Interim Report – First Half-Year

1 January – 30 June 2019

OVB

OVB profile

OVB stands for cross-thematic and above all client-oriented allfinanz advice with a long-term approach provided to private households. With more than 3.6 million clients, 4,900 financial agents and activities in 15 national markets, OVB is one of the leading financial intermediary groups in Europe.

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Key figures for the OVB Group

Key operating figures

	Unit	01/01 - 30/06/2018	01/01 - 30/06/2019	Change
Clients (30/06)	Number	3.41 m	3.67 m	+7.8 %
Financial advisors (30/06)	Number	4,732	4,954	+4.7 %
Brokerage income	Euro million	115.3	127.1	+10.2 %

Key financial figures

	Unit	01/01 - 30/06/2018	01/01 - 30/06/2019	Change
Earnings before interest and taxes (EBIT)	Euro million	5.6	5.7	+1.3 %
EBIT margin	%	4.9	4.5	-0.4 %-pts
Consolidated net income after non-controlling interests	Euro million	3.8	4.7	+24.0 %
Earnings per share (undiluted)	Euro	0.26	0.33	+24,0 %

Key figures for the regions

Central and Eastern Europe

	Unit	01/01 - 30/06/2018	01/01 - 30/06/2019	Change
Clients (30/06)	Number	2.32 m	2.45 m	+5.6 %
Financial advisors (30/06)	Number	2,760	2,824	+2.3 %
Brokerage income	Euro million	57.3	59.0	+2.9 %
Earnings before interest and taxes (EBIT)	Euro million	3.7	4.2	+13.1 %
EBIT margin	%	6.5	7.1	+0.6 %-pts

Germany

	Unit	01/01 - 30/06/2018	01/01 - 30/06/2019	Change
Clients (30/06)	Number	619,386	614,423	-0.8 %
Financial advisors (30/06)	Number	1,313	1,293	-1.5 %
Brokerage income	Euro million	29.0	30.1	+4.0 %
Earnings before interest and taxes (EBIT)	Euro million	3.8	4.1	+8.7 %
EBIT margin	%	13.1	13.7	+0.6 %-pts

Southern and Western Europe

	Unit	01/01 - 30/06/2018	01/01 - 30/06/2019	Change
Clients (30/06)	Number	464,937	606,370	+30.4 %
Financial advisors (30/06)	Number	659	837	+27.0 %
Brokerage income	Euro million	29.0	38.0	+31.0 %
Earnings before interest and taxes (EBIT)	Euro million	2.9	2.4	-16.9 %
EBIT margin	%	10.0	6.4	-3.6 %-pts

Oskar Heitz, CFO
- Born 1953
- More than 40 years of experience in the financial sector
- With OVB since 1991

Responsibilities

- Corporate Accounting
- Risk Management
- Compliance
- Management Accounting
- Investor Relations
- Legal Affairs
- Tax Planning
- Data Protection

Mario Freis, CEO
- Born 1975
- More than 20 years of experience in the distribution of financial services
- With OVB since 1995

Responsibilities

- Corporate Development
- Corporate Management
- Sales
- Training
- Product Management
- Marketing
- Communication
- Auditing

Thomas Hücker, COO
- Born 1965
- More than 20 years of experience in Operations and Business Management
- With OVB since 2013

Responsibilities

- Group IT
- IT Security
- Business Process Management
- Human Resources

Dear shareholders,
Ladies and gentlemen,

Following an already good start to the 2019 financial year, we are pleased to report to you a highly satisfactory business performance of the OVB Group at the end of the first half-year as well. Brokerage income increased significantly by 10.2 per cent compared to the previous year, to Euro 127.1 million. All three regional segments contributed to this expansion of business: Sales of the strongest segment, Central and Eastern Europe, gained 2.9 per cent to Euro 59.0 million. Brokerage income generated in the Germany segment showed a pleasant 4.0 per cent increase to Euro 30.1 million. Sales in the Southern and Western Europe segment made a giant leap by 31.0 per cent to Euro 38.0 million.

The positive sales performance is the result of the great active commitment of our financial advisors. Compared to mid-year 2018, we managed to expand the number of our clients by about 270,000 to now 3.67 million clients. The number of OVB's financial agents went up 4.7 per cent throughout Europe from 4,732 to 4,954 agents.

Even against the backdrop of rising strategic expenditure, OVB managed to increase the Group's operating result by 1.3 per cent to Euro 5.7 million in the first half-year 2019. Based on the results we have achieved so far, we are confident that we will also meet the target for the operating result of between Euro 13.5 and 14.0 million for the full year, in addition to a significant growth in sales.

We prepare for future market requirements all across Europe in order to keep holding a leading position in the market for the brokerage of financial services in Europe. The successful business performance is proof that the first measures of our growth targeting strategy are already making an impact. Close to its 50th anniversary, OVB is right on track.

Kind regards

Mario Freis
CEO

Oskar Heitz
CFO

Thomas Hücker
COO

Share performance

General Meeting of shareholders votes for unchanged dividend

The performance of the German benchmark index Dax was characterized by strong price gains in the first half-year 2019: Starting at 10,559 points on the final day of trading 2018, a 17.4 per cent increase to 12,399 points was recorded by the end of June. The Dax occasionally reached even beyond 12,600 points during July. The main reason for this price rally on the stock market was the expectation that interest rates will remain low for the medium term. Thus market participants did not give priority to dim economic prospects and rather cautious results forecasts shared by many companies.

The share of OVB Holding AG closed the year 2018 at a price of Euro 16.80. The first half-year 2019 saw a sideways movement within a close margin around the Euro 17.00 mark. By mid-year our share price came to Euro 17.30. Only 3.01 per cent of the shares of OVB Holding AG are free float so that the trading volume and thus the significance of the share price are closely limited. Effective 23 April 2019, Assicurazioni Generali S.p.A., Trieste, transferred its 11.48 per cent investment in OVB Holding AG from Generali Lebensversicherung AG to Generali CEE Holding B.V., Amsterdam. This entity controls the investments in the markets of Central and Eastern Europe in which the Generali Group operates.

The Annual General Meeting of OVB Holding AG was held on 14 June 2019 in Cologne. The share capital was present at roughly 97 per cent. The administration's resolution proposals were accepted either unanimously or almost unanimously, among them the proposal for the payment of a dividend of Euro 0.75 per share, unchanged from the previous year. The explanation of business performance, outlook and strategy provided by CEO Mario Freis was followed by a lively and highly constructive discussion between the members of the Executive Board, shareholders and shareholder's representatives.

