

# Financial Results 2017

Frankfurt, February 28, 2018



Finanzen verstehen. Richtig entscheiden.

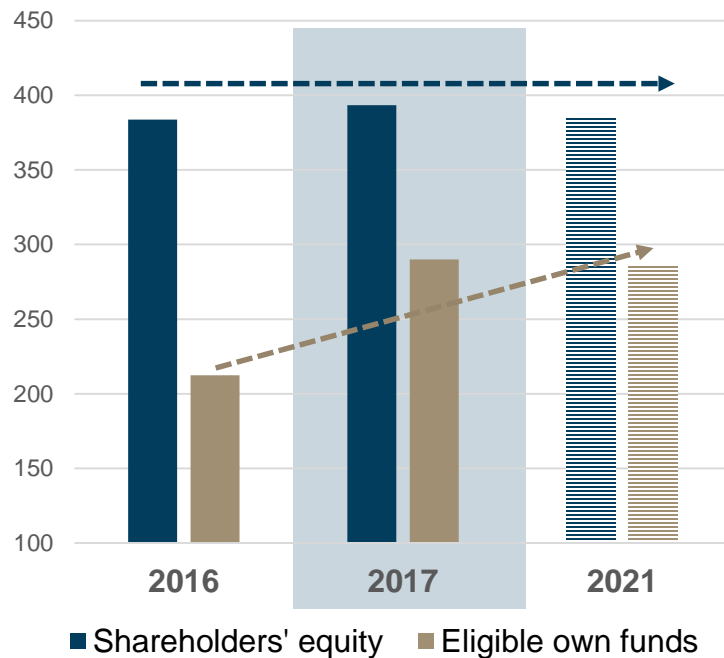
# 2017: Good performance and significantly strengthened equity base

- Targets achieved: Operating EBIT up by 33 percent to € 46.7 million.
- MLP benefited significantly in 2017 from the diversification and cost management activities of the last few years.
- Total revenue increased to € 628.2 million – the highest level since outbreak of the financial crisis in 2008.
- Executive Board proposes a dividend of 20 cents – representing an increase of 12 cents over the previous year.
- Successful further development of the Group structure:  
Equity base of the MLP Group significantly strengthened in 2017.  
Free equity capital increased by a total of € 76.3 million as at the end of the year.

