Annual Report 2015

Austria

Croatia

Czech Republic

France

Germany

Greece

Hungary

OVB in Europe

Our service is valuable

Italy

Poland

Romania

Slovakia

Spain

Switzerland

Ukraine

OVB Allfinanz – simply better

OVB

Contents

Key figures for the OVB Group

Key operating figures

	Unit	2014	2015	Change
Clients (31/12)	Number	3.22 m	3.24 m	+ 0.6 %
Financial advisors (31/12)	Number	5,173	5,062	- 2.1 %
Total sales commission	Euro million	214.0	224.7	+ 5.0 %

Key financial figures

	Unit	2014	2015	Change
Earnings before interest and taxes (EBIT)	Euro million	12.3	14.0	+ 14.5 %
EBIT margin*	%	5.7	6.2	+ 0.5 %-pts
Consolidated net income	Euro million	8.7	9.4	+ 7.5 %

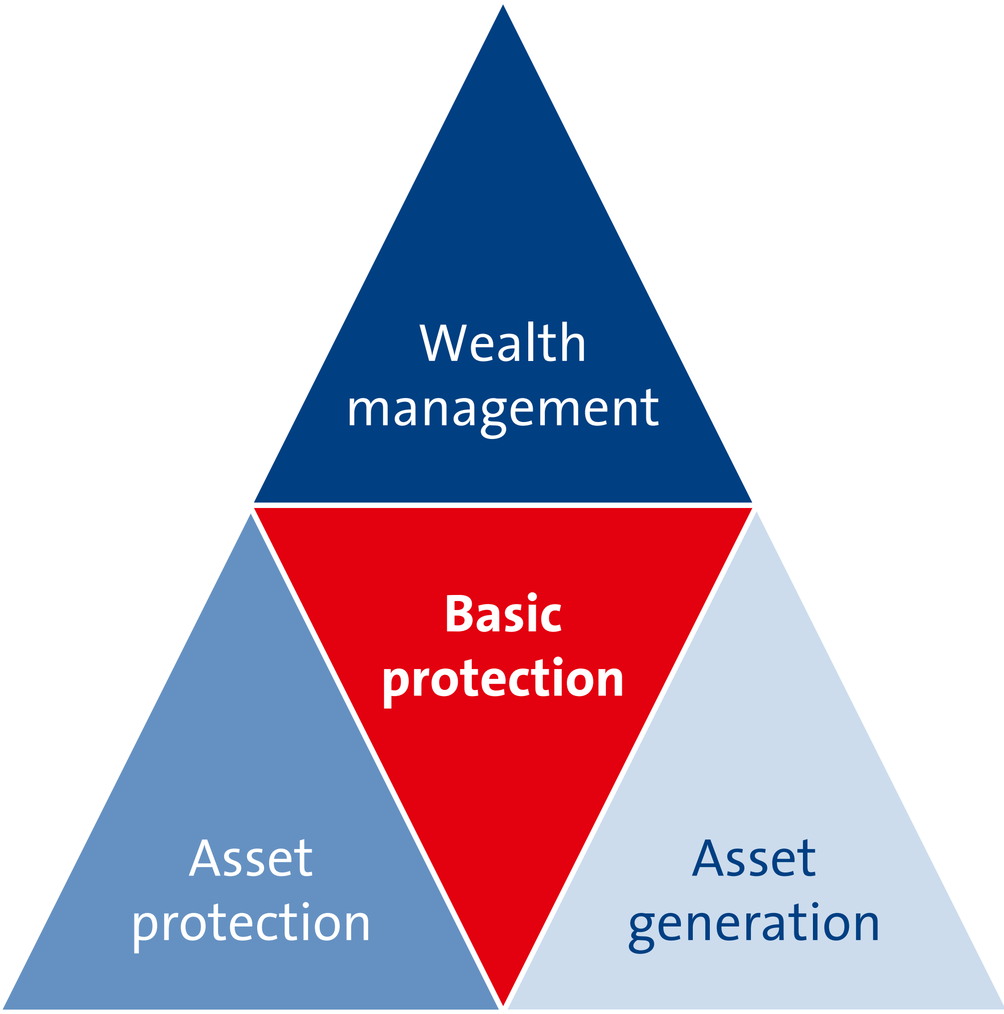
*Based on total sales commission

Key figures for OVB shares

	Unit	2014	2015	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	0.61	0.66	+ 8.2 %
Dividend per share**	Euro	0.60	0.65	+ 8.3 %

** 2015 proposed dividend

OVB allfinanz advisory concept



Our service is valuable

Throughout Europe OVB stands for cross-thematic and above all client-oriented allfinanz advice based on a long-term approach.

We talk with our clients about their goals and wishes, understand their current situation in life, and prepare integral and individual solutions in consideration of government protection and support plans.

For OVB it’s all about the client. We accompany our clients over many years with needs-oriented protection and provision concepts aligned to the clients’ respective stages of life and we give advice in all areas of financial services – personal, qualified and transparent. Our advisory service is free of charge for the client. Thus our service is accessible for a large part of the population.

Our service is valuable because it provides security to the client and creates value.

Dear shareholders,

the economic situation in Europe has somewhat improved in the year 2015. Still the income situation of private households remains strained in several countries, unemployment rates and public debt are high. Europe's economic and political development is exposed to a number of risks that present great challenges to public finance and social security systems. The demographic development is adding to this: A growing number of older people face a decreasing number of younger people. Moreover, the low interest rate policy continued by the European Central Bank has been reducing the return on private savings.

"Is saving still worthwhile against this backdrop, and how do I best provide for my old age," many clients are asking us. There is no general answer to this. Yet one thing is certain: Not to save cannot be an option. The best basis is created by OVB's cross-thematic allfinanz advice, providing the individually right solution to each client. The issue of private financial provision has to be regarded with a long-term horizon. Each year the client saves money is valuable. Therefore we recommend seeking the competent advice of one of OVB's well-trained financial advisors. More than 3.2 million clients in Europe trust us already.

The 2015 financial year was successful for the OVB Group in view of the economic environment. By the successful work of our financial advisors, our total sales commission was increased to close to Euro 225 million. Once again OVB benefited from its broad international positioning in 14 national markets. OVB also grew profitably: The operating income margin climbed to 6.2 per cent and the operating result gained 14.5 per cent to Euro 14 million. We propose to the Annual General Meeting to distribute a dividend raised to 65 euro cents per share out of the improved retained earnings for the year 2015.

We regard the prospects for the 2016 business performance as modest. Further regulatory changes in individual markets are the main reason for this. Yet we are convinced that based on its business model OVB will successfully participate in the market potential in the fields of private protection and provision throughout Europe.

The Executive Board of OVB Holding AG thanks all clients, financial advisors and employees. Special thanks go to all our shareholders. We would be pleased if you continued to place your trust in us, regarded us with favour and accompanied the successful business performance in the future.

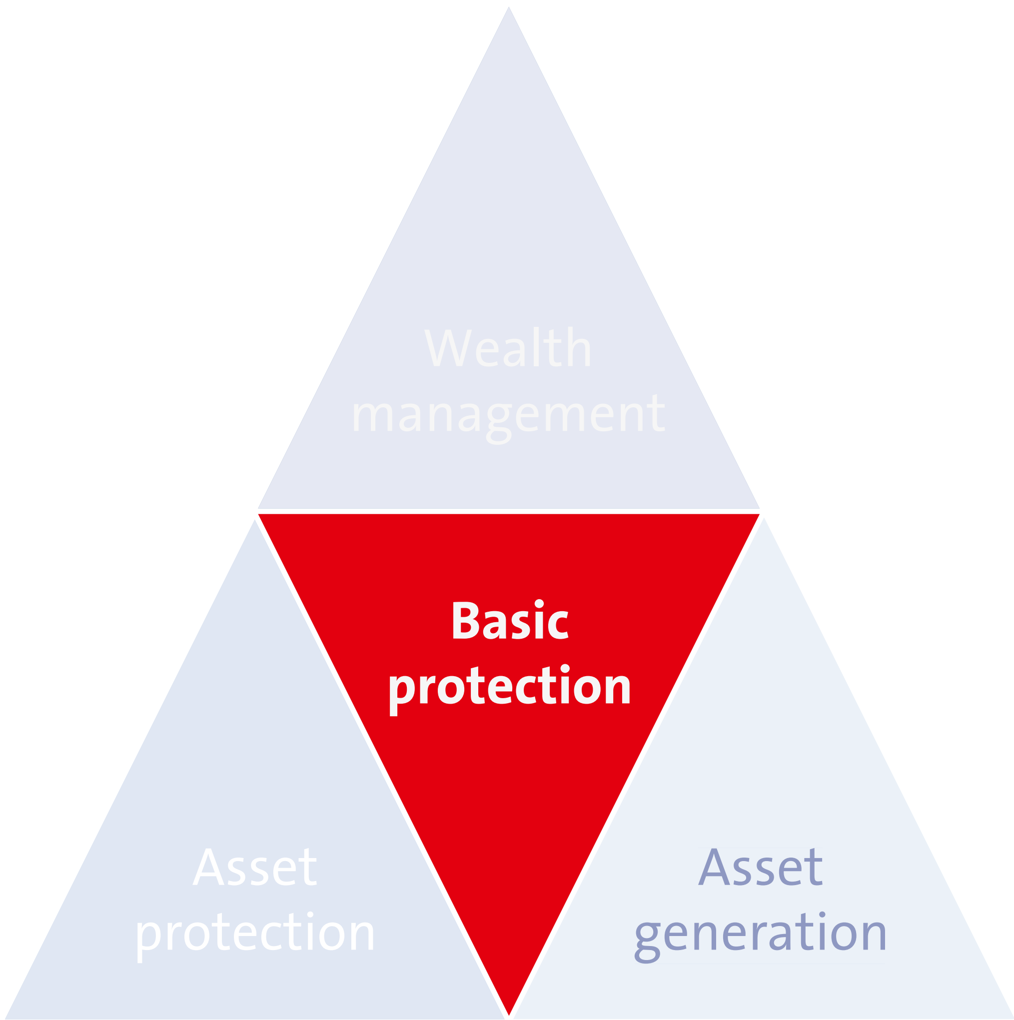
Kind regards

Thomas Hücker
COO

Mario Freis
CEO

Oskar Heitz
CFO

OVB allfinanz advisory concept



Basic protection

has held centre stage at OVB for more than 45 years now. The most important thing of all is the protection against existential risks: health care, income support and retirement provision. Their ability to work secures people their regular income and thus their quality of life and standard of living. Therefore it should be an important goal to make the potential effects of occupational disability – whether caused by sickness or by accident – manageable by adequate and reasonable protection. The reliable generation and protection of income in retirement, including government support plans, is also part of the most important component of our advisory service.

Interview with the Executive Board

Despite unchanged challenging conditions for the European financial sector, OVB generated profitable growth in the year 2015. The team on the Executive Board led by the new CEO, Mario Freis, therefore has an optimistic outlook on the current 2016 financial year. We asked them why.

Mr Freis, you have been at the helm of OVB Holding AG since February. What will change under your leadership?

Mario Freis: Let's start with the things that will not change under my command. Based on my experience of 20 years in the OVB Group, I can authentically present the values on which the success of OVB has been built: performance, expertise and fairness, but also team play, respect and loyalty – this is what I stand for and these values connect us, on the Board and in distribution throughout all the countries. And these values will remain the future foundation of our actions: the best advice for our clients, fair partnership with our financial agents, responsibility to shareholders, employees and product partners. My colleagues on the Executive Board and myself know exactly how to run this Company and what OVB needs for its positive further development. Taking action only for the sake of action cannot be expected from us. We form a team that provides great expertise in the various areas of responsibility and that stands for stability.

Let's talk about the past financial year. What are the influences that determined the business performance?

Mario Freis: 2015 has been our strongest year since the financial crisis in terms of total sales commission. We managed to increase this income to close to Euro 225 million. The developments in the individual countries behind this total are quite different. In the Czech Republic, a market of relevance to us, changes in the legal framework for the brokerage of life insurance policies still under discussion have resulted in a decline of income. Our financial agents in Slovakia, on the other hand, were able to expand their business considerably. And we achieved sound sales success in the other national markets Poland, Hungary, Romania, Croatia and Ukraine as well. In total we recorded gains in the segment "Central and Eastern Europe".

In Germany, classic life insurance as an essential part of retirement provision isn't really that popular right now for various reasons. OVB showed an altogether positive performance in the German market and increased total sales commission by more than 3 per cent.

The Southern and Western Europe segment has proved to be a growth driver for some years now. Spain has meanwhile become the market with the strongest sales in the region. And our financial agents in Austria, Italy and Switzerland did especially successful work in 2015, too. Total sales commission gained close to 18 per cent altogether.

Oskar Heitz: Add to this that we not just grew in 2015 but grew profitably. We have raised our operating margin noticeably to 6.2 per cent. Thus we range already within our medium-term target bandwidth of 6 to 8 per cent. The gains in total sales commission of Euro 10.7 million resulted for the operating income in an increase of Euro 1.8 million in absolute terms or 14.5 per cent.

Thomas Hücker: We also made progress in the optimisation of our processes in the year 2015. And we identified best practices in the OVB Group from which we are deriving group-wide OVB standards that will benefit all subsidiaries.

Mario Freis: The business performance of OVB in the year 2015 shows once more that OVB's international positioning – something no other competitor has – puts the success of OVB on a broad foundation. Our internationality and the corresponding balance of opportunities and risks help us be altogether less vulnerable to one of the greatest challenges of the financial service provider industry: the ever changing regulatory framework.

Mr Freis, how do you handle permanent topics such as low interest rates in advisory service – does that affect your business prospects?

Mario Freis: Of course the low interest issue is affecting our business. But OVB has been counting for years on real asset oriented investments, unit-linked life and pension insurance and investment funds. In addition to that, the clients benefit from the low interest rates in the realm of residential financing. Being successful as a financial service provider means to be independent of individual products

Mario Freis

Chief Executive Officer (CEO) of OVB Holding AG
Year of birth 1975

Mario Freis joined the OVB Group in 1995 after graduating high school. In 1998 he successfully completed his training as an insurance professional at OVB Germany in Cologne, subsequently concluding his studies as a Chamber of Industry and Commerce-qualified insurance specialist while working full-time at the company.

Following his training, Freis started his career in the Controlling department of OVB. In 2000, he was appointed as head of the department, and in 2002 as departmental director for international business. Since 2001, Mario Freis has been responsible for managing and monitoring all 13 foreign sales companies in various management functions as a managing director or a member of supervisory bodies. Freis has been a member of the OVB Holding AG Executive Board since January 2010. Initially responsible for sales and product management of the subsidiaries outside Germany, he took responsibility for sales, training and product management throughout Europe in mid-2014. In April 2015, he also took operational responsibility for sales in the German market as a member of the OVB Germany Executive Board.

Mario Freis combines his passion for financial services with a high level of commercial acumen.

Since working for OVB, Freis has made a significant contribution to the establishment and expansion of the national companies in Europe and thus to sales increases and stability in the Group's business performance. He took a leading role in the preparation and successful expansion in six of the currently 13 international markets.

Oskar Heitz

Deputy Chairman of the Executive Board of OVB Holding AG
Chief Financial Officer (CFO)
Year of birth 1953

Oskar Heitz joined the OVB Group in 1991 and is therefore one of the longest-serving managers in the Group.

Heitz began his career in the cooperative banking sector. After training as a banker, he passed through several posts in various fields of banking after 1972. During this time, Heitz was responsible among other things for the preparation and implementation of a merger within the cooperative banking group. Before moving to OVB, he headed the operating division of a cooperative bank with responsibility for managing the entire bank.

On joining OVB, Oskar Heitz first took on various management functions as executive manager in the areas of Finance, Service and Administration at OVB Allfinanzvermittlungs GmbH & Co. KG. He was appointed to the Executive Board of the company following its transformation into OVB Vermögensberatung AG as at 1 January 2001. He was head of the Financial department until May 2014. Following the formation of OVB Holding AG as at 1 January 2004, Oskar Heitz was also appointed to the OVB Group's management company as Chief Financial Officer.

Oskar Heitz is esteemed as a financial expert both within and outside of the Group. Among other things, he supervised the company's successful IPO in mid-2006 in his position as CFO. Because of his many years of experience in the finance industry and at OVB, Heitz enjoys a high level of acceptance and is a guarantor of stability.

and to orient one's advice towards the needs and risk profiles of the clients instead. A case in point, the protection against biometric risk has been gaining in importance throughout Europe. OVB has a sufficiently large, diversified and qualitatively proven partner and product portfolio in order to offer the right solution for each market situation and any client requirement.

Are there any more potentially negative factors?

Oskar Heitz: I would like to add another aspect here: In Germany we have a continuing debate on commission-based versus fee-based advice. Only commission-based advice gives lower-income private households access to competent financial advice, too. This shows the experience gained in some European countries where fee-based advice is the statutory remuneration model. As a consequence, the private retirement provision ratio primarily among lower-income citizens has gone down dramatically. Apart from that, cross-thematic allfinanz advice for one's lifetime as provided by OVB's financial agents has great value – for each client and thus for society at large.

Are you alluding to the motto of your Annual Report, "Our service is valuable"?

Mario Freis: Yes, of course. After all it is our job and that of other financial agents, to call forth the people's initial motivation to see to their savings and to motivate them to scale down on consuming, a not especially popular job at that. This particularly takes individual advice in addition to a thorough understanding of the market. And that is the core of our business model. We give large parts of the population in Europe access to cross-thematic allfinanz advice and thus make a contribution to financially cushioning social imbalance such as old-age poverty or job loss. That's why our service has to be regarded as very valuable all through Europe.

Since February 2016 the Executive Board of OVB Holding AG has been acting in a new constellation. Gentlemen, what have you got planned for the next couple of years?

Thomas Hücker: IT has the obligation to supply suitable solutions for the best possible support of sales and operations.

With the formation of a European data processing centre we have created a basis for this. The introduction of the target system for sales force administration and commission management is facing imminent Europe-wide finalisation. In the area of IT support for our financial agents, we have developed an IT finish-line photo of how we seek to technically improve client support in both new and existing business. We will implement this strategy consistently over the next few years.

Oskar Heitz: Our focus is clearly set on the development of sales and earnings performance because only then will we be successful in the long term and have the potential to address new topics and projects for further safeguarding our sustainability. We need a balanced relationship between continuous improvement of services for our sales force on the one hand and observance of cost discipline on the other hand.

Mario Freis: It is my claim that we will keep the strengths of the tried and tested OVB business model and OVB's corporate culture and further expand our competitive position in Europe together with my colleagues on the Board and our managing directors and executives in the subsidiaries. For this purpose we will reshape our corporate strategy according to future market requirements in the course of this year. Apart from strategic issues, we will remain close to day-to-day operations of course and keep focusing on our well-established success factors.

We can see OVB is right on track. Thank you very much, gentlemen, for this interesting conversation.

