

# Interim Report – First Half-Year

1 January – 30 June 2016

Austria



Croatia



Czech Republic



France



Germany



Greece



Hungary



## OVB in Europe

Our service is valuable

Italy



Poland



Romania



Slovakia



Spain



Switzerland



Ukraine



OVB Allfinanz – simply better



## Key figures for the OVB Group

Key operating figures	Unit	01/01- 30/06/2015	01/01- 30/06/2016	Change
Clients (30/06)	Number	3.27 million	3.26 million	-0.3%
Financial advisors (30/06)	Number	5,308	5,107	-3.8%
Total sales commission	Euro million	110.9	115.8	+4.4%
<b>Key financial figures</b>				
Earnings before interest and taxes (EBIT)	Euro million	6.1	8.0	+32.8%
EBIT margin*	%	5.5	6.9	+1.4%-pts.
Consolidated net income	Euro million	4.2	6.1	+46.6%
Earnings per share (undiluted)	Euro	0.29	0.43	+46.6%

\*Based on total sales commission

## Key figures for the regions

Central and Eastern Europe	Unit	01/01- 30/06/2015	01/01- 30/06/2016	Change
Clients (30/06)	Number	2.24 million	2.20 million	-1.8%
Financial advisors (30/06)	Number	3,333	3,044	-8.7%
Total sales commission	Euro million	55.1	54.8	-0.6%
Earnings before interest and taxes (EBIT)	Euro million	4.6	4.7	+2.0%
EBIT-margin*	%	8.4	8.6	+0.2%-pts.

\*Based on total sales commission

### Germany

Clients (30/06)	Number	645,754	636,894	-1.4%
Financial advisors (30/06)	Number	1,348	1,347	-0.1%
Total sales commission	Euro million	30.1	30.7	+1.8%
Earnings before interest and taxes (EBIT)	Euro million	2.6	2.9	+11.3%
EBIT-margin*	%	8.8	9.6	+0.8%-pts.

\*Based on total sales commission

### Southern and Western Europe

Clients (30/06)	Number	381,067	419,593	+10.1%
Financial advisors (30/06)	Number	627	716	+14.2%
Total sales commission	Euro million	25.7	30.4	+18.3%
Earnings before interest and taxes (EBIT)	Euro million	2.9	4.3	+47.9%
EBIT-margin*	%	11.4	14.3	+2.9%-pts.

\*Based on total sales commission

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> **Thomas Hücker**  
COO

> **Mario Freis**  
CEO

> **Oskar Heitz**  
CFO

Ladies and gentlemen,  
shareholders,

the frequency in which the term “old-age poverty” finds mention in the press and the media has surprisingly increased significantly only in the past few months. When there is no major social factor as easily predictable as demographics. In all of Europe there is the threat of a diminishing capacity of the social security systems and thus the emergence of gaps in service provision concerning large numbers of citizens. The share of senior citizens in the total population is increasing, due to low birth rates on the one hand and longer life expectancy on the other hand. The demand for protection against biometric risks is also on the rise.

Sufficient retirement provision and adequate protection against essential risks call for long-term concepts. OVB has committed itself to the urgently required private protection and provision for 46 years now. Across Europe, OVB stands for long-term, cross-thematic and above all client-oriented allfinanz advisory service.

The OVB Group’s business performance was highly satisfying in the first half-year 2016. Total sales commission gained 4.4 per cent on the previous year to Euro 115.8 million. The segment “Southern and Western Europe” continued on its dynamic growth path, spearheaded by the national markets Spain, Austria and Italy. In the Czech Republic, the business slowdown due to the intended changes to the legal framework has turned out less harmful than anticipated; moreover, we managed to increase our sales performance in Romania and Croatia. And total sales commission exceeded the prior-year figures in Germany as well.

Based on the sound business performance of the first six months, we are able to raise the forecast for the full year: We are now expecting sales slightly above the prior-year level and a significant increase in the operating result.

Kind regards

Thomas Hücker  
COO

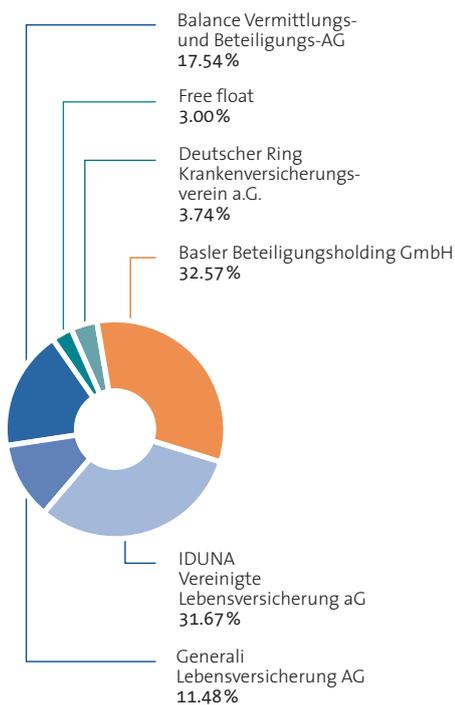
Mario Freis  
CEO

Oskar Heitz  
CFO

## Share performance and investor relations

### General Meeting resolves another dividend increase to Euro 0.65 per share

Shareholder structure of  
OVB Holding AG  
as of 30/06/2016



The German stock market showed a highly volatile performance over the first half-year. The leading index DAX, having closed the year 2015 at 10,743 points, initially lost more than 7 per cent to 8,753 points by mid-February. Then it set to recover towards the 10,500 point mark. At the end of June, the referendum in Great Britain in favour of the country's exit from the EU had the index level drop to about 9,500 points again. Since then the DAX has been at around 10,000 points.

