



Interim Group report for the first half  
year and second quarter of 2019

## MLP key figures

All figures in € million	2nd quarter 2019	2nd quarter 2018	1st half-year 2019	1st half-year 2018	Change in %
<b>MLP Group</b>					
Total revenue	151.4	142.7	329.2	310.6	6.0 %
Revenue	147.8	139.3	321.8	304.0	5.9 %
Other revenue	3.6	3.4	7.4	6.6	12.1 %
Earnings before interest and taxes (EBIT)	-0.3	-1.0	12.2	12.1	0.8 %
EBIT margin (%)	0.0 %	0.0 %	3.7 %	3.9 %	-
Net profit	-0.1	0.5	9.0	9.8	-8.2 %
Earnings per share (diluted/undiluted) in €	0.00	0.00	0.08	0.09	-11.1 %
Cashflow from operating activities	-12.1	-16.2	129.1	50.5	>100 %
Capital expenditure	1.9	2.9	3.0	6.0	-50.0 %
Shareholders' equity	-	-	406.3	424.8 <sup>1</sup>	-4.4 %
Equity ratio (%)	-	-	15.7 %	17.5 % <sup>1</sup>	-
Balance sheet total	-	-	2,586.4	2,421.0 <sup>1</sup>	6.8 %
Private clients (Family)	-	-	545,800	541,150 <sup>1</sup>	0.9 %
Corporate and institutional clients	-	-	20,950	20,900 <sup>1</sup>	0.3 %
Consultants	-	-	1,913	1,909 <sup>1</sup>	0.2 %
Branch offices	-	-	131	131 <sup>1</sup>	0.0 %
University teams	-	-	87	77 <sup>1</sup>	13.0 %
Employees	-	-	1,746	1,722 <sup>1</sup>	1.4 %
<b>Brokered new business</b>					
Old-age provisions (premium sum)	785.7	712.9	1,510.3	1,351.1	11.8 %
Loans and mortgages	483.4	482.2	975.4	988.3	-1.3 %
Assets under management in € billion	-	-	37.0	34.5 <sup>1</sup>	7.2 %
Non-life insurance (premium volume)	-	-	396.4	385.6 <sup>1</sup>	2.8 %
Real estate (brokered volume)	58.6	61.8	98.1	117.0	-16.2 %

<sup>1</sup> As of December 31, 2018.

# Interim Group report for the first half year and the second quarter of 2019

## THE FIRST HALF YEAR AND THE SECOND QUARTER 2019 AT A GLANCE

- Total revenue rose by 6% to € 329.2 million in the first six months (H1 2018: € 310.6 million); At € 12.2 million, EBIT is also slightly above the previous year (€ 12.1 million)
- Growth recorded in all parts of the Group and across virtually all consulting areas
- Strongest growth recorded in the old-age provision area (up 10%), the wealth management area (up 7%) and the non-life insurance area (up 6%)
- Forecast confirmed: Despite strong investments in the future to develop the university segment, MLP still anticipates modest EBIT growth

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## Introductory notes

This Group interim report was drafted in compliance with the regulations of German Accounting Standard No. 16 (DRS 16) “Interim Financial Reporting” and continues on from the 2018 consolidated financial statements. It presents important events and business transactions in the first half of 2019 and updates forecast-based information from the last joint management report. The Annual Report is available on our homepage at [www.mlp-se.com](http://www.mlp-se.com).

In the description of the MLP Group’s financial position, net assets and results of operations pursuant to International Financial Reporting Standards (IFRS), the previous year’s figures are given in brackets.

The information in this Group interim report has neither been verified by an auditor nor subjected to a review.

## Profile

### **The MLP Group – The partner for all financial matters**

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

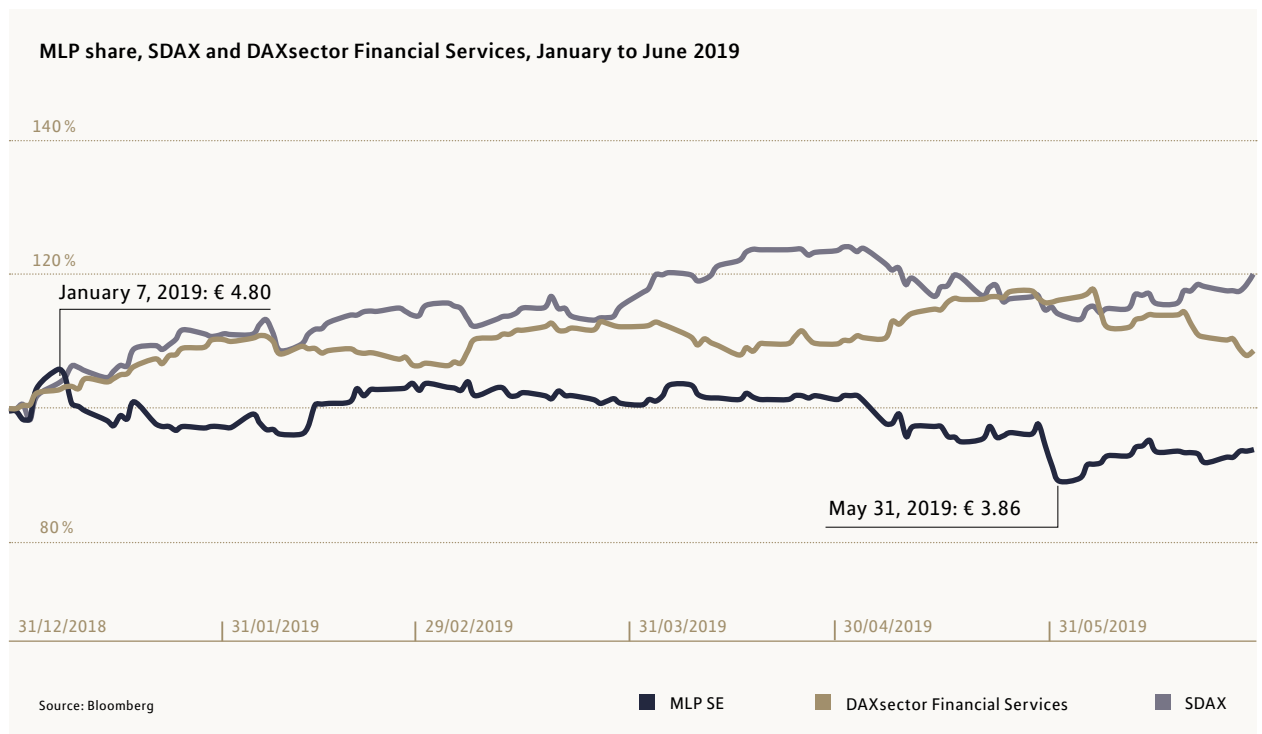
- MLP: The dialogue partner for all financial matters
- FERI AG: The investment expert for institutional investors and high net-worth individuals
- DOMCURA AG: The underwriting agency focusing on private and commercial non-life insurance products
- TPC GmbH: The specialist in occupational pension provision 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. In advising and supporting our clients, we examine the offers of all relevant product providers in the market. Our product ratings are based on scientifically substantiated market and product analyses.

Manfred Lautenschläger and Eicke Marscholke founded MLP in 1971. More than 1,900 self-employed client consultants and just under 1,700 employees work at MLP.

## Investor Relations

The stock markets recorded a good start to the second quarter of 2019 and were able to maintain their upwards trend. Hopes for a soft outcome to the Brexit drama, further progress in the US trade dispute with China and positive economic data served to strengthen economic optimism. In addition, the prospect of a loose monetary policy both by the Fed and the ECB contributed to the good development, while companies were also largely able to impress with their reports. At the start of Q2, new record levels were recorded at short intervals on the indices on both sides of the Atlantic surged to new all-time highs in quick succession. This upwards trend then largely continued in April. Over the remainder of the quarter, however, disappointing economic data partially subdued the mood and led to interim profit taking. The stock exchanges had to battle massive losses, particularly in May. The escalation in the trade dispute between China and the US, as well as weak economic data increased worries regarding a global economic slowdown. Geopolitical stress factors, such as the Iran sanctions and the Middle East crisis, also had a negative impact. Growth forecasts were reduced in many places. This also led to the year's first monthly losses on the stock markets in May. Following the unexpectedly strong price decline, investors then became more willing to take risks once again at the end of the quarter and the stock markets recovered from their lows. The central banks on both sides of the Atlantic continued to attract investors with cheap money, while the increased expectations of interest rate cuts brightened the overall mood. The euro experienced something of a roller coaster ride in the reporting period. The single currency suffered from weak economic data and declined to a 22-month low of 1.1107 USD in May. In the end, the weak US dollar then helped the euro increase by 1.4%. The second quarter results were largely pleasing for the most important leading indices, which recorded overall gains.



### The MLP share

The MLP SE share enjoyed a positive start to the second quarter. It benefited from the favourable stock market environment and at € 4.585 reached its highest level in the reporting period as early as in April. However, the MLP share was unable to avoid the negative developments on the stock markets in May, meaning that it shed the gains it had previously made. The figures published in mid-May were then rewarded by investors and offered the share some initial protection from further setbacks. However, the MLP share price was not able to evade the sell-out mood on the financial markets at the end of May and therefore encountered a significant correction. The dividend payout presented a further burden, and the share declined to its lowest level in the second quarter of € 3.86 on May 31. In June, however, the share price then displayed rapid recovery from its lows and once again reached continuous values above the € 4 mark. Yet despite this, the general reservations felt among investors prevented more pronounced capital gains, meaning that the MLP share displayed rather disappointing performance in the second quarter. The average Xetra trading volume, on the other hand, displayed pleasing development and was able to almost double in comparison with the first quarter to 63,688 shares from 35,134 shares.

### Key figures of the MLP share

	1st half-year 2019	1st half-year 2018
Share capital as of June 30, 2019	109,334,686 <sup>1</sup>	109,334,686 <sup>2</sup>
Share price at the beginning of the year	€ 4.36	€ 5.63
Highest price	€ 4.80	€ 6.03
Lowest price	€ 3.86	€ 4.80
Share price as of June 30, 2019	€ 4.15	€ 5.33
Dividends for the previous year	€ 0.20	€ 0.20
Market capitalisation (end of reporting period)	453,738,947	582,753,876 €

<sup>1</sup>As of June 30, 2019 MLP SE held 386 shares in treasury.

<sup>2</sup>As of June 30, 2018 MLP SE held 4,124 shares in treasury.

**Share buyback**

As announced during the 2017 Annual General Meeting, MLP established another share-based participation programme at the end of the financial year 2018 for MLP office managers and MLP consultants with the aim of strengthening the collaborative component in the MLP business model. In the period from December 12 to March 1, 2019, a total of 536,209 shares were bought back at an average price per share of € 4.3525. MLP then transferred 539,947 shares to the beneficiaries, meaning that MLP SE still held 386 shares in its own portfolio as of June 30, 2019.

**Shareholder structure**

HanseMercur Krankenversicherung AG increased its stake from 3.02 % to 5.10 % in the first half of 2019 (announcement from May 2, 2019). The share of voting rights held by other shareholders remained virtually unchanged on the reporting date. The Lautenschläger family remains the largest single MLP shareholder with a 29.16 % total share of the voting rights. As per the definition of the German stock exchange, the free float as at June 30, 2019 is therefore 49.81 %.

**MLP Annual General Meeting**

At the Annual General Meeting of MLP SE, held in Wiesloch on May 29, 2019, the shareholders approved all items on the agenda. The shareholders voted virtually unanimously (99.99 %) to approve the proposal of the Supervisory Board and Executive Board to pay a dividend of € 0.20 per share. The distribution rate was therefore 63 % of Group net profit. Discharge was granted to the Executive Board and Supervisory Board with an approval rate of 88.47 and 79.57 % respectively. With an approval rate of 99.93 %, the shareholders also accepted the proposal to appoint KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany as auditor and Group auditor for the financial year 2019. The shareholders also approved the system for compensation of members of the Executive Board with 79.83 % of votes cast.

