Annual Report 2019

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50 years of OVB

With a strong history into a strong future

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Annual Report 2019

Key figures for the OVB Group

Key operating figures	Unit	2018	2019	Change
Clients (31/12)	Number	3.48 m	3.76 m	+7.8 %
Financial advisors (31/12)	Number	4,715	5,069	+7.5 %
Brokerage income	Euro million	231.3	257.8	+11.4 %

Key financial figures	Unit	2018	2019	Change
Earnings before interest and taxes (EBIT)	Euro million	13.2	14.1	+7.0 %
EBIT margin	%	5.7	5.5	-0.2 %-pts
Consolidated net income after non-controlling interests	Euro million	9.6	11.0	+14.5 %

Key figures for OVB shares	Unit	2018	2019	Change
Share capital (31/12)	Euro million	14.25	14.25	±0.0 %
Number of shares (31/12)	Shares million	14.25	14.25	±0.0 %
Earnings per share (undiluted/diluted)	Euro	0.67	0.77	+14.5 %
Dividend per share[1]	Euro	0.75	0.75	±0.0 %

[1] 2019 proposed dividend

Key figures for the regions

Central and Eastern Europe	Unit	2018	2019	Change
Clients (31/12)	Number	2.39 m	2.52 m	+5.8 %
Financial advisors (31/12)	Number	2,752	2,919	+6.1 %
Brokerage income	Euro million	116.3	122.9	+5.7 %
Earnings before interest and taxes (EBIT)	Euro million	9.9	11.1	+12.5 %
EBIT margin	%	8.5	9.0	+0.5 %-pts

Germany	Unit	2018	2019	Change
Clients (31/12)	Number	616,775	612,982	-0.6 %
Financial advisors (31/12)	Number	1,333	1,295	-2.9 %
Brokerage income	Euro million	59.4	61.6	+3.7 %
Earnings before interest and taxes (EBIT)	Euro million	7.1	7.9	+11.1 %
EBIT margin	%	11.9	12.8	+0.9 %-pts

Southern and Western Europe	Unit	2018	2019	Change
Clients (31/12)	Number	481,283	619,374	+28.7 %
Financial advisors (31/12)	Number	630	855	+35.7 %
Brokerage income	Euro million	55.6	73.3	+31.7 %
Earnings before interest and taxes (EBIT)	Euro million	6.2	4.8	-22.1 %
EBIT margin	%	11.2	6.6	-4.6 %-pts

Contents

Combined management report 2019 of OVB Holding AG

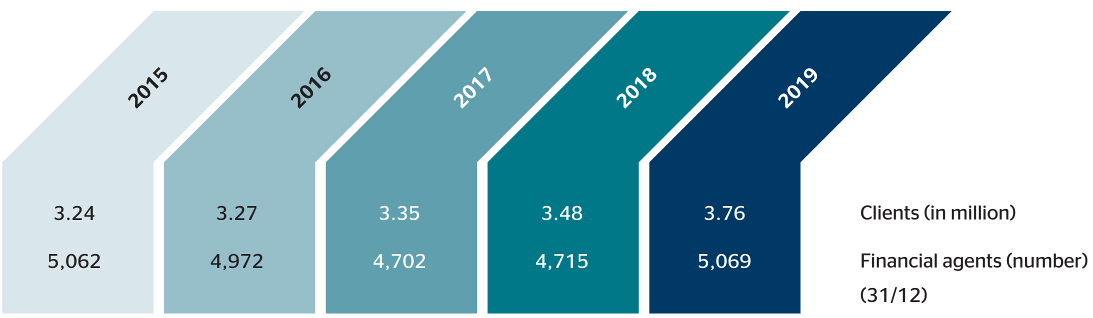
Basic information on the Group

Business model of the OVB Group

OVB stands for cross-thematic financial advice based on a long-term approach. Private households in Europe represent the key target group. The Company cooperates with more than 100 high-capacity product providers and fulfills 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 15 countries of Europe as an intermediary for financial products. 3.76 million clients place their trust in the advisory service and support provided by OVB and its more than 5,000 full-time financial agents. Its broad European positioning stabilizes OVB's business performance and opens up growth potential. OVB's 15 national markets are different in terms of structure, development status and size. OVB is a market leader in several countries. The number of senior citizens rises in Europe as the number of young people goes down. Public social security systems are increasingly unable to cope with that challenge. Therefore OVB still sees considerable potential for the services it provides.

OVB clients and financial agents



The cross-thematic advice of clients through all stages of life is based on a comprehensive, tried and tested approach: The identification and analysis of each client's financial situation form the basis of counselling. The agent particularly asks for the client's wishes and goals and then creates an individually tailored solution in consideration of personal financial resources, a solution with a long-term horizon that is both affordable and sufficiently flexible. OVB accompanies its clients over many years. Service meetings with clients are held on a regular basis in order to consistently adjust our clients' financial planning to their current situations in life. This effort results in protection and provision concepts suited to each client's demands and respective phase of life.

The professional training of the agents, the analysis of client demands and the resulting product recommendations are based on the general conditions prevailing in the respective market. The continuous advancement of these issues is given great emphasis. OVB is thus capable of an early response to future regulatory or qualitative requirements. The OVB Group had altogether

620 employees (previous year: 505 employees) in the holding company, the head offices of the operating subsidiaries and in the service companies at the end of 2019. They control and manage the Group based on efficient structures and processes.

Control system

Group structure
As the management holding company, OVB Holding AG is at the top of the OVB Group. The Company determines the strategic goals and aligns business policies. Business operations are divided into regional segments. Operating subsidiaries are active in 15 European countries at present. On behalf of these subsidiaries, self-employed sales agents support and advise our clients on issues of risk protection and provision. Three service companies provide IT services in support of these core business activities.

OVB Holding AG is the sole shareholder of these entities, with the exception of the two IT service providers Nord-Soft EDV-Unternehmensberatung GmbH and Nord-Soft Datenservice GmbH (50.4 per cent interest respectively).

Between OVB Holding AG and German subsidiary OVB Vermögensberatung AG, a profit-and-loss transfer agreement has been in effect since the year 2008 and a control agreement since the year 2014.

Organizational chart of the OVB Group

OVB Holding AG

Sales companies Central and Eastern Europe	Sales companies Germany	Sales companies Southern and Western Europe	Service companies
OVB Czech Republic	OVB Germany	OVB Austria	Nord-Soft EDV-Unternehmensberatung GmbH
OVB Slovakia	Advesto Germany	OVB Switzerland	Nord-Soft Datenservice Gmbh
OVB Poland	Eurenta Germany	OVB Group Greece	OVB Informatikai*
OVB Hungary		OVB France	
OVB Group Croatia		OVB Italy	
OVB Group Romania		OVB Spain	
OVB Ukraine		Willemot NV / Belgium	

* indirect interest

Management and supervision of the Group

Executive Board
The members of the Executive Board of OVB Holding AG have joint responsibility for managing the Group's business. As of 31 December 2019 the Executive Board had three members. Apart from the position of CEO who is also responsible for Sales, the Executive Board members' responsibilities were divided into Finance and Operations.

Assignment of Executive Board responsibilities as of 31 December 2019

Chairman (CEO) Sales **Mario Freis**	Deputy Chairman Finance (CFO) **Oskar Heitz**	Operations (COO) **Thomas Hücker**
Corporate Development Corporate Management Sales Training Product Management Marketing Communication Internal Auditing	Group Accounting Risk Management Management Accounting Investor Relations Legal Affairs Tax Compliance Data Protection Anti-Money Laundering	Group IT IT Security Process Management Human Resources

Supervisory Board
The Supervisory Board of OVB Holding AG had five* members as of 31 December 2019, all of whom elected by the General Meeting of Shareholders.

Name	Function
Michael Johnigk	Chairman of the Supervisory Board
Dr. Thomas A. Lange	Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee
Maximilian Beck	Member of the Supervisory Board
Markus Jost	Member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee
Wilfried Kempchen	Member of the Supervisory Board

*Supervisory Board member Winfried Spies passed away on 21 August 2019.

The Supervisory Board appoints the members of the Executive Board and supervises and advises the Executive Board on the Company's management. Detailed information on the cooperation between Executive Board and Supervisory Board as well as on corporate governance at OVB Holding AG is provided in the report of the Supervisory Board. Further information on corporate governance can be found on the Internet at https://www.ovb.eu/english/investor-relations/corporate-governance.

Corporate management
Corporate management within the OVB Group is divided into a strategic and an operating element. In the realm of strategic controlling, long-term planning with a time horizon of five years connects the corporate strategy to specific quantitative targets.

Transnational exchange of know-how supports the effective and networked management of the 15 sales subsidiaries. Committees of OVB Holding AG continuously coordinate market cultivation and marketing activities as well as the composition of the portfolio of partners and products with the respective OVB sales subsidiaries.

Operational management accounting supports the management of business operations. The Company's key targets and control variables are sales (brokerage income) and earnings before interest and taxes (EBIT). Apart from these monetary indicators, non-monetary indicators such as the number of financial agents and the number of clients serve as evidence of the success of business operations as well. Performances of non-monetary indicators are constantly being monitored by the Company yet not regarded as key targets or control variables. Management accounting involves a monthly analysis of the development of sales, brokerage expenses and other material expense items. These findings are incorporated into the Company's investment budget and financial planning.

Targets defined by the Executive Board establish the cornerstones of the strategic multi-year budget and the annual operating budget with respect to sales, costs and earnings. The decentralized planning process conducted by individual subsidiaries and cost centre managers is then aligned with the Group's strategy in a top-down and bottom-up process. Apart from that, particularly the expenses and income budgeted for the Group are subject to a centralized evaluation process.

Budget parameters are aligned with their respective underlying measures and assumptions and made transparent for each business unit as well as for the Group as a whole. Starting points are the current distribution and financial data as of the end of the third quarter prior to the budget period.

In a first step, the basic data available at the start of budgeting are adjusted for significant events that will probably either increase in relevance or have no more relevance for the planning period. Then the planned measures are incorporated into the basic data in the shape of cost and revenues.

OVB prepares monthly target/actual deviation analyses and continuously updates material financial as well as distribution data and is thus able to respond immediately to any deviations from the budget.

Within the OVB Group, medium and long-term financing of business operations is ensured by the available liquidity. OVB Holding AG as the Group's parent continuously monitors the 15 sales subsidiaries' demands for liquidity and makes liquid assets available if necessary.

Goals and strategies

In view of predictable changes in the business environment, the markets and the legal framework of the Company's business, OVB has developed the medium-term strategy »OVB Evolution 2022«, which is being implemented consistently since 2017. The strategy is oriented towards a long-term vision as a benchmark, defines strategic goals and comprises four basic cornerstones, each connected to specific strategic measures.

OVB has defined strategic goals, comprising the sustainable development of the sales organization, the expansion of the client base, increasing the business volume with the individual clients, raising the client satisfaction level, expanding online marketing activity, further efficiency improvements in back-office operations, the digitization of processes and sales support as well as an expansion to new national markets in Europe. According to »OVB Evolution 2022«, four cornerstones will support the achievement of these goals:

- Realization of potential
- Digitization
- Modernization
- Expansion

With respect to » Realization of Potential«, great significance is attached e.g. to the ongoing development of the Europe-wide professional training system. OVB will further advance and update the professional training system across Europe, not only due to regulatory requirements but also based on the Company's own high quality standards. OVB will also keep tapping the full business potential represented by its 3.76 million existing clients systematically. There is considerable potential for cross-selling and upselling activities throughout Europe. Available resources and the demand for private provision are rising especially in the national markets of the Central and Eastern Europe segment due to above-average increases in income. With respect to »Digitization«, OVB focuses primarily on its business processes, the agent's modern workplace as well as enhanced options for interaction between clients, financial agents and OVB. A contemporary target group approach is at the core of »Modernization«. Developing and expanding social media activities within the scope of our social media strategy provides additional opportunities for acquiring both new staff and clients. »Expansion« stands primarily for the transfer of the tried and tested OVB business model to new, attractive national markets. With the acquisition of the company Willemot in Belgium, OVB completed the market entry into the 15th national market.

More than 426 million people live in the 15 countries of Europe in which OVB currently operates. Because of imperative private provision to be taken on one's own initiative and the demand for advisory service derived from that, OVB sees sound prospects for its business. In winning new financial agents, OVB counts on finding and qualifying people willing to perform for the responsible task of providing comprehensive “allfinanz” advisory service in order to fulfill the increasing demand for financial advice among the people in Europe.

Business report

Macroeconomic and industry-related general conditions

Macroeconomic development
OVB operates in 15 European countries divided into three regional segments. OVB generates 76 per cent of its brokerage income outside Germany. Against this backdrop, it is important to consider the macroeconomic development in Europe for an assessment of the 2019 business performance. Among the relevant factors are economic growth, the development of the job market and changes in the income situation of private households.

Economic growth in the countries of the euro area has slowed down considerably from 1.9 per cent in 2018 to 1.2 per cent in the reporting year. The economy was determined by a recession in the industrial sector and a moderate yet robust development in the services industry. Weak international demand and the negative effects of the trade conflicts started by the USA affected the export business. Private consumer spending, however, remained a pillar of the economic development at consistently high employment rates.

Key economic data Central and Eastern Europe
The seven national markets of the Central and Eastern Europe segment accounted for 48 per cent of the OVB Group's sales in the year under review. Despite minor country specific differences, the region maintained its altogether high economic dynamics. Private consumer spending was an essential driving force aided in effect by full employment and increases in wages and salaries above the inflation rate. The economic situation for this group of countries was rather fortunate in 2019, supporting the capability of private households to invest in private financial protection and provision.

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2018	2019e	2018	2019e	2018	2019e
Croatia	2.7	2.8	1.5	0.8	0.3	-0.5
Czech Republic	2.9	2.5	2.1	2.8	0.9	0.0
Hungary	5.1	4.9	2.8	3.4	-2.0	-1.7
Poland	5.2	4.3	1.7	2.3	-0.4	-0.6
Romania	4.0	3.8	4.6	3.8	-3.0	-4.3
Slovakia	4.0	2.2	2.5	2.7	-1.1	-1.1
Ukraine	3.3	3.5	10.9	8.0	-1.7	-2.2

e = estimate
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 1st Quarter 2020 (December 2019)

Key economic data Germany
The Germany segment accounted for 24 per cent of the OVB Group's sales in the year under review. Economic growth in Europe's largest national economy slowed down from 1.5 per cent in 2018 to 0.5 per cent in the year under review. Particularly weak was the performance of the industrial sector, affected by structural problems of the automotive industry and decreasing demand from abroad. Barely affected by this and staying on its course for growth were the sectors with a domestic orientation like the building industry and large parts of the services industry. The employment situation also remained relatively stable and the income situation did not become any less fortunate. Yet uncertainty was rising, resulting in growing reserve with respect to entering long-term financial commitments.

Key economic data Southern and Western Europe
The countries of the Southern and Western Europe segment belong to the eurozone, with the sole exception of Switzerland. In this segment, the OVB Group generated 28 per cent of sales in the year under review. Economic growth slowed down noticeably in this group of countries in 2019, due in part to decreasing net exports as well as negative country-specific factors. The Italian economy e.g. remained affected by structural problems left unsolved over many years. The economies of Spain and Austria performed relatively well. Generally speaking, the private households of Southern and Western Europe have sufficient resources at their disposal in many cases for spending more money on risk protection and retirement provision.

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2018	2019e	2018	2019e	2018	2019e
Austria	2.4	1.5	2.1	1.5	0.2	0.5
Belgium	1.5	1.2	2.3	1.4	-0.7	-1.7
France	1.7	1.3	2.1	1.3	-2.5	-3.1
Greece	1.9	1.7	0.8	0.5	1.1	1.3
Italy	0.8	0.1	1.2	0.7	-2.1	-2.3
Spain	2.4	2.0	1.7	0.8	-2.5	-2.3
Switzerland	2.8	0.9	0.9	0.4	1.6	1.2
Eurozone	**1.9**	**1.2**	**1.8**	**1.2**	**-0.5**	**-0.8**

e = estimate
Source: Raiffeisen RESEARCH, Strategy Global Markets, 1st Quarter 2020 (December 2019)

Industry situation
OVB's business centres on providing cross-thematic advice and support with a long-term horizon to private households regarding basic protection, asset and financial risk protection, retirement provision and asset generation as well as wealth management.

Macroeconomic conditions for the sale of financial products in Europe remained rather favourable in the year 2019. While economic growth did slow down, business activities are at a high level and the disposable income of private households has remained stable or even gone up in some countries. Resources for taking measures for one's own financial provision are available.

The sale of financial products in Europe continued to face a challenging environment. While borrowers and house builders benefit from the low interest on loans, the persisting low-interest phase causes major challenges for clients willing to take provision measures. Insurance companies have adapted their product portfolios to the low-interest rate environment. Products with profit participation and guaranteed interest that yield only low returns now are hardly offered anymore. Retirement provision with real property and stock are at the centre of investor interest. In demand are direct investments in funds or unit-linked pension schemes that also provide a protective element in the form of lifelong pension payments. The risk attached is curtailed by modern instruments of risk management. Thus investment options remain, making it possible to generate returns for the investor. Apart from that, OVB identifies considerable growth in products protecting against biometric risk such as death, invalidity, sickness and care dependency in many countries.

OVB is certain that the demand for cross-thematic, competent and comprehensive personal advice on all kinds of financial matters is increasing: The product offering for private households is almost inscrutable and state support plans are hard to comprehend. In addition to that, financial decisions once made must be routinely reviewed and adapted, if necessary, to changing needs and situations in life.

From OVB's vantage, the market for private risk protection and provision therefore offers long-term market potential and sound opportunities for growth despite the currently challenging environment.

Business performance

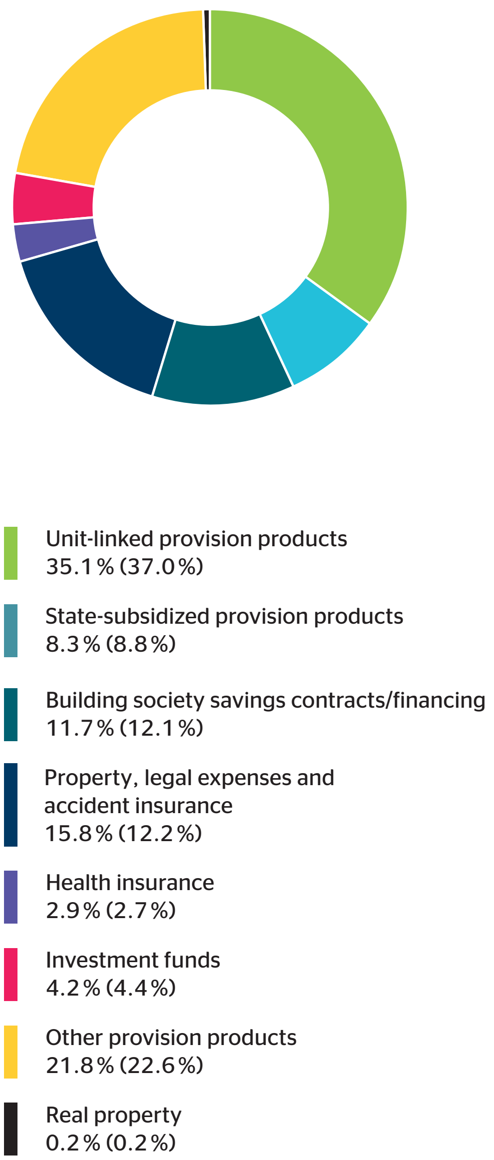
In financial year 2019, the OVB Group generated brokerage income in the amount of Euro 257.8 million. This equals an 11.4 per cent increase over the prior-year amount of Euro 231.3 million. Most national markets reported positive performances. The number of supported clients climbed from 3.48 million clients at the end of 2018 to 3.76 million clients as of the reporting date. The OVB sales force comprises 5,069 full-time financial agents as of the reporting date (previous year: 4,715 financial agents).

The structure of new business with respect to the type of brokered financial products reflects the focus of advisory services on basic protection for financial security, asset and financial risk protection, retirement provision as well as asset generation and wealth management. Unit-linked provision products continued to dominate the clients' demand throughout Europe in 2019. This product group's share in the new business was 35.1 per cent (previous year: 37.0 per cent). Other provision products – classic life and pension insurance policies and particularly products for the protection against biometric risks – amounted to 21.8 per cent of the new business (previous year: 22.6 per cent). Property, legal expenses and accident insurance (with a share of 15.8 per cent after 12.2 per cent), building society savings contracts/financing (with a share of 11.7 per cent after 12.1 per cent) and state-subsidized provision products (8.3 per cent of the business brokered in 2019 after 8.8 per cent in the previous year) complete the comprehensive "allfinanz" advisory approach in addition to investment funds, health insurance and real property.

Central and Eastern Europe segment
The Central and Eastern Europe segment comprises the seven national markets Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Ukraine. In financial year 2019, brokerage income went up 5.7 per cent from Euro 116.3 million in the previous year to Euro 122.9 million in the year under review. In the 2018 consolidated management report, only a slight sales increase had been anticipated. While the sales performance was still declining slightly in the Czech Republic, OVB achieved growth in sales, significant in part, in all other national markets of the segment.

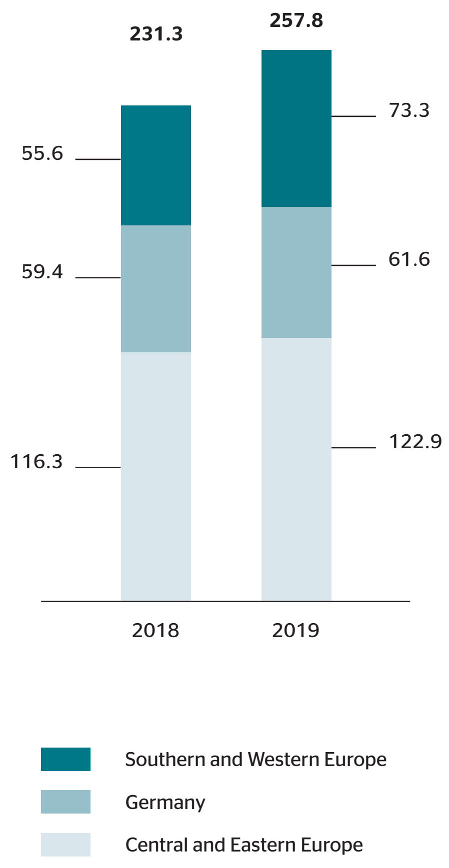
2,919 financial agents worked for OVB in the region at year-end 2019, compared to 2,752 financial agents twelve months before. They supported altogether 2.52 million clients (previous year: 2.39 million clients). Product demand continued to focus on unit-linked provision products at 40.5 per cent of the new business in 2019 (previous year: 42.9 per cent), yet at a declining rate.

Breakdown of new business 2019 (2018)



Other relevant product groups were other provision products at 27.8 per cent (previous year: 23.9 per cent), property, legal expenses and accident insurance at an unchanged 12.9 per cent and products in the category of building society savings contracts/financing at 10.9 per cent (previous year: 13.6 per cent).

Brokerage income by region
Euro million, figures rounded



Germany segment
Business in the Germany segment turned out better than predicted in the 2018 consolidated management report. Brokerage income was up 3.7 per cent, amounting to Euro 61.6 million in the year under review after Euro 59.4 million in the previous year. The number of financial agents went down insignificantly from 1,333 at prior year-end by 2.9 per cent to 1,295 financial agents as of the reporting date. They supported 612,982 clients (previous year: 616,775 clients). Product demand was widely diversified: 24.7 per cent of the new business was accounted for by unit-linked provision products (previous year: 28.2 per cent). The share in new business attributed to products in the category building society savings contracts/financing increased to 21.0 per cent (previous year: 15.3 per cent). 16.1 per cent was accounted for by other provision products (previous year: 18.0 per cent) and 14.1 per cent by property, legal expenses and accident insurance (previous year: 14.8 per cent).

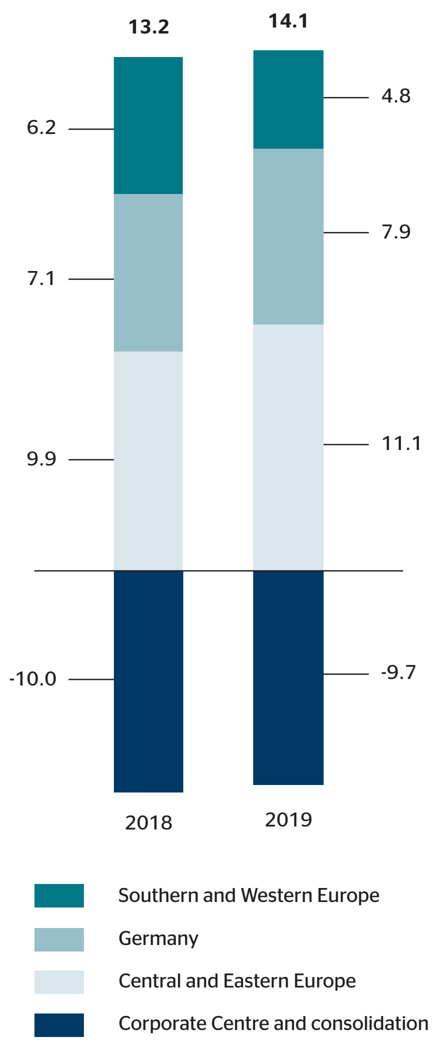
Southern and Western Europe segment
The Southern and Western Europe segment comprises seven national markets, namely Austria, Belgium, France, Greece, Italy, Spain and Switzerland. At Euro 73.3 million after Euro 55.6 million in the year before, brokerage income was increased significantly by 31.7 per cent in this segment. The considerable growth in sales due to the consideration of Belgium predicted in the 2018 consolidated management report has thus been achieved. Austria reported a significant sales increase. Sales were up slightly in Spain after considerably declining sales in the year before. Italy and France reported a decrease in sales. The development of the number of financial agents also benefits from the addition of the Belgian market. 855 financial agents work for OVB in this segment and thus 225 more than as of the prior-year reporting date. They supported 619,374 clients as compared to 481,283 clients one year before. With a share in new business of 31.9 per cent (previous year: 32.1 per cent), unit-linked provision products topped the list, followed by property, legal expenses and accident insurance with a share of 23.5 per cent (previous year: 8.0 per cent) and state-subsidized provision products at 21.1 per cent (previous year: 25.8 per cent).

Profit/loss, financial position and assets and liabilities of the OVB Group

Profit/loss
The OVB Group generated brokerage income of Euro 257.8 million in financial year 2019. This equals an 11.4 per cent increase compared to the prior-year amount of Euro 231.3 million. All three regional segments contributed to this increase in sales. Other operating income remained virtually unchanged year-on-year at Euro 11.2 million compared to Euro 11.4 million.

Brokerage expenses were up 9.7 per cent from Euro 155.1 million in the previous year to Euro 170.1 million in the year under review and thus performed slightly disproportionately to brokerage income. Personnel expense expanded by 27.6 per cent from Euro 29.8 million to Euro 38.0 million. Reasons for this were principally the addition of the Belgian subsidiary to the scope of consolidation as well as market-based salary increases. The increase in depreciation and amortization from Euro 4.3 million to Euro 6.9 million resulted primarily from increased depreciation of intangible assets due to the first-time accounting treatment of rights of use of leased assets in accordance with IFRS 16 as of 1 January 2019. Other operating expenses were down to Euro 40.0 million in the year under review from Euro 40.5 million in the previous year.

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



The OVB Group's operating result (EBIT) increased from Euro 13.2 million in the year 2018 by 7.0 per cent to Euro 14.1 million in the year under review. This performance is slightly better than the prediction of Euro 13.5 million to Euro 14.0 million released in the 2018 consolidated management report. Exceeding expectations, the EBIT contribution of the Central and Eastern Europe segment went up from Euro 9.9 million to Euro 11.1 million. The major contributions to earnings originate in Slovakia and Hungary, the highest increase in earnings was achieved by the sales subsidiary in Poland. The earnings performance in the Germany segment was better than initially expected, too: The EBIT gained 11.1 per cent from Euro 7.1 million to Euro 7.9 million. Quite contrary was the development of the operating result (EBIT) in the Southern and Western Europe segment, dropping 22.1 per cent from Euro 6.2 million to Euro 4.8 million, falling short of the initial prediction of a slight increase in earnings. Declining earnings had to be accepted in Italy, France and Switzerland. The Belgian subsidiary reported a stable performance of earnings.

The EBIT loss reported for Corporate Centre was slightly reduced from Euro 10.1 million to Euro 9.8 million in line with expectations. The Group's EBIT margin based on brokerage income went down insignificantly from 5.7 per cent in the previous year to 5.5 per cent in the year under review.

The OVB Group's financial result came to Euro 1.3 million in the year 2019, compared to a loss of Euro 0.3 million in the previous year. Reasons are a significantly increased finance income due primarily to appreciation in value of securities and reduced finance expenses. Income tax expense went up from Euro 3.1 million to Euro 4.1 million.

Consolidated net income after non-controlling interests gained 14.5 per cent from Euro 9.6 million in the previous year to Euro 11.0 million in the year under review. Earnings per share based respectively on 14,251,314 no-par shares accordingly went up from Euro 0.67 to Euro 0.77.

The OVB Group's total comprehensive income reached Euro 11.0 million for the reporting year after Euro 9.5 million for the previous year. This development results primarily from the increase in consolidated net income by Euro 1.5 million. The other items contributing to total comprehensive income were each immaterial; their respective changes from the previous year compensated each other entirely.

