Germany's leading independent financial consulting company

Dr. Uwe Schroeder-Wildberg, CEO
Agenda

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- MLP Share  28
# MLP – An Overview

## Business model

Germany's leading financial consulting company with more than 835,000 private and 5,000 corporate clients and around 2,000 consultants. Independent from Insurance companies, banks and investment firms. Clearly focused target group of academics, HNWI, corporate clients as well as institutional investors.

## Old-age provision

Brokered premium sum for new business of € 3.6 billion in 2013. Occupational pension provision accounted for around 12 % of this figure, supported by the expertise of our subsidiary TPC GmbH.

## Health insurance

Private health insurance, supplementary private health insurance, long-term care, occupational health insurance, statutory health insurance.

## Wealth Management

€ 24.5 billion in assets under management as of December 31, 2013. Together with subsidiary Feri AG, MLP serves private clients – affluent clients at MLP, HNWI at Feri – as well as institutional investors.

## Top Financials

<table>
<thead>
<tr>
<th>FY 2013:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue:</td>
<td>€ 501.1 million</td>
<td>Equity Ratio: 24.4%</td>
</tr>
<tr>
<td>EBIT:</td>
<td>€ 32.8 million</td>
<td>Core Capital Ratio: 16.3%</td>
</tr>
<tr>
<td>Net profit:</td>
<td>€ 25.5 million</td>
<td>Return on Equity: 6.6%</td>
</tr>
<tr>
<td>Dividend per share:</td>
<td>€ 0.16</td>
<td></td>
</tr>
</tbody>
</table>

## Share

- Shares outstanding: 107,877,738
- Free Float: 47.61 % (Definition Deutsche Börse)
- Average daily trading volume: 48,200 (Xetra, 12 month average as of June 30th, 2014)
Milestones in the corporate history

The MLP Group

1988
Stock market flotation

1999
Foundation of the MLP Corporate University (CU)

1971
Foundation MLP (Marschollek, Lautenschläger und Partner)

2004
Formation of the “company pensions” business division

2006
Shareholding in Feri Finance AG

2005
Increased independence – Sales of insurance subsidiaries

2007
Registration as independent broker; Full banking licence for MLP FDL AG

2008
Increase in company pension activities – TPC acquisition

2009
Expansion of market share among dentists – ZSH acquisition

2011
MLP acquires the remaining shares in Feri as scheduled

2012
MLP is accredited as a provider of training for the qualification of Certified Financial Planner

2013
MLP CU gained FIBAA certification

2014
MLP expands real estate offering
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MLP – a broad-based consulting house

The MLP Group

Private clients

Corporate and Institutional clients

Rating

Independent product and investment research
Nationwide consulting for private and corporate clients

The MLP Group

International representations
– Feri:
  • Vienna
  • Milan
  • Sankt Gallen
  • Luxembourg

International offerings across networks

→ 170 Branch offices throughout Germany
→ 1,979 Consultants
Unique positioning in the market

Private client consulting

<table>
<thead>
<tr>
<th>Insurance consulting</th>
<th>Wealth management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Broker</strong></td>
<td>Researched based independent consulting</td>
</tr>
<tr>
<td>• Works on behalf of the client</td>
<td>• Full banking license</td>
</tr>
<tr>
<td>• Is awarded a consultancy mandate, similar to a lawyer</td>
<td>• Serving affluent clients at MLP</td>
</tr>
<tr>
<td>• Extensive risk and requirement analysis</td>
<td>• HNWIs with private estates &gt; 5 million Euros are served by Feri</td>
</tr>
<tr>
<td>• Sufficient number of products available on the market</td>
<td>• Innovative multi-asset/multi-manager approach</td>
</tr>
<tr>
<td><strong>Multi-Agents</strong></td>
<td><strong>Tied Agents</strong></td>
</tr>
<tr>
<td>• Acting on behalf of one or several product providers</td>
<td>• Working on behalf of the respective product provider</td>
</tr>
<tr>
<td>• Risk and requirement analysis based on situation</td>
<td>• Risk and requirement analysis based on situation</td>
</tr>
<tr>
<td>• Limited product selection</td>
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</tr>
<tr>
<td><strong>Private client consulting</strong></td>
<td><strong>Wealth management</strong></td>
</tr>
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</tbody>
</table>

MLP clients benefit from Feri’s expertise

Close cooperation between Feri and MLP in direct mandates
MLP – Unique business model

Private client consulting

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

Advice

Solution
- Old-age provision management
- Non-life management
- Health management
- Loan and mortgage management
- Wealth management
- Cash management

Target group focus + Quality of advice + Independence

Academics and other Discerning clients
Corporate University Several Awards
> 350 Partner
> 8,200 Products