Thomas Hücker

Member of the Executive Board of OVB Holding AG responsible for Operations (COO)
Year of birth 1965

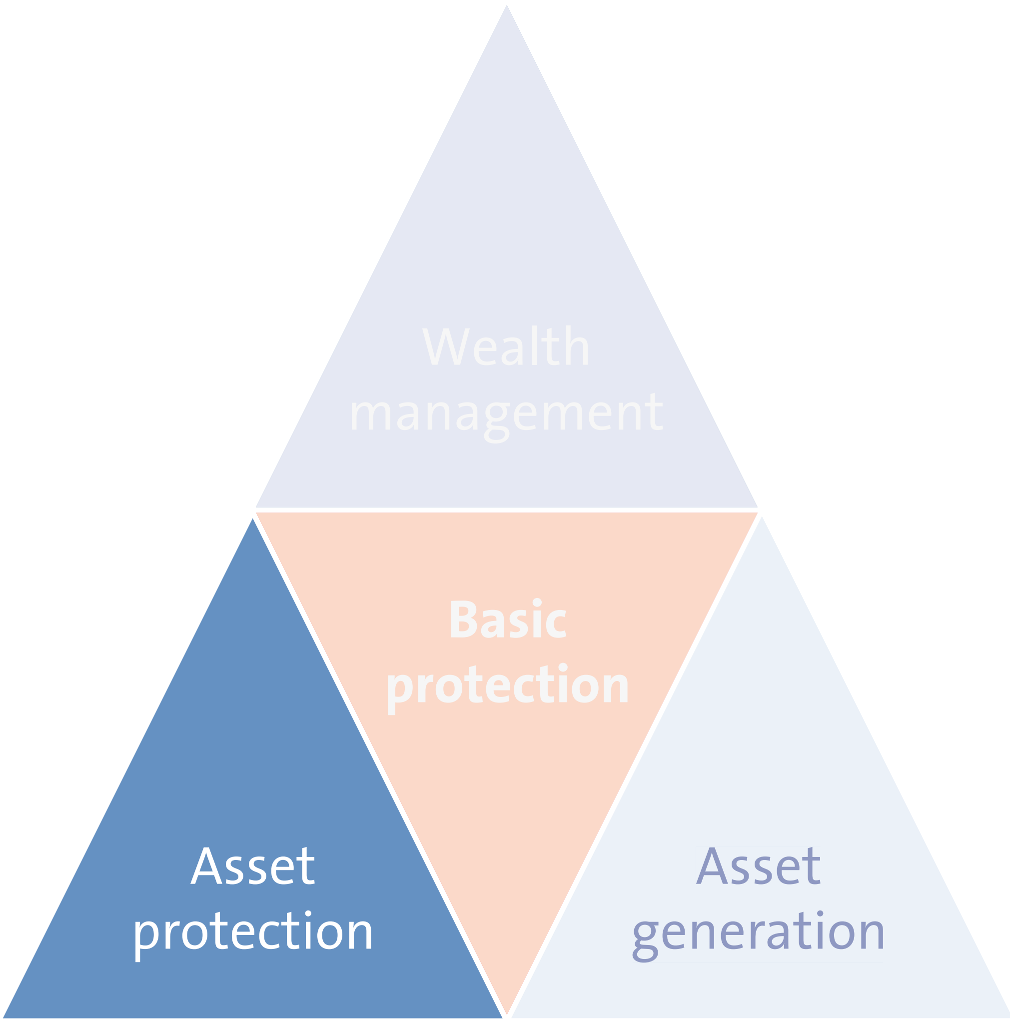
Thomas Hücker has been working for OVB since the beginning of 2013, initially as Head of Operations both of OVB Vermögensberatung AG and of OVB Holding AG. Since June 2014, Hücker has been a member of the OVB Holding AG Executive Board. He is responsible for the Operations department. His focus is on digitalising sales processes and modernising the IT infrastructure, international process optimisation and staff development at Group level.

Thomas Hücker completed his degree in business administration at the University of Cologne in 1991 and has since gained over 20 years of experience in the fields of operations and business management at renowned financial services companies. From 1999 to 2007, he was a member of the management board of AXA Art Versicherung AG. From 2008 to 2012, Hücker worked at Bonnfinanz AG, initially as Commercial Director and later as Chief Operations Officer (COO).

Alongside his professional activities, Hücker completed a General Management Program at INSEAD in Fontainebleau.

As a born-and-bred resident of Cologne, Thomas Hücker is actively involved in social issues in his home town.

OVB allfinanz advisory concept



Asset protection

and thus the protection of private property requires the right kind of insurance coverage. Insurance protection for one's home, the nice furniture and fittings, the private car or the financial consequences of misfortune is an important component of our advisory service in order to jeopardise neither retirement provision nor one's goals and wishes. Personal liability insurance, household contents insurance, residential building insurance, legal protection insurance, third-party motor insurance – and much more: Whatever happens, your property and your claims and rights are reliably protected. OVB sees to it that your insurance protection is made to measure to your situation and your needs.

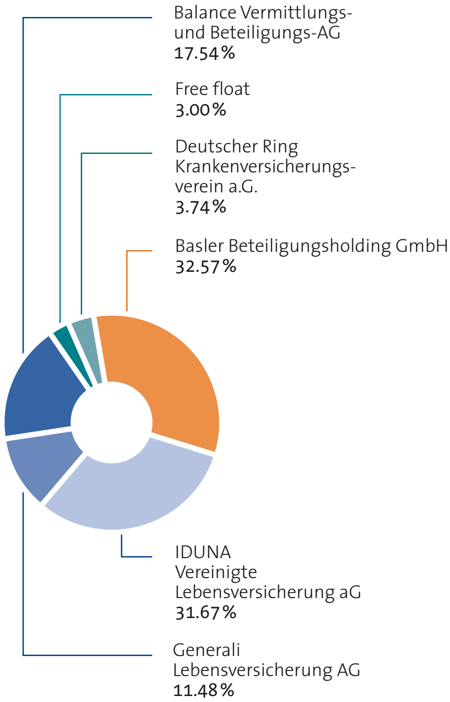
OVB on the capital market

High transparency creates trust, solid financial position gives room for further growth

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 all transparency requirements and issuer's follow-up obligations defined by the Prime Standard, equivalent to the highest international transparency level. Even in consideration of a free float that amounts only to 3 per cent of the share capital at present, we deliberately adhere to the stock exchange listing of the OVB share. We understand the listing of our share and the corresponding fulfilment of the highest international transparency requirements as a seal of quality for our Company. The release of annual and quarterly financial statements in accordance with international standards of financial reporting and the detailed annotations on corporate governance in the Company bring OVB on a par with the largest German and international corporate groups.

Following a strong upsurge over the first four months of 2015, the German stock market lost about 13 per cent compared to the 52-week high, as expressed by the DAX, of close to 12,400 points and closed trading at the end of the year with 10,743 points. Alternately affecting the stock prices were concerns about a considerable slowdown of the economic growth in China and speculation about a first interest rate increase by the U.S. Federal Reserve. The share of OVB Holding AG started the year 2015 with a price of Euro 19.05. At low trading activity, the share then dropped

Shareholder structure of OVB Holding AG
as of 31/12/2015



to Euro 18.00 in early June. The share price declined to Euro 16.00 at the end of September and eventually recovered to Euro 17.00 at the end of the year. Only a very small part of the shares of OVB Holding AG are free float at present, limiting the trading volume and thus the significance of the share price considerably.

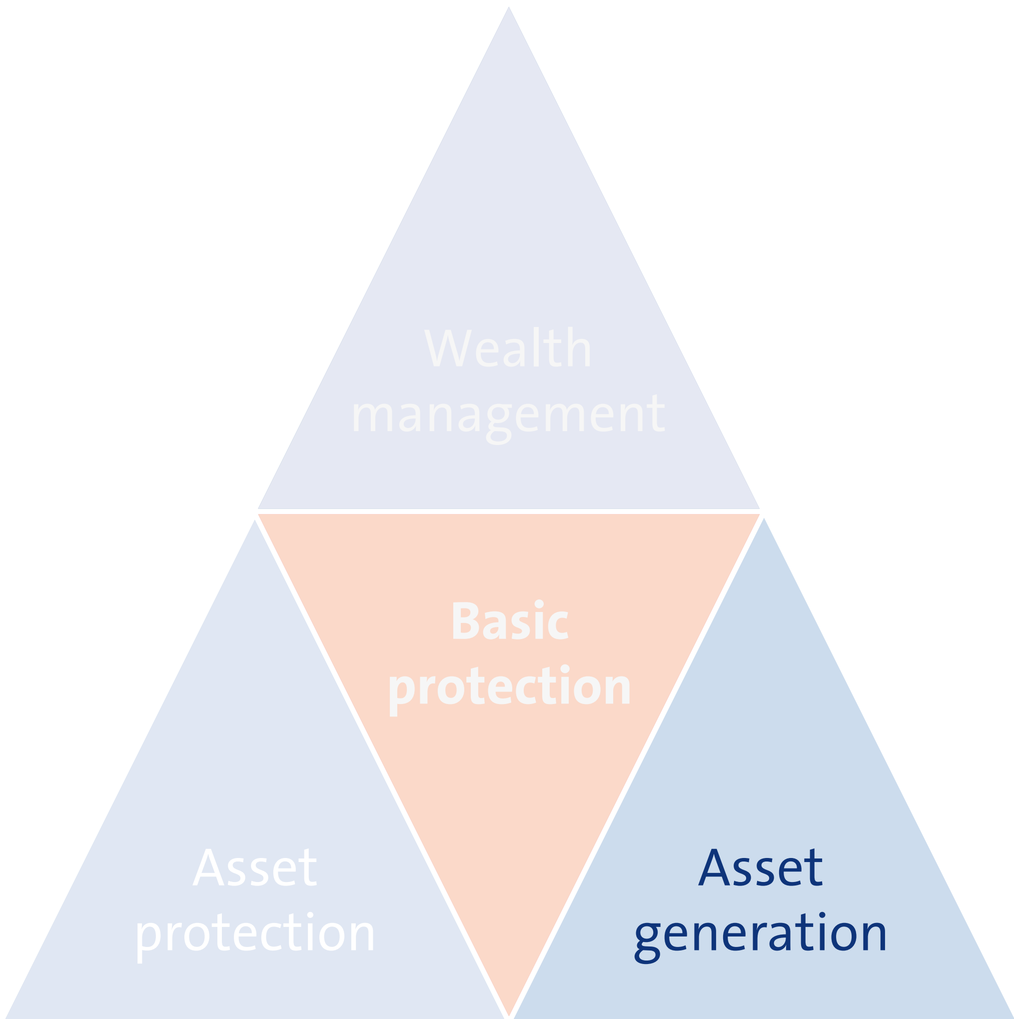
Neither OVB Holding AG nor one of the group companies have issued or plan to issue debt instruments. The equity ratio of OVB Holding AG has exceeded 50 per cent ever since the Company's foundation and even comes to 53.4 per cent at the end of the year 2015. This solid equity ratio is an expression of the Company's financial strength and gives room for further growth and strategic initiatives. The Company's non-current liabilities are insignificant at Euro 0.9 million. Its current liabilities exclusively serve the transaction of business operations, liquidity is traditionally high. OVB has reliably generated profits for the shareholders year after year.

Clients, financial agents, employees and shareholders benefit from OVB's high level of transparency, its business stability and financial solidity.

OVB share data

German 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 shares	
Share capital	14,251,314.00 Euro	
Xetra price (closing prices)		
End of previous year	Euro 21.00	(30/12/2014)
High	Euro 19.05	(12/01/2015)
Low	Euro 15.40	(14/10/2015)
Last	Euro 17.00	(30/12/2015)
Market capitalisation	Euro 242 million	(30/12/2015)

OVB allfinanz advisory concept



Asset generation

provides the foundation for achieving long-term goals and fulfilling one’s wishes. Your own real property? A higher standard of living in old age? Going into early retirement? Starting early at generating assets is the deciding factor for any of this. It is also important to review the volume and composition of one’s savings in each stage of life.

Consolidated management report 2015 of OVB Holding AG

Basic information on the Group

Business model of the OVB Group

OVB stands for the cross-thematic financial advice based on a long-term approach. Private households in Europe represent the key target group. OVB's mission statement is: simply better allfinanz solutions! The Company cooperates with more than 100 high-capacity product providers and fulfils its clients' individual needs with competitive products, starting at basic protection for financial security and asset and financial risk protection and followed by retirement provision, asset generation and wealth management.

OVB is currently active in 14 countries of Europe as an intermediary for financial products. 3.24 million clients trust the advisory service and support provided by OVB and its roughly 5,100 fulltime financial 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 the services it provides 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.

OVB clients and financial agents

(31/12)	2011	2012	2013	2014	2015
Clients (number in million)	2.86	3.00	3.08	3.22	3.24
Financial agents (number)	4,908	5,097	5,082	5,173	5,062

The cross-thematic advice of clients for a lifetime is based on the AAS approach (Analysis, Advice and 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 2015 the OVB Group had altogether 425 employees (previous year: 428 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

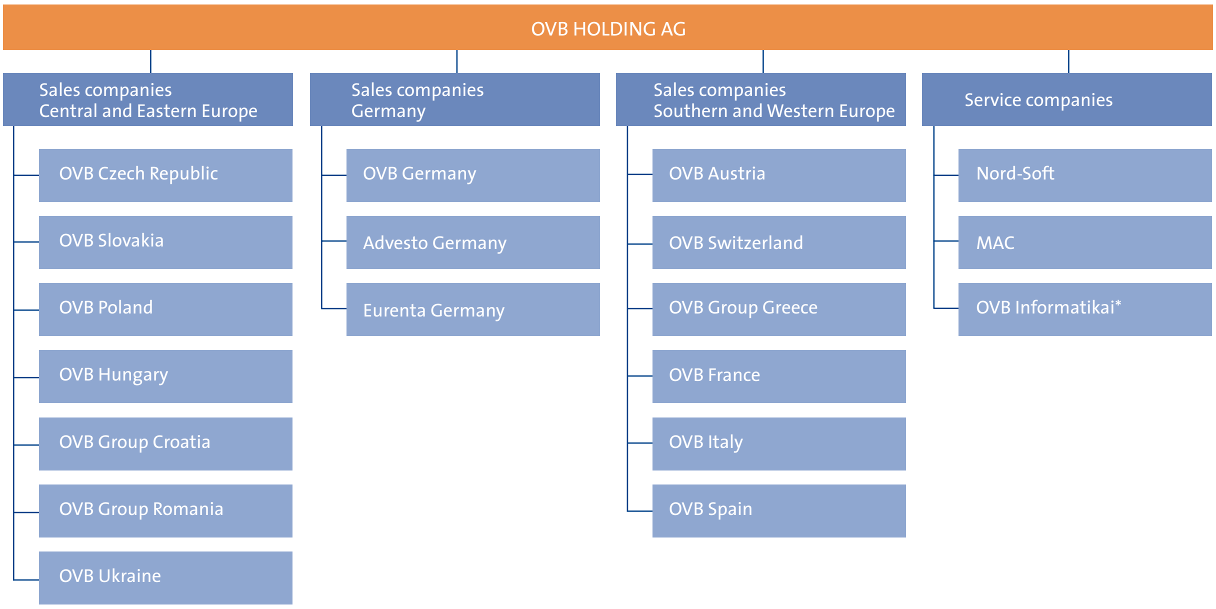
Group structure

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 support and advise their clients on issues of protection and provision. Four service companies provide IT services and coordinate comprehensive marketing efforts in support of these core business activities.

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 members of the Executive Board of OVB Holding AG share joint responsibility for managing the Group's business. As of 31 December 2015 the Executive Board had four members. 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 as of 31 December 2015

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		
Compliance	Legal affairs		
Data Protection			

On 4 February 2016 the previous CEO, Michael Rentmeister, resigned from his position in mutual agreement with the Supervisory Board. On that same day the Supervisory Board appointed Mario Freis new CEO, keeping his area of responsibility for "Sales". The Supervisory Board also appointed Oskar Heitz Deputy Chairman of the Executive Board, keeping his area of responsibility for "Finance". Thomas Hücker keeps his area of responsibility "Operations" on the Executive Board.

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
Markus Jost	Member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee
Wilfried Kempchen	Member of the Supervisory Board
Winfried Spies	Member of the Supervisory Board
Dr. Alexander Tourneau	Member of the Supervisory Board

The Supervisory Board supervises and advises the Executive Board on the Company's management and regularly discusses strategy, business performance and risk management 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 is divided into 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.

Transnational exchange of know-how supports the effective and networked management of the 14 subsidiaries. Committees of OVB Holding AG routinely coordinate market cultivation and marketing activities and the composition of the product portfolio with the respective OVB sales subsidiaries.

Operational management accounting 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 serve as evidence of the success of business operations as well. Performances of non-monetary indicators are constantly being monitored by the Company yet not regarded as key targets or control variables.

Management accounting 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 the Group's strategy in a top-down and bottom-up process. Apart from that, particularly the expenses and income budgeted for the Group are subject to a centralised quality assurance process.

Budget parameters are aligned to 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 will 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 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. OVB has taken market leading positions among financial intermediaries in many markets. 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 as well as the Company's financial strength will probably even enable the Company to meet rising regulatory requirements better and more efficiently than other service providers. OVB acts on the assumption that the legislator will further increase regulatory requirements and thus accelerate the process of a consolidating industry. OVB is ready for having an active part in this. Suitable general conditions provided – above all political stability, legal certainty, market size and market potential –, OVB sees another option for growth in developing new promising national markets.

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 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 2015 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 in 2015 was altogether more favourable than in the previous years. The economic performance in the monetary union went up 1.5 per cent in the year under review, according to an International Monetary Fund (IMF) estimate of January 2016, after a 0.9 per cent gain the year before. The economic situation particularly improved in Spain, France and Italy.

In the seven national markets of the Central and Eastern Europe segment, the OVB Group generated 48 per cent of its total sales commission in the year under review. Stimulation from the euro area, vital domestic demand and the extremely expansive monetary policy adopted by the European Central Bank (ECB) resulted in accelerated economic growth with corresponding positive effects on the income of private households in most countries of the region in 2015. Even Croatia, suffering from structural problems, benefited from this while the situation in crisis-riddled Ukraine has further deteriorated.

Key economic data Central and Eastern Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficits (in % of the GDP)	
	2014	2015e	2014	2015e	2014	2015e
Croatia	- 0.4	1.5	- 0.2	- 0.4	- 5.7	- 5.0
Czech Republic	2.0	4.3	0.4	0.4	- 2.0	- 1.5
Hungary	3.7	2.8	- 0.2	0.0	- 2.6	- 2.3
Poland	3.3	3.5	0.0	- 0.9	- 3.2	- 3.1
Romania	2.8	3.7	1.1	- 0.6	- 1.4	- 1.2
Slovakia	2.5	3.5	- 0.1	- 0.2	- 2.9	- 2.5
Ukraine	- 6.8	- 10.0	12.1	48.5	- 4.6	- 4.0

e = estimate
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 1st quarter 2016

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 1.7 per cent in 2015, according to preliminary calculations of the Federal Statistical Office, after 1.6 per cent in the year before. Private consumer spending and public consumption were the essential growth drivers. The number of people in employment exceeded the mark of 43 million for the first time ever in 2015. The income situation of private households was accordingly fortunate.

The countries of the Southern and Western Europe segment belong – with the exception of Switzerland – to the eurozone. In this segment OVB generated 23 per cent of total sales commission in the year under review. The Spanish economy showed the best performance in 2015 in this region, gaining more than 3 per cent in economic performance. However, the country is still suffering from comparatively high unemployment. The economic growth in France, Italy and Austria picked up some speed again. The Greek economy stagnated under the pressure of the imposed austerity measures, among other factors. Not for the first time, the Swiss economy needs to adapt to the revaluation of the Swiss franc. In spite of a rather mixed picture, OVB managed to expand its business in the Southern and Western segment considerably in the year under review.

Key economic data Southern and Western Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficits (in % of the GDP)	
	2014	2015e	2014	2015e	2014	2015e
Austria	0.4	0.9	1.5	0.8	- 2.7	- 1.7
France	0.2	1.1	0.6	0.2	- 3.9	- 3.8
Greece	0.7	- 0.3	- 1.4	- 1.1	- 3.6	- 4.6
Italy	- 0.4	0.7	0.2	0.1	- 3.0	- 2.6
Spain	1.4	3.2	- 0.2	- 0.6	- 5.9	- 4.2
Switzerland	1.9	0.9	0.0	- 1.2	0.2	- 0.2

e = estimate
Source: Raiffeisen RESEARCH, Strategy Global Markets, 1st quarter 2016

Industry situation

OVB's business activity centres on providing cross-thematic advice and support to the key target group of private households for the long term with respect to basic protection, asset and financial risk protection, retirement provision and asset generation as well as wealth management.

The sale of financial products in Europe faced an environment that continued to be challenging in the year 2015.

Although the economies in some countries were improved over the previous years, the euro area as a whole showed little economic dynamics. 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 taking measures of private financial provision. Additional uncertainty was caused by the persisting conflict in Ukraine and particularly the influx of refugees from the Middle East and Africa to Europe. The euro kept losing value in the course of the year 2015. Another factor of negative impact is the interest rate level, kept deliberately low by the ECB, 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 versus 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 2015. In this market environment, OVB was noticeably above the prior-year level with total sales commission of Euro 224.7 million in the year under review.

