



Annual General Meeting of OVB Holding AG

Speech by Mario Freis, CEO
Cologne, 14 June 2019

Check against delivery.



Shareholders of OVB Holding AG,
honoured shareholder representatives,
ladies and gentlemen,

On behalf of the entire Executive Board I would like to welcome you to the Annual General Meeting of OVB Holding AG.

Agenda

- 1 2018 financial year
- 2 Business performance in Q1 2019
- 3 Outlook for 2019 financial year
- 4 Strategy and European expansion


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We are delighted to be able to report good sales performance and on-target earnings.

I would first like to explain the OVB Group's business figures for 2018, before speaking about the key figures for the first quarter of 2019 and the outlook for the year as a whole. Afterwards, I will give you a brief update on strategy and more in-depth information on our European expansion.

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

OVB posts growth in sales and client numbers in 2018 financial year

2018 financial year – an overview			
<ul style="list-style-type: none"> ▪ Growth in clients and financial advisors ▪ Sales rise by 2.7% to €231.3 million ▪ EBIT of €13.2 million within target range (€13.0 million - €13.5 million) ▪ Proposed dividend stable at €0.75 per share 			
	2017	2018	Change
Clients	3.35 million	3.48 million	+ 4.1%
Financial advisors	4,702	4,715	+ 0.3%
Total sales commission	€225.3 million	€231.3 million	+ 2.7%
EBIT	€16.0 million	€13.2 million	- 17.6%
Consolidated net income after non-controlling interests	€12.1 million	€9.6 million	- 20.8%
Earnings per share	€0.85	€0.67	- 20.8%
Dividend per share (proposal)	€0.75	€0.75	± 0.0%

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Economic growth in the euro zone weakened in 2018 but still reached 1.9%. The primary influencing factors were ongoing international trade disputes and the risk of a disorderly Brexit. The capital market was affected by major fluctuations and some significant price losses, particularly in the final quarter.

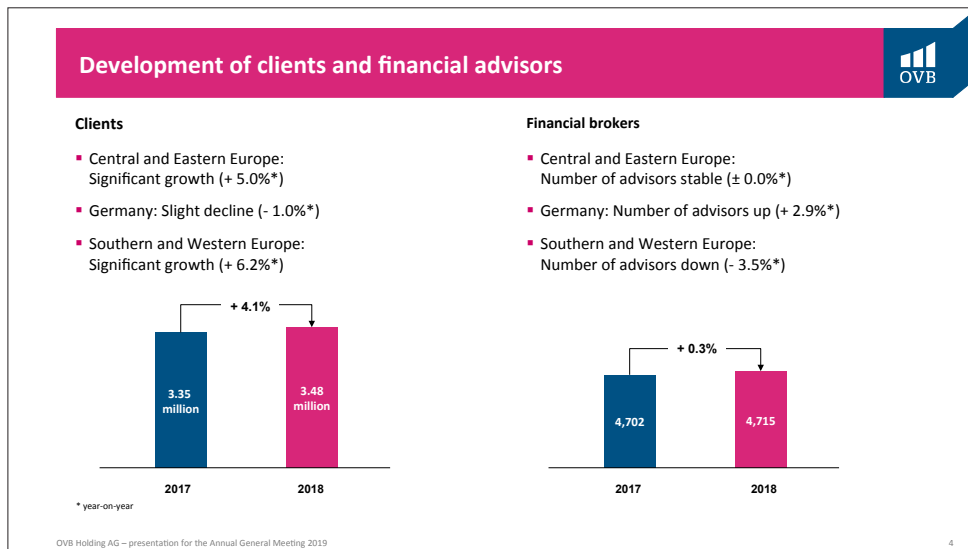
The macroeconomic environment in Europe remained rather favourable for our service in 2018. The 28 member states of the European Union, as well as Switzerland and Ukraine, reported positive economic development. Private household disposable incomes thus trended up as did the latitude for people to assume responsibility for their own pension provisions. The market environment continued to be characterised by low interest rates in the past year. A wide range of regulatory changes at European level – such as IDD, Mi-FID II and the General Data Protection Regulation – as well as country-specific regulations on life insurance commissions also impacted our business.

