# Interim Report – First Quarter

1 January – 31 March 2012

Financial Service Provider for Europe

# Key figures for the OVB Group

| Key operating figures | Unit | 01/01–31/03/2011 | 01/01–31/03/2012 | Change |
|---|---|---|---|---|
| Clients (31/03) | Number | 2.82 million | 2.89 million | + 2.5 % |
| Financial advisors (31/03) | Number | 4,651 | 5,047 | + 8.5 % |
| New business | Number of contracts | 126,164 | 145,446 | + 15.3 % |
| Total sales commission | Euro million | 54.1 | 54.3 | + 0.4 % |

| Key financial figures | | | | |
|---|---|---|---|---|
| Earnings before interest and taxes (EBIT) | Euro million | 1.7 | 1.9 | + 12.3 % |
| EBIT margin* | % | 3.2 | 3.6 | + 0.4 %-pts. |
| Consolidated net income | Euro million | 1.2 | 1.4 | + 15.4 % |
| Earnings per share (undiluted) | Euro | 0.09 | 0.10 | + 11.1 % |

*Based on total sales commission

# Key figures for the regions

| Central and Eastern Europe | Unit | 01/01–31/03/2011 | 01/01–31/03/2012 | Change |
|---|---|---|---|---|
| Clients (31/03) | Number | 1.84 million | 1.92 million | + 4.3 % |
| Financial advisors (31/03) | Number | 2,935 | 3,326 | + 13.3 % |
| Total sales commission | Euro million | 30.4 | 31.5 | + 3.4 % |
| Earnings before interest and taxes (EBIT) | Euro million | 2.8 | 2.7 | - 5.1 % |
| EBIT margin* | % | 9.2 | 8.5 | - 0.7 %-pts. |

*Based on total sales commission

| Germany | | | | |
|---|---|---|---|---|
| Clients (31/03) | Number | 669,713 | 649,296 | - 3.0 % |
| Financial advisors (31/03) | Number | 1,294 | 1,335 | + 3.2 % |
| Total sales commission | Euro million | 17.7 | 15.7 | - 11.5 % |
| Earnings before interest and taxes (EBIT) | Euro million | 1.7 | 1.4 | - 21.6 % |
| EBIT margin* | % | 9.6 | 8.6 | - 1.0 %-pts. |

*Based on total sales commission

| Southern and Western Europe | | | | |
|---|---|---|---|---|
| Clients (31/03) | Number | 307,631 | 311,009 | + 1.1 % |
| Financial advisors (31/03) | Number | 422 | 386 | - 8.5 % |
| Total sales commission | Euro million | 5.9 | 7.1 | + 20.2 % |
| Earnings before interest and taxes (EBIT) | Euro million | - 0.3 | - 0.1 | – % |
| EBIT margin* | % | - 4.3 | - 1.0 | + 3.3 %-pts. |

*Based on total sales commission

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**Michael Rentmeister**
Chairman of the
Executive Board

**Oskar Heitz**
Executive Board
Finances and Administration

**Mario Freis**
Executive Board
International Sales

Ladies and gentlemen, shareholders,

the OVB Group's business performance in the first quarter of 2012 appears changed in several aspects compared to 2011. The number of clients we support in 14 European countries has increased continuously to now 2.89 million. OVB's sales force has crossed the threshold of 5,000 financial advisors and now comprises 5,047 sales agents, an 8.5 per cent gain on the level recorded twelve months ago. This development underlines the great appeal of working on OVB's sales team.

Total sales commission generated from January to March 2012 came to Euro 54.3 million. This amount is slightly above the Euro 54.1 million mark achieved in the prior-year period of comparison. Sales in the Central and Eastern Europe segment, already at a high level, grew by another 3.4 per cent. In Southern and Western Europe, the patient work of the past years is now bearing fruit: Total sales commission climbed by 20.2 per cent and the operating result was close to breaking even. In the Germany segment, the performance in the first quarter 2012 was contrary to our expectations. Total sales commission dropped 11.5 per cent in this segment.

Advisory service is at the core of OVB's business model. Good advice is integral, goal-oriented and covers multiple issues. We will continue to bring this offer of integrated financial services systematically to the clients over the next months. It is our stated goal to increase sales and earnings in the current year compared to 2011. Gaining 12.3 per cent in the reporting period, the performance of earnings goes in the right direction. We will do all we can to accelerate the growth in sales over the course of the year.

Kind regards

Michael Rentmeister
Chairman of the
Executive Board

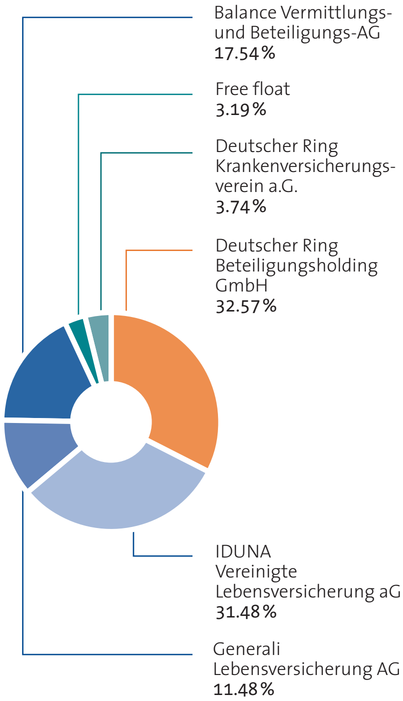
Oskar Heitz
Executive Board
Finances and Administration

Mario Freis
Executive Board
International Sales

# Share performance and investor relations

## Stable share price performance at increased trading

**Shareholder structure of OVB Holding AG**
as of 31/03/2012




In the first quarter of 2012, the stock exchange took a predominantly positive course after the heavy fluctuations of the second half-year 2011. The DAX (Xetra closing prices) gained 17.8 per cent from 5,898 points at the end of the year 2011 to 6,946 points by the end of March 2012. The financial stocks included in the DAXsubsector Diversified Financials could not follow this favourable trend entirely; the index increased by 12.5 per cent in the period under review. Due to its low free float and accordingly low trading volume, the share of OVB Holding AG did not produce that upward movement. Its price, coming to Euro 18.80 as of 30 December 2011, closed at Euro 19.00 at the end of March 2012. The 3-month low of the share price was Euro 18.77 and its high was entered at Euro 19.34.

The average monthly trading volume of the OVB share came to almost 16,600 shares in the fourth quarter of 2011. In the first quarter of 2012, the volume rose to almost 23,000 shares. The OVB share's trading volume of the first quarter 2012 was split evenly between the electronic trading system Xetra and Xetra specialists.