The share of OVB Holding AG closed the year 2015 with a price of Euro 17.00. At low trading the share price dropped to this year's low so far of Euro 13.50 by mid-February 2016. Until mid-April the OVB share price reached about Euro 14.00 before beginning a steep climb peaking at Euro 19.22 Euro in early June. The share price has moved within a margin of between Euro 18.00 and Euro 17.20 since. 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 2016 in Cologne. At a presence of 97.00 per cent of the share capital, shareholders unanimously approved the proposal of Executive Board and Supervisory Board for the payment of an increased dividend again, raised by 8.3 per cent to Euro 0.65 per share. In his address to the shareholders, Mario Freis, CEO of OVB Holding AG, emphasised the Company's broad international positioning. He also asserted his conviction that good personal advisory service remains important and a valuable asset even in an increasingly digital world.

#### 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)		
End of previous year	Euro 17.00	(30/12/2015)
High	Euro 19.22	(02/06/2016)
Low	Euro 13.50	(09/02/2016)
Last	Euro 17.295	(18/07/2016)
Market capitalisation	Euro 246 million	(18/07/2016)

# Interim consolidated management report of OVB Holding AG for the period from 1 January to 30 June 2016

## Course of business

OVB stands for cross-thematic financial advice based on a long-term approach. The main target group are private households in Europe. OVB's mission statement is: simply better allfinanz solutions! The Company cooperates with more than 100 high-capacity product providers and fulfils its clients' individual needs with competitive products, covering retirement provision and asset and property protection up to asset generation and wealth management.

The cross-thematic client advisory service for all stages of life is based on the AAS approach (Analysis – Advice – Service). The identification and analysis of the client's financial situation form the basis of counselling. The advisor particularly asks for the client's wishes and goals and then creates a tailored solution in consideration of what is financially possible. OVB accompanies its clients over many years. By constant reviews and adjustments of the financial decisions to relevant 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 currently active in 14 countries of Europe as a broker of financial products. OVB's 5,107 full-time financial advisors support 3.26 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 the services provided by OVB against the backdrop of 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 2016 the OVB Group had altogether 425 employees in the holding company, the head offices of the subsidiaries and the service companies. Based on efficient structures and processes, they are responsible for the management and administration of the Group and the subsidiaries and provide sales support services.

## Macroeconomic environment

The sale of financial products in Europe keeps facing a challenging environment. Structural problems of some national economies, finding expression in 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 and thus decreasing the interest expense of highly indebted countries but making asset generation for private provision more difficult. Many financial products currently have only a minimum return which is then even consumed by the price increase entirely or in part. 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 and risk protection 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 framework of personal financial planning such as changes to tax legislation or health and pension reforms.

### Central and Eastern Europe

OVB's segment Central and Eastern Europe comprises the national markets of Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and the Ukraine; here the Group generated almost half its total sales commission in 2015. The economic performance of most of these countries is positive at present. Many national economies of the region are expanding at growth rates in excess of 3 per cent. The main driver of this development is private consumption. It is supported by an improved purchasing power and the favourable situation of the job market. Thus the private households of Central and Eastern Europe generally have the capacity for enhancing financial provision.

### Macroeconomic key data, Central and Eastern Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit in % of the GDP	
	2016e	2017f	2016e	2017f	2016e	2017f
Croatia	1.5	1.5	-1.0	1.5	-3.0	-2.9
Czech Republic	2.3	2.7	0.7	1.7	-0.3	-0.2
Hungary	2.2	2.7	0.4	2.2	-2.2	-2.7
Poland	3.5	3.8	-0.4	1.7	-2.9	-3.4
Romania	4.0	3.6	-1.2	2.3	-3.0	-3.2
Slovakia	3.5	3.3	-0.1	2.2	-2.1	-1.3
Ukraine	1.5	2.0	15.5	12.0	-3.5	-3.0

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 3<sup>rd</sup> quarter 2016

#### Germany

The German market accounted for 29 per cent of OVB's total sales commission in 2015. Germany's economy is currently on a path of modest growth; the economy is expected to grow by 1.7 per cent in the current year and by 1.6 per cent in the year 2017. However, it remains to be seen to what extent e.g. German exports to Great Britain and thus the German economy will be affected by the decision of the British citizens for the country's exit from the EU. Consumption and the purchasing power of private households are backed by an unchanged sound situation in the labour market and low inflation. Conditions for taking measures towards financial provision have generally improved as well. Yet there is still considerable restraint among consumers in this respect, among other factors accounted for by the low interest rate level and the continuing negative discussion relating to private retirement provision.

#### 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 23 per cent to the OVB Group's total sales commission in 2015. With the exception of Switzerland, these countries belong to the euro area. In the current year, this currency zone shows modest economic growth of 1.6 per cent on average; 1.5 per cent growth is expected for 2017 – taking into consideration the effects of Great Britain's exit from the EU. Especially Spain benefits from the structural reforms and austerity measures launched in previous years. While the upswing has reached the Spanish labour market, unemployment remains very high. Economic stimulation is weak in France, Italy and Austria in 2016 and growth rates for 2017 are expected to be insignificantly higher. The Greek economy remains in recession for the time being. The high valuation of the Swiss franc against the

