

Report for the first quarter 2003

 **MLP** PRIVATE FINANCE



# Encouraging start to fiscal 2003

- Business development progresses as planned:
  - Total revenue (adjusted) up by 7 per cent
  - Pre-tax profit of EUR 8.5 million
- 13,000 new clients; Total clients 518,000

The start of the 2003 fiscal year has been promising for the MLP Group in light of the continued difficult overall market conditions. Subsequent to adjustments related to the sale of the Austrian MLP-Lebensversicherung AG at the end of 2002, total revenue has been increased by 7 per cent to EUR 233.7 million. This increase can be attributed mainly to a rise of some 20 per cent in insurance premiums at MLP Lebensversicherung AG. As expected, sales revenues were below the level reported for last year.

## Quarterly result on budget

MLP is in line with its annual budget of a pre-tax profit of EUR 8.5 million. The decline in profits from ordinary activities of EUR 24.5 million last year to EUR 8.5 million is due mainly to the following factors: Alterations made in reinsurance policy, additional costs caused by the infrastructure expansion conducted in 2002, slight increases in depreciation expense, the omission of results from the Austrian life insurance subsidiary (which was sold), and a lower rate of new business.

## Forecast for the entire year is confirmed

The first quarter figures confirm the annual objectives announced previously for 2003. The major indicators remain unchanged with a pre-tax profit of EUR 65 million and a client base of 575,000 (cf. 505,000 in 2002).

## General climate remains poor

Similar to 2002, the first quarter of the fiscal year 2003 was characterised by unsatisfactory economic developments and weak capital markets. The escalation of the Iraq crisis led to a massive slowdown in investments in many sectors of the world economy and was also noticeable in the financial services sector. Furthermore, highly controversial and - until now - also poorly targeted reform debates are still an unsettling factor for private clients in Germany.

## The number of new clients continues to grow

MLP however, largely succeeded in eluding this negative trend in the first quarter and acquired 13,000 new clients (2002: 24,000). The positive trend was thus sustained. As of 31st March 2003, the number of clients totalled 518,000 (2002: 477,000). New business, excluding the so-called "Riester Pension" policies, is only slightly lower than in the same period last year. In the private old-age pension area, a generally uncertain environment on capital markets has worked in favour of endowment insurance. The area of private health insurance is the only area in which the company has seen a decline of 20 per cent following the high demand in 2002.

## MLP Group business development

Total revenues for the MLP Group almost reached the same level as the first quarter last year with EUR 233.7 million (2002: EUR 241.9 million), which includes revenues from the Austrian MLP-Lebensversicherung AG, that was sold at the end of 2002, totalling EUR 24.0 million. Group sales revenue increased by 7 per cent when adjusted accordingly. Group sales revenues in the health insurance area fell back to EUR 64.1 million, largely as a result of the decline in new business (2002: EUR 72.8 million). Insurance premiums totalling some EUR 123.0 million (2002: EUR 119.7 million), comprise contributions from MLP Lebensversicherung AG of EUR 112.9 million (2001: EUR 94.2 million), and from MLP Versicherung AG of EUR 10.1 million (2002: EUR 8.6 million). This corresponds to increases of 20 per cent and 18 per cent respectively. The same quarter last year still included some EUR 17.0 million from MLP-Lebensversicherung AG, Vienna. Income from reinsured business fell as forecast to EUR 41.1 million (2002: EUR 42.6 million). This item includes reinsurance commissions of EUR 1.0 million (2002: EUR 9.3 million). Interest income from banking operations increased to EUR 3.8 million (2002: EUR 3.2 million).

The reinsurance result for the Group was reported at EUR -8.8 million compared with EUR +0.3 million in the same period last year. Since there were no special factors in expenditure items a profit from ordinary activities of EUR 8.5 million was achieved (2002: EUR 24.5 million). The DVFA-result per share amounts to EUR 0.06 (2002: EUR 0.14). The individual segments contributed as follows to the profit figures:

Pre-tax profit in the segment Consulting and Sales totalled EUR 6.8 million (2002: EUR 16.0 million). The decline is largely due to lower new business in the area of private health insurance. Profits were additionally diminished by EUR 2.8 million (2002: EUR -1.5 million) due to foreign activities.