Within the framework of a corporate presentation on 27 March 2012 in Frankfurt/Main, the newly composed Executive Board presented the 2011 financial statements to a number of financial analysts and institutional investors, explained the strategy of OVB and answered questions. Further interested parties participated in the event via telephone.

**Share data**

| | | |
|---|---|---|
| WKN / ISIN code | 628656 / DE0006286560 | |
| Stock symbol / Reuters / Bloomberg | O4B / O4BG.DE / O4B:GR | |
| Type of share | No-par ordinary bearer shares | |
| Number of shares | 14,251,314 | |
| Share capital | Euro 14,251,314.00 | |
| Xetra price (closing prices) | | |
| Beginning of year | Euro 19.25 | (02/01/2012) |
| High | Euro 19.34 | (24/02/2012) |
| Low | Euro 18.77 | (09/01/2012) |
| Last | Euro 19.00 | (30/03/2012) |
| Market capitalisation | Euro 271 million | (30/03/2012) |

# Interim group management report of OVB Holding AG

## General environment

The international economy increasingly shows indications of stabilisation in spring 2012 – following the 2011 slowdown. The economic outlook for the United States is assessed somewhat more positively, the Japanese economy is recovering from the natural disaster of the previous year and the strong fluctuations in the financial markets have diminished. However, the risks remain: There is still considerable political tension in the Middle East, the oil price lingers at a high level and the sovereign debt crisis in the euro area has not been overcome. In April 2012, the International Monetary Fund (IMF) slightly raised the growth prospects for the current year for most countries. For the global economy as a whole, the Fund predicts a real economic growth of 3.5 per cent in 2012, after 3.9 per cent in the previous year.

The region of Central and Eastern Europe is of considerable importance to the OVB Group. In the region's seven countries in which OVB operates, assuming market leading positions in many cases, the company generates more than half of its total sales commission. The macroeconomic development in Central and Eastern Europe is substantially affected by the economic performance in the euro area – as a sales region as well as a partner for direct investments and financing.

Macroeconomic key data – Central and Eastern Europe

| Change in % | Real GDP | | Consumer prices | | Unemployment rate | |
|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Croatia | 0.0 | -0.5 | 2.3 | 2.2 | 13.2 | 13.5 |
| Poland | 4.3 | 2.6 | 4.3 | 3.8 | 9.6 | 9.4 |
| Romania | 2.5 | 1.5 | 5.8 | 2.9 | 7.2 | 7.2 |
| Slovakia | 3.3 | 2.4 | 4.1 | 3.8 | 13.4 | 13.8 |
| Czech Republic | 1.7 | 0.1 | 1.9 | 3.5 | 6.7 | 7.0 |
| Ukraine | 5.2 | 3.0 | 8.0 | 4.5 | 8.2 | 8.2 |
| Hungary | 1.7 | 0.0 | 3.9 | 5.2 | 11.0 | 11.5 |

Source: International Monetary Fund, World Economic Outlook, April 2012

For the region Central and Eastern Europe, the IMF anticipates a decrease of the average economic growth from 5.3 per cent in 2011 to 1.9 per cent in 2012. The economic performances of Croatia, Czechia and Hungary can be expected to stagnate largely. Croatia, Hungary and Slovakia also suffer from double-digit unemployment rates. The economic tail wind for OVB's business activities in the region is accordingly weak at present.

About one third of the OVB Group's total sales commission is accounted for by the Germany segment. The German economy which hardly grew in the winter half-year 2011/2012 is on the brink of a strong upswing, according to a forecast by the German Institute for Economic Research (DIW). This development is driven primarily by the domestic economy where, based on the sound condition of the labour market, wages and salaries climb noticeably and thus considerably push private consumption. According to the DIW, Germany can be expected to achieve a real growth in the economic performance of 1.0 per cent in 2012. The income gains of private households feed consumption for the most part. The savings ratio of 9.7 per cent is at a relatively low level in the fourth quarter of 2011. The sale of financial products for asset generation does therefore not benefit from the improved income situation yet.

The economic performances of the six countries comprising OVB's Southern and Western Europe segment will probably slow down in 2012. Reasons are slack demand, restrictive government spending policies and grave structural problems in some of these countries. With the exception of Austria and Switzerland, both of which could record an economic growth of close to 1 per cent in 2012, the national economies of the region are either treading water or losing economic power, some of them considerably. Alarming is the high unemployment in Greece and in Spain where close to, or rather much more than, one fifth of the labour force is out of work. These general conditions affect OVB's business in the region.

### Macroeconomic key data – Southern and Western Europe

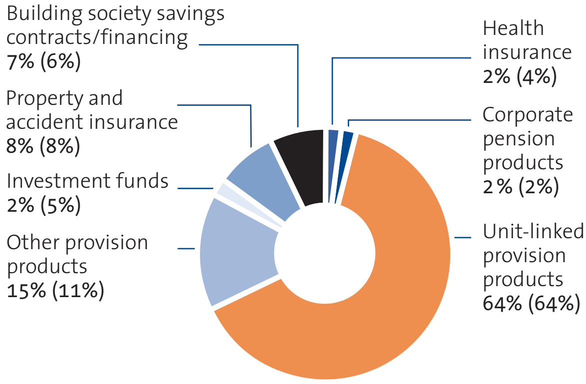
| **Change in %** | **Real GDP** | | **Consumer prices** | | **Unemployment rate** | |
|---|---|---|---|---|---|---|
| | **2011** | **2012** | **2011** | **2012** | **2011** | **2012** |
| France | 1.7 | 0.5 | 2.3 | 2.0 | 9.7 | 9.9 |
| Greece | -6.9 | -4.7 | 3.1 | -0.5 | 17.3 | 19.4 |
| Italy | 0.4 | -1.9 | 2.9 | 2.5 | 8.4 | 9.5 |
| Austria | 3.1 | 0.9 | 3.6 | 2.2 | 4.2 | 4.4 |
| Switzerland | 1.9 | 0.8 | 0.2 | -0.5 | 3.1 | 3.4 |
| Spain | 0.7 | -1.8 | 3.1 | 1.9 | 21.6 | 24.2 |

Source: International Monetary Fund, World Economic Outlook, April 2012

## Business performance

The OVB Group earned total sales commission in the amount of Euro 54.3 million in the period from January to March 2012, after Euro 54.1 million in the corresponding prior-year period. 5,047 financial advisors worked for OVB at the reporting date, 396 more than twelve months before. They support a continuously growing number of clients in 14 countries of Europe: 2.82 million at the end of March 2011, 2.86 million at the end of the year 2011, and 2.89 million clients now. In the context of their advisory work, OVB's financial advisors brokered 145,446 new contracts in the first quarter of 2012, compared to 126,164 contracts in the prior-year period of comparison. The clients' main interest remains focused on unit-linked provision products – this product group accounted for 64 per cent of new business.

