

Austria

Croatia

Czech Republic

France

Germany

Greece

Hungary

# OVB in Europe

Our service is valuable

Italy

Poland

Romania

Slovakia

Spain

Switzerland

Ukraine

## Interim Report – First Quarter

1 January – 31 March 2016

OVB Allfinanz – simply better



## Key figures for the OVB Group

| Key operating figures                     | Unit         | 01/01/–<br>31/03/2015 | 01/01/–<br>31/03/2016 | Change      |
|-------------------------------------------|--------------|-----------------------|-----------------------|-------------|
| Clients (31/03)                           | Number       | 3.24 million          | 3.26 million          | +0.6 %      |
| Financial advisors (31/03)                | Number       | 5,204                 | 5,179                 | -0.5 %      |
| Total sales commission                    | Euro million | 54.5                  | 57.1                  | +4.8 %      |
| <b>Key financial figures</b>              |              |                       |                       |             |
| Earnings before interest and taxes (EBIT) | Euro million | 2.2                   | 3.0                   | +31.6 %     |
| EBIT margin*                              | %            | 4.1                   | 5.2                   | +1.1 %-pts. |
| Consolidated net income                   | Euro million | 1.6                   | 2.0                   | +29.0 %     |
| Earnings per share (undiluted)            | Euro         | 0.11                  | 0.14                  | +27.3 %     |

\*Based on total sales commission

## Key figures for the regions

| Central and Eastern Europe                | Unit         | 01/01/–<br>31/03/2015 | 01/01/–<br>31/03/2016 | Change      |
|-------------------------------------------|--------------|-----------------------|-----------------------|-------------|
| Clients (31/03)                           | Number       | 2.22 million          | 2.21 million          | -0.5 %      |
| Financial advisors (31/03)                | Number       | 3,260                 | 3,132                 | -3.9 %      |
| Total sales commission                    | Euro million | 26.6                  | 26.0                  | -2.2 %      |
| Earnings before interest and taxes (EBIT) | Euro million | 1.8                   | 1.7                   | -5.9 %      |
| EBIT-margin*                              | %            | 6.7                   | 6.5                   | -0.2 %-pts. |

\*Based on total sales commission

### Germany

|                                           |              |         |         |             |
|-------------------------------------------|--------------|---------|---------|-------------|
| Clients (31/03)                           | Number       | 645,371 | 639,288 | -0.9 %      |
| Financial advisors (31/03)                | Number       | 1,329   | 1,327   | -0.2 %      |
| Total sales commission                    | Euro million | 15.2    | 16.4    | +8.1 %      |
| Earnings before interest and taxes (EBIT) | Euro million | 1.3     | 1.5     | +13.3 %     |
| EBIT-margin*                              | %            | 8.5     | 9.0     | +0.5 %-pts. |

\*Based on total sales commission

### Southern and Western Europe

|                                           |              |         |         |             |
|-------------------------------------------|--------------|---------|---------|-------------|
| Clients (31/03)                           | Number       | 372,776 | 408,994 | +9.7 %      |
| Financial advisors (31/03)                | Number       | 615     | 720     | +17.1 %     |
| Total sales commission                    | Euro million | 12.7    | 14.6    | +15.2 %     |
| Earnings before interest and taxes (EBIT) | Euro million | 1.3     | 1.8     | +35.4 %     |
| EBIT-margin*                              | %            | 10.2    | 12.0    | +1.8 %-pts. |

\*Based on total sales commission

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➤ **Thomas Hücker**  
COO

➤ **Mario Freis**  
CEO

➤ **Oskar Heitz**  
CFO

Ladies and gentlemen,  
shareholders,

for the first three months of financial year 2016 we are able to report a sound business performance exceeding our expectations: The OVB Group's total sales commission gained 4.8 per cent over the prior-year period of comparison to reach Euro 57.1 million. The operating result increased 31.6 per cent to Euro 3.0 million.

This good development underlines once more the balance and stability of the OVB business model, proving its worth even in the current challenging environment. The continuing discussions about increased regulation of the distribution of life insurance products in the Czech Republic, Poland and Germany unsettle clients and financial advisors alike. The low-interest policy of the ECB diminishes the return of many classic investment and provision products. Political and economic crises affect the financial situation of private households in Ukraine and Greece for example. Yet we managed to drive our business forward very successfully in the majority of our 14 European national markets.

This success is based primarily on the OVB allfinanz advisory concept, accommodating the considerable demand of the people in Europe for private provision, beginning at retirement provision and asset and property protection and encompassing asset generation and wealth management.

The market environment in which we operate remains challenging. However, based on the successful first quarter, for the full year 2016 we expect to achieve sales close to the prior-year level and a slightly increased operating result.

Kind regards

Thomas Hücker  
COO

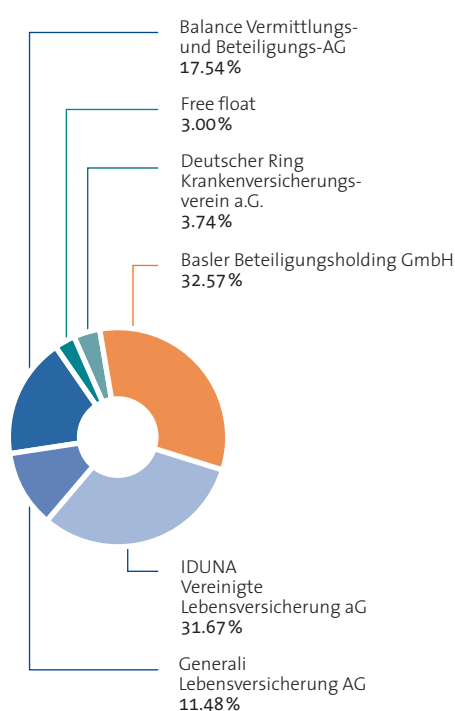
Mario Freis  
CEO

Oskar Heitz  
CFO

## Share performance and investor relations

### Volatile stock market performance

Shareholder structure of  
OVB Holding AG  
as of 31/03/2016



The German stock market was subject to heavy fluctuation in the first months of the year 2016. The reasons for this were uncertainty about the future course of monetary policies and the slowdown in growth rates in the emerging markets, particularly in China. Germany's benchmark index, the DAX, having closed the year 2015 at 10,743 points, lost more than 7 per cent up to mid-February 2016 coming to 8,753 points. Until the end of the first quarter it recovered again to close to 10,000 points, however, reaching this mark by mid-April and then exceeding it.

The share of OVB Holding AG closed the year 2015 with a price of Euro 17.00. At low share turnover, the share price dropped to Euro 13.50 by mid-February 2016. Then the share price recovered to Euro 14.30 by the end of March, reaching the amount of Euro 15.02 in mid-April. Only 3.00 per cent of the shares of OVB Holding AG are free float so that the trading volume and thus the significance of the share price are closely limited.

The annual analysts' conference was held on 17 March 2016 in Frankfurt/Main on the occasion of the release of the 2015 financial statements. The Executive Board explained the performance of OVB in the past financial year and OVB's strategy to several financial analysts, institutional investors and bank representatives. After this presentation, the Executive Board answered the questions asked by analysts and fund managers.

The Annual General Meeting of OVB Holding AG for financial year 2015 will be held on 3 June 2016 in Cologne. Up for election is a dividend increased by Euro 0.05 over the previous year to Euro 0.65, equivalent to a total amount to be distributed of Euro 9.3 million.

