OVB in Europe: Shaping the future together

Annual Report 2021

Contents

Key figures for the regions

Central and Eastern Europe	Unit	2020	2021	Change
Clients (31/12)	Number	2.70 m	2.82 m	+4.4 %
Financial advisors (31/12)	Number	3,071	3,276	+6.7 %
Brokerage income	Euro million	130.4	157.9	+21.1 %
Earnings before interest and taxes (EBIT)	Euro million	14.2	20.4	+43.4 %
EBIT margin	%	10.9	12.9	+2.0 %-pts

Germany	Unit	2020	2021	Change
Clients (31/12)	Number	609,432	613,386	+0.6 %
Financial advisors (31/12)	Number	1,242	1,240	-0.2 %
Brokerage income	Euro million	61.3	64.5	+5.1 %
Earnings before interest and taxes (EBIT)	Euro million	8.1	8.2	+1.2 %
EBIT margin	%	13.2	12.7	-0.5 %-pts

Southern and Western Europe	Unit	2020	2021	Change
Clients (31/12)	Number	652,934	700,606	+7.3 %
Financial advisors (31/12)	Number	935	1,087	+16.3 %
Brokerage income	Euro million	78.9	98.4	+24.7 %
Earnings before interest and taxes (EBIT)	Euro million	4.2	9.1	+117.1 %
EBIT margin	%	5.3	9.2	+3.9 %-pts

OVB profile

With over 4.1 million clients, well over 5,600 full-time financial agents and activities in 15 national markets, OVB is one of the leading financial intermediary groups in Europe.

Key figures for the OVB Group

Key operating figures	Unit	2020	2021	Change
Clients (31/12)	Number	3.96 m	4.13 m	+4.3 %
Financial advisors (31/12)	Number	5,248	5,603	+6.8 %
Brokerage income	Euro million	270.6	320.7	+18.5 %

Key financial figures	Unit	2020	2021	Change
Earnings before interest and taxes (EBIT)	Euro million	14.9	21.8	+46.2 %
EBIT margin	%	5.5	6.8	+1.3 %-pts
Consolidated net income after non-controlling interests	Euro million	10.5	15.7	+49.9 %

Key figures for OVB shares	Unit	2020	2021	Change
Share capital (31/12)	Euro million	14.25	14.25	±0.0 %
Number of shares (31/12)	Shares million	14.25	14.25	±0.0 %
Earnings per share (undiluted/diluted)	Euro	0.74	1.10	+49.9 %
Dividend per share[1)]	Euro	0.75 + 0.25	0.90	+20.0 %

[1)] 2021 proposed dividend; change in comparison to ordinary dividend 2020

OVB in Europe: Shaping the future together

The images of war, suffering and distress reaching us from Ukraine are making us sad. We think of the people in this European country and hope for the violence to stop soon. OVB is directly affected by this previously unimaginable escalation: We have been doing business in Ukraine since 2007 and we are concerned about the people there, our Ukrainian clients and colleagues in particular.

But there is one ray of hope in this darkness: The people in Europe are moving closer together again and stand by their common values. OVB makes its contribution to shaping our common future in Europe. Our qualified financial agents protect our clients against a multitude of risks according to the comprehensive “allfinanz” advisory approach and help them realize their personal wishes and goals. Thus they provide a socially valuable service.

Thomas Hücker, COO
- Born 1965
- More than 20 years of experience in business operations and management
- With OVB since 2013

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 managed in financial year 2021 to continue its successful business performance and record highly dynamic growth. OVB Group's brokerage income gained 18.5 per cent in the year under review to Euro 320.7 million, reaching a historic high. The operating result (EBIT) grew even faster, by 46.2 per cent to Euro 21.8 million. All regional segments increased their sales and earnings.

However, these positive results are taking a back seat in view of the current developments in Ukraine. Nobody would have thought it possible that there ever would be war in Europe again and yet this has become a bitter reality since 24 February 2022. Russia's attack on Ukraine is an attack on our European community of values and the rights to self-determination and democratic development. As a European company to the core, with a strong connection to the countries and the people of Eastern Europe, OVB is directly affected by this onslaught.

OVB has been a presence in Ukraine since 2007. We have felt connected to this country and its people for more than 15 years now. Some 15,000 clients and their families have placed their trust in OVB. Several hundred colleagues who have become our friends over these years work there for OVB. Our thoughts are with the Ukrainian population and our hearts go out to our colleagues and their families.

OVB Holding and the other 14 European OVB operating subsidiaries have set up a relief fund together and give support where help is urgently needed. Apart from that, we have launched a fund-raising campaign received very well by our colleagues all across Europe. Its beneficiaries are our Ukrainian friends with OVB and a locally operating relief organization.

The citizens of the democratic nations worldwide have closed ranks. "OVB in Europe: Shaping the future together" – the slogan of our Annual Report 2021 – has been given further essential meaning by the war against Ukraine.

Hoping for peace to come soon,
Kind regards

Mario Freis
CEO

Frank Burow
CFO

Thomas Hücker
COO

OVB in Germany

"We recognize a new sensitivity to the protection against risks and financial provision – especially among the younger generations."

Christian Höfel, Chief Sales Officer (CSO)
and Chief Product Officer (CPO)
of OVB Vermögensberatung AG

"We achieve a sustained business development by focusing on our clients, employees and financial agents. Digitization and the excellence in know-how and methodology safeguard our success."

Harald Wild, Chief Operating Officer (COO)
and Chief Financial Officer (CFO)
of OVB Vermögensberatung AG

OVB's success story started in Germany in 1970. The expansion of the product portfolio and the development of a cross-thematic "allfinanz" advisory service shaped the OVB business model over the following years, meanwhile tried, tested and successful in 15 European countries. It combines entrepreneurial independence with the integration into a powerful international group. Cologne based OVB Vermögensberatung AG ranks among Germany's leading independent companies for financial intermediation. In financial year 2021 more than 1,200 full-time financial agents of OVB Vermögensberatung supported more than 613,000 predominantly private clients. At close to 40 per cent, the focus of new business was primarily on financial products based on real assets such as unit-linked provision products or investment funds. Adding to that were products from building society savings contracts/financing, state-subsidized provision products, property, legal expenses and accident insurance, health insurance and other provision products. OVB managed to increase its brokerage income in the German market by 5.1 per cent on this basis.

Be it clients, the sales team or permanent employees – the focus on the people and their needs and wishes determines the quality of our services. In 2021 OVB Germany was presented with the cross-sector "TOP SERVICE Deutschland 2021 Award" for its exemplary client orientation and service quality based on an external client survey. From a motivating and supportive team climate and an affiliation with the company for more than 30 years in some cases, OVB draws the experience and the commitment required for shaping the future of OVB Germany and adapting to constantly changing and increasingly complex market conditions. New shapes of cooperation and the use of flexible and agile forms of product development and innovation make OVB an attractive employer or rather business partner in an exciting business environment.

Selected product partners of OVB Germany

Alte Leipziger ALH Gruppe
Amundi Asset Management
ARTS
Basler Financial Services
Basler Versicherungen
bca VVS GmbH
DEURAG
Dialog
DWS
HanseMerkur
HDI
IDEAL Versicherung
Manufaktur Augsburg GmbH
Qualitypool
ROLAND Sicher im Recht.
SIGNAL IDUNA Bauspar AG
SIGNAL IDUNA
VOLKSWOHL BUND Versicherungen
wohnen heißt wüstenrot

Digital services and support of the sales structures aligned perfectly with the OVB services provide the foundation of sustained success. OVB invests in new software, the digitization of analog processes and access to our product partners' data as well as in the professional training of its financial agents and permanent employees. One milestone in the digitization strategy was the implementation phase of the new CRM system in 2021. Also in 2021, OVB Germany launched the advisor bot “Human Robo”. From now on, clients of OVB Vermögensberatung AG can use completely digitally professional asset management with more than 60 years of experience. The combination of high-quality IT services and competence in know-how and methodology creates the required quality for the comprehensive advice of the clients.

Environmental Social Governance – ESG has increasingly found its way into the financial sector. As of August 2022, the financial advisors of OVB Germany will be obligated to ask their clients for their preferences in terms of sustainability in the brokerage of capital investments and insurance-based investment products and consider the answers for their advice. OVB Germany already offers a number of financial products qualified as sustainable according to the EU Disclosure Regulation, provided by different product partners, and will expand this portfolio successively. 100 OVB financial agents passed their exams as “Certified ESG Consultant (EHTICO)” in 2021 already. Apart from that, OVB Vermögensberatung joined the industry initiative “Sustainability in Life Insurance” as a cooperation partner at the end of 2021. Thus OVB has made its position very clear: Its advisory service in the realms of private retirement provision, risk protection and asset generation already generates a social benefit. Therefore OVB wants to help make sustainable financial solutions a matter of course.

Key market data

6.80 %
Insurance premiums in % of GDP 2020

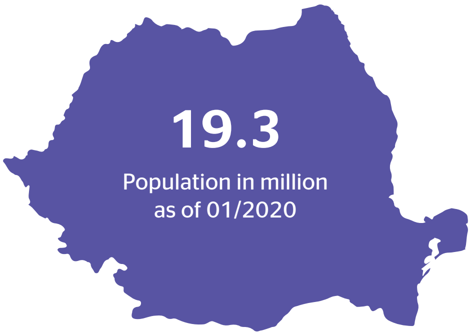
1.3 %
Real economic growth p. a. 2022 – 2032

37,421
Per capita income 2021 in Euro

2,721
Insurance premiums per capita 2020 in Euro

61,760
Net financial assets per capita 2020 in Euro

OVB in Romania



"OVB is all about the people and the strength of the team. It is motivating and fun to be working in a group of committed, goal-oriented colleagues."

Wanda Nahlik, Managing Director, S.C. OVB Allfinanz România Broker de Asigurare S.R.L.

"In a highly competitive environment, we present ourselves as a team of committed experts and offer high-quality products. Our business model is flexible and agile. Thus we are capable of responding to fast, unpredictable changes and generating growth at the same time."

Cristian Filimon, Managing Director, S.C. OVB Allfinanz România Broker de Asigurare S.R.L.

As OVB has been in Romania since 2002, the Cluj based operating subsidiary thus celebrates its 20th anniversary in 2022. OVB Romania has become a leading actor in the country's financial brokerage market in these two decades. Within our comprehensive "allfinanz" approach, product sale focuses on unit-linked provision products, classic life insurance and health insurance. OVB's roughly 340 full-time financial agents are supported by some 700 part-time colleagues and primarily support middle-income families. Apart from that, OVB Romania also has corporate clients, advising them on supplementary health insurance for their staff.

OVB Romania enjoyed highly dynamic growth in the 2021 financial year. In the brokerage of unit-linked provision products, the company meanwhile dominates the market with a market share of 89 per cent. The pandemic could not slow down OVB's successful business performance in Romania. On the contrary: It accelerated the digitization of business processes, providing the sales team with higher agility, productivity and greater reach. OVB responded faster than other market participants to changing general conditions and thus managed to gain a considerable competitive edge.

Key market data

1.2 %
Insurance premiums in % of GDP 2020

2.9 %
Real economic growth p.a. 2022 - 2032

8,972
Per capita income 2021 in Euro

123
Insurance premiums per capita 2020 in Euro

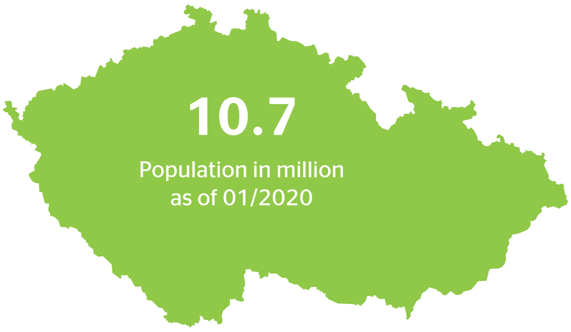
6,351
Net financial assets per capita 2020 in Euro

OVB Romania focuses all its thoughts and actions on the satisfaction of its clients. This begins with the careful selection of the permanent staff and the independent financial advisors who undergo intensive professional training and are managed towards achieving their goals. People make a difference: Be it the employees in administration who make sure that all the systems and processes work smoothly so that the sales team and the clients receive the best possible support. Or the self-employed financial agents who in many cases introduce their clients to the fundamentals and features of modern financial instruments. The team of OVB Romania has managed to become a reliable partner to their clients, financial agents, employees and product partners.

For OVB, Romania is a national market of high potential. The income level of the people is still considerably below European average. And accordingly, financial products are still relatively uncommon. However, the Romanian economy and the income of private households will probably record noticeably stronger growth in the long term than many other countries. That creates resources for private financial protection and provision. OVB Romania will tap this potential.

Selected product partners of OVB Romania

OVB in Czechia



"The year 2021 was a very successful one for OVB Allfinanz, a.s. despite the COVID-19 pandemic. We recorded growth for all key financials and have strengthened our position in the Czech financial brokerage market."

Miroslav Řezník, CEO
and Chairman of the Executive Board
OVB Allfinanz, a.s.

"In the year 2021 we have achieved our highest level of client satisfaction so far, according to a survey. And that's not all: 96 per cent of the clients said they would like to use the services of OVB Czechia again. That is a number that clearly reflects the quality of our service."

Pavel Manhalter, COO
and member of the Executive Board,
OVB Allfinanz, a.s.

OVB Allfinanz, a.s. was founded in 1992, among the pioneers of the financial services sector in the Czech Republic. Over the last 30 years, about a million clients have trusted the services provided by OVB; more than four million contracts have been brokered. OVB Czechia's "allfinanz" product portfolio oriented towards a long-term horizon encompasses all product areas of relevance to the Czech market. The respective business share of property insurance comes to 34 per cent, the share of capital investments is 29 per cent and the share of life insurance is 20 per cent. OVB Czechia cooperates closely and productively with its reliable and renowned product partners; currently these are 37 – insurance companies, banks, building societies and investment and pension funds.

Comprehensive and competent financial advice requires highly qualified and experienced financial advisors. About 1,200 financial agents worked for OVB at the end of 2021, having received three certificates – namely for insurance policies, capital investments and loans. OVB Allfinanz Czechia is very successful in recruiting new financial agents and trains them in-house according to high professional standards. Modern eLearning tools

Key market data

2.9%
Insurance premiums
in % of GDP 2020

2.2%
Real economic growth
p.a. 2022 – 2032

16,281
Per capita income 2021
in Euro

592
Insurance premiums
per capita 2020 in Euro

21,607
Net financial assets
per capita 2020 in Euro

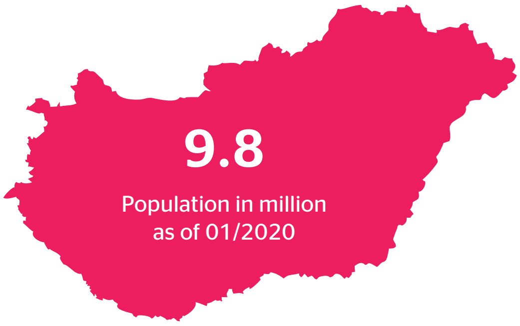
support the entire onboarding process, training and certification.

The 2021 financial year was a highly successful one for OVB Allfinanz, a.s. Double-digit growth was generated once more in sales and in the number of brokered contracts with clients. The company achieved growth in all key financials and managed to strengthen its position in the market for financial intermediation in the Czech Republic. All product categories contributed to the increase in sales. Digitization plays a central part at OVB Czechia both in client support and the daily work of the financial agents and their managers. More than 50 per cent of all contract signings are concluded digitally already.

The market for financial intermediation is highly competitive and heavily regulated in the Czech Republic. OVB Allfinanz, a.s. is a strong and relevant market participant in all product categories. The company has a leading market position in signing new clients and also scores very high rankings in client satisfaction compared to the market as a whole.

Selected product partners of OVB in the Czech Republic

OVB in Hungary



"Our team spirit and our sense of unity have made us Hungary's market leader. We are very proud of our employees at the OVB head office and our financial agents all over the country, representing the spirit of OVB."

Ádám Papp, Managing Director,
OVB Vermögensberatung Kft.

"Our business model has given proof of its strength in these difficult times. 2021 has been the best year in our company's history so far – in terms of sales and brokered contracts."

Gergely Jánosi, Managing Director,
OVB Vermögensberatung Kft.

Since its formation in the year 1992, Budapest based OVB Vermögensberatung Kft. has continuously moved forward, earning a leading position in the market of financial intermediation in Hungary. The company offers its predominantly private clients a broad range of financial products for retirement provision, property and accident insurance, health insurance, vehicle insurance, building society savings contracts as well as the brokerage of bank loans. OVB's strong position in Hungary is based among other aspects on the fact that the company is the exclusive distributor of market leading products in several product categories. OVB maintains 49 sales offices across the country for the support of its brokerage activities.

With an average age below 30 years, OVB's sales team in Hungary is particularly dynamic, innovative and growth oriented. Even before the pandemic, contracts were signed virtually for the most part. In the course of the pandemic, the share of digital business activity expanded to 98 per cent now. The efficiency of the entire distribution was increased significantly as a

Selected product partners of OVB in Hungary

Allianz
BUDAPEST BANK
CIB BANK
ERSTE Bank
Fundamenta Lakáskassza
GENERALI
Groupama Biztosító
MAPFRE | ASISTENCIA Your life. Our world
MetLife
otpbank
PREMIUM Egészségpénztár
Raiffeisen BANK
SIGNAL IDUNA
TAKARÉKBANK
UniCredit Bank
UNION VIENNA INSURANCE GROUP
UNIQA

consequence so that the business volume of OVB Hungary gained considerably. 2021 has been the most successful financial year so far in the company's 30-year history with respect to the number of brokered contracts, brokerage income and operating result.

The market for the brokerage of financial products is heavily regulated in Hungary. The Hungarian National Bank, Magyar Nemzeti Bank (MNB), has the leading role in this and places great emphasis on consumer protection. Hungary is an important market for OVB. With a population of about 10 million, the country belongs to the medium-sized European states. The insurance density is still lower than in many other central European markets but at good prospects for economic growth and thus the development of the income of private households, increasing demand for financial products can be expected. This offers further development potential for OVB Hungary.

Key market data

2.5 %
Insurance premiums in % of GDP 2020

2.2 %
Real economic growth p.a. 2022 - 2032

12,787
Per capita income 2021 in Euro

347
Insurance premiums per capita 2020 in Euro

16,159
Net financial assets per capita 2020 in Euro

Interview with CEO Mario Freis

Mario Freis knows OVB like no other: He joined OVB Group in 1995 after graduating from high school. He underwent his professional training as insurance broker at OVB Germany in Cologne until 1998 and subsequently completed his part-time studies as Geprüfter Versicherungsfachwirt (IHK) while already earning his keep. After having filled several different positions with OVB, Mario Freis has been responsible for the management and control of the altogether 15 sales subsidiaries today in different management functions since 2001 as managing director and member of executive boards and supervisory bodies. Freis has been a member of the Executive Board of OVB Holding AG since January 2010. Initially responsible for Sales and Product Management of the international entities, he assumed overall responsibility for Sales, Training and Product Management for all of Europe in mid-2014. In 2016 he was appointed CEO.

Mario Freis has make decisive contributions to the formation and development of the European operating subsidiaries and thus to increasing sales and stability in the Group's business performance. The planning and successful expansion into most of the 14 international markets so far have been his responsibility to a great extent.

Mr. Freis, you have been working for OVB for almost 27 years now. What has changed at OVB over all this time?

Mario Freis: Well, it is certainly easier to say what hasn't changed. Unchanged is our claim to offer our clients truly comprehensive, cross-thematic financial advice – aligned with the goals and wishes of our clients, with a long-term horizon, individual and flexible. Allfinanz is the foundation of our business model. Our corporate culture is unchanged as well: OVB gives committed people willing to perform the opportunity of a professional career – regardless of age, gender, origin and professional background. The team is at the centre – the performance you deliver together as well as the management of teams in tune with the slogan: "You can achieve a lot on your own. With the team, everything."

Let's ask you one more time: What distinguishes OVB of the 2020s from OVB in the 1970s?

Mario Freis: The Company has clearly evolved as has the entire industry. OVB is not the enterprise it used to be in 1970. And we are not the Company we were even back in 2019. The past two years of the pandemic have made that abundantly clear to us. On the one hand, the world has become more globalized and more digital. On the other hand, it exposes each one of us to greater risk than it did 50 years ago. Increasing regulation is affecting our business model. At the same time, the demographic development in most European countries is putting state social protection systems under considerable pressure. The people in Europe increasingly recognize that private provision and protection are urgently needed. OVB has become a leading provider in this segment across Europe.

All our key financials have gone up considerably – the number of clients, the number of our financial agents, sales and the operating result. OVB today is more international, more agile, more efficient and more dynamic than ever.

What does that mean specifically for financial year 2021?

Mario Freis: In the past year we have exceeded the mark of 4 million clients supported in the 15 countries of Europe for the very first time. The number of self-employed financial agents working for OVB gained almost 7 per cent to more than 5,600. Our sales grew 18.5 per cent to Euro 321 million – another historic record right there. The operating result increased by 46 per cent; the bottom line of Euro 15.7 million made us earn 50 per cent more than the year before. 2021 was an outstanding financial year for OVB despite a challenging environment.

What was decisive for this successful business performance?

Mario Freis: This success is the result of a highly impressive team effort. Behind it are extraordinary people who have shown exceptional commitment in highly challenging times. My respect, my acknowledgment and a great thank you go out to the financial agents and the sales executives. OVB has outstanding

"OVB has been doing pretty well in making young people feel excited about our business model. We offer entrepreneurial flexibility, excellent opportunities for development as well as high flexibility and thus sound compatibility of career and family."

sales executives who have proven in 2021 that they can navigate through difficult waters.I equally thank the managing directors and executive board members of the OVB operating subsidiaries and the employees in International IT of the holding company, the IT officers at the OVB operating subsidiaries, all employees at the holding company and the head offices of OVB Europe, seeing to it on a daily basis, working from home or in their offices under strictest pandemic restrictions, that operations were running and that the service did not suffer from any noteworthy constraints.

Weren't the contact restrictions caused by the pandemic rather detrimental to business?

Mario Freis: Quite honestly, this was and remains a minor concern to me. We already mastered the transformation to personal online advice and hybrid sales activity in 2020 and just as successfully the transformation of supporting processes. OVB has coped with that very well throughout Europe. The reach and sales strength of our financial agents has noticeably increased. It's too bad that in-person meetings and the regional and international events that are also part of our corporate culture could not take place as scheduled, though. Personal and international exchange is very important for our teamwork. I am sure we will make up for that.

What was the focus of product demand in the 2021 financial year? Do you expect any changes in the future?

Mario Freis: Due to the phase of low interest rates over the past several years, some 40 per cent of the new business are attributable to products linked to real assets such as unit-linked provision products and investment funds. The protection against biometric risks such as occupational disability, serious illness, accidents or death is also gaining in relevance. If and to what extent interest rates will rise again in the euro area over the next years – a trend emerging in the US – remains to be seen. However, it is definitely a trend that sustainability oriented products have been in increasing demand. We will expand our range of sustainable financial products successively. As of August 2022 we are obligated to ask our clients in the brokerage of capital investments and insurance-based investments for their preferences in terms of sustainability and to consider their answers in consulting. The industry and OVB will make the best possible contribution to promoting sustainability. We increasingly focus on sustainability, not only because regulations require that from us but also because it is our conviction.