### Breakdown of income from new business 1-3/2012 (1-3/2011)




### Central and Eastern Europe

OVB's business in the countries of Central and Eastern Europe keeps growing at a high level. Brokerage income in this region rose from Euro 30.4 million in the first quarter of 2011 by 3.4 per cent to Euro 31.5 million in the reporting period. Especially positive were the business performances in the Czech Republic and in Slovakia, more modest in Hungary and Croatia. Two thirds of all OVB clients call this region their home: Their number increased from 1.84 million clients one year ago to now 1.92 million clients. They are supported by 3,326 financial advisors (previous year: 2,935), equivalent to a 13.3 per cent gain on the previous year. Client demand in this region focuses on unit-linked provision products to a large extent; their share of the new business came to 77 per cent in the first three months of 2012 (previous year: 78 per cent). Far behind follow other provision products at 11 per cent (previous year: 6 per cent) and products from the building society savings contracts/financing segment at 6 per cent (previous year: 6 per cent).

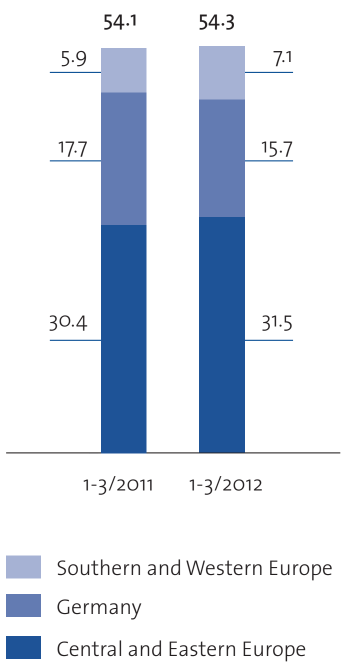
### Germany

The business performance in the Germany segment fell short of our expectations in the first quarter of 2012. Total sales commission was achieved in the amount of Euro 15.7 million, after Euro 17.7 million in the previous year. There were some changes in the composition of new business broken down by product group: On year-on-year comparison, the weight of unit-linked provision products was reduced from 34 per cent to 29 per cent of new business, the other provision products increased from 22 per cent to 27 per cent, property and accident insurance accounted for 16 per cent (previous year: 14 per cent) and investment funds continue their decline in relevance at 4 per cent (previous year: 7 per cent). The total number of clients fell in the course of the year to 649,296 existing clients (previous year: 669,713). The number of financial advisors rose year-on-year by 41 to 1,335 sales agents; since the beginning of the year alone, 16 financial advisors have joined the team. Thus the foundation for a more positive business performance to show in the course of the year 2012 has been established.

### Southern and Western Europe

Despite difficult general conditions in many cases, the business in the Southern and Western Europe segment has been stimulated noticeably over the first three months of the year 2012. Total sales commission gained 20.2 per cent from Euro 5.9 million in the previous year to Euro 7.1 million. OVB achieved a strong sales growth in Austria where business had been affected by negative external factors for quite some time. Very satisfying was also the business in Spain and Switzerland. The number of clients in the six countries of this segment rose from 307,631 by the end of March 2011 to 311,009 as of the reporting date. Still on the decline is the number of financial advisors, though, going down year-on-year from 422 to 386 sales agents. Contrary to this trend, the sales teams grew in Austria and Spain. Just as in Central and Eastern Europe, the clients' interest focuses very strongly on unit-linked provision products – their share of the new business is 68 per cent (previous year: 60 per cent). Following up are other provision products at 12 per cent (previous year: 11 per cent) and property and accident insurance at 10 per cent (previous year: 8 per cent).

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



## Financial advisors and employees

OVB has further increased the number of full-time financial advisors in the first quarter of 2012 by 2.8 per cent, from 4,908 at the end of the year 2011 to 5,047 sales agents. Since the end of March 2011, the sales force could be expanded significantly by 396 financial advisors, or 8.5 per cent. Particularly successful was the effort for acquiring new financial advisors in the quarter under review in Czechia and Hungary, but Germany, Austria and Spain also recorded clear increases.

This development underlines the great appeal of working on the OVB sales team. This occupation combines a large degree of independence with high-performance sales support and competitive products. The basis is provided by transparent and fair remuneration with which OVB is setting market standards.

The OVB Group had altogether 432 employees at the end of March 2012 (previous year: 456 employees). They work at the holding company, the head offices of our subsidiaries and the service companies which primarily provide IT and marketing services.

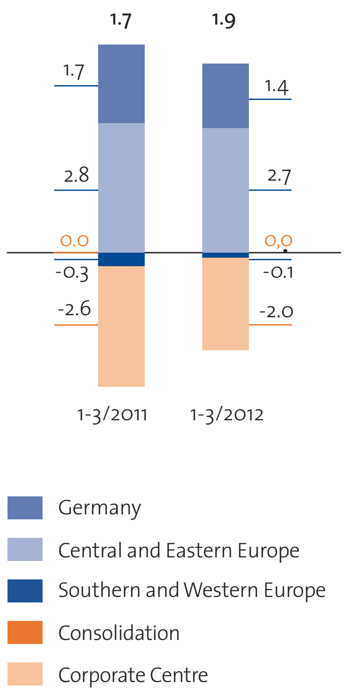
## Profit/loss

In the first three months of financial year 2012, the OVB Group generated total sales commission of Euro 54.3 million, slightly above the prior-year mark of Euro 54.1 million. Commission based on direct contractual relationships between product partners and sales agents, exclusively applying to the Germany segment, went down from Euro 4.9 million to Euro 4.1 million, comparing the respective periods. Contrary to that, income from the brokerage of financial services and products recognised as sales revenue gained 2.0 per cent, climbing from Euro 49.2 million to Euro 50.2 million. Other operating income went up from Euro 2.4 million to Euro 2.7 million.

