

Interim Report

1 January – 30 September 2017

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

OVB in Europe

Quality leads to success

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

OVB Allfinanz – simply better



Key figures for the OVB Group

Key operating figures	Unit	01/01/– 30/09/2016	01/01/– 30/09/2017	Change
Clients (30/09)	Number	3.26 million	3.33 million	+1.9 %
Financial advisors (30/09)	Number	5,089	4,774	-6.2 %
Total sales commission	Euro million	171.1	166.3	-2.8 %
Key financial figures				
Earnings before interest and taxes (EBIT)	Euro million	12.4	10.5	-15.2 %
EBIT margin*	%	7.3	6.3	-1.0 %-pts.
Consolidated net income	Euro million	9.7	7.8	-19.7 %
Earnings per share (undiluted)	Euro	0.68	0.54	-19.7 %

*Based on total sales commission

Key figures for the regions

Central and Eastern Europe	Unit	01/01/– 30/09/2016	01/01/– 30/09/2017	Change
Clients (30/09)	Number	2.20 million	2.26 million	+2.4 %
Financial advisors (30/09)	Number	3,028	2,755	-9.0 %
Total sales commission	Euro million	81.0	80.7	-0.4 %
Earnings before interest and taxes (EBIT)	Euro million	6.7	6.4	-3.9 %
EBIT margin*	%	8.2	7.9	-0.3 %-pts.

*Based on total sales commission

Germany

Clients (30/09)	Number	635,471	623,171	-1.9 %
Financial advisors (30/09)	Number	1,357	1,345	-0.9 %
Total sales commission	Euro million	46.3	42.9	-7.3 %
Earnings before interest and taxes (EBIT)	Euro million	4.9	4.4	-9.1 %
EBIT margin*	%	10.5	10.3	-0.2 %-pts.

*Based on total sales commission

Southern and Western Europe

Clients (30/09)	Number	426,649	447,652	+4.9 %
Financial advisors (30/09)	Number	704	674	-4.3 %
Total sales commission	Euro million	43.9	42.8	-2.5 %
Earnings before interest and taxes (EBIT)	Euro million	6.2	5.4	-12.9 %
EBIT margin*	%	14.2	12.7	-1.5 %-pts.

*Based on total sales commission

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Dear shareholders,

the OVB Group's sales show a slight decline over the course of financial year 2017 so far. The performance of total sales commission is determined largely by external factors, in particular the persistent low interest rate phase and increasing regulation of the financial sector throughout Europe.

The operating result falls short of the prior-year amount and is affected by the modest business performance on the one hand and the scheduled expansion of capital expenditures for the strategic strengthening of the Company's medium and long-term competitiveness on the other hand.

Our strategy "OVB Evolution 2022", whose implementation has already begun, is focused on the following aspects:

- Utilisation of the full potential
- Digitisation
- Modernisation
- Expansion

These four main pillars are buttressed by a variety of strategic measures. In the scope of "potential utilisation" for example, the advancement of the Europe-wide professional training system plays an important role. When it comes to "digitisation", we focus primarily on our business processes, the advisor's workstation of today and tomorrow as well as enhanced options for interaction between clients, financial advisors and OVB. A contemporary target group approach is at the core of "modernisation". And "expansion" is all about entering new promising European markets and thus continuing OVB's European success story.

"OVB Evolution 2022" makes clear that we keep recognising great potential for our business model and that we keep adhering to our tried and tested success factors alongside the process of modernisation.

Kind regards

Thomas Hücker
COO

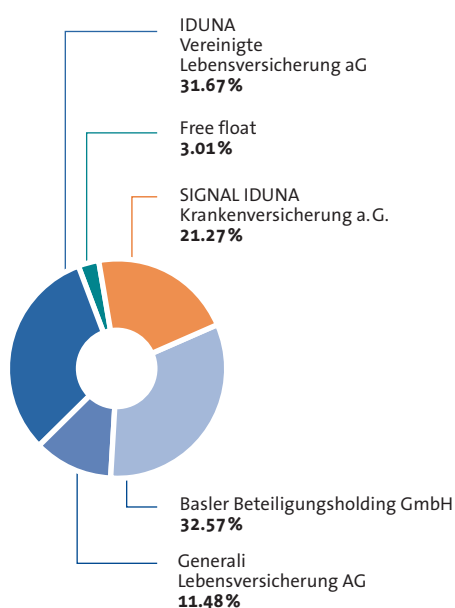
Mario Freis
CEO

Oskar Heitz
CFO

Share performance and investor relations

Stock markets benefit from improved economic outlook

Shareholder structure of OVB Holding AG as of 30/09/2017



The German stock market reported an altogether positive performance for the first nine months of 2017. At 12,829 points by the end of September as compared to 11,481 points by year-end 2016, Germany's benchmark index DAX records a performance of 11.7 per cent. The continued low interest rate environment as well as improved economic prospects for Europe, the U.S.A. and China contributed to this favourable development. However, this upward trend was repeatedly disrupted by political uncertainty such as the tensions between North Korea and the U.S.A. or impending U.S. trade restrictions against China and Europe.

The share of OVB Holding AG started to the year 2017 with a price of Euro 16.20. The share price moved basically sideways until mid-March before showing major fluctuation: First there was a considerable increase to roughly Euro 19 by the end of March, followed by a price drop to Euro 17.20 reported on 20 April. Then came another price increase, peaking at Euro 22.43 on 23 May. By mid-September the share price had gone down to Euro 18.43, yet it recovered again to Euro 19.30 as of 23 October. As only a very small portion of the Company's share capital is free float, even minor trading volumes can result in major share price fluctuation.

OVB share data

WKN / ISIN Code	628656 / DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B / O4BG.DE / O4B:GR	
Type of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra (closing prices)		
End of previous year	Euro 16.20	(30/12/2016)
High	Euro 22.43	(23/05/2017)
Low	Euro 15.705	(28/02/2017)
Last	Euro 19.295	(23/10/2017)
Market capitalisation	Euro 275 million	(23/10/2017)

Interim consolidated management report of OVB Holding AG

Course of business

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

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

The professional training of 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 in order to make OVB capable of responding swiftly to any future regulatory or qualitative requirements.

