# Half-Year Report

1 January – 30 June 2013

OVB Allfinanz – simply better

OVB

# Key figures for the OVB Group

| Key operating figures | Unit | 01/01–30/06/2012 | 01/01–30/06/2013 | Change |
|---|---|---|---|---|
| Clients (30/06) | Number | 2.92 million | 3.02 million | +3.4 % |
| Financial advisors (30/06) | Number | 5,054 | 4,958 | - 1.9 % |
| New business | Number of contracts | 271,990 | 234,049 | -13.9 % |
| Total sales commission | Euro million | 106.4 | 101.4 | - 4.7 % |
| **Key financial figures** | | | | |
| Earnings before interest and taxes (EBIT) | Euro million | 4.2 | 3.9 | - 7.1 % |
| EBIT margin* | % | 4.0 | 3.8 | - 0.2 %-pts. |
| Consolidated net income | Euro million | 3.0 | 2.9 | - 3.3 % |
| Earnings per share (undiluted) | Euro | 0.21 | 0.20 | - 4.8 % |

*Based on total sales commission

# Key figures for the regions

| Central and Eastern Europe | Unit | 01/01–30/06/2012 | 01/01–30/06/2013 | Change |
|---|---|---|---|---|
| Clients (30/06) | Number | 1.96 million | 2.05 million | +4.6 % |
| Financial advisors (30/06) | Number | 3,290 | 3,127 | - 5.0 % |
| Total sales commission | Euro million | 63.4 | 56.1 | - 11.5 % |
| Earnings before interest and taxes (EBIT) | Euro million | 5.8 | 4.9 | - 15.5 % |
| EBIT-margin* | % | 9.1 | 8.7 | - 0.4 %-pts. |

*Based on total sales commission

| Germany | | | | |
|---|---|---|---|---|
| Clients (30/06) | Number | 640,485 | 647,613 | +1.1 % |
| Financial advisors (30/06) | Number | 1,357 | 1,360 | + 0.2 % |
| Total sales commission | Euro million | 29.6 | 29.1 | - 1.7 % |
| Earnings before interest and taxes (EBIT) | Euro million | 2.5 | 2.7 | + 8.0 % |
| EBIT-margin* | % | 8.6 | 9.3 | + 0.7 %-pts. |

*Based on total sales commission

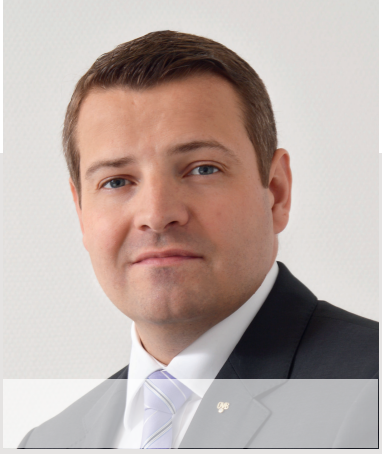
| Southern and Western Europe | | | | |
|---|---|---|---|---|
| Clients (30/06) | Number | 315,309 | 319,693 | +1.4 % |
| Financial advisors (30/06) | Number | 407 | 471 | + 15.7 % |
| Total sales commission | Euro million | 13.5 | 16.2 | + 20.2 % |
| Earnings before interest and taxes (EBIT) | Euro million | - 0.2 | 0.7 | – |
| EBIT-margin* | % | - 1.4 | 4.4 | + 5.8 %-pts. |

*Based on total sales commission

Content Welcome 3 >>> Share performance 4 >>> Interim group management report 5
>>> Consolidated financial statements 11 >>> Notes 18

**Michael Rentmeister**
CEO

**Oskar Heitz**
CFO and COO



**Mario Freis**
CSO

Ladies and gentlemen, shareholders,

the general conditions for financial advisory services in Europe and the sale of financial products appear difficult at present. Scepticism towards the financial services industry and its products, a result of the financial crisis 2008/2009, is fading only slowly. The deliberately created low interest level hardly permits any positive real interest on savings and plan assets. Excessive government regulation often has counterproductive effects: One example is the introduction of so-called unisex insurance rates, regardless of gender, which have made necessary provision more expensive for no good reason. The rather haplessly devised pension reforms in the Czech Republic and Poland make for another example, having a stifling effect on the citizens' provision efforts instead of encouraging them.

In this challenging environment, OVB has strengthened its market position in Europe over the first half-year 2013. In most of the 14 countries in which the Group has business activities, OVB has come out ahead of the competition. Despite difficult macroeconomic conditions, the sales performance in Southern and Western Europe recorded another strong increase by gaining 20.2 per cent to Euro 16.2 million. Total sales commission in the Germany segment remained stable at Euro 29.1 million, a result we consider a success in view of the current market trend. In the Central and Eastern Europe segment, the brokerage income of Euro 56.1 million was below the prior-year level, on account of the national markets Czech Republic and Poland in particular, where citizens are unsettled by controversial pension reforms. On the other hand, Hungary, Ukraine and Slovakia showed considerable upward trends. In the first half-year 2013, OVB altogether achieved total sales commission in the amount of Euro 101.4 million and an operating income of Euro 3.9 million.

The strengths of OVB become particularly apparent in a consolidating market: A proven and stable business model, the broad international positioning and a solid financial position as finds expression in an equity ratio of 53.6 per cent. And we have a plan for the future: We want to become the leading system distributor of financial products in Europe, even larger and more profitable than we are now. We invite you to join us on this journey.

Kind regards

Michael Rentmeister
CEO

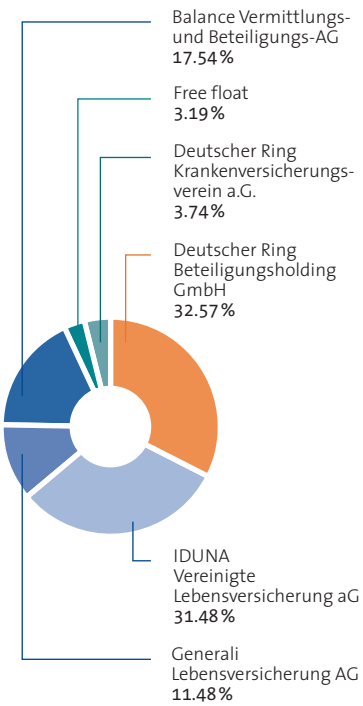
Oskar Heitz
CFO and COO

Mario Freis
CSO

# Share performance and investor relations

## Share performance without significance due to low free float

Shareholder structure of OVB Holding AG
as of 30/06/2013




The German stock market continued its upward trend over the first half-year 2013, yet subject to strong fluctuations dependent on topics such as the euro debt crisis and the economic performance particularly in the euro area. The DAX (Xetra closing prices) reached a new all-time high of 8,558 points on 22 May 2013. At the end of the reporting period, at 7,959 points the DAX shows a performance of about 5 per cent compared to the 7,612 points recorded at the end of the year 2012. The SDAX reached a performance of roughly 13 per cent in the first half-year 2013. By contrast, the price of the OVB share dropped 19 per cent over the same period, from Euro 21.75 at the end of 2012 to Euro 17.53. It reached its high in the reporting period at Euro 22.00 in early January and logged its low at Euro 17.53 at the end of June. The share performance does not reflect the performance of business operations but is much rather determined by the low free float and the resulting low trading volume.

