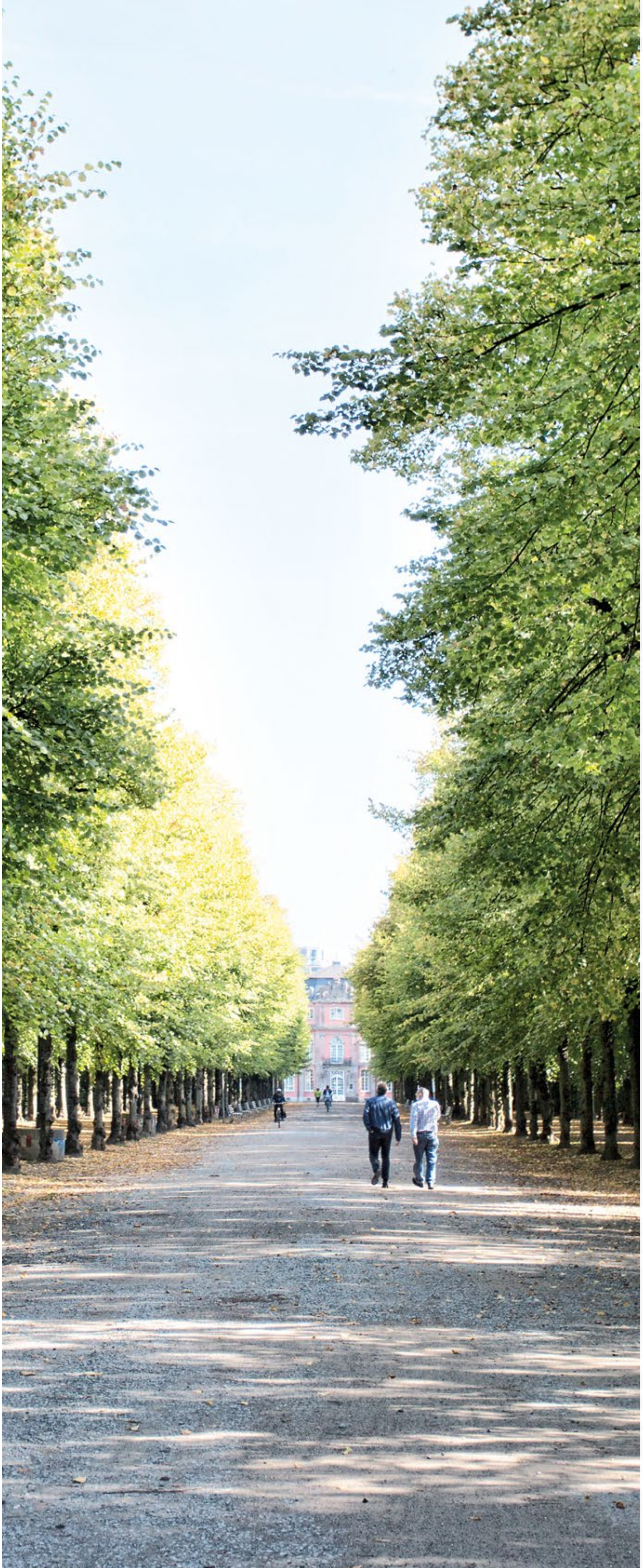

Annual Report

2020

Bankhaus Lampe

Overview of Business Performance

2020 financial year in a five-year comparison

in million euros	2016	2017	2018	2019	2020
Total assets	2,885	3,104	2,938	3,331	3,859
Business volume	3,058	3,309	3,086	3,486	4,007
Loans and advances to clients	1,393	1,456	1,530	1,683	1,743
Loans and advances to banks	196	175	242	225	229
Client deposits	2,121	2,253	2,077	2,591	3,042
Liabilities to banks	137	229	331	148	141
Equity (including group net income)	348	308	316	330	333
Net interest income (including current income)	49	47	38	37	42
Net commission income	100	90	78	83	65
Net income from proprietary trading	0.3	3	1	2.2	6.5
Administrative expenses	162	157	146	139	129
Consolidated net profit for the year	55	16	15	14	4
Number of active employees	670	626	612	585	538

Annual Report 2020

Bankhaus Lampe KG

Contents

Markus Bolder
General Partner

Ute Gerbaulet
General Partner

Klemens Breuer
Spokesman of the
General Partners

Dear Sir or Madam,

Together, we can look back on an extraordinary year. The global COVID-19 pandemic had a substantial impact on our social and economic life and thus also on Bankhaus Lampe.

We took steps early on to ensure the operational stability of our bank and, above all, to protect the health of our clients and employees.

We did not achieve our financial targets in the 2020 financial year. But in light of the challenging environment on the capital markets, we nevertheless generated considerable net income for the year. In addition, we were able to maintain the stability of the assets managed for our clients and in doing so posted positive performance as at the end of the year.

We would like to thank all of our colleagues for their tireless effort and commitment.

In addition, we took a number of important steps in 2020 to lay the foundations for the long-term future of our bank. The planned merger of Bankhaus Lampe with Hauck & Aufhäuser, which is still subject to supervisory approval, will create one of the leading independent private banks in Germany, with managed assets of approximately 35 billion euros, administered assets of approximately 135 billion euros and total assets of nearly 10 billion euros.

In 2021, we will also do everything to create added value for you, our clients, and we thank you for the good collaboration, your trust and your loyalty.

With best wishes

The General Partners of Bankhaus Lampe KG

1.
Group Management Report

Business Performance in 2020 and Outlook

Macroeconomic Conditions

In 2020, the COVID-19 pandemic pushed the world economy into a deep recession. Global economic output shrunk year on year by 3.7 %. In Europe the economic collapse was even sharper, since an especially large number of people here fell ill, prompting governments to respond with severe restrictions. In addition, the two sectors particularly affected by the pandemic, tourism and event management, are more significant than, for example, in the USA. Thus, gross domestic product in the eurozone slumped in 2020 by a total of 6.8 % compared with the annual average for 2019. In Germany, the decline was 5 %, while economic output in the USA fell by 3.5 %. Only the Chinese economy was able to overcome the collapse in the spring and regain its pre-crisis level, posting overall growth for 2020 of 2.3 % compared with 2019.

The COVID-19 pandemic and the political responses to this challenge resulted in extreme volatility on the financial markets. In March 2020, the panic that the novel coronavirus might spread out of control led to the fastest crash on the equity markets of all time. Commodity and bond prices quickly came under pressure, while at the same time the price of gold and the purported safe-haven currencies (US dollar, Japanese yen, Swiss franc) benefited. However, the equity markets soon recovered as governments and central banks rapidly enacted extensive emergency measures in the following months. In the second half of the year, encouraging news from the pharmaceutical industry concerning vaccine development fanned hopes of an end to the pandemic and a synchronous global economic recovery, which made market participants considerably more willing to tolerate risks. On balance, the year 2020 ended with positive returns for global equity market investors. For instance, the U.S, S&P 500 index rose by 16.3 % compared with 1 January 2020. By contrast, the broad STOXX Europe 600 index closed on 31 December 2020 down 4.0 % compared with the start of the year. The EUR/USD exchange rate rose from 1.12 to 1.23 over the course of the year, after having briefly reached a low of 1.10 at the height of the crisis in the spring. In the second half of the year, the dollar fell in value in view of the low risk aversion. The yield on 10-year German government bonds fell from -0.20 % on 1 January 2020 to -0.59 % on 31 December 2020. The economic recovery that began in the summer did not cause yields to rise on the European government bond markets, as it was previously the case at the end of recessions. This was due to the extraordinarily high volume of bond purchases by the European Central Bank.

Market and Sector Environment

The industry-specific and cross-sector developments caused by exogenous factors, such as the persistent environment of low interest rates, increasing regulation and evolving megatrends, are leading to a structural change in the banking sector. This structural change also continued apace in 2020 and is having a massive impact on the business models and profitability of banks. Even if the trends are of different relevance for the various banking business models, it will be necessary to examine all of the topic areas closely to ensure future competitiveness. Megatrends are also developing a certain momentum of their own and in some cases are creating disruptive technologies and new business models, which can also change general conditions in unexpected ways. Increased willingness to adapt and flexibility therefore remain important factors for future viability in the financial sector.

In addition, the COVID-19 pandemic adversely affected the income of many banks to a significant extent in the 2020 financial year. For banks, the record decline in economic growth meant reduced earning potential accompanied by rising credit risk costs, resulting in higher risk provisions. The real economy is not expected to fully recover until 2022/2023. This will further increase the pressure on profitability that banks are already facing. In particularly, consolidation trends in the sector could accelerate against this background.

Traditional sources of interest income are disappearing – compensation through commission income

Traditional interest business was also elementally affected by the macroeconomic conditions again in 2020. Banks in Germany again did not manage to stabilise the interest business with the usual strategies (e.g. via an expansion of volumes or maturity transformation) in 2020 either. At the end of 2020, the deposit rate at the European Central Bank stood at -0.5 %. This forced banks to introduce negative interests rates on customer deposits in 2020. Net interest income was mainly driven by income from active business (loans). As a result, the lending business with the large, creditworthy SME sector, which constitutes the engine of the German economy, remained fiercely competitive in 2020. In turn, SMEs are endeavouring to set themselves up largely independent of individual lenders, and they often also have high liquidity reserves. However, the collapse of the economy occasioned by the pandemic strained these reserves of affected companies, which also further increased borrowing.

Net commission income is continuing to gain in importance as an alternative source of income and a way to compensate for collapsing interest income. Here too, however, there is evidence of intense competition among market players. In addition, there is the option to conduct commission business with clients, often linked to the awarding of credit facilities.

Policy of low interest rates is inhibiting faster consolidation of the sector

The persistently low refinancing rates of the European Central Bank in conjunction with its expansive monetary policy is enabling lending business that is potentially unsustainable in the long term. In some cases, this is causing an artificial delay in the consolidation of the banking sector and stands in contrast to the goal of giving the financial sector positive stimuli. According to the Bank Office Report 2019 published by the Deutsche Bundesbank, the number of lending institutions, for example, fell from more than 2,500 to about 1,700 between 2000 and 2019.

Digitalisation and artificial intelligence

The digitalisation megatrend is exerting a massive influence on various areas of business for banks in a number of ways. For instance, client expectations in terms of agility, achievability, innovation and information are not only increasing constantly, they are also changing faster than in the past. Digital channels, online banking and digital asset management products have already become the minimum standard and are essential in order to stay competitive. This is particularly true given that, in digital competition, non-banking service providers (such as fintechs and insurers) are also coming onto the market and increasing the pressure by attacking specific parts of the banks' value chain, be it client onboarding, asset management, securities account servicing, lending business or other back-office activities.

The subject of artificial intelligence has become more important recently because the first commercially successful products in the financial services sector are starting to be used. These include intelligent, self-learning investment approaches and products to instruments that analyse the latest regulatory texts or even credit documentation and annual financial statements for their relevance within seconds. These approaches are capable of having a disruptive effect similar to the wider field of digitalisation when it emerged and exerting a major influence on the direction and structuring of the value chain of banks and asset managers. More than ever, market players are having to define and highlight their unique selling points clearly.

For the above reasons, it is essential for institutions to grapple with the opportunities and threats arising from digitalisation and the possible areas of application for artificial intelligence in order to adapt and enhance their business models accordingly. Traditional financial institutions and asset managers are very much aware of how important it is to develop and implement new technologies. Yet a not insignificant number of institutions are still behind with respect to systematic digitalisation of their sales, information and product channels, as well as with their business processes. This is specifically due to the lack of capacities as a result of ongoing regulatory pressure and declining earnings power in some cases.

As a result, well-designed, functioning IT architectures are proving to be a key factor for success in the long term, if not indeed indispensable when dealing with the regulatory requirements and the consequences of the period of low interest rates. After a costly implementation phase, technologies and process platforms can make banks and asset managers more profitable in the long term.

Demographics

The effects of changed demographic trends have to be assessed at many levels. On the one hand, private banks must adapt to changing needs and requirements as their clients are living longer. At the product level, this can express itself in increased demand for defensive investment approaches or even in an increased need for advice on the subject of succession. The focus is shifting precisely to the latter, especially among older clientele. At the end of the day, successfully handing over a family-owned enterprise to the next generation is a primary objective, but it is not matter of course.

On the other hand, institutions face the challenge of remaining attractive for younger clients as well. Young clients are increasingly demanding digital channels of information and communication. They are also turning to alternative suppliers such as fintechs, which is breaking up the traditional retail client relationship and the traditional private banking experience. This goes hand-in-hand with increased price sensitivity and a changed prioritisation of product features.

Besides this, the problem of skills shortage is of considerable importance in the context of demographic change. Changing environmental parameters are associated with changed workplace and task requirements ("New World of Work"). Moreover, highly qualified junior staff will need to be persuaded about their own institution to a great degree.

Globalisation

The megatrend of globalisation is also still of great relevance to asset managers and private banks. The demand for globally oriented investment concepts is growing among all client groups. While capital providers are increasingly searching for investment opportunities overseas, particularly in the US dollar area, domestic capital seekers are benefiting from the growing interest among foreign investors in investing in Germany's SME sector. Foreign niche players in the area of digital asset management and brokerage, crowd-investing platforms and universal banks are increasingly forcing their way onto the German market. They are raising the pressure to consolidate and therefore are increasingly reaping income from the entire value chain in wealth and asset management.

Intensive competitive environment in all business areas – driving factors for success

In the segment of wealthy retail clients, various drivers are affecting the competition in a variety of ways. On the one hand, product innovations (such as digital asset managers and more extensive cooperation of traditional banks and asset managers with fintechs on the product side) are increasing the level of competition. On the other hand, independent asset managers are attacking parts of the service offerings of traditional financial institutions.

In the area of corporate clients, there is also evidence of a trend towards greater independence in the form of expanded capital market activities. In this segment too, there is evidence that the traditional relationship with a house bank is breaking up, and there is fierce competition with private investors, (foreign) big banks, regional banks, private banks, Sparkassen (saving banks) and co-operative banks.

In the business with institutional investors, funds and asset managers are putting greater competitive pressure on traditional banks. This is being exacerbated by MiFID II.

Business Performance of the Bankhaus Lampe Group

In Germany, Bankhaus Lampe has offices in Berlin, Bielefeld, Bonn, Dusseldorf, Frankfurt/Main, Hamburg, Munich, Münster, Osnabrück and Stuttgart, as well as, in Austria, a subsidiary in Vienna. As a client-oriented asset manager and capital market specialist, the Bank offers holistic consultancy and support services according to our clients' respective requirements. The client groups on which the Bank concentrates are wealthy retail investors, SMEs, institutional investors, and major corporations. In addition to the Bank, the Bankhaus Lampe Group includes, in particular, two asset management companies, as well as two companies that hold (financial) shareholdings.

In a market and sector environment that remained challenging, the Bankhaus Lampe Group closed the 2020 financial year with positive consolidated net profit (2020: € 4.3 million, 2019: € 14.6 million). The Group's assets under management amounted to € 20.1 billion (31 December 2019: € 20.3 billion), a slight decline that was contrary to the forecast of continual growth and due in part to the COVID-19 pandemic.

To achieve our growth targets, we define the assurance of a suitable capital base and Tier 1 capital ratio as well as the guaranteeing of balanced refinancing as strict additional conditions for our business activities. At the same time, the Bank always takes into account the interests of its clients, profitability and the interests of its partners.

As at 31 December 2020, the Tier 1 capital ratio, which particularly for a private bank is an indicator of its financial reputation, stood at 15.38 % (previous year: 15.13 %) and was as expected far in excess of the regulatory requirements.

The refinancing base of Bankhaus Lampe Group remains stable due to high client deposits.

In addition, Bankhaus Lampe pressed ahead with key initiatives in the 2020 financial year:

- Focus on gaining new clients in liquid and illiquid asset management
- Extension of the product range in illiquid asset management (venture capital, private equity and private debt) with major growth and differentiation potential
- Carrying out of a cost project to further improve cost discipline
- Continuous process optimisation and implementation of new technologies
- Implementation of protective measures associated with the COVID-19 pandemic through digital infrastructure
- Discontinuation of equity business due to persistent inability to meet budget and lack of financial prospects

The combined separate non-financial report in accordance with Sections 315b, 315c in conjunction with 289b-e of the German Commercial Code (HGB) can be found online at: www.bankhaus-lampe.de/en/downloads.

Management System of the Bankhaus Lampe Group

The Bankhaus Lampe Group is managed based on financial performance indicators that indicate the Bank's profitability while taking account of its risk-bearing capacity. The overriding objective of achieving an adequate return on equity while maintaining a solid Tier 1 capital ratio is designed to ensure the Bank's profitability. The Bankhaus Lampe Group is profitable if a risk-adequate return on equity is achieved that permits distributions to the partners and secures an equity ratio that is well in excess of the regulatory requirements.

For the Bankhaus Lampe Group, a capital ratio that is in excess of the regulatory minimum requirements is the key indicator of standing and reputation. To this end, a capped corridor was specified for risk-weighted assets. Regardless of potential changes in the capital requirements and risk-weighted asset weightings, the Bank expects to have future capital ratios that are still well in excess of the regulatory requirements.