WKN / ISIN Code	628656 / DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B / O4BG.DE / O4B:GR	
Class of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra price (closing prices)		
Prior year-end	Euro 16.80	(28/12/2018)
High	Euro 18.10	(14/06/2019)
Low	Euro 16.40	(11/01/2019)
Last	Euro 17.30	(11/07/2019)
Market capitalisation	Euro 247 million	(11/07/2019)

SIGNAL IDUNA Lebensversicherung a. G.
(formerly IDUNA Vereinigte Lebensversicherung aG)
31.67 %

Free float
3.01 %

SIGNAL IDUNA
Krankenversicherung a. G.
21.27 %

Basler Beteiligungsholding GmbH
32.57 %

Generali CEE Holding B.V.
11.48 %

Shareholder structure of OVB Holding AG as of 30/06/2019

Interim consolidated management report of OVB Holding AG for the period from 1 January to 30 June 2019

Course of business

OVB stands for cross-thematic financial advice based on a long-term approach. Private households in Europe are 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, followed by retirement provision, asset generation, and wealth management.

OVB is currently active in 15 European countries as a broker of financial products. OVB's 4,954 full-time financial agents support 3.67 million clients. The Group's broad European positioning stabilizes its business performance and opens up growth potential. OVB's 15 national markets are different in terms of structure, development status and size. OVB has a leading market position in a number of countries. The number of old people in Europe is rising, the number of young people is going down. Public social security systems are increasingly being overburdened. Therefore OVB continues to see considerable potential for the services it provides.

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 financial agent particularly asks for the client's wishes and goals and then creates an individually tailored solution in consideration of available financial resources that is sustainable for the long term, affordable and sufficiently flexible. OVB accompanies its clients over many years. Client service interviews are held regularly in order to adjust our clients' financial planning to any relevant changes in their lives. The resulting protection and provision concepts are suited to the clients' demands and aligned with their respective situations in life.

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

At the end of June 2019, the OVB Group had altogether 617 employees (previous year: 500 employees) in the holding company, the head offices of the operating subsidiaries and the service companies. Based on efficient structures and processes, they are responsible for the Group's management and administration. The staff increase primarily results from the Belgian subsidiary's first-time consolidation.

Macroeconomic environment

The sale of financial products in Europe keeps facing a challenging environment. The ongoing low-interest-rate phase makes it hard to generate assets for private provision. Many financial products currently provide only minimum returns which are then consumed fully or in part by a price increase that is slowly on the rise again. Companies in the financial sector have adapted their product portfolios to the low-interest-rate environment. Growth opportunities remain for products covering longevity, mortality, long-term care or occupational disability. Objects of great interest are also unit-linked pension and life insurance, company pension schemes and mutual funds based on shares, bonds or real property.

OVB is convinced that the demand for cross-thematic, competent and comprehensive personal advice on all financial topics is rising: The product offering is almost inscrutable for private households and the terms and conditions of state subsidies are barely comprehensible. Furthermore, financial decisions once made must be revised routinely with respect to changing needs and situations in life.

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

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

Central and Eastern Europe
OVB's Central and Eastern Europe segment comprises the national markets of Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and the Ukraine; here the

Group generated some 50 per cent of sales over the last year. Despite the economic slowdown in many areas of the global economy, this region's countries can be expected to continue on their path of strong economic growth in 2019. The macroeconomic performance might even increase by more than 4 per cent in Poland and Hungary. All these countries share private consumer spending as the main driver of further expansion. Significant raises in wages and salaries at modest price increases lead to considerably rising real income. Capital

Macroeconomic key data, Central and Eastern Europe

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2019e	2020f	2019e	2020f	2019e	2020f
Croatia	2.8	2.5	0.8	1.4	-0.5	-0.8
Czech Republic	2.4	2.2	2.7	1.8	0.0	-0.6
Hungary	4.2	3.1	3.4	2.6	-1.7	-1.5
Poland	4.4	3.3	1.8	2.4	-1.6	-0.9
Romania	3.5	3.0	4.0	3.2	-3.5	-4.0
Slovakia	3.5	2.8	2.3	2.0	0.0	0.0
Ukraine	2.7	3.1	8.3	7.7	-2.1	-2.0

e = estimated; f = forecast
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 3rd Quarter 2019

expenditures support domestic demand as well. However, the trade balance will probably have an adverse effect over the course of the year. The economic situation of this group of countries is altogether favourable and in support of the ability of private households to invest in financial protection and private provision.

Macroeconomic key data, Southern and Western Europe

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2019e	2020f	2019e	2020f	2019e	2020f
Austria	1.3	1.2	1.7	1.7	0.4	0.3
Belgium	1.3	1.3	1.8	1.7	-1.3	-1.5
France	1.0	1.1	1.2	1.3	-3.1	-2.2
Greece	1.9	1.8	1.1	1.3	0.5	-0.1
Italy	0.1	0.3	1.1	1.1	-2.3	-2.9
Spain	2.2	1.6	1.3	1.5	-2.3	-2.0
Switzerland	1.7	1.2	0.6	0.9	1.4	0.1
Eurozone	**1.1**	**1.0**	**1.3**	**1.3**	**-0.9**	**-0.9**

e = estimated; f = forecast
Source: Raiffeisen RESEARCH, Strategy Global Markets, 3rd Quarter 2019

Germany
The German market accounted for 26 per cent of the OVB Group's sales in the past financial year. Germany's economy has become noticeably less dynamic since 2018. The economic growth of Europe's largest national economy will probably come to just about one per cent respectively in 2019 and 2020. Structural problems of the mighty auto industry and its suppliers negatively affect the course of the economy. However, a high employment level and substantial increases in wages and salaries at a limited price increase are in favour of the financial situation of private households. This development supports private consumer spending and makes resources available for financial provision.

Southern and Western Europe
The national markets of Austria, Belgium, France, Greece, Italy, Spain and Switzerland represent the Southern and Western Europe segment, contributing some 24 per cent to the OVB Group's brokerage income in 2018. With the exception of Switzerland, these countries belong to the eurozone. There is increased uncertainty regarding the future economic development in this currency area. Continuous trade conflicts with the United States and Great Britain's exit from the European Union negatively affect the export oriented business sectors. Contrary to that, the service sector shows a robust performance. Economic growth in this and the next year will turn out below average altogether, merely coming to about one per cent. The average financial situation of the private households in Southern and Western Europe cannot be expected to improve significantly any time soon.

Business performance

The OVB Group's brokerage income amounted to Euro 127.1 million in the period from January through June 2019 altogether, equivalent to a considerable increase of 10.2 per cent over the prior-year amount of Euro 115.3 million. All three regional segments contributed to this growth in sales. By the end of June 2019, OVB supported 3.67 million clients in 15 countries of Europe (previous year: 3.41 million clients). The total number of financial agents working for OVB gained 4.7 per cent from 4,732 as of the prior-year reporting date to 4,954 financial agents as of 30 June 2019. The structure of new business changed only slightly compared to the prior-year period: The share of unit-linked provision products was reduced from 37.3 per cent to 37.1 per cent; contrary to that, the share of other provision products went up from 22.5 per cent to 23.7 per cent.