#### OVB share data

|                                    |                               |              |  |
|------------------------------------|-------------------------------|--------------|--|
| WKN / ISIN Code                    | 628656 / DE0006286560         |              |  |
| Stock symbol / Reuters / Bloomberg | O4B / O4BG.DE / O4B:GR        |              |  |
| Type of shares                     | No-par ordinary bearer shares |              |  |
| Number of shares                   | 14,251,314                    |              |  |
| Share capital                      | Euro 14,251,314.00            |              |  |
| Xetra (closing prices)             |                               |              |  |
| End of previous year               | Euro 17.00                    | (30/12/2015) |  |
| High                               | Euro 16.50                    | (04/01/2016) |  |
| Low                                | Euro 13.50                    | (09/02/2016) |  |
| Last                               | Euro 15.02                    | (18/04/2016) |  |
| Market capitalisation              | Euro 214 million              | (18/04/2016) |  |

# Interim consolidated management report of OVB Holding AG

## Course of business

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

The interdisciplinary client advisory service for all stages of life is based on the AAS approach (Analysis – Advice – Service). The identification and analysis of the client's financial situation form the basis of counselling. The advisor particularly asks for the client's wishes and goals and then creates a tailored solution in consideration of what is financially possible. OVB accompanies its clients over many years. By constant reviews and adjustments of the financial decisions to relevant changes in the clients' needs, the resulting provision concepts are suited to the clients' demand and aligned with their respective situation in life.

OVB is currently active in 14 countries of Europe as a broker of financial products. OVB's 5,179 full-time financial agents support 3.26 million clients. The Group's broad European positioning stabilises its business performance and opens up growth potential in many respects. OVB's 14 national markets are different in terms of structure, development status and size. OVB has a leading market position in a number of countries. There is still considerable potential for the services provided by OVB against the backdrop of a demographic development that is similar in all of OVB's markets and the urgently required relief for public welfare systems.

At the end of March 2016 the OVB Group had altogether 426 employees (previous year: 434 employees) in the holding company, the head offices of the subsidiaries and the service companies. Based on efficient structures and processes, they perform management and administrative tasks for the Group and the subsidiaries and provide marketing and IT services.

## Macroeconomic environment

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

A factor of sustained negative impact is the interest rate level being kept deliberately low by the central banks, decreasing the interest expense of highly indebted countries but making asset generation for private provision more difficult. Many financial products currently have only a minimum return which is then even consumed by the price increase entirely or in part. Especially for the sale of financial products, the continuing debate on commission versus fee-based compensation for financial advice is also not helpful. However, an almost inscrutable product offering, barely comprehensible conditions for state subsidies and the necessity of a continuous review of financial decisions once made in view of changing needs and life situations increase the demand for cross-thematic personal advice. From OVB's vantage, the market for private provision therefore offers long-term market potential and opportunities for growth despite the currently challenging environment.

Changes in the income situation of private households, the situation in the labour market and the macroeconomic development affect OVB's business performance. Of particular relevance are also changes in the general conditions for personal financial planning, such as changes to tax legislation as well as health and pension reforms.

### Central and Eastern Europe

OVB's Central and Eastern Europe segment comprises the national markets of Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and Ukraine; here the Group generated close to half of its total sales commission in 2015. The economic performance of most of these countries is positive at present: The region's economy enjoys its third

boom year in a row; in 2016 the economic growth of this group of countries will be about 3 per cent on average once again. The main driver of this development is private consumption. It is supported by an improved purchasing power and the favourable situation of the job market.

An adverse effect on the business performance of OVB has an intended unfavourable change in the legal framework governing the brokerage of life insurance in the Czech Republic, a national market of particular relevance to the Company.

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

|                | Real GDP<br>Change in % |       | Consumer prices<br>Change in % |       | Public budget deficit<br>in % of the GDP |       |
|----------------|-------------------------|-------|--------------------------------|-------|------------------------------------------|-------|
|                | 2016e                   | 2017f | 2016e                          | 2017f | 2016e                                    | 2017f |
| Croatia        | 1.5                     | 1.5   | 0.0                            | 1.5   | -3.9                                     | -3.5  |
| Czech Republic | 2.0                     | 2.9   | 0.7                            | 1.7   | -0.9                                     | -0.8  |
| Hungary        | 2.2                     | 2.9   | 0.9                            | 2.8   | -1.5                                     | -1.0  |
| Poland         | 3.8                     | 3.4   | 0.0                            | 1.7   | -3.2                                     | -3.4  |
| Romania        | 4.0                     | 3.6   | -0.5                           | 2.7   | -3.0                                     | -3.2  |
| Slovakia       | 3.5                     | 3.5   | -0.1                           | 2.2   | -1.9                                     | -0.9  |
| Ukraine        | 1.5                     | 2.0   | 14.1                           | 12.9  | -3.5                                     | -3.0  |

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 2nd quarter 2016

#### Germany

The German market accounted for 29 per cent of OVB's total sales commission in 2015. Germany's economy is currently on a path of modest growth; the economy is expected to grow by 1.6 per cent in the current year and by 1.5 per cent in the year 2017. Consumption and the purchasing power of private households are backed by a sound situation in the labour market and low inflation. The conditions for taking measures towards financial provision have generally improved as well. However, there is considerable restraint among consumers in this respect, among other factors accounted for by the low interest rate level and the continuing negative discussion relating to private retirement provision.

#### Southern and Western Europe

The national markets of Austria, France, Greece, Italy, Spain and Switzerland represent the OVB segment "Southern and Western Europe", contributing some 23 per cent to the OVB Group's total sales commission in 2015. With the exception of Switzerland, these countries belong to the euro area. This currency zone shows modest economic growth of 1.4 per cent for the current year; for 2017 1.7 per cent growth is expected. Especially Spain benefits from the structural reforms and austerity measures of the past few years. While the upswing has reached the Spanish labour market, unemployment remains very high with a rate of close to 20 per cent. Economic stimulation is weak in France, Italy and Austria in 2016 and growth rates for 2017 are ex-

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

|             | Real GDP<br>Change in % |       | Consumer prices<br>Change in % |       | Public budget deficit<br>in % of the GDP |       |
|-------------|-------------------------|-------|--------------------------------|-------|------------------------------------------|-------|
|             | 2016e                   | 2017f | 2016e                          | 2017f | 2016e                                    | 2017f |
| Austria     | 1.4                     | 1.4   | 1.4                            | 2.0   | -1.9                                     | -1.8  |
| France      | 1.2                     | 1.4   | 0.4                            | 1.3   | -3.4                                     | -3.2  |
| Greece      | -0.7                    | 2.7   | 0.5                            | 0.8   | -3.4                                     | -2.1  |
| Italy       | 1.1                     | 1.2   | 0.2                            | 1.1   | -2.5                                     | -1.5  |
| Spain       | 2.6                     | 2.3   | -0.2                           | 1.5   | -3.4                                     | -2.9  |
| Switzerland | 1.5                     | 1.9   | -0.3                           | 0.5   | -0.3                                     | -0.2  |

e = estimated; f = forecast

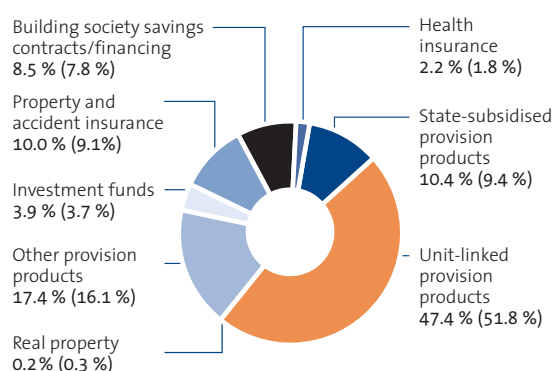
Source: Raiffeisen RESEARCH, Strategy Global Markets, 2nd quarter 2016

pected to be insignificantly higher. The Greek economy remains in recession for the time being. The high valuation of the Swiss franc against the euro is currently still slowing down the economic performance in Switzerland. Despite this mixed macroeconomic framework, OVB achieves excellent business results in some countries of this segment. Clients are obviously willing to invest in their personal financial provision even under difficult economic circumstances, provided the further general conditions are not in the way.