OVB is currently active in 14 countries of Europe as a broker of financial products. OVB's 4,774 full-time financial agents support 3.33 million clients. The Group's broad European positioning stabilises its business performance and opens up growth potential in many respects. OVB's 14 national markets are different in terms of structure, development status and size. OVB has a leading market position in a number of countries. There is still considerable potential for the services provided by OVB in view of a demographic development that is similar in all of OVB's markets and the urgently required relief for public welfare systems.

By the end of September 2017 the OVB Group had altogether 472 employees (previous year: 431 employees) in the holding company, the head offices of the operating subsidiaries and the service companies. Based on efficient structures and processes, they are responsible for the management and administration of the Group and the subsidiaries.

Macroeconomic environment

The sale of financial products in Europe keeps facing a challenging environment. A negative impact factor is the interest rate level, kept deliberately low by the central banks and thus decreasing the interest expense of highly indebted countries but making asset generation for private provision more difficult. The persistently low interest rates also exert pressure on the insurance companies as they must keep adapting their product portfolio to this framework. In this context, margins and new business commission for the sales force have become a topic of debate as well. On the other hand, an almost inscrutable product offering, barely comprehensible conditions for state subsidies and the necessity of a continuous review of financial decisions once made in view of changing needs and life situations increase the demand for cross-thematic personal advice. From OVB's vantage, the market for private provision and risk protection therefore offers long-term market potential and opportunities for growth despite the currently challenging environment.

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

Central and Eastern Europe

OVB's segment Central and Eastern Europe comprises the national markets of Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Ukraine; here the Group generated almost half of its total sales commission in 2016. Most of the national economies in Central and Eastern Europe are enjoying a distinct growth phase in 2017. A significant expansion of employment leads to healthy wage increases, even in the double-digit percentage range in Romania and Hungary due to raised minimum wages. As consumer prices keep rising only modestly, noticeably higher real wages and rising disposable income of the private households are the result. Thus private consumption is the strongest driver of macroeconomic growth. Apart from that, capital expenditures make considerable contributions to growth in some countries while the export business rather has a cushioning effect because of a strong

Macroeconomic key data, Central and Eastern Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit in % of the GDP	
	2017e	2018f	2017e	2018f	2017e	2018f
Croatia	2.9	2.3	1.2	1.4	-1.2	-1.6
Czech Republic	4.3	3.4	2.5	2.1	-0.2	0.0
Hungary	3.8	3.6	2.5	3.4	-2.5	-3.0
Poland	4.0	3.2	1.8	2.4	-2.0	-2.6
Romania	5.7	4.0	1.1	3.7	-3.0	-4.0
Slovakia	3.3	4.0	1.1	2.0	-1.5	-1.5
Ukraine	1.5	3.0	13.6	7.8	-3.2	-2.7

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 4th quarter 2017

pull of import figures. In view of these developments, the private households of Central and Eastern Europe generally have sufficient resources for expanding their financial provision measures.

Germany

The German market accounted for 28 per cent of OVB's total sales commission in 2016. Germany's economic growth has gained both in strength and broadness. In its autumn report, the German economic research institutes raised their forecast for the 2017 increase in real gross domestic product by 0.4 percentage points to 1.9 per cent. In 2018 the economic performance is expected to gain 2.0 per cent. Aside from consumer spending, the export business and capital expenditures contribute to this expansion as well. The situation in the job market has improved further. The number of people in employment keeps rising continuously and will exceed the threshold of 44 million in 2017 and of 45 million in 2019. Prices will probably rise only

slightly by 1.7 per cent over this year and the next. The financial situation of the private households in Germany benefits from this. Their resources for taking financial provision measures have been generally expanded. Following the elections to the Bundestag in September, it remains to be seen if, how and to what extent a new federal government yet to be formed will address the issue of retirement provision.

Southern and Western Europe

The national markets of Austria, France, Greece, Italy, Spain and Switzerland represent the segment Southern and Western Europe, roughly contributing 25 per cent to the OVB Group's total sales commission in 2016. With the exception of Switzerland, these countries belong to the euro area. For 2017, the economic growth can be expected to accelerate to 2.2 per cent on average in this currency area and to keep up this pace of expansion through 2018. Spain particularly benefits from the structural reforms of the

Macroeconomic key data, Southern and Western Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit in % of the GDP	
	2017e	2018f	2017e	2018f	2017e	2018f
Austria	2.8	2.2	2.0	2.1	-0.9	-0.7
France	1.7	2.0	1.1	1.3	-3.0	-3.0
Greece	1.0	1.8	1.3	1.2	-0.7	0.1
Italy	1.4	1.0	1.3	1.2	-2.6	-2.5
Spain	3.0	2.8	2.0	1.8	-3.0	-2.7
Switzerland	1.3	2.0	0.4	0.7	0.5	0.4

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Global Markets, 4th quarter 2017

past few years; however, the independence movement in the province of Catalonia with its economic hub Barcelona might have a negative impact. Austria also records a sound and broadly based economic performance. Of lesser strength are the economic lifting forces in Italy, Greece and Switzerland. Taken as a whole, the macroeconomic conditions for the sale of financial products have improved in this group of national markets.

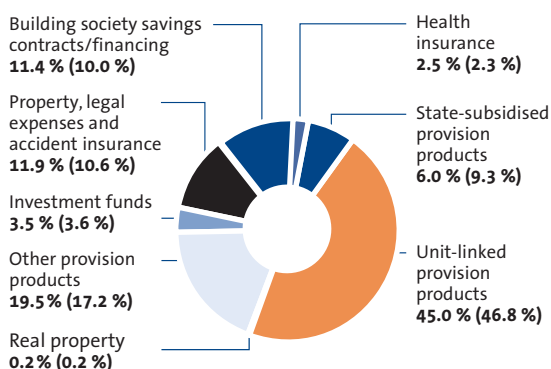
Business performance

The OVB Group's total sales commission reached Euro 166.3 million in the period from January to September 2017 altogether, equivalent to a 2.8 per cent loss compared to the prior-year period (previous year: Euro 171.1 million). By the end of September 2017 OVB supported 3.33 million clients in 14 European countries (previous year: 3.26 million clients). 4,774 financial advisors worked for OVB as of the reporting date (previous year: 5,089 sales agents). Product demand primarily targeted unit-linked provision products at 45.0 per cent of all new contracts (previous year: 46.8 per cent).