In the life insurance segment, which now only comprises MLP Lebensversicherung AG, pre-tax profits fell to EUR 1.1 million as a result of changes to reinsurance policy (2002: EUR 5.3 million). The pre-tax profit reported for the same quarter last year includes a total of EUR 0.6 million from Austrian MLP-Lebensversicherung AG.

The non-life insurance segment made a contribution of EUR 0.7 million (2002: EUR 0.6 million) to consolidated earnings.

Pre-tax profit reported for the Bank segment suffered as a result of migration expenditure associated with a new administration platform, amounting to EUR 0.4 million (2002: EUR 1.5 million).

The Internal Services and Administration segment reports a pre-tax result of EUR -1.5 million (2002: EUR 0.1 million). MLP AG made a substantial contribution to this result with EUR -1.6 million (2002: EUR 0.0 million).

### **Cash-flow and investments**

The operating cash flow after investments reach EUR 2.0 million (2002: EUR 3.2 million). Costs related to expanding the IT-infrastructure totalled EUR 4.4 million (2002: EUR 10.8 million). Investments in the branch office network and the expansion of the head offices in Wiesloch, including investments in office and business furnishings and equipment, totalled EUR 4.8 million (2002: EUR 6.0 million).

### **MLP-Consultants, branch offices and employees**

As of the end of March MLP employed 2,895 financial consultants, representing an annual increase of 165 consultants. These consultants operate from 388 branch offices (2002: 348). Some 222 consultants worked abroad in 42 branch offices (cf. 239 consultants in 36 offices in 2002). The number of fulltime back-office employees rose to 1,458 (2002: 1,370).

### **Outlook**

The uncertain economic perspectives and the volatility of capital markets make forecasts difficult. Due to the development of new business progressing according to plans – particularly in the area of life insurance, the executive board is confident that the result for 2003 of EUR 65 million can be achieved.

# Profit and loss account

## MLP Group

	Notes	1st Quarter 2003 Euro '000	1st Quarter 2002 Euro '000
1. Sales revenue	①	64,074.4	72,771.4
2. Other capitalized own work	②	388.7	0.0
3. Interest income from banking operations	③	3,771.8	3,218.8
4. Insurance premiums	④	123,004.4	119,710.8
5. Income from reinsured business	⑤	41,087.5	42,628.0
6. Other operating income	⑥	1,387.1	3,592.2
<b>Total revenue</b>		<b>233,713.9</b>	<b>241,921.2</b>
7. Cost of materials	⑦	-29,068.0	-29,018.3
8. Personnel expenses		-16,909.0	-16,956.0
9. Depreciation		-6,112.3	-5,098.9
10. Other operating expenses	⑧	-55,504.0	-48,054.8
11. Expenses in other accounting periods		-755.9	0.0
12. Expenses related to insurance reserves	⑨	-18,632.8	-80,722.8
13. Reinsurance premiums	⑩	-43,734.1	-41,865.4
14. Financial result	⑪	-3,916.3	-206.6
15. Unrealized gains from investments	⑫	1,495.3	15,373.8
16. Unrealized losses from investments	⑬	-52,061.1	-10,837.9
<b>17. Profit on ordinary activities</b>		<b>8,515.7</b>	<b>24,534.3</b>
18. Taxes on income and profit		-3,367.6	-9,582.6
<b>19. Net income</b>		<b>5,148.1</b>	<b>14,951.7</b>
20. Earnings per share (DFVA) in Cent		6.1	14.4

## Group consolidated balance sheet 1st Quarter 2003

Assets	31.03.2003	31.12.2002
	Euro '000	Euro '000
Expenses for the start-up and expansion of operations	6,337	7,000
Fixed assets	992,884	974,464
of which investment stock of unit-linked life insurance	14 814,617	799,802
Current assets	633,490	617,656
of which accounts receivable due from bank clients	15 228,733	228,525
Trust assets	16 282,248	248,610
Prepaid expenses and deferred charges	7,588	7,028
<b>Total</b>	<b>1,922,547</b>	<b>1,854,758</b>

Shareholders' equity and liabilities	31.03.2003	31.12.2002
	Euro '000	Euro '000
Equity	183,850	178,703
Liabilities	1,456,262	1,427,146
of which reserves for unit-linked life insurance	17 814,617	799,802
of which liabilities due to bank clients	18 247,570	240,999
Trust liabilities	16 282,248	248,610
Deferred profit	187	299
<b>Total</b>	<b>1,922,547</b>	<b>1,854,758</b>

