



The MLP Group – The partner for all financial matters

Reinhard Loose, CFO, Roadshow Frankfurt, 5th March 2015

Agenda

- MLP at a glance 3
- Benefits for shareholders 7
- Key financials 2014 13
- Impact of regulation 20
- Outlook MLP 25

The MLP Group at a glance

The MLP Group is the **partner for all financial matters** – for private clients, companies and institutional investors. With our three brands, each of which enjoy a leading position in their respective markets, we offer a **broad range of services**:

- MLP Finanzdienstleistungen AG: The dialogue partner for all financial matters
- FERI AG: The investment expert for institutional investors and high net-worth individuals
- TPC GmbH: The specialist in occupational pension provision management for companies

The **views and expectations of our clients** always represent the starting point in each of these fields. Building on this, we then present our clients with suitable options in a comprehensible way so that they can make the right financial decisions themselves. For the implementation, we examine the **offers of all relevant product providers in the market**. 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:

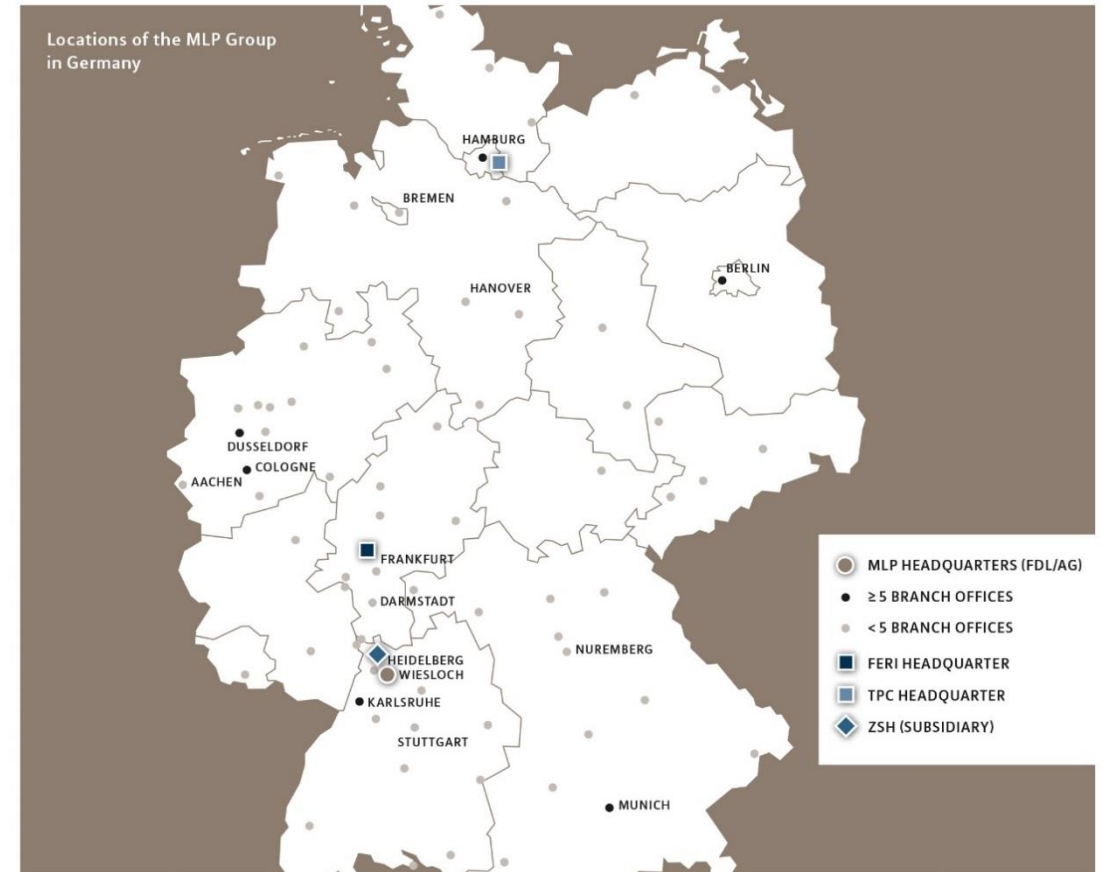
- Approximately 1,950 client consultants
- Approximately 160 offices – at least one at every university location
- Approximately 1,300 employees at company HQ and at local offices

FERI:

- Approximately 220 employees
- International locations: Vienna, Zurich and Luxembourg

TPC:

- Approximately 25 employees
- Client consulting together with MLP client consultants



