

Speech to the
Annual General Meeting
of OVB Holding AG
on 3 June 2015

2015

OVB Next Level

2014

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,
Honoured guests,

On behalf of myself and my colleagues on the Executive Board, welcome to the Annual General Meeting of OVB Holding AG.

Agenda

Today, I would like you to join with me in

- looking back at the 2014 financial year, but also
- looking at today: our development in the current financial year.
What does our market look like? What conditions, particularly regulatory ones, do we have to deal with? What are our business tasks? What can we expect in 2015?
- And finally, let's look forward: our strategy. What distinguishes us from our competitors? How is OVB positioned for the future so that we can meet our aspirations to be the first choice for one-stop financing (Allfinanz) for people in Europe?

Executive Board report – agenda



- 1** Business performance 2014
- 2** Developments in Q1/2015 and outlook for the year
- 3** Current environment
- 4** OVB Next Level – a business model with a real future

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Look back at a successful 2014

2014 financial year: OVB growing despite changing conditions			
	2014	2013	
Clients advised	3.22 million	3.08 million	
Financial advisors	5,173	5,082	
Total sales	€ 214.0 million	€ 204.8 million	
EBIT	€ 12.3 million	€ 10.2 million	
Consolidated net income	€ 8.7 million	€ 8.0 million	
Earnings per share	€ 0.61	€ 0.56	

▶ Dividend proposal: € 0.60 – our shareholders will benefit from a dividend that has been increased by 5 euro cents to 60 euro cents compared with 2013

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So let's first look back at the past financial year:

OVB is the company for entrepreneurs. Our financial advisors have been profiting from the stability of the OVB career system for 45 years. They take the continuous challenges in our environment as an opportunity to further accentuate the high quality of our service and the strength of OVB. In the meantime, 3.2 million clients are the beneficiaries of their actions. These financial advisors, and there are now over 5,200 of them, share the conviction that they are working for a unique brand that might have the best future prospects in a combined Europe: OVB.

That is the only way to explain OVB's success in the 2014 financial year in a difficult environment.

In spite of a historically low level for interest rates, severely impacting the yield on pension products, hundreds of thousands of personal advisory discussions have led to even more people being convinced of the need for private pensions.

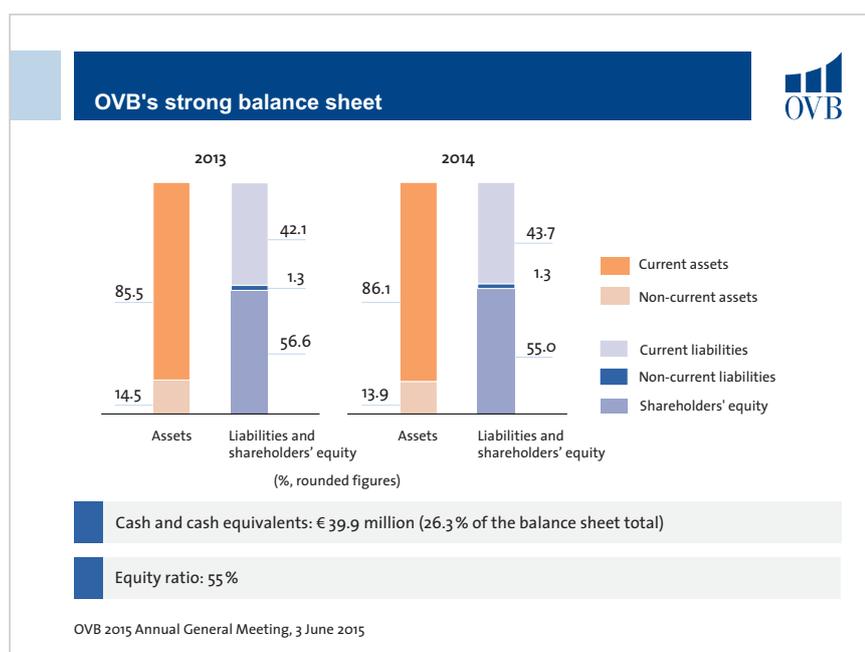
Here are the most important figures at a glance:

The number of OVB clients grew by 4.5 percent in 2014. The state regulations – some of which have now been shown to be counter-productive – and increasing infantilisation of people under the pretext of consumer protection unnecessarily hinder us in performing our job. Even so, OVB was able to increase its staff of advisers by 1.8 percent.

