



# Interim Report

1 January – 30 September 2014

OVB Allfinanz – simply better



## Key figures for the OVB Group

Key operating figures	Unit	01/01- 30/09/2013	01/01- 30/09/2014	Change
Clients (30/09)	Number	3.03 million	3.15 million	+ 4.0 %
Financial advisors (30/09)	Number	4,951	5,231	+ 5.7 %
New business	Number of contracts	349,884	373,066	+ 6.6 %
Total sales commission	Euro million	151.0	156.0	+ 3.3 %
<b>Key financial figures</b>				
Earnings before interest and taxes (EBIT)	Euro million	6.7	8.3	+ 23.4 %
EBIT margin*	%	4.4	5.3	+ 0.9 %-pts.
Consolidated net income	Euro million	5.4	6.5	+ 20.3 %
Earnings per share (undiluted)	Euro	0.38	0.45	+ 18.4 %

\*Based on total sales commission

## Key figures for the regions

Central and Eastern Europe	Unit	01/01- 30/09/2013	01/01- 30/09/2014	Change
Clients (30/09)	Number	2.06 million	2.17 million	+ 5.3 %
Financial advisors (30/09)	Number	3,128	3,284	+ 5.0 %
Total sales commission	Euro million	83.1	80.0	- 3.7 %
Earnings before interest and taxes (EBIT)	Euro million	7.5	7.0	- 6.2 %
EBIT-margin*	%	9.0	8.8	- 0.2 %-pts.

\*Based on total sales commission

### Germany

Clients (30/09)	Number	644,365	628,867	- 2.4 %
Financial advisors (30/09)	Number	1,375	1,371	- 0.3 %
Total sales commission	Euro million	44.0	44.2	+ 0.3 %
Earnings before interest and taxes (EBIT)	Euro million	4.6	4.6	- 0.2 %
EBIT-margin*	%	10.5	10.4	- 0.1 %-pts.

\*Based on total sales commission

### Southern and Western Europe

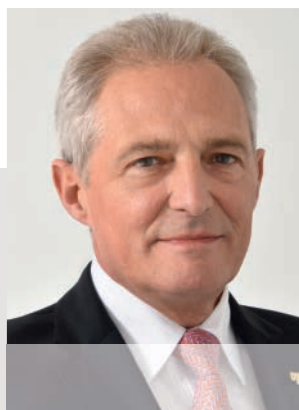
Clients (30/09)	Number	321,921	353,253	+ 9.7 %
Financial advisors (30/09)	Number	448	576	+ 28.6 %
Total sales commission	Euro million	23.9	31.8	+ 33.1 %
Earnings before interest and taxes (EBIT)	Euro million	0.9	3.4	+ 258.5 %
EBIT-margin*	%	3.9	10.6	+ 6.7 %-pts.

\*Based on total sales commission

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> **Michael Rentmeister**  
CEO



> **Oskar Heitz**  
CFO



> **Mario Freis**  
CSO



> **Thomas Hücker**  
COO

Ladies and gentlemen, shareholders,

the stimulation of OVB's business already observed in the course of the year continues: While we were still 9.3 per cent short of the strong prior-year quarter in total sales commission after the first three months, we had already recorded a 2.3 per cent gain by mid-year and are now 3.3 per cent ahead of the previous year as of the end of September. At total sales commission of Euro 156.0 million, OVB generated an operating result of Euro 8.3 million in the first nine months of 2014. This equals an increase by 23.4 per cent.

One reason for this significant improvement is the very good business performance in some of the national markets. Spain, Hungary, Italy, Poland and Slovakia must be mentioned in this respect. Just as remarkable, however – and of equal importance –, is the effort of our staff in those countries where adverse general conditions prevail. Among those are Germany, the Czech Republic and Austria, all markets of relevance to OVB, affected by country specific changes in the general framework. Still the 2014 business performance shows: Consistent and focused work based on one's strengths pays off!

In a time when young people will first and foremost say public service when asked for their favourite future employer, one thing must be pointed out: The business model of OVB gives people the opportunity to create their professional lives as entrepreneurs within the Company in a unique fashion and to achieve above-average results based on individual responsibility and individual commitment. The appeal of this offering is proved by the rising number of financial advisors who work for OVB, climbing by 5.7 per cent over the past twelve months to 5,231 advisors. Thus the foundation for future growth potential has been laid.

For the full year 2014 we are expecting a slight increase in sales and a significantly higher operating result on this basis.

Kind regards

Michael Rentmeister  
CEO

Oskar Heitz  
CFO

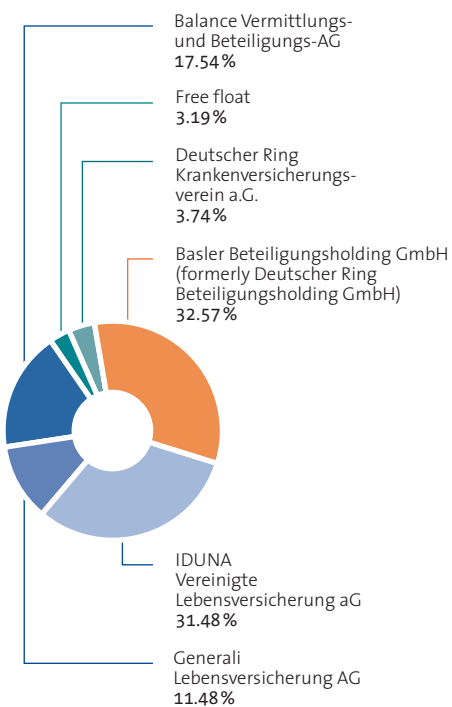
Mario Freis  
CSO

Thomas Hücker  
COO

## Share performance and investor relations

### Share price performance in need of stimulation

Shareholder structure of  
OVB Holding AG  
as of 30/09/2014



The German stock market moved sideways in the first four months of 2014, subject to fluctuations. In May an upswing kicked in, leading the DAX (Xetra closing prices) up to 10,029 points on 3 July. After that the leading share index dropped to some 9,000 points at the beginning of August, scored an interim high of 9,800 points in mid-September and went down again to some 8,600 points in October. The index was up to roughly 9,300 points once more by the end of October. The key drivers of this volatile price performance were above all the dynamic development of the Ukraine conflict, the crisis in the Middle East and inconsistent economic indicators.

The share of OVB Holding AG started the year 2014 with a price of Euro 20.40. At low trading, the price fluctuated and went down to Euro 17.10 by mid-August; at the end of October the price was Euro 17.60. Only 3.19 per cent of the shares of OVB Holding AG are free float so that the trading volume and thus the significance of the share price are closely limited. In September 2014 for instance only 331 OVB shares were traded on Xetra.

OVB Holding AG released its half-year report 2014 on 13 August 2014. At the conference call with investors and analysts conducted that day, primarily the strong performance of business operations in the second quarter received a lot of attention.

#### OVB share data

WKN/ISIN Code	628656 / DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B / O4BG.DE / O4B:GR	
Type of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra closing price		
Beginning of year	Euro 20.40	(02/01/2014)
High	Euro 20.80	(16/01/2014)
Low	Euro 17.10	(14/08/2014)
Last	Euro 17.725	(30/09/2014)
Market capitalisation	Euro 253 million	(30/09/2014)

## Interim group management report of OVB Holding AG

### Course of business

Throughout Europe, OVB stands for the interdisciplinary, competent and comprehensive financial advice primarily of private households based on a long-term approach. OVB's mission statement is this: simply better allfinanz solutions! OVB fulfils its clients' individual needs for retirement provision, asset and property protection as well as asset generation and wealth management with competitive products offered by more than 100 high-capacity product providers.

