Interim Report – First Quarter

1 January – 31 March 2018

OVB profile

OVB stands for cross-thematic and above all client-oriented allfinanz advice with a long-term approach provided to private households. With more than 3.3 million clients, 4,700 financial agents and activities in 14 national markets, OVB is one of the leading financial intermediary groups in Europe.

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Key figures for the OVB Group

Key operating figures

	Unit	01/01 - 31/03/2017	01/01 - 31/03/2018	Change
Clients (31/03)	Number	3.28 m	3.37 m	+2.7 %
Financial advisors (31/03)	Number	4,916	4,709	-4.2 %
Total sales commission	Euro million	58.4	58.6	+0.3 %
Brokerage income	Euro million	54.7	58.6	+7.0 %

Key financial figure

	Unit	01/01 - 31/03/2017	01/01 - 31/03/2018	Change
Earnings before interest and taxes (EBIT)	Euro million	3.3	2.9	-10.8 %
EBIT margin[1]	%	5.6	5.0	-0.6 %-pts
Consolidated net income	Euro million	2.5	1.9	-21.4 %
Earnings per share (undiluted)	Euro	0.17	0.13	-21.4 %

[1] Based on total sales commission

Key figures for the regions

Central and Eastern Europe

	Unit	01/01 - 31/03/2017	01/01 - 31/03/2018	Change
Clients (31/03)	Number	2.22 m	2.29 m	+3.4 %
Financial advisors (31/03)	Number	2,875	2,748	-4.4 %
Brokerage income	Euro million	27.9	29.4	+5.0 %
Earnings before interest and taxes (EBIT)	Euro million	2.2	2.0	-11.4 %
EBIT margin[1]	%	8.0	6.7	-1.3 %-pts

Germany

	Unit	01/01 - 31/03/2017	01/01 - 31/03/2018	Change
Clients (31/03)	Number	628,474	618,793	-1.5 %
Financial advisors (31/03)	Number	1,309	1,306	-0.2 %
Total sales commission	Euro million	15.3	14.5	-5.3 %
Brokerage income	Euro million	11.7	14.5	+24.3 %
Earnings before interest and taxes (EBIT)	Euro million	1.4	1.7	+25.2 %
EBIT margin[1]	%	11.8	11.9	+0.1 %-pts

Southern and Western Europe

	Unit	01/01 - 31/03/2017	01/01 - 31/03/2018	Change
Clients (31/03)	Number	436,741	461,152	+5.6 %
Financial advisors (31/03)	Number	732	655	-10.5 %
Brokerage income	Euro million	15.1	14.7	-2.9 %
Earnings before interest and taxes (EBIT)	Euro million	2.0	1.5	-22.8 %
EBIT margin[1]	%	13.1	10.4	-2.7 %-pts

[1] Based on brokerage income

Oskar Heitz

Mario Freis

Thomas Hücker

Dear shareholders, ladies and gentlemen,

OVB increased the number of customers advised by an encouraging 2.7 per cent year-on-year from 3.28 million to 3.37 million. Total sales commission moved up slightly to Euro 58.6 million in the first quarter of 2018. In the strongest segment, Central and Eastern Europe, brokerage income increased significantly by 5.0 per cent. In Germany, total sales commission was down 5.3 per cent year-on-year due to the ongoing impact of changes in legislation. Brokerage income in the Southern and Western Europe segment decreased slightly, namely by Euro 0.4 million. We offset the subdued performance in a number of national markets with significant growth in some other national markets.

Our operating income was down Euro 0.3 million year-on-year at Euro 2.9 million, primarily due to the planned increase in expenses in connection with our “OVB Evolution 2022” corporate strategy. With the systematic and successful implementation of the strategic measures, which are temporarily impacting the OVB Group’s income statement, OVB is preparing itself for future market requirements and taking account of the changes in the financial services industry. This will pay off in the medium term with additional earnings opportunities.

We would like to take the opportunity here to invite you to our impending Annual General Meeting, to be held on 5 June 2018 in Cologne. One major item on the agenda is the proposed resolution of the distribution of a dividend of 75 euro cents per share, unchanged from the previous year.

Yours sincerely,

Mario Freis
CEO

Oskar Heitz
CFO

Thomas Hücker
COO

Share performance

Stock market determined by political uncertainty

After a pleasant start to the year 2018 for the DAX and reaching a new all-time peak at 13,597 points on 23 January 2018, Germany's benchmark index went on considerable decline in the course of the first quarter. The DAX hit bottom on 26 March 2018 at 11,727 points, a drop of roughly 14 per cent from its record high. Reasons for that were the increasing political uncertainty about trade restrictions between the US, China and Europe as well as concerns about an escalation of the Syria conflict. Expectations of rising interest rates in the capital market, particularly in the US, also had an adverse effect on the stock markets. While the DAX recovered to above 12,400 points by the end of April, the phase of increased uncertainty continued.

The share of OVB Holding AG closed the year 2017 with a price of Euro 22.065. Up to the end of March 2018, the share price went down to hit its low of the reporting period on 28 March 2018 at Euro 17.10. Starting from there, the share price recovered to Euro 18.10 as recorded on 20 April 2018. 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.

IDUNA Vereinigte Lebensversicherung aG 31.67 %

Free float 3.01 %

SIGNAL IDUNA Krankenversicherung a.G. 21.27 %

Basler Beteiligungsholding GmbH 32.57 %

Generali Lebensversicherung AG 11.48 %

Shareholder structure of OVB Holding AG as of 31/12/2017

WKN / ISIN Code	628656 / DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B / O4BG.DE / O4B:GR	
Class of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra price (closing prices)		
Prior year-end	Euro 22.065	(29/12/2017)
High	Euro 21.20	(01/03/2018)
Low	Euro 17.10	(28/03/2018)
Last	Euro 18.10	(20/04/2018)
Market capitalisation	Euro 258 million	(20/04/2018)

The annual analysts' conference was held on 23 March 2018 in Frankfurt/Main on the occasion of the release of the 2017 financial statements. The Executive Board explained the performance of OVB over the past fiscal year and OVB's strategy to several financial analysts, institutional investors and bank representatives. Following this presentation, the Executive Board answered the questions asked by analysts and fund managers.

The Annual General Meeting of OVB Holding AG for fiscal year 2017 will be held on 5 June 2018 in Cologne. Up for election is a dividend of Euro 0.75 per share, unchanged from the previous year and equivalent to a total amount of Euro 10.7 million to be distributed.

Interim consolidated management report of OVB Holding AG for the period from 1 January to 31 March 2018

Course of business

OVB stands for cross-thematic financial advice based on a long-term approach. Private households in Europe represent the key target group. The Company co-operates with more than 100 high-capacity product providers and fulfils its clients' individual needs with competitive products, starting at basic protection for financial security as well as asset and financial risk protection and followed by retirement provision, asset generation and wealth management.

OVB is currently active in 14 countries of Europe as a broker of financial products. OVB's 4,709 full-time financial agents support 3.37 million clients. The Group's broad European positioning stabilizes 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.

Public social security systems are becoming increasingly unable to cope with the challenges brought upon them by the demographic development in Europe. Private financial provision is becoming ever more important. Therefore OVB still sees considerable potential for the financial services it provides.

The cross-thematic advice of clients through all stages of life is based on the AAS approach (Analysis, Advice and Service). The identification and analysis of each client's financial situation form the basis of counselling. The financial agent particularly asks for the client's wishes and goals and then creates an individually tailored solution in consideration of available financial means. OVB accompanies its clients over many years. By constant reviews and adjustments of the financial decisions to all relevant changes in the clients' needs, the resulting protection and provision concepts are suited to the clients' demands and aligned with their respective situations in life.

