DISCLOSURE REPORT 2023

Disclosure in accordance with Article 431 *et seqq*. CRR including disclosure pursuant to the Remuneration Ordinance for Institutions (InstitutsVergV)

HAUCK AUFHÄUSER LAMPE

Inhaltsverzeichnis

List of abbreviations

Abs.	Paragraph
AIFM	Alternative Investment Fund Manager
AIFMD	Alternative Investment Fund Manager Directive
ALCO	Asset Liability Committee
BaFin	Federal Financial Supervisory Authority (BaFin)
BHL	Bankhaus Lampe KG
Bp	Base point
CoRep	Common Reporting
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSSF	Commission de Surveillance du Secteur Financier
CVA	Credit Valuation Adjustment
d. h.	that is
EBA	European Banking Authority
ESMA	European Securities and Markets Authority
FTE	Full Time Equivalent
i. d. R.	as a rule
i. S. d.	within the meaning
i. V. m.	in conjunction with
InstitutsVergV	Remuneration Ordinance for Institutions
KAGB	German Investment Code
KSA	Credit Risk Standardized Approach
KWG	German Banking Act
LCR	Liquidity Coverage Ratio
NSFR	Net Stable Funding Ratio
RExCo	Risk Executive Committee
RWA	Risk-weighted assets
SAG	Reorganization and Company Winding-up Act
SolvV	Solvency Regulation
TREA	Total Risk Exposure Amount
Tsd. EUR	Euro thousand
u. a.	among others
VaR	Value at Risk
z. B.	For example

1. Introduction

Disclosure report of the Hauck Aufhäuser Lampe Group

Regulation (EU) No. 575/2013 (CRR – Capital Requirements Regulation) came into force on 1 January 2014 with the aim of creating greater transparency with regard to the risks entered into by the institutions. Since then, this has applied to the entire European Union. This Regulation has now been supplemented by Regulation (EU) No. 2019/876 of 20 May 2019, which came into force on 28 June 2021.

The Disclosure Report by the Hauck Aufhäuser Lampe Group has been prepared in accordance with the provisions of Part 8 CRR in conjunction with Section 26a of the German Banking Act (KWG).

Article 431 et seq. CRR requires institutions to regularly publish both qualitative and quantitative information pertaining to own funds, the risks incurred, the risk management procedures deployed and credit mitigation techniques, as well as to have formal procedures and regulations in place, in order to fulfil these disclosure obligations.

The quantitative information contained in the report generally corresponds to the status of the "CoRep Report" as at the reporting date of 31 December 2023.

Hauck Aufhäuser Lampe Privatbank AG (hereinafter referred to as Hauck Aufhäuser Lampe) utilizes a comprehensive risk management system in which all companies of the Hauck Aufhäuser Lampe Group are integrated. The information in this report relates, for regulatory purposes, to all companies included in the scope of consolidation.

In accordance with Article 432 CRR and in line with the EBA Guideline dated 4 August 2017 (EBA/GL/2016/11) regarding the materiality and confidentiality of disclosure, the contents of the report presented shall be subject to the principle of materiality. Legally protected or confidential information is not the subject of this report. Regular reviews of the report content are performed, in order to ensure proper disclosure. The corresponding responsibilities and general operating conditions are regulated in work instructions. The following report provides a comprehensive overview of the risk profile of the Hauck Aufhäuser Lampe Group.

If a field within the tables contains the entry "0", a value does exist, but this corresponds to zero when rounding to thousands of euros (EUR thousand) . The entry "--", on the other hand, indicates that no value is available.

1.1. Frequency and scope of disclosure (Article 433 CRR)

With the entry into force of the new CRR, Hauck Aufhäuser Lampe is considered neither a small and non-complex institution pursuant to Article 4 (1) No. 145 CRR nor a large institution pursuant to Article 4 (1) No. 146 CRR. Hauck Aufhäuser Lampe is, therefore, subject to the requirement for "disclosure by other institutions" in accordance with Article 433c CRR. In view of the fact that Hauck Aufhäuser Lampe is not listed on a stock exchange, the exemptions under Article 433c (2) CRR apply. Reporting takes place on the reporting date of 31 December 2023 with an annual reporting frequency and fulfils at least the following requirements:

- Article 435 (1) (a), (e) and (f) CRR – Disclosure of risk management objectives and policies
- Article 435 (2) (a), (b) and (c) CRR – Disclosure of corporate governance arrangements
- Article 437 lit a CRR – Disclosure of own funds
- Article 438 lit. c and d CRR – Disclosure of own funds requirements and risk-weighted exposure amounts
- Article 442 lit. a to e CRR – Disclosure of credit risk and dilution risk
- Article 447 CRR – Disclosure of key parameters
- Article 450 (1) lit. a to d and h to k CRR – Disclosure of the remuneration policy

1.2. Medium of disclosure (Article 434 CRR)

The information to be disclosed is published on the homepage of Hauck Aufhäuser Lampe Privatbank AG in accordance with Article 434 CRR, and is freely accessible without the need for prior registration at https://www.hal-privatbank.com/en/the-bank/about-us/investor-relations.

2. Risk management objectives and policy (Article 435 CRR)

2.1. Risk management (Article 435 (1) (a) CRR)

The risk management approach adopted by Hauck Aufhäuser Lampe is understood as a proactive management system for the early identification, measurement, assessment and control of significant risks that could jeopardise the existence of Hauck Aufhäuser Lampe now or in the future. The most important components of our Group-wide risk management system for managing risks and capital are

- our business strategy and the business areas derived from it and the types of risk identified.
- the risk strategy and the capital allocation contained therein in accordance with the risk appetite defined by the Management Board in the respective business areas, taking into account the expected return.
- as part of the risk-bearing capacity concept, the risk coverage potential, which corresponds to the maximum equity available to cover the risks in the Group, as well as the risk capital limit, i.e. the equity actually used to hedge risks.
- ensuring the appropriateness of ongoing risk management and controlling processes on the basis of a sound economic and normative perspective.
- the steering/decision-making bodies as higher-level authorities for the decision-makers within the organizational units, who remain responsible for operational risk management.
- the ongoing monitoring of our risk management system by the Internal Audit department.

The identification of risks can be derived from the business strategy and is specified by defining the risks in the risk strategy. The primary objective of the risk strategy is to safeguard the continued existence of the Group and is subdivided into sub-risk strategies. However, the level of detail of the sub-risk strategies can vary and depends on the complexity and risk content of the activities. The Hauck Aufhäuser Lampe Group distinguishes between the following categories of material risks:

- Counterparty default risks
- Market price risks
- Liquidity risks
- Operational risks (including legal risks)
- Strategic risks (business risks and reputational risks)

The risk types defined as material for the Group are described in more detail below. Counterparty default risk is described in Chapter 5, with the exception of the investment risk subtype, which is described separately in Subchapter 2.1.2.

The primary risks at Group level are promptly identified, assessed, managed, monitored and communicated. The annual risk inventory is intended to ascertain all risks to which we are exposed. Risk concentrations are taken into account appropriately. ESG risks are analysed as part of a risk driver analysis. The Group's economic risk-bearing capacity is calculated and the target ratios defined within a normative perspective as part of annual capital planning efforts, and are monitored on a monthly basis.

This normative perspective takes into account all regulatory and supervisory requirements, as well as the internal requirements based on these, in particular with regard to capital adequacy. The relevant key figures are determined by the Regulatory Reporting unit in accordance with the provisions of the Capital Requirements Regulation (CRR). This four-year capital planning for a plan scenario and an adverse scenario is also performed on this basis. The plan scenario is derived from the multi-year balance sheet and income statement planning, and takes into account the effects of binding (or previously adopted) legal/regulatory changes. In an adverse scenario, which corresponds to a severe recession, the effects of economic risks on the normative perspective of risk-bearing capacity are determined. The waiver of dividend payments is taken into account as a countermeasure. In both the plan scenario and the adverse scenario, all regulatory minimum capital requirements are met over the entire observation period.

The Management Board bears holistic responsibility for risk and capital management in the Hauck Aufhäuser Lampe Group. A market-independent member of the Management Board is responsible for risk management; this member also manages the risk capital in the Hauck Aufhäuser Lampe Group. The separation of functions is guaranteed in our organizational and operational structure, as well as our risk management processes up to the level of the Management Board.

The Supervisory Board reviews our risk and capital profile at regular intervals, but at least on a quarterly basis.

The Management Board bears overall responsibility for the business strategy and the risk strategy. The latter submits the strategies to the Supervisory Board for information and discusses them with it.

Risk monitoring – in particular, compliance with risk-bearing capacity from an economic perspective – is performed from an operational standpoint by the Risk Controlling team, a separate unit from the front office. This is where risks are identified, analyzed, assessed, monitored and reported to enable them to be managed.

The Risk Controlling team remains responsible for the methods used for overall bank and risk management purposes. The Risk Controlling methods are subject to an annual validation process, which is carried out by the process-independent Risk Validation & Valuation team. The results achieved are to be presented to the Management Board upon completion. Any resulting requirements for action that have a cross-divisional impact must be decided by the Management Board.

The Controlling department is responsible for monitoring the development of earnings. Investment Controlling is performed by the Legal & Corporate Secretary department, Corporate Secretary team, in cooperation with the Accounting department.

Internal Audit bears responsibility for the risk-orientated and process-independent audit of risk management. The Management Board reports regularly to the Supervisory Board on the key findings of Internal Audit. The audits generally relate to all activities and processes of the Hauck Aufhäuser Lampe Group.

Furthermore, the Compliance department – which combines various compliance functions – forms the so-called “second line of defence” in the three lines of defence model in place. In addition to Capital Market Compliance and the functions aimed at combating money laundering, terrorist financing and fraud (central unit), the MaRisk function, the Information Security Officer, the Data Protection Officer and the Officer for the Protection of Customer Financial Instruments are located independently in the Compliance department. Compliance with sanctions and embargoes also forms part of the remit.

Several committees have been formed to support the Management Board in monitoring the overall risk situation. In particular, the Asset Liability Committee (ALCO) and the Risk Executive Committee (RExCo) act as overarching executive bodies for the decision-makers within the organizational units, who continue to bear day-to-day responsibility for operational risk management. The monthly meetings of the ALCO discuss – among other things – the management of economic and normative risk-bearing capacity, as well as liquidity risk management. The RExCo – which meets at least quarterly – serves to support the Management Board and the Risk Committee (Risk Committee of the Supervisory Board) in monitoring the risk situation at Hauck Aufhäuser Lampe, on an operational level, from an economic and regulatory perspective. It ensures that the control functions and, in particular, the risk controlling function are involved in important risk policy decisions made by the Management Board, and guarantees independent monitoring and communication of risks.

The Credit Committee makes decisions within the scope of the powers delegated to it by the full Management Board, and is generally responsible for the management of all credit risks. It acts on the basis of the applicable credit risk strategy.

In addition thereto, a comprehensive standardized reporting system ensures regular and prompt communication on the utilization of risk capital and thus enables a rapid response to be provided when needed. This is supplemented by ad hoc reporting in the event of the occurrence of special risk events.

The Hauck Aufhäuser Lampe Group has drawn up a Group reorganization plan in accordance with regulatory requirements. Among other things, it sets out measures with which we can react autonomously to a significant deterioration in our financial situation, in order to restore our own financial stability. The remediation indicators defined to determine the need for remediation are monitored on a continual basis and form part of the quarterly risk report. There were no intra-Group financial agreements pursuant to Section 22 SAG in the financial year 2023.

2.1.1. Market price risks

Market price risks entail potential losses due to unfavourable changes in market prices or price-influencing market parameters. They can be categorised according to the respective dependencies into interest rate, currency and price risks, as well as spot, forward and option risks. Market price risks arise from trading and investment transactions, as well as asset/liability management transactions.

Possible changes in valuation adjustments relating to significant unsecured OTC derivative positions are included here.

The market price risks for all risk positions in the trading and banking book are calculated Group-wide using value-at-risk (VaR) approaches. The aggregation of the total market price risk is realised without taking into account risk-mitigating correlations between the various portfolios and the equity, interest rate and currency markets. The VaR figures are based on a one-year data history and are calculated for a holding period of one year at a confidence level of 99.9%.

The Risk Controlling team is responsible for measuring and monitoring market price risks. The division prepares market price risk reports for the Management Board on a daily basis. These contain the key risk indicators (results and VaR indicators) for all risk types at portfolio and Group level, as well as the utilization of capital limits.