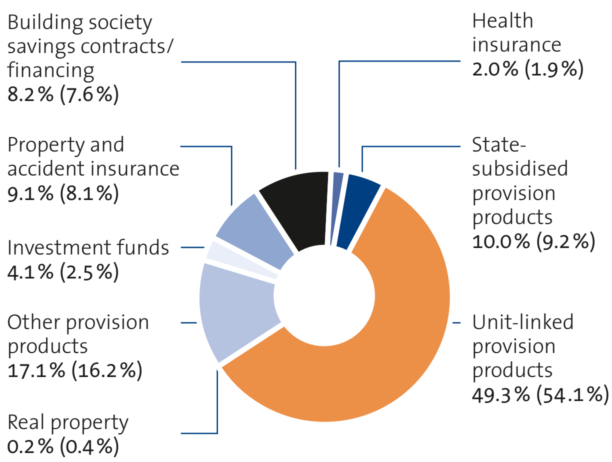
Regardless of all imponderables in the business environment and uncertainty among private households, an almost inscrutable product offering, barely comprehensible conditions for state support plans and the necessity of a continuous review of financial decisions once made in view of changing needs and 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 2015 financial year OVB expanded its position as one of the leading financial service providers 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 214.0 million in 2014 by 5.0 per cent to Euro 224.7 million in financial year 2015. This amount includes commission forwarded to sales agents on behalf of product partners in the amount of Euro 14.6 million (previous year: Euro 16.6 million).

OVB's business model is distinguished by its high stability. The number of supported clients amounted to 3.24 million at the end of 2015 compared to 3.22 million clients one year before. The OVB sales force comprises 5,062 full-time financial agents (previous year: 5,173 financial agents).

Breakdown of income from new business 2015 (2014)



The structure of new business with respect to the type of brokered financial products showed a somewhat broader distribution than in the previous year. Unit-linked provision products continued to dominate the clients' demand throughout Europe. However, this product group's share in new business went down from 54.1 per cent in the previous year to 49.3 per cent in the year 2015. Other provision products – primarily classic life and pension insurance policies – amounted to 17.1 per cent of the new business (previous year: 16.2 per cent). State-subsidised provision products accounted for 10.0 per cent of the business brokered in 2015 (previous year: 9.2 per cent). The remaining 23.6 per cent of new business were spread the other product groups in which the share of investment funds was strongly up to 4.1 per cent.

Central and Eastern Europe segment

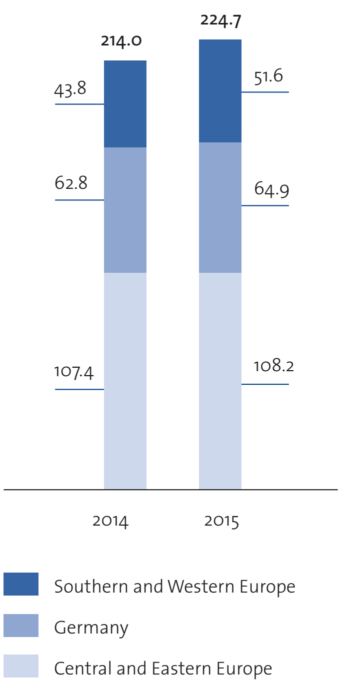
The Central and Eastern Europe segment comprises the seven national markets Croatia, Poland, Romania, Slovakia, Czech Republic, Ukraine and Hungary. In the 2015 financial year brokerage income went up slightly from Euro 107.4 million Euro in the previous year by 0.8 per cent to Euro 108.2 million altogether. In the Czech Republic, a market of particular relevance to OVB, sales went down due to increased competition and impending unfavourable changes in the legal framework. Business in Ukraine was also declining. In contrast to that, OVB managed to achieve a significant expansion of its business at a high level in Slovakia and the other national markets recorded sound or satisfactory business performances. The number of clients remained stable compared to the previous year at 2.21 million clients.

They were supported by 3,087 financial agents (previous year: 3,261 financial agents). The clients' product demand continued its strong focus on unit-linked provision products at 65.3 per cent of new business in 2015 (previous year: 73.7 per cent). Other provision products at 10.9 per cent (previous year: 8.7 per cent) and products in the category of building society savings contracts/financing at 9.7 per cent (previous year: 8.6 per cent) were other relevant product groups.

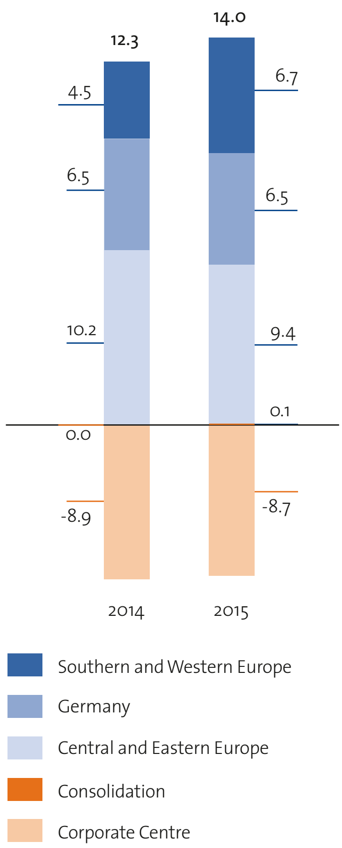
Germany segment

The Germany segment showed a positive business performance in 2015. Total sales commission increased by 3.3 per cent

Total sales commission
by region
Euro million, figures rounded



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



from Euro 62.8 million in the previous year to Euro 64.9 million in the year under report. The number of financial agents remained virtually constant at 1,309 agents (previous year: 1,307 agents). They supported 642,107 clients (previous year: 644,548 clients). Product demand was more diversified than in the other segments: 25.9 per cent of new business were accounted for by other provision products in 2015 (previous year: 27.6 per cent), 24.4 per cent by unit-linked provision products (previous year: 18.3 per cent) and 16.7 per cent by state-subsidised provision products (previous year: 21.0 per cent). Another 13.5 per cent of new business fell to property, legal expenses and accident insurance (previous year: 14.1 per cent), 10.4 per cent came to products from the category building society savings contracts/financing (previous year: 10.0 per cent).

Southern and Western Europe segment

The Southern and Western Europe segment comprises 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 2015: Brokerage income climbed considerably from Euro 43.8 million in the previous year by 17.8 per cent to Euro 51.6 million in the year under review. Particularly expansive was the development of business in Spain, Austria, Switzerland and Italy. Sales remained largely stable in France and Greece. The number of OVB clients grew by 6.5 per cent from 364,982 to 388,728 clients. The number of financial agents gained 10.1 per cent from 605 to 666 agents. Unit-linked provision products (36.0 per cent of new business; previous year: 41.7 per cent), state-subsidised provision products (27.0 per cent; previous year: 20.6 per cent) and other provision products (23.2 per cent; previous year: 24.0 per cent) dominated the clients' product demand in 2015.

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

Profit/loss

In the 2015 financial year OVB generated total sales commission in the amount of Euro 224.7 million. In the previous year this key sales figure amounted to Euro 214.0 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 14.6 million in 2015 after Euro 16.6 million in the previous year. Brokerage income reported in the income statement was up from Euro 197.4 million in 2014 by almost Euro 13 million or 6.4 per cent to Euro 210.1 million in the year under review. Other operating income gained 24.7 per cent and came to Euro 9.4 million (previous year: Euro 7.5 million). The main reasons for this increase are license proceeds of an IT service company and higher reversals of provisions in personnel of the Germany and Corporate Centre segments. Brokerage expenses were up by 8.7 per cent to Euro 139.7 million in 2015 (previous year: Euro 128.5 million). Personnel expense for the Group's employees remained almost unchanged at Euro 26.7 million despite the expanding business (previous year: Euro 26.8 million). Depreciation and amortisation reached Euro 3.7 million after Euro 3.1 million in the previous year. Other operating expenses climbed modestly from Euro 34.2 million in the previous year to Euro 35.4 million.

Thus the OVB Group's operating result reached Euro 14.0 million in 2015. Compared to the prior-year amount of Euro 12.3 million this equals a significant increase of Euro 1.8 million or rather 14.5 per cent. The EBIT of the Central and Eastern Europe segment declined from Euro 10.2 million in the previous year by 7.1 per cent to Euro 9.4 million. The reason is the pronounced weakness of the market in the Czech Republic that could not be fully compensated by the positive performances in the segment's other national markets. Even against the backdrop of slightly increased capital expenditures for sales support and advisory technology, the Germany segment's EBIT was kept stable year-on-year at Euro 6.5 million. The operating result of the Southern and Western Europe segment gained considerably from Euro 4.5 million to Euro 6.7 million. The EBIT loss of Corporate Centre was reduced from Euro 8.9 million to Euro 8.7 million. In total the Group's EBIT margin based on total sales commission was up from 5.7 per cent in the previous year to 6.2 per cent in the 2015 financial year.

At somewhat reduced finance income and increased finance expenses, the financial result went down from Euro 0.6 million to Euro 0.3 million. Income tax expenses were up from Euro 4.2 million to Euro 4.8 million in view of the positive performance of earnings. Due to these effects, the increase in consolidated net income after non-controlling interests from Euro 8.7 million in the previous year by 7.5 per cent to Euro 9.4 million in the year under review 2015, was disproportionately low compared to the operating income. Earnings per share – based respectively on 14,251,314 no-par shares – climbed from Euro 0.61 to Euro 0.66.

The OVB Group's total comprehensive income for the year under review reached Euro 9.7 million after Euro 8.4 million for the previous year. Changes in revaluation reserve at Euro 0.1 million and changes in currency translation reserve at Euro 0.2 million had a positive effect on earnings recorded in other comprehensive income.

Executive Board and Supervisory Board propose to the Annual General Meeting on 3 June 2016 the payment of a dividend of Euro 0.65 per share for financial year 2015, increased by Euro 0.05 from the previous year.

The total dividend distribution would thus amount to Euro 9.3 million, based on the retained earnings of OVB Holding AG.

Financial position

The OVB Group's cash flow from operating activities increased from Euro 19.9 million in the previous year by Euro 1.1 million to Euro 21.0 million in financial year 2015. This development was essentially driven by a higher increase in provisions by Euro 3.2 million (previous year: Euro 0.7 million), primarily due to continued stimulation in business operations. The higher consolidated net income also had a positive impact. However, increased trade receivables and other assets compared to a decrease in this item in the previous year reduced the operating cash flow year-on-year by Euro 1.0 million on balance. At the same time, the increase in trade payables and other liabilities went down from Euro 3.9 million in the previous year to Euro 3.1 million in the reporting period.

The negative cash flow from investing activities dropped from Euro 10.0 million in the previous year to Euro 4.0 million in the 2015 financial year. This development had two deciding factors: The increase in securities and other short-term capital investments was reduced within the framework of portfolio dispositions from Euro 7.3 million to Euro 2.4 million. Moreover, capital expenditures for intangible assets went down from Euro 3.2 million to Euro 1.4 million. In this context, an outflow of funds in connection with the acquisition of advisory software was recorded in the previous year.

The distribution of the dividend determined the cash flow from financing activities in the year under review as in the year before for the most part. The outflow of funds increased from Euro 7.9 million to Euro 8.6 million due to a raised dividend. Cash and cash equivalents went up significantly from Euro 39.8 million at the end of the year 2014 by Euro 8.9 million to Euro 48.8 million as of the 2015 reporting date.

Assets and liabilities

Total assets of OVB Holding AG went up from Euro 151.9 million at the end of 2014 by Euro 7.4 million to Euro 159.3 million at the end of 2015. This balance-sheet expansion took place for the most part in current assets or rather liabilities and reflects the Company's profitable growth. Contrary to that, non-current assets were reduced by Euro 1.9 million to Euro 19.2 million (previous year: Euro 21.1 million) primarily due to depreciation and amortisation. Deferred tax assets went down as well. Current assets climbed by Euro 9.3 million to Euro 140.1 million (previous year: Euro 130.8 million). Decisive for this development were principally an increase in cash and cash equivalents by Euro 8.9 million to Euro 48.8 million (previous year: Euro 39.9 million), an increase in securities and other capital investments by Euro 2.4 million to Euro 44.7 million (previous year: Euro 42.3 million) and an increase in trade receivables by Euro 2.0 million to Euro 23.8 million (previous year: Euro 21.8 million). Opposed to this trend, receivables and other assets went down by Euro 3.9 million to Euro 21.1 million (previous year: Euro 25.0 million).

The Company's equity gained Euro 1.4 million year-on-year as of the end of December 2014/2015 to Euro 85.0 million (previous year: Euro 83.6 million) as a result of an increase in retained earnings, other reserves and non-controlling interests. The equity ratio of 53.4 per cent is at a very solid level (previous year: 55.0 per cent). The low non-current liabilities were reduced even further from Euro 2.0 million to Euro 0.9 million). There are no non-current liabilities to banks. Due to an expanding business, current liabilities grew by Euro 7.0 million to Euro 73.3 million (previous year: Euro 66.3 million), notably in the items other provisions, other liabilities and trade payables.

Comparison between forecasted and actual development

In the outlook included in the 2014 consolidated management report released on 31 March 2015, the Executive Board had expressed its expectations of a slight increase in sales for 2015 and the achievement of an operating result (EBIT) at the good level of the year 2014. This business outlook for the full year 2015 remained unchanged after three and after six months. In the interim financial report as of 30 September 2015, released on 13 November 2015, the Executive Board adjusted its 2015 outlook to the effect that now an operating result noticeably above the prior-year result was expected at slightly increased sales.

Total sales commission achieved by OVB Holding AG in 2015 were up 5.0 per cent to Euro 224.7 million. The operating result (EBIT) was increased significantly by 14.5 per cent to Euro 14.0 million.

Overall statement

Sales and operating result (EBIT) are above the initial expectations for the 2015 financial year. Despite challenging general conditions we managed to achieve very pleasant 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 the Southern and Western Europe segment. 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

On 4 February 2016 the acting CEO, Michael Rentmeister, resigned from his position and all his memberships of other corporate bodies of the Group in mutual agreement with the Supervisory Board. On the same day the Supervisory Board appointed Mario Freis new CEO, keeping his area of responsibility for "Sales". The Supervisory Board also appointed Oskar Heitz Deputy Chairman of the Executive Board, keeping his area of responsibility for "Finance". Thomas Hücker continues to be responsible for "Operations" on the Executive Board.

Report on opportunities and risks

Opportunity management

OVB's corporate culture attaches great importance to entrepreneurially-minded thinking and acting. Particularly OVB's self-employed financial agents consider themselves entrepreneurs. Therefore continuously seeking and seizing business opportunities is among the natural tasks 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 broking 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 those 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. Materialising 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 continuous advancement of the implemented early warning system, systematic preoccupation with existing and potential risks and 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. OVB pays attention to keeping a balanced ratio between opportunities and risks.

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 to all employees who assume responsibility in this field. External training safeguards the quality and advancement of OVB's risk management.

The Executive Board of OVB Holding AG is responsible for directing the corporate strategy. In collaboration with the management teams of the subsidiaries, the Executive Board determines the Europe-wide strategy for business operations and the risk strategy derived from that.

All operating subsidiaries are obligated to implement and continually review a risk management system which is based on guidance defined 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 aggregates identified individual risks in 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.

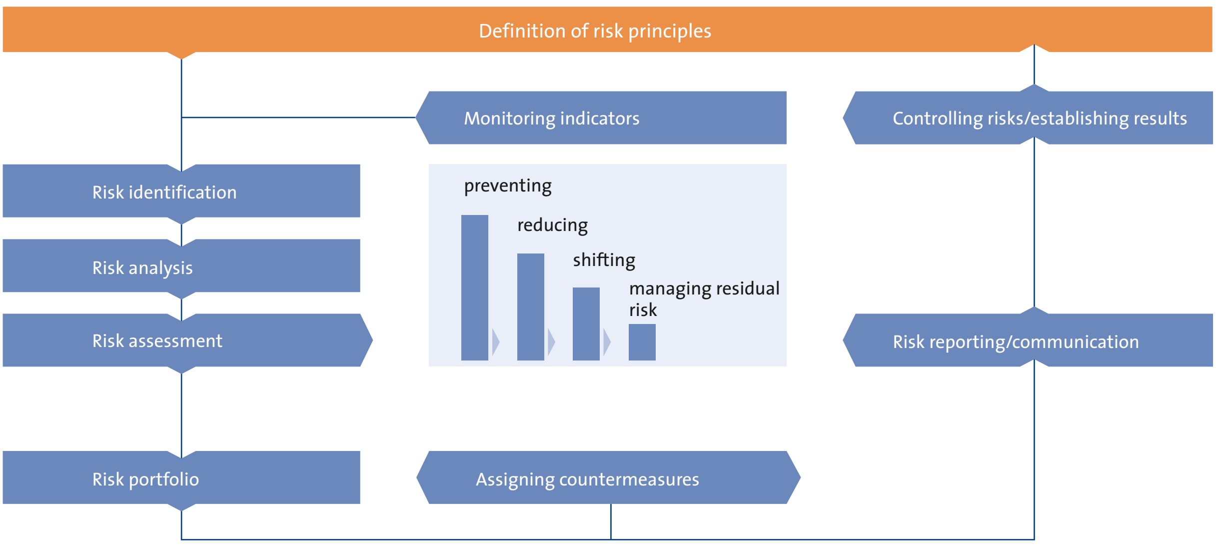
Group-wide consultations and regular coordination with the executives of the sales force complement this early warning system. In addition to that, the holding company's Chief Risk Manager is also informed directly by way of ad hoc risk notifications in cases of urgency outside the usual reporting channels.

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 management accounting process supports the early detection of going-concern risks.

Further elements of the risk management system are internal auditing and compliance management, assuming 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. Internal Auditing 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

OVB risk management process



findings. It monitors compliance with the relevant statutory requirements and assesses the risk management, control, management and monitoring systems and processes relevant to financial accounting and advises on their constant 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 timely response to changing general conditions of potential direct or indirect impact on the assets, liabilities, the financial position and profit or loss of OVB Holding AG. The necessary know-how is continuously updated by external training courses.

Apart from risk inventory, all measures for the early detection, management and control of risks were analysed, adjusted and enhanced in response to internal and external developments within the scope of the annual review in the course of the year 2015.

Internal control system with respect to financial accounting

The internal control system comprises the principles, methods 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 respect to financial accounting addresses the control and monitoring processes in financial 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 internal control system with respect to financial accounting:

- 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
- 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, Management Accounting, 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 the 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 checks of financial accounting processes for risks by process-independent Internal Auditing

The internal control and risk management system with respect to financial accounting 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 financial accounting process. The clear separation of areas of responsibility and various subsequent control and audit mechanisms safeguard correct and responsible financial accounting.

Thus it is assured 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 and 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 that gives 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 basic protection, asset and financial risk protection as well as retirement provision, asset generation 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 value factors for the business success of the OVB Group's companies 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 national 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 further in 2016, essential structural problems remain unsolved. Among those are high public budget deficits and lacking international competitiveness of businesses.

In the year 2015 the influx of refugees from the Middle East and Africa to Europe has reached an unprecedented dimension. The political and economic risks – and also the opportunities – of this development cannot be assessed at present.

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 factors 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 agents 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 as well. 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 market 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

The European Parliament and the European Council signed the Insurance Distribution Directive (IDD) in January 2016. Within the next two years this directive must be implemented into national law by the member states. Parallel to that, the European Commission has been specifying important IDD provisions in four so-called delegated acts. From OVB's viewpoint the deciding aspect is for the Commission to specify the text of the directive without restricting or modifying the directive's general provisions determined by the European legislator.

Especially relevant to OVB are the provisions for commission-based distribution. The IDD generally allows commission payments in the distribution of insurance investment products in consideration of the clients' interests. The Commission is now facing the challenge to come up with criteria according to which compliance with these rules can be monitored.

The Commission also has the assignment to specify the provisions of the directive on dealing with conflicts of interest in the brokerage of insurance investment products. It is called upon to define criteria for the determination of conflicts of interest that are harmful to clients and prepare standards that help companies and financial agents to recognise and avoid conflicts of interest in the sales business.

Furthermore, the Commission must concern itself with the issue of how companies will implement product testing as required under the directive. The Commission is supposed to determine, among other things, what requirements for "Product Oversight and Governance" (in short: POG) companies will have to meet and how the know-how necessary for the distribution of the products will reach the financial agents. OVB regards the creation of binding provisions leading to more transparency and comparability of products and providers as positive and beneficial to OVB's agents and OVB's 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.

