

OVB

**Nine-Month Report**

1 January – 30 September 2006

Financial Service Provider for Europe

# Key figures for the OVB Group

## Key operating figures

	Unit	30/09/2005	30/09/2006	Change
Clients	Number	2.25 million	2.39 million	+6%
Financial advisors	Number	3,675	4,234	+15%
New business (01/01 – 30/09)	Number of contracts	487,020	484,595	-1%
Total sales commission (01/01 – 30/09)	Euro million	131.6	155.4	+18%

## Key financial figures

	Unit	01/01/ – 30/09/2005	01/01/ – 30/09/2006	Change
Earnings before interest and taxes (EBIT)	Euro million	12.7	19.1	+ 51%
EBIT margin	%	11.6	14.0	+ 2.4% pts
Consolidated net income	Euro million	9.4	13.2	+ 40%
Earnings per share (undiluted)	Euro	0.72	0.99	+ 38%

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# Welcome

Ladies and gentlemen, shareholders,

OVB is continuing on its path of success: high growth, profitable, continuous and reliable. The market is also rewarding this performance. The OVB share reached a price of Euro 26 in mid-November 2006. Investors who bought shares in the scope of the IPO in July can be pleased about a 24 percent increase in the value of the investment.

The business development in 2006 expresses the strengths of the OVB Group. At a good Euro 155 million, total sales commissions generated from January to September exceed the benign sales trend of the corresponding period of the previous year by 18 percent. Our foreign sales companies contributed some 60 percent to this. The business in Germany above all continued to pick up pace in the third quarter: Compared to the previous three months, total sales commissions increased by 11 percent to Euro 21.3 million. Earnings before interest and taxes (EBIT) of the OVB Group increased by 51 percent from January to September 2006 to Euro 19.1 million, including the one-off expenses for the IPO. As such, we have generated nearly one Euro per share for our shareholders in only nine months.

As of mid-November, there is no need to consult a crystal ball in order to make a statement on the full year. We expect the favourable business performance to continue. In light of this strongly positive earnings trend, the Executive Board will recommend an increased dividend to the Supervisory Board at the Annual General Meeting.

2006 will be another successful year for OVB, its clients, shareholders and employees.

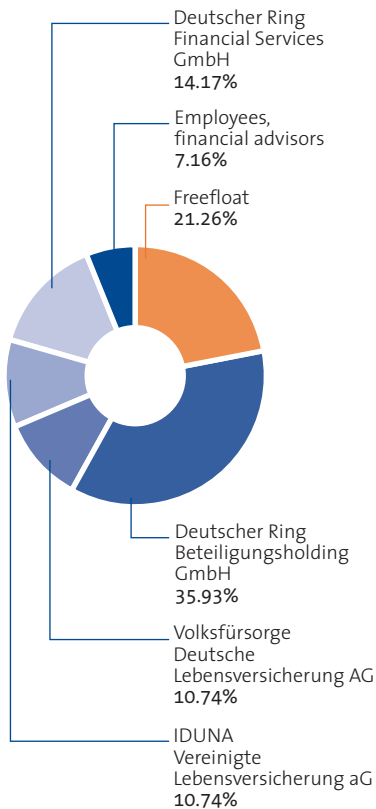
With kind regards,



**Michael Frahnert**  
Chief Executive Officer

## The Share

### Shareholder structure of OVB Holding AG per 30/09/2006



The OVB Holding AG share has been listed in the Prime Standard of the Frankfurt Stock Exchange since 21 July 2006. As a result of the brisk interest of institutional investors from Germany and abroad, the issue price was fixed in the upper half of the book-building range with Euro 21 per share. As the bank consortium commissioned with the issue also fully exercised the greenshoe, the placement comprised a total of 3,030,514 shares. The issue volume thus amounted to some Euro 63.6 million. OVB plans to invest the funds raised from the issue primarily in its further expansion in Europe.

The market climate in summer 2006 was temporarily clouded. Moreover, the capital market assesses new IPO candidates significantly more critically than it did a few years ago. The shares of an entire series of newcomers to the market in 2006 are trading below the issue price. Against this background, the IPO of OVB Holding AG has been very successful. The price of the OVB share reached a high of Euro 25.00 in the period under review (based on the daily Xetra closing price) and amounted to Euro 23.30 at the end of September. This is a price increase of 11.0 percent over the issue price.

Interested investors can find information on OVB and its share on the Internet at [www.ovb.ag](http://www.ovb.ag). Since the IPO we have considerably expanded the content of the Investor Relations division on our website. OVB generally attaches a great deal of importance to the extensive and prompt information of the financial markets.

