

## Supplementary data for MLP AG (in line with the German Commercial Code (HGB))

In contrast with the consolidated financial statements, the financial statements of MLP AG are not prepared to International Financial Reporting Standards (IFRS), but rather to the rules of the German Commercial Code (HGB).

### *Business and general conditions*

#### General company situation

MLP AG is the holding company for the MLP Group. The company's primary role is to manage the Corporate Group. It defines strategic goals and ensures coordinated and aligned corporate policy within the Group. Three subsidiaries are arranged under the umbrella of MLP AG: MLP Finanzdienstleistungen AG is the Group's consulting company for private and corporate clients. It holds a banking licence and, as an insurance broker, is registered for brokering insurance policies. The second subsidiary FERI AG (including its own subsidiaries) primarily looks after wealthy private clients and institutional investors. As an underwriting agency, DOMCURA examines all offers in the market when designing, developing and implementing its extensive coverage concepts for private and commercial clients in the field of non-life insurance. In addition, the DOMCURA Group also includes specialist brokers for commercial and industrial insurance. You can find more information on this in the chapter entitled → *"Performance"* in the joint management report of the MLP Group.

#### Business development at MLP AG

The following changes were made to the corporate structure in 2016. FERI AG announced the sale of FERI EuroRating Services AG in the reporting period. The transaction was then concluded on August 1, 2016. FERI is now continuing to focus on its core strengths of investment management, investment consulting and investment research, as well as on strategic further development to become the leading investment company in Germany, Luxembourg, Switzerland and Austria.

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 amongst others were merged into nordias GmbH Versicherungsmakler in the financial year. All activities of the broker business segment have been bundled in this company, which includes specialist brokers for commercial and industrial products.

Due to the profit/loss transfer agreements in place, business performance at MLP AG is largely determined by the economic development of its investments, the performance of which is also described in the Group report. A profit/loss transfer agreement was concluded between MLP AG and the DOMCURA Group over the course of the year 2016 and then approved by the MLP AG Annual General Meeting on June 16, 2016.

In the light of the above, the economic framework conditions, the industry situation and the competitive environment are essentially the same as those of the MLP Group and are described in detail in the sections entitled → *"National economic climate"* and → *"Industry situation and competitive environment"*.

## *Results of operations*

The German Accounting Directive Implementation Act (BilRUG) came into force on January 1, 2016. This led to a redefinition of revenues. Based on the new rules, revenues must now also be disclosed alongside other operating income.

Revenue in the reporting year was € 5.7 million. These essentially include income from the letting of buildings to affiliated companies. Other operating expenses were € 12.3 million, following € 11.0 million in the previous year. If it had already been necessary to apply the changes resulting from the German Accounting Directive Implementation Act (BilRUG) in the previous year, this would have led to revenue of € 6.6 million and other operating income of € 4.4 million in 2015. On this basis the increase in other operating income can among other things be attributed to the sale of a property and a settlement payment made in connection with judicial proceedings.

Personnel expenses were down from the previous year to € 4.0 million. This reduction can be attributed to lower expenses for salaries and wages, as well as lower expenses for pension commitments as a result of an interest rate adjustment.

At € 3.7 million, amortisation of intangible assets and property, plant and equipment remained virtually constant (€ 3.8 million). Other operating expenses rose to € 10.6 million (€ 9.7 million). Among other factors, this was due to higher consulting expenses. This item also includes expenses of € 0.8 million accrued within the scope of our efficiency programme.

The results of operations of MLP AG are influenced to a great extent by the business development of its largest subsidiary MLP Finanzdienstleistungen AG. As is also the case with FERI AG and the Schwarzer Familienholding GmbH (DOMCURA Group), a profit/loss transfer agreement is in place with this company that is reflected in the finance cost.

The finance cost dropped from € 22.7 million (€ 33.7 million) in the reporting period. Higher profit transfers from FERI AG and DOMCURA were more than offset by the lower profit transfer from MLP Finanzdienstleistungen AG, caused by one-off expenses within the scope of our efficiency programme.

The tax expense dropped to € 4.0 million (€ 8.8 million) in the last financial year. This decrease can be attributed to increased expenses in the previous year pertaining to a retrospective tax payment, as well as a lower assessment basis in 2016. The net profit recorded was therefore € 18.2 million (€ 15.6 million).

## *Net Assets*

The balance sheet total of MLP AG was € 413.3 million (€ 406.7 million) on December 31, 2016.

On the assets side of the balance sheet, the item "Property, plant and equipment" declined slightly from € 42.1 million to € 36.3 million due to the sale of a property. Financial investments increased to € 258.0 million (€ 248.0 million) which is attributable to redeployments of other forms of investment.

The receivables and other assets declined to € 36.6 million (€ 51.6 million). The receivables from affiliated companies included in this item also declined to € 24.1 million. This increase is primarily attributable to receivables due from subsidiaries of MLP AG, resulting from profit/loss transfer agreements in place with these companies. Other assets declined to € 12.2 million (€ 15.1 million). This development was in particular influenced by lower overall receivables from income taxes.