## Statement of changes in shareholders' equity

	Parent company		
	Subscribed capital, ordinary shares	Capital reserve	Self generated Group shareholders' equity capital
	Euro '000	Euro '000	Euro '000
As of 31 Dec.02	108,641	7,602	62,352
Net profit MLP Group			5,146
Other changes			
<b>As of 31 March 03</b>	<b>108,641</b>	<b>7,602</b>	<b>67,498</b>

## Cash flow

Due to the compilation of the cash flow statement according to DRS 2, insurance-specific items are allocated to cash flow from operating activities and investing activities and thereby result in a different disclosure compared to the previous year. The values of the previous year have been adjusted accordingly.

	1st Quarter 2003 Euro '000	1st Quarter 2002 Euro '000
Change in net financial assests from operating activities	97,306.5	76,952.3
Change in net financial assets from investing activities	-79,575.5	-91,829.2
Changes in net financial assets from financing activities	0.0	5,218.5
Change in net financial assets	17,731.0	-9,658.4

Parent company	Minority shareholders		Group
Equity	Minority capital	Shareholders' equity	Group shareholders' equity capital
Euro '000	Euro '000	Euro '000	Euro '000
178,595	108	108	178,703
5,146	2	2	5,148
	-1	-1	-1
183,741	109	109	183,850

## Segment report MLP Group

	Segments					
	Consultation and Sales		Life insurance		Non-life insurance	
	19		20		21	
	Q1 2003	Q1 2002	Q1 2003	Q1 2002	Q1 2003	Q1 2002
	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000
Sales revenue	73,806.7	78,415.8	1,184.0	1,259.5	3,603.9	4,162.3
Other capitalized own work	125.5	0.0	94.2	0.0	72.1	0.0
Interest income from banking operations	0.0	0.0	0.0	0.0	0.0	0.0
Insurance premiums	0.0	0.0	112,909.7	111,148.1	10,094.8	8,562.7
Income from reinsured business	0.0	0.0	39,780.6	40,666.1	1,306.9	1,961.9
<b>Total segment revenue</b>	<b>73,932.2</b>	<b>78,415.8</b>	<b>153,968.5</b>	<b>153,073.6</b>	<b>15,077.7</b>	<b>14,687.0</b>
– thereof with third parties	52,082.8	58,338.8	153,874.3	153,073.6	15,005.5	14,687.0
– thereof with other segments	21,723.9	20,077.0	0.0	0.0	0.0	0.0
Other operating income	4,029.4	4,572.8	795.5	2,726.0	120.0	0.0
Cost of materials	-27,094.4	-25,548.0	-15,485.6	-15,505.8	-5,506.4	-4,524.0
Personnel expenses	-10,988.3	-10,198.9	-2,223.5	-2,494.2	-1,126.4	-1,158.2
Depreciation	-3,378.0	-3,503.2	-915.0	-78.3	-294.2	-520.5
Other operating expenses	-29,763.4	-26,569.5	-21,857.3	-18,557.0	-5,504.4	-4,641.9
Expenses related to insurance reserves	0.0	0.0	-17,829.8	-80,181.7	-802.9	-541.1
Reinsurance premiums	0.0	0.0	-42,079.8	-38,928.2	-1,654.4	-2,937.2
Financial result	56.5	-1,139.0	-2,731.3	677.4	400.1	280.2
Unrealized gains/losses from capital investment for unit-linked life insurance	0.0	0.0	-50,565.8	4,535.9	0.0	0.0
<b>Segment pre-tax loss/profit (before loss/profit transfer)</b>	<b>6,794.0</b>	<b>16,029.8</b>	<b>1,075.9</b>	<b>5,267.6</b>	<b>709.1</b>	<b>644.4</b>
Taxes on loss/profit	-338.1	-310.4	2.2	-346.2	-304.8	0.0
Other taxes	-6.4	-5.1	-0.3	-0.2	-51.2	0.0
Loss/profit transfer agreement	-8,426.5	-15,703.0	0.0	0.0	0.0	0.0
<b>Segment loss/profit</b>	<b>-1,977.1</b>	<b>11.4</b>	<b>1,077.8</b>	<b>4,921.2</b>	<b>353.0</b>	<b>644.4</b>