The ALCO, which meets monthly, is the central committee tasked with monitoring market price risks at Group level. Its primary task is to monitor the development of market price risks and propose recommendations for action.

The Group-wide assets and liabilities consist mainly of items with variable interest rates. Fixed-interest positions in assets are generally hedged using interest rate swaps, which are usually micro-hedges of bonds on the bank’s banking book. Both the underlying and hedging transactions are included in the risk calculation for the interest rate risk, and are reflected in the relevant limit utilizations, which are monitored daily.

The currency risk is of secondary importance, as the business is primarily focussed on Germany or countries in the eurozone.

In addition to other validation activities, regular back testing is performed, in order to check all risk models. Here, the forecast risk figures are compared with the actual changes in net assets.

In addition to the economic capital limits defined as part of the risk strategy, the general framework conditions defined in the portfolios’ investment strategies (credit rating, liquidity, maturity, stop-loss limits and volume limits) represent the guiding thresholds for managing market price risk.

Moreover, worst-case simulations are performed for all classes of market price risk (equities, funds, foreign exchange, interest rates, interest rate options) on the basis of extraordinary historical market movements and hypothetical stress scenarios.

Interest rate risks in the banking book

Interest rate risks in the banking book are managed by Treasury. Group-wide risks are limited through appropriate investment strategies. To this end, not only the changes in present value in the interest book are monitored, but also the effects on the income statement under commercial law.

Hauck Aufhäuser Lampe quantifies and reports interest rate risks on a daily basis using the methods used for market price risks.

Hauck Aufhäuser Lampe accounts for all interest-bearing transactions from the trading book, the banking book and liabilities on a daily basis, in order to determine the changes in present value in the interest book. The currency risk from these transactions is recognized separately.

Furthermore, various interest rate shock scenarios are simulated across the Group. The regulatory interest rate shock (+200/-200 basis points [bp]) would lead to a negative change in present value in the banking book of EUR 8.5 million in the +200 bp scenario at Group level at the end of the year, which corresponds to 1.4% of equity.

2.1.2. Investment risks

Investment risks are defined as potential losses that may arise from the provision of capital by the bank to other companies in the form of equity and mezzanine capital, as well as from supplementary lending and capital commitments.

The Group-wide strategic objectives with regard to the investments are set out in the investment strategy. Hauck Aufhäuser Lampe divides its investments into strategic investments, financial and sponsor investments and business-related investments.

Strategic investments support, in particular, the expansion of the bank’s customer base, the establishment of new sales channels and the development of new products. The majority of strategic investments are operating companies that are majority-owned by Hauck Aufhäuser Lampe, which are allocated to the Group’s core business areas and are fully integrated into them. These companies are consolidated in the consolidated financial statements and integrated into the Hauck Aufhäuser Lampe Group in financial, organizational and economic terms. This includes ongoing controlling and monthly monitoring within risk management.

Hauck Aufhäuser Lampe’s financial investments are concentrated in the Munich-based subsidiary FidesKapital Gesellschaft für Kapitalbeteiligungen mbH. These are primarily minority interests in private equity and venture capital funds.

The business-related investments essentially offer customised individual solutions for customers, for example, in the area of fiduciary transactions in the investment sector.

Hauck Aufhäuser Lampe invests in special funds to support sales via sponsor participations within Lampe Alternative Investments (LAI).

Capital backing as part of internal risk management for Hauck Aufhäuser Lampe’s investments is determined using the credit portfolio model at a confidence level of 99.9% and a risk horizon of one year.

A variance-covariance approach is also used for various fund investments within these holdings.

2.1.3. Liquidity risks

Liquidity risks include insolvency, market liquidity and refinancing risks, whereby the latter are defined as immaterial.

Hauck Aufhäuser Lampe’s business strategy emphasises the generation of commission income without organic balance sheet growth. Refinancing is essentially based on deposits from institutional clients from the custodian business, which have proven to be stable (or show growth) over several cycles.

The liquidity surplus is mainly invested in ECB-eligible securities, in order to be able to access a high-refinancing framework at the ECB in the event of a liquidity bottleneck.

The ALCO – which meets monthly – represents the central Steering Committee for the Bank's liquidity risks. This specifies how the desired liquidity status is to be achieved, while Treasury is responsible for operational liquidity management. The unit manages liquidity and the balance sheet structure daily, as well as on the basis of the specified risk tolerance, and reports to the ALCO on the liquidity situation and development.

Group-wide monitoring of economic liquidity risks is performed by the Risk Controlling team on the basis of liquidity processes under normal and stressed conditions.

Market liquidity risks are monitored implicitly via the credit portfolio model for counterparty default risks in the investment portfolio and through the daily calculation of hidden reserves and charges in market risk reporting. The insolvency risks are determined on a daily basis by calculating the available net liquidity for various periods in a normal scenario and three different stress scenarios.

In addition to liquidity management in accordance with the Liquidity Regulation (Liquiditätsverordnung), liquidity risks are monitored on the basis of the regulatory Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) in accordance with Articles 411 to 426 CRR and an internally developed procedure. All cash flows are compared over time on a daily, monthly and annual basis; the fungibility and ECB eligibility of the individual items in the investment and trading portfolio, as well as liquidity outflows from contingent liabilities, are accounted for and a prospective analysis of liquidity based on defined scenarios is made possible. All liabilities due within certain defined periods are to be serviced within this period in the event of full deduction.

In addition to these key figures, the liquidity costs taken into account as part of the market interest rate method when managing business activities (and the regular review of the emergency plan put in place for liquidity bottlenecks) represent key cornerstones of liquidity risk management.

2.1.4. Operational risks

The Hauck Aufhäuser Lampe Group defines operational risk as the risk of financial consequences stemming from the inadequacy (or failure) of internal processes and systems, people or external events. Legal risks and information security risks – including cyber risks – are allocated to operational risks.

The Hauck Aufhäuser Lampe Group has introduced a Group-wide operational risk management framework that is understood as binding for all subsidiaries, managers and departments. Within this framework, the strategic focus was set on four possible courses of action for dealing with operational risks:

- Risk avoidance, e.g. by withdrawing from certain business areas
- Risk reduction, e.g. through process optimisation or qualification measures for employees
- Transfer of risk, e.g. by taking out insurance to settle major losses with a low probability of occurrence, and
- Risk acceptance if, for example, corresponding countermeasures do not prove to be expedient from a business perspective

Key decisions relating to dealing with operational risks are regularly reviewed and documented.

The Risk Controlling team is responsible for monitoring operational risks, and supports the specialist divisions responsible for managing these risks. It reports to the Management Board and to RExCo, which is responsible for managing operational risks.

The Hauck Aufhäuser Lampe Group capitalizes operational risks from an economic standpoint using a VaR approach on the basis of internal loss and legal case data, as well as estimates of other potential risks.

The instruments for the Group-wide management of operational risks include:

- processes for the systematic and standardized recording, reporting, analysis and management of data and information on losses and risks
- regular reporting to the Management Board and specialist departments
- “Risk self-assessment” processes for the regular and most complete recording of all significant risks (including ESG risk drivers) that can possibly be achieved
- the development of scenarios to assess the consequences of potential losses and the options for preventing them

Operational risks are limited through regularly updated documentation of all relevant work processes, guidelines and authorization regulations.

The legal department bears responsibility for assessing and handling legal risks. In certain cases – and particularly in the event of legal disputes – external law firms are also commissioned. Appropriate provisions have been made for existing legal disputes.

For IT – a particularly sensitive operational area – and cyber risks, these are taken into account through protective measures of a technical and organizational nature. Information security management and business continuity planning are the responsibility of the information security officer. Outsourcing is also controlled in the central outsourcing management system.

Appropriate processes and emergency concepts have been implemented to ensure the security of IT systems and the continuation of relevant business activities in the event of system failures. Other processes – such as the regular assessment of employees and the standardization of contracts used – also have a risk-mitigating effect.

2.1.5. Strategic risks

According to the internal definition, strategic risks include business risks and reputational risks, which are seen as a possible amplifier of business and liquidity risks.

Business risks entail the danger of material failure to meet income and cost targets due to internal or external causes. Potential reasons for this include the inadequate implementation of strategic guidelines or changes to the macroeconomic environment and the competitive situation.

Responsibility for managing these risks lies with the core business areas and their respective Management Board members, and is based on independent financial controlling figures.

Reputational risks describe the risk of declines in earnings or disruptions to the bank’s liquidity situation due to events that damage the confidence of stakeholders in the Hauck Aufhäuser Lampe Group.

Responsibility for the management of strategic risks lies with the core business areas and their respective members of the Management Board. With regard to the management of reputational risks, they are supported in this task by the units responsible for complaints management.

At Hauck Aufhäuser Lampe, business risks are quantified using a VaR approach based on historical deviations from the operating result.

The effects of reputational risks are taken into account with specific stress tests with regard to their impact on earnings and liquidity.

2.2. Concise risk statement (Article 435 (1) (e) and (f) CRR)

The business strategy sets out the objectives of the Hauck Aufhäuser Lampe Group for each key business activity and the measures to achieve them. The risk strategy is adapted to the type, complexity, scope and risk content of these business activities, and is to be understood as part of the risk management process, which regulates the profit-oriented assumption of risks, taking into account the regulatory requirements for risk-bearing capacity. The risk strategy defines our risk appetite at Group level.

The business activities of the Hauck Aufhäuser Lampe Group are focussed on the following areas:

- comprehensive advice and asset management for private and corporate investors
- asset management for institutional investors
- comprehensive fund services for financial and real assets in Germany, Ireland and Luxembourg
- cooperation with independent asset managers
- research, sales and trading activities specialising in small and mid-cap companies in German-speaking countries
- customised service for IPOs and capital increases

On this basis, the focus of our economic capital requirements is on counterparty default risks (82 %), followed by operational risks (10 %) and market price risks (8 %).

The economic risk-bearing capacity approach is geared towards creditor protection and – together with the regulatory capital ratios geared towards the continuation of business activities (normative perspective) – forms the risk management approaches of the Hauck Aufhäuser Lampe Group.

Hauck Aufhäuser Lampe makes only part of the risk coverage potential available to the individual business segments. The remaining, unutilised risk coverage potential serves as a strategic risk buffer.

The total capital ratio according to the CoRep Report as at the reporting date of 31 December 2023 of the Hauck Aufhäuser Lampe Group was 19.23%. Following the adoption of the banks' annual financial statements, this changed to 18.71%, while the utilization of the economic risk coverage potential amounts to 44%. As at the reporting date, the liquidity ratios for the liquidity coverage ratio (LCR) amounted to 132.13% and the structural liquidity ratio (NSFR) to 202.70%. All regulatory and internal limits were complied with in the 2023 financial year.

The Hauck Aufhäuser Lampe Group has implemented a proactive risk management system to ensure economic risk-bearing capacity, compliance with regulatory capital ratios and adequate liquidity. This is appropriately structured with regard to our business activities, our strategic orientation and the fulfilment of regulatory requirements.

As part of the approval of this Disclosure Report, the concise risk statement has been approved by the Management Board.

2.3. Corporate Governance rules (Article 435 (2) CRR)

Hauck Aufhäuser Lampe Privatbank AG is majority-owned by Bridge Fortune Investment S.à r.l., based in Luxembourg, which, in turn, is an indirect holding of Fosun International Ltd, Hong Kong, which is listed on the Hong Kong stock exchange. The management of Hauck Aufhäuser Lampe remains the responsibility of the respective Management Boards.

In the 2023 financial year, the members of the Management Board were Mr Michael Bentlage (Chairman), Mr Oliver Plaack, Ms Madeleine Sander (from 01 August 2023), Dr Holger Sepp, Mr Robert Sprogies (until 30 September 2023) and Mr Gordan Torbica (from 01 October 2023).

The Management Board manages the bank and conducts its business in accordance with the law, the Articles of Association and the rules of procedure for the Management Board. A business allocation plan regulates primary responsibilities and substitutions.

The members of the Management Board are listed on the Hauck Aufhäuser Lampe homepage at https://www.hal-privatbank.com/en/bank/about-us/organizational-structure in detail.

Information on mandates of the executive body (Article 435 (2) (a) CRR)

The members of the Management Board shoulder responsibility for the following management and supervisory functions, in addition to their activities as executives. The reporting date for all information is 31 December 2023.

