Annual Report 2023

OVB

Contents

OVB profile

With more than 4.5 million clients, over 5,800 full-time financial advisors and business operations in 16 national markets, OVB is one of the leading financial intermediary groups in Europe.

Key figures for the OVB Group 2023

Key operating figures	Unit	2022	2023	Change
Clients (31/12)	Number	4.27 m	4.50 m	+5.4 %
Financial advisors (31/12)	Number	5,772	5,892	+2.1 %
Brokerage income	Euro million	331.9	354.3	+6.7 %

Key financial figures	Unit	2022	2023	Change
Earnings before interest and taxes (EBIT)	Euro million	22.0	17.8	-19.0 %
EBIT margin	%	6.6	5.0	-1.6 %-pts
Consolidated net income after non-controlling interests	Euro million	14.7	14.3	-2.4 %

Key figures for OVB shares	Unit	2022	2023	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	1.03	1.00	-2.4 %
Dividend per share	Euro	0.90	0.90[1)]	±0.0 %

[1)] 2023 proposed dividend

Key figures for the regions 2023

Central and Eastern Europe	Unit	2022	2023	Change
Clients (31/12)	Number	2.92 m	3.11 m	+6.7 %
Financial advisors (31/12)	Number	3,461	3,695	+6.8 %
Brokerage income	Euro million	174.4	198.5	+13.8 %
Earnings before interest and taxes (EBIT)	Euro million	18.8	19.6	+4.5 %
EBIT margin	%	10.8	9.9	-0.9 %-pts

Germany	Unit	2022	2023	Change
Clients (31/12)	Number	616,224	613,037	-0.5 %
Financial advisors (31/12)	Number	1,219	1,120	-8.1 %
Brokerage income	Euro million	61.2	58.7	-4.1 %
Earnings before interest and taxes (EBIT)	Euro million	7.2	4.8	-33.2 %
EBIT margin	%	11.8	8.2	-3.6 %-pts

Southern and Western Europe	Unit	2022	2023	Change
Clients (31/12)	Number	738,712	779,678	+5.5 %
Financial advisors (31/12)	Number	1,092	1,077	-1.4 %
Brokerage income	Euro million	96.3	97.2	+0.8 %
Earnings before interest and taxes (EBIT)	Euro million	5.2	3.2	-38.0 %
EBIT margin	%	5.4	3.3	-2.1 %-pts

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

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

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

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

Dear shareholders, ladies and gentlemen,

OVB Holding AG continued its growth trajectory in the 2023 financial year with increasing momentum in the second half of the year. Brokerage income rose significantly by 6.7 per cent to Euro 354.3 million. Accordingly, the company has achieved an all-time sales record for the fourth time in a row.

The operating income was influenced mainly by inflation-related cost increases and is on target at Euro 17.8 million.

The number of clients increased by 5.4 per cent to 4.5 million in the reporting period, which also marks a new record. The OVB sales team was also expanded further. The number of full-time financial advisors grew from 5,772 to 5,892.

At their meeting on 20 March 2024, the Management Board and Supervisory Board resolved to propose to the Annual General Meeting that a dividend of Euro 0.90 per share be distributed for the 2023 financial year, unchanged from the previous year.

The Executive Board of OVB Holding AG assumes that the overall positive trend in revenue development will continue. In order to take account of the current uncertainties in the macroeconomic development, OVB is forecasting brokerage income for the Group in the range of Euro 360 to Euro 385 million and operating income of between Euro 17 and Euro 20 million for the 2024 financial year.

We would like to thank our financial advisors and employees for their commitment and appreciate the trust that our clients place in us. We would also like to thank you, our shareholders, for accompanying us on our journey into the future. We are well positioned for this path.

Yours,

Mario Freis
CEO

Frank Burow
CFO

Heinrich Fritzlar
COO

Interview with the CEO

Mario Freis has known OVB from the beginning of his career. After obtaining his Abitur in 1995, he completed an apprenticeship as an insurance broker at OVB Germany. He completed a part-time degree programme as a certified insurance specialist (with the International Chamber of Industry and Commerce – IHK). Since 2001, he has held various management positions as Managing Director, member of the Executive Board, and on supervisory bodies, where he has been entrusted with the management and control of the sales subsidiaries, which today total 16. Freis has been a member of the Executive Board of OVB Holding AG since January 2010. Initially responsible for sales and product management at the subsidiaries, in mid-2014, he assumed overall responsibility for sales, training and product management throughout Europe and was appointed Chief Executive Officer (CEO) in 2016. Mario Freis has made a significant contribution to the successful international expansion of the OVB Group.

Mr Freis, looking back at the 2023 financial year, how would you sum it up?

Mario Freis: 22023 was an eventful and once again challenging year. We find ourselves in politically and economically challenging times, in which private households in particular are feeling the effects of rising costs. After covering the necessary expenses, there is often less money available for insurance and pension provisions. This is when personal advice becomes all the more important. We advise our clients with foresight, for example by highlighting optimisation and savings potential. In this way, we help to create greater flexibility for the necessary risk coverage and private pension provisions. Looking back, we can say that we have once again grown as a group in the face of challenges. For the fourth time in a row, OVB Holding AG achieved a record result in brokerage income. We are delighted with this success, and I would like to take this opportunity to thank our dedicated financial advisors and employees throughout Europe for their commitment over the past financial year.

How would you assess the developments in the German market?

Mario Freis: A significant industry-wide decline in the financing business due to the rise in interest rates was offset by double-digit growth rates at OVB Germany in the product areas of private pension provision, health insurance, and property insurance. In addition to inflation-related cost increases, earnings were primarily influenced by investments in digitalisation.

We continue to focus primarily on organic growth. In addition, we are systematically reviewing potential acquisition targets, particularly in the German market. We are focusing on companies that fit our business model or can complement it in a meaningful way. We consider this to be a particularly solid basis for further growth in the German market.

What is the status of implementation of your new "OVB Excellence 2027" strategy?

Mario Freis: After completing the previous strategy 'OVB Evolution 2022', preparations for our new corporate strategy began already in 2022. We have involved all stakeholders in the extensive development process – e.g. through interviews and surveys – and are therefore seeing a correspondingly high level of identification with the measures and objectives of our new strategy, which was adopted in the past financial year and communicated throughout the Group. The subsidiaries have developed their country strategies based on this umbrella strategy. The design and implementation of the strategic measures are already in full swing.

According to its own statement, "OVB Excellence 2027" builds on the successful components of the previous strategy period "OVB Evolution 2022". Are there things that you are doing differently this time from the previous strategy?

Mario Freis: We are of course continuing to move forward with the main topics that have carried us successfully and safely through the volatile environment of recent years. This includes, among other things, consistent digital transformation as part of the focal topic "Operational Excellence".

In terms of differences compared to the previous strategy, "OVB Excellence 2027" will place even heavier emphasis on our clients. The individual country strategies derived from the joint umbrella strategy also carry greater weight. The countries have developed these according to the 'play-to-win' approach, in particular by taking into account the local competitive situation and analysing their own strengths. At the beginning of 2024, the country strategies developed were presented at the international managing directors' conference in order to obtain valuable feedback and identify best practices across countries. Using the 'Team IQ' of the whole management of OVB Europe, the country strategies were further improved and then finalised.

What role does sustainability play in your new corporate strategy?

Mario Freis: The economy as a whole faces the challenge of mastering the transition to a low-emissions and resource-efficient economy. We cannot exempt ourselves from this. We must and want to take responsibility as well. We have therefore defined sustainability as an integral part of our "OVB Excellence 2027" umbrella strategy. Our focal topics ensure that we are constantly developing in the core dimensions of sustainability, i.e. environmental, social and governance issues.

How can a company such as OVB, which is active in the brokerage of financial services, make a concrete ESG contribution?

Mario Freis: Firstly, we offer our clients a socially relevant and valuable service. OVB has a duty to explain the importance and added value of sustainability in pension provisions. We have a great deal of leverage particularly because we are gradually expanding our product range to include sustainable product solutions. Financial inflows and outflows must be reorganised and increasingly channelled into business activities that are compatible with climate strategies and transformation. OVB has therefore integrated the topic of sustainability into its advisory processes, and is reinforcing the relevant expertise of its financial advisors. We want to be economically successful in the long term, while at the same time assuming social and ecological responsibility and making a contribution to sustainable development.

OVB currently offers its services in 16 countries in Europe. This brings together very different people with differing experiences from various cultures among clients, employees, and financial advisors. How do you deal with the issue of diversity?

Mario Freis: Our success is based on the diversity of our company, among other things. People from the most diverse nations with the most varied backgrounds and personalities work for our company. This not only helps us to ensure balanced knowledge and expertise spanning all generations and regions, but also to reach broad sections of the population with our valuable services. We specifically promote international communications in order to learn from each other, which helps us to improve even further. Equal opportunities have been deeply rooted in our corporate culture since our company was founded. The current proportion of women in sales at the national OVB subsidiaries was 45.9 per cent throughout the Group at the end of 2023 and was increased from the previous year.

This development is an incentive for us to focus even more strongly on the advantages of self-employment, such as flexible working hours, especially for women. The percentage of women in the management of our national subsidiaries has risen in recent years. This also applies to the percentage of women at management level throughout Europe. However, we aim to improve even further in this area.

What is the motivation for OVB's long-standing social commitment?

Mario Freis: We have been involved with OVB Hilfswerk for more than 40 years. Looking after others and actively offering them our support in difficult situations is part of who we are. Solidarity with the people of Ukraine, a country in which we have been doing business since 2007, remains firm. Our colleagues in the back office and sales force throughout OVB Europe provide long-term support by donating money and goods. We are involved in myriad ways in addition to this. We support both international emergency aid measures in the event of environmental disasters caused by climate change and smaller neighbourhood aid projects in which our financial advisors and local employees are involved on the ground. In addition, our commitment ranges from jointly organised blood drives to the teaching of financial knowledge in schools and universities.

Regional expansion is one way that your business leverages growth. You most recently established a national subsidiary in Slovenia in 2022. The target markets you have mentioned include Portugal and Luxembourg. How far along are you with your plans there?

Mario Freis: We are currently sounding out the market in Portugal. We are speaking with local experts and potential business partners. We are identifying market opportunities that we still have to make a final assessment on. We have also already taken further steps to enter the market in Luxembourg.

How was the start to the new financial year?

Mario Freis: The transition into the new year has gone well. We have made a very promising start to the 2024 financial year with dynamic momentum. In order to take account of the current uncertainties in the macroeconomic development, OVB is forecasting brokerage income for the Group in the range of Euro 360 to Euro 385 million and an operating income of between Euro 17 and Euro 20 million for the 2024 financial year. We are noticing an increased need for advice from our clients, who have rarely been faced with so many challenges at the same time. In this environment, you need a trustworthy partner. We see ourselves as such and want to be the first port of call for our clients when it comes to navigating them safely and reliably through a volatile environment. We have our sights set firmly on our 55th anniversary next year and are optimistic about the future.

Thank you very much, Mr Freis.

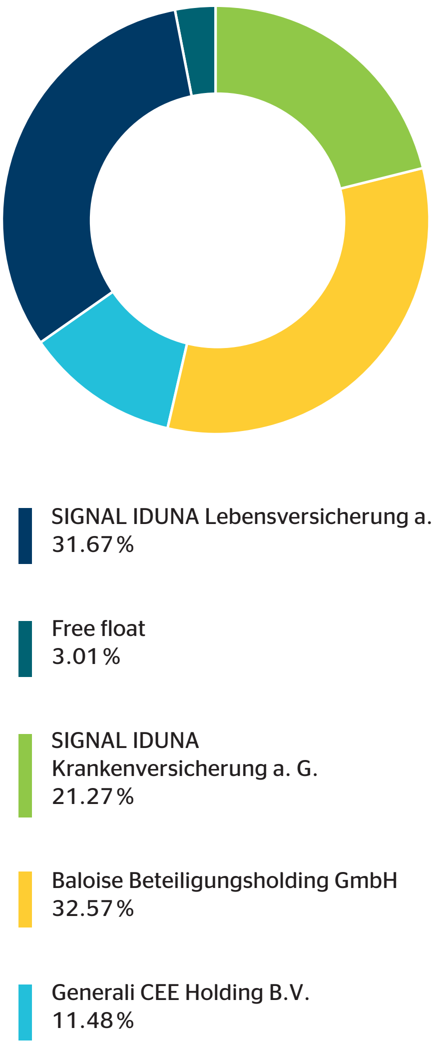
OVB on the capital market

OVB meets highest transparency requirements

The share of OVB Holding AG has been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since 21 July 2006. The Prime Standard is the trading segment with Europe's highest transparency requirements. Even in consideration of a free float that only amounts to 3 per cent of the share capital at present, we deliberately adhere to the OVB share's stock exchange listing. The release of annual and quarterly financial statements in accordance with international standards of financial reporting and the detailed annotations on corporate governance within the Company produce a badge of quality, create trust and bring OVB on a par with the largest domestic and international corporations.

Good stock market performance overall despite economic challenges

The German share index (DAX) closed trading at 13,924 points at the end of 2022. The economic environment continued to be characterised by war, inflation and the turnaround in interest rates in 2023. At the beginning of the year, the German stock market performed very well and improved to 15,629 points as of 31 March 2023. At the end of the second quarter, the DAX stood at 16,148 points, buoyed by falling inflation rates and hopes of a less tight monetary policy. The index also initially held its ground in the third quarter. From 3 August 2023 onwards, the DAX slipped below the 16,000 mark and dropped to 15,387 points on 30 September due to persistently high interest rates and increasing economic concerns in Germany. The German benchmark index then began its year-end rally from November, reaching its annual high of 16,794 points on 11 December 2023 and closing the year at 16,752 points. The DAX thus gained 20.3% in 2023. Reasons for the overall very good stock market performance in the past financial year are the prospect of interest rate cuts and also the economic development in the United States and China as key sales markets for the DAX companies.



Shareholder structure of OVB Holding AG as of 31/12/2023

The share of OVB Holding AG closed at Euro 22.00 at the end of 2022. In the first three months of 2023, the share price ranged between Euro 22.00 and Euro 23.60, entering a price of Euro 22.60 at the end of the first quarter. From April onwards, the share recorded a significant upswing and reached its high for the year to date on 11 May 2023 with a closing price of Euro 25.40. At the half-year reporting date, the share was quoted at Euro 23.80. In the wake of the ongoing interest rate hikes and the negative economic outlook for the German economy, the OVB share also recorded a decline in the third quarter. As of 30 September 2023, the share price stood at Euro 21.40. Driven by high volumes of share sales considering the low free float, the share price fell significantly to Euro 17.00 by 7 December before stabilising and recovering to Euro 18.80 as of the reporting date. It should be noted that only 3.0 per cent of the shares of OVB Holding AG are free float, which considerably limits the trading volume and the informative value of the share price.

Annual General Meeting held in-person for the first time since 2019

After three virtual General Meetings in a row, the Annual General Meeting of OVB Holding AG was held on 14 June 2023 as an in-person event once again. 96.99 per cent of the share capital was represented. In his speech, CEO Mario Freis addressed the successful conclusion of the 2022 financial year and placed OVB's sound performance in the context of the strategy period now completed. He also provided an outlook on the follow-up strategy, “OVB Excellence 2027”. The Company’s resolution proposals were all adopted by a large majority of the shareholders. In addition to regular re-elections, three proven industry experts and leaders, Sascha Bassir, Roman Juráš and Torsten Uhlig, were newly appointed to the Supervisory Board. In addition, shareholders approved the distribution of a dividend of Euro 0.90 per share. This corresponds to a total dividend pay-out of Euro 12.83 million.

Solid financial position

Neither OVB Holding AG nor any of the consolidated companies have issued, or plan to issue, any debt instruments. The equity ratio of OVB Holding AG comes to a solid 35.1 per cent as of the end of 2023 and is an expression of the Company’s financial strength, providing the capacity for further growth and strategic initiative. The Company’s non-current liabilities are insignificant at Euro 11.2 million. Current liabilities exclusively serve the transaction of business operations and liquidity is traditionally high. OVB has been reliably generating shareholder returns year after year.

Active communication

As a publicly traded company, OVB informs the various interest groups in the capital market constantly about the current business performance as well as the Group’s long-term outlook. Investor Relations, reporting directly to the CEO, is responsible for the transparent and reliable communication with analysts, institutional investors, private investors and the financial press. The objective is to deepen the understanding of OVB’s business model, contextualise developments, and thus to strengthen the confidence of the capital market in the Company. Additional transparency is created on the Company's website as the key resource for comprehensive information:
All financial reports and corporate presentations are available both in German and English at www.ovb.eu/investor-relations, or rather www.ovb.eu/english/investor-relations.

WKN/ISIN Code	628656/DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B/O4BG.DE/O4B:GR	
Class of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra price (closing prices)		
Prior year-end	Euro 22.00	(30/12/2022)
High	Euro 25.40	(11/05/2023)
Low	Euro 17.00	(07/12/2023)
Last	Euro 18.80	(29/12/2023)
Market capitalisation	Euro 268 million	(29/12/2023)

Combined management report 2023 of OVB Holding AG

Basic information on the Group

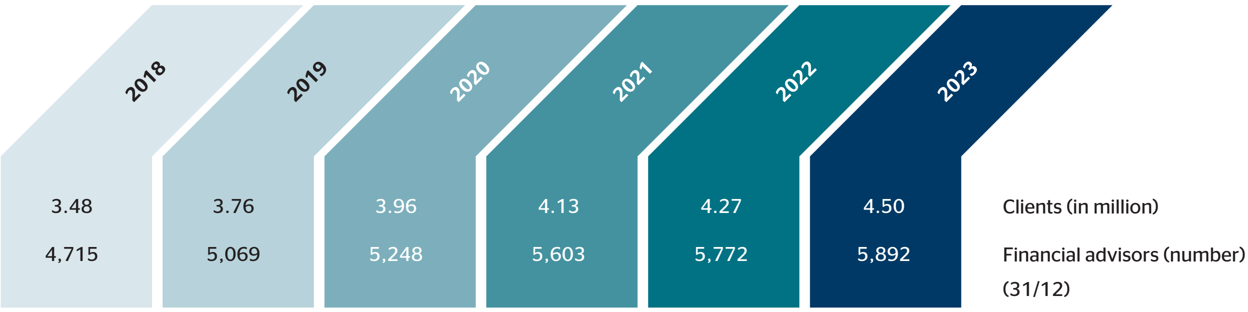
Business model of the OVB Group

OVB Holding AG is at the top of OVB Group as the management holding company. OVB stands for cross-thematic financial advice based on a long-term approach. Private households in Europe represent the key target group. The Company cooperates with more than 100 high-capacity product providers and fulfills its clients' individual needs with competitive products, starting at basic protection for financial security as well as asset and financial risk protection and followed by retirement provision, asset generation and wealth management.

OVB is currently active in 16 countries of Europe as an intermediary for financial product. By the end of the year under review, 5,892 full-time OVB financial advisors supported 4.50 million clients. The Group's broad European positioning stabilises OVB's business performance and opens up growth potential. OVB's 16 national markets are different in terms of structure, development status and size. OVB has a leading market position in many countries. In the course of demographic transition, the number of senior citizens in Europe rises as the number of young people is going down. Public social security systems are increasingly overburdened. Especially in economically challenging times, when private households in particular are feeling the effects of rising costs, personal advice is gaining in relevance. Therefore OVB continues to see considerable potential for the services it provides.

The cross-thematic advice of clients through all stages of their lives is based on a comprehensive, tried and tested approach: The identification and analysis of each client's financial situation form the basis of counselling. The financial advisors particularly ask for the client's wishes and goals and then create an individually tailored solution in consideration of personal financial resources,

OVB clients and financial advisors



a solution with a long-term horizon that is both affordable and sufficiently flexible. OVB accompanies its clients over many years. Service meetings with clients are held on a regular basis in order to consistently adjust the financial planning of OVB's clients to their current situation in life. This effort results in protection and provision concepts suited to each client's demands and respective phase of life.

OVB has pushed in-house digitalisation over the past few years and accelerated the provision of the technical resources required for digitally supported advisory service. Thanks to targeted investments, all of OVB's operating subsidiaries have comprehensive solutions at their disposal for providing video advice and concluding business transactions digitally online.

The professional training of financial advisors, 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. OVB is prepared for a swift response to any future regulatory or qualitative requirements.

OVB Group had altogether 751 employees on average in the year under review (previous year: 708 employees) in the holding company, the head offices of the operating subsidiaries and the service companies controlling and managing the Group.

Control system

Group structure
As the management holding company, OVB Holding AG is at the top of OVB Group. The Company determines the strategic goals of the umbrella strategy and coordinates business policies. Business operations are divided into regional segments. Operating subsidiaries are active in 16 European countries at present. On behalf of these subsidiaries, self-employed sales advisors support and advise the clients on issues of risk protection and provision. Two service companies provide IT services in support of these core business activities.

OVB Holding AG is the sole shareholder of these entities, 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).

OVB Holding AG and German subsidiary OVB Vermögensberatung AG have concluded a control and profit-and-loss transfer agreement.

Organisational chart of the OVB Group

OVB Holding AG

Sales companies Central and Eastern Europe	Sales companies Germany	Sales companies Southern and Western Europe	Service companies
OVB Czech Republic	OVB Germany	OVB Austria	Nord-Soft EDV-Unternehmensberatung GmbH
OVB Slovakia	Advesto Germany	OVB Switzerland	Nord-Soft Datenservice Gmbh
OVB Poland	Eurenta Germany	OVB Group Greece	OVB Informatikai*
OVB Hungary		OVB France	
OVB Group Croatia		OVB Italy	
OVB Group Romania		OVB Spain	
OVB Ukraine		OVB Belgium – Willemot	
OVB Slovenia			

* indirect investment (no operational business, entity in liquidation)

Management and supervision of the Group

Executive Board
The members of the Executive Board of OVB Holding AG have joint responsibility for managing the Group's business. As of 31 December 2023, the Executive Board had three members.

Apart from the position of CEO, who is also responsible for "Sales", the Executive Board members' responsibilities were divided into "Finance" and "Operations".

Assignment of Executive Board responsibilities as of 31 December 2023

Chairman (CEO) **Mario Freis**	Finance (CFO) **Frank Burow**	Operations (COO) **Heinrich Fritzlar**
Corporate Development	Corporate Accounting	Group IT
Corporate Management	Risk Management	IT Security
Sales	Compliance	Process Management
Training	Management Accounting	People Management
Product Management	Legal Affairs	
Marketing	Tax Planning	
Communication	Data Protection	
Internal Auditing	Anti-Money Laundering	
Investor Relations		
Sustainability		

Supervisory Board

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
Sascha Bassir	Member of the Supervisory Board
Roman Juráš	Member of the Supervisory Board
Torsten Uhlig	Member of the Supervisory Board

The Supervisory Board appoints the members of the Executive Board and supervises and advises the Executive Board on the Company's management. Detailed information on the working relationship of Executive Board and Supervisory Board as well as on corporate governance at OVB Holding AG is provided in the report of the Supervisory Board. Further information on corporate governance can be found in the statement on corporate governance in accordance with Sections 289 et seq. HGB (Commercial Code) on the internet at https://www.ovb.eu/english/investor-relations/corporate-governance.

Corporate management
Corporate management within OVB Group is divided into a strategic and an operational element. In the realm of strategic management accounting, long-term planning with a time horizon of five years links corporate strategy to specific quantitative targets.

Transnational exchange of know-how supports the effective and networked management of the 16 sales subsidiaries. Committees of OVB Holding AG also provide support for marketing activities and quality assurance for the portfolio of partners and products.

Operational management accounting supports the management of business operations. The Company's key targets and control variables are sales (brokerage income) and earnings before interest and taxes (EBIT). Apart from these monetary indicators, non-monetary indicators such as the number of financial advisors and the number of clients serve as evidence of the success of business operations as well. Other key figures are constantly being monitored by the Company yet not regarded as key targets or control variables. Management accounting involves a monthly analysis of the performance of sales, brokerage expenses and other material expense items. 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 plan and the annual operating plan with respect to sales, costs and earnings.

The decentralised planning process conducted by individual subsidiaries and cost centre managers is then aligned with the corporate strategy in a top-down and bottom-up process. Apart from that, expenses and income budgeted for the Group are subject to a centralised evaluation process in particular.

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

In a first step, the basic data available at the start of planning are adjusted for significant events that will probably either increase in relevance or cease to have relevance for the planning period. Then the planned measures are incorporated into the basic data in the shape of cost and revenues.

OVB prepares monthly target/actual deviation analyses and continuously updates material financial as well as distribution data and is thus able to respond immediately to any deviations from the plan. Within 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 16 sales subsidiaries' demand for liquidity and makes liquid assets available as necessary.

Goals and strategies

OVB Holding AG completed its “OVB Evolution 2022” strategy period at the end of the 2022 financial year. According to its own assessment, the Company has further exploited business potential in recent years, pushed ahead with digitalisation, modernised the Company and accelerated its further international expansion.

In financial year 2023, following an intensive development process with the involvement of numerous stakeholders, OVB adopted the new “OVB Excellence 2027” corporate strategy and communicated it throughout the Group. Derived from the corporate strategy, the subsidiaries of OVB Holding AG are currently in the process of developing their derived country strategies.

With the new growth strategy, the Company aims to position itself even more sustainably in order to master the challenges of the present and coming years. The term “Excellence” is one thing above all for OVB, a mindset, an attitude or a certain way of thinking with which OVB acts in a solution-oriented manner and masters even highly demanding challenges. For OVB, “Excellence” means always remaining curious, not resting on one's laurels and constantly developing further. OVB has made a conscious decision to let “Excellence” define everything it does in the future. OVB wants to adopt this attitude at all levels of the Company.

The clients are at the centre of “OVB Excellence 2027”. This means that the four focus topics, Sales and Career Excellence, Expansion and Innovation, Operational Excellence and People and Organisation are centred around the clients' needs.

The following diagram visualises the core components of “OVB Excellence 2027”:

Sales and Career Excellence
The core of the new corporate strategy is to further strengthen and optimise core sales activities. This includes the induction of new financial advisors, the expansion of training and further education and the additional strengthening of the expertise of sales managers.

The further development of the service concept for clients and the development of a user-oriented client platform are intended to contribute to even greater client satisfaction and long-term client loyalty.

Expansion and Innovation
The Group's Europe-wide positioning ensures stability and independence. For this reason, the business model is to be strengthened and expanded in a targeted manner and further national and international expansion within Europe is to be driven forward. In addition to organic growth, the Company also intends to utilise inorganic growth opportunities.

OVB plans to scale up in existing national markets as well as enter new markets.

In the 2022 financial year, OVB entered its 16th national market in Europe with its newly founded subsidiary in Slovenia. Other target regions include Portugal, Luxembourg and the Baltic states.

In addition, innovative approaches for clients, financial advisors and employees are to be identified and pursued. In the future, an "Innovation Think Tank" will serve as a source of inspiration for further developments in order to target the strengthening and expansion of the business model.

Operational Excellence
For OVB, "Operational Excellence" means the consistent implementation of innovative and fully automated digital processes in the back office and in sales. The aim is to continuously improve processes and standards and reduce administrative activities.

The aim is also to promote scalability, support further growth and further accelerate the Group's digital transformation that has already been initiated in all areas of the Company.

At the same time, the Company supports the seamless fulfilment of all compliance requirements and provides its clients, financial advisors and employees with an up-to-date and complete database.

People and Organisation
Competent employees are the driving force behind OVB's success. These are to be promoted and qualified in an even more targeted manner.

In addition, the Company wants to strengthen cross-border cooperation between sales, back office and holding company in order to drive the Group's joint further development. The unified endeavour to achieve the Group's goals is based on strong, shared values and a high degree of identification with OVB.

Business report

Macroeconomic and industry-related general conditions

Macroeconomic development
OVB operates in 16 European countries divided into three regional segments. OVB's Central and Eastern Europe segment comprises the national markets Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia and Ukraine. The Group generated roughly 56.0 per cent of sales in these markets in the past financial year. About 16.6 per cent of OVB Group's sales were accounted for by the Germany segment in 2023.

The national markets Austria, Belgium, France, Greece, Italy, Spain and Switzerland constitute the Southern and Western Europe segment, contributing 27.4 per cent to OVB Group's brokerage income of the past financial year. With the exception of Switzerland, these countries belong to the eurozone.

OVB thus generated more than 80 per cent of its brokerage income outside Germany in the year under review. Against this backdrop it is important to consider the macroeconomic development in Europe for an assessment of the business performance in 2023.

Among the relevant factors are economic growth, the development of the job market and changes in real income of private households.

The year 2023 as a whole continued to be affected by geopolitical tensions. While the Russian war of aggression in Ukraine continues, another war has started in the Middle East since the Hamas terrorist attack on Israel on 7 October 2023. Supply chains have already been affected by this, as e.g. cargo ships in the Red Sea are being attacked by Houthi rebels and now have to take long detours via Africa.

Despite the after-effects of the coronavirus pandemic, ongoing and resurgent wars and high inflation and interest rates, the global economy proved extremely resilient. In the latest update of its World Economic Outlook (January 2024), the International Monetary

Fund (IMF) estimates global economic growth of 3.1 per cent for 2023, compared to 3.5 per cent in 2022. This development is attributable to the USA and many of the major emerging and developing countries, where fiscal support programmes and increased private consumption have led to an upturn. Experts expect gross domestic product in the eurozone to grow by 0.5 per cent, compared to 3.4 per cent in the previous year. According to the IMF, growth here was subdued due to weak consumer sentiment, the ongoing impact of high energy prices and the weakness of the interest-sensitive manufacturing sector and corporate investment. Global gross domestic product is expected to increase by 3.1 per cent in 2024 and by 3.2 per cent in 2025.

In terms of monetary policy, the 2023 financial year was dominated by multiple significant interest rate hikes by the central banks in order to combat high inflation rates. Most recently, the ECB decided at its meeting on 20 September 2023 to raise its key interest rate for the tenth time in a row since July 2022. Since then, the interest rate for the main refinancing operations and the interest rates for the marginal lending facility and the deposit facility have been 4.50 per cent, 4.75 per cent and 4.00 per cent respectively. At the meetings on 26 October 2023 and 14 December 2023, it was decided to leave the key interest rates unchanged. At the beginning of financial year 2024, the ECB is adhering to its restrictive monetary policy course and decided once again at the meeting on 25 January 2024 not to change the key interest rates.