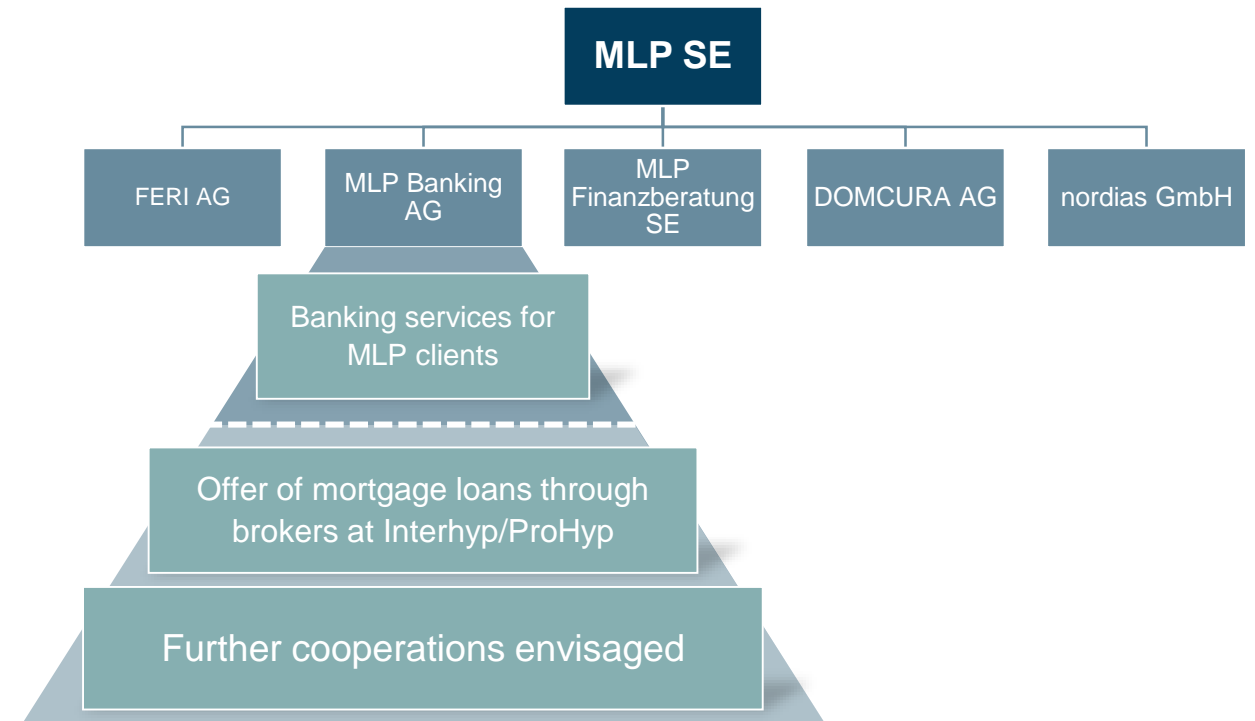
# Broader leeway for the Group

## Increased free equity capital

In € million



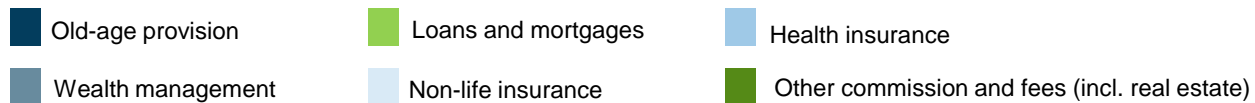
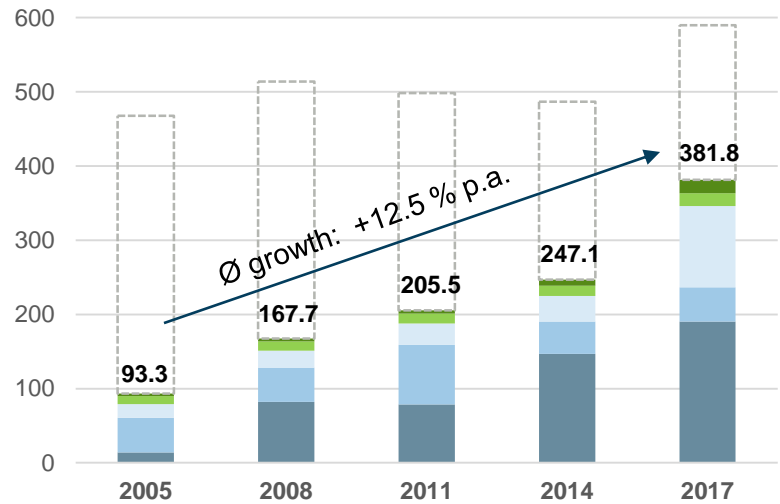
## Realigned Group structure/banking services



# Significantly more stable revenue basis established

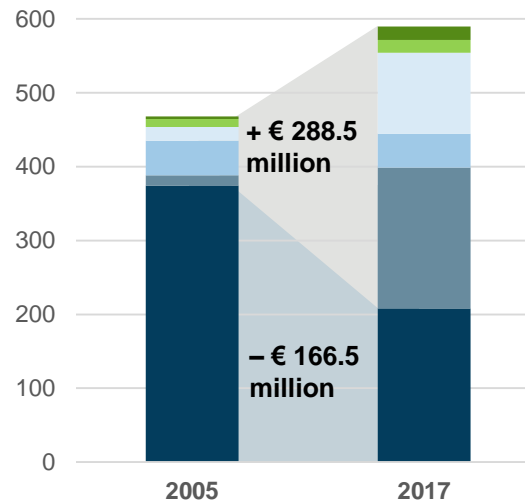
## Growth outside the old-age provision area

Commission income, in € million



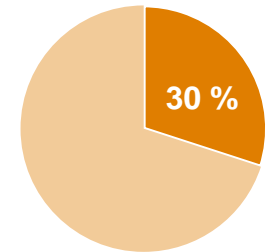
## Decline in the old-age provision area more than compensated