With this in mind, the 2018 financial year was positive for the OVB Group overall:

we recorded a rise in the number of clients and financial brokers. Total sales commission increased by 2.7% year on year to €231.3 million.

Our operating income was within our forecast target range at €13.2 million. Earnings per share amounted to €0.67.

In line with the aim of maintaining consistent dividends, the Executive Board and Supervisory Board will propose a dividend of €0.75 per share to you today, as in the previous year.

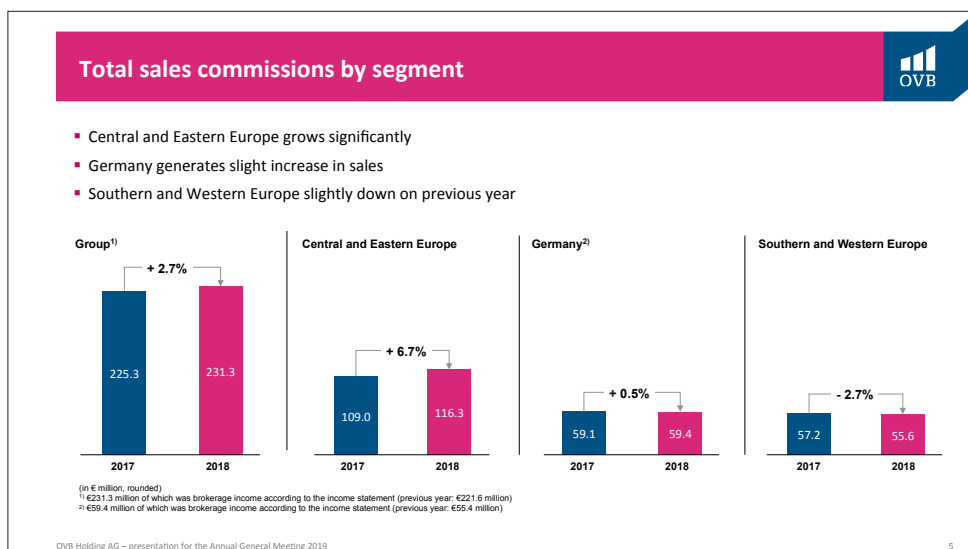


As already briefly mentioned, the number of clients advised developed very positively at the Group level, climbing 4.1% from 3.35 million to 3.48 million clients year on year.

We continued to grow at a high rate in the countries of the Central and Eastern Europe segment, recording a substantial 5.0% increase to 2.39 million clients. Germany posted a slight decline compared to the previous year, partly due to demographic factors. We also recorded a significant 6.2% increase in the number of existing clients in the Southern and Western Europe segment.

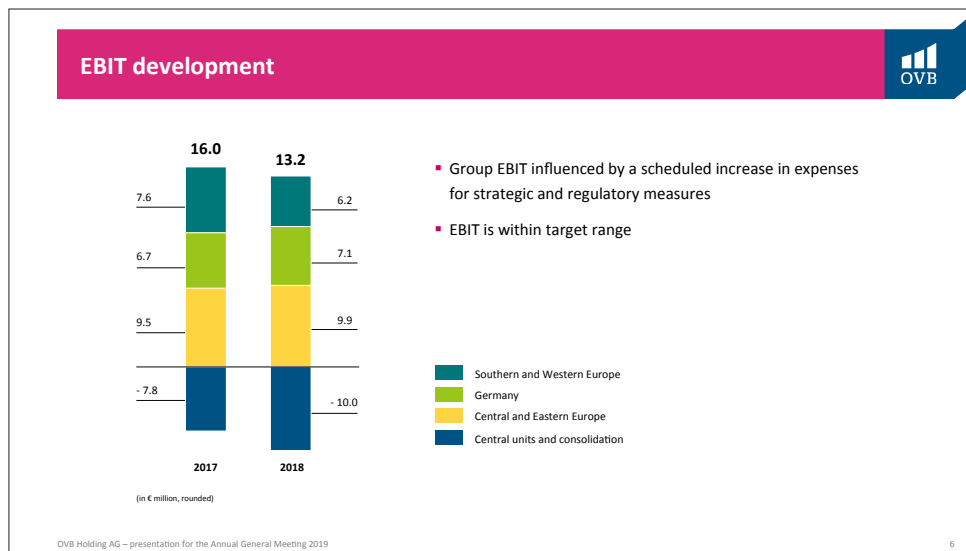
OVB posted a slight increase in the number of full-time financial advisors in the Group.