Even if the restrictive monetary policy has a delayed effect, a slight decline in inflation was already observable in 2023. This decline also reflects an easing of tension on the labour market, accompanied by a decrease in job vacancies, a modest increase in unemployment and a larger labour supply, in some cases in conjunction with a strong influx of immigrants.

Experts at the International Monetary Fund (IMF) expect an average annual global inflation rate of 6.8 per cent. According to the German Federal Statistical Office, the average annual increase in consumer prices in the EU was 6.4 per cent. In Germany, the inflation rate was 5.9 per cent. Overall, however, inflation remains at a high level. For 2024 and 2025, the IMF is forecasting overall global inflation of 5.8 and 4.4 per cent respectively.

For private households, the high inflation rates mean that less money is available for protection and provision after deducting essential expenses. Especially lower-income groups in particular may no longer have the resources at their disposal to take out long-term policies in particular. The strained financial situation can also lead to the cancellation of existing contracts.

Economic development in Central and Eastern Europe
The national markets in Central and Eastern Europe recorded uneven development. On average, however, the region performed better than the eurozone as a whole.

Only the Hungarian economy was on a decline. According to the RWI economic report, this was due to the budget consolidation that became necessary in the country, as a result of which investments were reduced and state infrastructure projects cancelled. By contrast, the economy in Ukraine was able to recover in 2023 after a significant decline in the previous year due to the war. While companies and households have adapted to the war in this country, according to the

Economic development in Central and Eastern Europe
Changes in real gross domestic product (GDP) in %

	2022	2023e	2024f
Croatia	6.2	2.7	2.6
Czech Republic	2.3	0.2	2.3
Hungary	4.6	-0.3	3.1
Poland	5.1	0.6	2.3
Romania	4.7	2.2	3.8
Slovakia	1.7	1.3	2.5
Slovenia	2.5	2.0	2.2
Ukraine	-29.1	2.0	3.2

e = estimate; f = forecast
Source: IMF, World Economic Outlook, October 2023

IMF, a strong increase in domestic demand can be observed at the same time.

Inflation rates in Central and Eastern Europe are above the EU average. In addition to a loose spending policy, this is due to the sharp rise in energy and food costs, which are more significant in relation to people's income and monthly expenditure in the region. This is also likely to have an impact on consumption and the savings behaviour of private households. However, consumer prices are falling slowly here as well. The RWI is expecting this trend to continue. Together with rising wages and future interest rate cuts, this could stimulate demand more strongly again in the coming year.

Economic development in Germany
For Germany, the IMF estimates a decline in gross domestic product to 0.3 per cent in 2023. In 2022, the German economy had still grown by 1.8 per cent. The ifo economic forecast for winter 2023 cites the lack of recovery in private consumption as the reason for the stagnation of economic development in Germany. Private consumption particularly suffered from the loss of purchasing power caused by the rise in energy prices. While the service sector continued to recover in the year under review, German exports were unable to provide any impetus. In addition, global geopolitical challenges dampened the economy.

The ifo Institute sees clear signs of recovery in Germany for the coming years: While the inflation rate is falling, wages are rising and the employment level is already at a high level. This rising purchasing power will ensure an increase in demand in the short term. In addition, the ECB is expected to cut interest rates for the first time over the course of the year, which should support the German sales markets. The IMF expects economic growth of 0.5 per cent in Germany in 2024. In 2025, the increase in economic output is then expected to rise further to 1.6 per cent.

According to the Federal Statistical Office, the inflation rate in 2023 was 5.9 per cent (2022: 6.9 per cent). The trend continued to be driven by the effects of the Russian war of aggression in Ukraine. Among other things, energy prices were affected, although these were partially cushioned by relief measures. Food also became significantly more expensive in Germany, recording a price increase of 12.4 per cent in 2023.

The German Bundesbank expects the inflation rate in Germany to go down to 2.7 per cent in 2024.

Economic development in Southern and Western Europe
With the exception of Germany, all markets in which OVB is represented in Southern and Western Europe recorded growth in the reporting period. One of the main drivers was the service sector, which is more important in Southern Europe. Since the pandemic appears to have been overcome, tourism revenue has risen significantly in regions popular with travellers. The IMF expects gross domestic product in Greece and Spain to increase by 2.5 and 2.4 per cent respectively in 2023 – well above the eurozone average.

Looking ahead, however, there are also limits to growth now that the tourism industry has returned to its pre-pandemic level. In addition, the tense economic situation in the EU, together with the reduced purchasing power of households, is limiting the budget for holidays. The economic situation of private households is likely

Economic development in Southern and Western Europe
Changes in real gross domestic product (GDP) in %

	2022	2023e	2024f	2025f
Eurozone[1]	**3.4**	**0.5**	**0.9**	**1.7**
Austria[2]	4.8	0.1	0.8	
Belgium[2]	3.2	1.0	0.9	
France[1]	2.5	0.8	1.0	1.7
Germany[1]	1.8	-0.3	0.5	1.6
Greece[2]	5.9	2.5	2.0	
Italy[1]	3.7	0.7	0.7	1.1
Spain[1]	5.8	2.4	1.5	2.1
Switzerland[2]	2.7	0.9	1.8	

e = estimate; f = forecast
Source: (1) IMF, World Economic Outlook, January 2024; (2) IMF, World Economic Outlook, October 2023

to remain tense in most countries in the Southern and Western Europe segment in 2024. In comparison, inflation rates in the region are significantly lower than the price increases in Central and Eastern Europe. Overall, however, the change in consumer prices remains at a high level.

Industry situation
Digital advisory service has proved itself during the pandemic. Counselling and closing of contracts were carried out digitally during that time for the most part. For reasons of practicability, flexibility and efficiency, clients tend to keep favouring that option in many cases. At the same time, a lot of clients keep appreciating the personal, immediate exchange. In-person advisory service is possible again and finds increasing use. Financial advisors must focus on the needs of their clients and act as equals in both digital and face-to-face discussions.

The strongly increased inflation rate poses great challenges to many private households. Considerably more expensive groceries and higher prices for energy, heat and fuel are putting a strain on private budgets. Central banks all over the world have responded accordingly and raised interest rates significantly in 2023.

The higher interest rate level offers new investment options to savers as even classic investment products can become more appealing again. Yet savers need to pay attention to the real return which often remains negative still because of the high inflation. The development of interest rates also makes loans more expensive. Households that had negotiated no fixed interest rates, or only for the short term, might be facing increasing pressure. Buying real property is becoming even more difficult.

Investors have become increasingly aware of the importance of retirement provision. In demand are above all direct investments in funds and unit-linked life insurance or pension schemes. OVB offers a large product portfolio, from promising investments to more security-oriented capital investments. OVB advisors are thus in a position to compile offers suited to every investor's personal situation in life and risk propensity, capable of generating attractive returns at limited risk. Apart from that, OVB identifies considerable growth in products protecting against biometric risk such as death, invalidity, sickness or care dependency in many countries. And in addition to that, a rising number of investors attach value to sustainable investments in direct or indirect support of pursuing ecological or social goals. Investments in renewable energy for example, contributing to climate protection, are met with increasing client interest. OVB already offers a number of investment products from different providers that meet those requirements. The range of sustainable financial products is being gradually expanded.

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

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

Business performance

OVB Group generated brokerage income in the amount of Euro 354.3 million in financial year 2023. This equals a 6.7 per cent increase over the prior-year amount of Euro 331.9 million. This development was driven primarily by the strong growth of the Central and Eastern Europe segment.

The number of supported clients rose 5.4 per cent from 4.27 million clients as of 31 December 2022 to 4.50 million clients as of the reporting date. The OVB sales force comprised 5,892 full-time financial advisors by the end of the 2023 financial year (previous year: 5,772 financial advisors).

The structure of new business reflects the focus of advisory services on basic protection for financial security, asset and financial risk protection, retirement provision, and asset generation and wealth management. Unit-linked provision products kept expanding their position as the best-selling product category with a share in the new business of 33.3 per cent (previous year: 32.3 per cent). Other provision products – including classic life and pension insurance policies and particularly products for the protection against biometric risks – were on the rise as well, contributing 27.0 per cent to new business in the 2023 financial year (previous year: 23.4 per cent). The brokerage of property, legal expenses and accident insurance increased to 17.3 per cent (previous year: 15.5 per cent) and state-subsidised provision products reduced their share in new business slightly to 8.0 per cent (previous year: 8.7% per cent). The product group building society savings contracts/financing went down

Breakdown of new business 2023 (2022)

Unit-linked provision products
33.3 % (32.3 %)

State-subsidized provision products
8.0 % (8.7 %)

Building society savings contracts/financing
6.1 % (11.6 %)

Property, legal expenses and accident insurance
17.3 % (15.5 %)

Health insurance
2.5 % (2.1 %)

Investment funds
5.8 % (6.3 %)

Other provision products
27.0 % (23.4 %)

Real property
0.0 % (0.1 %)

from 11.6 per cent to 6.1 per cent due to the increased interest rate level. Investments funds added 5.8 per cent to business (previous year: 6.3 per cent). The share of health insurance policies went up to 2.5 per cent after 2.1 per cent in financial year 2022. Real property business remained at an extremely low level.

Central and Eastern Europe segment
The Central and Eastern Europe segment comprises the national markets Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Ukraine and Slovenia. In financial year 2023, brokerage income increased considerably by 13.8 per cent from Euro 174.4 million to Euro 198.5 million. A modest increase in brokerage income had been predicted in the 2022 combined management report.

3,695 financial advisors worked for OVB in the region at year-end 2023, equivalent to a 6.8 per cent increase over the number of 3,461 financial advisors at the end of the 2022 financial year. They supported altogether 3.11 million clients (previous year: 2.92 million clients). The structure of new business reflects OVB’s comprehensive advisory approach:

Client demand focused primarily on other provision products, with a share in new business of 33.9 per cent in financial year 2023 (previous year: 30.7 per cent). An equally material share was contributed by unit-linked provision products at 33.2 per cent (previous year: 32.5 per cent). Apart from that, primarily property, legal expenses and accident insurance, at an 18.8 per cent share (previous year: 16.5 per cent), investments funds, at 6.5 per cent (previous year: 6.8 per cent), and products in the category of building society savings contracts/financing, at 5.9 per cent (previous year: 11.3 per cent) were in demand.

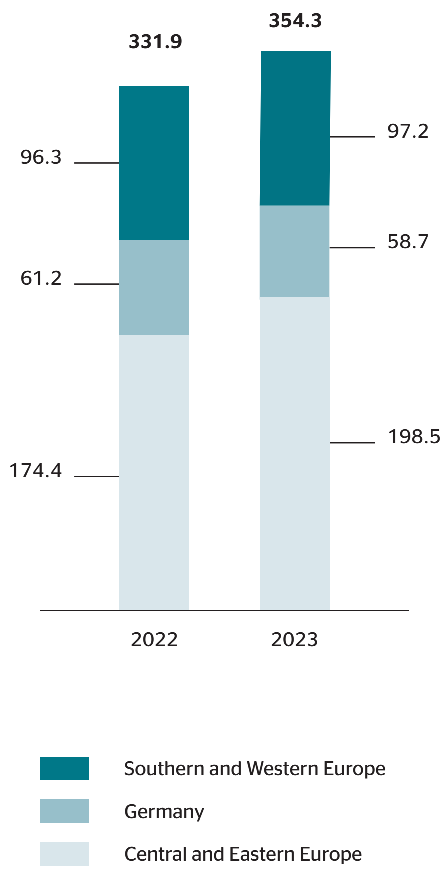
Germany segment
In financial year 2023, OVB generated brokerage income of Euro 58.7 million in the Germany segment compared to the previous year's figure of Euro 61.2 million. In the 2022 combined management report, a stable development of brokerage income had been predicted. This development was primarily due to the significant industry-wide decline in the financing business as a result of the rise in interest rates. The number of financial advisors dropped 8.1 per cent from 1,219 to 1,120 advisors at the end of the reporting period. They supported 613,037 clients (previous year: 616,224 clients). Unit-linked provision products accounted for a significant share of new business, increasing from 24.3 per cent to 30.2 per cent. Property, legal expenses and accident insurance followed, contributing 14.3 per cent to business (previous year: 12.1 per cent). The share of the building society savings contracts/financing product group fell significantly from 23.7 per cent to 13.1 per cent in the 2023 financial year. Other provision products contributed 12.8 per cent (previous year: 11.7 per cent) and state-subsidised provision

products rose to 12.3 per cent (previous year: 11.8 per cent). Investment funds contributed 9.3 per cent to new business (previous year: 11.0 per cent).

Southern and Western Europe segment
The Southern and Western Europe segment comprises the seven national markets Austria, Belgium, France, Greece, Italy, Spain and Switzerland. Brokerage income in the region went up slightly by 0.8 per cent from Euro 96.3 million to Euro 97.2 million.

A modest increase in brokerage income had been predicted in the 2022 combined management report. OVB has 1,077 financial advisors in the region Southern and Western Europe (previous year: 1,092 financial advisors). They supported altogether 779,678 clients at the end of the financial year as compared to 738,712 clients one year before. With a 35.0 per cent share (previous year: 36.0 per cent), unit-linked provision products represented the best-selling category. State-subsidised provision products made up a share of 25.9 per cent of new business (previous year: 26.0 per cent). Other provision products accounted for 15.6 per cent after 12.3 per cent in the previous year. Property, legal expenses and accident insurance came to 15.0 per cent (previous year: 14.9 per cent).

Brokerage income by region
Euro million, figures rounded



Profit/Loss, financial position and assets and liabilities of OVB Group

Profit/Loss
In financial year 2023, OVB Group generated brokerage income of Euro 354.3 million, equivalent to growth of 6.7 per cent compared to Euro 331.9 million in the previous year. With sales of Euro 354.3 million, OVB recorded an all-time high for the fourth time in a row.

Other operating income fell significantly by 11.1 per cent from Euro 15.0 million to Euro 13.3 million in the reporting period. This was mainly due to significantly lower income from the reversal of provisions.

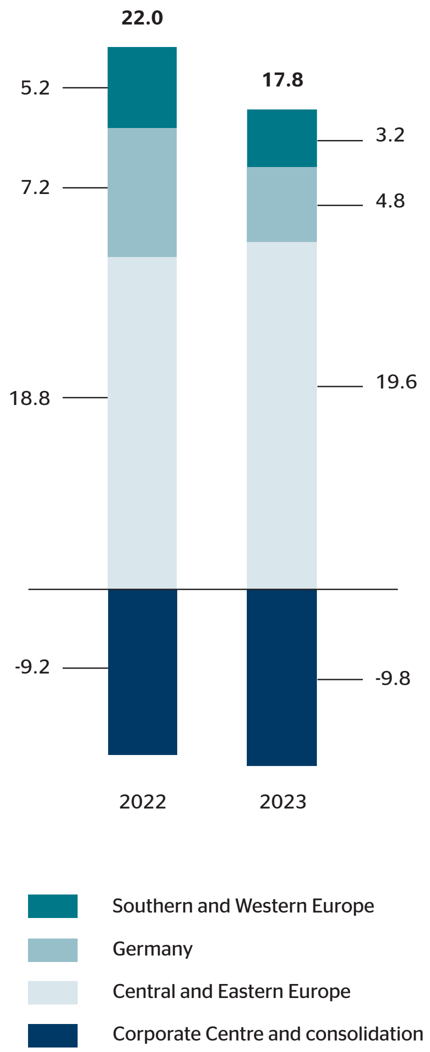
Brokerage expenses rose by 8.0 per cent from Euro 218.3 million to Euro 235.8 million in the reporting period. Personnel expenses for the Group's employees increased by 10.0 per cent from Euro 45.6 million in the previous year to Euro 50.1 million in the 2023 financial year due to the scheduled expansion of the workforce and market-related salary adjustments.

In contrast, depreciation and amortisation fell by 2.9 per cent from Euro 8.5 million to Euro 8.2 million. Amortisation of intangible assets decreased from Euro 6.3 million to Euro 3.8 million, while depreciation of tangible assets increased from Euro 2.3 million to Euro 4.4 million.

Other operating expenses increased from Euro 52.6 million to Euro 55.6 million. This was due in particular to inflation-related increases in event costs, the intensification of training activities, higher IT expenses and increased value-added tax on purchased goods and services.

Overall, OVB Group achieved an operating result (EBIT) of Euro 17.8 million in the 2023 financial year, as planned. Compared to the previous year's EBIT of

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



Euro 22.0 million, this corresponds to a decrease of 19.0 per cent. EBIT in the Central and Eastern Europe segment improved by 4.5 per cent from Euro 18.8 million to Euro 19.6 million thanks to the significant increase in brokerage income. The operating result in the Germany segment was reduced by Euro 2.4 million from Euro 7.2 million to Euro 4.8 million due to lower brokerage income. In the Southern and Western Europe segment, the Group recorded an EBIT of Euro 3.2 million, which equals a decrease of 38.0 per cent compared to the 2022 financial year with an EBIT of Euro 5.2 million. This development is attributable to the increase in commission expenses as well as higher personnel expenses due to inflation and market conditions.

The negative operating result of Corporate Centre increased slightly from Euro 9.2 million to Euro 9.8 million in the reporting period. OVB Group's EBIT margin decreased in the 2023 financial year from 6.6 per cent to 5.0 per cent.

The financial result, which was negative in the same period of the previous year at Euro 0.6 million, improved significantly to Euro 3.1 million. Finance income increased by Euro 1.5 million to Euro 3.5 million due to the rise in interest rates, while finance expenses fell from Euro -2.6 million to Euro -0.4 million. The reason for the high finance expenses in the same period of the previous year was the decline in the fair value of securities and capital investments, which in turn was due to price losses on the stock markets.

Income taxes fell from Euro 6.3 million to Euro 6.2 million. After non-controlling interests, consolidated net income for the 2023 financial year totalled Euro 14.3 million compared to Euro 14.7 million in the previous year. Earnings per share – calculated on the basis of 14,251,314 no-par shares respectively – fell accordingly from Euro 1.03 to Euro 1.00.

Financial position

In the 2023 financial year, cash flow from operating activities increased by Euro 2.6 million compared to the same period of the previous year, from Euro 15.8 million to Euro 18.4 million. The main reason for the increase in cash flow is the significant rise in brokerage income in the reporting period.

Even though consolidated earnings before income taxes were slightly higher in the 2022 financial year, this included non-cash reversals of provisions in the amount of Euro -3.3 million, whereas there was a non-cash increase in provisions of Euro 2.3 million in the reporting period.

The cash outflow from investing activities came to Euro 11.1 million in financial year 2023 compared to a cash inflow of Euro 6.4 million in the same period of the previous year. Proceeds from the disposal of securities and other short-term capital investments of Euro 25.8 million (previous year: Euro 26.7 million) were offset by capital expenditures for securities and other short-term capital investments amounting to Euro 31.3 million (previous year: Euro 16.0 million). The reason for the significantly lower investments in securities in the comparative period was the volatile capital market environment in large parts of 2022. In addition, capital expenditures for intangible assets totalled Euro 7.1 million in the reporting period compared to Euro 4.8 million in the previous year. Interest received increased by Euro 1.0 million to Euro 2.5 million.

Cash flow from financing activities showed a cash outflow of Euro 15.9 million in the reporting period and a cash outflow of Euro 15.7 million in the prior-year period. The main factor in each case was the dividend payment due from OVB Holding AG, which essentially consisted of the dividend of Euro 0.90 per share entitled to dividend in both years, i.e. a total of Euro 12.8 million in each case, plus a dividend payment to non-controlling shareholders of Nord-Soft EDV Unternehmensberatung GmbH.

In addition to the dividends, payments were made for the repayment portion and for the interest portion of the lease liability from financing activities.

Assets and liabilities

The Group's total assets rose by Euro 11.9 million from Euro 261.1 million as of the prior-year reporting date to Euro 273.0 million as of 31 December 2023. On the assets side, non-current assets increased by 11.0 per cent to Euro 39.6 million. This was mainly due to the significant increase in intangible assets to Euro 17.3 million after Euro 14.0 million as of 31 December 2022. In addition, rights of use of leased assets increased by 9.7 per cent from Euro 9.9 million to Euro 10.8 million. Deferred tax assets gained Euro 0.4 million to Euro 6.0 million. In contrast, tangible assets fell from Euro 5.7 million to Euro 5.1 million and financial assets from Euro 0.5 million to Euro 0.4 million.

Current assets went up 3.5 per cent from Euro 225.5 million to Euro 233.4 million as of the reporting date. While cash and cash equivalents fell by Euro 7.8 million from Euro 80.6 million to Euro 72.8 million, securities and other capital investments increased from Euro 41.8 million to Euro 48.0 million as of 31 December 2023. Trade receivables went up Euro 6.2 million to Euro 53.0 million, as did receivables and other assets by Euro 3.0 million to Euro 57.7 million. Income tax receivables also rose from Euro 1.5 million to Euro 1.9 million.

On the liabilities side, the Company's equity amounted to Euro 95.7 million at the end of the year compared to Euro 93.5 million at the prior-year reporting date. The main reason for the slight increase was the 6.3 per cent rise in retained earnings to Euro 27.5 million. As a result, the equity ratio was a solid 35.1 per cent compared to 35.8 per cent at the end of the previous year.

Non-current liabilities increased slightly from Euro 11.0 million to Euro 11.2 million. While other liabilities increased by 8.3 per cent to Euro 8.9 million and deferred tax liabilities rose from Euro 0.9 million to Euro 1.1 million, provisions dropped 41.4 per cent to Euro 1.1 million. There are still no liabilities to banks.

At Euro 166.1 million, current liabilities gained 6.0 per cent on the amount of Euro 156.6 million as of the prior-year reporting date. Other liabilities rose by 8.4 per cent from Euro 61.9 million to Euro 67.1 million and other provisions by 4.6 per cent from Euro 67.9 million to Euro 71.0 million. Trade payables increased by Euro 1.4 million to Euro 26.0 million.

Comparison between forecast and actual development

In order to take account of the uncertainties in economic development at the time, the Executive Board of OVB Holding AG had forecast a range of between Euro 325 million and Euro 350 million for brokerage income in the 2022 combined management report for the 2023 financial year. In addition, an operating result of between Euro 16 million and Euro 19 million was expected.

On 3 November 2023, the Company released an ad hoc announcement, communicating an adjustment to the forecast for brokerage income to a range of between Euro 350 million and Euro 360 million. The expectation for the operating result of between Euro 16 million and Euro 19 million was reaffirmed in this announcement.

In the 2023 financial year, OVB Holding AG achieved a 6.7 per cent increase in brokerage income from Euro 331.9 million to Euro 354.3 million, thus meeting its most recent sales forecast. Originally, a range of between Euro 325 million and Euro 350 million was stated for the 2023 financial year in the 2022 combined management report. With EBIT of Euro 17.8 million, OVB was in line with the forecast presented for the operating result.

The Executive Board did not issue any sales and earnings forecasts for individual segments during the year. However, statements were made on the segments in the 2022 combined management report. For the Central and Eastern Europe region, a moderate increase in brokerage income and a significant year-on-year decline in the operating result were expected. Actually, brokerage income rose by 13.8 per cent to Euro 198.5 million. The operating result also exceeded expectations with an increase of 4.5 per cent to Euro 19.6 million

For the Germany segment, a stable development of brokerage income and a significant decline in the operating result were forecast. In the reporting period, brokerage income fell from Euro 61.2 million to Euro 58.7 million and the operating result declined from Euro 7.2 million to Euro 4.8 million. For Southern and Western Europe, the Executive Board had predicted a moderate increase in brokerage income and a significant rise in the operating result. The forecast for brokerage income was met with an increase of 0.8 per cent to Euro 97.2 million, whereas the operating result in the Southern and Western Europe segment fell from Euro 5.2 million to Euro 3.2 million, contrary to expectations. A slight increase in the operating loss was expected for the development of the Corporate Centre. Including consolidation effects, this item ultimately increased from Euro 9.2 million to Euro 9.8 million in the 2023 financial year.

Supervisory Board
The terms of office of all Supervisory Board members duly expired at the end of the Annual General Meeting of OVB Holding AG on 14 June 2023. In the course of the new elections, the shareholders followed the Company's proposal: In addition to the re-election of Michael Johnigk, Dr Thomas A. Lange and Julia Wiens, Sascha Bassir, Roman Juráš und Torsten Uhlig, three proven industry experts and leaders, were appointed to the Supervisory Board. The appointment is made for one term of office extending to the end of the Annual General Meeting that formally approves the actions of the Supervisory Board for the 2027 financial year.

On 18 September 2023, Julia Wiens, Supervisory Board member and Chairwoman of the Nomination and Remuneration Committee, announced her resignation from OVB Holding AG effective 31 October 2023. The reason for this was her appointment as Executive Director of Insurance and Pension Fund Supervision at BaFin (German Federal Financial Supervisory Authority). On 29 September 2023, the Company filed an application with the Cologne Local Court for the court appointment of Markus Jost, who had already been a member of the Supervisory Board of OVB Holding AG for 10 years until June 2023. The court granted the application, in consequence of which Markus Jost returned to the Supervisory Board effective 1 November 2023. The appointment is limited until the next Annual General Meeting, which will take place on 12 June 2024.

Profit/Loss, financial position and assets and liabilities of OVB Holding AG

As the management holding company, OVB Holding AG is at the top of OVB Group. It directly and indirectly holds the shares in the entities that are part of OVB Group and performs a range of tasks for the Group including planning, management accounting, communication, marketing, IT, compliance and risk management.

The separate financial statements of OVB Holding AG have been prepared in accordance with the provisions of the German Commercial Code (HGB) in consideration of the supplementary provisions of the German Stock Corporation Act (AktG). Provisions for large corporations apply.

Profit/Loss of OVB Holding AG as the Group's holding company is essentially determined by profits from the holdings.

Profit/loss

EUR'000	2023	2022
Sales	23,611	20,636
Income from investments (in affiliated companies)	23,107	21,739
Profits received under a profit-and-loss transfer agreement	5,496	6,553
Net income	12,886	14,912

Assets and liabilities and financial position

EUR'000	31/12/2023	31/12/2022
Non-current assets	37,285	37,452
Current assets	56,659	56,497
Equity	86,835	86,775
Provisions	4,987	5,509
Liabilities	2,122	1,665
Total assets	93,945	93,950

OVB Holding AG generated investment income in the total amount of Euro 23.1 million in the year under review (previous year: Euro 21.7 million). The profit received from German subsidiary OVB Vermögensberatung AG under profit-and-loss transfer agreement amounted to Euro 5.5 million in the year under review (previous year: Euro 6.6 million). Personnel expenses for the holding company's 127 employees on average (previous year: 110 employees) increased over the reporting period from Euro 12.6 million to Euro 13.4 million.

Earnings after taxes of OVB Holding AG and net income amounted to Euro 12.9 million in financial year 2023 (previous year: Euro 14.9 million). Total assets of OVB Holding AG are close to the prior-year level at Euro 93.9 million.

The assets of OVB Holding AG essentially comprise shares in and receivables from affiliated companies predominantly refinanced by equity. The asset structure is virtually unchanged from the previous year. The item "receivables from affiliated companies" essentially includes dividend claims and receivables from ongoing clearing transactions.

The capital structure of OVB Holding AG is characterised by a solid equity base: The Company's equity amounted to Euro 86.8 million at year-end 2023 (previous year: Euro 86.8 million). The Company's equity ratio of 92.4 per cent corresponds to the prior-year level.

Liquidity and dividend
As of the reporting date, the Company has liquid assets of Euro 4.6 million at its disposal (previous year: Euro 14.9 million). The decrease in liquid assets results essentially from the purchase of securities. In the year 2023, a dividend of Euro 0.90 per share was paid out for financial year 2022 (total volume: Euro 12.8 million).

Dividend payments are made depending on the Company's financial position and profitability. Executive Board and Supervisory Board of OVB Holding AG will propose to the General Meeting of Shareholders on 12 June 2024 to distribute a dividend of Euro 0.90 for financial year 2023. As of 31 December 2023, altogether 14,251,314 shares were entitled to dividend. Provided the resolution is adopted by the General Meeting as proposed, the dividend pay-out of OVB Holding AG for financial year 2023 will amount to Euro 12.8 million.

Comparison between forecast and actual development
Assuming higher investment income and rising operating costs, the Executive Board of OVB Holding AG had forecast a moderate decline in earnings after taxes. Earnings after taxes fell by 13.6 per cent from Euro 14.9 million to Euro 12.9 million. The financial result fell from Euro 26.1 million to Euro 24.2 million, in particular due to higher write-downs on the carrying amounts of investments in subsidiaries. At Euro -11.3 million, the operating result remained at the previous year's level.

Report on opportunities and risks

General conditions

Opportunity management

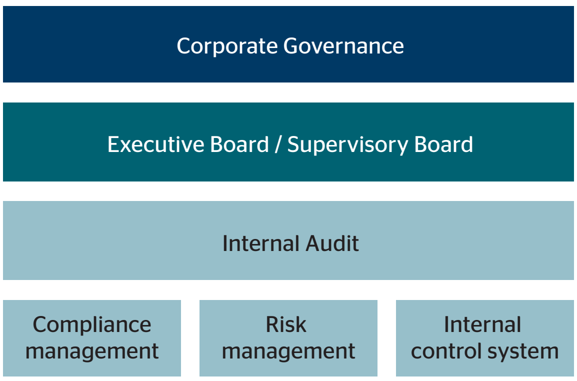
OVB's corporate culture places great importance on entrepreneurially-minded thinking and acting. OVB's self-employed financial advisors consider themselves entrepreneurs in particular. Continuously seeking and seizing business opportunities is therefore taken for granted by all of OVB's financial advisors and employees, regardless of their respective area and scope of responsibility.

OVB Group's entities are all required to identify opportunities and to exploit them with the goal of achieving an above-target performance of earnings if possible. Such opportunities may arise e.g. in the context of brokerage activity or due to improved market conditions. In this context, OVB Holding AG sees itself on the one hand as a business partner to the sales subsidiaries, creating the best possible general conditions for the successful sales and operation of the consolidated companies in compliance with internal and external requirements. On the other hand, strategic goals are determined and evaluated in coordination with the sales subsidiaries and measures are developed to realise them. Then the various departments and interface managers identify, analyse and control the material opportunities and risks for the future business performance as recognised in the course of business and the ongoing exchange with the sales subsidiaries and report them to the Executive Board of OVB Holding AG.