Commission income, in € million

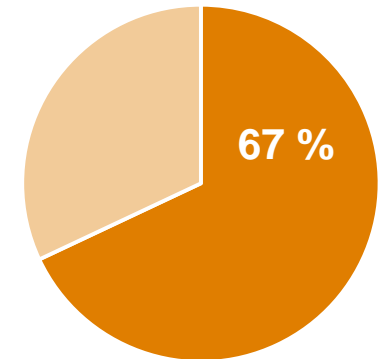


## Proportion of recurring revenue significantly increased

2005



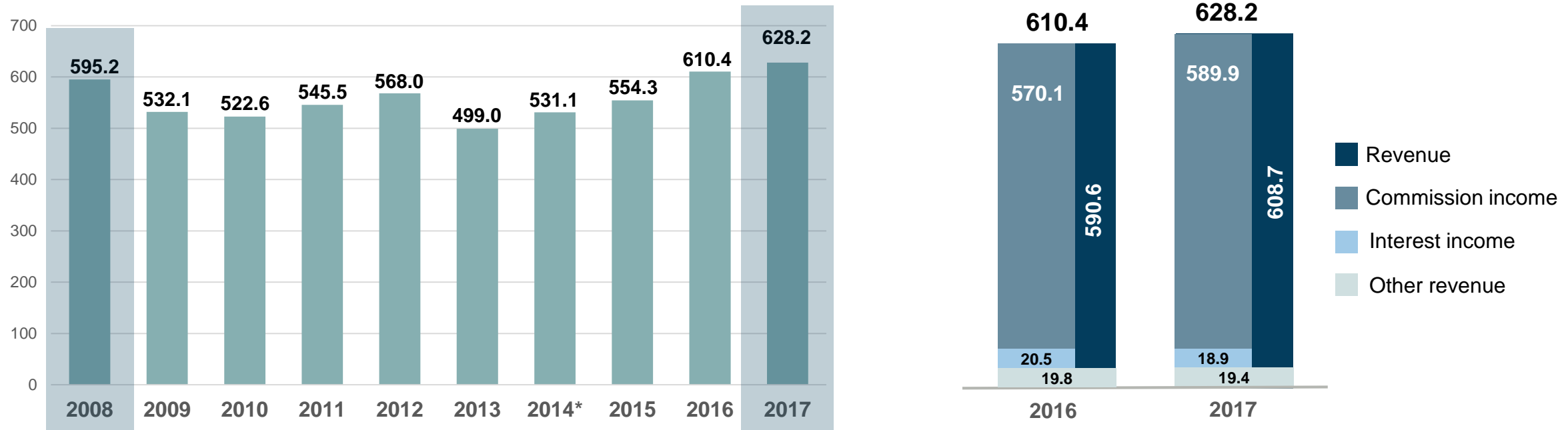
2017



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

## Total revenue FY

In € million



\* Previous year's values adjusted

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

## Revenue

In € million

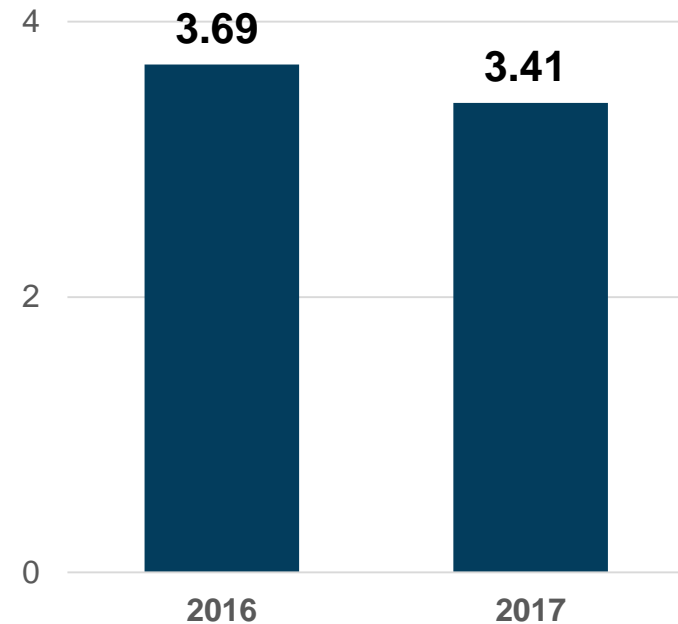
	2016	2017	Δ in %	Q4 2016	Q4 2017	Δ in %
Old-age provision	221.5	208.1	-6.0	94.3	86.1	-8.7
Wealth management	166.4	190.6	14.5	43.5	50.8	16.8
Health insurance	45.8	45.9	0.2	11.8	11.7	-0.8
Non-life insurance	105.6	109.9	4.0	20.0	19.1	-4.5
Loans and mortgages*	15.4	17.0	10.4	5.0	5.8	16.0
Other commission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

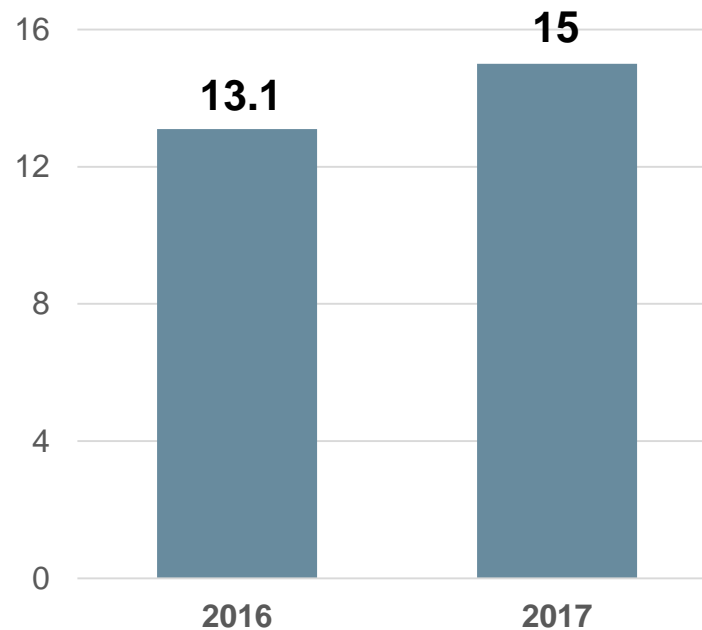
Premium sum of new business in the old-age provision area

In € billion



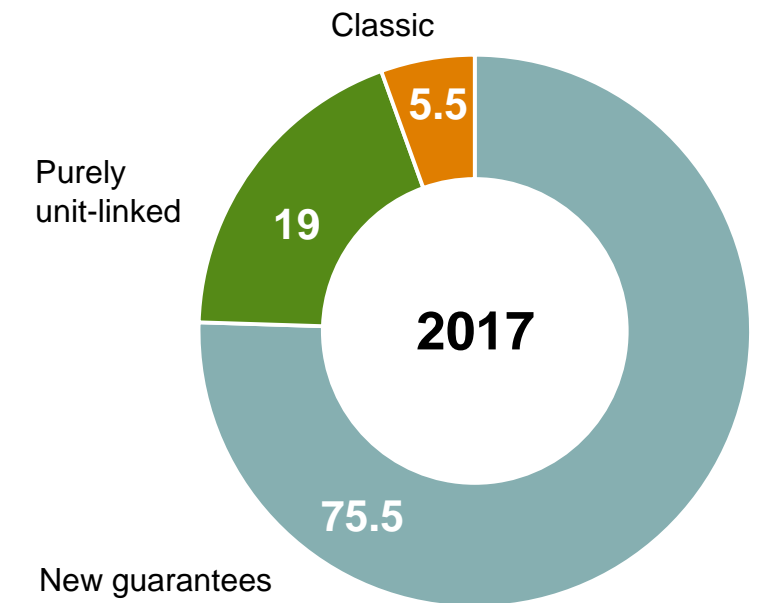
Occupational pension provision: share of the brokered premium sum

