

The MLP Group – The partner for all financial matters

Management Presentation



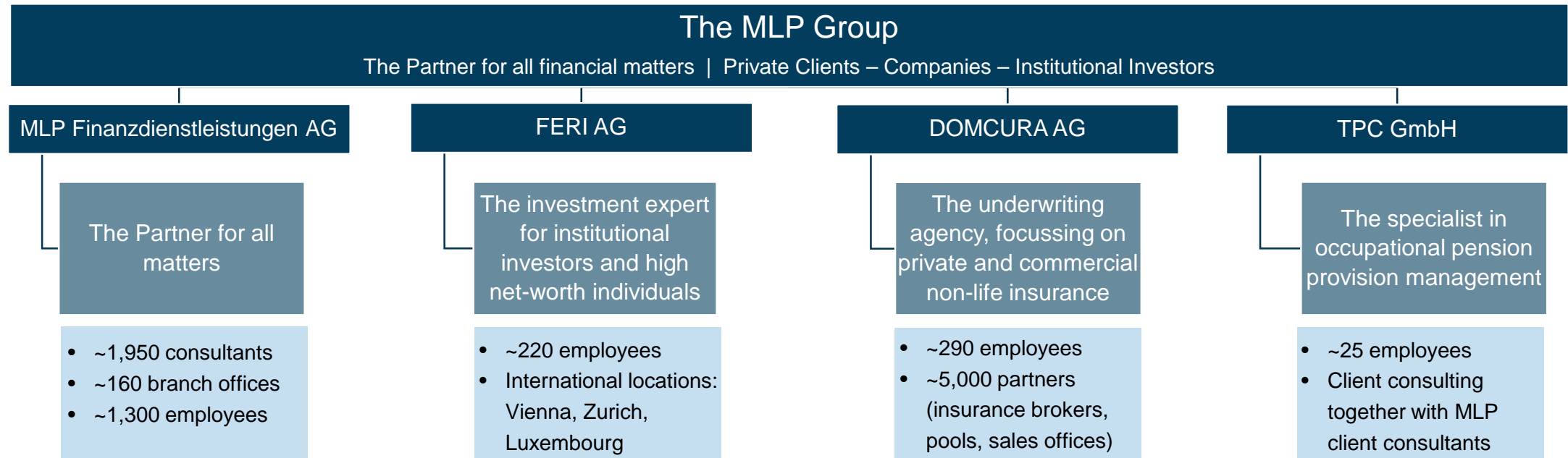
Finanzen verstehen. Richtig entscheiden.



The MLP Group

1. MLP at a glance
2. Key Financials 2015
3. Strategy & Outlook
4. Appendix

The MLP Group at a glance



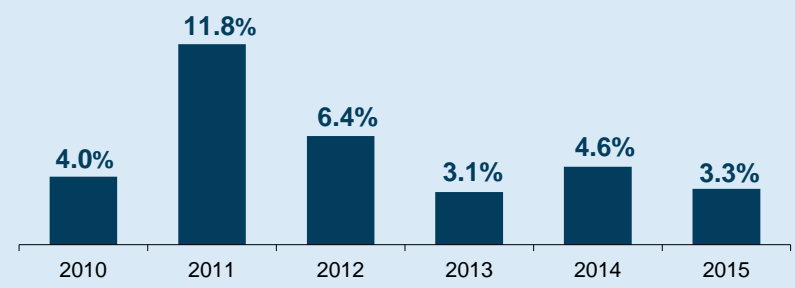
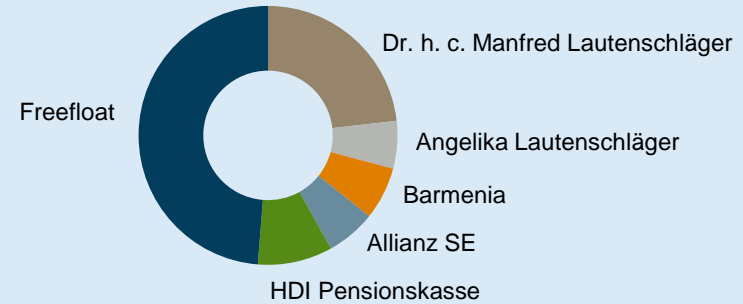
- The **views and expectations of our clients** always represent the starting point in each of these fields
- We examine the **offers of all relevant product providers in the market**
- We then present our clients with suitable options so that **they can make** the right financial decisions

The process based on **scientifically substantiated market and product analyses.**

MLP Group – An Overview

Clients		<ul style="list-style-type: none"> • Around 511,000* private clients (families) in the mass affluent segment of the market target groups: graduates (i.e. physicians, solicitors, engineers and economists) • Around 18,300* corporate and institutional clients 				*as of March 31, 2016
Main business areas	Old-age provision	Brokered premium sum for new business totalled €3.5 billion in 2015. Occupational pension provision accounted for around 12% of this figure.			Share of revenue '15	
					42%	
	Wealth Management	€29.3 billion in assets under management as at March 31, 2016 in business with mass affluent clients, HNWI and institutional investors.			32%	
	Non-life insurance	Business field expanded by acquisition of DOMCURA Group in 2015. More than €350 million premium volume within the MLP Group.			11%	
	Health insurance	Private health insurance, supplementary private health insurance, long-term care, occupational health insurance, statutory health insurance.			9%	
Top Financials FY 2015		Total revenue: €557.2 mil.	Equity Ratio: 22.0%	Dividend per share: €0.12	*adjusted for the acquisition of DOMCURA	
		Pro forma EBIT*: €32.5 mil.	Core Capital Ratio: 14.3%	Return on Equity: 5.1%		
		EBIT: €30.7 mil.	Consultants: 1,935	Employees (9M'15): 1,803		
		Net profit: €19.8 mil.				
MLP Share		Shares outstanding: 109,334,686 Free Float: 49.81% (Definition on the German stock exchange) Average daily trading volume: 81,000 (Xetra, 12-month average as at end of December 2015)				

Attractive dividend policy & stable shareholder structure

<h2>Dividend policy</h2>	<p>Pay-out ratio: 50% - 70% of net profit</p>	<p>Return on dividend:</p>  <table border="1"> <caption>Return on Dividend (2010-2015)</caption> <thead> <tr> <th>Year</th> <th>Return on Dividend (%)</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>4.0%</td> </tr> <tr> <td>2011</td> <td>11.8%</td> </tr> <tr> <td>2012</td> <td>6.4%</td> </tr> <tr> <td>2013</td> <td>3.1%</td> </tr> <tr> <td>2014</td> <td>4.6%</td> </tr> <tr> <td>2015</td> <td>3.3%</td> </tr> </tbody> </table>	Year	Return on Dividend (%)	2010	4.0%	2011	11.8%	2012	6.4%	2013	3.1%	2014	4.6%	2015	3.3%	
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Fundamental changes in the market

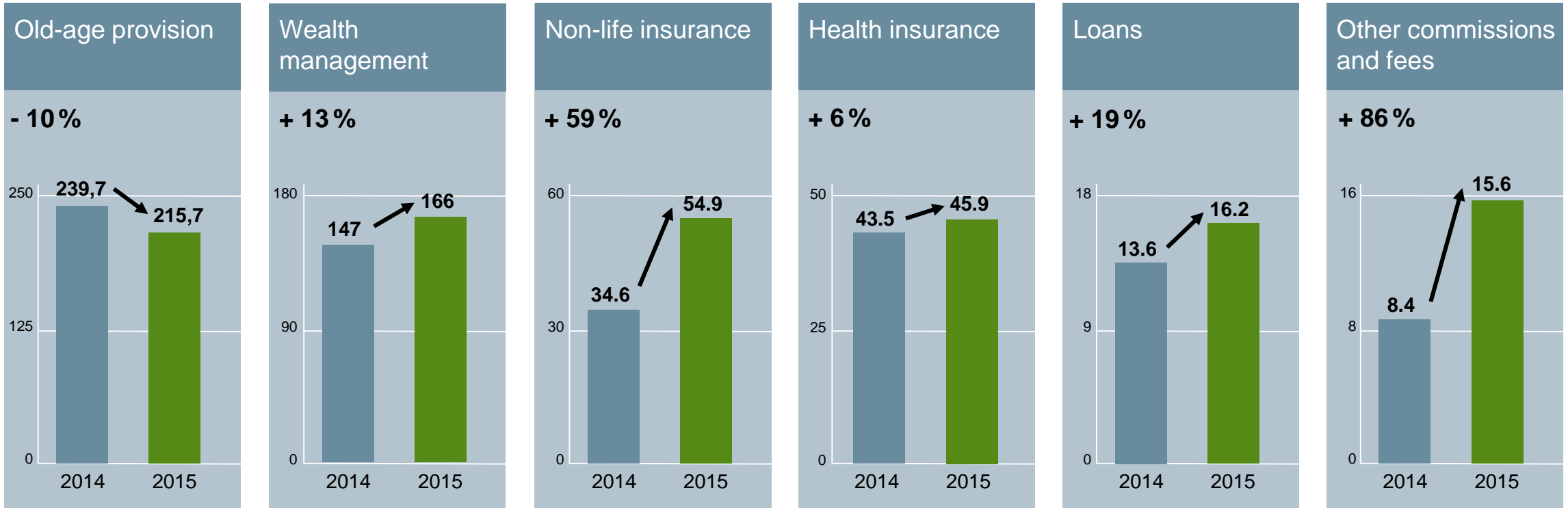
Trend	Effects
<p>Client behaviour</p> <ul style="list-style-type: none">→ Fundamental <u>scepticism</u> on the part of clients towards the financial industry since the outbreak of the financial crisis→ Quick and inexpensive <u>information possibilities</u> for clients via the internet→ Distinct desire to make <u>their own</u> financial decisions	<ul style="list-style-type: none">• 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
<p>Demographics</p> <ul style="list-style-type: none">→ 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	<ul style="list-style-type: none">• 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
<p>Regulation (e.g. IMD II, MiFID II, LVRG)</p> <ul style="list-style-type: none">→ Since 2004 and especially since 2008 <u>intensive regulation</u>→ In addition to impacting at the product level, regulation also particularly applies to the <u>training</u> of consultants, <u>documentation</u> and <u>transparency</u>	<ul style="list-style-type: none">• Significant rise in administrative activities burdens productivity• Increase in fixed costs for training, IT systems and administration• Quality becoming an increasingly important aspect