With 99.95 % of votes cast, the amendment to the business purpose and a corresponding amendment to the company's articles of association were also approved. Among other things, the business purpose was extended to include the development and management of real estate. Following the consent already provided by the Supervisory Board and the competition authorities, the shareholders have now also given their approval for the majority stake in the DEUTSCHLAND.Immobilien Group which was communicated back in March 2019. This transaction is still scheduled to be closed in the third quarter of 2019.

In total, more than 450 shareholders took part in the Annual General Meeting. Those in attendance represented around 79 % of the share capital.

All information on the Annual General Meeting is available at [www.mlp-se.com](http://www.mlp-se.com).



# Interim Group management report for the first half-year and second quarter of 2019

The values disclosed in the following management report have been rounded to one decimal place. As a result, differences to reported total amounts may arise when adding up the individual values.

## FUNDAMENTAL PRINCIPLES OF THE GROUP

In comparison with the corporate profile described in MLP's 2018 Annual Report, the changes presented below were made during the reporting period. These relate to organisation and administration.

You can find detailed disclosures on our business model, our corporate structure and our control system in the MLP Group Annual Report 2018 at [www.mlp-annual-report.com](http://www.mlp-annual-report.com).

MLP Finanzberatung SE, a wholly owned subsidiary of MLP SE, signed a contract on March 19 to acquire 75.1 % in the DEUTSCHLAND.Immobilien Group. The DEUTSCHLAND.Immobilien Group is a marketplace for investment properties and collaborates with around 5,800 sales partners. The comprehensive online platform comprises both third party real estate projects and, in selected areas, also real estate projects developed in-house - above all in the field of senior-citizen housing and nursing care. The company will continue to pursue and further strengthen this successful business model. There is also additional synergy potential in the existing business with MLP's private clients and in the MLP Group overall. The transaction is expected to be completed in Q3 2019.

On the basis of the resolution of the Annual General Meeting from June 29, 2017 to buy back own shares, a total of 536,209 shares with a pro rata amount of € 1.00 each in the share capital were bought back at an average price of € 4.3525 per share in the time period from December 12, 2018 to March 1, 2019. This corresponds to around 0.48 % of our share capital of € 109,334,686. The buyback was used to serve a participation programme for our self-employed commercial agents and branch office managers. The respective buybacks were published in detail on our company's website. Following transfer of the shares to the eligible participants, a total of 386 shares remain in the company's own portfolio.

## Change to organisation and administration

The Supervisory Board at MLP SE unanimously voted to extend the current contract of Manfred Bauer, which runs to April 30, 2020, by five more years to 2025. Manfred Bauer is responsible for Products and Services. He is also a member of the Executive Board at the subsidiaries MLP Finanzberatung SE and MLP Banking AG.

## Changes in the scope of consolidation

In the reporting period, Willy F.O. Köster GmbH and Walther Versicherungsmakler GmbH were merged to form nordias GmbH with retroactive effect from January 1, 2019.

## Research and development

Since MLP is a service provider, we are not engaged in any research or development in the classic sense. We also make other resources available, for example to develop our own software or refine acquired software.

### ECONOMIC REPORT

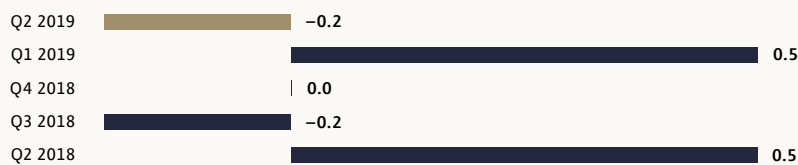
## Overall economic climate

Following the stagnation in economic development observed in the second half of 2018, the German economy returned to moderately positive growth of 0.4 % in the first quarter of 2019. This was largely due to private consumption, which increased significantly thanks to the very low level of unemployment and resulting increases in disposable income.

However, current data would seem to indicate that the economic momentum is likely to be noticeably weaker in the second quarter. In particular the ongoing period of industrial weakness is likely to have a curbing effect. The purchasing manager index for industry remains at 45 points and thereby clearly signals a contraction in industrial production. Export performance was also very weak in April. Automobile production declined by 8 % from the level recorded in the summer of 2018.

According to calculations performed by FERI Investment Research, price-adjusted gross domestic product (GDP) in Germany declined by -0.2 % in the second quarter over the preceding quarter. We should not expect a sustainable return to robust growth for the time being. The structural challenges facing the automotive industry and, above all, the ongoing threat of customs duties when exporting to the US represent continuing stress factors in the mid-to-long-term.

### Economic growth in Germany (Change in % to the previous quarter)



Source: Federal Statistical Office, FERI Investment Research.

## Industry situation and competitive environment

### Old-age provision

The market environment in the old-age provision area remained difficult, as consumers continued to display reservations and uncertainty due to a range of factors. These included various political discussions on reforms to the statutory, company and private old-age provision schemes, which are still ongoing, the fact that most consumers still do not have access to transparent information on anticipated pension benefits and that the low interest rate environment is cutting into the returns of newly concluded classic life insurance policies. The overall significance of classic life and pension insurance policies has therefore declined further, whereas unit-linked policies are becoming increasingly relevant. The industry situation in the old-age provision consulting area has not changed compared with the statements made in the Annual Report of the MLP Group.

The legislation to strengthen occupational pension provision in Germany (BRSG), which has been in force since January 1, 2018, introduced another measure at the start of the year aimed at increasing the market penetration of company pension schemes. If employees choose to pay a portion of their salary into a pension fund, a pension scheme or a direct insurance policy, employers must themselves then also pay in 15 % of the converted premium if they save the social security contributions resulting from this deferred compensation.

### Wealth management

In the financial markets, the first half of the year continued to be characterised by low interest rates. At the same time, the share markets were able to noticeably recover from the pronounced setback encountered in the fourth quarter of 2018. After the end of the first half of the year, the financial markets and the global economy continue to face various risks. The smouldering trade war between the US and China has, in particular, significantly increased the likelihood of market volatility.

Based on information provided by the German Association of Investment and Asset Management (BVI e.V.), the agency fund rose to € 3,136 billion by the end of March. It had been just € 2,954 billion at the end of 2018. Of the total assets invested, some € 1,034 billion – around one third – were invested in open mutual funds. Mutual equity funds were able to record net Q1 inflows of € 1.4 billion, while fixed income funds lost € 3.3 billion and mixed funds lost € 46 million.

There were no fundamental changes to the industry situation described in the Annual Report 2018 of the MLP Group.

### Non-life insurance

The non-life insurance area continues to gain in importance for independent brokers. According to a survey performed by AssCompact, 75 % of brokers surveyed considered the private non-life insurance business to be relevant or highly relevant in 2018. In 2015, this figure was just 40 %.

Many FinTech and InsurTech start-ups have sprung up and provided plenty of headlines over the last few years, in particular in the field of basic non-life insurance policies. However, this trend has now tailed off markedly. A survey undertaken by PwC determined that more than 230 FinTechs have already ceased operations since 2011, and the trend is upwards. At the same time, the number of new start-ups is also declining. Many FinTechs are now attempting to enter into cooperations with insurers as a way of surviving. As yet, no FinTechs have proven disruptive for the existing market.

The overall industry situation in this field of consulting has not changed for MLP.

### Health insurance

The market environment in the private health insurance area remains difficult. This can in particular be seen in the ongoing negative trend in the comprehensive private insurance area. According to data published by the Association of Private Health Insurers, the number of persons holding comprehensive health insurance in the market has already been in decline since 2011. Indeed, the figure stood at around 8.74 million in 2018 – some 240,000 fewer than back in 2011.

In contrast to comprehensive insurance, private supplementary insurance policies are still recording gains – there are now around 26 million supplementary insurance policies in place to cover gaps in benefits in the statutory health insurance system. This corresponds to around 2 % more than in the previous year. Dental plans are the most commonly brokered policies in this regard.

As a result of the Statutory Health Insurance Contribution Relief Act, the premiums paid into the statutory health insurance system are once again to be shared absolutely equally by employers and employees as of January 1, 2019. In addition, self-employed persons with a low income pay significantly lower premiums if they join a statutory health insurance fund voluntarily. The law has generally boosted the attractiveness of remaining in the statutory health insurance system.

The overall industry situation in this consulting segment has not changed compared with the statements made in the MLP Group Annual Report 2018.

### Real estate

The real estate market in Germany is continuing to display positive development. The low interest rates are the main factor behind this trend. In this situation, owner-occupied and investment properties are playing an increasingly important role for many consumers with a view to long-term capital accumulation.

However, rising property prices are also proving a challenge for those looking to invest in bricks and mortar. According to a survey performed by the Institute of the German Economy (IW), the level of construction still remains far too low to meet the demand. In certain cities, such as Cologne, not even half of the new-build apartment requirements are being met (46 %). Focus is now increasingly shifting to warden-assisted apartments and concept-driven properties, such as student apartments, as according to forecasts there are likely to be more and more citizens requiring nursing care and single-person households in future.

Based on an analysis performed by KPMG, no systemic risks can yet be identified in the third-party property financing markets, as banks have sought to tread more conservatively when concluding mortgages in comparison with the crisis years of 2008 and 2009.

### Loans and mortgages

Although it appeared as though the European Central Bank and the US Federal Reserve Bank would take a step back from their expansive monetary policy, at the end of the first six months they reversed the shift in this direction – with corresponding consequences for the interest rate development. The interest rates for 10-year property loans are still at a very low level.

The German government introduced the “Baukindergeld” family housing grant scheme in September 2018. The scheme has therefore now completed its first regular half-year. The German government reports that almost € 169 million in funds were approved up to March 31, 2019, spread over around 8,000 applications.

Overall, there have not been any fundamental changes from the market environment described in the Annual Report 2018 of the MLP Group.

### Competition and regulation

Neither the competitive conditions nor the regulatory environment saw any significant changes in the first half of the year in comparison with the description provided in the MLP Group Annual Report 2018.

In 2018, the German Federal Ministry of Finance (BMF) published an evaluation report on the Life Insurance Reform Act (LVRG). Although the conclusions were largely positive, capping of acquisition commission is stated as a potential measure in the report. A draft bill of the German Federal Ministry of Finance (BMF) is now available. It contains three compensation components: 2.5 % for signing, 1.5 % for consulting quality and also a supplementary compensation option for further services provided by the broker for the insurer. No effects on the operating business of MLP in the old-age provision area as a result of the public political debate on acquisition commission or the draft bill could be observed in the first half of 2019 or are to be expected for the coming months. Added to this is the fact that the current draft indicates that the legislation is only to be introduced from 2021. (See "Future industry situation and competitive environment" for details on the further process).

### Business performance

The MLP Group was able to continue the positive growth trend of the past few quarters in the first half of the year and increase total revenue to its highest ever level of € 329.2 million. With an increase of 10.2 % over the previous year, revenue in the old-age provision made a particular contribution to this. MLP also once again benefited from gains in the wealth management (+7.4 %), the non-life insurance (+5.7 %) and the health insurance (+ 2.6 %), as well as the loans and mortgages area (+1.1 %). Following a decline in the first quarter, the real estate brokerage improved once again in the second quarter and almost reached the previous year's figure. Even with this upturn, however, it was still not yet able to compensate for the decline recorded in the previous quarter.

At the end of the reporting period earnings before interest and taxes (EBIT) rose to just above the corresponding figure from the previous year.

### New clients

In the first six months of the year, MLP was able to acquire 8,830 (8,800) new family clients.

