Group interim report – First Nine Months

1 January – 30 September 2023

OVB profile

With more than 4.4 million clients, over 5,800 full-time financial advisors and business operations in 16 national markets, OVB is one of the leading financial intermediary groups in Europe.

Contents

Key figures for the OVB Group 9M 2023

Key operating figures

	Unit	01/01 - 30/09/2022	01/01 - 30/09/2023	Change
Clients	Number	4.26 m	4.46 m	+ 4.7 %
Financial advisors	Number	5,648	5,896	+ 4.4 %
Brokerage income	Euro million	247.2	260.3	+ 5.3 %

Key financial figures

	Unit	01/01 - 30/09/2022	01/01 - 30/09/2023	Change
Earnings before interest and taxes (EBIT)	Euro million	15.4	11.4	- 25.7 %
EBIT margin	%	6.2	4.4	- 1.8 %-pts
Consolidated net income after non-controlling interests	Euro million	9.2	9.1	- 0.2 %
Earnings per share (undiluted)	Euro	0.64	0.64	- 0.2 %

Key figures for the regions 9M 2023

Central and Eastern Europe

	Unit	01/01 - 30/09/2022	01/01 - 30/09/2023	Change
Clients	Number	2.92 m	3.08 m	+ 5.6 %
Financial advisors	Number	3,365	3,658	+ 8.7 %
Brokerage income	Euro million	127.5	146.1	+ 14.6 %
Earnings before interest and taxes (EBIT)	Euro million	13.1	13.1	- 0.5 %
EBIT margin	%	10.3	8.9	- 1.4 %-pts

Germany

	Unit	01/01 - 30/09/2022	01/01 - 30/09/2023	Change
Clients	Number	615,967	613,767	- 0.4 %
Financial advisors	Number	1,213	1,172	- 3.4 %
Brokerage income	Euro million	45.1	42.7	- 5.2 %
Earnings before interest and taxes (EBIT)	Euro million	5.2	3.2	- 39.0 %
EBIT margin	%	11.5	7.4	- 4.1 %-pts

Southern and Western Europe

	Unit	01/01 - 30/09/2022	01/01 - 30/09/2023	Change
Clients	Number	729,965	767,136	+ 5.1 %
Financial advisors	Number	1,070	1,066	- 0.4 %
Brokerage income	Euro million	74.6	71.4	- 4.2 %
Earnings before interest and taxes (EBIT)	Euro million	5.2	2.3	- 55.5 %
EBIT margin	%	7.0	3.3	- 3.8 %-pts

Percentages and figures may be subject to rounding differences. Percentages are calculated on the basis of EUR thousand.

Frank Burow, CFO

- Born 1972
- More than 20 years of experience in finance, accounting and controlling
- With OVB since 2010

Mario Freis, CEO

- Born 1975
- More than 25 years of experience in the distribution of financial services
- With OVB since 1995

Heinrich Fritzlar, COO

- Born 1973
- More than 20 years of experience in the fields of insurance and IT consulting
- With OVB since 2022

Dear shareholders,
ladies and gentlemen,

OVB Holding AG increased its sales by 5.3 per cent to Euro 260.3 million in the first nine months of 2023, with momentum picking up in the third quarter.

Thanks to the dedication of the entire OVB team, we can look back on a very successful third quarter. We boosted our brokerage income by a significant 15.8 per cent year on year between July and September 2023. All segments contributed to this. Germany achieved sales growth of 7.2 per cent, with the Southern and Western Europe region seeing a 5.6 per cent rise in brokerage income. The Central and Eastern Europe segment was the most dynamic in the third quarter of 2023, with sales growth of 24.2 per cent.

Operating income was in line with planning in the first nine months of 2023 at Euro11.4 million, compared to Euro 15.4 million in the previous year. As well as cost increases due to inflation and higher training costs, this is also due to expenses for the measures of our new corporate strategy "OVB Excellence 2027". Fortunately, we significantly improved our financial result and thus generated earnings per share on par with the previous year.

Despite ongoing uncertainties, we remain optimistic given our performance in the financial year so far. If the momentum seen in the third quarter is maintained, we believe that Group brokerage income for the 2023 financial year in the range of Euro 350 to Euro 360 million is attainable and still anticipate operating income of between Euro 16 and Euro 19 million.

Yours,

Mario Freis	Frank Burow	Heinrich Fritzlar
CEO	CFO	COO

OVB on the capital market

The German stock index (DAX) closed trading at year-end 2022 at 13,924 points. The economic framework in the year 2023 continues to be determined by war, inflation and the turnaround in interest rates. The German stock market still recorded a very good performance at the beginning of the year, climbing to 15,629 points by 31 March 2023. At the end of the second quarter, the DAX stood at 16,148 points, boosted by falling inflation rates and hopes for a less tight monetary policy. The index initially held its ground in the third quarter as well and even recorded a new all-time high of 16,470 points on 28 July 2023. From 3 August 2023, the DAX then slipped below the 16,000 mark and fell to a quotation of 15,387 on 30 September 2023, the closing date for this report, due to persistently high interest rates and increasing economic concerns in this country. Compared to the beginning of the year, this still equals an increase of 10.5 per cent.

SIGNAL IDUNA Lebensversicherung a. G.
31.67 %

Free float
3.01 %

SIGNAL IDUNA Krankenversicherung a. G.
21.27 %

Baloise Beteiligungsholding GmbH
32.57 %

Generali CEE Holding B.V.
11.48 %

Shareholder structure of OVB Holding AG as of 30/09/2023

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 22.00	(30/12/2022)
High	Euro 25.40	(11/05/2023)
Low	Euro 21.20	(18/09/2023)
Last	Euro 21.40	(30/09/2023)
Market capitalisation	Euro 305 million	(30/09/2023)

The share of OVB Holding AG closed the year 2022 with a price of Euro 22.00. Over the first three months of 2023, the share price ranged between Euro 22.00 and Euro 23.60. At the end of the first quarter, the price was Euro 22.60. Starting in April, the share price went up considerably, peaking with a closing price of Euro 25.40 on 11 May 2023 – this year's high so far. As of the half-year closing date, the share was priced at Euro 23.80. Affected by the ongoing interest rate hikes and the negative economic outlook for the German economy, the OVB share recorded a decline in the third quarter as well. As of 30 September 2023, the share price was Euro 21.40. Only 3.0 per cent of the shares of OVB Holding AG are free float so that the trading volume and thus the significance of the share price are closely limited.

After three consecutive virtual general meetings of shareholders, the Annual General Meeting of OVB Holding AG on 14 June 2023 was the first meeting held with the physical presence of shareholders again. 96.99 per cent of the share capital was represented. In his keynote speech, CEO Mario Freis talked about the successful 2022 financial year and put the sound performance of OVB into the context of the now completed strategy period. An outlook on the follow-up strategy "OVB Excellence 2027" was presented as well. A large majority of the shareholders followed the Company's proposals in their resolutions, approving among other items the payment of a dividend in the amount of Euro 0.90 per share. This equals a dividend payout of Euro 12.83 million.

Interim consolidated management report of OVB Holding AG for the period from 1 January to 30 September 2023

Course of business

As the management holding company, OVB Holding AG is at the top of OVB Group. 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 partners and fulfils 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 brokers financial products in 16 European countries at present. OVB's 5,896 full-time financial advisors support 4.46 million clients. The Group's broad European positioning stabilises its business performance and opens up growth potential. OVB's currently 16 national markets are different in terms of structure, development status and size. OVB has a leading market position in several of these countries. In the course of demographic transition, the number of senior citizens in Europe rises as the number of young people is going down. Public social security systems are increasingly being overburdened. Personal counselling is gaining in importance, especially in economically challenging times when private households in particular are suffering. Therefore, OVB continues to see considerable potential for the services it provides.

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

OVB has pushed digitisation in a targeted approach over the past years and accelerated the expansion of the necessary technical prerequisites for digitally supported advisory services. Thanks to targeted investments, complete solutions for video advice and digital online business transactions are available at all OVB subsidiaries.

The professional training of the financial advisors, the analysis of client demand and the resulting product recommendations are based on the general conditions prevailing in the respective market. The continuous advancement of these issues is given great emphasis. OVB adjusts swiftly to any future regulatory or qualitative requirements.

In the reporting period, OVB Group had an average of 748 employees (previous year: 705 employees) in the holding company, the head offices of the subsidiaries and the service companies that control and manage the Group.

In the context of the Annual Report 2022 published at the end of March 2023, OVB introduced its new strategy "OVB Excellence 2027" as the result of a comprehensive strategy development process. Focus topics are the areas "Sales and Career Excellence", "Expansion and Innovation", "People and Organization" and "Operational Excellence".

Macroeconomic environment

OVB currently operates in 16 European countries divided into three regional segments: OVB's Central and Eastern Europe segment comprises the national markets Croatia, Czechia, Hungary, Poland, Romania, Slovakia, Slovenia and Ukraine; the Group generated roughly 53 per cent of its sales in this segment in the previous year. 18 per cent of OVB Group's sales were accounted for by the German market in the past financial year. The national markets Austria, Belgium, France, Greece, Italy, Spain and Switzerland constitute the Southern and Western Europe segment, contributing some 29 per cent to OVB Group's brokerage income in 2022. With the exception of Switzerland, these countries belong to the eurozone. OVB thus generates more than four fifths of its brokerage income outside Germany. Against this backdrop it is important to consider the macroeconomic development in Europe for an assessment of the business performance. Among the relevant factors are economic growth, the development of the job market and changes in the income situation of private households.

