

Interim Report – First Half-Year

1 January – 30 June 2015

**2015**

**OVB Next Level**

2014

OVB Allfinanz – simply better



## Key figures for the OVB Group

| Key operating figures                     | Unit         | 01/01/–<br>30/06/2014 | 01/01/–<br>30/06/2015 | Change       |
|-------------------------------------------|--------------|-----------------------|-----------------------|--------------|
| Clients (30/06)                           | Number       | 3.14 million          | 3.27 million          | + 4.1 %      |
| Financial advisors (30/06)                | Number       | 5,134                 | 5,308                 | + 3.4 %      |
| Total sales commission                    | Euro million | 103.7                 | 110.9                 | + 6.9 %      |
| <b>Key financial figures</b>              |              |                       |                       |              |
| Earnings before interest and taxes (EBIT) | Euro million | 4.7                   | 6.1                   | + 28.2 %     |
| EBIT margin*                              | %            | 4.6                   | 5.5                   | + 0.9 %-pts. |
| Consolidated net income                   | Euro million | 3.8                   | 4.2                   | + 10.8 %     |
| Earnings per share (undiluted)            | Euro         | 0.27                  | 0.29                  | + 7.4 %      |

\*Based on total sales commission

## Key figures for the regions

| Central and Eastern Europe                | Unit         | 01/01/–<br>30/06/2014 | 01/01/–<br>30/06/2015 | Change         |
|-------------------------------------------|--------------|-----------------------|-----------------------|----------------|
| Clients (30/06)                           | Number       | 2.16 Mio.             | 2.24 Mio.             | + 3.7 %        |
| Financial advisors (30/06)                | Number       | 3,222                 | 3,333                 | + 3.4 %        |
| Total sales commission                    | Euro million | 54.0                  | 55.1                  | + 2.1 %        |
| Earnings before interest and taxes (EBIT) | Euro million | 4.5                   | 4.6                   | + 1.5 %        |
| EBIT-margin*                              | %            | 8.4                   | 8.4                   | +/- 0.0 %-pts. |

\*Based on total sales commission

### Germany

|                                           |              |         |         |                |
|-------------------------------------------|--------------|---------|---------|----------------|
| Clients (30/06)                           | Number       | 631,339 | 645,754 | + 2.3 %        |
| Financial advisors (30/06)                | Number       | 1,363   | 1,348   | - 1.1 %        |
| Total sales commission                    | Euro million | 28.6    | 30.1    | + 5.3 %        |
| Earnings before interest and taxes (EBIT) | Euro million | 2.5     | 2.6     | + 5.0 %        |
| EBIT-margin*                              | %            | 8.8     | 8.8     | +/- 0.0 %-pts. |

\*Based on total sales commission

### Southern and Western Europe

|                                           |              |         |         |              |
|-------------------------------------------|--------------|---------|---------|--------------|
| Clients (30/06)                           | Number       | 346,159 | 381,067 | + 10.1 %     |
| Financial advisors (30/06)                | Number       | 549     | 627     | + 14.2 %     |
| Total sales commission                    | Euro million | 21.1    | 25.7    | + 21.5 %     |
| Earnings before interest and taxes (EBIT) | Euro million | 2.2     | 2.9     | + 36.5 %     |
| EBIT-margin*                              | %            | 10.2    | 11.4    | + 1.2 %-pts. |

\*Based on total sales commission

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 >>> [Review report 26](#)



➤ **Michael Rentmeister**  
CEO



➤ **Oskar Heitz**  
CFO



➤ **Mario Freis**  
CSO



➤ **Thomas Hücker**  
COO

Ladies and gentlemen, shareholders,

denouncing shortcomings is one thing, standing up for specific solutions is quite another. Europe's retirement provision is heading straight for disaster at full speed. The reasons are well-known: the radical demographic change in Europe and the diminishing financial capacity for action of actually over-indebted countries. Therefore we are facing the threat of an alarming pension gap. The response of politics: even more legislation, even more complexity and lack of transparency. Falling by the wayside is the people's motivation to save for retirement.

OVB advocates a renunciation of overregulation. Government interventions should be judged on the merit of their effects rather than by their assumed popularity under the label of consumer protection. Discrediting financial advisors and commission-based advisory service is also completely misdirected. It is especially the financial advisors who clear the path through the "jungle" of individual retirement provision, who stir awareness among the people for this problem and motivate them to save money. There are by far too few financial advisors in Europe.

We are convinced that an entirely new thinking is called for. OVB proposes a new multi-level approach and parallel to that a harmonisation of the European retirement provision systems:

- halt to all draft laws that contain even more restrictions for product providers and financial advisors,
- focus of all state subsidies exclusively on additional retirement provision on one's own initiative,
- simplification of the system by reducing the paths of implementation.

In the first half-year 2015 the OVB Group continued its success story in a challenging environment. Total sales commission gained 6.9 per cent to Euro 110.9 million. A large number of national markets reported satisfactory business performances. The operating result increased by 28.2 per cent to Euro 6.1 million.

OVB will keep following the path of profitable growth for the full year 2015. And we will not tire of standing up for additional retirement provision on one's own initiative based on a social market economy. This means that anyone's actions on their own initiative should be promoted first. Only if this is asking too much from the individual person in consideration of his or her individual resources, society must step in.

Kind regards

Michael Rentmeister  
CEO

Oskar Heitz  
CFO

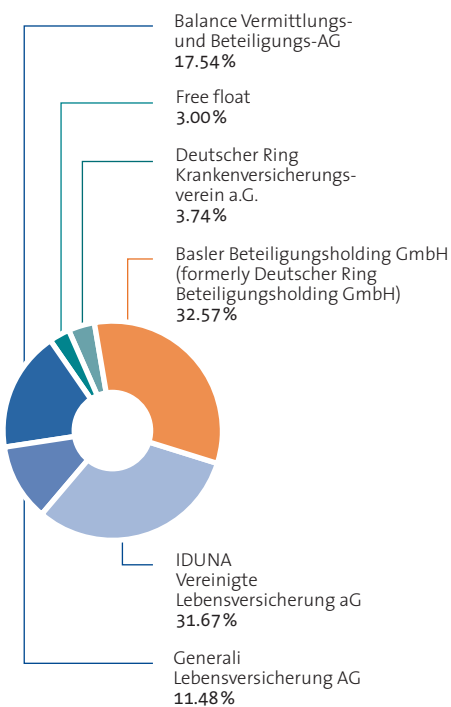
Mario Freis  
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## Share performance and investor relations

### General Meeting resolves dividend payment of Euro 8.6 million

#### Shareholder structure of OVB Holding AG per 30/06/2015



The German stock market recorded a strong increase in the first four months of 2015, particularly driven by the expansionary monetary policy of the European Central Bank. The Dax peaked at close to 12,400 points in mid-April. After that, Germany's leading index moved sideways until mid-July within a bandwidth of between 11,000 and 12,000 points. As of 30 June 2015 the Dax showed a 12.1 per cent gain over 2 January 2015.

