

# Baloise Group

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Making you safer.

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# Information on business performance 2011

## Considerably lower profit – despite good operating performance

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- Good operating performance of the insurance business despite natural catastrophes and large claims; est. CR 94.5 – 96.5%
  - Current economic situation will have a considerable negative impact on the 2011 net profit:
    - Write down of Greek government bonds of approx. CHF 60 mn
    - Lower goodwill valuation of Croatian subsidiary
    - Negative interest effects and impairments on shares
  - Excellent Solvency of >200%
  - Unchanged dividend principles
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<sup>1)</sup> Local currency (LC)

# Overview

## Resilient operations

### Key Figures HY 2011

#### Nonlife

Gross premium written	+7.5% <sup>1)</sup>
Combined Ratio (net):	93.0%
EBIT	CHF 176 mn

#### Life

Gross premium written	-0.4%
Unit-linked volume	-53.7% <sup>2)</sup>
New business margin	19.2%
EBIT:	CHF 101 mn

#### Asset Management & Solvency

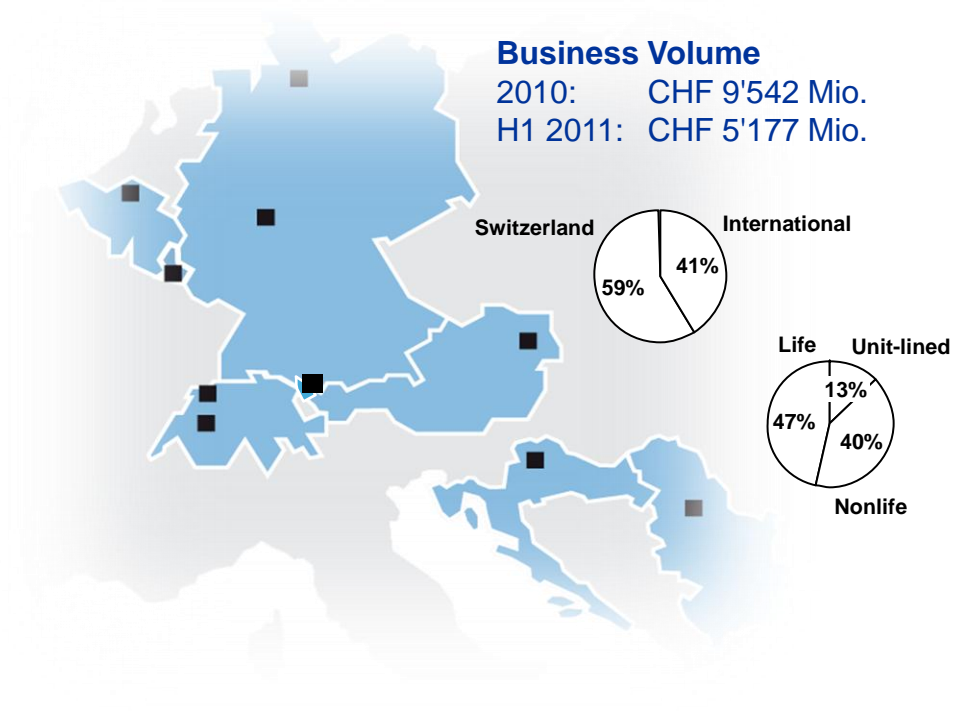
Investment yield	1.6% <sup>3)</sup>
GIIPS Exposure	<2% of TA
Solvency I	227%

<sup>1)</sup> incl. Avéro, Belgium

<sup>2)</sup> Previous year high single premium contribution from Italian tax amnesty "scudo fiscale"