In 2023, the impact of Russia's war of aggression against Ukraine continues to be felt around the world. Humanitarian suffering, geopolitical tensions and supply chain problems remain. Most recently, international conflicts have been further exacerbated by the attack on Israel carried out by the terrorist organisation Hamas.

Economically, persistently high inflation rates are significantly increasing the cost of living for private households. The monetary policy measures of the central banks – especially the repeated, sharp interest rate hikes – are slowing down economic growth and making financing options more expensive.

In its World Economic Outlook (October 2023), the International Monetary Fund (IMF) anticipates economic growth in the euro area to decelerate to 0.7 per cent for the full year 2023, compared to a 3.3 per cent increase in gross domestic product in 2022.

After Germany had slipped into a technical recession in the winter half-year 2022/2023, economic development stagnated in the second quarter of 2023. For the third quarter, however, the Federal Ministry of Economics and Climate Protection again expects a slight decline in gross domestic product. The IMF also forecasts a 0.5 per cent contraction in economic output in this country for 2023.

The decline in growth is accompanied by high inflation rates. According to the IMF (October 2023), consumer prices in the eurozone were up 8.4 per cent in 2022 based on annual average. Starting from this high level, inflation has slowed down in recent months. According to Eurostat, the statistical office of the European Union, the price increase for September 2023 was 4.3 per cent over the same month of the previous year and thus below 5 per cent for the first time this year. For the full year 2023, the IMF expects consumer prices in the euro area to rise by 5.6 per cent.

Rising inflation has prompted central banks around the world to tighten their monetary policies and consider further interest rate steps in the future. Most recently, during the period under review, the ECB resolved the tenth consecutive increase in key interest rates since July 2022 at its meeting on 20 September 2023. Since then, the interest rate for the main refinancing operations as well as the interest rates for the marginal lending facility and the deposit facility have been 4.50 per cent, 4.75 per cent and 4.00 per cent respectively.

Key macroeconomic indicators

	Real GDP Change in %			Consumer prices Change in %*			Unemployment rate in % [Unemployed / (Employed + Unemployed)]**		
	2022	2023f	2024f	2022	2023f	2024f	2022	2023f	2024f
Croatia	6.2	2.7	2.6	10.7	8.6	4.2	6.8	6.3	5.9
Czech Republic	2.3	0.2	2.3	15.1	10.9	4.6	2.1	2.8	2.6
Hungary	4.6	-0.3	3.1	14.5	17.7	6.6	3.6	3.9	3.8
Poland	5.1	0.6	2.3	14.4	12.0	6.4	2.9	2.8	2.9
Romania	4.7	2.2	3.8	13.8	10.7	5.8	5.6	5.6	5.4
Slovakia	1.7	1.3	2.5	12.1	10.9	4.8	6.2	6.1	5.9
Slovenia	2.5	2.0	2.2	8.8	7.4	4.2	4.0	3.6	3.8
Ukraine	-29.1	2.0	3.2	20.2	17.7	13.0	24.5	19.4	10.6
Eurozone	**3.3**	**0.7**	**1.2**	**8.4**	**5.6**	**3.3**	**6.7**	**6.6**	**6.5**
Germany	1.8	-0.5	0.9	8.7	6.3	3.5	3.1	3.3	3.3
Austria	4.8	0.1	0.8	8.6	7.8	3.7	4.8	5.1	5.4
Belgium	3.2	1.0	0.9	10.3	2.5	4.3	5.6	5.7	5.7
France	2.5	1.0	1.3	5.9	5.6	2.5	7.3	7.4	7.3
Greece	5.9	2.5	2.0	9.3	4.1	2.8	12.4	10.8	9.3
Italy	3.7	0.7	0.7	8.7	6.0	2.6	8.1	7.9	8.0
Spain	5.8	2.5	1.7	8.3	3.5	3.9	12.9	11.8	11.3
Switzerland	2.7	0.9	1.8	2.8	2.2	2.0	2.2	2.1	2.3

f = forecast; * = changes in consumer prices presented as annual average
** = National definitions of the unemployment rate may vary
Source: IMF World Economic Outlook (October 2023)

At the meeting on 26 October 2023, it was decided to leave the key interest rates unchanged in October. The labour market situation remains robust.

High inflation reduces the available resources of private households for their private financial provision and protection after spending on essentials. Especially many lower-income households no longer have the means to take out new contracts. The tense financial situation can also lead to the cancellation of existing contracts.

Contrary to that, the escalated risks in the political and economic environment give rise to considerably increased willingness among private households to invest in financial provision and protection and the demand for advice is rising. Investors are also increasingly aware of the importance of retirement provision. In demand are primarily direct investments in funds and unit-linked life or pension insurance. OVB offers a wide variety of products, from high-potential investments to more safety-oriented capital investments. OVB's independent financial advisors can put together individual offers for investors that suit their personal situation and risk tolerance.

In addition, OVB sees considerable growth in many countries for products covering biometric risks such as death, disability, illness or the need for long-term care. Furthermore, a growing number of investors attach importance to sustainable investments that support ecological or social objectives either directly or indirectly.

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

The market for private risk protection and provision therefore continues to offer long-term potential and sound opportunities for growth.

Breakdown of new business 1-9/2023 (1-9/2022)

Unit-linked provision products
34.5 % (32.6 %)

State-subsidised provision products
8.0 % (8.8 %)

Building society savings contracts / Financing
6.2 % (12.8 %)

Property, accident and legal expenses insurance
16.5 % (15.5 %)

Health insurance
2.6 % (2.2 %)

Investment funds
5.8 % (6.3 %)

Other provision products
26.4 % (21.7 %)

Real property
0.0 % (0. 1 %)

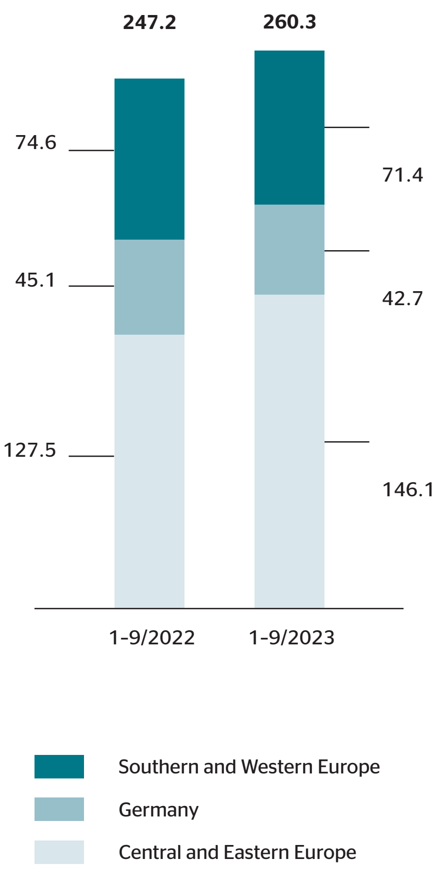
Business performance

OVB Group generated brokerage income in the amount of Euro 260.3 million in the first nine months of financial year 2023. This equals 5.3 per cent growth over the prior-year brokerage income of Euro 247.2 million. This expansion was driven in particular by the strong performance of the Central and Eastern Europe segment.

By the end of September 2023, OVB supported 4.46 million clients in 16 countries of Europe, 4.7 per cent more than one year before (previous year: 4.26 million clients). The total number of financial advisors working for OVB gained 4.4 per cent from 5,648 as of the prior-year reporting date to 5,896 financial advisors as of 30 September 2023.

The structure of the new business has changed only slightly compared to the prior-year period: The share of unit-linked provision products continues to make the largest contribution to turnover and increased from 32.6 per cent in the prior-year period to 34.5 per cent. Other provision products also increased their share to 26.4 per cent after 21.7 per cent in the previous year. Property, accident and legal expenses insurance accounted for 16.5 per cent of new business compared to 15.5 per cent in the first nine months of 2022. The share of building society savings contracts / financing decreased form 12.8 per cent to 6.2 per cent due to the increased interest rate level. The contribution of the product categories state-subsidised provision products and investment funds to new business decreased slightly while the share of health insurance increased insignificantly. The real estate business remained at an unchanged low level.

Brokerage income by region
Euro million, figures rounded*



*rounding differences may occur during summation

Central and Eastern Europe
Brokerage income of the Central and Eastern Europe segment gained 14.6 per cent to Euro 146.1 million (previous year: Euro 127.5 million) on account of sales increases in almost all the region's national markets. The number of financial advisors working for OVB went up from 3,365 as of the prior-year reporting date by 8.7 per cent to 3,658 financial advisors as of 30 September 2023. They supported 3.08 million clients (previous year: 2.92 million clients).

Unit-linked provision products kept the lion's share of new business at 35.6 per cent (previous year: 32.6 per cent), followed by other provision products that increased to 32.7 per cent (previous year: 29.2 per cent). The share of property, accident and legal expenses insurance was up to 17.3 per cent (previous year: 16.5 per cent). In contrast, the product category building society savings contracts / financing contracted due to the changed interest rate environment. Here, the share in new business dropped from 12.9 per cent to 5.9 per cent.

