Interim Group Report for the first quarter 2014

MLP

MLP Group

All figures in € million	1st quarter 2014	1st quarter 2013	Change in %
MLP Group			
Total revenue	119.8	116.4	2.9%
Revenue	112.8	112.3	0.4%
Other revenue	7.0	4.1	70.7%
Earnings before interest and tax (EBIT)	4.4	4.0	10.0%
EBIT margin (%)	3.7%	3.4%	–
Net profit	3.4	3.2	6.3%
Earnings per share (diluted/undiluted) in €	0.03	0.03	0.0%
Cashflow from operating activities	28.7	63.0	–54.4%
Capital expenditure	5.2	4.9	6.1%
Shareholders' equity	376.9	374.5[1]	0.6%
Equity ratio (%)	23.5%	24.4%[1]	–
Balance sheet total	1,605.9	1,536.9[1]	4.5%
Clients	836,200	830,300[1]	0.7%
Consultants	1,979	1,998[1]	–1.0%
Branch offices	170	169	0.6%
Employees	1,557	1,549	0,5%
Arranged new business			
Old-age provisions (premium sum)	630.0	550.0	14.5%
Loans mortgages	349.6	361.3	–3.2%
Assets under management in € billion	24.4	24.5[1]	–0.4%

[1] As of December 31, 2013

Interim Group Report for the first quarter 2014

The first quarter at a glance

- Total revenue in Q1 rises by 3 % to € 119.8 million
- EBIT climbs by 10 % to € 4,4 million
- Early indicators for future revenue development positive – despite persistantly difficult market environment
- Outlook for 2014 reiterated

Table of contents

4 Introductory notes
4 Profile
5 Group Interim Management Report for the first quarter 2014
  5 Fundamental principles of the Group
  6 Economic Report
    6 Overall economic climate
    6 Industry Situation and the competitive environment
    9 Business performance
    9 Research and development
    10 Results of operations
    13 Financial position
    14 Net assets
    16 Comparison of the actual and forecast development of business
    16 Segment report
    18 Personnel
  18 Events subsequent to the reporting date
  18 Risk and opportunity report
  19 Forecast
    19 Future overall economic development
    19 Future situation in the industry and competitive environment
    19 Anticipated business development
20 Investor Relations
22 Consolidated interim Group financial statement
  22 Income statement and statement of comprehensive income
  23 Statement of financial position
  24 Condensed statement of cash flow
  25 Statement of changes in equity
  26 Notes to the MLP quarterly financial statement
39 Executive bodies at MLP AG
40 List of figures and tables
42 Financial calendar

Introductory Notes

This group interim report has been compiled in accordance with the requirements of the German Accounting Standards No.16 (DRS 16) “Interim Reporting” and constitutes a continuation of the consolidated financial statements 2013. In this regard it presents significant events and business transactions of the first quarter 2014 and updates forecast-oriented information contained in the last joint management report. The Annual Report is available on our website at www.mlp-ag.com.

In the presentation of the results of operations, financial position and net assets of the MLP Group in accordance with the International Financial Reporting Standards (IFRS), the corresponding figures from the previous year are shown in brackets.

The information contained in this group interim report has neither been audited by an auditor nor subjected to an audit review.

Profile

MLP – The leading independent Consulting Company

MLP is Germany’s leading independent consulting company. Supported by comprehensive research, the Group provides a holistic consulting approach that covers all economic and financial questions for private and corporate clients, as well as institutional investors. The key aspect of the consulting approach is the independence from insurance companies, banks and investment firms. The MLP Group manages total assets of around € 24.4 billion and supports more than 835,000 private and 5,000 corporate clients or employers. The financial services and wealth management consulting company was founded in 1971 and holds a banking license.

The concept of the founders, which still forms the basis of the current business model, is to provide long-term consulting for academics and other discerning clients in the fields of provision, financial investment, health insurance, non-life insurance, loans and mortgages and banking. Private individuals with assets of over € 5 million and institutional clients benefit from extensive wealth management and consulting services as well as receiving economic forecasts and ratings provided by the subsidiaries of the FERI Group. Supported by its subsidiary TPC, MLP also provides companies with independent consulting and conceptual services in all issues pertaining to occupational pension schemes and remuneration.

Group Interim Management Report for the first quarter 2014

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

During the first quarter of 2014, changes took place within the organisation and administration area compared to the fundamental principles of the Group described in the MLP Group's Annual Report 2013. These changes are explained in the following section. Detailed information concerning "Business model", "Goals and strategies" and "Control system" can be found on pages 18 to 31 of the MLP Group's Annual Report 2013.

Change in organisation and administration

On March 31, 2014 Muhyddin Suleiman, Executive Board member of MLP AG and MLP Finanzdienstleistungen AG with responsibility for sales, resigned from both executive bodies by mutual agreement. The position was not refilled. Since April 1, 2014 the Executive Board of MLP AG has thus consisted of three members instead of the previous configuration with four members. In addition to Chief Executive Officer Dr. Uwe Schroeder-Wildberg, the Executive Board still comprises Manfred Bauer (Product Management) and Reinhard Loose (Finance).

The reallocation of responsibilities within the Executive Board resulted in the following changes: from April 2014 Dr. Uwe Schroeder-Wildberg assumed responsibility for sales in addition to strategy, communication & policy, marketing and market & innovation. In addition to his existing areas, Reinhard Loose took over responsibility for human resources, legal affairs, internal audit and compliance.

Change in the scope of consolidation

There were no changes to the scope of consolidation during the period under review.

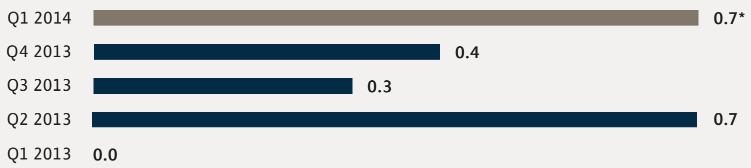
ECONOMIC REPORT

Overall economic climate

The macroeconomic and industry-specific framework conditions did not significantly differ from the outline provided in the Annual Report 2013 of the MLP Group (pages 32 to 40).

Compared to neighbouring European countries, the overall economic situation in Germany in the first quarter continued to be characterised by relatively robust growth. According to estimates issued by the German Institute for Economic Research (DIW), the price-adjusted gross domestic product (GDP) rose by 0.7 % in the first three months of 2014 (2013: 0.4 %, Q4 2013: 0.4 %). The situation on the labour market also remained stable. According to the federal agency for labour the unemployment rate in March fell by 0.2 % compared to the previous month and stood at 7.1 % (2013: 6.9 %).

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



*Estimate
Souce: DIW, Rate of change in GDP, price adjusted

Industry situation and the competitive environment

Old-age provision

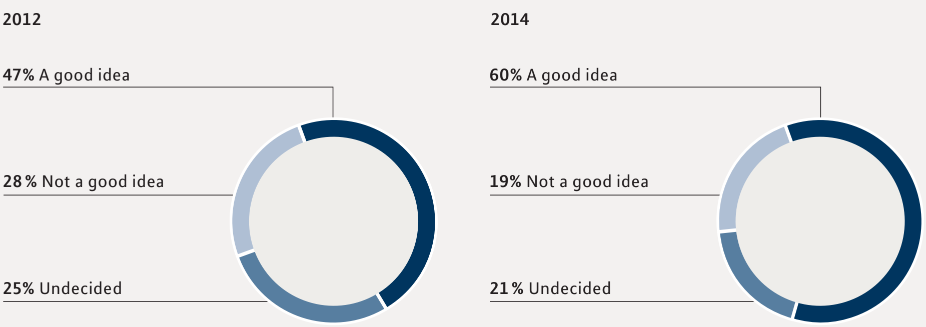
The ongoing public discussion concerning the low-interest rate environment as well as the extensive negative reports concerning life insurers and their products continue to burden the market environment in old-age provision. According to figures released by the German Insurers Association (GDV), the volume of brokered new business in the market fell by 16 % in the period January to March 2014 compared to the corresponding timeframe in the previous year.

