

Basel, March 26, 2008
Meeting of Financial Analysts

Annual Results 2007

One Billion Pretax Profit



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Agenda

- | | |
|------------------------------|-----------------------|
| 1. Highlights | Rolf Schäuble |
| 2. Financial Results | German Egloff |
| 3. Asset Management | Martin Wenk |
| 4. Swiss Operations | Martin Strobel |
| 5. Foreign Operations | German Egloff |
| 6. Outlook | Rolf Schäuble |

Annual Results 2007

Highlights

Rolf Schäuble

Group CEO and Chairman of the Board of Directors

A landmark year (1)

Business landmarks achieved

Managing Existing Operations

- **Strategic direction unchanged: focus on target customer management & operational excellence**
- **Disciplined asset management, sub-prime exposure: no issue**

Developing Business Portfolio

- **Business platform for new life products in Luxemburg & Liechtenstein strengthened**
- **Stronger presence in Central European Markets built: Top 4 in Croatia, entry into Serbia**

A landmark year (2)

Strong financial results

- 6% growth in business volume, growth dynamics accelerated**
- CHF 814 mn record result achieved, up by 15.1%**
- CHF 15.48 EPS (+19.7%), earnings accretion delivered**
- 16.9% return on equity**
- 77% total payout to our shareholders, up by 27 pts**
- CHF 4.50 cash dividend (proposal to AGM), up by 18.4%**
- 7.4% capital reduction (proposal to AGM), share buyback fully executed 1 year in advance**

Comparative development is measured against FY 2006 results

Annual Results 2007

Financial Results

German Egloff
Group CFO

Key Figures

Outstanding result

<i>in CHF mn</i>	2006	2007	+/-
Total business volume	7,491	7,938	6.0%
Gross premiums written	6,717	6,868	2.3%
Investment income ¹⁾	2,298	2,516	9.5%
Average investments	55,302	56,918	2.9%
Investment return¹⁾	4.2%	4.4%	0.2 pts
Profit for the period	707	814	15.1%
Gross combined ratio	90.2%	93.0%	2.8 pts
Net combined ratio	94.0%	95.1%	1.1 pts
Embedded value	2,628	3,231	
New business margin	7.3%	9.5%	
Shareholders' equity	4,987	4,866	-2.4%
Consolidated solvency I ²⁾	320%	287%	- 33 pts

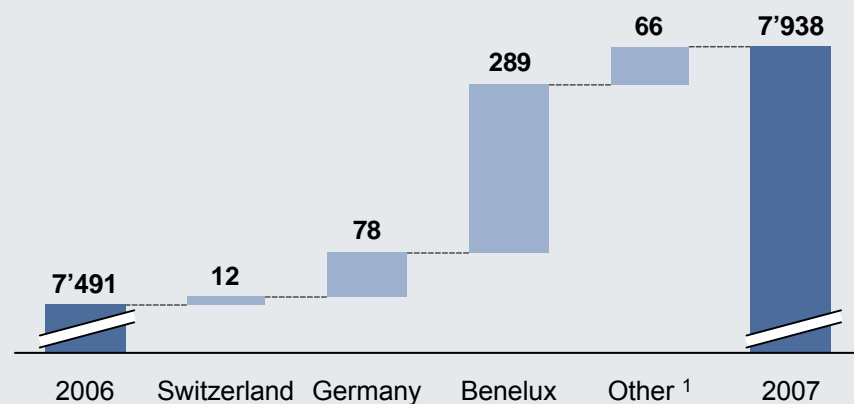
1) Including costs, excluding movements in unrealized capital gains, excluding investment-type assets

2) excluding banking

Business Volume

Growth dynamics accelerated

By country

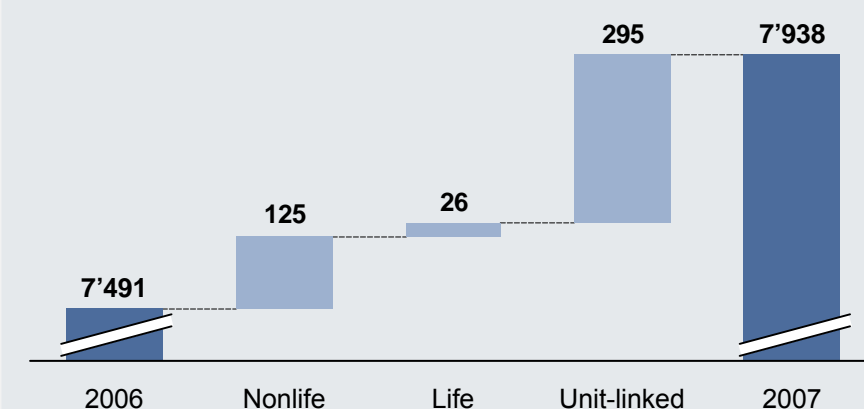


<i>in CHF mn</i>	2006	2007	+/-	+/- LC ²
Switzerland	3'730	3'743	0.3%	0.3%
Germany	2'305	2'384	3.4%	-0.9%
Benelux	1'274	1'563	22.7%	17.6%
Other 1	182	248	36.6%	31.8%
Total	7'491	7'938	6.0%	3.6%

1) Other countries (incl. Austria and Croatia)

2) Local currency (LC)

By line of business

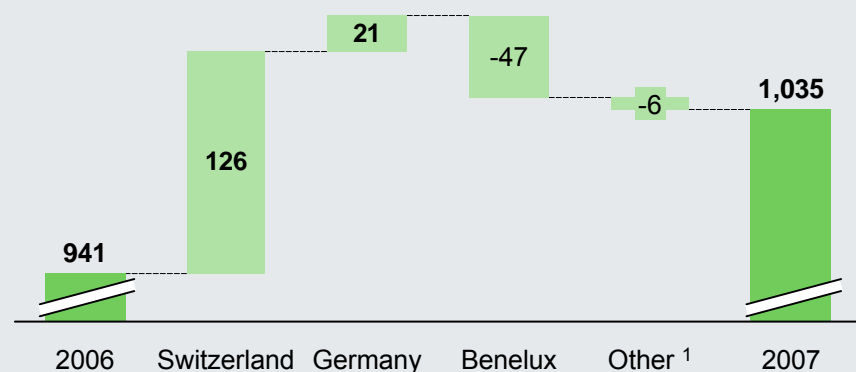


<i>in CHF mn</i>	2006	2007	+/-	+/- LC ²
Nonlife	3'065	3'191	4.1%	1.5%
Life	3'651	3'678	0.7%	-0.7%
Unit-linked	775	1'069	38.0%	32.5%
Total	7'491	7'938	6.0%	3.6%

EBIT

High operational profitability

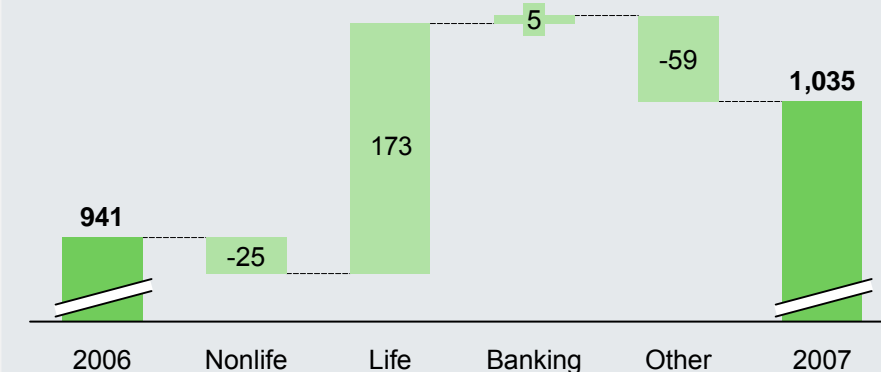
By country



<i>in CHF mn</i>	2006	2007	+/-
Switzerland	288	414	43.8%
Germany	169	190	12.4%
Benelux	231	184	-20.6%
Other	253	247	-2.4%
Total	941	1,035	9.9%

1) Other countries (incl. Austria and Croatia)

By line of business



<i>in CHF mn</i>	2006	2007	+/-
Nonlife	542	517	-4.7%
Life	246	419	70.1%
Banking	64	69	8.6%
Other	89	30	-66.2%
Total	941	1,035	9.9%

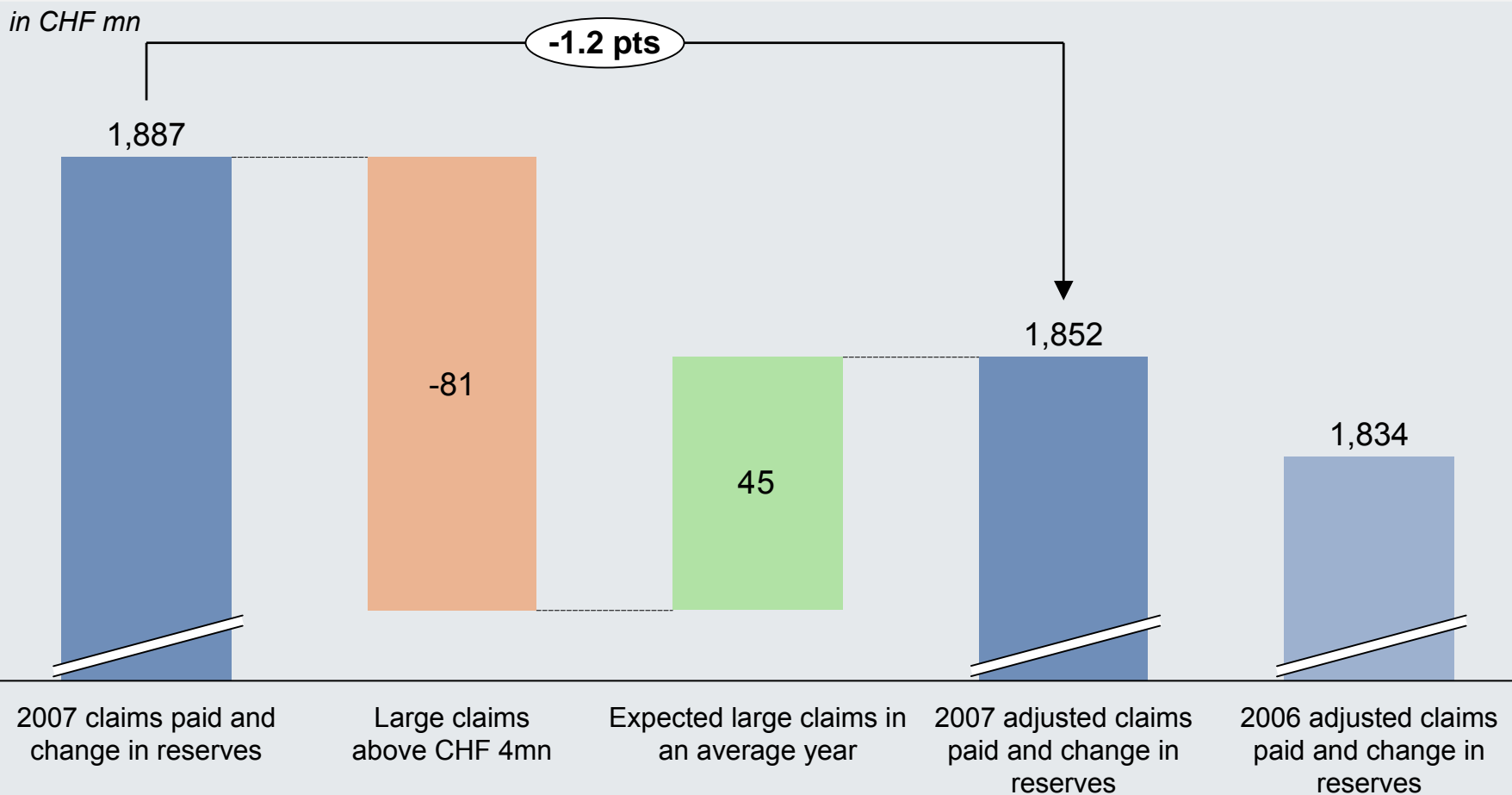
Nonlife, Key Figures

Strong profitability despite large losses

<i>in CHF mn</i>	2006	2007	+/-
Gross premiums written	3,065	3,191	4.1%
Investment income	398	461	15.7%
Net claims incurred	1,809	1,887	4.3%
Technical expenses	916	998	9.0%
EBIT	542	517	-4.7%
<i>Loss ratio, gross</i>	59.4%	61.0%	1.6 pts
<i>Expense ratio, gross</i>	30.1%	31.5%	1.4 pts
<i>Surplus sharing ratio, gross</i>	0.7%	0.5%	-0.2 pts
Combined ratio, gross	90.2%	93.0%	2.8 pts








Adjusted Loss Ratio Net

Above average large claims: 1.2 pts impact



Nonlife, Technical Performance

Germany and Belgium affected by «Kyrill»

	Basler Switzerland	Deutscher Ring	Basler Germany	Mercator	Baloise Luxembourg	Basler Austria	Croatia (incl. Serbia)	Group
Gross, in %								
Loss ratio	62.8	43.6	66.0	57.6	55.9	60.4	74.2	61.0
Expense ratio	24.9	53.6	30.9	36.7	35.7	39.5	43.4	31.5
Surplus sharing ratio	0.9	-	0.4	0.0	-	-	-	0.5
Combined ratio 2007	88.6	97.2	97.3	94.3	91.6	99.9	117.6	93.0
<i>Combined ratio adjusted for «Kyrill» claims</i>	88.2	93.0	91.6	91.6	91.1	97.4	-	90.4
Combined ratio 2006	87.8	94.4	92.6	92.7	89.7	99.9	-	90.2
Change vs. 2006 (in pts)	0.8	2.8	4.7	1.6	1.9	0.0	-	2.8

Life, Key Figures

Investment-type premiums going strong

<i>in CHF mn</i>	2006	2007	+/-
Business volume	4,426	4,747	7.3%
Gross premiums written	3,651	3,678	0.7%
Investment-type premiums	775	1,069	38.0%
Investment income ¹⁾	1,648	1,860	12.9%
Benefits to policyholders ²⁾	-4,532	-4,420	-2.5%
Technical expenses	-504	-547	8.4%
EBIT	246	419	70.1%
Embedded value	2,628	3,231	
Value of new business	16	20	
Annual premium equivalent (APE)	217	212	
New business margin	7.3%	9.5%	