Even in consideration of the potential effects of the spread of Coronavirus on OVB's business performance, Executive Board and Supervisory Board of OVB Holding AG will propose to the General Meeting of Shareholders on 10 June 2020 the payment of a dividend of Euro 0.75 per share for financial year 2019, unchanged from the previous year. The total dividend payment would thus amount to Euro 10.7 million.[1)]

1) This adjustment has been made because of the rapidly spreading Coronavirus on 25 March 2020.

Financial position
The OVB Group's cash flow from operating activities was up Euro 6.1 million from Euro 15.5 in the previous year to Euro 21.6 million in 2019. Positive factors year-on-year were particularly an increase in depreciation and amortization and impairment loss of non-current assets due to first-time application of IFRS 16 as well as an increase in consolidated earnings before income tax. The most relevant offsetting item was the improved financial result.

After reporting a cash outflow of Euro 13.2 million in the previous year, the cash flow from investing activities resulted in an inflow of cash in the amount of Euro 1.8 million in the year under review.

The reversal of cash flows was essentially the result of measures taken in portfolio management: Payments for non-current financial assets was reduced by Euro 6.9 million to Euro 0.3 million, payments from the disposal of non-current financial assets went up by Euro 5.2 million to Euro 5.4 million and payments for spending on securities and other short-term capital investments went down by Euro 2.5 million to Euro 4.1 million. Contrary to that, payments from the disposal of securities and other short-term capital investments were reduced by Euro 1.0 million to Euro 2.8 million.

The cash flow from financing activities showed a cash outflow in 2019 of Euro 13.2 million (previous year: Euro -10.9 million). Of that total, Euro 10.8 million was accounted for by the payment of the dividend and Euro 2.4 million by payments for the principal or rather interest component of lease liabilities, to be recognized pursuant to IFRS 16 for the first time. The Company's cash and cash equivalents increased altogether by Euro 10.2 million from Euro 46.5 million as of 31 December 2018 to Euro 56.7 million as of 31 December 2019.

Assets and liabilities
The Group's total assets expanded by Euro 29.7 million from Euro 186.3 million at year-end 2018 to Euro 216.0 million as of the reporting date for the year under review. Non-current assets increased from Euro 30.0 million to Euro 40.7 million.

Rights of use of leased assets are disclosed for the first time in accordance with IFRS 16; they amounted to Euro 11.7 million at year-end 2019. Intangible assets climbed from Euro 9.7 million to Euro 12.4 million. Contrary to that, non-current financial assets went down from Euro 12.1 million to Euro 7.5 million. Current assets increased year-on-year 2018/2019 from Euro 156.3 million to Euro 175.3 million. Material aspects were increases in cash and cash equivalents by Euro 10.2 million to Euro 56.7 million (31 December 2018: Euro 46.5 million), receivables and other assets by Euro 4.7 million to Euro 39.2 million (31 December 2018: Euro 34.5 million) and securities and other capital investments by Euro 2.8 million to Euro 44.3 million (31 December 2018: Euro 41.5 million).

The equity of OVB Holding AG amounted to Euro 90.6 million at year-end 2019, hardly changed from the amount of Euro 90.4 million as of 31 December 2018. There were no material changes in the subpositions either. Due to the increase in total assets, the Company's equity ratio went down from 48.5 to 42.0 per cent, still representing a very solid level in consideration of the Company's business model.

Non-current liabilities went up from Euro 1.3 million to Euro 13.2 million, principally due to the recognition of lease liabilities under equity and liabilities. Current liabilities, serving predominantly the financing of business operations, expanded from Euro 94.6 million to Euro 112.2 million. Material changes involved trade payables, going up by Euro 8.2 million to Euro 17.5 million (31 December 2018: Euro 9.4 million), other provisions, increasing by Euro 5.0 million to Euro 45.9 million (31 December 2018: Euro 40.9 million), and other liabilities, reporting an increase of Euro 4.3 million to Euro 47.9 million (31 December 2018: Euro 43.6 million).

The striking increase in trade payables is predominantly accountable for by the brokerage activities of the Belgian subsidiary, joining the scope of consolidation in 2019.

Comparison between forecast and actual development

Taken into consideration the new business activities in Belgium, the Executive Board had predicted a significant growth in sales for the 2019 financial year. Against the backdrop of further expenditures within the scope of implementing the strategy »OVB Evolution 2022«, an operating result of between Euro 13.5 and 14.0 million had been anticipated. In the outlook of the 2019 interim financial reports after three, six and nine months, the Executive Board affirmed these predictions. Brokerage income achieved by OVB Holding AG in financial year 2019 went up 11.4 per cent compared to the previous year. The operating result (EBIT) came to Euro 14.1 million. The sales forecast was thus fulfilled and the earnings forecast was slightly exceeded.

Profit/loss, financial position and assets and liabilities of OVB Holding AG

As the management holding company, OVB Holding AG is at the top of the OVB Group. It directly and indirectly holds the shares in the entities that are part of the OVB Group and performs a range of tasks for the Group involving planning, management accounting, communication, marketing, IT, compliance and risk management.

The separate financial statements of OVB Holding AG have been prepared in accordance with the provisions of the German Commercial Code (HGB) in consideration of the supplementary provisions of the German Stock Corporation Act (AktG). Provisions for large corporations apply.

Profit/loss of OVB Holding AG as the Group's holding company is essentially determined by profits from the holdings.

Profit/loss

EUR'000	2019	2018
Sales	13,329	11,760
Income from investments (in affiliated companies)	13,003	12,851
Profits received under a profit-and-loss transfer agreement	7,759	6,853
Net income	10,826	10,106

OVB Holding AG generated investment income in the total amount of Euro 13.0 million in the reporting year (previous year: Euro 12.9 million). The profit received from German subsidiary OVB Vermögensberatung AG under profit-and-loss transfer agreement amounted to Euro 7.8 million in the year under review (previous year: Euro 6.9 million). Personnel expense for the holding company's 100 employees on average (previous year: 94 employees) increased over the reporting period from Euro 9.3 million to Euro 10.3 million.

Earnings after taxes of OVB Holding AG and net income amounted to Euro 10.8 million for financial year 2019 (previous year: Euro 10.1 million).

Assets and liabilities and financial position

EUR'000	31/12/2019	31/12/2018
Non-current assets	34,987	37,952
Current assets	55,763	51,718
Equity	85,236	85,099
Provisions	3,761	3,440
Liabilities	1,985	1,291

Total assets of OVB Holding AG went up from Euro 89.8 million at the end of financial year 2018 to Euro 91.0 million at the end of the year under review.

The assets of OVB Holding AG essentially comprise shares in and receivables from affiliated companies predominantly refinanced by equity. The asset structure is virtually unchanged from the previous year. The item receivables from affiliated companies essentially includes dividend claims and receivables from ongoing clearing transactions.

The capital structure of OVB Holding AG is characterized by a solid equity base: The Company's equity amounted to Euro 85.2 million at year-end 2019 (previous year: Euro 85.1 million). The Company's equity ratio went down insignificantly from 94.7 per cent to 93.7 per cent.

Liquidity and dividend
As of the reporting date, the Company has liquid assets of Euro 10.3 million at its disposal (previous year: Euro 12.8 million). The decrease in liquid assets results from increased operating expenses due to the strategy implementation and a regrouping of financial assets. In the year 2019 a dividend of Euro 0.75 per share was paid out for financial year 2018 (total volume Euro 10.7 million).

Dividend payments are made depending on the Company's financial position and profitability. *Even in consideration of the potential effects of the spread of Coronavirus on OVB's business performance, Executive Board and Supervisory Board of OVB Holding AG will propose to the General Meeting of Shareholders on 10 June 2020 to distribute a dividend of Euro 0.75 for financial year 2019, unchanged from the previous year.*[1)] As of 31 December 2019, altogether 14,251,314 shares were entitled to dividend. The resolution being adopted by the General Meeting as proposed, the dividend pay-out of OVB Holding AG for financial year 2019 will amount to Euro 10.7 million.

Comparison between forecast and actual development
A slight increase had been anticipated for the operating result of OVB Holding AG in 2019. Due to the highly positive development of German subsidiary OVB Vermögensberatung AG, the operating result has improved significantly.

The Executive Board's overall statement on the Group's business performance in 2019

Sales of the OVB Group were up by 11.4 per cent in 2019 compared to the 2018 brokerage income, thus showing a positive performance as expected. Once again the OVB business model has proved its stability and potential even under challenging general conditions. Targeted investments and increased expenses within the framework of the strategy »OVB Evolution 2022« strengthen the Company's future competitiveness. OVB managed even against this backdrop to increase the operating result (EBIT). Thus our expectations for financial year 2019 have been entirely satisfied.

Report on opportunities and risks

Opportunity management

OVB's corporate culture attaches great importance to entrepreneurially-minded thinking and acting. OVB's self-employed financial agents consider themselves entrepreneurs in particular. Therefore all of OVB's financial agents and employees take continuously seeking and seizing business opportunities for granted, regardless of their respective area and scope of responsibility. The OVB Group's sales subsidiaries are required to identify opportunities at the level of operations and to exploit them with the goal of achieving an above-target performance of earnings if possible. Such opportunities may arise e.g. in the context of brokerage activity or due to improved market conditions. OVB Holding AG identifies strategic opportunities. They are evaluated and measures are developed for exploiting them.

Moreover, it is the responsibility of the Executive Board of OVB Holding AG to routinely discuss strategic opportunities – in collaboration with the Supervisory Board in many cases – and to take adequate initiative for seizing such opportunities.

Principles and goals of risk management

Entrepreneurial activity is inconceivable without taking risks. For OVB, risk means the threat of possible losses or missed profits.

Such exposure can be caused by internal or external factors. Arising risks should be detected as soon as possible in order to allow for a swift and adequate response. The objectives of risk management are the continuous advancement of the implemented early warning system, systematic preoccupation with existing and potential risks and the promotion of risk-oriented thinking and acting within the entire organization and thus a deliberate risk-taking policy based on the comprehensive knowledge of risks and risk connections. OVB pays attention to keeping a balanced ratio between opportunities and risks.

1) This adjustment has been made because of the rapidly spreading Coronavirus on 25 March 2020.

Structure and process of risk management

The organization of risk management, the methods applied and the processes implemented are put down in writing in the Group's risk management guidance and made available to all employees who assume responsibility in this field. Standardized risk management processes make sure that Executive Board and Supervisory Board are informed in a structured way and in good time about the Group's present risk position.

The Executive Board of OVB Holding AG is responsible for directing the corporate strategy. In collaboration with the management teams of the subsidiaries, the Executive Board determines the Europe-wide strategy for business operations and the risk strategy derived from that.

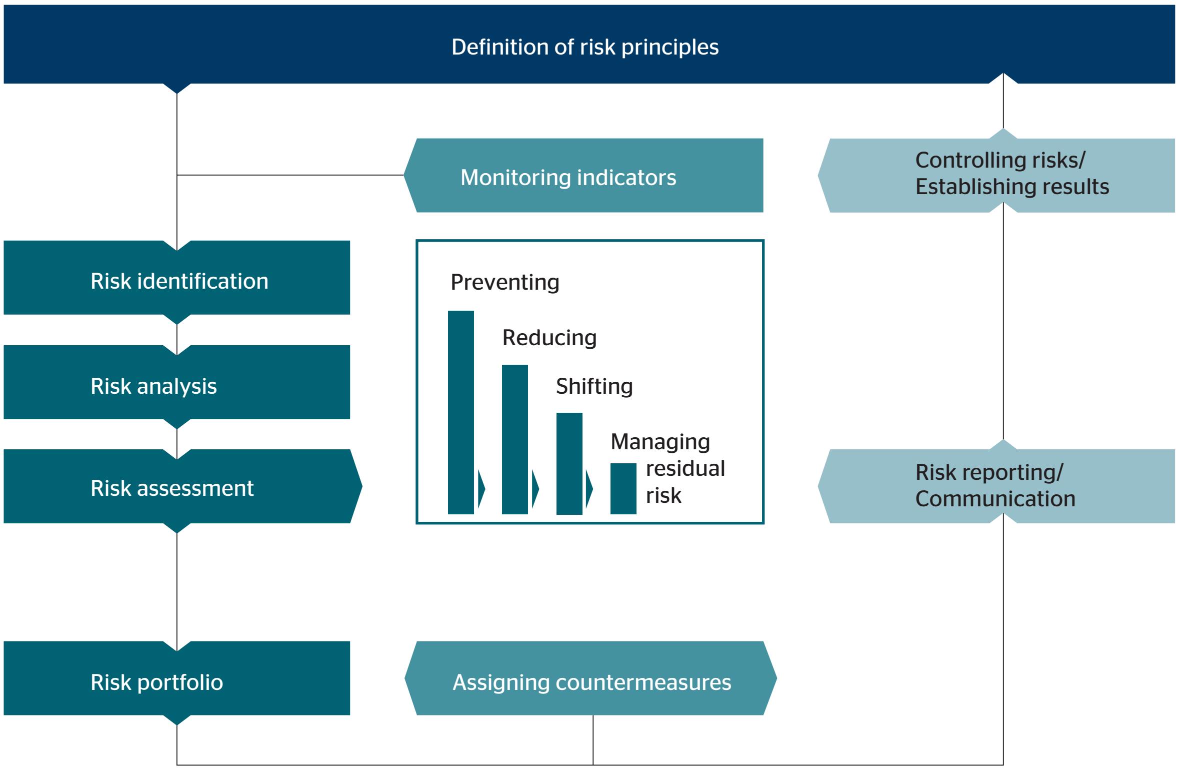
All operating subsidiaries are obligated to implement and continually review an adequate risk management system based on guidance defined by the Group. Early warning indicators are defined and continuously monitored. An important component of risk management is the system for early risk detection, subject to constant adjustment to new developments, which aggregates identified individual risks into risk categories and assigns each risk to a risk management officer.

Material risks are identified, quantified and the measures taken are documented by the respective risk manager of the business divisions or rather by the decentralized risk managers of the operating subsidiaries in annual risk inventory processes.

Apart from the direct exchange of information between the Chief Risk Manager and the Executive Board, standardized risk reports are delivered to the Executive Board and the Supervisory Board, explaining OVB's current risk position. Thresholds and reporting protocols have been defined within the scope of risk reporting. Risk analyses are conducted initially at the level of the subsidiaries and the individual areas of responsibility. Routine reporting of the various divisions of the holding company and the subsidiaries is condensed to Group-wide, current and, if necessary, immediate reporting to the Executive Board and the Supervisory Board by the holding company's Chief Risk Manager.

At the core of the Group's risk report is the Group's »risk cockpit« where the material risks of the subsidiaries are presented and aggregated into risks at Group level.

OVB risk management process



Group-wide consultations and regular coordination with the executives of the sales force complement this early warning system. In addition to that, the holding company's Chief Risk Manager is also informed directly by way of ad hoc risk notifications in cases of urgency outside the usual reporting channels.

Within the framework of corporate planning, OVB assesses the potential risks before material business decisions are made while reporting allows for an adequate monitoring of such risks in the context of business activity.

An efficient management accounting process supports the early detection of going-concern risks.

Further elements of the risk management system are internal auditing and compliance management, assuming monitoring and control functions throughout the Group.

Internal Auditing works on behalf of the Group's Executive Board as an independent body responsible for internal auditing throughout the Group.

Internal Auditing also operates autonomously with respect to reporting and the evaluation of audit findings. On the basis of its annual audit schedule, Internal Auditing regularly audits the holding company as well as domestic and international subsidiaries with a focus on risks and controls the resolution of its audit findings. It monitors compliance with the relevant statutory requirements and assesses the risk management, control, management and monitoring systems and processes relevant to financial accounting and advises on their constant improvement.

The paramount goal of compliance management is to prevent or minimize risks from non-compliance with applicable law and internal standards and processes by taking preventive action.

Development of risk management

Constant advancement of the risk management system is a key prerequisite to the option of a timely response to changing general conditions of potential direct or indirect impact on the assets, liabilities, financial position and profit/loss of OVB Holding AG.

An ongoing exchange of information with the decentralized risk managers assures that any new findings will be incorporated into risk management, thus safeguarding its advancement.

In addition to that, training measures are an essential element for constantly updating the expertise of the staff involved in these processes.

Risk management of OVB Holding AG is also subject to routine reviews conducted by Internal Auditing. Audit reviews contribute to monitoring the risk management system and produce insight based on which quality is improved and the development of risk management processes is further advanced. Apart from risk inventory, all measures for the early detection, management and control of risks were analyzed, adjusted and enhanced in response to internal and external developments within the scope of the annual review in the course of the year 2019.

Internal control system with respect to financial accounting

The internal control system comprises the principles, methods and measures for ensuring the effectiveness and economic efficiency of business activity, truth and fairness in financial accounting and compliance with the applicable legal regulations. Part of this system is Internal Auditing insofar as it focuses on financial accounting.

Like the internal control system of which it is a component, the risk management system with respect to financial accounting addresses the control and monitoring processes in financial accounting, particularly relating to those items in the statement of financial position that reflect the Company's risk protection.

Key features of the internal control system with respect to financial accounting:

- Clear management and corporate structure: OVB Holding AG provides the centralized management of inter-divisional key functions while the Group's individual companies maintain a large degree of autonomy
- Proper separation of functions and observance of the four-eye-principle as basic principles
- Clear separation and assignment of responsibilities with respect to areas materially involved in financial accounting, namely Local Accounting, Tax, Group Accounting and Management Accounting
- Protection against unauthorized access to any of the systems used in financial accounting
- Utilization of standard software in the financial systems involved
- Adequate guidance system (e.g. Group handbook, payment guidelines, project management guidelines, purchasing guidelines, Code of Conduct, etc.) subject to constant updates

- Adequate equipment in response to the requirements of all departments and divisions involved in the financial accounting process in terms of both quality and quantity
- Clearly defined workflows as well as documentation and tracking of all matters subject to accounting for the purpose of complete financial reporting reviewed for correctness
- Ensuring that accounting records are checked for mathematical and factual correctness; payment runs shall observe the four-eye-principle
- Monitoring committees (e.g. Internal Auditing and the Supervisory Board's Audit Committee) have been established for the purpose of compliance and reliability of internal accounting and financial reporting
- Routine checks of financial accounting processes for risks by process-independent Internal Auditing division

The internal control system with respect to financial accounting ensures as part of the risk management system that business matters and transactions are correctly recorded, processed, evaluated and transferred to financial accounting.

Appropriate manpower, the use of adequate software and clear statutory and corporate guidelines are the basis for a correct, consistent and continuous financial accounting process. The clear separation of areas of responsibility and various subsequent control and audit mechanisms safeguard correct and responsible financial accounting.

Thus it is assured in the individual case that business transactions are recorded, processed and documented in compliance with statutory regulations, the Articles of Association and internal guidance, and that they are entered correctly and promptly in financial reporting. It is ensured at the same time that assets and liabilities are correctly recognized, reported and measured in the separate financial statements and consolidated financial statements and that dependable and relevant information is completely and promptly made available as a basis.

Presentation of opportunities and risks

The following is a description of opportunities and risks that could have material beneficial or adverse effects on OVB's assets and liabilities, financial position and profit/loss. Please refer to section 3.5 of the notes to the consolidated financial statements, »Objectives and methods of financial risk management«, for additional quantitative disclosures relating to financial instruments in accordance with IFRS 7.

Macroeconomic opportunities and risks

OVB's business environment is affected by changes in the economic and political framework. OVB observes the political, regulatory and economic developments in the markets it operates in and utilizes external market analyses and the know-how of external experts and analysts in order to review the strategic and operational orientation in view of such developments.

This also applies for the opportunities and risks involved in the development of new markets.

OVB's plans for further expansion depend on orderly political and legal conditions prevailing in the respective country and on an economic environment that gives rise to expectations that OVB will be able to profitably forge ahead with its business activities within a timeframe that appears reasonable given the respective market conditions.

In view of the specific risks associated with the economic development, the broad regional positioning of the OVB Group within Europe, able to compensate market risks and downturns in individual countries with opportunities in other markets, plus a broad client base generally help mitigate risks. Accordingly the dependence of the Group's business performance on individual national markets has diminished over the past years.

At the same time, OVB's international orientation opens opportunities for participation in particularly favourable developments of individual markets. The diversification of business activities across highly varied products designed to facilitate basic protection, asset and financial risk protection as well as retirement provision, asset generation and wealth management, tailored to the respective situation in the relevant markets, also helps offset risks at least in certain sub-segments.

Effects from the United Kingdom's exit from the European Union are not to be expected. A potential economic slowdown in Europe due to the Brexit might have a minor effect on OVB's business.

Because of the spread of Coronavirus, the macroeconomic situation, market conditions and growth prospects within Europe will change for the worse compared to the expectations put forth in our outlook report. This could have a negative impact on the Group's business performance.[1)]

1) This addendum has been made because of the rapidly spreading Coronavirus on 25 March 2020.

Opportunities and risks from the development of Company-specific factors of value
Company-specific value factors for the business success of the OVB Group's companies are the expansion of the sales team, the development of the number of clients and the structure and quality of the advisory and brokerage business.

OVB focuses on providing advice and support primarily to private households with average to higher income in all of the national markets in which it operates.

Winning new clients and maintaining long-term client relationships are essential factors of success.

Generally speaking, the development of income and consumer demand of the private households in Europe showed a sideways movement through 2019 at a high level. This opens the opportunity for expanding the sale of financial products. On the other hand, the average income of private households is quite different in the 15 countries in which OVB operates.

On the whole, OVB sees demand for its services and thus sufficient potential for new business in all the countries OVB subsidiaries operate in due to the continuing necessity of private provision and particularly in view of the demographic trend.

The continuous development of the sales force and the long-term commitment of a sufficient number of motivated and competent financial agents are further factors for OVB's business success and future growth. Demographic effects may generally have a negative effect on winning new financial advisors. The development of the number of agents is the subject of periodic reporting.

Any positive or negative trends are constantly being analyzed and assessed by management with regard to their effects.

Potential turnover of financial agents in times of a consolidating industry provides both opportunities and risks.

Based on its many years of experience, OVB finds itself capable of countering any potential advisor turnover and committing new financial agents as well.

Among such measures are transparent contracts, a competitive commission model for the sales force and international career opportunities.

At the same time, the consolidated companies place great emphasis on the professional training and further education of their financial agents.

Industry-specific opportunities and risks

OVB faces industry-specific opportunities and risks particularly in connection with changes in the markets for pension provision, health care, investments and financing. Tax and socio-political conditions, developments in the capital market and a host of new regulatory requirements all influence OVB's business.

As a major financial intermediary with business operations throughout Europe, OVB regards regulatory requirements also as an opportunity to keep improving the quality of its services.

The challenges brought about by Regulation (EU) 2016/97 (Insurance Distribution Directive, IDD) and Directive 2014/65/EU (Markets in Financial Instruments Directive, MiFID II) were identified and implemented early on. Those EU provisions define a uniform level of requirements for the brokerage of insurance and financial products within the European Union. They target increased consumer protection as well as promoting market integration.

Of particular relevance to OVB is the implementation of the regulation by the member states concerning rules of conduct, transparency provisions and professional training requirements. While this process may result in different local solutions in individual cases, uniform Group-wide, technically supported solutions safeguard adequate implementation. Standardized processes aid the sales agent in his or her daily work and provide space for comprehensive and targeted advice. OVB has a Group-wide compliance management system, created for compliance with regulatory requirements among other objectives, aiming at adequate compliance with all regulatory requirements in an ongoing process. OVB considers these requirements also as an opportunity for constant improvement.

Generally speaking, an intensifying regulation of the financial services market cannot be ruled out as the European regulations define evaluation assignments. Improving investor protection by raising the bar for transparency, client information and advisory service documentation requirements can safely be expected. Not least the obligation to disclose costs and commission amounts represents a new aspect relevant to classic commission-based advisory service as well.

In this current environment, OVB constantly monitors and analyzes the national and European political decision-making processes in order to be able to evaluate the effects on its business model and the strategic positioning in the national markets early on.

For OVB there is the opportunity that the Group, due to its broad European positioning, its experience of many years, its competent employees and its pronounced financial strength, may fulfill increasing regulatory requirements in a better and more efficient way than smaller market participants. From this scenario, advantages may result for OVB in the competition and in the industry's consolidation process.

OVB has a broad portfolio of high-capacity product partners. The Company brokers financial products provided by more than 100 insurance companies, investment trusts, building societies and banks. Based on this foundation, it is possible to choose and realize the optimal product offers and concepts for each single client.

The risk associated with product selection is contained by working together with renowned and internationally experienced product providers based on partnerships with a long-term horizon and by consulting external analysts.

OVB identifies client needs and market trends through extensive market research and then uses its findings to develop competitive products tailored to the clients' needs in cooperation with the product partners. OVB ensures the quality and competitiveness of its product portfolio throughout Europe by maintaining an ongoing communication process with the partners.

OVB combats the risk of diminishing product appeal by continually monitoring client feedback.

Committees liaise with the financial agents and process their experiences and suggestions for improving and developing the product portfolio and the associated support services. OVB can at least partially compensate for declining turnover of individual products through higher turnover of other products.

The premium-select strategy is an important component of OVB's corporate strategy. Especially close cooperation with high-capacity product partners provides OVB with the opportunity to gain market shares through a competitive edge.

Financial risk

Default risk may arise from receivables from business partners and from advance commission payments to sales agents and commission charge-back. In individual cases, commission earned but not yet received is paid to sales agents in order to bridge the gap until payment is received from the product providers. OVB counters default risk by way of risk-sensitive accounts receivable management and the careful selection of its business and product partners.

Appropriate valuation allowances are made for receivables that are considered doubtful from today's perspective.

Such allowances take into account timely information on the debtor's credit rating, commission expected to be received and the age structure of receivables. The default rate of receivables is 0.27 per cent for the year under review (previous year: 0.55 per cent).

Cancellation risk is adequately covered by OVB by retained cancellation reserve and cancellation provisions whose amounts are determined on the basis of commission inflow during the period of liability and the anticipated claims for commission refunds based on past experience.

Issuer risk associated with the investment of liquid assets is contained by means of strict credit rating requirements and appropriate capital investment management. OVB maintains business relationships with several banks belonging to different banking systems. OVB closely monitors the rating of these banks and considers the assessment of major rating agencies if available.

Market risk is the risk of losses as a result of unfavourable changes in market prices or price-affecting parameters. Market price risk includes interest rate risks, currency risks and stock price risks. Shares, bonds and funds in the portfolio may be primarily exposed to price risk as a result of market price fluctuation. OVB varies investment volumes and issuers in order to counter this risk. Potential effects on earnings as a result of heavy price fluctuations are identified early on by monitoring and assessing the portfolio on an ongoing basis. Containing such risks may also necessitate the full liquidation of individual positions at short notice. Capital investments based on real assets are altogether of minor relevance to the consolidated companies. Had the market interest rate of relevance to capital investments been 100 basis points higher (lower) over the full year 2019, earnings would have been Euro 536 thousand higher (lower).

Currency risk results from OVB's international orientation. Therefore OVB constantly monitors the development in the currency markets and deliberates the necessity of additional hedging measures in particular.

Liquidity risk is low for OVB because business operations are financed out of the current cash flow and liquidity reports assist in the management and investment of surplus liquidity. These reports routinely provide insight into financial developments and the liquidity demands of the subsidiaries and the holding company derived from them.

With these measures, OVB also diversifies the risk of being sued under guarantees or letters of comfort given on behalf of its subsidiaries.

Operational risk
OVB uses both in-house staff and external contractors as well as technical and structural facilities in order to transact its business operations.

Binding workflow rules have been defined for processing and settling business transactions. Employees entrusted with confidential information commit themselves to compliance with binding regulations and to responsible conduct in handling such data.

OVB highly regards the protection of privacy and control over one's personal data.

Therefore personal data are collected, processed and used only in compliance with applicable data protection and data security provisions.

With the introduction of the General Data Protection Regulation (GDPR), generally the same standards have been in effect in all EU member states since May 2018. OVB has analyzed the obligations and risks produced by the GDPR and taken technical and organizational risk-oriented measures in developing its data protection culture already in place in order to safeguard the protection and security of personal data particularly of employees, clients, financial agents and other business partners according to applicable data protection law.

The GDPR requirements have been met by the launch of local implementation projects supported by OVB Holding AG. The proper implementation has been reviewed by external experts.

In addition to the implementation of GDPR requirements, OVB constantly invests in the security of its systems. After all, the increasing digitization not only facilitates new, innovative applications but also creates new threats, e.g. by hacker attacks. OVB contains the risk of breaches of in-house and external rules and regulations by separating management and control functions from each other. OVB protects itself against damages and potential liability risk by appropriate insurance protection.

IT risk

By the successive introduction of a common OVB EU data processing centre, the IT infrastructure has been largely standardized. Back-up systems, mirror databases and a defined emergency plan keep the database secure and guarantee its availability. The IT systems are protected by special access and authorization concepts as well as effective and continually updated anti-virus software. At the level of applications, OVB utilizes standard software from reputable providers, supplemented by proprietary Group-specific developments subject to continuous quality control. With the Europe-wide implementation of the administration and management system »my OVB«, OVB has completed the homogenization of this IT core functionality at all companies. Because of the ever increasing importance of IT for the support of business processes, OVB invests in existing as well as new IT solutions for the digitization of processes based on constant monitoring and analysis of the systems available in the market.