Health insurance

The private health insurance sector in Germany remains characterised by a significant level of hesitancy and reservation on the part of the general public. Figures released by the Association of Private Health Insurance in March 2014 revealed that the number of people with full private health insurance fell by around 66,000 in 2013. However, citizens still have a positive attitude towards the efficacy of private health insurance. The MLP Health Report, which MLP compiled in cooperation with the Allensbach Institute, indicated that 87 % of private healthcare insurees are satisfied with the level of coverage their policy provides, whereas only 66 % of statutory health insurance policyholders stated the same. The study findings highlight the high potential of this consulting area for the future.

In addition, there is growing recognition among German citizens of the need for long-term nursing care provision. Almost half of the population (45 %) are concerned about not having adequate insurance cover in the event of requiring long-term nursing care. Furthermore, a clear majority (60 %) among the general public welcomes the introduction of state subsidies for private supplementary insurance for long-term nursing care ("Pflege-Bahr").

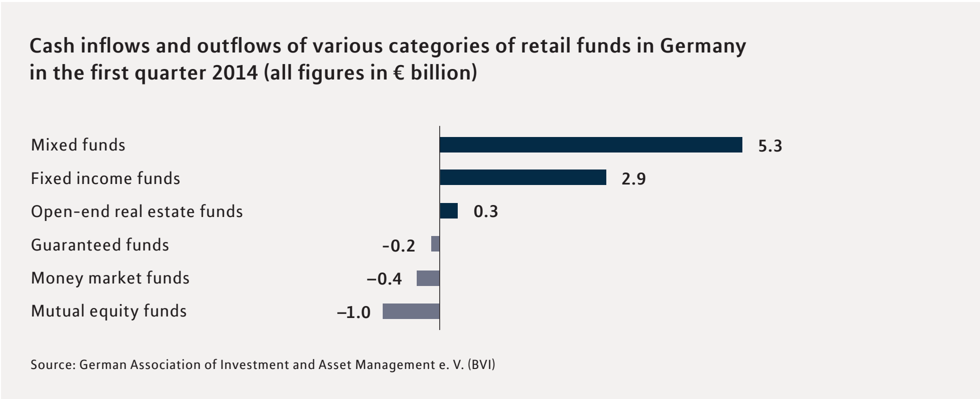
Growing support for state-subsidised supplementary long-term care insurance



Basis: Federal Republic of Germany, citizens over 16 years of age
Source: MLP Health Report 2014, IfD surveys

Wealth management

In the first three months of 2014, Assets under Management in the market rose to € 2,159 billion (Dec. 31, 2013: € 2,105 billion). This growth continued to be primarily driven by institutional business. In retail funds, low-risk investments in particular registered net inflows, whereas mutual equity funds recorded outflows amounting to € 1.0 billion.



Competition and regulation

The competitive conditions and the regulatory environment during reporting period did not differ significantly from the information provided in the Annual Report 2013 of the MLP Group (pages 38 to 40).

The MLP Group was an early adopter of numerous requirements that the legislator is now stipulating with new sets of rules and standards. We consider this to provide us with a clear competitive edge over other market participants. In the coming years the legislator will further tighten the requirements which will, in turn, provide further stimulus for consolidation of the market.

Business performance

In the first quarter of 2014, total revenue increased slightly compared to the same period in the previous year. Within a difficult market environment, old-age provision showed a first pick-up again and revenue growth was also achieved in wealth management and non-life insurance. In loans and mortgages, revenue remained at the level of the previous year. Important early indicators for future revenue development also showed a positive trend – particularly the new client figure as well as new business in old-age provision. Burdened by tough market conditions, revenue in health insurance fell below the level of the previous year.

Due to the seasonality of our business performance, the first quarter only contributes a relatively small amount to the full-year result. Major portions of the overall result are traditionally achieved in the second half-year – and especially in the final quarter.

Changes in corporate structure

There were no significant changes in the corporate structure during the period under review.

Consultants

Despite the usual seasonal decrease in the first quarter of the year, the number of consultants in the first three months fell only slightly and amounted to 1,979 (Dec. 31, 2013: 1,998). The turnover rate stood at 10.5 %, and thus remained well below our target range of a maximum of 12 % and 15 %. In the first quarter, MLP opened two new branch offices in the university segment – one in Münster and one in Frankfurt/Main.

New clients

New client acquisition showed pleasing development in the first quarter, rising to 6,000 new clients, a figure that was significantly above the first quarter of 2013 (5,000). Consequently, the total number of clients rose to 836,200 (Dec. 31, 2013: 830,300).

Research and development

Since our consulting firm is a service provider, we are not engaged in any research and development in the classic sense.

Results of operations

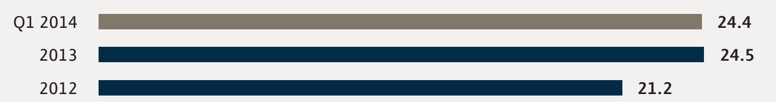
Development of total revenue

In the period from January to March 2014 total revenue of the MLP Group rose by 2.9 % to € 119.8 million (€ 116.4 million). Revenue from commissions and fees totalled € 107.1 million (€ 106.4 million) and was thereby also slightly above the same period of the previous year. Interest income remained around the previous year's level and amounted to € 5.8 million (€ 5.9 million). Other revenue increased from € 4.1 million to € 7.0 million. This rise was among others due to the positive effect on MLP of a court ruling with respect to a negative declaratory judgement against several former FERI shareholders.

The revenue breakdown by consulting area shows initial indications of positive development in old-age provision. New business brokered by MLP rose by around 15 % to € 630 million (€ 550 million). In the first quarter, occupational provision accounted for 15 % of this figure, compared to 14 % in the previous year. However, these positive trends are not yet fully reflected in the revenue from commissions and fees which rose by 3.1 % to € 40.1 million (€ 38.9 million).

Following a strong performance in the same quarter of the previous year, revenue in wealth management climbed to € 32.6 million (€ 31.7 million). Assets under management amounted to € 24.4 billion at March 31, 2014 (Dec. 31, 2013: € 24.5 billion). Revenue in non-life insurance also rose slightly, increasing from € 18.2 million to € 18.8 million. Revenue in loans and mortgages remained at the previous year's level and amounted to € 2.9 million (€ 2.9 million); additional earnings from the joint venture company MLP Hyp totalled € 0.2 million (€ 0.1 million). Other commissions and fees amounted to € 1.3 million (€ 0.7 million).

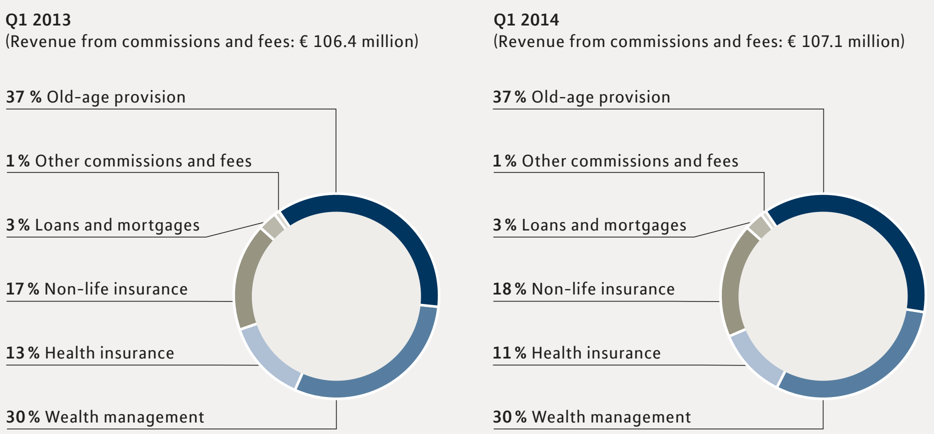
Development of assets under management (all figures in € billion)



The market conditions in health insurance continue to be difficult and in the first quarter many clients remained hesitant. Against such a backdrop, revenue in this area fell from € 13.9 million to € 11.4 million.

