

Supplementary data for MLP AG (Disclosures based on 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. With the acquisition of Schwarzer Familienholding GmbH (DOMCURA Group), another subsidiary was added in the reporting year. 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 2015. In the reporting period, MLP AG performed a capital increase against contributions in kind. 1,456,948 new shares were issued in return for 33.33% of the shares in Schwarzer Familienholding GmbH (SFH GmbH), the parent company of the DOMCURA Group companies. These shares carry full dividend rights for the financial year 2015. This action increased the share capital by 1.35% from 107,877,738 shares to 109,334,686 shares. The capital increase against contributions in kind was entered in the Commercial Register at Mannheim District Court on August 10, 2015. In June, MLP AG signed a company acquisition agreement for the full takeover of the DOMCURA Group. The total transaction volume was € 18 million. € 12 million was paid in cash as the purchase price, while a further 6 million was paid in the form of the aforementioned issue of new shares in return for a 33.33% stake in SFH GmbH. With conclusion of the contract on September 30, 2015, the DOMCURA Group was included in the scope of consolidation at MLP Group level for the first time. You can find more information on this in the chapter entitled → ["Business development"](#) in the joint management report of the MLP Group.

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 is scheduled to be signed between MLP AG and the DOMCURA Group during the course of 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

In the financial year 2015, other operating income declined from € 15.8 million to € 11.0 million. This essentially includes income from the rental of buildings to affiliated companies. The previous year's higher figure was primarily a result of the sale of fixed assets, increased earnings from the reversal of provisions, as well as the decision in favour of MLP in a negative declaratory relief case against several former shareholders in FERL.

At € 6.4 million (€ 6.2 million), personnel expenses remained at the previous year's level. The lower expenses for salaries and wages relative to the previous year were more than compensated by greater expenses for pension commitments. At € 3.8 million (€ 3.9 million), depreciation of fixed assets remained at virtually the same level as the previous year.

Other operating expenses fell from € 11.2 million to € 9.7 million in the reporting period. The previous year's higher figure was largely due to greater amortisation expenses/impairments.

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 FERL AG, a profit/loss transfer agreement is in place with this company that is reflected in the finance cost.

Finance cost rose to € 33.7 million (€ 32.1 million) in the reporting period. This development highlights the slightly higher overall volume from the profit/loss transfer agreements. In particular FERL AG, yet also MLP Finanzdienstleistungen AG, had a positive influence on this development. This was offset by a higher interest charge.

Earnings before tax declined to € 24.7 million (€ 26.6 million) as a result of a reduction in other operating income. The tax expense was € 8.8 million (€ 9.1 million) in the past year. The net profit recorded was therefore € 15.6 million (€ 17.1 million).

Net Assets

At € 406.7 million (€ 407.2 million), the balance sheet total of MLP AG on the balance sheet date December 31, 2015 remained at the same level as the previous year.

On the assets side of the balance sheet, the item "Property, plant and equipment" declined slightly from € 45.5 million to € 42.1 million due to impairments. Financial investments increased from € 229.4 million to € 248.0 million, largely due to the acquisition of the DOMCURA Group.

The receivables and other assets declined to € 51.6 million (€ 53.0 million). This includes receivables from affiliated companies, which rose to € 36.5 million (€ 34.0 million). These are primarily receivables due from subsidiaries of MLP AG, resulting from profit/loss transfer agreements in place with these companies. This was countered by the decline of other assets from € 19.0 million to € 15.1 million on the reporting date. 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 from € 77.0 million to € 63.2 million. The dividend payout to our shareholders, as well as payment of a portion of the purchase price for the DOMCURA Group in cash, reduced this item.

On the equity side of the balance sheet, shareholders' equity increased to € 387.5 million (€ 384.3 million). This was caused by the described capital increase in exchange for non-cash contributions. In this context, share capital increased to € 109.3 million (€ 107.9 million) and capital reserves increased from € 134.5 million to € 139.1 million.

Provisions declined over the previous year to € 16.1 million (€ 19.3 million). At € 10.6 million (€ 9.2 million), the provisions for pensions and similar obligations were above the previous year's level. With a value of € 0.3 million, tax reserves were significantly below the value for the same period in the previous year (€ 4.0 million). Large amounts were reversed in the context of a retrospective tax payment. Other provisions declined to € 5.1 million (€ 6.1 million).

Financial position and dividends

As of the balance sheet date, December 31, 2015, MLP AG had cash holdings (cash on hand and on deposit with the Deutsche Bundesbank, bank deposits and cheques) of € 63.2 million (€ 77.0 million). This decline is essentially attributable to the dividend payout to our shareholders of € 0.17 per share amounting to a total of € 18.3 million for the financial year 2014, as well as cash payment of a portion of the purchase price for DOMCURA Group. The profit transfers of subsidiaries had a positive influence.

At 95.3% (94.4%), the equity ratio remained virtually constant. MLP AG therefore continues to enjoy a good equity capital backing. In addition to this, MLP AG had open lines of credit of € 50.0 million as of the balance sheet date.

The liabilities of MLP AG dropped to € 3.0 million (€ 3.6 million) on the balance sheet date. This was primarily due to the decline in other liabilities from € 1.1 million to € 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 2015 will be between 50% and 70%. In concrete terms, the Executive Board and Supervisory Board will propose a dividend of € 0.12 per share at the Annual General Meeting on June 16, 2016. Based on the net profit of the MLP Group, the distribution rate is 66%.

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. The special characteristics of the acquisition of the DOMCURA Group did not have any impact on the annual financial statements of MLP AG, although they did impact the financial statements of the MLP Group.

Market conditions that generally remained difficult for its subsidiaries meant that MLP AG was not quite able to meet its own expectations in 2015.

Employees

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

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.

Events subsequent to the reporting date at MLP AG

As described in the → [forecast](#) of the MLP Group, at the end of February efficiency measures were agreed which will mainly have effect in the MLP Finanzdienstleistungen AG. In addition there were no further appreciable events after the balance sheet date affecting the company's financial or asset situation.

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](#).