As of June 30, 2019, the MLP Group served a total of 545,800 family clients (December 31, 2018: 541,150) and 21,000 corporate and institutional clients (December 31, 2018: 20,900).

## Results of operations

### Development of total revenue

In the period from January to June 2019, total revenue of the MLP Group increased by 6.0% to € 329.2 million (€ 310.6 million). Commission income, which increased by 6.1% from € 295.2 million to € 313.3 million, made by far the greatest contribution to this. As expected, revenue from the interest rate business of € 8.5 million (€ 8.8 million) was slightly below the previous year's level. Other revenue was € 7.4 million (€ 6.6 million).

As regards the individual consulting fields, we continue to observe very positive development in the old-age provision at the end of the first half of the year, with revenue up by 10.2% to € 84.0 million (€ 76.2 million). The brokered premium sum increased to € 1,510.3 million (€ 1,351.1 million). We also recorded further growth in the wealth management area, in which revenue was up 7.4% to € 104.7 million (€ 97.5 million). The MLP Group in particular benefited from increased new business, as well as greater performance-based income from alternative investment concepts at the subsidiary FER1. The drop in performance fees observed in the first quarter in light of volatile investment markets was therefore more than compensated. Assets under management in the MLP Group rose to a new all-time high of € 37.0 billion as of June 30, 2019 (December 31, 2018: € 34.5 billion).

#### Development of assets under management (all figures in € billion)



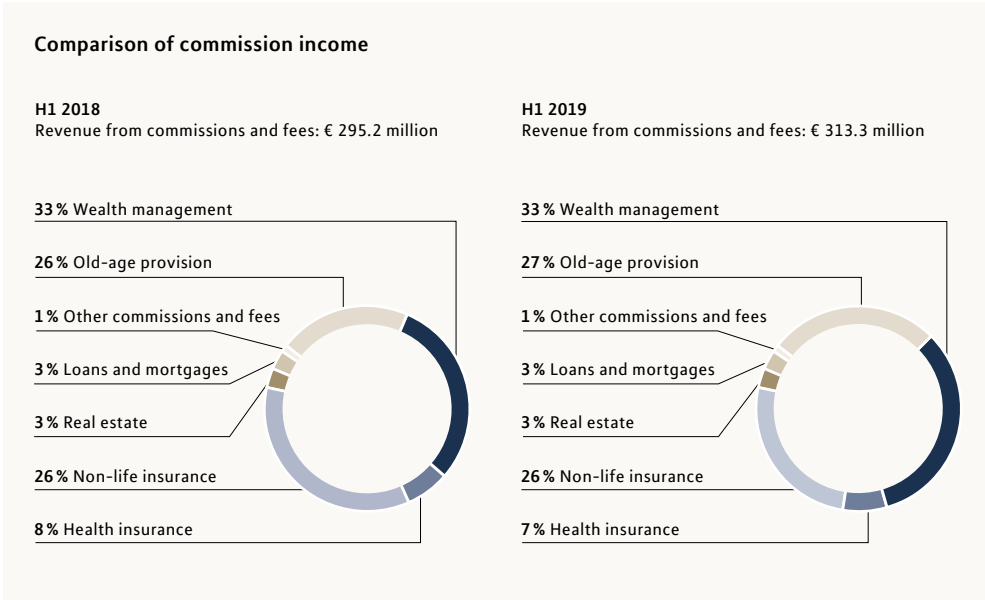
Revenue in the non-life insurance rose by 5.7% to € 81.7 million (€ 77.3 million), reflecting the positive development at both DOMCURA and MLP. The portfolio of non-life insurance policies also enjoyed positive development. The premium volume received through the MLP Group rose to € 396.4 million (December 31, 2018: € 385.6 million).

At € 23.8 million, revenue in the health insurance was also up on the previous year (€ 23.2 million).

Following the very strong figures recorded in the previous year, revenue in the loans and mortgages area reached € 9.0 million (€ 8.9 million) in the first half year. After significant gains in the fourth quarter of the previous year, at € 8.1 million (€ 10.1 million), revenue in the real-estate brokerage was still below the previous year's figure. At € 2.0 million (€ 2.0 million) other commission and fees remained unchanged. Considering only the second quarter, total revenue rose to € 151.4 million (€ 142.7 million), Commission income rose by 6.5% to € 143.6 million (€ 134.8 million). Revenue from the interest rate business of € 4.2 million (€ 4.5 million) remained slightly below the previous year's level.

The breakdown by consulting fields also displays growth in the old-age provision in the second quarter, with revenue rising by 8.2 % to € 46.0 million (€ 42.5 million). With an increase of 9.0 %, the wealth management also continued to develop positively. Revenue rose to € 54.5 million (€ 50.0 million). Revenue in the non-life insurance rose by 3.3 % to € 21.8 million (€ 21.1 million). Although the real estate brokerage showed improvement in the second quarter, at € 4.8 million it was not quite able to reach the previous year's figure (€ 5.2 million). Revenue in the loans and mortgages area recorded gains. With an increase of 5.4 %, it stood at € 3.9 million, following € 3.7 million in the same period of the previous year.

Following € 0.8 million in the previous year, other commission and fees were € 0.9 million.



### Analysis of expenses

Commission expenses primarily comprise performance-linked commission payments to our consultants. This item also includes the commissions paid in the DOMCURA segment. These variable expenses occur due to the compensation of brokerage services in the non-life insurance business. Added to these are commissions paid in the FERI segment, which in particular result from the activities in the field of fund administration. Variable expenses are, for example, accrued in this business segment due to compensation of the depository bank and fund sales.

Set against the background of higher commission income, commission expenses increased to € 173.2 million in the first half year of 2019 (€ 161.0 million). Interest expenses amounted to € 0.3 million (€ 0.5 million). The total cost of sales thereby increased to € 173.5 million (€ 161.4 million).

Loan loss provisions were € 1.5 million (€ 0.0 million). The increase in loan loss provisions can essentially be attributed to impairment losses recognised in the banking segment.

Administrative expenses (defined as the sum of personnel expenses, depreciation/amortisation and impairment, as well as other operating expenses) amounted to € 143.3 million and thus were slightly above the previous year's level (€ 138.3 million). Personnel expenses rose to € 65.8 million (€ 62.6 million). There are various reasons for this, including general salary rises, as well as higher variable compensation and profit-sharing payments resulting from the successful economic development of the company. Depreciation/amortisation and impairments increased to € 12.6 million (€ 7.7 million). This increase can essentially be attributed to the change in the treatment of leasing liabilities as a result of the new IFRS 16 accounting standard, which has been in force since January 1, 2019. This had the opposite effect on other operating expenses, which declined from € 68.0 million to € 64.9 million. In addition one-off consulting expenses of 0.4 million were accrued in the first half year in the course of acquiring the announced majority stake in the DEUTSCHLAND.Immobilien Group.

The earnings at MLP Hyp, which are disclosed as earnings from investments accounted for using the equity method as a joint venture with Interhyp, increased to € 1.3 million (€ 1.1 million).

Considering the second quarter alone, the cost of sales rose to € 79.4 million (€ 73.7 million). Largely influenced by higher commission income commission expenses rose to € 79.2 million (€ 73.4 million). Interest expenses declined to € 0.2 million (€ 0.3 million).

At € 72.4 million, administration costs in the reporting period were slightly above the previous year's figure (€ 70.2 million). Personnel expenses amounted to € 32.2 million (€ 31.2 million). Due to the aforementioned effect resulting from adoption of IFRS 16, depreciation/amortisation and impairment increased to € 6.3 million (€ 3.9 million). This was offset by the decrease in other operating expenses, which declined to € 33.9 million (€ 35.1 million).



## Earnings trend

Earnings before interest and taxes (EBIT) were € 12.2 million in the first six months and thus remained virtually at the same high level as in the previous year (€ 12.1 million). In comparison with total revenue, EBIT developed on a weaker note due to the described effects in administration costs, and higher loan loss provisions.

Finance cost fell to € -0.6 million (€ -0.4 million). On this basis, earnings before taxes (EBT) were € 11.6 million (€ 11.7 million). The tax rate was 22.2 %. Net profit amounted to € 9.0 million (€ 9.8 million). The diluted and basic earnings per share were € 0.08 (€ 0.09).

### EBIT development (all figures in € million)



Considering just the traditionally rather slow second quarter, EBIT was € -0.3 million, following € -1.0 million in the previous year. With a finance cost of € -0.3 million (€ 0.0 million), EBT was € -0.7 million (€ -0.9 million). Net profit amounted to € -0.1 million (€ 0.5 million).

## Structure and changes in earnings in the Group

All figures in € million	1st half-year 2019	1st half-year 2018	Change in %
Total revenue	329.2	310.6	6.0 %
Gross profit <sup>1</sup>	155.7	149.2	4.4 %
Gross profit margin (%)	47.3 %	48.0 %	-
EBIT	12.2	12.1	0.8 %
EBIT margin (%)	3.7 %	3.9 %	-
Finance cost	-0.6	-0.4	-50.0 %
EBT	11.6	11.7	-0.9 %
EBT margin (%)	3.5 %	3.8 %	-
Income taxes	-2.6	-1.9	36.8 %
Net profit	9.0	9.8	-8.2 %
Net margin (%)	2.7 %	3.2 %	-

<sup>1</sup> Definition: Gross profit is the result of total revenue less commission expenses and interest expenses.

You can find disclosures on major transactions with related parties in Note 19.

## Financial position

### Aims of financial management

You can find detailed information on the objectives of financial management in the 2018 Annual Report of the MLP Group at [www.mlp-annual-report.com](http://www.mlp-annual-report.com).

### Financing analysis

At present, we are not using any borrowed funds in the form of securities or promissory note bond issues to finance the Group long-term. Our non-current assets are financed in part by non-current liabilities. Current liabilities due to clients and banks in the banking business represent further refinancing funds that are generally available to us in the long term.

As of June 30, 2019, liabilities due to clients and financial institutions in the banking business amounted to € 1,890.3 million (December 31, 2018: € 1,720.5 million) were offset on the assets side of the balance sheet by receivables from clients and financial institutions in the banking business of € 1,474.6 million (December 31, 2018: € 1,455.2 million).

We did not perform any increase in capital stock in the reporting period.

### Liquidity analysis

Cash flow from operating activities increased to € 129.1 from € 50.5 million in the same period of the previous year. Here, significant cash flows result from the deposit business with our clients and from the investment of these funds.

Cash flow from investing activities changed from € 1.9 million to € -15.7 million. Fewer time deposits matured in the reporting period than in the same period of the previous year.

### Condensed statement of cash flow

In € million	2nd quarter 2019	2nd quarter 2018	1st half-year 2019	1st half-year 2018
Cash and cash equivalents at beginning of period	498.8	365.1	385.9	301.0
Cash flow from operating activities	12.1	-16.2	129.1	50.5
Cash flow from investing activities	-14.4	4.6	-15.7	1.9
Cash flow from financing activities	-24.8	-21.9	-27.5	-21.9
Change in cash and cash equivalents	-27.1	-33.5	85.8	30.6
Cash and cash equivalents at end of period	471.7	331.6	471.7	331.6

As at the end of H1, 2019, the MLP Group has access to cash holdings of around € 532 million. A good level of liquid funds therefore remains available. There are sufficient cash reserves available to the MLP Group. Alongside cash holdings, free lines of credit are also in place.

### Capital expenditure analysis

As at the end of June 2019, the investment volume financed from cash flow of the MLP Group was € 3.0 million (€ 6.0 million). The vast majority of capital expenditure was invested in the financial consulting segment, focusing in particular on investments in software and IT.

