

Independent Auditor's report

To MLP SE, Wiesloch

Report on the audit of the consolidated financial statements and of the joint management report

Opinions

We have audited the consolidated financial statements of MLP SE and its subsidiaries (the Group), which comprise the balance sheet as of December 31, 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1 to December 31, 2018 as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the joint management report of MLP SE for the financial year from January 1 to December 31, 2018. In accordance with the German legal requirements we have not audited the content of the non-financial Group declaration and the corporate governance statement which are included in the section "Non-financial aspects of business activities" and "Declaration on corporate governance" of the joint management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB), and in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2018, and of its financial performance for the financial year from January 1 to December 31, 2018, and
- the accompanying joint management report as a whole provides an appropriate view of the Group's position. In all material respects, this joint management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the joint management report does not cover the content of the non-financial Group declaration and the corporate governance statement mentioned above.

Pursuant to Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the joint management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the joint management report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the joint management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the joint management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of goodwill

For information on the accounting principles applied, please refer to Note 6 "Accounting policies" and Note 20 "Intangible assets" to the consolidated financial statements.

FINANCIAL STATEMENT RISK

As of December 31, 2018, the consolidated financial statements of MLP SE recognise goodwill of € 95.0 million under intangible assets. At € 53.2 million, the majority of this goodwill can be attributed to the cash-generating unit of FERI Asset management.

Goodwill has to be tested for impairment annually and whenever there is an indication that goodwill may be impaired. The impairment test, where the recoverable amount as the benchmark for impairment is determined on the basis of the discounted cash flow method, is complex and highly dependent on the legal representatives' appraisal of future cash inflows and the discount factor used and is therefore associated with considerable uncertainties.

The impairment test carried out on goodwill did not result in the need for any impairment.

There is a risk that the discretion in the impairment test may not be adequately exercised and an impairment expense is to be recognised as at the balance sheet date or an existing impairment is not recorded at an appropriate level. In addition, there is a risk that the disclosures made in the notes in this connection may not be appropriate.

OUR AUDIT APPROACH

Based on our risk assessment, as well as assessment of the risks of errors, we founded our audit opinion on both control-based audit procedures and statement-based audit procedures. For this reason our audit procedures as regards impairment testing of goodwill included:

On the basis of the corporate planning approved by the Supervisory Board, also incorporating market data and publicly available information, we obtained assurance of the appropriateness of the forecast cash inflows used when calculating goodwill, based on the expectations regarding the future development of income.

In order to assess the reasonableness of the assumptions used for preparing the corporate planning we have gained the required understanding of the planning procedure in discussions, amongst others, with legal representatives, from the divisions and the controlling department, and we have discussed the anticipated cash flows and expected long-term growth rates with those responsible for the planning. In addition to this, we acknowledged the appropriateness of the valuation model together with our valuation experts and, using the calculation of dedicated scenarios based on the DCF process of MLP SE, assessed the appropriateness of the planning assumptions. We obtained assurance of the forecasting quality of the planning undertaken by the company by comparing planning figures from previous financial years with the results actually recorded.

Working together with our valuation experts we also compared the assumptions and parameters - such as and in particular the risk-free interest rate, the market risk premium and the beta factor - underlying the capitalisation interest rate with our own assumptions and publicly available data.

Ultimately, we made an assessment as to whether the disclosures in the notes regarding the recoverability of goodwill are appropriate.

OUR OBSERVATIONS

The procedure underlying the impairment test of goodwill is appropriate and in line with the valuation principles to be applied. The discretionary decisions with regard to the measurement assumptions underlying the impairment test of goodwill were exercised appropriately. The disclosures made in the notes in this context are appropriate.

Commission income from the brokering of old-age provision products

For information on the accounting principles applied, please refer to Note 6 "Accounting policies" and Note 8 "Revenue" to the consolidated financial statements.

FINANCIAL STATEMENT RISK

The consolidated financial statements of MLP SE recognise revenue of EUR 642.1 million for the period from January 1 to December 31, 2018. This figure contains commission income of € 212.3 million from the brokering of old-age provision products that was generated by MLP Finanzberatung SE. The portfolio and level of commission income is heavily dependent on the reports or statements of account of the numerous insurance partners.