And in spite of an increasingly unfavourable economic situation in some national markets, OVB's sales in 2014 grew to 214 million euros, an increase of 4.5 percent from the previous year.

On this foundation, OVB increased its operating income to 12.3 million euros, a major increase of over 20 percent.

You as our shareholders are also profiting from that. You are expected to participate in this success by receiving dividends – from the annual results generated – increased by 5 euro cents to 60 euro cents.



Financial solidarity builds trust. Trust forms the major business basis for a company in the financial services industry. The equity ratio for OVB Holding AG has been over 50 percent since the company was founded; at the end of 2014, it was 55 percent. This solid equity ratio is an expression of the financial strength of OVB. It provides space for additional growth and strategic initiatives. Long-term debt at 2.0 million euros is of lesser importance. Short-term liabilities are solely to develop business operations; liquidity is traditionally high. This solid equity base means that we can continue to succeed in the future and, by paying consistent dividends, create added value for our shareholders.

In view of the immense challenges throughout Europe, the strength of our business model focused on balancing international risks and rewards has become apparent once again in the reporting year.

For detailed information about the 2014 financial year, you can consult the annual report. You can obtain a copy here today or we will mail it to you on request.

Success comes from courage and hard work. Our financial brokers, our management, and our employees achieved a lot in 2014. They moved the company forward and they deserve particular appreciation. That is why I am calling out once again to them, with our shareholders present: thank you for your hard work in 2014!

Dynamic start to 2015

Q1 2015: Off to a good start!		
	Q1/2015	Q1/2014
Number of clients	3.24 million	3.10 million
Financial advisors	5,204	5,118
Total sales	€ 54.5 million	€ 49.7 million
EBIT	€ 2.2 million	€ 1.6 million
Consolidated net income	€ 1.6 million	€ 1.4 million
Earnings per share	€ 0.11	€ 0.10

Despite a difficult market, OVB feels the outlook is promising in 2015 for matching the 2014 operating earnings, with a slight increase in sales revenues.

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Our start to the new financial year was also successful. We reported the results of the first quarter in detail on 12 May 2015. Group sales were 54.5 million euros, which was 9.7 percent more than this quarter in the previous year. In operating income, we had a 36.0 percent increase to 2.2 million euros. All segments contributed to this significant growth.

This good start makes us optimistic for the rest of the year, even if the business environment continues to pose great challenges for OVB.

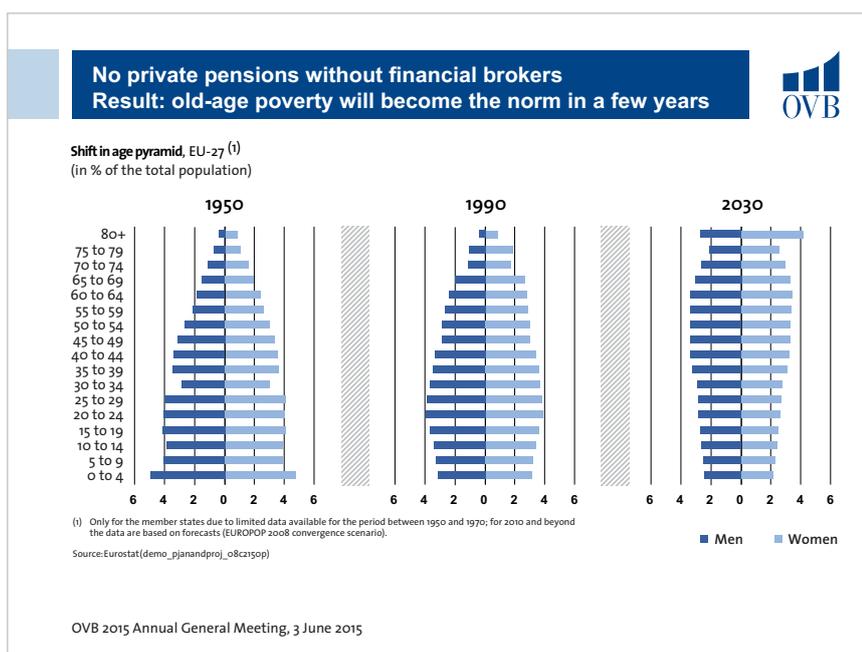
On this basis, we confirm the predictions for the current financial year. We expect that, because our income from sales is growing slightly in comparison to 2014, our operating income from last year – which was significantly better than expected – will be at least reached again.