Reputational opportunities and risks

Reputational risk arises from a loss of reputation either of the entire industry, of OVB itself or of one or several of its operating segments, for example among clients, business partners or in the public eye. Advising on financial products and their brokerage are activities subject to critical public scrutiny on a case-by-case basis. OVB is particularly exposed to the risk that the public's trust in the Company might be negatively affected by media coverage e.g. with respect to claims against sales agents based on incorrect or allegedly incorrect advice or concerning products distributed by them.

Apart from that, human misconduct can never be completely ruled out even by providing strict internal guidance and standards. OVB follows and analyzes any such cases with the aim of taking preventive action to halt any damage to the Company's reputation even before it arises. Professional training standards are compliant with statutory requirements and are constantly being advanced and adapted to a changing legal framework. Documentation of counselling interviews and strict selection criteria for accepting new product providers and new products support this goal.

The flip side of this coin provides OVB with the opportunity to further improve the Company's image as perceived by the general public and potential clients through consistently competent and responsible conduct. The Company's public relations effort serves that same purpose.

Risks associated with advisory services and liability risk

Brokerage of financial products generally takes place on the basis of previous advice given to the client. The purpose of this advisory service is to ensure that the client receives a financial product tailored to his or her individual provision requirements and investment profile.

Potential risks associated with advisory services are meant to be curtailed by continually raising the awareness of and providing continuing education opportunities for our financial agents with a view to giving needs-specific advice and by documenting and recording client meetings as required.

The ongoing public debate on the quality of financial advisory services in Europe leads to aggravated legal requirements that might entail increased risk.

OVB closely follows all relevant regulatory efforts at national levels and on the European scale so that potential effects on the business model are recognized in good time and any required adjustments can be initiated.

Litigation risk

The management of litigation risk is coordinated by OVB's legal department. OVB guards against litigation risk by drawing on comprehensive advice both from in-house specialists and external lawyers before making business decisions and in structuring business processes. The legal team's tasks also include the monitoring and evaluation of current legal disputes. Current information on legal disputes are provided to the legal department by the sales subsidiaries on a quarterly basis. Constant monitoring and assessments conducted by the legal team enable OVB to counter risks associated with potentially incorrect advice to clients or the brokerage of financial and insurance products. OVB further reduces its risk of liability in part by taking out adequate financial liability insurance which is routinely reviewed and adjusted if necessary.

Adequate provisions were made for lawsuits. According to our assessment after consulting external legal experts, currently pending cases do not pose risks at present that might have material adverse effects on OVB's assets and liabilities, financial position and profit/loss.

Tax risk

A changing tax framework for individual sales subsidiaries as well as for advisory services might result in tax risk for OVB.

OVB constantly monitors tax law developments as they become apparent in all of the countries in which it does business, particularly including potential regulatory intervention that would affect the tax treatment of our distribution model, and analyzes their potential impact on the Group. Both in-house and external experts monitor the tax requirements applicable to the Company in accordance with the relevant tax provisions and any corresponding directives issued by the respective tax authorities. Adequate provisions are made for tax payments to be expected.

Estimation risk

Assumptions and estimates primarily concern the measurement of provisions, the collectability of receivables, the impairment of goodwill, litigation risk, depreciation and amortization, the determination of the useful lives of assets and the capitalization of deferred tax on the holding company's loss carry-forward as it is affected by imponderables in corporate planning. Changes are considered as soon as better information becomes available.

Overall assessment of opportunities and risks

According to its firm conviction, OVB operates in growth markets. Fundamental trends such as the demographic development in Europe increasingly require private protection and retirement provision.

Only a small fraction of the citizens have seen to adequate private pension provision and protection against the major risks of life so far.

For OVB this opens up the opportunity for growing numbers of clients, sales and earnings in the future.

With respect to risks, OVB's business performance is essentially influenced by industry-specific and financial risks. OVB's risk management system and the implemented reporting system make a substantial contribution to the fact that the Group's overall risk position is being controlled and made transparent.

Due to the spread of Coronavirus and its potential effects on the macroeconomic situation, market conditions and growth prospects within Europe, OVB's ability to reach its financial targets might be affected. The effects on OVB's business will depend on the further development of the pandemic, its duration and the market effects.[1]

OVB has seen to adequate provision for currently identified material risks. From today's perspective there are no material risks that carry a threat to the Company's continued existence. Fundamental changes of this risk assessment are not expected at present.

The risk management and control system is subject to constant advancement in order to increase transparency in relation to risks taken and to further improve risk management capabilities.

The presented risks are not necessarily the only risks OVB is exposed to. Risks OVB is currently unaware of or risks that OVB currently regards as immaterial might also have adverse effects on business activities and might have a negative impact on the forecasts made in the following outlook report.

Outlook

No economic upswing is in sight for Europe in 2020 and 2021. Economic growth in the eurozone is expected to slow down from 1. 2 per cent in 2019 to 0.8 per cent this year before rising insignificantly at best to 1.2 per cent again in 2021 (source: Raiffeisen RESEARCH, Strategy Austria & CEE, 1st Quarter 2020). Private consumer spending will probably remain the substantial pillar of the economy, among the existing risks are those linked to international trade policy and the tense political tension in the Middle East.

Apart from that, the economic performance in Europe this year will be strongly affected by the effects of Coronavirus. The following statements with respect to the potential effects linked to the spread of Coronavirus reflect the information available on 25 March 2020 and are subject to uncertainty in view of current uncertainty regarding the spread, duration and market impact of Coronavirus.[1]

1) This addendum has been made because of the rapidly spreading Coronavirus on 25 March 2020.

Development in Central and Eastern Europe
The pace of economic expansion shared by the countries of the Central and Eastern Europe segment will probably stay abreast of the economic growth achieved by all European economies together in 2020 and 2021. At a high employment level and modest price increases, domestic demand of private households and the companies' capital expenditures remain strong. *The spread of Coronavirus and its potential effects will have a negative impact on the macroeconomic framework of the countries in Central and Eastern Europe.*[1)]

Subject to the economic effects of the spread of Coronavirus in Europe, OVB anticipates moderate growth in brokerage income in the year 2020 and a stable operating result compared to the previous year in the Central and Eastern Europe segment.

In consideration of the potential effects of the spread of Coronavirus which cannot be finally assessed from today's perspective, OVB anticipates a decrease in brokerage income and operating result compared to 2019 for the Central and Eastern Europe segment.[1)]

Key economic data, Central and Eastern Europe
(subject to effects of the spread of Coronavirus in Europe)

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2020f	2021f	2020f	2021f	2020f	2021f
Croatia	2.5	1.8	1.4	1.8	-0.8	-0.4
Czech Republic	2.0	2.2	2.5	2.0	0.2	-0.3
Hungary	3.2	3.2	3.4	3.4	-1.5	-1.3
Poland	3.3	3.2	3.0	2.1	-0.7	-1.2
Romania	3.0	2.0	3.2	3.0	-4.0	-5.0
Slovakia	2.0	2.5	2.5	2.0	-1.0	-1.0
Ukraine	3.3	3.5	5.2	5.0	-2.3	-2.2

f = forecast
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 1st Quarter 2020 (December 2019)

Development in Germany
Germany's economic outlook for 2020 and 2021 is modest. This current year the macroeconomic performance may gain 0.6 per cent and 1.2 per cent in the next year (Source: Raiffeisen RESEARCH, Strategy Global Markets, 1st Quarter 2020, December 2019). The German economy will thus probably lag behind the economic performance in the eurozone at least through 2020. The auto industry and its suppliers, among the most important German sectors, are experiencing a phase of profound structural changes. This can be expected to have a negative impact on the job market in the medium term as well. Adding to that are the effects from the smouldering international trade conflicts and the exit of the United Kingdom from the EU by which Germany as a decidedly export-oriented economy is affected in particular. The macroeconomic general conditions for OVB's business in Germany are therefore expected to suffer to some extent. *The spread of Coronavirus and its potential effects will also have a negative impact on the macroeconomic framework.*[1)]

For the Germany segment, OVB expects – *subject to the economic effects of the spread of Coronavirus in Europe* – a slight increase in brokerage income and a modest decrease in the operating result in 2020. *In consideration of the potential effects of the spread of Coronavirus which cannot be finally assessed from today's perspective, OVB anticipates a decrease in brokerage income and operating result compared to 2019 for the Germany segment.*[1)]

1) This addendum has been made because of the rapidly spreading Coronavirus on 25 March 2020.

Key economic data, Southern and Western Europe
(subject to effects of the spread of Coronavirus in Europe)

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2020f	**2021f**	**2020f**	**2021f**	**2020f**	**2021f**
Austria	0.8	1.4	1.5	1.6	-0.2	0.1
Belgium	1.0	1.3	1.4	1.6	-2.3	-2.6
France	1.0	1.2	1.3	1.4	-2.2	-2.2
Greece	1.9	1.9	0.8	1.1	1.0	1.1
Italy	0.3	0.7	0.8	1.0	-2.6	-2.4
Spain	1.4	1.6	1.1	1.4	-2.2	-2.1
Switzerland	1.2	1.6	0.4	0.5	0.1	0.0
Eurozone	**0.8**	**1.2**	**1.2**	**1.3**	**-0.9**	**-1.0**

f = forecast
Source: Raiffeisen RESEARCH, Strategy Global Markets, 1st Quarter 2020 (December 2019)

Development in Southern and Western Europe
The economic performance in the countries of the Southern and Western Europe segment will probably be determined by growth at a low level in 2020 and 2021. The effects of Brexit threaten to affect economic prospects in this region, too. *The spread of Coronavirus and its potential effects will also have a negative impact on the macroeconomic framework.*[1)]

Social tension e.g. in France and Italy where new government debt is already critical is another negative factor.

Subject to the economic effects of the spread of Coronavirus in Europe, OVB expects at present a significant increase in brokerage income and operating result for the 2020 financial year. *In consideration of the potential effects of the spread of Coronavirus which cannot be finally assessed from today's perspective, OVB anticipates a decrease in brokerage income and operating result compared to 2019 for the Southern and Western Europe segment.*[1)]

Development of Corporate Centre
OVB Holding AG expects the loss reported for the Corporate Centre segment to be reduced moderately in 2020, *subject to the economic effects of the spread of Coronavirus in Europe. In consideration of the potential effects of the spread of Coronavirus which cannot be finally assessed from today's perspective, OVB anticipates a result for the Corporate Centre segment that comes close to the prior-year result.*[1)]

Development of OVB Holding AG
Under the condition of stable profits from the holdings and a more or less stable financial result as well as an improved operating result of Corporate Centre, the Executive Board anticipates, *subject to the economic effects of the spread of Coronavirus in Europe*, a slightly improved operating result for OVB Holding AG. *In consideration of the potential effects of the spread of Coronavirus which cannot be finally assessed from today's perspective, the Executive Board anticipates a decline in the operating result for OVB Holding AG compared to 2019.*[1)]

Development of the Group
One essential strength of the OVB Group is its broad international positioning over now 15 European countries. Market conditions remain altogether challenging. Despite the high demand for private risk protection and provision it cannot be ruled out that clients will continue to act cautiously with respect to long-term investment decisions. OVB will keep pursuing the course for growth and thus aim for further expansion of the number of financial agents and clients.

The long-term business potential in the market of private risk protection and retirement provision remains unchanged. OVB works with great commitment at further developing this potential for the Company. *Subject to the economic effects of the spread of Coronavirus in Europe,* OVB expects for 2020 a slight increase in the Group's brokerage income and operating result compared to 2019. *In consideration of the potential effects of the spread of Coronavirus which cannot be finally*

1) This addendum has been made because of the rapidly spreading Coronavirus on 25 March 2020.

assessed from today's perspective, OVB anticipates a decline in the Group's brokerage income and operating result compared to 2019. [1)]

Remuneration report

The remuneration report for the past financial year presents the basic principles that are decisive for the determination of the remuneration of the members of Executive Board and Supervisory Board and explains the structure and amounts of Executive Board remuneration. The report also describes the basic principles and amounts of Supervisory Board remuneration.

Executive Board remuneration

Remuneration system
The system of Executive Board remuneration at OVB aims at giving incentive to the successful management of the Company based on sustainability. The determination of the individual remuneration of the Executive Board members is the sole responsibility of the Supervisory Board, following preparatory work performed by its Nomination and Remuneration Committee.

Appropriateness of the remuneration amounts is routinely reviewed by the Supervisory Board. The following criteria are considered for those reviews: the Company's economic situation, its success and prospects, the individual Board member's responsibilities and functions as well as personal performance and a horizontal and vertical comparison with respect to customary compensation, taking also into account the relation of Executive Board remuneration to the remuneration of next-level senior executives and the staff as a whole.

Remuneration of the Executive Board members is composed of non-performance-based and performance-based components.

Fixed compensation and fringe benefits
The non-performance-based components consist of a fixed annual basic remuneration, paid as a monthly salary.

The members of the Executive Board are also granted fringe benefits as remuneration in kind; these are essentially the use of company cars and insurance premiums for Executive Board protection. As part of the remuneration, these fringe benefits are generally granted to all members of the Executive Board equally; the amounts of the benefits depend on individual agreements.

Performance-based components
The performance-based part of remuneration consists of an aggregate bonus of which half is based on annual targets (annual bonus) and the other half is based on long-term bonus criteria (variable performance component for sustained success).

One-year variable compensation
This compensation amount (annual bonus) depends on the extent to which certain quantitative targets (such as the performance of sales and earnings) and qualitative targets (such as the successful realization of significant corporate strategic projects) have been achieved. The target figures are determined and evaluated each year in advance on the basis of the budget prepared by the Executive Board and adopted by the Supervisory Board. Quantitative targets are rated at 80 per cent and qualitative targets at 20 per cent. The bandwidth of the target definition (target corridor) for the annual bonus ranges from 75 per cent to 125 per cent relating to quantitative targets and up to 150 per cent relating to qualitative targets. The annual bonus is paid each following year after the Supervisory Board has determined the target achievement levels on the basis of the adopted separate financial statements. If the targets are partly met, the bonus is determined on a pro-rata basis.

Multi-year variable compensation
The total amount of the multi-year variable remuneration component is entered in a »bonus account with a penalty rule« and carried forward to the next year. Criteria of the variable performance component with sustained incentive effect are the Group's EBIT and sales performances. The assessment basis for the year 2019 is derived from the moving average of the actuals achieved over the previous two years (2017/2018) and target achievement in the year 2019. If a target level of 60 per cent is not reached, the accumulated bonus account balance is reduced (penalty rule). The balance in the bonus account remaining after allocation to the account or offsetting against the penalty is paid at one third of the balance respectively in the following year.

Payment commitments to Executive Board members upon premature termination of Executive Board contracts in case of a change of control (so-called change-of-control clauses) are not included in the contracts of employment.

The contracts provide for a severance pay cap in case of premature termination of the Executive Board contract without good cause compliant with the corresponding recommendation of the German Corporate Governance Code.

For the determination of the amount of severance pay, total remuneration for the past financial year and expected total remuneration for the current financial year are taken into account.

There are no pension or benefit commitments or payments of retirement annuities in favour of acting Executive Board members in the reporting period by OVB Holding AG.

In the event of death, remuneration continues to be paid to the surviving dependents for a period of six months.

Remuneration of the Executive Board members for financial year 2019
The Executive Board was granted total remuneration for the 2019 financial year in the amount of Euro 1.8 million (previous year: Euro 1.7 million). Total remuneration comprises all remuneration received for services to the parent and to subsidiaries.

The following tables listing remuneration paid for financial year 2019 and allocations for the year under review consider the recommendations of the German Corporate Governance Code in addition to the applicable accounting principles. Along with actually granted benefits, achievable minimum and maximum amounts are disclosed as well.

Benefits granted for 2019

	Mario Freis, CEO				Oskar Heitz, CFO			
EUR'000	2018*	2019*	2019 (min)*1	2019 (max)*2	2018*	2019*	2019 (min)*1	2019 (max)*2
Fixed compensation	420	**440**	**440**	**440**	300	**310**	**310**	**310**
Fringe benefits	64	**65**	**65**	**65**	94	**94**	**94**	**94**
Total	484	**505**	**505**	**505**	394	**404**	**404**	**404**
One-year variable compensation	138	**141**	**-**	**141**	79	**81**	**-**	**81**
Multi-year variable compensation	121	**124**	**49**	**171**	74	**74**	**31**	**101**
Bonus account (2016–2018)	121				74			
Bonus account (2017–2019)		**124**	**49**	**171**		**74**	**31**	**101**
Total variable components	259	**265**	**49**	**312**	153	**155**	**31**	**192**
Service cost	-	**-**	**-**	**-**	-	**-**	**-**	**-**
Total remuneration	743	**770**	**554**	**817**	547	**559**	**435**	**596**

	Thomas Hücker, COO			
EUR'000	2018*	2019*	2019 (min)*1	2019 (max)*2
Fixed compensation	225	**252**	**252**	**252**
Fringe benefits	60	**67**	**67**	**67**
Total	285	**319**	**319**	**319**
One-year variable compensation	74	**83**	**-**	**83**
Multi-year variable compensation	65	**69**	**25**	**98**
Bonus account (2016–2018)	65			
Bonus account (2017–2019)		**69**	**25**	**98**
Total variable components	139	**153**	**25**	**181**
Service cost	-	**-**	**-**	**-**
Total remuneration	424	**471**	**344**	**500**

* Actuals represent the amount upon 100 per cent target achievement. Multi-year variable compensation also refers to 100 per cent target achievement. The amount stated for 2019 corresponds to the amount paid of one third of the bonus account balance as of 31 December of the year under review (at 100 per cent target achievement).

*1 The minimum amount stated for multi-year variable compensation derives from the actuals 2017/2018 less deduction (penalty rule) for the year 2019 and corresponds to the minimum amount to be granted for 2019 of one third of the bonus account balance as of 31 December of the year under review (at 0 per cent target achievement).

*2 The maximum amount stated for multi-year variable compensation derives from the actuals 2017/2018 plus allocation to the bonus account upon target achievement of 200 per cent and corresponds to the maximum amount to be granted for 2019 of one third of the bonus account balance as of 31 December of the year under review.

To the members of the Executive Board, remuneration was granted for the 2019 financial year as presented below (individualized disclosures):

Allocations for the year under review

The following table shows the allocations for the year under review 2019 consisting of fixed compensation, fringe benefits, one-year variable compensation and multi-year variable compensation. Deviating from the table of benefits granted for financial year 2019, above, the following table presents the determined allocations for the 2019 financial year with respect to the variable compensation components (annual bonus and bonus account) in relation to the respective target achievement rate already established as of the time of preparation of the financial statements.

Allocations for the year under review 2019

	Mario Freis, CEO		Oskar Heitz, CFO		Thomas Hücker, COO	
EUR'000	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**
Fixed compensation	420	**440**	300	**310**	225	**252**
Fringe benefits	64	**65**	94	**94**	66	**67**
Total	484	**505**	394	**404**	291	**319**
One-year variable compensation	138	**141**	79	**81**	74	**83**
Multi-year variable compensation	116	**124**	71	**74**	62	**69**
Bonus account (2016-2018)					62	
Bonus account (2017-2019)	116	**124**	71	**74**		**69**
Total variable components	254	**265**	151	**155**	136	**152**
Service cost	-	**-**	-	**-**	-	**-**
Total remuneration	738	**770**	545	**559**	427	**471**

The D&O liability insurance policy taken out for the members of the Executive Board includes the statutory deductible.

Remuneration of the Supervisory Board

Supervisory Board remuneration has been defined as mere fixed compensation; it takes into account the responsibility and the scope of work of the members of the Supervisory Board. Supervisory Board chairmanship and deputy chairmanship as well as chairmanship and membership of the Audit Committee and the Nomination and Remuneration Committee are subject to additional compensation.

According to the provisions in effect, members of the Supervisory Board receive a fixed annual compensation, payable after the end of each financial year, amounting to Euro 15,000.00 for each member, twice that amount for the Chairman, and one and a half times that amount for the Deputy Chairman. Members of the Audit Committee receive an additional fixed annual compensation, payable after the end of each financial year, amounting to Euro 7,500.00, while the committee chairman receives twice that amount. Members of the Nomination and Remuneration Committee receive an additional fixed annual compensation, payable after the end of each financial year, amounting to Euro 5,000.00, while the committee chairman receives twice that amount. Supervisory Board members are also reimbursed for out-of-pocket expenses incurred in connection with their work as well as for value-added tax levied on their compensation.

To the members of the Supervisory Board, remuneration was granted for the 2019 financial year as presented below (individualized disclosures):

Remuneration for financial year 2019

EUR'000	Basic compensation	Additional compensation for audit committee work	Additional compensation for nomination and remuneration committee work	Total 2019	Total 2018
Michael Johnigk	30.0	7.5	5.0	**42.5**	42.5
Dr. Thomas A. Lange	22.5	15.0	0	**37.5**	37.5
Maximilian Beck	15.0	7.5	-	**22.5**	12.9[2]
Markus Jost	15.0	7.5	10.0	**32.5**	32.5
Wilfried Kempchen	15.0	0	0	**15.0**	15.0
Winfried Spies[1]	9.6[1]	0	0	**9.6**	15.0
Total	**107.1**	**37.5**	**15.0**	**159.6**	**155.4**

[1] Deceased on 21 August 2019 (pro-rata compensation for 233 days)
[2] Previous year: pro-rata compensation

No loans have been extended to members of the Executive Board or the Supervisory Board.

Statement on corporate governance

Executive Board and Supervisory Board have released the statement on corporate governance. It is available on the internet at https://www.ovb.eu/english/investor-relations/corporate-governance.

Separate non-financial consolidated management report

The Executive Board has released the separate non-financial consolidated management report. It is available on the Internet at https://www.ovb.eu/english/investor-relations/financial-publications-and-financial-calendar

Disclosures pursuant to Sections 289a (1), 315a (1) HGB and explanatory report

Composition of subscribed capital

The Company's share capital was Euro 14,251,314.00 as of 31 December 2019, divided into 14,251,314 no-par value bearer shares. Each share carries the same rights and represents one vote in the General Meeting of Shareholders.

Shareholdings in excess of 10.0 per cent of the voting rights

OVB Holding AG has been notified of the following shareholdings in excess of 10.0 per cent of the voting rights in OVB Holding AG. The following groups of shareholders are also referred to as principal shareholders.

Basler Beteiligungsholding GmbH, Hamburg, holds roughly 32.57 per cent of shares directly. This investment is attributed to Basler Sachversicherungs-Aktiengesellschaft, Bad Homburg, Basler Lebensversicherungs-Aktiengesellschaft, Hamburg, Basler Sach Holding AG, Hamburg, Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg, Bâloise Delta Holding S.a.r.l., Bartingen, Luxembourg, and Bâloise Holding AG, Basel, Switzerland, in accordance with Sections 33, 34 (1) no. 1 WpHG (Securities Trading Act). Roughly 96.98 per cent of the voting rights in OVB Holding AG are attributable to Bâloise Holding AG, Basel, Switzerland, altogether in accordance with Sections 33, 34 WpHG.

SIGNAL IDUNA Lebensversicherung a. G. (formerly IDUNA Vereinigte Lebensversicherung für Handwerk, Handel und Gewerbe aG), Hamburg, holds roughly 31.67 per cent of the shares directly. As the insurance companies of the SIGNAL IDUNA Group represent a horizontal group of companies ("Gleichordnungskonzern") for the purpose of Section 18 (2) AktG (Stock Corporation Act), SIGNAL IDUNA Lebensversicherung a. G., Hamburg, indirectly holds 52.94 per cent of the shares. SIGNAL IDUNA Krankenversicherung a. G., Dortmund, holds roughly 21.27 per cent of the shares directly.

In accordance with Sections 33 (1), 34 (2) WpHG, the shares held directly by SIGNAL IDUNA Krankenversicherung a. G. and SIGNAL IDUNA Lebensversicherung a. G. are also attributed to SIGNAL IDUNA Unfallversicherung a. G., Dortmund, so that this entity has respective indirect holdings of roughly 52.94 per cent of the shares. Roughly 96.98 per cent of the voting rights in OVB Holding AG are attributable to SIGNAL IDUNA Lebensversicherung a. G., Hamburg, SIGNAL IDUNA Krankenversicherung a. G., Dortmund, and SIGNAL IDUNA Unfallversicherung a. G., Dortmund, altogether according to Sections 33, 34 WpHG respectively.

Generali CEE Holding B.V., Amsterdam, The Netherlands, holds roughly 11.48 per cent of the shares directly, attributable to Assicurazioni Generali S.p.A., Trieste, Italy, according to Sections 33 (1), 34 (1) no.1 WpHG. Roughly 75.71 per cent of the voting rights in OVB Holding AG are attributable to Assicurazioni Generali S.p.A., Trieste, Italy, in accordance with Sections 33, 34 WpHG.

The free float as defined by Deutsche Börse AG amounts to roughly 3.01 per cent according to the information available to OVB Holding AG.

Restrictions on voting rights or share assignment

Principal shareholders Basler Group, SIGNAL IDUNA Group and Generali CEE Holding B.V. have concluded a shareholder voting agreement under which the contracting parties are obligated to exercise their votes at the General Meeting of Shareholders in elections to the Supervisory Board in such a way that the candidates proposed by Basler Group, SIGNAL IDUNA Group and Generali CEE Holding B.V. will be represented on the Supervisory Board. Furthermore, two principal shareholders have committed themselves to sell their shares only if the purchaser of shares will enter into the shareholder voting agreement.

Appointment and recall of members of the Executive Board and amendments to the Articles of Association

The Executive Board, consisting of two members or more pursuant to Section 7 (1) of the Articles of Association, is appointed and dismissed exclusively in accordance with the relevant statutory provisions (Section 84 et seq. AktG). The Supervisory Board has sole responsibility for the appointment and recall of Executive Board members, determines the number of Executive Board members and appoints them for a maximum term of five years. Executive Board members may be reappointed or their terms of office extended, in each case for no more than five years.

The Articles of Association may be amended by resolution of the General Meeting of Shareholders.

Amendments become effective upon entry in the commercial register pursuant to Section 181 (3) AktG (Stock Corporation Act). In accordance with Section 179 (2) AktG in conjunction with Section 18 (2) of the Articles of Association, resolutions passed by the General Meeting of Shareholders to amend the Articles of Association must be adopted by a simple majority of the votes cast as well as a majority of three fourths or more of the share capital represented at the vote unless provisions of the German Stock Corporation Act determine a larger majority as mandatory. Under Section 11 (3) of the Articles of Association, the Supervisory Board has the power to amend the Articles of Association insofar as only their wording is concerned.

The Executive Board’s authorizations to issue and buy back shares

At present OVB Holding AG has neither contingent nor authorized capital. The Annual General Meeting of 3 June 2015 authorized the Company to purchase up to 300,000 treasury shares up to and including 10 June 2020. Shares may be purchased on the stock exchange or by means of a public purchase offer addressed at all shareholders. The Company may also use intermediaries to purchase shares on the stock exchange, provided those intermediaries comply with the following restrictions.

If shares are purchased on the stock exchange, the purchase price per share (not including transaction costs) must neither exceed nor fall below the average share price (closing auction prices for the OVB stock on the Xetra trading platform or a functionally equivalent successor system at the Frankfurt Stock Exchange) by more than 5 per cent respectively over the last five trading days before the purchase obligation was assumed.

In case of a public purchase offer, the purchase price must neither exceed nor fall below the average share price (closing auction prices for OVB shares on the Xetra trading platform or a functionally equivalent successor system at the Frankfurt Stock Exchange) by more than 10 per cent respectively between the fourth and the tenth trading day prior to the day on which the bid was announced. The volume of the offer may be limited. If the offer is thus over-subscribed, acceptance must be proportionate to the number of shares respectively offered.

Privileged acceptance of smaller allotments of no more than 100 shares offered to the Company for purchase per shareholder may be provided for.

Subject to the Supervisory Board's consent, the Executive Board is authorized to use the shares bought back based on the above authorization as follows:

Subject to the Supervisory Board's consent, the Executive Board may use the Company’s shares bought back as (partial) consideration in connection with business combinations or for the acquisition of companies, investments in companies, business divisions or other assets. The Executive Board may also use repurchased shares in order to fulfill the obligations under any share-based payment plans in favour of members of management, other executives or self-employed sales agents of OVB Holding AG and its domestic and foreign subsidiaries (for the purpose of Sections 15 et seq. AktG).

The Executive Board may also, subject to the Supervisory Board's consent, retire repurchased shares without requiring another resolution of the General Meeting of Shareholders. The Executive Board may elect to retire only a part of the shares bought back; the authorization to retire shares may be exercised in one amount or in several installments.

The retirement of shares may be executed in such a way that the share capital does not change but rather the interest in the share capital represented by the remaining shares is increased.

The shareholders’ subscription right to the Company’s treasury shares is excluded, provided such shares are used in accordance with the authorizations described above.

Change of control

Public bids to acquire shares in the Company are governed exclusively by law and the Articles of Association, including the provisions of the German Securities Acquisition and Takeover Act (WpÜG). The General Meeting of Shareholders has not authorized the Executive Board to take actions falling within the shareholders' powers so as to prevent any successful takeover bids.

The Company has not entered into any compensation agreements for the event of a takeover bid with the members of the Executive Board or employees.

Statement of the Executive Board pursuant to Section 312 (3) AktG

With respect to business transactions or measures reportable in accordance with Section 312 AktG (Stock Corporation Act), the Company has received appropriate consideration for each business transaction and was not disadvantaged in any measure taken, or deliberately not taken, based on the circumstances known to the Company at the time the respective transaction or measure was taken or deliberately not taken.

Responsibility statement pursuant to Section 297 (2) sentence 4 HGB

To the best of their knowledge, the legal representatives assure that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with the applicable reporting principles and that the consolidated management report includes a fair review of the development and performance of the business and the position of the Group, together with an accurate description of the material opportunities and risks associated with the expected development of the Group.

