



Bankhaus Lampe

Press Release

Bankhaus Lampe presents its annual results for 2017

Management change and expansion of product range

Dusseldorf, 13/04/2018

- **Assets under management rose considerably**
- **Core capital ratio at 15 percent**
- **Bankhaus Lampe with new leadership**
- **Private bank investing further in the expansion of client solutions and products**

Fiscal year 2017

Bankhaus Lampe ended FY 2017 with a **group net income** of € 15.0 million. When comparing this figure with the group net income for the previous year (€ 55.0 million) it should be borne in mind that FY 2016 benefited from one-off effects (e.g. the proceeds from the sale of the stake in Universal-Investment-Gesellschaft mbH). The growth in **actively managed assets** is evidence of the consistently high confidence in Bankhaus Lampe's expertise. As per 31 December 2017, the assets under management totalled € 22.4 billion, which was € 3.8 billion higher than in 2016 (€ 18.6 bn). Bankhaus Lampe has continuously increased its core capital ratio in recent years. For FY 2017, it stands at 15 percent and is still well above the regulatory requirements.

FY 2017 was characterised by the **further strategic development** of the private bank, which required investments in various business areas to improve how we address our clients' needs. In the year under review, this process of change is associated with corresponding **project and investment costs**. In addition, considerable expenses were incurred for the implementation of regulatory standards in 2017.



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Leadership change at Bankhaus Lampe

A **change** has been taking place at the top of Bankhaus Lampe since the start of 2017. As of 01 April 2018, **Klemens Breuer** (50) was appointed as the Spokesman for the General Partners and succeeded Prof. Dr. Stephan Schüller (65), who resigned as scheduled on 31 March 2018. Klemens Breuer was appointed as a General Partner of the private bank on 1 November 2017 and is responsible for overall management of the bank, private and corporate clients, and asset management. **Ute Gerbaulet** (49) was appointed as a General Partner of Bankhaus Lampe as of 01 January 2017. She heads the corporate finance and capital market business units. Ute Gerbaulet has been a member of Bankhaus Lampe's Extended Management Board since January 2013. **Markus Bolder** (54) received regulatory approval to be appointed as a General Partner on 29 March 2018. Since 01 July 2017, he has been the deputy head of the production and risk management unit. Along with his appointment as a General Partner, Markus Bolder now heads this business unit and succeeds Werner Schuster (64). Werner Schuster resigned from the position of General Partner as planned on 31 December 2017. "In a challenging market environment, this change in leadership will provide us with a forward-looking basis for the future strategic development of our institution. I look forward to driving this process forward together with Ute Gerbaulet and Markus Bolder. My two colleagues both have the necessary experience and excellent expertise. I appreciate this greatly", said Klemens Breuer the Spokesman of the General Partners of Bankhaus Lampe KG.

Strategic development: Focus on product range

The strategic development of Bankhaus Lampe was steadily advanced in 2017. Following an adjustment of the branch business in 2016, during which the marketing model was geared even more strongly towards the needs of our clients, in 2017 attention focused on strategic considerations with regard to the product range in wealth and asset management. "High net worth individuals are increasingly showing interest in investment solutions from the institutional segment. In future, private clients and family offices will gain access from us to innovative solutions that were previously the sole preserve of institutional clients. Bankhaus Lampe is therefore taking resolute steps to make wealth and asset management even more professional", explained Klemens Breuer.



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Bankhaus Lampe's asset management range was augmented with total return and multi-asset concepts in 2017. Besides this, we are currently setting up an investment approach that is geared towards sustainability. "In order to meet our clients' needs in a complex market environment, we are consciously broadening our range of asset management products. Modern solutions are expanding our product offering in a precise manner. Besides the multi-asset and total-return systematic concepts, we are expanding our asset management range to include the fundamental concept of sustainable investment", Klemens Breuer added.

Expansion in 2018: Private markets is a segment with potential

Besides the targeted expansion of wealth and asset management in liquid investments, Bankhaus Lampe has also opted for greater diversification and is developing illiquid investments with the private markets segment. In this way, the Bank would like to generate further investment opportunities for customers in parallel with the capital market. The private markets segment includes the asset classes: private equity, private debt, real estate and infrastructure. "Precisely in the current environment, the private markets segment offers huge growth potential across various asset classes that we would like to utilise. Our existing client relationships and established network put the Bank in a promising position", stated Klemens Breuer.

Lampe Equity Management sold

In 2017, Bankhaus Lampe parted company with Lampe Equity Management as the asset manager of the CEE Group. The asset management unit of the CEE Group includes various funds that invest in renewable sources of energy. These have been managed successfully by Lampe Equity Management, a subsidiary of Bankhaus Lampe. "The sale to Brookfield Asset Management is now intended to pave the way to accelerated, international growth for the CEE Group", explained Klemens Breuer.



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Successful capital market business in 2017

In 2017, Bankhaus Lampe supported a number of transactions – both on the equity and debt side. Besides the IPO of Voltabox in October 2017, the private bank was involved in placements by Hella and corporate bonds for DIC Asset, Paragon, Katjes and Mineralbrunnen Überkingen-Teinach. “Our capital market business has developed extremely well in 2017. We are particularly pleased that many customers have already undertaken several transactions with us and keep coming back to us. This of course confirms that we are doing the right things”, stated Ute Gerbaulet, General Partner of Bankhaus Lampe and responsible for the corporate finance and capital market business unit.

Notes on Net Assets and the Financial Situation for 2017

As per the balance sheet date of 31 December 2017, the **total assets** of Bankhaus Lampe Group stood at € 3,104 million compared with € 2,885 million in the year before.