The distribution of revenue highlights the fact that MLP is more broadly positioned than ever before. At 30, 18 and 11 % respectively, wealth management, non-life insurance as well as health insurance all make significant contributions towards the overall revenue from commissions and fees, thereby increasing the stability of the revenue development.

Comparison of revenue from commissions and fees (Q1/2013 vs. Q1/2014)



Analysis of expenses

Commission expenses primarily contain performance-linked commission payments to our consultants. In addition, this item also includes commission expenses in the FERI segment which result from the activities of our Luxembourg-based subsidiary that specialises in the administration of funds. Variable expenses incurred in this business area include payments to the deposit bank and for fund sales. In the first quarter, commission expenses totalled € 51.2 million which was slightly above the previous year’s figure of € 49.1 million. Interest expenses fell from € 1.7 million to € 0.9 million.

Administration costs (defined as the sum of personnel costs, depreciation and amortisation as well as other operating expenses) increased slightly to € 63.5 million (€ 61.7 million). Here, personnel expenses rose from € 26.7 million to € 27.8 million mainly due to a one-off exceptional cost. Depreciation and amortisation increased to € 3.3 million (€ 2.9 million). Other operating expenses remained almost unchanged at € 32.4 million (€ 32.1 million).

EBIT rises to € 4.4 million

Despite a one-off exceptional cost in personnel expenses, EBIT (earnings before interest and tax) in the first quarter increased by 10.0 % to € 4.4 million (€ 4.0 million). The rise was due to higher total revenue.

EBIT development – comparison (all figures in € million)

The finance cost of the MLP Group reduced slightly from € 0.1 million to € 0.0 million in the first quarter 2014. The tax rate stood at 23.4 %. Group net profit in the first three months of 2014 thus amounted to € 3.4 million after € 3.2 million in the same period of the previous year. The diluted and basic earnings per share were € 0.03 (€ 0.03).

Overview of earnings development

All figures in € million	Q1 2014	Q1 2013	Change in %
Total revenue	119.8	116.4	2.9 %
Gross profit [1]	68.5	65.6	4.4 %
Gross profit margin (%)	57.2 %	56.4 %	1.4 %
EBIT	4.4	4.0	10.0 %
EBIT margin (%)	3.7 %	3.4 %	8.8 %
Finance Cost	0.0	0.1	–100.0 %
EBT	4.4	4.1	7.3 %
EBT margin (%)	3.7 %	3.5 %	5.7 %
Income taxes	–1.0	–1.0	0.0 %
Net profit	3.4	3.2	6.3 %
Net margin (%)	2.8 %	2.7 %	3.7 %

[1] Definition: [1] Definition: Gross profit results from total revenue less commission expenses and interest expenses.

Related party disclosures are contained in Note 18.

Financial position

Aims of financial management

Detailed information concerning the aims of financial management is contained on page 46 of the MLP Group's Annual Report 2013.

Financing analysis

The MLP business model is low capital intensive and generates high cash flows. However, increased capital has been budgeted for the next few years in order to meet the revised definition of equity and the stricter requirements of Basel III.

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 partially financed by non-current liabilities. Current liabilities to clients and banks from the banking business also represent further refinancing funds, which are generally available to us in the long term.

At March 31, 2014 liabilities towards clients and banks from the banking business which totalled € 1,038.3 million (Dec. 31, 2013: € 956.4 million) were offset on the assets side of the balance sheet by receivables from clients and financial institutions from the banking business amounting to € 1,031.1 million (Dec. 31, 2013: € 981.7 million).

No capital measures were undertaken during the period under review.

Liquidity analysis

Cash flow from operating activities fell to € 28.7 million compared to € 63.0 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 € –3.6 million to € –37.2 million. In the reporting period, net term deposits with a term to maturity of more than three months and amounting to € 30.0 million were invested, whereas in the same period of the previous year no term deposits were invested.

At the end of the first quarter 2014, the Group had cash holdings amounting to € 147 million. The liquidity situation therefore remains very good. There are sufficient cash reserves available to the Group. In addition to cash holdings, free lines of credit are also in place.

Condensed statement of cash flow

in € million	1st quarter 2014	1st quarter Q1 2013
Cash and cash equivalents at the beginning of period	**61.4**	**60.7**
Cashflow from operating activities	28.7	63.0
Cashflow from investing activities	–37.2	–3.6
Cashflow from financing activities	–	–
Change in cash and cash equivalents	**–8.5**	**59.4**
Cash and cash equivalents at the end of period	**52.9**	**120.0**

Analysis of investment

In the first quarter, the investment volume of the MLP Group increased to € 5.2 million (€ 4.9 million). The major portion of the investment measures, accounting for 88 % of the total, was undertaken in the financial services segment. Here, the investments were primarily made in IT. All investments were financed from cash flow.

Net assets

Analysis of the asset and liability structure

At March 31, 2014 the balance sheet total of the MLP Group rose to € 1,605.9 million (Dec. 31, 2013: € 1,536.9 million). On the assets side of the balance sheet there were changes primarily to the following items: Receivables from clients in the banking business reduced to € 459.8 million following € 491.6 million at December 31, 2013. The decrease was mainly due to lower investments in promissory note bonds as well as decreasing receivables from clients from the credit card business. Receivables from financial institutions from the banking business rose to € 571.3 million compared to € 490.1 million at the year-end and largely reflect an increase in investment in due-on-demand monies. At the reporting reference date, financial assets climbed to € 180.7 million (Dec. 31, 2013: € 146.1 million), significantly influenced by the investment of funds resulting from the profit transfer from MLP Finanzdienstleistungen AG to MLP AG. Cash and cash equivalents reduced to € 35.9 million compared to € 46.4 at the year-end mainly due to redeployments in other asset classes. Tax refund claims rose to € 25.3 million (Dec. 31, 2013: € 20.6 million). Other receivables and assets fell to € 98.2 million (Dec. 31, 2013: € 109.2 million). This item essentially comprises commission receivables from insurance companies for whom we have brokered insurance policies. Due to the traditionally stronger year-end business, these rise significantly at the end of the year and then reduce again during the course of the following financial year.

Assets as at March 31, 2014

All figures in € million	March 31, 2014	Dec. 31, 2013	Change in %
Intangible assets	156.3	155.3	0.6 %
Property, plant and equipement	66.3	65.8	0.8 %
Investment Property	7.3	7.3	0.0 %
Investments acounted for using the equity method	2.7	2.5	8.0 %
Deferred tax assets	2.0	2.0	0.0 %
Receivables from clients in the banking business	459.8	491.6	–6.5 %
Receivables from banks in the banking business	571.3	490.1	16.6 %
Financial assets	180.7	146.1	23.7 %
Tax refund claims	25.3	20.6	22.8 %
Other receivables and other assets	98.2	109.2	–10.1 %
Cash and cash equivalents	35.9	46.4	–22.6 %
Total	**1,605.9**	**1,536.9**	**4.5 %**

At the reference date on March 31, 2014, the equity capital of the MLP Group stood at € 376.9 million and thereby remained around the level of December 31, 2013 (€ 374.5 million). The equity capital situation of MLP therefore remains good with a balance sheet equity ratio 23.5 % (Dec. 31, 2013: 24.4 %).