Several Awards
Partner
Products
**Unique positioning in the market**

### Corporate clients
- Independent consulting and concepts for corporate clients
- Registered as a broker
- Nationwide consulting services
- Consulting covering all aspects of company pension schemes and remuneration
- Efficient establishment of innovative concepts and solutions
- Combination of company and private solutions
- Comprehensive risk management for companies
- Straightforward Company Pensions at MLP
- More complex Company Pensions at TPC / Feri
- TPC is member of the International Benefits Network

### Institutional clients

- **Investment Management**
  Feri Trust GmbH
  - Strategic asset allocation
  - Investment Management
  - Risk Overlay

- **Consulting / Family Office**
  Feri Institutional & Family Office GmbH
  - Financial consulting
  - Asset structuring and -controlling
  - Asset Protection

- **Fund Administration**
  Feri Trust (Luxembourg) S.A.
  - Ideal set up for all strategies
  - Structuring and floatation of funds
  - Complements MLP Group's range of services

- **Alternative Investments**
  FERAL AG
  - Alternative investments
  - License applied according capital investment legislation requirements (KAGB)
Old-age provision

**Statutory pension level decreases**

- Increasing need for private provision – statutory pension level decreases
- Wide scope of state subsidies/allowances and tax breaks for citizens in Germany

**Year-on-year comparison new contracts 2013**

- Uncertainty among consumers leads to hesitancy regarding long-term investments
- Low interest rates and negative reports about life insurance contracts have led to greater hesitancy
- Short-term oriented investment preferences for savings – real estate preference for provision

Source: GDV 2014
Market Environment

Healthcare

**Future development of healthcare system**

- Insufficient level of care provided by the statutory healthcare system
  - 16% is already so
  - 48% will become so

- Good healthcare cover only through private provision
  - 28% is already so
  - 53% will become so

- Good healthcare cover costs a lot of money on top of the state health insurance system premium
  - 40% is already so
  - 47% will become so

- Large proportion no longer benefits from medical advances
  - 25% is already so
  - 46% will become so

Source: Continentale Krankenversicherung AG

**Decreasing No. of insurees with full insurance**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of contracts in million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>8.90</td>
</tr>
<tr>
<td>2011</td>
<td>8.98</td>
</tr>
<tr>
<td>2012</td>
<td>8.96</td>
</tr>
<tr>
<td>2013</td>
<td>8.89</td>
</tr>
</tbody>
</table>

Source: PKV-Verband (German Association of Private Health Insurers)

**+**

- Due to demographic development private provision in general is becoming more and more important
- Greater focus in long-term care due to decreasing level of statutory coverage and introduction of new state-subsidised product in January 2013

**-**

- Political discussion regarding private health insurance causes uncertainty and hesitance among consumers in 2013
- German consumers not yet familiar with long-term care provision
### Market Environment

#### Wealth Management

**Managed Assets in Germany**

**High investment requirements from institutional investors**
- Risk aversion throughout the market
- Inflows from private clients particularly into money market-related products such as money market funds and fixed income funds
- Preference for short term investments

**In € billion**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>Q1/2014</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>729</td>
<td>1,110</td>
<td>52.3%</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>652</td>
<td>728</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

**Graph**

- In 2012:
  - Institutionals: 900 billion
  - Mutual funds: 800 billion
- In 2014:
  - Institutionals: 1,000 billion
  - Mutual funds: 900 billion

**Legend**

- Institutionals
- Mutual funds

**Notes**

- Data end of year
- Source: German association of Investment and Asset Management (BVI)
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Total revenue: € 501.1 million in 2013

Total revenue in FY 2013

- Revenue: commissions and fees
- Interest income
- Other revenue
For the first time simultaneous, market-related decreases in two core business fields

Revenue in FY 2013

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>△ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age provision</td>
<td>287.3</td>
<td>219.9</td>
<td>-23.5</td>
</tr>
<tr>
<td>Wealth management</td>
<td>117.9</td>
<td>138.1</td>
<td>17.1</td>
</tr>
<tr>
<td>Health insurance</td>
<td>63.9</td>
<td>47.8</td>
<td>-25.2</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>31.1</td>
<td>32.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Loans and mortgages*</td>
<td>13.4</td>
<td>14.5</td>
<td>8.2</td>
</tr>
<tr>
<td>Other commissions and fees</td>
<td>4.6</td>
<td>4.9</td>
<td>6.5</td>
</tr>
<tr>
<td>Interest income</td>
<td>26.6</td>
<td>22.8</td>
<td>-14.3</td>
</tr>
</tbody>
</table>

* Excluding MLP Hyp
MLP benefits from broad-based revenue mix

FY 2005
Revenue from commissions and fees: € 467.9 million

FY 2013
Revenue from commissions and fees: € 457.7 million

- Old-age provision: 80%
- Wealth management: 10%
- Health insurance: 3%
- Non-life insurance: 2%
- Loans and mortgages: 1%
- Other commissions and fees: 4%
### EBIT: € 32.8 million in 2013