Germany
Brokerage income generated in the Germany segment lost 5.2 per cent to Euro 42.7 million (previous year: Euro 45.1 million). With 1,172 financial advisors, 3.4 per cent fewer advisors worked for OVB in Germany as of the reporting date 30 September 2023 than one year before (previous year: 1,213 advisors). The number of actively supported clients as of 30 September 2023 was 613,767, compared to 615,967 clients one year before.

Due to the changed interest rate environment, the share in new business accounted for by the building society savings / financing product group decreased significantly from 24.0 per cent to 13.0 per cent. Unit-linked provision products gained in importance and contributed a total of 30.4 per cent to new business (previous year: 24.0 per cent). Property, accident and legal expenses insurance also increased, accounting for 14.3 per cent (previous year: 12.0 per cent). The share of other provision products climbed to 13.0 per cent (previous year: 11.6 per cent). State-subsidised provision products came to 12.0 per cent of the new business (previous year: 11.3 per cent). Investment funds were on a decline while the share of health insurance was up.

Southern and Western Europe
Brokerage income in the Southern and Western Europe segment decreased 4.2 per cent to Euro 71.4 million (previous year: Euro 74.6 million). The national markets of Belgium, Switzerland and Austria recorded increases whereas the sales development of the operating subsidiaries in Italy, Spain, France and Greece declined.

At 1,066, the number of financial advisors is consistent with the prior-year level (1,070). They supported altogether 767,136 clients in the segment's seven countries, as compared to 729,965 by 30 September 2022.

Even though the contribution of unit-linked provision products to new business was on a decline in Southern and Western Europe, it still accounted for the largest share at 33.5 per cent (previous year: 37.6 per cent). State-subsidised provision products added 25.4 per cent to new business (previous year: 26.3 per cent). The share of other provision products increased significantly from 9.8 per cent to 16.8 per cent.

Profit / Loss

OVB Group generated brokerage income of Euro 260.3 million in the first nine months of 2023 with increasing momentum in the third quarter including all three segments. Compared to the prior-year value of Euro 247.2 million, this means an increase of 5.3 per cent. Growth driver was the Central and Eastern Europe segment.

Other operating income went up 12.3 per cent from Euro 8.0 million to Euro 9.0 million. The main factors were higher income from the reversal of provisions, income from the reversal of valuation allowances on receivables, reimbursements from the sales force for training and professional events as well as income from currency translation.

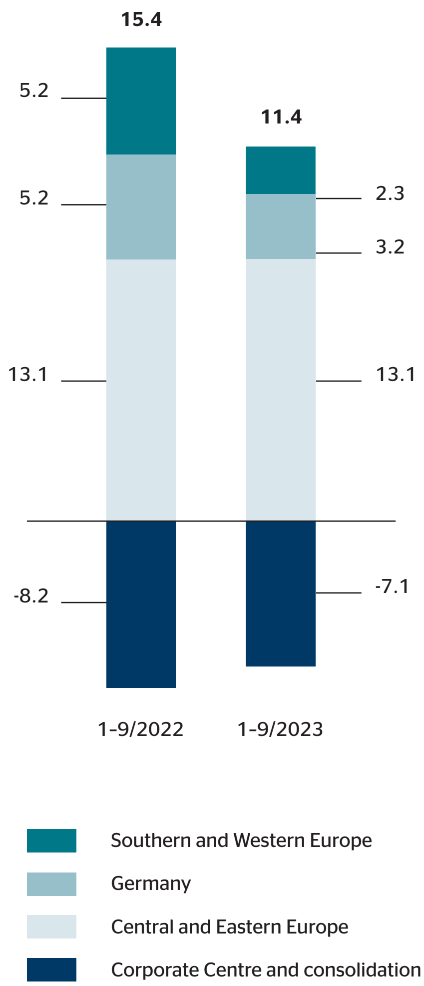
Brokerage expenses rose 7.0 per cent from Euro 162.1 million to Euro 173.4 million. Due to the planned increase in personnel as well as market-related salary adjustments, personnel expenses for the Group's employees went up 11.4 per cent from Euro 33.2 million to Euro 37.0 million. In contrast, depreciation and amortisation fell by 4.5 per cent from the previous year's figure of Euro 6.6 million to Euro 6.3 million. Other operating expenses amounted to Euro 41.2 million after Euro 38.0 million in the prior-year period of comparison. The main reasons for this were higher costs of events due to inflation, the intensification of training activities, higher IT expenses and increased value-added tax on purchased goods and services.

OVB Group generated an operating result (EBIT) of Euro 11.4 million in the first nine months of financial year 2023, equivalent to a 25.7 per cent decrease compared to the prior-year result of Euro 15.4 million.

The EBIT of the Central and Eastern Europe segment remained at the previous year's level with Euro 13.1 million. The operating result of the Germany segment dropped 39.0 per cent from Euro 5.2 million to Euro 3.2 million. The Group generated an EBIT of Euro 2.3 million in the Southern and Western Europe segment after Euro 5.2 million in the prior-year period. The negative operating result of Corporate Centre including consolidation effects could be improved by 12.7 per cent from Euro -8.2 million to Euro -7.1 million. OVB Group's EBIT margin went down from 6.2 per cent in the previous year to 4.4 per cent in the reporting period.

The financial result, recording a negative amount of Euro -1.4 million in the prior-year period of comparison, improved considerably to Euro 1.9 million. Finance income increased by Euro 1.0 million to Euro 2.2 million due to the significant rise in interest rates while finance expenses decreased materially by Euro 2.2 million to

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



* rounding differences may occur during summation

Euro -0.3 million. The reason for the high finance expenses in the prior-year period of comparison were declining fair values of securities and investments, which in turn were due to price losses on the stock markets.

Income taxes dropped 14.6 per cent to Euro 3.9 million. Consolidated net income after non-controlling interests was thus Euro 9.1 million, almost at the previous year's level of Euro 9.2 million. Consequently, earnings per share for the first nine months of 2023 came to Euro 0.64 as in the same period of the previous year, based respectively on 14,251,314 no-par shares.

Financial position

In the reporting period, the cash flow from operating activities was reduced from Euro 15.1 million in the prior-year period of comparison to Euro 12.0 million. This development is due in particular to the reduced operating result.

The cash flow from investing activities was Euro -4.2 million in the reporting period, after a cash inflow of Euro 13.3 million in the previous year. Although inflow from disposals of securities and other short-term investments increased from Euro 16.5 million to Euro 21.2 million, outflow for investments in securities and other short-term investments in the first nine months of the 2023 financial year totalled Euro 21.5 million, compared to almost no outflow in the prior-year period of comparison (previous year: Euro 24 thousand) due to the volatile capital market environment.

Cash flow from financing activities remained unchanged at the previous year's level of Euro -14.9 million. This was mainly due to the respective dividend payment of Euro 12.8 million. In addition, payments were made for the principal and interest components of the lease liability from financing activities.

Cash and cash equivalents amounted to Euro 73.9 million as of the interim reporting date. Compared to 30 September 2022 when cash and cash equivalents came to Euro 86.8 million, this represents a decrease of 14.9 per cent.

Assets and liabilities

Total assets of OVB Holding AG amounted to Euro 263.4 million as of 30 September 2023, after Euro 261.1 million as of 31 December 2022.

Non-current assets increased by Euro 3.2 million from Euro 35.6 million to Euro 38.8 million. Drivers were intangible assets, gaining 11.9 per cent to Euro 15.7 million, and the rights of use of leased objects, increasing from Euro 9.9 million to Euro 11.4 million. Deferred tax assets increased by Euro 0.4 million to Euro 6.0 million. In contrast, property, plant and equipment fell from Euro 5.7 million by 7.9 per cent to Euro 5.3 million. Current assets decreased by Euro 0.9 million from Euro 225.5 million to Euro 224.6 million. While receivables and other assets in particular rose significantly by 13.2 per cent to Euro 61.9 million and securities and other in-vestments increased by Euro 0.7 million to Euro 42.5 million, cash and cash equivalents decreased from Euro 80.6 million to Euro 73.9 million and trade receivables went down from Euro 46.8 million to Euro 44.5 million.

The Company's equity decreased by Euro 3.5 million from Euro 93.5 million to Euro 90.0 million as of 30 September 2023. This was due to lower retained earnings of Euro 22.3 million compared to Euro 25.9 million at the end of 2022. The equity ratio is thus 34.2 per cent, compared to 35.8 per cent as of 31 December 2022.

Non-current liabilities increased from Euro 11.0 million to Euro 12.2 million. Other liabilities were up 15.5 per cent to Euro 9.5 million. There are still no liabilities to banks.

At Euro 161.2 million, current liabilities increased slightly by 2.9 percent. Other liabilities increased from Euro 61.9 million to Euro 68.3 million and other provisions from Euro 67.9 million to Euro 69.6 million. In contrast, trade payables fell by 12.5 per cent to Euro 21.5 million and provisions for taxes dropped 51.2 per cent to Euro 0.8 million.

Personnel

OVB Group had 748 employees on average in the reporting period (previous year: 705 employees) in the holding company, the head offices of the operating subsidiaries and the service companies controlling and managing the Group.

Employees support the self-employed financial advisors who work for OVB by providing the service-oriented execution of all core processes and the necessary technical infrastructure, conducting training courses, developing and implementing sales promoting measures, fulfilling administrative tasks and offering assistance for compliance with regulatory requirements, among other functions.