In percent



MLP product mix for newly brokered policies

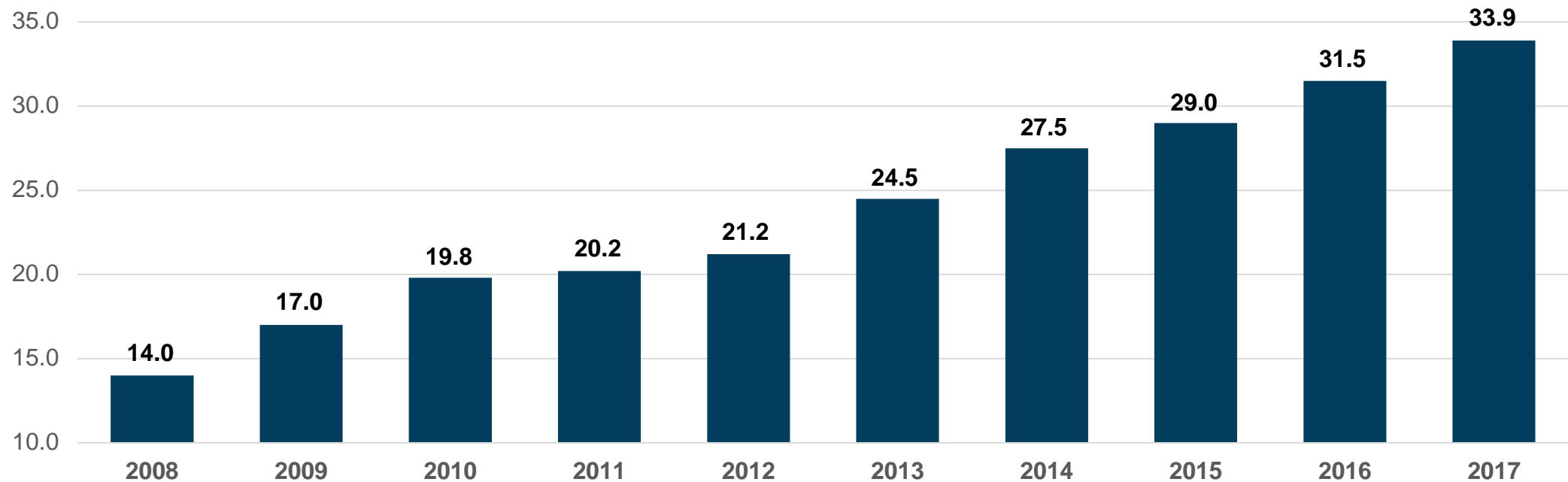
In percent



# Assets under management increase to € 33.9 billion

## Assets under management, MLP Group

In € billion



Each as at December 31



# 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		

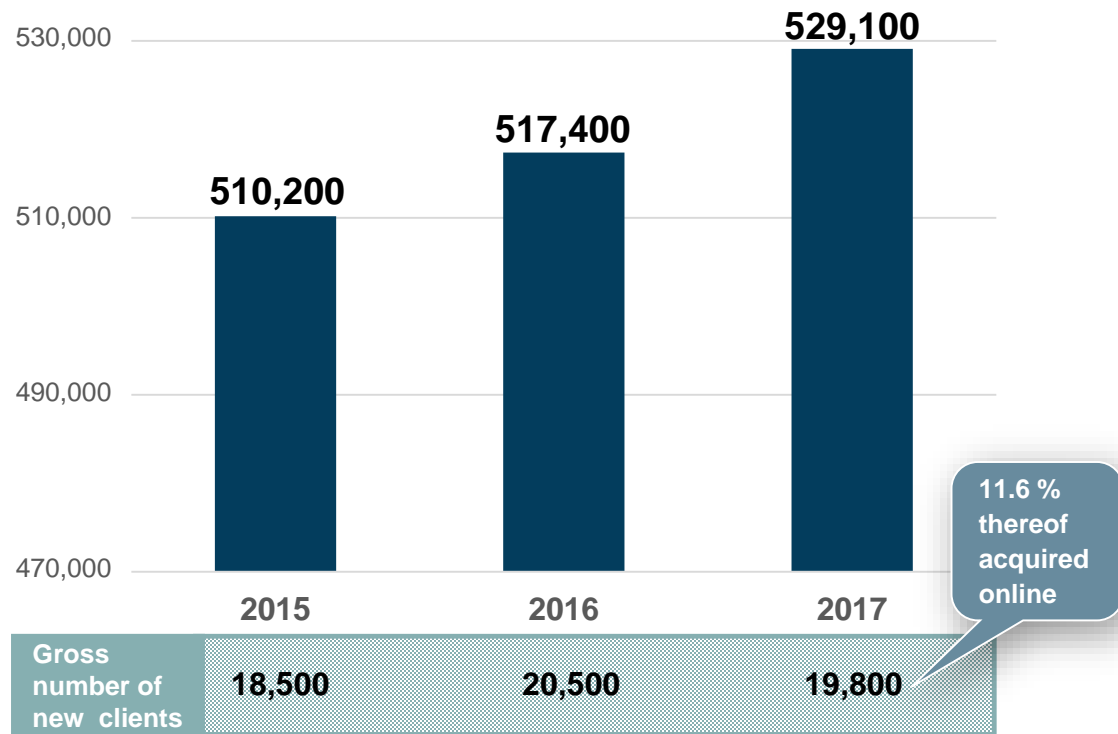
## Current structure (segments\*)