Central and Eastern Europe

Total sales commission of the Central and Eastern Europe segment remained close to stable in the reporting period at Euro 80.7 million compared to the prior-year period (previous year: Euro 81.0 million). An expected decline in the Czech Republic and virtually stable business in Slovakia and Ukraine were contrasted by a dynamic business performance in the segment's other national markets. The number of financial advisors working for OVB dropped from 3,028 as of the prior-year closing date by 9.0 per cent to 2,755 financial advisors as of 30 September 2017. They supported 2.26 million clients (previous year: 2.20 million

Breakdown of new business 1-9/2017 (1-9/2016)



clients). The majority of new business was accounted for by unit-linked provision products at 50.3 per cent (previous year: 58.1 per cent). As most of the other product classes expanded their respective share in the new business, the diversification of products has become more balanced.

Germany

Total sales commission generated in the Germany segment was reduced from the amount reported for the prior-year period from Euro 46.3 million by 7.3 per cent to Euro 42.9 million. The number of clients was 623,171 as of the reporting date 30 September 2017 (previous year: 635,471 clients), insignificantly up from the previous quarter. Unit-linked provision products accounted for the lion's share of the new business at 31.9 per cent (previous year: 30.2 per cent), followed by other provision products at 18.4 per cent (previous year: 20.2 per cent) and property, legal expenses and accident insurance at 15.6 per cent (previous year: 14.5 per cent). The current number of 1,345 financial advisors working for OVB was slightly below the prior-year number of 1,357 yet exceeds the sales force as of year-end 2016 (1,300 financial advisors) by 3.5 per cent.

Southern and Western Europe

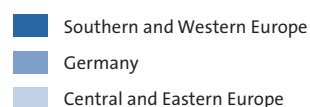
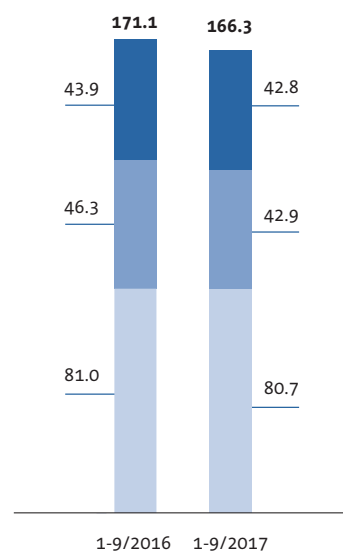
Total sales commission generated in the Southern and Western Europe segment went down year-over-year from Euro 43.9 million by 2.5 per cent to Euro 42.8 million. Brokerage income was up in Austria and remained virtually stable in Spain after strong growth over the past few years. The segment's other national markets recorded modest business performances. The number of supported clients grew by 4.9 per cent to 447,652 clients (previous year: 426,649 clients). The number of financial advisors was 674 as of the reporting date (previous year: 704 advisors). The clients' interest primarily focused on unit-linked provision products (46.3 per cent of the new business; previous year: 38.1 per cent), other provision products (24.3 per cent; previous year: 24.1 per cent) and state-subsidised provision products (12.9 per cent; previous year: 23.9 per cent).

Profit/Loss

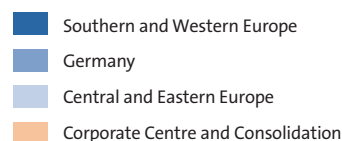
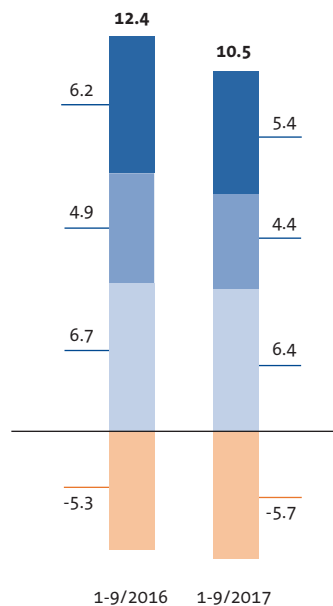
In the first nine months of 2017 the OVB Group generated total sales commission in the amount of Euro 166.3 million. This equals a 2.8 per cent loss compared to the prior-year sales performance of Euro 171.1 million. The share of commission based on direct contractual relationships between product partners and the sales force, relevant only

Total sales commission by region

Euro million, figures rounded

**Earnings before interest and taxes (EBIT) by segment**

Euro million, figures rounded



in the Germany segment and transferred finally to OVB Vermögensberatung AG as of the end of September 2017, amounted to Euro 3.7 million for the reporting period after Euro 9.5 million in the previous year. Brokerage income reported in the consolidated income statement was thus up from the prior-year amount of Euro 161.6 million by 0.6 per cent to Euro 162.6 million for the reporting period. Other operating income increased year-over-year from Euro 6.2 million to Euro 6.8 million.

Brokerage expenses climbed 1.3 per cent from Euro 107.0 million in the previous year to Euro 108.4 million in the reporting period. This increase results from the transfer of secondary contracts. Personnel expense for the Group's employees increased as scheduled by 7.9 per cent from Euro 19.3 million to Euro 20.8 million. The reasons for this are general increases in salaries and necessary demand driven adjustments, among other aspects due to the implementation of the OVB strategy "Evolution 2022". Depreciation and amortisation were also up noticeably by 11.1 per cent

from Euro 2.6 million to Euro 2.9 million. In contrast to that, other operating expenses were virtually stable at Euro 26.8 million (previous year: Euro 26.6 million).