The medium-term strategic plan forms the basis for the management system, which is derived from the annual operating plan. The medium-term plan includes performance forecasts, which are continuously evaluated in terms of target achievement. The Finance unit and the Risk Controlling department assist in this planning. As a first step in this regard, the general partners define the targets as well as the measures to achieve them. Operationalisation at the level of the individual business areas and profit centres is undertaken as part of the annual planning by the Finance unit in coordination with the managers.

Growth and structure targets are of essential importance to the achievement of Group-wide key performance indicators. They consist of increasing income in the entire asset management business in a systematic, sustainable manner, together with growing the amount of assets under management, as well as moderately increasing income in capital market business. It is crucial to build a robust and diversified earnings base that is independent of the interest rate environment, above all by gradually increasing the share of commission income compared with net interest income and focusing on the three main sources of income: private and corporate client business, institutional asset management and capital market business.

In accordance with its Group-wide strategy for the Bank as a whole for achieving its overarching targets, the Bankhaus Lampe Group strives for an attractive, competitive range of products, a consistently high level of client satisfaction, a good reputation and brand awareness, as well as targeted incentivisation of the workforce.

Definition of key performance indicators

- Return on equity (RoE): Net profit / balance sheet equity
- Tier 1 capital ratio: Tier 1 capital / risk-weighted assets
- Assets under management: Value of assets that Bankhaus Lampe Group manages on behalf of its clients
- Cost/income ratio: Administrative costs in relation to the sum of net interest income, current income, net commission income, net income from proprietary trading and other operating income

Notes on Net Assets and Financial Position

As at 31 December 2020, the **consolidated total assets** of the Bankhaus Lampe Group amounted to € 3,859 million, which exceeded the previous year's figure of € 3,331 million. This figure is once again characterised by the high level of **client deposits** totalling € 3,042 million (previous year: € 2,591 million). On the assets side, this increase in client deposits is reflected in a higher cash reserve and an expanded trading portfolio.

Accounting for 79 % of total assets (previous year: 78 %), client deposits represent the most important source of refinancing and substantially exceed the Bank's lending business. This underscores the solidity of the balance sheet structure.

Loans and advances to banks increased by € 3 million to € 229 million in the year under review. This was essentially attributable to, on the one hand, an increase in loans and advances from cash collateral (+€ 56 million) and, on the other, a decrease in term deposits (-€ 33 million) and nostro accounts (-€ 16 million).

As at the balance sheet date of 31 December 2020, **loans and advances to clients** totalled € 1,743 million, a year-on-year increase of 3.6 %. This increase essentially consisted of +€ 69 million from loans and advances from cash collateral and +€ 33 million from intermediate construction financing, which is contrasted by a decrease in receivables from current accounts of -€ 53 million as of the reporting date. The size of the asset portfolio permits adequate diversification of risks, but also takes risk-bearing capacity into account.

Debentures and other fixed-income securities fell from € 284 million to € 67 million. Most of the securities are from other banks (92 %).

As at the balance sheet date, the **trading portfolio** stood at € 994 million (previous year: € 717 million) and essentially consisted of bonds.

As at the reporting date, **liabilities to banks** had fallen from € 148 million to € 141 million due to a shifting from term deposits to repo transactions.

As at the end of the year, the **fund for general banking risks** pursuant to Section 340g of the German Commercial Code (HGB) stood at € 58 million, an amount unchanged from the previous year.

The Bankhaus Lampe Group enjoyed a comfortable **liquidity position** throughout the 2020 financial year. As at 31 December 2020, the liquidity coverage ratio (LCR) stood at 221.71, far in excess of the regulatory minimum.

As at 31 December 2020, **balance sheet equity** amounted to € 315 million before approval of the consolidated net income and thus 8.2 % of consolidated total assets (previous year: 9.5 %). The return on equity therefore stood at 1.4 % (previous year: 4.4 %) and thus did not increase moderately, as forecast in the Group management report for 2019. The return on capital as a ratio of consolidated net profit for the year to total assets amounted to 0.1 % (previous year: 0.4 %).

As at the balance sheet date, **irrevocable lending commitments** amounted to € 94 million (previous year: € 86 million).

Remarks Concerning Financial Performance

The Bank ended the 2020 financial year with **consolidated net profit** of € 4.3 million (previous year: € 14.6 million), which was in line with our expectations. Particularly as a result of the COVID-19 pandemic and the associated financial consequences, the Group's financial performance was poorer than planned. Through tax effects and targeted measures to reduce costs, we were ultimately able to achieve a positive result. Owing to the carryforward of the net profit for 2019, the consolidated net income after accounting for minority interests thus increased from € 13.9 million to € 18.2 million.

Net commission income in the 2020 financial year was considerably below the level of the previous year, mainly due to a market environment that remained difficult. Net commission income, which is dominated by the securities business, stood at € 65.3 million (previous year: € 82.8 million) and was thus below expectations.

In addition to a negative deviation from plan in the business with private and corporate clients, net commission income from capital market-related areas in particular remained below plan, mainly as a result of the discontinuation of equity business, which was not yet reflected in the plan figures.

In the year under review, **net interest income**, i.e. interest income less interest expenses – including current income from equities and other variable-yield securities, from shareholdings and from shares in affiliated companies – came in at € 41.6 million (previous year: € 37.4 million), which considerably exceeded expectations. Current net interest income, i.e. interest income less interest expenses, rose from € 35.7 million to € 38.8 million, mainly as a result of considerably lower interest expenses. Current income from equities and other variable-yield securities, from shareholdings and from shares in affiliated companies amounted to € 2.9 million (previous year: € 1.7 million).

The **ratio of net commission income to current net interest income** excluding income from shareholdings and shares in affiliated companies stood at 63/37 for the 2020 financial year (previous year: 70/30). This ratio underlines the importance of commission business for the Bankhaus Lampe Group.

Net income from proprietary trading rose by € 4.2 million to € 6.4 million and, in line with expectations, made a positive contribution to results, which was considerably higher than that for 2019.

In 2020, the Bank posted a **net measurement gain from lending and securities business** totalling € 1.1 million (previous year: € 0.4 million). This includes a net measurement gain from lending business in the amount of € 1.5 million (previous year: € 2.4 million), which consisted of net releases of individual impairment allowances, provisions, depreciations and changes in collective impairment allowances. All recognisable risks were taken into account through the creation of adequate impairment allowances and provisions.

As at 31 December 2020, the net measurement loss for securities in the liquidity reserve amounted to € 0.4 million (previous year: € 2.0 million).

The **net measurement gain from shareholdings and securities treated as fixed assets**, i.e. the amount recognised under the item "Income from write-ups on shareholdings, shares in affiliated companies and securities treated as fixed assets" less the amount recognised under the item "Write-downs and impairment allowances on shareholdings, shares in affiliated companies and securities treated as fixed assets", amounted to € 6.1 million (previous year: € 1.9 million) and essentially included the proceeds from the sale of a shareholding and income from securities treated as fixed assets.

Personnel and material expenses, including write-downs and impairment allowances on intangible assets and property, plant and equipment (**general administrative expenses**), fell by 7.0 % from € 138.9 million to € 129.2 million in the 2020 financial year, in line with our forecast. Whereas personnel expenses decreased by € 3.1 million to € 74.9 million owing to a lower average headcount, other general administrative expenses were clearly below the level of the previous year, coming in at € 51.5 million (previous year: € 58.5 million).

The **cost/income ratio** shows general administrative expenses in relation to the sum of net interest income, current income, net commission income, net income from proprietary trading and net other operating income. In 2020, it stood at 107.6 % compared with 93.0 % in the previous year and thus could not be lowered as forecast.

Other comprehensive income in the 2020 financial year declined by € 20.2 million to € 6.7 million. Other operating income, which largely consisted of releases of provisions, net income from the deconsolidation of two subsidiaries, and net income from Eurex derivatives and currency swaps, fell to € 17.8 million (previous year: € 28.9 million). Other operating expenses rose to € 11.1 million (previous year: € 1.9 million), particularly as a result of expenses from the measurement and release of unsecured derivatives that were concluded in connection with securities in the liquidity reserve, as well as the creation of an additional provision for impending losses due to an adjustment made to the measurement of derivatives.

Tax income amounted to € 6.5 million due to non-period income and income for the recognition of deferred tax assets (previous year: € 1.9 million).

Employees

As at 31 December 2020, a total of 538 active staff were employed by the Bankhaus Lampe Group (previous year: 585). In 2020, we employed an average of 13 trainees and working students and five temporary staff members. In addition, there were 33 passive employees in semi-retirement (Altersteilzeit), on paid leave or on parental leave. The employee turnover rate, i.e. the ratio of staff departures to the total number of employees on average, fell to 13.1 % (previous year: 14.3 %) but was higher than the average figure of 7.8 % most recently surveyed by the banking association for the sector. The rate also includes staff departures from the discontinuation of equity business. The average length of company employment stood at 12.6 years and was thus above level of the previous year (11.9 years).

Outlook // Economy

The further course of the coronavirus pandemic is of key importance to the Bank's economic and capital markets scenario. Living with COVID-19 – that is likely to be the daily mantra for 2021. For the global economy, this means that impediments from coronavirus protective measures are likely to persist and that the coronavirus will continue to act as a brake. In the Bank's view, available vaccines will initially do nothing to change this, since the level of immunisation among the population will likely stay relatively low. In terms of the economic scenario, we believe that the pandemic will remain surmountable worldwide and another full lockdown will not be necessary. Therefore, economic life should be possible in 2021 despite the pandemic.

However, Bankhaus Lampe expects that economic development will continue to be held in check in 2021 due to the persistence of the coronavirus crisis worldwide. If the pandemic remains surmountable, the world economy will recover in 2021 and likely be in a better position at the end of the year than it was at the end of 2020. This is mainly because companies are doing a much better job of preparing for pandemic threats and are reorganising their work processes to increase productivity. Together with the associated reluctance to make investments due to the pandemic-driven uncertainty, however, this constitutes a significant threat to the employment situation. In addition, in our view, there is a high risk of insolvency, which we also deduce based on the considerable existential threat facing (small) companies, not least due to the long dry spell. In addition, we expect that the USA-China trade conflict to rekindle, and we anticipate that heightened protectionism worldwide will put a damper on the economic recovery.

All things considered, the Bank expects that global economic output will increase by 5.5 % in 2021. The high rate is also the result of the considerable catch-up potential that still exists. The advanced economic recovery in China will add 1.5 percentage points to this, but the upward dynamic in important industrialised countries will remain significantly behind that. For 2021 we forecast growth of 8.5 % for China, 4.1 % for the USA, and a total of 4.8 % for the Eurozone. In this regard, we anticipate that gross domestic product will increase by 4.4 % in Germany and by 5.2 % in France.

In the economic environment expected by Bankhaus Lampe, we anticipate moderately rising inflation rates in 2021 due to the effects occasioned by the price of oil. They are based on our assumption that the price of oil will average USD 48/barrel in 2021, with the price of oil again having an inflationary effect in the spring of 2021 for the first time in a very long time. At the same time, wage growth is likely to be reined in by the forecast higher unemployment.

In addition, progressive digitalisation will probably result in an inflationary effect that is depressive in structural terms. Therefore, we expect that the inflation targets of central banks will not be at risk.

Because of the fragile economic recovery occasioned by the pandemic, and in view of exploding (government) debt around the world, central banks are likely to maintain the fantasy with respect to new (liquidity) measures for the entire year. The intent is to guarantee favourable financing conditions and financial market stability and thus limit systemic risks. Moreover, negative real interest rates will continue to be the decisive factor for the decision-making process. Despite foreseeable loan defaults, we consider the risk of a new banking crisis due to insolvencies to be low.

In the view of Bankhaus Lampe, the expected recovery of the world economy and the constant infusion of liquidity by central banks will essentially have a favourable impact on asset prices. As a general rule, markets for government bonds will likely benefit from this. In our opinion, EMU government bonds will also remain well supported in the persistent search for yields. The target for the DAX for the end of 2021 is 14,000 points.

Outlook // Market and Competition

Structural change in the banking sector continues to gain pace. Numerous banks have had to streamline business activities or even abandon them completely. Institutions now have to position themselves to face the new challenges in the field of digitalisation and the attendant competition with new market players (Fintechs, among others). In this context, the issue is not just about enhancing existing business models, but also about setting up future models at the same time. It will be just as important to evaluate the value chain with regard to risk and reward aspects, as well as to examine the extent to which institutions can part company with tried-and-trusted practices and use their mostly tight budgets effectively and efficiently. Besides having a holistic strategy, ensuring customer loyalty via new technologies and cross-channel offerings, process automation and exploitation of data as well as agility and change management within the organisation are also of key importance. At the same time, the consolidation pressure remains high within the banking sector.

Outlook and Opportunities // Bankhaus Lampe Group

On 5 March 2020, Hauck & Aufhäuser reached agreement with the Oetker Group to acquire Bankhaus Lampe. The signed purchase contract provides for the acquisition of all shares in Bankhaus Lampe KG, which will be finalised once all approvals by the supervisory authorities are in place. This is associated with a complete takeover and integration of all employees, subsidiaries, clients, and locations by Hauck & Aufhäuser.

The merger of Bankhaus Lampe and Hauck & Aufhäuser planned for 2021 will create one of the leading German private banks, with a strong market position in the four core business areas of private banking, asset management, asset servicing and investment banking. Both banks are highly complementary and possess branch networks and products that complement each other very well. The merger is expected to pool the expertise of both companies, meaning that we will be able to offer our clients an even greater range of high-quality services and an even broader regional presence.

// We continue to expect the merger of Bankhaus Lampe and Hauck & Aufhäuser to take place in 2021. If, contrary to expectations, there should be further delays in this respect, this might tend to have negative effects on the Group's financial performance.

// In the event that closing under the share purchase agreement does not occur – which appears highly unlikely as things stand today – meaning that the merger of Hauck & Aufhäuser and Bankhaus Lampe does not come about, Bankhaus Lampe would update its strategic position and revise its planning in accordance with the presented opportunities and risks.

Outlook // Income Components

Planning assumptions

Planning by the Bankhaus Lampe Group assumes that the coronavirus crisis will no longer substantially interfere with the business performance of the Bankhaus Lampe Group in the second half of 2021.

Since the closing of the share purchase agreement described above depends on approval by the supervisory authorities, the general partners were compelled to plan for 2021 exclusively for the Bankhaus Lampe Group as such and without taking into consideration the effects of the expected merger.

Unless expressly stated otherwise below, the following forecasts relate exclusively to the operational business of the Bankhaus Lampe Group as such.

Net interest income

All things considered, the Bankhaus Lampe Group expects higher average loan drawdowns and a gross margin at the level of the previous year. In addition, an effort will be made to introduce leveraged finance business from 2021. As a result, we expect a moderate rise in net interest income overall. The balance sheet structure is less dependent on maturity transformation than competitors' due to extensive maturity matching.

Net commission income

In wealth management, a moderate increase in net new money is expected – targets on the benchmark level. The attainability of these targets is to be assured through quality improvements on the client support side, some of which have already occurred and others are still ongoing. This will be accompanied by an electronic advice tool, as well as optimisations in pricing. The product range will be further expanded in the area of illiquid assets. In sum, these assets will lead to be considerable increase in net commission income.

Net income from proprietary trading

After it became apparent in 2020 that the repositioning of the division in terms of staff was bearing fruit, it was also expected that a considerably positive contribution would be made to results for the following year. However, 2020 was marked by exceptional volatilities, meaning that net income from proprietary trading in 2021 will likely be significantly lower than in 2020.

General administrative expenses

In terms of general administrative expenses, the persisting coronavirus crisis will continue to lead to reduced expenses in the first half of 2021. In addition, in light of the planned migration following the closing under the share purchase agreement, all projects that are not necessary for regulatory reasons will be deferred, meaning that general administrative expenses for 2021 will remain at the low level of 2020.

Consolidated net profit for the year

In total, the Bank expects consolidated net profit in the seven-figure range for 2021, which will mark a return to the normal scenario following the coronavirus crisis.

Key performance indicators

The return on equity is expected to rise slightly in 2021. The Tier 1 capital ratio should also remain stable and above the regulatory minimum requirement in the years to come. For actively managed assets under management, the Group is striving for moderate growth compared with 31 December 2020 on the level prior to the COVID-19 pandemic. All told, the Bankhaus Lampe Group – provided that it continues to operate independently – expects a slightly reduced cost-income ratio as a result of higher income and a persistently lower cost level. If income is again considerably lower than planned due to the coronavirus crisis, significantly cost-cutting would be necessary in order to achieve such a cost-income ratio.

Planned merger of Hauck & Aufhäuser and Bankhaus Lampe

Following successful closing of the share purchase agreement, material changes may result with respect to the planning of underlying assumptions due to the new owner and possibly changed strategic goals and plans of the new owner.

If closing is delayed, the achievement of targets for, inter alia, net commission income would be significantly more difficult, since this could tend to result in a withdrawal of assets under management and a loss of further income sources. In addition, increased employee fluctuations in the sales divisions could also make the achievement of new-business and income targets more difficult.

