Annual Report 2014

OVB Next Level 2014

2013 2015 2016

OVB Allfinanz – simply better

OVB

Contents

Key figures for the OVB Group

Key operating figures

	Unit	2013	2014	Change
Clients (31/12)	Number	3.08 m	3.22 m	+ 4.5 %
Financial advisors (31/12)	Number	5,082	5,173	+ 1.8 %
Total sales commission	Euro million	204.8	214.0	+ 4.5 %

Key financial figures

	Unit	2013	2014	Change
Earnings before interest and taxes (EBIT)	Euro million	10.2	12.3	+ 20.1 %
EBIT margin*	%	5.0	5.7	+ 0.7 %-pts.
Consolidated net income	Euro million	8.0	8.7	+ 8.7 %

*Based on total sales commission

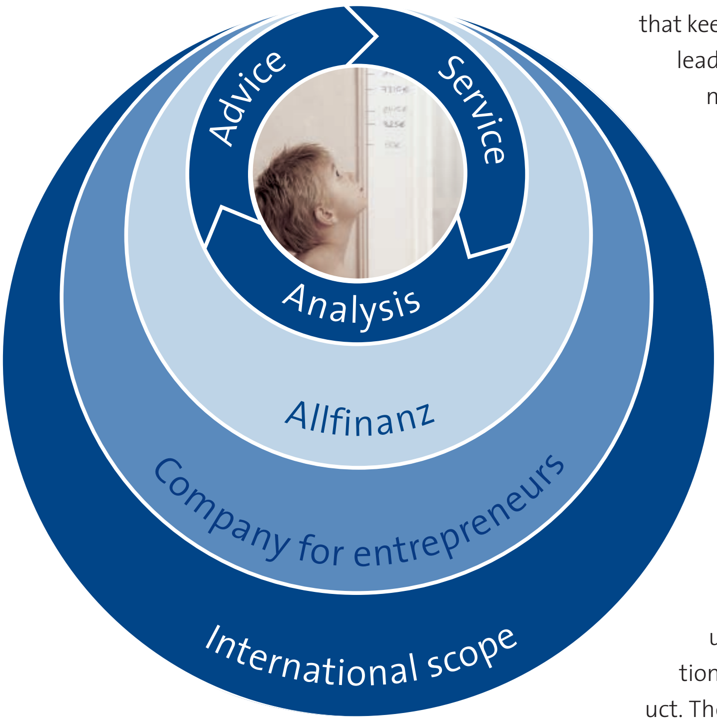
Key figures for OVB shares

	Unit	2013	2014	Change
Share capital (31/12)	Euro million	14.25	14.25	± 0.0 %
Number of shares (31/12)	Shares million	14.25	14.25	± 0.0 %
Earnings per share (undiluted/diluted)	Euro	0.56	0.61	+ 8.9 %
Dividend per share**	Euro	0.55	0.60	+ 9.1 %

** 2014 proposed dividend

What we stand for

OVB has become this unique financial services group because we have been true to the continuity of our business model for 45 years now. And this policy will remain unchanged because change for the sake of change does not create value: not for clients, not for employees and not for shareholders.



"The market is facing tremendous changes", is a prediction that keeps coming back year after year. It spurs us on and leads to attentive yet thoughtful action. Our Company's history proves that client support provided by people with a long-term entrepreneurial interest benefits one party first and foremost: our client. And we will keep it this way. Based on our AAS system (Analysis – Advice – Service) we offer our clients systematic, cross-thematic, integrated financial advice as has recently been called for by consumer protection advocates, politicians and journalists. Our advisory approach is not new but appears more cutting-edge than ever against the backdrop of recent developments. It protects our clients from the particular interests of third parties because it always puts needs-oriented advice first. Even more important, this service is for free until the client actually follows our recommendation and decides in favour of the purchase of a product. There are no extra costs involved for covering the ongoing advisory service after signing the contract – e.g. in the event of damage or loss. This is why every potential client can afford our services.

Our business model is carried by the entrepreneurial thinking and acting of our financial advisors. The superior career system as well as our ability to make our know-how useful for entrepreneurs within the Company are our strengths. Our international orientation provides security to our financial advisors and employees by way of a balanced opportunity-risk profile and enables unique career opportunities across borders in 14 countries of Europe.

OVB Next Level

Based on a success story of more than 40 years, in 2012 we analysed precisely where we stood. And we defined where we want to be by the time we celebrate our 50th anniversary. Most companies pursue a growth strategy. In view of some 400 million potential clients in "OVB Europe" and the tremendous demand for affordable financial advice, it goes without saying that profitable growth is OVB's goal too.

With our Next Level strategy devised to make us the leading system distributor of financial products in Europe in the medium term, we managed to take the many thousand OVB´ians on this "journey" in the service of the people. In 2013 we enhanced our profile with the slogan "OVB – simply better allfinanz solutions". We don't consider simplification a megatrend but rather a necessary basic principle of our growth strategy. In 2014 we focused on our own actions and our expertise with "Next Level – Just do it". This explains our success of the past financial year. For 2015 OVB's chosen motto is "Next Level – Lead your team": Thousands of medium-sized businesses operate under the roof of OVB in Europe and it is our firm conviction that they can further improve the performances of their teams by targeted professional management. We want to call for and promote this effort in order to remain successful through 2015.

Dear Shareholders!

At www.ovb.eu you can see a picture of the OVB team of leaders from 14 countries of Europe: Confident, hard-working people with a positive view of the world. They stand for more than 5,500 OVB financial brokers and employees across Europe who bring the unique OVB business model to life and advance it together day by day in the service of our clients. Because even though 3.2 million people trust in our premium services already, close to 400 million people in the 14 OVB countries do not yet benefit from our cross-thematic allfinanz advisory service committed to securing the financial future. Against the backdrop of empty public coffers and insufficient social security systems there is therefore still a lot to be done. OVB – that means Europe, that means our people!

OVB is a company for entrepreneurs who benefit from the 45-year stability of our career system. They consider the constant challenges in our business environment an opportunity for further emphasising the high quality of our services and OVB's strength. They share the conviction to be working for a unique brand with maybe the best prospects for the future in our united Europe: OVB. It is only with these preconditions in mind that the successes achieved by OVB in a difficult general framework in the 2014 financial year can be explained. In spite of a historically low interest rate level which places a severe burden on the return of provision products, we managed to convince even more people of the necessity of private financial provision by hundreds of thousands of counselling interviews: The number of OVB's clients went up by 4.5 per cent in 2014 to 3.2 million clients. Government regulations, meanwhile proven counterproductive in part, and increasing paternalism of the people coming in the disguise of consumer protection are unnecessary obstacles in the way of accomplishing our mission. And yet OVB managed to win more than 90 new financial brokers for its cause in 2014. And despite unfavourable economic situations in some of the national markets, OVB increased total sales commission by 4.5 per cent in 2014 over the previous year to Euro 214.0 million. Based on this, OVB generated an operating result of Euro 12.3 million, significantly above the prior-year level by 20.1 per cent. Over the past three years we doubled our operating result thanks to our "Next Level" strategy. Our shareholders benefit from this as well. They are meant to participate in this success by an attractive dividend, raised again by 5 euro cents compared to 2013 to now 60 euro cents.

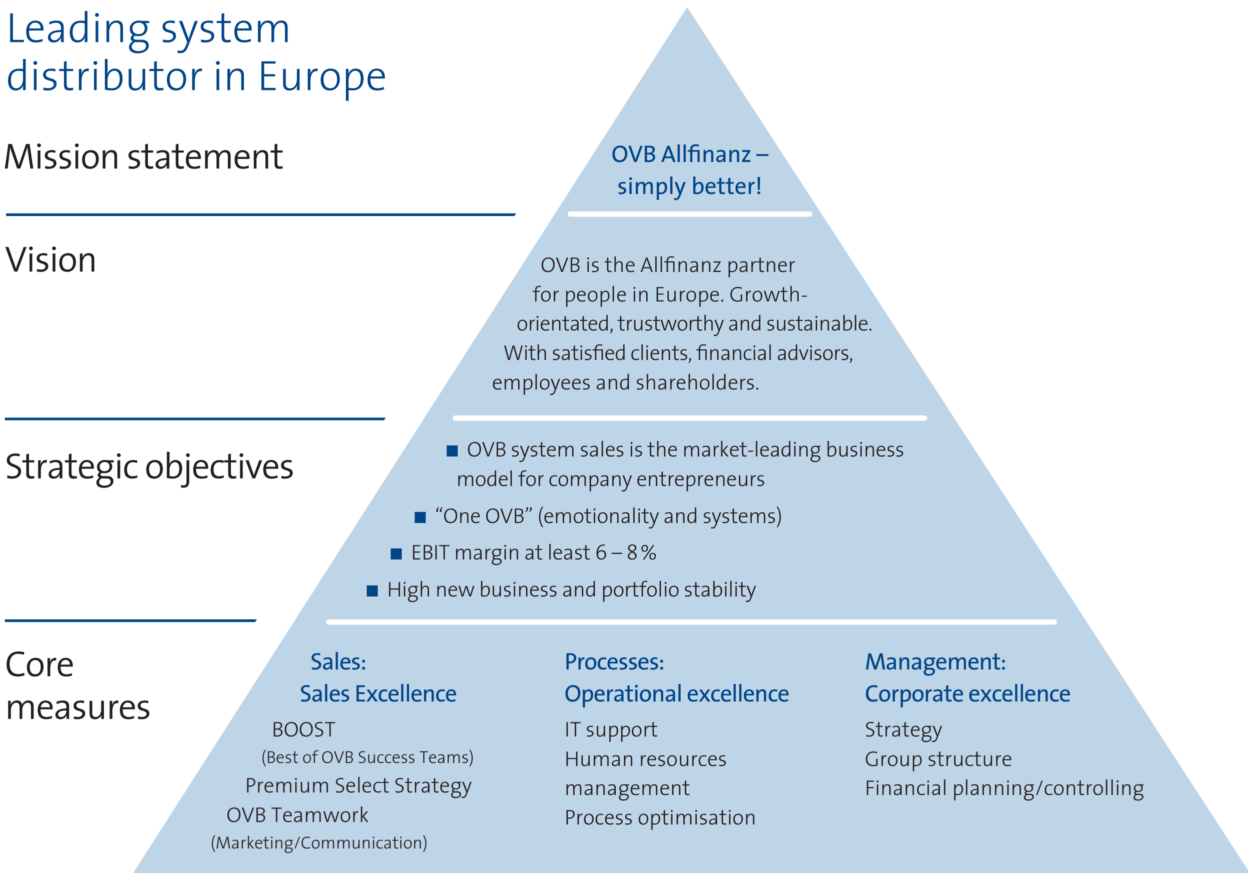
What is our vision? Definitely this: We want to make OVB the leading system distributor of financial products in Europe. This is also what the above-mentioned team of leaders stands for. "OVB Next Level" is not without reason the motto of our 2014 Annual Report. With our Next Level strategy, met with overwhelming response across the entire Group since 2012, we have been focusing on the deciding factor of success: our own actions! The good business result for 2014, far ahead of schedule, is a result of this focus. We are expecting additional stimulation from the next step in the current year 2015: "Next Level – Lead your team". With this approach we want to support our entrepreneurs within the Company in further improving their management effort. We count on long-term relationships. That applies to our shareholders too, of course. I would therefore be delighted if you came along with us on our journey towards the next step of our Company's development.

Best regards

Michael Rentmeister
CEO

The goal

Leading system distributor in Europe



OVB wants to be the first choice for the people in Europe as allfinanz partner for integrated financial solutions. Our vision is based on competent and cross-thematic advice in the interest of our clients. Our slogan "OVB – simply better allfinanz solutions!" describes the basic principle that governs our actions. Under this dictum we offer our clients selected premium products and combine them with outstanding service.

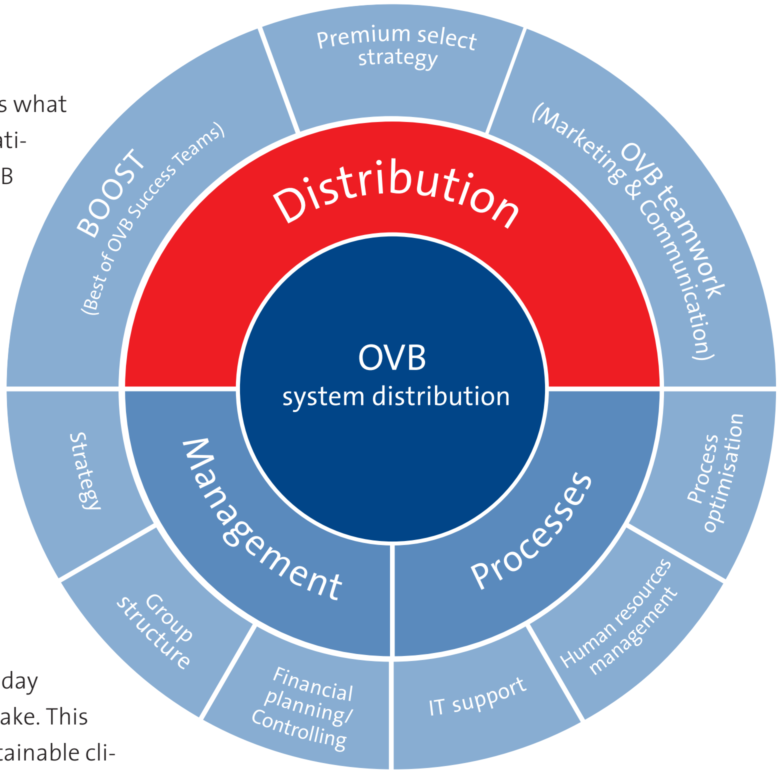
The satisfaction of our clients and of our financial advisors, employees and shareholders is at the centre of our attention.

We seek to further expand our market leading business model of a "company of entrepreneurs" for financial brokers in Europe. With clear priorities determined in our "Strategy 2016" paper. These priorities highlight quality and transparency.

Stable relationships with all our stakeholders have defined our corporate culture from the very beginning. This commitment in mind, we will keep acting towards sustainability and adding value.

The journey

OVB Strategy 2016



Getting a little better every day. This is what the people at OVB strive for – systematically and with great commitment. OVB has set out for the journey to become the leading system distributor of financial services in Europe. It is our goal to make financial advice easier to understand and more comprehensible for the consumer and the general public. Therefore we have been optimising our "set of tools": With our OVB Premium Select strategy we offer our clients the right choice between the various product types and different product providers for making them get a little closer to their wishes and goals every day and with every single decision they make. This is the foundation of a lasting and sustainable client relationship.

Lasting relationships between clients and brokers are the norm with OVB. Cultivating those relationships takes time and commitment in a way only hard-working people with a long-term approach will invest. A "civil servant's mentality" as can be seen far too often even in the financial services industry does not help the clients. Therefore OVB counts on the systematic multiplication of the recipes of entrepreneurial success defined by BOOST (Best of OVB Success Teams) across Europe in order to constantly improve the entrepreneurial spirit in the service of the client.

As a matter of course and still worth pointing out, we are also constantly improving the organisation of our workflows and making our processes more efficient. With our core measure "IT support" we keep developing the work environment for our distribution over the next couple of years. OVB's AAS system (Analysis – Advice – Service) is at the core of this effort. This systematic approach will be made even more "tangible" for our clients and brokers and thus promote our Company's sustainability and growth.

Michael Rentmeister

CEO

Year of birth: 1965

As Chairman of the Executive Board of OVB Holding AG, Michael Rentmeister has been pushing OVB's strategic development to become the leading system distributor in Europe with great consistency since 2012.

He is actively involved in the public discourse on issues of socio-political relevance. Michael Rentmeister cultivates an open and fair professional exchange with politicians and interest groups in order to explain the views held by the industry and the Company and to introduce them to the political decision making processes in Germany and across Europe.

Chairman of the Executive Board of OVB Holding AG
Strategy, General Corporate Policies, Auditing, Marketing/Communication, Compliance

Private provision – business or social mission?

Individual responsibility instead of wishful thinking

The people in Europe are concerned – and rightly so. In the more prosperous countries such as Germany, facing only minor economic problems at present, the main emphasis is placed not on the development of the global competitiveness and performance but rather on the protection of what has been acquired. This often leads to a call for more government and extensive government regulation. Some other countries in Europe have already passed through that stage – with the result of exuberant sovereign debt, inefficient structures, high unemployment and a lack of prospects for the future.

Where OVB operates – the segment of private retirement and financial provision and the protection against risks –, a threat has been building up for decades as well: the predictable poverty in old age for a large part of the population. And all this despite the politicians' efforts of many years to “secure the pensions”. In many countries an ever tighter regulation has been introduced. In many cases this takes place for the purpose of entirely misunderstood consumer protection. But the supposed safety net does not catch people, it strangles them! Because every regulatory measure that further increases the consumers' expenses – look at the examples in Great Britain and the Netherlands –, increases the risk of under-supply. Particularly the lower income groups are the ones who suffer from this. Unfortunately even the press often advocates a one-sided view here: Wishful thinking reigns supreme. A sense of reality falls by the wayside. People are left behind confused. The publication "Altersvorsorgereport Deutschland 2014" (retirement provision report) paints a bleak picture: Almost half the Germans are afraid they will have to live at a subsistence level in their old age. Only 30 per cent believe their pension rights to be sufficient. At the same time, more than a fourth of the citizens ignores the issue of retirement provision altogether. Only 27 per cent are willing to economise in favour of providing for their old age. And only half of all German citizens have been advised at least once on retirement provision – a very small percentage, considering the importance of the subject. And it does not look better for Europe as a whole.

OVB recognises its mission right there, now and for the future, which implies considerable business potential. The more than 5,000 OVB financial agents in 14 markets of Europe fulfil an important social assignment in which the states actually failed long ago already: They work at convincing people of the necessity of private financial provision in hundreds of thousands of counselling sessions. They set an example of what individual responsibility means and ask their clients to think and act for themselves as well. Individual interests and social benefit meet – guided by the oft-quoted "invisible hand of the market".

Since no later than the international financial crisis took hold, the financial services industry has been under special scrutiny of governments and the public. Rightly so in a lot of areas. In others, for instance in the case of financial advice, the "watering can" approach of scattering resources indeed wins elections in the short run. In the long term, however, the price to be paid by the people will keep rising significantly if the principles of a social market economy keep vanishing from the range of political decision making. The OVB business model, tried and tested for 45 years, has not only overcome the current confusion undamaged but has passed through even stronger than before. Which is an important reason for having OVB expand where action is required and where it is possible to count on reliability.

With this in mind, OVB works constantly at optimising its business processes. Of course the digitisation of business is on our agenda. However, we are certain that cross-thematic one-on-one counselling sessions cannot be replaced by online tools, no matter how smart. Yet a complementary role of online offers cannot be dismissed taking new client expectations into consideration.

But our main focus is clearly on our effort at anchoring the idea of individual private provision even deeper in the bottom of our markets. OVB has a unique selling proposition in its broad international positioning. In seven countries now – such as the Czech Republic, Slovakia, Poland and Spain – OVB has achieved a market leading position: Every sixth Slovak and every tenth Czech are OVB clients! The international diversification stabilises OVB's business performance because it makes us less dependent on country specific influences.

With how much passion people can work for a common goal and what makes real leaders was perfectly exemplified by the German team with head coach Joachim Löw when they won the Soccer World Cup. "The team" stands for high performance, confidence, team spirit and camaraderie. OVB is a team. Together we will keep improving our services for our clients steadily, remain a reliable partner for all financial advisors and employees, increase our business success and generate attractive profit contributions for the OVB shareholders.

Mario Freis

CSO

Year of birth: 1975

As authorised officer and Divisional Director International, Freis was responsible for the management and expansion of the international sales companies since 2002. Parallel to that he was involved in running foreign sales companies as managing director or rather Executive Board member. In 2010 Freis became a member of the Group's Executive Board where he initially assumed responsibility for international sales and European product management. Since the beginning of the year 2015, he has now been responsible for all European sales companies, training within the Group and Group-wide product management.

The young father of two joined the Company as a trainee in 1995 and seized the career opportunities in the OVB Group consistently. He shouldered responsibility for the successful international expansion early on and is thus the Group's expert for all sales issues.

Member of the Executive Board of OVB Holding AG (CSO)
Group Sales, Group Product Management, Sales Training

OVB – that's us

Entrepreneurship in the service of our clients

For 45 years the AAS approach (Analysis, Advice, Service) has been the core of our business model. We talk with people about their wishes and goals, find out about their current financial situation and work out needs-oriented, individual concepts for financial security for the future and retirement provision, asset generation, asset protection and asset increase, taking into consideration state-run support and promotion plans. With the financial products provided by our premium partners, our financial agents always offer a market leading integrated financial portfolio with an attractive price-performance ratio.

We accompany our clients over many years and adjust the financial decisions made to all relevant changes in their respective situations in life. With this clear analysis and advice system and recurring financial service, we guarantee custom-tailored results: for each client in his or her personal situation – regardless of where in Europe this service will be performed. This macroeconomically and socially extremely important task is performed by entrepreneurially thinking and acting people of integrity who as self-employed entrepreneurs support our more than 3 million clients, continuously expand the client base on their own initiative and recruit, excite and lead their own employees with the strength of conviction and motivation. Successful financial agents are distinguished by a pronounced willingness to perform and high expert and social skills.

With all the importance of one's own initiative and motivation, OVB financial agents are not left to their own devices: They are part of the international OVB team, advancing for example by routine exchange of "best-of approaches" within the framework of the strategic initiative BOOST (Best of OVB Success Teams) and thus pushing OVB as a whole. Apart from that, OVB offers its sales agents reliable guidance in an ever more complex regulatory environment and trains the financial agents according to the standards required in the respective country. By continuous training we secure the quality of advice and especially promote the entrepreneurial skills of the executives in sales. "Next level – Lead your team" is the motto for a large number of initiatives and measures in financial year 2015. What also sets OVB apart particularly is the uniform career and remuneration system unique in this industry. In contractual arrangements and remuneration, OVB is a fair, reliable and financially strong partner. The financial agents receive policy service commission, among other benefits. Thus we secure a lifelong relationship if possible – with our clients and with our financial advisors. The turnover rate among OVB executives, low by industry standards, gives proof of the success of our concept of partnership.

Oskar Heitz

CFO

Year of birth: 1953

Oskar Heitz joined the OVB Group in 1991, acting as General Manager of OVB Allfinanzvermittlungs GmbH & Co KG until the year 2000. Upon the company's restructuring as OVB Vermögensberatung AG at the beginning of 2001, he was appointed to the Executive Board of OVB Vermögensberatung AG (until May 2014).

Since the formation of OVB Holding AG as of the beginning of 2004, Oskar Heitz has been responsible for finance. The financial expert is considered "solid as a rock" at OVB and often takes on special assignments.

Member of the Executive Board of OVB Holding AG (CFO) Finance, Risk Management, Investor Relations, Tax, Legal

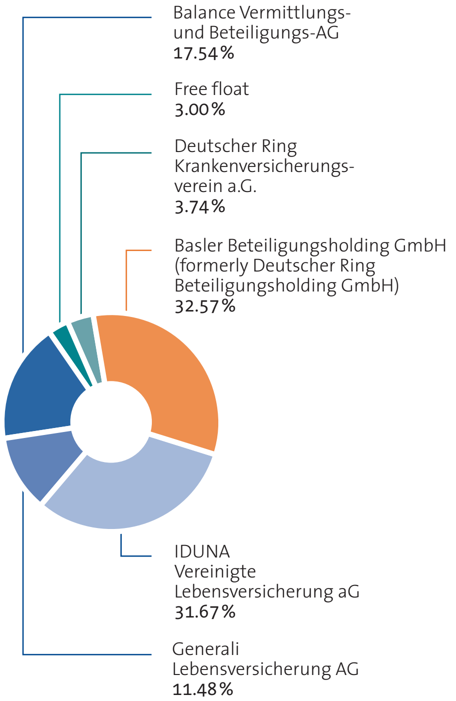
OVB stands for solidity and transparency

Shareholders participate in OVB's success

Financial solidity and highest transparency create trust. Trust is the essential business foundation for companies in the financial services sector. Ever since the Company's foundation, the equity ratio of OVB Holding AG has been above 50 per cent, coming even to 55 per cent at the end of the year 2014. This solid equity ratio is an expression of the financial strength of the Company and gives room for further growth and strategic initiatives. At Euro 2.0 million, the Company's non-current liabilities are insignificant. Its current liabilities exclusively serve the transaction of business operations, liquidity is traditionally high. The stable OVB business model relies on an internationally broad foundation and is distinguished by a low share of fixed costs. The continuous improvement of efficiency and an approach based on "economy with a sense of proportion" are firmly anchored in the DNA of OVB. Other operating expenses for example have been reduced gradually over the past few years and have now reached the level of ten years ago. OVB has reliably generated profit for the shareholders year after year.

The share of OVB Holding AG has been listed in the Regulated Market of Deutsche Börse AG in Frankfurt/Main since 21 July 2006. The Company also fulfils the transparency requirements and other issuer's obligations of the Prime Standard, representing the highest international transparency standard. Even considering a free float that currently amounts to only about 3 per cent of the share capital, we deliberately adhere to the stock exchange listing of the OVB share. We consider the listing of our stock and the corresponding fulfilment of the highest international transparency requirements a quality label for our Company. The release of annual and quarterly financial statements according to international financial reporting standards and the detailed account on corporate governance in the Company bring OVB to eye level with the largest German and international groups. Clients, financial advisors, employees and shareholders benefit from the high transparency, stability of business and financial solidity of OVB.

Shareholder structure of
OVB Holding AG
as of 31/12/2014



OVB share data

WKN / ISIN Code	628656 / DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B / O4BG.DE / O4B:GR	
Type of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra closing price		
Beginning of year	Euro 20.40	(02/01/2014)
High	Euro 20.80	(16/01/2014)
Low	Euro 17.02	(28/11/2014)
Last	Euro 19.10	(30/12/2014)
Market capitalisation	Euro 272 million	(30/12/2014)

Thomas Hücker
COO

Year of birth: 1965

Since the middle of the year 2014, Thomas Hücker has been a member of the Executive Board of OVB Holding AG.

He has been with the Company since 2013 and first acted as Head of Operations both for OVB Holding AG and the German OVB Vermögensberatung AG, whose COO he has also been since April 2014.

Hücker has more than 20 years of professional experience in the areas of operations and business management. The married family man cares deeply about personal social commitment.

Member of the Executive Board of OVB Holding AG (COO) Business Process Management, International IT, Human Resources

Efficient processes increase the quality of advice

Best practice as the standard

More than 3 million clients throughout Europe, half a million contracts signed per year, over 5,000 financial agents and more than 100 product partners result in millions of business processes per year. These cornerstones give a rough outline of the challenge OVB faces in terms of process optimisation and IT support. Together with the subsidiaries we constantly review the existing processes and workflows with the aim of identifying potential for improvement, tapping such potential and aligning our IT environment with it.

The core measure of process optimisation in the OVB Group essentially pursues the following goals:

- Location-oriented efficiency increase of the valueadding processes in back office for the systematic improvement and standardisation of client and sales service
- Identification of best-practice processes and Group-wide establishment of standards for efficiency increase

The development of a Group-wide map of processes earns its special relevance also with respect to setting up a homogeneous IT landscape. The focus of this effort is on back-office processes such as controlling financial agents, supporting OVB clients, providing a needs-oriented product portfolio and processing the settlement of remuneration and performances for employees and the sales force. For identifying best practice, the existing processes of the sales subsidiaries are systematically recorded and analysed. On this basis, practice-oriented, newly developed OVB standards evolve for Group-wide application, eventually enabling a continuous process optimisation for an increase in efficiency and service quality for clients and sales force in the subsidiaries. OVB has trained process managers in each sales subsidiary, capable of harmonising innovations and IT requirements in the future, among other skills, in order to develop uniform, Group-wide solutions committed to the best practice approach.

The emphasis of the core measure IT support is placed on creating a high-performance and up-to-date work environment for our sales force, intended to serve as the basis of our OVB system distribution as the leading business model in Europe. We want to make our OVB AAS system (Analysis – Advice – Service) as the foundation of our competent, cross-thematic advice more tangible, more comprehensible and easier to understand for our clients in line with our slogan “simply better allfinanz solutions”. Based on this, an agent-oriented IT architecture will be created in response to the requirement of an elaborate and intuitively usable digital infrastructure.

CONSOLIDATED MANAGEMENT REPORT 2014

Consolidated management report of OVB Holding AG

Consolidated management report 2014 of OVB Holding AG

Basic information on the Group

Business model of the OVB Group

Throughout Europe OVB stands for the cross-thematic financial advice principally of private households based on a long-term approach. OVB's mission statement is: simply better allfinanz solutions! With the competitive products of more than 100 high-capacity product providers, the Company fulfils its clients' individual needs for financial security in the future, retirement provision, asset generation, asset and financial risk protection as well as wealth management.

