



# Interim Report

1 January - 30 September 2018



# OVB profile

OVB stands for cross-thematic and above all client-oriented allfinanz advice with a long-term approach provided to private households. With more than 3.4 million clients, 4,700 financial agents and activities in 14 national markets, OVB is one of the leading financial intermediary groups in Europe.

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## Key figures for the OVB Group

## Key operating figures

	Unit	01/01 - 30/09/2017	01/01 - 30/09/2018	Change
Clients (30/09)	Number	3.33 m	3.44 m	+3.3 %
Financial advisors (30/09)	Number	4,774	4,747	-0.6 %
Total sales commission	Euro million	166.3	169.1	+1.6 %
Brokerage income	Euro million	162.6	169.1	+4.0 %

## Key financial figures

	Unit	01/01 - 30/09/2017	01/01 - 30/09/2018	Change
Earnings before interest and taxes (EBIT)	Euro million	10.5	8.3	-21.0 %
EBIT margin <sup>1)</sup>	%	6.3	4.9	-1.4 %-pts
Consolidated net income after non-controlling interests	Euro million	7.8	5.5	-28.6 %
Earnings per share (undiluted)	Euro	0.54	0.39	-28.6 %

<sup>1)</sup> Based on total sales commission

## Key figures for the regions

## Central and Eastern Europe

	Unit	01/01 - 30/09/2017	01/01 - 30/09/2018	Change
Clients (30/09)	Number	2.26 m	2.34 m	+3.9 %
Financial advisors (30/09)	Number	2,755	2,786	+1.1 %
Total sales commission	Euro million	80.7	83.6	+3.7 %
Earnings before interest and taxes (EBIT)	Euro million	6.4	6.3	-1.6 %
EBIT margin <sup>1)</sup>	%	7.9	7.5	-0.4 %-pts

## Germany

	Unit	01/01 - 30/09/2017	01/01 - 30/09/2018	Change
Clients (30/09)	Number	623,171	619,431	-0.6 %
Financial advisors (30/09)	Number	1,345	1,319	-1.9 %
Total sales commission	Euro million	42.9	43.1	+0.5 %
Earnings before interest and taxes (EBIT)	Euro million	4.4	4.9	+10.9 %
EBIT margin <sup>1)</sup>	%	10.3	11.4	+1.1 %-pts

## Southern and Western Europe

	Unit	01/01 - 30/09/2017	01/01 - 30/09/2018	Change
Clients (30/09)	Number	447,652	474,313	+6.0 %
Financial advisors (30/09)	Number	674	642	-4.7 %
Total sales commission	Euro million	42.8	42.3	-1.1 %
Earnings before interest and taxes (EBIT)	Euro million	5.4	4.5	-17.7 %
EBIT margin <sup>1)</sup>	%	12.7	10.5	-2.2 %-pts

<sup>1)</sup> Based on total sales commission



Oskar Heitz

Mario Freis

Thomas Hücker

## Dear shareholders, ladies and gentlemen,

From January through September 2018, OVB Group generated total sales commission in the amount of Euro 169.1 million in 14 European countries. This result equals a 1.6 percent increase over the prior-year period of comparison. In the strongest segment, Central and Eastern Europe, brokerage income gained 3.7 percent as almost all its national markets showed a positive development. At Euro 43.1 million, total sales commission earned in Germany was also above the prior-year amount. With quite different performances reported for the individual national markets of Southern and Western Europe, the segment's sales performance of Euro 42.3 million was slightly below the prior-year level.

The Group's operating result falls short of the prior-year amount as scheduled: OVB generated an EBIT of Euro 8.3 million in nine months as compared to Euro 10.5 million in the previous year. The implementation of strategic measures and the fulfillment of increased regulatory requirements affect the earnings statement temporarily; however, with these expenses and investments OVB creates the foundation for the targeted exploitation of future business potential. The constantly rising number of clients gives evidence once more of the need of many people for cross-thematic and comprehensive financial advice.

In view of the positive business performance over the first nine months, we are adjusting the sales forecast to the effect that we are now expecting a slight increase in sales for the full year 2018. Our forecast for the operating result is unchanged and provides for an amount between Euro 13.0 million and Euro 13.5 million to be achieved in 2018.

Kind regards



Mario Freis  
CEO



Oskar Heitz  
CFO



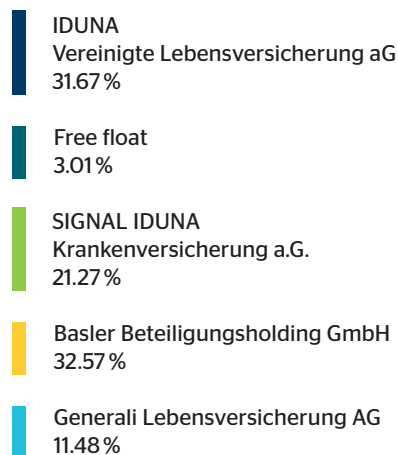
Thomas Hücker  
COO

## OVB on the capital market

### Weakened stock market performance

Germany's benchmark index, Dax, showed a highly volatile performance over the period from January to mid-October 2018 within a margin between about 13,500 and 11,500 points. Starting with 12,918 points at year-end 2017, the Dax reached a new all-time high of 13,597 points on 23 January 2018. Subject to heavy fluctuation, the benchmark index went down from there to roughly 11,500 points by mid-October, equivalent to a loss of approx. 11 percent since the beginning of the year. The price drop was particularly strong during the first days of October. The reasons for this development were the escalating international trade conflicts, Italy's debt policy with its anticipated effects on the euro, and expectations of rising capital market interest rates especially in the United States.

The share of OVB Holding AG closed the year 2017 at a price of Euro 22.065. A sideways movement until mid-March 2018 was followed by a steep price decline down to Euro 17.10 as of 28 March. Shortly before the Annual General Meeting of OVB Holding AG was held on 5 June 2018 in Cologne, the share price reached Euro 20.80 before it gradually went down again, due among other factors to the dividend markdown. The share price hit bottom at a low of Euro 14.70 on 30 August. By mid-October, the stock of OVB Holding AG had recovered once more to about Euro 16.50. Only 3.01 percent 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.



Shareholder structure of OVB Holding AG  
as of 30/09/2018

WKN/ISIN Code	628656/DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B/O4BG.DE/O4B:GR	
Class of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra price (closing prices)		
Prior year-end	Euro 22.065	(29/12/2017)
High	Euro 21.20	(01/03/2018)
Low	Euro 14.70	(30/08/2018)
Last	Euro 16.50	(12/10/2018)
Market capitalization	Euro 235 million	(12/10/2018)

# Consolidated interim management report of OVB Holding AG for the period from 1 January to 30 September 2018

## 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 14 European countries as a broker of financial products. OVB's 4,747 full-time financial agents support 3.44 million clients. The Group's broad European positioning stabilizes its business performance and opens up growth potential in many respects. OVB's 14 national markets are different in terms of structure, development status and size. OVB has a leading market position in a number of countries.

The demographic development in Europe is increasingly overburdening public social security systems. Private financial provision is becoming ever more important. Therefore OVB still sees considerable potential for the services it provides.

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

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

At the end of September 2018, the OVB Group had altogether 501 employees (previous year: 472 employees) in the holding company, the head offices of the operating subsidiaries and the service companies. Based on efficient structures and processes, they are responsible for the Group's management and administration.