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Growth in virtually all fields of consulting

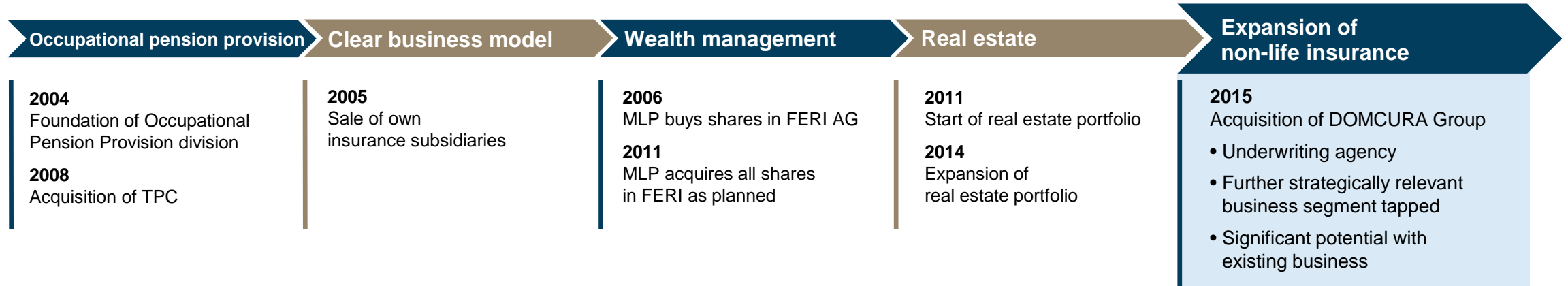


Total revenue:
€557.2 million

Pro forma EBIT:
€32.5 million

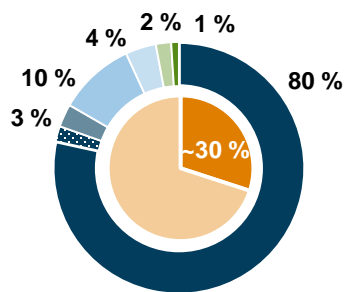
Dividend proposal:
12 cents per share

Strategic portfolio significantly broadened



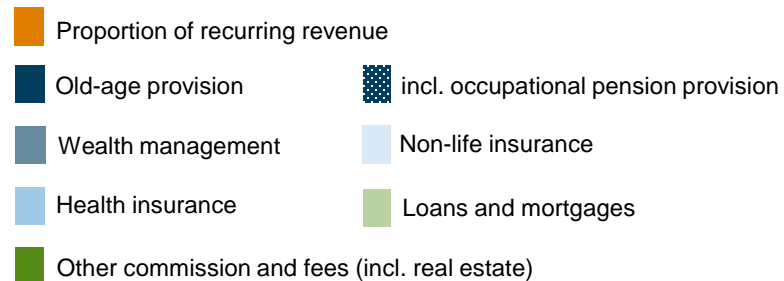
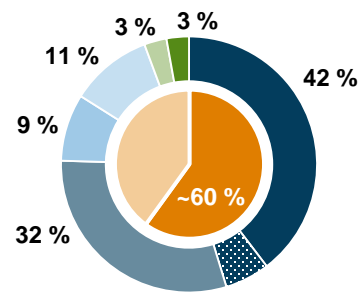
FY 2005

Commission income €467.9 million



FY 2015

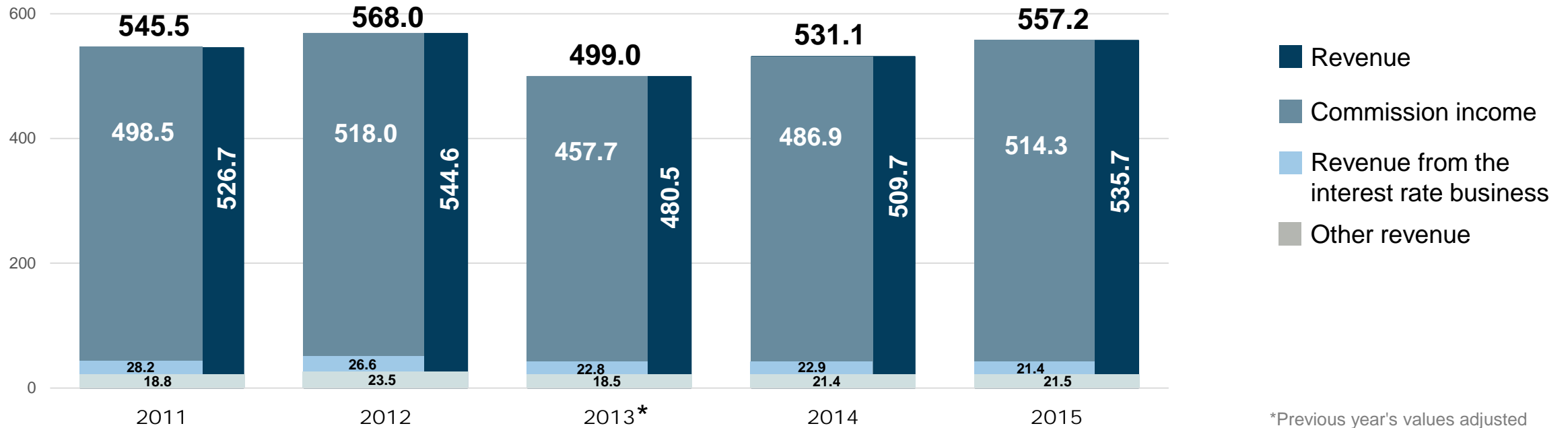
Commission income €514.3 million



FY 2015: Total revenue rises to €557.2 million

Total revenue FY

€ million



Growth in virtually all consulting areas

Revenue

€ million

	Δ 2014/2015 in %	2015	2014	Q4 2015	Q4 2014	Δ in %
Old-age provision	-10.0	215.7	239.7	87.8	106.6	-17.6
Wealth management	12.9	166.0	147.0	44.7	41.3	8.2
Health insurance	5.5	45.9	43.5	9.2	13.9	-33.8
Non-life insurance	58.7	54.9	34.6	21.3	2.7	>100.0
Loans and mortgages*	19.1	16.2	13.6	5.1	4.5	13.3
Other commission and fees	85.7	15.6	8.4	5.1	3.0	70.0
Revenue from the interest rate business	-6.6	21.4	22.9	5.3	5.8	-8.6