### Macroeconomic key data, Southern and Western Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit in % of the GDP	
	2016e	2017f	2016e	2017f	2016e	2017f
Austria	1.4	1.3	1.2	2.2	-1.9	-1.8
France	1.2	1.4	0.4	1.3	-3.4	-3.2
Greece	-0.7	2.7	0.5	0.8	-3.4	-2.1
Italy	1.1	1.2	0.2	1.1	-2.4	-1.9
Spain	2.9	2.1	-0.2	1.3	-3.8	-3.2
Switzerland	1.5	1.9	-0.3	0.5	-0.4	-0.2

e = estimated; f = forecast

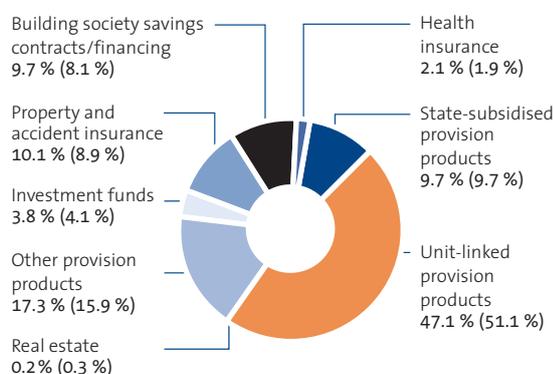
Source: Raiffeisen RESEARCH, Strategy Global Markets, 3<sup>rd</sup> quarter 2016

euro is currently still slowing down the economic performance in Switzerland. Despite this mixed macroeconomic framework, OVB achieves significantly increasing business results in this segment. Clients are obviously 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 115.8 million in the period January through June 2016 altogether. This equals a 4.4 per cent gain over the prior-year amount of Euro 110.9 million. The majority of OVB's operating subsidiaries reported sound to very good business performances and the course of business was affected by unfavourable general conditions only in a few national markets. By the end of June OVB supported 3.26 million clients in 14 European countries (previous year: 3.27 million clients). The total number of financial advisors working for OVB went down by 3.8 per cent from 5,308 sales agents twelve months ago to 5,107 financial advisors as of the closing date; however, their number has grown by 0.9 per cent compared to the end of the year 2015 (5,062 financial advisors). The structure of new business showed a somewhat wider distribution than in the prior-year period of comparison. Product demand focused primarily on unit-linked provision products at 47.1 per cent of all new contracts (previous year: 51.1 per cent).

### Breakdown of income from new business 1-6/2016 (1-6/2015)



## Central and Eastern Europe

Total sales commission went down slightly by 0.6 per cent in the Central and Eastern Europe segment to Euro 54.8 million in the reporting period (previous year: Euro 55.1 million). The reason for this was a very modest business performance in Slovakia, the Czech Republic and Poland. However, the slowdown in business in the Czech Republic turned out less significant than expected. Furthermore, the business performances of the segment's other national markets were satisfying. The number of financial advisors working for OVB dropped from 3,333 as of the prior-year closing date by 8.7 per cent to 3,044 financial advisors as of 30 June 2016. They supported 2.20 million clients (previous year: 2.24 million clients). The majority of the new business was accounted for by unit-linked provision products at 59.0 per cent (previous year: 67.6 per cent). Yet most of the other product groups expanded their respective share in new business so that product distribution became more balanced.

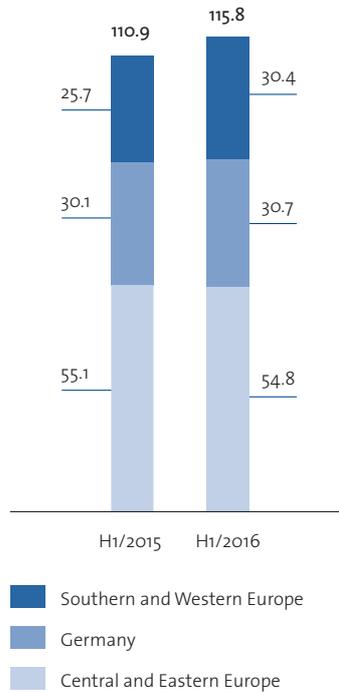
## Germany

Total sales commission generated in the Germany segment increased by 1.8 per cent over the prior-year period from Euro 30.1 million to Euro 30.7 million. The number of clients was 636,894 as of the reporting date 30 June 2016 (previous year: 645,754 clients). Unit-linked provision products accounted for the lion's share of the new business at 28.4 per cent (previous year: 23.2 per cent), followed by other provision products at 21.0 per cent (previous year: 24.3 per cent) and state-subsidised provision products at 15.4 per cent (previous year: 16.6 per cent). The number of financial advisors working for OVB remained almost constant at 1,347 sales agents (previous year: 1,348 financial advisors).