Risk Report for 2020

The primary objective of the Bankhaus Lampe Group's risk management is to limit the major risks from business operations according to its risk-bearing capacity in order to enable it to generate a return on capital employed commensurate with risk. Strategic goal requirements ensure that the risks assumed bear a reasonable relation to the income opportunities.

To support efficient risk management, the Bank's management attaches particular importance to promoting and maintaining a sustainable risk culture in the Bankhaus Lampe Group. Based on a risk-oriented management culture, the Bank demands that its managers and employees act in a risk-conscious manner. Internal rules support open communication and critical dialogue and establish risk-oriented incentive structures.

The Bank therefore identifies, assesses, controls, monitors and communicates its key risks promptly at Group level and backs them with capital. Particular focus is placed on risk concentrations. An annual risk review ensures that all risks are taken into account in their entirety.

The Group's risk-bearing capacity calculation is performed in accordance with the guidelines laid down in May 2018 by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) in the quarterly economic and the annual normative outlook. In the economic outlook, all of the risks included in the risk-bearing capacity calculation are estimated at a confidence level of 99.9 % with a risk horizon of one year. 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 equity and allowable reserves. Positive budget results are disregarded under the conservative approach. A utilisation of risk cover funds of 80 % or more triggers internal sanctioning mechanisms.

In the 2020 financial year, the overall bank risks calculated according to these methods were always well below the Group's defined risk-bearing capacity. There were no significant changes to the risk situation compared with the previous year. Utilisation as at all reporting dates ranged between 40 % and 43 %.

As at 31 December 2020, the conservatively calculated total risk contribution in the economic outlook of € 162.4 million was broken down by type of risk as follows:

- 45.2 % credit risks
- 20.4 % shareholding risks
- 12.9 % market risks
- 14.6 % operational risks/reputational risks
- 3.9 % market liquidity risks
- 3.0 % interest rate risks in the banking book

The normative approach of the risk-bearing capacity calculation uses a planning scenario based on the Group's medium-term planning. On this basis, a three-year economic downturn in the European economy with negative effects on markets, clients and the Group's business activities is simulated in an adverse scenario. For this purpose, changes in the profit and loss account and risk-weighted assets are derived on the basis of corresponding assumptions. In particular, loan defaults, drawings of unused credit lines, proprietary trading losses, declines in net interest income, losses on shareholdings, OpRisk/RepRisk losses, changes to valuation adjustments and commission defaults are simulated. In this way, the total capital and Tier 1 capital ratios expected under adverse conditions are calculated for the next three years.

In accordance with the requirements of the Capital Requirements Regulation (CRR), the Tier 1 capital ratio as at 31 December 2020, based on the reports submitted to the banking supervisory authorities, was 15.38 % and the total capital ratio came to 16.53 %. The mandatory minimum requirements were exceeded during the entire financial year. In addition, in the planning scenario, all minimum ratios were exceeded for the entire period under review.

If the assumed adverse scenario were to materialise, the Tier 1 capital requirements, including all capital buffers, could be complied with throughout the next three years. With regard to the total capital requirements, the scenario from 2023 results in falling slightly short of the combined capital buffer requirement in accordance with Section 10 i Paragraph 1 of the German Banking Act (KWG). If necessary, these could be offset by raising additional subordinated capital.

As part of a quarterly stress test at the Group level that includes all risk classes, we also simulate a serious economic downturn and an extreme loss of confidence in the markets or among clients due to an external event. Utilisation of risk coverage including subordinate funds was between 48 % and 57 % as at all reporting dates.

Using predominantly qualitative inverse stress tests, we also analyse various scenarios that could be critical to the survival of the Group. These scenarios are selected on the basis of the business model of a private bank and the Group's main sources of income and risk.

The Group uses derivative financial instruments primarily as hedging instruments. Interest rate swaps in the OTC market as well as futures and options on Eurex are the preferred products. Corresponding positions are closely integrated into the risk management system. The report on the use of derivative financial instruments can be found in the notes to the annual financial statements. For valuation adjustments to unsecured OTC derivatives, appropriate provisions required by German commercial law are created.

In summary, as in the previous year, we did not identify any risks that jeopardised the continued existence of Bankhaus Lampe or its performance either as at the balance sheet date or in the course of the year under review. In this regard, we took into consideration the increased challenges of the coronavirus crisis as part of risk management, particularly those facing lending and trading business, liquidity management and operational business processes. Risk coverage was in place as at all reporting dates. In addition, all stress tests showed that risk coverage was adequate. The executed validation measures confirmed the adequacy of the risk controlling measures. As part of its multi-year planning, internal audit also examined key components of the risk management system.

In the following, the risks defined as material for the Group are explained in more detail.

Credit Risks

Credit risks comprise possible losses due to the default by or change in the credit rating of business partners and are sub-divided into general credit risks, counterparty risks, issuer-risks, migration risks, and country risks.

With its qualitative and quantitative requirements for risk management, the Bank's credit risk strategy forms the basis for lending business. The focus is on short-term financing in Germany. The credit risk strategy sets limits for the total credit risk, for the gross and net volumes of commitments and for other aspects in order to avoid inappropriate risk concentrations.

High credit rating requirements are imposed for the client loan portfolio. The Bank's credit committee is responsible for the management of credit risks in both individual cases and the total portfolio. Supported by at least quarterly monitoring of all counterparties, risks are managed by the profit centres and individual key personnel, including the back office. With the outbreak of the coronavirus, the frequency of the early risk identification activities by the front and back office, which was already high, was converted to a monthly basis. Since then, revolving monitoring of the total portfolio on the basis of an additional traffic light system supports the monthly reporting in the credit committee.

The quantification of the portfolio risk is based on a loan portfolio model run in default mode. The key performance indicator is the credit value-at-risk in the client loan portfolio, including banks and issuers, at a confidence level of 99.9 % for a one-year period. As at 31 December 2020, this figure amounted to € 68.0 million.

In addition, migration risks for the loan portfolio, including banks and issuers, are calculated at the same confidence level. As at year-end, the risk contribution stood at € 2.8 million. As at 31 December 2020, risks from defaulted commitments totalling € 2.7 million were also calculated.

The analyses are complemented by periodic 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 rating systems specific to target client groups (specifically, retail clients, corporates, banks and real estate) 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 methods and models used in risk controlling are subjected to comprehensive validation procedures at least once a year.

The risk-controlling department and the credit back office submit comprehensive quarterly reports to the general partners and the advisory board on the risks of the loan portfolios and significant individual commitments as well as on the various limit utilisations. Timely ad hoc reports complete the reporting system. No unacceptable risks were detected at any time during the year under review.

The Bank does not use securitisation or credit 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 reduce the total risk.

Market Risks

Market risks mean potential losses due to detrimental changes in market prices or price-influencing market parameters. Depending on the relevant factors, they can be sub-divided into interest rate, currency, price and spread risks (including possible changes to valuation adjustments), as well as spot rate, forward and option risks.

The trading strategy forms the basis for managing market risks. It defines proprietary trading as a supplementary source of revenue that makes a corresponding contribution to basic profitability. Proprietary trading largely takes place on European markets and stock exchanges in euros; currency risks therefore 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 rules as well as sanction mechanisms for cases of critical limit utilisations. In particular, the sanction mechanisms proved effective during the course of the coronavirus crisis. As at year-end, the loss limits for proprietary trading (including the liquidity buffer portfolio) of € 18.1 million, were broken down by type of risk as follows:

- // 62.7 % spread risks
- // 24.9 % interest rate risks
- // 5.5 % price risks
- // 6.9 % currency risks

In addition, a loss limit for capital market transactions was set at the start of 2020, primarily as a reserve limit of € 10.0 million. With the discontinuation of equity business in 2020, the limit was reduced during the year to € 1.5 million, 50 % of which is taken into account in the risk-bearing capacity calculation. All of the aforementioned loss limits count as risk contributions in the calculation of risk-bearing capacity instead of actual values-at-risk. In the case of mostly low limit utilisation, this represents a conservative approach. Market risks in proprietary trading are managed by an internal risk management committee that meets at least once a month, supported by an asset liability committee that also meets once a month. The risk-controlling department monitors the risks managed by trading.

The Bank uses the variance-covariance approach as its main instrument for risk measurement in proprietary trading. Using this approach, the Bank calculates risks from market price changes in the form of potential losses based on historical data from the last 250 trading days. The Bankhaus Lampe Group 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 2020, these regulatory parameters resulted in a value-at-risk of € 4.1 million for all proprietary trading. Limit allocation, specification of risk parameters and risk evaluation methods are regularly checked and adjusted as necessary.

Trading results, risk estimates and limit utilisations in proprietary trading are reported every working day, broken down by risk area, and presented in the reports down to the sub-portfolio level. Additional special analyses as well as historical and hypothetical stress tests complement the reporting. The appropriateness of the risk assessment methods is regularly checked using back-testing analyses and a number of other validation measures.
In order to protect the upper loss limit and the loss limit at a confidence level of 99.9 %, the Bank has laid down immediate reductions in risk positioning in the event of critical capacity utilisation.

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 undertaken by the internal risk management committee and the asset liability 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 % with a risk horizon of one year. For fixed interest rate positions, agreed interest terms are taken into account throughout. For variable and open-ended interest rate positions that are not linked to a benchmark interest rate, mixing ratios of moving averages are specified on the basis of expert estimates. In addition, the effects of interest rate changes on the Group's profit and loss account are quantified in a supplementary periodic forecast. Implicit options and potential special repayments play a subordinate role due to short-term fixed interest rates.

Cash values, cash flow structures and key risk figures of the interest rate positions in the banking book, broken down by sub-portfolio, are reported on a monthly basis. Limit utilisations and stress test results are also reported. The earnings quality is verified using various validation mechanisms. As major fixed-interest positions in the banking book are usually hedged using counter transactions and normally very short interest terms are agreed, this type of risk is of secondary importance for the Group. As at 31 December 2020, the value-at-risk came to € 4.8 million with a loss limit of € 10.0 million.

Shareholding Risks

Shareholding risks mean potential losses that could arise from the provision of equity and mezzanine capital by the Bank to other companies, including supplemental loans and capital commitments.

The strategic goals of the Bankhaus Lampe Group for shareholdings are set out in a separate shareholding strategy. All the Bank's shareholdings are subdivided into strategic shareholdings, sponsor shareholdings and other shareholdings.

The Bank's risk controlling department monitors shareholding risks in the narrow sense. A risk officer is also appointed within the company or within the Bank for each associated company. Following voting by the credit department, 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 advisory board. Additional volume limits have been set up for various sub-portfolios, such as private equity business. The business performance of the shareholdings is monitored and analysed by the controlling unit.

As part of internal risk control, capital backing is provided for all shareholdings based on the simple risk weighting approach in accordance with the CRR using a risk contribution of 53.7 % calibrated to a confidence level of 99.9 %. For private equity positions, a reduced rate of 29.0 % is applied using the same methodology. The basis for this calculation comprises the book values of the shareholdings, mezzanine capital, granted loans and, if applicable, additional funding obligations from open capital commitments. For various fund investments, a variance-covariance approach is also used. As at 31 December 2020, this resulted in a risk contribution of € 33.2 million for the investment portfolio. Ongoing monitoring of early-warning indicators completes the risk monitoring.

In quarterly reports and ad hoc reporting, the risk controlling department and the controlling unit, together with the involvement of the credit back office, report on the individual capital components of shareholdings as well as on all important developments of the various companies with respect to performance and risk.

For the purpose of mitigating risks, Bankhaus Lampe is usually granted extensive rights to information and a say in decision making in each of the associated companies. In addition, the general partners or employees of the Bank normally sit on supervisory bodies.

Liquidity Risks

Liquidity risks include illiquidity, refinancing and market liquidity risks.

The main objective, set out in a separate liquidity strategy, is to ensure the Group's solvency at all times in a way that is focused on earnings. A regular refinancing plan aims to avoid liquidity bottlenecks. Securities and derivative transactions are mainly carried out on stock exchanges. In addition, bonds and borrowers' note loans (Schuldscheindarlehen) in the trading portfolio are selected based on their ability to be deposited with the European Central Bank, and the liquidity reserve portfolio consists exclusively of high-quality liquid assets. For the most part, liquidity maturity transformation is conducted on a very short-term basis.

The Bank's treasury department is responsible for controlling liquidity risks. The committees for internal risk management and asset liability are responsible for managing these risks, while the risk-controlling department is in charge of monitoring them.

Liquidity risks are monitored using liquidity forecasts, funding matrices, early-warning indicators and various stress tests. The scenario analysis simulates in particular the effects of enormous reputational damage, an extreme economic crisis and combined stress factors on the Group's liquidity situation. Additional statements from the treasury department complement the reporting to the general partners. The Bank does not use model-supported risk quantification.

A conservative liquidity policy and ongoing controlling reduce liquidity risks in money market trading. Market liquidity risks are restricted through limitation of the permissible markets for the individual securities portfolios and by means of strict internal requirements for counterparties and product selection. In addition, a volume-dependent capital charge is set for this type of risk in the risk-bearing capacity calculation. As at 31 December 2020, the risk contribution for proprietary trading, including the liquidity buffer portfolio, was € 6.3 million.

The Group's liquidity situation was secure at all times during the course of the coronavirus crisis. Liquidity reserves were increased at times, and these were closely managed by the treasury department. Furthermore, additional special liquidity stress tests were introduced to cover potential effects of the pandemic.

Operational Risks/Reputational 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. They also include of legal risks and information security risks, including cyber risks.

Reputational risks are considered to be direct and indirect risks of a loss of the Group's trust or reputation among its stakeholders due to negative events in connection with its business activities. In this regard, the loss of trust or reputation must have a potentially relevant impact on the Group's core business. Stakeholders include clients, counterparties, business partners, media, the general public, supervisory authorities, government institutions, employees and the Bank's general partners.

A separate strategy for operational and reputational risks forms the basis for handling these types of risks throughout the Group, with the general partners being responsible for managing them. They are controlled by designated personnel within the departments. In order to limit reputational risks, special requirements and restrictions apply to the Group's business activities. In particular, the Group has specified explicit transactions in which it is not allowed to participate knowingly, either directly or indirectly.

Law firms retained by the Bank and its legal department are responsible for legal risks. The use of standardised contracts customary in the industry is an important tool for risk minimisation. Adequate provisions have been made for current legal disputes.

The Bank takes protective measures of a technical and organisational nature in the particularly sensitive area of IT and cyber risks. It also continually refines its information security and business continuity management systems in accordance with prevailing standards. For this purpose, the Bank has appointed an information security officer, who is independent of the IT department. The outsourcing of services is controlled by the central outsourcing management of the Organisation/IT department.

The Bank does not employ model-based quantification of operational and reputational risks. Its methods of analysis include the maintenance of an internal risk and loss database (for cases of € 1,000 or more) and the regular performance of bank-wide self-assessments in connection with the annual risk inventory. The Bankhaus Lampe Group uses the basis indicator approach in accordance with the 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 to include the risks of any new or discontinued business divisions or shareholdings and then increased by a predetermined factor to cover reputational risks. As at 31 December 2020, this resulted in a risk contribution of € 23.8 million.

The Bank's general partners are promptly informed about new operational risks and reputational risks as well as any losses resulting from such risks. The information is based on quarterly reports generated from the risk and loss database, a regular presentation on changes in selected operational and reputational risks, ongoing monitoring of relevant early warning indicators, and ad hoc reporting on special cases.

Reducing operational and reputational risks is primarily achieved through the closest possible communication between the risk units and the decision-makers and through the case-by-case application of risk-mitigation measures. Regular activities to make employees more aware of risks further reduce the loss potential.

The Group responded in a timely manner to the developments and challenges of the coronavirus crisis by activating the internal crisis team and setting up a project management office and a task force. Existing contingency plans were activated and then adjusted to meet the challenges of a pandemic. Regular written information provided to managers and employees helped to manage the exceptional situation. In order to reduce the risks of infection, the Bank temporarily expanded mobile working and implemented coronavirus protection measures.

Strategic Risks

Strategic risks mean the risk of material budget shortfalls due to inappropriate strategic goals, inadequate strategy implementation or the lack of countermeasures to address changes in the market environment that reduce earnings or increase costs (e.g. client behaviour or technical progress).

The annual updating of the strategy for the Bank as a whole as part of the strategy and planning process forms the basis for the management of strategic risks by the general partners. To assist them with strategic management, the decision-makers draw on the monthly income statement and on analyses of the earnings structure that are prepared where warranted by events.