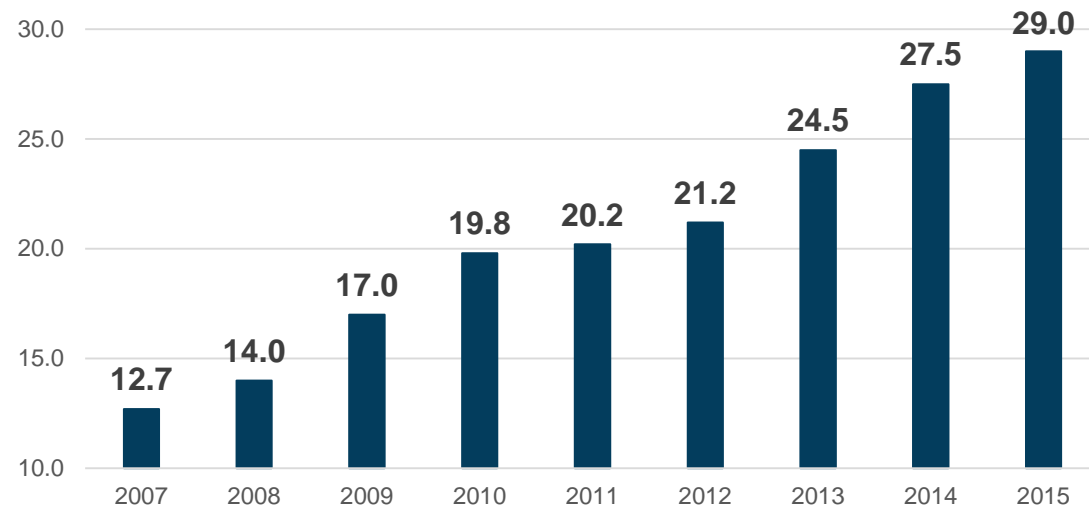
*Excluding MLP Hyp

Assets under management continue to grow

Wealth management

Assets under management, MLP Group

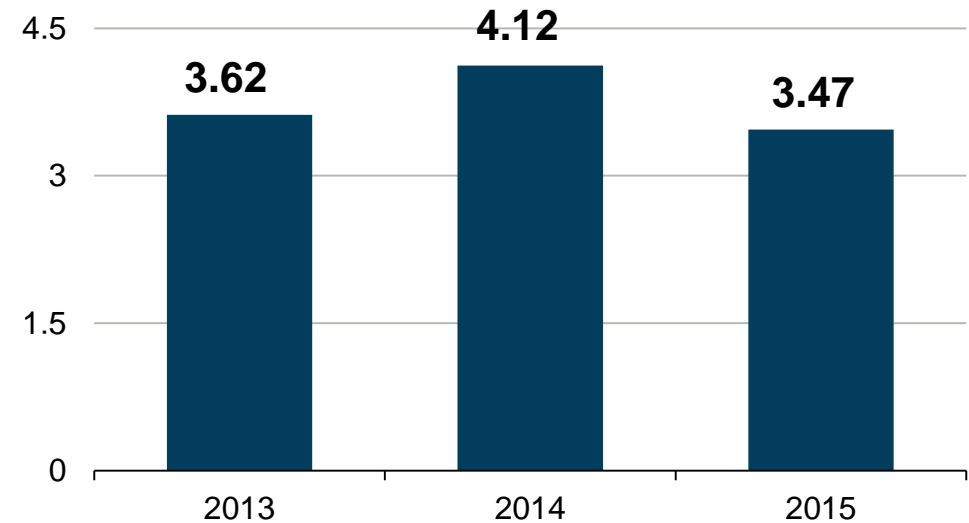
€ billion



Old-age provision

Premium sum of MLP's new business

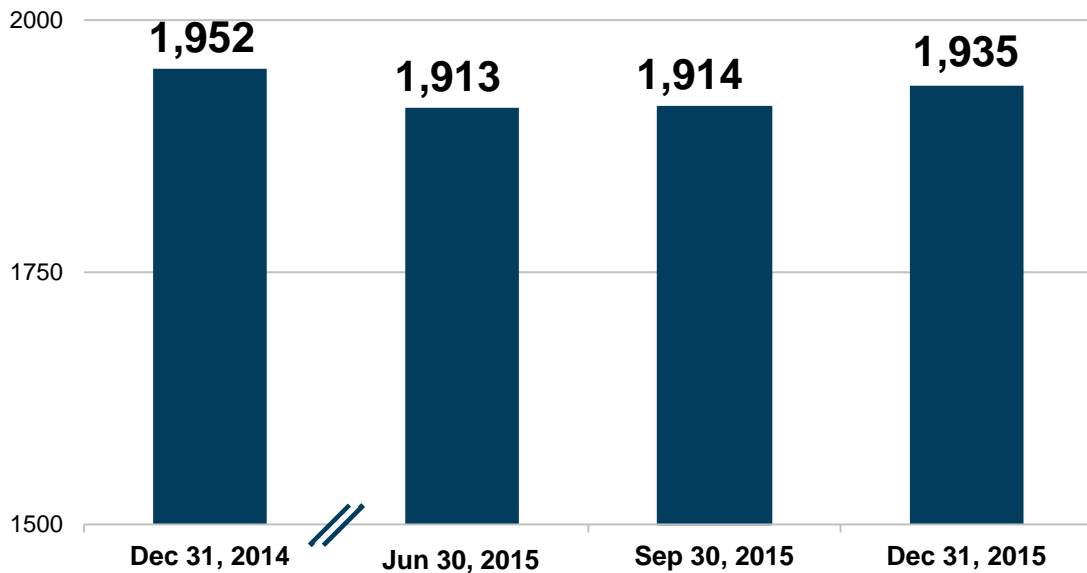
€ billion



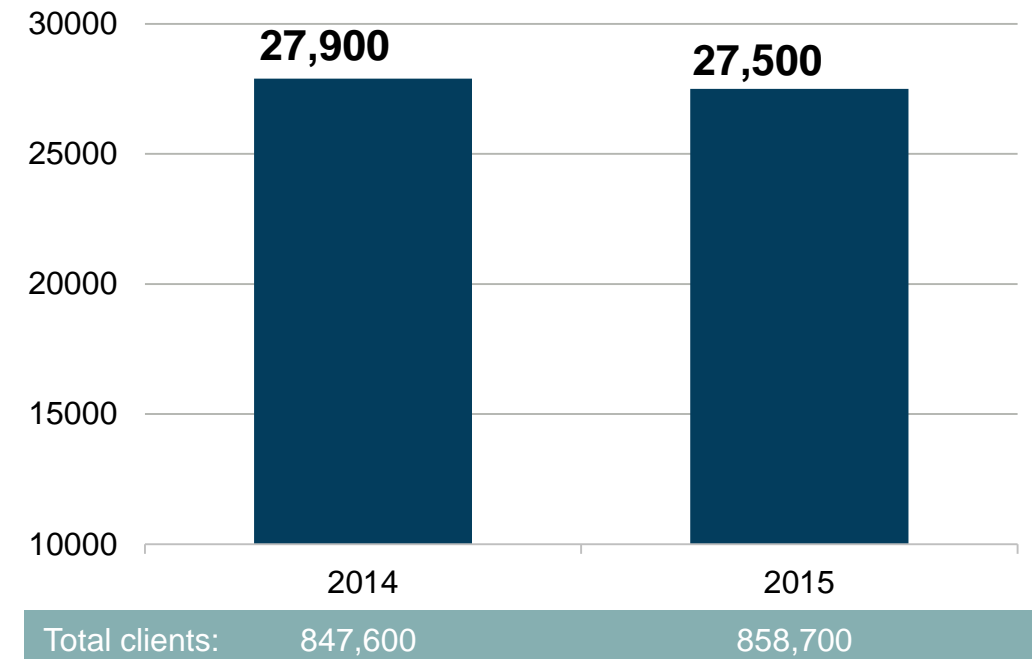
as at 31 December

Number of consultants rises slightly

Client consultants

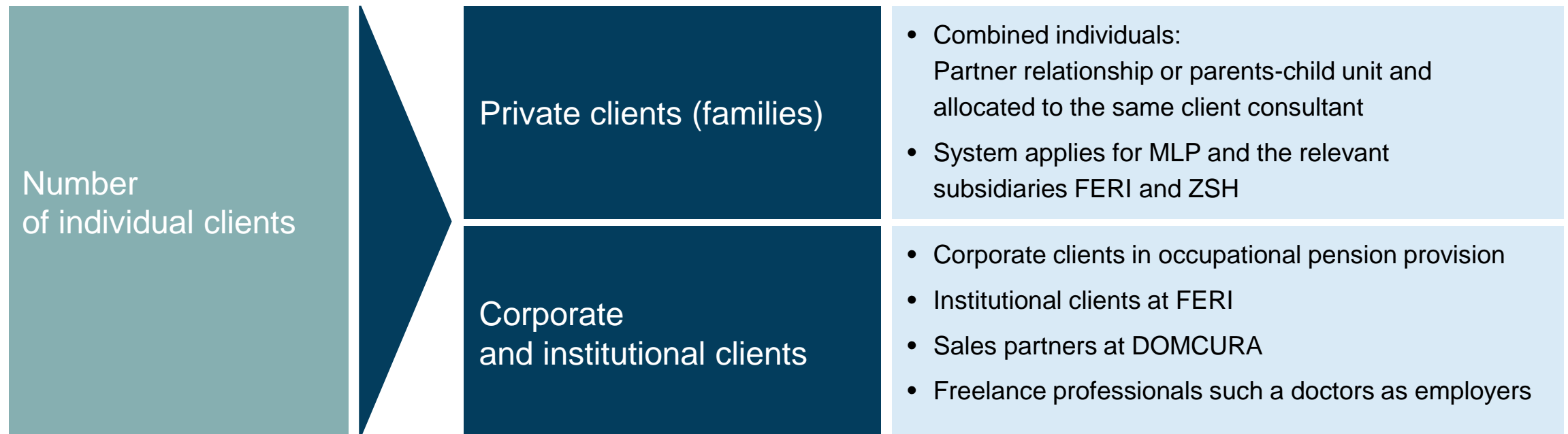


New clients, gross



Client counting method will reflect the Group structure in a better way

Presentation of client numbers as of Q1 2016



FY 2015: Pro forma EBIT amounts to €32.5 million

Income statement

€ million	Q4 2015	Q4 2014	2015	2014
Total revenue	187.7	186.4	557.2	531.1
Pro forma EBIT*	24.2	29.6	32.5	39.0
EBIT	23.3	29.6	30.7	39.0
Finance cost	-0.4	-1.2	-2.8	-1.3
EBT	22.9	28.4	28.0	37.6
Taxes	-6.8	-6.6	-8.2	-8.7
Net profit	16.1	21.8	19.8	29.0
EPS in euros (diluted/basic)	0.15	0.20	0.18	0.27

Net profit 2015 based on an assumed acquisition of DOMCURA with effect from Jan 1, 2015: **€23.3 million**

Already reported one-off effects from Q3/2015:

