Shaping change - Creating opportunities

Uwe Schroeder-Wildberg, CEO

Cheuvreux German Corporate Conference 2009

January 19 - 21, 2009
Agenda

1. Highlights and Results 9M and Q3 2008
2. MLP’s Business Model and Positioning
3. KPIs
4. Market Environment
5. Growth Drivers
6. Outlook and Summary
1. Highlights and Results 9M and Q3 2008

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Highlights –
Overall market developments 9M 2008

• Extremely difficult market environment

• Capital market crisis has
  • led to a loss of confidence among retail and institutional customers
  • spread out to the whole economy and lowered expectations regarding future economic development

• Old-age pension provision market: New business has been flat and this is currently a “crowding out” market

• Wealth management market: Inflows into funds decreased – despite introduction of a flat-rate withholding tax on capital gains from 2009

• Private health insurance market: New business decreased significantly due to health insurance reform in 2007
Highlights – 9M and Q3 2008

- MLP has successfully implemented the new regulatory rules and regulations
- Total revenues for 9M 2008 at previous year’s level
- Business development indirectly influenced by capital market crisis
  - Customers reluctant to make long-term investment decisions
  - Sluggish new business in wealth management
  - Lower recurring and performance fees in wealth management business due to the fall in capital markets
- Unexpected loss at TPC
2. MLP’s Business Model and Positioning

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Independent Business Model and One-stop for Lifetime Financial Solutions

Independent Business Model is unique in the German Market

<table>
<thead>
<tr>
<th>Target group focus +</th>
<th>Quality of advice +</th>
<th>Independence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Objectives**
- Planning
- Insurance coverage
- Retirement provision
- Health
- Consumption

**Solution**
- Old-age provision management
- Non-Life management
- Health management
- Loan and mortgage management
- Wealth management
- Cash management
Independence is Key for MLP’s Customer Group

The most important Demands of Customers with an University Degree

- 98% Information regarding the drawbacks of products
- 95% First class financial services
- 93% Comprehensive consulting / tailor-made offers
- 77% Offers from different product providers
- 68% Easy access to nearby branch

Source: Spiegel-Studie Soll & Haben, 2004
Number of clients growing steadily

- 10,000 new clients (gross) gained in Q3

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/06/07</td>
<td>705,000</td>
</tr>
<tr>
<td>30/09/07</td>
<td>707,000</td>
</tr>
<tr>
<td>31/12/07</td>
<td>721,000</td>
</tr>
<tr>
<td>31/03/08</td>
<td>724,000</td>
</tr>
<tr>
<td>30/06/08</td>
<td>732,000</td>
</tr>
<tr>
<td>30/09/08</td>
<td>739,000</td>
</tr>
</tbody>
</table>
MLP has a leading Market Position in Germany

Market Position of Selected Distribution Companies in the German Market 2007

Revenues [in € million]

EBIT margin [in %]

Source: Annual Reports 2007
3. Key Performance Indicators
Strong Total Revenues Growth Trend

Continuing Operations

Total revenues

<table>
<thead>
<tr>
<th></th>
<th>FY 2005*</th>
<th>FY 2006</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>538.3</td>
<td>588.5</td>
<td>637.1</td>
</tr>
<tr>
<td>Revenue brokerage business</td>
<td>442.5</td>
<td>474.9</td>
<td>476.3</td>
</tr>
<tr>
<td>Revenue wealth management</td>
<td>54.3</td>
<td>70.0</td>
<td>79.9</td>
</tr>
<tr>
<td>Other revenue</td>
<td>41.5</td>
<td>34.4</td>
<td>41.8</td>
</tr>
</tbody>
</table>

+9% from FY 2005 to FY 2006
+8% from FY 2006 to FY 2007

* pro forma
EBIT Margin at Record High

Continuing Operations

EBIT margin

[in %]

FY 2005* 12.6%  
FY 2006 16.2%  
FY 2007 17.3%

- Highest cross-selling rate of 6.9 in the industry

* Pro forma
**Peer Group Comparison 2007**

**EBIT margin**
[in %]

- BCA: 2.7
- Aragon: 8.2
- AWD: 11.1
- OVB: 12.3
- MLP: 17.3

Sources: Annual Reports 2007

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**Revenue per consultant**
[in €]

- BCA: 9,000
- Aragon: 9,000
- OVB: 49,000
- AWD: 118,000
- MLP: 190,000

Sources: Annual Reports 2007
4. Market Environment

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<table>
<thead>
<tr>
<th>May 22, 2007</th>
<th>November 1, 2007</th>
<th>Beginning of 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance Mediation Dir.</strong></td>
<td><strong>MiFID</strong></td>
<td><strong>German Ins. Contract Law</strong></td>
</tr>
<tr>
<td>Insurance brokerage</td>
<td>Banks / Fin. investments</td>
<td>Insurers/ Brokers</td>
</tr>
<tr>
<td>• Rising requirements concerning the qualification of consultants and the quality of consulting</td>
<td>• Broadening of the consulting, information and documentation requirements</td>
<td>• Increase in cash surrender values / spreading of the distribution and acquisition costs</td>
</tr>
<tr>
<td></td>
<td>• Stricter requirements regarding transparency</td>
<td>• Increased cost transparency for life and healthcare insurance policies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Broadening of the information obligations</td>
</tr>
</tbody>
</table>
. . . Lead to Radical Changes in the German Financial Industry