The share of senior citizens in the population is increasing in almost all European countries. What does that mean for OVB?

Mario Freis: First of all, we are gaining a growing interesting target group of senior citizens, "best agers", offering additional business potential. This also implies that retirement provision will become one of the dominant topics of social debate over the next years in response to shrinking state pension levels. Thus individual retirement provision is called for at an early age. We are preparing for the scenario that there will be increasing competition in signing younger clients. The competition in hiring young professionals may also become fiercer. OVB has been doing pretty well in making young people feel excited about our business model. We offer entrepreneurial flexibility, excellent opportunities for development as well as high flexibility and thus sound compatibility of career and family. This is illustrated e.g. by the share of women in sales, reaching more than 50 per cent in the year 2021 in some cases, depending on the respective operating subsidiary and career levels.

Your strategic period "OVB Evolution 2022" is close to the finish line. What have you achieved and what comes next?

Mario Freis: Our strategy has succeeded. The business performance of the past five years gives proof of that. We have implemented specific measures in each of the four strategic dimensions and pushed OVB forward. We have made far better use of our potential, pressed ahead with digital transformation, modernized the Company and forced the pace of further international expansion. We are showing a strong finish in the final year of the current strategic period. Important measures are still ahead us. After the strategy there comes a new strategy, though. At present we are surveying our stakeholders – clients, financial agents and all employees – and thus involve them in the strategic process. "Shaping the future together" isn't the slogan of our Annual Report 2021 without reason. We are going to develop a strategy that will keep making us better and support us in maintaining our current growth dynamics.

“The successful transfer of the tried and tested OVB business model to new national markets is part of OVB’s core competency. Our broad international positioning distinguishes us clearly from our competitors.”

So growth also means the entry into new national markets for you?

Mario Freis: Yes, quite right. The successful transfer of the tried and tested OVB business model to new national markets is part of OVB’s core competency. Our broad international positioning distinguishes us clearly from our competitors. Most recently we excelled at this in the year 2019 with the highly successful expansion into the Belgian market. In 2021 we generated 80 per cent of sales outside Germany. As our next step we are planning our market entry into Slovenia still this year. While this country is rather small with its population of about 2.1 million, it provides interesting general conditions such as a relatively high per capita income and sound growth prospects. Other “uncharted territory” on the OVB map so far includes Luxembourg, the Baltic states and Portugal. We are looking into the business potential of these countries very closely.

Ukraine is currently affected by military conflict. OVB does business in that country. How do you cope with that?

Mario Freis: We observe the current developments in Ukraine with great concern. We have been a presence there since 2007 and have therefore felt connected to the country and its people for more than 15 years. Some 15,000 clients and their families have placed their trust in OVB. Several hundred colleagues work there for OVB. Colleagues who have become friends over these years. We are in constant exchange with the executives and the management of our Ukrainian sales subsidiary. OVB Holding AG and the other 14 OVB operating subsidiaries have launched a relief program together. The slogan is: YO(U)nited we help “OVB looks after their own”. Across Europe, we all at OVB are with our friends in Ukraine in our thoughts these hours and days and we wear the Ukrainian national colours in our hearts!

And finally: What expectations do you have for the current financial year 2022?

Mario Freis: We generally assume to achieve growth in sales in all regional business segments. In view of continuing uncertainty, we have determined the target ranges for brokerage income between Euro 315 million and 330 million and for the operating result between Euro 22 million and 25 million.

Thank you very much for this interview.

Market entry into Slovenia in focus

Slovenia has been an EU member since 2004 and joined the eurozone in the year 2007. With a population of about 2.1 million, it represents a relatively small market. However, the country has shown a highly positive economic performance over the past few years. The citizens' per capita income of close to Euro 20,000 is above those of Yugoslavia's other former republics. Net monetary assets per capita exceed the amounts of most neighbouring countries in central Europe. Modern financial and insurance products are very common. Slovenia is expecting strong economic growth for the next years, too. Thus we have the best conditions for dynamic entrepreneurial leaders among our ranks.

Key market data

5.0 %

Insurance premiums
in % of GDP 2020

2.7 %

Real economic growth
p.a. 2022 - 2032

19,702

Per capita income 2021
in Euro

1,251

Insurance premiums
per capita 2020 in Euro

23,011

Net financial assets
per capita 2020 in Euro

Slovenia is geographically embedded between the four "OVB countries" Austria, Hungary, Croatia and Italy. In the course of the year 2022, OVB will therefore expand its business to Slovenia. According to current plans, a wholly-owned subsidiary of OVB Holding AG will be established in the legal form of a Slovenian limited company (d.o.o.). The head office will probably be located in the capital, Ljubljana. Business activity will focus on the brokerage of life insurance, health insurance, accident and property insurance and financing. A lot of business partners that have been working together with OVB in other markets as product partners already operate in the Slovenian market and keep anticipating strong growth rates due to the increasing interest of the citizens in private retirement provision. OVB will start business operations in Slovenia still in 2022.

OVB on the capital market

Stock exchange listing as a badge of quality

The share of OVB Holding AG has been listed in the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since 21 July 2006. The Prime Standard represents the trading segment with the highest transparency requirements throughout Europe. 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 bring OVB on a par with the largest domestic and international corporations.

Stock price trending upwards

After a year of heavy price fluctuation caused in 2020 by the emergence of the COVID-19 pandemic, the German stock market showed a positive development in 2021 and achieved an excellent performance of 15.8 per cent. Germany's benchmark index Dax closed the year 2021 at 15,885 points.

The share of OVB Holding AG finished the year 2020 with a price of Euro 18.00. The price performance over the year 2021 was characterized by a volatile yet significantly upwards trending development. OVB's share price peaked around the time of the Annual General Meeting on 8 June at Euro 27.00. The price went down after that to close the year, following considerable fluctuation, at Euro 25.00. Thus shareholders of OVB Holding AG achieved a stock price gain of 38.9 per cent in the year 2021 and a performance including dividend of 44.4 per cent in relation to the 2020 year-end price. However, due to the small free float of 3.0 per cent of the shares of OVB Holding AG, the trading volume and thus the significance of the share price are considerably limited.

SIGNAL IDUNA Lebensversicherung a. G.
31.67 %

SIGNAL IDUNA
Krankenversicherung a. G.
21.27 %

Basler Beteiligungsholding GmbH
32.57 %

Generali CEE Holding AG
11.48 %

Free float
3.0 %

Shareholder structure of OVB Holding AG as of 31/12/2021

Virtual General Meeting of Shareholders again

The General Meeting of OVB Holding AG for the 2020 financial year took place on 9 June 2021 – again it was held as a virtual meeting due to the ongoing COVID19 pandemic. 97 per cent of the share capital was represented. The administration's resolution proposals were all adopted almost unanimously by the shareholders, among them the distribution of a dividend of Euro 0.75 per share, unchanged from the previous year, plus an anniversary bonus of Euro 0.25 per share. The dividend yield based on the 2020 year-end stock price thus came to 5.6 per cent.

Solid financial position

Neither OVB Holding AG nor any of the consolidated companies have issued or plan to issue debt instruments. The equity ratio of OVB Holding AG amounts to an extremely solid 35.4 per cent as of the end of 2021 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 12.8 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 on 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 open 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 and to strengthen the confidence of the capital market in the Company based on that. In the year 2021, OVB talked with institutional investors and financial analysts exclusively by way of videoconferencing and conference calls due to the impact of the COVID-19 pandemic. Additional transparency is created on the Internet: All financial reports and corporate presentations are available both in German and English at

https://www.ovb.eu/investor-relations/finanzpublikationen-und-finanzkalender.html

or rather

https://www.ovb.eu/english/investor-relations/financial-publications-and-financial-calendar.html.

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 18.00	(30/12/2020)
High	Euro 27.00	(08/06/2021)
Low	Euro 17.60	(23/02/2021)
Last	Euro 25.00	(30/12/2021)
Market capitalisation	Euro 356 million	(30/12/2021)

Combined management report 2021 of OVB Holding AG

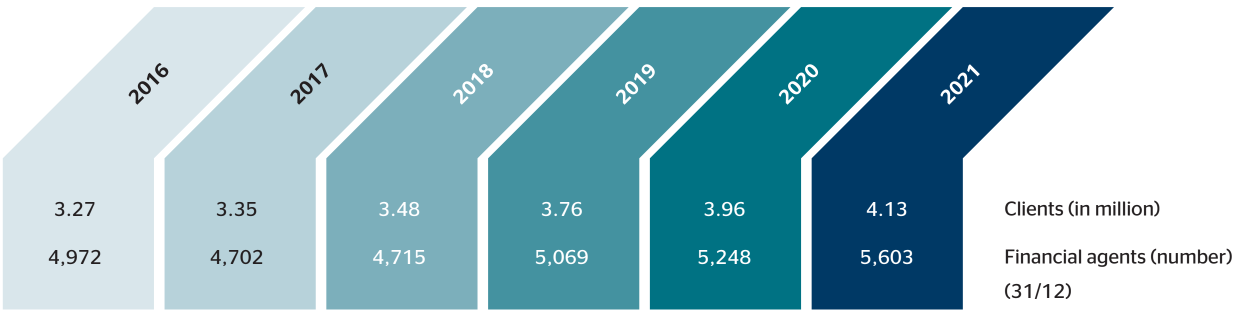
Basic information on the Group

Business model of the OVB Group

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 15 countries of Europe as an intermediary for financial products. By the end of the year under review, 5,603 full-time OVB financial agents supported 4.13 million clients. Its broad European positioning stabilizes OVB's business performance and opens up growth potential. OVB's 15 national markets are different in terms of structure, development status and size. OVB has a leading market position in many countries. The number of senior citizens in Europe rises as the number of young people is going down. Public social security systems are increasingly being overburdened. Therefore OVB continues to see considerable potential for the services it provides.

OVB clients and financial agents



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 agent particularly asks for the client's wishes and goals and then creates an individually tailored solution in consideration of personal financial resources, a solution with a long-term horizon that is both affordable and sufficiently flexible. OVB accompanies its clients over many years. Service meetings with clients are held on a regular basis in order to consistently adjust our clients' financial planning to their current situation in life. This effort results in protection and provision concepts suited to each client's demands and respective phase of life. The ongoing COVID-19 pandemic and the corresponding restrictions for in-person client meetings have 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 the 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 future regulatory or qualitative requirements.

OVB Group had altogether 679 employees on average in the year under review (previous year: 650 employees) in the holding company, the head offices of the operating subsidiaries and in 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 and aligns business policies. Business operations are divided into regional segments. Operating subsidiaries are active in 15 European countries at present. On behalf of these subsidiaries, self-employed sales agents support and advise our clients on issues of risk protection and provision. Three 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 agreement and a profit-and-loss transfer agreement.

Organizational 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		Willemot NV / Belgium	

* indirect interest

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 2021 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 2021

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

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
Wilfried Kempchen	Member of the Supervisory Board
Harald Steirer	Member of the Supervisory Board
Julia Wiens	Member of the Supervisory Board (since 9 June 2021)

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 cooperation between 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 corresponding statement pursuant to 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 operating element. In the realm of strategic controlling, 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 15 sales subsidiaries. Committees of OVB Holding AG continuously coordinate market cultivation and marketing activities as well as the composition of the portfolio of partners and products with the respective OVB sales subsidiaries.

Operational management accounting supports the management of business operations. The Company's key targets and control variables are sales (brokerage income) and earnings before interest and taxes (EBIT). Apart from these monetary indicators, non-monetary indicators such as the number of financial agents 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 budget and the annual operating budget with respect to sales, costs and earnings. The decentralized planning process conducted by individual subsidiaries and cost centre managers is then aligned with the Group's strategy in a top-down and bottom-up process. Apart from that, particularly the expenses and income budgeted for the Group are subject to a centralized evaluation process.

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 prior to the budget period.

In a first step, the basic data available at the start of budgeting 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 budget. 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 15 sales subsidiaries' demands for liquidity and makes liquid assets available if necessary.

Goals and strategies

In view of predictable changes in the business environment, the markets and the legal framework of the Company's business, OVB has developed the medium-term strategy "OVB Evolution 2022", which has been implemented consistently since 2017. The strategy is oriented towards a long-term vision as a benchmark, defines strategic goals and comprises four basic cornerstones, each of them linked to specific strategic measures.

OVB has defined strategic goals, comprising the sustainable development of the sales organization, the expansion of the client base, increasing the business volume with the individual clients, raising the client satisfaction level, expanding online marketing activity, further efficiency improvements in back-office operations, the digitization of processes and sales support as well as an expansion to new national markets in Europe. According to "OVB Evolution 2022", four cornerstones will support the achievement of these goals:

– Realization of potential
– Digitization
– Modernization
– Expansion

With respect to "Realization of potential", great significance is attached e.g. to the ongoing development of the Europe-wide professional training system. OVB is further advancing and updating the professional training system across Europe, not only due to regulatory requirements but also based on the Company's own high quality standards. OVB also keeps tapping the full business potential represented by its 4.13 million existing clients systematically. There is considerable potential for cross-selling and upselling activities throughout Europe. Available resources and the demand for private provision are rising especially in the national markets of the Central and Eastern Europe segment due to above-average increases in income. With respect to "Digitization", OVB focuses primarily on its business processes, the financial agent's modern workplace (OVB EASY) as well as enhanced options for interaction between clients, financial agents and OVB. A contemporary target group approach is at the core of "Modernization". Developing and expanding social media activities within the scope of our social media strategy provides additional opportunities for acquiring both new staff and clients. "Expansion" stands primarily for the transfer of the tried and tested OVB business model to new, attractive national markets.

More than 426 million people live in the 15 countries of Europe in which OVB currently operates. Because of imperative private provision to be taken on one's own initiative and the demand for advisory service derived from that, OVB sees sound prospects for its business. In winning new financial agents, OVB counts on finding and qualifying people willing to perform for the responsible task of providing comprehensive "allfinanz" advisory service in order to fulfill the increasing demand for financial advice among the people in Europe.

Business report

Macroeconomic and industry-related general conditions

Macroeconomic development
OVB operates in 15 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 and Ukraine; the Group generated roughly 49 per cent of its sales in these markets in the previous year. 20 per cent of OVB Group's sales were accounted for by the German market over the past year. The national markets Austria, Belgium, France, Greece, Italy, Spain and Switzerland constitute the Southern and Western Europe segment, contributing some 31 per cent to OVB Group's brokerage income in 2021. With the exception of Switzerland, these countries belong to the eurozone.

OVB thus generates roughly four fifths of its brokerage income outside Germany. Against this backdrop it is important to consider the macroeconomic development in Europe for an assessment of the business performance in 2021. Among the relevant factors are economic growth, the development of the job market and changes in the income situation of private households.

After the impact of the COVID-19 pandemic had caused a steep recession of the global economy in 2020, a strong economic recovery followed in 2021 for most countries. The fading infection rates especially in the spring and summer of 2021 made far-reaching relaxation of the restrictions imposed on the economic and social life possible. At the end of 2021, the Omicron variant of the COVID-19 virus was spreading worldwide. The effects of the pandemic will therefore keep affecting the economy in 2022, which is why statements on the economic performance are subject to considerable uncertainty.

The euro area recovered economically in 2021. According to estimates released by the International Monetary Fund (IMF) in January 2022, the currency zone's economic performance grew 5.2 per cent. Following the 6.4 per cent collapse in 2020, the pre-crisis level has not been reclaimed, though. The economic growth was slowed down by disruption in the international supply chains and a strong increase in prices for crude oil, energy, commodities and crucial intermediate products as well as food. For 2022 and 2023, the IMF anticipates a slowdown in economic growth from 3.9 per cent to 2.5 per cent. At the same time, the inflationary pressure continues on a broad scale. This scenario causes some central banks to tighten their previously extremely loose monetary policies gradually which could put additional pressure on the economy. Public and private-sector support measures such as interim financial aid or the suspension of insurance premium payments for clients are partly being discontinued. On the whole, the income situation of private households in Europe still appears uncertain in many respects. This may reduce resources available for private financial provision and protection and lead to rising cancellation figures in the contract portfolio.

Economic development in Central and Eastern Europe
The seven national markets of the Central and Eastern Europe segment enjoyed an economic upswing in 2021, yet to quite different degrees from country to country. As in the recession of 2020, among the deciding factors were the dependence on tourism and the extent of integration into the international division of labour. These effects can be expected to level off somewhat in the year 2022 and the region will probably head for shared economic growth of about 4 per cent. However, the pace of inflation, already increased in 2021, will probably accelerate further.

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

	2020	2021e	2022f	2023f
Croatia	-8.1	9.2	4.4	4.1
Czech Republic	-5.8	2.6	4.1	3.7
Hungary	-5.2	6.5	4.5	3.5
Poland	-2.7	5.5	4.3	4.0
Romania	-3.7	6.2	4.7	4.5
Slovakia	-4.4	3.0	4.4	6.0
Ukraine	-3.8	3.0	3.7	3.2

e = estimate; f = forecast
Source: Raiffeisen RESEARCH, January 2022

Economic development in Germany

The macroeconomic effects of the COVID-19 pandemic turned out less incise in Germany in 2020 than in other European countries but then the economic recovery in the year under review was less pronounced, either. With economic growth of 2.7 per cent, the pre-crisis level has not been reached yet. While private consumer spending stagnated, government consumption, capital expenditures and exports gained considerably. The IMF expects for 2022 accelerated economic growth in Germany of 3.8 per cent. The labour market proved robust in 2021 under difficult conditions. Consumer prices increased on annual average by 3.1 per cent, gaining 5.3 per cent in December 2021 alone on the prior-year month of comparison. Similarly high price hikes were most recently reported almost 30 years ago.

Economic development in Southern and Western Europe

Some countries in Southern and Western Europe were affected very soon and very severely by the spread of the pandemic 2020, most notably Italy and Spain. As a counter-reaction to this economic collapse in 2020, the recovery in 2021 was particularly strong in these countries. Yet the economic recovery was not powerful enough to compensate for the loss in income suffered during the year of crisis 2020. The persistence of the COVID-19 pandemic keeps bringing major challenges especially to the countries in the Mediterranean and the Alps, for which tourism is a relevant business sector. The economic situation of private households can be expected to remain strained in most countries of the Southern and Western Europe segment in 2022.

Industry situation

Europe's macroeconomic environment improved considerably in 2021 over the year of crisis 2020. However, the effects of the COVID-19 pandemic remained noticeable, in particular from October 2021 on with the spread of the Omicron variant of the virus. The sale of financial products was affected strongly by the course of the pandemic as well. Advisory service and conclusions of contracts kept taking place digitally in most cases.

Economic development in the eurozone
Changes in real gross domestic product (GDP) in %

	2020	2021e	2022f	2023f
Eurozone	**-6.4**	**5.2**	**3.9**	**2.5**
France	-8.0	6.7	3.5	1.8
Germany	-4.6	2.7	3.8	2.5
Italy	-8.9	6.2	3.8	2.2
Spain	-10.8	4.9	5.8	3.8

e = estimate; f = forecast
Source: IMF, World Economic Outlook, January 2022

The financial situation of many private households in Europe remains strained. Various risks and uncertainty added to that, starting with potential effects of the pandemic on the health of oneself and one's family and the threat of job loss up to a globally strong increase in inflation. The budgets of private households are primarily burdened by price hikes for basic food items, energy, heat and fuel. The accelerated currency devaluation may also cause the central banks to increase base rates which might put the squeeze on indebted private households even more through increased interest rates for loans wherever no fixed interest rates have been agreed for liabilities. Contrary to that, private households with investment and pension assets might benefit from an increase in the general interest rate level after a long period of low interest rates. At present a low interest rate environment still prevails in most markets, though, and many classic investment products come up with very low returns. Products with profit participation and guaranteed interest are hardly offered anymore by the insurance companies.

Particularly retirement provision with real property and stocks is at the centre of investor interest. In demand are direct investments in funds and unit-linked life insurance or pension schemes. OVB offers a large product portfolio, from promising investments to rather security oriented capital investments. Thus OVB advisors are 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 and care dependency in many countries. 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 the use of renewable energy for example, contributing to climate protection, are raising 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 expanded successively.

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

From OVB's vantage, 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 320.7 million in financial year 2021. This equals an 18.5 per cent increase over the prior-year amount of Euro 270.6 million. Almost all national markets reported positive performances.

The number of supported clients climbed from 3.96 million clients at the end of 2020 by 4.3 per cent to 4.13 million clients as of the reporting date. The OVB sales force comprised 5,603 full-time financial agents as of the reporting date (previous year: 5,248 financial agents).

The structure of new business with respect to the type of brokered financial products reflects the focus of advisory services on basic protection for financial security, asset and financial risk protection, retirement provision as well as asset generation and wealth management. Unit-linked provision products dominated the clients' demand throughout Europe in 2021. This product group's share in the new business was 33.3 per cent (previous year: 33.5 per cent). Other provision products – including classic life and pension insurance policies and particularly products for the protection against biometric risks – amounted to 21.8 per cent of the new business (previous year: 22.7 per cent). Property, legal expenses and accident insurance (with a share of 14.1 per cent after 14.3 per cent), building society savings contracts/financing (with a share of 12.3 per cent after 12.3 per cent) and state-subsidized provision products (10.1 per cent of the business brokered in 2021 after 9.6 per cent in the previous year) complete the comprehensive "allfinanz" advisory approach in addition to investment funds, health insurance and real property.

Central and Eastern Europe segment
The Central and Eastern Europe segment comprises the seven national markets Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Ukraine. In financial year 2021, brokerage income went up 21.1 per cent from Euro 130.4 million in the previous year to Euro 157.9 million in the year under review.

In the 2020 combined management report, a slight increase in brokerage income had been predicted.

3,276 financial agents worked for OVB in the region at year-end 2021, compared to 3,071 financial agents twelve months before. They supported altogether 2.82 million clients (previous year: 2.70 million clients). The structure of new business reflects OVB's comprehensive "allfinanz" approach: Product demand continued to focus primarily on unit-linked provision products at 31.9 per cent of the new business in 2021 (previous year: 33.4 per cent). Other relevant product groups were other provision products at 30.4 per cent (previous year: 31.7 per cent), property, legal expenses and accident insurance at 14.9 per cent (previous year: 14.0 per cent) and products in the category of building society savings contracts/financing at 14.0 per cent (previous year: 12.4 per cent).

Germany segment
Brokerage income of Euro 64.5 million in the Germany segment exceeded the prior-year amount of Euro 61.3 million by 5.1 per cent. A stable performance of brokerage income had been predicted in the 2020 combined management report. The number of financial agents remained virtually unchanged at 1,240 financial agents (previous year: 1,242 financial agents). They supported 613,386 clients (previous year: 609,432 clients). Product demand was widely diversified: 27.5 per cent of the new business was accounted for by unit-linked provision products (previous year: 29.0 per cent). The share in new business attributed to products in the category building society savings contracts/financing dropped to 15.8 per cent (previous year: 17.8 per cent). 14.0 per cent was accounted for by state-subsidized provision products (previous year: 11.8 per cent), 13.9 per cent to other provision products. 12.8 per cent came to property, legal expenses and accident insurance (previous year: 14.0 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. At Euro 98.4 million after Euro 78.9 million in the year before, brokerage income was increased by 24.7 per cent. A slight increase in brokerage income had been predicted in the 2020 combined management report. 1,087 financial agents work for OVB in this segment and thus 16.3 per cent more than as of the prior-year reporting date (previous year: 935 financial agents). They supported 700,606 clients as compared to 652,934 clients one year before. With a 39.8 per cent share in new business (previous year: 37.2 per cent), unit-linked provision products topped the list, followed by state-subsidized provision products at 26.9 per cent (previous year: 25.9 per cent) and property, legal expenses and accident insurance with a share of 13.2 per cent (previous year: 15.1 per cent).