Segments				Sum		Consolidation		MLP Group	
Bank		International Services and Administration		Q1 2003	Q1 2002	Q1 2003	Q1 2002	Q1 2003	Q1 2002
22	23								
Q1 2003	Q1 2002	Q1 2003	Q1 2002	Q1 2003	Q1 2002	Q1 2003	Q1 2002	Q1 2003	Q1 2002
Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000
7,287.0	9,084.3	0.0	0.0	85,881.6	92,922.0	-21,807.3	-20,150.6	64,074.4	72,771.4
0.0	0.0	96.9	0.0	388.7	0.0	0.0	0.0	388.7	0.0
3,771.8	3,218.8	0.0	0.0	3,771.8	3,218.8	0.0	0.0	3,771.8	3,218.8
0.0	0.0	0.0	0.0	123,004.4	119,710.8	0.0	0.0	123,004.4	119,710.8
0.0	0.0	0.0	0.0	41,087.5	42,628.0	0.0	0.0	41,087.5	42,628.0
<b>11,058.8</b>	<b>12,303.2</b>	<b>96.9</b>	<b>0.0</b>	<b>254,134.0</b>	<b>258,479.6</b>	<b>-21,807.3</b>	<b>-20,150.6</b>	<b>232,326.8</b>	<b>238,329.0</b>
10,975.4	12,229.6	0.0	0.0	231,938.1	238,329.0	0.0	0.0	231,938.1	238,329.0
83.4	73.6	0.0	0.0	21,807.3	20,150.6	-21,807.3	-20,150.6	0.0	0.0
325.7	83.0	5,061.7	5,545.3	10,332.3	12,927.1	-8,945.2	-9,334.9	1,387.2	3,592.2
-2,483.3	-3,650.9	-296.7	-144.0	-50,866.3	-49,372.7	21,798.3	20,354.4	-29,068.0	-29,018.3
-1,761.9	-1,580.1	-809.0	-1,524.5	-16,909.0	-16,956.0	0.0	0.0	-16,909.0	-16,956.0
-395.5	-398.3	-1,483.3	-1,544.1	-6,466.0	-6,044.4	353.7	945.5	-6,112.3	-5,098.9
-5,249.7	-3,901.8	-3,523.8	-3,515.4	-65,898.6	-57,185.6	9,638.6	9,130.8	-56,259.9	-48,054.8
0.0	0.0	0.0	0.0	-18,632.7	-80,722.8	0.0	0.0	-18,632.8	-80,722.8
0.0	0.0	0.0	0.0	-43,734.1	-41,865.4	0.0	0.0	-43,734.1	-41,865.4
-1,142.8	-1,305.1	-498.8	1,279.9	-3,916.3	-206.6	0.0	0.0	-3,916.3	-206.6
0.0	0.0	0.0	0.0	-50,565.8	4,535.9	0.0	0.0	-50,565.8	4,535.9
<b>351.4</b>	<b>1,550.0</b>	<b>-1,453.0</b>	<b>97.2</b>	<b>7,477.4</b>	<b>23,589.0</b>	<b>1,038.3</b>	<b>945.2</b>	<b>8,515.7</b>	<b>24,534.2</b>
-105.5	-102.9	-3,823.7	-8,793.9	-4,570.0	-9,553.3	1,279.0	-6.0	-3,291.0	-9,559.3
-0.4	-0.4	-18.3	-17.6	-76.6	-23.3	0.0	0.0	-76.6	-23.3
0.0	0.0	8,426.5	15,703.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>245.5</b>	<b>1,446.7</b>	<b>3,131.6</b>	<b>6,988.8</b>	<b>2,830.8</b>	<b>14,012.4</b>	<b>2,317.3</b>	<b>939.2</b>	<b>5,148.1</b>	<b>14,951.7</b>

# Notes

## Statutory accounting requirements

The Group financial statements for MLP AG were prepared in accordance with the stipulations of the German Commercial Code (HGB) and the applicable provisions of the German Companies Act (AktG). This intermediary report is based upon the same accounting, evaluation and reporting principles as those applied for the last annual financial statements. Items stated in thousands have been rounded.