Thus the average monthly trading volume of the OVB share was close to 6,200 shares in the first half-year 2013 as compared to roughly 52,100 shares in the prior-year period. 95.0 per cent of the OVB share's trade was handled through the electronic trading system Xetra and through Xetra specialists.

This year's Annual General Meeting of OVB Holding AG was held in Cologne on 21 June 2013. Close to 97 per cent of the share capital were represented at the General Meeting. The resolutions proposed by the Executive Board were adopted almost unanimously. The Chairman of the Executive Board, Michael Rentmeister, explained the 2012 financial statements and the cornerstones of the corporate strategy in his concise speech which is available for download at www.ovb.ag/investorrelations/hauptversammlung.

**OVB share data**

| | | |
|---|---|---|
| WKN / ISIN Code | 628656 / DE0006286560 | |
| Stock symbol / Reuters / Bloomberg | O4B / O4BG.DE / O4B:GR | |
| Type of shares | No-par ordinary bearer shares | |
| Number of shares | 14,251,314 | |
| Share capital | Euro 14,251,314.00 | |
| Xetra closing price | | |
| Beginning of year | Euro 21.75 | (02/01/2013) |
| High | Euro 22.00 | (04/01/2013) |
| Low | Euro 17.53 | (28/06/2013) |
| Last | Euro 17.53 | (28/06/2013) |
| Market capitalisation | Euro 250 million | (28/06/2013) |

# Interim group management report der OVB Holding AG

## Business and general conditions

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

The early and successful positioning in promising growth markets sets OVB apart from the competition. The business success is very obvious particularly in Central and Eastern Europe. In many of the region's markets, OVB has assumed a market leading position among the independent brokers. OVB generates roughly two thirds of its total sales commission outside Germany.

Against this backdrop it is important to regard the macroeconomic development across Europe for an assessment of the business performance. Among the relevant factors are economic growth, developments in the labour markets and changes in the income situation of private households.

Of particular importance are also changes in the general conditions for personal financial planning such as pension reforms. In the reporting period, pension reforms in Poland and the Czech Republic had a stifling effect on the citizen's financial provisions and affected the sales performance in these markets. In some countries, as expected, the unisex issue (uniform insurance rates regardless of gender) also negatively affected OVB's business performance.

## Macroeconomic environment

In July 2013 the International Monetary Fund (IMF) lowered its growth forecast 2013 for the world economy once again. Now the Fund anticipates an increase of the global economic performance by 3.1 per cent, after 3.3 per cent before that. Reasons for this weak economic growth are the recession in the euro area, lasting longer than expected, and a slowdown in the growth dynamics of the emerging markets. In the year 2013 the economic strength of the euro area will probably shrink by an average 0.6 per cent.

Macroeconomic key data – Central and Eastern Europe

| | Real GDP Change in % | | Consumer prices Change in % | | Budget deficit in % of the GDP | |
|---|---|---|---|---|---|---|
| | 2012 | 2013e | 2012 | 2013e | 2012 | 2013e |
| Croatia | - 2.0 | - 0.5 | 3.4 | 2.5 | - 4.1 | - 4.2 |
| Czech Republic | - 1.2 | - 0.7 | 3.3 | 1.6 | - 4.4 | - 2.9 |
| Hungary | -1.7 | - 0.5 | 5.7 | 1.9 | - 1.9 | - 2.9 |
| Poland | 1.9 | 1.2 | 3.7 | 1.1 | - 3.9 | - 4.1 |
| Romania | 0.7 | 2.0 | 3.3 | 4.6 | - 2.9 | - 2.8 |
| Slovakia | 2.0 | 0.9 | 3.6 | 1.7 | - 4.3 | - 2.9 |
| Ukraine | 0.2 | 1.0 | 0.6 | 0.5 | - 5.5 | - 4.0 |

e (estimated)
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 3rd Quarter 2013

According to sales commission, Central and Eastern Europe is OVB's most important segment. It comprises the national markets of Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and the Ukraine. The economic performance of this group of countries has been moderate most recently. The Czech economy, oriented strongly toward the euro area, is assumed to decline insignificantly in 2013. The growth drivers in Poland have lost some of their strength as well. A gradual improvement of the national economies of this segment can only be expected

to happen in 2014. Insofar OVB's business performance cannot benefit from any macroeconomic stimulation coming from this segment at present. On the contrary: Pension reforms in Poland and Czechia, met with little approval by the citizenry, have a negative effect on the sale of financial products for private retirement provision.

The German economy – representing the second OVB segment – bottomed out at the end of 2012 and has been showing a modest upward trend over the last few months already. In the second quarter, the gross domestic product grew by an estimated 0.3 per cent compared to the previous quarter, carried by international demand and private consumption. For the full year 2013 a 0.5 per cent increase in economic output is expected for Germany, at a stable labour market and moderate inflation. However, not least the introduction of new, partly less appealing unisex rates at the end of 2012 provided for by law has been responsible for a certain reluctance among clients with respect to signing new contracts.

The OVB segment "Southern and Western Europe" includes the national markets of Austria, France, Greece, Italy, Spain and Switzerland. Save for Austria and Switzerland, no national economy of this group of countries will show any economic growth in 2013. High unemployment rates and declining incomes impair the economic situation of many private households. However, the sales performance of OVB – for example in Italy or Spain – makes clear that competent and interdisciplinary advice in financial matters can lead to success despite unfavourable general conditions.

