Interim Group Report for the first half-year and the second quarter 2017

MLP

MLP key figures

All figures in € million	2nd quarter 2017	2nd quarter 2016	1st half-year 2017	1st half-year 2016	Change in %
MLP Group					
Total revenue	137.6	131.3	300.6	283.6	6.0 %
Revenue	132.7	126.8	291.6	275.7	5.8 %
Other revenue	5.0	4.4	9.0	8.0	12.5 %
Earnings before interest and tax (EBIT) (before one-off exceptional costs – operating EBIT)	2.7	0.4	15.9	9.3	71.0 %
Earnings before interest and tax (EBIT)	2.1	–1.0	14.5	7.7	88.3 %
EBIT margin (%)	1.5 %	–0.8 %	4.8 %	2.7 %	–
Net profit	2.0	–0.6	10.5	5.6	87.5 %
Earnings per share (diluted/undiluted) in €	0.02	–0.01	0.10	0.05	100 %
Cashflow from operating activities	–18.7	–5.7	7.4	64.4	–88.5 %
Capital expenditure	1.6	1.9	2.8	3.8	–26.3 %
Shareholders' equity	–	–	387.9	383.6[1]	1.1 %
Equity ratio (%)	–	–	19.4 %	19.7 %[1]	–
Balance sheet total	–	–	2,004	1,944[1]	3.1 %
Private clients (Family)	–	–	522,900	517,400[1]	1.1 %
Corporate and institutional clients	–	–	19,400	19,200[1]	1.0 %
Consultants	–	–	1,895	1,940[1]	2.3 %
Branch offices	–	–	146	146[1]	0.0 %
Employees	–	–	1,669	1,768	–5.6 %
Arranged new business					
Old-age provisions (premium sum)	669.5	724.5	1,236.5	1,306.2	–5.3 %
Loans mortgages	459.8	429.5	966.9	884.8	9.3 %
Assets under management in € billion	–	–	32.0	31.5[1]	1.6 %

[1] As of December 31, 2016.

Interim Group Report for the first half-year and the second quarter 2017

THE FIRST HALF-YEAR AND THE SECOND QUARTER 2017 AT A GLANCE

- Total revenue up 6 % to € 300.6 million, operating EBIT rises to € 15.9 (€ 9.3 million)
- Q2: Total revenue up 5 % to € 137.6 million, operating EBIT: € 2.7 million (€ 0.4 million)
- Diversified gains in the wealth management, non-life insurance, loans and mortgages and real estate brokerage business
- New client acquisition up 7.5 % in the first six months – around 13 % of new clients acquired online
- Outlook confirmed: Operating EBIT to increase to at least € 45 million

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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 2016 consolidated financial statements. It presents important events and business transactions in the first half of 2017 and updates forecast-based information from the last joint management report. The Annual Report is available on our homepage at www.mlp-annual-report.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 an audit 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 Finanzdienstleistungen AG: 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 management for companies

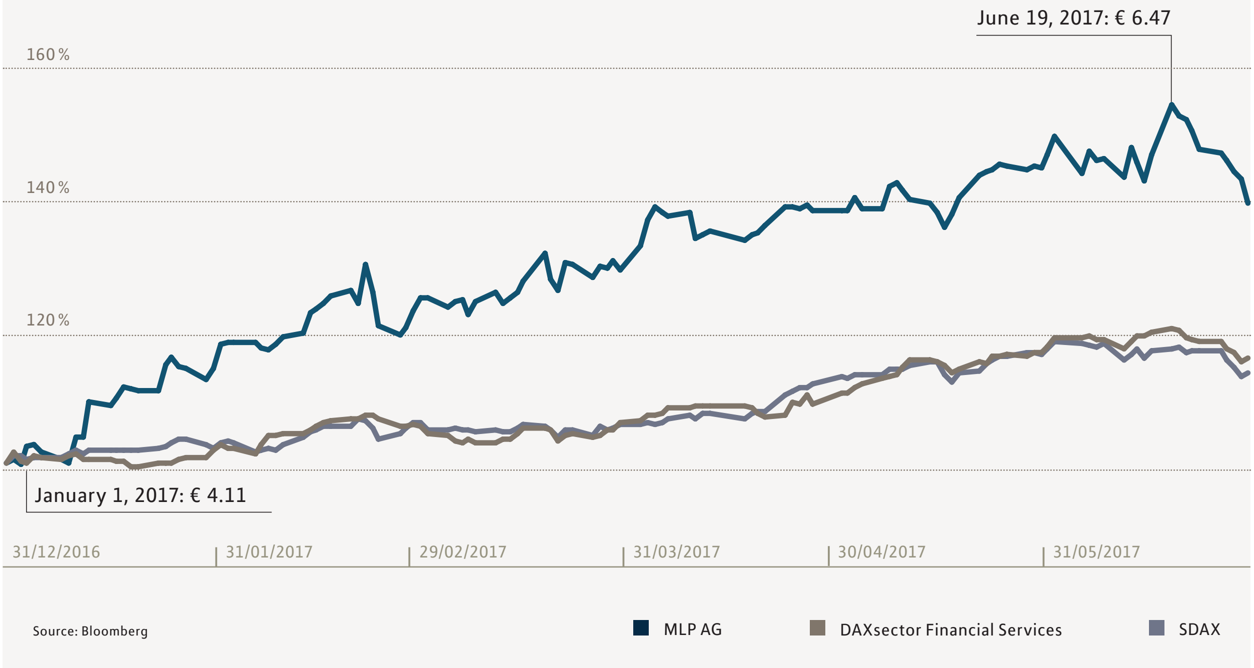
The views and expectations of our clients always represent the starting point in all fields. Building on this, we then present our clients with suitable options in a comprehensible way so that they can make the right financial decisions themselves. In advising and supporting our clients, we examine the 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 Marschollek founded MLP in 1971. Around 1,900 self-employed client consultants and just under 1,700 employees work at MLP.

Investor Relations

Developments on the financial markets were once again shaped by the decisions of the central banks in the first half of 2017. But geopolitical issues such as the elections in France and Great Britain and the implementation of the political goals of US President Donald Trump also had an impact on the stock markets. The heightened conflict between the US and North Korea, as well as the crisis in Qatar only unsettled investors briefly. The economic data in Europe and the US was generally positive and led to optimism among investors. In particular technology shares and small caps recorded above-average inflows into funds in the first six months of the year. A lack of investment alternatives due to the ongoing low-interest-rate policy of the European Central Bank continued to motivate investors to put their money into shares and led to new record levels on the indices. The TecDAX hit a new record of 2,329 points at the start of June, while the DAX reached a new high of 12,951 points later in the month. When the US Federal Reserve raised the interest rate for the second time this year as anticipated, it presented a surprisingly ambitious outlook, which led to uncertainty among investors and motivated them to sell shares. Technology stocks were among the hardest hit, yet small cap indices outside the tech sector were also affected by pronounced profit-taking. A global hacker attack, as well as doubts regarding the economic aims of US President Trump also unsettled investors, meaning that there was still no reversal of trends in sight at the end of the first six months. The best half-yearly results were recorded by the TecDAX with a gain of 20.78 %, followed by the SDAX, which recorded growth of 13.94 %, and the MDAX with a rise of 10.20 %. With an increase of just 7.35 %, the leading index DAX took last place among the German share indices.

MLP share, SDAX and DAXsector Financial Services, January to June 2017



Source: Bloomberg

The MLP share

The MLP AG share displayed pleasing development in the first half of 2017. Following a rather modest start to the new year, the share certificate recorded significant gains in the course of the first quarter. While the share started the year at a price of € 4.11, it rose to € 5.47 by March 31 and thereby reached its highest level for more than three years. This trend was supported by the overall positive mood on the capital markets and successful company development. The re-inclusion in the SDAX in March generated additional purchasing interest and the share price continued its upwards trend throughout the rest of the reporting period. After the share price reached its annual high of € 6.47 on June 19, some minor profit-taking was observed in the last few days of the first six months. However, the overall price increase of 39.78 % for the first half of the year remains extremely positive.

Key figures of the MLP share

	1st half-year 2017	1st half-year 2016
Shares outstanding at end of reporting period	109,334,686	109,334,686
Share price at the beginning of the year	€ 4.11	€ 3.67
Share price high	€ 6.47	€ 3.70
Share price low	€ 4.17	€ 2.57
Share price as of June 30, 2017	€ 5.84	€ 3.21
Dividend for the previous year	€ 0.08	€ 0.12
Market capitalisation (end of the reporting period)	€ 638,077,309	€ 350,636,338

MLP Annual General Meeting approves dividend of € 0.08 per share

At the Annual General Meeting held on June 29, 2017, the shareholders voted almost unanimously (99.99 %) to approve the proposal of the Supervisory Board and Executive Board to pay a dividend of € 0.08 per share. The distribution rate was therefore 60 % of Group net profit. The actions of the Supervisory Board and Executive Board were also approved virtually unanimously.