MLP Group – An Overview

Clients		<ul style="list-style-type: none"> • 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 																					
Main business areas	Old-age provision	Brokered premium sum for new business totalled € 4.1 billion in 2014. Occupational pension provision accounted for around 12% of this figure.			Share of revenue '14 49%																		
	Wealth Management	€ 27.5 billion in assets under management as at December 31, 2014 in business with mass affluent clients, HNWI and institutional investors.			30%																		
	Health insurance	Private health insurance, supplementary private health insurance, long-term care, occupational health insurance, statutory health insurance.			9%																		
Top Financials		<p>FY 2014:</p> <table border="0"> <tr> <td>Total revenue:</td> <td>€ 531.1 million</td> <td>Equity Ratio:</td> <td>23.2%</td> <td>Dividend per share:</td> <td>€ 0.17*</td> </tr> <tr> <td>EBIT:</td> <td>€ 39.0 million</td> <td>Core Capital Ratio:</td> <td>13.6%</td> <td>Return on Equity:</td> <td>7.8%</td> </tr> <tr> <td>Net profit:</td> <td>€ 29.0 million</td> <td colspan="4">* Subject to the approval of the Annual General Meeting on June 18, 2015</td> </tr> </table>				Total revenue:	€ 531.1 million	Equity Ratio:	23.2%	Dividend per share:	€ 0.17*	EBIT:	€ 39.0 million	Core Capital Ratio:	13.6%	Return on Equity:	7.8%	Net profit:	€ 29.0 million	* Subject to the approval of the Annual General Meeting on June 18, 2015			
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Net profit:	€ 29.0 million	* Subject to the approval of the Annual General Meeting on June 18, 2015																					
MLP Share		Shares outstanding:	107,877,738	Free Float:	48.02% (Definition on the German stock exchange)																		
		Average daily trading volume:	51,088 (Xetra, 12-month average as at February 28th, 2015)																				

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MLP – Benefits for shareholders

**More diversified revenue mix
and cost control**

1

Stability

Attractive dividend policy

2

Attractive ROI

Stable shareholder structure

3

Consistency in strategy

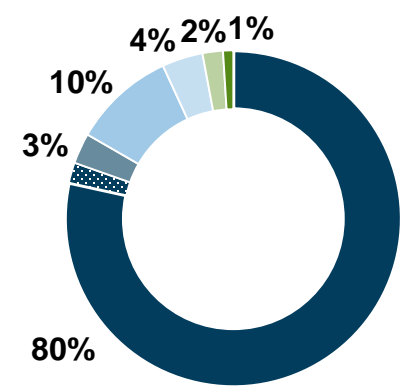
Significant strengthening of the revenue base through strategic further development

1



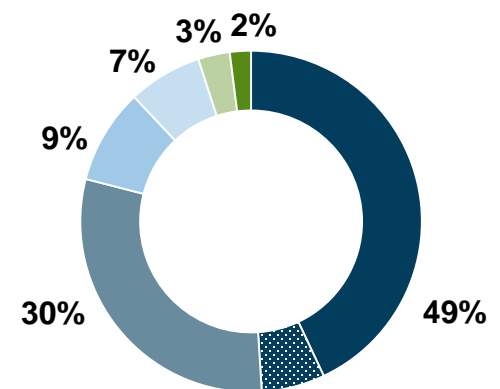
FY 2005

Revenue from commissions and fees: € 467.9 million



FY 2014

Revenue from commissions and fees: € 486.9 million



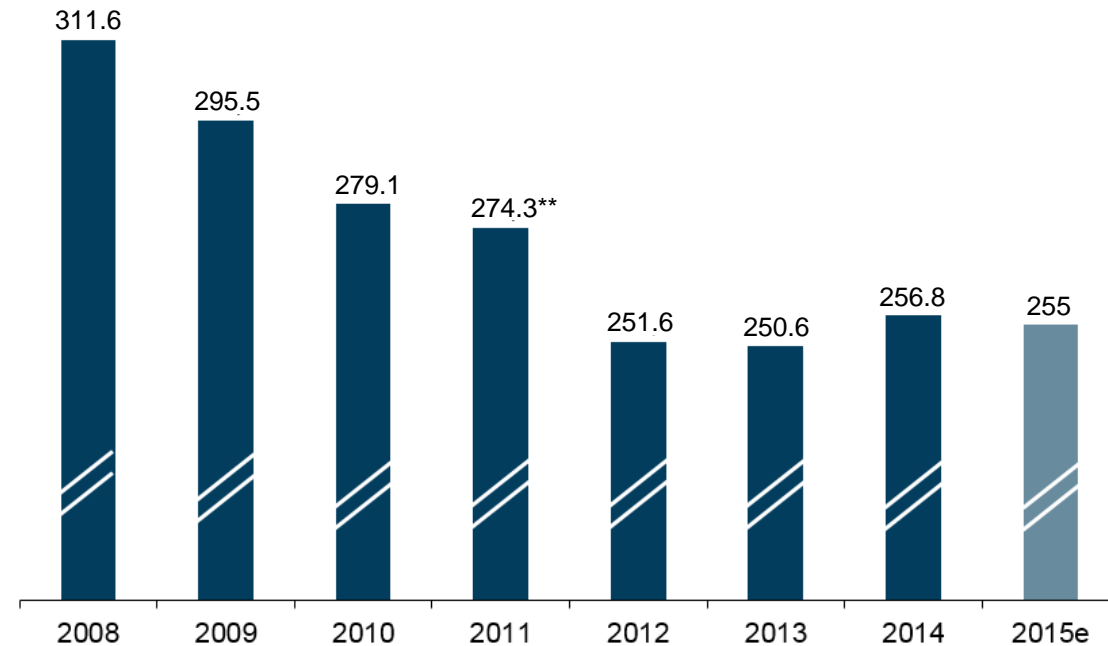
- Old-age provision incl. occupational pension business
- Wealth management
- Health insurance
- Other commissions and fees (i.e. real estate)
- Non-life insurance
- Loans and mortgages

