Speech to the Annual General Meeting of OVB Holding AG on 21 June 2013



OVB Allfinanz – simply better



Speech to the Annual General Meeting of OVB Holding AG

Chairman of the Executive Board Check against delivery!

Dear shareholders and shareholder representatives, Dear guests and friends of our company.

Ladies and gentlemen,

Welcome to this year's Annual General Meeting of OVB Holding AG in Cologne. I am very pleased at your interest in the meeting!

The environment in which OVB operates with its services is a challenging one. It is characterised by the ongoing European sovereign debt crisis and interest rate levels that are therefore systematically kept low. This makes it difficult to achieve return that is higher than the inflation rate for savings and pension fund assets in the traditional sense. In addition, media reports make people uncertain to a considerable degree.

Sometimes private pension provisions with life and annuity policies as well as with state-sponsored products such as the Riester pension are even discouraged. Some of the arguments are more than questionable.





Currently, all of this is not helping to encourage the willingness of consumers to acquire urgently required private pension provisions.

The experts – above all the OECD – know about the true reason for the need for private provision management: demographic development. Unfortunately, balanced and professionally grounded expert opinions are going under in the fast-moving media tumult.

Nevertheless – or precisely due to this – OVB wants to develop into the leading system sales company for financial services in Europe in the next few years. We want to establish the market-leading business model for financial consulting in Europe. With clear priorities that we have incorporated in our "Strategy 2016". I will talk about this in more detail later.

2012 was a year in which OVB made good progress. We concentrated on our services in which our technically unique, comprehensive consulting helps people in Europe to come a bit closer to achieving their aims and desires.

Of course, customers who put their trust in us last year are unsettled by developments in their home countries – including with regard to their retirement provision. They are also unsettled by difficult economic conditions associated with actual unemployment or fears of unemployment.

However, with our consulting we nevertheless managed to help our customers to find the courage to give their future a little bit of security in a variety of ways through private pension provisions.



In 2012, special topics such as pension reforms and the unisex issue also influenced our development somewhat.

Unisex because people – especially at the end of the year, i.e. shortly before the end of the so-called "two gender age" – understood that the equal treatment of men and women is very sensible in political terms, but in the field of insurance will consistently be associated with price increases for individuals in the end. Price increases that do not improve people's insurance, but limit their scope for action for further provision or consumption.

The political discussion about retirement provision has left its mark in other places too. In Poland, a previously obligatory pension provision product was replaced by IKZE, a voluntary savings instrument with little acceptance among citizens. Consequently, planning behaviour and our sales worsened.

In Germany there is the never ending discussion about the sense and nonsense of Riester pensions, surely also contributing to the "tiredness" that has arisen with regard to private pension provisions.

Hence, the variety of opinions is great. However, the most important thing about solving individual problems is that as many consultants as possible in general – and of course at OVB in particular – do not allow themselves to be misled as far as knowing the people's needs and being self-aware of the quality of our services. Consultants must actively approach the topics with the customers.





Ultimately, this led to OVB holding its ground well in the 2012 financial year as the only financial services provider with a Europe-wide positioning. 5,097 financial consultants, approximately 600,000 new contracts and now 3.0 million customers make this clear.

At 214.7 million, sales remained virtually stable year-on-year. Our sales grew in the Southern and Western Europe segment in particular, where OVB achieved an increase of 16.0% to 26.8 million. Contrary to the macroeconomic trend, OVB generated significant growth in Italy and Spain especially. In the Central and Eastern Europe segment, sales stabilised following highly dynamic growth in 2011, amounting to 121.1 million. In Germany, sales amounted to 66.8 million.

In 2012, OVB's key financial figures improved further. EBIT reached 10.5 million, an increase of 73 %.

Consolidated net income almost doubled from 4.2 million to 8.2 million. This results in basic earnings of 57 eurocents per share.

Therefore, the Executive Board and Supervisory Board of OVB Holding AG propose to you today to adopt a significant dividend increase to 55 eurocents per share.

Our international positioning with business activities in 14 countries gives OVB stability and opens up growth potential.

The increase in earnings is due mainly to the strong performance of the Southern and Western Europe segment, which achieved balanced earnings again in 2012 after a negative earnings contribution in the previous year.



Further information on the 2012 financial year can be found in our 2012 Annual Report. The report has been sent to you or handed out to you today on request.

A look at the balance sheet of OVB Holding AG documents the financial strength and solidity of our company.

On the liabilities side of our balance sheet, equity predominates at 83.4 million. The highly solid equity ratio of 54.3% signalises strength and creates confidence among customers, business partners and shareholders. That makes us independent.

Our customers benefit from the high consulting quality and the long-term service approach, while our financial consultants benefit from a stable and futureorientated business model. And our shareholders benefit through continuous dividends and sustainability.

Overall, 2012 was a good year for OVB, even an unexpectedly good year in terms of EBIT. Of course, this makes us a little bit proud.

OVB has had a solid start to 2013.

After the first quarter, our sales are at 54.8 million. The business development of OVB in Southern and Western Europe is again very pleasing. EBIT reached 2.2 million. In the same period, consolidated net income was 1.7 million.

Ladies and gentlemen, efforts by politicians and the European Central Bank to preserve the euro and to save euro countries are having an ever greater impact.





It is worth noting here that those whose products have ensured for many decades that the pensioner generations were always better off with private retirement provision than without it are now those who supposedly are a "problem in the system" today.

Customers of life insurance companies must not expect low pensions because life insurance companies are doing worse economically than in the past, but because interest rates are being kept artificially low.

At the same time life insurance companies are also forced to resort to lowinterest sovereign bonds in particular in the area of their traditional products as part of their refinancing. Even we as the financial consultants are often incorrectly attacked as "bearers of bad news". At this point, I would like to specifically point out that our product providers have fulfilled an extremely large portion of their value propositions communicated by OVB in the last 43 years.