OVB is currently active in 14 countries of Europe as a distributor of financial products. 3.2 million clients trust the advisory service and support provided by OVB and its roughly 5,200 full-time sales agents. The broad European positioning, matched by no direct competitor, stabilises the business performance of OVB and opens up growth potential in many respects. OVB's 14 national markets are different in terms of structure, development status and size. OVB has leading market positions in a number of countries. From OVB's perspective there is still considerable potential for our services against the backdrop of a demographic development that is similar in all of OVB's markets and the urgently required relief for public welfare systems.

Clients and financial advisors

(31/12)	2010	2011	2012	2013	2014
Clients (number in million)	2.80	2.86	3.00	3.08	3.22
Financial agents (number)	4,600	4,908	5,097	5,082	5,173

The cross-thematic advice of clients for a lifetime is based on the AAS approach (Analysis, Advice, Service). The identification and analysis of the client's financial situation form the basis of counselling. The agent particularly asks for the client's wishes and goals and then creates an individually tailored solution in consideration of what is financially possible, a solution with a long-term horizon that is both affordable and sufficiently flexible. OVB accompanies its clients over many years. By constant adjustments of the financial decisions to all relevant changes in the clients' needs, the resulting provision concepts are suited to the clients' demands, aligned with their respective situations in life.

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

At the end of 2014 the OVB Group had altogether 428 employees (previous year: 434 employees) in the holding company, the head offices of the sales subsidiaries and in the service companies. They control and manage the Group based on efficient structures and processes.

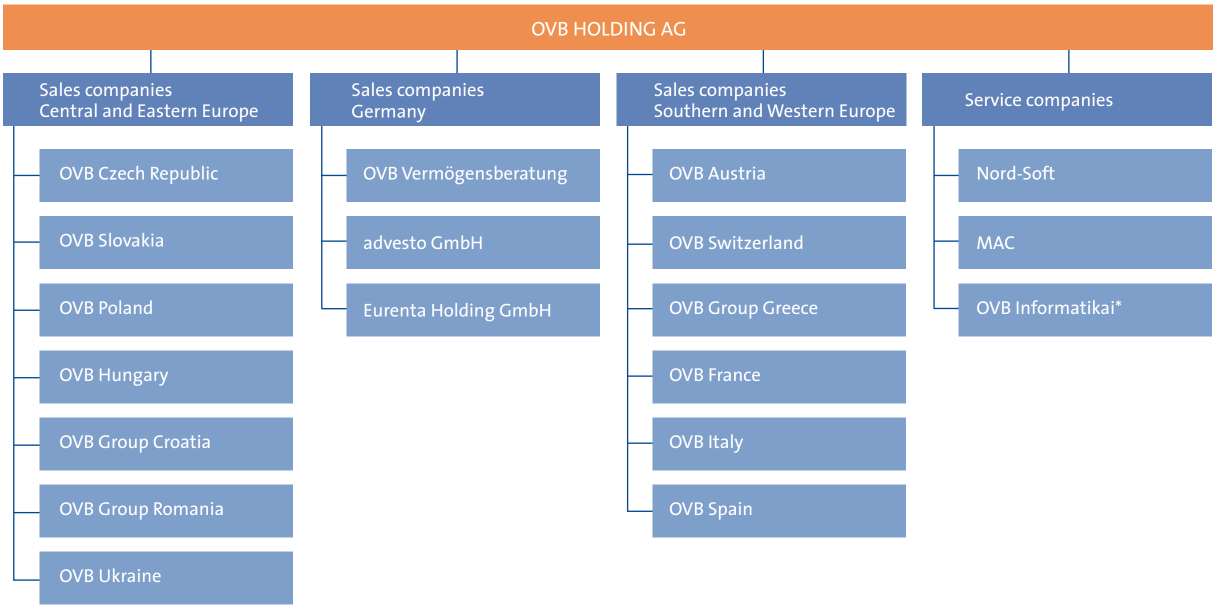
Control system

Group structure

As the management holding company, OVB Holding AG is at the top of the OVB Group. The Company determines the strategic goals and coordinates business policies. Business operations are divided into regional segments. Operating subsidiaries are active in 14 European countries. On behalf of these sales subsidiaries, self-employed sales agents give advice primarily to private households on issues of finances and provision. Four service companies support these core business activities by providing IT services and coordinating comprehensive marketing activity. OVB Holding AG is the sole shareholder of these subsidiaries, with the exception of the two IT service providers Nord-Soft EDV-Unternehmensberatung GmbH and Nord-Soft Datenservice GmbH (50.4 per cent interest respectively).

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

Organisation chart of the OVB Group



*indirect interest

Management and supervision of the Group

Executive Board

The Executive Board of OVB Holding AG has four members as of 31 December 2014. They are jointly responsible for managing the Group's business. Apart from the responsibility of the CEO, the Executive Board's responsibilities are divided into the key fields of responsibility "Finance", "Sales" and "Operations".

Assignment of Executive Board responsibilities

CEO	**Finance**	**Sales**	**Operations**
Michael Rentmeister	Oskar Heitz	Mario Freis	Thomas Hücker
Strategy	Finance	Sales	Business Process Management
General Corporate Policies	Risk Management	Sales Training	International IT
Auditing	Investor Relations	Product Management	Human Resources
Marketing/Communication	Tax and Legal Affairs		
Compliance			
Data Protection			

Supervisory Board
The Supervisory Board of OVB Holding AG has six members, all of whom are elected by the General Meeting of shareholders.

Name	Function
Michael Johnigk	Chairman of the Supervisory Board
Dr. Thomas A. Lange	Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee
Jan De Meulder	Member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee
Markus Jost	Member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee (interim Chairman)
Wilfried Kempchen	Member of the Supervisory Board
Winfried Spies	Member of the Supervisory Board

The Supervisory Board supervises and advises the Executive Board on the Company's management and regularly discusses business performance, corporate planning, strategy and risks with the Executive Board. For the professional fulfilment of its responsibilities, the Supervisory Board has established an Audit Committee as well as a Nomination and Remuneration Committee. Detailed information on the cooperation between Executive Board and Supervisory Board and on corporate governance at OVB Holding AG is provided in the report of the Supervisory Board and in the chapter "Corporate governance", both part of the Annual Report.

Corporate management

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

Cross-national exchange of know-how in various areas supports the effective and integrated management of the 14 subsidiaries. Committees of OVB Holding AG routinely coordinate marketing and market cultivation activities, the composition of the product portfolio and potential new products and cooperation partners in the individual regional markets together with the respective OVB subsidiaries.

Operational monitoring supports the management of business operations. The Company's key targets and control variables are sales (total sales performance) and earnings before interest and taxes (EBIT). Apart from these monetary indicators, non-monetary indicators such as the number of financial agents, the number of clients and the new business in the individual product categories also serve as evidence of the success of business operations. Performances of non-monetary indicators are constantly being monitored by the Company but not regarded as key targets or control variables.

Controlling involves a monthly analysis of the development of income and expenses. These findings are incorporated into the Company's investment budget and financial planning.

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

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

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

OVB prepares monthly target/actual deviation analyses and continuously updates the projections of material financial and distribution data for the full year and is thus able to respond to deviations from the budget immediately.

Within the OVB Group medium and long-term financing of business operations is ensured for the most part by the available liquidity.

OVB Holding AG as the Group's parent continuously monitors the 14 subsidiaries' demands for liquidity and makes liquid assets available if necessary.

Goals and strategies

OVB aims at a continuous increase in sales at generally increasing profitability for the Group as a whole.

With the Company's broad European positioning, OVB has a unique selling proposition in its competitive environment. The early and successful positioning in promising growth markets sets OVB apart from the competition. The success is obvious particularly in Central and Eastern Europe. In many of the region's markets OVB has taken a market leading position among the independent distributors. In the markets in which OVB is already active, the Company seeks to consolidate and expand its market position by winning new clients and using existing client relationships for even more comprehensive advice. OVB feels well-prepared for facing potential risks in connection with more elaborate regulation of the European market for financial services. Decades of experience in international markets, the expertise of the agents, the careful selection of product providers and products up to the partial co-development of new products as well as the Company's financial strength will probably even enable it to meet rising regulatory requirements better and more efficiently than other service providers. OVB acts on the assumption that the legislative will further increase regulatory requirements and thus accelerate the process of a consolidating industry. OVB is willing and capable of having an active part in this. The factors economic sense and compatibility as well as an adequate opportunity-risk ratio of any potential commitment play the deciding part. Suitable general conditions provided – above all political stability, legal certainty, market size and market potential –, OVB has another option for growth in developing new promising national markets.

Far more than 400 million people live in the 14 countries of Europe in which OVB operates. Because of the imperative private provision to be taken on one's own initiative and the demand for advisory service derived from that, from OVB's viewpoint there are far too few advisors in any of the European countries. Owing to the shortage of trained advisors, in winning new financial agents OVB counts on finding and qualifying people willing to perform from all occupational groups for the responsible work of the financial agent in order to fulfil the increasing demand for advice among the people in Europe. The possible part-time entry presents a sustainable opportunity for beginners.

Business report

Macroeconomic and industry-related general conditions

Macroeconomic development

OVB generates 71 per cent of total sales commission outside Germany. Against this backdrop it is important to observe the macroeconomic development in Europe for an assessment of the 2014 business performance. Relevant factors are among others economic growth, the development of the labour market and changes in the income of private households.

The development of the economy in the euro area was altogether moderate in 2014. The economic performance in the monetary union went up 0.8 per cent in the year under review, according to an International Monetary Fund (IMF) estimate of January 2015, after a drop by 0.5 per cent the year before. A dramatic slump in prices for crude oil and the drop of the euro exchange rate supported this trend in the second half-year 2014.

In the seven national markets of the Central and Eastern Europe segment, the OVB Group generated 50 per cent

Key economic data Central and Eastern Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficits (in % of the GDP)	
	2013	2014e	2013	2014e	2013	2014e
Croatia	- 0.9	- 0.8	2.2	0.0	- 5.2	- 6.0
Czech Republic	- 0.7	2.6	1.4	0.4	- 1.3	- 1.5
Hungary	1.5	3.2	1.7	- 0.2	- 2.3	- 2.9
Poland	1.7	3.3	0.9	0.0	- 4.3	- 3.2
Romania	3.5	2.5	4.0	1.1	- 2.2	- 2.0
Slovakia	1.4	2.5	1.4	- 0.1	- 2.6	- 2.9
Ukraine	0.0	- 7.0	- 0.2	12.1	- 6.5	- 11.0

e = estimate
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 1st quarter 2015

of its total sales commission in the year under review. The economy improved in 2014 compared with the previous year in most countries of the region. Strong domestic demand in Poland, the Czech Republic and Hungary resulted in higher economic growth even though stimulation from the euro area remained weak. In contrast to that, the Croatian economy continued to stagnate and Ukraine suffered a particularly dramatic slump because of the military conflict in the eastern part of the country. However, the macroeconomic framework in the segment's markets was altogether more favourable to OVB's business activities in 2014 than in the previous year.

Key economic data Germany

The Germany segment accounts for 29 per cent of the OVB Group's total sales commission. Germany's economy grew by 1.6 per cent in 2014, according to preliminary calculations of the Federal Statistical Office, after merely 0.1 per cent in the year before. Private consumer spending and the industry's capital expenditures were the essential growth drivers while exports net of imports only made a relatively small contribution. The number of people in employment reached a new record level for the eighth year in a row with 42.7 million in 2014. Just as fortunate was the income situation of private households.

Key economic data Southern and Western Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficits (in % of the GDP)	
	2013	2014e	2013	2014e	2013	2014e
Austria	0.2	0.3	2.1	1.5	- 1.5	- 2.6
France	0.4	0.4	1.0	0.7	- 4.3	- 4.3
Greece	- 4.0	0.9	- 0.9	- 1.0	- 12.7	- 1.6
Italy	- 1.9	- 0.3	1.3	0.2	- 3.0	- 3.0
Spain	- 1.2	1.3	1.5	- 0.1	- 6.8	- 5.4
Switzerland	2.0	1.6	- 0.2	0.1	0.0	0.3

e = estimate
Source: Raiffeisen RESEARCH, Strategy Global Markets, 1st quarter 2015

The countries of the Southern and Western Europe segment belong – with the exception of Switzerland – to the euro area. In this segment OVB generated 21 per cent of total sales commission in the year under review. The economic performances of France, Italy and Austria stagnated largely in 2014. Despite the return to slow economic growth, the economic situation of private households in Spain and Greece remains difficult. The unemployment rate in both these countries persisted at a high level. In contrast to that, the Swiss economy was in good shape once more in 2014. In spite of predominantly unfavourable general conditions, OVB managed to expand its business in the Southern and Western segment considerably in the year under review.

Industry situation

OVB's business activity centres on providing advice and support primarily to private households with respect to retirement provision, asset generation, asset and financial risk protection as well as wealth management.

The sale of financial products in Europe faced an environment that continued to be challenging in the year 2014. Although the economies in some countries were improved over the previous years, the euro area as a whole barely managed to escape recession. Unemployment is still very high in several countries.The financial situation of many private households especially in the countries of Southern, Central and Eastern Europe remains tight and barely leaves room for measures of private provision. Additional uncertainty was caused in 2014 by the political and in part military conflicts in eastern Ukraine as well as concerns with respect to potential negative effects on neighbouring states. The euro debt crisis, having rather taken a back seat in 2014, was given new explosive relevance due to the government crisis in Greece by the end of the year. The new government tries to revoke the previous austerity and consolidation policy in this highly indebted country. The euro lost significantly in value in the course of the year 2014. Another factor of negative impact is the interest rate level, kept deliberately low by the central banks, decreasing the interest expense of highly indebted countries but making the generation of assets for private provision more difficult. Many financial products currently have only a minimum return which is then even consumed by the price increase entirely or in part. Especially for the sale of financial products, the current debate on commission or fee-based compensation for financial advice is also not helpful. OVB holds the view that both compensation models are justified while commission-based compensation gives access to competent financial advice even to lower-income private households.

Because of these special challenges combined with an increasing scepticism of the citizens with respect to the stability of the euro, the industry recorded a declining performance in the business of retirement provision in the year 2014. In this market environment, OVB was noticeably above the prior-year level with total sales commission of Euro 214.0 million in the year under review.

Regardless of all imponderables in the business environment and uncertainty among private households, an almost inscrutable product offering, barely comprehensible conditions for state subsidies and the necessity of a continuous review of financial decisions once made in view of changing needs and life situations increase the demand for cross-thematic, competent and comprehensive personal advice. From OVB's vantage, the market for private provision therefore offers long-term market potential and good opportunities for growth despite the currently challenging environment.

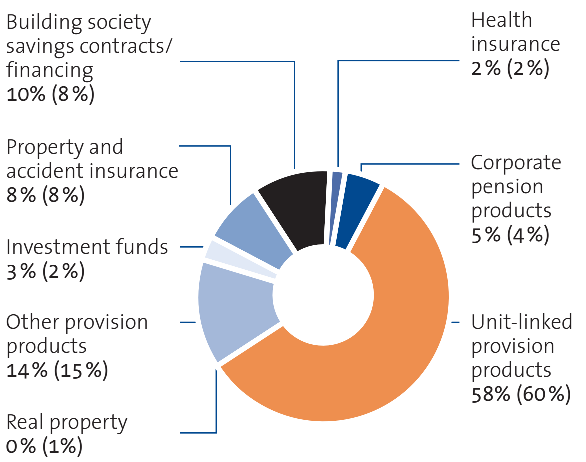
Business performance

In the 2014 financial year OVB expanded its position as one of the leading financial service distributors in Europe in a market environment that was challenging in many respects. In doing so, the Company benefited from its broad international positioning. Declining sales in individual countries were more than compensated for by partly strong increases in sales in other national markets. Total sales commission altogether went up from Euro 204.8 million in 2013 by 4.5 per cent to Euro 214.0 million in financial year 2014. This amount includes commission forwarded to sales agents on behalf of product partners, reduced from Euro 17.2 million in the previous year to Euro 16.6 million in 2014.

OVB's business model is distinguished by its high stability. The number of supported clients amounted to 3.22 million at the end of 2014 compared to 3.08 million clients one year before. The OVB sales force comprises 5,173 full-time financial agents (previous year: 5,082 financial agents).

The structure of new business with respect to the kind of brokered financial products remained largely unchanged in financial year 2014 compared to the year before and continues to be oriented toward real assets. Product demand remained focused on unit-linked provision products in the year under review. This product group accounted for a share in the Group's new business of 58 per cent after 60 per cent in the previous year. Other provision products – primarily classic life and pension insurance policies – recorded a share of 14 per cent in new business after 15 per cent in the previous year. The product group of building society savings contracts/financing gained in relevance to 10 per cent of new business (previous year: 8 per cent), the share of corporate pension products came to 5 per cent (previous year: 4 per cent). The remaining new business was spread among property and accident insurance, investments funds and health insurance. On the whole the product mix of new business in the Group was slightly more diversified in 2014 than in the previous year while it has to be taken into consideration that OVB reallocated some products to other product groups in the year 2014.

Breakdown of income from new business 2014 (2013)



Central and Eastern Europe segment

The Central and Eastern Europe segment comprises the seven national markets Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Ukraine. In the 2014 financial year brokerage income went down from 110.5 million Euro in the previous year by 2.8 per cent to 107.4 million Euro. Declining sales in Czechia, a market of special relevance to OVB, and Ukraine were contrasted by very good sales successes in almost all other national markets of the segment, particularly in Hungary, Poland, Slovakia and Romania. The number of clients increased within one year from 2.11 million to 2.21 million clients, supported by 3,261 financial agents (previous year: 3,247 financial agents). The clients' product demand focuses strongly on unit-linked provision products which are ultimately based on real assets. In the year under review, 74 per cent of the new business (previous year: 78 per cent) were accounted for by this product group. Other provision products and products in the category of building society savings contracts/financing accounted for 8 per cent each of the new business.

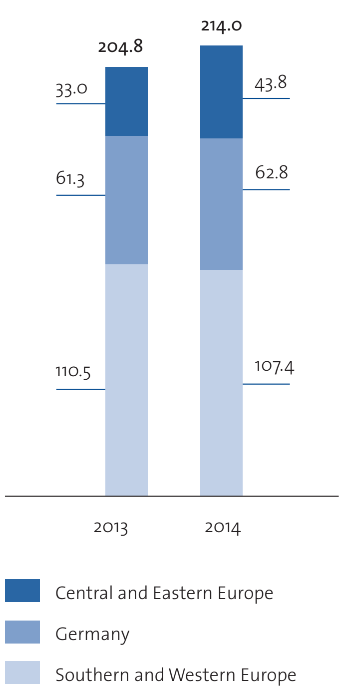
Germany segment

The Germany segment showed a stable business performance in many respects in 2014. Total sales commission increased by 2.4 per cent to 62.8 million Euro (previous year: 61.3 million Euro). The number of financial agents was reduced within the range of a normal fluctuation margin from 1,356 to 1,307 agents. They acted in support of 644,548 clients, equivalent to a slight increase of 0.7 per cent compared to the prior-year value of 640,093. 32 per cent of new business in this segment was accounted for by unit-linked provision products in 2014, followed closely by other provision products at 31 per cent. Special emphasis within this product group was placed on disability insurance. Another 14 per cent of new buisness fell to property and accident insurance, products from the category building society savings contracts/financing accounted for 10 per cent of the new contracts.

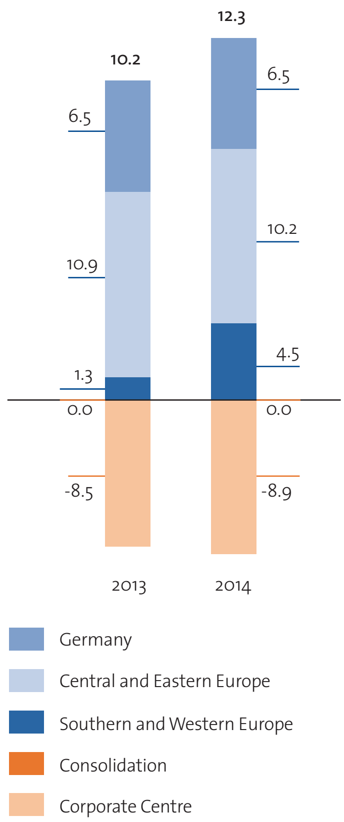
Southern and Western Europe segment

The Southern and Western Europe segment includes the six national markets Austria, France, Greece, Italy, Spain and Switzerland. The dynamic business performance in the Southern and Western Europe segment did not lose any of its pace over the year 2014: Brokerage income climbed strongly from Euro 33.0 million by 33.0 per cent to Euro 43.8 million in the year under review. Particularly expansive was the development of business in Spain, Italy, Switzerland and Austria. Sales remained below the prior-year levels only in France and Greece. The number of OVB clients grew from 329,482 to 364,982 clients, gaining 10.8 per cent. Even stronger was the increase in the number of financial agents from 479 agents at the end of 2013 by 26.3 per cent to 605 agents as of the reporting date. The share of investments oriented toward real assets in the shape of unit-linked

Total sales commission
by region
Euro million, figures rounded



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



provision products in new business came to 42 per cent (previous year: 45 per cent). Other provision products contributed unchanged 23 per cent to the new business. Corporate pension products reached a share of 21 per cent in new business (previous year: 16 per cent).

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

Profit/loss

In the 2014 financial year OVB generated total sales commission of Euro 214.0 million. In the previous year this key sales figure amounted to Euro 204.8 million. Included in total sales commission is commission based on so-called secondary contracts which still exist only in the Germany segment. This share in commission came to Euro 16.6 million in 2014 after Euro 17.2 million in the previous year. Brokerage income reported in the income statement was up from Euro 187.6 million in 2013 by almost Euro 10 million or 5.2 per cent to Euro 197.4 million in the year under review. At Euro 7.5 million for the year under review, other operating income fell short of the prior-year amount of Euro 8.7 million by 13.2 per cent.

Brokerage expenses were up by 5.5 per cent – almost corresponding to the sales increase – to Euro 128.5 million in 2014 (previous year: Euro 121.8 million). Personnel expense for the Group's employees gained 5.0 per cent to Euro 26.8 million (previous year: Euro 25.5 million). Depreciation and amortisation reached Euro 3.1 million after Euro 2.9 million in the previous year. Other operating expenses were further reduced through all expense items due to spending discipline by 4.4 per cent to Euro 34.2 million (previous year: Euro 35.8 million).

Thus the OVB's operating result reached Euro 12.3 million in 2014. Compared to the prior-year value of Euro 10.2 million this equals a significant increase of more than Euro 2.1 million or 20.1 per cent. While earnings of the segments "Central and Eastern Europe" and "Germany" performed close to their respective prior-year levels, the EBIT of the Southern and Western Europe segment was increased several times from Euro 1.3 million in 2013 to Euro 4.5 million in 2014. The EBIT loss of Corporate Centre was expanded somewhat from Euro 8.5 million to Euro 8.9 million. In total the Group's EBIT margin based on total sales commission was up from 5.0 per cent in the previous year to 5.7 per cent in the 2014 financial year.

Partly because of the low interest rate level in the money and capital markets, finance income and expenses went down; the financial result dropped from Euro 0.9 million in 2013 to Euro 0.6 million in the year under review. Income tax expenses were up significantly from Euro 3.1 million to Euro 4.2 million. Against this backdrop, the increase in consolidated net income after non-controlling interests, from Euro 8.0 million in 2013 by 8.7 per cent to Euro 8.7 million in 2014, was disproportionately low in relation to the operating income. Earnings per share – based respectively on 14,251,314 no-par shares – rose from Euro 0.56 to Euro 0.61.

The OVB Group's total comprehensive income for the year under review reached Euro 8.4 million after Euro 7.5 million the previous year. The revaluation effect from provisions for pensions at Euro 0.3 million and changes in currency translation reserve at Euro 0.2 million negatively affected other comprehensive income. In contrast to that, a positive change in revaluation reserve was recorded.

Executive Board and Supervisory Board propose to the Annual General Meeting on 3 June 2015 the payment of a dividend of Euro 0.30 per share for financial year 2014, increased by Euro 0.05 from the previous year. The total dividend payout would thus come to Euro 8.6 million, based on the retained earnings of OVB Holding AG.

Financial position

The OVB Group's cash flow from operating activities increased very strongly from Euro 8.9 million in the previous year to Euro 19.9 million in financial year 2014. This development is ultimately accounted for by the stimulation of business in the year 2014. The following individual items were changed primarily: Provisions gained Euro 0.7 million in the year under review while they had gone down by Euro 5.3 million in 2013. Trade payables and other liabilities also increased by Euro 3.9 million in the year under review when a decline by Euro 1.1 million was recorded for the previous year. Moreover, consolidated net income rose from Euro 8.0 million to Euro 8.7 million.

The cash flow from investing activities showed a cash outflow of Euro 10.0 million in 2014 after a cash inflow of Euro 2.4 million in the previous year. The main reason was an increase in the portfolio of securities and other short-term capital investments by Euro 7.3 million within the framework of portfolio arrangements. Furthermore, capital expenditures for intangible assets went up by Euro 1.9 million to Euro 3.2 million, linked to the acquisition of counselling software in particular.

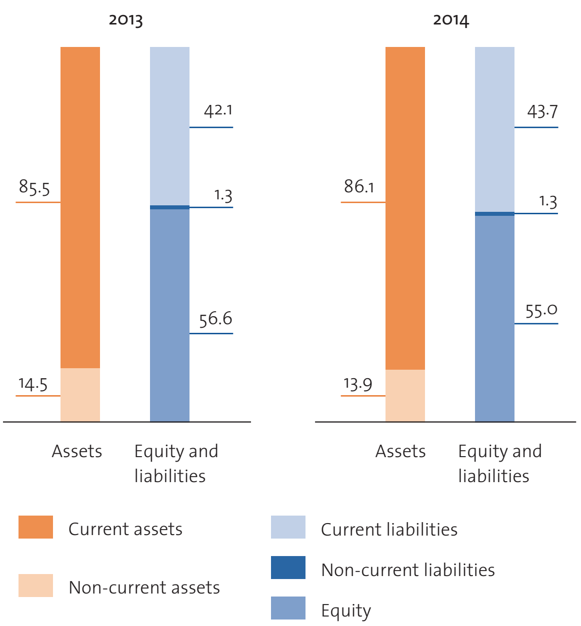
The distribution of the dividend largely determined the cash flow from financing activities in the year under review as in the year before, recording an outflow of funds of Euro 7.9 million for both years. Cash and cash equivalents went up from Euro 38.4 million at the end of the year 2013 by Euro 1.5 million to Euro 39.8 million as of the 2014 reporting date.

Assets and liabilities

At 3.5 per cent higher total assets, up from Euro 146.7 million to Euro 151.9 million, the structure of the financial position of OVB Holding AG changed only immaterially from the 2013 reporting date to December 31, 2014. Non-current assets were slightly lower, going down from Euro 21.3 million to Euro 21.1 million. Within this category, intangible assets gained Euro 1.0 million to Euro 11.1 million while tangible assets and deferred tax assets were reduced by Euro 0.6 million and Euro 0.5 million respectively. Current assets were up from Euro 125.4 million as of the prior-year reporting date to Euro 130.8 million by the end of December 2014. The main reason for this was the increase in securities and other capital investments by Euro 7.3 million to Euro 42.3 million. In addition to that, cash and cash equivalents climbed by Euro 1.5 million to Euro 39.9 million. Contrary to that, receivables and other assets went down by Euro 3.2 million to Euro 25.0 million.

The Company's equity gained Euro 0.6 million year-on-year as of the end of December 2014/2013 to Euro 83.6 million as a result of the increase in retained earnings. The equity ratio came to a solid 55.0 per cent after 56.6 per cent as of the prior-year reporting date. Non-current liabilities, maintained at a very low level, were only marginally increased to Euro 2.0 million (previous year: Euro 1.8 million) due to an increase in provisions. In the course of the positive business performance, current liabilities gained Euro 4.5 million to Euro 66.3 million, notably in the items other liabilities, income tax liabilities and other provisions.

Asset allocation and capital structure
Per cent, figures rounded



Comparison between the forecast and actual course of business

In the outlook of the 2013 consolidated management report as released on 26 March 2014, the Executive Board of OVB Holding AG expressed the expectation of a slight increase in sales for the year 2014 at stable market conditions. Based on this expectation, the Executive Board anticipated an operating result (EBIT) for 2014 at the prior-year level, amounting to Euro 10.2 million in 2013.

This business outlook for the full year 2014 remained unchanged after three and six months. In the interim financial report as of 30 September 2014, relased on 12 November 2014, the Executive Board stated its outlook more precisely: At a slight increase in sales, the Board now expected a significantly higher operating result for 2014.

Total sales commission achieved by OVB Holding AG in 2014 were up 4.5 per cent from the previous year to Euro 214.0 million. The operating result (EBIT) derived from that was increased significantly by 20.1 per cent to Euro 12.3 million.