## Business performance

The OVB Group's total sales commission amounted to Euro 57.1 million in the period January through March 2016 altogether. This equals a 4.8 per cent gain over the prior-year amount of Euro 54.5 million. The course of business of some national markets was affected by unfavourable general conditions but the majority of operating subsidiaries reported sound to very good business performances. By the end of March OVB supported 3.26 million clients in 14 European countries (previous year: 3.24 million clients). The total number of financial advisors working for OVB went down slightly by 0.5 per cent from 5,204 sales agents twelve months ago to 5,179 financial advisors in the reporting period; however, their number has grown by a pleasant 2.3 per cent compared to the end of the year 2015 (5,062 financial advisors). The structure of new business remained largely unchanged from the prior-year period and continues to be oriented towards real assets. Product demand focused primarily on unit-linked provision products, accounting for 47.4 per cent of all new contracts (previous year: 51.8 per cent).

**Breakdown of new business  
1-3/2016 (1-3/2015)**



## Central and Eastern Europe

Brokerage income went down in the Central and Eastern Europe segment by 2.2 per cent to Euro 26.0 million in the reporting period (previous year: Euro 26.6 million). The reason for this was a modest business performance in Slovakia, the Czech Republic and Poland. Contrary to that, the business performances of the segment's other national markets were highly satisfactory. The number of financial advisors working for OVB dropped from 3,260 as of the prior-year closing date by 3.9 per cent to 3,132 financial advisors as of 31 March 2016. They supported 2.21 million clients (previous year: 2.22 million clients). The majority of the new business was accounted for by unit-linked provision products at 60.6 per cent (previous year: 69.2 per cent). Yet most of the other product groups expanded their respective share in new business so that product distribution became more balanced.

## Germany

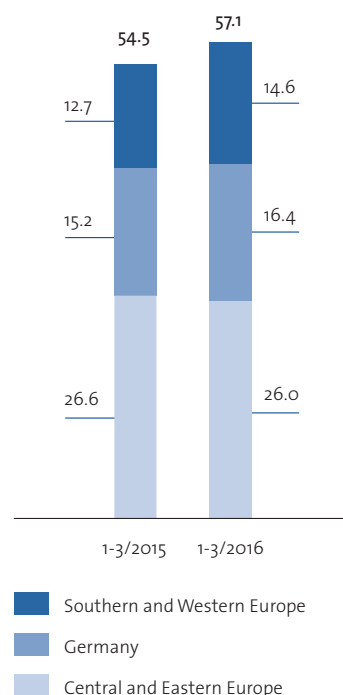
Total sales commission achieved in the Germany segment increased by 8.1 per cent over the prior-year period from Euro 15.2 million to Euro 16.4 million. The number of clients was 639,288 as of the reporting date 31 March 2016 (previous year: 645,371 clients). Unit-linked provision products accounted for the lion's share of the new business at 26.8 per cent (previous year: 21.1 per cent), followed by other provision products at 20.2 per cent (previous year: 24.9 per cent) and state-subsidised provision products at 17.8 per cent (previous year: 16.7 per cent). The number of financial advisors working for OVB remained almost constant at 1,327 sales agents (previous year: 1,329 financial advisors).

## Southern and Western Europe

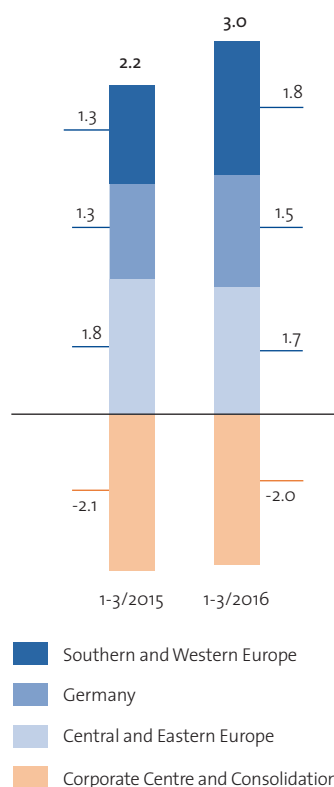
The business volume of the Southern and Western Europe segment continued its strong expansion in the reporting period: Total sales commission grew from Euro 12.7 million in the previous year by 15.2 per cent to Euro 14.6 million. Particularly the operating subsidiaries in Spain and Austria increased their respective brokerage income significantly. Parallel to that, the number of supported clients rose by 9.7 per cent to 408,994 clients (previous year: 372,776 clients) and the number of financial advisors gained 17.1 per cent to now 720 sales agents (previous year: 615 financial advisors). The clients' interest primarily focused on three product groups: unit-linked provision products (36.9 per cent of the new business; previous year: 34.9 per cent), other provision products (25.0 per cent; previous year: 25.3 per cent) and state-subsidised provision products (24.9 per cent; previous year: 26.2 per cent).

**Total sales commission by region**

Euro million, figures rounded

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

Euro million, figures rounded

**Profit/Loss**

In the first quarter of the 2016 financial year, the OVB Group generated total sales commission in the amount of Euro 57.1 million. This equals a 4.8 per cent gain compared to the prior-year period with a sales performance of Euro 54.5 million. The share of commission based on direct contractual relationships between product partners and the sales force, applying exclusively to the Germany segment, amounted to Euro 3.7 million after Euro 4.1 million in the previous year. Brokerage income reported in the income statement in the amount of Euro 53.4 million was up 6.1 per cent or Euro 3.0 million from the prior-year amount of Euro 50.3 million. In contrast to that, other operating income was down by Euro 0.4 million to Euro 1.8 million (previous year: Euro 2.3 million) due to lower income from the reversal of provisions and lower appreciation in value of receivables.

Largely parallel to corresponding income, brokerage expenses gained 5.8 per cent to Euro 35.4 million (previous year: Euro 33.5 million). Personnel expense for the Group's employees remained virtually constant at Euro 6.8 million (previous year: Euro 6.7 million). The same applies for depreciation and amortisation, coming to Euro 0.8 million (previous year: Euro 0.8 million). Other operating expenses were slightly down by 1.0 per cent to Euro 9.2 million (previous year: Euro 9.3 million).

The OVB Group's operating result reached Euro 3.0 million in the reporting period, corresponding to a significant gain of 31.6 per cent over the prior-year amount of Euro 2.2 million. Primarily the Southern and Western Europe segment contributed to this increase in earnings with its dynamic growth in EBIT of 35.4 per cent to Euro 1.8 million (previous year: Euro 1.3 million). The Germany segment also achieved a satisfying increase in earnings by 13.3 per cent to Euro 1.5 million (previous year: Euro 1.3 million). Contrary to that, the Central and Eastern Europe segment recorded a decline

|                         |
|-------------------------|
| Profit/Loss             |
| Financial position      |
| Assets and liabilities  |
| Subsequent events       |
| Opportunities and risks |

in earnings of 5.9 per cent to Euro 1.7 million as expected, due especially to unfavourable general conditions in some national markets (previous year: Euro 1.8 million). The loss reported for Corporate Centre/Consolidation was reduced from Euro 2.1 million in the previous year to Euro 2.0 million in the reporting period. The Group's EBIT margin based on total sales commission altogether improved from 4.1 per cent to 5.2 per cent.

Already at a low level, the financial result decreased once more to now Euro 0.1 million due to the continuing low-interest phase (previous year: Euro 0.2 million); contrary to that, the income tax load went up from Euro 0.8 million to Euro 1.0 million based on higher earnings. The resulting consolidated net income after non-controlling interests came to Euro 2.0 million for the period January through March 2016, up 29.0 per cent compared to the prior-year period amount of Euro 1.6 million. Earnings per share – based on 14,215,314 shares respectively – increased accordingly from Euro 0.11 to Euro 0.14.

## Financial position

The OVB Group's cash flow from operating activities of Euro 3.9 million for the reporting period was above the prior-year amount of Euro 3.1 million. Four factors contributed to the increased cash inflow in particular: the increase in consolidated net income by Euro 0.5 million, additions to valuation allowances for receivables increased by Euro 0.4 million, a Euro 0.3 million lower increase in trade receivables and unrealised currency gains subject to change in the amount of Euro 0.3 million. As an opposing effect, assets held for sale gained Euro 0.6 million.