## Macroeconomic environment

The sale of financial products in Europe keeps facing a challenging environment. One negative impact factor is the interest rate level, kept deliberately low by the central banks and thus decreasing the interest expense of highly indebted countries but making asset generation for private provision more difficult. The persistently low interest rates also exert pressure on the insurance companies as they must keep adapting their product portfolio to this new framework. A case in point, commission for life insurance policies has been reduced already in a few national markets. 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 in view of changing needs and life situations increase the demand for cross-thematic personal advice. From OVB's vantage, the market for private provision and risk protection therefore offers long-term market potential and opportunities for growth despite the currently challenging environment.

Changes in the income situation of private households, the situation in the job market, changes in tax legislation and regulatory requirements, health and pension reforms as well as the macroeconomic development have an effect on OVB's business performance.

### Central and Eastern Europe

OVB's segment Central and Eastern Europe comprises the national markets of Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and Ukraine; here the Group generated 48 percent of its total sales commission over the last year. The dynamic growth in Central and Eastern Europe has slowed down to some extent since the summer of 2018 yet not as much as it has on the global scale. The underlying growth drivers remain in place, such as full employment in the job markets. Significant raises in wages and salaries continue to boost private consumer spending. The increase in consumer prices by two to three percent has remained relatively modest so far, with the exception of Ukraine. The real income of private households is rising noticeably altogether, resulting in larger resources for spending on private financial provision and risk protection. The macroeconomic framework is supportive of OVB's business in this region.

### Macroeconomic key data, Central and Eastern Europe

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2018e	2019f	2018e	2019f	2018e	2019f
Croatia	2.6	2.5	1.4	2.0	-0.5	-1.0
Czech Republic	3.1	3.0	2.2	2.6	0.5	0.0
Hungary	4.2	3.4	2.8	3.0	-2.5	-2.5
Poland	4.8	3.9	1.8	2.6	-1.4	-1.4
Romania	3.5	3.5	4.6	3.2	-3.5	-3.0
Slovakia	4.0	4.0	2.6	2.3	-1.0	-1.0
Ukraine	3.5	2.5	11.5	9.5	-3.0	-2.5

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 4th Quarter 2018

### Germany

26 percent of OVB's total sales commission were accounted for by the German market in the past fiscal year. Germany's overall economic performance can be expected to grow by 1.7 percent in 2018 and by 1.6 percent in 2019. Private and government consumer spending will probably record somewhat slower growth than in 2017 and the same will probably apply for construction investments. Adding to this are the negative effects of the trade conflict with the United States and

other international conflicts whose scope cannot be predicted yet. An unchanged high employment rate and rising wages and salaries lead to increased disposable income of private households. Generally speaking, the conditions in Germany are favorable for OVB's business. However, the low-interest-rate environment affects the consumers' willingness to expand private provision spending.

### Macroeconomic key data, Southern and Western Europe

	Real GDP (change in %)		Consumer prices (change in %)		Public budget balance (in % of GDP)	
	2018e	2019f	2018e	2019f	2018e	2019f
Austria	3.0	1.9	2.1	2.1	-0.3	0.0
France	1.6	1.6	2.1	1.9	-2.3	-2.8
Greece	2.0	2.0	0.9	1.2	0.4	0.2
Italy	1.1	1.0	1.2	1.2	-1.8	-2.3
Spain	2.7	2.1	1.8	1.5	-2.6	-1.9
Switzerland	3.1	2.2	1.1	1.0	0.7	0.5
<b>Euro area</b>	<b>2.0</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>-0.7</b>	<b>-0.6</b>

e = estimated; f = forecast

Source: Raiffeisen RESEARCH, Strategy Global Markets, 4th Quarter 2018



**Southern and Western Europe**

The national markets of Austria, France, Greece, Italy, Spain and Switzerland represent the segment Southern and Western Europe, contributing some 26 percent to the OVB Group's total sales commission in 2017. With the exception of Switzerland, these countries belong to the eurozone. Economic growth of 2.0 percent is projected for this currency area in the current fiscal year, and for 2019 a growth rate of 1.7 percent is predicted. Compared to 2017, the pace of economic growth has been slowing down considerably in 2018 already. The region's economic growth is driven primarily by domestic demand and mutually reinforcing factors: Rising employment rates boost the disposable income of households and thus consumer demand, a positive sales outlook for the companies leads to an increase in capital expenditures and new hires. Despite a host of political uncertainty - the new government in Italy, sanctions against Russia, the trade conflict with the United States, the U.S. led embargo against Iran -, the economic boom will probably remain unaffected over this year and the next one. All in all, the macroeconomic framework is in favor of the markets of financial provision and risk protection.

**Business performance**

The OVB Group's total sales commission amounted to Euro 169.1 million in the period from January through September 2018. This equals a 1.6 percent gain compared to the prior-year amount of Euro 166.3 million. This business performance results from different developments in the individual national markets as well as one-off effects of the first-time adoption of IFRS 15. At the end of September, OVB supported 3.44 million clients (previous year: 3.33 million clients) in 14 European countries. The total number of financial advisors working for OVB went down 0.6 percent from 4,774 sales agents as of the prior-year reporting date to 4,747 financial advisors as of 30 September 2018. The structure of new business has changed in comparison with the prior-year period: The share of unit-linked provision products dropped from 41.2 percent to 37.0 percent; contrary to that, respective shares comprising other provision products, investment funds, and property, accident and legal expenses insurance gained in relevance.

**Central and Eastern Europe**

Brokerage income in the segment Central and Eastern Europe gained 3.7 percent to Euro 83.6 million (previous year: Euro 80.7 million). While declining sales were reported for the Czech Republic, the national markets of Slovakia, Poland, Romania, Hungary and Ukraine showed satisfying increases. The number of financial advisors working for OVB went up 1.1 percent from

**Breakdown of new business 1-9/2018 (1-9/2017)**



- Unit-linked provision products  
37.0 % (41.2%\*)
- State-subsidized provision products  
8.9 % (9.8%\*)
- Building society savings contracts/financing  
11.8 % (11.4 %)
- Property, legal expenses and accident insurance  
12.5 % (11.9 %)
- Health insurance  
2.7 % (2.5 %)
- Investment funds  
4.6 % (3.5 %)
- Other provision products  
22.3 % (19.5 %)
- Real property  
0.2 % (0.2 %)

\* Allocation of provision products differs from previous year

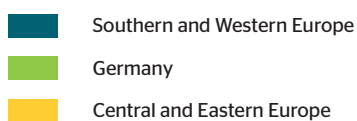
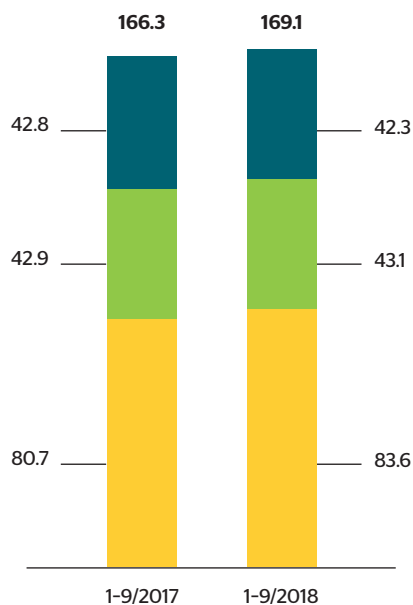
2,755 as of the prior-year reporting date to 2,786 financial agents as of 30 September 2018, supporting 2.34 million clients (previous year: 2.26 million clients). Unit-linked provision products accounted for the largest share in new business at 43.2 percent (previous year: 50.3 percent), followed by other provision products accounting for 23.5 percent (previous year: 17.9 percent).