The professional training of the financial agents, the analysis of client demands and the resulting product recommendations are based on the general conditions prevailing in the respective market. The continuous development of these topics is given great emphasis; as a consequence, OVB prepares for future regulatory or qualitative requirements at an early stage.

At the end of March 2018, the OVB Group had altogether 494 employees (previous year: 455 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 Group's management and administration.

Macroeconomic environment

The sale of financial products in Europe keeps facing a challenging environment. One negative impact factor 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. The persistently low interest rates also exert pressure on the insurance companies as they must keep adapting their product portfolio to this new framework. In this context, margins and new business commission for the sales force have become a topic of debate as well. On the other hand, 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 job market, changes in tax legislation, health and pension reforms as well as the macroeconomic development affect OVB's business performance.

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 48 per cent of its total sales commission over the last year. The national economies of this segment show highly dynamic growth even though the economic peak reached in 2017 will probably not be contested. A strong increase in employment and wages is supporting private consumption in all these countries.

Capital expenditures are rising noticeably as well. That being said, the increase in consumer prices has remained modest so far, with the exception of Ukraine and Romania. Public budget balances are below the Maastricht upper limit of 3 per cent yet can be expected to continue supporting the expanding business performances. The economic situation appears altogether sound in this group of countries, thus strengthening the capability of private households to spend on private financial provision and risk protection.

Macroeconomic key data, Central and Eastern Europe

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2018e	2019f	2018e	2019f	2018e	2019f
Croatia	2.3	2.5	1.4	2.0	-0.5	-1.0
Czech Republic	3.5	3.2	2.2	2.1	-0.7	-0.4
Hungary	3.8	3.2	2.4	2.8	-2.5	-2.5
Poland	4.6	3.9	2.2	2.6	-1.8	-1.9
Romania	5.0	3.5	4.4	3.3	-3.5	-3.0
Slovakia	4.0	4.0	2.1	2.0	-1.5	-1.5
Ukraine	2.5	3.0	12.0	9.0	-2.6	-2.2

e = estimated; f = forecast
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 2nd Quarter 2018

Germany

26 per cent of OVB's total sales commission was accounted for by the German market in the past fiscal year. Economic growth of Europe's largest national economy can be expected to slightly exceed the 2 per cent mark in 2018 and come close to that mark in 2019. As increases in wages and salaries will be higher on average than prices increases, the real purchasing power and financial resources of private households are rising. Generally speaking, this framework therefore provides favorable conditions for OVB's business. However, the low-interest-rate environment affects the consumers' willingness to expand private provision spending.

Macroeconomic key data, Southern and Western Europe

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2018e	2019f	2018e	2019f	2018e	2019f
Austria	2.8	1.9	2.1	2.1	-0.5	-0.2
France	2.5	1.7	1.5	1.7	-2.9	-3.0
Greece	2.1	2.1	1.0	1.3	0.9	0.8
Italy	1.3	1.1	1.2	1.3	-2.0	-2.0
Spain	2.8	2.1	1.6	1.7	-2.7	-2.5
Switzerland	2.0	1.9	0.7	1.0	0.4	0.5

e = estimated; f = forecast
Source: Raiffeisen RESEARCH, Strategy Global Markets, 2nd Quarter 2018

Southern and Western Europe
The national markets of Austria, France, Greece, Italy, Spain and Switzerland represent the segment Southern and Western Europe, contributing some 26 per cent to the OVB Group's total commission in 2017. With the exception of Switzerland, these countries belong to the euro area. Economic growth of 2.5 per cent is projected for this currency area in the current fiscal year, and for 2019 a growth rate of 1.7 per cent is predicted. Spain, France and Austria record the fastest growth within the segment. Greece continues its recovery, albeit starting from a low level. Private households benefit from an improved situation of the job market, resulting in decreasing unemployment and increasing employment. This enhances financial resources available for spending on private financial provision.

Business performance

The OVB Group's total sales commission amounted to Euro 58.6 million in the period from January to March 2018 altogether, positively affected by the consideration of pro-rata and partly discounted commission in the amount of Euro 1.7 million due to first-time adoption of IFRS 15. This equals a 0.3 per cent gain on the prior-year amount of Euro 58.4 million. This altogether solid business performance results from different developments in the individual national markets. At the end of March, OVB supported 3.37 million clients (previous year: 3.28 million clients) in 14 European countries. The total number of financial advisors working for OVB went down 4.2 per cent from 4,916 sales agents as of the prior-year reporting date to 4,709 financial advisors as of 31 March 2018. The structure of new business has changed to some extent in comparison with the prior-year period: The share of unit-linked provision products dropped from 43.8 per cent to 38.6 per cent; contrary to that, respective shares comprising other provision products, investment funds and property, accident and legal expenses insurance went up.

Central and Eastern Europe
Brokerage income in the segment Central and Eastern Europe gained 5.0 per cent to Euro 29.4 million (previous year: Euro 27.9 million). While a sales decline was reported for the Czech Republic, national markets Slovakia, Poland, Romania, Hungary and Ukraine enjoyed satisfying increases – for the most part even without consideration of the effect from first-time adoption of IFRS 15. The number of financial advisors working for OVB went down from 2,875 as of the prior-year reporting date by 4.4 per cent to 2,748 financial agents as of 31 March 2018. This decline is primarily the result of the development in the Czech Republic. OVB's sales force supported 2.29 million clients (previous year: 2.22 million clients). Unit-linked provision products accounted for the largest share in new business at 44.9 per cent (previous year: 51.6 per cent), followed by other provision products accounting for 23.2 per cent (previous year: 17.1 per cent).

Breakdown of new business 1-3/2018 (1-3/2017)

Unit-linked provision products
38.6 % (43.8 %)

State-subsidised provision products
8.9 % (9.8 %)

Building society savings contracts/financing
11.0 % (11.0 %)

Property, legal expenses and accident insurance
12.5 % (10.9 %)

Health insurance
2.3 % (2.5 %)

Investment funds
4.9 % (3.4 %)

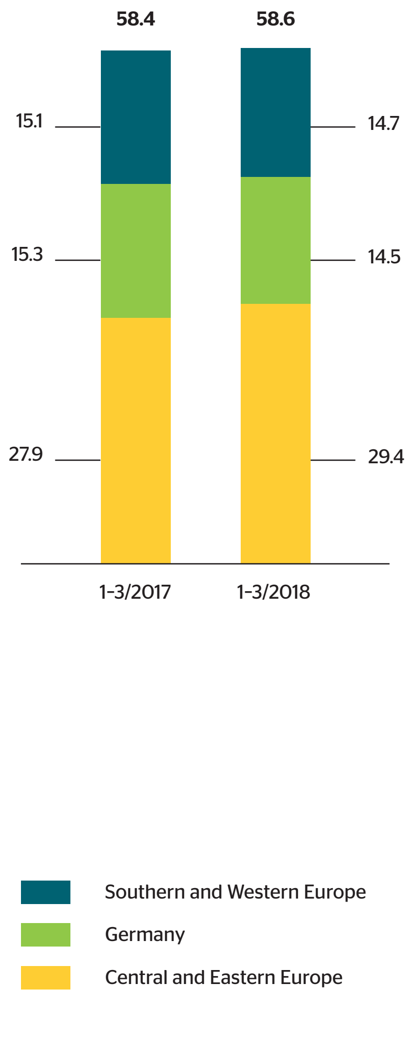
Other provision products
21.6 % (18.4 %)

Real property
0.2 % (0.2 %)