The OVB business model is based on the AAS approach (Analysis – Advice – Service). The identification and analysis of the client's financial situation form the basis of counselling. The advisor particularly asks for the client's wishes and goals and then creates a tailored solution in consideration of what is financially possible, a solution with a long-term horizon that is both affordable and sufficiently flexible. The OVB advisor accompanies his or her clients over many years. By constant reviews and adjustments of the financial decisions to all relevant changes in the clients' needs and the general framework, the resulting provision concepts are suited to the clients' demand and aligned with their respective situation in life. Regular client support makes particularly obvious how pressing the area of conflict has become for our clients when it comes to decide in favour of the necessary long-term provision or rather to maintain it and thus putting short-term consumer desires on hold. Currently the low interest rate level adds to it that provision and investment decisions in interaction with financial security, profitability and availability become special challenges both for clients and brokers as well as for product providers.

OVB is active in 14 countries of Europe at present. 5,231 full-time OVB advisors give advice and support to 3.15 million clients. The Group's broad European positioning stabilises OVB's business performance and opens up growth potential in many respects. OVB's 14 national markets are different in terms of structure, development status and size. OVB has a strong market position in a number of countries – especially in Central and Eastern Europe; particularly in these countries market penetration is still relatively low

and the growth potential for per capita income is particularly high.

At the end of September 2014 the OVB Group had altogether 423 employees (previous year: 430 employees) in the holding company, the head offices of the subsidiaries and the service companies. Based on efficient structures and processes, they perform management and administrative tasks for the Group and the subsidiaries and provide IT and marketing services.

### Macroeconomic environment

The sale of financial products in Europe is more difficult now than it was in former years. Although the economic recession in the euro area seems to bottom out, the financial situation of many private households especially in some of the Southern, Central and Eastern European countries remains tight.

The uncertainty as a result of the debt crisis of some member states of the euro area have faded to a large extent. A factor of sustained negative impact is the interest rate level, kept deliberately low by the central banks, thus decreasing the interest expense of highly indebted countries but making the generation of assets for private provision more difficult. Many financial products currently have only a minimum return, which is then even consumed by the price increase entirely or in part. Especially for the sale of financial products, the current debate on commission versus fee-based compensation for financial advice is also not helpful. However, an almost inscrutable product offering, barely comprehensible conditions for state subsidies and the necessity of a continuous review of financial decisions once made in view of changing needs and life situations increase the demand for cross-thematic personal advice. From OVB's vantage, the market for private provision therefore offers long-term market potential and opportunities for growth despite the currently challenging environment.

Changes in the income situation of private households, the situation in the labour market and the macroeconomic development affect OVB's business performance. Of particular relevance are also changes in the general conditions

for personal financial planning, such as pension reforms in specific countries. The global economy continues its upward trend while it has lost some of its momentum over the past few months. The International Monetary Fund (IMF) anticipates in its autumn forecast that the global economic growth will come to 3.3 per cent in 2014 just like the previous year. The national economies of the eurozone, whose economic performance still dropped 0.4 per cent in 2013, are expected to expand by 0.8 per cent, thus slower than anticipated at the beginning of the year. For 2015 the IMF predicts economic growth of 1.3 per cent for these countries.

OVB's Central and Eastern Europe segment comprises the national markets of Croatia, Czech Republic, Hungary,

Poland, Romania, Slovakia and the Ukraine; with roughly 54 per cent, the Group generated more than half of its total sales commission in 2013 in this segment. Following a weaker year 2013, the economy has been revived in 2014 in many regions of Central Europe, driven by domestic demand. The increase in prices is still modest; inflation is only expected to rise slightly in 2015. The public budget deficits remain below the three per cent threshold in most countries. However, the economic situation in Croatia remains characterised by stagnation and structural problems. Ukraine continues to be in a difficult economic situation because of the persisting political and military conflicts whose effects on the neighbouring countries has been limited so far.

#### Macroeconomic key data, Central and Eastern Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit in % of the GDP	
	2014e	2015f	2014e	2015f	2014e	2015f
Croatia	- 0.8	0.0	0.0	1.5	- 4.8	- 4.5
Czech Republic	2.6	2.4	0.5	1.9	- 1.5	- 2.1
Hungary	3.0	2.5	0.3	2.2	- 2.9	- 2.9
Poland	3.1	3.2	0.3	1.7	- 3.2	- 2.7
Romania	2.0	2.7	1.2	2.2	- 2.3	- 2.3
Slovakia	2.7	3.0	0.0	1.0	- 2.6	- 2.5
Ukraine	- 7.0	- 2.0	11.3	13.0	- 10.0	- 6.0

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 4<sup>th</sup> quarter 2014

The German market accounted for roughly 30 per cent of OVB's total sales commission in 2013. Especially the weaker global economy and guarded domestic investing activities curb the economic performance in Germany. The economic output will probably gain 1.3 per cent in 2014 while economic growth of about 2 per cent had been expected at the beginning of the year. A growth rate of 1.2 per cent is anticipated for next year. Still the situation in the labour market remains favourable; employees can count on a notable increase in real income.

The national markets of Austria, France, Greece, Italy, Spain and Switzerland represent the OVB segment "Southern and Western Europe", contributing some 16 per cent to the OVB Group's total sales commission in 2013. The economic situation has deteriorated for this group of countries in the course of the year 2014. The lack of willingness to implement reforms that prevails in several countries, above all France and Italy, and the companies' cautious investing activity have so far resulted in disappointing economic data. A radical improvement in this respect cannot be reckoned with for 2015, either. By comparison, Spain, Austria and Switzerland can be expected to perform above average.

## Macroeconomic key data, Southern and Western Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit in % of the GDP	
	2014e	2015f	2014e	2015f	2014e	2015f
Austria	0.9	1.2	1.5	1.7	- 2.6	- 1.4
France	0.4	0.9	0.7	1.3	- 4.0	- 3.6
Greece	0.0	2.0	- 1.0	- 0.5	- 1.6	- 1.2
Italy	- 0.2	0.7	0.0	0.3	- 3.0	- 2.5
Spain	1.3	2.0	0.0	0.7	- 5.4	- 5.0
Switzerland	1.3	1.8	0.1	0.6	0.3	0.5

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Global Markets, 4<sup>th</sup> quarter 2014

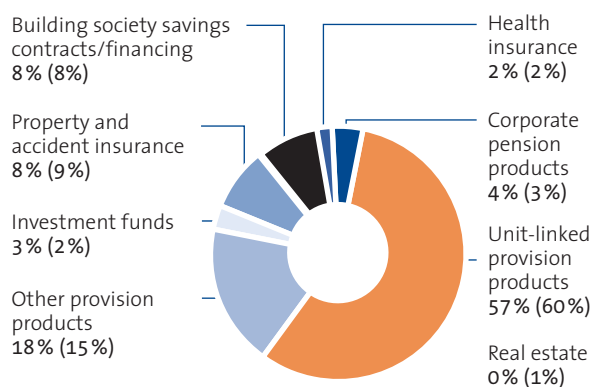
## Business performance

The OVB Group's total sales commission came to the amount of Euro 156.0 million in the period from January to September 2014. This equals a 3.3 per cent gain over the prior-year amount of Euro 151.0 million. A considerable stimulation of business was reported for a large number of national markets. At the end of September OVB supported 3.15 million clients in 14 European countries (previous year: 3.03 million clients). The number of financial advisors working for OVB went up from 4,951 sales agents twelve months ago by 5.7 per cent to now 5,231 advisors. They brokered 373,066 new contracts altogether from January to September 2014, after 349,884 contracts in the previous year's comparative period. Client demand kept its focus primarily on unit-linked provision products, accounting for 57 per cent of the new business (previous year: 60 per cent). For an assessment of this development it must be considered that OVB changed the classification of individual products to product groups in the year 2014.

