

The MLP Group – The partner for all financial matters

Frankfurt, March 2018

Management Roadshow



Finanzen verstehen. Richtig entscheiden.

The MLP Group

1. MLP at a glance
2. Strategy
3. Key Financials & Outlook
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The MLP Group at a glance

The MLP Group

The Partner for all financial matters | Private Clients – Corporate Clients – Institutional Investors

MLP Finanzberatung SE	MLP Banking AG	FERI AG	DOMCURA AG	TPC GmbH
The Partner for all financial matters		The investment expert for institutional investors and high net-worth individuals	The underwriting agency, focusing on private and commercial non-life insurance	The specialist in occupational pension provision management
All fields of financial consulting		<ul style="list-style-type: none"> • Investment Research • Investment Management • Investment Consulting 	<ul style="list-style-type: none"> • € 360 million joint premium volume • Improved market position • Easier and better processes • Extended value chain 	<ul style="list-style-type: none"> • Biggest German broker • Small solutions & complex balance sheet issues • Member International Benefits Network
<ul style="list-style-type: none"> • Old-Age provision • Non-Life insurance • Health insurance • Real Estate 	<ul style="list-style-type: none"> • Wealth Management. • Banking 	<ul style="list-style-type: none"> • ~220 employees • International locations: Vienna, Zurich, Luxembourg 	<ul style="list-style-type: none"> • ~250 employees • ~5,000 partners (insurance brokers, pools, sales offices) 	<ul style="list-style-type: none"> • Client consulting together with MLP client consultants
<ul style="list-style-type: none"> • ~1,900 consultants • ~150 branch offices • ~1,050 employees 	<ul style="list-style-type: none"> • ~1,900 consultants • ~150 employees 			

MLP Group – An Overview

Clients		<ul style="list-style-type: none"> • Around 529,100* private clients (families) in the mass affluent segment of the market target groups: graduates (i.e. physicians, solicitors, engineers and economists) • Around 19,800* corporate and institutional clients 			*as of December 31, 2017
Main business areas	Old-age provision	Brokered premium sum for new business totalled € 3.4 billion in 2017. Occupational pension provision accounted for around 15% of this figure.		Share of revenue '17	
	Wealth Management	€ 33.9 billion in assets under management as at December 31, 2017 in business with mass affluent clients, HNWI and institutional investors.		35%	
	Non-life insurance	Business field expanded by acquisition of DOMCURA Group in 2015. More that € 360 million premium volume within the MLP Group.		32%	
	Health insurance	Private health insurance, supplementary private health insurance, long-term care, occupational health insurance, statutory health insurance.		19%	
Top Financials FY 2017		Total revenue: € 628.2 mil.	Equity Ratio: 18.7%	Dividend per share: € 0.20 (proposed)	
		Operating EBIT*: € 46.7 mil.	Core Capital Ratio: 20.0%	Return on Equity: 7.3%	
		EBIT: € 37.6 mil.	Consultants: 1,900	Employees: 1,686	
		Net profit: € 27.8 mil.		*before one-off expenses	
MLP Share		Shares outstanding: 109,334,686			
		Free Float: 49.81% (Definition on the German stock exchange)			
		Average daily trading volume: 167,373 (Xetra, 12-month average as at end of February 2018)			

Attractive dividend policy & stable shareholder structure

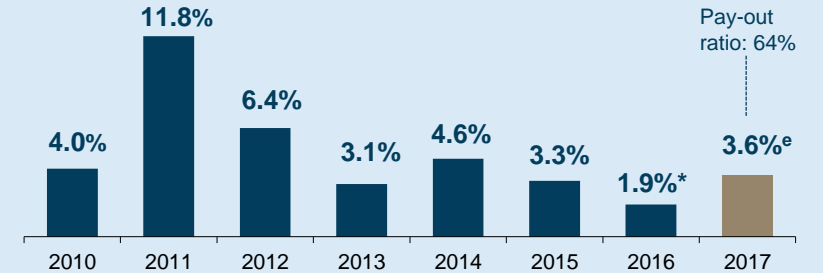
Dividend policy

Pay-out ratio:
50% - 70% of net profit
Profit retention required for:

- Acquisitions
- Capital expenditure
- Capital management (Basel III)

Return on dividend:

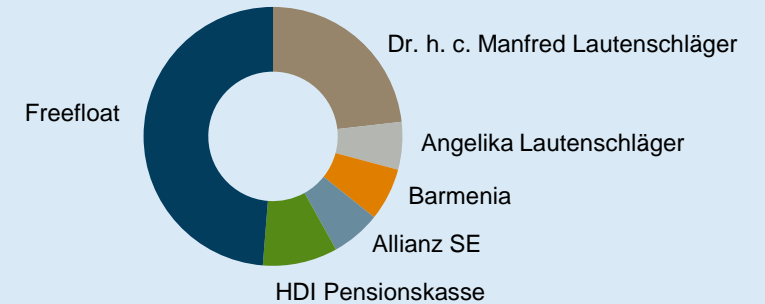
* influenced by one-off expenses
e based on dividend proposal



Shareholder structure

Dr. h. c. Manfred Lautenschläger	23.22%
HDI	9.36%
Barmenia	5.49%
Allianz SE	6.18%
Angelika Lautenschläger	5.94%
Freefloat (Def. Deutsche Börse)	49.81%

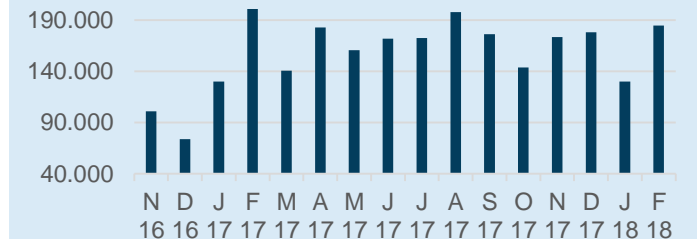
[FMR LLC: 2.95%, Internationale Kapitalanlagegesellschaft mbH: 5.03%, Schroders PLC: 2.99%]



Research coverage

Hauck & Aufhäuser	Buy	PT 7.40
Equinet/ESN	Buy	PT 7.50
Independent Research	Hold	PT 5.70
Bankhaus Lampe	Hold	PT 5.30