## Notes to the profit and loss account

**1** Sales revenues break down as follows:

	1st Quarter 2003 Euro '000	1st Quarter 2002 Euro '000
Life insurance	29,151	31,621
Health insurance	15,315	20,861
Payments into mutual funds	8,496	9,598
Non-life insurance	5,873	6,507
Loans	4,362	3,362
Other revenue	877	822
<b>Total</b>	<b>64,074</b>	<b>72,771</b>

Outside Germany sales revenues reached EUR 2.6 million (2002: EUR 2.3 million)

- 2** **Other capitalized own work:** This item covers capitalised, internal group expenses which arose due to customising externally developed software to company-specific requirements.
- 3** Interest income and interest expenditure from credit card business is disclosed as a net position in sales revenues. In the first quarter of 2002 these figures were reported separately under interest income from banking business and cost of materials. Figures from the previous year have been adjusted accordingly.
- 4** **Insurance premiums** increased from EUR 119.7 million to EUR 123.0 million. The same quarter last year still included some EUR 17.0 million from MLP-Lebensversicherung AG in Vienna that was sold in 2002. Subsequent to adjustments insurance premiums increased by a total of 20 per cent. MLP Lebensversicherung AG premiums increased by 20 per cent from EUR 94.2 million to EUR 112.9 million. MLP Versicherung AG reports a premium increase of 18 per cent from EUR 8.6 million to EUR 10.1 million.

5 **Income from reinsured business** breaks down as follows:

	1st Quarter 2003 Euro '000	1st Quarter 2002 Euro '000
Reinsurance portion of increase in premium reserve	37,153	27,257
Reinsurance commissions	1,016	9,255
Reinsurance portion for insurance claims, repurchases and interest	2,919	6,116
<b>Total</b>	<b>41,088</b>	<b>42,628</b>

Income from reinsured business decreased from EUR 42.6 million to EUR 41.1 million. Changes in the reinsurance policy have resulted in a fall in reinsurance commissions of 89 per cent from EUR 9.3 million to EUR 1.0 million. The reinsurance portion for insurance claims, repurchases and interest payments dropped largely due to the reduced reinsurance quota in the car sector.

6 The item **Other operating income** includes EUR 0.5 million (2002: EUR 1.7 million) realised profits from disposals of capital stock of the unit-linked life insurance. This income has no effect on the overall picture, as it is compensated by costs in the same amount resulting from the increase in the expenses related to insurance reserves.

7 The item **Cost of materials** is made up as follows:

	1st Quarter 2003 Euro '000	1st Quarter 2002 Euro '000
Commissions to sales representatives (MLP consultants)	28,189	28,495
Interest expense from banking operations	524	191
Other costs of materials	355	332
<b>Total</b>	<b>29,068</b>	<b>29,018</b>

To a great extent, the item Cost of materials comprises commission payments to self-employed MLP sales representatives (MLP consultants) which they earn by selling products to MLP clients as well as by attending MLP clients. These fell by one per cent, from EUR 28.5 million to EUR 28.2 million. Interest income and expenditure from credit card business is netted out under the item sales revenues. In the first quarter of 2002 these figures were reported separately under the interest income from banking business and cost of materials items. This results in a decline for the interest expenditure. Figures from the previous year have been adjusted accordingly.

- 8 The item **Other operating expenses** comprises the following:

	1st Quarter 2003 Euro '000	1st Quarter 2002 Euro '000
Other insurance expenses	15,943	13,719
Losses from the disposal of unit-linked investment stock	5,866	3,194
<b>Sum</b>	<b>21,809</b>	<b>16,913</b>
IT expenses	13,427	12,241
Cost of premises	6,124	5,410
Communications costs	3,854	2,990
Training and seminars	1,177	1,631
Office supplies	966	1,432
Advertising expenses	1,048	1,579
Consulting expenses	1,140	1,091
Value adjustments on receivables	-642	67
Expenses for sales representatives	1,007	516
Other	5,594	4,185
<b>Sum</b>	<b>33,695</b>	<b>31,142</b>
<b>Total</b>	<b>55,504</b>	<b>48,055</b>

The item Other operating expenses contains, among other things, the realized losses from the disposal of capital investments of unit-linked life insurance amounting to EUR 5.9 million (2002: EUR 3.2 million). These charges have no effect on the overall picture, as they are compensated for by increases of the same amount through the reduction in the expenses related to insurance reserves. Adjusted for this effect and other insurance-related expenses, the item Other operating expenses increased by 8 per cent from EUR 31.1 million to EUR 33.7 million. In the first quarter 2003 value adjustments on receivables contains reversals of allowances amounting to EUR 642,000.

