

JOINT MANAGEMENT REPORT

In addition to the MLP Group, the following joint management report also encompasses MLP AG in accordance with § 315 (3) in connection with § 298 (3) of the German Commercial Code (HGB).

The values disclosed in the following have been rounded to one decimal place. As a result, differences to reported total amounts may arise when adding up the individual values.

The Previous year's values of the consolidated income statement and the consolidated balance sheet have been adapted and are disclosed accordingly in the following tables. Information is provided in → [Note 3](#).

FUNDAMENTAL PRINCIPLES OF THE GROUP

Business model

MLP – The partner for all financial matters

The MLP Group (MLP) is the partner for all financial matters – for private clients, companies and institutional investors. Four brands, each of which enjoy a leading position in their respective markets, are used to offer a broad range of services:

Broad range of services

- **MLP Finanzdienstleistungen AG:** The dialogue partner for all financial matters
- **FERI AG:** The investment expert for institutional investors and high net-worth individuals
- **DOMCURA AG:** The underwriting agency with a focus on private and commercial non-life insurance products
- **TPC GmbH:** The specialist in occupational pension provision management for companies

The views and expectations of our clients always represent the starting point in each of these fields. Building on this, we then present our clients with suitable options in a comprehensible way so that they can make the right financial decisions themselves. For the implementation we examine the offers of all relevant product providers in the market. Our products are selected and rated on the basis of substantiated market and product analyses.

Client requirements in focus

Since the company was founded by Manfred Lautenschläger and Eicke Marscholke in 1971, MLP Finanzdienstleistungen AG has consistently striven to establish long-term relationships with its clients. This requires a profound understanding of their individual requirements. Each of our approximately 2,000 client consultants therefore focuses on one professional group. MLP's clients primarily include physicians, economists, engineers and lawyers. We support these clients in all financial matters – from old-age provision and wealth management, through health and non-life insurance, all the way up to financing, real estate brokerage and banking business.

MLP
Finanzdienstleistungen AG:
Focus on individual professional groups

As a financial institution, MLP Finanzdienstleistungen AG is supervised by the Federal Financial Supervisory Authority (BaFin) and represents the controlling company of the Financial Holding Group in terms of the supervisory regulations.

Supervisory requirements

As an insurance broker, MLP Finanzdienstleistungen AG is also committed to selecting the most suitable product options for clients from the broad scope of offers in the market. These concepts clearly set us apart from the majority of players in the market, who either only offer their own products or a very limited selection of third party products.

MLP places great emphasis on the use of objective and transparent criteria when selecting partners and products. An analysis and quality check of the providers in the market, as well as their respective products, are performed on the basis of client requirements.

Transparent partner and product selection process

In addition to its private client business, the MLP Group has also been establishing an extensive portfolio for corporate clients, institutional investors and very high net worth individuals since 2004. Since 2014, we have also strengthened our activities in the field of real estate brokerage. In addition to this, MLP has developed new potential in the field of non-life insurance since 2015 with the acquisition of the DOMCURA Group (DOMCURA) and has positioned itself as a provider for other market members. The integration of DOMCURA was successfully completed in the reporting year. With the continuous expansion of our business model and new additions to our core competencies, we have created further stable pillars to secure the sustainable success of our company.

Diversification at an advanced stage

The aforementioned acquisition of Schwarzer Familienholding GmbH (hereinafter referred to as the DOMCURA Group/DOMCURA) in the first half of 2015 and its successful integration into the MLP Group was another key milestone in the diversification of revenue streams in the reporting year. As an underwriting agency, DOMCURA designs, develops and implements its extensive coverage concepts for private and commercial clients in the field of non-life insurance. These concepts are used by market members such as brokers and other agents. In addition, the DOMCURA Group also includes specialist brokers for commercial and industrial insurance. An initial joint hedging concept was already developed and successfully launched to market by DOMCURA and MLP in 2016. You can find more information on this in the chapter entitled → "Performance".

DOMCURA – The non-life insurance specialist

As an investment house for institutional investors and high net-worth individuals, the FERI Group (FERI) offers services in the areas of investment management, investment consulting and investment research.

