

Half-Year Report  
1 January - 30 June 2007



Financial Service Provider for Europe



## Key figures for the OVB Group

Key operating figures	Unit	01/01 -	01/01 -	Change
		30/06/2006	30/06/2007	
Clients (30/06)	Number	2.35 million	2.50 million	+6.4%
Financial advisors (30/06)	Number	4,095	4,406	+7.6%
New business	Number of contracts	308,700	267,600	-13.3%
Total sales commission	Euro million	102.8	121.5	+18.2%

Key financial figures	Unit	01/01 -	01/01 -	Change
		30/06/2006	30/06/2007	
Earnings before interest and taxes (EBIT)	Euro million	15.0	16.6	+10.8%
EBIT margin*	%	14.6	13.7	-0.9% pts
Consolidated net income	Euro million	10.4	12.2	+17.9%
Earnings per share (undiluted)	Euro	0.80**	0.86***	+7.5%

\* Based on total sales commission

\*\* Based on 13,020,600 no-par value shares

\*\*\* Based on 14,251,314 no-par value shares

## Key figures by region

	Unit	01/01 -	01/01 -	Change
		30/06/2006	30/06/2007	
<b>Germany</b>				
Clients (30/06)	Number	655,000	675,100	+3.1%
Financial advisors (30/06)	Number	1,389	1,281	-7.8%
Total sales commission	Euro million	41.8	42.5	+1.6%
Earnings before interest and taxes (EBIT)	Euro million	4.8	4.3	-12.2%
EBIT margin*	%	11.6	10.0	-1.6% pts
<b>Central and Eastern Europe</b>				
Clients (30/06)	Number	1.44 million	1.54 million	+6.9%
Financial advisors (30/06)	Number	2,128	2,406	+13.1%
Total sales commission	Euro million	42.5	54.9	+29.1%
Earnings before interest and taxes (EBIT)	Euro million	11.6	12.1	+4.1%
EBIT margin*	%	27.4	22.0	-5.4% pts
<b>Southern and Western Europe</b>				
Clients (30/06)	Number	260,000	279,200	+7.4%
Financial advisors (30/06)	Number	577	719	+24.6%
Total sales commission	Euro million	18.5	24.1	+30.4%
Earnings before interest and taxes (EBIT)	Euro million	1.6	3.8	+131.5%
EBIT margin*	%	8.9	15.7	+6.8% pts

\*Based on total sales commission

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# Welcome

Dear shareholders and business associates,

The first few months of the 2007 financial year have borne witness to some extremely positive events and developments for OVB Holding AG. July 21 marked the anniversary of OVB's stock exchange listing. OVB has successfully launched itself on the capital market, the share price is doing well and we are absolutely delighted with our first year as a listed company.

Our first Annual General Meeting as a listed company took place in May. Our shareholders resolved to increase the dividend for the successful 2006 financial year to Euro 0.90 per share.

Today I am very pleased to be able to report that the business performed consistently well during the first six months of 2007. All of our subsidiaries are contributing to Group growth. Total sales commission in the first half of 2007 reached a new record high of Euro 121.5 million, an increase of 18.2 percent over the same period last year. Earnings before interest and taxes (EBIT) increased by a notable 11 percent to Euro 16.6 million, while consolidated net income climbed as much as 18 percent to Euro 12.2 million. As you can see, OVB is on track to achieve its ambitious targets for the 2007 financial year.

As far as our core market, Germany, is concerned, we are proud of the fact that we were able to implement the requirements of the EU Insurance Mediation Directive without a hitch and even earlier than the prescribed deadline. Our main focus now is to further expand our sales network, which we are hoping to interlink to an even greater extent by taking certain targeted measures in Germany. "Subsidised provision" is also on the agenda. Our medium-term goal is for corporate pension products to reach 15 percent of total sales in Germany.

In Southern and Western Europe we are working towards systematically expanding our product range. In Southern Europe, for example, we now offer advice on health insurance and are in the process of establishing ourselves in the fund business and in the area of real estate financing.

We continue to focus on the Central and Eastern European markets, where the social security and pension systems are currently undergoing a major upgrade, something we can only dream of here in Germany. The reforms in this region open up huge opportunities for our advisory business. What could be more obvious than



**Michael Frahnert**  
Chairman of the Executive Board

continuing along the path towards expansion and tapping into promising new markets? In as early as February, OVB set up a company in the Ukraine, which has since commenced operations. Turkey and Russia are now right at the top of our list of priorities when it comes to thinking about which regions to move into next. We also plan to acquire smaller competitors both domestically and abroad within reasonable limits. With its infrastructure and product portfolio, OVB is at the ready to serve as an attractive partner within an extensive network.

The high degree to which we have internationalised our business has prompted us to create a new department at OVB Holding AG known as “European Product Management”, headed by Bernd Neumann. Since 1 August 2007, Bernd has been responsible for product strategy, developing OVB’s product portfolio at the European level, and the associated training of our employees. By establishing this additional Executive Board position we are giving ourselves the best possible chance to reach our full potential.

As you can see esteemed shareholders and business associates, we are forging ahead with our effective growth strategy and look ahead with optimism towards a promising future.

Kind regards,



Michael Frahnert  
Chairman of the Executive Board

## Share Performance

One year after OVB Holding AG went public its market capitalisation has increased by 15.3 percent to Euro 352 million. The pleasing share price performance in 2006 was followed by a period in the first half of 2007 during which the share price stabilised around the Euro 25 mark. On 20 July 2007 the share price was Euro 24.68. Positive reports concerning our successful business performance in the first quarter and an upgraded forecast for the 2007 financial year were not enough to have a lasting effect on the share price because of the limited liquidity of our shares. Taking into account the dividend of Euro 0.90 per share paid at the beginning of June 2007, the total return on OVB shares has been 2.3 percent since the beginning of the year.