Furthermore, consent was granted for authorising the acquisition of own shares (99.79 %) and for authorising the use of equity derivatives when acquiring own shares (99.79 %). For the resolution on the change of corporate form to a European company (SE), 99.79 % "yes" votes were cast.

In total, more than 450 shareholders took part in the Annual General Meeting. Those in attendance represented around 70 % of the share capital. All information on the Annual General Meeting is available at www.mlp-ag.com

Interim Group management report for the first half-year and the second quarter 2017

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 2016 Annual Report, the changes presented below were made during the reporting period. These relate to organisation and administration, as well as the scope of consolidation. You can find detailed disclosures on the "business model", "control system" and "research and development" in the 2016 Annual Report of the MLP Group at www.mlp-annual-report.com.

As announced in February, MLP is splitting the brokerage business and the regulated bank business in the current year. Within this context the supervisory scope of consolidation will also be narrowed down. These steps should significantly increase free regulatory equity capital. The objective is to significantly expand financial leeway, primarily for investments and acquisitions, yet also for dividend payouts. This realignment of the company structure is running on schedule and should be complete during 2017. All regulated banking activities, including investment advisory services, will then be bundled at MLP Banking AG, while all other consulting services will be provided by MLP Finanzberatung SE.

Change in organisation and administration

In the reporting period, Schwarzer Familienholding GmbH was merged with MLP AG with retroactive effect from January 1, 2017. Since this time, DOMCURA AG and nordias GmbH insurance brokers are 100 % subsidiaries of MLP AG alongside MLP Finanzdienstleistungen AG and FERI AG.

Change in the scope of consolidation

There were no changes to the IFRS scope of consolidation in the reporting period. Within the scope of further optimising the Group structure, the supervisory scope of consolidation was already tightened in the first half of the year. Since this time, among others, the DOMCURA AG and ZSH GmbH are no longer included. As a result of this, regulatory equity capital increased to around € 240 million as of June 30, 2017.

ECONOMIC REPORT

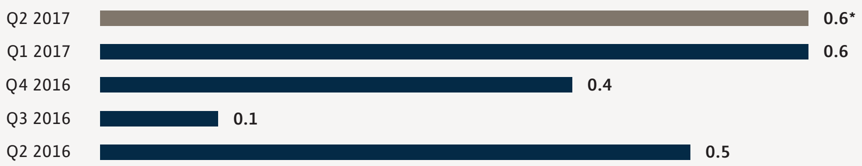
Overall economic climate

The macroeconomic and sector-specific framework conditions have not changed significantly compared to their presentation in the 2016 Annual Report of the MLP Group.

The German economy remains on growth course: According to FERI Investment Research, GDP was 0.6 % higher than the respective quarters of the previous year in both the first and second quarters of 2017 after adjustments for price, seasonal and calendar differences.

Investments increased significantly: Indeed, considerably more funds were invested in the first quarter of 2017 than in the fourth quarter of 2016. These investments focused primarily on buildings, yet also included equipment. Private households and the state increased their consumption expenditure slightly at the start of the year. Alongside this, foreign trade developments also gained ground and thereby supported the growth. Employment figures also continued to display impressive improvements. New positions were created in virtually all sectors of the economy. According to data published by the German Federal Statistical Office, the unemployment rate declined from 5.6 % to 5.5 % month-on-month at the end of the spring recovery in June and was therefore also below the previous year's figure (5.9 %).

Economic growth in Germany (change in % to the previous quarter)



*Estimate
Source: FERI Investment Research, rate of change in GDP, price adjusted

Industry situation and the competitive environment

Old-age provision

The market environment in the old-age provision area remains difficult. It is burdened by the ongoing period of low interest rates, negative reporting on life insurers and their products, as well as the resulting reservation among many consumers in terms of signing up for long-term policies. The industry situation in this field of consulting has not changed compared with the statements made in the Annual Report of the MLP Group.

For 79 % of those in gainful employment, financial insurance coverage during retirement is one of the three most important objectives. This is according to the Axa Germany Report 2017. However, the monthly saving rates for private old-age provision of those in active employment declined by an average of 16 % over 2016. 57 % of those in gainful employment stated "insufficient income or wealth" as the key reason for not wishing to increase investments in their own old-age provision. The second most common reason given was "insufficient support regarding the topic, for example in the form of state subsidies/incentives" (21 %). A "lack of knowledge or clarification on the topic" was the third most common reason (11 %).

The reservation on the part of German citizens when it comes to old-age provision can also be seen in the sector figures: According to the German Insurance Association (GDV), in the first half of 2017 the premium sum of new business was only 1.2 % above the previous year‘s figure.

At the start of June 2017, the German Bundestag passed legislation to strengthen occupational pension provision in Germany, which could provide positive stimulus for this segment. As it stands, not even half of all employees have set up a corresponding provision plan. The key points of the new legislation focus in particular on increasing the tax subsidy to 8 % (currently 4 %) of the income threshold per year, as well as a direct financial contribution for low earners. Anyone earning up to € 2,200 gross per month will then receive up to € 144 in state subsidies for an employer‘s contribution of up to € 480 per year.

Health insurance

Private health insurance continues to operate in a difficult market environment, particularly in the private comprehensive insurance segment. According to data published by the Association of Private Health Insurers (PKV), the number of persons holding comprehensive health insurance has already been in decline for five years in succession. The decrease was 17,300 policy holders in 2016 alone, and there are now around 210,000 fewer persons in total holding comprehensive health insurance than in 2011. According to information published by the Association, however, the number of persons signing supplementary insurance policies continues to display positive development. In 2016, the number of policies increased by 1.3 % to a total of 25.1 million.

Public discussion regarding the possible introduction of "citizens insurance" leads to uncertainty in the run-up to the German parliamentary elections in 2017. Alongside the SPD, the Green Party and the "Die Linke" party are also demanding departure from the dual system with private and statutory health insurance.

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

Wealth management

According to data published by the German Association of Investment and Asset Management (BVI), the assets under management in the market increased to € 2,928 billion by the end of May (December 31, 2016: € 2,801 billion). The highest net cash inflows continued to be recorded in the institutional business. However, mutual funds were also able to record gains. Most inflows into funds were recorded by mixed funds, followed by fixed income funds and mutual equity funds. Capital protected funds, on the other hand, actually recorded net cash outflows.

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

Non-life insurance

The non-life insurance segment has gained in significance for all market members in the last few years. According to a survey performed by AssCompact, most insurance brokers see the non-life insurance segment as an opportunity to stabilise their business model, which is coming under pressure in other segments from the Life Insurance Reform Act (LVRG). Another aspect that many of the newly founded fintechs/insurtechs are focusing their attention on is the non-life insurance sector with the goal of using simple apps to push their non-life portfolio. Those wishing to conclude policies exclusively online are still in the minority. However, even those target groups with less affinity for the digital world are already predominantly using the Internet when looking for information – but still prefer face-to-face contact for the conclusion of policies. These are the findings of the representative "Digital Insurance 2017" survey, which was undertaken on behalf of software producer Adcubum.

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

Competition and regulation

The competitive conditions and regulatory environment experienced in the first half-year did not change significantly compared to those described in the 2016 Annual Report of the MLP Group. On July 7, 2017, the German Bundesrat formally approved transposition of the "Insurance Distribution Directive" (IDD) into German law – the legislation is set to be introduced on February 23, 2018.

As announced, the ban on passing on commission in the insurance sector remains in place and the previously discussed ban on fees for insurance brokers has been dropped. Implementation of the IDD also requires insurance brokers to attend 15 hours of further training each year. No major effects on MLP's business model are to be anticipated, as continuous further training of consultants has always been a key aspect of operations at MLP. Yet despite this, MLP – just like all other market members – will have to implement process-based adjustments to comply with the IDD stipulations.

The German Bundestag already approved implementation of the "Markets in Financial Instruments Directive" (MiFID II) in March 2017. Large sections of this legislation will come into effect on January 3, 2018 and will adapt national regulations governing financial market supervision to numerous new European stipulations. This will lead to significant implementation costs for all market members in areas including IT, cost transparency, customer information and reporting. With MLP's current position in the field of wealth management, however, we believe that we are well positioned to handle the implementation of the requirements.