#### Income Statement*

<table>
<thead>
<tr>
<th></th>
<th>2012*</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>568.0</td>
<td>501.1</td>
</tr>
<tr>
<td>EBIT</td>
<td>73.9</td>
<td>32.8</td>
</tr>
<tr>
<td>Finance cost</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>EBT</td>
<td>74.9</td>
<td>33.1</td>
</tr>
<tr>
<td>Taxes</td>
<td>-22.0</td>
<td>-7.6</td>
</tr>
<tr>
<td>Net profit</td>
<td>52.9</td>
<td>25.5</td>
</tr>
<tr>
<td>EPS in € (diluted)</td>
<td>0.49</td>
<td>0.24</td>
</tr>
</tbody>
</table>

*Previous year’s values adjusted

- Cost management above target despite one-off future investments
Q1/2014: First pick-up in old-age provision and positive early indicators for future revenue

Total revenue in Q1

<table>
<thead>
<tr>
<th>[in € million]</th>
<th>Q1 2013</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>116.4</td>
<td>119.8</td>
</tr>
<tr>
<td>Revenue</td>
<td>106.4</td>
<td>107.1</td>
</tr>
<tr>
<td>Revenue: commissions and fees</td>
<td>4.1</td>
<td>7.0</td>
</tr>
<tr>
<td>Interest income</td>
<td>5.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Other revenue</td>
<td>112.3</td>
<td>112.8</td>
</tr>
</tbody>
</table>

- Total revenue increases by 3 percent to € 119.8 million, EBIT rises by 10 percent to € 4.4 million
- Positive early indicators for future revenue development
- 20 percent increase in new clients (Q1 2014: 6,000, Q1 2013: 5,000)
- 15 percent more new business in old-age provision (Q1 2014: € 630 million, Q1 2013: € 550 million)
- Positive start with the expanded real-estate product offering
- Still tough market conditions – positive developments need to become more established
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### Diverse regulatory activities – MLP is well prepared

| Basel III / Capital Requirements Directive IV | **EU directive and regulations in force since July 2013. New regulations concerning appropriate capitalisation apply from January 2014.**  
**Continuous strengthening of MLP’s capital base** in order to ensure maintenance of the currently comfortable equity capital situation. |
| Act on Promoting and Regulating fee-based Advice on Financial Instruments ("Honoraranlageberatungsgesetz") | **The German government has decided to introduce an occupational profile for fee-based consultants in wealth management** (introduction in August 2014) and is currently drawing up legislation prior to the implementation of the EU directive MiFiD II.  
**MLP clients are fully credited with kickbacks that MLP receives from investment companies for the brokerage of investment assets (flat fee) – MLP thus already fulfils the main requirement for registration as a fee-based advisor. Due to the remoteness from the market with respect to the treatment of existing contracts we actually do not consider a registration.** |
| MiFiD II | **Decided upon at EU level in trialogue. The directive requires that “independent advisory services” in the wealth management area a) have access to a sufficient number of products available in the market AND b) do not take in any commissions from Third Parties.**  
→ Expected transposition into national law: 2016 – already largely covered by the Act on Promoting and Regulating fee-based Advice on Financial Instruments in Germany. |
| IMD II | **IMD II constitutes a revision of an EU level directive for the insurance area which pursues analogous aims to MiFiD II.**  
**No agreement has yet been reached with respect to the actual composition of this directive. Final decisions are expected to be taken in the next months.**  
→ Expected transposition into national law: 2017. |
Life Insurance Reform Act (LVRG) – Overview

Overview of the planned changes

- Modification of insuree participation in valuation reserves
- For restricted insuree participation in valuation reserves: limitation of dividend payments by insurers to their shareholders
- Increase of minimum participation in risk surplus from 75% to 90%
- Reduction of the guaranteed interest rate from 1.75% to 1.25% starting from 2015
- Disclosure of effective administration costs for life insurance contacts according to the yield reduction method
- Reduction of the maximum zillmerisation rate from 4% to 2.5%

Process

- June, 13: Bundesrat (Federal Council)
- June, 24: 1st reading in the Bundestag (German parliament)
- June, 30: Hearing
- July, 2: Last committee session (final amendments)
- July, 3 and 4: 2nd and 3rd reading in the Bundestag
- July, 11: passed by the Bundesrat
- End of July: Publication in the Bundesgesetzblatt (Federal Law Gazette)
## Growth initiatives for the future