The item "Cash on hand and on deposit with the Deutsche Bundesbank, bank deposits and cheques" increased to € 79.7 million (€ 63.2 million). This increase can essentially be attributed to the payment received from the sale of a property.

On the equity side of the balance sheet, shareholders' equity increased slightly to € 392.9 million (€ 387.6 million), while share capital and capital reserves remain unaltered at € 109.3 million and € 139.1 million respectively.

At € 17.1 million, provisions were slightly above the previous year's level (€ 16.1 million), whereby at € 10.8 million (€ 10.6 million) provisions for pensions and similar obligations remained virtually unchanged year on year. Tax reserves rose to € 2.5 million (€ 0.3 million). Other provisions declined to € 3.8 million (€ 5.1 million). The previous year's higher figure is essentially due to the provisions for interest established that year within the scope of the general tax audit.

## *Financial position and dividends*

As of the balance sheet date, December 31, 2016, MLP AG had cash holdings (cash on hand and on deposit with the Deutsche Bundesbank, bank deposits and checks) of € 79.7 million (€ 63.2 million). This item was reduced by the dividend payout to our shareholders with a total volume of € 13.1 million at € 0.12 per share, while the profit transfers from our subsidiaries had the opposite effect.

At 95.0% (95.3%), the equity ratio remained virtually constant. MLP AG therefore continues to enjoy a good equity capital backing. In addition to this, MLP AG has open lines of credit of € 50.0 million as of the balance sheet date.

As of the balance sheet date, the liabilities of MLP AG increased to € 3.6 million (€ 3.0 million). This was primarily due to an increase in trade payables from € 0.3 million to € 0.6 million, as well as an increase in other liabilities to € 0.9 million (€ 0.6 million). The liabilities at MLP AG are all current liabilities. Cash and cash equivalents therefore exceed current liabilities several times over.

The dividend payments of MLP AG are made in accordance with the financial and profit situation, as well as future liquidity requirements. As announced, the distribution rate for the financial year 2016 will be between 50% and 70%. In concrete terms, the Executive Board and Supervisory Board will propose a dividend of € 0.08 per share at the Annual General Meeting on June 29, 2017. This corresponds to a distribution rate of around 60% of the Group's net profit.

## *Comparison of the actual and forecast development of business*

Business development at MLP AG is essentially dependent on the business development of the MLP Group. We therefore make reference to the comparison of actual business development with the forecast development of the MLP Group.

Despite market conditions that generally remained difficult for its subsidiaries, MLP AG was overall able to meet its own objectives and expectations in 2016.

## *Employees*

In the last financial year, MLP AG employed an average of 7 employees, following 7 employees in the previous year.

Stipulations for promoting equal participation of women in management positions pursuant to § 76 (4) and § 111 (5) of the German Stock Corporation Act (AktG) apply equally to MLP AG and the MLP Group. We make reference to stipulations of the MLP Group for promoting equal participation of women in management positions pursuant to § 76 (4) and § 111 (5) of the German Stock Corporation Act (AktG) in this regard. For details see the → [corporate governance report](#) of the MLP Group.

## *Remuneration report of MLP AG*

The basic structure and design of the compensation system at MLP AG are the same as those of the MLP Group. We therefore make reference to the remuneration report of the MLP Group.

## *Risks and opportunities at MLP AG*

The risks and opportunities at MLP AG are essentially the same as the opportunities and risks of the MLP Group. We therefore make reference to the risk report and opportunity report of the MLP Group.

As the parent company of the MLP Group, MLP AG is incorporated in the Group-wide risk management system. You can find further information on this in the section of the MLP Group's risk report entitled → "Risk management".

The description of the internal monitoring and risk management system with regard to the accounting process of MLP AG is also the same as that of the MLP Group. We therefore also make reference to the MLP Group's → [risk report](#) here.

For further information with regard to the financial instruments and their deployment, we also make reference to the MLP Group's → [risk report](#) and accompanying → [notes](#).

## *Forecast for MLP AG*

The development of MLP AG in its role as the holding company is largely dependent on the development and profit transfer of its investments. Set against this background, we make reference to the forecast for the MLP Group.

## *Explanatory report on the disclosures pursuant to § 176 (1) of the German Stock Corporation Act (AktG) and § 289 (4) of the German Commercial Code (HGB)*

The explanatory report on acquisition-relevant disclosures applies equally to MLP AG and the MLP Group. We therefore make reference to the MLP Group's explanatory report on the disclosures pursuant to § 176 (1) of the German Stock Corporation Act (AktG), as well as § 289 (4) and § 315 (4) of the German Commercial Code (HGB).

## *Declaration on corporate governance pursuant to § 289a of the German Commercial Code (HGB)*

The declaration on corporate governance applies equally to MLP AG and the MLP Group. We therefore make reference to the MLP Group's declaration on corporate governance.