1 year	19,429	36,223
more than 1 year and up to 5 years	6,496	36,069
more than 5 years	3,095	5,268
Liabilities to clients with a definite term or notice period		
up to 3 months	178,405	310,186
more than 3 months and up to 1 year	228,995	496,487
more than 1 year and up to 5 years	15,215	54,622
more than 5 years	25,295	34,857

Relations with affiliated companies

	Affiliated companies		Participations	
in thousand euros	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Loans and advances to banks	0	0	105	107
Loans and advances to clients	151	3,753	447	29,791
Liabilities to banks	0	0	0	0
Liabilities to clients	597	901	24,147	83,335

In principle, business transactions with affiliated companies and persons are carried out at customary market terms. Major transactions at non-standard market terms, which would thus have to be reported pursuant to Section 314 Paragraph 1 No. 13 HGB, have not taken place.

Securities negotiable on the stock exchange and financial investments

The following table itemises the securities negotiable on the stock exchange included in the balance sheet positions.

	listed		not listed	
in thousand euros	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Debt securities and other fixed income securities	400,105	323,392	0	0
Equity and other variable-yield securities	5,242	4,542	0	0

Trading portfolio

Trading portfolio (Assets)

in thousand euros	31.12.2014	31.12.2013
Derivative financial instruments	32,138	12,967
Debt securities and other fixed income securities	346,592	353,049
Equity and other variable-yield securities	33,664	27,614
Risk discount	-3,989	-4,268

Trading portfolio (Liabilities)

in thousand euros	31.12.2014	31.12.2013
Derivative financial instruments	32,653	12,568

In order to better provide an appropriate picture of the actual facts, we have adjusted the values of the previous year's derivative financial instruments.

Statement of changes in fixed assets

in thousand euros	Intangible assets	Property, plant and equipment	Financial assets
Historical cost 01.01.2014	6,629	36,388	69,643
Additions	1,844	9,887	630
Disposals	0	295	4,260
Historical cost 31.12.2014	8,473	45,980	66,013
Accumulated depreciation	4,907	15,593	855
Book value 2014	3,566	30,387	65,158
Book value 2013	3,002	24,231	68,788
Depreciation in the financial year	1,384	2,359	0

Intangible assets comprise paid concessions amounting to € 2,330 thousand and advance payments on intangible assets of € 957 thousand.

Property, plant and equipment include operating and office equipment at the amount of € 5.0 million, as well as € 9,7 million for land and building properties used for the Bank's own business operations.

Fiduciary operations

The assets and liabilities shown in the balance sheet under „Fiduciary assets" and "Fiduciary liabilities" are divided as follows:

	Fiduciary assets	
in thousand euros	31.12.2014	31.12.2013
Loans and advances to clients	33	1,251
Loans and advances to banks	11,912	11,922
Total	11,945	13,173

	Fiduciary liabilities	
in thousand euros	31.12.2014	31.12.2013
Liabilities to clients	33	1,251
Liabilities to banks	11,912	11,922
Total	11,945	13,173

Subordinated assets

in thousand euros	31.12.2014	31.12.2013
Loans and advances to banks	317,175	272,624
thereof: subordinated	0	2
Loans and advances to clients	1,258,033	1,323,528
thereof: subordinated	0	0
Debt securities and other fixed income securities	400,105	323,392
thereof: subordinated	0	0
Shareholdings	32,465	31,810
thereof: subordinated	2,002	2,002

Other assets

Other assets amounting to € 89,211 thousand (previous year: € 92,779 thousand) essentially include claims for tax refunds amounting to € 75,720 thousand and qualifying insurance policies of € 5,809 thousand.

Foreign currency

The total assets in foreign currency on the balance sheet date come to € 83,688 thousand (previous year: € 60,678 thousand). On the balance sheet date, there were liabilities in foreign currency amounting to € 86,890 thousand (previous year: € 105,073 thousand).

Subordinated liabilities

In case of insolvency or liquidation, subordinated liabilities amounting to € 27,724 thousand (previous year: € 27,724 thousand) may be repaid only after all creditors that are not subordinated have been paid off. Up to that point there is no repayment obligation or any claim to interest payments. Interest expenses for subordinated liabilities in the financial year remained unchanged at € 1,916 thousand.

Amount in thousand euros (nominal)	Interest rate	Maturity
12,000	6.90	31.07.2018
5,000	7.10	10.09.2018
5,000	7.21	29.08.2018
5,000	7.45	07.08.2018

Other liabilities

Other liabilities amounting to € 9,778 thousand (previous year: € 8,700 thousand) mainly contain liabilities to tax authorities of € 4,992 thousand and provisions for profit participation capital of € 1,540 thousand.

