

Interim Report

1 January – 30 September 2016

- Austria
- Croatia
- Czech Republic
- France
- Germany
- Greece
- Hungary

OVB in Europe

Our service is valuable

- Italy
- Poland
- Romania
- Slovakia
- Spain
- Switzerland
- Ukraine

OVB Allfinanz – simply better



Key figures for the OVB Group

Key operating figures	Unit	01/01- 30/09/2015	01/01- 30/09/2016	Change
Clients (30/09)	Number	3.29 million	3.26 million	-0.6 %
Financial advisors (30/09)	Number	5,086	5,089	+0.1 %
Total sales commission	Euro million	165.7	171.1	+3.2 %
Key financial figures				
Earnings before interest and taxes (EBIT)	Euro million	10.3	12.4	+20.4 %
EBIT margin*	%	6.2	7.3	+1.1 %-pts.
Consolidated net income	Euro million	7.3	9.7	+32.0 %
Earnings per share (undiluted)	Euro	0.51	0.68	+32.0 %

*Based on total sales commission

Key figures for the regions

Central and Eastern Europe	Unit	01/01- 30/09/2015	01/01- 30/09/2016	Change
Clients (30/09)	Number	2.25 million	2.20 million	-2.2 %
Financial advisors (30/09)	Number	3,091	3,028	-2.0 %
Total sales commission	Euro million	80.7	81.0	+0.3 %
Earnings before interest and taxes (EBIT)	Euro million	7.1	6.7	-6.3 %
EBIT-margin*	%	8.8	8.2	-0.6 %-pts.
*Based on total sales commission				
Germany				
Clients (30/09)	Number	645,079	635,471	-1.5 %
Financial advisors (30/09)	Number	1,367	1,357	-0.7 %
Total sales commission	Euro million	47.4	46.3	-2.3 %
Earnings before interest and taxes (EBIT)	Euro million	4.8	4.9	+1.3 %
EBIT-margin*	%	10.1	10.5	+0.4 %-pts.
*Based on total sales commission				
Southern and Western Europe				
Clients (30/09)	Number	388,543	426,649	+9.8 %
Financial advisors (30/09)	Number	628	704	+12.1 %
Total sales commission	Euro million	37.6	43.9	+16.6 %
Earnings before interest and taxes (EBIT)	Euro million	4.8	6.2	+28.9 %
EBIT-margin*	%	12.8	14.2	+1.4 %-pts.
*Based on total sales commission				

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➤ **Thomas Hücker**
COO



➤ **Mario Freis**
CEO



➤ **Oskar Heitz**
CFO

Ladies and gentlemen,
shareholders,

throughout Europe we managed to continue our course of growth over the first nine months of 2016. The OVB Group's total sales commission gained 3.2 per cent on the previous year and came to Euro 171.1 million. The operating result climbed 20.4 per cent to Euro 12.4 million. In view of an increasingly challenging European environment, we are altogether highly satisfied with these results.

A major challenge to our industry is the increasing regulation in many European markets. Apart from that, the persistent low interest rate scenario and the demographic effects that become more and more noticeable are the defining topics for our services to which we are able to give the right answers with our allfinanz advisory concept: Our clients keep focusing on real assets. Unit-linked life insurance and pension funds and investments in balanced funds or equity funds, either in the shape of savings plans or as one-time investments, continue to determine the clients' demand. In the realm of construction loans, our clients benefit from the low interest rates. The market for asset protection and biometric risk coverage is increasingly gaining in importance.

Government pension schemes are the foundation of retirement provision in Europe. Yet private provision is urgently required to reach beyond that basic protection. It is important to advise the people, explain the facts to them and find individually tailored solutions for sufficient retirement provision and financial protection. Even in times of increasing digitisation, personal advice on these topics has supreme value – today and for the years to come. A key part in this is reserved for our allfinanz advisors, targeting their clients' respective needs and risk profiles according to their advisory approach and irrespective of individual product providers. This is what OVB has stood for over the last 46 years.

Kind regards

Thomas Hücker
COO

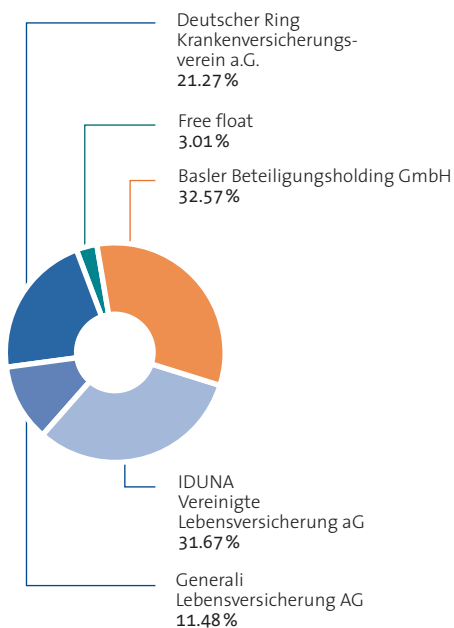
Mario Freis
CEO

Oskar Heitz
CFO

Share performance and investor relations

Stock markets caught between low interest rate environment and modest economic growth

Shareholder structure of
OVB Holding AG
as of 30/09/2016



The German stock market showed a highly volatile performance over the first nine months. Having closed the year 2015 at 10,743 points, the leading index DAX initially lost more than 7 per cent to 8,753 points by mid-February. Then it set to recover towards the 10,500 point mark. At the end of June, the referendum in Great Britain in favour of the country's exit from the EU had the index level drop to about 9,500 points again. Since then the DAX has recovered again, closing in on the prior year-end level at currently about 10,600 points.

