

# Simply Safe - Season 2

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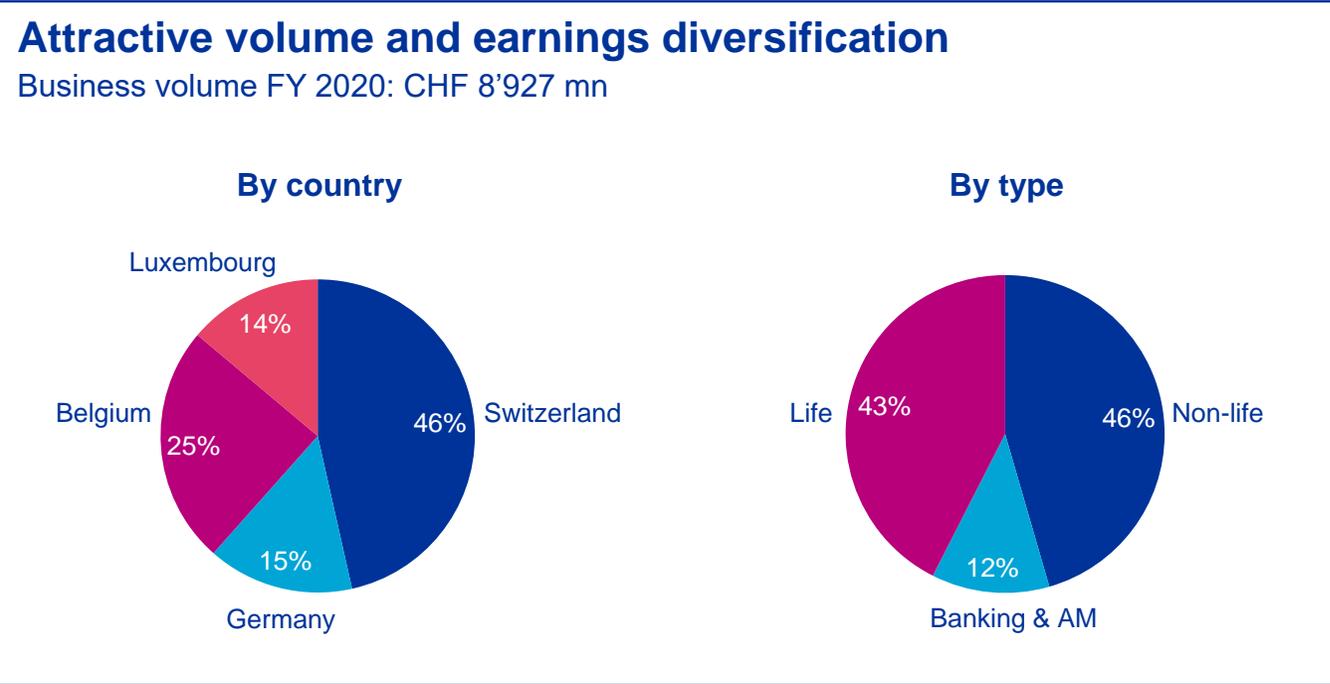
# Agenda

1. Looking back on our Success in Season 1
2. Our New Targets and Ambitions in Season 2
3. Outlook on our FY 2021 Results and Key Investment Highlights

# Baloise Group: Well-Diversified Multiline Insurer

Attractive volume and earnings diversification and strong focus on cash generation

**More than just a traditional insurance company**  
As a provider of prevention, pension, assistance and insurance, *Baloise is the first choice for people who want to feel 'simply safe'.*



1. Looking back on our Success in Season 1

# «Simply Safe» Season 1: Our Bold Journey of Growth

Simply Safe – Season 1 (2017 – 2021)

1. A bright future needs a solid past.

2. But we risk everything if we only rely on what has worked well in the past.

3. Our 5-year ambitions:

- **A Leading Employer in the Sector:** top 10% in the European Financial Sector
- **The Trusted Choice for Our Customers:** 1 million additional customers
- **A Reliable and Attractive Investment:** CHF 2 billion cash remittance to the holding company