Supervisory Board

The terms of office of all Supervisory Board members duly ended at the close of the Annual General Meeting of OVB Holding AG on 14 June 2023. During the new elections, the shareholders followed the Company's proposal: In addition to the reelection of Michael Johnigk, Dr Thomas A. Lange and Julia Wiens, proven industry experts and leaders Sascha Bassir, Roman Juráš and Torsten Uhlig were appointed to the Supervisory Board. Appointments are made for one term of office until the close of the Annual General Meeting to decide on the formal approval of the actions of the Supervisory Board members in the 2027 financial year.

On 18 September 2023 Julia Wiens, member of the Supervisory Board and Chairwoman of the Nomination and Remuneration Committee, announced her resignation from her position at OVB Holding AG effective 31 October 2023. The reason is her appointment as Executive Director of Insurance and Pension Fund Supervision at BaFin (Federal Financial Supervisory Authority). On 29 September, the Company requested a court order at the Cologne Local Court for the appointment of Markus Jost, who had already been a member of the Supervisory Board of OVB Holding AG for 10 years until June 2023, as her successor. The court issued the order, which means that Markus Jost will return to the Supervisory Board effective 1 November 2023. The appointment is limited in time until the next Annual General Meeting, which will be held on 12 June 2024.

Subsequent events

Business transactions or events of relevance to an appraisal of OVB Group’s profit/loss, financial position and assets and liabilities have not occurred since 30 September 2023.

Opportunities and risks

OVB keeps doing business in growth markets. Fundamental trends such as the demographic development in Europe require more private provision and risk protection. In an economic environment that is also challenging for private households, personal advice is becoming even more important.

The current situation in Ukraine still represents a risk for OVB. It cannot be estimated how the military conflict will develop, how long it will last and whether it might spread to other countries eventually. The war directly affects clients, financial advisors, backoffice staff and partners of OVB, which has been doing business in Ukraine since 2007. The immediate impact on OVB Group’s profit/loss, financial position and assets and liabilities is closely limited.

Indirectly, however, the effects of this war on the international economy, the income and employment situation of private households and the financial markets could have a negative impact on OVB’s business in Europe as well. In particular, decreasing real income due to high inflation rates increasingly diminishes financial resources of the people in Europe, with the consequence that financial products are less demanded or paid for.

Geopolitical challenges are also growing beyond Ukraine. On 7 October 2023, the terrorist organisation Hamas attacked Israel. Since then, the war in the region has continued and it is not foreseeable how the situation in the Middle East will develop or whether the conflict will expand. As the region is very important as a supplier of energy, among other things, a continuing war might lead to price increases and thus also affect Europe economically, which could also have consequences for companies like OVB and also its clients.

Furthermore, the tax and sociopolitical framework, developments on the capital market and a host of regulatory changes affect OVB's business. At the same time, OVB sees such adjustments of the general conditions also as an opportunity to further improve the quality of its services.

On 24 May 2023 the European Commission presented its draft for its retail investor strategy. A commission ban – as discussed in the meantime – is no longer included. OVB continues to be in close contact with industry associations and analyses the transparency requirements and regulations for the sale of financial products proposed in the draft.

OVB is aware of cyber risks that may negatively affect its IT-based processes and lead to system failures. These could limit the operating performance of individual business segments or of the entire Group. In order to minimise such risks, OVB has taken and implemented corresponding cybersecurity measures to ensure the security and reliability of its IT systems. In addition to that, OVB uses new technologies to optimise its IT infrastructure or to increase transaction speed. These technologies not only offer opportunities for the prevention of cyber risks but also for increasing the effectiveness and profitability of sales and working methods. OVB has a clear strategy and robust management for the use of new technologies in order to avoid potential security gaps or compatibility issues.

OVB's risk management system and the implemented reporting contribute considerably to the transparency and control of the Group's overall risk position. The risk management and internal control system is updated on an ongoing basis in order to enhance transparency of the risks taken and to further improve available risk control options.

Opportunities and risks have not changed substantially since the preparation of the 2022 consolidated financial statements. They are described in detail in the 2022 Annual Report, particularly in its chapter "Report on opportunities and risks".

Outlook

A key strength of OVB Group is its broad international positioning across currently 16 European countries. Overall, the market conditions remain challenging. Despite the high demand for independent protection and provision, it cannot be ruled out that clients will act more cautiously in their long-term investment decisions – especially against the backdrop of the high inflation rates. OVB will continue to pursue its growth course and strive for a further expansion of the number of financial advisors and clients.

The long-term business potential in the market for private protection and provision remains unchanged. Against the backdrop of further changes in the economic environment, the markets and the legal framework for business activity, OVB recently presented its new medium-term growth strategy "OVB Excellence 2027" with the goal of sustainably expanding the sales organisation and broadening the client base.

There are currently a number of uncertainties in a persistently challenging market environment. Nevertheless, OVB is optimistic based on the course of the financial year so far. If the momentum recorded in the third quarter continues, the Executive Board considers a range between Euro 350 million and 360 million achievable for the Group's brokerage income in financial year 2023 and keeps expecting an operating result between Euro 16 million and 19 million.

Cologne, 27 October 2023

Mario Freis	Frank Burow	Heinrich Fritzlar
CEO	CFO	COO

IFRS Interim consolidated financial statements

Consolidated statement of financial position

of OVB Holding AG as of 30 September 2023 according to IFRS

Assets

EUR'000	30/09/2023	31/12/2022
A. Non-current assets		
Intangible assets	15,693	14,019
Rights of use of leased assets	11,436	9,874
Tangible assets	5,253	5,702
Financial assets	429	489
Deferred tax assets	6,004	5,557
	38,815	**35,641**
B. Current assets		
Trade receivables	44,485	46,795
Receivables and other assets	61,886	54,653
Income tax assets	1,842	1,534
Securities and other capital investments	42,525	41,846
Cash and cash equivalents	73,851	80,644
	224,589	**225,472**
Total assets	**263,404**	**261,113**

Equity and liabilities

EUR'000	30/09/2023	31/12/2022
A. Equity		
Subscribed capital	14,251	14,251
Capital reserve	39,342	39,342
Treasury shares	0	0
Revenue reserves	13,573	13,708
Other reserves	-222	-157
Non-controlling interests	735	513
Retained earnings	22,302	25,857
	89,981	**93,514**
B. Non-current liabilities		
Provisions	1,652	1,832
Other liabilities	9,527	8,245
Deferred tax liabilities	1,029	879
	12,208	**10,956**
C. Current liabilities		
Provisions for taxes	761	1,558
Other provisions	69,617	67,889
Income tax liabilities	1,015	658
Trade payables	21,549	24,618
Other liabilities	68,273	61,920
	161,215	**156,643**
Total equity and liabilities	**263,404**	**261,113**

IFRS Interim consolidated financial statements

Consolidated income statement

of OVB Holding AG for the period from 1 January to 30 September 2023 according to IFRS

EUR'000	01/07 - 30/09/2023	01/07 - 30/09/2022	01/01 - 30/09/2023	01/01 - 30/09/2022
Brokerage income	89,682	77,475	260,255	247,164
Other operating income	2,003	2,116	8,979	7,994
Total income	**91,685**	**79,591**	**269,234**	**255,158**
Brokerage expenses	-59,857	-50,352	-173,397	-162,072
Personnel expenses	-12,247	-10,597	-36,950	-33,172
Depreciation and amortisation	-2,150	-2,334	-6,273	-6,570
Other operating expenses	-12,868	-12,132	-41,202	-37,984
Earnings before interest and taxes (EBIT)	**4,563**	**4,176**	**11,412**	**15,360**
Finance income	730	616	2,162	1,139
Finance expenses	-98	-349	-301	-2,491
Financial result	**632**	**267**	**1,861**	**-1,352**
Consolidated income before income tax	**5,195**	**4,443**	**13,273**	**14,008**
Taxes on income	-1,371	-1,423	-3,915	-4,585
Consolidated net income	**3,824**	**3,020**	**9,358**	**9,423**
Thereof non-controlling interests	1	-99	-222	-265
Consolidated net income after non-controlling interests	**3,825**	**2,921**	**9,136**	**9,158**
Basic/Diluted earnings per share in Euro	0.27	0.20	0.64	0.64

IFRS Interim consolidated financial statements

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 30 September 2023 according to IFRS

EUR'000	01/07 - 30/09/2023	01/07 - 30/09/2022	01/01 - 30/09/2023	01/01 - 30/09/2022
Consolidated net income	**3,824**	**3,020**	**9,358**	**9,423**
Change from revaluation of financial assets measured at fair value outside profit or loss	27	-127	81	-305
Change in currency translation reserve	-359	-225	-146	-388
Other comprehensive income to be reclassified to the income statement	**-332**	**-352**	**-65**	**-693**
Total comprehensive income before non-controlling interests	**3,492**	**2,668**	**9,293**	**8,730**
Total comprehensive income attributable to non-controlling interests	1	-99	-222	-265
Total comprehensive income	**3,493**	**2,569**	**9,071**	**8,465**

IFRS Interim consolidated financial statements

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 30 September 2023 according to IFRS