Major Market Trends for Banks, Insurance Companies and IFAs

Increasing regulatory requirements will further change the market place dramatically:

- Further optimisation of cost structure and processes
- Consolidation
- Professionalisation
- Specialisation
MLP is optimally prepared to meet the new Requirements

**Extensive new regulations:**
- Brokerage guideline, MiFID, VVG
- Flat-rate capital gains tax, healthcare reform

**Increasing competition:**
- Banks and new providers are entering the market

**High client requirements:**
- Clients demand quality and comprehensive consultation

**High complexity:**
- Numerous products/high tax complexity

→ Excellent prospects through clear positioning and targeted further development

- Capability to adjust rapidly to changed framework conditions
- Highly developed IT systems and processes
- Unique positioning in the market
- Industry-leading education and further training
- High quality target group and excellent quality parameters
Independent Brokers gain significant Market Shares

Effects of the Regulation in Great Britain

Sales by channel in 1992

- Direct sales via sales force: 50%
- IFA: 39%
- Bancassurance: 9%
- Direct sales to clients: 2%

Sales by channel in 2006

- Direct sales via sales force: 9%
- IFA: 73%
- Bancassurance: 11%
- Direct sales to clients: 7%

Market share in sales of pension provision products
Source: Association of British Insurers
5. Growth Drivers

• Old-age Pension Provisions

• Wealth Management

• Productivity Increases
Growth through holistic Consulting Approach

High Revenue Potential with Old-age Pension Provisions

Potential sales revenue – MLP Finanzdienstleistungen AG per year and client

<table>
<thead>
<tr>
<th>Age</th>
<th>25-29</th>
<th>30-34</th>
<th>35-39</th>
<th>40-44</th>
<th>45-49</th>
<th>50-54</th>
<th>55-59</th>
<th>60-64</th>
<th>65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue [€]</td>
<td>3,000</td>
<td>1,500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

- Other
- Health provision
- Wealth management
- Old-age pension provision
## High Potential in Old-age Pension Provision

The Pension Level of the Future – as a Percentage of gross Salary*

<table>
<thead>
<tr>
<th>Country</th>
<th>Pension Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>88.3</td>
</tr>
<tr>
<td>Spain</td>
<td>81.2</td>
</tr>
<tr>
<td>Austria</td>
<td>80.1</td>
</tr>
<tr>
<td>Italy</td>
<td>67.9</td>
</tr>
<tr>
<td>Switzerland</td>
<td>58.4</td>
</tr>
<tr>
<td>France</td>
<td>51.2</td>
</tr>
<tr>
<td>USA</td>
<td>41.2</td>
</tr>
<tr>
<td>Germany</td>
<td>39.9</td>
</tr>
<tr>
<td>Japan</td>
<td>34.4</td>
</tr>
<tr>
<td>Great Britain</td>
<td>30.8</td>
</tr>
</tbody>
</table>

OECD average: 58.7%

Source: OECD

* Level of state pension according to current legislation. Selected countries. Basis for calculation: employee, aged 20 who starts full time work in 2004 and continues working up until the legal pension age (average earner).
Market Share of Old-age Pension Provision Business increased
Core Competence strengthened

MLP market share

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3.3</td>
</tr>
<tr>
<td>2005</td>
<td>3.7</td>
</tr>
<tr>
<td>2006</td>
<td>3.7</td>
</tr>
<tr>
<td>2007</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Source: Own calculations / market share measured as percentage of total annual premiums
Growth through a holistic Consulting Approach

Rising Revenue Potential in Wealth Management

Potential sales revenue - MLP Finanzdienstleistungen AG per client and year

[€]

0 1,500 3,000

Age

25-29 30-34 35-39 40-44 45-49 50-54 55-59 60-64 65

Other

Wealth management

Healthcare provision

Old-age pension provision
Low Average Age offers high Potential

Targeted Expansion of MLP Wealth Management

- MLP clients’ income and savings quotas clearly exceed average levels
- The average age of a MLP client is 39
- Already 37 per cent of clients are older than 40
- The number of clients over 40 years of age will double within five years
MLP and Feri cover the whole Market

Higher Client Penetration through Transfer of Know-How
Stable Development of AuM against the Market Trend

Assets under Management
[in € bn]

- Inflows into funds fell by almost 45% in 9M 2008 in the German market
## Increase in Productivity through targeted Support for the Consultants

**Example: Mortgages**

### Requirements – MLP client

1. Personal consultation
2. Customised mortgage offers
3. Offers from several companies
4. Innovative mortgage products
5. Quick and simple processes
6. Favourable terms

### Requirements – MLP consultant

1. Support with
   - Inspection/preparation of the files
   - Collecting the documents
   - Consultation
2. Technology/Use
   - Intuitive, current, fast
3. Comprehensive product portfolio

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**MLP Hyp**
6. Outlook and Summary

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Outlook and Summary

- Capital market crisis had a negative impact on MLP’s business development
- Retail and institutional customers are apprehensive and reluctant to make long-term investment decisions
- Business development in Q3 was weaker than expected
- Year-end business was less dynamically compared to previous fourth quarters
- Despite challenging market environment MLP expects total revenues in 2008 to be around previous year's level
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