2.
Consolidated Financial Statements for 2020

Consolidated Balance Sheet of Bankhaus Lampe KG

as at 31 December 2020

Assets

in €				2020	2019
					in € thousands
Cash reserves					
a) Cash on hand			10,689.27		16
b) Balances with central banks			719,680,894.70		315,123
thereof: at the Deutsche Bundesbank	719,680,894.70			719,691,583.97	(315,123)
Loans and advances to banks					
a) Due on demand			185,372,488.56		160,289
b) Other claims			43,153,268.96	228,525,757.52	65,131
Loans and advances to clients				1,742,661,995.91	1,682,572
thereof: secured by liens on real property	12,178,807.65				(14,910)
thereof: loans to municipalities	0.00				(21)
Debentures and other fixed-income securities					
a) Bonds and debentures					
aa) From public issuers		5,597,632.74			25,011
thereof: eligible as collateral for Deutsche Bundesbank advances	5,597,632.74				(25,011)
ab) From other issuers		61,474,695.80	67,072,328.54		259,363
thereof: eligible as collateral for Deutsche Bundesbank advances	61,474,695.80			67,072,328.54	(259,363)
Equities and other variable-yield securities				1,299.47	1
Trading portfolio				993,864,946.84	716,528
Shareholdings[1)]				18,505,736.21	19,477
thereof: banks	8,327,136.50				(8,227)
thereof: in financial services institutions	6,022,514.72				(6,023)
Shareholdings in affiliated companies[1)]				16,118,089.37	18,023
thereof: banks	0.00				(0)
thereof: in financial services institutions	0.00				(0)
Fiduciary assets				11,700,816.76	11,751
thereof: fiduciary loans	11,700,816.76				(11,751)
Intangible assets				3,875,778.80	1,885
Property, plant and equipment				7,182,472.22	9,409
Other assets				18,768,365.16	25,044
Prepaid expenses				26,417,465.13	21,031
Deferred tax assets				4,321,118.00	0
Total assets				3,858,707,753.90	3,330,654

Liabilities

in €				2020	2019
					in € thousands
Liabilities to banks					
a) Due on demand			11,965,093.71		18,703
b) Subject to an agreed term or period of notice			128,840,045.25	140,805,138.96	129,111
Liabilities to clients					
a) Other liabilities					
aa) Due on demand		1,588,860,748.89			1,441,521
ab) Subject to an agreed term or period of notice		1,452,912,919.50	3,041,773,668.39	3,041,773,668.39	1,149,692
Trading portfolio				149,861,377.21	79,986
Fiduciary liabilities				11,700,816.76	11,751
thereof: fiduciary loans	11,700,816.76				(11,751)
Other liabilities				59,927,696.38	42,672
Deferred income				25,601,225.43	18,911
Provisions					
a) Provisions for pensions and similar obligations			9,837,910.00		9,816
b) Tax provisions			138,950.00		533
c) Other provisions			27,929,974.58	37,906,834.58	30,364
Profit participation capital				0.00	10,000
thereof: due within two years	0.00				(10,000)
Fund for general banking risks				57,700,000.00	57,700
thereof: special item per Section 340e HGB	5,000,000.00				(5,000)
Equity					
a) Subscribed capital			70,000,000.00		70,000
b) Capital reserve			205,500,000.00		205,500
c) Other retained earnings			39,671,861.42		39,672
d) Adjustments for minority interests			66,180.85		800
e) Consolidated net income			18,192,953.92	333,430,996.19	13,922
Total liabilities				**3,858,707,753.90**	**3,330,654**
Contingent liabilities					
a) Liabilities arising from guarantees and warranty agreements				53,633,232.25	70,083
Other liabilities					
a) Irrevocable lending commitments				94,228,752.06	85,696

Consolidated Profit and Loss Account of Bankhaus Lampe KG

for the period from 1 January and to 31 December 2020

in €			2020	2019
				in € thousands
Interest income from				
Credit and money market transactions	40,249,677.60			39,480
Fixed-income securities and debt register claims	635,967.32	40,885,644.92		749
Interest expenses		-2,133,825.23	38,751,819.69	-4,561
Current income from				
a) a) Equities and other fixed-income securities		0.00		0
b) Shareholdings[1)]		772,928.50		931
c) Shares in affiliated companies[1)]		2,108,427.18	2,881,355.68	785
Commission income		74,074,786.67		95,640
Commission expenses		-8,760,557.46	65,314,229.21	-12,841
Net income from the trading portfolio			6,460,399.63	2,228
thereof: allocation per Section 340e (4) HGB	0.00			(300)
Other operating income			17,847,948.88	28,853
General administrative expenses				
a) Personnel expenses				
aa) Wages and salaries	-65,241,793.37			-67,699
ab) ab) Social security contributions and expenses for pensions and related benefits	-9,636,006.98	-74,877,800.35		-10,326
thereof for pensions: -1,909,034.86				(-2,462)
b) Other administrative expenses		-51,491,469.62	-126,369,269.97	-58,524
Write-downs and impairment allowances on intangible assets and property, plant and equipment			-2,853,157.97	-2,398
Other operating expenses			-11,143,798.85	-1,929
Income from write-ups on accounts receivable and certain securities and from the release of provisions in lending		1,071,905.99	1,071,905.99	404
Income from write-ups on shareholdings, interests associated companies and securities treated as fixed assets		6,051,574.45	6,051,574.45	1,953
Earnings from ordinary business activities			**-1,986,993.26**	**12,744**

1) Previous year adjusted by € 473 thousand

in €			2020	2019
Income taxes		6,509,293.09		1,932
thereof: from the change in recognised deferred taxes: 4,321,118.00				(0)
Other taxes not shown under "Other operating expenses"		-205,768.64	6,303,524.45	-120
Consolidated net profit for the year			4,316,531.19	14,555
thereof: profit due to other partners			-45,601.15	-633
Profit carried forward from previous year			13,922,023.88	0
Consolidated net income			**18,192,953.92**	**13,922**

3.
Notes to Consolidated Financial Statements

Notes to the Consolidated Financial Statements General Disclosures

Basic Accounting Principles

Bankhaus Lampe KG is headquartered in Bielefeld and registered under commercial register number HRA 12924 at the District Court of Bielefeld.

The consolidated financial statements of Bankhaus Lampe KG for the financial year from 1 January 2020 to 31 December 2020 were prepared in accordance with the provisions of the German Commercial Code (HGB) in conjunction with the Regulation on Accounting by Credit Institutions and Financial Services Institutions (RechKredV). The profit and loss account for the year under review was prepared using the vertical presentation format.

In accordance with Section 264 (3) HGB, these consolidated financial statements exempt companies identified on the list of interests pursuant to Section 313 HGB (published in the electronic Bundesanzeiger [German Federal Gazette]) from the obligation to prepare annual financial statements.

The consolidated financial statements comprise the consolidated balance sheet, the consolidated profit and loss account, the notes, the statement of cash flows and the statement of changes in equity. Furthermore, in accordance with Section 315 HGB, a Group management report was prepared.

Scope of Consolidation

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

Company	Equity in € thousands	Share of capital
BTF Beteiligungs- und Treuhandgesellschaft mbH, Dusseldorf (a profit-and-loss transfer agreement exists with Bankhaus Lampe KG)	77	100 %
DALE Investment Advisors GmbH, Vienna	1,324	95 %
Kapital 1852 Beratungs GmbH, Dusseldorf	197	100 %
Lampe Alternative Investments GmbH, Dusseldorf (a profit-and-loss transfer agreement exists with Bankhaus Lampe KG)	2,440	100 %
Lampe Asset Management GmbH, Dusseldorf (a profit-and-loss transfer agreement exists with Bankhaus Lampe KG)	4,900	100 %
Lampe Beteiligungsgesellschaft mbH, Dusseldorf (a profit-and-loss transfer agreement exists with Bankhaus Lampe KG)	1,100	100 %
Lampe Private Advisory GmbH, Dusseldorf (a profit-and-loss transfer agreement exists with Bankhaus Lampe KG)	25	100 %
TETRARCH Aktiengesellschaft, Dusseldorf (a profit-and-loss transfer agreement exists with Bankhaus Lampe KG)	50	100 %

By way of a purchase agreement dated 10 February 2020, 95 % of the shares held by Lampe Alternative Investments GmbH in BDH Biodiesel Hamburg GmbH were sold. BDH Biodiesel Hamburg GmbH and its subsidiary TWG Tanklager Wilhelmsburg GmbH were thus eliminated from the scope of consolidation.

Other Group companies are not included, as they are of minor significance for net assets, financial position and financial performance pursuant to Section 296 (2) HGB or are intended for resale pursuant to Section 296 (1) No. 3 HGB. One company and its subsidiary were excluded from the consolidated financial statements in accordance with Section 296 (1) No. 1 HGB.

Shares in subsidiaries that did not have to be included are recognised at amortised cost under "Shares in affiliated companies".

Consolidation Principles

The capital consolidation of subsidiaries acquired before 31 December 2009 was undertaken by exercising the option under the German Accounting Law Modernisation Act (BilMoG) to continue using the book value method. The acquisition costs of an affiliated company were offset against the Group's share of equity at the time of acquisition or initial consolidation. For subsidiaries acquired after 1 January 2010, capital consolidation is undertaken using the revaluation method. The acquisition costs of an affiliated company are offset against the Group's share in equity at the time at which the company became a subsidiary. The subsidiary's equity is recognised in the amount that corresponds to the present value of the 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 (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 amortised over the expected useful life according to schedule. There were no material changes in the year under review. The difference was amortised according to schedule.

Intragroup 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 minor significance for the presentation of a true and fair view of the Group's net assets, financial position and financial performance are not eliminated.

Group Accounting Policies

The annual financial statements of Bankhaus Lampe KG and the domestic and foreign subsidiaries included in the consolidated financial statements are prepared in accordance with uniform accounting and valuation principles.

As a general rule, the accounting policies remained unchanged from the previous year.

The accounting policies experienced one change with respect to the recognition of income and expenses from transactions involving OTC interest rate derivatives, which are used to manage interest rates in the liquidity reserve and are not listed in recognised hedges with the securities in the liquidity reserve. In the profit and loss account, all expenses from transactions involving OTC interest rate derivatives are now recognised under "Other operating income/expense". In the previous year, income from the liquidation of these OTC interest rate derivatives and the measurement in the amount of € 0.1 million was recognised under "Write-ups on accounts receivable and certain securities" and under "Release of provisions in lending business". In the year under review, expenses from the liquidation of these OTC interest rate derivatives in the amount of € 1.1 million and the net measurement gain on these OTC interest rate derivatives of € 1.8 million were recognised under "Other operating expenses". In the previous year, the negative market values from these OTC derivatives in the amount of € 0.3 million were recognised in the balance sheet under "Other liabilities". In the year under review, they were recognised in the amount of € 2.1 million under "Other provisions".

As a rule, loans and advances to banks and clients are recognised at their nominal amount or at their acquisition cost. All identifiable credit and country risks were taken into account by creating provisions for individual impairment losses.

Latent credit risk is accounted for by provisions for collective impairments losses, which are created in accordance with commercial law principles. Furthermore, there is a provision for general banking risks pursuant to Section 340f HGB. The option was exercised to offset expenses against income when recognising risk provisions in the profit and loss account.

Micro-hedges are created for the purpose of hedging own issues, select client transactions and the corresponding hedging derivatives. The objective of micro-hedges is to hedge interest rate fluctuations relating to assets and liabilities with derivatives that have matching values, currencies and maturities.

The hedges are created in accordance with the requirements of Section 254 HGB and in compliance with the reporting principles for financial derivatives (IDW RS HFA 35). The hedges end when the hedged item or the hedging instrument expires or was sold or exercised or when the requirements for the creation of hedges are no longer met.

These hedges are accounted for in accordance with the net hedge presentation method. Under this method, offsetting value changes resulting from the hedged risk (effective part) are not recognised. If the hedge results in an unrealised gain, it is not taken into account. However, if the ineffective part of the value changes from the hedged item and the hedging instrument results in a loss, a corresponding provision is created.

Prospectively and retrospectively assessing the hedge's effectiveness is accomplished by way of comparing the contract terms (critical term match method), as the terms for the hedged item and the hedging instrument work in precisely the opposite direction.

As at the balance sheet date, derivatives with a positive market value after netting of € 140.6 million were hedged as hedged items. The derivatives used as hedging instruments had a negative market value after netting of € 140.2 million.

There were no hedges for transactions expected with high probability.

Risks from the satisfaction of unsecured OTC derivatives were taken into account through valuation adjustments. They were calculated using a Monte Carlo simulation of future market values in compliance with existing netting agreements. A credit valuation adjustment is applied for expected credit losses due to outside credit risks, and a debit valuation adjustment for own credit risk. In both cases, probabilities of default are derived on the basis of credit spreads. In addition, in-house financing terms are taken into account with a funding valuation adjustment. In the year under review, a provision in the amount of € 4.2 million was created for the risks from the satisfaction of unsecured OTC derivatives.

Securities in the liquidity reserve, which are recognised under "Debentures and other fixed-income securities", are measured at an exchange price or market price on the reporting date, whichever is lower, in accordance with the strict lower-of-cost-or-market principle pursuant to Section 340e (1) sentence 2 HGB in conjunction with Section 253 (4) HGB. Securities that are treated as fixed assets (financial assets portfolio) are measured at amortised cost using the diluted lower-of-cost-or-market principle. As at the balance sheet date, the portfolio did not contain any securities treated as fixed asset. An investment portfolio that existed until November 2020 generated sales gains on securities in the amount of € 9.4 million and losses on the derivatives allocated to the securities in the amount of € 5.2 million, which were recognised under "Write-up and write-downs on securities treated as fixed assets".

Financial instruments in the trading portfolio are measured at fair value less a risk premium. Fair value is the amount at which an asset could be exchanged 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. If exchange prices or market prices do not exist or cannot be reliably determined, the fair values are determined on the basis of standard market price models or discounted cash flows.

The trading portfolio comprises all financial instruments that are purchased or sold with the intent of gaining a short-term proprietary trading profit. The criteria for the inclusion of financial instruments in the trading portfolio did not change during the financial year. Liabilities that are entered into with the intent of repurchasing them in the short term for the purpose of making a trading profit are recognised as trading liabilities.

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 in accordance with the variance-covariance method pursuant to Article 365 of the CRR. 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 2020, the risk premium came to € 4,131 thousand.

Shareholdings and non-consolidated shares in affiliated companies are recognised in the balance sheet at amortised acquisition costs pursuant to the regulations applying to fixed assets or, if held for sale, according to the regulations applying to current assets. In the case of anticipated permanent impairment, unscheduled write-downs are carried out. If the reasons that led to a write-down no longer exist, a write-up is carried out up to a maximum of the acquisition costs. The offsetting of expenses and income permitted under commercial law is exercised.

Repurchase agreements are recognised in accordance with the applicable principles of Section 340b HGB. Securities lent in connection with securities lending transactions continue to be accounted for, whereas borrowed securities are not recognised. The carrying amount of the assets transferred under sale and repurchase agreements amounted to € 105.4 million.

Property, plant and equipment, as well as purchased intangible assets, are recognised at their respective acquisition costs, reduced by scheduled depreciation/amortisation. In the case of anticipated permanent impairment, unscheduled write-downs are carried out. With regard to useful lives and depreciation/amortisation rates, the Bank relies on tax-based depreciation/amortisation tables. Analogous to applicable tax regulations, certain fixed assets are treated as low-value assets for reasons of simplicity.

Deferred taxes are determined for time differences between the recognised values of assets, liabilities, and prepaid and deferred items under commercial law and und tax law. At Bankhaus Lampe KG, this includes not only the differences from its own balance sheet items but also those existing at subsidiaries in which Bankhaus Lampe KG maintains an interest. In addition to the booking differences related to time, the Bank takes into consideration tax loss carryforwards. Due to Bankhaus Lampe KG's legal form, deferred taxes are calculated on the basis of an income tax rate of 15.72 %, which merely comprises trade tax. An overall tax burden resulting from this would be recognised in the balance sheet as a deferred tax liability. In the event of tax relief, there is an option to capitalise pursuant to Section 274 (1) sentence 2 HGB.

As at 31 December 2020, the Bank made use of its capitalisation option for the first time in order to present a better overview of its net assets, financial position and financial performance. Deferred tax assets from existing loss carryforwards were not created. In the financial year, this accordingly resulted in income of € 4.3 million from temporary differences due to the first-time capitalisation of deferred taxes. The temporary differences were mainly attributable to loans and advances to clients, pension provisions and other provisions.

Accrued and deferred items are created pursuant to Section 250 HGB. These items are released in accordance with the income or expenses for the accounting period.

Other assets are recognised at their acquisition cost or fair value.

Liabilities are recognised in the amount needed to satisfy them.

Provisions for pensions and similar obligations are calculated on the basis of biometric probabilities (guideline tables Heubeck 2018G) according to the entry age actuarial cost method. The recognised pension provisions include firm commitments. Pension increases are currently accounted for with an annual adjustment rate of 1.3 %. Wage and salary increases and fluctuations were not taken into account. The discount rate applied to the pension obligations was 2.32 %. The Bank utilises the option of using the average market interest rate for an assumed maturity of 15 years, which is determined and published by the Deutsche Bundesbank. The difference within the meaning of Section 253 (6) sentence 3 HGB amounted to € 633 thousand. The discount interest rate used is based on the Bundesbank projection published on 31 October 2020.