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

1

Administrative costs*

€ million



* Definition: Personnel expenses, depreciation and amortisation and other operating expenses

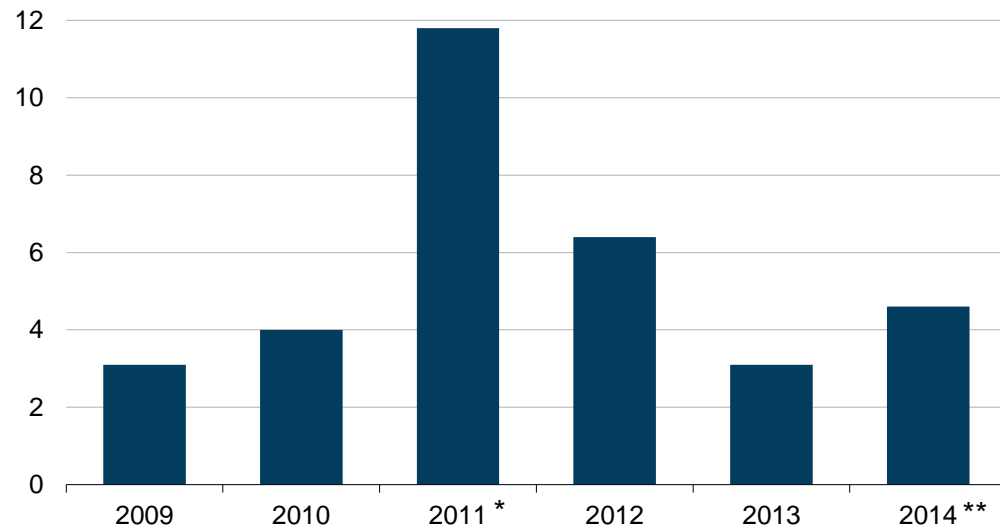
** Adjusted to include one-off expenses

Attractive dividend policy: pay-out ratio of 50% to 70%

2

Return on dividend

in %



- 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)

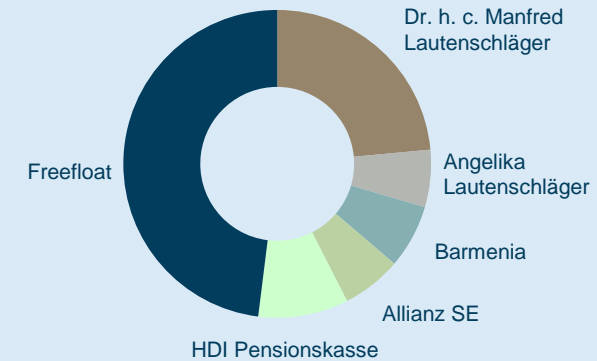
* Including special dividend **Dividend subject to the approval of the Annual General Meeting

Stable shareholder structure

3

MLP AG share details

Share details	WKN:	656 990	
	ISIN:	DE0006569908	
	Exchanges:	XETRA, Frankfurt, other regional exchanges	
Shareholder structure	Dr. h. c. Manfred Lautenschläger	23.53%	
	HDI	9.48%	
	Barmenia	6.67%	
	Allianz SE	6.27%	
	Angelika Lautenschläger	6.03%	
	Freefloat (Def. Deutsche Börse)	48.02%	
	<i>Harris Associates</i>	9.82%	
	<i>FMR LLC</i>	7.10%	
	<i>Franklin Templeton</i>	2.99%	
Research coverage	Equinet/ESN	Accumulate	PT 4.00
	Bankhaus Lampe	Buy	PT 4.20
	Main First	Underperform	PT 3.60
	Independent Research	Hold	PT 4.00
	HSBC Global Research	Underweight	PT 4.00



