The MLP Group – The partner for all financial matters

Reinhard Loose, CFO

Munich, September 23, 2015

Berenberg & Goldman Sachs German Corporate Conference
Agenda

• MLP at a glance 3
• Benefits for shareholders 7
• Key Financials 14
• Impact of regulation 20
• Outlook MLP 25
The views and expectations of our clients always represent the starting point in each of these fields.

We examine the offers of all relevant product providers in the market.

We then present our clients with suitable options in a comprehensible way so that they can make the right financial decisions themselves.

Our product ratings are based on scientifically substantiated market and product analyses.
Consulting services throughout Germany for private, corporate and institutional clients

MLP Group

MLP:
• Approximately 1,950 client consultants
• Approximately 160 offices – at least one at every university location
• Approximately 1,300 employees at company HQ and at local offices

FERI:
• Approximately 220 employees
• International locations: Vienna, Zurich and Luxembourg

DOMCURA:
• Approximately 290 employees
• Around 5,000 market participants as business partners (insurance brokers, pools, sales offices)

TPC:
• Approximately 25 employees
• Client consulting together with MLP client consultants
### MLP Group – An Overview

| Clients | • More than 845,000 private clients in the mass affluent segment of the market target groups: graduates (i.e. physicians, solicitors, engineers and economists)  
• Over 200 private clients in the HNWI market & over 5,000 corporate clients, employers and institutional clients |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age provision</td>
<td>Brokered premium sum for new business totalled € 4.1 billion in 2014. Occupational pension provision accounted for around 12% of this figure.</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>€ 27.5 billion in assets under management as at December 31, 2014 in business with mass affluent clients, HNWI and institutional investors.</td>
</tr>
<tr>
<td>Health insurance</td>
<td>Private health insurance, supplementary private health insurance, long-term care, occupational health insurance, statutory health insurance.</td>
</tr>
</tbody>
</table>
| Top Financials | **FY 2014:**  
Total revenue: € 531.1 million  
EBIT: € 39.0 million  
Net profit: € 29.0 million  
Equity Ratio: 23.2%  
Core Capital Ratio: 13.6%  
Dividend per share: € 0.17  
Return on Equity: 7.8% |
| MLP Share | Shares outstanding: 109,334,686  
Free Float: 48.74% (Definition on the German stock exchange)  
Average daily trading volume: 70,800 (Xetra, 12-month average as at August 31st, 2015) |
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MLP – Benefits for shareholders

1. Stability
   - More diversified revenue mix and cost control

2. Attractive ROI
   - Attractive dividend policy

3. Consistency in strategy
   - Stable shareholder structure
Significant strengthening of the revenue base through strategic further development

**Company pensions**
- 2004: Formation of business division "company pensions"
- 2008: Acquisition of TPC

**Wealth Management**
- 2006: MLP acquires stake in FERI AG
- 2011: MLP acquires the remaining shares in FERI as scheduled

**Real estate**
- 2011: Start of real estate offerings
- 2014: Expansion of real estate offerings

**Broadening Non-life**
- 2015: Acquisition of DOMCURA Group
  - Underwriting agency
  - Further, strategically relevant business segment
  - Significant potential with existing business

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**FY 2005**
Revenue from commissions and fees: € 467.9 million

- 80% Old-age provision
- 10% Wealth management
- 3% Non-life insurance
- 2% Health insurance
- 1% Loans and mortgages
- 1% Other commissions and fees (i.e. real estate)

**FY 2014**
Revenue from commissions and fees: € 486.9 million

- 49% Old-age provision incl. occupational pension business
- 30% Wealth management
- 7% Non-life insurance
- 3% Health insurance
- 2% Loans and mortgages
- 2% Other commissions and fees (i.e. real estate)
Underwriting agency selects the appropriate insurer from the marketplace

Consultancy
(Sales commission)

Underwriting agency
(Administration and additional sales commission)

Insurers
(Risk margin)