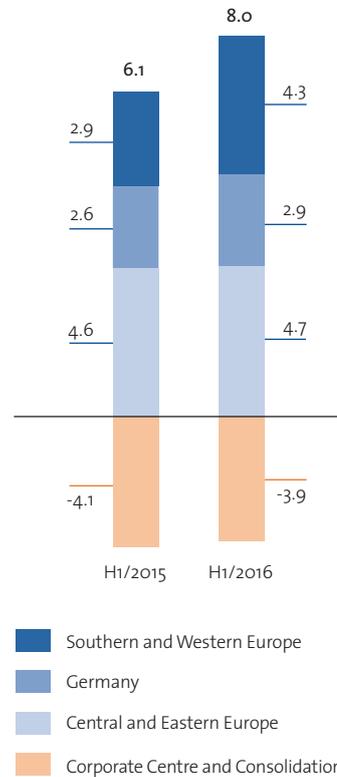
## Southern and Western Europe

The business volume of the Southern and Western Europe segment continued its strong expansion in the reporting period: Total sales commission grew from Euro 25.7 million in the previous year by 18.3 per cent to Euro 30.4 million. Particularly the operating subsidiaries in Spain, Italy and Austria increased their respective brokerage income significantly. Parallel to that, the number of supported clients rose by 10.1 per cent to 419,593 clients (previous year: 381,067 clients) and the number of financial advisors gained 14.2 per cent to now 716 sales agents (previous year: 627 financial advisors). The clients' interest primarily focused on three product groups: unit-linked provision products (38.4 per cent of the new business; previous year: 34.9 per cent), state-subsidised provision products (24.3 per cent; previous year: 27.5 per cent) and other provision products (23.8 per cent; previous year: 23.5 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 half-year 2016 the OVB Group generated total sales commission in the amount of Euro 115.8 million. This equals a 4.4 per cent gain compared to the prior-year period with a sales performance of Euro 110.9 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 6.3 million in the reporting period after Euro 7.8 million in the previous year. Brokerage income reported in the income statement was up in the reporting period by 6.2 per cent from the prior-year amount of Euro 103.1 million to Euro 109.5 million. Other operating income was down year-over-year from Euro 4.7 million to Euro 3.7 million due primarily to lower income from the third-party business of the service companies.

Brokerage expenses climbed 5.4 per cent from Euro 68.7 million to Euro 72.4 million. Personnel expense for the Group's employees went down to Euro 13.2 million (previous year: Euro 13.6 million). Depreciation and amortisation

remained virtually unchanged at Euro 1.7 million. Other operating expenses were slightly up to Euro 17.9 million (previous year: Euro 17.7 million).

The OVB Group's operating result thus climbed considerably by 32.8 per cent from Euro 6.1 million in the previous year to Euro 8.0 million in the first half-year 2016. All the segments contributed to this improvement in income: Earnings before interest and taxes (EBIT) of the Central and Eastern Europe segment went up from Euro 4.6 million to Euro 4.7 million, earnings achieved in Germany climbed from Euro 2.6 million to Euro 2.9 million and the Southern and Western Europe segment managed to report growth in earnings by 47.9 per cent from Euro 2.9 million to Euro 4.3 million. Another reduction of the loss reported for Corporate Centre from Euro 4.1 million to Euro 3.9 million also had a positive effect on the Group's operating result. The Group's EBIT margin based on total sales commission, having amounted to 5.5 per cent in the first half-year 2015, improved to 6.9 per cent for the reporting period.

The financial result doubled year-over-year due to realised capital gains, reported in the revaluation reserve up to the

Profit/Loss

Financial position

Assets and liabilities

Subsequent events

Opportunities and risks

sale transaction date, from Euro 0.3 million to Euro 0.6 million based on higher finance income. The Group's earnings before taxes on income reached Euro 8.6 million in the first six months of the current financial year, equivalent to a 35.3 per cent gain over the prior-year amount of comparison of Euro 6.4 million. Because of the good performance of earnings, the income tax load went up from Euro 2.0 million to Euro 2.4 million. The consolidated net income after non-controlling interests improved from Euro 4.2 million to Euro 6.1 million. Earnings per share – based on 14,215,314 shares respectively – increased accordingly from Euro 0.29 to Euro 0.43.

## Financial position

The OVB Group's cash flow from operating activities of Euro 9.3 million for the reporting period was above the prior-year amount of Euro 8.3 million. The main driver of this development was the considerably improved consolidated net income. An adverse effect was an increase in trade receivables and other assets from Euro 1.1 million to Euro 2.2 million due to the expansion of the business volume.

The cash flow from investing activities showed an outflow of Euro 1.1 million in the first half-year 2016 after having reported an inflow of funds in the amount of Euro 0.8 million in the previous year. Portfolio dispositions were the main reason for this: An increase in securities and other short-term investments by Euro 1.0 million in the reporting period followed a decrease in the same position by the amount of Euro 1.3 million in the previous year.

The cash flow from financing activities, coming to Euro -9.2 million in the reporting period and Euro -8.6 million in the prior-year period, was determined in both cases by the payment of a dividend to the shareholders for the most part. Despite an increased dividend distribution, cash and cash equivalents as of 30 June were up year-over-year from Euro 40.9 million to Euro 47.6 million.

## Assets and liabilities

Total assets of OVB Holding AG came to Euro 159.1 million as of 30 June 2016, virtually unchanged from the amount of Euro 159.3 million reported for the end of the year 2015. Non-current assets were reduced over this period by Euro 0.9 million to Euro 18.3 million, due primarily to the sale of investment property and depreciation of non-current assets. Current assets were up insignificantly by Euro 0.7

million to Euro 140.8 million. A decrease in the items "Cash and cash equivalents" by Euro 1.2 million to Euro 47.6 million and "Receivables and other assets" by Euro 0.7 million to Euro 20.3 million was overcompensated for by an increase in the items "Trade receivables" by Euro 1.7 million to Euro 25.5 million and "Securities and other investments" by Euro 1.0 million to Euro 45.7 million.

The OVB Group's equity went down in the reporting period from Euro 85.0 million to Euro 81.7 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 51.3 per cent as of 30 June 2016 after 53.4 per cent at the end of 2015. Non-current liabilities at an immaterial total amount came to Euro 1.0 million. Current liabilities for financing the expansive business activity climbed by Euro 3.1 million to Euro 76.4 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 2016.

## Opportunities and risks

Various business opportunities arise for the companies of the OVB Group as they also face risks of different kinds. The opportunities and risks have not changed materially since the preparation of the 2015 consolidated financial statements. They are described in detail in the Annual Report 2015, 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.

The OVB Group does not maintain material business relationships with Great Britain and is therefore not directly affected by the decision the British citizens made at the end of June 2016 for the country's exit from the EU. Indirectly, however, a slowdown in the economic performance in Europe or turmoil in the capital market might have a negative effect on the Company. If and to what extent such negative effects will materialise cannot be assessed at present.