The cash flow from investing activities shows an inflow of Euro 2.6 million in the reporting period after having reported an outflow of funds in the amount of Euro 2.2 million in the previous year. The portfolio of securities and other short-term investments had the decisive impact on this development: An increase by Euro 2.2 million in the previous year was followed now by a decrease in the amount of Euro 2.5 million. Capital expenditures for property, plant and equipment and intangible assets came to Euro 0.6 million altogether in the first quarter of 2016 (previous year: Euro 0.2 million).

The cash flow from financing activities moved close to the zero line both in the reporting period and the prior-year period. Cash and cash equivalents increased significantly as of 31 March year-over-year from Euro 41.4 million to Euro 55.3 million.

## Assets and liabilities

Total assets of OVB Holding AG increased from Euro 159.3 million as of the end of 2015 to Euro 162.4 million as of the quarter closing date. Non-current assets were reduced by Euro 0.8 million to Euro 18.3 million, due in particular to the classification of investment property as held for sale as well as a decrease in intangible assets. Contrary to that, current assets gained Euro 3.9 million to reach Euro 144.0 million as cash and cash equivalents recorded a significant increase.

The Company's equity went up by Euro 2.1 million to Euro 87.1 million in the reporting period, for the most part a result of the increase in retained earnings by Euro 2.0 million to Euro 18.5 million.

The equity ratio of 53.7 per cent remained virtually unchanged from the 2015 reporting date (53.4 per cent). Non-current liabilities were at an extremely low level at Euro 0.9 million. Current liabilities, typically serving the financing of business operations, were slightly up by Euro 1.0 million to Euro 74.3 million. The item "Other liabilities" gained Euro 1.6 million to Euro 33.1 million while "Other provisions" were reduced by Euro 0.6 million to Euro 29.5 million and "Income tax liabilities" dropped Euro 0.4 million to Euro 1.1 million.

## Subsequent events

No business transactions or events of relevance to an appraisal of the OVB Group's assets, liabilities, financial position and profit or loss have occurred since 31 March 2016.

## Opportunities and risks

Various business opportunities arise for the companies of the OVB Group as they also face risks of different kinds. The opportunities and risks have not changed materially since the preparation of the 2015 consolidated financial statements. They are described in detail in the Annual Report 2015, in particular in the chapter "Report on opportunities and risks". From today's perspective, going concern risks arise neither from individual risks nor from the OVB Group's overall risk position.

In the Czech Republic, an important sales market for OVB, changes in the legal framework governing the brokerage of life insurance with a probable adverse effect on

the business of financial service providers are impending. The probable statutory changes as described in the 2015 consolidated financial statements have so far not taken shape. The OVB Group's broad international positioning in Europe designed to compensate market risks and decline in individual national markets by virtue of the opportunities in other markets as well as the broad client base generally have a balancing effect at group level.

For 45 years now, OVB's business model and business success have been based on the high relevance throughout Europe of private provision, financial security and asset generation. OVB assumes that the demand for its services and the financial and insurance products brokered by OVB's sales force will therefore hold up. On the one hand, the people remain aware of the importance of private provision; on the other hand, the general capability of saving money and the general willingness to do so define a certain limit.

The coincidence of low birth rates in many countries and a generally rising life expectancy is making it difficult to sustain pay-as-you-go social security systems; thus the demand for private provision generally increases. OVB recognises opportunities for deeper market penetration in all of the markets in which the Group already operates. OVB intends to exploit this growth potential consistently. Apart from expanding its business in already developed markets, OVB will move into new promising markets if the general conditions appear favourable. Consolidation within the industry offers additional business opportunities and OVB intends to have an active part in this process.

It has never been more important to take private financial provision measures and receive accompanying advice. Yet the demand for private provision measures is currently blanketed by a number of political, economic and

social factors that have a negative effect on the urgently needed savings efforts of private households. Particularly noteworthy among those factors are:

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

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

## Outlook

The long-term business potential in the market of private saving for retirement provision remains unchanged. OVB works with great commitment at further developing this potential for the Company. In financial year 2016, however, unfavourable general conditions in several countries will probably oppose these efforts. Based on the successful first quarter, the Executive Board now expects sales for the full year 2016 to come close to the prior-year level. The operating result (EBIT) is anticipated to be slightly above the prior-year level.

Cologne, 2 May 2016



Mario Freis  
CEO



Oskar Heitz  
CFO



Thomas Hücker  
COO

# Consolidated statement of financial position

of OVB Holding AG as of 31 March 2016, prepared in accordance with IFRS

## Assets

| EUR'000                                  | 31/03/2016     | 31/12/2015     |
|------------------------------------------|----------------|----------------|
| <b>Non-current assets</b>                |                |                |
| Intangible assets                        | 9,714          | 10,028         |
| Tangible assets                          | 4,244          | 4,207          |
| Investment property                      | 0              | 611            |
| Financial assets                         | 283            | 159            |
| Deferred tax assets                      | 4,087          | 4,149          |
|                                          | <b>18,328</b>  | <b>19,154</b>  |
| <b>Current assets</b>                    |                |                |
| Trade receivables                        | 23,635         | 23,766         |
| Receivables and other assets             | 20,765         | 21,084         |
| Assets held for sale                     | 580            | 0              |
| Income tax assets                        | 1,580          | 1,730          |
| Securities and other capital investments | 42,204         | 44,722         |
| Cash and cash equivalents                | 55,275         | 48,804         |
|                                          | <b>144,039</b> | <b>140,106</b> |
| <b>Total assets</b>                      | <b>162,367</b> | <b>159,260</b> |

## Equity and liabilities

| EUR'000                             | 31/03/2016     | 31/12/2015     |
|-------------------------------------|----------------|----------------|
| <b>Equity</b>                       |                |                |
| Subscribed capital                  | 14,251         | 14,251         |
| Capital reserve                     | 39,342         | 39,342         |
| Treasury shares                     | 0              | 0              |
| Revenue reserves                    | 13,663         | 13,663         |
| Other reserves                      | 927            | 897            |
| Non-controlling interests           | 424            | 370            |
| Net retained profits                | 18,512         | 16,479         |
|                                     | <b>87,119</b>  | <b>85,002</b>  |
| <b>Non-current liabilities</b>      |                |                |
| Liabilities to banks                | 0              | 0              |
| Provisions                          | 814            | 806            |
| Other liabilities                   | 131            | 112            |
| Deferred tax liabilities            | 0              | 8              |
|                                     | <b>945</b>     | <b>926</b>     |
| <b>Current liabilities</b>          |                |                |
| Provisions for taxes                | 1,966          | 1,765          |
| Other provisions                    | 29,544         | 30,156         |
| Income tax liabilities              | 1,076          | 1,523          |
| Trade payables                      | 8,633          | 8,430          |
| Other liabilities                   | 33,084         | 31,458         |
|                                     | <b>74,303</b>  | <b>73,332</b>  |
| <b>Total equity and liabilities</b> | <b>162,367</b> | <b>159,260</b> |

## Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 March 2016, prepared in accordance with IFRS

| EUR'000                                                        | 01/01/–<br>31/03/2016 | 01/01/–<br>31/03/2015 |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Brokerage income                                               | 53,377                | 50,333                |
| Other operating income                                         | 1,835                 | 2,266                 |
| <b>Total income</b>                                            | <b>55,212</b>         | <b>52,599</b>         |
| Brokerage expenses                                             | -35,414               | -33,488               |
| Personnel expenses                                             | -6,806                | -6,746                |
| Depreciation and amortisation                                  | -842                  | -829                  |
| Other operating expenses                                       | -9,198                | -9,293                |
| <b>Earnings before interest and taxes (EBIT)</b>               | <b>2,952</b>          | <b>2,243</b>          |
| Finance income                                                 | 137                   | 193                   |
| Finance expenses                                               | -46                   | -10                   |
| <b>Financial result</b>                                        | <b>91</b>             | <b>183</b>            |
| <b>Consolidated income before income tax</b>                   | <b>3,043</b>          | <b>2,426</b>          |
| Taxes on income                                                | -956                  | -800                  |
| <b>Consolidated net income</b>                                 | <b>2,087</b>          | <b>1,626</b>          |
| Thereof non-controlling interests                              | -54                   | -50                   |
| <b>Consolidated net income after non-controlling interests</b> | <b>2,033</b>          | <b>1,576</b>          |
| Basic earnings per share in Euro                               | 0.14                  | 0.11                  |

## Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 March 2016, prepared in accordance with IFRS

| EUR'000                                                                          | 01/01/–<br>31/03/2016 | 01/01/–<br>31/03/2015 |
|----------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Consolidated net income</b>                                                   | <b>2,087</b>          | <b>1,626</b>          |
| Revaluation effect from provisions for pensions                                  | 0                     | 0                     |
| Deferred tax due to revaluation effect from provisions for pensions              | 0                     | 0                     |
| <b>Other comprehensive income not to be reclassified to the income statement</b> | <b>0</b>              | <b>0</b>              |
| Change in revaluation reserve                                                    | 50                    | 335                   |
| Change in deferred taxes on unrealised gains and losses from capital investments | 4                     | -53                   |
| Change in currency translation reserve                                           | -24                   | 326                   |
| <b>Other comprehensive income to be reclassified to the income statement</b>     | <b>30</b>             | <b>608</b>            |
| Total comprehensive income attributable to non-controlling interests             | -54                   | -50                   |
| <b>Total comprehensive income</b>                                                | <b>2,063</b>          | <b>2,184</b>          |

## Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 31 March 2016, prepared in accordance with IFRS

| EUR'000                                                                                                                     | 01/01–<br>31/03/2016 | 01/01–<br>31/03/2015 |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Consolidated net income (before non-controlling interests)                                                                  | 2,087                | 1,626                |
| -/+ Increase/decrease in non-controlling interests                                                                          | -54                  | -50                  |
| +/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets | 842                  | 829                  |
| -/+ Unrealised currency gains/losses                                                                                        | 37                   | -325                 |
| +/- Allocation to/reversal of valuation allowances for receivables                                                          | 964                  | 602                  |
| -/+ Increase/decrease in deferred tax assets                                                                                | 62                   | -7                   |
| +/- Increase/decrease in deferred tax liabilities                                                                           | -8                   | 46                   |
| - Other finance income                                                                                                      | -39                  | -57                  |
| - Interest income                                                                                                           | -98                  | -136                 |
| +/- Increase/decrease in provisions                                                                                         | -403                 | -394                 |
| +/- Increase/decrease of unrealised gains/losses in equity (net)                                                            | 54                   | 282                  |
| +/- Expenses/income from the disposal of intangible and tangible assets (net)                                               | 0                    | -11                  |
| +/- Decrease/increase in trade receivables and other assets                                                                 | -365                 | -700                 |
| +/- Increase/decrease in trade payables and other liabilities                                                               | 1,402                | 1,365                |
| +/- Decrease/increase in assets held for sale                                                                               | -580                 | 0                    |
| <b>= Cash flow from operating activities</b>                                                                                | <b>3,901</b>         | <b>3,070</b>         |
| +/- Decrease/increase in investment property                                                                                | 611                  | 0                    |
| + Proceeds from the disposal of tangible and intangible assets                                                              | 18                   | 12                   |
| + Proceeds from the disposal of financial assets                                                                            | 48                   | 139                  |
| - Purchases of tangible assets                                                                                              | -355                 | -82                  |
| - Purchases of intangible assets                                                                                            | -238                 | -114                 |
| - Purchases of financial assets                                                                                             | -173                 | -117                 |
| +/- Decrease/increase in securities and other short-term investments                                                        | 2,518                | -2,203               |
| + Other finance income                                                                                                      | 39                   | 57                   |
| + Interest received                                                                                                         | 98                   | 136                  |
| <b>= Cash flow from investing activities</b>                                                                                | <b>2,566</b>         | <b>-2,172</b>        |
| - Dividends paid                                                                                                            | 0                    | 0                    |
| +/- Increase/decrease in non-controlling interests                                                                          | 54                   | 50                   |
| + Proceeds/repayments from the issue of bonds and taking out (financial) loans                                              | 0                    | -5                   |
| <b>= Cash flow from financing activities</b>                                                                                | <b>54</b>            | <b>45</b>            |
| <b>Overview:</b>                                                                                                            |                      |                      |
| Cash flow from operating activities                                                                                         | 3,901                | 3,070                |
| Cash flow from investing activities                                                                                         | 2,566                | -2,172               |
| Cash flow from financing activities                                                                                         | 54                   | 45                   |
| <b>= Net change in cash and cash equivalents</b>                                                                            | <b>6,521</b>         | <b>943</b>           |
| Exchange gains/losses on cash and cash equivalents                                                                          | -51                  | 612                  |
| + Cash and cash equivalents at end of the prior year                                                                        | 48,790               | 39,843               |
| <b>= Cash and cash equivalents at the end of the period</b>                                                                 | <b>55,260</b>        | <b>41,398</b>        |
| Income tax paid                                                                                                             | 703                  | 1,015                |
| Interest paid                                                                                                               | 2                    | 6                    |

## Consolidated statement of changes in equity

of OVB Holding AG as of 31 March 2016, prepared in accordance with IFRS

| EUR'000                                         | Subscribed capital | Capital reserve | Retained profits brought forward | Statutory reserve | Other revenue reserves | Available-for-sale reserve/<br>revaluation reserve |
|-------------------------------------------------|--------------------|-----------------|----------------------------------|-------------------|------------------------|----------------------------------------------------|
| <b>31/12/2015</b>                               | <b>14,251</b>      | <b>39,342</b>   | <b>7,101</b>                     | <b>2,531</b>      | <b>11,132</b>          | <b>448</b>                                         |
| Consolidated profit                             |                    |                 | 9,378                            |                   |                        |                                                    |
| Treasury shares                                 |                    |                 |                                  |                   |                        |                                                    |
| Corporate actions                               |                    |                 |                                  |                   |                        |                                                    |
| Dividends paid                                  |                    |                 |                                  |                   |                        |                                                    |
| Change in available-for-sale reserve            |                    |                 |                                  |                   |                        | 50                                                 |
| Transfer to other reserves                      |                    |                 |                                  |                   |                        |                                                    |
| Change in currency translation reserve          |                    |                 |                                  |                   |                        |                                                    |
| Revaluation effect from provisions for pensions |                    |                 |                                  |                   |                        |                                                    |
| Consolidated net income                         |                    |                 |                                  |                   |                        |                                                    |
| <b>31/03/2016</b>                               | <b>14,251</b>      | <b>39,342</b>   | <b>16,479</b>                    | <b>2,531</b>      | <b>11,132</b>          | <b>498</b>                                         |

of OVB Holding AG as of 31 March 2015, prepared in accordance with IFRS

| EUR'000                                         | Subscribed capital | Capital reserve | Retained profits brought forward | Statutory reserve | Other revenue reserves | Available-for-sale reserve/<br>revaluation reserve |
|-------------------------------------------------|--------------------|-----------------|----------------------------------|-------------------|------------------------|----------------------------------------------------|
| <b>31/12/2014</b>                               | <b>14,251</b>      | <b>39,342</b>   | <b>6,809</b>                     | <b>2,653</b>      | <b>11,132</b>          | <b>327</b>                                         |
| Consolidated profit                             |                    |                 | 8,721                            |                   |                        |                                                    |
| Treasury shares                                 |                    |                 |                                  |                   |                        |                                                    |
| Corporate actions                               |                    |                 |                                  |                   |                        |                                                    |
| Dividends paid                                  |                    |                 |                                  |                   |                        |                                                    |
| Change in available-for-sale reserve            |                    |                 |                                  |                   |                        | 335                                                |
| Transfer to other reserves                      |                    |                 | -20                              | 20                |                        |                                                    |
| Change in currency translation reserve          |                    |                 |                                  |                   |                        |                                                    |
| Revaluation effect from provisions for pensions |                    |                 |                                  |                   |                        |                                                    |
| Consolidated net income                         |                    |                 |                                  |                   |                        |                                                    |
| <b>31/03/2015</b>                               | <b>14,251</b>      | <b>39,342</b>   | <b>15,510</b>                    | <b>2,673</b>      | <b>11,132</b>          | <b>662</b>                                         |



# IFRS interim consolidated financial statements

## Notes as of 31 March 2016

### I. GENERAL INFORMATION

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

The condensed interim consolidated financial statements for the first quarter of 2016 are released for publication as of 11 May 2016 pursuant to Executive Board resolution passed today.