The share of OVB Holding AG started the year 2015 with a price of Euro 19.05. At low trading the share price moved around Euro 18.00 until the beginning of June before it dropped once more to Euro 16.85 by the end of June. Only 3.00 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.

The Annual General Meeting of OVB Holding AG was held on 3 June 2015 in Cologne. At a presence of 96.99 per cent of the share capital, shareholders approved all proposals for resolutions submitted by Executive Board and Supervisory Board, among others the payment of a dividend raised by Euro 0.05 to Euro 0.60, either unanimously or with a very large majority. In his address to the shareholders, CEO Michael Rentmeister criticised the excessive regulation of the financial services industry in many countries of Europe.

#### 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 prices)          |                               |              |
| Beginning of year               | Euro 19.05                    | (12/01/2015) |
| High                            | Euro 19.05                    | (12/01/2015) |
| Low                             | Euro 16.59                    | (25/06/2015) |
| Last                            | Euro 16.85                    | (30/06/2015) |
| Market capitalisation           | Euro 240 million              | (30/06/2015) |

# Interim consolidated management report of OVB Holding AG

## Course of business

OVB stands for the comprehensive, cross-thematic and competent financial advice primarily of private households in Europe based on a long-term approach. OVB's mission 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 interdisciplinary client advisory service for all stages of life is based on the AAS system (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. OVB accompanies its clients over many years. By constant reviews and adjustments of financial decisions to all changes in the clients' needs, the resulting provision concepts are suited to the clients' demand and aligned with their respective situation in life.

OVB is active in 14 countries of Europe at present. OVB's 5,308 full-time financial agents support 3.27 million clients. The Group's broad European positioning stabilises its 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 leading market position in a number of countries. There is still considerable potential for OVB's services considering a demographic development that is similar in all of OVB's markets and the urgently required relief for public welfare systems.

At the end of June 2015 the OVB Group had altogether 436 employees (previous year: 428 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 marketing and IT services.

## Macroeconomic environment

The sale of financial products in Europe keeps facing a challenging environment. Structural problems of some national economies, finding expression in persistently high unemployment rates for example, lead to a strained financial situation of many private households, leaving barely any room for individual financial provision.

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 yet making it difficult to generate assets for private provision. 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 continuing 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 changes in tax legislation and health and pension reforms.

### Central and Eastern Europe

OVB's Central and Eastern Europe segment comprises the national markets of Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and Ukraine; here the Group generated half its total sales commission in 2014. The economies of most countries in this region enjoy economic growth: The growth rates of the gross domestic product (GDP) are supposed to reach or even exceed 3.0 per cent in 2015.

As increases in consumer prices are hardly recognisable, the real income of private households will probably go up noticeably. This positive outlook will likely remain valid until the beginning of 2016. The macroeconomic framework of this group of countries also benefits OVB's financial advisors. Contrary to that, the situation in Ukraine continues to be

difficult: The country suffers from an ongoing political and military conflict resulting in a deep recession.

#### Germany

The German market accounted for 29 per cent of OVB's total sales commission in 2014. The German economy is

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

|                | Real GDP<br>Change in % |       | Consumer prices<br>Change in % |       | Public budget deficit<br>in % of the GDP |       |
|----------------|-------------------------|-------|--------------------------------|-------|------------------------------------------|-------|
|                | 2015e                   | 2016f | 2015e                          | 2016f | 2015e                                    | 2016f |
| Croatia        | 0.5                     | 1.0   | 0.0                            | 1.4   | - 5.4                                    | - 5.0 |
| Czech Republic | 3.2                     | 2.4   | 0.5                            | 1.7   | - 2.5                                    | - 1.8 |
| Hungary        | 3.0                     | 2.5   | 0.5                            | 2.9   | - 2.6                                    | - 2.5 |
| Poland         | 3.9                     | 3.6   | - 0.4                          | 1.5   | - 2.7                                    | - 2.3 |
| Romania        | 4.0                     | 3.5   | 0.0                            | 1.4   | - 2.3                                    | - 2.3 |
| Slovakia       | 3.1                     | 3.5   | 0.0                            | 1.3   | - 2.5                                    | - 1.9 |
| Ukraine        | - 10.0                  | 1.5   | 53.7                           | 14.0  | - 7.0                                    | - 5.5 |

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 3<sup>rd</sup> quarter 2015

currently on a path of growth built on a strong foundation. Domestic demand profits from a sound situation in the labour market and considerable increases in income. The significant decline in energy costs – e.g. for fuel and heating oil – cushions the rise in consumer prices. The resulting noticeable increase in real income generally leaves more room for private households to take measures toward financial provision. However, there is considerable restraint among consumers in this respect, among other factors accounted for by counterproductive reporting in the media for many years. The German Bundesbank altogether expects economic growth of 1.7 per cent for the current year and 1.8 per cent for next year.

#### Southern and Western Europe

The national markets of Austria, France, Greece, Italy, Spain and Switzerland represent the OVB segment "Southern and Western Europe", contributing some 21 per cent to the OVB Group's total sales commission in 2014. With the exception of Switzerland, these countries belong to the euro area. After years of stagnation, this currency zone shows slightly stronger economic growth again at 1.4 per cent for 2015. Spain's economic performance is expected to gain 3.1 per cent in the current year. For France, Italy and Austria, however, noticeable economic stimulation can only be expected to begin in 2016. Switzerland undergoes a considerable slowdown in economic growth in 2015 trig-

#### Macroeconomic key data, Southern and Western Europe

|             | Real GDP<br>Change in % |       | Consumer prices<br>Change in % |       | Public budget deficit<br>in % of the GDP |       |
|-------------|-------------------------|-------|--------------------------------|-------|------------------------------------------|-------|
|             | 2015e                   | 2016f | 2015e                          | 2016f | 2015e                                    | 2016f |
| Austria     | 0.7                     | 1.8   | 1.2                            | 1.9   | -1.9                                     | -1.8  |
| France      | 0.7                     | 1.5   | 0.4                            | 1.3   | -3.8                                     | -3.5  |
| Greece      | -0.3                    | 1.2   | -1.4                           | 0.8   | -2.1                                     | -2.2  |
| Italy       | 0.8                     | 1.5   | 0.2                            | 1.1   | -2.6                                     | -2.0  |
| Spain       | 3.1                     | 2.6   | -0.3                           | 1.4   | -4.3                                     | -3.4  |
| Switzerland | 0.9                     | 1.7   | -1.2                           | -0.1  | 0.2                                      | 0.3   |

e = estimated; f = forecast

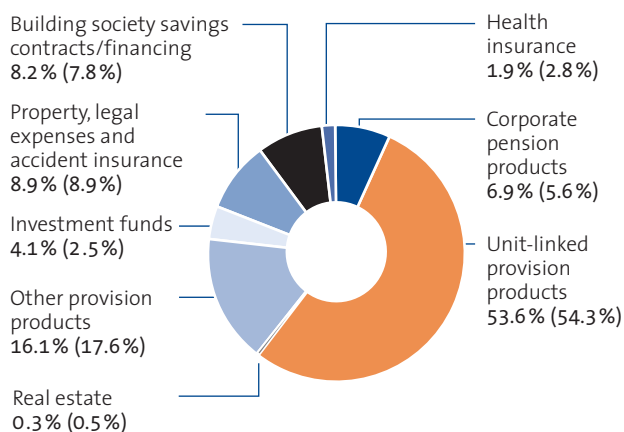
Source: Raiffeisen RESEARCH, Strategy Global Markets, 3<sup>rd</sup> quarter 2015

gered by the significant revaluation of the Swiss franc against the euro. Even though the macroeconomic framework in the countries of the Southern and Western Europe segment is quite mixed, the business success achieved by OVB in Spain or Italy gives evidence of the fact that clients are willing to invest in their personal financial provision even under difficult economic circumstances.