Table 1: Number of management and supervisory functions held by members of the executive body

	Number of management functions	Number of supervisory functions
Mr Michael Bentlage	4	1
Mr Oliver Plaack	1	1
Ms Madeleine Sander	--	--
Dr Holger Sepp	--	2
Mr Gordan Torbica	--	2

Selection and diversity strategy for members of the executive body (Article 435 (2) (b) and (c) CRR)

Only persons who fulfil the executive management qualification pursuant to Section 25c German Banking Act (KWG) and all other requirements under stock corporation and banking supervisory law may be appointed to the bank’s Management Board. In accordance with the Supervisory Board’s rules of procedure, the Nomination Committee supports the Supervisory Board in identifying suitable candidates to fill a Management Board position. Expertise, as well as a balance and diversity of knowledge, skills and experience play an essential role here. The Management Board of Hauck Aufhäuser Lampe consisted of five members as at 31 December 2023. The regulatory division into front and back office is guaranteed.

With regard to the bank’s diversity strategy, Hauck Aufhäuser Lampe has not yet fully achieved its target of increasing the proportion of women in management positions to 30% by 2023. As at December 2023, 32% of management positions are held by women. However, the proportion of women at Management Board level is only 20 %. On balance, 41 % of the workforce is female. 38 % (previous year: 27 %) of team management positions are held by women. When compared to the previous year, the proportion of women in department management positions increased by 7 %. Accordingly, a total of 29 % (previous year: 22 %) of department management positions are held by women, and the target of 30 % has not yet been fully achieved.

Information on the Risk Committee and description of the flow of information to the executive body on risk issues (Article 435 (2) (d) and (e) CRR)

Hauck Aufhäuser Lampe has implemented a Risk Committee – the Risk Executive Committee – which meets quarterly. Its purpose is to support the Management Board and the Risk Committee in monitoring the risk situation at Hauck Aufhäuser Lampe from an economic and regulatory perspective when viewed on an operational level. The RExCo is firmly anchored in the bank's decision-making and information process and – as a cross-divisional source of information involving key function holders in the Monitoring, Market and Support units, as well as the Management Board – is intended to guarantee a regular bank-wide exchange of information on all risk-relevant topics, thereby ensuring that information flows to the executive body at all times.

3. Scope of application (Article 436 lit. a, b, f and g CRR)

The regulatory scope of consolidation for determining the summarized capital adequacy is defined in accordance with Section 10a German Banking Act (KWG) in conjunction with Article 18 et seq. CRR. Accordingly, Hauck Aufhäuser Lampe Privatbank AG is to be classified as a superordinate company of the Hauck Aufhäuser Lampe Group.

One financial institution, two investment firms and seven financial institutions are fully consolidated in the regulatory scope of consolidation. Compared to the previous year, Lampe Beteiligungsgesellschaft mbH was removed from the regulatory scope of consolidation as it was merged with Lampe Alternative Investments GmbH.

Other group companies of Hauck Aufhäuser Lampe with a capital share of > 10 % are not included as they are of minor importance for the net assets, financial position and results of operations of the Hauck Aufhäuser Lampe Group in accordance with Article 19 (1) CRR. No companies are consolidated proportionately.

The Hauck Aufhäuser Lampe Group companies that are not included in the summary pursuant to Article 18 CRR do not have a capital shortfall as defined in Article 436 (g) CRR.

Within Hauck Aufhäuser Lampe, there are no existing (or foreseeable) material, actual or legal obstacles to the transfer of financial (or own) funds within the meaning of Article 436 lit. f CRR.

Hauck Aufhäuser Lampe does not make use of the waiver regulations pursuant to Articles 7 and 8 CRR in conjunction with Section 2a German Banking Act (KWG).

By contrast, the scope of consolidation under commercial law is prepared exclusively in accordance with the provisions of the German Commercial Code (HGB). The only change to the scope of consolidation under commercial law in the financial year was the merger of Lampe Beteiligungsgesellschaft mbH with Lampe Alternative Investments GmbH.

The following consolidation matrix compares the companies belonging to the Hauck Aufhäuser Lampe Group within the scope of consolidation for regulatory purposes with the scope of consolidation for commercial purposes. This is organized according to the classification based on Article 4 CRR, and is extended to include other companies that are not part of the regulatory scope of consolidation.

Table 2: Scope of consolidation under supervisory and commercial law

Company form	Name	Regulatory treatment					Consolidation according to accounting standard full
		Consolidation in accordance with Art. 18 CRR	Exemption according to Art. 19 CRR	Consideration in accordance with Art. 470 (2b) and (3) CRR (threshold method)	Deduction in accordance with Section 32 Solvency Regulation	Risk-weighted investments	
Financial institution	Hauck Aufhäuser Lampe Privatbank AG	X	-	-	-	-	X
Investment firm	DALE Investment Advisors GmbH	X	-	-	-	-	X
	Lampe Asset Management GmbH	X	-	-	-	-	X
Financial institution	Hauck & Aufhäuser Fund Platforms S.A.	X	-	-	-	-	X
	Hauck & Aufhäuser Fund Services S.A.	X	-	-	-	-	X
	Hauck & Aufhäuser Alternative Investments Services S.A.	X	-	-	-	-	X
	FidesKapital Gesellschaft für Kapitalbeteiligungen mbH	X	-	-	-	-	X
	Competo Development Fund No. 3 GmbH & Co. KG	X	-	-	-	-	X
	Lampe Alternative Investments GmbH	X	-	-	-	-	X
	LD zweite Beteiligung GmbH	X	-	-	-	-	X
	ALH European Debt Management S.à r.l.	-	X	X	-	X	-
	ALH European Equity Management S.à r.l.	-	X	X	-	X	-
	BHL Equity Invest I Verwaltungs GmbH	-	X	X	-	X	-
	BPE GP S.à r.l.	-	X	X	-	X	-
	Competo Development Fund No. 3 Verwaltungsgesell-schaft mbH	-	X	X	-	X	-
	Core Energy Infrastructure Holding GP S.à r.l.	-	X	X	-	X	-
	DB PWM Private Markets I GP S.à r.l.	-	X	X	-	X	-
	Equity Invest Management II GmbH	-	X	X	-	X	-
	HAL Fund Services Ireland Limited	-	X	X	-	X	-
	HanseMerkur Grundwerte Deutschland II GP S.à r.l.	-	X	X	-	X	-
	HanseMerkur Grundwerte Deutschland II MLP S.à r.l.	-	X	X	-	X	-
	Hauck & Aufhäuser Innovative Capital Kapitalverwaltungs-gesellschaft mbH	-	X	X	-	X	-
	Hauck Aufhäuser Digital Custody GmbH	-	X	X	-	X	-
	Hauck Aufhäuser IB Limited	-	X	X	-	X	-
	Hauck Investment Management (Nanjing) Co., Ltd.	-	X	X	-	X	-
	Hauck Investment Management (Shanghai) Co., Ltd.	-	X	X	-	X	-
	HI-Management S.à r.l.	-	X	X	-	X	-
	Kapital 1852 Beratungs GmbH	-	X	X	-	X	-
	Kapital 1852 General Partner S.à r.l.	-	X	X	-	X	-
	Lampe Capital Finance GmbH	-	X	X	-	X	-
	Lampe Investment Management GmbH	-	X	X	-	X	-
	Lampe Private Advisory GmbH	-	X	X	-	X	-
	Lampe Privatinvest Management GmbH	-	X	X	-	X	-
	Lampe Privatinvest Verwaltung GmbH	-	X	X	-	X	-
	Lampe Verwaltungs-GmbH	-	X	X	-	X	-

Company form	Name	Regulatory treatment					
		Consolidation in accordance with Art. 18 CRR	Exemption according to Art. 19 CRR	Consideration in accordance with Art. 470 (2b) and (3) CRR (threshold method)	CET1 deduction in accordance with Section 32 Solvency Regulation	Risk-weighted investments	Consolidation according to accounting standard full
	Lending GP S.à r.l.	-	X	X	-	X	-
	Sino-EU Bridge Fortune S.à r.l.	-	X	X	-	X	-
	TETRARCH Aktiengesellschaft	-	X	X	-	X	-
	Vilmaris Private Investors GmbH & Co. KG	-	X	X	-	X	-
	Vilmaris Private Investors Verwaltungs GmbH	-	X	X	-	X	-
Insurance companies	H&A Pension Trust GmbH	-	X	X	-	X	-
Other companies	CLEC Vermögensverwaltung GmbH	-	-	-	-	X	-
	Crossroads Corporate Services Limited	-	-	-	-	X	-
	FOPEX GmbH	-	-	-	-	X	-
	H&A “Green Office Hamburg-Hafencity” GmbH & Co. KG	-	-	-	-	X	-
	Hauck & Aufhäuser Verwaltungs GmbH	-	-	-	-	X	-
	NuWays AG	-	-	-	-	X	-
	SI Verwaltung GmbH	-	-	-	-	X	-
	Unterstützungskasse GmbH der Bankhaus Lampe KG	-	-	-	-	X	-

4. Own funds structure, and own funds requirement

4.1. Own funds structure (Article 437 CRR)

The information on the Group's own funds in accordance with Article 437 CRR is disclosed below.

As at 31 December 2023, the Hauck Aufhäuser Lampe Group's regulatory own funds in accordance with Article 72 CRR amounted to EUR 621.6 million, and consisted primarily of Common Equity Tier 1 Capital, which primarily comprises subscribed capital, reserves (Core Tier 1) and the special items for general banking risks in accordance with Section 340g German Commercial Code (HGB).

The following table shows the own funds structure of the Hauck Aufhäuser Lampe Group based on the regulatory figures according to the CoRep Report, and is presented in accordance with Annex VII to Commission Implementing Regulation (EU) No. 2021/637.

Table 3: EU CC1 – Composition of regulatory own funds

31.12.2023		a) Amount	b) Source by reference number/ letters of the balance sheet within the supervisory scope of consolidation (EU CC2)
		Amounts in thousand EUR	
Common Equity Tier 1 Capital (CET1): Instruments and reserves			
1	Capital instruments and the premium associated with them	305,580	
	of which: Shares	28,914	A
	of which: Capital reserve	276,666	B
2	Retained earnings	319,165	C
3	Accumulated other comprehensive income (and other reserves)	--	
EU-3a	Fund for general banking risks	78,189	D
4	Amount of items referred to in Article 484 (3) plus the related share premium accounts that cease to be recognized in CET1	--	
5	Minority interests (authorised amount in consolidated CET1)	--	
EU-5a	Independently audited interim profits, net of any foreseeable levies or dividends	--	
6	**Common Equity Tier 1 Capital (CET1) before regulatory adjustments**	**702,934**	**Sum of the lines 1 to 5a**
Common Equity Tier 1 Capital (CET1): regulatory adjustments			
7	Additional valuation adjustments (negative amount)	-255	
8	Intangible assets (reduced by corresponding tax liabilities) (negative amount)	-26,951	E
9	In the EU: empty field		
10	Deferred tax assets that rely on future profitability, other than those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-60,917	F
11	Reserves from gains or losses from transactions recognized at fair value to hedge cash flows for financial instruments not recognized at fair value	--	
12	Negative amounts from the calculation of the expected loss amounts	--	
13	Increase in equity resulting from securitised assets (negative amount)	--	

31.12.2023		a) Amount	b) Source by reference number/ letters of the balance sheet within the supervisory scope of consolidation (EU CC2)
		Amounts in thousand EUR	
14	Gains or losses from own liabilities measured at fair value due to changes in own credit rating	--	
15	Assets from defined benefit pension funds (negative amount)	--	
16	Direct, indirect and synthetic holdings by an institution of its own Common Equity Tier 1 instruments (negative amount)	--	
17	Direct, indirect and synthetic holdings of Common Equity Tier 1 instruments of financial sector entities where those entities have reciprocal cross-shareholdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	--	
18	Direct, indirect and synthetic holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (above 10% and net of eligible short positions) (negative amount)	--	
19	Direct, indirect and synthetic holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution does have a significant investment in those entities (above 10% and net of eligible short positions) (negative amount)	--	
20	In the EU: empty field		
EU-20a	Exposure amount from the following items to which a risk weight of 1,250 % is to be assigned if the institution deducts that exposure amount from the amount of Common Equity Tier 1 items as an alternative	--	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	--	
EU-20c	of which: Securitisation positions (negative amount)	--	
EU-20d	of which: Advance payments (negative amount)	--	
21	Deferred tax assets resulting from temporary differences (above the threshold of 10 %, reduced by corresponding tax liabilities if the conditions of Article 38 [3] are met) (negative amount)	--	
22	Amount above the threshold of 17.65% (negative amount)	--	
23	of which: direct, indirect and synthetic holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant shareholding in those entities	--	
24	In the EU: empty field		
25	of which: Deferred tax assets resulting from temporary differences	--	
EU-25a	Losses for the current financial year (negative amount)	--	
EU-25b	A foreseeable tax charge on Common Equity Tier 1 items, unless the institution makes an appropriate adjustment to the amount of Common Equity Tier 1 items where such a tax charge reduces the amount up to which those items can be used to cover risks or losses (negative amount)	--	
26	In the EU: empty field		
27	Amount of items to be deducted from Supplementary Tier 1 Capital items that exceeds the institution's Supplementary Tier 1 Capital (negative amount)	--	
27a	Other regulatory adjustments	--	
28	**Regulatory adjustments to Common Equity Tier 1 Capital (CET1) in total**	**-88,123**	**Sum of the Lines 7 to 20a, 21, 22, 25a to 27a**
29	**Common Equity Tier 1 Capital (CET1)**	**614,811**	**Line 6 less line 28**

