



Annual General Meeting of OVB Holding AG

Speech by Mario Freis, CEO
Cologne, 5 June 2018





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Check against delivery.

To the shareholders of OVB Holding AG,
The honoured shareholder representatives,
Ladies and gentlemen,

I would like to welcome you to our 2018 Annual General Meeting on behalf of the entire Executive Board!

We, the Executive Board and the Supervisory Board, look forward to what is an important exchange for us with you, our shareholders.

Agenda



1	The 2017 financial year
2	Business development in Q1/2018
3	2018 financial year outlook
4	»OVV Evolution 2022« strategy

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In the first part of my address, I will be giving you an overview of the OVV Group's stable business performance in the 2017 financial year and in the first quarter of 2018.

In the second part of my address, I will discuss the current environment, provide you with an outlook for all of 2018 and mention the focal points and goals of our "OVV Evolution 2022" corporate strategy that is currently being implemented.

The entire Executive Board team will then be happy to take any questions that you may have.

2017: growth in client numbers while business performance remains largely stable

2017 financial year – an overview			
<ul style="list-style-type: none"> Sales and operating income at the OVH Group almost reach the high level of the previous year »OVH Evolution 2022« strategy being implemented Proposed dividend of €0.75 per share matches that of the previous year 			
	2016	2017	Change
Total sales commission	€231.8 million	€225.3 million	- 2.8%
EBIT	€16.5 million	€16.0 million	- 3.3%
Consolidated net income	€12.5 million	€12.1 million	- 3.1%
Earnings per share	€0.88	€0.85	- 3.1%
Dividend per share (proposal)	€0.75	€0.75	± 0.0%
* After non-controlling interests			

The OVH Group's 2017 financial year was characterised by an overall sales and earnings trend that was largely stable with regional differences.

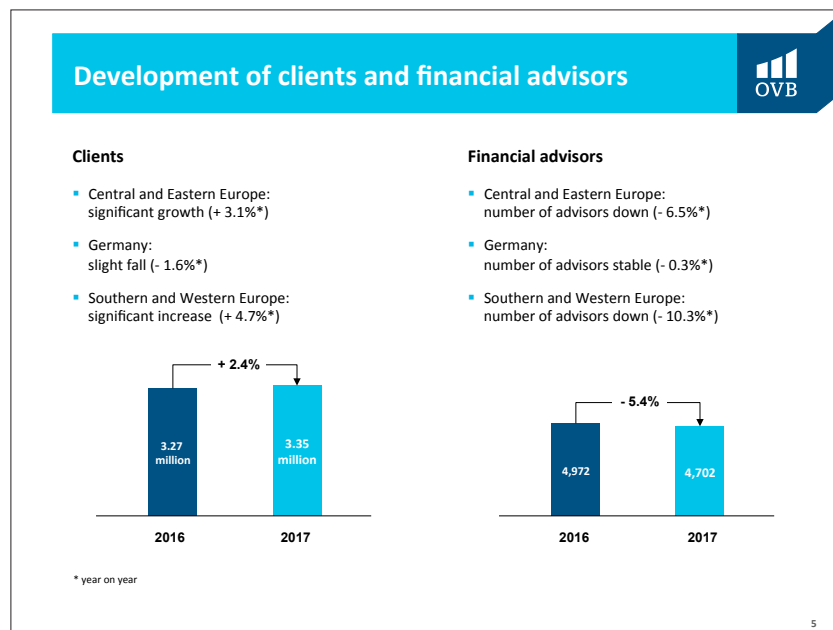
In 2017, the macroeconomic environment for selling financial products improved in Europe. Most countries had favourable economic development. Overall economic performance improved more than in previous years, and unemployment fell. Private household disposable incomes thus trended up as did the latitude for people to assume responsibility for their own pension provisions. Nevertheless, the sale of financial products in Europe still faced challenging conditions. The main cause for this was persistently low interest rates, which made it difficult to establish private pension assets. Product providers are adapting their offering to the low-interest environment. The marginal return on many traditional pension products is dampening the motivation for urgently necessary private pensions, and clients are often reacting with reticence. As part of allfinanz approach, there are still growth opportunities in fund-based pension insurance and life insurance, in occupational pension schemes, construction financing, investment funds, property and accident insurance, and in products that insure biometric risks, such as term life insurance or disability insurance.