FERI – Wealth management with independent research

In the Investment Management business segment, FERI Trust GmbH offers a broad spectrum of wealth management services in all asset classes. These range from the development and implementation of individual investment strategies, right through to quantitative risk management and control. Investment consulting involves long-term advisory services to institutional investors and the provision of family office services to high net-worth families. Investment Research draws up economic forecasts and individual asset allocation analyses, which provide an important basis for the investment strategies.

FERI further sharpened its focus on this core business in the reporting period by selling FERI EuroRating Services AG.

As a specialist in occupational pension provision management, TPC GmbH (TPC) offers companies and associations consultancy services covering all issues relating to occupational pension provision and remuneration. Companies benefit from a full portfolio of services – ranging from needs analyses, to individual concept development and implementation, right through to continuous inspection of existing occupational old-age provision systems. The key focus here is on providing consulting services to small and medium-sized companies from various sectors, as well as employer consulting services at tax advisers, auditors, solicitors, physicians and architects.

TPC: Sector concepts for occupational pension provision management

Further training plays an important part in our company's ability to ensure sustainably high quality consulting services. You can find more detailed information on this in the chapter entitled "[→ Employees and consultants](#)".

Further training of key importance

The registered office of MLP AG, the holding company, and also MLP Finanzdienstleistungen AG is in Wiesloch, Germany, where all internal divisions are centralised. Additionally we are represented by our client consultants and offices in all German urban centers, including all important university locations. DOMCURA has its headquarters in Kiel, while TPC operates out of Hamburg. Alongside its HQ in Bad Homburg vor der Höhe, FERI also maintains further national and international locations in Munich, Düsseldorf, Zurich, Luxembourg and Vienna.

Represented throughout Germany

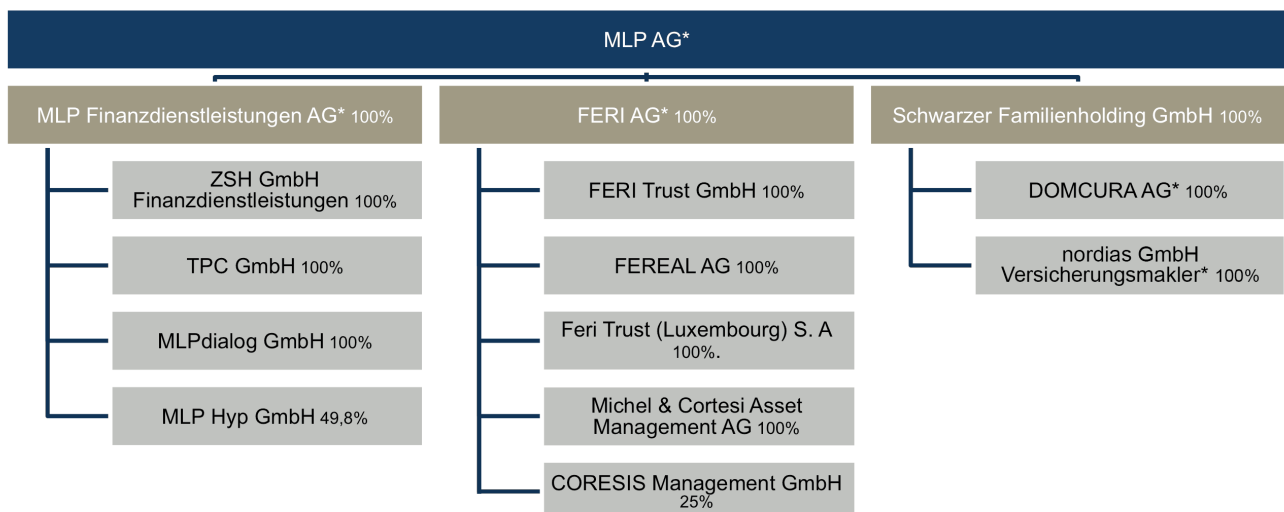
Locations of the MLP Group in Germany



Legal corporate structure and Executive Bodies

MLP is organised as a holding company, in which central management duties are performed by the Group's parent company, MLP AG. The three subsidiaries MLP Finanzdienstleistungen AG, FERI AG and Schwarzer Familienholding GmbH (DOMCURA Group) are directly subordinate to it (see figure). The business divisions each carry end-to-end accountability for results. This organisation reflects the Group's strategic goals and client requirements.