The share of OVB Holding AG closed the year 2015 with a price of Euro 17.00. At low trading the share price dropped to this year's low so far of Euro 13.50 by mid-February 2016. Until mid-April the OVB share price reached about Euro 14.00 before beginning a steep climb, peaking at Euro 19.22 Euro in early June. The share price has since gone down from this level to Euro 16.00 by mid-October. Only 3.01 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 shares held by Balance Vermittlungs- und Beteiligungs-AG in OVB Holding AG in the amount of 17.54 per cent were transferred to Deutscher Ring Krankenversicherungsverein a.G. in the third quarter. Thus the shareholdings of Deutscher Ring Krankenversicherungsverein a.G. have increased to 21.27 per cent.

OVB share data

WKN / ISIN Code	628656 / DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B / O4BG.DE / O4B:GR	
Type of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra (closing prices)		
End of previous year	Euro 17.00	(30/12/2015)
High	Euro 19.22	(02/06/2016)
Low	Euro 13.50	(09/02/2016)
Last	Euro 16.04	(18/10/2016)
Market capitalisation	Euro 229 million	(18/10/2016)

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

Course of business

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

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

OVB is currently active in 14 countries of Europe as a broker of financial products. OVB's 5,089 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 in view 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 September 2016 the OVB Group had altogether 431 employees in the holding company, the head offices of the operating subsidiaries and the service companies. Based on efficient structures and processes, they are responsible for the management and administration of the Group and the subsidiaries and provide sales support services.

Macroeconomic environment

The sale of financial products in Europe keeps facing a challenging environment. Structural problems of some national economies, finding expression in high unemployment rates for example, lead to a strained financial situation of many private households, leaving barely any room for individual financial provision. A factor of sustained negative impact is the interest rate level, kept deliberately low by the central banks and thus decreasing the interest expense of highly indebted countries but making asset generation for private provision more difficult. Many financial products currently have only a minimum return which is then even consumed entirely or in part by the price increase. However, an almost inscrutable product offering, barely comprehensible conditions for state subsidies and the necessity of a continuous review of financial decisions once made in view of changing needs and life situations increase the demand for cross-thematic personal advice. From OVB's vantage, the market for private provision and risk protection therefore offers long-term market potential and opportunities for growth despite the currently challenging environment.

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

Central and Eastern Europe

OVB's segment Central and Eastern Europe comprises the national markets of Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and Ukraine; here the Group generated almost half its total sales commission in 2015. Most of these countries are currently enjoying a positive economic climate. Despite an expansive monetary policy, consumer prices are going down. Contrary to that, nominal wages have gained about 4 per cent on average. Private consumption thus remains the main growth driver in this region. It is supported by a lively export business with the major Western European economies in many countries.

Macroeconomic key data, Central and Eastern Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit in % of the GDP	
	2016e	2017f	2016e	2017f	2016e	2017f
Croatia	2.3	2.5	-1.2	1.3	-2.7	-2.9
Czech Republic	2.5	2.7	0.6	1.7	-0.3	-0.2
Hungary	2.3	2.7	0.3	1.8	-2.0	-2.5
Poland	3.3	3.7	-0.6	1.3	-2.9	-3.4
Romania	5.2	3.6	-1.6	1.2	-3.0	-3.2
Slovakia	3.5	3.3	-0.5	1.1	-2.5	-2.0
Ukraine	1.0	2.0	13.3	10.7	-3.5	-3.0

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 4th quarter 2016

Germany

The German market accounted for 29 per cent of OVB's total sales commission in 2015. Germany's economy is continuing its course of modest growth: The economy is expected to grow by 1.8 per cent in the current year and by 1.7 per cent in the year 2017. The decision of the British citizens for the country's exit from the EU in June 2016 has not affected the German economy yet. The labour market is sound. Together with low inflation this situation provides for noticeably increasing real income. Private consumption and government spending are substantial pillars of the economic development. Conditions for taking measures towards financial provision have generally improved. Yet there is considerable restraint among consumers with respect to increased spending on their retirement provision accounted for by the persistently low interest rate level. With the 2017 elections to the Bundestag approaching, a new debate on pension funds is starting to unfold. Even though driven by a political agenda, this debate may shift public attention to private retirement provision once again as is urgently required.

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. For 2016 economic growth in this currency zone will probably amount to 1.6 per cent and 1.5 per cent growth is predicted for 2017. Spain's economy has shown an above-average performance while the Italian economy almost stagnates. The Greek economic performance is expected to go down once more in 2016 before a slight recovery is anticipated for the next year. Thus the macroeconomic framework for the sale of financial products appears quite mixed in this region. Yet OVB achieves significantly increasing business results in this segment.