In order to fulfil the obligations from deferred employee compensation, corresponding financial resources have been invested in funds or reinsurance policies. The funds are managed for Bankhaus Lampe KG on a fiduciary basis, and other creditors have no access to them. The reinsurance policies are pledged to the respective employees. The measurement is performed based on a fair value of € 2,901 thousand; this value is offset against the respective underlying liabilities, which amounted to € 3,399 thousand. The liability surplus of € 498 thousand is recognised under provisions. The acquisition costs amount to € 546 thousand. The offset interest expense from the liability amounted to € 40 thousand, and the offset income from the cover assets amounted to € 15 thousand.

Provisions for taxes and other provisions take into account of all discernible risks and uncertain liabilities. They are measured in the respective amount needed to satisfy them, i.e. the amount that, in accordance with reasonable commercial assessment, is required to cover future payment obligations. Future price and cost increases are taken into account to the extent that there is sufficient objective evidence for their occurrence. Provisions with a residual term of more than one year are discounted at the market interest rate corresponding to their residual term.

For non-banking items, the effects of compounding in subsequent periods and of changes in interest rates are recognised under "Other operating expenses" (€ 692 thousand). The change in the discounting effect on provisions relating to banking items is recognised under "Interest income" (€ 6 thousand).

The item "Fund for general banking risks" was created in accordance with the arrangements in Section 340g HGB. The equity items are recognised in the balance sheet at nominal value (Section 272 (1) HGB).

As part of loss-free measurement, provisions for impending losses are to be created in the banking book for any possible excess liability arising from transactions with interest-rate-based financial instruments. The banking book includes all asset and liability items that were not allocated to the trading book or recognised under equity or equity-like items and that are used to manage the banking book. In calculating possible excess liability, both asset and liability amount or maturity congruences were closed through fictitious forward transactions. The banking book was measured from a present-value perspective, which compares the carrying amount of the banking book's interest-bearing transactions with interest rate-induced present values. The need to take into account any risk costs and administrative costs that are expected to be incurred is carried out as a discount on the gross present value of the banking book. The audit did not identify a need to create 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 been settled on the balance sheet date are measured based on the forward rate prevailing on the balance sheet date.

Balance sheet items and open transactions denominated in foreign currencies outside of the trading portfolio are measures in accordance with the applicable principles of Section 340h in conjunction with Section 256a HGB if special cover is available. If the requirements for special cover are not met, currencies are translated in accordance with the rules applicable to all merchants (Section 256a HGB). If the residual term is one year or less, unrealised profits from currency translation are recognised as income. If the residual term is more than one year, the general valuation rules apply.

In accordance with IDW RS BFA 4, the existence of special cover within the meaning of Section 340h HGB may be regarded as given if the currency risk is managed via a currency position and the individual items are transferred to a currency position. Transactions outside of the trading portfolio are managed holistically for each currency.

In the profit and loss account, income from currency translation outside the trading portfolio, insofar as it concerns special cover within the meaning of Section 340h HGB, and income from liquidity management are netted and recognised the items "Other operating income" or "Other operating expenses".

Financial instruments in the trading portfolio that are denominated in foreign currency are measured at fair value and translated at the mean spot exchange rate on the balance sheet date pursuant to Section 340c in conjunction with 340e (3) HGB. Accordingly, all income and expenses arising from currency translation are recognised in the profit and loss account as trading portfolio net income or net expenses.

In accordance with Section 340c (2) HGB, expenses from write-downs on shareholdings, shares in affiliated companies and securities treated as fixed assets are offset against the income from write-ups on such assets.

Report on Events After the Balance Sheet Date

Since 1 January 2021, no events of special significance have occurred that can be expected to have a material influence on the Bank's net assets, financial position and financial performance.

Notes Concerning the Consolidated Balance Sheet

Breakdown of Receivables by Residual Term

in € thousands	31.12.2020	31.12.2019
Loans and advances to banks with an agreed term or notice period		
up to 3 months	23,153	48,301
more than 3 months and up to 1 year	20,000	16,830
more than 1 year and up to 5 years	0	0
more than 5 years	0	0
Loans and advances to clients		
up to 3 months	486,213	525,698
more than 3 months and up to 1 year	155,092	128,445
more than 1 year and up to 5 years	84,990	158,934
more than 5 years	0	0
indeterminate term	1,016,367	869,495 [1]

1) Previous year's figure adjusted

in € thousands	31.12.2020	31.12.2019
Debentures and other fixed-income securities		
maturing in the next year	16,607	196,400

Breakdown of Liabilities by Residual Term

in € thousands	31.12.2020	31.12.2019
Liabilities to banks with an agreed term or notice period		
up to 3 months	62,735	36,891
more than 3 months and up to 1 year	63,000	74,156
more than 1 year and up to 5 years	3,105	17,958
more than 5 years	0	106
Liabilities to clients with an agreed term or notice period		
up to 3 months	521,754	478,223
more than 3 months and up to 1 year	404,329	209,539
more than 1 year and up to 5 years	63,100	227,987
more than 5 years	463,730	233,943

Relationships with Affiliated Companies

in € thousands	Affiliated companies 31.12.2020	Affiliated companies 31.12.2019	Shareholdings 31.12.2020	Shareholdings 31.12.2019
Loans and advances to banks	0	0	171	0
Loans and advances to clients	7,703	4,912	484	989 [1]
Liabilities to clients	3,291	3,640	6,034	6,509

1) Previous year's figure adjusted

As a rule, transactions with related parties are carried out at customary market terms. No material transactions at non-standard market terms took place that would have to be reported pursuant to Section 314 (1) No. 13 HGB.

Marketable Securities

The following table itemises the marketable securities included in the balance sheet positions.

in € thousands	exchange listed 31.12.2020	exchange listed 31.12.2019	not exchange listed 31.12.2020	not exchange listed 31.12.2019
Debentures and other fixed-income securities	67,072	284,374	0	0
Equities and other variable-yield securities	0	1	0	0

Trading Portfolio

Trading portfolio (assets) in € thousand	31.12.2020	31.12.2019
Derivative financial instruments	12,699	10,456
Debentures and other fixed-income securities	972,098	699,804
Equities and other variable-yield securities	13,199	9,985
Risk premium	-4,131	-3,716

Trading portfolio (liabilities) in € thousand	31.12.2020	31.12.2019
Derivative financial instruments	149,861	79,986

Statement of Changes in Fixed Assets

Balance sheet item in € thousands	Historical acquisition costs	Additions	Disposals	Write-ups (cumulative)	Write-downs (cumulative)	Carrying amount 2020	Carrying amount 2019	Depreciation/ Amortisation 2020
Debentures and other fixed-income securities	0	432,064	432,064	0	0	0	0	0
Shareholdings	19,761	101	1,031	0	326	18,506	19,477	41
Shares in affiliated companies	18,388	1,138	3,265	222	365	16,118	18,023	0
Intangible assets	14,374	3,461	46	0	13,913	3,876	1,885	1,461
Property, plant and equipment	23,495	5,541	11,725	150	10,279	7,182	9,409	1,392

Depreciation/amortisation in € thousands	01.01.2020	Additions	Disposals	31.12.2020
Shareholdings	285	41	0	326
Shares in affiliated companies	365[1]	0	0	365
Intangible assets	12,489	1,461	38	13,913
Property, plant and equipment	14,086	1,392	5,199	10,128

1) Previous year's figure adjusted

Intangible assets comprise concessions acquired against payment in the amount of € 0.4 million (previous year: € 0.6 million) and goodwill in the amount of € 3.1 million (previous year: € 0.8 million), which is amortised over five years, as well as advance payments on intangible assets in the amount of € 0.3 million.

Property, plant and equipment includes operational and office equipment in the amount of € 7.2 million (previous year € 2.3 million). Property, plant and equipment does not include land and buildings (previous year: € 2.1 million), technical equipment and machinery (previous year: € 4.0 million), operational or advance payments for facilities under construction (previous year: € 1.0 million). Land and buildings recognised in the previous year were not used as part of the Bank's own activities.

Fiduciary Transactions

The assets and liabilities shown in the balance sheet under "Fiduciary assets" and "Fiduciary liabilities" can be broken down as follows:

Fiduciary assets in € thousands	31.12.2020	31.12.2019
Loans and advances to clients	33	36
Loans and advances to banks	11,668	11,715
Total	11,701	11,751

Fiduciary liabilities in € thousands	31.12.2020	31.12.2019
Liabilities to clients	33	36
Liabilities to banks	11,668	11,715
Total	11,701	11,751

Subordinated Assets

in € thousands	31.12.2020	31.12.2019
Loans and advances to banks	228,526	225,420
thereof: subordinated	0	0
Loans and advances to clients	1,742,662	1,682,572
thereof: subordinated	0	0
Debentures and other fixed-income securities	67,072	284,374
thereof: subordinated	0	0
Shareholdings	18,506	19,477
thereof: subordinated	0	0

Other Assets

Other assets in the amount of € 18,768 thousand (previous year: € 25,044 thousand) mainly include capitalised option premiums in the amount of € 5,824 thousand, reinsurance claims in the amount of € 4,159 thousand, trade receivables in the amount of € 4,013 thousand and receivables from the tax office for value-added tax in the amount of € 2,674 thousand.

Foreign Currency

Total assets denominated in foreign currency as at the balance sheet date amounted to € 71,512 thousand (previous year: € 143,905 thousand). Liabilities denominated in foreign currency amounted to € 407,158 thousand at the balance sheet date (previous year: € 300,767 thousand).

Subordinated Liabilities

There were no subordinated liabilities as at the balance sheet date.

Other Liabilities

Other liabilities in the amount of € 59,928 thousand (previous year: € 42,672 thousand) mainly include liabilities from variation margins in the amount of € 31,389 thousand, maturing profit participation certificates, including accruals, in the amount of € 10,770 thousand, option premiums in the amount of € 6,580 and liabilities to the tax office for capital gains taxes and wages taxes in the amount of € 4,429 thousand.

Off-balance Sheet Transactions

Contingent liabilities

Bankhaus Lampe KG regularly provides loan guarantees, other guarantees and letters of credit in the ordinary course of business. In connection with these agreements, it is necessary for Bankhaus Lampe KG to make payments to the beneficiary if another party does not fulfil its obligations or perform in accordance with the contract. The table below lists all potential payments from loan guarantees, other guarantees and letters of credit after taking account of any existing cash collateral (€ 22,010 thousand).

in € thousand	31.12.2020	31.12.2019[1]
Loan guarantees	250	1,790
Other guarantees and warranties	41,388	38,710
Letters of credit	11,995	29,583

1) Previous year's figures adjusted

The amounts stated above do not reflect the cash flows expected from these agreements in future since many of them expire without a claim. In some cases, provision of collateral is demanded in order to reduce the credit risk of these obligations. Cash collateral received for contingent liabilities is recognised in the balance sheet as a liability. In past financial years, the number of claims under warranties was of minor significance. The probability of a potential claim is therefore considered to be very low. If a full or partial claim is expected in the event of a deterioration in the borrower's credit worthiness, provisions are created. Provisions for contingent liabilities totalled € 22 thousand as at 31 December 2020.

Irrevocable lending commitments

Bankhaus Lampe KG makes irrevocable lending commitments in order to meet its clients' financing requirements. Irrevocable lending commitments include the proportion of granted commitments that were not drawn down and that cannot be revoked by Bankhaus Lampe KG. These lending commitments are shown at their nominal value after taking cash collateral into account. The amounts listed below in the balance sheet do not represent expected future cash flows since many of these agreements will expire without the loan being drawn down. Irrevocable lending commitments are not recognised in the balance sheet yet are taken into consideration in the monitoring of credit risks. The probability of a potential claim is considered to be very low. As at the balance sheet date, irrevocable lending commitments amounted to € 94.2 million.

Other financial obligations

As at the balance sheet date, the annual financial obligations resulting from tenancy agreements, service contracts and other licence agreements amounted to € 89.0 million, with residual terms of up to five years.

The irrevocable payment obligation in the amount of € 860 thousand owed to the Compensation Scheme of German Private Banks (Entschädigungseinrichtung deutscher Banken GmbH, Berlin) as part of the annual contribution to statutory deposit insurance was secured in cash.

Aside from direct pension obligations, the Bank has made indirect commitments, which are executed by Unterstützungskasse GmbH der Bankhaus Lampe KG. As at 31 December 2020, the Bank registered a deficit of € 18.6 million that was not covered by provisions created in accordance with Article 28 (1) sentence 1 of the German Introductory Act to the Commercial Code (EGHGB).

Notes Concerning the Profit and Loss Account

Results listed in the profit and loss account from interest income, current income from equities and other variable-yield securities, shareholdings and shares in affiliated companies, commission income, trading portfolio net income and other operating income are essentially of domestic origin.

Due to the persistent phase of low interest rates, the interest yield was atypical (negative interest). Bankhaus Lampe KG therefore recognises negative interest from receivables atypically as interest income from credit and money market transactions (€ 1,279 thousand) and fixed-income securities and debt register claims (€ 131 thousand) and negative interest from liabilities atypically as interest expenses (€ 3,138 thousand).

Other Operating Income

Other operating income in the amount of € 17,848 thousand mainly includes gains realised on standalone EUREX derivatives (€ 3,661 thousand), releases of other provisions (€ 3,305 thousand), sales proceeds and deconsolidation effect from the disposal of shareholdings (€ 3,889 thousand), net income from currency translation (€ 2,331 thousand), and a VAT refund (€ 2,207 thousand).

Other Operating Expenses

Other operating expenses in the amount of € 11,144 thousand mainly include expenses in connection with standalone derivatives (€ 5,194 thousand), the addition to a provision for valuation adjustments (€ 3,978 thousand), effects from the compounding of pension provisions (€ 692 thousand) and fees for derivatives in the investment portfolio (€ 642 thousand).

Income Taxes

Income taxes in the amount of € 6,509 thousand include aperiodic income in the amount of € 2,589 thousand from a trade tax refund and income from the recognition of deferred tax assets in the amount of € 4,321 thousand.

Bankhaus Lampe KG as parent company intends to carry forward the net profit for the year of € 3.8 million.

Other Information

List of Shareholdings

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

	Share in the capital of the company %	Equity of the company in € thousands	Result for the financial year in € thousands
BHL Equity Invest I Verwaltungs GmbH, Dusseldorf [10) 12)]	100.00	49	6
BTF Beteiligungs- und Treuhandgesellschaft mbH, Dusseldorf [1) 2)]	100.00	77	0
Competo Development Fonds No. 3 GmbH & Co. KG, Munich [5) 13)]	100.00	10,717	1,508
Competo Development Fonds No. 3 Verwaltungs GmbH, Munich [5) 13) 17)]	100.00	25	0
DALE Investment Advisors GmbH, Vienna	95.00	1,324	912
Equity Invest Management II GmbH, Dusseldorf [10) 12)]	100.00	47	6
Kapital 1852 Beratungs GmbH, Dusseldorf	100.00	197	-4
Kapital 1852 General Partner S.a.r.l., Luxembourg [10) 12) 17)]	100.00	112	0
Kapital 1852 SCS SICAV-SIF – Equity Invest III "Digital Growth", Luxembourg [14) 16) 18)]	23.00	51,835 [9)]	0
Kapital 1852 SCS SICAV-SIF – Equity Invest IV "MidCapPlus", Luxembourg [14) 16) 18)]	23.00	42,700	0
Lampe Alternative Investments GmbH, Dusseldorf [1) 2)]	100.00	2,440	0
Lampe Asset Management GmbH, Dusseldorf [1) 2)]	100.00	4,900	0
Lampe Beteiligungsgesellschaft mbH, Dusseldorf [1) 2)]	100.00	1,100	0
Lampe Capital Finance GmbH, Dusseldorf [12)]	94.00	419	42
Lampe Capital North America LLC, New York [7) 14) 17)]	100.00	4,464 [9)]	100 [9)]
Lampe Capital UK Limited, London [7) 14) 17)]	100.00	382 [3)]	51 [3)]
Lampe Investment Management GmbH, Dusseldorf [5) 14)]	100.00	857	104
Lampe Mezzanine Fonds I GmbH & Co. KG, Dusseldorf [5) 14)]	13.30	17,212	2,415
Lampe Mittelstands Management GmbH, Dusseldorf [10) 12)]	100.00	25	0
Lampe Private Advisory GmbH, Dusseldorf [2) 6) 8)]	100.00	25	0
Lampe Privatinvest Management GmbH, Hamburg [5) 14) 17)]	100.00	82	72
Lampe Privatinvest Verwaltung GmbH, Hamburg [11) 14) 17)]	100.00	54	7
Lampe Verwaltungs-GmbH, Dusseldorf [14)]	100.00	5,256	-11
LBG Ventures GmbH, Dusseldorf [4) 14)]	100.00	98	-28
LD Beteiligung GmbH, Dusseldorf [4) 14)]	100.00	39	2