The average volume of OVB shares traded per month on all German stock exchanges was approximately 75,000 shares in the first half of 2007. Around 83 percent of this volume was cleared and settled through the Xetra trading system.

OVB Holding AG's first public Annual General Meeting took place in the second quarter of 2007. With around 80 percent of the share capital represented at the meeting, all items on the agenda were passed by a large majority. We have held numerous talks with institutional investors, including in London, in order to establish a stronger foothold for OVB Holding AG shares in the market. Five renowned banks and brokers from Germany and abroad are currently monitoring OVB and its shares and publish regular analyses of our company. We hope to progressively expand this research coverage.

### Share data

SIC / ISIN code	628656 / DE0006286560
Ticker symbol / Reuters / Bloomberg	O4B / O4BG.DE / O4B:GR
Type / number	No-par value ordinary bearer shares / 14,251,314
Xetra price (closing prices)	
Beginning of year	Euro 25.00 (02/01/2007)
High	Euro 26.58 (31/05/2007)
Low	Euro 23.20 (07/03/2007)
Last	Euro 24.68 (20/07/2007)
Market capitalisation	Euro 352 million (20/07/2007)

# Consolidated Management Report of OVB Holding AG

## General environment

Macroeconomic development across Europe has been influenced by a notable decline in unemployment. This is accompanied by an increase in the disposable income of private households. Private consumption continues to buoy the economy, which is also being driven by sustained large-scale capital investment. For 2007, the EU Commission expects real gross domestic product in the euro zone to grow by 2.6 percent. The German economy should grow at the same rate this year according to the latest forecasts. The German Institute for Economic Research (*Deutsches Institut für Wirtschaftsforschung*) ("DIW") expects the number of unemployed in Germany to decrease from almost 4.5 million in 2006 to an average of about 3.7 million this year and 3.3 million next year. As unemployment falls, national income increases, which boosts private consumption. For years now the national economies of Central and Eastern Europe have been growing at a significantly faster rate than those of Western Europe. By way of example, in the first quarter of 2007 the growth rate in Slovakia hit a record high of 10.5 percent, with 9.5 percent growth being predicted for the year as a whole. In 2007, economic performance is expected to rise by 5.3 percent in the Czech Republic and by 6.2 percent in Poland.

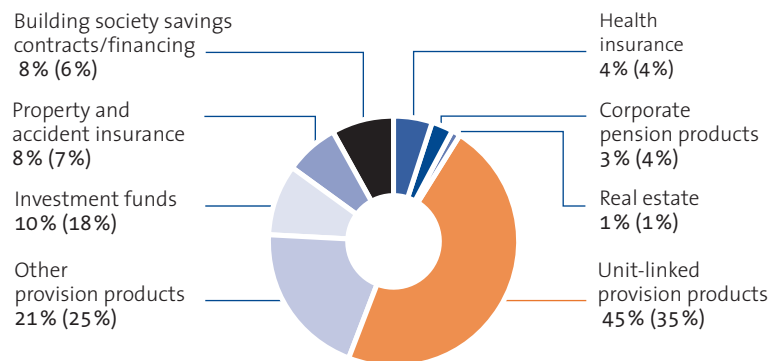
The improving income situation of private households in Europe also gives people greater flexibility to make their own provision for old age and risks. The structure of the life insurance market in Germany is currently undergoing fundamental change, driven by the Riester pension reforms and the Retirement Income Act (*Alterseinkünftegesetz*). Traditional endowment policies now account for only 20 percent of new contracts, while pension insurance accounts for over 48 percent of new contracts. Almost half of these pension contracts are government-subsidised Riester contracts. Compared with other Western European countries, however, the prevalence of insurance, i.e. contributions to life insurance as a proportion of gross domestic product, is still below average in Germany. All three of these factors (higher incomes, structural changes and the catching up required) open up growth opportunities for OVB's advisory business in its home market.

The markets for pension and risk provision products in Central and Eastern Europe are distinct growth markets. A recent study by Allianz Global Investors predicts that the pension markets in this region will expand by an average of 19 percent annually through 2015, meaning the value of privately generated pension provision assets will increase from Euro 51 billion at the present time to Euro 245 billion. OVB currently has a presence in seven Central and Eastern European countries; it has operated in some of these countries for many years and enjoys a leading market position. Compulsory funded pension schemes have now been introduced in most countries in the form of individual pension plans. These conditions provide an excellent basis for the dynamic expansion of our business in the region.

## Business performance

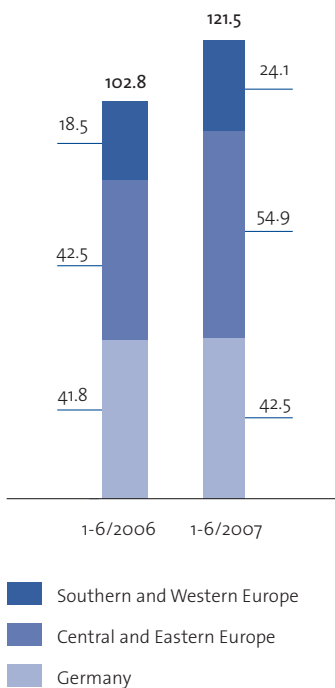
OVB is on track to achieve its ambitious targets for the financial year. The number of clients serviced by our financial advisors in 14 European countries increased from 2.35 million in mid-2006 to 2.50 million today. Total sales commission grew by 18.2 percent across the Group from Euro 102.8 million in the first half of 2006 to Euro 121.5 million in the period to June 2007. This includes commission of Euro 10.5 million forwarded to sales agents on behalf of product partners (year ago: Euro 12.4 million). All of OVB's subsidiaries contributed to this dynamic performance.