Business performance

The MLP Group recorded a successful first half-year. In the first six months and the second quarter total revenue and commission income were above the figures for the same period of the previous year. Especially in the wealth management area significant growth was recorded in the first half-year, but also the non-life insurance and loans and mortgages area were able to generate gains. Other commission and fees, an item that primarily reflects the brokerage of real estate objects, also recorded significant increases.

At the end of the first six months, revenue in the old-age provision area was slightly below the previous year. In this consulting segment, MLP continues to be impacted by the significant reservations of many consumers throughout the market when it comes to signing long-term contracts. The health insurance segment was also not quite able to reach the previous year‘s revenue level.

Although the first half of the year has become more significant in the last few years as a result of MLP‘s strategic further optimisation, the seasonality of our business means that the second half of the year continues to deliver significant profit contributions – particularly in the fourth quarter.

New clients

The activities to gain new clients continued to develop positively in the first six months of the year. In the first six months, MLP was able to acquire 10,000 new family clients, which represents an increase of 7.5 % over the same period in the previous year. Around 13 % of these new clients were acquired online.

At the end of June 2017, the MLP Group served a total of 522,900 family clients (December 31, 2016: 517,400) and 19,400 corporate and institutional clients (December 31, 2016: 19,200).

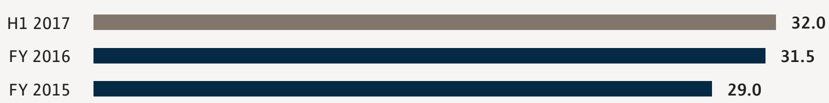
Results of operations

Development of total revenue

In the time period from January to June 2017, the total revenue of the MLP Group increased by 6.0 % to € 300.6 million (€ 283.6 million). Commission income, which increased from € 265.3 million to € 281.3 million, made the greatest contribution to this. At € 10.3 million (€ 10.3 million), revenue from the interest rate business remained at previous year‘s level. Other revenue rose to € 9.0 million (€ 8.0 million).

Looking at the individual consulting segments, significant growth was generated in the wealth management segment in the first six months, with a rise in revenue of 16.1 % to € 92.1 million (€ 79.3 million). MLP benefited from an increase in new business both at its subsidiary FERI and its own private client business. Performance-based remuneration at FERI also increased significantly due to the positive development of client portfolios. Assets under management rose to € 32.0 billion in the reporting period (December 31, 2016: € 31.5 billion).

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



The brokered premium sum in the old-age provision area declined slightly to € 1,237 million in the first six months (€ 1,306 million). Accordingly, revenue in this consulting segment decreased to € 77.2 million (€ 81.6 million). At € 22.7 million (€ 23.3 million), revenue in the health insurance segment was slightly below the previous year‘s level.

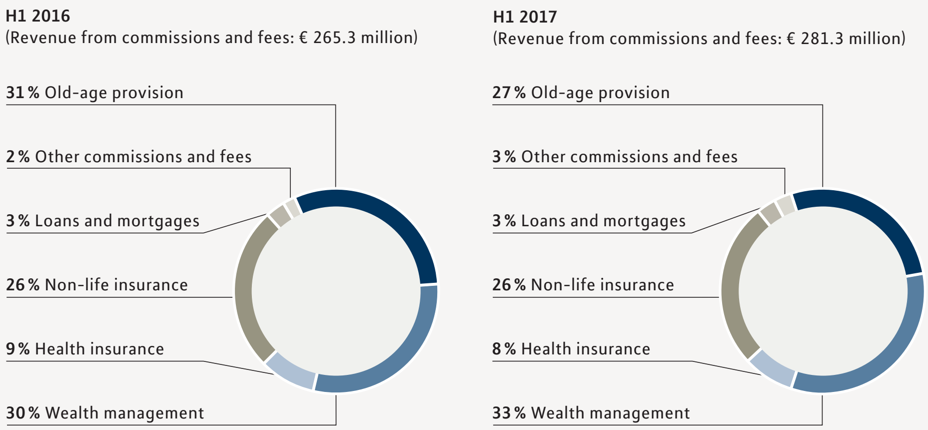
Revenue in the non-life insurance segment once again increased in the first six months and was € 72.3 million (€ 68.7 million). Gains were also recorded in the loans and mortgages segment, in which revenue increased from € 6.8 million to € 7.7 million. Business development at MLP Hyp, which is not included in revenue from the loans and mortgages business, was also very encouraging. MLP holds a 49.8 % stake in this company, which is operated as a joint venture together with mortgage broker Interhyp. At € 1.1 million (€ 0.8 million), the earnings of this company that are attributable to MLP as of June 30 are significantly higher than the previous year.

Revenue from the brokerage of real estate objects, which is reflected in other commission and fees, also recorded a significant gain. It increased by 64.9 % to € 9.4 million (€ 5.7 million). Of this figure € 7.4 million (€ 4.1 million) is attributable to the brokerage of real estate objects.

Considering only the second quarter, total revenue rose by 4.8 % to € 137.6 million (€ 131.3 million). Commission income increased to € 127.5 million (€ 121.7 million). Revenue from the interest rate business remained virtually stable at € 5.2 million (€ 5.1 million). Following € 4.4 million in the previous year, other revenue increased to € 5.0 million.

The breakdown by consulting segment shows significant growth in the wealth management area in the second quarter, in which revenue increased by 14.9 % to € 46.4 million (€ 40.4 million). Revenue in the old-age provision and health insurance segments was not quite able to keep pace with the previous year and amounted to € 42.0 million (€ 45.3 million) and € 10.9 million (€ 11.4 million) respectively. Revenue in the non-life insurance segment rose to € 19.4 million (€ 18.0 million). Significant gains were recorded in the loans and mortgages segment as well as other commission and fees, in which revenue rose to € 3.9 million (€ 3.2 million) and € 5.0 million (€ 3.3 million) respectively.

Comparison of revenue from commissions and fees



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 remuneration 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 remuneration of the depository bank and fund sales.

Set in particular against the background of increased commission income, commission expenses increased to € 149.8 million (€ 137.0 million). The payment of the client care commission to our consultants in the second quarter also contributed to this effect. Interest expenses increased to € 1.3 million (€ 0.9 million). This caused the cost of sales to rise to € 151.2 million, following € 137.9 million in the previous year.

Considering only the second quarter, the cost of sales increased from € 62.3 million to € 68.5 million. Commission expenses increased to € 67.7 million (€ 61.9 million), largely as a result of higher commission income. Following € 0.4 million in the previous year, interest expenses amounted to € 0.8 million.

The loan loss provision was € 0.4 million after the first six months of the year (€ 1.6 million). The previous year's higher figure can largely be attributed to greater amortisation in the FERI segment in the first quarter of 2016. Administrative expenses (defined as the sum of personnel expenses, depreciation/amortisation and impairment, as well as other operating expenses) fell from € 137.1 million to € 135.6 million. At € 60.3 million (€ 60.6 million), personnel expenses remained at the previous year's level. Depreciation/amortisation and impairment was € 7.6 million, following € 6.3 million in the previous year. Other operating expenses fell to € 67.7 million (€ 70.2 million).

Considering only the second quarter, administration expenses fell to € 68.1 million (€ 70.0 million). Personnel expenses were € 30.4 million (€ 30.7 million). Depreciation/amortisation and impairment was € 3.8 million following € 3.2 million. Other operating expenses dropped to € 33.8 million (€ 36.1 million).

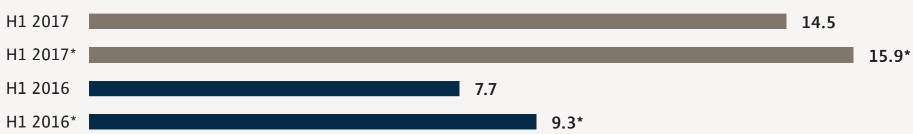
As announced at the start of the year, one-off expenses of approximately € 9 million will be incurred during the financial year 2017 for the further optimisation of the Group structure. MLP recorded € 1.4 million of this in the first six months of the year, some € 0.6 million of which is attributable to the second quarter (€ 1.4 million). The administration costs for the first half of the year are therefore € 134.2 million (€ 135.5 million).

Earnings trend

Operating profit before interest and taxes (operating EBIT) increased by 71 % to € 15.9 million (€ 9.3 million) in the first half of the year. Including the one-off expenses of € 1.4 million, EBIT amounted to € 14.5 million (€ 7.7 million).

The finance cost declined to € –0.6 million (€ –0.4 million). As a result earnings before tax (EBT) increased to € 13.9 million (€ 7.3 million). Group net profit therefore rose to € 10.5 million (€ 5.6 million).