Moreover, it is 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 appropriate action for seizing such opportunities.

Principles and goals of risk management

Entrepreneurial activity is inconceivable without taking risks. For OVB, risk means the exposure to possible losses or missed profits.



Such exposure can be caused by internal or external factors. Arising risks are to 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 consideration of existing and potential risks and the promotion of risk-oriented thinking and acting within the entire organisation, and thus a deliberate risk-taking policy based on the comprehensive knowledge of risks and risk connections. OVB pays attention to a balanced ratio between opportunities and risks.

In order to mitigate risks in the best possible way, OVB aims at the integration of different corporate governance functions within the Group. Among those are compliance management, internal control system, internal audit and risk management:

Risk management reconciles the entirety of principles, processes and defined measures for safeguarding a structured management of risks – in the sense of positive (opportunities) and negative (risks) target deviation. Cooperation with the functions presented in the chart above is ensured by the Governance, Risk & Compliance (GRC) Committee. The required regulatory framework was defined by the Executive Board of OVB Holding AG in the Committee's rules of procedure. In addition to giving support to the Executive Board in its management tasks, among the essential objectives pursued by the GRC Committee are the exchange of risk-relevant information, the creation of consistent risk awareness and the synchronised coordination of GRC and control activity.

Structure and process of risk management

The organisation of risk management, the methods applied and the processes implemented are put down in writing in the risk management manual of OVB Holding AG. This manual is available to all employees who assume responsibility in this field.

Generally speaking, the risk management system consists of three components:

- Early risk detection system
- Internal monitoring system
- Management accounting system

Standardised risk management processes ensure that Executive Board and Supervisory Board are informed in a structured way and in good time about the Group's current risk position.

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 an adequate risk management system based on directives defined by the Group. Early warning indicators are defined and continuously monitored.

As one of the essential components of risk management, the system for early risk detection, subject to constant adjustment to new developments, aggregates identified individual risks into risk categories and assigns each risk to a risk management officer.

Material risks are identified by the respective risk officer of the business divisions or rather by the decentralised risk officers of the operating subsidiaries and quantified in annual risk inventory processes. Risk mitigating measures are considered and documented within the scope of risk inventory and reported to the Chief Risk Officer.

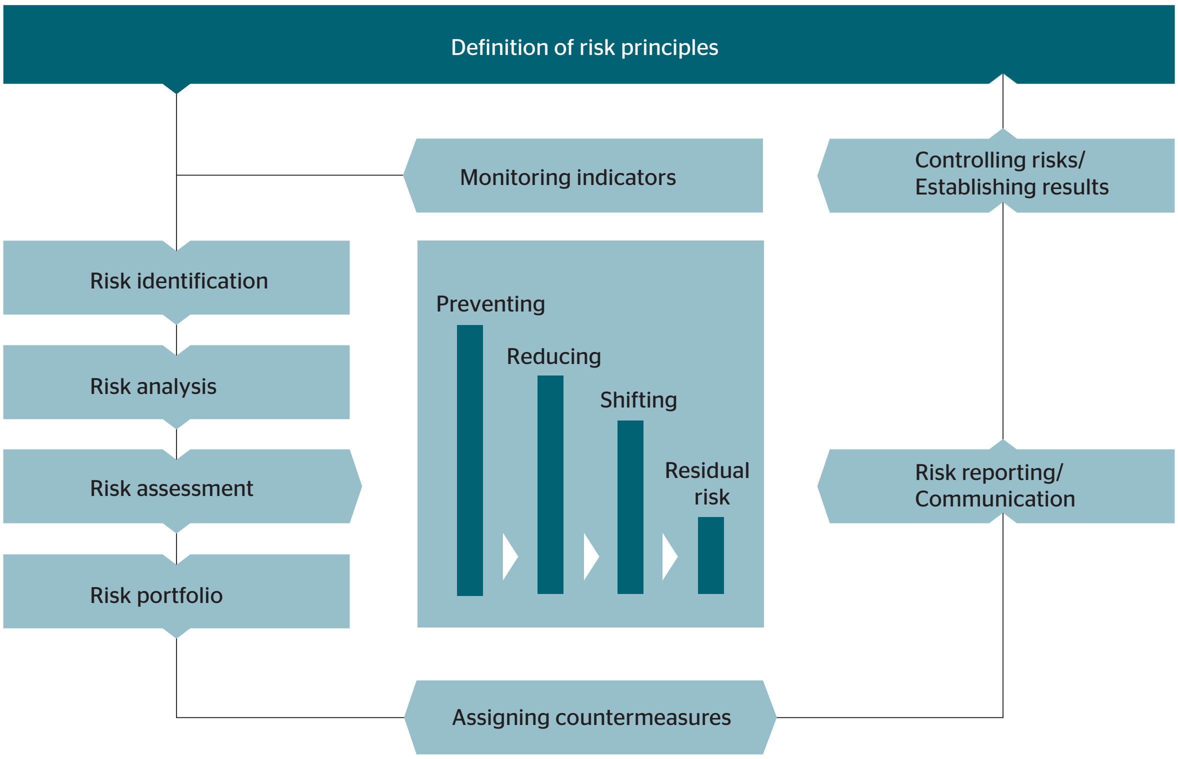
Apart from the direct exchange of information between the Chief Risk Officer and the Executive Board, standardised risk reports are delivered to the Executive Board and the Supervisory Board, explaining OVB's current risk position. Thresholds and reporting protocols have been defined within the framework of risk reporting. Risk analyses are conducted initially at the level of the subsidiaries and the individual areas of responsibility.

Routine reporting of the various divisions of OVB Holding AG and the subsidiaries is condensed to Group-wide, ongoing and, if necessary, immediate reporting to the Executive Board and the Supervisory Board by the holding company's Chief Risk Officer.

At the core of the Group's risk report is the "Group risk cockpit" where the material risks of the operating subsidiaries are presented and aggregated into 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 Officer is also informed directly by way of ad hoc risk notifications in cases of urgency outside the regular reporting channels.

OVB risk management process



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.

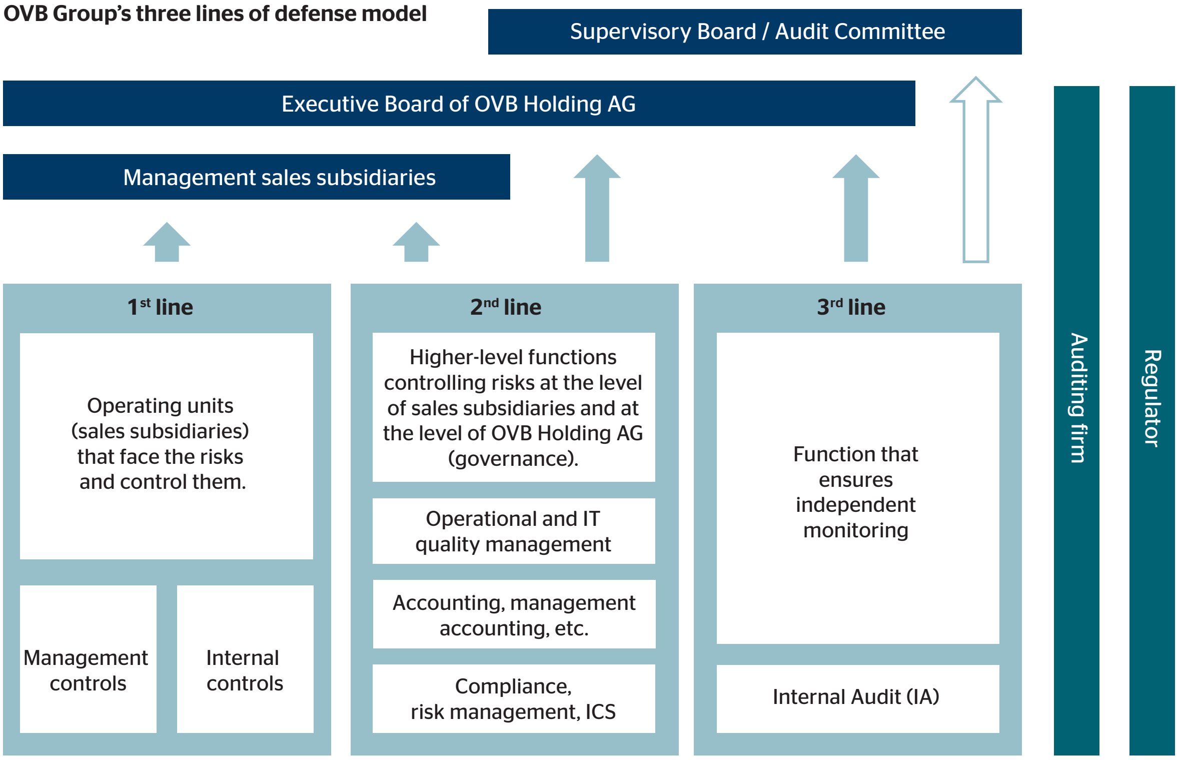
An efficient management accounting process supports the early detection of going-concern risks.

Further elements of the risk management system (RMS) and the internal control system are Internal Audit and compliance management, assuming monitoring and control functions throughout the Group.

As a model for the organisation of risk or compliance management, OVB applies the "three lines of defence model" (TLoD). The multi-level deployment of control measures results in an effective mitigation of risks by utilising a process of three consecutive control levels, or lines of defence, after which a manageable residual risk remains for the Company.

Controls on the first and second line of defence are conducted at the level of the sales subsidiaries. Their management teams are responsible for compliance with internal (Group guidelines and ICS) and external provisions (regulatory framework). For safeguarding effectiveness, suitable control measures (e.g. the four-

OVB Group's three lines of defense model



eyes principle) have been established. "Owning" the risk, functions of the first line of defence are responsible for assessing, controlling, monitoring and reducing risks.

The second line of defence determines specific Group-wide guidelines and thus defines minimum requirements for systems and processes (governance) to be applied on the first line of defence.

In addition, the second line defines the framework for cooperation within the consolidated entities and formulates Group-wide guidelines for the organisation of the internal control system (ICS), the risk management system (RMS) and the compliance management system (CMS) – e.g. through a binding Group guidelines catalogue or process requirements. The specific form of governance is risk-oriented and at the discretion of the Executive Board of OVB Holding AG.

Management's responsibility for achieving the above objectives includes both first-line and second-line functions. The close integration of ICS, RMS and CMS is intended to ensure the highest possible degree of effectiveness for the avoidance and management of risks.

The primary objectives of the CMS are to prevent or minimise risks arising from non-compliance with applicable law and internal requirements and processes through preventive measures and also to monitor risks, observe compliance-relevant requirements and laws and report to the Executive Board. Supplemented by the RMS and ICS, this includes the definition of methods and procedures for compliance and risk management and the requirements controlled by the ICS through guidelines and directives, as well as monitoring of risks, observing compliance-relevant requirements and statutory provisions, and reporting to the Executive Board.

Responsibility for compliance with these requirements on the first and second line of defence rests with the operating entities. In addition to the performance of these functions at the level of the sales subsidiaries by the local business units, the central departments of OVB Holding AG provide support on an ad hoc basis and perform second-line controls if necessary.

The third line is represented by Internal Audit, which acts as an objective and independent auditing and advisory body. It monitors the regularity, security, adequacy and effectiveness of the processes and controls specified in the ICS as well as the RMS and CMS by means of risk-oriented audits.

It supports the Executive Board and the management teams in the performance of their monitoring function and reports directly to the Executive Board of OVB Holding AG as well as periodically to the Supervisory Board/ Audit Committee. Internal Audit is also regularly subjected to an external quality audit, most recently completed successfully in 2023.

With the governance, risk and compliance approach described above, the Executive Board of OVB Holding AG has created and implemented a control framework aimed at an appropriate and effective ICS and RMS.

Based on its involvement with the ICS and RMS and the reporting by Internal Audit, the Executive Board is not aware of any circumstances that speak against the adequacy and effectiveness of these systems.

Ensuring adequacy and effectiveness of risk management

A risk management system has been established at OVB, the adequacy of which is contributed to, among other things, by a risk catalogue, which at the same time represents the risk inventory of OVB Group, and the risk management manual of OVB Group. The risk catalogue includes risks of all business units of OVB. The manual represents the set of rules for risk management within the Group and includes, among other things, Group-wide requirements for risk assessment and risk communication. In the course of routine risk inventory, risk mitigating measures are reviewed in the departments of OVB Holding AG and in the consolidated entities. The decentralised risk officers are required to update the measures taken on a regular basis and subsequently perform an individual assessment of the risks. Risks are then consolidated at Group level.

The measures specified by the decentralised risk officers are subjected to regular spot checks for effectiveness by the central risk management department. Design and implementation of the measures are reviewed in dialogue with the decentralised risk officers to ensure the effectiveness of the risk management system.

Development of risk management

Constant advancement of the risk management system is a key prerequisite to the option of a timely response to changing general conditions of potential direct or indirect impact on the assets and liabilities, financial position and profit/loss of OVB Holding AG.

An ongoing exchange of information with the decentralised risk officers assures that any new findings will be incorporated into risk management, thus safeguarding its advancement. Moreover, various meetings were held in the year under review 2023 for an exchange of central and decentralised risk management during which the information flow among decentralised risk officers was further promoted.

In addition, training measures are an essential element for constantly updating the expertise of the staff involved in these processes.

Risk management of OVB Holding AG is subject to annual reviews conducted by Internal Audit. Audit reviews contribute to monitoring the risk management system and produce insight based on which quality is improved and the development of risk management processes is further advanced. 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 conducted in 2023.

The adjustments made to risk management in 2021 in line with the updated regulatory requirements are subject to continuous advancements. The focus is set on reviewing the effectiveness of risk management measures implemented in the Group to reduce high gross risks (i.e. risks that arise if no measures are taken by the Company) to viable net risks (i.e. the residual risks that arise if suitable measures are taken). This has further sharpened OVB Group's risk profile.

The internal control system

The internal control system (ICS) comprises the principles, methods and measures for ensuring the effectiveness and economic efficiency of business activity, correctness of business processes and compliance with the applicable legal provisions. For this purpose, OVB has integrated the internationally established 3 lines of defense model into its business processes, according to which control measures are implemented on three lines in the Group in order to mitigate process risks. Among the lines of defence is OVB's Internal Audit, assuming the function of the third line.

OVB's ICS represents the entirety of controls. It is based on the OVB Group guidelines catalogue.

This catalogue comprises the integrated set of rules for the control points it contains and is handed down from the Executive Board to the operating divisions and subsidiaries.

Key features of the internal control system:

- clear management and corporate structure: OVB Holding AG provides the centralised management of inter-divisional key functions while the Group's individual entities maintain a large degree of autonomy
- proper separation of functions and observance of the four-eyes principle as basic principles
- adequate provision of capacity as well as the use of software applications in consideration of statutory and in-house provisions as the basis of correct, consistent and continuous business processes
- clear separation and assignment of responsibilities with respect to areas materially involved in financial accounting, namely Local Accounting, Tax, Financial and Group Accounting, Group Management Accounting as well as in the operating divisions through defined schedules of responsibilities and rules of procedure
- protection against unauthorised access to IT systems in use
- utilisation of standard software in the financial systems involved
- adequate Group guidance system (e.g. Group manual, manuals on ICS / risk management / compliance management at OVB Group, payment guidelines, project management guidelines, loan and travel costs guidelines, code of conduct, etc.) with integrated ICS-relevant control points, subject to constant updates
- Focus issue "ICS with respect to financial accounting"
  - adequate equipment in response to the requirements of all departments and divisions involved in the financial accounting process
  - clearly defined workflows as well as documentation and tracking of all matters subject to accounting for the purpose of complete financial reporting reviewed for correctness
  - ensuring that accounting records are checked for mathematical and factual correctness; payment runs shall observe the four-eyes principle
  - established monitoring committees (e.g. the Supervisory Board's Audit Committee) as well as internal monitoring functions of corporate governance (e.g. risk management, compliance management, Internal Audit)
  - systematic, risk-oriented and scheduled check and evaluation of adequacy and effectiveness of the ICS set up throughout the business divisions by process-independent Internal Audit
  - routine external certification of Internal Audit according to audit standard no. 3 of the DIIR (German Institute of Internal Auditors), conducted most recently in November 2023

The internal control system is intended to ensure particularly with respect to financial accounting that business matters and transactions are correctly recorded, processed, evaluated and transferred to financial accounting. Apart from that, other material business processes are included in the ICS as well through the Group's guidelines system and the mitigation of risks is covered through control measures of the operating divisions.

It is thus ensured in the individual case that business transactions are recorded, processed and documented in compliance with statutory regulations, the Articles of Association and internal guidelines, and that they are entered correctly and promptly in financial reporting. It is ensured at the same time that assets and liabilities are correctly recognised, reported and measured in the separate financial statements and the consolidated financial statements and that dependable and relevant information is completely and promptly made available as a basis for entrepreneurial decision-making.

Like all other divisions and functions of OVB Group, the internal control system is subject to an ongoing review and development process. Influencing factors are regulatory requirements and not least OVB's own requirements for its ICS. Against this backdrop, constant revisions and amendments of the ICS are carried out.

Presentation of opportunities and risks in detail

The following is a description of opportunities and risks that could have material beneficial or adverse effects on OVB's assets and liabilities, financial position and profit/loss. The order of the risks described is based on the respective degree of materiality for OVB Group as derived from the risk inventory conducted in 2023. Please refer to section 4.5 of the notes to the consolidated financial statements, "Objectives and methods of financial risk management", for additional quantitative information relating to financial instruments in accordance with IFRS 7.

Industry-specific and regulatory 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 all influence OVB's business. At the same time, OVB regards such adjustments of the general conditions also as an opportunity to keep improving the quality of its services. The challenges brought about by Regulation (EU) 2016/97 (Insurance Distribution Directive, IDD) and MiFID II Directive 2014/65/EU governing markets in financial instruments were identified and implemented early on.

As part of a retail investor strategy, the European Commission aims to strengthen the confidence of retail investors in the capital markets. A draft law was released in May 2023, including proposals such as new obligations in the advisory process, bans on commission for certain forms of brokerage and the development of benchmarks. However, the draft has met with resistance, particularly against interventions in the commission system. A draft law presented by the EU Parliament in October 2023 rejects certain Commission proposals, including the authorisation of supervisory authorities to develop benchmarks and the obligation to offer an alternative product at lower costs. It remains to be seen to what extent the aspects listed here in the draft report will be finally adopted. The regulations of the European Union already stipulate a standardised level of requirements for the brokerage of insurance and financial products in the EU. In addition to promoting market integration, the aim is to strengthen consumer protection. The increasing number of court rulings in the European insurance environment regarding violations of the latest regulations POG, MiFID II, IDD and GDPR have led to a consistent need to adapt the requirements for OVB. At the same time, we are registering increasing reviews of the requirements by the local supervisory authorities in the national companies. Any resulting audit findings may lead to necessary recommendations for action for OVB. OVB tries to minimise the risks resulting from the sales process particularly by means of an IT-controlled sales process and the review of the target market aimed at by the product partner.

In addition to these EU directives that have already been implemented, further directives that OVB will also have to adapt are due from the 2024 financial year, particularly with regard to sustainability issues. These include directives relating to IT organisation, such as the requirements of DORA (Digital Operational Resilience Act), which came into force on 16 January 2023 and will apply from 17 January 2025, with which the European Commission aims to create a uniform framework for the effective and comprehensive management of cybersecurity, information and communication technology (ICT) risks on the financial markets.

In order to strengthen the internal control system (ICS) and in particular to intensify the review of its effectiveness, a project for the structuring and further development of the ICS was initiated by the Executive Board of OVB Holding AG. In addition, resources in the area of corporate governance were further increased in order to enable centrally conducted quality controls.

Individual regulations such as the SFDR (Sustainable Finance Disclosure Regulation - EU 2019/2088), the so-called Disclosure Regulation, and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088, the so-called “EU Taxonomy Regulation”, must be taken into account. Reviews of the implementation of regulatory requirements are carried out by the national supervisory authorities in the EU member states. In a peer review in June 2023, the European Insurance and Occupational Pensions Authority (EIOPA) informed the European member states that some countries had not sufficiently implemented the requirements of the Product Oversight Regulation (POG), which came into force in 2018. At the same time, EIOPA defined recommendations for action and assigned them to the countries. This now clearly indicates in which (OVB) countries the local insurance supervisory authorities are expected to increase their audit activities in the future, which will lead to higher administrative costs, among other things.

Nevertheless, the implementation of national legislation in the member states in the areas of conduct of business rules, transparency regulations, requirements for continuing professional training and, increasingly, regulations on sustainability issues are particularly relevant for OVB.

Even if local requirements may differ in individual cases, the Group-wide, technically supported solutions ensure appropriate implementation. Standardised processes support financial advisors in their daily work and provide scope for comprehensive and targeted advice. OVB has a Group-wide compliance management system that works continuously to ensure that all regulatory requirements are met appropriately, and not just for the purpose of complying with regulatory requirements. OVB also sees these requirements as an opportunity for continuous improvement. With respect to sustainability issues, opportunities arise for OVB through innovative products and the anticipatory coverage of upcoming regulatory or social developments, among other things.

Generally speaking, an intensifying regulation of the financial services market cannot be ruled out as the European regulations stipulate evaluation assignments. Improving investor protection by raising the bar for transparency, client information and advisory service documentation requirements can safely be expected. Not least the obligation to disclose costs and commission amounts represents a new aspect relevant to classic commission-based advisory service as well.

In this current environment, OVB constantly monitors and analyses the national and European political decision-making processes in order to be able to evaluate the effects on its business model and the strategic positioning in the national markets early on.

OVB acts on the assumption that it will fulfil increasing regulatory requirements in a better and more efficient way than smaller market participants due to its broad European positioning, the many years of experience of its employees and its pronounced financial strength.

Compliance risk

As already explained, compliance risks are increasing in OVB's business environment due to regulatory requirements at national and international level, which means that OVB's compliance management system has to be continuously developed and adapted.

Furthermore, training and licensing requirements have steadily increased over the years, which also triggers training, management and monitoring activities at OVB. The closer cooperation between OVB and its full-time financial advisors due to regulation may restrict the freedom and independence of the full-time financial advisors which in turn might result in risks of “bogus self-employment” under tax and social insurance law. The criteria under tax and social security law for classification as self-employed or employed financial advisor are not uniformly regulated even within the European Union and require a country-specific assessment. OVB counters these risks with constant monitoring by the internal corporate governance functions and with the support of external specialists.

In order to mitigate compliance risks, it must also be ensured that the control environment established within the framework of the internal control system and rolled out across the board by means of Group guidelines is implemented and enforced. In the year 2023, OVB has further expanded the capacity of corporate governance functions entrusted with this task.

IT risks and opportunities

In order to keep consolidating its market position successfully, OVB is making efforts throughout the Group to further digitalise and automate processes and workflows. This increases both efficiency and effectiveness with respect to the monitoring of regulatory requirements.

However, the increasing realisation of the above-mentioned IT opportunities naturally also increases IT risks, such as ensuring the compliance and security of systems or providing an efficient IT infrastructure that meets requirements. Necessary investments in the target architecture must therefore continue to be made in order to further develop business activities. The timely realisation of complex IT projects at the planned cost level continues to pose a challenge.

To this end, OVB began advancing its IT strategy in 2023. Managed by OVB Holding AG, it is structured by OKR (Objectives and Key Results) in order to ensure a continuous increase in performance and the achievement of defined goals. The IT tools already developed during the Covid-19 pandemic make a significant contribution to operational and sales capability and are intended to harmonise with key strategic IT projects, such as the digital and automated expansion of implemented sales software solutions. At the same time, the location-independent handling of business processes will continue, intended to further promote flexibility and efficiency.

The enhanced strategy, an integral part of which is a structured organisational and operational structure in the COO area, also includes other aspects aimed at mitigating external risk factors affecting OVB.

This includes the geo-redundant distribution of Group-wide data in centralised data centres, the use of redundant Internet uplinks via several providers and UTM (Unified Threat Management) firewalls with activated IPS (Intrusion Prevention System) and restrictive rules. Daily or hourly backups of productive databases are also made for all redundant NetApp-based virtual servers to prevent risks from data loss.

With respect to software, OVB relies on a selection of market-leading standard software as well as in-house developments tailored to the needs of our clients and our financial advisors. The implementation of quality assurance measures, intensive monitoring of functionality and first and second level support for sales and back-office staff are essential. It is also necessary to constantly monitor market developments in order to be able to respond to movements/trends in a targeted manner.

Cyber risks affecting OVB continued to increase in 2023. To further compensate for this, the IT infrastructure was made more future-proof and resilient thanks to technological investments, strategic planning and ongoing optimisation of cybersecurity. The IT systems are also protected by special access and authorisation concepts as well as effective and continuously updated anti-virus software. OVB also counters the aforementioned threats with measures introduced by the CISO (Chief Information Security Officer), such as protective measures for the IT infrastructure and training to increase the awareness of employees (keyword: business continuity plan and disaster recovery tests). OVB has also taken out cyber insurance to minimise the risk of suffering financial damage.

Strategically, the structural alignment of the IT departments in the Group as a whole is of particular importance in risk mitigation. Risks can only be adequately compensated for once the organisational structure and processes have been structured and communicated. A particular focus is on enterprise architecture management (EAM – an approach for the comprehensive planning and management of the structure and development of organisations) with the aim of developing a powerful and scalable IT architecture that transforms the IT risks currently affecting OVB, which are still often based on outdated IT architecture specifications, into a modern and adaptable IT architecture.

It must be ensured that the IT systems meet the changing business requirements in terms of operational and sales capability while remaining efficient and cost-effective.

In summary, the IT strategy of OVB Holding AG is a combination of centralised management of IT risks, quality assurance measures, continuous improvement of cybersecurity, strategic planning by OKR and a strong emphasis on enterprise architecture management. These approaches are intended to help future-proof the IT infrastructure and enable OVB to master both current and future IT challenges. Digitalisation offers opportunities to increase the efficiency of business processes and make workplaces more flexible, which makes them more attractive to staff.

Macroeconomic opportunities and risks
OVB's business environment is affected by changes in the economic and political framework and is becoming increasingly dynamic.

Typical for the industry, OVB is also heavily dependent on the economic health of Europe. Economic downturns and recessions in individual countries lead to lower demand for financial products. The turnaround in interest rates driven by European financial supervision is also having an impact on companies' profit margins. In particular, product segments that are heavily dependent on interest rates are being adversely affected.

Due to the ongoing Russian war of aggression against Ukraine, the resulting price increases in connection with the persistent supply chain problems are leading to inflation and recession. The effects of the attack on Israel by the terrorist organisation Hamas on 7 October 2023 are also not yet foreseeable. As the region is of great importance as an energy supplier, among other things, a prolonged war could lead to price increases and thus also affect Europe economically, which could also have consequences for companies such as OVB and its clients. The second half of 2023 showed increasing price stability and falling inflation across Europe, which should ease the situation. Generally speaking, however, it can be stated for 2023 that the often tense financial situation of many private households limited resources for private financial provision and protection. However, changing market conditions are constantly providing new sales opportunities. While rising interest rates, for example, reduce sales opportunities for individual product lines (real property loans), they also improve sales opportunities for capital market-oriented products. It is therefore important for the OVB sales subsidiaries to strategically address the current macroeconomic development and to offer the appropriate sales opportunities in an agile manner. OVB monitors the political, regulatory, economic and cyclical developments in the markets in which it operates and utilises external market analyses and the know-how of external experts and analysts in order to review its strategic and operational orientation in view of these developments. This also applies to 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 OVB Group within Europe enables 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 to benefit from particularly favourable developments in 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, tailored to the respective situation in the relevant markets, also helps offset risks at least in certain sub-segments.

Opportunities and risks due to the development of company-specific factors of value

Company-specific factors of value for the business success of OVB Group's entities are the expansion of the sales organisation, 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 income in all the national markets in which it operates. Winning new clients and maintaining long-term client relationships are essential factors of success.

The predicted recession in some of the countries in which OVB operates, combined with the inflation that is still rampant in some countries, may continue to affect the income and consumer demand of private households in Europe. This is due not only to the uncertainties surrounding the progress of the war in Ukraine but also to the associated change in the economic situation in Europe as a whole.

Even though OVB succeeded in continuing the growth of brokerage income in 2023, external factors may lead to an acceleration of the recession in OVB's core countries, a further decline in economic development, declining stock and bond markets and, as a consequence, to declining income and margins if clients have fewer financial resources at their disposal for asset generation, wealth management and asset protection in the future.

Generally speaking, however, OVB sees demand for OVB's services and thus sufficient potential for new business in all countries in which OVB's consolidated entities operate due to the continuing need for personal provision and especially in view of the demographic development. Adjustments to the changed economic and general conditions were initiated by sales management and product management together with the product providers, allowing for an early response to the dynamic situation. The effects of positive or negative developments are analysed by management on an ongoing basis.

The continuous development of the sales force and the long-term commitment of a sufficient number of motivated and competent financial advisors are further factors for OVB's business success and future growth. The development of the basis of financial advisors, the acquisition of new advisors as well as the total number of financial advisors, is the subject of periodic reporting.

Even though OVB is exposed to aggressive poaching attempts in part by competitors focusing on OVB's well-trained and licensed financial advisors, a possible fluctuation of advisors in a consolidating industry poses both opportunities and risks. Based on its many years of experience, OVB sees itself in a position to counteract a possible turnover of financial advisors as well as to recruit new financial advisors. The advantages include e.g. a transparent contract structure, a competitive commission model for sales and international career opportunities.

At the same time, the consolidated entities place great emphasis on the continuous professional training and further education of their financial advisors.

One material risk in network marketing is the risk of network loss. In case that entire networks decide not to work for OVB anymore, there is an increased risk that high sales contributions will no longer be generated. The risk of network loss increases particularly if financial advisors are dissatisfied with processes or commission payments. OVB monitors the risk of network loss within the operating subsidiaries and counters any emerging risks with targeted measures.

OVB has a broad portfolio of high-capacity product partners. Nevertheless, it is important for OVB to continuously measure the performance of the product partners and products sold and, if necessary, to engage in a constructive dialogue for further development in line with the Premium Select Strategy in order to generate a high level of client satisfaction.