- 9 The item **expenses related to insurance reserves** contains savings contributions from the unit-linked life insurance. In addition, this item is the offsetting item that neutralizes the gains from the increase in value of the investment stock of the unit-linked life insurance. It contains realized gains and losses from capital investment that are included in the respective items other operating income (see text note 6) and other operating expenses (see text note 8). Additionally, this item also includes unrealized gains/losses from capital investments (see text notes 12, 13). This item also includes interest income from portions of the premium reserve and other reserves for conventional products in the life and non-life insurance segments.

10 The item **reinsurance premiums** encompasses insurance premiums paid on to the reinsurer. In 2002, the item included EUR 2.8 million from the reinsurance business which this year is reported in the financial result under the item Interest and similar expenses amounting to EUR 6.1 million. The reinsurance premiums increased by 4 per cent, from EUR 41.9 million to EUR 43.7 million. Reinsurance premiums at MLP Lebensversicherung AG rose by 25 per cent from EUR 33.8 million to EUR 42.1 million. MLP-Lebensversicherung AG, Vienna contributed to reinsurance premiums by EUR 5.2 million in the comparable quarter of the previous year. Reinsurance premiums attributable to non-life insurance business decreased by 41 per cent from EUR 2.9 million to EUR 1.7 million.

11 **Financial result**

	1st Quarter 2003 Euro '000	1st Quarter 2002 Euro '000
Income from securities	3,579	1,711
Other interest and similar income	1,315	529
Amortization of financial investments and securities in current assets	-646	-195
Interest and similar expenses	-8,164	-2,252
<b>Total</b>	<b>-3,916</b>	<b>-207</b>

The financial result fell from EUR -0.2 million to EUR -3.9 million. The decline is mainly due to changes in reporting methods for technical interest from reinsurance business in the item Interest and similar expenses amounting to EUR 6.1 million. In 2002, technical interest totalling EUR 2.8 million was reported under reinsurance premiums.

12 13 **Unrealized gains /losses from capital investments:** In accordance with applicable law, the capital investments of the investment stock of unit-linked life insurance policies must be stated at their current value, i.e. the mutual fund share prices as of the day of accounting. Gains and losses of trust units held as of the beginning of the fiscal year are carried in the Group profit and loss account under the items unrealized gains from capital investments and unrealized losses from capital investments, respectively. The offsetting position is reflected in the Group profit and loss account as expenses related to insurance reserves. In sum, these accounting transactions are neutral for the MLP Group as a whole.

## Notes to the balance sheet

- 14 The **investment stock of unit-linked life insurance** comprises the shares of the mutual fund which the life insurance carriers manage for the policyholders of unit-linked life insurance.
- 15 The item **accounts receivable from bank clients** shows the amounts receivable from bank customers from current accounts and credit cards.
- 16 **Trust assets and trust liabilities** are trust loans for third-party accounts, which are granted to MLP Bank AG clients in their own name for the account and risk of other banks for the financing of building projects and practice financing. As such, trust liabilities are shown with a corresponding amount.
- 17 The item insurance-related reserves for unit-linked life insurance to be covered by the investment stock reflects the capital **investments of the investment stock of the unit-linked life insurance**. The corresponding item on the asset side is investment stock of unit-linked life insurance. The entire risk of this business is borne by the policyholder.
- 18 **Liabilities due to bank clients:** This item represents customer deposits with MLP Bank AG in current and credit-card accounts.

## Notes to reporting by business segments

The report by segments is based on the standards of the German Accounting Standards Committee (German abbreviation: DRSC), in the version DRS 3.