EBIT development (all figures in € million)



*Operating EBIT (before one-off expenses)

Considering only the second quarter, operating EBIT increased to € 2.7 million (€ 0.4 million). Including one-off expenses in Q2 of € 0.6 million, EBIT was € 2.1 million (€ –1.0 million). The finance cost amounted to € –0.1 million (€ –0.3 million). Net profit was therefore € 2.0 million, following € –0.6 million in the previous year.

Structure and changes in earnings in the Group

All figures in € million	1st half-year 2017	1st half-year 2016	Change in %
Total revenue	300.6	283.6	6.0 %
Gross profit[1]	149.5	145.7	2.6 %
Gross profit margin (%)	49.7 %	51.4 %	–
Operating EBIT	15.9	9.3	71.0 %
Operating EBIT margin (%)	5.3 %	3.3 %	–
EBIT	14.5	7.7	88.3 %
EBIT margin (%)	4.8 %	2.7 %	–
Finance cost	–0.6	–0.4	50.0 %
EBT	13.9	7.3	90.4 %
EBT margin (%)	4.6 %	2.6 %	–
Income taxes	–3.4	–1.7	100.0 %
Net profit	10.5	5.6	87.5 %
Net margin (%)	3.5 %	2.0 %	–

[1] 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 18.

Financial position

Aims of financial management

You can find detailed information on the objectives of financial management in the 2016 Annual Report of the MLP Group at www.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, 2017, liabilities due to clients and financial institutions in the banking business amounting to € 1,412.1 million (December 31, 2016: € 1,308.8 million) were offset on the assets side of the balance sheet by receivables from clients and financial institutions in the banking business of € 1,313.4 million (December 31, 2016: € 1,217.5 million).

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

Liquidity analysis

Cash flow from operating activities decreased to € 7.4 from € 64.4 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 € –20.0 million to € –33.8 million. A higher volume of new investments in time deposits were made in the reporting period than in the same period of the previous year.

Condensed statement of cash flow

All figures in € million	2nd quarter 2017	2nd quarter 2016	1st half-year 2017	1st half-year 2016
Cash and cash equivalents at beginning of period	**186.1**	**133.4**	**184.8**	**94.5**
Cash flow from operating activities	–18.7	–5.7	7.4	64.4
Cash flow from investing activities	–9.0	11.2	–33.8	–20.0
Cash flow from financing activities	–	–13.1	–	–13.1
Change in cash and cash equivalents	**–27.7**	**–7.6**	**–26.5**	**31.3**
Cash and cash equivalents at end of period	**158.4**	**125.8**	**158.4**	**125.8**

As at the end of the first half year, 2017, the MLP Group has cash and cash equivalents of around € 255 million. The liquidity situation therefore remains good. There are sufficient cash reserves available to the MLP Group. Alongside cash holdings, free lines of credit are also in place.

Capital expenditure analysis

The investment volume of the MLP Group was € 2.8 million in the first half of 2017 (€ 3.8 million). Just under 80 % of all capital expenditure was invested in the financial services segment, focusing in particular on investments in software and IT. We financed all capital expenditure from cash flow.

Net assets

Analysis of the asset and liability structure

As of June 30, 2017, the balance sheet total of the MLP Group was € 2,003.6 million (December 31, 2016: € 1,994.1 million). Receivables from clients in the banking business increased to € 677.7 million (December 31, 2016: € 626.5 million). This can essentially be attributed to the increase in promotional loans directly passed on to our clients and own-resource loans, as well as a higher investment volume in promissory note bonds. Receivables from banks in the banking business also increased to € 635.7 million as a result of higher investments in fixed-term deposits, as well as higher promissory note bonds (December 31, 2016: € 591.0 million). A lower volume of daily deposits due on demand had the opposite effect. Financial assets rose to € 194.1 million (December 31, 2016: € 162.3 million) and are essentially the result of redeployment of other forms of investment. Other receivables and other assets declined to € 89.2 million (December 31, 2016: € 122.8 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. Cash and cash equivalents declined to € 158.4 million (December 31, 2016: € 184.8 million). The decline can essentially be attributed to a lower volume held with Deutsch Bundesbank. Receipt of the profit transfer payments from our subsidiaries had the opposite effect.

Assets as of June 30, 2017

All figures in € million	June 30, 2017	Dec 31, 2016	Change in %
Intangible assets	164.9	168.4	–2.1 %
Property, plant and equipment	62.1	63.4	–2.1 %
Investments accounted for using the equity method	2.8	3.8	–26.3 %
Deferred tax assets	8.4	9.1	–7.7 %
Receivables from clients in the banking business	677.7	626.5	8.2 %
Receivables from banks in the banking business	635.7	591.0	7.6 %
Financial assets	194.1	162.3	19.6 %
Tax refund claims	10.3	12.1	–14.9 %
Other receivables and assets	89.2	122.8	–27.4 %
Cash and cash equivalents	158.4	184.8	–14.3 %
Total	**2,003.6**	**1,944.1**	**3.1 %**

As of the reporting date of June 30, 2017, the shareholders‘ equity of the MLP Group was € 387.9 million (December 31, 2016: € 383.6 million). The balance sheet equity ratio was 19.4 % (December 31, 2016: 19.7 %). As a result of the increase in attributable equity capital, the core capital ratio increased to 16.3 %. This is due to the adjustment of the supervisory scope of consolidation that was performed in the course of further optimising the Group structure.

Provisions decreased to € 75.5 million (December 31, 2016: € 91.2 million). This decrease is mainly attributable to the reduction 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 € 1,359.9 million (December 31, 2016: € 1,271.1 million) and reflect a further increase in client deposits. Liabilities due to banks in the banking business rose to € 52.2 million (December 31, 2016: € 37.7 million). This can mainly be attributed to a higher volume of promotional loans being passed on to our clients. Other liabilities fell to € 115.1 million (December 31, 2016: € 146.9 million). Among other things, this reflects the lower liabilities from the underwriting business, as well as lower commission claims of our consultants. Due to our typically strong year-end business, the commission claims of our consultants increase markedly on the balance sheet date December 31 and then decrease again in the subsequent quarters.

Liabilities and shareholders' equity as of June 30, 2017

All figures in € million	June 30, 2017	Dec 31, 2016	Change in %
Shareholders' equity	387.9	383.6	1.1 %
Provisions	75.5	91.2	–17.2 %
Deferred tax liabilities	9.6	9.9	–3.0 %
Liabilities due to clients in the banking business	1,359.9	1,271.1	7.0 %
Liabilities due to banks in the banking business	52.2	37.7	38.5 %
Tax liabilities	3.4	3.6	–5.6 %
Other liabilities	115.1	146.9	–21.6 %
Total	**2,003.6**	**1,944.1**	**3.1 %**

Comparison of the actual and forecast development of business

Following the first half of 2017, we affirm the statement made in the 2016 Annual Report under "Events subsequent to the reporting date / Events after the balance sheet date" of achieving an operating EBIT of at least € 45 million. Taking into account anticipated one-off expenses of € 9 million for optimisation of the Group structure, we are still expecting to record an EBIT of at least € 36 million.

In the first six months, revenue in the old-age provision displayed a slight downward trend and was therefore slightly below our expectations. Revenue in the health insurance remained virtually stable at the previous year's level. We had initially expected a slight increase at the start of the year here. Revenue in the wealth management displayed better development than we initially forecast at the start of the year. Having recorded a slight increase, the non-life insurance is within our expectations.

Overall, the development of costs and earnings is in line with our expectations.

Segment report

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

- Financial services
- FERI
- DOMCURA
- Holding

The financial services segment reflects revenue from all fields of consulting – i.e. old-age provision, health and non-life insurance, wealth management and loans & mortgages. 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. You can find a detailed description of the individual segments in the 2016 Annual Report of the MLP Group at www.mlp-annual-report.de "Economic report"/"Segment report".

Financial services segment

Total revenue in the financial services segment was € 185.0 million, following € 181.3 million in the previous year. Revenue rose to € 180.1 million (€ 175.7 million). Other revenue declined to € 4.9 million (€ 5.6 million).

Commission expenses increased slightly to € 81.6 million (€ 76.3 million). The disproportionately high increase compared to revenue can essentially be attributed to client support commissions paid to our consultants in the second quarter. In the previous year, the provisions recognised for this purpose exceeded the actual distribution amount. Interest expenses amounted to € 1.3 million (€ 0.9 million). Following € 77.2 million in the previous year, administrative expenses rose to € 83.0 million.