### Share Data

SIC	628 656
ISIN	DE0006286560
Ticker symbol	O4B Reuters: O4BG.DE Bloomberg: O4B:GR
Type	No-par individual ordinary shares
Number of shares	14,251,314
Issue price	Euro 21.00
Initial share price Xetra	Euro 21.40 (21/07/2006)
Xetra high (closing price)	Euro 25.00 (01/09/2006)
Xetra low (closing price)	Euro 21.10 (21/07/2006)
Closing price Xetra	Euro 23.30 (29/09/2006)
Market capitalisation	Euro 332 million (29/09/2006)

# Consolidated Management Report of OVB Holding AG

## General environment

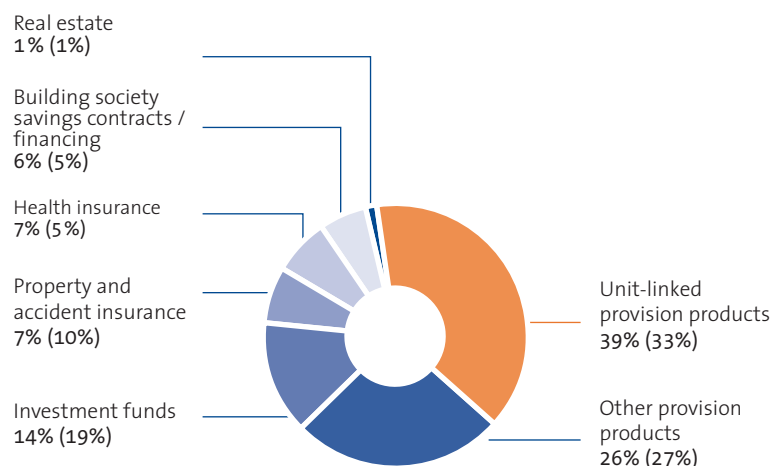
The countries and regions in which the OVB Group is active exhibit a consistently positive economic trend in autumn 2006. With some 2.5 percent, this year will see the highest economic growth in Germany since 2000. The stabilisation of the employment situation even allowed for somewhat of an increase in private consumption. A 2.5 percent increase in real gross domestic product is also anticipated in the Euro region for 2006. The EWU unemployment rate dropped below 8 percent in the course of the year and should continue to decline. Some states in Central and Eastern Europe are currently experiencing that the transition of a political system does not always run smoothly. However, the economies in the regions are growing strongly by an average of more than 5 percent. They are profiting primarily from the good economic development in Western Europe.

As an internationally well-positioned financial services provider, OVB is also contributing to the coalescence of Europe. Nearly 60 percent of the group's total income is generated in European countries other than Germany.

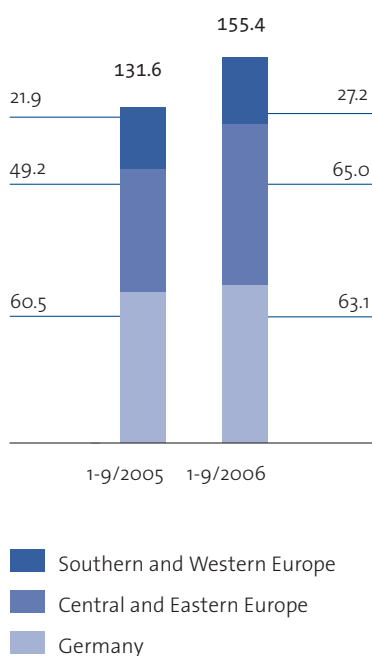
## Business performance

The business performance of the OVB Group was characterised by continuous and profitable growth in the third quarter of 2006 as well. The number of customers supported by our financial advisors in 13 European countries increased from 2.25 million one year ago to now 2.39 million.

### Breakdown of income from new business 1–9/2006 (1–9/2005)



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



Income from advisory and brokerage services, including the commission forwarded to sales agents on behalf of product partners of Euro 19.2 million (previous year Euro 21.8 million), grew by 18.0 percent across the group, from Euro 131.6 million in the first nine months of 2005 to Euro 155.4 million in the period from January to September 2006. The sales performance of OVB as measured by this total sales commission increased even by more than 24 percent in the third quarter of 2006 compared to the likewise quite strong quarter of the previous year.

Across Europe, OVB's financial advisors concluded 484,595 new contracts in the nine-month period of 2006 and thus maintained the high level achieved in the same period last year, which was largely due to the pension reform in Slovakia at the time. Unit-linked provision products accounted for 39 percent of collected commission income (previous year 33 percent). Demand for this product category in Central and Eastern Europe showed particularly dynamic growth. In the period under review, OVB also generated commission income in the Health Insurance and Real Estate segments in this region for the first time. Within the OVB Group, the share of Investment Funds showed a declining trend (14 percent, previous year 19 percent).

In the period from January to September 2006, all three regions contributed to the growth of the total sales commissions. OVB's expansion is thus established on the positive changes already shown for the previous year's period, which at the time contrasted with the declining trend of the sector. Our core market Germany has also shown a very pleasing performance in the course of the year. The sales performance in the nine-month period increased here by 4.3 percent to Euro 63.1 million. A growth rate of 10.9 percent was achieved compared to the third quarters of 2005 and 2006. With a share of 35 percent (previous year 33 percent) in commission income, unit-linked provision products remained the most sought-after product category. In the field of government subsidised provision products, the new business in "Riester" policies with more than 10,000 contracts showed a significantly more dynamic development than "Rürup" contracts. The corporate pension provision business continues to show good expansion.