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

#### 2. Accounting principles

Pursuant to IAS 34 "Interim Financial Reporting", the condensed interim consolidated financial statements for the first quarter of 2016 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and released by the International Accounting Standards Board (IASB), and they are meant to be read in conjunction with the consolidated financial statements for the year ended 31 December 2015.

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

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

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

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

The asset held for sale is reported in the item "assets held for sale" in the statement of financial position as of 31 March 2016. The non-current asset is measured at fair value in accordance with IAS 40.

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

### II. SIGNIFICANT EVENTS IN THE REPORTING PERIOD

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

### III. NOTES TO THE STATEMENT OF FINANCIAL POSITION AND THE STATEMENT OF CASH FLOWS

#### 1. Assets held for sale

| EUR'000              | 31/03/2016 | 31/12/2015 |
|----------------------|------------|------------|
| Assets held for sale | 580        | 0          |

Due to the intent to sell "investment property" and the corresponding reclassification to "assets held for sale", the following additional disclosures result as of the reporting date 31 December 2015.

| EUR'000                                           | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|---------------------------------------------------|------------------------|------------------------|
| Rental income from investment property            | 14                     | 10                     |
| Corresponding operating expenses                  | - 12                   | -7                     |
| Net gains or losses from adjustment to fair value | -31                    | 0                      |

With respect to property accounted for as "investment property" in the amount of EUR 611 thousand in the financial statements as of 31 December 2015, namely land and an office building in Hamburg, Germany, an intent to sell was resolved at the beginning of the year and the corresponding asset has been accounted for as "assets held for sale" as of that date.

The fair value of the "asset held for sale" is based on a notarised purchase agreement concluded on 29 February 2016 over EUR 580 thousand and has to be classified under level 2 of the valuation hierarchy pursuant to IFRS 13. The fair value of the investment property as of 31 December 2015 was based on an independent valuer's report and had to be classified under level 3 of the valuation hierarchy pursuant to IFRS 13.

Within the scope of purchase price negotiations, the transfer of risk and usage has been determined for 1 April 2016.

The loss of EUR 31 thousand resulting from the revaluation of the property as well as the operating net income of EUR 2 thousand (previous year: EUR 3 thousand) are included in the financial result of the Corporate Centre segment through profit or loss.

#### 2. Securities and other investments

| EUR'000           |     | 31/03/2016    | 31/12/2015    |
|-------------------|-----|---------------|---------------|
| Securities        | AfS | 5,968         | 5,572         |
| Other investments | L+R | 36,236        | 39,150        |
|                   |     | <b>42,204</b> | <b>44,722</b> |

AfS = Available-for-Sale

L+R = Loans and Receivables

#### 3. Cash and cash equivalents

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

| EUR'000                      | 31/03/2016    | 31/12/2015    |
|------------------------------|---------------|---------------|
| Cash                         | 31            | 31            |
| Cash equivalents             | 55,244        | 48,773        |
| Current liabilities to banks | -15           | -14           |
|                              | <b>55,260</b> | <b>48,790</b> |

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

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

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

#### 4. Share capital

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

#### 5. Dividend

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

In accordance with Section 170 AktG (Stock Corporation Act), the Executive Board of OVB Holding AG proposes the following appropriation of the net retained profits as reported in the financial statements of OVB Holding AG as of 31 December 2015:

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

#### 6. Treasury stock

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

At the Annual General Meeting of OVB Holding AG held on 3 June 2015, the shareholders authorised the Executive Board, subject to the Supervisory Board's consent, to acquire up to 300,000 of the Company's bearer shares in the period up to and including 10 June 2020, in one or several transactions. Shares acquired on the basis of this resolution may also be retired.

### IV. NOTES TO THE INCOME STATEMENT

#### 1. Income and expenses

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

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

The offsetting expense items are recognised on an accrual basis.

## 2. Brokerage income

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

| EUR'000          | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|------------------|------------------------|------------------------|
| Brokerage income | 53,377                 | 50,333                 |

## 3. Other operating income

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

| EUR'000                | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|------------------------|------------------------|------------------------|
| Other operating income | 1,835                  | 2,266                  |

## 4. Brokerage expenses

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

| EUR'000            | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|--------------------|------------------------|------------------------|
| Current commission | 31,367                 | 29,607                 |
| Other commission   | 4,047                  | 3,881                  |
|                    | <b>35,414</b>          | <b>33,488</b>          |

## 5. Personnel expense

| EUR'000               | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|-----------------------|------------------------|------------------------|
| Wages and salaries    | 5,647                  | 5,613                  |
| Social security       | 1,059                  | 1,047                  |
| Pension plan expenses | 100                    | 86                     |
|                       | <b>6,806</b>           | <b>6,746</b>           |

## 6. Depreciation and amortisation

| EUR'000                           | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|-----------------------------------|------------------------|------------------------|
| Amortisation of intangible assets | 551                    | 538                    |
| Depreciation of tangible assets   | 291                    | 291                    |
|                                   | <b>842</b>             | <b>829</b>             |

## 7. Other operating expenses

| EUR'000                          | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|----------------------------------|------------------------|------------------------|
| Sales and marketing expenses     | 4,432                  | 4,541                  |
| Administrative expenses          | 4,121                  | 3,855                  |
| Non-income-based tax             | 522                    | 782                    |
| Miscellaneous operating expenses | 123                    | 115                    |
|                                  | <b>9,198</b>           | <b>9,293</b>           |

## 8. Taxes on income

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

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

| EUR'000             | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|---------------------|------------------------|------------------------|
| Actual income tax   | 895                    | 753                    |
| Deferred income tax | 61                     | 47                     |
|                     | <b>956</b>             | <b>800</b>             |

## 9. Earnings per share

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

| EUR'000                                                                                                          | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Net income for the period after non-controlling interests</b>                                                 |                        |                        |
| Basis for basic / diluted earnings per share<br>(net income for the period attributable to owners of the parent) | 2,033                  | 1,576                  |

|                                                                                                | 01/01/ –<br>31/03/2016 | 01/01/ –<br>31/03/2015 |
|------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Number of shares</b>                                                                        |                        |                        |
| Weighted average number of shares for the calculation<br>of basic / diluted earnings per share | 14,251,314             | 14,251,314             |
| <b>Basic / diluted earnings per share in EUR</b>                                               | <b>0.14</b>            | <b>0.11</b>            |