31.12.2023		a) Amount	b) Source by reference number/ letters of the balance sheet within the supervisory scope of consolidation (EU CC2)
		Amounts in thousand EUR	
Supplementary Tier 1 Capital (AT1): Instruments			
30	Capital instruments and the premium associated with them	--	
31	of which: classified as equity in accordance with applicable accounting standards	--	
32	of which: classified as liabilities in accordance with applicable accounting standards	--	
33	The amount of items referred to in Article 484 (4) plus the related share premium accounts that cease to be recognized in AT1	--	
EU-33a	Amount of items within the meaning of Article 494a (1) CRR whose inclusion in Supplementary Tier 1 Capital expires	--	
EU-33b	Amount of items within the meaning of Article 494b (1) CRR whose inclusion in Supplementary Tier 1 Capital expires	--	
34	Qualifying Tier 1 instruments included in consolidated Supplementary Tier 1 Capital (including minority interests not included in line 5) issued by subsidiaries and held by third parties	--	
35	of which: instruments issued by subsidiaries whose recognition expires	--	
36	**Supplementary Tier 1 Capital (AT1) before regulatory adjustments**	--	**Sum of the lines 30, 33 to 34**
Supplementary Tier 1 Capital AT1: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of its own Supplementary Tier 1 instruments (negative amount)	--	
38	Direct, indirect and synthetic holdings of Additional Equity Tier 1 instruments of financial sector entities where those entities have reciprocal cross-shareholdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	--	
39	Direct, indirect and synthetic holdings by the institution of the Additional Equity Tier 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (above 10% and net of eligible short positions) (negative amount)	--	
40	Direct, indirect and synthetic holdings by the institution of the Supplementary Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	--	
41	In the EU: empty field		
42	Amount of items to be deducted from Tier 2 Capital items that exceeds the institution's Tier 2 Capital (negative amount)	--	
42a	Other regulatory adjustments to Supplementary Tier 1 Capital	--	
43	**Regulatory adjustments to Supplementary Tier 1 Capital (AT1) in total**	**--**	**Sum of the lines 37 to 42a**
44	**Supplementary Tier 1 Capital (AT1)**	**--**	**Line 36 less line 43**
45	**Tier I Capital (T1 = CET1 + AT1)**	**614,811**	**Sum of the lines 29 and 44**
Tier 2 Capital (T2): Instruments and reserves			
46	Capital instruments and the premium associated with them	--	

31.12.2023		a) Amount	b) Source by reference number/ letters of the balance sheet within the supervisory scope of consolidation (EU CC2)
		Amounts in thousand EUR	
47	Amount of the items referred to in Article 484 (5) plus the related share premium accounts that cease to be recognized in Tier 2 Capital in accordance with Article 486 (4) CRR	--	
EU-47a	Amount of items within the meaning of Article 494a (2) CRR whose inclusion in Tier 2 Capital expires	--	
EU-47b	Amount of items within the meaning of Article 494b (2) CRR whose inclusion in Tier 2 Capital expires	--	
48	Qualifying own funds instruments included in consolidated Tier 2 Capital (including minority interests or Supplementary Tier 1 Capital instruments not included in lines 5 or line 34) issued by subsidiaries and held by third parties	--	
49	of which: instruments issued by subsidiaries whose recognition expires	--	
50	Credit risk adjustments	6,817	
51	**Tier 2 Capital (T2) before regulatory adjustments**	**6,817**	**Sum of the lines 46 to 48, 50**
Tier 2 Capital (T2): regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of its own Tier 2 instruments and subordinated loans (negative amount)	--	
53	Direct, indirect and synthetic holdings by the institution of the Tier 2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross-shareholdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	--	
54	Direct, indirect and synthetic holdings by the institution of the Tier 2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	--	
54a	In the EU: empty field		
55	Direct, indirect and synthetic holdings by the institution of the Tier 2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	--	
56	In the EU: empty field		
EU-56a	Amount of items to be deducted from the items of eligible liabilities that exceeds the items of eligible liabilities of the institution (negative amount)	--	
EU-56b	Other regulatory adjustments to Tier 2 Capital	--	
57	**Regulatory adjustments to Tier 2 Capital (T2) in total**	**--**	**Sum of the lines 52 to 56b**
58	**Tier 2 Capital (T2)**	**6,817**	**Line 51 less line 57**
59	**Total capital (TC = T1 + T2)**	**621,628**	**Sum of the lines 45 and 58**
60	**Total risk-weighted assets**	**3,233,424**	
Equity ratios and buffer			
61	Common Equity Tier 1 Capital ratio (in % of total receivables)	19.01	
62	Tier 1 Capital ratio (in % of total receivables)	19.01	

31.12.2023		a) Amount	b) Source by reference number/ letters of the balance sheet within the supervisory scope of consolidation (EU CC2)
		Amounts in thousand EUR	
63	Total capital ratio (in % of total receivables)	19.23	
64	Institution-specific requirement for capital buffers (minimum requirement for the Common Equity Tier 1 Capital ratio in accordance with Article 92 (1) (a), plus the requirements for capital conservation buffers and counter-cyclical capital buffers, systemic risk buffers and buffers for systemically important institutions (G-SIIs or A-SIIs), as a percentage of total receivables)	8.3228	
65	of which: Requirements with regard to the capital conservation buffer	2.50	
66	of which: Requirements with regard to the counter-cyclical capital buffer	0.7353	
67	of which: Requirements with regard to the systemic risk buffer	0.025	
EU-67a	of which: Requirements with regard to the buffers to be held by global systemically important institutions (G-SIIs) and other systemically important institutions (O-SIIs)	--	
EU-67b	of which: additional own funds requirements to mitigate risks other than the risk of excessive indebtedness	0.56	
68	Common Equity Tier 1 Capital ratio (in % of the risk position amount) after deduction of the values required to fulfil the minimum capital requirements	10.23	
National minimum requirements (if deviating from Basel III)			
69-71	[Not relevant in EU regulation]		
Amounts below the thresholds for deductions (before risk weighting)			
72	Direct and indirect holdings of the own funds instruments or eligible liabilities instruments of financial sector entities where the institution does not have a significant investment in those entities (less than 10% and net of eligible short positions)	12,394	
73	Direct and indirect holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (below the 17.65% threshold and net of eligible short positions)	11,242	
74	In the EU: empty field		
75	Deferred tax assets resulting from temporary differences (below the threshold of 17.65%, reduced by the amount of related tax liabilities if the conditions of Article 38 [3] are met)	14,358	
Applicable upper limits for the inclusion of value adjustments in Tier 2 Capital			
76	Credit risk adjustments eligible for inclusion in supplementary capital in relation to receivables to which the standardized approach applies (before application of the cap)	6,817	
77	Upper limit for the inclusion of credit risk adjustments in supplementary capital under the standardized approach	31,216	
78	Credit risk adjustments eligible for inclusion in Tier 2 Capital in relation to exposures to which the internal, judgement-based approach applies (before application of the cap)	--	
79	Upper limit for the inclusion of credit risk adjustments in supplementary capital as part of the internal, judgement-based approach	--	
Equity instruments to which the phase-out regulations apply (applicable only from 1 January 2014 to 1 January 2022)			
80	Current upper limit for Common Equity Tier 1 instruments subject to phase-out regulations	--	
81	Amount excluded from Common Equity Tier 1 Capital due to upper limit (amount above upper limit after repayments and maturities)	--	

31.12.2023		a) Amount	b) Source by reference number/ letters of the balance sheet within the supervisory scope of consolidation (EU CC2)
		Amounts in thousand EUR	
82	Current upper limit for Supplementary Tier 1 instruments subject to phase-out regulations	--	
83	Amount excluded from Supplementary Tier 1 Capital due to upper limit (amount above upper limit after repayments and maturities)	--	
84	Current upper limit for Tier 2 Capital instruments subject to phase-out regulations	--	
85	Amount excluded from Tier 2 Capital due to upper limit (amount above upper limit after repayments and maturities)	--	

In order to fulfil the disclosure requirements in accordance with Article 437 lit. a CRR, a reconciliation between the regulatory own funds and the own funds items reported in the published balance sheet under commercial law is provided in Table 4 using the reference letters specified in the EU CC1 and EU CC2 reporting forms. As the presentation only shows items that are relevant for the calculation of regulatory own funds in accordance with CRR, a reconciliation to the equity recognized under commercial law is not necessarily possible, and there may be deviations from the equity recognized under commercial law.

The table also shows a reconciliation of the scope of consolidation under commercial law for accounting purposes to the scope of consolidation for regulatory purposes. There are no differences between the regulatory and commercial scope of consolidation.

Table 4: EU CC2 – Reconciliation of regulatory own funds to the balance sheet included in the audited financial statements

Balance sheet	a) Balance sheet in published financial statements 31.12.2023	b) Within the regulatory scope of consolidation 31.12.2023	c) Reference to table 3 EU CC1
	Amounts in thousand EUR		
Assets			
1. Cash reserve			
a) Cash on hand	1	1	
b) Balances with central banks	122,237	122,237	
	122,238	**122,238**	
2. Receivables from banks			
a) due daily	4,796,316	4,796,316	
b) Other receivables	919,427	919,427	
	5,715,743	**5,715,743**	
3. Receivables from customers	**2,030,683**	**2,030,683**	
4. Debentures and other fixed-income securities			
a) Money market instruments			
ab) from other issuers	--	--	
b) Bonds and debentures			
ba) from public issuers	1,400,231	1,400,231	

Balance sheet	a) Balance sheet in published financial statements 31.12.2023	b) Within the regulatory scope of consolidation 31.12.2023	c) Reference to table 3 EU CC1
	Amounts in thousand EUR		
bb) from other issuers	1,734,752	1,734,752	
	3,134,983	**3,134,983**	
5. Shares and other variable-yield securities	**207,484**	**207,484**	
5a. Trading portfolio	**1,371**	**1,371**	
6. Shareholdings	**14,949**	**14,949**	
7. Shares in affiliated companies	**11,431**	**11,431**	
8. Associated companies	**--**	**--**	
9. Fiduciary assets	**2,000**	**2,000**	
10. Intangible assets			
a) Concessions acquired for consideration, industrial property rights and similar rights and assets	20,165	20,165	
b) Goodwill	--	--	
c) Advance payments made	479	479	
	20,644	**20,644**	E
11. Property, plant and equipment	**22,582**	**22,582**	
12. Other assets	**350,549**	**350,549**	
13. Prepaid expenses and deferred charges	**82,103**	**82,103**	
14. Deferred tax assets	**59,506**	**59,506**	F
15. Excess of plan assets over pension liability	**1,211**	**1,211**	
Total assets	**11,777,477**	**11,777,477**	

Balance sheet	a) Balance sheet in published financial statements 31.12.2023	b) Within the regulatory scope of consolidation 31.12.2023	c) Reference to table 3 EU CC1
	Amounts in thousand EUR		
Liabilities			
1. Liabilities to banks			
a) due daily	140,403	140,403	
b) with an agreed term or period of notice	34,535	34,535	
	174,938	**174,938**	
2. Liabilities to customers			
a) Savings deposits			
aa) with an agreed notice period of three months	54	54	
b) Other liabilities			
ba) due daily	8,516,309	8,516,309	
bb) with an agreed term or period of notice	1,791,611	1,791,611	
	10,307,974	**10,307,974**	
3. Securitised liabilities	**39**	**39**	
3a. Trading portfolio	**--**	**--**	
4. Fiduciary liabilities	**2,000**	**2,000**	
5. Other liabilities	**261,192**	**261,192**	