Statement of changes in Group equity

in thousand euros	
As at 01.01.2013	238,990
Profit distribution in 2013	–21,000
Allocation to capital reserve	21,000
Change in retained earnings	–1,178
Adjustments for profit due to other partners	–34
Group profit	21,000
As at 31.12.2013	258,778
As at 01.01.2014	258,778
Profit distribution in 2014	–21,000
Allocation to capital reserve	21,000
Change in retained earnings	103
Adjustments for minority interests	401
Group profit	22,000
As at 31.12.2014	281,282

Off-balance sheet transactions

Contingent liabilities

In the ordinary course of business, Bankhaus Lampe KG regularly assumes credit guarantees, other guarantees and letters of credit. As a consequence of these agreements, it is necessary that Bankhaus Lampe KG makes payments to the beneficiary if someone else does not fulfil his or her obligations or payments according to agreement. The table below lists all potential payments from credit guarantees, other guarantees and letters of credit after taking account of any cash collaterals (€ 13,996 thousand), if applicable.

in thousand euros	31.12.2014	31.12.2013
Credit guarantees	6,437	8,785
Other guarantees and warranties	35,516	44,190
Letters of credit	31,825	31,214

The amounts stated above do not reflect the cash flows expected from these agreements in future since many of them expire without being called upon. It is possible that a provision of collateral is demanded in order to reduce the credit risk of this obligation. Cash deposits received for contingent liabilities are recognised in the balance sheet as liabilities. The probability of a possible claim on these liabilities is considered to be very low. If a full or partial claim is expected in the event of a deterioration in the borrower's credit quality, provisions are set aside. Provisions for contingent liabilities totalled € 1.7 million as at 31 December 2014.

Irrevocable lending commitments

Bankhaus Lampe KG makes irrevocable lending commitments in order to meet its clients' financing requirements. The portions of granted commitments which were not drawn down are included in the irrevocable lending commitments and cannot be revoked by Bankhaus Lampe KG. These lending commitments are disclosed at their nominal value after taking account of cash collaterals. The amounts listed below the balance sheet do not represent expected future cash flows since many of these agreements will expire without being drawn down. Irrevocable lending commitments are not shown in the balance sheet yet are taken into consideration in the monitoring of credit risks. On the balance sheet date the irrevocable lending commitments amount to € 85.2 million.

Other financial obligations

As at the balance sheet date, the annual financial obligations resulting from tenancy agreements, service contracts and other licence agreements amount to € 22.3 million, with residual terms of up to five years.

Notes to the Group profit and loss account

Other operating income

Other operating income of € 5,680 thousand essentially includes income from rental and lease contracts (€ 1,909 thousand) and reversals of provisions (€ 1,642 thousand).

Other operating expenses

Other operating expenses of € 3,368 thousand essentially includes allocations to provisions (€ 1,493 thousand) and interest-related effects on pension provisions (€ 936 thousand).

Other information

List of equity interests and affiliated companies

Bankhaus Lampe KG holds a direct or indirect interest of at least 20 % in the following companies or exceeds 5 % of voting rights with holdings in large corporations.