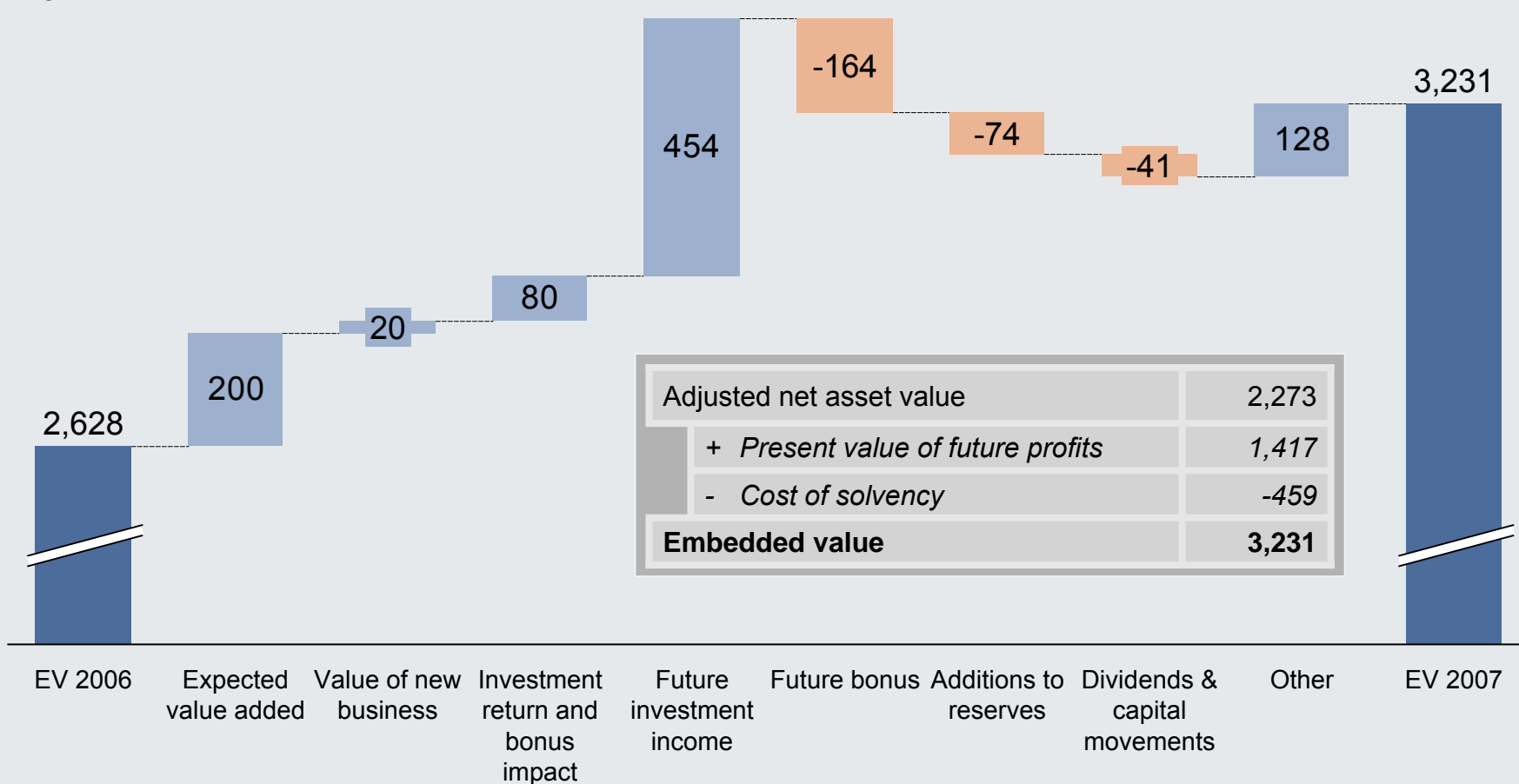
¹⁾ excl. investment-type assets

²⁾ incl. change in actuarial reserve

Change in Embedded Value

24.5% return on embedded value

in CHF mn



Shareholders' Equity

Strong capitalisation

<i>in CHF mn</i>	2007	Per share ¹⁾
Shareholders' equity at January 1 (including minorities)	4'987	91.0
<i>Change in net unrealized gains and losses</i>	-330	
<i>Dividends</i>	-230	
<i>Profit for the period</i>	814	$\Delta = +1.3\%$
<i>Purchase / sale of treasury stock</i>	-403	
<i>Change in minority interests</i>	28	
Shareholders' equity at December 31 (including minorities)	4'866	92.2
Return on equity	16.9%	

¹⁾ Based on consolidated shareholders' equity (excluding minorities) and on average shares outstanding

Review of Share Buyback

CHF 600mn for our shareholders

Number of shares (% of total share buyback volume 5,530,715)

		Buyback (share)	Ø price (CHF)	Amount (CHF mn)	Execution (%)			
Q2 06	273'000 (5%)	1,074,000	105.84	113.7	1.9%			
Q3 06	321'000 (6%)							
Q4 06	480'000 (9%)							
2006	1'074'000 (19%)							
Q1 07	495'000 (9%)	3,283,000	119.00	390.9	5.9%			
Q2 07	955'000 (17%)							
Q3 07	980'000 (18%)							
Cancellation AGM 06	-1'307'150 (24%)							
Q4 07	853'000 (15%)							
2007	3'049'850 (55%)							
Q1 08 (as per 26.03.07)	890'000 (16%)	890,000	93.73	83.4	1.6%			
Q2 08 (outstanding)	283'715 (5%)					-	-	0.5%
Cancellation AGM 07 ¹⁾	-4'000'000 (72%)							
Total		5,530,715	112.01 ²⁾	588.0 ²⁾	10%			

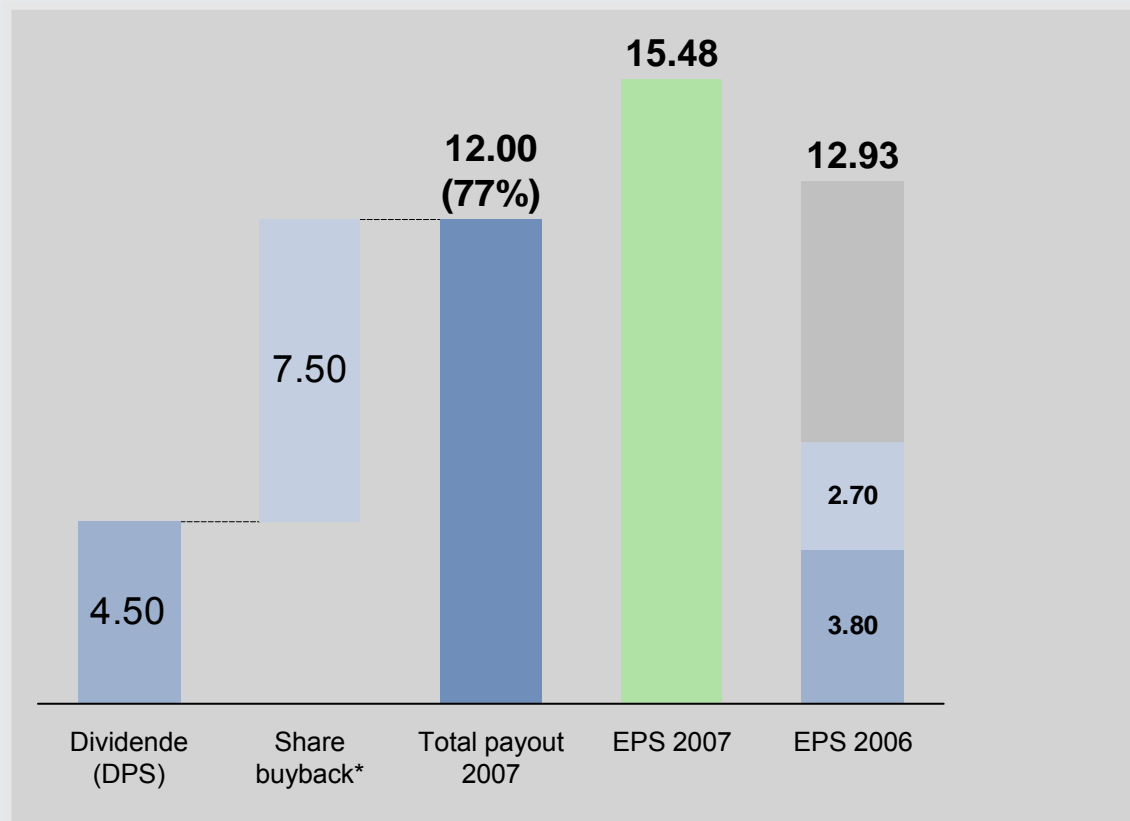
¹⁾ Proposal to the AGM

²⁾ As per 26.03.08

Distribution to shareholders

77% total payout

in CHF per share



Proposal to AGM

- **Cash dividend CHF 4.50 (+18.4%)**
- **7.4% capital reduction of outstanding shares**

Outstanding shares as per 31.12.2007	54,000,000
7.4% proposed capital reduction	- 4,000,000
Outstanding shares after capital reduction	50,000,000

* Calculation based on time-weighted outstanding shares 2007 (51,887,469 shares)

New Share Buyback up to 4% **Further earnings accretion for shareholders**

- **Up to 2,000,000 shares**
(equivalent to 4% of outstanding shares after capital reduction)
- **Execution until AGM 2009**
- **Buyback via primary trading line**

Annual Results 2007

Asset Management

Martin Wenk
Group CIO

Dislocation of Financial Markets

Stern discipline in asset management

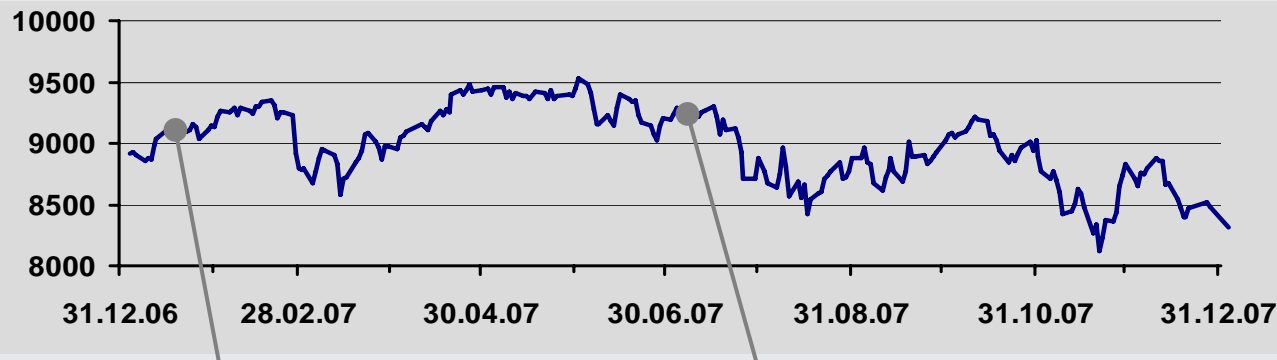
What happened in the market...		... how did we behave in 2007
Equity & equity related investments	<ul style="list-style-type: none"> Favorable markets in HY1 “market rollercoaster” sped up from July on US subprime bubble burst Equity CH: - 0.1% Equity EUR: + 9.6% Equity World: + 7.1% 	<ul style="list-style-type: none"> Exposure reduction in January and July Long put protection bought at low cost Additionally dynamic hedge in place, but not triggered Equity gearing reduced Limited impairments
Interest sensitive investments	<ul style="list-style-type: none"> Interest rate hike in 1st semester Credit spreads widening in the second half of the year Fed begins lowering cycle ECB on hold due to inflation fears 10y risk free CH: + 53 bp 10y risk free EUR: + 36 bp 	<ul style="list-style-type: none"> Reinvestment risk protection increased Increased cash position towards the end of the year Conservative corporate bond exposure
Currency	<ul style="list-style-type: none"> EUR + 2.8% USD - 7.3% 	<ul style="list-style-type: none"> Hedging Translation effects

Steering equity exposure in 2007

Significant exposure reduction in HY1

Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
14.1	14.1	13.9	14.4	14.5	14.9	14.6	14.0	13.8	13.8	14.0	13.5	13.1

Equity & equity related investments before hedging, % of insurance assets



SMI

January 2007:
CHF 420mn sold

July 2007:
CHF 310mn sold



EuroStoxx 50

US capital market crisis

Negligible exposure and impact on P/L

US Subprime Long Exposure – CHF 4.6 mn, 0.01%

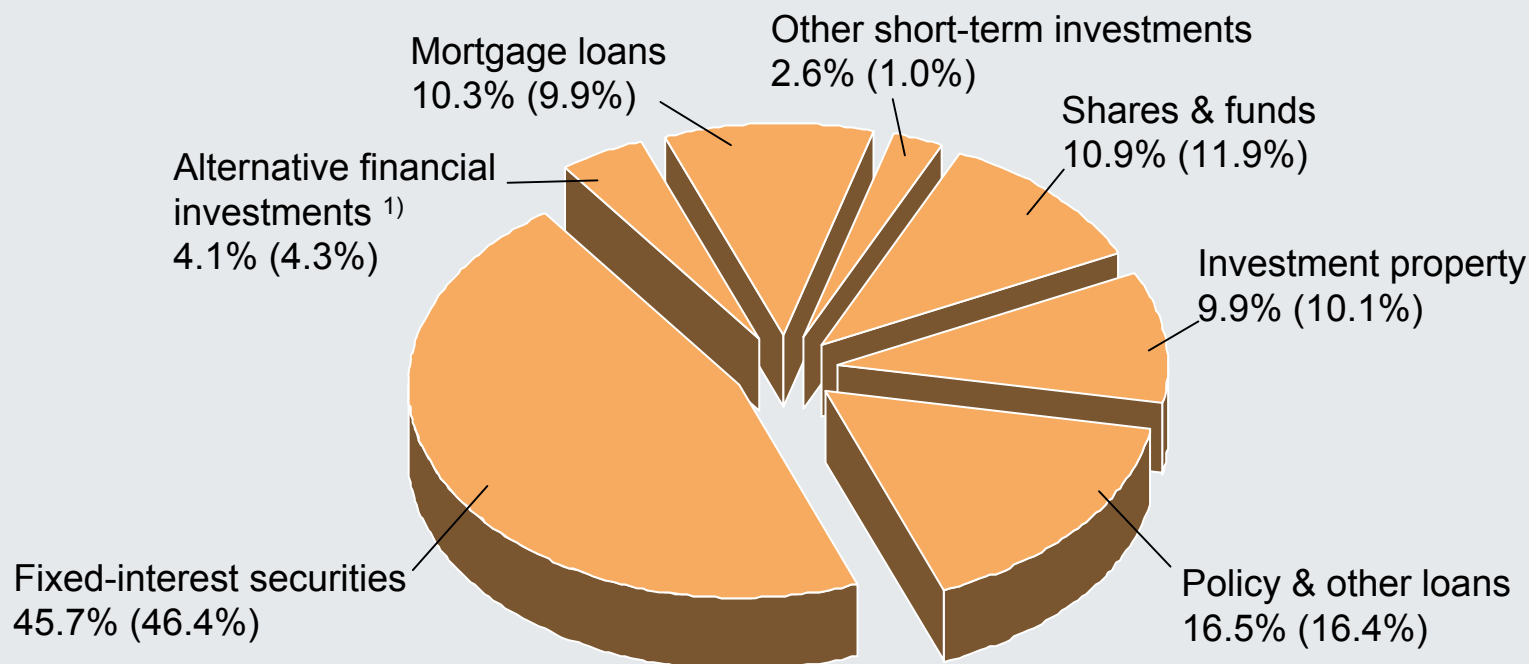
- *No direct exposure – only fund of funds*
- *Weekly update on performance of individual funds*