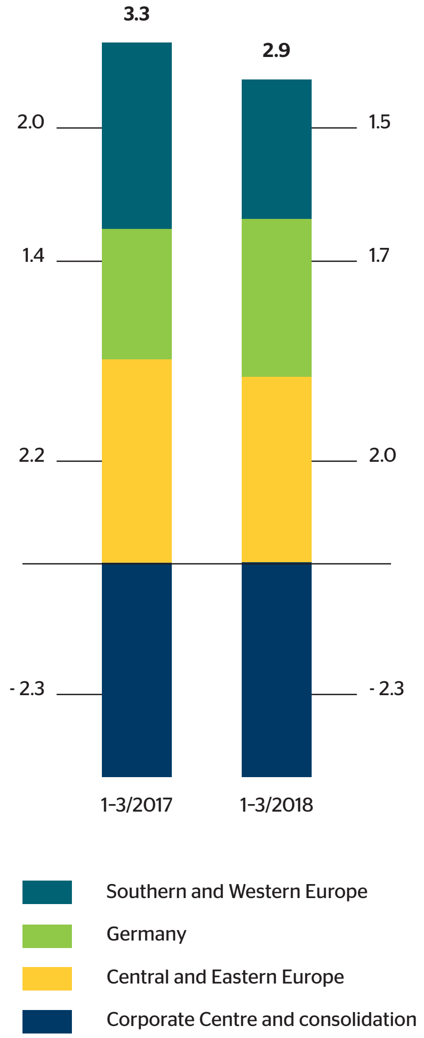
Germany

Total sales commission achieved in the Germany segment went down 5.3 per cent from Euro 15.3 million in the prior-year period to Euro 14.5 million in the reporting period. Changes in the regulatory framework continue to affect sales in this segment. The number of clients came to 618,793 as of 31 March 2018, compared to 628,474 clients one year before. The predominant share in new business was represented by unit-linked provision products at 30.7 per cent (previous year: 33.0 per cent). Other provision products, accounting for 17.4 per cent (previous year: 17.5 per cent), were also highly demanded. The number of 1,306 financial advisors working for OVB in Germany remained virtually unchanged (previous year: 1,309 sales agents).

Total sales commission by region
Euro million, figures rounded



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



Southern and Western Europe
Brokerage income of the Southern and Western Europe segment amounted to Euro 14.7 million in the reporting period, indicating a slight decline of 2.9 per cent from the prior-year amount of Euro 15.1 million. Business performances were quite different in the individual national markets: Fast growth in Austria and France and a solid performance in Italy and Greece were contrasted by sales decline in Switzerland and particularly, following strong increase over the past few years, in Spain. The number of financial advisors fell from 732 to 655 agents. Parallel to declining total sales commission in Spain, the number of local financial agents went down significantly, too. OVB's financial advisors supported altogether 461,152 clients in the segment's six countries, equivalent to a 5.6 per cent increase from the prior-year number of 436,741 clients. The customers' interest focused especially on unit-linked provision products (32.8 per cent of new business; previous year: 38.5 per cent) as well as state-subsidized provision products at 26.7 per cent (previous year: 25.5 per cent).

Profit/Loss

Over the first three months of 2018, the OVB Group generated brokerage income of Euro 58.6 million; this amount includes income from pro-rata and partly discounted commission of Euro 1.7 million due to first-time adoption of IFRS 15. The total amount equals a 7.0 per cent increase compared to the prior-year amount of Euro 54.7 million. At that, it has to be taken into consideration that, as of the end of September 2017, all commission based on so-called secondary contracts, i.e. direct contractual relationships between product partners and the sales force in the Germany segment, was finally transferred to OVB Vermögensberatung AG. Total sales commission earned in the first quarter of 2017, including commission from secondary contracts not reported as brokerage income, amounted to Euro 58.4 million. On this basis of comparison, the OVB Group's sales performance gained 0.3 per cent year-over-year. Other operating income was up 15.7 per cent from Euro 2.3 million to Euro 2.6 million. Material items driving this increase were refunds from financial advisors for IT expenses, product partners' contributions towards expenses and income from no longer applicable obligations.

Brokerage expenses went up from Euro 36.2 million in the previous year by 9.2 per cent to Euro 39.5 million in the reporting period. This increase results on the one hand from the transfer of secondary contracts and on the other hand from first-time adoption of IFRS 15. Personnel expense for the Group's employees increased on schedule by 7.6 per cent, from Euro 7.0 million to Euro 7.5 million. Reasons were new hires within the context of regulatory obligations and strategic measures as well as salary increases determined by the market. Depreciation and amortization were also up, from Euro 0.9 million to Euro 1.0 million. Other operating expenses gained 6.0 per cent from Euro 9.6 million to Euro 10.2 million, attributable among other factors to higher administrative expenses and sales and marketing costs.

The OVB Group's operating result (EBIT) reached Euro 2.9 million in the reporting period due to scheduled increased expenditure, equivalent to a 10.8 per cent decrease from the prior-year amount of Euro 3.3 million. In the Central and Eastern Europe segment, the EBIT went down from Euro 2.2 million to Euro 2.0 million. Reduced earnings in the Czech Republic were contrasted by solid or decidedly positive earnings performances in the segment's other markets. In the Germany segment, the prior-year EBIT of Euro 1.4 million gained 25.2 per cent to Euro 1.7 million in the first quarter of 2018, primarily accounted for by an increased gross profit. The operating result of the Southern and Western Europe segment dropped from Euro 2.0 million to Euro 1.5 million. This decline in earnings involved almost all the segment's national markets. The EBIT loss of Corporate Centre was close to unchanged at Euro 2.2 million compared to the prior-year amount of Euro 2.3 million. The OVB Group's EBIT margin based on total sales commission altogether went down from 5.6 per cent in the previous year to 5.0 per cent in the reporting period as expected.

Higher finance expenses than the previous year's resulted in a slightly negative financial result of Euro -0.2 million (previous year: Euro 0.1 million). Income tax expenses came to Euro 0.8 million (previous year: Euro 0.9 million). After non-controlling interests, the remaining consolidated net income for the period from January to March 2018 amounts to Euro 1.9 million (previous year: Euro 2.5 million). Earnings per share, based on 14,215,341 no-par shares respectively, went down accordingly from 17 euro cents to 13 euro cents.

Financial position

The cash flow from operating activities decreased from Euro 4.8 million in the previous year to Euro 0.9 million in the reporting period. The deciding factor for this development was a strong increase in trade receivables and other assets by Euro 3.8 million (previous year: Euro 0.7 million). In addition to that, an increase in trade payables and other liabilities by Euro 0.7 million over the previous year was contrasted by a decrease in that item by Euro 0.2 million at present. The decrease in consolidated earnings before income tax from Euro 3.4 million by Euro 0.6 million to Euro 2.8 million also affected the operating cash flow.

The cash flow from investing activities recorded cash outflow in the amount of Euro 2.1 million, of which Euro 2.0 million were accounted for by payments for financial assets. In the previous year, changes in short-term capital investments had resulted in a net cash outflow of Euro 2.7 million.

No financing activities are subject to reporting for the first quarter of 2018, just like the prior-year first quarter. Cash and cash equivalents decreased significantly as of 31 March year-over-year from Euro 72.2 million to Euro 54.3 million due to reallocations to securities and other capital investments.