The total sales commission in the Central and Eastern Europe region grew strongly by 32.1 percent from Euro 49.2 million to Euro 65.0 million. The growth rate in a comparison of third quarters even amounted to 50.0 percent. The share of unit-linked provision products in total commission income increased here from 22 percent in the previous year to now 37 percent.

With a share in commission of 51 percent, unit-linked provision products are also the main sales drivers in the Southern and Western European region. Income from advisory and brokerage services rose 24.2 percent in this segment from Euro 21.9 million in the previous year to Euro 27.2 million.

## Employees

A good 4,200 trained financial advisors work for OVB across Europe. This is 15.2 percent more than at the end of September 2005. On the one hand, this trend underscores the efforts of OVB in personnel training: well-trained employees are the important driving force behind company growth. On the other hand, OVB benefits from a low degree of fluctuation of its financial advisors in a sector comparison. The long-cultivated corporate culture of OVB to esteem its independent financial advisors as entrepreneurs has an effect here. As such, one of OVB's core principles is to let financial advisors participate in the ongoing development of their customer relationships with recurring commissions.

Nearly 4,900 younger recruits are currently undergoing training. This equals an increase of 6.2 percent from one year ago. However, this represents a decline of some 400 employees compared to mid-2006. This shows the very demanding nature of personnel training at OVB, which is very challenging in terms of training progress and sales orientation.

The number of employees at the holding company, the service companies and the central administrations of our subsidiaries increased from 349 at the end of September 2005 to currently 373. This rise corresponds to the expansion of the business activities of the group, which had a total of 9,105 employees at the end of September 2006.

## Earnings situation

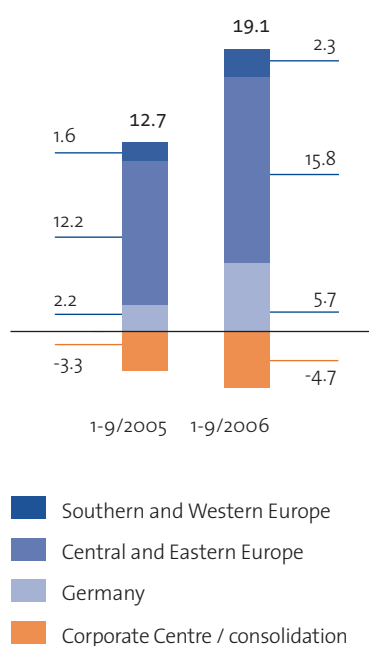
The OVB Group continued on its profitable path of growth in the first nine months of the year 2006. The total sales commissions received rose 18.0 percent from Euro 131.6 million in the previous year to Euro 155.4 million in the period from January to September 2006. This included commission forwarded to financial advisors on behalf of product partners totalling Euro 19.2 million after Euro 21.8 million in the corresponding period of the previous year. The brokerage income shown as sales increased from Euro 109.8 million in the previous year to Euro 136.2 million. This equals a rise of 24.1 percent. The quarterly comparison shows an even higher growth rate. In a comparison of the period under review (Euro 45.7 million) with the previous year's period (Euro 35.6 million), a sales growth of 28.3 percent is derived.

Brokerage expenses, which comprise commission that is directly performance-based and other commission, increased by 22.6 percent in the first nine months of 2006 to Euro 80.8 million (previous year Euro 65.9 million). This was largely parallel to the income from the brokerage business.

Personnel expenses for the group's employees increased by 11.9 percent to Euro 13.1 million (previous year Euro 11.7 million). This was above all

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

Euro million, figures rounded



the result of personnel recruitments at the holding company and at the Eastern European subsidiaries. Depreciation and amortisation, which hardly changed from the previous year's period, amounted to Euro 2.6 million. Other operating expenses in the first nine months of 2006 rose by 22.2 percent to Euro 28.9 million (previous year Euro 23.7 million). The reasons for this increase, which was especially pronounced in the third quarter, included intensified sales-supporting measures and certain training capacities as well as an increased expense in connection with the company's IPO.

Earnings before interest and taxes (EBIT) rose strongly from January to September 2006 by 50.7 percent to Euro 19.1 million after Euro 12.7 million in the same period of the previous year. The EBIT margin came out to 14.0 percent (previous year 11.6 percent). This exceeded the level that competitors had set as a mid-term goal. Excluding the expense for the IPO of OVB posted in the third quarter to the tune of Euro 1.8 million, EBIT would have amounted to Euro 20.9 million and the EBIT margin would have been 15.3 percent.

At Euro 20.0 million, earnings before taxes (EBT) were nearly 50 percent higher than the previous year's figure (Euro 13.5 million). Taxes on income increased from Euro 4.0 million to Euro 6.8 million in the nine-month period of 2006. This was due to the very positive business development in all regions, but particularly in Germany. As of 30 September 2006, net income for the period was Euro 13.2 million (previous year Euro 9.4 million). Undiluted earnings per share, calculated on the basis of 13,325,927 no-par value shares, amounted to Euro 0.99 for the period from January to September 2006. This represents a gain of Euro 0.27 compared with the same period last year (Euro 0.72 calculated on the basis of 13,070,454 no-par value shares). Excluding the costs of the IPO, earnings per share of Euro 1.13 would result.