	31.12.07		31.01.08	
	CHF mn	% total assets	CHF mn	% total assets
Long position	2.2	0.00	4.6	0.01
Short position	32.0	-0.06	17.3	-0.03
Total net position	-29.8	-0.06	-12.6	-0.02
Structured products with some subprime exposure	15.0	0.03	15.0	0.03
Total long position	17.2	0.03	19.6	0.04

Asset Allocation Insurance

Reduced equity exposure

excluding assets from investment-type insurance contracts, (= 2006



Equity & equity related investments: 13.1% (14.1%)

Total : CHF 51,866mn (2006: CHF 50,742mn)

1) Private equity and hedge funds

Investment Yield

Further improvement

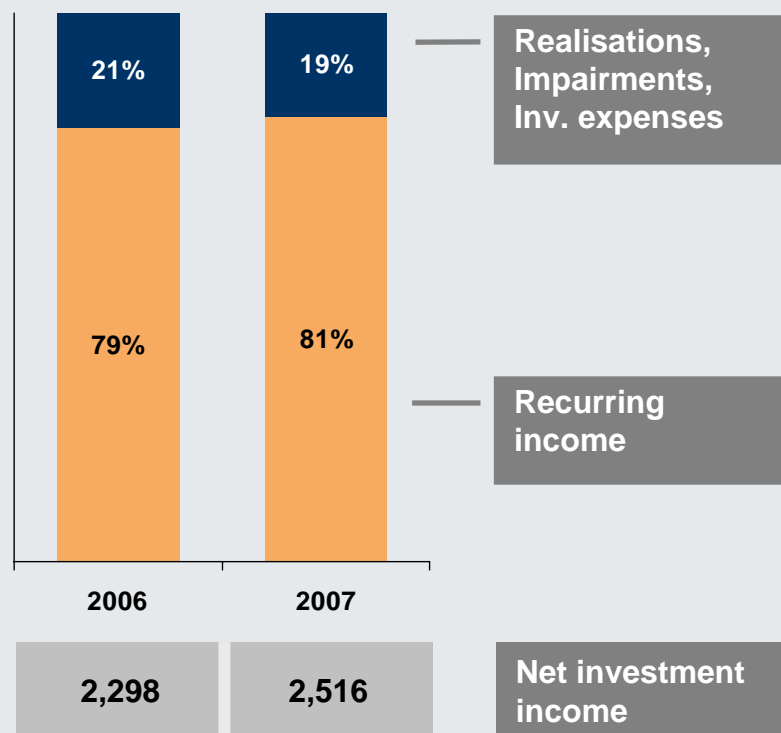
<i>in CHF mn, excluding income on investment-type insurance contracts</i>	Nonlife			Life		
	2006	2007	+/-	2006	2007	+/-
Recurring gross income	297	341	14.8%	1,368	1,507	10.2%
Investment expenses	-20	-21	6.1%	-74	-80	8.4%
Realized gains / losses net	122	141	16.2%	354	433	22.6%
<i>fixed interest securities</i>	-3	-19	-%	77	-36	-%
<i>shares</i>	117	154	31.9%	313	478	52.6%
<i>other</i>	8	6	-27.6%	-37	-9	-74.1%
Total net income from investments	398	461	15.7%	1,648	1,860	12.9%
Average investments	9,125	9,552	4.7%	40,592	41,752	2.9%
Investment yield	4.4%	4.8%		4.1%	4.5%	

Financial results: high quality

Higher recurring investment income

in CHF mn, % of net investment income

Investment income by source



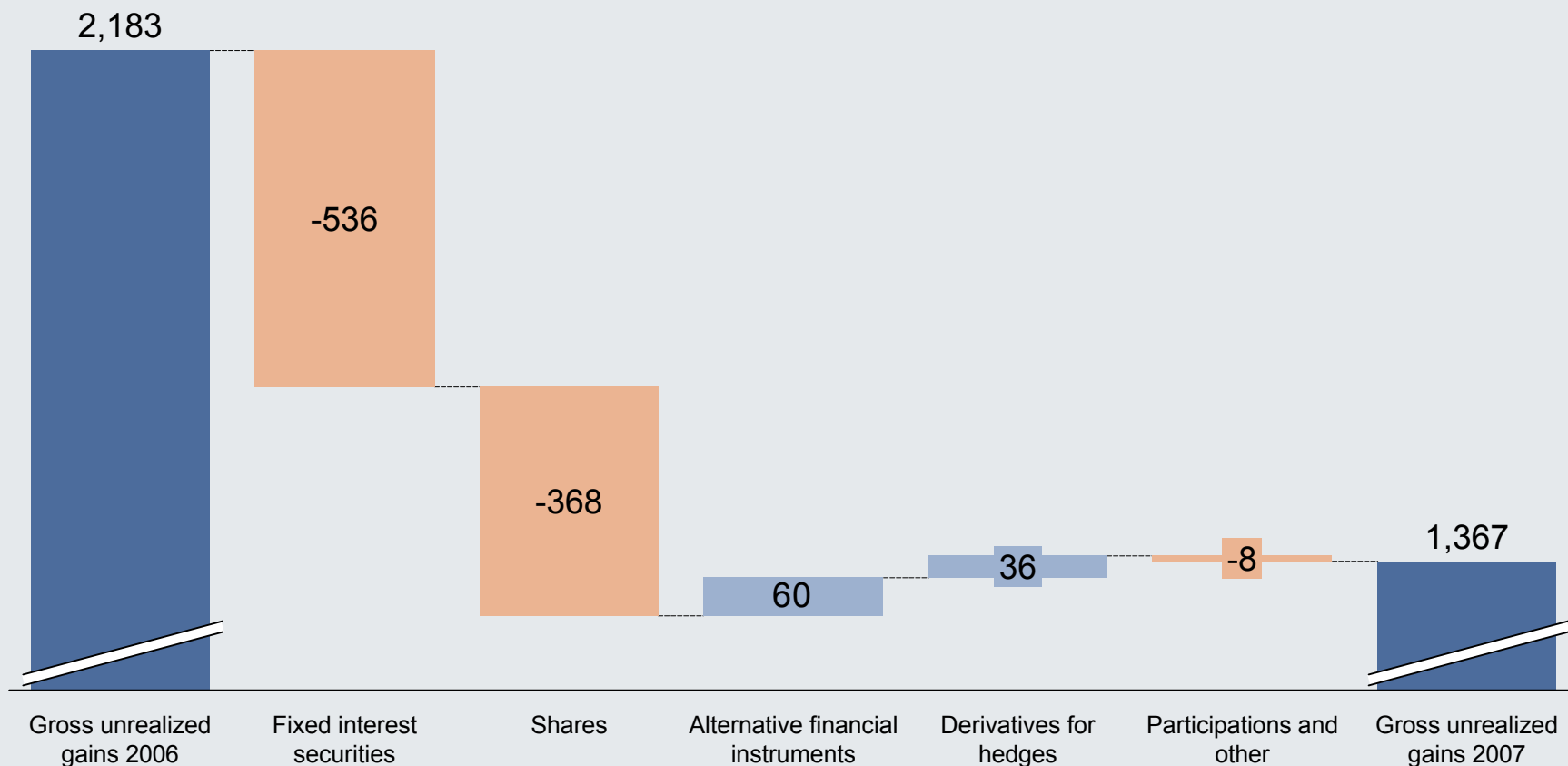
Realizations

	Equity	Other	Total
CHF mn	694	- 59	635
In % of asset class	11.8%		1.1%

Gross Unrealized Capital Gains

Interest rates weigh on unrealized gains

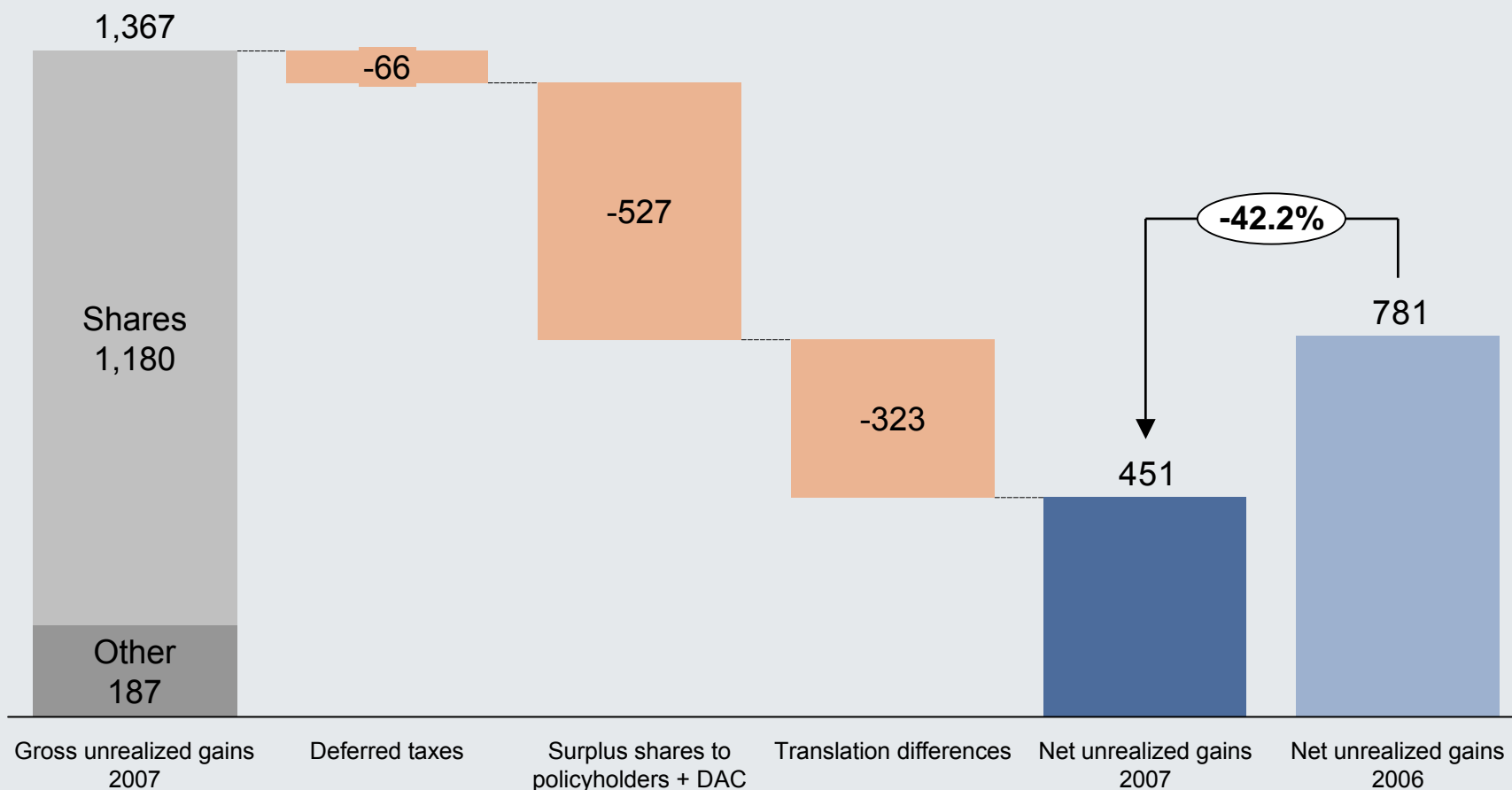
in CHF mn



Net Unrealized Capital Gains

Still a comfortable cushion

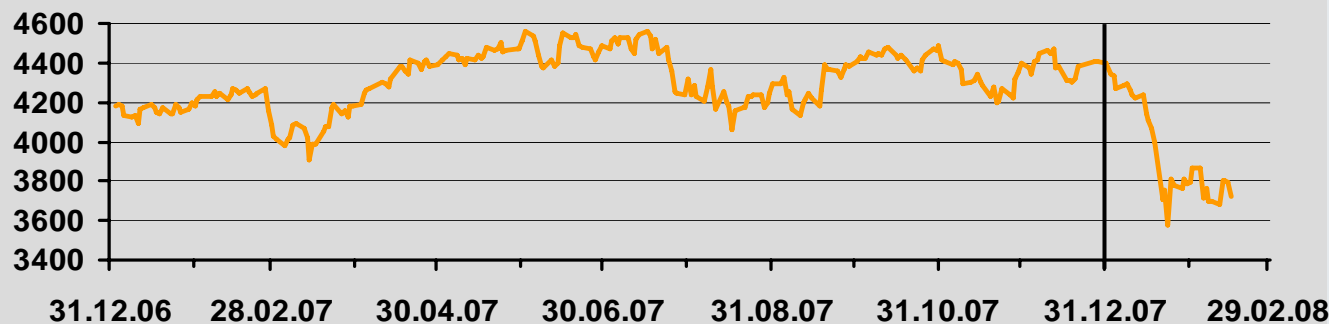
in CHF mn



Equity exposure in 2008

Dynamic hedging reduces exposure by 18%

Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Equity & equity related investments, % of assets
14.1	14.1	13.9	14.4	14.5	14.9	14.6	14.0	13.8	13.8	14.0	13.5	13.1	11.7	11.4	Before hedging
												13.0	9.6	9.4	After hedging



Portfolio development in 2008

Rollercoaster goes on

What happened in the market...		... how did we behave in Q1 2008
Equity & equity related investments	<ul style="list-style-type: none"> • Weak equity markets since the first days of the year • High volatility • Capital market crisis to persist 	<ul style="list-style-type: none"> • Dynamic hedging applied, cheaper than static • Significant reduction of exposure as a consequence • Increase of dividends with positive impact on recurring income
Interest sensitive investments	<ul style="list-style-type: none"> • Further widening of credit spreads • Strong swings in interest rates • Reduced liquidity 	<ul style="list-style-type: none"> • Redemptions not yet invested, but kept as time deposits at attractive rates • Recurring income as expected
Currency	<ul style="list-style-type: none"> • EUR - 4.4% by 29.02.08 • USD - 8.2% by 29.02.08 	<ul style="list-style-type: none"> • Hedging strategy not changed

Annual Results 2007

Swiss Operations

Martin Strobel
CEO Swiss Operations

Switzerland

Strong increase of EBIT

	2006	2007	+/-
<i>in CHF mn</i>			
Business volume, incl. investment-type premiums	3,730	3,743	0.3%
Gross premiums written	3,694	3,699	0.1%
<i>nonlife</i>	1,281	1,286	0.4%
<i>life</i>	2,414	2,413	0.0%
EBIT	288	414	43.8%
New distribution volume from focused financial services provider	463	540	16.6%

