

The MLP Group – The partner for all financial matters

Frankfurt, November 2016

German Equity Forum

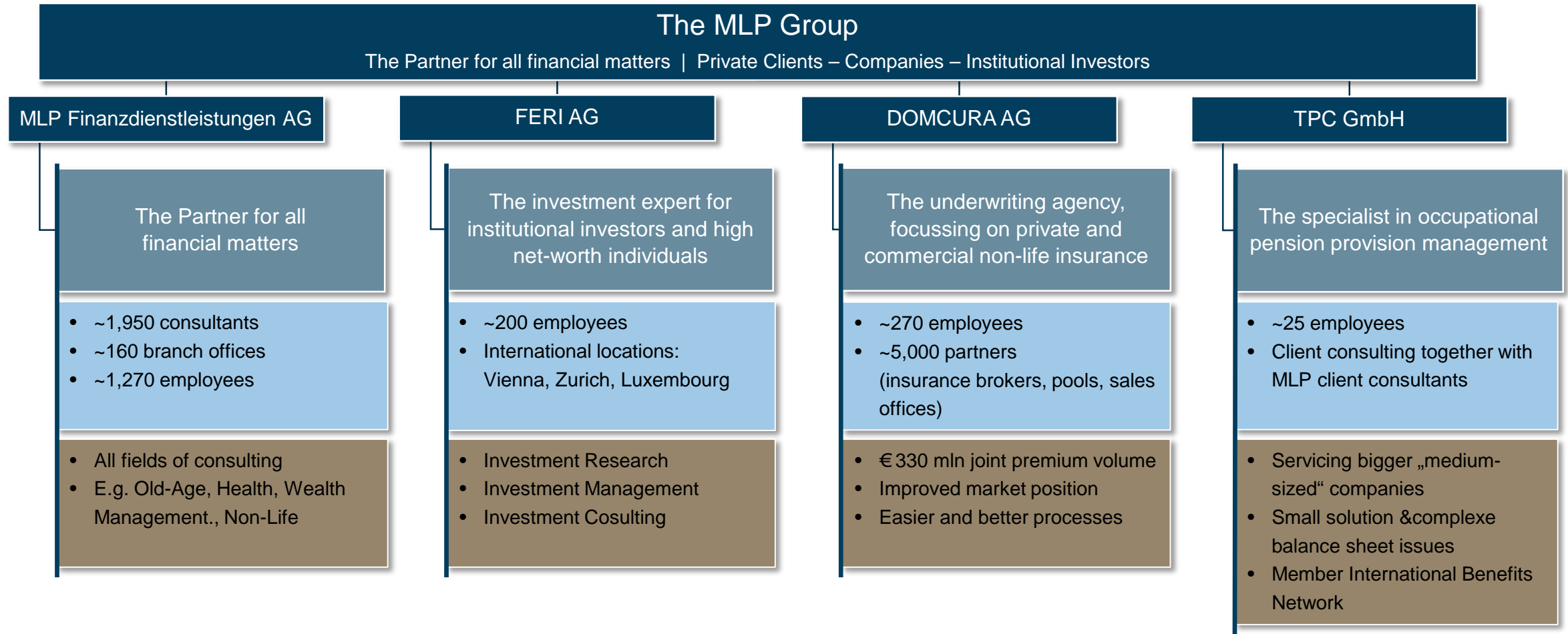


Finanzen verstehen. Richtig entscheiden.

The MLP Group

1. MLP at a glance
2. Market environment
3. Strategic Agenda
4. Financial Development
5. Outlook

The MLP Group at a glance



MLP Group – An Overview

Clients		<ul style="list-style-type: none"> • Around 515,000* private clients (families) in the mass affluent segment of the market target groups: graduates (i.e. physicians, solicitors, engineers and economists) • Around 18,600* corporate and institutional clients 				*as of September 30, 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	
	Wealth Management	€30.0 billion in assets under management as at September 30, 2016 in business with mass affluent clients, HNWI and institutional investors.			42%	
	Non-life insurance	Business field expanded by acquisition of DOMCURA Group in 2015. More than €330 million premium volume within the MLP Group.			32%	
	Health insurance	Private health insurance, supplementary private health insurance, long-term care, occupational health insurance, statutory health insurance.			11%	
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: 89,090 (Xetra, 12-month average as at end of October 2016)				

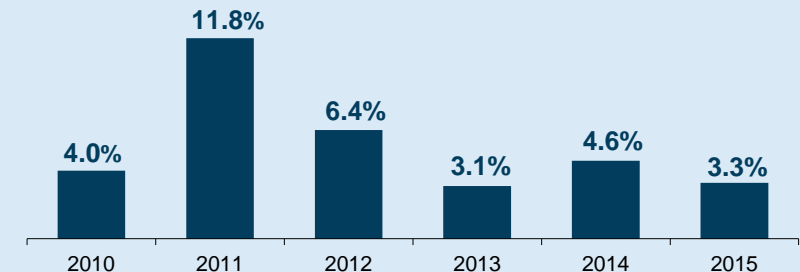
Attractive dividend policy & stable shareholder structure

Dividend policy

Pay-out ratio:
50% - 70% of net profit
Profit retention required for:

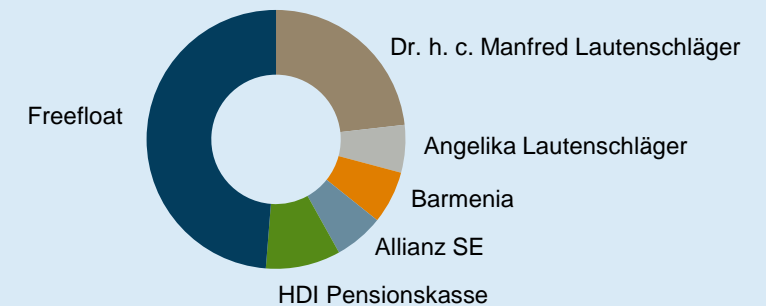
- Acquisitions
- Capital expenditure
- Capital management (Basel III)

Return on dividend:



Shareholder structure

Dr. h. c. Manfred Lautenschläger	23.22%
HDI	9.36%
Barmenia	5.49%
Allianz SE	6.18%
Angelika Lautenschläger	5.94%
Freefloat (Def. Deutsche Börse)	49.81%



[FMR LLC: 4.72%, Internationale Kapitalanlagegesellschaft mbH: 3,03%, Schroders PLC: 2.99%]

Research coverage

Equinet/ESN	Accumulate	PT 4.30
Bankhaus Lampe	Hold	PT 3.50
Independent Research	Sell	PT 3.20
HSBC Global Research	Hold	PT 3.90

The MLP Group

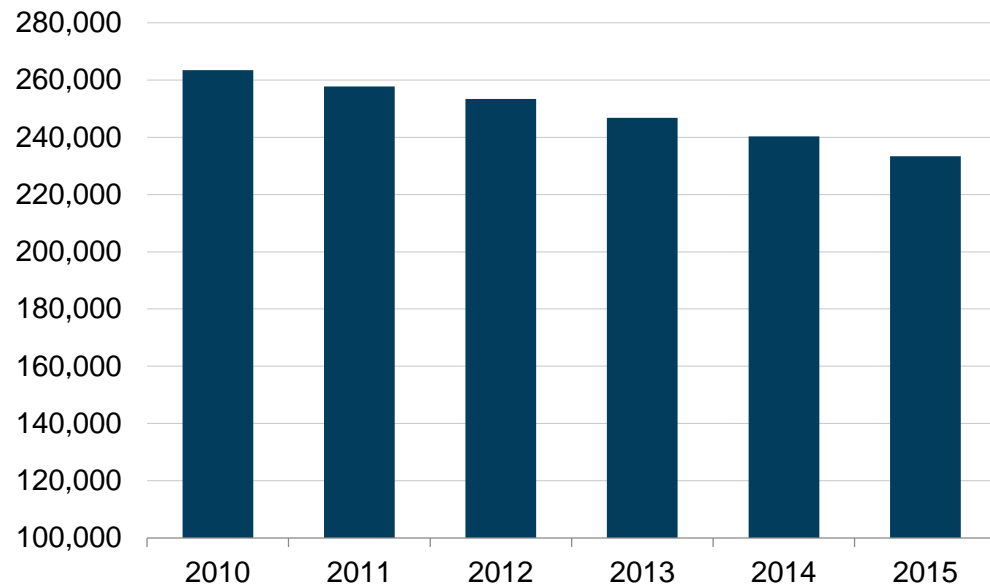
1. MLP at a glance
- 2. Market environment**
3. Strategic Agenda
4. Financial Development
5. Outlook

Market environment – Fundamental changes taking place

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

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

Shrinking Number of insurance intermediaries in Germany



Source: DIHK, entries in the Insurance Intermediary Register

Effects of the Life Insurance Reform Act (LVRG)

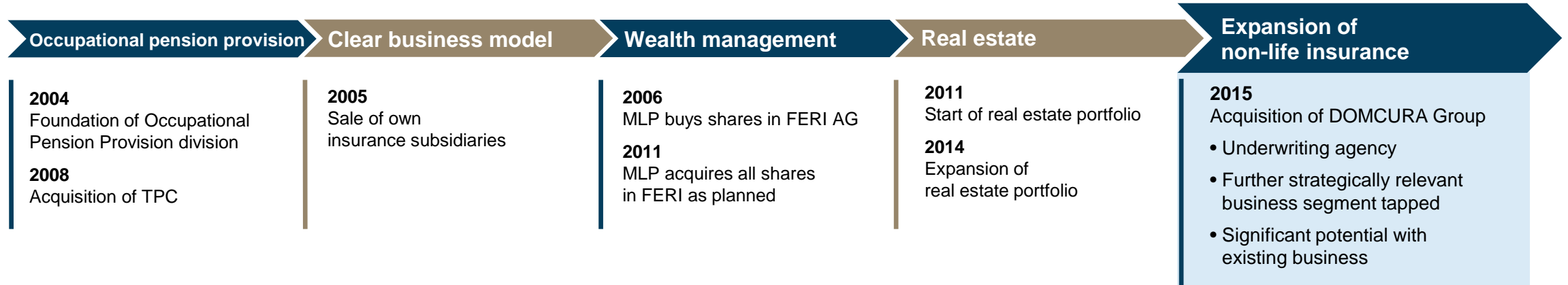
- Quality of consultancy and portfolio is even more important
- Sale organisations with a high cancellation rate lose trail commissions
- Major challenges for pyramid sales organisations

Trend is ongoing and will strengthen – MLP to play an active role in consolidation process