- One-off charge to the financial result (€-2.0 million)
- One-off extra tax expense (€-1.1 million)

*adjusted for the acquisition of DOMCURA

Core capital ratio of 14.3 %

€ million

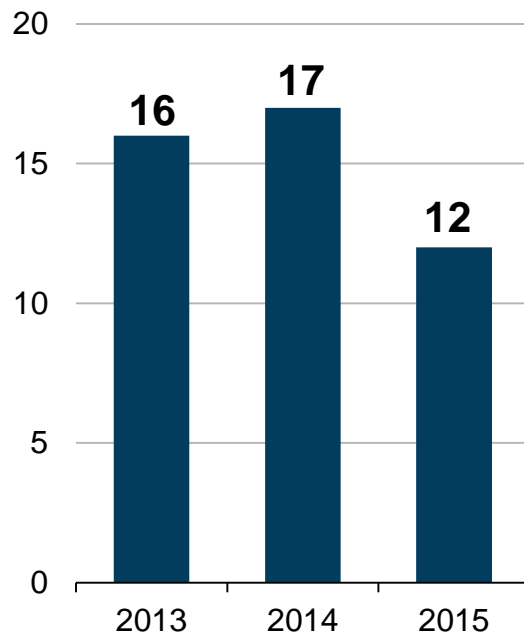
	Dec 31, 2015	Dec 31, 2014
Intangible assets	174.5	156.2
Financial assets	147.9	145.3
Cash and cash equivalents	77.5	49.1
Other receivables and assets	112.5	117.7
Shareholders' equity	385.8	376.8
Equity ratio	22.0 %	23.2 %
Other liabilities	140.2	117.8
Total	1,752.7	1,624.7

- Core capital ratio: 14.3 % (15.6 %)
- Equity ratio: 22.0 % (23.2 %)
- Return on equity: 5.1 % (7.7 %)

Dividend of 12 cents – dividend yield: 3,3 %

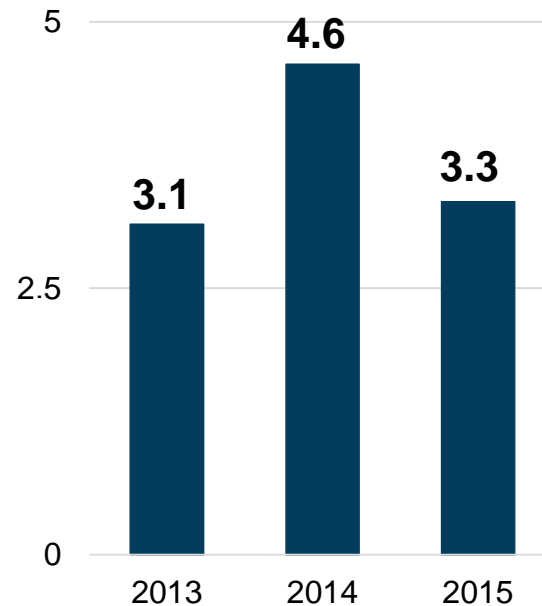
Dividend per share

euro cent



Dividend yield*

in %



- Distribution rate: 56 %**
- At the same time, capital is required for:
 - acquisitions
 - capital expenditure
 - capital management (Basel III)
- Unchanged planned distribution rate: 50 % to 70 % of the net profit for the period

*as at 31 December

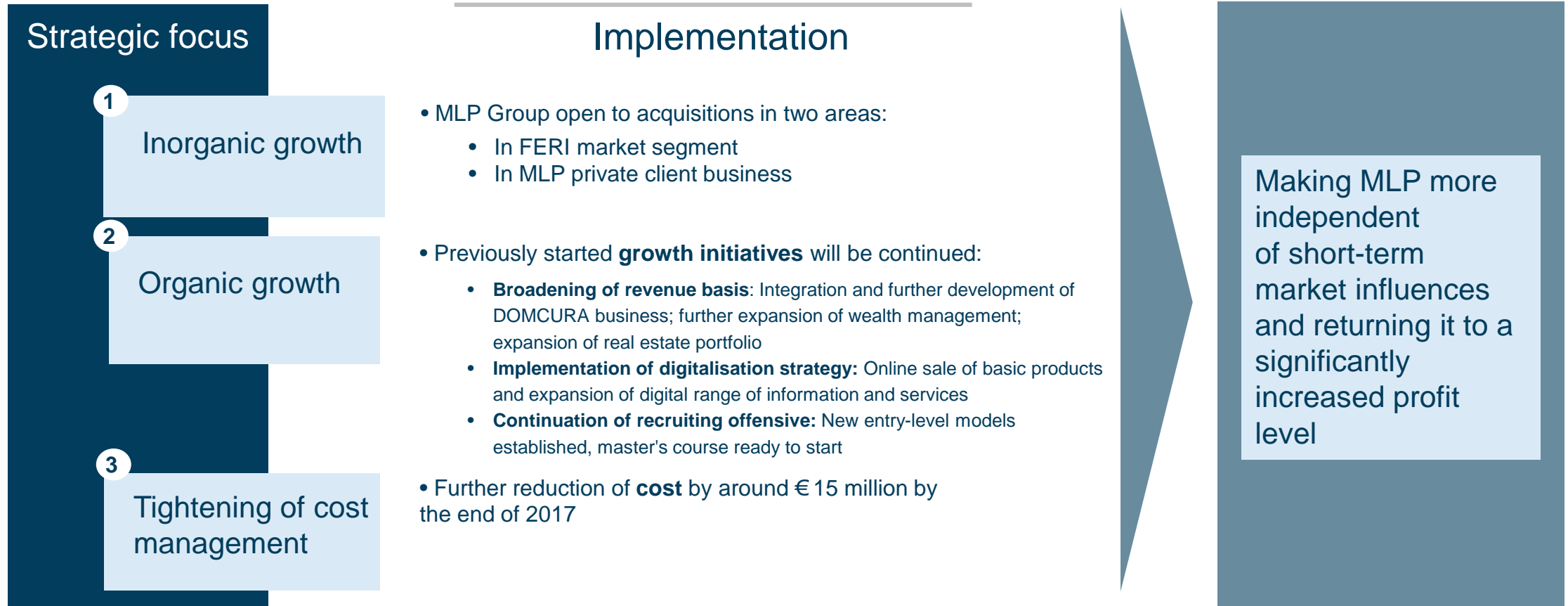
**based on the group net profit, simulating the acquisition of DOMCURA as of 1 January 2015