CH: Track Record 2007 (1/2)

Excellent profitability

Targets set for 2007	What we achieved		Comments
Further improvement of profitability:			
Nonlife	Combined ratio, gross: 88.6%	✓	- Strong CR performance despite increase of large losses (e.g. floods in August 2007)
Life	EBIT life: CHF 181.3 mn (122.7%)	✓	- Strong increase in result, due to technical improvements, interest rate development and gains from capital markets
Baloise Bank SoBa	Profit for the period (local GAAP): CHF 30.4 mn (2.8%)	✓	- Record result for Baloise Bank SoBa

CH: Track Record 2007 (2/2)

Profitable growth through innovations

Targets set for 2007	What we achieved		Comments
Business volume growth			
Nonlife: in line with market	GWP nonlife: 0.4%	✓	- Above market growth in targeted segments
Life: in line with market	Business volume life: 0.3%	x	- Low interest rates still a drag for individual life business
Investment-type premium volume: 1/3 of new business	23.4% of new business is investment-type business	x	- Tough competitive environment - Above market growth - Further initiatives to accelerate growth in 2008 introduced
Baloise Bank SoBa: RoE > 10%	RoE: 11.0% / 13.5% ¹⁾	✓	- Pleasing profitability - Steady improvement of capital efficiency
Focused financial services provider: higher volume	New business distribution volume: 540mn (16.6%)	✓	- Baloise Bank SoBa is still among the fastest growing banks in Switzerland

1) Including contribution from focused financial services provider

CH: Nonlife

OPEX works: excellent combined ratio

<i>in CHF mn</i>		2006	2007	+/-
Gross premiums written		1'281	1'286	0.4%
Investment income		149	184	23.6%
Claims incurred net		-739	-726	-1.7%
Technical expenses		-312	-319	2.0%
EBIT		118	187	58.2%
	<i>Loss ratio, gross</i>	62.0%	62.8%	0.8 pts
	<i>Expense ratio, gross</i>	24.5%	24.9%	0.4 pts
	<i>Surplus sharing ratio</i>	1.3%	0.9%	-0.4 pts
Combined ratio, gross		87.8%	88.6%	0.8 pts

CH: Life

Strong growth in investment-type products

<i>in CHF mn</i>	2006	2007	+/-
Gross premiums written	2'414	2'413	0.0%
Investment-type premiums	36	43	20.5%
Investment income ¹⁾	726	806	11.0%
Benefits to policyholders ²⁾	-2'831	-2'827	-0.1%
Technical expenses ³⁾	-181	-175	-3.4%
EBIT	81	181	122.7%
Embedded value	2,242	2,646	
Value of new business	11	14	
Annual premium equivalent	106	95	
New business margin	10.2%	14.9%	

- 1) Incl. assets from investment-type premiums
- 2) Incl. change in actuarial reserve
- 3) see technical income statement

CH: Group Life with Legal Quote

Legal quote exceeded

in CHF mn, in accordance with statutory financial statements

Group life CH, statutory financial statement	2006	2007
<i>Result of savings process</i>	71	132
<i>Result of risk process</i>	41	40
<i>Result of cost process</i>	-15	-14
Gross result for business subject to legal quote	97	158
<i>Strengthening of reserves</i>	-33	-81
<i>Approbation to provisions for future policyholder dividends</i>	-23	-31
Operating result for business subject to legal quote	41	46

Derivation of legal quote group life CH	2007	
Gross income from business subject to legal quote	578	100%
Policyholder benefits in business subject to legal quote	-532	92%

CH: Direct Yield and Guarantees

Margin improved

2007	Individual life	Group life	Total life CH
Direct yield <i>(relative to average actuarial reserves, excl. realizations)</i>	2.9%	2.9%	2.9%
Average guaranteed rate of return	2.5%	2.3%	2.4%
Margin	0.4%	0.6%	0.5%

2006	Individual life	Group life	Total life CH
Direct yield <i>(relative to average actuarial reserves, excl. realizations)</i>	2.7%	2.7%	2.7%
Average guaranteed rate of return	2.5%	2.4%	2.5%
Margin	0.2%	0.3%	0.2%

Baloise Bank SoBa

New record result

<i>in CHF mn, local GAAP</i>	2006	2007	+/-
Interest income	86	85	-0.4%
Fee and commission income	25	25	2.6%
Trading income	4	4	-0.9%
Gross profit	45	44	-3.1%
Profit for the period	30	30	2.8%
Cost / income ratio	60.9%	62.3%	1.4pts
TIER 2 ratio	10.3%	10.0%	-0.3pts
RoE	10.1% / 12.7% ¹⁾	11.0% / 13.5% ¹⁾	0.9pts / 0.8pts
Risk weighted assets	3,003	3,009	0.2%

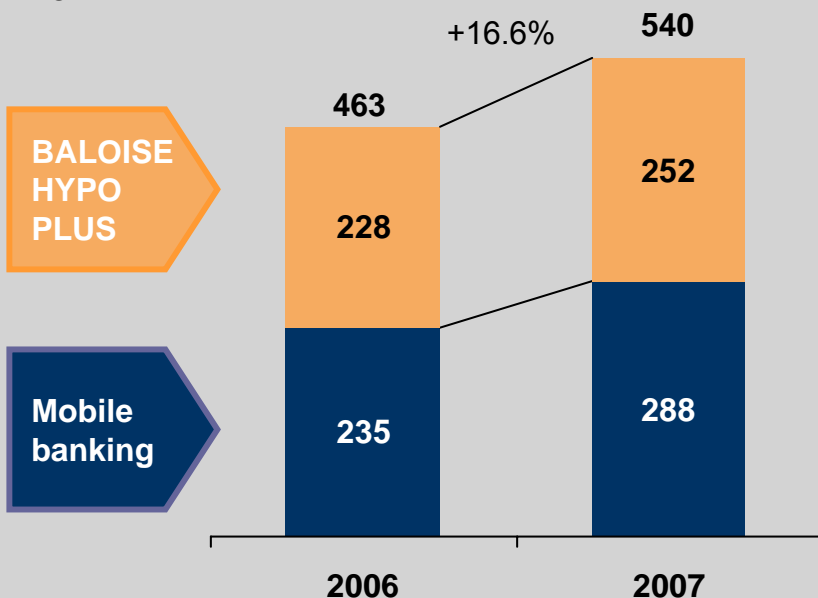
1) Including contribution from focused financial services provider

Focused Financial Services

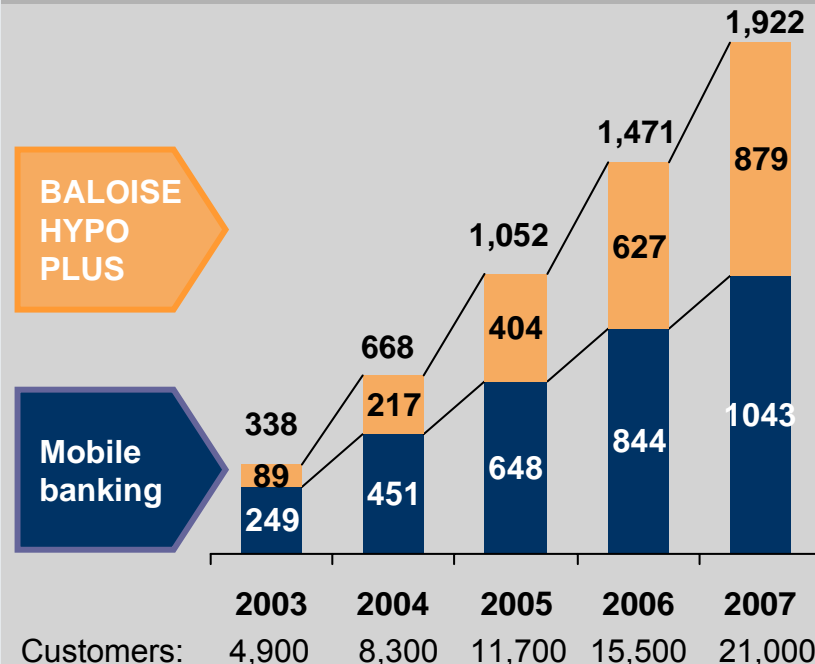
Ongoing strong growth

New business distribution volume ¹⁾ focused financial services provider

in CHF mn



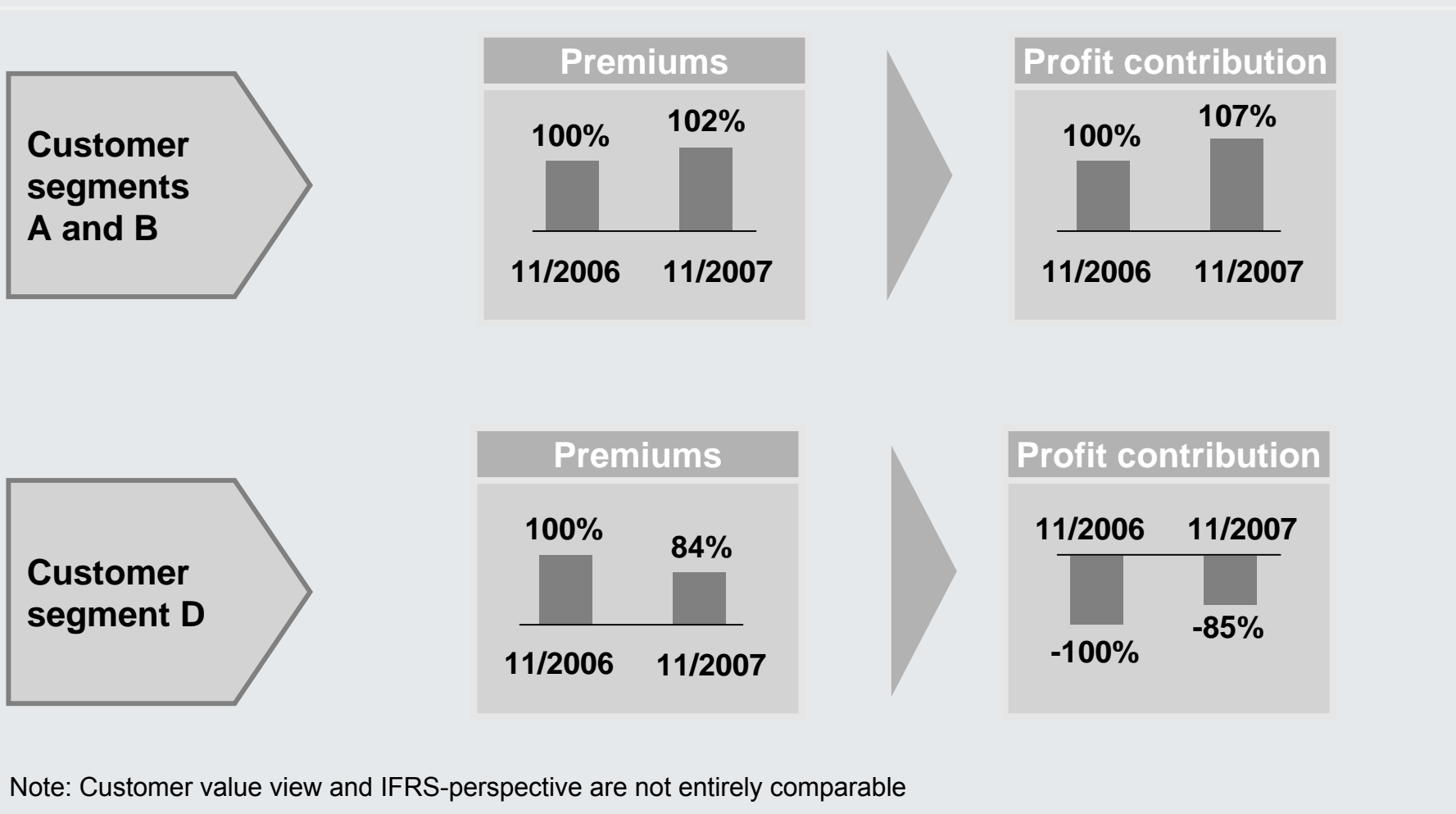
Development total volume focused financial services provider



1) New business distribution volume = Mobile Banking (custody accounts, client assets, loans, Finaclear) + BALOISEHYPO PLUS

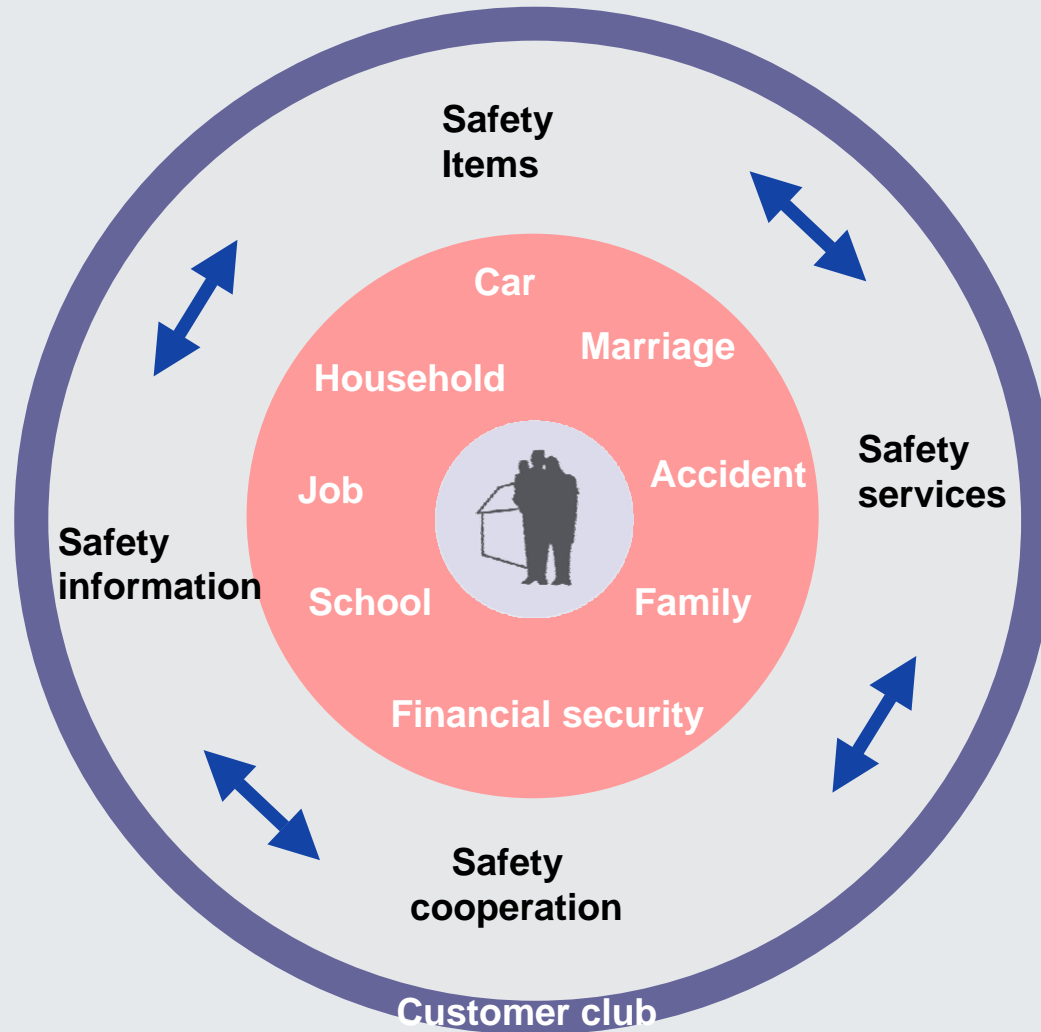
Target Customer Segments

Above market growth in targeted segments



«Safety World»

Added value solutions beyond insurance



Examples for safety items

Smoke detector



Over voltage protection



Fire blanket



wrapped in «Safety Box»



«Safety World»

Swiss-wide roll-out in 2008

Initiative

Test «safety world»
in 6 general
agencies

Pilot «Case- and
Time management»
in group health,
accident and life

Already existing
measures

Status

- Very positive reaction from customer side
- Over 2'000 packages handed-out till end 2007
- Teaming-up with dedicated specialists successful
- First results of pilot promising
- TCS: safety training for young drivers
- HOWASU
- Risk engineering
- Driving simulator
- Securiton

Next steps



Integrating of all
«Safety World»
initiatives into
integrated approach.