Cologne, 25 March 2020

Mario Freis
CEO

Oskar Heitz
CFO

Thomas Hücker
COO

Consolidated financial statements 2019

Consolidated statement of financial position

of OVB Holding AG as of 31 December 2019 according to IFRS

Assets

Note	EUR'000	31/12/2019	31/12/2018
	A. Non-current assets		
1	Intangible assets	12,404	9,744
2	Rights of use of leased assets	11,722	0
3	Tangible assets	4,324	3,834
4	Financial assets	7,459	12,079
5	Deferred tax assets	4,809	4,353
		40,718	**30,010**
	B. Current assets		
6	Trade receivables	33,331	32,764
7	Receivables and other assets	39,153	34,486
8	Income tax assets	950	1,079
9	Securities and other capital investments	44,255	41,475
10	Cash and cash equivalents	56,717	46,513
11	Real property held for sale	867	0
		175,273	**156,317**
	Total assets	**215,991**	**186,327**

Note

Equity and liabilities

Note	EUR'000	31/12/2019	31/12/2018
	A. Equity		
12	Subscribed capital	14,251	14,251
13	Capital reserve	39,342	39,342
14	Treasury shares	0	0
15	Revenue reserves	13,694	13,671
16	Other reserves	47	109
17	Non-controlling interests	538	423
18	Retained earnings	22,765	22,648
		90,637	**90,444**
	B. Non-current liabilities		
19	Provisions	1,838	1,007
20	Other liabilities	10,927	52
21	Deferred tax liabilities	403	207
		13,168	**1,266**
	C. Current liabilities		
22	Provisions for taxes	295	50
23	Other provisions	45,879	40,881
24	Income tax liabilities	606	739
25	Trade payables	17,546	9,365
26	Other liabilities	47,860	43,582
		112,186	**94,617**
	Total equity and liabilities	**215,991**	**186,327**

Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 December 2019 according to IFRS

Note	EUR'000	2019	2018
27	Brokerage income	257,819	231,337
28	Other operating income	11,244	11,407
	Total income	**269,063**	**242,744**
29	Brokerage expenses	-170,060	-155,079
30	Personnel expenses	-37,997	-29,778
31	Depreciation and amortisation	-6,880	-4,263
32	Other operating expenses	-40,044	-40,461
	Earnings before interest and taxes (EBIT)	**14,082**	**13,163**
	Finance income	1,627	511
	Finance expenses	-316	-834
33	**Financial result**	**1,311**	**-323**
	Consolidated income before income tax	**15,393**	**12,840**
34	Taxes on income	-4,141	-3,115
35	**Consolidated net income**	**11,252**	**9,725**
36	Thereof non-controlling interests	-240	-109
37	**Consolidated net income after non-controlling interests**	**11,012**	**9,616**
38	Basic earnings per share in Euro	0.77	0.67

Note

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 December 2019 according to IFRS

EUR'000	2019	2018
Consolidated net income	**11,252**	**9,725**
Revaluation effect from provisions for pensions	-86	30
Deferred tax due to revaluation effect from provisions for pensions	6	-5
Other comprehensive income not to be reclassified to the income statement	**-80**	**25**
Change from revaluation of financial assets measured at fair value outside profit or loss	29	-2
Change in deferred taxes on unrealised gains and losses from capital investments outside profit or loss	-3	0
Change in currency translation reserve	-8	-99
Other comprehensive income to be reclassified to the income statement	**18**	**-101**
Total comprehensive income before non-controlling interests	**11,190**	**9,649**
Total comprehensive income attributable to non-controlling interests	-240	-109
Total comprehensive income	**10,950**	**9,540**

Consolidated statement of cash flows

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

EUR'000		2019	2018
Consolidated income before income tax		15,393	12,840
+/-	Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	6,880	4,263
-	Financial result	-1,311	323
-/+	Unrealised currency gains/losses	-42	240
+/-	Allocation to/reversal of valuation allowances for receivables	1,396	1,346
+/-	Other non-cash financial items	12	21
+/-	Increase/decrease in provisions	3,356	3,134
+/-	Result from the disposal of intangible and tangible assets	28	-62
+/-	Decrease/increase in trade receivables and other assets	-3,204	-4,149
+/-	Increase/decrease in trade payables and other liabilities	2,857	2,583
-	Interest paid	-83	-52
-	Income tax paid	-3,696	-5,017
= Cash flow from operating activities		**21,586**	**15,470**
+	Payments received from disposal of tangible assets and intangible assets	326	78
+	Payments received from disposal of financial assets	5,361	148
+	Payments received from disposal of securities and other short-term capital investments	2,808	3,780
-	Payments for expenditure on tangible assets	-1,927	-1,081
-	Payments for expenditure on intangible assets	-3,272	-2,921
-	Payments for expenditure on financial assets	-273	-7,132
+	Payments-in from/Payments for acquisition of subsidiary	2,269	-
-	Payments for expenditure on securities and other short-term capital investments	-4,116	-6,623
+	Other finance income	244	274
+	Interest received	338	237
= Cash flow from investing activities		**1,758**	**-13,240**
-	Dividends paid	-10,813	-10,943
-	Payments on the principal of the lease liability from financing activities	-2,154	-
-	Payments on the interest of the lease liability from financing activities	-219	-
= Cash flow from financing activities		**-13,186**	**-10,943**
Overview:			
Cash flow from operating activities		21,586	15,470
Cash flow from investing activities		1,758	-13,240
Cash flow from financing activities		-13,186	-10,943
= Net change in cash and cash equivalents		**10,158**	**-8,713**
Exchange rate changes in cash and cash equivalents		46	-295
+ Cash and cash equivalents at end of the prior year		46,513	55,521
= Cash and cash equivalents at the end of the period		**56,717**	**46,513**

Consolidated statement of changes in equity

of OVB Holding AG as of 31 December 2019 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
31/12/2018 (IAS 17)	**14,251**	**39,342**	**2,539**	**11,132**	**1**	**-583**
Change of accounting policy IFRS 16						
01/01/2019 (IFRS 16)	**14,251**	**39,342**	**2,539**	**11,132**	**1**	**-583**
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					29	
Allocation to other reserves			23			
Change in currency translation reserve						
Revaluation effect from provisions for pensions						-86
Consolidated net income						
31/12/2019	**14,251**	**39,342**	**2,562**	**11,132**	**30**	**-669**

of OVB Holding AG as of 31 December 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 (IAS 18, IAS 39)	**14,251**	**39,342**	**2,539**	**11,132**	**74**	**-613**
Change of accounting policy IFRS 9					-71	
Change of accounting policy IFRS 15						
01/01/2018 (IFRS 9, IFRS 15)	**14,251**	**39,342**	**2,539**	**11,132**	**3**	**-613**
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					-2	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						30
Consolidated net income						
31/12/2018	**14,251**	**39,342**	**2,539**	**11,132**	**1**	**-583**

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
160	**531**		**13,032**	**9,616**		**90,021**	**423**	**90,444**
			-184					-184
160	**531**		**12,848**	**9,616**		**89,837**	**423**	**90,260**
			9,616	-9,616				
			-10,688			-10,688	-125	-10,813
-3		26			26	26		26
			-23					
	-8	-8			-8	-8		-8
6		-80			-80	-80		-80
				11,012	11,012	11,012	240	11,252
163	**523**	**-62**	**11,753**	**11,012**	**10,950**	**90,099**	**538**	**90,637**

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					
			2,505					
165	**630**		**11,578**	**12,142**		**91,169**	**569**	**91,738**
			12,142	-12,142				
			-10,688			-10,688	-255	-10,943
		-2			-2	-2		-2
	-99	-99			-99	-99		-99
-5		25			25	25		25
				9,616	9,616	9,616	109	9,725
160	**531**	**-76**	**13,032**	**9,616**	**9,540**	**90,021**	**423**	**90,444**

Notes to the consolidated financial statements for financial year 2019

I. General information

1. General information on the OVB Group

OVB Holding AG (hereinafter also referred to as "OVB" or "the Company") is a German stock corporation with its registered office in Cologne, Germany, at Heumarkt 1. The Company is recorded in the commercial register at the Cologne Local Court (Amtsgericht) under registration number 34649, section B. The Company's business is the management of entities involved particularly in providing advisory and brokerage services in connection with capital investments, building society savings contracts and insurance contracts as well as in providing advisory and brokerage services in relation to real property of all kinds.

The consolidated financial statements of OVB Holding AG for the financial year ended 31 December 2019 are released for publication on 25 March 2020 pursuant to a resolution of the Executive Board with the approval of the Supervisory Board.

2. Summary of basic principles of financial accounting

As the listed parent whose shares are admitted to trading on an organized market within the meaning of Section 2 (5) WpHG (Securities Trading Act), OVB Holding AG has prepared its consolidated financial statements pursuant to Section 315e HGB (Commercial Code) in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union, released by the International Accounting Standards Board (IASB). All International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) subject to mandatory application for financial year 2019 as well as the interpretations released by the IFRS Interpretations Committee [formerly: International Financial Reporting Interpretations Committee (IFRIC)] and the Standing Interpretations Committee (SIC) have been taken into account. Supplementary trade law requirements under Section 315e (1) HGB have also been complied with.

The separate IFRS financial statements of the subsidiaries included in the consolidated financial statements of OVB Holding AG are based on consistent accounting and valuation principles. The IFRS financial statements have the same reporting date as the consolidated financial statements and were reviewed by independent auditors, provided those companies permanently provide brokerage services or assume material functions within the Group.

The consolidated financial statements are prepared in euro. Unless stated otherwise, all figures are rounded up or down to the nearest thousand euros (EUR'000) in accordance with commercial rounding principles. As the figures are presented in thousand euro increments, rounding discrepancies may arise in the individual case when single values are added up.

In addition to the consolidated statement of financial position and the consolidated income statement, consolidated financial statements include the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to consolidated financial statements including segment reporting.

2.1 Mandatory accounting standards

In consideration of the following standards subject to first-time adoption, the accounting policies and valuation methods applied are the same as those applied in the previous year.

New and amended standards applied for the first time

- **IAS 19 Employee Benefits (amendments)**
  Amendments to IAS 19 include the future commitment to recalculate the current service cost and net interest for the remaining financial year in case of a change, reduction or settlement of a defined benefit pension commitment

in applying the actuarial assumptions used for the recalculation of corresponding net liabilities. Amendments are effective as of 1 January 2019. Material effects on the consolidated financial statements do not result from these amendments.

- **IAS 28 Investments in Associates and Joint Ventures (amendments)**
  Amendments to IAS 28 include the clarification that an entity that holds long-term investments in an associate or a joint venture which is part of a net investment in that entity yet not accounted for under the equity method shall apply IFRS 9 including its impairment approach. Amendments are effective as of 1 January 2019 and have no effect on the consolidated financial statements.

- **IFRS 16 Leases**
  IFRS 16 was released in January 2016 and incorporated into EU law by Commission Regulation (EU) 2017/1986 of 31 October 2017. Upon its entry into force, IFRS 16 supersedes IAS 17 (including corresponding interpretations) and is applicable for financial years beginning on or after 1 January 2019. IFRS 16 defines principles for the recognition, measurement and disclosure as well as the scope and content of the notes with respect to existing leases.

  According to the new provisions, the lessee must recognize all leases in the statement of financial position as a lease liability and an essentially corresponding right of use. Presentation in the income statement is made in the form of a financing transaction in all cases, i.e. the right of use is generally subject to depreciation under the straight-line method and the lease liability is carried forward under the effective interest method. Not subject to accounting treatment in the statement of financial position are only lease agreements with a total term of no more than twelve months as well as leases of so-called low-value assets (items of IT equipment and office and operating equipment with an original value of no more than USD 5,000, unless such assets are closely connected to other assets). If this option is made use of, lease payments are recognized through profit or loss over the lease term according to the straight-line method.

  With respect to the lessor, provisions of IAS 17 were incorporated into the new standard virtually unchanged.

  Furthermore, IFRS 16 includes amended provisions for separating lease and service components as well as for the accounting treatment of modifications of existing contracts and a considerable increase in disclosure requirements both for lessor and lessee.

  OVB adopts IFRS 16 as of 1 January 2019 according to the modified retrospective approach pursuant to IFRS 16.C5b. The effect of first-time adoption from retrospective application is recognized as of first-time adoption as a cumulative correction of the opening financial position statement value of profit carried forward and amounts to EUR 184 thousand. The comparative information is therefore not adjusted. For first-time adoption, OVB makes use of the practical approach pursuant to IFRS 16.C3a and applies transitional provisions to leases already identified as leases in accordance with IAS 17 and IFRIC 4 prior to the date of first-time adoption. First-time adoption as of 1 January 2019 results in a financial position statement extension of EUR 7,161 thousand[1)] due to the accounting treatment of the lease liability and the corresponding right of use.

  The amount of the lease liability corresponds to the present value of the remaining lease payments under the respective operating lease as of first-time adoption. The amount of the right of use corresponds to the present value of the operating lease as if it had been previously measured according to IFRS 16, less lease payments already made (IFRS 16.C8b).

  With respect to short-term leases and leases whose underlying assets are of low value, OVB makes use of the simplified approach pursuant to IFRS 16.C10c and recognizes thus resulting expenses as expenses for short-term leases or rather low-value leases. Such expenses are disclosed under the item “Other operating expenses”.

  The previous disclosure of expenses for operating leases under “Other operating expenses” gives way to the consideration of depreciation of rights of use and the recognition of expenses from accrued interest on lease liabilities disclosed under “Financial result”. Due to the partial transfer of expenses to the financial result caused by the application of IFRS 16, the EBIT improves in the amount of EUR 219 thousand in financial year 2019.

1) The amount of the financial position statement extension as of 1 January 2019 has been adjusted by EUR 108 thousand in comparison with quarterly financial reporting as of 30 September 2019.

Based on finance lease and operating lease obligations as of 31 December 2018, this results in the following reconciliation to the opening statement of financial position value of lease liabilities as of 1 January 2019:

Opening statement of financial position value of lease liabilities of the OVB Group as of 1 January 2019

EUR'000	
Operating lease liabilities as of 31 December 2018	4,712
Minimum lease payments (nominal value) for finance lease liabilities as of 31 December 2018	51
Short-term leases	(362)
Low-value leases	(161)
Changes in options for renewal or cancelation	3,096
Changes from business combinations	481
Others	(20)
Gross lease liabilities as of 1 January 2019	7,797
Discounting	(454)
Lease liabilities as of 1 January 2019	7,343

The preparation of the reconciliation statement revealed that the amounts of operating lease obligations reported in the notes as of 31 December 2018 for some of OVB's operating subsidiaries were too high by the total amount of EUR 448 thousand. Operating lease obligations indicated in the reconciliation statement above have been adjusted accordingly.

Lease liabilities are discounted by applying incremental borrowing rates as of 1 January 2019. Underlying incremental borrowing rates applied for real property range between 1.9 per cent and 5.0 per cent. For all other concluded leases, incremental borrowing rates range between 1.7 per cent and 5.0 per cent.

- **IFRIC 23 Uncertainty over Income Tax Treatments**
  IFRIC 23 was released on 7 June 2017 and is subject to mandatory application as of 1 January 2019. This interpretation includes supplementary rules for the recognition and measurement of current or deferred tax assets or tax liabilities according to IAS 12 if there is uncertainty with respect to their income tax treatment. Uncertainties are to be considered for the accounting treatment of tax liabilities or tax assets if it is probable that the respective tax amounts will be paid or reimbursed. IFRIC 23 thus bridges the regulatory gaps left by IAS 12 in this regard. Application has no effect on the consolidated financial statements.

- **Annual Improvements to IFRS Cycle 2015 – 2017**
  Within the framework of its project intended to introduce minor improvements to standards and interpretations (Annual Improvements Process) of the cycle 2015-2017, four standards were amended. The amendments address IAS 12, IAS 23, IFRS 3 and IFRS 11 and had no material effects on the consolidated financial statements.

Standards released but not yet subject to mandatory application

The following standards have been released but are not subject to mandatory application or may only be adopted for future periods after they have been EU endorsed.

- **Annual Improvements to IFRS**
  Within the framework of its project intended to introduce minor improvements to standards and interpretations (Annual Improvements Project), the IASB has released its most recent collection of "Annual Improvements to IFRSs 2018 – 2020 Cycle", resulting in minor amendments to four standards altogether. These amendments address IAS 41, IFRS 1, IFRS 9 and IFRS 16 and are effective as of 1 January 2020 subject to pending EU endorsement (the IASB resolution on finalization is still pending). No material effects on the consolidated financial statements will result from these amendments.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amendments)**
  The amendments to IAS 1 and IAS 8 were released in October 2018 and include a more narrow definition of the term "material". In addition to that, the amendments aim at aligning the term with the conceptual framework as well as with other standards. Amendments are subject to application as of 1 January 2020. No material effects on the consolidated financial statements will result from these amendments.

- **IFRS 3 Business Combinations (amendments)**
  With the amendment to IFRS 3, the definition of a business will no longer solely require the availability of economic resources (inputs) but also a substantial process used together for producing the output. Amendments are effective as of 1 January 2020 subject to pending EU endorsement. No material effects on the consolidated financial statements will result from these amendments.

There are no other standards or interpretations not yet subject to mandatory application that have a potential material effect on the Group.

2.2 Principles of consolidation

The consolidated financial statements for the financial year ended 31 December 2019 incorporate OVB Holding AG and the subsidiaries under its control. Control applies if OVB has the power to control the entity (more than 50 per cent of the voting rights) and the right to claim the entity's returns (influence on financial or distribution policy).

The consolidated financial statements include all assets and (contingent) liabilities as well as all expenses and income of OVB Holding AG and the subsidiaries under its control after elimination of all intra-group transactions by way of consolidation of investments, liabilities, expenses and income as well as the elimination of interim results.

Subsidiaries are fully consolidated as of the date when OVB Holding AG assumes control. Inclusion in the consolidated financial statements by way of full consolidation ends as soon as an entity is no longer controlled by the parent.

OVB Holding AG applies the acquisition method for the accounting treatment of business combinations.

The following subsidiaries have been included in the consolidated financial statements of OVB Holding AG:

Consolidated entities	Interest in per cent 2019	Equity in EUR'000 31/12/2019	Net income in EUR'000 31/12/2019
Nord-Soft EDV-Unternehmensberatung GmbH, Horst	50.40	1,060	483
Nord-Soft Datenservice GmbH, Horst	50.40	25	0
OVB Informatikai Kft., Budapest	100	47	-10
OVB SW Services s.r.o., Prague	100	7	0
OVB Vermögensberatung AG, Cologne*	100	18,759	0
Advesto GmbH, Cologne	100	27	-60
Eurenta Holding GmbH Europäische Vermögensberatung, Cologne	100	-1,279	74
OVB Allfinanz a.s., Prague	100	1,806	571
OVB Allfinanz Slovensko a.s., Bratislava	100	4,894	3,044
OVB Allfinanz Polska Społka Finansowa Sp. z.o.o., Warsaw	100	1,993	1,425
OVB Vermögensberatung A.P.K. Kft., Budapest	100	3,062	2,758
TOB OVB Allfinanz Ukraine, Kiev	100	219	-8
S.C. OVB Allfinanz România Broker de Asigurare S.R.L., Cluj	100	659	323
OVB Imofinanz S.R.L., Cluj	100	0	3
OVB Allfinanz Croatia d.o.o., Zagreb	100	369	93
OVB Allfinanz Zastupanje d.o.o., Zagreb	100	457	129
OVB Allfinanzvermittlungs GmbH, Wals near Salzburg	100	4,266	1,143
OVB Vermögensberatung (Schweiz) AG, Hünenberg	100	783	21
OVB-Consulenza Patrimoniale SRL, Verona	100	1,835	-191
OVB Allfinanz España, S.A., Madrid	100	4,312	2,442
OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens	100	10	-221
Eurenta Hellas Monoprosopi Eteria Periorismenis Efthynis Asfalistiki Praktores, Athens	100	-3	-98
OVB Hellas Allfinanz Vermittlungs GmbH, Athens	100	-3	-1
OVB Conseils en patrimoine France Sàrl, Strasbourg	100	648	88
Willemot Bijzonder Verzekeringsbestuur NV, Gent	100	514	38
Verzekeringskantoor Louis Vanheule BVBA, Dendermonde	100	15	-9

* Profit and loss transfer agreement applies

The interest in each subsidiary equals the respective voting rights share.

Equity and net income for the period attributable to non-controlling shareholders are reported separately in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity. Assets and liabilities of consolidated entities with non-controlling shareholders are as follows:

	Nord-Soft EDV-Unternehmensberatung GmbH		Nord-Soft Datenservice GmbH	
EUR'000	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Non-current assets	298	282	0	0
Current assets	1,150	840	124	29
Non-current liabilities	39	0	0	0
Current liabilities	349	295	99	4

Non-current assets of Nord-Soft EDV-Unternehmensberatung GmbH essentially include own-use property with a book value of EUR 222 thousand as of 31 December 2019 (31 December 2018: EUR 255 thousand). Sales generated with third parties in the year under review amount to EUR 1,163 thousand for Nord-Soft EDV-Unternehmensberatung GmbH (31 December 2018: EUR 928 thousand) and EUR 328 thousand for Nord-Soft Datenservice GmbH (31 December 2018: EUR 283 thousand).

2.3 Changes to the scope of consolidation

A business combination is the effect of OVB assuming control over one or more entities by transaction or another business event. For any case of business combinations, the acquisition method is to be applied. The acquisition cost of an acquired subsidiary is measured according to the fair value of the consideration, i.e. the total of transferred assets, assumed liabilities, issued equity instruments and contingent consideration. Incidental transaction costs are generally recognized as expense. Recognizable assets and assumed liabilities as well as contingent liabilities are measured at fair value in the full amount regardless of the amount of OVB's investment. Applicable are the respective values as of the time control over the subsidiary was assumed. The measurement of any goodwill is determined by the positive difference between the acquisition's transaction cost less the fair value of the acquired net assets.

In the second quarter of 2019, EF-CON Insurance Agency GmbH (in liquidation), Vienna, was deconsolidated. In August 2019, the entity was liquidated by order of the Commercial Court of Vienna. Deconsolidation resulted in a gain of EUR 100 thousand recognized through profit or loss.

Acquisition of Willemot NV

As of 1 January 2019, OVB Holding AG acquired 100 per cent of the shares in Belgian insurance broker Willemot Bijzonder Verzekeringsbestuur NV ("Willemot NV") based in Gent, Belgium. Belgian insurance broker Verzekeringskantoor Louis Vanheule BVBA based in Dendermonde, Belgium, is a 100 per cent subsidiary of Willemot NV.

The objective of the acquisition is the development of the Belgian market. According to the contractual agreement with the previous owner, OVB was entitled to control the entity's relevant business activity even prior to the transfer of shares.

Goodwill in the amount of EUR 1,320 thousand essentially reflects the synergy and process optimization potential of the acquired entity and is subject to annual impairment tests. It is not expected that part of the goodwill will be tax-deductible.

Total consideration amounts to Euro 1,300 thousand. This consideration amount is paid in three tranches by the transfer of means of payment. The initial payment of Euro 500 thousand was made as of the date of closing, 14 March 2019. Subsequent payments of Euro 400 thousand each will follow after 24 and 36 months respectively, to be disclosed under non-current liabilities.

Receivables acquired within the framework of the corporate transaction, comprised essentially of trade receivables and receivables from financial agents/brokers, amount to a fair value of EUR 2,046 thousand and gross receivables of EUR 2,470 thousand. The estimate of contractual cash flows that probably represent bad debt, made as of the acquisition date, amounts to EUR 424 thousand.

Acquired assets and assumed liabilities as of the acquisition date are as follows:

EUR'000	01/01/2019
Intangible assets	1,667
Tangible assets	879
Financial assets	468
Trade receivables	1,457
Receivables and other assets	1,970
Securities and other capital investments	507
Cash and cash equivalents	2,769
Deferred tax assets	396
Provisions	-1,254
Pension commitments	-797
Trade payables	-8,060
Other liabilities	-15
Other equity and liabilities	-8

In accordance with IFRS 3.49, goodwill resulting from the acquisition of Willemot NV as of 1 January 2019 has been reduced by EUR 751 thousand to now EUR 1,320 thousand. The adjustment has been made retrospectively as of 1 January 2019. Adjustments to comparative figures for financial year 2018 were not necessary. The reduction results from the adjustment or rather first-time recognition of the following assets and liabilities:

EUR'000	01/01/2019
Intangible assets	140
Receivables and other assets	1,145
Deferred tax assets	396
Provisions	-133
Pension commitments	-797

Deferred tax assets in the amount of EUR 396 thousand were recognized for the first time. Due to the positive performance of Willemot NV in financial year 2019, realization of deferred tax assets is deemed reasonably certain.

The statement of comprehensive income as of 31 December 2019 includes brokerage income of EUR 17,499 thousand and net income of EUR 64 thousand resulting from the business activity of Willemot NV.

Incidental transaction costs were fully recognized in financial year 2018 through profit or loss.

2.4 Foreign currency translation

2.4.1 Foreign currency transactions

Foreign currency transactions are generally translated at the closing exchange rate of the transaction date. Monetary items denominated in foreign currencies (e.g. liquid assets, receivables, liabilities) are subsequently translated at the respective closing exchange rates and any translation differences are recognized in the income statement through profit or loss. Non-monetary items valued at historical cost continue to be translated at historical exchange rates. The historical exchange rate equals the exchange rate as of the item's first-time recognition.

2.4.2 Foreign entities

Separate financial statements in a foreign currency are translated according to the functional currency approach under IAS 21 in application of the modified closing rate method. The assets and liabilities of the consolidated foreign entities, all of which are financially independent as well as independently organized and operated, are translated at the closing exchange rate of the reporting date while expenses and income are translated at average annual exchange rates and equity items are translated at historical exchange rates. Translation differences are recognized in equity outside profit or loss and reported under other comprehensive income.

The exchange rates of relevance to the consolidated financial statements have performed against the euro as follows:

EUR	Closing rate 31/12/2019	Closing rate 31/12/2018	Change in %	Average rate 2019	Average rate 2018	Change in %
CHF	0.921238	0.887694	3.78	0.898946	0.865878	3.82
CZK	0.039336	0.038835	1.29	0.038939	0.038969	-0.08
HUF	0.003020	0.003112	-2.96	0.003073	0.003135	-1.98
HRK	0.134150	0.134777	-0.47	0.134630	0.134707	-0.06
PLN	0.234937	0.232468	1.06	0.232564	0.234554	-0.85
RON	0.208740	0.214228	-2.56	0.210445	0.214494	-1.89
UAH	0.037245	0.031251	19.18	0.034362	0.030918	11.14

3. Summary of essential accounting policies and valuation methods

3.1 Historical cost convention and fair value

Generally speaking, the amortized acquisition or historical cost of assets and liabilities constitutes the maximum reportable value.

However, securities of the categories "fair value through profit & loss" (FVPL) and "fair value through other comprehensive income" (FVOCI) are exceptions to this rule as they are recognized at fair value. According to IFRS 13, fair value is defined as the amount that would be received for the sale of an asset or paid for the transfer of a liability in a business transaction between market participants as of the cut-off date.

The fair value of securities, if applicable, corresponds to the listed market price in an active market (level 1 according to IFRS 13). If no such market prices in an active market are available, fair value is determined on the basis of the requirements defined by IFRS 13.72 according to an appropriate valuation model. Unrealized gains or losses of FVOCI securities are generally recognized in equity outside profit or loss. If such a security is disposed of, the cumulative gains or losses previously recognized directly in equity are then reclassified to the income statement through profit or loss.

3.2 Financial instruments

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

Classification according to measurement categories is based on the identification of the business model under which contractual cash flows are collected as well as an assessment of the terms of the cash flows by way of the SPPI test

(Solely Payment of Principal and Interest). The OVB Group's financial instruments can be categorized as follows:

Amortized Cost (AC)
Financial instruments measured at amortized cost are recognized at fair value upon addition. Insofar as future impairment is anticipated, it is considered for measurement unless immaterial. No-interest or low-interest bearing financial instruments with longer terms than one year are measured at present value. Subsequent to first-time recognition, such financial instruments 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 expected credit loss.

Fair Value through Profit or Loss (FVPL)
Financial instruments measured at fair value through profit or loss are recognized at fair value upon addition. Gains or losses resulting from subsequent measurement are to be recognized in profit or loss.

Fair Value through Other Comprehensive Income (FVOCI)
Debt instruments (business model: hold and sale; cash flow conditions compliant) and equity instruments (by designation) measured at fair value outside profit or loss are recognized at fair value upon addition. Gains or losses resulting from subsequent measurement are to be recognized in equity outside profit or loss. Upon disposal of debt instruments, gains or losses included in revaluation reserve are to be recognized in the income statement. With respect to equity instruments, there is no reclassification of the revaluation reserve through profit or loss. Interest income, valuation allowances and foreign exchange gains are recognized in the income statement through profit or loss.

3.2.1 Impairment and reversal of impairment loss of financial assets

As of each reporting date, expected credit losses are considered for valuation allowances for financial assets/contract assets measured at amortized cost. Present values of classical default scenarios are multiplied by the corresponding probability of occurrence. The initial effective interest rate is applied for discounting.

Stage transfer
Upon first-time assessment of future credit loss, impairment equals expected credit losses within the next twelve months. If a significant increase in credit risk compared to the initial assessment materializes at a later reporting date, impairment equals expected credit losses over the entire remaining term of the asset.