OVB is a quality services provider that has always anticipated developments with its service approach of analysis, consulting and service.

Comprehensive consulting focussing on securing people's livelihood has been a must for a few years now. This has been a tradition at OVB for 43 years.

There is talk of necessary consulting documentation. All of the financial sales organisations I know – and OVB in particular – have already been documenting their consulting interviews since the mid-1990s in the interests of a good and transparent service.



People who explain away the low interest phase are at the same time usually losing sight of the areas that naturally still offer added value today. In the last few years, people who directly or indirectly invested in or made provisions in real estate or shares for example reaped significant benefits.

In this area as well, the quality of our comprehensive consulting has been reflected in our figures for years. Last year, 70% of our consulting recommendations led to asset-based new business.

Thanks to our consulting documentation that has now been tried and tested for 20 years now, we also know that our customers better understand the circumstances and are better informed than without our consulting. This leads to stable customer relationships, which we are naturally continuing to focus on in 2013. Our performance of the first few months of 2013 was satisfactory, but not according to plan. Performance in Southern and Western Europe was again extremely pleasing and better than expected and development in large parts of Central and Eastern Europe was stable, but we are also facing unexpected difficulties in the Czech Republic. These are based – again – on political reforms, accompanied by background music from the media, who is currently unsettling people and causing them to act differently with regard to their essential private pension provisions than we expected.

However, our internationality means that we always have the opportunity to strike an appropriate balance.





Therefore, we currently expect EBIT in 2013 to be slightly higher than in the previous year and sales that are likely to be stable overall.

By developing into the leading system sales company in Europe, we want to become more independent from individual, national developments in the individual countries, above and beyond our potential for international balance.

Ladies and gentlemen,

Our mission statement "OVB – simply better one-stop finance" expresses the way in which we perform our services on a daily basis.

And this mission statement also determines the guideline with which we want to develop OVB into the leading system sales company in Europe.

Our current success is based on a consistent focus on our services. This means sustainable alignment to the needs of our customers through competent and comprehensive consulting.

Our focus is on people's satisfaction. Not that of just any people, but that of our customers, financial consultants, employees and shareholders.

Our strategic objectives are both simple and clear and are aimed at quality and reliability.

As a high-quality company, OVB has always stood for high new business and portfolio stability.

This will not change. "Coverage-switching tirades" such as those carried out by competitors who have damaged the reputation of financial consulting, will not be carried out by OVB in future either – not even in short-term growth campaigns.



From our perspective, the medium-term EBIT margin of 6 % to 8 % adequately portrays the opportunity-risk potential of the OVB investment. Here, too, our focus is on reliability and sustainability.

OVB has become this unique financial services group because we have also maintained continuity in our business model for entrepreneurs in the company here for 43 years. This will remain so in future as well.

We can improve if, on the basis of our core measures in implementation, we develop systems that lead to the more systematic multiplying of entrepreneurial recipes for success in Europe.

As I mentioned before, our strategic development path focuses on making the daily sales work more independent from market volatilities through optimised teamwork, an optimised premium partner strategy and through best-of approaches.

In the area of processes, we also focus among best-of approaches on finding synergies in the sense of "more productive", "faster" or "better value for money".

Just like our mission statement – "simply better one-stop finance" – the "OneOVB" mindset has become deeply anchored in the daily work of our company and in the heads of the employees in the last 12 months. This mindset is about more than the traditional "monotony" that is customary in international groups.

On the basis of a common understanding of values, we focus on doing things together where it helps the OVB Group and keeping things at individual level where it also benefits the OVB Group.





Doing this in the entrepreneurial spirit is demonstrated by the fact that the majority of OVB employees in all of Europe now no longer look for regionally-based differences, but for the OVB-based commonalities.

The necessary honing of the strategy and the change to the management structure carried out just last year for this purpose, along with further optimisation in the areas of financial planning and controlling, form the basis – alongside the existing organic growth forces – to aim for further growth potential as well. In concrete terms, I mean the constant review of new markets as well as any opportunities for additional purchases.

In the case of the latter, the focus is mainly in the home market – based on an ongoing market consolidation.

In summary, at this juncture I would like to point out again:

- that the general conditions are not new but remain challenging,
- that we, with our strategy, have set ourselves ambitious objectives in the interests of our customers, financial consultants, employees and shareholders,
- that we as the management will all give our best this year as well, that despite the partially unexpected conditions we will – as planned and announced – slightly increase our operating profit.



Ladies and gentlemen, I have kept one item for the end of my comments:

I do not want to miss the opportunity of focusing our attention on the people we must thank for our being able to be proud of our OVB. The success of OVB is the sum of the successes of our financial consultants. I would like to thank them, as well as our employees – on behalf of the entire Executive Board – for their achievements and their commitment to our company.

Dear shareholders, we hope that you will continue to accompany us for many years and we count on your trust, which we want to continue to earn through hard work.

Please support us wholeheartedly on our way to becoming Europe's leading system sales company!





OVB Holding AG Investor Relations Heumarkt 1 · 50667 Cologne Tel.: +49 (0) 221/20 15 -288 Fax: +49 (0) 221/20 15 -325 E-Mail: ir@ovb.ag

Forward-looking statements

This speech contains forward-looking statements. These statements are based on current estimates and projections of OVB management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict, and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results, performance or achievements of OVB to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in the OVB Annual Report 2012 from page 32 to 36. The OVB Annual Report is available in the internet under

http://www.ovb.ag/InvestorRelations/Publications/Annual reports

We do not assume any obligation to update the forward-looking statements contained in this report.