Macroeconomic key data – Southern and Western Europe

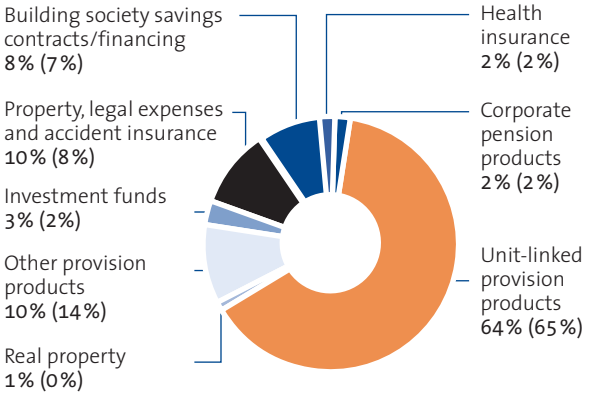
| | Real GDP Change in % | | Consumer prices Change in % | | Budget deficit in % of the GDP | |
|---|---|---|---|---|---|---|
| | 2012 | 2013e | 2012 | 2013e | 2012 | 2013e |
| Austria | 0.8 | 0.5 | 2.6 | 1.9 | - 2.5 | - 2.6 |
| France | 0.0 | - 0.4 | 2.2 | 1.3 | - 4.8 | - 4.0 |
| Greece | - 6.4 | - 4.5 | 1.0 | - 0.3 | - 10.0 | - 4.0 |
| Italy | - 2.4 | - 1.7 | 3.3 | 1.7 | - 3.0 | - 2.9 |
| Spain | - 1.4 | - 1.5 | 2.4 | 1.5 | - 10.6 | - 6.5 |
| Switzerland | 1.0 | 1.3 | - 0.7 | 0.1 | 0.7 | 0.5 |

e (estimated)
Source: Raiffeisen RESEARCH, Strategy Global Markets, 3rd Quarter 2013

## Business performance

The OVB Group earned total sales commission in the amount of Euro 101.4 million in the first half-year 2013, as opposed to Euro 106.4 million in the prior-year period of comparison. Declining numbers in individual national markets could be compensated for in part by increases in other markets, emphasising the stabilising effect of OVB's broad international positioning once again. The number of OVB's financial advisors continues to range around the mark of 5,000 sales agents; at the end of June 2013 4,958 financial advisors worked for OVB (previous year: 5,054 financial advisors). They attend to 3.02 million clients (previous year: 2.92 million clients) and brokered 234,049 new contracts within the scope of their advisory work in the period under review (previous year: 271,990 contracts). At Group level, client demand continues to focus strongly on unit-linked provision products, accounting for 64 per cent of all new business (previous year: 65 per cent). The share in new business made up by other provision products, including classical life and pension insurance policies went down significantly from 14 per cent to 10 per cent.

Breakdown of income from new business
1-6/2013 (1-6/2012)




## Central and Eastern Europe

In the Central and Eastern Europe segment, brokerage income dropped 11.5 per cent over the first half-year 2013, coming to Euro 56.1 million (previous year: Euro 63.4 million). Especially in the Czech market, which is of great importance to OVB, the performance was not satisfactory for us. The conversion from state-prescribed to voluntary private provision within the framework of the current pension reform resulted in a noticeable decline of new business at lower average annual insurance premiums. Slovakia showed a modest development, business in Poland was rather slow while Romania and Ukraine recorded gains. OVB currently attends to 2.05 million clients, after 1.96 clients one year ago. At 78 per cent of new business (previous year: 78 per cent), the steady focus of client demand remains on unit-linked provision products.

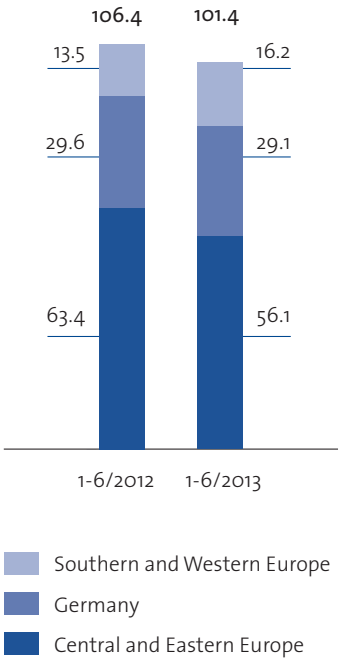
## Germany

Business in the Germany segment was for the most part stable in year-over-year comparison. Here OVB achieved total sales commission of Euro 29.1 million, after Euro 29.6 million the year before. This must be called a success if compared with the competition and in view of the difficult market environment. By mid-year 2013 647,613 clients trusted in advisory services provided by OVB sales agents (previous year: 640,485 clients). They showed demand for a broad product portfolio. Other provision products, with a new business share of 30 per cent (previous year: 29 per cent) and unit-linked provision products at 28 per cent (previous year: 28 per cent) were up front. Other relevant product groups of the new business were property, legal expenses and accident insurance policies with a share of 16 per cent (previous year: 16 per cent) as well as products in the category of building society savings contracts/financing with 10 per cent (previous year: 9 per cent).

## Southern and Western Europe

The Southern and Western Europe segment, which had undergone a phase of weakness for external and internal reasons some time ago, has been showing a satisfying upward trend since 2012. Brokerage income went up considerably by 20.2 per cent from Euro 13.5 million in the previous year to Euro 16.2 million in the first half-year 2013. The active client base expanded from 315,309 clients by mid-2012 to 319,693 clients as of the reporting date. The sale of products centred on unit-linked provision products to 73 per cent (previous year: 70 per cent). 13 per cent (previous year: 10 per cent) of new business was accounted for by property, legal expenses and accident insurance.

Total sales commission by region
Euro million, figures rounded



## Financial advisors and employees

In the financial services industry, financial advisors represent the core of the business model as they directly attend to the clients and as their competence and their commitment determine the quality of the advisory service and the success of sales. At the same time, the size of the sales force often depends on short-term business performance and general conditions for business activities, for instance government measures for the promotion of private provision. The development of the number of financial advisors at OVB shows high stability: At the end of June 2013 4,958 sales agents worked for the OVB Group, as compared to 4,934 financial advisors at the end of March 2013 and 5,054 financial advisors twelve months ago. OVB is geared toward long-term success. The basis for this is provided by transparent and competitive compensation schemes, sophisticated training, powerful sales support and carefully selected products offered by reputable partners.

However, OVB cannot escape general market trends entirely. The number of financial advisors in the Central and Eastern Europe segment dropped within one year from 3,290 to 3,127 sales agents. Particularly pronounced was the decline in Czechia and Poland where controversial pension reforms unsettle the clients and negatively affect business activity. By contrast, an increase in the sales force took place in Romania and Ukraine. The advisor base in the Germany segment is very stable: 1,360 sales agents work for OVB at present (previous year: 1,357 advisors). Over the past twelve months, the number of financial advisors in the Southern and Western Europe segment gained close to 16 per cent to 471 financial advisors, with the highest increases being recorded in Spain and Italy. Even in consideration of the numbers of advisors, OVB's international character proves to be the foundation of constant business development.

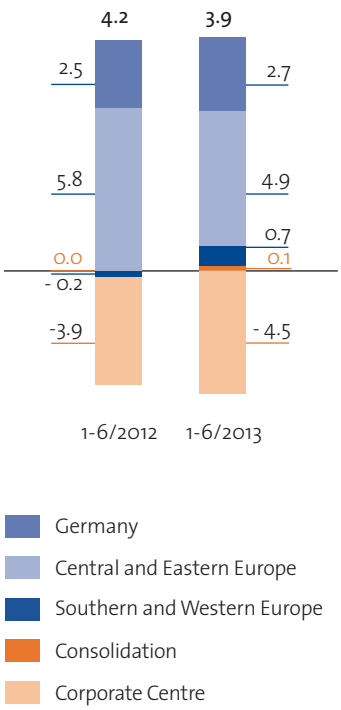
At the end of June 2013 the OVB Group had altogether 432 employees (previous year: 430 employees). They work for the holding company, the head offices of the subsidiaries and the service companies that provide IT and marketing services. Generally speaking, OVB strongly emphasises efficient structures and processes.