Swiss-wide roll-out of
«Safety World» in
2008

New positioning and
extensive
communication early
2009

Ambition Swiss Operations

Ambition 2008 ¹⁾

- | | |
|---|--|
| <ul style="list-style-type: none"> Business volume growth in line with market by growing above market in targeted segments | |
| <ul style="list-style-type: none"> Investment-type business | 1/3 of new business is investment-type |
| <ul style="list-style-type: none"> Profitability nonlife | Combined ratio gross well below 100% |
| <ul style="list-style-type: none"> Profitability life | Further operational improvement |
| <ul style="list-style-type: none"> Profitability financial services provider | RoE Baloise Bank SoBa > 10% |

1) Subject to unexpected market or claims development

Annual Results 2007

Foreign Operations

German Egloff
Group CFO

Germany

Efficient distribution, profitable business mix

<i>in CHF mn</i>	Deutscher Ring		Basler Germany	
	Nonlife	Life	Nonlife	Life
Gross premiums written	223 (4.0%)	820 (0.7%)	866 (2.8%)	211 (-4.8%)
Investment-type premiums		257 (22.8%)		7 (102.8%)
EBIT	34 (-6.2%)	25 (n.m.)	94 (34.5%)	13 (-42.9%)

Deutscher Ring (DR):

- Business volume up by 5%, CHF 1,300mn
- Shift from traditional to investment-type products results in decreasing IFRS life premiums
- Investment-type production above market average
- Break-even of Bausparkasse confirmed, stable bottom line
- Promising business development in Slovakia and Czech republic

Basler Germany:

- Business volume up by 2%, CHF 1084mn
- Strong results despite large losses
- Business volume growth in line with market
- One-off effects due to new tax laws in Germany, CHF 26mn

Belgium

High profitability

<i>in CHF mn</i>	Nonlife	Life
Gross premiums written	587 (8.4%)	124 (4.3%)
Investment-type premiums		82 (4.3%)
EBIT	95 (-28.9%)	50 (4.5%)

- Business volume up by 7.3%, CHF 793mn
- Positive nonlife business development; in line with market evolution
- Strong evolution in target segments, production up by 25%
- Combined ratio 94.3%, up by 1.6 pts, mostly due to winter storm “Kyrill”
- Increased demand of bundled product solutions, “Gezinsplan” for private clients and SME plan (since May 2007) for corporate business

Austria and Croatia

Internal and external growth

	Austria		Croatia	
<i>in CHF mn</i>	Nonlife	Life	Nonlife	Life
Gross premiums written	110 (17.4%)	31 (1.2%)	26 (n.m.)	36 (n.m.)
Investment-type premiums		6 (57.9%)		- (n.m.)
EBIT	2 (-45.3%)	1 (-22.9 %)	-29 (n.m.)	-13 (n.m.)

- Austria:**
- Business volume up by 14.8%, CHF 147mn
 - Strong nonlife business, premiums up by 17.4%. Life premiums up by 1.2%

- Croatia:**
- Acquisition of Osiguranje Zagreb, consolidated as from 01.07.2007
 - Integration process on track
 - Business volume growth in line with market
 - Strong life business at Basler Croatia, premiums up by 51%

Luxembourg

Very strong investment-type business

<i>in CHF mn</i>	Nonlife	Life
Gross premiums written	53 (11.5%)	43 (-1.6%)
Investment-type premiums		674 (51.9%)
EBIT	10 (198.6%)	17 (205.0%)

- Business volume up by 44%, CHF 771mn
- Very strong investment-type production due to higher production in existing markets (Belgium, France) as well as acquisition of Winterthur-Europe Vie (e.g. new market Portugal)
- Nonlife premiums up by 11.5%, thus almost doubling market growth
- Combined ratio at 91.6%, up by 1.9 pts due to “Kyrill” and two hail storms
- EBIT up by 202.5%, positively influenced by a one time effect due to change in real estate valuation
- Seamless integration of Winterthur-Europe Vie

Annual Results 2007

Outlook

Rolf Schäuble

Group CEO and Chairman of the Board of Directors

Our Vision

We commit ourselves to be...

- **A preferred, trusted partner of our customers, distribution partners and employees**
- **A major competitive force in selected European markets**
- **Focused on operating profitability and steady growth**
- **Clearly shareholder oriented**

Our Ambition

High sustainable profitability

Business focus	Financial ambition over the cycle
→ Capture growth opportunities to achieve attractive market positions in our existing markets	→ 15% Return on Equity
→ Assure operational excellence to deliver high quality earnings	→ Continuous increase of EPS
	→ Combined ratio well below 100%

Annual Results 2007

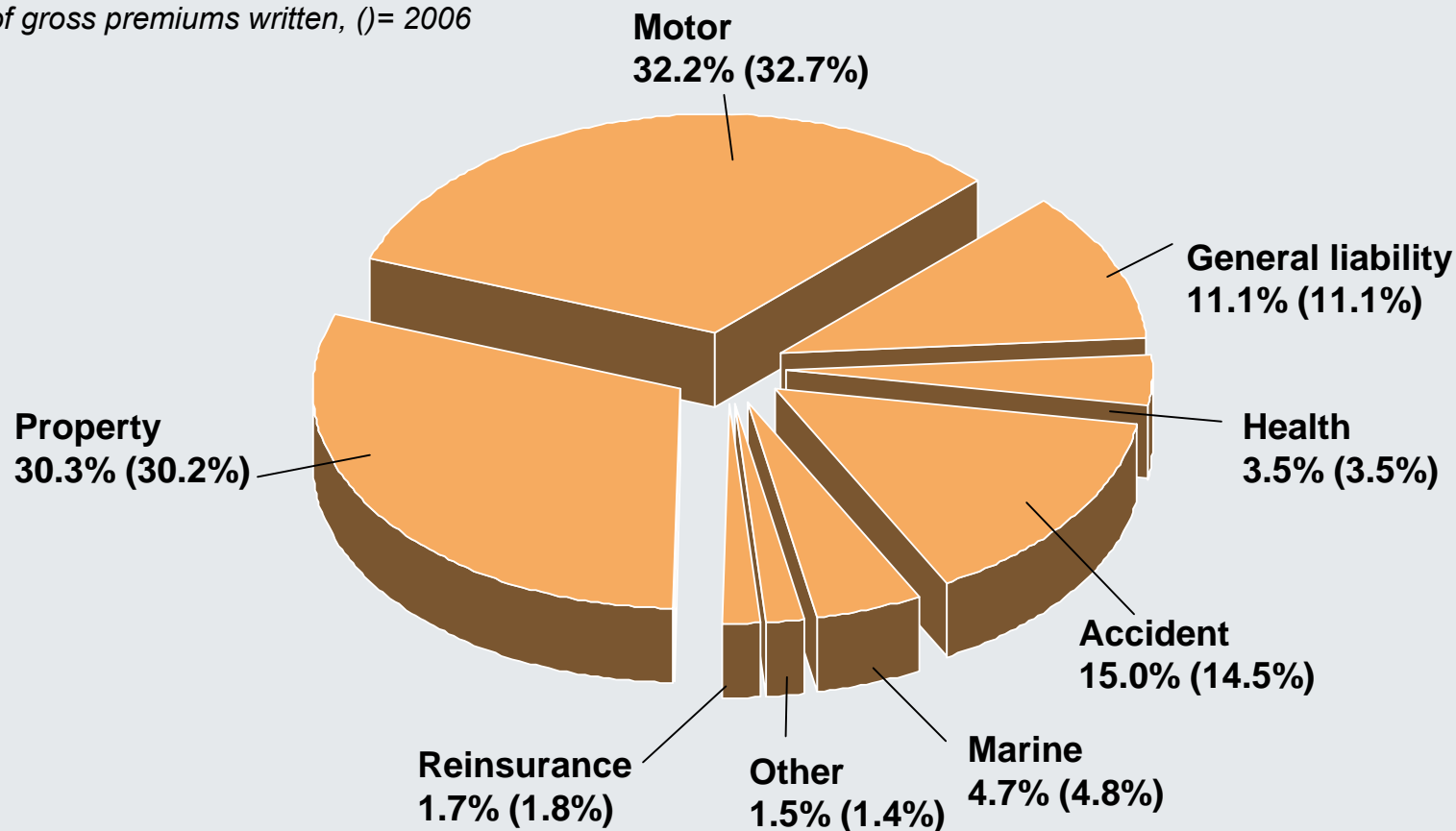
Q & A

Annual Results 2007

Appendix

Nonlife, Business Mix

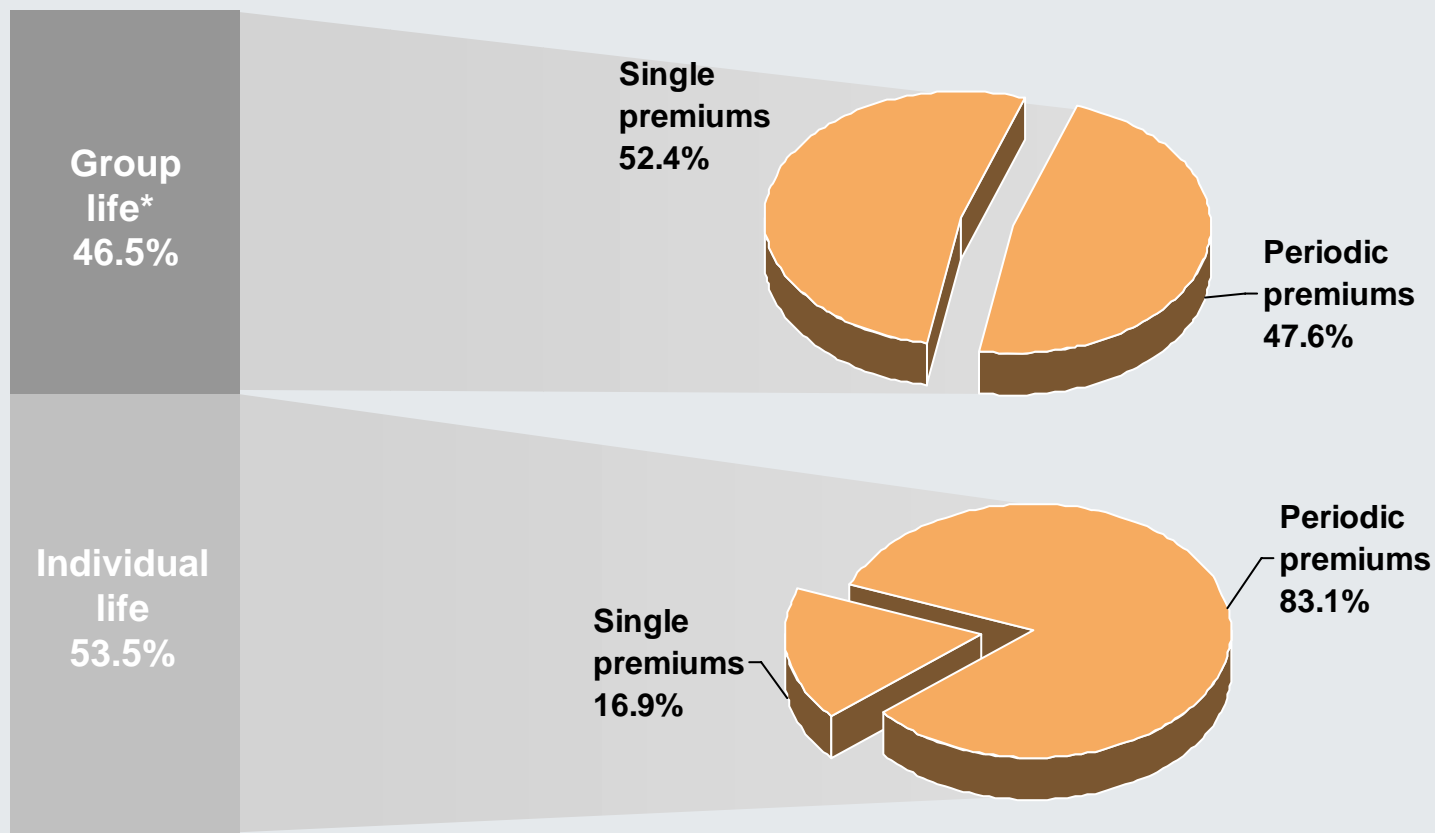
in % of gross premiums written, ()= 2006