Assets and liabilities

Total assets of OVB Holding AG were expanded significantly since year-end 2017 (Euro 173.0 million) by Euro 14.3 million to Euro 187.3 million as of 31 March 2018. With respect to current assets, this development is due for the most part to the first-time disclosure of contract assets from pro-rata commission in the amount of Euro 13.1 million, making a deciding contribution to the increase of the item “Receivables and other assets” from Euro 23.6 million to Euro 37.3 million. Moreover, trade receivables gained Euro 1.6 million to Euro 30.9 million (31 December 2017: Euro 29.2 million). Contrary to that, non-current assets went down from Euro 23.4 million by Euro 0.8 million to Euro 22.6 million, essentially due to amortization of intangible assets and a decrease in deferred tax assets.

The increase in retained profits from Euro 21.2 million as of year-end 2017 to Euro 26.0 million as of 31 March 2018 resulted in the Company’s increased equity of Euro 94.0 million as compared to Euro 89.2 million as of 31 December 2017. The equity ratio is currently a solid 50.2 per cent, after 51.6 per cent as of year-end 2017. The highly insignificant amount in non-current liabilities went up from Euro 1.0 million to Euro 1.3 million due to an increase in deferred tax liabilities. With respect to current liabilities, an expansion of other provisions, accounted for primarily by contract liabilities from subsequent commission, from Euro 30.9 million to Euro 40.6 million contributes to the extension of the statement of financial position. Current liabilities went up altogether from Euro 82.8 million to Euro 92.0 million.

Subsequent events

Business transactions or business events of relevance to an appraisal of the OVB Group’s assets, liabilities, financial position and profit/loss have not occurred since 31 March 2018.

Opportunities and risks

OVB is convinced of doing business in growth markets. Fundamental trends such as the demographic development in Europe increasingly require private provision and risk protection. At present, only a minority of citizens has adequate retirement provision and protection against the financial consequences of various risks of life.

This scenario continues to provide OVB with opportunities for growing sales and earnings in the future.

With respect to risks, OVB's business performance is affected especially by industry risks and financial risks. OVB has seen to risk provision regarding currently identifiable material risks. OVB's risk management system and the implemented reporting contribute considerably to the fact that the Group's overall risk position is made transparent and controlled. The risk management and internal control system is updated on an ongoing basis in order to enhance transparency of risks taken and to further improve available risk control options.

Opportunities and risks have not changed materially since the preparation of the 2017 consolidated financial statements. They are described in detail in the Annual Report 2017, 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.

Outlook

The long-term business potential in the market of private provision and risk protection remains unchanged. OVB works with great commitment at further developing this potential for the Company. However, regulatory changes continue to have an adverse effect on certain national markets. For 2018, unchanged at that from the forecast presented in the 2017 consolidated management report, OVB thus expects a slight decrease in the Group's sales compared to 2017 at different market-specific trends in the individual countries. Rising expenses connected to the implementation of the strategy "Evolution 2022" will lead to a decrease in operating income to between Euro 13.0 and 13.5 million at Group level.

Cologne, 27 April 2018

Mario Freis	Oskar Heitz	Thomas Hücker
CEO	CFO	COO

Consolidated interim financial statements

Consolidated statement of financial position

of OVB Holding AG as of 31 March 2018 according to IFRS

Assets

EUR'000	31/03/2018	31/12/2017
A. Non-current assets		
Intangible assets	9,372	9,756
Tangible assets	4,099	4,111
Financial assets	5,087	5,096
Deferred tax assets	4,077	4,451
	22,635	**23,414**
B. Current assets		
Trade receivables	30,880	29,243
Receivables and other assets	37,269	23,553
Income tax assets	1,552	1,876
Securities and other capital investments	40,707	39,413
Cash and cash equivalents	54,284	55,521
	164,692	**149,606**
Total assets	**187,327**	**173,020**

Equity and liabilities

EUR'000	31/03/2018	31/12/2017
A. Equity		
Subscribed capital	14,251	14,251
Capital reserve	39,342	39,342
Treasury shares	0	0
Revenue reserves	13,671	13,671
Other reserves	154	202
Non-controlling interests	607	569
Retained earnings	25,955	21,198
	93,980	**89,233**
B. Non-current liabilities		
Provisions	928	915
Other liabilities	70	75
Deferred tax liabilities	338	23
	1,336	**1,013**
C. Current liabilities		
Provisions for taxes	445	449
Other provisions	40,590	30,907
Income tax liabilities	811	1,077
Trade payables	7,738	7,363
Other liabilities	42,427	42,978
	92,011	**82,774**
Total equity and liabilities	**187,327**	**173,020**

Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 March 2018 according to IFRS

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
Brokerage income	58,552	54,745
Other operating income	2,636	2,279
Total income	**61,188**	**57,024**
Brokerage expenses	-39,479	-36,164
Personnel expenses	-7,533	-7,002
Depreciation and amortisation	-1,040	-949
Other operating expenses	-10,196	-9,615
Earnings before interest and taxes (EBIT)	**2,940**	**3,294**
Finance income	137	104
Finance expenses	-327	-26
Financial result	**-190**	**78**
Consolidated income before income tax	**2,750**	**3,372**
Taxes on income	-811	-906
Consolidated net income	**1,939**	**2,466**
Thereof non-controlling interests	-38	-3
Consolidated net income after non-controlling interests	**1,901**	**2,463**
Basic earnings per share in Euro	0.13	0.17

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 March 2018 according to IFRS

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
Consolidated net income	**1,939**	**2,466**
Change from revaluation of available-for-sale financial assets outside profit or loss	0	-52
Change in deferred taxes on unrealised gains and losses from capital investments outside profit or loss	0	2
Change in currency translation reserve	-31	33
Other comprehensive income to be reclassified to the income statement	**-31**	**-17**
Total comprehensive income before non-controlling interests	**1,908**	**2,449**
Total comprehensive income attributable to non-controlling interests	-38	-3
Total comprehensive income	**1,870**	**2,446**

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 31 March 2018 according to IFRS

EUR'000		01/01 – 31/03/2018	01/01 – 31/03/2017
Consolidated income before income tax		2,750	3,372
+/-	Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	1,040	949
-	Financial result	190	-78
-/+	Unrealised currency gains/losses	-14	-101
+/-	Allocation to/reversal of valuation allowances for receivables	423	435
+/-	Other non-cash financial items	-21	-175
+/-	Increase/decrease in provisions	1,963	1,390
+/-	Result from the disposal of intangible and tangible assets	-7	-44
+/-	Decrease/increase in trade receivables and other assets	-3,819	-725
+/-	Increase/decrease in trade payables and other liabilities	-182	736
-	Interest paid	-8	-26
-	Income tax paid	-1,457	-906
= Cash flow from operating activities		**858**	**4,827**
+	Payments received from disposal of tangible assets and intangible assets	8	135
+	Payments received from disposal of financial assets	21	21
+	Payments received from disposal of securities and other short-term capital investments	365	3,088
-	Payments for expenditure on tangible assets	-316	-357
-	Payments for expenditure on intangible assets	-316	-382
-	Payments for expenditure on financial assets	-12	-13
-	Payments for expenditure on securities and other short-term capital investments	-1,951	-5,296
+	Other finance income	107	60
+	Interest received	30	44
= Cash flow from investing activities		**-2,064**	**-2,700**
-	Dividends paid	0	0
= Cash flow from financing activities		**0**	**0**
Overview:			
Cash flow from operating activities		858	4,827
Cash flow from investing activities		-2,064	-2,700
Cash flow from financing activities		0	0
= Net change in cash and cash equivalents		**-1,206**	**2,127**
Exchange rate changes in cash and cash equivalents		-31	133
+ Cash and cash equivalents at end of the prior year		55,521	69,925
= Cash and cash equivalents at the end of the period		**54,284**	**72,185**

