

OVB Holding AG

Consolidated results 2013 Press Meeting / Analyst Conference

- more than 40 years' experience
- represented in 14 countries
- 3.1 million clients
- 5,100 financial consultants
- 503,000 new contracts per year
- over 100 product partners

Frankfurt/M., 26 March 2014
Michael Rentmeister, CEO
Oskar Heitz, CFO and COO

OVB Allfinanz – simply better!



Agenda



1. From our perspective
2. General conditions and outlook for 2014
3. Overview and development of value factors
4. Key figures/financial information
5. Summary
6. Annex

»» From our perspective ...

In the “From our perspective” chapter of our annual report, we tackle old and new prejudices and criticisms of the business model of financial sales organisations and also of course the risk of excessive government regulation.

At the same time, we want to point the way

- to a common Europe,
- to private responsibility and entrepreneurship and
- to the OVB one-stop finance model based on comprehensive consulting.

Our service is actually quite simple



We talk to people about their wishes and goals, find out about their current situation in life **and work out individual solutions** in consideration of state-guaranteed social security and government incentives. In doing this, OVB has been emphasising the protection of the people's financial existence for more than 40 years.

With our **premium-select-strategy**, we help our clients make the right choices among the various product types and product providers in response to their individual demands. **This cross-thematic approach to our advisory service therefore protects our clients from specific providers' interests** where demand-oriented advice might not always come first.

Apart from the **necessary expert qualification**, the **OVB AAS system** (Analysis – Advice – Service) enables our financial advisors to find their path through the jungle of financial services, not that easily penetrable indeed, and thus to find the solution with the perfect fit for each client.

Familiar OVB theories on the future of financial consulting



1

Retention of a variety of different remuneration models without regulated price control

- Avoid price increases and ensure the quality of consulting by retaining a variety of business systems (commission-based consulting, fee-based consulting, etc.)

2

Avoidance of over-regulation

- Review the effectiveness of existing regulations instead of applying a broad-brush approach that offers better publicity and is sometimes populist (e.g. individual negative list for “individual black sheep” instead of new deliberations on status)

3

Expansion of privilege-based solutions

- “Entry model” as prerequisite for a sufficient number of qualified consultants in the long term (demographics also poses a challenge for the financial consulting sector)

4

Improvement in general financial knowledge

- Focus government resources on providing information, e.g. in public service media, through consumer protection, improved integration in basic school education, particularly on topics such as retirement provisions, social welfare systems, etc.

OVB calls for regulatory and political conditions that safeguard the diversity of sales channels



We know

Without personal consulting, people do not make sufficient private provision. The level of private provision desired by the government is not achievable without financial consultants.

Restrictions on commission weaken companies and brokers who centre their operations on customer interests, i.e. the focus on demand desired by politicians.

Regulatory intervention in commissions is useless and therefore unnecessary, as can be clearly seen from the example of private health insurance.

We demand

That the transparency for sales organisations and consumers called for in the reform of the Insurance Contract Act is finally realised with standardised product information sheets.

Will standardised product information sheets create more trust and less complexity?



Retirement Provision Improvement Act – introduction of a standardised product information sheet for Riester and Rürup retirement plans

- Focus: Transparency, comparability and comprehensibility
- Information including on risk class, expected return, capital/pension, true costs and changing provider/cancellation

Source:
 Slide from the presentation by Mr Michael Rentmeister on "Complexity of life insurance products – requirements of the sales force" at the life insurance conference of IfVW Leipzig in 2013.
 The presentation can be downloaded from the homepage of OVB Holding AG (www.ovb.ag).

Only if there really is one standardised product information sheet

Source: Study by Institut für Finanzdienstleistungen e.V. (Hamburg) on behalf of the Federal Ministry of Finance, 2012.