Breakdown of new business 1-6/2019 (1-6/2018)

Unit-linked provision products
37.1 % (37.3 %)

State-subsidised provision products
8.6 % (9.0 %)

Building society savings contracts/financing
11.1 % (11.5 %)

Property, legal expenses and accident insurance
12.3 % (12.3 %)

Health insurance
3.0 % (2.4 %)

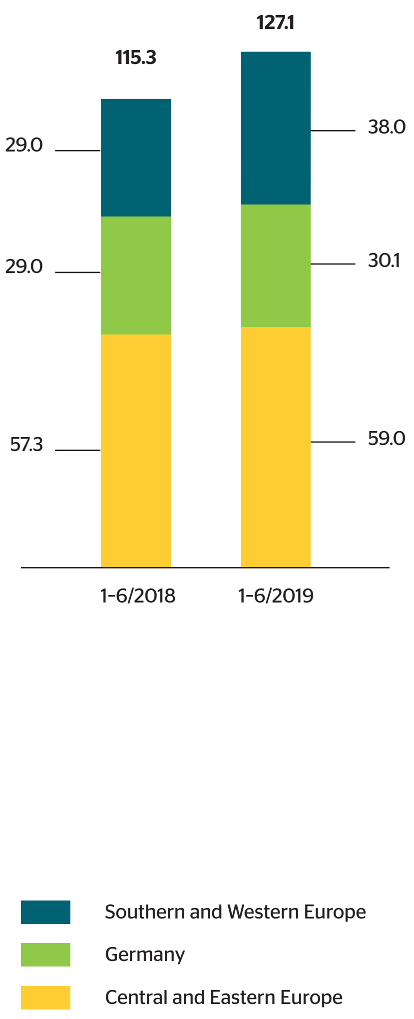
Investment funds
4.1 % (4.8 %)

Other provision products
23.7 % (22.5 %)

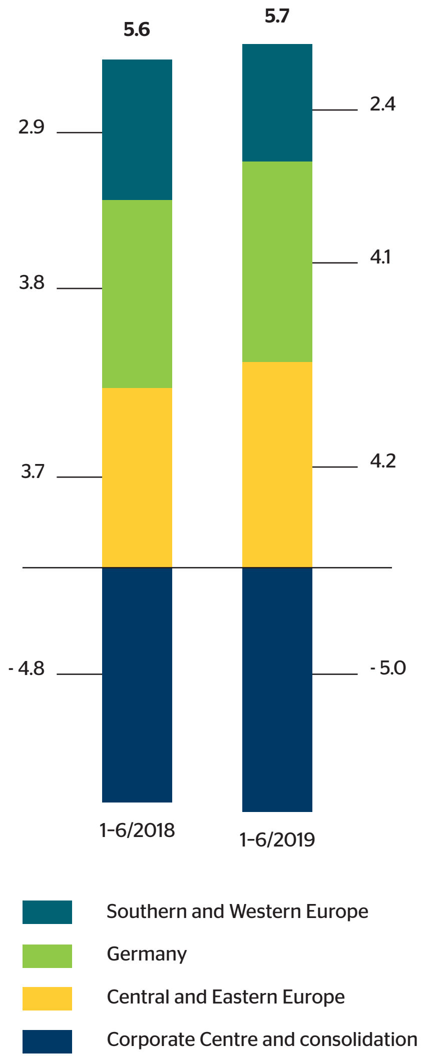
Real property
0.1 % (0.2 %)

Central and Eastern Europe
Brokerage income of the Central and Eastern Europe segment gained 2.9 per cent to reach Euro 59.0 million in the first half-year 2019. OVB achieved significant increases particularly in Poland and Romania. Except for the Czech Republic and Slovakia, the segment's other national markets also reported sales growth. The number of financial agents working for OVB went up from 2,760 as of the prior-year reporting date by 2.3 per cent to 2,824 financial agents. OVB's financial advisors supported 2.45 million clients (previous year: 2.32 million clients). Unit-linked provision products accounted for the lion's share of new business at 42.7 per cent (previous year: 43.5 per cent), followed by other provision products at 27.2 per cent (previous year: 24.0 per cent).

Brokerage income by region
Euro million, figures rounded



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



Germany
Brokerage income generated in the Germany segment showed a pleasing 4.0 per cent increase from Euro 29.0 million in the previous year to now Euro 30.1 million. The number of clients as of 30 June 2019 was 614,423, compared to 619,386 clients one year before. The largest share of new business was accounted for by unit-linked provision products at 24.2 per cent (previous year: 28.5 per cent). Recently in higher demand were products of the category building society savings contracts/ financing at 20.8 per cent (previous year: 14.9 per cent). Other provision products had a share in new business of 16.7 per cent (previous year: 17.1 per cent), property, legal expenses and accident insurance contributed 14.7 per cent (previous year: 15.5 per cent) to the new business. The number of financial agents working for OVB in Germany remained largely stable at 1,293 sales agents (previous year: 1,313 sales agents).

Southern and Western Europe
Brokerage income in the Southern and Western Europe segment climbed 31.0 per cent from Euro 29.0 million to Euro 38.0 million. This strong increase resulted to a large extent from the Belgian subsidiary's first-time consolidation. With respect to the other operating subsidiaries, sales increases as achieved in France and Austria and declining sales as reported for Italy, Spain and Switzerland more or less cancelled each other out. The number of financial agents rose from 659 to 837 agents, also affected by the first-time consolidation of the Belgian business. OVB's financial agents supported altogether 606,370 clients in the segment's seven countries, compared to 464,937 clients as of 30 June 2018. The clients' interest focused particularly on unit-linked provision products (34.7 per cent of new business; previous year: 31.9 per cent) and state-subsidized provision products at 24.4 per cent (previous year: 26.2 per cent).

Profit/Loss

The OVB Group generated brokerage income of Euro 127.1 million in the first six months of 2019. This equals an increase over the prior-year period of comparison of 10.2 per cent (previous year: Euro 115.3 million). Other operating income went down to Euro 5.5 million compared to Euro 6.3 million for the prior-year period.

Brokerage expenses were up 7.3 per cent to Euro 83.8 million for the half-year under review (previous year: Euro 78.2 million). Personnel expense for the Group's employees gained 24.7 per cent as expected, from Euro 15.0 million to Euro 18.7 million. This development also reflects the first-time consolidation of the Belgian subsidiary. Depreciation and amortization went up from Euro 2.1 million to Euro 3.4 million. This increase was affected substantially by the first-time adoption of IFRS 16 (Leases). Other operating expenses increased only slightly by 1.7 per cent to Euro 21.0 million (previous year: Euro 20.7 million).

The OVB Group's operating result (EBIT) reached Euro 5.7 million in the reporting period, indicating a slight 1.3 per cent increase over the prior-year amount of Euro 5.6 million. The EBIT of the Central and Eastern Europe segment went up from Euro 3.7 million by 13.1 per cent to Euro 4.2 million. The national markets of the Czech Republic, Poland and Romania reported improved earnings performances in particular. The operating result of the Germany segment gained 8.7 per cent from Euro 3.8 million to Euro 4.1 million. The EBIT of the Southern and Western Europe segment went down from Euro 2.9 million to Euro 2.4 million. Declining earnings had to be put up with particularly in Italy, France and Switzerland. The new national market Belgium made a positive contribution to the segment's operating result. The negative operating result of Corporate Centre including consolidation effects expanded insignificantly from Euro 4.8 million to Euro 5.0 million. The OVB Group's EBIT margin based on brokerage income went down altogether from 4.9 per cent in the previous year to 4.5 per cent in the reporting period.