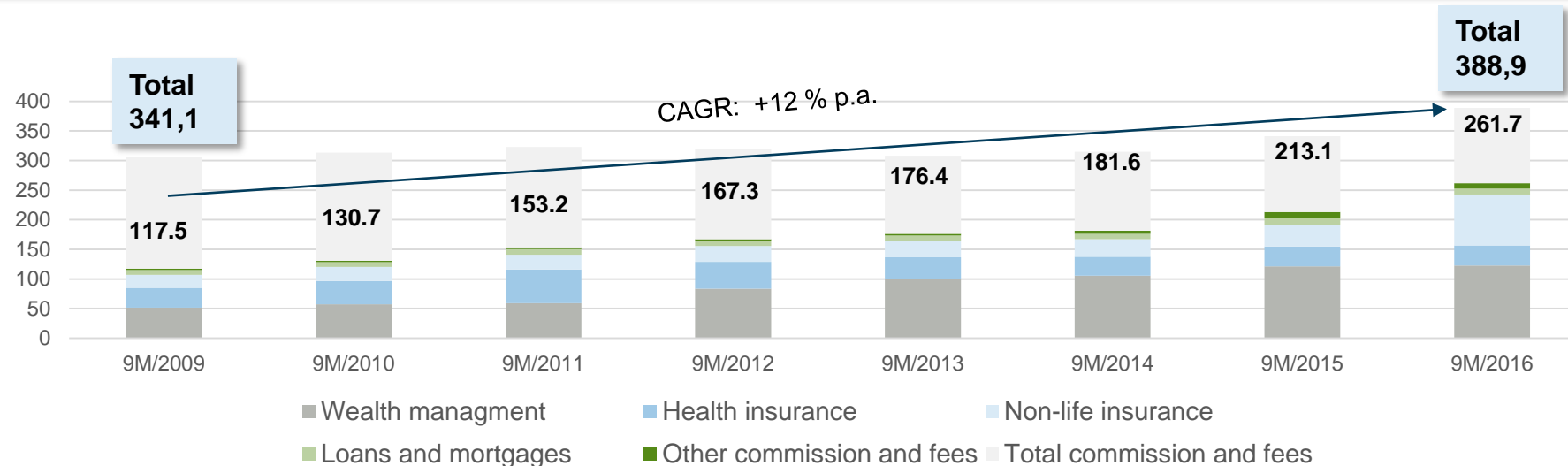
The MLP Group

1. MLP at a glance
2. Market environment
- 3. Strategic Agenda**
4. Financial development
5. Outlook

Strategic portfolio significantly broadened



Successful diversification beyond the old-age provision – Constitution of commission income (in €million)



Significant increase in 9M 2016

CAGR +12% p.a. since 2009

Strategic agenda

Strategic focus

1

Inorganic growth

2

Organic growth

3

Tightening of cost management

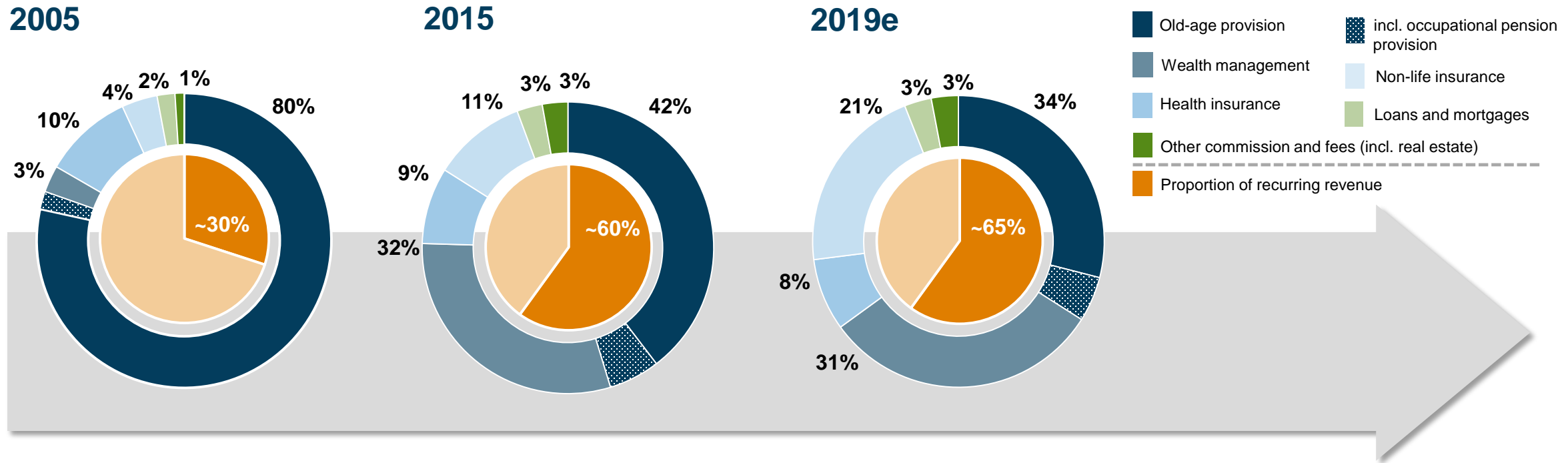
Implementation

- MLP Group open to acquisitions in two areas:
 - In FERI market segment
 - In MLP private client business
- Previously started **growth initiatives** will be continued:
 - **Broadening of revenue basis:** Integration and further development of DOMCURA business; further expansion of wealth management; expansion of real estate portfolio
 - **Implementation of digitalisation strategy:** Online sale of basic products and expansion of digital range of information and services
 - **Continuation of recruiting offensive:** New entry-level models established, master's course ready to start
- Further reduction of **cost** by around € 15 million by the end of 2017