Consolidated statement of changes in equity

of OVB Holding AG as of 31 March 2018 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve	Reserve from provisions for pensions
31/12/2017	**14,251**	**39,342**	**2,539**	**11,132**	**74**	**-613**
Change in the accounting method/IFRS 9					-71	
31/12/2017 (new)	14,251	39,342	2,539	11,132	3	-613
Change in the accounting method/IFRS 15						
01/01/2018 (new)	14,251	39,342	2,539	11,132	3	-613
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in available-for-sale reserve						
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
Balance as at 31/03/2018	**14,251**	**39,342**	**2,539**	**11,132**	**3**	**-613**

of OVB Holding AG as of 31 March 2017 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve	Reserve from provisions for pensions
31/12/2016	**14,251**	**39,342**	**2,531**	**11,132**	**245**	**-521**
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in available-for-sale reserve					-52	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
Balance as at 31/03/2017	**14,251**	**39,342**	**2,531**	**11,132**	**193**	**-521**

Deferred tax on unrealised gains/losses	Currency translation reserve	Total income recognised directly in equity	Retained profits brought forward	Consolidated net income after non-controlling interests	Total compre-hensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
111	**630**		**9,056**	**12,142**		**88,664**	**569**	**89,233**
54			17					
165	630		9,073	12,142		88,664	569	89,233
			2,839					
165	630		11,912	12,142		91,503	569	92,072
			12,142	-12,142				
	-31	-31			-31	-31		-31
				1,901	1,901	1,901	38	1,939
165	**599**	**-31**	**24,054**	**1,901**	**1,870**	**93,373**	**607**	**93,980**

Deferred tax on unrealised gains/losses	Currency translation reserve	Total income recognised directly in equity	Retained profits brought forward	Consolidated net income after non-controlling interests	Total compre-hensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
81	**933**		**7,216**	**12,536**		**87,746**	**524**	**88,270**
			12,536	-12,536				
2		-50			-50	-50		-50
	33	33			33	33		33
				2,463	2,463	2,463	3	2,466
83	**966**	**-17**	**19,752**	**2,463**	**2,446**	**90,192**	**527**	**90,719**

IFRS consolidated interim financial statements Notes as of 31 March 2018

I. General information

1. General information on the OVB Group

The condensed interim consolidated financial statements for the first quarter of 2018 are released for publication as of 8 May 2018 pursuant to Executive Board resolution passed today.

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

2. Accounting principles

Pursuant to IAS 34 “Interim Financial Reporting”, the condensed interim consolidated financial statements for the first quarter of 2018 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 intended to be read in conjunction with the consolidated financial statements for the year ended 31 December 2017.

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 2017 unless otherwise indicated.

The following new standards are subject to mandatory application in fiscal year 2018 for the first time:

IFRS 9 Financial Instruments

As it becomes effective, IFRS 9 supersedes IAS 39 Financial Instruments: Recognition and Measurement including corresponding interpretations and governs the classification and measurement of financial instruments as well as their impairment. Retrospective adoption results in changes to financial statement items in the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, segment reporting as well as the consolidated statement of changes in equity as a consequence of the reclassification of changes in value recognized outside profit or loss in equity to the income statement. For further information on accounting policies and valuation methods regarding financial instruments, please refer to chapter 2.1 “Financial Instruments.”

IFRS 15 Revenue from Contracts with Customers

As it becomes effective, IFRS 15 supersedes IAS 18 and IAS 11 including corresponding interpretations. The new standard governs the disclosure of sales and defines uniform principles for the presentation of information of relevance to the financial statements regarding the type, amount and time of recognition as well as the uncertainties connected to the capitalization of sales from contracts with customers. The amounts resulting from the simplified retrospective adoption of IFRS 15 are presented and annotated under the relevant positions of the consolidated statement of financial position and the consolidated statement of changes in equity. The cumulative effect of the conversion recognized outside profit or loss in equity amounts to EUR 2,839 thousand and results from the earlier capitalization of partly discounted and pro-rata new business commission.

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.

2.1 Financial instruments

Financial assets and liabilities are recognized in the consolidated statement of financial position when an entity of the OVB Group becomes a contracting party with respect to the contractual provisions of the respective financial instrument. Recognition takes place as of the settlement date.

The OVB Group's financial instruments can be divided into the following categories which particularly determine their respective subsequent measurement:

Amortized Cost (AC)

Financial instruments measured at amortized cost are recognized at their fair value upon addition. For non-interest-bearing and low-interest financial instruments with terms to maturity of more than one year, valuation reflects the cash value. After first-time recognition, they are measured at amortized cost. That is the amount at which a financial asset was valuated upon first-time recognition, less repayments, plus or less the cumulative amortization of any difference between the originally assigned value and the amount repayable at final maturity based on the effective interest method, and less any valuation allowances for impairment.

Fair Value through Profit or Loss (FVTPL)

Financial instruments measured at fair value through profit or loss are recognized at their fair value upon addition. Gains or losses resulting from subsequent measurement are recognized in the income statement through profit or loss.

Fair Value through Other Comprehensive Income (FVOCI)

Debt or equity instruments measured at fair value through other comprehensive income are recognized at their fair value upon addition. Gains or losses resulting from subsequent measurement are recognized outside profit or loss in equity. Upon disposal of debt instruments, gains or losses included in revaluation reserve are recognized in the income statement through profit or loss. Revaluation reserve is not subject to reclassification through profit or loss with respect to equity instruments. Interest income, impairment and foreign currency gains are included in the income statement through profit or loss.

Classification to the separate categories follows the determination of the business model in the framework of which the contractual cash flows have been agreed on as well as an assessment of the cash flow conditions by applying the SPPI test (solely payment of principal and interest).

2.1.1 Impairment and reversal of impairment loss of financial assets

As of each reporting date, expected credit losses are taken into consideration for value adjustments to financial assets measured at amortized cost by multiplying cash values of classic credit loss scenarios with the corresponding probability of occurrence. The initial effective interest rate is applied for discounting.

Upon first-time evaluation of expected credit losses, impairment corresponds to credit losses expected within the next twelve months. If at a later reporting date a significant increase in credit risk is determined in comparison with the initial assessment, impairment loss corresponds to credit losses expected for the full remaining term of the asset.

For certain groups of assets, expected aggregate credit losses are determined for a group of homogenous assets with the same credit risk characteristics and recognized as a lifetime based loss allowance in accordance with IFRS 9.5.5.15.

2.2 Recognition of sales / Revenue from contracts with customers

Sales are generally recognized when the agreed performances have been provided. The amount corresponds to the anticipated revenue to be generated under the contract with the client as of the performance of the contract and over its full expected term. The revenue includes the amounts already paid as well as subsequent commission. Expected subsequent commission is measured at a probable performance rate based on historical data.

In the event that commission is refunded to a product partner, provisions are made on the basis of historical figures (provisions for cancellation risk). Changes in provisions for cancellation risk are recognized on account of sales.

Income and expenses are recognized on an accrual basis.

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. Financial assets

	Classification		31/03/2018	31/12/2017
EUR'000	**IFRS 9**	**IAS 39**		
Financial assets	AC	L+R	5,087	5,096

AC = Amortized Cost / L+R = Loans and Receivables

Financial assets relate to loans granted to employees and sales agents as well as a bonded loan in the amount of EUR 5,000 thousand, amounting to a book value of EUR 5,009 thousand as of 31 March 2018. Subsequent measurement of the bonded loan is made at amortized cost according to the effective interest rate method.

2. Receivables and other assets

As part of the item receivables and other assets, the sub-item “contract asset” has been included as of 1 January 2018 pursuant to IFRS 15.