General statement

Sales and operating result (EBIT) are above the initial expectations for the 2014 financial year. Despite challenging general conditions we managed to record very good results by focusing on the value-adding core of our services, the AAS approach (Analysis, Advice and Service), and on our own actions. The significant increase of the EBIT is primarily attributable to the unexpectedly high growth in earnings in Spain, Hungary, Italy, Poland and Germany. The Group's financial situation is extremely solid. The OVB business model is intact and offers considerable growth potential for the medium term. The Company's strategy aims at making OVB the leading system distributor of financial products in Europe.

Subsequent events

There were no reportable significant events after the reporting date.

Report on opportunities and risks

Opportunity management

OVB's corporate culture attaches great importance to entrepreneurially-minded acting and thinking. Particularly OVB's self-employed financial agents consider themselves entrepreneurs within the Company. Therefore continuously seeking and seizing business opportunities is among the natural assignments of all OVB financial agents and employees regardless of their respective area and scope of responsibility. The OVB Group's sales subsidiaries are required to identify opportunities at the level of operations arising e.g. in the context of distribution activity or from improved market conditions and to exploit them with the goal of achieving an above-target performance of earnings if possible. Strategic opportunities are identified by OVB Holding AG. They are evaluated and measures are developed for exploiting them. It is also the responsibility of the Executive Board of OVB Holding AG to routinely discuss strategic opportunities – in collaboration with the Supervisory Board in many cases – and to take adequate initiative for seizing promising opportunities.

Principles and goals of risk management

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

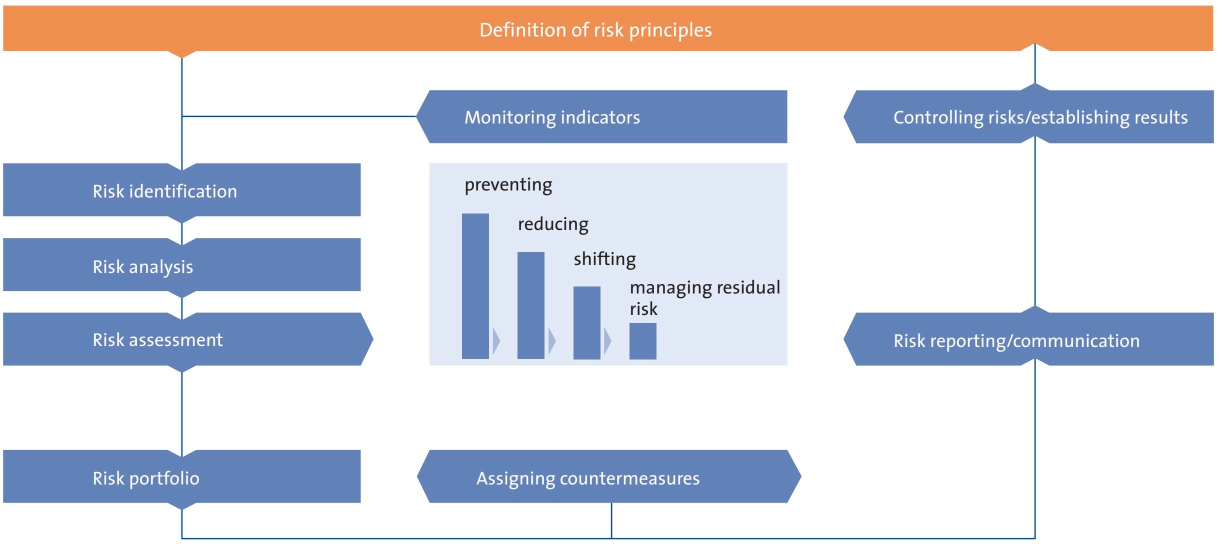
Such exposures can be caused by internal or external factors. Materialised risks should be detected as soon as possible in order to allow for a swift and adequate response. The objectives of risk management are the systematic preoccupation with potential risks, the promotion of risk-oriented thinking and acting in the entire organisation and thus a deliberate risk-taking based on the comprehensive knowledge of the risks and risk connections.

Structure and process of risk management

The organisation of risk management, the methods applied and the processes implemented are put down in writing and made available in the form of a handbook to all employees who assume responsibility in this field.

The Executive Board of OVB Holding AG is responsible for directing the corporate strategy. In collaboration with

OVB risk management process



the management teams of the subsidiaries, the Executive Board determines the pan-European strategy for business operations and defines the risk policy on that basis.

All operating subsidiaries are obligated to implement and continually review a risk management system which is based on guidelines set by the holding company yet taking into account the specific business of the respective subsidiary. Material risks are identified and quantified by conducting a risk inventory. Early warning indicators are defined and continuously monitored. An important component of risk management is the system for early risk detection, subject to constant adjustment to new developments, which summarises identified individual risks under risk categories and assigns each risk to a risk management officer. Thresholds and reporting protocols have also been defined within the scope of risk reporting. Risk control and risk management are subject to standardised processes.

The decentralised risk managers continuously report any changes in the early warning indicators and the measures taken to the Chief Risk Manager. Apart from the direct exchange of information between the Chief Risk Manager and the Executive Board, standardised risk reports are delivered to the Executive Board and the Supervisory Board on OVB's current risk position. Risk analyses are initially conducted at the level of the subsidiaries and the individual areas of responsibility. The routine reporting of the various divisions of the holding company and the subsidiaries is condensed to Group-wide, current and, if necessary, immediate reporting to the Executive Board and the Supervisory Board by the holding company's Chief Risk Manager.

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

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

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

An efficient risk control process supports the early detection of going-concern risks.

Key elements of the risk management system are internal auditing and compliance management, divisions that assume monitoring and control functions throughout the Group. Internal Auditing works on behalf of the Group's Executive Board as an independent body responsible for internal auditing throughout the Group, not subject to any instructions or processes. It also operates autonomously with respect to reporting and the evaluation of audit findings. On the basis of its annual audit schedule, Internal Auditing regularly audits the holding company as well as the domestic and international subsidiaries with a focus on risks and controls the resolution of its audit findings. It monitors compliance with the relevant statutory requirements and assesses the risk management, control, management and monitoring systems and processes relevant to accounting and advises on their continuous improvement.

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

Development of risk management

The risk management system's constant advancement is a key prerequisite to the option of prompt response to changing basic conditions of potential direct or indirect impact on the assets, liabilities, the financial position and profit or loss of OVB Holding AG.

Apart from risk inventory, all measures for early detection, management and control of risks were analysed, adjusted and enhanced in response to internal and external developments within the scope of an annual review in the course of the year 2014.

Internal control system as part of financial reporting

The internal control system comprises the principles, processes and measures for ensuring the effectiveness and economic efficiency of business activity, truth and fairness in financial accounting and compliance with the applicable legal regulations. Part of this system is the internal audit system insofar as it focuses on financial accounting. Like the internal control system of which it is a component, the risk management system with regard to financial accounting addresses the control and monitoring processes in accounting, particularly relating to those items in the statement of financial position that are associated with the Company's risk protection.

Key features of the of the accounting-related internal control system:

- Clear management and corporate structure:
  OVB Holding AG provides the centralised management of inter-departmental key functions while the Group's individual companies maintain a large degree of autonomy at the same time
- Separation of functions and four-eye-principle as basic principles
- Clear separation and assignment of responsibilities with respect to areas materially involved in financial accounting, namely local accounting, tax, Group accounting, controlling, compliance and investor relations
- Protection against unauthorised access to any of the systems used in financial accounting
- Utilisation of standard software in the financial systems involved
- Adequate guidance system (e.g. Group handbook, payment guidelines, purchasing guidelines, etc.) subject to constant updates
- Adequate equipment in response to requirements of all departments and divisions involved in the financial accounting process in terms of both quality and quantity
- Clearly defined workflows as well as documentation and tracking of all matters subject to accounting for the purpose of complete and reviewed financial reporting
- Ensuring that accounting records are checked for mathematical and factual correctness; payment runs observe the four-eye-principle
- Constant random inspection of accounting data received or referred by persons not involved in the financial accounting process
- Monitoring committees (e.g. Internal Auditing and the Audit Committee of the Supervisory Board) are established with regard to the compliance and reliability of internal accounting and financial reporting
- Routine risk-oriented checks of financial accounting processes by process-independent Internal Auditing

The accounting-related internal control and risk management system ensures that business matters are correctly recorded, processed, evaluated and transferred to financial accounting.

Adequate manpower, the use of appropriate software and clear statutory and corporate guidelines are the basis for a correct, consistent and continuous accounting process. The clear separation of areas of responsibility and various subsequent control and audit mechanisms safeguard correct and responsible accounting. Thus it is made sure in the individual case that business transactions are recorded, processed and documented in compliance with statutory regulations, the Articles of Association and internal guidance, and that they are entered correctly and promptly in financial reporting. It is ensured at the same time that assets and liabilities are correctly stated, disclosed and measured in the separate financial statements and consolidated financial statements and that dependable and relevant information is made available as a basis both completely and promptly.

Presentation of opportunities and risks

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

Macroeconomic opportunities and risks

OVB's business environment is affected by changes in the economic and political framework. OVB observes the political, regulatory and economic developments in the markets it operates in, utilises external market analyses and the know-how of external experts and analysts in order to review the strategic and operational orientation in view of such developments. This also applies for the opportunities and risks associated with the development of new markets.

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

In view of the specific risks associated with the economic development, the broad regional positioning of the OVB Group within Europe, able to compensate market risks and downturns in individual countries with opportunities in other markets, plus a broad client base generally help mitigate risks. Accordingly the dependence of the Group's business performance on individual national markets has been reduced over the past years. At the same time, OVB's international orientation opens opportunities for participation in especially favourable developments of individual markets. The diversification of business activities across highly varied products designed to facilitate retirement provision, asset generation, asset and financial risk protection and wealth management and tailored to the respective situation in the relevant markets also helps offset risks at least in certain sub-segments.

Opportunities and risks from the development of Company-specific factors of value

Company-specific key factors of the business success of the companies of the OVB Group are the expansion of the sales team, the development of the number of clients and the structure and quality of the advisory and brokerage business.

OVB focuses on providing advice and support primarily to private households with average to higher incomes in all of the national markets in which it operates. Winning new clients and maintaining long-term client relationships are essential factors of success.

The effects of uncertainty as a result of the persisting difficult debt situation of some countries of the euro area are noticeable in many of the regional markets in which OVB operates. Negative effects on economic growth, the income situation of private households and the labour market emanate from this development. Even though the macroeconomic situation in Spain, Italy and France can be expected to improve somewhat in 2015/2016, essential structural problems remain unsolved. Amon those are rigid, outdated structures in the employment market, high public budget deficits and lacking international competitiveness of businesses. Against this backdrop it is remarkable that OVB managed to expand its business considerably in Spain and Italy especially over the past few years.

The European Central Bank has made an essential contribution to calming the financial markets with its policy and stabilising measures. It remains to be seen if recent political developments will reignite the sovereign debt crisis in the euro area.

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

The continuous development of the sales force and the long-term commitment of a sufficient number of motivated and competent financial agents are further key elements for OVB's business success and future growth. The development of the number of agents is the subject of periodic reporting. Positive or negative trends are constantly being analysed and assessed by management with regard to their effects. Potential turnover of financial sales in times of a consolidating industry provides both opportunities and risks. Based on its experience of many years, OVB finds itself capable of countering any potential advisor turnover and committing new financial agents. Among such measures are transparent contracts, a competitive commission model for the sales force and international career opportunities.

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

Industry-specific opportunities and risks

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

On a European scale new regulations were launched with the intention to promote more transparency, more documentation, more information for consumers, more professional training of financial agents and fee-based advisory service. Most advanced is the work on the new financial markets directive (Markets in Financial Instruments Directive, MiFID2), in effect since July 2014, for which the European Securities and Markets Authority (ESMA) has been determining requirements for implementation. With the introduction of the Financial Assets Intermediation Act and the Financial Assets Intermediation Statutory Order in the year 2013, the German legislator has already adopted basic requirements of the Directive's provisions relevant to OVB, for example the disclosure of costs and compensation. The impact of total costs on the return of an investment product is subject to presentation, among other things. In connection with the implementation of IMD 2 (now IDD) the so-called trilogue is currently taking place at European level between Commission, Parliament and Council. OVB regards the creation of binding provisions leading to more transparency and comparability of products and providers as positive and beneficial to OVB agents and OVB clients. The above-mentioned regulations will not remain without effect on financial advice and the intermediation of financial products. It remains to be seen how other European countries will transpose the Directives into their respective national law.

In Germany the reduction of the guaranteed interest rate to 1.25 per cent coinciding with the Life Insurance Reform Act (LVRG) presuambly additionally diminishes the consumers' motivation to see to urgently needed saving for retirement on their own initiative. This will bring up additional challenges for the financial agents – also in consideration of an expected increasing pressure on margins due to the cost situation of life insuance companies which will almost certainly lead to a lower level of commissions in this product segment.

On the whole an accelerating regulation of the financial services market can be expected, pursuing the goal of better investor protection and increasing the pressure on classic commission-based advisory service, obligating providers to disclose costs and commission and expanding statutory requirements with respect to advisory service documentation and information. OVB constantly monitors and assesses particularly the political decisionmaking processes in order to be able early on to evaluate the effects on its business model and the strategic positioning in the national markets. The Group considers itself well-prepared for the impending changes and assumes it will keep receiving adequate compensation in return for its services.

For OVB there is the opportunity that the Group, due to its experience of many years, its competent employees and its pronounced financial strength, might fulfil the increased regulatory requirements in a better and more efficient way than other market participants, especially the smaller ones. From this scenario, advantages might result for OVB in the competition and in the industry's consolidation process.

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

The risk associated with product selection is contained by working only with renowned and internationally experienced product providers on the basis of long-term partnerships.

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

OVB combats the risk of diminishing product appeal by continually monitoring client feedback. Established committees liaise with the financial agents and process their experiences and suggestions for improving and developing the product portfolio and the associated support services. OVB can at least partially compensate for declining turnover of individual products through higher turnover of other products.

The premium-select strategy is an important component of OVB's corporate strategy. An especially close cooperation with high-capacity product partners creates the foundation for the development of exclusive products, providing OVB with the opportunity to gain market shares through a pronounced competitive edge.

Financial risks

Bad debt risks may arise from receivables from business partners and from advance commission payments to sales agents and commission charge-back. In individual cases, commission that has been earned but not yet received is paid to sales agents in order to bridge the gap until payment is received from the product providers. OVB counters bad debt risks by way of risk-sensitive accounts receivable management and the careful selection of its business and product partners. Appropriate allowances are made for receivables that are considered doubtful from today's perspective. Such allowances take into account timely information on the debtor's credit rating, the commission expected to be received and the age structure of receivables. The default rate of receivables is 1.55 per cent in the year under report (previous year: 2.17 per cent).

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

Issuer risks associated with the investment of liquid assets are contained by means of strict credit rating requirements and appropriate investment management. OVB maintains business relationships with several banks belonging to different banking systems. OVB closely monitors the standing of these banks and applies external ratings if available. 91.7 per cent of investments at least have an “A” rating, according to the rating scale of Standard & Poor's. 1.7 per cent of capital invetsments do not have a rating.

Market risks are risks of losses as a result of unfavourable changes in market prices or other price-affecting parameters. Market price risks include interest rate risks, currency risks and stock price risks. Shares, bonds and funds in the portfolio may be primarily exposed to price risk as a result of market price fluctuations. OVB varies investment volumes and issuers in order to counter this risk. Potential effects on earnings as a result of heavy price fluctuations are identified early on by monitoring and assessing the portfolio on an ongoing basis. Containing such risks may also necessitate the full liquidation of individual positions at short notice. Capital investments with an emphasis on real assets are altogether of minor relevance to the group companies. Had the market interest rate of relevance to capital investments been 100 basis points higher (lower) over the full year 2014, earnings would have been EUR 351k higher (lower).

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

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

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

Operational risks

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

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

OVB contains the risk of breaches of in-house and external rules and regulations by separating management from control functions. OVB protects itself from loss or damage and potential liability by appropriate insurance protection.

IT risk

IT structures are largely standardised. OVB utilises up-to-date, primarily industry-specific standard software of well-known providers in order to prevent malfunction, data loss, data manipulation and unauthorised access to the IT network. If necessary, Group-specific in-house developments subject to continuous quality control are used for complementing standard software. Back-up systems, mirror databases and a defined emergency plan keep the database secure and guarantee its availability. The IT systems are protected by special access and authorisation concepts as well as effective and continually updated anti-virus software.

With the CRM system currently being implemented, OVB pursues the further homogenisation of the IT tools put to use in all group companies.

Reputational opportunities and risks

Reputational risks arise from a loss of reputation either of the entire industry, of OVB itself or of one or several of its operating segments for example among clients, business partners or the general public. Advising on financial products and broking them are activities subject to critical public scrutiny on a case-by-case basis. OVB is particularly exposed to the risk that the public's trust in the Company might be affected if negative media reports were published, e.g. concerning claims against sales agents based on incorrect or allegedly incorrect advice or concerning products distributed by them. OVB follows and analyses any such discussions with the aim of taking preventive action to halt any damage to reputation even before it arises. Our professional training standards are compliant with statutory requirements and constantly being advanced and adapted to a changing legal framework. Documentation of counselling interviews and strict selection criteria for accepting new product providers and new products support this goal.

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

Risks associated with advisory service and liability risk

The brokerage of financial products generally takes place on the basis of previous advice given to the client. The purpose of this advisory service is to ensure that the client receives a financial product tailored to his or her individual provision requirements and investment profile. Potential risks associated with advisory services are curtailed by continually raising the awareness of and providing continuing education opportunities for our financial agents with a view to providing demand-specific advice and by documenting and recording client meetings as required. The public and extensive debate on the quality of financial advisory service in Europe leads to aggravated legal requirements that might entail increased risk.

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

Litigation risk

OVB guards against litigation risk by drawing on comprehensive advice both from in-house specialists and external specialist lawyers and advisors before making business decisions and in structuring business processes. The management of litigation risk is coordinated by our legal department. Its tasks also include the monitoring and assessment of current legal disputes. Constant monitoring and evaluation conducted by our legal department is the first step in enabling OVB to counter risks associated with potentially incorrect advice to clients and brokering financial and insurance products. OVB further reduces its risk of liability in part by taking out adequate financial liability insurance. Adequate provisions were made for all lawsuits including any costs of legal advice. According to our assessment, pending cases do not pose risks at present that might have material adverse effects on OVB's profit/loss, financial position and assets and liabilities.

Tax risk

For OVB a changing tax framework for advisory services migh result in task risk. OVB continually monitors tax law developments in all of the countries in which it does business as they become apparent, also including potential regulatory intervention that would affect the tax treatment of our distribution model, and analyses their potential impact on the Group. Both in-house and external experts monitor the tax requirements applicable to the Company in accordance with the relevant tax provisions and the directives issued in relation to such provisions by the respective tax authorities.

Estimation risk

Assumptions and estimates primarily concern the valuation of provisions, the collectability of receivables, the impairment of goodwill, litigation risk, depreciation and amortisation and the determination of the useful lives of assets. Actual values may deviate in the individual case from the assumptions and estimates made. Changes are considered as soon as better information becomes available.

Overall assessment of opportunities and risks

According to its own firm conviction, OVB operates in growth markets. Fundamental trends – such as the demographic development in Europe – increasingly require private retirement provision. Only a small fraction of the citizens has seen to adequate private pension provision and protection against major risks of life so far.

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

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

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

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

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

Outlook

The economic development in the euro area will gain momentum only slowly in 2015 and 2016, according to the assessment of the International Monetary Fund (IMF). After a 0.8 per cent gain in the year under review, the economic growth is expected to increase to 1.2 per cent in 2015 and 1.4 per cent in 2016 in this currency zone.

Development in Central and Eastern Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit (in % of GDP)	
	2015f	**2016f**	**2015f**	**2016f**	**2015f**	**2016f**
Croatia	0.0	1.0	1.2	1.5	- 5.1	- 4.4
Czech Republic	2.4	3.0	1.0	2.2	- 2.1	- 1.8
Hungary	2.3	2.3	1.0	3.0	- 2.8	- 2.8
Poland	3.5	3.0	0.6	1.8	- 2.7	- 2.0
Romania	2.7	3.0	1.4	2.4	- 2.3	- 2.3
Slovakia	2.5	3.0	0.5	2.0	- 2.3	- 1.4
Ukraine	- 4.5	0.5	24.7	12.0	- 7.0	- 5.5

f = forecast
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 1st quarter 2015

In the course of the years 2015 and 2016 the macroeconomic situation in the countries of the Central and Eastern Europe segment can be expected to improve. Price increase rates will range within an acceptable margin – with the exception of Ukraine – and the consolidation of public budgets is slowly progressing in most of the states. This macroeconomic development should support our business activity in this segment on balance. One risk factor remains with the continuing conflict in eastern Ukraine that might have consequences for neighbouring states as well. Therefore OVB expects moderately rising sales at a slightly lower operating result for the Central and Eastern Europe segment in the year 2015.

Development in Germany

The economic growth in Germany will continue at a stable yet moderate level in 2015 and 2016, in the opinion of the International Monetary Fund (IMF). The Fund predicts a 1.3 per cent gain for 2015 and 1.5 per cent for 2016.

Domestic demand remains the growth driver of the economy. Private consumer spending profits from the continued sound employment situation, a noticeable increase in gross wages and salaries and a moderate rise of consumer prices. Thus the financial options private households have for seeing to private provision on their own initiative also become potentially bigger. However, the low interest rate environment, unfavourable to savings, and the reduction of the guaranteed interest rate to 1.25 per cent coinciding with the Life Insurance Reform Act (LVRG) affect the motivation among consumers to take such initiative for urgently required saving for retirement. This brings up additional challenges for financial agents – also in view of the expected increasing pressure on margins. Against this backdrop the Executive Board anticipates a noticeable decrease in sales and a moderately decreasing operating income.

The improvement of the macroeconomic situation in the euro area is taking longer than initially expected. The main reasons for this are the lacking capacity for action displayed

Development in Southern and Western Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit (in % of GDP)	
	2015f	2016f	2015f	2016f	2015f	2016f
Austria	0.7	1.8	1.2	1.5	- 2.2	- 1.5
France	0.7	1.5	0.8	1.3	- 4.2	- 3.8
Greece	2.0	2.5	- 0.5	0.3	- 0.5	0.5
Italy	0.4	1.2	0.3	0.8	- 2.7	- 2.4
Spain	2.0	2.2	0.3	0.8	- 4.3	- 3.4
Switzerland	1.8	2.0	0.4	0.9	0.5	0.3

f = forecast
Source: Raiffeisen RESEARCH, Strategy Global Markets, 1st quarter 2015

by many governments in the euro area and the unwillingness to take on serious reform measures. The low-interest policy adopted by the European Central Bank (ECB) has lost most of its effect on the domestic economy and stimulates exports at best by putting pressure on the euro exchange rate. Economic stimulation is therefore expected to become apparent in France, Italy or Austria for example only in 2016. While inflation rates will probably remain at a low level, the reduction of new sovereign debt advances only slowly primarily in France and Spain. This slightly more favourable macroeconomic scenario can be expected to support OVB in continuing the sales successes achieved in the countries of the Southern and Western Europe segment over the past years. Based on OVB's sound starting position in the markets of this segment, sales could rise significantly in 2015 and the increase in operating income could therefore be disproportionately high.

Development of Corporate Centre

For the Corporate Centre segment, OVB Holding AG expects slightly higher earnings in 2015 despite systematic investments in the future sustainability of the OVB business model.

Development of the Group

An essential strength of the OVB Group is its broad international positioning over 14 European countries. Market conditions will remain challenging on the whole. Despite the enormous demand for private provision it cannot be ruled out that clients will continue to act cautiously with respect to long-term investment decisions. OVB will make every effort to set the course for growth. In doing so, the Company's strategy pursues several objectives:

- OVB wants to increase the penetration of the markets in which it already operates;
- OVB wants to tap into new, promising markets in case of suitable general conditions;
- OVB presents itself as an attractive, reliable partner with its infrastructure and demand-suited product portfolio to smaller sales organisations and individual financial advisors who seek new orientation;
- OVB wants to keep improving the efficiency of its business processes .

With the goal to become the leading system distributor in Europe in 2016 with the OVB strategy, the Group keeps pushing the defined core measures consistently. Some successes will support the Group's development already in 2015. With an EBIT of Euro 12.3 million, OVB achieved a much better result in the year under review 2014 than expected at the beginning of the year. Despite challenging general conditions, on the basis of the implemented measures we will do everything in our power to achieve this operatung result at slightly increased sales in the year 2015 as well.

Remuneration report

The remuneration report presents the governing principles of the determination of the remuneration of the members of Executive Board and Supervisory Board and explains the structure and amounts of the remuneration of the Executive Board members. The basic principles and the amounts of the remuneration of the Supervisory Board members are disclosed as well. The remuneration report is part of the management report and can be found in the chapter “Corporate governance” of the 2014 Annual Report of OVB Holding AG.

The remuneration report is also available on the Internet at http://www.ovb.eu/english/investor-relations/corporate-governance.

Statement on corporate governance

Executive Board and Supervisory Board have released the joint statement on corporate governance that is part of the management report and can be found in the chapter “Corporate governance”.

Disclosures pursuant to Sections 289 (4), 315 (4) HGB and explanatory report

Composition of subscribed capital

The Company's share capital was Euro 14,251,314.00 as of 31 December 2014 divided into 14,251,314 no-par value bearer shares. Each share carries the same rights and represents one vote in the General Meeting.

Shareholdings in excess of 10.0 per cent of the voting rights

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

Basler Beteiligungsholding GmbH (formerly Deutscher Ring Beteiligungsholding GmbH), Hamburg, holds roughly 32.57 per cent of the shares. This investment is attributed to Basler Sachversicherungs-Aktiengesellschaft, Bad Homburg, Basler Lebensversicherungs-Aktiengesellschaft, Hamburg, Basler Sach Holding AG, Hamburg, Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg, Bâloise Delta Holding S.a.r.l., Bartingen, Luxembourg, and Bâloise Holding AG, Basel, Switzerland, in accordance with Sections 21, 22 (1) sentence 1 no. 1 WpHG (German Securities Trading Act).

IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg, holds roughly 31.67 per cent of the shares directly. As the insurance companies of the Signal IDUNA Group represent a horizontal group (“Gleichordnungskonzern”) pursuant to Section 18 (2) AktG (German Stock Corporation Act), the group indirectly holds 52.95 per cent of the shares. Balance Vermittlungs- und Beteiligungs-AG, Hamburg, holds roughly 17.54 per cent of the shares directly. Deutscher Ring Krankenversicherungsverein a.G., Hamburg, holds roughly 3.74 per cent of the shares directly.

In accordance with Sections 21 (1), 22 (2) WpHG, the shares held directly by Balance Vermittlungs- und Beteiligungs-AG, Deutscher Ring Krankenversicherungsverein a.G. and IDUNA Vereinigte Lebensversicherung aG are also attributed to SIGNAL Unfallversicherung a.G., Dortmund, and SIGNAL Krankenversicherung a.G., Dortmund, so that these entities have respective indirect holdings of roughly 52.95 per cent of the shares.

Generali Lebensversicherung AG, Munich, holds roughly 11.48 per cent of the shares directly, attributed to Generali Beteiligungs- und Verwaltungs-AG, Munich, Generali Deutschland Holding AG, Cologne, Generali Beteiligungs-GmbH, Aachen, and Assicurazioni Generali S.p.A., Triest, Italy, in accordance with Sections 21, 22 (1) sentence 1 no. 1 WpHG.

The free float as defined by Deutsche Börse AG amounts to roughly 3.00 per cent as of 31 December 2014 according to the information available to OVB Holding AG.

Restrictions on voting rights or share assignment

The principal shareholders have concluded a shareholder voting agreement; the Company is not familiar with its content.

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

The Executive Board, consisting of at least two members pursuant to Section 7 (1) of the Articles of Association, is appointed and dismissed exclusively in accordance with the relevant statutory provisions (Sections 84 and 85 AktG (German Stock Corporation Act)). The Supervisory Board has sole responsibility for the appointment and dismissal of Executive Board members. The Supervisory Board determines the number of Executive Board members and appoints members for a maximum term of five years. Executive Board members may be reappointed or their terms of office extended, in each case for no more than five years.

The Articles of Association may be amended by resolution of the General Meeting of shareholders. Amendments become valid upon entry in the commercial register pursuant to Section 181 (3) AktG. In accordance with Section 179 (2) AktG in conjunction with Section 18 (2) of the Articles of Association, resolutions passed by the General Meeting to amend the Articles of Association must be adopted by a simple majority of the share capital represented at the vote unless the German Stock Corporation Act determines a larger majority as mandatory. Under Section 11 (3) of the Articles of Association, the Supervisory Board has the power to amend the Articles of Association insofar as only their wording is concerned.

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

At present OVB Holding AG has neither contingent nor authorised capital. The Annual General Meeting of 11 June 2010 authorised the Company to acquire a total of up to 300,000 treasury shares up to and including 10 June 2015. The shares may be acquired on the stock exchange or by means of a public purchase offer directed towards all shareholders. The Company may also use intermediaries to acquire shares on the stock exchange, provided those intermediaries comply with the following restrictions.