Macroeconomic key data, Southern and Western Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit in % of the GDP	
	2016e	2017f	2016e	2017f	2016e	2017f
Austria	1.4	1.3	1.0	2.0	-1.5	-1.4
France	1.2	1.3	0.3	1.1	-3.4	-3.2
Greece	-0.7	1.2	0.0	1.5	-3.4	-2.5
Italy	0.9	0.9	0.2	0.8	-2.4	-1.9
Spain	3.1	2.1	-0.5	1.3	-4.2	-3.5
Switzerland	1.5	1.7	-0.3	0.5	-0.4	-0.2

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Global Markets, 4th quarter 2016

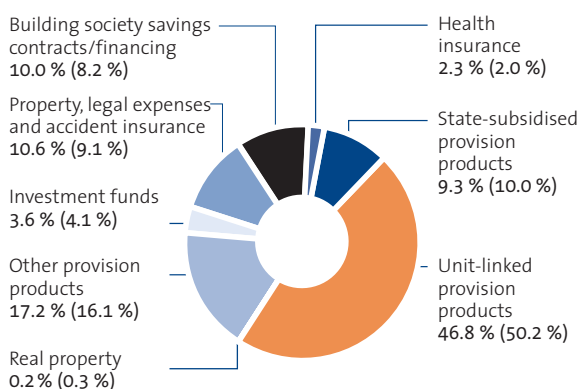
Business performance

The OVB Group's total sales commission reached Euro 171.1 million in the period January through September 2016 altogether. This equals a 3.2 per cent gain over the prior-year amount of Euro 165.7 million. The majority of OVB's operating subsidiaries reported sound to very good business performances while the course of business was affected by unfavourable general conditions only in a few national markets. By the end of September 2016 OVB supported 3.26 million clients in 14 European countries (previous year: 3.29 million clients). The total number of financial advisors working for OVB went up by 0.1 per cent from 5,086 sales agents twelve months ago to 5,089 financial advisors as of the closing date; their number has grown by 0.5 per cent compared to the end of the year 2015 (5,062 financial advisors). Product demand focused primarily on unit-linked provision products at 46.8 per cent of all new contracts (previous year: 50.2 per cent).

Central and Eastern Europe

Total sales commission in the Central and Eastern Europe segment went up slightly by 0.3 per cent to Euro 81.0 million in the reporting period (previous year: Euro 80.7 million). Modest business performances in Slovakia, the Czech Republic and Poland were countered by satisfying business performances of the segment's other national markets. The number of financial advisors working for OVB dropped from 3,091 as of the prior-year closing date by 2.0 per cent to 3,028 financial advisors as of 30 September 2016. They supported 2.20 million clients (previous year: 2.25 million clients). The majority of the new business was accounted for by unit-linked provision products at 58.1 per cent (previous year: 66.3 per cent).

Breakdown of income from new business 1-9/2016 (1-9/2015)



Germany

Total sales commission generated in the Germany segment decreased by 2.3 per cent compared to the prior-year period from Euro 47.4 million to Euro 46.3 million. The number of clients was 635,471 as of the reporting date 30 September 2016 (previous year: 645,079 clients). Unit-linked provision products accounted for the lion's share of the new business at 30.2 per cent (previous year: 24.6 per cent), followed by other provision products at 20.2 per cent (previous year: 24.3 per cent) and state-subsidised provision products at 14.4 per cent (previous year: 16.8 per cent). The number of financial advisors working for OVB was slightly below the prior-year mark with 1,357 sales agents yet 3.7 per cent higher than at the end of the year 2015 (1,309 financial advisors).

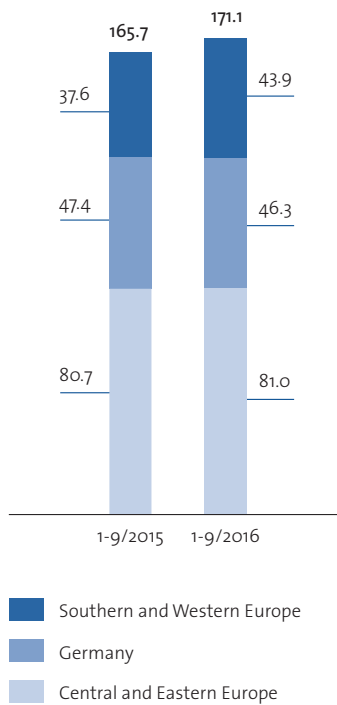
Southern and Western Europe

The business volume of the Southern and Western Europe segment continued its strong expansion in the reporting period: Total sales commission grew from Euro 37.6 million in the previous year by 16.6 per cent to Euro 43.9 million. Particularly the operating subsidiaries in Spain, Italy and Austria increased their respective brokerage income significantly. Parallel to that, the number of supported clients rose by 9.8 per cent to 426,649 clients (previous year: 388,543 clients) and the number of financial advisors gained 12.1 per cent to 704 sales agents (previous year: 628 financial advisors). The clients' interest primarily focused on three product groups: unit-linked provision products (38.1 per cent of the new business; previous year: 35.6 per cent), state-subsidised provision products (23.9 per cent; previous year: 27.5 per cent) and other provision products (24.1 per cent; previous year: 22.7 per cent).

Profit/Loss

In the first nine months of 2016 the OVB Group generated total sales commission in the amount of Euro 171.1 million. This equals a 3.2 per cent gain compared to the prior-year sales performance of Euro 165.7 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 9.5 million in the reporting period after Euro 11.1 million in the previous year. Brokerage income reported in the income statement was up in the reporting period from the prior-year amount of Euro 154.6 million by 4.6 per cent to Euro 161.6 million. Other operating income was down year-over-year from Euro 6.4 million to Euro 6.2 million.