## Segment reporting

of OVB Holding AG for the period from 1 January to 31 March 2016, prepared in accordance with IFRS

| EUR'000                                                 | Central and<br>Eastern Europe | Germany        | Southern and<br>Western Europe | Corporate<br>Centre | Consolidation | Consolidated   |
|---------------------------------------------------------|-------------------------------|----------------|--------------------------------|---------------------|---------------|----------------|
| <b>Segment income</b>                                   |                               |                |                                |                     |               |                |
| Income from business with third parties                 |                               |                |                                |                     |               |                |
| - Brokerage income                                      | 25,994                        | 12,736         | 14,647                         | 0                   | 0             | 53,377         |
| Other operating income                                  | 270                           | 777            | 431                            | 387                 | -30           | 1,835          |
| Income from inter-segment transactions                  | 15                            | 242            | 1                              | 2,040               | -2,298        | 0              |
| <b>Total segment income</b>                             | <b>26,279</b>                 | <b>13,755</b>  | <b>15,079</b>                  | <b>2,427</b>        | <b>-2,328</b> | <b>55,212</b>  |
| <b>Segment expenses</b>                                 |                               |                |                                |                     |               |                |
| Brokerage expense                                       |                               |                |                                |                     |               |                |
| - Current commission for sales force                    | -16,739                       | -6,291         | -8,337                         | 0                   | 0             | -31,367        |
| - Other commission for sales force                      | -1,828                        | -1,175         | -1,044                         | 0                   | 0             | -4,047         |
| Personnel expenses                                      | -1,782                        | -1,728         | -1,116                         | -2,180              | 0             | -6,806         |
| Depreciation/amortisation                               | -165                          | -119           | -81                            | -477                | 0             | -842           |
| Other operating expenses                                | -4,079                        | -2,971         | -2,740                         | -1,703              | 2,295         | -9,198         |
| <b>Total segment expenses</b>                           | <b>-24,593</b>                | <b>-12,284</b> | <b>-13,318</b>                 | <b>-4,360</b>       | <b>2,295</b>  | <b>-52,260</b> |
| <b>Earnings before interest and taxes (EBIT)</b>        | <b>1,686</b>                  | <b>1,471</b>   | <b>1,761</b>                   | <b>-1,933</b>       | <b>-33</b>    | <b>2,952</b>   |
| Interest income                                         | 33                            | 32             | 31                             | 20                  | -18           | 98             |
| Interest expenses                                       | -3                            | -18            | -5                             | 0                   | 17            | -9             |
| Other financial result                                  | 0                             | 31             | 0                              | -29                 | 0             | 2              |
| <b>Earnings before taxes (EBT)</b>                      | <b>1,716</b>                  | <b>1,516</b>   | <b>1,787</b>                   | <b>-1,942</b>       | <b>-34</b>    | <b>3,043</b>   |
| Taxes on income                                         | -343                          | -14            | -565                           | -34                 | 0             | -956           |
| Non-controlling interests                               | 0                             | 0              | 0                              | -54                 | 0             | -54            |
| <b>Segment result</b>                                   | <b>1,373</b>                  | <b>1,502</b>   | <b>1,222</b>                   | <b>-2,030</b>       | <b>-34</b>    | <b>2,033</b>   |
| <b>Additional disclosures</b>                           |                               |                |                                |                     |               |                |
| Capital expenditures for intangible and tangible assets | 120                           | 18             | 142                            | 313                 | 0             | 593            |
| Material non-cash expenses (-) and income (+)           | 90                            | 250            | -144                           | 0                   | 0             | 196            |
| Impairment expenses                                     | -436                          | -410           | -334                           | -42                 | 0             | -1,222         |
| Reversal of impairment loss                             | 16                            | 133            | 36                             | 95                  | 0             | 280            |

## Segment reporting

of OVB Holding AG for the period from 1 January to 31 March 2015, prepared in accordance with IFRS

| EUR'000                                                 | Central and<br>Eastern Europe | Germany        | Southern and<br>Western Europe | Corporate<br>Centre | Consolidation | Consolidated   |
|---------------------------------------------------------|-------------------------------|----------------|--------------------------------|---------------------|---------------|----------------|
| <b>Segment income</b>                                   |                               |                |                                |                     |               |                |
| Income from business with third parties                 |                               |                |                                |                     |               |                |
| - Brokerage income                                      | 26,569                        | 11,052         | 12,712                         | 0                   | 0             | 50,333         |
| Other operating income                                  | 377                           | 878            | 490                            | 481                 | 40            | 2,266          |
| Income from inter-segment transactions                  | 10                            | 298            | 3                              | 1,762               | -2,073        | 0              |
| <b>Total segment income</b>                             | <b>26,956</b>                 | <b>12,228</b>  | <b>13,205</b>                  | <b>2,243</b>        | <b>-2,033</b> | <b>52,599</b>  |
| <b>Segment expenses</b>                                 |                               |                |                                |                     |               |                |
| Brokerage expense                                       |                               |                |                                |                     |               |                |
| - Current commission for sales force                    | -17,148                       | -5,188         | -7,271                         | 0                   | 0             | -29,607        |
| - Other commission for sales force                      | -1,804                        | -1,119         | -958                           | 0                   | 0             | -3,881         |
| Personnel expenses                                      | -1,732                        | -1,918         | -1,046                         | -2,050              | 0             | -6,746         |
| Depreciation/amortisation                               | -208                          | -146           | -80                            | -395                | 0             | -829           |
| Other operating expenses                                | -4,272                        | -2,559         | -2,549                         | -1,946              | 2,033         | -9,293         |
| <b>Total segment expenses</b>                           | <b>-25,164</b>                | <b>-10,930</b> | <b>-11,904</b>                 | <b>-4,391</b>       | <b>2,033</b>  | <b>-50,356</b> |
| <b>Earnings before interest and taxes (EBIT)</b>        | <b>1,792</b>                  | <b>1,298</b>   | <b>1,301</b>                   | <b>-2,148</b>       | <b>0</b>      | <b>2,243</b>   |
| Interest income                                         | 46                            | 41             | 28                             | 44                  | -23           | 136            |
| Interest expenses                                       | -4                            | -24            | -3                             | -2                  | 23            | -10            |
| Other financial result                                  | 0                             | 40             | 2                              | 15                  | 0             | 57             |
| <b>Earnings before taxes (EBT)</b>                      | <b>1,834</b>                  | <b>1,355</b>   | <b>1,328</b>                   | <b>-2,091</b>       | <b>0</b>      | <b>2,426</b>   |
| Taxes on income                                         | -357                          | -5             | -424                           | -14                 | 0             | -800           |
| Non-controlling interests                               | 0                             | 0              | 0                              | -50                 | 0             | -50            |
| <b>Segment result</b>                                   | <b>1,477</b>                  | <b>1,350</b>   | <b>904</b>                     | <b>-2,155</b>       | <b>0</b>      | <b>1,576</b>   |
| <b>Additional disclosures</b>                           |                               |                |                                |                     |               |                |
| Capital expenditures for intangible and tangible assets | 55                            | 5              | 98                             | 38                  | 0             | 196            |
| Material non-cash expenses (-) and income (+)           | -44                           | 300            | -243                           | 745                 | 0             | 758            |
| Impairment expenses                                     | -254                          | -463           | -205                           | -11                 | 0             | -933           |
| Reversal of impairment loss                             | 14                            | 332            | 137                            | 162                 | 0             | 645            |

## V. NOTES ON SEGMENT REPORTING

The principal business activity of OVB's operating subsidiaries consists of advising clients in structuring their finances and, in connection with that, in broking various financial products offered by insurance companies and other enterprises. It is not feasible to divide the advisory services provided to clients into sub-categories according to product types. Throughout the group companies there are no identifiable distinguishable key sub-activities at group level. In particular, it is not possible to present assets and liabilities based on brokered products. For this reason the individual companies are each categorised as single-product companies. Segment reporting is therefore provided exclusively on the basis of geographical considerations as internal reporting to group management and corporate governance are also exclusively structured according to these criteria. Thus the broking group companies represent operating segments for the purpose of IFRS 8, aggregated in three reportable segments. All companies not involved in brokerage service operations represent the "Corporate Centre" segment in compliance with the criteria for aggregation pursuant to IFRS 8.12. Compliant with the IFRS, internal reporting to group management equals a condensed presentation of the income statement which is presented more elaborately in segment reporting. The companies' earnings are monitored separately by group management in order to be able to measure and assess profitability. Segment assets and segment liabilities are not included in the presentation of segment reporting pursuant to IFRS 8.23 as they are not part of internal reporting.