Product sales

Application
Contract
Collection/disbursement
Claim

Consulting + conclusion

Service + administration

Claim
Risk carrying

Risk carrier
Administration costs reduced by more than €50 million – solid foundation for the future

Administrative costs*

* Definition: Personnel expenses, depreciation and amortisation and other operating expenses
** Adjusted to include one-off expenses
*** Excluding Domcura
Attractive dividend policy: pay-out ratio of 50% to 70%

Return on dividend

- In the future, pay-out ratio of 50% to 70% of Group net profit
- At the same time capital is required for:
  - Acquisitions
  - Investments
  - Capital management (Basel III)

* Including special dividend
## Stable shareholder structure

### Share details

- **WKN:** 656 990
- **ISIN:** DE0006569908
- **Börsen:** XETRA, Frankfurt, other regional exchanges

### Shareholder structure

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. h. c. Manfred Lautenschläger</td>
<td>23.22%</td>
</tr>
<tr>
<td>HDI</td>
<td>9.36%</td>
</tr>
<tr>
<td>Barmenia</td>
<td>5.49%</td>
</tr>
<tr>
<td>Allianz SE</td>
<td>6.18%</td>
</tr>
<tr>
<td>Angelika Lautenschläger</td>
<td>5.94%</td>
</tr>
<tr>
<td>Freefloat (Def. Deutsche Börse)</td>
<td>49.81%</td>
</tr>
<tr>
<td><em>Harris Associates</em></td>
<td>9.69%</td>
</tr>
<tr>
<td><em>FMR LLC</em></td>
<td>7.00%</td>
</tr>
<tr>
<td><em>Joh. Berenberg Gossler &amp; Co KG</em></td>
<td>4.78%</td>
</tr>
<tr>
<td><em>Schroders PLC</em></td>
<td>3.03%</td>
</tr>
</tbody>
</table>

### Research coverage

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Recommendation</th>
<th>Price Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equinet/ESN</td>
<td>Accumulate</td>
<td>PT 4.50</td>
</tr>
<tr>
<td>Bankhaus Lampe</td>
<td>Buy</td>
<td>PT 5.00</td>
</tr>
<tr>
<td>Main First</td>
<td>Underperform</td>
<td>PT 3.60</td>
</tr>
<tr>
<td>Independent Research</td>
<td>Hold</td>
<td>PT 4.50</td>
</tr>
<tr>
<td>HSBC Global Research</td>
<td>Underweight</td>
<td>PT 3.90</td>
</tr>
</tbody>
</table>
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FY 2014: Total revenue rises to €531.1 million

Total revenue in Q4

<table>
<thead>
<tr>
<th></th>
<th>Q4 2013*</th>
<th>Q4 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>149.8</td>
<td>172.0</td>
</tr>
<tr>
<td>Revenue: commissions and fees</td>
<td>5.5</td>
<td>5.8</td>
</tr>
<tr>
<td>Interest income</td>
<td>7.0</td>
<td>8.6</td>
</tr>
</tbody>
</table>

Total revenue in FY

<table>
<thead>
<tr>
<th></th>
<th>2013*</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>457.7</td>
<td>486.9</td>
</tr>
<tr>
<td>Revenue: commissions and fees</td>
<td>22.8</td>
<td>22.9</td>
</tr>
<tr>
<td>Interest income</td>
<td>18.5</td>
<td>21.4</td>
</tr>
<tr>
<td>Other revenue</td>
<td>18.5</td>
<td>21.4</td>
</tr>
</tbody>
</table>

* Previous year's values adjusted
H1 2015: Total revenue rises to € 246.5 million

Total revenue H1

<table>
<thead>
<tr>
<th></th>
<th>Revenue: commissions and fees</th>
<th>Interest income</th>
<th>Other revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2015</td>
<td>226.5</td>
<td>10.8</td>
<td>9.2</td>
</tr>
<tr>
<td>H1 2014</td>
<td>205.4</td>
<td>11.4</td>
<td>10.2</td>
</tr>
<tr>
<td>H1 2013</td>
<td>204.5</td>
<td>11.5</td>
<td>8.3</td>
</tr>
</tbody>
</table>
# H1 2015: Strong growth in wealth management