EUR'000		01/01 – 30/09/2023	01/01/ – 30/09/2022
Consolidated income before income tax		13,273	14,008
+/-	Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	6,273	6,570
-	Financial result	-1,861	1,352
-/+	Unrealised currency gains/losses	-378	852
+/-	Allocation to / Reversal of valuation allowances for receivables	-287	321
+/-	Other non-cash financial items	170	-267
+/-	Increase/Decrease in provisions	1,548	-1,559
+/-	Result from the disposal of intangible and tangible assets	-8	-68
+/-	Decrease/Increase in trade receivables and other assets	-4,637	-1,799
+/-	Increase/Decrease in trade payables and other liabilities	2,877	1,606
-	Interest paid	0	-37
-	Income tax paid	-4,961	-5,895
= Cash flow from operating activities		**12,009**	**15,084**
+	Payments received from disposal of tangible assets and intangible assets	63	214
+	Payments received from disposal of financial assets	102	75
+	Payments received from disposal of securities and other short-term capital investments	21,201	16,498
-	Payments for expenditure on tangible assets	-988	-1,112
-	Payments for expenditure on intangible assets	-4,651	-3,479
-	Payments for expenditure on financial assets	-42	-34
-	Payments for expenditure on securities and other short-term capital investments	-21,519	-24
+	Other finance income	11	319
+	Interest received	1,657	807
= Cash flow from investing activities		**-4,166**	**13,264**
-	Dividends paid	-12,826	-12,826
-	Payments on the principal of the lease liability from financing activities	-1,775	-1,837
-	Payments on the interest of the lease liability from financing activities	-257	-199
= Cash flow from financing activities		**-14,858**	**-14,862**
Overview:			
Cash flow from operating activities		12,009	15,084
Cash flow from investing activities		-4,166	13,264
Cash flow from financing activities		-14,858	-14,862
= Net change in cash and cash equivalents		**-7,015**	**13,486**
Exchange rate changes in cash and cash equivalents		222	-1,253
+ Cash and cash equivalents at end of the prior year		80,644	74,594
= Cash and cash equivalents at the end of the period		**73,851**	**86,827**

IFRS Interim consolidated financial statements

Consolidated statement of changes in equity

of OVB Holding AG as of 30 September 2023 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2022	**14,251**	**39,342**	**2,576**	**11,132**	**-308**	**-82**
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					81	
Allocation to other reserves				-135		
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
30/09/2023	**14,251**	**39,342**	**2,576**	**10,997**	**-227**	**-82**

of OVB Holding AG as of 30 September 2022 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2021	**14,251**	**39,342**	**2,576**	**11,132**	**-2**	**-665**
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					-305	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
30/09/2022	**14,251**	**39,342**	**2,576**	**11,132**	**-307**	**-665**

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
56	**177**		**11,186**	**14,671**		**93,001**	**513**	**93,514**
			14,671	-14,671				
			-12,826			-12,826		-12,826
		81			81	81		81
			135					
	-146	-146			-146	-146		-146
				9,136	9,136	9,136	222	9,358
56	**31**	**-65**	**13,166**	**9,136**	**9,071**	**89,246**	**735**	**89,981**

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
173	**273**		**8,297**	**15,715**		**91,092**	**279**	**91,371**
			15,715	-15,715				
			-12,826			-12,826		-12,826
		-305			-305	-305		-305
	-388	-388			-388	-388		-388
				9,158	9,158	9,158	265	9,423
173	**-115**	**-693**	**11,186**	**9,158**	**8,465**	**86,731**	**544**	**87,275**

IFRS Interim consolidated financial statements – Notes as of 30 September 2023

I. General information

1. General information on OVB Group

The condensed interim consolidated financial statements for the first nine months of 2023 are released for publication pursuant to Executive Board resolution adopted today.

The parent company of OVB Group (hereinafter referred to as "OVB") is OVB Holding AG, Cologne, recorded in the Commercial Register 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 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) 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 2022.

For the preparation of the condensed interim consolidated financial statements, the same accounting policies, measurement and consolidation methods and the same standards have been adopted as were applied for the preparation of the consolidated financial statements for the year ended 31 December 2022 and released in the Annual Report unless otherwise indicated.

The condensed interim consolidated financial statements are prepared in euros. Unless stated otherwise, all figures are rounded up or down to the nearest thousand euros (EUR'000) in accordance with commercial rounding principles. As the figures are presented in thousand euro increments, rounding discrepancies may arise in the individual case when single values are added up. The selected items in the notes are presented without sign with the exception of segment reporting, financial result and income tax.

In preparing the condensed interim consolidated financial statements pursuant to IAS 34, the Executive Board must make assessments and assumptions and apply estimates that have an effect on the application of accounting policies within the Group and on the disclosure of assets and liabilities as well as of income and expenses. Actual amounts may vary from respective estimates made.

Further information on discretionary decisions and estimate uncertainty can be found in chapter 4.4 "Discretionary decisions" in the notes to the consolidated financial statements as of 31 December 2022.

In the year under review 2023, the following new standards are subject to mandatory first-time adoption:

IAS 1 Presentation of Financial Statements & IFRS Practice Statement 2 (amendments)

The amendments to IAS 1 and IFRS Practice Statement 2 define the obligation to disclose material information on methods of accounting and measurement and specify the identification and presentation of such information. Amendments are effective as of 1 January 2023, application ahead of schedule was permitted. No material effects on the consolidated financial statements result from these amendments.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amendments)

Amendments to IAS 8 concern the definition of accounting estimates as monetary amounts in financial statements subject to measurement uncertainty. Changes in accounting estimates based on new information or new developments including their effects are not deemed corrections of errors made in previous reporting periods. Amendments are effective as of 1 January 2023, application ahead of schedule was permitted. No material effects on the consolidated financial statements result from these amendments.

IAS 12 Taxes on Income (amendments)

The IASB has released a clarification regarding deferred tax on transactions of e.g. leases and decommissioning obligations, principally introducing another exemption from the “initial recognition exemption”. From now on, deferred tax assets and liabilities have to be recognised for transactions whose initial recognition results in equal amounts of deductible and taxable temporary differences. Amendments are effective as of 1 January 2023, application ahead of schedule was permitted. No material effects on the consolidated financial statements result from these amendments.

IFRS 17 Insurance Contracts and Amendments

The introduction of new standard IFRS 17 governs the basic principles for recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 upon its entry into force. It aims for a better presentation of insurance contracts in terms of comparability in the statement of financial position, enabling the user of financial statements to evaluate the effects on the reporting entity’s assets and liabilities, financial position and profit/loss as well as its cash flows. The new standard is effective as of 1 January 2023. It has no material effects on the consolidated financial statements.

For a better presentation of comparative information upon the simultaneous introduction of IFRS 9 and IFRS 17, amendments to the transitional provisions of IFRS 17 were released. The definition of a right to choose is intended to avoid misleading information due to the different provisions of the two standards with respect to the presentation of the period of comparison. This enables insurance companies to present comparative information on financial assets as if the provisions of IFRS 9 had been adopted before already. Amendments are effective as of 1 January 2023. No material effects on the consolidated financial statements result from these amendments.

The following standards have been released by the IASB and will be adopted in future reporting periods subject to pending EU endorsement:

IAS 12

In response to the guidance issued by the OECD on the Global Anti-Base Erosion (GloBE) rules for harmonising the tax system, the IASB has released amendments to IAS 12. These relate, firstly, to an exemption from the rules in IAS 12 regarding the recognition and presentation of note disclosures of deferred tax assets and liabilities in connection with income taxes of the OECD’s so-called “second pillar” (global minimum tax of 15 per cent). Secondly, the amendments result in requirements regarding the separate presentation of actual tax expense (income) and second-pillar income taxes, requirements regarding disclosures in the notes for periods in which second-pillar legislation is (mainly) introduced, and requirements regarding presentation in accordance with IAS 8. Amendments are effective as of 1 January 2023. No material effects on the consolidated financial statements will result from these amendments.

IAS 1 Presentation of Financial Statements (amendments)

The standard will clarify the classification of liabilities as current or non-current liabilities in its future version. The amendment is effective as of 1 January 2024. No material effects on the consolidated financial statements will result from this amendment.

IAS 7 / IFRS 7

In order to provide clear guidance on qualitative and quantitative information in connection with supplier financing arrangements, the IASB has announced amendments to IAS 7 and IFRS 7. The amendments relate to the definition of characteristics of an arrangement for which disclosures are required in the notes and to additional disclosures required in the notes in connection with supplier financing arrangements. Amendments are effective as of 1 January 2024. No material effects on the consolidated financial statements will result from these amendments.

IFRS 16 Leases (amendments)

The IASB has announced amendments to IFRS 16 for the clarification of the subsequent measurement of lease liabilities in sale and leaseback transactions. These provide for the seller-lessee to subsequently measure lease liabilities in a way that does not recognise any amount of the gain or loss that relates to the disposal of the right of use retained. Amendments are effective as of 1 January 2024, application ahead of schedule is permitted. No material effects on the consolidated financial statements will result from these amendments.

IAS 21 Foreign Exchange Rates (amendments)

Amendments address how to determine exchange rates where there is a lack of exchangeability. If a currency is not exchangeable at the measurement date, the entity estimates the closing rate as the rate that would have applied to an orderly transaction between market participants and that would faithfully reflect prevailing economic conditions. The entity additionally provides information that enables users of financial statements to evaluate how the lack of exchangeability of a currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. Amendments are effective for annual reporting periods beginning on or after 1 January 2025, application ahead of schedule is permitted. No material effects on the consolidated financial statements will result from these amendments.

