

Rölfspartner Report Excerpt (pages 10 & 11)

With regard to this example, the complexity of the business demands high controlling standards, not least because precise knowledge of insurance-related accounting details is required here, but also because the quality of information has to be monitored and included here and has to be supplied by the MLP-internal mathematicians, from business partners (e.g. the reinsurance companies) or from IT-systems (e.g. commission and business in force systems).

The above described changes in conditions of income and liquidity control have become evident in so far as that the MLP Finanz business division has sold future claims to follow-up commission payments in order to adjust the income and liquidity circumstances from the brokerage business with MLP-assembled unit-linked life insurance policies to the standardised brokerage business with third-party products.

As background information here, MLP Finanz receives commissions for the MLP Leben unit-linked life insurance policies arranged by its consultants which are paid out over a period of up to twelve years. In turn MLP Finanz pays the share of commission to the MLP Consultants over a period of up to six years. The future claims for follow-on commission payments for the years 7 through 12, which no longer have directly assignable commission obligations in this period, have been sold by MLP Finanz. In comparison, the standard procedure in the brokerage business with third-party products is that a one-off commission payment is received and then paid out proportionately to the MLP Consultants.

The income and liquidity effect resulting from this in the 2001 financial year amounted to approximately EUR 57.6 million. This effect totalled EUR 42.6 million in the 2000 financial year.

The change in corporate financing arises both for MLP AG as well as for the recipients of the management report in so much as that this form of financing was not selected in previous business years.

As a reaction the company has undertaken measures to strengthen the short to mid-term income and liquidity flows required in relation to corporate growth. One of these is to issue a new life insurance tariff that will be offered to clients as from April 2002. The new tariff will replace its predecessor. With the new consortial product "Bestpartner" it will be easier to monitor the income and liquidity flows; and MLP is involved with a comparatively higher acquisition commission. In addition new versions of the reinsurance contracts should mean that the repayment of reinsurance balances, which is currently too fast, be adjusted to the average premium payment period of the initial contracts.

The company did not specify this form regarding the asset, financial and revenue situation in the summarised director's report for MLP AG because this does not represent a change in the corporate financing that is of any major relevance for the annual account addressees.

The above-mentioned aspects are supplemented below in section D.II.3 with an analytical description of the major aspects of the asset and income situation.

Following our audit and the resulting findings the evaluation of the group's situation including the described risks for future development is both plausibly and consistently derived. The evaluation of the situation by the management board corresponds to the

the scope and applies to the contents. Our audit has not resulted in any information indicating that the continuation of the group companies is endangered.