Balance sheet	a) Balance sheet in published financial statements 31.12.2023	b) Within the regulatory scope of consolidation 31.12.2023	c) Reference to table 3 EU CC1
	Amounts in thousand EUR		
6. Prepaid expenses and deferred charges	**44,763**	**44,763**	
7. Provisions			
a) Provisions for pensions and similar obligations	64,430	64,430	
b) Tax provisions	25,117	25,117	
c) Other provisions	111,160	111,160	
	200,707	**200,707**	
8. Profit participation capital	**--**	**--**	
9. Fund for general banking risks	**78,189**	**78,189**	D
10. Equity capital			
a) Subscribed capital	28,914	28,914	A
b) Capital reserve	276,666	276,666	B
c) Retained earnings			
ca) Legal reserve	2,900	2,900	C
cb) Other revenue reserves	273,088	273,088	C
d) Equity difference from currency translation	--	--	
e) Equalisation items for minority interests	61	61	
f) Retained earnings	126,046	126,046	C
	707,675	**707,675**	
11. Difference from capital consolidation	**--**	**--**	
Total liabilities	**11,777,477**	**11,777,477**	

After adoption of the audited financial statements and taking into account a dividend of EUR 120.1 million – which is still subject to approval at the Annual General Meeting – the Hauck Aufhäuser Lampe Group's own funds amount to EUR 605.1 million and are summarized as follows as at 31 December 2023:

Table 5: Own funds after approval of the audited financial statements

31.12.2023	Own funds stipulated under supervisory law
	Amounts in thousand EUR
Subscribed capital	28,914
Capital reserve	276,666
Other recognisable reserves	319,128
Retained earnings	82,953
Dividend payment	-120,103
Equity difference from currency translation	--
Fund for general banking risks	78,189
Common Equity Tier 1 Capital (CET1) before regulatory adjustments	**665,747**
Value adjustment as per a prudent valuation	-255
Intangible assets	-20,644
Deferred taxes from losses carried forward	-49,253
Other regulatory adjustments	--
Immaterial investments	--
Regulatory adjustments (CET1)	**-70,152**
Common Equity Tier 1 Capital (CET1)	**595,595**
General credit risk adjustment	9,540
Tier 2 Capital (T2)	**9,540**
Regulatory own funds	**605,135**

4.2. Own funds requirements (Article 438 CRR)

4.2.1. Regulatory capital requirements (Article 438 lit. d CRR)

Hauck Aufhäuser Lampe determines the required regulatory capitalization in accordance with the CRR regulations. Counterparty default risk is calculated using the standardized approach to credit risk in accordance with Part 3 Title II Chapter 2 CRR.

As a trading book institution in accordance with Article 4 (1) No. 86 CRR, share price, foreign currency, commodity and interest rate risks are recognized as market risk positions in the trading book. For equity, foreign currency and commodity risk positions, the bank utilizes the standard regulatory procedures in accordance with Article 325 et seq. CRR. Interest rate risk is quantified using the maturity method in accordance with Article 339 CRR. The delta-plus method in accordance with Article 329 CRR is used for the option price risk.

The operational risk of the Hauck Aufhäuser Lampe Group is calculated for regulatory purposes using the basic indicator approach in accordance with Article 315 CRR.

Hauck Aufhäuser Lampe uses the standardized approach in accordance with Articles 274 to 280f CRR, in order to calculate counterparty default risk. Counterparty default risk pertains to the risk of default by the counterparty to a transaction before the final settlement of the payments associated with this transaction.

The regulatory own funds for the risk of a credit valuation adjustment (CVA) are calculated on the basis of the standardized method in accordance with Article 384 CRR.

The following table provides an overview of the total risk exposure amount (TREA)/risk-weighted assets (RWA) and the corresponding regulatory capital requirements for the individual risk exposure classes as at 31 December 2023 in accordance with Article 438 lit. d CRR.

Table 6: EU OV1 – Overview of the total risk amounts

		Total risk exposure amount (TREA)		Own funds requirement
		a	b	c
		31.12.2023	31.12.2022	31.12.2023
		Amounts in thousand EUR		
1	**Credit risk (without counterparty default risk)**	**2,251,215**	**2,762,128**	**180,097**
2	of which: Standard approach	2,251,215	2,762,128	180,097
3	of which: IRB foundation approach (F-IRB)	--	--	--
4	of which: “Slotting” approach	--	--	--
EU 4a	of which: Investment positions according to the simple risk weighting approach	--	--	--
5	of which: Advanced IRB approach (A-IRB)	--	--	--
6	**Counterparty default risk CCR**	**270,450**	**247,709**	**21,636**
7	of which: Standard approach	95,161	100,794	7,613
8	of which: Method based on an internal model (IMM)	--	--	--
EU 8a	of which: Risk positions vis-a-vis a CCP	21,303	17,032	1,704
EU 8b	of which: Credit valuation adjustment (CVA)	19,214	44,180	1,537
9	of which: Other CCR	134,772	85,703	10,782
10-14	In the EU: empty field			
15	**Settlement risk**	**126**	**143**	**11**
16	Securitisation positions in the banking book (after application of the upper limit)	--	--	--
17	of which: SEC-IRBA	--	--	--
18	of which: SEC-ERBA (incl. IAA)	--	--	--
19	of which: SEC-SA	--	--	--
EU 19a	of which: 1.250 % / deduction	--	--	--
20	**Position, currency and commodity risks (market risk)**	**4,316**	**10,468**	**345**
21	of which: Standard approach	4,316	10,468	345
22	of which: IMA	--	--	--
EU 22a	Large loans	--	--	--
23	**Operational risk**	**707,317**	**655,292**	**56,585**
EU 23a	of which: Basic indicator approach	707,317	655,292	56,585
EU 23b	of which: Standard approach	--	--	--
EU 23c	of which: Advanced measurement approach	--	--	--
24	Amounts below the deduction thresholds (risk weight of 250 %)	62,620	78,518	5,010
25-28	In the EU: empty field			
29	**Total**	**3,233,424**	**3,675,740**	**258,674**

After approval of the audited financial statements and the dividend payment, our capital ratios as at 31 December 2023 are summarized as follows

Table 7: Summary of capital adequacy

Capital	Own funds according to audited financial statements	Capital requirements	Risk assets	Capital ratio
		Amounts in EUR million		
Common Equity Tier 1 Capital	596	259	3,233	18.42 %
Tier I Capital	596	259	3,233	18.42 %
Total capital	605	259	3,233	18.71 %

This means that the capital ratios are comfortably above the regulatory minimum requirements in each case.

4.2.2. Adequacy of internal capital (Article 438 lit. c CRR)

Our risk strategy and our risk-bearing capacity concept serve to assess – from a qualitative perspective – the appropriateness of our internal capitalization in relation to our risk profile.

The risk strategy is the general definition of risk management objectives for primary business activities, and is closely linked to the business strategy. It comprises risk policy principles and defines our risk appetite, which represents the desired relationship between risk appetite and risk-bearing capacity. It defines the handling of quantifiable and non-quantifiable risks.

Furthermore, the allocation of internal capital, i.e. the risk coverage potential, to the individual business areas/risk types takes place here, in order to ensure the monitoring of our Group's risk-bearing capacity. In addition to regulatory capital requirements and return targets, risk-bearing capacity is one of the key factors in our Group's overall bank management.

The Group level is defined according to the scope of consolidation and the economic significance of each individual unit. We use our scale of financial risks for this purpose, which enables an objective determination of the Group level and thus a risk-adjusted management of the Hauck Aufhäuser Lampe Group.

The key parameters for calculating risk-bearing capacity are the risk coverage potential, i.e. the maximum internal capital available to cover risks, and the risk capital limit, i.e. the internal capital actually used to cover risks. In accordance with our risk policy principles and for the purpose of risk limitation, only a portion of the risk capital is used to cover risks. The remaining strategic risk buffer serves to cover possible fluctuations in our risk capital and guarantees options for action within the scope of risk management.

Risk-bearing capacity is established if the risk coverage potential is higher than the risk capital requirement. In order to ensure this, our risk strategy sets limits for all risk types and functional areas, which define the scope of action for decision-makers. The bank's internal limit system is applied, which assigns limits to individual risk types and business areas. These are expressed in the form of global limits, which are broken down into individual limits. Compliance with these limits and thus the risk-bearing capacity is monitored by means of a regular reporting system.

As part of the economic risk-bearing capacity calculation, all risk types included are estimated at a confidence level of 99.9% with a risk horizon of one year. All individual risks are added up to the bank's overall risk without taking risk-reducing correlations into account. The overall risk contribution at bank level should always be below the risk coverage potential, whereby positive plan results are not recognized based on a conservative assessment.

In the 2023 financial year, the overall risks determined at Group level were always within the defined risk-bearing capacity.

Compared to 2022, the risks decreased by EUR 11.3 million. This decline is due to the reduction in market price risks (EUR -17.6 million), business risks (EUR -13.6 million) and operational risks (EUR -9.2 million), which were partially offset by the increase in counterparty default risks (EUR +29.1 million). As a result of the EUR 32 million increase in risk coverage potential, mainly due to increased retained earnings, the overall utilization of risk-bearing capacity fell to 44% (48.4% as at 31 December 2022).

As at 31 December 2023, the total risk contribution of EUR 268.6 million was divided between the different risk types as follows

Table 8: Utilization

Risk type	Actual	Limit	Utilization
Amounts in EUR million			
Counterparty default risk	220	300	73.3 %
Market price risk	21	62	34.1 %
Operational risk	28	52	53.2 %
Business risk	0	17	0.0 %
Total capacity utilization	**269**	**431**	**62.3 %**

In addition, cross-risk type stress testing is performed at Group level on a quarterly basis. The following scenarios are taken into account:

- severe global economic crisis
- financial crisis / extreme loss of trust among customers

A quantitatively-determined inverse stress test also identifies a scenario that could be critical for Hauck Aufhäuser Lampe’s ability to survive as a bank.

In summary, as in the previous year, no risks were identified at Group level that jeopardised the bank’s continued existence or impaired its development either as at the balance sheet date or in the reporting year. Risk cover was consistently in place on all reporting dates. The validation procedures performed have confirmed the appropriateness of the risk control methods.

5. Credit and dilution risk (Article 442 CRR)

5.1. Definitions (Article 442 lit. a CRR)

The definitions of "past due", "defaulted" and "impaired", as well as other terms used in this Chapter, are explained below in accordance with Article 442 (a) CRR as understood by Hauck Aufhäuser Lampe Privatbank AG.

From the first day of arrears, a receivable is generally deemed to be overdue (past due).

Financial assets are considered defaulted if they are more than 90 days overdue in accordance with Article 178 CRR, or if it is considered unlikely that the debtor will settle its liabilities in full without realising collateral. If the criteria of Article 178 CRR are no longer met, the transaction is no longer considered defaulted after a recovery phase of at least three months.

If there is objective evidence of impairment, it is allocated to stage 3 of the impairment model in accordance with IFRS 9 ("three-stage impairment model") and the financial instrument not measured at fair value through profit or loss is classified as impaired (credit-impaired). Key criteria for an objective indication of impairment include, for example, arrears in interest and principal payments of more than 90 days or significant financial difficulties of the borrower, such as arithmetical and actual insolvency or the sustained negative development of a reorganization. If there is no longer any objective evidence of impairment, the financial instrument in question is no longer impaired.

Financial assets for which a default has occurred in accordance with Article 178 CRR or for which a default has occurred under certain conditions are recognized as "non-performing".

The term "forborne exposures" refers to receivables from borrowers who are no longer able to fulfil the contractual conditions due to financial difficulties, or who are at risk of not being able to fulfil these conditions in the future. Subsequently, the lending institution decides to perform a contract adjustment, restructuring or a waiver (forbearance measures/concessions) in favour of the borrower. Forbearance- measures can be granted for both performing and non-performing exposures.

Categorisation as a forborne exposure ends at the earliest after a good conduct phase of two years if said forborne exposure is classified as performing and the borrowers behave in accordance with the contract. Non-performing receivables with concessions to borrowers due to financial difficulties (non-performing forborne exposure) are subject to a lock-up period of one year until recovery as performing forborne exposure.

5.2. Approaches and methods for determining risk provisioning (Article 442 lit. b CRR)

The methods used by Hauck Aufhäuser Lampe to determine specific and general credit risk adjustments are described below in accordance with Article 442 lit. b) CRR.