### Central and Eastern Europe

Brokerage income went down in the Central and Eastern Europe segment from Euro 83.1 million in the previous year by 3.7 per cent to Euro 80.0 million in the reporting period. Declining sales in the Czech Republic and Ukraine were contrasted by very good sales successes in almost all the other national markets of this segment, above all in Hungary, Poland, Slovakia and Romania. The number of OVB clients expanded within one year from 2.06 million to 2.17 million. Their advice and support is in the hands of 3,284 full-time OVB financial advisors (previous year: 3,128 financial advisors). Clients in this segment focused strongly on unit-linked provision products, accounting for 74 per cent of the new business (previous year: 77 per cent).

### Breakdown of income from new business 1-9/2014 (1-9/2013)



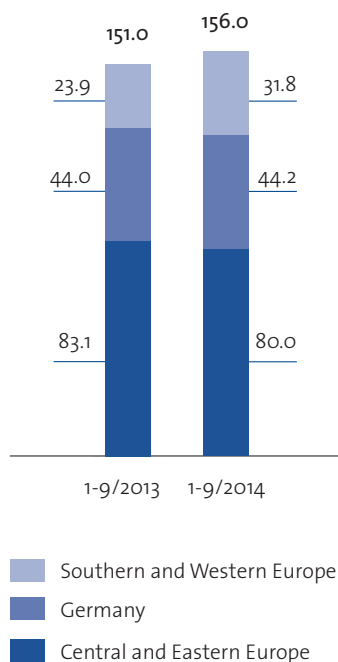
### Germany

The business performance in the Germany segment over the first nine months of 2014 was stable in year-over-year comparison: Total sales commission earned in this segment went up slightly by 0.3 per cent from Euro 44.0 million to Euro 44.2 million. The number of financial advisors working for OVB remained virtually unchanged at 1,371 advisors compared to 1,375 sales agents twelve months prior. The number of clients came to 628,867 as of the reporting date. Their product demand corresponds to the portfolio of the OVB business model: 30 per cent of the new business encompassed unit-linked provision products (previous year: 28 per cent), other provision products accounted for another 30 per cent (previous year: 30 per cent), 15 per cent involved property, legal expenses and accident insurance policies (previous year: 17 per cent) and products in the category of building society savings contracts/financing accounted for 11 per cent of new business (previous year: 10 per cent).

### Southern and Western Europe

The business performance in the Southern and Western Europe segment, already dynamic so far this year, maintained its pace in the third quarter: Total sales commission generated altogether from January to September 2014 climbed by 33.1 per cent from Euro 23.9 million in the previous year to Euro 31.8 million; Spain for example almost doubled its result. Business in Italy and Switzerland also showed very strong growth. The number of clients rose by 9.7 per cent to 353,253 clients (previous year: 321,921 clients). Client support is provided by currently 576 financial advisors, as compared to 448 advisors the year before. The clients' interest focused primarily on unit-linked provision products at 41 per cent of the new business (previous year: 47 per cent) and other provision products at 24 per cent (previous year: 23 per cent).

**Total sales commission by region**  
Euro million, figures rounded



### Profit/loss

In the first nine months of financial year 2014, the OVB Group generated total sales commission in the amount of Euro 156.0 million. The sales performance was thus 3.3 per cent ahead of

the prior-year amount of comparison, Euro 151.0 million. The share of commission based on direct contractual relationships between product partners and the sales force, applying exclusively to the Germany segment, amounted to Euro 12.1 million after Euro 10.3 million in the previous year. Income from the brokerage of financial products recognised in the income statement reached Euro 143.9 million and was thus up 2.3 per cent from the prior-year amount of Euro 140.7 million. However, other operating income went down from Euro 6.7 million year-over-year to Euro 5.3 million.

The increase in brokerage expenses was disproportionately low in relation to sales, going up 1.2 per cent from Euro 92.8 million to Euro 93.9 million. At Euro 19.3 million, personnel expenses for the Group's employees remained virtually constant (previous year: Euro 19.1 million). Depreciation and amortisation showed only a slight increase from Euro 1.9 million to Euro 2.3 million. Other operating expenses in the Group were reduced further by 5.2 per cent to Euro 25.4 million due to cost discipline observed across all expense items (previous year: Euro 26.8 Million).

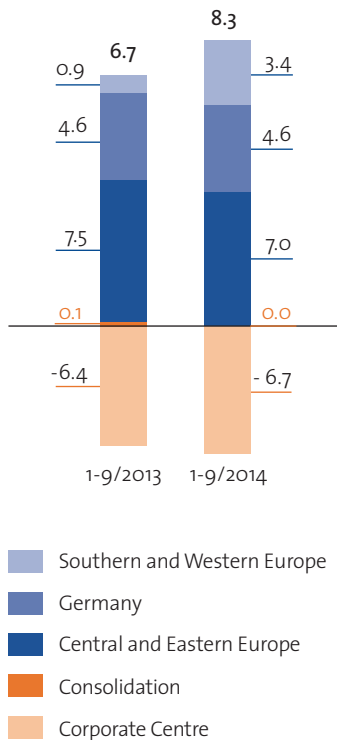
The OVB Group's operating result reached Euro 8.3 million for the period from January to September 2014, after Euro 6.7 million for the prior-year period of comparison. The reason for this improvement by 23.4 per cent is the year-over-year multiplication of earnings in the Southern and Western Europe segment from Euro 0.9 million to Euro 3.4 million. The subsidiaries in Spain, Italy and Switzerland managed to expand their respective contributions to earnings considerably. Earnings before interest and taxes (EBIT) of the Germany segment remained constant year-over-year at Euro 4.6 million. The operating result generated in the Central and Eastern Europe segment went down from Euro 7.5 million to Euro 7.0 million. Declining performances in some countries with challenging general conditions are contrasted by satisfying improvements of earnings reported by other subsidiaries. In total the Group's EBIT margin with respect to total sales commission increased to 5.3 per cent for the reporting period as compared to 4.4 per cent in the prior-year period of comparison.

Partly due to the low interest level in the money and capital markets, finance income and finance expenses both went down; the financial result was reduced from Euro 0.6 million to Euro 0.5 million. Considering the income tax increase by Euro 0.4 million to Euro 2.3 million (previous year: Euro 1.9 million), the consolidated net income after non-controlling interests increased significantly from Euro 5.4 million in the previous year by 20.3 per cent to Euro 6.5 million in the reporting period. Earnings per share rose from Euro 0.38 to Euro 0.45, based respectively on 14,251,314 ordinary shares.



### Earnings before interest and taxes (EBIT) by segment

Euro million, figures rounded



the respective dividend. Cash and cash equivalents as of 30 September were up year-over-year from Euro 30.6 million to Euro 36.6 million.