## Profit/loss

In the first half-year 2013, the OVB Group reached total sales commission in the amount of Euro 101.4 million, as opposed to the amount of Euro 106.4 million earned in the prior-year period of comparison. The share of commission based on direct contractual relationships between contract partners and the sales force, exclusively applying to the Germany segment, amounted to Euro 7.1 million (previous year: Euro 8.8 million). Income from the brokerage of financial products recognised as sales revenue in the income statement thus dropped 3.5 per cent, going down from Euro 97.6 million in the previous year to Euro 94.3 million. Other operating income remained virtually unchanged at Euro 4.6 million (previous year: Euro 4.7 million).

Brokerage expenses – measured against the reported brokerage income – went down a little more than the corresponding income did, by 5.0 per cent to Euro 62.4 million (previous year: Euro 65.5 million). Personnel expenses for the Group's employees rose by 5.0 per cent as scheduled to Euro 12.9 million (previous year: Euro 12.3 million).

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



Depreciation and amortisation remained unchanged in period-by-period comparison at Euro 1.3 million while other operating expenses could be reduced from Euro 19.0 million by 3.1 per cent to Euro 18.4 million. The reasons for this decrease are lower event and IT costs.

The OVB Group's operating income amounted to Euro 3.9 million in the first half-year 2013, after Euro 4.2 million in the prior-year period. The EBIT contribution made by the Central and Eastern Europe segment went down from Euro 5.8 million to Euro 4.9 million, the Germany segment increased its result from Euro 2.5 million to Euro 2.7 million. The Southern and Western Europe segment, which still suffered a loss of Euro 0.2 million in the previous year, generated a positive operating income in the amount of Euro 0.7 million for the first half-year 2013. The OVB Group's EBIT margin – based on total sales commission – was 3.8 per cent in the reporting period as opposed to 4.0 per cent in the pervious year's period of comparison and 4.9 per cent for the full year 2012.

The financial result was reduced from Euro 0.7 million to Euro 0.4 million due to lower finance income owing to market conditions. After income tax payable in the amount of Euro 1.3 million (previous year: Euro 1.9 million), the resulting consolidated net income after non-controlling interests comes to Euro 2.9 million for the first six months of 2013, only slightly below the prior-year amount of Euro 3.0 million. Based respectively on 14,251,314 ordinary shares, earnings per share are Euro 0.20 after Euro 0.21 in the pervious year's period of comparison.

The OVB Group's total comprehensive income reached Euro 2.7 million for the period from January to June 2013 (previous year: Euro 3.2 million). While the prior-year amount was subject to a slight positive effect emanating from the period's other comprehensive income, this item had a negative effect on total comprehensive income of Euro -0.2 million in the reporting period.

## Financial position

The OVB Group's cash flow from operating activities reached Euro 2.8 million in the first half-year 2013. In the prior-year period of comparison, a cash outflow of Euro 5.3 million was recorded, in connection particularly with the acquisition of all claims for future commission of a distribution structure. Counteracting this effect, provisions were reduced by Euro 2.5 million in the reporting period when they had gained Euro 1.1 million in the year before. The cash flow from investing activities showed cash outflow of Euro 2.3 million for the period under review (previous year: cash inflow of Euro 1.8 million). Capital expenditures went up merely from Euro 0.5 million to Euro 0.7 million. The main reason for this reversal of trend in period-by-period comparison was rather an increase in securities and other short-term investments by Euro 1.7 million; for the previous year a Euro 2.0 million decline had been reported.

With respect to the cash flow from financing activities, the outflow of funds went up from Euro 5.0 million in the previous year to Euro 7.8 million in the reporting period. This is accounted for entirely by the increase of the dividend from Euro 0.35 per share to Euro 0.55 per share, paid out in June respectively. The Company's cash and cash equivalents went down by Euro 2.4 million from Euro 30.5 million by mid-year 2012 to Euro 28.1 million at the end of the current reporting period.

## Assets and liabilities

Total assets of OVB Holding AG went down from Euro 153.6 million at the end of 2012 by 5.0 per cent to Euro 146.0 million at the end of June 2013. Among the assets, the item cash and cash equivalents dropped Euro 7.6 million to Euro 28.1 million, essentially a consequence of the dividend payment. In addition to that, trade receivables were reduced by Euro 2.2 million to Euro 21.8 million.

On the opposite side of the statement of financial position, equity went down – also due to the dividend payment out of net retained profits – by Euro 5.1 million to Euro 78.2 million. The Company's equity ratio came to 53.6 per cent as of the closing day, after 54.3 per cent at the end of 2012. Reaching far beyond immediate operational necessities, this solid equity base creates confidence among clients, financial advisors and product partners and provides considerable space for strategic initiative. At an unchanged, very low amount of Euro 1.9 million in non-current liabilities, current liabilities that primarily serve the performance of business operations went down by Euro 2.6 million to Euro 65.8 million. The deciding factor for this decrease was the reduction of provisions for taxes by Euro 1.8 million to Euro 1.5 million.

## Opportunities and risks

The business opportunities that present themselves to the companies of the OVB Group and the risks faced by them have not changed materially since the preparation of the 2012 financial statements. They are described in detail in the Annual Report 2012, in particular in the chapter "Report on risks and opportunities". From today's perspective, going concern risks arise neither from individual risks nor from the OVB Group's overall risk position.

For more than four decades, OVB's business model and its business success have been based on the rapidly growing relevance of private provision, risk protection and asset accumulation across Europe. OVB assumes that the demand for its services and the financial and insurance products brokered by OVB's sales force will hold up in the years ahead. On the one hand, citizens have become increasingly aware of the necessity for private provision; on the other hand, the general capability of saving money and the general willingness to do so set a certain limit.

Low birth rates in many countries are making it difficult to sustain pay-as-you-go social security systems and are thus generally in support of the trend toward private provision. OVB recognises opportunities for greater market penetration in all of the markets in which the Company already operates. OVB intends to exploit this growth potential consistently. Apart from expanding business in markets already developed, OVB will move into new promising markets provided that general conditions appear favourable. Consolidation within the industry will offer even more business opportunities. OVB intends to play an active role in this process.

The general demand for private provision measures and accompanying advice is still there – today more than ever. Yet it is currently overlaid with 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 are:

- Persisting distrust, a result of the financial crisis, toward the financial providers industry and its products;
- the deliberate reduction of the interest level by the central banks, aimed at bringing relief to highly indebted countries but barely permitting any positive real interest on savings and plan assets at present;
- excessive criticism of commission-based financial advice, ignoring the weak points of fee-based advisory service;
- excessive government regulation, often with counterproductive effects.