Largely parallel to the corresponding income, brokerage expenses were modestly increased by 0.9 per cent to Euro 33.6 million (previous year: Euro 33.3 million). Personnel expenses incurred for the Group's employees, whose number went down year-on-year from 456 to 432, decreased further by 2.2 per cent to Euro 6.1 million. At Euro 0.7 million, depreciation and amortisation basically remained unchanged. After three years of continuous reduction, other operating expenses went up again for the first time in the first quarter of 2012; expenses gained 10.1 per cent to reach Euro 10.6 million (previous year: Euro 9.6 million). This increase particularly results from higher expenses for IT equipment as well as for seminars, vocational training measures and other events held for maintaining the quality of our advisory services.

In the period from January to March 2012, the OVB Group generated an operating result of Euro 1.9 million. Earnings before interest and taxes (EBIT) were thus 12.3 per cent above the amount of Euro 1.7 million reported for the corresponding prior-year period. At Euro 2.7 million, the EBIT of the Central and Eastern Europe segment came close to the result of Euro 2.8 million achieved in the prior-year quarter. Mainstays of earnings are OVB Czechia and OVB Slovakia. In the Germany segment, the operating result fell

**Earnings before interest and taxes (EBIT) by segment**
Euro million, figures rounded



from Euro 1.7 million to Euro 1.4 million. The EBIT loss of the Southern and Western Europe segment was reduced from Euro 0.3 million to Euro 0.1 million. Profitability was especially improved in Spain and Switzerland. On the whole, the OVB Group comes up with an EBIT margin – with respect to total sales commission – of 3.6 per cent after 3.2 per cent in the previous year. While this level of earnings is not satisfactory yet, the trend goes in the right direction.

The financial result for the reporting period improved year-on-year from Euro 0.2 million to Euro 0.3 million. Income tax expenses rose from Euro 0.7 million to Euro 0.9 million. The consolidated net income after non-controlling interests grew by 15.4 per cent from Euro 1.2 million in the previous year to Euro 1.4 million. Based respectively on 14,251,314 no-par shares, earnings per share come to Euro 0.10, after Euro 0.09 in the previous year.

The OVB Group's total comprehensive income for the period from January to March 2012 reached Euro 1.6 million, compared to Euro 1.2 million in the previous year. Apart from the increase in earnings for the reporting period, changes in the currency translation reserve and in the revaluation reserve had a positive effect on the total comprehensive income.

## Financial position

Operating activities resulted in a cash outflow of Euro 6.7 million in the first quarter of 2012 while the prior-year period of comparison still showed a cash inflow of Euro 0.7 million. The factor that determined this change was an increase in trade receivables and other assets by Euro 10.3 million.

The cash flow from investing activities stated a cash outflow of Euro 1.0 million for the reporting period. Capital expenditures for property, plant and equipment and intangible assets reached Euro 0.5 million. Another relevant factor was the increase in holdings of securities and other short-term investments in the amount of Euro 0.8 million.

The cash flow from financing activities did not show any material movements in the reporting period. At Euro 31.5 million, the OVB Group's cash and cash equivalents remained virtually unchanged as well on year-on-year comparison.

## Assets and liabilities

The assets and liabilities of OVB Holding AG as of the end of March 2012 changed little from the end of the year 2011. Total assets amounted to Euro 150.8 million, after Euro 148.8 million at the end of December 2011. While non-current assets were virtually unchanged in respect of both total amount (Euro 23.4 million) and individual items, current assets gained Euro 2.0 million to reach Euro 127.4 million. Trade receivables rose by Euro 11.0 million to Euro 33.2 million and securities and other investments were up Euro 0.8 million to Euro 39.2 million. Contrary to that movement, cash and cash equivalents dropped Euro 8.3 million and came to Euro 31.7 million. These movements are essentially accounted for by transactions in the context of the company's investing policy.

On the equity and liabilities side of the statement of financial position, equity gained Euro 1.6 million to Euro 81.7 million, due primarily to the net income for the reporting period. The equity ratio was a solid 54.2 per cent, compared to 53.8 per cent three months prior. Non-current liabilities (Euro 1.9 million) and current liabilities (Euro 67.2 million) came up with almost the same amounts at the end of March 2012 as the ones reported for 2011.

## Opportunities and risks

The business opportunities that present themselves to the companies of the OVB Group and the risks faced by them have not changed materially since the preparation of the 2011 financial statements. They are described in detail in the Annual Report 2011, in particular in the chapter "Report on risks and opportunities". From today's perspective, going concern risks arise neither from individual risks nor from the OVB Group's overall risk position.

The euro debt crisis appears somewhat less strained at present, the turbulence in the financial markets has settled. Yet the sovereign debt crises of a large number of countries in Europe and overseas are far from being solved. The policy of drastic savings in public spending and social schemes to which many countries feel obligated curb the macroeconomic performance and reduce the available income of private households. This development diminishes the ability of many clients and potential clients of OVB to raise funds for retirement provision and risk protection. Another measure for tackling the crisis is the central banks' provision of liquidity on a heretofore unthinkable scale in support of the stricken banking system. Interest rates – also serving as an indicator of the risk situation – are thus kept at an artificially low level. At the same time this opens monetary leeway for price increases. This constellation concerns many European citizens who invest increasingly in tangible assets and reduces their willingness to conclude contracts for long-term financial products whose return barely allows real asset preservation at present.

This environment makes the sale of financial products very difficult and requires increased intensity in providing advisory services. For OVB, two opposite effects result from this: On the one hand, the sale of products is affected and does not show the growth rates of previous periods anymore; on the other hand, OVB can assure its position in the market and deepen client relationships based on its great expertise in advisory services. Moreover, all private households should now be aware of the necessity of private provision at last. OVB will seize the resulting business opportunities resolutely.

## Outlook

The growth of the global economy can be expected to stabilise at a low level in 2012 and turn out somewhat stronger again in 2013. The IMF expects a 3.5 per cent growth for 2012 and an increase to 4.1 per cent for the next year. Europe's economic performance stagnates. In view of this overall picture, the economic situation is comparatively favourable in Germany, Austria and Switzerland while the gross domestic product will probably go down in Southern Europe. In Central and Eastern Europe, the economic growth will slow down to close to 2 per cent in the current year before it might climb to 3 per cent again in 2013. Therefore no noticeable effects on the business of OVB will arise from the macroeconomic framework initially. The economic problems of many European countries are often the result of structural deficits – also regarding the social systems. Reform plans, typically strengthening the private component of provision for the future, often provide additional business opportunities for OVB. Against this backdrop, OVB pursues the goal to increase sales and earnings in the current year over 2011. In 2013 we want to keep improving ourselves.