Gross written premiums nonlife: CHF 3,191mn

Life, Business Mix

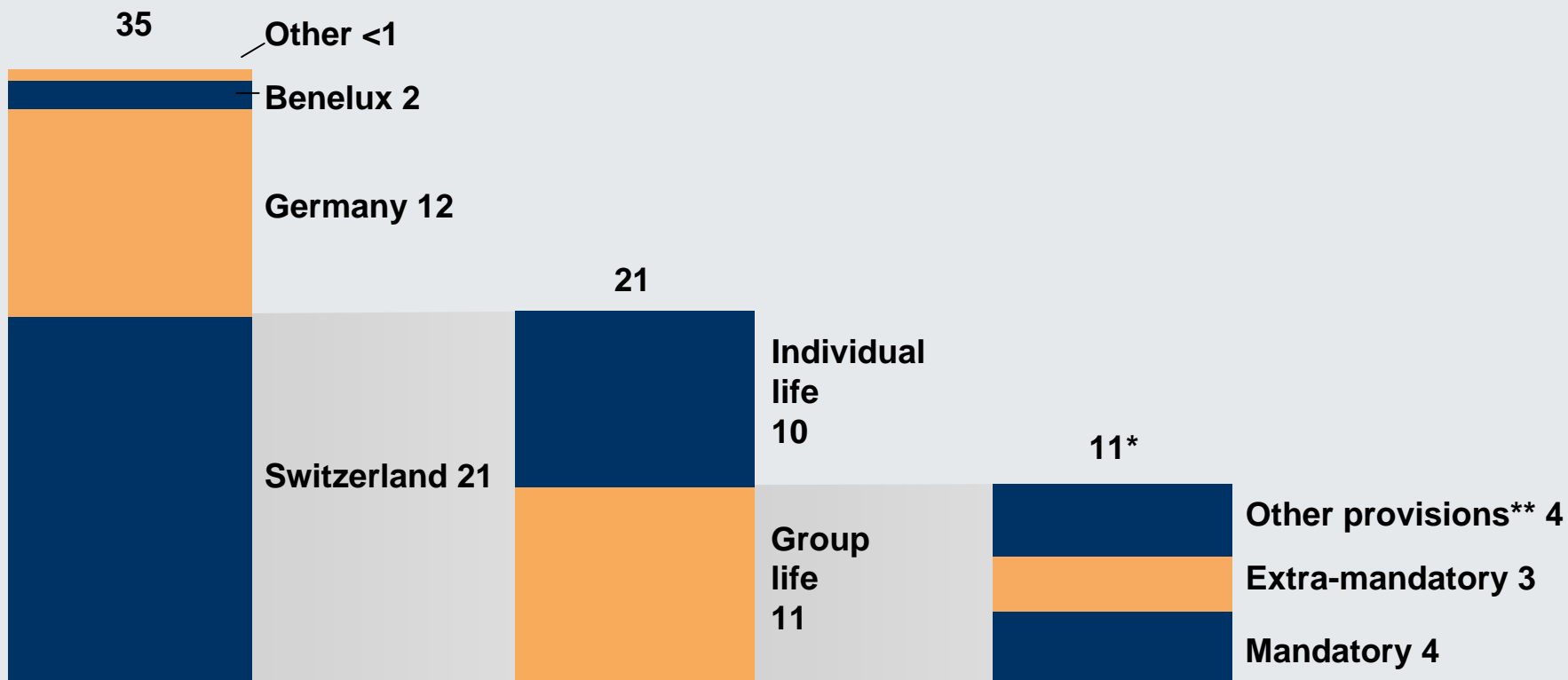
in % of gross premiums written



* Swiss Group life business only

Breakdown of Actuarial Reserve Life

gross, in CHF bn



* local GAAP

** provisions for annuities, mortality, disability, inflation

Life, Direct Yield and Guarantees

2007	CH	EU	Total
Direct yield <i>(relative to average actuarial reserves, excl. realizations)</i>	2.9%	4.1%	3.4%
Average guaranteed rate of return	2.4%	3.0%	2.7%
Margin	0.5%	1.1%	0.7%

2006	CH	EU	Total
Direct yield <i>(relative to average actuarial reserves, excl. realizations)</i>	2.7%	3.9%	3.2%
Average guaranteed rate of return	2.5%	3.0%	2.7%
Margin	0.2%	0.9%	0.5%

CH: Group Life

Operating result

in CHF mn, in accordance with statutory financial statements

Group life operating result	2006	2007
<i>Premium income (earned)</i>	1,725	1,778
<i>Policyholder benefits</i>	-1,527	-1,620
<i>Change in insurance reserves incl. strengthening of reserves</i>	-365	-393
<i>Acquisition and administrative costs</i>	-97	-96
<i>Net investment income</i>	387	473
<i>Reinsurance result</i>	3	-6
<i>Surplus allocated to bonus reserves</i>	-72	-75
Operating result for group life business	54	61

CH: Group Life

Investment performance

in CHF mn, in accordance with statutory financial statements

Group life investment performance	2007	
Net investment income		473
	Book value	Market value
Investment portfolio at beginning of financial year	11,787	12,682
Investment portfolio at end of financial year	12,168	12,793
Return on book value		4.0%
Return on market value		1.6%

CH: Group Life

Business subject to legal quote

in CHF mn, in accordance with statutory financial statements

Group life CH, statutory financial statement	2006	2007
<i>Result of savings process</i>	71	132
<i>Result of risk process</i>	41	40
<i>Result of cost process</i>	-15	-14
Gross result for business subject to legal quote	97	158
<i>Strengthening of reserve</i>	-33	-81
<i>Approbation to provisions for future policyholder dividends</i>	-23	-31
Operating result for business subject to legal quote	41	46

CH: Group Life

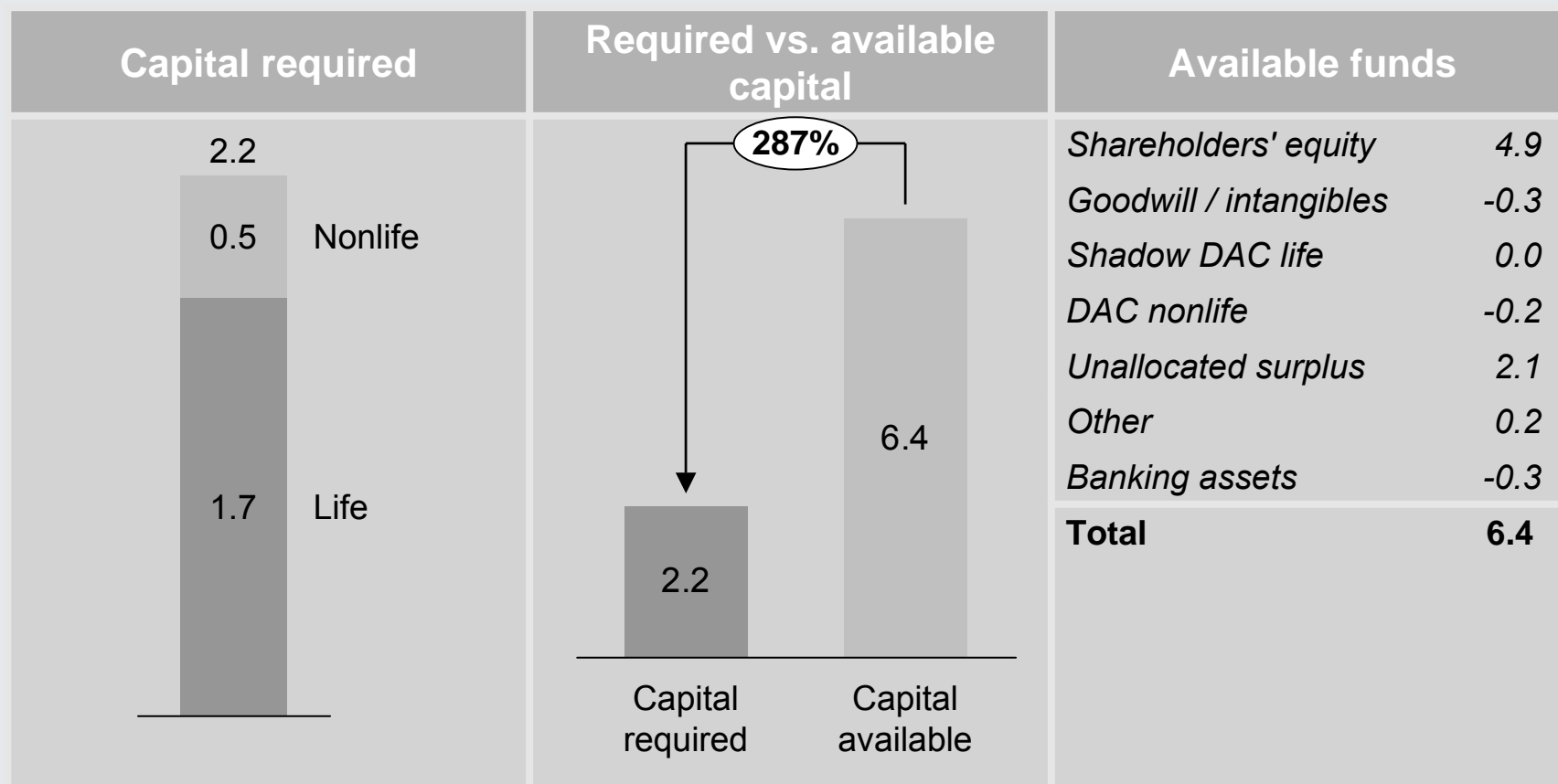
Derivation of legal quote

in CHF mn, in accordance with statutory financial statements

	2007	
<i>Gross income from business subject to legal quote</i>	578	100%
<i>Policyholder benefits in business subject to legal quote</i>	-532	92%
Operating result for business subject to legal quote	46	
<i>Operating result for business not subject to legal quote</i>	15	
Operating result for group life business	61	

Solvency I

in CHF bn, excluding banking



Embedded Value Split

	2006		2007	
	CH	EU	CH	EU
<i>ANAV</i>	1,756	320	1,891	453
<i>+ PVFP</i>	862	234	1,108	309
<i>- CoS</i>	-376	-103	-353	-106
Embedded value	2,242	451	2,646	656

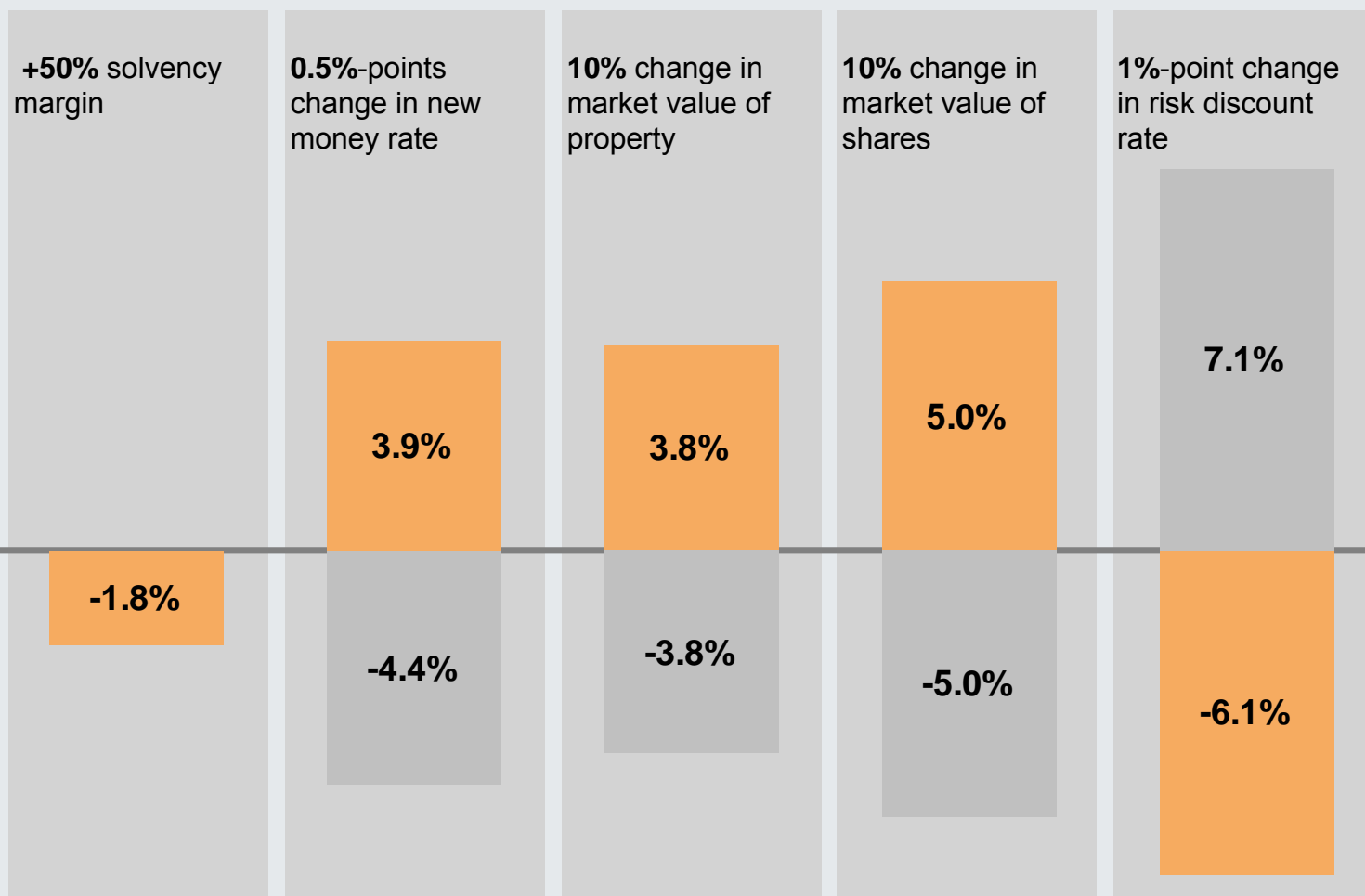
Key assumptions 2007	CH	EU
Risk discount rate	7.5%	8.3%
Bond yields	3.4 - 3.6%	4.6 - 4.8%
Return on shares	7.0%	8.0%
Return on investment properties	4.7%	5.2%