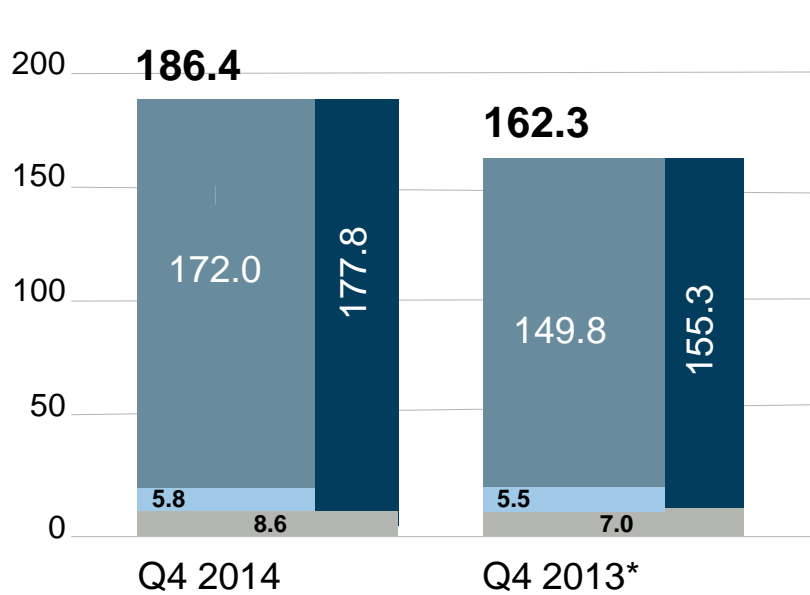
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FY 2014: Total revenue rises to € 531.1 million