### Net assets

#### Analysis of the asset and liability structure

As of the reporting date of June 30, 2019, the balance sheet total of the MLP Group was € 2,586.4 million (December 31, 2018: € 2,421.0 million). On the assets side of the balance sheet, the item "Property, plant and equipment" increased to € 132.8 million (€ 78.3 million). This increase can essentially be attributed to the change in the treatment of leasing liabilities as a result of the new IFRS 16 accounting standard to be applied from January 1, 2019 onwards. According to the new standard, usage rights from leasing transactions must be disclosed under this item. As of June 30, 2019, these usage rights were € 55.5 million. The corresponding position on the equity side of the balance sheet is disclosed under other liabilities. At € 787.2 million (December 31, 2018: € 761.0 million), receivables from clients in the banking business were slightly above year-end level of 2018. Receivables from banks in the banking business remained almost unchanged at € 687.3 million (December 31, 2018: € 694.2 million). Financial assets increased slightly to € 178.4 million (December 31, 2018: € 165.3 million). Other receivables and assets declined slightly to € 148.3 million (December 31, 2018: € 158.1 million). This item essentially contains commission receivables from insurers resulting from the brokerage of insurance products. Due to the typically strong year-end business, these increase considerably at the end of the year and then decline again during the course of the following financial year.

#### Assets as of June 30, 2019

All figures in € million	June 30, 2019	Dec 31, 2018	Change in %
Intangible Assets	152,668	155,892	-2.1%
Property, plant and equipment	132,806	78,270	69.7%
Investments accounted for using the equity method	2,892	4,186	-30.9%
Deferred tax assets	6,533	5,368	21.7%
Receivables from clients in the banking business	787,234	761,027	3.4%
Receivables from banks in the banking business	687,337	694,210	-1.0%
Financial assets	178,371	165,279	7.9%
Tax refund claims	18,558	12,758	45.5%
Other receivables and assets	148,285	158,123	-6.2%
Cash and cash equivalents	471,725	385,926	22.2%
<b>Total</b>	<b>2,586,409</b>	<b>2,421,038</b>	<b>6.8%</b>

The shareholders' equity of the MLP Group fell slightly to € 406.3 million as of the reporting date (December 31, 2018: € 424.8 million), due substantially to the dividend payment to our shareholders. The equity ratio was 15.7% (December 31, 2018: 17.5%).

Provisions decreased to € 85.7 million (December 31, 2018: € 94.5 million). This decrease is mainly attributable to the reductions in provisions for client support commission after this was paid on schedule in the course of the second quarter. Liabilities due to clients in the banking business increased to € 1,797.9 million (December 31, 2018: € 1,638.9 million) and reflect the continued rise in client deposits. Liabilities due to banks in the banking business rose to € 92.4 million (December 31, 2018: € 81.6 million). This can mainly be attributed to a higher volume of promotional loans being passed on to our clients. Other liabilities rose to € 190.1 million (December 31, 2018: € 165.8 million), primarily due to the described effects resulting from application of the IFRS 16 standard. The figure includes leasing liabilities of € 56.2 million, as well as increased liabilities from the underwriting business at DOMCURA. Lower commission claims of our consultants had an opposing effect. Due to our typically strong year-end business, they increase markedly up to the balance sheet date December 31 and then decline again in the subsequent quarters.

#### Liabilities and shareholders' equity as of June 30, 2019

All figures in € million	June 30, 2019	Dec 31, 2018	Change in %
Shareholders' equity	406,264	424,826	-4.4%
Provisions	85,720	94,485	-9.3%
Deferred tax liabilities	9,170	10,245	-10.5%
Liabilities due to clients in the banking business	1,797,922	1,638,892	9.7%
Liabilities due to banks in the banking business	92,335	81,625	13.1%
Tax liabilities	4,873	5,197	-6.3%
Other liabilities	190,105	165,768	14.7%
<b>Total</b>	<b>2,586,409</b>	<b>2,421,038</b>	<b>6.8%</b>

#### Comparison of actual and forecast development of business

Following on from the first half of the year of 2019, we remain committed to the statement made in the forecast section of the 2018 Annual Report. Despite comprehensive investments in the future, we are anticipating a slight increase in EBIT over the previous year.

In the old-age provision area, we increased both new business and revenue. This consulting field therefore displayed slightly better development at the end of the first half of the year than forecast by us at the start of the year. Revenue in the wealth management area enjoyed positive development and was thereby within the scope of our expectations. Revenue in the health insurance was slightly above the previous year's level and thereby within the scope of our expectations. Having recorded positive revenue development, the non-life insurance area is within the scope of our expectations. Revenue in the real-estate brokerage area is still lagging behind our planned level after the first six months of the year. Following a very strong closing quarter in 2018, revenue then started to decline, particularly in the first quarter. However, we already began to see improvement here in the second quarter and this is likely to accelerate in the second half of the year. Overall, revenue developed within the scope of our expectations.

In terms of administration costs, we forecast largely stable development – despite ongoing investments in the future. Here too, we are in line with our expectations at the end of the first half of the year.

Overall, the development of costs and earnings is within the scope of our overall expectations.

## Segment report

The MLP Group is broken down into the following operative segments:

- Financial consulting
- Banking
- FERI
- DOMCURA
- Holding

The financial consulting segment includes revenue from all fields of consulting – i.e. old-age provision, health and non-life insurance, as well as loans & mortgages and real estate brokerage. The banking segment brings together all banking services for both private and corporate clients – from wealth management, accounts and cards, through to the interest rate business. The FERI segment primarily generates revenue from the wealth management field of consulting, while the DOMCURA segment generates most of its revenue from the non-life insurance business. The Holding segment does not have active operations.

### Financial consulting segment

Total revenue rose to € 169.3 million in the first half year of 2019 (€ 160.6 million). Sales revenue rose to € 158.6 million (€ 151.0 million), while other revenue rose to € 10.6 million (€ 9.6 million).

As a result of higher sales revenue, commission expenses increased to € 80.1 million (€ 74.9 million). Personnel expenses increased slightly to € 34.1 million (€ 33.1 million). Depreciation and impairment rose as a result of the described IFRS 16 effect, and amortisation expenses for usage rights associated with this increased to € 9.5 million (€ 5.6 million). These leasing expenses were previously disclosed under other operating expenses, which in turn fell to € 48.0 million (€ 49.9 million). EBIT improved to € –1.3 million (€ –2.1 million). The finance cost amounted to € –0.4 million (€ –0.2 million). EBT was € –1.7 million (€ –2.4 million).

Considering the second quarter alone, total revenue increased to € 79.5 million (€ 74.2 million). Sales revenue was € 74.4 million (€ 70.3 million). At € 5.0 million, other revenue raised (€ 4.0 million). Personnel expenses were € 16.8 million (€ 16.4 million). Depreciation/amortisation and impairments increased to € 4.7 million (€ 2.9 million) as described above. Other operating expenses declined to € 24.9 million (€ 25.8 million).

EBIT improved to € –3.5 million (€ –5.1 million) in the second quarter. With a finance cost of € –0.2 million (€ 0.1 million), EBT was € –3.7 million (€ –5.0 million).

### Banking segment

Total revenue increased by 3.9 % to € 40.3 million (€ 38.8 million) in the first half year, of which sales revenue represented € 38.1 million (€ 36.8 million) and other revenue € 2.3 million (€ 2.0 million). Commission expenses increased to € 15.6 million (€ 15.1 million). Interest expenses fell to € 0.2 million (€ 0.5 million). The loan loss provisions increased to € -1.3 million (€ 0.4 million), largely influenced by impairments. Personnel expenses were € 6.0 million (€ 5.3 million). Depreciation/amortisation and impairments were € 0.1 million (€ 0.0 million), while other operating expenses declined to € 16.8 million (€ 17.5 million). At € 0.3 million, EBIT was slightly below the previous year's level (€ 0.8 million). With a finance cost of € 0.0 million (€ 0.0 million), EBT was € 0.3 million (€ 0.8 million).

Considering the second quarter alone, total revenue rose by 6.3 % to € 21.2 million (€ 19.9 million). Sales revenue increased to € 20.0 million (€ 18.7 million), while at € 1.3 million (€ 1.2 million) other revenue remained at virtually the same level as in the previous year. Commission expenses increased to € 8.4 million (€ 7.7 million). Interest expenses declined to € 0.1 million (€ 0.3 million). Administrative expenses increased slightly to € 12.0 million (€ 11.5 million). EBIT therefore reached € 0.0 million (€ 0.0 million). With a finance cost of € 0.0 million (€ 0.0 million), EBT was € 0.0 million (€ 0.0 million) and therefore remained at the previous year's level.

### FERI segment

Total revenue at FERI rose by 7.8 % to € 77.9 million (€ 72.2 million) in the first half year of 2019. Sales revenue rose to € 76.0 million (€ 70.6 million). Supported by an increase in new business, as well as greater performance-based income from alternative investment concepts, it was possible to more than compensate for the lower performance fees, themselves caused by capital market developments. Other revenue increased to € 1.8 million (€ 1.6 million).

As a result of higher sales revenue, commission expenses increased to € 47.5 million (€ 42.6 million). Loan loss provisions were € -0.1 million (€ 0.0 million). Personnel expenses amounted to € 15.8 million (€ 15.2 million). Depreciation/amortisation and impairments increased to € 1.1 million (€ 0.6 million). Other operating expenses fell to € 4.4 million (€ 4.9 million). At € 9.0 million, EBIT remained at the previous year's level (€ 9.0 million). At a finance cost of € -0.2 million (€ 0.0 million), EBT stood at € 8.8 million (€ 8.9 million).

Considering the second quarter alone, total revenue rose by 6.9 % to € 40.1 million (€ 37.5 million), while sales revenue increased to € 39.2 million (€ 36.5 million). At € 0.9 million (€ 1.0 million), other revenue remained virtually at the same level as in the previous year. Commission expenses increased to € 24.2 million (€ 21.6 million). At € 10.8 million (€ 10.7 million), administrative expenses remained at the previous year's level. EBIT therefore reached € 5.0 million (€ 5.3 million). With a finance cost of € -0.1 million (€ 0.0 million), EBT was € 4.9 million (€ 5.2 million).

### DOMCURA segment

The DOMCURA segment primarily generates revenue from the brokering of non-life insurance. DOMCURA's business model is characterised by a high degree of seasonality. Accordingly, the subsidiary records high revenue and comparably high earnings in the first quarter of each year. This is then typically followed by a loss from Q2 to Q4.

Total revenue increased by 6.4 % to € 56.2 million (€ 52.8 million) in the first half year, while sales revenue rose to € 55.6 million (€ 51.7 million). This primarily reflects the premium volumes received. Other revenue was € 0.6 million (€ 1.1 million). The previous year's higher figure was influenced by a one-off positive effect.

Commission expenses also rose to € 36.4 million (€ 34.4 million). This is primarily attributable to higher sales revenue. Allowances for losses remained unchanged at € 0.0 million (€ 0.0 million). Personnel expenses increased slightly to € 7.7 million (€ 7.4 million). Depreciation/amortisation and impairments increased to € 1.0 million (€ 0.7 million). At € 3.4 million (€ 3.5 million), other operating expenses remained at the same level as the previous year. EBIT thus rose by 10.3 % to € 7.6 million (€ 6.9 million). With a finance cost of € -0.1 million (€ 0.0 million), EBT was € 7.5 million (€ 6.9 million).

Considering the second quarter alone, total revenue was € 16.7 million (€ 16.7 million) and thus remained at the same level as in the previous year. Sales revenue rose by 3.6 % to € 16.3 million (€ 15.7 million) and other revenue declined to € 0.4 million (€ 1.0 million). Commission expenses were € 11.3 million (€ 11.2 million). Administration costs increased to € 5.9 million (€ 5.6 million), as such EBIT was € -0.4 million (€ 0.0 million). With an unchanged finance cost of € 0.0 million (€ 0.0 million), EBT was € -0.4 million (€ 0.0 million).