In the 2017 financial year, the OVH group's sales and earnings nearly reached the high level of the previous year. Given the challenging conditions in some of our national markets, we are pleased with last year's business performance. We adopted our "OVH Evolution 2022" corporate strategy in 2017, under which we will invest more in the future of our financial advisors and will focus on future market requirements throughout Europe. At €225.3 million, the total sales commission was

a scant 2.8% below the previous year's level. At €16.0 million, the Group's operating income fell just a scant 3.3% below the previous year's figure of €16.5 million, despite having more expenses due to regulatory and strategic measures. At €12.1 million, consolidated net income fell only slightly, by 3.1%, from the prior year's figure of €12.5 million. Earnings per share – calculated based on 14,251,314 no-par shares – fell from €0.88 in 2016 to €0.85 in the 2017 financial year.

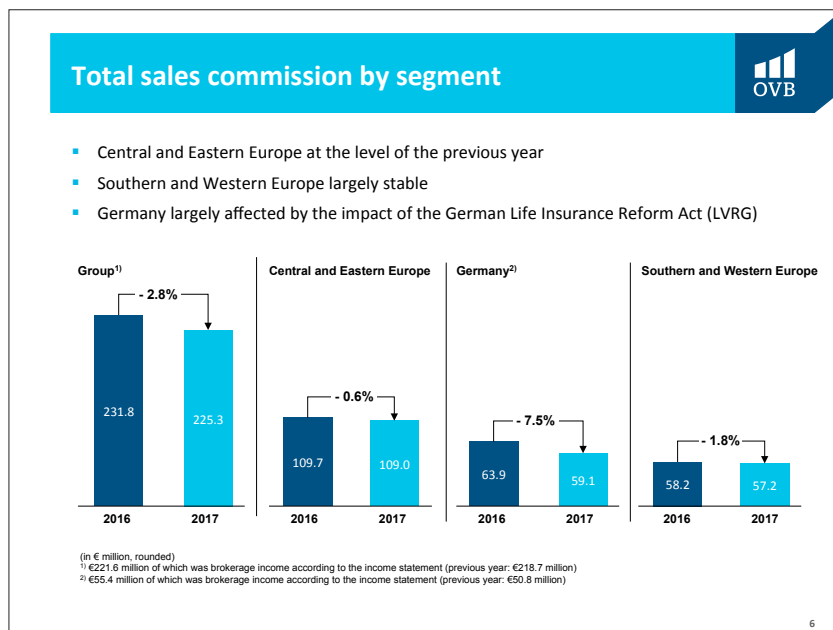
This brings me to a very important part of any Annual General Meeting: your dividend.

As a result of this largely stable development over the past year, the Executive Board and Supervisory Board are proposing to the Annual General Meeting that an unchanged dividend of €0.75 per share be paid for the 2017 financial year.



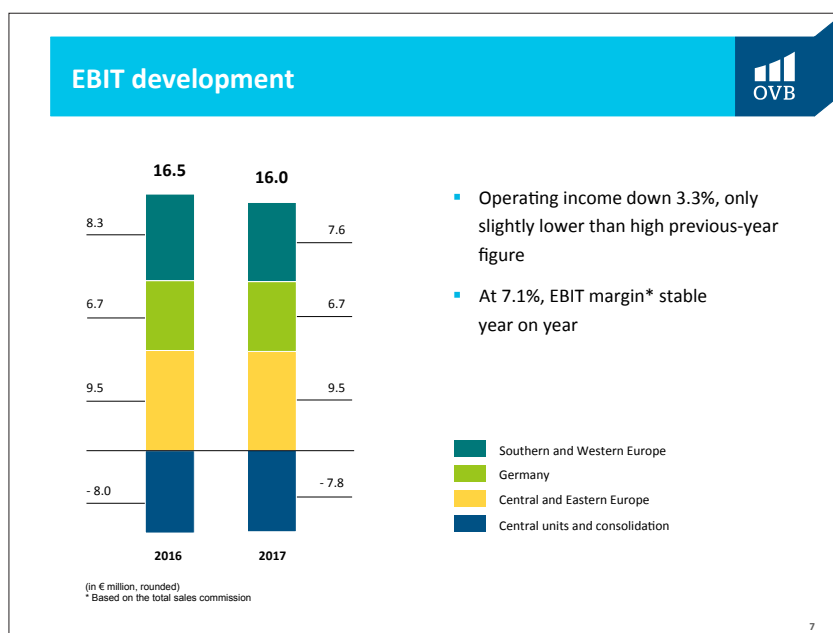
The number of clients advised developed satisfactorily at the Group level, rising from 3.27 million to 3.35 million year on year. In the countries of the Central and Eastern Europe segment, we have continued to grow at a high rate, and we have added 3.1% new clients, now at 2.27 million. Although there was a slight drop in Germany, the number of existing clients in the Southern and Western Europe segment rose 4.7%.