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

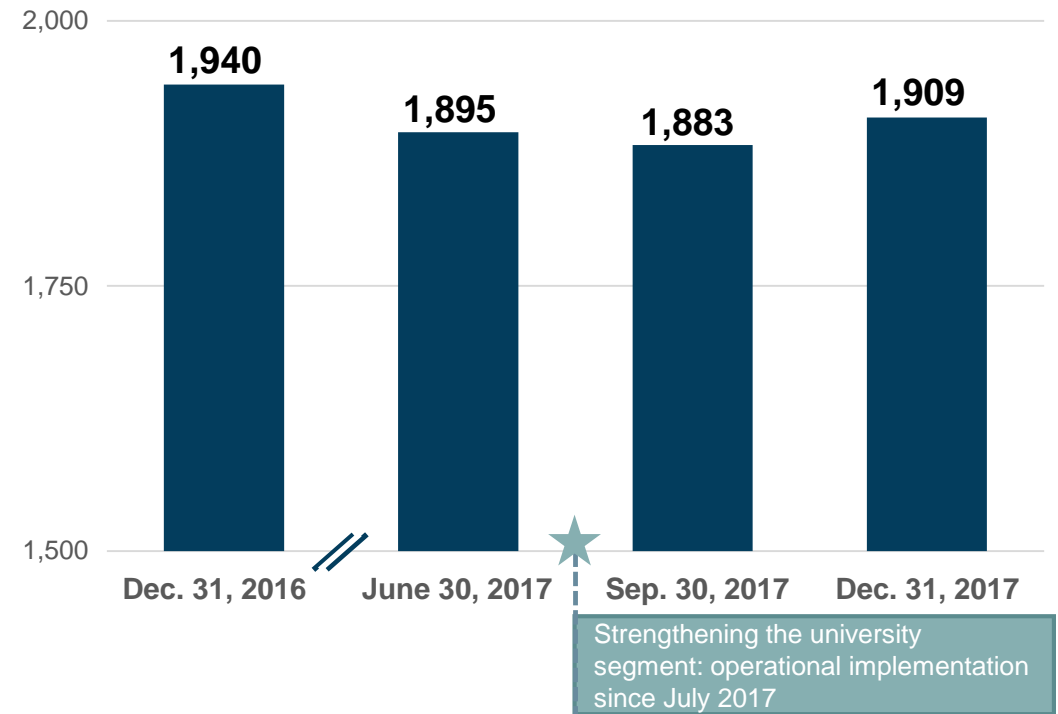
\*Further segment, but without active operations: Holding

# Number of family clients around 530,000

## Family clients



## Client consultants



# Operating EBIT increases significantly to € 46.7 million

## Income statement

In € million

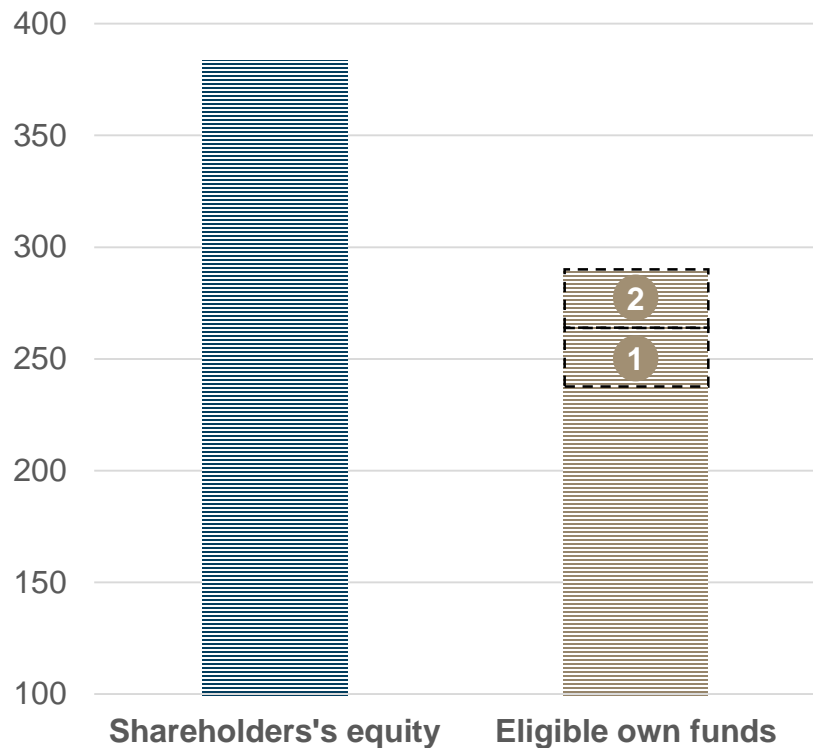
	Q4 2016	Q4 2017	2016	2017
Total revenue	191.7	187.5	610.4	628.2
Operating EBIT*	19.3	25.3	35.1	46.7
EBIT	8.2	23.0	19.7	37.6
Finance cost	-0.4	-0.5	-0.9	-1.2
EBT	7.7	22.5	18.7	36.4
Taxes	-2.6	-5.8	-4.1	-8.6
Net profit	5.1	16.7	14.7	27.8
EPS in € (diluted/basic)	0.05	0.15	0.13	0.25

**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).

\*Before one-off expenses

# 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

	Dec. 31, 2016	Dec. 31, 2017
<b>Assets</b>		
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
<b>Liabilities and shareholders' equity</b>		
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
<b>Total</b>	<b>1,944.1</b>	<b>2,169.5</b>