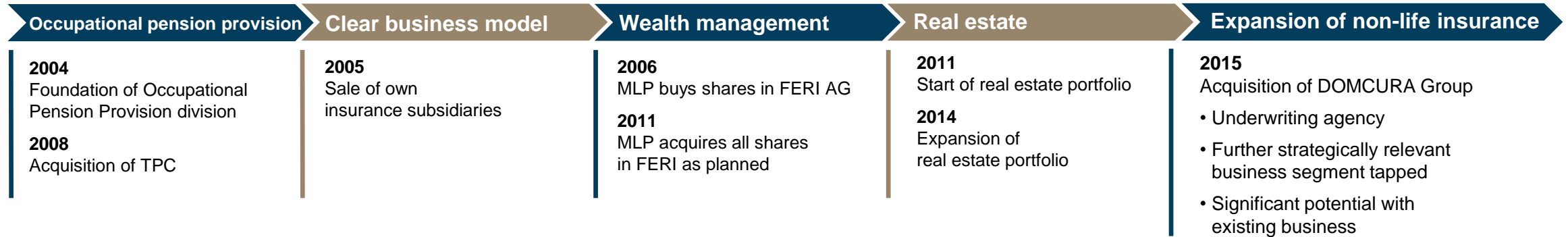
Ø daily trading volume



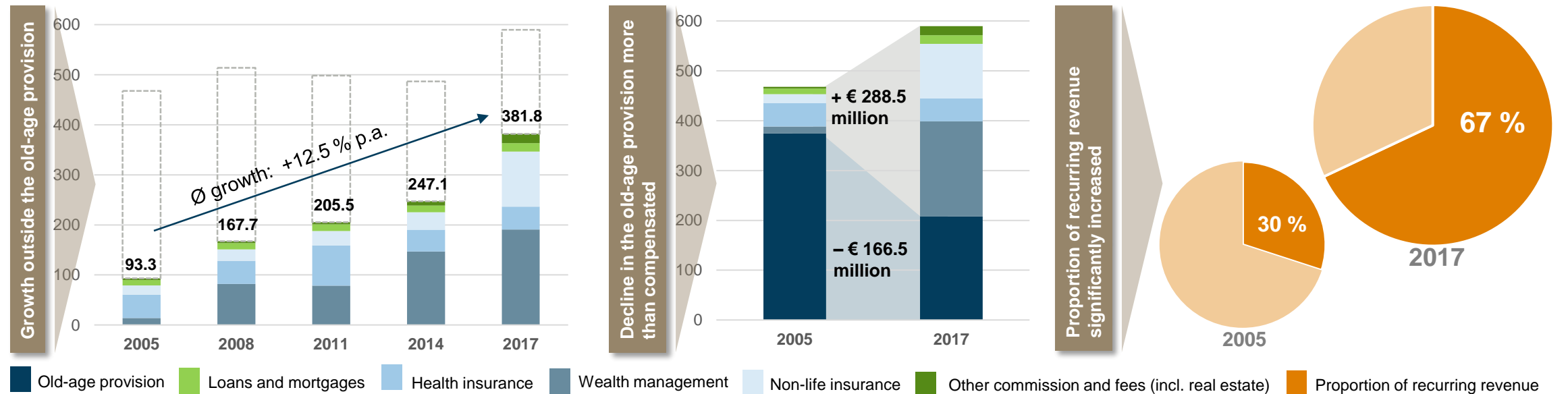
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Successful strategic diversification over the last years



Successful diversification beyond the old-age provision – FY 2017: Constitution of commission income (in € million)

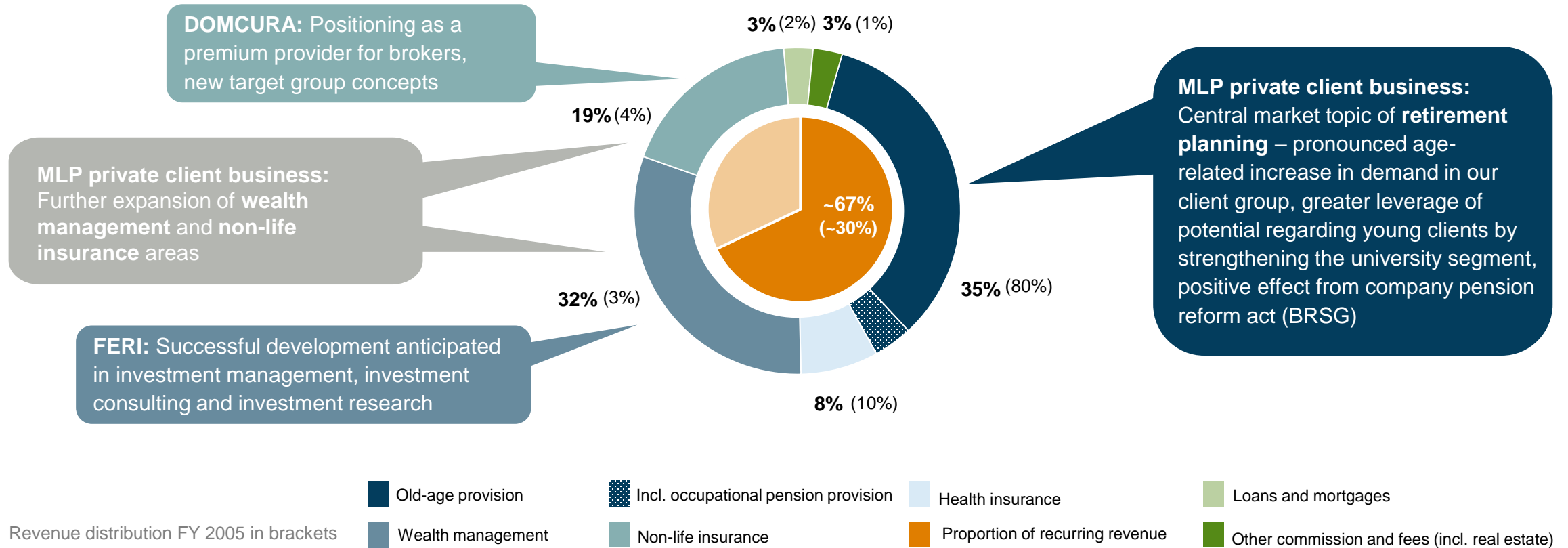


Strategic agenda 2018

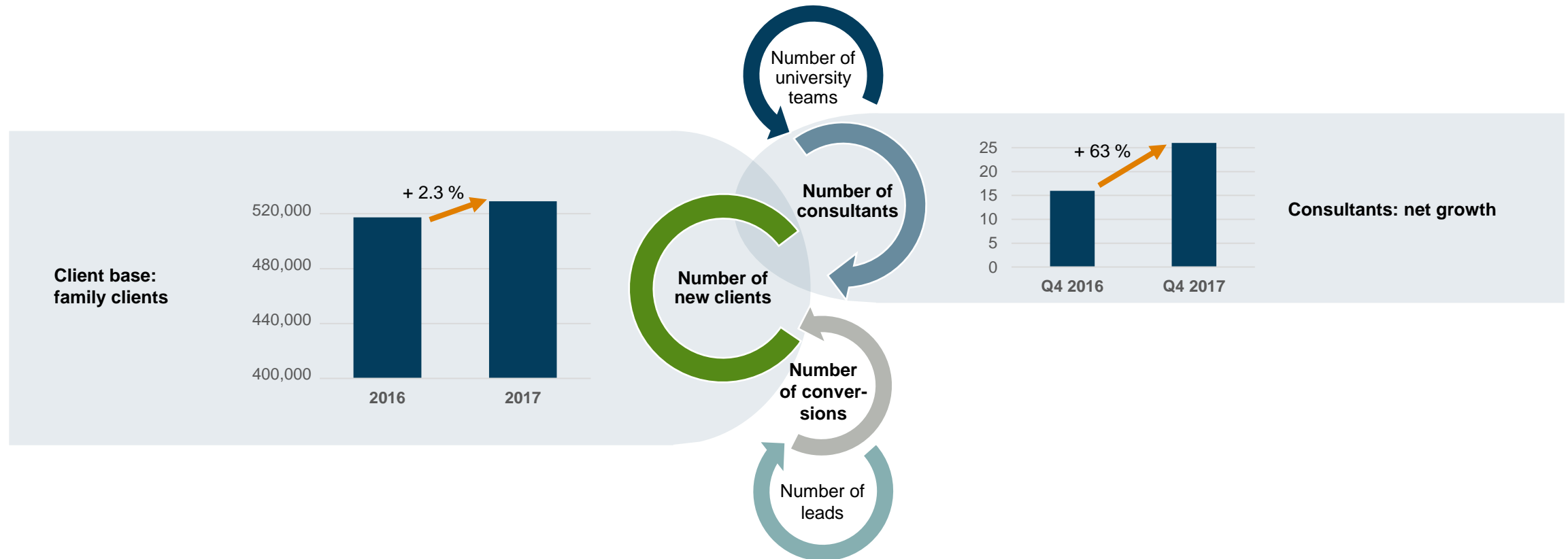
Strategic focus	1 Organic growth	2 Inorganic growth	3 Continued cost management
Implementation	<ul style="list-style-type: none">• Strengthening of the university segment in the private client business: through focus on recruiting young consultants and acquiring clients• Further broadening of revenue basis: primarily through further expansion of wealth management and non-life insurance business• Accelerated implementation of digitalisation strategy: in particular extension of digital information and service offers	<p>The MLP group continues to target acquisitions and is open for opportunities in three areas:</p> <ul style="list-style-type: none">• In MLP's private client business• In the DOMCURA market segment• In the FERI market segment	<ul style="list-style-type: none">• Structural reduction of the cost base continued in 2017 – ongoing efficiency management• Simultaneous investment in future projects

