

Financial results H1/Q2 2014

Reinhard Loose, CFO

August 14, 2014

Agenda

- **Highlights H1/Q2 2014**
- **Key financial figures H1/Q2 2014**
- **Consultants and clients**
- **Outlook and summary**
- **Questions and Answers**

Highlights H1/Q2 2014

- H1: **Total revenue** rises to **€ 227.9 million** (€ 224.3 million)
- **EBIT** climbs by 12 percent to **€ 5.5 million** (€ 4.9 million)
- New business in **old-age provision** around 8 percent **above the previous year** – despite market-slowdown
- **Growth initiative** runs **according to plan**
- Continuingly **difficult market conditions** – particularly in health insurance
- **Outlook 2014:** EBIT expected to be between the lower and the base forecast scenario

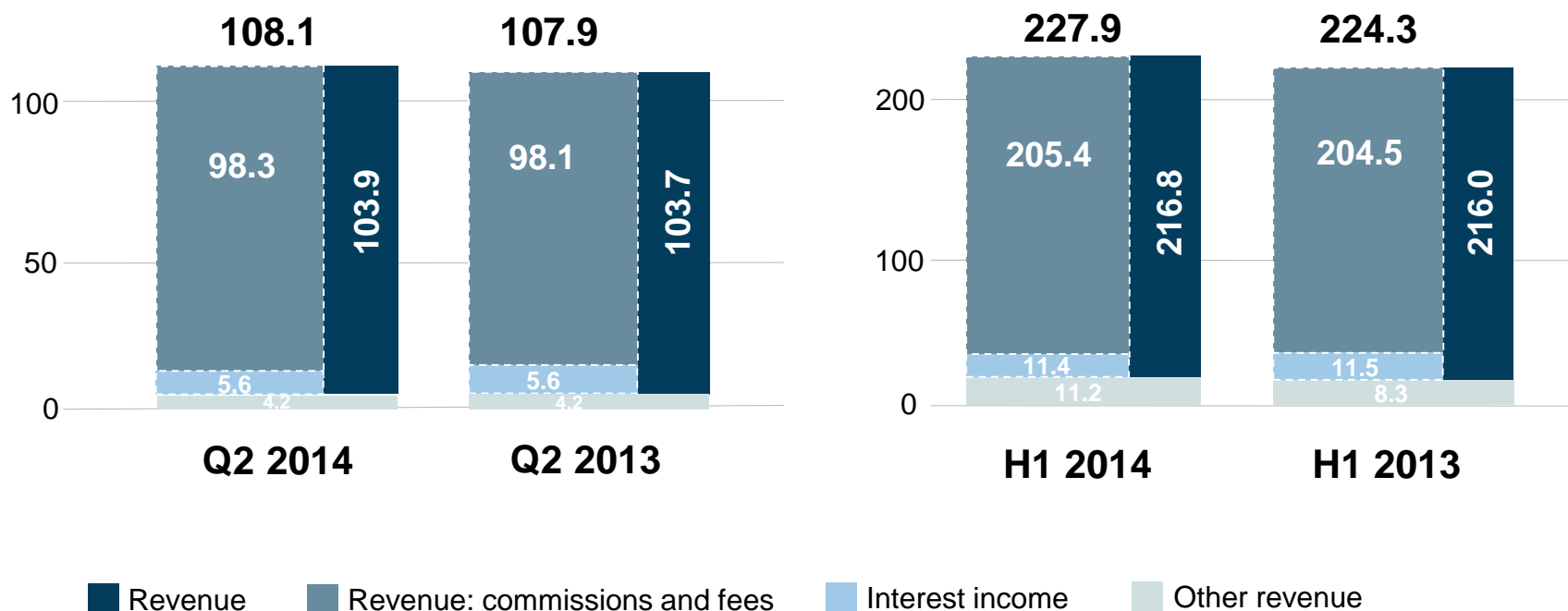
Agenda

- Highlights H1/Q2 2014
- **Key financial figures H1/Q2 2014**
- Consultants and clients
- Outlook and summary
- Questions and Answers

H1: Total revenue rises to € 227.9 million

Total revenue in Q2 and H1

[in € million]



Increases in old-age provision, wealth management and non-life insurance

Revenue

[in € million]