**Germany**

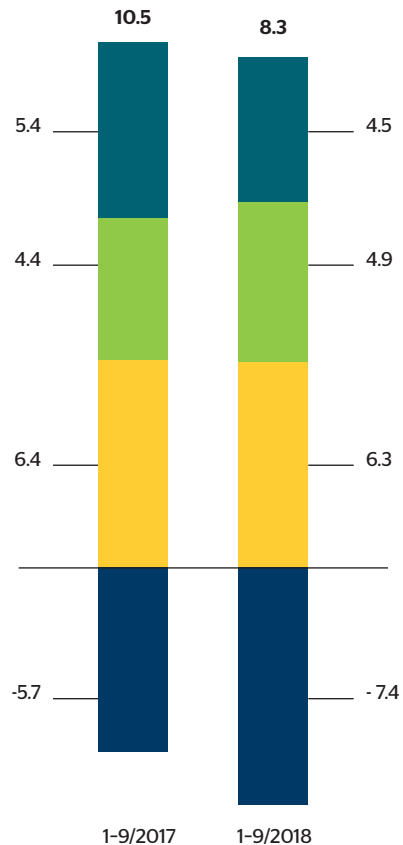
Total sales commission of Euro 43.1 million achieved in the Germany segment over the reporting period gained 0.5 percent on the previous year (Euro 42.9 million). The prior-year amount included secondary commission in the amount of Euro 3.7 million. The number of clients came to 619,431 as of 30 September 2018, compared to 623,171 clients one year before. The predominant share in

new business was accounted for by unit-linked provision products at 27.9 percent (previous year: 31.9 percent), followed by other provision products at 17.7 percent (previous year: 18.4 percent). As of the reporting date, 1,319 financial advisors worked full-time for OVB in Germany (previous year: 1,345 sales agents).

**Total sales commission by region**  
Euro million, numbers rounded



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



### Southern and Western Europe

Brokerage income of the Southern and Western Europe segment amounted to Euro 42.3 million in the reporting period, indicating a 1.1 percent decline from the prior-year amount of Euro 42.8 million. Business performances were quite different in the individual national markets: Sales decline in Italy and particularly, following strong increase over the past few years, in Spain was facing considerable sales increase in the segment's other national markets. In line with the declining brokerage income, the number of sales agents went down by 4.7 percent to 642 agents (previous year: 674 financial advisors), supporting altogether 474,313 clients in the region's six countries, equivalent to a 6.0 percent increase from the prior-year number of 447,652 clients. The clients' interest focused especially on unit-linked provision products (31.9 percent of new business; previous year: 30.2 percent) as well as state-subsidized provision products at 26.2 percent (previous year: 29.0 percent).

### Profit/Loss

Over the first nine months of 2018, OVB Group generated brokerage income of Euro 169.1 million; this amount includes income from pro-rata and partly discounted subsequent commission of Euro 2.3 million. The total amount equals a 4.0 percent increase over the prior-year amount of Euro 162.6 million. At that, it has to be taken into consideration that as of the end of September 2017 all commission based on so-called secondary contracts, i.e. direct contractual relationships between product partners and the sales force in the Germany segment, was finally transferred to OVB Vermögensberatung AG.

Total sales commission earned in the period from January through September 2017, including commission from secondary contracts not reported as brokerage income, amounted to Euro 166.3 million. On this basis of comparison, OVB Group's sales performance gained 1.6 percent year-over-year. The Executive Board had still anticipated a slight decrease in sales in the combined management report 2017 as well as in its three-months and six-months financial reports 2018. Other operating income was up 24.9 percent from Euro 6.8 million to Euro 8.5 million. Material items driving this increase were income from the reversal of write-down of receivables, income from no longer applicable obligations and increased refunds from financial advisors e.g. for IT expenses or costs of professional training.

Brokerage expenses went up from Euro 108.4 million in the previous year by 4.7 percent to Euro 113.5 million in the reporting period. This increase results on the one hand from the transfer of secondary contracts and on

the other hand from first-time adoption of IFRS 15. Personnel expense for the Group's employees increased on schedule by 6.3 percent, from Euro 20.8 million to Euro 22.1 million. Reasons were new hires within the context of regulatory obligations and strategic measures as well as salary increases determined by the market. Depreciation and amortization went up insignificantly, from Euro 2.9 million to Euro 3.1 million. Other operating expenses expanded by 13.7 percent from Euro 26.8 million to Euro 30.5 million, attributable among other factors to the increase in other operating income.

OVB Group's operating result (EBIT) reached Euro 8.3 million in the reporting period due to budgeted increased expenditure, equivalent to a scheduled 21.0 percent decrease from the prior-year amount of Euro 10.5 million. In the Central and Eastern Europe segment, the EBIT remained virtually solid at Euro 6.3 million after Euro 6.4 million in the previous year. Significantly reduced earnings in the Czech Republic were largely compensated for by rising earnings performances in all of the segment's other national markets. In the Germany segment, the prior-year EBIT of Euro 4.4 million gained 10.9 percent to Euro 4.9 million, primarily accounted for by an increased gross profit. The operating result of the Southern and Western Europe segment dropped from Euro 5.4 million to Euro 4.5 million. This decline in earnings particularly involved the markets Spain and Italy while the segment's other national markets reported either solid or slightly increasing operating results. In view of increased expenses due to regulatory requirements and strategic measures, the EBIT loss accounted for by Corporate Centre went up from Euro 5.7 million in the previous year to Euro 7.4 million in the reporting period. The Group's EBIT margin based on total sales commission altogether went down as expected, from 6.3 percent in the previous year to 4.9 percent in the reporting period.

Higher finance expenses than the previous year's resulted in a slightly negative financial result of Euro -0.1 million (previous year: Euro 0.2 million). Income tax expense came to Euro 2.5 million (previous year: Euro 2.9 million). After non-controlling interests, the remaining consolidated net income for the period from January through September 2018 amounts to Euro 5.5 million (previous year: Euro 7.8 million). Earnings per share, based on 14,215,314 no-par shares respectively, went down accordingly from 54 euro cents to 39 euro cents.

### Financial position

The cash flow from operating activities decreased slightly from Euro 12.0 million in the corresponding prior-year period to Euro 11.6 million over the period from January

through September 2018. The deciding factor for this development was the decrease in earnings. Apart from that, changes in the items trade payables and other liabilities on the one hand and trade receivables and other assets and provisions on the other hand essentially balanced out.

The cash outflow from investing activities was about cut in half from Euro 14.7 million in the previous year to Euro 7.0 million in the reporting period. A significant drop was reported particularly for payments for securities and other short-term capital investments, from Euro 17.6 million to Euro 6.0 million. Contrary to that, payments from the disposal of securities and other short-term capital investments were reduced from Euro 4.6 million to Euro 1.0 million.

The cash flow from financing activities for the reporting period as well as the prior-year period showed cash outflow of Euro 10.7 million, linked solely to the payment of the dividend in the same amount. Cash and cash equivalents dropped from Euro 56.6 million to Euro 49.1 million as of 30 September year over year.

### Assets and liabilities

Total assets of OVB Holding AG expanded since year-end 2017 from Euro 173.0 million by Euro 8.4 million to Euro 181.4 million as of the reporting date. Non-current assets were reduced from Euro 23.4 million to Euro 22.3 million, essentially due to a reduction of intangible assets and current deferred taxes. Current assets, however, increased from Euro 149.6 million to Euro 159.1 million. The primary reason for this development was an increase in receivables and other assets from Euro 23.6 million to Euro 37.3 million connected to first-time reporting of contract assets from subsequent commission. Contrary to that, cash and cash equivalents were reduced by Euro 6.5 million from Euro 55.5 million to Euro 49.1 million.