For Germany, the federal cabinet resolved the draft law of a First Act Amending Financial Market Regulations (Fimanog) on 6 January 2016. An implementation of the Markets in Financial Instruments Directive (MiFID II) into German law has been postponed to a later date. Different insofar from the initial draft, the draft adopted by the cabinet no longer extends to the implementation of new financial markets directive MiFID II and the Markets in Financial Instruments Regulation (MiFIR) as their coming into effect has been postponed from 3 January 2017 to 3 January 2018 due to yet unsolved issues of harmonisation.

OVB's business model is affected by the 1st Fimanog only insofar as violations within the context of the Regulation on key information documents (KIDs) for packaged retail and insurance-based investment products (PRIIPs) can be sanctioned in the future. Accordingly PRIIP financial agents and advisors must ensure that the PRIIP KIDs are handed out to the client prior to completing the transaction.

On the whole an intensifying 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 analyses particularly the political decision-making processes in order to be able early on to evaluate the effects on its business model and the strategic positioning in the national markets.

In the important sales market of the Czech Republic for instance, legal changes are scheduled for adoption by the Parliament with a probable adverse effect on the business of financial intermediaries. Today's acquisition commission for life insurance policies for example is planned to be paid out in equal instalments over a period of five years in the future. Moreover, an extension of the liability term for commission is provided for. Commission in in distribution paid in instalments generally represents an obstacle to growth for the OVB business model. The opportunities for financial agents to earn money even as a beginner will diminish dramatically. Risk-containing measures as well as measures in distribution for safeguarding sales of OVB Czech Republic are already being implemented or planned. 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 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, commission expected to be received and the age structure of receivables. The default rate of receivables is 0.96 per cent in the year under report (previous year: 1.55 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. 91.9 per cent of investments at least have an "A" rating in accordance with the rating scale of Standard & Poor's. Capital investments without a rating are not part of the portfolio.

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 2015, earnings would have been Euro 346 thousand 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 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. 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 against damages and potential liability risks by appropriate insurance protection.

IT risks

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. Because of the ever increasing importance of IT for the support of business processes, the risk potential of IT supported processes is increasing as well. In order to be technologically up-to-date, OVB invests in existing and new IT solutions and also monitors the systems utilised by competitors for that purpose.

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 in the public eye. 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. with respect to 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 the Company's 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 effort serves that 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 needs-specific advice and by documenting and recording client meetings as required. The public and extensive debate on the quality of financial advisory services 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 assets, liabilities, financial position and profit/loss.

Tax risk

For OVB a changing tax framework for advisory services as well as for individual sales subsidiaries might result in tax risk. OVB continually monitors tax law developments as they become apparent in all of the countries in which it does business, particularly 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 measurement 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 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 seen to 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 2016 and 2017 according to the assessment of the International Monetary Fund (IMF). After a 1.5 per cent gain in the year under review, the economic growth is expected to increase to 1.7 per cent in 2016 and amount to that level in 2017 as well.

Economic growth rates in the countries of the Central and Eastern Europe segment can be expected to be at an altogether good level for the years 2016 and 2017. The economy might improve again in Ukraine as well. The developments in consumer prices and public debt should range within an acceptable margin. The macroeconomic development should support our business activity in this segment on balance. However, from the Executive Board's vantage the deciding factor for the 2016 business in this segment will probably be the development of the business

Development in Central and Eastern Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit (in % of GDP)	
	2016f	2017f	2016f	2017f	2016f	2017f
Croatia	1.0	1.5	1.1	1.5	- 4.5	- 4.1
Czech Republic	2.4	2.4	1.3	2.0	- 1.5	- 1.7
Hungary	2.2	2.9	1.9	2.7	- 2.2	- 2.4
Poland	3.6	3.4	1.3	2.0	- 3.2	- 3.2
Romania	4.0	3.6	- 0.3	2.7	- 3.0	- 3.2
Slovakia	3.5	3.5	0.7	2.5	- 1.9	- 0.9
Ukraine	1.5	3.0	16.0	10.0	- 3.5	- 2.5

f = forecast
Source: Raiffeisen RESEARCH, Strategy Austria & CEE, 1st quarter 2016

fundamentals in the important Czech market on account of impending highly unfavourable changes in the legal framework for the brokerage of life insurance products. Stable or improved business results in the segment's other countries will probably not suffice to close this gap entirely. Therefore OVB expects considerably decreasing sales at a considerably declining operating result for the Central and Eastern Europe segment in the year 2016.

Development in Germany

The economic growth in Germany will continue at a stable level in 2016 and 2017 in the opinion of the International Monetary Fund (IMF) at probably 1.7 per cent annually. A favourable situation in the job market as well as low interest rates and oil prices can be expected to have a positive effect on the financial situation of private households. This should coincide with more room for saving for retirement provision on one's own initiative. However, there are burdening factors as well: The persisting low interest rate environment affects the motivation among consumers to take initiative for urgently required saving for retirement. Political and economic uncertainty has grown as well. In 2016 private households will probably place higher emphasis on consumption than on creating reserves and seeing to long-term provision. Despite further intensification of sales activity and continuous efforts toward efficiency increase and cost reduction, the Executive Board expects modestly decreasing sales and a slight decline in the operating result for the 2016 financial year against this backdrop.

The improvement of the macroeconomic situation in the euro area is progressing slowly. Even Greece should return to economic growth by 2017. However, it is questionable for low long the European Central Bank (ECB) can continue its policy of cheap money while the U.S. Federal

Development in Southern and Western Europe

	Real GDP Change in %		Consumer prices Change in %		Public budget deficit (in % of GDP)	
	2016f	2017f	2016f	2017f	2016f	2017f
Austria	1.8	1.5	1.6	2.0	- 1.9	- 1.6
France	1.5	1.4	1.1	1.5	- 3.4	- 3.3
Greece	- 0.5	2.7	0.5	0.5	- 3.6	- 2.2
Italy	1.7	1.5	1.1	1.5	- 2.3	- 1.6
Spain	2.6	2.3	1.1	1.5	- 3.4	- 2.9
Switzerland	1.5	1.9	- 0.1	0.5	- 0.3	- 0.2

f = forecast
Source: Raiffeisen RESEARCH, Strategy Global Markets, 1st quarter 2016

Reserve is increasing the interest rate level. If and to what extent negative effects on the economic development will show cannot be assessed at present. OVB aims at continuing the sales successes achieved in the countries of the Southern and Western Europe segment over the past few years. Based on OVB's sound starting position in the markets of this segment, sales could therefore rise significantly in 2016 and the increase in operating income could therefore be disproportionately high.

Development of Corporate Centre

For the Corporate Centre segment, OVB Holding AG expects a level of earnings for 2016 that is largely unchanged from the previous year despite systematic investments in the future sustainability of the OVB business model.

Development of the Group

One essential strength of the OVB Group is its broad international positioning over 14 European countries. Market conditions remain altogether challenging. 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 and reliable partner with its infrastructure and demand-suited product portfolio to smaller sales organisations and individual financial agents looking for new orientation;
- OVB keeps working at the efficiency of its business processes.

The long-term business potential in the market of private saving for retirement provision remains unchanged. OVB works with great commitment at further developing this potential for the Company. In financial year 2016, however, unfavourable general conditions in several countries will probably oppose these efforts. Therefore the Executive Board expects a decline in consolidated sales in the mid single-digit percentage range for 2016 compared to the previous year. The operating result is anticipated to be at prior-year level.

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 2015 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 2015, divided into 14,251,314 no-par value bearer shares. Each share carries the same rights and represents one vote in the General Meeting of shareholders.

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, 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 (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 (Stock Corporation Act), IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe, Hamburg, 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 AG, Munich, 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 according to the information available to OVB Holding AG.

Restrictions on voting rights or share assignment

Principal shareholders Basler Group and SIGNAL IDUNA Group have concluded a shareholder voting agreement under which the contracting parties are obligated to exercise their votes in the General Meeting's elections to the Supervisory Board in such a way that two representatives of the Bâloise Group, two representatives of the SIGNAL IDUNA Group, one representative of Generali, and one independent member within the meaning of Section 100 AktG (Stock Corporation Act) are represented on the Supervisory Board at all times. The contracting parties have also committed themselves to sell their shares only if the purchaser of shares enters into the shareholder voting agreement.

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 (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 3 June 2015 authorised the Company to acquire a total of up to 300,000 treasury shares up to and including 10 June 2020. 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 consent, the Executive Board is authorised to use the shares bought back in accordance with the above authorisation as follows:

With the Supervisory Board's consent, 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. 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 consent, 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 but rather the interest in the share capital represented by the remaining shares is increased. The shareholders' subscription rights 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 (3) AktG

With respect to business transactions or measures reportable in accordance with Section 312 AktG (Stock Corporation Act), the Company has received appropriate consideration for each business transaction and was not disadvantaged in any measure taken or deliberately not taken according to the circumstances known to the Company at the time the respective transaction or measure was taken or deliberately not taken.

Responsibility statement pursuant to Section 297 (2) sentence 4 HGB

To the best of their knowledge, the legal representatives assure that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with the applicable reporting principles and that 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.

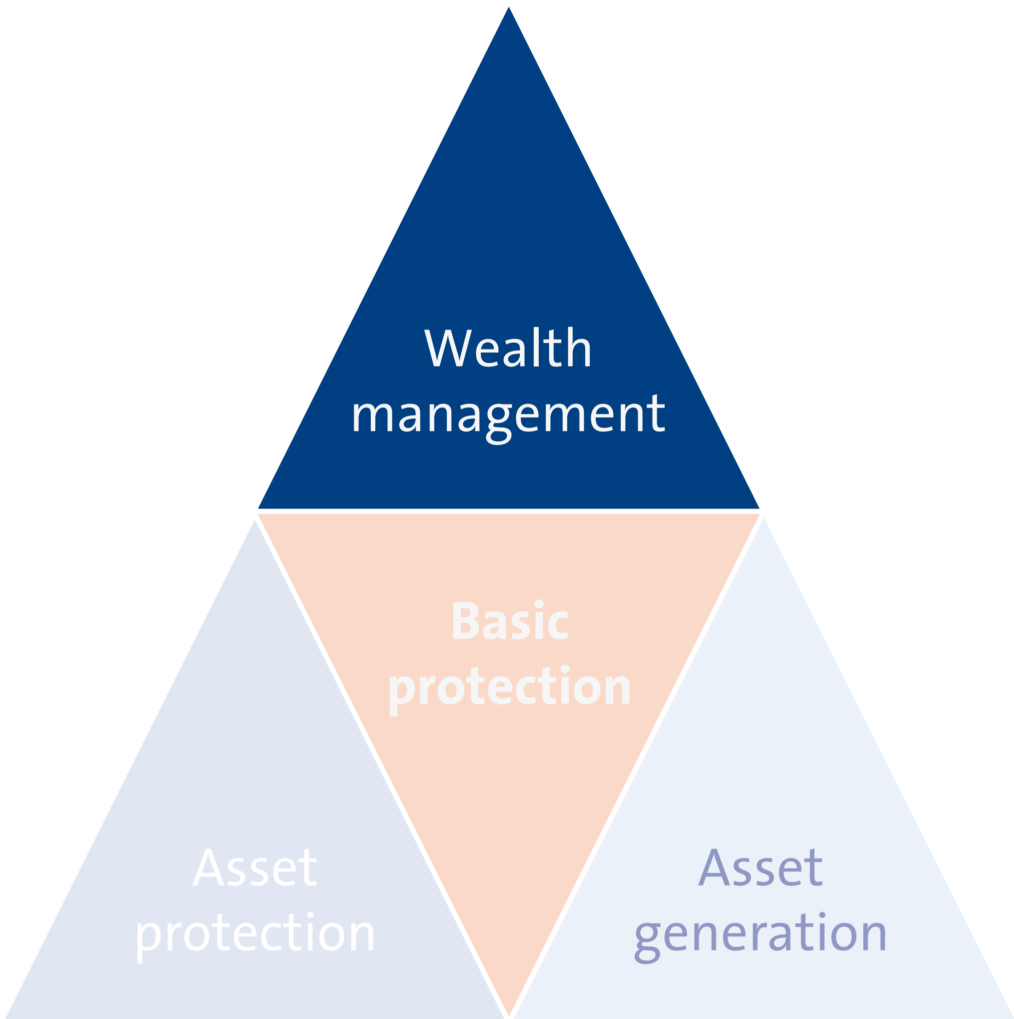
Cologne, 22 February 2016

Mario Freis
CEO

Oskar Heitz
CFO

Thomas Hücker
COO

OVB allfinanz advisory concept



Wealth management

comes to the fore only when the first three components of the OVB allfinanz advisory concept – basic protection, asset protection, asset generation – have been realised. This is about the systematic increase of assets that have been generated. Achieving an adequate return in consideration of the client’s individual propensity for risk-taking and an increasingly broad diversification of investments is the subject of the advice OVB provides. For many clients in this stage of life, the transfer of assets to the next generation also plays an important part.

Consolidated financial statements 2015

Consolidated statement of financial position

of OVB Holding AG as of 31 December 2015 according to IFRS

Assets

Note	in EUR'000	31/12/2015	31/12/2014
	A. Non-current assets		
1	Intangible assets	10,028	11,132
2	Tangible assets	4,207	4,430
3	Investment property	611	577
4	Financial assets	159	321
5	Deferred tax assets	4,149	4,641
		19,154	**21,101**
	B. Current assets		
6	Trade receivables	23,766	21,777
7	Receivables and other assets	21,084	25,019
8	Income tax assets	1,730	1,798
9	Securities and other capital investments	44,722	42,310
10	Cash and cash equivalents	48,804	39,882
		140,106	**130,786**
	Total assets	**159,260**	**151,887**

Note

Equity and liabilities

Note	in EUR'000	31/12/2015	31/12/2014
	A. Equity		
11	Subscribed capital	14,251	14,251
12	Capital reserve	39,342	39,342
13	Treasury shares	0	0
14	Revenue reserves	13,663	13,785
15	Other reserves	897	552
16	Non-controlling interests	370	153
17	Retained earnings	16,479	15,530
		85,002	**83,613**
	B. Non-current liabilities		
18	Liabilities to banks	0	219
19	Provisions	806	1,552
20	Other liabilities	112	115
21	Deferred tax liabilities	8	80
		926	**1,966**
	C. Current liabilities		
22	Provisions for taxes	1,765	827
23	Other provisions	30,156	27,118
24	Income tax liabilities	1,523	1,440
25	Trade payables	8,430	7,008
26	Other liabilities	31,458	29,915
		73,332	**66,308**
	Total equity and liabilities	**159,260**	**151,887**

Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 December 2015 according to IFRS

Note	in EUR'000	2015	2014
27	Brokerage income	210,108	197,398
28	Other operating income	9,379	7,520
	Total income	**219,487**	**204,918**
29	Brokerage expenses	-139,739	-128,503
30	Personnel expenses	-26,678	-26,830
31	Depreciation and amortisation	-3,683	-3,133
32	Other operating expenses	-35,352	-34,197
	Earnings before interest and taxes (EBIT)	**14,035**	**12,255**
	Finance income	637	788
	Finance expenses	-298	-152
33	**Financial result**	**339**	**636**
	Consolidated income before income tax	**14,374**	**12,891**
34	Taxes on income	-4,779	-4,169
35	**Consolidated net income**	**9,595**	**8,722**
36	Thereof non-controlling interests	-217	-1
37	**Consolidated net income after non-controlling interests**	**9,378**	**8,721**
38	Basic earnings per share in Euro	0.66	0.61

Note

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 December 2015 according to IFRS

in EUR'000	2015	2014
Consolidated net income	**9,595**	**8,722**
Revaluation effect from provisions for pensions	-15	-297
Deferred tax due to revaluation effect from provisions for pensions	-5	67
Other comprehensive income not to be reclassified to the income statement	**-20**	**-230**
Change in revaluation reserve	121	144
Change in deferred taxes on unrealised gains and losses from capital investments	0	-8
Change in currency translation reserve	244	-219
Other comprehensive income to be reclassified to the income statement	**365**	**-83**
Total comprehensive income attributable to non-controlling interests	-217	-1
Total comprehensive income	**9,723**	**8,408**

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 31 December 2015 according to IFRS

in EUR'000	2015	2014
Consolidated net income (before non-controlling interests)	9,595	8,722
-/+ Increase/decrease in non-controlling interests	-217	-1
+/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	3,649	3,128
-/+ Unrealised currency gains/losses	-264	387
+/- Allocation to/reversal of valuation allowances for receivables	2,765	3,290
-/+ Increase/decrease in deferred tax assets	492	510
+/- Increase/decrease in deferred tax liabilities	-72	-25
- Other finance income	-171	-159
- Interest income	-466	-629
+/- Increase/decrease in provisions	3,230	664
+/- Increase/decrease of unrealised gains/losses in equity (net)	101	-94
+/- Expenses/income from the disposal of intangible and tangible assets (net)	90	-26
+/- Decrease/increase in trade receivables and other assets	-751	233
+/- Increase/decrease in trade payables and other liabilities	3,068	3,931
= Cash flow from operating activities	**21,049**	**19,931**
+ Proceeds from the disposal of property, plant and equipment and tangible assets	84	464
+ Proceeds from the disposal of financial assets	192	301
- Purchases of tangible assets	-1,047	-854
- Purchases of intangible non-current assets	-1,433	-3,154
- Purchases of financial assets	-27	-228
+/- Decrease/increase in securities and other short-term investments	-2,412	-7,349
+ Other finance income	171	159
+ Interest received	466	629
= Cash flow from investing activities	**-4,006**	**-10,032**
- Dividends paid	-8,551	-7,838
+/- Increase/decrease in non-controlling interests	217	1
+/- Proceeds/repayments from the issue of bonds and taking out (financial) loans	-219	-22
= Cash flow from financing activities	**-8,553**	**-7,859**
Overview:		
Cash flow from operating activities	21,049	19,931
Cash flow from investing activities	-4,006	-10,032
Cash flow from financing activities	-8,553	-7,859
= Net change in cash and cash equivalents	**8,490**	**2,040**
Exchange gains/losses on cash and cash equivalents	457	-567
+ Cash and cash equivalents at end of the prior year	39,843	38,370
= Cash and cash equivalents at the end of the period	**48,790**	**39,843**
Income tax paid	5,749	4,203
Interest paid	22	39

Consolidated statement of changes in equity

of OVB Holding AG as of 31 December 2015 according to IFRS

in EUR'000	Subscribed capital	Capital reserve	Retained profits brought forward	Statutory reserve	Other revenue reserves	Available-forsale reserve/ revaluation reserve
Balance as at 31/12/2014	**14,251**	**39,342**	**6,809**	**2,653**	**11,132**	**327**
Consolidated profit			8,721			
Treasury shares						
Corporate actions						
Dividends paid			-8,551			
Change in available-for-sale reserve						121
Transfer to other reserves			122	-122		
Change in currency translation reserve						
Revaluation effect from provisions for pensions						
Consolidated net income						
Balance as at 31/12/2015	**14,251**	**39,342**	**7,101**	**2,531**	**11,132**	**448**

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
Balance as at 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**

	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
	-556	**112**	**669**		**8,721**		**153**	**83,613**
					-8,721			
								-8,551
				121		121		121
			244	244		244		244
	-15	-5		-20		-20		-20
					9,378	9,378	217	9,595
	-571	**107**	**913**	**345**	**9,378**	**9,723**	**370**	**85,002**

	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**

Notes to the consolidated financial statements for financial year 2015

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 2015 are released for publication on 15 March 2016 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 2015 as well as the interpretations released by the IFRS Interpretations Committee and the Standing Interpretations Committee (SIC) were taken into account. The requirements under Section 315a (1) HGB have also been 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 (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 its Annual Improvements project intended to introduce minor improvements to standards and interpretations, the IASB has released another collection of "Improvements to IFRS" (cycle 2011 – 2013), resulting in minor amendments to four standards altogether. These amendments have no material 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 after their endorsement by the EU.