Financial products of more than 100 insurance companies, investment trusts, building societies and banks are brokered at present. On this basis it is possible to choose and realise product offerings and concepts suited to the demands of the individual client.

Risks connected to the selection of products are limited by working together with reputable and internationally experienced product providers based on partnerships with a long-term horizon and by involving external analyses.

By elaborate monitoring of the market, OVB identifies client demands and market trends, responded to in collaboration with the product partners with competitive products tailored to the clients' wishes. In an ongoing dialogue with its partners, OVB assures the quality and competitiveness of the product portfolio throughout Europe.

Risks from a diminishing appeal of the products are met by OVB through a continuous review of client feedback and countered by launching targeted measures at the level of the operating subsidiaries and the expert departments of OVB Holding AG in collaboration with the product partners.

The close cooperation throughout all levels and the constant monitoring of the market also generate opportunities in this regard.

OVB is thus capable of responding swiftly to market developments and providing suitable products to the financial advisors. Based on the exchange with them, their experiences and suggestions for improvement and the expansion of the product portfolio and corresponding service performances are used by committees established for that purpose. A decrease in sales of individual products can at least partially be compensated by OVB through the sale of other products.

An essential cornerstone of OVB's corporate strategy is the Premium Select Strategy. Working especially close together with high-capacity product partners offers OVB the opportunity to gain market shares based on its competitive edge.

Opportunities and risks in recruiting and HR management

Recruiting measures are constantly being pushed forward in Sales. Leadership skills of sales managers are strengthened by a Europe-wide training system.

The development of human resources is also to be observed constantly with respect to office staff and sales force in order to be able to counteract the risk of fluctuation and undesirable developments concerning the workforce structure as well as personnel expenses.

Above-mentioned risks due to the macroeconomic situation and its impact on the real income of households also include opportunities for OVB as employees may take up work as financial advisors for OVB on a part-time basis, either due to unemployment or in addition to their original occupation.

Corresponding information campaigns are already being developed and implemented at the level of the sales subsidiaries. In contrast, OVB is exposed to targeted poaching attempts by competitors focusing primarily on OVB's well-trained and licensed financial advisors.

Demographic change, i.e. the change in the age structure, harbours risks for OVB as well as for other companies. The resulting shortage of qualified labour may lead to the fact that specialised activities that OVB performs in the brokerage of financial services on the one hand and in the head offices of the subsidiaries on the other hand cannot be performed at all or in a timely manner. The already existing competition among companies for labour is expected to intensify further. In general, the costs for age-appropriate jobs and health care costs could rise. The risks listed also pose challenges for OVB. In addition to attractive offers for employees, processes need to be further digitalised and knowledge transfer needs to be established in order to counter the loss of knowledge due to retiring employees. Opportunities on the product side also need to be adapted to the changing consumer habits, needs and preferences of an ageing population. OVB is therefore already developing strategies to adapt to demographic change. These include targeted human resources development, further training, flexible working models and strategic planning for dealing with demographic changes.

Some of the older operating subsidiaries have a high proportion of personnel expenses and a high average age. Human resources are a key asset for OVB for keeping up its successful business operations in the market. The grooming and development of the office staff and the sales force and their professional training are a key prerequisite to OVB's growth. Increased outsourcing increases the risk of dependencies. At OVB, there are some cases of dependency in key positions on external as well as individual in-house employees within the Group.

Reputational opportunities and risks

Reputational risk arises 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 their brokerage are activities subject to critical public scrutiny on a case-by-case basis.

Furthermore, the turnaround in interest rates pushed forward by the European Central Bank may lead, among other things, in part to declining stock markets, which in turn could also affect the financial products sold by OVB. Non-performing financial products could also damage the Company's reputation.

OVB is particularly exposed to the risk that the public's trust in the Company might be negatively affected e.g. by claims against sales advisors based on incorrect or allegedly incorrect advice or concerning products distributed by them and corresponding media coverage.

Apart from that, even by providing strict internal guidance and standards, human misconduct can never be completely ruled out, potentially leading to the materialisation of reputational risk.

OVB follows and analyses any such cases with the aim of taking preventive action to halt any damage to the Company's reputation even before it arises.

Professional training standards are compliant with or even go beyond statutory requirements and are constantly being enhanced and adjusted to a changing legal framework. Documentation of counselling interviews and strict selection criteria for accepting new product providers and new products support this goal.

There are risks to the Company's reputation with regard to sustainability-induced risks in the context of cybercrime and data security, climate emissions, resource consumption or OVB's investment behaviour, among other things.

Reputational damage impedes recruiting and OVB's sales performance. In addition to in-house quality assurance measures, image improvement efforts are pressed ahead with.

OVB also keeps focusing on the advancement of its web presence in order to seize opportunities as they arise and to remain competitive.

Apart from the continuous maintenance of the Company's internet domains, the financial advisors must also be given support for their own web presence. In addition to network domains, this includes the opportunities and risks of the social networks and video and photo sharing apps such as YouTube and Instagram. Within the framework of its "Social Media Strategy", OVB Holding AG addresses OVB's still upgradeable presence in the new media and supports the operating subsidiaries and financial advisors in creating their respective presence on the internet.

Content considered negative by the public has a direct impact on clients and the recruiting of new financial advisors and employees. The prevention of negative content is being trained and implemented. Social media guidance governs the compliance relevant conduct of OVB employees and financial advisors in this respect. Compliance with such rules is subject to monitoring provided by the head offices of the operating subsidiaries and by OVB Holding AG.

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

Risks associated with advisory services and liability risk
Brokerage of financial products generally takes place after previous advice and a suitability test provided to the client. The purpose of the advisory service and the suitability test 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 meant to be curtailed by continually raising the awareness of and providing continuing education opportunities to our financial advisors with a view to providing needs-specific advice and by documenting and recording client meetings as required.

With the introduction of the Financial Investment Mediation Regulation (FinVermV) in Germany and further regulatory requirements in Europe, conditions for the brokerage of financial investments have been tightened. Accordingly, all client advisory consultations and brokerage conversations are recorded in compliance with the obligations under the law.

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

Financial risk
Default risk may arise from receivables from business partners and from advance commission payments to sales advisors and commission claw-back. In individual cases, commission earned but not yet received is paid to sales advisors in order to bridge the gap until payment is received from the product providers. OVB counters default risk by way of risk-sensitive accounts receivable management and the careful selection of its business and product partners.

Appropriate valuation allowances are made for receivables that are considered doubtful from today's perspective, also in view of the COVID-19 pandemic and the Russian war of aggression against Ukraine.

Such allowances account for 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 0.30 per cent for the year under review (previous year: 0.33 per cent).

Cancellation risk is covered by OVB by retained cancellation reserve with respect to the financial advisors 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 risk* associated with the investment of liquid assets is contained by means of strict credit rating requirements and appropriate capital investment management. OVB maintains business relationships with several banks belonging to different banking systems. OVB closely monitors the rating of these banks and considers the assessment of major rating agencies if available.

Market risk is the risk of losses as a result of unfavourable changes in market prices or price-affecting parameters. Market price risk includes 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 fluctuation (please also refer to the annotations in the previous chapters).

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 based on real assets are altogether of minor relevance to the consolidated companies. Had the market interest rate of relevance to capital investments been 100 basis points higher (lower) over the full year 2023, earnings would have been Euro 643 thousand higher (lower).

Currency risk results 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 risk is low for OVB as business operations are financed out of the current cash flow and liquidity reports assist in the management and investment of surplus liquidity.

These reports routinely provide 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 consolidated companies.

Financial risks related to *sustainability* include the loss of market shares or competitive opportunities due to the misjudgement of market developments or client wishes.

Operational risk
OVB uses both in-house staff and external contractors as well as technical and structural facilities for transacting its business operations. OVB also takes note of the shortage of skilled labour across all industries and responds to that with attractive job offers and conditions. At the same time, OVB generates opportunities in the highly competitive job market through its modern design of the workplace environment.

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 highly regards the protection of privacy and control over one's personal data. Therefore personal data are collected, processed and used only in compliance with applicable data protection and data security provisions.

In addition to the implementation of GDPR (General Data Protection Regulation) requirements by way of corresponding projects launched at all relevant sales subsidiaries, OVB constantly invests in the security of its systems.

As explained above, the increasing digitalisation not only facilitates new, innovative applications but also creates new threats, e.g. by cybercrime. OVB contains the risk of breaches of in-house and external rules and regulations by separating management and control functions from each other. OVB guards itself against damages and potential liability risk by appropriate insurance protection.

Observable precautions and stipulations under data protection law emerge in connection with the expansion of video conferencing for sales and back-office tasks. This aspect has been accounted for by corresponding prevention and protection measures whose safeguarding and implementation is an ongoing process.

Legal risk
The management of legal risks is coordinated by OVB's legal department. OVB protects itself by drawing on comprehensive advice both from in-house specialists and external lawyers before making business decisions and structuring business processes. The legal team's tasks also include the monitoring and evaluation of current legal disputes.

Updated information on current litigation is provided to the legal department by the sales subsidiaries on a quarterly basis. Constant monitoring and assessments conducted by the legal team enable OVB to counter risks associated with potentially incorrect advice to clients or brokerage of financial and insurance products. OVB further mitigates its risk of liability in part by taking out adequate financial liability insurance which is routinely reviewed and adjusted if necessary.

According to our assessment and the consultation of external legal experts, currently pending cases basically do not pose risks at present that might have material adverse effects on OVB's assets and liabilities, financial position and profit/loss. Adequate provisions are made for lawsuits.

Tax risk
A changing tax framework for individual sales subsidiaries as well as for advisory services may result in tax risks for OVB.

OVB constantly monitors tax law developments as they emerge in all of the countries in which it does business, particularly including potential regulatory intervention that would affect the tax treatment of the 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 any corresponding directives issued by the respective tax authorities. Adequate provisions are made for tax payments to be expected.

Sustainability risks and opportunities
Sustainability risks result from OVB's social responsibility, a heightened awareness of sustainability and the regulatory framework. OVB regards sustainability risks as events or conditions in the areas of environment, social affairs or corporate governance (which is why they are also called ESG risks), the occurrence of which may actually or potentially have material adverse effects on the assets and liabilities, financial position and profit/loss as well as on the reputation of OVB. ESG risks can be found in all areas of the Company and include climate-related risks in the form of physical risks or transition risks. These may take shape in all kinds of individual opportunities and risks. In this respect, opportunities and risks relating to sustainability are included in the opportunity and risk management system and are specifically described in the aforementioned individual opportunities and risks, insofar as they are explicitly relevant to sustainability.

In the course of the annual risk inventory, OVB Holding AG enquires about the handling of such risks at the sales subsidiaries, assesses and consolidates them at Group level and makes recommendations for action if necessary. In addition to that, sustainability risks are communicated to OVB's Executive Board and Supervisory Board in the context of quarterly risk management reporting as they are integrated into key performance indicators and thus represent early risk detection indicators.

In addition to that, OVB sees opportunities in the dynamic general conditions which in the future will be implemented in a sustainability strategy by a newly established Sustainability Committee and perceived separately as part of the new medium-term corporate strategy.

Estimation risk
Assumptions and estimates primarily concern the measurement of provisions, the collectability of receivables, the impairment of goodwill, legal risk, depreciation and amortisation, the determination of the useful lives of assets and imponderables in corporate planning as they affect the capitalisation of deferred tax on loss carry-forward in terms of reason and amount. Changes are considered as soon as better information becomes available.

Overall assessment of opportunities and risks

OVB's business performance is essentially influenced by industry-specific regulatory risks, risks connected to the availability and functionality of IT systems and risks from the development of Company-specific factors of value.

OVB's risk management system and the implemented reporting system make a substantial contribution to the fact that the Group's overall risk position is being controlled and made transparent.

Together with the beginning turnaround in interest rates and progressing inflation, the risk of a downturn in economic development increases, resulting in declining stock and bond markets and thus in decreasing earnings and margins for OVB. Due to the effects of the energy crisis, consumers will have less money at their disposal, which may have an impact on new business on the one hand and on the cancellation behaviour of our clients on the other hand. Almost all European countries in which OVB operates are affected by this.

Furthermore, continued risks result from the increasingly coordinated implementation of audits by the regulatory authorities at local and European level as well as from pending and potential regulatory projects at the European level if the adjustment of processes is delayed.

OVB has constantly analysed and seized any opportunities that arose in 2023 due to the dynamic business environment.

OVB has seen to risk 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 solid equity position and the available liquidity result in OVB Group's high risk-bearing capacity at present. Even the coincidence of several major risks would not threaten OVB's continued existence based on the findings at hand.

The risk management and control system as well as all corporate governance functions are 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 might have a negative impact on the forecasts made in the following outlook report.

Outlook

Forward-looking statements included in this outlook report are based on OVB's assessments and conclusions with respect to the information available at the time of preparing this management report.

The statements are based on assumptions regarding future developments that have been considered for corporate planning. The occurrence of future events is subject to uncertainty so that the actual development may deviate from the following statements.

Within the context of the following forecasts, OVB assumes that the general economic conditions in the individual regions will develop in 2024 as described in the chapter "Macroeconomic and industry-related general conditions". This means that the economy of the eurozone will grow by 0.9 per cent in 2024. Against this backdrop, OVB predicts the development in 2024 as follows:

Development in Central and Eastern Europe
OVB anticipates for the Central and Eastern Europe segment a modest increase in brokerage income and operating result in financial year 2024.

Development in Germany
For the Germany segment, OVB expects a slight increase in brokerage income and a considerable decrease in operating result in view of rising IT expenses in 2024.

Development in Southern and Western Europe
OVB expects for the Southern and Western Europe segment a considerable increase in brokerage income and a sharp increase in operating result in the 2024 financial year.

Development of Corporate Centre
For the Corporate Centre segment, OVB Holding AG anticipates a sharp increase in operating loss for 2024 in view of inflation-related cost increases and rising IT expenses.

Development of OVB Holding AG
Under the condition of higher investment and finance income and lower write-down on the carrying amounts of investments in subsidiaries, the Executive Board expects a sharp increase in earnings after taxes even at a sharp decrease in operating result as planned.

Development of the Group
One essential strength of OVB Group is its broad international positioning over currently 16 European countries. Market conditions remain altogether challenging. Despite the high demand for private risk protection and provision it cannot be ruled out that clients will act more cautiously with respect to long-term investment decision, particularly against the backdrop of the high inflation rate. OVB will keep pursuing its course for growth and thus aim for further expansion of the number of financial advisors and clients.

The long-term business potential in the market of private risk protection and retirement provision remains unchanged. In view of further changes in the business environment, the markets and the legal framework of the Company's business, OVB is developing a new medium-term strategy for growth, focusing on the sustained expansion of both the sales organisation and the client base.

The 2024 outlook for the Group is based on assessments and conclusions with respect to information available to OVB at the time of preparing this management report and subject to uncertainty. Therefore the actual development may deviate from the following forecast.

Generally speaking, OVB is expecting to generate growth in 2024 in all business segments. In order to take into consideration the uncertainty that still exists in the overall economy, OVB anticipates brokerage income for the Group within a margin of Euro 360 million to 385 million in the 2024 financial year. In view of the expenditure linked to the new strategy, the operating result is expected to range between Euro 17 million and 20 million.

Statement on corporate governance

Executive Board and Supervisory Board have released the statement on corporate governance. It is available on the internet at https://www.ovb.eu/english/investor-relations/corporate-governance.

Remuneration report

The 2023 remuneration report pursuant to Section 162 AktG (Stock Corporation Act) will be made available in due time on the internet at https://www.ovb.eu/english/investor-relations/corporate-governance.

Separate non-financial consolidated management report

The separate non-financial consolidated management report is available on the internet at https://www.ovb.eu/english/sustainability/sustainability-at-ovb.html.

Information pursuant to sections 289a (1), 315a (1) HGB and explanatory report

Composition of subscribed capital

The Company's share capital was Euro 14,251,314.00 as of 31 December 2023, 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 in excess of 10.0 per cent of the voting rights in OVB Holding AG. The following groups of shareholders are also referred to as principal shareholders.

Baloise Beteiligungsholding GmbH (formerly Basler Beteiligungsholding GmbH), Hamburg, holds roughly 32.57 per cent of shares and voting rights in OVB Holding AG directly. Including voting righhts attributable in accordance with Section 34 WpHG (Securities Trading Act), Baloise Beteiligungsholding GmbH holds roughly 96.98 per cent of the voting rights in OVB Holding AG in accordance with Sections 33, 34 WpHG.

This share of voting rights of roughly 96.98 per cent is attributed to Baloise Sachversicherung Aktiengesellschaft Deutschland, Bad Homburg v.d.H., Baloise Lebensversicherung Aktiengesellschaft Deutschland, Hamburg, Baloise Sach Holding AG, Hamburg, Baloise Beteiligungen B.V. & Co. KG, Hamburg, Bâloise Delta Holding S.a.r.l., Bartingen, Luxembourg, and Bâloise Holding AG, Basel, Switzerland, in accordance with Section 34 WpHG.

SIGNAL IDUNA Lebensversicherung a. G., Hamburg, holds roughly 31.67 per cent of the shares and voting rights in OVB Holding AG directly. SIGNAL IDUNA Krankenversicherung a. G., Dortmund, holds roughly 21.27 per cent of the shares and voting rights in OVB Holding AG directly. Altogether, SIGNAL IDUNA Lebensversicherung a. G. and SIGNAL IDUNA Krankenversicherung a. G. hold roughly 96.98 per cent of the voting rights in OVB Holding AG including voting rights attributable in accordance with Section 34 WpHG.

The voting rights held respectively by SIGNAL IDUNA Krankenversicherung a. G. and SIGNAL IDUNA Lebensversicherung a. G. of roughly 96.98 per cent in accordance with Sections 33, 34 WpHG are also attributed to SIGNAL IDUNA Unfallversicherung a. G., Dortmund, in accordance with Section 34 WpHG.

Generali CEE Holding B.V., Amsterdam, The Netherlands, holds roughly 11.48 per cent of the shares and voting rights in OVB Holding AG directly. Including votings rights attributable in accordance with Section 34 WpHG, Generali CEE Holding B.V. holds voting rights of roughly 75.71 per cent in OVb Holding AG in accordance with Sections 33, 34 WpHG. This share of voting rights of roughly 75.71 per cent is attributed to Assicurazioni Generali S.p.A., Trieste, Italy, in accordance with Section 34 WpHG.

The free float as defined by Deutsche Börse AG amounts to roughly 3.01 per cent according to the information available to OVB Holding AG.

Restrictions on voting rights or share assignment

Principal shareholders Baloise Group, SIGNAL IDUNA Group and Generali CEE Holding B.V. have concluded a shareholder voting agreement under which the contracting parties are obligated to exercise their votes at the General Meeting of Shareholders in elections to the Supervisory Board in such a way that the candidates proposed by Baloise Group, SIGNAL IDUNA Group and Generali CEE Holding B.V. will be elected to the Supervisory Board. Furthermore, two principal shareholders have committed themselves to sell their shares only if the purchaser of shares will enter into this shareholder voting agreement.

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

The Executive Board, consisting of two members or more pursuant to Section 7 (1) of the Articles of Association, is appointed and dismissed exclusively in accordance with the relevant statutory provisions (Sections 84, 85 AktG – Stock Corporation Act). The Supervisory Board has sole responsibility for the appointment and recall of Executive Board members, determines the number of Executive Board members and appoints them 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 can be amended by resolution of the General Meeting of Shareholders.

Amendments become effective 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 to amend the Articles of Association must be adopted by a simple majority of the votes cast at the General Meeting of Shareholders as well as a majority of three fourths or more of the share capital represented at the vote unless provisions of the German Stock Corporation Act determine 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 authorization to issue and buy back shares

At present, OVB Holding AG has neither contingent nor authorised capital. The Annual General Meeting of 10 June 2020 authorised the Company to purchase up to 300,000 treasury shares up to and including 9 June 2025.

Shares acquired in case of exercising this authorisation must not come to more than 10 % of the Company's share capital together with other treasury shares held by the Company or attributable to the Company according to Sections 71a et seq. AktG at any time. The Company may not use the authorisation for purposes of trading treasury shares.

Shares may be purchased on the stock exchange or by means of a public purchase offer addressed at all shareholders. The Company may also use intermediaries to purchase 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 costs) must neither exceed nor fall below the arithmetic average share price (closing auction prices for OVB stock on the Xetra trading platform or a functionally equivalent successor system at the Frankfurt Stock Exchange) by more than 5 per cent respectively over the last ten trading days prior to conclusion of the obligation transaction.

In case of a public purchase offer, the purchase price must neither exceed nor fall below the arithmetic average share price (closing auction prices for OVB shares on the Xetra trading platform or a functionally equivalent successor system at the Frankfurt Stock Exchange) by more than 10 per cent respectively during the last ten trading days prior to the day of announcement of the purchase bid. If significant price deviations from the offered purchase price or the threshold prices of the offered purchase price range arise after the announcement of a public purchase offer, the offer may be adjusted, subject to the Supervisory Board's approval. In that case the deciding amount is determined according to the respective price on the final trading day prior to the announcement of the adjustment; the 10 per cent limit to exceeding or falling below the share price shall be applied to that amount. The volume of the offer may be limited.

If total subscription to the offer exceeds its volume, acceptance must be proportionate to the number of shares respectively offered. Privileged acceptance of smaller allotments of no more than 100 shares per shareholder offered to the Company for purchase may be provided for, subject to partial exclusion of any shareholders' rights to tender their respective shares.

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

Subject to the Supervisory Board's approval, the Executive Board may use the Company's shares bought back as (partial) consideration in connection with business combinations or for the acquisition of entities, investments in entities, business divisions or other assets.

The Executive Board may also use repurchased shares in order to fulfil the obligations under any share-based payment plans in favour of members of management, other executives, other employees or self-employed sales advisors of OVB Holding AG and its domestic and foreign subsidiaries (for the purpose of Sections 15 et seq. AktG).

The Executive Board may also, subject to the Supervisory Board's approval, retire repurchased shares without requiring another resolution of the General Meeting of Shareholders. The Executive Board may elect to retire only a part of the shares bought back.

Shares may be retired without causing changes to the share capital but by increasing the respective amount of the share capital allotted to the remaining shares.

Above authorizations to retire shares may be exercised in one amount or in several instalments.

The shareholders' subscription right to the Company's treasury shares is excluded insofar as such shares are used in accordance with the authorisations described above as (partial) consideration in connection with business combinations or for the acquisition of entities, investments in entities, business divisions or other assets, or in order to fulfil the obligations under any share-based payment plans in favour of members of management, other executives, other employees or self-employed sales advisors of OVB Holding AG and its domestic and foreign subsidiaries (for the purpose of Sections 15 et seq. AktG).

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 to prevent any successful takeover bids.

The Company has not concluded any compensation agreements for the event of a takeover bid with members of the Executive Board or with employees.

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, based on the circumstances known to the Company at the time the respective transaction or measure was taken or deliberately not taken.

Consolidated financial statements 2023

Consolidated statement of financial position

of OVB Holding AG as of 31 December 2023 according to IFRS

Assets

Note	EUR'000	31/12/2023	31/12/2022
	A. Non-current assets		
1	Intangible assets	17,277	14,019
2	Rights of use of leased assets	10,836	9,874
3	Tangible assets	5,109	5,702
4	Financial assets	375	489
5	Deferred tax assets	5,974	5,557
		39,571	**35,641**
	B. Current assets		
6	Trade receivables	53,028	46,795
7	Receivables and other assets	57,698	54,653
8	Income tax assets	1,880	1,534
9	Securities and other capital investments	47,954	41,846
10	Cash and cash equivalents	72,832	80,644
		233,392	**225,472**
	Total assets	**272,963**	**261,113**

Note

Equity and liabilities

Note	EUR'000	31/12/2023	31/12/2022
	A. Equity		
11	Subscribed capital	14,251	14,251
12	Capital reserve	39,342	39,342
13	Treasury shares	0	0
14	Revenue reserves	13,573	13,708
15	Other reserves	391	-157
16	Non-controlling interests	660	513
17	Retained earnings	27,481	25,857
		95,698	**93,514**
	B. Non-current liabilities		
18	Provisions	1,073	1,832
19	Other liabilities	8,933	8,245
20	Deferred tax liabilities	1,149	879
		11,155	**10,956**
	C. Current liabilities		
21	Provisions for taxes	1,282	1,558
22	Other provisions	70,994	67,889
23	Income tax liabilities	716	658
24	Trade payables	25,994	24,618
25	Other liabilities	67,124	61,920
		166,110	**156,643**
	Total equity and liabilities	**272,963**	**261,113**

Note

Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 December 2023 according to IFRS

Note	EUR'000	01/01 – 31/12/2023	01/01 – 31/12/2022
26	Brokerage income	354,348	331,947
27	Other operating income	13,315	14,972
	Total income	**367,663**	**346,919**
28	Brokerage expenses	-235,831	-218,259
29	Personnel expenses	-50,124	-45,575
30	Depreciation and amortisation	-8,245	-8,495
31	Other operating expenses	-55,633	-52,579
	Earnings before interest and taxes (EBIT)	**17,830**	**22,011**
	Finance income	3,520	2,024
	Finance expenses	-405	-2,625
32	**Financial result**	**3,115**	**-601**
	Consolidated income before income tax	**20,945**	**21,410**
33	Taxes on income	-6,181	-6,349
34	**Consolidated net income**	**14,764**	**15,061**
35	Thereof non-controlling interests	-449	-390
36	**Consolidated net income after non-controlling interests**	**14,315**	**14,671**
37	Basic earnings per share in Euro	1.00	1.03

Note

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 December 2023 according to IFRS

EUR'000	01/01 – 31/12/2023	01/01 – 31/12/2022
Consolidated net income	**14,764**	**15,061**
Revaluation effect from provisions for pensions	544	583
Deferred tax due to revaluation effect from provisions for pensions	-140	-117
Other comprehensive income not to be reclassified to the income statement	**404**	**466**
Change from revaluation of financial assets measured at fair value outside profit or loss	104	-306
Change in currency translation reserve	40	-96
Other comprehensive income to be reclassified to the income statement	**144**	**-402**
Total comprehensive income before non-controlling interests	**15,312**	**15,125**
Total comprehensive income attributable to non-controlling interests	-449	-390
Total comprehensive income	**14,863**	**14,735**

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 31 December 2023 according to IFRS

EUR'000		01/01 – 31/12/2023	01/01 – 31/12/2022
Consolidated income before income tax		20,945	21,410
+/-	Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	8,245	8,495
-	Financial result	-3,115	601
-/+	Unrealised currency gains/losses	-797	287
+/-	Allocation to/reversal of valuation allowances for receivables	171	759
+/-	Other non-cash financial items	790	-255
+/-	Increase/decrease in provisions	2,346	-3,289
+/-	Result from the disposal of intangible and tangible assets	-33	-113
+/-	Decrease/increase in trade receivables and other assets	-9,448	-11,072
+/-	Increase/decrease in trade payables and other liabilities	6,149	6,464
-	Income tax paid	-6,891	-7,487
= Cash flow from operating activities		**18,362**	**15,800**
+	Payments received from disposal of tangible assets and intangible assets	77	450
+	Payments received from disposal of financial assets	187	91
+	Payments received from disposal of securities and other short-term capital investments	25,844	26,687
-	Payments for expenditure on tangible assets	-1,308	-1,889
-	Payments for expenditure on intangible assets	-7,111	-4,781
-	Payments for expenditure on financial assets	-73	-67
-	Payments for expenditure on securities and other short-term capital investments	-31,293	-16,007
+	Other finance income	69	465
+	Interest received	2,465	1,445
= Cash flow from investing activities		**-11,143**	**6,394**
-	Dividends paid	-13,128	-12,982
-	Payments on the principal of the lease liability from financing activities	-2,374	-2,441
-	Payments on the interest of the lease liability from financing activities	-361	-316
= Cash flow from financing activities		**-15,863**	**-15,739**
Overview:			
Cash flow from operating activities		18,362	15,800
Cash flow from investing activities		-11,143	6,394
Cash flow from financing activities		-15,863	-15,739
= Net change in cash and cash equivalents		**-8,644**	**6,455**
Exchange rate changes in cash and cash equivalents		832	-405
+ Cash and cash equivalents at end of the prior year		80,644	74,594
= Cash and cash equivalents at the end of the period		**72,832**	**80,644**

Consolidated statement of changes in equity

of OVB Holding AG as of 31 December 2023 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2022	**14,251**	**39,342**	**2,576**	**11,132**	**-308**	**-82**
Consolidated net income						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					104	
Allocation to other reserves				-135		
Change in currency translation reserve						
Revaluation effect from provisions for pensions						544
Consolidated net income						
31/12/2023	**14,251**	**39,342**	**2,576**	**10,997**	**-204**	**462**

of OVB Holding AG as of 31 December 2022 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2021	**14,251**	**39,342**	**2,576**	**11,132**	**-2**	**-665**
Consolidated net income						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					-306	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						583
Consolidated net income						
31/12/2022	**14,251**	**39,342**	**2,576**	**11,132**	**-308**	**-82**

Deferred tax on unrealised gains/losses	Currency translation reserve	Total income recognised directly in equity	Retained profits brought forward	Consolidated net income after non-controlling interests	Total compre-hensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
56	**177**		**11,186**	**14,671**		**93,001**	**513**	**93,514**
			14,671	-14,671				
			-12,826			-12,826	-302	-13,128
		104			104	104		104
			135					
	40	40			40	40		40
-140		404			404	404		404
				14,315	14,315	14,315	449	14,764
-84	**217**	**548**	**13,166**	**14,315**	**14,863**	**95,038**	**660**	**95,698**

Deferred tax on unrealised gains/losses	Currency translation reserve	Total income recognised directly in equity	Retained profits brought forward	Consolidated net income after non-controlling interests	Total compre-hensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
173	**273**		**8,297**	**15,715**		**91,092**	**279**	**91,371**
			15,715	-15,715				
			-12,826			-12,826	-156	-12,982
		-306			-306	-306		-306
	-96	-96			-96	-96		-96
-117		466			466	466		466
				14,671	14,671	14,671	390	15,061
56	**177**	**64**	**11,186**	**14,671**	**14,735**	**93,001**	**513**	**93,514**

Notes to the consolidated financial statements for financial year 2023

I. General information

1. General information on 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, Heumarkt 1, Germany. The Company is recorded in the commercial register at the Local Court of Cologne (Amtsgericht) under registration number 34649, section B. The Company's business is the management of entities 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 2023 are scheduled for publication on 21 March 2024 pursuant to a resolution of the Executive Board with the approval of the Supervisory Board.