In Central and Eastern Europe, this number remained stable in 2018 for the first time since 2015. We successfully gained new financial advisors in Germany in 2018. We grew by 2.9% here, contrary to the market trend. In the Southern and Western Europe segment, the number of full-time financial advisors declined by 23 after years of considerable growth.



We once again benefited from our broad international positioning and the impressive commitment of our financial brokers in terms of the development of total sales commission. Although we were still anticipating a slight decline in sales performance at the beginning of 2018, primarily due to a number of regulatory changes at European level, we were nevertheless able to achieve growth of 2.7% over the course of the year.

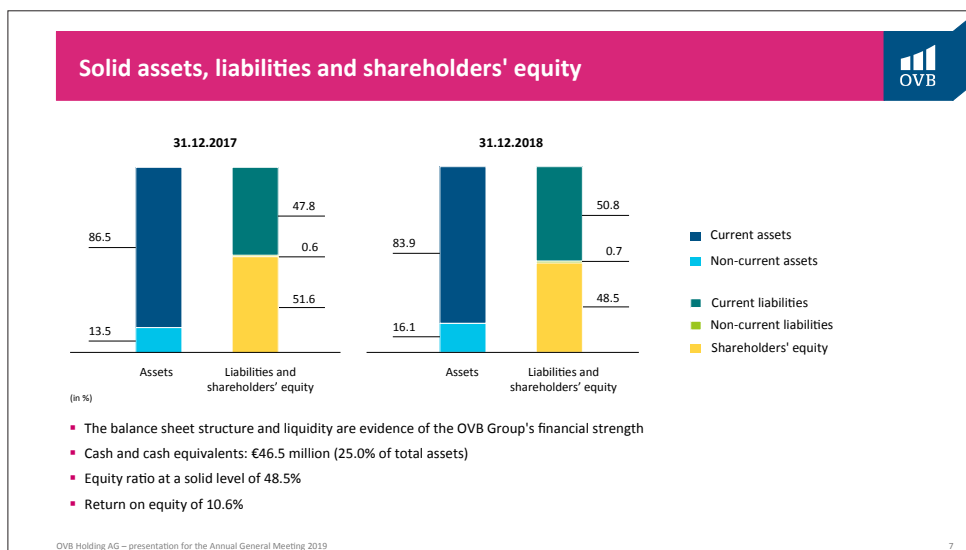
In the Central and Eastern Europe segment, brokerage income rose sharply by 6.7% to €116.3 million. OVB generated double-digit sales growth in almost all the countries in the segment, with OVB Slovakia, OVB Hungary and OVB Croatia achieving an increase of just over 10%. OVB Poland posted a rise of more than 14%. OVB Ukraine increased its sales by almost 40% and OVB Romania even recorded growth of 84%. Business in Germany also developed more positively than forecast. Here, total sales commission rose slightly to €59.4 million. Our brokerage income in the Southern and Western Europe segment was slightly below the previous year's level at €55.6 million. In contrast to Italy and Spain, sales growth was achieved in the Austrian, French, Greek and Swiss markets



In addition to the sales performance I have outlined, increasing investments and larger expenses for strategic and regulatory measures impacted our operating income in 2018.

EBIT in the Central and Eastern Europe segment was up 3.5% on the previous year to €9.9 million. Contrary to original expectations, operating income in the Germany segment also climbed 6.0% from €6.7 million to €7.1 million. Earnings in the Southern and Western Europe segment decreased to €6.2 million. While EBIT in Spain and Italy fell, earnings in France grew. The other national companies in the segment generated operating income at the previous year's level. The loss of the central units broadened to €10.1 million as expected due to regulatory adjustments and higher expenses for implementing our strategy.

The Group's EBIT margin - based on the total sales commission - reached 5.7%.



Our continued good equity base and liquidity are important requirements for ensuring we are able to act and remain independent.

At the end of 2018, the equity ratio of the OVB Group was at the solid level of 48.5%, while our equity return was 10.6%.