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

In case of a public purchase offer, the purchase price must neither exceed nor undercut the average share price (closing auction prices for OVB shares on the Xetra trading platform or a functionally equivalent system that supersedes Xetra at the Frankfurt Stock Exchange) over the last five trading days prior to the day on which the bid was announced by more than 10 per cent respectively. A limit may be placed on the volume of shares subject to the bid. If the offer is over-subscribed, acceptance must be proportionate to the number of shares respectively offered. The Company may give priority to shareholders seeking to sell smaller allotments of up to 100 shares in the Company.

Subject to the Supervisory Board's approval, the Executive Board is authorised to use the shares bought back in accordance with the above authorisation as follows:

With the Supervisory Board's approval, the Executive Board may use the repurchased shares as (partial) consideration in connection with company mergers or in order to acquire enterprises, equity interests in enterprises, divisions of enterprises or other business assets, or in order to sell the shares on the stock exchange at a price that is not materially below the market price of the Company's shares at the time of the sale. The Executive Board may also use the repurchased shares in order to fulfil the obligations under any plans for share-based payment in favour of members of management, other executives and the self-employed sales agents of OVB Holding AG and its domestic and foreign subsidiaries (within the meaning of Sections 15 et seq. AktG).

The Executive Board may also, with the Supervisory Board's approval, retire the repurchased shares without another resolution of the Annual General Meeting being required.

The Executive Board may elect to retire only a part of the acquired shares; the authorisation to retire shares may be exercised more than once.

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

The shareholders' rights to subscribe to the Company's treasury shares are excluded, provided such shares are used in accordance with the authorisations described above.

Change of control

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

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

Statement of the Executive Board pursuant to Section 312 AktG

For each reportable business transaction or measure, the Company has received appropriate consideration according to the circumstances known to the Company at the time of the respective transaction or measure.

Responsibility statement

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

Cologne, 24 February 2015

Michael Rentmeister	Oskar Heitz	Mario Freis	Thomas Hücker
CEO	CFO	CSO	COO

CONSOLIDATED FINANCIAL STATEMENTS 2014

Consolidated financial statements of OVB Holding AG

Consolidated financial statements 2014

Consolidated statement of financial position

of OVB Holding AG as of 31 December 2014 according to IFRS

Assets

Note	in EUR'000	31/12/2014	31/12/2013
	A. Non-current assets		
1	Intangible assets	11,132	10,143
2	Tangible assets	4,430	5,011
3	Investment property	577	580
4	Financial assets	321	397
5	Deferred tax assets	4,641	5,151
		21,101	**21,282**
	B. Current assets		
6	Trade receivables	21,777	21,644
7	Receivables and other assets	25,019	28,177
8	Income tax assets	1,798	2,296
9	Securities and other capital investments	42,310	34,961
10	Cash and cash equivalents	39,882	38,370
		130,786	**125,448**
	Total assets	**151,887**	**146,730**

Equity and liabilities

Note	in EUR'000	31/12/2014	31/12/2013
	A. Equity		
11	Subscribed capital	14,251	14,251
12	Capital reserve	39,342	39,342
13	Treasury shares	0	0
14	Revenue reserves	13,785	13,785
15	Other reserves	552	865
16	Non-controlling interests	153	152
17	Retained earnings	15,530	14,647
		83,613	**83,042**
	B. Non-current liabilities		
18	Liabilities to banks	219	241
19	Provisions	1,552	1,407
20	Other liabilities	115	87
21	Deferred tax liabilities	80	105
		1,966	**1,840**
	C. Current liabilities		
22	Provisions for taxes	827	1,405
23	Other provisions	27,118	26,021
24	Income tax liabilities	1,440	306
25	Trade payables	7,008	6,724
26	Other liabilities	29,915	27,392
		66,308	**61,848**
	Total equity and liabilities	**151,887**	**146,730**

Note

Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 December 2014 according to IFRS

Note	in EUR'000	2014	2013
27	Brokerage income	197.398	187.581
28	Other operating income	7.520	8.658
	Total income	**204.918**	**196.239**
29	Brokerage expenses	-128.503	-121.826
30	Personnel expenses	-26.830	-25.549
31	Depreciation and amortisation	-3.133	-2.870
32	Other operating expenses	-34.197	-35.786
	Earnings before interest and taxes (EBIT)	**12.255**	**10.208**
	Finance income	788	1.136
	Finance expenses	-152	-199
33	**Financial result**	**636**	**937**
	Consolidated income before income tax	**12.891**	**11.145**
34	Taxes on income	-4.169	-3.122
35	**Consolidated net income**	**8.722**	**8.023**
36	Thereof non-controlling interests	-1	-2
37	**Consolidated net income after non-controlling interests**	**8.721**	**8.021**
38	Basic earnings per share in Euro	0,61	0,56

Note

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 December 2014 according to IFRS

in EUR'000	2014	2013
Consolidated net income	**8,722**	**8,023**
Revaluation effect from provisions for pensions	-297	-43
Deferred tax due to revaluation effect from provisions for pensions	67	11
Other comprehensive income not to be reclassified to the income statement	**-230**	**-32**
Change in revaluation reserve	144	-166
Change in deferred taxes on unrealised gains and losses from capital investments	-8	28
Change in currency translation reserve	-219	-351
Other comprehensive income to be reclassified to the income statement	**-83**	**-489**
Total comprehensive income attributable to non-controlling interests	-1	-2
Total comprehensive income	**8,408**	**7,500**

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 31 December 2014 according to IFRS

in EUR'000	2014	2013
Consolidated net income (before non-controlling interests)	8,722	8,023
-/+ Increase/decrease in non-controlling interests	-1	-2
+/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	3,128	2,857
-/+ Unrealised currency gains/losses	387	569
+/- Allocation to/reversal of valuation allowances for receivables	3,290	3,328
-/+ Increase/decrease in deferred tax assets	510	746
+/- Increase/decrease in deferred tax liabilities	-25	-70
- Other finance income	-159	-189
- Interest income	-629	-946
+/- Increase/decrease in provisions	664	-5,320
+/- Increase/decrease of unrealised gains/losses in equity (net)	-94	-169
+/- Expenses/income from the disposal of intangible and tangible assets (net)	-26	-19
+/- Decrease/increase in trade receivables and other assets	233	1.219
+/- Increase/decrease in trade payables and other liabilities	3,931	-1,106
= Cash flow from operating activities	**19,931**	**8,921**
+ Proceeds from the disposal of property, plant and equipment and tangible assets	464	94
+ Proceeds from the disposal of financial assets	301	226
- Purchases of tangible assets	-854	-1,892
- Purchases of intangible non-current assets	-3,154	-1,234
- Purchases of financial assets	-228	-243
+/- Decrease/increase in securities and other short-term investments	-7,349	4,275
+ Other finance income	159	188
+ Interest received	629	946
= Cash flow from investing activities	**-10,032**	**2,360**
- Dividends paid	-7,838	-7,838
+/- Increase/decrease in non-controlling interests	1	2
+ Proceeds/repayments from the issue of bonds and taking out (financial) loans	-22	-46
= Cash flow from financing activities	**-7,859**	**-7,882**
Overview:		
Cash flow from operating activities	19,931	8,921
Cash flow from investing activities	-10,032	2,360
Cash flow from financing activities	-7,859	-7,882
= Net change in cash and cash equivalents	**2,040**	**3,399**
Exchange gains/losses on cash and cash equivalents	-567	-755
+ Cash and cash equivalents at end of the prior year	38,370	35,726
= Cash and cash equivalents at the end of the period	**39,843**	**38,370**
Income tax paid	4,203	4,571
Interest paid	39	45

Consolidated statement of changes in equity

of OVB Holding AG as of 31 December 2014 according to IFRS

in EUR'000	Subscribed capital	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves	Available-forsale reserve/ revaluation reserve
31/12/2013	**14,251**	**39,342**	**6,626**	**2,653**	**11,132**	**183**
Consolidated profit			8,021			
Treasury shares						
Corporate actions						
Dividends paid			-7,838			
Change in available-for-sale reserve						144
Transfer to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
Balance as at 31/12/2014	**14,251**	**39,342**	**6,809**	**2,653**	**11,132**	**327**

of OVB Holding AG as of 31 December 2013 according to IFRS

in EUR'000	Subscribed capital	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves	Available-forsale reserve/ revaluation reserve
31/12/2012	**14,251**	**39,342**	**6,341**	**2,649**	**10,997**	**349**
Consolidated profit			8,262			
Treasury shares						
Corporate actions						
Dividends paid			-7,838			
Change in available-for-sale reserve						-166
Transfer to other reserves			-139	4	135	
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
Balance as at 31/12/2013	**14,251**	**39,342**	**6,626**	**2,653**	**11,132**	**183**

Reserve from provisions for pensions	Deferred taxes on unrealised gains/losses	Currency translation reserve	Net income recognised directly in equity	Net income for the period	Total comprehensive income	Noncontrolling interests	Total
-259	**53**	**888**		**8.021**		**152**	**83,042**
				-8.021			
							-7,838
	-8		136		136		136
		-219	-219		-219		-219
-297	67		-230		-230		-230
				8,721	8,721	1	8,722
-556	**112**	**669**	**-313**	**8,721**	**8,408**	**153**	**83,613**

Reserve from provisions for pensions	Deferred taxes on unrealised gains/losses	Currency translation reserve	Net income recognised directly in equity	Net income for the period	Total comprehensive income	Noncontrolling interests	Total
-216	**14**	**1,239**		**8,262**		**150**	**83,377**
				-8.262			
							-7,838
	28		-138		-138		-138
		-351	-351		-351		-351
-43	11		-32		-32		-32
				8,021	8,021	2	8,023
-259	**53**	**888**	**-521**	**8,021**	**7,500**	**152**	**83,042**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2014

Notes to the consolidated financial statements of OVB Holding AG

Notes to the consolidated financial statements for financial year 2014

I. General information

1. General information on the OVB Group

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

The consolidated financial statements of OVB Holding AG for the financial year ended 31 December 2014 were released for publication on 27 March 2015 pursuant to a resolution of the Executive Board and with the approval of the Supervisory Board.

2. Summary of basic principles of financial accounting

As a listed parent company that utilises an organised market within the meaning of Section 2 (5) WpHG (German Securities Trading Act), OVB Holding AG, pursuant to Section 315a HGB (German Commercial Code), has prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union, released by the International Accounting Standards Board (IASB). All International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) subject to mandatory application for financial year 2014 as well as the interpretations released by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) were taken into account. The requirements under Section 315a (1) HGB were also considered.

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

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

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

2.1 Mandatory accounting standards

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

Standards applied for the first time

- Improvements to IFRS

Within the framework of the Annual Improvements project intended to introduce minor improvements to standards and interpretations, the IASB has released two more collections of "Improvements to IFRS" (Cycle 2010 – 2012 and Cycle 2011 - 2013), resulting in minor amendments to altogether eleven standards. These amendments have no material effect on the consolidated financial statements.

- IFRS 10 Consolidated Financial Statements

IFRS 10 supersedes the provisions of previous IAS 27 Consolidated and Separate Financial Statements on group accounting and addresses issues formerly regulated in SIC 12 Consolidation – Special Purpose Entities.

IFRS 10 establishes a consistent concept of control applicable to all kinds of companies including special purpose entities toward the determination of the basis of consolidation. The standard also includes additional guidelines for specifying the provisions on whether the definition of a control relationship applies. The new standard has no effect on the consolidated financial statements.

- IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 consolidates and expands the disclosure requirements of all investments in subsidiaries, joint ventures and associates. The new standard provides for quantitative and qualitative statements that enable the addressee to assess the kind, the risks and the financial consequences of the investments. The new standard has no material effect on the consolidated financial statements.

- IAS 32 Financial Instruments: Presentation (amendment)

The amendment to IAS 32 brings a clarification of several provisions for offsetting financial assets and financial liabilities in case of a legally enforceable right of set-off. Accordingly the right of set-off must exist as of the reporting date and there must be the intent to fulfil the liability net of the asset or to transact both items simultaneously. The right must also be legally enforceable for all parties involved in the ordinary course of business as well as in case of one party's insolvency. The amendment has no effect on the consolidated financial statements.

- IAS 36 Impairment of Assets

The amendment to IAS 36 leads to the harmonisation of disclosures with respect to value in use and disclosures connected to fair value less costs to sell. The amendment has no material effect on the consolidated financial statements.

- IAS 39 Financial Instruments: Recognition and Measurement (amendment)

The amendments to IAS 39 concern the measurement of off-market (over-the-counter – OTC) derivatives and the corresponding hedging relationship (hedge accounting). The standard was subsequently enhanced by a simplification option according to which the termination of hedge accounting is not required if the novation of a hedging instrument meets certain criteria. The amendments have no effect on the consolidated financial statements.

Released standards not yet subject to mandatory application

The following standards have been released but are not yet subject to mandatory application or may only be applied in future reporting periods.

- IFRS 9 Financial Instruments

IFRS 9 reflects phase I of the IASB project for replacing IAS 39 and deals with the categorisation and measurement of financial assets and financial liabilities. The standard is subject to mandatory application for financial years beginning on or after 1 January 2018. In further project phases, the IASB will concern itself with the accounting treatment of hedging relationships and the impairment of financial assets. In order to reach a comprehensive understanding of the potential effects, the Group will assess the consequences of the revisions of IFRS 9 upon completion of the next phases.

- IFRS 15 Revenue from Contracts with Customers

IFRS 15 governs the disclosure of sales revenue and defines consistent principles for the presentation of information of relevance to the financial statements with respect to the kind, amount and time of recognition as well as uncertainties in connection with the recognition of sales from contracts with customers or clients. According to IFRS 15 sales must be recognised only if and when the customer obtains the authority of disposal of the goods and services agreed on and is in the position to derive benefit from them. The standard supersedes the previous IAS 18 and IAS 11 and is subject to mandatory application for financial years beginning on or after 1 January 2017. OVB Holding AG is currently assessing the effects of the future application of IFRS 15.

- IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets (amendment)

The amendment is intended to clarify which methods are appropriate for depreciation of tangible assets and amortisation of intangible assets. Accordingly, depreciation of tangible assets based on sales generated with goods manufactured by utilising such assets is not appropriate. With two exceptions, this clarification is also adopted for IAS 38 with respect to amortisation of intangible assets with limited useful lives. The amendment applies to financial years beginning on or after 1 January 2016 and will probably have no effect on the Group's assets, liabilities, financial position and profit or loss.

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

2.2 Principles of consolidation

The consolidated financial statements for the financial year ended 31 December 2014 incorporate OVB Holding AG and the entities under its control. Control usually applies if the parent directly or indirectly holds more than 50 per cent of the voting rights in an entity or if it can influence the financial and operating policies of an entity in such a way that it profits from the entity's activities.

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

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

In the 2014 financial year the two companies EFCON Consulting s.r.o., Brno, and EFCON s.r.o., Bratislava, were merged into their respective parent companies, OVB Allfinanz a.s., Prague, and OVB Allfinanz Slovensko a.s., Bratislava.

In addition to OVB Holding AG, the following subsidiaries have been included in the consolidated financial statements:

Consolidated companies	Shareholding in % 2014	Shareholding in % 2013	Subscribed capital in EUR'000 31/12/2014
Nord-Soft EDV-Unternehmensberatung GmbH, Horst	50.40	50.40	77
Nord-Soft Datenservice GmbH, Horst	50.40	50.40	26
OVB Informatikai Kft., Budapest	100	100	51
MAC Marketing und Consulting GmbH, Salzburg	100	100	500
EF-CON Insurance Agency GmbH, Vienna	100	100	100
OVB SW Services s.r.o., Prague	100	100	8
OVB Vermögensberatung AG, Cologne	100	100	10,000
OVB Allfinanzvermittlungs GmbH, Wals/Salzburg	100	100	1,500
OVB Vermögensberatung (Schweiz) AG, Cham	100	100	1,177
Eurenta Holding GmbH Europäische Vermögensberatung, Cologne	100	100	75
Advesto GmbH, Cologne	100	100	100
OVB Vermögensberatung A.P.K. Kft., Budapest	100	100	134
OVB Allfinanz a.s., Prague	100	100	570
OVB Allfinanz Slovensko a.s., Bratislava	100	100	849
OVB Allfinanz Polska Społka Finansowa Sp. z.o.o., Warsaw	100	100	245
OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj	100	100	1,018
OVB Imofinanz S.R.L., Cluj	100	100	149
OVB Allfinanz Croatia d.o.o., Zagreb	100	100	515
OVB Allfinanz Zastupanje d.o.o., Zagreb	100	100	3
OVB-Consulenza Patrimoniale SRL, Verona	100	100	100
OVB Allfinanz España, S.A., Madrid	100	100	501
OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens	100	100	521
Eurenta Hellas Monoprosopi Eteria Periorismenis Efthynis Asfalistiki Praktores, Athens	100	100	400
OVB Hellas Allfinanzvermittlungs GmbH, Athens	100	100	18
OVB Conseils en patrimoine France Sàrl, Strasbourg	100	100	300
TOB OVB Allfinanz Ukraine, Kiev	100	100	1,339

Shareholdings indicated correspond to the voting rights share with respect to all subsidiaries.

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

	Nord-Soft EDV-Unternehmens-beratung GmbH		Nord-Soft Datenservice GmbH	
in EUR'000	**31/12/2014**	**31/12/2013**	**31/12/2014**	**31/12/2013**
Non-current assets	431	466	0	0
Current assets	148	151	27	38
Non-current liabilities	219	241	0	0
Current liabilities	75	92	3	14

Non-current assets of Nord-Soft EDV-Unternehmensberatung GmbH essentially include own-use property with a book value of EUR 414k as of 31 December 2014 (previous year: EUR 454k).

2.3 Foreign currency translation

2.3.1 Foreign currency transactions

Foreign currency transactions are generally translated at the closing exchange rate of the transaction date. Monetary items denominated in foreign currencies (e.g. liquid assets, receivables, liabilities) are consequently translated at the respective closing exchange rates and any translation differences are recognised in profit or loss. Non-monetary items valued at historical cost continue to be translated at historical exchange rates. The historical exchange rate equals the exchange rate used when the item was first recognised.

2.3.2 Foreign entities

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

The exchange rates of relevance to the preparation of the consolidated financial statements have developed in relation to the euro as follows:

EUR	Closing rate 31/12/2014	Closing rate 31/12/2013	Change in %	Average rate 2014	Average rate 2013	Change in %
CHF	0.831400	0.815900	1.90	0.823470	0.812780	1.32
CZK	0.036120	0.036500	-1.04	0.036350	0.038580	-5.78
HUF	0.003179	0.003375	-5.81	0.003240	0.003370	-3.86
HRK	0.130600	0.131200	-0.46	0.131110	0.132180	-0.81
PLN	0.232800	0.241200	-3.48	0.239140	0.238630	0.21
RON	0.223500	0.224200	-0.31	0.225260	0.226610	-0.60
UAH	0.052730	0.088710	-40.56	0.065710	0.093560	-29.77

3. Summary of essential accounting policies and valuation methods

3.1 Historical cost convention and fair value

Generally speaking, the amortised acquisition cost, or historical cost, of assets and liabilities constitutes the maximum value at which they can be reported.

However, available-for-sale securities and investment property are exceptions to this rule as they are recognised at fair value. The fair value is defined as the amount that would be received for the sale of an asset or paid for the transfer of a liability in a business transaction between market participants as of the cut-off date.

With respect to available-for-sale securities, the fair value of all securities held corresponds to the market price in an active market (level 1). If no such market prices are available, fair value is determined on the basis of the requirements defined by IFRS 13.61 according to a valuation model. Unrealised gains and losses are generally recognised in equity outside profit or loss. If such a security is disposed of, the cumulative gains or losses previously recognised directly in equity are then reclassified to the income statement. If the security is permanently impaired, the cumulative losses previously recognised outside profit or loss are then also reclassified to the income statement.

The fair value of investment property is established by an independent valuer. Gains or losses derived from changes in the fair value of investment property are recognised in profit or loss in the year in which they accrue or incur.

3.2 Financial instruments

Financial assets and liabilities are recognised in the consolidated statement of financial position only when a company of the OVB Group becomes a contracting party with respect to the contractual provisions of the respective financial instrument. Recognition is thus made as of the settlement date.

The OVB Group's financial instruments can be divided into the following categories which particularly determine subsequent measurement of the financial instruments.

Loans and receivables

After their first-time recognition, loans and receivables are measured at amortised cost. This is the amount at which a financial asset was initially recognised, less repayments, plus or less the cumulative amortisation of any difference between the originally assigned value and the amount repayable at final maturity based on the effective interest method, and less any allowances for impairment. In case of objective substantial indicators of impairment ("triggering events"), an individual assessment of the need for impairment is made in a second step. Then all future cash flows to maturity are discounted to the asset's net carrying amount.

Receivables and liabilities to and from the same former financial agent are offset if they have the same maturity, irrespective of the legal basis for such receivables and liabilities. This concerns the items in the statement of financial position 7.1 "Other receivables", 25 "Trade payables" and 26 "Other liabilities".

Availabe-for-sale financial assets

Available-for-sale financial assets are recognised at fair value. Unrealised valuation gains and losses are recognised outside profit or loss until the time of their disposal unless the conditions for impairment are fulfilled. Appreciation in value up to amortised cost after previously recognised impairment of debt securities is recognised in profit or loss while the appreciation of equity securities is generally recognised outside profit or loss through the revaluation reserve.

Financial liabilities

After their initial valuation at cost, financial liabilities are generally measured at amortised cost in the following period in application of the effective interest method.

3.2.1 Impairment and reversal of impairment loss of financial assets

The carrying amounts of financial assets are reviewed as of each reporting date to determine whether there are substantial objective indications for impairment, so-called triggering events. In this context, objective indications for impairment include for example a debtor's material financial difficulties, significant changes in the issuer's market or the permanent decline of the fair value of a financial asset below amortised cost. If there are such objective indications, an individual evaluation follows in a second step that may result in the assessment of the existence of actual impairment.

If impairment loss was recognised in profit or loss in respect of any "available-for-sale" debt securities held by OVB, the impairment loss is reversed through profit or loss in subsequent periods if the reasons for impairment cease to exist. Reversal of impairment loss must not exceed the amortised cost that would have resulted if no impairment loss had been recorded. Any excess amount is recognised in the revaluation reserve.

Impairment losses are not reversed through profit or loss for “available-for-sale financial assets” in the form of equity securities. Changes in the fair value must rather be recognised in the revaluation reserve in subsequent periods unless further impairment has to be taken into account.

With respect to financial assets attributed to the category loans and receivables for which impairment loss was recognised in profit or loss, impairment loss is reversed through profit or loss up to the amount of amortised cost if the reasons for impairment cease to exist.

3.3 Recognition of sales

Sales are generally recognised at the time the agreed performances have been provided and the claim for payment arises against the relevant product partner. In case of uncertainty with respect to the recognition of sales, the time of actual cash inflow is taken into account. In the event that commissions are refunded to a product partner, for example if contracts are cancelled or in the event of non-payment, provisions are made on the basis of historical figures (provisions for cancellation risk). Changes in provisions for cancellation risk are recognised on account of sales.

In the case of commissions received in instalments, back payments can usually be expected for subsequent years after conclusion of the contract. Commissions received in instalments are recognised at fair value of the received or claimable amount at the time the claim for payment arises.

3.4 Discretionary decisions

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

In preparing the consolidated financial statements, assumptions have been made and estimates utilised that had an effect on the disclosure and value of assets and contingent liabilities as recorded in the statement of financial position.

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

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

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

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

The annual impairment tests of goodwill are based on multi-year budget figures that are generally subject to a certain degree of quantitative uncertainty. Impairment testing requires an estimate of the value in use of the respective cash-generating unit. For the determination of the value in use, estimates of expected future cash flows are required. In addition to that, the parameters required for calculating value in use must also be determined. These parameters primarily include the risk-free interest rate and a risk premium. The book value of goodwill can be found under note 1 in the notes to the statement of financial position.

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

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

3.5 Objectives and methods of financial risk management

OVB pursues a corporate policy according to which the Company's shareholders participate adequately in the business success. The Executive Board has the objective to keep distributing the Company's profits to the shareholders. The capital structure of OVB Holding AG is distinguished by a solid equity ratio of 55.0 per cent (previous year: 56.6 per cent) which is appreciated by the clients with their confidence. The Group utilises various financial instruments that are a direct result of its business activities. The material risks to which the Group is exposed in connection with financial instruments include liquidity risk, currency risk, credit risk and interest rate risk. By means of the risk management system implemented by the Company's management, risks are regularly analysed and promptly reported. The risk management system identifies gross exposure, i.e. the risks that materialise if no measures are taken by the Company, and net risk, i.e. the residual risk that remains after appropriate measures have been taken. The risk report is delivered at regular intervals; in case of increased individual risks reports are given directly to the Company's management. Management decides on strategies and procedures for managing individual types of risk explained below in the respective subsections.

The following table shows the book values of all financial assets reported in the consolidated financial statements. It does not contain information on the fair value of financial assets and financial liabilities not measured at fair value as the book value represents an adequate approximation of the fair value.

in EUR'000		Book value 2014	Book value 2013
Financial assets	L+R	321	397
Trade receivables	L+R	21,777	21,644
Receivables and other assets		25,019	28,177
Receivables	L+R	16,211	17,690
Other assets		8,808	10,487
Securities and other capital investments		42,310	34,961
Securities	AfS	5,940	5,039
Other capital investments	L+R	36,370	29,923
Cash and cash equivalents	L+R	39,882	38,370

L+R = Loans and Receivables;
AfS = Available for Sale

All book values of financial assets correspond to the respective fair value. Pursuant to IFRS 13, securities are measured according to level 1 at exchange or market prices.

Aggregated according to the categories defined under IAS 39, the book values of financial instruments are as follows:

in EUR'000	Carrying amount 2014	Amortised cost	Historical cost	Change in value outside profit or loss	Change in value through profit or loss
Loans and receivables	114,561 (previous year: 108,024)	114,422 (previous year: 108,024)	-	-	-19,195 (previous year: -17,975)
Available-for-sale financial assets	5,940 (previous year: 5,039)	-	6,567 (previous year: 5,829)	328 (previous year: 184)	-955 (previous year: -974)
Financial liabilities	35,766 (previous year: 33,172)	35,766 (previous year: 33,172)	-	-	-

The Company's current liabilities fall under the category "financial liabilities" measured at amortised cost. "Loans and receivables" include all of the Company's financial receivables, loans reported as financial assets, fixed-term deposits and liquid assets with a maturity of more than three months reported as "other current capital investments", current loans and cash and cash equivalents. In order to improve comparability with the following tables, the book values shown for each asset category are the net carrying amounts, i.e. after consideration of impairment. All securities are classified as "available-for-sale financial assets".

Neither in the year under review nor in the previous year were financial assets reclassified in accordance with IFRS 7.12.

As of 31 December 2014 receivables were overdue but not impaired with a total book value of EUR 31 thousand (previous year: EUR 4 thousand). These receivables are essentially only a few days overdue based on invoicing processes.

Financial assets with a total book value of EUR 3,221 thousand (previous year: EUR 4,510 thousand) were pledged as collateral. Collateral is granted to individual product partners for protection against discount risk. The amount is based on the respective business volume of previous periods.

The fair values of the available-for-sale financial assets stated in the financial statements were determined on the basis of existing exchange and market prices.

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

		From subsequent measurement			Net result
in EUR'000	From interest and similar income	At fair value	Valuation allowance / Appreciation in value	From disposal	Total
Loans and receivables	629 (previous year: 946)	-	-2,319 (previous year: -1,960)	-882 (previous year: -1,238)	-2,572 (previous year: -2,253)
Available-for-sale financial assets	127 (previous year: 132)	149 (previous year: -166)	19 (previous year: 3)	-5 (previous year: 22)	290 (previous year: -8)
Financial liabilities	-143 (previous year: -181)	-	-	781 (previous year: 1,200)	638 (previous year: 1,019)
Total	613 (previous year: 897)	149 (previous year: -166)	-2,300 (previous year: -1,957)	-106 (previous year: -16)	-1,644 (previous year: -1,242)

Foreign currency effects included in the net result are immaterial and therefore not reported separately. The net result includes EUR 144 thousand recognised outside profit or loss in equity.

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

- allowances for receivables assigned to the category loans and receivables that are reported under distribution expenses as essentially receivables from sales agents are concerned,
- income from cancelled liabilities reported under other operating income and
- adjustments to the fair value of available-for-sale financial instruments recognised outside profit or loss.

The net result from allowances for loans and receivables consists of expenses for valuation allowances and income from appreciation in value.

Total interest income from financial assets amounted to EUR 757 thousand in the year under review (previous year: EUR 1,078 thousand). Total interest expense for financial liabilities was EUR 143 thousand (previous year: EUR 181 thousand).

For the qualitative statements relating to the type of risks carried by financial instruments pursuant to IFRS 7.31-7.42, please refer to the management report (chapter “Financial risks”), released as part of this consolidated management report.