Participations	Equity interest in the company %	Equity of the company as at 31.12.2014 in thousand euros	Result of the financial year in thousand euros
BDH Biodiesel Hamburg GmbH, Hamburg [5]	90.00	1,271	-295
BTF Beteiligungs- und Treuhandgesellschaft mbH, Frankfurt/Main [1) 2)]	100.00	52	0
Caplantic GmbH, Hannover [6]	50.00	3,469	1,260
CEE Management GmbH, Hamburg [5]	99.00	109	2
CEE Natural Ressources GmbH, Hamburg [5]	100.00	10	-6
CEE Operations GmbH, Hamburg [5]	100.00	45	0
DALE Investment Advisors GmbH, Wien	61.00	1,350	1,008
Fiduka-Depotverwaltung GmbH, München [4]	25.10	300	0
komm.passion GmbH, Düsseldorf [4]	25.51	887	0
Lampe Asset Management GmbH, Düsseldorf [1,2]	100.00	3,000	0
Lampe Beteiligungsgesellschaft mbH, Düsseldorf [1,2]	100.00	1,100	0
Lampe Capital Finance GmbH, Düsseldorf [5]	100.00	25	0
Lampe Capital UK (Services) Limited, London [7]	100.00	250 [3]	150 [3]
Lampe CF Development Quattro GmbH & Co. KG, Hamburg [5]	100.00	7,514	0
Lampe CF Development Quattro Verwaltungs GmbH, Hamburg [5]	100.00	32	0
Lampe Credit Advisors GmbH, Düsseldorf	100.00	25	10
Lampe Equity Management GmbH, Hamburg [1,2]	100.00	1,000	0
Lampe Immobilien GmbH & Co. KG, Düsseldorf	100.00	51	454
Lampe Immobilien Verwaltungs GmbH, Düsseldorf	100.00	29	1
Lampe International S. A., Luxemburg	100.00	250	0
Lampe Privatinvest Management GmbH, Hamburg [5]	100.00	12	8
Lampe UI Beteiligungs GmbH, Düsseldorf	100.00	29,577	3,513
Lampe Vermögenstreuhand GmbH, Düsseldorf [1,2]	100.00	26	0
Lampe Verwaltungs-GmbH, Düsseldorf	100.00	2,738	431
LE Beteiligungs GmbH, Düsseldorf [4]	100.00	25	0
LHI Immobilien Verwaltungs GmbH, Düsseldorf [4]	100.00	25	0
Poseidon Beteiligungsgesellschaft mbH, Bielefeld [1,2]	100.00	52	0
SEW Beteiligungs Verwaltungs GmbH, Hagen [4]	51.00	42	-3
Tetrarch Aktiengesellschaft, Düsseldorf [1,2]	100.00	50	0
Universal-Investment-Gesellschaft mbH, Frankfurt/Main	26.67	65,300	17,979
Universal-Investment-Gesellschaft mbH, Frankfurt/Main [8]	23.33	65,300	17,979
Unterstützungskasse GmbH der Bankhaus Lampe KG, Bielefeld	100.00	26	0
Vilmaris Management GmbH, Hamburg [5]	100.00	40	0
Vilmaris Private Investors Verwaltungs GmbH, Hamburg [5]	100.00	37	0

1) A profit and loss transfer agreement exists with Bankhaus Lampe KG
2) Exemption pursuant to Section 264 Paragraph 4 HGB
3) Amount in GBP
4) Indirectly via Lampe Beteiligungsgesellschaft mbH
5) Indirectly via Lampe Equity Management GmbH
6) Indirectly via Lampe Credit Advisors GmbH
7) Indirectly via Lampe Verwaltungs-GmbH
8) Indirectly via Lampe UI Beteiligungs GmbH

Seats in statutory supervisory bodies

Name	Company	Function
Prof. Dr. Stephan Schüller	Aareal Bank AG, Wiesbaden	Supervisory board member
	Universal-Investment-Gesellschaft mbH, Frankfurt/Main	Supervisory board member

Fees for the auditor

The fees of the auditor comprise the following items:

in thousand euros	31.12.2014	31.12.2013
Auditing fees	633.7	488.9
Other consulting fees	215.5	123.1
Tax consultancy fees	6.2	0.0
Other fees	47.4	61.1
	902.8	673.1

Forward transactions

Forward transactions that were not yet carried out on the balance sheet date mainly include the following types of transactions:

// Interest rate-related transactions
Forward transactions on interest rate instruments, interest rate forward transactions, interest rate swaps, interest rate futures contracts, option dealings and option contracts on interest rates and interest rate indices

// Exchange rate-related transactions
Forward exchange transactions, currency swaps, option dealings and option contracts on foreign exchange rates, foreign exchange and precious metals futures contracts

// Other transactions
Forward stock transactions, index futures contracts, option dealings and option contracts on stocks and stock indices

The above transactions have been carried out for the most part to cover fluctuations of interest and exchange rates, as well as market prices for trading transactions.

31.12.2014 in million euros	Nominal amount	Positive market values	Negative market values
OTC products			
Interest rate-based transactions	10,390	213	281
Exchange rate-based transactions	1,540	33	33
Other transactions	256	6	2
Exchange-traded products			
Interest rate-based transactions	167	0	2
Other transactions	257	2	6
Total	12,610	254	324

Members of the Management Board and Advisory Board

General Partners

Prof. Dr. Stephan Schüller, Spokesman
Bankier

Dr. Nicolas Blanchard (since 07.05.2014)
Bankier

Ulrich Cosse
Bankier

Advisory Board of Bankhaus Lampe KG

Dr. Ernst F. Schröder, Chairman
Registered Trader

Dr. Albert Christmann, Deputy Chairman
Registered Trader

Dr. Alfred Oetker
Registered Trader

Dr. Harald Schaub
Registered Trader

Dr. Arnt Vespermann
Registered Trader

Remuneration of executive bodies

Pursuant to Section 286 Paragraph 4 HGB, we refrained from disclosing the remuneration of active and former general partners, as well as the provisions made for this group of persons.