The Company's equity went down from Euro 89.2 million by year-end 2017 to Euro 86.9 million as of 30 September 2018, essentially due to the dividend payout from retained profits. The equity ratio currently comes to a still solid 47.9 percent after 51.6 percent at year-end 2017. The highly insignificant amount of non-current liabilities went up from Euro 1.0 million to Euro 1.4 million due to an increase in deferred tax liabilities. With respect to current liabilities, an expansion of other provisions from Euro 30.9 million to Euro 41.5 million, accounted for primarily by contract liabilities from subsequent commission, contributes to the extension of the statement of financial position. Current liabilities for financing operating activities went up altogether from Euro 82.8 million to Euro 93.1 million, due primarily to the first-time reporting of contract liabilities from subsequent commission.

### 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 September 2018.

### Opportunities and risks

OVB is convinced of doing business in growth markets. Fundamental trends such as the demographic development in Europe increasingly create the necessity of private provision and risk protection. At present, only a minority of citizens have 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 risk as well as financial, regulatory and prudential risk. OVB has seen to the launch of measures and risk prevention regarding currently identifiable material risks. OVB's risk management system and the implemented reporting contribute considerably to the fact that the Group's overall risk is transparent and being controlled. The risk management and internal control system is updated on an ongoing basis in order to enhance transparency of existing risks and to further improve available risk control options.

Opportunities and risks have not changed essentially since the preparation of the 2017 consolidated financial statements. In Germany, a possible commission cap regarding life insurance policies is the subject of increasing debate. OVB follows this discussion closely. Opportunities and risks are described in detail in the Annual Report 2017, in particular in the 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 situation.

## 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 in spite of continued regulatory changes in some national markets. In view of the satisfying business performance of the first nine months of 2018, OVB adjusts its sales forecast to the effect that now a slight increase in sales is expected. Unchanged from the outlook for the Group presented in the combined management report 2017, OVB anticipates an operating result between Euro 13.0 million and Euro 13.5 million at Group level due to rising capital expenditures linked to the implementation of the strategy "Evolution 2022" as well as increased expenses for the fulfillment of regulatory requirements.

Cologne, 31 October 2018



Mario Freis  
CEO



Oskar Heitz  
CFO



Thomas Hücker  
COO

# Consolidated interim financial statements

## Consolidated statement of financial position

of OVB Holding AG as of 30 September 2018 according to IFRS

### Assets

EUR'000	30/09/2018	31/12/2017
<b>A. Non-current assets</b>		
Intangible assets	9,184	9,756
Tangible assets	3,921	4,111
Financial assets	5,099	5,096
Deferred tax assets	4,086	4,451
	<b>22,290</b>	<b>23,414</b>
<b>B. Current assets</b>		
Trade receivables	27,879	29,243
Receivables and other assets	37,279	23,553
Income tax assets	906	1,876
Securities and other capital investments	43,983	39,413
Cash and cash equivalents	49,057	55,521
	<b>159,104</b>	<b>149,606</b>
<b>Total assets</b>	<b>181,394</b>	<b>173,020</b>

**Equity and liabilities**

EUR'000	30/09/2018	31/12/2017
<b>A. Equity</b>		
Subscribed capital	14,251	14,251
Capital reserve	39,342	39,342
Treasury shares	0	0
Revenue reserves	13,671	13,671
Other reserves	46	202
Non-controlling interests	699	569
Retained earnings	18,906	21,198
	<b>86,915</b>	<b>89,233</b>
<b>B. Non-current liabilities</b>		
Provisions	973	915
Other liabilities	58	75
Deferred tax liabilities	378	23
	<b>1,409</b>	<b>1,013</b>
<b>C. Current liabilities</b>		
Provisions for taxes	210	449
Other provisions	41,511	30,907
Income tax liabilities	1,093	1,077
Trade payables	7,736	7,363
Other liabilities	42,520	42,978
	<b>93,070</b>	<b>82,774</b>
<b>Total equity and liabilities</b>	<b>181,394</b>	<b>173,020</b>

## Consolidated income statement

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

EUR'000	01/07 - 30/09/2018	01/07 - 30/09/2017	01/01 - 30/09/2018	01/01 - 30/09/2017
Brokerage income	53,777	51,698	169,058	162,633
Other operating income	2,164	2,387	8,479	6,786
<b>Total income</b>	<b>55,941</b>	<b>54,085</b>	<b>177,537</b>	<b>169,419</b>
Brokerage expenses	-35,320	-35,194	-113,470	-108,362
Personnel expenses	-7,121	-6,856	-22,116	-20,797
Depreciation and amortisation	-996	-1,008	-3,143	-2,911
Other operating expenses	-9,822	-8,272	-30,481	-26,808
<b>Earnings before interest and taxes (EBIT)</b>	<b>2,682</b>	<b>2,755</b>	<b>8,327</b>	<b>10,541</b>
Finance income	74	82	297	253
Finance expenses	-78	-20	-438	-50
<b>Financial result</b>	<b>-4</b>	<b>62</b>	<b>-141</b>	<b>203</b>
<b>Consolidated income before income tax</b>	<b>2,678</b>	<b>2,817</b>	<b>8,186</b>	<b>10,744</b>
Taxes on income	-835	-561	-2,516	-2,877
<b>Consolidated net income</b>	<b>1,843</b>	<b>2,256</b>	<b>5,670</b>	<b>7,867</b>
Thereof non-controlling interests	-63	-37	-130	-106
<b>Consolidated net income after non-controlling interests</b>	<b>1,780</b>	<b>2,219</b>	<b>5,540</b>	<b>7,761</b>
Basic earnings per share in Euro	0.12	0.16	0.39	0.54

## Consolidated statement of comprehensive income

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

EUR'000	01/07 - 30/09/2018	01/07 - 30/09/2017	01/01 - 30/09/2018	01/01 - 30/09/2017
<b>Consolidated net income</b>	<b>1,843</b>	<b>2,256</b>	<b>5,670</b>	<b>7,867</b>
Change from revaluation of available-for-sale financial assets outside profit or loss	-	61	-	-72
Change from revaluation of assets measured at fair value outside profit or loss	-13	-	-11	-
Change in deferred taxes on unrealised gains and losses from capital investments outside profit or loss	0	-6	0	3
Change in currency translation reserve	62	-396	-128	-354
<b>Other comprehensive income to be reclassified to the income statement</b>	<b>49</b>	<b>-341</b>	<b>-139</b>	<b>-423</b>
<b>Total comprehensive income before non-controlling interests</b>	<b>1,892</b>	<b>1,915</b>	<b>5,531</b>	<b>7,444</b>
Total comprehensive income attributable to non-controlling interests	-63	-37	-130	-106
<b>Total comprehensive income</b>	<b>1,829</b>	<b>1,878</b>	<b>5,401</b>	<b>7,338</b>