- 19 The **Consultation and Sales** segment provides consulting services to customers, especially with respect to insurance coverage, investments and financing of all kinds and brokerage of contracts for financial services. This segment consists of MLP Finanzdienstleistungen AG in Heidelberg, MLP Private Finance plc in London, Great Britain, MLP Private Finance Correduria de Seguros S.A., Madrid, Spain, (as of 2002) and MLP Media GmbH Verlag und Werbeagentur.  
With this first-time inclusion of MLP Private Finance Correduria de Seguros S.A., Madrid, Spain, in the Group consolidated financial statements, this segment also includes the assets of this holding as of 2002. Due to the minor significance, no adjustments of the previous year's figures were undertaken.
- 20 The range of products and services provided by the **Life Insurance** segment comprises various types of life insurance policies, insurance policies enjoying special tax privileges under the provisions of German law (AvmG), capitalization transactions and the management of pension-saving schemes. The Life Insurance segment consists of MLP Lebensversicherung AG in Heidelberg. In the first quarter of 2002 MLP-Lebensversicherung AG in Vienna, Austria, was consolidated on a pro-rata (50-per-cent) basis. Through the sale of our holding in MLP-Lebensversicherung AG, Vienna, Austria, the shareholding was deconsolidated effective 30 September 2002. The figures for the respective segments contain the corresponding line items of the profit and loss account proportionally up until the time of deconsolidation of MLP-Lebensversicherung AG, Vienna, Austria.

- 21 The business operations of the **Non-life Insurance** segment cover the development and operation of property and casualty insurance policies. This segment consists of MLP Versicherung AG.
- 22 The business covered by the **Banking** segment (referred to last year as the Bank& Asset Management division) includes financial portfolio management, trust loan business, loan and credit card business, consulting services in connection with investment decisions regarding mutual fund shares, and the creation and organizational implementation of new financial products for the MLP Group. Through the merger of MLP Vermögensverwaltung AG with MLP Bank AG, this segment comprises only the MLP Bank AG, in contrast to previous years. No adjustment of the previous year's figures was undertaken, as the merger process did not result in any changes.
- 23 The segment **Internal Services and Administration** (referred to in the previous year as "other business divisions") comprises MLP Login GmbH, MLP Consult GmbH and MLP AG. This new segment thus represents a bundling of all internal services and activities of the MLP Group. In the previous year, this segment was represented solely by MLP Login GmbH. The figures for the previous year have been adjusted accordingly.
- 24 **Revenue** of the Life Insurance segment and of the Non-life Insurance segment essentially includes insurance premiums and income from reinsured business. The revenue from the Banking segment includes interest and commission income.
- 25 Within the Group, the interest expenses of MLP Bank AG are stated under **costs of materials**. In the previous year, these were stated in the reporting by segments under the line item of interest expenditures. In 2002, the interest expenditures were reassigned to costs of materials to conform with the Group profit and loss account. The figures for the previous year have been adjusted accordingly.
- 26 **Pre-tax profits** by segment correspond to earnings on ordinary business activity.

## Changes in the reinsurance result

	MLP Lebens- versicherung AG, Heidelberg		MLP-Lebens- versicherung AG, Wien		MLP Ver- sicherung AG, Heidelberg		MLP Group	
	1Q 2003	1Q 2002	1Q 2003	1Q 2002	1Q 2003	1Q 2002	1Q 2003	1Q 2002
	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000
Income from reinsured business	39.781	34.391	0	6.275	1.307	1.962	41.088	42.628
Reinsurance premiums	-42.080	-33.761	0	-5.167	-1.654	-2.937	-43.734	-41.865
Technical interest	-6.138	0	0	-479	0	0	-6.138	-479
<b>Reinsurance result</b>	<b>-8.437</b>	<b>630</b>	<b>0</b>	<b>629</b>	<b>-347</b>	<b>-975</b>	<b>-8.784</b>	<b>284</b>

Technical interest from reinsurance business was disclosed in the line item reinsurance premiums in the comparable quarter last year. See notes 10 and 11.

## Forward-looking statements

This document contains forward-looking statements that reflect the current views of the executive board of MLP AG with respect to future events. Words such as “believe”, “estimate”, “intend”, “may”, “expect”, “anticipate”, “predict”, “project”, “forecast”, “should”, “will”, and similar expressions as they relate to the company are intended to identify such forward-looking statements. Such statements are subjected to risks and uncertainties. The company undertakes no obligation to publicly update or revise any forward-looking statements. All forward looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Any forward-looking statement speaks only as of the date on which it is made.



## Financial calendar

General meeting	2003	17 June 2003
Results 2nd quarter	2003	19 August 2003
Results 3rd quarter	2003	18 November 2003
Financial results fiscal year	2003	28 April 2004
Result 1st quarter	2004	26 May 2004

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