The development of the contract asset resulting from early capitalization of subsequent commission over the fiscal year is as follows:

EUR'000	01/01/2018	Allocation	Exchange rate differences	Reversal	31/03/2018
Contract asset	11,310	1,745	-4	0	13,051

3. Securities and other capital investments

	Classification		31/03/2018	31/12/2017
EUR'000	IFRS 9	IAS 39		
Securities	FVTPL	AfS	26,606	25,903
Other capital investments	AC	L+R	14,101	13,510
			40,707	**39,413**

AC = Amortized Cost / FVTPL = Fair Value through Profit or Loss
L+R = Loans and Receivables / AfS = Available-for-Sale

4. Cash and cash equivalents

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

EUR'000	31/03/2018	31/03/2017
Cash	28	34
Cash equivalents	54,256	72,151
Current liabilities to banks	0	0
	54,284	**72,185**

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, checks and stamps. Cash equivalents are measured at face value; foreign currencies are measured in euros as of the closing date.

5. Share capital

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251,314.00, unchanged from 31 December 2017. 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.

In accordance with Section 170 AktG (Stock Corporation Act), the Executive Board of OVB Holding AG proposes the following appropriation of the net retained profits as reported in the financial statements of OVB Holding AG as of 31 December 2017:

EUR'000	2017	2016
Distribution to shareholders	10,688	10,688
Profit carry-forward	8,943	7,762
Net retained earnings	**19,631**	**18,450**

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 authorized 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.

8. Other provisions

EUR'000	31/03/2018	31/12/2017
1. Cancellation risk	15,916	16,055
2. Unbilled liabilities	11,294	10,417
3. Litigation	1,459	1,205
4. Provisions from subsequent commission (IFRS 15)	8,942	0
	37,621	**27,677**
5. Miscellaneous		
- Obligations to employees	1,182	1,133
- Costs for financial statements / Audit cost	548	670
- Other obligations	1,239	1,427
	2,969	**3,230**
	40,590	**30,907**

1. Cancellation risk
Cancellation risk primarily includes provisions for expected commission refunds claimed by product partners.

2. Unbilled liabilities
Unbilled liabilities primarily include commission not yet billed by financial agents.

3. Litigation
Provisions are made for litigation primarily due to legal disputes with clients and former financial agents. It is uncertain when such legal disputes will end and what exact amount the corresponding outflow of economic benefits will come to.

4. Provisions from subsequent commission
Provisions from subsequent commission are made for commission not yet passed on to the sales force; provisions have developed in the fiscal year as follows:

EUR'000	01/01/2018	Allocation	Exchange rate differences	Reversal	31/03/2018
Provisions from subsequent commission	7,734	1,211	-3	0	8,942

5. Miscellaneous provisions
Miscellaneous provisions encompass all provisions not to be categorized under any of the sub-items above.

9. Other liabilities

EUR'000	31/03/2018	31/12/2017
1. Retained security	38,123	38,570
2. Other tax liabilities	1,145	992
3. Liabilities to employees	2,418	2,840
4. Liabilities to product partners	193	222
5. Liabilities to banks	0	0
6. Other liabilities to sales agents	0	0
7. Miscellaneous liabilities	548	354
	42,427	**42,978**

1. Retained security
Retained security includes provisions for cancellation risk set aside on account of financial advisors. This security is retained in order to cover anticipated commission refund claims.

2. Other tax liabilities
Tax liabilities only include other actual tax liabilities that can be exactly determined or that have already been assessed.

3. Liabilities to employees
Payments to employees due in the short term for work performed, such as holiday pay, bonuses or premiums as well as benefits paid to employees due to the termination of employment are recognized at expected settlement amounts.

4. Liabilities to product partners
Liabilities to product partners that are not affiliates generally result from the reversal of commission entries and are paid by OVB as they arise over the course of business. These liabilities are measured at amortized cost.

5. Liabilities to banks
Current liabilities to banks are those with a maturity of twelve months or less from the reporting date, measured at amortized cost.

6. Other liabilities to sales agents
Current liabilities to the sales force that do not result from brokerage services were recognized as "Other liabilities to sales agents".

7. Miscellaneous liabilities
Miscellaneous liabilities comprise all liabilities that are not attributable to any of the above sub-items. This item essentially includes liabilities from social security contributions and deferred income.

IV. Notes to the income statement

1. Brokerage income

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
1. New business commission	45,110	44,047
2. Policy service commission	9,667	7,922
3. Dynamic commission	1,950	1,572
4. Other brokerage income	1,825	1,204
	58,552	**54,745**

1. New business commission
New business commission results from the successful brokerage of various financial products.

2. Policy service commission
Policy service commission results from the insured party's continuous support.

3. Dynamic commission
Dynamic commission results from increases to contributions under contract during the contract term.

4. Other brokerage income
Other brokerage income encompasses income from brokerage as a result of bonus payments and other sales related payments made by product partners as well as changes in cancellation risk provisions.

Brokerage income includes income from subsequent commission in the amount of EUR 1,745 thousand as a result of earlier capitalization of partly discounted and pro-rata new business commission.

2. 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, income from reversal of provisions, reimbursement of costs paid by partner companies and all other operating income not to be recorded as brokerage income.

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
Other operating income	2,636	2,279

3. Brokerage expenses

Brokerage expenses include 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 – 31/03/2018	01/01 – 31/03/2017
Current commission	35,355	32,232
Other commission	4,124	3,932
	39,479	**36,164**

4. Personnel expense

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
Wages and salaries	6,215	5,803
Social security	1,261	1,127
Pension plan expenses	57	72
	7,533	**7,002**

5. Depreciation and amortization

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
Amortization of intangible assets	705	624
Depreciation of property, plant and equipment	335	325
	1,040	**949**

6. Other operating expenses

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
Sales and marketing expenses	4,822	4,265
Administrative expenses	4,639	4,373
Non-income-based tax	656	850
Miscellaneous operating expenses	79	127
	10,196	**9,615**

7. 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 recognized 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 income tax expense are the following items as reported in the consolidated income statement:

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
Actual income tax	862	1,047
Deferred income tax	-51	-141
	811	**906**

8. Earnings per share

The calculation of basic / diluted earnings per share is based on the following data:

EUR'000	01/01 – 31/03/2018	01/01 – 31/03/2017
Net income for the reporting period after non-controlling interests		
Basis for basic / diluted earnings per share (net income for the reporting period attributable to owners of the parent)	1,901	2,463

	01/01 – 31/03/2018	01/01 – 31/03/2017
Number of shares		
Weighted average number of shares for the calculation of basic / diluted earnings per share	14,251,314	14,251,314
Basic / diluted earnings per share in EUR	**0.13**	**0.17**

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, banks, building societies 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 categorized as single-product companies. Segment reporting is therefore provided exclusively on the basis of geographical considerations as internal reporting to group management and corporate governance are also exclusively structured according to these criteria. Thus the broking group companies represent operating segments for the purpose of IFRS 8, aggregated in three reportable segments. All companies not involved in brokerage service operations represent the "Corporate Centre" segment in compliance with the criteria for aggregation pursuant to IFRS 8.12. Compliant with the IFRS, internal reporting to group management equals a condensed presentation of the income statement which is presented more elaborately in segment reporting. The companies' earnings are monitored separately by group management in order to be able to measure and assess profitability. Segment assets and segment liabilities are not included in the presentation of segment reporting pursuant to IFRS 8.23 as they are not part of internal reporting.