	Share in the capital of the company %	Equity of the company in € thousands	Result for the financial year in € thousands
LD Zweite Beteiligung GmbH, Dusseldorf [4) 14)]	100.00	53	-47
LPM ETW Invest Verwaltungs GmbH, Dusseldorf [11) 14) 17)]	20.00	25	0
SEW Beteiligungs Verwaltungs GmbH, Hagen [4) 14)]	51.00	29	-3
TETRARCH Aktiengesellschaft, Dusseldorf [1) 2)]	100.00	50	0
Unterstützungskasse GmbH der Bankhaus Lampe KG, Bielefeld [14) 17)]	100.00	26	0
Vilmaris Private Investors Verwaltungs GmbH, Hamburg [5) 14) 17)]	100.00	28	-3
Vilmaris Private Investors GmbH & Co. KG, Hamburg [14) 15) 17)]	74.0	251	-954

1) A profit-and-loss transfer agreement exists with Bankhaus Lampe KG
2) Exemption pursuant to Section 264 (3) HGB
3) Amount in GBP
4) Indirectly via Lampe Beteiligungsgesellschaft mbH
5) Indirectly via Lampe Alternative Investments GmbH
6) A profit-and-loss transfer agreement exists with BTF Beteiligungs- und Treuhandgesellschaft mbH
7) Indirectly via Lampe Verwaltungs-GmbH
8) Indirectly via BTF Beteiligungs- und Treuhandgesellschaft mbH
9) Amount in USD
10) Indirectly via Lampe Capital Finance GmbH
11) Indirectly via Lampe Privatinvest Management GmbH
12) Not consolidated pursuant to Section 296 (1) No. 1 HGB
13) Not consolidated pursuant to Section 296 (1) No. 3 HGB
14) Not consolidated pursuant to Section 296 (2) HGB
15) Indirectly via TETRARCH Aktiengesellschaft
16) Indirectly via LD Zweite Beteiligung GmbH
17) Previous year’s value
18) Fund volume

Seats on Statutory Supervisory Bodies

Name	Company	Function
Klemens Breuer	DALE Investment Advisors GmbH, Vienna	Advisory Board
Markus Bolder	akf bank GmbH & Co. KG, Wuppertal	Advisory Board
	CredaRate Solutions GmbH, Cologne	Advisory Board
Ute Gerbaulet	NRW.Bank, Dusseldorf	Board of Directors
	RWE AG, Essen	Supervisory Board

Fees for the Auditor

The fees for the auditor is composed of the following:

in € thousands	31.12.2020	31.12.2019
Auditing services	771	590
Other assurance services	255	181
Miscellaneous services	34	24
Total	1,060	795

The fees for the financial year are shown excluding value-added tax in conformity with the requirements of IDW RS HFA 36 "Disclosure in the notes" pursuant to Sections 285 No. 17 and 314 No 9. HGB concerning the auditor's fees. The audit services include the fees for the audit of the annual financial statements and the consolidated financial statements of Bankhaus Lampe KG and for the audit of the separate financial statements and the Group reporting packages of consolidated subsidiaries, of which € 25 thousand is attributable to previous years. The expenses for other assurance services relate to € 250 thousand in expenses for the audit of custody accounts under the German Securities Trading Act (WpHG), of which € 66 thousand is attributable to previous years. The miscellaneous services mainly relate to € 22 thousand in consulting expenses in connection with an audit evaluation and € 12 thousand for an IFRS workshop.

Forward Transactions

Forward transactions that were not yet settled 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 transactions and option contracts on interest rates and interest rate indices
- Exchange rate-related transactions
  Forward exchange transactions, currency swaps, option transactions and option contracts on foreign exchange rates, and forward exchange contracts
- Other transactions
  Equity forward transactions, index forward contracts, option transactions and option contracts on equities and equity indices

The above transactions were concluded for the most part to cover fluctuations in interest and exchange rates, as well as market prices for trading transactions.

31.12.2020 in € millions	Nominal amount	Positive market values	Negative market values
OTC products			
Interest rate-based transactions	8,883	258	397
Exchange rate-based transactions	1,676	17	20
Other transactions	55	3	0
Exchange-traded products			
Interest rate-based transactions	600	0	1
Other transactions	55	0	3
Total	11,269	278	420

General Partners and Advisory Board Members

General Partners

Klemens Breuer, Banker, Spokesman
Markus Bolder, Banker
Ute Gerbaulet, Banker

Advisory Board of Bankhaus Lampe KG

Dr Heino Schmidt, General Agent of Dr. August Oetker KG, Chairman
Dr Albert Christmann, General Partner of Dr. August Oetker KG, Deputy Chairman
Dr Alfred Oetker, Partner of Dr. August Oetker KG
Dr Harald Schaub, Member of the Board of Chemische Fabrik Budenheim GmbH
Dr Arnt Vespermann, Chairman of Hamburg Südamerikanische Dampfschifffahrtsgesellschaft A/S & Co. KG

Remuneration of Executive Bodies

We have dispensed with disclosing the remuneration of the active general partners. Pensions were paid to former general partners in the amount of € 0.5 million, and provisions have been created for current pensions in the amount of € 4.9 million.

The members of the Advisory Board were granted loans in the amount of € 9.2 million at an interest of 1.37 %. The remuneration for the members of the Advisory Board amounted to € 319 thousand.

Number of Employees

The average number employees was as follows:

Employees	**555**
Male	323
Female	232

Consolidated Statement of Changes in Equity

Consolidated equity, in € thousands	Subscribed capital	Capital reserve	Other retained earnings	Adjustment item for third-party interests	Consoli-dated net income	Consoli-dated equity
As at 31.12.2018	70,000	205,500	24,750	438	14,922	315,610
Change in capital reserve	–	0	–	–	–	0
Change in retained earnings	–	–	14,922	–	-14,922	0
Change in adjustment items	–	–	–	362	–	362
Distribution in 2019	–	–	–	–	0	0
Consolidated net profit in 2019	–	–	–	–	14,555	14,555
Gains/losses attributable to non-controlling interests	–	–	–	–	-633	-633
As at 31.12.2019	70,000	205,500	39,672	800	13,922	329,894
Change in capital reserve	–	–	–	–	–	0
Change in retained earnings	–	–	–	–	–	0
Change in adjustment items	–	–	–	-734	–	-734
Distribution in 2020	–	–	–	–	–	0
Consolidated net profit in 2020	–	–	–	–	4,317	4,317
Gains/losses attributable to non-controlling interests	–	–	–	–	-46	-46
As at 31.12.2020	70,000	205,500	39,672	66	18,193	333,431

Consolidated Statement of Cash Flows

in € millions	31.12.2020
Consolidated net profit for the year	4
Non-cash items in the consolidated financial statements and reconciliation with operating cash flow	
+/- Write-downs, impairment allowances / write-ups on receivables and fixed assets	2
+/- Increase/decrease in provisions	19
+/- Other non-cash income/expenses	-12
-/+ Gain/loss from the sale of fixed assets	-10
-/+ Other adjustments (on balance)	7
Subtotal	6
Change in assets and liabilities from operating activities	
-/+ Increase/decrease in loans and advances to banks	18
-/+ Increase/decrease in loans and advances to clients	-57
-/+ Increase/decrease in securities (insofar as not financial assets)	217
-/+ Increase/decrease in the trading portfolio	-212
-/+ Increase/decrease in other assets from operating activities	-10
+/- Increase/decrease in liabilities to banks	-7
+/- Increase/decrease in liabilities to clients	451
+/- Increase/decrease in securitised liabilities	0
+/- Increase/decrease in other liabilities from operating activities	-8
+/- Interest expenses/income	-39
+/- Expenses/income from extraordinary items	0
+/- Income tax expenses/income	-7
+ Interest and dividends received	42
- Interest paid	-3
+ Extraordinary cash inflow	0
- Extraordinary cash outflow	0
+/- Income tax payments	0
Operating cash flow	395
+ Cash inflow from the disposal of financial assets	442
- Cash outflow for investments in financial assets	-433
+ Cash inflow from the disposal of property, plant and equipment	0
- Cash outflow for investments in property, plant and equipment	0
+ Cash inflow from the disposal of intangible fixed assets	0
- Cash outflow for investments in intangible fixed assets	-3
+ Cash inflow from disposals from the scope of consolidation	5
- Cash outflow for additions from the scope of consolidation	0
+/- Change in cash flow from other investing activities (balance)	0
+ Cash inflow from extraordinary items	0

in € millions	31.12.2020
+ Cash outflow from extraordinary items	0
Cash flow from investing activities	**10**
+ Cash inflow from equity additions from partners of the parent company	0
+ Cash inflow from equity additions from other partners	0
- Cash outflow from equity reductions to partners of the parent company	0
- Cash outflow from equity reductions to other partners	0
+ Cash inflow from extraordinary items	0
+ Cash outflow from extraordinary items	0
- Dividends paid to partners of the parent company	0
- Dividends paid to other partners	-1
+/- Change in cash flow from other capital (balance)	0
Cash flow from financing activities	**-1**
Cash and cash equivalents at the end of the previous period	**315**
Operating cash flow	395
Cash flow from investing activities	10
Cash flow from financing activities	-1
Change in the scope of consolidation	0
Cash and cash equivalents at the end of the period	**720**
Composition of cash and cash equivalents	
Cash on hand	0
Balances with central banks	720

Additional Disclosures

pursuant to Section 26a KWG in conjunction with Section 64r KWG as at 31 December 2020

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

The disclosure requirements pertain to information regarding the registered office, revenue and wage/salary recipients of foreign subsidiaries included in the consolidated financial statements as part of full consolidation.

Revenue is derived from the operating result, excluding impairment losses and administration expenses and including net interest income, net commission income, the trading result and other operating income.

Company	**DALE Investment Advisors GmbH**
Type of business	Financial services company
Registered office	Vienna (Austria)
Revenue, in € millions	3.1
Number of wage/salary recipients	10
Profit before taxes, in € millions	1.3
Taxes on profit, in € millions	0.4
Public subsidies received	None

Independent Auditors' Report

To Bankhaus Lampe KG, Bielefeld

Note on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit opinions

We have audited the consolidated financial statements of Bankhaus Lampe KG, Bielefeld, and its subsidiaries, consisting of the consolidated balance sheet as at 31 December 2020, the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2020, as well as the notes to the consolidated financial statements, together with a presentation of the accounting policies. In addition, we have audited the Group management report of Bankhaus Lampe KG for the financial year 1 January to 31 December 2020. In compliance with German statutory requirements, we have not audited the separate non-financial report pursuant to Section 289b (3) and Section 315b (3) of the German Commercial Code (HGB).

According to our assessment based on the findings of our audit,

// the attached consolidated financial statements comply in all material respects with the provisions of German commercial law applicable and present a true and fair view of the Group's net assets and financial position as at 31 December 2020 and its financial performance for the financial year 1 January to 31 December 2020 in accordance with the German principles of proper accounting, and

// the attached Group management report as a whole presents a true and accurate view of the Group's position. The Group management report is consistent with the consolidated financial statements in all material respects, complies with German statutory requirements and accurately depicts the opportunities and risks of future development. Our audit opinion concerning the Group management report does not cover the content of the aforementioned non-financial report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations concerning the regularity of the consolidated financial statements and the Group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the Group management report in conformity with Section 317 HGB and with Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities (hereinafter, the "EU Audit Regulation"), as well as in accordance with the German standards for the proper auditing of financial statements promulgated by the IDW (Institute of Public Auditors in Germany). Our responsibility in accordance with those provisions and standards is described extensively in the section of our auditor's report entitled "Responsibility of the statutory auditor for the audit of the consolidated financial statements and the Group management report". We are independent of the Group companies in accordance with the requirements of European and German commercial law, as well as professional rules, and we have fulfilled our other German professional duties in accordance with these requirements and rules. In addition, pursuant to Article 10(2)(f) of the EU Audit Regulation, we declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions concerning the consolidated financial statements and the Group management report.

Key audit matters in connection with the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

In our view, the following matters were of the most significance in our audit:

❶ Risk provisions in the lending business

❷ Accounting of deferred taxes

We have structured our presentation of this key audit matter as follows:

① Facts and problem
② Audit approach and findings
③ Reference to further information

In the following, we present the key audit matters:

❶ Risk provisions in the lending business

① In the company's consolidated financial statements, loan receivables in the amount € 1.7 billion are recognised in the balance sheet under the "Loans and advances to clients". As at 31 December 2020, a risk provision is recognised for the loan portfolio consisting of individual and collective impairment allowances. The calculation of the risk provision for client lending business is determined in particular by the executive directors' estimates with respect to future loan defaults, the structure and quality of the loan portfolios as well as macroeconomic factors. Existing collateral is taken into account. The amount of the impairment allowances in client lending business is highly significant for the net assets and financial performance of the Group, and they are associated with discretionary judgments made by the executive directors that are relevant to measurement. In addition, the applied measurement parameters, which are subject to uncertainties, including on account of the effects of the coronavirus crisis, have a significant impact on the creation and amount of any required impairment allowances. Against this background, this matter was of particular significance in connection with our audit.

② As part of our audit, we first evaluated the appropriateness of the design of the controls in the Group's relevant internal control system and tested the effectiveness of the controls. In this context, we took into consideration the business organisation, the IT systems and the relevant measurement models. Moreover, we evaluated the measurement of client receivables, including the appropriateness of estimated values, on the basis of spot checks of loan exposures. For this purpose, we reviewed, inter alia, the available documentation of the Group with respect to economic circumstances as well as the recoverability of the corresponding collateral. For real estate collateral for which we were provided with value appraisals by the Company, we obtained an understanding of the underlying source data, the applied valuation parameters and assumptions made, subjected them to a critical review and evaluated whether they were within an acceptable range. In addition, for the purpose of evaluating the individual and collective impairment allowances, we reviewed the calculation methodology applied by the Group together with the underlying assumptions and parameters. Based on the audit procedures we performed, we were able to satisfy ourselves overall that the assumptions made by the executive directors for testing the impairment of the loan portfolio were appropriate and that the processes implemented by the Group were appropriate and effective.

③ The disclosures by the Group pertaining to risk provisions in client lending business are included in the section "Group accounting policies" in the notes to the consolidated financial statements.

❷ Accounting of deferred taxes

① In exercise of the capitalisation option in Section 274 (1) sentence 2 HGB, the company's consolidated financial statements show a surplus of deferred tax assets in the amount of € 4.3 million after netting pursuant to Section 274 (1) sentence 3 HGB. In accordance with the principle of prudent accounting, deferred taxes are capitalised in the amount in which, in accordance with the estimates of the executive directors, it is likely that taxable results will be generated in the near future that will enable the deductible temporary differences to be realised. In addition, other than where sufficient deferred tax liabilities from taxable temporary differences are available, future tax results are forecast based on company planning for the Group companies. In our opinion, the accounting of deferred taxes was of special significance in connection with our audit, since it is highly dependent on estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

② As part of our audit, we first evaluated the methodological approach for calculating, accounting for and measuring deferred taxes based on our understanding of the internal control system related to accounting. In addition, we evaluated the recoverability of deferred tax assets on deductible temporary differences based on internal company forecasts about the future income situation of the Group companies and reviewed the appropriateness of the underlying estimates and assumptions. Based on our audit procedures, we were able to satisfy ourselves overall that the assumptions and estimates made by the executive directors were justified and sufficiently documented.

③ The disclosures by the company pertaining to deferred taxes are included in the section "Accounting policies" in the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the separate non-financial report pursuant to Section 289b (3) HGB and Section 315b (3) HGB that we received prior to the date of this auditor's report.

Our audit opinions concerning the consolidated financial statements and the Group management report do not cover the other information, and as a result, we do not provide an audit opinion or any other form of audit conclusion concerning it.
In connection with our audit, our responsibility is to read the other information and, in doing so, assess whether the other information:

- // is materially inconsistent with the consolidated financial statements, the Group management report or our knowledge obtained in the audit or
- // otherwise appears to be materially misstated.

Responsibility of the executive directors and the Advisory Board for the consolidated financial statements and the Group management report

The executive directors are responsible for the preparation of the consolidated financial statements in a manner that conforms in all material respects with the provisions of the HGB and for ensuring that they present a true and fair view of the Group's net assets, financial position and financial performance in accordance with the German principles of proper accounting. Furthermore, the executive directors are responsible for the internal controls that they have specified as necessary in accordance with the German principles of proper accounting in order to facilitate the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. In addition, they are responsible for disclosing, as applicable, matters related to going concern. They are also responsible for using the going concern basis of accounting, unless factual or legal circumstances prevent this.

Furthermore, the executive directors are responsible for preparing the Group management report that as a whole presents a true and fair view of the Group's position and that in all material respects is consistent with the consolidated financial statements, complies with German statutory requirements and accurately depicts the opportunities and risks of future development. In addition, the executive directors are responsible for the arrangements and measures (systems) that they consider necessary in order to facilitate the preparation of a Group management report in conformity with applicable German statutory requirements and to enable sufficient and appropriate evidence to be provided for the statements in the Group management report.

The Advisory Board is responsible for monitoring the Group's accounting process with respect to the preparation of the consolidated financial statements and the Group management report.