All this makes it difficult at present to distribute financial products. Thus OVB's financial advisors are facing the challenge to work against these negative factors. OVB is convinced that macroeconomic and social necessities will eventually lead to the people in Europe spending more on private retirement provision once again.

## Outlook

In the first half-year 2013, OVB's business performance shows a different picture for each country but can be called satisfactory overall. OVB's broad international positioning with business activities in 14 European countries provides for an opportunity/risk balance, giving stability to our business model. For the full year 2013 OVB is expecting an EBIT slightly above the prior-year level at probably altogether unchanged sales figures. In the medium term OVB strives for to become the leading system distributor of financial products in Europe and increase the operating margin to between 6 and 8 per cent.

Michael Rentmeister
CEO

Oskar Heitz
CFO and COO

Mario Freis
CSO

# Consolidated statement of financial position

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

## Assets

| EUR'000 | 30/06/2013 | 31/12/2012 |
|---|---|---|
| **Non-current assets** | | |
| Intangible assets | 10,292 | 10,619 |
| Property, plant and equipment | 4,592 | 4,483 |
| Investment property | 586 | 586 |
| Financial assets | 373 | 397 |
| Deferred tax assets | 5,709 | 5,897 |
| | **21,552** | **21,982** |
| **Current assets** | | |
| Trade receivables | 21,784 | 23,976 |
| Receivables and other assets | 31,446 | 30,285 |
| Income tax assets | 2,158 | 2,402 |
| Securities and other financial assets | 40,936 | 39,236 |
| Cash and cash equivalents | 28,080 | 35,726 |
| | **124,404** | **131,625** |
| **Total assets** | **145,956** | **153,607** |

## Equity and liabilities

| EUR'000 | 30/06/2013 | 31/12/2012 |
|---|---|---|
| **Equity** | | |
| Subscribed capital | 14,251 | 14,251 |
| Capital reserve | 39,342 | 39,342 |
| Treasury shares | 0 | 0 |
| Revenue reserves | 13,781 | 13,646 |
| Other reserves | 1,307 | 1,523 |
| Non-controlling interests | 149 | 150 |
| Net retained profits | 9,398 | 14,465 |
| | **78,228** | **83,377** |
| **Non-current liabilities** | | |
| Liabilities to banks | 282 | 287 |
| Provisions | 1,405 | 1,351 |
| Other liabilities | 80 | 46 |
| Deferred tax liabilities | 165 | 175 |
| | **1,932** | **1,859** |
| **Current liabilities** | | |
| Provisions for taxes | 1,464 | 3,277 |
| Other provisions | 28,744 | 29,525 |
| Income tax liabilities | 103 | 61 |
| Trade payables | 7,388 | 6,799 |
| Other liabilities | 28,097 | 28,709 |
| | **65,796** | **68,371** |
| **Total equity and liabilities** | **145,956** | **153,607** |

# Consolidated income statement

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

| EUR'000 | 01/04–30/06/2013 | 01/04–30/06/2012 | 01/01–30/06/2013 | 01/01–30/06/2012 |
|---|---|---|---|---|
| Brokerage income | 43,761 | 47,480 | 94,273 | 97,649 |
| Other operating income | 2,444 | 1,960 | 4,636 | 4,687 |
| **Total income** | **46,205** | **49,440** | **98,909** | **102,336** |
| Brokerage expenses | -28,497 | -31,926 | -62,438 | -65,541 |
| Personnel expenses | -6,389 | -6,181 | -12,927 | -12,289 |
| Depreciation and amortisation | -640 | -595 | -1,262 | -1,256 |
| Other operating expenses | -9,015 | -8,455 | -18,432 | -19,027 |
| **Earnings before interest and taxes (EBIT)** | **1,664** | **2,283** | **3,850** | **4,223** |
| Finance income | 192 | 385 | 519 | 792 |
| Finance expense | -77 | -75 | -131 | -139 |
| **Financial result** | **115** | **310** | **388** | **653** |
| **Earnings before taxes** | **1,779** | **2,593** | **4,238** | **4,876** |
| Taxes on income | -499 | -989 | -1,334 | -1,850 |
| Consolidated net income for the period | 1,280 | 1,604 | 2,904 | 3,026 |
| Thereof attributable to non-controlling interests | -28 | 1 | 2 | 5 |
| **Consolidated net income after non-controlling interests** | **1,252** | **1,605** | **2,906** | **3,031** |
| Earnings per share (basic/diluted) in EUR | 0.09 | 0.11 | 0.20 | 0.21 |

# Consolidated statement of comprehensive income

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

| EUR'000 | 01/04–30/06/2013 | 01/04–30/06/2012 | 01/01–30/06/2013 | 01/01–30/06/2012 |
|---|---|---|---|---|
| **Consolidated net income for the period** | **1,280** | **1,604** | **2,904** | **3,026** |
| Change in revaluation reserve | -39 | 45 | -100 | 122 |
| Change in deferred taxes on unrealised gains and losses from financial assets | 8 | -10 | 19 | -20 |
| Change in currency translation reserve | -40 | -91 | -134 | 31 |
| **Other comprehensive income for the period** | **-71** | **-56** | **-215** | **133** |
| Total comprehensive income attributable to non-controlling interests | -28 | 1 | 2 | 5 |
| **Total comprehensive income** | **1,181** | **1,549** | **2,691** | **3,164** |