Provisions at the reference date rose to € 90.9 million (Dec. 31, 2013: € 85.1 million) in the light of the usual increase of additions for provisions for client support commission. Liabilities due to clients from the banking business increased by 8.4 % to € 1,025.8 million (Dec. 31, 2013: € 946.5 million) and mainly reflect a further increase in client deposits. Liabilities due to financial institutions from the banking business rose to € 12.5 million (Dec. 31, 2013: € 9.9 million).Other liabilities fell from € 106.6 million to € 85.7 million. Among others, this was attributable to lower commission claims from our consultants. Due to our traditionally strong year-end business, commission claims by consultants rise sharply at the balance sheet reference date on December 31 and then fall again in the following quarters.

Liabilities as at March 31, 2014

All figures in € million	March 31, 2014	Dec. 31, 2013	Change in %
Shareholders' equity	376.9	374.5	0.6 %
Provisions	90.9	85.1	6.8 %
Deferred tax liabilities	8.5	8.6	–1.2 %
Liabilities due to clients in the banking business	1,025.8	946.5	8.4 %
Liabilities due to bank in the banking business	12.5	9.9	26.3 %
Tax liabilities	5.6	5.7	–1.8 %
Other liabilities	85.7	106.6	–19.6 %
Total	**1,605.9**	**1,536.9**	**4.5 %**

Comparison of the actual and forecast development of business

Following completion of the first quarter 2014 we keep to the statements made in the anticipated business development section on pages 93–97 of the Annual Report 2013.

Accordingly, for the financial year 2014 – and based on the comparatively low base values in 2013 – MLP expects a significant increase in revenue in old-age provision and in health insurance. Furthermore, after the successful development of recent years, we also expect to achieve slight revenue growth in wealth management in 2014. In the first quarter, MLP recorded revenue growth both in old-age provision as well as in wealth management. Revenue in health insurance decreased in the first quarter of this financial year. However, MLP continues to anticipate a pick-up in health insurance during the coming quarters.

Administration costs were burdened by a one-off exceptional cost but they otherwise ran operatively according to plan. Earnings development was therefore within the framework of our expectations.

Segment report

The MLP Group structures its business into the following operating segments:

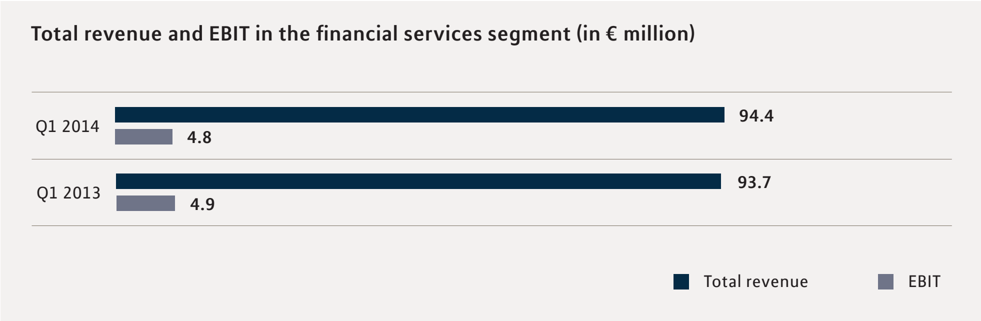
- Financial services
- FERI
- Holding

A detailed description of the individual segments is contained on pages 51 et seq. of the MLP Group's Annual Report 2013.

Financial services segment

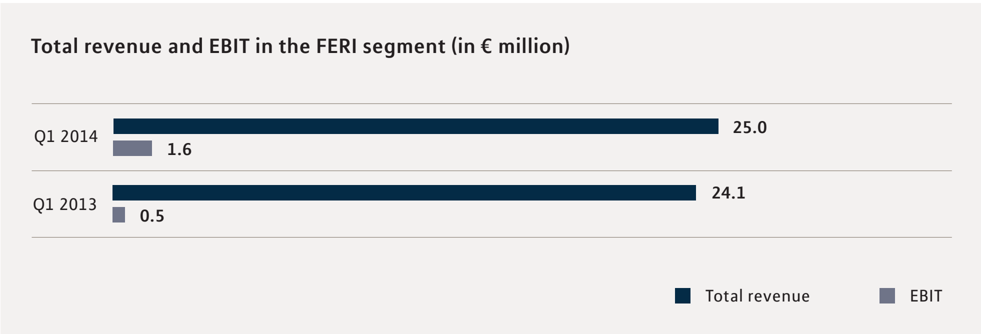
In the first quarter of 2014, total revenue in the financial services segment increased slightly from € 93.7 million to € 94.4 million. Sales revenue fell slightly whereas other revenue rose from € 3.4 million to € 4.9 million – largely due to the release of provisions.

Commission expenses remained almost unchanged at € 37.7 million (€ 36.8 million). Personnel expenses amounted to € 19.0 million and were thus slightly above the level of the previous year (€ 18.6 million). Depreciation and amortisation increased to € 2.2 million (€ 1.8 million). Other operating expenses amounted to € 29.9 million (€ 30.1 million). EBIT (Earnings before interest and tax) totalled € 4.8 million (€ 4.9 million). The finance cost was € 0.0 million (€ 0.1 million). EBT (Earnings before tax) therefore reached € 4.8 million compared to € 5.0 million in the previous year.



FERI segment

In the period under review total revenue in the FERI segment increased from € 24.1 million to € 25.0 million. Due to business growth at the Luxembourg-based subsidiary which specialises in fund administration, commission expenses rose to € 14.1 million (€ 13.5 million). Personnel expenses reduced from € 7.2 million to € 6.2 million, resulting from one-off additional expenses in the previous year. EBIT climbed to € 1.6 million (€ 0.5 million). EBT improved to € 1.5 million, after € 0.5 million in the previous year.



Holding segment

In the Holding segment total revenue amounted to € 4.0 million and thus considerably exceeded the previous year's level (€ 2.6 million), mainly due to a positive effect on MLP resulting from the negative declaratory judgement against several former FERI shareholders. Personnel expenses increased on account of a one-off exceptional cost to € 2.6 million (€ 0.9 million). Other operating expenses rose slightly to € 2.7 million (€ 2.3 million). EBIT thus amounted to € –1.8 million compared to € –1.3 million in the previous year. The finance cost remained almost constant leading to EBT of € –1.9 million (€ –1.3 million).

Personnel

As MLP is a knowledge-based service provider, qualified and motivated employees and consultants represent the most important foundations for sustainable corporate success and for achieving the company targets described in the chapter entitled “Goals and strategies” on pages 23 et seq. of the MLP Group’s Annual Report 2013.

In the period under review the number of employees in the MLP Group increased slightly. At the reporting reference date on March 31, 2014, MLP employed 1,557 people – 8 more than in the same period of the previous year.

Development of the average number of employees by segment (excluding MLP consultants)

Segment	March 31, 2014	March 31, 2013
Financial services	1,318	1,290
FERI	231	251
Holding	8	8
Total	**1,557**	**1,549**

EVENTS SUBSEQUENT TO THE REPORTING DATE

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

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 aim of the MLP Group’s integrated opportunity management system is the systematic and early identification of opportunities and corresponding assessment.

There were no significant changes to the risk and opportunity situation of the MLP Group during the period under review. There were no exceptional burdens within the framework of our counterparty default risks, market price risks, liquidity risks and operational or other risks in the first quarter 2014. The MLP Group has adequate liquidity. At the balance sheet reference date on March 31, 2014, our core capital ratio stood at 13.8 % and thus remained above the 8 % level prescribed by the supervisory body. The decrease compared to the year-end (Dec. 31, 2013: 16.3 %) was essentially due to the new regulations pertaining to Basel III, which include among others a change in offsetting the goodwill contained on the balance sheet against the equity capital. At the present time, no existence-threatening risks to the MLP Group have been identified.