In the Czech Republic, an important sales market for OVB, changes in the legal framework governing the brokerage of life insurance with a notable adverse effect on the business of financial service providers had been ex-

pected. The regulatory changes will probably turn out less harmful than assumed; however, the intended extension of the liability term for commission to 60 months might at least have a temporary adverse effect on the business. The OVB Group's broad international positioning in Europe designed to compensate market risks and decline in individual national markets by virtue of the opportunities in other markets as well as the broad client base generally have a balancing effect at group level.

For 46 years now, OVB's business model and business success have been based on the high relevance of private provision, financial security and asset generation. 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 have an active part 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 societal factors that have a negative effect on the urgently needed

savings efforts of private households. Particularly noteworthy among those factors are:

- the interest level being kept deliberately low by the central banks;
- exaggerated criticism of commission-based financial advice;
- and excessive government regulation that often yields counterproductive effects.

The above-mentioned effects interfere with the sale of financial products and increase the risk of insufficient provision and old-age poverty of large segments of the population. Thus OVB's financial advisors keep facing the challenge to work against those adverse aspects. However, OVB is convinced that macroeconomic and societal necessities will result in increased spending on private retirement provision.

## Outlook

The long-term business potential in the market of private saving for retirement provision remains unchanged. OVB works with great commitment at further developing this potential for the Company. From today's perspective, we anticipate sales slightly above the prior-year level and a significant increase in the operating result for the full year 2016. The reasons for this forecast are the positive development in the Southern and Western Europe segment and a sound business performance in the Central and Eastern Europe segment. Due to expected regulatory changes in the Czech Republic, OVB had assumed significantly declining sales and a considerably weaker operating result in this segment in the outlook of the 2015 consolidated management report.

Cologne, 29 July 2016



Mario Freis  
CEO



Oskar Heitz  
CFO



Thomas Hücker  
COO

## Consolidated statement of financial position

of OVB Holding AG as of 30 June 2016, prepared in accordance with IFRS

### Assets

EUR'000	30/06/2016	31/12/2015
<b>Non-current assets</b>		
Intangible assets	9,767	10,028
Tangible assets	4,015	4,207
Investment property	0	611
Financial assets	267	159
Deferred tax assets	4,236	4,149
	<b>18,285</b>	<b>19,154</b>
<b>Current assets</b>		
Trade receivables	25,501	23,766
Receivables and other assets	20,349	21,084
Income tax assets	1,616	1,730
Securities and other capital investments	45,704	44,722
Cash and cash equivalents	47,613	48,804
	<b>140,783</b>	<b>140,106</b>
<b>Total assets</b>	<b>159,068</b>	<b>159,260</b>

### Equity and liabilities

EUR'000	30/06/2016	31/12/2015
<b>Equity</b>		
Subscribed capital	14,251	14,251
Capital reserve	39,342	39,342
Treasury shares	0	0
Revenue reserves	13,663	13,663
Other reserves	577	897
Non-controlling interests	462	370
Net retained profits	13,364	16,479
	<b>81,659</b>	<b>85,002</b>
<b>Non-current liabilities</b>		
Provisions	827	806
Other liabilities	130	112
Deferred tax liabilities	17	8
	<b>974</b>	<b>926</b>
<b>Current liabilities</b>		
Provisions for taxes	1,473	1,765
Other provisions	31,087	30,156
Income tax liabilities	2,142	1,523
Trade payables	9,549	8,430
Other liabilities	32,184	31,458
	<b>76,435</b>	<b>73,332</b>
<b>Total equity and liabilities</b>	<b>159,068</b>	<b>159,260</b>

## Consolidated income statement

of OVB Holding AG for the period from 1 January to 30 June 2016, prepared in accordance with IFRS

EUR'000	01/04/ 30/06/2016	01/04/ 30/06/2015	01/01/ 30/06/2016	01/01/ 30/06/2015
Brokerage income	56,086	52,757	109,463	103,090
Other operating income	1,907	2,388	3,742	4,654
<b>Total income</b>	<b>57,993</b>	<b>55,145</b>	<b>113,205</b>	<b>107,744</b>
Brokerage expenses	-36,942	-35,193	-72,356	-68,681
Personnel expenses	-6,351	-6,851	-13,157	-13,597
Depreciation and amortisation	-873	-867	-1,715	-1,696
Other operating expenses	-8,733	-8,420	-17,931	-17,713
<b>Earnings before interest and taxes (EBIT)</b>	<b>5,094</b>	<b>3,814</b>	<b>8,046</b>	<b>6,057</b>
Finance income	494	139	631	332
Finance expenses	-24	-17	-70	-27
<b>Financial result</b>	<b>470</b>	<b>122</b>	<b>561</b>	<b>305</b>
<b>Consolidated income before income tax</b>	<b>5,564</b>	<b>3,936</b>	<b>8,607</b>	<b>6,362</b>
Taxes on income	-1,411	-1,211	-2,367	-2,011
<b>Consolidated net income</b>	<b>4,153</b>	<b>2,725</b>	<b>6,240</b>	<b>4,351</b>
Thereof non-controlling interests	-38	-106	-92	-156
<b>Consolidated net income after non-controlling interests</b>	<b>4,115</b>	<b>2,619</b>	<b>6,148</b>	<b>4,195</b>
Basic earnings per share in Euro	0.29	0.18	0.43	0.29

## Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 30 June 2016, prepared in accordance with IFRS