### Financial position

The financial position of the OVB Group improved further due to the funds raised from the IPO in July 2006. However, this extraordinary effect overlaps the cash flows in connection with the operating activities. The cash flow from financing activities features a positive value of Euro 12.9 million due to the equity issued of Euro 22.9 million. A corresponding expansion of receivables and other assets of Euro 29.0 million – as a result of an increase of short-term financial assets – has led to a change of the algebraic sign in the cash flow from operating activities from Euro +9.8 million in the period from January to September 2005 to Euro -7.9 million in the period under review. The year-to-date outflow



of funds from investing activities in the current year reached a moderate amount of Euro -0.4 million. Cash and cash equivalents as of 30 September 2006 increased from Euro 13.0 million to Euro 21.2 million.

The balance sheet of OVB Holding AG as of the end of September 2006 was also impacted primarily by the effects of the equity raised. The balance sheet total rose from Euro 100.7 million on 31 December 2005 to Euro 131.7, whereas some Euro 27 million on the liabilities side alone are ascribable to the expansion of equity. Moreover, other liabilities – especially for commissions to financial advisors – increased by some Euro 3 million in the course of the expansive business activities. On the assets side of the balance sheet, receivables and other assets rose by Euro 27 million to Euro 90.0 million. Cash and cash equivalents also increased to currently Euro 21.2 million. OVB is in an excellent financial position for facing future challenges.

## Outlook

The successfully implemented IPO in the third quarter of 2006 opens up new prospects for OVB. It increases the Europe-wide brand recognition of the company, helps win over new clients and employees and enables the OVB Group to implement its ambitious international expansion strategy. OVB sees markets and opportunities and fully intends to seize them.

OVB will also continue on its path of profitable growth in the further course of 2006 and beyond. Based on the results of the first nine months of 2006, we expect the favourable business performance to continue.



**Michael Frahnert**  
Chief Executive Officer



**Oskar Heitz**  
Chief Financial Officer

## Consolidated balance sheet

of OVB Holding AG as at 30 September 2006, prepared in accordance with IFRS

### Assets

in Euro	30/09/2006	31/12/2005
<b>A. Non-current assets</b>		
I. Intangible assets	5,485,810.91	6,315,990.21
II. Tangible assets	6,205,377.37	6,366,390.25
III. Financial assets	135,151.27	129,022.33
IV. Deferred tax assets	4,178,871.40	5,046,768.87
	<b>16,005,210.95</b>	<b>17,858,171.66</b>
<b>B. Current assets</b>		
I. Receivables and other assets	90,025,817.69	63,065,596.70
II. Income tax receivables	4,426,830.96	3,152,047.77
III. Cash and cash equivalents	21,243,106.19	16,616,664.33
	<b>115,695,754.84</b>	<b>82,834,308.80</b>
<b>Total assets</b>	<b>131,700,965.79</b>	<b>100,692,480.46</b>

**Liabilities**

in Euro	30/09/2006	31/12/2005
<b>A. Equity</b>		
I. Equity	77,882,086.80	51,181,521.26
II. Minority interests	214,607.70	207,829.24
<b>Total equity</b>	<b>78,096,694.50</b>	<b>51,389,350.50</b>
<b>B. Non-current liabilities</b>		
I. Liabilities to banks	1,019,849.20	1,206,565.44
II. Provisions	474,193.33	446,500.68
III. Other liabilities	36,282.25	48,232.46
IV. Deferred tax liabilities	59,376.20	118,687.03
	<b>1,589,700.98</b>	<b>1,819,985.61</b>
<b>C. Current liabilities</b>		
I. Provisions for taxes	2,087,740.54	23,389.00
II. Other provisions	18,687,965.36	17,526,292.30
III. Income tax liabilities	1,533,468.06	2,975,790.66
IV. Other liabilities	29,705,396.35	26,957,672.39
	<b>52,014,570.31</b>	<b>47,483,144.35</b>
<b>Total equity and liabilities</b>	<b>131,700,965.79</b>	<b>100,692,480.46</b>

## Consolidated income statement

of OVB Holding AG for the period from 1 January to 30 September 2006, prepared in accordance with IFRS