### Breakdown of income from new business 1–6/2007 (1–6/2006)



Across Europe, OVB's financial advisors concluded a total of 267,600 new contracts in the first half of 2007 compared with 308,700 new contracts in the same period last year. Considerable growth overall in the number of contracts reported by OVB's subsidiaries contrasts with a decline in the number of new contracts in Slovakia, where an extraordinarily high number of new contracts was concluded in June 2006 in connection with the reform of the health system. In the first half of 2007, our clients showed particular demand for unit-linked provision products, which accounted for 45 percent of new contracts, up from 35 percent in the same period last year. Half of all new business in Central and Eastern Europe and in Southern and Western Europe was attributable to this product category. The category "other provision products" accounted for 21 percent of new business, slightly down from last year's 25 percent, although "Riester" contracts, which fall within this product category, proved very popular in Germany. Our clients concluded as many as 15,000 new "Riester" contracts in the first six months of 2007, up from 8,480 contracts in the same period last year. Corporate pension products, which are only really relevant in Germany, accounted for 3 percent of new business across the Group (year ago: 4 percent). This product category was responsible for 8 percent of new business in Germany.

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



### Germany

Total sales commission generated in our domestic market increased by 1.6 percent from Euro 41.8 million in the first half of 2006 to Euro 42.5 million in the period under review. Germany is still OVB's most significant market, accounting for 35 percent of Group sales performance. For quite some time now, co-ordinated measures have been in progress in Germany to allow OVB to tap into the unquestionable growth potential there. We invest in establishing new offices in order to interlink our sales network to an even greater extent. We actively promote the growth of "subsidised provision" products. One of our specific goals is to increase the share of new business attributable to corporate pension products from its current level of 8 percent to 15 percent. Our 675,100 clients in Germany primarily invested in unit-linked provision products in the first half of 2007 (37 percent of new business, up markedly from 28 percent at 30 June 2006), followed by other provision products (13 percent of new business, down from 22 percent at 30 June 2006) and investment funds (unchanged at 13 percent of new business). As of 30 June 2007, 1,281 full-time sales agents worked for OVB in Germany, down from 1,389 a year ago.

### Central and Eastern Europe

OVB's 2,406 sales agents in Central and Eastern Europe (year ago: 2,128) generated total sales commission of Euro 54.9 million in the period from January to June 2007, which represents an improvement of 29.1 percent or Euro 12.4 million over the previous year. OVB Poland and OVB Hungary achieved the highest percentage increases in sales. The number of our clients in this region increased during the year from 1.44 million to 1.54 million. The primary source of new business was unit-linked provision products (51 percent, up from 36 percent the year before), followed by other provision products (20 percent, down from 26 percent last year) and building society savings contracts/financing (11 percent, up from 5 percent a year ago).

### Southern and Western Europe

OVB's subsidiaries in Southern and Western Europe, most of which are quite new, grew the fastest of all three of our regional segments in the first half of 2007. Total sales commission increased by 30.4 percent from Euro 18.5 million to Euro 24.1 million. Our business activities in France, Spain and Italy grew at an outstanding rate. The region's EBIT, which more than doubled relative to the previous year, reflects the fact that the subsidiaries in Southern and Western Europe have moved beyond the start-up phase and are now in a phase of expansion. This growth is accompanied by an increase in the number of our sales agents (719 compared to 577 at 30 June 2006) and an increase in the number of clients they service (279,200 compared with 260,000 at 30 June 2006). Unit-linked provision products and other provision products dominated the Southern and Western European business, accounting for 48 percent and 35 percent of new business respectively (year ago: 51 percent and 28 percent respectively). We are systematically expanding our advisory services to include, as a first step, health insurance, investment funds and real estate financing.



## Employees

The OVB Group employed around 9,400 people as of 30 June 2007. The number of fully trained full-time financial advisors has increased since 30 June 2006 from 4,095 to 4,406 today, a rise of 7.6 percent. They closely advise and assist our clients in 14 European countries on all matters relating to private provision, insurance and capital generation. A hefty increase in the number of sales staff in Central and Eastern Europe (+13.1 percent) and particularly in Southern and Western Europe (+24.6 percent) more than offset the decline (by almost 8 percent) in the number of full-time sales agents in Germany.

In addition to full-time financial advisors, OVB's sales force includes part-time new recruits who are undergoing intensive theoretical and practical training. The number of new recruits fell by 12.1 percent across the Group from 5,216 at 30 June 2006 to 4,586 at 30 June 2007. Many employees, particularly in the Central and Eastern European and Southern and Western European subsidiaries, were employed by OVB on a full-time basis after their training. At the same time, the high standards OVB places on the progress of training and on sales skills led to the departure of a certain number of new recruits.

The number of Group employees increased from 357 to 424 in the 12 months to 30 June 2007 as part of a concerted effort to bolster planning, management, control and marketing activities.

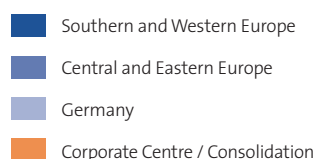
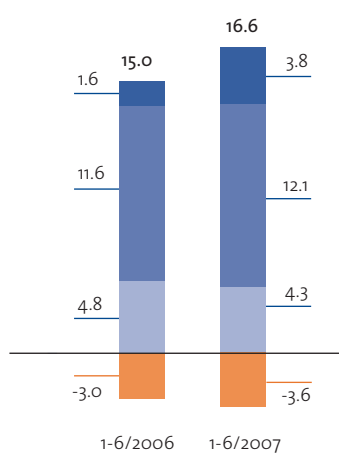
## Earnings situation

OVB Group's performance benefited from sustained dynamic growth in the first half of 2007. Total sales commission increased by 18.2 percent from Euro 102.8 million at 30 June 2006 to Euro 121.5 million in the period under review. The volume of commission forwarded to sales agents on behalf of product partners fell from Euro 12.4 million to Euro 10.5 million. By contrast, brokerage income reported as sales revenue increased significantly from Euro 90.4 million to Euro 111.0 million, a rise of 22.7 percent.