Total sales commission by region
Euro million, figures rounded



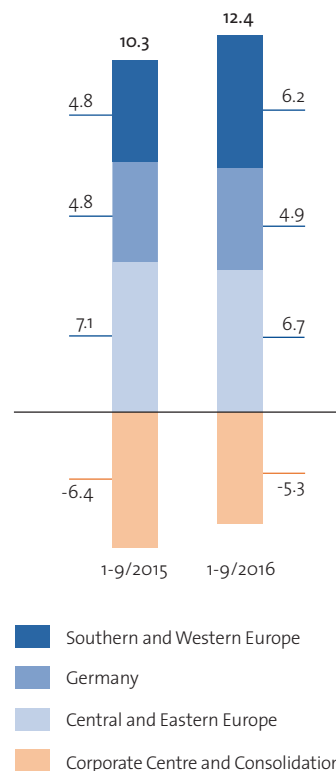
Brokerage expenses climbed 4.4 per cent from Euro 102.4 million to Euro 107.0 million, almost parallel to brokerage income. Contrary to that, personnel expense for the Group's employees went down slightly from Euro 19.9 million to Euro 19.3 million. Depreciation and amortisation remained virtually unchanged at Euro 2.6 million after Euro 2.5 million in the previous year. Other operating expenses were up from Euro 25.7 million to Euro 26.6 million.

The OVB Group's operating result for the period January through September 2016 climbed considerably by 20.4 per cent from Euro 10.3 million in the prior-year period to Euro 12.4 million. Particularly the Southern and Western Europe segment contributed to this increase in earnings, reporting a dynamic growth in earnings before interest and taxes (EBIT) of 28.9 per cent from Euro 4.8 million to Euro 6.2 million. The Germany segment's operating result was up insignificantly from Euro 4.8 million to Euro 4.9 million. The EBIT of the Central and Eastern Europe segment fell short of the prior-year amount of Euro 7.1 million at now Euro 6.7 million, accounted for by difficult general conditions in some national markets. A reduction of the loss reported for Corporate Centre from Euro 6.4 million to Euro 5.3 million, resulting from an increase in other operat-

ing income due to the reversal of tax provisions and an increase in income from inter-segment transactions due to higher cost transfers of IT expenses, also contributed to the Group's improved earnings. The Group's EBIT margin based on total sales commission altogether improved from 6.2 per cent to 7.3 per cent in the reporting period.

The financial result doubled year-over-year due to realised capital gains, reported in the revaluation reserve up to the sale transaction date, from Euro 0.3 million to Euro 0.7 million based on higher finance income. The Group's earnings before taxes on income reached Euro 13.1 million in the first nine months of the current financial year, equivalent to a 22.8 per cent gain over the prior-year amount of comparison of Euro 10.7 million. An income tax cut in Spain resulted in a lower tax rate for the Group which in turn had the income tax load rise only modestly from Euro 3.1 million to Euro 3.3 million. Consolidated net income after non-controlling interests went up from Euro 7.3 million in the previous year by 32.0 per cent to Euro 9.7 million in the reporting period. Earnings per share – based on 14,215,314 shares respectively – increased accordingly from Euro 0.51 to Euro 0.68.

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



Financial position

The OVB Group's cash flow from operating activities expanded from Euro 12.9 million in the prior-year period to Euro 15.1 million. The main driver of this development was the increase in sales, leading to a higher cash inflow as of the reporting date. An adverse effect was a considerable increase in trade receivables and other assets, attributable primarily to the expansion of the business volume.

The cash flow from investing activities showed cash outflow of Euro 8.7 million in the period January through September 2016 after an outflow of Euro 2.6 million in the previous year. Portfolio dispositions were the main reason for this development: an increase to Euro 5.3 million in payments for financial assets and an increase in the portfolio of securities and other short-term investments by Euro 3.1 million.

The cash flow from financing activities, coming to Euro -9.3 million in the reporting period and Euro -8.8 million in the prior-year period, was determined in both cases by the payment of a dividend to the shareholders for the most part. Despite an increased dividend distribution, cash and cash equivalents as of 30 September were up year-over-year from Euro 41.8 million to Euro 45.9 million.

Assets and liabilities

Total assets of OVB Holding AG increased from Euro 159.3 million at the end of the year 2015 by Euro 5.2 million to Euro 164.5 million as of 30 September 2016. Non-current assets went up by Euro 3.8 million to Euro 23.0 million, due essentially to an increase in financial assets to Euro 5.2 million (31 December 2015: Euro 0.2 million). Current assets gained Euro 1.4 million to Euro 141.5 million. Securities and other investments were up by Euro 3.1 million to Euro 47.8 million and trade receivables climbed Euro 2.7 million due to the expansion of business to Euro 26.5 million. Contrary to that, cash and cash equivalents went down due to shifts in securities, short-term investments and long-term financial assets as did receivables and other assets.