## Business performance

The OVB Group's total sales commission amounted to Euro 110.9 million in the period January through June 2015 altogether. This equals a 6.9 per cent gain over the prior-year amount of Euro 103.7 million. A large number of national markets reported pleasant business performances. By the end of June OVB supported 3.27 million clients in 14 European countries (previous year: 3.14 million clients). The total number of financial advisors working for OVB went up by 3.4 per cent from 5,134 sales agents twelve months ago to 5,308 financial advisors in the reporting period. The structure of new business remained largely unchanged from the prior-year period and continues to be oriented toward real assets. Product demand focused primarily on unit-linked provision products, accounting for 53.6 per cent of all new contracts (previous year: 54.3 per cent).

Breakdown of income from new business  
1-6/2015 (1-6/2014)



## Central and Eastern Europe

Brokerage income went up in the Central and Eastern Europe segment by 2.1 per cent to Euro 55.1 million in the reporting period (previous year: Euro 54.0 million). Particularly satisfactory was the business performance in Slovakia, Hungary and Romania. The number of financial advisors working for OVB in the countries of this segment rose from 3,222 as of the prior-year closing date by 3.4 per cent to 3,333 financial advisors as of 30 June 2015. They supported 2.24 million clients (previous year: 2.16 million clients). The clients' product demand continued to focus on unit-linked provision products, accounting for 67.6 per cent of the new business (previous year: 72.8 per cent). While the share of health insurance in the new business went down, the respective shares of the other product groups was expanding.

## Germany

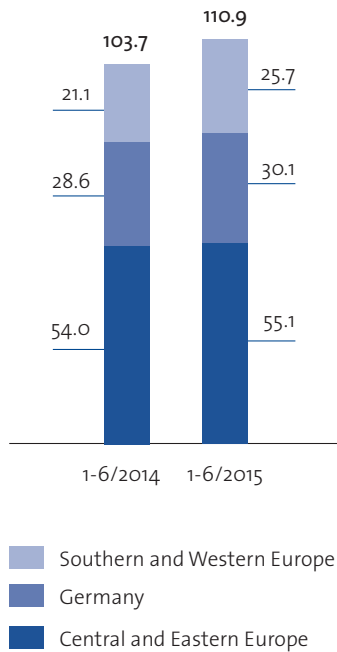
Total sales commission achieved in the Germany segment is up 5.3 per cent from Euro 28.6 million in the prior-year period to Euro 30.1 million. By closing date comparison as of 30 June, the number of clients rose by 2.3 per cent from 631,339 to now 645,754 clients. Unit-linked provision products accounted for the lion's share of the new business at 33.6 per cent (previous year: 29.8 per cent), followed by other provision products at 26.6 per cent (previous year: 29.9 per cent) and property, legal expenses and accident insurance at 14.5 per cent (previous year: 15.5 per cent). The number of financial advisors working for OVB remained almost constant at 1,348 sales agents (previous year: 1,363 financial advisors).

## Southern and Western Europe

The business volume of the Southern and Western Europe segment continued its expansion in the reporting period: Total sales commission grew from Euro 21.1 million in the previous year by 21.5 per cent to Euro 25.7 million. The operating subsidiaries in Spain, Italy, Austria and Switzerland increased their respective brokerage income significantly. Parallel to that, the number of supported clients rose by 10.1 per cent to 381,067 clients (previous year: 346,159 clients) and the number of financial advisors gained even 14.2 per cent to now 627 sales agents (previous year: 549 financial advisors). The clients' interest primarily targeted three product groups: unit-linked provision products (35.1 per cent of the new business; previous year: 43.3 per cent), corporate pension products (27.6 per cent; previous year: 21.4 per cent) and other provision products (23.1 per cent; previous year: 21.6 per cent).

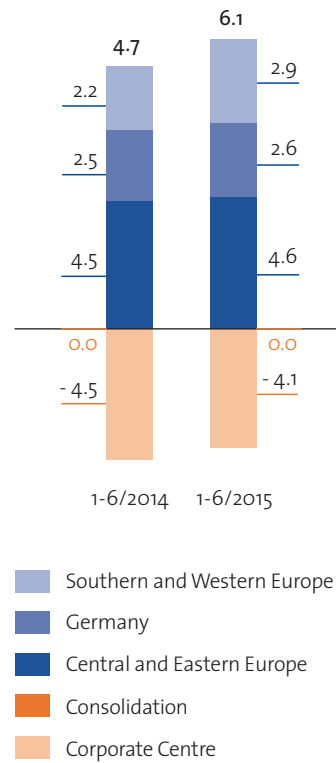
### Total sales commission by region

Euro million, figures rounded



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

Euro million, figures rounded



## Profit/Loss

In the first six months of the 2015 financial year, the OVB Group generated total sales commission in the amount of Euro 110.9 million. The sales performance was thus 6.9 per cent ahead of the prior-year amount of comparison, Euro 103.7 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 7.8 million in the reporting period after Euro 8.0 million in the previous year. Brokerage income reported in the income statement in the amount of Euro 103.1 million was up 7.7 per cent from the prior-year amount of Euro 95.7 million. Other operating income increased to Euro 4.7 million year-over-year (previous year: Euro 3.6 million).

Brokerage expenses went up by 9.6 per cent from Euro 62.7 million to Euro 68.7 million. Personnel expense for the Group's employees increased to Euro 13.6 million

(previous year: Euro 12.8 million). Depreciation and amortisation rose to Euro 1.7 million (previous year: Euro 1.4 million). Other operating expenses of Euro 17.7 million in the reporting period remained stable compared to the previous year.

The OVB Group's operating result reached Euro 6.1 million in the first half-year 2015 after Euro 4.7 million in the prior-year period. All segments contributed to this improvement of earnings by altogether 28.2 per cent: The Southern and Western Europe segment recorded the strongest growth with a 36.5 per cent increase in earnings before interest and taxes (EBIT) to Euro 2.9 million. The Central and Eastern Europe segment improved its earnings by 1.5 per cent to Euro 4.6 million and the Germany segment's earnings gained 5.0 per cent to Euro 2.6 million. A result of the strict cost management at OVB is the decrease in the loss reported by Corporate Centre from Euro 4.5 million to Euro 4.1 million. The Group's EBIT margin with respect to total sales commission improved to 5.5 per cent for the reporting period after 4.6 per cent in the prior-year period of comparison.