A detailed presentation of our corporate risks and opportunities as well as a detailed description of our risk and opportunity management are contained in our risk and opportunity report on pages 59 to 85 of the MLP Group’s Annual Report 2013.

FORECAST

Future overall economic development

In the period under review there were no significant changes in our expectations of the overall future economic development. A detailed description of these expectations can be found in the forecast section on page 86 of the MLP Group's Annual Report 2013.

Future industry situation and competitive environment

In the period under review there were no significant changes in our expectations of the future situation in the industry and the competitive environment. A detailed description of these expectations can be found in the forecast section on page 86 to 93 of the MLP Group's Annual Report 2013.

Within the framework of the planned legislation concerning stabilisation of the German life insurance companies and better protection for policyholders, media reports circulating in 2013 suggested that the German government is considering the introduction of changes to the acquisition commission paid on life insurance policies. However, no draft bill has yet materialised and the public statements issued thus far differ, in some cases, significantly from one another. Furthermore, the impact of such measures would heavily depend on the specific structure of any possible new regulations. From a current perspective, MLP does not expect there to be any corresponding effect on the current financial year and indeed holds the view that policymakers will not decide upon a solution that significantly disadvantages quality providers such as MLP.

Anticipated business development

For the course of the financial year 2014 the MLP Group does not expect any significant deviation from the anticipated business development that we presented on pages 93 to 97 of the Annual Report 2013.

The previous financial year clearly demonstrated the prevalence of even more difficult market conditions. This consequently makes it more difficult to issue a concrete forecast for the business development which led MLP – as communicated in February – to use a scenario-based approach.

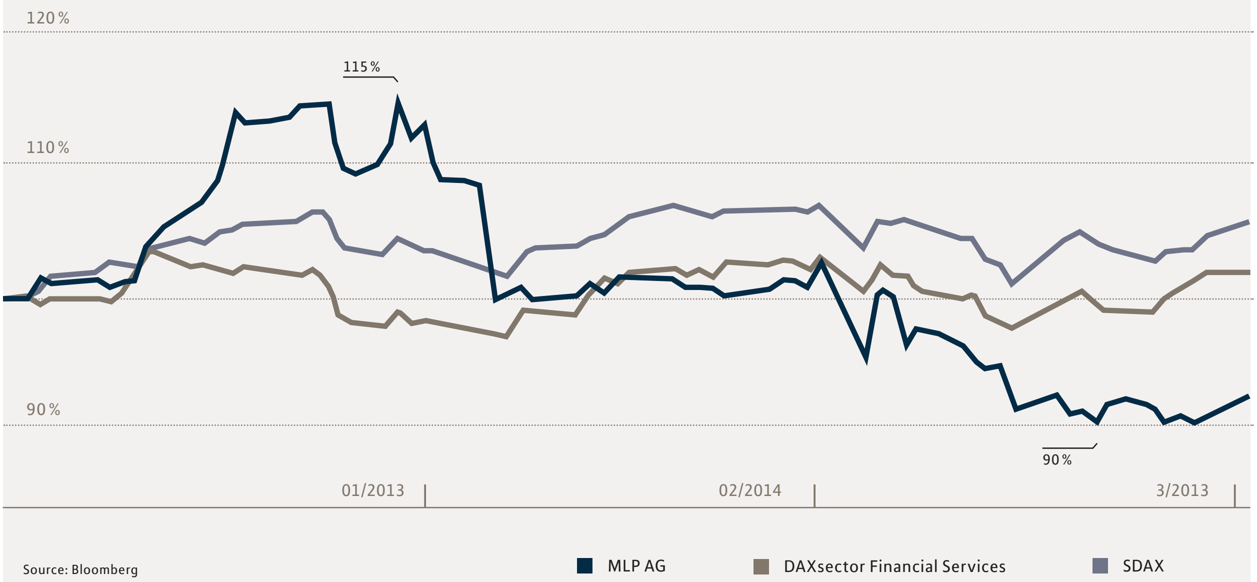
Under the most probable scenario MLP continues to expect EBIT of around € 65 million in the financial year 2014. This base scenario assumes that the framework conditions begin to ease. Risk factors for further development include the continuing, and in part very critical, public discussion about a possible further reduction in the guaranteed interest rate for life insurance and pension insurance policies. If, during the course of the year and on account of this situation, clients were to adopt a similarly hesitant approach as seen in 2013, MLP would expect a lower-based scenario to apply, corresponding to EBIT of at least € 50 million. However, should the environment improve significantly more than currently expected, a higher-based scenario would be possible with EBIT rising up to a maximum of € 75 million.

We will therefore continue to have good financial strength, which we intend to utilise together with our positioning as an independent consulting firm in order to further expand our competitive position. Consequently, we continue to expect that the overall development of the MLP Group will be clearly positive.

INVESTOR RELATIONS

The equity markets experienced a volatile start to the year 2014. After reaching an interim high of 9,794 points during the middle of January, the German benchmark index DAX fell over the course of the following weeks by over 600 points. After comments from the European Central Bank indicating its intention to continue to support the capital markets through all necessary measures, as well as the release of favourable economic data, the German stock market re-covered again. The emerging intensification of the Crimean crisis and associated concerns about western European trade relations with Russia then came to the fore. Furthermore, statements by the president of the US Federal Reserve Bank Janet Yellen concerning a possible end to the US bond purchase programme led to a renewed wave of selling on the German stock market and a significant fall to an interim low of 8,913 points. However, after completion of the referendum in the Crimea, the DAX recovered again and ended the first quarter at 9,556 points.

MLP Share, SDAX and DAXsector Financial Services, January to March 2014



Source: Bloomberg

The MLP Share

The MLP AG share experienced a positive start to 2014. During the middle of January the trading volume picked up, pushing the share price up to an interim high of € 6.06 by the end of the month. This was followed by a wave of profit taking accompanied by high volumes which led to a fall in the share price down to € 5.10. The share then moved within a narrow trading range around this level until the publication of the financial results for 2013. Thereafter the share price eased again, retreating to € 4.82 by the end of the first quarter.

Further information about the MLP share is available on our Investor Relations page on the Internet www.mlp-ag.com in the section "MLP share".

Key figures of the MLP share

	1st quarter 2014	1st quarter 2013
Share price at the beginning of the year	€ 5.26	€ 5.08
Share price high	€ 6.06	€ 6.64
Share price low	€ 4.57	€ 5.05
Share price at the end of the quarter	€ 4.82	€ 5.20
Dividend for the previous year	€ 0.16*	€ 0.32
Market capitalisation (end of reporting period)	€ 519,970,697.16	€ 560,964,237.60

* Subject to the approval of the Annual General Meeting on June 5, 2014

Dividend

The Executive and Supervisory Boards are proposing a dividend of € 0.16 per share for approval at the Annual General Meeting (AGM) on June 5, 2014. This equates to a pay-out ratio of 68 % of net profit.

MLP Annual General Meeting

The MLP Annual General Meeting will be held on June 5, 2014 at the Rosengarten in Mannheim. Information about all aspects of the Annual General Meeting is provided on our Investor Relations page at www.mlp-agm.com.