Ladies and gentlemen,

As good as 2014 and the first quarter of 2015 have been for OVB's bottom line, it would be irresponsible to be self-satisfied. Because there is definitely reason for concern:

Demographic change means there is no alternative to commission-based financial intermediation

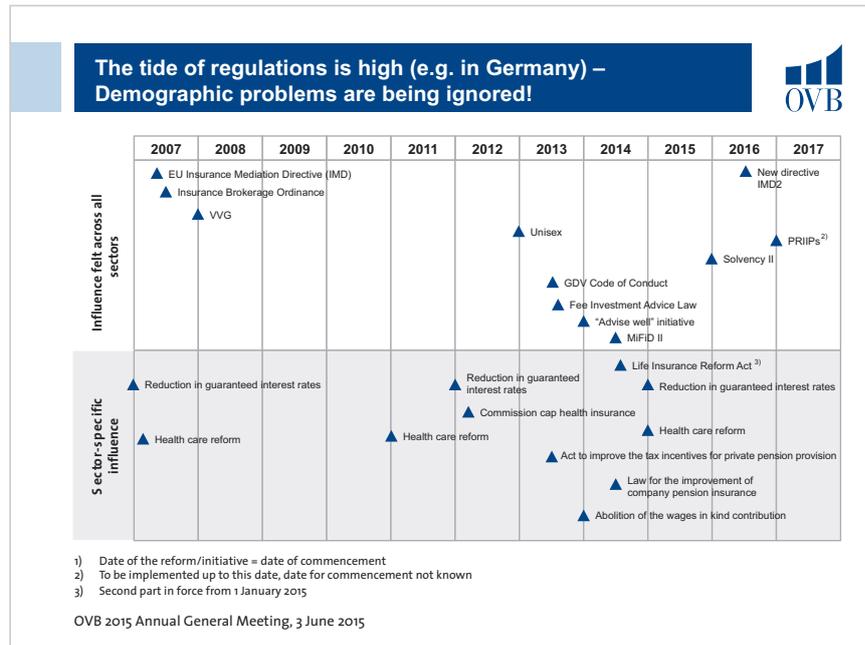
The OECD is regularly showing an alarming trend: most countries actually have to continually reduce their state pension commitments! The main drivers for doing so are the profound demographic changes in Europe and the inability of states to act because of their actual excessive debt.



Instead of reforming benefit and pension systems with the necessary cuts on a sustainable basis, more and more laws are being passed that have to protect insurance companies against the consequences of the catastrophic low-interest-rate policy and that make financial intermediation ever more difficult and less attractive financially. And this is the case even though more brokers are needed throughout Europe, not fewer. Particularly from a policy point of view, this is extremely alarming.

The danger of poverty in old age is growing for large portions of the population. The people affected are no longer merely the low-earners and poorly-educated people; they now include the well-educated people known as the middle class – meaning a total of 80 to 90 percent of Europeans. Against this backdrop, financial intermediation is a social responsibility. Unfortunately, it is not particularly widely known that companies such as OVB provide assistance on a daily basis through offering future securing multi-disciplinary advice to people – particularly in the complicated “jungle” of self-directed old-age pensions. They motivate people to save and are often bearers of uncomfortable truths, since they also encourage people to consume less, if necessary. Instead of strengthening the most socially-fair form of consulting, which is the commission-based one, brokers are discredited by many politicians, consumer advisers and, unfortunately, short-sighted product issuers, and they have not received any fair or objective evaluation from the media for a long time. Everywhere, a few isolated cases are used as evidence rather than using expert knowledge or facts and substantive content to convince people. The fact that, for example, out of a total of 19,897 complaints filed with the ombudsman in Germany in 2014, not a single one was directed against a product brokered by OVB is just one example of the high quality of our service, which really does not require any further improper state limitation.

