



Bankhaus Lampe

Press Release

In a challenging environment, Bankhaus Lampe reports a net income for the year of € 55 million

Dusseldorf, 22.03.2017

- **Investment in growth: Expansion of asset management and branch business**
- **Large allocations made to contingency reserves**
- **Core capital ratio still above 15 %**
- **Number of employees rises to 693**
- **Ute Gerbaulet has been appointed as a new General Partner**

Fiscal year 2016

Bankhaus Lampe ended FY 2016 with a **group net income** of € 55.0 million (last year: € 23.0 million). The results were favoured by the sale of a 47.5 % stake in Universal-Investment-Gesellschaft mbH. This extraordinary income further increased the stability of the Bank and was used to accrue reserves and invest massively in the **strategic development of the business model**. For some years the Bank has been continuously developing its reputation as an expert for asset management and corporate finance solutions. The spotlight was on investments in asset management and the further expansion of the branch business in 2016.

The Bank recruited **Oliver Plaack** (47) in April 2016 to **further develop the branch business**. As a member of the Executive Committee, Oliver Plaack will be responsible for the branch business at all twelve locations. In 2016, the Bank focused on tailoring its one-stop advisory services more precisely to meet the needs of wealthy private and corporate clients even better. This includes the systematic interlinking of client advisory services with the know-how of product specialists for investment and financing solutions.

“We are working continuously on our range of services in order to respond to the needs of our clients. We want to set trends, present innovative solutions and network our clients”, explained Professor Dr Stephan Schüller. These specialist units deal with subjects, such as real estate, strategic wealth advisory services and exclusive investments in the private



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equity segment. Furthermore, since February 2016 Bankhaus Lampe has had an **Economic Advisory Board**. The sector know-how it provides enhances the Bank's expertise in German commerce and industry.

The **Asset and Wealth Management** unit of the Bankhaus Lampe Group was expanded in order to offer institutional, private and corporate clients a broader range of products in the current low-interest environment. **Frank-Peter Martin** (54), a member of the Executive Committee, has been responsible for this expansion since February 2017 and is assisted by a team of experts from the German-speaking market. "High net worth individuals are increasingly showing interest in investment solutions from the institutional segment", according to Professor Dr Stephan Schüller. In future, private clients and family offices will gain access to innovative solutions that were previously the sole preserve of institutional clients.

The bank also generates specialist know-how for its clients by conducting academic research in currently interesting topics. In 2016, Bankhaus Lampe produced two well-regarded **publications**: One research report examined the repercussions of corporate governance on company succession in medium-sized family-run businesses. "Succession marks a key phase in the lifecycle of every family-run business and is relevant for our Mittelstand clients. We have therefore examined this topic academically and hereby created the basis for sound advisory services", said Professor Dr Stephan Schüller. Another research report studies the latest trend in the German insurance industry because the ongoing interest-rate environment is not just having a negative impact on banks. The report shows alternatives and underlines the Bank's expertise in the area of alternative investments.

Ute Gerbaulet (48) has been appointed as a **General Partner** effective as of 1 January 2017. She is responsible for the Bank's capital market business, which includes the M&A and equity capital markets business. Ute Gerbaulet has been a member of Bankhaus Lampe's Executive Committee since January 2013. Ute Gerbaulet has more than 20 years of experience in the capital markets business with proven expertise in advisory services for family-run companies.



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Notes on Net Assets and the Financial Situation for 2016

As per the balance sheet date of 31 December 2016, the **total assets** of Bankhaus Lampe KG stood at € 2,885 million compared with € 2,658 million last year.

Loans and advances to banks declined by € 52 million to € 196 million in the year under review. At € 1,393 million, **loans and advances to clients** were slightly above the prior-year level of € 1,236 million as per 31 December 2016.

Liabilities to banks rose from € 99 million to € 137 million due to a cut-off date. As per the balance sheet date of 31 December 2016, **client deposits** rose by € 45 million to € 2,121 million (previous year: € 2,076 million). Accounting for 74 % of total assets (previous year: 78 %), client deposits represent the most important source of refinancing and substantially exceed the Bank's credit business.

In the year under review, € 20 million was allocated to **funds for general banking risks** pursuant to Section 340g of the German Commercial Code (HGB). As per the end of the year, funds for general banking risks amounted to € 57 million.

The Bank enjoyed a comfortable **liquidity position** throughout FY 2016. As at 31 December 2016, the liquidity ratio pursuant to the German Liquidity Regulation came to 5.4 (previous year: 6.1). It was therefore well above the requirements laid down by Germany's Federal Financial Supervisory Authority (BaFin), which demands a minimum co-efficient of more than 1.0.