The financial result improved to Euro 0.9 million over the first half-year 2019 while a loss of Euro 0.1 million had to be reported in the previous year. Finance income increased to Euro 1.0 million (previous year: Euro 0.2 million), due primarily to appreciation in value of securities. Contrary to that, finance expenses went down as a result of no more depreciation of securities. Taxes on income increased from Euro 1.7 million to Euro 1.9 million. After non-controlling interests, consolidated net income for the period January through June 2019 is up from the prior-year amount of comparison from Euro 3.8 million to Euro 4.7 million. Earnings per share grew from 26 eurocents to 33 eurocents, based on 14,215,314 ordinary shares respectively.

Financial position

The cash flow from operating activities went up from Euro 7.2 million in the first half-year 2018 by Euro 2.8 million to Euro 10.0 million in the reporting period. This is accounted for essentially by an increase in trade payables and other liabilities by Euro 4.3 million. Apart from that, the Group's earnings before income tax were up, as were depreciation and amortization of non-current assets.

The cash flow from investing activities recorded cash inflow of Euro 1.4 million compared to cash outflow of Euro -3.0 million in the prior-year period. Among the main reasons for this were payments received from the acquisition of the Belgian subsidiary in the amount of Euro 2.3 million. In addition to that, payments received from disposals of securities and other short-term capital investments came to Euro 1.6 million (previous year: Euro 0.5 million). Contrary to that, payments for expenditure on tangible and intangible non-current assets amounted to Euro -2.1 million altogether.

The cash flow from financing activities showed outflow of cash in the amount of Euro -11.9 million for the reporting period (previous year: Euro -10.7 million). Of this total amount, Euro -10.7 million were accounted for by the payment of the dividend (previous year: Euro -10.7 million) and Euro -1.2 million by repayments or rather interest payments regarding lease liabilities from financing activities, to be recognized for the first time pursuant to IFRS 16. The Company's cash and cash equivalents went down altogether from Euro 48.5 million by mid-year 2018 to Euro 46.1 million as of the reporting date.

Assets and liabilities

Total assets of OVB Holding AG were expanded considerably since year-end 2018 (31 December 2018: Euro 186.3 million) by Euro 19.9 million to Euro 206.2 million as of the reporting date. Non-current assets gained Euro 13.8 million from Euro 30.0 million to Euro 43.8 million. According to IFRS 16, rights of use of leased assets are disclosed for the first time: They amounted to Euro 9.0 million as of 30 June 2019. Intangible assets, with a Euro 3.1 million increase to Euro 12.8 million (31 December 2018: Euro 9.7 million), and to a lesser extent tangible assets and financial assets as well as deferred tax assets also contributed to the total increase in non-current assets. Current assets were up Euro 6.1 million to Euro 162.4 million (31 December 2018: Euro 156.3 million). Essential was the increase in trade receivables by Euro 2.5 million to Euro 35.2 million (31 December 2018: Euro 32.8 million) and in receivables and other assets by Euro 2.4 million to Euro 36.9 million (31 December 2018: Euro 34.5 million). Apart from that, securities and other capital investments gained Euro 1.3 million from Euro 41.5 million to Euro 42.8 million.

The decrease in retained earnings from Euro 22.6 million as of 31 December 2018 to Euro 16.4 million as of 30 June 2019 is accounted for by the payment of the dividend in June, resulting in a temporary decline of the Company's equity from Euro 90.4 million by year-end 2018 to Euro 84.4 million as of the reporting date. The equity ratio was reduced accordingly from 48.5 to 40.9 per cent. Particularly the changed disclosure of lease liabilities had non-current liabilities rise from Euro 1.3 million to Euro 9.1 million. There are still no liabilities to banks. Current liabilities, predominantly for the purpose of financing operating activities, went up over the reporting period from Euro 94.6 million by Euro 18.1 million to Euro 112.7 million. One notable change is the expansion of trade payables by Euro 10.8 million to Euro 20.2 million (31 December 2018: Euro 9.4 million). Of this total, about Euro 11.5 million were accounted for by liabilities to other creditors, for the largest part regarding brokerage services rendered by the Belgian subsidiary. In addition to trade payables, other provisions – e.g. for claims for commission by financial agents – grew by Euro 4.2 million to Euro 45.0 million (31 December 2018: Euro 40.9 million).

Subsequent events

Business transactions or business events of relevance to an appraisal of the OVB Group's profit/loss, financial position and assets and liabilities have not occurred since 30 June 2019.

Opportunities and risks

OVB is convinced of doing business in growth markets. Fundamental trends such as the demographic development in Europe increasingly require private provision and risk protection. At present, only a minority of citizens has adequate retirement provision and protection against the financial consequences of various risks of life. This scenario continues to provide OVB with opportunities for growing sales and earnings in the future.

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

Opportunities and risks have not changed materially since the preparation of the 2018 consolidated financial statements. They are described in detail in the 2018 Annual Report, in particular in its chapter "Report on opportunities and risks". From today's perspective, going concern risks arise neither from individual risks nor from the OVB Group's overall risk position.

Outlook

After the first half-year 2019, the Executive Board of OVB Holding AG confirms its forecast for the business performance over the full year 2019 as presented in the 2018 consolidated management report: For the Group, OVB expects altogether a considerable increase in brokerage income in 2019 compared to 2018, due among other factors to the sales contribution from the new national market, Belgium. Against the backdrop of further capital expenditures for the implementation of the corporate strategy "OVB Evolution 2022", the Executive Board expects an operating result of between Euro 13.5 million and 14.0 million for the Group in the current year.