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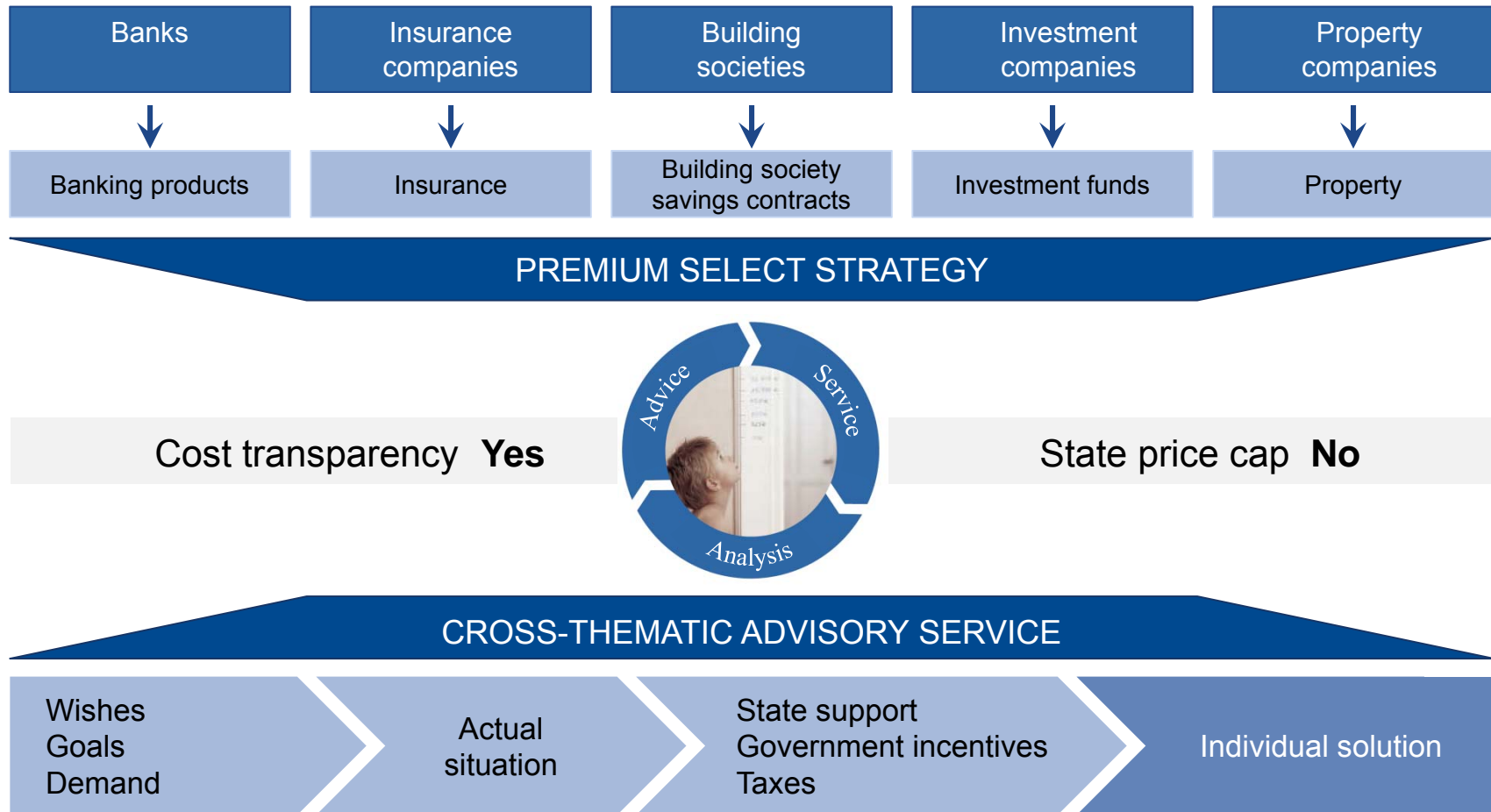
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That the transparency for sales organisations and consumers called for in the reform of the Insurance Contract Act is finally realised with standardised product information sheets.

That pricing for the provision of brokering services is not state-regulated again, but instead continues to be determined by supply and demand on the market.

What does OVB do exactly?