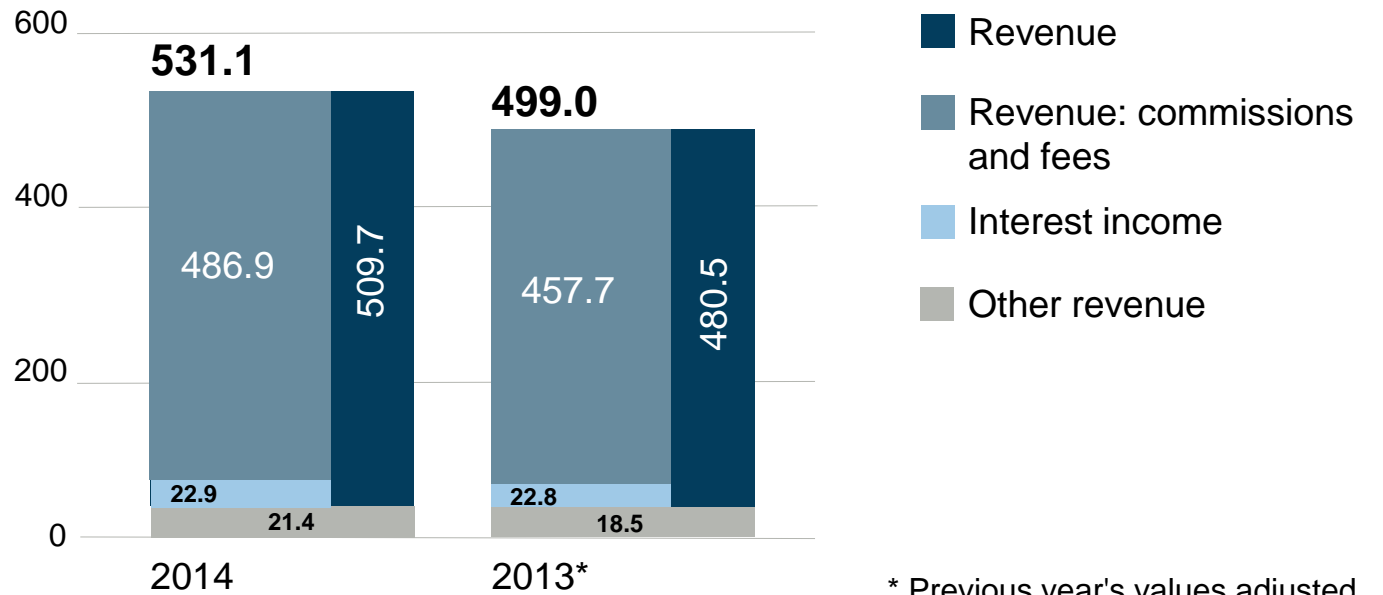
Total revenue in Q4

in € million



Total revenue in FY

in € million



* Previous year's values adjusted

Upturn in old-age provision – new record in the wealth management

Revenue

in € million

	Q4 2014	Q4 2013*	Δ in %	2014	2013*	Δ in %
Old-age provision	106.6	88.3	20.7	239.7	219.9	9.0
Wealth management	41.3	37.7	9.5	147.0	138.1	6.4
Health insurance	11.6	11.5	0.9	43.5	47.8	-9.0
Non-life insurance	5.0	5.4	-7.4	34.6	32.5	6.5
Loans and mortgages**	4.5	4.7	-4.3	13.6	14.5	-6.2
Other commissions and fees	3.0	2.0	50.0	8.4	4.9	71.4
Interest income	5.8	5.5	5.5	22.9	22.8	0.4

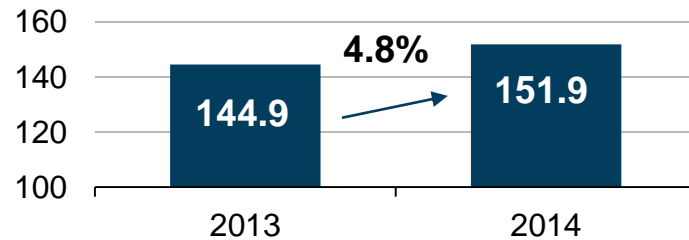
* Previous year's values adjusted, ** excluding MLP Hyp

Continuingly difficult environment – MLP gains market share

New business in the market remains well below normal levels

Market development

Old-age provision: Premium sum of new business in € billion

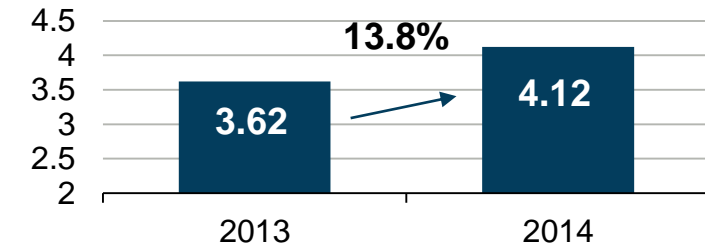


Health insurance: Holders of comprehensive insurance in millions

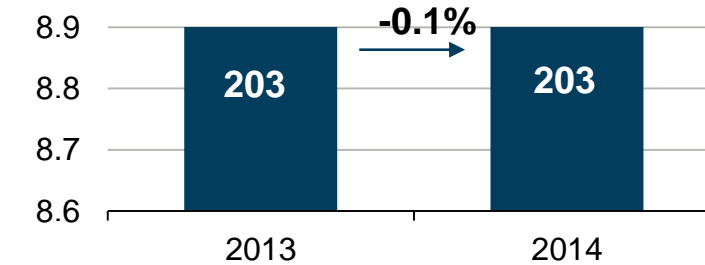


MLP development

Old-age provision: Premium sum of MLP's new business in € billion



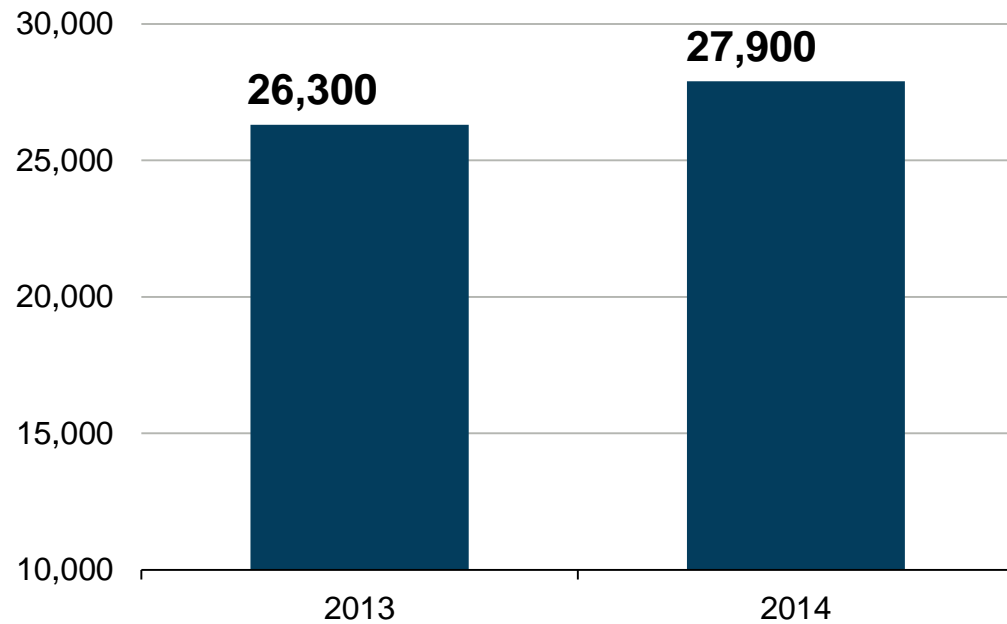
Health insurance: Holders of comprehensive insurance in thousands