Cologne, 2 August 2019

Mario Freis
CEO

Oskar Heitz
CFO

Thomas Hücker
COO

Interim consolidated financial statements

Consolidated statement of financial position

of OVB Holding AG as of 30 June 2019 according to IFRS

Assets

EUR'000	30/06/2019	31/12/2018
A. Non-current assets		
Intangible assets	12,839	9,744
Rights of use of leased assets	9,045	-
Tangible assets	4,899	3,834
Financial assets	12,512	12,079
Deferred tax assets	4,485	4,353
	43,780	**30,010**
B. Current assets		
Trade receivables	35,223	32,764
Receivables and other assets	36,914	34,486
Income tax assets	1,429	1,079
Securities and other capital investments	42,757	41,475
Cash and cash equivalents	46,093	46,513
	162,416	**156,317**
Total assets	**206,196**	**186,327**

Equity and liabilities

EUR'000	30/06/2019	31/12/2018
A. Equity		
Subscribed capital	14,251	14,251
Capital reserve	39,342	39,342
Treasury shares	0	0
Revenue reserves	13,694	13,671
Other reserves	164	109
Non-controlling interests	530	423
Retained earnings	16,414	22,648
	84,395	**90,444**
B. Non-current liabilities		
Provisions	940	1,007
Other liabilities	7,879	52
Deferred tax liabilities	255	207
	9,074	**1,266**
C. Current liabilities		
Provisions for taxes	154	50
Other provisions	45,037	40,881
Income tax liabilities	692	739
Trade payables	20,150	9,365
Other liabilities	46,694	43,582
	112,727	**94,617**
Total equity and liabilities	**206,196**	**186,327**

Consolidated income statement

of OVB Holding AG for the period from 1 January to 30 June 2019 according to IFRS

EUR'000	01/04 - 30/06/2019	01/04 - 30/06/2018	01/01 - 30/06/2019	01/01 - 30/06/2018
Brokerage income	63,975	56,729	127,084	115,281
Other operating income	2,751	3,679	5,536	6,315
Total income	**66,726**	**60,408**	**132,620**	**121,596**
Brokerage expenses	-42,042	-38,671	-83,827	-78,150
Personnel expenses	-9,481	-7,462	-18,702	-14,995
Depreciation and amortisation	-1,737	-1,107	-3,360	-2,147
Other operating expenses	-10,338	-10,463	-21,013	-20,659
Earnings before interest and taxes (EBIT)	**3,128**	**2,705**	**5,718**	**5,645**
Finance income	502	86	1,049	223
Finance expenses	-81	-33	-143	-360
Financial result	**421**	**53**	**906**	**-137**
Consolidated income before income tax	**3,549**	**2,758**	**6,624**	**5,508**
Taxes on income	-1,259	-870	-1,856	-1,681
Consolidated net income	**2,290**	**1,888**	**4,768**	**3,827**
Thereof non-controlling interests	-65	-29	-107	-67
Consolidated net income after non-controlling interests	**2,225**	**1,859**	**4,661**	**3,760**
Basic earnings per share in Euro	0.16	0.13	0.33	0.26

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 30 June 2019 according to IFRS

EUR'000	01/04 - 30/06/2019	01/04 - 30/06/2018	01/01 - 30/06/2019	01/01 - 30/06/2018
Consolidated net income	**2,290**	**1,888**	**4,768**	**3,827**
Change from revaluation of financial assets measured at fair value outside profit or loss	43	2	61	2
Change in deferred taxes on unrealised gains and losses from capital investments outside profit or loss	-3	0	-3	0
Change in currency translation reserve	38	-159	-3	-190
Other comprehensive income to be reclassified to the income statement	**78**	**-157**	**55**	**-188**
Total comprehensive income before non-controlling interests	**2,368**	**1,731**	**4,823**	**3,639**
Total comprehensive income attributable to non-controlling interests	-65	-29	-107	-67
Total comprehensive income	**2,303**	**1,702**	**4,716**	**3,572**

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 30 June 2019 according to IFRS

EUR'000		01/01 – 30/06/2019	01/01 – 30/06/2018
Consolidated income before income tax		6,624	5,508
+/-	Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	3,360	2,147
-	Financial result	-906	137
-/+	Unrealised currency gains/losses	-277	487
+/-	Allocation to/reversal of valuation allowances for receivables	940	624
+/-	Other non-cash financial items	-2,361	0
+/-	Increase/decrease in provisions	2,968	2,313
+/-	Result from the disposal of intangible and tangible assets	-15	-37
+/-	Decrease/increase in trade receivables and other assets	-2,956	-666
+/-	Increase/decrease in trade payables and other liabilities	4,343	-1,199
-	Interest paid	-37	-17
-	Income tax paid	-1,672	-2,077
= Cash flow from operating activities		**10,011**	**7,220**
+	Payments received from disposal of tangible assets and intangible assets	96	40
+	Payments received from disposal of financial assets	127	67
+	Payments received from disposal of securities and other short-term capital investments	1,598	545
-	Payments for expenditure on tangible assets	-904	-600
-	Payments for expenditure on intangible assets	-1,193	-953
-	Payments for expenditure on financial assets	-92	-99
+/-	Payments-in from/Payment for acquisition of subsidiary	2,296	0
-	Payments for expenditure on securities and other short-term capital investments	-1,618	-2,172
+	Other finance income	905	136
+	Interest received	144	76
= Cash flow from investing activities		**1,359**	**-2,960**
-	Dividends paid	-10,688	-10,688
-	Payments on the principal of the lease liability from financing activities	-1,095	-
-	Payments on the interest of the lease liability from financing activities	-100	-
= Cash flow from financing activities		**-11,883**	**-10,688**
Overview:			
Cash flow from operating activities		10,011	7,220
Cash flow from investing activities		1,359	-2,960
Cash flow from financing activities		-11,883	-10,688
= Net change in cash and cash equivalents		**-513**	**-6,428**
Exchange rate changes in cash and cash equivalents		93	-583
+ Cash and cash equivalents at end of the prior year		46,513	55,521
= Cash and cash equivalents at the end of the period		**46,093**	**48,510**

Consolidated statement of changes in equity

of OVB Holding AG as of 30 June 2019 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2018 (IAS 17)	**14,251**	**39,342**	**2,539**	**11,132**	**1**	**-583**
Change in the accounting method/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					61	
Allocation to other reserves			23			
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
30/06/2019	**14,251**	**39,342**	**2,562**	**11,132**	**62**	**-583**

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 method pursuant to IFRS 9					-71	
Change of accounting method pursuant to 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 available-for-sale 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					
160	**531**		**12,848**	**9,616**		**89,837**	**423**	**90,260**
			9,616	-9,616				
			-10,688			-10,688		-10,688
-3		58			58	58		58
			-23					
	-3	-3			-3	-3		-3
				4,661	4,661	4,661	107	4,768
157	**528**	**55**	**11,753**	**4,661**	**4,716**	**83,865**	**530**	**84,395**

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**

IFRS interim consolidated financial statements Notes as of 30 June 2019

I. General information

1. General information on the OVB Group

The condensed interim consolidated financial statements for the first half-year 2019 are released for publication as of 2 August 2019 pursuant to Executive Board resolution adopted today.

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

2. Accounting principles

Pursuant to IAS 34 “Interim Financial Reporting”, the condensed interim consolidated financial statements for the first half-year 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and released by the International Accounting Standards Board (IASB), and they are intended to be read in conjunction with the consolidated financial statements for the year ended 31 December 2018.

For the preparation of the condensed interim consolidated financial statements, the same accounting policies, measurement and consolidation methods and standards have been adopted as were applied for the preparation of the consolidated financial statements for the year ended 31 December 2018 unless otherwise indicated.