Personnel expenses declined to € 37.2 million (€ 38.8 million). Depreciation/amortisation and impairments increased to € 5.5 million (€ 3.8 million). This increase can essentially be attributed to capitalisation and amortisation in the field of IT. At € 59.2 million, other operating expenses were below the previous year's level (€ 61.3 million). EBIT rose to € 0.8 million (€ 0.0 million). This figure includes one-off expenses of around € 0.9 million, which were accrued within the scope of further optimising the Group structure. At € –0.4 million, the finance cost remained virtually unchanged (€ –0.3 million).

Considering only the second quarter, at € 87.8 million total revenue remained at the previous year's level (€ 87.5 million). The higher revenue of € 85.9 million (€ 84.7 million) was offset by lower other revenue of € 1.9 million (€ 2.9 million). Commission expenses increased to € 38.7 million (€ 36.0 million) within the context of the described client support commission payout to our consultants.

At € 18.9 million, personnel expenses were below the previous year's level (€ 19.6 million). Depreciation/amortisation and impairment was € 2.8 million (€ 1.9 million). Other operating expenses fell to € 29.8 million (€ 31.4 million). At € –2.3 million, EBIT was below the previous year (€ –1.7 million). This figure includes one-off expenses of around € 0.4 million. The finance cost improved to € –0.1 million (€ –0.3 million). EBT reached € –2.4 million (€ –2.0 million).

FERI segment

The FERI segment represents the activities of the FERI Group. Revenue is primarily generated in this segment from the wealth management field of consulting.

Total revenue in the FERI segment increased significantly by 14.9 % to € 70.0 million in the first six months (€ 60.9 million), with sales revenue rising from € 58.7 million to € 67.8 million. This increase can also be attributed to higher performance-based remuneration for the positive performance of client portfolios (performance fees). As a result of higher revenue, commission expenses increased to € 40.5 million (€ 34.5 million). The loan loss provision decreased to € 0.0 million (€ –0.7 million). The previous year's higher figure was due to a write-down on receivables in the first quarter of 2016. At € 14.4 million, personnel expenses were slightly above the previous year (€ 13.8 million). This was largely due to higher variable payments as a result of higher performance fees. Depreciation/amortisation and impairment was € 0.6 million (€ 0.9 million). Other operating expenses dropped to € 5.5 million (€ 5.9 million). EBIT increased to € 9.1 million (€ 5.1 million) as a result of the significant improvement in revenue. With a finance cost of € 0.0 million (€ 0.2 million), EBT was € 9.0 million (€ 5.3 million).

Considering only the second quarter, total revenue rose to € 34.9 million (€ 31.5 million). Commission expenses increased to € 20.4 million (€ 17.6 million) as a result of higher revenues. At € 10.2 million (€ 10.6 million), administrative expenses remained below the previous year's level. EBIT improved to € 4.3 million (€ 3.1 million). With a finance cost of € 0.0 million (€ 0.2 million), EBT amounted to € 4.3 million (€ 3.3 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. Normally this is then followed by a loss in Q2 to Q4.

Revenue rose to € 46.1 million (€ 43.6 million) in the first six months. This primarily reflects the premium volumes received. Other revenue increased to € 2.6 million (€ 0.8 million) and was largely influenced by the final settlement of expired contracts with insurance companies. As a result total revenue rose to € 48.7 million (€ 44.4 million). Commission expenses increased to € 30.2 million (€ 28.2 million). These are essentially accrued as variable remuneration for brokerage services. At € 10.6 million (€ 10.5 million), administration expenses remained at the same level as the previous year. Thereof personnel expenses accounted for € 6.9 million (€ 6.5 million). At € 0.6 million (€ 0.6 million), depreciation/amortisation and impairment remained at a stable level. Other operating expenses amounted to € 3.1 million (€ 3.4 million). EBIT rose to € 7.9 million (€ 5.6 million). With an unchanged finance cost of € 0.0 million (€ 0.0 million), EBT was € 7.8 million (€ 5.6 million).

Considering only the second quarter, revenue reached € 13.9 million (€ 13.1 million). As described, other revenue rose to € 2.4 million (€ 0.6 million). Total revenue was € 16.3 million (€ 13.6 million). Commission expenses amounted to € 9.7 million (€ 9.2 million). At € 5.3 million (€ 5.2 million), administrative expenses remained at the previous year's level. Due to higher other revenue, EBIT increased to € 1.4 million (€ –0.8 million). With an unchanged finance cost of € 0.0 million (€ 0.0 million), EBT was € 1.4 million (€ –0.8 million).

Holding segment

The Holding segment does not have active operations. At € 5.0 million, total revenue in the Holding segment remained at the level of the previous year (€ 5.0 million), resulting essentially from the letting of buildings to affiliated companies. Personnel expenses increased slightly to € 1.8 million (€ 1.6 million). At € 0.9 million (€ 1.0 million), depreciation/amortisation and impairment remained approximately at the previous year's level. At € 5.5 million, other operating expenses remained virtually constant (€ 5.4 million). EBIT declined slightly to € –3.2 million (€ –3.0 million). With a finance cost of € –0.1 million (€ –0.3 million), EBT remained unchanged at € –3.3 million (€ –3.3 million).

Considering just the second quarter, total revenue remained constant at € 2.5 million (€ 2.5 million). Personnel expenses amounted to € 0.8 million (€ 0.6 million). At € 0.4 million (€ 0.5 million), depreciation/amortisation and impairment was virtually unchanged. Other operating expenses dropped slightly to € 2.7 million (€ 2.9 million). EBIT amounted to € –1.4 million, following € –1.5 million in the previous year. With a finance cost of € 0.0 million (€ –0.2 million), EBT was € –1.4 million (€ –1.7 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, recruiting new consultants and further training.

The number of employees declined to 1,669 (1,799) in the reporting period. The decline can essentially be attributed to a smaller number of temporary staff, non-renewal of limited-term contracts that expired and the effects of the efficiency programme.

Employees by segment (excluding MLP consultants)

Segment	June 30, 2017	June 30, 2016
Financial Services	1,195	1,289
FERI	224	237
DOMCURA	244	266
Holding	6	7
Total	**1,669**	**1,799**

The number of self-employed client consultants was 1,895 (December 31, 2016: 1,940) at the end of the first half of the year. As of June 30, 2017, MLP operated 146 branch offices (December 31, 2016: 146).

EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no appreciable events after the balance sheet date affecting the net assets, financial position and results of operations of the MLP Group.

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 2017. The MLP Group has sufficient liquid funds at its disposal. Our equity ratio on the reporting date, June 30, 2017, was 16.3 % (December 31, 2016: 14.1 %) and therefore remains above the 8 % stipulated by the supervisory regulations plus 1.25 % capital conservation buffer. This increase can primarily be attributed to the described change in the supervisory scope of consolidation. This was offset by the dividend payout 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 2016 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. You can find a detailed presentation on this in the Forecast included in the 2016 Annual Report of the MLP Group.

Future industry situation and competitive environment

There were no significant changes to our expectations regarding the future industry situation or competitive environment in the reporting period. You can find a detailed presentation on this in the Forecast included in the 2016 Annual Report of the MLP Group.

In the old-age provision area, reservations regarding signing long-term contracts are expected to continue throughout the sector – despite the state subsidies/incentives available for private and occupational pension provision, dwindling pension levels and greater life expectancy. In the mid-term, however, the market potential remains promising due to the ever greater pension shortfall.

The health insurance field of consulting is also unlikely to enjoy any significant improvements to market conditions in the short term. Yet the fact that additional premiums are increasing may generate greater willingness among numerous statutory health insurance policy holders to make the transition to a private policy in the mid term. In the wealth management area, the market environment is likely to be characterised by pronounced volatility. The non-life insurance business will become even more important in the market.

Anticipated business development

In the MLP Group Annual Report, we have provided a concrete forecast for the anticipated EBIT in the financial year 2017 under "Events after the balance sheet date/events subsequent to the reporting date". Taking into account anticipated one-off expenses of € 9 million for optimising the corporate structure of the Group, MLP expects to record an EBIT of at least € 36 million and an operating EBIT of at least € 45 million. The Executive Board intends to base its dividend proposal for the financial year 2017 on the operating net profit (before one-off expenses) and will maintain a distribution rate of 50 % to 70 %. MLP can confirm this forecast after the first six months of the year.

However, there are deviations in the qualitative assessment of revenue development per consulting field. While we are anticipating slightly increasing revenue in the wealth management area for the financial year following the first six months (previously: stable), we are somewhat more sceptical in the health insurance area after the first half of the year and now expect to record stable revenue for the financial year (previously: slight increase). Our expectations regarding the development of the old-age provision and non-life insurance remain unchanged. Here we are still anticipating a stable development and a slight increase respectively.