The OVB Group's operating result for the period from January to September 2017 declined from Euro 12.4 million to Euro 10.5 million compared to the prior-year period. Earnings before interest and taxes (EBIT) of the Central and Eastern Europe segment went down 3.9 per cent to Euro 6.4 million (previous year: Euro 6.7 million). Decreasing earnings in the Czech Republic and Slovakia were contrasted by improved earnings especially in Hungary and Poland. The EBIT of the Germany Segment dropped by 9.1 per cent to Euro 4.4 million (previous year: Euro 4.9 million). The operating result of the Southern and Western Europe segment went down by 12.9 per cent to Euro 5.4 million (previous year: Euro 6.2 million). While the operating subsidiaries in Spain and Austria maintained the prior-year period's level of earnings for the most part, Italy, Switzerland and France recorded declining earnings. The loss entered for

Profit/Loss
Financial position
Assets and liabilities
Subsequent events
Opportunities and risks

Corporate Centre expanded from Euro 5.3 million to Euro 5.7 million. The EBIT margin of the OVB Group based on total sales commission went down altogether from 7.3 per cent for the previous year to 6.3 per cent in the reporting period.

Lower finance income – currency gains did not apply for the reporting period unlike the prior-year period – resulted in a declining financial result from Euro 0.7 million to Euro 0.2 million. Consolidated income before income tax amounted to Euro 10.7 million for the first nine months of 2017, equivalent to a 17.9 per cent decline from the prior-year amount of Euro 13.1 million. Parallel to the performance of earnings, the income tax burden was reduced from Euro 3.3 million to Euro 2.9 million. The resulting consolidated net income after non-controlling interests went down by 19.7 per cent from Euro 9.7 million in the previous year to Euro 7.8 million for the current reporting period. Accordingly earnings per share – based on 14,251,314 no-par shares respectively – dropped from Euro 0.68 to Euro 0.54.

Financial position

The OVB Group's cash flow from operating activities came to Euro 12.0 million for the period from January to September 2017; the corresponding amount for the prior-year period of comparison was Euro 15.1 million. This decline is primarily due to three effects: the reduction of consolidated income before income tax, a stronger increase in trade receivables and other assets and a decrease in provisions following an increase in the previous year. An opposite effect had a significant increase in trade payables and other liabilities.

The cash outflow from investing activities for the reporting period expanded from the previous year from Euro 8.7 million to Euro 14.7 million, for the most part connected to dispositions in the portfolio of securities and capital investments. Payments for investments in securities and other short-term capital investments were up from Euro 12.5 million to Euro 17.6 million. Payments from the disposal of securities and other short-term capital investments went down from Euro 9.4 million to Euro 4.6 million.

The cash flow from financing activities, coming to Euro -10.7 million for the reporting period and Euro -9.3 million for the prior-year period, was determined in both cases primarily by the payment of the dividends to shareholders. Despite a higher dividend distribution, cash and cash equivalents rose year-over-year from Euro 45.9 million to Euro 56.6 million as of the reporting date 30 September.

Assets and liabilities

Total assets of OVB Holding AG increased from Euro 167.8 million as of year-end 2016 by Euro 5.1 million to Euro 172.9 million as of 30 September 2017. Non-current assets were virtually unchanged at Euro 22.9 million after Euro 23.4 million. Current assets went up from Euro 144.4 million to Euro 150.0 million, accounted for principally by increased receivables due to the transfer of secondary contracts. An increase in securities and other capital investments by Euro 12.9 million to Euro 38.0 million corresponded largely with the decrease in cash and cash equivalents by Euro 13.3 million to Euro 56.6 million.

The OVB Group's equity came to Euro 85.0 million as of the reporting date and was thus Euro 3.2 million below the amount as of year-end 2016 (31 December 2016: Euro 88.3 million). A dividend distribution for 2016 in the amount of Euro 10.7 million, paid out in June 2017, stands opposite consolidated net income of Euro 7.8 million for the period from January to September 2017. The Company's equity ratio was a solid 49.2 per cent by the end of September 2017 after 52.6 per cent by year-end 2016. The immaterial amount of non-current liabilities was unchanged at Euro 0.9 million. Current liabilities serving the financing of business activities climbed by Euro 8.4 million from Euro 78.6 million to Euro 87.0 million, due primarily to an increase in other liabilities connected to the transfer of secondary contracts.

Subsequent events

Business transactions or events of relevance to an appraisal of the OVB Group's assets and liabilities, financial position and profit or loss have not occurred since 30 September 2017.

Opportunities and risks

Various business opportunities are open to the OVB Group while it also faces risks of different kinds as a matter of course. The opportunities and risks have not changed essentially since the preparation of the 2016 consolidated financial statements. They are described in detail in the Annual Report 2016, 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.

OVB operates in 14 European markets, with each providing its country specific framework for doing business. Throughout Europe there is a noticeable trend for increasing government regulation of the sale of financial products. The regulatory projects either implemented, planned or discussed in several countries imply risks to OVB's business. The OVB Group's broad international positioning in Europe designed to compensate market risks and decline in individual national markets by virtue of the opportunities in other markets tends to have a balancing effect at group level.

For 47 years now, OVB's business model and business success have been based on the high relevance of private provision, financial protection and asset generation. OVB therefore assumes that the demand for its services and the financial and insurance products brokered by OVB's sales force will hold up. On the one hand, the people remain aware of the importance of private provision; on the other hand, the general capability of saving money and the general willingness to do so determine certain limits.

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

While from OVB's viewpoint the demand for private financial provision measures and accompanying individual advice keeps rising, the motivation of the people to save money is blanketed by political, economic and societal factors. Particularly noteworthy among those factors are:

- interest rates being kept deliberately low by the central banks;
- the resulting public debate on the quality of provision products on offer;
- the ongoing wave of regulation in the financial sector and the connected discussion in the media, agenda driven in part, of remuneration models and costs.

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

Outlook

The long-term business potential in the market of private provision and risk protection remains unchanged. OVB works with great commitment at further developing this potential for the Company. Against this backdrop, the Executive Board maintains its expectation for the full year 2017 of generating sales slightly below the prior-year level. The OVB Group's operating result is expected to go down modestly.