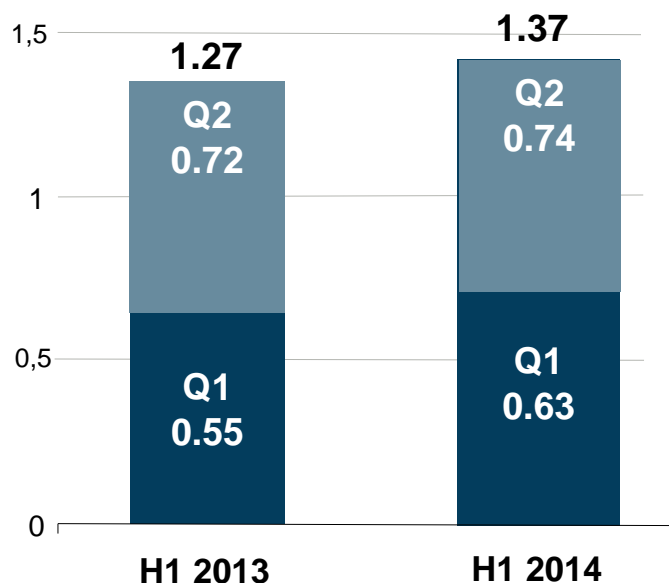
	Q2 2014	Q2 2013	Δ in %	H1 2014	H1 2013	Δ in %
Old-age provision	44.1	44.6	-1	84.3	83.5	1
Wealth management	34.4	33.6	2	67.0	65.3	3
Health insurance	9.7	11.7	-17	21.1	25.6	-18
Non-life insurance	5.3	4.3	23	24.1	22.5	7
Loans and mortgages*	3.0	3.0	0	5.9	6.0	-2
Other commissions and fees	1.8	1.0	80	3.1	1.7	82
Interest income	5.6	5.6	0	11.4	11.5	-1

*excluding MLP Hyp

Assets under Management rise significantly to € 25.3 billion

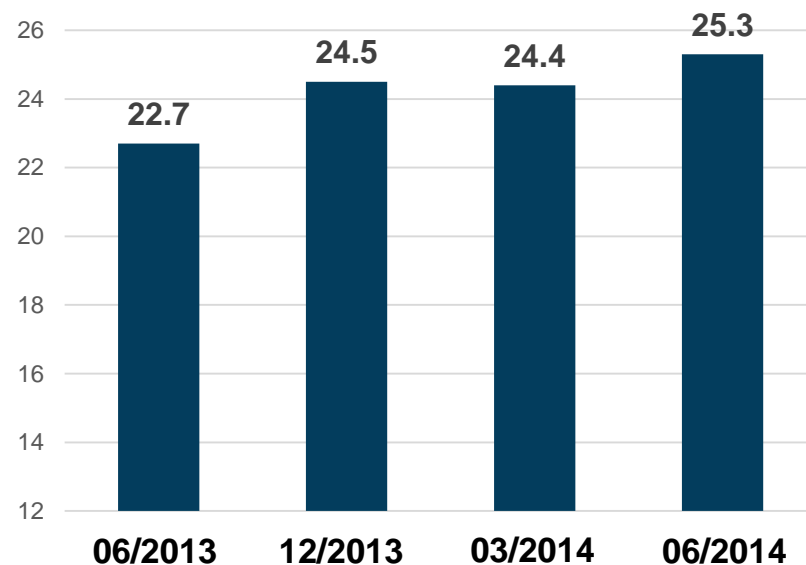
Premium sum: old-age provision

[in € billion]



Assets under Management

[in € billion]



Expanded real estate becomes increasingly evident in other commissions and fees

Revenue

[in € million]