Development in the first six months of the financial year was in line with expectations. You can find details on our forecast in the "Forecast" section and under "Events after the balance sheet date" of the MLP Group Annual Report at www.mlp-annual-report.com.

Income statement and statement of comprehensive income

Income statement for the period from January 1 to June 30, 2017

All figures in €'000	Notes	2nd quarter 2017	2nd quarter 2016	1st half-year 2017	1st half-year 2016
Revenue	(6)	132,651	126,842	291,595	275,657
Other revenue		4,950	4,422	8,970	7,991
Total revenue		**137,600**	**131,264**	**300,565**	**283,648**
Commission expenses	(7)	–67,654	–61,898	–149,846	–137,016
Interest expenses		–799	–444	–1,339	–926
Loan loss provisions		269	–406	–445	–1,649
Personnel expenses	(8)	–30,354	–30,663	–60,277	–60,631
Depreciation and impairments	(9)	–3,799	–3,157	–7,590	–6,300
Other operating expenses	(10)	–33,857	–36,122	–67,668	–70,192
Earnings from investments accounted for using the equity method		653	463	1,130	804
Earnings before interest and tax (EBIT)		**2,060**	**–963**	**14,532**	**7,737**
Other interest and similar income		69	392	130	518
Other interest and similar expenses		–203	–677	–712	–948
Finance cost	**(11)**	**–134**	**–286**	**–583**	**–429**
Earnings before tax (EBT)		**1,926**	**–1,249**	**13,949**	**7,308**
Income taxes		47	684	–3,411	–1,713
Net profit		**1,974**	**–565**	**10,539**	**5,594**
Of which attributable to					
owners of the parent company		1,974	–565	10,539	5,594
Earnings per share in €[1]					
basic/diluted		0.02	–0.01	0.10	0.05

[1] Basis of calculation: Average number of ordinary shares as of June 30, 2017: 109,334,686.

Statement of comprehensive income for the period from January 1 to June 30, 2017

All figures in €'000	2nd quarter 2017	2nd quarter 2016	1st half-year 2017	1st half-year 2016
Net profit	**1,974**	**–565**	**10,539**	**5,594**
Gains/losses due to the revaluation of defined benefit obligations	1,707	–3,151	2,594	–8,316
Deferred taxes on non-reclassifiable gains/losses	–501	915	–761	2,428
Non-reclassifiable gains/losses	**1,206**	**–2,237**	**1,832**	**–5,889**
Gains/losses from changes in the fair value of available-for-sale securities	180	171	833	–314
Deferred taxes on reclassifiable gains/losses	–45	–75	–177	45
Reclassifiable gains/losses	**135**	**96**	**656**	**–269**
Other comprehensive income	**1,342**	**–2,140**	**2,488**	**–6,158**
Total comprehensive income	**3,315**	**–2,705**	**13,027**	**–564**
Of which attributable to				
owners of the parent company	3,315	–2,705	13,027	–564

Statement of financial position

Assets as of June 30, 2017

All figures in €'000	Notes	June 30, 2017	Dec 31, 2016
Intangible assets		164,859	168,419
Property, plant and equipment		62,088	63,365
Investments accounted for using the equity method		2,775	3,751
Deferred tax assets		8,402	9,063
Receivables from clients in the banking business		677,663	626,479
Receivables from banks in the banking business		635,680	590,972
Financial assets	(12)	194,145	162,286
Tax refund claims		10,327	12,115
Other receivables and assets	(13)	89,236	122,776
Cash and cash equivalents		158,375	184,829
Total		**2,003,550**	**1,944,055**

Liabilities and shareholders' equity as of June 30, 2017

All figures in €'000	Notes	June 30, 2017	Dec 31, 2016
Shareholders' equity	(14)	387,865	383,585
Provisions		75,506	91,225
Deferred tax liabilities		9,566	9,898
Liabilities due to clients in the banking business		1,359,892	1,271,070
Liabilities due to banks in the banking business		52,198	37,720
Tax liabilities		3,437	3,646
Other liabilities	(13)	115,086	146,911
Total		**2,003,550**	**1,944,055**

Condensed statement of cash flow

Condensed statement of cash flow for the period from January 1 to June 30, 2017

All figures in €'000	1st half-year 2017	1st half-year 2016
Cash flow from operating activities	7,391	64,375
Cash flow from investing activities	–33,845	–19,997
Cash flow from financing activities	–	–13,120
Change in cash and cash equivalents	**–26,454**	**31,258**
Cash and cash equivalents at the end of period	**158,375**	**125,799**

Condensed statement of cash flow for the period from April 1 to June 30, 2017

All figures in €'000	2nd quarter 2017	2nd quarter 2016
Cash flow from operating activities	–18,717	–5,657
Cash flow from investing activities	–8,990	11,180
Cash flow from financing activities	–	–13,120
Change in cash and cash equivalents	**–27,707**	**–7,598**
Cash and cash equivalents at the end of period	**158,375**	**125,799**

Further details on the statement of cash flow appear in Note 15.

Statement of changes in equity

Statement of changes in equity for the period from January 1 to June 30, 2017

	Equity attributable to MLP AG shareholders					
All figures in €'000	Share capital	Capital reserves	Gains/losses from changes in the fair value of available-for-sale securities[1]	Revaluation gains/losses related to defined benefit obligations after taxes	Retained earnings	Total sharehol-ders' equity
As of Jan 1, 2016	**109,335**	**146,727**	**1,212**	**–8,968**	**137,448**	**385,753**
Dividend	–	–	–	–	–13,120	–13,120
Transactions with owners	**–**	**–**	**–**	**–**	**–13,120**	**–13,120**
Net profit	–	–	–	–	5,594	5,594
Other comprehensive income	–	–	–269	–5,889	–	–6,158
Total comprehensive income	**–**	**–**	**–269**	**–5,889**	**5,594**	**–564**
As of June 30, 2016	**109,335**	**146,727**	**943**	**–14,856**	**129,922**	**372,069**
As of Jan 1, 2017	**109,335**	**146,727**	**1,252**	**–12,752**	**139,024**	**383,585**
Dividend	–	–	–	–	–8,747	–8,747
Transactions with owners	**–**	**–**	**–**	**–**	**–8,747**	**–8,747**
Net profit	–	–	–	–	10,539	10,539
Other comprehensive income	–	–	656	1,832	–	2,488
Total comprehensive income	**–**	**–**	**656**	**1,832**	**10,539**	**13,027**
As of June 30, 2017	**109,335**	**146,727**	**1,908**	**–10,920**	**140,816**	**387,865**

[1] Reclassifiable gains/losses.

Notes to the interim Group financial statements

1 Information about the company

The consolidated financial statements were prepared by MLP AG, Wiesloch, Germany, the parent company of the MLP Group. MLP AG is listed in the Mannheim Commercial Register under the number HRB 332697 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, 2016.

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 2016. These are presented in the Group notes of the Annual Report 2016 that can be downloaded from the company‘s website (www.mlp-ag.de).

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.

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 compared to December 31, 2016.

Information regarding reportable business segments (quarterly comparison)

	Financial services	
All figures in €'000	2nd quarter 2017	**2nd quarter 2016**
Revenue	85,896	84,656
of which total inter-segment revenue	1,090	867
Other revenue	1,928	2,882
of which total inter-segment revenue	492	479
Total revenue	**87,823**	**87,539**
Commission expenses	–38,691	–35,998
Interest expenses	–799	–447
Loan loss provisions	183	–347
Personnel expenses	–18,872	–19,630
Depreciation and impairment	–2,796	–1,917
Other operating expenses	–29,814	–31,365
Earnings from investments accounted for using the equity method	653	463
Segment earnings before interest and tax (EBIT)	**–2,313**	**–1,702**
Other interest and similar income	6	–9
Other interest and similar expenses	–91	–265
Finance cost	**–84**	**–274**
Earnings before tax (EBT)	**–2,397**	**–1,976**
Income taxes		
Net profit		