Profit/Loss

Financial position

Assets and liabilities

Subsequent events

Opportunities and risks

The financial result of Euro 0.3 million for the reporting period came close to the prior-year level (previous year: Euro 0.4 million), resulting in an increase in earnings before taxes by 25.0 per cent to Euro 6.4 million (previous year: Euro 5.1 million). Due to the good business performance, the income tax load went up considerably from Euro 1.4 million to Euro 2.0 million. Consolidated net income after non-controlling interests thus improved from Euro 3.8 million in the previous year to Euro 4.2 million in the reporting period. Earnings per share gained 7.4 per cent.

## Financial position

The OVB Group's cash flow from operating activities gained Euro 3.6 million year-over-year to Euro 8.3 million. Apart from the higher consolidated net income, this development is essentially accounted for by a significantly lower increase in trade receivables and other assets compared to the prior-year period. In addition to that, trade payables and other liabilities were up. Contrary to that, unrealised currency gains are reported for this period as opposed to unrealised currency losses in the prior-year period of comparison.

The cash flow from investing activities shows a positive balance of Euro 0.8 million for the reporting period, following an outflow of Euro 3.7 million in the prior-year period of comparison. The principal reason for this is the decrease in the portfolio of securities and other short-term investments whereas that item had seen a considerable increase in the previous year. Capital expenditures for intangible assets were also reduced significantly.

The cash flow from financing activities, coming to Euro -8.6 million in the reporting period and Euro -7.9 million in the prior-year period, was determined for the most part by the payment of a dividend to the shareholders in both cases. Cash and cash equivalents as of 30 June were up year-over-year from Euro 31.3 million to Euro 40.9 million.

## Assets and liabilities

Total assets of OVB Holding AG came to Euro 150.6 million as of 30 June 2015, largely unchanged from the amount of Euro 151.9 million reported for the end of the year 2014. Non-current assets were altogether reduced by Euro 0.8 million by closing date comparison to Euro 20.3 million, due primarily to the decrease in intangible assets. Current assets were down by Euro 0.5 million to Euro 130.3 million. Disposals of securities and other investments and a de-

crease in receivables and other assets on the one hand more or less cancelled out increases in cash and cash equivalents and an increase in trade receivables on the other hand.

The OVB Group's equity went down in the reporting period from Euro 83.6 million to Euro 79.9 million at a positive performance of net income for the period due to the payment of the dividend from retained earnings. The Company's equity ratio came to 53.0 per cent as of 30 June 2015 after 55.0 per cent as of the end of 2014. Non-current liabilities at an immaterial total amount were reduced further to Euro 1.1 million. In contrast to that, current liabilities for transacting the expansive business went up from Euro 66.3 million to Euro 69.6 million.

## Subsequent events

No business 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 June 2015.

## Opportunities and risks

Various business opportunities arise for the companies of the OVB Group and they also face risks of different kinds as a matter of course. The risks have not changed materially since the preparation of the 2014 financial statements; they are described in detail in the Annual Report 2014, in particular in its 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 45 years now OVB's business model and business success have been based on the high relevance throughout Europe of private provision, financial security and asset accumulation. OVB assumes that the demand for its services and the financial and insurance products brokered by OVB's sales force will therefore hold up. On the one hand, the people remain aware of the importance of 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 rising 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 its business in already developed markets, OVB will move into new promising markets if the general conditions appear favourable. Consolidation within the industry offers additional business opportunities and OVB intends to play an active role in this process.

It has never been more important to take private financial 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 financial service providers and their products;
- the interest level being kept deliberately low by the central banks;
- exaggerated and unobjective criticism of commission-based financial advice;
- and excessive government regulation that often yields counterproductive effects.

The above-mentioned effects unnecessarily interfere with the sale of financial products and increase the risk of in-

sufficient provision and old-age poverty of large segments of the population. Thus OVB's financial advisors keep facing the challenge to work against those negative aspects. However, OVB is convinced that macroeconomic and social necessities will result in increased spending on private retirement provision.

OVB observes the situation in Ukraine and the debt crisis of Greece and the debate on the country's membership in the eurozone with great attention. However, OVB's business activities in both countries are of minor significance. Even a further deterioration of the political and economic situation in both crisis-stricken countries would not have a material effect on the OVB Group's profit/loss, financial position and assets and liabilities.

## Outlook

The general conditions of OVB's business activities will probably remain stable for the rest of the financial year. Based on this assessment and in view of the business results of the first six months of 2015, OVB expects for the full year slightly increased sales over 2014 and for the operating result to reach or even slightly exceed the significantly improved 2014 result.

Cologne, 30 July 2015



Michael Rentmeister  
CEO



Oskar Heitz  
CFO



Mario Freis  
CSO



Thomas Hücker  
COO

## Consolidated statement of financial position

of OVB Holding AG as of 30 June 2015, prepared in accordance with IFRS

### Assets

| EUR'000                                  | 30/06/2015     | 31/12/2014     |
|------------------------------------------|----------------|----------------|
| <b>Non-current assets</b>                |                |                |
| Intangible assets                        | 10,324         | 11,132         |
| Tangible assets                          | 4,444          | 4,430          |
| Investment property                      | 577            | 577            |
| Financial assets                         | 271            | 321            |
| Deferred tax assets                      | 4,689          | 4,641          |
|                                          | <b>20,305</b>  | <b>21,101</b>  |
| <b>Current assets</b>                    |                |                |
| Trade receivables                        | 22,464         | 21,777         |
| Receivables and other assets             | 24,149         | 25,019         |
| Income tax assets                        | 1,610          | 1,798          |
| Securities and other capital investments | 41,055         | 42,310         |
| Cash and cash equivalents                | 41,006         | 39,882         |
|                                          | <b>130,284</b> | <b>130,786</b> |
| <b>Total assets</b>                      | <b>150,589</b> | <b>151,887</b> |

### Equity and liabilities

| EUR'000                             | 30/06/2015     | 31/12/2014     |
|-------------------------------------|----------------|----------------|
| <b>Equity</b>                       |                |                |
| Subscribed capital                  | 14,251         | 14,251         |
| Capital reserve                     | 39,342         | 39,342         |
| Treasury shares                     | 0              | 0              |
| Revenue reserves                    | 13,805         | 13,785         |
| Other reserves                      | 1,011          | 552            |
| Non-controlling interests           | 309            | 153            |
| Retained earnings                   | 11,154         | 15,530         |
|                                     | <b>79,872</b>  | <b>83,613</b>  |
| <b>Non-current liabilities</b>      |                |                |
| Liabilities to banks                | 0              | 219            |
| Provisions                          | 903            | 1,552          |
| Other liabilities                   | 101            | 115            |
| Deferred tax liabilities            | 97             | 80             |
|                                     | <b>1,101</b>   | <b>1,966</b>   |
| <b>Current liabilities</b>          |                |                |
| Provisions for taxes                | 938            | 827            |
| Other provisions                    | 27,900         | 27,118         |
| Income tax liabilities              | 2,168          | 1,440          |
| Trade payables                      | 7,389          | 7,008          |
| Other liabilities                   | 31,221         | 29,915         |
|                                     | <b>69,616</b>  | <b>66,308</b>  |
| <b>Total equity and liabilities</b> | <b>150,589</b> | <b>151,887</b> |