Making MLP less susceptible to short-term market influences and building on profit level already achieved

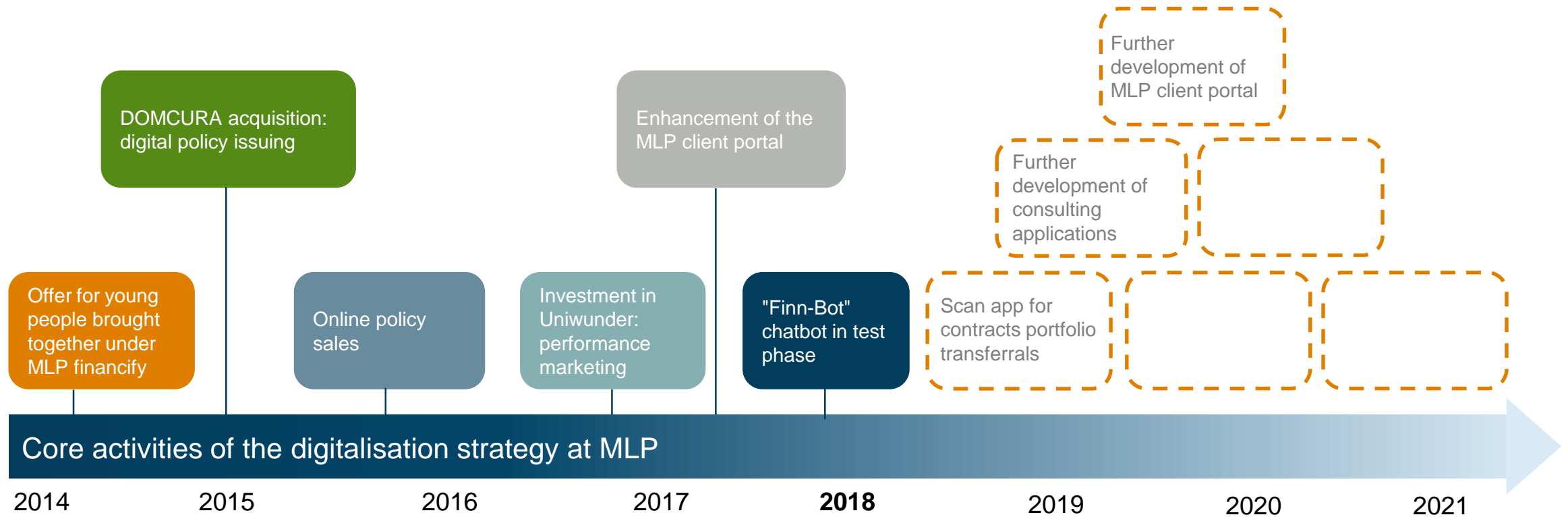
Further broadening of revenue basis



Strengthening of the university segment displaying initial successes



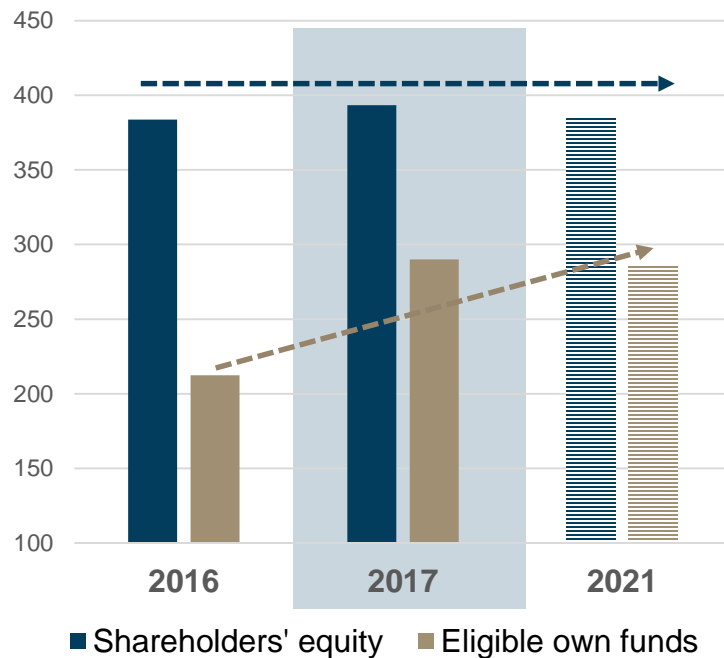
Accelerated implementation of digitalisation strategy



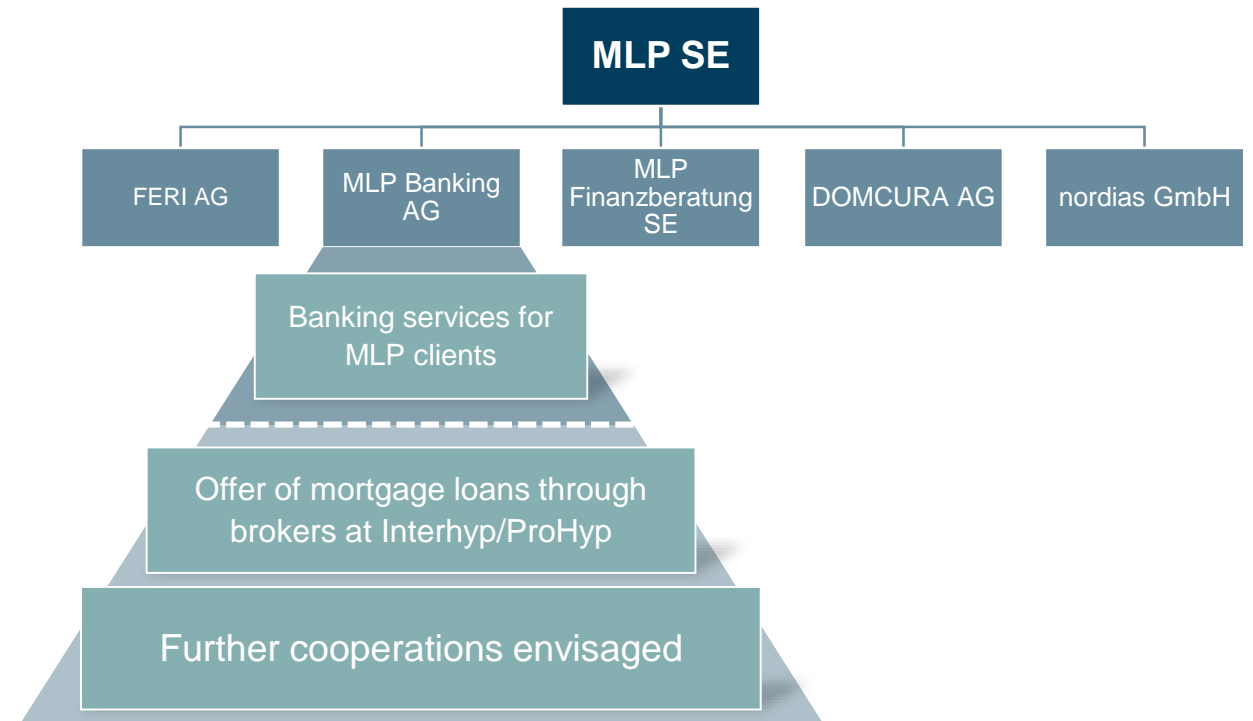
Broader leeway for the Group

Increased free equity capital

In € million



Realigned Group structure/banking services



Realigned Group structure: new segments

Previous structure (segments*)

	Finanzdienstleistungen	FERI	DOMCURA
Old-age provision	X		
Wealth management	X	X	
Non-life insurance	X		X
Health insurance	X		
Loans and mortgages	X		
Real estate brokerage	X		