Making MLP more independent of short-term market influences and returning it to a significantly increased profit level

Even more balanced revenue basis in the medium term

Development of revenue distribution



The MLP Group

1. MLP at a glance
2. Market environment
3. Strategic Agenda
- 4. Financial development**
5. Outlook

9M: Operating EBIT at €16.1 million significantly above previous year

Income statement

[in € million]	Q3 2015	Q3 2016	9M 2015	9M 2016
Total revenue	122.9	135.0	367.8	418.7
Operating EBIT*	-0.7	6.6	7.4	16.1
EBIT	-0.7	3.8	7.4	11.5
Finance cost	-2.0	-0.1	-2.3	-0.5
EBT	-2.8	3.7	5.0	11.0
Taxes	-0.1	0.2	-1.4	-1.5
Group net profit	-2.9	4.0	3.7	9.6
EPS in € (diluted/undiluted)	-0.03	0.04	0.03	0.09

Extraordinary charge due to one-off expenses for announced efficiency measures

- 9M 2016: € 4.6 million
- Q3 2016: € 2.8 million

9M/2015

- one-off positive effect associated with the correction of an incorrect settlement by a product partner in old-age provision in Q1 2015

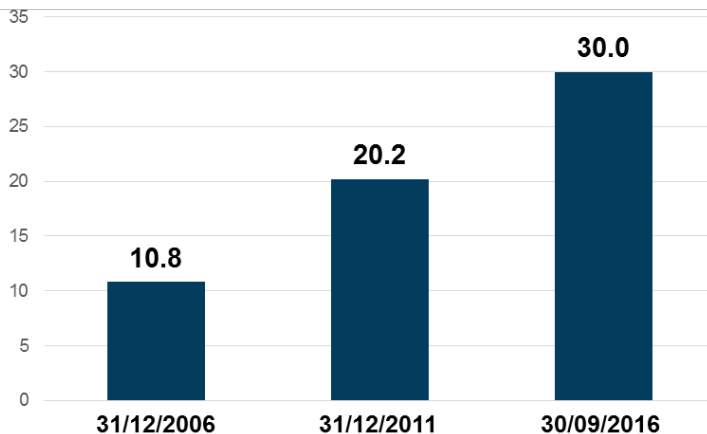
*before one-off exceptional costs

9M: Assets under management reached the EUR 30 billion mark for the first time – Old age provision bottomed out

Assets under management:

- EUR 30 billion mark reached for the first time

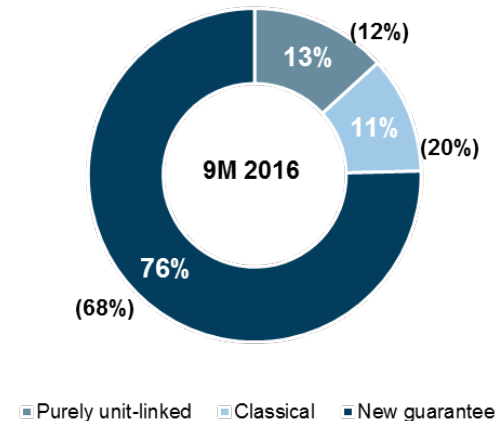
[in € billion]



Old-age provision:

- Product mix changed – early adopter advantage
- Revenue above previous year for 2 consecutive quarters

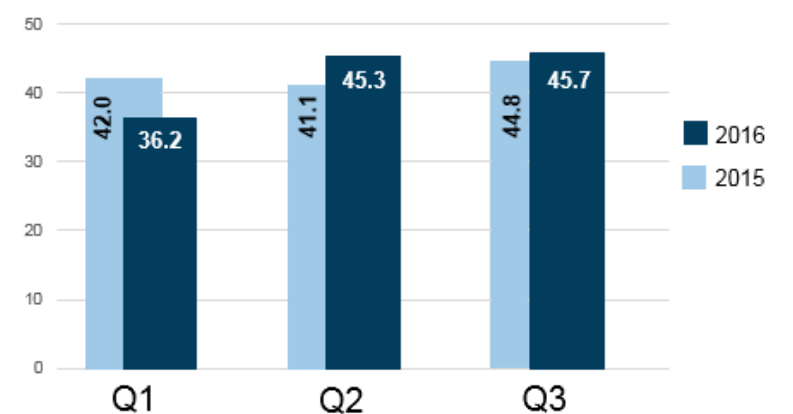
[in %*]



■ Purely unit-linked ■ Classical ■ New guarantee

*Previous year's values in bracket

[in € million]



The MLP Group

1. MLP at a glance
2. Market environment
3. Strategic Agenda
4. Financial development
5. Outlook

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)

- Costs will once again be significantly reduced in the financial year 2017 and subsequent years (positive EBIT effect of around EUR 15 million compared to 2015).
- As announced, this will incur one-off expenses of approximately EUR 15 million in the financial year 2016.



As of 2017, MLP anticipates a significant increase in EBIT over 2015

Questions & Answers

Happy to take your questions!