Simplified approach
For trade receivables without significant financing component, expected credit losses are determined collectively for a group of assets with the same credit risk characteristics and recognized as a risk provision item over the asset term pursuant to IFRS 9.5.5.15.

3.3 Recognition of sales

OVB generally recognizes sales at the time the agreed performances have been provided to the client (satisfaction of performance obligation). In case of uncertainty with respect to the recognition of sales, the date of actual cash inflow is taken into account. In the event that commissions are refunded to a product partner when contracts are cancelled or in the event of non-payment, 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. Considering potential refunds of commissions already received in case of cancellation, sales represent variable consideration for the purpose of IFRS 15 due to the element of uncertainty in the amounts of revenue.

Sales from subsequent commission are recognized as so-called contract asset under "Receivables and other assets". Subsequent commission is estimated on the basis of the most probable amount at which a significant cancellation of recorded sales is deemed highly improbable. Corresponding brokerage expenses to be handed on to the sales force are included in provisions from subsequent commission.

OVB recognizes new business commission, policy service commission and dynamic commission as sales.

OVB is paid new business commission for the successful brokerage of an insurance policy. Settlement follows either a discounted, partly discounted or pro-rata approach. With respect to partly discounted and pro-rata new business commission received in the categories unit-linked provision products, other provision products, property, legal expenses and accidence insurance, investment funds and health insurance, sales are recognized at an earlier point in time for the sales portion attributable to the successful brokerage of the contract yet settled only in later reporting periods; in doing that, assumptions are made with respect to the probable term in consideration of future contract cancellations.

OVB is paid policy service commission for the policy holder's continuous support. The performance is thus rendered over a certain period of time so that sales are to be realized over that time period accordingly.

OVB is paid dynamic commission for premium raises over the contract term. Dynamic commission is recognized as of the point in time the policy holder's withdrawal period with respect to the premium raise has expired.

3.4 Discretionary decisions

All of the necessary estimates and assessments in connection with accounting treatment and valuation in accordance with the IFRS comply with the respective accounting standard. Estimates are continually reviewed and are based on experience as to future events. Estimates also consider all events with historical origins known as of the reporting date that have a material effect on future periods.

In preparing the consolidated financial statements, assumptions have been made and estimates applied with an effect on the disclosure and amount of assets and contingent liabilities entered in the statement of financial position.

The following is an explanation of the most relevant forward-looking assumptions and other material sources of estimate uncertainty as of the reporting date which entail the estimation risk that a material adjustment might have to be made to the carrying amounts of assets and liabilities within the next financial year.

These assumptions and estimates essentially relate to the measurement of provisions and legal risks, the collectability of receivables and deferred taxes on loss carry-forward, impairment of goodwill and depreciation/amortization or rather the determination of the useful lives of assets, especially of intangible assets, and valuation of leases. Actual values may deviate in the individual case from the assumptions and estimates made. Changes are recognized at the time superior information becomes available.

For making provisions, estimates of the expected expense required in fulfilment of the current obligation as of the reporting date are made annually, with reasonable regard to the risk involved. If the probability of occurrence is known for a large number of contingencies, an estimated value is determined, and if a bandwidth is known and the probability of occurrence is equally high for each item within this bandwidth, an average amount is determined. In all other cases, the best estimate corresponds to the most probable value. For the calculation of provisions for cancellation risk, historical data for cancellation rates and the probability of cancellation are considered as the basis of estimated future cancellations of contracts. Future cancellation behaviour may vary from the estimate made as of the reporting date. Ceteris paribus an increase of the cancellation rate leads to a straight-line increase of the provisions for cancellation risk. Furthermore, periods of liability for separate product groups and current agreements with respect to liability rates are considered. The book value of provisions for cancellation risk can be found under position 23, “Other provisions”, in the notes to the consolidated statement of financial position.

Receivables are recognized at amortized cost less any necessary valuation allowance. Specific valuation allowances are calculated on the basis of individual risk assessment in consideration of all available information on the credit rating of the debtor and the age structure of the receivables. Because of the large number of receivables due from different individual sources, lump sum valuation allowances are also made on the basis of a homogeneous classification of non-significant receivables that share a consistent profile relating to risks and opportunities, based on an assessment of the respective debtor's value-defining factors. The book value of receivables can be found under positions 6 and 7 in the notes to the consolidated statement of financial position.

The annual impairment tests of goodwill are based on multi-year budget figures that are generally subject to uncertainty inherent in the budgeting process. Impairment testing requires an estimate of the value in use of the respective cash-generating unit. For the determination of value in use, estimates of expected future cash flows are required. In addition to that, required parameters for determining the value in use are defined. These parameters essentially involve the risk-free interest rate and a risk premium. The book value of goodwill can be found under position 1 in the notes to the consolidated statement of financial position.

For the accounting treatment of leases under contracts with indefinite terms in accordance with IFRS 16, all aspects available as of the reporting date that provide an economic incentive for the exercise of options for renewal or cancellation are considered in order to determine the useful life correctly.

For the capitalization of deferred tax on loss carry-forward, the taxable income of future years must be estimated. This estimate is based on the multi-year budget planning of the individual group divisions. Actually realizable future income may vary from the budget figures. The book value of deferred tax assets can be found under position 5 in the notes to the consolidated statement of financial position

Insofar as estimates were necessary to a larger extent, the underlying assumptions are explained in detail in the following explanatory notes to the respective item.

3.5 Objectives and methods of financial risk management

The objectives of capital management are based on OVB's financial strategy, components of which are safeguarding liquidity in day-to-day operations and guaranteeing access to the capital market at any time. Measures for reaching the targets of capital management are dividend policy, equity transactions, providing liquid assets for acquisitions and avoiding interest-bearing debt. OVB pursues a corporate policy according to which the Company's shareholders participate adequately in the business success. The Executive Board has the objective to keep distributing the Company's profits to the shareholders. There is still no need for either short-term or long-term outside financing. Our financial management is oriented towards the high degree of equity financing determined in our financial strategy. The capital structure of OVB Holding AG is distinguished by a solid equity ratio of 41.9 per cent (31 December 2018: 48.5 per cent). The Group utilizes various financial instruments that are a direct result of its business activities. The material risks to which the Group is exposed in connection with financial instruments include liquidity risk, currency risk, credit risk and interest rate risk. By means of the risk management system implemented by the Company's management, risks are routinely analyzed and promptly reported. The risk management system identifies gross exposure, i.e. the risks that will materialize if no measures are taken by the Company, and net risk, i.e. the residual risk that remains if appropriate measures are taken. The risk report is delivered at regular intervals; reports are given directly to the Company's management in case of increased individual risks. The Company's management decides on strategies and procedures for managing individual types of risk explained below in the respective sub-sections.

The following table shows the book values of all financial assets included in the consolidated financial statements according to IFRS 9.

EUR'000		31/12/2019	31/12/2018
Financial assets	AC	7,459	12,079
Trade receivables	AC	33,331	32,764
Receivables and other assets		39,153	34,486
Receivables	AC	19,192	18,578
Other assets	–	2,380	2,935
Contract asset (IFRS 15)	–	17,581	12,973
Securities and other capital investments		44,255	41,475
Securities	FVPL	24,735	23,780
Securities	FVOCI	6,302	3,515
Other capital investments	AC	13,218	14,180
Cash and cash equivalents	AC	56,717	46,513

AC = Amortized Cost / FVPL = Fair Value through Profit or Loss / FVOCI = Fair Value through Other Comprehensive Income

Aggregated to valuation categories pursuant to IFRS 9, book values of financial instruments can be presented as follows:

EUR'000		Book value 2019	Amortized cost	Acquisition cost	Change in value outside profit or loss	Change in value through profit or loss
Financial assets	AC	129,917 (previous year: 124,114)	129,917 (previous year: 124,114)	-	-	-20,729 (previous year: -19,882)
Financial assets	FVPL	24,735 (previous year: 23,780)	-	24,742 (previous year: 24,723)	-	-7 (previous year: -943)
Financial assets	FVOCI	6,302 (previous year: 3,515)	-	6,264 (previous year: 3,514)	38 (previous year: 1)	-
Financial liabilities	AC	74,333 (previous year: 51,441)	74,333 (previous year: 51,441)	-	-	-

AC = Amortized Cost / FVPL = Fair Value through Profit or Loss / FVOCI = Fair Value through Other Comprehensive Income

The Company's current financial liabilities fall under the category financial liabilities (AC) measured at amortized cost. The category financial assets (AC) includes all of the Company's financial receivables, loans reported as non-current financial assets, fixed-term deposits and liquid assets with a maturity of more than three months reported as other short-term capital investments, short-term loans and cash and cash equivalents. For improved comparability with the following tables, the book values shown for each asset category are the net carrying amounts, i.e. after consideration of impairment. Depending on the terms of contractual cash flows, securities are classified either as financial assets measured at fair value through profit or loss or outside profit or loss.

Financial assets were not reclassified for the purpose of IFRS 7.12B in the reporting year or in the previous year.

Financial assets with a total book value of EUR 1,574 thousand (31 December 2018: EUR 3,412 thousand) were pledged as collateral. Collateral is granted to individual product partners for protection against discount risk. The amount is based on the respective business volume of previous reporting periods.

The following table shows the net result from financial instruments by measurement category:

			From subsequent measurement			Net result
EUR'000		From interest and similar income	At fair value	Valuation allowance / Appreciation in value	From disposal	Total
Financial assets	AC	341 (previous year: 247)	-	-1,078 (previous year: -835)	-200 (previous year: -390)	-937 (previous year: -978)
Financial assets	FVPL	175 (previous year: 187)	0 (previous year: 83)	937 (previous year: -782)	0 (previous year: 0)	1,112 (previous year: -512)
Financial assets	FVOCI	0 (previous year: 1)	29 (previous year: 1)	-	-	29 (previous year: 2)
Financial liabilities	AC	-302 (previous year: -52)	-	-	1,371 (previous year: 1,262)	1,069 (previous year: 1,210)
Total		214 (previous year: 383)	29 (previous year: 84)	-141 (previous year: -1,617)	1,171 (previous year: 872)	1,273 (previous year: -278)

Foreign currency effects included in net result are immaterial and therefore not reported separately. Net result includes EUR 29 thousand (31 December 2018: EUR 73 thousand) recognized outside profit or loss in equity.

OVB reports the above-mentioned expenses and income included in net result under the financial result with the exception of:

- “Valuation allowances for receivables” allocated to financial assets measured at amortized cost that are reported under distribution expenses as essentially receivables from sales agents are concerned,
- income from cancelled obligations allocated to other operating income and
- adjustments to the fair value of financial instruments outside profit or loss that are recognized directly in equity.

The net result from valuation allowances for financial assets measured at amortized cost consists of expenses for valuation allowances and income from appreciation in value.

Total interest income from financial assets amounted to EUR 517 thousand in the year under review (31 December 2018: EUR 435 thousand). Total interest expense for financial liabilities was EUR 302 thousand (31 December 2018: EUR 52 thousand).

3.5.1 Credit risk

The consolidated companies are exposed to default risk relating to receivables from sales agents. OVB counters these risks by retaining securities, running an active accounts receivable management at the respective subsidiaries and practicing a careful selection of financial agents. Credit risk relating to product partners is curtailed by a restrictive selection process.

Cancellation risks are adequately covered by corresponding provisions. With respect to the Group's other financial assets such as cash, cash equivalents and financial assets, the maximum credit risk in the event of counterparty default is the carrying amount of these instruments. Subsequent to their initial recognition they are measured at amortized cost. That is the amount at which a financial asset was initially valuated, less repayments, plus or less the cumulative amortization of any premium/discount and less any allowances for impairment.

The maximum default risk in the category financial assets (AC) is equivalent to the carrying amount of EUR 129,917 thousand (31 December 2018: EUR 124,114 thousand) and to receivables from third parties arising in case of the utilization of guarantees if applicable (cf. IV. Other information). Securities held as collateral for this purpose come to EUR 3,256 thousand (31 December 2018: EUR 3,951 thousand) so that the residual risk amounts to EUR 126,661 thousand (31 December 2018: EUR 120,163 thousand). No material terms and conditions were renegotiated in the year under review.

The maximum amount of exposure in the category financial assets (FVPL) as of 31 December 2019 is equivalent to the carrying amount of EUR 24,735 thousand (31 December 2018: EUR 23,780 thousand).

The maximum amount of exposure in the category financial assets (FVOCI) as of 31 December 2019 is equivalent to the carrying amount of EUR 6,301 thousand (31 December 2018: EUR 3,515 thousand).

There were no indications of impaired value of financial assets that were neither overdue nor impaired as of the reporting date.

For the monitoring of risks associated with receivables from financial agents and receivables from employees, please refer to the explanatory notes on valuation allowances for other receivables.

As of the reporting date there were no receivables whose conditions had been renegotiated in the year under review and that would otherwise have been overdue or impaired.

Financial assets subject to valuation allowances as of the reporting date can be broken down as follows:

EUR’000		Gross amount	Valuation allowance	Book value (net)
Financial assets	AC	26,654 (previous year: 26,604)	-20,529 (previous year: -19,882)	6,125 (previous year: 6,722)
Financial assets	FVPL	23,243 (previous year: 22,455)	8 (previous year: -854)	23,251 (previous year: 21,601)
Financial assets	FVOCI	0 (previous year: 0)	0 (previous year: 0)	0 (previous year: 0)

With regard to receivables, other assets and non-current financial assets that were neither impaired nor overdue, there are no circumstances as of the reporting date to suggest that the respective debtors will not meet their payment obligations.

3.5.2 Currency risk

Currency risks within the meaning of IFRS 7.B23 arise as a result of financial instruments denominated in a currency other than the functional currency.

In the context of business operations, the individual consolidated companies process and settle transactions almost exclusively in their respective functional currency. Material financial instruments (liquid assets, receivables, interest-bearing securities or debt capital instruments held, interest-bearing and non-interest-bearing liabilities) are also held almost exclusively in the functional currency. Immediately after the end of each financial year, the subsidiaries largely transfer their profits to the parent company.

The Group generates 33 per cent of consolidated sales (31 December 2018: 35 per cent) in functional currencies other than the euro. Translation differences from changes in exchange rates compared to the previous year were EUR 589 thousand in consolidated sales and EUR 89 thousand in consolidated net income. Changes in exchange rates between functional currencies and the euro may have an impact on consolidated net income and the consolidated statement of financial position. Exchange rates are constantly monitored and foreign currency on hand is continuously revalued in order to make allowance for currency risks arising from changes in exchange rates.

3.5.3 Interest rate risk

The Group is exposed to interest rate risks in the form of potential interest rate fluctuations. Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. They show the effects of changes in market interest rates on interest income and expense, other income components and, if applicable, on equity. For the sensitivity analysis with respect to fixed-interest securities, information on changes in prices at corresponding changes in market interest rates is taken into consideration (basis point value).

As of the reporting date, the Company had variable-interest assets valued at EUR 53,863 thousand (31 December 2018: EUR 48,031 thousand) and variable-interest liabilities of EUR 223 thousand (31 December 2018: EUR 156 thousand). If market interest rates for the full year 2019 had been 100 basis points higher (lower), net income would have been EUR 536 thousand (31 December 2018: EUR 479 thousand) higher (lower).

3.5.4 Liquidity risk

The Group constantly monitors the risk of a potential liquidity squeeze by means of a liquidity planning report. This report is prepared weekly or monthly and takes into account the terms to maturity of financial investments and financial assets (e.g. receivables, other financial assets) as well as anticipated cash flows from operating activities. No liquidity shortfalls were identified at any time during the reporting period.

3.5.5 Tax risk

Tax risk may result in particular from tax audit risks and risks from fiscal court proceedings. Tax risk especially comprises tax on wages and value-added tax for participation of office staff and business partners in incentives and events. There is also the latent income tax risk concerning the acceptance of cross-border cost allocation. These risks are reported in accordance with the general principles of recognition of liabilities if more reasons speak in favour of utilization than against it as of the reporting date.

4. Consolidated assets

4.1 Non-current assets

Tangible and intangible non-current assets with a low cost base were written off in full in the year of acquisition and recognized as disposals.

4.1.1 Intangible assets

Intangible assets include both purchases and in-house developments of software, purchased client portfolios, purchased trademarks and goodwill.

The following conditions must be met for the capitalization of in-house developments of intangible assets:

– Identifiability of the intangible asset, i.e. the asset can be separated from the Company and sold, transferred, licensed, let or swapped
– Completion of the intangible asset is technically feasible to a degree that it can be used or sold
– Intent to complete and use or sell the intangible asset
– Ability to use or sell the intangible asset and to restrict access of third parties to its benefit
– Reliable determination of acquisition or production cost
– Availability of adequate technical, financial and other resources toward the completion of development and the intangible asset's use or sale
– Probability is provided that the asset generated in-house will yield future economic benefit

In accordance with IAS 38.21, software development costs are capitalized in the OVB Group if inflow of an economic benefit attributable to the created software is probable and the cost can be determined reliably. If these criteria for capitalization are not met, the expenditure on the item is recognized in the income statement through profit or loss for the year it is incurred.

Software and other intangible assets (not including goodwill) are initially valuated at cost including incidental transaction costs.

Software and other intangible assets (not including goodwill) are then measured at cost less cumulative amortization and impairment as of subsequent reporting dates.

Intangible assets with indefinite useful lives are tested annually for impairment according to IAS 36.

Unless special circumstances call for a different approach, amortization of intangible assets with definite useful lives is calculated under the straight-line method on the basis of the following useful lives:

	Estimated useful lives
Software	3 – 10 years
Other intangible assets	3 – 10 years
Purchased client portfolios	indefinite
Goodwill	indefinite

In the year 2010 a CRM system was introduced at several of the OVB Group's subsidiaries. The software is gradually amortized over ten years, according to its introduction at the respective subsidiary, in application of the straight-line method. The software package's introduction period extends over seven years. As the individualized national market modules are introduced subsequently and the software is constantly updated, the total amortization period for this asset will come to 17 years due to the scheduled introduction period throughout the Group.

Advance payments for software are measured at face value.

Due to the introduction of IFRS 3, existing goodwill was recognized at its value as of 31 December 2004 and amortization was discontinued after that date. The assigned value is deemed the new cost. Instead of amortization under the straight-line method, goodwill is subject to so-called impairment testing in accordance with IAS 36 at least once a year. Impairment testing involves justifying the value assigned to the respective asset ("impairment only approach"). Impairment testing for the period entails testing the relevant cash-generating units for impairment. Cash-generating units for the purpose of goodwill impairment tests are the entities forming the basis of the goodwill or divisions of these entities. These scheduled impairment tests are conducted regularly on the basis of recent multi-year budgeting. Within the framework of the most recent impairment tests, the value in use was determined as the recoverable amount. OVB applies a DCF procedure for determining value in use. If there are indications of impairment, additional tests are carried out during the reporting period independently of the mandatory annual impairment test.

The asset schedule shows how the values of intangible assets have changed over the financial year. There were no restrictions on disposal or pledges.

4.1.2 Tangible assets

Tangible assets are initially valuated at cost including incidental transaction costs.

Tangible assets are subsequently measured at cost less cumulative depreciation and impairment plus any reversal of impairment loss as of the following reporting dates.

Gains or losses upon asset disposal are determined by comparing sale proceeds with the carrying amount and recognized in profit or loss as other operating income.

The estimated useful life is determined on the basis of anticipated physical wear and tear, technological obsolescence and legal and contractual restrictions. Impairment beyond that results in recognition of impairment loss.

Non-current assets are depreciated under the straight-line method over the following useful lives:

	Estimated useful lives
Own-use property	25 - 50 years
Machinery, equipment, furniture, vehicles, others	4 - 10 years
IT equipment	3 - 5 years
Tenant fixtures and fittings	5 - 13 years

4.1.3 Financial assets

Financial assets relate to loans to office staff and sales agents granted at market interest rates as well as an acquired bonded loan. Measurement is based on amortized cost less impairment if applicable.

4.1.4 Leases

Leases with terms in excess of twelve months and not to be classified as low-value leases are subject to the lessee's accounting treatment according to IFRS 16. The right of use is depreciated over the lease term and the corresponding liability with interest component is amortized accordingly by the monthly lease payments (please also refer to chapter 2.1). OVB's leases are primarily real property and vehicle lease agreements.

Depreciation of the right of use is recognized through profit or loss under the item 31, depreciation and amortization.

Interest from recognition of lease liabilities is disclosed under the item 33, financial result.

4.1.5 Impairment

Non-financial assets are reviewed for impairment within the meaning of IAS 36 according to risk management guidance if so-called triggering events indicate that the asset's carrying amount may not be recoverable (impairment test). Such objective indications or triggering events would include, for example, changes in market value, changes in market and business environment, changes in market interest rates or substantial indications in the Company's internal reporting that the ability to use the asset has changed for the worse or that the asset's earning capacity has diminished. Impairment loss is recognized as soon as it is determined in the context of impairment testing that an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use. The net selling price is the amount obtainable by selling the asset under market conditions less cost to sell. The value in use is the cash or present value of estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. The recoverable amount is determined for each asset individually if possible or, if it is not, for the cash-generating unit the asset belongs to.

Goodwill recognized in the statement of financial position is reviewed for its future economic benefit in accordance with the methods described under note 4.1.1. The future economic benefit is determined on the basis of the recoverable amount. Impairment loss is recognized in profit or loss if the recoverable amount is lower than the carrying amount of the respective cash-generating unit.

4.2 Current assets

4.2.1 Receivables and other assets

Receivables and other assets are recognized at amortized cost less any necessary valuation allowance. Valuation allowances are determined on the basis of individual risk assessment and past experience.

Claims for commission acquired from financial agents against payment are recognized according to their nature as either non-financial assets or financial assets at amortized cost less commission expense saved. The reduction of the carrying amount by saved commission expense increases brokerage expenses by the full corresponding amount.

4.2.2 Securities

Securities are categorized according to the business model under which they are held and the terms of contractual cash flows. Thus securities can be designated as financial assets subject to subsequent measurement either at amortized cost (AC), at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) outside profit or loss. Upon first-time recognition of financial assets they are valuated at fair value plus incidental transaction costs.

After their first-time recognition, securities of the category financial assets (AC) are measured at amortized cost under the effective interest method. Premiums and discounts are allocated over the financial asset's remaining term at constant effective interest.

Changes in fair value of securities measured at fair value through profit or loss are recognized directly in the income statement. In the category financial assets (FVOCI), changes in fair value are recognized in equity under the revaluation reserve and reclassified through profit or loss only when the gain or loss has been realized.

4.2.3 Cash and cash equivalents

Cash and short-term deposits recognized in the statement of financial position include cash on hand, bank balances and short-term deposits with original terms to maturity of less than three months. These items are recognized at face value.

Cash and cash equivalents as reported in the statement of cash flows comprise cash on hand and bank balances with terms to maturity of less than three months less current liabilities to banks.

5. Consolidated equity and liabilities

5.1 Non-current liabilities

Non-current liabilities are liabilities that fall due more than twelve months after the reporting date or whose payment OVB can postpone by at least twelve months from the reporting date as well as liabilities paid outside the ordinary course of business

5.1.1 Non-current provisions

Provisions for pensions
The Group has pension plans for employees in Switzerland and Belgium. The calculation of provisions for pensions is based on the project unit credit method in accordance with IAS 19. Future obligations are measured on the basis of actuarial estimates. Such estimates take into account current mortality, disability and staff turnover rates. The interest rate applied in order to calculate the present value of pension obligations is based on the interest rate applicable to long-term first-class corporate bonds and comes to 0.10 per cent for Switzerland (31 December 2018: 0.80 per cent) and 1.00 per cent for Belgium (31. December 2018: 0.95 per cent).

Provisions for employee benefits
Provisions for long-term benefits due to employees are particularly provisions for anniversary benefits that do not fall due within twelve months of the reporting date. They are generally measured at the present value of expected future cash flows. The discount interest rate is oriented towards the interest rate applicable to long-term first-class corporate bonds.

5.2 Current liabilities

5.2.1 Provisions for taxes / Tax liabilities

Provisions are made for the income taxes of the individual entities based on the respective applicable domestic taxation if certain facts or circumstances are in dispute between the reporting entity and the respective tax authority.

Taxes on income from current and previous periods that have been assessed but not yet paid are stated as tax liabilities.

Deferred tax liabilities are reported under tax deferrals.

5.2.2 Other provisions

Cancellation risk
Provisions for cancellation risk are made for discounted commission relating to events after the reporting date as commission must be repaid in full or in part if a product partner claims a commission refund on the basis of contracts that have been cancelled. The amount of the provision is determined by the respective subsidiary based on nationally specific aspects (esp. period of liability, the subsidiary's historical cancellation rates, the expected timing of cancellations, etc.) as of each reporting date according to a uniform process implemented in the Group. The expected non-current portion of the provision is subject to discounting. The discount rate applied, appropriate to the term to maturity, is 0.00 per cent like the previous year.

Unbilled obligations
Provisions are made for unbilled obligations if the amount of the obligation can only be estimated because the billable quantities and/or prices are unknown. This item primarily relates to unsettled accounts with financial agents. If specific details cannot be provided in the individual case, the provisions are measured at the average share of commission usually attributable to the sales force. Provisions are reviewed as of each reporting date and adjusted in accordance with the best available estimate at the time.

Litigation
Provisions are set aside for litigation in each case where OVB is the defendant in pending court proceedings as of the reporting date. The provision reflects the probable outcome of the legal dispute with due regard to the associated litigation risk. Provisions are reviewed as of each reporting date and adjusted in accordance with the best available estimate at the time.

Obligations to employees
Current provisions are recognized for obligations to employees if the maturity date and/or the amount of such obligations are uncertain. Provisions are reviewed as of each reporting date and adjusted in accordance with the best available estimate at the time.

Costs for financial statements / Audit cost
Entities of the OVB Group have the obligation under commercial law and tax law to prepare separate annual financial statements in accordance with the applicable domestic provisions as well as consolidated financial statements and, if the business meets certain quantitative requirements, to have their financial statements audited. This item also includes the anticipated cost of the audit of the 2019 consolidated financial statements.

Other obligations
Other obligations arise from accounts that are outstanding, particularly for goods and services that were supplied before the reporting date but have not yet been settled. Such provisions are recognized at expected settlement amounts.

5.2.3 Other liabilities

Trade payables
Trade payables are recognized at settlement amounts.

Loans
Interest-bearing bank loans are recognized at the disbursed amount at the time the loan is received. This amount usually equals the valued amount. Loans are subsequently appreciated in value up to the amount to be repaid by applying the effective interest method.

6. Consolidated income statement

The consolidated income statement has been prepared in application of the total cost method.

6.1 Income / Expenses

Please refer to chapter 3.3 for the recognition of sales.

The offsetting expense items are recognised on an accrual basis.

6.2 Financial result

The financial results essentially comprises interest expenses and interest income from deposits with banks, accrued interest on lease liabilities and the other financial result from the performance of securities held. Finance expense and finance income are recognized on an accrual basis.

6.3 Taxes on income

Actual income tax expense is calculated on the basis of earnings for the period as reported in the separate financial statements of the individual entities. Earnings before taxes are adjusted for tax-free and non-deductible items. The tax rates applicable as of the reporting date are applied in order to calculate income tax.

Deferred tax is calculated on the basis of the internationally recognized liability method. According to this method, deferred tax items are recognized for all temporary and quasi-temporary differences between the book values of an asset or liability according to IFRS and its tax base as reported by the individual entity as well as for consolidation transactions. Furthermore, deferred tax assets are recognized for the future benefit of tax loss carry-forwards. However, a deferred tax asset will be recognized for accounting and valuation differences and for tax loss carry-forwards only to the extent that realization is reasonably assured. Calculation was based on the budgeted medium-term earnings of the respective entities. Deferred taxes are measured on the basis of the respective expected domestic income tax rate.

As prescribed by IAS 12.53, deferred tax assets and tax liabilities are not discounted. Deferred tax assets and tax liabilities are reported in the consolidated statement of financial position as non-current assets and non-current liabilities.

If the temporary difference arising from first-time recognition of an asset or liability does not affect the taxable earnings, no deferred taxes are recognized unless the temporary difference arises in connection with a business acquisition.

Such items are generally recognized as tax income or expense in the income statement. An exception to this rule are items that are allocated to other comprehensive income outside profit or loss, in which case deferred tax on these items is recognized accordingly.

Deferred tax assets can be offset against deferred tax liabilities in accordance with IAS 12.74 if the entity has the legal right to settle on a net basis and the matter involves income taxes levied by the same taxing authority.

7. Explanatory notes and information on segment reporting

The principal business activity of OVB's operating subsidiaries consists of advising clients in structuring their finances and broking various financial products offered by insurance companies, banks, building societies and other enterprises in this context. It is not feasible to break down the services provided to clients by product type. Within the consolidated companies there are no identifiable and distinctive key sub-activities at group level. In particular it is not possible to present assets and liabilities based on the brokered products. For this reason, the individual companies are each categorized as single-product companies. Consequently segment reporting is based exclusively on geographic aspects as corporate governance and internal reporting to group management are also structured solely according to these criteria. In this regard, the operating subsidiaries represent operating segments for the purpose of IFRS 8, aggregated in three reportable segments. All entities not involved in brokerage service operations represent the fourth segment, Corporate Centre. For this categorization, the criteria for aggregation defined by IFRS 8.12 have been complied with. Internal reporting to the Company's management is a condensed presentation of the income statement compliant with IFRS, presented more elaborately in segment reporting. The companies' earnings are monitored separately by the Company's management in order to measure and assess profitability. Segment assets and segment liabilities are not disclosed in the presentation of segment reporting compliant with IFRS 8.23 as that disclosure is not part of internal reporting.