2. Significant events in the reporting period

The reporting period continued to be affected by geopolitical tensions. While Russia's war of aggression in Ukraine continues, another war has started in the Middle East since the Hamas terrorist attack on Israel on 7 October 2023. Supply chains are already affected by this, as e.g. cargo ships in the Red Sea are being attacked by Houthi rebels and now have to take long detours via Africa.

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

Precautionary measures as of the closing date consider the whole set of uncertainties brought about by the current macroeconomic framework.

Therefore, there are effects on individual items in the statement of financial position for OVB as of the reporting date, particularly the measurement of the contract asset according to IFRS 15 and the assessment of the future cancellation behaviour of policyholders and connected to that the measurement of provisions for cancellation risk and the measurement of financial instruments. In the previous year, the measurement of receivables from financial advisors was affected as well by increased precautionary measurements. The development of macroeconomic conditions had the following effects on above-listed items in financial year 2023.

Cancellation risk

Against the backdrop of the current macroeconomic development, OVB has reduced its additional precautionary measure, as a relative premium based on the severity of the described risks, compared to the previous year. Additional precautionary measures were thus reduced from EUR 3.5 million to EUR 0.8 million.

Contract asset

The contract asset less provisions from subsequent commission (IFRS 15) is reduced by the net amount of EUR 0.1 million as of 31 December 2023 by the additional precautionary measures (31 December 2022: EUR 0.6 million).

Receivables from financial advisors

Due to the current macroeconomic environment, no higher probabilities of default are expected as of the reporting date that would have an increasing effect on the valuation allowances on receivables from financial advisors (31 December 2022: EUR 0.3 million).

3. Summary of basic principles of financial accounting

As the listed parent company which makes use of an organised market within the meaning of Section 2 (5) WpHG (Securities Trading Act), OVB Holding AG has prepared its consolidated financial statements pursuant to Section 315e HGB (Commercial Code) 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 2023 as well as the interpretations released by the IFRS Interpretations Committee [formerly: International Financial Reporting Interpretations Committee (IFRIC)] and the Standing Interpretations Committee (SIC) have been complied with. Supplementary trade law requirements under Section 315e (1) HGB have also been fulfilled.

The separate 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 insofar as those entities permanently provide brokerage services or assume material functions within the Group.

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

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

3.1 Mandatory accounting standards

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

Standards applied for the first time and amended standards

In financial year 2023, the following new standards were subject to mandatory first-time adoption:

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

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

- **IAS 12 Taxes on Income (amendments)**
  The IASB has released a clarification regarding deferred tax on transactions of e.g. leases and decommissioning obligations, principally introducing another exemption from the "initial recognition exemption". In the future, deferred tax assets and liabilities have to be recognised for transactions whose initial recognition results in equal amounts of deductible and taxable temporary differences. Amendments are effective as of 1 January 2023, application ahead of schedule was permitted. No material effects on the consolidated financial statements result from these amendments.

In response to the guidelines published by the OECD on the global anti-base erosion (GloBE) rules for harmonising the tax system, the IASB has released amendments to IAS 12, which relate to an exemption from the provisions of IAS 12 with regard to the recognition and presentation of disclosures in the notes of deferred tax assets and liabilities in connection with income taxes of the so-called "second pillar" (global minimum tax of 15 per cent) of the OECD. On the other hand, the amendments result in regulations regarding the separate disclosure of actual tax expense (income) and income taxes of the second pillar, regulations regarding the disclosures in the notes for periods in which second pillar laws are (essentially) introduced and regulations regarding the presentation in accordance with IAS 8. Amendments are effective as of 1 January 2023. No material effects on the consolidated financial statements result from these amendments.

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

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

Standards released but not yet subject to mandatory application

The following new standards will be subject to mandatory adoption in future reporting periods:

– **IAS 1 Presentation of Financial Statements (amendments)**
  The standard will clarify the classification of liabilities as current or non-current liabilities in its future version. The amendment is effective as of 1 January 2024. No material effects on the consolidated financial statements will result from this amendment.

– **IFRS 16 Leases (amendments)**
  For a clarification of the subsequent measurement of lease liabilities in a sale and leaseback, the IASB has announced amendments to IFRS 16. These provide for the seller-lessee to measure lease liabilities without recognising any amount of the gain or loss that relates to the sale of the retained right of use. Amendments are effective as of 1 January 2024, application ahead of schedule is permitted. No material effects on the consolidated financial statements will result from these amendments.

The following standards have been released but may only be adopted for future periods after they have been EU endorsed:

– **IAS 7 Statement of Cash Flows / IFRS 7 Financial Instruments: Disclosures (amendments)**
  In order to provide clear guidance on qualitative and quantitative information in connection with financing arrangements with suppliers, the IASB has announced amendments to IAS 7 and IFRS 7. The amendments relate to the definition of characteristics of an arrangement for which disclosures must be made in the notes, as well as additional disclosures to be made in the notes in connection with supplier financing arrangements. Amendments are effective as of 1 January 2024. No material effects on the consolidated financial statements will result from these amendments.

– **IAS 21 The Effects of Changes in Foreign Exchange Rates (amendment)**
  The amendment governs how to determine exchange rates where there is a lack of exchangeability. If a currency is not exchangeable at the measurement date, the reporting entity estimates the closing rate as the rate that would have applied to an orderly transaction between market participants and that would faithfully reflect prevailing economic conditions. The entity also provides information that enables users of the financial statements to evaluate how the lack of exchangeability of a currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendment is effective as of 1 January 2025, application ahead of schedule is permitted. No material effects on the consolidated financial statements will result from this amendment.

There are no other standards or interpretations that are not yet mandatory or that would have a material impact on the Group.

3.2 Principles of consolidation

The consolidated financial statements for the financial year ended 31 December 2023 incorporate OVB Holding AG and the subsidiaries under its control. Control applies if OVB has the power to control the entity (more than 50 per cent of the voting rights) and the right to claim the entity's variable returns as well as the power to use its decision-making authority to influence the amounts of variable returns (influence on financial or dividend distribution policy).

The consolidated financial statements include 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. Inclusion in the consolidated financial statements by way of full consolidation ends as soon as an entity is no longer controlled by the parent.

OVB Holding AG applies the acquisition method for the accounting treatment of business combinations.

The following subsidiaries have been included in the consolidated financial statements of OVB Holding AG:

Consolidated entities	Interest in per cent 2023	Equity in EUR'000 31/12/2023	Net income in EUR'000 31/12/2023
Nord-Soft EDV-Unternehmensberatung GmbH, Horst	50.40	1,306	729
Nord-Soft Datenservice GmbH, Horst	50.40	26	1
OVB Informatikai Kft., Budapest**	100	19	-2
OVB Vermögensberatung AG, Cologne*	100	11,000	0
Advesto GmbH, Köln	100	97	-2
Eurenta Holding GmbH Europäische Vermögensberatung, Cologne	100	-1,603	-107
OVB Allfinanz, a.s., Prague	100	5,786	4,824
OVB Allfinanz Slovensko a.s., Bratislava	100	4,690	3,180
OVB Allfinanz Polska Społka Finansowa Sp. z o.o., Warsaw	100	3,358	2,803
OVB Vermögensberatung A.P.K. Kft., Budapest	100	3,727	3,465
TOB OVB Allfinanz Ukraine, Kiev	100	168	28
S.C. OVB Allfinanz România Broker de Asigurare S.R.L., Cluj	100	2,811	2,350
OVB Imofinanz S.R.L., Cluj	100	22	0
OVB Allfinanz Croatia d.o.o., Zagreb	100	290	-140
OVB Allfinanz Zastupanje d.o.o., Zagreb	100	798	312
OVB Allfinanz SI, zavarovalno zastopniška družba, d.o.o., Ljubljana	100	469	-386
OVB Allfinanzvermittlungs GmbH, Wals near Salzburg	100	4,991	2,425
OVB Vermögensberatung (Schweiz) AG, Hünenberg	100	1,018	-730
OVB Consulenza Patrimoniale SRL, Verona	100	1,385	-450
OVB Allfinanz España, S.A., Madrid	100	4,694	2,824
OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens	100	293	-232
Eurenta Hellas Monoprosopi Eteria Periorismenis Efthynis Asfalistiki Praktores, Athens	100	153	-192
OVB Hellas Allfinanz Vermittlungs GmbH, Athens	100	5	-2
OVB Conseils en patrimoine France Sàrl, Strasbourg	100	301	-450
Willemot Bijzonder Verzekeringsbestuur NV, Gent	100	820	63

*Profit and loss transfer agreement applies
**In liquidation

The interest in each subsidiary equals the respective share in voting rights.

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

	Nord-Soft EDV-Unternehmensberatung GmbH		Nord-Soft Datenservice GmbH	
EUR'000	**31/12/2023**	**31/12/2022**	**31/12/2023**	**31/12.2022**
Non-current assets	203	267	0	0
Current assets	1,589	1,304	101	164
Non-current liabilities	25	3	0	0
Current liabilities	461	558	75	139

Non-current assets of Nord-Soft EDV-Unternehmensberatung GmbH essentially include own-use property with a book value of EUR 138 thousand as of 31 December 2023 (31 December 2022: EUR 156 thousand) and deferred tax assets of EUR 0 thousand (31 December 2022: EUR 64 thousand). Current assets include cash and cash equivalents in the amount of EUR 1,087 thousand (31 December 2022: EUR 842 thousand) at Nord-Soft EDV-Unternehmensberatung GmbH and in the amount of EUR 82 thousand (31 December 2022: EUR 116 thousand) at Nord-Soft Datenservice GmbH. Sales generated with third parties in the year under review amount to EUR 1,442 thousand for Nord-Soft EDV-Unternehmensberatung GmbH (31 December 2022: EUR 1,117 thousand) and EUR 373 thousand for Nord-Soft Datenservice GmbH (31 December 2022: EUR 466 thousand).

3.3 Changes to the scope of consolidation

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

The following change to the scope of consolidation took place in financial year 2023:

Verzekeringskantoor Louis Vanheule BVBA, Dendermonde, was merged into Willemot Bijzonder Verzekeringsbestuur NV, Gent.

3.4 Foreign currency translation

3.4.1 Foreign currency transactions

Foreign currency transactions are generally translated at the closing exchange rate as of the transaction date. Monetary items denominated in foreign currencies (e.g. liquid assets, receivables, liabilities) are subsequently translated at the respective closing exchange rates and any translation differences in the reporting period or from previous financial statements are recognised in the income statement through 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 as of the item's first-time recognition.

3.4.2 Foreign entities

Separate financial statements 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 and economically independent as well as independently organised, are translated at the closing exchange rate as of the reporting date while expenses and income are translated at average annual exchange rates and equity items are translated at historical exchange rates. Translation differences are recognised in equity outside profit or loss and reported under other comprehensive income.

The exchange rates of relevance to the consolidated financial statements have performed against the euro as follows:

EUR	Closing rate 31/12/2023	Closing rate 31/12/2022	Change in %	Average rate 2023	Average rate 2022	Change in %
CHF	1.076470	1.009571	6.63	1.029390	0.995735	3.38
CZK	0.040470	0.041382	-2.20	0.041657	0.040693	2.37
HUF	0.002606	0.002496	4.41	0.002619	0.002561	2.26
HRK*	1.000000	0.132452	-	1.000000	0.132561	-
PLN	0.229908	0.212820	8.03	0.220255	0.213406	3.21
RON	0.200846	0.201989	-0.57	0.201939	0.202604	-0.33
UAH	0.023625	0.025194	-6.23	0.024936	0.029162	-14.49

* Croatia has been part of the eurozone since 1 January 2023.

4. Summary of essential accounting policies and valuation methods

4.1 Historical cost convention and fair value

Generally speaking, the amortised acquisition cost of assets and liabilities constitutes the maximum reportable value.

However, securities of the categories “Fair value through profit & loss” (FVPL) and “Fair value through other comprehensive income” (FVOCI) are exceptions to this rule as they are recognised at fair value. According to IFRS 13, 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.

The fair value of securities corresponds to the listed market price in an active market if applicable (level 1 according to IFRS 13). If no such market prices in an active market are available, fair value is determined according to an appropriate valuation model (level 2 according to IFRS 13). An assessment of fair value according to the Company’s estimates has not been applied in the year under review (level 3 according to IFRS 13). Unrealised gains or losses of FVOCI securities 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. An exception to this is the disposal of securities classified as equity instruments. Cumulative gains or losses are reclassified within equity pursuant to IFRS 9.B5.7.1.

4.2 Financial instruments

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

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

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

Fair Value through Profit or Loss (FVPL)
Financial instruments measured at fair value through profit or loss (either business model: not hold or cash flow conditions non-compliant) are recognised at fair value upon addition. Gains or losses resulting from subsequent measurement are to be recognised in profit or loss.

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

4.2.1 Impairment and reversal of impairment loss of financial assets

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

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

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

4.3 Recognition of sales

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

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

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

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

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

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

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

4.4 Discretionary decisions

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

In preparing the consolidated financial statements, assumptions have been made and estimates applied with an effect on the disclosure and amount of assets, liabilities and contingent liabilities entered in the statement of financial position.

The following is an explanation of the most relevant forward-looking assumptions and other material sources of estimate uncertainty as of the reporting date which entail the 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, amounts of depreciation/amortisation or rather the determination of the useful lives of assets, especially of intangible assets, and valuation of leases. Actual values may deviate in the individual case from the assumptions and estimates made. Changes are recognised at the time superior information becomes available.

For making provisions, estimates of the expected expenses 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 position 22, "Other provisions", 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 positions 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 uncertainty inherent in the budgeting process. Impairment testing requires an estimate of the value in use of the respective cash-generating unit. For the determination of value in use, estimates of expected future cash flows are required. In addition to that, required parameters for determining the value in use are defined. These parameters essentially involve the risk-free interest rate and a risk premium. The book value of goodwill can be found under position 1 in the notes to the consolidated statement of financial position.

For the accounting treatment of leases under contracts with indefinite terms in accordance with IFRS 16, all aspects available as of the reporting date that provide an economic incentive for the exercise of options for renewal or cancellation are considered in order to determine the useful life correctly.

For the capitalization 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 consolidated entities. Actually realisable future income may vary from the budget figures. The book value of deferred tax assets can be found under position 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.

4.5 Objectives and methods of financial risk management

The objectives of capital management are based on OVB's financial strategy, components of which are safeguarding liquidity in day-to-day operations and guaranteeing access to the capital market at any time. Measures for reaching the targets of capital management are the dividend policy, equity transactions, providing liquid assets for acquisitions and avoiding interest-bearing debt. OVB pursues a corporate policy according to which the Company's shareholders participate adequately in the business success. The Executive Board follows the objective to keep distributing the Company's profits to the shareholders. There is still no need for either short-term or long-term outside financing. Our financial management is oriented towards the high degree of equity financing defined by our financial strategy. The capital structure of OVB Holding AG is distinguished by a solid equity ratio of 35.1 per cent (31 December 2022: 35.8 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 if appropriate measures are taken. The risk report is delivered at regular intervals; reports are given directly to the Company's management in case of increased individual risks. The Company's management decides on strategies and procedures for controlling individual types of risk explained below in the respective sub-sections.

The following table shows the book values of all financial assets included in the consolidated financial statements according to the classification categories under IFRS 9

EUR'000		31/12/2023	31/12/2022
Financial assets	AC	375	489
Trade receivables	AC	53,028	46,795
Receivables and other assets		57,698	54,653
Receivables	AC	17,991	19,189
Other assets	–	5,725	5,077
Contract asset (IFRS 15)	–	33,982	30,387
Securities and other capital investments		47,954	41,846
Securities	FVPL	19,232	16,691
Securities	FVOCI	17,466	8,402
Other capital investments	AC	11,256	16,753
Cash and cash equivalents	AC	72,832	80,644

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

All book values of financial assets, with the exception of securities measured at fair value, correspond to an adequate approximation of fair value. Aggregated to valuation categories pursuant to IFRS 9, book values of financial instruments can be presented as follows:

EUR'000		Book value 2023	Amortised cost	Historical acquisition cost	Change in value outside profit or loss	Change in value through profit or loss
Financial assets	AC	155,482 (previous year: 163,870)	155,482 (previous year: 163,870)	-	-	-17,008 (previous year: -18,684)
Financial assets	FVPL	19,232 (previous year: 16,691)	-	19,078 (previous year: 17,108)	-	154 (previous year: -417)
Financial assets	FVOCI	17,466 (previous year: 8,402)	-	17,670 (previous year: 8,710)	-204 (previous year: -308)	-
Financial liabilities	AC	98,835 (previous year: 92,443)	98,835 (previous year: 92,443)	-	-	-

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

The Company's current financial liabilities fall under the category “Financial liabilities (AC)” measured at amortised cost. The category “Financial assets (AC)” includes all of the Company's financial receivables, loans reported as non--current 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. For improved comparability with the following tables, the book values shown for each asset category are the net carrying amounts, i.e. after consideration of impairment. Depending on their classification as debt instruments or equity instruments, their "business model" and the terms of contractual cash flows according to IFRS 9, securities are classified either as financial assets measured at fair value through profit or loss (FVPL) or outside profit or loss in other comprehensive income (FVOCI).

Financial assets were not reclassified for the purpose of IFRS 7.12B in the reporting year or in the previous year.

Financial assets with a total book value of EUR 6,550 thousand (31 December 2022: EUR 421 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 reporting periods.

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

			From subsequent measurement			Net result
EUR'000		From interest and similar income	At fair value	Valuation allowance / Appreciation in value	from disposal	Total
Financial assets	AC	2,465 (previous year: 1,445)	-	160 (previous year: -397)	-264 (previous year: -273)	2,361 (previous year: 775)
Financial assets	FVPL	3 (previous year: 129)	571 (previous year: -1,878)	-	66 (previous year: -41)	640 (previous year: -1,790)
Financial assets	FVOCI	0 (previous year: 5)	88 (previous year: -306)	-	16 (previous year: 0)	104 (previous year: -301)
Financial liabilities	AC	-361 (previous year: -317)	-	-	1,104 (previous year: 800)	743 (previous year: 483)
Total		2,107 (previous year: 1,262)	659 (previous year: -2,184)	160 (previous year: -397)	922 (previous year: 486)	3,848 (previous year: -833)

Foreign currency effects included in the net result are immaterial and therefore not reported separately. The net result includes EUR 104 thousand (31 December 2022: EUR 306 thousand) recognised outside profit or loss in equity.

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

- valuation allowances for receivables allocated to financial assets measured at amortised cost that are reported under distribution expenses as essentially receivables from financial advisors are concerned,
- income from cancelled obligations allocated to other operating income, and
- adjustments to the fair value of financial instruments outside profit or loss that are recognised directly in equity.

The net result from valuation allowances for financial assets measured at amortised cost consists of expenses for valuation allowances and income from appreciation in value.

Total interest income from financial assets amounted to EUR 2,468 thousand in the year under review (31 December 2022: EUR 1,579 thousand). Total interest expenses for financial liabilities were EUR 361 thousand (31 December 2022: EUR 317 thousand).

4.5.1 Credit risk

The consolidated companies are exposed to default risk relating to receivables from financial advisors. OVB counters these risks by retaining securities, running an active accounts receivable management at the respective subsidiaries and applying diligence in recruiting financial advisors. Credit risk relating to product partners is curtailed by a restrictive selection process.

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. That is the amount at which a financial asset was initially valuated, less repayments, plus or less the cumulative amortisation of any discount/premium and less any allowances for impairment.

The maximum default risk in the category “financial assets (AC)” is equivalent to the carrying amount of EUR 155,482 thousand (31 December 2022: EUR 163,870 thousand) and to receivables from third parties arising in case of the utilisation of guarantees if applicable (cf. IV. Other information). Securities held as collateral for this purpose come to EUR 2,469 thousand (31 December 2022: EUR 1,736 thousand) so that the residual risk amounts to EUR 153,013 thousand (31 December 2022: EUR 162,134 thousand). No material terms and conditions were renegotiated in the year under review.

The maximum amount of exposure in the category “financial assets (FVPL)” as of 31 December 2023 is equivalent to the carrying amount of EUR 19,232 thousand (31 December 2022: EUR 16,691 thousand).

The maximum amount of exposure in the category “financial assets (FVOCI)” as of 31 December 2023 is equivalent to the carrying amount of EUR 17,466 thousand (31 December 2022: EUR 8,402 thousand).

For the monitoring of risks associated with receivables from financial advisors and receivables from employees, please refer to the explanatory notes on valuation allowances for 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.

Financial assets subject to valuation allowances as of the reporting date can be broken down as follows:

EUR’000		Gross amount	Valuation allowance	Book value (net)
Financial assets	AC	22,589 (previous year: 23,902)	-17,008 (previous year: -18,683)	5,581 (previous year: 5,219)
Financial assets	FVOCI	0 (previous year: 0)	0 (previous year: 0)	0 (previous year: 0)

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

4.5.2 Currency risk

Currency risks arise as a result of financial instruments denominated in a currency other than the functional currency.

In the context of business operations, the individual consolidated 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 almost exclusively held in the functional currency. Immediately after the end of each financial year, the subsidiaries largely transfer their profits to the parent company.

The Group generates 41 per cent of consolidated sales (31 December 2022: 37 per cent) in functional currencies other than the euro. Translation differences from changes in exchange rates compared to the previous year were EUR -3,006 thousand in consolidated sales (31 December 2022: EUR 1,228 thousand) and EUR -265 thousand in consolidated net income (31 December 2022: EUR 216 thousand). Changes in exchange rates of functional currencies against 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 on hand is continuously revalued in order to make allowance for currency risks arising from changes in exchange rates against the euro.

4.5.3 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 expenses, 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 64,253 thousand (31 December 2022: EUR 68,059 thousand) and variable-interest liabilities of EUR 0 thousand (31 December 2022: EUR 202 thousand). If market interest rates for the full year 2023 had been 100 basis points higher (lower), net income would have been EUR 643 thousand (31 December 2022: EUR 679 thousand) higher (lower).

4.5.4 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 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.

4.5.5 Tax risk

Tax risk may result in particular from tax audit risks and risks from fiscal court proceedings. Tax risk especially comprises tax on wages and value-added tax for participation of office staff and business partners in incentives and events. There is also the latent income tax risk concerning the acceptance of cross-border cost allocation. These risks are reported in accordance with the general principles of recognition of liabilities if more reasons speak in favour of utilisation than against it as of the reporting date.

5. Consolidated assets

5.1 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.

5.1.1 Intangible assets

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

The following conditions must be met for the capitalisation of in-house developments of intangible assets:

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

In accordance with IAS 38.21, OVB Group capitalises software development costs if the 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 the income statement through profit or loss for the year it is incurred.

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

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

Intangible assets with indefinite useful lives are tested annually for impairment according to IAS 36.

Unless special circumstances call for a different approach, amortisation of intangible assets with definite useful lives 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
Purchased client portfolios	indefinite
Goodwill	indefinite

A material component of software is the sales supporting software OVB EASY. Following its acquisition in the year 2014, the software has been constantly updated and introduced individually to the national markets. The customised national market modules have been introduced gradually and they are amortised over 5 years as of completion.

Advance payments for software are measured at face value.

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 respective asset ("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 tests are the entities forming the basis of the goodwill or divisions of these entities. These scheduled impairment tests are conducted regularly on the basis of recent multi-year budgeting. Within the framework of the most recent impairment tests, the value in use was determined as the recoverable amount. OVB applies a DCF procedure for determining value in use. If there are indications of impairment, additional tests are carried out during the reporting period independently of the mandatory annual impairment test.

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

5.1.2 Tangible assets

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

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

Gains or losses upon asset disposal are determined by comparing sale proceeds with the carrying amount and recognised in profit or loss as other operating income.

The estimated useful life is determined on the basis of anticipated physical wear and tear, technological obsolescence and legal and contractual restrictions. Impairment beyond that results in recognition of impairment loss.

Tangible 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, others	4 – 10 years
IT equipment	3 – 5 years
Tenant fixtures and fittings	5 – 13 years

5.1.3 Financial assets

Financial assets relate to loans to office staff and financial advisors at terms of more than one year granted at market interest rates. Measurement is based on amortised cost less impairment if applicable.

5.1.4 Leases

Leases with terms of more than 12 months not to be classified as low-value leases are subject to the lessee's accounting treatment according to IFRS 16. The right of use is depreciated over the lease term and the corresponding liability with interest component is amortised accordingly by the monthly lease payments (please also refer to chapter 2.1). OVB's leases are primarily real property and vehicle lease agreements.

Depreciation of the right of use is recognised in profit or loss under item 30, “Depreciation and amortisation”.

Interest from recognition of lease liabilities is disclosed under item 32, “Financial result”.

5.1.5 Impairment

Non-financial assets are reviewed for impairment within the meaning of IAS 36 according to risk management guidance 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, if it is not, 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 5.1.1. The future economic benefit is determined by the recoverable amount. Impairment loss is recognised in profit or loss if the recoverable amount is lower than the carrying amount of the respective cash-generating unit.

5.2 Current assets

5.2.1 Receivables and other assets

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

Claims for commission acquired from financial advisors 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.

5.2.2 Securities

Securities are categorised according to the business model under which they are held and the terms of contractual cash flows. Securities can thus be designated as financial assets subject to subsequent measurement either at amortised cost (AC), at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) outside profit or loss. Upon first-time recognition, "financial assets (AC)" and "financial assets (VFOCI)" are valuated at fair value plus incidental transaction costs while "financial assets (FVPL)" are valuated solely at fair value.

Subsequent to first-time recognition, securities of the category “financial assets (AC)” are measured at amortised cost under the effective interest method. Premiums and discounts are allocated over the financial asset’s remaining term at constant effective interest.

Changes in fair value of securities measured at fair value through profit or loss are recognised directly in the income statement. In the category “financial assets (FVOCI)”, changes in market value are recognised in equity under the revaluation reserve and reclassified through profit or loss only if and when the gain or loss has been realised.

5.2.3 Cash and cash equivalents

Cash and short-term deposits recognised in the statement of financial position include cash on hand, cash in banks 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 on hand and bank balances with terms to maturity of less than three months less current liabilities to banks.

6. Consolidated equity and liabilities

6.1 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.

6.1.1 Non-current provisions

Provisions for pensions
The Group has pension plans for employees in Switzerland and Belgium. 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 actuarial estimates. Such estimates take into account currently expected mortality and disability rates. With respect to Switzerland, staff turnover rates are taken into consideration in addition to that. 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 1.60 per cent for Switzerland (31 December 2022: 1.80 per cent) and 4.20 per cent for Belgium (31 December 2022: 3.80 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 expected future cash flows. The discount interest rate is oriented towards the interest rate applicable to long-term first-class corporate bonds.

6.2 Current liabilities

6.2.1 Provisions for taxes/Tax liabilities

Provisions are made for the income taxes of the individual entities based on the respective applicable domestic taxation if certain facts or circumstances are in dispute between the reporting entity and the respective tax authority.

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.

6.2.2 Other provisions

Cancellation risk
Provisions for cancellation risk are made for discounted commission relating to events after the reporting date as commission must be repaid in full or in part if a product partner claims a commission refund based on 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 consistent process implemented in the Group.

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

Litigation
Provisions are set aside for litigation in each case where OVB is the defendant in pending court proceedings as of the reporting date. The provision reflects the probable outcome of the legal 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 available 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 available at the time.

Costs for financial statements/Audit cost
Entities of OVB Group have the obligation under commercial law and tax law to prepare separate annual financial statements in accordance with the applicable domestic provisions as well as consolidated financial statements and, if the business meets certain quantitative requirements, to have their financial statements audited. This item also includes the anticipated cost of the audit of the 2023 consolidated financial statements.

Other obligations
Other obligations arise from accounts that are outstanding, particularly for goods and services that were supplied before the reporting date but have not yet been settled. Such provisions are recognised at expected settlement amounts.

6.2.3 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.

7. Consolidated income statement

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

7.1 Income/Expenses

Please refer to chapter 4.3 for the recognition of sales.

The offsetting expense items are recognised on an accrual basis.

7.2 Financial result

The financial result essentially comprises interest expenses and interest income from deposits with banks, accrued interest on lease liabilities and the other financial result from the performance of securities held. Finance expenses and finance income are recognised on an accrual basis.

7.3 Taxes on income

Actual income tax expense is calculated on the basis of earnings for the period as reported in the separate financial statements of the individual entities. 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 entity as well as for 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 reasonably assured. Calculation was based on the budgeted medium-term earnings of the respective entities. Deferred taxes are measured on the basis of the respective expected domestic income tax rate.

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

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

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

Deferred tax assets are offset against deferred tax liabilities in accordance with IAS 12.74 if the entity has the legal right to settle on a net basis and the matter involves income taxes levied by the same taxing authority.

8. Explanatory report and information on segment reporting

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

The segment "Central and Eastern Europe" includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz, a.s., Prague; OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Społka Finansowa Sp. z o.o., Warsaw; S.C. OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; TOB OVB Allfinanz Ukraine, Kiev; and OVB Allfinanz SI, zavarovalno zastopniška družba, d.o.o., Ljubljana. Material contributions to the brokerage income of the Central and Eastern Europe segment are generated by OVB Allfinanz, a.s., Prague, at EUR 57,012 thousand (31 December 2022: EUR 47,789 thousand), OVB Allfinanz Slovensko a.s., Bratislava, at EUR 51,431 thousand (31 December 2022: EUR 51,060 thousand) and OVB Vermögensberatung A.P.K. Kft., Budapest, at EUR 37,824 thousand (31 December 2022: EUR 29,755 thousand).

The segment “Germany” 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, at EUR 58,585 thousand (31 December 2022: EUR 61,076 thousand).