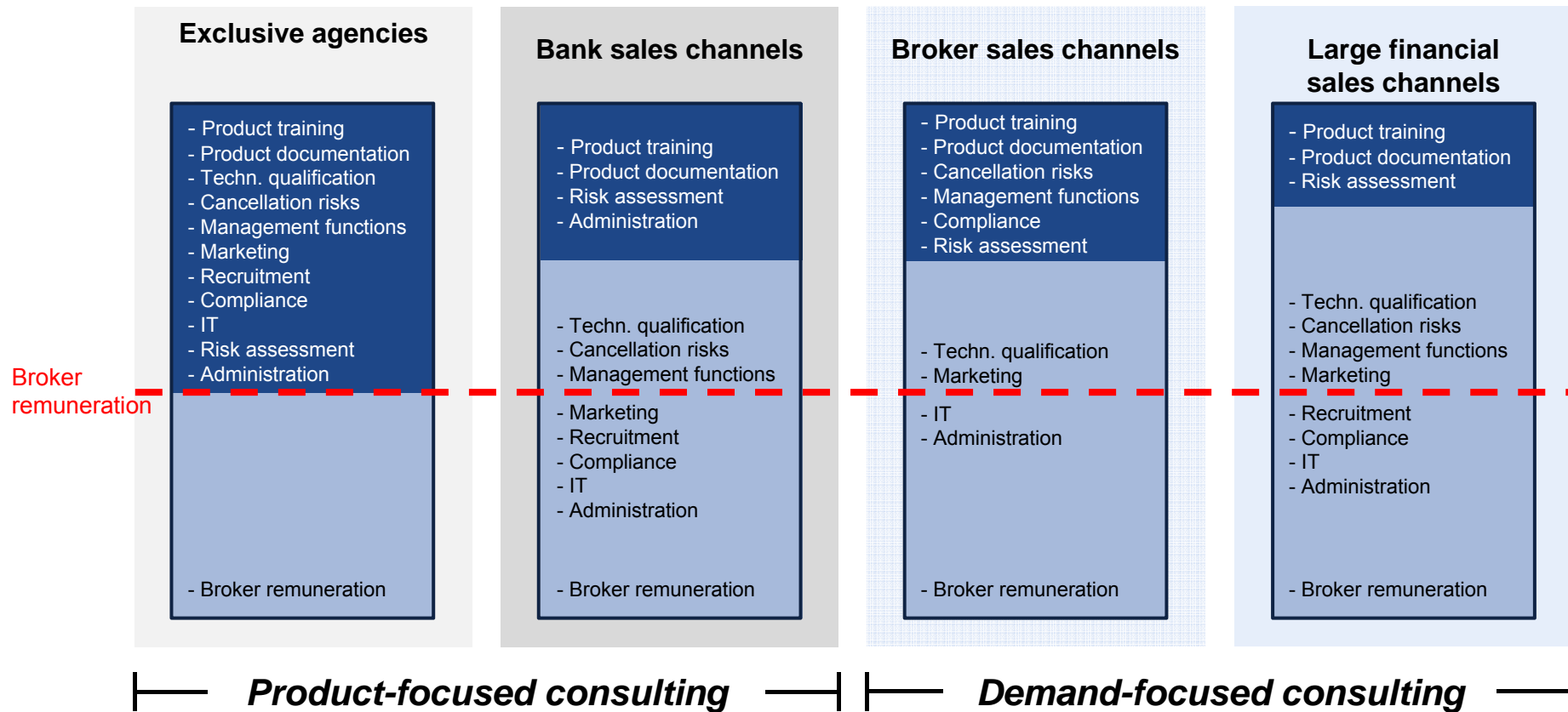
Clients are not concerned with commissions, but rather with acquisition costs and whether consulting is focused on products or requirements



LI distribution costs of various sales channels

Other distribution costs

Acquisition commission



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Outlook for 2014



Unchanged conditions

- Demographic development
- The persistent low-interest environment is a challenge for all market participants
- Partly one-sided public discussions about costs and further regulation fail to capture the role of financial consulting and fuel customers' scepticism with regard to the important issue of private provision.
Consequence: Risk of increasing poverty in old-age

2014 priorities and outlook

- Expansion of IT support
- Consistent implementation of the additional core measures of our Strategy 2016

Further increase of consulting quality and more efficient processes with the goal of gaining market significance.

- It is hardly possible to make a forecast for the German market due to an array of imponderables.
- If average market conditions remain stable in the other OVB segments, the Executive Board expects to increase sales slightly. On this condition, operating income at the previous year's level should be achieved in 2014.