The number of full-time financial advisors fell 6.5% in the Central and Eastern Europe segment. This decline largely resulted from our Czech Republic national market and is linked to regulation and the fact that the life insurance market has been declining for several years. The number of advisors in Germany remained at last year's level. In the Southern and Western Europe segment, the number of full-time advisors dropped by 75 after years of considerable growth.

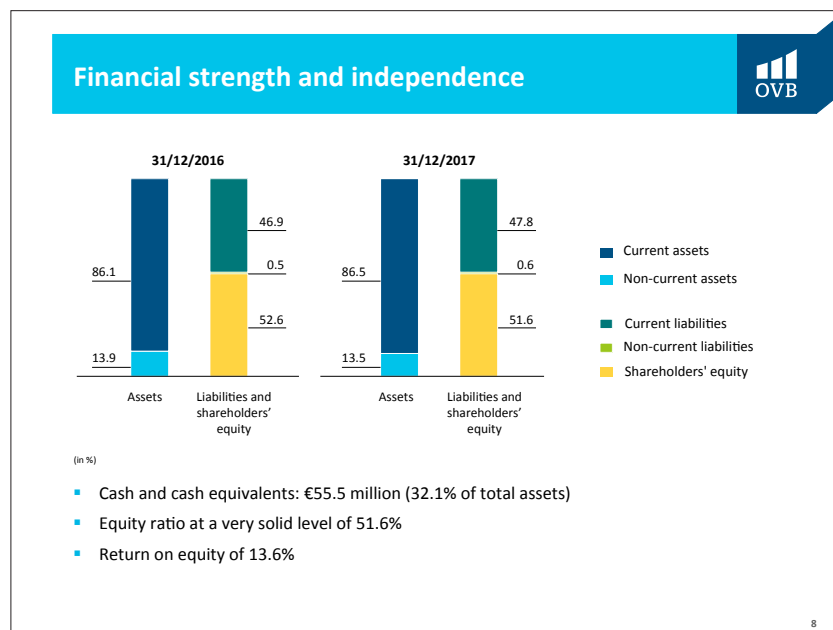


The development of our total sales commission benefited from the ever-impressive commitment of our sales team and our broad international positioning.

At €109.0 million, brokerage income in the Central and Eastern Europe segment was on par with last year's level. Whereas sales performance fell in the Czech Republic and was slightly below the previous year in Slovakia, OVB achieved strong sales growth in some of the other countries in the segment. The total sales commission in Germany decreased by 7.5% year over year. With nearly just as many brokered contracts, this business performance is largely influenced by additional commission reductions in light of the German Life Insurance Reform Act. Brokerage income in the Southern and Western Europe segment remained virtually at last year's level at €57.2 million. We achieved significant sales growth in Austria, although business was almost level in most of the other national markets.