Responsibility of the statutory auditor for the audit of the consolidated financial statements and the Group management report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and about whether the Group management report as a whole presents a true and fair view of the Group's position and in all material respects is consistent with the consolidated financial statements and the knowledge gained in the audit, complies with German statutory requirements and accurately depicts the opportunities and risks of future development, as well as to issue an auditor's report containing our audit opinions concerning the consolidated financial statements and the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in conformity with Section 317 HGB and with the EU Audit Regulation, as well as in accordance with the German standards for the proper auditing of financial statements promulgated by the IDW, will always detect a material misstatement. Misstatements may be the result of non-compliance or inaccuracies and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users that are taken on the basis of these consolidated financial statements and the Group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

// Identify and assess the risks of material misstatement of the consolidated financial statements and the Group management report, whether due to fraud or error, design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement is higher in the case of fraud than in the case of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

// Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of the arrangements and measures relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

// Evaluate the appropriateness of the accounting policies used by the executive directors and the reasonableness of the estimates and related disclosures made by the executive directors.

// Draw conclusions on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, about whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

// Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements depict the underlying business transactions and events in such a way as to present a true and fair view of the Group's net assets, financial position and financial performance in accordance with the German principles of proper accounting.

// Obtain sufficient and appropriate audit evidence for the accounting information of the entities or business activities in the Group in order to submit audit opinions concerning the consolidated financial statements and the Group management report. We are responsible for guiding, monitoring and conducting the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.

// Evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with the law and its depiction of the view of the Group's position.

// Perform audit procedures concerning the forward-looking statements made by the executive directors in the Group management report. In doing so, on the basis of sufficient and appropriate audit evidence, we gain an understanding, in particular, of the key assumptions underlying the forward-looking statements of the executive directors and evaluate whether the statements were properly derived from those assumptions. We do not provide a separate audit opinion concerning the forward-looking statements or the underlying assumptions. There is a substantial, unavoidable risk that future events may significantly deviate from the forward-looking statements.

We meet with the individuals responsible for monitoring in order to discuss, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

We provide the individuals responsible for monitoring with a statement that we complied with the relevant independence requirements, and we discuss with them all relationships and other matters that may reasonably be presumed to influence our independence and the steps we have taken to guard against this.

From the matters that we discussed with the individuals responsible for monitoring, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter.

MISCELLANEOUS STATUTORY AND OTHER LEGAL REQUIREMENTS

Other disclosures pursuant to Article 10 of the EU Audit Regulation

We were elected as the Group statutory auditor by the Annual Meeting of the Partners held on 30 April 2020. We were given a mandate by the general partners on 28 May 2020. We have served as the Group statutory auditor of Bankhaus Lampe KG without interruption since the 1993 financial year.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee in accordance with Article 11 of the EU Audit Regulation.

RESPONSIBLE PUBLIC AUDITOR

The public auditor responsible for the audit is Peter Kleinschmidt.

Dusseldorf, 19 March 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft (auditing company)

Peter Kleinschmidt
German Chartered Public Accountant

ppa. Nadine Keuntje
German Chartered Public Accountant

4.
Non-financial reporting

Sustainability Report

Non-financial Statement for the Year 2020 According to Section 289c of the German Commercial Code (HGB)

Bankhaus Lampe addresses the topic of sustainability in the areas of sustainable business practices, sustainable investment, social responsibility, employee responsibility and environmental protection. The general partners take responsibility for the design of systems, setting of objectives and monitoring of compliance. They are supported in this by the corresponding business units and designated employees (i.e. Corporate Development & Strategy, Human Resources, Communications, Compliance, Central Administration and Risk Controlling).

The relevant frameworks, such as the German Sustainability Code in particular, serve as a guide for all sustainability issues and are regularly taken into account in the review and initiation of concepts and measures. Due to the size of Bankhaus Lampe and its business model, however, it does not yet intend to be certified in accordance with the frameworks.

Sustainable Business Practices

In its business activities, Bankhaus Lampe focuses on sustainable business practices. The Bank defines this as sustainable, rule-compliant and ethical corporate governance, commitment to its clients, and its social responsibility.

Corporate governance

Partnership and innovation are an integral part of the fundamental values of Bankhaus Lampe. The corporate strategy and business model are geared towards continuous value creation. As a rule, they take into account environmental, employee and social aspects, respect for human rights and the combating of corruption and bribery. The aspect of sustainability is moreover anchored in the Bank's business activities: Its general partners are personally liable, even beyond their activities as management.

Values and principles

Bankhaus Lampe's value system is based on the Oetker Group Code of Conduct, which addresses the basic principles of business conduct. The Code of Conduct describes the basic requirements that all employees must comply with, supports their daily work and thereby provides guidance. The foundation is strict compliance with the law, based on which the following topics, among others, are addressed:

- Conduct in competition, in dealing with supervisory authorities and in interactions among employees
- Separation of personal and business interests
- Protection of the environment

In addition to the Code of Conduct of the Oetker Group and Bankhaus Lampe, all employees of the Bank are subject to the guidelines for employee transactions, a conflict of interest policy, and an environmental protection declaration. In addition, all client advisors must respect the principles of customer service.

Compliance: Function and implementation

The objective of compliance is to protect the Bank against all compliance risks and therefore also against reputational and legal risks by means of conduct that complies with the law and policy. The Compliance department is part of the Production & Risk Management business unit. The aim is to protect partners, management and employees from intentionally and unintentionally committing violations of the rules, which ultimately also benefits all clients.

Therefore, all employees of Bankhaus Lampe – including working students, interns and temporary workers – receive extensive training on compliance through web-based learning programmes. Employees in pertinent functions participate in internal training courses on current legal and regulatory developments concerning investment advice, for instance, asset management seminars for employees in client-related areas.

Compliance with the German Securities Trading Act (WpHG)

One of the chief responsibilities of the compliance function is to ensure compliance with supervisory requirements for the provision of investment services and to regularly monitor and evaluate the available tools and procedures. This serves to uncover the dangers and risks arising from a violation of these legal requirements at an early stage. In this regard, the Bank's central Compliance department is supported locally by decentralised compliance staff.

Corresponding framework conditions are created through such measures as specifying areas of confidentiality (Chinese walls), recording insider information, designing and monitoring sales targets, and verifying compliance of remuneration systems.

As regards potential violations of the prohibition of market manipulation and insider trading and attempts to do so, the Compliance department monitors and controls all transactions by employees of the Bank and its subsidiaries in financial instruments as well as all proprietary trading and proprietary transactions by the Bank.

Preventing conflicts of interest

The compliance function is also responsible for designing measures to prevent conflicts of interest between the Bank, other Group companies, the management team, employees, tied agents or other associated persons and clients, or between clients. Bankhaus Lampe has adopted measures to prevent and control current and potential conflicts of interest as part of its conflict-of-interest management. These measures are based on the strict principles of segregating the functions of sensitive business areas strictly from those of a functioning internal control system, the effectiveness of which is ensured by the independent supervisory and audit bodies. The measures ensure that services can be offered in a transparent, integrity-focused environment while respecting client interests. Since special requirements and framework conditions apply in each area, the measures relate to the respectively identified fields of action.

Bankhaus Lampe Group's Code of Conduct aims to regulate the handling of benefits in business transactions, to make employees aware of possible conflicts of interest, to implement the guidelines set out in the Oetker Group's Code of Conduct and to prevent reputational damage. A benefits traffic light helps to classify and evaluate any benefits and gratuities.

Preventing money laundering

Finally, the Bank's compliance measures are aimed at preventing money laundering, terrorist financing and other criminal acts that could jeopardise the Bank's assets. The Bank appoints an anti-money laundering officer, who reports directly to the management team and is responsible for combating and preventing money laundering, terrorist financing and other criminal offences detrimental to the Bank.

Dealing with sustainability risks and reputational risks

For Bankhaus Lampe, reputational risks are among the most significant risks that could jeopardise the sustainability of the Bank. Therefore, the identification, analysis and management of these types of risk are of particular importance. Reputational risk is defined as the direct or indirect risk of a loss of confidence or reputation of the Bank with its stakeholders due to negative events in the course of its business activities, whereby the loss of confidence or reputation must have potentially relevant effects on the Bank's core business.

The following restrictions have been imposed on the Bank's business activities in order to limit this type of risk appropriately and in terms of ethical and sustainable corporate governance policies:

- Violation of universal human rights (in particular, personal rights and freedoms)
- Violations of law (e.g. crime, drug trafficking, tax evasion, fraud, money laundering, corruption, insider trading)
- Supply of arms and weapons
- Pollution of the environment
- Exploitation of resources and nuclear energy
- Speculative transactions not socially acceptable or acceptable to the partners (e.g. food availability, death, illness, disability)
- Other business areas not socially acceptable or acceptable to the partners (e.g. red-light milieu, pornography and gambling)
- Violations of industry-specific minimum standards (e.g. safety, quality)
- Violations of rules of conduct and practices in banking business (e.g. giving the appearance of conflicts of interest, lack of professionalism)

In principle, the above matters may be evident in every client relationship and business transaction (e.g. loan financing). In the event that the persons involved suspect violations, the respective initiators must suitably review the case for possible reputational risks and document their assessment of the situation.

In the case of transactions relating to the following sectors and subject areas, a corresponding review must be carried out on a regular basis:

- Energy and power generation (e.g. fracking, fossil fuels, hydropower, nuclear energy)
- Agricultural commodities (e.g. wheat, corn, soy, rice, potatoes)
- Agriculture and forestry (e.g. livestock, palm oil, cotton, precious woods)
- Mining of precious metals and stones
- Use of toxic substances (e.g. electrical industry, textile industry, agriculture)

In cases of doubt, the general partners must always be consulted for a final assessment of the matter and the resulting reputational risks, as well as the Advisory Board in the event of any risks for the Oetker Group. The internal minimum requirements are the maintenance of a loss database, the performance of regular self-assessments, annual risk assessments as part of an internal working group for operational and reputation risks, and the monthly assessment of early warning indicators.

Commitment to our clients

Bankhaus Lampe sees itself as a trustworthy advisor. Cooperation in a spirit of partnership at all levels and strategic dialogue on an equal footing therefore form the basis of every client relationship.

Guiding principles vis-à-vis our clients

Bankhaus Lampe's client advisors commit themselves to common principles that apply to their respective field of activity. They sign a declaration of integrity, confidentiality, objectivity, neutrality and professionalism.

Dialogue with our clients

Bankhaus Lampe attaches great importance to a continuous, honest and trusting dialogue with its clients. To be able to respond appropriately to clients, it is important to know their social, ecological and economic interests, expectations, needs, requirements and experiences. To ensure a value-generating strategic dialogue with clients, trained product specialists become involved where necessary.

In addition, Bankhaus Lampe regularly seeks dialogue with clients in connection with seminars – in 2020, primarily through digital channels – usually focusing on current specialist topics. In addition to the objective of imparting knowledge, the Bank seeks to offer added value for clients by enabling them to network among themselves.

The young generation is also an important target group for Bankhaus Lampe. Our "Young Excellence League" series of events offers a multi-day workshop on a key topic once a year. The participants benefit from meeting top-class experts from the banking sector, networking and gaining an in-depth look at a special topic. In 2020, the event planned for the autumn had to be cancelled due to the COVID-19 pandemic. However, a make-up date has already been scheduled for 2021.

Bankhaus Lampe employees also show their commitment through very frequent lecturing activities at universities or other companies, usually in the industrial sector.

Sustainable Investment Practices

Globalisation, demographic change, climate change and resource scarcity make it essential to act sustainably in the area of capital investments, too. Via the targeted selection of sustainable investment criteria and investment products, we as a bank can exert a corresponding influence on companies and industries and encourage sustainable development. At the same time, a large number of our clients, which now include more than just foundations, churches and church-related institutions, are already asking for asset management that meets the quality criteria for sustainable investments.

Against this backdrop, Bankhaus Lampe started to expand its product range in 2017 to include investment approaches geared towards sustainability, which were also implemented and developed further in the year under review. Among other things, the equity expertise in this area was successfully strengthened at the start of 2018, and asset management has been augmented with the "sustainable investment practices" concept. As part of this investment strategy, the "sustainability" dimension is being added to the investment targets of maximising yield or earnings and minimising risk.

The sustainability committee established in 2019 continued its work in 2020 as well. The committee, which features experts from various fields, serves as a sparring partner for portfolio management in the further development of the sustainability approach.

Sustainable investment process

Equities and bonds are selected in a multi-stage process that takes account of sustainable investment criteria. In this regard, investment opportunities that offer stable earnings potential in the long term are identified using so-called self-defined sustainability filters, which take account of ecological, social and business ethics criteria.

Three central selection components are used:

- Quality/positive criteria (ecological and social responsibility, principles of corporate governance)
- Best-in-class approach (through peer group comparison)
- Negative/exclusion criteria

First, companies are selected according to the quality/positive criteria that meet the defined requirements particularly well, both with regard to ecological and social aspects and in terms of corporate governance. As a second step, as part of a best-in-class approach, companies are selected that have the highest ecological, social and corporate governance standards within their peer group (i.e. generally within their respective sector). Finally, companies from undesirable business areas are excluded using so-called negative criteria. In the process, investments in certain companies, sectors, topics and countries are ruled out based on exclusion criteria. For example, this includes tobacco companies, alcohol producing firms or weapons manufacturers.

We use the database of an independent research provider for the targeted selection of sustainable investments. More than 9,000 of the world's largest companies, 165 countries and over 100 bond issuers are analysed and evaluated according to a variety of criteria. The criteria are categorised as follows: environmental orientation (Environmental), social conduct (Social) and good corporate governance (Governance). In addition to direct reporting by companies, research sources include internet forums, media databases and information from non-governmental organisations (NGOs) and government agencies.

Sustainable product range

The product range has been steadily expanded in recent years, particularly as part of the implementation of the sustainable investment approach. As a rule, clients can invest sustainably through several types of mandate. The first option is the individual securities account (via contracts with Bankhaus Lampe KG), which is offered for three equity universes and one bond universe:

- Aktien Nachhaltigkeit Eurozone (Eurozone equities, sustainability)
- Aktien Nachhaltigkeit Europa (Europe equities, sustainability)
  (Eurozone and the UK, Switzerland and Scandinavia)
- Aktien Nachhaltigkeit International (International equities, sustainability)
  (Europe and the USA and Canada)
- Renten Nachhaltigkeit (Bonds, sustainability)
  (global issuers, denominated in euros, rating: investment grade)

In addition, investors can invest sustainably as part of customised special funds managed by Lampe Asset Management GmbH, as well as through the LAM endowment fund, whereby the latter option uses the same sustainability filter criteria that Bankhaus Lampe applies for the selection of the sustainable equity and bond universes.

Moreover, in 2020 a product concept was developed for a sustainable multi-asset investment strategy, which will be launched in 2021. The underlying strategy enables our clients to invest in a globally diversified portfolio and at the same to take into account criteria relating to environmental orientation, social conduct and good corporate governance.

Three retail funds of Lampe Asset Management GmbH – one for equities and two for bonds – complement the sustainable product range. As part of sustainable investment, they are also available as investment alternatives:

- // LAM Renten Nachhaltigkeit – ISIN DE000A2JF675 (LAM bonds, sustainability)
  (investment universe: global issuers, denominated in euros, investment grade)
- // LAM Aktien Nachhaltigkeit international – ISIN DE000A2JFE4 (LAM international equities, sustainability)
  (investment universe: Europe and the USA and Canada)
- // LAM Sustainable Euro High Yield Corporate Bonds – ISIN DE000A2P0UY3
  (investment universe: global issuers, denominated in euros, non-investment grade)

The retail fund LAM Sustainable Euro High Yield Corporate Bonds was set up and launched in 2020. The fund's strategy is investing in non-investment grade corporate bonds that are denominated in euros. Here as well, attention is paid to the issuers' compliance with the criteria relating to environmental orientation, social conduct and good corporate governance.

Scope of sustainable asset management

The demand for sustainable investments as part of asset management again developed positively in the financial year just ended. As at 31 December 2020, Bankhaus Lampe Group managed sustainability mandates worth € 1,080 million for more than 190 clients, who invested through securities accounts via contracts with Bankhaus Lampe KG or Lampe Asset Management GmbH, through retail funds ("LAM Aktien Nachhaltigkeit International" – approximately € 81 million as at 31 December 2020; "LAM Renten Nachhaltigkeit" – approximately € 162 million as at 31 December 2020), and through special funds of Lampe Asset Management GmbH. In addition, as at 31 December 2020, a further € 102 million was invested sustainably in the endowment fund of Lampe Asset Management GmbH, which has been in existence for several years. This uses the same sustainability filter criteria that Bankhaus Lampe also applies to the selection of sustainable equity and bond universes.

Social Responsibility

Client responsibility

We are aware that in the course of servicing our clients, we also bear an overriding social responsibility. We strive to provide meaningful support to entrepreneurial families in all areas. This goal derives from the identity and history of Bankhaus Lampe, which understands the essential challenges and requirements of family businesses and knows how to deal with them. On the one hand, we are constantly developing strategies to protect and preserve client assets. On the other hand, we are aware of our special responsibility as a provider of capital for German SMEs.