Michael Rentmeister
Chairman of the
Executive Board

Oskar Heitz
Executive Board
Finances and Administration

Mario Freis
Executive Board
International Sales

# Consolidated statement of financial position

of OVB Holding AG as of 31 March 2012, prepared in accordance with IFRS

## Assets

| EUR'000 | 31/03/2012 | 31/12/2011 |
|---|---|---|
| **Non-current assets** | | |
| Intangible assets | 11,501 | 11,577 |
| Property, plant and equipment | 4,781 | 4,790 |
| Investment property | 561 | 561 |
| Financial assets | 399 | 383 |
| Deferred tax assets | 6,125 | 6,135 |
| | **23,367** | **23,446** |
| **Current assets** | | |
| Trade receivables | 21,074 | 22,958 |
| Receivables and other assets | 33,249 | 22,238 |
| Income tax assets | 2,250 | 1,859 |
| Securities and other investments | 39,165 | 38,316 |
| Cash and cash equivalents | 31,651 | 39,980 |
| | **127,389** | **125,351** |
| **Total assets** | **150,756** | **148,797** |

## Equity and liabilities

| EUR'000 | 31/03/2012 | 31/12/2011 |
|---|---|---|
| **Equity** | | |
| Subscribed capital | 14,251 | 14,251 |
| Capital reserve | 39,342 | 39,342 |
| Treasury shares | 0 | 0 |
| Revenue reserves | 13,646 | 13,646 |
| Other reserves | 1,575 | 1,386 |
| Non-controlling interests | 134 | 138 |
| Net retained profits | 12,723 | 11,297 |
| | **81,671** | **80,060** |
| **Non-current liabilities** | | |
| Liabilities to banks | 340 | 341 |
| Provisions | 1,158 | 1,133 |
| Other liabilities | 58 | 60 |
| Deferred tax liabilities | 296 | 280 |
| | **1,852** | **1,814** |
| **Current liabilities** | | |
| Provisions for taxes | 3,470 | 2,863 |
| Other provisions | 28,373 | 27,450 |
| Income tax liabilities | 143 | 111 |
| Trade payables | 7,729 | 8,075 |
| Other liabilities | 27,518 | 28,424 |
| | **67,233** | **66,923** |
| **Total equity and liabilities** | **150,756** | **148,797** |

# Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 March 2012, prepared in accordance with IFRS

| EUR'000 | 01/01 – 31/03/2012 | 01/01 – 31/03/2011 |
|---|---|---|
| Brokerage income | 50,169 | 49,216 |
| Other operating income | 2,727 | 2,384 |
| **Total income** | **52,896** | **51,600** |
| Brokerage expenses | -33,615 | -33,323 |
| Personnel expenses | -6,108 | -6,243 |
| Depreciation and amortisation | -661 | -705 |
| Other operating expenses | -10,572 | -9,601 |
| **Earnings before interest and taxes (EBIT)** | **1,940** | **1,728** |
| Finance income | 407 | 302 |
| Finance expense | -64 | -116 |
| **Financial result** | **343** | **186** |
| **Earnings before taxes** | **2,283** | **1,914** |
| Taxes on income | -861 | -712 |
| Consolidated net income for the period | 1,422 | 1,202 |
| Thereof attributable to non-controlling interests | 4 | 34 |
| **Consolidated net income after non-controlling interests** | **1,426** | **1,236** |
| Earnings per share (basic/diluted) in Euro | 0.10 | 0.09 |

# Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 March 2012, prepared in accordance with IFRS

| EUR'000 | 01/01 – 31/03/2012 | 01/01 – 31/03/2011 |
|---|---|---|
| **Consolidated net income for the period** | **1,422** | **1,202** |
| Change in revaluation reserve | 77 | -7 |
| Change in deferred taxes on unrealised gains and losses from financial assets | -10 | 12 |
| Change in currency translation reserve | 122 | -36 |
| **Other comprehensive income for the period** | **189** | **-31** |
| Thereof attributable to non-controlling interests | 4 | 34 |
| **Total comprehensive income** | **1,615** | **1,205** |

# Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 31 March 2012, prepared in accordance with IFRS

| EUR'000 | 01/01 – 31/03/2012 | 01/01 – 31/03/2011 |
|---|---|---|
| Cash and cash equivalents | 31,456 | 31,546 |
| Net income/loss for the period including non-controlling interests | 1,422 | 1,202 |
| -/+ Increase/decrease in non-controlling interests | 4 | 34 |
| +/- Write-downs/Write-ups on non-current assets | 661 | 705 |
| -/+ Unrealised foreign exchange gains/losses | -340 | -211 |
| +/- Addition to/Reversal of valuation allowances on receivables | 806 | 679 |
| -/+ Increase/decrease in deferred tax assets | 10 | -167 |
| +/- Increase/decrease in deferred tax liabilities | 16 | 38 |
| - Other finance income | -28 | -38 |
| - Interest income | -379 | -264 |
| +/- Increase/decrease in provisions | 1,555 | -412 |
| +/- Increase/decrease in available-for-sale reserve | 67 | 5 |
| +/- Expenses/income from the disposal of intangible assets and property, plant and equipment (net) | 13 | 22 |
| +/- Decrease/increase in trade receivables and other assets | -10,325 | -2,181 |
| +/- Increase/decrease in trade payables and other liabilities | -157 | 1,260 |
| **= Cash flow from operating activities** | **-6,675** | **672** |
| + Proceeds from the disposal of property, plant and equipment and intangible assets | 12 | 94 |
| + Proceeds from the disposal of financial assets | 59 | 49 |
| - Capital expenditures for property, plant and equipment | -250 | -160 |
| - Capital expenditures for intangible assets | -279 | -486 |
| - Payments for financial assets | -70 | -20 |
| +/- Decrease/increase in securities and other short-term investments | -849 | 177 |
| + Other finance income | 28 | 38 |
| + Interest received | 379 | 264 |
| **= Cash flow from investing activities** | **-970** | **-44** |
| +/- Increase/decrease in non-controlling interests | -4 | -34 |
| + Proceeds from the issue of bonds and taking out (financing) loans | -1 | -13 |
| **= Cash flow from financing activities** | **-5** | **-47** |
| **Overview:** | | |
| Cash flow from operating activities | -6,675 | 672 |
| Cash flow from investing activities | -970 | -44 |
| Cash flow from financing activities | -5 | -47 |
| **= Net change in cash and cash equivalents** | **-7,650** | **581** |
| Exchange gains/losses on cash and cash equivalents | 385 | 111 |
| + Cash and cash equivalents at the end of the prior year | 38,721 | 30,854 |
| **= Cash and cash equivalents at the end of the period** | **31,456** | **31,546** |
| Income tax paid | 733 | 803 |
| Interest paid | 22 | 19 |