The segment "Southern and Western Europe" includes the following companies: OVB Allfinanzvermittlungs GmbH, Wals near Salzburg; OVB Vermögensberatung (Schweiz) AG, Huenenberg; 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; Eurenta Hellas Monoprosopi EPE Asfalistiki Praktores, Athens; and Willemot Bijzonder Verzekeringsbestuur NV, Gent. In the previous year, Verzekeringskantoor Louis Vanheule BVBA, Dendermonde, merged into Willemot Bijzonder Verzekeringsbestuur NV, Gent, in the third quarter, was included as well. Material contributions to the brokerage income of the Southern and Western Europe segment are generated by OVB Allfinanzvermittlungs GmbH, Wals near Salzburg, at EUR 32,136 thousand (31 December 2022: EUR 29,761 thousand) and OVB Allfinanz España S.A., Madrid, at EUR 31,724 thousand (31 December 2022: EUR 32,944 thousand).

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

The separate segments are presented in segment reporting after the elimination of inter-segment interim results and consolidation of expenses and income. Intra-group dividend distributions are not taken into account.

Reconciliations of segment values to corresponding consolidated data are made directly in the consolidation column in segment reporting. Recognition, disclosure and measurement of the consolidated values in segment reporting correspond to the values presented in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity. For intra-group allocations, an appropriate additional overhead charge is levied on the individual cost items incurred.

Please refer to the disclosure of related-party transactions for information about key product partners.

Segment reporting 2023

of OVB Holding AG according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	198,488	58,709	97,151	0	0	354,348
- New business commission	170,259	34,078	71,121	0	0	275,458
- Policy service commission	15,810	19,186	19,569	0	0	54,564
- Dynamic commission	1,859	4,276	2,510	0	0	8,645
- Other brokerage income	10,560	1,170	3,951	0	0	15,681
Other operating income	3,128	3,276	3,545	3,450	-84	13,315
Income from inter-segment transactions	1	956	0	23,611	-24,568	0
Total segment income	**201,617**	**62,941**	**100,696**	**27,061**	**-24,652**	**367,663**
Segment expenses						
Brokerage expense						
- Current commission	-123,832	-34,831	-56,379	0	0	-215,042
- Other commission	-11,316	-2,940	-6,533	0	0	-20,789
Personnel expenses	-13,732	-7,706	-14,244	-14,142	-300	-50,124
Depreciation/amortisation	-2,231	-966	-1,817	-3,231	0	-8,245
Other operating expenses	-30,871	-11,678	-18,505	-19,746	25,167	-55,633
Total segment expenses	**-181,982**	**-58,121**	**-97,478**	**-37,119**	**24,867**	**-349,833**
Earnings before interest and taxes (EBIT)	**19,635**	**4,820**	**3,218**	**-10,058**	**215**	**17,830**
Interest income	1,820	527	170	348	-13	2,852
Interest expenses	-169	-127	-71	-7	13	-361
Other financial result	0	452	60	112	0	624
Earnings before taxes (EBT)	**21,286**	**5,672**	**3,377**	**-9,605**	**215**	**20,945**
Taxes on income	-4,027	-8	-1,896	-322	72	-6,181
Non-controlling interests	0	0	0	-449	0	-449
Segment result	**17,259**	**5,664**	**1,481**	**-10,376**	**287**	**14,315**
Additional disclosures						
Capital expenditures for intangible and tangible assets	3,016	111	1,595	3,697	0	8,419
Material non-cash expenses (-) and income (+)	1,534	850	-289	-19	0	2,076
Impairment expenses/Fair value expense according to IFRS 9	-860	-695	-947	-606	509	-2,599
Reversal of impairment loss/Fair value write-up in accordance with IFRS 9	459	1,445	382	131	-7	2,410

Segment reporting 2022

of OVB Holding AG according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	174,402	61,211	96,334	0	0	331,947
- New business commission	150,981	34,978	68,251	0	0	254,210
- Policy service commission	14,705	19,685	17,731	0	0	52,121
- Dynamic commission	1,245	3,988	2,398	0	0	7,631
- Other brokerage income	7,471	2,560	7,954	0	0	17,985
Other operating income	2,889	3,373	3,458	5,315	-63	14,972
Income from inter-segment transactions	0	1,027	30	20,636	-21,693	0
Total segment income	**177,291**	**65,611**	**99,822**	**25,951**	**-21,756**	**346,919**
Segment expenses						
Brokerage expense						
- Current commission	-109,491	-35,462	-53,720	0	0	-198,673
- Other commission	-9,914	-3,094	-6,578	0	0	-19,586
Personnel expenses	-11,414	-7,353	-13,366	-13,442	0	-45,575
Depreciation/amortisation	-1,955	-995	-1,970	-3,575	0	-8,495
Other operating expenses	-25,734	-11,496	-18,997	-18,254	21,902	-52,579
Total segment expenses	**-158,508**	**-58,400**	**-94,631**	**-35,271**	**21,902**	**-324,908**
Earnings before interest and taxes (EBIT)	**18,783**	**7,211**	**5,191**	**-9,320**	**146**	**22,011**
Interest income	1,316	120	40	33	-7	1,502
Interest expenses	-98	-139	-81	-5	7	-316
Other financial result	0	-563	-248	-976	0	-1,787
Earnings before taxes (EBT)	**20,001**	**6,629**	**4,902**	**-10,268**	**146**	**21,410**
Taxes on income	-3,895	-19	-2,142	-293	0	-6,349
Non-controlling interests	0	0	0	-390	0	-390
Segment result	**16,106**	**6,610**	**2,760**	**-10,951**	**146**	**14,671**
Additional disclosures						
Capital expenditures for intangible and tangible assets	2,237	110	805	3,518	0	6,670
Material non-cash expenses (-) and income (+)	518	1,525	2,638	226	0	4,907
Impairment expenses/Fair value expense according to IFRS 9	-634	-1,716	-1,526	-1,755	132	-5,499
Reversal of impairment loss/Fair value write-up in accordance with IFRS 9	388	1,227	173	0	0	1,788

II. Notes to the consolidated statement of financial position

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2023 according to IFRS

	Intangible assets						Rights of use of leased assets
	Software			Goodwill	Other intangible assets	Total	
EUR'000	Software purchased from external third parties	In-house software developments	Payments on account for software				
Historical cost							
31/12/2022	43,531	3,686	653	11,698	10,080	69,648	17,220
Currency translation differences	-30	14	26	0	23	33	23
01/01/2023	43,501	3,700	679	11,698	10,103	69,681	17,243
Additions	5,632	0	353	0	1,126	7,111	3,642
Disposals	9,515	0	436	0	364	10,315	1,707
Transfers	158	0	-228	0	70	0	0
31/12/2023	**39,776**	**3,700**	**368**	**11,698**	**10,935**	**66,477**	**19,178**
Accumulated depreciation/ amortisation							
31/12/2022	32,653	3,619	390	9,416	8,095	54,173	7,346
Currency translation differences	4	14	26	0	23	67	38
01/01/2023	32,657	3,633	416	9,416	8,118	54,240	7,384
Additions	3,405	0	0	0	301	3,706	2,543
Disposals	9,519	0	416	0	363	10,298	1,585
Transfers	0	0	0	0	0	0	0
31/12/2023	**26,543**	**3,633**	**0**	**9,416**	**8,056**	**47,648**	**8,342**
Accumulated impairments							
31/12/2022	0	67	0	962	427	1,456	0
Currency translation differences	0	0	0	0	0	0	0
01/01/2023	0	67	0	962	427	1,456	0
Impairments	0	0	0	0	96	96	0
Impairment loss reversal	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
31/12/2023	**0**	**67**	**0**	**962**	**523**	**1,552**	**0**
Book value 31/12/2023	**13,233**	**0**	**368**	**1,320**	**2,356**	**17,277**	**10,836**
Book value 31/12/2022	**10,878**	**0**	**263**	**1,320**	**1,558**	**14,019**	**9,874**

						Tangible assets	Financial assets
	Land, land rights and buildings	Operating and office equipment				Total	Loans
	Own-use property	Machinery, equipment, furniture, vehicles, other	IT equipment	Tenant fixtures and fittings	Payments on account of tangible assets in progress		
	833	8,084	10,203	2,392	37	21,549	489
	0	76	37	-3	2	112	0
	833	8,160	10,240	2,389	39	21,661	489
	0	959	335	5	9	1,308	73
	0	1,200	902	15	0	2,117	187
	0	3	4	0	-7	0	0
	833	**7,922**	**9,677**	**2,379**	**41**	**20,852**	**375**
	261	6,117	7,225	2,244	0	15,847	0
	0	67	36	-1	0	102	0
	261	6,184	7,261	2,243	0	15,949	0
	32	698	1,100	54	0	1,884	0
	0	1,181	903	6	0	2,090	0
	0	0	0	0	0	0	0
	293	**5,701**	**7,458**	**2,291**	**0**	**15,743**	**0**
	0	0	0	0	0	0	0
	0	-1	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
	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**
	540	**2,221**	**2,219**	**88**	**41**	**5,709**	**375**
	572	**1,967**	**2,978**	**148**	**37**	**5,702**	**489**

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2022 according to IFRS

	Intangible assets							Rights of use of leased assets
	Software			Goodwill	Other intangible assets	Total	
EUR'000	Software purchased from external third parties	In-house software developments	Payments on account for software				
Historical cost							
31/12/2021	39,530	3,681	526	11,698	9,831	65,266	16,442
Currency translation differences	63	5	18	0	15	101	19
01/01/2022	39,593	3,686	544	11,698	9,846	65,367	16,461
Additions	4,108	0	191	0	482	4,781	1,322
Disposals	191	0	24	0	285	500	563
Transfers	21	0	-58	0	37	0	0
31/12/2022	**43,531**	**3,686**	**653**	**11,698**	**10,080**	**69,648**	**17,220**
Accumulated depreciation/ amortisation							
31/12/2021	29,095	3,614	373	9,416	7,474	49,972	5,481
Currency translation differences	40	5	17	0	15	77	-26
01/01/2022	29,135	3,619	390	9,416	7,489	50,049	5,455
Additions	3,709	0	0	0	608	4,317	2,407
Disposals	191	0	0	0	2	193	516
Transfers	0	0	0	0	0	0	0
31/12/2022	**32,653**	**3,619**	**390**	**9,416**	**8,095**	**54,173**	**7,346**
Accumulated impairments							
31/12/2021	0	67	0	962	427	1,456	0
Currency translation differences	0	0	0	0	0	0	0
01/01/2022	0	67	0	962	427	1,456	0
Impairments	0	0	0	0	0	0	0
Impairment loss reversal	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
31/12/2022	**0**	**67**	**0**	**962**	**427**	**1,456**	**0**
Book value 31/12/2022	**10,878**	**0**	**263**	**1,320**	**1,558**	**14,019**	**9,874**
Book value 31/12/2021	**10,435**	**0**	**153**	**1,320**	**1,930**	**13,838**	**10,961**

						Tangible assets	Financial assets
	Land, land rights and buildings	Operating and office equipment				Total	Loans
	Own-use property	Machinery, equipment, furniture, vehicles, other	IT equipment	Tenant fixtures and fittings	Payments on account of tangible assets in progress		
	821	7,942	9,061	2,438	3	20,265	513
	0	13	13	-1	0	25	0
	821	7,955	9,074	2,437	3	20,290	513
	12	623	1,216	1	37	1,889	67
	0	494	90	46	0	630	91
	0	0	3	0	-3	0	0
	833	**8,084**	**10,203**	**2,392**	**37**	**21,549**	**489**
	228	5,895	6,306	2,215	0	14,644	0
	0	14	14	-3	0	25	0
	228	5,909	6,320	2,212	0	14,669	0
	33	672	995	78	0	1,778	0
	0	464	90	46	0	600	0
	0	0	0	0	0	0	0
	261	**6,117**	**7,225**	**2,244**	**0**	**15,847**	**0**
	0	1	0	0	0	1	7
	0	-1	0	0	0	-1	0
	0	0	0	0	0	0	7
	0	0	0	0	0	0	1
	0	0	0	0	0	0	0
	0	0	0	0	0	0	8
	0	**0**	**0**	**0**	**0**	**0**	**0**
	572	**1,967**	**2,978**	**148**	**37**	**5,702**	**489**
	593	**2,046**	**2,755**	**223**	**3**	**5,620**	**506**

Assets

A Non-current assets

2023: EUR'000	**39,571**
2022: EUR'000	35,641

1 Intangible assets

2023: EUR'000	**17,277**
2022: EUR'000	14,019

EUR'000	31/12/2023	31/12/2022
Software		
Software purchased from third parties	13,233	10,878
Payments on account for software	368	263
Goodwill	1,320	1,320
Other intangible assets	2,356	1,558
	17,277	**14,019**

Purchased software essentially relates to a group-wide uniform administration and management tool as well as a software solution for sales support. The carrying amount of the administration and management tool called myOVB is EUR 933 thousand as of 31 December 2023 (31 December 2022: EUR 1,403 thousand). The carrying amount of the sales-support software comes to EUR 6,950 thousand as of 31 December 2023 (31 December 2022: EUR 5,324 thousand).

Goodwill is subject to impairment tests in accordance with IAS 36. The risk-free discount rate applied to goodwill for the determination of its value in use is 2.72 per cent (31 December 2022: 2.03 per cent) according to the Svensson method (IDW) at a detailed planning horizon of five years. Furthermore, a sustainable growth rate of 1.0 per cent is assumed and a market risk premium of 5.75 per cent is applied according to the provisions of IDW S1 (interpretation FAUB).

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

Goodwill amounts to EUR 1,320 thousand altogether as of 31 December 2023 (31 December 2022: EUR 1,320 thousand) and is attributable entirely to the acquisition of Willemot Bijzonder Verzekeringsbestuur NV as of 1 January 2019. There was no need for impairment in financial years 2023 and 2022.

2 Rights of use of leased assets

2023: EUR'000	**10,836**
2022: EUR'000	9,874

Rights of use of leased assets are leases accounted for according to IFRS 16, concerning primarily leases of land and buildings at EUR 9,772 thousand (31 December 2022: EUR 9,036 thousand).

3 Tangible assets

2023: EUR'000	**5,109**
2022: EUR'000	5,702

EUR'000	31/12/2023	31/12/2022
Land, land rights and buildings		
- Own-use property	540	572
Other equipment, office and operating equipment		
- Machinery, equipment, furniture, vehicles, others	2,221	1,967
- IT equipment	2,219	2,978
- Tenant fixtures and fittings	88	148
- Payments on account for tangible assets under construction	41	37
	5,109	**5,702**

A land charge has been filed for one property under the Company's own use in the amount of EUR 716 thousand (31 December 2022: EUR 716 thousand). The land charge is not linked to any underlying values.

Depreciation of EUR 32 thousand (31 December 2022: EUR 33 thousand) was recognised for own-use property.

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

4 Financial assets	**2023: EUR'000**	**375**
	2022: EUR'000	489

Financial assets relate to loans to office staff and financial advisors granted at market interest rates and with terms to maturity of more than one year.

5 Deferred tax assets	**2023: EUR'000**	**5,974**
	2022: EUR'000	5,557

Deferred tax assets can be broken down by item reported in the statement of financial position as follows:

EUR'000	31/12/2023	31/12.2022
Tangible assets and other intangible assets	0	13
Financial assets	2	87
Financial instruments and receivables	632	583
Other assets	7	11
Provisions	7,027	6,508
Liabilities	4,856	4,150
Tax loss carry-forward	52	178
	12,576	**11,530**
Net of deferred tax liabilities	-6,602	-5,973
	5,974	**5,557**

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

As of 31 December 2023, deferred income tax liabilities have been set off in equity outside profit or loss in the amount of EUR 140 thousand (31 December 2022: EUR 117 thousand).

Altogether, no deferred taxes were recognised for loss carry-forward in the amount of EUR 45,917 thousand (31 December 2022: EUR 27,664 thousand) for consolidated companies. This would have corresponded to deferred tax assets of EUR 13,725 thousand (31 December 2022: EUR 8,827 thousand).

Of this loss carry-forward, the amount of EUR 4,920 thousand (31 December 2022: EUR 74 thousand) can be utilised over a period of between 5 and 15 years. The amount of EUR 40,997 thousand (31 December 2022: EUR 27,590 thousand) can be carried forward indefinitely.

B Current assets

	2023: EUR'000	233,392
	2022: EUR'000	225,472

6 Trade receivables

	2023: EUR'000	53,028
	2022: EUR'000	46,795

EUR'000	31/12/2023	31/12/2022
Trade receivables		
1. Receivables from insurance brokerage	44,356	42,986
2. Receivables from other brokerage	4,507	1,701
3. Other trade receivables	4,165	2,108
	53,028	**46,795**

The risk profile of trade receivables is accommodated according to the debtor's credit rating and the amount and age of the respective receivable by valuation allowances. As experience with the Group's default risk shows no significant differences with respect to the geographic segments, valuation allowances do not distinguish between the Group's different segments. The development of valuation allowances for trade receivables is as follows:

EUR'000	2023	2022
Valuation allowances as of 1 January	4	118
Exchange rate differences	0	0
Allocation (valuation allowance expense)	242	0
Consumption	0	114
Reversals	0	0
Valuation allowances as of 31 December	**246**	**4**

Trade receivables in the amount of EUR 6,586 thousand (31 December 2022: EUR 6,007 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.

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 are generally due within 30 days.

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

7 Receivables and other assets

	2023: EUR'000	57,698
	2022: EUR'000	54,653

EUR'000	31/12/2023	31/12/2022
7.1 Other receivables	17,991	19,189
7.2 Other assets	5,725	5,077
7.3 Contract asset (IFRS 15)	33,982	30,387
	57,698	**54,653**

Receivables and other assets usually have remaining terms to maturity of less than one year. With respect to mandatory disclosures pursuant to IFRS 15.113 (b), we would like to point out that the contract asset results primarily from contracts with insurance companies subject to financial supervision in the respective countries. In addition to that, a process for routine monitoring of the assets and liabilities, financial position and profit/loss of all existing product partners has been implemented. No need for impairment has so far been identified in this context. Due to the adjustment of the cancellation rate in connection with the uncertainties of the macroeconomic environment, the contract asset was reduced by EUR 364 thousand (31 December 2022: EUR 2,007 thousand).

7.1 Other receivables

EUR'000	31/12/2023	31/12/2022
Other receivables		
1. Receivables from financial advisors	6,286	5,479
2. Receivables from employees	143	117
3. Miscellaneous other receivables	10,940	12,891
4. Other taxes	622	702
	17,991	**19,189**

The risk profile of "other receivables" is accommodated by valuation allowances according to the debtor's credit rating, the amount and age of the receivable and depending on the status as well as the date of the financial advisor's exit. As experience with the Group's default risk shows no significant differences with respect to the geographic segments, valuation allowances do not distinguish between the Group's different segments. The development of valuation allowances for "other receivables" is as follows:

EUR'000	2023	2022
Valuation allowances as of 1 January	18,680	19,072
Exchange rate differences	129	2
Allocation (valuation allowance expense)	1,403	2,135
Consumption	1,712	882
Reversals	1,737	1,647
Valuation allowances as of 31 December	**16,763**	**18,680**

Allocations to valuation allowances for "other receivables" relate to receivables from financial advisors.

1. Receivables from financial advisors

Receivables from financial advisors primarily relate to advance payments of commission and claims for commission refunds. They are usually due within 30 days. Receivables from the individual former financial advisor are offset against liabilities to that same financial advisor if they fall due at the same time, irrespective of the legal basis on which the receivables and liabilities arose. Any resulting net receivable is recognised under "other receivables". Any resulting net liability is recognised under "trade payables". Provisions for cancellation risk with respect to active financial advisors 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 about the credit rating of the debtor and the age structure of the receivables. Due to the large number of individual receivables due from financial advisors, lump sum valuation allowances are 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. A distinction is also made between active and former financial advisors.

2. Receivables from employees
Receivables from employees generally relate to receivables arising from short-term loans.

3. Miscellaneous other receivables
Miscellaneous other receivables include all receivables from third parties as of the reporting date that are not attributable 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 agreements already 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

2023: EUR'000	**5,725**
2022: EUR'000	5,077

EUR'000	31/12/2023	31/12/2022
Other assets		
1. Accrued investment income	304	32
2. Other accrued income	3,416	2,707
3. Advertising materials and office supplies	738	689
4. Payments on account	1,036	1,372
5. Miscellaneous other assets	231	277
	5,725	**5,077**

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 insurance premiums.

3. Advertising materials and office supplies
This item includes advertising materials for the sales force and other materials used in sales and administration.

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

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

7.3 Contract asset (IFRS 15)

The development of the contract asset resulting from premature realization of subsequent commission is as follows in the year under review:

EUR'000	01/01/2023	Allocation	Exchange rate differences	Reversal	31/12/2023
Contract asset	30,387	4,201	59	665	33,982

8 Income tax assets

2023: EUR'000	**1,880**
2022: EUR'000	1,534

Income tax receivables primarily relate to income tax prepayments. Such receivables exist in particular for OVB Allfinanz, a.s., Prague, at EUR 1,336 thousand (31 December 2022: EUR 1,194 thousand) and OVB Holding AG, Cologne, at EUR 352 thousand (31 December 2022: EUR 148 thousand).

9 Securities and other capital investments

2023: EUR'000	**47,954**
2022: EUR'000	41,846

EUR'000	2023			2022		
	Securities	Other capital investments	Total	Securities	Other capital investments	Total
Historical cost	**36,748**	**11,256**	**48,004**	**25,818**	**16,753**	**42,571**
Revaluation reserve	-204		-204	-308		-308
Positive fair value changes through profit/loss	352		352	165		165
Negative fair value changes through profit/loss	-198		-198	-582		-582
Market value	**36,698**	**11,256**	**47,954**	**25,093**	**16,753**	**41,846**
Book value	**36,698**	**11,256**	**47,954**	**25,093**	**16,753**	**41,846**

Securities include interests in investment funds to the following extent:

	2023			
Investment	Pension fund	Balanced fund	Equity fund	Money market fund
Number of investment funds	2	2	1	1
Fund assets as of the reporting date	Euro 191.1 - 361.1 million	Euro 37.2 - 72.1 million	Euro 10,310 million	Euro 544.3 million
Book values as of the reporting date	Euro 6.5 million	Euro 1.8 million	Euro 5.9 million	Euro 5.0 million
Interest in the fund	0.7 - 1.4 %	1.0 - 2.8 %	0.1 %	0.9 %

	2022		
Investment	Pension fund	Balanced fund	Money market fund
Number of investment funds	2	2	1
Fund assets as of the reporting date	Euro 361.1 - 376.0 million	Euro 37.2 - 72.1 million	Euro 544.3 million
Book values as of the reporting date	Euro 6.3 million	Euro 1.7 million	Euro 8.8 million
Interest in the fund	0.4 - 1.4 %	1.0 - 2.6 %	1.6 %

The maximum risk exposure corresponds to the book values.

In the past financial year, valuations of securities through profit or loss due to negative fair value changes amounted to EUR 28 thousand (31 December 2022: EUR 1,935 thousand), included in the financial result under item 32 as "Investment expenses". Valuations of securities through profit or loss due to positive fair value changes are disclosed in the financial result under item 32 as "Reversal of impairment loss on capital investments".

Revaluation reserve increased by EUR 104 thousand in the past financial year (31 December 2022: EUR -306 thousand). Net losses of EUR 16 thousand were realised in the financial year through revaluation reserve (31 December 2022: EUR 0 thousand).

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

The item "securities and other capital investments" includes securities with a book value of EUR 24,773 thousand (31 December 2022: EUR 9,740 thousand), allocated to level 1 according to IFRS 13 and measured at market or stock market price, and securities with a book value of EUR 11,925 thousand (31 December 2022: EUR 15,353 thousand), allocated to level 2 according to IFRS 13 and measured at the net asset value determined by the respective investment trust.

There were no reclassifications of financial instruments between fair-value hierarchy levels in the reporting period.

10 Cash and cash equivalents

	2023: EUR'000	**72,832**
	2022: EUR'000	80,644

EUR'000	**31/12/2023**	**31/12/2022**
Cash	14	15
Cash equivalents	72,818	80,629
	72,818	**80,644**

Cash means cash on hand of the consolidated companies as of the reporting date in domestic and foreign currencies.

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

Equity and Liabilities

A Equity	**2023: EUR'000**	**95,698**
	2022: EUR'000	93,514

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

11 Subscribed capital	**2023: EUR'000**	**14,251**
	2022: EUR'000	14,251

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251 thousand as of 31 December 2023, is fully paid up and consists of 14,251,314 no-par value bearer shares (31 December 2022: 14,251,314 shares).

12 Capital reserve	**2023: EUR'000**	**39,342**
	2022: EUR'000	39,342

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

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 General Meeting of Shareholders of OVB Holding AG of 10 June 2020 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 in the period between 11 June 2020 up to and including 9 June 2025. Shares acquired on the basis of this authorisation may also be retired. So far no use has been made of this authorisation.

14 Revenue reserves	**2023: EUR'000**	**13,573**
	2022: EUR'000	13,708

15 Other reserves	**2023: EUR'000**	**391**
	2022: EUR'000	-157

Other reserves essentially comprise currency translation reserve, pension provision reserve and 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 consolidated statement of changes in equity.

16 Non-controlling interests	**2023: EUR'000**	**660**
	2022: EUR'000	513

Other shareholders hold non-controlling interests in Nord-Soft EDV-Unternehmensberatung GmbH in the amount of EUR 647 thousand (31 December 2022: EUR 501 thousand) and in Nord-Soft Datenservice GmbH in the amount of EUR 13 thousand (31 December 2022: EUR 12 thousand).

Changes from the previous year represent the proportionate share in the net income of Nord-Soft EDV-Unternehmensberatung GmbH of EUR 449 thousand (31 December 2022: TEUR 389) for the year under review less a paid dividend and the proportionate share in the net income of Nord-Soft Datenservice GmbH of EUR 0 thousand (31 December 2022: EUR 0 thousand).

17 Retained earnings

	2023: EUR'000	**27,481**
	2022: EUR'000	25,857

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 14 June 2023, shareholders adopted the resolution on the appropriation of the retained earnings of OVB Holding AG for financial year 2022.

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

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 2023 in accordance with Section 170 AktG (Stock Corporation Act):

EUR'000	2023	2022
Distribution to shareholders	*12,826,182.60*	*12,826,182.60*
Profit carry-forward	*7,955,842.32*	*7,896,163.80*
Retained earnings	**20,782,024.92**	**20,722,346.40**

The dividend pay-out thus equals EUR 0.90 per share (previous year: EUR 0.90 per share).

The number of shares entitled to dividend and thus the amount distributable to shareholders may change prior to the General Meeting of Shareholders due to the possible purchase of treasury shares.

B Non-current liabilities

	2023: EUR'000	**11,155**
	2022: EUR'000	10,956

Initially non-current liabilities are reclassified into "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 December 2023

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
Other liabilities	8,933	3,955	3,321	1,657	0	0

Maturity of liabilities as of 31 December 2022

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
Other liabilities	8,245	3,060	2,407	2,778	0	0

18 Provisions

2023: EUR'000	**1,073**
2022: EUR'000	1,832

EUR'000	31/12/2023	31/12/2022
Provisions for pensions	376	880
Long-term provisions for employee benefits	621	552
Long-term provisions for bonus payments	0	361
Other long-term provisions	76	39
	1,073	**1,832**

EUR'000	31/12/2022	Exchange rate differences	Allocation	Accrued interest	Consumption	Reversal	Reclassification	3/12/2023
Provisions for pensions	880	9	10	0	523	0	0	376
Long-term provisions for employee benefits	552	0	158	0	89	0	0	621
Long-term provisions for bonus payments	361	5	247	0	0	126	-487	0
Other long-term provisions	39	2	53	0	17	1	0	76
	1,832	**16**	**468**	**0**	**629**	**127**	**-487**	**1,073**

Provisions for pensions

OVB Vermögensberatung (Schweiz) AG (OVB Switzerland) is under the obligation to pay pension benefits determined by law to seven commercial employees and three financial advisors. The following pension benefits are granted to the beneficiaries:

- Retirement benefits
- Pensions for surviving dependents
- Disability pension

Willemot Bijzonder Verzekeringsbestuur NV (OVB Belgium) is under the obligation to pay pension benefits determined by law to all its employees. The following pension benefits are granted to the beneficiaries:

- Retirement benefits
- Pensions for surviving dependents

The development of provisions for pensions within the Group is as follows:

Pension provisions as of 31/12 **EUR'000**	**2023 Switzerland**	**2023 Belgium**	**2023 Total**	**2022**
Present value of defined benefit obligations as of 1/1	**1,538**	**1,922**	**3,460**	**4,291**
Exchange rate changes	102	0	102	72
Service cost	106	113	219	333
Past service cost	-1	0	-1	-17
Interest expense/income	30	69	99	28
Gains (-) and losses (+) from revaluation:				
- Actuarial gains and losses from changes in demographic assumptions	0	0	0	0
- Actuarial gains and losses from changes in financial assumptions	29	-437	-408	-1,310
- Actuarial gains and losses from experience-based adjustments	-11	32	21	85
Transfer	0	0	0	0
Contributions:				
- Employer	0	0	0	0
- Plan participants	35	0	35	34
Pension plan payments:				
- Current payments	-34	-114	-148	-56
- Compensation	0	0	0	0
Present value of defined benefit obligations as of 31/12	**1,794**	**1,585**	**3,379**	**3,460**
Plan assets as of 1/1	**1,402**	**1,178**	**2,580**	**2,948**
Exchange rate changes	93	0	93	60
Contributions:				
- Employer	115	143	258	232
- Plan participants	35	0	35	34
Expected investment income	0	45	45	16
Pension plan payments:				
- Current payments	-34	-114	-148	-56
- Compensation	0	0	0	0
Interest expense/income	28	0	28	3
Gains (-) and losses (+) from revaluation:				
- Income from plan assets not including interest income	1	111	112	-657
Plan assets as of 31/12	**1,640**	**1,363**	**3,003**	**2,580**
Provisions for pensions as of 31/12	**154**	**222**	**376**	**880**

The asset ceiling does not have any effect.

The actuarial expert reports were prepared by independent and qualified actuaries. The reports are based on the following actuarial assumptions:

	2023 Switzerland	2023 Belgium	2022 Switzerland	2022 Belgium
Discount rate	1.60 %	4.20 %	1.80 %	3.80 %
Expected future salary increase	1.50 %	3.40 %	1.50 %	3.20 %
Expected future pension adjustment	0.00 %	0.00 %	0.00 %	0.00 %

The expert reports are based on the underlying respective expected mortality rates in Switzerland and Belgium.