Current structure (segments*)

	Financial Consulting	Banking	FERI	DOMCURA
	X			
		X	X	
	X			X
	X			
	X			
	X			

*Further segment, but without active operations: Holding

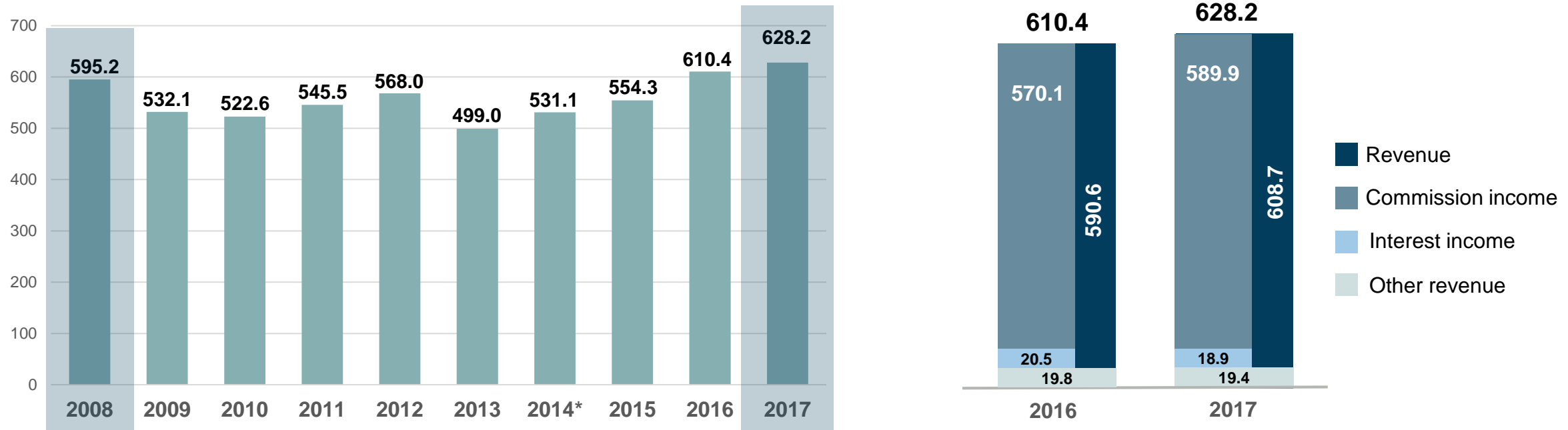
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FY 2017: Total revenue reaches highest level since outbreak of the financial crisis

Total revenue

In € million



* Previous year's values adjusted

FY 2017: Growth across all consulting areas, excluding old-age provision

Revenue

In € million

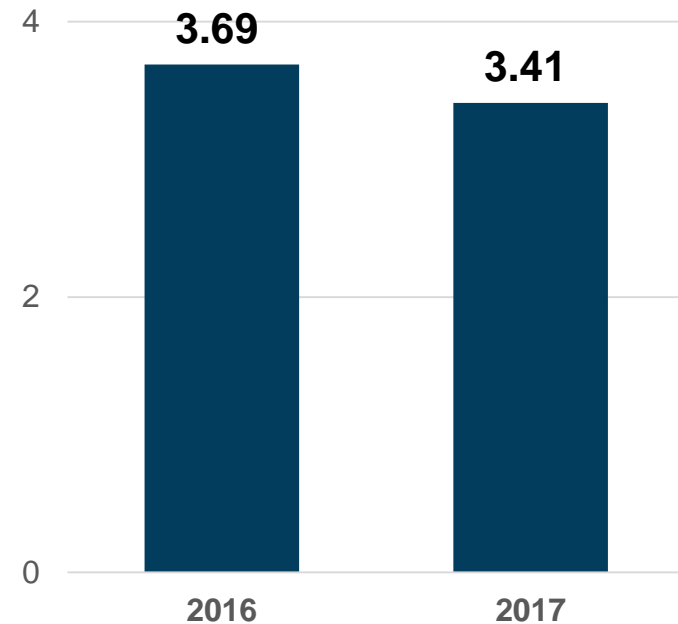
	2016	2017	Δ in %	Q4 2016	Q4 2017	Δ in %
Old-age provision	221.5	208.1	-6.0	94.3	86.1	-8.7
Wealth management	166.4	190.6	14.5	43.5	50.8	16.8
Health insurance	45.8	45.9	0.2	11.8	11.7	-0.8
Non-life insurance	105.6	109.9	4.0	20.0	19.1	-4.5
Loans and mortgages*	15.4	17.0	10.4	5.0	5.8	16.0
Other commission and fees	15.4	18.4	19.5	6.6	4.4	-33.3
Interest income	20.5	18.9	-7.8	4.9	4.5	-8.2

* Excluding MLP Hyp

Clients focusing on new guarantees and occupational pension provision

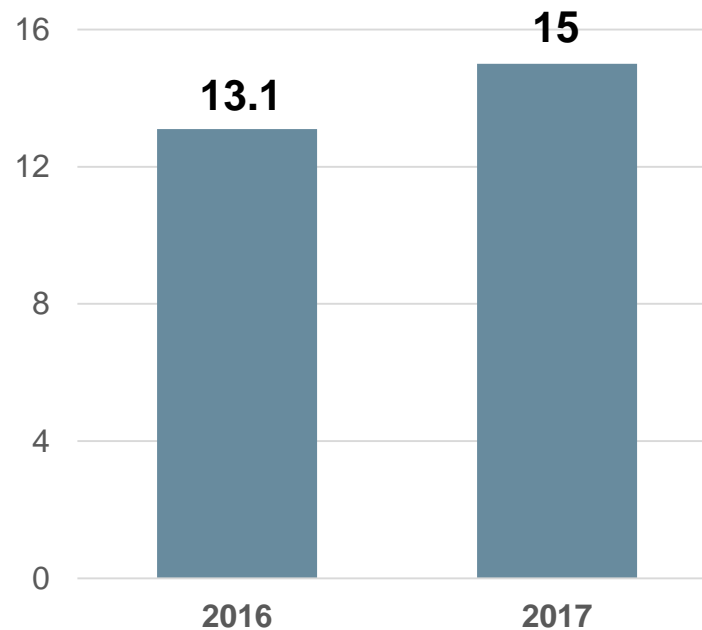
Premium sum of new business in the old-age provision area

In € billion



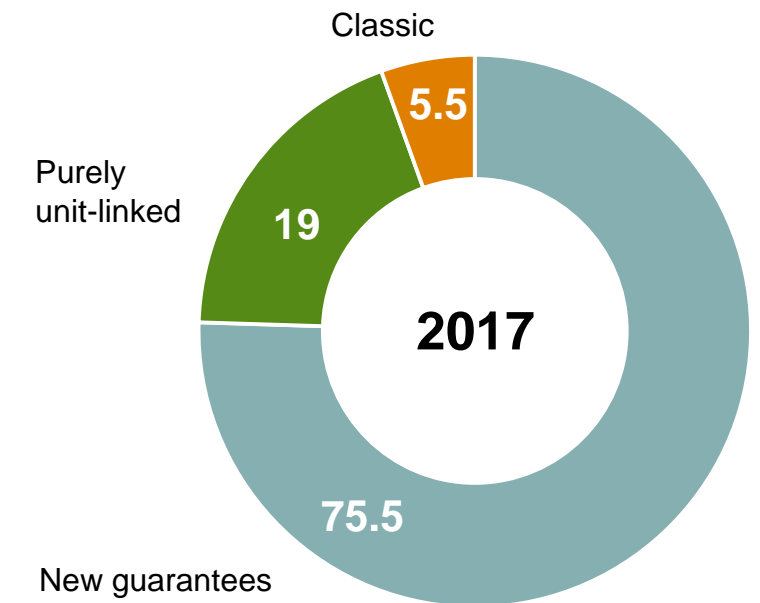
Occupational pension provision: share of the brokered premium sum