The OVB Group's equity amounted to Euro 85.4 million as of 30 September 2016 after Euro 85.0 million at the end of the year 2015. In other words: The dividend for 2015 distributed in June has been earned back already by the end of September. The Company's equity ratio came to a solid 51.9 per cent as of the reporting date after 53.4 per cent at the end of 2015. Non-current liabilities at an immaterial total amount came to Euro 1.0 million. Current liabilities for financing the expansive business activity climbed Euro 4.8 million to Euro 78.1 million.

Subsequent events

Business transactions or events of relevance to an appraisal of the OVB Group's assets, liabilities, financial position and profit or loss have not occurred since 30 September 2016.

Opportunities and risks

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

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

In the Czech Republic, an important sales market for OVB, changes in the legal framework governing the brokerage of life insurance with a notable adverse effect on the business of financial service providers had been expected. The regulatory changes have actually turned out less harmful than assumed; however, the intended extension of the liability term for commission in life insurance to 60 months might at least have a temporary adverse effect on the business. The OVB Group's broad international positioning in Europe designed to compensate market risks and decline in individual national markets by virtue of the opportunities in other markets as well as the broad client base generally have a balancing effect at group level.

The increasing importance of digitisation and new media provides opportunities for OVB's business model as contacting and communicating with clients and financial advisors as well as sharing information is becoming easier. At the same time reputation risks are increasing due to the uncontrollable publication, storage and unrestricted availability of information, opinions and even misinformation. This holds true especially for markets where OVB has achieved market leading positions.

For 46 years now, OVB's business model and business success have been based on the high relevance of private provision, financial protection and asset generation. OVB therefore assumes that the demand for its services and the financial and insurance products brokered by OVB's sales force will hold up. On the one hand, the people remain aware of the importance of private provision; on the other hand, the general capability of saving money and the general willingness to do so define a certain limit.

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

It has never been more important to take private financial provision measures and receive accompanying advice. Yet the demand for private provision measures is currently blanketed by a number of political, economic and societal factors that have a negative effect on the urgently needed savings efforts of private households. Particularly noteworthy among those factors are:

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

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

Outlook

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

Cologne, 2 November 2016



Mario Freis
CEO



Oskar Heitz
CFO



Thomas Hücker
COO

Consolidated statement of financial position

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

Assets

EUR'000	30/09/2016	31/12/2015
Non-current assets		
Intangible assets	9,426	10,028
Tangible assets	3,929	4,207
Investment property	0	611
Financial assets	5,245	159
Deferred tax assets	4,403	4,149
	23,003	19,154
Current assets		
Trade receivables	26,487	23,766
Receivables and other assets	19,858	21,084
Income tax assets	1,357	1,730
Securities and other capital investments	47,823	44,722
Cash and cash equivalents	45,946	48,804
	141,471	140,106
Total assets	164,474	159,260

Equity and liabilities

EUR'000	30/09/2016	31/12/2015
Equity		
Subscribed capital	14,251	14,251
Capital reserve	39,342	39,342
Treasury shares	0	0
Revenue reserves	13,663	13,663
Other reserves	735	897
Non-controlling interests	503	370
Net retained profits	16,881	16,479
	85,375	85,002
Non-current liabilities		
Provisions	811	806
Other liabilities	122	112
Deferred tax liabilities	27	8
	960	926
Current liabilities		
Provisions for taxes	1,182	1,765
Other provisions	32,784	30,156
Income tax liabilities	1,420	1,523
Trade payables	9,559	8,430
Other liabilities	33,194	31,458
	78,139	73,332
Total equity and liabilities	164,474	159,260

Consolidated income statement

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

EUR'000	01/07/ 30/09/2016	01/07/ 30/09/2015	01/01/ 30/09/2016	01/01/ 30/09/2015
Brokerage income	52,149	51,469	161,612	154,559
Other operating income	2,490	1,719	6,232	6,373
Total income	54,639	53,188	167,844	160,932
Brokerage expenses	-34,594	-33,726	-106,950	-102,407
Personnel expenses	-6,120	-6,327	-19,277	-19,924
Depreciation and amortisation	-906	-846	-2,621	-2,542
Other operating expenses	-8,632	-8,019	-26,563	-25,732
Earnings before interest and taxes (EBIT)	4,387	4,270	12,433	10,327
Finance income	148	102	779	434
Finance expenses	-52	-75	-122	-102
Financial result	96	27	657	332
Consolidated income before income tax	4,483	4,297	13,090	10,659
Taxes on income	-925	-1,138	-3,292	-3,149
Consolidated net income	3,558	3,159	9,798	7,510
Thereof non-controlling interests	-41	-34	-133	-190
Consolidated net income after non-controlling interests	3,517	3,125	9,665	7,320
Basic earnings per share in Euro	0.25	0.22	0.68	0.51

Consolidated statement of comprehensive income

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

EUR'000	01/07/ 30/09/2016	01/07/ 30/09/2015	01/01/ 30/09/2016	01/01/ 30/09/2015
Consolidated net income	3,558	3,159	9,798	7,510
Changes in revaluation reserve not recognised in profit or loss	107	-120	237	65
Changes in revaluation reserve recognised in profit or loss	0	0	-376	0
Changes in deferred taxes on unrealised gains and losses from capital investments not recognised in profit or loss	-18	12	-36	-8
Changes in deferred taxes on unrealised gains and losses from capital investments recognised in profit or loss	0	0	0	0
Changes in currency translation reserve not recognised in profit or loss	69	-92	13	202
Other comprehensive income to be reclassified to the income statement	158	-200	-162	259
Total comprehensive income attributable to non-controlling interests	-41	-34	-133	-190
Total comprehensive income	3,675	2,925	9,503	7,579