Income statement and statement of comprehensive income

Income statement for the period from January 1 to March 31, 2014

All figures in €'000	Notes	1st quarter 2014	1st quarter 2013
Revenue	(6)	112,821	112,320
Other revenue		6,970	4,083
Total revenue		**119,790**	**116,403**
Commission expenses	(7)	–51,172	–49,132
Interest expenses		–866	–1,678
Personnel expenses	(8)	–27,797	–26,693
Depreciation and impairments		–3,307	–2,856
Other operating expenses	(9)	–32,360	–32,104
Earnings from investments accounted for using the equity method		153	109
Earnings before interest and tax (EBIT)		**4,441**	**4,048**
Other interest and similar income		158	248
Other interest and similar expenses		–199	–192
Finance cost	**(10)**	**–40**	**56**
Earnings before tax (EBT)		**4,401**	**4,104**
Income taxes		–1,031	–951
Net profit		**3,371**	**3,153**
Of which attributable to			
owners of the parent company		3,371	3,153
Earnings per share in €[1]			
basic/diluted		0.03	0.03

[1] Basis of calculation: Average number of shares at March 31, 2014: 107,877,738

Statement of comprehensive income for the period from January 1 to March 31, 2014

All figures in €'000	1st quarter 2014	1st quarter 2013
Net profit	**3,371**	**3,153**
Gains/losses due to the revaluation of defined benefit obligations	–1,972	–
Deferred taxes on non-reclassifiable gains/losses	571	–
Non-reclassifiable gains/losses	**–1,400**	**–**
Gains/losses from changes in the fair value of available-for-sale securities	675	240
Deferred taxes on non-reclassifiable gains/losses	–210	2
Reclassifiable gains/losses	**465**	**242**
Other comprehensive income	**–935**	**242**
Total comprehensive income	**2,435**	**3,396**
Of which attributable to		
owners of the parent company	2,435	3,396

Statement of financial position

Assets as of March 31, 2014

All figures in €'000	Notes	March 31, 2014	Dec. 31, 2013
Intangible assets		156,334	155,267
Property, plant and equipment		66,308	65,822
Investment property		7,306	7,325
Investments accounted for using the equity method		2,700	2,547
Deferred tax assets		1,992	1,974
Receivables from clients in the banking business	(11)	459,849	491,570
Receivables from banks in the banking business	(11)	571,326	490,110
Financial assets	(12)	180,746	146,082
Tax refund claims		25,335	20,622
Other receivables and assets	(13)	98,159	109,164
Cash and cash equivalents		35,883	46,383
Total		**1,605,939**	**1,536,865**

Liabilities and shareholders' equity as of March 31, 2014

All figures in €'000	Notes	March 31, 2014	Dec. 31, 2013
Shareholders' equity	(14)	376,912	374,477
Provisions		90,898	85,138
Deferred tax liabilities		8,485	8,628
Liabilities due to clients in the banking business		1,025,805	946,484
Liabilities due to banks in the banking business		12,529	9,924
Tax liabilities		5,643	5,654
Other liabilities	(13)	85,667	106,560
Total		**1,605,939**	**1,536,865**

Condensed statement of cash flow

Condensed statement of cash flow for the period from January 1 to March 31, 2014

All figures in €'000	1st quarter 2014	1st quarter 2013
Cash flow from operating activities	28,698	62,958
Cash flow from investing activities	–37,179	–3,597
Cash flow from financing activities	–	–
Change in cash and cash equivalents	**–8,481**	**59,361**
Cash and cash equivalents at the end of the period	**52,883**	**120,043**

The notes 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, 2014 to March 31, 2014

	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*	Revaluation gains/losses related to defined benefit obligations after taxes	Retained earnings	Total sharehol-ders' equity
As of Jan. 1, 2013	**107,878**	**142,184**	**382**	**–**	**137,110**	**387,554**
Effects due to the retrospective application of IAS 19	–	–	–	-3,648	251	–3,397
As of Jan. 1, 2013 (adjusted)	**107,878**	**142,184**	**382**	**-3,648**	**137,361**	**384,157**
Net profit	–	–	–	–	3,153	3,153
Other comprehensive income	–	–	242	–	–	242
Total comprehensive income	**–**	**–**	**242**	**–**	**3,153**	**3,396**
As of March 31, 2013	**107,878**	**142,184**	**624**	**–3,648**	**140,514**	**387,553**
As of Jan 1, 2014	**107,878**	**142,184**	**837**	**–4,750**	**128,329**	**374,477**
Net profit	–	–	–	–	3,371	3,371
Other comprehensive income	–	–	465	–1,400	–	–935
Total comprehensive income	**–**	**–**	**465**	**–1,400**	**3,371**	**2,435**
As of March 31, 2014	**107,878**	**142,184**	**1,302**	**–6,150**	**131,700**	**376,912**

* 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 ultimate 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, health care, non-life insurance, loans and mortages, 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 Interpretation 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 at December 31, 2013.

Except for the changes presented in the notes under item (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 2013. These are presented in the Group notes of the annual report 2013 that can be downloaded from the company's website (www.mlp-ag.com).

The interim financial report has 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 the individual values shown are added up.

3 Adjustments to the accounting policies

The accounting policies applied are the same as those used in the financial statements at December 31, 2013 except the standards and interpretations to be used for the first time in the financial year 2014.

In the financial year 2014 the following new or revised standards are to be used for the first time:

- First-time application of IFRS 10 “Consolidated Financial Statements “
- First-time application of IFRS 11 “Joint Arrangements“
- First-time application of IFRS 12 “Disclosure of Interests in Other Entities“
- Amendments to IAS 27 “Consolidated and Separate Financial Statements“ and IAS 28 „Shares in Associates”,
- Amendments to IAS 32 “Financial Instruments: Presentation“,
- Amendments to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting“

MLP did not anticipate any significant effects on the scope or methods of consolidation from the introduction of IFRS 10 and IFRS 12.

In all other cases there were no significant effects on the representation of the Group’s net assets, financial position or results of operations.

4 Seasonal influences on the business operations

As expected, revenue decreased in the first quarter 2014 following a strong fourth quarter in the financial year 2013. Nevertheless, in view of the usual seasonal influences on business operations, the group expects to achieve higher earnings for the remainder of the financial year than in the first quarter.

5 Reportable business segments

There were no significant changes compared to December 31, 2013.

Information regarding reportable business segments

	Financial services	
All figures in €'000	1st quarter 2014	1st quarter 2013
Revenue	89,468	90,335
of which total inter-segment revenue	708	1,255
Other revenue	4,890	3,400
of which total inter-segment revenue	509	442
Total revenue	**94,358**	**93,736**
Commission expenses	–37,696	–36,784
Interest expenses	–867	–1,679
Personnel expenses	–19,012	–18,587
Depreciation and impairments	–2,202	–1,770
Other operating expenses	–29,914	–30,115
Earnings from investments accounted for using the equity method	153	109
Segment earnings before interest and tax (EBIT)	**4,821**	**4,909**
Other interest and similar income	72	195
Other interest and similar expenses	–62	-105
Finance cost	**10**	**90**
Earnings before tax (EBT)	**4,831**	**4,999**
Income taxes		
Net profit		

	FERI		Holding		Consolidation		Total	
	1st quarter 2014	1st quarter 2013	1st quarter 2014	1st quarter 2013	1st quarter 2014	1st quarter 2013	1st quarter 2014	1st quarter 2013
	24,133	23,304	–	–	–781	–1,319	112,821	112,320
	73	64	–	–	–781	–1,319	–	–
	848	788	4,044	2,558	–2,812	–2,664	6,970	4,083
	–	–	2,303	2,222	–2,812	–2,664	–	–
	24,981	**24,092**	**4,044**	**2,558**	**–3,593**	**–3,983**	**119,790**	**116,403**
	–14,091	–13,460	–	–	615	1,112	–51,172	–49,132
	–	–	–	–	1	1	–866	–1,678
	–6,178	–7,185	–2,607	–922	–	–	–27,797	–26,693
	–505	–479	–599	–606	–	–	–3,307	–2,856
	–2,611	–2,436	–2,685	–2,291	2,849	2,738	–32,360	–32,104
	–	–	–	–	–	–	153	109
	1,596	**533**	**–1,847**	**–1,261**	**–128**	**–132**	**4,441**	**4,048**
	0	1	96	115	–10	–64	158	248
	–48	–57	–144	–142	56	112	–199	–192
	–48	**–55**	**–48**	**–27**	**46**	**49**	**–40**	**56**
	1,548	**477**	**–1,895**	**–1,289**	**–82**	**–84**	**4,401**	**4,104**
							–1,031	–951
							3,371	**3,153**