# Consolidated statement of cash flows

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

| EUR'000 | | 01/01–30/06/2013 | 01/01–30/06/2012 |
|---|---|---|---|
| | Cash and cash equivalents | 28,080 | 30,501 |
| | Net income/loss for the period including non-controlling interests | 2,904 | 3,026 |
| -/+ | Increase/decrease in non-controlling interests | 2 | 5 |
| +/- | Write-downs/Write-ups on non-current assets | 1,260 | 1,255 |
| -/+ | Unrealised foreign exchange gains/losses | 231 | -305 |
| +/- | Addition to/Reversal of valuation allowances on receivables | 1,018 | 1,414 |
| -/+ | Increase/decrease in deferred tax assets | 188 | 81 |
| +/- | Increase/decrease in deferred tax liabilities | -10 | 24 |
| - | Other finance income | -73 | -84 |
| - | Interest income | -446 | -708 |
| +/- | Increase/decrease in provisions | -2,540 | 1,094 |
| +/- | Increase/decrease in available-for-sale reserve (net) | -82 | 101 |
| +/- | Expenses/income from the disposal of intangible assets and property, plant and equipment (net) | -6 | 13 |
| +/- | Decrease/increase in trade receivables and other assets | 259 | -10,691 |
| +/- | Increase/decrease in trade payables and other liabilities | 52 | -534 |
| **=** | **Cash flow from operating activities** | **2,757** | **-5,309** |
| + | Proceeds from the disposal of property, plant and equipment and intangible assets | 50 | 20 |
| + | Proceeds from the disposal of financial assets | 194 | 189 |
| - | Capital expenditures for property, plant and equipment | -774 | -516 |
| - | Capital expenditures for intangible assets | -378 | -497 |
| - | Payments for financial assets | -176 | -260 |
| +/- | Decrease/increase in securities and other short-term investments | -1,700 | 2,049 |
| + | Other finance income | 73 | 84 |
| + | Interest received | 446 | 708 |
| **=** | **Cash flow from investing activities** | **-2,265** | **1,777** |
| - | Distributions to owners of the parent and non-controlling shareholders (dividends, equity repayments, other payments) | -7,838 | -4,988 |
| +/- | Increase/decrease in non-controlling interests | -2 | -5 |
| + | Proceeds from the issue of bonds and taking out (financing) loans | -4 | -14 |
| **=** | **Cash flow from financing activities** | **-7,844** | **-5,007** |
| | **Overview:** | | |
| | Cash flow from operating activities | 2,757 | -5,309 |
| | Cash flow from investing activities | -2,265 | 1,777 |
| | Cash flow from financing activities | -7,844 | -5,007 |
| **=** | **Net change in cash and cash equivalents** | **-7,352** | **-8,539** |
| | Exchange gains/losses on cash and cash equivalents | -294 | 319 |
| + | Cash and cash equivalents at the end of the prior year | 35,726 | 38,721 |
| **=** | **Cash and cash equivalents at the end of the period** | **28,080** | **30,501** |
| | Income tax paid | 2,792 | 2,271 |
| | Interest paid | 28 | 166 |

# Consolidated statement of changes in equity

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

| EUR'000 | Subscribed capital | Capital reserve | Retained profits brought forward | Statutory reserve | Other revenue reserves |
|---|---|---|---|---|---|
| **Balance as at 31/12/2012** | **14,251** | **39,342** | **6,309** | **2,649** | **10,997** |
| | | | | | |
| Consolidated profit | | | 8,156 | | |
| Treasury shares | | | | | |
| Corporate actions | | | | | |
| Dividends paid | | | -7,838 | | |
| Change in available-for-sale reserve | | | | | |
| Allocation to other reserves | | | -135 | | 135 |
| Change in currency translation reserve | | | | | |
| Net income for the period | | | | | |
| | | | | | |
| **Balance as at 30/06/2013** | **14,251** | **39,342** | **6,492** | **2,649** | **11,132** |

of OVB Holding AG for the period from 1 January to 30 June 2012, prepared in accordance with IFRS

| EUR'000 | Subscribed capital | Capital reserve | Retained profits brought forward | Statutory reserve | Other revenue reserves |
|---|---|---|---|---|---|
| **Balance as at 31/12/2011** | **14,251** | **39,342** | **7,138** | **2,649** | **10,997** |
| | | | | | |
| Consolidated profit | | | 4,159 | | |
| Treasury shares | | | | | |
| Corporate actions | | | | | |
| Dividends paid | | | -4,988 | | |
| Change in available-for-sale reserve | | | | | |
| Allocation to other reserves | | | | | |
| Change in currency translation reserve | | | | | |
| Net income for the period | | | | | |
| | | | | | |
| **Balance as at 30/06/2012** | **14,251** | **39,342** | **6,309** | **2,649** | **10,997** |

| Available-for-sale reserve/ revaluation reserve | Deferred taxes on unrealised gains/losses | Currency translation reserve | Net income recognised directly in equity | Net income for the period | Total compre-hensive income | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| **349** | **-65** | **1,239** | | **8,156** | | **150** | **83,377** |
| | | | | | | | |
| | | | | -8,156 | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | -7,838 |
| -100 | 19 | | -81 | | -81 | | -81 |
| | | | | | | | |
| | | -134 | -134 | | -134 | | -134 |
| | | | | 2,906 | 2,906 | -2 | 2,904 |
| | | | | | | | |
| **249** | **-47** | **1,105** | **-215** | **2,906** | **2,691** | **149** | **78,228** |

| Available-for-sale reserve/ revaluation reserve | Deferred taxes on unrealised gains/losses | Currency translation reserve | Net income recognised directly in equity | Net income for the period | Total compre-hensive income | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| **320** | **-56** | **1,122** | | **4,159** | | **138** | **80,060** |
| | | | | | | | |
| | | | | -4,159 | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | -4,988 |
| 122 | -20 | | 102 | | 102 | | 102 |
| | | | | | | | |
| | | 31 | 31 | | 31 | | 31 |
| | | | | 3,031 | 3,031 | -5 | 3,026 |
| | | | | | | | |
| **442** | **-76** | **1,153** | **133** | **3,031** | **3,164** | **133** | **78,231** |

# Segment reporting

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

| EUR'000 | Central and Eastern Europe | Germany | Southern and Western Europe | Corporate Centre | Consolidation | Consolidated |
|---|---|---|---|---|---|---|
| **Segment income** | | | | | | |
| Income from business with third parties | | | | | | |
| - Brokerage income | 56,096 | 21,980 | 16,197 | 0 | 0 | 94,273 |
| Other operating income | 1,408 | 1,729 | 719 | 714 | 66 | 4,636 |
| Income from inter-segment transactions | 14 | 741 | 1 | 3,278 | -4,034 | 0 |
| **Total segment income** | **57,518** | **24,450** | **16,917** | **3,992** | **-3,968** | **98,909** |
| **Segment expenses** | | | | | | |
| Brokerage expense | | | | | | |
| - Current commission for sales force | -36,282 | -10,541 | -9,396 | 0 | 0 | -56,219 |
| - Other commission for sales force | -3,204 | -2,038 | -1,035 | 0 | 58 | -6,219 |
| Personnel expenses | -3,580 | -3,901 | -1,701 | -3,745 | 0 | -12,927 |
| Depreciation/amortisation | -353 | -311 | -134 | -464 | 0 | -1,262 |
| Other operating expenses | -9,206 | -4,962 | -3,933 | -4,335 | 4,004 | -18,432 |
| **Total segment expenses** | **-52,625** | **-21,753** | **-16,199** | **-8,544** | **4,062** | **-95,059** |
| **Earnings before interest and taxes (EBIT)** | **4,893** | **2,697** | **718** | **-4,552** | **94** | **3,850** |
| Interest income | 208 | 94 | 49 | 194 | -99 | 446 |
| Interest expenses | -27 | -120 | -29 | -7 | 99 | -84 |
| Other financial result | 0 | 37 | 12 | -23 | 0 | 26 |
| **Earnings before taxes (EBT)** | **5,074** | **2,708** | **750** | **-4,388** | **94** | **4,238** |
| Taxes on income | -1,097 | -10 | -277 | 50 | 0 | -1,334 |
| Non-controlling interests | 0 | 0 | 0 | 2 | 0 | 2 |
| **Segment result** | **3,977** | **2,698** | **473** | **-4,336** | **94** | **2,906** |
| **Additional disclosures** | | | | | | |
| Capital expenditures | 380 | 408 | 154 | 209 | 0 | 1,151 |
| Material non-cash expenses (-) and income (+) | 764 | 489 | -281 | -2 | 0 | 970 |
| Impairment expenses | -405 | -914 | -275 | -177 | 0 | -1,771 |
| Reversal of impairment loss | 87 | 294 | 68 | 25 | 0 | 474 |