Breakdown of new business 2021 (2020)

Unit-linked provision products
33.3 % (33.5 %)

State-subsidized provision products
10.1 % (9.6 %)

Building society savings contracts/financing
12.3 % (12.3 %)

Property, legal expenses and accident insurance
14.1 % (14.3 %)

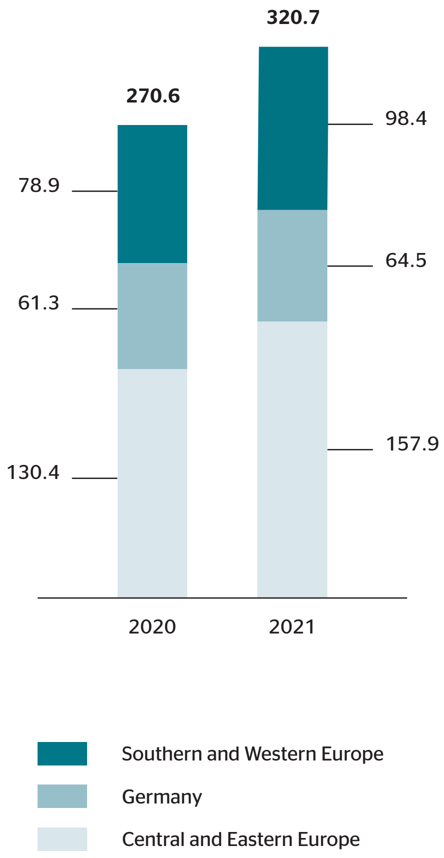
Health insurance
2.0 % (2.3 %)

Investment funds
6.3 % (5.1 %)

Other provision products
21.8 % (22.7 %)

Real property
0.1 % (0.2 %)

Brokerage income by region
Euro million, figures rounded



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

Profit/Loss
OVB Group generated brokerage income of Euro 320.7 million in the 2021 financial year compared to the prior-year amount of Euro 270.6 million. Only a slight increase had been predicted in the 2020 combined management report against the backdrop of the pandemic. The dynamic growth in brokerage income by 18.5 per cent in financial year 2021 exceeds initial expectations. Sales of Euro 320.7 million represent a historic record high for OVB.

Other operating income was up 7.9 per cent to Euro 11.0 million in 2021; the prior-year amount had come to Euro 10.2 million. This increase was primarily due to income from the reversal of provisions.

Brokerage expenses gained 18.8 per cent from Euro 181.5 million in the previous year to Euro 215.5 million in the year under review. Personnel expense was up 7.7 per cent from Euro 39.3 million to Euro 42.3 million. Depreciation and amortization increased by 11.3 per cent from Euro 6.9 million to Euro 7.7 million. Other operating expenses were expanded by 16.3 per cent from Euro 38.1 million to Euro 44.4 million. Material cost driving items were increases in provisions for litigation risk and in IT counseling fees. Reduced expenses for events had the opposite effect.

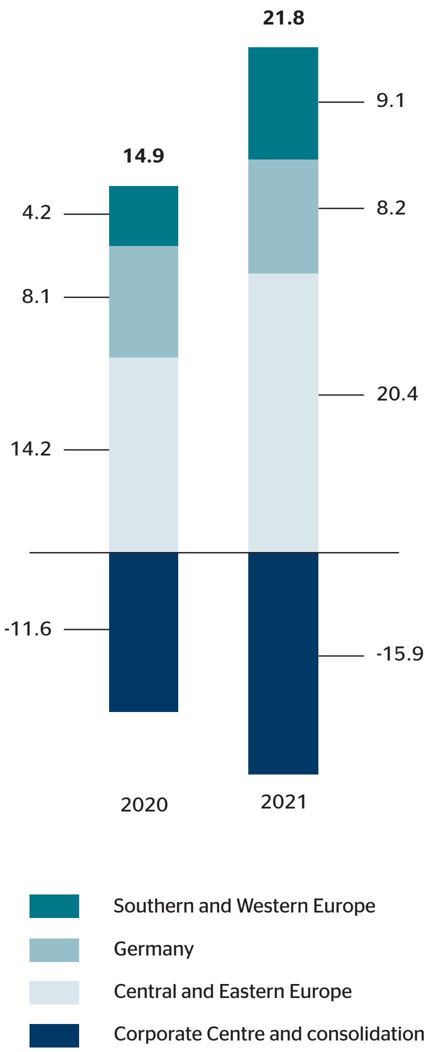
OVB Group generated an operating result (EBIT) of Euro 21.8 million in 2021, 46.2 per cent above the prior-year amount of Euro 14.9 million. The EBIT of the Central and Eastern Europe segment showed a dynamic increase of 43.4 per cent from Euro 14.2 million to Euro 20.4 million. Almost all national markets contributed to this increase in earnings. The operating result of the Germany segment gained 1.2 per cent from Euro 8.1 million to Euro 8.2 million. The EBIT of the Southern and Western Europe segment was more than doubled, reporting growth of 117.1 per cent, from Euro 4.2 million in the previous year to Euro 9.1 million in the year under review. The negative operating result of Corporate Centre including consolidation effects expanded from Euro 11.6 million to Euro 15.9 million. OVB Group's EBIT margin increased from 5.5 per cent in the previous year to 6.8 per cent in the year 2021.

The financial result showed a Euro 0.4 million surplus in 2021, compared to a loss of Euro 0.2 million in the previous year. Finance income grew essentially due to appreciation in value of securities and loans, finance expense dropped primarily by the fact that write-downs on securities necessary in the previous year did not occur in this reporting period. Taxes on income went up from Euro 4.0 million in the previous year to Euro 6.5 million in the year under review.

Consolidated net income after non-controlling interests comes to Euro 15.7 million in financial year 2021. For the previous year, consolidated net income amounted to Euro 10.5 million. Earnings per share, based respectively on 14,251,314 no-par shares, went up from Euro 0.74 to Euro 1.10.

OVB Group's total comprehensive income reached Euro 15.9 million in the year under review after Euro 10.1 million in the year before. This development

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



results most predominantly from the improved consolidated net income.

Financial position
OVB Group's cash flow from operating activities was up Euro 3.7 million from Euro 30.1 million in the previous year to Euro 33.7 million in 2021. The increase in cash flow is due primarily to the improved consolidated earnings before income tax (+ Euro 7.5 million) and an increase in provisions by Euro 15.8 million (Euro +6.3 million). Contrary to that, increases in trade receivables and other assets and income tax paid were up; moreover, insignificant unrealized foreign exchange gains followed losses in this item over the previous year.

Investing activities resulted in an outflow of cash of Euro 14.4 million in 2021, compared to cash inflow of Euro 0.3 million over the previous year. The main driver of this development were capital expenditures for securities and other short-term capital investments, up from Euro 5.3 million in the previous year to Euro 22.5 million in the year under review. Adding to that, payments from the disposal from non-current financial assets were down. Contrary to that, payments from the disposal of securities and other short-term capital investments were up.

At Euro -17.3 million, the cash flow from financing activities showed a higher outflow of cash for the year under review than the previous year (Euro -13.5 million). Apart from the payment of a regular dividend of Euro 0.75 per share respectively, the deciding factor is the payment of an anniversary bonus of Euro 0.25 per share on the occasion of the Company's 50 years of existence. The one-off anniversary bonus led to an outflow of funds in the amount of Euro -3.6 million. The Company's cash and cash equivalents increased altogether by Euro 2.7 million from Euro 71.9 million as of 31 December 2020 to Euro 74.6 million as of 31 December 2021.

Assets and liabilities
The Group's total assets expanded from Euro 233.5 million at year-end 2020 by Euro 24.3 million to Euro 257.8 million as of the reporting date for the year under review.

Non-current assets went up insignificantly from Euro 36.5 million to Euro 37.1 million. While rights of use of leased assets went down over time to some extent, deferred tax assets, tangible assets and intangible assets went up. Current assets increased year-on-year from Euro 197.0 million to Euro 220.7 million as of the reporting date. The single largest increase in absolute terms was reported for securities and other capital investments – from Euro 45.9 million by Euro 8.4 million to Euro 54.3 million. Other items were up primarily in line with the expansion of business activity.

The equity of OVB Holding AG amounted to Euro 91.4 million at year-end 2021, changed insignificantly from the amount of Euro 90.0 million as of 31 December 2020. Retained earnings were up in particular. Due to the expansion of total assets, the Company's equity ratio went down from 38.6 per cent to 35.4 per cent.

Non-current liabilities went down from Euro 13.7 million to Euro 12.8 million, due predominantly to a decrease in non-current lease liabilities. There are still no liabilities to banks. Current liabilities, serving primarily the financing of business operations, gained significantly from Euro 129.8 million to Euro 153.7 million. From this Euro 23.9 million increase, Euro 15.2 million were accounted for by other provisions and Euro 6.6 million by other liabilities. Up in other provisions were particularly provisions for cancellation risk and provisions for liabilities under contract from subsequent commission. Up in other liabilities was particularly retained security, i.e. provisions for cancellation risk set aside on account of financial advisors.

Comparison between forecast and actual development

On March 23, 2021, in the 2020 combined management report of OVB Holding AG, the Executive Board had predicted for the 2021 financial year a slight increase in brokerage income and a stable operating result compared to 2020, subject to the further development of the COVID-19 pandemic respectively. In view of the highly positive business performance of the first three months of 2021, the Executive Board adjusted its expectations in the consolidated interim report on the first quarter of 2021 to the effect that it now anticipated a significant increase in brokerage income and operating result (EBIT). This forecast was made more specific in the consolidated interim report on the first half-year 2021: The Executive Board predicted brokerage income between Euro 300 million and 310 million and an operating result between Euro 19 million and 22 million for the full year 2021. After nine months, the Executive Board confirmed this positive forecast. Brokerage income generated by OVB Holding AG grew 18.5 per cent to reach Euro 320.7 million in financial year 2021. The operating result (EBIT) gained 46.2 per cent to Euro 21.8 million. Thus the sales forecast was exceeded, the operating result (EBIT) is at the upper limit of the forecast margin.

Over the reporting period, the Executive Board did not release sales or earnings forecasts for individual segments. The forecast included in the 2020 combined management report with respect to the development of the Central and Eastern Europe segment was exceeded significantly with respect to brokerage income and operating result. The same applies for the segments Germany and Southern and Western Europe. This positive development throughout resulted primarily from the fact that technological resources were made available across the Group in order to generate business digitally, giving the financial agents the opportunity to advise their clients systematically even during phases of lockdown. The corresponding transformation in distribution made very good progress as well so that sales were expanded considerably and efficiency was increased in most countries.

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 involving 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.

OVB Holding AG generated investment income in the total amount of Euro 22.0 million in the reporting year (previous year: Euro 14.6 million). The profit received from German subsidiary OVB Vermögensberatung AG under profit-and-loss transfer agreement amounted to Euro 7.9 million in the year under review (previous year: Euro 8.1 million). Personnel expense for the holding company's 108 employees on average (previous year: 105 employees) increased over the reporting period from Euro 11.1 million to Euro 11.2 million.

Earnings after taxes of OVB Holding AG and net income amounted to Euro 13.8 million for financial year 2021 (previous year: Euro 10.6 million).

Total assets of OVB Holding AG went up from Euro 92.0 million at the end of financial year 2020 to Euro 94.2 million at the end of the year under review.

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

Profit/loss

EUR'000	2021	2020
Sales	13,675	12,465
Income from investments (in affiliated companies)	22,014	14,579
Profits received under a profit-and-loss transfer agreement	7,941	8,141
Net income	13,830	10,563

includes dividend claims and receivables from ongoing clearing transactions.

The capital structure of OVB Holding AG is characterized by a solid equity base: The Company's equity amounted to Euro 84.7 million at year-end 2021 (previous year: Euro 85.1 million). The Company's equity ratio went down insignificantly from 92.6 per cent to 89.9 per cent.

Liquidity and dividend
As of the reporting date, the Company has liquid assets of Euro 8.7 million at its disposal (previous year: Euro 11.5 million). The decrease in liquid assets results essentially from the payment of a one-off anniversary bonus. In the year 2021, a dividend of Euro 0.75 per share and a one-off anniversary bonus of Euro 0.25 per share were paid out for financial year 2020 (total volume: Euro 14.2 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 15 June 2022 to distribute a dividend of Euro 0.90 for financial year 2021, increased over the prior-year dividend by 20 per cent. As of 31 December 2021, 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 2021 will amount to Euro 12.8 million.

Assets and liabilities and financial position

EUR'000	31/12/2021	31/12/2020
Non-current assets	35,549	33,959
Current assets	58,669	58,040
Equity	84,689	85,111
Provisions	8,488	5,601
Liabilities	1,041	1,287

Comparison between forecast and actual development
Subject to stable investment income and a slightly improved financial result and operating result of Corporate Centre, the Executive Board of OVB Holding AG had predicted slightly improved earnings after taxes. Earnings after taxes went up 30.9 per cent from Euro 10.6 million to Euro 13.8 million. On the one hand, the financial result was improved from Euro 22.7 million to Euro 29.6 million due to the positive performances of the subsidiaries of OVB Holding AG. Contrary to that, the operating result went from Euro -12.1 million to Euro -15.7 million, primarily because of lower cost charges transferred to the subsidiaries.

Report on opportunities and risks

Opportunity management

OVB's corporate culture places great importance on entrepreneurially-minded thinking and acting. OVB's self-employed financial agents consider themselves entrepreneurs in particular. Continuously seeking and seizing business opportunities is therefore taken for granted by all of OVB's financial agents and employees, regardless of their respective area and scope of responsibility. OVB Group's sales subsidiaries are required to identify opportunities at the level of operations 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. OVB Holding AG identifies strategic opportunities. They are evaluated and measures are developed for exploiting them. Then the various departments and interface managers identify, analyze and control the material opportunities and risks for the future business performance as recognized 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

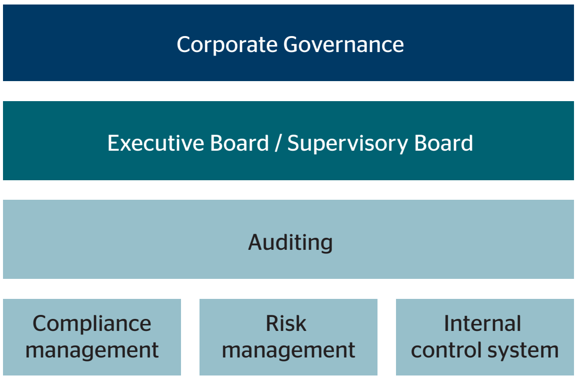
Entrepreneurial activity is inconceivable without taking risks. For OVB, risk means the threat of possible losses or missed profits.

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

Due to the adoption of most recent regulatory provisions such as the Financial Market Integrity Strengthening Act (FISG) or Section 91 (3) Stock Corporation Act (AktG) – implementation of an adequate and effective internal control system and risk management system –, OVB's corporate governance has to cope with a wider set of issues now.

The risk management system is part of OVB's corporate governance functions set up as follows:



Risk management encompasses 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.

Structure and process of risk management

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

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

- System for early risk detection
- Internal monitoring system
- Management accounting system

Standardized risk management processes make sure that Executive Board and Supervisory Board are informed in a structured way and in good time about the Group's present 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.

One of the most 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.

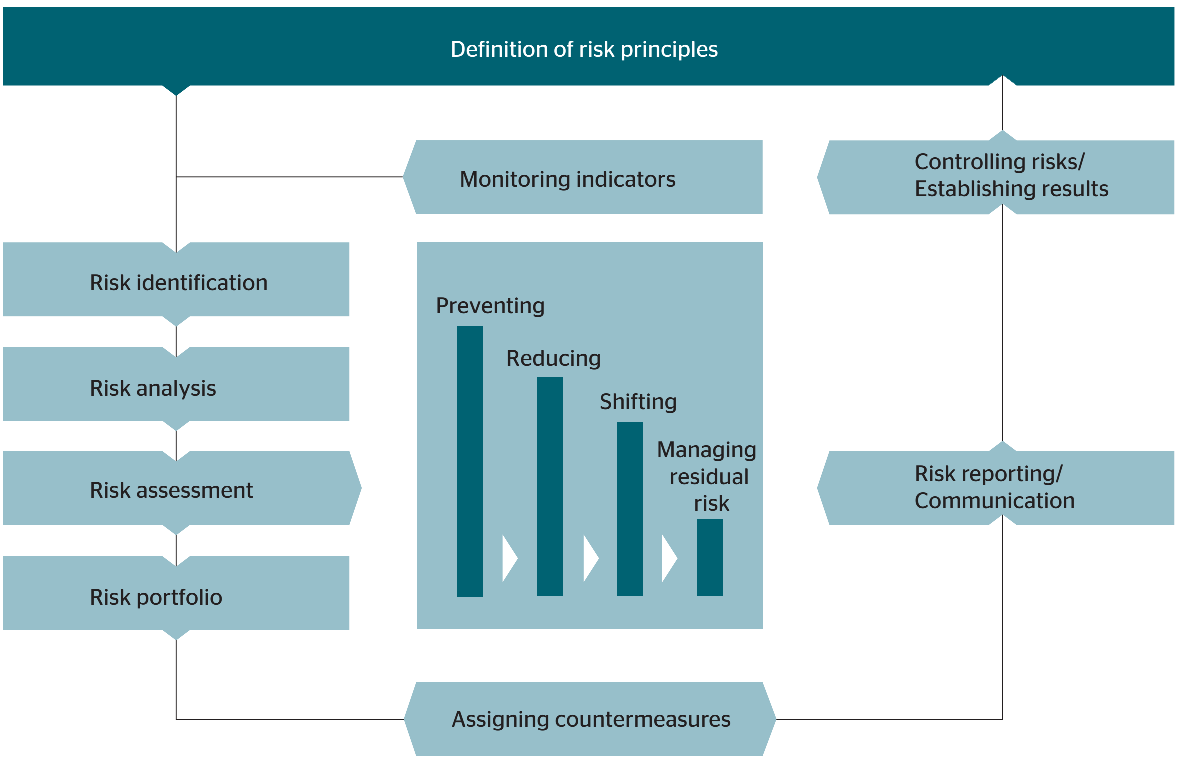
Material risks are identified by the respective risk manager of the business divisions or rather by the decentralized risk managers of the operating subsidiaries and quantified in annual risk inventory processes. Risk mitigating measures are considered and documented within the framework of risk inventory and reported to the Chief Risk Manager.

Apart from the direct exchange of information between the Chief Risk Manager and the Executive Board, standardized 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 scope 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 Manager.

At the core of the Group's risk report is the Group's "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 Manager is also informed directly by way of ad hoc risk notifications in cases of urgency outside the usual reporting channels.

OVB risk management process



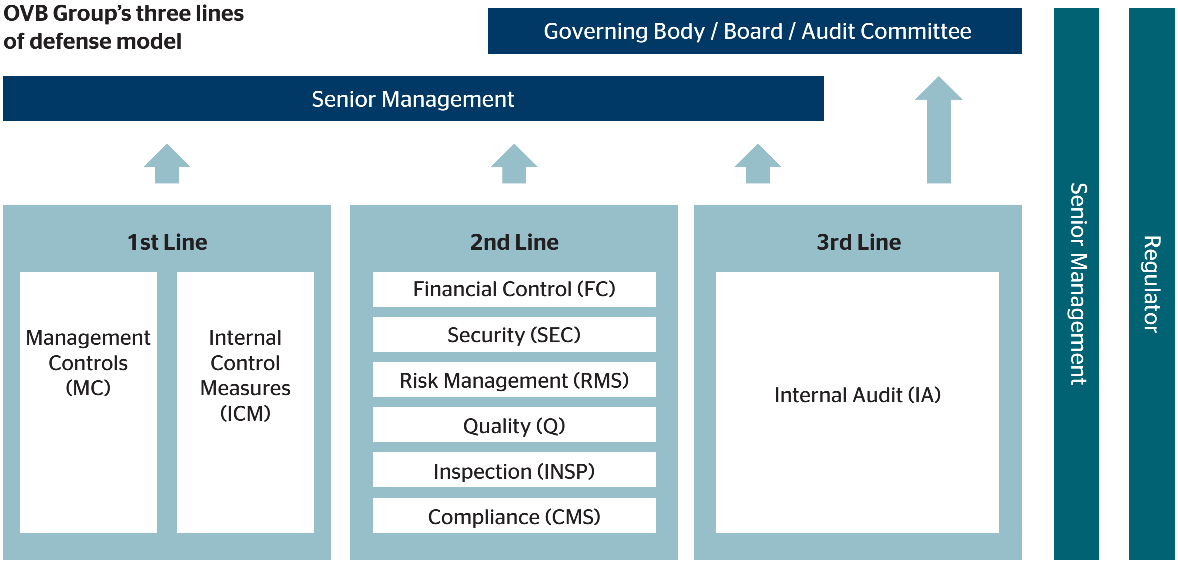
Within the framework of corporate planning, OVB assesses the potential risks before material business decisions are made while reporting allows for an adequate monitoring of such risks in the context of business activity.

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

Further elements of the risk management system are internal auditing and compliance management, assuming monitoring and control functions throughout the Group.

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

OVB Group's three lines of defense model



Depending on size and available resources, controls on the first and second line of defense are conducted at the level of the operating subsidiaries. Their management teams are responsible for compliance with national and local provisions and regulations. For safeguarding effectiveness, suitable control measures (e.g. the four eyes principle) have been established. "Owning" the risk, functions of the first line of defense are responsible for assessing, controlling, monitoring and reducing risks.

The second line of defense serves the control and supervision of the control functions of the first line of defense.

The paramount goal of compliance management is to avoid or rather minimize risks from non-compliance with the law, internal standards and processes by taking preventive action.

Among those measures are the definition of methods and procedures for compliance and risk management and the requirements in the form of guidance and directives, moreover risk monitoring, adherence to compliance relevant guidance and statutory provisions as well as reporting to the Executive Board. On the second line of defense, centralized measures are taken by the risk management and compliance function. At OVB, the second line of defense is called on to achieve additional transparency and safety by continuous guidance, checks and effectiveness reviews in order to control the remaining risks effectively. In addition to the performance of functions by the business units on location, specialist departments at OVB Holding AG provide support and conduct second-line controls as well.

The third line of defense is represented by Internal Auditing as an objective and autonomous evaluation and advisory function. Internal Auditing evaluates the first and second line of defense through a risk-based approach and thus supports the Executive Board by providing sufficient assurance that risks are identified, assessed and controlled effectively.

Following the three lines of defense model, risks are intended to be responded to adequately on the first two lines of defense already.

Internal Auditing also operates autonomously with respect to reporting and the evaluation of audit findings. On the basis of its annual audit schedule, Internal Auditing regularly audits the holding company as well as domestic and international subsidiaries with a focus on risks and controls the resolution of its audit findings. It monitors compliance with the relevant statutory requirements and assesses the risk management, control, corporate management and monitoring systems and processes relevant to financial accounting and advises on their constant improvement.