The "Central and Eastern Europe" segment 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; S.C. OVB Allfinanz România 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 Slovensko a.s., Bratislava, at EUR 41,005 thousand (31 December 2018: EUR 39,392 thousand), OVB Allfinanz a.s., Prague, at EUR 31,385 thousand (31 December 2018: EUR 32,063 thousand) and OVB Vermögensberatung A.P.K. Kft., Budapest at EUR 25,608 thousand (31 December 2018: EUR 25,375 thousand).

The "Germany" segment comprises OVB Vermögensberatung AG, Cologne; Advesto GmbH, Cologne, and Eurenta Holding GmbH, Cologne. In this segment brokerage income is primarily generated by OVB Vermögensberatung AG, Cologne, at EUR 61,489 thousand (31 December 2018: EUR 59,283 thousand).

The "Southern and Western Europe" segment includes the following companies: OVB Allfinanzvermittlungs GmbH, Wals near Salzburg; OVB Vermögensberatung (Schweiz) AG, Hünenberg; 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; Eurenta Hellas Monoprosopi EPE Asfalistiki Praktores, Athens; Willemot Bijzonder Verzekeringsbestuur NV, Gent, and Verzekeringskantoor Louis Vanheule BVBA, Dendermonde.

The "Corporate Centre" segment 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, under liquidation, Vienna (liquidated by court order of 23 August 2019); and OVB SW Services s.r.o., Prague. The entities of the Corporate Centre segment are not involved in broking financial products but primarily concerned with providing services to the OVB Group. The range of services comprises particularly management and consulting services, software and IT services as well as marketing services

The separate segments are presented in segment reporting after the elimination of inter-segment interim results and consolidation of expense and income. Intra-group dividend distributions are not taken into account.

Reconciliations of segment values to corresponding consolidated data are made directly in the consolidation column in segment reporting. Recognition, disclosure and measurement of the consolidated values in segment reporting correspond to the values 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. For intra-group allocations, an appropriate additional overhead charge is levied on the individual cost items incurred.

Please refer to the disclosures of related-party transactions for information about key product partners.

Segment reporting 2019

of OVB Holding AG according to 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	122,941	61,584	73,294	0	0	257,819
- New business commission	103,929	38,158	49,843	0	0	191,930
- Policy service commission	12,686	18,642	15,606	0	0	46,934
- Dynamic commission	1,176	4,199	2,751	0	0	8,126
- Other brokerage income	5,150	585	5,094	0	0	10,829
Other operating income	2,844	2,942	3,418	2,046	-6	11,244
Income from inter-segment transactions	52	1,178	137	13,230	-14,597	0
Total segment income	**125,837**	**65,704**	**76,849**	**15,276**	**-14,603**	**269,063**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-77,546	-37,058	-41,301	0	0	-155,905
- Other commission for sales force	-7,486	-2,859	-3,810	0	0	-14,155
Personnel expenses	-8,914	-6,624	-11,091	-11,368	0	-37,997
Depreciation/amortisation	-1,617	-1,006	-1,957	-2,300	0	-6,880
Other operating expenses	-19,184	-10,290	-13,846	-11,388	14,664	-40,044
Total segment expenses	**-114,747**	**-57,837**	**-72,005**	**-25,056**	**14,664**	**-254,981**
Earnings before interest and taxes (EBIT)	**11,090**	**7,867**	**4,844**	**-9,780**	**61**	**14,082**
Interest income	205	132	45	34	-13	403
Interest expenses	-74	-116	-106	-19	13	-302
Other financial result	0	351	97	762	0	1,210
Earnings before taxes (EBT)	**11,221**	**8,234**	**4,880**	**-9,003**	**61**	**15,393**
Taxes on income	-2,053	-220	-1,471	-397	0	-4,141
Non-controlling interests	0	0	0	-240	0	-240
Segment result	**9,168**	**8,014**	**3,409**	**-9,640**	**61**	**11,012**
Additional disclosures						
Capital expenditures for intangible and tangible assets	1,125	402	1,237	2,435	0	5,199
Material non-cash expenses (-) and income (+)	207	417	585	-39	0	1,170
Impairment expenses	-687	-812	-767	-79	34	-2,311
Reversal of impairment loss	498	704	88	655	0	1,945

Segment reporting 2018

of OVB Holding AG according to 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	116,281	59,409	55,647	0	0	231,337
- New business commission	98,041	36,437	42,916	0	0	177,394
- Policy service commission	12,334	18,101	6,773	0	0	37,208
- Dynamic commission	1,445	4,292	3,065	0	0	8,802
- Other brokerage income	4,461	579	2,893	0	0	7,933
Other operating income	3,000	3,314	3,063	2,085	-54	11,408
Income from inter-segment transactions	36	1,144	6	11,767	-12,953	0
Total segment income	**119,317**	**63,867**	**58,716**	**13,852**	**-13,007**	**242,745**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-74,119	-36,047	-30,427	0	0	-140,593
- Other commission for sales force	-8,252	-2,842	-3,392	0	0	-14,486
Personnel expenses	-7,916	-5,961	-5,525	-10,376	0	-29,778
Depreciation/amortisation	-906	-343	-445	-2,569	0	-4,263
Other operating expenses	-18,264	-11,596	-12,711	-10,980	13,089	-40,462
Total segment expenses	**-109,457**	**-56,789**	**-52,500**	**-23,925**	**13,089**	**-229,582**
Earnings before interest and taxes (EBIT)	**9,860**	**7,078**	**6,216**	**-10,073**	**82**	**13,163**
Interest income	114	130	30	53	-15	312
Interest expenses	-4	-32	-23	-8	15	-52
Other financial result	0	-151	-57	-375	0	-583
Earnings before taxes (EBT)	**9,970**	**7,025**	**6,166**	**-10,403**	**82**	**12,840**
Taxes on income	-1,671	162	-1,705	99	0	-3,115
Non-controlling interests	0	0	0	-109	0	-109
Segment result	**8,299**	**7,187**	**4,461**	**-10,413**	**82**	**9,616**
Additional disclosures						
Capital expenditures for intangible and tangible assets	1,416	408	371	1,807	0	4,002
Material non-cash expenses (-) and income (+)	357	557	484	-39	0	1,359
Impairment expenses	-981	-1,593	-754	-609	96	-3,841
Reversal of impairment loss	890	428	333	57	0	1,708

II. Notes to the consolidated statement of financial position

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2019 according to IFRS

EUR'000	Software purchased from external third parties	In-house software develop-ments	Payments on account for software	Goodwill	Other intangible assets	Total	Rights of use of leased assets
			Software				
						Intangible assets	
Historical cost							
31/12/2018	38,717	3,941	645	10,378	3,227	56,908	0
Currency translation differences	32	9	14	0	11	66	0
Change of accounting policy IFRS 16	0	0	0	0	0	0	7,091
01/01/2019	38,749	3,950	659	10,378	3,238	56,974	7,091
Change in consolidated Group	1,742	0	0	1,320	4,712	7,774	0
Additions	2,220	0	118	0	934	3,272	6,836
Disposals	8,950	0	0	0	8	8,958	0
Transfers	262	0	-262	0	0	0	0
Reclassification IFRS 5	0	0	0	0	0	0	0
31/12/2019	**34,023**	**3,950**	**515**	**11,698**	**8,876**	**59,062**	**13,927**
Accumulated depreciation/ amortisation							
31/12/2018	29,600	3,852	344	9,416	2,806	46,018	0
Currency translation differences	23	9	13	0	11	56	0
Change of accounting policy IFRS 16	0	0	0	0	0	0	0
01/01/2019	29,623	3,861	357	9,416	2,817	46,074	0
Change in consolidated Group	1,157	0	0	0	3,369	4,526	0
Additions	2,930	0	0	0	423	3,353	2,205
Disposals	8,709	0	0	0	0	8,709	0
Transfers	0	0	0	0	0	0	0
Reclassification IFRS 5	0	0	0	0	0	0	0
31/12/2019	**25,001**	**3,861**	**357**	**9,416**	**6,609**	**45,244**	**2,205**
Accumulated impairments							
31/12/2018	0	67	0	913	166	1,146	0
Currency translation differences	0	0	0	0	0	0	0
Change of accounting policy IFRS 16	0	0	0	0	0	0	0
01/01/2019	0	67	0	913	166	1,146	0
Change in consolidated Group	0	0	0	0	261	261	0
Impairments	0	0	0	7	0	7	0
Impairment loss reversal	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Reclassification IFRS 5	0	0	0	0	0	0	0
31/12/2019	**0**	**67**	**0**	**920**	**427**	**1,414**	**0**
Book value 31/12/2019	**9,022**	**22**	**158**	**1,362**	**1,840**	**12,404**	**11,722**
Book value 31/12/2018	**9,117**	**22**	**301**	**49**	**255**	**9,744**	**0**

Tangible assets: Land, land rights and buildings – Own-use property	Tangible assets: Operating and office equipment – Machinery, equipment, furniture, vehicles, other	Tangible assets: Operating and office equipment – IT equip-ment	Tangible assets: Operating and office equipment – Leased assets under finance lease	Tangible assets: Operating and office equipment – Tenant fixtures and fittings	Tangible assets: Operating and office equipment – Payments on account of tangible assets in progress	Tangible assets: Total	Financial assets: Securi-ties	Financial assets: Loans	Financial assets: Total
3,360	6,799	5,496	181	1,720	22	17,578	12,005	74	12,079
26	34	16	0	-1	-1	74	0	0	0
0	0	0	-181	0	0	-181	0	0	0
3,386	6,833	5,512	0	1,719	21	17,471	12,005	74	12,079
766	208	605	0	616	0	2,195	0	669	669
8	583	1,299	0	22	15	1,927	9	264	273
0	666	602	0	5	0	1,273	5,013	348	5,361
0	1	0	0	0	-1	0	0	0	0
-2,002	0	0	0	0	0	-2,002	0	0	0
2,158	**6,959**	**6,814**	**0**	**2,352**	**35**	**18,318**	**7,001**	**659**	**7,660**
2,185	5,234	4,618	140	1,559	0	13,736	0	0	0
14	32	17	-1	-1	0	61	0	0	0
0	0	0	-139	0	0	-139	0	0	0
2,199	5,266	4,635	0	1,558	0	13,658	0	0	0
154	197	475	0	491	0	1,317	0	0	0
128	528	586	0	75	0	1,317	0	0	0
0	576	595	0	0	0	1,171	0	0	0
0	0	0	0	0	0	0	0	0	0
-1,135	0	0	0	0	0	-1,135	0	0	0
1,346	**5,415**	**5,101**	**0**	**2,124**	**0**	**13,986**	**0**	**0**	**0**
0	8	0	0	0	0	8	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	8	0	0	0	0	8	0	0	0
0	0	0	0	0	0	0	0	201	201
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	**8**	**0**	**0**	**0**	**0**	**8**	**0**	**201**	**201**
812	**1,536**	**1,713**	**0**	**228**	**35**	**4,324**	**7,001**	**458**	**7,459**
1,175	**1,557**	**878**	**41**	**161**	**22**	**3,834**	**12,005**	**74**	**12,079**

Schedule of Group non-current assets

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

	Intangible assets					
	Software			Goodwill	Other intangible assets	Total
EUR'000	Software purchased from external third parties	In-house software develop-ments	Payments on account for software			
Historical cost						
31/12/2017	35,981	3,959	826	10,378	3,141	54,285
Currency translation differences	0	-11	10	0	11	10
Change in consolidated Group	0	0	0	0	0	0
Additions	2,569	0	277	0	75	2,921
Disposals	301	7	0	0	0	308
Transfers	468	0	-468	0	0	0
31/12/2018	**38,717**	**3,941**	**645**	**10,378**	**3,227**	**56,908**
Accumulated depreciation/ amortisation						
31/12/2017	27,175	3,870	331	9,416	2,614	43,406
Currency translation differences	0	-11	13	0	11	13
Change in consolidated Group	0	0	0	0	0	0
Additions	2,717	0	0	0	181	2,898
Disposals	292	7	0	0	0	299
Transfers	0	0	0	0	0	0
31/12/2018	**29,600**	**3,852**	**344**	**9,416**	**2,806**	**46,018**
Accumulated impairments						
31/12/2017	0	67	0	890	166	1,123
Currency translation differences	0	0	0	0	0	0
Change in consolidated Group	0	0	0	0	0	0
Impairments	0	0	0	23	0	23
Impairment loss reversal	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
31/12/2018	**0**	**67**	**0**	**913**	**166**	**1,146**
Book value 31/12/2018	**9,117**	**22**	**301**	**49**	**255**	**9,744**
Book value 31/12/2017	**8,806**	**22**	**495**	**72**	**361**	**9,756**

						Tangible assets			Financial assets
					Operating and office equipment	Total	Securities	Loans	Total
Own-use property	Machinery, equipment, furniture, vehicles, other	IT equip-ment	Leased assets under finance lease	Tenant fixtures and fittings	Payments on account of tangible assets in progress				
3,373	6,758	5,576	181	1,801	2	17,691	5,005	91	5,096
-13	14	11	0	-3	0	9	0	0	0
0	0	0	0	0	0	0	0	0	0
0	639	420	0	0	22	1,081	7,000	132	7,132
0	614	511	0	78	0	1,203	0	149	149
0	2	0	0	0	-2	0	0	0	0
3,360	**6,799**	**5,496**	**181**	**1,720**	**22**	**17,578**	**12,005**	**74**	**12,079**
2,089	5,310	4,469	109	1,601	0	13,578	0	0	0
-7	16	13	-1	-3	0	18	0	0	0
0	0	0	0	0	0	0	0	0	0
103	515	647	32	39	0	1,336	0	0	0
0	607	511	0	78	0	1,196	0	0	0
0	0	0	0	0	0	0	0	0	0
2,185	**5,234**	**4,618**	**140**	**1,559**	**0**	**13,736**	**0**	**0**	**0**
0	2	0	0	0	0	2	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	6	0	0	0	0	6	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	**8**	**0**	**0**	**0**	**0**	**8**	**0**	**0**	**0**
1,175	**1,557**	**878**	**41**	**161**	**22**	**3,834**	**12,005**	**74**	**12,079**
1,284	**1,446**	**1,107**	**72**	**200**	**2**	**4,111**	**5,005**	**91**	**5,096**

Assets

A Non-current assets

	2019: EUR'000	40,718
	2018: EUR'000	30,010

1 Intangible assets

	2019: EUR'000	12,404
	2018: EUR'000	9,744

EUR'000	31/12/2019	31/12/2018
Software		
Software purchased from third parties	9,022	9,117
In-house software developments	22	22
Payments on account for software	158	301
Goodwill	1,362	49
Other intangible assets	1,840	255
	12,404	**9,744**

Purchased software essentially relates to a group-wide uniform administration and management program as well as a software solution for sales support. The carrying amount of the administration and management program called myOVB is EUR 3,707 thousand as of 31 December 2019 (31 December 2018: EUR 4,768 thousand). The carrying amount of the sales-support software comes to EUR 2,647 thousand as of 31 December 2019 (31 December 2018: EUR 2,178 thousand).

Goodwill is subject to impairment tests in accordance with IAS 36. The risk-free discount rate applied to goodwill for the determination of its value in use is 0.02 per cent (31 December 2018: 1.15 per cent) according to the Svensson method (IDW) at a detailed planning horizon of five years. Furthermore, a sustainable growth rate of 1.0 per cent is assumed and a market risk premium of 5.75 per cent is applied according to the provisions of IDW S1 (interpretation FAUB).

Changes in intangible assets during the financial year are presented in the asset schedule.

Goodwill accounted for at EUR 42 thousand in the Germany segment faces the expected future receipt of payments that substantiates the carrying amount as of 31 December 2019. The decrease from the previous year in the amount of EUR 7 thousand is accounted for by lower expected receipt of payments.

Goodwill attributable to the acquisition of Willemot NV as of 1 January 2019 amounts to EUR 1,320 thousand. There was no need for impairment for financial year 2019.

2 Rights of use of leased assets

	2019: EUR'000	11,722
	2018: EUR'000	0

Rights of use of leased assets are leases accounted for according to IFRS 16, concerning primarily leases of land and buildings at EUR 10,789 thousand.

3 Tangible assets

	2019: EUR'000	4,324
	2018: EUR'000	3,834

EUR'000	31/12/2019	31/12/2018
Land, land rights and buildings		
- Own-use property	812	1,175
Other equipment, office and operating equipment		
- Machinery, equipment, furniture, vehicles, others	1,536	1,557
- IT equipment	1,713	878
- Leased assets under finance lease	0	41
- Tenant fixtures and fittings	228	161
- Payments on account for tangible assets under construction	35	22
	4,324	**3,834**

A land charge is filed for one property under the Company's own use in the amount of EUR 716 thousand (31 December 2018: EUR 716 thousand) as the bank's collateral. The land charge is not linked to any underlying values.

Depreciation of EUR 128 thousand (31 December 2018: EUR 103 thousand) was recognized for own-use property.

Please refer to the asset schedule for further details on the development of non-current assets.

4 Financial assets

	2019: EUR'000	**7,459**
	2018: EUR'000	12,079

Financial assets relate to loans to office staff and sales agents granted at market interest rates and with terms to maturity of more than one year as well as bonded loans over EUR 7,000 thousand with a book value of EUR 7,001 thousand as of 31 December 2019.

Subsequent measurement of the bonded loans is based on amortized cost in application of the effective interest method.

5 Deferred tax assets

	2019: EUR'000	**4,809**
	2018: EUR'000	4,353

Deferred tax assets can be broken down by item reported in the statement of financial position as follows:

EUR'000	31/12/2019	31/12/2018
Goodwill	0	0
Tangible assets and other intangible assets	7	9
Financial assets	1	1
Financial instruments	694	670
Other assets	31	30
Provisions	4,681	4,288
Liabilities	5,990	1,821
Lease liabilities less rights of use	100	0
Tax loss carry-forward	361	159
	11,865	**6,977**
Net of deferred tax liabilities	-7,056	-2,624
	4,809	**4,353**

Deferred taxes are recognized for so far unused loss carry-forward to the extent that it is probable according to current planning that taxable income will be available within the budget period of five years against which unused tax loss can be offset; taxable income is assumed after the end of the planning period.

As of 31 December 2019 deferred income tax liabilities have been entered in equity outside profit or loss in the amount of EUR 3 thousand (31 December 2018: EUR -5 thousand).

Altogether, no deferred taxes were recognized for loss carry-forward in the amount of EUR 22,971 thousand (31 December 2018: EUR 22,793 thousand) for consolidated companies. This would have corresponded to deferred tax assets of EUR 7,212 thousand (31 December 2018: EUR 6,591 thousand).

Of this loss carry-forward, the amount of EUR 608 thousand (31 December 2018: EUR 490 thousand) can be utilized over a period of between 5 and 15 years. The amount of EUR 22,363 thousand (31 December 2018: EUR 22,303 thousand) can be carried forward indefinitely.

B Current assets

	2019: EUR'000	175,273
	2018: EUR'000	156,317

6 Trade receivables

	2019: EUR'000	33,331
	2018: EUR'000	32,764

EUR'000	31/12/2019	31/12/2018
Trade receivables		
1. Receivables from insurance brokerage	30,566	30,452
2. Receivables from other brokerage	1,493	845
3. Other trade receivables	1,272	1,467
	33,331	**32,764**

The development of valuation allowances for trade receivables is as follows:

EUR'000	2019	2018
Valuation allowances as of 1 January	15	123
Addition to scope of consolidation as of 1 January	160	0
Exchange rate differences	0	0
Allocation (valuation allowance expense)	153	0
Consumption	11	0
Reversals	0	108
Valuation allowances as of 31 December	**317**	**15**

Trade receivables in the amount of EUR 7,121 thousand (31 December 2018: EUR 3,060 thousand) have remaining terms to maturity of more than one year.

1. Receivables from insurance brokerage
Receivables from insurance brokerage relate primarily to claims for commission and claims from retained securities (cancellation reserve) against product providers. Commission claims do not bear interest and are generally due within 30 days.

2. Receivables from other brokerage
Receivables from other brokerage relate primarily to claims for commission against product providers that are not insurance companies. Those receivables do not bear interest and generally fall due within 30 days.

3. Other trade receivables
Other trade receivables include all receivables that do not relate to brokerage services.

7 Receivables and other assets

	2019: EUR'000	39,153
	2018: EUR'000	34,486

EUR'000	31/12/2019	31/12/2018
7.1 Other receivables	19,192	18,578
7.2 Other assets	2,380	2,935
7.3 Contract asset (IFRS 15)	17,581	12,973
	39,153	**34,486**

Receivables and other assets usually have remaining terms to maturity of less than one year. An exception to this are acquired claims for commission of former financial agents, valued altogether at EUR 39 thousand as of the reporting date (31 December 2018: EUR 458 thousand). Of this total, claims over EUR 39 thousand (31 December 2018: EUR 77 thousand) have terms to maturity of more than one year. With respect to mandatory disclosures pursuant to IFRS 15.113 (b), we would like to point out that the contract asset results primarily from contracts with insurance companies subject to financial supervision in the respective countries. In addition to that, a process for routine monitoring of the assets and liabilities, financial position and profit/loss of all existing product partners has been implemented. No need for impairment has so far been identified in this context.

7.1 Other receivables

EUR'000	31/12/2019	31/12/2018
Other receivables		
1. Receivables from financial agents	6,750	7,236
2. Receivables from employees	136	107
3. Miscellaneous other receivables	11,734	10,883
4. Other taxes	572	352
	19,192	**18,578**

The development of valuation allowances for other receivables is as follows:

EUR'000	2019	2018
Valuation allowances as of 1 January	19,868	20,640
Addition to scope of consolidation as of 1 January	264	0
Exchange rate differences	58	-67
Allocation (valuation allowance expense)	1,825	2,574
Consumption	818	1,827
Reversals	784	1,453
Valuation allowances as of 31 December	**20,413**	**19,867**

Allocations to valuation allowances for other receivables relate to receivables from financial agents.

1. Receivables from financial agents

Receivables from financial agents primarily relate to advance payments of commission and claims for commission refunds. They usually fall due within 30 days. Receivables from an individual former financial agent are offset against liabilities to that same financial agent if they fall due at the same time, irrespective of the legal basis on which the receivables and liabilities arose. Any resulting net receivable is recognized under other receivables. Any resulting net liability is recognized under trade payables. Provisions for cancellation risk with respect to active financial agents serve the purpose of covering potential future commission refund claims and are disclosed under other liabilities.

Individual valuation allowances are made with regard to all available information concerning the credit rating of the debtor and the age structure of the receivables. A distinction is also made between active and former financial agents. Due to the large number of individual receivables due from financial advisors, lump sum valuation allowances are also made up to a certain amount based on receivables categories which are determined on the basis of an assessment of the respective debtor's value-defining factors.

2. Receivables from employees

Receivables from employees generally relate to receivables arising as a result of short-term loans.

3. Miscellaneous other receivables
Miscellaneous other receivables include all receivables from third parties as of the reporting date that are not attributed to any other item in the statement of financial position. The item also comprises the portion of acquired commission claims of former financial advisors allotted to brokerage agreements concluded as of the acquisition date.

4. Other taxes
Other taxes only include other actual tax assets e.g. for overpaid income tax, value-added tax and property tax that can be determined exactly or for which there is a tax assessment notice.

7.2 Other assets

2019: EUR'000	**2,380**
2018: EUR'000	2,935

EUR'000	31/12/2019	31/12/2018
Other assets		
1. Accrued investment income	5	7
2. Other accrued income	1,126	1,045
3. Advertising materials and office supplies	569	477
4. Payments on account	591	783
5. Acquired future commission claims	39	458
6. Miscellaneous other assets	50	165
	2,380	**2,935**

1. Accrued investment income
Accrued investment income includes accrued income from financial assets and short-term capital investments.

2. Other accrued income
Other accrued income relates primarily to prepaid office rent for the following year and insurance premiums.

3. Advertising materials and office supplies
This item includes advertising materials for the sales force and other materials used in sales and administration.

4. Payments on account
This item primarily relates to short-term advance payments for incentive events.

5. Acquired future commission claims
This item regards the portion of commission claims of financial agents acquired against payment and relating to the probable brokerage of contracts after the acquisition date.

6. Miscellaneous other assets
Miscellaneous other assets comprise all assets that exist as of the reporting date and are not attributed to any other item in the statement of financial position.

7.3 Contract asset (IFRS 15)

The development of the contract asset resulting from premature realization of subsequent commission is as follows in the year under review:

EUR'000	01/01/2019	Allocation	Exchange rate differences	Reversal	31/12/2019
Contract asset	12,973	4,646	-37	1	17,581

8 Income tax assets

2019: EUR'000	**950**
2018: EUR'000	1,079

Income tax receivables primarily relate to income tax prepayments. Such receivables exist in particular for OVB-Consulenza Patrimoniale SRL, Verona, at EUR 314 thousand, OVB Holding AG, Cologne, at EUR 203 thousand and OVB Allfinanz a.s., Prague, at EUR 178 thousand.

9 Securities and other capital investments

2019: EUR'000	**44,255**
2018: EUR'000	41,475

EUR'000	2019			2018		
	Securities	Other capital investments	Total	Securities	Other capital investments	Total
Historical cost	**31,007**	**13,218**	**44,225**	**28,237**	**14,180**	**42,417**
Revaluation reserve	30		30	1		1
Appreciation in value	7		7			
Impairment	-7		-7	-943		-943
Market value	**31,037**	**13,218**	**44,255**	**27,295**	**14,180**	**41,475**
Book value	**31,037**	**13,218**	**44,255**	**27,295**	**14,180**	**41,475**

Securities include interests in investment funds in the following amounts:

	2019		
Investment	Pension fund	Balanced fund	Equity fund
Number of investment funds	5	6	1
Fund assets as of the reporting date	Euro 0.1 - 5.8 billion	Euro 29.5 - 190.3 million	Euro 165.0 million
Book values as of the reporting date	Euro 12.6 million	Euro 9.4 million	Euro 2.7 million
Interest in the fund	0.1 - 0.9 %	0.5 - 17.3 %	1.7 %

	2018		
Investment	Pension fund	Balanced fund	Equity fund
Number of investment funds	5	6	1
Fund assets as of the reporting date	Euro 0.1 - 7.6 billion	Euro 32.4 - 185.3 million	Euro 179.0 million
Book values as of the reporting date	Euro 12.3 million	Euro 8.9 million	Euro 2.6 million
Interest in the fund	0.1 - 0.8 %	0.7 - 9.0 %	1.4 %

The maximum risk exposure corresponds to the book values.

In the past financial year, write-downs on securities were recognized in profit or loss in the amount of EUR 9 thousand (31 December 2018: EUR 782 thousand). The write-downs are included in the financial result under item 33, investment expenses. The reversal of impairment loss on securities is disclosed in the financial result under item 33, reversal of impairment loss on capital investments.

Revaluation reserve increased by the amount of EUR 29 thousand in the past financial year (31 December 2018: EUR -2 thousand). Net losses were realized in the amount of EUR 0 thousand in the financial year (31 December 2018: net gains of EUR 83 thousand).

Other capital investments particularly include fixed-term deposits and cash equivalents with a maturity of more than three months as well as short-term loans. Interest-bearing investments are recognized at cost if market interest rates apply or otherwise at their present value.

The item securities and other capital investments includes securities with a book value of EUR 9,453 thousand (31 December 2018: EUR 7,002 thousand) allocated to level 1 according to IFRS 13, measured at market or stock market price, and securities with a book value of EUR 21,585 thousand (31 December 2018: EUR 20,293 thousand) allocated to level 2 according to IFRS 13, measured at the net asset value determined by the respective investment trust.

There were no reclassifications of financial instruments between fair-value hierarchy levels in the reporting period.

10 Cash and cash equivalents

	2019: EUR'000	**56,717**
	2018: EUR'000	46,513

EUR'000	31/12/2019	31/12/2018
Cash	26	28
Cash equivalents	56,691	46,485
	56,717	**46,513**

Cash means cash on hand of the consolidated companies as of the reporting date in domestic and foreign currencies. Cash equivalents are assets that can be immediately converted to cash. They include bank balances in domestic and foreign currencies with maturities of three months or less, checks and stamps. Cash and cash equivalents are measured at face value. Foreign currencies are translated into euros at the closing rate.

11 Real property held for sale

	2019: EUR'000	**867**
	2018: EUR'000	0

Real property concerns the planned sale of a property held by OVB Czechia with a book value of EUR 867 thousand as of 31 December 2019 and reclassified to this item. In December 2019 OVB's Executive Board decided to sell that property held by OVB Czechia, used so far as OVB offices. There are several interested parties and the sale transaction will probably be concluded in 2020.

The property, classified over the reporting period as held for sale, was measured at the lower of book and market value less selling expenses as of the date of reclassification. No need for impairment resulted from that measurement. The market value was determined on the basis of the purchase offers received.

Equity and Liabilities

A Equity	**2019: EUR'000**	**90,637**
	2018: EUR'000	90,444

The development of equity is shown in the consolidated statement of changes in equity.

12 Subscribed capital	**2019: EUR'000**	**14,251**
	2018: EUR'000	14,251

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251 thousand as of 31 December 2019, is fully paid up and consists of 14,251,314 no-par value bearer shares (31 December 2018: 14,251,314 shares).

13 Capital reserve	**2019: EUR'000**	**39,342**
	2018: EUR'000	39,342

The capital reserve essentially comprises premiums from the issue of shares in circulation.