The following new standards are subject to mandatory application in reporting year 2019 for the first time:

Improvements to IFRS

Within the framework of its project intended to introduce minor improvements to standards and interpretations (Annual Improvements Process), the IASB has released a collection of “Improvements to IFRS” (cycle 2015 – 2017), resulting in minor amendments to four standards altogether. These amendments address IAS 12, IAS 23, IFRS 3 and IFRS 11 and are effective as of 1 January 2019. No material effects on the consolidated financial statements result from these amendments.

IAS 19 Employee Benefits (amendments)

The amendments to IAS 19 include the future commitment to recalculate 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. No material effects on the consolidated financial statements result from these amendments.

IAS 28 Investments in Associates and Joint Ventures (amendments)

The 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. No material effects on the consolidated financial statements result from these amendments.

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 adopted for 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 under retained earnings as of first-time adoption as a cumulative correction of the opening financial position statement value 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 6,166 thousand 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 for leases of low-value assets. Such expenses are disclosed under “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 the “Financial result”. Due to the partial transfer of expenses to the financial result, OVB expects an improvement of the EBIT in the amount of approx. EUR 200 thousand in financial year 2019 from the adoption of IFRS 16.

Lease liabilities are discounted by applying incremental borrowing rates as of 1 January 2019. Underlying incremental borrowing rates for real property applied range between 2.0 per cent and 3.5 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. This interpretation includes rules for the recognition and measurement of tax risk items in case respective tax law is not applicable to a specific transaction. Resulting uncertainties are to be considered for the accounting treatment of tax liabilities or tax assets if it appears probable that the respective tax amounts will be paid or reimbursed. IFRIC 23 is meant to bridge the regulatory gap left by IAS 12 in this regard. No effects result from the adoption of this interpretation.

The interim consolidated financial statements are prepared in euros (EUR). 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 by adding up single values.

2.1 Financial instruments

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

The OVB Group's financial instruments can be classified as follows:

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).

Amortized Cost (AC)

Financial instruments measured at amortized cost (business model: hold; cash flow conditions compliant) 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 terms of more 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 upon 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 (business model: either not hold or cash flow conditions not compliant) 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 sell; 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 equity through profit or loss. Interest income, valuation allowances and exchange rate gains are recognized in the income statement through profit or loss.

2.2 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.

2.3 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 if 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 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 with respect to the point in time the policy holder's withdrawal period based on the premium raise has expired.

3. Changes to the scope of consolidation

A business combination is the effect of OVB assuming control over one or more entities based on a transaction or another business event. For any case of business combinations, the acquisition method is to be applied. Acquisition costs of an acquired subsidiary are 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 costs less fair value of the acquired net assets.

In the reporting quarter, EF-CON Insurance Agency GmbH i.L., Vienna, was deconsolidated.

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 2,071 thousand essentially reflects the synergy and process optimization potential of the acquired entity.

Total consideration amounts to Euro 1.3 million. This consideration amount is paid in three tranches by the transfer of means of payment. The initial payment of Euro 0.5 million was made as of the date of closing, 14 March 2019. Subsequent payments of Euro 0.4 million each will follow after 24 and 36 months respectively, to be disclosed under “Non-current liabilities”.

Receivables assumed 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 are probably 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	1,527
Tangible assets	879
Financial assets	468
Trade receivables	1,457
Receivables and other assets	825
Securities and other capital investments	507
Cash and cash equivalents	2,769
Provisions	-1,121
Trade payables	-8,060
Other liabilities	-15
Other equity and liabilities	-8

As of 1 January 2019, neither deferred tax assets nor deferred tax liabilities were recognized in connection with this business combination (deferred tax asset surplus).

The statement of comprehensive income as of 30 June 2019 includes brokerage income of EUR 9,224 thousand and net income of EUR 349 thousand resulting from the business activity of Willemot NV.

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

II. Significant events in the interim reporting period

Apart from the acquisition of Belgian entity Willemot NV, significant reportable events in accordance with IAS 34 (e.g. exceptional business transactions, launch of restructuring measures or discontinuation of operations) did not occur.

III. Notes to the statement of financial position and the statement of cash flows

1. Financial assets

EUR'000		30/06/2019	31/12/2018
Financial assets	AC	12,512	12,079

AC = Amortized Cost

Financial assets relate to loans granted to employees and sales agents with terms of more than one year, issued at customary interest rates, as well as bonded loans in the amount of EUR 12,000 thousand, amounting to a book value of EUR 12,013 thousand as of 30 June 2019.

Subsequent measurement of the bonded loans is made at amortized cost under the effective interest rate method.

2. Receivables and other assets

EUR'000	30/06/2019	31/12/2018
Receivables	19,551	18,578
Other assets	3,470	2,935
Contract asset (IFRS 15)	13,893	12,973
	36,914	**34,486**

3. Securities and other capital investments

EUR'000		30/06/2019	31/12/2018
Securities	FVPL	24,495	23,780
Securities	FVOCI	4,333	3,515
Other capital investments	AC	13,929	14,180
		42,757	**41,475**

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

4. Cash and cash equivalents

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

EUR'000	30/06/2019	30/06/2018
Cash	40	35
Cash equivalents	46,053	48,475
	46,093	**48,510**

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

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

5. Share capital

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251,314.00, unchanged from 31 December 2018. It is divided into 14,251,314 no-par ordinary bearer shares.

6. Dividend

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

The appropriation of the net retained earnings of OVB Holding AG for fiscal year 2018 was resolved by the Annual General Meeting on 14 June 2019.

On 19 June 2019 a dividend in the amount 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).

EUR'000	2018	2017
Distribution to shareholders	10,688	10,688
Profit carry-forward	8,357	8,943
Retained earnings	**19,045**	**19,631**

7. Treasury shares

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

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

8. Other provisions

EUR'000	30/06/2019	31/12/2018
1. Cancellation risk	16,235	15,866
2. Unbilled liabilities	14,707	11,795
3. Litigation	1,155	955
4. Provisions from subsequent commission (IFRS 15)	9,593	8,961
	41,690	**37,577**
5. Miscellaneous		
- Obligations to employees	1,506	1,085
- Costs for financial statements / Audit cost	466	669
- Other obligations	1,375	1,550
	3,347	**3,304**
	45,037	**40,881**

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

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

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

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

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

9. Other liabilities

EUR'000	30/06/2019	31/12/2018
1. Retained security	39,664	38,784
2. Other tax liabilities	1,186	1,089
3. Liabilities to employees	2,660	2,760
4. Liabilities to product partners	368	207
5. Other liabilities to sales agents	0	262
6. Current lease liabilities	2,247	-
7. Miscellaneous liabilities	569	480
	46,694	**43,582**

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

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

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

6. Current lease liabilities
Current lease liabilities result from first-time adoption of IFRS 16.

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

IV. Notes to the income statement

1. Brokerage income

EUR'000	01/01 – 30/06/2019	01/01 – 30/06/2018
1. New business commission	93,898	88,724
2. Policy service commission	24,615	18,856
3. Dynamic commission	3,675	3,881
4. Other brokerage income	4,896	3,820
	127,084	**115,281**

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

2. Policy service commission
Policy service commission results from the insured party's continuous support and are collected after rendering respective services.