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, liabilities, financial position and profit/loss of OVB Holding AG.

An ongoing exchange of information with the decentralized risk managers assures that any new findings will be incorporated into risk management, thus safeguarding its advancement.

In addition to that, 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 also subject to annual reviews conducted by Internal Auditing. 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 analyzed, adjusted and enhanced in response to internal and external developments within the scope of the annual review in the course of the year 2021.

In order to control the risks recognized and measures and rules implemented in the Group even better, a Corporate Governance Committee was established in the year 2020. The Committee comprises representatives from Risk Management, Compliance, Group & Financial Accounting and Internal Auditing who routinely exchange information on the existing material risks within the Group at least each quarter.

Furthermore, a revision essentially targeting the assessment and analysis of risks took place in the year under review due to new regulatory requirements under the Financial Market Integrity Strengthening Act (FISG). Apart from the annually conducted risk inventory, an enhanced identification of developments threatening the Company's continued existence based on the Group's established integrated risk inventory is carried out. OVB Group's risk-bearing capacity was further quantified and will we reviewed on that basis from now on. The focus is set on creating a relation between the expected values of the individual risks and their potential correlations with risk capacity. Individual risks as well as the occurrence of risk scenarios are monitored. Risk control takes place by appropriate measures aimed at reducing high gross risk to bearable net risk.

The implementation of these adjustments further sharpened OVB Group's risk profile in order to help recognize developments potentially threatening the Group's continued existence even sooner. In accordance with the requirements under Section 91 (2) AktG, a specific system documentation on the measures explained in the risk handbook and the risk catalogue contained therein has been available for several years now.

Internal control system with respect to financial accounting

The internal control system comprises the principles, methods and measures for ensuring the effectiveness and economic efficiency of business activity, truth and fairness in financial accounting and compliance with the applicable legal regulations. Part of this system is Internal Auditing insofar as it focuses on financial accounting.

Like the risk management system of which it is a component, the internal control system with respect to financial accounting addresses the control and monitoring processes in financial accounting, particularly relating to those items in the statement of financial position that reflect the Company's risk protection.

Key features of the internal control system with respect to financial accounting:

- clear management and corporate structure: OVB Holding AG provides the centralized management of inter-divisional key functions while the Group's individual companies maintain a large degree of autonomy

- proper separation of functions and observance of the four-eye-principle as basic principles
- clear separation and assignment of responsibilities with respect to areas materially involved in financial accounting, namely Local Accounting, Tax, Group Accounting and Group Management Accounting
- protection against unauthorized access to any of the systems used in financial accounting
- utilization of standard software in the financial systems involved
- adequate guidance system (e.g. Group handbook, payment guidelines, project management guidelines, purchasing guidelines, Code of Conduct, etc.) subject to constant updates
- 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-eye-principle
- monitoring committees (e.g. Internal Auditing and the Supervisory Board's Audit Committee) serve the purpose of compliance and reliability of internal accounting and financial reporting
- routine checks of financial accounting processes for risks by process-independent Internal Auditing

The internal control system with respect to financial accounting ensures as part of the risk management system that business matters and transactions are correctly recorded, processed, evaluated and transferred to financial accounting.

Appropriate manpower, the use of adequate software and clear statutory and corporate guidelines are the basis for a correct, consistent and continuous financial accounting process. The clear separation of areas of responsibility and various subsequent control and audit mechanisms safeguard correct and responsible financial accounting.

Thus it is assured in the individual case that business transactions are recorded, processed and documented in compliance with statutory regulations, the Articles of Association and internal guidance, and that they are entered correctly and promptly in financial reporting. It is ensured at the same time that assets and liabilities are correctly recognized, 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.

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 2021. 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.

EU regulations define a uniform level of requirements for the brokerage of insurance and financial products within the European Union. They target increased consumer protection as well as the promotion of market integration. Apart from those already implemented, further EU regulations are on the horizon for OVB to adopt over the next years, particularly with respect to climate protection. Several provisions such as SFDR (Sustainable Finance Disclosure Regulation – EU 2019/2088), in short: the 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 investment, and amending Regulation (EU) 2019/2088, the so-called EU Taxonomy Regulation, have to be considered for the 2021 financial statements already.

Of particular relevance to OVB is the implementation of EU regulation by the member states concerning rules of conduct, transparency provisions and professional training requirements. While this process may result in different national solutions in individual cases, uniform Group-wide, technically supported solutions safeguard adequate implementation. Standardized processes aid the financial agents in their daily work and provide space for comprehensive and targeted advice. OVB has a Group-wide compliance management system, created for compliance with regulatory requirements among other objectives, aiming at adequate compliance with all regulatory requirements in an ongoing process. OVB considers these requirements also as an opportunity for constant improvement.

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 analyzes 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 fulfill 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

Compliance risks are increasing due to regulatory measures in OVB's business environment both on a national and international scale, as discussed above. Acts and regulations coming into force in the recent past alone, like the Insurance Distribution Directive (IDD) and the Markets in Financial Instruments Directive (MiFID or rather MiFID II) but also the amended Anti-Money Laundering Act and the General Data Protection Regulation result in stricter monitoring of and tighter reigns on self-employed financial agents, among other aspects. The number of audits conducted by the European insurance regulatory institution EIOPA in the member states is rising at the same time. Training and licensing requirements have steadily increased over the years as well, launching further training, management and monitoring activities at OVB. The closer cooperation between OVB and its full-time financial advisors due to regulatory requirements might reduce the financial agents' freedom and independence which in turn might lead to tax and social security risks inherent in "false self-employment". The tax and social security criteria of a categorization as self-employed versus employed agent are not regulated consistently within the European Union and require an assessment on the respective national level. OVB responds to these risks by constant monitoring provided by the in-house functions of corporate governance supported by external specialists. Even though OVB is not involved in any noteworthy legal disputes at present in this regard, retroactive payments of taxes and social security contributions of up to Euro 5.8 million might result for one operating subsidiary from today's viewpoint. Management deems it unlikely based on legal expert opinions at hand that OVB will actually be held liable.

IT risks and opportunities

IT risks such as IT compliance and IT security or the provision of a high-performance IT infrastructure suited to all requirements are increasingly controlled in a centralized process by OVB Holding AG. Necessary investments in the target architecture are an ongoing task in order to advance the Company's business. The realization of complex IT projects on time and at target cost represents challenges.

By the successive introduction of a European data processing centre shared by all OVB operating subsidiaries, the IT infrastructure has been largely standardized. Virtualization, back-up systems, database clustering and a defined emergency plan keep the database secure and guarantee its availability. In addition to that, a second redundant data centre site for OVB's EU data processing centre was put into operation in the reporting period.

The IT systems are protected by special access and authorization concepts as well as effective and continually updated anti-virus software. At the level of applications, OVB utilizes standard software from reputable providers, supplemented by proprietary Group-specific developments subject to continuous quality control. With the Europe-wide implementation of the administration and management system "my OVB", OVB has completed the homogenization of this IT core functionality at all entities. Furthermore, OVB keeps pushing the Europe-wide implementation of the CRM software "OVB Easy". Quality control provided by OVB Holding AG plays an important part here as it makes sure that IT software is put to use only if all in-house assessment have greenlighted its utilization.

The risk of cyberattacks has generally gone up considerably over the past years. According to the media, not only the number of attacks on companies is increasing but also their "quality". OVB must keep expecting professional cyberattacks, trying to spy on OVB data and processes in order to cause financial or reputational damage. In response to that, OVB has appointed a Chief Information Security Officer who responds to ever new challenges to the protection of OVB's data. OVB also applies preventive measures for protection based on hardware and software for the best possible protection against these increasing risks. Moreover, OVB took out a cyber insurance policy in the year 2019 already for mitigating the financial impact of any potential risk occurrence.

IT support has made an important contribution to maintaining OVB's operability and sales capability in the current situation of the COVID-19 pandemic. Early on, OVB has ensured the location-independent implementation of business processes regarding administration and sales at all operating subsidiaries.

Thus OVB was able to perform all advisory and sales-related activities without the usually required physical presence with the client comprehensively and to provide all administrative processes – mostly by working from home. This IT support, offered predominantly by video conferencing and the wide availability of digital signatures – has been working reliably and without any restrictions since its implementation and is used intensively both by the sales force and the office staff. This form of IT support will be continued depending on the prevailing situation and is in line with our strategic IT core projects.

The relevance of IT for operability and sales capability has grown. IT risks have grown in line with this trend. By opting for market leading standard software and intensive monitoring of functionality as well as first and second level support for sales and the back office, OVB is making a major effort to mitigate these risks.

The implementation of measures as described above provides IT opportunities at the same time. OVB thus generates an increasing level of digitization and, as a result of that, efficiency in workflows. In addition to that, opportunities arise by more flexibility in working hours and work environment and therefore increasing appeal for the existing staff, new hires and clients as well.

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 organization, 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 of the national markets in which it operates. Winning new clients and maintaining long-term client relationships are essential factors of success.

Income and consumer demand of Europe's private households came to reach pre-pandemic levels in 2021 again after the slump in 2020 due to the pandemic. A high volatility between the quarters of the year 2021 does not allow for any conclusions indicating the future development, though. However, OVB generally recognizes demand for its services and thus sufficient potential for new business in all the countries OVB sales subsidiaries operate in due to the continuing necessity of private provision and particularly in view of the demographic trend.

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

Any positive or negative trends are constantly being analyzed and assessed by management with regard to their effects.

Potential turnover of financial agents in times of a consolidating industry provides both opportunities and risks.

Based on its many years of experience, OVB finds itself capable of countering any potential turnover of agents and committing new financial agents as well.

Among such measures are transparent contracts, a competitive commission model for the sales force and international career opportunities.

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

One material risk in network marketing is the risk of network loss. In the 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 agents 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.

Financial products of more than 100 insurance companies, investment trusts, building societies and banks are brokered. On this basis it is possible to choose and realize 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, to be 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 counters them 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 generates opportunities in this regard. OVB is capable of responding swiftly to market developments and providing suitable products to the financial advisors.

Based on the exchange with the financial agents, 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.

Macroeconomic opportunities and risks
OVB's business environment is affected by changes in the economic and political framework. OVB observes the political, regulatory and economic developments in the markets it operates in and utilizes external market analyses and the know-how of external experts and analysts in order to review the strategic and operational orientation in view of such developments. This also applies for the opportunities and risks involved in 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, able to compensate market risks and downturns in individual countries with opportunities in other markets, plus a broad client base generally help mitigate risks. Accordingly the dependence of the Group's business performance on individual national markets has been reduced over the past years.

At the same time, OVB's international orientation opens opportunities 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.

The current geopolitical situation in Ukraine represents a potential risk as of today, which is why the "market risk" light at OVB Ukraine shines "yellow". If the situation at the Ukrainian borders in the east does not improve or even worsens, this will impact the population and thus OVB's local business performance. This concerns clients, financial advisors, partners and back office staff alike. However, the immediate effects of a military escalation in Ukraine on OVB Group's assets and liabilities, financial position and profit/loss would not be material.

The effects of the COVID-19 pandemic severely affected the macroeconomic development in the year 2020 worldwide. In 2021 the global economy remains impacted greatly by the development of the pandemic. OVB is directly affected by social contact restrictions for curbing infections, making in-person client advisory service and interaction with the sales force difficult. However, OVB managed successfully to set up virtual instruments for client advice and support as well as for business transactions and to use them intensively throughout the Group in 2020 already. OVB is indirectly exposed to the risk that a continuing macroeconomic slump due to the pandemic might deteriorate the financial situation of the Company's key target group, the private households, noticeably – e.g. due to job loss – so that hardly any resources remain for private risk protection and retirement provision. On the other hand it could be observed in 2020 already and in 2021 that the interest of private households in taking measures of financial provision has increased considerably in view of the COVID-19 pandemic.

The effects of unemployment and corresponding lower income of individual households may affect the contract and client portfolio in the future. Contrary to that, OVB holds the view that rising unemployment figures provide the opportunity to recruit new financial agents for OVB and to expand the new business.

Risks in recruiting and HR management
Recruiting measures are constantly being pushed forward in Sales. Leadership skills of sales agents are strengthened by a Europe-wide training system. The development of human resources must also be observed constantly with respect to back office and sales force in order to be able to counteract the risk of fluctuation and undesirable developments concerning the workforce structure a s well as personnel cost.

Some of the older operating subsidiaries have a high proportion of personnel cost 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 its professional training is 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.

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

Apart from that, even by providing strict internal guidance and standards human misconduct can never be completely ruled out. OVB follows and analyzes 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 advanced and adapted to a changing legal framework. Documentation of counselling interviews and strict selection criteria for accepting new product providers and new products support this goal.

Reputational damage impedes recruiting and OVB's sales performance. In addition to in-house quality control 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 remain competitive.

Apart from the continuous maintenance of the Company's internet domains, the financial agents 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 agents 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 agents and employees. The prevention of negative content must be trained and implemented. Social media guidance governs the compliance relevant conduct of OVB employees and financial agents 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 effort serves that 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 for our financial agents with a view to giving 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 mediation meetings are recorded in accordance 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 recognized in good time and any required adjustments can be initiated.

Financial risk
Default risk may arise from receivables from business partners and from advance commission payments to sales agents and commission claw-back. In individual cases, commission earned but not yet received is paid to sales agents in order to bridge the gap until payment is received from the product providers. OVB counters 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.

Such allowances take into account timely information on the debtor's credit rating, commission expected to be received and the age structure of receivables. The default rate of receivables is 0.09 per cent for the year under review (previous year: 0.11 per cent).

Cancellation risk is covered by OVB by retained cancellation reserve with respect to the financial agents 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. Due to the decreasing income of private households as a consequence of the COVID-19 pandemic, increasing risks from cancellations of contracts are to be expected.

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.

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 2021, earnings would have been Euro 687 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 because business operations are financed out of the current cash flow and liquidity reports assist in the management and investment of surplus liquidity. These reports 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.

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

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 projects launched at all relevant sales subsidiaries, OVB constantly invests in the security of its systems.

After all, the increasing digitization not only facilitates new, innovative applications but also creates new threats, e.g. by hacker attacks. OVB contains the risk of breaches of in-house and external rules and regulations by separating management and control functions from each other. OVB protects 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 distribution and back office tasks. This aspect has been made allowance for by corresponding prevention and protection measures the safeguarding and implementation of which is an ongoing process.

Litigation risk
The management of litigation risk is coordinated by OVB's legal department. OVB guards against litigation risk 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. Current information on legal disputes 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 the brokerage of financial and insurance products. OVB further reduces 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 after consulting 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 were made for lawsuits.

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

OVB constantly monitors tax law developments as they become apparent in all of the countries in which it does business, particularly including potential regulatory intervention that would affect the tax treatment of the distribution model, and analyzes 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 can be found in all of the Company's sub-segments. They result from OVB's social responsibility and the increasing regulation requirements defined by the European Union.

Within the framework of the annually conducted risk inventory, OVB Holding AG enquires about the operating subsidiaries' handling of these risks, subsequently evaluates and consolidates these findings at Group level and offers recommendations for measures if applicable.

OVB also sees opportunities in the dynamic framework, intended to be seized separately by a sustainability strategy as part of the new mid-term corporate strategy and the establishment of a sustainability structure.

Estimation risk
Assumptions and estimates primarily concern the measurement of provisions, the collectability of receivables, the impairment of goodwill, litigation risk, depreciation and amortization, the determination of the useful lives of assets and the capitalization of deferred tax on the holding company's loss carry-forward as it is affected by imponderables in corporate planning. 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 risk, risk 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.

Due to the ongoing interference with public life by coronavirus and its effects on the macroeconomic situation, market conditions and growth prospects within Europe, OVB's ability to reach its financial targets might be affected. The effects on OVB's business will insofar depend on the further development of the pandemic, its duration, effects on the market and the individual sales subsidiaries' pandemic management.

OVB has analyzed and seized any opportunities that arose in the year 2021 due to the changed 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 resources 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 management accounting system is subject to constant advancement in order to increase transparency in relation to risks taken and to further improve risk management capabilities.

The presented risks are not necessarily the only risks OVB is exposed to. Risks OVB is currently unaware of or risks that OVB currently regards as immaterial might also have adverse effects on business activities and 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 supported by 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 2022 as described in the chapter "Macroeconomic and industry-related general conditions". This means that the economy of the eurozone will grow by 3.9 per cent in 2022. Against this backdrop, OVB predicts the development in 2022 as follows:

Development in Central and Eastern Europe
OVB anticipates for the Central and Eastern Europe segment a slight increase in brokerage income and operating result in financial year 2022.

Development in Germany
For the Germany segment, OVB expects a slight increase in brokerage income and a solid performance of the operating result for 2022.

Development in Southern and Western Europe
OVB expects for the Southern and Western Europe seg-

ment a slight increase in brokerage income and a slight increase in the operating result in the 2022 financial year.

Development of Corporate Centre
For the Corporate Centre segment, OVB Holding AG anticipates the operating loss to remain stable in 2022.

Development of OVB Holding AG
Under the condition of higher investment income, the Executive Board expects modestly improved earnings after taxes.

Development of the Group
One essential strength of OVB Group is its broad international positioning over currently 15 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 decisions. OVB will keep pursuing the course for growth and thus aim for further expansion of the number of financial agents and clients.

The long-term business potential in the market of private risk protection and retirement provision remains unchanged. In view of foreseeable changes in the business environment, in the markets and in the legal framework of the Company's business, OVB focuses its strategy "OVB Evolution 2022" on the realization of potential, digitization, modernization and expansion. The goals of sustainably expanding the sales organization and the client base have top priority in this.

The 2022 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 keep generating growth in 2022 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 315 million to 330 million in the 2022 financial year. The operating result is expected to increase to between Euro 22 million and 25 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 remuneration report 2021 pursuant to Section 162 AktG (Stock Corporation Act) will be made available on the internet at https://www.ovb.eu/english/investor-relations/corporate-governance on time.

Separate non-financial consolidated management report

The Executive Board has disclosed the separate non-financial consolidated management report. It is available on the Internet at https://www.ovb.eu/english/investor-relations/financial-publications-and-financial-calendar.

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 2021, 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.

Basler Beteiligungsholding GmbH, Hamburg, holds roughly 32.57 per cent of shares directly. This investment is attributed to Basler Sachversicherungs-Aktiengesellschaft, Bad Homburg, Basler Lebensversicherungs-Aktiengesellschaft, Hamburg, Basler Sach Holding AG, Hamburg, Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg, Bâloise Delta Holding S.a.r.l., Bartingen, Luxembourg, and Bâloise Holding AG, Basel, Switzerland, in accordance with Sections 33, 34 (1) no. 1 WpHG (Securities Trading Act). Altogether roughly 96.98 per cent of the voting rights in OVB Holding AG are attributable to Bâloise Holding AG, Basel, Switzerland, in accordance with Sections 33, 34 WpHG.

SIGNAL IDUNA Lebensversicherung a. G., Hamburg, holds roughly 31.67 per cent of the shares directly. As the insurance companies of SIGNAL IDUNA Group represent a horizontal group of companies ("Gleichordnungskonzern") for the purpose of Section 18 (2) AktG (Stock Corporation Act), SIGNAL IDUNA Lebensversicherung a. G., Hamburg, indirectly holds 52.94 per cent of the shares. SIGNAL IDUNA Krankenversicherung a. G., Dortmund, holds roughly 21.27 per cent of the shares directly.

In accordance with Sections 33 (1), 34 (2) WpHG, the shares held directly by SIGNAL IDUNA Krankenversicherung a. G. and SIGNAL IDUNA Lebensversicherung a. G. are also attributed to SIGNAL IDUNA Unfallversicherung a. G., Dortmund, so that this entity has indirect holdings of roughly 52.94 per cent of the shares. Altogether roughly 96.98 per cent of the voting rights in OVB Holding AG are attributable to SIGNAL IDUNA Lebensversicherung a. G., Hamburg, SIGNAL IDUNA Krankenversicherung a. G., Dortmund, and SIGNAL IDUNA Unfallversicherung a. G., Dortmund, according to Sections 33, 34 WpHG respectively.

Generali CEE Holding B.V., Amsterdam, The Netherlands, holds roughly 11.48 per cent of the shares directly, attributable to Assicurazioni Generali S.p.A., Trieste, Italy, according to Sections 33 (1), 34 (1) no.1 WpHG. Roughly 75.71 per cent of the voting rights in OVB Holding AG are attributable to Assicurazioni Generali S.p.A., Trieste, Italy, in accordance with Sections 33, 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 Bâloise 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 Bâloise Group, SIGNAL IDUNA Group and Generali CEE Holding B.V. will be represented on 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 members of the Executive Board 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 (Section 84 et seq. AktG). 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 may 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 (Stock Corporation Act). In accordance with Section 179 (2) AktG in conjunction with Section 18 (2) of the Articles of Association, resolutions to be passed by the General Meeting of Shareholders to amend the Articles of Association must be adopted by a simple majority of the votes cast 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 authorized capital. The General Meeting of Shareholders of 10 June 2020 authorized the Company to purchase up to 300,000 treasury shares up to and including 9 June 2025.

Shares acquired in case of exercising this authorization must not come to more than 10 per cent 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 authorization 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 before the obligation transaction was concluded.

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 on which the bid was announced. 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 offered to the Company for purchase per shareholder 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 authorized to use the shares bought back based on the above authorization 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 fulfill the obligations under any share-based payment plans in favour of members of management, other executives, other employees or self-employed sales agents 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 installments.