<table>
<thead>
<tr>
<th>Growth initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Further broadening of the revenue base</td>
</tr>
<tr>
<td>• Brokerage of real estate in MLP private client business</td>
</tr>
<tr>
<td>• Expansion of the corporate client business through a range of visible non-life insurance offerings for companies – acquisitions possible</td>
</tr>
<tr>
<td>• Further strengthening of the real assets portfolio at FERI</td>
</tr>
<tr>
<td>• Acquisitions in the FERI business fields are being specifically assessed</td>
</tr>
<tr>
<td><strong>2</strong> Consistent implementation of a digitalisation strategy</td>
</tr>
<tr>
<td>• Increased presence on the Internet and in social media to reach students and graduates</td>
</tr>
<tr>
<td>• Online contract conclusion for simple products for new clients</td>
</tr>
<tr>
<td>• Extended online services for existing clients (video conference, digital signature etc.)</td>
</tr>
<tr>
<td><strong>3</strong> Further development of technology leadership</td>
</tr>
<tr>
<td>• Complete virtualisation of the work place increases flexibility for the future</td>
</tr>
<tr>
<td>• New consulting application as a foundation for further development stages</td>
</tr>
<tr>
<td><strong>4</strong> Recruiting and opening of new branches</td>
</tr>
<tr>
<td>• Tap the full potential of the new consultant entry models introduced in 2013</td>
</tr>
<tr>
<td>• Opening of 4 branches per year in the university segment</td>
</tr>
</tbody>
</table>

**On-going efficiency management**
**Significant increase in earnings expected in all scenarios**

**Outlook**

<table>
<thead>
<tr>
<th>Environment</th>
<th>Assumptions</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upper Scenario</strong></td>
<td>Significant improvement in the market environment • Hesitancy towards capital market-related provision products largely disappears • Health insurance develops very positively throughout the market • New areas of potential through real estate brokerage • Disappearance of the negative unisex effect from 2013</td>
<td>~ € 75 m</td>
</tr>
<tr>
<td><strong>Base Scenario</strong></td>
<td>Initial improvement in the framework conditions • Opportunities for products with minor capital market component (long-term care pension, occupational disability, occupational provision) • Slight improvement for capital market-related provision products – especially through new guarantee concepts • Reduction of uncertainties in health insurance • New areas of potential through real estate brokerage • Disappearance of the negative unisex effect from 2013</td>
<td>~ € 65 m</td>
</tr>
<tr>
<td><strong>Lower Scenario</strong></td>
<td>Continued hesitancy on the part of clients • Critical public debate, such as a reduction of the guaranteed interest rate for life insurance and pension insurance policies, leads to similar hesitancy as witnessed in 2013 • Reduction of uncertainties in health insurance • New areas of potential through real estate brokerage • Disappearance of the negative unisex effect from 2013</td>
<td>~ € 50 m</td>
</tr>
</tbody>
</table>
Administration costs 2014: € 255 million

Outlook

Administration costs

€ million *adjusted for one-off exceptional costs

2008 311.7
2009 295.4
2010 279.1
2011 274.3
2012 251.9
2013 250.6
2014e ~255
2015e ~253

2014: includes € 6 million of temporary expenses for investments in the future

Revenue base scenario

in comparison to the previous year

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Old-age Provision</td>
<td>+</td>
<td>0</td>
</tr>
<tr>
<td>Revenue Health Insurance</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Revenue Wealth Management</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>

positive: +, neutral: 0, negative: -
Summary

- MLP continues to benefit from the new **breadth of the business model**
- **Framework conditions** remain **challenging** – particularly in health insurance and old-age provision
- **Q1: Positive signs in Q1** – but these still **need to become more established**
- As is usual in the MLP business model, it is particularly the **second half-year** that plays a crucial role in the full-year results
- **Outlook for 2014 reiterated**
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MLP AG Share

Share details

- Shares outstanding: 107,877,738
- Free Float: 47.61% (Definition Deutsche Börse)
- Average daily trading volume: 48,200 (Xetra, 12 month average as of June 30th, 2014)
- WKN: 656 990
- ISIN: DE0006569908
- Exchanges: XETRA, Frankfurt, other regional exchanges

Shareholder Structure

- Dr. h. c. Manfred Lautenschläger: 23.53%
- HDI / Talanx: 9.89%
- Barmenia: 6.67%
- Allianz SE: 6.27%
- Angelika Lautenschläger: 6.03%
- Freefloat (Def. Deutsche Börse): 47.61%
- Harris Associates: 9.82%
- FMR LLC: 7.10%
- Fidelity Management Research: 5.00%
- Franklin Templeton: 3.06%

Research Coverage

- JP Morgan Cazanove: Overweight, PT 7.10
- HSBC: Underweight, PT 4.00
- Equinet/ESN: Accumulate, PT 6.30
- Bankhaus Lampe: Sell, PT 4.70
- Main First: Underperform, PT 4.60
- Independent Research: Hold, PT 6.00
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