- Improvements to IFRS

Within the framework of its Annual Improvements project intended to introduce minor improvements to standards and interpretations, the IASB has released another collection of "Improvements to IFRS" (cycle 2012 – 2014), resulting in minor amendments to four standards altogether. These amendments apply for reporting periods beginning on or after 1 January 2016 yet have no material effect on the consolidated financial statements.

- Improvements to IFRS

Within the framework of its Annual Improvements project intended to introduce minor improvements to standards and interpretations, the IASB has released another collection of "Improvements to IFRS" (cycle 2010 – 2012), resulting in minor amendments to seven standards altogether. These amendments apply for reporting periods beginning on or after 1 January 2015 yet have no material effect on the consolidated financial statements.

- IAS 1 Presentation of Financial Statements (amendment)

With the released amendment to the standard, first proposals for the amendment of IAS 1 Presentation of Financial Statements realisable on short notice are implemented. The amendment is concerned with the materiality and summarisation of items, subtotals, the structure of the notes, information on accounting methods and the equity method. The amendments are applicable for reporting periods beginning on or after 1 January 2016 and will thus be considered from that point in time within the Group.

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

The amendment is intended to clarify which methods are appropriate with respect to the depreciation and amortisation of property, plant and equipment and intangible assets. Accordingly depreciation of property, plant and equipment based on sales generated by the assets produced is not appropriate. With two exceptions, this clarification is only included in IAS 38 for the amortisation of intangible assets with finite useful lives. This amendment applies for financial years beginning on or after 1 January 2016 yet will probably have no effect on the Group's assets and liabilities, financial position and profit/loss.

- IAS 19 Employee Benefits (amendment)

The IASB has released an amendment to IAS 19R (2011) Employee Benefits. The amendment introduces a right to choose to the standard with respect to the accounting treatment of defined benefit obligations in which employees (or third parties) participate by obligatory contributions. The amendments are subject to mandatory application for reporting periods beginning on or after 1 February 2015 and will have no material effect on the consolidated financial statements.

- IFRS 9 Financial Instruments

Last year IFRS 9 was released in its final version and will supersede IAS 39 Financial Instruments: Recognition and Measurement. The standard addresses the classification and measurement of financial assets and financial liabilities, the accounting treatment of the impairment of financial assets and the accounting treatment of hedges. First-time application is mandatory for financial years beginning on or after 1 January 2018. Potential effects of the new standard on the Group's assets and liabilities, financial position and profit/loss are currently considered rather insignificant with respect to the present portfolio of financial instruments.

- IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (amendment)

This amendment eliminates a previously existing inconsistency between both standards, permitting the investor's realisation of gains or losses in the full amount if the transaction concerns a business within the meaning of IFRS 3 Business Combinations in the future. If this is not the case and the transaction concerns assets that do not represent a business, only the proportionate profit/loss has to be recognised. This amendment has currently no effect on the consolidated financial statements.

- IFRS 15 Revenue from Contracts with Customers

IFRS 15 governs the disclosure of sales and defines uniform principles for the presentation of information of relevance to financial statements regarding the type, amount and time-related recognition as well as the uncertainties connected to the realisation of sales from contracts with customers. According to IFRS 15, sales have to be realised only if the customer has the authority to dispose of the agreed assets and services and is able to benefit from them. The standard supersedes previous IAS 18 and IAS 11 (including corresponding interpretations) and is applicable to financial years beginning on or after 1 January 2018; earlier adoption is permitted. Application will probably have an effect on the Group's assets and liabilities, financial position and profit/loss as well as the scope of reporting in the consolidated financial statements.

- IFRS 16 Leases

IFRS 16 was released in January 2016 and determines principles for the recognition, measurement, disclosure as well as the scope and content of the notes with respect to existing leases. Upon its entry into force, IFRS 16 supersedes IAS 17 (including corresponding interpretations) and is applicable, subject to EU endorsement which is still pending, to financial years beginning on or after 1 January 2019. OVB Holding AG is currently assessing the effects of a future application of IFRS 16.

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 2015 incorporate OVB Holding AG and the entities under its control. Control applies if OVB 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 benefits 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 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 addition to OVB Holding AG, the following subsidiaries have been included in the consolidated financial statements:

Consolidated companies	**Shareholding in % 2015**	**Shareholding in % 2014**	**Subscribed capital in EUR'000 31/12/2015**
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 near 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	400
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	147
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 Allfinanz Vermittlungs GmbH, Athens	100	100	18
OVB Conseils en patrimoine France Sàrl, Strasbourg	100	100	300
TOB OVB Allfinanz Ukraine, Kiev	100	100	1,339

Indicated shareholdings correspond to the voting rights share with respect to all subsidiaries.

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

	Nord-Soft EDV-Unternehmens-beratung GmbH		Nord-Soft Datenservice GmbH	
in EUR'000	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Non-current assets	390	431	0	0
Current assets	644	148	35	27
Non-current liabilities	8	219	0	0
Current liabilities	305	75	11	3

Non-current assets of Nord-Soft EDV-Unternehmensberatung GmbH essentially include own-use property with a book value of EUR 376 thousand as of 31 December 2015 (previous year: EUR 414 thousand).

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 recognized 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 average annual exchange rates and equity items are translated at historical rates. Translation differences are recognised in equity outside profit or loss.

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

EUR	Closing rate 31/12/2015	Closing rate 31/12/2014	Change in %	Average rate 2015	Average rate 2014	Change in %
CHF	0.923500	0.831400	11.80	0.936800	0.823470	13.76
CZK	0.037000	0.036120	2.44	0.036600	0.036350	0.69
HUF	0.003200	0.003179	0.66	0.003200	0.003240	-1.23
HRK	0.130300	0.130600	-0.23	0.131200	0.131110	0.07
PLN	0.234400	0.232800	0.69	0.238900	0.239140	-0.10
RON	0.220600	0.223500	-1.30	0.224700	0.225260	-0.25
UAH	0.037800	0.052730	-28.31	0.041300	0.065710	-37.15

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 listed 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 or 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 through profit or loss. 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

Loans and receivables are recognised upon their addition at face value. Noninterest bearing or lower interest-bearing loans and receivables with terms to maturity of more than one year are recognized at present value. 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 and the current cash value is determined and compared to the book value.

Receivables and liabilities to and from an individual 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”.

Available-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 met. 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 recognition 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 environment 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 respective product partner. In case of uncertainty with respect to the recognition of sales, the date of actual cash inflow is taken into account. In the event that commissions are refunded to a product partner if contracts are cancelled or in the event of non-payment, provisions are made on the basis of historical figures (provisions for cancellation risk). Changes in provisions for cancellation risk are 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 the 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 the 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 a material effect 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 forward-looking assumptions 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 made 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 straight-line 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 consolidated 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 consolidated 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 consolidated 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 realisable 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 consolidated statement of financial position.

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

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 53.4 per cent (previous year: 55.0 per cent). 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 routinely analysed and promptly reported. The risk management system identifies gross exposure, i.e. the risks that will 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:

in EUR'000		Book value 2015	Book value 2014
Financial assets	L+R	159	321
Trade receivables	L+R	23,766	21,777
Receivables and other assets		21,084	25,019
Receivables	L+R	14,287	16,211
Other assets		6,797	8,808
Securities and other capital investments		44,722	42,310
Securities	AfS	5,572	5,940
Other capital investments	L+R	39,150	36,370
Cash and cash equivalents	L+R	48,804	39,882

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

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

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

in EUR'000	Book value 2015	Amortised cost	Historical cost	Change in value outside profit or loss	Change in value through profit or loss
Loans and receivables	126,166 (previous year: 114,561)	126,166 (previous year: 114,561)	-	-	-19,055 (previous year: -19,195)
Available-for-sale financial assets	5,572 (previous year: 5,940)	-	6,139 (previous year: 6,567)	448 (previous year: 328)	-1,015 (previous year: -955)
Financial liabilities	38,648 (previous year: 35,766)	38,648 (previous year: 35,766)	-	-	-

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 short-term capital investments, short-term 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 2015 receivables with a book value of EUR 6 thousand were overdue but not impaired (previous year: EUR 31 thousand). These receivables are essentially only a few days overdue based on invoicing processes.

Financial assets with a book value of EUR 3,099 thousand (previous year: EUR 3,221 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 market and stock 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	466 (previous year: 629)	-	-2,074 (previous year: -2,319)	-549 (previous year: -882)	-2,157 (previous year: -2,572)
Available-for-sale financial assets	114 (previous year: 127)	103 (previous year: 149)	-60 (previous year: 19)	9 (previous year: -5)	166 (previous year: 290)
Financial liabilities	-238 (previous year: -143)	-	-	1,124 (previous year: 781)	886 (previous year: 638)
Total	342 (previous year: 613)	103 (previous year: 149)	-2,134 (previous year: -2,300)	584 (previous year: 106)	-1,105 (previous year: -1,644)

Foreign currency effects included in the net result are immaterial and therefore not reported separately. The net result includes EUR 121 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 on loans and receivables consists of expenses for valuation allowances and income from appreciation in value.

Total interest income from financial assets amounted to EUR 580 thousand in the year under review (previous year: EUR 757 thousand). Total interest expense for financial liabilities was EUR 238 thousand (previous year: EUR 143 thousand).

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 126,166 thousand (previous year: EUR 114,561 thousand) and the potentially arising receivables from third parties in the case of utilisation of guarantees (cf. IV. Other Information). Securities held for this purpose come to EUR 8,793 thousand (previous year: EUR 5,775 thousand) so that the residual risk amounts to EUR 117,373 thousand (previous year: EUR 108,786 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 2015 is equivalent to the carrying amount of EUR 5,572 thousand (previous year: EUR 5,940 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	6,293 (previous year: 5,223)	2,207 (previous year: 1,849)	98,810 (previous year: 86,861*)	7,427 (previous year: 6,739*)	588 (previous year: 315)	1,794 (previous year: 3,803*)	117,119 (previous year: 104,793)
Available-for-sale financial assets	0 (previous year: 0)	712 (previous year: 709*)	804 (previous year: 1,281)	0 (previous year: 0*)	0 (previous year: 0)	0 (previous year: 0)	1,516 (previous year: 1,990)

* Prior-year amounts have been adjusted due to a review of ratings. Within this context, loans and receivables in the amount of EUR 1,160 thousand were reclassified from the category "no rating" and in the amount of EUR 2,470 thousand from the category "BBB" to category "A". Available-for-sale financial assets were reclassified in the amount of EUR 709 thousand from category "BBB" to category "AA".

For the monitoring of risks associated with receivables from financial agents and receivables from employees, please refer to 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	28,095 (previous year: 29,188)	-19,055 (previous year: -19,451)	9,040 (previous year: 9,737)
Available-for-sale financial assets	5,067 (previous year: 4,902)	-1,011 (previous year: -951)	4,056 (previous year: 3,951)

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 held 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 36 per cent of sales (previous year: 40 per cent) in functional currencies other than the euro. Translation differences from changes in exchange rates compared to the previous year were EUR 410 thousand in consolidated sales and EUR 60 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. Exchange rates are constantly monitored and foreign currency holdings are continuously revalued 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 risks 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 34,641 thousand (previous year: EUR 35,294 thousand) and variable-interest liabilities of EUR 0 thousand (previous year: EUR 227 thousand). If market interest rates for the full year 2015 had been 100 basis points higher (lower), the net income would have been EUR 346 thousand (previous year: EUR 351 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 or rather monthly 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 in-house developments of 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 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 measured 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 under 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 period of the software's introduction is 7 years. 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 16 years due to the scheduled introduction period throughout the Group.

Payments on account for software are measured at face value.

Until 31 December 2004 goodwill was amortised through profit or loss under 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 under 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 cost less cumulative depreciation and impairment plus any reversal of impairment loss as of subsequent reporting dates.

Gains or losses upon asset disposal 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 assets are depreciated under 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 Leases

Leases 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 as part of risk management if 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 impairment testing 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 for 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 individual risk assessment 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 can be 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 measured 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 and when gains or losses are realised. A loss is deemed realised even without the sale of the security if there are objective indications (triggering events) and impairment has accordingly been identified (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 measured on the basis of an actuarial estimate. That estimate 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 0.80 per cent (previous year: 1.10 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 being 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 yet paid are stated as tax liabilities.

Deferred tax liabilities are reported under tax deferrals.

5.2.2 Other provisions

Cancellation risk

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 0.15 per cent (previous year: 0.39 per cent).

Unbilled liabilities

Provisions are made for unbilled liabilities if the amount of the liability can only be estimated because 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 the sales force. 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 for 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 financial statements audited. This item also includes the anticipated cost of the audit of the 2015 consolidated financial statements.

Other obligations

Other obligations arise from accounts that are still outstanding, particularly for goods and services that were supplied before the reporting date but have not yet been billed. Such 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 is 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 tax is 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 book values 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 tax liabilities are not discounted. Deferred tax assets and tax 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 EU 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 39,387 thousand (previous year: EUR 42,795 thousand) and OVB Allfinanz Slovensko a.s., Bratislava at EUR 37,306 thousand (previous year: EUR 33,304 thousand).

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

The "Southern and Western Europe" segment includes the following companies: OVB Allfinanzvermittlungs GmbH, Wals near Salzburg; OVB Vermögensberatung (Schweiz) AG, 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. An essential contribution to the brokerage income of the Southern and Western Europe segment was generated by OVB Allfinanz España S.A., Madrid in the amount of EUR 19,514 thousand (previous year: EUR 14,829 thousand).

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 consolidated 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 2015

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	108,213	50,288	51,607	0	0	210,108
Other operating income	1,553	3,687	1,954	2,167	18	9,379
Income from inter-segment transactions	54	1,081	3	9,154	-10,292	0
Total segment income	**109,820**	**55,056**	**53,564**	**11,321**	**-10,274**	**219,487**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-69,807	-26,947	-29,615	0	0	-126,369
- Other commission for sales force	-6,252	-3,639	-3,479	0	0	-13,370
Personnel expenses	-7,062	-7,207	-4,140	-8,269	0	-26,678
Depreciation/amortisation	-865	-689	-351	-1,778	0	-3,683
Other operating expenses	-16,401	-10,043	-9,237	-10,000	10,329	-35,352
Total segment expenses	**-100,387**	**-48,525**	**-46,822**	**-20,047**	**10,329**	**-205,452**
Earnings before interest and taxes (EBIT)	**9,433**	**6,531**	**6,742**	**-8,726**	**55**	**14,035**
Interest income	167	138	107	145	-91	466
Interest expenses	-14	-116	-19	-178	89	-238
Other financial result	0	6	22	83	0	111
Earnings before taxes (EBT)	**9,586**	**6,559**	**6,852**	**-8,676**	**53**	**14,374**
Taxes on income	-2,016	223	-2,038	-948	0	-4,779
Non-controlling interests	0	0	0	-217	0	-217
Segment result	**7,570**	**6,782**	**4,814**	**-9,841**	**53**	**9,378**
Additional disclosures						
Capital expenditures for intangible and tangible assets	767	259	520	934	0	2,480
Material non-cash expenses (-) and income (+)	400	-535	-695	737	0	-93
Impairment expenses	-1,250	-1,844	-576	-119	0	-3,789
Reversal of impairment loss	34	555	256	110	0	955

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

II. Notes to the consolidated statement of financial position

ASSETS

A Non-current assets

2015: EUR'000	**19,154**
2014: EUR'000	21,101

1

1 Intangible assets

2015: EUR'000	**10,028**
2014: EUR'000	11,132

in EUR'000	31/12/2015	31/12/2014
Software		
Software purchased from third parties	9,340	10,597
In-house software developments	5	9
Payments on account for software	367	65
Goodwill	147	273
Other intangible assets	169	188
	10,028	**11,132**

Purchased software essentially 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 6,615 thousand as of 31 December 2015 (previous year: EUR 7,371 thousand). The carrying amount of the sales-support software comes to EUR 1,556 thousand as of 31 December 2015 (previous year: 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 1.41 per cent (previous year: 2.00 per cent) at a detailed planning horizon of five years.

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

Goodwill accounted for at EUR 147 thousand faces the expected future receipt of payments that substantiates the carrying amount as of 31 December 2015. The decrease in value from the previous year is accounted for by lower expected receipt of payments.

2

2 Tangible assets

2015: EUR'000	**4,207**
2014: EUR'000	4,430

in EUR'000	31/12/2015	31/12/2014
Land, land rights and buildings		
- Own-use property	1,432	1,504
Other equipment, office and operating equipment		
- Machinery, equipment, furniture, vehicles, other	1,452	1,725
- IT equipment	976	987
- Leased assets under finance lease	88	90
- Tenant fixtures and fittings	257	124
- Payments on account for tangible assets under construction	2	0
	4,207	**4,430**

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 was repaid in full in the past financial year. The land charge is not linked to any other underlying liabilities.

Depreciation of EUR 101 thousand (previous year: EUR 99 thousand) was recorded for own-use property.

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

Finance lease

The carrying amount of the leased assets allocated to the Group in accordance with IAS 17 is EUR 88 thousand as of 31 December 2015 (previous year: EUR 90 thousand). The total amount of minimum lease payments due within one year is EUR 24 thousand (previous year: EUR 18 thousand) and the amount due in between one and five years is EUR 63 thousand (previous year: EUR 65 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; other options are not provided for.

3

3 Investment property

2015: EUR'000	**611**
2014: EUR'000	577

in EUR'000	2015	2014
Rental income from investment property	38	32
Corresponding operating expenses	-24	-24
Net gains or losses from adjustment to fair value	34	-3

Investment property relates to land in Hamburg, Germany on which an office building has been erected. This property has appreciated in value in the year under review by EUR 34 thousand. The appreciation in value is due to increased standard land value.

The fair value attributable to the property held by the Group as an investment as of 31 December 2015 has been determined by an independent valuer. The most recent valuation report was prepared in December 2015.

The determination of the fair value of investment property as of 31 December 2015 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 input parameters applied. The fair value is determined according to an income approach ("Ertragswertverfahren") considering the earnings value. In the previous year fair value was determined as the weighted average of earnings value and real value. If fair value had been determined solely on the basis of the earnings value in the previous year, the fair value would have been EUR 3 thousand lower.

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: 29 years (previous year: 33 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.

The following table presents the reconciliation statement for investment property from the beginning to the end of the year 2015:

Investment property		
	1 January 2015: EUR'000	**577**
	(-/+) Depreciation/Appreciation in value: EUR'000	+34
	31 December 2015: EUR'000	**611**

4

4 Financial assets

	2015: EUR'000	**159**
	2014: EUR'000	321

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

5

5 Deferred tax assets

	2015: EUR'000	**4,149**
	2014: EUR'000	4,641

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

in EUR'000	31/12/2015	31/12/2014
Goodwill	16	24
Tangible assets and other intangible assets	19	19
Financial assets	1	1
Financial instruments	370	383
Other assets	37	31
Provisions	2,338	2,029
Liabilities	2,092	2,034
Tax loss carry-forward	244	870
	5,117	**5,391**
Net of deferred tax liabilities	-968	-750
	4,149	**4,641**

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 in the amount of EUR 22,949 thousand (previous year: EUR 22,194 thousand) for group companies. This would have corresponded to deferred tax assets of EUR 6,308 thousand (previous year: EUR 5,992 thousand).

Of this loss carry-forward, the amount of EUR 3,307 thousand (previous year: EUR 3,192 thousand) can be utilised over a period of between 5 and 15 years. The amount of EUR 19,642 thousand (previous year: EUR 19,002 thousand) can be carried forward indefinitely.

B Current assets

	2015: EUR'000	140,106
	2014: EUR'000	130,786

6

6 Trade receivables

	2015: EUR'000	23,766
	2014: EUR'000	21,777

in EUR'000	31/12/2015	31/12/2014
Trade receivables		
1. Receivables from insurance brokerage	21,366	19,322
2. Receivables from other brokerage	1,113	1,332
3. Other trade receivables	1,287	1,123
	23,766	**21,777**

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

in EUR'000	2015	2014
Valuation allowances as of 1 January	128	59
Exchange rate differences	0	0
Allocation (valuation allowance expense)	30	73
Consumption	0	4
Reversals	3	0
Valuation allowances as of 31 December	**155**	**128**

Trade receivables in the amount of EUR 8,586 thousand (previous year: EUR 6,255 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 and claims from retained securities (cancellation reserve) against product providers. Commission claims do not bear interest and are generally due within 30 days. Claims from retained securities are usually interest-bearing.