New Business Margin

in CHF mn

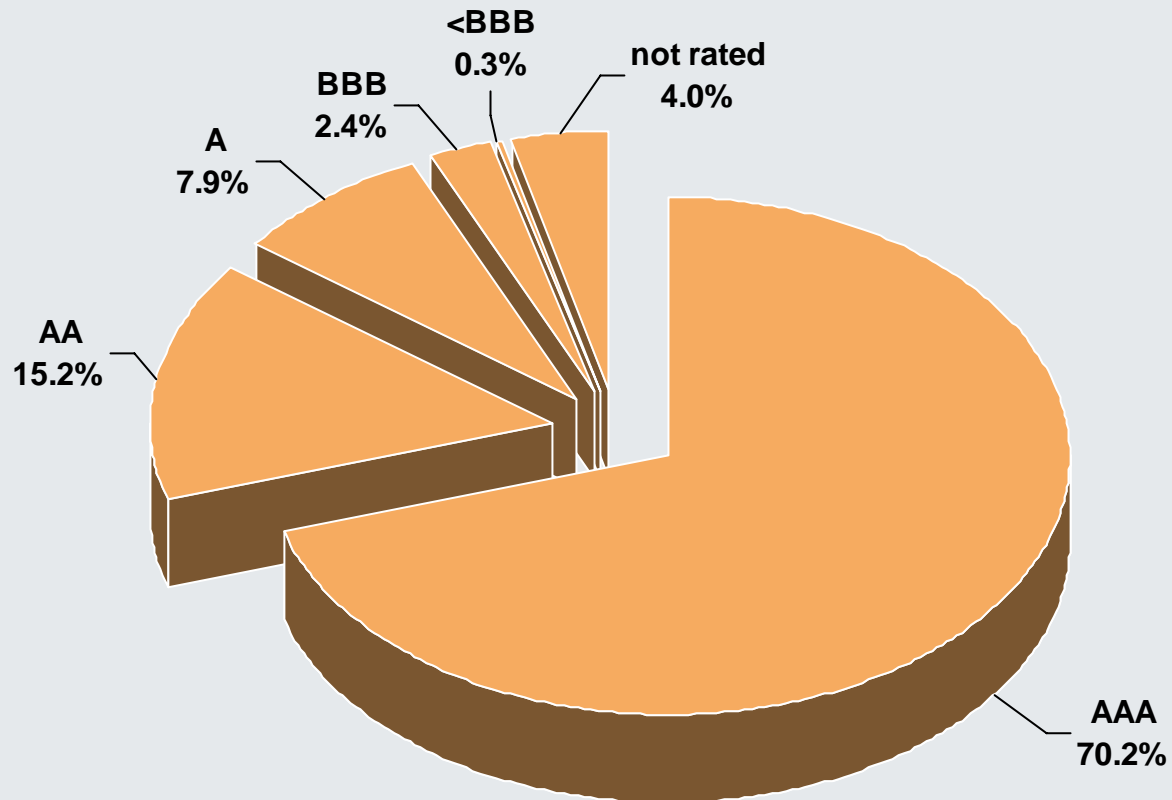
	2006		2007	
	CH	EU	CH	EU
Embedded value	2,242	451	2,646	656
<i>Value of new business</i>	11	5	14	6
<i>Annual premium equivalent</i>	106	111	95	118
New business margin	10.2%	4.5%	14.9%	5.2%

Sensitivity Analysis of Embedded Value



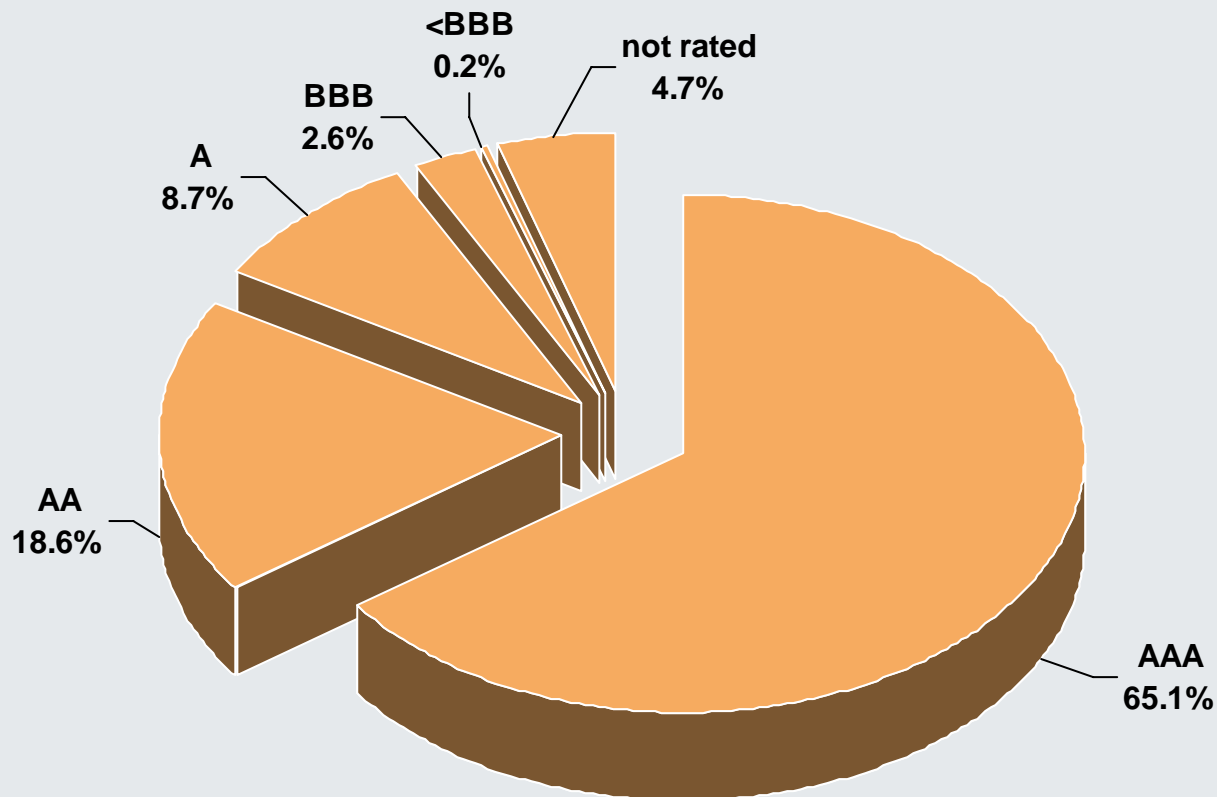
Bonds and Promissory Notes: Quality

excluding banking assets and assets from investment-type premiums



Debt Securities: Quality

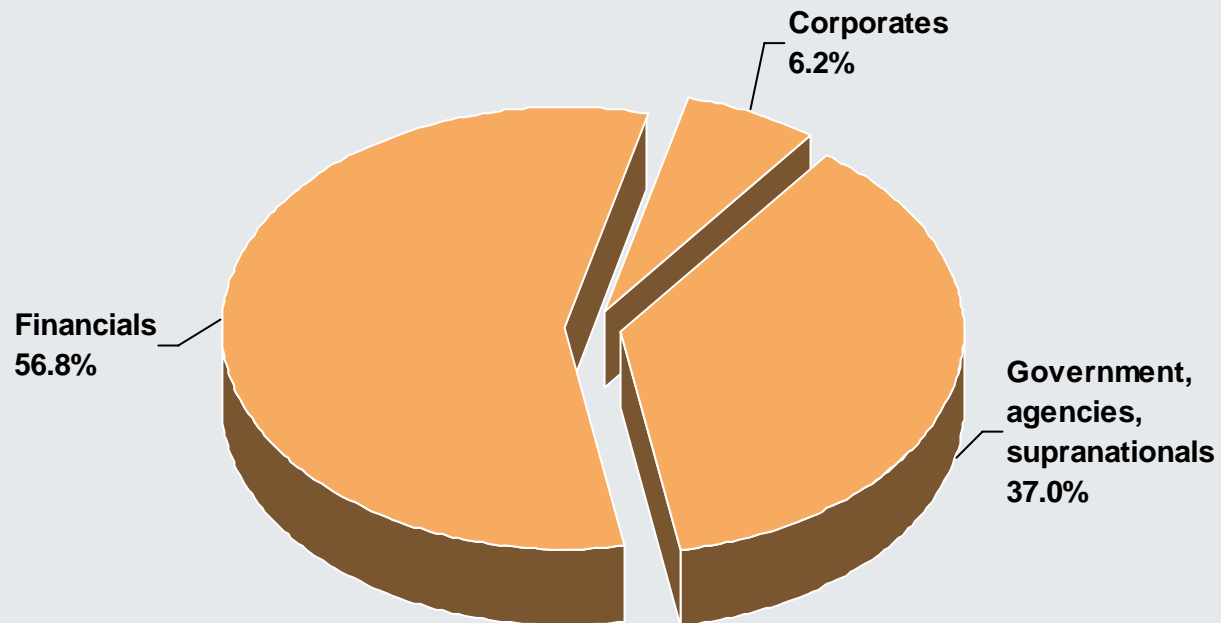
excluding banking assets and assets from investment-type premiums



Total bond investments: CHF 23,697mn

Bond Portfolio: Issuers

excluding banking assets and assets from investment-type premiums



Total bond investments: CHF 23,697mn

Bonds and Promissory Notes: Macaulay Duration

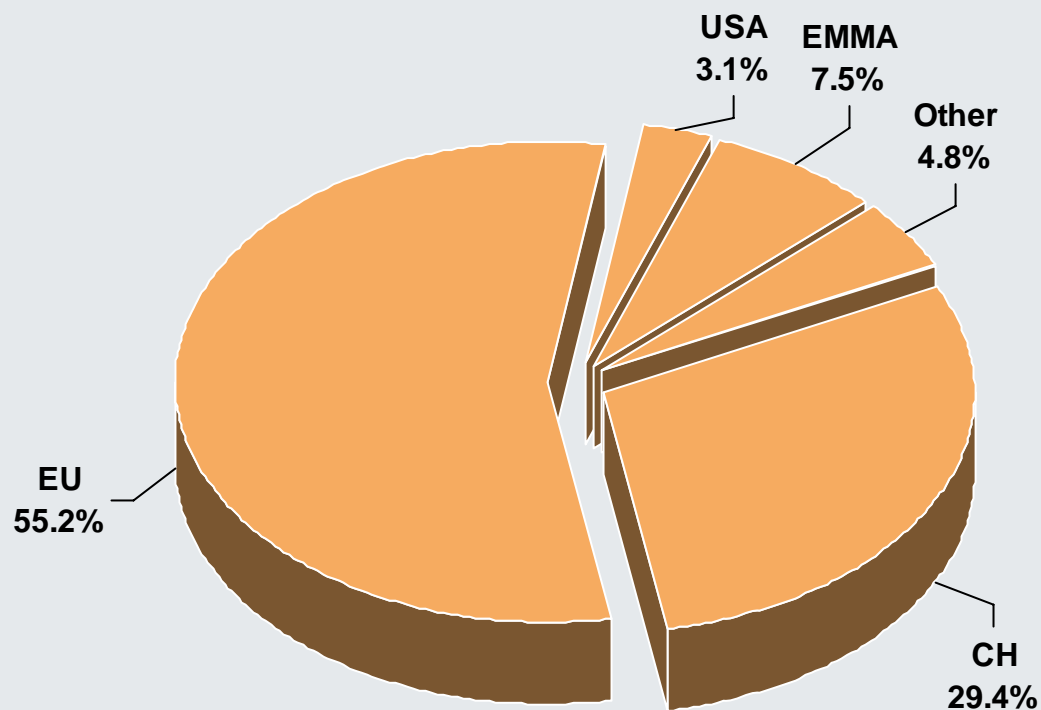
excluding banking assets and assets from investment-type premiums, ()= in 2006

	Years	% of total
Duration bonds available-for-sale (AFS)	6.0 (5.9)	56.1%
Duration bonds held-to-maturity (HTM)	4.8 (5.4)	20.7%
Duration promissory notes	5.6 (4.7)	23.2%
Duration portfolio	5.7 (5.6)	100%

	Years	% of total
Duration life bonds (incl. promissory notes)	5.9 (5.8)	79.6%
Duration nonlife bonds (incl. promissory notes)	4.7 (4.9)	20.4%
Duration portfolio	5.7 (5.6)	100%