Cologne, 27 October 2017



Mario Freis
CEO



Oskar Heitz
CFO



Thomas Hücker
COO

Consolidated statement of financial position

of OVB Holding AG as of 30 September 2017, prepared in accordance with IFRS

Assets

EUR'000	30/09/2017	31/12/2016
Non-current assets		
Intangible assets	9,248	9,738
Tangible assets	4,079	4,166
Financial assets	5,106	5,223
Deferred tax assets	4,507	4,250
	22,940	23,377
Current assets		
Trade receivables	33,309	29,742
Receivables and other assets	20,853	17,887
Income tax assets	1,157	1,656
Securities and other capital investments	38,040	25,168
Cash and cash equivalents	56,606	69,938
	149,965	144,391
Total assets	172,905	167,768

Equity and liabilities

EUR'000	30/09/2017	31/12/2016
Equity		
Subscribed capital	14,251	14,251
Capital reserve	39,342	39,342
Treasury shares	0	0
Revenue reserves	13,663	13,663
Other reserves	315	738
Non-controlling interests	630	524
Retained earnings	16,825	19,752
	85,026	88,270
Non-current liabilities		
Provisions	806	762
Other liabilities	116	141
Deferred tax liabilities	6	1
	928	904
Current liabilities		
Provisions for taxes	412	998
Other provisions	31,398	31,954
Income tax liabilities	1,505	1,228
Trade payables	8,369	10,978
Other liabilities	45,267	33,436
	86,951	78,594
Total equity and liabilities	172,905	167,768

Consolidated income statement

of OVB Holding AG for the period from 1 January to 30 September 2017, prepared in accordance with IFRS

EUR'000	01/07/ 30/09/2017	01/07/ 30/09/2016	01/01/ 30/09/2017	01/01/ 30/09/2016
Brokerage income	51,698	52,149	162,633	161,612
Other operating income	2,387	2,490	6,786	6,232
Total income	54,085	54,639	169,419	167,844
Brokerage expenses	-35,194	-34,594	-108,362	-106,950
Personnel expenses	-6,856	-6,120	-20,797	-19,277
Depreciation and amortisation	-1,008	-906	-2,911	-2,621
Other operating expenses	-8,272	-8,632	-26,808	-26,563
Operating profit (EBIT)	2,755	4,387	10,541	12,433
Finance income	82	148	253	779
Finance expenses	-20	-52	-50	-122
Financial result	62	96	203	657
Consolidated income before income tax	2,817	4,483	10,744	13,090
Taxes on income	-561	-925	-2,877	-3,292
Consolidated net income	2,256	3,558	7,867	9,798
Thereof non-controlling interests	-37	-41	-106	-133
Consolidated net income after non-controlling interests	2,219	3,517	7,761	9,665
Basic earnings per share in Euro	0.16	0.25	0.54	0.68

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 30 September 2017, prepared in accordance with IFRS

EUR'000	01/07/ 30/09/2017	01/07/ 30/09/2016	01/01/ 30/09/2017	01/01/ 30/09/2016
Consolidated net income	2,256	3,558	7,867	9,798
Change from revaluation of available-for-sale financial assets outside profit or loss	61	107	-72	237
Change from revaluation of available-for-sale financial assets in profit or loss	0	0	0	-376
Change in deferred taxes on unrealised gains and losses from capital investments outside profit or loss	-6	-18	3	-36
Change in deferred taxes on unrealised gains and losses from capital investments in profit or loss	0	0	0	0
Change in currency translation reserve outside profit or loss	-396	69	-354	13
Other comprehensive income to be reclassified to the income statement	-341	158	-423	-162
Total comprehensive income before non-controlling interests	1,915	3,716	7,444	9,636
Total comprehensive income attributable to non-controlling interests	-37	-41	-106	-133
Total comprehensive income	1,878	3,675	7,338	9,503

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 30 September 2017, prepared in accordance with IFRS

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
Consolidated income before income tax	10,744	13,090
+/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	2,911	2,668
- Financial result	-203	-657
-/+ Unrealised currency gains/losses	-583	-8
+/- Allocation to/reversal of valuation allowances for receivables	1,458	1,583
+/- Other non-cash financial items	0	-14
+/- Increase/decrease in provisions	-767	2,050
+/- Result from the disposal of intangible and tangible assets	-123	82
+/- Decrease/increase in trade receivables and other assets	-6,991	-2,704
+/- Increase/decrease in trade payables and other liabilities	9,210	2,772
- Interest paid	-50	-15
- Income tax paid	-3,641	-3,795
= Cash flow from operating activities	11,965	15,052
+/- Decrease/increase from investment property	0	580
+ Payments received from disposal of tangible assets and intangible assets	285	93
+ Payments received from disposal of financial assets	343	162
+ Payments received from disposal of securities and other short-term capital investments	4,627	9,415
- Payments for expenditure on tangible assets	-1,021	-682
- Payments for expenditure on intangible assets	-1,422	-1,236
- Payments for expenditure on financial assets	-224	-5,263
- Payments for expenditure on securities and other short-term capital investments	-17,569	-12,516
+ Other finance income	108	447
+ Interest received	145	332
= Cash flow from investing activities	-14,728	-8,668
- Dividends paid	-10,688	-9,263
= Cash flow from financing activities	-10,688	-9,263
Overview:		
Cash flow from operating activities	11,965	15,052
Cash flow from investing activities	-14,728	-8,668
Cash flow from financing activities	-10,688	-9,263
= Net change in cash and cash equivalents	-13,451	-2,879
Exchange rate changes in cash and cash equivalents	132	22
+ Cash and cash equivalents at end of the prior year	69,925	48,790
= Cash and cash equivalents at the end of the period	56,606	45,933

Consolidated statement of changes in equity

of OVB Holding AG as of 30 September 2017, prepared in accordance with IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve	Reserve from provisions for pensions
31/12/2016	14,251	39,342	2,531	11,132	245	-521
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in available-for-sale reserve					-72	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
Balance as at 30/09/2017	14,251	39,342	2,531	11,132	173	-521

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

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve	Reserve from provisions for pensions
31/12/2015	14,251	39,342	2,531	11,132	448	-571
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in available-for-sale reserve					-139	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
Balance as at 30/09/2016	14,251	39,342	2,531	11,132	309	-571