6 Revenue

All figures in €'000	1st quarter 2014	1st quarter 2013
Old-age provision	40,132	38,943
Wealth management	32,550	31,717
Non-life insurance	18,809	18,222
Health insurance	11,380	13,880
Loans and mortgages	2,926	2,908
Other commission and fees	1,264	747
Commission and fees	**107,061**	**106,417**
Interest income	**5,760**	**5,903**
Total	**112,821**	**112,320**

7 Commission expenses

In the period from January 1 to March 31, 2014 the commission expenses rose from € 49,132 thsd to € 51,172 thsd compared to same period of the previous year. These mainly contain the commissions and other fee components for the freelance MLP consultants in the financial services segment. For further explanations please refer to the section "Results Of Operations" of the Group Interim Management Report.

8 Personnel expenses/Number of employees

Personnel expenses increased in the period from January 1 to March 31, 2014 compared to the same period of the previous year from € 26,693 thsd to € 27,797 thsd. For further explanations please refer to the section "Personnel" of the Group Interim Management Report.

At March 31, 2014, the MLP Group had the following numbers of employees in the strategic fields of business:

	March 31, 2014			March 31, 2013		
		of which executive employees	of which marginal part-time employees		of which executive employees	of which marginal part-time employees
Financial serivces	1,318	33	93	1,290	27	105
FERI	231	8	55	251	8	64
Holding	8	2	–	8	2	–
Total	**1,557**	**43**	**148**	**1,549**	**37**	**169**

9 Other operating expenses

All figures in €`000	1st quarter 2014	1st quarter 2013
IT operations	11,408	11,044
Rental and leasing	3,408	3,336
Administration operations	2,776	2,892
Consultancy	2,295	2,212
Representation and advertising	1,636	1,499
External services – banking business	1,499	2,823
Premiums and fees	1,107	1,307
Training and further education	1,026	1,003
Other external services	1,008	706
Travel expenses	928	720
Entertainment	923	841
Expenses for commercial agents	653	519
Insurance	644	625
Maintenance	624	476
Write-downs and impairments of other receivables and assets	334	257
Other employee-related expenses	237	326
Audit	227	239
Write-downs and impairments of other receivables from clients in the banking business	195	195
Expenses from the disposal of assets	52	67
Sundry other operating expenses	1,381	1,017
Total	**32,360**	**32,104**

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 expenses for administration operations contain costs relating to building operations, office costs and communication costs. The consulting costs are made up of tax advice costs, legal advice costs as well as general and IT consulting costs. Expenses for representation and advertising include costs incurred due to media presence and client information activities. The item “External services - banking business“ mainly contains securities settlement and transaction costs in connection with the MLP credit card. Expenses for commercial agents include costs for former consultants and the training allowance granted for new consultants. Sundry other operating expenses essentially comprise goodwill payments, remuneration for members of the Supervisory Board and vehicle costs.

10 Finance cost

All figures in €'000	1st quarter 2014	1st quarter 2013
Other interest and similar income	**158**	**248**
Interest expenses from financial instruments	–52	–48
Interest expenses from net obligations for defined benefit plans	–146	–143
Other interest and similar expenses	**–199**	**–192**
Finance cost	**–40**	**56**

The reduction in the finance cost is primarily attributable to lower income from the discounting of provisions.

11 Receivables from the banking business

Receivables from banking business increased from € 981,680 thsd at December 31, 2013 to € 1,031,176 thsd at March 31, 2014. For further explanations please refer to the section "Financial Position" of the Group Interim Management Report.

12 Financial assets

All figures in €'000	March 31, 2014	Dec 31, 2013
Held-to-maturity investments	61,659	74,283
Financial assets at fair value through profit and loss	5,113	5,133
Available-for-sale financial assets	15,463	–
Debenture and other fixed income securities	**82,235**	**79,416**
Available-for-sale financial assets	6,605	6,948
Financial assets at fair value through profit and loss	1,599	1,728
Shares and other variable yield securities	**8,204**	**8,677**
Fixed and time deposits (loans and receivables)	**87,225**	**55,230**
Investments in non-consolidated subsidiaries (available-for-sale financial assets)	**3,082**	**2,759**
Total	**180,746**	**146,082**

The increase in financial investments is primarily attributable to the outflow of fixed-term deposits.

13 Other accounts receivable and assets/other liabilities

Due to the seasonally stronger year-end business, high receivables from insurance companies as well as high liabilities towards commercial agents at December 31, 2013 had to be shown which were then balanced out in the first quarter of 2014. Through the seasonal influences a lower amount of receivables and liabilities were built up in the first quarter of 2014.

14 Shareholders' equity

Share capital

The share capital of MLP AG is made up of 107,877,738 (previous year: 107,877,738) no-par-value shares.

The retained earnings include statutory reserve of € 3,117 thsd (previous year: € 3,117 thsd).

Dividend

The Executive Board and the Supervisory Board of MLP AG propose to the Annual General Meeting on June 5, 2014 a dividend of € 17,260 thsd (previous year: € 34,521 thsd) for the financial year 2013. This corresponds to € 0.16 per share (previous year: € 0.32 per share).

15 Notes on the consolidated 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 net profit. 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. The changes in the respective balance sheet items can therefore only be partially aligned with the corresponding values in the published consolidated balance sheets. For further details, please refer to the "Financial position" section in the management report.

Cash flow from investing activities is mainly influenced by the investment of monies in fixed-term deposits as well as by matured term investments.

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	March 31, 2014	March 31, 2013
Cash and cash equivalents	35,883	31,043
Loans ≤3 months	17,000	89,000
Cash and cash equivalents	**52,883**	**120,043**

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 Other financial commitments, contingent assets and liabilities and other liabilities

There were no significant changes compared to December 31, 2013.

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:

	March 31, 2014						
	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	**28,780**		**13,317**	**15,463**		**28,780**	
Fair Value Option	**6,712**		**6,712**			**6,712**	
Financial investments (share certificates and structured bonds)	6,712	–	6,712	–	–	6,712	–
Available-for-sale financial assets	**22,068**		**6,605**	**15,463**		**22,068**	
Financial investments (share certificates and investment fund shares)	6,605	–	6,605	–	–	6,605	–
Financial assets (bonds)	15,463	–	–	15,463	–	15,463	–
Financial assets measured at amortised cost	**1,285,435**	**565,914**	**29,311**	**348,746**	**370,183**	**1,314,155**	
Loans and receivables	**1,220,694**	**562,832**		**315,603**	**370,183**	**1,248,618**	
Receivables from banking business – clients	459,849	117,385	–	–	370,183	487,567	–
Receivables from banking business – banks	571,326	255,930	–	315,603	–	571,533	–
Financial investments (fixed and time deposits)	87,225	87,225	–	–	–	87,225	–
Other receivables and assets	66,410	66,410	–	–	–	66,410	31,749
Cash and cash equivalents	35,883	35,883	–	–	–	35,883	–
Held-to-maturity investments	**61,659**		**29,311**	**33,143**		**62,454**	
Financial assets (bonds)	61,659	–	29,311	33,143	–	62,454	–
Available-for-sale financial assets	**3,082**	**3,082**				**3,082**	
Financial assets (investments)	3,082	3,082	–	–	–	3,082	–
Financial liabilities measured at amortised cost	**1,093,754**	**1,065,927**		**27,310**		**1,093,237**	
Liabilities due to banking business – clients	1,025,805	1,010,187	–	15,445	–	1,025,632	–
Liabilities due to banking business – banks	12,529	320	–	11,864	–	12,184	–
Other liabilities	55,421	55,421	–	–	–	55,421	30,247
Liabilities due to financial guarantees and credit commitments	**45,363**	**45,363**	**–**	**–**	**–**	**45,363**	**–**