The shareholders' subscription right to the Company's treasury shares is excluded insofar as such shares are used in accordance with the authorizations 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 fulfill the obligations under any share-based payment plans in favour of members of management, other executives, other employees or self-employed sales agents 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 authorized the Executive Board to take actions falling within the shareholders' powers so as 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 2021

Consolidated statement of financial position

of OVB Holding AG as of 31 December 2021 according to IFRS

Assets

Note	EUR'000	31/12/2021	31/12/2020
	A. Non-current assets		
1	Intangible assets	13,838	13,156
2	Rights of use of leased assets	10,961	12,870
3	Tangible assets	5,620	4,798
4	Financial assets	506	449
5	Deferred tax assets	6,162	5,181
		37,087	**36,454**
	B. Current assets		
6	Trade receivables	41,949	37,038
7	Receivables and other assets	49,184	41,568
8	Income tax assets	698	550
9	Securities and other capital investments	54,313	45,947
10	Cash and cash equivalents	74,594	71,927
		220,738	**197,030**
	Total assets	**257,825**	**233,484**

Note

Equity and liabilities

Note	EUR'000	31/12/2021	31/12/2020
	A. Equity		
11	Subscribed capital	14,251	14,251
12	Capital reserve	39,342	39,342
13	Treasury shares	0	0
14	Revenue reserves	13,708	13,708
15	Other reserves	-221	-386
16	Non-controlling interests	279	537
17	Retained earnings	24,012	22,548
		91,371	**90,000**
	B. Non-current liabilities		
18	Provisions	2,542	1,947
19	Other liabilities	9,245	11,410
20	Deferred tax liabilities	984	360
		12,771	**13,717**
	C. Current liabilities		
21	Provisions for taxes	1,686	908
22	Other provisions	70,468	55,298
23	Income tax liabilities	1,332	840
24	Trade payables	21,994	21,159
25	Other liabilities	58,203	51,562
		153,683	**129,767**
	Total equity and liabilities	**257,825**	**233,484**

Note

Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 December 2021 according to IFRS

Note	EUR'000	2021	2020
26	Brokerage income	320,696	270,563
27	Other operating income	10,959	10,158
	Total income	**331,655**	**280,721**
28	Brokerage expenses	-215,485	-181,460
29	Personnel expenses	-42,298	-39,278
30	Depreciation and amortisation	-7,734	-6,948
31	Other operating expenses	-44,372	-38,144
	Earnings before interest and taxes (EBIT)	**21,766**	**14,891**
	Finance income	925	711
	Finance expenses	-532	-921
32	**Financial result**	**393**	**-210**
	Consolidated income before income tax	**22,159**	**14,681**
33	Taxes on income	-6,463	-3,957
34	**Consolidated net income**	**15,696**	**10,724**
35	Thereof non-controlling interests	19	-239
36	**Consolidated net income after non-controlling interests**	**15,715**	**10,485**
37	Basic earnings per share in Euro	1.10	0.74

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 December 2021 according to IFRS

EUR'000	2021	2020
Consolidated net income	**15,696**	**10,724**
Revaluation effect from provisions for pensions	172	-168
Deferred tax due to revaluation effect from provisions for pensions	-11	18
Other comprehensive income not to be reclassified to the income statement	**161**	**-150**
Change from revaluation of financial assets measured at fair value outside profit or loss	-49	17
Change in deferred taxes on unrealised gains and losses from capital investments outside profit or loss	0	3
Change in currency translation reserve	53	-303
Other comprehensive income to be reclassified to the income statement	**4**	**-283**
Total comprehensive income before non-controlling interests	**15,861**	**10,291**
Total comprehensive income attributable to non-controlling interests	19	-239
Total comprehensive income	**15,880**	**10,052**

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 31 December 2021 according to IFRS

EUR'000		2021	2020
Consolidated income before income tax		22,159	14,681
+/-	Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	7,734	6,948
-	Financial result	-393	210
-/+	Unrealised currency gains/losses	-630	1,427
+/-	Allocation to/reversal of valuation allowances for receivables	731	1,391
+/-	Other non-cash financial items	88	-157
+/-	Increase/decrease in provisions	15,765	9,528
+/-	Result from the disposal of intangible and tangible assets	63	201
+/-	Decrease/increase in trade receivables and other assets	-13,258	-7,513
+/-	Increase/decrease in trade payables and other liabilities	7,254	6,548
-	Interest paid	-77	-78
-	Income tax paid	-5,697	-3,125
= Cash flow from operating activities		**33,739**	**30,061**
+	Payments received from disposal of tangible assets and intangible assets	188	1,108
+	Payments received from disposal of financial assets	383	7,250
+	Payments received from disposal of securities and other short-term capital investments	14,268	3,300
-	Payments for expenditure on tangible assets	-2,391	-2,343
-	Payments for expenditure on intangible assets	-4,553	-3,961
-	Payments for expenditure on financial assets	-246	-240
-	Payments for expenditure on securities and other short-term capital investments	-22,507	-5,265
+	Other finance income	256	229
+	Interest received	215	219
= Cash flow from investing activities		**-14,387**	**297**
-	Dividends paid	-14,490	-10,928
-	Payments on the principal of the lease liability from financing activities	-2,523	-2,266
-	Payments on the interest of the lease liability from financing activities	-299	-280
= Cash flow from financing activities		**-17,312**	**-13,474**
Overview:			
Cash flow from operating activities		33,739	30,061
Cash flow from investing activities		-14,387	297
Cash flow from financing activities		-17,312	-13,474
= Net change in cash and cash equivalents		**2,040**	**16,884**
Exchange rate changes in cash and cash equivalents		627	-1,674
+ Cash and cash equivalents at end of the prior year		71,927	56,717
= Cash and cash equivalents at the end of the period		**74,594**	**71,927**

Consolidated statement of changes in equity

of OVB Holding AG as of 31 December 2021 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2020	**14,251**	**39,342**	**2,576**	**11,132**	**47**	**-837**
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					-49	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						172
Consolidated net income						
31/12/2021	**14,251**	**39,342**	**2,576**	**11,132**	**-2**	**-665**

of OVB Holding AG as of 31 December 2020 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2019	**14,251**	**39,342**	**2,562**	**11,132**	**30**	**-669**
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					17	
Allocation to other reserves			14			
Change in currency translation reserve						
Revaluation effect from provisions for pensions						-168
Consolidated net income						
31/12/2020	**14,251**	**39,342**	**2,576**	**11,132**	**47**	**-837**

Deferred tax on unrealised gains/losses	Currency translation reserve	Total income recognised directly in equity	Retained profits brought forward	Consolidated net income after non-controlling interests	Total comprehensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
184	**220**		**12,063**	**10,485**		**89,463**	**537**	**90,000**
			10,485	-10,485				
			-14,251			-14,251	-239	-14,490
		-49			-49	-49		-49
	53	53			53	53		53
-11		161			161	161		161
				15,715	15,715	15,715	-19	15,696
173	**273**	**165**	**8,297**	**15,715**	**15,880**	**91,092**	**279**	**91,371**

Deferred tax on unrealised gains/losses	Currency translation reserve	Total income recognised directly in equity	Retained profits brought forward	Consolidated net income after non-controlling interests	Total comprehensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
163	**523**		**11,753**	**11,012**		**90,099**	**538**	**90,637**
			11,012	-11,012				
			-10,688			-10,688	-240	-10,928
3		20			20	20		20
			-14					
	-303	-303			-303	-303		-303
18		-150			-150	-150		-150
				10,485	10,485	10,485	239	10,724
184	**220**	**-433**	**12,063**	**10,485**	**10,052**	**89,463**	**537**	**90,000**

Notes to the consolidated financial statements for financial year 2021

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, Germany, at Heumarkt 1. 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 2021 are scheduled for publication on 23 March 2022 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 was affected by the coronavirus pandemic.

Due to uncertainty caused by the coronavirus crisis, precautionary measures taken by OVB as of 31 December 2020 already were continued unchanged. Therefore effects of the coronavirus pandemic on individual items in the statement of financial position remain for OVB as of the reporting date, particularly the measurement of receivables from financial agents, the measurement of the contract asset according to IFRS 15 and the assessment of the future cancellation behaviour of policyholders and connected to that the measurement of provisions for cancellation risk and the measurement of financial instruments. The development of the coronavirus pandemic had the following effects on those items in financial year 2021.

Cancellation risk

As of 31 December 2021, management adheres to its estimate made as of 31 December 2020. Based on the sales performance, precautionary measures were increased from EUR 3.9 million to EUR 5.6 million. The amount of provisions for cancellation risk comes to EUR 24.5 million as of the reporting date.

Contract asset

The contract asset and the provisions from subsequent commission (IFRS 15) are reduced by the net amount of EUR 0.7 million as of 31 December 2021 by the continued precautionary measures (31 December 2020: EUR 0.5 million).

Receivables from financial agents

Expected higher probability of default has an increasing effect on valuation allowances for receivables from financial agents in the amount of EUR 0.4 million as of the reporting date (31 December 2020: EUR 0.4 million).

3. Summary of basic principles of financial accounting

As the listed parent which makes use of an organized 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 2021 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 taken into account. Supplementary trade law requirements under Section 315e (1) HGB have also been complied with.

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, provided 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 2021, the following new standards were subject to mandatory first-time adoption:

- **IFRS 4 Insurance Contracts (amendments)**
  The amendment to IFRS 4 concerns the prolongation of the temporary exemption from applying IFRS 9 until 1 January 2023 and is effective as of 1 January 2021. No material effects on the consolidated financial statements result from these amendments.

- **Interest Rate Benchmark Reform – Phase 2**
  In its phase 2 adopted on 27 August 2020, the interest rate benchmark reform encompasses further amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 concerning the accounting treatment of hedges (hedge accounting). Amendments are effective as of 1 January 2021. No material effects on the consolidated financial statements result from these amendments

- **IFRS 16 Leases (amendments)**
  In view of the coronavirus pandemic, the IASB released an amendment in May 2020, facilitating the assessment of rent concessions as lease modifications. If lease payments are deferred or waived by the lessor due to the coronavirus crisis, the lessee is permitted to make use of this facilitation and account for the corresponding leases regardless of any modification. This facilitation was restricted in time to rent concessions whose reduction involves payments due on or before 30 June 2021. The scope of application has now been extended to 30 June 2022 and provisions for implementation and presentation of the facilitation have been newly defined. Amendments are effective as of 1 April 2021. OVB has not drawn on any rent concessions linked to the coronavirus pandemic and therefore there are no effects on the consolidated financial statements.

Standards released but not yet subject to mandatory application

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

- **IAS 16 Property, Plant and Equipment (amendments)**
  The amendment addresses the previously permissible deduction of proceeds from the sale of items produced from the cost of the item before bringing it to the intended condition required for operation. Proceeds must be recognized in profit or loss upon the amendment's entry into force as of 1 January 2022. Application will not result in material effects on the consolidated financial statements.

- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amendments)**
  The amendment to IAS 37 addresses the assignment and entry of the cost of fulfilling a contract, meant to help in the assessment whether there are onerous contracts deviating from the standard the entity has established. Amendments are effective as of 1 January 2022. Application will not result in material effects on the consolidated financial statements.

- **IFRS 3 Business Combinations (amendments)**
  The standard's references are aligned with the conceptual framework 2018 and amendments on the application of IAS 37 and IFRIC 21 as well as the non-recognition of contingent assets upon acquisition are added. Amendments are effective as of 1 January 2022. No material effects on the consolidated financial statements will result from these amendments.

- **Improvements to IFRS**
  Within the framework of its project intended to introduce minor improvements to standards and interpretations (Annual Improvements Process), the IASB has released its most recent collection of "Annual Improvements to IFRSs 2018 – 2020 Cycle", resulting in minor amendments to four standards altogether. These amendments address IAS 41, IFRS 1, IFRS 9 and IFRS 16 and are effective as of 1 January 2022. No material effects on the consolidated financial statements will result from these amendments.

- **IFRS 17 Insurance Contracts**
  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 reader 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 will have no material effects on the consolidated financial statements.

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

- **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 2023. No material effects on the consolidated financial statements will result from this amendment.

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

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

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

3.2 Principles of consolidation

The consolidated financial statements for the financial year ended 31 December 2021 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 ability to use its decision-making authority to influence the amounts of variable returns (influence on financial or 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 2021	Equity in EUR'000 31/12/2021	Net income in EUR'000 31/12/2021
Nord-Soft EDV-Unternehmensberatung GmbH, Horst	50.40	892	315
Nord-Soft Datenservice GmbH, Horst	50.40	24	-1
OVB Informatikai Kft., Budapest	100	26	-7
OVB Vermögensberatung AG, Cologne*	100	18,941	0
Advesto GmbH, Cologne	100	0	-2
Eurenta Holding GmbH Europäische Vermögensberatung, Cologne	100	-1,423	-97
OVB Allfinanz a.s., Prague	100	5,677	4,722
OVB Allfinanz Slovensko a.s., Bratislava	100	4,947	3,417
OVB Allfinanz Polska Społka Finansowa Sp. z.o.o., Warsaw	100	2,556	2,030
OVB Vermögensberatung A.P.K. Kft., Budapest	100	3,539	3,267
TOB OVB Allfinanz Ukraine, Kiev	100	263	53
S.C. OVB Allfinanz România Broker de Asigurare S.R.L., Cluj	100	1,960	1,497
OVB Imofinanz S.R.L., Cluj	100	10	7
OVB Allfinanz Croatia d.o.o., Zagreb	100	518	89
OVB Allfinanz Zastupanje d.o.o., Zagreb	100	795	307
OVB Allfinanzvermittlungs GmbH, Wals near Salzburg	100	4,309	1,961
OVB Vermögensberatung (Schweiz) AG, Hünenberg	100	685	-452
OVB-Consulenza Patrimoniale SRL, Verona	100	2,136	301
OVB Allfinanz España, S.A., Madrid	100	3,675	4,305
OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens	100	250	-194
Eurenta Hellas Monoprosopi Eteria Periorismenis Efthynis Asfalistiki Praktores, Athens	100	120	-114
OVB Hellas Allfinanz Vermittlungs GmbH, Athens	100	5	-1
OVB Conseils en patrimoine France Sàrl, Strasbourg	100	524	62
Willemot Bijzonder Verzekeringsbestuur NV, Gent	100	655	65
Verzekeringskantoor Louis Vanheule BVBA, Dendermonde	100	20	-4

* Profit and loss transfer agreement applies

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

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	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Non-current assets	380	290	0	0
Current assets	940	1,223	176	150
Non-current liabilities	262	40	0	0
Current liabilities	519	414	152	125

Non-current assets of Nord-Soft EDV-Unternehmensberatung GmbH essentially include own-use property with a book value of EUR 175 thousand as of 31 December 2021 (31 December 2020: EUR 194 thousand) and deferred tax assets of EUR 128 thousand. Sales generated with third parties in the year under review amount to EUR 777 thousand for Nord-Soft EDV-Unternehmensberatung GmbH (31 December 2020: EUR 1,231 thousand) and EUR 466 thousand for Nord-Soft Datenservice GmbH (31 December 2020: EUR 399 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 consideration, i.e. the total of transferred assets, assumed liabilities, issued equity instruments and contingent consideration. Incidental transaction costs are generally recognized as expense. Recognizable assets and assumed liabilities as well as contingent liabilities are measured at fair value in 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.

There were no changes to the scope of consolidation in financial year 2021.

3.4 Foreign currency translation

3.4.1 Foreign currency transactions

Foreign currency transactions are generally translated at the closing exchange rate of the transaction date. Monetary items denominated in foreign currencies (e.g. liquid assets, receivables, liabilities) are subsequently translated at the respective closing exchange rates and any translation differences are recognized 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 organized, are translated at the closing exchange rate of the reporting date while expenses and income are translated at average annual exchange rates and equity items are translated at historical exchange rates. Translation differences are recognized 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 31/12/2021	Closing rate 31/12/2020	Change in %	Average rate 2021	Average rate 2020	Change in %
CHF	0.965637	0.923839	4.52	0.924997	0.934162	-0.98
CZK	0.040200	0.038079	5.57	0.038973	0.037789	3.13
HUF	0.002707	0.002745	-1.38	0.002788	0.002847	-2.07
HRK	0.132865	0.132332	0.40	0.132634	0.132465	0.13
PLN	0.217761	0.218534	-0.35	0.218935	0.224962	-2.68
RON	0.201806	0.205230	-1.67	0.202975	0.206462	-1.69
UAH	0.031965	0.028534	12.02	0.030745	0.032364	-5.00

4. Summary of essential accounting policies and valuation methods

4.1 Historical cost convention and fair value

Generally speaking, the amortized 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 recognized 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 is not applied in the year under review (level 3 according to IFRS 13). Unrealized gains or losses of FVOCI securities are generally recognized in equity outside profit or loss. If such a security is disposed of, the cumulative gains or losses previously recognized 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 recognized 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 the 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 categorized as follows:

Amortized Cost (AC)
Financial instruments measured at amortized cost (business model: hold; cash flow conditions compliant) are recognized at fair value upon addition. Insofar as future impairment is anticipated, it is considered for measurement unless immaterial. No-interest or low-interest bearing financial instruments with terms of more than one year are measured at present value. Subsequent to first-time recognition, such financial instruments are measured at amortized cost. That is the amount at which a financial asset was valuated upon first-time recognition, less repayments, plus or less the cumulative amortization 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: hold or cash flow conditions non-compliant) are recognized at fair value upon addition. Gains or losses resulting from subsequent measurement are to be recognized 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 recognized at fair value upon addition. Gains or losses resulting from subsequent measurement are to be recognized in equity outside profit or loss. Upon disposal of debt instruments, gains or losses included in revaluation reserve are to be recognized in the income statement. With respect to equity instruments, there is no reclassification of the revaluation reserve through profit or loss but rather within equity outside profit or loss. Interest income, valuation allowances and foreign exchange gains/losses of debt instruments are recognized in the income statement through profit or loss.

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 amortized 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 materializes 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 recognized as a risk provision item over the asset term pursuant to IFRS 9.5.5.15.

4.3 Recognition of sales

OVB generally recognizes sales at the time the agreed performances have been provided to the client (satisfaction of performance obligation). In case of uncertainty with respect to the recognition of sales, the date of OVB's actual cash inflow of the commission is taken into account. 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 rather credited to sales. Considering potential refunds of commissions 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 recognized 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 recognizes 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 recognized at an earlier point in time for the sales portion attributable to the successful brokerage of the contract yet settled only in later reporting periods; in doing that, assumptions are made with respect to the probable term in consideration of future contract cancellations.

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

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

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 are 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 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/amortization 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 recognized at the time superior information becomes available.

For making provisions, estimates of the expected expense required in fulfilment of the current obligation as of the reporting date are made annually, with reasonable regard to the risk involved. If the probability of occurrence is known for a large number of contingencies, an estimated value is determined, and if a bandwidth is known and the probability of occurrence is equally high for each item within this bandwidth, an average amount is determined. In all other cases, the best estimate corresponds to the most probable value. For the calculation of provisions for cancellation risk, historical data for cancellation rates and the probability of cancellation are considered as the basis of estimated future cancellations of contracts. Future cancellation behaviour may vary from the estimate made as of the reporting date. Ceteris paribus an increase of the cancellation rate leads to a straight-line increase of the provisions for cancellation risk. Furthermore, periods of liability for separate product groups and current agreements with respect to liability rates are considered. The book value of provisions for cancellation risk can be found under position 22, "Other provisions", in the notes to the consolidated statement of financial position.

Receivables are recognized at amortized 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 group divisions. Actually realizable 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 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 has 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 35.4 per cent (31 December 2020: 38.6 per cent). The Group utilizes 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 analyzed and promptly reported. The risk management system identifies gross exposure, i.e. the risks that will materialize 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		31/12/2021	31/12/2020
Financial assets	AC	506	449
Trade receivables	AC	41,949	37,038
Receivables and other assets		49,184	41,568
Receivables	AC	19,508	18,889
Other assets	-	4,102	2,968
Contract asset (IFRS 15)	-	25,574	19,711
Securities and other capital investments		54,313	45,947
Securities	FVPL	39,866	24,456
Securities	FVOCI	5,761	6,320
Other capital investments	AC	8,686	15,171
Cash and cash equivalents	AC	74,594	71,927

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 2021	Amortized cost	Historical acquisition cost	Change in value outside profit or loss	Change in value through profit or loss
Financial assets	AC	145,243 (previous year: 143,474)	145,243 (previous year: 143,474)	-	-	-19,190 (previous year: -21,169)
Financial assets	FVPL	39,866 (previous year: 24,456)	-	39,660 (previous year: 24,763)	-	206 (previous year: -307)
Financial assets	FVOCI	5,761 (previous year: 6,320)	-	5,763 (previous year: 6,273)	-2 (previous year: 47)	-
Financial liabilities	AC	87,150 (previous year: 82,304)	87,150 (previous year: 82,304)	-	-	-

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 amortized 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 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 (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 416 thousand (31 December 2020: EUR 749 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	216 (previous year: 227)	-	-553 (previous year: -1,194)	-70 (previous year: -88)	-407 (previous year: -1,055)
Financial assets	FVPL	133 (previous year: 153)	183 (previous year: -301)	-	53 (previous year: 0)	369 (previous year: -148)
Financial assets	FVOCI	5 (previous year: 0)	-41 (previous year: 17)	-	-	-36 (previous year: 17)
Financial liabilities	AC	-377 (previous year: -357)	-	-	887 (previous year: 662)	510 (previous year: 305)
Total		-23 (previous year: 23)	142 (previous year: 17)	-553 (previous year: -1,495)	870 (previous year: 574)	436 (previous year: -881)

Foreign currency effects included in net result are immaterial and therefore not reported separately. Net result includes EUR -49 thousand (31 December 2020: EUR 17 thousand) recognized 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 amortized cost that are reported under distribution expenses as essentially receivables from sales agents 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 recognized directly in equity.

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

Total interest income from financial assets amounted to EUR 354 thousand in the year under review (31 December 2020: EUR 380 thousand). Total interest expense for financial liabilities was EUR 377 thousand (31 December 2020: EUR 357 thousand).

4.5.1 Credit risk

The consolidated companies are exposed to default risk relating to receivables from sales agents. OVB counters these risks by retaining securities, running an active accounts receivable management at the respective subsidiaries and practicing a careful selection of financial agents. 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 amortized cost. That is the amount at which a financial asset was initially valuated, less repayments, plus or less the cumulative amortization of any premium/discount and less any allowances for impairment.

The maximum default risk in the category “financial assets (AC)” is equivalent to the carrying amount of EUR 145,243 thousand (31 December 2020: EUR 143,474 thousand) and to receivables from third parties arising in case of the utilization of guarantees if applicable (cf. IV. Other information). Securities held as collateral for this purpose come to EUR 2,335 thousand (31 December 2020: EUR 2,966 thousand) so that the residual risk amounts to EUR 142,908 thousand (31 December 2020: EUR 140,508 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 2021 is equivalent to the carrying amount of EUR 39,866 thousand (31 December 2020: EUR 24,456 thousand).

The maximum amount of exposure in the category “financial assets (FVOCI)” as of 31 December 2021 is equivalent to the carrying amount of EUR 5,761 thousand (31 December 2020: EUR 6,320 thousand).

For the monitoring of risks associated with receivables from financial agents 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	24,065 (previous year: 28,586)	-19,197 (previous year: -21,370)	4,868 (previous year: 7,216)
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 held almost exclusively 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 36 per cent of consolidated sales (31 December 2020: 35 per cent) in functional currencies other than the euro. Translation differences from changes in exchange rates compared to the previous year were EUR 61 thousand in consolidated sales (31 December 2020: EUR 3,704 thousand) and EUR 11 thousand in consolidated net income (31 December 2020: EUR 350 thousand). Changes in exchange rates between functional currencies and the euro may have an impact on consolidated net income and the consolidated statement of financial position. Exchange rates are constantly monitored and foreign currency on hand is continuously revalued in order to make allowance for currency risks arising from changes in exchange rates.

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 expense, other income components and, if applicable, on equity. For the sensitivity analysis with respect to fixed-interest securities, information on changes in prices at corresponding changes in market interest rates is taken into consideration (basis point value).

As of the reporting date, the Company had variable-interest assets valued at EUR 68,908 thousand (31 December 2020: EUR 49,412 thousand) and variable-interest liabilities of EUR 251 thousand (31 December 2020: EUR 213 thousand). If market interest rates for the full year 2021 had been 100 basis points higher (lower), net income would have been EUR 687 thousand (31 December 2020: EUR 492 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 utilization 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 recognized 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 capitalization 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 capitalizes software development costs if inflow of an economic benefit attributable to the created software is probable and the cost can be determined reliably. If these criteria for capitalization are not met, the expenditure on the item is recognized 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 amortization 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, amortization 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

In the year 2010 a CRM system was introduced at several of OVB Group's subsidiaries. The software is gradually amortized over 10 years, according to its introduction at the respective subsidiary, in application of the straight-line method. The software package's introduction period extends over seven years. As the individualized national market modules are introduced subsequently and the software is constantly updated, the total amortization period for this asset will come to 17 years due to the scheduled introduction period throughout the Group.

Advance payments for software are measured at face value.