## Consolidated statement of cash flows

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

EUR'000	01/01 - 30/09/2018	01/01 - 30/09/2017
Consolidated income before income tax	8,186	10,744
+/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	3,143	2,911
- Financial result	141	-203
-/+ Unrealised currency gains/losses	304	-583
+/- Allocation to/reversal of valuation allowances for receivables	919	1,458
+/- Increase/decrease in provisions	2,931	-767
+/- Result from the disposal of intangible and tangible assets	-66	-123
+/- Decrease/increase in trade receivables and other assets	-34	-6,991
+/- Increase/decrease in trade payables and other liabilities	-102	9,210
- Interest paid	-26	-50
- Income tax paid	-3,755	-3,641
<b>= Cash flow from operating activities</b>	<b>11,641</b>	<b>11,965</b>
+ Payments received from disposal of tangible assets and intangible assets	69	285
+ Payments received from disposal of financial assets	115	343
+ Payments received from disposal of securities and other short-term capital investments	1,041	4,627
- Payments for expenditure on tangible assets	-835	-1,021
- Payments for expenditure on intangible assets	-1,567	-1,422
- Payments for expenditure on financial assets	-118	-224
- Payments for expenditure on securities and other short-term capital investments	-6,036	-17,569
+ Other finance income	174	108
+ Interest received	123	145
<b>= Cash flow from investing activities</b>	<b>-7,034</b>	<b>-14,728</b>
- Dividends paid	-10,688	-10,688
<b>= Cash flow from financing activities</b>	<b>-10,688</b>	<b>-10,688</b>
<b>Overview:</b>		
Cash flow from operating activities	11,641	11,965
Cash flow from investing activities	-7,034	-14,728
Cash flow from financing activities	-10,688	-10,688
<b>= Net change in cash and cash equivalents</b>	<b>-6,081</b>	<b>-13,451</b>
Exchange rate changes in cash and cash equivalents	-383	132
+ Cash and cash equivalents at end of the prior year	55,521	69,925
<b>= Cash and cash equivalents at the end of the period</b>	<b>49,057</b>	<b>56,606</b>

## Consolidated statement of changes in equity

of OVB Holding AG as of 30 September 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
<b>31/12/2017 (IAS 18, IAS 39)</b>	<b>14,251</b>	<b>39,342</b>	<b>2,539</b>	<b>11,132</b>	<b>74</b>	<b>-613</b>
Change in the accounting method/IFRS 9					-71	
Change in the accounting method/IFRS 15						
<b>01/01/2018 (IFRS 9, IFRS 15)</b>	<b>14,251</b>	<b>39,342</b>	<b>2,539</b>	<b>11,132</b>	<b>3</b>	<b>-613</b>
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					-11	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
<b>Balance as at 30/09/2018</b>	<b>14,251</b>	<b>39,342</b>	<b>2,539</b>	<b>11,132</b>	<b>-8</b>	<b>-613</b>

of OVB Holding AG as of 30 September 2017 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Available-for-sale reserve/ revaluation reserve	Reserve from provisions for pensions
<b>31/12/2016</b>	<b>14,251</b>	<b>39,342</b>	<b>2,531</b>	<b>11,132</b>	<b>245</b>	<b>-521</b>
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						
<b>Balance as at 30/09/2017</b>	<b>14,251</b>	<b>39,342</b>	<b>2,531</b>	<b>11,132</b>	<b>173</b>	<b>-521</b>

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 comprehensive 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					
			2,839					
165	630		11,912	12,142		91,503	569	92,072
			12,142	-12,142				
			-10,688			-10,688		-10,688
		-11			-11	-11		-11
	-128	-128			-128	-128		-128
				5,540	5,540	5,540	130	5,670
165	502	-139	13,366	5,540	5,401	86,216	699	86,915

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 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				
			-10,688			-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	84,396	630	85,026

# IFRS consolidated interim financial statements – Notes as of 30 September 2018

## I. General information

### 1. General information on the OVB Group

The condensed interim consolidated financial statements for the first nine months of 2018 are released for publication as of 9 November 2018 pursuant to Executive Board resolution passed today.

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

### 2. Accounting principles

Pursuant to IAS 34 “Interim Financial Reporting”, the condensed interim consolidated financial statements for the first nine months of 2018 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and released by the International Accounting Standards Board (IASB), and they are intended to be read in conjunction with the consolidated financial statements for the year ended 31 December 2017.

For the preparation of the condensed interim consolidated financial statements, the same accounting policies, measurement and consolidation methods and reporting standards have been adopted as were applied for the preparation of the consolidated financial statements for the year ended 31 December 2017 unless otherwise indicated.

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

#### **IFRS 9 Financial Instruments**

As it becomes effective, IFRS 9 supersedes IAS 39 Financial Instruments: Recognition and Measurement including corresponding interpretations and governs the classification and measurement of financial instruments as well as their impairment. Retrospective adoption results in changes to financial statement items in the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, segment reporting as well as the consolidated statement of changes in equity as a consequence of the reclassification of changes in value recognized outside profit or loss in equity to the income statement as presented in chapter VI.1 “Financial instruments.” For further information on accounting policies and valuation methods regarding financial instruments, please refer to chapter 2.1 “Financial instruments.”

#### **IFRS 15 Revenue from Contracts with Customers**

As it becomes effective, IFRS 15 supersedes IAS 18 and IAS 11 including corresponding interpretations. The new standard governs the disclosure of sales and defines uniform principles for the presentation of information of relevance to the financial statements regarding the type, amount and time of recognition as well as any uncertainties connected to the capitalization of sales from contracts with customers. The amounts resulting from the simplified retrospective adoption of IFRS 15 are presented and annotated under the relevant positions of the consolidated statement of financial position and the consolidated statement of changes in equity. The cumulative effect of the conversion recognized outside profit or loss in equity amounts to EUR 2,839 thousand and results from an earlier capitalization of partly discounted and pro-rata new business commission. The effects of the adoption of this standard are presented in detail in chapter VI.2 “Adoption of IFRS 15.” For more information on the kind and the consequences of the changes resulting from IFRS 15 adoption, please refer to chapter I. 2.1 “IFRS 15 Revenue from Contracts with Customers” in the notes to consolidated financial statements released in the Annual Report 2017.

#### **IFRIC 22 Foreign Currency Transactions and Advance Consideration**

IFRIC 22 was released by the IFRS Interpretations Committee on 8 December 2016. This interpretation clarifies which exchange rate has to be applied for a foreign currency transaction in functional currency if the entity has made or received advance payments in a foreign currency. Advance payments made by OVB Holding AG are in the functional currency so that there are no effects from adoption.

## Improvements to IFRS Cycle 2014 - 2016

Within the framework of a process intended to introduce minor improvements to standards and interpretations (Annual Improvements Process), the 2014 - 2016 cycle brought about amendments to three standards altogether, namely IFRS 1, IFRS 12 and IAS 28. None of those amendments resulted in material effects on the consolidated financial statements.

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

### 2.1 Financial instruments

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

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

Classification to the separate measurement categories follows the determination of the business model within the framework of which the contractual cash flows are collected as well as an assessment of the cash flow conditions by applying the SPPI test (Solely Payment of Principal and Interest).

#### Amortized cost (AC)

Financial instruments measured at amortized cost are recognized at their fair value upon addition. As far as future impairment is anticipated in an amount that is not immaterial, that amount is considered for valuation. For non-interest-bearing and low-interest financial instruments with terms to maturity of more than one year, valuation equals the cash value. After first-time recognition they are measured at amortized cost. That is the amount at which a financial asset was valued upon first-time recognition, less repayments, plus or less the cumulative amortization of any difference between the originally assigned value and the amount repayable at final maturity based on the effective interest method, and less any valuation allowances for expected credit loss.

#### Fair Value through Profit or Loss (FVTPL)

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

#### Fair Value through Other Comprehensive Income (FVOCI)

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

#### Impairment and reversal of impairment loss of financial assets

Financial assets/Contract assets measured at amortized cost are reviewed as of each reporting date for valuation adjustments in consideration of expected credit losses, multiplying the cash values of classic credit loss scenarios with the corresponding probability of occurrence. The initial effective interest rate is applied for discounting.