In line with our business expansion, brokerage expenses in the period from January to June 2007 increased by 28.5 percent to Euro 67.4 million (year ago: Euro 52.5 million). Brokerage expenses comprise performance-based and other commission paid to sales agents. Personnel expenses rose by 16.9 percent to Euro 10.2 million (year ago: Euro 8.7 million) as a result of the greater number of employees. Investments in information technology triggered a rise in depreciation and amortisation from Euro 1.5 million to Euro 2.1 million. Other operating expenses were Euro 20.7 million, up from Euro 17.1 million a year ago. The increase was primarily attributable to the higher cost of training programs for new sales agents and further education and training programs for existing sales agents, and the costs of expanding our sales support.

Earnings before interest and taxes (EBIT) increased by Euro 1.6 million or 10.8 percent to Euro 16.6 million from Euro 15.0 million a year ago. Germany's EBIT fell from Euro 4.8 million at 30 June 2006 to Euro 4.3 million at 30 June 2007 due to

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



increased expenses associated with expanding the sales network and building up our corporate pension products business. These outgoings will be recouped and will increase income in the foreseeable future. The EBIT reported by the Central and Eastern Europe segment increased to Euro 12.1 million (year ago: 11.6 million). The national subsidiaries in Southern and Western Europe more than doubled their EBIT to Euro 3.8 million (year ago: Euro 1.6 million). Overall, OVB Group reported a very respectable EBIT margin relative to other companies in the industry of 13.7 percent (based on total sales commission).

Earnings before taxes (EBT) increased by 18.4 percent to Euro 18.1 Euro (year ago: Euro 15.3 million). This was considerably greater than the EBIT increase because the financial result rose sharply from Euro 0.3 million at 30 June 2006 to Euro 1.5 million at 30 June 2007. After deducting income taxes of Euro 5.9 million (year ago: Euro 4.9 million) consolidated net income reached Euro 12.2 million in the first six months of 2007, up 17.9 percent or Euro 1.9 million from the previous year. Undiluted earnings per share (based on 14,251,314 no-par value shares) was Euro 0.86 compared with Euro 0.80 at 30 June 2006 (based on 13,020,600 no-par value shares).

## Financial position

OVB Group's cash flow from operating activities was Euro 18.8 million in the period from January to June 2007, up from Euro 9.8 million in the first half of 2006. This increase was primarily due to an increase of almost Euro 2 million in net income for the period and the fact that a positive figure was reported under the item trade receivables as at the reporting date: while a Euro 5.2 million increase in trade receivables was reported at 30 June 2006, a decrease of Euro 0.7 million was reported at 30 June 2007 because of faster incoming payments.

Cash flow from investing activities revealed a greater outflow of funds (Euro -0.4 million at 30 June 2006 to Euro -2.6 million at 30 June 2007), which was attributable to increased investments in IT. Cash flow from financing activities was Euro -13.0 million (year ago: Euro -10.4 million) and was affected by the disbursement of an increased dividend to our shareholders. Cash and cash equivalents at 30 June 2007 was Euro 26.4 million compared with Euro 15.4 million a year ago. This increase was due to the funds raised from the IPO in the third quarter of 2006.

## Assets and liabilities

OVB Holding AG's total assets increased by Euro 3.5 million from Euro 138.9 million at 31 December 2006 to Euro 142.3 million at 30 June 2007. There have been no major changes to the structure of the balance sheet and it reflects the growth of our business. Under the item non-current assets, tangible assets increased by Euro 1.3 million. Under current assets, cash and cash equivalents rose by Euro 3.1 million, partly as a result of earnings but also because of items being shifted from securities to cash and cash equivalents.

Equity was largely unchanged at Euro 81.1 million and the equity ratio at 30 June 2007 was 57.0 percent. This figure reflects the solid financial backing and solvency of our company. Current liabilities increased by a total of Euro 4.5 million (spread across various items) to Euro 60.0 million and relate to the ongoing conduct of our business.

### Opportunities and risks

OVB's success is underpinned by the competent advisory services provided by its qualified sales agents to its European clients. For many years, numerous corporate, macroeconomic and industry-specific factors have served to continually enhance OVB's business and earnings potential in Europe, and we firmly believe that this will continue into the future. We see no major changes to the risks that may affect our business performance in the future.

### Outlook

The first half of the 2007 financial year was very successful for OVB. We are on track to achieve our ambitious targets for the financial year. In 2007 we expect to generate total sales commission of between Euro 235 and 245 million and EBIT of between Euro 28 and 30 million. If these expectations eventuate, we would be in a position to increase our 2007 dividend to between Euro 1.05 and 1.10 per share.

### Responsibility statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and earnings situation of the Group, and the interim management report of the Group includes a true and fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.



Michael Frahnert  
Chairman of the  
Executive Board



Oskar Heitz  
Member of the  
Executive Board



Bernd Neumann  
Member of the  
Executive Board

## Consolidated balance sheet

of OVB Holding AG as at 30 June 2007, prepared in accordance with IFRS

### Assets

in Euro	30/06/2007	31/12/2006
<b>A. Non-current assets</b>		
Intangible assets	5,844,725.79	5,377,206.30
Tangible assets	6,637,275.71	5,377,761.46
Real estate held as a financial investment	729,200.00	729,000.00
Financial assets	259,403.11	131,804.02
Deferred tax assets	4,037,366.30	4,047,909.97
	<b>17,507,970.91</b>	<b>15,663,681.75</b>
<b>B. Current assets</b>		
Trade receivables	23,330,043.09	22,864,439.33
Receivables and other assets	17,297,638.21	17,544,539.33
Income tax receivables	4,992,202.94	4,709,537.03
Securities and other investments	52,810,543.84	54,776,713.73
Cash and cash equivalents	26,389,400.89	23,305,379.58
	<b>124,819,828.97</b>	<b>123,200,609.00</b>
<b>Total assets</b>	<b>142,327,799.88</b>	<b>138,864,290.75</b>