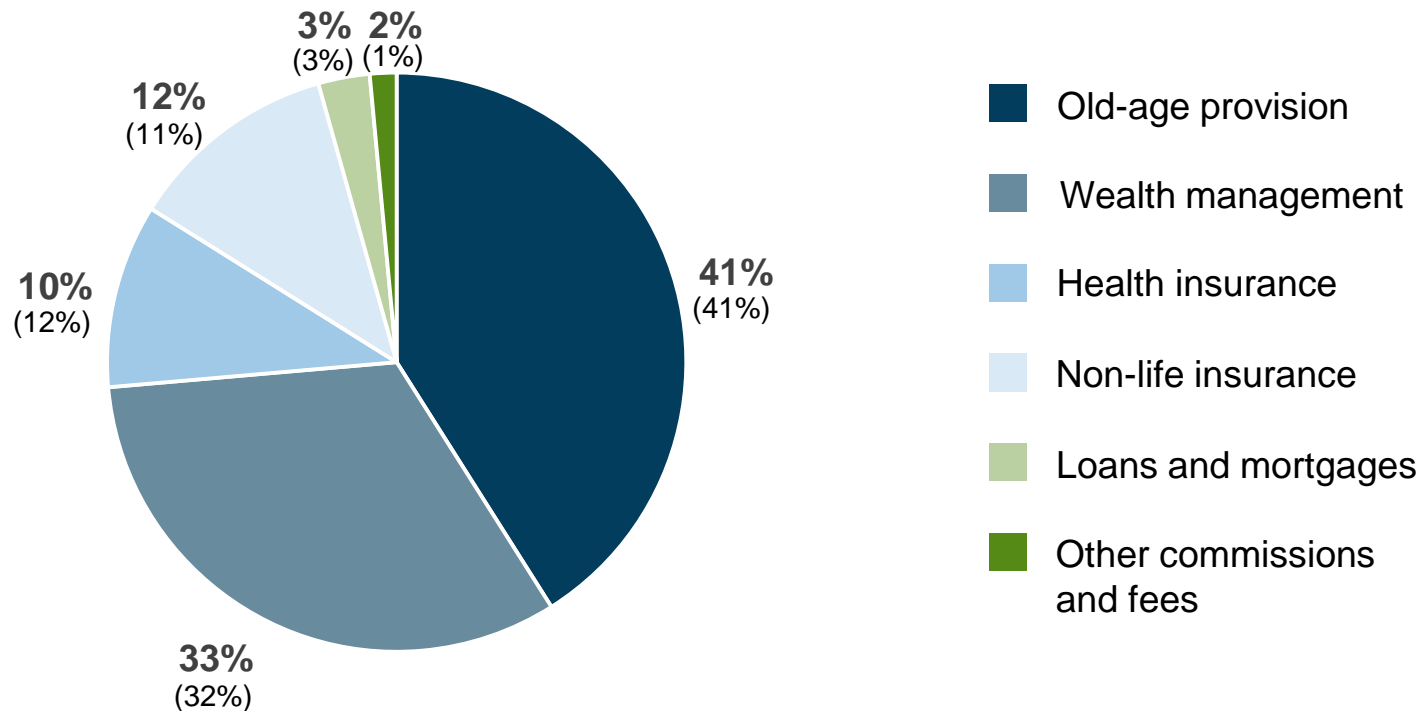
	Q2 2014	Q2 2013	Δ in %	H1 2014	H1 2013	Δ in %
Old-age provision	44.1	44.6	-1	84.3	83.5	1
Wealth management	34.4	33.6	2	67.0	65.3	3
Health insurance	9.7	11.7	-17	21.1	25.6	-18
Non-life insurance	5.3	4.3	23	24.1	22.5	7
Loans and mortgages*	3.0	3.0	0	5.9	6.0	-2
Other commissions and fees	1.8	1.0	80	3.1	1.7	82
Interest income	5.6	5.6	0	11.4	11.5	-1

*excluding MLP Hyp

MLP benefits from broadened revenue base

Revenue from commissions and fees H1 2014:
€ 205.4 million (€ 204.5 million)

[in %]



H1: EBIT climbs by 12 percent

Income statement

[in € million]

	Q2 2014	Q2 2013	H1 2014	H1 2013
Total revenue	108.1	107.9	227.9	224.3
EBIT	1.1	0.9	5.5	4.9
Finance cost	-0.1	0.0	-0.1	0.0
EBT	1.0	0.9	5.4	5.0
Taxes	0.2	0.2	-0.9	-0.7
Net profit	1.1	1.1	4.5	4.2
EPS in € (diluted)	0.01	0.01	0.04	0.04

- Administration costs of 124.6 million in H1 – € 2.4 million above the previous year
- Reasons: an one-off exceptional cost in Q1 and announced one-off expenses for the growth initiative