3.5.1 Credit risk

The group companies are exposed to default risks relating to receivables from sales agents. OVB counters these risks by retaining securities, running an active accounts receivable management at the respective group companies and practising a careful selection of financial agents. Credit risk relating to product partners is curtailed by a restrictive selection process. Appropriate risk provisions have been made for receivables associated with a “triggering event” upon which impairment loss has been identified.

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

The maximum amount of exposure in the category of loans and receivables is equivalent to the carrying amount of EUR 114,561 thousand (previous year: EUR 108,024 thousand). Securities held as collateral for this purpose come to EUR 5,775 thousand (previous year: EUR 2,113 thousand) so that the residual risk amounts to EUR 108,786 thousand (previous year: EUR 105,911 thousand). Material terms and conditions were not renegotiated in the year under review.

The maximum amount of exposure in the category of available-for-sale financial assets as of 31 December 2014 is equivalent to the carrying amount of EUR 5,940 thousand (previous year: EUR 5,039 thousand).

The credit quality of financial assets that are neither overdue nor impaired is determined on the basis of the subsidiaries' management assessment within a scale from “AAA” to “lower than BBB”, according to Standard & Poor's ratings categories, as follows:

in EUR'000	AAA	AA	A	BBB	Lower than BBB	No rating	Total
Loans and receivables	5,223 (previous year: 5,843)	1,849 (previous year: 4,666)	83,234 (previous year: 75,866)	9,209 (previous year: 3,732)	315 (previous year: 223)	4,963 (previous year: 6,503)	104,793 (previous year: 96,833)
Available-for-sale financial assets	0 (previous year: 0)	0 (previous year: 0)	1,281 (previous year: 576)	709 (previous year: 657)	0 (previous year: 0)	0 (previous year: 0)	1,990 (previous year: 1,233)

For the monitoring of risks associated with receivables from financial agents and receivables from employees, please see the explanatory notes on the impairment of other receivables.

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

The individually impaired financial assets as of the reporting date can be broken down as follows:

in EUR'000	Gross amount	Valuation allowance	Book value (net)
Loans and receivables	29,188 (previous year: 29,145)	-19,451 (previous year: -17,957)	9,737 (previous year: 11,187)
Available-for-sale financial assets	4,902 (previous year: 4,779)	-951 (previous year: -974)	3,951 (previous year: 3,806)

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

3.5.2 Currency risk

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

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

The Group generates 40 per cent of sales (previous year: 44 per cent) in functional currencies other than the euro. Translation differences from changes in exchange rates compared to the previous year were EUR -3,496 thousand in consolidated sales and EUR -262 thousand in consolidated net income. Changes in exchange rates between functional currencies and the euro may have an impact on consolidated net income and the consolidated statement of financial position. The rates of exchange between the euro and functional currencies are monitored in order to make allowance for currency risks arising from exchange rate fluctuations.

3.5.3 Interest rate risk

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

As of the reporting date, the Company had variable-interest assets valued at EUR 35,294 thousand (previous year: EUR 38,497 thousand) and variable-interest liabilities of EUR 227 thousand (previous year: EUR 200 thousand). If market interest rates for the full year 2014 had been 100 basis points higher (lower), the net income would have been EUR 351 thousand (previous year: EUR 383 thousand) higher (lower).

3.5.4 Liquidity risk

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

4. Consolidated assets

4.1 Non-current assets

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

4.1.1 Intangible assets

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

The following conditions must be met for the capitalisation of internally generated intangible assets:

- An intangible asset must be identifiable, i.e. it can be separated from the Company and sold, transferred, licensed, let or swapped
- Completion of the intangible asset is technically feasible in order to allow its use or sale
- Intent to complete and use or sell the intangible asset
- Ability to use or sell the intangible assets and to restrict access of third parties to this benefit
- Reliable determination of acquisition and production cost
- Availability of adequate technical, financial and other resources toward the completion of development and the intangible asset's use or sale
- Probability is given that the internally generated asset will yield future economic benefit

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

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

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

Unless special circumstances make deviation necessary, the amortisation of intangible assets is calculated using the straight-line method on the basis of the following useful lives:

	Estimated useful lives
Software	3 – 10 years
Other intangible assets	3 – 10 years
Goodwill	No amortisation (IFRS 3)

In 2010 a CRM system was introduced at several subsidiaries of the OVB Group. The software is gradually amortised over 10 years, according to its introduction at the respective subsidiary, in application of the straight-line method. The total period of the software's introduction will probably range from March 2010 to November 2015. As the individualised national market modules are introduced subsequently and the software is constantly updated, the total amortisation period for this asset will come to 15.5 years due to the scheduled introduction period throughout the Group of 5.5 years.

Payments on account for software are measured at face value.

Until 31 December 2004 goodwill was amortised through profit or loss using the straight-line method over its useful life provided there was no impairment.

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

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

4.1.2 Tangible assets

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

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

Gains or losses upon asset disposals are determined by comparing sale proceeds with the carrying amount. Resulting gains or losses are recognised in profit or loss.

The estimated useful life is determined on the basis of anticipated physical wear and tear, technological obsolescence and legal and contractual restrictions.

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

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

4.1.3 Investment property

Investment property is capitalised at cost including transaction costs, representing the investment's market value at the time of acquisition. Investment property is capitalised only if it is probable that future economic benefits associated with the property will flow to the entity and if the cost of the property can be reliably measured.

Investment property is re-measured at fair value as of subsequent reporting dates (fair value model). Unless there are reasons suggesting that a revaluation should be conducted substantially earlier, revaluations are carried out at least once a year by an independent valuer. Pursuant to IAS 40 investment property is therefore not subject to depreciation.

Revaluation is generally provided by an independent valuer's current report utilising accepted real property valuation methods and taking into account property-specific distinctive features. For further explanations of the methods applied to investment property valuation please refer to the presentation of the corresponding asset item.

4.1.4 Financial assets

Financial assets relate to loans to in-house and sales force staff granted at market interest rates. They are measured at amortised cost less impairment loss if applicable.

4.1.5 Lease agreements

Lease agreements where all material risks and rewards incident to asset ownership are transferred to the lessee are classified as finance leases. The lessee depreciates the capitalised leased assets over the shorter of the lease term or the useful life of the asset. Any liabilities under the lease agreement are recognised accordingly and reduced by the repayment amount of the lease payments made.

If the above criteria are not met, the lease is classified as an operating lease. OVB is currently the lessee under both operating and finance lease agreements.

Rental income under operating leases where OVB acts as lessor is recognised in profit or loss under other operating income.

4.1.6 Impairment

Non-financial assets are reviewed for impairment within the meaning of IAS 36.1 as part of risk management whenever so-called triggering events indicate that the asset's carrying amount may not be recoverable (impairment test). Such objective indications or triggering events would include, for example, changes in market value, changes in market and business environment, changes in market interest rates or substantial indications in the Company's internal reporting that the ability to use the asset has changed for the worse or that the asset's earning capacity has diminished. Impairment loss is recognised as soon as it is determined in the context of the impairment test that an asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use. The net selling price is the amount obtainable by selling the asset under market conditions less cost to sell. The value in use is the cash or present value of estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. The recoverable amount is determined for each asset individually if possible or otherwise for the cash-generating unit the asset belongs to.

Goodwill recognised in the statement of financial position is reviewed with respect to its future economic benefit in accordance with the methods described under note 4.1.1. In this regard, the future economic benefit is determined on the basis of the recoverable amount. Impairment loss is recorded in profit or loss if the recoverable amount is lower than the carrying amount of the respective cash-generating unit.

4.2 Current assets

4.2.1 Receivables and other assets

Receivables and other assets are recognised at amortised cost less any necessary valuation allowances. Valuation allowances are determined on the basis of risk assessment for each item and past experience.

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

4.2.2 Securities

Pursuant to IAS 39, securities are classified in the categories "at fair value through profit or loss", "held-to-maturity", "available-for-sale" and "loans and receivables".

Given the incidental nature of OVB's capital investments, only such securities are purchased that can be sold at any time. All securities and other capital investments are thus classified as "available-for-sale".

Financial assets are valuated at fair value plus transaction costs upon their first-time recognition.

"Available-for-sale" financial assets are subsequently measured at fair value, provided the fair value can be reliably determined. Changes in the market value of "available-for-sale" financial assets are recognised in the revaluation reserve in equity and reclassified through profit or loss only if gains or losses are realised. A loss is deemed realised even without the sale of the security if there are objective indications (triggering events) for the identification of impairment (IAS 39.58).

Premiums and discounts are attributed directly to their respective financial assets and allocated over the remaining term with a constant effective interest rate. If there are objective indications of impairment, assessments are made with respect to actual impairment and impairment loss is recognised if necessary.

4.2.3 Cash and cash equivalents

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

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

5. Consolidated equity and liabilities

5.1 Non-current liabilities

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

5.1.1 Non-current provisions

Provisions for pensions

The calculation of provisions for pensions is based on the project unit credit method in accordance with IAS 19. Future obligations are valuated on the basis of an actuarial estimate. Actuarial valuation takes into account current mortality, disability and staff turnover rates. The interest rate applied in order to calculate the present value of pension obligations is based on the interest rate applicable to long-term first-class corporate bonds and comes to 2.30 per cent (previous year: 3.17 per cent).

Provisions for employee benefits

Provisions for long-term benefits due to employees are particularly provisions for anniversary benefits that do not fall due within 12 months of the reporting date. They are generally measured at the present value of estimated future cash flows. The discount interest rate is oriented toward the interest rate applicable to long-term first-class corporate bonds.

5.2 Current liabilities

5.2.1 Provisions for taxes / Tax liabilities

If certain facts or circumstances are disputed between the reporting entity and the respective tax authority, provisions are created for the income taxes of the individual companies based on the respective applicable domestic taxation.

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

Deferred tax liabilities are recognised under tax deferrals.

5.2.2 Other provisions

Cancellation risks

Provisions for cancellation risk are made for discounted commission relating to events after the reporting date as commission must be wholly or partially repaid if a product partner claims a commission refund on the basis of contracts that have been cancelled. The amount of the provision is determined by the respective subsidiary based on nationally specific aspects (esp. period of liability, the subsidiary's historical cancellation rates, the expected timing of cancellations, etc.) as of each reporting date according to a uniform process implemented in the Group. The expected non-current portion of the provision is subject to discounting. The discount rate applied, appropriate to the term to maturity, is 0.39 per cent (previous year: 0.48 per cent).

Unbilled liabilities

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

Legal disputes

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

Obligations to employees

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

Costs associated with annual financial statements / Audit cost

Companies of the OVB Group have the obligation under commercial law and tax law to prepare annual financial statements in accordance with the applicable domestic provisions as well as consolidated financial statements and, if the entity exceeds a certain size, to have them audited. This item also includes the anticipated cost of the audit of the 2014 consolidated financial statements.

Other obligations

Other obligations arise where accounts are still outstanding, particularly for goods and services that were supplied before the reporting date but have not yet been billed. These provisions are recognised at the expected settlement amount.

5.2.3 Other liabilities

Trade payables

Trade payables are recognised at settlement amounts.

Loans

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

6. Consolidated income statement

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

6.1 Income / Expenses

Please refer to note 3.3 for the recognition of sales.

The offsetting expense items are recognised on an accrual basis.

6.2 Financial result

Finance expense and finance income are recognised on an accrual basis.

6.3 Taxes on income

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

Deferred taxes are calculated on the basis of the internationally recognised liability method. According to this method, deferred tax items are recognised for all temporary and quasi-temporary differences between the carrying amount of an asset or liability according to IFRS and its tax base as reported by the individual company, as well as for selected consolidation transactions. Furthermore, deferred tax assets are recognised for the future benefit of tax loss carry-forwards. However, a deferred tax asset will be recognised for accounting and valuation differences and for tax loss carry-forwards only to the extent that realisation is sufficiently probable. This calculation was based on the budgeted medium-term earnings of the respective companies. Deferred taxes are measured on the basis of the respective expected domestic income tax rate.

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

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

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

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

7. Explanatory notes and information on segment reporting

The principal business activities of OVB's operating subsidiaries consist of advising clients in structuring their finances and in broking various financial products offered by insurance companies and other enterprises. It is not feasible to break down the services provided to clients by product type. Within the group companies there are no identifiable and distinctive key sub-activities at group level. For this reason, the individual companies are each categorised as single-product companies. Consequently segment reporting is based exclusively on geographic aspects since corporate governance and internal reporting to group management are also structured according to these criteria exclusively. In this regard, the operating group companies represent operating segments for the purpose of IFRS 8 and have been aggregated in three reportable segments in accordance with the criteria for aggregation provided by IFRS 8.12. All companies not involved in brokerage service operations are aggregated in the fourth segment, Corporate Centre. Compliant with IFRS, internal reporting to the Company's management is a condensed presentation of the income statement, which is presented more elaborately in segment reporting. The companies' earnings are monitored separately by the Company's management in order to be able to measure and assess profitability. Due to the Improvements to International Financial Reporting Standards adopted by the European Union by Commission Regulation No. 243/2010 of 23 March 2010, segment assets are not disclosed in the presentation of segment reporting compliant with IFRS 8.23 as this 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 and TOB OVB Allfinanz Ukraine, Kiev. Essential contributions to the brokerage income of the Central and Eastern Europe segment were generated by OVB Allfinanz a.s., Prague at EUR 42,795 thousand (previous year: EUR 53,063 thousand) and OVB Allfinanz Slovensko a.s., Bratislava at EUR 33,304 thousand (previous year: EUR 30,804 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/Salzburg; OVB Vermögensberatung (Schweiz) AG, Cham; OVB-Consulenza Patrimoniale SRL, Verona; OVB Allfinanz España S.A., Madrid; OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas Allfinanzvermittlungs GmbH, Athens; OVB Conseils en patrimoine France Sàrl., Strasbourg and Eurenta Hellas Monoprosopi EPE Asfalistiki Praktores, Athens.

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

Corresponding to the presentation in internal reporting to the Executive Board, the separate items are presented in segment reporting after consolidation of investments, inter-segment liabilities and expense and income and after the elimination of interim results. Intra-group dividend distributions are not taken into account. For intra-group allocations an appropriate additional overhead charge is levied on the individual cost items incurred.

Reconciliations of segment items to corresponding group items are made directly in the consolidation column in segment reporting. Recognition, disclosure and measurement of the consolidated items in segment reporting correspond to the items presented in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity.

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

Segment reporting 2014

of OVB Holding AG according to IFRS

in EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	107,389	46,186	43,823	0	0	197,398
Other operating income	1,414	3,317	1,549	1,180	60	7,520
Income from inter-segment transactions	70	997	2	8.094	-9.163	0
Total segment income	**108,873**	**50,500**	**45,374**	**9,274**	**-9,103**	**204,918**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-69,022	-21,647	-25,258	0	0	-115,927
- Other commission for sales force	-6,153	-3,377	-3,046	0	0	-12,576
Personnel expenses	-6,737	-8,422	-3,679	-7,992	0	-26,830
Depreciation/amortisation	-814	-632	-266	-1,421	0	-3,133
Other operating expenses	-15,988	-9,922	-8,603	-8,758	9,074	-34,197
Total segment expenses	**-98,714**	**-44,000**	**-40,852**	**-18,171**	**9,074**	**-192,663**
Earnings before interest and taxes (EBIT)	**10,159**	**6,500**	**4,522**	**-8,897**	**-29**	**12,255**
Interest income	218	179	136	215	-119	629
Interest expenses	-32	-163	-21	-46	119	-143
Other financial result	0	78	17	55	0	150
Earnings before taxes (EBT)	**10,345**	**6,594**	**4,654**	**-8,673**	**-29**	**12,891**
Taxes on income	-2,043	14	-1,524	-616	0	-4,169
Non-controlling interests	0	0	0	-1	0	-1
Segment result	**8,302**	**6,608**	**3,130**	**-9,290**	**-29**	**8,721**
Additional disclosures						
Capital expenditures for intangible and tangible assets	911	277	419	2,401	0	4,008
Material non-cash expenses (-) and income (+)	1,092	396	-537	-107	0	844
Impairment expenses	-994	-2,406	-812	-41	0	-4,253
Reversal of impairment loss	85	821	162	64	0	1,132

Segment reporting 2013

of OVB Holding AG according to IFRS

in EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	110,532	44,098	32,951	0	0	187,581
Other operating income	2,696	3,223	1,295	1,531	-87	8,658
Income from inter-segment transactions	47	1,366	5	8,919	-10,337	0
Total segment income	**113.275**	**48.687**	**34.251**	**10.450**	**-10.424**	**196.239**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-71,189	-19,513	-19,054	0	0	-109,755
- Other commission for sales force	-5,744	-4,192	-2,134	0	0	-12,071
Personnel expenses	-6,912	-7,780	-3,426	-7,430	0	-25,549
Depreciation/amortisation	-743	-907	-260	-960	0	-2,870
Other operating expenses	-17,810	-9,807	-8,031	-10,596	10,457	-35,786
Total segment expenses	**-102,398**	**-42,199**	**-32,905**	**-18,986**	**10,457**	**-186,031**
Earnings before interest and taxes (EBIT)	**10,877**	**6,488**	**1,346**	**-8,536**	**33**	**10,208**
Interest income	369	282	118	370	-193	946
Interest expenses	-48	-230	-60	-36	193	-181
Other financial result	0	76	52	390	-346	172
Earnings before taxes (EBT)	**11,198**	**6,616**	**1,456**	**-7,812**	**-313**	**11,145**
Taxes on income	-2,578	-96	-53	-395	0	-3,122
Non-controlling interests	0	0	0	-2	0	-2
Segment result	**8,620**	**6,520**	**1,403**	**-8,209**	**-313**	**8,021**
Additional disclosures						
Capital expenditures for intangible and tangible assets	1,006	897	250	973	0	3,126
Material non-cash expenses (-) and income (+)	1,890	281	-695	-66	0	1,410
Impairment expenses	-1,288	-2,299	-1,089	-899	706	-4,868
Reversal of impairment loss	171	633	91	1,096	-1,053	937

II. Notes to the consolidated statement of financial position

ASSETS

A Non-current assets

2014: EUR'000	**21,101**
2013: EUR'000	21,282

1

1 Intangible assets

2014: EUR'000	**11,132**
2013: EUR'000	10,143

in EUR'000	31/12/2014	31/12/2013
Software		
Software purchased from third parties	10,597	8,947
In-house software developments	9	29
Payments on account for software	65	544
Goodwill	273	273
Other intangible assets	188	350
	11,132	**10,143**

The purchased software relates to a group-wide uniform customer relationship management program (CRM) and a software solution for sales support. The carrying amount of the CRM system is EUR 7,371 thousand as of 31 December 2014 (previous year: EUR 8,121 thousand). After first-time capitalisation as of 31 December 2014, the carrying amount of the sales-support software comes to EUR 1,864 thousand.

Goodwill is subject to impairment testing in accordance with IAS 36. The risk-free discount rate applied to goodwill for the determination of its value in use is 2.00 per cent (previous year: 2.72 per cent) at a detailed planning horizon of 5 years.

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

The goodwill accounted for at EUR 273 thousand in the previous year faces an expected future receipt of payments that substantiates the recognition as of 31 December 2014.

2

2 Tangible assets

2014: EUR'000	**4,430**
2013: EUR'000	5,011

in EUR'000	31/12/2014	31/12/2013
Land, land rights and buildings		
- Own-use property	1,504	1,612
Other equipment, office and operating equipment		
- Machinery, equipment, furniture, vehicles, other	1,725	2,199
- IT equipment	987	871
- Leased assets under finance lease	90	47
- Tenant fixtures and fittings	124	161
- Payments on account for tangible assets under construction	0	121
	4,430	**5,011**

A land charge entered for one property under the Company's own use in the amount of EUR 715 thousand (previous year: EUR 715 thousand) serves as the bank's collateral. The underlying loan is valued at EUR 19 thousand as of 31 December 2014 (previous year: EUR 41 thousand).

Depreciation of EUR 99 thousand (previous year: EUR 100 thousand) was recorded for own-use property.

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

Finance lease

The reported item of leased assets to be allocated to the Group in accordance with IAS 17 amounts to EUR 90 thousand as of 31 December 2014 (previous year: EUR 47 thousand). The total amount of minimum lease payments due within one year is EUR 18 thousand (previous year: EUR 15 thousand) and the amount due in between one and five years is EUR 65 thousand (previous year: EUR 55 thousand).

There were no future minimum lease payments under non-cancellable finance leases payable for more than five years.

The finance leases relate to vehicles. Once the lease agreement has expired there is an option to purchase the assets. There are no other options.

3 Investment property

2014: EUR'000 577
2013: EUR'000 580

in EUR'000	2014	2013
Rental income from investment property	32	33
Corresponding operating expenses	-24	-21
Net gains or losses from adjustment to fair value	-3	-6

Investment property relates to land in Hamburg, Germany on which an office building has been erected. The value of this property decreased in the year under review by EUR 3 thousand.

The fair value attributable to the property held by the Group as an investment as of 31 December 2014 has been determined by an independent valuer. The most recent valuation report was prepared in December 2014.

The determination of the fair value of investment property as of 31 December 2014 is allocated to level 3 of the fair value hierarchy according to IFRS 13.

No reallocations between the hierarchy levels have been made in the current financial year.

The following table shows the valuation technique applied for determining the fair value of investment property as well as the material unobservable inputs applied. The fair value is determined as the weighted average of asset value and capitalised value. Land value is determined by applying the comparative value method in both valuation models.

Valuation technique	Material unobservable inputs	Connection between material unobservable inputs and fair value measurement
Gross rental method: The determination of gross rental value is based on sustainable annual income, esp. rent (gross rental income), achievable with the investment property less operating expenses. The net income thus determined is considered for the calculation of the capitalised value through calculating the present value of annuity by applying property yield and remaining useful life.	1. Net cold rent (sustainable market rent): EUR 7/sqm (previous year: EUR 7/sqm)	1. As the rent increases, the fair value of investment property is rising.
	2. Operating expenses: 17 % of net cold rent (previous year: 17 %)	2. As operating expenses increase, the fair value of investment property is going down.
	3. Property rate: 6.1 % (previous year: 6.1 %)	3. As the property rate increases, the fair value of investment property is going down.
	4. Remaining useful life: 33 years (previous year: 34 years)	4. As the remaining useful life decreases, the fair value of investment property is going down.
	5. Specific features of the land	5. Improved specific features of the land increase the fair value of investment property.
Asset value method: The asset value of a building is derived from the building costs in consideration of individual features. The total of land value and asset value in consideration of the determined values of buildings and outdoor facilities represents the preliminary net asset value. The preliminary asset value is subject to market adjustment in line with the local real property market by considering the so-called asset value factor.	1. Building costs and ancillary building costs: EUR 1,451 thousand (previous year: EUR 1,431 thousand)	1. As building costs increase, the fair value of investment property is rising.
	2. Depreciation: 48.44 % (previous year: 46.88 %)	2. As depreciation increases, the fair value of investment property is going down.
	3. Asset value factor: 0.65 (previous year: 0.65)	3. An increasing asset value factor increases the fair value of investment property.

The following table presents the reconciliation statement for investment property from the beginning to the end of the year 2014:

Investment property	**1 January 2014: EUR'000**	**580**
	(-/+) Depreciation/Appreciation in value: EUR'000	-3
	31 December 2014: EUR'000	**577**

4

4 Financial assets	**2014: EUR'000**	**321**
	2013: EUR'000	397

Financial assets relate to loans with terms to maturity of more than one year, extended at market interest rates.

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2014

						Intangible assets
			Software	Goodwill	Other intangible assets	Total
in Euro'000	Purchased software from external third parties	Self-created software	Payments on account of software			
Historical cost						
31/12/2013	27,985	4,060	860	11,216	2,587	46,708
Currency translation differences	-11	-28	5	-9	5	-38
01/01/2014	27,974	4,032	865	11,207	2,592	46,670
Change in consolidated Group	0	0	0	0	0	0
Additions	3,064	0	66	0	24	3,154
Disposals	127	60	306	0	0	493
Transfers	238	0	-238	0	0	0
31/12/2014	**31,149**	**3,972**	**387**	**11,207**	**2,616**	**49,331**
Accumulated depreciation/ amortisation						
31/12/2013	19,039	3,965	316	9,416	2,100	34,836
Currency translation differences	-7	-25	6	0	5	-21
01/01/2014	19,032	3,940	322	9,416	2,105	34,815
Change in consolidated Group	0	0	0	0	0	0
Additions	1,645	16	0	0	188	1,849
Disposals	125	60	0	0	0	185
Transfers	0	0	0	0	0	0
31/12/2014	**20,552**	**3,896**	**322**	**9,416**	**2,293**	**36,479**
Accumulated impairments						
31/12/2013	0	67	0	1.527	135	1.729
Currency translation differences	0	0	0	-9	0	-9
01/01/2014	0	67	0	1.518	135	1.720
Change in consolidated Group	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Impairment loss reversal	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
31/12/2014	**0**	**67**	**0**	**1,518**	**135**	**1,720**
Book value 31/12/2014	**10,597**	**9**	**65**	**273**	**188**	**11,132**
Book value 31/12/2013	**8,947**	**29**	**544**	**273**	**350**	**10,143**

						Tangible assets	Investment property	Financial assets
				Operating and office equipment		Total		Loans
Own-use property	Machinery, equipment, furniture, vehicles, other	IT equipment	Leased assets under finance lease	Tenant fixtures and fittings	Payments on account of tangible assets in progress			
3,243	7,274	4,399	118	1,525	121	16,679	1,101	397
-19	-28	-5	0	-3	-1	-56	0	-4
3,224	7,246	4,394	118	1,522	120	16,623	1,101	393
0	0	0	0	0	0	0	0	0
3	399	360	73	10	8	853	0	228
0	583	249	10	1	0	843	0	300
0	-71	199	0	0	-128	0	0	0
3,227	**6,991**	**4,704**	**181**	**1,531**	**0**	**16,633**	**1,101**	**321**
1,631	5,075	3,528	71	1,363	0	11,668	0	0
-7	-17	-3	0	-2	0	-29	0	0
1,624	5,058	3,525	71	1,361	0	11,639	0	0
0	0	0	0	0	0	0	0	0
99	775	336	20	46	0	1,276	0	0
0	464	248	0	0	0	712	0	0
0	-103	103	0	0	0	0	0	0
1,723	**5,266**	**3,716**	**91**	**1,407**	**0**	**12,203**	**0**	**0**
0	0	0	0	0	0	0	521	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	521	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	3	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**524**	**0**
1,504	**1,725**	**987**	**90**	**124**	**0**	**4,430**	**577**	**321**
1,612	**2,199**	**871**	**47**	**161**	**121**	**5,011**	**580**	**397**

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2013

	Intangible assets					
			Software	Goodwill	Other intangible assets	Total
in Euro'000	Purchased software from external third parties	Self-created software	Payments on account of software			
Historical cost						
31/12/2012	27,565	4,110	320	11,292	2,488	45,775
Currency translation differences	-63	-39	-5	-76	-4	-187
01/01/2013	27,502	4,071	315	11,216	2,484	45,588
Change in consolidated Group	0	0	0	0	0	0
Additions	586	0	545	0	103	1,234
Disposals	103	11	0	0	0	114
Transfers	0	0	0	0	0	0
31/12/2013	**27,985**	**4,060**	**860**	**11,216**	**2,587**	**46,708**
Accumulated depreciation/ amortisation						
31/12/2012	17,962	3,979	320	9,416	1,953	33,630
Currency translation differences	-51	-39	-4	0	-6	-100
01/01/2013	17,911	3,940	316	9,416	1,947	33,530
Change in consolidated Group	0	0	0	0	0	0
Additions	1,230	35	0	0	153	1,418
Disposals	102	10	0	0	0	112
Transfers	0	0	0	0	0	0
31/12/2013	**19,039**	**3,965**	**316**	**9,416**	**2,100**	**34,836**
Accumulated impairments						
31/12/2012	0	67	0	1,356	103	1,526
Currency translation differences	0	0	0	-76	0	-76
01/01/2013	0	67	0	1,280	103	1,450
Change in consolidated Group	0	0	0	0	0	0
Impairments	0	0	0	247	32	279
Impairment loss reversal	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
31/12/2013	**0**	**67**	**0**	**1,527**	**135**	**1,729**
Book value 31/12/2013	**8,947**	**29**	**544**	**273**	**350**	**10,143**
Book value 31/12/2012	**9,603**	**64**	**0**	**520**	**432**	**10,619**

Tangible assets							Investment property	Financial assets
Operating and office equipment						Total		Loans
Own-use property	Machinery, equipment, furniture, vehicles, other	IT equipment	Leased assets under finance lease	Tenant fixtures and fittings	Payments on account of tangible assets in progress			
3,407	7,363	3,653	75	1,535	19	16,052	1,101	397
-169	-81	-18	0	-2	0	-271	0	-17
3,238	7,282	3,635	75	1,533	19	15,783	1,101	380
0	0	0	0	0	0	0	0	0
5	894	825	43	5	121	1,891	0	243
0	902	61	0	13	19	995	0	226
0	0	0	0	0	0	0	0	0
3,243	**7,274**	**4,399**	**118**	**1,525**	**121**	**16,679**	**1,101**	**397**
1,589	5,233	3,372	47	1,328	0	11,569	0	0
-58	-63	-13	0	-1	0	-135	0	0
1,531	5,170	3,359	47	1,327	0	11,434	0	0
0	0	0	0	0	0	0	0	0
100	753	229	24	48	0	1,154	0	0
0	848	60	0	12	0	920	0	0
0	0	0	0	0	0	0	0	0
1,631	**5,075**	**3,528**	**71**	**1,363**	**0**	**11,668**	**0**	**0**
0	0	0	0	0	0	0	515	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	515	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	6	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**521**	**0**
1,612	**2,199**	**871**	**47**	**161**	**121**	**5,011**	**580**	**397**
1,818	**2,130**	**281**	**28**	**207**	**19**	**4,483**	**586**	**397**

5

5 Deferred tax assets

2014: EUR'000	**4,641**
2013: EUR'000	5,151

Deferred tax assets can be broken down by reported item as follows:

in EUR'000	31/12/2014	31/12/2013
Goodwill	24	33
Tangible assets and other intangible assets	19	13
Financial assets	1	1
Financial instruments	383	264
Other assets	31	31
Provisions	2,029	1,724
Liabilities	2,034	1,844
Tax loss carry-forward	870	1,753
	5,391	**5,663**
Net of deferred tax liabilities	-750	-512
	4,641	**5,151**

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

All in all, no deferred taxes were recognised for loss carry-forward of EUR 22,194 thousand (previous year: EUR 18,957 thousand) for group companies. This would have corresponded to deferred tax assets of EUR 5,992 thousand (previous year: EUR 4,956 thousand).