This sales performance as well as the increasing investments and larger expenses for regulatory and strategic measures already had an impact on operating income in 2017. After last year's 18% increase in EBIT, we managed to attain an EBIT of €16.0 million despite these non-recurring influences. The EBIT contribution from the Central and Eastern Europe segment remained unchanged year-over-year at €9.5 million. Lower earnings in Slovakia and Czech Republic were offset by higher earnings in other national companies in the segment. Despite a drop in sales, the EBIT in the Germany segment also remained at last year's level at €6.7 million. Operating income in the Southern and Western Europe segment fell €700,000 to €7.6 million after having reported a significant 22.7% increase in EBIT in 2016. Whereas the countries of Spain and Austria reiterated the good results of the previous year, the EBIT fell in Italy and Switzerland. The loss of the central units dropped from €8.0 million to €7.8 million. The Group's EBIT margin – based on the total sales commission – remained unchanged at 7.1%.



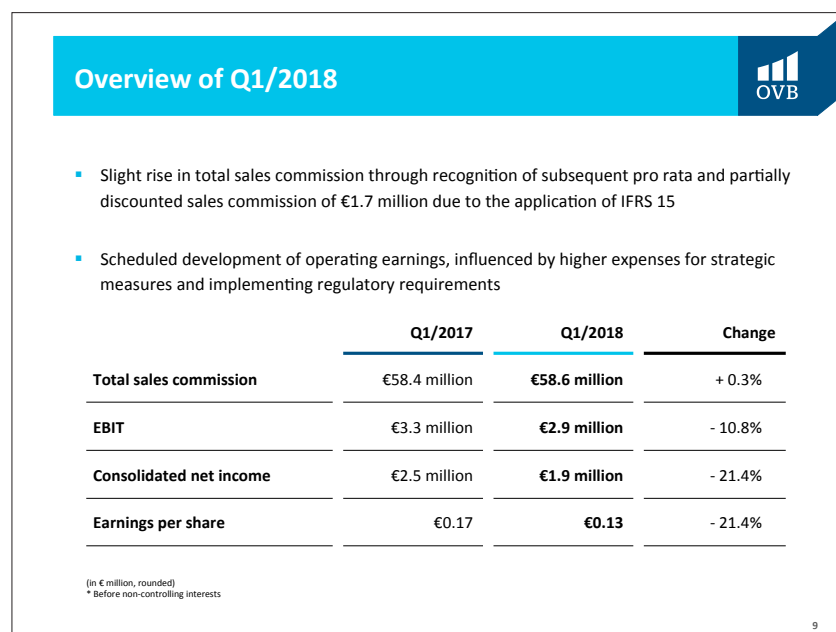
The balance sheet structure and liquidity of the OVB Group are evidence of our financial strength: the equity ratio of the OVB Group was an extremely solid 51.6% at the end of 2017, and our equity return was 13.6%.

Based on the €22.07 closing price of our share at the end of the financial year, we calculate a dividend yield of 3.3%. OVB shares are thus a good investment with an attractive return.

We still see the listing and the associated compliance with the highest transparency standards in the world as a seal of quality for our company.

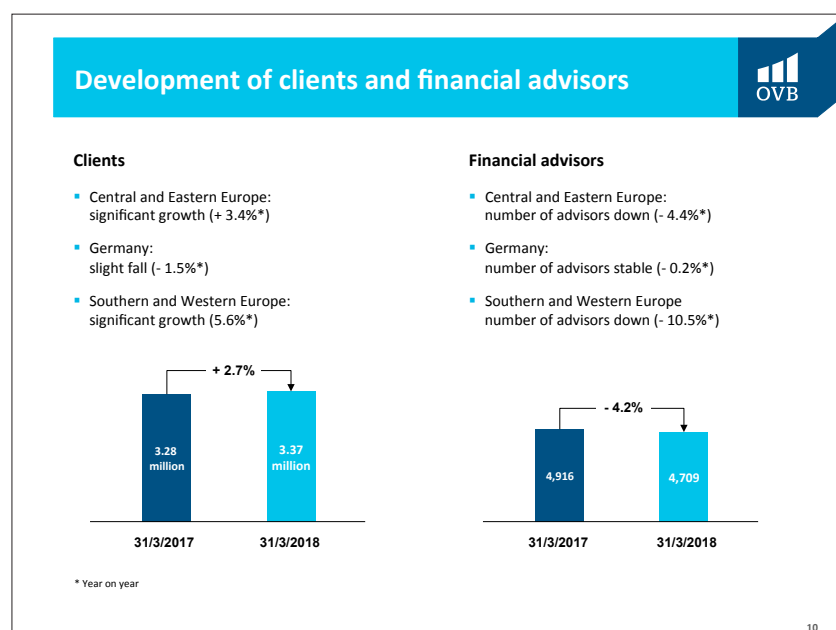
For additional information about the financial year, please have a look at our 2017 annual report. A copy is on display in the lobby, and we will gladly mail one to you on request.