### Assets and liabilities

Total assets of OVB Holding AG went up from Euro 146.7 million as of 31 December 2013 to Euro 149.3 million as of 30 September 2014. Among non-current assets, intangible assets were primarily on the increase due to the acquisition of advisory software. The increase in current assets was principally determined by the rise in the item of securities and other investments; in contrast to that, cash and cash equivalents were on a decline.

Equity of the OVB Group was reduced only slightly by the payment of the dividend on account of net retained profits – contrasted by the positive net income for the period – from Euro 83.0 million to Euro 81.6 million. In other words: A dividend in the amount of the previous year's distribution has been largely earned again after nine months. The Company's equity ratio came to 54.6 per cent as of 30 September 2014 after 56.6 per cent at the end of the year 2013. Non-current liabilities remained at a low level of Euro 1.8 million. The OVB Group's financial position is very solid. In line with the positive business performance, current liabilities gained Euro 4.1 million to Euro 66.0 million.

### Financial position

The OVB Group's cash flow from operating activities tripled year-over-year from Euro 4.2 million to Euro 12.6 million. This development is essentially accountable for by three reasons: an increase in provisions over the current year as compared to a decrease in the year before; an increase in trade payables and other liabilities in line with the stimulation of business; and the higher consolidated net income.

The cash flow from investing activities expanded its deficit from Euro 1.1 million to Euro 6.2 million. One reason for this is the increase in the portfolio of securities and other short-term investments by Euro 3.8 million within the framework of portfolio dispositions. On the other hand, capital expenditures for intangible assets went up by Euro 1.9 million to Euro 2.8 million in connection to the acquisition of advisory software.

In both reporting period and prior-year period, the cash flow from financing activities reported a cash outflow in the amount of Euro 7.9 million due primarily to the payment of

### Subsequent events

No transactions or events of relevance to an appraisal of the OVB Group's assets, liabilities, financial position and profit or loss have occurred since 30 September 2014.

### Opportunities and risks

The companies of the OVB Group identify various business opportunities and face risks of different kinds of course. The risks have not changed materially since the preparation of the 2013 financial statements; they are described in detail in the Annual Report 2013, in particular in the chapter "Report on opportunities and risks". From today's perspective, going concern risks arise neither from individual risks nor from the OVB Group's overall risk position.

For more than forty years now, OVB's business model and business success have been based on the high relevance

of private provision, financial security and asset accumulation throughout Europe. OVB assumes that the demand for its services and the financial and insurance products brokered by OVB's sales force will hold up. On the one hand, citizens remain aware of the necessity for private provision; on the other hand, the general capability of saving money and the general willingness to do so define a certain limit.

The coincidence of low birth rates in many countries and a generally increasing life expectancy is making it difficult to sustain pay-as-you-go social security systems; thus the demand for private provision generally increases. OVB recognises opportunities for deeper market penetration in all of the markets in which the Group already operates; OVB intends to exploit this growth potential consistently. Apart from expanding business in already developed markets, OVB will move into new promising markets if the general conditions appear favourable. Consolidation within the industry offers even more business opportunities and OVB intends to play an active role in this process.

It has never been more important to take private provision measures and receive accompanying advice. Yet the demand for private provision measures is currently blanketed by a number of political, economic and social factors that have a negative effect on the urgently needed savings efforts of private households. Particularly noteworthy among those factors are:

- persisting distrust toward the financial services industry and its products as a result of the financial crisis of 2008/2009;

- the deliberate ongoing reduction of the interest level by the central banks, aimed at bringing relief to highly indebted countries but barely permitting any positive real interest yield on savings and plan assets at present;
- excessive criticism of commission-based financial advice, ignoring the weak points of a fee-based advisory service;
- heavy government regulation, often yielding counterproductive effects.

These factors are making the sale of financial products difficult; thus OVB's financial advisors are facing the challenge to work against those negative aspects. However, OVB is convinced that macroeconomic and social necessities will have the consequence that the people in Europe will spend more on private retirement provision.

## Outlook

Even though the prospects for the 2014/2015 macroeconomic performance in Europe have dimmed somewhat, the economic situation of the private households – OVB's main target group – can generally be expected to improve. Following an anticipated weaker first quarter, OVB's business performance has noticeably picked up speed over the second and the third quarter of 2014 on the whole. We are therefore confident that we will meet our targets for the full year: a slight increase in sales over 2013 and a significantly higher operating result on this basis.



Michael Rentmeister  
CEO



Oskar Heitz  
CFO



Mario Freis  
CSO



Thomas Hücker  
COO

## Consolidated statement of financial position

of OVB Holding AG as at 30 September 2014, prepared in accordance with IFRS

### Assets

EUR'000	30/09/2014	31/12/2013
<b>Non-current assets</b>		
Intangible assets	11,325	10,143
Property, plant and equipment	4,672	5,011
Investment property	580	580
Financial assets	239	397
Deferred tax assets	5,284	5,151
	<b>22,100</b>	<b>21,282</b>
<b>Current assets</b>		
Trade receivables	22,176	21,644
Receivables and other assets	27,676	28,177
Income tax assets	2,023	2,296
Securities and other financial assets	38,737	34,961
Cash and cash equivalents	36,615	38,370
	<b>127,227</b>	<b>125,448</b>
<b>Total assets</b>	<b>149,327</b>	<b>146,730</b>

### Equity and liabilities

EUR'000	30/09/2014	31/12/2013
<b>Equity</b>		
Subscribed capital	14,251	14,251
Capital reserve	39,342	39,342
Treasury shares	0	0
Revenue reserves	13,820	13,785
Other reserves	823	865
Non-controlling interests	118	152
Net retained profits	13,231	14,647
	<b>81,585</b>	<b>83,042</b>
<b>Non-current liabilities</b>		
Liabilities to banks	225	241
Provisions	1,336	1,407
Other liabilities	132	87
Deferred tax liabilities	71	105
	<b>1,764</b>	<b>1,840</b>
<b>Current liabilities</b>		
Provisions for taxes	1,112	1,405
Other provisions	27,440	26,021
Income tax liabilities	1,188	306
Trade payables	6,868	6,724
Other liabilities	29,370	27,392
	<b>65,978</b>	<b>61,848</b>
<b>Total equity and liabilities</b>	<b>149,327</b>	<b>146,730</b>

## Consolidated income statement

of OVB Holding AG for the period from 1 January to 30 September 2014, prepared in accordance with IFRS

EUR'000	01/07– 30/09/2014	01/07– 30/09/2013	01/01– 30/09/2014	01/01– 30/09/2013
Brokerage income	48,221	46,388	143,943	140,661
Other operating income	1,742	2,075	5,335	6,711
<b>Total income</b>	<b>49,963</b>	<b>48,463</b>	<b>149,278</b>	<b>147,372</b>
Brokerage expenses	-31,285	-30,409	-93,935	-92,847
Personnel expenses	-6,536	-6,169	-19,339	-19,096
Depreciation and amortisation	-857	-643	-2,293	-1,905
Other operating expenses	-7,741	-8,390	-25,442	-26,822
<b>Earnings before interest and taxes (EBIT)</b>	<b>3,544</b>	<b>2,852</b>	<b>8,269</b>	<b>6,702</b>
Finance income	154	235	573	755
Finance expense	-25	-16	-81	-147
<b>Financial result</b>	<b>129</b>	<b>219</b>	<b>492</b>	<b>608</b>
<b>Consolidated income before income tax</b>	<b>3,673</b>	<b>3,071</b>	<b>8,761</b>	<b>7,310</b>
Taxes on income	-988	-610	-2,338	-1,945
<b>Consolidated net income</b>	<b>2,685</b>	<b>2,461</b>	<b>6,423</b>	<b>5,365</b>
Non-controlling interests	-13	1	34	3
<b>Consolidated net income after non-controlling interests</b>	<b>2,672</b>	<b>2,462</b>	<b>6,457</b>	<b>5,368</b>
Earnings per share (basic/diluted) in EUR	0.19	0.17	0.45	0.38

## Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 30 September 2014, prepared in accordance with IFRS

EUR'000	01/07– 30/09/2014	01/07– 30/09/2013	01/01– 30/09/2014	01/01– 30/09/2013
<b>Consolidated net income</b>	<b>2,685</b>	<b>2,461</b>	<b>6,423</b>	<b>5,365</b>
Change in revaluation reserve	64	-14	100	-114
Change in deferred taxes on unrealised gains and losses from financial assets	1	-2	0	16
Change in currency translation reserve	-10	54	-142	-79
<b>Other comprehensive income to be reclassified to the income statement</b>	<b>55</b>	<b>38</b>	<b>-42</b>	<b>-177</b>
Non-controlling interests in total comprehensive income	-13	1	34	3
<b>Total comprehensive income</b>	<b>2,727</b>	<b>2,500</b>	<b>6,415</b>	<b>5,191</b>

## Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 30 September 2014, prepared in accordance with IFRS

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
Consolidated net income (before non-controlling interests)	6,423	5,365
-/+ Increase/decrease in non-controlling interests	34	3
+/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	2,293	1,904
-/+ Unrealised currency gains/losses	181	267
+/- Increase in/reversal of provision for impairment of receivables	2,255	1,690
-/+ Increase/decrease in deferred tax assets	-133	60
+/- Increase/decrease in deferred tax liabilities	-34	-8
- Other finance income	-120	-114
- Interest income	-453	-640
+/- Increase/decrease in provisions	1,055	-2,592
+/- Increase/decrease of unrealised gains/losses in equity (net)	100	-98
+/- Expenses/income from the disposal of intangible and tangible assets (net)	-21	-16
+/- Decrease/increase in trade receivables and other assets	-2,014	-2,798
+/- Increase/decrease in trade payables and other liabilities	3,046	1,194
<b>= Cash flow from operating activities</b>	<b>12,613</b>	<b>4,217</b>
+ Proceeds from the disposal of property, plant and equipment and intangible assets	446	95
+ Proceeds from the disposal of financial assets	301	204
- Purchases of tangible assets	-764	-988
- Purchases of intangible non-current assets	-2,815	-908
- Purchases of financial assets	-146	-229
+/- Decrease/increase in securities and other short-term investments	-3,776	-66
+ Other finance income	120	114
+ Interest received	453	640
<b>= Cash flow from investing activities</b>	<b>-6,181</b>	<b>-1,138</b>
- Dividends paid	-7,838	-7,838
+/- Increase/decrease in non-controlling interests	-34	-3
+/- Proceeds from the issue of bonds and taking out (financial) loans	-16	-41
<b>= Cash flow from financing activities</b>	<b>-7,888</b>	<b>-7,882</b>
<b>Overview:</b>		
Cash flow from operating activities	12,613	4,217
Cash flow from investing activities	-6,181	-1,138
Cash flow from financing activities	-7,888	-7,882
<b>= Net change in cash and cash equivalents</b>	<b>-1,456</b>	<b>-4,803</b>
Exchange gains/losses on cash and cash equivalents	-300	-295
+ Cash and cash equivalents at end of the prior year	38,370	35,726
<b>= Cash and cash equivalents at the end of the period</b>	<b>36,614</b>	<b>30,627</b>
Income tax paid	2,950	3,654
Interest paid	29	43

## Consolidated statement of changes in equity

of OVB Holding AG as at 30 September 2014, prepared in accordance with IFRS

EUR'000	Subscribed capital	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve
<b>Balance as at 31/12/2013</b>	<b>14,251</b>	<b>39,342</b>	<b>6,626</b>	<b>2,653</b>	<b>11,132</b>	<b>183</b>
Consolidated profit			8,021			
Treasury shares						
Corporate actions						
Dividends paid			-7,838			
Change in available-for-sale reserve						100
Transfer to other reserves			-35		35	
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
<b>Balance as at 30/09/2014</b>	<b>14,251</b>	<b>39,342</b>	<b>6,774</b>	<b>2,653</b>	<b>11,167</b>	<b>283</b>

of OVB Holding AG as at 30 September 2013, prepared in accordance with IFRS

EUR'000	Subscribed capital	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve
<b>Balance as at 31/12/2012</b>	<b>14,251</b>	<b>39,342</b>	<b>6,341</b>	<b>2,649</b>	<b>10,997</b>	<b>349</b>
Consolidated profit			8,262			
Treasury shares						
Corporate actions						
Dividends paid			-7,838			
Change in available-for-sale reserve						-114
Transfer to other reserves			-135		135	
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
<b>Balance as at 30/09/2013</b>	<b>14,251</b>	<b>39,342</b>	<b>6,630</b>	<b>2,649</b>	<b>11,132</b>	<b>235</b>

Reserve from provisions for pensions	Deferred taxes on unrealised gains/losses	Currency translation reserve	Net income recognised directly in equity	Consolidated net income after non-controlling interests	Total comprehensive income	Non-controlling interests	Total
-259	53	888		8,021		152	83,042
				-8,021			
							-7,838
			100		100		100
		-142	-142		-142		-142
				6,457	6,457	-34	6,423
-259	53	746	-42	6,457	6,415	118	81,585

Reserve from provisions for pensions	Deferred taxes on unrealised gains/losses	Currency translation reserve	Net income recognised directly in equity	Consolidated net income after non-controlling interests	Total comprehensive income	Non-controlling interests	Total
-216	14	1,239		8,262		150	83,377
				-8,262			
							-7,838
	16		-98		-98		-98
		-79	-79		-79		-79
				5,368	5,368	-3	5,365
-216	30	1,160	-177	5,368	5,191	147	80,727

## Segment reporting

of OVB Holding AG for the period from 1 January to 30 September 2014, prepared in accordance with IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
<b>Segment income</b>						
Income from business with third parties						
- Brokerage income	80,031	32,122	31,790	0	0	143,943
Other operating income	793	2,576	1,061	836	69	5,335
Income from inter-segment transactions	10	739	1	5,171	-5,921	0
<b>Total segment income</b>	<b>80,834</b>	<b>35,437</b>	<b>32,852</b>	<b>6,007</b>	<b>-5,852</b>	<b>149,278</b>
<b>Segment expenses</b>						
Brokerage expense						
- Current commission for sales force	-51,744	-14,666	-18,282	0	0	-84,692
- Other commission for sales force	-4,569	-2,530	-2,144	0	0	-9,243
Personnel expenses	-4,987	-5,874	-2,648	-5,830	0	-19,339
Depreciation/amortisation	-602	-454	-187	-1,050	0	-2,293
Other operating expenses	-11,921	-7,310	-6,221	-5,829	5,839	-25,442
<b>Total segment expenses</b>	<b>-73,823</b>	<b>-30,834</b>	<b>-29,482</b>	<b>-12,709</b>	<b>5,839</b>	<b>-141,009</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>7,011</b>	<b>4,603</b>	<b>3,370</b>	<b>-6,702</b>	<b>-13</b>	<b>8,269</b>
Interest income	169	138	73	163	-90	453
Interest expenses	-29	-109	-21	-7	90	-76
Other financial result	0	41	17	57	0	115
<b>Earnings before taxes (EBT)</b>	<b>7,151</b>	<b>4,673</b>	<b>3,439</b>	<b>-6,489</b>	<b>-13</b>	<b>8,761</b>
Taxes on income	-1,249	26	-1,102	-13	0	-2,338
Non-controlling interests	0	0	0	34	0	34
<b>Segment result</b>	<b>5,902</b>	<b>4,699</b>	<b>2,337</b>	<b>-6,468</b>	<b>-13</b>	<b>6,457</b>
<b>Additional disclosures</b>						
Capital expenditures	693	252	281	2,353	0	3,579
Material non-cash expenses (-) and income (+)	924	429	-324	-3	0	1,026
Impairment expenses	-770	-1,692	-347	-32	0	-2,841
Reversal of impairment loss	63	607	7	59	0	736