2.1 Financial instruments

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

Classification according to measurement categories is based on the identification of the business model under which contractual cash flows are collected as well as on an assessment of the terms of the cash flows by way of the SPPI test (Solely Payments of Principal and Interest). OVB Group's financial instruments can be classified as follows:

Amortised Cost (AC)

Financial instruments measured at amortised cost (business model: hold; cash flow conditions: compliant) are generally recognised at fair value upon addition. Trade receivables are recognised at the amount determined in accordance with IFRS 15 upon addition. Insofar as future impairment is anticipated, it is considered for measurement unless immaterial. Subsequent to first-time recognition, such financial instruments are measured at amortised cost. That is the amount at which a financial asset was valuated upon first-time recognition less repayments, plus or less the cumulative amortisation of any difference between the originally assigned value and the amount repayable upon final maturity based on the effective interest method, and less any valuation allowances for expected credit loss.

Fair Value through Profit or Loss (FVPL)

Financial instruments measured at fair value through profit or loss (either business model: not hold or cash flow conditions: not compliant) are recognised at fair value upon addition. Gains or losses resulting from subsequent measurement are to be recognised through profit or loss in the income statement.

Fair Value through Other Comprehensive Income (FVOCI)

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

2.2 Impairment and reversal of impairment loss of financial assets

As of each reporting date, expected credit losses are considered for valuation allowances for financial assets / contract assets measured at amortised cost. Present values of classical default scenarios are multiplied by the corresponding probability of occurrence.

The initial effective interest rate is applied for discounting.

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

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

2.3 Recognition of sales

OVB generally recognises sales at the time the agreed performances have been provided to the client (satisfaction of performance obligation). In case of uncertainty with respect to recognition in profit or loss, sales are recognised as soon as such uncertainty ceases to apply, i.e. no later than the date of OVB's actual cash inflow of commission. For the risk of any commission refunds to product partners as a result of cancelled contracts or in the event of non-payment, provisions are made on the basis of historical figures (provisions for cancellation risk). Changes in provisions for cancellation risk are charged or credited to sales. Considering potential refunds of commission already received in case of cancellation, sales represent variable consideration for the purpose of IFRS 15 due to the element of uncertainty in the amounts of revenue.

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

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

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

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

OVB is paid dynamic commission for premium raises over the contract term. Dynamic commission is recognised as of the point in time the policyholder's withdrawal period with respect to the premium raise expires.

OVB acts as principal and the financial advisors act as multiple agents/brokers.

3. Changes to the scope of consolidation

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

Within the scope of consolidation, Verzekeringskantoor Louis Vanheule BVBA, Dendermonde was merged into Willemot Bijzonder Verzekeringsbestuur NV, Gent.

II. Significant events in the reporting period

The reporting period continued to be affected by the war in Ukraine and distortions in the energy markets. Increased political and macroeconomic risks coincided with higher inflation and the scarcity of energy sources. OVB faces the risk that clients may be more hesitant to enter new contracts and/or cannot fulfil their payment obligations on schedule anymore.

For these reasons, OVB has continued its precautionary measures taken as of 31 December 2022 and adjusted or rather reduced them in view of the slightly improved macroeconomic conditions.

There are therefore effects on individual items in the statement of financial position for OVB as of the reporting date, particularly the measurement of receivables from financial advisors, the measurement of the contract asset according to IFRS 15 and the assessment of the future cancellation behaviour of policyholders and connected to that the measurement of provisions for cancellation risk and the measurement of financial instruments. The development of macroeconomic conditions had the following effects on those items in the first nine months of 2023.

Cancellation risk
Against the backdrop of the current macroeconomic development, OVB has reduced its additional precautionary measure as a relative premium based on the severity of the described risks in the first nine months of 2023 compared to the previous year. Additional precautionary measures were thus reduced from EUR 3.5 million to EUR 1.4 million.

Contract asset
The contract asset less provisions from subsequent commission (IFRS 15) is reduced by the net amount of EUR 0.2 million as of 30 September 2023 by the additional precautionary measures (31 December 2022: EUR 0.6 million).

Receivables from financial advisors
The expected higher probabilities of default have an increasing effect on valuation allowances for receivables from financial advisors in the amount of EUR 0.1 million as of the reporting date (31 December 2022: EUR 0.3 million).

Further significant reportable events pursuant to IAS 34 (e.g. exceptional business transactions, launch of restructuring measures or discontinuation of operations) did not occur.

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

1. Financial assets

EUR'000		30/09/2023	31/12/2022
Financial assets	AC	429	489

AC = Amortised Cost

Financial assets comprise loans granted to employees and self-employed financial advisors with terms of more than one year, issued at customary interest rates.

2. Receivables and other assets

EUR'000	30/09/2023	31/12/2022
Receivables	21,659	19,189
Other assets	6,386	5,077
Contract asset (IFRS 15)	33,841	30,387
	61,886	**54,653**

3. Securities and other capital investments

EUR'000		30/09/2023	31/12/2022
Securities	FVPL	16,987	16,691
Securities	FVOCI	2,522	8,402
Other capital investments	AC	23,016	16,753
		42,525	**41,846**

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

4. Cash and cash equivalents

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

EUR'000	30/09/2023	31/12/2022
Cash	13	15
Cash equivalents	73,838	80,629
	73,851	**80,644**

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. Measurement is based on amortised cost; foreign currencies are measured in euros as of the closing date.

5. Share capital

Unchanged from 31 December 2022, the subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251,314.00. 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 according to German commercial law.

The resolution on the appropriation of retained earnings of OVB Holding AG for financial year 2022 was adopted by the Annual General Meeting held on 14 June 2023.

The shareholders' dividend claim in the amount of EUR 12,826 thousand became due on 19 June 2023. The dividend equals EUR 0.90 per no-par share (previous year: EUR 0.90 per no-par share):

EUR'000	2022	2021
Distribution to shareholders	12,826	12,826
Profit carry-forward	7,896	5,810
Retained earnings	**20,722**	**18,637**

7. Treasury shares

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

At the Annual General Meeting of OVB Holding AG held on 10 June 2020, shareholders authorised the Executive Board, to acquire up to 300,000 of the Company's bearer shares in the period between 11 June 2020 and 9 June 2025, in one or several transactions, with the Supervisory Board's approval. Shares acquired on the basis of this resolution may also be retired.

8. Other provisions

EUR'000	30/09/2023	31/12/2022
1. Cancellation risk	18,802	20,948
2. Unbilled liabilities	21,807	19,607
3. Litigation	1,905	1,850
4. Provisions from subsequent commission (IFRS 15)	22,619	20,154
	65,133	**62,559**
5. Miscellaneous		
- Obligations to employees	2,764	2,505
- Costs for financial statements / Audit cost	740	785
- Other obligations	980	2,040
	4,484	**5,330**
	69,617	**67,889**

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 advisors.

3. Litigation
Provisions are made for litigation primarily due to legal disputes with clients and former financial advisors. 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 financial advisors.

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

9. Other non-current liabilities

EUR'000	30/09/2023	31/12/2022
Non-current lease liabilities	9,527	8,245

Non-current lease liabilities result from the application of IFRS 16.

10. Other current liabilities

EUR'000	30/09/2023	31/12/2022
1. Retained securities	55,378	53,866
2. Other tax liabilities	1,660	1,724
3. Liabilities to employees	3,503	2,922
4. Liabilities to product partners	2,916	783
5. Current lease liabilities	2,414	2,006
6. Miscellaneous liabilities	2,402	617
	68,273	**61,920**

1. Retained securities
Retained securities include provisions for cancellation risk set aside on account of financial advisors. Amounts are retained in order to cover anticipated commission refund claims.

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

3. Liabilities to employees
Payments due to employees in the short term for work performed such as holiday pay, bonuses or premiums as well as benefits paid to employees due to the termination of employment are recognised 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 nominal value.

5. Current lease liabilities
Current lease liabilities result from the application of IFRS 16.

6. 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 - 30/09/2023	01/01 - 30/09/2022
1. New business commission	201,958	189,015
2. Policy service commission	40,578	39,093
3. Dynamic commission	5,760	4,875
4. Other brokerage income	11,959	14,181
	260,255	**247,164**

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 policyholder's continuous contract support and is collected after rendering respective services.

3. Dynamic commission
Dynamic commission results from dynamic adjustments of premiums for insurance policies 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 3,476 thousand (previous year: EUR 3,402 thousand) as a result of earlier capitalisation of partly discounted and pro-rata new business commission.

2. Other operating income

Other operating income essentially includes refunds paid by financial advisors for workshop participation, reversals of provisions, reimbursements of costs paid by sales force and partner companies, income from statute-barred liabilities and all other operating income not to be recorded as brokerage income.

EUR'000	01/01 - 30/09/2023	01/01 - 30/09/2022
Other operating income	8,979	7,994

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, policy service commission and dynamic commission. Other commission includes all other commission linked to a specific purpose, e.g. other performance-based remuneration.