Appendix

Q3: Strong growth in wealth management

Revenue

[in € million]

	Q3 2015	Q3 2016	Δ in %	9M 2015	9M 2016	Δ in %
Old-age provision	44.8	45.7	2	128.0	127.2	-1
Wealth management	38.7	43.5	12	121.3	122.9	1
Health insurance	11.4	10.8	-5	33.6	34.0	1
Non-life insurance	11.5	16.9	47	36.7	85.6	>100
Loans and mortgages*	4.2	3.6	-14	11.1	10.4	-6
Other commissions and fees	4.0	3.1	-23	10.4	8.8	-15
Interest income	5.3	5.2	-2	16.1	15.5	-4

9M/2015:

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

9M/2016:

- Revenue contribution DOMCURA (non-life) of around € 54.3 million

*excluding MLP Hyp

Balance sheet

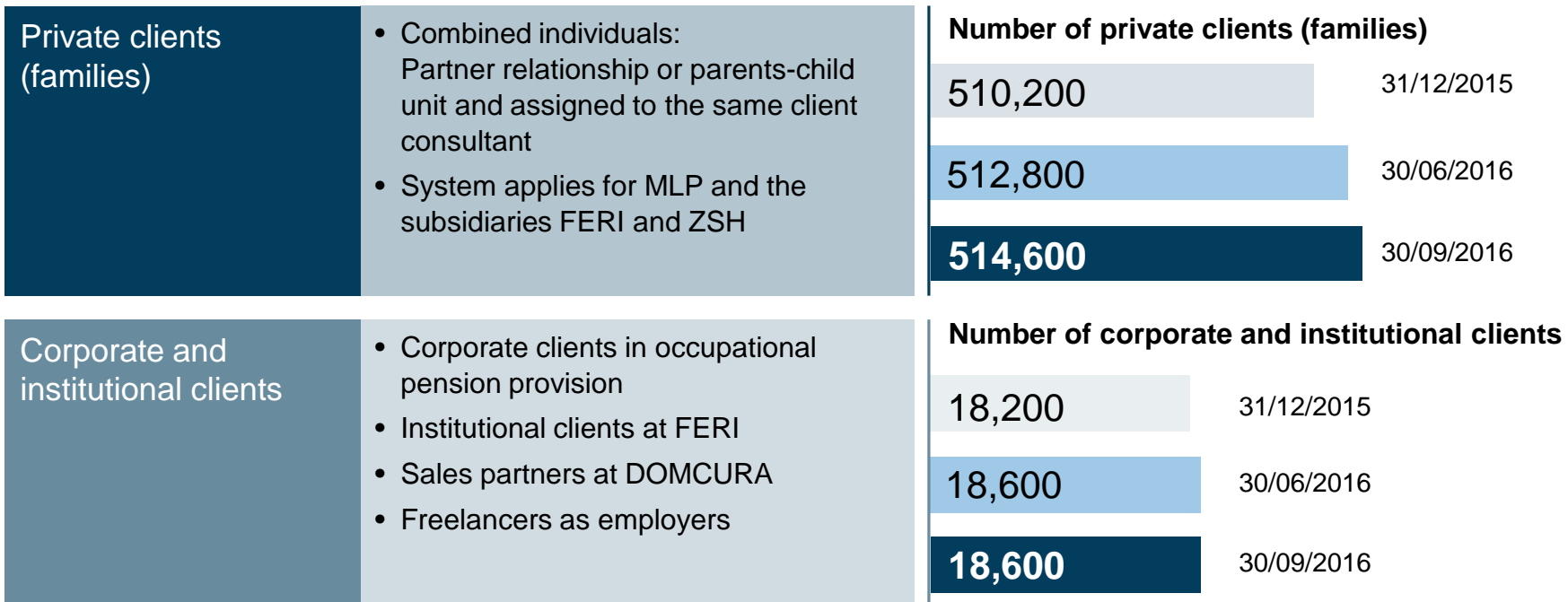
<u>Assets</u>	31/12/2015	30/09/2016
Intangible Assets	174.5	169.8
Financial Assets	147.9	162.8
Receivables from clients in the banking business	542.7	613.2
Receivables from banks in the banking business	600.3	550.2
Other receivables and assets	112.5	87.5
Cash and cash equivalents	77.5	129.0
<u>Liabilities and shareholders equity</u>		
Shareholders equity	385.8	373.9
Provisions	86.5	84.1
Liabilities due to clients in the banking business	1,102.6	1,199.1
Liabilities due to banks in the banking business	23.1	33.4
Other Liabilities	140.2	103.5
<u>Total</u>	1,752.7	1,808.8

Equity ratio: 20.7 %

Core capital ratio: 12.81 %

MLP serves 514,600 private and 18,600 corporate clients

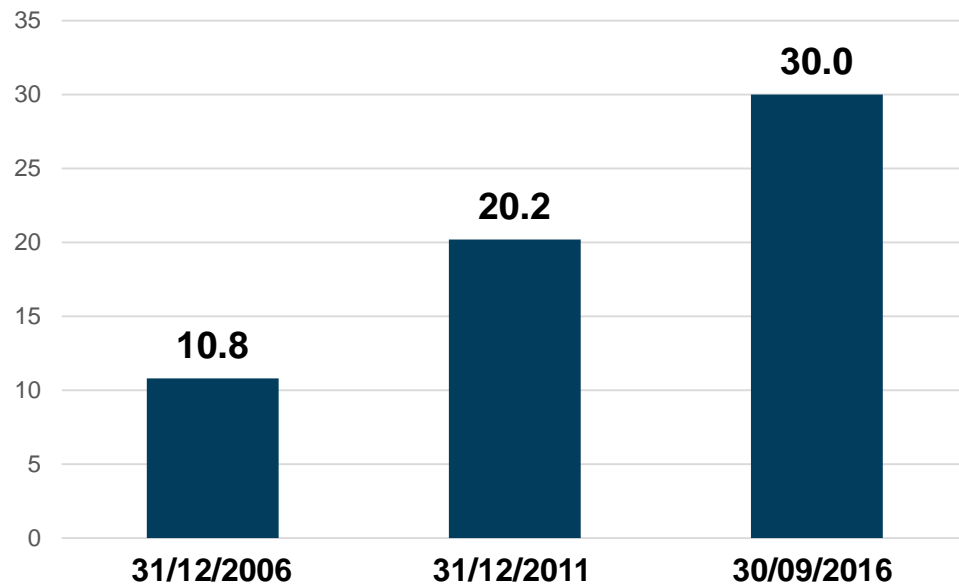
Client base: family clients / corporate and institutional clients