Due to the materiality of the commission income from old-age provision products for the consolidated financial statements, as well as the complexity of the process, we placed special emphasis on this issue within the scope of our audit of the consolidated financial statements of MLP SE. The risk for the financial statements in particular lies in the fact that the commission income disclosed in the statements was not realised.

OUR AUDIT APPROACH

Based on our risk assessment, as well as assessment of the risks of errors, we founded our audit opinion on both control-based audit procedures and statement-based audit procedures. Accordingly, we undertook various audit procedures with regard to the generation of commission income from the brokering of old-age provision products. These included the following:

In an initial step, we used a basic audit to gain comprehensive insight into the processes and the internal monitoring system with regard to securing the right portfolio and determining the level of commission income and assessed the appropriateness checks in this regard. To this end, we analysed the process documentation and contracts, and also performed employee surveys.

After completing this basic audit, we used performance tests to assess the effectiveness of the checks put in place with regard to recording and securing the right level of commission income.

In addition to this, we understood the development of commission income over time on the basis of analytical audit procedures within the scope of the statement-based audit procedures. For this, we established an anticipated value for commission income, specified an acceptable deviation and performed a comparison to determine whether the recognised commission income of the financial year is within acceptable band-widths - in particular on the basis of the previous year's figures, the development in terms of the number of contracts, as well as the ratio of commissions paid to commissions received. We also reconciled the cash receipts from insurance companies with the underlying invoicing data for a conscious selection that was made on the basis of size criteria.

OUR OBSERVATIONS

The process used to determine the commission income from the brokering of old-age provision products is appropriate. Our audit did not result in any significant findings with regard to the level of commission income from the brokering of old-age provision products that is disclosed in the financial statements.

Other information

The legal representatives are responsible for the other information. The other information comprises:

- the non-financial Group declaration and the corporate governance statement and
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and the joint management report and our auditor's report.

Our opinions on the consolidated financial statements and on the joint management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the joint management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the legal representatives and of the Supervisory Board for the consolidated financial statements and the joint management report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB) and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the joint management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a joint management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the joint management report.

Auditor's Responsibilities for the Audit of the consolidated financial statements and of the joint management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the joint management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, whether it complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the joint management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this joint management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the joint management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the joint management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the joint management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the joint management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the joint management report with the consolidated financial statements, its conformity with law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the legal representatives in the joint management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance, inter alia regarding the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on June 14, 2018. We were engaged by the Chairman of the Supervisory Board on June 15, 2018. We have been the group auditor of MLP SE without interruption since the financial year 2011.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

We performed the following services in addition to the audit of the annual and consolidated financial statements, as well as audit of the joint management report for the audited company or the companies controlled by this:

- Audit of MLP Banking AG in accordance with Section 89 (1) of the German Securities Trading Act (WpHG)
- Audit of FERI Trust GmbH in accordance with Section 36 (1) of the German Securities Trading Act (WpHG)
- Audit of the listing of the amounts recognised as deductible items in connection with the cost allocation obligation of MLP Banking AG as per Section 16j (2) Sentence 2 of the Financial Services Supervision Act (FinDAG)
- Audit pursuant to the General Terms of Business of Deutsche Bundesbank in conjunction with the use of loan receivables to collateralise central bank lending (credit submission process) at MLP Banking AG,
- Assuring the quality of the disclosure report as per Section 26a of the German Banking Act (KWG) drafted by MLP Banking AG.
- Preparation of the files in connection with the disclosure requirements of DOMCURA AG and Nordvers GmbH
- Acquisition of a specimen recovery plan for mid-sized institutes, as well as a guideline for completing a specimen recovery plan for mid-sized institutes by MLP Banking AG, based on the project of the Association of German Banks (BdB e.V.) and
- Legal advisory services in the context of support for the requirements of MiFiD II with regard to the expertise and competence of employees at FERI Trust GmbH

German public auditor responsible for the engagement

The German public auditor responsible for the engagement is Iris Helke.

Frankfurt am Main, March 4, 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft

Helke	Hahn
Auditor	Auditor