**Liabilities**

in Euro	30/06/2007	31/12/2006
<b>A. Equity</b>		
Subscribed capital	14,251,314.00	14,251,314.00
Capital reserve	39,341,973.48	39,341,973.48
Revenue reserves	12,514,258.60	9,986,166.62
Other reserves	1,755,908.77	2,075,815.54
Minority interests	222,146.72	230,171.47
Net retained profits	13,046,115.52	16,163,704.38
<b>Total equity</b>	<b>81,131,717.09</b>	<b>82,049,145.49</b>
<b>B. Non-current liabilities</b>		
Liabilities to banks	552,806.97	692,676.87
Provisions	570,527.00	543,794.72
Other liabilities	23,681.32	35,721.46
Deferred tax liabilities	84,831.06	106,332.64
	<b>1,231,846.35</b>	<b>1,378,525.69</b>
<b>C. Current liabilities</b>		
Provisions for taxes	2,911,903.29	2,064,752.45
Other provisions	22,739,900.91	21,742,011.92
Income tax liabilities	4,057,677.98	2,662,924.48
Trade payables	9,682,411.07	9,450,756.04
Other liabilities	20,572,343.19	19,516,174.68
	<b>59,964,236.44</b>	<b>55,436,619.57</b>
<b>Total equity and liabilities</b>	<b>142,327,799.88</b>	<b>138,864,290.75</b>

## Consolidated income statement

of OVB Holding AG for the period from 1 January to 30 June 2007, prepared in accordance with IFRS

in Euro	01/04 – 30/06/2007	01/04 – 30/06/2006	01/01 – 30/06/2007	01/01 – 30/06/2006
Brokerage income	52,661,112.81	43,170,688.01	110,954,343.37	90,436,455.03
Other operating income	2,560,794.42	1,333,868.28	6,152,437.29	4,395,859.98
<b>Total income</b>	<b>55,221,907.23</b>	<b>44,504,556.29</b>	<b>117,106,780.66</b>	<b>94,832,315.01</b>
Brokerage expenses	-32,797,986.41	-24,456,003.80	-67,447,841.23	-52,490,532.23
Personnel expenses	-5,129,212.13	-4,239,049.64	-10,176,778.60	-8,704,289.55
Depreciation and amortisation	-1,134,331.00	-713,425.74	-2,138,567.52	-1,519,982.84
Other operating expenses	-9,135,626.89	-8,667,756.74	-20,747,538.92	-17,140,980.25
<b>Earnings before interest and taxes (EBIT)</b>	<b>7,024,750.80</b>	<b>6,428,320.37</b>	<b>16,596,054.39</b>	<b>14,976,530.14</b>
Finance income	711,322.71	371,881.12	1,702,034.81	635,761.21
Finance expenses	-123,703.41	-136,229.49	-167,370.49	-304,427.84
Financial result	587,619.30	235,651.63	1,534,664.32	331,333.37
<b>Earnings before taxes (EBT)</b>	<b>7,612,370.10</b>	<b>6,663,972.00</b>	<b>18,130,718.71</b>	<b>15,307,863.51</b>
Taxes on income	-2,196,531.30	-2,272,700.77	-5,902,057.73	-4,923,074.60
Consolidated net income	5,415,838.80	4,391,271.23	12,228,660.98	10,384,788.91
Minority interests	-1,675.05	-4,823.51	8,024.75	-8,943.93
<b>Consolidated net income after minority interests</b>	<b>5,414,163.75</b>	<b>4,386,447.72</b>	<b>12,236,685.73</b>	<b>10,375,844.98</b>
Earnings per share (undiluted)	0.38	0.34	0.86	0.80

## Consolidated cash flow statement

of OVB Holding AG for the period from 1 January to 30 June 2007, prepared in accordance with IFRS

in Euro	01/01 – 30/06/2007	01/01 – 30/06/2006
Cash and cash equivalents		
Cash in hand/bank balances maturing in < 3 months	26,389,400.89	15,441,539.17
Net income/loss for the period (after minority interests)	12,236,685.73	10,375,844.98
+/- Write-downs/write-ups of non-current assets	2,029,105.31	1,514,743.61
-/+ Unrealised currency gains/losses	-18,638.92	193,619.00
+/- Increase/reversal of provision for impairment of receivables	722,244.99	559,050.45
-/+ Increase/decrease in deferred tax assets	10,543.67	306,053.02
+/- Increase/decrease in deferred tax liabilities	-21,501.58	-74,435.57
- Finance income	-944,319.56	-358,764.37
- Interest income	-584,627.03	-276,996.84
+/- Increase/decrease in provisions	3,266,525.61	1,516,503.28
+/- Increase/decrease in available-for-sale reserve	-59,736.87	-79,241.79
+/- Expenses/income from the disposal of intangible assets and tangible assets (net)	111,422.61	91,551.21
+/- Decrease/increase in trade receivables and other assets	742,556.35	-5,185,261.10
+/- Increase/decrease in trade payables and other liabilities	1,275,783.40	1,176,664.19
<b>= Cash flow from operating activities</b>	<b>18,766,043.71</b>	<b>9,759,330.07</b>
+ Proceeds from the disposal of tangible assets	-43,423.48	24,246.29
+ Proceeds from the disposal of financial assets	1,097,531.52	96,395.85
- Purchases of tangible assets	-2,294,687.90	-543,003.81
- Purchases of intangible non-current assets	-1,624,155.44	-542,055.81
- Purchases of financial assets	-1,221,918.95	-95,887.56
+ Finance income	944,319.56	358,764.37
+ Interest received	584,627.03	276,996.84
<b>= Cash flow from investing activities</b>	<b>-2,557,707.66</b>	<b>-424,543.83</b>
+ Proceeds from transfers to equity	0.00	0.00
- Equity transaction costs	0.00	-509,563.54
-/+ Purchase/sale of own shares	0.00	-133,783.50
- Distributions to the company's shareholders and minority interests (dividends, equity repayments, other distributions)	-12,826,182.60	-9,758,396.25
+/- Increase/decrease in minority interests	-8,024.75	8,943.93
+/- Proceeds/expenses from the issue of bonds and (financing) loans	-139,869.90	-39,128.43
<b>= Cash flow from financing activities</b>	<b>-12,974,077.25</b>	<b>-10,431,927.79</b>
<b>Overview:</b>		
Cash flow from operating activities	18,766,043.71	9,759,330.07
Cash flow from investing activities	-2,557,707.66	-424,543.83
Cash flow from financing activities	-12,974,077.25	-10,431,927.79
Exchange gains/losses on cash and cash equivalents	-150,237.49	-77,983.61
<b>= Net change in cash and cash equivalents</b>	<b>3,084,021.31</b>	<b>-1,175,125.16</b>
+ Cash and cash equivalents at the end of the prior period	23,305,379.58	16,616,664.33
<b>= Cash and cash equivalents at end of the current period</b>	<b>26,389,400.89</b>	<b>15,441,539.17</b>
Income tax paid	2,650,974.85	3,356,847.23
Interest paid	60,338.88	43,381.62