In percent



MLP product mix for newly brokered policies

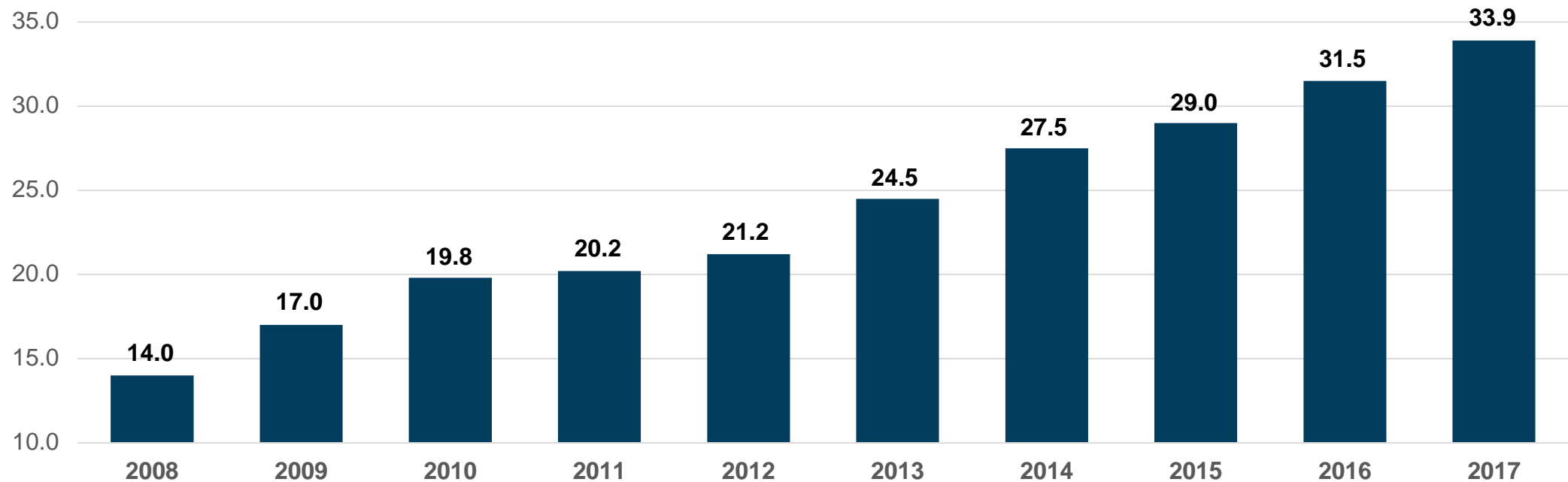
In percent



Assets under management increase to € 33.9 billion

Assets under management, MLP Group

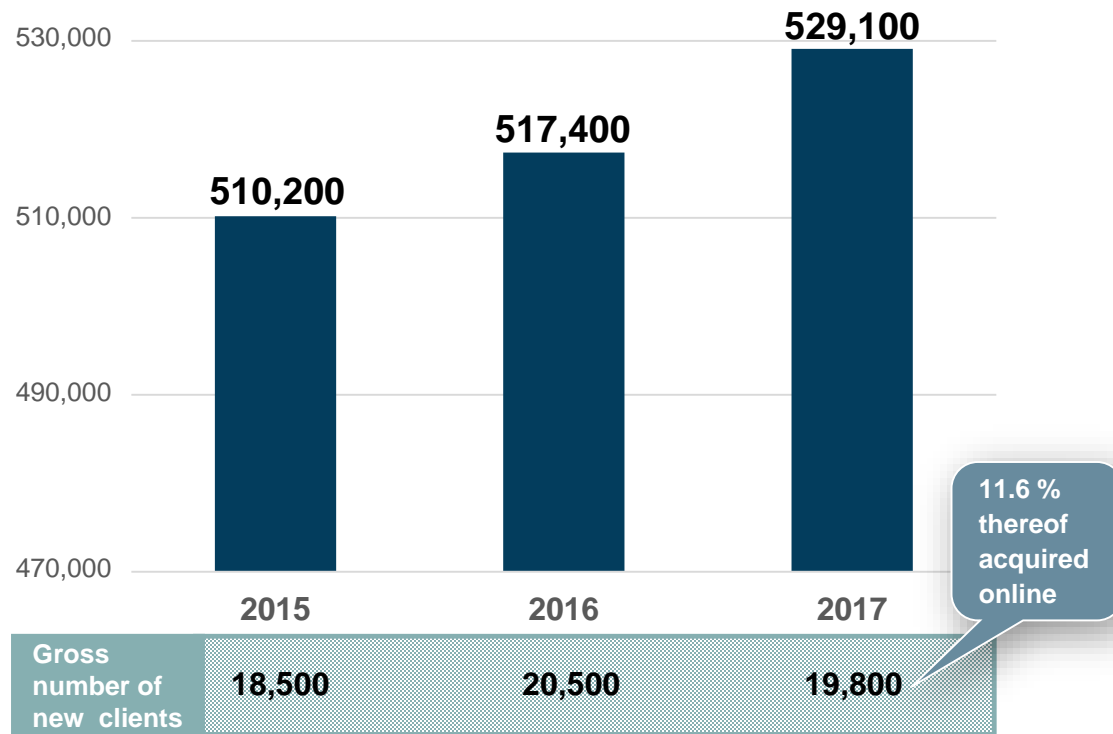
In € billion



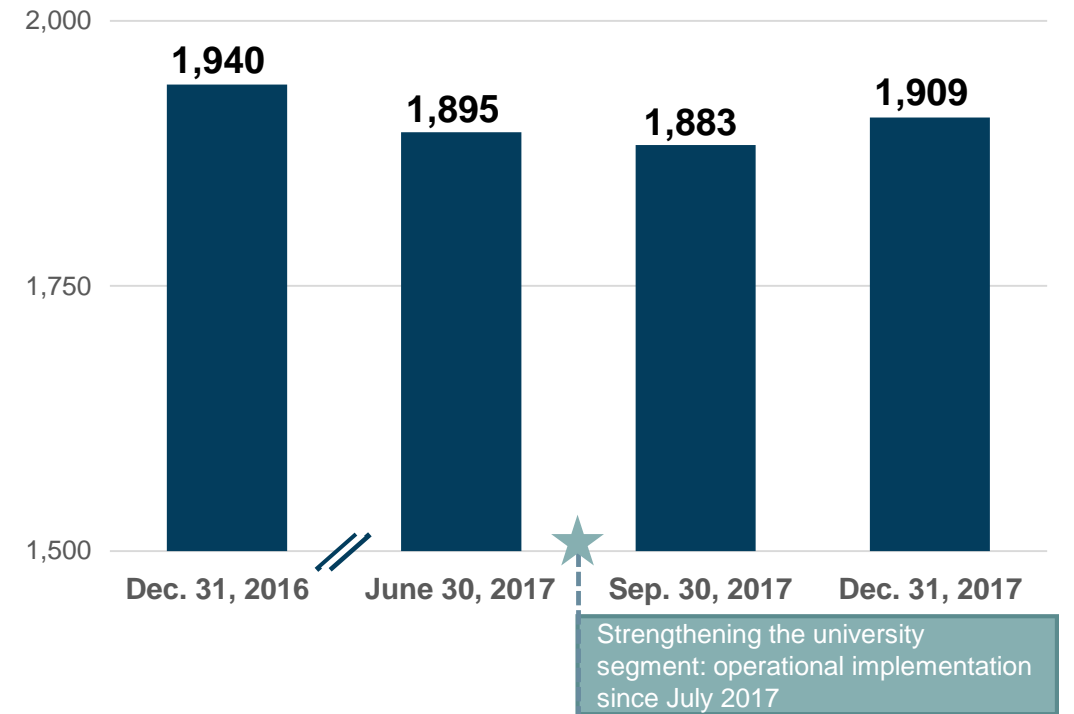
Each as at December 31

Number of family clients around 530,000

Family clients



Client consultants



Operating EBIT increases significantly to € 46.7 million

Income statement

In € million

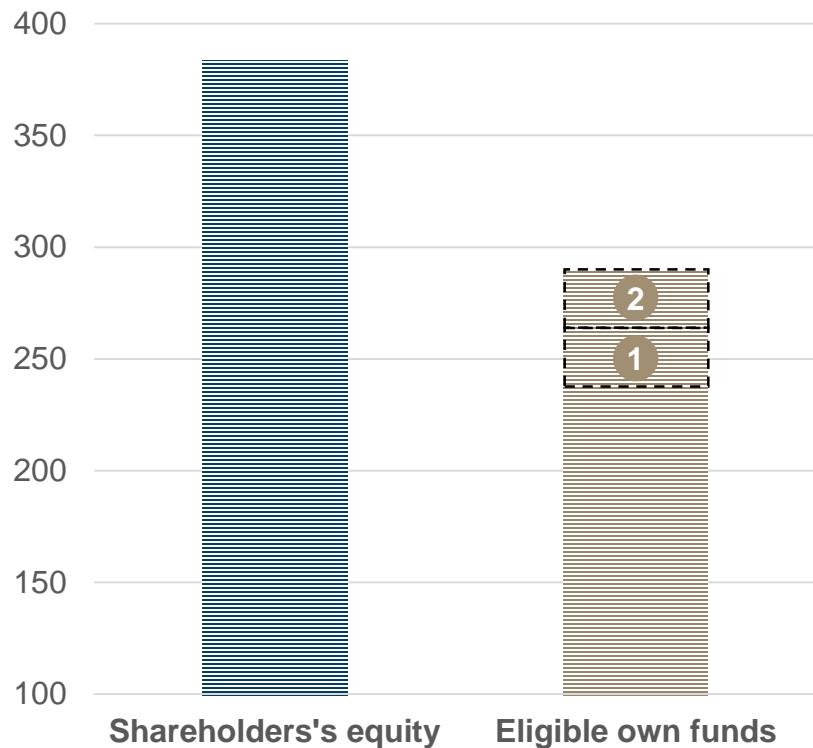
	2016	2017	Q4 2016	Q4 2017
Total revenue	610.4	628.2	191.7	187.5
Operating EBIT*	35.1	46.7	19.3	25.3
EBIT	19.7	37.6	8.2	23.0
Finance cost	-0.9	-1.2	-0.4	-0.5
EBT	18.7	36.4	7.7	22.5
Taxes	-4.1	-8.6	-2.6	-5.8
Net profit	14.7	27.8	5.1	16.7
EPS in € (diluted/basic)	0.13	0.25	0.05	0.15

*Before one-off expenses

2017: One-off expenses of € 9.1 million (€ 2.3 million in Q4/2017) for further optimisation of the Group structure (separation of banking and brokerage activities). One-off expenses of € 15.4 million in the year before (Q4/2016: € 11.1 million).

Significant increase in equity

In € million



- 1 **Adjustment of the supervisory focus**
 DOMCURA, ZSH and TPC are no longer included in the supervisory scope of consolidation
Approx. € 27 million
- 2 **Spinning off brokerage activities**
 Within the scope of spinning off the brokerage business, intangible assets are allocated to the new company and are therefore no longer included in the supervisory scope of consolidation
Approx. € 29 million
- + Further positive effects from operating business
- ➔ **Equity ratio** as of Dec. 31, 2017 at **20 %**
- ➔ Further, time-lagged effects until 2021 from subsequent reduction of risk items
Approx. € 25 million

Core capital ratio at 20 percent

In € million

<u>Assets</u>	Dec. 31, 2016	Dec. 31, 2017
Intangible assets	168.4	161.8
Financial assets	162.3	158.5
Receivables from clients in the banking business	626.5	702.0
Receivables from banks in the banking business	591.0	634.2
Other receivables and assets	122.8	125.7
Cash and cash equivalents	184.8	301.0
<u>Liabilities and shareholders' equity</u>		
Shareholders' equity	383.6	404.9
Provisions	91.2	88.7
Liabilities due to clients in the banking business	1,271.1	1,439.8
Liabilities due to banks in the banking business	37.7	61.4
Other liabilities	146.9	154.9
<u>Total</u>	1,944.1	2,169.5