Consolidated statement of cash flows

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

EUR'000	01/01– 30/09/2016	01/01– 30/09/2015
Consolidated net income	9,798	7,510
+/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	2,668	2,542
-/+ Unrealised currency gains/losses	-8	-258
+/- Allocation to/reversal of valuation allowances for receivables	1,583	1,857
-/+ Increase/decrease in deferred tax assets	-254	10
+/- Increase/decrease in deferred tax liabilities	19	2
- Other finance income	-447	-93
- Interest income	-332	-341
+/- Increase/decrease in provisions	2,050	1,015
+/- Increase/decrease of unrealised gains/losses in equity (net)	-175	57
+/- Expenses/income from the disposal of intangible and tangible assets (net)	82	-38
+/- Decrease/increase in trade receivables and other assets	-2,704	-1,387
+/- Increase/decrease in trade payables and other liabilities	2,772	2,011
= Cash flow from operating activities	15,052	12,887
+ Proceeds from the disposal of investment property	580	0
+ Proceeds from the disposal of tangible and intangible assets	93	78
+ Proceeds from the disposal of financial assets	162	153
- Purchases of tangible assets	-682	-918
- Purchases of intangible assets	-1,236	-596
- Purchases of financial assets	-5,263	-53
- Purchases of securities and other short-term investments	-3,101	-1,689
+ Other finance income	447	93
+ Interest received	332	341
= Cash flow from investing activities	-8,668	-2,591
- Dividends paid	-9,263	-8,551
+/- Proceeds/repayments from the issue of bonds and taking out (financial) loans	0	-219
= Cash flow from financing activities	-9,263	-8,770
Overview:		
Cash flow from operating activities	15,052	12,887
Cash flow from investing activities	-8,668	-2,591
Cash flow from financing activities	-9,263	-8,770
= Net change in cash and cash equivalents	-2,879	1,526
Exchange gains/losses on cash and cash equivalents	22	420
+ Cash and cash equivalents at end of the prior year	48,790	39,845
= Cash and cash equivalents at the end of the period	45,933	41,791
Income tax paid	2,803	3,309
Interest paid	15	20

Consolidated statement of changes in equity

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

EUR'000	Subscribed capital	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve
31/12/2015	14,251	39,342	7,101	2,531	11,132	448
Consolidated profit			9,378			
Treasury shares						
Corporate actions						
Dividends paid			-9,263			
Change in available-for-sale reserve						-139
Transfer to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
30/09/2016	14,251	39,342	7,216	2,531	11,132	309

of OVB Holding AG as of 30 September 2015, prepared in accordance with IFRS

EUR'000	Subscribed capital	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve
31/12/2014	14,251	39,342	6,809	2,653	11,132	327
Consolidated profit			8,721			
Treasury shares						
Corporate actions						
Dividends paid			-8,551			
Change in available-for-sale reserve						65
Transfer to other reserves			-20	20		
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
30/09/2015	14,251	39,342	6,959	2,673	11,132	392

Reserve from provisions for pensions	Deferred taxes on unrealised gains/losses	Currency translation reserve	Net income recognised directly in equity	Net income for the period	Total comprehensive income	Non-controlling interests	Total
-571	107	913		9,378		370	85,002
				-9,378			
							-9,263
	-36		-175		-175		-175
		13	13		13		13
				9,665	9,665	133	9,798
-571	71	926	-162	9,665	9,503	503	85,375
Reserve from provisions for pensions	Deferred taxes on unrealised gains/losses	Currency translation reserve	Net income recognised directly in equity	Net income for the period	Total comprehensive income	Non-controlling interests	Total
-556	112	669		8,721		153	83,613
				-8,721			
							-8,551
	-8		57		57		57
		202	202		202		202
				7,320	7,320	190	7,510
-556	104	871	259	7,320	7,579	343	82,831

IFRS interim consolidated financial statements

Notes as of 30 September 2016

I. GENERAL INFORMATION

1. General information on the OVB Group

The condensed interim consolidated financial statements for the third quarter of 2016 are released for publication as of 10 November 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 third 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, i.e. the respective market price. Non-current financial assets are measured at amortised cost according to the effective interest rate method.

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

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

II. SIGNIFICANT EVENTS IN THE INTERIM REPORTING PERIOD

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

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

1. Investment property

EUR'000	30/09/2016	31/12/2015
Investment property	0	611

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

EUR'000	30/09/2016	30/09/2015
Rental income from investment property	18	26
Corresponding operating expenses	- 29	-18
Net loss from adjustment to fair value	-31	0

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

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

The loss of EUR 31 thousand resulting from the revaluation of the property for the first quarter of 2016 as well as the operating net result of EUR -11 thousand as of the reporting date (previous year: EUR 8 thousand) are included in the financial result of the Corporate Centre segment through profit or loss.