2. Receivables from other brokerage

Receivables from other brokerage relate primarily to claims for commission against 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

	2015: EUR'000	21,084
	2014: EUR'000	25,019

in EUR'000	31/12/2015	31/12/2014
7.1 Other receivables	14,287	16,211
7.2 Other assets	6,797	8,808
	21,084	**25,019**

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 6,389 thousand as of the reporting date (previous year: EUR 8,679 thousand). Of this total, claims of EUR 4,359 thousand have terms to maturity of more than one year (previous year: EUR 6,744 thousand).

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2015

	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						
31/12/2014	31,149	3,972	387	11,207	2,616	49,331
Currency translation differences	50	4	37	20	31	142
01/01/2015	31,199	3,976	424	11,227	2,647	49,473
Change in consolidated Group	0	0	0	0	0	0
Additions	1,127	0	306	0	0	1,433
Disposals	310	63	5	849	39	1,266
Transfers	0	0	0	0	0	0
31/12/2015	**32,016**	**3,913**	**725**	**10,378**	**2,608**	**49,640**
Accumulated depreciation/ amortisation						
31/12/2014	20,552	3,896	322	9,416	2,293	36,479
Currency translation differences	35	5	36	0	31	107
01/01/2015	20,587	3,901	358	9,416	2,324	36,586
Change in consolidated Group	0	0	0	0	0	0
Additions	2,065	3	0	0	184	2,252
Disposals	178	63	0	0	39	280
Transfers	196	0	0	0	-196	0
31/12/2015	**22,670**	**3,841**	**358**	**9,416**	**2,273**	**38,558**
Accumulated impairments						
31/12/2014	0	67	0	1,518	135	1,720
Currency translation differences	0	0	0	20	0	20
01/01/2015	0	67	0	1,538	135	1,740
Change in consolidated Group	0	0	0	0	0	0
Impairments	6	0	0	126	31	163
Impairment loss reversal	0	0	0	0	0	0
Disposals	0	0	0	849	0	849
31/12/2015	**6**	**67**	**0**	**815**	**166**	**1,054**
Book value 31/12/2015	**9,340**	**5**	**367**	**147**	**169**	**10,028**
Book value 31/12/2014	**10,597**	**9**	**65**	**273**	**188**	**11,132**

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			
3,227	6,991	4,704	181	1,531	0	16,633	1,101	321
45	84	47	0	1	0	177	0	3
3,272	7,075	4,751	181	1,532	0	16,810	1,101	324
0	0	0	0	0	0	0	0	0
2	418	399	31	195	2	1,047	0	27
0	510	413	0	0	0	923	0	192
0	0	0	0	0	0	0	0	0
3,274	**6,983**	**4,737**	**212**	**1,727**	**2**	**16,934**	**1,101**	**159**
1,723	5,266	3,716	91	1,407	0	12,203	0	0
18	77	46	0	0	0	141	0	0
1,741	5,343	3,762	91	1,407	0	12,344	0	0
0	0	0	0	0	0	0	0	0
101	635	409	33	52	0	1,230	0	0
0	475	410	0	0	0	885	0	0
0	0	0	0	0	0	0	0	0
1,842	**5,503**	**3,761**	**124**	**1,459**	**0**	**12,689**	**0**	**0**
0	0	0	0	0	0	0	524	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	524	0
0	0	0	0	0	0	0	0	0
0	27	0	0	11	0	38	0	0
0	0	0	0	0	0	0	34	0
0	0	0	0	0	0	0	0	0
0	**27**	**0**	**0**	**11**	**0**	**38**	**490**	**0**
1,432	**1,453**	**976**	**88**	**257**	**2**	**4,207**	**611**	**159**
1,504	**1,725**	**987**	**90**	**124**	**0**	**4,430**	**577**	**321**

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**

7.1 Other receivables

in EUR'000	**31/12/2015**	**31/12/2014**
Other receivables		
1. Receivables from financial agents	10,354	11,392
2. Receivables from employees	150	187
3. Miscellaneous other receivables	3,587	4,422
4. Other taxes	196	210
	14,287	**16,211**

Changes in valuation allowances on other receivables are as follows:

in EUR'000	**2015**	**2014**
Valuation allowances as of 1 January	19,341	17,916
Exchange rate differences	52	-97
Allocation (valuation allowance expense)	2,464	3,199
Consumption	2,429	870
Reversals	528	807
Valuation allowances as of 31 December	**18,900**	**19,341**

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

2015: EUR'000	**6,797**
2014: EUR'000	8,808

in EUR'000	31/12/2015	31/12/2014
Other assets		
1. Accrued investment income	7	71
2. Other accrued income	510	434
3. Advertising and office supplies	434	551
4. Payments on account	484	391
5. Acquired future commission claims	5,156	7,083
6. Miscellaneous other assets	206	278
	6,797	**8,808**

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 to 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

2015: EUR'000	**1,730**
2014: EUR'000	1,798

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

9

9 Securities and other capital investments

2015: EUR'000	**44,722**
2014: EUR'000	42,310

in EUR'000	2015			2014		
	Securities	Other capital investments	Total	Securities	Other capital investments	Total
Historical cost	**6,139**	**39,150**	**45,289**	**6,567**	**36,370**	**42,937**
Revaluation reserve	448		448	328		328
Impairment	-1,015		-1,015	-955		-955
Market value	**5,572**	**39,150**	**44,722**	**5,940**	**36,370**	**42,310**
Book value	**5,572**	**39,150**	**44,722**	**5,940**	**36,370**	**42,310**

Securities include interest in investment funds in the following amounts:

	2015	
Investment	Pension fund	Balanced fund
Number of investment funds	3	2
Fund assets as of the reporting date	Euro 7.5 – 418 million	Euro 28.8 – 33.4 million
Book values as of the reporting date	Euro 2.20 million	Euro 1.20 million
Interest in the funds	0.11 – 5.79 %	1.47 – 2.47 %

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

The maximum risk exposure corresponds to the book value.

In the past financial year write-downs on securities were recognised in profit or loss in the amount of EUR 60 thousand (previous year: EUR 4 thousand). The write-downs are included in the financial result in “Investment expenses” under item 33. The reversal of impairment loss on securities is disclosed in the financial result, item 33, under “Reversal of impairment loss on investments”.

The revaluation reserve increased by the amount of EUR 121 thousand in the past financial year (previous year: EUR 144 thousand). Net losses were realised in the amount of EUR 18 thousand in the financial year (previous year: EUR 5 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 their cash value.

The determination of the fair value of securities held in the amount of EUR 5,572 thousand is allocated to level 1 of the valuation hierarchy according to IFRS 13 and considers market or stock market prices.

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

10

10 Cash and cash equivalents

2015: EUR’000	**48,804**
2014: EUR’000	39,882

in EUR’000	31/12/2015	31/12/2014
Cash	31	30
Cash equivalents	48,773	39,852
	48,804	**39,882**

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 assets consist of cash and cash equivalents less current liabilities to banks of EUR 14 thousand (previous year: 38 thousand Euro).

EQUITY AND LIABILITIES

A Equity

	2015: EUR'000	**85,002**
	2014: EUR'000	83,613

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

11

11 Subscribed capital

	2015: EUR'000	**14,251**
	2014: EUR'000	14,251

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251 thousand as of 31 December 2015, is fully paid up and consists of 14,251,314 no-par value bearer shares (previous year: 14,251,314 shares).

12

12 Capital reserve

	2015: EUR'000	**39,342**
	2014: 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 3 June 2015 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 2020. Shares acquired on the basis of this authorisation may also be retired. So far no use has been made of this option.

14

14 Revenue reserves

	2015: EUR'000	**13,663**
	2014: EUR'000	13,785

15

15 Other reserves

	2015: EUR'000	**897**
	2014: EUR'000	552

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 disclosed in the statement of changes in equity.

16

16 Non-controlling interests

	2015: EUR'000	**370**
	2014: EUR'000	153

Other shareholders hold non-controlling interests in Nord-Soft EDV-Unternehmensberatung GmbH in the amount of EUR 358 thousand (previous year: EUR 141 thousand) and Nord-Soft Datenservice GmbH in the amount of EUR 12 thousand (previous year: EUR 12 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

	2015: EUR'000	**16,479**
	2014: EUR'000	15,530

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 3 June 2015, shareholders adopted the resolution on the appropriation of the retained earnings of OVB Holding AG for financial year 2014.

In financial year 2015 a dividend of EUR 8,551 thousand was distributed to the shareholders, equivalent to EUR 0.60 per no-par share. The dividend was paid out to the shareholders of OVB Holding AG on 5 June 2015.

In accordance with Section 170 AktG (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 2015:

in EUR	**2015**
Distribution to shareholders	9,263,354.10
Profit carry-forward	6,277,441.39
Retained earnings	**15,540,795.49**

The dividend payout is thus equivalent to EUR 0.65 per share (previous year: EUR 0.60 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

	2015: EUR'000	**926**
	2014: EUR'000	1,966

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 31/12/2015

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	0	0	0	0	0	0
Other liabilities	112	39	73	0	0	0

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

18

18 Liabilities to banks

2015: EUR'000	**0**
2014: EUR'000	219

Non-current liabilities to banks were repaid in full in the past financial year.

19

19 Provisions

2015: EUR'000	**806**
2014: EUR'000	1,552

in EUR'000	**31/12/2015**	**31/12/2014**
Provisions for pensions	402	1,061
Long-term provisions for employee benefits	393	491
Other long-term provisions	11	0
	806	**1,552**

in EUR'000	**01/01/2015**	**Exchange rate differences**	**Allocation**	**Consumption**	**Reversal**	**31/12/2015**
Provisions for pensions	1,061	33	68	689	71	402
Long-term provisions for employee benefits	491	0	38	136	0	393
Other long-term provisions	0	0	11	0	0	11
	1,552	**33**	**117**	**825**	**71**	**806**

The interest effects included in the allocations are immaterial.

Provisions for pensions

OVB Vermögensberatung (Schweiz) AG, Cham is under statutory obligation to pay pension benefits to six commercial employees as well as 16 financial agents. The following pension benefits are granted to the beneficiaries:

- retirement benefits
- pension for surviving dependents
- disability pension

The pension obligation of OVB Holding AG was compensated for by a single payment to the beneficiary in the year under review. The severance pay obligations of OVB Allfinanzvermittlungs GmbH, Salzburg have been transferred to a severance pay fund. As of the end of the reporting period there were no pension obligations of OVB Holding AG or OVB Allfinanzvermittlungs GmbH, Salzburg.

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

Pension provisions as of 31/12 **in EUR'000**	**2015**	**2014**
Present value of defined benefit obligations as of 01/01	**1,817**	**1,406**
Exchange rate changes	117	13
Service cost	106	42
Past service cost	0	0
Interest expense/income	13	39
Gains (-) and losses (+) from revaluation:		
- Actuarial gains and losses from changes in demographic assumptions	0	-36
- Actuarial gains and losses from changes in financial assumptions	52	202
- Actuarial gains and losses from experience-based adjustments	18	152
Transfer	-21	-106
Contributions:		
- Employer	0	0
- Plan participants	42	31
Pension plan payments:		
- Current payments	-45	74
- Compensation	-746	0
Present value of defined benefit obligations as of 31/12	**1,353**	**1,817**
Plan assets as of 01/01	**756**	**533**
Exchange rate changes	84	10
Contributions:		
- Employer	83	74
- Plan participants	42	31
Expected investment income	0	0
Pension plan payments:		
- Current payments	-45	75
- Compensation	0	0
Interest expense/income	9	12
Gains (-) and losses (+) from revaluation:		
- Income from plan assets not including interest income	22	21
Plan assets as of 31/12	**950**	**756**
Pension provisions as of 31/12	**402**	**1,061**

The asset ceiling does not have any effect.

The actuarial expert assessment was prepared by the firm Helvetia Consulta Gesellschaft für Vorsorgeberatung AG, Basel (Switzerland). The expert opinion is based on the following actuarial assumptions:

	2015	**2014**
Discount rate	0.80 %	1.10 %
Expected future salary increase	1.00 %	1.00 %
Expected inflation rate	1.80 %	0.00 %

The expert opinion's underlying assumptions with respect to mortality are based in Switzerland on "BVG 2010".

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

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

- Debt instruments 45.9 per cent (previous year: 48.0 per cent)
- Real property 11.9 per cent (previous year: 11.0 per cent)
- Equity instruments 29.4 per cent (previous year: 28.4 per cent)
- Other assets 12.8 per cent (previous year: 12.6 per cent).

in EUR'000		Amount of obligation	
	Changes in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25 % points	1,299	1,410
Expected future salary increase	0.25 % points	1,364	1,342
Expected future pension adjustment	0.25 % points	1,387	1,320

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 at OVB Switzerland 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.

Expected contributions to the pension plans for benefits after termination of employment altogether amount to EUR 122 thousand for the financial year ended 31 December 2016.

The weighted average term of the defined benefit obligations is 16.5 years (previous year: 13 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

2015: EUR'000	**112**
2014: EUR'000	115

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

21

21 Deferred tax liabilities

2015: EUR'000	**8**
2014: EUR'000	80

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

in EUR'000	31/12/2015	31/12/2014
Goodwill	48	89
Tangible and intangible assets	26	28
Financial instruments	654	219
Other assets	0	1
Provisions	170	412
Liabilities	78	81
	976	**830**
Net of deferred tax assets	-968	-750
	8	**80**

Deferred tax liabilities have no determinable terms to maturity for the most part.

C Current liabilities

2015: EUR'000	**73,332**
2014: EUR'000	66,308

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

22

22 Provisions for taxes

2015: EUR'000	**1,765**
2014: EUR'000	827

in EUR'000	31/12/2015	31/12/2014
Income tax provisions	695	784
Other tax provisions	1,070	43
	1,765	**827**

The development of provisions for taxes is altogether as follows:

in EUR'000	01/01/2015	Exchange rate differences	Allocation	Consumption	Reversal	31/12/2015
Tax provisions	827	16	1,669	747	0	1,765

23

23 Other provisions

2015: EUR'000	**30,156**
2014: EUR'000	27,118

in EUR'000	31/12/2015	31/12/2014
1. Cancellation risk	15,037	13,061
2. Unbilled liabilities	10,964	9,929
3. Legal disputes	1,279	1,130
	27,279	**24,120**
4. Others		
- Obligations to employees	1,327	1,662
- Costs associated with annual financial statements / Audit cost	638	670
- Other obligations	911	666
	2,877	**2,998**
	30,156	**27,118**

in EUR'000	01/01/2015	Exchange rate differences	Allocation	Consumption	Reversal	31/12/2015
1. Cancellation risk	13,061	81	2,546	651	0	15,037
2. Unbilled liabilities	9,929	85	9,095	7,802	343	10,964
3. Legal disputes	1,130	22	466	188	151	1,279
4. Other	2,998	8	2,536	2,051	615	2,876
	27,118	**196**	**14,643**	**10,692**	**1,109**	**30,156**

Allocations include expenses from the accumulation of interest on provisions in the amount of EUR 22 thousand (previous year: EUR 81 thousand). Provisions for cancellation risk are generally recognised as current provisions due to uncertainty in respect of the time and extent of their utilisation. Assuming that the clients' cancellation behaviour equals that of the recent past, the resulting non-current portion would amount to approx. EUR 5,158 thousand (previous year: EUR 3,734 thousand).

The underlying estimate of provisions for cancellation risk has been changed. The reason for this are new options for data analysis facilitated by an IT solution introduced in the year 2015. Based on new information derived from the analysis of historical data, expectations for the time frame of cancellations have been adjusted according to the determined historical values. The change in the estimates for cancellation time frames resulted in an increase in cancellation provisions in the amount of EUR 759 thousand in the year under review.

Provisions for legal disputes essentially concern legal conflicts with clients and former financial agents. The time aspect and exact amounts of the outflow of economic benefits of such disputes are uncertain.

24

24 Income tax liabilities

	2015: EUR'000	**1,523**
	2014: EUR'000	1,440

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

25

25 Trade payables

	2015: EUR'000	**8,430**
	2014: EUR'000	7,008

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 31/12/2015:

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	8,430	121	568	2,217	0	0	5,524

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

26

26 Other liabilities

2015: EUR'000	**31,458**
2014: EUR'000	29,915

Maturity of liabilities as of 31/12/2015:

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	27,180	49	121	2,636	42	97	24,235
2. Other tax liabilities	872	0	318	492	0	0	62
3. Liabilities to employees	2,187	0	273	1,189	374	226	125
4. Liabilities to product partners	473	0	4	33	40	0	396
5. Liabilities to banks	14	0	14	0	0	0	0
6. Other liabilities to sales agents	0	0	0	0	0	0	0
7. Miscellaneous liabilities	732	0	280	308	75	28	41
Total	**31,458**	**49**	**1,010**	**4,658**	**531**	**351**	**24,859**

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**

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

Current liabilities to the sales force that do not result from brokerage services were recognised as other liabilities to sales agents.

7. Miscellaneous liabilities

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

III. Notes to the consolidated income statement

27

27 Brokerage income

2015: EUR'000	**210,108**
2014: EUR'000	197,398

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

2015: EUR'000	**9,379**
2014: EUR'000	7,520

in EUR'000	2015	2014
Refunds from financial agents	2,651	2,795
Income from reversal of provisions	1,179	386
Own work capitalised	25	9
Income from cancelled liabilities	1,124	781
Rental income from sub-leases	47	49
Income from the disposal of intangible and tangible assets	49	33
Reversals of impairment loss	674	897
Income from currency translation	116	127
Partners' contributions to costs	581	476
Miscellaneous	2,933	1,967
	9,379	**7,520**

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

The increase in income from reversal of provisions essentially results from the reversal of provisions with respect to personnel in the Germany and Corporate Centre segments.

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

Reversals of impairment loss primarily concern receivables from financial advisors.

Partners' contributions to costs relate to contributions made by product partners toward the cost of materials, personnel, representation, training and events as well as insurance payouts.

Miscellaneous other operating income essentially includes sales generated by the service companies with third parties. The increase from the previous year essentially results from licensing proceeds for IT software in the Corporate Centre segment and bonus payments in the Southern and Western Europe segment.

29

29 Brokerage expenses

2015: EUR'000	**-139,739**
2014: EUR'000	-128,503

in EUR'000	2015	2014
Current commission	-126,369	-115,927
Other commission	-13,370	-12,576
	-139,739	**-128,503**

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

2015: EUR'000	**-26,678**
2014: EUR'000	-26,830

in EUR'000	2015	2014
Wages and salaries	-22,328	-22,486
Social security	-4,005	-4,009
Expenses for retirement provision	-345	-335
	-26,678	**-26,830**

31

31 Depreciation and amortisation

2015: EUR'000	**-3,683**
2014: EUR'000	-3,133

in EUR'000	2015	2014
Amortisation/Impairment of intangible assets	-2,415	-1,851
Depreciation/Impairment of tangible assets	-1,268	-1,282
	-3,683	**-3,133**

Depreciation and amortisation in financial year 2015 are disclosed in the asset schedule.

32

32 Other operating expenses

2015: EUR'000	**-35,352**
2014: EUR'000	-34,197

in EUR'000	2015	2014
Administrative expenses		
Legal, financial statement and consulting expenses	-3,700	-5,002
Facility expenses	-2,676	-2,549
Communication costs	-983	-1,033
IT expenses	-4,373	-3,183
Vehicle expenses	-591	-562
Rent for furniture and equipment	-131	-139
Other administrative expenses	-3,590	-3,446
	-16,044	**-15,914**
Sales and marketing costs		
Seminars, competitions, functions	-7,908	-7,255
Advertising cost, public relations	-1,694	-1,474
Write-down on/Valuation allowances for receivables	-3,296	-4,098
Other sales and marketing costs	-3,122	-3,106
	-16,020	**-15,933**
Miscellaneous operating expenses		
Foreign currency loss	-62	-67
Supervisory Board remuneration	-114	-88
Losses from disposal of investments	-139	-7
Other miscellaneous operating expenses	-171	-309
	-486	**-471**
Non-income-based taxes		
Value-added tax on purchased goods/services	-2,596	-1,601
Other non-income-based tax	-206	-278
	-2,802	**-1,879**
	-35,352	**-34,197**

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 leases

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	31/12/2015	31/12/2014
Twelve months or less	2,246	2,054
More than one year to five years	4,289	5,000
More than five years	0	447
	6,535	**7,501**

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

in EUR'000	2015	2014
Minimum amount of lease payments	2,922	2,806
Contingent rent	2	2
	2,924	**2,808**
Sub-lease payments	21	7
	2,945	**2,815**

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).