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

Plan assets are divided into the following investment categories:

	2023 Switzerland	2023 Belgium	2023 Total	2022 Switzerland	2022 Belgium
Liquid assets and fixed-term deposits	0.3 %	0.0 %	0.3 %	0.7 %	0.0 %
Loans	0.0 %	29.8 %	29.8 %	0.0 %	28.6 %
Government bonds	0.0 %	3.5 %	3.5 %	0.0 %	4.9 %
Land charges	2.6 %	0.0 %	2.6 %	2.5 %	0.0 %
Fixed-interest securities	13.0 %	3.3 %	16.3 %	12.7 %	3.1 %
Shares	17.4 %	3.3 %	20.7 %	16.7 %	2.9 %
Real property	12.7 %	5.6 %	18.3 %	12.6 %	6.1 %
Alternative investments	8.5 %	0.0 %	8.5 %	9.2 %	0.0 %

For 99.7 per cent (31 December 2022: 99.3 per cent) of plan assets there are active market quotes.

The following sensitivity analysis 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 that is also applied for determining the defined benefit obligation.

EUR'000	Switzerland	Belgium
Discount rate	0.25 %	0.50 %
Increase in assumption	1,738	1,435
Decrease in assumption	1,854	1,610
Expected future salary increase	0.25 %	0.50 %
Increase in assumption	1,807	1,526
Decrease in assumption	1,782	1,511
Expected future pension adjustment	0.25 %	0.50 %
Increase in assumption	1,819	1,526
Decrease in assumption	1,771	1,511

Funding of the acquired benefit claims at OVB Switzerland is provided by employer and employee at 50 per cent each with respect to the basic plan. The employer pays the contributions to the staff plan in full. Basic provision is obligatory for all employees with statutory pension insurance while participation in the staff plan is optional. Funding of the acquired benefit claims at OVB Belgium is provided by the employer. Funding of the benefits for surviving dependents including expenses and taxes incurred is provided by the employee.

Expected contributions to the pension plans for benefits after termination of employment altogether amount to EUR 280 thousand for the financial year ended 31 December 2024 (31 December 2023: EUR 267 thousand).

The weighted average term of the defined benefit obligations is 12.8 years (31 December 2022: 12.7 years).

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

19 Other liabilities	**2023: EUR'000**	**8,933**
	2022: EUR'000	8,245

Other liabilities primarily relate to non-current lease liabilities pursuant to IFRS 16 and equate to the present value of future lease payments.

20 Deferred tax liabilities	**2023: EUR'000**	**1,149**
	2022: EUR'000	879

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

EUR'000	31/12/2023	31/12/2022
Tangible and intangible assets	1,403	1,078
Financial instruments	6,243	5,571
Provisions	84	70
Liabilities	21	133
	7,751	**6,852**
Net of deferred tax assets	-6,602	-5,973
	1,149	**879**

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

C Current liabilities	**2023: EUR'000**	**166,110**
	2022: EUR'000	153,643

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

21 Provisions for taxes	**2023: EUR'000**	**1,282**
	2022: EUR'000	1,558

The development of provisions for taxes is altogether as follows:

EUR'000	01/01/2023	Exchange rate differ-ences	Allocation	Consump-tion	Reversal	31/12/2023
Provisions for taxes	1,558	-25	1,226	1,477	0	1,282

22 Other provisions

2023: EUR'000	**70,994**
2022: EUR'000	67,889

EUR'000	31/12/2023	31/12/2022
1. Cancellation risk	20,183	20,948
2. Unbilled liabilities	21,421	19,607
3. Litigation	2,015	1,850
4. Provisions from subsequent commission (IFRS 15)	22,899	20,154
	66,518	**62,559**
5. Others		
- Obligations to employees	3,079	2,505
- Costs for financial statements/Audit cost	559	785
- Other obligations	838	2,040
	4,476	**5,330**
	70,994	**67,889**

EUR'000	01/01/2023	Allocation	Exchange rate differences	Consumption	Reversal	Reclassification	31/12/2023
1. Cancellation risk	20,948	1,709	-8	2,466	0	0	20,183
2. Unbilled liabilities	19,607	13,906	43	11,067	1,068	0	21,421
3. Litigation	1,850	323	0	13	145	0	2,015
4. Provisions from subsequent commission (IFRS 15)	20,154	2,872	65	192	0	0	22,899
5. Others	5,330	2,797	-2	3,724	412	487	4,476
	67,889	**21,607**	**98**	**17,462**	**1,625**	**487**	**70,994**

Allocations include expenses from the accumulation of interest on provisions in the amount of EUR 4 thousand (31 December 2022: EUR 5 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 11,045 thousand (31 December 2022: EUR 11,170 thousand).

Provisions for litigation concern in part legal disputes involving clients and former financial advisors. The time aspect and the exact amounts of the outflow of economic benefits of such disputes are uncertain.

This includes claims filed by investors who seek recourse against OVB by way of secondary liability for incorrect advice. The filed claims generally represent individual consulting errors of individual financial advisors, something that cannot be eliminated across the board despite the provision of Group-wide quality guidelines in brokerage processes. Judgments released in the year under review indicate a positive outcome of litigation in part. However, this assessment is not based on a final judgment. Provisions for individual legal disputes were reduced in the year under review. Due to the length of legal proceedings, an outcome can hardly be predicted. In consideration of all known aspects, it cannot be ruled out at the time of reporting with overwhelming probability that a final judgment against OVB might happen in individual civil proceedings. Compliant with IAS 37.92, further information on individual claims is not provided.

In order to address above-mentioned litigation risk, provisions for litigation have been made in the total amount of EUR 2.0 million as of the reporting date.

Provisions from subsequent commission are made for commission not yet handed on to the sales force. Due to the adjustment of the cancellation rate in connection with the uncertainties of the macroeconomic environment, provisions from subsequent commission were reduced by EUR 249 thousand (31 December 2022: EUR 1,370 thousand).

23 Income tax liabilities

2023: EUR'000	**716**
2022: EUR'000	658

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

24 Trade payables

2023: EUR'000	**25,994**
2022: EUR'000	24,618

This item includes commission billed by financial advisors unless categorised as retained security as well as bonuses accrued as of the reporting date unless already paid. Such 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 31/12/2023:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
Trade payables	25,994	395	3,632	17,756	0	0	4,211

Maturity of liabilities as of 31/12/2022:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
Trade payables	24,618	510	3,566	16,995	0	0	3,547

25 Other liabilities

2023: EUR'000	**67,124**
2022: EUR'000	61,920

Maturity of liabilities as of 31/12/2023:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
1. Retained security	55,461	2,089	2,333	5,910	504	817	43,808
2. Other tax liabilities	2,066	0	492	1,383	0	3	188
3. Liabilities to employees	3,289	0	631	1,670	335	118	535
4. Liabilities to product partners	2,680	0	109	2,247	0	0	324
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to financial advisors	1	0	1	0	0	0	0
7. Current lease liabilities	2,437	0	0	610	605	1,222	0
8. Miscellaneous liabilities	1,190	0	156	961	0	0	73
	67,124	**2,089**	**3,722**	**12,781**	**1,444**	**2,160**	**44,928**

Maturity of liabilities as of 31/12/2022:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
1. Retained security	53,866	1,884	4,649	4,512	262	96	42,463
2. Other tax liabilities	1,724	0	306	1,289	0	3	126
3. Liabilities to employees	2,922	0	419	1,640	232	114	517
4. Liabilities to product partners	783	0	144	58	0	0	581
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to financial advisors	2	0	2	0	0	0	0
7. Current lease liabilities	2,006	0	0	562	549	895	0
8. Miscellaneous liabilities	617	0	122	433	0	0	62
	61,920	**1,884**	**5,642**	**8,494**	**1,043**	**1,108**	**43,749**

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 recognised at expected settlement amounts.

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

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

6. Other liabilities to financial advisors
Current liabilities to the sales force that do not result from brokerage services have been recognised as other liabilities to sales advisors.

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

8. 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

26 Brokerage income

2023: EUR'000	**354,348**
2022: EUR'000	331,947

EUR'000	2023	2022
1. New business commission	275,459	254,210
2. Policy service commission	54,564	52,121
3. Dynamic commission	8,644	7,631
4. Other brokerage income	15,681	17,985
	354,348	**331,947**

All income from product partners is recognised as brokerage income. Apart from commission, this also includes bonuses and other sales-related benefits paid by product partners.

1. New business commission
New business commission results from the successful brokerage of different kinds of financial products.

2. Policy service commission
Policy service commission results from the continuous servicing of the policyholder's contracts and is collected after performances are rendered.

3. Dynamic commission
Dynamic commission results from dynamic premium adjustments of insurance policies over the contract term.

4. Other brokerage income
Other brokerage income comprises brokerage income resulting from bonuses and other sales-related benefits paid by product partners as well as changes in provisions for cancellation risk.

Brokerage income includes income from subsequent commission in the amount of EUR 3,537 thousand (31 December 2022: EUR 5,044 thousand) resulting from an earlier realisation of new business commission either partially discounted or paid on a pro-rata basis.

27 Other operating income

2023: EUR'000	**13,315**
2022: EUR'000	14,972

EUR'000	2023	2022
Refunds from financial advisors	3,921	3,501
Income from reversal of provisions	1,752	4,928
Own work capitalized	517	322
Income from cancelled obligations	1,104	799
Rental income from sub-leases	77	107
Income from the disposal of intangible assets and tangible assets	45	140
Reversals of impairment loss	1,811	1,731
thereof income from written-off receivables	67	89
Income from currency translation	259	119
Partners' contributions to costs	964	659
Miscellaneous	2,865	2,666
	13,315	**14,972**

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

Income from reversal of provisions in the year under review essentially results from the reversal of provisions for litigation, provisions for performance bonus payments and the reversal of outstanding accounts for not accepted performances.

Own work capitalised relates to the administration and management software (cf. 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 pay-outs.

Miscellaneous income essentially includes sales generated by the service companies with third parties.

28 Brokerage expenses

2023: EUR'000 -235,831
2022: EUR'000 -218,259

EUR'000	2023	2022
Current commission	-215,042	-198,673
Other commission	-20,789	-19,586
	-235,831	**-218,259**

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

29 Personnel expense

2023: EUR'000 -50,124
2022: EUR'000 -45,575

EUR'000	2023	2022
Wages and salaries	-40,963	-37,335
Social security	-8,344	-7,376
Expenses for retirement provision	-817	-864
	-50,124	**-45,575**

30 Depreciation and amortization

2023: EUR'000 -8,245
2022: EUR'000 -8,495

EUR'000	2023	2022
Amortization/Impairment of intangible assets	-3,818	-4,311
Depreciation of rights of use	-2,543	-2,407
Depreciation/Impairment of tangible assets	-1,884	-1,777
	-8,245	**-8,495**

Depreciation and amortization in financial year 2023 are disclosed in the asset schedule.

31 Other operating expenses

	2023: EUR'000	-55,633
	2022: EUR'000	-52,579

EUR'000	2023	2022
Administrative expenses		
Legal, financial statement and consulting expenses	-6,076	-6,426
Facility expenses	-2,060	-1,853
Communication costs	-1,161	-1,167
IT expenses	-11,716	-10,780
Vehicle expenses	-953	-864
Rent for furniture and equipment	-62	-85
Other administrative expenses	-5,908	-6,207
	-27,936	**-27,382**
Distribution expenses		
Seminars, competitions, events	-14,569	-12,305
Advertising cost, public relations	-2,388	-2,410
Write-down on/Valuation allowances for receivables	-1,915	-2,401
thereof disposal of receivables	-264	-273
Other distribution expenses	-2,053	-1,645
	-20,925	**-18,761**
Miscellaneous operating expenses		
Foreign currency loss	-543	-789
Supervisory Board remuneration	-159	-172
Losses from disposal of investments	-13	-27
Other miscellaneous operating expenses	-350	-213
	-1,065	**-1,201**
Non-income-based taxes		
Value-added tax on purchased goods/services	-5,487	-4,705
Other non-income-based tax	-220	-530
	-5,707	**-5,235**
	-55,633	**-52,579**

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

Other distribution expenses particularly relate to cost of materials, entertainment expenses and expenses for sales support.

Other miscellaneous operating expenses include, among other items, 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 taxes on wages, vehicle tax and property tax.

32 Financial result

2023: EUR'000	**3,115**
2022: EUR'000	-601

EUR'000	2023	2022
Finance income		
Bank interest	2,221	1,319
Income from securities	69	465
Reversal of impairment loss on capital investments	599	57
Income from accrued interest	387	57
Interest income from loans	33	42
Other interest income and similar income	211	84
	3,520	**2,024**
Finance expense		
Interest expense and similar expenses	-361	-317
Expenses for capital investments	-44	-2,308
	-405	**-2,625**
Financial result	**3,115**	**-601**

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

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

33 Taxes on income

2023: EUR'000	**-6,181**
2022: EUR'000	-6,349

EUR'000	2023	2022
Current income tax	-6,341	-5,978
Deferred income tax	160	-371
	-6,181	**-6,349**

Tax expense includes foreign current taxes in the amount of EUR 6,082 thousand (31 December 2022: EUR 5,749 thousand) and foreign deferred tax income of EUR 203 thousand (31 December 2022: deferred tax expense of EUR -331 thousand).

Current and deferred taxes are determined on the basis of domestic tax rates applicable in the respective country. Deferred taxes relating to domestic entities were calculated on the basis of a corporate tax rate of 15.0 per cent (31 December 2022: 15.0 per cent), the solidarity surcharge of 5.5 per cent (31 December 2022: 5.5 per cent) and an average trade tax rate of 16.625 per cent (31 December 2022: 16.625 per cent).

In addition to the amount recognised in the consolidated income statement, deferred taxes of EUR 140 thousand (31 December 2022: EUR 117 thousand) relating to items recognised in equity outside profit or loss were settled directly in equity.

The effective income tax rate applied to the result from ordinary business activities before income taxes comes to 29.51 per cent (31 December 2022: 29.66 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

EUR'000	2023	2022
Earnings before income taxes according to IFRS	20,945	21,410
Consolidated income tax rate	32.45 %	32.45 %
Theoretical income tax expense in the financial year	**-6,797**	**-6,947**
Taxes based on non-deductible expenses (-) / tax-free income (+)	-1,266	-302
Effects of other tax rates applicable to domestic and foreign operating subsidiaries	3,499	3,325
Prior-period income tax	-5	-104
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 (+)	-1,378	-1,660
Others	-234	-661
Taxes on income	**-6,181**	**-6,349**

34 Consolidated net income

	2023: EUR'000	**14,764**
	2022: EUR'000	15,061

35 Consolidated net income attributable to non-controlling interests

	2023: EUR'000	**-449**
	2022: EUR'000	-390

This item relates to consolidated net income attributable to non-controlling interests in Nord-Soft EDV-Unternehmensberatung GmbH and Nord-Soft Datenservice GmbH in the amount of EUR -449 thousand (31 December 2022: EUR -390 thousand).

36 Consolidated net income after non-controlling interests

	2023: EUR'000	**14,315**
	2022: EUR'000	14,671

37 Earnings per share, basic/diluted

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

EUR'000	2023	2022
Consolidated net income after non-controlling interests		
Basis for basic/diluted earnings per share (consolidated net income for the period attributable to owners of the parent)	14,315	14,671
Number of shares		
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	**1.00**	**1.03**

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

IV. Other information

1. Information on leases

Rights of use of leased assets amount to EUR 10,836 thousand as of 31 December 2023 (31 December 2022: EUR 9,874 thousand). Corresponding lease liabilities come to the total amount of EUR 11,370 thousand (31 December 2022: EUR 10,251 thousand) and are classified in the statement of financial position either as non-current (EUR 8,933 thousand / 31 December 2022: EUR 8,245 thousand) or current liabilities (EUR 2,437 thousand / 31 December 2022: EUR 2,006 thousand). They are recognised under the item “other liabilities” respectively.

Lease agreements signed by OVB essentially comprise rent for real property, vehicle leases and office equipment.

The development of rights of use broken down by category of underlying assets is as follows:

EUR'000	01/01/2023	Addition	Disposal	Depreciation	Exchange rate differences	31/12/2023
Software	0	34	0	-16	0	18
Land and buildings	9,036	2,894	-88	-2,055	-15	9,772
Machinery, equipment, furniture, vehicles, others	787	681	-33	-447	0	988
IT equipment	51	34	0	-25	-2	58
	9,874	**3,643**	**-121**	**-2,543**	**-17**	**10,836**

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

The development of total corresponding lease liabilities is as follows:

EUR'000	2023	2022
Lease liabilities as of 1 January	10,251	11,375
Cash outflow repayment component (cash flow from financing activities)	-2,374	-2,441
Addition	3,632	1,322
Disposal	-123	-48
Interest expense	334	262
Cash outflow interest component (cash flow from financing activities)	-334	-262
Exchange rate differences	-16	43
Lease liabilities as of 31 December	**11,370**	**10,251**

Interest expenses from accrued interest on lease liabilities amount to EUR 334 thousand (31 December 2022: EUR 262 thousand), reported under “other finance expenses”.

Expenses for short-term leases with terms of less than twelve months amount to EUR 107 thousand (31 December 2022: EUR 54 thousand), reported under “other operating expenses”.

Expenses for low-value leases amount to EUR 37 thousand (31 December 2022: EUR 34 thousand), reported under "other operating expenses".

Terms to maturity of not discounted lease liabilities as of 31 December 2023 are as follows:

EUR'000	Less than 3 months	3 - 6 months	7 - 12 months	1 - 3 years	3 - 5 years	More than 5 years	Total
	700	691	1,381	4,415	3,517	1,716	12,420

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

EUR'000	Less than 3 months	3 - 6 months	7 - 12 months	1 - 3 years	3 - 5 years	More than 5 years	Total
	621	605	998	3,384	2,612	2,891	11,111

As of 31 December 2023, there are no renewal options whose probable exercise would result in cash outflow for the next reporting periods.

Income in the amount of EUR 58 thousand was generated from sub-leases (31 December 2022: EUR 60 thousand).

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

EUR'000	1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
	42	28	28	28	0	0	126

2. Contingent liabilities

Contingent liabilities arise from past events that may result in future obligations. Such obligations arise from the occurrence of uncertain future events whose settlement amounts cannot be estimated with sufficient reliability.

Guarantees and assumed liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. Guarantees and assumed liabilities to third parties total EUR 63 thousand as of the reporting date (31 December 2022: EUR 148 thousand). The associated risks are recognised in "other provisions" to the extent that they give rise to obligations whose value can be reliably estimated. No provisions had to be made as any utilisation is not indicated as of the reporting date.

Legal risk

Under contingent liabilities, OVB also reports legal risks for which a loss appears neither probable nor improbable and for which no provisions have been made. The reported amounts reflect claims filed in connection with those risks.

Litigation risk

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

Management holds the view that probable obligations arising from legal disputes are adequately covered by provisions and that no material effects on the Group's assets and liabilities are to be expected beyond that.

Tax and social security risk

OVB's brokerage business carries the inherent risk that working together with self-employed financial advisors might be interpreted by tax authorities or social security agencies as employment, resulting in OVB's obligation to pay taxes and social security contributions. OVB has a constant focus on this risk but cannot rule out completely due to possible changes to national legal frameworks that subsequent claims against OVB might arise. Without OVB being engaged in any notable litigation at present, from today's viewpoint retrospective payments of taxes and social security contributions might result for one operating subsidiary in the amount of up to EUR 6.6 million. Based on legal opinions obtained, Management deems corresponding liabilities for OVB improbable.

3. Average number of employees

In the year under review, the Group had a commercial staff of 751 commercial employees on average (31 December 2022: 708), of which 68 (31 December 2022: 64) filled executive positions.

4. Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG are:

- **Mario Freis**
  Chairman of the Executive Board – CEO –
  Responsible for Corporate Development, Corporate Management, Sales, Training, Product Management, Marketing, Communication, Internal Audit, Investor Relations, Sustainability

  Memberships of Supervisory Boards and comparable supervisory bodies:
  – Chairman of the Supervisory Board of OVB Vermögensberatung AG, Cologne
  – Chairman of the Supervisory Board of OVB Allfinanz, a.s., Prague, Czech Republic
  – Chairman of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia

- **Frank Burow**
  Member of the Executive Board, Finance – CFO –
  Responsible for Corporate Accounting, Risk Management, Compliance, Management Accounting, Legal Affairs, Tax Planning, Data Protection, Anti-Money Laundering

  Memberships of Supervisory Boards and comparable supervisory bodies:
  – Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne
  – Member of the Supervisory Board of OVB Allfinanz, a.s., Prague, Czech Republic
  – Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia

- **Heinrich Fritzlar**
  Member of the Executive Board, Operations – COO –
  Responsible for Group IT, IT Security, Business Process Management, People Management

Members of the Supervisory Board of OVB Holding AG:

- **Michael Johnigk**
  Chairman of the Supervisory Board
  Business management graduate (ret.), former Member of the Executive Board of SIGNAL IDUNA Group, Dortmund/Hamburg

  Memberships of Supervisory Boards and comparable supervisory bodies:
  – Deputy Chairman of the Supervisory Board of ELEMENT Insurance AG, Berlin
  – Member of the Supervisory Board of SIGNAL IDUNA Lebensversicherung a. G., Hamburg

- **Dr Thomas A. Lange**
  Deputy Chairman of the Supervisory Board
  Chairman of the Audit Committee
  Chairman of the Executive Board of NATIONAL-BANK AG, Essen

  Memberships of Supervisory Boards and comparable supervisory bodies:
  – Member of the Supervisory Board of HANSAINVEST Hanseatische Investment-GmbH, Hamburg
  – Member of the Supervisory Board of NRW.BANK (Bürgschaftsbank Nordrhein-Westfalen GmbH), Neuss

- **Julia Wiens**
  Member of the Supervisory Board
  Chairwoman of the Nomination and Renumeration Committee (until 31 October 2023 respectively)
  Member of the Executive Boards of Baloise Lebensversicherungs-AG, Hamburg, Baloise Sachversicherungs-AG, Bad Homburg, Baloise Sach Holding AG, Hamburg, and Managing Partner of Basler Saturn Management B.V, Amsterdam, The Netherlands (until 31 October 2023 respectively)

  Memberships of Supervisory Boards and comparable supervisory bodies:
  – Chairwoman of the Supervisory Board of Baloise Vertriebsservice AG, Hamburg (until 31 October 2023)

- **Sascha Bassir**
  Member of the Supervisory Board (since 14 June 2023)
  Member of the Executive Board of Baloise Vertriebsservice AG, Hamburg, Vice Chairman of Deutscher Ring Unterstützungskasse e. V., Rosenheim, and Managing Chairman of Gilde Unterstützungskasse e. V., Rosenheim

– **Roman Juráš**
Member of the Supervisory Board (since 14 June 2023)
Chairman of the Executive Board of Generali Česká pojišťovna, a.s., Prague, Czech Republic, and Country Manager for the business operations of Generali in the Czech Republic and Slovakia

Memberships of Supervisory Boards and comparable supervisory bodies:
– VUB Generali DSS, Bratislava, Slovakia (Chairman)
– Generali Beteiligungsverwaltung GmbH, Vienna, Austria (Managing Director)
– Czech Associtaion of Insurance Companies, Czech Republic (Vice President)
– Czech Isurance Office, Czech Republic (President)

– **Torsten Uhlig**
Member of the Supervisory Board (since 14 June 2023)
Member of the Executive Boards of SIGNAL IDUNA Krankenversicherung a. G. (Dortmund), SIGNAL IDUNA Lebensversicherung a. G., Hamburg, SIGNAL IDUNA Unfallversicherung a. G., Dortmund, SIGNAL IDUNA Allgemeine Versicherung Aktiengesellschaft, Dortmund, and SIGNAL IDUNA Holding Aktiengesellschaft, Dortmund

Memberships of Supervisory Boards and comparable supervisory bodies:
– SIGNAL IDUNA Asset Management GmbH, Dortmund
– SIGNAL IDUNA Bauspar AG, Dortmund
– BCA AG, Bad Homburg
– IKK classic, Wiesbaden

– **Markus Jost**
Member of the Supervisory Board (until 14 June 2023, reappointed by court order effective 1 November 2023)
Chairman of the Nomination and Remuneration Committee (since 9 November 2023)
Independent certified expert for accounting and management accounting, former Member of the Executive Board of Basler Versicherungen, Bad Homburg/Hamburg

Wilfried Kempchen
Member of the Supervisory Board (until 14 June 2023)
Businessman (ret.), former Chairman of the Executive Board of OVB Holding AG

Harald Steirer
Member of the Supervisory Board (until 14 June 2023)
Management Consultant

Memberships of Supervisory Boards and comparable supervisory bodies:
– Chairman of the Supervisory Board of Generali România Asigurare Reasigurare S.A., Bucharest, Romania
– Member of the Supervisory Board of Generali Versicherung AG, Vienna, Austria

Remuneration of Supervisory Board and Executive Board

Remuneration of the Supervisory Board amounted to EUR 153 thousand in the year under review (31 December 2022: EUR 165 thousand).

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

EUR'000	Mario Freis	Frank Burow	Heinrich Fritzlar
Fixed remuneration	671 (previous year: 660)	377 (previous year: 337)	327 (previous year: 127)
Variable remuneration	302 (previous year: 297)	144 (previous year: 116)	86 (previous year: 23)
Total remuneration	**973 (previous year: 957)**	**521 (previous year: 453)**	**413 (previous year: 150)**

Executive Board remuneration can be broken down as follows:

EUR'000	2023	2022
Short-term benefits	1,304	1,140
Benefits after termination of employment	345	435
Other long-term benefits	258	310
Total remuneration	**1,907**	**1,885**

Total remuneration in the previous year also included the remuneration of EUR 325 thousand paid to former Executive Board member Thomas Hücker, who left the Executive Board as of 31 May 2022.

Short-term benefits comprise non-performance-based remuneration in the shape of base remuneration and fringe benefits in line with the scope of responsibilities of the respective Executive Board member as well as one-year variable remuneration. Variable remuneration of Executive Board members is determined according to individual targets defined for the financial year.

Benefits after termination of employment include annual contributions to a congruently reinsured defined contribution support fund for the benefit of the Executive Board member and surviving dependents.

Variable remuneration also includes long-term benefits. In order to adequately consider the performance of each Executive Board member as well as of the Executive Board as a whole, remuneration based on key financials is determined according to a three-year assessment period. Long-term variable remuneration is managed as an individual balance in the framework of a bonus account.

No payments were made due to the termination of employment and no share-based payments were made.

As of 31 December 2023, obligations to Executive Board members amount to EUR 433 thousand (31 December 2022: EUR 428 thousand) based on variable remuneration paid out in the financial year following the year under review.

5. Consulting expenses and audit fees

The item "legal, financial statement and consulting expenses" includes the fee of the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, in the total amount of EUR 488 thousand (31 December 2022: EUR 454 thousand), thereof EUR 32 thousand for 2022. The auditor's fees comprise the following positions in the 2023 financial year:

EUR'000	**2023**	**2022**
Audit services	435	438
thereof OVB Vermögensberatung AG, Cologne	*63*	*68*
Other certifications	53	16

Fees are reported net of value-added tax for the financial year in accordance with the stipulations of IDW RS HFA 36, "Notes to Financial Statements Pursuant to Sections 285 no. 17, 314 (1) no. 9 HGB on Audit Fees".

The item "audit services" includes fees for the audit of consolidated financial statements, the audit of the separate financial statements of OVB Vermögensberatung AG, Cologne and OVB Holding AG, Cologne, the review of the quarterly and 6-month financial reports as well as the review of the electronic reproductions of the (consolidated) financial statements and the (consolidated) management report prepared for the purpose of disclosure pursuant to Section 317 (3b) HGB .

Fees for "other certifications" include the limited assurance engagement on a business review of the separate non-financial consolidated management report of OVB Holding AG.

Fees for audit services and non-audit services rendered by PwC member firms in the Group can be broken down as follows:

in TEUR	**2023**
Audit services	
OVB Holding AG, Cologne	372
OVB Allfinanz, a.s., Prague	66
OVB Vermögensberatung AG, Cologne	63
OVB Allfinanz Polska Spółka Finansowa Sp. z o.o., Warsaw	31
OVB Allfinanz España, S.A., Madrid	29
Other services	53
Total fees	**614**

6. Significant events after the reporting date

There have been no reportable events after the reporting date.

7. Related party transactions

OVB has entered into agreements on the brokerage of financial products with related entities of SIGNAL IDUNA Group, Baloise Group and Generali Group.

Principal shareholders as of 31 December 2023 are entities of

- SIGNAL IDUNA Group
- Baloise Group and
- Generali Group

SIGNAL IDUNA Group is a horizontal group ("Gleichordnungsvertragskonzern") whose parent companies are:

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

SIGNAL IDUNA Lebensversicherung a. G., Hamburg, directly held shares in OVB Holding AG carrying 31.67 per cent of the voting rights as of 31 December 2023. SIGNAL IDUNA Krankenversicherung a. G., Dortmund, directly held shares in OVB Holding AG carrying 21.27 per cent of the voting rights as of 31 December 2023. From contracts with companies of SIGNAL IDUNA Group, sales were generated in the amount of EUR 36,420 thousand in 2023 (31 December 2022: EUR 29,400 thousand). Receivables amount to EUR 3,543 thousand (31 December 2022: EUR 3,482 thousand).

The item securities and other capital investments includes securities of SIGNAL IDUNA Group in the amount of EUR 1,376 thousand (31 December 2022: EUR 1,338 thousand).

Baloise Beteiligungsholding GmbH, Hamburg, directly held shares in OVB Holding AG carrying 32.57 per cent of the voting rights as of 31 December 2023. This entity is a consolidated company of Baloise Group, whose parent is Bâloise Holding AG, Basel. From contracts with companies of Baloise Group, sales were generated in the amount of EUR 19,910 thousand in 2023 (31 December 2022: EUR 20,254 thousand), essentially in the Germany segment. Receivables come to EUR 3,466 thousand (31 December 2022: EUR 2,546 thousand).