# Consolidated statement of changes in equity

of OVB Holding AG as of 31 March 2012, prepared in accordance with IFRS

| EUR'000 | Subscribed capital | Capital reserve | Retained profits brought forward | Statutory reserve | Other revenue reserves |
|---|---|---|---|---|---|
| **Balance as at 31/12/2011** | **14,251** | **39,342** | **7,138** | **2,649** | **10,997** |
| Consolidated profit | | | 4,159 | | |
| Treasury shares | | | | | |
| Corporate actions | | | | | |
| Dividends paid | | | | | |
| Change in available-for-sale reserve | | | | | |
| Allocation to other reserves | | | | | |
| Change in currency translation reserve | | | | | |
| Net income for the period | | | | | |
| **Balance as at 31/03/2012** | **14,251** | **39,342** | **11,297** | **2,649** | **10,997** |
| **Balance as at 31/12/2010** | **14,251** | **39,342** | **10,312** | **2,596** | **10,997** |
| Consolidated profit | | | 4,005 | | |
| Treasury shares | | | | | |
| Corporate actions | | | | | |
| Dividends paid | | | | | |
| Change in available-for-sale reserve | | | | | |
| Allocation to other reserves | | | -134 | 134 | |
| Change in currency translation reserve | | | | | |
| Net income for the period | | | | | |
| **Balance as at 31/03/2011** | **14,251** | **39,342** | **14,183** | **2,730** | **10,997** |

| Available-for-sale reserve / revaluation reserve | Deferred taxes on unrealised gains/losses | Currency translation reserve | Net income recognised directly in equity | Net income for the period | Total comprehensive income | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| **320** | **-56** | **1,122** | | **4,159** | | **138** | **80,060** |
| | | | | | | | |
| | | | | -4,159 | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 77 | -10 | | 67 | | 67 | | 67 |
| | | | | | | | |
| | | 122 | 122 | | 122 | | 122 |
| | | | | 1,426 | 1,426 | -4 | 1,422 |
| | | | | | | | |
| **397** | **-66** | **1,244** | **189** | **1,426** | **1,615** | **134** | **81,671** |
| | | | | | | | |
| **260** | **-40** | **1,588** | | **4,005** | | **174** | **83,485** |
| | | | | | | | |
| | | | | -4,005 | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| -7 | 12 | | 5 | | 5 | | 5 |
| | | | | | | | |
| | | -36 | -36 | | -36 | | -36 |
| | | | | 1,236 | 1,236 | -34 | 1,202 |
| | | | | | | | |
| **253** | **-28** | **1,552** | **-31** | **1,236** | **1,205** | **140** | **84,656** |

# Segment reporting

of OVB Holding AG for the period from 1 January to 31 March 2012, prepared in accordance with IFRS

| EUR'000 | Central and Eastern Europe | Germany | Southern and Western Europe | Corporate Centre | Consolidation | Consolidated |
|---|---|---|---|---|---|---|
| **Segment income** | | | | | | |
| Income from business with third parties | | | | | | |
| - Brokerage income | 31,450 | 11,603 | 7,116 | 0 | 0 | 50,169 |
| Other operating income | 341 | 1,191 | 442 | 675 | 78 | 2,727 |
| Income from inter-segment transactions | 7 | 252 | 0 | 1,301 | -1,560 | 0 |
| **Total segment income** | **31,798** | **13,046** | **7,558** | **1,976** | **-1,482** | **52,896** |
| **Segment expenses** | | | | | | |
| Brokerage expense | | | | | | |
| - Current commission for sales force | -20,778 | -5,296 | -4,119 | 0 | 0 | -30,193 |
| - Other commission for sales force | -1,671 | -1,290 | -380 | -81 | 0 | -3,422 |
| Personnel expenses | -1,662 | -1,865 | -791 | -1,790 | 0 | -6,108 |
| Depreciation/amortisation | -161 | -222 | -85 | -193 | 0 | -661 |
| Other operating expenses | -4,864 | -3,019 | -2,257 | -1,941 | 1,509 | -10,572 |
| **Total segment expenses** | **-29,136** | **-11,692** | **-7,632** | **-4,005** | **1,509** | **-50,956** |
| **Earnings before interest and taxes (EBIT)** | **2,662** | **1,354** | **-74** | **-2,029** | **27** | **1,940** |
| Interest income | 138 | 91 | 35 | 205 | -89 | 380 |
| Interest expenses | -11 | -90 | -25 | -5 | 89 | -42 |
| Other financial result | 0 | -21 | 7 | 19 | 0 | 5 |
| **Earnings before taxes (EBT)** | **2,789** | **1,334** | **-57** | **-1,810** | **27** | **2,283** |
| Taxes on income | -612 | -14 | -5 | -230 | 0 | -861 |
| Non-controlling interests | 0 | 0 | 0 | 4 | 0 | 4 |
| **Segment result** | **2,177** | **1,320** | **-62** | **-2,036** | **27** | **1,426** |
| **Additional disclosures** | | | | | | |
| Capital expenditures | 178 | 114 | 60 | 177 | 0 | 529 |
| Material non-cash expenses (-) and income (+) | -272 | 670 | -41 | -1 | 0 | 356 |
| Impairment expenses | -169 | -581 | -337 | -21 | 0 | -1,108 |
| Reversal of impairment loss | 21 | 220 | 57 | 54 | 0 | 352 |

# Segment reporting

of OVB Holding AG for the period from 1 January to 31 March 2011, prepared in accordance with IFRS