The fact that state systems are no longer in a position to perform the tasks that society has given them is clear to everyone responsible. There is no knowledge problem here.

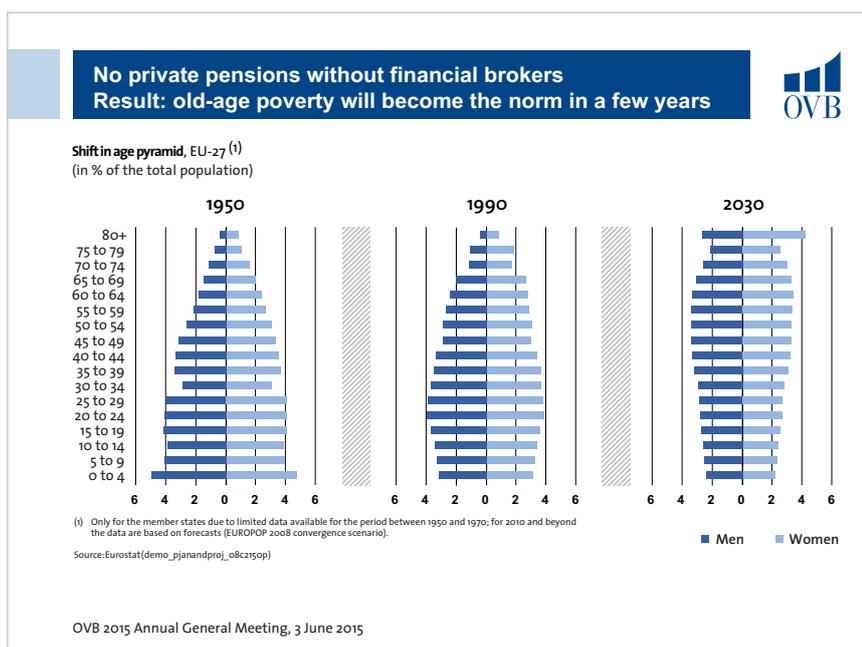


Given the significance of the target voter group that would actually have to be “told the plain truth”, however, one “smoke screen” after another is being put up. For example, retiring at 63 is not only an additional step toward unfairness among generations; the Cologne Institute for Economic Research also says it directly increases the skilled worker shortage.

The financial and state debt crisis, often indicated as the basis for state intervention, is actually probably one of the biggest lucky chances for anyone that either wants to hide their own refusal to act or wants to pursue the goal of a state economy rather than a social market economy. By direct or indirect state regulation of the financial intermediation industry, which to some extent has been shown to be counter productive, as well as increasing infantilisation of people under the “subterfuge” of supposed consumer protection, companies such as OVB are unnecessarily impeded. Unfortunately, the people affected will not notice that they have been hoodwinked until it is too late. If this trend continues, we will experience a social crisis among broad sections of the population in Europe within only a few years.

Most people basically know that they have a high need for private pension funds. However, unlike consumer behaviour, there is no need to think 40 years in advance and ruminate about what will happen when one finally retires. Personally, I have never found anyone in the last 30 years thinking about their old-age pension early enough. Pension products are low-interest products and very complicated. And the fact that pension products are not “tangible” creates a great obstacle.

This is documented by the Germany Old-Age Pension Report for 2014: barely half of the Germans are worried about having to get by at a minimum standard of living in their old age. Only 30 percent consider their pension entitlements to be sufficient. At the same time, over a quarter ignore the subject of old-age pensions completely. Only 27 percent are prepared to cut back today in favour of pensions. Only half of the citizens have ever asked for consulting on the subject of old-age pensions. If state old-age pensions were functioning, the reticence on this subject might be acceptable. Given the demographic trends, however, it is irresponsible. And it doesn't look any better elsewhere in Europe.



Financial intermediaries such as OVB provide assistance and actively explain the need.

If people recognise and understand that they can actually solve their problems individually with pensions, they do so.