Assets under management passed the EUR 30 billion mark for the first time

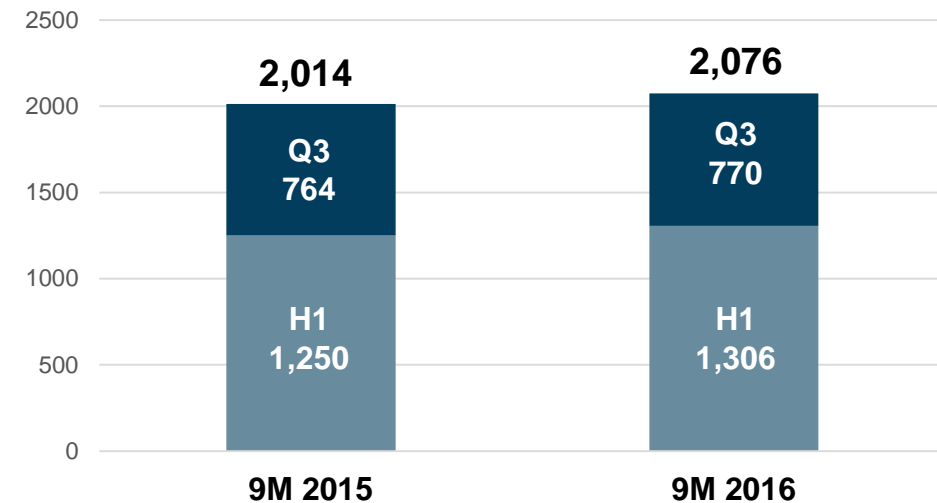
Assets under management

[in € billion]