2. Financial assets

EUR'000		30/09/2016	31/12/2015
Financial assets	L+R	5,245	159

L+R = Loans and Receivables

Financial assets relate to loans granted to employees and sales agents as well as a bonded loan acquired in the third quarter of 2016 in the amount of EUR 5,000 thousand, having a book value of EUR 5,001 thousand as of 30 September 2016. Subsequent measurement of the bonded loan will be made at amortised cost according to the effective interest rate method.

3. Securities and other investments

EUR'000		30/09/2016	31/12/2015
Securities	AfS	8,692	5,572
Other investments	L+R	39,131	39,150
		47,823	44,722

AfS = Available-for-Sale

L+R = Loans and Receivables

4. Cash and cash equivalents

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

EUR'000	30/09/2016	30/09/2015
Cash	28	36
Cash equivalents	45,918	41,771
Current liabilities to banks	-13	-16
	45,933	41,791

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.

5. 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.

6. Dividend

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

The appropriation of the net retained profits of OVB Holding AG for financial year 2015 was resolved by the Annual General Meeting on 3 June 2016.

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

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

7. Treasury stock

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

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

IV. NOTES TO THE INCOME STATEMENT

1. Income and expenses

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

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

The offsetting expense items are recognised on an accrual basis.

2. Brokerage income

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

EUR'000	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Brokerage income	161,612	154,559

3. Other operating income

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

EUR'000	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Other operating income	6,232	6,373

4. Brokerage expenses

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

EUR'000	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Current commission	95,344	92,210
Other commission	11,606	10,197
	106,950	102,407

5. Personnel expense

EUR'000	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Wages and salaries	16,034	16,703
Social security	3,057	2,979
Pension plan expenses	186	242
	19,277	19,924

6. Depreciation and amortisation

EUR'000	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Amortisation of intangible assets	1,721	1,620
Depreciation of property, plant and equipment	900	922
	2,621	2,542

7. Other operating expenses

EUR'000	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Sales and marketing expenses	11,389	11,768
Administrative expenses	12,849	11,695
Non-income-based tax	2,007	2,084
Miscellaneous operating expenses	317	185
	26,563	25,732

8. Taxes on income

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

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

EUR'000	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Actual income tax	3,562	3,115
Deferred income tax	-270	34
	3,292	3,149

9. Earnings per share

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

EUR'000	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Net income for the period after non-controlling interests		
Basis for basic / diluted earnings per share (net income for the period attributable to owners of the parent)	9,665	7,320

Number of shares	01/01/ – 30/09/2016	01/01/ – 30/09/2015
Weighted average number of shares for the calculation of basic / diluted earnings per share	14,251,314	14,251,314
Basic / diluted earnings per share in EUR	0.68	0.51

V. NOTES ON SEGMENT REPORTING

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

The segment "Central and Eastern Europe" includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz a.s., Prague; OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Spółka Finansowa Sp. z o.o., Warsaw; OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; and TOB OVB Allfinanz Ukraine, Kiev. Material contributions to the brokerage income of the Central and Eastern Europe segment are generated by OVB Allfinanz a.s., Prague at EUR 29,548 thousand (30 September 2015: EUR 29,851 thousand) and OVB Allfinanz Slovensko a.s., Bratislava at EUR 26,987 thousand (30 September 2015: EUR 27,846 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. A material contribution to the brokerage income of the Southern and Western Europe segment is generated by OVB Allfinanz España S.A., Madrid at EUR 17,349 thousand (30 September 2015: EUR 14,285 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.

Segment reporting

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

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	80,981	36,769	43,862	0	0	161,612
Other operating income	917	2,307	1,329	1,929	-250	6,232
Income from inter-segment transactions	35	709	2	6,312	-7,058	0
Total segment income	81,933	39,785	45,193	8,241	-7,308	167,844
Segment expenses						
Brokerage expense						
- Current commission for sales force	-51,950	-18,622	-24,772	0	0	-95,344
- Other commission for sales force	-5,745	-2,957	-2,904	0	0	-11,606
Personnel expenses	-5,286	-4,884	-3,243	-5,864	0	-19,277
Depreciation/amortisation	-481	-359	-261	-1,520	0	-2,621
Other operating expenses	-11,805	-8,101	-7,786	-6,165	7,294	-26,563
Total segment expenses	-75,267	-34,923	-38,966	-13,549	7,294	-155,411
Earnings before interest and taxes (EBIT)						
	6,666	4,862	6,227	-5,308	-14	12,433
Interest income	84	82	59	146	-39	332
Interest expenses	-8	-43	-19	0	38	-32
Other financial result	0	26	-15	346	0	357
Earnings before taxes (EBT)	6,742	4,927	6,252	-4,816	-15	13,090
Taxes on income	-1,389	-7	-1,792	-104	0	-3,292
Non-controlling interests	0	0	0	-133	0	-133
Segment result	5,353	4,920	4,460	-5,053	-15	9,665
Additional disclosures						
Capital expenditures for intangible and tangible assets	684	46	284	904	0	1,918
Material non-cash expenses (-) and income (+)	-207	437	-265	0	0	-35
Impairment expenses	-788	-801	-514	-105	0	-2,208
Reversal of impairment loss	51	465	96	101	58	771