Q1/2018: Stable business performance continues

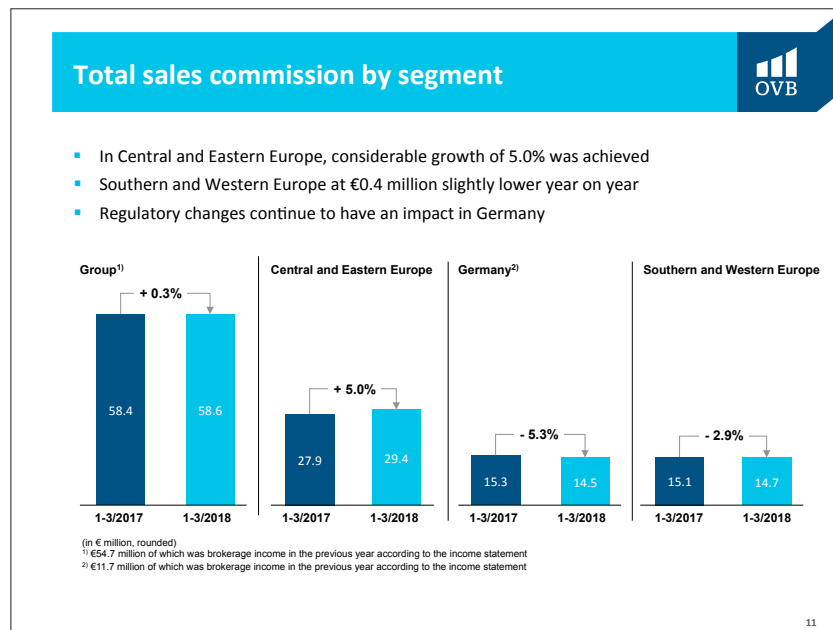


Let us now consider the first quarter of 2018, the detailed results of which we published in the interim report on 8 May.

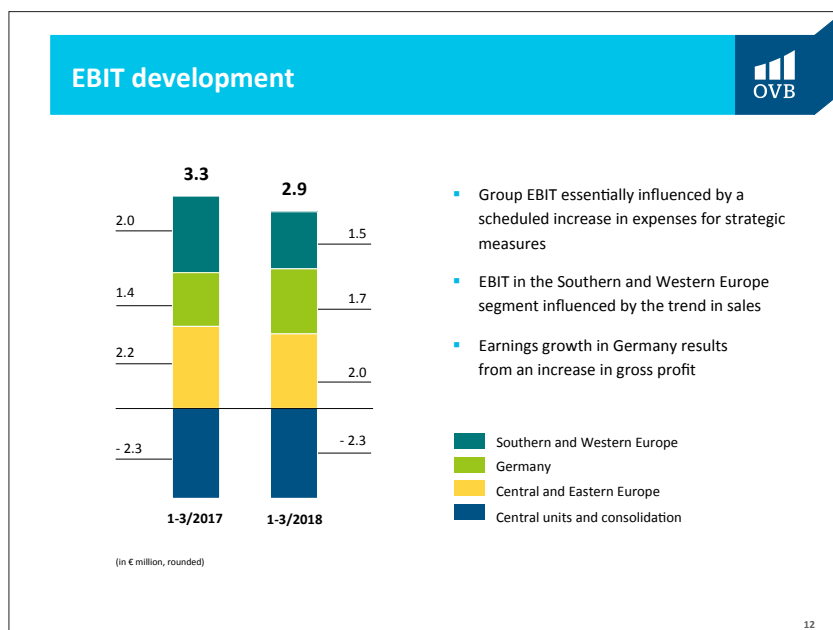
All in all, the OVB Group's total sales commission reached €58.6 million from January to March 2018. The positive effects of the application of IFRS 15 on the Group's total sales commission equalled €1.7 million. Based on this, subsequent pro rata and partially discounted sales commissions are no longer entered at the time of payment as in the previous period, but are instead entered at the time that the service is rendered. We achieved operating income of €2.9 million, which was €335,000 below the previous year's value and thus performed according to plan. The consolidated net income reached €1.9 million after last year's €2.5 million. Earnings per share for the period was €0.13, down from €0.17 in the same period of the previous year.