Deferred taxes 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 comprehensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
81	933		7,216	12,536		87,746	524	88,270
			12,536	-12,536		-12,536		
			-10,688					-10,688
3		-69			-69	-69		-69
	-354	-354			-354	-354		-354
				7,761	7,761	7,761	106	7,867
84	579	-423	9,064	7,761	7,338	82,548	630	85,026
Deferred taxes 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 comprehensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
107	913		7,101	9,378		84,632	370	85,002
			9,378	-9,378		-9,378		
			-9,263					-9,263
-36		-175			-175	-175		-175
	13	13			13	13		13
				9,665	9,665	9,665	133	9,798
71	926	-162	7,216	9,665	9,503	84,757	503	85,375

IFRS interim consolidated financial statements – Notes as of 30 September 2017

I. General information

1. General information on the OVB Group

The condensed interim consolidated financial statements for the third quarter of 2017 are released for publication as of 9 November 2017 pursuant to Executive Board resolution passed today.

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

2. Accounting principles

Pursuant to IAS 34 “Interim Financial Reporting”, the condensed interim consolidated financial statements for the third quarter of 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and released by the International Accounting Standards Board (IASB), and they are meant to be read in conjunction with the consolidated financial statements for the year ended 31 December 2016.

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 2016 and announced therein unless otherwise indicated.

As a first-time business transaction, one operating subsidiary underwent a capital decrease in the third quarter of 2017. OVB reports the resulting currency translation differences of a capital decrease in the income statement in accordance with IAS 21. Up to the effective date of the capital decrease, currency translation differences are reported under currency translation reserve in equity.

The new standard for the recognition of sales, IFRS 15 governs the reporting of sales and defines uniform principles for the presentation of information of relevance to financial statements regarding the type, amount and time of recognition as well as the uncertainties connected to the recognition of sales from contracts with customers. According to IFRS 15, sales have to be recognised only if and when the customer has the authority to dispose of the agreed assets and services and is able to benefit from them. The standard supersedes previous IAS 18 and IAS 11 (including corresponding interpretations) and is applicable to financial years beginning on or after 1 January 2018; early adoption is permitted. The standard was endorsed for use in the European Union in September 2016. Compared to IAS 18, the amended IFRS 15 provides for a five-step model for the recognition of sales. Among other aspects, it emphasises the contractual basis in line with the current approach. For the future, OVB expects a higher degree of detailing in the notes to the consolidated financial statements in order to accommodate the new standard’s extensive disclosure requirements. The effects of IFRS 15 on assets and liabilities, financial position and profit/loss are currently undergoing a concluding analysis. Brokerage income includes less than 10 per cent of subsequent commission. It is being examined at present to what extent these sales must be prematurely recognised in compliance with IFRS 15.

As already reported in the 2016 consolidated financial statements, the application of IFRS 9 will have no material effect on OVB’s assets and liabilities, financial position and profit/loss, based on the current portfolio of financial instruments. Minor effects result for shares held (approx. EUR 66 thousand investment volume) in the valuation category “at fair value through other comprehensive income” without reclassification of accumulated gains and losses upon disposal. Furthermore, changes will result in the reporting of interests in investment funds (approx. EUR 22,957 thousand investment volume) depending on the respective underlying business model. The revaluation reserve for unrealised gains and losses from financial instruments reported in equity comes to EUR 173 thousand as of the reporting date. There will be no effect on a bonded loan reported under non-current financial assets (approx. EUR 5,001 thousand investment volume) nor on a federal state bond (approx. EUR 3,003 thousand investment volume).

Non-current financial assets are measured at amortised cost according to the effective interest rate method.

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

General information

Significant events in the interim reporting period

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

3. Basis of consolidation

MAC Marketing und Consulting GmbH, Salzburg was wound up and deconsolidated effective 24 August 2017. No material effects result from this business transaction on assets and liabilities, financial position and profit/loss as all assets and liabilities were taken over by OVB Holding AG and the income statement as well as cash and cash equivalents remained unaffected for the most part by the deconsolidation.

II. Significant events in the interim reporting period

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

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

1. Financial assets

EUR'000		30/09/2017	31/12/2016
Financial assets	L+R	5,106	5,223

L+R = Loans and Receivables

Financial assets relate to loans granted to employees and sales agents as well as a bonded loan in the amount of EUR 5,000 thousand, amounting to a book value of EUR 5,001 thousand as of 30 September 2017. Subsequent measurement of the bonded loan is made at amortised cost according to the effective interest rate method.

2. Securities and other investments

EUR'000		30/09/2017	31/12/2016
Securities	AfS	26,026	8,619
Other investments	L+R	12,014	16,549
		38,040	25,168

AfS = Available-for-Sale

L+R = Loans and Receivables

3. Cash and cash equivalents

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

EUR'000		30/09/2017	30/09/2016
Cash		30	28
Cash equivalents		56,576	45,918
Current liabilities to banks		0	-13
		56,606	45,933

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

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

4. Share capital

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251,314.00, unchanged from 31 December 2016. It is divided into 14,251,314 no-par ordinary bearer shares.

5. Dividend

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

The appropriation of the net retained profits of OVB Holding AG for financial year 2016 was resolved by the Annual General Meeting on 2 June 2017.

On 6 June 2017 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 0.65 per no-par share).

EUR'000	2016	2015
Distribution to shareholders	10,688	9,263
Profit carry-forward	7,762	6,278
Net retained profits	18,450	15,541

6. Treasury stock

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

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

7. Other provisions

EUR'000	30/09/2017	31/12/2016
1. Cancellation risk	15,420	15,902
2. Unbilled liabilities	11,797	11,584
3. Litigation	1,443	1,671
	28,660	29,157
4. Others		
- Obligations to employees	968	1,123
- Costs for financial statements/Audit cost	581	616
- Other obligations	1,189	1,058
	2,738	2,797
	31,398	31,954

1. Cancellation risk

The item cancellation risk essentially comprises provisions for expected commission refunds claimed by product partners.

2. Unbilled liabilities

Unbilled liabilities essentially relate to commission accounts with financial agents not yet settled.