## Consolidated statement of changes in equity

of OVB Holding AG as at 30 June 2007, prepared in accordance with IFRS

in Euro	Subscribed capital	Own shares	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves
<b>Balance as at 31/12/2006</b>	<b>14,251,314.00</b>	<b>0.00</b>	<b>39,341,973.48</b>	<b>-145,407.12</b>	<b>1,561,363.56</b>	<b>8,424,803.06</b>
Consolidated profit				16,309,111.50		
Own shares		0.00	0.00			
Capital measures	0.00	0.00	0.00			
Dividend relating to 2006	0.00	0.00	0.00	-12,826,182.60		
Change in available-for-sale reserve						
Transfer to other reserves				-2,528,091.99	323,321.48	2,204,770.50
Transfer to currency translation reserve						
Equity transaction costs			0.00			
Net income for the period						
Other reallocations						
<b>Balance as at 30/06/2007</b>	<b>14,251,314.00</b>	<b>0.00</b>	<b>39,341,973.48</b>	<b>809,429.79</b>	<b>1,884,685.04</b>	<b>10,629,573.56</b>
<b>Balance as at 31/12/2005</b>	<b>13,116,314.00</b>	<b>-86,329.00</b>	<b>18,048,618.12</b>	<b>241,650.51</b>	<b>1,239,278.59</b>	<b>4,986,227.32</b>
Consolidated profit				13,131,999.33		
Own shares		-18,790.00	-114,993.50			
Dividend relating to 2005				-9,758,396.25		
Change in available-for-sale reserve						
Transfer to other reserves				-3,958,478.97	220,364.97	3,738,114.00
Transfer to currency translation reserve						
Equity transaction costs			-509,563.54			
Net income for the period						
Other reallocations						
<b>Balance as at 30/06/2006</b>	<b>13,116,314.00</b>	<b>-105,119.00</b>	<b>17,424,061.08</b>	<b>-343,225.38</b>	<b>1,459,643.56</b>	<b>8,724,341.32</b>



Available-for-sale reserve / revaluation reserve (after taxes)	Deferred taxes on unrealised gains	Currency translation reserve	Net income recognised directly in equity	Net income for the period	Consolidated profit	Minority interests	Total
<b>306,103.84</b>	<b>-73,744.69</b>	<b>1,843,456.39</b>	<b>1,572,053.15</b>	<b>16,309,111.50</b>	<b>17,881,164.65</b>	<b>230,171.47</b>	<b>82,049,145.49</b>
			-1,572,053.15	-16,309,111.50	-17,881,164.65		0.00
			0.00		0.00		0.00
0.00	0.00		0.00		0.00		0.00
0.00	0.00		0.00		0.00		-12,826,182.60
-44,187.51	-15,549.36		-59,736.87		-59,736.87		-59,736.87
			0.00				-0.01
		-260,169.90	-260,169.90	0.00	-260,169.90		-260,169.90
			0.00				0.00
			0.00	12,236,685.73	12,236,685.73	-8,024.75	12,228,660.98
			0.00				0.00
<b>261,916.33</b>	<b>-89,294.05</b>	<b>1,583,286.49</b>	<b>-319,906.77</b>	<b>12,236,685.73</b>	<b>11,916,778.96</b>	<b>222,146.72</b>	<b>81,131,717.09</b>
<b>147,350.89</b>	<b>19,319.00</b>	<b>337,092.50</b>	<b>108,265.41</b>	<b>13,131,999.33</b>	<b>13,240,264.74</b>	<b>207,829.24</b>	<b>51,389,350.50</b>
			-108,265.41	-13,131,999.33	-13,240,264.74		0.00
			0.00		0.00		-133,783.50
							-9,758,396.25
-73,992.08	-5,249.71		-79,241.79		-79,241.79		-79,241.79
			0.00		0.00		0.00
		126,365.12	126,365.12	-343,403.52	-217,038.40		-217,038.40
							-509,563.54
			0.00	10,719,248.50	10,719,248.50	8,943.93	10,728,192.43
			0.00				0.00
<b>73,358.81</b>	<b>14,069.29</b>	<b>463,457.62</b>	<b>47,123.33</b>	<b>10,375,844.98</b>	<b>10,422,968.31</b>	<b>216,773.17</b>	<b>51,419,519.45</b>