#### Stage transfer

Upon first-time evaluation of expected credit losses, impairment corresponds to credit losses expected within the next 12 months. If at a later reporting date a significant increase in credit risk in comparison with the initial assessment is determined, impairment loss corresponds to credit losses expected for the full remaining term of the asset.

### Simplified approach

For trade receivables without significant financing components, expected aggregate credit losses are determined for a group of homogenous assets with the same credit risk characteristics on a collective basis and recognized as lifetime based loss allowance in accordance with IFRS 9.5.5.15.

## 2.2 Recognition of sales

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

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

Income and expenses are recognized on an accrual basis.

## 3. Changes in accounting estimates

With the implementation of enhanced features of a sales supporting software solution, its utilization potential has been increased, resulting in an extension of its economic useful life from five to ten years according to a reassessment. The residual value as of 1 June 2018 plus subsequent cost is depreciated the remaining useful life until June 2024 under the straight-line method. This change results in depreciation expense reduced by EUR 150 thousand for the reporting period as of 30 September 2018.

## 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	Classification		30/09/2018	31/12/2017
	IFRS 9	IAS 39		
Financial Assets	AC	L+R	5,099	5,096

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

Financial assets relate to loans granted to employees and sales agents as well as a bonded loan in the amount of EUR 5,000 thousand, amounting to a book value of EUR 5,001 thousand as of 30 September 2018. Subsequent measurement of the bonded loan is made at amortized cost according to the effective interest rate method.

## 2. Receivables and other assets

EUR'000	30/09/2018	31/12/2017
Receivables	19,060	19,803
Other assets	4,645	3,750
Contract asset (IFRS 15)	13,574	0
	<b>37,279</b>	<b>23,553</b>

As part of the item receivables and other assets, the sub-item contract asset has been included as of 01/01/2018 pursuant to IFRS 15.

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

EUR'000	01/01/2018	Allocation	Exchange rate differences	Reversal	30/09/2018
Contract asset	11,310	2,388	-53	71	13,574

## 3. Securities and other capital investments

EUR'000	Classification		30/09/2018	31/12/2017
	IFRS 9	IAS 39		
Securities	FVTPL	Afs	23,876	22,901
Securities	FVOCI	Afs	3,002	3,002
Other capital investments	AC	L+R	17,105	13,510
			<b>43,983</b>	<b>39,413</b>

AC = Amortized Cost / FVTPL = Fair Value through Profit or Loss / FVOCI = Fair Value through Other Comprehensive Income  
L+R = Loans and Receivables / Afs = Available-for-Sale

## 4. Cash and cash equivalents

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

EUR'000	30/09/2018	30/09/2017
Cash	34	30
Cash equivalents	49,023	56,576
	<b>49,057</b>	<b>56,606</b>

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

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

## 5. Share capital

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251,314.00, unchanged from 31 December 2017. It is divided into 14,251,314 no-par ordinary bearer shares.

## 6. Dividend

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

The resolution on the appropriation of retained earnings of OVB Holding AG for fiscal year 2017 was adopted by the Annual General Meeting on 5 June 2018.

On 8 June 2018 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	2017	2016
Distribution to shareholders	10,688	10,688
Profit carry-forward	8,943	7,762
<b>Net retained earnings</b>	<b>19,631</b>	<b>18,450</b>

## 7. Treasury stock

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

At the Annual General Meeting of OVB Holding AG held on 3 June 2015, shareholders authorized the Executive Board, subject to the Supervisory Board's approval, 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 more than one transaction. Shares acquired on the basis of this resolution may also be retired.

## 8. Other provisions

EUR'000	30/09/2018	31/12/2017
1. Cancellation risk	15,599	16,055
2. Unbilled liabilities	12,646	10,417
3. Litigation	1,123	1,205
4. Provisions from subsequent commission (IFRS 15)	9,305	0
	<b>38,673</b>	<b>27,677</b>
5. Miscellaneous provisions		
- Obligations to employees	915	1,133
- Costs for financial statements / Audit cost	613	670
- Other obligations	1,310	1,427
	<b>2,838</b>	<b>3,230</b>
	<b>41,511</b>	<b>30,907</b>

### 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; those provisions have developed in the fiscal year as follows:

EUR'000	01/01/2018	Allocation	Exchange rate differences	Reversal	30/09/2018
Provisions from subsequent commission	7,734	1,657	-36	50	9,305

### 5. Miscellaneous provisions

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

## 9. Other liabilities

EUR'000	30/09/2018	31/12/2017
1. Retained security	37,900	38,570
2. Other tax liabilities	784	992
3. Liabilities to employees	2,950	2,840
4. Liabilities to product partners	503	222
5. Miscellaneous liabilities	383	354
	<b>42,520</b>	<b>42,978</b>

#### 1. Retained security

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

#### 2. Other tax liabilities

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

#### 3. Liabilities to employees

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

#### 4. Liabilities to product partners

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

#### 5. 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 - 30/09/2018	01/01 - 30/09/2017
1. New business commission	129,131	125,327
2. Policy service commission	28,124	25,730
3. Dynamic commission	5,897	5,787
4. Other brokerage income	5,906	5,789
	<b>169,058</b>	<b>162,633</b>

#### 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 is collected after provision of 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 2,317 thousand as a result of earlier capitalization of partly discounted and pro-rata new business commission.

### 2. Other operating income

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

EUR'000	01/01 - 30/09/2018	01/01 - 30/09/2017
Other operating income	8,479	6,786

### 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 - 30/09/2018	01/01 - 30/09/2017
Current commission	102,177	96,915
Other commission	11,293	11,447
	<b>113,470</b>	<b>108,362</b>

#### 4. Personnel expense

EUR'000	01/01 - 30/09/2018	01/01 - 30/09/2017
Wages and salaries	18,294	17,313
Social security	3,639	3,311
Pension plan expenses	183	173
	<b>22,116</b>	<b>20,797</b>

#### 5. Depreciation and amortization

EUR'000	01/01 - 30/09/2018	01/01 - 30/09/2017
Amortization of intangible assets	2,135	1,908
Depreciation of property, plant and equipment	1,008	1,003
	<b>3,143</b>	<b>2,911</b>

#### 6. Other operating expenses

EUR'000	01/01 - 30/09/2018	01/01 - 30/09/2017
Sales and marketing expenses	13,578	11,879
Administrative expenses	14,326	12,910
Non-income-based tax	2,308	1,825
Miscellaneous operating expenses	269	194
	<b>30,481</b>	<b>26,808</b>

#### 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.

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

EUR'000	01/01 - 30/09/2018	01/01 - 30/09/2017
Actual income tax	2,561	3,088
Deferred income tax	-45	-211
	<b>2,516</b>	<b>2,877</b>

## 8. Earnings per share

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

EUR'000	01/01 - 30/09/2018	01/01 - 30/09/2017
<b>Net income for the reporting period after non-controlling interests</b>		
Basis for basic / diluted earnings per share (net income for the reporting period attributable to owners of the parent)	5,540	7,761
<b>Number of shares</b>		
Weighted average number of shares for the calculation of basic / diluted earnings per share	14,251,314	14,251,314
<b>Basic / Diluted earnings per share in EUR</b>	<b>0.39</b>	<b>0.54</b>

## V. Notes on segment reporting

The principal business activity of OVB's operating entities 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 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 22,989 thousand (30 September 2017: EUR 25,325 thousand), OVB Allfinanz Slovensko a.s., Bratislava, at EUR 29,386 thousand (30 September 2017: EUR 26,731 thousand) and OVB Vermögensberatung A.P.K. Kft., Budapest, at EUR 17,369 thousand (30 September 2017: EUR 16,972 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 Praktores, Athens.

