The financial services segment reflects revenue from all fields of consulting – i.e. old-age provision, health and non-life insurance, wealth management and loans & mortgages. The FERI segment primarily generates revenue from the wealth management field of consulting, while the DOMCURA segment generates most of its revenue from the non-life insurance business. The industry situation for the Group described in the individual fields of consulting applies accordingly to the segments.

Financial services segment

Total revenue in the financial services segment rose to € 410.8 million (€ 406.0 million) in the financial year 2016. This can essentially be attributed to the increased commission income in the old-age provision and wealth management segments. Development of the other consulting fields (wealth management, health insurance and other consulting services, which essentially reflect revenue from real estate brokerage) was in line with the overall development in the Group. At € 20.5 million (€ 21.4 million), revenue from the interest rate business was below the previous year. This was due to the continued low interest rate level.
Commission expenses increased to € 183.6 million (€ 172.5 million). This increase can be attributed to higher commission income and greater expenses within the scope of our further training allowance for young consultants, as well as payments to our consultants within the scope of a participation programme and increased participation on the part of our branch office managers. At € 1.7 million (€ 1.9 million), interest expenses were below the previous year’s level. The reason for this lies in the continued low level of interest rates.

Personnel expenses increased from € 74.2 million to € 76.0 million, essentially due to one-off expenses accrued within the scope of our efficiency programme. Depreciation/amortisation and impairments increased to € 19.1 million (€ 9.5 million) also affected by one-off expenses. In the light of one-off expenses, other operating expenses rose to € 126.8 million after € 124.3 million in the previous year.

Total one-off expenses of € 14.4 million were accrued in the financial services segment within the scope of our efficiency program.

EBIT declined to € 4.8 million (€ 25.6 million) which is attributable to the efficiency programme and higher commissions paid. Along with this the EBIT margin fell to 1.2% (6.3%).

FERI segment
The FERI segment represents the activities of the FERI Group. Revenue is primarily generated in this segment from the wealth management field of consulting.

At € 128.7 million, total revenue remained at the previous year’s record level (€ 129.9 million), despite the fact that the performance-based remuneration which FERI receives for the performance of client portfolios (performance fees) was lower in 2016 than in the previous year. The sale of FERI Eurorating Services AG also had a revenue-reducing effect in 2016.

At € 72.1 million, commission expenses remained at the previous year’s level (€ 70.7 million). Personnel expenses fell to € 28.1 million (€ 30.4 million). The previous year’s higher figure was due to greater variable remuneration. Depreciation/amortization and impairment was € 1.5 million (€ 1.8 million). Other operating expenses declined to € 11.8 million (€ 13.4 million). The previous year was influenced by several factors, including higher consulting costs in connection with acquiring a license to operate as a capital management company.

Total one-off expenses of around € 0.2 million were accrued in the FERI segment within the scope of our efficiency measures.
In light of lower overall administrative expenses, EBIT increased to €14.3 million (€13.7 million). In this context, the EBIT margin improved to 11.1% (10.5%). The finance cost was €-0.1 million, following €-0.3 million in the previous year. Accordingly, EBT rose to €14.2 million (€13.4 million).

**DOMCURA segment**

The previous year’s figures in the DOMCURA segment report offer only limited comparability with the figures of the financial year 2016, as only the time period from the point of acquisition up to December 31, 2015 (around 5 months) was taken into account in the previous year. At DOMCURA, revenues are primarily generated in the non-life insurance consulting fields.

DOMCURA’s business model is characterised by a high degree of seasonality. Accordingly, the subsidiary records high sales revenue and comparably high earnings in the first quarter of each year and subsequently records a loss from Q2 to Q4.

DOMCURA generated revenue of €70.7 million (€20.0 million) in the reporting year. Other revenue was €3.2 million (€2.1 million). Accordingly, total revenue was €73.9 million (€22.1 million).

Commission expenses amounted to €46.6 million (€13.5 million). These are essentially accrued as variable remuneration for brokerage services.

Following €10.5 million in the previous year, administrative expenses rose to €24.3 million. Thereof personnel expenses accounted for €14.1 million (€5.1 million). Depreciation/amortization and impairment was €1.4 million (€0.7 million). Other operating expenses amounted €8.8 million, following €4.7 million in the previous year.
EBIT was € 3.0 million in the first year of full consolidation (€ -1.8 million). With a finance cost of € 0.0 million (€ 0.0 million), EBT was € 3.0 million (€ -1.8 million).

**Holding segment**

The Holding segment does not have active operations. Total revenue in the reporting year increased to € 13.7 million (€ 11.0 million). This rise is mainly attributable to a settlement payment made in connection with judicial proceedings.

Personnel expenses were € 3.6 million (€ 3.8 million). Depreciation/amortisation and impairments fell to € 1.9 million (€ 3.2 million). In the previous year a substantial one-off write-down due to revaluation of a property in the previous year had to be recognized. At € 10.5 million (€ 10.6 million), other operating expenses remained at the same level as the previous year.

In the light of higher total revenue and lower amortisation expenses, EBIT increased to € -2.4 million (€ -6.7 million). Finance cost also improved to € -0.6 million, following € -2.3 million in the previous year. As described at Group level, the previous year’s higher figure was attributable to interest payments due on a retrospective tax payment. EBT therefore rose to € -3.0 million (€ -9.0 million).

Total one-off expenses of € 0.8 million were accrued in the Holding segment within the scope of our efficiency programme.