							Dec 31, 2013
	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	**17,091**		**13,809**	**3,282**		**17,091**	
Fair Value Option	**10,143**		**6,861**	**3,282**		**10,143**	
Receivables from banking business – clients	3,282	–	–	3,282	–	3,282	–
Financial investments (share certificates and structured bonds)	6,861	–	6,861	–	–	6,861	–
Available-for-sale financial assets	**6,948**		**6,948**			**6,948**	
Financial investments (share certificates and investment fund shares)	6,948	–	6,948	–	–	6,948	–
Financial assets measured at amortised cost	**1,240,270**	**513,243**	**29,981**	**341,634**	**383,836**	**1,268,695**	
Loans and receivables	**1,163,228**	**510,484**		**295,594**	**383,836**	**1,189,915**	
Receivables from banking business – clients	488,288	130,764	–	–	383,836	514,600	–
Receivables from banking business – banks	490,110	194,891	–	295,594	–	490,485	–
Financial investments (fixed and time deposits)	55,230	55,230	–	–	–	55,230	–
Other receivables and assets	83,217	83,217	–	–	–	83,217	25,948
Cash and cash equivalents	46,383	46,383	–	–	–	46,383	–
Held-to-maturity investments	**74,283**		**29,981**	**46,040**		**76,021**	
Financial assets (bonds)	74,283	–	29,981	46,040	–	76,021	–
Available-for-sale financial assets	**2,759**	**2,759**				**2,759**	
Financial assets (investments)	2,759	2,759	–	–	–	2,759	–
Financial liabilities measured at fair value	**179**			**179**		**179**	
Financial instruments held for trading	**179**			**179**		**179**	
Other liabilities	179	–	–	179	–	179	–
Financial liabilities measured at amortised cost	**1,044,282**	**1,019,123**		**24,771**		**1,043,984**	
Liabilities due to banking business – clients	946,484	930,991	–	15,318	–	946,309	–
Liabilities due to banking business – banks	9,924	269	–	9,453	–	9,722	–
Other liabilities	87,863	87,863	–	–	–	87,863	18,517
Liabilities due to financial guarantees and credit commitments	**43,776**	**43,776**	**–**	**–**	**–**	**43,776**	**–**

Cash and cash equivalents, receivables and liabilities due to banking business without agreed terms to maturity, trade receivables, 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.

Change in classification

Due to a change in purpose, receivables from clients in the banking business with an amount of € 3,282 thsd. were reclassified from the category "financial assets measured at fair value" to the category "loans and receivables". Due to changes in regulatory requirements bonds with a carrying amount of € 9,550 thsd. and a fair value of € 10,692 thsd. also were reclassified from the category "held-to-maturity-investments" to the category "available-for-sale-financial assets."

Determining fair value

Insofar as there is an active market, which represents the principal market for financial assets and financial liabilities, the respective market prices 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 2013.

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)

Regrouping between level 1 and level 2

On the reporting reference date the bonds to be held to maturity with a carrying amount of € 7,487 thsd. and a fair value of € 7,677 thsd. were transferred from level 1 to level 2 as the quoted in-market prices for these bonds were no longer regularly observable.

Regrouping between level 2 and level 1

On the reporting reference date the bonds to be held to maturity with a carrying amount of € 4,999 thsd and a fair value of € 5,004 thsd. were transferred from level 2 to level 1 as the quoted in-market prices for these bonds became regularly observable.

18 Related party disclosures

Within the scope of the ordinary business, legal transactions under standard market conditions were made between the Group and members of the Executive Board and the Supervisory board.

On March 31, 2014 Muhyddin Suleiman, Executive Board member of MLP AG and of MLP Finanzdienstleistungen AG, with responsibility for sales, resigned from both executive bodies.

There were no significant changes compared to December 31, 2013.

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, May 14, 2014

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg   Manfred Bauer   Reinhard Loose

Executive bodies at MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg
(Chairman,
appointed until December 31, 2017)

Manfred Bauer
(Product Management,
appointed until April 30, 2015)

Reinhard Loose
(Controlling, IT, Procurement,
Accounting, Risk Management,
appointed until January 31, 2019)

Muhyddin Suleiman
(Sales,
until March 31, 2014)

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)

Johannes Maret
(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

List of figures and tables

LIST OF FIGURES

Management report

06 Economic growth in Germany
07 Growing support for state-subsidised supplementary long-term care insurance
08 Cash inflows and outflows of various categories of retail funds in Germany in the first quarter 2014
10 Development of assets under management
11 Comparison of revenue from commissions and fees
12 EBIT development
17 Total revenue and EBIT in the financial services segment
17 Total revenue and EBIT in the FERI segment

Investor Relations

20 MLP share, SDAX and DAXsector Financial Services, January to March 2014

LIST OF TABLES

Cover (front)

MLP key figures

Management report

12 Overview of earnings development
14 Condensed statement of cash flow
15 Assets as at March 31, 2014
15 Liabilities as at March 31, 2014
18 Development of the average number of employees by segment (excluding MLP consultants)

Investor Relations

21 Key figures of the MLP share

Notes

22 Income satetement for the period from January 1 to March 31, 2014
22 State of comprehensive income for the period from January 1 to March 31, 2014
23 Assets as of March 31, 2014
23 Liabilities and shareholders‘ equity as of March 31, 2014
24 Condensed statement of cash flow for the period from January 1 to March 31, 2014
25 Statement of changes in equity for the period from January 1 to March 31, 2014
28 Information regarding reportable segmental business
30 Revenue
30 Personnel expenses/Number of employees
31 Other operating expenses
32 Finance cost
32 Financial assets
34 Cash and cash equivalents
35 Categories and hierarchy levels of financial instruments of March 31, 2014
36 Categories and hierarchy levels of financial instruments of December 31, 2013
37 Financial instruments of hierarchy level 3 – valuation technique and significant, non-observable input factors

Financial Calendar

NOVEMBER

November 13, 2014

Publication of the financial results for the first nine months and the third quarter 2014.

AUGUST

August 14, 2014

Publication of the financial results for the first half year and the second quarter 2014.

JUNE

Juni 5, 2014

Annual General Meeting of the MLP AG in Mannheim.
MLP AG holds its ordinary Annual General Meeting in Rosengarten in Mannheim.

MAY

Mai 15, 2014

Publication of the financial results for the first quarter 2014.

More:

www.mlp-ag.com, Investor Relations, Calendar

PROGNOSIS

This documentation includes certain prognoses and information on future developments founded on the conviction of MLP AG's Executive Board and on assumptions and information currently available to MLP AG. Words such as "expect", "estimate", "assume", "intend", "plan", "should", "could", "project" and similar terms used in reference to the company describe prognoses based on certain factors subject to uncertainty.

Many factors can contribute to the actual results of the MLP group differing significantly from the prognoses made in such statements.
MLP AG accepts no obligation to the public for updating or correcting prognoses .All prognoses and predictions are subject to various risks and uncertainties which can lead to the actual results numerically differing from expectations. The prognoses reflect the points of view at the time when they were made.

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