| EUR'000 | Central and Eastern Europe | Germany | Southern and Western Europe | Corporate Centre | Consolidation | Consolidated |
|---|---|---|---|---|---|---|
| **Segment income** | | | | | | |
| Income from business with third parties | | | | | | |
| - Brokerage income | 30,414 | 12,880 | 5,922 | 0 | 0 | 49,216 |
| Other operating income | 349 | 1,031 | 475 | 517 | 12 | 2,384 |
| Income from inter-segment transactions | 7 | 285 | 40 | 2,612 | -2,944 | 0 |
| **Total segment income** | **30,770** | **14,196** | **6,437** | **3,129** | **-2,932** | **51,600** |
| **Segment expenses** | | | | | | |
| Brokerage expense | | | | | | |
| - Current commission for sales force | -19,941 | -5,718 | -3,362 | 0 | 0 | -29,021 |
| - Other commission for sales force | -2,137 | -1,755 | -410 | 0 | 0 | -4,302 |
| Personnel expenses | -1,644 | -1,878 | -958 | -1,763 | 0 | -6,243 |
| Depreciation/amortisation | -197 | -253 | -100 | -155 | 0 | -705 |
| Other operating expenses | -4,045 | -2,864 | -1,863 | -3,768 | 2,939 | -9,601 |
| **Total segment expenses** | **-27,964** | **-12,468** | **-6,693** | **-5,686** | **2,939** | **-49,872** |
| **Earnings before interest and taxes (EBIT)** | **2,806** | **1,728** | **-256** | **-2,557** | **7** | **1,728** |
| Interest income | 86 | 90 | 22 | 108 | -42 | 264 |
| Interest expenses | -8 | -97 | -16 | -7 | 42 | -86 |
| Other financial result | 0 | -20 | 8 | 20 | 0 | 8 |
| **Earnings before taxes (EBT)** | **2,884** | **1,701** | **-242** | **-2,436** | **7** | **1,914** |
| Taxes on income | -649 | 1 | -7 | -57 | 0 | -712 |
| Non-controlling interests | 0 | 0 | 0 | 34 | 0 | 34 |
| **Segment result** | **2,235** | **1,702** | **-249** | **-2,459** | **7** | **1,236** |
| **Additional disclosures** | | | | | | |
| Capital expenditures | 196 | 37 | 38 | 374 | 0 | 645 |
| Material non-cash expenses (-) and income (+) | -31 | 361 | 174 | -12 | 0 | 491 |
| Impairment expenses | -294 | -419 | -250 | -135 | 0 | -1,098 |
| Reversal of impairment loss | 85 | 116 | 43 | 132 | 0 | 376 |

# IFRS interim consolidated financial statements
# Notes as of 31 March 2012

## I. General information

### 1. General information on the OVB Group

The condensed interim consolidated financial statements for the first quarter of 2012 were released for publication on 8 May 2012 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. Principles of preparation, accounting policies and valuation methods

The condensed interim consolidated financial statements for the first quarter of 2012 have been prepared in accordance with IAS 34 “Interim Financial Reporting” compliant with the International Financial Reporting Standards (IFRS) as applicable in the European Union, released by the International Accounting Standards Board (IAS), and are meant to be read in conjunction with the consolidated financial statements for the year ended 31 December 2011.

For the preparation of the condensed interim consolidated financial statements, the same accounting policies and measurement and consolidation methods have been adopted as were applied for the preparation of the consolidated financial statements for the year ended 31 December 2011.

The same Standards applied as of 31 December 2011 and described in the Annual Report were adopted, with the following exceptions:

*IAS 12 “Income Taxes – Recovery of Underlying Assets”*

The amended Standard is subject to mandatory application for financial years beginning on or after 1 January 2012. The amendment clarifies the determination of deferred tax on investment property measured at fair value. It introduces a presumption that, with respect to measuring the deferred tax on real property measured at fair value in accordance with IAS 40, recovery of the carrying amount will generally be through sale. With respect to non-depreciable property, plant and equipment, measured using the revaluation model in accordance with IAS 16, recovery is always assumed to be through sale. The amendment of the Standard had no effect on the group’s assets, liabilities, financial position and profit/loss.

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 stated otherwise. 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

As already reported in the notes to the 2011 consolidated financial statements in section IV “Other information”, in January 2012 all rights to future claims for new business and policy service commission of the distribution structure of a former Regional Director were acquired.

The acquisition led to an increase of the item “Receivables and other assets” in the amount of EUR 9,934 thousand in the statement of financial position as of the end of the reporting period and a corresponding decrease of the item “Cash and cash equivalents”. Due to the payment, the cash flow from operating activities has been reduced accordingly under the item “Increase in trade receivables and other assets” in the reporting period.

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

# III. Notes to the statement of financial position and to the statement of cash flows

## 1. Cash and cash equivalents

For the purpose of preparing the consolidated statement of cash flows, cash and cash equivalents can be broken down as follows:

| EUR'000 | 31/03/2012 | 31/03/2011 |
|---|---|---|
| Cash | 44 | 150 |
| Cash equivalents | 31,607 | 31,396 |
| Liabilities to banks, payable on demand | -195 | - |
| | **31,456** | **31,546** |

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

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 valuated in euro as of the closing date.

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

## 2. Share capital

The subscribed capital (share capital) of OVB Holding AG amounts to Euro 14,251,314.00, unchanged from 31 December 2011. It is divided into 14,251,314 no-par ordinary bearer shares.

## 3. Dividend

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

In accordance with Section 170 AktG (German Stock Corporation Act), the Executive Board of OVB Holding AG proposes the following appropriation of the net retained profits as reported in the financial statements of OVB Holding AG as of 31 December 2011:

| EUR'000 | |
|---|---|
| Distribution to the shareholders | 4,988 |
| Profit carry-forward | 5,452 |
| **Net retained profits** | **10,440** |

The distribution would thus equal EUR 0.35 per share (previous year: EUR 0.50 per share).

The appropriation of profits is scheduled to be resolved at the Annual General Meeting on 5 June 2012.

The number of shares entitled to dividend and thus the amount to be distributed to the shareholders may still change prior to the Annual General Meeting due to the authorisation to purchase treasury shares.

## 4. Treasury shares

As of the reporting date, OVB Holding AG did not hold treasury shares. 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 commissions are refunded to product partners in the event of cancellations of contracts or non-payment, 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. Commission received in instalments is recognised 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 benefits paid by product partners as well as changes in provisions for cancellation risk.

| EUR'000 | 01/01 – 31/03/2012 | 01/01 – 31/03/2011 |
|---|---|---|
| Brokerage income | 50,169 | 49,216 |

## 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 reimbursement of costs paid by partner companies and all other operating income not to be recorded as brokerage income.

| EUR'000 | 01/01 – 31/03/2012 | 01/01 – 31/03/2011 |
|---|---|---|
| Other operating income | 2,727 | 2,384 |

## 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 – 31/03/2012 | 01/01/ – 31/03/2011 |
|---|---|---|
| Current commission | 30,193 | 29,021 |
| Other commission | 3,422 | 4,302 |
| | **33,615** | **33,323** |

## 5. Personnel expense

| EUR'000 | 01/01 – 31/03/2012 | 01/01/ – 31/03/2011 |
|---|---|---|
| Wages and salaries | 5,068 | 5,266 |
| Social security | 931 | 872 |
| Pension plan expenses | 109 | 105 |
| | **6,108** | **6,243** |