Based on the €16.80 closing price of our share at the end of the financial year, we calculate a dividend yield of 4.5%.

For additional information about the financial year, please have a look at our 2018 annual report. A copy is on display in the lobby, and we will gladly mail one to you on request.

Ladies and gentlemen,

I would like to take this opportunity, also on behalf of my colleagues on the Executive Board, Oskar Heitz and Thomas Hücker, to thank our financial advisors throughout Europe as well as the employees of the OVB Group. Their exemplary dedication plays a major part in our success. We are proud of this team achievement.

We would likewise like to thank our clients, who have given us their trust throughout Europe.

The Executive Board team would also like to thank the Supervisory Board for its superb and constructive cooperation.

And, last but not least, I would of course also like to express my sincere thanks to you, our shareholders, for your support and your confidence in OVB.

OVB starts the 2019 financial year with significant rise in sales

Overview of Q1 2019			OVB
<ul style="list-style-type: none"> ▪ Growth in clients and financial advisors ▪ Significant upturn in brokerage income ▪ EBIT falls short of previous year figure due to expenses brought forward from other periods ▪ Positive impact from initial consolidation of Belgian subsidiary 			
	Q1/2018	Q1/2019	Change
Clients	3.37 million	3.63 million	+ 7.7%
Financial advisors	4,709	4,911	+ 4.3%
Brokerage income	€58.6 million	€63.1 million	+ 7.8%
EBIT	€2.9 million	€2.6 million	- 11.9%
Consolidated net income after non-controlling interests	€1.9 million	€2.4 million	+ 28.1%
Earnings per share	€0.13	€0.17	+ 28.1%

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Let us now turn to our strong performance in the first quarter of 2019.

We were able to expand our sales performance across Europe significantly in the first three months of the current financial year and also complete the acquisition of our Belgian subsidiary, closing the transaction on 14 March 2019.

OVB Holding AG thus acquired 100% of the shares in Ghent-based Belgian insurance broker Willemot with retroactive effect from 1 January 2019.

The number of clients advised by OVB across 15 European countries rose by over 250,000 year on year to 3.63 million.

During the same period, the number of full-time financial brokers climbed by 4.3% to 4,911.

The brokerage income of the Group reached a total of € 63.1 million in the months from January to March, due partly to the initial consolidation of our Belgian subsidiary.

This represents a considerable increase of 7.8% against the previous year.


At € 2.6 million, operating income exceeded forecasts by € 300,000 but remained below the prior year's figure of € 2.9 million.

Consolidated net income developed positively - largely due to improved net financial income - and increased by 28.1% from € 1.9 million in the previous year to € 2.4 million.

Earnings per share for the period amounted to € 0.17 after € 0.13 in the previous year.

Group: General conditions and outlook for 2019

Outlook for 2019



- OVB is taking advantage of the potential of comprehensive one-stop financial consulting in 15 European markets
- OVB is adapting to changed market requirements and a significantly changing regulatory environment
- Further implementation of the "OVV Evolution 2022" strategy

Confirmation of the forecast for 2019 as a whole

- A significant increase in sales is anticipated with the share of sales from the holding in Belgium
- Operating income at €13.5 million to €14.0 million

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This brings us to the outlook for the further course of 2019.


The forecast provided at this year's press conference on the financial statements on 21 March remains unchanged.

For the 2019 financial year, the Executive Board anticipates a significant increase in sales overall – partly due to the sales contribution from the new national market of Belgium.

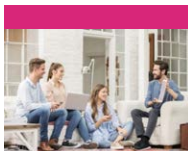
Despite the continued high expenses for strategic measures, operating income should rise to between €13.5 million and €14.0 million in 2019.

"OVV Evolution 2022" strategy

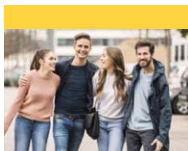





Exploitation of potential



Digitalisation



Modernisation



Expansion

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Ladies and gentlemen,

Our aim is to unlock new earnings opportunities and further solidify our market position in Europe.

For this reason we are systematically implementing our “OVB Evolution 2022” strategy.