### Holding segment

The Holding segment does not have active operations. Total revenue in the first six months of the year was € 4.5 million (€ 4.6 million). This can essentially be attributed to the leasing of buildings to affiliated companies. Personnel expenses rose to € 2.2 million (€ 1.7 million). This increase can in particular be attributed to greater expenses for variable compensation due to the successful business development. Depreciation/amortisation and impairment was € 0.8 million (€ 0.8 million). Other operating expenses increased slightly to € 4.6 million (€ 4.5 million). EBIT therefore reached € -3.1 million (€ -2.3 million). With a finance cost of € -0.2 million (€ -0.2 million), EBT was € -3.3 million (€ -2.5 million).

Considering the second quarter alone, total revenue was € 2.2 million (€ 2.4 million). Personnel expenses declined to € 0.6 million (€ 0.7 million). At € 0.4 million (€ 0.4 million), depreciation/amortisation and impairment remained at the previous year's level. Other operating expenses rose to € 2.6 million (€ 2.3 million). EBIT therefore totalled € -1.4 million (€ -1.1 million). At an unchanged finance cost of € -0.1 million, EBT was € -1.5 million (€ -1.1 million).

## Employees and self-employed client consultants

As MLP is a knowledge-based service provider, qualified and motivated employees and consultants represent the most important foundation for sustainable company success. The focus is therefore on continuous further development of personnel work, qualifications and further training, as well as recruiting new consultants.

The number of employees rose to 1,746 (1,715) in the reporting period. The increase can essentially be attributed to employees returning from parental leave, as well as new recruitments.

### Development of number of employees by segment (excluding MLP consultants)

Segment	June 30, 2019	June 30, 2018
Financial consulting	1,054	1,052
Banking	186	178
FERI	236	221
DOMCURA	264	258
Holding	6	6
<b>Total</b>	<b>1,746</b>	<b>1,715</b>

As of June 30, 2019, 1,913 self-employed client consultants worked for MLP. This represents a rise of more than 30 consultants compared to the previous year. The decline relative to the end of 2018 (1,928) is essentially the result of the usual seasonal effects in the first quarter.



## RISK AND OPPORTUNITY REPORT

MLP's group-wide early risk detection and monitoring system is used as the basis for a group-wide active risk management. This system ensures appropriate identification, assessment, controlling, monitoring and communication of the major risks. The objective of the integrated opportunity management approach employed by the MLP Group is to secure systematic and early identification of opportunities and their assessment.

There were no significant changes to the risk or opportunity situation of the MLP Group in the reporting period. There were no extraordinary charges within the scope of our counterparty default, market price and liquidity risks, operational risks or other risks in the first half of 2019. The MLP Group has sufficient liquid funds at its disposal. Our core capital ratio on the reporting date, June 30, 2019, was 18.5 % (December 31, 2018: 19.64 %) and therefore remains above the 8 % stipulated by the supervisory regulations plus 2.5 % capital conservation buffer. The lower ratio is a result of dividend payments to our shareholders. There are currently no identifiable risks that threaten the going-concern of the MLP Group.

You can find a detailed presentation of the business risks and opportunities, as well as a detailed description of our risk and opportunity management system in our risk and opportunity report in the 2018 Annual Report of the MLP Group.

## FORECAST

### Future overall economic development

There were no significant changes to our expectations for future overall economic development in the reporting period.

The experts at FERI Investment Research are predicting GDP growth of 0.7 % in Germany for 2019.

You can find a detailed presentation on this in the Forecast included in the 2018 Annual Report of the MLP Group.

## Future industry situation and competitive environment

Neither the competitive conditions nor the regulatory environment saw any significant changes in the first half of the year in comparison with the description provided in the MLP Group Annual Report 2018.

The market environment in the old-age provision area remains challenging. The ongoing period of low interest rates is leading consumers to generally display less interest in saving processes, while willingness to conclude long-term contracts is even lower. At the same time, however, the market potential in the old-age provision area remains promising, particularly among MLP's clientèle. After all, the statutory pension level is likely to decline further, whereas the average life expectancy is set to increase. Young professionals are particularly aware of this pension shortfall. In addition there is still potential to be tapped in the occupational pension provision area. In this area, the measures associated with the legislation to strengthen occupational pension provision in Germany are likely to stimulate further dynamism in the market.

The market environment in the wealth management area is proving even more difficult than in the past. Alongside risks in the eurozone, the trade dispute between the US and China is threatening to increase volatility on the financial markets. This could result in a further decline in the willingness to invest in the capital market among savers in Germany, who are already highly averse to risk. According to the experts from FERL, there are also signs of a bubble in the bond segment. At around € 11.9 trillion, the total value of corporate bonds worldwide has in fact reached an all-time high. Around 30 % of corporate bonds provide a negative return, even including junk bonds.

The non-life insurance business is likely to become even more important. According to a survey of insurance brokers performed by AssCompact, some 80 % of respondents believe that the private non-life insurance business will be highly relevant in the next few years.

The private health insurance (PKV) is unlikely to enjoy any significant improvements in terms of market conditions. As a result of the Statutory Health Insurance Contribution Relief Act, the competitive position of comprehensive private insurance providers is also likely to be further weakened in the second half of the year.

There is no end in sight to the low interest rate phase in the loans and mortgages area. In fact, the ECB and the US Federal Reserve are actually each considering lowering the respective prime rate again. No improvement in conditions should therefore be anticipated in the financing and investment area. In June 2019, the grand coalition discussed a property tax reform. However, this requires an amendment to the German constitution. A solution is set to be found for this by the end of the year. Accordingly, the property tax reform will not have any influence on market conditions in the current financial year.

In 2018, the German Federal Ministry of Finance (BMF) published an evaluation report on the Life Insurance Reform Act (LVRG). No draft bill has yet been passed. Even if a draft bill is passed, introduction is only planned from 2021 onwards. No effects on the current or the next financial year are therefore to be anticipated. In addition, the current draft bill provides the opportunity for brokers such as MLP, which provide higher quality consulting and services, to invoice insurers separately for said services.

## Anticipated business development

Developments in the first half year were essentially in line with our expectations. Following on from the first six months of the year, we remain committed to the statements made in the Forecast section of the 2018 Annual Report that we will achieve a slight increase in EBIT in the financial year 2019.

We essentially remain committed to the qualitative assessment of our revenue forecast. However, development in the old-age provision area (forecast: stable development) could also prove more positive than previously anticipated by us. At the same time, other consulting areas are primarily facing risks due to market conditions, meaning that the development could be slightly lower than anticipated at the start of the year. You can find details on our forecast in the Annual Report of the MLP Group at [www.mlp-annual-report.com](http://www.mlp-annual-report.com).

## Income statement and statement of comprehensive income

### Income statement for the period from January 1 to June 30, 2019

All figures in €'000	Notes	2nd quarter 2019	2nd quarter 2018	1st half year 2019	1st half year 2018
Revenue	(6)	147,777	139,259	321,788	304,000
Other Revenue		3,644	3,407	7,445	6,607
<b>Total revenue</b>		<b>151,421</b>	<b>142,666</b>	<b>329,233</b>	<b>310,607</b>
Commission expenses	(7)	-79,152	-73,352	-173,233	-160,982
Interest expenses		-151	-292	-284	-453
Valuation result/loan loss provisions		-768	-474	-1,495	35
Personnel expenses	(8)	-32,198	-31,195	-65,829	-62,551
Depreciation and impairments	(9)	-6,296	-3,926	-12,597	-7,712
Other operating expenses	(10)	-33,927	-35,137	-64,860	-67,953
Earnings from investments accounted for using the equity method		758	755	1,273	1,088
<b>Earnings before interest and tax (EBIT)</b>		<b>-314</b>	<b>-955</b>	<b>12,208</b>	<b>12,079</b>
Other interest and similar income		46	23	193	77
Other interest and similar expenses		-398	-25	-827	-483
Valuation result not relating to operating activities		6	9	41	3
<b>Finance cost</b>	<b>(11)</b>	<b>-347</b>	<b>7</b>	<b>-593</b>	<b>-403</b>
<b>Earnings before tax (EBT)</b>		<b>-661</b>	<b>-948</b>	<b>11,615</b>	<b>11,676</b>
Income taxes		552	1,428	-2,580	-1,881
<b>Net profit</b>		<b>-109</b>	<b>480</b>	<b>9,035</b>	<b>9,795</b>
Of which attributable to					
owners of the parent company		-109	480	9,035	9,795
<b>Earnings per share in €<sup>1</sup></b>					
basic/diluted		0.00	0.00	0.08	0.09

<sup>1</sup> Basis of calculation: average number of ordinary shares outstanding at June 30, 2019: 109,204,487.

### Statement of comprehensive income for the period from January 1 to June 30, 2019

All figures in €'000	2nd quarter 2019	2nd quarter 2018	1st half year 2019	1st half year 2018
<b>Net profit</b>	<b>-109</b>	<b>480</b>	<b>9,035</b>	<b>9,795</b>
Gains/losses due to the revaluation of defined benefit obligations	-1,691	423	-6,948	423
Deferred taxes on non-reclassifiable gains/losses	504	-125	2,050	-75
<b>Non reclassifiable gains/losses</b>	<b>-1,187</b>	<b>298</b>	<b>-4,897</b>	<b>348</b>
<b>Other comprehensive income</b>	<b>-1,187</b>	<b>298</b>	<b>-4,897</b>	<b>348</b>
<b>Total comprehensive income</b>	<b>-1,296</b>	<b>778</b>	<b>4,138</b>	<b>10,142</b>
Of which attributable to				
owners of the parent company	-1,296	778	4,138	10,142

## Statement of financial position

### Assets as of June 30, 2019

All figures in €'000	Notes	June 30, 2019	Dec 31, 2018
Intangible assets		152,668	155,892
Property, plant and equipment	(12)	132,806	78,270
Investments accounted for using the equity method		2,892	4,186
Deferred tax assets		6,533	5,368
Receivables from clients in the banking business		787,234	761,027
Receivables from banks in the banking business		687,337	694,210
Financial assets	(13)	178,371	165,279
Tax refund claims		18,558	12,758
Other receivables and assets	(14)	148,285	158,123
Cash and cash equivalents		471,725	385,926
<b>Total</b>		<b>2,586,409</b>	<b>2,421,038</b>

### Liabilities and shareholders' equity as of June 30, 2019

All figures in €'000	Notes	June 30, 2019	Dec 31, 2018
Shareholders' equity	(15)	406,264	424,826
Provisions		85,720	94,485
Deferred tax liabilities		9,170	10,245
Liabilities due to clients in the banking business		1,797,922	1,638,892
Liabilities due to banks in the banking business		92,355	81,625
Tax liabilities		4,873	5,197
Other liabilities	(14)	190,105	165,768
<b>Total</b>		<b>2,586,409</b>	<b>2,421,038</b>

## Condensed statement of cash flow

### Condensed statement of cash flow for the period from January 1 to June 30, 2019

All figures in €'000	1st half year 2019	1st half year 2018
Cashflow from operating activities	129,056	50,495
Cashflow from investing activities	-15,733	1,929
Cashflow from financing activities	-27,524	-21,866
<b>Change in cash and cash equivalents</b>	<b>85,799</b>	<b>30,558</b>
Cash and cash equivalents at the end of the period	471,725	331,571

### Condensed statement of cash flow for the period from April 1 to June 30, 2019

All figures in €'000	2nd quarter 2019	2nd quarter 2018
Cashflow from operating activities	12,065	-16,244
Cashflow from investing activities	-14,393	4,567
Cashflow from financing activities	-24,756	-21,866
<b>Change in cash and cash equivalents</b>	<b>-27,084</b>	<b>-33,544</b>
Cash and cash equivalents at the end of the period	471,725	331,571

The notes on the statement of cash flow appear in Note 16.