Counterparty default risks result from the lending business with corporate and private customers – including property project developers and property developers – from the investment and interbank business with institutional counterparties and from the derivatives business.

The bank is exposed to specific counterparty default risks, in particular, with regard to:

- the default of a debtor (credit default risk): the inability of a debtor or several debtors to fulfil their credit obligations (in particular, interest and redemption payments).
- credit risk: the possible deterioration in the economic situation of a debtor.
- collateral risk: the possible change in the price of assets used as collateral in the lending business.

- portfolio or cluster risk: excessive concentration and dependence on one debtor or a group of debtors.
- the counterparty risk: risks arising from the failure of a counterparty to fulfil its contractual obligations to perform a transaction.
- country and transfer risk: a debtor from abroad cannot objectively fulfil its repayment and interest obligations or cannot do so on time, even though it is liquid.
- the verity risk: risk that a debtor disputes a claim, the claim does not exist or cannot be proven.

5.2.1. Methods of credit risk provisioning

At regular intervals, i.e. as part of regular credit monitoring, the receivables portfolios are reviewed, in order to determine whether Hauck Aufhäuser Lampe's claims are recoverable, or whether repayment or interest appears to be at risk in whole or in part. In addition, an event-driven review is performed if negative information (early warning indicators) about the borrower is identified, e.g. the economic situation, collateral values or the industry environment, as well as if a reason for default is identified.

At Hauck Aufhäuser Lampe, expected losses from the latent credit risk of the entire non-impaired on-balance sheet lending business are absorbed by recognizing risk provisions in accordance with stage 1 and stage 2 of the three-stage model under IFRS 9. For financial instruments, the present value of the expected payment defaults resulting from possible default events in the next twelve months (stage 1) or the remaining term (stage 2) after the reporting date must be recognized as an impairment loss.

For acute default risks stemming from the on-balance sheet lending business, specific valuation allowances are recognized in stage 3 of the IFRS 9 model if there is objective evidence of permanent impairment. The impairment requirement is based on a present value analysis of the expected interest and redemption payments and the proceeds from the realization of collateral.

If it is assumed that financial assets are irrecoverable as part of the restructuring or settlement of an exposure, the relevant gross carrying amount is written down. Incoming payments for receivables that have been written off are recognized in profit or loss.

The bank recognizes risk provisions for derivatives, including the following components: Credit Valuation Adjustment (CVA), Funding Cost Adjustment (FCA) and Debit Valuation Adjustment (DVA). The individual components are calculated using standard market methods and models.

Proposals for additions to risk provisioning (EWB, provisions, direct write-downs) are submitted to the Management Board for approval. The appropriateness of risk provisioning is reviewed at the end of each quarter.

Under the "Forward-looking Expected Credit Loss (ECL) Model" of IFRS 9 applicable as at the reporting date, risk provisions are to be allocated in full to the specific credit risk adjustments under the currently applicable regulatory provisions of the CRR. This includes risk provisions according to level 3 (EWB), as well as levels 1 and 2.

5.2.2. Principles of risk minimisation

Defined competence rules and standards for credit and investment decisions ensure risk diversification and the minimization of our counterparty default risk.

In order to assess the creditworthiness of our customers, the rating procedures of CredaRate Solutions GmbH, Cologne, are used for the Private and Corporate Banking and Real Estate divisions and the S&P Global Market Intelligence – Credit Assessment Scorecards, New York, are used for the Treasury (financial institutions) and Asset Servicing (funds) divisions. Collateral is valued on the basis of standardized procedures using the principle of dual control. Lending values for securities collateral are determined on a risk-adjusted basis using regularly updated market data.

The management of counterparty default risks is based on quantitative and qualitative criteria.

Quantitative management focuses on compliance with the economic limits to ensure risk-bearing capacity, which are defined as part of the risk strategy. The regulatory key figures represent a strict secondary condition.

Credit risk and investment strategy form the basis for qualitative risk management. Internal upper limits are defined for individual exposures with regard to customer and issuer groups, credit ratings, volumes and internal capital requirements. This is also used to limit concentration risks.

5.3. Quantitative disclosures on credit risk exposure (Article 442 lit. c to e CRR)

In accordance with EBA GL 2022/13 and the EBA ITS on disclosure (Delegated Regulation [EU] 2021/637), all institutions must disclose a limited amount of NPE information. For the Hauck Aufhäuser Lampe Group, the disclosure requirement for quantitative information on credit risk positions extends to the following tables:

- Information on contractually serviced and non-performing exposures and associated provisions (EU CR1)
- Information on the credit quality of forborne exposures (EU CQ1)
- Information on the credit quality of contractually serviced and non-performing exposures by days past due (EU CQ3)
- Information on collateral obtained through seizure and enforcement proceedings (EU CQ7)

Table EU CQ7 is not disclosed, due to the fact that Hauck Aufhäuser Lampe did not have any collateral obtained through seizure and enforcement proceedings on its balance sheet as at 31 December 2023.

In accordance with the requirements of Article 8 (3) of Regulation (EU) 2021/637, the NPL ratio is calculated as the ratio between the gross carrying amount of non-performing loans and advances and the total gross carrying amount (loans and advances held for sale, cash at central banks and other sight deposits are to be excluded in accordance with Article 8 [4] of Regulation [EU] 2021/637).

As at 31 December 2023, the NPL ratio of Hauck Aufhäuser Lampe was 2.75% Accordingly, the Hauck Aufhäuser Lampe Group is not subject to the extended disclosure requirements.

Table 9: EU CR1 – Contractually serviced and non-performing exposures and related provisions

		a	b	c	d	e	f
		Gross carrying amount / nominal amount					
		Contractually serviced risk positions			Non-performing risk positions		
			Of which level 1	Of which level 2		Of which level 2	Of which level 3
		Amounts in thousand EUR					
005	**Balances with central banks and sight deposits**	**4,918,554**	**--**	**--**	**--**	**--**	**--**
010	**Loans and credit agreements**	**2,869,593**	**--**	**--**	**81,108**	**--**	**--**
020	Central banks	--	--	--	--	--	--
030	State sector	142,255	--	--	1,266	--	--
040	Financial institutions	883,898	--	--	--	--	--
050	Other financial corporations	329,376	--	--	25,041	--	--
060	Non-financial corporations	1,396,142	--	--	54,801	--	--
070	*of which: SMEs*	*275,249*	--	--	*3,754*	--	--
080	Households	117,922	--	--	0	--	--
090	**Debentures**	**3,134,983**	**--**	**--**	**--**	**--**	**--**
100	Central banks	--	--	--	--	--	--
110	State sector	1,420,496	--	--	--	--	--
120	Financial institutions	1,485,320	--	--	--	--	--
130	Other financial corporations	178,718	--	--	--	--	--
140	Non-financial corporations	50,449	--	--	--	--	--
150	**Off-balance sheet risk positions**	**1,044,062**	**--**	**--**	**1,457**	**--**	**--**
160	Central banks	--	--	--	--	--	--
170	State sector	3,356	--	--	--	--	--
180	Financial institutions	--	--	--	--	--	--
190	Other financial corporations	130,314	--	--	--	--	--
200	Non-financial corporations	812,867	--	--	1,441	--	--
210	Households	97,525	--	--	16	--	--
220	**In total**	**11,967,192**	**--**	**--**	**82,565**	**--**	**--**

		g	h	i	j	k	l
		Accumulated impairment, accumulated negative changes in fair value due to default risks and provisions					
		Contractually serviced risk positions – Accumulated impairment and provisions			**Non-performing risk positions – Cumulative impairment, cumulative negative changes in fair value due to default risks and provisions**		
			Of which level 1	**Of which level 2**		**Of which level 2**	**Of which level 3**
		Amounts in thousand EUR					
005	**Balances with central banks and sight deposits**	**--**	**--**	**--**	**--**	**--**	**--**
010	**Loans and credit agreements**	**-9,540**	**--**	**--**	**-27,002**	**--**	**--**
020	Central banks	--	--	--	--	--	--
030	State sector	--	--	--	--	--	--
040	Financial institutions	-147	--	--	--	--	--
050	Other financial corporations	-7,226	--	--	-9,526	--	--
060	Non-financial corporations	-2,037	--	--	-17,476	--	--
070	*of which: SMEs*	--	--	--	*-470*	--	--
080	Households	-130	--	--	--	--	--
090	**Debentures**	**--**	**--**	**--**	**--**	**--**	**--**
100	Central banks	--	--	--	--	--	--
110	State sector	--	--	--	--	--	--
120	Financial institutions	--	--	--	--	--	--
130	Other financial corporations	--	--	--	--	--	--
140	Non-financial corporations	--	--	--	--	--	--
150	**Off-balance sheet risk positions**	**-9,461**	**--**	**--**	**-51**	**--**	**--**
160	Central banks	--	--	--	--	--	--
170	State sector	--	--	--	--	--	--
180	Financial institutions	--	--	--	--	--	--
190	Other financial corporations	--	--	--	--	--	--
200	Non-financial corporations	-9,461	--	--	-51	--	--
210	Households	--	--	--	--	--	--
220	**In total**	**-19,001**	**--**	**--**	**-27,053**	**--**	**--**

		m	n	o
		Accumulated partial amortisation	Collateral received and financial guarantees	
			For risk positions serviced in accordance with the contract	For non-performing risk positions
		Amounts in thousand EUR		
005	**Balances with central banks and sight deposits**	**--**	**1,974**	**--**
010	**Loans and credit agreements**	**--**	**1,076,481**	**27,826**
020	Central banks	--	--	--
030	State sector	--	--	--
040	Financial institutions	--	--	--
050	Other financial corporations	--	153,187	6,842
060	Non-financial corporations	--	852,608	20,984
070	*of which: SMEs*	--	*204,780*	*1,760*
080	Households	--	70,686	--
090	**Debentures**	--	--	--
100	Central banks	--	--	--
110	State sector	--	--	--
120	Financial institutions	--	--	--
130	Other financial corporations	--	--	--
140	Non-financial corporations	--	--	--
150	**Off-balance sheet risk positions**		**397,264**	**590**
160	Central banks		--	--
170	State sector		--	--
180	Financial institutions		--	--
190	Other financial corporations		78,477	--
200	Non-financial corporations		288,426	590
210	Households		30,361	--
220	**In total**	**--**	**1,475,719**	**28,416**

Table 10: EU CQ1 – Credit quality of forborne exposures

		a	b	c	d
		Gross carrying amount / nominal amount of risk positions with forbearance measures			
		Contractually serviced, deferred	Non-performing, deferred		
				Of which: cancelled	Of which: impaired
		Amounts in thousand EUR			
010	**Loans and credit agreements**	**19,299**	**52,560**	**2,468**	**2,468**
020	Central banks	--	--	--	--
030	General governments	--	--	--	--
040	Financial institutions	--	--	--	--
050	Other financial corporations	1,696	24,990	--	--
060	Non-financial corporations	17,603	27,570	2,468	2,468
070	Households	--	--	--	--
080	**Debt instruments**	**--**	**--**	**--**	**--**
090	**Loan commitments received**	**--**	**9**	**--**	**--**
100	**In total**	**19,299**	**52,569**	**2,468**	**2,468**

		e	f	g	h
		Accumulated impairment, accumulated negative changes in fair value due to default risks and provisions		Collateral received and financial guarantees received for deferred risk positions	
		For deferred risk positions serviced in accordance with the contract	For non-performing deferred risk positions		Of which: collateral received and financial guarantees for non-performing risk positions with forbearance measures
		Amounts in thousand EUR			
010	**Loans and credit agreements**	**--**	**-18,810**	**30,316**	**20,947**
020	Central banks	--	--	--	--
030	General governments	--	--	--	--
040	Financial institutions	--	--	--	--
050	Other financial corporations	--	-9,475	6,842	6,842
060	Non-financial corporations	--	-9,335	23,474	14,105
070	Households	--	--	--	--
080	**Debt instruments**	**--**	**--**	**--**	**--**
090	**Loan commitments received**	**--**	**--**	**9**	**9**
100	**In total**	**--**	**-18,810**	**30,325**	**20,956**