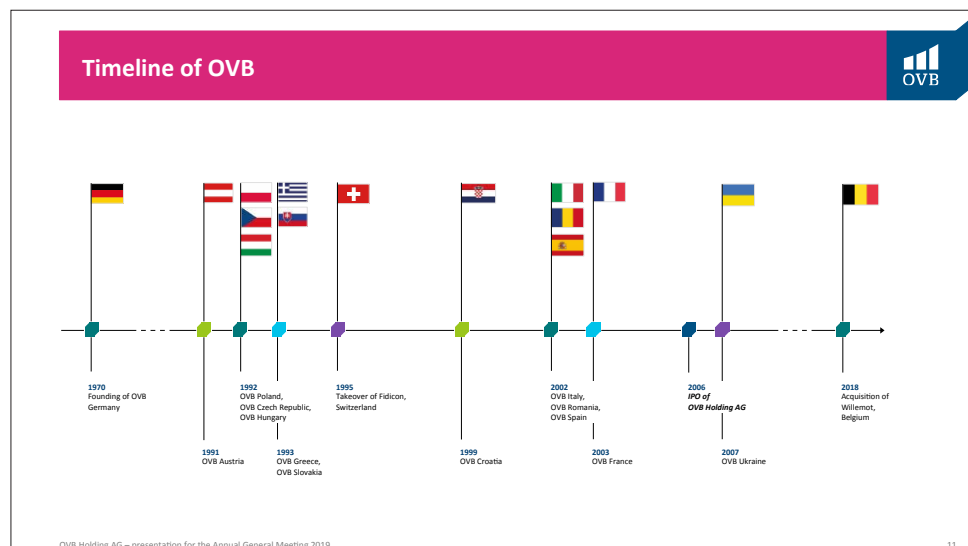
We made progress in many key strategic areas in 2018. For example, we have advanced digitalisation of the consulting and sales process in almost all countries. We also made progress in modernising the workplace for advisors.

We have enhanced and modernised the training and professional development system for our financial brokers, not only due to regulatory requirements, but also in light of our own quality standards.

We will complete implementation of our contemporary brand image throughout Europe this summer. We are also combining our new brand image with a new form of communication tailored towards our main target groups. We have also expanded our activities in the area of social media throughout Europe. Overall, we expect this to create additional opportunities for us to attract brokers and clients.

We are also making good progress with expanding our social commitment at an international level. This excellent idea, which led to the founding of the OVB relief organisation in Germany more than 35 years ago, will gradually be rolled out in the other OVB countries as well. Some national companies have founded their own charitable organisations under the common name of OVB Charity. We were able to gain the SOS Children's Villages organisation as an internationally renowned project partner. “Fit for Life” is the guiding principle behind our cooperation. We aim to support children and families through local campaigns that prepare them for a worthwhile future.

The acquisition of our Belgian holding and thus our entry into a 15th national market represents a key step in terms of our expansion, that is transferring the proven OVB business model to further attractive national markets.



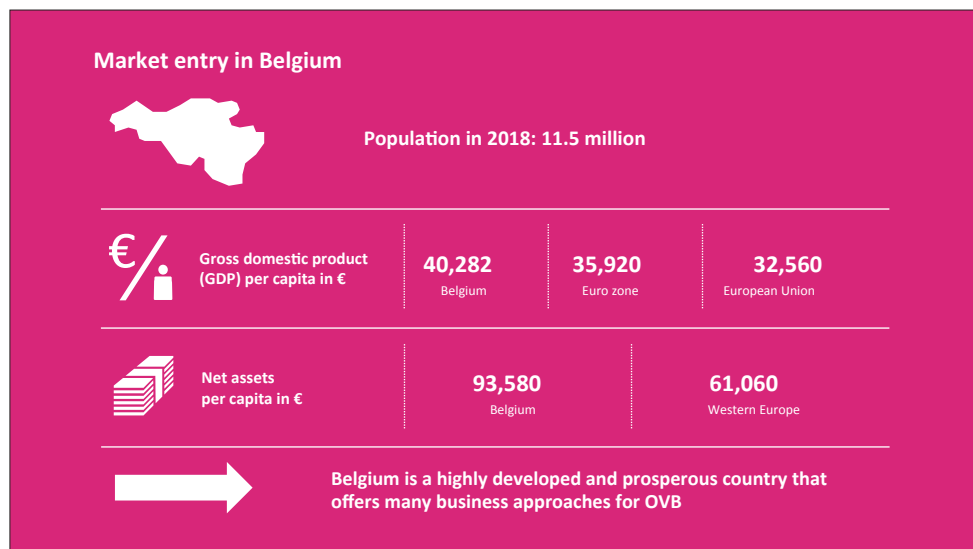
Ladies and gentlemen,

Now let us look back together at the history of our company's European expansion.