## 6. Depreciation and amortisation

| EUR'000 | 01/01 – 31/03/2012 | 01/01/ – 31/03/2011 |
|---|---|---|
| Amortisation of intangible assets | 359 | 401 |
| Depreciation of property, plant and equipment | 302 | 304 |
| | **661** | **705** |

## 7. Other operating expenses

| EUR'000 | 01/01 – 31/03/2012 | 01/01/ – 31/03/2011 |
|---|---|---|
| Administrative expenses | 4,138 | 3,552 |
| Sales and marketing costs | 5,686 | 5,077 |
| Miscellaneous operating expenses | 212 | 294 |
| Non-income-based taxes | 536 | 678 |
| | **10,572** | **9,601** |

## 8. Taxes on income

Actual and deferred taxes are 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/ – 31/03/2012 | 01/01 – 31/03/2011 |
|---|---|---|
| Actual income taxes | 764 | 825 |
| Deferred income taxes | 97 | -113 |
| | **861** | **712** |

## 9. Earnings per share

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

| EUR'000 | 01/01/ – 31/03/2012 | 01/01 – 31/03/2011 |
|---|---|---|
| **Net income for the period after non-controlling interests** | | |
| Basis for determination of basic/diluted earnings per share (net income for the period attributable to owners of the parent) | 1,426 | 1,236 |

| | 01/01 – 31/03/2012 | 01/01 – 31/03/2011 |
|---|---|---|
| **Number of shares** | | |
| Weighted average number of shares for the determination of basic/diluted earnings per share | 14,251,314 | 14,251,314 |
| **Basic/diluted earnings per share in EUR** | **0.10** | **0.09** |

# V. Notes to segment reporting

The principal business activity of OVB's operating subsidiaries consists of advising clients in structuring their finances and brokering various financial products offered by third-party 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 and 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 the same criteria. Thus the operating 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 company 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 Społka 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, Salzburg; OVB Vermögensberatung (Schweiz) AG, Baar; 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. Group-internal 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 with 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 that they give rise to obligations whose values can be reliably estimated. No material changes have occurred in comparison with 31 December 2011.

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 guarantees, the assumption of liabilities and legal disputes, and that said contingencies will not have any material effect on the group's assets, liabilities, financial position and profit/loss beyond that.

## 2. Employees

As of 31 March 2012, the OVB Group has a commercial staff of altogether 432 employees (31 December 2011: 436), 54 of which fill managerial positions (31 December 2011: 57).

## 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 31 March 2012 are companies

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

The SIGNAL IDUNA Group represents a horizontally organised group of companies. 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 31 March 2012, 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 31 March 2012, 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 31 March 2012, 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 1,474 thousand (first quarter 2011: EUR 1,848 thousand) or rather total sales commission in the amount of EUR 2,510 thousand (first quarter 2011: EUR 3,339 thousand) were generated in the first quarter of 2012, essentially in the Germany segment. Receivables exist in the amount of EUR 240 thousand (31 December 2011: EUR 870 thousand).

As of 31 March 2012, Deutscher Ring 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 Baloise Holding AG, Basel. Based on agreements concluded with the Baloise Group, sales in the amount of EUR 6,805 thousand (first quarter 2011: EUR 5,148 thousand) or rather total sales commission in the amount of EUR 8,768 thousand (first quarter 2011: EUR 7,428 thousand) were generated in the first quarter of 2012, essentially in the Germany segment. Receivables exist in the amount of EUR 4,315 thousand (31 December 2011: EUR 3,142 thousand).

As of 31 March 2012, 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 parent company is Generali Deutschland Holding AG, Cologne. Based on agreements concluded with the Generali Group, sales in the amount of EUR 7,465 thousand (first quarter 2011: EUR 8,793 thousand) or rather total sales commission in the amount of EUR 8,701 thousand (first quarter 2011: EUR 9,400 thousand) were generated in the first quarter of 2012. Receivables exist in the amount of EUR 3,430 thousand (31 December 2011: EUR 4,995 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 31 March 2012 are not secured, do not bear interest and are settled by cash payment. There are no guarantees relating to receivables from or liabilities to related parties.

## 4. Subsequent events

No events of significance have occurred since 31 March 2012, 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, Executive Board member for Finance and Administration
- Mario Freis, Executive Board member for International Sales

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; SIGNAL IDUNA Holding AG, Dortmund; PVAG Polizeiversicherungs-Aktiengesellschaft, Dortmund
- Marlies Hirschberg-Tafel (Deputy Chairwoman and Member of the Supervisory Board since 1 September 2011); 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; SIGNAL IDUNA Holding AG, Dortmund; PVAG Polizeiversicherungs-Aktiengesellschaft, Dortmund
- Christian Graf von Bassewitz, banker (ret.)
- Winfried Spies, Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich
- Dr. Frank Grund, Chairman of the Executive Boards of Basler Versicherungen, Bad Homburg; Deutscher Ring Lebensversicherung-AG, Hamburg; Deutscher Ring Sachversicherungs-AG, Hamburg
- Jan De Meulder, Head of the Corporate Division International of the Baloise Group, Basel, Switzerland

Cologne, 3 May 2012

Michael Rentmeister    Oskar Heitz    Mario Freis

# Review report

To OVB Holding AG, Cologne

We have reviewed the condensed interim consolidated financial statements – comprising the condensed statement of financial position, condensed income statement and condensed statement of comprehensive income, condensed statement of cash flows, condensed 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 31 March 2012, components of the quarterly financial report pursuant to Section 37x (3) WpHG (German 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 provide a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We 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 also 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 through critical evaluation with reasonable assurance 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 would 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 provisions of the WpHG applicable to interim group management reports.

Düsseldorf, 3 May 2012

PricewaterhouseCoopers
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Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Christian Sack | ppa. Ralf Scherello |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| (Public Auditor) | (Public Auditor) |

# Financial Calendar

| | |
|---|---|
| 09 May 2012 | Results for the first quarter of 2012 |
| 05 June 2012 | Annual General Meeting, Cologne |
| 09 August 2012 | Results for the second quarter of 2012 |
| 08 November 2012 | Results for the third quarter of 2012 |

# Contact

OVB Holding AG
Investor Relations
Heumarkt 1 · 50667 Cologne
Tel.: +49 (0) 221/20 15 -288
Fax: +49 (0) 221/20 15 -325
E-Mail: ir@ovb.ag

OVB Holding AG
Media and Public Relations
Heumarkt 1 · 50667 Cologne
Tel.: +49 (0) 221/20 15 -153
Fax: +49 (0) 221/20 15 -138
E-Mail: presse@ovb.ag

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Fax: +49 (0) 221/20 15 -264
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