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OVV's international position stabilises business performance, compensates for market developments in individual countries and ensures stable results in 2013

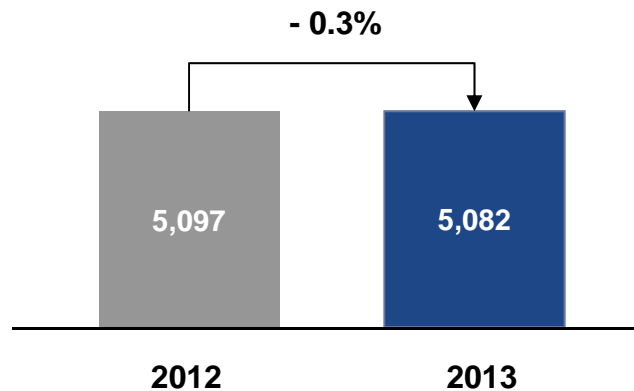
	2013	2012
■ Total sales	€204.8 million	(€214.7 million)
■ EBIT	€10.2 million	(€10.7 million)
■ Consolidated net income	€8.0 million	(€8.3 million)
■ Earnings per share	€0.56	(€0.58)

Dividend proposal of €0.55 per share (unchanged year on year)

The number of customers advised increased again – consultant organisation stable

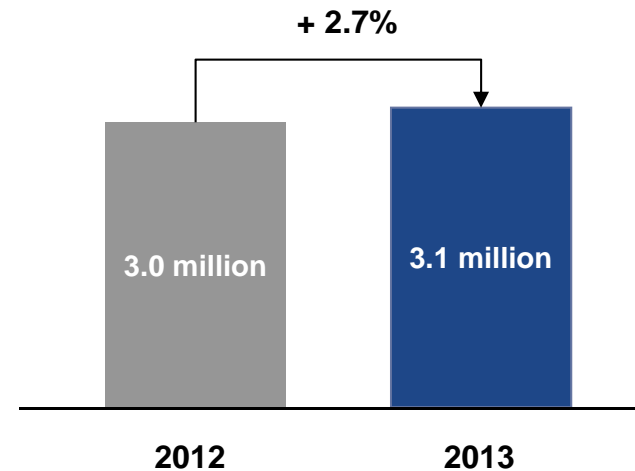


Financial consultants



- Southern and Western Europe: Significant increase (totalling + 7.2% year on year)
- Germany: Interest in field sales work for OVB uninterrupted (+ 1.0 year on year)
- Central and Eastern Europe: Sales force remains at high level (- 1.8% year on year)