That is why financial intermediaries such as OVB are not only important – they perform a social policy job that the states have failed at for a long time.

In Germany and Europe, more brokers, not fewer, are needed.

That is why, effective immediately, any regulation that makes brokering even less financially attractive and improperly discredits the image of the broker profession must be stopped.

Conditions require clear positions



- Objective financial advisers are essential for the urgently needed private pension provision unverzichtbar
- Pension advice is socially just and must be promoted, not blocked
- OVB expressly supports all initiatives that lead to more transparency:
 - Compulsory documented advice (advisory transcripts)
 - Standardised product information (PRIIPs regulations)
- Over-regulation will not mean greater consumer protection, but a further increase in inadequate retirement planning within the population (as the example of the UK shows). Therefore:
 - Immediate stop to regulations in favour of deregulation
 - Concentration of government subsidies only on pension plans
 - Uniform and greatly simplified promotion of collective and individual insurance plans that ensure steady private income in old age

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OVB's target EBIT margin of 6 to 8 percent based on today's laws is also a clear signal that considerable amounts of money beyond the development of the real economy cannot be earned through financial intermediation. Instead, this service must be compensated reasonably in the future as well.

OVB explicitly advocates for and supports all reasonable initiatives that lead to more transparency for consumers, and sees this as the big chance to clarify the true performance strength of financial advisers and thus to improve their public image in the long term.

For OVB, this also includes obligatory advisory documentation and uniform standardised product information, without advertising flimflam, and with which the lack of symmetry – frequently criticised by consumer advisers – in information between product suppliers on the one hand and brokers and clients on the other is eradicated. The fact that simple solutions are possible in product information has already been demonstrated in countries such as Hungary and Poland.

Disclosure of commissions in addition to transparency regarding costs, however, does not constitute reasonable additional information for consumers because it poses a disadvantage for cheaper product-provider-independent advising; the Life Insurance Reform Act (LVRG) properly did not introduce this disclosure in Germany either. Even though parts of the LVRG are evidence of unnecessary and false regulation, the policy sin of regulating commissions, such as in health insurance, was not repeated in this case.

Fortunately, German policy did not allow itself to be used once again by individual product providers here. However, we are looking at precisely this development in other countries as well with concern. There are more and more proposals for regulations being put on the table that in the end would only lead to a concentration that would put consumers at a disadvantage. In addition, the fact that the existing complexity leads to a situation where even specialists can scarcely assess how new laws will work is problematic. It may be that politics is not lacking in good intentions. But well-intentioned and well-done are not the same thing.

Law students learn a rule of thumb during their studies; it reads, "If it isn't necessary to make a law, it is necessary not to make any laws." This rule comes from the French state theorist Montesquieu and is noticeably applicable today.

We therefore work actively to ensure that as many countries as possible in OVB Europe, if not all of them, maintain their current sufficient regulations and, as in Germany, leave commissions and cancellation liability periods untouched.

Let us be clear: we are not criticising regulation per se, but we do ask whether it does the state any good to overmanage and whether the consequences of regulation are indeed desired. Equal treatment of men and women is unquestioned and is right without restriction. But it has a high price.

In the insurance industry, the politically-desired gender-neutral unisex rates have not improved private insurance for citizens; they've just led to it being more expensive. A market study by the analytical firm Morgen & Morgen and studies by the magazine Finanztest show that the price level in the area in question has increased overall, as could be expected, which limits the flexibility for private clients to get additional pensions or consume more. A state that transfers more responsibility to citizens for their own old age insurance, and is completely justified in doing so, must be aware that 30 to 40 years of saving are needed to do that. And it must give citizens flexibility for their own life plans.

But how can one get a handle on a situation that is confusing and in which there is a search for blame rather than solutions? We are firmly convinced that additional regulation and laws beyond the current ones will only contribute to further deterioration of the situation.

We think that it all needs to be rethought.