Due to the allocation from shareholder funds of € 11.5 million, the Bank's **reported equity** rose to € 293 million and made up 10.2 % of total assets as per 31 December 2016 (previous year: 10.6 %).

Notes on the Income Situation

The Bank ended FY 2016 with a **group net income** of € 55.0 million (last year € 23.0 million). The results were marked by the sale of a 47.5 % stake in Universal-Investment-Gesellschaft mbH. The proceeds from the sale of this non-strategic asset are offset by maximum provisions for all possible obligations resulting from the contract of sale.



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Net commission income declined in FY 2016 due to the challenging market environment, but it still documents the Bank's good position in the service business, which is of particular importance for the business model. Net commission income, which is dominated by securities trading, came to € 100.0 million, down 9.3 % from € 110.3 million a year ago.

Net interest income as a balance of the interest income and interest expenses - including ongoing income from equity and other variable-yield securities as well as shareholdings – rose by € 5.4 million to € 48.5 million due to transactions. The current net interest income decreased from € 32.2 million to € 28.3 million, essentially due to the historically low level of interest rates. Ongoing income from equity and other variable-yield securities as well as shareholdings rose by € 9.0 million to € 20.2 million.

The **ratio of net commission income to current net interest income** (excl. income from shareholdings and associated companies) has continued to develop positively in 2016 and stood at 78/22 (previous year: 77/23). This ratio underlines how important the commission business is for Bankhaus Lampe KG and confirmed how successful the focus on commission income has been as part of the re-orientation of the business model.

On balance, **net income from proprietary trading** was down € 4.0 million to € 0.3 million. Statutory reserves derived from net income from trading activities were also allocated in FY 2016 (as in the previous year) pursuant to Section 340g of the German Commercial Code (HGB) in conjunction with Section 340e Paragraph 4 of the HGB and will be available as additional risk cover in the future.

As per 31 December 2016, the Bank reported a **net valuation result** of € -12.2 million (previous year: € 9.2 million). This includes a valuation result from the lending business of € -16.6 million (previous year: € 6.2 million), which comprises net additions of specific valuation adjustments, provisions, depreciation and contingency reserves pursuant to Section 340f HGB as well as changes in general valuation adjustments. All recognisable risks were provided for through adequate value allowances and provisions.

Personnel and material expenses, including depreciation and valuation adjustments on intangible assets and property, plant and equipment, rose by 12.9 % in FY 2016 due to one-off effects, up from € 143.2 million to € 161.6 million. This is essentially due to increased material expenses of



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€ 62.5 million (previous year: € 54.7 million) and higher personnel expenses of € 93.3 million (previous year: € 84.6 million).

The **net valuation result from shareholdings** as a balance of the items “Earnings from write-ups to shareholdings and securities treated as fixed assets” and “Depreciation and valuation allowances to shareholdings and securities treated as fixed assets” came to € 108.4 million.

Other comprehensive income in FY 2016 fell by € 1.4 million to € 2.8 million. Other operating income rose to € 8.4 million (previous year: € 6.7 million) primarily due to reversal of provisions. Other operating expenses increased to € 5.5 million (previous year: € 2.4 million).

Budgeted **risk costs** were not required in the lending business. The good credit portfolio quality was the main contributory factor here.

As per 31 December 2016, Bankhaus Lampe Group employed **693 staff** (previous year: 675). Their average length of service was over 10 years. The staff turnover rate – i.e. the ratio of those leaving the Bank to the total number of staff – was 4.1 % and thus markedly below the sector average of 6.7 %.



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Bankhaus Lampe Group: Performance at a Glance

In million euros	2016	(2015)
Total assets	2,885	(2,658)
Business volume	3,058	(2,796)
Loans and advances to clients	1,393	(1,236)
Loans and advances to banks	196	(247)
Client deposits	2,121	(2,076)
Liabilities to banks	137	(99)
Equity (including group net income for the year)	348	(304)
Net interest income (incl. current income)	49	(43)
Net commission income	100	(110)
Net income from proprietary trading	0.3	(4)
Administrative expenses	162	(143)
Group net income	55	(23)
Number of employees	693	(675)

With a group **business volume** of € 3.1 billion, Bankhaus Lampe is one of the leading independent private banks in Germany with branch offices and subsidiaries in Berlin, Bielefeld, Bonn, Bremen, Dresden, Dusseldorf, Frankfurt/Main, Hamburg, Munich, Münster, Osnabruck, Stuttgart, London, New York and Vienna. The limited partners' shares are wholly owned by the **Oetker** family. This shareholder background guarantees independence and the solid and continuous growth of the bank.

The 2016 annual report will be published on 21/04/2017

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