Equity ratio: 18.7 %

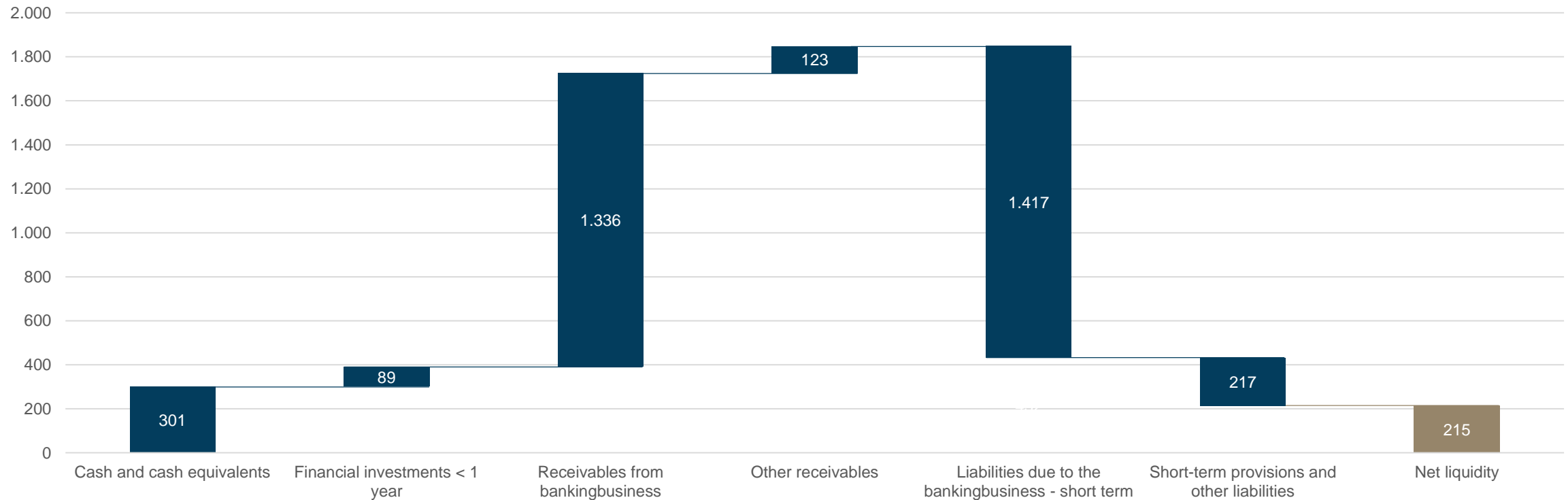
Return on equity: 7.3 %

Core capital ratio: 20.0 %

Net liquidity of around € 215 million

As of December 31, 2017

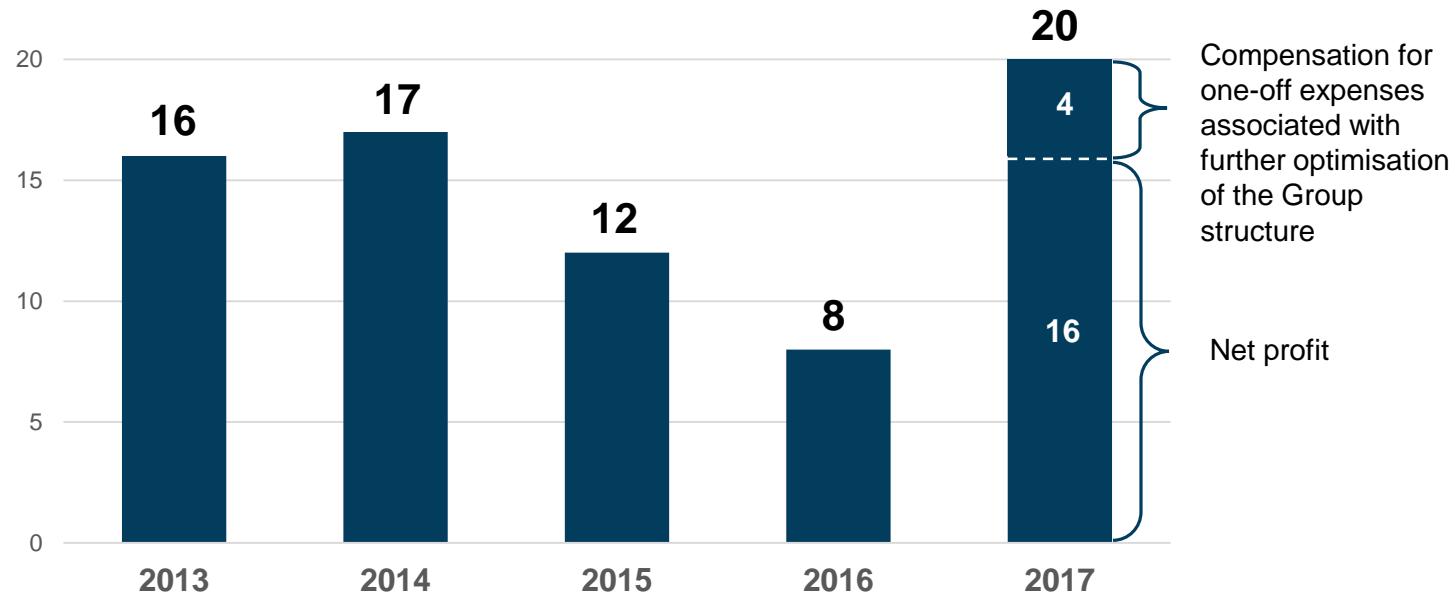
In € million



Executive Board proposes a dividend of 20 cents per share

Dividend per share

In euro cents



MLP participation programme

- Implementation on a share basis for MLP branch managers and consultants
- Further strengthening of the collaborative component in the business model
- Share buyback with a value of approx. € 2,1 mio. executed (28.2.)

Payout ratio	2013	2014	2015	2016	2017
	68 %	63 %	56 %*	60 %	64 %**

* based on net profit, simulating an acquisition of DOMCURA on January 1, 2015.

** based on operating net profit

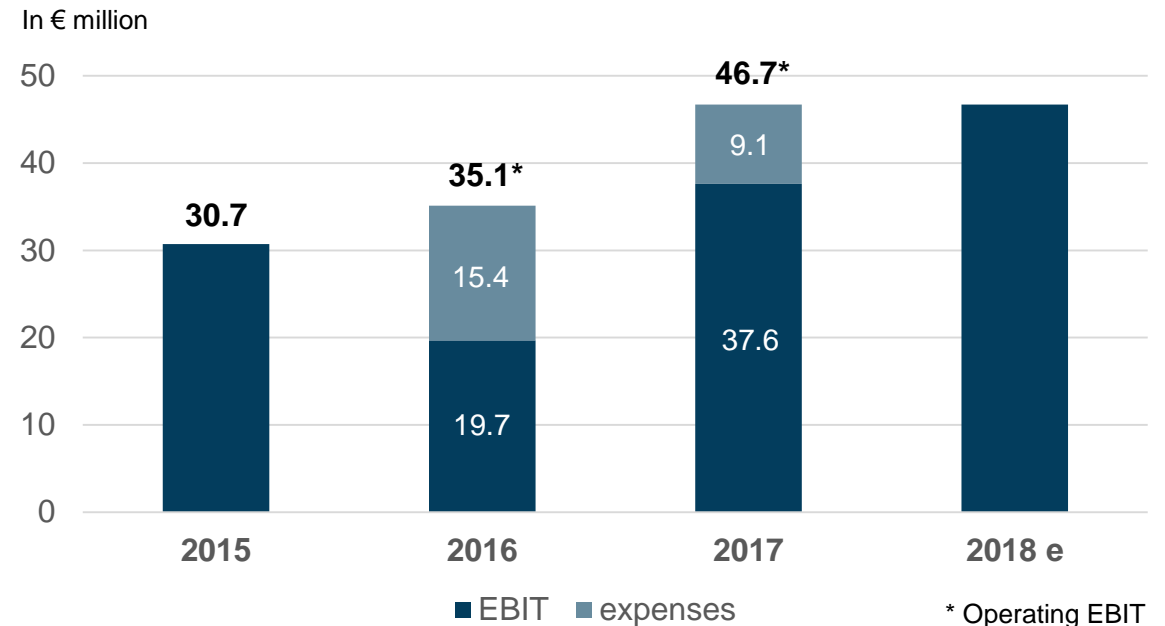
Outlook for the financial year 2018

Qualitative assessment of revenue development

Revenue	2018
Old-age provision	+
Wealth management	0
Health insurance	0
Non-life insurance	+
Loans and mortgages	0
Real estate brokerage	0

very positive: ++, positive: +, neutral: 0, negative: -, very negative: --

Earnings trend



MLP is anticipating EBIT in 2018 to remain at around the level of operating EBIT recorded in 2017 – EBIT is likely to increase significantly, as there are no special expenses scheduled for 2018

Summary

- Targets achieved in 2017 – MLP is benefiting from the strategic further development of the last few years.
- Transformation of MLP to be continued in 2018. In focus: further digitalisation, further diversification of the revenue basis, as well as strengthening the university segment.
- Despite comprehensive investments for the future: Our goal is to confirm the earnings base achieved in 2017.

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FY 2017: Income Statement

<i>All figures in € '000</i>	Q4 2017	Q4 2016	2017	2016
Revenue	182,403	186,101	608,743	590,559
Other revenue	5,055	5,610	19,424	19,810
Total revenue	187,458	191,711	628,167	610,369
Commission expenses	-90,961	-96,882	-309,344	-298,505
Interest expenses	-160	-540	-1,055	-1,711
Loan loss provisions	505	248	-511	-1,619
Personnel expenses	-34,369	-32,023	-123,245	-121,847
Depreciation and amortisation	-3,939	-13,038	-15,293	-23,962
Other operating expenses	-36,295	-41,937	-143,607	-145,137
Earnings from shares accounted for using the equity method	719	618	2,487	2,106
Earnings before interest and taxes (EBIT)	22,958	8,157	37,600	19,694
Other interest and similar income	51	275	209	906
Other interest and similar expenses	-553	-712	-1,433	-1,851
Finance cost	-502	-437	-1,223	-946
Earnings before taxes (EBT)	22,456	7,720	36,377	18,748
Income taxes	-5,761	-2,576	-8,582	-4,052
Net profit	16,694	5,144	27,796	14,696
Of which attributable to owners of the parent company	16,694	5,144	27,796	14,696
Earnings per share in €				
basic	0.15	0.05	0,25	0.13
diluted	0.15	0.05	0,25	0.13
Number of shares	109,334,686	109,334,686	109,334,686	109,334,686

FY 2017: Consolidated Balance Sheet

Assets as at December 31, 2017

<i>All figures in € '000</i>	Dec 31, 2017	Dec 31, 2016
Intangible assets	161,838	168,419
Property, plant and equipment	61,861	63,365
Shares accounted for using the equity method	4,132	3,751
Deferred tax assets	8,035	9,063
Receivables from clients from the banking business	701,975	626,479
Receivables from banks from the banking business	634,150	590,972
Financial investments	158,457	162,286
Tax refund claims	12,346	12,115
Other receivables and other assets	125,741	122,776
Cash and cash equivalents	301,013	184,829
Total	2,169,547	1,944,055