FERI		DOMCURA		Holding		Consolidation		Total	
2nd quarter 2017	**2nd quarter 2016**	2nd quarter 2017	**2nd quarter 2016**	2nd quarter 2017	**2nd quarter 2016**	2nd quarter 2017	**2nd quarter 2016**	2nd quarter 2017	**2nd quarter 2016**
33,911	30,180	13,934	13,062	–	–	–1,090	–1,057	132,651	126,842
–	190	–	–	–	–	–1,090	–1,057	–	–
996	1,274	2,384	568	2,476	2,505	–2,833	–2,808	4,950	4,422
–	7	15	–	2,326	2,322	–2,833	–2,808	–	–
34,906	**31,454**	**16,319**	**13,630**	**2,476**	**2,505**	**–3,923**	**–3,864**	**137,600**	**131,264**
–20,366	–17,576	–9,675	–9,177	–	–	1,078	853	–67,654	–61,898
–	–	–	–	–	–	–	3	–799	–444
–	–39	86	–20	–	–	–	–	269	–406
–7,337	–7,148	–3,390	–3,242	–755	–642	–	–	–30,354	–30,663
–296	–434	–309	–331	–398	–475	–	–	–3,799	–3,157
–2,608	–3,114	–1,600	–1,653	–2,696	–2,906	2,862	2,916	–33,857	–36,122
–	–	–	–	–	–	–	–	653	463
4,300	**3,143**	**1,431**	**–794**	**–1,374**	**–1,518**	**17**	**–92**	**2,060**	**–963**
1	241	14	7	55	156	–8	–3	69	392
–37	–67	–19	–1	–94	–371	38	27	–203	–677
–36	**174**	**–5**	**6**	**–38**	**–215**	**30**	**24**	**–134**	**–286**
4,264	**3,317**	**1,426**	**–789**	**–1,413**	**–1,733**	**47**	**–68**	**1,926**	**–1,249**
								47	684
								1,974	**–565**

Information regarding reportable business segments (half-yearly comparison)

	Financial services	
All figures in €'000	1st half-year 2017	1st half year 2016
Revenue	180,103	175,691
of which total inter-segment revenue	2,476	2,009
Other revenue	4,910	5,598
of which total inter-segment revenue	964	961
Total revenue	**185,013**	**181,289**
Commission expenses	–81,612	–76,275
Interest expenses	–1,339	–933
Loan loss provisions	–434	–919
Personnel expenses	–37,235	–38,773
Depreciation and impairment	–5,539	–3,821
Other operating expenses	–59,155	–61,325
Earnings from investments accounted for using the equity method	1,130	804
Segment earnings before interest and tax (EBIT)	**828**	**46**
Other interest and similar income	72	98
Other interest and similar expenses	–493	–429
Finance cost	**–421**	**–331**
Earnings before tax (EBT)	**408**	**–285**
Income taxes		
Net profit		

FERI		DOMCURA		Holding		Consolidation		Total	
1st half-year 2017	**1st half year 2016**	1st half-year 2017	**1st half year 2016**	1st half-year 2017	**1st half year 2016**	1st half-year 2017	**1st half year 2016**	1st half-year 2017	**1st half year 2016**
67,831	58,677	46,142	43,563	–	–	–2,482	–2,274	291,595	275,657
6	265	–	–	–	–	–2,482	–2,274	–	–
2,205	2,179	2,552	814	4,968	5,013	–5,665	–5,612	8,970	7,991
22	7	30	–	4,649	4,645	–5,665	–5,612	–	–
70,036	**60,856**	**48,694**	**44,377**	**4,968**	**5,013**	**–8,146**	**–7,886**	**300,565**	**283,648**
–40,461	–34,480	–30,214	–28,200	–	–	2,442	1,938	–149,846	–137,016
–	–	–	–	–	–	–	7	–1,339	–926
–	–715	–10	–15	–	–	–	–	–445	–1,649
–14,383	–13,771	–6,884	–6,524	–1,775	–1,563	–	–	–60,277	–60,631
–588	–870	–592	–649	–870	–960	–	–	–7,590	–6,300
–5,521	–5,913	–3,130	–3,390	–5,525	–5,439	5,664	5,876	–67,668	–70,192
–	–	–	–	–	–	–	–	1,130	804
9,082	**5,107**	**7,864**	**5,599**	**–3,203**	**–2,950**	**–40**	**–65**	**14,532**	**7,737**
12	252	16	26	54	174	–24	–32	130	518
–52	–91	–33	–3	–199	–500	65	75	–712	–948
–41	**160**	**–17**	**23**	**–146**	**–325**	**41**	**43**	**–583**	**–429**
9,042	**5,267**	**7,847**	**5,622**	**–3,348**	**–3,275**	**1**	**–22**	**13,949**	**7,308**
								–3,411	–1,713
								10,539	**5,594**

6 Revenue

All figures in €'000	2nd quarter 2017	2nd quarter 2016	1st half-year 2017	1st half-year 2016
Wealth management	46,353	40,403	92,063	79,327
Old-age provision	41,994	45,323	77,190	81,560
Non-life insurance	19,420	18,021	72,267	68,674
Health insurance	10,859	11,439	22,728	23,251
Loans and mortgages	3,891	3,229	7,663	6,808
Other commission and fees	4,953	3,301	9,393	5,708
Total commission income	**127,469**	**121,716**	**281,304**	**265,328**
Interest income	**5,182**	**5,126**	**10,291**	**10,329**
Total	**132,651**	**126,842**	**291,595**	**275,657**

7 Commission expenses

In the period from January 1 to June 30, 2017 commission expenses rose from € 137,016 thsd to € 149,846 thsd compared to the same period of the previous year. This item comprises commission payments and other remuneration components for the self-employed MLP consultants as well as the remuneration of sales partners at the other subsidiaries. For further details, please refer to the "Results of operations" section in the Group interim management report.

8 Personnel expenses/Number of employees

Personnel expenses decreased in the period from January 1 to June 30, 2017 compared to the same period of the previous year from € 60,631 thsd to € 60,277 thsd. For further details, please refer to the "Employees and self-employed client consultants" section of the Group interim management report.

As of June 30, 2017, the number of employees by operating segment are as follows:

	June 30, 2017			June 30, 2016		
		of which executive employees	of which marginal part-time employees		of which executive employees	of which marginal part-time employees
Financial services	1,195	36	30	1,289	26	54
FERI	224	7	48	237	8	58
DOMCURA	244	8	8	266	6	22
Holding	6	1	–	7	2	–
Total	**1,669**	**52**	**86**	**1,799**	**42**	**134**

9 Depreciation and impairments

All figures in €'000	2nd quarter 2017	2nd quarter 2016	1st half-year 2017	1st half-year 2016
Intangible assets	2,473	1,666	4,902	3,332
Property, plant and equipment	1,326	1,491	2,688	2,969
Depreciation	**3,799**	**3,157**	**7,590**	**6,300**

10 Other operating expenses

All figures in €'000	2nd quarter 2017	2nd quarter 2016	1st half-year 2017	1st half-year 2016
IT operations	10,893	12,108	22,118	23,613
Rental and leasing	3,138	3,486	6,233	6,954
Consultancy	2,820	3,306	5,667	6,075
Administration operations	2,667	2,996	5,328	5,851
External services – banking business	2,325	1,935	4,382	3,722
Other external services	1,934	1,798	3,534	3,538
Premiums and fees	1,630	1,148	2,949	2,324
Travel expenses	2,028	1,857	2,882	2,571
Representation and advertising	1,431	1,720	2,851	3,673
Expenses for commercial agents	1,193	872	1,858	1,387
Training and further education	621	819	1,622	1,910
Insurance	685	824	1,419	1,486
Entertainment	409	485	1,219	1,270
Maintenance	360	469	720	782
Other employee-related expenses	316	357	612	639
Audit	268	281	590	541
Remuneration for members of the Supervisory Board	198	207	393	412
Goodwill payments	55	321	161	512
Sundry other operating expenses	885	1,133	3,129	2,931
Total	**33,857**	**36,122**	**67,668**	**70,192**

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 consulting costs are made up of tax advice costs, legal advice costs as well as general and IT consulting costs. The expenses for administration operations include costs relating to building operations, office costs and communication 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. Expenses for commercial agents include costs for former consultants and the training allowance granted for new consultants. Sundry other operating expenses essentially comprise expenses for other taxes, passenger vehicles, literature and charitable donations.

11 Finance cost

All figures in €'000	2nd quarter 2017	2nd quarter 2016	1st half-year 2017	1st half-year 2016
Other interest and similar income	**69**	**392**	**130**	**518**
Interest expenses from financial instruments	–27	–26	–72	–72
Interest expenses from net obligations for defined benefit plans	–107	–122	–214	–245
Other interest costs	–68	–529	–426	–631
Other interest and similar expenses	**–203**	**–677**	**–712**	**–948**
Finance cost	**–134**	**–286**	**–583**	**–429**

12 Financial assets

All figures in €'000	June 30, 2017	Dec 31, 2016
Held-to-maturity investments	73,451	68,535
Available-for-sale financial assets	15,368	15,523
Financial assets at fair value through profit and loss	4,924	–
Debenture and other fixed income securities	**93,744**	**84,058**
Available-for-sale financial assets	6,754	5,706
Financial assets at fair value through profit and loss	1,936	1,385
Shares and other variable yield securities	**8,690**	**7,091**
Fixed and time deposits (loans and receivables)	**75,104**	**55,102**
Loans	**10,000**	**10,000**
Investments in non-consolidated subsidiaries (available-for-sale financial assets)	**6,606**	**6,035**
Total	**194,145**	**162,286**

13 Other accounts receivables and assets/other liabilities

Due to the seasonally stronger year-end business, high receivables from insurance companies as well as high liabilities due to commercial agents as at December 31, 2016 had to be disclosed, which were then balanced out in the first quarter of 2017. Through the seasonal influences a lower amount of receivables and liabilities were built up in the first half-year of 2017.