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

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

## Segment reporting

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

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consoli- dation	Consoli- dated
<b>Segment income</b>						
Income from business with third parties						
- Brokerage income	83,632	43,110	42,316	0	0	169,058
- New business commission	70,235	26,181	32,715	0	0	129,131
- Policy service commission	9,244	13,915	4,965	0	0	28,124
- Dynamic commission	1,090	2,490	2,317	0	0	5,897
- Other brokerage income	3,063	524	2,319	0	0	5,906
Other operating income	2,204	2,790	1,891	1,641	-47	8,479
Income from inter-segment transactions	51	852	2	7,522	-8,427	0
<b>Total segment income</b>	<b>85,887</b>	<b>46,752</b>	<b>44,209</b>	<b>9,163</b>	<b>-8,474</b>	<b>177,537</b>
<b>Segment expenses</b>						
Brokerage expense						
- Current commission for sales force	-52,785	-26,260	-23,132	0	0	-102,177
- Other commission for sales force	-6,643	-2,029	-2,621	0	0	-11,293
Personnel expenses	-5,940	-4,502	-4,106	-7,568	0	-22,116
Depreciation/amortisation	-645	-237	-326	-1,935	0	-3,143
Other operating expenses	-13,571	-8,822	-9,559	-7,021	8,492	-30,481
<b>Total segment expenses</b>	<b>-79,584</b>	<b>-41,850</b>	<b>-39,744</b>	<b>-16,524</b>	<b>8,492</b>	<b>-169,210</b>
<b>Earnings before interest and taxes (EBIT)</b>						
	<b>6,303</b>	<b>4,902</b>	<b>4,465</b>	<b>-7,361</b>	<b>18</b>	<b>8,327</b>
Interest income	73	73	22	16	-12	172
Interest expenses	-3	-17	-17	-1	12	-26
Other financial result	0	-106	-14	-167	0	-287
<b>Earnings before taxes (EBT)</b>	<b>6,373</b>	<b>4,852</b>	<b>4,456</b>	<b>-7,513</b>	<b>18</b>	<b>8,186</b>
Taxes on income	-1,216	15	-1,232	-83	0	-2,516
Non-controlling interests	0	0	0	-130	0	-130
<b>Segment result</b>	<b>5,157</b>	<b>4,867</b>	<b>3,224</b>	<b>-7,726</b>	<b>18</b>	<b>5,540</b>
<b>Additional disclosures</b>						
Capital expenditures for intangible and tangible assets	791	363	271	977	0	2,402
Material non-cash expenses (-) and income (+)	172	864	484	0	0	1,520
Impairment expenses	-688	-1,096	-487	-360	0	-2,631
Reversal of impairment loss	609	232	261	121	0	1,223

## Segment reporting

of OVB Holding AG for the period from 1 January to 30 September 2017 according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consoli- dation	Consoli- dated
<b>Segment income</b>						
Income from business with third parties						
- Brokerage income	80,653	39,207	42,773	0	0	162,633
- New business commission	67,832	23,197	34,298	0	0	125,327
- Policy service commission	8,745	12,549	4,436	0	0	25,730
- Dynamic commission	1,223	2,333	2,231	0	0	5,787
- Other brokerage income	2,853	1,128	1,808	0	0	5,789
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
<b>Total segment income</b>	<b>82,041</b>	<b>42,586</b>	<b>44,142</b>	<b>8,494</b>	<b>-7,844</b>	<b>169,419</b>
<b>Segment expenses</b>						
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
<b>Total segment expenses</b>	<b>-75,637</b>	<b>-38,166</b>	<b>-38,718</b>	<b>-14,158</b>	<b>7,801</b>	<b>-158,878</b>
<b>Earnings before interest and taxes (EBIT)</b>						
	<b>6,404</b>	<b>4,420</b>	<b>5,424</b>	<b>-5,664</b>	<b>-43</b>	<b>10,541</b>
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
<b>Earnings before taxes (EBT)</b>	<b>6,453</b>	<b>4,530</b>	<b>5,423</b>	<b>-5,619</b>	<b>-43</b>	<b>10,744</b>
Taxes on income	-1,314	-17	-1,456	-90	0	-2,877
Non-controlling interests	0	0	0	-106	0	-106
<b>Segment result</b>	<b>5,139</b>	<b>4,513</b>	<b>3,967</b>	<b>-5,815</b>	<b>-43</b>	<b>7,761</b>
<b>Additional disclosures</b>						
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

## VI. Other disclosures relating to the consolidated interim financial statements

### 1. Financial instruments

EUR'000	Classification		30/09/2018	31/12/2017/ 01/01/2018
	IFRS 9	IAS 39		
Financial assets	AC	L+R	5,099	5,096
Trade receivables	AC	L+R	27,879	29,243
Receivables and other assets			37,279	23,553
Receivables	AC	L+R	19,060	19,803
Other assets	-	-	4,645	3,750
Contract asset (IFRS 15)	-	-	13,574	0
Securities and other capital investments			43,983	39,413
Securities	FVTPL	AfS	23,876	22,901
Securities	FVOCI	AfS	3,002	3,002
Other capital investments	AC	L+R	17,105	13,510
Cash and cash equivalents	AC	L+R	49,057	55,521

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

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

The item "Securities and other capital investments" includes securities at a book value of EUR 6,173 thousand (31 December 2017: EUR 5,978 thousand), measured according to IFRS 13 level 1 at market or stock market prices, as well as securities at a book value of EUR 20,705 thousand (31 December 2017: EUR 19,924 thousand), measured according to IFRS 13 level 2 at net asset value determined by the respective investment management company.

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

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

Securities include interests in investment funds to the following extent:

Investment	30/09/2018		
	Pension fund	Balanced fund	Equity fund
Number of investment funds	5	6	1
Fund assets as of reporting date	€ 0.1 - 3.8 billion	€ 31.9 - 207.6 million	€ 198.0 million
Book values as of reporting date	€ 12.1 million	€ 9.1 million	€ 2.7 million
Interest in the fund	0.2 - 1.2 %	0.7 - 3.0 %	1.4 %

Investment	31/12/2017		
	Pension fund	Balanced fund	Equity fund
Number of investment funds	5	5	1
Fund assets as of reporting date	€ 0.1 - 3.8 billion	€ 31.9 - 207.6 million	€ 198.0 million
Book values as of reporting date	€ 12.0 million	€ 8.2 million	€ 2.7 million
Interest in the fund	0.2 - 1.2 %	0.7 - 3.0 %	1.4 %

Maximum risk exposure corresponds to the respective book value.