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

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

Brokerage income includes income from subsequent commission in the amount of EUR 924 thousand as a result of earlier capitalization of partly discounted and pro-rata new business commission.

2. Other operating income

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

EUR'000	01/01 – 30/06/2019	01/01 – 30/06/2018
Other operating income	5,536	6,315

3. Brokerage expenses

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

EUR'000	01/01 - 30/06/2019	01/01 - 30/06/2018
Current commission	76,083	69,837
Other commission	7,744	8,313
	83,827	**78,150**

4. Personnel expense

EUR'000	01/01 - 30/06/2019	01/01 - 30/06/2018
Wages and salaries	15,415	12,416
Social security	3,079	2,461
Pension plan expenses	208	118
	18,702	**14,995**

5. Depreciation and amortization

EUR'000	01/01 - 30/06/2019	01/01 - 30/06/2018
Amortization of intangible assets	1,696	1,469
Depreciation of rights of use	1,027	-
Depreciation of property, plant and equipment	637	678
	3,360	**2,147**

The increase in depreciation and amortization results essentially from depreciation of rights of use of leased assets capitalized within the framework of first-time adoption of IFRS 16.

6. Other operating expenses

EUR'000	01/01 - 30/06/2019	01/01 - 30/06/2018
Sales and marketing expenses	9,062	9,520
Administrative expenses	9,927	9,265
Non-income-based tax	1,801	1,686
Miscellaneous operating expenses	223	188
	21,013	**20,659**

7. Taxes on income

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

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

EUR'000	01/01 - 30/06/2019	01/01 - 30/06/2018
Actual income tax	1,776	1,679
Deferred income tax	80	2
	1,856	**1,681**

8. Earnings per share

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

EUR'000	01/01 - 30/06/2019	01/01 - 30/06/2018
Net income for the reporting period after non-controlling interests		
Basis for basic / diluted earnings per share (net income for the reporting period attributable to owners of the parent)	4,661	3,760
Number of shares		
Weighted average number of shares for the calculation of basic / diluted earnings per share	14,251,314	14,251,314
Basic / Diluted earnings per share in EUR	**0.33**	**0.26**

V. Notes on segment reporting

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

The segment "Central and Eastern Europe" includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz a.s., Prague; OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Społka Finansowa Sp. z o.o., Warsaw; OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; and TOB OVB Allfinanz Ukraine, Kiev. Material contributions to the brokerage income of the Central and Eastern Europe segment are generated by OVB Allfinanz a.s., Prague at EUR 15,442 thousand (30 June 2018: EUR 15,611 thousand), OVB Allfinanz Slovensko a.s., Bratislava at EUR 19,476 thousand (30 June 2018: EUR 19,972 thousand) and OVB Vermögensberatung A.P.K. Kft., Budapest at EUR 12,565 thousand (30 June 2018: EUR 12,340 thousand).

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

The segment "Southern and Western Europe" represents the following companies: OVB Allfinanzvermittlungs GmbH, Wals/Salzburg; OVB Vermögensberatung (Schweiz) AG, Steinhausen; 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; and Willemot Bijzonder Verzekeringsbestuur NV, Gent.

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

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

Segment reporting

of OVB Holding AG for the period from 1 January to 30 June 2019 according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consoli-dation	Consoli-dated
Segment income						
Income from business with third parties						
- Brokerage income	58,963	30,109	38,012	0	0	127,084
- New business commission	49,576	18,188	26,134	0	0	93,898
- Policy service commission	6,369	9,911	8,335	0	0	24,615
- Dynamic commission	626	1,497	1,552	0	0	3,675
- Other brokerage income	2,392	513	1,991	0	0	4,896
Other operating income	1,278	1,644	1,749	1,215	-350	5,536
Income from inter-segment transactions	54	600	52	5,381	-6,087	0
Total segment income	**60,295**	**32,353**	**39,813**	**6,596**	**-6,437**	**132,620**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-36,982	-18,097	-21,004	0	0	-76,083
- Other commission for sales force	-4,015	-1,411	-2,318	0	0	-7,744
Personnel expenses	-4,391	-3,192	-5,438	-5,681	0	-18,702
Depreciation/amortisation	-771	-502	-1,009	-1,078	0	-3,360
Other operating expenses	-9,936	-5,016	-7,621	-4,768	6,328	-21,013
Total segment expenses	**-56,095**	**-28,218**	**-37,390**	**-11,527**	**6,328**	**-126,902**
Earnings before interest and taxes (EBIT)	**4,200**	**4,135**	**2,423**	**-4,931**	**-109**	**5,718**
Interest income	84	72	18	20	-4	190
Interest expenses	-24	-52	-57	-9	5	-137
Other financial result	0	231	68	554	0	853
Earnings before taxes (EBT)	**4,260**	**4,386**	**2,452**	**-4,366**	**-108**	**6,624**
Taxes on income	-809	-174	-616	-257	0	-1,856
Non-controlling interests	0	0	0	-107	0	-107
Segment result	**3,451**	**4,212**	**1,836**	**-4,730**	**-108**	**4,661**
Additional disclosures						
Capital expenditures for intangible and tangible assets	401	338	1,767	933	0	3,439
Material non-cash expenses (-) and income (+)	-56	542	-20	0	0	466
Impairment expenses	-336	-672	-521	-39	0	-1,568
Reversal of impairment loss	265	551	71	527	0	1,414

Segment reporting

of OVB Holding AG for the period from 1 January to 30 June 2018 according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consoli-dation	Consoli-dated
Segment income						
Income from business with third parties						
- Brokerage income	57,313	28,949	29,019	0	0	115,281
- New business commission	48,308	17,643	22,773	0	0	88,724
- Policy service commission	6,189	9,324	3,343	0	0	18,856
- Dynamic commission	772	1,526	1,583	0	0	3,881
- Other brokerage income	2,044	456	1,320	0	0	3,820
Other operating income	1,704	2,268	1,187	1,178	-22	6,315
Income from inter-segment transactions	36	564	1	4,751	-5,352	0
Total segment income	**59,053**	**31,781**	**30,207**	**5,929**	**-5,374**	**121,596**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-36,436	-17,366	-16,035	0	0	-69,837
- Other commission for sales force	-4,889	-1,503	-1,921	0	0	-8,313
Personnel expenses	-4,011	-3,079	-2,809	-5,096	0	-14,995
Depreciation/amortisation	-415	-154	-217	-1,361	0	-2,147
Other operating expenses	-9,590	-5,875	-6,310	-4,264	5,380	-20,659
Total segment expenses	**-55,341**	**-27,977**	**-27,292**	**-10,721**	**5,380**	**-115,951**
Earnings before interest and taxes (EBIT)	**3,712**	**3,804**	**2,915**	**-4,792**	**6**	**5,645**
Interest income	44	46	16	26	-9	123
Interest expenses	-2	-12	-11	0	8	-17
Other financial result	0	-69	-10	-164	0	-243
Earnings before taxes (EBT)	**3,754**	**3,769**	**2,910**	**-4,930**	**5**	**5,508**
Taxes on income	-818	17	-833	-47	0	-1,681
Non-controlling interests	0	0	0	-67	0	-67
Segment result	**2,936**	**3,786**	**2,077**	**-5,044**	**5**	**3,760**
Additional disclosures						
Capital expenditures for intangible and tangible assets	445	331	211	566	0	1,553
Material non-cash expenses (-) and income (+)	180	809	-1	0	0	988
Impairment expenses	-505	-747	-309	-323	0	-1,884
Reversal of impairment loss	476	145	101	135	0	857

VI. Other disclosures relating to the interim consolidated financial statements

1. Leases

Rights of use of leased objects amount to EUR 9,045 thousand as of 30 June 2019. Corresponding lease liabilities altogether amount to EUR 9,326 thousand and are classified in the statement of financial position according to maturity as either non-current (EUR 7,079 thousand) or current liabilities (EUR 2,247 thousand), entered under the item "Other liabilities".