Of this loss carry-forward, the amount of EUR 3,192 thousand (previous year: EUR 3,624 thousand) can be utilised over a period of between 5 and 15 years. The amount of EUR 19,002 thousand (previous year: EUR 15,333 thousand) can be carried forward indefinitely.

B Current assets

2014: EUR'000	**130,786**
2013: EUR'000	125,448

6

6 Trade receivables

2014: EUR'000	**21,777**
2013: EUR'000	21,644

in EUR'000	31/12/2014	31/12/2013
Trade receivables		
1. Receivables from insurance brokerage	19,322	19,539
2. Receivables from other brokerage	1,332	989
3. Other trade receivables	1,123	1,116
	21,777	**21,644**

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

in EUR'000	2014	2013
Valuation allowances as of 1 January	59	138
Exchange rate differences	0	-10
Allocation (valuation allowance expense)	73	70
Consumption	4	114
Reversals	0	25
Valuation allowances as of 31 December	**128**	**59**

Trade receivables in the amount of EUR 6,255 thousand (previous year: EUR 2,292 thousand) have remaining terms to maturity of more than one year.

1. Receivables from insurance brokerage

Receivables from insurance brokerage relate primarily to claims for commission against product providers. They do not bear interest and are generally due within 30 days.

2. Receivables from other brokerage

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

3. Other trade receivables

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

7

7 Receivables and other assets

2014: EUR'000	**25,019**
2013: EUR'000	28,177

in EUR'000	**31/12/2014**	**31/12/2013**
7.1 Other receivables	16,211	17,690
7.2 Other assets	8,808	10,487
	25,019	**28,177**

Receivables and other assets usually have terms to maturity of less than one year. An exception are claims for commission of former financial agents, valued altogether at EUR 8,679 thousand as of the reporting date (previous year: EUR 10,869 thousand). Of this total, claims of EUR 6,744 thousand have terms to maturity of more than one year (previous year: EUR 8,991 thousand).

7.1 Other receivables

in EUR'000	**31/12/2014**	**31/12/2013**
Other receivables		
1. Receivables from financial agents	11,392	12,163
2. Receivables from employees	187	164
3. Miscellaneous other receivables	4,422	5,078
4. Other taxes	210	285
	16,211	**17,690**

Changes in valuation allowances on other receivables are as follows:

in EUR'000	**2014**	**2013**
Valuation allowances as of 1 January	17,916	17,205
Exchange rate differences	-97	-111
Allocation (valuation allowance expense)	3,199	3,191
Consumption	870	1,629
Reversals	807	740
Valuation allowances as of 31 December	**19,341**	**17,916**

Allocations to valuation allowances on other receivables relate to receivables from financial agents. Risk provisions are made with regard to all available information concerning the credit rating of the debtors and the age structure of the receivables.

1. Receivables from financial agents

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

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

2. Receivables from employees

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

3. Miscellaneous other receivables

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

4. Other taxes

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

7.2 Other assets

2014: EUR’000	**8,808**
2013: EUR’000	10,487

in EUR’000	**31/12/2014**	**31/12/2013**
Other assets		
1. Accrued investment income	71	71
2. Other accrued income	434	489
3. Advertising and office supplies	551	532
4. Payments on account	391	356
5. Acquired future commission claims	7,083	8,767
6. Miscellaneous other assets	278	272
	8,808	**10,487**

1. Accrued investment income

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

2. Other accrued income

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

3. Advertising and office supplies

This item includes advertising materials for the sales force and other material used in sales and administration.

4. Payments on account

This item primarily relates to short-term advance payments for incentive events.

5. Acquired future commission claims

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

6. Miscellaneous other assets

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

8

8 Income tax assets

2014: EUR'000	**1,798**
2013: EUR'000	2,296

Income tax receivables primarily relate to income tax payments on account. Such receivables exist in particular for OVB Allfinanz a.s., Prague.

9

9 Securities and other capital investments

2014: EUR'000	**42,310**
2013: EUR'000	34,961

in EUR'000	2014			2013		
	Securities	Other capital investments	Total	Securities	Other capital investments	Total
Historical cost	**6,567**	**36,370**	**42,937**	**5,829**	**29,923**	**35,752**
Revaluation reserve	328		328	184		184
Impairment	-955		-955	-974		-974
Market value	**5,940**	**36,370**	**42,310**	**5,039**	**29,923**	**34,961**
Book value	**5,940**	**36,370**	**42,310**	**5,039**	**29,923**	**34,961**

Securities include interests in investment funds to the extent as follows:

	2014	
Capital investment	Annuity funds	Balanced mutual funds
Number of investment funds	2	4
Fund assets as of reporting date	Euro 375 – 386 million	Euro 33 – 386 million
Book values as of reporting date	Euro 1.44 million	Euro 3.20 million
Interest in fund	0.02 – 0.35 %	0.05 – 1.47 %

Maximum risk exposure corresponds to the respective book value.

In the past financial year write-downs on securities were recognised in profit or loss in the amount of EUR 4 thousand (previous year: EUR 19 thousand). The write-downs are included in the financial result in "Investment expenses" under item 33. The reversal of impairment loss on securities is also disclosed in the financial result, item 33, under "Reversal of impairment loss on investments".

The revaluation reserve increased by the amount of EUR 144 thousand in the past financial year (previous year: EUR -166 thousand). Net losses were realised in the amount of EUR 5 thousand in the financial year (previous year: EUR 0 thousand).

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

The determination of the fair value of securities held in the amount of EUR 5,940 thousand is allocated to level 1 of the valuation hierarchy according to IFRS 13 and considers market or exchange prices.

No reclassifications between valuation hierarchy levels have been made in the current financial year.

10

10 Cash and cash equivalents **2014: EUR'000** **39,882**
2013: EUR'000 38,370

in EUR'000	31/12/2014	31/12/2013
Cash	30	41
Cash equivalents	39,852	38,329
	39,882	**38,370**

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

Liquid funds consist of cash and cash equivalents less current liabilities to banks of EUR 38 thousand.

EQUITY AND LIABILITIES

A Equity

2014: EUR'000 **83,613**
2013: EUR'000 83,042

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

11

11 Subscribed capital **2014: EUR'000** **14,251**
2013: EUR'000 14,251

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251 thousand as of 31 December 2014 and consists of 14,251,314 no-par value bearer shares (previous year: 14,251,314 shares).

12

12 Capital reserve **2014: EUR'000** **39,342**
2013: EUR'000 39,342

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

13

13 Treasury shares

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

The Annual General Meeting of OVB Holding AG of 11 June 2010 authorised the Executive Board to acquire, subject to the Supervisory Board's approval, up to a total of 300,000 of the Company's bearer shares in one or several transactions up to and including 10 June 2015. Shares acquired on the basis of this authorisation may also be retired.

14

14 Revenue reserves **2014: EUR'000** **13,785**
2013: EUR'000 13,785

15

15 Other reserves **2014: EUR'000** **552**
2013: EUR'000 865

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

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

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

16

16 Non-controlling interests

2014: EUR'000	**153**
2013: EUR'000	152

Other shareholders hold non-controlling interests in Nord-Soft Datenservice GmbH of EUR 141 thousand (previous year: EUR 141 thousand) and in Nord-Soft EDV-Unternehmensberatung GmbH of EUR 12 thousand (previous year: EUR 11 thousand).

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

17

17 Retained earnings

2014: EUR'000	**15,530**
2013: EUR'000	14,647

Distributable profits and dividends

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

At the Annual General Meeting of 6 June 2014, the shareholders adopted the resolution on the appropriation of the retained earnings of OVB Holding AG for financial year 2013.

In financial year 2014 a dividend of EUR 7,838 thousand was distributed to the shareholders, equivalent to EUR 0.55 per no-par share. The dividend was paid out to the shareholders of OVB Holding AG on 10 June 2014.

In accordance with Section 170 AktG (German Stock Corporation Act), the Executive Board of OVB Holding AG proposes the following appropriation of the retained earnings as reported in the financial statements of OVB Holding AG as of 31 December 2014:

in EUR	2014
Distribution to shareholders	8,550,788.40
Profit carry-forward	6,126,831.69
Retained earnings	**14,677,620.09**

The dividend payout is thus equivalent to EUR 0.60 per share (previous year: EUR 0.55 per share).

The number of shares entitled to dividend and thus the amount distributable to shareholders may change prior to the Annual General Meeting due to the Executive Board's option to purchase treasury shares.

B Non-current liabilities

2014: EUR'000	**1,966**
2013: EUR'000	1,840

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

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

Maturity of liabilities as of 31/12/2014

in EUR'000 Type of liability	Total amount	1 year to less than 3 years	3 years to less than 5 years	5 and more years	No maturity	Secured amount
Liabilities to banks	219	219	0	0	0	19
Other liabilities	115	104	11	0	0	0

Maturity of liabilities as of 31/12/2013

in EUR'000 Type of liability	Total amount	1 year to less than 3 years	3 years to less than 5 years	5 and more years	No maturity	Secured amount
Liabilities to banks	241	241	0	0	0	0
Other liabilities	87	87	0	0	0	0

18

18 Liabilities to banks

2014: EUR'000	**219**
2013: EUR'000	241

The item "Liabilities to banks" includes long-term bank loans for setting up the businesses of subsidiaries in the amount of EUR 200 thousand (previous year: EUR 200 thousand) and for financing own-use property in the amount of EUR 19 thousand (previous year: EUR 41 thousand). Repayments on the loans amounted to EUR 21 thousand (previous year: EUR 46 thousand).

19

19 Provisions

2014: EUR'000	**1,552**
2013: EUR'000	1,407

in EUR'000	31/12/2014	31/12/2013
Provisions for pensions	1,061	873
Long-term provisions for employee benefits	491	532
Other long-term provisions	0	2
	1,552	**1,407**

in EUR'000	01/01/2014	Exchange rate differences	Allocation	Consumption	Reversal	31/12/2014
Provisions for pensions	873	3	242	57	0	1,061
Long-term provisions for employee benefits	532	0	47	88	0	491
Other long-term provisions	2	0	0	2	0	0
	1,407	**3**	**289**	**147**	**0**	**1,552**

The interest effects included in the allocations are immaterial.

Provisions for pensions

OVB Holding AG is under the obligation to pay pension benefits. The pension benefits include a retirement pension from the age of 65. An employee's pension expectancy is equivalent to 10 per cent of the employee's last monthly salary.

OVB Vermögensberatung (Schweiz) AG, Baar is under statutory obligation to pay pension benefits to six commercial employees. The following pension benefits are granted to the beneficiaries:

- retirement benefits
- pension for surviving dependents
- disability pension.

OVB Allfinanzvermittlungs GmbH, Salzburg has an obligation to grant pension benefits by way of settlement obligation to one employee once he reaches the statutory retirement age or if he takes early retirement in accordance with the relevant statutory provisions, or if he leaves the company for good cause (disability or inability to work), or in the event of his death.

Provisions for pensions can be broken down by subsidiary as follows:

Pension provisions as of 31/12/2014 **in EUR'000**	**OVB Holding AG**	**OVB Switzerland**	**OVB Austria**
Defined benefit obligations as of 1/1/2014	**651**	**684**	**71**
Exchange rate changes	0	13	0
Service cost	0	38	4
Past service cost	0	0	0
Interest expense/income	21	16	2
Gains (-) and losses (+) from revaluation:			
- Actuarial gains and losses from changes in demographic assumptions	0	-36	0
- Actuarial gains and losses from changes in financial assumptions	67	132	3
- Actuarial gains and losses from experience-based adjustments	7	105	40
Transfer	0	0	-106
Contributions:			
- Employer	0	0	0
- Plan participants	0	31	0
Pension plan payments:			
- Current payments	0	74	0
- Compensation	0	0	0
Defined benefit obligations as of 31/12/2014	**746**	**1,057**	**14**
Plan assets as of 1/1/2014	**0**	**533**	**0**
Exchange rate changes	0	10	0
Contributions:			
- Employer	0	74	0
- Plan participants	0	31	0
Expected investment income	0	0	0
Pension plan payments:			
- Current payments	0	75	0
- Compensation	0	0	0
Interest expense/income	0	12	0
Gains (-) and losses (+) from revaluation:			
- Income from plan assets not including interest income	0	21	0
Plan assets as of 31/12/2014	**0**	**756**	**0**
Pension provisions as of 31/12/2014	**746**	**301**	**14**

Pension provisions as of 31/12/2013 **in EUR'000**	**OVB Holding AG**	**OVB Switzerland**	**OVB Austria**
Defined benefit obligations as of 1/1/2013	**593**	**627**	**186**
Exchange rate changes	0	-9	0
Service cost	0	33	12
Past service cost	0	2	0
Interest expense/income	21	12	7
Gains (-) and losses (+) from revaluation:			
- Actuarial gains and losses from changes in demographic assumptions	0	53	0
- Actuarial gains and losses from changes in financial assumptions	0	-22	2
- Actuarial gains and losses from experience-based adjustments	37	-2	-18
Transfer	0		
Contributions:			
- Employer	0	0	-119
- Plan participants	0	21	0
Pension plan payments:			
- Current payments	0	-31	0
- Compensation	0	0	0
Defined benefit obligations as of 31/12/2013	**651**	**684**	**71**
Plan assets as of 1/1/2013	**0**	**495**	**0**
Exchange rate changes	0	-7	0
Contributions:			
- Employer	0	39	0
- Plan participants	0	21	0
Expected investment income	0	0	0
Pension plan payments:			
- Current payments	0	-31	0
- Compensation	0	0	0
Interest expense/income	0	10	0
Gains (-) and losses (+) from revaluation:			
- Income from plan assets not including interest income	0	8	0
Plan assets as of 31/12/2013	**0**	**533**	**0**
Pension provisions as of 31/12/2013	**651**	**151**	**71**

The actuarial expert assessments were prepared by the companies Mercer Human Resources Consulting GmbH and Helvetia Consulta Gesellschaft für Vorsorgeberatung AG respectively. The expert opinions are based on the following actuarial assumptions:

2014	OVB Holding AG	OVB Switzerland	OVB Austria
Discount rate	2.30 %	1.10 %	2.30 %
Expected future salary increase	0.00 %	1.00 %	1.50 %
Expected future pension adjustment	2.00 %	0.00 %	0.00 %
Expected inflation rate	0.00 %	0.00 %	0.00 %

2013	OVB Holding AG	OVB Switzerland	OVB Austria
Discount rate	3.17 %	2.25 %	3.40 %
Expected future salary increase	0.00 %	1.00 %	1.50 %
Expected future pension adjustment	2.00 %	0.00 %	0.00 %
Expected inflation rate	2.00 %	1.40 %	0.00 %

The expert opinions' underlying assumptions with respect to mortality are based in Germany on the Heubeck mortality tables 2005 G, in Switzerland on "BVG 2010" and in Austria on "AVÖ 2208-P".

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

Plan assets of OVB Switzerland are divided into the following categories:

- Debt instruments 48.0 per cent (previous year: 50.4 per cent)
- Real property 11.0 per cent (previous year: 13.3 per cent)
- Equity instruments 28.4 per cent (previous year: 26.5 per cent)
- Other assets 12.6 per cent (previous year: 9.9 per cent).

Provisions for pensions according to IAS 19 have changed as follows:

in EUR'000	2014	2013
Pension provisions according to IAS 19 as of 01/01	873	911
Exchange rate differences	3	-2
+ changes in pension provisions OVB Holding AG	94	59
+ changes in pension provisions OVB Switzerland	148	20
+ changes in pension provisions OVB Austria	-57	-115
Pension provisions according to IAS 19 as of 31/12	1,061	873

in EUR'000		Amount of obligation	
	Changes in assumption	Increase in assumption	Decrease in assumption
OVB Holding AG			
Discount rate	0.25 % points	725	767
OVB Switzerland			
Discount rate	0.25 % points	1,016	1,101
Expected future salary increase	0.25 % points	1,065	1,049
Expected future pension adjustment	0.25 % points	1,083	
OVB Austria			
Discount rate	0.25 % points	13	15
Expected future salary increase	0.25 % points	15	13

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

The funding of the acquired benefit claims is not regulated consistently at the subsidiaries of the OVB Group. At OVB Switzerland financing is provided by employer and employees at 50 per cent each with respect to the basic plan. The employer pays the contributions to the staff plan in full. At OVB Austria the employer fully provides the financing of severance payment obligations. At OVB Holding AG pension obligations are financed entirely by the Company.

The expected contributions to the pension plans for benefits after termination of employment altogether amount to EUR 128 thousand for the financial year ended 31 December 2015.

The weighted average term of the defined benefit obligations is 13 years (previous year: 12.6 years).

Long-term provisions for employee benefits

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

20

20 Other liabilities

2014: EUR'000	**115**
2013: EUR'000	87

Other liabilities relate to capitalised lease liabilities and equate to the present value of future lease payments.

21

21 Deferred tax liabilities

2014: EUR'000	**80**
2013: EUR'000	105

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

in EUR'000	31/12/2014	31/12/2013
Goodwill	89	89
Tangible and intangible assets	28	18
Financial instruments	219	123
Other assets	1	1
Provisions	412	385
Liabilities	81	1
	830	**617**
Net of deferred tax assets	-750	-512
	80	**105**

C Current liabilities

2014: EUR'000	**66,308**
2013: EUR'000	61,848

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

22

22 Provisions for taxes

2014: EUR'000	**827**
2013: EUR'000	1,405

in EUR'000	31/12/2014	31/12/2013
Income tax provisions	784	1,165
Other tax provisions	43	240
	827	**1,405**

The development of provisions for taxes is altogether as follows:

in EUR'000	01/01/2014	Exchange rate differences	Allocation	Consumption	Reversal	31/12/2014
Tax provisions	1,405	-15	730	1,171	122	827

23

23 Other provisions

2014: EUR'000	**27.118**
2013: EUR'000	26.021

in EUR'000	31/12/2014	31/12/2013
1. Cancellation risk	13,061	13,237
2. Unbilled liabilities	9,929	10,102
3. Legal disputes	1,130	763
	24,120	**24,101**
4. Others		
- Obligations to employees	1,662	661
- Costs associated with annual financial statements / Audit cost	670	599
- Other obligations	666	660
	2,998	**1,919**
	27,118	**26,021**

in EUR'000	01/01/2014	Exchange rate differences	Allocation	Consumption	Reversal	31/12/2014
1. Cancellation risk	13,237	-87	913	1,002	0	13,061
2. Unbilled liabilities	10,102	-87	8,441	8,442	85	9,929
3. Legal disputes	763	1	1,019	579	74	1,130
4. Other	1,919	-24	2,702	1,494	105	2,998
	26,021	**-197**	**13,075**	**11,517**	**264**	**27,118**

Allocations include expenses from the accumulation of interest on provisions in the amount of EUR 81 thousand (previous year: EUR 104 thousand). Provisions for cancellation risk are generally recognised as current provisions due to uncertainty in respect of the time and extent of their utilisation. Assumed that the clients' cancellation behaviour equals that of the recent past, the resulting non-current portion would amount to approx. EUR 3,734 thousand (previous year: EUR 4,190 thousand).

24

24 Income tax liabilities

2014: EUR'000	**1,440**
2013: EUR'000	306

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

25

25 Trade payables

2014: EUR'000	**7,008**
2013: EUR'000	6,724

This item includes commission billed by financial agents unless categorised as retained security as well as bonuses accrued as of the reporting date but not yet paid. Liabilities are measured at payable amounts.

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

Maturity of liabilities as of 31/12/2014:

in EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3–6 months	6–12 months	No maturity
Trade payables	7,008	91	269	2,317	2,235	0	2,096

Maturity of liabilities as of 31/12/2013:

in EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3–6 months	6–12 months	No maturity
Trade payables	6,724	3	436	2,136	2,195	0	1,954

26

26 Other liabilities

2014: EUR'000	**29,915**
2013: EUR'000	27,392

Maturity of liabilities as of 31/12/2014:

in EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3–6 months	6–12 months	No maturity
1. Retained security	25,495	101	119	2,750	7,385	85	15,055
2. Other tax liabilities	1,018	0	252	701	10	0	55
3. Liabilities to employees	2,295	0	413	1,593	63	172	54
4. Liabilities to product partners	553	0	4	0	7	0	542
5. Liabilities to banks	38	0	38	0	0	0	0
6. Other liabilities to sales agents	0	0	0	0	0	0	0
7. Miscellaneous liabilities	516	0	278	162	29	0	47
Total	**29,915**	**101**	**1,104**	**5,206**	**7,494**	**257**	**15,753**

Maturity of liabilities as of 31/12/2013:

in EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3–6 months	6–12 months	No maturity
1. Retained security	23,424	101	99	2,859	6,406	122	13,838
2. Other tax liabilities	973	0	297	669	7	0	0
3. Liabilities to employees	1,989	0	611	1,272	59	0	47
4. Liabilities to product partners	647	0	6	6	0	0	635
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to sales agents	16	0	0	0	0	0	16
7. Miscellaneous liabilities	343	1	135	156	28	0	23
Total	**27,392**	**102**	**1,148**	**4,961**	**6,500**	**122**	**14,558**

There are no liabilities with terms to maturity of more than 12 months.

1. Retained security

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

2. Other tax liabilities

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

3. Liabilities to employees

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

4 . Liabilities to product partners

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

5. Liabilities to banks

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

6. Other liabilities to sales agents

This item includes current liabilities to the sales force that are not related to brokerage services.

7. Miscellaneous liabilities

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

III. Notes to the consolidated income statement

27

27 Brokerage income

2014: EUR'000	**197,398**
2013: EUR'000	187,581

All income from product partners is recognised as brokerage income. Apart from commission, it also includes bonuses and other sales-related benefits paid by product partners. To provide for the case of reimbursements of commission to product partners upon contract cancellation/default, corresponding provisions are made on the basis of past experience (provisions for cancellation risk). Changes in provisions for cancellation risk are credited or charged on account of brokerage income.

28

28 Other operating income

2014: EUR'000	**7,520**
2013: EUR'000	8,658

in EUR'000	2014	2013
Refunds from financial agents	2,795	2,724
Income from reversal of provisions	386	977
Own work capitalised	9	40
Income from cancelled liabilities	781	1,200
Rental income from sub-leases	49	69
Income from the disposal of intangible and tangible assets	33	36
Reversals of impairment loss	897	898
Income from currency translation	127	102
Partners' contributions to costs	476	597
Other	1,967	2,013
	7,520	**8,658**

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

Own work capitalised relates to CRM software (cf. the asset schedule).

Other income relates to contributions made by product partners toward the cost of materials, personnel, representation, training and events as well as insurance payouts.

Reversals of impairment loss primarily concern receivables from financial advisors.

29

29 Brokerage income

2014: EUR'000	**-128,503**
2013: EUR'000	-121,826

in EUR'000	2014	2013
Current commission	-115,927	-109,755
Other commission	-12,576	-12,071
	-128,503	**-121,826**

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

30

30 Personnel expense

2014: EUR'000	**-26,830**
2013: EUR'000	-25,549

in EUR'000	2014	2013
Wages and salaries	-22,486	-21,151
Social security	-4,009	-3,904
Expenses for retirement provision	-335	-494
	-26,830	**-25,549**

31

31 Depreciation and amortisation

2014: EUR'000	**-3,133**
2013: EUR'000	-2,870

in EUR'000	2014	2013
Amortisation/Impairment of intangible assets	-1,851	-1,702
Depreciation/Impairment of tangible assets	-1,282	-1,168
	-3,133	**-2,870**

Depreciation and amortisation in financial year 2014 are shown in the asset schedule.

32

32 Other operating expenses

2014: EUR'000	**-34,197**
2013: EUR'000	-35,786

in EUR'000	2014	2013
Administrative expenses		
Legal, financial statement and consulting expenses	-5,002	-4,260
Facility expenses	-2,549	-2,561
Communication costs	-1,033	-1,138
IT expenses	-3,183	-3,162
Vehicle expenses	-562	-626
Rent for furniture and equipment	-139	-121
Other administrative expenses	-3,446	-3,552
	-15,914	**-15,420**
Sales and marketing costs		
Seminars, competitions, functions	-7,255	-7,818
Advertising cost, public relations	-1,474	-1,991
Write-down on/Valuation allowances for receivables	-4,098	-4,097
Other sales and marketing costs	-3,106	-3,723
	-15,933	**-17,629**
Miscellaneous operating expenses		
Foreign currency loss	-67	-262
Supervisory Board remuneration	-88	-126
Losses from disposal of investments	-7	-17
Other miscellaneous operating expenses	-309	-392
	-471	**-797**
Non-income-based taxes		
Value-added tax on purchased goods/services	-1,601	-1,735
Other non-income-based tax	-278	-205
	-1,879	**-1,941**
	-34,197	**-35,786**

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

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

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

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

Operating lease

Future minimum lease payments under non-cancellable operating leases essentially comprise future lease payments of group companies for office space of the respective head offices and can be broken down as follows:

in EUR'000	31/12/2014	31/12/2013
Twelve months or less	2,054	2,347
More than one year to five years	5,000	6,610
More than five years	447	1,342
	7,501	**10,299**

Payments under leases recognised in profit or loss can be broken down as follows:

in EUR'000	2014	2013
Minimum amount of lease payments	2,806	2,780
Contingent rent	2	2
	2,808	**2,782**
Sub-lease payments	7	50
	2,815	**2,832**

Payments were made under operating leases for the following commodities: vehicles, telephone equipment, photocopiers and other operating and office equipment as well as office space. The terms of these leases range between 3 and 36 months. Contingent rent essentially includes payments for contract provisions that consider actual use of photocopiers and extra mileage for vehicles.

Within the framework of letting office space in the building declared as "investment property", OVB Holding AG also acts as lessor. Resulting future minimum lease payments up to twelve months amount to EUR 8 thousand (previous year: EUR 8 thousand) and those of more than one year amount to EUR 0 thousand (previous year: EUR 0 thousand).

33

33 Financial result

2014: EUR'000 636
2013: EUR'000 937

in EUR'000	2014	2013
Finance income		
Bank interest	404	562
Income from securities	127	155
Reversal of impairment loss on capital investments	24	22
Income from investment property (net)	8	12
Interest income from loans	39	46
Other interest income and similar income	186	339
	788	**1,136**
Finance expense		
Interest expense and similar expenses	-143	-180
Expenses for capital investments	-9	-19
	-152	**-199**
Financial result	**636**	**937**

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

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

34

34 Taxes on income

2014: EUR'000 -4,169

2013: EUR'000 -3,122

in EUR'000	**2014**	**2013**
Current income tax	-3,653	-2,475
Deferred income tax	-516	-646
	-4,169	**-3,122**

Tax expenses include foreign current taxes in the amount of EUR 3,651 thousand (previous year: EUR 2,706 thousand) and foreign deferred tax assets of EUR 20 thousand (previous year: deferred tax assets of EUR 64 thousand).

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

In addition to the amount recognised in the consolidated income statement, deferred taxes of EUR 59 thousand (previous year: EUR 39 thousand) relating to items recognised outside profit or loss were settled outside profit or loss in equity.

The effective income tax rate applied to the result from ordinary business activities before income tax comes to 32.34 per cent (previous year: 28.01 per cent).