Liabilities and shareholder's equity as at December 31, 2017

<i>All figures in € '000</i>	Dec 31, 2017	Dec 31, 2016
Equity	404,935	383,585
Provisions	88,737	91,225
Deferred tax liabilities	9,531	9,898
Liabilities towards clients from the banking business	1,439,805	1,271,070
Liabilities towards banks from the banking business	61,383	37,720
Tax liabilities	10,243	3,646
Other liabilities	154,913	146,911
Total	2,169,547	1,944,055

FY 2017: Segment Reporting

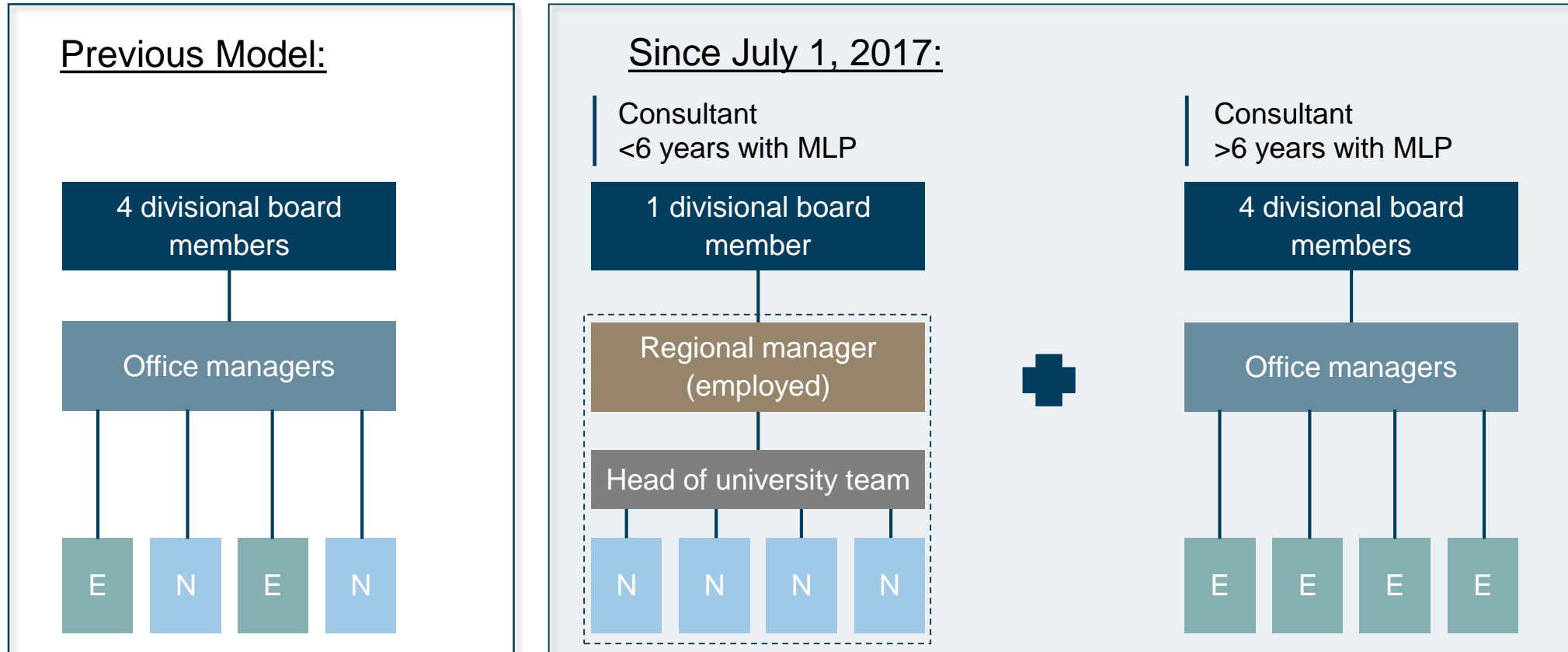
	Financial Services		FERI		DOMCURA		Holding		Consolidation		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<i>All figures in € '000</i>												
Revenue	400,737	400,446	139,710	123,583	73,273	70,664	-	-	-4,976	-4,134	608,743	590,559
Other revenue	14,373	10,313	4,283	5,081	4,642	3,212	9,611	13,694	-13,485	-12,490	19,424	19,810
Total revenue	415,109	410,759	143,993	128,664	77,915	73,876	9,611	13,694	-18,461	-16,624	628,167	610,369
Commission expenses	-184,213	-183,578	-81,754	-72,072	-48,323	-46,574	-	-	4,946	3,719	-309,344	-298,505
Interest expenses	-1,055	-1,719	-	-	-	-	-	-	-	8	-1,055	-1,711
Loan loss provisions	-517	-839	-34	-768	40	2	-	-13	-	-	-511	-1,619
Personnel expenses	-74,630	-76,015	-30,507	-28,114	-14,337	-14,114	-3,771	-3,604	-	-	-123,245	-121,847
Depreciation/amortisation and impairment	-11,164	-19,103	-1,170	-1,545	-1,293	-1,370	-1,666	-1,944	-	-	-15,293	-23,962
Other operating expenses	-125,654	-126,766	-10,614	-11,848	-8,277	-8,804	-12,550	-10,534	13,487	12,815	-143,607	-145,137
Earnings from shares accounted for using the equity method	2,487	2,106	-	-	-	-	-	-	-	-	2,487	2,106
Earnings before Interest and tax (EBIT)	20,365	4,845	19,914	14,316	5,724	3,015	-8,376	-2,400	-27	-83	37,600	19,694
Other interest and similar income	122	362	40	361	27	44	45	172	-24	-33	209	906
Other interest and similar expenses	-779	-686	-246	-480	-38	-21	-461	-777	92	113	-1,433	-1,851
Finance cost	-657	-324	-206	-119	-11	23	-417	-605	68	79	-1,223	-946
Earnings before tax (EBT)	19,708	4,521	19,708	14,198	5,713	3,039	-8,793	-3,005	41	-4	36,377	18,748
Income taxes											-8,582	-4,052
Net profit (total)											27,796	14,696

FY 2017: Segment Reporting (new)

	Financial Consulting		Banking		FERI		DOMCURA		Holding		Consolidation		Total	
<i>All figures in € '000</i>	2017	2016			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	126,848		278,317		139,710		73,273		-		-9,405		608,743	
Other revenue	6,394		11,639		4,283		4,642		9,611		-17,148		19,424	
Total revenue	133,242		289,957		143,993		77,915		9,611		-26,551		628,167	
Commission expenses	-58,510		-128,959		-81,754		-48,323		-		8,202		-309,344	
Interest expenses	-		-1,055		-		-		-		-		-1,055	
Loan loss provisions	102		-619		-34		40		-		-		-511	
Personnel expenses	-21,467		-53,163		-30,507		-14,337		-3,771		-		-123,245	
Depreciation/amortisation and impairment	-3,702		-7,461		-1,170		-1,293		-1,666		-		-15,293	
Other operating expenses	-27,243		-103,252		-10,614		-8,277		-12,550		18,328		-143,607	
Earnings from shares accounted for using the equity method	2,487		-		-		-		-		-		2,487	
Earnings before interest and tax (EBIT)	24,910		-4,553		19,914		5,724		-8,376		-20		37,600	
Other interest and similar income	20		102		40		27		45		-24		209	
Other interest and similar expenses	-182		-597		-246		-38		-461		92		-1,433	
Finance cost	-163		-495		-206		-11		-417		68		-1,223	
Earnings before tax (EBT)	24,747		-5,047		19,708		5,713		-8,793		48		36,377	
Income taxes														-8,582
Net profit (total)														27,796

Sharper focus on university segment

MLP Sales Organisation



N = Focus: Winning new clients
E = Focus: Serving existing clients

DOMCURA: Underwriting agency selects the appropriate insurer from the marketplace