## Statement of changes in equity

### Statement of changes in equity for the period from January 1 to June 30, 2019

All figures in €'000	Equity attributable to MLP SE shareholders					
	Share capital	Capital reserves	Gains/losses from changes in the fair value of available-for-sale securities <sup>1</sup>	Revaluation gains/losses related to defined benefit obligations after taxes	Retained earnings	Total shareholders equity
<b>As of January 1, 2018</b>	<b>109,335</b>	<b>148,754</b>	<b>959</b>	<b>-12,184</b>	<b>158,072</b>	<b>404,935</b>
Effects from first-time adoption of IFRS 9 and IFRS 15	-	-	-959	-	8,807	7,848
<b>As of January 1, 2018</b>	<b>109,335</b>	<b>148,754</b>	<b>-</b>	<b>-12,184</b>	<b>166,880</b>	<b>412,783</b>
Acquisition of treasury stock	-4	-	-	-	-18	-23
Share-based payment	-	-1,059	-	-	-	-1,059
Dividend	-	-	-	-	-21,866	-21,866
<b>Transactions with owners</b>	<b>-4</b>	<b>-1,059</b>	<b>-</b>	<b>-</b>	<b>-21,885</b>	<b>-22,948</b>
Net profit	-	-	-	-	9,795	9,795
Other comprehensive income	-	-	-	348	-	348
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>9,795</b>	<b>10,142</b>
<b>As of June 30, 2018</b>	<b>109,331</b>	<b>147,695</b>	<b>-</b>	<b>-11,837</b>	<b>154,790</b>	<b>399,978</b>
<b>As of January 1, 2019</b>	<b>109,167</b>	<b>149,227</b>	<b>-</b>	<b>-12,518</b>	<b>178,951</b>	<b>424,826</b>
Acquisition of treasury stock	168	-	-	-	555	722
Share-based payment	-	-1,555	-	-	-	-1,555
Dividend	-	-	-	-	-21,867	-21,867
<b>Transactions with owners</b>	<b>168</b>	<b>-1,555</b>	<b>-</b>	<b>-</b>	<b>-21,312</b>	<b>-22,699</b>
Net profit	-	-	-	-	9,035	9,035
Other comprehensive income	-	-	-	-4,897	-	-4,897
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-4,897</b>	<b>9,035</b>	<b>4,138</b>
<b>As of June 30, 2019</b>	<b>109,334</b>	<b>147,672</b>	<b>-</b>	<b>-17,415</b>	<b>166,674</b>	<b>406,264</b>

<sup>1</sup> Reclassifiable gains/losses.

## Interim financial statements of the Group

### 1 Information about the company

The consolidated financial statements were prepared by MLP SE, Wiesloch, Germany, the parent company of the MLP Group. MLP SE is listed in the Mannheim Commercial Register under the number HRB 728672 at the address Alte Heerstraße 40, 69168 Wiesloch, Germany.

Since it was founded in 1971, MLP has been operating as a broker and adviser for academics and other discerning clients in the fields of old-age provision including occupational pension provision, healthcare provision, non-life insurance, financing, wealth management and banking services.

### 2 Principles governing the preparation of the financial statements

The interim financial report has been prepared in line with the regulations set out in IAS 34 (Interim financial reporting). It is based on the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable within the European Union (EU). In accordance with the provisions of IAS 34, the scope of the report has been reduced compared to the consolidated financial statements as of December 31, 2018.

Except for the changes presented in Note (3), the condensed consolidated interim financial statements are based on the accounting and valuation methods as well as the consolidation principles that were applied to the Group financial statements for the financial year 2018. These are presented in the Group notes of the Annual Report 2018 that can be downloaded from the company's website ([www.mlp-se.com](http://www.mlp-se.com)).

The interim financial statements have been drawn up in euros (€), which is the functional currency of the parent company. Unless otherwise specified, all amounts are stated in thousands of euros (€'000). Both single and cumulative figures are values with the smallest rounding difference. As a result, differences to reported total amounts may arise when adding up the individual values.



### 3 Adjustments to the accounting policies

The accounting policies applied are the same as those used in the previous year, with the following exceptions:

In the financial year 2019, the following new or amended accounting principles from the IFRS standards are to be used for MLP for the first time:

- IFRS 16 Leases
- Amendments to IAS 19: Plan amendments, curtailments, settlements
- Amendments to IAS 28 and IFRS 10: Long-term investments in associates and joint ventures
- Revisions to the IFRS 2015-2017
- IFRIC 23 Uncertainty over Income Tax Treatments

The transition to IFRS 16 was performed in line with the modified retrospective approach. Comparative figures from the respective periods of previous years will not be adjusted.

The following tables show the adjustments that have been recorded for every single item.

## Effects on the consolidated balance sheet

### Assets

All figures in €'000	Dec 31, 2018	IFRS 16 effects	Jan 1, 2019
Intangible assets	155,892	–	155,892
Property, plant and equipment	78,270	54,418	132,688
Investments accounted for using the equity method	4,186	–	4,186
Deferred tax assets	5,368	–	5,368
Receivables from clients in the banking business	761,027	–	761,027
Receivables from banks in the banking business	694,210	–	694,210
Financial assets	165,279	–	165,279
Tax refund claims	12,758	–	12,758
Other receivables and assets	158,123	–	158,123
Cash and cash equivalents	385,926	–	385,926
<b>Total</b>	<b>2,421,038</b>	<b>54,418</b>	<b>2,475,456</b>

### Liabilities and shareholders' equity

All figures in €'000	Dec 31, 2018	IFRS 16 effects	Jan 1, 2019
Total shareholders' equity	424,826	–	424,826
Provisions	94,485	–	94,485
Deferred tax liabilities	10,245	–	10,245
Liabilities due to clients in the banking business	1,638,892	–	1,638,892
Liabilities due to banks in the banking business	81,625	–	81,625
Tax liabilities	5,197	–	5,197
Other liabilities	165,768	54,418	220,186
<b>Total</b>	<b>2,421,038</b>	<b>54,418</b>	<b>2,475,456</b>

While other financial commitments from operating leasing agreements of € 62,311 thsd were disclosed in the 2018 consolidated financial statements, leasing liabilities in accordance with IFRS 16 of € 54,418 thsd are disclosed as of January 1, 2019. The resulting gap is mainly caused by the non-consideration of non-leasing-components according to IFRS 16. Amongst other things the discounting of the lease liability represents another effect.

No effects on retained earnings in shareholders' equity occur at the time of initial adoption as a result of recognising the rights of use at the level of the corresponding leasing liabilities.

On January 1, 2019 the usage rights from operating leases included under "property, plant and equipment", € 52,804 thsd are attributable to rented buildings and € 1,614 thsd to vehicle leasing.

**IFRS 16**

For lessees, IFRS 16 introduces a uniform approach for the accounting of leases, based on which assets for usage rights to the lease objects and liabilities for payment obligations received are to be disclosed for all leases in the balance sheet.

MLP utilises the simplified application rules for short-term leases. Leasing payments made within the scope of these agreements are recognised on a straight-line basis over the term of the lease as other operating expenses.

Non-leasing components are not taken into account in the recognised right-of-use asset.

With the initial adoption of IFRS 16, the Group recorded leasing liabilities for leases previously treated as operating leases in line with IAS 17. Among other things, the liability includes fixed payments minus any leasing incentives granted, as well as variable leasing payments that are linked to an index. These liabilities are rated at the present value of the leasing payments still outstanding as at January 1, 2019, discounted using the lessee's incremental borrowing rate of interest. This was 1.0 % p.a. on January 1, 2019.

The right to use the respective lease object is capitalised in a simplified approach with an amount equal to the leasing liability, adjusted to take into account advance payments or deferred leasing payments.

Usage rights are rated at acquisition costs, which have the following structure:

- All leasing payments made within the scope of the leasing agreement less any leasing incentives granted
- All initial direct costs accrued by the lessee and
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which the asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The contracts taken into account with regard to IFRS 16 include in particular the rental of office building and vehicle leasing. The rental agreements for office buildings are typically concluded for a period up to 10 years, while the rental agreements for vehicles have an average term of between 3 and 4 years. To maintain operational flexibility with regard to the portfolio of agreements, MLP incorporates extension and termination options as a contractual strategy element.

**4 Seasonal influences on the business operations**

Due to the seasonal development of its business, the Group generally expects earnings to be higher in the second half year than in the first half year.

**5 Reportable business segments**

There were no significant changes in comparison with December 31, 2018.

## Reportable business segments

### Information regarding reportable business segments (quarterly comparison)

	Financial services		Banking	
	2nd quarter 2019	2nd quarter 2018	2nd quarter 2019	2nd quarter 2018
<b>All figures in €'000</b>				
Revenue	74,442	70,278	19,950	18,740
of which total inter-segment revenue	1,323	1,198	810	800
Other revenue	5,044	3,962	1,258	1,204
of which total inter-segment revenue	3,188	3,200	824	742
<b>Total revenue</b>	<b>79,486</b>	<b>74,240</b>	<b>21,208</b>	<b>19,945</b>
Commission expenses	-37,352	-34,850	-8,375	-7,712
Interest expenses	-	-	-138	-292
Loan loss provisions / valuation result	-34	-128	-743	-416
Personnel expenses	-16,755	-16,442	-3,138	-2,669
Depreciation and impairment	-4,741	-2,866	-62	-23
Other operating expenses	-24,874	-25,798	-8,753	-8,847
Earnings from investments accounted for using the equity method	758	755	-	-
<b>Segment earnings before interest and tax (EBIT)</b>	<b>-3,513</b>	<b>-5,089</b>	<b>0</b>	<b>-15</b>
Other interest and similar income	95	3	7	29
Other interest and similar expenses	-289	84	-12	-10
Valuation result not relating to operating activities	4	4	-	-
<b>Finance cost</b>	<b>-191</b>	<b>90</b>	<b>-6</b>	<b>19</b>
<b>Earnings before tax (EBT)</b>	<b>-3,703</b>	<b>-5,000</b>	<b>-6</b>	<b>4</b>
Income taxes				
<b>Net profit</b>				

FERI		DOMCURA		Holding		Consolidation		Total	
2nd quarter 2019	2nd quarter 2018	2nd quarter 2019	2nd quarter 2018	2nd quarter 2019	2nd quarter 2018	2nd quarter 2019	2nd quarter 2018	2nd quarter 2019	2nd quarter 2018
39,235	36,520	16,284	15,717	–	–	–2,133	–1,997	147,777	139,259
–	–	–	–	–	–	–2,133	–1,997	–	–
871	1,002	446	981	2,205	2,371	–6,181	–6,113	3,644	3,407
–	–	–	–	2,169	2,171	–6,181	–6,113	–	–
<b>40,106</b>	<b>37,522</b>	<b>16,730</b>	<b>16,698</b>	<b>2,205</b>	<b>2,371</b>	<b>–8,313</b>	<b>–8,110</b>	<b>151,421</b>	<b>142,666</b>
–24,245	–21,562	–11,260	–11,171	–	–	2,080	1,944	–79,152	–73,352
–	–	–	–	–	–	–14	–	–151	–292
–60	–27	69	98	0	0	–	–	–768	–474
–8,046	–7,893	–3,700	–3,494	–558	–697	–	–	–32,198	–31,195
–563	–301	–527	–341	–404	–394	–	–	–6,296	–3,926
–2,158	–2,479	–1,722	–1,806	–2,611	–2,330	6,191	6,123	–33,927	–35,137
–	–	–	–	–	–	–	–	758	755
5,034	5,258	–409	–15	–1,369	–1,051	–56	–43	–314	–955
–5	–3	–12	0	–42	–6	3	0	46	23
–114	–40	–8	–6	–87	–84	112	31	–398	–25
0	0	–1	0	3	6	–	–	6	9
–118	–43	–21	–5	–126	–84	115	31	–347	7
<b>4,915</b>	<b>5,215</b>	<b>–430</b>	<b>–21</b>	<b>–1,496</b>	<b>–1,135</b>	<b>58</b>	<b>–12</b>	<b>–661</b>	<b>–948</b>
								552	1,428
								<b>–109</b>	<b>480</b>