in Euro	01/07/ – 30/09/2006	01/07/ – 30/09/2005	01/01/ – 30/09/2006	01/01/ – 30/09/2005
Brokerage income	45,728,866.63	35,638,505.12	136,165,321.66	109,756,927.70
Other operating income	3,962,044.03	2,366,576.81	8,357,904.01	6,754,748.20
<b>Total income</b>	<b>49,690,910.66</b>	<b>38,005,081.93</b>	<b>144,523,225.67</b>	<b>116,511,675.90</b>
Brokerage expenses	-28,329,153.10	-21,590,109.23	-80,819,685.33	-65,911,836.78
Personnel expenses	-4,416,219.16	-3,919,671.95	-13,120,508.71	-11,730,709.44
Depreciation and amortisation	-1,042,863.44	-762,778.69	-2,562,846.28	-2,528,558.30
Other operating expenses	-11,762,630.08	-8,105,092.23	-28,903,610.33	-23,652,844.74
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,140,044.88</b>	<b>3,627,429.83</b>	<b>19,116,575.02</b>	<b>12,687,726.64</b>
Finance income	609,660.15	385,560.14	1,245,421.36	975,218.32
Finance expenses	-49,496.05	-56,101.66	-353,923.89	-142,002.30
<b>Financial result</b>	<b>560,164.10</b>	<b>329,458.48</b>	<b>891,497.47</b>	<b>833,216.02</b>
<b>Earnings before taxes (EBT)</b>	<b>4,700,208.98</b>	<b>3,956,888.31</b>	<b>20,008,072.49</b>	<b>13,520,942.66</b>
Taxes on income	-1,840,506.53	-1,605,516.42	-6,763,581.13	-4,031,418.14
<b>Profit before minority interests</b>	<b>2,859,702.45</b>	<b>2,351,371.89</b>	<b>13,244,491.36</b>	<b>9,489,524.52</b>
Attributable to minority interests	2,165.47	-8,943.36	-6,778.46	-47,807.30
<b>Net income for the period</b>	<b>2,861,867.92</b>	<b>2,342,428.53</b>	<b>13,237,712.90</b>	<b>9,441,717.22</b>
Undiluted earnings per share	0.22	0.18	0.99	0.72

## Consolidated cash flow statement

of OVB Holding AG for the period from 1 January to 30 September 2006, prepared in accordance with IFRS

in Euro	01/01/ – 30/09/2006	01/01/ – 30/09/2005
Net income/loss for the period (after minority interests)	13,237,712.90	9,441,717.22
+/- Write-downs/write-ups of non-current assets	2,560,712.56	2,529,410.28
-/+ Unrealised currency gains/losses	256,845.04	-159,214.66
+/- Increase/reversal of provision for impairment of receivables	742,573.49	2,155,927.79
-/+ Increase/decrease in deferred tax assets	867,897.47	603,438.92
+/- Increase/decrease in deferred tax liabilities	-59,310.83	-76,981.20
- Finance income	-805,962.77	-172,737.79
- Interest income	-438,437.55	-802,336.35
+/- Increase/decrease in provisions	1,811,394.65	-222,689.14
+/- Increase/decrease in available-for-sale reserve	12,887.76	64,465.06
+/- Expenses/income from the disposal of intangible and tangible assets (net)	101,604.41	161,280.08
+/- Decrease/increase in trade receivables and other assets	-28,997,577.67	4,480,110.25
+/- Increase/decrease in trade payables and other liabilities	2,735,773.75	-8,196,627.41
<b>= Cash flow from operating activities</b>	<b>-7,953,886.79</b>	<b>9,805,763.05</b>
+ Proceeds from the disposal of tangible assets	13,976.42	66,748.52
+ Proceeds from the disposal of financial assets	205,788.74	106,609.90
- Purchases of tangible assets	-995,019.02	-923,173.29
- Purchases of intangible non-current assets	-625,131.43	-1,979,494.68
- Purchases of financial assets	-210,688.13	-131,808.75
+ Finance income	805,962.77	172,737.79
+ Interest received	438,437.55	802,336.35
<b>= Cash flow from investing activities</b>	<b>-366,673.10</b>	<b>-1,886,044.16</b>
+ Proceeds from the issue of equity	23,835,000.00	0.00
- Equity transaction costs	-3,097,443.39	0.00
-/+ Purchase/sale of treasury stock	2,073,715.50	-86,450.00
- Distributions to the company's shareholders and minority interests	-9,758,396.25	-9,807,410.25
+/- Increase/decrease in minority interests	6,778.46	47,807.30
+/- Proceeds/expenses from the issue of bonds and (financing) loans	-186,716.24	-151,920.84
<b>= Cash flow from financing activities</b>	<b>12,872,938.08</b>	<b>-9,997,973.79</b>
<b>Overview:</b>		
Cash flow from operating activities	-7,953,886.79	9,805,763.05
Cash flow from investing activities	-366,673.10	-1,886,044.16
Cash flow from financing activities	12,872,938.08	-9,997,973.79
Exchange gains/losses on cash and cash equivalents	74,063.67	44,124.08
<b>= Net change in cash and cash equivalents</b>	<b>4,626,441.86</b>	<b>-2,034,130.82</b>
+ Cash and cash equivalents at the end of the prior year	16,616,664.33	15,068,212.22
<b>= Cash and cash equivalents at end of the period</b>	<b>21,243,106.19</b>	<b>13,034,081.40</b>
Income tax paid	4,340,119.48	2,537,665.52
Interest paid	196,574.38	71,068.89