Equity ratio: 18.7 %

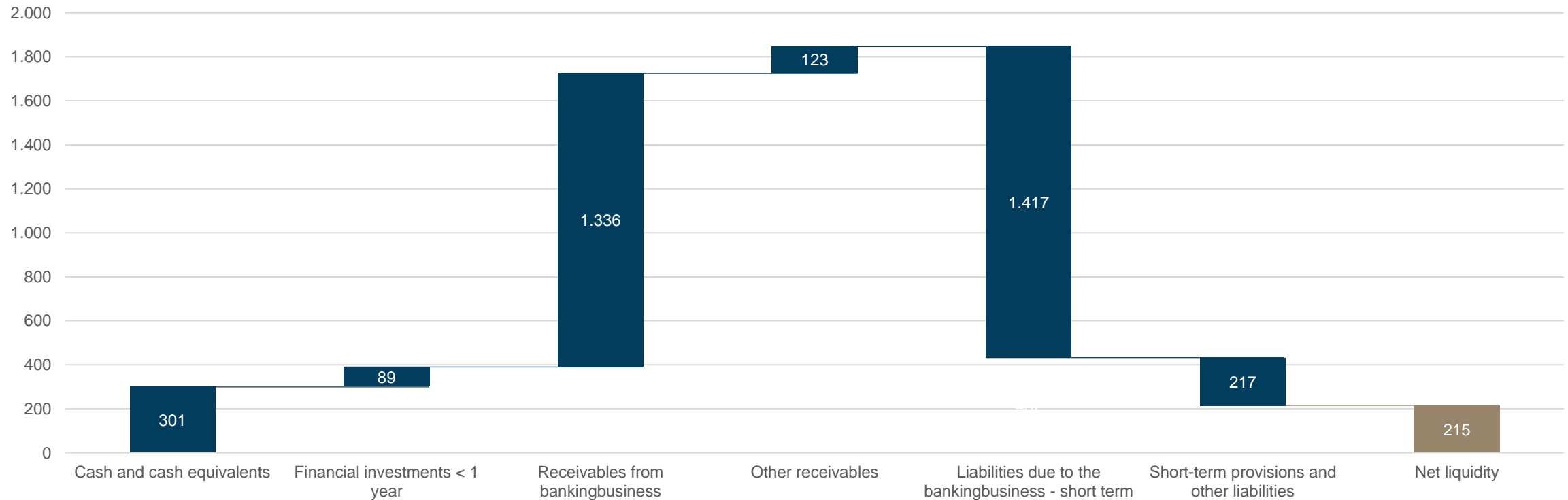
Return on equity: 7.3 %

Core capital ratio: 20.0 %

# Net liquidity of around € 215 million

As of December 31, 2017

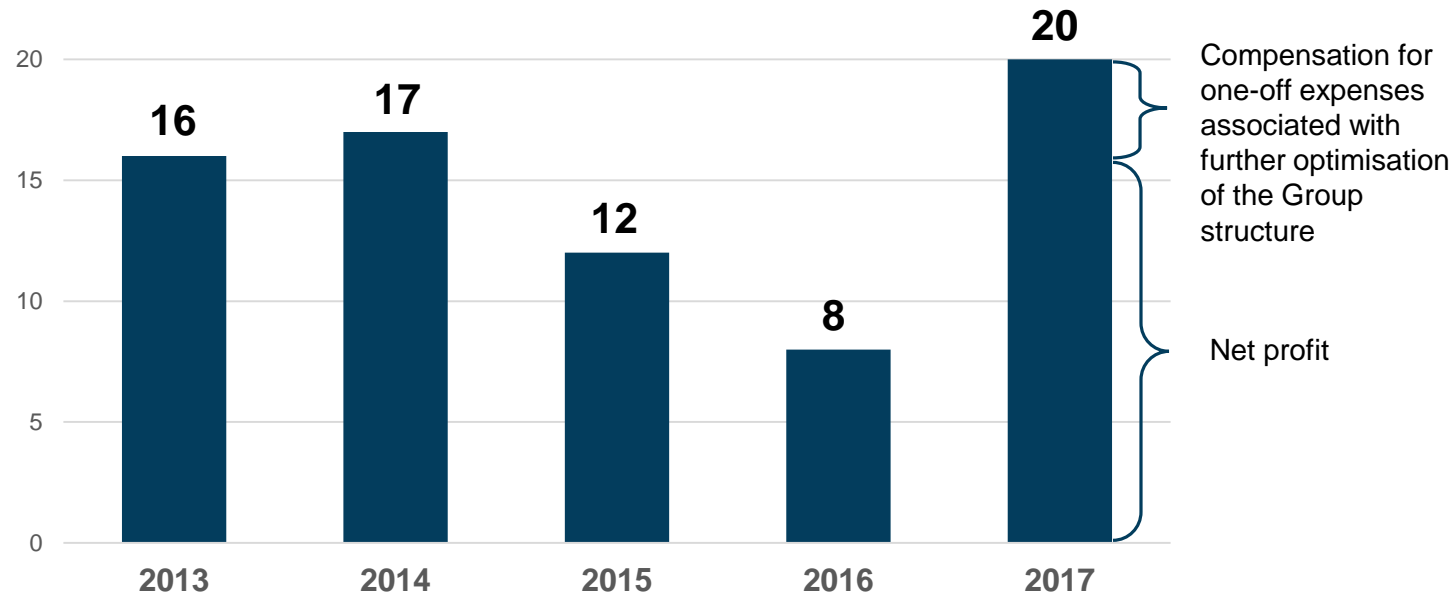
In € million



# 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

# Strategic agenda 2018

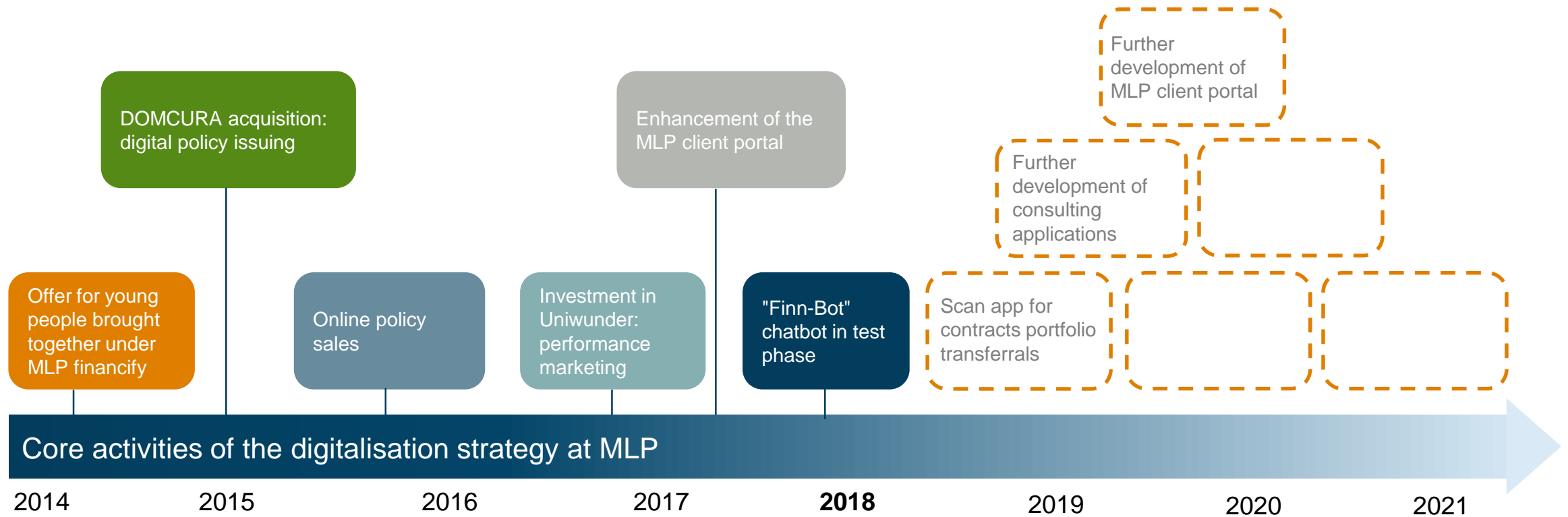
Strategic focus	1 Organic growth	2 Inorganic growth	3 Continued cost management
Implementation	<ul style="list-style-type: none"><li>• Strengthening of the university segment in the private