Strong balance sheet

MLP Group

[in € million]

	30/06/2014	31/12/2013
Intangible assets	156.5	155.3
Financial investments	163.8	146.1
Cash and cash equivalents	31.6	46.4
Other receivables and other assets	93.6	109.2
Shareholders' equity	359.3	374.5
Equity ratio	23.1%	24.4%
Other liabilities	82.8	106.6
Total	1,556.0	1,536.9

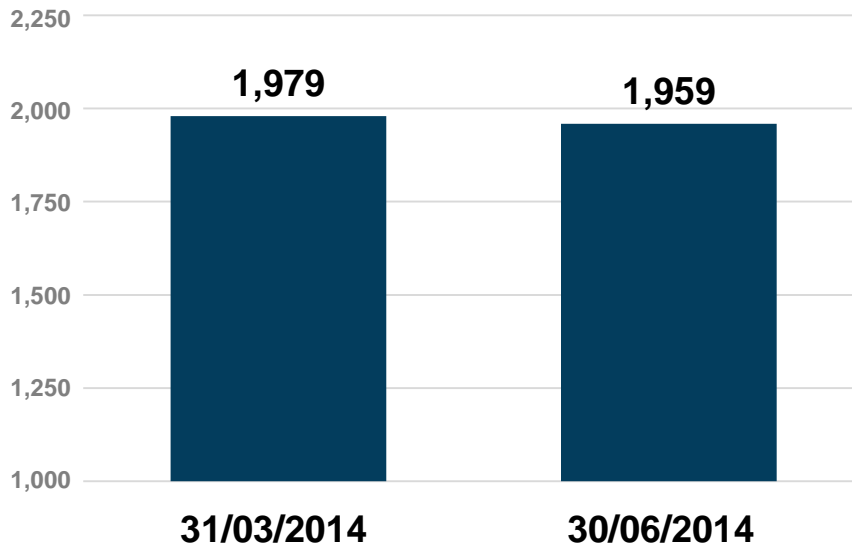
• Core capital ratio:
13.7%

Agenda

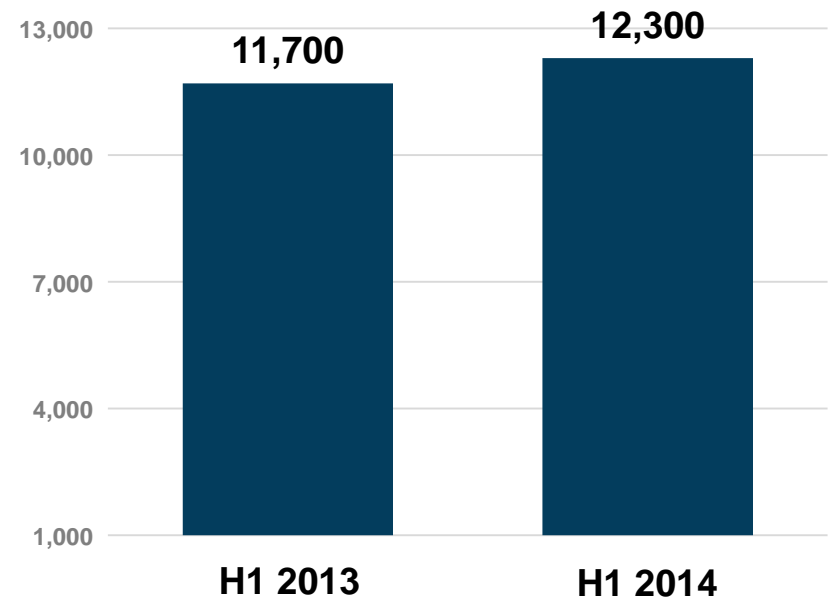
- Highlights H1/Q2 2014
- Key financial figures H1/Q2 2014
- **Consultants and clients**
- Outlook and summary
- Questions and Answers

New client acquisition up 5 percent on previous year

Consultants



New clients (gross)



Agenda

- Highlights H1/Q2 2014
- Key financial figures H1/Q2 2014
- Consultants and clients
- **Outlook and summary**
- Questions and Answers

Life Insurance Reform Act :