## Consolidated income statement

of OVB Holding AG for the period from 1 January to 30 June 2015, prepared in accordance with IFRS

| EUR'000                                                        | 01/04/–<br>30/06/2015 | 01/04/–<br>30/06/2014 | 01/01/–<br>30/06/2015 | 01/01/–<br>30/06/2014 |
|----------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Brokerage income                                               | 52,757                | 50,278                | 103,090               | 95,722                |
| Other operating income                                         | 2,388                 | 1,763                 | 4,654                 | 3,593                 |
| <b>Total income</b>                                            | <b>55,145</b>         | <b>52,041</b>         | <b>107,744</b>        | <b>99,315</b>         |
| Brokerage expenses                                             | -35,193               | -32,829               | -68,681               | -62,650               |
| Personnel expenses                                             | -6,851                | -6,289                | -13,597               | -12,803               |
| Depreciation and amortisation                                  | -867                  | -765                  | -1,696                | -1,436                |
| Other operating expenses                                       | -8,420                | -9,081                | -17,713               | -17,701               |
| <b>Earnings before interest and taxes (EBIT)</b>               | <b>3,814</b>          | <b>3,077</b>          | <b>6,057</b>          | <b>4,725</b>          |
| Finance income                                                 | 139                   | 200                   | 332                   | 419                   |
| Finance expenses                                               | -17                   | -35                   | -27                   | -56                   |
| <b>Financial result</b>                                        | <b>122</b>            | <b>165</b>            | <b>305</b>            | <b>363</b>            |
| <b>Consolidated income before income tax</b>                   | <b>3,936</b>          | <b>3,242</b>          | <b>6,362</b>          | <b>5,088</b>          |
| Taxes on income                                                | -1,211                | -861                  | -2,011                | -1,350                |
| <b>Consolidated net income</b>                                 | <b>2,725</b>          | <b>2,381</b>          | <b>4,351</b>          | <b>3,738</b>          |
| Thereof non-controlling interests                              | -106                  | 28                    | -156                  | 47                    |
| <b>Consolidated net income after non-controlling interests</b> | <b>2,619</b>          | <b>2,409</b>          | <b>4,195</b>          | <b>3,785</b>          |
| Basic earnings per share in Euro                               | 0.18                  | 0.17                  | 0.29                  | 0.27                  |

## Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 30 June 2015, prepared in accordance with IFRS

| EUR'000                                                                          | 01/04/–<br>30/06/2015 | 01/04/–<br>30/06/2014 | 01/01/–<br>30/06/2015 | 01/01/–<br>30/06/2014 |
|----------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Consolidated net income</b>                                                   | <b>2,725</b>          | <b>2,381</b>          | <b>4,351</b>          | <b>3,738</b>          |
| Change in revaluation reserve                                                    | -150                  | 32                    | 185                   | 36                    |
| Change in deferred taxes on unrealised gains and losses from capital investments | 33                    | -1                    | -20                   | -1                    |
| Change in currency translation reserve                                           | -32                   | 2                     | 294                   | -132                  |
| <b>Other comprehensive income to be reclassified to the income statement</b>     | <b>-149</b>           | <b>33</b>             | <b>459</b>            | <b>-97</b>            |
| Total comprehensive income attributable to non-controlling interests             | -106                  | 28                    | -156                  | 47                    |
| <b>Total comprehensive income</b>                                                | <b>2,470</b>          | <b>2,442</b>          | <b>4,654</b>          | <b>3,688</b>          |

## Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 30 June 2015, prepared in accordance with IFRS

| EUR'000                                                                                                                     | 01/01–<br>30/06/2015 | 01/01–<br>30/06/2014 |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Consolidated net income (before non-controlling interests)                                                                  | 4,351                | 3,738                |
| -/+ Increase/decrease in non-controlling interests                                                                          | -156                 | 47                   |
| +/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets | 1,696                | 1,436                |
| -/+ Unrealised currency gains/losses                                                                                        | -291                 | 108                  |
| +/- Allocation to/reversal of valuation allowances for receivables                                                          | 1,517                | 1,552                |
| -/+ Increase/decrease in deferred tax assets                                                                                | -48                  | -207                 |
| +/- Increase/decrease in deferred tax liabilities                                                                           | 17                   | -30                  |
| - Other finance income                                                                                                      | -89                  | -105                 |
| - Interest income                                                                                                           | -243                 | -314                 |
| +/- Increase/decrease in provisions                                                                                         | 244                  | 292                  |
| +/- Increase/decrease of unrealised gains/losses in equity (net)                                                            | 165                  | 36                   |
| +/- Expenses/income from the disposal of intangible and tangible assets (net)                                               | -21                  | -25                  |
| +/- Decrease/increase in trade receivables and other assets                                                                 | -1,146               | -3,717               |
| +/- Increase/decrease in trade payables and other liabilities                                                               | 2,353                | 1,898                |
| <b>= Cash flow from operating activities</b>                                                                                | <b>8,349</b>         | <b>4,709</b>         |
| + Proceeds from the disposal of tangible and intangible assets                                                              | 23                   | 343                  |
| + Proceeds from the disposal of financial assets                                                                            | 128                  | 232                  |
| - Purchases of tangible assets                                                                                              | -603                 | -422                 |
| - Purchases of intangible assets                                                                                            | -253                 | -2,192               |
| - Purchases of financial assets                                                                                             | -77                  | -98                  |
| +/- Decrease/increase in securities and other short-term investments                                                        | 1,255                | -1,976               |
| + Other finance income                                                                                                      | 89                   | 105                  |
| + Interest received                                                                                                         | 243                  | 314                  |
| <b>= Cash flow from investing activities</b>                                                                                | <b>805</b>           | <b>-3,694</b>        |
| - Dividends paid                                                                                                            | -8,551               | -7,838               |
| +/- Increase/decrease in non-controlling interests                                                                          | 156                  | -47                  |
| +/- Proceeds/repayments from the issue of bonds and taking out (financial) loans                                            | -219                 | -11                  |
| <b>= Cash flow from financing activities</b>                                                                                | <b>-8,614</b>        | <b>-7,896</b>        |
| <b>Overview:</b>                                                                                                            |                      |                      |
| Cash flow from operating activities                                                                                         | 8,349                | 4,709                |
| Cash flow from investing activities                                                                                         | 805                  | -3,694               |
| Cash flow from financing activities                                                                                         | -8,614               | -7,896               |
| <b>= Net change in cash and cash equivalents</b>                                                                            | <b>540</b>           | <b>-6,881</b>        |
| Exchange gains/losses on cash and cash equivalents                                                                          | 535                  | -224                 |
| + Cash and cash equivalents at end of the prior year                                                                        | 39,845               | 38,370               |
| <b>= Cash and cash equivalents at the end of the period</b>                                                                 | <b>40,920</b>        | <b>31,265</b>        |
| Income tax paid                                                                                                             | 2,105                | 1,917                |
| Interest paid                                                                                                               | 17                   | 23                   |