client business: through focus on recruiting young consultants and acquiring clients</li><li>• Further broadening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

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



# Accelerated implementation of digitalisation strategy

## Complementing face-to-face consulting



# Strategic agenda 2018

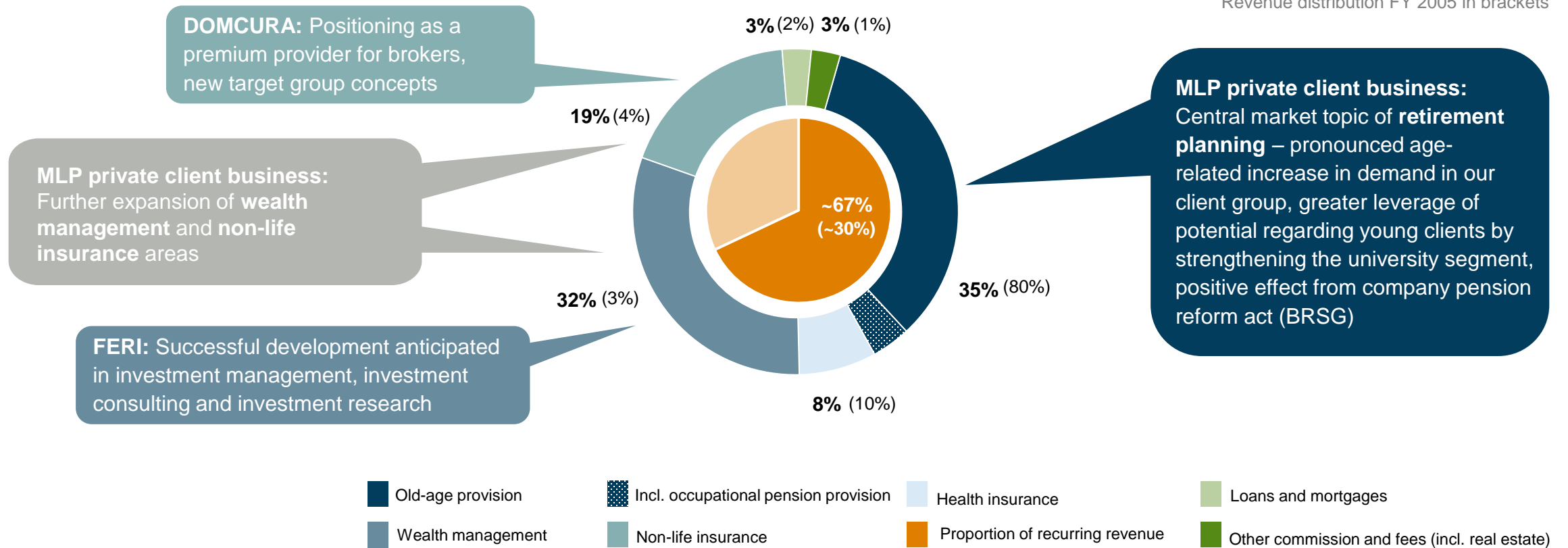
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Making MLP less susceptible to short-term market influences and building on profit level already achieved