EUR'000	01/04/ 30/06/2016	01/04/ 30/06/2015	01/01/ 30/06/2016	01/01/ 30/06/2015
<b>Consolidated net income</b>	<b>4,153</b>	<b>2,725</b>	<b>6,240</b>	<b>4,351</b>
Changes in revaluation reserve not recognised in profit or loss	80	-150	130	185
Changes in revaluation reserve recognised in profit or loss	-376	0	-376	0
Changes in deferred taxes on unrealised gains and losses from capital investments not recognised in profit or loss	-22	33	-18	-20
Changes in deferred taxes on unrealised gains and losses from capital investments recognised in profit or loss	0	0	0	0
Changes in currency translation reserve not recognised in profit or loss	-32	-32	-56	294
<b>Other comprehensive income to be reclassified to the income statement</b>	<b>-350</b>	<b>-149</b>	<b>-320</b>	<b>459</b>
Total comprehensive income attributable to non-controlling interests	-38	-106	-92	-156
<b>Total comprehensive income</b>	<b>3,765</b>	<b>2,470</b>	<b>5,828</b>	<b>4,654</b>

## Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 30 June 2016, prepared in accordance with IFRS

EUR'000	01/01– 30/06/2016	01/01– 30/06/2015
Consolidated net income (before non-controlling interests)	6,240	4,351
-/+ Increase/decrease in non-controlling interests	-92	-156
+/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	1,724	1,696
-/+ Unrealised currency gains/losses	130	-291
+/- Allocation to/reversal of valuation allowances for receivables	1,319	1,517
-/+ Increase/decrease in deferred tax assets	-87	-48
+/- Increase/decrease in deferred tax liabilities	9	17
- Other finance income	-427	-89
- Interest income	-173	-243
+/- Increase/decrease in provisions	660	244
+/- Increase/decrease of unrealised gains/losses in equity (net)	-264	165
+/- Expenses/income from the disposal of intangible and tangible assets (net)	-36	-21
+/- Decrease/increase in trade receivables and other assets	-2,206	-1,146
+/- Increase/decrease in trade payables and other liabilities	2,482	2,353
<b>= Cash flow from operating activities</b>	<b>9,279</b>	<b>8,349</b>
+/- Decrease/increase in investment property	611	0
+ Proceeds from the disposal of tangible and intangible assets	73	23
+ Proceeds from the disposal of financial assets	69	128
- Purchases of tangible assets	-442	-603
- Purchases of intangible assets	-868	-253
- Purchases of financial assets	-188	-77
+/- Decrease/increase in securities and other short-term investments	-982	1,255
+ Other finance income	427	89
+ Interest received	173	243
<b>= Cash flow from investing activities</b>	<b>-1,127</b>	<b>805</b>
- Dividends paid	-9,263	-8,551
+/- Increase/decrease in non-controlling interests	92	156
+ Proceeds/repayments from the issue of bonds and taking out (financial) loans	0	-219
<b>= Cash flow from financing activities</b>	<b>-9,171</b>	<b>-8,614</b>
<b>Overview:</b>		
Cash flow from operating activities	9,279	8,349
Cash flow from investing activities	-1,127	805
Cash flow from financing activities	-9,171	-8,614
<b>= Net change in cash and cash equivalents</b>	<b>-1,019</b>	<b>540</b>
Exchange gains/losses on cash and cash equivalents	-173	535
+ Cash and cash equivalents at end of the prior year	48,790	39,845
<b>= Cash and cash equivalents at the end of the period</b>	<b>47,598</b>	<b>40,920</b>
Income tax paid	1,842	2,105
Interest paid	5	17

## Consolidated statement of changes in equity

of OVB Holding AG as of 30 June 2016, prepared in accordance with IFRS

EUR'000	Subscribed capital	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve
<b>31/12/2015</b>	<b>14,251</b>	<b>39,342</b>	<b>7,101</b>	<b>2,531</b>	<b>11,132</b>	<b>448</b>
Consolidated profit			9,378			
Treasury shares						
Corporate actions						
Dividends paid			-9,263			
Change in available-for-sale reserve						-246
Transfer to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
<b>30/06/2016</b>	<b>14,251</b>	<b>39,342</b>	<b>7,216</b>	<b>2,531</b>	<b>11,132</b>	<b>202</b>

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/ 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>

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
-571	107	913		9,378		370	85,002
				-9,378			
							-9,263
	-18		-264		-264		-264
		-56	-56		-56		-56
				6,148	6,148	92	6,240
-571	89	857	-320	6,148	5,828	462	81,659
							-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

# IFRS interim consolidated financial statements

## Notes as of 30 June 2016

### I. GENERAL INFORMATION

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

The condensed interim consolidated financial statements for the first half-year 2016 are released for publication as of 10 August 2016 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 2016 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 2015.

For the preparation of the condensed interim consolidated financial statements, the same accounting policies, measurement and consolidation methods and standards have been adopted as were applied for the preparation of the consolidated financial statements for the year ended 31 December 2015 unless otherwise indicated.

Amended standards and interpretations subject to mandatory application in the EU as of 1 January 2016 (IAS 1, 16, 27, 38, 41 and IFRS 11 as well as amendments based on the annual improvements project of the IASB for cycles 2012 to 2014) have been considered for the preparation of these financial statements and had no effect on the interim consolidated financial statements.

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

Non-current assets are classified as held for sale pursuant to IFRS 5 if their respective book value is essentially realised through a sale transaction and if a sale is highly probable.

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. Investment property

EUR'000	30/06/2016	31/12/2015
Investment property	0	611

The sale of "investment property", referring to land and an office building in Hamburg, Germany, results in the following additional disclosures as of the reporting date 31 December 2015.