## Information regarding reportable business segments (half-yearly comparison)

	Financial services		Banking	
	1st half year 2019	1st half year 2018	1st half year 2019	1st half year 2018
<b>All figures in €'000</b>				
Revenue	158,643	151,006	38,051	36,807
of which total inter-segment revenue	4,882	4,511	1,608	1,551
Other revenue	10,607	9,636	2,255	2,000
of which total inter-segment revenue	6,458	6,589	1,618	1,478
<b>Total revenue</b>	<b>169,250</b>	<b>160,642</b>	<b>40,306</b>	<b>38,807</b>
Commission expenses	-80,085	-74,932	-15,576	-15,106
Interest expenses	-	-	-219	-453
Loan loss provisions / valuation result	-155	-307	-1,256	361
Personnel expenses	-34,139	-33,054	-6,030	-5,252
Depreciation and impairment	-9,538	-5,632	-94	-46
Other operating expenses	-47,953	-49,945	-16,844	-17,497
Earnings from investments accounted for using the equity method	1,273	1,088	-	-
<b>Segment earnings before interest and tax (EBIT)</b>	<b>-1,348</b>	<b>-2,139</b>	<b>287</b>	<b>813</b>
Other interest and similar income	249	58	14	27
Other interest and similar expenses	-614	-282	-19	-20
Valuation result not relating to operating activities	14	1	-	-
<b>Finance cost</b>	<b>-351</b>	<b>-222</b>	<b>-5</b>	<b>7</b>
<b>Earnings before tax (EBT)</b>	<b>-1,699</b>	<b>-2,361</b>	<b>282</b>	<b>820</b>
Income taxes				
<b>Net profit</b>				

FERI		DOMCURA		Holding		Consolidation		Total	
1st half year 2019	1st half year 2018	1st half year 2019	1st half year 2018	1st half year 2019	1st half year 2018	1st half year 2019	1st half year 2018	1st half year 2019	1st half year 2018
76,022	70,599	55,562	51,650	–	–	–6,490	–6,062	321,788	304,000
–	–	–	–	–	–	–6,490	–6,062	–	–
1,838	1,639	624	1,138	4,535	4,601	–12,413	–12,408	7,445	6,607
–	–	–	–	4,337	4,342	–12,413	–12,408	–	–
<b>77,860</b>	<b>72,238</b>	<b>56,186</b>	<b>52,788</b>	<b>4,535</b>	<b>4,601</b>	<b>–18,903</b>	<b>–18,470</b>	<b>329,233</b>	<b>310,607</b>
–47,522	–42,583	–36,419	–34,372	–	–	6,369	6,010	–173,233	–160,982
–	–	–	–	–	–	–66	–	–284	–453
–72	11	–12	–30	0	0	–	–	–1,495	35
–15,757	–15,177	–7,748	–7,386	–2,155	–1,682	–	–	–65,829	–62,551
–1,115	–593	–1,033	–650	–817	–790	–	–	–12,597	–7,712
–4,408	–4,943	–3,410	–3,491	–4,631	–4,476	12,386	12,399	–64,860	–67,953
–	–	–	–	–	–	–	–	1,273	1,088
<b>8,987</b>	<b>8,953</b>	<b>7,565</b>	<b>6,859</b>	<b>–3,069</b>	<b>–2,347</b>	<b>–214</b>	<b>–61</b>	<b>12,208</b>	<b>12,079</b>
–2	5	–46	6	–64	–3	43	–16	193	77
–208	–47	–16	–7	–182	–182	212	54	–827	–483
0	0	1	0	26	2	–	–	41	3
–209	–43	–61	–1	–220	–183	254	38	–593	–403
<b>8,778</b>	<b>8,910</b>	<b>7,503</b>	<b>6,858</b>	<b>–3,289</b>	<b>–2,529</b>	<b>41</b>	<b>–23</b>	<b>11,615</b>	<b>11,676</b>
								–2,580	–1,881
								<b>9,035</b>	<b>9,795</b>

## 6 Revenue

All figures in €'000	2nd quarter 2019	2nd quarter 2018	1st half year 2019	1st half year 2018
Wealth management	54,464	50,030	104,707	97,523
Old-age-provision	45,956	42,455	83,973	76,170
Non-life-insurance	21,841	21,101	81,726	77,305
Health insurance	11,686	11,512	23,801	23,194
Loans and mortgages	3,874	3,661	8,997	8,882
Real estate brokerage	4,836	5,170	8,142	10,057
Other commission and fees	921	841	1,991	2,023
<b>Total commission income</b>	<b>143,577</b>	<b>134,770</b>	<b>313,336</b>	<b>295,154</b>
<b>Interest income</b>	<b>4,200</b>	<b>4,488</b>	<b>8,452</b>	<b>8,846</b>
<b>Total</b>	<b>147,777</b>	<b>139,258</b>	<b>321,788</b>	<b>304,000</b>

Sales revenues are regularly realised with reference to a point in time. Revenue recognised over time of € 123.146 thsd (previous year: € 117,985 thsd) was generated from the old-age provision business in the financial consulting segment, from the health insurance business in the financial consulting and DOMCURA segments, as well as from the wealth management business in the financial consulting and FERI segments.

## 7 Commission expenses

Commission expenses for the period from January 1 to June 30, 2019 increased over the same period in the previous year from € 160,982 thsd to € 173,233 thsd. They include commission payments and other compensation components for the self-employed MLP consultants, as well as the compensation for sales partners at the remaining subsidiaries. For further details, please refer to the “Results of operations” section in the Interim group management report.

## 8 Personnel expenses/Number of employees

Personnel expenses for the period from January 1 to June 30, 2019 increased from € 62,551 thsd to € 65,829 thsd compared to the same period in the previous year. For further details, please refer to the “Employees and self-employed client consultants” section of the Interim group management report. As of June 30, 2019, the number of employees by operating segment are as:

	June 30, 2019			June 30, 2018		
		of which executive employees	of which marginal part- time employees		of which executive employees	of which marginal part- time employees
Financial Services	1,054	32	25	1,052	33	24
Banking	186	6	4	178	6	4
FERI	236	7	45	221	7	33
DOMCURA	264	9	14	258	9	14
Holding	6	1	–	6	1	–
<b>Total</b>	<b>1,746</b>	<b>55</b>	<b>88</b>	<b>1,715</b>	<b>56</b>	<b>75</b>



## 9 Depreciation and impairments

All figures in €'000	2nd quarter 2019	2nd quarter 2018	1st half year 2019	1st half year 2018
Intangible assets	2,074	2,577	4,291	5,064
Property, plant and equipment	4,222	1,349	8,306	2,648
Of which Property, plant and equipment	1,347	1,349	2,702	2,648
Of which rights of use	2,875	–	5,604	–
<b>Depreciation</b>	<b>6,296</b>	<b>3,926</b>	<b>12,597</b>	<b>7,712</b>
<b>Impairment</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>6,296</b>	<b>3,926</b>	<b>12,597</b>	<b>7,712</b>

The depreciation of property, plant and equipment in the first half of 2019 includes amortisation expenses of € 5,604 thsd for the capitalised right of use as per IFRS 16.

**10 Other operating expenses**

All figures in €'000	2nd quarter 2019	2nd quarter 2018	1st half year 2019	1st half year 2018
IT operations	11,622	12,188	23,257	23,735
Consultancy	3,126	2,568	6,118	4,973
Other external services	2,777	1,871	5,490	3,860
Administration operations	2,537	2,830	5,089	5,399
External services – banking business	2,229	2,325	4,257	4,316
Representation and advertising	1,385	1,474	2,691	2,729
Travel expenses	1,712	1,477	2,563	2,314
Premiums and fees	1,026	1,085	2,313	2,611
Training and further education	1,117	957	2,009	1,940
Insurance	1,199	840	1,742	1,406
Entertainment expenses	1,079	1,035	1,742	1,869
Expenses for commercial agents	1,028	794	1,534	1,824
Maintenance	815	375	1,473	681
Other employee-related expenses	515	361	1,061	689
Audit	405	305	725	621
Supervisory Board compensation	237	247	470	501
Rental and leasing	72	3,319	240	6,528
Goodwill	84	134	126	251
Sundry other operating expenses	960	950	1,961	1,706
<b>Total</b>	<b>33,927</b>	<b>35,137</b>	<b>64,860</b>	<b>67,953</b>

The costs of IT operations are mainly attributable to IT services and computer centre services that have been outsourced to an external service provider. The expenses for administration operations include costs relating to building operations, office costs and communication costs. The consulting costs are made up of tax advice costs, legal advice costs as well as general and IT consulting costs. The item “External services – banking business” mainly contains securities settlement and transaction costs in connection with the MLP credit card. Expenses for representation and advertising include costs incurred due to media presence and client information activities. Sundry other operating expenses essentially comprise expenses for other taxes, charitable donations, passenger vehicles, as well as for magazines and literature.

## 11 Finance cost

All figures in €'000	2nd quarter 2019	2nd quarter 2018	1st half year 2019	1st half year 2018
Other interest and similar income	46	23	193	77
Other interest and similar expenses	-398	-25	-827	-483
Valuation result not relating to operating activities	6	9	41	3
<b>Finance cost</b>	<b>-347</b>	<b>7</b>	<b>-593</b>	<b>-403</b>

Other interest and similar income includes negative interest on bank deposits of € -126 thsd (previous year: € -97 thsd). Other interest and similar expenses includes € -221 thsd in interest expenses from net obligations for defined benefit obligations carried on the balance sheet (previous year: € -212 thsd). Other interest and similar expenses includes expenses from accrued interest on leasing liabilities of € -300 thsd pursuant to IFRS 16.

## 12 Property, plant and equipment

With the initial adoption of IFRS 16, usage rights from leases are disclosed under the "property, plant and equipment" item. On June 30, 2019 the usage rights from operating leases amounted to € 55,474 thsd of which € 54,023 thsd are attributable to rented buildings and € 1,451 thsd to vehicle leasing.

## 13 Financial assets

All figures in €'000	June 30, 2019	Dec 31, 2018
Measured at amortised cost	87,579	86,219
Measured at fair value through profit or loss	10,143	9,925
<b>Debenture and other fixed income securities</b>	<b>97,721</b>	<b>96,144</b>
Measured at fair value through profit or loss	3,504	3,157
<b>Shares and other variable yield securities</b>	<b>3,504</b>	<b>3,157</b>
<b>Fixed and time deposits (loans and receivables)</b>	<b>70,010</b>	<b>59,995</b>
<b>Investments in non-consolidated subsidiaries</b>	<b>6,990</b>	<b>5,799</b>
<b>Investments</b>	<b>145</b>	<b>184</b>
<b>Total</b>	<b>178,371</b>	<b>165,279</b>

## 14 Other accounts receivables and assets/other liabilities

Due to the seasonal nature of the business with strong year-end performance, high receivables due from insurance companies, as well as high liabilities due to commercial agents that were settled in the first quarter of 2019 were to be disclosed as at December 31, 2018. Through the seasonal influences a lower amount of receivables and liabilities were built up in the first half year of 2019.

Other liabilities include payment obligations resulting from leases of € 56,209 thsd in the context of IFRS 16.

## 15 Shareholders' equity

### Share capital

The share capital of MLP SE comprises 109,334,300 ordinary shares (December 31, 2018: 109,166,662). The retained earnings include a statutory reserve of € 3,129 thsd (previous year: € 3,117 thsd).