OVB was founded in Cologne in 1970 and, recognising the growth opportunities in the European market early, began transferring its successful business model in Germany to other national markets back in 1991.

OVB has extensive experience in establishing and expanding its sales model thanks to its long-standing commitment in very different national markets. We have achieved a leading market position in most countries. We value and exploit Europe's potential for growth.

Having most recently opened up a national market in Ukraine in 2007, we took the step of entering our 15th European national market with the acquisition of Willemot NV at the end of 2018.



The general conditions in the Belgian market are attractive to us:


At €40,282, gross domestic product per capita for the around 11.5 million Belgians is considerably higher than the European Union average. In addition to this, net assets are extremely high compared to the rest of Europe.

With a figure of €93,580 per capita, Belgium ranks in fifth place globally and in third place in the EU behind Sweden and the Netherlands. One reason behind this prosperity lies in the historic growth of the country's economic structure: the service sector generates almost four fifths of economic output. At 98%, Belgium also has the largest proportion of urban dwellers in Europe.

Belgium is a highly developed and prosperous country that offers many business approaches for OVB. We also see further potential thanks to its proximity to the German and French markets.

OVB had already begun examining the potential for entering the Belgian market in 2017 and had been in discussions with Belgian brokerage company Willemot since then.

Key facts about Willemot NV



we facilitate
your insurance
business

Legal form	Stock corporation
Registered office	Ghent
Year of establishment	1841
Clients (2018)	111,573
Product partners (2018)	107

Ranking of Belgian brokerage companies

Place	Name
1.	Marsh
2.	Cigna Int. Health Service
3.	Vanbreda Risk & benefits
4.	Aon Belgium
5.	ERGO Partners
6.	WI LINK Insurance
7.	Allia Insurance
8.	Van Dessel Verz. Brokers
9.	ADD
10.	Trip
11.	Gras Savoye Belgium
12.	WILLEMOT
13.	Belgibo
14.	Concordia
15.	IC Verzekeringen

Source: www.trendstop.knack.be (assessment dated 6 July 2018)

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I would briefly like to give you the following key facts on the acquired company:

Ghent-based stock corporation Willemot NV is a traditional company that was founded back in 1841.

The company reported 111,000 existing clients in 2018 and currently cooperates with over 100 product partners, primarily from the insurance sector.




Key facts on the Willemot NV business model



OVB Holding AG

100% shareholding



Willemot NV (AG)

Brokers
(Own client portfolio)

Brokerage platform
(Comprehensive IT support and full service provider)

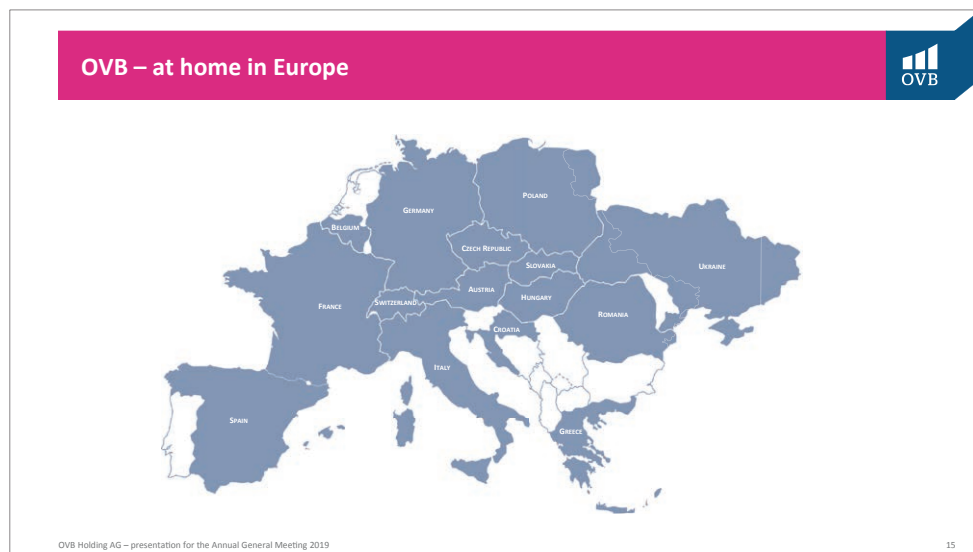
Sales organisation
(OVB business model)