The members of the advisory board received loans for a total amount of € 8.3 million. The remuneration for the members of the advisory board came to € 250 thousand.

Number of employees

The average number of employees during the year was as follows:

No. of employees	654
thereof: full-time employees	558
part-time employees	96

Cash flow statement

in million euros	31.12.2014	31.12.2013
Net income	**22**	**21**
Non-cash items in net income and adjustments to reconcile net income with net cash provided by operating activities		
Depreciation, valuation allowances, write-ups of fixed and other assets	4	9
Change in accruals	-1	-5
Changes in other non-cash items	12	-8
Gains from the sale of financial assets and tangible assets	0	0
Other adjustments (on balance)	-55	-49
Sub-total	**-41**	**-32**
Change in assets and liabilities from operating activities		
Loans and advances to banks	-45	85
Loans and advances to clients	59	-15
Securities (insofar as not financial assets)	-95	61
Other assets from operating activities	7	-41
Liabilities to banks	-37	-57
Liabilities to clients	-125	-140
Liabilities held for trading	32	6
Other assets from operating activities	-3	-46
Interest and dividends received	119	89
Interest paid	-54	-43
Income tax	-3	-3
Cash flow from operating activities	**-185**	**-136**
Cash inflow from the disposal of		
Financial assets	0	-3
Property, plant and equipment	1	-4
Cash outflow for investments in		
Financial assets	-1	0
Property, plant and equipment	-12	-4
Cash flow from investment activities	**-12**	**-11**
Proceeds from additions of equity	21	21
Payments to company owners and minority shareholders	-21	-21
Payments from the refund of subordinated capital	0	-6
Cash flow from financing activities	**0**	**-6**
Cash and cash equivalents at the end of the previous period	**385**	**538**
Cash flow from operating activities	-185	-136
Cash flow from investment activities	-12	-11
Cash flow from financing activities	0	-6
Change in the group of consolidated companies	0	0
Cash and cash equivalents at the end of period	**188**	**385**
Composition of cash and cash equivalents		
Cash balance	1	1
Balances with central banks	187	384

Additional disclosures in accordance with Section 26a of the German Banking Act in conjunction with Section 64r of the German Banking Act as per 31 December 2014

The requirements for country-by-country reporting laid down in Article 89 of the EU Directive 2013/36/EU (Capital Requirement Directive, CRD IV) was implemented in German law in Section 26a of the German Banking Act (KWG).

The disclosure requirements pertain to information regarding domicile, sales and wage/salary recipients of the foreign subsidiaries, which as part of the full consolidation are included in the consolidated financial statements.

The operating result excluding value impairments and administration costs, including net interest income, net commission income, trading result and other operating income are drawn upon as sales.

Company	DALE Investment Advisors GmbH
Type of business	Financial services company
Location of registered office	Vienna (Austria)
Sales in € million	2.9
Number of wage/salary recipients	7.0
Profit before tax in € million	1.4
Taxes on profit in € million	0.3
Public subsidies received	none

The Boards

General Partners

Prof. Dr. Stephan Schüller, Spokesman
Dr. Nicolas Blanchard
Ulrich Cosse

Advisory Board

Dr. Ernst F. Schröder
Chairman

Dr. Albert Christmann
General partner of
Dr. August Oetker KG, Bielefeld

Dr. Alfred Oetker
Partner and Deputy Chairman of the Board of
Dr. August Oetker KG, Bielefeld

Dr. Harald Schaub
Member of the Management Board
Chemische Fabrik Budenheim KG, Budenheim

Dr. Arnt Vespermann
Member of the Management Board
Hamburg Südamerikanische Dampfschifffahrts-
Gesellschaft KG, Hamburg

Limited Partners

Dr. August Oetker KG
Rudolf Schweizer
Dr. h.c. August Oetker
Bergit Countess Douglas
Christian Oetker
Richard Oetker
Dr. Alfred Oetker
Ferdinand Oetker
Julia Oetker

Members of the Executive Committee

Ute Gerbaulet
Dr. Carsten Lehmann
Michael C. Maletzky
Thomas Ricke

Chief Representatives

Willy Angerstein
Volker Arndt
Andreas Bornmüller
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