### Dividend

In accordance with the resolution passed at the Annual General Meeting on May 29, 2019 a dividend of € 21,867 thsd (previous year: € 21,866 thsd) was to be paid for the financial year 2018. This corresponds to € 0.20 per share (previous year: € 0.20) per share.

## 16 Notes to the statement of cash flow

The consolidated statement of cash flow shows how cash and cash equivalents have changed in the course of the year as a result of inflows and outflows of funds. As per IAS 7 "Statement of Cash Flows", differentiation is made between cash flows from operating activities, from investing activities and from financing activities.

**Cash flow from operating activities** results from cash flows that cannot be defined as investing or financing activities. It is determined on the basis of consolidated net profit for the year. As part of the indirect determination of cash flow, the changes in balance sheet items due to operating activities are adjusted by effects from changes to the scope of consolidation and currency translations where necessary. For further details, please refer to the "Financial position" section in the Interim group management report.

**Cash flow from investing activities** is essentially influenced by the investment of cash and cash equivalents in time deposits, as well as time deposits which have reached maturity.

**Cash flow from financing activities** includes cash-relevant equity changes and loans taken out and paid back. In connection with the initial adoption of IFRS 16, the repayment portions of leasing liabilities are now contained in the cashflow from financing activities. For the first half year 2019 these amounted to € 5,657 thsd.

Cash and cash equivalents with a term to maturity of not more than three months are recorded under cash and cash equivalents. Cash equivalents are short-term financial assets which can be converted into cash at any time and which are only subject to minor value fluctuation risks.

**Cash and cash equivalents**

All figures in €'000	June 30, 2019	June 30, 2018
Cash and cash equivalents	471,725	331,571
Loans ≤ 3 months	–	–
<b>Cash and cash equivalents</b>	<b>471,725</b>	<b>331,571</b>

Receivables of MLP Banking AG due from banks are included in cash and cash equivalents, insofar as they are separable as own-account investing activities. Inseparable elements are allocated to the operating business of the banking business segment and therefore to cash flow from operating activities. All deposits at the Deutsche Bundesbank are disclosed under cash and cash equivalents.

**17 Contingent assets and liabilities, as well as other liabilities**

Contingent liabilities arising from sureties and guarantees (face value of the obligation) increased from € 4,719 thsd as at December 31, 2018 to € 7,450 thsd, while the irrevocable credit commitments (contingent liabilities) declined from € 54,667 thsd as at December 31, 2018 to € 52,917 thsd.

Beyond this there were no significant changes compared to December 31, 2018.

### 18 Additional information on financial instruments

The carrying amounts and fair values of financial assets and financial liabilities, including their (hierarchical) tiers, are grouped into financial instrument classes and categories as shown in the following tables:

							June 30, 2019
	Carrying amount					Fair value	No financial instruments according to IFRS 9
		Carrying amount corresponds to fair value	Level 1	Level 2	Level 3		
<b>All figures in €'000</b>							
<b>Financial assets measured at fair value through profit or loss (FVPL)</b>	<b>13,792</b>	<b>145</b>	<b>3,504</b>	<b>10,143</b>		<b>13,792</b>	<b>6,990</b>
Financial assets (share certificates and structured bonds)	10,143	–	–	10,143	–	10,143	
Financial assets	3,504	–	3,504	–	–	3,504	
Investments	145	145	–	–	–	145	6,990
<b>Financial assets measured at amortised cost (AC)</b>	<b>2,216,505</b>	<b>869,974</b>	<b>54,561</b>	<b>621,502</b>	<b>714,087</b>	<b>2,260,123</b>	<b>35,666</b>
Receivables from banking business – clients	787,234	116,651	–	–	714,087	830,738	
Receivables from banking business – banks	687,337	99,968	–	587,297	–	686,265	
Financial assets (fixed and time deposits)	70,010	70,010	–	–	–	70,010	
Financial assets (bonds)	87,579	–	54,561	34,205	–	88,766	
Other receivables and assets	112,619	112,619	–	–	–	112,619	35,666
Cash and cash equivalents	471,725	471,725	–	–	–	471,725	
<b>Financial liabilities measured at amortised cost</b>	<b>2,028,570</b>	<b>1,910,893</b>	<b>–</b>	<b>118,276</b>	<b>–</b>	<b>2,029,169</b>	<b>51,812</b>
Liabilities due to banking business – clients	1,797,922	1,772,284	–	25,860	–	1,798,144	
Liabilities due to banking business – banks	92,355	316	–	68,238	–	92,732	
Other liabilities	138,293	138,293	–	–	–	138,293	51,812
<b>Sureties and warranties*</b>	<b>7,450</b>	<b>7,450</b>				<b>7,450</b>	
<b>Irrevocable credit commitments*</b>	<b>52,917</b>	<b>52,917</b>				<b>52,917</b>	

\* Off balance sheet items. Figures before impairment.

							Dec 31, 2018	
	Carrying amount					Fair value	No financial instruments according to IFRS 9	
		Carrying amount corresponds to fair value	Level 1	Level 2	Level 3			Total
<b>All figures in €'000</b>								
<b>Financial assets measured at fair value through profit or loss (FVPL)</b>	<b>13,080</b>	<b>184</b>	<b>2,972</b>	<b>9,925</b>		<b>13,080</b>	<b>5,799</b>	
Financial assets (share certificates and structured bonds)	9,925	–	–	9,925	–	9,925		
Financial assets	2,972	–	2,972	–	–	2,972		
Investments	184	184	–	–	–	184	5,799	
<b>Financial assets measured at amortised cost (AC)</b>	<b>2,110,293</b>	<b>808,709</b>	<b>41,271</b>	<b>628,524</b>	<b>645,399</b>	<b>2,123,903</b>	<b>35,206</b>	
Receivables from banking business – clients	761,027	131,028	–	–	645,399	776,427		
Receivables from banking business – banks	694,210	108,843	–	583,536	–	692,380		
Financial assets (fixed and time deposits)	49,998	49,998	–	–	–	49,998		
Financial assets (loans)	9,997	9,997	–	–	–	9,997		
Financial assets (bonds)	86,219	–	41,271	44,988	–	86,259		
Other receivables and assets	122,917	122,917	–	–	–	122,917	35,206	
Cash and cash equivalents	385,926	385,926	–	–	–	385,926		
<b>Financial liabilities measured at amortised cost</b>	<b>1,861,006</b>	<b>1,755,682</b>		<b>102,115</b>		<b>1,857,797</b>	<b>25,279</b>	
Liabilities due to banking business – clients	1,638,892	1,614,863	–	24,032	–	1,638,895		
Liabilities due to banking business – banks	81,625	330	–	78,083	–	78,413		
Other liabilities	140,489	140,489	–	–	–	140,489	25,279	
<b>Sureties and warranties*</b>	<b>4,719</b>	<b>4,719</b>				<b>4,719</b>		
<b>Irrevocable credit commitments*</b>	<b>54,667</b>	<b>54,667</b>				<b>54,667</b>		

\* Off balance sheet items. Figures before impairment.

Cash and cash equivalents, receivables and liabilities due to banking business without agreed terms to maturity, trade receivables, from companies in which the Group holds an interest and other assets all predominantly have short terms to maturity. Their carrying amounts on the balance sheet date are therefore almost identical to the fair values. The same applies to the trade accounts payable. Insofar as fair values for investments in companies cannot be reliably determined, they are measured at their cost of acquisition minus any impairments. As of the balance sheet date there is no indication of fair values being lower than carrying amounts. There are also no plans to dispose of these investments.

#### Determining fair value

Insofar as there is an active market for financial assets and financial liabilities, the prices of the market with the greatest trading volume on the closing date are used as the basis for determining the fair value. With investment shares, the fair value corresponds to the redemption prices published by the capital investment companies. If there is no active market on the closing date, the fair value is determined using recognised valuation models. The underlying accounting and valuation principles with respect to financial instruments remain unchanged compared to the previous year and are contained in the Annual Report 2018.

The table below shows the valuation techniques that were used to determine tier 3 fair values, as well as the significant, non-observable input factors applied:

Type	Valuation technique	Significant, non-observable input factors	Relationship between significant, non-observable input factors and measurement at fair value
Receivables from banking business – clients with agreed maturity	The valuation model takes into account the present value of the anticipated future cash inflows/outflows throughout the remaining term, which are discounted using a risk-free discount rate. The discount rate is based on the current yield curve. Credit and default risks, administration costs and expected return on equity are taken into account when determining future cash flows.	Adjustment of cash flows by: <ul style="list-style-type: none"> <li>• Credit and counterparty default risks</li> <li>• Administration costs</li> <li>• Expected return on equity</li> </ul>	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> <li>• the credit and default risk were to rise (fall)</li> <li>• the admin costs were to fall (rise)</li> <li>• the expected return on equity were to fall (rise).</li> </ul>



## 19 Related party disclosures

Within the scope of the ordinary business, legal transactions were made between individual Group companies and members of the Executive Board and the Supervisory Board in line with market conditions.

There were no significant changes in comparison with December 31, 2018.

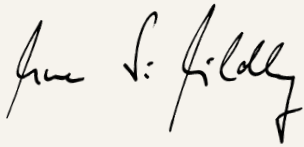
## 20 Events after the balance sheet date

There were no appreciable events after the balance sheet date affecting the MLP Group's financial or asset situation.

Wiesloch, August 7, 2019

MLP SE

Executive Board



Dr. Uwe Schroeder-Wildberg



Manfred Bauer



Reinhard Loose

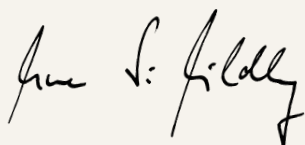
## Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Wiesloch, August 7, 2019

MLP SE

Executive Board



Dr. Uwe Schroeder-Wildberg



Manfred Bauer



Reinhard Loose

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## Executive Bodies at MLP SE

### Executive Board

Dr. Uwe Schroeder-Wildberg  
(Chairman,  
appointed until December 31, 2022)

Manfred Bauer  
(Product management,  
appointed until April 30, 2025)

Reinhard Loose  
(Controlling, Purchasing, IT,  
Group Accounting,  
Risk Management,  
Internal Audit, Legal,  
Human Resources,  
appointed until January 31, 2024)

### Supervisory Board

Dr. Peter Lütke-Bornefeld  
(Chairman,  
elected until 2023)

Dr. Claus-Michael Dill  
(Vice Chairman,  
elected until 2023)

Tina Müller  
(elected until 2023)

Matthias Lautenschläger  
(elected until 2023)

Alexander Beer  
(Employees' representative,  
elected until 2023)

Burkhard Schlingermann  
(Employees' representative,  
elected until 2023)

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# Financial calendar

## SEPTEMBER

**September 23 to 25, 2019**

Company presentation at the Berenberg & Goldman Sachs German Corporate Conference in Munich

## NOVEMBER

**November 14, 2019**

Publication of the results for the first nine months and third quarter of 2019

**November 25 to 27, 2019**

Company presentation at the German Equity Forum in Frankfurt

Further details at

[www.mlp-se.com](http://www.mlp-se.com), Investors, Financial calendar

## PROGNOSES

This documentation includes certain prognoses and information on future developments founded on the conviction of MLP SE's Executive Board, as well as on assumptions and information currently available to MLP SE. Terms such as "expect", "anticipate", "estimate", "assume", "intend", "plan", "should", "could", "might", "project" and any other phrases used in reference to the company describe prognoses based on certain factors subject to uncertainty.

Many factors can contribute to the actual results of the MLP Group differing significantly from the prognoses made in such statements.

MLP SE accepts no liability to the general public for updating or correcting prognoses. All prognoses and predictions are subject to different kinds of risks and uncertainties, which can lead to the actual results deviating from expectations. The prognoses reflect the points of view at the time when they were made.

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