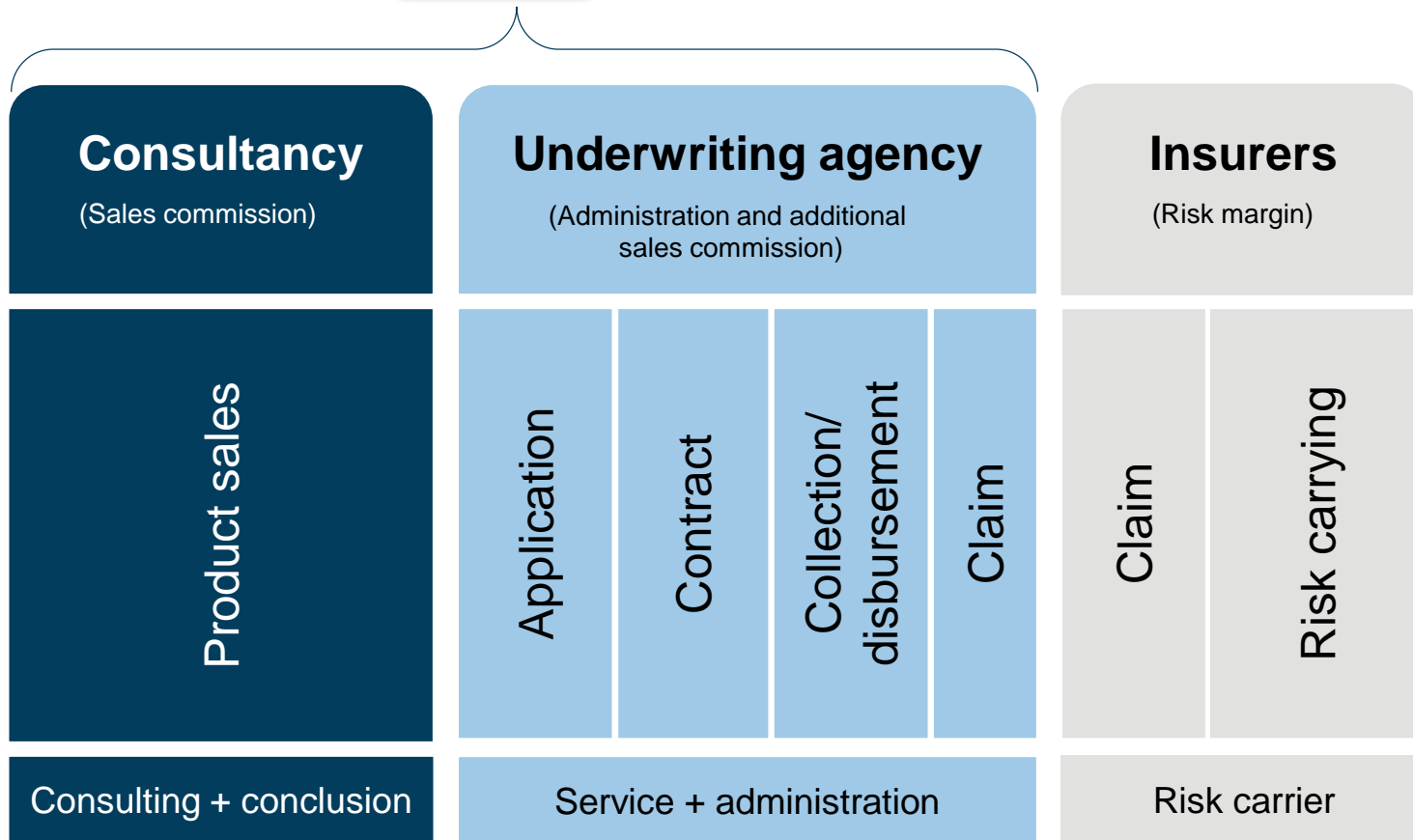


Premium sum: old-age provision

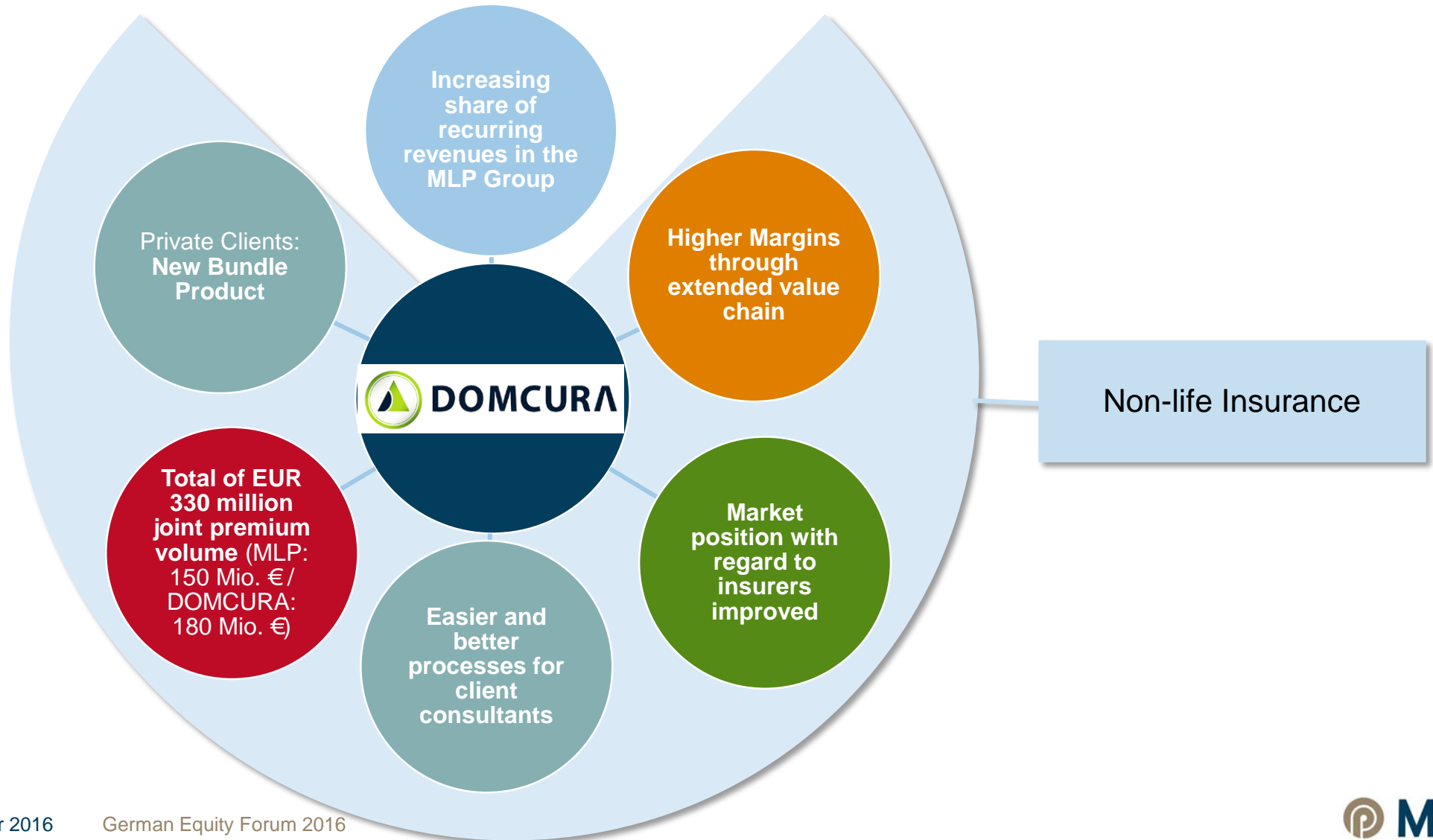
[in € million]



DOMCURA: Underwriting agency selects the appropriate insurer from the marketplace