## Segment reporting 01/01 - 30/06/2007

of OVB Holding AG according to IFRS

in Euro	Germany	Central and Eastern Europe	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
<b>Segment income</b>						
Income from business with third parties						
- Brokerage income	31,945,506.15	54,910,455.32	24,098,381.90	0.00	0.00	110,954,343.37
Other operating income	2,613,267.93	659,187.26	998,204.10	1,546,069.16	335,708.84	6,152,437.29
Income from inter-segment transactions	645,841.35	36,615.31	58,793.60	2,060,098.83	-2,801,349.09	0.00
<b>Total segment income</b>	<b>35,204,615.43</b>	<b>55,606,257.89</b>	<b>25,155,379.60</b>	<b>3,606,167.99</b>	<b>-2,465,640.25</b>	<b>117,106,780.66</b>
<b>Segment expenses</b>						
Brokerage expenses						
- Current commission for sales force	-12,952,776.64	-33,757,420.40	-15,116,940.68	0.00	0.00	-61,827,137.72
- Other commission for sales force	-4,136,549.09	-1,108,616.04	-375,538.38	0.00	0.00	-5,620,703.51
Personnel expenses	-4,216,629.54	-2,342,256.20	-1,763,049.27	-1,854,843.59	0.00	-10,176,778.60
Depreciation/amortisation	-1,374,439.14	-378,652.80	-245,941.15	-139,534.43	0.00	-2,138,567.52
Other operating expenses	-8,264,871.34	-5,917,596.93	-3,858,718.01	-5,199,347.49	2,492,994.85	-20,747,538.92
<b>Total segment expenses</b>	<b>-30,945,265.75</b>	<b>-43,504,542.37</b>	<b>-21,360,187.49</b>	<b>-7,193,725.51</b>	<b>2,492,994.85</b>	<b>-100,510,726.27</b>
<b>Segment result before financial result</b>						
Financial result	609,191.77	181,530.26	99,033.38	575,811.52	69,097.39	1,534,664.32
<b>Segment result after financial result</b>	<b>4,868,541.45</b>	<b>12,283,245.78</b>	<b>3,894,225.49</b>	<b>-3,011,746.00</b>	<b>96,451.99</b>	<b>18,130,718.71</b>
<b>Additional disclosures</b>						
Investments in intangible and tangible assets	3,212,598.79	1,636,558.41	260,959.43	109,618.33	0.00	5,219,734.96
Other non-cash expenses	-2,916,701.97	-8,448,154.58	-1,377,875.92	-136,046.97	0.00	-12,878,779.44
Impairment expenses recognised in the income statement	-207,532.27	-546,562.05	-246,000.53	-192,209.46	0.00	-1,192,304.31
Total segment assets	45,335,330.81	35,146,464.72	20,771,014.35	52,310,485.83	-11,235,495.83	142,327,799.88
Less deferred taxes and refund claims	-2,218,213.43	-4,082,180.42	-186,611.81	-2,542,563.58	0.00	-9,029,569.24
<b>Segment assets</b>	<b>43,117,117.38</b>	<b>31,064,284.30</b>	<b>20,584,402.54</b>	<b>49,767,922.25</b>	<b>-11,235,495.83</b>	<b>133,298,230.64</b>
Total segment liabilities	32,369,841.39	21,299,815.14	15,661,208.92	3,318,639.35	-11,453,422.01	61,196,082.79
Less deferred taxes and deferred tax liabilities	-2,445,426.11	-3,053,380.21	-1,479,639.50	-19,629.77	0.00	-6,998,075.59
Less loan commitments	0.00	-316,596.76	-249,525.01	-872,964.57	886,279.37	-552,806.97
Less capitalised lease obligations	0.00	0.00	-23,681.32	0.00	0.00	-23,681.32
<b>Segment liabilities</b>	<b>29,924,415.28</b>	<b>17,929,838.17</b>	<b>13,908,363.09</b>	<b>2,426,045.01</b>	<b>-10,567,142.64</b>	<b>53,621,518.91</b>

## Segment reporting 01/01 - 30/06/2006

of OVB Holding AG according to IFRS

in Euro	Germany	Central and Eastern Europe	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
<b>Segment income</b>						
Income from business with third parties						
- Brokerage income	30,329,313.00	41,628,099.56	18,479,042.47	0.00	0.00	90,436,455.03
Other operating income	2,060,702.26	163,658.09	1,215,063.63	797,798.02	158,637.98	4,395,859.98
Income from inter-segment transactions	334,524.00	112.42	116,967.61	1,060,575.03	-1,512,179.06	0.00
<b>Total segment income</b>	<b>32,724,539.26</b>	<b>41,791,870.07</b>	<b>19,811,073.71</b>	<b>1,858,373.05</b>	<b>-1,353,541.08</b>	<b>94,832,315.01</b>
<b>Segment expenses</b>						
Brokerage expenses						
- Current commission for sales force	-12,003,143.97	-23,781,919.67	-11,836,542.96	0.00	0.00	-47,621,606.60
- Other commission for sales force	-3,508,649.71	-939,492.09	-420,783.83	0.00	0.00	-4,868,925.63
Personnel expenses	-4,113,782.63	-1,456,195.17	-1,618,060.20	-1,516,251.55	0.00	-8,704,289.55
Depreciation/amortisation	-922,057.71	-259,858.10	-246,786.90	-91,280.13	0.00	-1,519,982.84
Other operating expenses	-7,327,969.15	-3,725,960.14	-4,049,416.73	3,325,103.23	1,287,469.00	-17,140,980.25
<b>Total segment expenses</b>	<b>-27,875,603.17</b>	<b>-30,163,425.17</b>	<b>-18,171,590.62</b>	<b>-4,932,634.91</b>	<b>1,287,469.00</b>	<b>-79,855,784.87</b>
<b>Segment result before financial result</b>						
<b>Financial result</b>	<b>4,848,936.09</b>	<b>11,628,444.90</b>	<b>1,639,483.09</b>	<b>-3,074,261.86</b>	<b>-66,072.08</b>	<b>14,976,530.14</b>
Financial result	300,227.13	15,854.24	-110,077.95	125,252.69	77.28	331,333.37
<b>Segment result after financial result</b>	<b>5,149,163.22</b>	<b>11,644,299.12</b>	<b>1,529,405.14</b>	<b>-2,949,009.17</b>	<b>-65,994.80</b>	<b>15,307,863.51</b>
<b>Additional disclosures</b>						
Investments in intangible and tangible assets	724,291.34	260,723.32	92,614.19	103,318.34	-0.01	1,180,947.18
Other non-cash expenses	-1,674,100.01	-3,680,905.76	-856,475.41	-181,804.18	0.00	-6,393,285.36
Impairment expenses recognised in the income statement	-147,850.67	-214,380.64	-347,241.89	-228,417.88	0.00	-937,891.08
Total segment assets	46,161,406.05	29,205,212.20	17,294,502.98	25,963,836.14	-15,322,704.49	103,302,252.88
Less deferred taxes and refund claims	-3,661,379.48	-3,005,175.80	-201,161.83	-2,810,343.93	-0.01	-9,678,061.05
<b>Segment assets</b>	<b>42,500,026.57</b>	<b>26,200,036.40</b>	<b>17,093,341.15</b>	<b>23,153,492.21</b>	<b>-15,322,704.50</b>	<b>93,624,191.83</b>
Total segment liabilities	31,704,219.48	16,282,786.71	13,996,263.93	4,888,138.62	-14,988,675.31	51,882,733.43
Less deferred taxes and deferred tax liabilities	-935,057.98	-2,531,775.84	-1,036,915.90	-46,940.91	0.00	-4,550,690.63
Less loan commitments	0.00	-314,638.93	-105,080.14	-1,615,284.14	867,566.20	-1,167,437.01
Less capitalised lease obligations	0.00	0.00	-48,232.46	0.00	0.00	-48,232.46
<b>Segment liabilities</b>	<b>30,769,161.50</b>	<b>13,436,371.94</b>	<b>12,806,035.43</b>	<b>3,225,913.57</b>	<b>-14,121,109.11</b>	<b>46,116,373.33</b>