## Segment reporting

of OVB Holding AG for the period from 1 January to 30 September 2013, prepared in accordance with IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
<b>Segment income</b>						
Income from business with third parties						
- Brokerage income	83,079	33,705	23,877	0	0	140,661
Other operating income	2,142	2,468	989	1,135	-23	6,711
Income from inter-segment transactions	21	1,034	1	4,869	-5,925	0
<b>Total segment income</b>	<b>85,242</b>	<b>37,207</b>	<b>24,867</b>	<b>6,004</b>	<b>-5,948</b>	<b>147,372</b>
<b>Segment expenses</b>						
Brokerage expense						
- Current commission for sales force	-53,914	-15,862	-13,807	0	0	-83,583
- Other commission for sales force	-4,522	-3,154	-1,627	0	39	-9,264
Personnel expenses	-5,188	-5,828	-2,512	-5,568	0	-19,096
Depreciation/amortisation	-540	-471	-197	-697	0	-1,905
Other operating expenses	-13,604	-7,279	-5,784	-6,108	5,953	-26,822
<b>Total segment expenses</b>	<b>-77,768</b>	<b>-32,594</b>	<b>-23,927</b>	<b>-12,373</b>	<b>5,992</b>	<b>-140,670</b>
<b>Earnings before interest and taxes (EBIT)</b>						
	<b>7,474</b>	<b>4,613</b>	<b>940</b>	<b>-6,369</b>	<b>44</b>	<b>6,702</b>
Interest income	289	148	79	271	-147	640
Interest expenses	-37	-167	-45	-9	147	-111
Other financial result	0	37	31	11	0	79
<b>Earnings before taxes (EBT)</b>	<b>7,726</b>	<b>4,631</b>	<b>1,005</b>	<b>-6,096</b>	<b>44</b>	<b>7,310</b>
Taxes on income	-1,688	-7	-332	83	0	-1,945
Non-controlling interests	0	0	0	3	0	3
<b>Segment result</b>	<b>6,038</b>	<b>4,624</b>	<b>673</b>	<b>-6,010</b>	<b>44</b>	<b>5,368</b>
<b>Additional disclosures</b>						
Capital expenditures	636	433	192	635	0	1,896
Material non-cash expenses (-) and income (+)	1,083	616	-364	-2	0	1,333
Impairment expenses	-599	-1,360	-477	-168	0	-2,604
Reversal of impairment loss	128	422	80	37	0	666

# IFRS interim consolidated financial statements

## Notes as at 30 September 2014

### I. GENERAL INFORMATION

#### 1. General information on the OVB Group

The condensed interim consolidated financial statements for the third quarter of 2014 are released for publication as of 12 November 2014 pursuant to Executive Board resolution passed today.

The parent company of the OVB Group (hereinafter referred to as "OVB") is OVB Holding AG, Cologne, recorded in the Commercial Register maintained at the Local Court (Amtsgericht) of Cologne, Reichenspergerplatz 1, 50670 Cologne, under registration number HRB 34649. OVB Holding AG has its registered office at Heumarkt 1, 50667 Cologne.

#### 2. Accounting principles

Pursuant to IAS 34 "Interim Financial Reporting", the condensed interim consolidated financial statements for the third quarter of 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, released by the International Accounting Standards Board (IASB), and they are meant to be read in conjunction with the consolidated financial statements for the year ended 31 December 2013.

The accounting standards applied generally correspond to those applied for the preparation of the consolidated financial statements for the year ended 31 December 2013, with the exception of the amended or new standards and interpretations to be applied in the 2014 financial year for the first time.

In financial year 2014 the following new or amended IFRS accounting standards are subject to first-time application by the OVB Group:

- First-time application of IFRS 10 "Consolidated Financial Statements"
- First-time application of IFRS 11 "Joint Arrangements"
- First-time application of IFRS 12 "Disclosure of Interests in Other Entities"
- Amendment to IAS 28 "Investments in Associates and Joint Ventures"
- Amendment to IAS 32 "Financial Instruments: Presentation"
- Amendment to IAS 36 "Impairment of Assets"

The first-time application of the new accounting standards did not result in changes with any effect on the presentation of the OVB Group's assets, liabilities, financial position and profit or loss.

The valuation principles correspond to those applied as of 31 December 2013. All book values of the financial assets equal the respective fair value. Securities continue to be measured at level 1, the respective market price, in accordance with IFRS 13.

The interim consolidated financial statements were prepared in euro (EUR). All amounts are rounded up or down to EUR thousand (EUR'000) according to standard rounding unless otherwise stated. Due to the presentation in full EUR'000 amounts, rounding differences may occur in individual cases as a result of the addition of stated separate amounts.

## II. SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Significant reportable events in accordance with IAS 34 (e.g. exceptional business transactions, initiation of restructuring measures or discontinuation of operations) did not occur.

## III. NOTES TO THE STATEMENT OF FINANCIAL POSITION AND THE STATEMENT OF CASH FLOWS

### 1. Securities and other investments

EUR'000		30/09/2014	31/12/2013
Securities	AfS	5,201	5,039
Other investments	L+R	33,536	29,923
		<b>38,737</b>	<b>34,961</b>

L+R = Loans and Receivables

AfS = Available for Sale

### 2. Cash and cash equivalents

Cash and cash equivalents can be broken down as follows for the purpose of the consolidated statement of cash flows:

EUR'000		30/09/2014	30/09/2013
Cash		62	45
Cash equivalents		36,553	30,582
Current liabilities to banks		-1	0
		<b>36,614</b>	<b>30,627</b>

Cash includes the group companies' cash in hand in domestic and foreign currencies as of the quarter closing date, translated into euros.

Cash equivalents are assets that can be converted into cash immediately. Cash equivalents include bank balances in domestic and foreign currencies with maturities of three months or less, cheques and stamps. Cash equivalents are measured at face value; foreign currencies are measured in euros as of the closing date.

Liabilities to banks payable on demand are included in the balance of cash and cash equivalents itemized in the statement of cash flows.

### 3. Share capital

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251,314.00, unchanged from 31 December 2013. It is divided into 14,251,314 no-par ordinary bearer shares.

#### 4. Dividend

Distributable amounts relate to the net retained profits of OVB Holding AG as determined in compliance with German commercial law.

The appropriation of the net retained profits of OVB Holding AG for financial year 2013 was resolved by the Annual General Meeting on 6 June 2014.

On 10 June 2014 a dividend in the amount of EUR 7,838 thousand was distributed to the shareholders, equivalent to EUR 0.55 per share (previous year: EUR 0.55 per share).