## Consolidated statement of changes in equity

of OVB Holding AG as at 30 September 2006, prepared in accordance with IFRS

in Euro	Subscribed capital	Treasury stock	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves
<b>Balance as at 31/12/2004</b>	<b>13,116,314.00</b>	<b>-47,737.00</b>	<b>18,305,255.62</b>	<b>2,206,092.40</b>	<b>644,911.66</b>	<b>2,995,879.32</b>
Consolidated profit				10,427,683.29		
Dividend relating to 2004				-9,807,410.25		
Treasury stock		-13,263.00	-73,187.00			
Change in available-for-sale reserve						
Transfer to other reserves				-2,584,714.93	594,366.93	1,990,348.00
Change in currency translation reserve						
Net income prior to release of reserves						
<b>Balance as at 30/09/2005</b>	<b>13,116,314.00</b>	<b>-61,000.00</b>	<b>18,232,068.62</b>	<b>241,650.51</b>	<b>1,239,278.59</b>	<b>4,986,227.32</b>
Treasury stock		-25,329.00	-183,450.50			
Change in available-for-sale reserve						
Transfer to other reserves						
Change in currency translation reserve						
Net income prior to release of reserves						
<b>Balance as at 31/12/2005</b>	<b>13,116,314.00</b>	<b>-86,329.00</b>	<b>18,048,618.12</b>	<b>241,650.51</b>	<b>1,239,278.59</b>	<b>4,986,227.32</b>
Consolidated profit				13,131,999.33		
Dividend relating to 2005				-9,758,396.25		
Treasury stock		86,329.00	546,711.00			
Capital measures	1,135,000.00		22,700,000.00			
Change in available-for-sale reserve						
Equity transaction costs			-3,097,443.39			
Proceeds from the sale of treasury stock			1,440,675.50			
Transfer to other reserves				-3,958,478.97	220,364.97	3,738,114.00
Change in currency translation reserve						
Net income prior to release of reserves						
<b>Balance as at 30/09/2006</b>	<b>14,251,314.00</b>	<b>0.00</b>	<b>39,638,561.23</b>	<b>-343,225.38</b>	<b>1,459,643.56</b>	<b>8,724,341.32</b>

Equity is considerably influenced by the incorporation of the shares listed on the Regulated Market of the Deutsche Börse on 21 July 2006. In addition to the shares from the capital increase, a portion of the shares owned by small shareholders was sold. Including the sale of treasury stock, a total of 3,030,514 shares were sold, including the greenshoe. In consideration of the omitted IPO costs, an earnings-neutral increase in equity of Euro 22.9 million resulted from the sale of shares.

Available- for-sale-reserve/ revaluation reserve (after taxes)	Deferred taxes on unrealised gains	Currency translation reserve	Net income recognised directly in equity	Net income for the period	Consolidated profit	Minority interests	Total
<b>71,661.97</b>	<b>0.00</b>	<b>323,835.01</b>	<b>425,376.04</b>	<b>10,427,683.29</b>	<b>10,853,059.33</b>	<b>188,828.80</b>	<b>48,232,725.07</b>
			-425,376.04	-10,427,683.29	-10,853,059.33		0.00
							-9,807,410.25
			0.00		0.00		-86,450.00
85,830.81	-21,365.75		64,465.06		64,465.06		64,465.06
			0.00		0.00		0.00
		-249,529.85	-249,529.85	345,321.17	95,791.32		95,791.32
			0.00	9,096,396.05	9,096,396.05	47,807.30	9,144,203.35
<b>157,492.78</b>	<b>-21,365.75</b>	<b>74,305.16</b>	<b>-185,064.79</b>	<b>9,441,717.22</b>	<b>9,256,652.43</b>	<b>236,636.10</b>	<b>47,643,324.54</b>
			0.00		0.00		-208,779.50
-10,141.89	40,684.75		30,542.86		30,542.86		30,542.86
		262,787.34	262,787.34	0.00	262,787.34		262,787.34
			0.00	3,690,282.11	3,690,282.11	-28,806.86	3,661,475.25
<b>147,350.89</b>	<b>19,319.00</b>	<b>337,092.50</b>	<b>108,265.41</b>	<b>13,131,999.33</b>	<b>13,240,264.74</b>	<b>207,829.24</b>	<b>51,389,350.50</b>
			-108,265.41	-13,131,999.33	-13,240,264.74		0.00
							-9,758,396.25
			0.00		0.00		633,040.00
							23,835,000.00
10,577.86	2,309.90		12,887.76		12,887.76		12,887.76
							-3,097,443.39
							1,440,675.50
			0.00		0.00		0.00
		397,089.02	397,089.02	-343,403.52	53,685.50		53,685.50
			0.00	13,581,116.42	13,581,116.42	6,778.46	13,587,894.88
<b>157,928.75</b>	<b>21,628.90</b>	<b>734,181.52</b>	<b>409,976.78</b>	<b>13,237,712.90</b>	<b>13,647,689.68</b>	<b>214,607.70</b>	<b>78,096,694.50</b>