Lease agreements entered into by OVB essentially involve real property, vehicles and office equipment.

The development of rights of use divided into categories of underlying assets is as follows:

EUR'000	01/01/2019	Additions	Disposals	Depreciation	30/06/2019
Tangible assets					
- Land and buildings	5,297	3,503	0	-812	7,988
- Machinery, equipment, furniture, vehicles, others	788	452	0	-210	1,030
- IT equipment	25	7	0	-5	27
	6,110	**3,962**	**0**	**-1,027**	**9,045**

Compared to reporting as of 31 March 2019, the presentation of the development of rights of use has been adjusted. In the presentation as of 31 March 2019, values as of 1 January 2019 included additions of the first quarter in the total amount of EUR 2,429 thousand.

Interest expense from accrued interest on lease liabilities amounts to EUR 100 thousand and is disclosed under "Other finance expenses".

The expense for short-term leases with terms of less than twelve months comes to EUR 101 thousand and is disclosed under "Other operating expenses".

The expense for leases of low-value assets comes to EUR 22 thousand and is disclosed under "Other operating expenses".

Maturities of lease liabilities are as follows:

EUR'000	Less than 3 months	3-6 months	6-12 months	1-3 years	3-5 years	More than 5 years
	745	577	925	2,966	2,043	2,070

The probable exercise of contract renewal options may result in cash outflow in the amount of EUR 93 thousand over the next reporting periods.

Income in the amount of EUR 9 thousand was generated from sub-leases.

Maturities 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
	152	0	0	0	0	0

2. Contingent liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. The associated risks are recognized in "Other provisions" to the extent they give rise to obligations whose values can be reliably estimated. Material changes in comparison with 31 December 2018 have not occurred.

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

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

3. Employees

As of 30 June 2019, the OVB Group has a commercial staff of altogether 617 employees (31 December 2018: 505), 53 thereof in managerial positions (31 December 2018: 51). The increase essentially results from first-time consolidation of Willemot NV, Gent.

4. Related party disclosures

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

Principal shareholders as of 30 June 2019 are entities of

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

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

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

As of 30 June 2019, SIGNAL IDUNA Lebensversicherung a. G., Hamburg, held shares in OVB Holding AG carrying 31.67 per cent of the voting rights. As of 30 June 2019, SIGNAL IDUNA Krankenversicherung a. G., Dortmund, held shares in OVB Holding AG carrying 21.27 per cent of the voting rights. Based on agreements concluded with companies of the SIGNAL IDUNA Group, sales in the amount of EUR 16,408 thousand (30 June 2018: EUR 14,173 thousand) were generated in the first half-year 2019. Receivables exist in the amount of EUR 3,346 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 issued by the SIGNAL IDUNA Group in the amount of EUR 7,431 thousand (31 December 2018: EUR 7,142 thousand).

As of 30 June 2019, Basler Beteiligungsholding GmbH, Hamburg, held shares in OVB Holding AG carrying 32.57 per cent of the voting rights. This company belongs to the Baloise Group, whose parent company is Bâloise Holding AG, Basel. Based on agreements concluded with the Baloise Group, sales in the amount of EUR 11,663 thousand (30 June 2018: EUR 16,060 thousand) were generated in the first half-year 2019, essentially in the Germany segment. Receivables exist in the amount of EUR 3,938 thousand (31 December 2018: EUR 3,530 thousand).

The item “Securities and other investments” includes securities issued by Bâloise Holding AG in the amount of EUR 739 thousand (31 December 2018: EUR 705 thousand).

As of 30 June 2019, Generali CEE Holding B.V., Amsterdam, The Netherlands, held shares in OVB Holding AG carrying 11.48 per cent of the voting rights. This company is part of the Generali Group, whose parent is Assicurazioni Generali S.p.A., Trieste, Italy. Based on agreements concluded with the Generali Group, sales in the amount of EUR 8,854 thousand (30 June 2018: EUR 8,202 thousand) were generated in the first half-year 2019. Receivables exist in the amount of EUR 6,829 thousand (31 December 2018: EUR 6,346 thousand) and liabilities come to EUR 10 thousand (31 December 2018: EUR 745 thousand).

On 26 April 2019, the Company received a voting rights notification by Assicurazioni Generali S.p.A., Trieste, Italy, according to which the interest in OVB Holding AG has been transferred from Generali Lebensversicherung AG, Munich, Germany, to Generali CEE Holding B.V., Amsterdam, The Netherlands, effective 23 April 2019.

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

Items outstanding as of 30 June 2019 are not secured, do not bear interest and are settled by payment. There are no guarantees relating to receivables from or liabilities to related parties.

5. Subsequent events

Significant reportable events have not occurred since 30 June 2019, the closing date of these interim financial statements.

6. Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG:
- Mario Freis, Chairman
- Oskar Heitz, Deputy Chairman
- Thomas Hücker, Operations

Members of the Supervisory Board of OVB Holding AG:
- Michael Johnigk (Chairman of the Supervisory Board); Business 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
- Maximillian 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., former Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich

Responsibility statement

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

Cologne, 2 August 2019

Mario Freis CEO	Oskar Heitz CFO	Thomas Hücker COO

Review report

To OVB Holding AG, Cologne

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and selected explanatory notes – and the interim group management report of OVB Holding AG, Cologne, for the period from 1 January to 30 June 2019 which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, 2 August 2019
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Peters
Wirtschaftsprüfer
(German Public Auditor)

ppa. Nadine Keuntje
Wirtschaftsprüfer
(German Public Auditor)

Financial Calendar

14 November 2019
Results for the third quarter of 2019, Conference Call

26 March 2020
Publication of financial statements 2019,
Annual Report, Press Conference, Analyst Conference

08 May 2020
Results for the first quarter of 2020, Conference Call

10 June 2020
Annual General Meeting, Cologne

12 August 2020
Results for the second quarter of 2020, Conference Call

10 November 2020
Results for the third quarter of 2020, Conference Call

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