33

33 Financial result

2015: EUR'000	**339**
2014: EUR'000	636

in EUR'000	2015	2014
Finance income		
Bank interest	257	404
Income from securities	123	127
Reversal of impairment loss on capital investments	0	24
Income from investment property (net)	48	8
Interest income from loans	37	39
Other interest income and similar income	172	186
	637	**788**
Finance expense		
Interest expense and similar expenses	-238	-143
Expenses for capital investments	-60	-9
	-298	**-152**
Financial result	**339**	**636**

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

2015: EUR'000	**-4,779**
2014: EUR'000	-4,169

in EUR'000	2015	2014
Current income tax	-4,343	-3,653
Deferred income tax	-436	-516
	-4,779	**-4,169**

Tax expense includes foreign current taxes in the amount of EUR 4,222 thousand (previous year: EUR 3,651 thousand) and foreign deferred tax assets of EUR 126 thousand (previous year: deferred tax assets of EUR 20 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 5 thousand (previous year: EUR 59 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 taxes comes to 33.25 per cent (previous year: 32.34 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	2015	2014
Earnings before income tax according to IFRS	14,374	12,891
Consolidated income tax rate	32,45 %	32,45 %
Theoretical income tax expense in the financial year	**-4,664**	**-4,183**
Taxes based on non-deductible expenses (-) / tax-free income (+)	-483	-526
Effects of other tax rates applicable to domestic and foreign operating subsidiaries	1,668	1,500
Prior-period income tax	10	-65
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 (+)	-765	-661
Other	-545	-234
Taxes on income	**-4,779**	**-4,169**

35

35 Consolidated net income

2015: EUR'000	**9,595**
2014: EUR'000	8,722

36

36 Consolidated net income attributable to non-controlling interests

2015: EUR'000	**-217**
2014: EUR'000	-1

This item relates to non-controlling interests in Nord-Soft EDV Unternehmensberatung GmbH in the amount of EUR -217 thousand (previous year: EUR -0.5 thousand) and Nord-Soft Datenservice GmbH in the amount of EUR 0 thousand (previous year: EUR -0.5 thousand); both entities have their registered offices in Germany.

37

37 Consolidated net income after non-controlling interests

2015: EUR'000	**9,378**
2014: EUR'000	8,721

38

38 Earnings per share, basic/diluted

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

in EUR'000	2015	2014
Earnings		
Basis for basic/diluted earnings per share (consolidated net income for the period attributable to owners of the parent)	9,378	8,721

Number of shares	2015	2014
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	0.66	0.61

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 2,356 thousand as of the reporting date (previous year: EUR 2,282 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 425 employees on average (previous year: 428) of which 44 (previous year: 42) filled executive positions.

Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG:

- Mario Freis, Chairman of the Executive Board (in this position since 4 February 2016)
- Oskar Heitz, Deputy Chairman of the Executive Board
- Thomas Hücker, Operations
- Michael Rentmeister, Chairman of the Executive Board (until 4 February 2016)

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 (until 3 June 2015), actuary, retired; former Chairman of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; General Representative of Basler Leben AG Direktion für Deutschland and 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, retired; former Chairman of the Executive Board of OVB Holding AG, Düren
- Winfried Spies, graduate mathematician, retired; former Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich
- Dr. Alexander Tourneau (since 3 June 2015), 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

Remuneration of Supervisory Board and Executive Board

Remuneration of the Supervisory Board amounted to EUR 84 thousand in the year under review (previous year: EUR 80 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 06/2014)
Fixed remuneration	564 (previous year: 542)	353 (previous year: 353)	383 (previous year: 282)	221 (previous year: 125)
Variable remuneration	360 (previous year: 305)	135 (previous year: 106)	168 (previous year: 104)	102 (previous year: 44)
Total remuneration	**924 (previous year: 847)**	**488 (previous year: 459)**	**551 (previous year: 386)**	**323 (previous year: 169)**

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 264 thousand (previous year: EUR 178 thousand) in the year under review. No share-based payments were made.

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 406 thousand (previous year: EUR 398 thousand). The auditor's fees comprise the following positions in the 2015 financial year:

in EUR'000	2015	2014
Audit services	304	312
Other certifications and assessments	102	86
Tax consulting	0	0
Other services	0	60

Significant events after the reporting date

The Supervisory Board of OVB Holding AG has appointed Mario Freis, previously Chief Sales Officer (CSO), new Chief Executive Officer (CEO) effective 4 February 2016. Freis thus succeeds Michael Rentmeister, who resigned from his position. Mr Rentmeister will leave the OVB Group as of 31 March 2016. The Supervisory Board has appointed the Company's CFO of many years, Oskar Heitz, Deputy Chairman of the Executive Board.

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 2015 are companies of

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

The SIGNAL IDUNA Group is 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 2015 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 2015. Deutscher Ring Krankenversicherungsverein a.G. held shares in OVB Holding AG carrying 3.74 per cent of the voting rights as of 31 December 2015.

As of 31 December 2015 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 2015 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.

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 12,733 thousand (previous year: EUR 14,871 thousand), or total sales commission in the amount of EUR 17,697 thousand (previous year: EUR 20,967 thousand).

As of the reporting date, receivables from companies of the SIGNAL IDUNA Group come to EUR 516 thousand (previous year: EUR 553 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 1,399 thousand (previous year: EUR 1,358 thousand).

Sales from contracts with companies of the Baloise Group in the amount of EUR 23,227 thousand (previous year: EUR 19,198 thousand), or total sales commission in the amount of EUR 29,559 thousand (previous year: EUR 26,435 thousand), are essentially generated in the Germany segment.

As of the reporting date, receivables from companies of the Baloise Group come to EUR 1,707 thousand (previous year: EUR 2,337 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 Bâloise Holding AG in the amount of EUR 712 thousand (previous year: EUR 709 thousand).

Sales generated under contracts with companies of the Generali Group in the amount of EUR 33,364 thousand (previous year: EUR 30,745 thousand), or total sales commission in the amount of EUR 35,396 thousand (previous year: EUR 32,716 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 3,447 thousand (previous year: EUR 3,232 thousand) and corresponding liabilities amount to EUR 0 thousand (previous year: EUR 0 thousand).

The item “Brokerage expenses” includes commission expense for members of key management personnel in the amount of EUR 0 thousand (previous year: EUR 0 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 1 thousand).

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.

The terms and conditions of brokerage contracts concluded with related parties are comparable 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 2015 and in the previous years in accordance with Section 312 AktG (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 (Stock Corporation Act) for 2015 and made it 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 (Securities Trading Act).

Responsibility statement

We assure that 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, 22 February 2016

Mario Freis	Oskar Heitz	Thomas Hücker
CEO	CFO	COO

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 2015. The preparation of the consolidated financial statements and the consolidated management report in accordance with IFRS as adopted by the EU and the additional requirements of commercial law pursuant to Section 315a (1) HGB (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 have 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, 23 February 2016

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,

in the following report the Supervisory Board would like to inform you about the focus of its work in the 2015 financial year. The Supervisory Board has diligently attended to its duties as defined by law, the Articles of Association and the rules of procedure in this financial year once again. A large number of topics and business transactions subject to approval were up for debate and decisions in the meetings of the Supervisory Board and its committees.

The Supervisory Board gave comprehensive advice to the Executive Board in managing the Company and supervised its activities. The Supervisory Board was directly and intensively involved in all decisions of essential relevance to the Company. The Executive Board extensively discussed and agreed on strategic planning and the Company's orientation with the Supervisory Board.

In full session, the Supervisory Board discussed and debated all business transactions of relevance to the Company in depth, based on the information furnished by the Executive Board. For this purpose, the Executive Board informed the Supervisory Board regularly, comprehensively and in good time about all aspects of importance to the Company orally, electronically and in writing. Such aspects particularly comprised the economic and financial performance of the Group and its segments including the planning of business and risk strategy and other substantial factors of business operations, risk management, especially the material risks the OVB Group is exposed to, significant events and business transactions, developments with respect to financial agents and employees, the annual report prepared by Internal Auditing and the annual report provided by the Chief Compliance Manager.

The Executive Board informed the Supervisory Board early on about matters requiring the Supervisory Board's explicit agreement under law or the Articles of Association and presented them for the adoption of resolutions in due time. The Supervisory Board cast votes on the respective resolution proposals following thorough examination and debate. In individual cases of urgency, resolutions were also adopted with the approval of all Supervisory Board members in writing or by phone. All material financials were reported to the Supervisory Board by the Executive Board each quarter. Insofar as the business performance deviated from planning, the Supervisory Board received detailed explanations both orally and in writing.

The Company's risk position was also presented in detail and analysed on a quarterly basis. Risk reports included the current risk position of the Group in view of profit/loss and assets and liabilities, sales, products, market, competition, regulatory framework and operations and support.

The Chairman of the Supervisory Board and the Chairmen of the Audit Committee and the Nomination and Remuneration Committee in particular maintained close and regular exchange of information and ideas with the Executive Board outside the framework of the meetings of the Supervisory Board and its committees. The economic and financial situation of the Company as well as the status of material projects and business transactions were returning subjects of discussions with the Executive Board.

Work in the committees of the Supervisory Board

The Supervisory Board has established an Audit Committee and a Nomination and Remuneration Committee as standing committees for the efficient performance of the tasks in its scope of responsibilities. The committees prepare the Supervisory Board resolutions as well as the topics to be addressed in full session. The members of the committees are listed below:

Composition of the Supervisory Board committees

Audit Committee	
Dr. Thomas A. Lange (Chairman)	
Michael Johnigk Markus Jost Dr. Alexander Tourneau	
Nomination and Remuneration Committee	
Markus Jost (Chairman)	
Michael Johnigk	

In the Supervisory Board meetings, the Chairmen of the committees report routinely and extensively on the subjects and outcomes of the committee meetings so that the Supervisory Board always has a comprehensive information base for its debates.

Audit Committee

The Audit Committee concerns itself, among other issues, with monitoring the financial accounting process, the effectiveness of the internal control system, the risk management system and the internal auditing system, the audit of financial statements and the compliance management system. In addition to that, monitoring the auditor's impartiality and qualification as well as the inspection of other services additionally rendered by the auditor also belong to the Audit Committee's responsibilities. The committee also discusses the interim financial reports (6-month and quarterly reports) in consideration of the auditor's report on the review of these reports.

The Audit Committee held seven meetings in the 2015 financial year, three of which were conducted as conference calls prior to the respective release of the interim financial reports. One member of the Audit Committee was not able to attend the meeting in March 2015 but was involved in all resolution drafts prepared by way of voting messages prepared in writing. Another committee member was not able to attend one of the conference calls.

Apart from the members of the Executive Board, certified accountants from the auditor, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, also participated in the meetings in March and December 2015 for their report on the audits of financial statements. In addition to that, executives from several divisions made themselves available as well for reports and answers to questions on selected items on the agenda.

Among other topics, the committee's work in the year under review emphasised the audit of separate and consolidated financial statements 2014 and the management reports, the proposal for the appropriation of retained earnings and the audit reports provided by the auditor with the purpose of preparing the respective decisions of the Supervisory Board on these issues. In this committee meeting the auditor's certified accountants participated and provided additional annotations to the members of the committee. The committee members concerned themselves with the audit results and audit processes and planning of the Group's Internal Auditing and followed the examination conducted by the German Financial Reporting Enforcement Panel (FREP) which did not result in any qualifications. The Audit Committee prepared the Supervisory Board's proposal to the Annual General Meeting for electing Pricewaterhouse-Coopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, auditor once again for the 2015 financial year. The Audit Committee also received the required declaration of auditor independence and determined focal points of the audit. The Chairman of the Audit Committee finally commissioned the auditor with the audit of the separate and consolidated financial statements 2015 following its election by the General Meeting of shareholders and concluded the fee agreement with the auditor.

In the committee's December meeting, the debate on the scope, process and focal points of the audit for financial year 2015 was given ample time.

Furthermore, the Audit Committee discussed and examined the interim financial reports (6-month and quarterly results) in consideration of the auditor's review reports in detail.

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 court order of the district court. The committee also makes suggestions for the appointment to the Executive Board and reviews the structure and amounts of the Executive Board members' remuneration. Furthermore, the committee concerns itself continuously with succession planning.

The Nomination and Remuneration Committee met three times in the past 2015 financial year. All these meetings were attended by all the committee's members. In the year under review, committee work focused on the preparation of an election proposal to the Annual General Meeting for the by-election to the Supervisory Board on 3 June 2015 and the preparation of a Supervisory Board proposal for the definition of targets for the participation of women on Supervisory Board and Executive Board, among other subjects. In addition to that, the committee also routinely debated on the appropriateness of the Executive Board's remuneration system. The committee members saw to a close and regular exchange of views outside the sessions of the financial year as well.

Supervisory Board meetings

Four meetings of the Supervisory Board were held altogether in the 2015 financial year. One of its members participated in the adoption of resolutions in the March 2015 meeting by way of prepared voting messages. This applies for another member of the Supervisory Board for the September meeting. The other Supervisory Board members attended all meetings. All members of the Executive Board attended all Supervisory Board unless the Chairman of the Supervisory Board had decided otherwise.

One focus of the Supervisory Board's work and subject of routine discussions on the Supervisory Board were the effects of the persisting sovereign debt crisis, challenging the resilience of the institutions in the euro area, as well as the future impact of changes in the legal framework on the distribution of products and commission in several euro countries. Against this backdrop, the Supervisory Board discussed the measures taken by the Executive Board and potential future measures in detail with the Executive Board.

The first meeting held on 27 March 2015 focused on the separate and consolidated financial statements 2014 as well as the dividend proposal to the General Meeting of shareholders. The Executive Board's report on relationships with affiliated companies was also on the meeting's agenda. As recommended by the Audit Committee and following explanations by the auditor and the Supervisory Board's own diligent examination, the Supervisory Board adopted the separate financial statements and consolidated financial statements for financial year 2014. The Supervisory Board also dealt with the preparation of the 2015 Annual General Meeting. The agenda of the Annual General Meeting of OVB Holding AG on 3 June 2015 including the Executive Board's resolution proposals were adopted.

Debates in the meeting of 3 June 2015 centred on the Executive Board's report on the business performance of the first quarter of 2015 and the impending Annual General Meeting. Another subject was the reporting of the Executive Board on changes in investments.

The Supervisory Board meeting of 4 September 2015 was held in Bratislava, Slovakia. By holding meetings at different international OVB locations, the Supervisory Board pursues the goal of getting an overview of the business activity in the individual national markets through its own observations. Based on the sales and financial analysis as of 30 June 2015, the Executive Board began by reporting on the current situation of the Group in the first half-year 2015. The emphasis of the Supervisory Board's debates was on the Executive Board's following in-depth explanation of the strategy. It comprises among other topics a systematic advancement of the so-called Group IT finish-line photo in dialogue with the management teams of OVB's subsidiaries. Presented measures also include the rollout of the sales-support software “OVB Easy” in the year 2016. Finally the content of the Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector was discussed in detail in view of the specific situation at OVB Holding AG. The targets to be determined in this context for achievement on both Executive Board and Supervisory Board until 30 June 2017 were determined.

Up for debate in the meeting on 2 December 2015 was first the Executive Board's report on the business performance over the third quarter of 2015. Next up was an intensive debate on corporate planning for the next financial year 2016 and multi-year budgeting until 2020 derived from that. The Executive Board's planning for the 2016 financial year was noted and approved by the Supervisory Board. During this meeting, the Supervisory Board also concerned itself with the amendments to the German Corporate Governance Code in financial year 2015.

Corporate Governance

The Supervisory Board closely analysed the development of corporate governance standards in the 2015 financial year as well and scrutinised any changes for their relevance to OVB. After previous debate and adoption of a resolution, 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. The Supervisory Board discussed the issue of the implementation of the German Corporate Governance Code at OVB Holding AG in consideration of the amendments to the Code of the year 2015 in its meeting on 2 December 2015.

Separate and consolidated financial statements 2015

The separate financial statements for the financial year ended 31 December 2015, prepared by the Executive Board in accordance with the provisions of the German Commercial Code (HGB), and the management report of OVB Holding AG were audited by the auditor, PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Düsseldorf. The auditor issued an unqualified audit opinion.

The consolidated financial statements of OVB Holding AG as of 31 December 2015 and the consolidated management report 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, PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Düsseldorf, issued an unqualified audit opinion for the consolidated financial statements and the consolidated management report as well.

The auditor's audit reports on the annual financial statements as well as all other financial statement documents were submitted to the members of the Supervisory Board in good time. All the documents were discussed in depth in the meetings of Audit Committee and Supervisory Board, both held on 15 March 2016. The auditor's certified accountants were present at the debates of separate and consolidated financial statements. They reported in detail on the key findings of the audit and were also available for the Supervisory Board's queries and for providing additional information. The auditor also informed about its findings regarding the internal control and risk management system with respect to the financial accounting process. The auditor's report on this subject confirmed the effectiveness of the internal control system and ascertained further 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.

After its own review of the separate financial statements, the consolidated financial statements, the management report and the consolidated management report, the Supervisory Board agreed with the auditor's findings based on its audit, thus following the recommendation of the Audit Committee, and approved the separate financial statements and the consolidated financial statements in its meeting held on 15 March 2016. The 2015 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. The Supervisory Board considers the proposal for the appropriation of retained earnings reasonable.

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 Supervisory Board

Supervisory Board member Jan De Meulder has retired from the Supervisory Board for personal reasons effective as of the end of the Annual General Meeting of the year 2015. The Supervisory Board of OVB Holding AG thanks Mr De Meulder for his commitment over many years and his work on the Supervisory Board. The Annual General Meeting has elected Dr. Alexander Tourneau new Member of the Supervisory Board of OVB Holding AG for the remaining term of the Supervisory Board, i.e. until the end of the General Meeting of shareholders that decides on the formal approval of the actions of the Supervisory Board in financial year 2017, by way of a by-election.

Personnel changes on the Executive Board

The Chairman of the Executive Board of OVB Holding AG, Michael Rentmeister, retired from the Executive Board as of 4 February 2016 by mutual agreement with the Supervisory Board.

At the same time, the Supervisory Board appointed previous Chief Sales Officer (CSO) of OVB Holding AG, Mario Freis, Chairman of the Company's Executive Board with immediate effect. Moreover, the Supervisory Board appointed Oskar Heitz, the Company's Chief Financial Officer (CFO), Deputy Chairman of the Executive Board at the same time.

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.

The Supervisory Board is not aware of any 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, 15 March 2016

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 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 (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 work closely together 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 including in particular 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 overall 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 areas of responsibility assigned to them on their own authority.

The Executive Board's work is defined in detail by the rules of procedure resolved by the Supervisory Board which also determines the topics that are subject to Executive Board decisions to be made in full session and other formalities for the Executive Board's resolutions. The assignment of the areas of responsibility to the individual 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 at 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. Any deviations of the business performance from the scheduled plans and targets are discussed and explained within this framework. The Executive Board's regular and in-depth reports in the meetings of the Supervisory Board and the Audit Committee also include the subject of compliance, i.e. the measures for the observance of statutory provisions and in-house guidelines.