## Revenue

<table>
<thead>
<tr>
<th></th>
<th>Q2 2015</th>
<th>Q2 2014*</th>
<th>Δ in %</th>
<th>H1 2015</th>
<th>H1 2014*</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age provision</td>
<td>41.1</td>
<td>44.1</td>
<td>-7</td>
<td>83.1</td>
<td>84.3</td>
<td>-2</td>
</tr>
<tr>
<td>Wealth management</td>
<td>41.9</td>
<td>34.4</td>
<td>22</td>
<td>82.6</td>
<td>67.0</td>
<td>23</td>
</tr>
<tr>
<td>Health insurance</td>
<td>10.4</td>
<td>9.7</td>
<td>7</td>
<td>22.2</td>
<td>21.1</td>
<td>5</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>5.1</td>
<td>5.3</td>
<td>-4</td>
<td>25.2</td>
<td>24.1</td>
<td>5</td>
</tr>
<tr>
<td>Loans and mortgages*</td>
<td>3.8</td>
<td>3.0</td>
<td>27</td>
<td>6.9</td>
<td>5.9</td>
<td>17</td>
</tr>
<tr>
<td>Other commissions and fees</td>
<td>4.0</td>
<td>1.8</td>
<td>&gt;100</td>
<td>6.4</td>
<td>3.1</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Interest income</td>
<td>5.3</td>
<td>5.6</td>
<td>-5</td>
<td>10.8</td>
<td>11.4</td>
<td>-5</td>
</tr>
</tbody>
</table>

* excluding MLP Hyp
### H1 2015: EBIT increases to € 8.1 million

#### Income statement

<table>
<thead>
<tr>
<th></th>
<th>Q2 2015</th>
<th>Q2 2014</th>
<th>H1 2015</th>
<th>H1 2014*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue</strong></td>
<td>115.7</td>
<td>108.1</td>
<td>246.5</td>
<td>226.9</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1.1</td>
<td>1.1</td>
<td>8.1</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Finance cost</strong></td>
<td>-0.1</td>
<td>-0.1</td>
<td>-0.3</td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>0.9</td>
<td>1.0</td>
<td>7.8</td>
<td>4.4</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>0.4</td>
<td>0.2</td>
<td>-1.3</td>
<td>-0.6</td>
</tr>
<tr>
<td><strong>Group net profit</strong></td>
<td>1.3</td>
<td>1.1</td>
<td>6.6</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>EPS in €</strong></td>
<td>0.01</td>
<td>0.01</td>
<td>0.06</td>
<td>0.04</td>
</tr>
</tbody>
</table>

* Q2: Depreciation Property (€ 1.1 million)
* Q2: Incidental acquisition costs DOMCURA (around € 0.6 million)
* Q3: One-off retrospective tax payments expected – related to operations abroad ceased a few years ago

* Previous year’s figures adjusted
## H1 2015: Balance sheet details

### MLP Group

<table>
<thead>
<tr>
<th>[in € million]</th>
<th>30/06/2015</th>
<th>31/12/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>154.1</td>
<td>156.2</td>
</tr>
<tr>
<td>Financial investments</td>
<td>137.0</td>
<td>145.3</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>73.1</td>
<td>49.1</td>
</tr>
<tr>
<td>Other receivables and other assets</td>
<td>91.5</td>
<td>117.7</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>364.9</td>
<td>376.8</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>22.3%</td>
<td>23.2%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>84.1</td>
<td>117.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,636.3</strong></td>
<td><strong>1,624.7</strong></td>
</tr>
</tbody>
</table>

- Equity ratio: 22.3%
- Core capital ratio: 14.3%
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## Fundamental changes in the market