## Segment reporting 01/01 – 30/09/2006

of OVB Holding AG according to IFRS

in Euro	Germany	Central and Eastern Europe	Southern and Western Europe	Corporate Centre/ consolidation	Group
<b>Segment income</b>					
Income from business with third parties					
- Brokerage income	45,478,856.71	63,522,270.38	27,164,194.57	0.00	136,165,321.66
Other operating income	3,481,555.16	270,686.67	1,845,458.94	2,760,203.24	8,357,904.01
Income from inter-segment transactions	606,387.17	57,546.72	168,518.50	-832,452.39	0.00
<b>Total segment income</b>	<b>49,566,799.04</b>	<b>63,850,503.77</b>	<b>29,178,172.01</b>	<b>1,927,750.85</b>	<b>144,523,225.67</b>
<b>Segment expenses</b>					
Brokerage expenses					
- Current commission for sales force	-18,685,799.99	-37,029,326.38	-17,449,069.88	0.00	-73,164,196.25
- Other commission for sales force	-4,987,334.73	-2,185,898.11	-482,256.24	0.00	-7,655,489.08
Personnel expenses	-6,188,313.63	-2,145,417.22	-2,388,799.68	-2,397,978.18	-13,120,508.71
Depreciation/amortisation	-1,644,819.88	-385,704.49	-373,615.80	-158,706.11	-2,562,846.28
Other operating expenses	-12,318,330.41	-6,258,592.17	-6,209,853.12	-4,116,834.63	-28,903,610.33
<b>Total segment expenses</b>	<b>-43,824,598.64</b>	<b>-48,004,938.37</b>	<b>-26,903,594.72</b>	<b>-6,673,518.92</b>	<b>-125,406,650.65</b>
<b>Segment result before financial result</b>	<b>5,742,200.40</b>	<b>15,845,565.40</b>	<b>2,274,577.29</b>	<b>-4,745,768.07</b>	<b>19,116,575.02</b>
Financial result	496,596.03	71,113.56	17,975.05	341,762.93	891,497.47
<b>Segment result after financial result</b>	<b>6,238,796.43</b>	<b>15,916,678.96</b>	<b>2,256,602.24</b>	<b>-4,404,005.14</b>	<b>20,008,072.49</b>



## Segment reporting 01/01 – 30/09/2005

of OVB Holding AG according to IFRS

in Euro	Germany	Central and Eastern Europe	Southern and Western Europe	Corporate Centre/ consolidation	Group
<b>Segment income</b>					
Income from business with third parties					
- Brokerage income	42,465,570.24	45,428,966.38	21,862,391.08	0.00	109,756,927.70
Other operating income	3,222,414.78	984,570.93	849,640.18	1,698,122.31	6,754,748.20
Income from inter-segment transactions	694,478.61	30,971.20	132,660.75	-858,110.56	0.00
<b>Total segment income</b>	<b>46,382,463.63</b>	<b>46,444,508.51</b>	<b>22,844,692.01</b>	<b>840,011.75</b>	<b>116,511,675.90</b>
<b>Segment expenses</b>					
Brokerage expenses					
- Current commission for sales force	-17,084,034.95	-27,537,825.23	-14,157,549.45	0.00	-58,779,409.63
- Other commission for sales force	-5,739,283.53	-977,519.67	-415,623.95	0.00	-7,132,427.15
Personnel expenses	-5,993,454.09	-1,725,551.89	-2,158,073.62	-1,853,629.84	-11,730,709.44
Depreciation/amortisation	-1,720,355.39	-258,606.52	-382,173.61	-167,422.78	-2,528,558.30
Other operating expenses	-13,634,055.03	-3,745,545.89	-4,105,761.93	-2,167,481.89	-23,652,844.74
<b>Total segment expenses</b>	<b>-44,171,182.99</b>	<b>-34,245,049.20</b>	<b>-21,219,182.56</b>	<b>-4,188,534.51</b>	<b>-103,823,949.26</b>
<b>Segment result before financial result</b>	<b>2,211,280.64</b>	<b>12,199,459.31</b>	<b>1,625,509.45</b>	<b>-3,348,522.76</b>	<b>12,687,726.64</b>
Financial result	370,190.06	187,967.04	34,447.47	240,611.45	833,216.02
<b>Segment result after financial result</b>	<b>2,581,470.70</b>	<b>12,387,426.35</b>	<b>1,659,956.92</b>	<b>-3,107,911.31</b>	<b>13,520,942.66</b>

# IFRS Consolidated Financial Statements Notes as at 30 September 2006

## I. GENERAL INFORMATION

### 1. General information on the OVB Group

The parent company of the OVB Group (hereinafter "OVB") is OVB Holding AG, Cologne. It is 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's company address is Heumarkt 1, 50667 Cologne.

### 2. Basis of preparation

OVB's financial statements for the third quarter of the 2006 financial year (hereinafter the "interim report") were prepared on a consolidated basis in accordance with the International Financial Reporting Standards (IFRS) as adopted and published by the International Accounting Standards Board (IASB), as required to be applied in the European Union on the balance sheet date, and as interpreted by the International Financial Reporting Standards Interpretations Committee (IFRIC).

All of the requirements of an interim report as defined by IAS 34 have been met. Furthermore, the additional quarterly report requirements under the Rules of the Frankfurt Stock Exchange for the segment of the official (Amtlicher Markt) or regulated market (Geregelter Markt) subject to additional post-admission obligations (Prime Standard) have been observed.