## Consolidated statement of changes in equity

of OVB Holding AG as of 30 June 2015, prepared in accordance with IFRS

| EUR'000                                         | Subscribed capital | Capital reserve | Retained profits brought forward | Statutory reserve | Other revenue reserves | Available-for-sale reserve/<br>revaluation reserve |
|-------------------------------------------------|--------------------|-----------------|----------------------------------|-------------------|------------------------|----------------------------------------------------|
| <b>31/12/2014</b>                               | <b>14,251</b>      | <b>39,342</b>   | <b>6,809</b>                     | <b>2,653</b>      | <b>11,132</b>          | <b>327</b>                                         |
| Consolidated profit                             |                    |                 | 8,721                            |                   |                        |                                                    |
| Treasury shares                                 |                    |                 |                                  |                   |                        |                                                    |
| Corporate actions                               |                    |                 |                                  |                   |                        |                                                    |
| Dividends paid                                  |                    |                 | -8,551                           |                   |                        |                                                    |
| Change in available-for-sale reserve            |                    |                 |                                  |                   |                        | 185                                                |
| Transfer to other reserves                      |                    |                 | -20                              | 20                |                        |                                                    |
| Change in currency translation reserve          |                    |                 |                                  |                   |                        |                                                    |
| Revaluation effect from provisions for pensions |                    |                 |                                  |                   |                        |                                                    |
| Consolidated net income                         |                    |                 |                                  |                   |                        |                                                    |
| <b>30/06/2015</b>                               | <b>14,251</b>      | <b>39,342</b>   | <b>6,959</b>                     | <b>2,673</b>      | <b>11,132</b>          | <b>512</b>                                         |

of OVB Holding AG as of 30 June 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/<br>revaluation reserve |
|-------------------------------------------------|--------------------|-----------------|----------------------------------|-------------------|------------------------|----------------------------------------------------|
| <b>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            |                    |                 |                                  |                   |                        | 36                                                 |
| Transfer to other reserves                      |                    |                 | -35                              |                   | 35                     |                                                    |
| Change in currency translation reserve          |                    |                 |                                  |                   |                        |                                                    |
| Revaluation effect from provisions for pensions |                    |                 |                                  |                   |                        |                                                    |
| Consolidated net income                         |                    |                 |                                  |                   |                        |                                                    |
| <b>30/06/2014</b>                               | <b>14,251</b>      | <b>39,342</b>   | <b>6,774</b>                     | <b>2,653</b>      | <b>11,167</b>          | <b>219</b>                                         |

| Reserve from provisions for pensions | 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  |
|--------------------------------------|-------------------------------------------|------------------------------|------------------------------------------|---------------------------|----------------------------|---------------------------|--------|
| -556                                 | 112                                       | 669                          |                                          | 8,721                     |                            | 153                       | 83,613 |
|                                      |                                           |                              |                                          | -8,721                    |                            |                           |        |
|                                      |                                           |                              |                                          |                           |                            |                           | -8,551 |
|                                      | -20                                       |                              | 165                                      |                           | 165                        |                           | 165    |
|                                      |                                           | 294                          | 294                                      |                           | 294                        |                           | 294    |
|                                      |                                           |                              |                                          | 4,195                     | 4,195                      | 156                       | 4,351  |
| -556                                 | 92                                        | 963                          | 459                                      | 4,195                     | 4,654                      | 309                       | 79,872 |
|                                      |                                           |                              |                                          |                           |                            |                           |        |
|                                      |                                           |                              |                                          |                           |                            |                           | -7,838 |
|                                      | -1                                        |                              | 35                                       |                           | 35                         |                           | 35     |
|                                      |                                           | -132                         | -132                                     |                           | -132                       |                           | -132   |
|                                      |                                           |                              |                                          | 3,785                     | 3,785                      | -47                       | 3,738  |
| -259                                 | 52                                        | 756                          | -97                                      | 3,785                     | 3,688                      | 105                       | 78,845 |

# IFRS interim consolidated financial statements

## Notes as of 30 June 2015

### I. GENERAL INFORMATION

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

The condensed interim consolidated financial statements for the first half-year 2015 are released for publication as of 14 August 2015 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 first half-year 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and 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 2014.

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 2014.

The same accounting standards as applied as of 31 December 2014 and described in the Annual Report have been adopted.

All book values of financial assets equal their respective fair value. In accordance with IFRS 13, securities continue to be measured at level 1, the respective market price.

The interim consolidated financial statements have been 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           |     | 30/06/2015    | 31/12/2014    |
|-------------------|-----|---------------|---------------|
| Securities        | AfS | 5,343         | 5,940         |
| Other investments | L+R | 35,712        | 36,370        |
|                   |     | <b>41,055</b> | <b>42,310</b> |

AfS = Available-for-Sale

L+R = Loans and Receivables



## 2. Cash and cash equivalents

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

| EUR'000                      | 30/06/2015    | 30/06/2014    |
|------------------------------|---------------|---------------|
| Cash                         | 33            | 42            |
| Cash equivalents             | 40,973        | 31,286        |
| Current liabilities to banks | -86           | -63           |
|                              | <b>40,920</b> | <b>31,265</b> |

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

Liabilities to banks payable on demand are included in the balance of cash and cash equivalents itemised 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 2014. 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 2014 was resolved by the Annual General Meeting on 3 June 2015.

On 5 June 2015 a dividend in the amount of EUR 8,551 thousand was distributed to the shareholders, equivalent to EUR 0.60 per share (previous year: EUR 0.55 per share).

| EUR'000                      |               |
|------------------------------|---------------|
| Distribution to shareholders | 8,551         |
| Profit carry-forward         | 6,127         |
| <b>Net retained profits</b>  | <b>14,678</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 3 June 2015, 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 2020, 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. Adequate provisions are made on the basis of historical figures for commission potentially to be refunded to product partners (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/ –<br>30/06/2015 | 01/01/ –<br>30/06/2014 |
|------------------|------------------------|------------------------|
| Brokerage income | 103,090                | 95,722                 |

### 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/ –<br>30/06/2015 | 01/01/ –<br>30/06/2014 |
|------------------------|------------------------|------------------------|
| Other operating income | 4,654                  | 3,593                  |

The increase is attributable to license revenue generated by an IT service company and higher contributions to costs.