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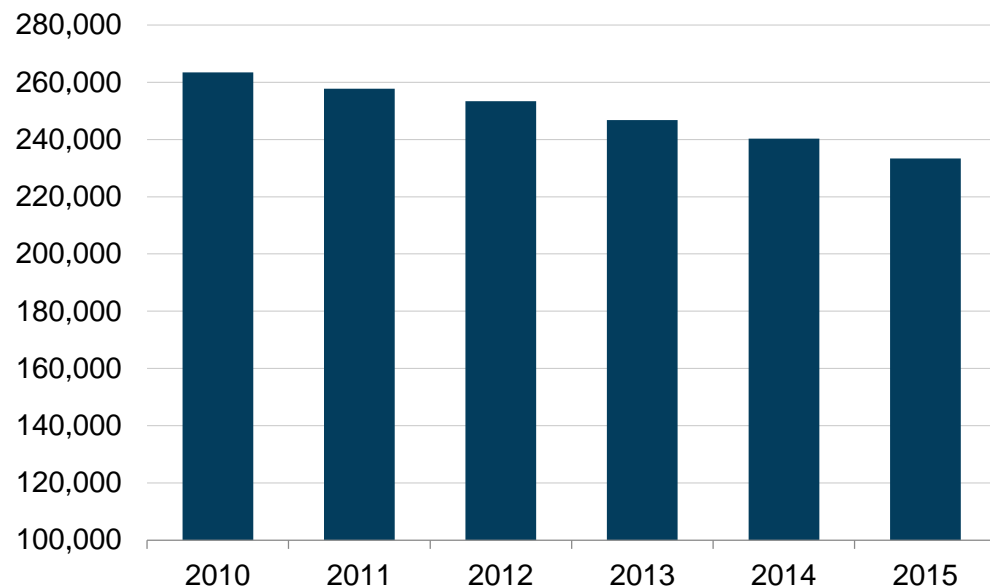
Strategic agenda 2016



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

1
Inorganic growth

Number of insurance intermediaries in Germany



Effects of the Life Insurance Reform Act (LVRG)

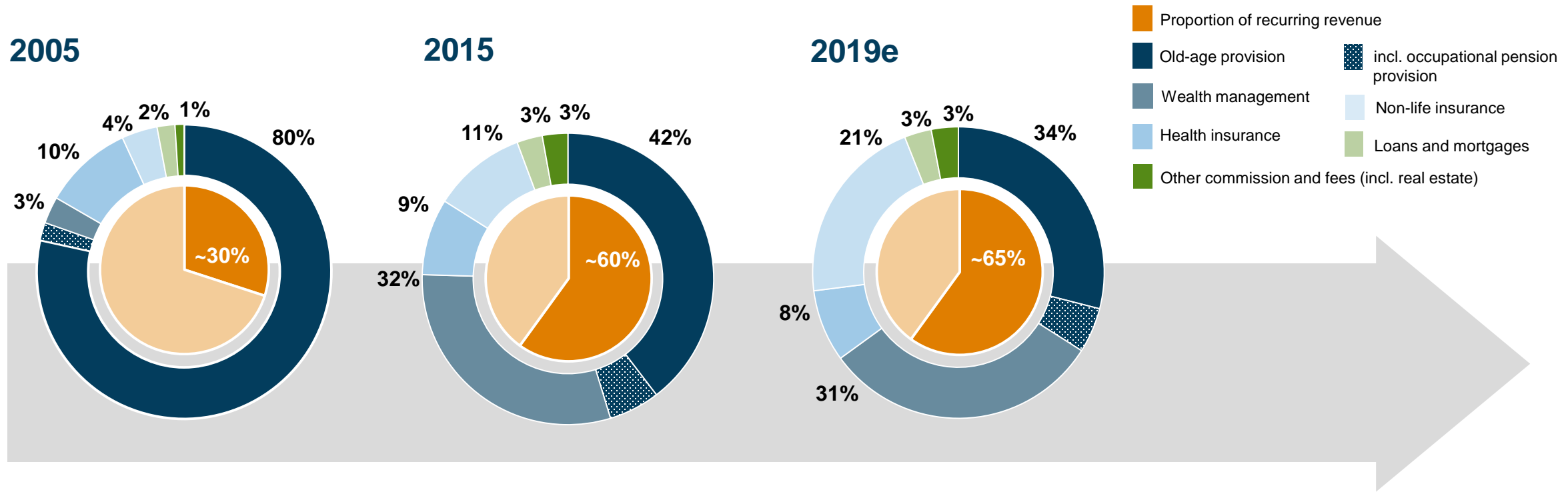
- Quality of consultancy and portfolio is even more important
- Sale organisations with a high cancellation rate lose trail commissions
- Major challenges for pyramid sales organisations

Source: DIHK, entries in the Insurance Intermediary Register

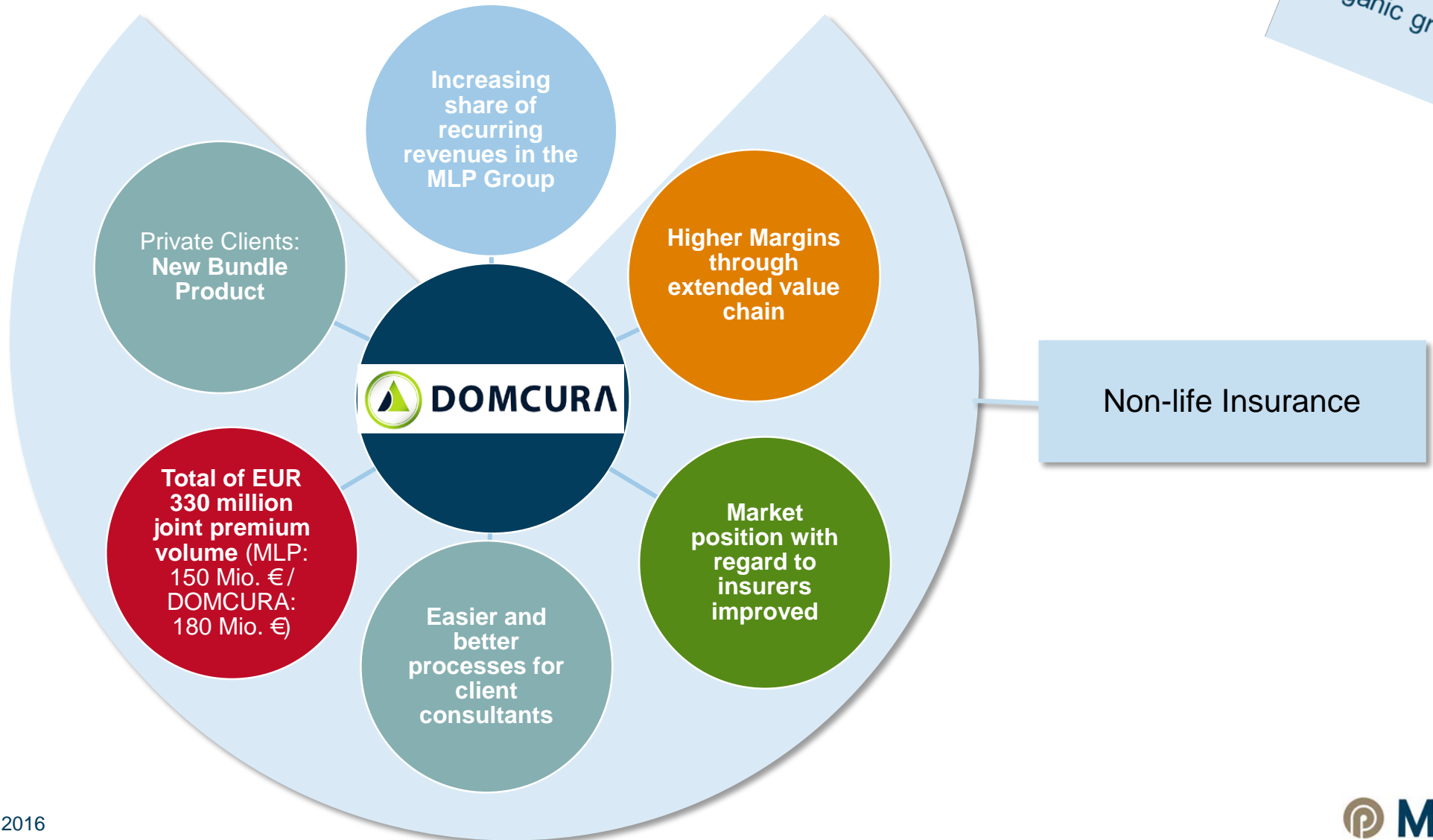
Even more balanced revenue basis in the medium term