1. As the first step, all the laws that haven't yet been passed that contain any further rules of any sort for product providers and brokers must be stopped. That applies whether it's at the EU or the national level. That applies whether it's IDD (which used to be IMD II), new thoughts about the company-based old-age pensions in Germany or anything else;
2. Reduction of old-age pensions to two pillars: the pay-as-you-go system provided by law and private old-age pensions, either on an individual or a collective basis;
3. Undo all the various state subsidies, such as Riester, residential Riester, or housing construction premiums in all countries – with protection of existing balances for existing contracts;
4. Then use tax advantages to uniformly promote old-age pensions using simple individual and collective contracts. Old-age pensions means only insuring pensions;
5. Use the reduction of bureaucracy and the savings associated with these steps to reduce taxes, thus leaving more net from the same gross;
6. And, last but not least, put civil service pensions on an entirely equal basis for the future.

We are sure that three important items will be accomplished by doing so:

1. Citizens will get a clear message that they are responsible for securing their own living standards beyond the basic security of the pension system provided by law. However, they will have more capabilities as well.
2. The only product providers that will survive are those that actually rely on long term customer relationships with good, transparent products. This leads to a qualitative improvement in what is offered.
3. It will finally become clear that brokering services were always done in the interests of clients and that it wasn't state subsidies that made them possible. And they are based on one regulating factor in the long term – the reputation of the broker itself.

OVB: The business model with a past and a future!




For 45 years OVB has been a fair and reliable partner for clients, financial advisers, employees, shareholders and product partners

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Ladies and gentlemen,

This brings me to the third part – looking forward. Why is OVB, unlike many other companies in the industry, getting so unambiguously involved in the public discussion? And what does that mean for you as our shareholders?

1. We are thoroughly convinced that a financially healthy brokering profession is an essential condition for the necessary customer-oriented qualified financial advising. We will therefore not tire of coming up with suggestions for deregulation and demanding an end to regulation instead of simply welcoming new regulations. With the motto “Content is king” and using our content based, open and fair atmosphere of constructive debate, our public image is not the only thing that has increased in recent years. It is even more important for it to stabilise us in competition to the point where our brokers clearly know that there is no alternative to OVB. That makes us operationally strong and our shareholders profit from that.

What OVB stands for

2. Our business model has stood for quality for 45 years. This will remain the case in future. Even in the future, we will not make any changes for the sake of change, because we are sure that our business model is the only one that provides the right answers for the demographic problems and the lack of skilled workers in financial intermediation. That will also create value in the future – for clients, employees and shareholders.

“There are major changes ahead for the market” is one of the predictions that has come back every year for decades. It spurs us to act alertly, looking forward, but also deliberately.

So we invest

3. in new technology, such as when we acquired OPTICUS Software in 2014. We are now preparing to modularise and internationalise this technology just as calmly as we are
4. strategically looking for ways to grow in the various OVB countries beyond our usual market size.

So we have to stand fast.

The OVB system based on analysis, consultation and repeated service has proven itself a million times over. It forms the basis for our comprehensive one-stop services. That's nothing new, but against the backdrop of today's developments, it's more modern than ever. And it protects our clients from the individual interests of third parties, because it always puts needs-oriented advising in first place.

People in Europe expect advising to be free until they decide to purchase a product. That's the way it is with us. As a result, every potential client can afford OVB's services. That's the way it should remain. Even so, we will also deal with the issue of whether in the mid-term there is additional growth potential to have some customers pay directly for our services or for some of our services.

The superior OVB career system and our ability to make our expertise usable internationally has so far taken us to 14 countries in Europe. Here as well, we will see when it's the right time for further expansion. We're always prepared.