Table 11: EU CQ3 – Credit quality of contractually serviced and non-performing exposures by days past due

		a	b	c	d	e
		Gross carrying amount / nominal amount				
		Contractually serviced risk positions			Non-performing risk positions	
			Not overdue or ≤ 30 days overdue	Overdue > 30 days ≤ 90 days		Probable payment default for risk positions that are not overdue or ≤ 90 days overdue
		Amounts in thousand EUR				
005	**Balances with central banks and sight deposits**	**4,918,554**	**4,917,596**	**958**	**--**	**--**
010	**Loans and credit agreements**	**2,869,593**	**2,836,617**	**32,976**	**81,108**	**21,419**
020	Central banks	--	--	--	--	--
030	State sector	142,254	142,254	--	1,266	--
040	Financial institutions	883,898	883,898	--	--	--
050	Other financial corporations	329,376	297,611	31,765	25,041	51
060	Non-financial corporations	1,396,143	1,394,948	1,195	54,801	21,368
070	*of which: SMEs*	*275,249*	*275,249*	--	*3,754*	*1,874*
080	Households	117,922	117,906	16	0	0
090	**Debentures**	**3,134,983**	**3,134,983**	**--**	**--**	**--**
100	Central banks	--	--	--	--	--
110	State sector	1,420,496	1,420,496	--	--	--
120	Financial institutions	1,485,320	1,485,320	--	--	--
130	Other financial corporations	178,718	178,718	--	--	--
140	Non-financial corporations	50,449	50,449	--	--	--
150	**Off-balance sheet risk positions**	**1,044,062**			**1,457**	
160	Central banks	--			--	
170	State sector	3,356			--	
180	Financial institutions	--			--	
190	Other financial corporations	130,314			--	
200	Non-financial corporations	812,867			1,441	
210	Households	97,525			16	
220	**In total**	**11,967,192**	**10,889,196**	**33,934**	**82,565**	**21,419**

		f	g	h	i	j	k	l
		Gross carrying amount / nominal amount						
		Non-performing risk positions						
		Overdue						
		> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years ≤ 7 years	> 7 years	Of which: defaulted
		Amounts in thousand EUR						
005	**Balances with central banks and sight deposits**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
010	**Loans and credit agreements**	**30,910**	**1,563**	**24,990**	**1,500**	**--**	**726**	**81,108**
020	Central banks	--	--	--	--	--	--	--
030	State sector	--	--	--	1,045	--	221	1,266
040	Financial institutions	--	--	--	--	--	--	--
050	Other financial corporations	0	--	24,990	--	--	--	25,041
060	Non-financial corporations	30,910	1,563	--	455	--	505	54,801
070	*of which: SMEs*	*1,880*	--	--	--	--		*3,754*
080	Households	--	--	--	--	--	--	--
090	**Debentures**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
100	Central banks	--	--	--	--	--	--	--
110	State sector	--	--	--	--	--	--	--
120	Financial institutions	--	--	--	--	--	--	--
130	Other financial corporations	--	--	--	--	--	--	--
140	Non-financial corporations	--	--	--	--	--	--	--
150	**Off-balance sheet risk positions**							**--**
160	Central banks							--
170	State sector							--
180	Financial institutions							--
190	Other financial corporations							--
200	Non-financial corporations							--
210	Households							--
220	**In total**	**30,910**	**1,563**	**24,990**	**1,500**	**--**	**726**	**81,108**

6. Key parameters (Article 447 CRR)

With the entry into force of the new CRR, an overview of the key regulatory parameters required in accordance with Article 447 (a) to (g) CRR and Article 438 (b) CRR is required.

The following table shows the key parameters of the Hauck Aufhäuser Lampe Group according to the CoRep Report and is presented in accordance with Annex I to Commission Implementing Regulation (EU) No 2021/637.

Table 12: EU KM1 – Key parameters

		a)	e)
		31.12.2023	**31.12.2022**
		Amounts in thousand EUR	
Available equity (amounts)			
1	Common Equity Tier 1 Capital (CET1)	614,811	568,779
2	Tier I Capital (T1)	614,811	568,779
3	Total capital	621,629	575,597
Risk-weighted exposure amounts			
4	Total amount at risk	3,233,424	3,675,741
Capital ratios (in % of the risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (CET1 ratio) (%)	19.01	15.47
6	Tier I Capital ratio (%)	19.01	15.47
7	Total capital ratio (%)	19.23	15.66
Additional own funds requirements for risks other than the risk of excessive leverage (as a % of the risk-weighted exposure amount)			
EU 7a	Additional capital requirements for risks other than the risk of excessive leverage (%)	1.00	1.50
EU 7b	of which: to be held in the form of CET1 (percentage points)	0.56	0.84
EU 7c	of which: to be held in the form of T1 (percentage points)	0.75	1.13
EU 7d	SREP total capital requirement (%)	9.00	9.50
Combined capital buffer and total capital requirement (in % of the risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50	2.50
EU 8a	Capital conservation buffer due to macro-prudential risks or the systemic risk at Member State level (%)	--	--
9	Institution-specific counter-cyclical capital buffer (%)	0.74	0.08
EU 9a	Systemic risk buffer (%)	0.03	--
10	Buffer for global systemically important institutions (%)	--	--
EU 10a	Buffer for other systemically important institutions (%)	--	--
11	Combined capital buffer requirement (%)	3.26	2.58
EU 11a	Total capital requirements (%)	12.26	12.08
12	CET1 available after fulfilment of the SREP total capital requirement (%)	10.23	6.16
Debt ratio			
13	Total exposure measure	12,908,191	12,770,408
14	Debt ratio (LR) (%)	4.76	4.45
Additional own funds requirements for the risk of excessive leverage (as a % of the total risk exposure measure)			
EU 14a	Additional own funds requirements for the risk of excessive debt (%)	--	--
EU 14b	of which: to be held in the form of CET1 (percentage points)	--	--

		a)	e)
		31.12.2023	31.12.2022
		Amounts in thousand EUR	
EU 14c	SREP total debt ratio (%)	3.00	3.00
Requirement for the leverage ratio buffer and the total leverage ratio (as a % of the total exposure measure)			
EU 14d	Buffer in the debt ratio (%)	--	--
EU 14e	Total debt ratio (%)	3.00	3.00
Liquidity coverage ratio			
15	Total high-quality liquid assets (HQLA) (weighted value – average)	6,626,307	7,011,095
EU 16a	Cash outflows – Weighted total value	5,710,152	5,594,269
EU 16b	Cash inflows – Weighted total value	695,331	638,365
16	Total net cash outflows (adjusted value)	5,014,821	4,955,904
17	Liquidity coverage ratio (LCR) (%)	132.13	141.47
Structural liquidity ratio			
18	Available stable refinancing, total	4,761,367	4,528,357
19	Required stable refinancing, total	2,349,008	2,397,211
20	Structural liquidity ratio (NSFR) (%)	202.70	188.90

7. Remuneration policy (Article 450 CRR)

On the basis of the Remuneration Ordinance for Institutions (InstitutsVergV), Hauck Aufhäuser Lampe's incentive and remuneration systems were assessed during the annual remuneration system meeting, and the principles of the remuneration policy and remuneration systems were summarized. The remuneration policy serves to document the key principles and current instruments; it forms the basis for the implementation of our remuneration systems in practice and serves as a guideline for their ongoing development.

The remuneration systems for Hauck Aufhäuser Lampe's employees and managers are based on the sustainable and value-oriented focus of the bank's business model, and are designed in such a way that incentives to take disproportionately high risks for managers and employees are avoided, and good performance and sustained commitment on the part of employees are rewarded.

Our remuneration policy is derived from our business and risk strategy. It is intended to promote a sustainable and value-orientated attitude, as well as the entrepreneurial commitment of employees. There remains, therefore, a fundamental commitment to the principles of transparency and basic security, as well as performance and results dependency.

Our employees are a central component of our bank's success. Together with them, we develop a corporate culture of responsible behaviour in which everyone can make a positive contribution and be effective. Sustainable and social aspects are a central component in the design of the incentive systems at Hauck Aufhäuser Lampe. The remuneration policy at Hauck Aufhäuser Lampe falls in line with the bank's business and risk strategy, as well as the objectives and interests of the Group, and includes measures to avoid the occurrence of conflicts of interest.

The remuneration system is reviewed at least once a year and adjusted if necessary to ensure appropriateness and compliance with legal requirements.

The remuneration policy is also intended to create greater transparency concerning the remuneration policy at Hauck Aufhäuser Lampe as a financial market participant and financial advisor with regard to asset management and investment advice, in qualitative or quantitative terms, in accordance with the Disclosure Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. It is intended to promote sound and effective risk management in relation to sustainability risks by ensuring that the remuneration structure does not encourage excessive risk-taking in relation to sustainability risks and by sanctioning violations of ESG principles – such as employee misconduct or taking reputational risks.

Hauck Aufhäuser Lampe's aim is to render a genuine and active contribution to a more environmentally friendly and fairer world. For this reason, Hauck Aufhäuser Lampe's remuneration policy supports the appropriate management of all relevant business risks by including sustainability risks as defined in the Disclosure Regulation.

7.1. Legal basis

Hauck Aufhäuser Lampe is not classified as a significant institution within the meaning of Section 1 (3c) German Banking Act (KWG), as the average balance sheet total in the past four years was well below EUR 15 billion and was not categorized as such in accordance with Section 1 (3c) German Banking Act (KWG) for the 2023 financial year either. Hauck Aufhäuser Lampe has identified the risk takers for the 2023 financial year in accordance with Section 25a (5b) German Banking Act (KWG).

In addition thereto, the remuneration principles for employees of capital management companies are applied as follows: due to the business focus of Hauck Aufhäuser Lampe, it has been decided not to apply the provisions on the payment process and the Remuneration Committee with regard to the principle of proportionality.

Other legal bases within the Group include the remuneration principles for employees of capital management companies in accordance with Section 37 German Investment Code (KAGB) in conjunction with Article 13 and Annex II of Directive 2011/61/EU on Alternative Investment Fund Managers (AIFM Directive) and the final report "Guidelines on Key Concepts of the AIFMD" of the European Securities and Markets Authority (ESMA), as well as the guidelines declared generally binding by the German Federal Financial Supervisory Authority (BaFin).

7.2. Principles

7.2.1. Principle of transparency

The target remuneration at Hauck Aufhäuser Lampe comprises two remuneration components: a monthly basic salary and variable remuneration.

The basic salary for employees covered by collective agreements is based on their classification in a pay scale group. The amount of fixed remuneration paid to non-pay-scale (AT) employees depends on the activity, the qualifications required, the complexity of the tasks and the associated responsibility, the remuneration for similar activities in the company and the respective market conditions. The basis for variable remuneration in both the collectively agreed and the non-pay-scale areas is the relevant general works agreement.

Variable, pay-scale-based remuneration is, therefore, based on the level of the business result.

Variable, non-pay-scale-based remuneration is determined by the business result and a contractually agreed reference value.

7.2.2. Principle of basic security

The monthly fixed salary represents the basic provision for employees. In the case of employees covered by pay-scale agreements, it is calculated on the basis of the collective agreement for the private banking sector and, in the case of non-pay-scale employees, on the basis of the above-mentioned principles of non-pay-scale remuneration in such a way that it provides a solid basic standard of living. With regard to non-pay-scale remuneration, 12 salaries are paid; for pay-scale remuneration, the number is 13 salaries.

In addition, there is the prospect of variable remuneration. This is based on the applicable company agreement. As a rule, the variable remuneration may not exceed the amount of the fixed annual salary.

The ratio of variable to fixed remuneration for non-pay-scale employees who hold special functions of responsibility is, therefore, performance-oriented, but does not lead to an increased dependency of employees on variable remuneration. As a rule, the ratio is clearly weighted in favour of the fixed remuneration components.

An additional variable salary is paid as standard for employees covered by collective agreements.

7.2.3. Principle of performance and result dependency

For non-pay-scale and pay-scale employees, the variable remuneration is an annual voluntary one-off payment in accordance with the company agreement. The amount depends on the personal performance of employees in positions of special responsibility (performance component) and the business result (earnings component). Employees who bear special responsibilities include division and department heads, non-pay-scale employees in Investment Banking, relationship managers in Private & Corporate Banking and Asset Servicing, branch managers and all non-pay-scale employees in Financial Markets, Treasury and Internal Audit.

Non-pay-scale employees without special responsibility functions and pay-scale employees do not have an individual performance component and generally receive variable remuneration based on the reference value, but also depending on the business result.

The performance component is based on the personal performance of individual non-pay-scale employees in special functions of responsibility, which are based on the setting of individual targets, 60% of which are KPI-related or derived from the (risk) strategy and 40% of which consist of individual targets that take quantitative and qualitative objectives into account.