Segment reporting

of OVB Holding AG for the period from 1 January to 30 September 2015, prepared in accordance with IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	80,749	36,187	37,623	0	0	154,559
Other operating income	1,051	2,590	1,373	1,352	7	6,373
Income from inter-segment transactions	28	815	3	5,625	-6,471	0
Total segment income	81,828	39,592	38,999	6,977	-6,464	160,932
Segment expenses						
Brokerage expense						
- Current commission for sales force	-52,198	-18,696	-21,316	0	0	-92,210
- Other commission for sales force	-4,880	-2,707	-2,610	0	0	-10,197
Personnel expenses	-5,131	-5,588	-3,096	-6,109	0	-19,924
Depreciation/amortisation	-636	-405	-258	-1,243	0	-2,542
Other operating expenses	-11,866	-7,395	-6,887	-6,044	6,460	-25,732
Total segment expenses	-74,711	-34,791	-34,167	-13,396	6,460	-150,605
Earnings before interest and taxes (EBIT)						
	7,117	4,801	4,832	-6,419	-4	10,327
Interest income	121	116	67	105	-68	341
Interest expenses	-11	-88	-13	-3	68	-47
Other financial result	1	-6	11	32	0	38
Earnings before taxes (EBT)	7,228	4,823	4,897	-6,285	-4	10,659
Taxes on income	-1,488	-3	-1,554	-104	0	-3,149
Non-controlling interests	0	0	0	-190	0	-190
Segment result	5,740	4,820	3,343	-6,579	-4	7,320
Additional disclosures						
Capital expenditures for intangible and tangible assets	428	90	486	510	0	1,514
Material non-cash expenses (-) and income (+)	438	120	-31	744	0	1,271
Impairment expenses	-679	-1,330	-427	-12	0	-2,448
Reversal of impairment loss	30	401	179	54	0	664

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

2. Employees

As of 30 September 2016 the OVB Group has a commercial staff of altogether 431 employees (31 December 2015: 425), 41 of which fill managerial positions (31 December 2015: 44).

3. Related party transactions

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

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

Principal shareholders as of 30 September 2016 are companies of

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

The SIGNAL IDUNA Group is a horizontally organised group of companies ("Gleichordnungsvertragskonzern"). The group's parent companies are:

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

As of 30 September 2016, IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg held shares in OVB Holding AG carrying 31.67 per cent of the voting rights. As of 30 September 2016, Deutscher Ring Krankenversicherungsverein a.G., Hamburg held shares in OVB Holding AG carrying 21.27 per cent of the voting rights. Based on agreements concluded with companies of the SIGNAL IDUNA Group, sales in the amount of EUR 11,288 thousand (30 September 2015: EUR 9,677 thousand) or rather total sales commission in the amount of EUR 15,308 thousand (30 September 2015: EUR 13,444 thousand) were generated in the first three quarters of 2016. Receivables exist in the amount of EUR 1,176 thousand (31 December 2015: EUR 516 thousand) and liabilities come to EUR 56 thousand (31 December 2015: TEUR 0).

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

As of 30 September 2016, Basler Beteiligungsholding GmbH, Hamburg held shares in OVB Holding AG carrying 32.57 per cent of the voting rights. This company belongs to the Baloise Group, whose parent company is Bâloise Holding AG, Basel. Based on agreements concluded with the Baloise Group, sales in the amount of EUR 21,910 thousand (30 September 2015: EUR 16,678 thousand) or rather total sales commission in the amount of EUR 26,186 thousand (30 September 2015: EUR 21,811 thousand) were generated in the first three quarters of 2016, essentially in the Germany segment. Receivables exist in the amount of EUR 3,569 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 728 thousand (31 December 2015: EUR 712 thousand).

As of 30 September 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 15,709 thousand (30 September 2015: EUR 24,842 thousand) or rather total sales commission in the amount of EUR 15,890 thousand (30 September 2015: EUR 26,275 thousand) were generated in the first three quarters of 2016. Receivables exist in the amount of EUR 3,117 thousand (31 December 2015: EUR 3,447 thousand) and liabilities come to EUR 407 thousand (31 December 2015: EUR 0 thousand).

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

Items outstanding as of 30 September 2016 are not secured, do not bear interest and are settled by payment. There are no guarantees relating to receivables from or liabilities to related parties.

4. Subsequent events

Significant reportable events have not occurred since 30 September 2016, the closing date of these interim financial statements.

5. Information on Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG:

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

Members of the Supervisory Board of OVB Holding AG:

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

Responsibility statement

To the best of our knowledge, and in accordance with the accounting principles applicable to interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the consolidated interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Cologne, 2 November 2016



Mario Freis



Oskar Heitz



Thomas Hücker

Review report

To OVB Holding AG, Cologne.

We have reviewed the condensed interim consolidated financial statements – comprising consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and selected explanatory notes – and the interim consolidated management report of OVB Holding AG, Cologne, which are components of a quarterly financial report pursuant to Section 37w WpHG (Securities Trading Act), for the period from 1 January to 30 September 2016. The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim consolidated management report in accordance with the provisions of the WpHG applicable to interim consolidated management reports is the responsibility of the Company's Executive Board. It is our responsibility to issue a report on the condensed interim consolidated financial statements and the interim consolidated management report based on our review.

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

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

Düsseldorf, 3 November 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Christian Sack
Wirtschaftsprüfer
(Public Auditor)

ppa. Thomas Bernhardt
Wirtschaftsprüfer
(Public Auditor)

Financial Calendar

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

Contact

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