##### EUR'000

Distribution to shareholders	7,838
Profit carry-forward	5,947
<b>Net retained profits</b>	<b>13,785</b>

#### 5. Treasury stock

OVB Holding AG did not hold any treasury shares as of the reporting date. In the period between the quarter closing date and the preparation of the interim consolidated financial statements, no transactions involving the Company's ordinary shares or options to its ordinary shares took place.

At the Annual General Meeting of OVB Holding AG held on 11 June 2010, the shareholders authorised the Executive Board, subject to the Supervisory Board's consent, to acquire up to 300,000 of the Company's bearer shares in the period up to and including 10 June 2015, in one or several transactions. Shares acquired on the basis of this resolution may also be retired.

## IV. NOTES TO THE INCOME STATEMENT

### 1. Income and expenses

Sales are generally recognised at the time the agreed deliveries and performances have been provided and the claim for payment has arisen against the respective product partner. In case of uncertainty with respect to the recognition of sales, the actual cash inflow is regarded. If commission is refunded to product partners, adequate provisions are made on the basis of historical figures (provisions for cancellation risk). Changes in provisions for cancellation risk are recognised on account of sales.

In the case of commission received in instalments, back payments can usually be expected for subsequent years after conclusion of the contract. Such commission is capitalised at the fair value of the received or claimable amount at the time the claim for payment arises.

The offsetting expense items are recognised on an accrual basis.

### 2. Brokerage income

All income from product partners is recognised as brokerage income. Apart from commission, this item also includes bonuses and other sales-related benefits paid by product partners as well as changes in provisions for cancellation risk.

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
Brokerage income	143,943	140,661

### 3. Other operating income

Other operating income includes e.g. refunds paid by financial advisors for workshop participation, the use of materials and the lease of IT equipment as well as the reimbursement of costs paid by partner companies and all other operating income not to be recorded as brokerage income.

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
Other operating income	5,335	6,711

### 4. Brokerage expenses

This item includes all payments to financial advisors. Current commission encompasses all directly performance-based commission, i.e. new business commission, dynamic commission and policy service commission. Other commission includes all other commission paid for a specific purpose, e.g. other performance-based remuneration.

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
Current commission	84,692	83,582
Other commission	9,243	9,265
	<b>93,935</b>	<b>92,847</b>

### 5. Personnel expense

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
Wages and salaries	16,180	15,888
Social security	2,945	2,918
Pension plan expenses	214	290
	<b>19,339</b>	<b>19,096</b>

### 6. Depreciation and amortisation

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
Amortisation of intangible assets	1,320	1,055
Depreciation of property, plant and equipment	973	850
	<b>2,293</b>	<b>1,905</b>

### 7. Other operating expenses

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
Sales and marketing expenses	12,256	11,527
Administrative expenses	11,448	13,490
Non-income-based tax	1,401	395
Miscellaneous operating expenses	337	1,410
	<b>25,442</b>	<b>26,822</b>

## 8. Taxes on income

Actual and deferred tax is determined on the basis of the income tax rates applicable in the respective countries. Actual income taxes were recognised on the basis of the best estimate of the weighted average of the annual income tax rate expected for the full year. Deferred taxes were calculated on the basis of the expected applicable future tax rate.

The main components of the income tax expense are the following items as reported in the consolidated income statement:

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
Actual income tax	2,509	1,928
Deferred income tax	-171	17
	<b>2,338</b>	<b>1,945</b>

## 9. Earnings per share

Basic/diluted earnings per share are determined on the basis of the following data:

EUR'000	01/01 – 30/09/2014	01/01 – 30/09/2013
<b>Net income for the period after non-controlling interests</b>		
Basis for basic/diluted earnings per share (net income for the period attributable to owners of the parent)	6,457	5,368
	01/01 – 30/09/2014	01/01 – 30/09/2013
<b>Number of shares</b>		
Weighted average number of shares for the calculation of basic/ diluted earnings per share	14,251,314	14,251,314
<b>Basic/diluted earnings per share in EUR</b>	<b>0.45</b>	<b>0.38</b>

## V. NOTES TO SEGMENT REPORTING

The principal business activity of OVB's operating subsidiaries consists of advising clients in structuring their finances and, in connection with that, in broking various financial products offered by insurance companies and other enterprises. It is not feasible to divide the advisory services provided to clients into sub-categories according to product types. Throughout the group companies there are no identifiable distinguishable key sub-activities at group level. In particular, it is not possible to present assets and liabilities separately for each brokered product. For this reason the individual companies are each categorised as single-product companies. Segment reporting is therefore provided exclusively on the basis of geographical considerations as internal reporting to group management and corporate governance are also exclusively structured according to these criteria. Thus the broking group companies represent operating segments for the purpose of IFRS 8, aggregated in three reportable segments. All companies not involved in brokerage service operations represent the "Corporate Centre" segment in compliance with the criteria for aggregation pursuant to IFRS 8.12. Compliant with the IFRS, internal reporting to group management equals a condensed presentation of the income statement which is presented more elaborately in segment reporting. The companies' earnings are monitored separately by group management in order to be able to measure and assess profitability. Segment assets and segment liabilities are not included in the presentation of segment reporting pursuant to IFRS 8.23 as they are not part of internal reporting.

The segment "Central and Eastern Europe" includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz a.s., Prague;

OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Spółka Finansowa Sp. z o.o., Warsaw; OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; EFCON Consulting s.r.o., Brno; EFCON s.r.o., Bratislava; and TOB OVB Allfinanz Ukraine, Kiev.

The segment "Germany" comprises OVB Vermögensberatung AG, Cologne and Eurenta Holding GmbH, Cologne.

The segment "Southern and Western Europe" represents the following companies: OVB Allfinanzvermittlungs GmbH, Wals/ Salzburg; OVB Vermögensberatung (Schweiz) AG, Cham; OVB-Consulenza Patrimoniale SRL, Verona; OVB Allfinanz España S.L., Madrid; OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas GmbH, Athens; OVB Conseils en patrimoine France Sàrl., Strasbourg; and Eurenta Hellas Monoprosopi EPE Asfalistiki Praktores, Athens.

The segment "Corporate Centre" includes: OVB Holding AG, Cologne; Nord-Soft EDV-Unternehmensberatung GmbH, Horst; Nord-Soft Datenservice GmbH, Horst; OVB Informatikai Kft., Budapest; MAC Marketing und Consulting GmbH, Salzburg; Advesto GmbH, Cologne; EF-CON Insurance Agency GmbH, Vienna; and OVB SW Services s.r.o., Prague. The companies of the Corporate Centre segment are not involved in broking financial products but concerned primarily with providing services to the OVB Group. The range of services particularly comprises management and consulting services, software and IT services as well as marketing services.

The separate segments are presented in segment reporting after elimination of inter-segment interim results and consolidation of expenses and income. Intra-group dividend distributions are not taken into account. Reconciliations of segment items with corresponding group items are made directly in the consolidation column in segment reporting. Recognition, disclosure and measurement of the consolidated items in segment reporting correspond to the items presented in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity. As far as intra-group allocations are concerned, an appropriate additional overhead charge is levied on the individual cost items incurred.

## VI. OTHER DISCLOSURES RELATING TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Contingent liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. The associated risks are recognised in "Other provisions" to the extent they give rise to obligations whose values can be reliably estimated. No material changes have occurred in comparison with 31 December 2013.

Some group companies are currently involved in various legal disputes arising from the ordinary course of business, primarily in connection with the settlement of accounts for brokerage services provided by financial advisors.