The item securities and other capital investments includes securities of Bâloise Holding AG in the amount of EUR 740 thousand (31 December 2022: EUR 716 thousand).

Generali CEE Holding B.V., Amsterdam, The Netherlands, directly held shares in OVB Holding AG carrying 11.48 per cent of the voting rights as of 31 December 2023. This entity belongs to Generali Group, whose parent is Assicurazioni Generali S.p.A., Trieste, Italy. From contracts with companies of Generali Group, sales were generated in the amount of EUR 28,388 thousand in 2023 (31 December 2022: EUR 22,253 thousand). Receivables come to EUR 6,573 thousand (31 December 2022: EUR 6,431 thousand) and liabilities amount to EUR 0 thousand (31 December 2022: EUR 3 thousand).

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

In financial year 2012, German subsidiary OVB Vermögensberatung AG leased office space which is the property of a close relative of a Supervisory Board member who left the Supervisory Board in the financial year. Lease payments (including incidental rental costs) correspond to market conditions and amount to EUR 36 thousand p.a. Of this total amount, EUR 30 thousand (31 December 2022: EUR 30 thousand) are rent and EUR 6 thousand (31 December 2022: EUR 6 thousand) are incidental rental costs.

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

Items outstanding by 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 entities of SIGNAL IDUNA Group in financial year 2023 and in previous years in accordance with Section 312 AktG (Stock Corporation Act).

8. Declaration pursuant to Section 161 AktG

The Executive Board and the Supervisory Board of OVB Holding AG have issued the declaration required under Section 161 AktG (Stock Corporation Act) for 2023 and made it permanently available to the shareholders on the website of OVB Holding AG (https://www.ovb.eu/english/investor-relations/corporate-governance.html).

9. Declaration pursuant to Section 114 WpHG

The financial statements represent an annual financial report for the purpose of the Second Act Amending Financial Market Regulation (Section 114 WpHG – Securities Trading Act) of 23 June 2017.

Cologne, 26 February 2024

Mario Freis CEO	Frank Burow CFO	Heinrich Fritzlar COO

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 and liabilities, financial position and profit/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 an accurate description of the material opportunities and risks associated with the expected development of the Group.

Cologne, 26 February 2024

Mario Freis CEO	Frank Burow CFO	Heinrich Fritzlar COO

Independent auditor's report

To OVB Holding AG, Cologne

Report on the audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of OVB Holding AG, Cologne, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of OVB Holding AG, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

I. Measurement of receivables from financial agents

II. Reimbursement liabilities for cancellation risk

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue

2. Audit approach and findings

3. Reference to further information

Hereinafter we present the key audit matters:

I. Measurement of receivables from financial agents

1. In the consolidated financial statements of OVB Holding AG other receivables amounting to EUR 18.0 million are reported as of December 31, 2023 under the "Receivables and other assets" item in the consolidated statement of financial position. As of the reporting date, EUR 6.3 million of that amount is attributable to receivables from financial agents resulting primarily from advance payments of commission and claims for commission refunds. The Company recognizes specific valuation allowances taking into account available information concerning the credit rating of the debtors, the age structure of the receivables and, in individual cases, based on legal opinions prepared by internal and external lawyers. In doing so, a distinction is made between active and former financial agents. Due to the large number of individual receivables from financial agents, the Company also calculates collective specific valuation allowances based on a grouping of non-significant receivables that have the same opportunity and risk profile on the basis of value-influencing factors relating to the respective debtors. Based on these analyses and estimates of the executive directors, as well as other documents, the expenses for valuation allowances recognized in respect of receivables from financial agents amounted to EUR 1.4 million in the financial year. Given that the measurement of receivables, which involves material scope for judgment on the part of the executive directors, significantly influences the recognition and amount of any valuation allowances that may become necessary, and given that the measurements are subject to considerable uncertainties, this matter was of particular significance in the context of our audit.

2. Our audit included in particular assessing the analyses and valuations carried out by the Company with respect to whether these were up to date, assessing the measurement method used, and reviewing and assessing the valuation. At the same time, we gained an understanding of the underlying source data, the measurement parameters and the assumptions made by the executive directors, evaluated those factors critically and assessed whether they lay within a reasonable range. We also evaluated, by means of sampling, the legal opinions of the internal and external lawyers engaged by the Company. On that basis, we carried out further analytical audit procedures and tests of details relating to the measurement of the receivables from financial agents. Among other things, we also examined the underlying carrying amounts and their recoverability on the basis of the documentation made available, and evaluated the consistent application of the measurement methods. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the receivables from financial agents are substantiated and sufficiently documented.

3. The Company's disclosures relating to other receivables are contained in sections 4.4, 4.2.1 and II.7 of the notes to the consolidated financial statements.

II. Reimbursement liabilities for cancellation risk

1. In the consolidated financial statements of OVB Holding AG reimbursement liabilities for cancellation risk amounting to EUR 20.2 million are reported as of December 31, 2023 under the "Other provisions" item in the consolidated statement of financial position. These reimbursement liabilities relate to commissions received from partner companies for the brokerage of financial products, which the Company must reimburse to them, where necessary on proportionate basis, in the event that brokered contracts are not honored, or are canceled, within a defined liability period. A uniform Group-wide measurement process is used to calculate the provision for liabilities, which the respective subsidiary does based on country-specific measurement parameters such as liability period, historical cancellation rates and expectations regarding the timing of cancellations as of the reporting date. The calculation of the reimbursement liabilities for cancellation risk is subject to considerable scope for judgment on the part of the executive directors and the estimation uncertainties this involves. Against this background and due to the amount of this material item, this matter was of particular significance in the context of our audit.

2. In the knowledge that estimated values result in an increased risk of accounting misstatements and that the measurement decisions made by the executive directors have a direct impact on consolidated net income, we assessed the appropriateness of the carrying amounts. This involved, among other things, assessing the design and appropriateness of the uniform Group-wide measurement process used to calculate the reimbursement liabilities, and evaluating its uniform application across the Group. We also compared the underlying country-specific and product-specific liability periods used in the calculation against the relevant statutory requirements. In addition, we verified the Company's historical cancellation rates underlying the calculation and the expectations of the executive directors regarding the timing of the cancellations as of the reporting date. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of recognizing and measuring the reimbursement liabilities for cancellation risk are substantiated and sufficiently documented.

3. The Company's disclosures relating to reimbursement liabilities for cancellation risk are contained in sections 4.4, 6.2.2 and II.22 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information.

The other information comprises

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial group report to comply with §§ 315b to 315c HGB
- the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file OVB_AG_KA+LB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

– Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on June 15, 2022. We were engaged by the supervisory board on December 15, 2022. We have been the group auditor of OVB Holding AG, Cologne, without interruption since the financial year 2005.

We were elected as group auditor by the annual general meeting on June 14, 2023. We were engaged by the supervisory board on October 18, 2023. We have been the group auditor of OVB Holding AG, Cologne, without interruption since the financial year 2005.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – use of the auditor’s report

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christian Sack.

Düsseldorf, February 26, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd. Christian Sack)	**(sgd. ppa. Ansgar Zientek)**
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public auditor)	(German Public auditor)

Michael Johnigk
Chairman of the
Supervisory Board,
OVB Holding AG

Report of the Supervisory Board

Dear Shareholders,

For people and for OVB Holding AG, the year 2023 was still dominated by geopolitical tensions. While Russia's war of aggression in Ukraine is continuing, another war has begun in the Middle East since the terrorist attack on Israel by Hamas on 7 October 2023. For private households, the high inflation rates meant that after deducting essential spending, there was less money left for insurance and pensions. Climate change also continues to be a cause for concern. In the context of very challenging political and economic conditions, OVB Holding AG achieved another all-time record for brokerage earnings in 2023 for the fourth time in a row. The Group posted a 6.7 per cent increase in turnover to EUR 354.3 million. As a result of inflation-driven cost increases, operating earnings (EBIT) amounted to EUR 17.8 million after EUR 22.0 million in the previous year. Thanks to the Executive Board's prudent management and the special commitment of the financial advisors and employees, OVB Holding AG has thus held its ground well once again.

Interaction of Supervisory Board and Executive Board

The Supervisory Board and its Committees continued their routine advice of the Executive Board in managing the Company in 2023, supervised the Executive Board's activity based on comprehensive written, oral and electronically transmitted reports delivered by the Executive Board and attended to the full scope of their duties as defined by law, the Articles of Association and the rules of procedure. In addition to that, the Chairman of the Supervisory Board and the Executive Board, particularly the CEO, maintained an ongoing exchange on topics of strategic orientation, corporate planning, business performance, the risk position, risk management, compliance, important individual events and transactions as well as impending decision-making. The Chairman of the Audit Committee and the CFO routinely exchanged relevant information as well, comprising topics of financial accounting and the internal control system in addition to the above-mentioned matters.

The Supervisory Board was thus always informed about the economic and financial development of the Group and its segments, including planning, the business and risk strategy and other fundamental issues of business operations, risk management and OVB Group's material risks in particular, transactions and events of significance and developments regarding financial advisors and employees.

In addition to the annual reports prepared by Internal Audit, the Head of Compliance, the Head of Risk Management, the Chief Information Security Officer and the (Group) Anti-Money Laundering Officers, the Supervisory Board also received regular reports from the Executive Board on compliance, risk management, IT system security, anti-money laundering and the work performed by Internal Audit.

The Supervisory Board was directly involved in all decisions of essential relevance to the Group at an early stage and discussed and debated such decisions based on the information provided by the Executive Board extensively in full session together with the Executive Board.

The Executive Board informed the Supervisory Board early on about all matters requiring the Supervisory Board's explicit consent under law, the Articles of Association or the rules of procedure and presented them to the Supervisory Board for the adoption of resolutions in good time. There were no transactions in the financial year that required the Supervisory Board's approval as related party transactions.

The Supervisory Board always had the opportunity to scrutinise and discuss the Executive Board's reports and resolution proposals in the Committees and in full session and to offer suggestions before casting its vote on the respective resolution proposal following thorough examination and debate.

In urgent individual cases, resolutions were also adopted in writing, by electronic means or in conference calls with the approval of all Supervisory Board members.

All key financials were reported to the Supervisory Board by the Executive Board on a quarterly basis. Any deviations of the business performance from corporate planning and defined targets were explained to the Supervisory Board in detail. The Company's risk position was also presented and analysed in depth on a quarterly basis. Risk reports included the current risk position of the Group in view of profit/loss and assets and liabilities, distribution and partners/products, markets and competition, operations and support as well as statutory provisions and guidelines, taking also into consideration aspects of sustainability in the separate areas.

Meetings and topics of the Supervisory Board

Four regular meetings were held in the 2023 financial year, at which the Supervisory Board dealt with the Executive Board's reports and proposed resolutions. Apart from that, the Supervisory Board requested reports and information from the Executive Board on individual topics, provided in each case exhaustively and in good time. Subjects of routine debate in full session were business planning and the business performance in the three regional segments Central and Eastern Europe, Germany, and Southern and Western Europe as well as the Corporate Centre segment and the Group's profit/loss, financial position and assets and liabilities.

Several meetings of the Supervisory Board were held temporarily in the absence of the Executive Board. In “executive sessions”, agenda items were discussed concerning either the Executive Board itself or internal Supervisory Board matters.

At the first Supervisory Board meeting, held in Cologne on 21 and 22 March 2023, the agenda included dealing with the financial statements and the consolidated management report of OVB Holding AG for the 2022 financial year, the combined management report for OVB Holding AG and the Group as of 31 December 2022, the Supervisory Board report and the 2022 dependency report. In addition, the separate non-financial Group report for 2022 and the corporate governance statement were adopted and the finalised form of the remuneration report was approved. The Supervisory Board also approved the Executive Board's proposal for the appropriation of profits. Based on the Audit Committee's proposal, the selection of the auditor for the audit of the separate and consolidated financial statements was discussed and it was unanimously resolved to propose to the Annual General Meeting that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft be appointed as the auditor of the separate and consolidated financial statements for the 2023 financial year and as the auditor for any review of the interim financial reports for the 2023 financial year and that KPMG AG Wirtschaftsprüfungsgesellschaft be appointed as the auditor for any review of the interim financial report for the first quarter of the 2024 financial year.

The Supervisory Board agreed to the Executive Board's proposal to hold a vote at the next Annual General Meeting on an amendment to the Articles of Association to authorise the Executive Board to convene a virtual Annual General Meeting in the future, too. Other significant resolutions were adopted with regard to the appointment of a new managing director at one of the sales subsidiaries and the approval of various new product partners and products. In addition, the Executive Board, the Director of Corporate Development and the external strategy consultants presented the new corporate strategy “OVB Excellence 2027” to the Supervisory Board at this meeting.

In the meeting on 14 June 2023 immediately preceding the 2023 Annual General Meeting, the Executive Board reported on the current business and the financial position after the end of the first quarter in detail, among other topics. The Supervisory Board was also informed of changes in board members and managing directors at subsidiaries. At the constituent meeting of the Supervisory Board immediately after the Annual General Meeting, i.e. also on 14 June 2023, the Chairman of the Supervisory Board, the Deputy Chairman of the Supervisory Board and the members of the Audit Committee and the Nomination and Remuneration Committee were elected.

The meeting on 13 September 2023 was held in person in Strasbourg, near which the French subsidiary is located. The Supervisory Board occasionally holds meetings at OVB's European locations in order to get a first-hand impression of the course of business and the prospects of individual operating subsidiaries on location.

At this meeting, the Executive Board informed the Supervisory Board about the development of sales in the Group and at the individual sales subsidiaries in the first six months of the 2023 financial year. The Executive Board and the Director of Corporate Development also provided an update on the development of the “OVB Excellence 2027” strategy.

Finally, there were reports on changes in board members and management teams at the subsidiaries and a vote was held on a new appointment at one of the sales subsidiaries.

In the meeting held on 6 December 2023, the Executive Board informed about the Group's situation after the first nine months and presented a forecast for the performance over the full year 2023.

COO Heinrich Fritzlar presented the strategy for the COO area. The sustainability officers at OVB Holding AG then explained the current status of the sustainability strategy, through which sustainability has been fully integrated in the corporate strategy “OVB Excellence 2027”. CFO Frank Burow presented the multi-year planning for 2024 to 2028 to the Supervisory Board. In addition, the Supervisory Board approved the authorisation of new product partners and agreed to the Nomination and

Remuneration Committee's recommendation to adopt the submitted diversity concept for the Executive Board and the Supervisory Board. The Supervisory Board also dealt with corporate governance issues and discussed an update to the declaration of conformity with the German Corporate Governance Code and resolved on its submission and publication. After the report by the Nomination and Remuneration Committee, the Supervisory Board approved the quantitative and individual targets for the 2024 Executive Board bonuses.

The members of the Supervisory Board take training measures required for accomplishing their tasks on their own initiative, e.g. those concerning changes to the legal framework and new promising technologies. If necessary, they are supported in this by the Company.

Apart from that, in-house informative events are provided for specific qualification if required. In the year under review 2023, an in-house training event on recent legal developments regarding corporate governance, the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), among other topics, was held on 16 October 2023.

New members of the Supervisory Board also have the opportunity to meet members of the Executive Board and other executives for an exchange of views on general and current topics concerning OVB Group and to thus get an overview of the Company's issues of relevance.

German Corporate Governance Code

At the Supervisory Board meeting on 6 December 2023, the Supervisory Board decided after extensive debate to release a joint declaration of Supervisory Board and Executive Board on conformity with the German Corporate Governance Code pursuant to Section 161 (1) AktG (Stock Corporation Act) that same day.

Information on corporate governance can be found in the corporate governance statement publicly available at www.ovb.eu/english/investor-relations/corporate-governance. The declaration of conformity has been made available on the Company's website at www.ovb.eu/english/investor-relations/corporate-governance and is also included in the corporate governance statement.

Committees

The Supervisory Board has established two standing Committees for preparing Supervisory Board resolutions and the topics to be addressed by the Supervisory Board in full session.

At each Supervisory Board meeting, the Chairs of the Committees reported on the subjects and outcomes of any preceding Committee sessions so that the Supervisory Board had a comprehensive information base for its debates at all times.

General information on the composition and the working methods of the Supervisory Board and its Committees can also be found in this year's corporate governance statement.

Report from the Committees

Audit Committee activity

Its responsibilities include in particular the monitoring of financial accounting and the financial accounting process, the effectiveness and development of the internal control system, the risk management system, internal auditing and compliance as well as the audit of financial statements.

The Audit Committee prepares the resolutions of the Supervisory Board on the separate financial statements, the consolidated financial statements, the combined management report, the separate non-financial Group report, the dependency report, the remuneration report in accordance with Section 162 AktG, the proposal for the appropriation of retained earnings and the agreements with the auditor (in particular the audit engagement, the definition of key audit matters and the fee arrangement). The Committee furnishes a reasoned proposal for the election of the auditor and takes suitable measures for determining and monitoring auditor independence.

Its assessment particularly relates to the question whether statutory requirements were complied with in preparing financial statements and consolidated financial statements and whether the statements presented therein give a true and fair view of the assets and liabilities, financial position and profit/loss of the Company and the Group.

The Audit Committee held eight meetings in the 2023 financial year.

The main topic was dealing with the financial statements and the combined management report of OVB Holding AG and the Group prepared by the Executive Board, as well as independently reviewing and discussing the interim financial reports (6-month report and quarterly reports) in consideration of the auditor's report on the reviews of these reports. In the context of the legally mandated rotation of the auditor, the Audit Committee also dealt with the selection procedure for the auditor for the 2024 financial year.

The Audit Committee also ensured that it was informed in detail by the specialist departments about the current status, developments and challenges in the form of regular reports on the different areas of compliance, anti-money laundering, IT system security, internal auditing and risk management.

As PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, will be conducting the audit of the consolidated financial statements for the last time for 2023, it was resolved that OVB would not define any special focal points for the audit of the 2023 financial statements. This was reported to the auditor at the meeting on 6 December 2023.

In addition to that, the Committee looked into the audit results, the audit processes and the audit planning of Internal Audit department for the 2023 financial year in the presence of the Director of Internal Audit.

Nomination and Remuneration Committee activity

The Nomination and Remuneration Committee, among whose responsibilities are the proposal of suitable candidates for the Supervisory Board's election proposals to the Annual General Meeting, the personnel of the Executive Board and the Executive Board members' remuneration, convened four times in 2023.

The first meeting of the Nomination and Remuneration Committee on 21 March 2023 particularly focused on preparing nominations for Supervisory Board members at the 2023 Annual General Meeting. At the second meeting on 4 July 2023, the agenda included the preparation of the resolution on the independence of the Supervisory Board members in accordance with the German Corporate Governance Code. On 12 September 2023, various Executive Board matters were discussed and initial projections of the Executive Board remuneration were prepared.

The final meeting on 5 December 2023 particularly dealt with setting the bonus targets for 2024 and preparing for the adoption of the diversity concept for the Executive Board and the Supervisory Board.

Apart from that, general succession planning for the Executive Board and the top level of senior executives was a recurring topic. Furthermore, the Committee prepared the Supervisory Board's resolution proposals on the definition of performance criteria and targets for variable remuneration in 2024.

Format of the meetings of the Supervisory Board and its Committees

Three of the five Supervisory Board meetings in the 2023 financial year were held as in-person events only and two as hybrid meetings (in-person meetings with the option of participation by phone/virtually).

Of the altogether eight meetings of the Audit Committee in the 2023 financial year, two were held in person, three as hybrid events (in-person meetings with the option of participation by phone/virtually) and three as conference calls.

Two of the altogether four meetings of the Nomination and Remuneration Committee in the 2023 financial year were conducted as in-person meetings, one was a hybrid session (in-person meeting with the option of participation by phone/virtually) and one was a conference call only.

Individualised information on participation in meetings

Dr Thomas A. Lange, Julia Wiens, Harald Steirer and Sascha Bassir were each excused from one Supervisory Board meeting. Roman Jurášʼs absence from two Supervisory Board meetings was excused. Michael Johnigk's absence from one meeting of the Audit Committee was excused. The following table shows the attendance ratio of the members with respect to Supervisory Board and respective Committee meetings:

	Attendance	per cent
Supervisory Board		
Michael Johnigk (Chairman)	5/5	100
Dr Thomas A. Lange (Deputy Chairman)	4/5	80
Markus Jost[1]	3/3	100
Wilfried Kempchen[2]	2/2	100
Harald Steirer[2]	1/2	50
Julia Wiens[3]	3/4	75
Torsten Uhlig[4]	3/3	100
Sascha Bassir[4]	2/3	66.7
Roman Juráš[4]	1/3	33.3
Nomination and Remuneration Committee		
Markus Jost (Chairman)[5]	2/2	100
Julia Wiens (Chairwoman)[6]	2/2	100
Michael Johnigk	4/4	100
Audit Committee		
Dr Thomas A. Lange (Chairman)	8/8	100
Michael Johnigk	7/8	87.5
Markus Jost[7]	5/5	100
Julia Wiens[3]	6/6	100
Sascha Bassir[4]	4/4	100

1 Member until 14 June 2023 and since 1 November 2023
2 Member until 14 June 2023
3 Member until 31 October 2023
4 Member since 14 June 2023
5 Member and Chairman until 14 June 2023 and member since 1 November 2023 and Chairman since 9 November 2023
6 Member and Chairman from 14 June 2023 to 31 October 2023
7 Member until 14 June 2023 and since 9 November 2023

Audit of separate and consolidated financial statements

The auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, has audited the separate financial statements and consolidated financial statements as well as the management report of OVB Holding AG combined with the consolidated management report for financial year 2023 and has issued an unqualified audit opinion. Separate financial statements and management report were prepared in accordance with German law. The consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and according to supplementary provisions under applicable German law pursuant to Section 315e (1) HGB (Commercial Code).

Separate financial statements, consolidated financial statements, the combined management report as well as the audit reports on the annual financial statements prepared by the auditor and all other financial statement documents were submitted to the members of the Supervisory Board in good time prior to its financial statements meeting.

All these documents were discussed intensively in the session of the Audit Committee and the subsequent meeting of the Supervisory Board, both held on 20 March 2024.

The audit reports prepared by the auditor were discussed extensively at the session of the Audit Committee, which was attended by all other Supervisory Board members as well, in the presence of the auditor's certified accountants who reported on the scope, focal points and material findings of the audit and particularly addressed the key audit matters and audit procedures applied. Any material flaws of the internal control system with respect to financial accounting regarding the scope of business activity and the risk position of OVB Holding AG were not identified. At the same meeting, the report on risk management and the annual reports on IT system security, compliance management, money laundering prevention and internal auditing were presented.

At the meeting on 20 March 2024, the Supervisory Board agreed with the findings of the audit for the 2023 financial year. After the final examination conducted by the Audit Committee and the Supervisory Board's own review, no objections are raised against financial statements, consolidated financial statements or combined management report.

The Supervisory Board has therefore approved the 2023 separate financial statements and 2023 consolidated financial statements. The separate financial statements are thus adopted in accordance with Section 172 sentence 1 AktG (Stock Corporation Act). The Supervisory Board has approved the Executive Board's proposal for the appropriation of retained earnings submitted at the Supervisory Board meeting of 20 March 2024.

In consideration of the Audit Committee's recommendation, the Supervisory Board also adopted the resolution proposals to the Annual General Meeting for the election of the auditor for the (consolidated) financial statements and for the election of the auditor for the sustainability report for the 2024 financial year at its meeting on 20 March 2024. This decision was based on the declarations furnished by the Audit Committee that its recommendations were free from any undue influence by third parties and that no clause restricting its choice in accordance with Art. 16 (6) of the EU Audit Regulation was imposed on the Committee.

Beyond the scope of the statutory audit for the 2023 financial year, PricewaterhouseCoopers has also conducted a business audit of the separate non-financial consolidated management report of OVB Holding AG commissioned by the Supervisory Board to obtain limited assurance and has raised no objections on this basis against non-financial reporting and compliance with the corresponding statutory provisions. The Supervisory Board has approved this report.

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. consideration paid by the Company for the transactions listed in the report was not inappropriately high,

3. no circumstances suggest a materially different assessment than the assessment made by the Executive Board with respect to the measures listed in the report."

The Supervisory Board has also examined the Executive Board’s report on relationships with affiliated companies, consulted 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 in its report on relationships with affiliated companies.

The remuneration report for financial year 2023 to be prepared in accordance with Section 162 AktG was reviewed by the auditor regarding its content as well, thus beyond the requirements under the Stock Corporation Act. The following audit opinion was issued:

“According to our assessment of the findings produced by the audit, the remuneration report for the financial year ended 31 December 2023 including all material disclosures is compliant with the financial accounting provisions of Section 162 AktG in all material aspects.”

The Supervisory Board has approved the 2023 remuneration report in the version submitted.

Changes on Supervisory Board and Executive Board

There were several changes on the Supervisory Board of OVB Holding AG in the 2023 financial year. As the terms in office of all Supervisory Board members duly expired at the end of the Company’s Annual General Meeting on 14 June 2023, new elections were on the agenda. The shareholders followed the Company’s proposal: As well as re-electing Michael Johnigk, Dr Thomas A. Lange and Julia Wiens, they also appointed Sascha Bassir, Roman Juráš and Torsten Uhlig to the Supervisory Board as proven industry experts and leaders. These members have been appointed for a term in office lasting until the end of the Annual General Meeting that will decide on the formal approval of the actions of the Supervisory Board for the 2027 financial year. Harald Steirer, Markus Jost and Wilfried Kempchen accordingly left the Supervisory Board at the end of the Annual General Meeting on 14 June 2023.

Effective 31 October 2023, Julia Wiens stepped down as a member of the Supervisory Board of OVB Holding AG. This was due to her appointment as executive director of insurance and pension fund supervision at BaFin (German Federal Financial Supervisory Authority) as at 1 January 2024. Markus Jost was appointed by court order to succeed Ms Wiens as a new member of the Board with effect from 1 November 2023. He has thus returned to the Supervisory Board of OVB Holding AG.

The members of the Supervisory Board expressed their thanks to the departing members for their good and constructive collaboration over many years.

Conflicts of interest and their management

No member of the Executive Board or the Supervisory Board identified or announced any conflicts of interest of their own.

The Supervisory Board is also not aware of any indications of conflicts of interest of Executive Board or Supervisory Board members subject to immediate disclosure to the Chairman of the Supervisory Board and information of the Annual General Meeting.

Acknowledgements

The Supervisory Board thanks the members of the Executive Board, the management teams and executives of all consolidated entities, all financial advisors and all employees of OVB Group for their efforts and achievements in the 2023 financial year.

Cologne, 20 March 2024

On behalf of the Supervisory Board

Michael Johnigk
Chairman

Company boards and board memberships

Executive Board	Memberships of Supervisory Boards and comparable supervisory bodies
Mario Freis Chairman of the Executive Board (CEO) Responsible for Corporate Development, Corporate Management, Sales, Training, Product Management, Marketing, Communication, Internal Audit, Investor Relations, Sustainability	- OVB Vermögensberatung AG, Cologne (Chairman of the Supervisory Board); - OVB Allfinanz, a.s., Prague, Czech Republic (Chairman of the Supervisory Board); - OVB Allfinanz Slovensko a.s., Bratislava, Slovakia (Chairman of the Supervisory Board)
Frank Burow Member of the Executive Board – Finance (CFO) Responsible for Corporate Accounting, Risk Management, Compliance, Management Accounting, Legal Affairs, Tax Planning, Data Protection, Anti-Money Laundering	- OVB Vermögensberatung AG, Cologne (Member of the Supervisory Board); - OVB Allfinanz Slovensko a.s., Bratislava, Slovakia (Member of the Supervisory Board); - OVB Allfinanz, a.s., Prague, Czech Republic (Member of the Supervisory Board)
Heinrich Fritzlar Member of the Executive Board – Operations (COO) Responsible for Group IT, IT Security, Process Management, People Management	

Supervisory Board	Memberships of Supervisory Boards and comparable supervisory bodies
Michael Johnigk Chairman of the Supervisory Board Business management graduate (ret.), former Member of the Executive Boards of SIGNAL IDUNA Group, Dortmund/Hamburg	- ELEMENT Insurance AG, Berlin (Deputy Chairman of the Supervisory Board) - SIGNAL IDUNA Lebensversicherung a. G., Hamburg (Member of the Supervisory Board)
Dr Thomas A. Lange Deputy Chairman of the Supervisory Board Chairman of the Audit Committee Chairman of the Executive Board of NATIONAL-BANK AG, Essen	- HANSAINVEST Hanseatische Investment-GmbH, Hamburg (Member of the Supervisory Board) - Bürgschaftsbank Nordrhein-Westfalen GmbH, Neuss (Member of the Supervisory Board)
Markus Jost Member of the Supervisory Board Chairman of the Nomination and Remuneration Committee Independent certified expert for accounting and management accounting, former Member of the Executive Boards of Basler Versicherungen, Bad Homburg/Hamburg	

Supervisory Board	Memberships of Supervisory Boards and comparable supervisory bodies
Sascha Bassir Member of the Supervisory Board	
Roman Juráš Member of the Supervisory Board	– VUB Generali DSS, Bratislava, Slovakia (Chairman) – Generali Beteiligungsverwaltung GmbH, Vienna, Austria (Managing Director) – Czech Association of Insurance Companies, Czech Republic (Vice President) – Czech Insurance Office, Czech Republic (President)
Torsten Uhlig Member of the Supervisory Board	– SIGNAL IDUNA Bauspar AG, Dortmund (Deputy Chairman of the Supervisory Board) – BCA AG, Bad Homburg (Member of the Supervisory Board) – SIGNAL IDUNA Asset Management GmbH, Dortmund (Member of the Supervisory Board) – IKK classic, Wiesbaden (Member of the Board of Directors)

Supervisory Board Committees	Committee members
Audit Committee	Dr Thomas A. Lange (Chairman), Michael Johnigk, Sascha Bassir, Markus Jost
Nomination and Remuneration Committee	Markus Jost (Chairman), Michael Johnigk

Financial Calendar

21 March 2024
Publication of the Annual Financial Statements 2023,
Analyst Conference

8 May 2024
Results for the first quarter of 2024, Conference Call

12 June 2024
Annual General Meeting 2024, Cologne

13 August 2023
Results for the second quarter of 2024, Conference Call

7 November 2023
Results for the third quarter of 2024, Conference Call

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