The earnings component reflects the earnings of the Hauck Aufhäuser Lampe Group, and is intended to encourage employees to always keep a close eye on the success of the Hauck Aufhäuser Lampe Group as a whole, and not to take any disproportionate risks. It enables employees to participate in the success of the business and limits the pay out of performance-related variable remuneration in difficult times. The earnings component is made up of a Hauck Aufhäuser Lampe Group factor based on key performance indicators (KPIs) at Group level.

According to the agreement between the Management Board and employee representatives, the following objectives are to be achieved with the performance and results-based variable remuneration:

- incentive to improve performance and maintain a high level of performance
- improvement in opportunities for individual income through personal performance
- promotion of cooperative behaviour, both in relation to teams and to upstream and downstream work areas
- performance-based differentiation of remuneration
- supporting the implementation of the bank’s business and corporate policy objectives and plans
- promoting the quality of planning processes
- improving the bank’s competitive position on the labour market through an attractive remuneration system,
- fair remuneration in line with the principle of equal treatment through standardized procedural rules for calculating the variable remuneration component
- support for personnel development through flexible individual remuneration development

7.3. Remuneration instruments

7.3.1. Remuneration in accordance with the collective agreement for the private banking sector

Hauck Aufhäuser Lampe is a member of the Employers’ Association of Banks (Arbeitgeberverband Banken) and applies the collective agreement of the private banking industry. The social welfare partners in the banking industry have examined the regulations contained therein, and have determined that the remuneration instruments stand up to scrutiny based on the most stringent requirements currently being discussed at international and national level.

The basic remuneration of pay-scale employees is regularly adjusted in line with collective wage agreements.

7.3.2. Principles of variable remuneration

The remuneration system – consisting of a fixed salary and variable remuneration – was developed in collaboration between the Management Board and the People & Organization department.

Variable remuneration for non-pay-scale employees is based on the contractually agreed reference value. For employees covered by collective agreements, the variable remuneration is based on the monthly fixed salary.

Non-pay-scale employees in positions of special responsibility may receive variable remuneration in addition to their gross annual salary, depending on their personal performance (performance factor) and the success of the Hauck Aufhäuser Lampe Group (Hauck Aufhäuser Lampe Group factor).

Non-pay-scale employees without special responsibility functions and pay-scale employees can receive variable remuneration, which is calculated by multiplying the contractual reference value (non-pay-scale) or a monthly salary (pay-scale) by the Hauck Aufhäuser Lampe Group factor.

The bank may also grant a “Recognition Award” during the course of the year to employees without a particular function of responsibility in the event of outstanding performance.

The “Recognition Award” incentivises exceptional individual or team performance. Remuneration can take the form of a financial or non-financial remuneration instrument.

The Management Board and the People & Organization department have reviewed the general works agreement on variable remuneration and its implementation in practice based on the criteria set out under the “MaRisk” and the “InstitutsVergV” financial legislation, and have determined that these agreements on remuneration (“Principles of Variable Remuneration”) already meet the requirements in an exemplary manner. The following points, in particular, were emphasised:

- The remuneration system focuses on the personal performance of all employees in positions of particular responsibility, and determines the amount of performance-related variable remuneration on the basis of target achievement, on the one hand, and the bank’s results, on the other.
- The targets are agreed in the long term as annual targets. This affords employees with special responsibilities a great deal of freedom in achieving their goals. Focussing on short-term daily or monthly targets does not meet the requirements of independent and sustainable consulting.
- The performance of Customer Advisers and Relationship Managers is measured by their contribution to the business success, and not by sales of specific products. This eliminates the incentive for customers to be driven into a particular form of investment or financing without there being a specific need for it.
- By taking into account the bank’s overall success when calculating the performance-related variable remuneration for employees in positions of special responsibility, it is ensured that the individual payments of the performance-related variable remuneration do not lead to an excessive burden on the bank’s result.

Hauck Aufhäuser Lampe’s remuneration systems are designed in such a way that incentives to take disproportionately high risks are avoided and the remuneration of employees in monitoring units does not run counter to their supervisory function. In particular, variable remuneration for employees in monitoring units does not depend directly on the results of the areas under their control, but is derived from targets attributable to the respective monitoring area. The monitoring units were continuously involved in the review of the remuneration systems, which was led by the People & Organization department during the reporting period.

Among other things, the qualitative and quantitative individual performance of employees, in particular in positions of responsibility, and the success of the business division and the bank as a whole, are used to determine the bonus amount.

The following criteria are used to determine the bonus amount: individual target achievement, the business result of the bank as a whole and the respective business division. These elements result in a calculation formula according to which the bonus is calculated. The upper limits pursuant to Section 25a German Banking Act (KWG) are complied with.

If a bonus is guaranteed in connection with the establishment of an employment relationship, this guarantee is set for a maximum of the first 12 months of employment. In addition, in accordance with Section 5 (3) (2) Remuneration Ordinance for Institutions (InstitutsVergV), our bank does not establish any individual contractual claims to benefits in the event of termination of employment, the amount of which remains unchanged even in the event of negative individual performance contributions.

7.3.3. Annual review of appropriateness

Hauck Aufhäuser Lampe also maintains an overarching Committee consisting of representatives from Risk Controlling and Regulatory Reporting, Compliance, Internal Audit and People & Organization departments, which serves as a forum for the formal review and assessment of Hauck Aufhäuser Lampe's remuneration system. The intention of this review and assessment process is to promote consistency between the variable remuneration agreements, the stability and solidity of Hauck Aufhäuser Lampe and its subsidiaries and the alignment of these agreements with the relevant and prevailing regulatory recommendations and requirements.

Such a review was last performed in December 2023. At its meeting in September 2023, the Supervisory Board of Hauck Aufhäuser Lampe was informed about the remuneration system, among other things, and took note of the corresponding explanations with approval. Furthermore, employees are informed of the remuneration systems that apply to them in a suitable form.

7.3.4. Remuneration Control Committee

A Remuneration Control Committee was not formed. Hauck Aufhäuser Lampe is not a significant institution within the meaning of Section 1 (3c) German Banking Act (KWG). Furthermore, the legislator is of the opinion that such institutions can refrain from forming a Remuneration Control Committee without requiring the approval of Federal Financial Supervisory Authority (BaFin) if the administrative or supervisory body has fewer than ten members.

7.3.5. Quantitative information on remuneration

In view of Hauck Aufhäuser Lampe's classification as a non-significant institution (see Section 1 (3c) German Banking Act [KWG]) and taking into account its size, internal organizational structure, the nature, scope and complexity of its business operations (application of Article 450 (2) Sentence 2 of Regulation (EU) No. 575/2013 (CRR) in conjunction with Regulation (EU) 2016/769 General Data Protection Regulation), the following aggregated, quantitative information is published for the 2023 financial year in accordance with Section 16 (2) Remuneration Ordinance for Institutions (InstitutsVergV):

- fixed remuneration paid for the 2023 financial year, Article 450 (1) (h) (i) CRR
- variable remuneration paid for the 2023 financial year, Article 450 (1) (h) (i) CRR
- number of beneficiaries of fixed and variable remuneration, Article 450 (1) (h) (i) CRR

Group-wide, a total amount of all remuneration totalling approximately EUR 150 million was paid out for 2023, of which approximately EUR 124 million in the form of fixed salaries and approximately EUR 26 million in the form of variable remuneration to 1,422 beneficiaries (in full-time equivalents [FTE]).

Table 13: Remuneration divided between the companies

Company	Fixed salaries	Variable remuneration	Beneficiaries
	Amounts in thousand EUR or EUR		In FTE
Hauck Aufhäuser Lampe Privatbank AG	75,319	20,366	800
Hauck Aufhäuser Lampe Privatbank AG – Luxemburg	18,633	1,739	260
Lampe Asset Management GmbH	7,360	2,015	56
Hauck & Aufhäuser Fund Services S.A.	9,935	1,340	122
Hauck & Aufhäuser Alternative Investment Services S.A.	11,635	927	176
DALE Investment Advisors GmbH	899	85	8
Total	**123,781**	**26,472**	**1,422**

At Hauck Aufhäuser Lampe Privatbank AG and its subsidiaries, four employees whose activities have a material influence on the bank's risk profile received remuneration of more than EUR 1 million in the 2023 financial year.

Table 14: EU REM4 – Remuneration of EUR 1 million or more per year

	EUR	Identified employees who earn a high income in terms of Article 450 (1) (i) CRR
1	1,000,000 to less than 1,500,000	3
2	1,500,000 to less than 2,000,000	0
3	2,000,000 to less than 5,000,000	1

7.4. Subsidiaries

This documentation also applies to domestic subsidiaries with a majority shareholding.

7.4.1. Special features/deviations Luxembourg subsidiaries

In addition to the German regulations, this is also based on the provisions of CSSF Circular 10/437 "Guidelines on Remuneration Policy in the Financial Sector" and CSSF Circular 18/698 "Authorisation and Organization of Investment Fund Managers under Luxembourg law".

The remuneration system recognizes the principles of the parent company. In analogous form to the regulations applicable to the German companies of the Hauck Aufhäuser Lampe Group, the banking collective agreement in force in Luxembourg applies to the Luxembourg branch and subsidiaries.

According to Section 27 (3) Remuneration Ordinance for Institutions (InstitutsVergV), a subordinate company may be disregarded in individual cases when determining a Group-wide remuneration strategy if this regulation is not reasonably applicable due to the business activities of the subordinate company.

7.4.2. Subsidiary Lampe Asset Management GmbH

Lampe Asset Management GmbH is hereinafter referred to as "LAM".

Fixed remuneration for pay-scale employees of LAM

Salaries are determined in accordance with the provisions of the collective labour agreement for the private banking industry and public banks, as amended. In accordance with this collective agreement, 13 salaries are paid per year. In addition to the fixed remuneration, there may also be a fixed above-pay-scale bonus.

Fixed remuneration for non-pay-scale employees of LAM

The fixed salary is set within appropriate ranges, taking into account qualifications and experience, as well as the salary structure and market conditions. The annual fixed remuneration consists of 13 salary instalments.

Variable forms of remuneration – Organizational framework

LAM's remuneration system is designed in such a way that incentives to take disproportionately high risks are avoided, and the remuneration of employees in monitoring units does not conflict with their supervisory function.

Furthermore, in the vast majority of cases, the bonus does not exceed 100 % of the annual fixed remuneration. However, a limited number of LAM employees can receive a bonus of up to 200% of their annual fixed remuneration on the basis of a shareholder resolution.

Variable remuneration of LAM employees

A company agreement applies at LAM with regard to variable remuneration. Both pay-scale and non-pay-scale employees receive bonuses from the non-pay-scale bonus system.

LAM employees are remunerated according to standardized principles from an overall bonus pool. The total bonus pool depends on the so-called bonus-relevant result of LAM.

The amount of the respective bonus pool for an organizational unit is determined retrospectively for the previous financial year by means of "cascading".

The individual allocation of the bonus by a line manager is made at his or her reasonable discretion on the basis of the bonus pool made available for the respective organizational unit by means of "cascading". An important element in the determination of the individual bonus is the achievement of the targets agreed with the employees for the respective financial year. When determining the bonus, additional factors – such as consideration of the company's strategic orientation, the employee's qualifications, customer satisfaction, but also soft skills (work and social behaviour of the employee) and adherence to legal regulations and compliance requirements – are also taken into account.

7.5. Obligation

The principles and policies set out in this documentation form an integral part of Hauck Aufhäuser Lampe's corporate culture. They obligate the Management Board and all managers and employees to always interpret and apply the existing instruments in line with these basic principles.

8. Final declaration

With its signature, the Management Board of Hauck Aufhäuser Lampe declares that the risk management methods and procedures used at Hauck Aufhäuser Lampe, as described in Chapter 2 of this report (Article 435 [1] [e] and [f] CRR), are suitable for providing a comprehensive picture of the bank's risk profile at all times. In particular, the models used make it possible to ensure the bank's risk-bearing capacity in the long term.

Furthermore, in accordance with Article 431 (3) CRR, this report was prepared in accordance with the formal procedures and internal processes, systems and controls of Hauck Aufhäuser Lampe Privatbank AG as the parent institution of the Hauck Aufhäuser Lampe Group.

Michael Bentlage
Chairman of the Management Board

Oliver Plaack
Member of the Management Board

Madeleine Sander
Member of the Management Board

Dr Holger Sepp
Member of the Management Board

Gordan Torbica
Member of the Management Board

Annex

List of tables

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