Sources: German Insurance Association (GDV e.V.), Association of Private Health Insurers, * Assekurata estimate

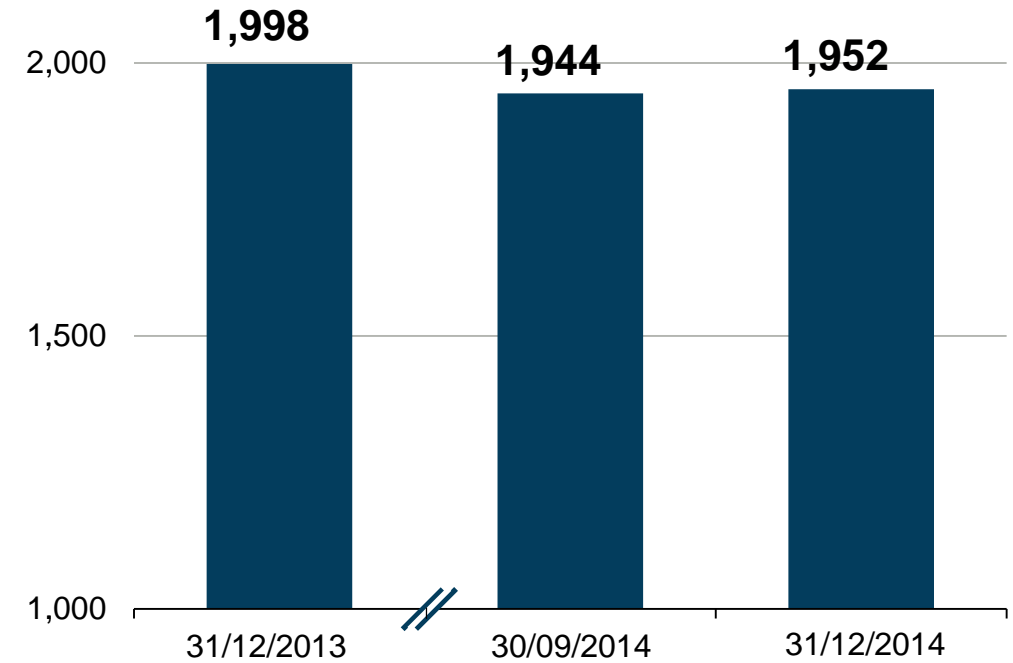
27,900 new clients

New clients (gross)



Clients (overall): 830,300 847,600

Client consultants



FY 2014: EBIT rose by 27 percent to € 39.0 million

Income statement

in € million

	Q4 2014	Q4 2013*	2014	2013*
Total revenue	186.4	162.3	531.1	499.0
EBIT	29.6	20.5	39.0	30.7
Finance cost	-1.2	0.2	-1.3	0.2
EBT	28.4	20.7	37.6	30.8
Taxes	-6.6	-4.7	-8.7	-6.9
Group net profit	21.8	16.0	29.0	23.9
EPS in € (diluted/undiluted)	0.20	0.15	0.27	0.22

Due to the announced investments administration costs rise slightly to € 256.8 million (2013: € 250.6 million)

* Previous year's values adjusted

Return on equity 7.8 percent

in € million

	31/12/2014	31/12/2013*
Intangible assets	156.2	155.3
Financial investments	145.3	146.1
Cash and cash equivalents	49.1	46.4
Other receivables and other assets	117.7	104,7
Shareholders' equity	376.8	370,5
Equity ratio	23.2%	24.2%
Other liabilities	117.8	108,7
Total	1,624.7	1,533.6

- Equity ratio: 23.2% (24.2%)
- Return on equity: 7.8% (6.4%)
- Core capital ratio: 13.6% (16.7%)

* Previous year's values adjusted

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Fundamental changes in the market

Trend

Client behaviour

- Fundamental scepticism on the part of clients towards the financial industry since the outbreak of the financial crisis
- Quick and inexpensive information possibilities for clients via the internet
- Distinct desire to make their own financial decisions

Demographics

- Rising life expectancy and low birth rate lead to a significantly ageing society
- Increasing pressure on state social welfare systems
- Number of people in work constantly falling