### Trend

<table>
<thead>
<tr>
<th>Client behaviour</th>
<th>Demographics</th>
<th>Regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>→ Fundamental <strong>scepticism</strong> on the part of clients towards the financial industry since the outbreak of the financial crisis</td>
<td>→ Rising life expectancy and low birth rate lead to a significantly ageing society</td>
<td>→ Since 2004 and especially since 2008 <strong>intensive regulation</strong></td>
</tr>
<tr>
<td>→ Quick and inexpensive <strong>information possibilities</strong> for clients via the internet</td>
<td>→ Increasing pressure on state social welfare systems</td>
<td>→ In addition to impacting at the product level, regulation also particularly applies to the <strong>training</strong> of consultants, <strong>documentation</strong> and <strong>transparency</strong></td>
</tr>
<tr>
<td>→ Distinct desire to make <strong>their own</strong> financial decisions</td>
<td>→ Number of people in work constantly falling</td>
<td></td>
</tr>
</tbody>
</table>

### Effects

- Intense competition
- Quality of consulting services and differentiation from the competition continue to gain in significance
- Contract conclusion for simple products sometimes takes place without consultation
- Great need for private and occupational old-age provision as well as private health insurance
- Recruiting: Good labour market perspectives leads to a “war of talents” for well-educated/trained individuals
- Significant rise in administrative activities burdens productivity
- Increase in fixed costs for training, IT systems and administration
- Quality becoming an increasingly important aspect
Regulation strongly increased since 2004

**EU law**

- **EU Insurance Mediation Directive (IMD)**
- **EU Markets in Financial Instruments Directive (MiFID)**
- **Draft amending the EU Markets in Financial Instruments Directive (MiFID II)**
- **Draft directive amending the EU Insurance Mediation Directive (IMD II)**
- **Implementation of MiFID II**
- **Implementation of IMD II**

**German law**

- **Introduction of the German Insurance Act (VVG)**
  - Disclosure of the contract and marketing expenses factored into the premium
- **Introduction of the Markets in Financial Instruments Directive (MiFID)**
- **Implementation of the EU Insurance Mediation Directive (IMD)**
  - Information disclosure requirements
  - Documentation requirements
- **Act Reforming the Laws on Intermediaries for Financial Investments and on Investment Products**
  - Cap for acquisition commission in the private health insurance sector (max. 9.9 monthly premiums)
- **Investor Protection and Functionality Improvement Act (AnsFuG)**
  - Product information sheets
  - Disclosure of costs in wealth management
- **Life Insurance Reform Act (LVRG)**
  - Maximum zillerisation rate
  - Cost transparency
  - Change in Commission payment method anticipated
- **Fee-Based Investment Advisory Service Act (HAnIBG)**
  - Protected job title for fee-based consultants for wealth management

**Timeline**

- 2004 – 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015 – 2017

**Additional Notes**

- September 23, 2015
- Berenberg and Goldman Sachs German Corporate Conference
Significant increase in consolidation within the market due to LVRG

Number of insurance intermediaries in Germany

Effects of the Life Insurance Reform Act (LVRG)

- Quality of consultancy and portfolio will become even more important
- Sale organisations with a high cancellation rate will lose trail commissions
- Major challenges for pyramid sales organisations

Source: DIHK, entries in the Insurance Intermediary Register
MLP’s business model is well aligned for the altered market conditions

<table>
<thead>
<tr>
<th>Success factors</th>
<th>MLP</th>
</tr>
</thead>
</table>
| Client-centred business model | • No own products – MLP selects from the ranges offered by relevant providers  
|                           | • Leading training and further training, high quality consulting   
|                           | • Fulfilment of the highest regulatory requirements (Insurance broker, banking license, AIFM license) |
| Size & financial strength | • Germany’s largest insurance broker / IFA  
|                           | • 1,931 consultants  
|                           | • AuM of € 29.0 billion                                             |
| IT support & back office  | • Extensive investments in IT  
|                           | • Specific support for consultants through service centres   
|                           | • Preparation of online contract conclusion process for simple products |
| Cost control             | • Significant reduction in administration costs since 2008  
|                           | • Continuous cost control implemented  
|                           | • Revenue costs are largely variable                              |
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## Implemented growth initiatives begin to bear fruit