OVB Next Level

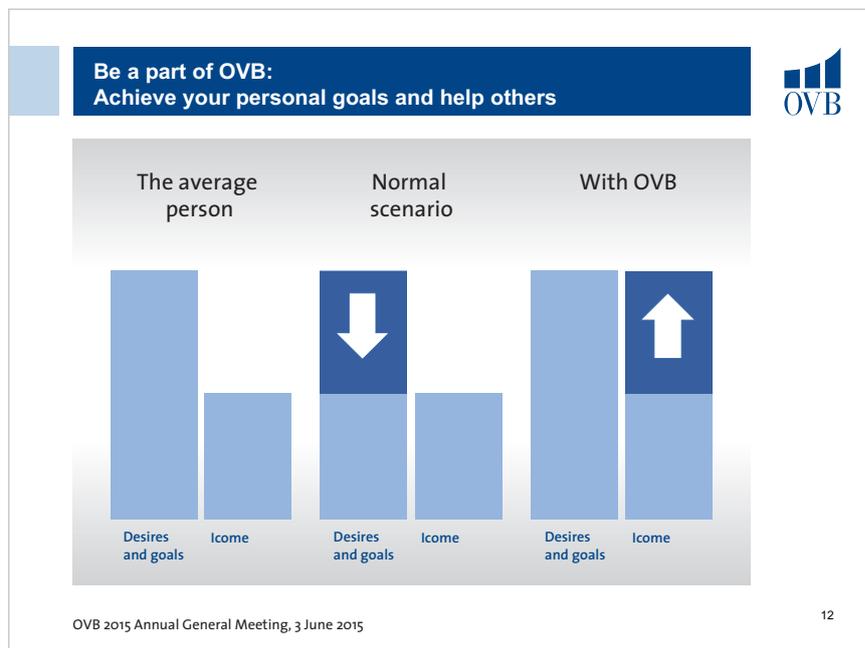
The slide features a dark blue header bar with the text "OVB Next Level – the 'tangible' growth strategy" on the left and the OVB logo on the right. The main content area is white with the year "2015" in large, bold, blue font, and "OVB Next Level" in bold, grey font below it. Faint, large grey numbers "2014", "2013", and "2016" are visible in the background. At the bottom left, it says "OVB 2015 Annual General Meeting, 3 June 2015".

OVB wants to be the first choice as a one-stop finance partner for people in Europe. With clear priorities specified in the “OVB Strategy”, we will press ahead with the strategic development of the company into the leading system sales company in Europe. The slogan on our business report for 2014 is “OVB Next Level”. After a history of over 40 years of success, we did an analysis in 2012 of where exactly we were standing. And we figured out where we want to be when we celebrate our 50th birthday in 2020. Most companies follow a growth strategy. Given the approximately 400 million potential customers in “OVB Europe” and the immense need for affordable financial advising, profitable growth is of course the goal for OVB as well. Our growth strategy is called the Next Level Strategy. With it, we have taken the many thousands of OVB people along on this “trip” to help others. It has resoundingly resonated throughout the group since 2012. We have used it to double our operating earnings over the last three years.

In 2013, we sharpened our profile using the slogan “OVB – Simply better one-stop finance”.

In doing so, we do not see simplification as a megatrend; we see it as a necessary foundation for our growth strategy. In 2014, we concentrated on our own actions and our expertise with “Next Level – Just do it”. That explains our success in this past financial year.

And in 2015, OVB’s motto is “Next Level – Lead your team”. Thousands of middle class people in Europe are working under the OVB umbrella, supported by us as business people in businesses, and to whom we intend to provide many ways to continue improving the management of their businesses using this motto.



Ladies and gentlemen,

At OVB, desires and goals are the primary focus. Usually people's desires and goals are bigger than their capabilities. People who never discover OVB usually adjust their desires and goals to fit their capabilities. At OVB, it's different. We show people ways to increase their capabilities and thus do good for others. That is why we are attempting to bring our 2.3 million clients closer to the idea of JOIN IN using the motto "OVB Next Level – Lead your team!"

**We have a great and common objective!**



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"Team" stands for strength, trust in oneself, motivation and camaraderie. OVB is a team. Our clients, our entrepreneurs in businesses, our employees, our product partners and our shareholders – we are all one team. Together, we will continue to improve service for our clients, remain a reliable partner for all brokers and employees, increase our business success and attain attractive results for OVB shareholders. Together everyone achieves more! With this logic, the Executive Board of this unique company will keep things firmly in hand in 2015 as well, so that we can reach the goals we have set and thereby reach our Next Level. We'd like to thank you for placing your trust in us.

Thanks for your attention!

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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 2014 from page 28 to 32. The OVB Annual Report is available in the internet under

[http://www.ovb.eu/InvestorRelations/Publications/Annual reports](http://www.ovb.eu/InvestorRelations/Publications/Annual%20reports)

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