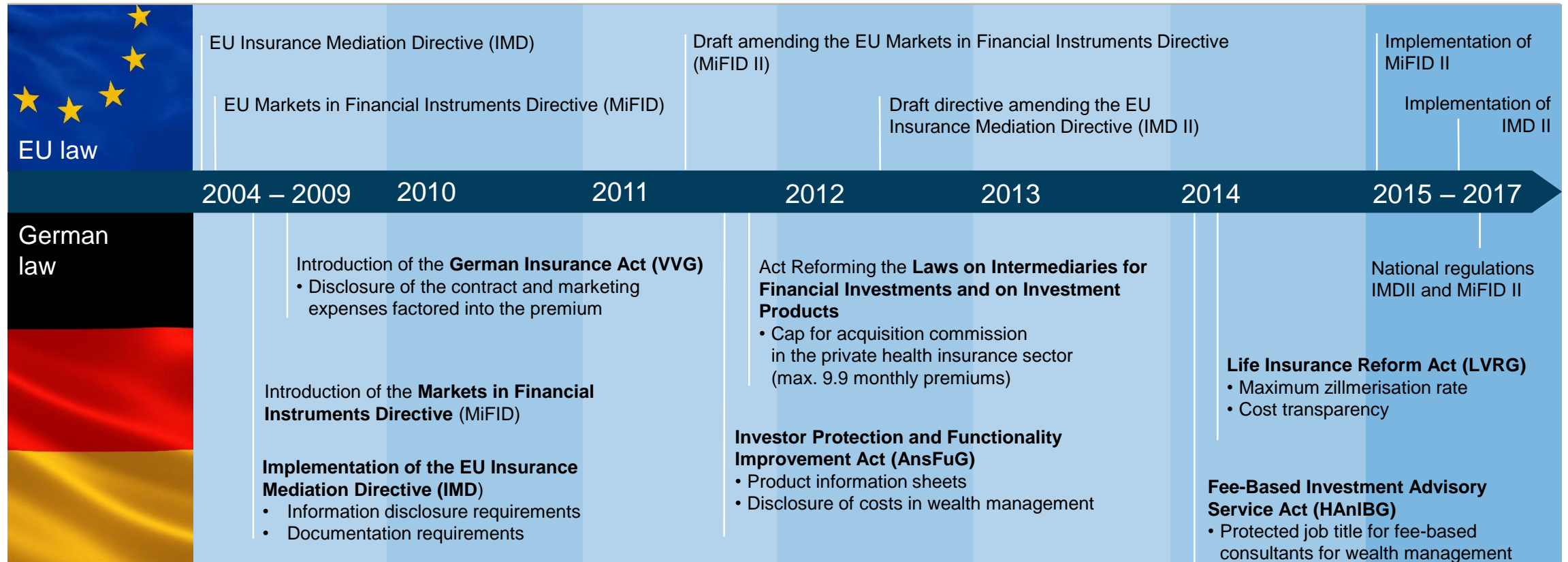
Regulation

- Since 2004 and especially since 2008 intensive regulation
- In addition to impacting at the product level, regulation also particularly applies to the training of consultants, documentation and transparency

Effects

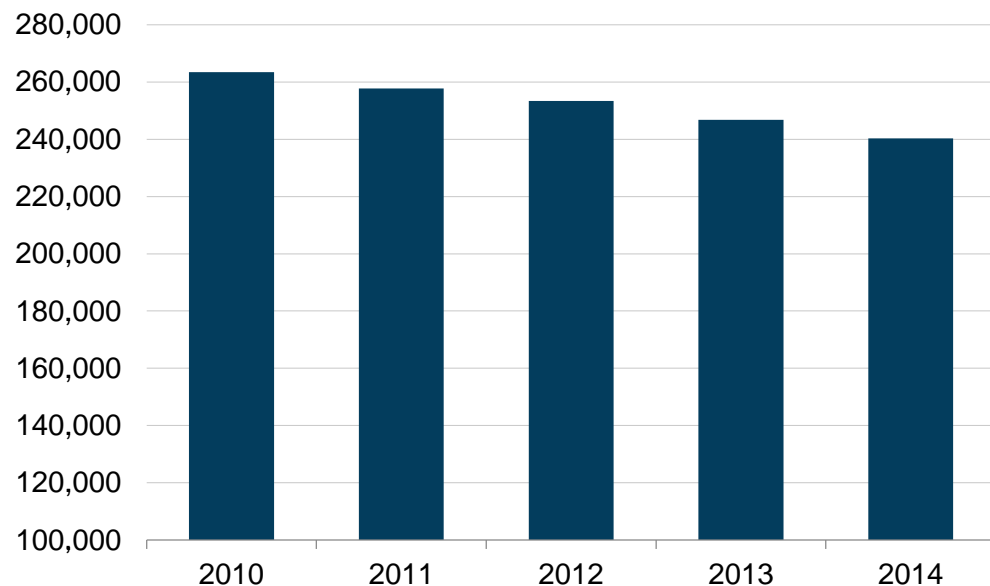
- Intense competition
- Quality of consulting services and differentiation from the competition continue to gain in significance
- Contract conclusion for simple products sometimes takes place without consultation
- Great need for private and occupational old-age provision as well as private health insurance
- 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