### Focus

#### Measures implemented in the first half-year

**1. Online strategy**
- Expansion of the Internet presence in order to serve as a significant channel for attracting interested parties and new clients
- Start of the new Internet presence “MLP financify” in April 2015 to address the needs of young adults
- Re-launch of the mlp.de website in July 2015 – creates basis for online contract conclusion for simple products by the end of the year

**2. Recruiting**
- New further training bonus introduced for new client consultants
- Combination of high quality initial and further training with an easier start into self-employment
- Opening of additional branches planned for the university segment

**3. Broadening of the revenue base**
- Development of a further, strategically relevant business segment in the area of non-life insurance through the acquisition of the DOMCURA Group – at the same time, considerable revenue synergy potential with the classical MLP business
- Continued expansion of wealth management
- Ongoing expansion of real estate brokerage

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Make MLP more independent of short-term market influences
Outlook: MLP anticipates EBIT above previous year’s level

Administrative costs* (excl. DOMCURA)

<table>
<thead>
<tr>
<th>Year</th>
<th>Administrative Costs (in € million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>311.6</td>
</tr>
<tr>
<td>2009</td>
<td>295.5</td>
</tr>
<tr>
<td>2010</td>
<td>279.1</td>
</tr>
<tr>
<td>2011</td>
<td>274.3**</td>
</tr>
<tr>
<td>2012</td>
<td>251.9</td>
</tr>
<tr>
<td>2013</td>
<td>250.6</td>
</tr>
<tr>
<td>2014</td>
<td>256.8</td>
</tr>
<tr>
<td>2015e</td>
<td>255</td>
</tr>
</tbody>
</table>

Sales revenue

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from old-age provision</td>
<td>Slight decrease</td>
</tr>
<tr>
<td>Revenue from health insurance</td>
<td>Slight increase</td>
</tr>
<tr>
<td>Revenue from wealth management</td>
<td>Significant increase</td>
</tr>
<tr>
<td>Other commissions and fees (real estate)</td>
<td>Significant increase</td>
</tr>
</tbody>
</table>

* Definition: Personnel expenses, depreciation and amortisation and other operating expenses
** Adjusted to include one-off expenses

→ Despite continuously difficult markets and extensive investments, MLP anticipates a slight increase in EBIT for 2015 (excl. DOMCURA)
Anticipated pro-forma EBIT for DOMCURA in 2015: around € 2 million

As of 1st January, 2015, MLP is entitled to a share in profits for 100 percent of the shares.

Transaction was closed on 29th July, 2015

2015

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT: plus ~ € 5.0 million</td>
<td>EBIT: minus ~ € 3.0 million</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

• EBIT booked to equity capital of DOMCURA
  • Most of the annual revenue is generated in Q1 due to seasonality of the non-life insurance business
  • Q1 also dominates the earnings of the financial year

• Earnings booked to the P&L account of the MLP Group:
  • Negative effect on Group EBIT in Q3 and Q4 due to seasonality of the non-life insurance business
  • Reporting of a pro-forma EBIT figure at 31st December, 2015

Expected pro-forma EBIT 2015: around € 2 million
Summary

• MLP has targetedly further developed its business model in the past few years.
• Despite operating in difficult markets, MLP ended 2014 on a high note and was able to increase its market shares.
• Consolidation is now starting to gather momentum in Germany.
• MLP is optimally positioned for the new requirements – and will benefit over-proportionally from a recovery in the market.
• MLP will continue its process of modernisation: Recruiting – Online-Strategy – Diversification of revenue.
• Market environment remains difficult – especially in old-age provision
• Q3: One-off retrospective tax payments expected – Performance Fees possibly effected by capital markets development.
• As is customary in the MLP business model, the second half-year and especially the fourth quarter plays a decisive role for the full-year results.
Contact

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