The number of customers continued to develop positively. At the Group level, the number of customers grew an encouraging 2.7% year on year, from 3.28 million to 3.37 million. We still saw a slight decline in Germany, however. In the Central/Eastern Europe and Southern/Western Europe segments, we had significant growth in the number of customers. We had 4.2% fewer full-time financial advisors in the Group on 31 March than in the same quarter of the previous year, although we were slightly above the year-end value. With 2,748 financial advisors currently in Central and Eastern Europe, we saw a 4.4% decline from the same quarter of the previous year. However, stabilisation was achieved in the segment as compared to 31 December 2017. The number of full-time financial advisors in Southern and Western Europe dropped by 77 from the previous year, which is primarily explained by events in Spain. At 1,306, the number of advisors working for OVB in Germany remained at the previous year's level and has risen 0.8% year to date, which we certainly view as a success as compared to the market.




In the strongest Central and Eastern Europe segment, total sales commission increased significantly, namely by 5.0%. In Germany, it remained 5.3% down on the same period in the previous year due to the ongoing impact of changes in legislation. Total sales commission in the Southern and Western Europe segment decreased slightly, namely by €435,000. OVB was able to offset the weaker performance in several national markets with significant growth in some other national markets.



In the Central and Eastern Europe segment, operating income fell a scant €0.2 million to €2.0 million. A decline in earnings in the Czech Republic was accompanied by favourable growth in Slovakia, Poland, Romania, Croatia and Ukraine. An increase in gross profit caused operating income to rise 25.2% to €1.7 million in the Germany segment. The EBIT in the Southern and Western Europe segment fell €0.5 million to €1.5 million, which was primarily due to the decline in sales. Overall, our operating income developed according to plan in the first quarter of 2018 at €2.9 million.

Group: General conditions and outlook for 2018

General conditions and outlook for 2018



- Long-term business potential in the area of private insurance and pension provision remains unchanged throughout Europe
- Considerably changing regulatory environment is a major challenge for the industry
- Investments and increased ongoing expenses associated with strategic measures and regulatory requirements to be implemented

Confirmation of the forecast for 2018 as a whole

- Total sales commission down slightly
- Operating income at €13.0 to €13.5 million

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Ladies and gentlemen,

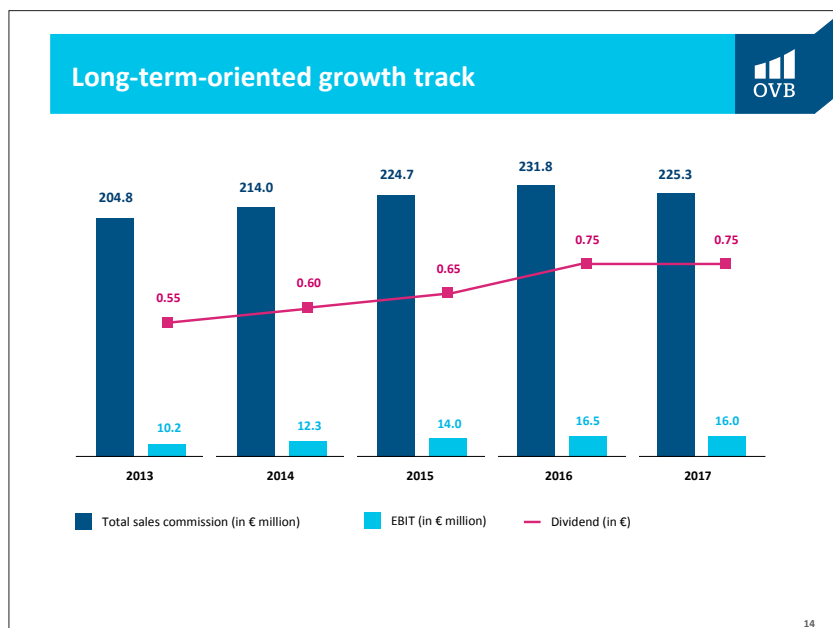
OVB's positive client development is evidence of the rising need for pension provisions and insurance in Europe and of the value of our service. We continue to see great potential in our business model and, besides modernisation, we are sticking to our tried and tested success factors.