# Segment reporting

of OVB Holding AG for the period from 1 January to 30 June 2012, prepared in accordance with IFRS

| EUR'000 | Central and Eastern Europe | Germany | Southern and Western Europe | Corporate Centre | Consolidation | Consolidated |
|---|---|---|---|---|---|---|
| **Segment income** | | | | | | |
| Income from business with third parties | | | | | | |
| - Brokerage income | 63,352 | 20,827 | 13,470 | 0 | 0 | 97,649 |
| Other operating income | 760 | 2,070 | 758 | 1,121 | -22 | 4,687 |
| Income from inter-segment transactions | 14 | 598 | 1 | 2,854 | -3,467 | 0 |
| **Total segment income** | **64,126** | **23,495** | **14,229** | **3,975** | **-3,489** | **102,336** |
| **Segment expenses** | | | | | | |
| Brokerage expense | | | | | | |
| - Current commission for sales force | -42,321 | -8,810 | -7,888 | 0 | 0 | -59,019 |
| - Other commission for sales force | -2,939 | -2,441 | -928 | -214 | 0 | -6,522 |
| Personnel expenses | -3,364 | -3,874 | -1,579 | -3,472 | 0 | -12,289 |
| Depreciation/amortisation | -318 | -376 | -166 | -396 | 0 | -1,256 |
| Other operating expenses | -9,396 | -5,454 | -3,854 | -3,827 | 3,504 | -19,027 |
| **Total segment expenses** | **-58,338** | **-20,955** | **-14,415** | **-7,909** | **3,504** | **-98,113** |
| **Earnings before interest and taxes (EBIT)** | **5,788** | **2,540** | **-186** | **-3,934** | **15** | **4,223** |
| Interest income | 269 | 131 | 63 | 424 | -179 | 708 |
| Interest expenses | -22 | -213 | -41 | -8 | 178 | -106 |
| Other financial result | 0 | -3 | 26 | 28 | 0 | 51 |
| **Earnings before taxes (EBT)** | **6,035** | **2,455** | **-138** | **-3,490** | **14** | **4,876** |
| Taxes on income | -1,287 | -181 | 71 | -453 | 0 | -1,850 |
| Non-controlling interests | 0 | 0 | 0 | 5 | 0 | 5 |
| **Segment result** | **4,748** | **2,274** | **-67** | **-3,938** | **14** | **3,031** |
| **Additional disclosures** | | | | | | |
| Capital expenditures | 445 | 171 | 83 | 314 | 0 | 1,013 |
| Material non-cash expenses (-) and income (+) | -560 | 825 | -50 | -1 | 0 | 214 |
| Impairment expenses | -415 | -943 | -508 | -29 | 0 | -1,895 |
| Reversal of impairment loss | 64 | 324 | 94 | 63 | 0 | 545 |

# IFRS interim consolidated financial statements

# Notes as of 30 June 2013

## I. General information

### 1. General information on the OVB Group

The condensed interim consolidated financial statements for the first half-year 2013 were released for publication on 8 August 2013 pursuant to today's Executive Board resolution.

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

### 2. Principles of preparation, accounting policies and valuation methods

The condensed interim consolidated financial statements for the first half-year 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting" compliant with the International Financial Reporting Standards (IFRS) as applicable in the European Union, released by the International Accounting Standards Board (IASB), and they are meant to be read in conjunction with the consolidated financial statements for the year ended 31 December 2012.

For the preparation of the condensed interim consolidated financial statements, the same accounting policies and valuation and consolidation methods have been adopted as were applied for the preparation of the consolidated financial statements for the year ended 31 December 2012.

The same standards applied as of 31 December 2012 and described in the Annual Report were adopted.

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

## II. Significant events in the reporting period

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

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

## 1. Cash and cash equivalents

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

| EUR'000 | 30/06/2013 | 30/06/2012 |
|---|---|---|
| Cash | 35 | 125 |
| Cash equivalents | 28,045 | 31,045 |
| Liabilities to banks, payable on demand | 0 | -669 |
| | **28,080** | **30,501** |

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

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

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

## 2. Share capital

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251,314.00, unchanged from 31 December 2012. It is divided into 14,251,314 no-par ordinary bearer shares.

## 3. Dividend

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

The appropriation of the net retained profits of OVB Holding AG for financial year 2012 was resolved by the Annual General Meeting on 21 June 2013.

On 24 June 2013 a dividend in the amount of EUR 7,838 thousand was distributed to the shareholders, equivalent to EUR 0.55 per share (previous year: EUR 0.35 per share).

| EUR'000 | |
|---|---|
| Distribution to the shareholders | 7,838 |
| Profit carry-forward | 5,778 |
| **Net retained profits** | **13,616** |

## 4. Treasury shares

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

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

# IV. Notes to the income statement

## 1. Income and expenses

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

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

The offsetting expense items are recognised on an accrual basis.

## 2. Brokerage income

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

| EUR'000 | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| Brokerage income | 94,273 | 97,649 |

## 3. Other operating income

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

| EUR'000 | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| Other operating income | 4,636 | 4,687 |

## 4. Brokerage expenses

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

| EUR'000 | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| Current commission | 56,219 | 59,019 |
| Other commission | 6,219 | 6,522 |
| | **62,438** | **65,541** |

## 5. Personnel expense

| EUR'000 | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| Wages and salaries | 10,745 | 10,289 |
| Social security | 2,001 | 1,842 |
| Pension plan expenses | 181 | 158 |
| | **12,927** | **12,289** |

## 6. Depreciation and amortisation

| EUR'000 | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| Amortisation of intangible assets | 700 | 665 |
| Depreciation of property, plant and equipment | 562 | 591 |
| | **1,262** | **1,256** |

## 7. Other operating expenses

| EUR'000 | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| Administrative expenses | 7,879 | 7,961 |
| Sales and marketing costs | 9,219 | 9,650 |
| Miscellaneous operating expenses | 305 | 254 |
| Non-income-based taxes | 1,029 | 1,162 |
| | **18,432** | **19,027** |

## 8. Taxes on income

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

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

| EUR'000 | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| Actual income taxes | 1,219 | 1,730 |
| Deferred income taxes | 115 | 120 |
| | **1,334** | **1,850** |