EUR'000	30/06/2016	30/06/2015
Rental income from investment property	18	18
Corresponding operating expenses	-15	-12
Net loss from adjustment to fair value	-31	0

The fair value of the investment property as of 31 December 2015 was based on an independent valuer's report and had to be classified under level 3 of the valuation hierarchy pursuant to IFRS 13.

The notarised purchase agreement was signed on 29 February 2016 and provides for a purchase price of EUR 580 thousand.

The loss of EUR 31 thousand in the first quarter 2016 resulting from the revaluation of the property as well as the operating net income of EUR 3 thousand (previous year: EUR 6 thousand) are included in the financial result of the Corporate Centre segment through profit or loss.

#### 2. Securities and other investments

EUR'000		30/06/2016	31/12/2015
Securities	AfS	8,617	5,572
Other investments	L+R	37,087	39,150
		<b>45,704</b>	<b>44,722</b>

AfS = Available for Sale

L+R = Loans and Receivables

#### 3. Cash and cash equivalents

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

EUR'000	30/06/2016	30/06/2015
Cash	41	33
Cash equivalents	47,572	40,973
Current liabilities to banks	-15	-86
	<b>47,598</b>	<b>40,920</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.

#### 4. Share capital

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251,314.00, unchanged from 31 December 2015. It is divided into 14,251,314 no-par ordinary bearer shares.

#### 5. 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 2015 was resolved by the Annual General Meeting on 3 June 2016.

On 6 June 2016 a dividend in the amount of EUR 9,263 thousand was distributed to the shareholders, equivalent to EUR 0.65 per share (previous year: EUR 0.60 per share).

<b>EUR'000</b>	
Distribution to shareholders	9,263
Profit carry-forward	6,278
<b>Net retained profits</b>	<b>15,541</b>

#### 6. 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/ – 30/06/2016	01/01/ – 30/06/2015
Brokerage income	109,463	103,090

## 3. Other operating income

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

EUR'000	01/01/ – 30/06/2016	01/01/ – 30/06/2015
Other operating income	3,742	4,654

## 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 linked to a specific purpose, e.g. other performance-based remuneration.

EUR'000	01/01/ – 30/06/2016	01/01/ – 30/06/2015
Current commission	64,200	61,540
Other commission	8,156	7,141
	<b>72,356</b>	<b>68,681</b>

## 5. Personnel expense

EUR'000	01/01/ – 30/06/2016	01/01/ – 30/06/2015
Wages and salaries	10,950	11,412
Social security	2,070	2,029
Pension plan expenses	137	156
	<b>13,157</b>	<b>13,597</b>

## 6. Depreciation and amortisation

EUR'000	01/01/ – 30/06/2016	01/01/ – 30/06/2015
Amortisation of intangible assets	1,128	1,080
Depreciation of property, plant and equipment	587	616
	<b>1,715</b>	<b>1,696</b>

## 7. Other operating expenses

EUR'000	01/01/ – 30/06/2016	01/01/ – 30/06/2015
Sales and marketing expenses	8,442	8,651
Administrative expenses	8,199	7,495
Non-income-based tax	1,147	1,431
Miscellaneous operating expenses	143	136
	<b>17,931</b>	<b>17,713</b>

## 8. Taxes on income

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

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

EUR'000	01/01/ – 30/06/2016	01/01/ – 30/06/2015
Actual income tax	2,487	2,019
Deferred income tax	-120	-8
	<b>2,367</b>	<b>2,011</b>

## 9. Earnings per share

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

EUR'000	01/01/ – 30/06/2016	01/01/ – 30/06/2015
<b>Net income for the period after non-controlling interests</b>		
Basis for basic / diluted earnings per share (net income for the period attributable to owners of the parent)	6,148	4,195
<b>Number of shares</b>		
Weighted average number of shares for the calculation of basic / diluted earnings per share	14,251,314	14,251,314
<b>Basic / diluted earnings per share in EUR</b>	<b>0.43</b>	<b>0.29</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 20,186 thousand (30 June 2015: EUR 20,432 thousand) and OVB Allfinanz Slovensko a.s., Bratislava at EUR 18,463 thousand (30 June 2015: EUR 18,879 thousand).

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 Allfinanzvermittlung GmbH, Wals/Salzburg; OVB Vermögensberatung (Schweiz) AG, Cham; OVB-Consulenza Patrimoniale SRL, Verona; OVB Allfinanz España S.A., Madrid; OVB (Hellas) Allfinanz Vermittlung GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas Allfinanzvermittlung GmbH, Athens; OVB Conseils en patrimoine France Sàrl., Strasbourg; and Eurenta Hellas Monoprosopi EPE Asfalistiki Praktotes, Athens. A material contribution to the brokerage income of the Southern and Western Europe segment is generated by OVB Allfinanz España S.A., Madrid at EUR 12,093 thousand (30 June 2015: EUR 9,439 thousand).

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 2015.