14 Shareholders' equity

Share capital

The share capital of MLP AG comprises 109,334,686 (December 31, 2016: 109,334,686) no-par-value shares. The retained earnings include a statutory reserve of € 3,117 thsd (previous year: € 3,117 thsd).

Dividend

In accordance with the resolution passed at the Annual General Meeting on June 29, 2017 a dividend of € 8,747 thsd (previous year: € 13,120 thsd) was to be paid for the financial year 2016. This corresponds to € 0.08 per share (previous year: € 0.12) per share.

15 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 if applicable. For further details, please refer to the "Financial position" section in the Group interim 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 used and paid back.

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, 2017	June 30, 2016
Cash and cash equivalents	158,375	125,799
Loans ≤3 months	–	–
Cash and cash equivalents	**158,375**	**125,799**

Receivables of MLP Finanzdienstleistungen AG due from banks are included in cash and cash equivalents provided 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.

16 Contingent assets and liabilities, as well as other liabilities

Compared to December 31, 2016, contingent liabilities on account of sureties and warranties (face value of the obligation) increased from € 2,934 thsd to € 3,013 thsd and irrevocable credit commitments (contingent liabilities) decreased from € 72,231 thsd to € 64,892 thsd.

Beyond this there were no significant changes compared to December 31, 2016.

17 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, 2017
	Carrying amount					Fair value	No financial instruments according to IAS32/39
All figures in €'000		Carrying amount corresponds to fair value	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value	**28,983**		**18,450**	**10,533**		**28,983**	
Fair Value Option	**6,860**		**1,936**	**4,924**		**6,860**	
Financial investments (share certificates and structured bonds)	6,860	–	1,936	4,924	–	6,860	–
Available-for-sale financial assets	**22,123**		**16,514**	**5,609**		**22,123**	
Financial investments (share certificates and investment fund shares)	6,754	–	6,531	224	–	6,754	–
Financial assets (bonds)	15,368	–	9,984	5,385	–	15,368	–
Financial assets measured at amortised cost	**1,698,699**	**579,641**	**19,427**	**534,895**	**600,909**	**1,734,871**	
Loans and receivables	**1,618,641**	**573,035**		**480,363**	**600,909**	**1,654,306**	
Receivables from banking business – clients	677,663	112,741	–	–	600,909	713,650	–
Receivables from banking business – banks	635,680	154,995	–	480,363	–	635,358	–
Financial assets (fixed and time deposits)	75,104	75,104	–	–	–	75,104	–
Financial assets (loans)	10,000	10,000	–	–	–	10,000	–
Other receivables and assets	61,819	61,819	–	–	–	61,819	27,417
Cash and cash equivalents	158,375	158,375	–	–	–	158,375	–
Held-to-maturity investments	**73,451**		**19,427**	**54,532**		**73,959**	
Financial assets (bonds)	73,451	–	19,427	54,532	–	73,959	–
Available-for-sale financial assets	**6,606**	**6,606**				**6,606**	
Financial assets (investments)	6,606	6,606	–	–	–	6,606	–
Financial liabilities measured at amortised cost	**1,488,805**	**1,416,564**		**70,053**		**1,486,617**	
Liabilities due to banking business – clients	1,359,892	1,337,965	–	21,835	–	1,359,801	–
Liabilities due to banking business – banks	52,198	1,884	–	48,218	–	50,102	–
Other liabilities	76,714	76,714	–	–	–	76,714	38,372
Sureties and warranties	**3,013**	**3,013**				**3,013**	
Irrevocable credit commitments	**64,892**	**64,892**				**64,892**	

All figures in €'000	Carrying amount	Carrying amount corresponds to fair value	Level 1	Level 2	Level 3	Fair value Total	No financial instruments according to IAS32/39
							Dec 31, 2016
Financial assets measured at fair value	**22,614**		**11,974**	**10,640**		**22,614**	
Fair Value Option	**1,385**		**1,385**			**1,385**	
Financial investments (share certificates and structured bonds)	1,385	–	1,385	–	–	1,385	–
Available-for-sale financial assets	**21,229**		**10,589**	**10,640**		**21,229**	
Financial investments (share certificates and investment fund shares)	5,706	–	5,440	265	–	5,706	–
Financial assets (bonds)	15,523	–	5,149	10,374	–	15,523	–
Financial assets measured at amortised cost	**1,640,832**	**676,701**	**28,150**	**427,964**	**549,080**	**1,681,895**	
Loans and receivables	**1,566,261**	**670,666**		**387,578**	**549,080**	**1,607,324**	
Receivables from banking business – clients	626,479	118,287	–	–	549,080	667,367	–
Receivables from banking business – banks	590,972	203,569	–	387,578	–	591,147	–
Financial assets (fixed and time deposits)	55,102	55,102	–	–	–	55,102	–
Financial assets (loans)	10,000	10,000	–	–	–	10,000	–
Other receivables and assets	98,880	98,880	–	–	–	98,880	23,896
Cash and cash equivalents	184,829	184,829	–	–	–	184,829	–
Held-to-maturity investments	**68,535**		**28,150**	**40,386**		**68,535**	
Financial assets (bonds)	68,535	–	28,150	40,386	–	68,535	–
Available-for-sale financial assets	**6,035**	**6,035**				**6,035**	
Financial assets (investments)	6,035	6,035	–	–	–	6,035	–
Financial liabilities measured at amortised cost	**1,419,782**	**1,357,944**		**61,362**		**1,419,306**	
Liabilities due to banking business – clients	1,271,070	1,245,925	–	25,158	–	1,271,083	–
Liabilities due to banking business – banks	37,720	1,027	–	36,204	–	37,231	–
Other liabilities	110,992	110,992	–	–	–	110,992	35,919
Sureties and warranties	**2,934**	**2,934**				**2,934**	
Irrevocable credit commitments	**72,231**	**72,231**				**72,231**	

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 2016.

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: • Credit and counterparty default risks • Administration costs • Anticipated return on equity	The estimated fair value would increase (decrease) if: • the credit and default risk were to rise (fall), • the admin costs were to fall (rise), • the anticipated return on equity were to fall (rise).

18 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 compared to December 31, 2016.

19 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 9, 2017

MLP AG

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 9, 2017

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg

Manfred Bauer

Reinhard Loose

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Executive bodies at MLP AG

Executive Board

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

Manfred Bauer
(Product Management,
appointed until April 30, 2020)

Reinhard Loose
(Controlling, Purchasing, IT,
Group Accounting, Risk
Management, Internal Audit,
Legal, Human Resources,
appointed until January 31, 2019)

Supervisory Board

Dr. Peter Lütke-Bornefeld
(Chairman,
appointed until 2018)

Dr. h. c. Manfred Lautenschläger
(Vice Chairman,
appointed until 2018)

Dr. Claus-Michael Dill
(appointed until 2018)

Tina Müller
(appointed until 2018)

Alexander Beer
(Employee representative,
appointed until 2018)

Burkhard Schlingermann
(Employee representative,
appointed until 2018)

Contact

Investor Relations

Telephone +49 (0) 6222 • 308 • 8320
Telefax +49 (0) 6222 • 308 • 1131
investorrelations@mlp.de

Public Relations

Telephone +49 (0) 6222 • 308 • 8310
Telefax +49 (0) 6222 • 308 • 1131
publicrelations@mlp.de

Financial Calendar

SEPTEMBER

September 18–20, 2017
Company presentation at the Berenberg & Goldman Sachs German Corporate Conference in Munich

NOVEMBER

November 9, 2017
Publication of the results for the first nine months and the third quarter 2017

November 27–29, 2017
Company presentation at the German Equity Forum in Frankfurt

More:

www.mlp-ag.com, Investors, Financial Calendar

MLP AG
Alte Heerstraße 40
69168 Wiesloch
Tel +49 (0) 6222 • 308 • 8320
Fax +49 (0) 6222 • 308 • 1131
www.mlp-ag.com