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. If 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:

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

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

Thomas Hücker
(born 1965, on the Executive 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 in consideration of the reports provided by the auditor. Within the framework of its report to the Annual 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 standing committees to support the Board's efficient performance of its tasks and a focused discussion of topics, 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 topics and resolutions for the Supervisory Board, the four committee members particularly address the diligent examination of the separate and consolidated financial statements as well as of 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 half-year 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 in the 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 self-inspection 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 Supervisory 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 Supervisory Board since 2013, elected until 2018)
Deputy Chairman of the Supervisory Board
Chairman of the Executive Board of NATIONAL-BANK Essen

Markus Jost
(born 1961, on the Supervisory 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 Supervisory Board since 2012, elected until 2018)
Businessman (ret.), former CEO of OVB Holding AG

Winfried Spies
(born 1953, on the Supervisory Board since 2010, elected until 2018)
Graduate mathematician (ret.), former Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs AG, Munich (until 30 June 2015 respectively)

Dr. Alexander Tourneau
(born 1965, on the Supervisory Board since 3 June 2015, 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

An overview of the members of the Executive Board, the Supervisory Board and the Supervisory Board committees of OVB Holding AG in financial year 2015 as well as their memberships of comparable corporate bodies can be found in this report 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 (Stock Corporation Act). In the interest 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 subsidiaries operate. The Supervisory Board members' in-depth knowledge of the peculiarities of the insurance industry as well as of the market and the competition enable them to assume their statutory task of supervision efficiently and to be available to the Executive Board as competent partners and advisors with respect to the Company's strategic orientation and its future development.

Compliance with the Corporate Governance Code

Declaration of conformity 2015

Section 161 AktG (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 27 March 2015, Executive Board and Supervisory Board of OVB Holding AG have released the following declaration of conformity with the recommendations of the Government Commission on the German Corporate Governance Code in its version of 24 June 2014, released in the Federal Gazette of 30 September 2014, pursuant to Section 161 (1) sentence 1 AktG:

Recommendations:

No. 3.8 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 representation of women. The Executive Board of OVB Holding AG pursues the goal of promoting women and aims at having more women assume executive positions. However, the Executive Board holds the view that the aspect of diversity which includes the consideration of women should not be the sole determinant for filling executive positions. In the interest 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. In view of these considerations, a deviation from No. 4.1.5 GCGC is declared by way of precaution.

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)

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. In the last declaration of conformity, Executive Board and Supervisory Board had declared a deviation from this recommendation by way of precaution as the specific requirements were unclear in part following the introduction of this recommendation in the year 2013. Since more clarity bas been provided for the requirements, making a precautionary statement of deviation is no longer necessary for the future.

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

According to the recommendations of the Code, the Supervisory Board shall pay attention to the aspect of diversity in filling executive positions and aim for the adequate consideration of women in particular. The Supervisory Board of OVB Holding AG does consider diversity and the adequate representation of women objectives to be pursued for the composition of the Executive Board yet regards the specialist know-how, capabilities and experiences of the candidates in their respective fields of business and areas of responsibility as the ultimately deciding criteria for their selection in the interest of the Company and its shareholders. In view of these considerations, a deviation from No. 5.1.2 (1) sentence 2 GCGC is declared by way of precaution.

No. 5.4.1 (2) GCGC (adequate representation of women on the Supervisory Board)
In the composition of the Supervisory Board, the aspect of diversity is generally taken into account. In the interest of the Company, however, the Supervisory Board will be governed in its election proposals to the Annual General Meeting primarily by the knowledge, capabilities and expert experience of the candidates to be suggested. For this reason a deviation from No. 5.4.1 (2) GCGC is declared by way of precaution.

No. 5.4.5 (2) GCGC (appropriate support of the Supervisory Board members for their 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. OVB Holding AG does support the members of the Supervisory Board in taking necessary measures for training and further education.
In the last declaration of conformity, Executive Board and Supervisory had declared a deviation from this recommendation by way of precaution as there were no formal procedures or guidelines with respect to the support of training and further education measures. Since the efforts for supporting Supervisory Board members in taking necessary measures for training and further education have been increased, a precautionary statement of deviation is no longer required for the future.

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; 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, compliant with the law and in line with the interests of the shareholders.

Cologne, 27 March 2015

On behalf of the Executive Board

Michael Rentmeister

Oskar Heitz

Mario Freis

Thomas Hücker

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.

Information on targets for the representation of women on the Supervisory Board, on the Executive Board and in executive positions of OVB Holding AG

In consideration of the fact that all terms of the current appointments of Supervisory Board members of OVB Holding AG extend beyond 30 June 2017, the Supervisory Board of OVB Holding AG decided in September 2015 in accordance with Section 111 (5) AktG (Stock Corporation Act) to determine a target of 0 per cent for the share of women on the Supervisory Board until 30 June 2017.

For the share of women on the Executive Board until 30 June 2017, the Supervisory Board of OVB Holding AG also determined a target of 0 per cent in September 2015 corresponding to the existing share.

In June 2015 the Executive Board of OVB Holding AG determined a target of one woman (equivalent to 9.1 per cent) for the representation of women at senior executive level below the Executive Board, consisting at present of 11 persons, in accordance with Section 76 (4) AktG. OVB Holding AG only has one senior executive level below the Executive Board so that only one target was determined for senior executive positions altogether.

Supervisory Board and Executive Board aim at increasing the representation of women on the Supervisory Board, on the Executive Board and in executive positions below the Executive Board further and giving preference for new openings to women over men at equal professional qualification.

Material corporate governance practices

Compliance as an essential management task of the Executive Board

We consider compliance the legally and ethically faultless conduct of our staff in the day-to-day business because each employee has an impact on the Company's reputation by his or her professional conduct. Violations of applicable law, relevant codes or in-house rules are not tolerated. Compliance as a measure geared to the adherence to such rules and their observance by the group companies is an essential task in management and supervision implemented at OVB.

The OVB Group transacts its business responsibly and in compliance with the laws and official regulations of the countries in which the Company operates.

Compliance principles were implemented at OVB already in the 2008 financial year and a compliance management system (CMS) based on the pillars "Prevent – recognize – respond" was introduced, subject to a continuous internal updating process and constant review in consideration of changing legal requirements. With the regular advancement of the CMS implemented at OVB, an important contribution is made to the systematic expansion of prevention and control measures towards the fulfilment of the value proposition OVB has made.

The foundation of the rules of compliance provisions in effect throughout the Group is a code of conduct, explaining 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 as far as possible. With the help of the compliance management system, the continuous development of OVB's in-house 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 central instrument at OVB Holding AG for safeguarding compliance throughout the Group is the guideline management system. Based on the Group's general guidance and the system of guidelines, binding corporate guidelines for the entire OVB Group are currently being determined.

The essential tasks of OVB's compliance management include the identification of potential compliance risks in a systematic process, promoting the compliance observing conduct of business partners and developing and implementing communication measures on this subject.

In the 2015 financial year, the Group's Chief Compliance Manager (CCM) reported directly to the Chief Executive Officer. From now on he will be reporting directly to the Chief Financial Officer. The compliance officers of the operating subsidiaries are assigned to the CCM for support and concern themselves with all compliance relevant transactions at the level of business operations. The compliance team works closely together with the Executive Board, the management teams and other executives, addresses questions of doubt and assists all employees in adhering to internal provisions.

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 discussion 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 intensive discussion, as of 27 March 2015 Executive Board and Supervisory Board released a joint declaration of conformity pursuant to Section 161 (1) AktG (Stock Corporation Act), reproduced in its entirety on the Company's website at www.ovb.eu/english/investor-relations/corporate-governance, explaining the respective deviations from the recommendations 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 listing 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 2015, no member of the Executive Board or 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 pursuant to No. 6.3.2 GCGC is therefore not required.

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
- 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 Executive Board remuneration. The report also describes the basic principles and amounts of Supervisory Board remuneration.

The remuneration report is available on the Internet as well 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 routinely reviewed by the Supervisory Board. The following criteria are considered for such reviews: 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 next-level senior 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 compensation and fringe benefits

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

Performance-based components

The part based on performance 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).

One-year variable compensation

This compensation amount (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 each 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.

Multi-year variable compensation

The volume of the multi-year 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 for the year 2015 derives from the moving average of the actuals achieved over the past two years (2013/2014) and the achievement of the target in the year 2015. If the target level of 60 per cent is not reached, the accumulated bonus account balance is reduced (penalty rule). The balance in the bonus account remaining after allocation to the account or offsetting against the penalty 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 acting Executive Board members 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. Pension obligations of OVB Holding AG to a former member of management were settled in the year under review by a single payment to the beneficiary.

Remuneration of the Executive Board members for financial year 2015

The Executive Board was granted total remuneration for the 2015 financial year in the amount of Euro 2.3 million (previous year: Euro 1.9 million). Total remuneration covers all remuneration received for services to the parent and to subsidiary companies.

The following tables of the remuneration paid and the allocations for the 2015 financial year consider the recommendations of the German Corporate Governance Code in addition to the applicable accounting principles by using the model tables recommended by the Code. Under granted benefits those amounts are also disclosed that can be achieved at the minimum or rather at the maximum.

To the members of the Executive Board the remuneration as presented below was granted for the 2015 financial year (individualised disclosures):

Benefits granted for 2015	**Mario Freis, CSO**				**Oskar Heitz, CFO**			
in EUR'000	**2014***	**2015***	**2015 (min)*1**	**2015 (max)*2**	**2014***	**2015***	**2015 (min)*1**	**2015 (max)*2**
Fixed compensation	225	280	280	280	260	260	260	260
Fringe benefits	57	103	103	103	93	93	93	93
Total	282	**383**	383	**383**	353	**353**	353	**353**
One-year variable compensation (annual bonus)	60	93	0	121	63	70	0	91
Multi-year variable compensation	34	55	5	86	35	48	11	72
Bonus account (2013 – 2015)	-	55	5	86	-	48	11	72
Bonus account (2013 – 2014)	34	-	-	-	35	-	-	-
Total variable components	94	**148**	5	**207**	98	**118**	11	**163**
Service cost	0	**0**	0	**0**	0	**0**	0	**0**
Total remuneration	376	**531**	388	**590**	451	**471**	364	**516**

* Actuals represent the amount upon 100 per cent target achievement. Multi-year variable compensation also refers to 100 per cent target achievement. The amount of multi-year variable compensation stated for 2015 corresponds to the amount paid of one third of the bonus account balance as of 31/12 of the year under review (at 100 per cent target achievement).

*1 The minimum stated for multi-year variable compensation derives from the actuals 2013/2014 less deduction (penalty rule) for the year 2015 and corresponds to the minimum amount paid for 2015 of one third of the bonus account balance as of 31/12 of the year under review (at 0 per cent target achievement).

*2 The maximum stated for multi-year variable compensation derives from the actuals 2013/2014 plus allocation to the bonus account upon target achievement of 200 per cent and corresponds to the maximum amount paid for 2015 of one third of the bonus account balance as of 31/12 of the year under review.

Benefits granted for 2015	Thomas Hücker, COO (since 06/2014)				Michael Rentmeister, CEO			
in EUR'000	2014*	2015*	2015 (min)*1	2015 (max)*2	2014*	2015*	2015 (min)*1	2015 (max)*2
Fixed compensation	103	180	180	180	350	375	375	375
Fringe benefits	22	41	41	41	192	189	189	189
Total	125	**221**	221	**221**	542	**564**	564	**564**
One-year variable compensation (annual bonus)	30	60	0	78	175	188	0	244
Multi-year variable compensation	10	28	0	48	99	133	33	195
Bonus account (2013 – 2015)	-	28	0	48	-	133	33	195
Bonus account (2013 – 2014)	10	-	-	-	99	-	-	-
Total variable components	40	**88**	0	**126**	274	**321**	33	**439**
Service cost	0	**0**	0	**0**	0	**0**	0	**0**
Total remuneration	165	**309**	221	**347**	816	**885**	597	**1,003**

* Actuals represent the amount upon 100 per cent target achievement. Multi-year variable compensation also refers to 100 per cent target achievement. The amount of multi-year variable compensation stated for 2015 corresponds to the amount paid of one third of the bonus account balance as of 31/12 of the year under review (at 100 per cent target achievement).

*1 The minimum stated for multi-year variable compensation derives from the actuals 2013/2014 less deduction (penalty rule) for the year 2015 and corresponds to the minimum amount paid for 2015 of one third of the bonus account balance as of 31/12 of the year under review (at 0 per cent target achievement).

*2 The maximum stated for multi-year variable compensation derives from the actuals 2013/2014 plus allocation to the bonus account upon target achievement of 200 per cent and corresponds to the maximum amount paid for 2015 of one third of the bonus account balance as of 31/12 of the year under review.

Allocations for the year under review

The following table shows the allocations for the year under review 2015 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 2015 above, the following table presents allocations for the 2015 financial year 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 2015 already determined as of the time of preparation of the financial statements.

Allocations for the year under review 2015	Mario Freis, CSO		Oskar Heitz, CFO		Thomas Hücker, COO (since 06/2014)		Michael Rentmeister, CEO	
in EUR'000	2014	2015	2014	2015	2014	2015	2014	2015
Fixed compensation	225	280	260	260	103	180	350	375
Fringe benefits	57	103	93	93	22	41	192	189
Total	282	**383**	353	**353**	125	**221**	542	**564**
One-year variable compensation (annual bonus)	68	107	68	83	33	69	199	216
Multi-year variable compensation	36	61	38	52	11	32	106	144
Bonus account (2013 – 2015)	-	61	-	52	-	32	-	144
Bonus account (2013 – 2014)	36	-	38	-	11	-	106	-
Total variable compensation	104	**168**	106	**135**	44	**101**	305	**359**
Service cost	0	**0**	0	**0**	0	**0**	0	**0**
Total remuneration	386	**551**	459	**489**	169	**323**	847	**924**

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

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 compensation

The fixed annual compensation 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.

- 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 adopted consolidated financial statements of OVB Holding AG furnished with the auditor's 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 reported for the year of Euro 9.6 million, total remuneration (including reimbursements) paid to Supervisory Board members in the past financial year comes to roughly EUR 83.6 thousand. Based on a consolidated net income of OVB Holding AG reported in the amount of Euro 8.7 million, the previous year's Supervisory Board remuneration (including reimbursements) had come to roughly EUR 79.5 thousand. In accordance with the guidelines, the following fixed and variable compensation components were paid to the individual members of the Supervisory Board on a pro-rata-temporis basis:

in EUR'000	**Fixed compensation**		**Variable compensation**		**Total**	
Supervisory Board	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**
Michael Johnigk, Chairman	10.0	10.0	7.0	7.7	17.0	17.7
Dr. Thomas A. Lange, Deputy Chairman		7.5	7.0	7.7	14.5	15.2
Markus Jost	5.0	5.0	7.0	7.7	12.0	12.7
Wilfried Kempchen	5.0	5.0	7.0	7.7	12.0	12.7
Winfried Spies	5.0	5.0	7.0	7.7	12.0	12.7
Dr. Alexander Tourneau (since 3 June 2015)	0	2.9	0	4.4	0	7.3
Jan De Meulder (until 3 June 2015)	5.0	2.1	7.0	3.2	12.0	5.3
Total	37.5	**37.5**	42.0	**46.1**	79.5	**83.6**

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
Mario Freis Chairman of the Executive Board (CEO) (since 4 February 2016) Responsible for Corporate Development, Corporate Management, Sales, Training, Product Management, Marketing, Communication, Internal Auditing	- 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
Oskar Heitz Deputy Chairman of the Executive Board (since 4 February 2016) Member of the Executive Board (CFO) Responsible for Corporate Accounting, Risk Management, Compliance, Management Accounting, Investor Relations, Legal Affairs, Tax, Data Protection	- Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne
Thomas Hücker Member of the Executive Board (COO) Responsible for Process Management, Group IT, IT Security, Human Resources	
Michael Rentmeister Chairman of the Executive Board (CEO) (until 4 February 2016) Responsible for Strategy, General Corporate Policies, Auditing, Marketing/Communication, Compliance, Data Protection	- Chairman of the Supervisory Board of OVB Vermögensberatung AG, Cologne (until 4 February 2016); - Chairman of the Administrative Board of OVB Vermögensberatung (Schweiz) AG, Cham, Switzerland (until 4 February 2016); - Chairman of the Administrative Board of OVB Allfinanz España S.A., Madrid, Spain (until 4 February 2016); - Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia (until 4 February 2016); - Member of the Supervisory Board of OVB Allfinanz a.s., Prague, Czech Republic (until 4 February 2016)

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 (since 14 March 2016); - 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 Düsseldorfer Hypothekenbank AG, Düsseldorf; - Chairman of the Supervisory Board of VALOVIS BANK AG, Essen; - Member of the Supervisory Board of HANSAINVEST Hanseatische Investment-GmbH, Hamburg; - Member of the Advisory Board of EIS Einlagensicherungsbank GmbH, Berlin / Cologne
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	- Chairman of the Supervisory Board of DRMM Maklermanagement AG, Hamburg; - Member of the Supervisory Board of ZEUS Vermittlungsgesellschaft mbH, Hamburg
Wilfried Kempchen Member of the Supervisory Board Businessman, retired; former Chairman of the Executive Board of OVB Holding AG	

Supervisory Board	Memberships of Supervisory Boards and comparable supervisory bodies
Winfried Spies Member of the Supervisory Board Mathematician, retired; former Chairman of the Executive Boards of Generali Versicherung AG, Munich; Generali Lebensversicherung AG, Munich; Generali Beteiligungs- und Verwaltungs-AG, Munich (until 30 June 2015 respectively)	- Chairman of the Supervisory Board of Bank1Saar eG, Saarbrücken - Chairman of the Supervisory Board of Europ Assistance Versicherungs-AG, Munich (until 30 June 2015); - Chairman of the Supervisory Board of Pensionskasse der Angestellten der Thuringia Versicherungs-AG, Cologne (until 30 June 2015); - Member of the Supervisory Board of Generali Deutschland Schadenmanagement GmbH, Cologne (until 23 June 2015); - Member of the Supervisory Board of Generali Deutschland Pensor Pensionsfonds AG, Frankfurt (until 30 June 2015)
Dr. Alexander Tourneau Member of the Supervisory Board (since 3 June 2015) 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	- Chairman of the Supervisory Board of ZEUS Service AG, Hamburg; - Member of the Supervisory Board of Roland Rechtschutz Versicherungs-AG, Cologne; - Chairman of the Supervisory Board of ZEUS Vermittlungs-GmbH, Hamburg
Jan De Meulder Member of the Supervisory Board (until 3 June 2015) 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 (until 30 April 2015 respectively)	- Member of the Supervisory Board of Roland-Rechtsschutz-Versicherungs-AG, Cologne (until 4 May 2015); - 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 Supervisory Board of Atlantic Union S.A. , Athens, Greece

Supervisory Board Committees

Audit Committee	Dr. Thomas A. Lange (Chairman), Michael Johnigk, Markus Jost, Dr. Alexander Tourneau
Nomination and Remuneration Committee	Markus Jost (Chairman), Michael Johnigk

Financial Calendar

17 March 2016	Publication of the Annual Financial Statements for 2015, Analyst Conference, Press Conference
11 May 2016	Results for the first quarter 2016, Conference Call
03 June 2016	Annual General Meeting, Cologne
10 August 2016	Results for the second quarter 2016, Conference Call
10 November 2016	Results for the third quarter 2016, Conference Call

Contact

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Our Annual Report is published in German and English

Key figures for the regions

Central and Eastern Europe

	Unit	2014	2015	Change
Clients (31/12)	Number	2.21 m	2.21 m	± 0.0 %
Financial advisors (31/12)	Number	3,261	3,087	- 5.3 %
Total sales commission	Euro million	107.4	108.2	+ 0.8 %
Earnings before interest and taxes (EBIT)	Euro million	10.2	9.4	- 7.1 %
EBIT margin*	%	9.5	8.7	- 0.8 %-pts

*Based on total sales commission

Germany

	Unit	2014	2015	Change
Clients (31/12)	Number	644,548	642,107	- 0.4 %
Financial advisors (31/12)	Number	1,307	1,309	+ 0.2 %
Total sales commission	Euro million	62.8	64.9	+ 3.3 %
Earnings before interest and taxes (EBIT)	Euro million	6.5	6.5	+ 0.5 %
EBIT margin*	%	10.3	10.1	- 0.2 %-pts

*Based on total sales commission

Southern and Western Europe

	Unit	2014	2015	Change
Clients (31/12)	Number	364,982	388,728	+ 6.5 %
Financial advisors (31/12)	Number	605	666	+ 10.1 %
Total sales commission	Euro million	43.8	51.6	+ 17.8 %
Earnings before interest and taxes (EBIT)	Euro million	4.5	6.7	+ 49.1 %
EBIT margin*	%	10.3	13.1	+ 2.8 %-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

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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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