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

Reconciliation statement

in EUR'000	**2014**	**2013**
Earnings before income tax according to IFRS	12,891	11,144
Consolidated income tax rate	32.45 %	32.45 %
Theoretical income tax expense in the financial year	**-4,183**	**-3,616**
Taxes based on non-deductible expenses (-) / tax-free income (+)	-526	-609
Effects of other tax rates applicable to domestic and foreign operating subsidiaries	1,500	1,583
Prior-period income tax	-65	467
Changes in tax effects from temporary differences and tax loss for which no deferred tax assets were recognised (-) / Capitalisation of deferred tax in financial year on loss carry-forward from previous year for which no deferred tax was recognised in previous year (+)	-661	-248
Other	-234	-699
Taxes on income	**-4,169**	**-3,122**

35

35 Consolidated net income **2014: EUR'000 8,722** 2013: EUR'000 8,023

36

36 Consolidated net income attributable to non-controlling interests

2014: EUR'000 -1

2013: EUR'000 -2

This item relates to non-controlling interests of EUR 0.5 thousand (previous year: EUR 0.5 thousand) in Nord-Soft EDV Unternehmensberatung GmbH and of EUR 0.5 thousand (previous year: EUR 1 thousand) in Nord-Soft Datenservice GmbH, both of which have their registered offices in Germany.

37

37 Consolidated net income after non-controlling interests

2014: EUR'000	**8,721**
2013: EUR'000	8,021

38

38 Earnings per share basic/diluted

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

in EUR'000	2014	2013
Earnings		
Basis for basic/diluted earnings per share (consolidated net income for the period attributable to owners of the parent)	8,721	8,021

Number of shares	2014	2013
Weighted average number of shares for determination of basic/diluted earnings per share	14,251,314	14,251,314
Basic earnings per share in EUR	0.61	0.56

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

IV. Other information

Contingent liabilities

Guarantees and assumed liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial agents in the ordinary course of business. The associated risks are recognised in "Other provisions" to the extent that they give rise to obligations whose value can be reliably estimated. Guarantees and assumed liabilities to third parties total EUR 2,282 thousand as of the reporting date (previous year: EUR 3,015 thousand).

Litigation risk

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 agents.

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

Average number of employees

In the year under review, the Group had a commercial staff of 428 employees on average (previous year: 434) of which 42 (previous year: 43) filled executive positions.

Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG are:

- Michael Rentmeister, CEO
- Oskar Heitz, CFO
- Mario Freis, CSO
- Thomas Hücker, COO (since 6 June 2014)

Members of the Supervisory Board of OVB Holding AG:

- Michael Johnigk, (Chairman of the Supervisory Board); Member of the Executive Boards of Deutscher Ring Krankenversicherungsverein a.G., Hamburg; SIGNAL Krankenversicherung a. G., Dortmund; IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg; SIGNAL Unfallversicherung a. G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund; SIGNAL IDUNA Holding AG, Dortmund
- Dr. Thomas A. Lange, (Deputy Chairman of the Supervisory Board); Chairman of the Executive Board of NATIONAL-BANK AG, Essen
- Jan De Meulder, Chairman of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; General Representative of Basler Leben AG Direktion für Deutschland, Bad Homburg; General Represenattive of Basler Versicherung AG Direktion für Deutschland, Bad Homburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg; Member of the Corporate Executive Committee of Baloise Group, Basel, Switzerland
- Markus Jost, Member of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg
- Wilfried Kempchen, businessman (ret.)
- Winfried Spies, Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich

Remuneration of Supervisory Board and Executive Board

Remuneration of the Supervisory Board was EUR 80 thousand in the year under review (previous year: EUR 64 thousand).

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

in EUR’000	**Michael Rentmeister**	**Oskar Heitz**	**Mario Freis**	**Thomas Hücker** (since 6/2014)
Fixed remuneration	542 (previous year: 547)	353 (previous year: 353)	282 (previous year:272)	125 (previous year: 0)
Variable remuneration	305 (previous year: 377)	106 (previous year: 146)	104 (previous year: 123)	44 (previous year: 0)
Total remuneration	**847 (previous year: 924)**	**459 (previous year: 499)**	**386 (previous year: 395)**	**169 (previous year: 0)**

Variable remuneration of Executive Board members is based on individual targets defined for the financial year.

No remuneration was paid upon termination of an employment relationship in accordance with IAS 24.17(d). Long-term benefits were granted in the amount of EUR 191 thousand (previous year: EUR 344 thousand) in the year under report. No share-based payments were made.

Pension commitments of OVB Holding AG to a former member of management come to EUR 746 thousand as of the reporting date (previous year: EUR 651 thousand). No pension benefits were paid in the year under review.

Consulting expenses and audit fees

The item “Legal, financial statement and consulting expenses” includes the fee of the auditor, PricewaterhouseCoopers AG, Düsseldorf, in the total amount of EUR 398 thousand (previous year: EUR 368 thousand). The auditor's fees comprise the following positions in the 2014 financial year:

in EUR’000	**2014**	**2013**
Audit services	312	274
Other certifications and assessments	86	94
Tax consulting	0	0
Other services	60	0

Significant events after the reporting date

There have been no reportable significant events after the reporting date.

Related-party transactions

Transactions between the Company and its subsidiaries to be regarded as related parties were eliminated as intra-group transactions through consolidation and are not discussed in these notes.

Principal shareholders as of 31 December 2014 are companies of

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

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

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

As of 31 December 2014 IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe held shares in OVB Holding AG carrying 31.67 per cent of the voting rights. Balance Vermittlungs- und Beteiligungs-AG, part of the horizontal group, held shares in OVB Holding AG carrying 17.54 per cent of the voting rights as of 31 December 2014. Deutscher Ring Krankenversicherungsverein a.G. held shares in OVB Holding AG carrying 3.74 per cent of the voting rights as of 31 December 2014.

As of 31 December 2014 Basler Beteiligungsholding GmbH held shares in OVB Holding AG carrying 32.57 per cent of the voting rights. This company is a group company of the Baloise Group, whose parent is Bâloise Holding AG.

As of 31 December 2014 Generali Lebensversicherung AG held shares in OVB Holding AG carrying 11.48 per cent of the voting rights. This company is a group company of the Generali Group, whose parent is Generali Deutschland Holding AG.

"Brokerage expenses" include commission expense for members of key management personnel in the amount of EUR 0 thousand (previous year: EUR 10 thousand).

As of the reporting date, receivables from members of key management personnel amount to EUR 2 thousand (previous year: EUR 2 thousand) and liabilities to members of key management personnel amount to EUR 1 thousand (previous year: EUR 10 thousand).

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

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

From contracts with companies of the SIGNAL IDUNA Group, sales were generated in the amount of EUR 14,871 thousand (previous year: EUR 12,447 thousand), or total sales commission in the amount of EUR 20,967 thousand (previous year: EUR 18,461 thousand), principally in the Germany segment.

As of the reporting date, receivables from companies of the SIGNAL IDUNA Group come to EUR 553 thousand (previous year: EUR 660 thousand) and corresponding liabilities amount to EUR 0 thousand (previous year: EUR 0 thousand).

The item "Securities and other investments" (note 9) includes securities of the Signal IDUNA Group in the amount of EUR 1,358 thousand (previous year: EUR 1,250 thousand) and of Bâloise Holding AG in the amount of EUR 709 thousand (previous year: EUR 657 thousand).

Sales from contracts with companies of the Baloise Group in the amount of EUR 19,198 thousand (previous year: EUR 20,466 thousand), or total sales commission in the amount of EUR 26,435 thousand (previous year: EUR 29,909 thousand), are essentially generated in the Germany segment.

As of the reporting date, receivables from companies of the Baloise Group come to EUR 2,337 thousand (previous year: EUR 3,300 thousand) and corresponding liabilities amount to EUR 0 thousand (previous year: EUR 0 thousand).

Sales generated under contracts with companies of the Generali Group in the amount of EUR 30,745 thousand (previous year: EUR 33,081 thousand), or total sales commission in the amount of EUR 32,716 thousand (previous year: EUR 34,951 thousand), essentially involve the Germany and Central and Eastern Europe segments.

As of the reporting date, receivables from companies of the Generali Group come to EUR 3,232 thousand (previous year: EUR 3,341 thousand) and corresponding liabilities amount to EUR 0 thousand (previous year: EUR 0 thousand).

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

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

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

OVB Holding AG has reported on the contract relationships with companies of the SIGNAL IDUNA Group in financial year 2014 and in the previous years in accordance with Section 312 AktG (German Stock Corporation Act).

Statement pursuant to Section 161 AktG

The Executive Board and the Supervisory Board of OVB Holding AG have issued the statement required under Section 161 AktG (German Stock Corporation Act) for 2014 and made the statement permanently available to the shareholders on the website of OVB Holding AG (www.ovb.eu).

Statement pursuant to Section 37v WpHG

The financial statements constitute an annual financial report within the meaning of the German Transparency Directive Implementation Act ("Transparenzrichtlinie-Umsetzungsgesetz") of 22 December 2011 in accordance with Section 37v WpHG (German Securities Trading Act).

Responsibility statement

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

Cologne, 24 February 2015

Michael Rentmeister
CEO

Oskar Heitz
CFO

Mario Freis
CSO

Thomas Hücker
COO

AUDITOR'S REPORT 2014

REPORT OF THE SUPERVISORY BOARD 2014

CORPORATE GOVERNANCE 2014

COMPANY BOARDS AND BOARD MEMBERSHIPS 2014

Auditor's report

We have audited the consolidated financial statements prepared by OVB Holding AG, Cologne – comprising statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the consolidated financial statements – together with the consolidated management report for the financial year ended 31 December 2014. The preparation of the consolidated financial statements and the consolidated management report in accordance with the IFRS as adopted by the EU and the additional requirements of commercial law pursuant to Section 315a (1) HGB (German Commercial Code) is the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the consolidated financial statements and the consolidated management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the audit such that misstatements and violations materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the consolidated management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the consolidated management report are examined primarily on a test basis within the framework of the audit. The audit includes an assessment of the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Board, as well as an evaluation of the overall presentation of the consolidated financial statements and the consolidated management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements comply with the IFRS as adopted by the EU and the additional requirements of commercial law pursuant to Section 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The consolidated management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, 27 February 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Christian Sack	ppa. Thomas Bernhardt
Wirtschaftsprüfer	Wirtschaftsprüfer
(Certified Public Accountant)	(Certified Public Accountant)

Michael Johnigk, Chairman of the Supervisory Board, OVB Holding AG

Report of the Supervisory Board

Dear shareholders,

the Supervisory Board as the supervisory body of OVB Holding AG diligently attended to its duties as defined by law, the Articles of Association and the rules of procedure in the 2014 financial year. The Supervisory Board gave regular advice to the Executive Board in managing the Company and continuously supervised its activities. As in the past years, the Supervisory Board particularly concerned itself in detail with the economic and financial development as well as with the strategy and planning of the Company. The Supervisory Board was involved in all decisions of relevance to the Company directly and at an early stage.

The Executive Board informed the Supervisory Board regularly, comprehensively and in good time about all material developments of the Company and the Group in the Supervisory Board meetings as well as orally, electronically and in writing between Supervisory Board meetings. The Executive Board's communication behaviour was always appropriate with respect to the topics under discussion.

Among the focal points of the Executive Board's reporting were

- the economic and financial development of the Group and its segments including budgeting,
- the business and risk strategy,
- other essential concerns of the management of business operations,
- risk management, particularly the material risks the OVB Group is exposed to,
- business transactions and events of significance,
- the implementation of the strategy for Europe,
- the performances of the operating holdings,
- developments relating to financial agents and employees,
- the annual report of Internal Auditing and
- the annual report of the Chief Compliance Manager.

The Chairman of the Supervisory Board and the Chairmen of the Audit Committee and the Nomination and Remuneration Committee maintained close and regular exchange of information and ideas outside the framework of meetings as well, both with the Executive Board members and among themselves, and were informed about the economic and financial situation of the Company and recent developments.

Reporting by the Executive Board

The Executive Board's regular reports were provided each quarter in writing, including extensive documentation, analyses and assessments of the developments of profitability and assets and liabilities in comparison with the previous year and the targets from the Company's management accounting.

The Company's risk position was also presented in detail and analysed on the basis of quarterly updates.

The risk reports comprised the Group's current risk position in view of profitability and assets and liabilities, distribution, structures and products, market, competition, regulatory framework as well as operations and support.

Supervisory Board meetings and resolutions

The Supervisory Board members convened in altogether four Supervisory Board meetings in financial year 2014. The Audit Committee and the Nomination and Remuneration Committee also met for four sessions each. Insofar as necessary between the meetings, resolutions were made by way of circulation procedure. Due to illness, Jan De Meulder participated by way of voting messages in all prepared resolution proposals of all meetings in the 2014 financial year. The other Supervisory Board members attended all meetings. The members of the Executive Board attended the Supervisory Board meetings unless the Chairman of the Supervisory Board had decided otherwise.

Preparatory documents were provided to the members of the Supervisory Board for all of its meetings with sufficient time in advance. Quarterly reporting by the Executive Board notwithstanding, the principle has been observed that all documents must be submitted at least two weeks prior to the date of the meeting. In exceptional, duly justified cases, e.g. on account of update requirements, further documentation may be submitted at a later date.

At its meetings the Supervisory Board particularly discussed the following topics in detail and passed corresponding resolutions:

The first meeting of the year under review, held on 20 March 2014, focused on the separate and consolidated financial statements 2013 and the dividend proposal. Another item on the agenda was the Executive Board's report on relationships with affiliated companies. Upon the recommendation of the Audit Committee and following a discussion with the auditor and the Board's own diligent examination, the Supervisory Board approved the separate and consolidated financial statements for the 2013 financial year. This was already subject of detailed reporting in the Annual Report on the previous financial year. The Supervisory Board also concerned itself with the development of the Group structure: The conclusion of a control agreement with the wholly-owned subsidiary OVB Vermögensberatung AG and the decisions on the composition of Executive Board and Supervisory Board of OVB Vermögensberatung AG linked to that transaction were deliberated. The Supervisory Board also adopted the agenda for the Annual General Meeting of OVB Holding AG on 6 June 2014 including the resolution proposals. Moreover, the Supervisory Board concerned itself in detail with the report of the Nomination and Remuneration Committee on the advancement of the Executive Board remuneration system.

Prior to the beginning of the Annual General Meeting on 6 June 2014, the members of the Supervisory Board convened for a meeting at which the Executive Board first reported on the progress of the core measures of the strategy "OVB system distributor 2016" and the situation of the Group. Another topic was the following General Meeting. Furthermore, Thomas Hücker was appointed new member of the Executive Board.

In the Supervisory Board meeting held on 5 September 2014, the Executive Board reported again on the current situation of the Group on the basis of the distribution and financial analysis prepared as of 30 June 2014. Discussions of the Supervisory Board centred on the comprehensive status report "OVB system distributor 2016" given by the Executive Board. The Executive Board also explained the strategic project "Future Workshop" within whose framework OVB systematically deals with trends and topics of the future intended to advance the business model of OVB. This may include piloting future issues in order to assess feasibility and profitability. A modified plan for the allocation of responsibilities of the Executive Board as well as new rules of procedure for Executive Board and Supervisory Board were adopted as well. Finally the discussion of the status and the options for advancement of the Executive Board's remuneration system was resumed.

In the year under review the Supervisory Board reviewed the efficiency of its own activity by written survey all Supervisory Board members participated in. The results were presented and discussed in the meeting held on 3 December 2014. The supervisory body's high performance and competent composition were affirmed. Discussions on the Supervisory Board were rated as purposeful and result-oriented. It was noted that the corporate body's work was regarded as altogether positive and highly efficient. The Executive Board also gave an in-depth report on the Group's situation at the Supervisory Board meeting of 3 December 2014. The presentation and discussion of budgeting for 2015 and the multi-year planning derived from that followed, noted with approval by the Supervisory Board after exhaustive debate.

Work in the committees of the Supervisory Board

The Supervisory Board has established two committees for the support of its own work, namely the Audit Committee and the Nomination and Remuneration Committee.

The Supervisory Board is informed in full session about the topics of discussion and the outcome of the committee meetings in good time, in the next Supervisory Board meeting at the latest.

The committees have the following members.

Composition of the Supervisory Board committees

Audit Committee
Dr. Thomas A. Lange (Chairman)
Jan De Meulder Michael Johnigk Markus Jost
Nomination and Remuneration Committee
Jan De Meulder (Chairman)*
Michael Johnigk
*interim Chairman Markus Jost

Audit Committee

The Audit Committee concerns itself among other issues with

- monitoring the financial accounting process,
- the effectiveness of the internal control system,
- monitoring the risk management system,
- the results of Internal Auditing and
- the audit, particularly the issue of auditor independence.

Three conference calls were conducted in addition to the four regular meetings of the committee. Apart from present members of the Executive Board, the meetings held in March and December were also attended by the representatives of PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, for reporting purposes. In addition to that, several executives of the respective divisions were consulted for reports and answers to questions on selected topics in the committee meetings. The auditor declared to the Audit Committee that there were no grounds for concern about the auditor's impartiality. The Audit Committee received the required declaration of auditor independence, convinced itself of the auditor's qualification, concluded the fee agreement, commissioned the auditor with the audit and determined its focal points.

The emphasis of the committee's work in the year under review was among other issues on the audit of separate and consolidated financial statements 2013 and the management reports, the proposal for the appropriation of retained earnings and the audit reports provided by the auditor as well as the preparation of the decisions of the Supervisory Board on these issues. In addition to that, the interim financial reports (6-month and quarterly reports) were dealt with and adopted in consideration of the review reports provided by the auditor. The Audit Committee also concerned itself with monitoring the financial accounting process and with the effectiveness of the internal control system, risk management system and Internal Auditing. Moreover, the committee discussed the Group's compliance activities and had their advancement in the year under review explained by the Group's Chief Compliance Manager. Furthermore, the committee members deliberated the audit results of Group auditing, respective audit processes and audit planning.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee suggests suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting or for potential requests for the appointment of Supervisory Board members by order of the district court. The committee also makes suggestions for the appointment to the Executive Board and recommendations on the structure and amounts of Executive Board remuneration. The committee members saw to a close and regular exchange of views even outside the four sessions of the financial year.

Committee work focused particularly on discussions about the remuneration system of the Executive Board and the system's advancement. After consultation of an external remuneration expert, the committee reviewed the remuneration system and made suggestions for advancement to the Supervisory Board. The committee also made suggestions to the Supervisory Board with respect to the bonus criteria for the Chief Operations Officer of OVB Holding AG appointed in the year under review.

Corporate governance and declaration of conformity
The members of the Supervisory Board concerned themselves thoroughly with the German Corporate Governance Code in the year under review. After previous debate in full session, the Supervisory Board released an updated joint declaration of conformity pursuant to Section 161 (1) AktG together with the Executive Board, made permanently available on the Company's website. In addition to that, the Executive Board reports, also on behalf of the Supervisory Board, on corporate governance in the corporate governance report and the declaration on corporate governance.

Audit of separate and consolidated financial statements
PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Düsseldorf, elected auditor of the financial statements by the Annual General Meeting of 6 June 2014, has audited the separate financial statements as of 31 December 2014 prepared by the Executive Board in accordance with the provisions of the German Commercial Code (HGB) and the complimentary provisions of the German Stock Corporation Act (AktG) and the management report of OVB Holding AG for financial year 2014. The auditor issued an unqualified audit opinion. The consolidated financial statements of OVB Holding AG as of 31 December 2014 and the consolidated management report for financial year 2014 were prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union for listed companies pursuant to Section 315a HGB. The auditor issued an unqualified audit opinion for the consolidated financial statements and the consolidated management report as well. The auditor also confirmed the effectiveness of the internal control system and ascertained that the early warning system for risks implemented by the Executive Board is suited for the early identification of developments that might jeopardise the Company's continued existence.

The financial statements and management reports as well as the audit reports were discussed in detail in the respective meetings of the Audit Committee and the Supervisory Board on 27 March 2015. The auditor was also present as the corresponding items on the agenda were discussed and reported in detail on the process and the key findings of the audit by giving presentations in addition to the written reports that had been received by the Supervisory Board in good time prior to the meetings. The auditor also informed about the findings with respect to the internal control and risk management system relating to the financial accounting process and was available to the members' queries.

The Chairman of the Audit Committee informed the Supervisory Board in its subsequent full-session meeting about the preliminary review of the separate financial statements and consolidated financial statements. After review and in-depth discussion of the separate financial statements and the consolidated financial statements prepared by the Executive Board, the management report and the consolidated management report, the Supervisory Board agreed with the auditor's findings after its own review, thus following the recommendation of the Audit Committee, and approved the separate financial statements and the consolidated financial statements. The 2014 financial statements are thus adopted in accordance with Section 172 sentence 1 AktG. Having conducted its own review, the Supervisory Board also assented to the Executive Board's proposal for the appropriation of retained earnings and the payment of a dividend of Euro 0.60 per share.

The Executive Board's report on relationships with affiliated companies was provided to the Supervisory Board together with the corresponding audit report prepared by the auditor. In its audit report, the auditor has made the following statement:

"After our due examination and assessment, we confirm that
1. the factual disclosures contained in the report are correct,
2. the consideration paid by the Company for the transactions listed in the report was not inappropriately high, and
3. no circumstances suggest a materially different assessment from the Executive Board's assessment with respect to the measures listed in the report."

The Supervisory Board has examined the Executive Board's report on relationships with affiliated companies and the corresponding audit report prepared by the auditor and approves of the auditor's findings. After concluding its own review, the Supervisory Board states that there were no objections to the Executive Board's concluding statement of its report on relationships with affiliated companies.

Personnel changes on the Executive Board

The Supervisory Board appointed Thomas Hücker new member of the Company's Executive Board effective 6 June 2014. He is responsible for the Group functions Business Process Management, International IT and Human Resources. In its meeting of 27 March 2015, the Supervisory Board appointed Oskar Heitz member of the Executive Board of OVB Holding AG for three more years until 31 December 2018.

Conflicts of interest and their management

No own conflicts of interest were identified or announced by any of the members of the Executive Board or the Supervisory Board.

There were no indications of any conflicts of interest of Executive Board or Supervisory Board members subject to immediate disclosure to the Supervisory Board and information of the General Meeting of shareholders.

The Supervisory Board thanks the members of the Executive Board, the management teams and executives of the holdings and all financial agents and employees of the OVB Group throughout Europe for their active commitment and the good teamwork over the past financial year.

Cologne, 27 March 2015

On behalf of the Supervisory Board

Michael Johnigk
Chairman

Corporate governance

Corporate governance stands for the responsible management and control of companies aimed at creating sustainable value over the long term. It strengthens the confidence of investors, financial markets, business partners, financial agents, employees and the general public in the Company's management and supervision and represents an essential cornerstone of sustainable business success. The OVB Group's corporate governance and corporate culture comply with the statutory provisions and – with a few exceptions – the additional recommendations of the German Corporate Governance Code. Executive Board and Supervisory Board feel committed to corporate governance; all business divisions are guided by its principles. For us the emphasis is on values such as competence, transparency and sustainability.

In the following chapter, the Executive Board reports – also on behalf of the Supervisory Board – on corporate governance at OVB Holding AG in accordance with No. 3.10 of the German Corporate Governance Code. The chapter includes the statement on corporate governance pursuant to Section 289a HGB (German Commercial Code) as well as the remuneration report pursuant to Section 314 (1) no. 6 HGB.

Statement on corporate governance

General management structure with three corporate bodies

In accordance with the statutory provisions for a German stock corporation, OVB Holding AG has a dual board system consisting of Executive Board and Supervisory Board. The third corporate body is the General Meeting of shareholders where the Company's shareholders participate in essential decisions regarding the Company. Executive Board and Supervisory Board cooperate closely for the benefit of the Company and maintain an intensive and open dialogue on a regular basis.

Direction and management – the Executive Board

The Executive Board of OVB Holding AG directs the Company and the Group managed by the Company on its own authority. The Executive Board assumes its management tasks, particularly including corporate planning, the Group's strategic orientation and its control and monitoring as well as the Group's financing as a corporate body composed of Executive Board members who share the responsibility for the Company's management. They work together as colleagues and inform each other constantly about the measures and transactions of relevance in their respective areas of responsibility. Overall responsibility of all Executive Board members notwithstanding, the individual Board members manage the responsibilities assigned to them on their own authority.

The Executive Board's work is defined in detail by the rules of procedure adopted by the Supervisory Board which also determines the topics that are subject to the Executive Board's decision to be made in full session and other formalities for the Executive Board's resolutions. The specific scope and content of the areas of responsibility assigned to the members of the Executive Board derives from a distribution-of-business plan which is part of the rules of procedure.

The Executive Board consults the Supervisory Board on the Company's strategic orientation in detail and discusses the strategy and its implementation with the Supervisory Board in regular intervals. The Executive Board reports to the Supervisory Board on all aspects of relevance to the Company relating to business performance, assets and liabilities, financial position and profit/loss, planning and target achievement, risk position and risk management regularly, timely and comprehensively. Deviations of the course of business from the scheduled plans and targets are discussed and explained within this framework. The Executive Board's regular and indepth reports in the meetings of the Supervisory Board and the Audit Committee also include the subject of compliance, i.e. measures for the observance of statutory provisions and corporate guidance.

Certain Executive Board decisions of special importance require the approval of the Supervisory Board. Those cases are defined in the Executive Board's rules of procedure and relate to e.g. the acquisition of non-current assets or borrowing of financial loans that exceed a certain amount. The formation, acquisition, liquidation and disposal of investment companies require approval as well.

Executive Board resolutions are adopted in meetings held regularly – at least once a month – and chaired generally by the Chairman of the Executive Board. Furthermore, any Board member may call for the convening of a meeting. Insofar as not required otherwise by law, the Executive

Board decides by a simple majority of the votes cast. In case of a tie of votes, the Chairman has the casting vote.

Appointed members of the Executive Board of OVB Holding AG are at present:

Michael Rentmeister
(born 1965, on the Board since 2012,
appointed until 31 December 2016)
CEO

Oskar Heitz
(born 1953, on the Board since 2001,
appointed until 31 December 2018)
CFO

Mario Freis
(born 1975, on the Board since 2010,
appointed until 31 December 2017)
CSO

Thomas Hücker
(born 1965, on the Board since 2014,
appointed until 31 December 2017)
COO

Supervision and advice to the Company's management – the Supervisory Board

The Supervisory Board supervises and advises the Executive Board, appoints its members and is directly involved in all decisions of essential relevance to the Company. The Supervisory Board also coordinates the Company's strategic orientation and routinely discusses the implementation of the business strategy with the Executive Board. The Chairman of the Supervisory Board aligns the corporate body's work and chairs its meetings. Maintaining constant exchange with the Executive Board, the Supervisory Board is always informed about the business policy, corporate planning and the strategy. The Supervisory Board also adopts or rather approves the separate and consolidated financial statements as well as the management report and the consolidated management report of OVB Holding AG based on its own examination and in consideration of the audit reports provided by the auditor. Within the framework of its report to the General Meeting, the Supervisory Board informs the shareholders about its work.

According to Section 10 (1) of the Articles of Association, the Supervisory Board consists of six members all of whom are elected by the General Meeting of shareholders.

The terms of the Supervisory Board members elected by the General Meeting expire as of the end of the Annual General Meeting in the year 2018 that will decide on the formal approval of the actions of the Executive Board and the Supervisory Board for financial year 2017.

The Supervisory Board has established two permanent committees to support a focused discussion of topics and the Board's efficient performance of its tasks, providing assistance to the Board's work in full session: the Audit Committee and the Nomination and Remuneration Committee. Within their respective scope of responsibility, the committees prepare the resolutions of the Supervisory Board as well as the topics to be addressed in full session. In each following Supervisory Board meeting a report is given on the committees' work. Completing the rules of procedure of the Supervisory Board, there are separate rules of procedure for the Audit Committee and the Nomination and Remuneration Committee.

Audit Committee

In preparing resolutions for the Supervisory Board, the four committee members particularly address the diligent examination of the separate and consolidated financial statements as well as the management report and the consolidated management report. The Audit Committee also concerns itself with issues of financial accounting, risk management and compliance and it examines the required independence of the auditor before the audit assignment is commissioned. The committee determines the focal points of the audit together with the auditor and decides on the fee agreement with the auditor. The Audit Committee also discusses the quarterly and halfyear financial reports with the Executive Board prior to their publication.

Nomination and Remuneration Committee

This committee, consisting of the Chairman of the Supervisory Board and one other member, prepares the body of work for the Supervisory Board's consideration in full session and suggests suitable candidates to the Supervisory Board for its election proposals to the General Meeting. It also concerns itself with the composition of the Executive Board and its succession planning as well as with issues relating to the remuneration of Executive Board members.

Working methods of the Supervisory Board in full session and of the Board's committees
The Supervisory Board of OVB Holding AG fulfils its supervisory and advisory functions with special diligence. Even outside the framework of meetings, the Chairmen of Supervisory Board and Audit Committee maintain a regular exchange of information with the Executive Board. They report on relevant information in the following Supervisory Board or committee meeting at the latest.