14 Treasury shares

OVB Holding AG did not hold any treasury shares in the year under review. There were no transactions in the Company's ordinary shares or options on its ordinary shares in the period between the reporting date and the date of preparing the consolidated financial statements.

The Annual General Meeting of OVB Holding AG of 3 June 2015 authorized the Executive Board to acquire, subject to the Supervisory Board's approval, up to a total of 300,000 of the Company's bearer shares in one or several transactions up to and including 10 June 2020. Shares acquired on the basis of this authorization may also be retired. So far no use has been made of this option.

15 Revenue reserves	**2019: EUR'000**	**13,694**
	2018: EUR'000	13,671

16 Other reserves	**2019: EUR'000**	**47**
	2018: EUR'000	109

Other reserves essentially comprise currency translation reserve, pension provision reserve and available-for-sale reserve / revaluation reserve.

Unrealized gains and losses from financial instruments are recognized in the revaluation reserve after accounting for deferred tax.

Changes in revaluation reserve, currency translation reserve and pension provision reserve over the reporting period are disclosed in the consolidated statement of changes in equity.

17 Non-controlling interests	**2019: EUR'000**	**538**
	2018: EUR'000	423

Other shareholders hold non-controlling interests in Nord-Soft EDV-Unternehmensberatung GmbH in the amount of EUR 526 thousand (31 December 2018: EUR 411 thousand) and in Nord-Soft Datenservice GmbH in the amount of EUR 12 thousand (31 December 2018: EUR 12 thousand).

Changes from the previous year represent the proportionate share in the net income of the Nord-Soft entities for the year under review less a paid dividend.

18 Retained earnings

	2019: EUR'000	**22,765**
	2018: EUR'000	22,648

Distributable profits and dividends

Distributable amounts relate to the retained earnings of OVB Holding AG determined in accordance with German commercial and stock corporation law.

At the General Meeting of Shareholders of 14 June 2019, shareholders adopted the resolution on the appropriation of the retained earnings of OVB Holding AG for financial year 2018.

On 19 June 2019, a dividend of EUR 10,688 thousand was distributed to the shareholders, equivalent to EUR 0.75 per no-par share (previous year: EUR 0.75 per no-par share).

Even in consideration of the potential effects of the spread of Coronavirus on OVB's business performance, the Executive Board of OVB Holding AG proposes the following appropriation of the retained earnings as reported in the financial statements of OVB Holding AG as of 31 December 2019 in accordance with Section 170 AktG (Stock Corporation Act):

EUR	2019	2018
Distribution to shareholders	*10,688,485.50*	10,688,485.50
Profit carry-forward	*8,494,423.77*	8,356,645.76
Retained earnings	**19,182,909.27**	**19,045,131.26**

The dividend pay-out is thus equivalent to EUR *0.75* per share (previous year: EUR 0.75 per share).[2)]

The number of shares entitled to dividend and thus the amount distributable to shareholders may change prior to the General Meeting of Shareholders due to the possible purchase of treasury shares.

B Non-current liabilities

	2019: EUR'000	**13,168**
	2018: EUR'000	1,266

Non-current liabilities are reclassified into current liabilities if the remaining term to maturity is less than twelve months.

The following liabilities schedule shows non-current liabilities broken down by remaining term to maturity:

Maturity of liabilities as of 31 December 2019

EUR'000 Type of liability	Total amount	1 year to less than 3 years	3 years to less than 5 years	5 and more years	No maturity	Secured amount
Other liabilities	10,927	3,585	2,177	5,165	0	0

Maturity of liabilities as of 31 December 2018

EUR'000 Type of liability	Total amount	1 year to less than 3 years	3 years to less than 5 years	5 and more years	No maturity	Secured amount
Other liabilities	52	52	0	0	0	0

2) This adjustment has been made because of the rapidly spreading Coronavirus on 25 March 2020.

19 Provisions

2019: EUR'000	**1,838**
2018: EUR'000	1,007

EUR'000	31/12/2019	31/12/2018
Provisions for pensions	1,333	443
Long-term provisions for employee benefits	493	547
Other long-term provisions	12	17
	1,838	**1,007**

EUR'000	31/12/2018	01/01/2019	Addition to scope of consolidation 01/01	Exchange rate differences	Allocation	Consumption	Reversal	31/12/2019
Provisions for pensions	443	1,240	797	17	76	0	0	1,333
Long-term provisions for employee benefits	547	547	0	0	97	151	0	493
Other long-term provisions	17	17	0	0	12	17	0	12
	1,007	**1,804**	**797**	**17**	**185**	**168**	**0**	**1,838**

The interest effects included in allocations are immaterial.

Provisions for pensions
OVB Vermögensberatung (Schweiz) AG, Hünenberg is under the obligation to pay pension benefits determined by law to six commercial employees as well as to ten financial agents. The following pension benefits are granted to the beneficiaries:

– Retirement benefits
– Pensions for surviving dependents
– Disability pension

Willemot, Gent, is under the obligation to pay pension benefits determined by law to all its employees. The following pension benefits are granted to the beneficiaries:

– Retirement benefits
– Pensions for surviving dependents

The development of provisions for pensions within the Group is as follows:

Pension provisions as of 31/12 EUR'000	2019 Switzerland	2019 Belgium*	2019 Total	2018
Present value of defined benefit obligations as of 1/1	**1,500**	**2,364**	**3,864**	**1,491**
Exchange rate changes	57	0	57	57
Service cost	130	157	287	93
Past service cost	-47	0	-47	0
Interest expense/income	11	21	32	9
Gains (-) and losses (+) from revaluation:				
- Actuarial gains and losses from changes in demographic assumptions	0	0	0	0
- Actuarial gains and losses from changes in financial assumptions	250	0	250	-39
- Actuarial gains and losses from experience-based adjustments	-83	12	-71	17
Transfer	0	0	0	0
Contributions:				
- Employer	0	0	0	0
- Plan participants	35	0	35	40
Pension plan payments:				
- Current payments	-39	-86	-125	-169
- Compensation	0	0	0	0
Present value of defined benefit obligations as of 31/12	**1,814**	**2,469**	**4,282**	**1,500**
Plan assets as of 1/1	**1,057**	**1,567**	**2,624**	**1,047**
Exchange rate changes	40	0	40	40
Contributions:				
- Employer	95	145	240	85
- Plan participants	35	0	35	40
Expected investment income	0	1	1	0
Pension plan payments:				
- Current payments	-39	-86	-125	-169
- Compensation	0	0	0	0
Interest expense/income	7	14	21	7
Gains (-) and losses (+) from revaluation:				
- Income from plan assets not including interest income	112	0	112	8
Plan assets as of 31/12	**1,307**	**1,642**	**2,949**	**1,057**
Provisions for pensions as of 31/12	**506**	**827**	**1,333**	**443**

* Change to the scope of consolidation due to first-time consolidation of Belgium as of 1 January 2019

The asset ceiling does not have any effect.

The actuarial expert reports were prepared by independent and qualified actuaries. The reports are based on the following actuarial assumptions:

	2019 Switzerland	2019 Belgium	2018 Switzerland	2018 Belgium
Discount rate	0.10 %	1.00 %	0.80 %	0.95 %
Expected future salary increase	1.00 %	3.00 %	1.00 %	3.00 %
Expected future pension adjustment	0.00 %	0.00 %	0.00 %	0.00 %

The expert reports are based on the underlying respective expected mortality in Switzerland and Belgium.

Current service cost is included in personnel expense. The interest expense of the defined benefit obligations is included in finance expense.

Plan assets are divided into the following investment categories:

	2019 Switzerland	2019 Belgium	2019 Gesamt	2018 Switzerland	2018 Belgium
Liquid assets and fixed-term deposits	0.2 %	0.0 %	0.2 %	0.6 %	-
Loans	0.0 %	36.7 %	36.7 %	0.0 %	-
Government bonds	0.0 %	4.1 %	4.1 %	0.0 %	-
Land charges	2.2 %	0.0 %	2.2 %	5.1 %	-
Fixed-interest securities	12.0 %	2.1 %	14.1 %	26.6 %	-
Shares	16.2 %	2.2 %	18.4 %	33.3 %	-
Real property	6.6 %	8.5 %	15.1 %	15.4 %	-
Alternative investments	9.2 %	0.0 %	9.2 %	19.0 %	-

Market prices in an active market exist for 99.8 per cent (31 December 2018: 99.4 per cent) of the plan assets.

The following sensitivity analysis is based on changes in one parameter as the other parameters remain constant. This isolated constellation would be extremely rare in reality as input parameters are often connected. Sensitivity assessment applies the projected unit credit method that is also applied for determining the defined benefit obligation.

EUR'000	Switzerland	Belgium
Discount rate	0.25%	0.25%
Increase in assumption	1,735	2,284
Decrease in assumption	1,898	2,485
Expected future salary increase	0.25%	0.25%
Increase in assumption	1,826	-
Decrease in assumption	1,801	-
Expected future pension adjustment	0.25%	0.25%
Increase in assumption	1,859	-
Decrease in assumption	1,771	-

The funding of the acquired benefit claims at OVB Switzerland is provided by employer and employees at 50 per cent each with respect to the basic plan. The employer pays the contributions to the staff plan in full. Basic provision is obligatory for all employees with statutory pension insurance while participation in the staff plan is optional. The funding of the acquired benefit claims at OVB Belgium is provided by employer. Funding of the benefits for surviving dependents including expenses and taxes incurred is provided by the employees.

Expected contributions to the pension plans for benefits after termination of employment altogether amount to EUR 233 thousand for the financial year ended 31 December 2019 (31 December 2018: EUR 89 thousand).

The weighted average term of the defined benefit obligations is 17.4 years (31 December 2018: 17.4 years).

Long-term provisions for employee benefits
Long-term provisions for employee benefits primarily relate to provisions set aside for anniversary bonus payments.

20 Other liabilities	**2019: EUR'000**	**10,927**
	2018: EUR'000	52

Other liabilities primarily relate to lease liabilities pursuant to IFRS 16 and equate to the present value of future lease payments.

21 Deferred tax liabilities	**2019: EUR'000**	**403**
	2018: EUR'000	207

Deferred tax liabilities concern the following items in the statement of financial position:

EUR'000	31/12/2019	31/12/2018
Goodwill	14	16
Tangible and intangible assets	3,512	9
Financial instruments	3,870	2,675
Provisions	42	50
Liabilities	21	81
	7,459	**2,831**
Net of deferred tax assets	-7,056	-2,624
	403	**207**

Deferred tax liabilities have no determinable terms to maturity for the most part.

C Current liabilities	**2019: EUR'000**	**112,186**
	2018: EUR'000	94,617

Liabilities with a remaining term to maturity of less than twelve months are classified as current liabilities.

22 Provisions for taxes	**2019: EUR'000**	**295**
	2018: EUR'000	50

The development of provisions for taxes is altogether as follows:

EUR'000	01/01/2019	Exchange rate differences	Allocation	Consumption	Reversal	31/12/2019
Provisions for taxes	50	0	259	14	0	295

23 Other provisions

	2019: EUR'000	**45,879**
	2018: EUR'000	40,881

EUR'000	31/12/2019	31/12/2018
1. Cancellation risk	16,262	15,866
2. Unbilled liabilities	13,022	11,795
3. Litigation	1,080	955
4. Provisions from subsequent commission (IFRS 15)	11,273	8,961
	41,637	**37,577**
5. Others		
- Obligations to employees	1,886	1,085
- Costs for financial statements/Audit cost	538	669
- Other obligations	1,818	1,550
	4,242	**3,304**
	45,879	**40,881**

EUR'000	01/01/2019	Allocation	Exchange rate differences	Consumption	Reversal	31/12/2019
1. Cancellation risk	15,866	1,224	29	857	0	16,262
2. Unbilled liabilities	11,795	7,566	-3	6,103	233	13,022
3. Litigation	955	428	5	97	211	1,080
4. Provisions from subsequent commission (IFRS 15)	8,961	2,342	-30	0	0	11,273
5. Others	3,304	2,898	14	1,812	162	4,242
	40,881	**14,458**	**15**	**8,869**	**606**	**45,879**

Allocations include expenses from the accumulation of interest on provisions in the amount of EUR 7 thousand (31 December 2018: EUR 8 thousand). Provisions for cancellation risk are generally recognized as current provisions due to uncertainty in respect of the time and extent of their utilization. Assuming that the clients' cancellation behaviour equals that of the recent past, the resulting non-current portion would amount to approx. EUR 6,417 thousand (31 December 2018: EUR 6,643 thousand).

Provisions for litigation essentially concerns legal disputes involving clients and former financial agents. The time aspect and the exact amounts of the outflow of economic benefits of such disputes are uncertain.

Provisions from subsequent commission are made for commission not yet handed on to the sales force.

24 Income tax liabilities

	2019: EUR'000	**606**
	2018: EUR'000	739

Income tax liabilities primarily originate from taxation of earnings generated over the previous years.

25 Trade payables

2019: EUR'000	**17,546**
2018: EUR'000	9,365

This item includes commission billed by financial agents unless categorized as retained security as well as bonuses accrued as of the reporting date unless already paid. Such liabilities are measured at payable amounts.

Trade payables also include liabilities based on recurrent and period-based payments such as insurance premiums, telephone charges, electricity charges and rent.

Maturity of liabilities as of 31/12/2019:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 – 6 months	7 – 12 months	No maturity
Trade payables	17,546	421	1,421	4,614	0	0	11,090

Maturity of liabilities as of 31/12/2018:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 – 6 months	7 – 12 months	No maturity
Trade payables	9,365	742	1,230	3,617	0	0	3,776

26 Other liabilities

2019: EUR'000	**47,860**
2018: EUR'000	43,582

Maturity of liabilities as of 31/12/2019:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 – 6 months	7 – 12 months	No maturity
1. Retained security	40,471	1,518	243	3,130	77	381	35,122
2. Other tax liabilities	1,454	9	324	759	0	3	359
3. Liabilities to employees	2,758	0	498	1,489	307	238	226
4.Liabilities to product partners	659	1	146	3	42	0	467
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to sales agents	19	0	19	0	0	0	0
7. Current lease liabilities	1,942	0	0	529	524	889	0
8. Miscellaneous liabilities	557	19	114	235	9	13	167
	47,860	**1,547**	**1,344**	**6,145**	**959**	**1,524**	**36,341**

Maturity of liabilities as of 31/12/2018:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
1. Retained security	38,784	975	475	2,339	37	298	34,660
2. Other tax liabilities	1,089	0	335	668	0	2	84
3. Liabilities to employees	2,760	0	688	1,540	9	277	246
4.Liabilities to product partners	207	0	133	18	41	0	15
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to sales agents	262	0	131	0	0	0	131
7. Miscellaneous liabilities	480	0	175	249	3	3	50
	43,582	**975**	**1,937**	**4,814**	**90**	**580**	**35,186**

There are no liabilities with terms to maturity of more than twelve months.

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 face value.

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

6. Other liabilities to sales agents
Current liabilities to the sales force that do not result from brokerage services have been recognized as other liabilities to sales agents.

7. Current lease liabilities
Current lease liabilities result from first-time application of IFRS 16.

8. Miscellaneous liabilities
Miscellaneous liabilities comprise all liabilities that are not attributable to any of the above sub-positions. The item essentially includes liabilities from social security contributions as well as deferred income.

III. Notes to the consolidated income statement

27 Brokerage income

	2019: EUR'000	**257,819**
	2018: EUR'000	231,337

EUR'000	2019	2018
1. New business commission	191,931	177,394
2. Policy service commission	46,934	37,208
3. Dynamic commission	8,125	8,802
4. Other brokerage income	10,829	7,933
	257,819	**231,337**

All income from product partners is recognized as brokerage income. Apart from commission, this also includes bonuses and other sales-related benefits paid by product partners.

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

2. Policy service commission
Policy service commission results from the continuous servicing of the policy holder's contracts and is collected after performances are rendered.

3. Dynamic commission
Dynamic commission results from dynamic premium adjustments of insurance policies over the contract term.

4. Other brokerage income
Other brokerage income comprises brokerage income resulting from bonuses and other sales-related benefits paid by product partners as well as changes in provisions for cancellation risk.

Brokerage income includes income from subsequent commission in the amount of EUR 3,501 thousand (previous year: EUR 2,948 thousand) resulting from an earlier realization of new business commission either partly discounted or paid on a pro-rata basis.

28 Other operating income

	2019: EUR'000	**11,244**
	2018: EUR'000	11,408

EUR'000	2019	2018
Refunds from financial agents	3,971	3,354
Income from reversal of provisions	606	1,126
Own work capitalized	166	192
Income from cancelled obligations	1,371	1,262
Rental income from sub-leases	80	34
Income from the disposal of intangible assets and tangible assets	56	67
Reversals of impairment loss	900	1,741
thereof income from written-off receivables	119	121
Income from currency translation	41	81
Partners' contributions to costs	1,395	1,091
Miscellaneous	2,658	2,460
	11,244	**11,408**

Refunds from financial agents generally arise in connection to participation in seminars, use of materials and the lease of IT equipment.

Income from reversal of provisions in the year under review essentially results from the reversal of provisions for litigation, provisions for performance bonus payments and the reversal of outstanding accounts for not accepted performances.

Own work capitalized relates to the administration and management software (cf. the asset schedule).

Reversals of impairment loss primarily concern receivables from financial advisors.

Partners' contributions to costs relate to contributions made by product partners toward the cost of materials, personnel, representation, training and events as well as insurance pay-outs.

Miscellaneous income essentially includes sales generated by the service companies with third parties.

29 Brokerage expenses

2019: EUR'000	**-170,060**
2018: EUR'000	-155,079

EUR'000	2019	2018
Current commission	-155,906	-140,593
Other commission	-14,154	-14,486
	-170,060	**-155,079**

This item includes all payments to financial advisors. Current commission comprises all directly performance-based commission, i.e. new business commission, policy service commission and dynamic commission. All other commission linked to a specific purpose, e.g. other performance-based remuneration, is reported under other commission.

30 Personnel expenses

2019: EUR'000	**-37,997**
2018: EUR'000	-29,778

EUR'000	2019	2018
Wages and salaries	-31,446	-24,632
Social security	-6,121	-4,834
Expenses for retirement provision	-430	-312
	-37,997	**-29,778**

31 Depreciation and amortization

2019: EUR'000	**-6,880**
2018: EUR'000	-4,263

EUR'000	2019	2018
Amortization/Impairment of intangible assets	-3,360	-2,921
Depreciation of rights of use	-2,205	-
Depreciation/Impairment of tangible assets	-1,315	-1,342
	-6,880	**-4,263**

Depreciation and amortization in financial year 2019 are disclosed in the asset schedule.

32 Other operating expenses

2019: EUR'000	**-40,044**
2018: EUR'000	-40,461

EUR'000	2019	2018
Administrative expenses		
Legal, financial statement and consulting expenses	-4,697	-5,504
Facility expenses	-1,671	-3,033
Communication costs	-1,154	-1,013
IT expenses	-6,237	-5,183
Vehicle expenses	-732	-633
Rent for furniture and equipment	-76	-106
Other administrative expenses	-4,875	-4,573
	-19,442	**-20,045**
Sales and marketing costs		
Seminars, competitions, events	-9,679	-9,116
Advertising cost, public relations	-2,490	-2,300
Write-down on/Valuation allowances for receivables	-2,177	-2,966
thereof disposal of receivables	-200	-390
Other sales and marketing costs	-2,116	-2,242
	-16,462	**-16,624**
Miscellaneous operating expenses		
Foreign currency loss	-109	-85
Supervisory Board remuneration	-176	-161
Losses from disposal of investments	-28	-5
Other miscellaneous operating expenses	-225	-99
	-538	**-350**
Non-income-based taxes		
Value-added tax on purchased goods/services	-3,238	-3,143
Other non-income-based tax	-364	-300
	-3,602	**-3,443**
	-40,044	**-40,461**

Other administrative expenses essentially relate to travel expenses, expenses for insurance, fees and contributions, money transfer costs and office supplies.

Other sales and marketing costs particularly relate to cost of materials, entertainment expenses and expenses for sales support.

Other miscellaneous expenses include expenses for the preparation of financial reports and the Annual General Meeting of Shareholders as well as all expenses that are not attributable to any of the above positions.

Other non-income-based tax essentially relates to taxes on wages, vehicle tax and property tax.

33 Financial result

2019: EUR'000	**1,311**
2018: EUR'000	-323

EUR'000	2019	2018
Finance income		
Bank interest	214	134
Income from securities	179	199
Reversal of impairment loss on capital investments	1,045	0
Income from accrued interest	65	75
Interest income from loans	52	31
Other interest income and similar income	72	72
	1,627	**511**
Finance expense		
Interest expense and similar expenses	-302	-52
Expenses for capital investments	-14	-782
	-316	**-834**
Financial result	**1,311**	**-323**

Interest income and interest expense are recognized on an accrual basis.

Income from securities primarily relates to interest credits and dividends as well as distributions from investment funds.

34 Taxes on income

2019: EUR'000	**-4,141**
2018: EUR'000	-3,115

EUR'000	2019	2018
Current income tax	-3,810	-3,484
Deferred income tax	-331	369
	-4,141	**-3,115**

Tax expense includes foreign current taxes in the amount of EUR 3,627 thousand (31 December 2018: EUR 3,376 thousand) and foreign deferred tax assets of EUR 294 thousand (31 December 2018: EUR 2 thousand).

Current and deferred taxes are determined on the basis of domestic tax rates applicable in the respective country. Deferred taxes relating to domestic companies were calculated on the basis of a company tax rate of 15.0 per cent (31 December 2018: 15.0 per cent), the solidarity surcharge of 5.5 per cent (31 December 2018: 5.5 per cent) and an average trade tax rate of 16.625 per cent (31 December 2018: 16.625 per cent).

In addition to the amount recognized in the consolidated income statement, deferred taxes of EUR 3 thousand (31 December 2018: EUR -5 thousand) relating to items recognized outside profit or loss in equity were settled directly in equity.

The effective income tax rate applied to the result from ordinary business activities before income taxes comes to 26.90 per cent (31 December 2018: 24.26 per cent). Included are income tax decreases in Greece by 5 percentage points compared to the previous year.

The following reconciliation statement shows the connection between the result from ordinary business activities and taxes on income in the financial year. The anticipated tax expense is calculated on the basis of the combined German income tax rate of currently 32.45 per cent.

Reconciliation statement

EUR'000	2019	2018
Earnings before income taxes according to IFRS	15,393	12,840
Consolidated income tax rate	32.45%	32.45%
Theoretical income tax expense in the financial year	**-4,995**	**-4,166**
Taxes based on non-deductible expenses (-) / tax-free income (+)	-687	-812
Effects of other tax rates applicable to domestic and foreign operating subsidiaries	2,187	2,132
Prior-period income tax	-4	52
Changes in tax effects from temporary differences and tax loss for which no deferred tax assets were recognized (-) / Capitalization of deferred tax in financial year on loss carry-forward from previous year for which no deferred tax was recognized in previous year (+)	-469	-399
Others	-173	78
Taxes on income	**-4,141**	**-3,115**

35 Consolidated net income

	2019: EUR'000	**11,252**
	2018: EUR'000	9,725

36 Consolidated net income attributable to non-controlling interests

	2019: EUR'000	**-240**
	2018: EUR'000	-109

This item relates to consolidated net income attributable to non-controlling interests in Nord-Soft EDV Unternehmensberatung GmbH and Nord-Soft Datenservice GmbH in the amount of EUR -240 thousand (31 December 2018: EUR -109 thousand).

37 Consolidated net income after non-controlling interests

	2019: EUR'000	**11,012**
	2018: EUR'000	9,616

38 Earnings per share (basic/diluted)

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

EUR'000	2019	2018
Consolidated net income after non-controlling interests		
Basis for basic/diluted earnings per share (consolidated net income for the period attributable to owners of the parent)	11,012	9,616
Number of shares		
Weighted average number of shares for determination of basic/diluted earnings per share	14,251,314	14,251,314
Basic earnings per share in EUR	0.77	0.67

Diluted earnings equal basic earnings per share as no dilutive effects materialized in the year under review.

IV. Other information

1. Information on leases

Rights of use of leased assets amount to EUR 11,722 thousand as of 31 December 2019. Corresponding lease liabilities come to the total amount of EUR 12,069 thousand and are classified in the statement of financial position either as non-current (EUR 10,127 thousand) or current liabilities (EUR 1,942 thousand) depending on maturity. Disclosure is made under the item other liabilities respectively.

Lease agreements OVB has concluded essentially comprise real property, vehicle leases and office equipment.

The development of rights of use broken down by category of underlying assets is as follows:

EUR'000	01/01/2019	Allocation	Disposal	Depreciation	31/12/2019
Land and buildings	6,273	6,255	0	-1,739	10,789
Machinery, equipment, furniture, vehicles, others	794	506	0	-426	874
IT equipment	24	75	0	-40	59
	7,091	**6,836**	**0**	**-2,205**	**11,722**

The presentation of the value of rights of use as of 1 January 2019 in the quarterly financial report as of 30 September 2019 was too high by EUR 105 thousand, primarily due to overstated lease payments. Necessary adjustments to rights of use have been made in the table in the above. Also overstated in the quarterly financial report as of 30 September 2019 were the essentially corresponding lease liabilities as of 1 January 2019; they have been adjusted as well. These adjustments have only immaterial effects on assets and liabilities, financial position and profit/loss.

Interest expense from accrued interest on lease liabilities amounts to EUR 219 thousand, reported under other finance expense.

Expenses for short-term leases with terms of less than twelve months amount to EUR 184 thousand, reported under other operating expenses.

Expenses for low-value leases amount to EUR 34 thousand, reported under other operating expenses.

Terms to maturity of not discounted lease liabilities are as follows:

EUR'000	Less than 3 months	3 - 6 months	7 - 12 months	1 - 3 years	3 - 5 years	More than 5 years	Total
	559	551	1,057	3,848	2,287	4,871	13,173

From the probable exercise of renewal options, cash outflow in the amount of EUR 394 thousand may result for the next reporting periods.

Income in the amount of EUR 48 thousand was generated from sub-leases.

Terms to maturity of expected lease payments from sub-leases are as follows:

EUR'000	1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
	31	17	17	17	17	0	99

2. Contingent liabilities

Guarantees and assumed liabilities
OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial agents in the ordinary course of business. The associated risks are recognized in other provisions to the extent that they give rise to obligations whose value can be reliably estimated. Guarantees and assumed liabilities to third parties total EUR 3,690 thousand as of the reporting date (31 December 2018: EUR 3,690 thousand).

Litigation risk
Several consolidated 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 agents.

Management holds the view that contingent liabilities arising from such legal disputes are adequately covered by provisions and that no material effects on the Group's assets and liabilities will result beyond that.

3. Average number of employees

In the year under review, the Group had a commercial staff of 620 commercial employees on average (31 December 2018: 505), of which 54 (31 December 2018: 51) filled executive positions.

4. Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG are:

- Mario Freis, Chairman of the Executive Board
  Membership in Supervisory Boards and Comparable Supervisory Bodies:
  - Chairman of the Supervisory Board of OVB Vermögensberatung AG, Cologne;
  - Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia

- Oskar Heitz, Deputy Chairman of the Executive Board
  Membership in Supervisory Boards and Comparable Supervisory Bodies:
  - Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne;
  - Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia;
  - Member of the Supervisory Board of OVB Allfinanz a.s., Prague, Czech Republic

- Thomas Hücker, Member of the Executive Board, Operations

Members of the Supervisory Board of OVB Holding AG are:

- Michael Johnigk (Chairman of the Supervisory Board); Business Management Graduate (ret.), former Member of the Executive Boards of SIGNAL IDUNA Krankenversicherung a. G., Dortmund; SIGNAL IDUNA Lebensversicherung a. G., Hamburg; SIGNAL IDUNA Unfallversicherung a. G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund; SIGNAL IDUNA Holding AG, Dortmund (until 30 June 2019)
- Dr. Thomas A. Lange (Deputy Chairman of the Supervisory Board); Chairman of the Executive Board of NATIONAL-BANK AG, Essen
- Maximilian Beck; 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
- 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; Graduate Mathematician (ret.) (until 21 August 2019); former Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich

Remuneration of Supervisory Board and Executive Board

Remuneration of the Supervisory Board amounted to EUR 160 thousand in the year under review (31 December 2018: EUR 155 thousand).

The members of the Executive Board of OVB Holding AG received the following remuneration:

EUR'000	Mario Freis	Oskar Heitz	Thomas Hücker
Fixed remuneration	505 (previous year: 484)	404 (previous year: 394)	319 (previous year: 291)
Variable remuneration	265 (previous year: 254)	155 (previous year: 151)	152 (previous year: 136)
Total remuneration	**770 (previous year: 738)**	**559 (previous year: 545)**	**471 (previous year: 427)**

Variable remuneration of the members of the Executive Board is based on individual targets defined for the financial year. Apart from that, variable remuneration includes long-term benefits in the amount of EUR 267 thousand (31 December 2018: EUR 249 thousand). No share-based payments were made.

5. Consulting expenses and audit fees

The item legal, financial statement and consulting expenses includes the fee of the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, in the total amount of EUR 425 thousand (31 December 2018: EUR 372 thousand), thereof EUR 21 thousand for 2018. The auditor's fees comprise the following positions in the 2019 financial year:

EUR'000	2019	2018
Audit services	385	372
thereof OVB Vermögensberatung AG, Cologne	54	47
Other certifications	40	0

Fees are reported net of value-added tax for the financial year in accordance with the stipulations of IDW RS HFA 36, "Notes to Financial Statements Pursuant to Sections 285 no. 17, 314 (1) no. 9 HGB on Audit Fees".