3. Litigation

Provisions for litigation are made essentially on the basis of legal disputes with clients and former financial agents. The time frames as well as the precise amount of outflows of economic benefits due to those legal disputes are uncertain.

4. Others

Other obligations comprise all provisions that cannot be allocated to any of the above sub-items.

8. Other liabilities

EUR'000	30/09/2017	31/12/2016
1. Retained security	40,853	29,026
2. Other tax liabilities	833	895
3. Liabilities to employees	2,930	2,427
4. Liabilities to product partners	310	372
5. Liabilities to banks	0	14
6. Other liabilities to sales agents	0	0
7. Miscellaneous liabilities	341	702
	45,267	33,436

1. Retained security

Retained security includes provisions for cancellation risk set aside on account of financial advisors. The 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, bonus payments or premiums as well as benefits paid to employees due to the termination of employment are reported under this item at estimated 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. They are 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 recognised as other liabilities to sales agents.

7. Miscellaneous liabilities

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

IV. Notes to the income statement

1. Income and expenses

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

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

The offsetting expense items are recognised on an accrual basis.

2. Brokerage income

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

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
Brokerage income	162,633	161,612

3. Other operating income

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

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
Other operating income	6,786	6,232

Currency gains resulting from the capital decrease of OVB Switzerland raised other operating income by EUR 298 thousand. This income was reclassified accordingly from other income of the consolidated statement of comprehensive income to other operating income in the income statement.

4. Brokerage expenses

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

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
Current commission	96,915	95,344
Other commission	11,447	11,606
	108,362	106,950

5. Personnel expense

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
Wages and salaries	17,313	16,034
Social security	3,311	3,057
Pension plan expenses	173	186
	20,797	19,277

6. Depreciation and amortisation

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
Amortisation of intangible assets	1,908	1,721
Depreciation of property, plant and equipment	1,003	900
	2,911	2,621

7. Other operating expenses

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
Sales and marketing expenses	11,879	11,389
Administrative expenses	12,910	12,849
Non-income-based tax	1,825	2,007
Miscellaneous operating expenses	194	317
	26,808	26,563

8. Taxes on income

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

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

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
Actual income tax	3,088	3,562
Deferred income tax	-211	-270
	2,877	3,292

9. Earnings per share

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

EUR'000	01/01/ – 30/09/2017	01/01/ – 30/09/2016
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)	7,761	9,665

	01/01/ – 30/09/2017	01/01/ – 30/09/2016
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	0.54	0.68

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

The segment "Central and Eastern Europe" includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz a.s., Prague; OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Spółka Finansowa Sp. z o.o., Warsaw; OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; and TOB OVB Allfinanz Ukraine, Kiev. Material contributions to the brokerage income of the Central and Eastern Europe segment are generated by OVB Allfinanz a.s., Prague at EUR 25,325 thousand (30 September 2016: EUR 29,548 thousand), OVB Allfinanz Slovensko a.s., Bratislava at EUR 26,731 thousand (30 September 2016: EUR 26,987 thousand) and OVB Vermögensberatung A.P.K. Kft., Budapest at EUR 16,972 thousand (30 September 2016: EUR 14,720 thousand).

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

The segment "Southern and Western Europe" represents the following companies: OVB Allfinanzvermittlungs GmbH, Wals/Salzburg; OVB Vermögensberatung (Schweiz) AG, Cham; OVB-Consulenza Patrimoniale SRL, Verona; OVB Allfinanz España S.A., Madrid; OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas Allfinanzvermittlungs GmbH, Athens; OVB Conseils en patrimoine France Sàrl., Strasbourg; and Eurenta Hellas Monoprosopi EPE Asfalistiki Praktotes, Athens. A material contribution to the brokerage income of the Southern and Western Europe segment is generated by OVB Allfinanz España S.A., Madrid at EUR 17,256 thousand (30 September 2016: EUR 17,349 thousand).

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

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

Segment reporting

of OVB Holding AG for the period from 1 January to 30 September 2017, prepared in accordance with IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	80,653	39,207	42,773	0	0	162,633
Other operating income	1,354	2,656	1,367	1,521	-112	6,786
Income from inter-segment transactions	34	723	2	6,973	-7,732	0
Total segment income	82,041	42,586	44,142	8,494	-7,844	169,419
Segment expenses						
Brokerage expense						
- Current commission for sales force	-51,439	-21,742	-23,734	0	0	-96,915
- Other commission for sales force	-5,763	-2,988	-2,696	0	0	-11,447
Personnel expenses	-5,586	-4,838	-3,672	-6,701	0	-20,797
Depreciation/amortisation	-577	-288	-280	-1,766	0	-2,911
Other operating expenses	-12,272	-8,310	-8,336	-5,691	7,801	-26,808
Total segment expenses	-75,637	-38,166	-38,718	-14,158	7,801	-158,878
Operating profit (EBIT)	6,404	4,420	5,424	-5,664	-43	10,541
Interest income	52	93	26	25	-12	184
Interest expenses	-3	-20	-37	-2	12	-50
Other financial result	0	37	10	22	0	69
Earnings before taxes (EBT)	6,453	4,530	5,423	-5,619	-43	10,744
Taxes on income	-1,314	-17	-1,456	-90	0	-2,877
Non-controlling interests	0	0	0	-106	0	-106
Segment result	5,139	4,513	3,967	-5,815	-43	7,761
Additional disclosures						
Capital expenditures for intangible and tangible assets	648	262	236	1,297	0	2,443
Material non-cash expenses (-) and income (+)	183	855	-2	0	0	1,036
Impairment expenses	-313	-1,290	-385	-126	0	-2,114
Reversal of impairment loss	41	435	54	66	0	596

Segment reporting

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

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

VI. Other disclosures relating to the interim consolidated financial statements

1. Financial instruments

EUR'000		30/09/2017	31/12/2016
Financial assets	L+R	5,106	5,223
Trade receivables	L+R	33,309	29,742
Receivables and other assets		20,853	17,887
Receivables	L+R	15,828	12,460
Other assets		5,025	5,427
Securities and other capital investments		38,040	25,168
Securities	AfS	26,026	8,619
Other capital investments	L+R	12,014	16,549
Cash and cash equivalents	L+R	56,606	69,938

L+R = Loans and Receivables

AfS = Available-for-Sale

All book values of financial assets, with the exception of securities measured according to level 1 at market or stock market prices pursuant to IFRS 13, correspond to a reasonable approximation of fair value.