<sup>3)</sup> Not annualized

### Business Map

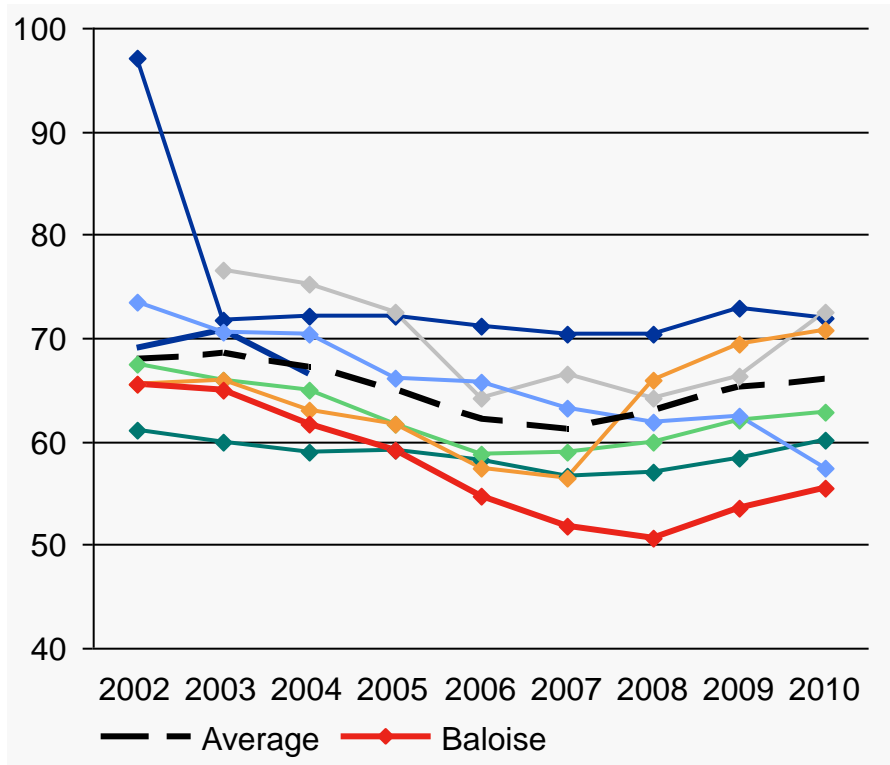


# Cash Flows

## Target customer management leads to high operational profits

### Low claims frequency leads to...

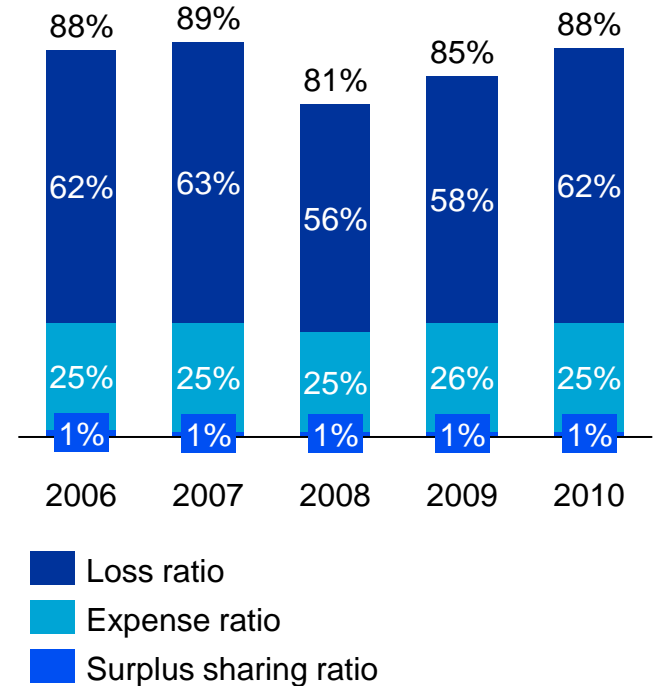
Number of claims per 1'000 risks



Source: Swiss Insurance Association (SIA)

### ... high cash flows

Combined ratio (gross), Switzerland

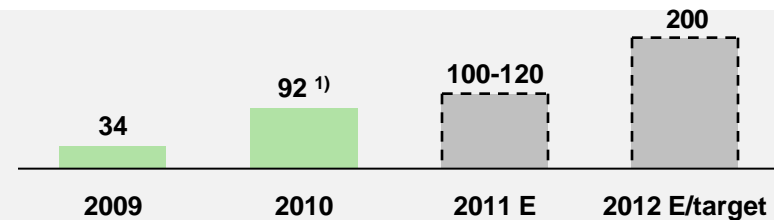


# Strategic framework

## Safety World leads to higher growth and profitability



**Baloise 2012 fully on track**  
 Additional sustainable profit  
 of CHF 200 mn until 2012



<sup>1)</sup> includes one-off payment out of unwinding in Germany



# Safety World «embedded»

## New product features lead to cross- and upselling

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### Safety World features of property and general liability insurance