Current Group structure of operating companies



* Plus further direct and indirect subsidiaries

MLP Finanzdienstleistungen AG holds a banking license and is registered as an insurance broker for the brokerage of insurance contracts. MLP Finanzdienstleistungen AG includes TPC GmbH in Hamburg, ZSH GmbH Finanzdienstleistungen in Heidelberg, MLPdialog GmbH in Wiesloch and MLP Hyp GmbH in Wiesloch, which we operate together with the mortgage broker Interhyp AG in Munich.

FERI AG's main fields of business are investment management, investment consulting and investment research, each of which is offered both to institutional and private clients by FERI Trust GmbH, Bad Homburg v.d.H. The issuance and structuring services for alternative investments and fixed asset investments are centralised at FERREAL AG, which is approved as a capital management company by the Federal Financial Supervisory Authority (BaFin).

FERI AG sold FERI EuroRating Services AG in the reporting year. The transaction was concluded on August 1, 2016. With this move FERI is continuing to focus on its core areas of expertise and on strategic further development to become the leading investment company in Germany, Luxembourg, Switzerland and Austria.

The main companies and affiliations in Germany and abroad include FERI Trust (Luxembourg) S.A., which acts as fund manager and coordinates the entire fund structuring and fund floating process, as well as Michel & Cortesi Asset Management AG (Switzerland), which offers investment solutions for private and institutional investors. In the field of real estate, FERI AG holds investments in CORESIS Management GmbH.

The main subsidiaries of the DOMCURA Group include DOMCURA AG, which specialises in designing, developing and implementing comprehensive coverage concepts in the non-life insurance segment for both private and commercial clients. In the course of the ongoing focus on the corporate structure in the DOMCURA Group, companies including Ralf W. Barth GmbH and F&F Makler AG among others were merged into nordias GmbH Versicherungsmakler in the financial year. All activities of the broker business segment have been pooled in this company, including specialist brokers for commercial and industrial products.

Factors affecting business development

Economic developments in Germany have a significant impact on the business model of the MLP Group, as the company generates almost all of its revenue in this country. Particularly important indicators in this regard are economic growth, developments on the employment market, salary levels and the general savings rate. These indicators are described in further detail in the chapter entitled → [“Economic report – National economic climate”](#). The results of operations are influenced even more acutely by market conditions in the consultancy areas of old-age provision, health insurance and wealth management, which are analysed in the corresponding chapters of the → [“Economic report”](#). Another important factor is the regulatory environment, which is examined in more detail in the chapter entitled → [“Economic report – regulation and competition”](#).

Organization and administration

The Executive Board at MLP AG comprises three members. The positions on the Board continue to be held by Dr. Uwe Schroeder-Wildberg (Chairman of the Executive Board), Manfred Bauer (Product Management) and Reinhard Loose (Finance).

The Supervisory Board, which is, among other things, required to monitor the actions of the Executive Board under German law, comprises six members. There were no changes to the personnel on this committee in the reporting year.

At FERI AG, the Executive Board contract of Dr. Matthias Klöpper (Finance) expired in the reporting period. As of January 1, 2017, Marcel Renné was appointed as a new member of the Executive Board with responsibility for Operations. Chairman of the Executive Board, Arndt Thorn, assumed responsibility for Finance from this date on.

Both the Executive Board and Supervisory Board seek to change the company's corporate form from MLP AG to an SE (Societas Europaea). This proposal is to be put to the shareholders during the 2017 Annual General Meeting. The objective of the change in corporate form is primarily to secure the current flexibility of the work performed by the two committees for the future. To date this has been achieved through a six-member Supervisory Board commensurate to the size of the company, among other measures.