Securities include interests in investment funds to the following extent:

Investment	30/09/2017		
	Equity fund	Balanced fund	Bond fund
Number of investment funds	2	5	5
Fund assets as of the reporting date	€ 198.0 million	€ 31.9-207.6 million	€ 0.1 – 3.8 billion
Book values as of the reporting date	€ 2.8 million	€ 8.2 million	€ 12.0 million
Interest in the fund	1.40 %	0.7 – 3.0 %	0.1 – 1.2 %

Investment	30/09/2016		
	Equity fund	Balanced fund	Bond fund
Number of investment funds	1	2	3
Fund assets as of the reporting date	€ 215.8 million	€ 31.9 – 32.3 million	€ 28.8 – 41.8 million
Book values as of the reporting date	€ 1.8 million	€ 1.11 million	€ 2.7 million
Interest in the fund	0.81 %	1.5 – 2.0 %	0.2 – 2.5 %

Maximum risk exposure corresponds to book values

2. Secondary contracts

Total sales commission contains commission based on direct contractual relationships between product providers and the sales force, applying only to the Germany segment. The third quarter of 2017 saw the final transfer of rights and obligations from these secondary contracts to OVB Vermögensberatung AG. This transaction has the effect that both brokerage income and brokerage expenses are increased accordingly in a one-off base effect. In line with this transfer, receivables and liabilities under secondary contract relationships were also transferred to OVB Vermögensberatung AG, resulting in an increase in trade receivables, receivables and other assets and retained security reported under other liabilities.

3. Contingent liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. The associated risks are recognised in “other provisions” to the extent they give rise to obligations whose values can be reliably estimated. No material changes have occurred in comparison with 31 December 2016.

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 assets, liabilities, financial position and profit/loss beyond that.

4. Employees

As of 30 September 2017 the OVB Group has a commercial staff of altogether 472 employees (31 December 2016: 435), 48 of which fill managerial positions (31 December 2016: 47).

5. Related party transactions

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

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

Principal shareholders as of 30 September 2017 are companies of

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

The SIGNAL IDUNA Group is a horizontally organised group of companies (“Gleichordnungsvertragskonzern”). The group’s parent companies are:

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

As of 30 September 2017, IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg held shares in OVB Holding AG carrying 31.67 per cent of the voting rights. As of 30 September 2017, 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 17,634 thousand (30 September 2016: EUR 11,288 thousand) or rather total sales commission in the amount of EUR 19,192 thousand (30 September 2016: EUR 15,308 thousand) were generated in the first three quarters of 2017. Receivables exist in the amount of EUR 2,490 thousand (31 December 2016: EUR 1,806 thousand) and liabilities come to EUR 14 thousand (31 December 2016: EUR 2 thousand).

The item "securities and other investments" includes securities issued by the SIGNAL IDUNA Group in the amount of EUR 7,338 thousand (31 December 2016: EUR 1,455 thousand).

As of 30 September 2017, 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 24,948 thousand (30 September 2016: EUR 21,910 thousand) or rather total sales commission in the amount of EUR 26,718 thousand (30 September 2016: EUR 26,186 thousand) were generated in the first three quarters of 2017, essentially in the Germany segment. Receivables exist in the amount of EUR 7,350 thousand (31 December 2016: EUR 4,049 thousand).

The item "securities and other investments" includes securities issued by Bâloise Holding AG in the amount of EUR 749 thousand (31 December 2016: EUR 730 thousand).

As of 30 September 2017, Generali Lebensversicherung AG, Munich held shares in OVB Holding AG carrying 11.48 per cent of the voting rights. This company is part of the Generali Group, whose German parent is Generali Deutschland Holding AG, Cologne. Based on agreements concluded with the Generali Group, sales in the amount of EUR 12,300 thousand (30 September 2016: EUR 15,709 thousand) or rather total sales commission in the amount of EUR 12,152 thousand (30 September 2016: EUR 15,890 thousand) were generated in the first three quarters of 2017. Receivables exist in the amount of EUR 5,975 thousand (31 December 2016: EUR 3,611 thousand) and liabilities come to EUR 176 thousand (31 December 2016: EUR 147 thousand).

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

Items outstanding as of 30 September 2017 are not secured, do not bear interest and are settled by payment. There are no guarantees relating to receivables from or liabilities to related parties.

6. Subsequent events

Significant reportable events have not occurred since 30 September 2017, the closing date of these interim financial statements.

7. Information on Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG:

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

Members of the Supervisory Board of OVB Holding AG:

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

Responsibility statement

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

Cologne, 27 October 2017



Mario Freis



Oskar Heitz



Thomas Hücker

Review report

To OVB Holding AG, Cologne

We have reviewed the condensed interim consolidated financial statements – comprising consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and selected explanatory notes – and the interim consolidated management report of OVB Holding AG, Cologne, which are components of a quarterly financial report pursuant to Section 37w WpHG (Securities Trading Act), for the period from 1 January to 30 September 2017. The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim consolidated management report in accordance with the provisions of the WpHG applicable to interim consolidated management reports is the responsibility of the Company's Executive Board. It is our responsibility to issue a report on the condensed interim consolidated financial statements and the interim consolidated management report based on our review.

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

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

Düsseldorf, 2 November 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Peters
Wirtschaftsprüfer

ppa. Thomas Bernhardt
Wirtschaftsprüfer

Financial Calendar

23 March 2018	Publication of financial statements 2017, Annual Report, Press Conference, Analyst Conference
8 May 2018	Results for the first quarter of 2018, Conference Call
5 June 2018	Annual General Meeting, Cologne
7 August 2018	Results for the second quarter of 2018, Conference Call
9 November 2018	Results for the third quarter of 2018, Conference Call

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