# IFRS Consolidated Financial Statements

## Notes as at 30 June 2007

### I. GENERAL INFORMATION

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

The parent company of the OVB Group (hereinafter “OVB”) is OVB Holding AG, Cologne. It is recorded in the Commercial Register maintained at the Local Court (*Amtsgericht*) of Cologne, Reichenspergerplatz 1, 50670 Cologne, under registration number HRB 34649. OVB Holding AG’s company address is Heumarkt 1, 50667 Cologne.

#### 2. Basis of preparation

OVB’s consolidated financial statements for the first six months of the 2007 financial year (hereinafter the “interim report”) were prepared on a consolidated basis in accordance with the International Financial Reporting Standards (IFRS) as adopted and published by the International Accounting Standards Board (IASB), as required to be applied in the European Union on the balance sheet date, and as interpreted by the International Financial Reporting Standards Interpretations Committee (IFRIC).

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

This interim report was not audited in accordance with § 317 German Commercial Code (Handelsgesetzbuch - “HGB”) and has not undergone review by an auditor.

#### 3. Accounting policies, valuation methods and consolidation

The accounting, valuation and consolidation methods used in this interim report have not changed from those applied in the consolidated financial statements for the year ending 31 December 2006.

### II. SIGNIFICANT EVENTS IN THE INTERIM PERIOD

No significant events have occurred that would require reporting pursuant to IAS 34 (e.g. circumstances unusual for the business, initiated restructuring measures, discontinuation of business divisions).

### III. INFORMATION ON EQUITY

#### 1. Share capital

OVB Holding AG's subscribed capital (share capital) has remained unchanged since 31 December 2006 at Euro 14,251,314.00. It is divided into 14,251,314 ordinary shares carrying voting rights.

#### 2. Dividends

Distributable amounts are based on the net retained profits of OVB Holding AG, which are determined in accordance with the provisions of German commercial law. As proposed by the Executive Board and the Supervisory Board, the shareholders resolved at the Annual General Meeting on 31 May 2007 to distribute a dividend of Euro 0.90 per no-par value share carrying dividend rights (prior year: Euro 0.75 per ordinary or preferred share). Thus the appropriation of OVB Holding AG's net retained profits was as follows:

##### in Euro

Distribution to shareholders	12,826,182.60
Retained profits carried forward	1,222,440.59
<b>Net retained profits</b>	<b>14,048,623.19</b>

### IV. OTHER INFORMATION

#### 1. Contingent liabilities

The OVB Group has given guarantees and assumed liabilities on behalf of subsidiaries and financial advisors in the ordinary course of business. The associated risks are recognised in other provisions to the extent that they give rise to obligations whose value can be reliably estimated. There have been no material changes since 31 December 2006.

#### 2. Number of employees

The OVB Group employed a total of 424 commercial staff as at 30 June 2007, of which 41 worked in a managerial capacity.

#### 3. Changes within the Supervisory Board

Supervisory Board members Hartmut Mellinger and Dr. Joachim Lemppenau left the Supervisory Board effective as of the close of the Annual General Meeting on 31 May 2007. Elected to replace them were Jens O. Geldmacher, member of the

Executive Boards of Deutscher Ring Lebensversicherungs-AG, Deutscher Ring Krankenversicherungs-Vereins a.G. and Deutscher Ring Sachversicherungs-AG, and Jörn Stapelfeld, Chairman of the Executive Board of Volksfürsorge Deutsche Lebensversicherung AG and Volksfürsorge Deutsche Sachversicherung AG. Christian Graf von Bassewitz, who had been appointed by the Local Court of Cologne in accordance with § 104 (2) German Stock Corporation Act (*Aktiengesetz* - "AktG") to serve on the Supervisory Board until the close of the Annual General Meeting on 31 May 2007, was also elected to our company's Supervisory Board.


## V. SIGNIFICANT EVENTS SINCE 30 JUNE 2007

No significant events have occurred since 30 June 2007, the closing date for this half-year report.

Cologne, 10 August 2007



Michael Frahnert



Oskar Heitz



Bernd Neumann

# Financial Calendar

15 August 2007      Results for the second quarter of 2007  
15 November 2007      Results for the third quarter of 2007



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