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- Safety Box
  - Card Protection
  - Psychological treatment in case of burglary
  - Self-defense lessons
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### Cross- and upselling

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- Innovative product features embedded in insurance policy
  - Every fourth insurance policy already sold with new additional features
  - USP vs. peers
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«Agents who offer these safety world add-ons to their clients, have a 90% success ratio.»



# Baloise Investment Advice (BIA)

## Behavioural finance principles in client consulting

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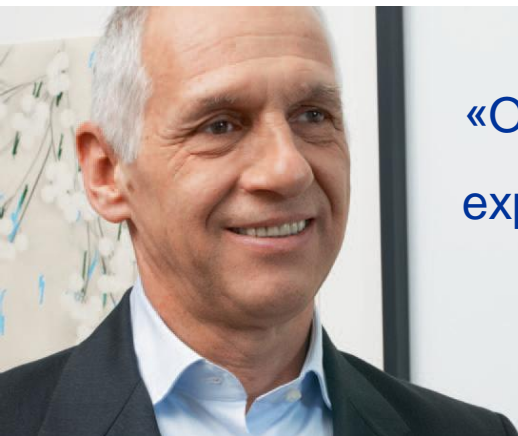
### Safety through Behavioural Finance advisory

- Unique client consulting based on innovative Behavioural Finance principles
- Developed together with the universities of St. Gallen (HSG) and Zurich
- High up-selling potential and increase of customer loyalty

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### Customer benefits

- Customer awareness of investment and pension risks through a highly trustful advisory service
- Scientific solution approach taking individual financial situation into account
- "All-in-one" service



«Of course I am looking for a high return but not at the expense of financial safety»