Management holds the view that adequate provisions have been made for contingent liabilities arising from such guarantees, the assumption of liabilities and legal disputes and that such contingencies will not have any material effect on the Group's assets, liabilities, financial position and profit/loss beyond that.

### 2. Employees

As of 30 September 2014 the OVB Group has a commercial staff of altogether 423 employees (31 December 2013: 434), 44 of which fill managerial positions (31 December 2013: 43).

### 3. Related party transactions

Transactions between the Company and its subsidiaries to be regarded as related parties have been eliminated through consolidation and are not discussed in these notes.

OVB has concluded agreements covering the brokerage of financial products with related parties belonging to the SIGNAL IDUNA Group, the Baloise Group and the Generali Group.

Principal shareholders as of 30 September 2014 are companies

- of the SIGNAL IDUNA Group,
- the Baloise Group and
- the Generali Group.

The SIGNAL IDUNA Group is a horizontally organised group of companies (“Gleichordnungsvertragskonzern”). The group’s parent companies are:

- SIGNAL Krankenversicherung a. G., Dortmund
- IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg
- SIGNAL Unfallversicherung a. G., Dortmund
- Deutscher Ring Krankenversicherungsverein a.G., Hamburg.

As of 30 September 2014, IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg held shares in OVB Holding AG carrying 31.48 per cent of the voting rights. As of 30 September 2014, Balance Vermittlungs- und Beteiligungs-AG, Hamburg, which belongs to the horizontally organised group of companies, held shares in OVB Holding AG carrying 17.54 per cent of the voting rights. As of 30 September 2014, Deutscher Ring Krankenversicherungsverein a.G., Hamburg held shares in OVB Holding AG carrying 3.74 per cent of the voting rights. Based on agreements concluded with companies of the SIGNAL IDUNA Group, sales in the amount of EUR 10,296 thousand (30 September 2013: EUR 8,629 thousand) or rather total sales commission in the amount of EUR 13,048 thousand (30 September 2013: EUR 12,961 thousand) were generated in the first three quarters of 2014, essentially in the Germany segment. Receivables exist in the amount of EUR 826 thousand (31 December 2013: EUR 660 thousand).

The item “Securities and other investments” includes securities issued by the SIGNAL IDUNA Group in the amount of EUR 1,335 thousand (31 December 2013: EUR 1,250 thousand).

As of 30 September 2014, Basler Beteiligungsholding GmbH, Hamburg held shares in OVB Holding AG carrying 32.57 per cent of the voting rights. This company belongs to the Baloise Group, whose parent company is Bâloise Holding AG, Basel. Based on agreements concluded with the Baloise Group, sales in the amount of EUR 12,538 thousand (30 September 2013: EUR 17,010 thousand) or rather total sales commission in the amount of EUR 16,333 thousand (30 September 2013: EUR 22,084 thousand) were generated in the first three quarters of 2014, essentially in the Germany segment. Receivables exist in the amount of EUR 2,967 thousand (31 December 2013: EUR 3,300 thousand).

The item “Securities and other investments” includes securities issued by Bâloise Holding AG in the amount of EUR 671 thousand (31 December 2013: EUR 657 thousand).

As of 30 September 2014, Generali Lebensversicherung AG, Munich held shares in OVB Holding AG carrying 11.48 per cent of the voting rights. This company is part of the Generali Group, whose German parent is Generali Deutschland Holding AG, Cologne. Based on agreements concluded with the Generali Group, sales in the amount of EUR 19,981 thousand (30 September 2013: EUR 24,868 thousand) or rather total sales commission in the amount of EUR 20,831 thousand (30 September 2013: EUR 26,221 thousand) were generated in the first three quarters of 2014. Receivables exist in the amount of EUR 3,080 thousand (31 December 2013: EUR 3,341 thousand).

The terms and conditions of brokerage contracts concluded with related parties are comparable with the terms and conditions of contracts OVB has concluded with providers of financial products not regarded as related parties.

Items outstanding as of 30 September 2014 are not secured and are settled by cash payment. There are no guarantees relating to receivables from or liabilities to related parties.

#### 4. Subsequent events

Significant reportable events have not occurred since 30 September 2014, the closing date of these interim financial statements.



## 5. Information on Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG:

- Michael Rentmeister, Chairman
- Oskar Heitz, Finance
- Mario Freis, International Sales
- Thomas Hücker, Operations

Members of the Supervisory Board of OVB Holding AG:

- Michael Johnigk (Chairman of the Supervisory Board); Member of the Executive Boards of Deutscher Ring Krankenversicherungsverein a.G., Hamburg, SIGNAL Krankenversicherung a. G., Dortmund, IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg, SIGNAL Unfallversicherung a. G., Dortmund, SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund and SIGNAL IDUNA Holding AG, Dortmund
- Dr. Thomas A. Lange (Deputy Chairman of the Supervisory Board); Chairman of the Executive Board of NATIONAL-BANK AG, Essen
- Jan De Meulder, Chairman of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg and Basler Sachversicherungs-AG, Bad Homburg; General Representative of Basler Leben AG Direktion für Deutschland and General Representative of Basler Versicherung AG Direktion für Deutschland, Bad Homburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg; Member of the Corporate Executive Committee of Baloise Group, Basel, Switzerland
- Markus Jost, Member of the Executive Boards of Basler Securitas Versicherungs-AG, Bad Homburg, Basler Lebensversicherungs-AG, Hamburg and Basler Sachversicherungs-AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg
- Wilfried Kempchen, businessman (ret.)
- Winfried Spies, Chairman of the Executive Boards of Generali Versicherung AG, Munich, Generali Lebensversicherung AG, Munich and Generali Beteiligungs- und Verwaltungs AG, Munich

Cologne, 03 November 2014



Michael Rentmeister



Oskar Heitz



Mario Freis



Thomas Hücker

## Review report

To OVB Holding AG, Cologne

We have reviewed the condensed interim consolidated financial statements – comprising statement of financial position, income statement and statement of comprehensive income, statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim group management report of OVB Holding AG, Cologne, for the period from 1 January to 30 September 2014 which are components of a quarterly financial report pursuant to Section 37x (3) WpHG (Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the WpHG applicable to interim group management reports is the responsibility of the Company's Executive Board. It is our responsibility to issue a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We have performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements as determined by the Institute of Public Auditors in Germany (IDW) and additionally in compliance with the International Standard on Review Engagements (ISRE 2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require the review to be planned and performed in a way that allows us to rule out with reasonable assurance through critical evaluation that the condensed interim consolidated financial statements have not been prepared in all material respects in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared in all material respects in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical assessments and therefore does not provide the degree of assurance attainable in an audit of financial statements. As we have not performed an audit of financial statements in accordance with our engagement, we cannot give an audit opinion.

No matters have come to our attention on the basis of our review that lead us to presume that the condensed interim consolidated financial statements have not been prepared in all material respects in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared in all material respects in accordance with the regulations of the WpHG applicable to interim group management reports.

Düsseldorf, 03 November 2014

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Christian Sack  
Wirtschaftsprüfer

ppa. Thomas Bernhardt  
Wirtschaftsprüfer

## Financial Calendar

31 March 2015	Publication of financial statements 2014, Annual Report, Analyst Conference
12 May 2015	Results for the first quarter of 2015
03 June 2015	Annual General Meeting, Cologne
14 August 2015	Results for the second quarter of 2015
13 November 2015	Results for the third quarter of 2015

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