The segment "Central and Eastern Europe" includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz a.s., Prague; OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Spółka Finansowa Sp. z o.o., Warsaw; OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; and TOB OVB Allfinanz Ukraine, Kiev. Material contributions to the brokerage income of the Central and Eastern Europe segment are generated by OVB Allfinanz a.s., Prague at EUR 9,768 thousand (31 March 2015: EUR 10,065 thousand) and OVB Allfinanz Slovensko a.s., Bratislava at EUR 8,486 thousand (31 March 2015: EUR 8,804 thousand).

The segment "Germany" comprises OVB Vermögensberatung AG, Cologne; Advesto GmbH, Cologne; and Eurenta Holding GmbH, Cologne. Brokerage income in this segment is generated primarily by OVB Vermögensberatung AG, Cologne.

The segment "Southern and Western Europe" represents the following companies: OVB Allfinanzvermittlungs GmbH, Wals/ Salzburg; OVB Vermögensberatung (Schweiz) AG, Cham; OVB-Consulenza Patrimoniale SRL, Verona; OVB Allfinanz España S.A., Madrid; OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas Allfinanzvermittlungs GmbH, Athens; OVB Conseils en patrimoine France Sàrl., Strasbourg; and Eurenta Hellas Monoprosopi EPE Asfalistiki Praktotes, Athens. Material contributions to the brokerage income of the Southern and Western Europe segment are generated by OVB Allfinanz España S.A., Madrid at EUR 5,791 thousand (31 March 2015: EUR 4,431 thousand).

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

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

## VI. OTHER DISCLOSURES RELATING TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Contingent liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. The associated risks are recognised in “Other provisions” to the extent they give rise to obligations whose values can be reliably estimated. No material changes have occurred in comparison with 31 December 2015.

Some group companies are currently involved in various legal disputes arising from the ordinary course of business, primarily in connection with the settlement of accounts for brokerage services provided by financial advisors.

Management holds the view that adequate provisions have been made for contingent liabilities arising from such guarantees, the assumption of liabilities and legal disputes and that such contingencies will not have any material effect on the Group’s assets, liabilities, financial position and profit/loss beyond that.

### 2. Employees

As of 31 March 2016 the OVB Group has a commercial staff of altogether 426 employees (31 December 2015: 425), 41 of which fill managerial positions (31 December 2015: 44).

### 3. Related party transactions

Transactions between the Company and its subsidiaries to be regarded as related parties have been eliminated through consolidation and are not discussed in these notes.

OVB has concluded agreements covering the brokerage of financial products with related parties belonging to the SIGNAL IDUNA Group, the Baloise Group and the Generali Group.

Principal shareholders as of 31 March 2016 are companies of

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

The SIGNAL IDUNA Group is a horizontally organised group of companies (“Gleichordnungsvertragskonzern”). The group’s parent companies are:

- SIGNAL Krankenversicherung a. G., Dortmund
- IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg
- SIGNAL Unfallversicherung a. G., Dortmund
- Deutscher Ring Krankenversicherungsverein a.G., Hamburg.

As of 31 March 2016, IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg held shares in OVB Holding AG carrying 31.67 per cent of the voting rights. As of 31 March 2016, Balance Vermittlungs- und Beteiligungs-AG, Hamburg, which belongs to the horizontally organised group of companies, held shares in OVB Holding AG carrying 17.54 per cent of the voting rights. As of 31 March 2016, Deutscher Ring Krankenversicherungsverein a.G., Hamburg held shares in OVB Holding AG carrying 3.74 per cent of the voting rights. Based on agreements concluded with companies of the SIGNAL IDUNA Group, sales in the amount of EUR 2,736 thousand (31 March 2015: EUR 3,588 thousand) or rather total sales commission in the amount of EUR 3,772 thousand (31 March 2015: EUR 5,094 thousand) were generated in the first quarter of 2016. Receivables exist in the amount of EUR 581 thousand (31 December 2015: EUR 516 thousand).

The item “Securities and other investments” includes securities issued by the SIGNAL IDUNA Group in the amount of EUR 1,396 thousand (31 December 2015: EUR 1,399 thousand).

As of 31 March 2016, Basler Beteiligungsholding GmbH, Hamburg held shares in OVB Holding AG carrying 32.57 per cent of the voting rights. This company belongs to the Baloise Group, whose parent company is Baloise Holding AG, Basel. Based on agreements concluded with the Baloise Group, sales in the amount of EUR 5,933 thousand (31 March 2015: EUR 3,685 thousand) or rather total sales commission in the amount of EUR 8,024 thousand (31 March 2015: EUR 5,687 thousand) were generated in the first quarter of 2016, essentially in the Germany segment. Receivables exist in the amount of EUR 2,614 thousand (31 December 2015: EUR 1,707 thousand).

The item "Securities and other investments" includes securities issued by Bâloise Holding AG in the amount of EUR 706 thousand (31 December 2015: EUR 712 thousand).

As of 31 March 2016, Generali Lebensversicherung AG, Munich held shares in OVB Holding AG carrying 11.48 per cent of the voting rights. This company is part of the Generali Group, whose German parent is Generali Deutschland Holding AG, Cologne. Based on agreements concluded with the Generali Group, sales in the amount of EUR 6,955 thousand (31 March 2015: EUR 8,091 thousand) or rather total sales commission in the amount of EUR 7,262 thousand (31 March 2015: EUR 8,557 thousand) were generated in the first quarter of 2016. Receivables exist in the amount of EUR 3,290 thousand (31 December 2015: EUR 3,447 thousand).

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

Items outstanding as of 31 March 2016 are not secured, do not bear interest and are settled by payment. There are no guarantees relating to receivables from or liabilities to related parties.

#### 4. Subsequent events

Significant reportable events have not occurred since 31 March 2016, the closing date of these interim financial statements.

#### 5. Information on Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG:

- Mario Freis, Chairman
- Oskar Heitz, Deputy Chairman
- Thomas Hücker, Operations

Members of the Supervisory Board of OVB Holding AG:

- Michael Johnigk (Chairman of the Supervisory Board); Member of the Executive Boards of Deutscher Ring Krankenversicherungsverein a.G., Hamburg; SIGNAL Krankenversicherung a. G., Dortmund; IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg; SIGNAL Unfallversicherung a. G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund; SIGNAL IDUNA Holding AG, Dortmund
- Dr. Thomas A. Lange (Deputy Chairman of the Supervisory Board); Chairman of the Executive Board of NATIONAL-BANK AG, Essen
- Markus Jost, Member of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg
- Wilfried Kempchen, businessman (ret.), former Chairman of the Executive Board of OVB Holding AG, Düren
- Winfried Spies, graduate mathematician (ret.), former Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich
- Dr. Alexander Tourneau, Member of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co.KG, Hamburg

Cologne, 2 May 2016



Mario Freis



Oskar Heitz



Thomas Hücker

## Review report

To OVB Holding AG, Cologne

We have reviewed the condensed interim consolidated financial statements – comprising statement of financial position, income statement and statement of comprehensive income, statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim group management report of OVB Holding AG, Cologne, for the period from 1 January to 31 March 2016 which are components of a quarterly 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 an opinion 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 May 2016

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Christian Sack  
Wirtschaftsprüfer

ppa. Thomas Bernhardt  
Wirtschaftsprüfer

## Financial Calendar

|                  |                                                      |
|------------------|------------------------------------------------------|
| 11 May 2016      | Results for the first quarter 2016, Conference Call  |
| 03 June 2016     | Annual General Meeting, Cologne                      |
| 10 August 2016   | Results for the second quarter 2016, Conference Call |
| 10 November 2016 | Results for the third quarter 2016, Conference Call  |

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