The environment of significant regulatory changes is having an impact on the OVB Group and on our industry in Europe as a whole, however. Examples include the increasing regulatory requirements at the European level – from the IDD, MiFID II and the General Data Protection Regulation, for instance – and the current debates regarding life insurance and the associated risk of additional changes to commissions.

OVB will focus on the future demands of the market and accommodate the changes in the financial services industry as part of the further implementation of its strategy. In light of this, we expect a slight decline in sales performance for 2018.

Investments and larger ongoing expenses related to strategic measures and the regulatory requirements to be implemented will cause the Group's operating income to fall to €13.0–13.5 million.

At this point, I believe it is important to emphasise that the solid financial situation of the OVB Group is allowing us to ensure dividend continuity for 2018.



Ladies and gentlemen,

The OVB Group has managed to increase sales, earnings, and dividends significantly in recent financial years. The total sales commission rose an average of 2.6% per year from 2013 to 2017. Operating income improved an average of 11.9% per year. The dividend rose more than one third, from €0.55 to €0.75.

In order to continue down this path of growth, we must now successfully implement the “OVH Evolution 2022” strategy. This requires increasing expenses that are temporarily impacting the income statement, but that will yield additional earnings opportunities in the medium term. Only in this way will we be able to further solidify our market position in Europe.

»OVH Evolution 2022« strategy being implemented

The fundamental elements of our strategy

Exploitation of potential

Digitalisation


Modernisation


Expansion

Our strategy encompasses four fundamental components

- Exploitation of potential
- Digitalisation
- Modernisation and
- Expansion.

Specific strategic measures are designated for each component, and we expect positive effects from the successful implementation of these measures

Exploitation of potential




- Development of the Europe-wide training and professional development system
- Optimisation of cross-selling and up-selling activities
- Establishment and expansion of service units in the context of our service approach

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Under the exploitation of potential category, it is very important to enhance the pan-European training and professional development system, for instance. OVB's assets lie in the qualifications of its financial advisors. As such, we are continuing to enhance and modernise our training and professional development system, not only due to regulatory requirements, but also in light of our own quality standards.

We will also be more systematic in harnessing the business potential that lies in our over 3 million existing customers. There is considerable potential for cross-selling and upselling activities throughout Europe. Particularly in the national markets of the Central and Eastern European segment, there are more disposable funds and a greater need for pensions as a result of above-average income growth. We need to tap into this potential.

As part of our service approach, the establishment and expansion of service units provides additional potential for contact and results in greater customer satisfaction and a higher rate of referral.

Digitalisation



- Development of IT-supported advisory processes
- Digitalisation of the business processes
- Expanded options for interaction between clients, financial advisors and OVB
- Expansion of online business for our financial advisors in areas that are not consulting-intensive

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OVB is advancing the digitalisation of its business processes to strengthen the sales force and focus it even more efficiently. We also want to be a valued point of contact for generations that grow up with digitalisation.

As a result, we will develop IT-based advisory processes and expand the opportunities for interaction among customers, financial advisors and OVB. We will also expand the online business for our financial advisors in non-consulting-intensive product areas such as travel insurance and car insurance.

Modernisation



- Online marketing for target-group-appropriate communication with clients and financial advisors
- Development and expansion of social media activities
- Group-wide expansion of social commitment




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A contemporary approach to target groups – particularly Gen Y and Gen Z – is paramount for modernisation. The new look and feel of the 2017 annual report and our newly designed holding website thus emphasise our shift towards all things modern.