The segment "Central and Eastern Europe" includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz a.s., Prague; OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Społka Finansowa Sp. z o.o., Warsaw; OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; 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 8,309 thousand (31 March 2017: EUR 9,538 thousand), OVB Allfinanz Slovensko a.s., Bratislava at EUR 10,286 thousand (31 March 2017: EUR 8,767 thousand) and OVB Vermögensberatung A.P.K. Kft., Budapest at EUR 6,030 thousand (31 March 2017: EUR 5,883 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 Sarl., Strasbourg; and Eurenta Hellas Monoprosopi EPE Asfalistiki Praktores, Athens.

The segment "Corporate Centre" includes: OVB Holding AG, Cologne; Nord-Soft EDV-Unternehmensberatung GmbH, Horst; Nord-Soft Datenservice GmbH, Horst; OVB Informatikai Kft., Budapest; EF-CON Insurance Agency GmbH (in liquidation), 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.

Segment reporting

of OVB Holding AG for the period from 1 January to 31 March 2018 according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consoli-dation	Consoli-dated
Segment income						
Income from business with third parties						
- Brokerage income	29,353	14,516	14,683	0	0	58,552
- New business commission	24,915	8,581	11,614	0	0	45,110
- Policy service commission	3,048	4,847	1,772	0	0	9,667
- Dynamic commission	397	736	817	0	0	1,950
- Other brokerage income	993	352	480	0	0	1,825
Other operating income	504	1,330	605	772	-575	2,636
Income from inter-segment transactions	15	244	0	2,192	-2,451	0
Total segment income	**29,872**	**16,090**	**15,288**	**2,964**	**-3,026**	**61,188**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-18,791	-8,374	-8,190	0	0	-35,355
- Other commission for sales force	-2,241	-835	-1,048	0	0	-4,124
Personnel expenses	-1,934	-1,686	-1,358	-2,555	0	-7,533
Depreciation/amortisation	-202	-69	-104	-665	0	-1,040
Other operating expenses	-4,727	-3,398	-3,057	-1,942	2,928	-10,196
Total segment expenses	**-27,895**	**-14,362**	**-13,757**	**-5,162**	**2,928**	**-58,248**
Earnings before interest and taxes (EBIT)	**1,977**	**1,728**	**1,531**	**-2,198**	**-98**	**2,940**
Interest income	17	20	4	11	-4	48
Interest expenses	-1	-6	-5	0	4	-8
Other financial result	0	-70	-23	-137	0	-230
Earnings before taxes (EBT)	**1,993**	**1,672**	**1,507**	**-2,324**	**-98**	**2,750**
Taxes on income	-335	-5	-433	-38	0	-811
Non-controlling interests	0	0	0	-38	0	-38
Segment result	**1,658**	**1,667**	**1,074**	**-2,400**	**-98**	**1,901**
Additional disclosures						
Capital expenditures for intangible and tangible assets	198	102	144	188	0	632
Material non-cash expenses (-) and income (+)	49	651	-21	0	0	679
Impairment expenses	-72	-532	-200	-283	0	-1,087
Reversal of impairment loss	44	25	82	121	0	272

Segment reporting

of OVB Holding AG for the period from 1 January to 31 March 2017 according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consoli-dation	Consoli-dated
Segment income						
Income from business with third parties						
- Brokerage income	27,946	11,681	15,118	0	0	54,745
- New business commission	23,952	7,522	12,574	0	0	44,047
- Policy service commission	2,757	3,589	1,575	0	0	7,922
- Dynamic commission	421	506	645	0	0	1,572
- Other brokerage income	816	64	324	0	0	1,204
Other operating income	329	1,018	646	267	19	2,279
Income from inter-segment transactions	11	239	0	1,920	-2,170	0
Total segment income	**28,286**	**12,938**	**15,764**	**2,187**	**-2,151**	**57,024**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-18,024	-5,734	-8,474	0	0	-32,232
- Other commission for sales force	-1,849	-1,001	-1,082	0	0	-3,932
Personnel expenses	-1,858	-1,828	-1,267	-2,049	0	-7,002
Depreciation/amortisation	-192	-100	-93	-564	0	-949
Other operating expenses	-4,132	-2,897	-2,864	-1,838	2,116	-9,615
Total segment expenses	**-26,055**	**-11,560**	**-13,780**	**-4,451**	**2,116**	**-53,730**
Earnings before interest and taxes (EBIT)	**2,231**	**1,378**	**1,984**	**-2,264**	**-35**	**3,294**
Interest income	17	30	6	13	-5	61
Interest expenses	-1	-10	-10	-10	5	-26
Other financial result	0	33	10	0	0	43
Earnings before taxes (EBT)	**2,247**	**1,431**	**1,990**	**-2,261**	**-35**	**3,372**
Taxes on income	-407	7	-504	-2	0	-906
Non-controlling interests	0	0	0	-3	0	-3
Segment result	**1,840**	**1,438**	**1,486**	**-2,266**	**-35**	**2,463**
Additional disclosures						
Capital expenditures for intangible and tangible assets	190	110	143	296	0	739
Material non-cash expenses (-) and income (+)	47	-59	2	0	0	-10
Impairment expenses	-65	-349	-348	-42	0	-804
Reversal of impairment loss	3	113	194	10	0	320

VI. Other disclosures relating to the consolidated interim financial statements

1. Financial instruments

EUR'000	Classification IFRS 9	IAS 39	31/03/2018	31/12/2017/ 01/01/2018
Financial assets	AC	L+R	5,087	5,096
Trade receivables	AC	L+R	30,880	29,243
Receivables and other assets			37,269	23,553
Receivables	AC	L+R	19,498	19,803
Other assets			4,720	3,750
Contract asset	AC		13,051	0
Securities and other capital investments			40,707	39,413
Securities	FVTPL	AfS	26,606	25,903
Other capital investments	AC	L+R	14,101	13,510
Cash and cash equivalents	AC	L+R	54,284	55,521

AC = Amortized Cost / FVTPL = Fair Value through Profit or Loss
L+R = Loans and Receivables / AfS = Available-for-Sale

All book values of financial assets, with the exception of securities measured at fair value, correspond to a reasonable approximation of fair value.

The item "Securities and other capital investments" includes securities at a book value of EUR 5,884 thousand (31 December 2017: EUR 5,978 thousand) measured according to level 1 at market or stock market prices pursuant to IFRS 13 as well as securities at a book value of EUR 20,722 thousand (31 December 2017: EUR 19,925 thousand) measured according to level 2 at net asset value determined by the respective investment company pursuant to IFRS 13.

In the reporting period, no reclassifications of financial instruments took place between fair value hierarchy levels.

No material effect resulted from the first-time application of the impairment provisions defined under IFRS 9 (expected credit losses).

Securities include interests in investment funds to the following extent:

	31/03/2018		
Investment	Pension fund	Balanced fund	Equity fund
Number of investment funds	5	6	1
Fund assets as of reporting date	€ 0.1 - 3.8 billion	€ 31.9 - 207.6 million	€ 198.0 million
Book values as of reporting date	€ 11.8 million	€ 9.1 million	€ 2.7 million
Interest in the fund	0.2 - 1.2 %	0.7 - 3.0 %	1.4 %

	31/12/2017		
Investment	Pension fund	Balanced fund	Equity fund
Number of investment funds	5	5	1
Fund assets as of reporting date	€ 0.1 - 3.8 billion	€ 31.9 - 207.6 million	€ 198.0 million
Book values as of reporting date	€ 12.0 million	€ 8.2 million	€ 2.7 million
Interest in the fund	0.2 - 2.5 %	0.7 - 3.0 %	1.4 %

Maximum risk exposure corresponds to book values.