### 4. Brokerage expenses

This item includes all direct 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/ –<br>30/06/2015 | 01/01/ –<br>30/06/2014 |
|--------------------|------------------------|------------------------|
| Current commission | 61,540                 | 56,182                 |
| Other commission   | 7,141                  | 6,468                  |
|                    | <b>68,681</b>          | <b>62,650</b>          |

## 5. Personnel expense

| EUR'000               | 01/01/ –<br>30/06/2015 | 01/01/ –<br>30/06/2014 |
|-----------------------|------------------------|------------------------|
| Wages and salaries    | 11,412                 | 10,677                 |
| Social security       | 2,029                  | 1,977                  |
| Pension plan expenses | 156                    | 149                    |
|                       | <b>13,597</b>          | <b>12,803</b>          |

## 6. Depreciation and amortisation

| EUR'000                                       | 01/01/ –<br>30/06/2015 | 01/01/ –<br>30/06/2014 |
|-----------------------------------------------|------------------------|------------------------|
| Amortisation of intangible assets             | 1,080                  | 768                    |
| Depreciation of property, plant and equipment | 616                    | 668                    |
|                                               | <b>1,696</b>           | <b>1,436</b>           |

## 7. Other operating expenses

| EUR'000                          | 01/01/ –<br>30/06/2015 | 01/01/ –<br>30/06/2014 |
|----------------------------------|------------------------|------------------------|
| Sales and marketing expenses     | 8,651                  | 8,676                  |
| Administrative expenses          | 7,495                  | 7,921                  |
| Non-income-based tax             | 1,431                  | 948                    |
| Miscellaneous operating expenses | 136                    | 156                    |
|                                  | <b>17,713</b>          | <b>17,701</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/ –<br>30/06/2015 | 01/01/ –<br>30/06/2014 |
|---------------------|------------------------|------------------------|
| Actual income tax   | 2,019                  | 1,583                  |
| Deferred income tax | -8                     | -233                   |
|                     | <b>2,011</b>           | <b>1,350</b>           |

## 9. Earnings per share

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

| EUR'000                                                                                                          | 01/01/ –<br>30/06/2015 | 01/01/ –<br>30/06/2014 |
|------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Net income for the period after non-controlling interests</b>                                                 |                        |                        |
| Basis for basic / diluted earnings per share<br>(net income for the period attributable to owners of the parent) | 4,195                  | 3,785                  |
| <b>Number of shares</b>                                                                                          |                        |                        |
| Weighted average number of shares for the calculation<br>of basic / diluted earnings per share                   | 14,251,314             | 14,251,314             |
| <b>Basic / diluted earnings per share in EUR</b>                                                                 | <b>0.29</b>            | <b>0.27</b>            |

## V. NOTES ON 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; and TOB OVB Allfinanz Ukraine, Kiev. Material contributions to the brokerage income of the Central and Eastern Europe segment are generated by OVB Allfinanz a.s., Prague at EUR 20,432 thousand (30 June 2014: EUR 22,149 thousand) and OVB Allfinanz Slovensko a.s., Bratislava at EUR 18,879 thousand (30 June 2014: EUR 15,904 thousand).

## Segment reporting

of OVB Holding AG for the period from 1 January to 30 June 2015, prepared in accordance with IFRS

| EUR'000                                                    | Central and<br>Eastern Europe | Germany        | Southern and<br>Western Europe | Corporate<br>Centre | Consolidation | Consolidated    |
|------------------------------------------------------------|-------------------------------|----------------|--------------------------------|---------------------|---------------|-----------------|
| <b>Segment income</b>                                      |                               |                |                                |                     |               |                 |
| Income from business with<br>third parties                 |                               |                |                                |                     |               |                 |
| - Brokerage income                                         | 55,090                        | 22,308         | 25,692                         | 0                   | 0             | 103,090         |
| Other operating income                                     | 854                           | 1,766          | 968                            | 1,028               | 38            | 4,654           |
| Income from inter-segment<br>transactions                  | 26                            | 580            | 4                              | 3,781               | -4,391        | 0               |
| <b>Total segment income</b>                                | <b>55,970</b>                 | <b>24,654</b>  | <b>26,664</b>                  | <b>4,809</b>        | <b>-4,353</b> | <b>107,744</b>  |
| <b>Segment expenses</b>                                    |                               |                |                                |                     |               |                 |
| Brokerage expense                                          |                               |                |                                |                     |               |                 |
| - Current commission<br>for sales force                    | -35,685                       | -11,252        | -14,603                        | 0                   | 0             | -61,540         |
| - Other commission<br>for sales force                      | -3,406                        | -1,815         | -1,920                         | 0                   | 0             | -7,141          |
| Personnel expenses                                         | -3,494                        | -3,934         | -2,089                         | -4,080              | 0             | -13,597         |
| Depreciation/amortisation                                  | -415                          | -281           | -170                           | -830                | 0             | -1,696          |
| Other operating expenses                                   | -8,361                        | -4,737         | -4,947                         | -4,023              | 4,355         | -17,713         |
| <b>Total segment expenses</b>                              | <b>-51,361</b>                | <b>-22,019</b> | <b>-23,729</b>                 | <b>-8,933</b>       | <b>4,355</b>  | <b>-101,687</b> |
| <b>Earnings before interest<br/>and taxes (EBIT)</b>       |                               |                |                                |                     |               |                 |
|                                                            | <b>4,609</b>                  | <b>2,635</b>   | <b>2,935</b>                   | <b>-4,124</b>       | <b>2</b>      | <b>6,057</b>    |
| Interest income                                            | 81                            | 81             | 48                             | 79                  | -46           | 243             |
| Interest expenses                                          | -8                            | -57            | -5                             | -3                  | 46            | -27             |
| Other financial result                                     | 0                             | 40             | 8                              | 41                  | 0             | 89              |
| <b>Earnings before taxes (EBT)</b>                         | <b>4,682</b>                  | <b>2,699</b>   | <b>2,986</b>                   | <b>-4,007</b>       | <b>2</b>      | <b>6,362</b>    |
| Taxes on income                                            | -952                          | -4             | -978                           | -77                 | 0             | -2,011          |
| Non-controlling interests                                  | 0                             | 0              | 0                              | -156                | 0             | -156            |
| <b>Segment result</b>                                      | <b>3,730</b>                  | <b>2,695</b>   | <b>2,008</b>                   | <b>-4,240</b>       | <b>2</b>      | <b>4,195</b>    |
| <b>Additional disclosures</b>                              |                               |                |                                |                     |               |                 |
| Capital expenditures for intangible<br>and tangible assets | 241                           | 80             | 207                            | 328                 | 0             | 856             |
| Material non-cash expenses (-)<br>and income (+)           | 281                           | 220            | -264                           | 744                 | 0             | 981             |
| Impairment expenses                                        | -536                          | -984           | -354                           | -6                  | 0             | -1,880          |
| Reversal of impairment loss                                | 18                            | 271            | 160                            | 131                 | 0             | 580             |