The Supervisory Board regularly reviews its own efficiency. This is generally done by way of selfinspection by analysing the answers given by Supervisory Board members on a questionnaire. The analysis and the following discussion in the Supervisory Board meeting result in suggestions for the further improvement of its work, to be implemented in full session by the Supervisory Board and by the committees if applicable.

Each Supervisory Board member discloses any conflicts of interest resulting from his involvement to the Supervisory Board without delay. The Supervisory Board informs about any conflicts of interest and how they have been dealt with in its report to the General Meeting of shareholders.

The Supervisory Board of OVB Holding AG consists of the following members at present:

Michael Johnigk
(born 1953, on the Board since 2001, elected until 2018)
Chairman of the Supervisory Board
Member of the Executive Boards of Deutscher Ring Krankenversicherungsverein a.G., Hamburg; SIGNAL Krankenversicherung a.G., Dortmund; IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg; SIGNAL Unfallversicherung a.G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund; SIGNAL IDUNA Holding AG, Dortmund

Dr. Thomas A. Lange
(born 1963, on the Board since 2013, elected until 2018)
Deputy Chairman of the Supervisory Board
Chairman of the Executive Board of NATIONAL-BANK Essen

Jan De Meulder
(born 1955, on the Board since 2010, elected until 2018)
Chairman of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; General Representative of Basler Leben AG Direktion für Deutschland, Bad Homburg; General Representative of Basler Versicherung AG Direktion für Deutschland, Bad Homburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg; Member of the Corporate Executive Committee of Baloise Group, Basel, Switzerland

Markus Jost
(born 1961, on the Board since 2013, elected until 2018)
Member of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg

Wilfried Kempchen
(born 1944, on the Board since 2012, elected until 2018)
Businessman (ret.), former CEO of OVB Holding AG

Winfried Spies
(born 1953, on the Board since 2010, elected until 2018)
Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs-AG, Munich

An overview of the members of the Executive Board, the Supervisory Board and the Supervisory Board committees of OVB Holding AG in financial year 2014 as well as their memberships in comparable corporate bodies can be found in this Report's chapter "Corporate Governance" beginning on page 109.

Objectives for the composition of the Supervisory Board
The decision of the Supervisory Board on election proposals to be made to the General Meeting of shareholders shall be oriented solely towards the Company's best interest. The deciding criteria are the respective candidates' individual expert knowledge and professional experience. This also applies for the independent financial expert within the meaning of Section 100 (5) AktG (German Stock Corporation Act). For the benefit of the Company, the Supervisory Board is particularly dependent on its members' specific knowledge and experience relating to the Company's business activity, the distributed products and the markets

in which the group companies operate. The Supervisory Board members' indepth knowledge of the peculiarities of the insurance industry as well as of the market and the competition enable them to assume the statutory task of supervision efficiently and to be available to the Executive Board as competent contacts and advisors for the Company's strategic orientation and for issues of its future development.

Compliance with German Corporate Governance Code

Declaration of conformity 2014

Section 161 AktG (German Stock Corporation Act) requires the executive board and the supervisory board of listed German stock corporations to declare at least once a year if and to what extent the German Corporate Governance Code was and is complied with and which of the Code's recommendations were or are not applied, and for what reason.

As of 20 March 2014, Executive Board and Supervisory Board of OVB Holding AG have released the following declaration of conformity pursuant to Section 161 (1) sentence 1 AktG with respect to the recommendations of the Government Commission on the German Corporate Governance Code in its version of 13 May 2013, released in the Federal Gazette of 10 June 2013:

Recommendations:

No. 3.8 (3) GCGC (Directors & Officers (D&O) liability insurance)

OVB Holding AG has so far not provided for a deductible in the D&O liability insurance policy taken out for the members of the Supervisory Board. The members of the Supervisory Board attend to their duties responsibly and in the Company's best interest. In the opinion shared by Executive Board and Supervisory Board, a deductible is not an appropriate means of further improving the Board members' sense of responsibility.

No. 4.1.5 GCGC (consideration of diversity for executive positions)

According to the recommendations of the German Corporate Governance Code, the executive board shall pay attention to the aspect of diversity in filling executive positions and aim for the adequate consideration of women. The Executive Board of OVB Holding AG pursues the goal of promoting women and aims at having more women assume executive positions. Women are represented in the executive hierarchies of the group companies both in Germany and abroad. However, the Executive Board holds the view that the aspect of diversity which includes the consideration of women is not a deciding criterion for filling executive positions. For the benefit of the Company, the right choice much rather depends on management and leadership qualities, expert knowledge in response to the respective executive areas and responsibilities and professional experience.

No. 4.2.2 (2) sentence 3 (consideration of the relation of Executive Board remuneration to the remuneration of other senior executives and the staff)

Since the amendment to the German Corporate Governance Code as of 13 May 2013, the Code includes the recommendation that the Supervisory Board consider the relation of Executive Board remuneration to the remuneration of other senior executives and the staff as a whole, as well as its development over time; the Supervisory Board is supposed to determine for the purpose of comparison how the group of other senior executives and the relevant staff be defined. This new Code recommendation has led to controversial debate in the legal literature about the sufficient clarity of the individual requirements. The Supervisory Board especially missed specific leads for determining which time horizon and which perspective to consider for determining the "development over time". Therefore a deviation from this recommendation is declared preventively.

No. 5.1.2 (1) sentence 2 GCGC (consideration of diversity for composition of the Executive Board)

The Supervisor y Board of OVB Holding AG does not comply with the recommendation to aim for an adequate consideration of women in the composition of the Executive Board insofar as the Board feels committed to be guided in the composition of the Executive Board in the interest of the Company and its shareholders – as it was in the past – decisively by the specialist knowhow, capabilities and experiences of the candidates in their respective fields of business and areas of responsibility.

No. 5.4.1 (2) GCGC (consideration of women)
In the composition of the Supervisory Board, the aspect of diversity is generally taken into account. In the interest of the Company, the Supervisory Board will be governed in its election proposals to the Annual General Meeting by the knowledge, capabilities and expert experience of the candidates to be suggested and not by their gender. Fixed targets to be reached at a specific point in time have not been determined, leading in effect to a deviation from No. 5.4.1 (2) GCGC.

No. 5.4.5 (2) GCGC (appropriate support of the Supervisory Board members in training and further education measures)
Supervisory Board members shall be supported adequately by the Company in taking measures for training and further education required for fulfilling their tasks. The Company generally supports the members of the Supervisory Board in taking necessary measures for training and further education yet has not adopted any formal procedures or guidance. Therefore a deviation from No. 5.4.5 (2) GCGC is declared preventively.

No. 5.4.6 (1) sentence 2, (2) sentence 2 GCGC (remuneration of the Supervisory Board)
Contrary to the recommendation of the Code, the remuneration of the members of the Supervisory Board does not account for membership or chairmanship of the Supervisory Board's committees. In the opinion shared by the Company's Executive Board and Supervisory Board, the duties performed are adequately compensated by the remuneration provided for. The performance-based remuneration of the members of the Supervisory Board is not particularly oriented toward the Company's sustained development. Supervisory Board remuneration was decided by the General Meeting of shareholders; the performance-based remuneration is governed by Section 14 of the Articles of Association of OVB Holding AG and is particularly transparent in the opinion shared by the Company's Executive Board and Supervisory Board. The remuneration model has proved its worth in the past and leads to adequate remuneration of the Supervisory Board that complies with the law and is in line with the interests of the shareholders.

Cologne, 20 March 2014

On behalf of the Executive Board

Michael Rentmeister

Oskar Heitz

Mario Freis

On behalf of the Supervisory Board

Michael Johnigk

Detailed information on this subject is also available on our website. All previously released declarations of conformity are permanently available on the website.

Material corporate governance practices

Compliance as an essential management task of the Executive Board

Compliance as a body of measures for the adherence to the law and to corporate guidelines as well as their observance by the group companies is considered an essential task of management and supervision at OVB. Compliance principles were implemented already in financial year 2008. Moreover, a compliance management system (CMS) was introduced, based on the three pillars "Prevent – recognize-respond", subject to a continuous internal update process and constant review in consideration of changing legal requirements. With the regular advancement of OVB's CMS, an important contribution is made to the systematic expansion of prevention and control measures toward the fulfilment of the value proposition OVB has made.

The paramount goal of OVB's compliance strategy is to prevent or minimize risks from non-adherence to applicable law, internal standards and processes by taking preventive measures.

The foundation of the Group-wide applicable compliance provisions is created by a code of conduct which explains the basic principles our actions are based on. Corresponding Group guidance contains comprehensive instructions for safeguarding compliance with legal obligations and the corporate guidelines in order to establish consistent standards for all group companies if possible. With the help of the compliance management system, the continuous development of OVB's internal standards of conduct and the implementation of internal and external requirements are managed and controlled. The entire OVB management team has made it their job to bring compliance to life and to be role models in terms of compliance.

The Group's Chief Compliance Manager (CCM) directly reports to the CEO. The compliance officers of the operating subsidiaries are assigned to the CCM for support and concern themselves with all compliance relevant transactions at the decentralised level of business operations. The compliance team works closely together with the Executive Board, management teams and other executives, addresses questions of doubt and assists all employees in adhering to internal provisions.

Apart from the implementation and observation of all Group-internal guidelines, the subsidiaries are responsible for reporting, the processing of compliance relevant incidents, the continuous analysis of workflows with respect to potential compliance risks and the regular training and counselling of the employees.

Based on regular reports given by the Chief Compliance Manager, the Executive Board, the Supervisory Board's Audit Committee and the Supervisory Board in full session are informed about recent developments in this field. The compliance reports also find entry into OVB's risk management reporting. Furthermore, the CCM is available to all employees and third parties in all issues of compliance for communication and advice. This also holds true for any information relating to criminal acts or breaches of compliance regulations.

Additional information on corporate governance at OVB Holding AG

Implementation of the German Corporate Governance Code

Executive Board and Supervisory Board of OVB Holding AG concerned themselves thoroughly with conformity with the provisions of the German Corporate Governance Code (GCGC) once again in the year under review. Following intense discussion, as of 20 March 2014 Executive Board and Supervisory Board released an updated joint declaration of conformity pursuant to Section 161 (1) AktG (German Stock Corporation Act), reproduced in its entirety on the Company's website at www.ovb.eu/english/investor-relations/corporate-governance, presenting and explaining the respective deviations from the recommendations and suggestions of the Code.

Directors' dealings

In order to guarantee that potential insider information is handled in compliance with the law, OVB Holding AG keeps an insider directory, including all persons whose access to information that might have the quality of insider information is indispensable. In addition to that, directors' dealings are recorded and announcements of reportable transactions of this kind are released without delay on the Internet at www.ovb.eu/english/investor-relations/corporate-governance.

Share ownership

As of the reporting date 31 December 2014, no member of the Executive Board or the Supervisory Board directly or indirectly held more than 1 per cent of the shares issued by the Company. Even combined, the members of the Executive Board and the Supervisory Board hold an interest of less than 1 per cent in the Company's share capital. A disclosure of share ownership as required by No. 6.3 GCGC is therefore not necessary.

Corporate governance of OVB Holding AG on the Internet

www.ovb.eu/english/investor-relations/corporate-governance

- Information on the committees
- Statements on corporate governance and corporate governance reports
- Declarations of conformity
- The Articles of Association of OVB Holding AG
- Directors´ dealings

Remuneration report

The remuneration report is part of the management report.

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

The remuneration report is also available on the Internet at www.ovb.eu/english/investor-relations/corporate-governance.

The report complies with the recommendations of the German Corporate Governance Code (GCGC) and the requirements of the German Commercial Code (HGB), the German Accounting Standards (DRS) as well as the International Financial Reporting Standards (IFRS).

Executive Board remuneration

Remuneration system

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

The appropriateness of the amount of remuneration is regularly reviewed by the Supervisory Board. The following criteria are considered for this review: the Company's economic situation, its success and prospects, the individual Board member's responsibilities and functions as well as personal performance, and a horizontal and vertical comparison with respect to customary compensation, taking also into account the relation of Executive Board remuneration compared to the remuneration of nextlevel executives and the staff as a whole.

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

Fixed remuneration and fringe benefits

The non-performance-based components consist of a fixed annual basic remuneration, paid monthly in fixed rates. The members of the Executive Board are also granted fringe benefits as remuneration in kind; these are essentially the usage of company cars and insurance premiums. As part of the remuneration, these fringe benefits are generally granted to all members of the Executive Board equally; the amounts paid depend on individual agreements.

Performance-based components

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

The amount of the annual bonus depends on the extent to which certain quantitative targets (such as the performance of sales and earnings) and qualitative targets (such as the successful realisation of significant projects in terms of corporate strategy) have been achieved. The target figures are determined and evaluated each year in advance on the basis of the budget prepared by the Executive Board and adopted by the Supervisory Board. Quantitative targets (70 per cent Company specific targets and 10 per cent individual targets) are rated at 80 per cent and qualitative targets at 20 per cent. The bandwidth of the target definition (target corridor) for the annual bonus ranges from 75 per cent to 125 per cent relating to quantitative targets and to 150 per cent relating to qualitative targets. The annual bonus is paid in the following year after the Supervisory Board has determined the target achievement levels on the basis of the adopted separate financial statements. If the targets are partly met, the bonus is determined on a pro-rata basis. The volume of the variable remuneration component is entered in a bonus account with a penalty rule and carried forward to the next year. Criteria of the variable performance component with sustained incentive effect are the Group's performances of EBIT and sales. The assessment basis of the variable remuneration component derives from the moving average of the actuals achieved over the past two years and the achievement of the target in the current year. If the target level of 60 per cent is not reached, the accumulated bonus account balance is reduced (penalty rule). The variable remuneration component is respectively paid at one third of the balance in the following year.

Payment commitments to Executive Board members upon premature termination of Executive Board contracts in case of a change of control, so-called change-of-control clauses, are not included in the contracts of employment. The contracts provide for a severance pay cap in case of premature termination of the Executive Board contract without good cause, compliant with the recommendation under No. 4.2.3 of the German Corporate Governance Code.

For the determination of the amount of severance pay, the total remuneration for the past financial year and, if applicable, the probable total remuneration for the current financial year would be taken into account.

There are no pension or benefit commitments or payments of retirement annuities in favour of or to Executive Board members acting in the reporting period by OVB Holding AG. In the event of death, the remuneration continues to be paid to the surviving dependents for a period of six months. The pension obligations to a former member of management amount to EUR 746 thousand as of the reporting date 31 December 2014 (EUR 651 thousand in the year 2013).

Remuneration of the Executive Board for financial year 2014

The Executive Board's total remuneration for the 2014 financial year was Euro 1.9 million (previous year: Euro 1.8 million). The total remuneration paid to Executive Board members covers all remuneration received for services to the parent and to subsidiary companies. The following table shows the remuneration paid to the individual members of the Executive Board, broken down into the respective components:

in EUR'000	Fixed remuneration components		Variable remuneration components: short-term		Variable remuneration components: long-term		Fringe benefits		Total remuneration	
Executive Board	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**
Michael Rentmeister	350	350	176	199	201	106	197	192	924	847
Oskar Heitz	260	260	63	68	83	38	93	93	499	459
Mario Freis	225	225	63	68	60	36	47	57	395	386
Thomas Hücker	0	103	0	33	0	11	0	22	0	169
Total	835	**938**	302	**368**	344	**191**	337	**364**	1,818	**1,861**

The following tables showing allocations and benefits granted for financial year 2014 take into account the recommendations of the German Corporate Governance Code in addition to the accounting principles to be applied. For disclosing this information the model tables recommended by the Code are used. Under benefits granted, achievable minimum and maximum amounts are also disclosed.

To the members of the Executive Board the following remuneration was granted for financial year 2014 (individualised disclosures):

Benefits granted for 2014

in EUR'000	Michael Rentmeister, CEO 2013*	2014*	2014 min	2014 max	Oskar Heitz, CFO 2013*	2014*	2014 min	2014 max
Fixed compensation	350	350	350	350	260	260	260	260
Fringe benefits	192	192	192	192	93	93	93	93
Total	542	**542**	542	**542**	353	**353**	353	**353**
One-year variable compensation*1)	175	175	0	228	63	63	0	81
Multi-year variable compensation*2)	175	175	-105	350	63	63	-38	125
Total	350	**350**	-105	**578**	126	**126**	-38	**206**
Service cost	0	**0**	0	**0**	0	**0**	0	**0**
Total	892	**892**	437	**1.120**	479	**479**	315	**559**

in EUR'000	Mario Freis, CSO 2013*	2014*	2014 min	2014 max	Thomas Hücker, COO (since 06/2014) 2013*	2014*	2014 min	2014 Max
Fixed compensation	225	225	225	225	0	103	103	103
Fringe benefits	56	57	57	57	0	22	22	22
Total	281	**282**	282	**282**	0	**125**	125	**125**
One-year variable compensation*1)	60	60	0	78	0	30	0	39
Multi-year variable compensation*2)	60	60	-36	120	0	30	-18	60
Total	120	**120**	-36	**198**	0	**60**	-18	**99**
Service cost	0	**0**	0	**0**	0	**0**	0	**0**
Total	401	**402**	246	**480**	0	**185**	107	**224**

* Actuals represent the value upon 100 per cent target achievement.
*1) The disclosures of individual maximum amounts for one-year variable compensation state the possible maximum amount with respect to the maximum amounts agreed for financial year 2014, i.e. 130 per cent of the respective target amount.
*2) Multi-year variable compensation involves the bonus account with penalty rule as described above. There are no defined plan terms. One third of the balance in the bonus account is paid out in the respective next year as of 31 December. The disclosures of individual maximum amounts for multi-year variable compensation state the possible maximum amount with respect to the maximum amounts agreed for financial year 2014, i.e. 200 per cent of the respective target amount. The respective minimum amount shows the maximum charge on the bonus account balance at 0 per cent target achievement.

Allocations for the year under review

The following table shows the allocations for the year under review 2014 consisting of fixed compensation, fringe benefits, one-year variable compensation and multi-year variable compensation. Deviating from the table of benefits granted for financial year 2014 above, the following table presents allocations for the year under review 2014 with respect to the variable compensation components (annual bonus and bonus account) in relation to the respective target achievement rate for the year under review already determined as of the time of preparation of the financial statements.

in EUR'000	Michael Rentmeister CEO 2013	Michael Rentmeister CEO 2014	Oskar Heitz CFO 2013	Oskar Heitz CFO 2014	Mario Freis CSO 2013	Mario Freis CSO 2014	Thomas Hücker COO (since 06/2014) 2013	Thomas Hücker COO (since 06/2014) 2014
Fixed compensation	350	350	260	260	225	225	0	103
Fringe benefits	192	192	93	93	56	57	0	22
Total	542	**542**	353	**353**	281	**282**	0	**125**
One-year variable compensation	174	199	63	68	62	68	0	33
Multi-year variable compensation	60	106	22	38	21	36	0	11
Total	234	**305**	85	**106**	83	**104**	0	**44**
Service cost	0	**0**	0	**0**	0	**0**	0	**0**
Total	776	**847**	438	**459**	364	**386**	0	**169**

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

Remuneration of the Supervisory Board

The Supervisory Board's remuneration is governed by Section 14 of the Articles of Association of OVB Holding AG and is composed as follows:

- fixed annual remuneration
  The fixed annual remuneration is Euro 5,000 per Supervisory Board member. The Chairman of the Supervisory Board receives 2 times and the Deputy Chairman receives 1.5 times that amount.
- a variable component
  The variable component consists of a payment of 0.8 per mil of the consolidated net income for the year as reported in the approved consolidated financial statements of OVB Holding AG, issued with an unqualified audit opinion.

Supervisory Board members are also reimbursed for out-of-pocket expenses incurred in connection with their work. No additional remuneration is paid for committee memberships. Based on the consolidated net income for the year of Euro 8.7 million, total remuneration (including reimbursements) paid to Supervisory Board members in the past financial year was roughly EUR 79.5 thousand. Based on a consolidated net income of OVB Holding AG in the amount of Euro 8.0 million, the previous year's Supervisory Board remuneration (including reimbursements) had come to roughly EUR 76.0 thousand. In accordance with the guidelines, the following fixed and variable remuneration components were paid to the members of the Supervisory Board on a pro-rata-temporis basis:

in EUR'000 Supervisory Board	Fixed remuneration 2013	Fixed remuneration 2014	Variable remuneration 2013	Variable remuneration 2014	Total 2013	Total 2014
Michael Johnigk, Chairman	10.0	10.0	6.4	7.0	16.4	17.0
Dr. Thomas A. Lange (Deputy Chairman since 21 June 2013)	4.0	7.5	3.4	7.0	7.4	14.5
Jan De Meulder	5.0	5.0	6.4	7.0	11.4	12.0
Markus Jost (member since 21 June 2013)	2.7	5.0	3.4	7.0	6.1	12.0
Wilfried Kempchen	5.0	5.0	6.4	7.0	11.4	12.0
Winfried Spies	5.0	5.0	6.4	7.0	11.4	12.0
Total	31.7	**37.5**	32.4	**42.0**	64.1	**79.5**

In addition to the remuneration listed above, two former members of the Supervisory Board received compensation in 2013 in the amount of EUR 11.9 thousand (EUR 5.9 thousand as fixed remuneration, EUR 6.0 thousand as variable remuneration).

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

Company boards and board memberships

Executive Board	Memberships of Supervisory Boards and comparable supervisory bodies
Michael Rentmeister Chairman of the Executive Board (CEO) Responsible for Strategy, General Corporate Policies, Auditing, Marketing/Communication, Compliance, Data Protection	- Chairman of the Supervisory Board of OVB Vermögensberatung AG, Cologne (since 16 May 2014); - Chairman of the Administrative Board of OVB Vermögensberatung (Schweiz) AG, Cham, Switzerland; - Chairman of the Administrative Board of OVB Allfinanz España S.A., Madrid, Spain; - Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia; - Member of the Supervisory Board of OVB Allfinanz a.s., Prague, Czech Republic
Oskar Heitz Member of the Executive Board (CFO) Responsible for Finance, Risk Management, Investor Relations, Tax, Legal Affairs	- Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne (since 16 May 2014);
Mario Freis Member of the Executive Board (CSO) Responsible for European Sales and European Product Management	- Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia; - Member of the Administrative Board of OVB Allfinanz España S.A., Madrid, Spain
Thomas Hücker Member of the Executive Board (COO) Responsible for Business Process Management, International IT, Human Resources	

Supervisory Board	Memberships of Supervisory Boards and comparable supervisory bodies
Michael Johnigk Chairman of the Supervisory Board Member of the Executive Boards of Deutscher Ring Krankenversicherungsverein a.G., Hamburg; SIGNAL Krankenversicherung a.G., Dortmund; IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg; SIGNAL Unfallversicherung a.G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund; SIGNAL IDUNA Holding AG, Dortmund	- Chairman of the Supervisory Board of OVB Vermögensberatung AG, Cologne (until 16 May 2014); - Chairman of the Supervisory Board of SDV Servicepartner der Versicherungsmakler AG, Augsburg; - Member of the Supervisory Board of BCA AG, Bad Homburg
Dr. Thomas A. Lange Deputy Chairman of the Supervisory Board Chairman of the Executive Board of NATIONAL-BANK AG, Essen	- Chairman of the Supervisory Board of VALOVIS BANK AG, Essen; - Member of the Supervisory Board of HANSAINVEST Hanseatische Investment-GmbH, Hamburg; - Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne (until 16 May 2014)
Jan De Meulder Member of the Supervisory Board Chairman of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; General Representative of Basler Leben AG Direktion für Deutschland, Bad Homburg; General Representative of Basler Versicherung AG Direktion für Deutschland, Bad Homburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co.KG, Hamburg; Member of the Corporate Executive Committee of Baloise Group, Basel, Switzerland	- Member of the Supervisory Board of Roland-Rechtsschutz-Versicherungs-AG, Cologne; - Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne (until 16 May 2014); - Member of the Administrative Board of Bâloise Assurances Luxembourg S.A., Bertrange, Luxembourg; - Member of the Administrative Board of Bâloise Vie Luxembourg S.A., Bertrange, Luxembourg; - Member of the Administrative Board of Bâloise Insurance N.V., Antwerp, Belgium; - Member of the Administrative Board of Noordstarfonds N.V., Antwerp, Belgium;

Supervisory Board	Memberships of Supervisory Boards and comparable supervisory bodies
Markus Jost Member of the Supervisory Board Member of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co.KG, Hamburg	- Member of the Supervisory Board of Deutscher Ring Bausparkasse AG, Hamburg; - Member of the Supervisory Board of DRMM Maklermanagement AG, Hamburg; - Member of the Supervisory Board of ZEUS Vermittlungsgesellschaft mbH, Hamburg; - Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne (until 16 May 2014)
Wilfried Kempchen Member of the Supervisory Board Businessman, retired; former Chairman of the Executive Board of OVB Holding AG	
Winfried Spies Member of the Supervisory Board Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich	- Chairman of the Supervisory Board of Volksfürsorge AG Vertriebsgesellschaft für Vorsorge- und Finanzprodukte, Hamburg (until merger into Generali Versicherung AG, Munich); - Chairman of the Supervisory Board of Europ Assistance Versicherungs-AG, Munich; - Chairman of the Supervisory Board of Pensionskasse der Angestellten der Thuringia Versicherungs-AG, Cologne; - Member of the Supervisory Board of Generali Deutschland Schadenmanagement GmbH, Cologne; - Member of the Supervisory Board of Generali Deutschland Pensor Pensionsfonds AG, Frankfurt; - Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne (until 16 May 2014); - Deputy Chairman of the Supervisory Board of Bank1Saar eG, Saarbrücken

Supervisory Board Committees

Audit Committee	Dr. Thomas A. Lange (Chairman), Michael Johnigk, Markus Jost, Jan De Meulder
Nomination and Remuneration Committee	Jan De Meulder (Chairman)*, Michael Johnigk *Interim Chairman: Markus Jost

Financial Calendar

31 March 2015	Publication of the annual financial statements for 2014, Annual Report 2014
12 May 2015	Results for the first quarter 2015
03 June 2015	Annual General Meeting, Cologne
14 August 2015	Results for the second quarter of 2015
13 November 2015	Results for the third quarter of 2015

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Our Annual Report is published in German and English

Key figures for the regions

Central and Eastern Europe

	Unit	2013	2014	Change
Clients (31/12)	Number	2.11 m	2.21 m	+ 4.7 %
Financial advisors (31/12)	Number	3,247	3,261	+ 0.4 %
Total sales commission	Euro million	110.5	107.4	- 2.8 %
Earnings before interest and taxes (EBIT)	Euro million	10.9	10.2	- 6.6 %
EBIT margin*	%	9.8	9.5	- 0.3 %-pts.

*Based on total sales commission

Germany

	Unit	2013	2014	Change
Clients (31/12)	Number	640,093	644,548	+ 0.7 %
Financial advisors (31/12)	Number	1,356	1,307	- 3.6 %
Total sales commission	Euro million	61.3	62.8	+ 2.4 %
Earnings before interest and taxes (EBIT)	Euro million	6.5	6.5	+ 0.2 %
EBIT margin*	%	10.6	10.3	- 0.3 %-pts.

*Based on total sales commission

Southern and Western Europe

	Unit	2013	2014	Change
Clients (31/12)	Number	329,482	364,982	+ 10.8 %
Financial advisors (31/12)	Number	479	605	+ 26.3 %
Total sales commission	Euro million	33.0	43.8	+ 33.0 %
Earnings before interest and taxes (EBIT)	Euro million	1.3	4.5	+ 236.0 %
EBIT margin*	%	4.1	10.3	+ 6.2 %-pts.

*Based on total sales commission

Germany
OVB Holding AG
Cologne
www.ovb.eu

OVB Vermögensberatung AG
Cologne
www.ovb.de

Eurenta Holding GmbH
Cologne
www.eurenta.de

France
OVB Conseils en patrimoine
France Sàrl
Entzheim
www.ovb.fr

Greece
OVB Hellas ΕΠΕ & ΣΙΑ Ε.Ε.
Athens
www.ovb.gr

Italy
OVB Consulenza Patrimoniale
S.r.l.
Verona
www.ovb.it

Croatia
OVB Allfinanz Croatia d.o.o.
Zagreb
www.ovb.hr

Austria
OVB Allfinanzvermittlungs
GmbH
Wals/Salzburg
www.ovb.at

Poland
OVB Allfinanz Polska Społka
Finansowa Sp. z.o.o.
Warsaw
www.ovb.pl

Romania
OVB Allfinanz Romania
Broker de Asigurare S.R.L
Cluj-Napoca
www.ovb.ro

Switzerland
OVB Vermögensberatung
(Schweiz) AG · Cham
www.ovb-ag.ch

Slovakia
OVB Allfinanz Slovensko a.s.
Bratislava
www.ovb.sk

Spain
OVB Allfinanz España S.L.
Madrid
www.ovb.es

Czech Republic
OVB Allfinanz, a.s.
Prague
www.ovb.cz

Ukraine
TOB OVB Allfinanz Ukraine
Kiev
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Hungary
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