The changes at a glance

Changes

- Modification of policyholders' participation in the valuation reserves
- Increase in the minimum participation in the risk surplus from 75% to 90%
- Reduction in the guaranteed interest rate from 1.75% to 1.25%
- Reporting of the effective costs on the yield
- Reduction of the maximum zillmerisation rate from 4% to 2.5%

Selection of an insurance company gains in importance

Growth initiatives for the future

Growth initiatives

1 Further broadening of the revenue base

- Brokerage of real estate in MLP private client business
- Expansion of the corporate client business through a range of visible non-life insurance offerings for companies – acquisitions possible
- Further strengthening of the real assets portfolio at FERI
- Acquisitions in the FERI business fields are being specifically assessed

2 Consistent implementation of a digitalisation strategy

- Increased presence on the Internet and in social media to reach students and graduates
- Online contract conclusion for simple products for new clients
- Extended online services for existing clients (video conference, digital signature etc.)

3 Further development of technology leadership

- Complete virtualisation of the work place increases flexibility for the future
- New consulting application as a foundation for further development stages

4 Recruiting and opening of new branches

- Tap the full potential of the new consultant entry models introduced in 2013
- Opening of 4 branches per year in the university segment

On-going efficiency management

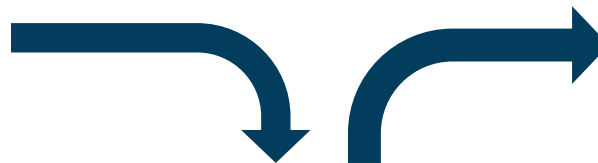
EBIT expected to be between € 50 and 65 million – strong growth even in the lower scenario

Outlook

Forecast 02/2014:

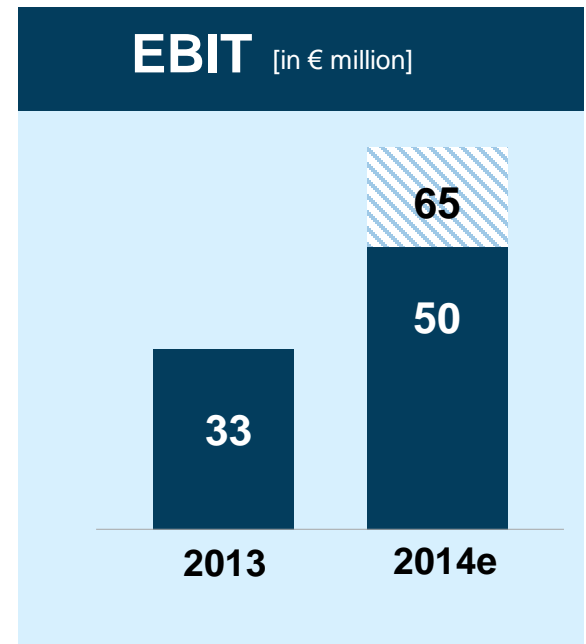
	Environment	EBIT
Upper Scenario	Significant improvement in the market environment	~ € 75 m
Base Scenario	Initial improvement in the framework conditions	~ € 65 m
Lower Scenario	Continued hesitancy on the part of clients	~ € 50 m

Administration costs 2014: ~ € 255 million



Market trends

- New business in old-age provision -6% in H1
- Negativ market development in health insurance – experts expect same decrease in numbers of citizens with full private insurance as in 2013



Summary

- After some positive signals in the first months MLP starts **cautiously optimistic** into the second half-year
- **Market conditions** remain **challenging** – in old-age provision and in health insurance
- As is usual with the MLP business model, the second half-year and **in particular the final quarter is crucially important** to our full year performance
- It remains our goal to achieve **significant growth** in revenue and earnings
- Outlook 2014: **EBIT** expected to be **between the lower and the base forecast scenario**

Agenda

- Highlights H1/Q2 2014
- Key financial figures H1/Q2 2014
- Consultants and clients
- Outlook and summary
- **Questions and Answers**

Contact

MLP Corporate Communications
Alte Heerstr. 40
69168 Wiesloch
Germany

- **Jan Berg, Head of Corporate Communications**
- **Andreas Herzog, Teamhead Investor Relations and Financial Communications**

Tel.: +49 (0) 6222 308 8310

Fax: +49 (0) 6222 308 1131

investorrelations@mlp.de

www.mlp-ag.com