## Segment reporting

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

| EUR'000                                                    | Central and<br>Eastern Europe | Germany        | Southern and<br>Western Europe | Corporate<br>Centre | Consolidation | Consolidated   |
|------------------------------------------------------------|-------------------------------|----------------|--------------------------------|---------------------|---------------|----------------|
| <b>Segment income</b>                                      |                               |                |                                |                     |               |                |
| Income from business with<br>third parties                 |                               |                |                                |                     |               |                |
| - Brokerage income                                         | 53,973                        | 20,612         | 21,137                         | 0                   | 0             | 95,722         |
| Other operating income                                     | 610                           | 1,715          | 721                            | 500                 | 47            | 3,593          |
| Income from inter-segment<br>transactions                  | 6                             | 497            | 1                              | 3,444               | -3,948        | 0              |
| <b>Total segment income</b>                                | <b>54,589</b>                 | <b>22,824</b>  | <b>21,859</b>                  | <b>3,944</b>        | <b>-3,901</b> | <b>99,315</b>  |
| <b>Segment expenses</b>                                    |                               |                |                                |                     |               |                |
| Brokerage expense                                          |                               |                |                                |                     |               |                |
| - Current commission<br>for sales force                    | -34,813                       | -9,210         | -12,159                        | 0                   | 0             | -56,182        |
| - Other commission<br>for sales force                      | -3,290                        | -1,716         | -1,462                         | 0                   | 0             | -6,468         |
| Personnel expenses                                         | -3,381                        | -3,918         | -1,799                         | -3,705              | 0             | -12,803        |
| Depreciation/amortisation                                  | -386                          | -304           | -120                           | -626                | 0             | -1,436         |
| Other operating expenses                                   | -8,176                        | -5,166         | -4,169                         | -4,090              | 3,900         | -17,701        |
| <b>Total segment expenses</b>                              | <b>-50,046</b>                | <b>-20,314</b> | <b>-19,709</b>                 | <b>-8,421</b>       | <b>3,900</b>  | <b>-94,590</b> |
| <b>Earnings before interest<br/>and taxes (EBIT)</b>       |                               |                |                                |                     |               |                |
|                                                            | <b>4,543</b>                  | <b>2,510</b>   | <b>2,150</b>                   | <b>-4,477</b>       | <b>-1</b>     | <b>4,725</b>   |
| Interest income                                            | 120                           | 96             | 51                             | 108                 | -61           | 314            |
| Interest expenses                                          | -23                           | -71            | -14                            | -5                  | 62            | -51            |
| Other financial result                                     | 0                             | 41             | 11                             | 49                  | 0             | 100            |
| <b>Earnings before taxes (EBT)</b>                         | <b>4,640</b>                  | <b>2,576</b>   | <b>2,198</b>                   | <b>-4,325</b>       | <b>0</b>      | <b>5,088</b>   |
| Taxes on income                                            | -845                          | 26             | -661                           | 129                 | 0             | -1,350         |
| Non-controlling interests                                  | 0                             | 0              | 0                              | 47                  | 0             | 47             |
| <b>Segment result</b>                                      | <b>3,795</b>                  | <b>2,602</b>   | <b>1,537</b>                   | <b>-4,149</b>       | <b>0</b>      | <b>3,785</b>   |
| <b>Additional disclosures</b>                              |                               |                |                                |                     |               |                |
| Capital expenditures for intangible<br>and tangible assets | 468                           | 247            | 111                            | 1,788               | 0             | 2,614          |
| Material non-cash expenses (-)<br>and income (+)           | 722                           | 298            | -104                           | -2                  | 0             | 914            |
| Impairment expenses                                        | -517                          | -1,156         | -272                           | -29                 | 0             | -1,974         |
| Reversal of impairment loss                                | 42                            | 376            | 40                             | 32                  | 0             | 490            |

The segment "Germany" comprises OVB Vermögensberatung AG, Cologne; Advesto GmbH, Cologne; and Eurenta Holding GmbH, Cologne. Brokerage income in this segment is generated primarily by OVB Vermögensberatung AG, 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.A., Madrid; OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas Allfinanzvermittlungs 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; 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 2014.

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 June 2015 the OVB Group has a commercial staff of altogether 436 employees (31 December 2014: 428), 46 of which fill managerial positions (31 December 2014: 42).

### 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 June 2015 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 June 2015, IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg held shares in OVB Holding AG carrying 31.67 per cent of the voting rights. As of 30 June 2015, 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 June 2015, 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 6,605 thousand (30 June 2014: EUR 6,858 thousand) or rather total sales commission in the amount of EUR 9,193 thousand (30 June 2014: EUR 9,611 thousand) were generated in the first half-year 2015, essentially in the Germany segment. Receivables exist in the amount of EUR 611 thousand (31 December 2014: EUR 553 thousand).

The item “Securities and other investments” includes securities issued by the SIGNAL IDUNA Group in the amount of EUR 1,399 thousand (31 December 2014: EUR 1,358 thousand).

As of 30 June 2015, 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 8,386 thousand (30 June 2014: EUR 9,218 thousand) or rather total sales commission in the amount of EUR 12,176 thousand (30 June 2014: EUR 13,014 thousand) were generated in the first half-year 2015, essentially in the Germany segment. Receivables exist in the amount of EUR 1,941 thousand (31 December 2014: EUR 2,337 thousand).

The item “Securities and other investments” includes securities issued by Bâloise Holding AG in the amount of EUR 752 thousand (31 December 2014: EUR 709 thousand).

As of 30 June 2015, 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 12,822 thousand (30 June 2014: EUR 14,888 thousand) or rather total sales commission in the amount of EUR 13,725 thousand (30 June 2014: EUR 15,739 thousand) were generated in the first half-year 2015. Receivables exist in the amount of EUR 2,660 thousand (31 December 2014: EUR 3,232 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 June 2015 are not secured, do not bear interest and are settled by 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 June 2015, 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; 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 (until 3 June 2015), 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 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; 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, Generali Beteiligungs- und Verwaltungs AG, Munich
- Dr. Alexander Tourneau (since 3 June 2015), Member of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding 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

## Responsibility statement

To the best of our knowledge, and in accordance with the accounting principles applicable to interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the consolidated interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Cologne, 30 July 2015



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 June 2015 which are components of a half-year financial report pursuant to Section 37w 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, 6 August 2015

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Christian Sack  
Wirtschaftsprüfer  
(Public Auditor)

ppa. Thomas Bernhardt  
Wirtschaftsprüfer  
(Public Auditor)

## Financial Calendar

|                  |                                                                                |
|------------------|--------------------------------------------------------------------------------|
| 13 November 2015 | Results for the third quarter of 2015                                          |
| 17 March 2016    | Publication of financial statements 2015,<br>Annual Report, Analyst Conference |
| 11 May 2016      | Results for the first quarter of 2016                                          |
| 3 June 2016      | Annual General Meeting, Cologne                                                |
| 10 August 2016   | Results for the second quarter of 2016                                         |
| 10 November 2016 | Results for the third quarter of 2016                                          |

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