EUR'000	01/01 – 30/09/2023	01/01 – 30/09/2022
Current commission	157,704	146,903
Other commission	15,693	15,169
	173,397	**162,072**

4. Personnel expense

EUR'000	01/01 – 30/09/2023	01/01 – 30/09/2022
Wages and salaries	30,201	27,207
Social security	6,187	5,406
Pension plan expenses	562	559
	36,950	**33,172**

5. Depreciation and amortisation

EUR'000	01/01 – 30/09/2023	01/01 – 30/09/2022
Amortisation of intangible assets	2,946	3,470
Depreciation of rights of use	1,906	1,818
Depreciation of property, plant and equipment	1,421	1,282
	6,273	**6,570**

6. Other operating expenses

EUR'000	01/01 – 30/09/2023	01/01 – 30/09/2022
Sales and marketing expenses	16,071	14,044
Administrative expenses	20,482	19,454
Non-income-based tax	3,797	3,557
Miscellaneous operating expenses	852	929
	41,202	**37,984**

7. Financial result

EUR'000	01/01 - 30/09/2023	01/01 - 30/09/2022
Finance income		
Interest income and similar income	1,827	866
Income from securities	11	260
Reversal of impairment loss on capital investments	324	13
	2,162	**1,139**
Finance expense		
Interest expense and similar expenses	-257	-236
Expenses for capital investments	-44	-2,255
	-301	**-2,491**
Financial result	**1,861**	**-1,352**

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

EUR'000	01/01 - 30/09/2023	01/01 - 30/09/2022
Actual income tax	4,199	4,432
Deferred income tax	-284	153
	3,915	**4,585**

9. Earnings per share

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

EUR'000	01/01 - 30/09/2023	01/01 - 30/09/2022
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)	9,136	9,158
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	**0.64**	**0.64**

V. Notes on segment reporting

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

The "Central and Eastern Europe" segment includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz, a.s., Prague; OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Społka Finansowa Sp. z o.o., Warsaw; 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; TOB OVB Allfinanz Ukraine, Kiev, and, since the third quarter of 2022, OVB Allfinanz SI, zavarovalno zastopniška družba, d.o.o., Ljubljana. Material contributions to the brokerage income of the Central and Eastern Europe segment were generated by OVB Allfinanz, a.s., Prague, at EUR 41,066 thousand (previous year: EUR 34,663 thousand) and OVB Allfinanz Slovensko a.s., Bratislava, at EUR 37,795 thousand (previous year: EUR 37,755 thousand).

The “Germany” segment comprises OVB Vermögensberatung AG, Cologne; Advesto GmbH, Cologne, and Eurenta Holding GmbH, Cologne. In this segment, brokerage income is primarily generated by OVB Vermögensberatung AG, Cologne.

The "Southern and Western Europe" segment includes the following companies: OVB Allfinanzvermittlungs GmbH, Wals near Salzburg; OVB Vermögensberatung (Schweiz) AG, Hünenberg; OVB-Consulenza Patrimoniale SRL, Verona; OVB Allfinanz España S.A., Madrid; OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas Allfinanz Vermittlungs GmbH, Athens; OVB Conseils en patrimoine France Sàrl., Strasbourg; Eurenta Hellas Monoprosopi EPE Asfalistiki Praktores, Athens; and Willemot Bijzonder Verzekeringsbestuur NV, Gent. Verzekeringskantoor Louis Vanheule BVBA, Dendermonde, was included in the previous year, merged into Willemot Bijzonder Verzekeringsbestuur NV, Gent, in the third quarter. Material contributions to the brokerage income of the Southern and Western Europe segment were generated by OVB Allfinanz España S.A., Madrid, at EUR 23,764 thousand (previous year: EUR 25,486 thousand) and OVB Allfinanzvermittlungs GmbH, Wals near Salzburg, at EUR 23,320 thousand (previous year: EUR 22,649 thousand).

The "Corporate Centre" segment includes OVB Holding AG, Cologne; Nord-Soft EDV-Unternehmensberatung GmbH, Horst; Nord-Soft Datenservice GmbH, Horst; and OVB Informatikai Kft., Budapest. The entities of the Corporate Centre segment are not involved in the brokerage of financial products but primarily concerned with providing services to OVB Group. The range of services particularly comprises management and consulting services, software and IT services as well as marketing services.

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

IFRS Interim consolidated financial statements

Segment reporting

of OVB Holding AG for the period from 1 January to 30 September 2023 according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consoli-dation	Consoli-dated
Segment income						
Income from business with third parties						
- Brokerage income	146,081	42,735	71,439	0	0	260,255
- New business commission	125,725	24,971	51,262	0	0	201,958
- Policy service commission	11,801	14,170	14,607	0	0	40,578
- Dynamic commission	1,397	2,555	1,808	0	0	5,760
- Other brokerage income	7,158	1,039	3,762	0	0	11,959
Other operating income	1,989	2,544	2,351	2,613	-518	8,979
Income from inter-segment transactions	1	713	0	16,029	-16,743	0
Total segment income	**148,071**	**45,992**	**73,790**	**18,642**	**-17,261**	**269,234**
Segment expenses						
Brokerage expense						
- Current commission	-91,488	-25,368	-40,848	0	0	-157,704
- Other commission	-8,643	-2,335	-4,715	0	0	-15,693
Personnel expenses	-10,120	-5,814	-10,555	-10,461	0	-36,950
Depreciation/Amortisation	-1,654	-723	-1,591	-2,305	0	-6,273
Other operating expenses	-23,103	-8,592	-13,751	-12,822	17,066	-41,202
Total segment expenses	**-135,008**	**-42,832**	**-71,460**	**-25,588**	**17,066**	**-257,822**
Earnings before interest and taxes (EBIT)	**13,063**	**3,160**	**2,330**	**-6,946**	**-195**	**11,412**
Interest income	1,284	219	65	264	-5	1,827
Interest expenses	-122	-89	-49	-2	5	-257
Other financial result	0	252	13	26	0	291
Earnings before taxes (EBT)	**14,225**	**3,542**	**2,359**	**-6,658**	**-195**	**13,273**
Taxes on income	-2,546	-14	-1,181	-174	0	-3,915
Non-controlling interests	0	0	0	-222	0	-222
Segment result	**11,679**	**3,528**	**1,178**	**-7,054**	**-195**	**9,136**
Additional disclosures						
Capital expenditures for intangible and tangible assets	1,903	90	1,236	2,410	0	5,639
Material non-cash expenses (-) and income (+)	1,157	612	631	-4	0	2,396
Impairment/Fair value expenses in accordance with IFRS 9	-686	-378	-466	-100	0	-1,630
Impairment reversal/Fair value write-up in accordance with IFRS 9	341	1,162	210	38	0	1,751

IFRS Interim consolidated financial statements

Segment reporting

of OVB Holding AG for the period from 1 January to 30 September 2022 according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consoli-dation	Consoli-dated
Segment income						
Income from business with third parties						
- Brokerage income	127,488	45,067	74,609	0	0	247,164
- New business commission	109,543	26,292	53,180	0	0	189,015
- Policy service commission	10,973	14,583	13,537	0	0	39,093
- Dynamic commission	884	2,303	1,688	0	0	4,875
- Other brokerage income	6,088	1,889	6,204	0	0	14,181
Other operating income	1,799	2,606	2,183	1,809	-403	7,994
Income from inter-segment transactions	0	731	23	14,174	-14,928	0
Total segment income	**129,287**	**48,404**	**76,815**	**15,983**	**-15,331**	**255,158**
Segment expenses						
Brokerage expense						
- Current commission	-79,555	-26,178	-41,170	0	0	-146,903
- Other commission	-7,305	-2,453	-5,411	0	0	-15,169
Personnel expenses	-8,510	-5,505	-9,742	-9,603	188	-33,172
Depreciation/Amortisation	-1,459	-747	-1,469	-2,895	0	-6,570
Other operating expenses	-19,333	-8,344	-13,783	-11,604	15,080	-37,984
Total segment expenses	**-116,162**	**-43,227**	**-71,575**	**-24,102**	**15,268**	**-239,798**
Earnings before interest and taxes (EBIT)	**13,125**	**5,177**	**5,240**	**-8,119**	**-63**	**15,360**
Interest income	732	89	30	18	-3	866
Interest expenses	-71	-101	-66	-1	3	-236
Other financial result	0	-622	-251	-1,109	0	-1,982
Earnings before taxes (EBT)	**13,786**	**4,543**	**4,953**	**-9,211**	**-63**	**14,008**
Taxes on income	-2,584	-6	-1,788	-201	-6	-4,585
Non-controlling interests	0	0	0	-265	0	-265
Segment result	**11,202**	**4,537**	**3,165**	**-9,677**	**-69**	**9,158**
Additional disclosures						
Capital expenditures for intangible and tangible assets	1,719	86	568	2,218	0	4,591
Material non-cash expenses (-) and income (+)	1,746	1,159	1,165	180	0	4,250
Impairment/Fair value expenses in accordance with IFRS 9	-425	-1,347	-938	-1,516	-110	-4,336
Impairment reversal/Fair value write-up in accordance with IFRS 9	277	853	79	0	0	1,209

VI. Other disclosures relating to the interim consolidated financial statements

1. Leases

Rights of use of leased objects amount to EUR 11,436 thousand as of 30 September 2023 (31 December 2022: EUR 9,874 thousand). Corresponding lease liabilities altogether amount to EUR 11,941 thousand (31 December 2022: EUR 10,251 thousand) and are classified in the statement of financial position depending on maturity as either non-current (EUR 9,527 thousand / 31 December 2022: EUR 8,245 thousand) or current liabilities (EUR 2,414 thousand / 31 December 2022: EUR 2,006 thousand), entered under the item “Other liabilities” respectively.