2
Organic growth

Development of revenue distribution



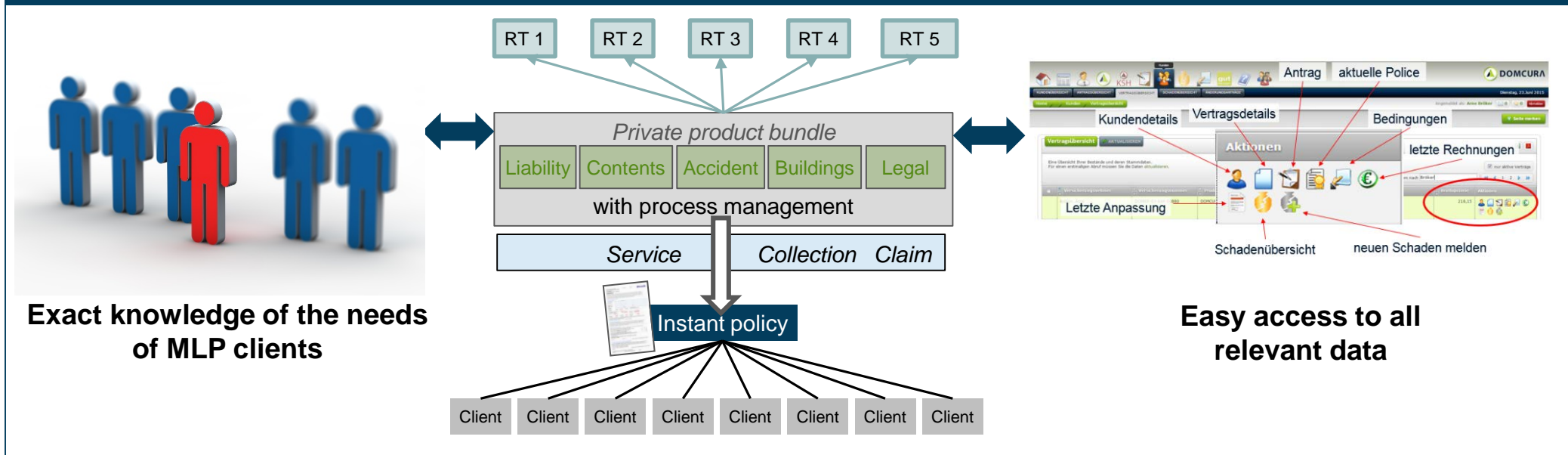
Positive effects on MLP through DOMCURA



DOMCURA acquisition: targeted further development within the MLP Group

2 Organic growth

New solution for MLP clients in the non-life insurance sector: complete protection with liability insurance, accident insurance, etc.



Further development of the DOMCURA business with other market actors (e. g. brokers)

Expansion of the corporate client business through DOMCURA commercial and industrial brokers

Recruiting offensive to be continued

Further training grants and allowances for easing transition to self-employment are bearing fruit

Further measures:

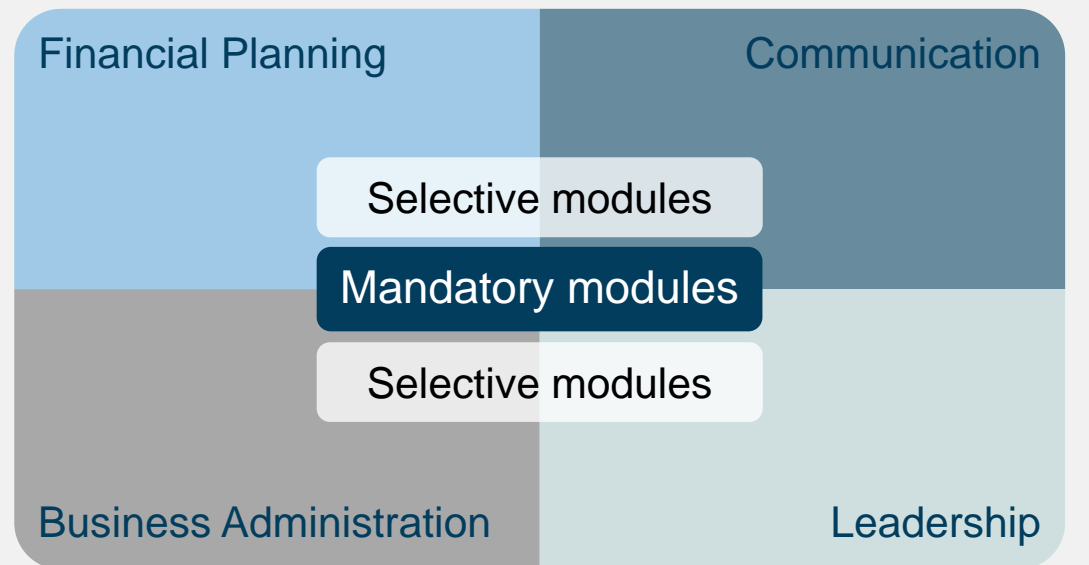
- Introduction of a master's course in order to increase attractiveness for bachelor's graduates
- Intensification of recruiting activities via online media
- Continuation of internship programme
- Continuation of the strategy of opening new offices in the university segment

2
Organic growth

Master of Financial Planning

Steinbeis School of Management and Innovation (SMI)

- Widespread recognition of MLP training
- Very high level of flexibility for participants



Online strategy contributes to personal consulting

Digital services

- Range of information (mlp-financify.de, mlp.de)
- Online sale of basic products

Personal consulting

- Digital (self-)services, e. g. vehicle business
- Client portal for digital interaction with existing clients



2
Organic growth

65 %

across the market
want consulting on
complex products in
the branch or at home*

27 %
only online

*Source: Roland Berger

Digital footprint significantly expanded

2
Organic growth

MLP Websites relaunched
 mlp.de
 mlp-financify.de
 180 sites of branches
 2,000 client consultant profiles
 7 million visits p.a



Social Media
 Facebook
 YouTube
 Twitter



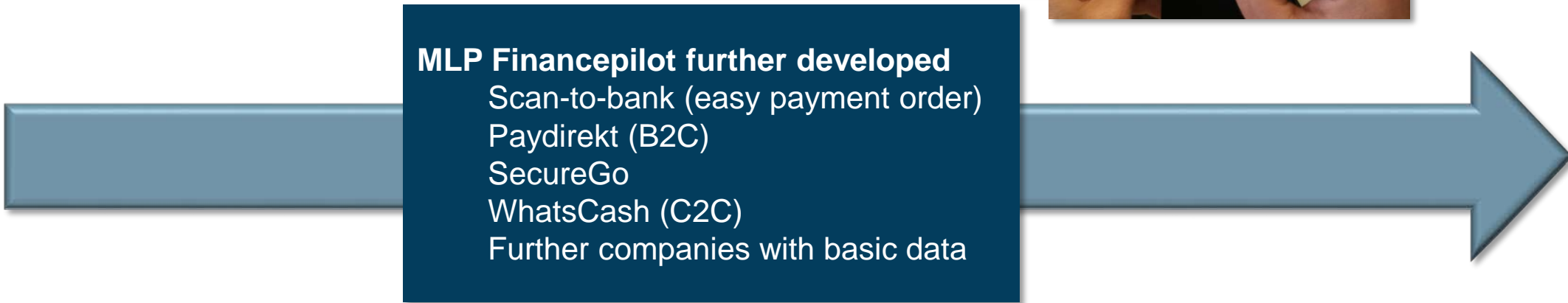
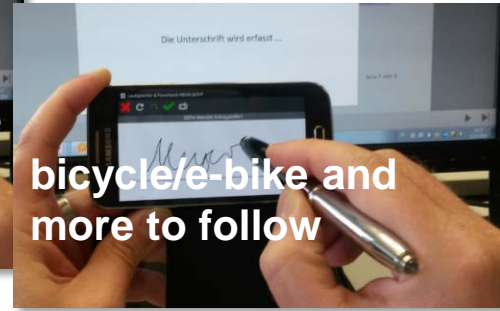
First online policy sales



Further enhancing our digital approach

2
Organic growth

More online policy sales



Client portal
One login
Dashboard
Personal Finance Management (PFM)

New kinds of support through expansion of Customer Service Centre (CSC)