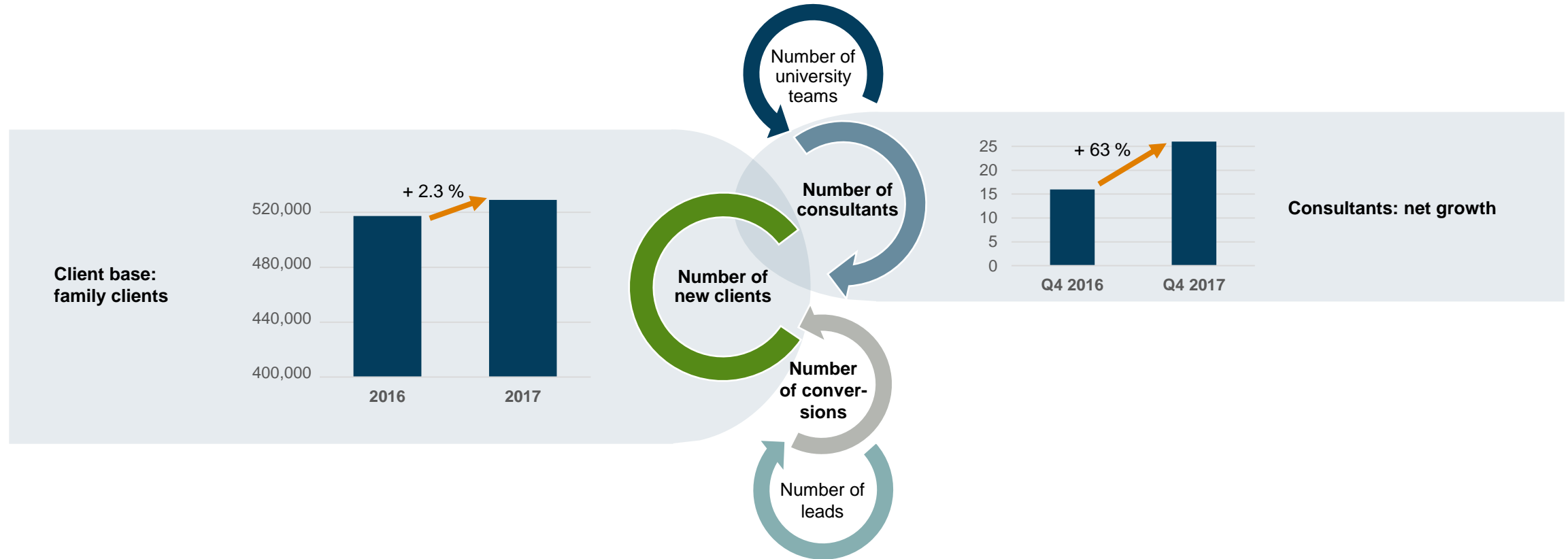
# Further broadening of revenue basis

## Revenue distribution FY 2017/impetus for 2018

Revenue distribution FY 2005 in brackets



# Strengthening of the university segment displaying initial successes



# Strategic agenda 2018

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

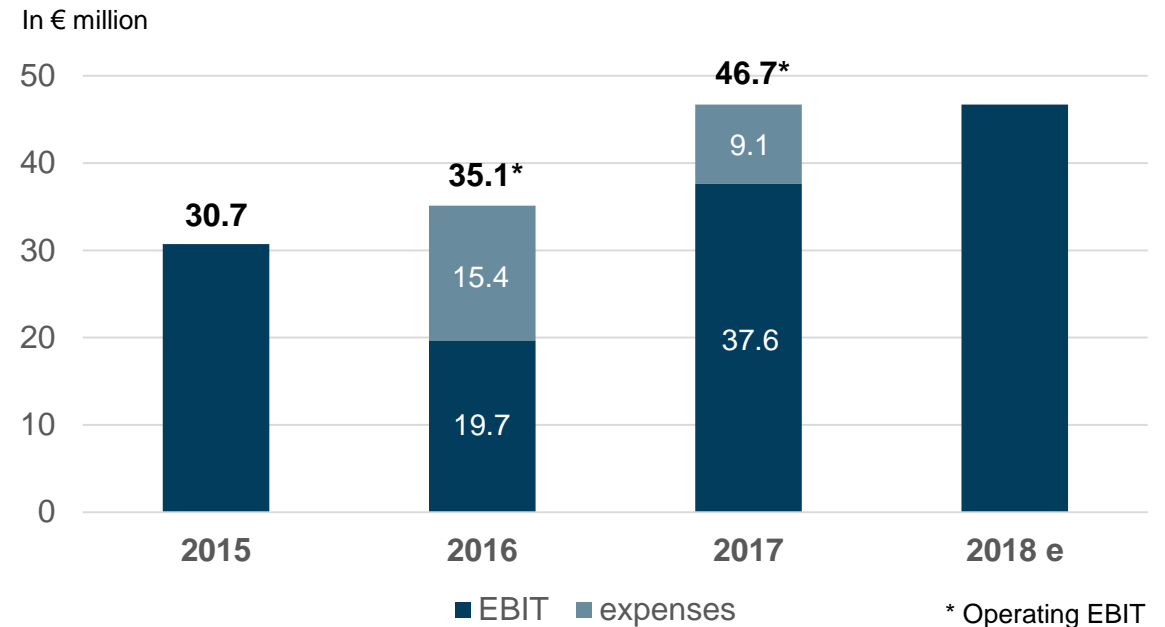
# Outlook for the financial year 2018

## 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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