Sponsoring

Bankhaus Lampe is involved in cultural, social and charitable projects, in the form of donations or the personal commitment of its employees. Collaborations with Kunstmuseum Bonn, Zeit-Stiftung Ebelin and Gerd Bucerius in Hamburg, as well as corporate memberships in the art benevolent associations Freunde des Museums Kunstpalastes (Friends of the Kunstpalast museum) in Dusseldorf and Gesellschaft der Freunde der Kunstsammlung Nordrhein-Westfalen (Friends Society of the North Rhine-Westphalia Art Collection), are examples of this commitment.

Promoting young talent

Through close cooperation with selected universities, students are given the opportunity to gain practical experience as an intern or work as a student trainee at Bankhaus Lampe. In 2020, 29 working students and interns were able to apply their theoretical knowledge in practice. At the same time, the Bank's specialist departments were able to get to know potential candidates. In this way, we have succeeded in taking on former interns and working students in permanent positions.

Employee commitment

Many employees also get involved outside of their banking work and assume social responsibility, for example as speakers, lecturers, association board members or treasurers. In the social and healthcare sector, our employees were involved with the Deutsche Multiple Sklerose Gesellschaft (German Multiple Sclerosis Society).

Employee Responsibility

Our employees play a major role in our business model. Therefore, one of our key sustainability issues is the acquisition and training and further education of employees. In addition, it is important to create an attractive working environment in which the focus is on fair pay, flexible agreements on working time, work-life balance as well as health. Since 2019, Bankhaus Lampe has offered its employees the option of mobile working. The flexible structuring of working time and place of work gives employees greater individual freedom and a better balance between professional and personal needs. Bankhaus Lampe places great value on having motivated employees who think independently and generate added value for the Bank and its clients.

Employment

In line with the continuing decline in employment figures in the private banking industry as a whole (source: AGV Banken), the number of active employees at Bankhaus Lampe, including its German subsidiaries, fell to a total of 529 in 2020 (after 584 employees in the previous year). In addition, there were 31 passive employees in semi-retirement (Altersteilzeit), on paid leave or on parental leave. This change is primarily due to one-off effects.

The fluctuation rate (ratio of staff departures to the total number of employees on average) is 13.1 % and is therefore lower than the previous year (14.3 %). In the year under review, however, this figure continued to be considerably higher than the latest average value reported by the Association of German Banks of 7.8 %. The aim is to retain employees for the long term. This is also reflected in the average length of service with the Bank, which stood at 12.6 years at the end of 2020 and was thus higher than in the previous year (11.9 years).

Employee involvement

Bankhaus Lampe involves its employees regularly in change and development processes and includes them actively in sustainability management. This takes place, inter alia, in connection with informational events and a regular exchange of ideas within the specialist departments as well as with line managers.
An employee recommendation programme has been in place in the Bankhaus Lampe Group since 1 August 2019. It enables every employee (other than temporary staff) to recruit people from their own network for posted positions. If the recruited person is hired and successfully completes the probationary period, the employee who made the recommendation is paid a bonus of € 3,000. There is an exception for future line managers: it is not possible to recruit for positions from the employee's own team.

Recruiting

The shortage of skilled workers, combined with the decline in the attractiveness of the banking industry as an employer, poses major challenges for staff management. For this reason, employee recruitment and support as well as sustainable employee development were planned and implemented at great effort in 2020.

Training and further education

Bankhaus Lampe attaches great importance to a high quality and constant level of further training for its employees. The declared aim is also to retain employees at the Bank for as long as possible. As in the previous year, the focus of continuing education in 2020 was therefore on individual advanced training measures, such as coaching and seminars, as well as training sessions to further develop personal skills.

In 2020, the following cross-department training sessions/workshops were offered:

- Design thinking workshops
- English courses
- Project management training sessions
- Sales training sessions

For assistants, a so-called "Assistants' Talk" was launched. This format enables assistants to exchange information and ideas about current topics and to network within the Bank to an even better degree.

Bankhaus Lampe also supports employees in pursuing their studies while working or attending certificate training courses, such as training to become a Certified Financial Planner or a Certified International Investment Analyst. In addition, for select employees, the Bank facilitates and promotes the pursuit of master's degrees while working. In the year under review, for example, degree programmes attended included foundation consulting and wealth management.

In 2020, employees once again attended a variety of external seminars – on account of the current conditions, mostly in digital form. These events covered the following topics:

- Events for sharing experiences and specialist conferences
- Seminars on new legal requirements
- Seminars on personal development

Human resources management

The topic of "human resources management" is of great importance to the Bank and its subsidiaries. In a service company with such a demanding clientele, it is essential to have employees who are motivated, well trained, capable and satisfied. That is why the Bank particularly wants to retain this target group. Empirical studies have shown that a "good" manager is the main motivator and loyalty factor for employees. It is therefore in the long-term interest of the Bank as a whole to intensify and systematise the qualification and advancement of managers. In addition to individual professional and personal further training, which is open to all employees, external training courses are offered to managers so that they can be prepared for their functions in a timely manner. They are additionally supported in fulfilling their tasks through further training or coaching sessions that are tailored to their needs.

In addition to the promotion of young talent, the use of interns and working students is playing an increasingly important role. Many of the Bank's departments once again called upon the support of students in 2020. At the same time, many interns and working students take the opportunity to gain their first professional experience at Bankhaus Lampe (see "Social responsibility / Promoting young talent").

Employers, especially banks, are increasingly facing a labour market that favours employees: Demographic change, the shortage of skilled workers, the expectations that millennials have for a job (key terms: self-fulfilment, work-life balance, sharing economy, etc.), and the increasingly negative reputation of banks mean that the "war for talent" is still in full swing. Against this backdrop, it is more important than ever to retain good, qualified employees.

Balancing work and family life

Supporting families is an important part of Bankhaus Lampe's HR policies. At the end of 2020, 15 employees were on maternity or parental leave, of which six mothers started working part-time during parental leave, and 10 fathers took parental leave. In order to help them to balance work and family life, Bankhaus Lampe intensively endeavours to offer its employees the ability to work also during parental leave so that they can return to their professional environment as smoothly as possible. The childcare subsidy, which the Bank has offered since 2007, and the support of a family service are also helpful in this respect.

Specially trained experts from an external employee counselling firm are available to all employees and the members of their family who live with them. These experts can provide advice on difficult work/life situations (e.g. professional, personal and health matters). This collaboration with an independent external employee counselling firm was again very much in demand among the employees of the Bank and Lampe Asset Management during 2020. The aim is to maintain, restore and increase performance, well-being and job satisfaction. This is also designed to make it easier to balance work and family life.

Diversity, remuneration and working-time models

Further information on diversity and equal opportunities, as well as on remuneration and working-time models in the Bankhaus Lampe Group, can be found in the remuneration report starting on page 71.

Health management

In 2014, health management was implemented at the Bank and its subsidiaries. Various measures in the areas of prevention, exercise, nutrition and stress management have been offered to the Bank's employees since then. The aim is to maintain and improve health, well-being and performance in the workplace.

In the area of prevention, the Bank has, since the introduction of health management, offered all employees a high-quality health check-up at two providers that specialise in preventive medicine. The check-ups are much in demand among the employees, and the feedback is universally positive.

The mandatory preventive computer workstation checks (G37) are carried out regularly by the company medical service. Since everyday working life is characterised to a great degree by work on computer screens, the right choice of visual aids – if necessary – is important for the workplace.

With the support of the company medical service, we offer employees consultations by telephone on the topics of mobile working and the COVID-19 pandemic. Because of the COVID-19 pandemic, many measures that had been planned for the year under review were unable to take place, such at the B2Run, the team relay race in Hamburg and the mobile bicycle workshop.

Pursuant to Section 3 of the German Occupational Safety Act (ArbSchG), the employer has a duty to take necessary occupational health and safety measures, taking into account the circumstances that affect the safety and health of employees at work. This relates to both the physical and the mental health and safety of employees. Therefore, the law requires that work situation analyses be performed for every work area. Dr Mirko Degener (psychologist at the University of Potsdam) is a recognised expert in this field and was entrusted with designing and performing work situation analyses at the Bank in the form of workshops and interviews. He has started to perform an analysis for each work area, consisting of a review of the work environment, work activities, work organisation, and line manager conduct, as well as the Group and working atmosphere with regard to possible mental stress arising from this. These workshops and interviews took place without the presence of the respective line managers and are voluntary for all employees. This measure takes place anonymously vis-a-vis the employer. The analysis will be continued in the next reporting year.

In the year under review, a workplace inspection took place at the Dusseldorf location, which included the participation of the company medical service. Here, employees had the opportunity to ask questions about healthy working and get advice about optimal desk and chair heights.

Environmental Protection

Environmental protection is an integral part of the Bank's company policies. Our aim is to align entrepreneurial activity with ecological requirements. We undertake to protect and conserve natural resources to the best of our ability as a service provider. We also believe that every employee is obliged to make a contribution to protecting the environment. In addition to an environmental mission statement and policy, the Bank defines, pursues and reviews specific measures on an annual basis.

Environmental protection policy

The Bank has established an environmental protection policy. Accordingly, our employees undertake to observe the following standards:

- // We act in an ecologically responsible manner to protect the environment and our natural resources.
- // We conduct our banking business with the greatest possible care for natural resources and the environment.
- // We continuously review whether our working methods correspond to the latest findings with regard to environmental protection and take the necessary steps to eliminate impact on the environment.
- // The prevention, reduction and recycling of waste takes priority over landfilling or incineration.
- // We maintain a transparent environmental information policy vis-à-vis employees, clients, authorities and suppliers.
- // As part of our environmental responsibility, employees are trained as required and informed about current environmental issues.

Environmental protection measures

The generation and creative design of proposals to improve the environment are basic requirements for a functioning environmental protection policy. All employees of the Bankhaus Lampe Group sign an environmental protection declaration. This is intended to increase sensitivity and awareness for environmental matters. Employees can participate actively in the development of suitable environmental protection measures and contribute their ideas through the suggestion scheme.

In addition, measures are developed, presented and implemented by an environmental protection officer as part of environmental protection management.

An environmental committee facilitates the internal exchange of information, the preparation of proposed decisions and the implementation of suitable initiatives within the Bank as a whole. The current status is disclosed on a regular basis on the Bank's intranet in an environmental protection report.

Environmental protection activities are diverse, as are projects that are developed and the measures implemented for this purpose. For instance, energy-saving potential is continuously sought at all branches during the year through inspection of building facilities and in connection with maintenance service as part of technical management. In the case of rented properties, the Bank brings influence to bear on the owners and supports the use of energy-efficient and ecologically sensible measures.

In addition to the interdisciplinary environmental issues, in 2020 Bankhaus Lampe also continuously worked on detailed solutions that have an effect on a small scale but nevertheless send out a clear signal:

- Reduction of the number of printers by about 20 % in connection with the relocation to Schwannstraße,
- Establishment of central copy rooms, which reduced the provision of materials,
- Conversion of office material deliveries from single-use to reusable boxes and
- Mailing of Christmas cards also in digital form at times.

Mobility management

Bankhaus Lampe attaches great importance to the issue of mobility. For example, the use of discount cards offered by the German Federal Railways and the increased use of train travel have regularly helped to conserve resources for years.

At the same time, car policy aspects are subject to continuous review. While alternatives are still being discussed in view of the issue of banning diesel vehicles, the upper limit for CO_2 emissions has already been adjusted, and a limit has been placed on the maximum power output of company cars.

Real estate and construction

The subject of construction in accordance with the ecological, economic and technical quality standards set by the German Sustainable Building Council (DGNB) played an important part in the renovation in Bielefeld in 2018. In 2020, all departments and units at the Dusseldorf location moved to the new building on Schwannstraße. Not only will the exchange of information and collaboration between the Dusseldorf employees be improved by the move and the shorter distances, but we also expect to realise significant energy savings. The same applies to the Bielefeld branch, which reoccupied the premises on Alter Markt in November 2019.

The new building on Schwannstraße in Dusseldorf received "Gold" certification from the German Sustainable Building Council (DGNB) due to its high degree of sustainability (ecological, economic, socio-cultural, and functional). This was attributable in large part to the building's high resource and cost efficiency. Among other things, it has an energy-efficient high-quality building envelope and an intelligent lighting system and is supplied with distance heating from the Dusseldorf municipal utility.

Report on Equal Pay and Equal Opportunities for the Bankhaus Lampe Group

For the Bankhaus Lampe Group, having sustainable business practices also means ensuring future viability and promoting equal opportunities and diversity for all employees. Diversity and equal opportunities, fair pay and flexible working-time models are the basis not only for attracting talented employees but also for retaining them at Bankhaus Lampe in the long term. It is essential for Bankhaus Lampe to meet this pledge to its employees, for only in this way can it create a sustainable basis for providing exceptional services to all stakeholders and, above all, clients.

Diversity and Equal Opportunities

As at 31 December 2020, the Bank and its subsidiaries in Germany had 529 active employees. Of these, 43 % (227 employees) were female and 57 % (302 employees) were male. A total of 18 % (93 employees) were employed in management positions. Of the 93 managers, 24 were female. The female quota of managers (26 %) was therefore somewhat higher than in the previous year (24 %).

The hiring of new employees underlines the commitment to promote equal opportunities actively. For example, women accounted for 47 % of the Bank's new hires in 2020.

Remuneration

Bankhaus Lampe adheres to the "Collective agreements for the private banking industry and public banks" including the regulations contained therein on equal opportunities, family and career, social benefits, holidays, early retirement, semi-retirement, etc. Particularly as a result of the proportion of non-managerial employees, there is equal remuneration for comparable positions, which are filled on a gender-neutral basis in accordance with specialist qualifications.

In 2020, an average of 36 % of employees were covered by collective bargaining agreements. For employees not covered by collective agreements, remuneration is also based on qualifications and professional requirements and is therefore non-discriminatory.

Models to Increase Flexibility of Working Time and Location

Where necessary, Bankhaus Lampe offers flexible working-time models in order to respond to the personal situation of employees. For instance, there are a variety of individual solutions for combining different working days and different working times to meet the employee's needs.

The mobile working option, which has been available since 2019, allows for maximum flexibility in working hours and location during the COVID 19 pandemic. The flexibility gives employees greater individual freedom and a better balance between professional and personal requirements.

Fifty percent of part-time employees work close to full-time with at least 30 hours per week, with the proportion of women being significantly higher here.

Statistical Data

Based on Section 21 of the German Act on Transparency of Pay (EntgTranspG), the Bank provides the following statistical data (as of December 2020):

Bankhaus Lampe KG	Full-time	Part-time	Total	Proportion, in %
Female	128	99	227	43
Male	290	12	302	57
Total	418	111	529	100
Proportion, in %	79	21	100	

Further Measures and Outlook

All employees of the Bankhaus Lampe Group in Germany are already required to complete training concerning the German General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz). In addition, the measures concerning work-life balance are presented in the sustainability report. When recruiting new employees, Bankhaus Lampe pays attention to gender neutrality in job postings and the selection of candidates. Bankhaus Lampe will continue to promote measures to establish equal pay for women and men. It will also publish and operationalise these measures irrespective of the periods specified by law.

Subsidiaries

In addition to Bankhaus Lampe KG, the Bankhaus Lampe Group comprises several subsidiaries and various holdings. More detailed information about select companies is provided below. The Group thus has a comprehensive range of banking and advisory services at its disposal, which covers the diverse requirements of the various client groups.

Lampe Asset Management GmbH is an independent asset manager and offers customised investment solutions for retail clients based on their specific requirements, as well as investment concepts for institutional clients such as insurance companies, pension funds, pension schemes, foundations, companies, churches, associations, and credit institutions within the framework of specific investment guidelines. The business of Lampe Asset Management GmbH focuses on asset management in the area of special and retail funds. In terms of wealth management at Bankhaus Lampe, investment solutions are provided to retail investors as part of target market portfolios.

Bankhaus Lampe Group's liquid asset management is pooled in Lampe Asset Management GmbH. Lampe Asset Management GmbH offers an active asset management approach and a systematic, rules-based asset management approach. As a result, Lampe Asset Management GmbH has a comprehensive range of asset management services, which are derived either from the active asset management approach or the systematic, rule-based asset management approach, depending on client needs.

Kapital 1852 Beratungsgesellschaft mbH, a private markets platform for investments, offers select investment opportunities in the assets classes of private equity, venture capital and private debt, which are geared to the specific needs of professional and institutional investors. As a subsidiary of the Bankhaus Lampe Group, the company uses extensive expert knowledge, is embedded in the broad range of services of Bankhaus Lampe and possesses many years of investment expertise.

Lampe Beteiligungsgesellschaft mbH offers the SME clients of Bankhaus Lampe KG a range of complementary services for all aspects relating to the acquisition and management of company shareholdings of any type or legal form. In addition, its services also include the structuring and execution of client-specific fiduciary transactions.

Lampe Alternative Investments GmbH acquires, manages and sells associated companies in the interest of Bankhaus Lampe Group. It acts as the holding company for the shareholdings held.

Bankhaus Lampe has access to the Austrian market through its majority holding in Vienna-based **DALE Investment Advisors GmbH**. DALE has long-standing experience in the management of significant family wealth and private foundations.

The Boards

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Rudolf Schweizer
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As at March 2021

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