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A particularly attractive feature of Willemot is the company's three sales channels: its own broker activity, a broker platform for small and medium-sized brokers and a sales organisation which uses the OVB business model and which we aim to exploit in addition to the other sales channels in the Belgian market.

We will benefit from the company's sound market position, the long-standing experience of its management and its existing infrastructure.

It will also be interesting to develop synergies between the individual sales channels.



OVB now operates in 15 European countries and thus has access to around 430 million people. This international outlook is a key element of our business model and clearly differentiates us from competitors. We already have a broader geographical base than any other European financial service provider. The associated balance of opportunity and risk is a key strength of OVB.

We intend to expand this model for success. Thus, we will continue to advance with our expansion into promising markets. We are currently examining expansion into further countries and intend to be active in at least one more national market by 2022 at the latest.


We are – as the motto of our 2018 annual report underlines – at home in Europe.

The keys to our success are our precise knowledge of our markets and our proximity to clients.


We hold hundreds of thousands of personal advisory discussions each year.

In the process of implementing our strategy we conducted a Europe-wide survey among young people aged between 18 and 35 to gain an even better understanding of what motivates our clients and what is particularly important to them.

Europe-wide panel survey of Gen Y and Gen Z




Survey period
13 September 2018 –
25 September 2018



Target group
People aged between
18 and 35

Online panel survey
with **7,200 respondents**



In the countries...


Belgium	Romania
Germany	Switzerland
France	Slovakia
Italy	Spain
Croatia	Czech Republic
Austria	Ukraine
Poland	Hungary

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The survey of over 7,000 respondents, which was tailor-made specifically for OVB, provided us with important insights for our business model.

I would like to address some interesting results of this very extensive survey in greater detail.

Europe-wide panel survey of Gen Y and Gen Z




Survey period
13 September 2018 –
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Target group
People aged between
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Online panel survey
with **7,200 respondents**



In the countries...

Belgium	Romania
Germany	Switzerland
France	Slovakia
Italy	Spain
Croatia	Czech Republic
Austria	Ukraine
Poland	Hungary

How interested are you in finance?

Country	Very	Not very	Hardly
Romania	93	6	1
Ukraine	92	5	3
Austria	89	9	2
Poland	87	10	3
Croatia	87	10	3
Italy	86	12	2
Hungary	85	11	4
Germany	84	11	5
Switzerland	84	10	6
Spain	83	12	5
Czech Republic	81	14	5
Slovakia	78	14	8
Belgium	76	15	9
France	75	17	8