The item audit services includes fees for the audit of consolidated financial statements, the audit of the separate financial statements of OVB Vermögensberatung AG, Cologne, and OVB Holding AG, Cologne, and the review of the quarterly and 6-month financial reports.

Fees for other certifications include the limited assurance engagement on a business assessment of the separate non-financial consolidated management report of OVB Holding AG.

6. Significant events after the reporting date

With the rapid spread of Coronavirus (COVID-19 – Coronavirus SARS-CoV-2) and the measures taken in this context in Europe, among other parts of the world, a significant event has occurred after the end of the 2019 financial year. For the effects of Coronavirus on our business, please refer to the explanations put forth in the chapters "Outlook" and "Report on opportunities and risks" in the combined management report.[3)]

7. Related-party transactions

OVB has entered into agreements on the brokerage of financial products with related entities of the SIGNAL IDUNA Group, the Baloise Group and the Generali Group.

Principal shareholders as of 31 December 2019 are entities of

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

The SIGNAL IDUNA Group is a horizontal group ("Gleichordnungsvertragskonzern"). Its parent companies are:

– SIGNAL IDUNA Krankenversicherung a. G., Dortmund
– SIGNAL IDUNA Lebensversicherung a. G., Hamburg
– SIGNAL IDUNA Unfallversicherung a. G., Dortmund

SIGNAL IDUNA Lebensversicherung a. G., Hamburg, directly held shares in OVB Holding AG carrying 31.67 per cent of the voting rights as of 31 December 2019. SIGNAL IDUNA Krankenversicherung a. G., Dortmund, directly held shares in OVB Holding AG carrying 21.27 per cent of the voting rights as of 31 December 2019. From contracts with companies of the SIGNAL IDUNA Group, sales were generated in the amount of EUR 32,480 thousand in 2019 (31 December 2018: EUR 29,669 thousand). Receivables amount to EUR 3,054 thousand (31 December 2018: EUR 3,481 thousand) and liabilities come to EUR 0 thousand (31 December 2018: EUR 31 thousand).

The item securities and other capital investments includes securities of the Signal IDUNA Group in the amount of EUR 7,588 thousand (31 December 2018: EUR 7,142 thousand).

Basler Beteiligungsholding GmbH, Hamburg, directly held shares in OVB Holding AG carrying 32.57 per cent of the voting rights as of 31 December 2019. This entity is a consolidated company of the Baloise Group, whose parent is Bâloise Holding AG, Basel. From contracts with companies of the Baloise Group, sales were generated in the amount of EUR 22,789 thousand in 2019 (31 December 2018: EUR 31,287 thousand), essentially in the Germany segment. Receivables come to EUR 3,062 thousand (31 December 2018: EUR 3,530 thousand).

The item securities and other capital investments includes securities of Bâloise Holding AG in the amount of EUR 760 thousand (31 December 2018: EUR 705 thousand).

Generali CEE Holding B.V., Amsterdam, The Netherlands, directly held shares in OVB Holding AG carrying 11.48 per cent of the voting rights as of 31 December 2019. This entity belongs to the Generali Group, whose parent is Assicurazioni Generali S.p.A., Trieste, Italy. From contracts with companies of the Generali Group, sales were generated in the amount of EUR 18,828 thousand in 2019 (31 December 2018: EUR 16,670 thousand). Receivables come to EUR 6,381 thousand (31 December 2018: EUR 6,346 thousand) and liabilities amount to EUR 10 thousand (31 December 2018: EUR 745 thousand).

3) This adjustment has been made because of the rapidly spreading Coronavirus on 25 March 2020.

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

German subsidiary OVB Vermögensberatung AG leased office space in financial year 2012 which is the property of a close relative of a Supervisory Board member. Lease payments (including incidental rental costs) correspond to market conditions and amount to EUR 34 thousand p.a. Of this total amount, EUR 30 thousand (31 December 2018: EUR 30 thousand) are rent and EUR 4 thousand (31 December 2018: EUR 4 thousand) are incidental rental costs.

D&O insurance with coverage of EUR 25,000 thousand per insured event has been taken out for the members of the Executive Board and the Supervisory Board.

Items outstanding by the end of the financial year are not secured, do not bear interest and are settled by payment. No guarantees are given on account of receivables from or liabilities to related parties.

OVB Holding AG has reported on the contract relationships with entities of the SIGNAL IDUNA Group in financial year 2019 and in the previous years in accordance with Section 312 AktG (Stock Corporation Act).

8. Declaration pursuant to Section 161 AktG

The Executive Board and the Supervisory Board of OVB Holding AG have issued the declaration required under Section 161 AktG (Stock Corporation Act) for 2019 and made it permanently available to the shareholders on the website of OVB Holding AG (https://www.ovb.eu/english/investor-relations/corporate-governance.html).

9. Declaration pursuant to Section 114 WpHG

The financial statements represent an annual financial report for the purpose of the Second Act Amending Financial Market Regulation (Section 114 WpHG – Securities Trading Act) of 23 June 2017.

Responsibility statement

We assure that to the best of our knowledge and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the consolidated 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, 25 March 2020

Mario Freis CEO	Oskar Heitz CFO	Thomas Hücker COO

Independent auditor's report

To OVB Holding AG, Cologne

Report on the audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of OVB Holding AG, Cologne, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of OVB Holding AG, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2019. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2019, and of its financial performance for the financial year from 1 January to 31 December 2019, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

I. Measurement of receivables from financial agents

II. Provisions for cancellation risks

III. First time consolidation of Willemot Bijzonder Verzekeringsbestuur NV

Our presentation of these key audit matters has been structured as follows:

1. Matter and issue

2. Audit approach and findings

3. Reference to further information

Hereinafter we present the key audit matters:

I. Measurement of receivables from financial agents

1. In the consolidated financial statements of OVB Holding AG as at 31 December 2019, other receivables totaling € 19.2 million are reported under the balance sheet line item "Receivables and other assets". As at the balance sheet date, € 6.8 million of this amount is attributable to receivables from financial agents resulting primarily from advance commission payments and claims for commission refunds. The Company sets up specific valuation allowances taking into account the information available on the credit rating of the debtors, the age structure of the receivables and, in individual cases, based on legal opinions prepared by internal and external attorneys. Within this context, a differentiation is made between active and former financial agents. Due to the large number of individual receivables from financial agents, the Company also calculates collective specific valuation allowances based on the grouping of receivables that are considered not to be significant and that have the same opportunity and risk profile based on value-influencing factors of the respective debtors. Based on these analyses and estimates of the executive directors, as well as other documents, the total expenses for valuation allowances on receivables from financial agents amounted to € 1.8 million in the financial year. As this measurement of receivables, which involves to a large extent judgment of the executive directors, has a significant impact on the recognition and amount of the valuation allowances which may become necessary, and the measurements are subject to uncertainties, this matter was of particular significance during our audit.

2. During our audit we in particular evaluated the analyses and measurements carried out by the Company with respect to whether these were up to date, evaluated the measurement method used and examined and assessed the measurement. In doing so, we obtained an understanding of the underlying source data, measurement parameters and the assumptions made by the executive directors, evaluated those factors critically and assessed whether they are within an acceptable range. Furthermore, we evaluated the legal opinions prepared by the internal and external attorneys appointed by the Company on a sample basis. Based on this, we carried out additional analytical audit procedures and tests of details relating to the measurement of the receivables from financial agents. Among other things, we also evaluated the underlying amounts recorded and their recoverability on the basis of the documentation made available, and we assessed the consistent application of the measurement methods. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the receivables from financial agents are substantiated and adequately documented.

3. The Company's disclosures pertaining to other receivables are contained in sections 3.4, 4.2.1 and II.6 of the notes to the consolidated financial statements.

II. Provisions for cancellation risks

1. In the consolidated financial statements of OVB Holding AG provisions for cancellation risks in the amount of € 16.3 million are reported under the balance sheet line item "Other provisions". These provisions relate to commission received from partner companies for brokerage of financial products that is to be reimbursed by the Company, where appropriate on a pro rata basis, in the event that brokered contracts are not redeemed, or are cancelled, within a certain liability period. The provisions are calculated based on a uniform Group-wide measurement process and are calculated by the respective subsidiary based on the country-specific measurement parameters, such as liability period, historical cancellation rates and expectations regarding the timing of the cancellations as at the balance sheet date. The portion of the provisions for cancellation risks that is likely to be non-current is discounted using a discount rate adequate to the period of the term. The calculation of the provisions for cancellation risks is to a large extent subject to the judgment of the executive directors and its related uncertainties. Against this background and due to the amount of this significant item in terms of its amount, this matter was of particular significance for our audit.

2. In the knowledge that estimated values result in an increased risk of accounting misstatements and that the measurement decisions made by the executive directors have a direct impact on consolidated profit/loss, we assessed the appropriateness of the carrying amounts. This involved, among other things, assessing the structure and appropriateness of the uniform Group-wide measurement method used to calculate the provisions and evaluating its uniform application across the Group. We also compared the country-specific and product-specific liability periods used in the calculation against the relevant legal requirements. In addition, we evaluated the Company's historical cancellation rates used in the calculation and the expectations of the executive directors regarding the timing of the cancellations as at the balance sheet date. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of recognizing and measuring provisions for cancellation risks are substantiated and adequately documented.

3. The Company's disclosures pertaining to provisions for cancellation risks are contained in sections 3.4, 5.2.2 and II.21 of the notes to the consolidated financial statements.

III. First time consolidation of Willemot Bijzonder Verzekeringsbestuur NV

1. In January 2019 OVB Holding AG acquired 100% of the shares in Willemot Bijzonder Verzekeringsbestuur NV, Gent/Belgium (Willemot). Total consideration amounted to € 1.3 million. The acquisition has been accounted for as a business combination in line with the acquisition method of IFRS 3. As a part of the purchase price allocation, the identifiable assets and the liabilities assumed were recognized at fair value. Considering the acquired net assets in amount of € -20 thousand, a positive difference (goodwill) of € 1.3 million resulted from the transaction. Due to the estimation uncertainties in the valuation of assets and liabilities within the scope of the purchase price allocation and the overall material effects of the acquisition on the net assets, financial position and results of operations of the OVB Group, this matter was of particular importance within the scope of our audit.

2. As part of our audit procedures relating to the acquisition, we inspected and understood the contractual agreements and reconciled the purchase price as consideration for the acquired business unit with the evidence submitted to us of the payments made. Furthermore, we assessed the valuation of the identifiable assets and assumed liabilities underlying the acquisition at fair value at the time of initial consolidation. Among others, we assessed the appropriateness of the valuation parameters and assumptions underlying the valuation. We also reviewed the calculation of goodwill and its impairment test. In addition, we assessed the disclosures in the notes required by IFRS 3. Overall, we were able to satisfy ourselves that the accounting treatment of this acquisition was appropriate and that the estimates and assumptions made by the management are comprehensible and sufficiently justified.

3. The Company's disclosures pertaining to first time consolidation of Willemot Bijzonder Verzekeringsbestuur NV are contained in section 2.3 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

– the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "Statement on corporate governance" of the group management report

– the corporate governance report pursuant to No. 3.10 of the German Corporate Governance Code

– the separate non-financial group report pursuant to § 315b Abs. 3 HGB

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

– is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or

– otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 14 June 2019. We were engaged by the supervisory board on 19 September 2019. We have been the group auditor of the OVB Holding AG, Cologne, without interruption since the financial year 2005.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to Supplementary Audit

We issue this auditor’s report on the amended consolidated financial statements as at 31 December 2019 and the amended group management report for the financial year 2019 on the basis of our audit, duly completed as at 4 March 2020, and our supplementary audit completed as at 25 March 2020 related to the amendments of disclosures in the notes to the consolidated financial statements and the group management report based on an updated forecast due to new information on the effects of coronavirus and the change in the proposal for the appropriation of profits. We refer to the presentation of the amendments by the executive directors in the amended notes to the consolidated financial statements, sections II.18. Retained Earnings and IV.6. Significant events after the reporting date, as well as the amended group management report, sections “Business report”, “Report on opportunities and risks” and “Outlook”.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Michael Peters.

Düsseldorf, 4 March 2020 / limited to the amendments stated in the “Reference to Supplementary Audit” section above: 25 March 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Peters
(German Public auditor)

ppa. Nadine Keuntje
(German Public auditor)

Michael Johnigk
Chairman of the
Supervisory Board,
OVB Holding AG

Report of the Supervisory Board

Dear shareholders,

The Supervisory Board accompanied the Executive Board of OVB Holding AG through a very good financial year 2019. OVB continued its strategic approach with a long-term horizon and the performance of business operations was successful. With the market entry in Belgium, OVB now has a presence in 15 countries for its clients, boosting the Company's start to the year of its 50th anniversary.

It is with deep sorrow that we realize that since 21 August 2019 Winfried Spies, Supervisory Board member of many years, cannot take part in this success anymore. As an entrepreneurially minded, highly respected person he supported and participated in the Company's development with a vision based on vast experience. We are greatly indebted to him and will honour his memory.

Supervision and counselling in continuous dialogue with the Executive Board

The Supervisory Board routinely concerned itself with the situation and the performance of the Company in the 2019 financial year. In line with its responsibilities defined by law, Articles of Association and the rules of procedure, the Supervisory Board supervised and supported the Executive Board in managing the Company and gave advice in questions of corporate governance. In particular, the Supervisory Board dealt extensively with the economic and financial performance as well as with strategy and planning. The Supervisory Board was directly involved in all decisions of essential relevance to the Group.

The Executive Board informed the Supervisory Board regularly, comprehensively and in good time about all aspects of importance to the Company in writing, by electronic means and oral reports. Key topics of reporting were the economic and financial performance of the Group and its segments including corporate planning, the business and risk strategy and other substantial factors of business operations, risk management, especially the material risks the OVB Group is exposed to, significant events and business transactions, developments with respect to financial agents and employees, the annual report prepared by Internal Auditing and the annual report provided by the Head of Compliance. The Supervisory Board also received information about compliance and other recent topics on a continuing basis. The Supervisory Board extensively discussed and debated all business transactions of relevance to the Company based on the information furnished by the Executive Board in full session.

The Executive Board informed the Supervisory Board early on about all matters requiring the Supervisory Board's explicit agreement under law, the Articles of Association or the rules of procedure and presented them to the Supervisory Board for the adoption of resolutions in due time. Thus the Supervisory Board always had the opportunity to scrutinize and discuss the Executive Board's reports and resolution proposals in full session and in the Committees and to offer suggestions before casting its vote on the respective resolution proposal following thorough examination and debate. In urgent individual cases, resolutions were also adopted with the approval of all Supervisory Board members in writing, by electronic means or by phone.

All key financials were reported to the Supervisory Board by the Executive Board for each quarter. Insofar as the business performance deviated from planning and defined targets, the Supervisory Board received detailed explanation. Reasons for such deviations were analyzed by Executive Board and Supervisory Board together and appropriate measures were derived from this joint assessment. The Company's risk position was also presented in detail and analyzed on a quarterly basis. Risk reports included the current risk position of the Group in view of profit/loss and assets and liabilities, distribution, products, markets, competition, regulatory framework and operations and support. The Chairman of the Supervisory Board and the Chairman of the Audit Committee also met regularly with the CEO and the CFO outside the framework of the meetings, discussing important current topics and material business transactions and events.

Supervisory Board meetings

In financial year 2019 the Supervisory Board held four regular meetings (March, June, September and December). Subjects of regular and intensive debate were business planning and business performance in the three regional segments, Central and Eastern Europe, Germany and Southern and Western Europe, as well as the Group's profit/loss and financial position. Furthermore, the Supervisory Board concerned itself in depth with the corporate strategy »OVB Evolution 2022« and the effects of legal changes already adopted or to be expected on product sales and commission in several countries in which OVB operates.

The Supervisory Board considers it a component of sound corporate governance to disclose its members' individual participation in Supervisory Board meetings in full session and in the Supervisory Board Committees.

Meetings of the Supervisory Board and the Committees in financial year 2019

	Attendance	in %
Supervisory Board		
Michael Johnigk (Chairman)	4/4	100
Dr. Thomas Lange (Deputy Chairman)	4/4	100
Maximilian Beck	3/4	75
Markus Jost	4/4	100
Wilfried Kempchen	4/4	100
Winfried Spies*	1/2	50
Nomination and Remuneration Committee		
Markus Jost (Chairman)	3/3	100
Michael Johnigk	3/3	100
Audit Committee		
Dr. Thomas Lange (Chairman)	7/7	100
Maximilian Beck	6/7	86
Michael Johnigk	7/7	100
Markus Jost	7/7	100

* Winfried Spies passed away on 21 August 2019

On 15 March 2019, the Supervisory Board convened for assessing the annual financial results: It addressed the 2018 separate and consolidated financial statements as well as the management report of OVB Holding AG integrated with the consolidated management report (combined management report). With its approval of separate and consolidated financial statements, the Supervisory Board followed the recommendation of the Audit Committee issued after its in-depth examination of the documents. The Board gave its consent to the proposal of the Executive Board on the appropriation of retained earnings and approved the Executive Board's report on relationships with affiliated companies, the Supervisory Board's report as well as the declaration of conformity. Further topics were the preparation of the agenda and the resolution proposals for the General Meeting of Shareholders as well as a status report on the acquisition of Belgian brokerage firm Willemot. Based on the determined target achievements, the Supervisory Board also defined the remuneration for the members of the Executive Board for financial year 2018. Furthermore, the findings of the efficiency review based on a comprehensive company specific questionnaire conducted in the fall of 2018 were debated. The analysis came to the conclusion that teamwork and discussions on the Supervisory Board are graded as trusting, targeted and result oriented. The work of the Supervisory Board and the implemented processes are given a high efficiency rating.

At the meeting directly preceding the General Meeting of Shareholders on 14 June 2019, the Executive Board reported in detail on the business performance of the first quarter of 2019 as well as on changes in the holdings, among other topics. In addition to that, final preparations were made for the General Meeting held that same day.

At the Supervisory Board meeting held on 6 September 2019, the Supervisory Board focused on discussing the status quo of the implementation of strategic measures. Moreover, the current situation after the end of the first 6 months of 2019 and essential measures involving holdings were dealt with.

At its meeting of 2 December 2019, the Supervisory Board debated the changes brought about by the Law on the Implementation of the Second Shareholders' Directive (ARUG II) and the draft version of a reformed German Corporate Governance Code. Also on the agenda were the key financials for the year 2020 and multi-year planning until the year 2024 derived from that, business situation and profit/loss after the end of the third quarter of 2019 and a status report on CSR reporting (Corporate Social Responsibility), applied in financial year 2019 for the first time. In addition to that, the Supervisory Board approved the quantitative and individual targets for the 2020 Executive Board remuneration after receiving the report of the Nomination and Remuneration Committee and discussing its recommendations in detail.

Corporate Governance Code

After extensive debate at the Supervisory Board meeting of 2 December 2019, the Supervisory Board decided to release a joint declaration of conformity of Supervisory Board and Executive Board on the German Corporate Governance Code pursuant to Section 161 (1) AktG that same day, made permanently available to shareholders on the Company's website at www.ovb.eu.

Report from the Committees

The Supervisory Board has established two standing committees for preparing Supervisory Board resolutions as well as the topics to be addressed in full session.

At each Supervisory Board meeting, the Chairmen of the Committees reported on the subjects and outcomes of any preceding Committee meetings so that the Supervisory Board had a comprehensive information base for its debates at all times.

Audit Committee

Responsibilities include especially the supervisions of financial accounting and the financial accounting process, the effectiveness and development of the internal control system, the risk management system, auditing and compliance as well as the audit. The Audit Committee prepares the resolutions of the Supervisory Board on separate financial statements, combined management report and the proposal for the appropriation of retained earnings, the consolidated financial statements and the agreements with the auditor (in particular the audit engagement, the definition of key audit matters and the fee arrangement). The Committee furnishes a reasoned proposal for the election of the auditor and takes suitable measures for determining and monitoring auditor independence. Its assessment particularly relates to the question if statutory requirements were complied with in preparing separate financial statements and consolidated financial statements and if the statements therein give a true and fair view of the assets and liabilities, financial position and profit/loss of the Company and the Group. It concerns itself in depth with the financial statements and the combined management report of OVB Holding AG and the Group and has examined and discussed the interim financial reports (6-month and quarterly reports) in consideration of the auditor's report on the reviews of these reports. In its routine sessions held in March, June, September and December, the Audit Committee talked about topics of risk management and compliance.

The Audit Committee held seven meetings in the 2019 financial year, three of which in the shape of conference calls prior to the release of each of the interim financial reports in May, August and November.

The Audit Committee concerned itself in particular detail with assessing the implementation of the statutory provisions under IDD (Insurance Distribution Directive), MIFID II (Markets in Financial Instruments Directive) and AMLD (Anti-Money Laundering Directive).

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee held three meetings in 2019, one of which in the shape of a conference call. The Committee focused on the preparation of resolution proposals to be addressed in full session with respect to all decisions pertaining to Executive Board and Supervisory Board matters, including impending appointments to the Executive Board. The Committee also routinely examined the remuneration system and the appropriateness of the Executive Board's remuneration as well as succession and emergency planning of the Executive Board and the next most senior level of executives.

Audit of separate and consolidated financial statements

The auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, has audited the separate financial statements and consolidated financial statements as well as the management report of OVB Holding AG integrated with the consolidated management report for the financial year ended 31 December 2019 and has issued an unqualified audit opinion. Separate financial statements and management report were prepared in accordance with German law. The consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and according to supplementary provisions under applicable German law pursuant to Section 315e (1) HGB (Commercial Code).

Separate financial statements, consolidated financial statements, the combined management report as well as the auditor's audit reports on the annual financial statements and all other financial statement documents were submitted to the members of the Supervisory Board in good time prior to the Board's meeting, divided into three parts and held in the form of one video conference and two subsequent conference calls for precautionary reasons in view of the rapid spread of Coronavirus. Its first part on 18 March 2020 comprised the meeting of the Audit Committee and the auditor's report delivered to the Supervisory Board in full session. During its other parts on 22 March and 25 March 2020, the debates in full session were continued and concluded by passing the required resolutions on 25 March 2020.

All the documents were discussed intensively by the Audit Committee and at the Supervisory Board meeting divided into three parts. The Audit Committee particularly addressed the key audit matters including the audit procedures as described in the audit opinion. The auditor's audit reports were made available to all members of the Supervisory Board and were discussed extensively at the Supervisory Board meeting of 18 March 2020 in the presence of the auditor. The auditor's certified accountants, participating in the video conference and the conference calls as well, reported on the scope, focal points and material findings of the audit. Any material flaws of the internal control system with respect to financial accounting and the early warning system for risks were not identified. The Executive Board explained the financial statements of OVB Holding AG and the Group as well as the risk management system at this meeting. The Supervisory Board also adopted the resolution proposal to the General Meeting of Shareholders for the election of the auditor in consideration of the Audit Committee's recommendation at its 25 March 2020 meeting. This decision was based on the declaration furnished by the Audit Committee that its recommendation was free from any undue influence by third parties and that no clause restricting its choice in accordance with Art. 16 (6) of the EU Audit Regulation was imposed on the Committee.

The Supervisory Board agrees with the auditor's findings based on the audit. After the final examination conducted by the Audit Committee and the Supervisory Board's own review, no objections are raised against financial statements, consolidated financial statements and combined management report. The Supervisory Board has therefore approved the 2019 separate financial statements and 2019 consolidated financial statements. The 2019 financial statements are thus adopted in accordance with Section 172 sentence 1 AktG (Stock Corporation Act). The Supervisory Board has approved the Executive Board's proposal for the appropriation of retained earnings.

Beyond the scope of the statutory audit, PricewaterhouseCoopers has also conducted a limited assurance review of the non-financial consolidated management report of OVB Holding commissioned by the Supervisory Board and raised no objections on this basis against non-financial reporting and compliance with the corresponding statutory provisions. The Supervisory Board has approved the review report.

The Executive Board's report on relationships with affiliated companies was provided to the Supervisory Board together with the corresponding audit report prepared by the auditor. In its audit report, the auditor has made the following statement:

"After our due examination and assessment, we confirm that

1. the factual disclosures contained in the report are correct,

2. consideration paid by the Company for the transactions listed in the report was not inappropriately high and

3. no circumstances suggest a materially different assessment from the assessment made by the Executive Board with respect to the measures listed in the report."

The Supervisory Board has examined the Executive Board's report on relationships with affiliated companies, consulted the corresponding audit report prepared by the auditor and approves of the auditor's findings. After concluding its own review, the Supervisory Board states that there were no objections to the Executive Board's concluding statement of its report on relationships with affiliated companies.

Changes on the Supervisory Board and the Executive Board

Winfried Spies, Supervisory Board member of many years, passed away on 21 August 2019. He was succeeded on the Supervisory Board by Harald Steirer as of 12 March 2020, appointed by the District Court of Cologne (Amtsgericht) to the Supervisory Board of OVB Holding AG until the close of the next General Meeting of Shareholders.

In March 2020 the Supervisory Board decided on the extension of the appointment of Thomas Hücker, Executive Board member for Operations (COO), and the appointment of Frank Burow as successor of Oskar Heitz, Executive Board member for Finance (CFO), effective 1 January 2021.

Conflicts of interest and their management

No member of the Executive Board or the Supervisory Board identified or announced any conflicts of interest of his own.

The Supervisory Board is not aware of any indications of conflicts of interest of Executive Board or Supervisory Board members subject to immediate disclosure to the Chairman of the Supervisory Board and information of the General Meeting of Shareholders.

Acknowledgements

The Supervisory Board thanks the members of the Executive Board, the management teams and executives of the holdings and all financial agents and employees of the OVB Group for their personal input in financial year 2019.

Cologne, 25 March 2020

On behalf of the Supervisory Board

Michael Johnigk
Chairman

Company boards and board memberships

Executive Board	Memberships of Supervisory Boards and comparable supervisory bodies
Mario Freis Chairman of the Executive Board (CEO) Responsible for Corporate Development, Corporate Management, Sales, Training, Product Management, Marketing, Communication, Auditing	- OVB Vermögensberatung AG, Cologne (Chairman) - OVB Allfinanz Slovensko a.s., Bratislava, Slovakia (Member)
Oskar Heitz Deputy Chairman of the Executive Board Member of the Executive Board – Finance (CFO) Responsible for Corporate Accounting, Risk Management, Management Accounting, Investor Relations, Legal Affairs, Tax Planning, Compliance, Data Protection, Anti-Money Laundering Compliance	- OVB Vermögensberatung AG, Cologne (Member) - OVB Allfinanz Slovensko a.s., Bratislava, Slovakia (Member) - OVB Allfinanz a.s., Prague, Czech Republic (Member)
Thomas Hücker Member of the Executive Board – Operations (COO) Responsible for Group IT, IT Security, Business Process Management, Human Resources	

Supervisory Board	Memberships of Supervisory Boards and comparable supervisory bodies
Michael Johnigk Chairman of the Supervisory Board Business management graduate (ret.), former Member of the Executive Boards of SIGNAL IDUNA Group, Dortmund/Hamburg	- SDV Servicepartner der Versicherungsmakler AG, Augsburg (Chairman; until 13 May 2019) - SIGNAL IDUNA Bauspar AG, Hamburg (Deputy Chairman; until 30 April 2019) - BCA AG, Bad Homburg (Member) - SIGNAL IDUNA Lebensversicherung a. G., Hamburg (Member) - SIGNAL IDUNA Asset Management GmbH, Hamburg (Member; until 30 April 2019)
Dr. Thomas A. Lange Deputy Chairman of the Supervisory Board Chairman of the Executive Board of NATIONAL-BANK AG, Essen	- Düsseldorfer Hypothekenbank AG, Düsseldorf (Chairman) - ENDIR 1 Abwicklungsgesellschaft mbH, Essen (Chairman; until 30 December 2019) - Advisory Committee of EIS Einlagensicherungsbank GmbH, Berlin/Cologne (Deputy Chairman) - HANSAINVEST Hanseatische Investment-GmbH, Hamburg (Member)
Maximilian Beck Member of the Supervisory Board 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	- ZEUS Service AG, Hamburg (Chairman) - Basler Vertriebsservice AG, Hamburg (Chairman)

Supervisory Board	Memberships of Supervisory Boards and comparable supervisory bodies
Markus Jost Member of the Supervisory Board Independent Certified Expert for Accounting and Management Accounting, former Member of the Executive Boards of Basler Versicherungen, Bad Homburg/Hamburg	
Wilfried Kempchen Member of the Supervisory Board Businessman (ret.), former Chairman of the Executive Board of OVB Holding AG	
Harald Steirer Member of the Supervisory Board (court appointed since 12 March 2020) Management Consultant	- Generali România Asigurare Reasigurare S.A., Bukarest, Romania (Chairman) - Generali Versicherung AG, Vienna, Austria (Member)

Supervisory Board Committees

Audit Committee	Dr. Thomas A. Lange (Chairman), Michael Johnigk, Maximilian Beck, Markus Jost
Nomination and Remuneration Committee	Markus Jost (Chairman), Michael Johnigk

Financial Calendar

30 March 2020
Publication of the Annual Financial Statements for 2019,
Analyst Conference, Press Conference

07 May 2020
Results for the first quarter 2020, Conference Call

10 June 2020
Annual General Meeting, Cologne

12 August 2020
Results for the second quarter 2020, Conference Call

10 November 2020
Results for the third quarter 2020, Conference Call

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