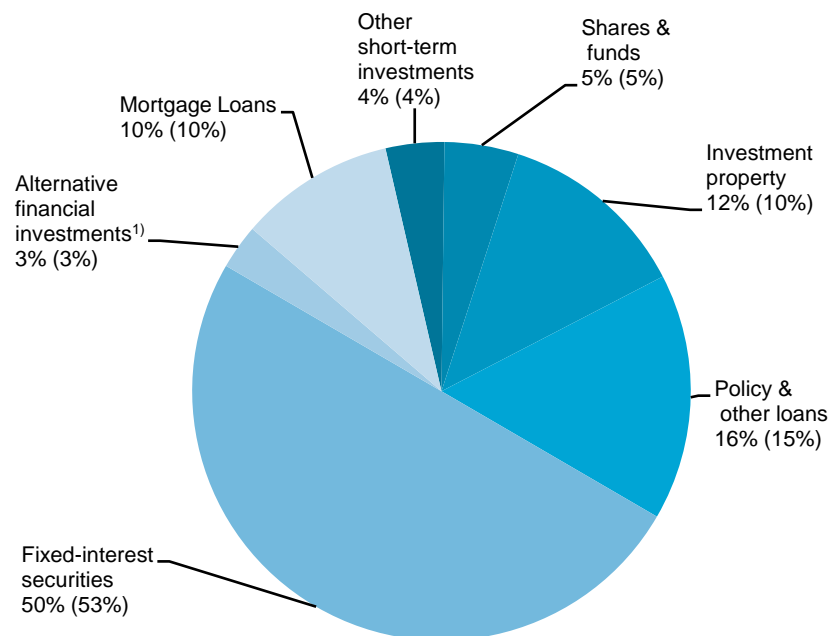


# Asset Allocation

## Diversified portfolio generates stable recurring income

excluding banking assets and assets from investment-type premiums

### HY 2011 (FY 2010)



<sup>1)</sup> private equity & hedge funds

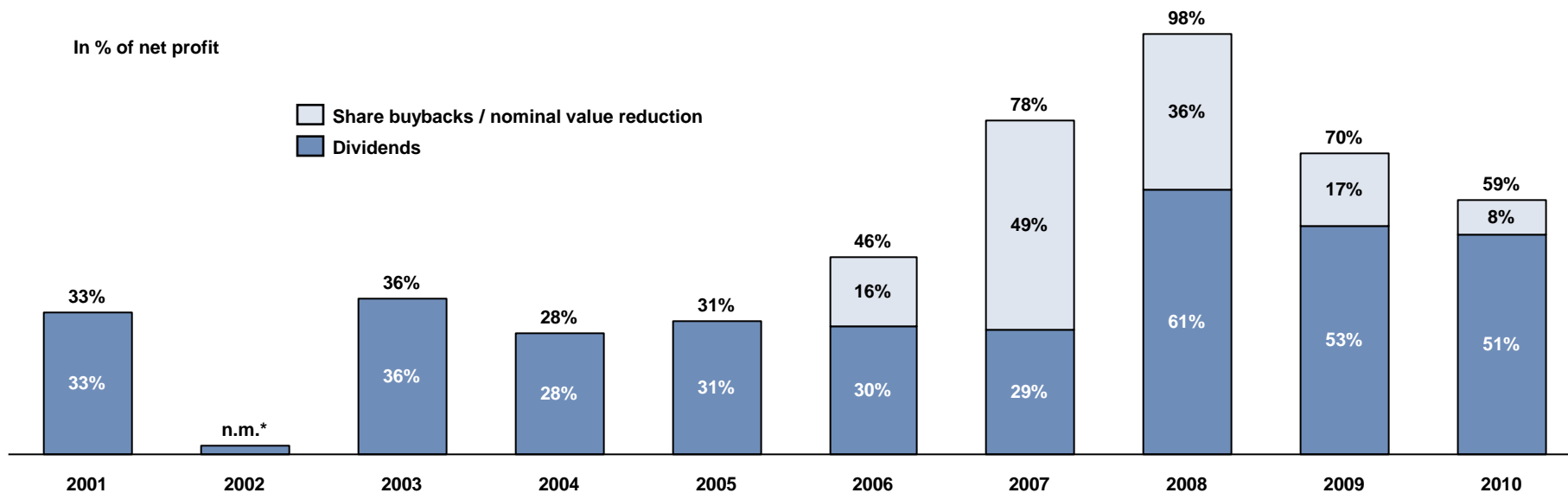
In CHF mn, %	FY 2010	HY 2011
Equity & equity-related investments (net)	5.8%	6.7%
Total insurance assets	46,476	47,233

# Payout Policy

## High cashflow ensures reliable payout

In % of net profit

Share buybacks / nominal value reduction  
 Dividends



Due to our shareholder-friendly dividend policy, CHF 1,766.1 mn have been passed onto shareholders in the form of cash dividends and share buy-backs during the last five years.

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Net profit (in CHF mn)</b>	404.4	-634.5	91.4	223.3	403.5	707.1	820	387	421	436.7
<b>EPS</b>	7.3	-11.6	1.7	3.9	7.3	12.93	15.15	7.32	8.57	8.89
<b>DPS</b>	2.4	0.4	0.6	1.1	2.2	3.8	4.5	4.5	4.5	4.5

\* Baloise had a loss of CHF 635 mn in 2002

# Summary

- Good operating performance of the insurance business
- Net profit FY11 will be considerably lower than previous year because of market-related and largely one-off negative accounting impacts
- Strong capitalisation
- Reliable dividend payer

# Q&A

## III Reporting Agenda & Contact Details

# Reporting Agenda

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→ Full Year Results 2011

Thursday, 22 March 2012

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→ Annual General Meeting

Friday, 27 April 2012

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→ Half Year Results 2012

Thursday, 30 August 2012

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You will find all published documentation at [www.baloise.com](http://www.baloise.com)

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# Contacts

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