



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 Juráš's 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 Johnnigk, 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 Johnnigk
Chairman