Clients

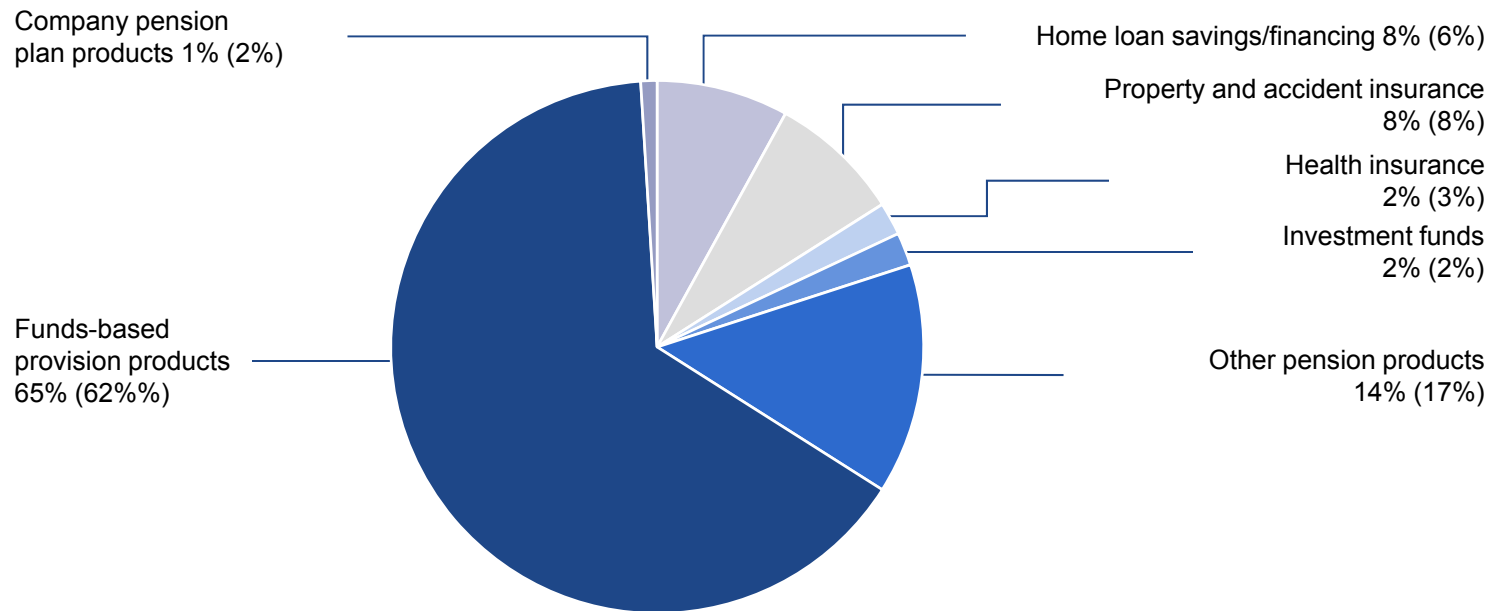


- Comprehensive consulting based on the systematic ACS approach (Analysis-Consulting-Service) is in demand
- Expansion of the client base in Central and Eastern Europe and Southern and Western Europe
- Client base in Germany is still declining

Marked focus on real value in retirement provision



Composition of new business in 2013 (2012)



- Structure of new business largely unchanged on 2013 in terms of the nature of financial products brokered
- Number of new contracts brokered declined (- 14.3% year on year)

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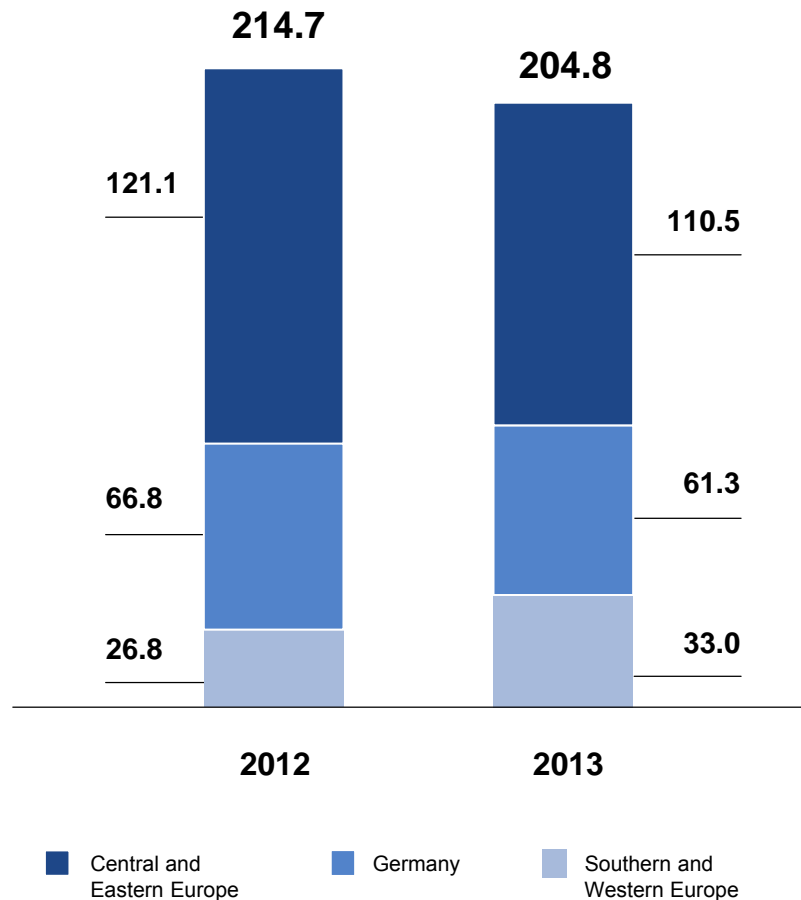


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OVB asserts itself in a challenging environment as a leading European financial service provider



Total sales commission (in €million)