## II. SIGNIFICANT EVENTS IN THE INTERIM PERIOD

## III. INFORMATION ON EQUITY

### 3. Accounting policies and consolidation

The accounting, valuation and consolidation methods used in this interim report have not changed from those applied in the consolidated financial statements for the year ending 31 December 2005.

There has also been no change in the group of consolidated entities since 31 December 2005. The consolidated financial statements include not only the parent company, OVB Holding AG, but also 28 domestic and foreign subsidiaries. All entities were fully consolidated.

### Incorporation of the listing

The shares of OVB Holding AG were traded for the first time on 21 July 2006 on the official market of Deutsche Börse AG.

The OVB Holding AG generated gross proceeds of Euro 26.0 million from the initial public offering. Under consideration of the earnings-neutral IPO cost of Euro 3.1 million, shareholders' equity increased by Euro 22.9 million. IPO costs totalling Euro 1.8 million were accounted for with an effect on profits. Without considering the earnings effect of the IPO costs would result in an EBIT of Euro 20.9 million and an EBIT margin of 15.3 percent for the period of January to September 2006.

### 1. Share capital

The subscribed capital (share capital) of OVB Holding AG on 30 September 2006 amounted to Euro 14,251,314.00. With resolution of the Annual General Meeting on 29 May 2006, the share capital was increased by Euro 1,135,000.00 against cash contributions. With the approval of the Supervisory Board on 13 July 2006, the Executive Board thereby exercised the full authorisation of the Annual General Meeting to issue new shares against capital contributions.

At the Annual General Meeting on 29 May 2006, the shareholders resolved to authorise the Executive Board, subject to the Supervisory Board's consent, to increase the share capital by up to Euro 1,135,000.00 on or before 28 May 2007 by issuing new shares against cash contributions, and to place the new shares in connection with the company's proposed IPO. Shareholders' subscription rights are excluded. Subject to the Supervisory Board's consent, the Executive Board is authorised to determine the further details of the capital increase and its implementation.

The shareholders resolved at the Annual General Meeting on 29 May 2006 to convert the existing registered shares to bearer shares, meaning there are no longer any restrictions on the free transfer of shares.

The shareholders also resolved at the Annual General Meeting on 29 May 2006 to convert the existing preferred shares to ordinary voting shares. To achieve this, the shares' preferred status under section 22 of the articles of association was revoked.

## 2. Treasury stock

The treasury stock changed as follows:

in Euro	Nominal	Premium	Total
At 01/01/2006	86,329.00	546,711.00	633,040.00
Change	18,790.00	114,993.50	133,783.50
At 30/06/2006	105,119.00	661,704.50	766,823.50
Change	-105,119.00	-661,704.50	-766,823.50
At 30/09/2006	0	0	0

## 3. Dividends

Distributable amounts relate to the net retained profits of OVB Holding AG, which are determined in accordance with the provisions of German commercial law. As proposed by the Executive Board, the shareholders resolved at the Annual General Meeting on 29 May 2006 to distribute a

dividend of Euro 0.75 per ordinary or preferred share (previous year: Euro 0.75 per ordinary or preferred share). Thus the appropriation of OVB Holding AG's net retained profits was as follows:

<b>in Euro</b>	
Distribution to shareholders	9,758,396.25
Retained profits carried forward	497,177.12
<b>Net retained profits</b>	<b>10,255,573.37</b>

#### **IV. OTHER INFORMATION**

##### **1. Contingent liabilities**

The OVB Group has given guarantees and has assumed liabilities on behalf of subsidiaries and financial advisors in the ordinary course of business. The associated risks are recognised in other provisions to the extent that they give rise to obligations whose value can be reliably estimated. There have been no material changes since 31 December 2005.

##### **2. Number of employees**

The OVB Group employed a total of 373 commercial staff as of 30 September 2006, 37 of which worked in a managerial capacity.

##### **3. Disclosures relating to the Supervisory Board**

On 28 June 2006, Uwe Neubüser, Managing Director of Deutscher Ring Financial Services GmbH, resigned from the Supervisory Board effective 31 July 2006. Christian Graf von Bassewitz succeeded Mr. Neubüser on 1 August 2006 at the request of the Executive Board on 6 July 2006. Graf von Bassewitz had been the Board Spokesman of Bankhaus Lampe in Düsseldorf since 1992 and had also been a general partner since 1993. He retired this spring after 36 years of service at the private banking firm.

## V. EVENTS AFTER THE BALANCE SHEET DATE AND PROSPECTS FOR THE CURRENT FINANCIAL YEAR

### 1. Significant events after the quarterly balance sheet date and changes in the risks involved in future development

No significant events requiring declaration occurred after the end of the quarter.

Since 31 December 2005, there have been no significant changes to report with regard to future development risks.

### 2. Prospects for the current financial year

OVB continues to pursue its path of profitable growth. Based on the results of the first nine months 2006, we expect the favourable business performance to continue.

Cologne, 23 November 2006



Michael Frahnert



Oskar Heitz

# Financial Calendar

March 2007      Publication of the annual financial statements for 2006  
May 2007        Annual General Meeting

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