Aggregated according to the measurement categories defined under IFRS 9, the book values of financial instruments can be broken down as follows:

EUR'000	IAS 39 Measurement category	Book value 2018	Amortized cost	Historical cost	Change in value outside profit or loss	Change in value through profit or loss
Financial assets (AC)	Loans and Receivables	136,901 (previous year: 123,173)	136,901 (previous year: 123,173)		-	-21,247 (previous year: -21,026)
Financial assets (FVTPL)	Available-for-sale financial assets	26,606 (previous year: 25,903)	-	27,086 (previous year: 26,074)	0 (previous year: 71)	-480 (previous year: -243)
Financial liabilities (AC)	Financial liabilities	48,634 (previous year: 49,081)	48,634 (previous year: 49,081)		-	-

AC = Amortized Cost / FVTPL = Fair Value through Profit or Loss

The following tables show the reconciliation of measurement categories defined under IAS 39 to the new measurement categories defined under IFRS 9:

AC	31/12/2017	Reclassification	Revaluation	01/01/2018
EUR'000				
Financial assets				
Opening statement of financial position pursuant to IAS 39	0			
Allocation from L+R (IAS 39)		5,096		
Revaluation			0	
Closing statement of financial position pursuant to IFRS 9				5,096
Trade receivables				
Opening statement of financial position pursuant to IAS 39	0			
Allocation from L+R (IAS 39)		29,243		
Revaluation			0	
Closing statement of financial position pursuant to IFRS 9				29,243
Receivables				
Opening statement of financial position pursuant to IAS 39	0			
Allocation from L+R (IAS 39)		19,803		
Revaluation			0	
Closing statement of financial position pursuant to IFRS 9				19,803
Other capital investments				
Opening statement of financial position pursuant to IAS 39	0			
Allocation from L+R (IAS 39)		13,510		
Revaluation			0	
Closing statement of financial position pursuant to IFRS 9				13,510
Cash and cash equivalents				
Opening statement of financial position pursuant to IAS 39	0			
Allocation from L+R (IAS 39)		55,521		
Revaluation			0	
Closing statement of financial position pursuant to IFRS 9				55,521
	0	**123,173**	**0**	**123,173**

FVTPL	31/12/2017	Reclassifica-tion	Revalua-tion	01/01/2018
EUR'000				
Securities				
Opening statement of financial position pursuant to IAS 39	0			
Allocation from AfS (IAS 39)		25,903		
Revaluation			0	
Closing statement of financial position pursuant to IFRS 9				25,903
	0	**25,903**	**0**	**25,903**

AC = Amortized Cost / FVTPL = Fair Value through Profit or Loss

2. Adoption of IFRS 15

Adjustments resulting from first-time adoption of IFRS 15 affect the following individual financial statement items and result from early capitalization of subsequent commission. Positive amounts indicate an increase over the amount that would have been reported as of 31 March 2018 without adoption of IFRS 15 and negative amounts indicate a corresponding decrease.

2.1 Consolidated statement of financial position

	Adjustment		
Financial statement items EUR'000	**As of 01/01/2018**	**Adjustment for the period**	**As of 31/03/2018**
Receivables and other assets	11,310	1,741	13,051
Retained profits	2,839	445	3,284
Other provisions	7,734	1,208	8,942
Deferred tax liabilities	737	88	825

2.2 Consolidated income statement

Financial statement items EUR'000	Adjustment 01/01 – 31/03/2018
Brokerage income	1,745
Total income	1,745
Brokerage expenses	1,211
Operating result (EBIT)	534
Consolidated income before income tax	534
Taxes on income	-98
Consolidated net income	436
Consolidated net income after non-controlling interests	436

2.3 Consolidated statement of comprehensive income

Financial statement items EUR'000	Adjustment 01/01 – 31/03/2018
Consolidated net income	436
Total comprehensive income before non-controlling interests	436
Total comprehensive income	436

2.4 Consolidated statement of cash flows

Financial statement items EUR'000	Adjustment 01/01 – 31/03/2018
Consolidated income before income tax	534
Increase/Decrease in provisions	-1,211
Decrease/Increase in trade receivables and other assets	1,745

2.5 Segment reporting

	Adjustment 01/01 – 31/03/2018		
Financial statement items EUR'000	**Central and Eastern Europe**	**Germany**	**Southern and Western Europe**
Brokerage income	1,792	-97	50
Total segment income	1,792	-97	50
Brokerage expenses	1,249	-68	30
Operating result (EBIT)	543	-29	20
Earnings before income tax	543	-29	20
Taxes on income	-103	9	-4
Segment result	440	-20	16

3. 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 recognized in "Other provisions" to the extent they give rise to obligations whose values can be reliably estimated. Material changes in comparison with 31 December 2017 have not occurred.

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

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

4. Employees

As of 31 March 2018, the OVB Group has a commercial staff of altogether 494 employees (31 December 2017: 474), 47 thereof in managerial positions (31 December 2017: 48).

5. Related party disclosures

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

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

Principal shareholders as of 31 March 2018 are entities of

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

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

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

As of 31 March 2018, IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg, held shares in OVB Holding AG carrying 31.67 per cent of the voting rights. As of 31 March 2018, SIGNAL IDUNA Krankenversicherung a.G., Dortmund, 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 6,690 thousand (31 March 2017: EUR 4,989 thousand) were generated in the first quarter of 2018. Receivables exist in the amount of EUR 2,406 thousand (31 December 2017: EUR 2,193 thousand) and liabilities come to EUR 20 thousand (31 December 2017: EUR 1 thousand).

The item "Securities and other capital investments" includes securities issued by SIGNAL IDUNA Group in the amount of EUR 7,196 thousand (31 December 2017: EUR 7,336 thousand).

As of 31 March 2018, 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 7,998 thousand (31 March 2017: EUR 7,737 thousand) were generated in the first quarter of 2018, essentially in the Germany segment. Receivables exist in the amount of EUR 7,432 thousand (31 December 2017: EUR 4,860 thousand).

The item "Securities and other investments" includes securities issued by Bâloise Holding AG in the amount of EUR 749 thousand (31 December 2017: EUR 757 thousand).

As of 31 March 2018, 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 4,417 thousand (31 March 2017: EUR 5,272 thousand) were generated in the first quarter of 2018. Receivables exist in the amount of EUR 5,859 thousand (31 December 2017: EUR 6,508 thousand) and liabilities come to EUR 191 thousand (31 December 2017: EUR 32 thousand).

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

Items outstanding as of 31 March 2018 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.

6. Subsequent events

Significant reportable events have not occurred since 31 March 2018, the closing date of these interim financial statements.

7. 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 SIGNAL IDUNA 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; Independent Certified Expert for Accounting and Management Accounting, former 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; 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; Senior Advisor and Supervisory Board Member in the Financial Services Sector, former 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

We confirm that 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 and liabilities, financial position and profit/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, 27 April 2018

Mario Freis CEO	Oskar Heitz CFO	Thomas Hücker COO

Review report

To OVB Holding AG, Cologne

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and selected explanatory notes – and the interim group management report of OVB Holding AG, Cologne, for the period from 1 January to 31 March 2018 which are part of the quarterly financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim 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 nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 04 May 2018
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Peters
Wirtschaftsprüfer
(German Public Auditor)

ppa. Thomas Bernhardt
Wirtschaftsprüfer
(German Public Auditor)

Financial Calendar

08 May 2018
Results for the first quarter 2018, Conference Call

05 June 2018
Annual General Meeting, Cologne

07 August 2018
Results for the second quarter 2018, Conference Call

09 November 2018
Results for the third quarter 2018, Conference Call

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