Loans and advances to banks declined by € 21 million to € 175 million in the year under review. At € 1,456 million, **loans and advances to clients** were slightly higher (previous year: € 1,393 million) as per 31 December 2017. The magnitude of the credit portfolio facilitates an adequate diversification of risks on the one hand and is also commensurate with the risk-bearing capacity of a private bank on the other.

Debentures and other fixed income securities increased from € 161 million to € 327 million.

The **trading portfolio** as per the balance sheet date stood at € 613 million (previous year: € 453 million) and essentially comprises bonds and equities.

Liabilities to banks rose from € 137 million to € 229 million. As per the balance sheet date of 31 December 2017, **client deposits** rose by € 132 million to € 2,253 million (previous year: € 2,121 million). Accounting for 73 % of total assets (previous year: 74 %), client deposits represent the most important source of refinancing and substantially exceed the size of the Bank’s credit business. This underscores the solidity of the balance sheet structure.



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The Group enjoyed a comfortable **liquidity position** throughout FY 2017. As at 31 December 2017, the liquidity ratio pursuant to the German Liquidity Regulation came to 5.2 (previous year: 5.4). 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.

In the year under review, € 0.3 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.

As at 31 December 2017, the **balance sheet equity** amounted to € 292 million and therefore 9.4 % of the total assets (previous year: 10.2 %) before the determination of the balance sheet profit. The return on equity therefore stood at 5.1 %.

On the balance sheet date, the **irrevocable lending commitments** amounted to € 133 million (previous year: € 98 million). This shows the strength and good growth of the Bank's lending business.

Key information on income situation

The Bank ended FY 2017 with a **group net income** of € 15.0 million (previous year € 55.0 million).

Net commission income declined in FY 2017 due to a challenging market environment, but it still documents Bankhaus Lampe Group's good position in the service business, which is of particular importance for the business model. There is potential here for further income opportunities in future. Dominated by the securities business, net commission income stood at € 90.2 million (previous year: € 100.0 million) and was therefore in line with expectations.

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 – fell slightly from € 48.5 million to € 46.8 million. The current net interest income rose from € 28.3 million to € 39.9 million. Ongoing income from equity and other variable-yield securities as well as shareholdings stood at € 6.9 million (previous year: € 20.2 million).



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The **ratio of net commission income to current net interest income** (excl. income from shareholdings) for FY 2017 stood at 69% to 31% (previous year: 78% to 22%). This ratio continues to underline how important the commission business is for Bankhaus Lampe Group and confirmed how successful the focus on commission income has been as part of the re-orientation of the business model.

As at 31 December 2017, the Bank reported a **positive net valuation result from the credit and securities business** of € 10.8 million (previous year: € -12.2 million). This includes a valuation result from the lending business of € 11.9 million (previous year: € -16.6 million), which comprises net reversals 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, developed other than predicted, falling slightly by 2.9 % from € 161.6 million to € 156.9 million during FY 2017. This is essentially due to lower personnel expenses amounting to € 88.7 million (previous year: € 93.3 million), along with slightly lower other administration costs of € 61.8 million (previous year: € 62.5 million), which are associated with the projected investments and start-up costs for the implementation of strategic projects.

The **cost-income ratio** shows the administration costs in relation to the net result from the net interest income, net commission income, net income from proprietary trading and other operating earnings. As per 31 December 2017, it stood at 101.8 vs. 106.6 in the previous year.

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 € 12.4 million (previous year: € 108.4 million - due to the sale of the stake in Universal-Investment-Gesellschaft mbH).

Other comprehensive income in FY 2017 rose by € 11.5 million to € 14.3 million. Other operating income rose to € 24.7 million (previous year: € 8.4 million) primarily due to the reversal of provisions. Other operating expenses also increased to € 10.4 million (previous year: € 5.5 million).



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The **tax expenses** stood at € 4.8 million (previous year: € 10.8 m).

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 2017, **626 staff were actively employed** at Bankhaus Lampe Group (previous year: 670). In addition, there were 31 passive employees in semi-retirement, on leave of absence or parental leave. Due to one-off effects, the number of employees has decreased markedly. The employee turnover rate, i.e. the number of people leaving the company in relation to the overall number of employees on average, rose to 8.5 % (previous year: 4.1 %) and was therefore above the average figure of 7.0 % recently ascertained by the banking association for the sector. The average period of continuous employment stood at 11.3 years and was therefore slightly up on a year ago (2016: 10.6 years).



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Bankhaus Lampe Group: Overview of Business Performance

In million euros	2017	(2016)
Total assets	3,104	(2,885)
Business volume	3,309	(3,058)
Loans and advances to clients	1,456	(1,393)
Loans and advances to banks	175	(196)
Deposits by clients	2,253	(2,121)
Liabilities to banks	229	(137)
Equity (including group net income for the year)	308	(348)
Net interest income (incl. current income)	47	(49)
Net commission income	90	(100)
Net income from proprietary trading	3	(0.3)
Administrative expenses	157	(162)
Group net income	16	(55)
Number of active employees	626	(670)
Assets under management (in billion euros)	22.4	(18.6)

With a **group business volume** of € 3.3 billion and assets under management of € 22.4 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 owned by Oetker Group and the **Oetker family**. The bank's service offering includes wealth and asset management as well as corporate finance services for wealthy private clients as well as corporate and institutional clients. Entrepreneurs serve entrepreneurs at Bankhaus Lampe in a long-established tradition ensuring continuity on the market, creating an ideal environment for long-term and trusting business relationships.

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