## Segment reporting

of OVB Holding AG for the period from 1 January to 30 June 2016, prepared in accordance with IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
<b>Segment income</b>						
Income from business with third parties						
- Brokerage income	54,763	24,317	30,383	0	0	109,463
Other operating income	750	1,505	820	898	-231	3,742
Income from inter-segment transactions	23	475	1	3,973	-4,472	0
<b>Total segment income</b>	<b>55,536</b>	<b>26,297</b>	<b>31,204</b>	<b>4,871</b>	<b>-4,703</b>	<b>113,205</b>
<b>Segment expenses</b>						
Brokerage expense						
- Current commission for sales force	-34,975	-12,091	-17,134	0	0	-64,200
- Other commission for sales force	-3,941	-2,166	-2,049	0	0	-8,156
Personnel expenses	-3,596	-3,319	-2,183	-4,059	0	-13,157
Depreciation/amortisation	-321	-238	-175	-981	0	-1,715
Other operating expenses	-8,000	-5,552	-5,321	-3,749	4,691	-17,931
<b>Total segment expenses</b>	<b>-50,833</b>	<b>-23,366</b>	<b>-26,862</b>	<b>-8,789</b>	<b>4,691</b>	<b>-105,159</b>
<b>Earnings before interest and taxes (EBIT)</b>						
	<b>4,703</b>	<b>2,931</b>	<b>4,342</b>	<b>-3,918</b>	<b>-12</b>	<b>8,046</b>
Interest income	59	59	49	40	-34	173
Interest expenses	-5	-36	-9	0	33	-17
Other financial result	0	25	-10	390	0	405
<b>Earnings before taxes (EBT)</b>	<b>4,757</b>	<b>2,979</b>	<b>4,372</b>	<b>-3,488</b>	<b>-13</b>	<b>8,607</b>
Taxes on income	-1,008	-17	-1,268	-74	0	-2,367
Non-controlling interests	0	0	0	-92	0	-92
<b>Segment result</b>	<b>3,749</b>	<b>2,962</b>	<b>3,104</b>	<b>-3,654</b>	<b>-13</b>	<b>6,148</b>
<b>Additional disclosures</b>						
Capital expenditures for intangible and tangible assets	515	23	246	526	0	1,310
Material non-cash expenses (-) and income (+)	107	390	-152	-1	0	344
Impairment expenses	-684	-653	-388	-88	0	-1,813
Reversal of impairment loss	49	362	41	115	0	567

## 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 Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
<b>Segment income</b>						
Income from business with 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 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 for sales force	-35,685	-11,252	-14,603	0	0	-61,540
- Other commission 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 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 and tangible assets	241	80	207	328	0	856
Material non-cash expenses (-) 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

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 2016 the OVB Group has a commercial staff of altogether 425 employees (31 December 2015: 425), 41 of which fill managerial positions (31 December 2015: 44).

## 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 2016 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 2016, 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 2016, 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 2016, 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 6,122 thousand (30 June 2015: EUR 6,605 thousand) or rather total sales commission in the amount of EUR 8,389 thousand (30 June 2015: EUR 9,193 thousand) were generated in the first half-year 2016. Receivables exist in the amount of EUR 987 thousand (31 December 2015: EUR 516 thousand) and liabilities come to EUR 51 thousand (31 December 2015: TEUR 0).

The item "Securities and other investments" includes securities issued by the SIGNAL IDUNA Group in the amount of EUR 1,441 thousand (31 December 2015: EUR 1,399 thousand).

As of 30 June 2016, 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 13,412 thousand (30 June 2015: EUR 8,386 thousand) or rather total sales commission in the amount of EUR 16,600 thousand (30 June 2015: EUR 12,176 thousand) were generated in the first half-year 2016, essentially in the Germany segment. Receivables exist in the amount of EUR 2,646 thousand (31 December 2015: EUR 1,707 thousand).

The item "Securities and other investments" includes securities issued by Bâloise Holding AG in the amount of EUR 717 thousand (31 December 2015: EUR 712 thousand).

As of 30 June 2016, 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 12,269 thousand (30 June 2015: EUR 12,822 thousand) or rather total sales commission in the amount of EUR 12,544 thousand (30 June 2015: EUR 13,725 thousand) were generated in the first half-year 2016. Receivables exist in the amount of EUR 3,511 thousand (31 December 2015: EUR 3,447 thousand) and liabilities come to EUR 179 thousand (31 December 2015: EUR 0 thousand).

The terms and conditions of brokerage contracts concluded with related parties are comparable to 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 2016 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 2016, 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:

- Mario Freis, Chairman
- Oskar Heitz, Deputy Chairman
- 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
- Markus Jost, 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
- Wilfried Kempchen, businessman (ret.), former Chairman of the Executive Board of OVB Holding AG, Düren
- Winfried Spies, graduate mathematician (ret.), former Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich
- Dr. Alexander Tourneau, 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, 29 July 2016



Mario Freis



Oskar Heitz



Thomas Hücker

## Review report

To OVB Holding AG, Cologne

We have reviewed the condensed interim consolidated financial statements – comprising consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and selected explanatory notes – and the interim consolidated management report of OVB Holding AG, Cologne, which are components of a half-year financial report pursuant to Section 37w WpHG (Securities Trading Act), for the period from 1 January to 30 June 2016. 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 consolidated management report in accordance with the provisions of the WpHG applicable to interim consolidated 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 consolidated management report based on our review.

We have performed our review of the condensed interim consolidated financial statements and the interim consolidated 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 consolidated management report has not been prepared in all material respects in accordance with the provisions of the WpHG applicable to interim consolidated 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 consolidated management report has not been prepared in all material respects in accordance with the regulations of the WpHG applicable to interim consolidated management reports.

Düsseldorf, 29 July 2016

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Christian Sack  
Wirtschaftsprüfer  
(Public Auditor)

ppa. Thomas Bernhardt  
Wirtschaftsprüfer  
(Public Auditor)

## Financial Calendar

10 November 2016	Results for the third quarter of 2016, Conference Call
28 March 2017	Publication of financial statements 2016, Annual Report, Press Conference, Analyst Conference
10 May 2017	Results for the first quarter of 2017, Conference Call
2 June 2017	Annual General Meeting, Cologne
14 August 2017	Results for the second quarter of 2017, Conference Call
13 November 2017	Results for the third quarter of 2017, Conference Call

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