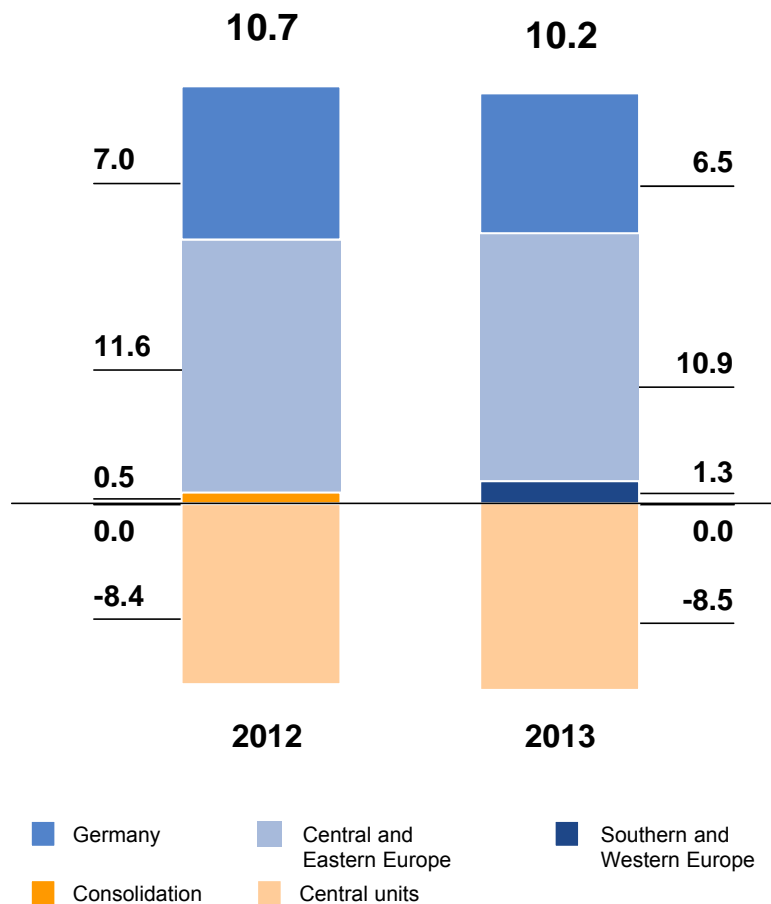


- Country mix stabilises sales development
- Decline in Czech Republic
- Sales increases in Slovakia, Hungary, Ukraine
- Modest business performance expected in Germany
 - Low-interest environment
 - System discussions
 - Exaggerated criticism of the industry
- Significant sales increases in Southern and Western Europe
 - Italy and Spain with considerable growth

Stable results despite decline in sales



EBIT (in € million)



- Stable results in view of last year's jump in earnings (+ 73%)
- Investments in the future accompanied by strict cost management
- Optimisation of administrative processes results in a 1.9% decline in other operating expenses year on year

Selected items of the consolidated income statement



(€ million, rounded)	2013	2012	Change
Total sales commission*	204.8	214.7	- 4.6%
Brokerage expenses**	- 139.1	- 149.1	- 6.7%
Gross profit	65.7	65.6	+ 0.2%
Other operating income	8.7	9.0	- 4.1%
Other operating expenses	- 35.8	- 36.5	- 1.9%
Personnel expenses	- 25.5	-24.3	+ 5.1%
Depreciation and amortisation	- 2.9	- 3.2	- 9.8%
EBIT	10.2	10.7	- 4.5%
Net financial income	0.9	1.4	- 31.7%
Taxes	- 3.1	- 3.8	- 17.6%
Consolidated net income	8.0	8.3	- 3.0%
Earnings per share (€)	0.56	0.58	

- Total sales commission affected by negative currency effects (€2.3 million)
- Gross profit virtually unchanged
- Optimisation of administrative processes shows positive effect
- Targeted expansion of management and control functions in the Group results in planned increase in personnel expenses
- Net financial income declines because of lower financial income due to market factors

* Of which brokerage income according to the income statement of €187.6 million (previous year: €194.5 million)

** Brokerage expenses according to the income statement of €121.8 million (previous year: €128.8 million)

Consolidated balance sheet (selected items)



(€ million, rounded)	31/12/2013	31/12/2012
Assets		
A. Non-current assets	21.3	22.0
B. Current assets	125.4	131.6
of which		
- Trade receivables	21.6	24.0
- Receivables and other assets	28.2	30.3
- Securities and investments	35.0	39.2
- Cash and cash equivalents	38.4	35.7
Total assets	146.7	153.6
Liabilities and shareholders' equity		
A. Shareholders' equity	83.0	83.4
B. Non-current liabilities	1.8	1.9
C. Current liabilities	61.8	68.4
of which		
- Provisions	27.4	32.8
- Trade payables	6.7	6.8
- Other liabilities	27.4	28.7
Total equity and liabilities	146.7	153.6

- Solid finances engender trust among customers, financial consultants and product providers
- OVB has sufficient leeway for strategic initiatives

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Summary



Ongoing system discussions promote the public's pension provision fatigue and put private pension provision at risk.