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

EUR'000	IAS 39 Measurement category	Book value 2018	Amortized cost	Historical cost	Change in value outside profit or loss	Change in value through profit or loss
Financial assets (AC)	Loans and receivables	118,201 (previous year: 123,173)	118,201 (previous year: 123,173)	-	-	-20,291 (previous year: -21,026)
Financial assets (FVTPL)	Available- for-sale finan- cial assets	23,876 (previous year: 22,901)	-	24,072 (previous year: 23,073)	-	-196 (previous year: -172)
Financial assets (FVOCI)	Available- for-sale finan- cial assets	3,002 (previous year: 3,002)	-	3,013 (previous year: 3,013)	-11 (previous year: -11)	-
Financial liabili- ties (AC)	Financial liabilities	49,160 (previous year: 49,081)	49,160 (previous year: 49,081)	-	-	-

AC = Amortized Cost / FVTPL = Fair Value through Profit or Loss / FVOCI = Fair Value through Other Comprehensive Income  
L+R = Loans and Receivables / Afs = Available-for-Sale

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

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

FVTPL	31/12/2017	Reclassifica- tion	Revalua- tion	01/01/2018
EUR'000				
<b>Securities</b>				
Opening statement of financial position pursuant to IAS 39	0			
Allocation from Afs (IAS 39)		22,901		
Revaluation			0	
Closing statement of financial position pursuant to IFRS 9				22,901
	<b>0</b>	<b>22,901</b>	<b>0</b>	<b>22,901</b>
<hr/>				
FVOCI	31/12/2017	Reclassifica- tion	Revalua- tion	01/01/2018
EUR'000				
<b>Securities</b>				
Opening statement of financial position pursuant to IAS 39	0			
Allocation from Afs (IAS 39)		3,002		
Revaluation			0	
Closing statement of financial position pursuant to IFRS 9				3,002
	<b>0</b>	<b>3,002</b>	<b>0</b>	<b>3,002</b>

AC = Amortized Cost / FVTPL = Fair Value through Profit or Loss / FVOCI = Fair Value through Other Comprehensive Income  
L+R = Loans and Receivables / Afs = Available-for-Sale

## 2. Adoption of IFRS 15

Adjustments resulting from first-time adoption of IFRS 15 affect the following individual financial statement items and result from early capitalization of subsequent commission. Positive amounts indicate an increase over the amount that would have been reported as of 30 September 2018 without adoption of IFRS 15 and negative amounts indicate a corresponding decrease.

### 2.1 Consolidated statement of financial position

Financial statement items EUR'000	Adjustment		
	As of 01/01/2018	Adjustment for the period	As of 30/09/2018
Receivables and other assets	11,310	2,264	13,574
Retained profits	2,839	578	3,417
Other provisions	7,734	1,571	9,305
Deferred tax liabilities	737	118	855

### 2.2 Consolidated income statement

Financial statement items EUR'000	Adjustment 01/01 - 30/09/2018
Brokerage income	2,317
Total income	2,317
Brokerage expenses	1,607
Operating result (EBIT)	710
Consolidated income before income tax	710
Taxes on income	-131
Consolidated net income	579
Consolidated net income after non-controlling interests	579

## 2.3 Consolidated statement of comprehensive income

Financial statement items EUR'000	Adjustment 01/01 - 30/09/2018
Consolidated net income	579
Total comprehensive income before non-controlling interests	579
Total comprehensive income	579

## 2.4 Consolidated statement of cash flows

Financial statement items EUR'000	Adjustment 01/01 - 30/09/2018
Consolidated income before income tax	710
Increase/Decrease in provisions	-1,571
Decrease/Increase in trade receivables and other assets	2,264

## 2.5 Segment reporting

Financial statement items EUR'000	Adjustment 01/01 - 30/09/2018		
	Central and Eastern Europe	Germany	Southern and Western Europe
Brokerage income	2,333	-71	55
Total segment income	2,333	-71	55
Brokerage expenses	1,623	-50	34
Operating result (EBIT)	710	-21	21
Earnings before income tax	710	-21	21
Taxes on income	-133	7	-5
Segment result	577	-14	16

## 3. Contingent liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. The associated risks are recognized in "Other provisions" to the extent they give rise to obligations whose values can be reliably estimated. Material changes in comparison with 31 December 2017 have not occurred.

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

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

#### 4. Employees

As of 30 September 2018, the OVB Group has a commercial staff of altogether 501 employees on average (31 December 2017: 474), 51 thereof (31 December 2017: 48) in managerial positions.

#### 5. Related party disclosures

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

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

Principal shareholders as of 30 September 2018 are entities of

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

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

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

As of 30 September 2018, SIGNAL IDUNA Lebensversicherung a. G., Hamburg, held shares in OVB Holding AG carrying 31.67 percent of the voting rights. As of 30 September 2018, SIGNAL IDUNA Krankenversicherung a.G., Dortmund, held shares in OVB Holding AG carrying 21.27 percent of the voting rights. Based on agreements concluded with entities of the SIGNAL IDUNA Group, sales in the amount of EUR 20,774 thousand (30 September 2017: EUR 17,634 thousand) were generated in the first nine months of 2018. Receivables exist in the amount of EUR 2,714 thousand (31 December 2017: EUR 2,193 thousand) and liabilities come to EUR 2 thousand (31 December 2017: EUR 1 thousand).

The item "Securities and other capital investments" includes securities issued by SIGNAL IDUNA Group in the amount of EUR 7,172 thousand (31 December 2017: EUR 7,336 thousand).

As of 30 September 2018, Basler Beteiligungsholding GmbH, Hamburg, held shares in OVB Holding AG carrying 32.57 percent 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 23,762 thousand (30 September 2017: EUR 24,948 thousand) were generated in the first nine months of 2018, essentially in the Germany segment. Receivables exist in the amount of EUR 3,887 thousand (31 December 2017: EUR 4,860 thousand).

The item "Securities and other investments" includes securities issued by Bâloise Holding AG in the amount of EUR 721 thousand (31 December 2017: EUR 757 thousand).

As of 30 September 2018, Generali Lebensversicherung AG, Munich, held shares in OVB Holding AG carrying 11.48 percent 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 11,932 thousand (30 September 2017: EUR 12,300 thousand) were generated in the first nine months of 2018. Receivables exist in the amount of EUR 5,154 thousand (31 December 2017: EUR 6,508 thousand) and liabilities come to EUR 10 thousand (31 December 2017: EUR 32 thousand).

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

Items outstanding as of 30 September 2018 are not secured, do not bear interest and are settled by payment. There are no guarantees relating to receivables from or liabilities to related parties.

## 6. Subsequent events

Significant, reportable events have not occurred since 30 September 2018, the closing date of these interim financial statements.

## 7. Information on Executive Board and Supervisory Board

### Members of the Executive Board of OVB Holding AG:

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

### Members of the Supervisory Board of OVB Holding AG:

- Michael Johnigk (Chairman of the Supervisory Board); Member of the Executive Boards of SIGNAL IDUNA Krankenversicherung a. G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., 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
- Maximilian Beck (since 5 June 2018); 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; 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 (until 5 June 2018); Senior Advisor and Supervisory Board Member in the Financial Services Sector, former Member of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co.KG, Hamburg

## Responsibility statement

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

Cologne, 31 October 2018



Mario Freis  
CEO



Oskar Heitz  
CFO



Thomas Hücker  
COO

# 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 115 WpHG (Securities Trading Act), for the period from 1 January to 30 September 2018. 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, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). 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 2018  
PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

**Michael Peters**  
Wirtschaftsprüfer

**ppa. Thomas Bernhardt**  
Wirtschaftsprüfer

# Financial Calendar

## 21 March 2019

Publication of financial statements 2018,  
Annual Report, Press Conference, Analyst Conference

## 08 May 2019

Results for the first quarter of 2019, Conference Call

## 14 June 2019

Annual General Meeting, Cologne

## 14 August 2019

Results for the second quarter of 2019, Conference Call

## 14 November 2019

Results for the third quarter of 2019, Conference Call

# Contact

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## Imprint

**Published by** OVB Holding AG · Heumarkt 1 · 50667 Cologne  
Tel.: +49 (0) 221/20 15 -0 · Fax: +49 (0) 221/20 15 -264 · [www.ovb.eu](http://www.ovb.eu)  
**Concept and editing** PvF Investor Relations · Frankfurter Landstraße 2-4 · 61440 Oberursel  
**Design** Sieler Kommunikation und Gestaltung GmbH · Im Setzling 35 / Gebäude C · 61440 Oberursel

Our Interim Report is published in German and English

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