Our pan-European online strategy supports target group-appropriate communication with our customers and financial advisors.

The group-wide development and expansion of social media activities will create additional opportunities for attracting advisors and clients.

Social commitment has been an integral part of OVB's corporate culture for 35 years. We intend to expand this internationally.

Expansion




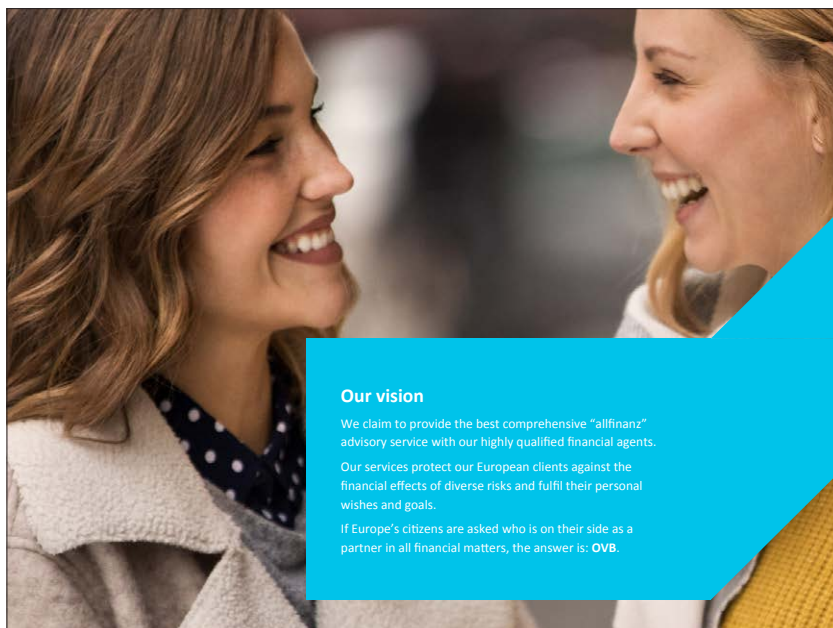
- OVB will press ahead with the expansion into promising European markets and consequently continue its success story
- OVB is currently examining expansion into various national markets
- By 2022, OVB intends to be active in at least two more country markets

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This brings us to the last component of our strategy: further expansion. Our broad international positioning and the associated balance of opportunity and risk are key strengths of OVB.

By successfully transferring the business model to other national markets, OVB is encountering additional potential for growth.

As such, we will again press ahead with the expansion into promising markets and continue to write our story of success in Europe. We are currently examining expansion into various national markets and intend to be active in at least two more national markets no later than 2022.



Our vision

We claim to provide the best comprehensive "allfinanz" advisory service with our highly qualified financial agents.

Our services protect our European clients against the financial effects of diverse risks and fulfil their personal wishes and goals.

If Europe's citizens are asked who is on their side as a partner in all financial matters, the answer is: **OVB**.

By successfully implementing these strategic measures – particularly, further expansion – we will come closer to our vision of having OVB as the point of contact for people in Europe regarding all financial matters.

OVB's people

Ladies and gentlemen,

OVB is celebrating a string of anniversaries that we can be very proud of: OVB Greece, OVB Poland, OVB Slovakia, OVB Czech Republic and OVB Hungary are all celebrating 25 years of existence. The OVB relief organisation in Germany is even turning 35. The Executive Board and the Supervisory Board would like to congratulate everyone on this.

We would thus also like to express our utmost gratitude also all the financial advisors and all employees of the Group for their outstanding commitment.

We would likewise like to thank our clients, who have given us their trust throughout Europe. The Executive Board would also like to thank the Supervisory Board for its superb and constructive cooperation.

And we thank you, our honoured shareholders, for your interest in our company.

We sincerely hope you will continue to place your trust in us.

Thank you for your attention!

Disclaimer

This document contains forward looking statements which are based on the current estimates and assumptions made by the corporate management of OVB Holding AG. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate, forecast and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by OVB Holding AG and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside OVB's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. OVB Holding AG neither plans nor undertakes to update forward looking statements.

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