The constant preoccupation with issues of greater regulation undermines our original task, comprehensive and demand-orientated consulting of our customers on pension provision issues.

Potential restrictions on commission will ultimately be to the disadvantage of the consumer, because high-quality consulting can only be guaranteed with appropriate remuneration.

Our position: Cost transparency **Yes** – State price cap **No**

OVB wants to continue advocating to customers the level of remuneration it requires itself.

We want a clear commitment to diversity of sales channels and stable regulatory and political conditions. Our 2013 result confirms that our strategic positioning is the right one.

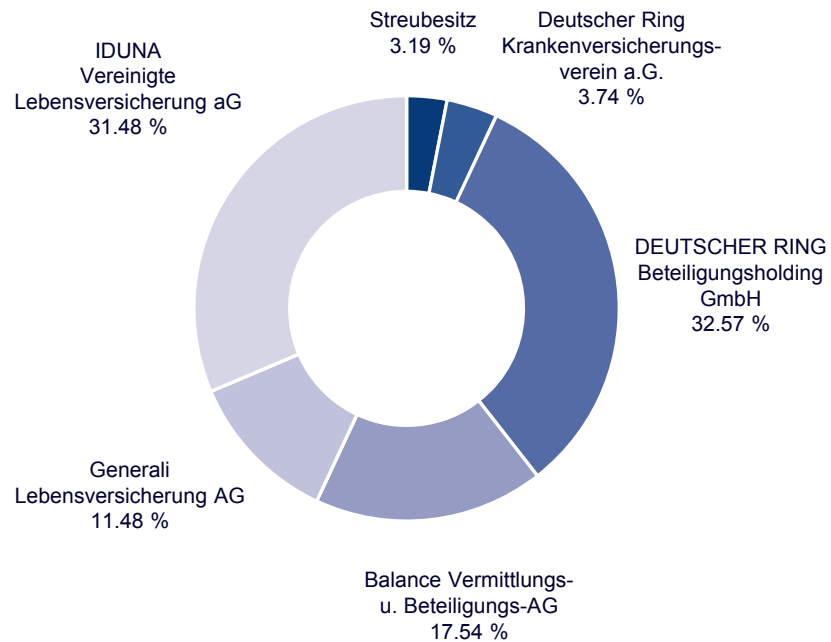
OVB must continue making a tremendous effort in 2014 to stabilise and build on its good competitive position.

Annex

Shareholder structure / Share data OVB Holding AG



Actual shareholder structure



Share data 2013

WKN / ISIN Code	628656 / DE0006286560
Stock symbol	O4B
Reuters	O4BG.DE
Bloomberg	O4B: GR
Type of shares	No-par value ordinary bearer shares
Number of shares¹	14,251,314
Share capital	14.251.314,00 Euro
Xetra price (closing prices)	
Beginning of year	Euro 21.75 (02/01/2013)
High	Euro 22.00 (04/01/2013)
Low	Euro 16.01 (10/09/2013)
Last	Euro 20.80 (30/12/2013)
Market capitalisation	Euro 296 million (30/12/2013)

Financial Calendar 2014



March 2014

26 March 2014	Frankfurt/Main	Publication of annual financial statements 2013, annual report, analyst conference
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May 2014

14 May 2014	Cologne	Results for the first quarter of 2014 and conference call
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June 2014

6 June 2014	Cologne	Annual General Meeting
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August 2014

13 August 2014	Cologne	Results for the second quarter of 2014 and conference call
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November 2014

12 November 2014	Cologne	Results for the third quarter of 2014 and conference call
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Disclaimer



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If the assumptions regarding the further internal and external growth of the company prove to be inaccurate or if other unforeseeable risks materialise, it cannot be ruled out that the actual net assets, financial position and results of operations of the company may differ significantly and adversely from the assumptions and expectations expressed in this document. Such deviations may be caused, for example, by changes in the economic situation, the competitive situation, changes in legislation or tax changes.

OVB Holding AG therefore cannot guarantee that the actual development of the net assets, financial position and results of operations of the company will correspond to the the statements contained in this document and does not undertake any obligation to update the statements contained in this document.

Prior-year figures adjusted to reflect applications of IAS 19 R.