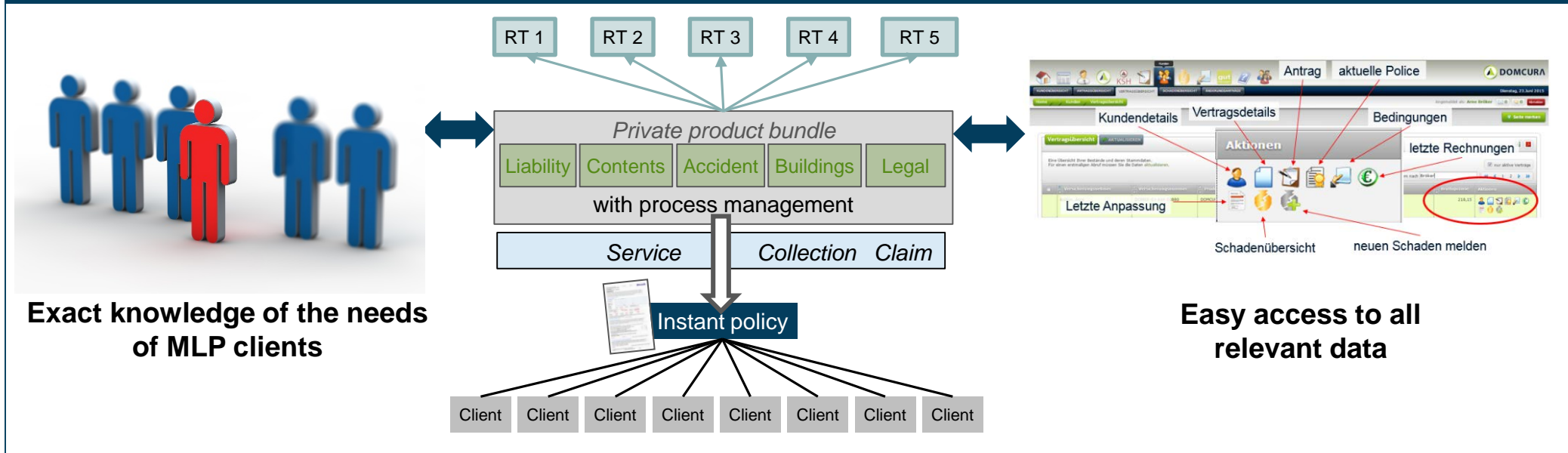


Positive effects on MLP through DOMCURA



DOMCURA: targeted further development within the MLP Group

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

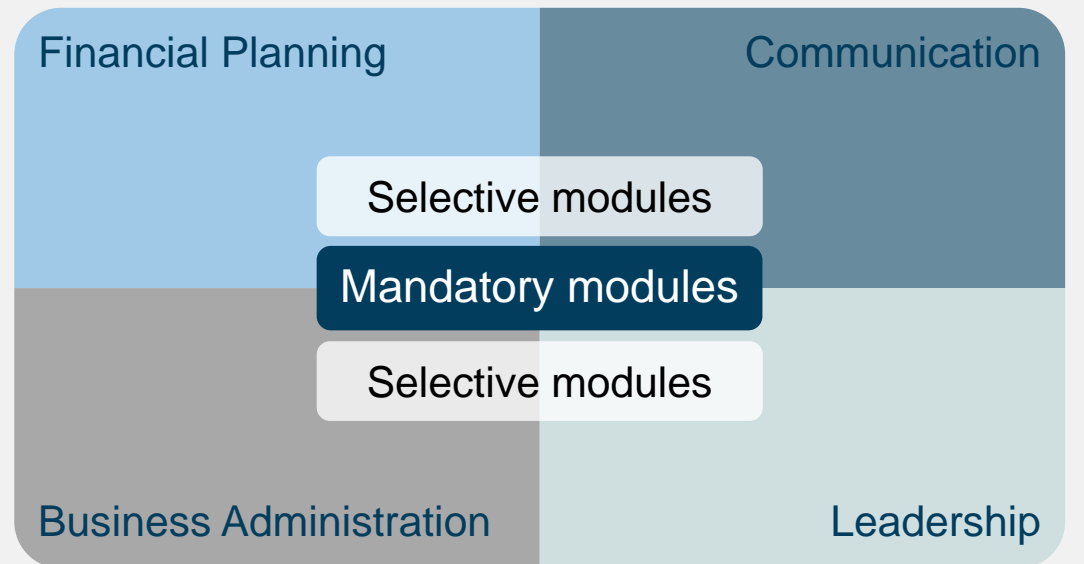
Further measures:

- 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

Master of Financial Planning

Steinbeis School of Management and Innovation (SMI)

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



Digital footprint significantly expanded

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

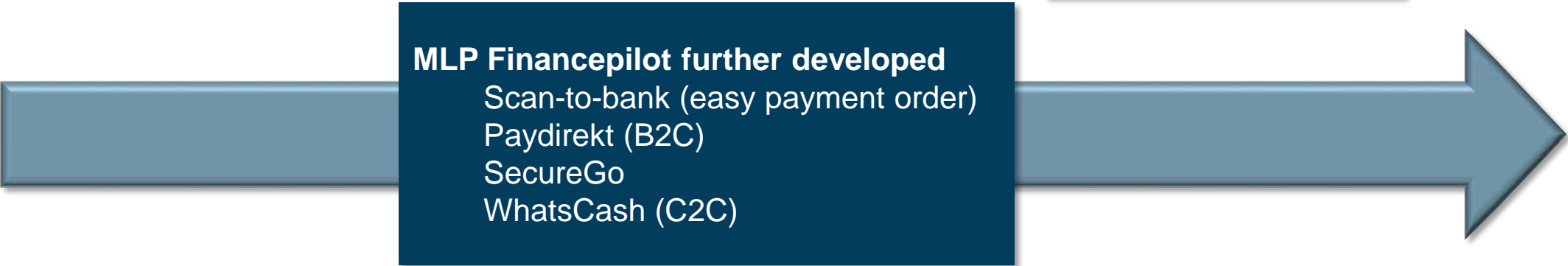
More online policy sales



travel health insurance



bicycle/e-bike and
more to follow



MLP Financepilot further developed
Scan-to-bank (easy payment order)
Paydirekt (B2C)
SecureGo
WhatsCash (C2C)

Client portal
One login
Dashboard
Personal Finance Management (PFM)

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