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

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

EUR‘000	01/01/2023	Additions	Disposals	Depreciation	Exchange rate differences	30/09/2023
Software	0	34	0	-12	0	22
Land and buildings	9,036	2,960	-21	-1,536	-12	10,427
Machinery, equipment, furniture, vehicles, others	787	493	0	-341	0	939
IT equipment	51	13	0	-17	1	48
	9,874	**3,500**	**-21**	**-1,906**	**-11**	**11,436**

EUR‘000	01/01/2022	Additions	Disposals	Depreciation	Exchange rate differences	31/12/2022
Software	0	0	0	0	0	0
Land and buildings	10,144	843	-7	-1,989	45	9,036
Machinery, equipment, furniture, vehicles, others	748	478	-40	-398	-1	787
IT equipment	69	1	0	-20	1	51
	10,961	**1,322**	**-47**	**-2,407**	**45**	**9,874**

The development of the corresponding lease liability total is as follows:

EUR’000		2023	2022
Lease liabilities as of 1 January		10,251	11,375
Cash outflow repayment component (cash flow from financing activities)		-1,775	-1,837
Addition		3,500	1,040
Disposal		-22	-42
Interest expense		241	134
Cash outflow interest component (cash flow from financing activities)		-241	-134
Exchange rate differences		-13	13
Lease liabilities as of 30 September		**11,941**	**10,549**

Interest expense from accrued interest on lease liabilities amounts to EUR 241 thousand (previous year: EUR 200 thousand), reported under “Other finance expense”.

Expenses for short-term leases with terms of less than twelve months amount to EUR 81 thousand (previous year: EUR 12 thousand), reported under “Other operating expenses”.

Expenses for low value leases amount to EUR 28 thousand (previous year: EUR 24 thousand), reported under “Other operating expenses”.

Terms to maturity of not discounted lease liabilities as of 30 September 2023 are as follows:

EUR‘000	Less than 3 months	3-6 months	6-12 months	1-3 years	3-5 years	More than 5 years	Total
	695	691	1,374	4,569	3,681	2,067	13,077

Terms to maturity of not discounted lease liabilities as of 31 December 2022 are as follows:

EUR‘000	Less than 3 months	3-6 months	6-12 months	1-3 years	3-5 years	More than 5 years	Total
	621	605	998	3,384	2,612	2,891	11,111

Income in the amount of EUR 43 thousand was generated from sub-leases (previous year: EUR 75 thousand).

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

EUR‘000	1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
	11	0	0	0	0	0	11

As of 30 September 2023 there are no renewal options whose probable exercise would result in cash outflow for the next reporting periods.

2. Contingent liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. The associated risks are recognised in “Other provisions” to the extent they give rise to obligations whose values can be reliably estimated. There have been no material changes in comparison with 31 December 2022.

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 have no material effect on the Group’s financial position, assets and liabilities and profit/loss beyond that.

OVB’s brokerage business carries the inherent risk that working together with self-employed financial advisors might be interpreted by tax authorities or social security agencies as an employment relationship, resulting in OVB’s obligation to pay taxes and make social security contributions. OVB has a constant focus on this risk but cannot rule out completely that subsequent claims against OVB might arise due to possible changes to national legal frameworks. Without OVB being engaged in any notable litigation at present in this regard, retrospective payments of taxes and social security contributions of up to EUR 6.4 million might result for one of the operating subsidiaries from today’s viewpoint. Based on legal expert opinions at hand, Management deems corresponding liabilities for OVB not likely.

3. Employees

OVB Group had a commercial staff of altogether 748 employees on average in the first nine months of 2023 (31 December 2022: 708), 69 thereof in executive positions (31 December 2022: 64).

4. Related party disclosures

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

Principal shareholders as of 30 June 2023 are entities of

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

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

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

As of 30 September 2023, SIGNAL IDUNA Lebensversicherung a. G., Hamburg, held shares in OVB Holding AG carrying 31.67 per cent of the voting rights. As of 30 September 2023, 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 entities of SIGNAL IDUNA Group, in the first nine months of 2023 sales in the amount of EUR 26,996 thousand (previous year: EUR 22,682 thousand) were generated. Receivables exist in the amount of EUR 3,827 thousand (31 December 2022: EUR 3,482 thousand).

The item "Securities and other capital investments" includes securities issued by SIGNAL IDUNA Group in the amount of EUR 1,326 thousand (31 December 2022: EUR 1,338 thousand).

As of 30 September 2023, Baloise Beteiligungsholding GmbH, Hamburg, held shares in OVB Holding AG carrying 32.57 per cent of the voting rights. This entity belongs to Baloise Group, whose parent company is Bâloise Holding AG, Basel. Based on agreements concluded with Baloise Group, in the first nine months of 2023 sales in the amount of EUR 13,955 thousand (previous year: EUR 15,702 thousand) were generated, primarily in the Germany segment. Receivables exist in the amount of EUR 3,512 thousand (31 December 2022: EUR 2,546 thousand).

The item "Securities and other investments" includes securities issued by Bâloise Holding AG in the amount of EUR 732 thousand (31 December 2022: EUR 716 thousand).

As of 30 September 2023, Generali CEE Holding B.V., Amsterdam, The Netherlands, held shares in OVB Holding AG carrying 11.48 per cent of the voting rights. This entity is part of Generali Group, whose parent is Assicurazioni Generali S.p.A., Trieste, Italy. Based on agreements concluded with Generali Group, in the first nine months of 2023 sales in the amount of EUR 20,896 thousand (previous year: EUR 16,469 thousand) were generated. Receivables exist in the amount of EUR 5,967 thousand (31 December 2022: EUR 6,431 thousand) and liabilities come to EUR 44 thousand (31 December 2022: EUR 3 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 2023 are not secured, do not bear interest and are settled by payment. There are no guarantees relating to receivables from or liabilities to related parties.

5. Subsequent events

Significant reportable events have not occurred since 30 September 2023, the closing date of these interim consolidated financial statements.

6. Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG:
- Mario Freis, CEO
- Frank Burow, CFO
- Heinrich Fritzlar, COO

Members of the Supervisory Board of OVB Holding AG:
- Michael Johnigk (Chairman of the Supervisory Board); Business Graduate, ret., former Member of the Executive Boards of SIGNAL IDUNA Group, Dortmund/Hamburg
- Dr. Thomas A. Lange (Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee); Chairman of the Executive Board of NATIONAL-BANK AG, Essen
- Julia Wiens (Chairwoman of the Nomination and Remuneration Committee); Member of the Executive Boards of Baloise Lebensversicherungs-AG, Hamburg; Baloise Sachversicherungs-AG, Bad Homburg; Baloise Sach Holding AG, Hamburg; and Managing Director of Basler Saturn Management B.V., Amsterdam, The Netherlands (Member of the Supervisory Board until 31 October 2023)
- Sascha Bassir; Member of the Executive Board of Baloise Vertriebsservice AG, Hamburg; Vice Chairman of Deutscher Ring Unterstützungskasse e. V., Rosenheim; and Managing Board Member of Gilde Unterstützungskasse e. V., Rosenheim (Member of the Supervisory Board since 14 June 2023)
- Roman Juráš; CEO of Generali Česká pojišťovna, a.s., Prague, Czechia; Country Manager for the business operations of Generali in Czechia and Slovakia (Member of the Supervisory Board since 14 June 2023)
- Torsten Uhlig; Member of the Executive Boards of SIGNAL IDUNA Krankenversicherung a. G. (Dortmund); SIGNAL IDUNA Lebensversicherung a. G., Hamburg; SIGNAL IDUNA Unfallversicherung a. G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung Aktiengesellschaft, Dortmund; and SIGNAL IDUNA Holding Aktiengesellschaft, Dortmund (Member of the Supervisory Board since 14 June 2023)
- Markus Jost; Independent Certified Expert for Accounting and Management Accounting, former Member of the Executive Boards of Basler Versicherungen, Bad Homburg/Hamburg (Member of the Supervisory Board until 14 June 2023, reappointed by court order effective 1 November 2023)
- Wilfried Kempchen; Businessman, ret., former Chairman of the Executive Board of OVB Holding AG (Member of the Supervisory Board until 14 June 2023)
- Mag. Harald Steirer; Management Consultant (under exclusive contract with the branch office of Generali CEE Holding B.V., Prague), former Chief Operating Officer of Generali CEE Holding B.V., Prague (Member of the Supervisory Board until 14 June 2023)

Responsibility statement

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

Cologne, 27 October 2023

Mario Freis	Frank Burow	Heinrich Fritzlar
CEO	CFO	COO

Review report

To OVB Holding AG, Cologne

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and selected explanatory notes – and the interim group management report of OVB Holding AG, Cologne, for the period from 1 January to 30 September 2023. The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, 27 October 2023
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christian Sack
Wirtschaftsprüfer
(German Public Auditor)

ppa. Ansgar Zientek
Wirtschaftsprüfer
(German Public Auditor)

Financial Calendar

8 November 2023
Results for the third quarter of 2023, Conference Call

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