2
Organic growth

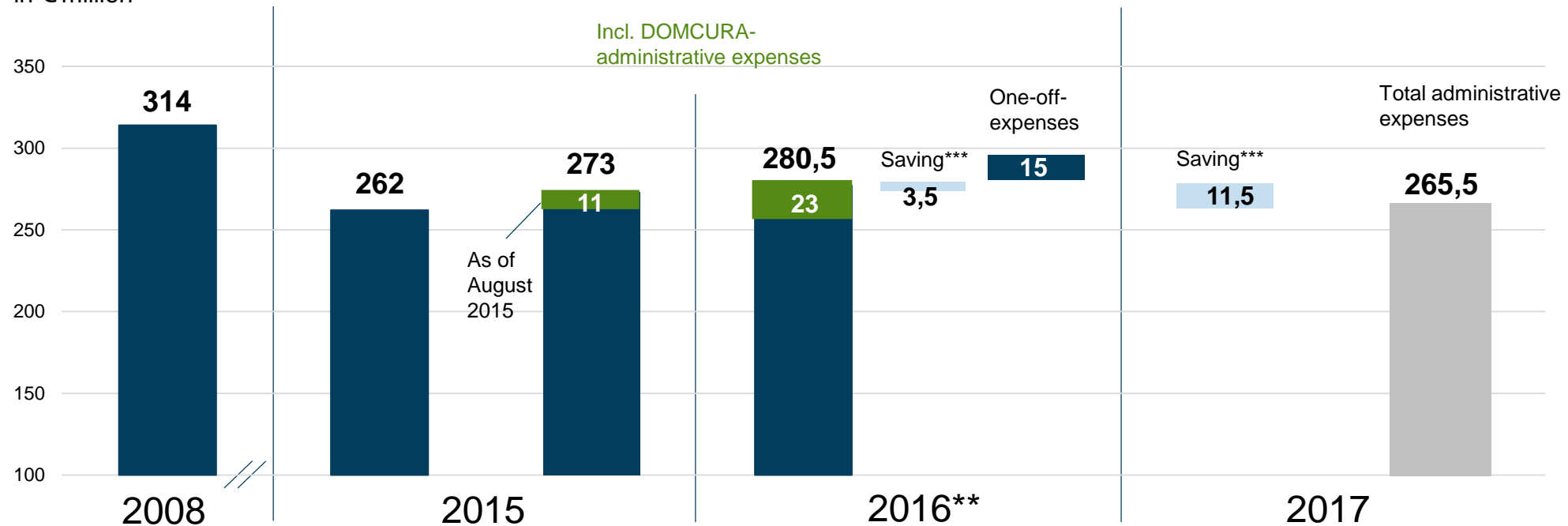


Cost management tightened further

3
Tightening of cost management

Administrative expenses* 2008 – 2017 (planned)

in € million



* Defined as personnel expenses, depreciation and amortisation as well as other operating expenses

**Allowances for losses are a separate item in the income statement as of this year

***Assumptions: completely realised in administrative expenses

Outlook

Qualitative assessment of the development of sales revenues

	2016	2017
Revenue from old-age provision	0	0
Revenue from health insurance	+	0
Revenue from wealth management	+	+
Revenue from non-life insurance	++	+

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

(in each case compared to the previous year)

-
- For 2016 MLP expects an **operating EBIT (before one-off effects) slightly above 2015**
 - Compared to 2015 MLP anticipates a significant **increase in EBIT from 2017 onwards**

Summary

- In view of the external conditions the year 2015 is additional proof that the **further development of the business model** is increasingly taking effect.
- MLP will further accelerate the transformation in 2016. The Group's **cost management** will be tightened even further to this end. Alongside the successful growth initiatives, MLP is checking opportunities for **inorganic growth**.
- On this basis the **level of earnings** is to significantly rise again from 2017.

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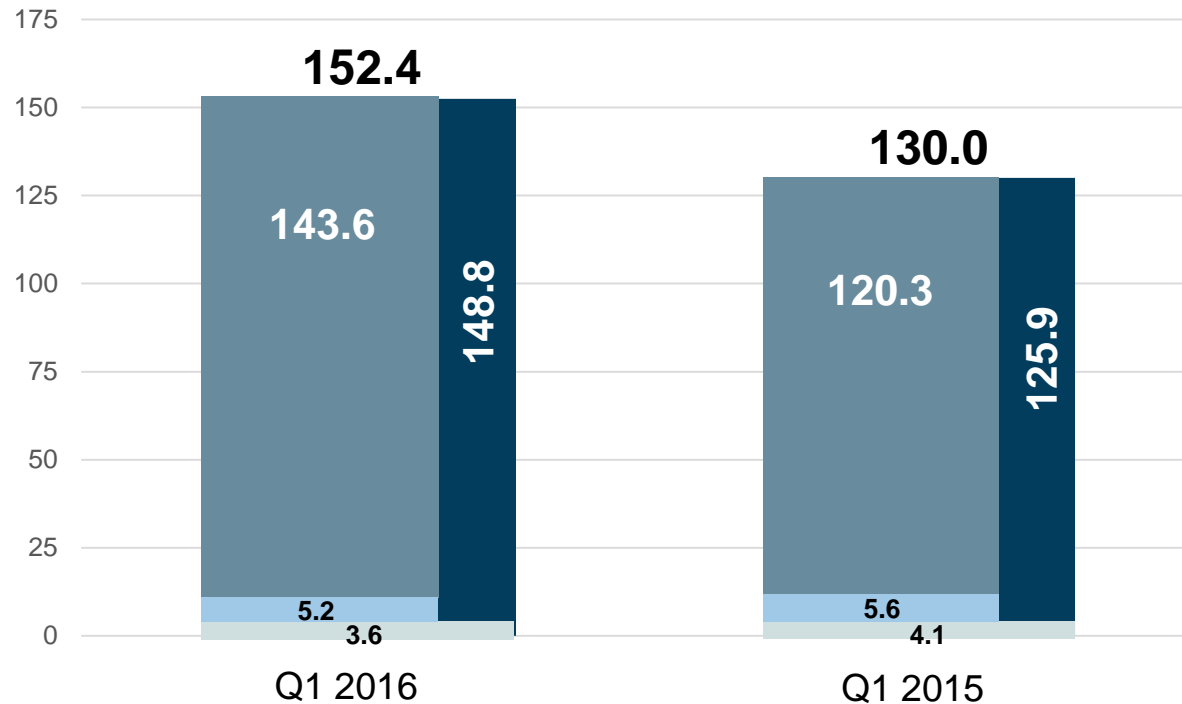
www.mlp-ag.com

The MLP Group

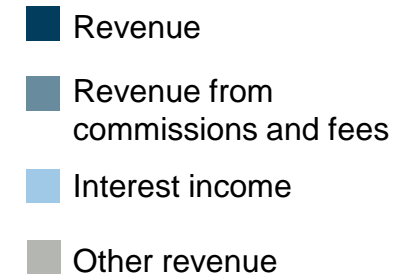
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Q1/2016: Positive early indicators at the start of the year

Total revenue Q1



- Operating EBIT: € 8.8 million (Q1 2015: € 7.0 million)
- Positive early indicators for further revenue development



Q1/2016: In non-life business MLP is benefiting from the acquisition of DOMCURA

Revenue

[in € million]

	Q1 2016	Q1 2015	Δ in %
Old-age provision	36.2	42.0	-14
Wealth management	38.9	40.7	-4
Health insurance	11.8	11.8	0
Non-life insurance	50.7	20.1	>100
Loans and mortgages*	3.6	3.2	13
Other commissions and fees	2.4	2.5	-4
Interest income	5.2	5.6	-6

Q1/2015:

- Revenue old-age provision in Q1/2015 positively influenced by a one-time effect

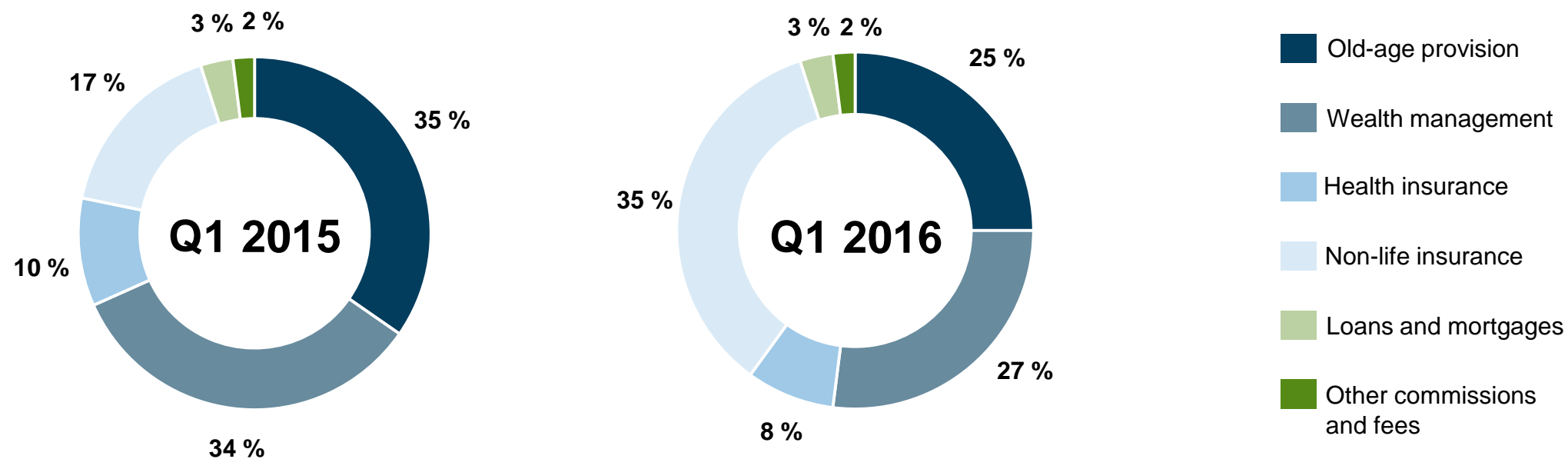
Q1/2016:

- Revenue contribution DOMCURA of around €30.5 million

*excluding MLP Hyp

Q1/2016: Further broadened revenue mix

Revenue from commissions and fees Q1 2016: € 143.6 million (€ 120.3 million)



Q1/2016: Operating EBIT at €8.8 million

Income statement

€ million

	Q1 2016	Q1 2015
Total revenue	152.4	130.0
Operating EBIT*	8.8	7.0
EBIT	8.7	7.0
Finance cost	-0.1	-0.2
EBT	8.6	6.9
Taxes	-2,4	-1,6
Group net profit	6,2	5.2
EPS in € (diluted/undiluted)	0,06	0.05

Q1/2016:

- One-off expenses within the scope of the efficiency measures: €0.1 million

*before one-off exceptional costs

Q1/2016: Core capital ratio: 13.5 %

€ million

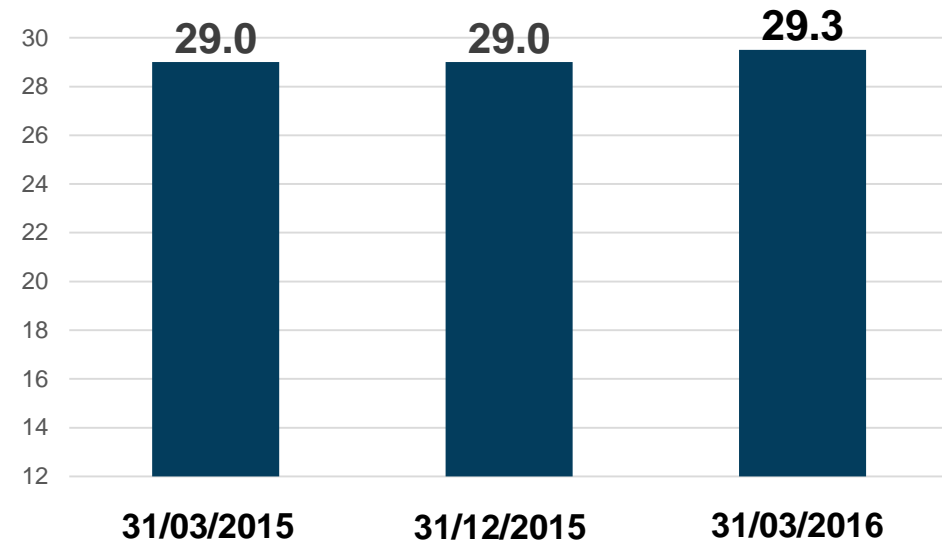
	Mar 31, 2016	Dec 31, 2015
Intangible assets	173.9	174.5
Financial assets	158.8	147.9
Cash and cash equivalents	133.4	77.5
Other receivables and assets	94.1	112.5
Shareholders' equity	387.9	385.8
Equity ratio	21.6%	22.0%
Other liabilities	163.0	140.2
Total	1,799.2	1,624.7

- Core capital ratio: 13.5 %
- Equity ratio: 21.6 %

Q1/2016: Assets under management continue to grow

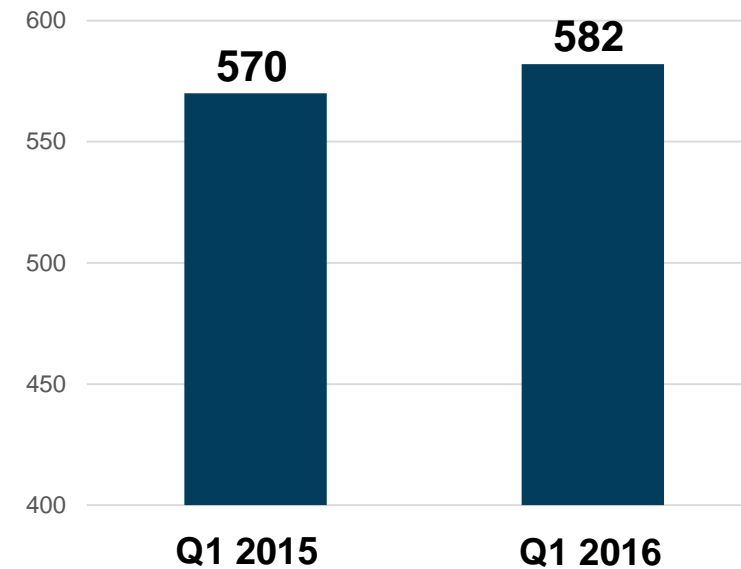
Wealth management

Assets under management, MLP Group



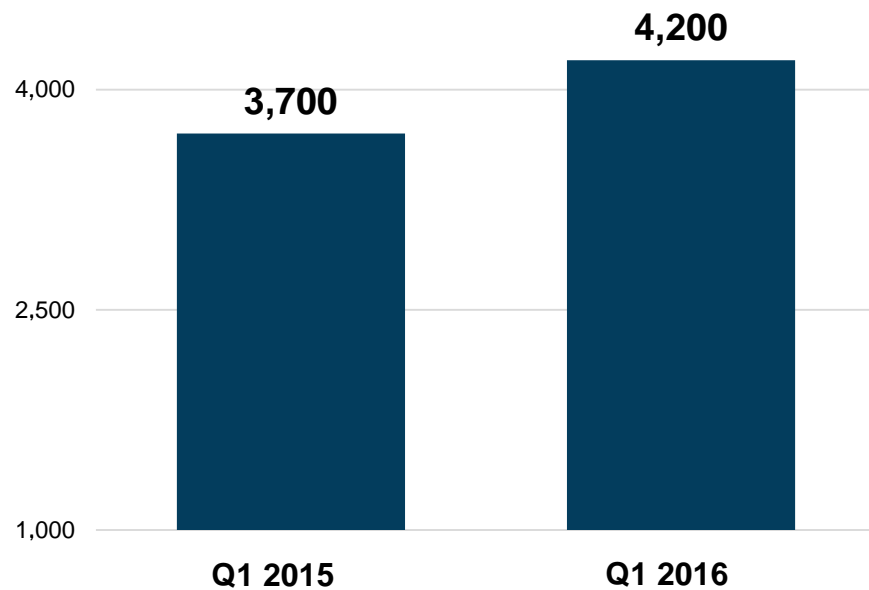
Old-age provision

Premium sum of MLP's new business

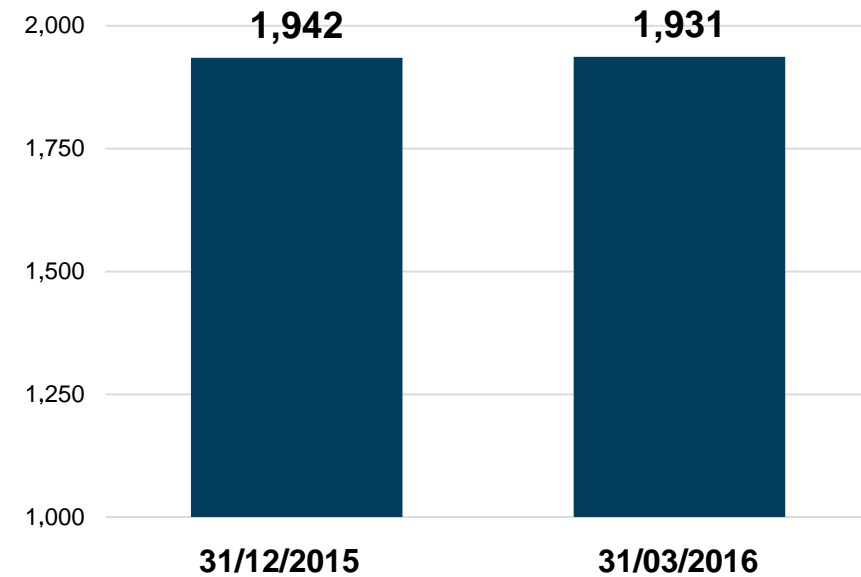


Q1/2016: MLP attracts 4,200 new private clients

Gross number of new clients (families)



Consultants



DOMCURA: Underwriting agency selects the appropriate insurer from the marketplace