Due to the introduction of IFRS 3, existing goodwill was recognized at its value as of 31 December 2004 and amortization was discontinued after that date. The assigned value is deemed the new cost. Instead of amortization 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 recognized 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.

Non-current tangible 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 sales agents at terms of more than one year granted at market interest rates. Measurement is based on amortized cost less impairment if applicable.

5.1.4 Leases

Leases with terms of more than twelve 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 amortized 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 recognized through profit or loss under item 30, “Depreciation and amortization”.

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 recognized 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 recognized 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 on the basis of the recoverable amount. Impairment loss is recognized 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 recognized at amortized 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 agents against payment are recognized according to their nature as either non-financial assets or financial assets at amortized 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 categorized according to the business model under which they are held and the terms of contractual cash flows. Thus securities can be designated as financial assets subject to subsequent measurement either at amortized 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 are valuated at fair value plus incidental transaction costs.

Subsequent to first-time recognition, securities of the category “financial assets (AC)” are measured at amortized 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 recognized directly in the income statement. In the category “financial assets (FVOCI)”, changes in fair value are recognized in equity under the revaluation reserve and reclassified through profit or loss only when the gain or loss has been realized.

5.2.3 Cash and cash equivalents

Cash and short-term deposits recognized in the statement of financial position include cash on hand, bank balances and short-term deposits with original terms to maturity of less than three months. These items are recognized 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 0.25 per cent for Switzerland (31 December 2020: 0.15 per cent) and 0.98 per cent for Belgium (31 December 2020: 0.48 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 twelve 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 on the basis of contracts that have been cancelled. The amount of the provision is determined by the respective subsidiary based on nationally specific aspects (esp. period of liability, the subsidiary's historical cancellation rates, the expected timing of cancellations, etc.) as of each reporting date according to a consistent process implemented in the Group. The expected non-current portion of the provision is subject to discounting. The discount rate applied, appropriate to the term to maturity, is 0.00 per cent like the previous year.

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 agents. If specific details cannot be provided in the individual case, the provisions are measured at the average share of commission usually attributable to the sales force. Provisions are reviewed as of each reporting date and adjusted in accordance with the best available estimate 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 available estimate at the time.

Obligations to employees
Current provisions are recognized 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 available estimate 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 2021 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 recognized at expected settlement amounts.

6.2.3 Other liabilities

Trade payables
Trade payables are recognized at settlement amounts.

Loans
Interest-bearing bank loans are recognized 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 recognized on an accrual basis.

7.2 Financial result

The financial results 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 expense and finance income are recognized 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 recognized liability method. According to this method, deferred tax items are recognized 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 recognized for the future benefit of tax loss carry-forwards. However, a deferred tax asset will be recognized for accounting and valuation differences and for tax loss carry-forwards only to the extent that realization 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 tax liabilities are not discounted. Deferred tax assets and tax liabilities are reported in the consolidated statement of financial position as non-current assets and non-current liabilities.

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

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

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

8. Explanatory notes and information on segment reporting

The principal business activity of OVB's operating subsidiaries consists of advising clients in structuring their finances and broking 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 categorized 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 categorization, the criteria for aggregation defined by IFRS 8.12 have been complied with. Internal reporting to the Company's management is a condensed presentation of the income statement compliant with IFRS, presented more elaborately in segment reporting. The 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; and TOB OVB Allfinanz Ukraine, Kiev. Material contributions to the brokerage income of the Central and Eastern Europe segment are generated by OVB Allfinanz a.s., Prague, at EUR 46,332 thousand (31 December 2020: EUR 33,632 thousand) and OVB Allfinanz Slovensko a.s., Bratislava, at EUR 44,527 thousand (31 December 2020: EUR 42,177 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 64,391 thousand (31 December 2020: EUR 61,221 thousand).

The segment "Southern and Western Europe" includes the following companies: OVB Allfinanzvermittlungs GmbH, Wals near Salzburg; OVB Vermögensberatung (Schweiz) AG, Hünenberg; OVB-Consulenza Patrimoniale SRL, Verona; OVB Allfinanz España S.A., Madrid; OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas Allfinanzvermittlungs GmbH, Athens; OVB Conseils en patrimoine France Sàrl., Strasbourg; Eurenta Hellas Monoprosopi EPE Asfalistiki Praktores, Athens; Willemot Bijzonder Verzekeringsbestuur NV, Gent; and Verzekeringskantoor Louis Vanheule BVBA, Dendermonde. Material contributions to the brokerage income of the Southern and Western Europe segment are generated by OVB Allfinanz España S.A., Madrid, at EUR 31,990 thousand (31 December 2020: EUR 20,644 thousand) and OVB Allfinanzvermittlungs GmbH, Wals near Salzburg, at EUR 29,327 thousand (31 December 2020: EUR 29,563 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 reporting period of comparison also included OVB SW Services s.r.o., Prague, liquidated as of 9 September 2020. The entities of the Corporate Centre segment are not involved in broking 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, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity. For intra-group allocations, an appropriate additional overhead charge is levied on the individual cost items incurred.

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

Segment reporting 2021

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	157,861	64,482	98,353	0	0	320,696
- New business commission	136,552	40,524	76,079	0	0	253,155
- Policy service commission	13,895	19,221	16,898	0	0	50,014
- Dynamic commission	1,066	3,960	1,920	0	0	6,946
- Other brokerage income	6,348	777	3,456	0	0	10,581
Other operating income	2,476	2,784	3,258	2,491	-50	10,959
Income from inter-segment transactions	0	931	0	13,675	-14,606	0
Total segment income	**160,337**	**68,197**	**101,611**	**16,166**	**-14,656**	**331,655**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-100,030	-38,538	-58,051	0	0	-196,619
- Other commission for sales force	-9,152	-3,618	-6,096	0	0	-18,866
Personnel expenses	-10,197	-7,120	-12,189	-12,792	0	-42,298
Depreciation/amortisation	-1,818	-1,015	-1,993	-2,908	0	-7,734
Other operating expenses	-18,779	-9,738	-14,186	-16,316	14,647	-44,372
Total segment expenses	**-139,976**	**-60,029**	**-92,515**	**-32,016**	**14,647**	**-309,889**
Earnings before interest and taxes (EBIT)	**20,361**	**8,168**	**9,096**	**-15,850**	**-9**	**21,766**
Interest income	139	97	22	27	-5	280
Interest expenses	-106	-167	-97	-11	5	-376
Other financial result	0	148	140	201	0	489
Earnings before taxes (EBT)	**20,394**	**8,246**	**9,161**	**-15,633**	**-9**	**22,159**
Taxes on income	-3,735	-93	-2,645	10	0	-6,463
Non-controlling interests	0	0	0	19	0	19
Segment result	**16,659**	**8,153**	**6,516**	**-15,604**	**-9**	**15,715**
Additional disclosures						
Capital expenditures for intangible and tangible assets	1,434	245	1,002	4,263	0	6,944
Material non-cash expenses (-) and income (+)	-377	267	-2,999	-228	0	-3,337
Impairment expenses	-594	-855	-829	-138	49	-2,367
Reversal of impairment loss	431	773	516	135	0	1,855

Segment reporting 2020

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	130,358	61,328	78,877	0	0	270,563
- New business commission	112,005	39,072	58,587	0	0	209,664
- Policy service commission	12,773	18,824	15,778	0	0	47,375
- Dynamic commission	1,150	4,075	1,640	0	0	6,865
- Other brokerage income	4,430	-643	2,872	0	0	6,659
Other operating income	2,800	2,550	2,646	2,226	-64	10,158
Income from inter-segment transactions	4	1,171	12	12,498	-13,685	0
Total segment income	**133,162**	**65,049**	**81,535**	**14,724**	**-13,749**	**280,721**
Segment expenses						
Brokerage expense						
- Current commission for sales force	-82,727	-37,411	-46,403	0	0	-166,541
- Other commission for sales force	-7,875	-2,522	-4,522	0	0	-14,919
Personnel expenses	-9,203	-6,423	-11,361	-12,291	0	-39,278
Depreciation/amortisation	-1,637	-1,107	-1,976	-2,228	0	-6,948
Other operating expenses	-17,521	-9,512	-13,084	-11,865	13,838	-38,144
Total segment expenses	**-118,963**	**-56,975**	**-77,346**	**-26,384**	**13,838**	**-265,830**
Earnings before interest and taxes (EBIT)	**14,199**	**8,074**	**4,189**	**-11,660**	**89**	**14,891**
Interest income	133	108	25	31	-8	289
Interest expenses	-68	-175	-106	-18	9	-358
Other financial result	0	-128	1	-14	0	-141
Earnings before taxes (EBT)	**14,264**	**7,879**	**4,109**	**-11,661**	**90**	**14,681**
Taxes on income	-2,518	102	-1,277	-153	-111	-3,957
Non-controlling interests	0	0	0	-239	0	-239
Segment result	**11,746**	**7,981**	**2,832**	**-12,053**	**-21**	**10,485**
Additional disclosures						
Capital expenditures for intangible and tangible assets	2,100	550	796	2,858	0	6,304
Material non-cash expenses (-) and income (+)	-423	-1,196	-1,942	-14	0	-3,575
Impairment expenses	-855	-1,245	-938	-326	44	-3,320
Reversal of impairment loss	433	768	182	42	0	1,425

II. Notes to the consolidated statement of financial position

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2021 according to IFRS

	Intangible assets						
	Software			Goodwill	Other intangible assets	Total	Rights of use of leased assets
EUR'000	Software purchased from external third parties	In-house software develop-ments	Payments on account for software				
Historical cost							
31/12/2020	36,482	3,903	696	11,698	9,437	62,216	17,425
Currency translation differences	105	20	16	0	14	155	94
01/01/2021	36,587	3,923	712	11,698	9,451	62,371	17,519
Additions	3,774	0	308	0	471	4,553	519
Disposals	1,178	242	19	0	219	1,658	1,596
Transfers	347	0	-475	0	128	0	0
31/12/2021	**39,530**	**3,681**	**526**	**11,698**	**9,831**	**65,266**	**16,442**
Accumulated depreciation/ amortisation							
31/12/2020	27,031	3,832	358	9,416	6,967	47,604	4,555
Currency translation differences	61	19	15	0	14	109	-2
01/01/2021	27,092	3,851	373	9,416	6,981	47,713	4,553
Additions	3,180	3	0	0	494	3,677	2,491
Disposals	1,177	240	0	0	1	1,418	1,563
Transfers	0	0	0	0	0	0	0
31/12/2021	**29,095**	**3,614**	**373**	**9,416**	**7,474**	**49,972**	**5,481**
Accumulated impairments							
31/12/2020	0	67	0	962	427	1,456	0
Currency translation differences	0	0	0	0	0	0	0
01/01/2021	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
31/12/2021	**0**	**67**	**0**	**962**	**427**	**1,456**	**0**
Book value 31/12/2021	**10,435**	**0**	**153**	**1,320**	**1,930**	**13,838**	**10,961**
Book value 31/12/2020	**9,451**	**4**	**338**	**1,320**	**2,043**	**13,156**	**12,870**

Land, land rights and buildings					Tangible assets	Financial assets		
	Operating and office equipment				Total	Securi-ties	Loans	Total
Own-use property	Machinery, equipment, furniture, vehicles, other	IT equipment	Tenant fixtures and fittings	Payments on account of tangible assets in progress				
852	7,527	7,558	2,490	29	18,456	0	650	650
0	66	29	5	0	100	0	0	0
852	7,593	7,587	2,495	29	18,556	0	650	650
3	744	1,317	0	327	2,391	0	246	246
34	477	171	0	0	682	0	383	383
0	82	328	-57	-353	0	0	0	0
821	**7,942**	**9,061**	**2,438**	**3**	**20,265**	**0**	**513**	**513**
225	5,625	5,612	2,195	0	13,657	0	0	0
0	52	24	0	0	76	0	0	0
225	5,677	5,636	2,195	0	13,733	0	0	0
37	634	838	71	0	1,580	0	0	0
34	467	168	0	0	669	0	0	0
0	51	0	-51	0	0	0	0	0
228	**5,895**	**6,306**	**2,215**	**0**	**14,644**	**0**	**0**	**0**
0	1	0	0	0	1	0	201	201
0	0	0	0	0	0	0	0	0
0	1	0	0	0	1	0	201	201
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	115	115
0	0	0	0	0	0	0	79	79
0	**1**	**0**	**0**	**0**	**1**	**0**	**7**	**7**
593	**2,046**	**2,755**	**223**	**3**	**5,620**	**0**	**506**	**506**
627	**1,901**	**1,946**	**295**	**29**	**4,798**	**0**	**449**	**449**

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2020 according to IFRS

						Intangible assets	
			Software	Goodwill	Other intangible assets	Total	Rights of use of leased assets
EUR'000	Software purchased from external third parties	In-house software develop-ments	Payments on account for software				
Historical cost							
31/12/2019	34,023	3,950	515	11,698	8,876	59,062	13,927
Currency translation differences	-81	-37	1	0	1	-116	-88
01/01/2020	33,942	3,913	516	11,698	8,877	58,946	13,839
Additions	3,221	0	416	0	324	3,961	3,632
Disposals	681	10	0	0	0	691	46
Transfers	0	0	-236	0	236	0	0
31/12/2020	**36,482**	**3,903**	**696**	**11,698**	**9,437**	**62,216**	**17,425**
Accumulated depreciation/ amortisation							
31/12/2019	25,001	3,861	357	9,416	6,609	45,244	2,205
Currency translation differences	-57	-36	1	0	1	-91	-22
01/01/2020	24,944	3,825	358	9,416	6,610	45,153	2,183
Additions	2,776	7	0	0	357	3,140	2,380
Disposals	689	0	0	0	0	689	8
Transfers	0	0	0	0	0	0	0
31/12/2020	**27,031**	**3,832**	**358**	**9,416**	**6,967**	**47,604**	**4,555**
Accumulated impairments							
31/12/2019	0	67	0	920	427	1,414	0
Currency translation differences	0	0	0	0	0	0	0
01/01/2020	0	67	0	920	427	1,414	0
Impairments	0	0	0	42	0	42	0
Impairment loss reversal	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
31/12/2020	**0**	**67**	**0**	**962**	**427**	**1,456**	**0**
Book value 31/12/2020	**9,451**	**4**	**338**	**1,320**	**2,043**	**13,156**	**12,870**
Book value 31/12/2019	**9,022**	**22**	**158**	**1,362**	**1,840**	**12,404**	**11,722**

	Land, land rights and buildings	Operating and office equipment				Tangible assets Total	Financial assets Securities	Loans	Total
	Own-use property	Machinery, equipment, furniture, vehicles, other	IT equipment	Tenant fixtures and fittings	Payments on account of tangible assets in progress				
	2,158	6,959	6,814	2,352	35	18,318	7,001	659	7,660
	-64	-73	-25	-3	0	-165	0	-1	-1
	2,094	6,886	6,789	2,349	35	18,153	7,001	658	7,659
	2	1,026	767	141	407	2,343	0	240	240
	1,244	351	169	0	276	2,040	7,001	248	7,249
	0	-34	171	0	-137	0	0	0	0
	852	**7,527**	**7,558**	**2,490**	**29**	**18,456**	**0**	**650**	**650**
	1,346	5,415	5,101	2,124	0	13,986	0	0	0
	-36	-49	-20	-3	0	-108	0	0	0
	1,310	5,366	5,081	2,121	0	13,878	0	0	0
	46	584	669	74	0	1,373	0	0	0
	1,131	295	168	0	0	1,594	0	0	0
	0	-30	30	0	0	0	0	0	0
	225	**5,625**	**5,612**	**2,195**	**0**	**13,657**	**0**	**0**	**0**
	0	8	0	0	0	8	0	201	201
	0	-1	0	0	0	-1	0	0	0
	0	7	0	0	0	7	0	201	201
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	6	0	0	0	6	0	0	0
	0	**1**	**0**	**0**	**0**	**1**	**0**	**201**	**201**
	627	**1,901**	**1,946**	**295**	**29**	**4,798**	**0**	**449**	**449**
	812	**1,536**	**1,713**	**228**	**35**	**4,324**	**7,001**	**458**	**7,459**

Assets

A Non-current assets

2021: EUR'000	**37,087**
2020: EUR'000	36,454

1 Intangible assets

2021: EUR'000	**13,838**
2020: EUR'000	13,156

EUR'000	31/12/2021	31/12/2020
Software		
Software purchased from third parties	10,435	9,451
In-house software developments	0	4
Payments on account for software	153	338
Goodwill	1,320	1,320
Other intangible assets	1,930	2,043
	13,838	**13,156**

Purchased software essentially relates to a group-wide uniform administration and management program as well as a software solution for sales support. The carrying amount of the administration and management program called myOVB is EUR 1,979 thousand as of 31 December 2021 (31 December 2020: EUR 2,815 thousand). The carrying amount of the sales-support software comes to EUR 5,060 thousand as of 31 December 2021 (31 December 2020: EUR 3,836 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 0.1 per cent (31 December 2020: 0.0 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 2021 (31 December 2020: 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 for financial year 2021. Goodwill recognized for the Germany segment at EUR 42 thousand was written off in full in the period of comparison due to lower expected payments received.

2 Rights of use of leased assets

2021: EUR'000	**10,961**
2020: EUR'000	12,870

Rights of use of leased assets are leases accounted for according to IFRS 16, concerning primarily leases of land and buildings at EUR 10,144 thousand (31 December 2020: EUR 11,993 thousand).

3 Tangible assets

2021: EUR'000	**5,620**
2020: EUR'000	4,798

EUR'000	31/12/2021	31/12/2020
Land, land rights and buildings		
- Own-use property	593	627
Other equipment, office and operating equipment		
- Machinery, equipment, furniture, vehicles, others	2,046	1,901
- IT equipment	2,755	1,946
- Tenant fixtures and fittings	223	295
- Payments on account for tangible assets under construction	3	29
	5,620	**4,798**

A land charge is filed for one property under the Company's own use in the amount of EUR 716 thousand (31 December 2020: EUR 716 thousand). The land charge is not linked to any underlying values.

Depreciation of EUR 37 thousand (31 December 2020: EUR 46 thousand) was recognized for own-use property.

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

4 Financial assets	**2021: EUR'000**	**506**
	2020: EUR'000	449

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

5 Deferred tax assets	**2021: EUR'000**	**6,162**
	2020: EUR'000	5,181

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

EUR'000	31/12/2021	31/12/2020
Tangible assets and other intangible assets	5	7
Financial assets	83	2
Financial instruments and receivables	928	571
Other assets	14	31
Provisions	6,345	5,645
Liabilities	4,069	6,096
Tax loss carry-forward	93	81
	11,537	**12,433**
Net of deferred tax liabilities	-5,375	-7,252
	6,162	**5,181**

Deferred taxes are recognized 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 2021 deferred income tax liabilities have been entered in equity outside profit or loss in the amount of EUR 11 thousand (31 December 2020: EUR 21 thousand).

Altogether, no deferred taxes were recognized for loss carry-forward in the amount of EUR 29,198 thousand (31 December 2020: EUR 24,726 thousand) for consolidated companies. This would have corresponded to deferred tax assets of EUR 9,328 thousand (31 December 2020: EUR 7,842 thousand).

Of this loss carry-forward, the amount of EUR 31 thousand (31 December 2020: EUR 473 thousand) can be utilized over a period of between five and 15 years. The amount of EUR 29,167 thousand (31 December 2020: EUR 24,253 thousand) can be carried forward indefinitely.

B Current assets

2021: EUR'000	**220.738**
2020: EUR'000	197,030

6 Trade receivables

2021: EUR'000	**41.949**
2020: EUR'000	37,038

EUR'000	31/12/2021	31/12/2020
Trade receivables		
1. Receivables from insurance brokerage	38,958	34,358
2. Receivables from other brokerage	1,838	1,470
3. Other trade receivables	1,153	1,210
	41,949	**37,038**

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	2021	2020
Valuation allowances as of 1 January	222	317
Exchange rate differences	-2	-1
Allocation (valuation allowance expense)	17	0
Consumption	116	0
Reversals	3	94
Valuation allowances as of 31 December	**118**	**222**

Trade receivables in the amount of EUR 5,093 thousand (31 December 2020: EUR 3,995 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

2021: EUR'000	**49,184**
2020: EUR'000	41,568

EUR'000	31/12/2021	31/12/2020
7.1 Other receivables	19,508	18,889
7.2 Other assets	4,102	2,968
7.3 Contract asset (IFRS 15)	25,574	19,711
	49,184	**41,568**

Receivables and other assets usually have remaining terms to maturity of less than one year. An exception to this are acquired claims for commission of former financial agents, valued altogether at EUR 0 thousand as of the reporting date (31 December 2020: EUR 1 thousand). 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 coronavirus pandemic, the contract asset was reduced by EUR 2,238 thousand (31 December 2020: EUR 1,602 thousand).

7.1 Other receivables

EUR'000	31/12/2021	31/12/2020
Other receivables		
1. Receivables from financial agents	6,053	5,794
2. Receivables from employees	138	122
3. Miscellaneous other receivables	12,884	12,574
4. Other taxes	433	399
	19,508	**18,889**

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 agent’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	2021	2020
Valuation allowances as of 1 January	20,947	20,412
Exchange rate differences	190	-248
Allocation (valuation allowance expense)	1,952	2,359
Consumption	2,716	611
Reversals	1,301	965
Valuation allowances as of 31 December	**19,072**	**20,947**

Allocations to valuation allowances for “other receivables” relate to receivables from financial agents.

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

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

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

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

2021: EUR'000	**4,102**
2020: EUR'000	2,968

EUR'000	31/12/2021	31/12/2020
Other assets		
1. Accrued investment income	21	11
2. Other accrued income	2,342	1,405
3. Advertising materials and office supplies	661	622
4. Payments on account	882	722
5. Acquired future commission claims	0	1
6. Miscellaneous other assets	196	207
	4,102	**2,968**

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

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

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

4. Payments on account
This item primarily relates to short-term advance payments for incentive events.

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

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

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	01/01/2021	Allocation	Exchange rate differences	Reversal	31/12/2021
Contract asset	19,711	5,863	0	0	25,574

8 Income tax assets

2021: EUR'000	**698**
2020: EUR'000	550

Income tax receivables primarily relate to income tax prepayments. Such receivables exist in particular for OVB Allfinanz a.s., Prague, at EUR 469 thousand (31 December 2020: EUR 96 thousand) and OVB Holding AG, Cologne, at EUR 182 thousand (31 December 2020: EUR 189 thousand).