Significant increase in consolidation within the market due to Life Insurance Reform Act (LVRG)

Number of insurance intermediaries in Germany



Source: DIHK, entries in the Insurance Intermediary Register

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

MLP's business model is well aligned for the altered market conditions

Success factors	MLP
Client-centred business model	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Germany's largest insurance broker / IFA• 1,952 consultants• AuM of € 27.5 billion
IT support & back office	<ul style="list-style-type: none">• Extensive investments in IT• Specific support for consultants through service centres• Preparation of online contract conclusion process for simple products
Cost control	<ul style="list-style-type: none">• Significant reduction in administration costs since 2008• Continuous cost control implemented• Revenue costs are largely variable

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Continuation of the growth initiatives

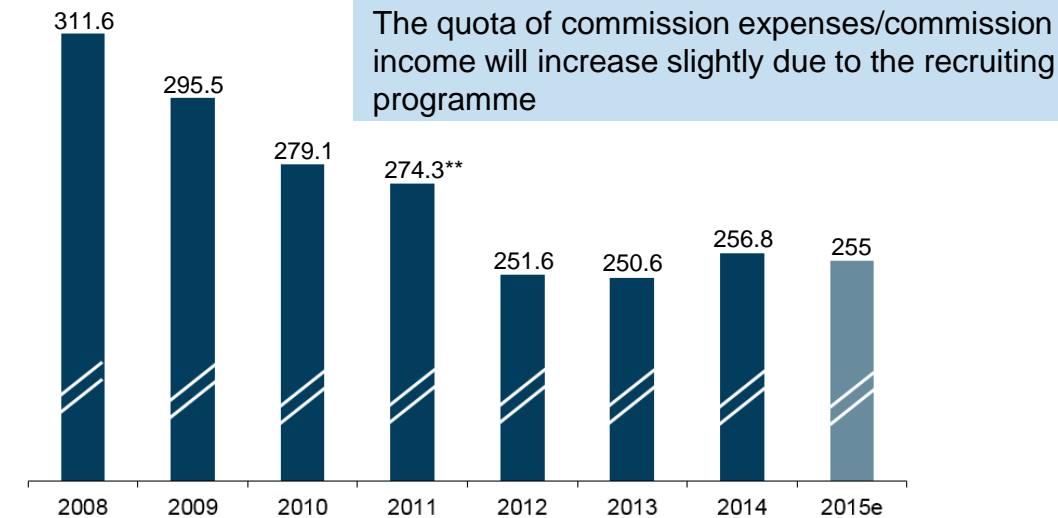
Strategic focus	Priorities
1. Online strategy	<ul style="list-style-type: none">• Expansion of the internet into an important interface for acquiring new clients and stimulating interest among potential clients• MLP financify established as heading when addressing young adults• Online sale of basic products planned• Video conferences and e-signatures as service for existing customers planned
2. Recruiting	<ul style="list-style-type: none">• New consultant start-up programmes introduced in 2013 as the basis• Easement for new consultants to start into self-employment• Revision of education for new consultants• Expansion of the internship programme• Continuation of the strategy to open new offices in the university segment → The quality of new consultants remains the top priority
3. Broadening the revenue basis	<ul style="list-style-type: none">• Further strengthening of the real estate business introduced in 2014; three new product partners• Expansion of the non-life insurance segment for commercial customers; acquisition possible• Further strengthening of the Real and Alternative Assets segment at FER1; further acquisitions possible at FER1• Further expansion of wealth management activities

Making MLP more independent of short-term market influences

Outlook: MLP anticipates EBIT above the previous year's level

Administrative costs*

€ million



* Definition: Personnel expenses, depreciation and amortisation and other operating expenses

** Adjusted to include one-off expenses

Sales revenue

in each case compared to the previous year

	2015
Revenue from old-age provision	Stable development
Revenue from health insurance	Slight increase
Revenue from wealth management	Slight increase
Other commission and fees (real estate)	Significant increase

→ Despite still difficult markets and comprehensive investments, MLP anticipates a **slight increase in EBIT for 2015**

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**. The main objectives here include recruiting new consultants, implementation of the online strategy and further diversification of the revenue basis.
- The 2015 outlook underlines the commitment to delivering **profitable growth** – despite difficult market environment and comprehensive future investments.

Contact

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