Equity Portfolio: Regional Exposure

excluding banking assets and assets from investment-type premiums

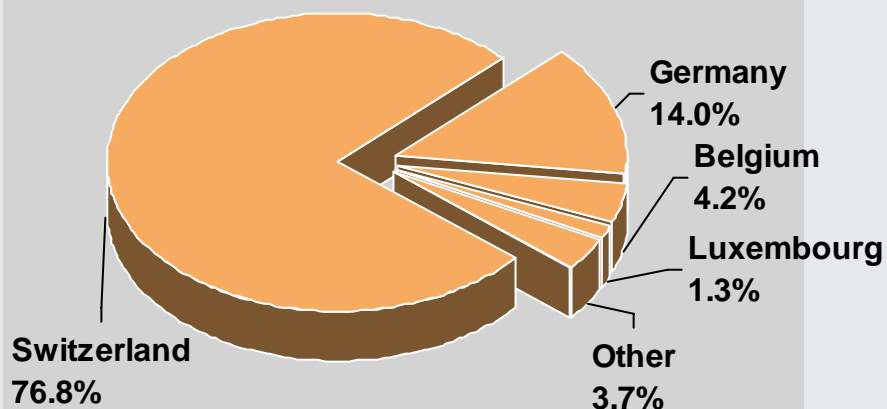


Total equity investments: CHF 5,677mn

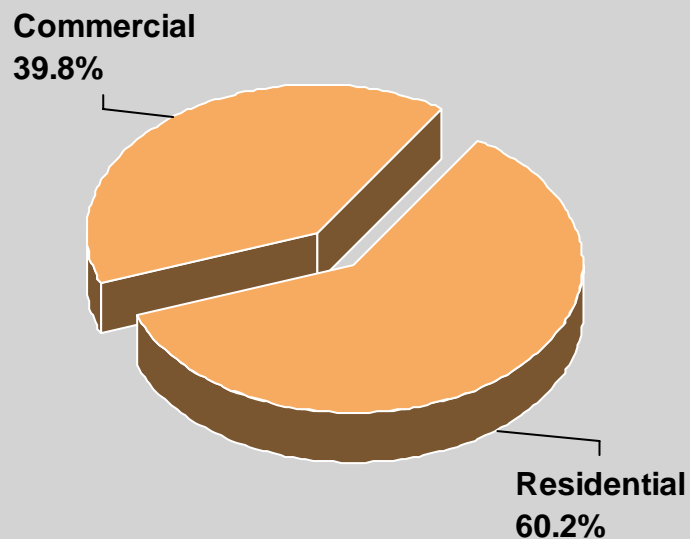
Investment Properties: Country and Type

excluding banking assets and assets from investment-type premiums

Breakdown by country



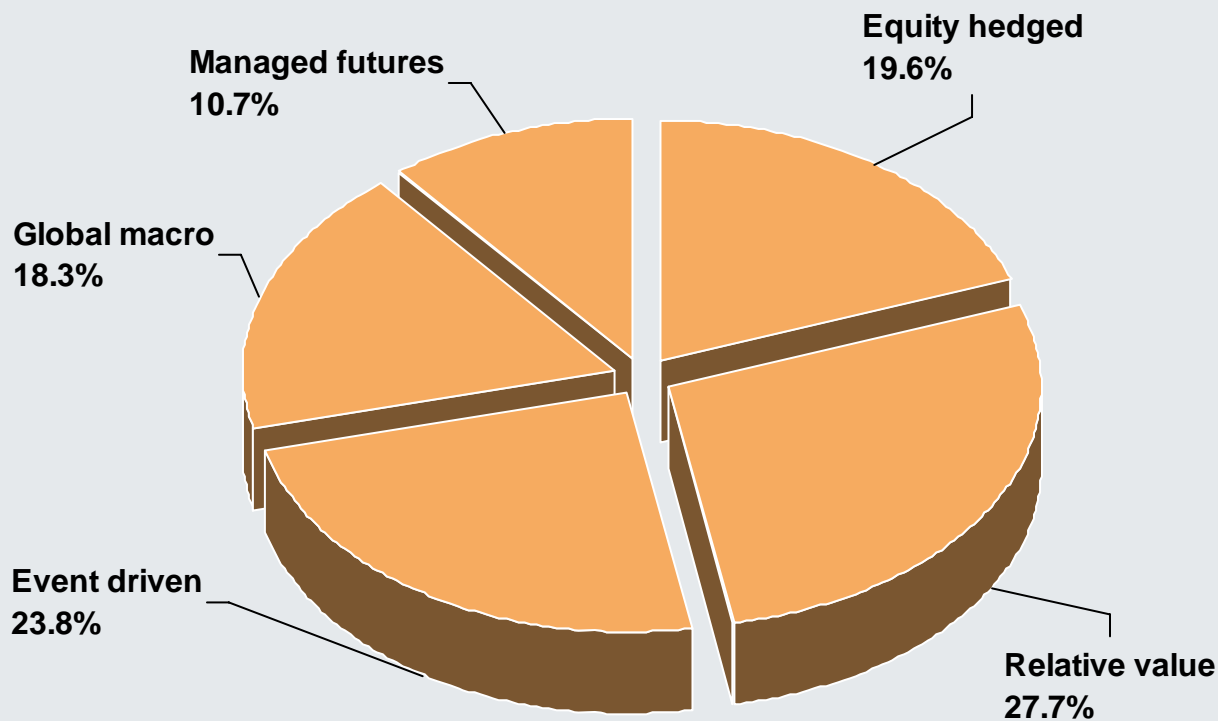
Breakdown by type



Total investment property: CHF 5,124mn

Hedge Fund Portfolio: Style

excluding banking assets and assets from investment-type premiums

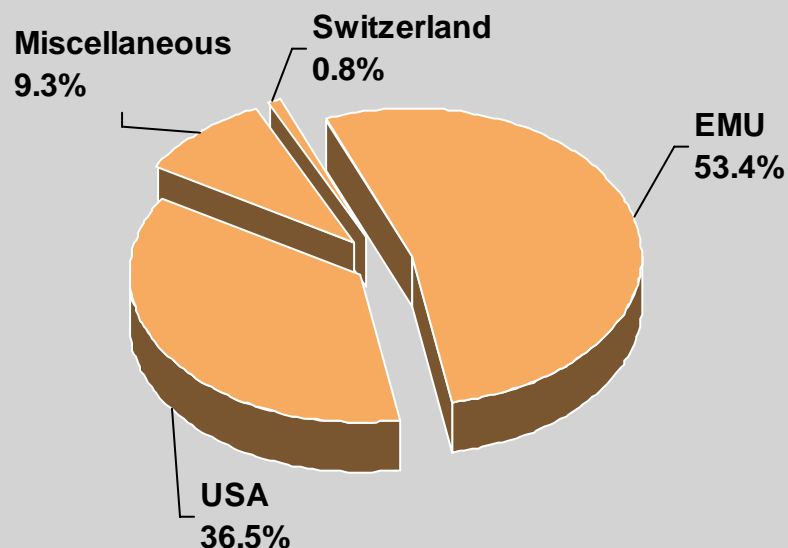


**Total hedge fund investments: CHF 1,535mn
(85 different managers and 10 fund of funds)**

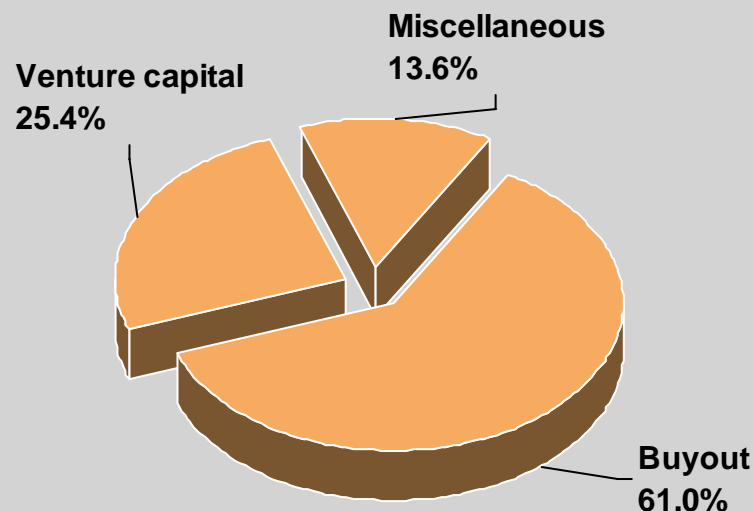
Private Equity Portfolio

excluding banking assets and assets from investment-type premiums

Breakdown by region



Breakdown by type

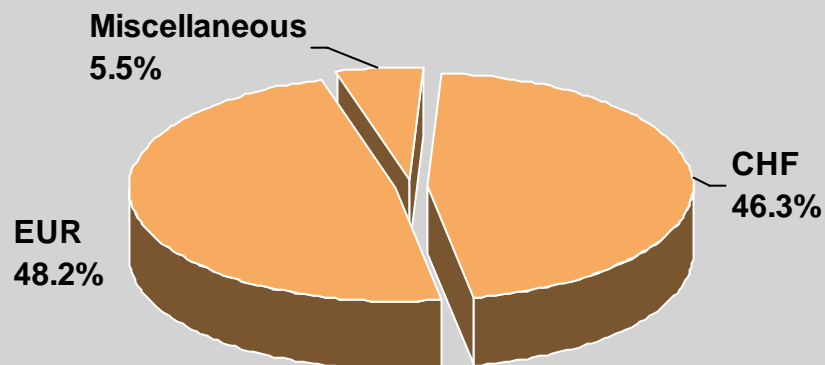


Total private equity investments: CHF 569mn

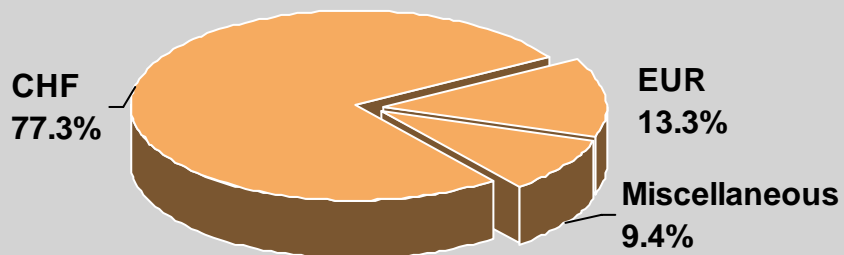
Currency Exposure, Gross

excluding banking assets and assets from investment-type premiums

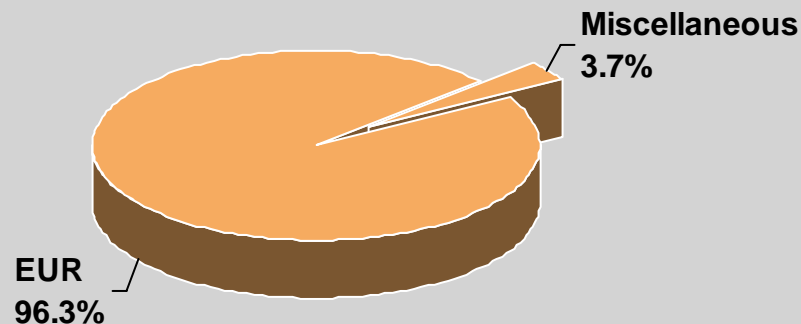
Group



Swiss operations



Foreign operations

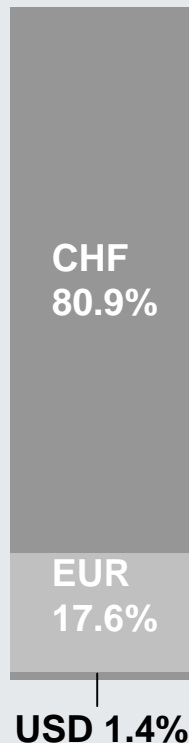
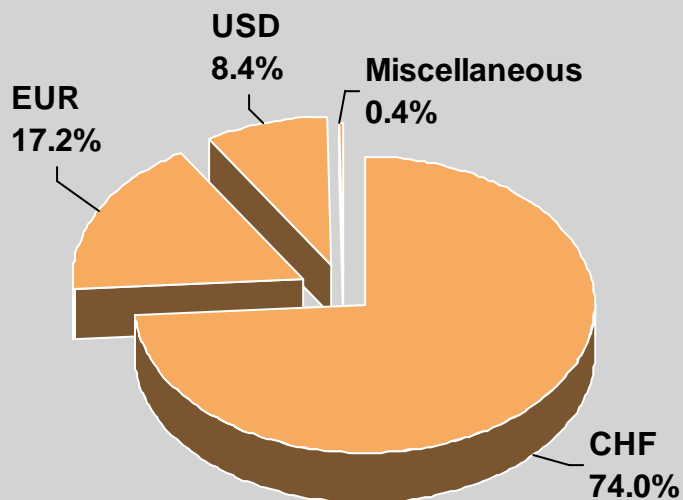


Bond Portfolio: Currency Exposure of Swiss Operations

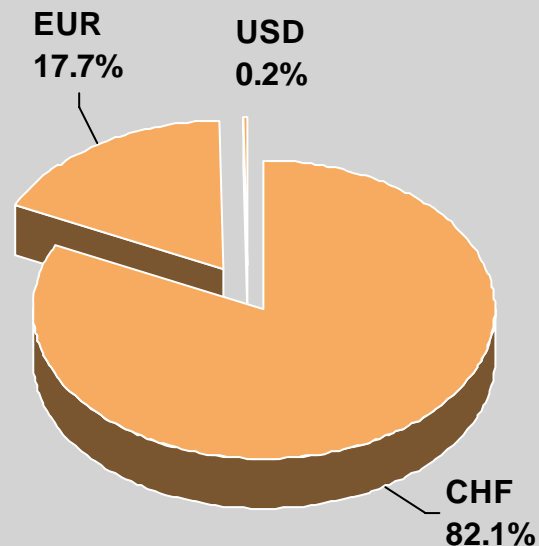
excluding banking assets and assets from investment-type premiums

Total bonds: CHF 13,405mn

Nonlife: CHF 1,979mn



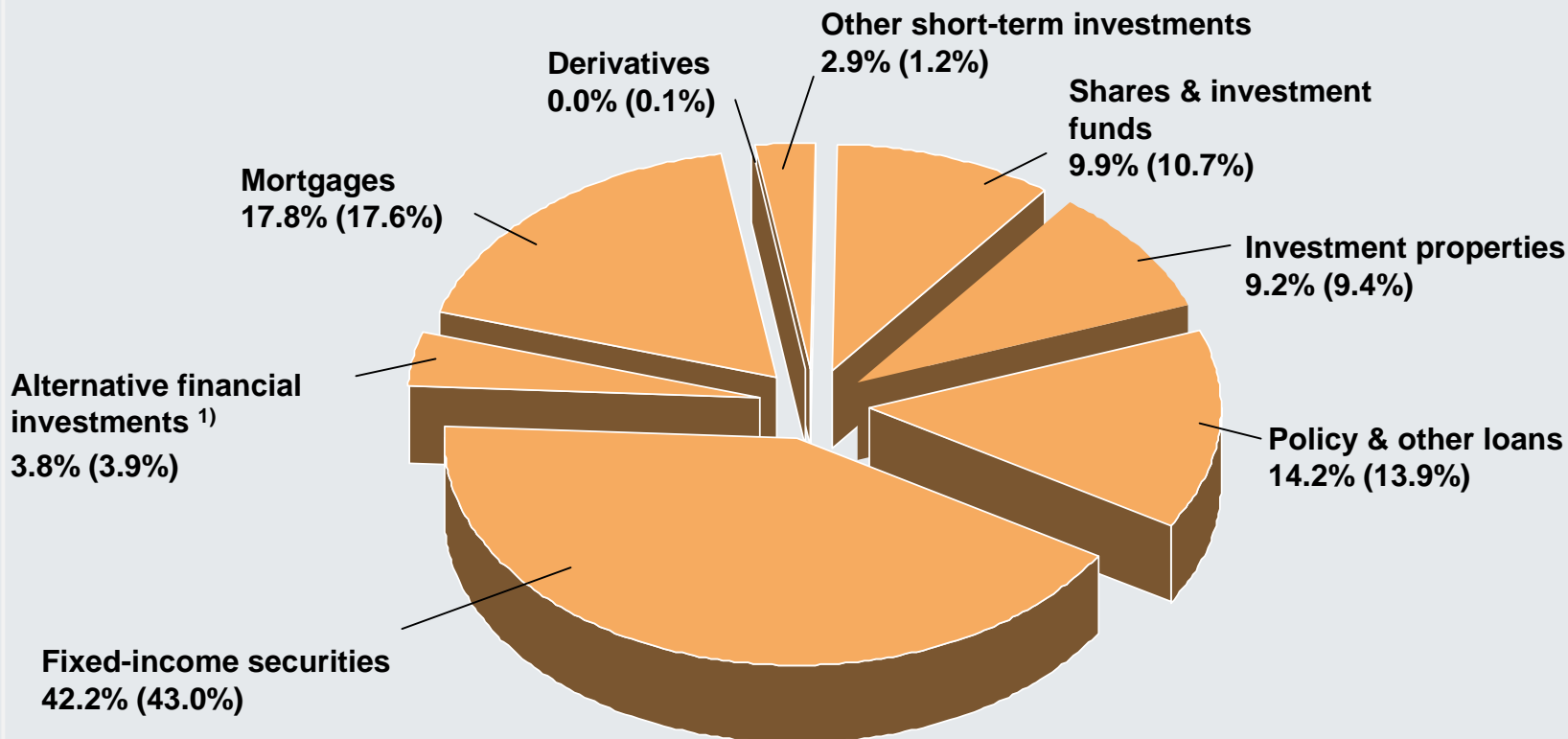
Life: CHF 11,426mn



Total net currency exposure after hedges & liabilities: 5.1% EUR, 0.4% USD

Group Asset Allocation (including banking assets)

excluding assets from investment-type premiums, ()= in 2006



Total at FY 2007: CHF 57,403mn (FY 2006: CHF 56,381mn)

1) Private equity and hedge funds

Exchange Rates

in CHF

<i>Exchange rates</i>	Balance sheet		Profit & loss	
	2006	2007	2006	2007
EUR	1.61	1.66	1.57	1.64
USD	1.22	1.13	1.25	1.20

Reporting agenda

Interim management statement Q1 2008
Friday, May 16, 2008

Half Year Results 2008
Wednesday, August 27, 2008

Interim management statement Q3 2008
Tuesday, November 18, 2008

You will find all published documentation at www.baloise.com.

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