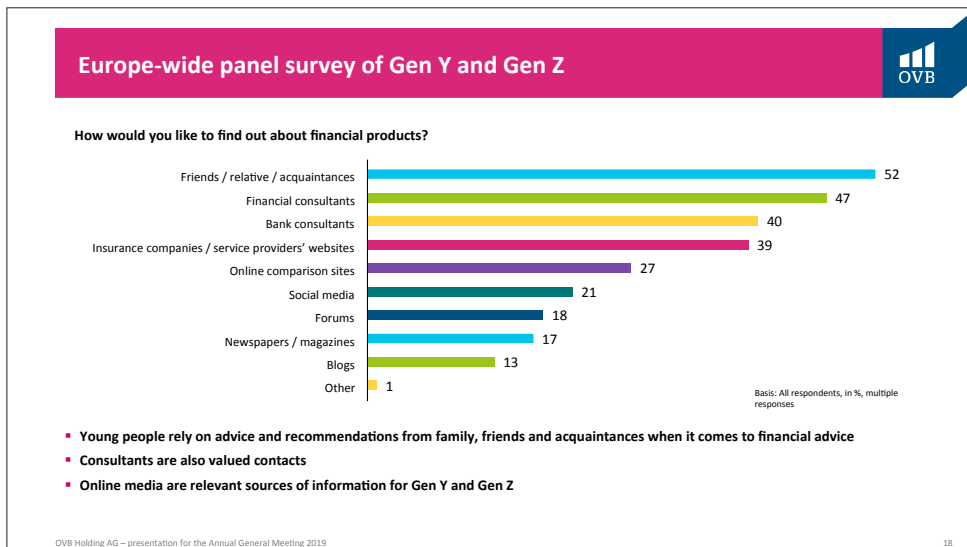
Basic: all respondents, in %

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▪ In general, finance has a very high priority among all respondents and is of very great interest

For example, we asked how interested the respondents were in the topic of finance. Contrary to some pessimistic predictions, younger people, in particular, have a keen interest in finance.

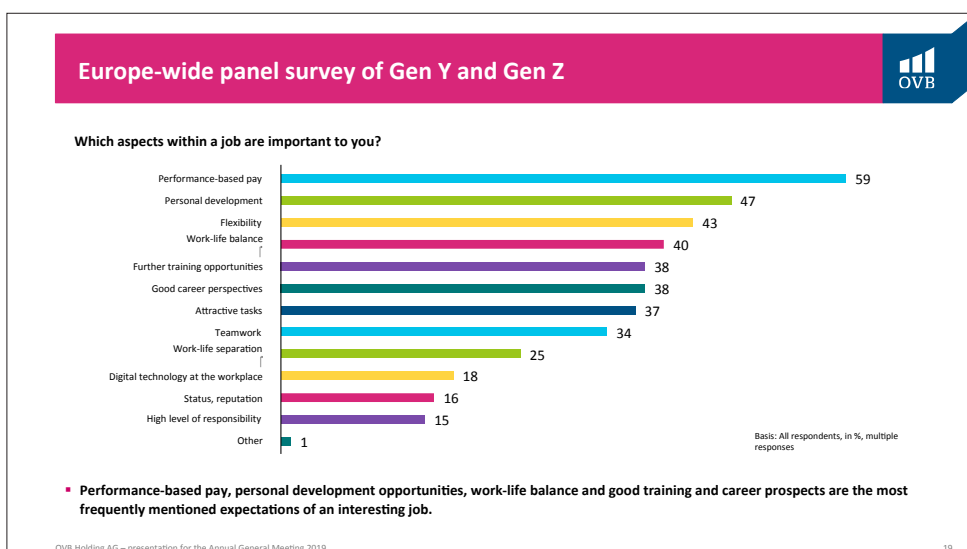
Throughout Europe, between 75 % and 93 % of the respondents expressed a very significant interest in the subject.



In response to the question of how they would like to find out about financial products, 47 percent answered that financial advisors are seen as valued contacts and 52 percent confirmed that they rely on the advice and recommendations of friends, relatives and acquaintances, in particular.

This demonstrates that, to a large degree, advice on financial matters is built on mutual trust. The fact that we primarily win our clients through personal recommendation is therefore highly compatible with the preferences of our young target group and also tailored to their needs.

On a day-to-day basis, young people mainly gather general information online. Although online media are relevant sources of information on financial matters, the younger generations, too, prefer individual and personal advice when it comes to complex financial issues.



As to the question of what aspects they consider important for an interesting professional career, young people primarily mention performance-based pay, opportunities for personal development, work-life balance and good training and career prospects.

OVB more than meets these requirements.

The career opportunities OVB offers meet young people's diverse expectations of a professional career.

It is even the case that over 30 % of the respondents in Europe consider a career as a self-employed financial broker interesting or very interesting. A further third feel at least neutral towards this career.

This strengthens our opinion that we can continue to attract new young financial brokers in the future and train them to become competent professionals with strong entrepreneurial and business skills, thus securing the necessary new talent for our company and our service.

In conclusion, the insights gleaned from the survey confirm our opinion that our business model of personal one-stop financial consulting is absolutely sustainable.



We therefore look ahead to the further course of 2019 and to 2020, our 50th anniversary year, as well as to the more distant future with great optimism.

We look forward to counting you among our shareholders in the future, too.

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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