## 9. Earnings per share

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

| EUR'000 | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| **Net income for the period after non-controlling interests** | | |
| Basis for basic/diluted earnings per share (net income for the period attributable to owners of the parent) | 2,906 | 3,031 |

| | 01/01 – 30/06/2013 | 01/01 – 30/06/2012 |
|---|---|---|
| **Number of shares** | | |
| Weighted average number of shares for the calculation of basic/diluted earnings per share | 14,251,314 | 14,251,314 |
| **Basic/diluted earnings per share in EUR** | **0.20** | **0.21** |

# V. Notes to segment reporting

The principal business activity of OVB's operating subsidiaries consists of advising clients in structuring their finances and, in connection with that, 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 and distinguishable key sub-activities at group level. In particular, it is not possible to present assets and liabilities separately for each brokered product. For this reason, the individual companies are each categorised as single-product companies. Segment reporting is therefore provided exclusively on the basis of geographical considerations as internal reporting to group management and corporate governance are also exclusively structured according to 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 Społka Finansowa Sp. z o.o., Warsaw; OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; EFCON Consulting s.r.o., Brno; EFCON s.r.o., Bratislava; and TOB OVB Allfinanz Ukraine, Kiev.

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

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

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

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

# VI. Other disclosures relating to the interim consolidated financial statements

## 1. Contingent liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. The associated risks are recognised in "Other provisions" to the extent they give rise to obligations whose values can be reliably estimated. No material changes have occurred in comparison with 31 December 2012.

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 said contingencies will not have any material effect on the Group's assets, liabilities, financial position and profit/loss beyond that.

## 2. Employees

As of 30 June 2013 the OVB Group has a commercial staff of altogether 432 employees (31 December 2012: 438), 49 of which fill managerial positions (31 December 2012: 47).

## 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 2013 are companies

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

The SIGNAL IDUNA Group represents 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 2013, IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg, held shares in OVB Holding AG carrying 31.48 per cent of the voting rights. As of 30 June 2013, 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 2013, 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 6,120 thousand (30 June 2012: EUR 2,733 thousand) or rather total sales commission in the amount of EUR 9,119 thousand (30 June 2012: EUR 5,063 thousand) were generated in the first half-year 2013, essentially in the Germany segment. Receivables exist in the amount of EUR 485 thousand (31 December 2012: EUR 714 thousand).

As of 30 June 2013, Deutscher Ring Beteiligungsholding GmbH, Hamburg, held shares in OVB Holding AG carrying 32.57 per cent of the voting rights. This company belongs to the Baloise Group, whose parent company is Bâloise Holding AG, Basel. Based on agreements concluded with the Baloise Group, sales in the amount of EUR 12,323 thousand (30 June 2012: EUR 11,759 thousand) or rather total sales commission in the amount of EUR 16,454 thousand (30 June 2012: EUR 16,212 thousand) were generated in the first half-year 2013, essentially in the Germany segment. Receivables exist in the amount of EUR 3,460 thousand (31 December 2012: EUR 3,784 thousand).

As of 30 June 2013, 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 15,719 thousand (30 June 2012: EUR 15,993 thousand) or rather total sales commission in the amount of EUR 16,544 thousand (30 June 2012: EUR 17,136 thousand) were generated in the first half-year 2013. Receivables exist in the amount of EUR 3,513 thousand (31 December 2012: EUR 3,927 thousand).

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

Items outstanding as of 30 June 2013 are not secured and are settled by cash payment. There are no guarantees relating to receivables from or liabilities to related parties.

## 4. Subsequent events

Significant reportable events have not occurred since 30 June 2013, the closing date of these interim financial statements.

## 5. Information on Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG:

- Michael Rentmeister, Chairman
- Oskar Heitz, Executive Board member for Finance and Operations
- Mario Freis, Executive Board member for International Sales

Members of the Supervisory Board of OVB Holding AG:

- Michael Johnigk (Chairman of the Supervisory Board); Member of the Executive Boards of Deutscher Ring Krankenversicherungsverein a.G., Hamburg; SIGNAL Krankenversicherung a. G., Dortmund; IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg; SIGNAL Unfallversicherung a. G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund; SIGNAL IDUNA Holding AG, Dortmund
- Dr. Thomas Lange (Deputy Chairman and Member of the Supervisory Board since 21 June 2013), Chairman of the Executive Board of NATIONAL-BANK AG, Essen
- Markus Jost (Member of the Supervisory Board since 21 June 2013), Member of the Executive Board of Basler Versicherungen (Basler Securitas Versicherungs-AG, Bad Homburg; Basler Lebensversicherungs-AG, Hamburg; Deutscher Ring Sachversicherungs-AG, Hamburg); Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg
- Wilfried Kempchen, former Chairman of the Executive Board of OVB Holding AG and businessman (ret.)
- Jan De Meulder, Chairman of the Executive Board of Basler Versicherungen (Basler Securitas Versicherungs-AG, Bad Homburg; Basler Lebensversicherungs-AG, Hamburg; Deutscher Ring Sachversicherungs-AG, Hamburg), General Representative of Basler Leben AG Direktion für Deutschland, Bad Homburg; General Representative of Basler Versicherung AG Direktion für Deutschland, Bad Homburg; Managing Director of Basler Saturn Management B.V. in its capacity of general partner of Basler Versicherung Beteiligungen B.V. & Co.KG, Hamburg; Member of the Corporate Executive Committee of Baloise Group, Basel, Switzerland
- Winfried Spies, Chairman of the Executive Boards of Generali Versicherung AG, Munich, Generali Lebensversicherung AG, Munich, Generali Beteiligungs- und Verwaltungs AG, Munich
- Christian Graf von Bassewitz, banker (ret.) (Deputy Chairman of the Supervisory Board until 21 June 2013)
- Dr. Frank Grund (Member of the Supervisory Board until 21 June 2013), Chairman of the Executive Boards of Basler Versicherungen, Bad Homburg; Basler Lebensversicherung-AG, Hamburg; Deutscher Ring Sachversicherungs-AG, Hamburg (until 31 December 2012 respectively)

Cologne, 1 August 2013

Michael Rentmeister | Oskar Heitz | Mario Freis

# Review report

To OVB Holding AG, Cologne

We have reviewed the condensed interim consolidated financial statements – comprising the statement of financial position, income statement and statement of comprehensive income, statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim group management report of OVB Holding AG, Cologne, for the period from 1 January to 30 June 2013 which are components of the half-year financial report pursuant to Section 37w WpHG (Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the WpHG applicable to interim group management reports is the responsibility of the company's Executive Board. It is our responsibility to issue a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

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

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

Düsseldorf, 2 August 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Christian Sack
Wirtschaftsprüfer
(Public auditor)

ppa. Ralf Scherello
Wirtschaftsprüfer
(Public auditor)

# Financial Calendar

| | | |
|---|---|---|
| 08 | August 2013 | Results for the second quarter of 2013 |
| 07 | November 2013 | Results for the third quarter of 2013 |

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