9 Securities and other capital investments

2021: EUR'000	**54.313**
2020: EUR'000	45,947

EUR'000	2021			2020		
	Securities	Other capital investments	Total	Securities	Other capital investments	Total
Historical cost	**45,423**	**8,686**	**54,109**	**31,027**	**15,171**	**46,198**
Revaluation reserve	-2		-2	47		47
Positive fair value changes through profit/loss	413		413	9		9
Negative fair value changes through profit/loss	-207		-207	-307		-307
Market value	**45,627**	**8,686**	**54,313**	**30,776**	**15,171**	**45,947**
Book value	**45,627**	**8,686**	**54,313**	**30,776**	**15,171**	**45,947**

Securities include interests in investment funds in the following amount:

	2021			
Investment	Pension fund	Balanced fund	Money market fund	Equity fund
Number of investment funds	5	6	1	0
Fund assets as of the reporting date	Euro 0.1 - 5.4 billion	Euro 33.1 - 308.1 million	Euro 1.1 billion	-
Book values as of the reporting date	Euro 21.3 million	Euro 9.4 million	Euro 9.2 million	-
Interest in the fund	0.2 - 1.4 %	0.3 - 14.2 %	0.9 %	-

	2020			
Investment	Pension fund	Balanced fund	Money market fund	Equity fund
Number of investment funds	5	6	0	1
Fund assets as of the reporting date	Euro 0.1 - 4.9 billion	Euro 32.1 - 207.3 million	-	Euro 136.0 million
Book values as of the reporting date	Euro 12.6 million	Euro 9.2 million	-	Euro 2.6 million
Interest in the fund	0.1 - 0.9 %	0.5 - 14.1 %	-	1.9 %

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 155 thousand (31 December 2020: EUR 564 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 decreased by the amount of EUR 49 thousand in the past financial year while having increased by EUR 17 thousand in the previous year. No net losses were realized in the financial year through revaluation reserve.

Other capital investments particularly include fixed-term deposits and cash equivalents with a maturity of more than three months, short-term loans and, in the previous year, a short-term bonded loan of EUR 5,000 thousand with a book value of EUR 5,001 thousand as of 31 December 2020. Interest-bearing investments are recognized at cost if market interest rates apply or otherwise at their present value. Bonded loans are measured at amortized cost under the effective interest method.

The item “securities and other capital investments” includes securities with a book value of EUR 9,363 thousand (31 December 2020: EUR 9,454 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 36,264 thousand (31 December 2020: EUR 21,321 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

2021: EUR’000	**74,594**
2020: EUR’000	71,927

EUR’000	31/12/2021	31/12/2020
Cash	14	24
Cash equivalents	74,580	71,903
	74,594	**71,927**

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 immediately converted to cash. 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	**2021: EUR'000**	**91,371**
	2020: EUR'000	90,000

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

11 Subscribed capital	**2021: EUR'000**	**14,251**
	2020: EUR'000	14,251

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251 thousand as of 31 December 2021, is fully paid up and consists of 14,251,314 no-par value bearer shares (31 December 2020: 14,251,314 shares).

12 Capital reserve	**2021: EUR'000**	**39,342**
	2020: 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 authorized 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 authorization may also be retired. So far no use has been made of this option.

14 Revenue reserves	**2021: EUR'000**	**13,708**
	2020: EUR'000	13,708

15 Other reserves	**2021: EUR'000**	**-221**
	2020: EUR'000	-386

Other reserves essentially comprise currency translation reserve, pension provision reserve and revaluation reserve.

Unrealized gains and losses from financial instruments are recognized 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	**2021: EUR'000**	**279**
	2020: EUR'000	537

Other shareholders hold non-controlling interests in Nord-Soft EDV-Unternehmensberatung GmbH in the amount of EUR 267 thousand (31 December 2020: EUR 525 thousand) and in Nord-Soft Datenservice GmbH in the amount of EUR 12 thousand (31 December 2020: EUR 12 thousand).

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

17 Retained earnings

	2021: EUR'000	24.012
	2020: EUR'000	22,548

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.

The Executive Board of OVB Holding AG proposed the payment of a dividend of EUR 0.75 per share and agreed with the Supervisory Board at its session on 17 March 2021 on the payment of an additional one-off anniversary bonus of EUR 0.25 per share.

At the General Meeting of Shareholders of 9 June 2021, shareholders adopted the resolution on the appropriation of the retained earnings of OVB Holding AG for financial year 2020.

On 10 June 2021, a dividend of EUR 14,251 thousand was distributed to the shareholders, equivalent to EUR 1.00 per no-par share (previous year: EUR 0.75 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 2021 in accordance with Section 170 AktG (Stock Corporation Act):

EUR	2021	2020
Distribution to shareholders	*12,826,182.60*	*14,251,314.00*
Profit carry-forward	*5,810,338.94*	*4,806,598.58*
Retained earnings	**18,636,521.54**	**19,057,912.58**

The dividend pay-out is thus equivalent to EUR 0.90 per share (previous year: EUR 1.00 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

	2021: EUR'000	12,771
	2020: EUR'000	13,717

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 2021

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	9,245	3,080	2,310	3,855	0	0

Maturity of liabilities as of 31 December 2020

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	11,410	4,077	2,373	4,960	0	0

18 Provisions

2021: EUR'000	**2,542**
2020: EUR'000	1,947

EUR'000	31/12/2021	31/12/2020
Provisions for pensions	1,343	1,455
Long-term provisions for employee benefits	466	488
Long-term provisions for bonus payments	437	0
Other long-term provisions	296	4
	2,542	**1,947**

EUR'000	31/12/2020	Exchange rate differ-ences	Allocation	Accrued interest	Consump-tion	Reversal	31/12/2021
Provisions for pensions	1,455	21	96	0	229	0	1,343
Long-term provisions for employee benefits	488	0	89	0	111	0	466
Long-term provisions for bonus payments	0	0	437	0	0	0	437
Other long-term provisions	4	0	296	0	4	0	296
	1.947	**21**	**918**	**0**	**344**	**0**	**2.542**

Provisions for pensions
OVB Vermögensberatung (Schweiz) AG (OVB Switzerland) is under the obligation to pay pension benefits determined by law to six commercial employees as well as to ten financial agents. 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	2021 Switzerland	2021 Belgium	2021 Total	2020
Present value of defined benefit obligations as of 1/1	**1,784**	**2,764**	**4,548**	**4,282**
Exchange rate changes	81	0	81	5
Service cost	131	194	325	318
Past service cost	5	0	5	0
Interest expense/income	2	11	13	24
Gains (-) and losses (+) from revaluation:				
- Actuarial gains and losses from changes in demographic assumptions	-76	0	-76	0
- Actuarial gains and losses from changes in financial assumptions	-25	-218	-243	106
- Actuarial gains and losses from experience-based adjustments	-78	0	-78	-64
Transfer	0	0	0	0
Contributions:				
- Employer	0	0	0	0
- Plan participants	33	0	33	41
Pension plan payments:				
- Current payments	-284	-33	-317	-165
- Compensation	0	0	0	0
Present value of defined benefit obligations as of 31/12	**1,573**	**2,718**	**4,291**	**4,548**
Plan assets as of 1/1	**1,324**	**1,769**	**3,093**	**2,949**
Exchange rate changes	60	0	60	4
Contributions:				
- Employer	97	143	240	225
- Plan participants	33	0	33	41
Expected investment income	0	0	0	0
Pension plan payments:				
- Current payments	-284	-33	-317	-149
- Compensation	0	0	0	0
Interest expense/income	2	7	9	19
Gains (-) and losses (+) from revaluation:				
- Income from plan assets not including interest income	90	-260	-170	5
Plan assets as of 31/12	**1,322**	**1,626**	**2,948**	**3,093**
Provisions for pensions as of 31/12	**251**	**1,092**	**1,343**	**1,455**

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:

	2021 Switzerland	2021 Belgium	2020 Switzerland	2020 Belgium
Discount rate	0.25 %	0.98 %	0.15 %	0.48 %
Expected future salary increase	1.00 %	3.00 %	1.00 %	3.00 %
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 expense. The interest expense of the defined benefit obligations is included in finance expense.

Plan assets are divided into the following investment categories:

	2021 Switzerland	2021 Belgium	2021 Total	2020 Switzerland	2020 Belgium
Liquid assets and fixed-term deposits	1.0 %	0.0 %	1.0 %	0.4 %	0.0 %
Loans	0.0 %	36.5 %	36.5 %	0.0 %	37.7 %
Government bonds	0.0 %	5.3 %	5.3 %	0.0 %	4.6 %
Land charges	2.1 %	0.0 %	2.1 %	2.3 %	0.0 %
Fixed-interest securities	11.1 %	3.3 %	14.4 %	11.0 %	2.8 %
Shares	14.7 %	2.7 %	17.4 %	15.3 %	2.4 %
Real property	9.1 %	7.4 %	16.5 %	8.7 %	7.8 %
Alternative investments	6.8 %	0.0 %	6.8 %	7.0 %	0.0 %

For 99.0 per cent (31 December 2020: 99.6 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	1,515	2,507
Decrease in assumption	1,636	2,956
Expected future salary increase	0.25 %	0.50 %
Increase in assumption	1,584	2,793
Decrease in assumption	1,563	2,650
Expected future pension adjustment	0.25 %	0.50 %
Increase in assumption	1,601	2,793
Decrease in assumption	1,547	2,650

The 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. The 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 266 thousand for the financial year ended 31 December 2022 (31 December 2021: EUR 254 thousand).

The weighted average term of the defined benefit obligations is 15.9 years (31 December 2020: 16.9 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	**2021: EUR'000**	**9,245**
	2020: EUR'000	11,410

Other liabilities primarily relate to non-current lease liabilities pursuant to IFRS 16 and equate to the present value of future lease payments. The final purchase price installment from the acquisition of the Belgian subsidiary of EUR 400 thousand still outstanding is reported under other current liabilities as of 31 December 2021.

20 Deferred tax liabilities	**2021: EUR'000**	**984**
	2020: EUR'000	360

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

EUR'000	31/12/2021	31/12/2020
Tangible and intangible assets	1,265	3,372
Financial instruments	4,990	4,178
Other assets	0	45
Provisions	82	16
Liabilities	22	1
	6,359	**7,612**
Net of deferred tax assets	-5,375	-7,252
	984	**360**

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

C Current liabilities	**2021: EUR'000**	**153,683**
	2020: EUR'000	129,767

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

21 Provisions for taxes	**2021: EUR'000**	**1.686**
	2020: EUR'000	908

The development of provisions for taxes is altogether as follows:

EUR'000	01/01/2021	Exchange rate differences	Allocation	Consumption	Reversal	31/12/2021
Provisions for taxes	908	40	1,520	782	0	1,686

22 Other provisions

	2021: EUR'000	70,468
	2020: EUR'000	55,298

EUR'000	31/12/2021	31/12/2020
1. Cancellation risk	24,457	20,393
2. Unbilled liabilities	20,014	17,199
3. Litigation	4,016	701
4. Provisions from subsequent commission (IFRS 15)	16,740	12,776
	65,227	**51,069**
5. Others		
- Obligations to employees	2,142	1,848
- Costs for financial statements/Audit cost	765	697
- Other obligations	2,334	1,684
	5,241	**4,229**
	70,468	**55,298**

EUR'000	01/01/2021	Allocation	Exchange rate differences	Consumption	Reversal	31/12/2021
1. Cancellation risk	20,393	4,327	215	478	0	24,457
2. Unbilled liabilities	17,199	13,050	136	8,769	1,602	20,014
3. Litigation	701	3,629	6	24	296	4,016
4. Provisions from subsequent commission (IFRS 15)	12,776	3,967	-3	0	0	16,740
5. Others	4,229	4,073	14	2,725	350	5,241
	55,298	**29,046**	**368**	**11,996**	**2,248**	**70,468**

Allocations include expenses from the accumulation of interest on provisions in the amount of EUR 3 thousand (31 December 2020: EUR 4 thousand). Provisions for cancellation risk are generally recognized as current provisions due to uncertainty in respect of the time and extent of their utilization. Assuming that the clients' cancellation behaviour equals that of the recent past, the resulting non-current portion would amount to approx. EUR 13,513 thousand (31 December 2020: EUR 8,001 thousand).

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

Furthermore, provisions for litigation were increased in the year under review. OVB cannot entirely rule out that provisions might be utilized in the individual case.

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 coronavirus pandemic, provisions from subsequent commission were reduced by EUR 1,083 thousand.

23 Income tax liabilities

	2021: EUR'000	1,332
	2020: EUR'000	840

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

24 Trade payables

2021: EUR'000	**21,994**
2020: EUR'000	21,159

This item includes commission billed by financial agents unless categorized 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 31/12/2021:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
Trade payables	21,994	497	2,986	15,291	0	0	3,220

Maturity of liabilities as of 31/12/2020:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
Trade payables	21,159	473	1,776	14,986	0	0	3,924

25 Other liabilities

2021: EUR'000	**58,203**
2020: EUR'000	51,562

Maturity of liabilities as of 31/12/2021:

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	49,917	1,665	2,937	4,076	171	386	40,682
2. Other tax liabilities	1,476	0	305	1,071	0	3	97
3. Liabilities to employees	2,590	0	399	1,472	208	94	417
4. Liabilities to product partners	865	0	216	66	0	0	583
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to sales agents	0	0	0	0	0	0	0
7. Current lease liabilities	2,130	0	0	573	569	988	0
8. Miscellaneous liabilities	1,225	0	224	877	0	59	65
	58,203	**1,665**	**4,081**	**7,735**	**1,348**	**1,530**	**41,844**

Maturity of liabilities as of 31/12/2020:

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	42,789	1,562	657	4,000	143	256	36,171
2. Other tax liabilities	1,316	0	180	1,048	0	3	85
3. Liabilities to employees	2,878	0	203	1,900	0	510	265
4. Liabilities to product partners	1,256	0	0	340	42	0	874
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to sales agents	40	0	0	40	0	0	0
7. Current lease liabilities	2,308	0	0	577	580	1,151	0
8. Miscellaneous liabilities	975	0	89	232	56	400	198
	51,562	**1,562**	**1,129**	**8,137**	**821**	**2,320**	**37,593**

There are no liabilities with terms to maturity of more than twelve 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 recognized 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 sales agents
Current liabilities to the sales force that do not result from brokerage services have been recognized as other liabilities to sales agents.

7. Current lease liabilities
Current lease liabilities result from first-time 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 as well as deferred income and, as of 31 December 2021, the final outstanding purchase price installment from the acquisition of the Belgian subsidiary in the amount of EUR 400 thousand.

III. Notes to the consolidated income statement

26 Brokerage income

2021: EUR'000	**320,696**
2020: EUR'000	270,563

EUR'000	2021	2020
1. New business commission	253,155	209,664
2. Policy service commission	50,014	47,375
3. Dynamic commission	6,946	6,865
4. Other brokerage income	10,581	6,659
	320,696	**270,563**

All income from product partners is recognized 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 5,863 thousand (31 December 2020: EUR 2,409 thousand) resulting from an earlier realization of new business commission either partially discounted or paid on a pro-rata basis.

27 Other operating income

2021: EUR'000	**10,959**
2020: EUR'000	10,158

EUR'000	2021	2020
Refunds from financial agents	3,000	2,971
Income from reversal of provisions	2,248	904
Own work capitalized	346	330
Income from cancelled obligations	886	662
Rental income from sub-leases	99	89
Income from the disposal of intangible assets and tangible assets	69	254
Reversals of impairment loss	1,401	1,165
thereof income from written-off receivables	108	109
Income from currency translation	111	104
Partners' contributions to costs	486	581
Miscellaneous	2,313	3,098
	10,959	**10,158**

Refunds from financial agents 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 capitalized 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

2021: EUR'000	**-215,485**
2020: EUR'000	-181,460

EUR'000	2021	2020
Current commission	-196,619	-166,541
Other commission	-18,866	-14,919
	-215,485	**-181,460**

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

2021: EUR'000	**-42,298**
2020: EUR'000	-39,278

EUR'000	2021	2020
Wages and salaries	-35,016	-32,375
Social security	-6,791	-6,418
Expenses for retirement provision	-491	-485
	-42,298	**-39,278**

30 Depreciation and amortization

2021: EUR'000	**-7,734**
2020: EUR'000	-6,948

EUR'000	2021	2020
Amortization/Impairment of intangible assets	-3,667	-3,190
Depreciation of rights of use	-2,491	-2,381
Depreciation/Impairment of tangible assets	-1,576	-1,377
	-7,734	**-6,948**

Depreciation and amortization in financial year 2021 are disclosed in the asset schedule.

31 Other operating expenses

2021: EUR'000	**-44,372**
2020: EUR'000	-38,144

EUR'000	2021	2020
Administrative expenses		
Legal, financial statement and consulting expenses	-9,281	-5,211
Facility expenses	-1,655	-1,994
Communication costs	-1,161	-1,047
IT expenses	-9,934	-7,498
Vehicle expenses	-638	-635
Rent for furniture and equipment	-69	-69
Other administrative expenses	-4,547	-4,296
	-27,285	**-20,750**
Sales and marketing costs		
Seminars, competitions, events	-6,422	-6,627
Advertising cost, public relations	-2,190	-1,974
Write-down on/Valuation allowances for receivables	-2,024	-2,447
thereof disposal of receivables	-70	-88
Other sales and marketing costs	-1,884	-1,989
	-12,520	**-13,037**
Miscellaneous operating expenses		
Foreign currency loss	-187	-267
Supervisory Board remuneration	-179	-172
Losses from disposal of investments	-5	-53
Other miscellaneous operating expenses	-82	-196
	-453	**-688**
Non-income-based taxes		
Value-added tax on purchased goods/services	-3,757	-3,346
Other non-income-based tax	-357	-323
	-4,114	**-3,669**
	-44,372	**-38,144**

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

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

Other miscellaneous operating expenses include expenses for the preparation of financial reports and the Annual General Meeting of Shareholders 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

	2021: EUR'000	**393**
	2020: EUR'000	-210

EUR'000	2021	2020
Finance income		
Bank interest	137	137
Income from securities	192	160
Reversal of impairment loss on capital investments	454	263
Income from accrued interest	65	69
Interest income from loans	34	37
Other interest income and similar income	44	45
	926	**711**
Finance expense		
Interest expense and similar expenses	-377	-357
Expenses for capital investments	-156	-564
	-533	**-921**
Financial result	**393**	**-210**

Interest income and interest expense are recognized 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

	2021: EUR'000	**-6,463**
	2020: EUR'000	-3,957

EUR'000	2021	2020
Current income tax	-6,795	-4,489
Deferred income tax	332	532
	-6,463	**-3,957**

Tax expense includes foreign current taxes in the amount of EUR 6,677 thousand (31 December 2020: EUR 4,310 thousand) and foreign deferred tax assets of EUR 362 thousand (31 December 2020: EUR 450 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 company tax rate of 15.0 per cent (31 December 2020: 15.0 per cent), the solidarity surcharge of 5.5 per cent (31 December 2020: 5.5 per cent) and an average trade tax rate of 16.625 per cent (31 December 2020: 16.625 per cent).

In addition to the amount recognized in the consolidated income statement, deferred taxes of EUR 11 thousand (31 December 2020: EUR 21 thousand) relating to items recognized outside profit or loss in equity were settled directly in equity.

The effective income tax rate applied to the result from ordinary business activities before income taxes comes to 29.16 per cent (31 December 2020: 26.84 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	2021	2020
Earnings before income taxes according to IFRS	22,159	14,681
Consolidated income tax rate	32.45%	32.45%
Theoretical income tax expense in the financial year	**-7,191**	**-4,760**
Taxes based on non-deductible expenses (-) / tax-free income (+)	-324	-587
Effects of other tax rates applicable to domestic and foreign operating subsidiaries	3,747	2,597
Prior-period income tax	-8	-193
Changes in tax effects from temporary differences and tax loss for which no deferred tax assets were recognized (-) / Capitalization of deferred tax in financial year on loss carry-forward from previous year for which no deferred tax was recognized in previous year (+)	-2,598	-914
Others	-89	-96
Taxes on income	**-6,463**	**-3,957**

34 Consolidated net income

	2021: EUR'000	**15,696**
	2020: EUR'000	10,724

35 Consolidated net income attributable to non-controlling interests

	2021: EUR'000	**19**
	2020: EUR'000	-239

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 19 thousand (31 December 2020: EUR -239 thousand).

36 Consolidated net income after non-controlling interests

	2021: EUR'000	**15,715**
	2020: EUR'000	10,485

37 Earnings per share, basic/diluted

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

EUR'000	2021	2020
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)	15,715	10,485
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	1.10	0.74

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 10,961 thousand as of 31 December 2021 (31 December 2020: EUR 12,870 thousand). Corresponding lease liabilities come to the total amount of EUR 11,375 thousand (31 December 2020: EUR 13,318 thousand) and are classified in the statement of financial position either as non-current (EUR 9,245 thousand / 31 December 2020: EUR 11,010 thousand) or current liabilities (EUR 2,130 thousand / 31 December 2020: EUR 2,308 thousand). Disclosure is made under the item "other liabilities" respectively.

Lease agreements signed by OVB essentially comprise 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	01/01/2021	Allocation	Disposal	Depreciation	Exchange rate differences	31/12/2021
Land and buildings	11,993	115	-25	-2,038	99	10,144
Machinery, equipment, furniture, vehicles, others	836	343	-3	-427	-1	748
IT equipment	41	61	-5	-26	-2	69
	12,870	**519**	**-33**	**-2,491**	**96**	**10,961**

EUR'000	01/01/2020	Allocation	Disposal	Depreciation	Exchange rate differences	31/12/2020
Land and buildings	10,789	3,179	-19	-1,904	-52	11,993
Machinery, equipment, furniture, vehicles, others	874	444	-19	-449	-14	836
IT equipment	59	10	0	-28	0	41
	11,722	**3,633**	**-38**	**-2,381**	**-66**	**12,870**

Interest expense from accrued interest on lease liabilities amounts to EUR 302 thousand (31 December 2020: EUR 279 thousand), reported under "Other finance expense".

Expenses for short-term leases with terms of less than twelve months amount to EUR 6 thousand (31 December 2020: EUR 25 thousand), reported under "Other operating expenses".

Expenses for low-value leases amount to EUR 34 thousand (31 December 2020: EUR 32 thousand), reported under "Other operating expenses".

Terms to maturity of not discounted lease liabilities as of 31 December 2021 are as follows:

EUR'000	Less than 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years	Total
	631	624	1,095	3,434	2,549	4,087	12,420

Terms to maturity of not discounted lease liabilities as of 31 December 2020 are as follows:

EUR'000	Less than 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	More than 5 years	Total
	656	654	1,275	4,113	2,678	5,286	14,662

As of 31 December 2021 there are no renewal options from the probable exercise of which cash outflow may result for the next reporting periods.

Income in the amount of EUR 82 thousand was generated from sub-leases (31 December 2020: EUR 16 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
	55	41	41	41	41	0	219

2. Contingent liabilities

Contingent liabilities arise from past events that may result in future obligations. Such obligations come into being by the occurrence of uncertain future events and their 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 agents in the ordinary course of business. Guarantees and assumed liabilities to third parties total EUR 3,185 thousand as of the reporting date (31 December 2020: EUR 3,185 thousand). The associated risks are recognized 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 utilization 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 agents.

This includes claims filed by investors who seek to have recourse against OVB by way of secondary liability for incorrect advice. The filed claims generally represent individual consulting errors of individual advisors, something that cannot be ruled out across the board despite the provision of Group-wide quality guidelines in brokerage processes. Based on changing case law and newly pushed activity and bases of claims cited by individual complainants, provisions for litigation risk were increased 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 conviction might happen in individual civil proceedings.

In order to respond to litigation risk as described above, provisions for litigation risk were made in the total amount of EUR 5.1 million as of the reporting date.

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 will result beyond that.

Tax and social security risk

OVB's brokerage business carries the inherent risk that working together with self-employed financial agents 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 5.8 million. Based on legal expert opinions at hand, Management deems corresponding liabilities for OVB improbable.

3. Average number of employees

In the year under review, the Group had a commercial staff of 679 commercial employees on average (31 December 2020: 650), of which 56 (31 December 2020: 54) 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, Auditing, 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
  - Member 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 Compliance

  Memberships of Supervisory Boards and comparable supervisory bodies:
  - Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne (since 11 January 2021)
  - Member of the Supervisory Board of OVB Allfinanz a.s., Prague, Czech Republic (since 19 January 2021)
  - Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia

- **Thomas Hücker**
  Member of the Executive Board, Operations – COO –
  Responsible for Group IT, IT Security, Business Process Management, Human Resources

Members of the Supervisory Board of OVB Holding AG are:

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

  Memberships of Supervisory Boards and comparable supervisory bodies:
  - 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:
  - Deputy Chairman of the Advisory Board of EIS Einlagensicherungsbank GmbH, Berlin/Cologne
  - Member of the Supervisory Board of HANSAINVEST Hanseatische Investment-GmbH, Hamburg

- **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 Board of Basler Versicherungen, Bad Homburg/Hamburg

– **Wilfried Kempchen**
  Member of the Supervisory Board
  Businessman (ret.), former Chairman of the Executive Board of OVB Holding AG

– **Harald Steirer**
  Member of the Supervisory Board
  Management consultant

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

– **Julia Wiens**
  Member of the Supervisory Board (since 9 June 2021)
  Member of the Executive Boards of Basler Lebensversicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg

  Memberships of Supervisory Boards and comparable supervisory bodies:
  – Chairwoman of the Supervisory Board of Basler Vertriebsservice AG, Hamburg (since 1 July 2021)

– **Maximilian Beck**
  Member of the Supervisory Board (until 9 June 2021)
  Member of the Executive Boards of Ideal Versicherungsgruppe, Berlin (since 1 July 2021);
  Member of the Executive Board of Basler Versicherungen, Bad Homburg/Hamburg (until 30 June 2021)

  Memberships of Supervisory Boards and comparable supervisory bodies:
  – Chairman of the Supervisory Board of ZEUS Service AG, Hamburg (until 30 June 2021)
  – Chairman of the Supervisory Board of Basler Vertriebsservice AG, Hamburg (until 30 June 2021)

Remuneration of Supervisory Board and Executive Board

Remuneration of the Supervisory Board amounted to EUR 165 thousand in the year under review (31 December 2020: EUR 162 thousand).

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

EUR'000	Mario Freis	Frank Burow	Thomas Hücker
Fixed remuneration	506 (previous year: 505)	265	326 (previous year: 319)
Variable remuneration	300 (previous year: 265)	104	175 (previous year: 152)
Total remuneration	**806 (previous year: 770)**	**369**	**501 (previous year: 471)**

Variable remuneration of the members of the Executive Board is based on individual targets defined for the financial year. Apart from that, variable remuneration includes long-term benefits in the amount of EUR 290 thousand (31 December 2020: EUR 280 thousand). No share-based payments were made.

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 405 thousand (31 December 2020: EUR 391 thousand), thereof EUR 1 thousand for 2020. The auditor's fees comprise the following positions in the 2021 financial year:

EUR'000	2021	2020
Audit services	370	356
thereof OVB Vermögensberatung AG, Cologne	*60*	*60*
Other certifications	34	20

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 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.

6. Significant events after the reporting date

There are 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 the SIGNAL IDUNA Group, the Baloise Group and the Generali Group.

Principal shareholders as of 31 December 2021 are entities of

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

SIGNAL IDUNA Group is a horizontal group (“Gleichordnungsvertragskonzern”). Its 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 2021. 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 2021. From contracts with companies of SIGNAL IDUNA Group, sales were generated in the amount of EUR 29,221 thousand in 2021 (31 December 2020: EUR 29,307 thousand). Receivables amount to EUR 3,692 thousand (31 December 2020: EUR 3,549 thousand).

The item securities and other capital investments includes securities of SIGNAL IDUNA Group in the amount of EUR 7,486 thousand (31 December 2020: EUR 7,461 thousand).

Basler Beteiligungsholding GmbH, Hamburg, directly held shares in OVB Holding AG carrying 32.57 per cent of the voting rights as of 31 December 2021. 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 23,569 thousand in 2021 (31 December 2020: EUR 22,889 thousand), essentially in the Germany segment. Receivables come to EUR 2,978 thousand (31 December 2020: EUR 3,201 thousand).

The item securities and other capital investments includes securities of Bâloise Holding AG in the amount of EUR 760 thousand (31 December 2020: EUR 727 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 2021. 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 20,591 thousand in 2021 (31 December 2020: EUR 22,108 thousand). Receivables come to EUR 6,227 thousand (31 December 2020: EUR 5,738 thousand) and liabilities amount to EUR 69 thousand (31 December 2020: EUR 10 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. 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 2020: EUR 30 thousand) are rent and EUR 6 thousand (31 December 2020: 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 the Executive Board and the 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 2021 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 2021 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, 22 February 2022

Mario Freis
CEO

Frank Burow
CFO

Thomas Hücker
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, 22 February 2022

Mario Freis
CEO

Frank Burow
CFO

Thomas Hücker
COO

The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the financial statements and the management report prepared for disclosure purposes in accordance with § 317 Abs. 3a HGB" ("Separate report on ESEF conformity"). The subject matter (ESEF documents to be audited) to which the separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette

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 31 December 2021, 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 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

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 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, 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. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

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 1 January to 31 December 2021. 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. Provisions for cancellation risks

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 as at 31 December 2021, other receivables totaling € 19.5 million are reported under the balance sheet line item "Receivables and other assets". As at the balance sheet date, € 6.1 million of this amount is attributable to receivables from financial agents resulting primarily from advance commission payments and claims for commission refunds. The Company sets up specific valuation allowances taking into account the information available on 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 attorneys. Within this context, a differentiation 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 the grouping of receivables that are considered not to be significant and that have the same opportunity and risk profile based on value-influencing factors of the respective debtors. Based on these analyses and estimates of the executive directors, as well as other documents, the total expenses for valuation allowances on receivables from financial agents amounted to € 2.0 million in the financial year. As this measurement of receivables, which involves to a large extent judgment of the executive directors, has a significant impact on the recognition and amount of the valuation allowances which may become necessary, and the measurements are subject to uncertainties, this matter was of particular significance during our audit.

2. During our audit we in particular evaluated the analyses and measurements carried out by the Company with respect to whether these were up to date, evaluated the measurement method used and examined and assessed the measurement. In doing so, we obtained an understanding of the underlying source data, measurement parameters and the assumptions made by the executive directors, evaluated those factors critically and assessed whether they are within an acceptable range. Furthermore, we evaluated the legal opinions prepared by the internal and external attorneys appointed by the Company on a sample basis. Based on this, we carried out additional analytical audit procedures and tests of details relating to the measurement of the receivables from financial agents. Among other things, we also evaluated the underlying amounts recorded and their recoverability on the basis of the documentation made available, and we assessed 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 adequately documented.

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

II. Provisions for cancellation risks

1. In the consolidated financial statements of OVB Holding AG provisions for cancellation risks in the amount of € 24.5 million are reported under the balance sheet line item "Other provisions". These provisions relate to commission received from partner companies for brokerage of financial products that is to be reimbursed by the Company, where appropriate on a pro rata basis, in the event that brokered contracts are not redeemed, or are cancelled, within a certain liability period. The provisions are calculated based on a uniform Group-wide measurement process and are calculated by the respective subsidiary based on the country-specific measurement parameters, such as liability period, historical cancellation rates and

expectations regarding the timing of the cancellations as at the balance sheet date. The portion of the provisions for cancellation risks that is likely to be non-current is discounted using a discount rate adequate to the period of the term. The calculation of the provisions for cancellation risks is to a large extent subject to the judgment of the executive directors and its related uncertainties. Against this background and due to the amount of this significant item in terms of its amount, this matter was of particular significance for 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 profit/loss, we assessed the appropriateness of the carrying amounts. This in volved, among other things, assessing the structure and appropriateness of the uniform Group-wide measurement method used to calculate the provisions and evaluating its uniform application across the Group. We also compared the country-specific and product-specific liability periods used in the calculation against the relevant legal requirements. In addition, we evaluated the Company's historical cancellation rates used in the calculation and the expectations of the executive directors regarding the timing of the cancellations as at the balance sheet 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 measur ing provisions for cancellation risks are substantiated and adequately documented.

3. The Company's disclosures pertaining to provisions for cancellation risks 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 following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "statement on corporate governance pursuant" of the group management report

- the separate non-financial group report pursuant to § 315b Abs. 3 HGB

The other information comprises further the remaining parts of 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 and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or 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 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 audit. 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 control.

- 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, the related safeguards.

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 an 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 attached electronic file OVB_AG_KA+LB_ESEF-2021-12-31.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 this 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 1 January to 31 December 2021 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 Exposure Draft of 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 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibilities in accordance therewith is further described below in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

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. 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 Engagement 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 engagement. 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 engagement 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 applicable as 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 Delgated 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 9 June 2021. We were engaged by the supervisory board on 30 September 2021. We have been the group auditor of the 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 published in the Federal Gazette – 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 Michael Peters.

Düsseldorf, 22 February 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Peters
(German Public auditor)

Michael Kilbinger
(German Public auditor)

Michael Johnigk
Chairman of the
Supervisory Board,
OVB Holding AG

Report of the Supervisory Board

Dear shareholders,

The 2021 financial year was another period of uncertainty about the further development of the COVID-19 pandemic. However, less impact caused by COVID-19 compared to the previous year and the loosening of lockdown measures launched due to the pandemic had a positive effect on the course of business. Against this backdrop, OVB Holding AG generated brokerage income of Euro 320.7 million, based on growth achieved in all the Group's segments, and thus a new historic record. Financial agents and employees have delivered outstanding performances together with the Executive Board of OVB Holding AG – just like the year before.

Cooperation of Supervisory Board and Executive Board

The common goal of Executive Board and Supervisory Board is the sustained increase in the shareholder value of OVB Holding AG and its consolidated entities. The Supervisory Board and its Committees kept working closely with and advising the Executive Board in managing the Company in 2021, supervised the Executive Board's activities based on the 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 the year under review. 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, 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 topis 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, here particularly OVB Group's material risks, transactions and events of significance and developments regarding financial agents and employees. In addition to the annual report prepared by Internal Auditing and the annual report of the head of Compliance, the Supervisory Board was constantly informed by the Executive Board on compliance and other recent topics.

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 agreement 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 scrutinize 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 by phone with the approval of all Supervisory Board members.

All key financials were reported to the Supervisory Board by the Executive Board for each quarter. Insofar as the business performance deviated from planning and defined targets, the Supervisory Board received detailed explanations. The Company's risk position was also presented in detail and analyzed on a quarterly basis. Risk reports included the current risk position of the Group in view of profit/loss and assets and liabilities, distribution, products, markets, competition, regulatory framework and operations and support.

The work of the Supervisory Board and its Committees was also determined by the fulfillment of statutory requirements such as the implementation of the Financial Market Integrity Strengthening Act (FISG) or the new remuneration system for Executive Board members.

Meetings and topics of the Supervisory Board

Four regular metings were held in the 2021 financial year in which the Supervisory Board concerned itself with the Executive Board's reports and its resolution proposals. 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, Southern and Western Europe – and the Corporate Centre segment as well as the Group's profit/loss, financial position and assets and liabilities.

The Executive Board gave reports to the Supervisory Board about the effects of the COVID-19 pandemic on the Company on an ongoing basis. Several meetings of the Supervisory Board were held temporarily without attendance of the Executive Board. Then agenda items were discussed concerning either the Executive Board itself or internal Supervisory Board matters.

On 17 March 2021, the Supervisory Board dealt among other things with the financial statements and the combined management report of OVB Holding AG and the Group as of 31 December 2020, the report of the Supervisory Board and the report of the Executive Board on relationships with affiliated companies for the 2020 financial year.

The Supervisory Board adopted the Executive Board's proposal for the appropriation of retained earnings and approved the non-financial consolidated management report. Other topics were issues of Executive Board and Supervisory Board remuneration. Following the recommendation of the Nomination and Remuneration Committee, the Supervisory Board determined the respective variable remuneration components for the members of the Executive Board for financial year 2020 based on achievement of the predefined targets in accordance with the old remuneration system. Another key topic was the resolution proposal on the new remuneration system of Executive Board remuneration prepared by the Nomination and Remuneration Committee according to changed statutory requirements. The current system of Supervisory Board remuneration was evaluated as well. The Executive Board remuneration system and the Supervisory Board remuneration system were adopted by the 2021 General Meeting of Shareholders. Moreover, the Supervisory Board consented to the Executive Board's decision to hold a virtual General Meeting of Shareholders without the physical presence of the shareholders or their proxies due to the ongoing COVID-19 pandemic in accordance with the statutory requirements.

In the session on 9 June 2021 immediately preceding the 2021 General Meeting of Shareholders, the Executive Board reported among other topics about the current business and financial position after the end of the first quarter in detail as well as on changes involving the holdings. Apart from that,the Supervisory Board concerned itself with Executive Board issues and final preparations were made for the impending virtual General Meeting of Shareholders.

The meeting on 21 September 2021 took place on the premises of the Belgian subsidiary in Gent. The Supervisory Board occasionally conducts sessions at OVB's European locations in order to get a first-hand impression of the course of business and prospects of individual operating subsidiaries on location. In this meeting, the Executive Board informed the Supervisory Board on the current situation after the completion of the first half-year 2021 and material measures taken at the holdings. The Supervisory Board also concerned itself extensively with the Executive Board's status report on the corporate strategy "OVB Evolution 2022" as well as the strategy for the domestic market Germany. Due to the new requirements under the Financial Market Integrity Strengthening Act (FISG) and the most recent version of the German Corporate Governance Code, adjustments to the rules of procedure of the Supervisory Board and its Committees were resolved. Furthermore, the conditions for a market entry into the Slovenian market were discussed. Another subject of debate were the findings of an independent review of the retirement, invalidity and survivor's pension of Executive Board members.

In the meeting held on 7 December 2021, the Supervisory Board dealt with corporate governance matters. The declaration of conformity with the German Corporate Governance Code was debated extensively and its release and announcement were resolved. As proposed by the Nomination and Remuneration Committee, the Supervisory Board defined the performance criteria for the variable Executive Board remuneration for financial year 2022 and adopted an adjustment to the pension scheme for Executive Board members including survivor's and invalidity pension previously left unconsidered. Moreover, the Supervisory Board decided to assign responsibility for Sustainability/ESG/CSR to the CEO due to its ever increasing relevance. Also on the agenda were the key financials for the year 2022 and the multi-year planning until the year 2026 derived from that as well as the business situation and profit/loss after the close of the third quarter of 2021.

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 2021, an in-house training event on current issues of data protection and recent legal developments among other topics was held on 26 October 2021. 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 thus get an overview of the Company's issues of relevance.

Corporate Governance Code

At the Supervisory Board meeting of 7 December 2021, the Supervisory Board decided after extensive debate to release a joint declaration of conformity of Supervisory Board and Executive Board on the German Corporate Governance Code pursuant to Section 161 (1) AktG that same day. Information on corporate governance can be found in the corporate governance statement available to the public at www.ovb.eu/english/investor-relations/corporate-governance. The declaration of conformity has been made permanently available at www.ovb.eu/english/investor-relations/corporate-governance. The current declaration of conformity is also annexed to the corporate governance statement.

Committees

The Supervisory Board has established two standing Committees for preparing Supervisory Board resolutions and the topics to be addressed in full session.

At each Supervisory Board meeting, the Chairmen 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 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 Comitee

Its responsibilities include especially the supervision 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 separate financial statements, combined management report and the proposal for the appropriation of retained earnings, the consolidated financial statements 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 if statutory requirements were complied with in preparing separate financial statements and consolidated financial statements and if the statements 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 seven meetings in the 2021 financial year. It concerned itself in depth with the financial statements and the combined management report of OVB Holding AG and the Group prepared by the Executive Board and examined and discussed the interim financial reports (6-month and quarterly reports) in consideration of the auditor's report on the reviews of these reports. In several sessions, the Audit Committee dealt with the monitoring of the financial accounting process as well as issues of the effectiveness of the internal control system and its development, the effectiveness of the risk management system and the internal audit system. Moreover, the Supervisory Board concerned itself extensively with the material legal disputes and compliance in the Company and debated the development of targeted compliance measures in detail.

The Audit Committee has determined as key audit matter the following assignment: "Adequacy and effectiveness of the risk early warning system". The auditor reported on this to the Audit Committee in its 18 March 2022 session. No need for changes was identified.

In addition to that, the Committee looked into the audit findings, audit processes and audit planning of Internal Auditing for the 2022 financial year in the presence of the Director Internal Audit.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, responsible in particular for preparing the resolution proposals for all decisions regarding Executive Board and Supervisory Board matters to be made in full session, convened seven times in 2021.

Committee members discussed matters of special importance even outside the framework of sessions. At the beginning of the year under review, special emphasis of Committee work was placed on the preparation of a new system for Executive Board remuneration in accordance with the changed legal provisions on resolutions to be adopted by the General Meeting of Shareholders. In the second half of the year, the main focus was on the assessment of the remuneration of Executive Board members with respect to so-called fringe benefits. After commissioning an independent remuneration expert, the evaluation of fringe benefits such as retirement, survivor's and disability pensions began on the basis of a peer group of companies that are comparable to OVB Holding AG in as many categories as possible. The report on the remuneration expert's evaluation was presented in full session following its deliberation in the Committee and a resolution proposal for implementation effective 1 January 2022 was submitted to the Supervisory Board. Apart from that, the Committee prepared the Supervisory Board's resolution proposals on the definition of performance criteria and targets for variable remuneration in 2022. Moreover, the Committee dealt with impending appointments to the Executive Board as well as succession planning for the Executive Board and the top level of senior executives.

Individualized disclosure of participation in meetings
Due to the special circumstances created by the continuing COVID-19 pandemic, meetings were predominantly held as virtual meetings or as physical meetings with the option to participate virtually.

Markus Jost was excused from one meeting of the Audit Committee. The following table shows the participation rate of members in the meetings of the Supervisory Board and the respective Committees:

	Participation	in %
Supervisory Board		
Michael Johnigk (Chairman)	6/6	100
Dr. Thomas A. Lange (Deputy Chairman)	6/6	100
Maximilian Beck (until 9 June 2021)	3/3	100
Markus Jost	6/6	100
Wilfried Kempchen	6/6	100
Harald Steirer	6/6	100
Julia Wiens (since 9 June 2021)	3/3	100
Nomination and Remuneration Committee		
Markus Jost (Chairman)	7/7	100
Michael Johnigk	7/7	100
Audit Committee		
Dr. Thomas A. Lange (Chairman)	7/7	100
Maximilian Beck (until 9 June 2021)	3/3	100
Michael Johnigk	7/7	100
Markus Jost	6/7	86
Julia Wiens (since 9 June 2021)	4/4	100

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 integrated into the combined management report for the financial year 2021 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 the Board's financial statements meeting. All these documents were discussed extensively in the sessions of the Audit Committee and the Supervisory Board, both held on 18 March 2022.

Both meetings were held in the form of video conferences due to the COVID-19 restrictions. All documents were the subject of intense discussion by the Audit Committee and at the Supervisory Board meeting. The Audit Committee concerned itself in particular with the key audit matters as described in the audit opinion and the audit procedures performed.

The audit reports prepared by the auditor were made available to all members of the Supervisory Board and were discussed extensively at the meeting of the Audit Committee, in which all other Supervisory Board members participated 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 and the early warning system for risks were not identified. The Executive Board explained the financial statements of OVB Holding AG and the Group as well as the risk management system at this meeting.

The Supervisory Board also adopted the resolution proposal to the General Meeting of Shareholders for the election of the auditor in consideration of the Audit

Committee's recommendation at its meeting on 18 March 2022. This decision was based on the declaration furnished by the Audit Committee that its recommendation was 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.

The Supervisory Board agrees with the auditor's findings based on the audit. 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 2021 separate financial statements and 2021 consolidated financial statements. The 2021 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 in the Supervisory Board meeting of 18 March 2022.

Beyond the scope of the statutory audit, PricewaterhouseCoopers has also conducted a limited assurance review of the separate non-financial consolidated management report of OVB Holding commissioned by the Supervisory Board 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 review 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 and

3. no circumstances suggest a materially different assessment from the assessment made by the Executive Board with respect to the measures listed in the report."

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

Changes on Supervisory Board and Executive Board

There was one change in personnel on the Supervisory Board of OVB Holding AG in the year under review: Maximilian Beck, Executive Board member of Basler Versicherungen and a member of the Supervisory Board of OVB Holding AG since 2018, left Basler Versicherungen in the summer in order to take on a new professional challenge.

For this reason, he had declared his resignation as Supervisory Board member as of the completion of the General Meeting of Shareholders held on 9 June 2021. The Supervisory Board thanks Mr. Beck for the trusting and constructive teamwork.

As his successor, the General Meeting of Shareholders elected Ms. Julia Wiens member of the Supervisory Board of OVB Holding AG on 9 June 2021, following the Supervisory Board's proposal, for the remaining term of the Supervisory Board – i.e. until the completion of the General Meeting to decide on the formal approval of the members of the Supervisory Board for financial year 2022.

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 General Meeting of Shareholders.

Acknowledgements

The Supervisory Board thanks the members of the Executive Board, the management teams and executives of the holdings and all financial agents and employees of OVB Group for their high personal commitment and their performance in financial year 2021.

Cologne, 18 March 2022

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, Auditing, Investor Relations, Sustainability	- Chairman of the Supervisory Board of OVB Vermögensberatung AG, Cologne - Chairman 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
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, Compliance	- OVB Vermögensberatung AG, Cologne (Member; since 11 January 2021) - OVB Allfinanz Slovensko a.s., Bratislava, Slovakia - OVB Allfinanz a.s., Prague, Czech Republic (Member; since 19 January 2021)
Thomas Hücker Member of the Executive Board – Operations (COO) Responsible for Group IT, IT Security, Business Process Management, Human Resources	

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	- SIGNAL IDUNA Lebensversicherung a. G., Hamburg (Member)
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	- Deputy Chairman of the Advisory Board of EIS Einlagensicherungsbank GmbH, Berlin/Cologne - Member of the Supervisory Board of HANSAINVEST Hanseatische Investment-GmbH, Hamburg
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
Wilfried Kempchen Member of the Supervisory Board Businessman (ret.), former Chairman of the Executive Board of OVB Holding AG	
Harald Steirer Member of the Supervisory Board Management Consultant	- Chairman of the Supervisory Board of Generali România Asigurare Reasigurare S.A., Bukarest, Romania - Member of the Supervisory Board of Generali Versicherung AG, Vienna, Austria
Julia Wiens Member of the Supervisory Board (since 9 June 2021) Member of the Executive Boards of Basler Lebens-versicherungs-AG, Hamburg; Basler Sachversicherungs-AG, Bad Homburg; Basler Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V. in its capacity as general partner of Basler Versicherung Beteiligungen B.V. & Co. KG, Hamburg	- Chairwoman of the Supervisory Board of Basler Vertriebsservice AG, Hamburg (since 1 July 2021)

Supervisory Board Committees

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

Financial Calendar

23 March 2022
Publication of the Annual Financial Statements for 2021

11 May 2022
Results for the first quarter 2022, Conference Call

15 June 2022
Annual General Meeting

10 August 2022
Results for the second quarter 2022, Conference Call

09 November 2022
Results for the third quarter 2022, Conference Call

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