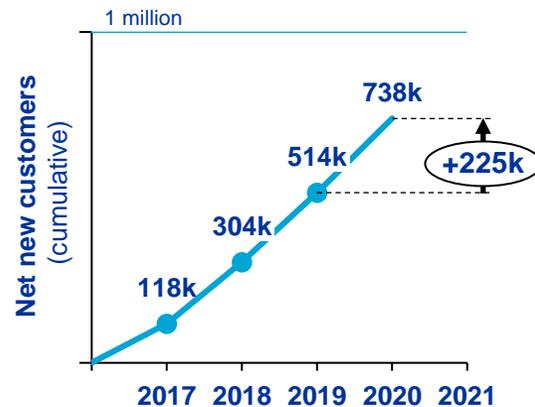


# «Simply Safe» Season 1 (2017 – 2021)

In the final stage to reach our strategic ambitions

## Customers

Ambition: 1 mn additional customers



- › More than 700k net new customers from organic growth in 2017-2020
- › Positive contributions from all business units, from core business as well as from new initiatives and products (e.g. Friday, KASKO, YoungGo)
- › More than 500k new customers from acquisitions

## Employees

Ambition: a top 10% employer

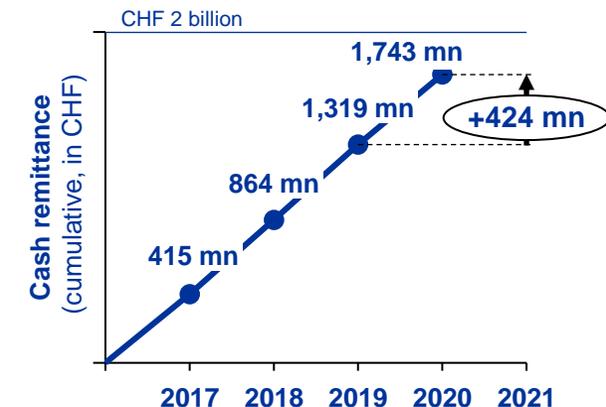


- › Significant positive cultural change
- › Recognised as a great place to work with people speaking out, teaming up and with high levels of engagement
- › Better employee recommendations resulted in an improvement from a top 30% to a top 8% position

<sup>1)</sup> based on Korn Ferry Hay database

## Shareholders

Ambition: CHF 2 bn to the Holding



- › Strong and well diversified cash generation
- › Buy-back of 3 mn shares completed: Almost CHF 0.5 bn returned to shareholders
- › Dividend increased by 23% since 2016

# Season 1: Leveraging our Core Business

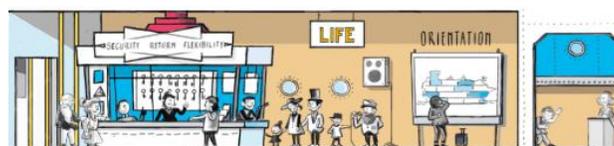
Major improvements in all segments

## Non-Life business



- › **Strong profitability further improved:** Combined ratio improved and at the lower end of our target range of 90-95% (2017-2020 average: 91.4%)
- › **Turnaround of the German non-life book a success:** restructuring completed, profitability improved, and growth achieved
- › **Top 4 position attained in the attractive Belgian non-life market:** thanks to strong organic and inorganic growth

## Life business



- › **Business mix further improved:** reduction of average guarantees<sup>1)</sup>, disposal of traditional life back book in Germany, higher share of risk products in new business<sup>2)</sup>, growing fee-based business<sup>3)</sup>, selective growth in Swiss Group Life, and strong growth with Perspectiva<sup>4)</sup>
- › **Successfully adapted to the low interest rate environment:** resilient interest rate margin and good EBIT contribution<sup>5)</sup> thanks to rigorous asset-liability management

## Asset Management & Banking business



- › **Successful set-up of the third-party business:** building up sales force, launch of several successful products and generation of CHF 3.8 billion net new assets from 2017 to HY2021
- › **Unique bank-insurance model:** expansion of the successful model throughout Switzerland. In Belgium and Luxembourg the already strong relationships with banking partners have been further enhanced

<sup>1)</sup> From 1.90% in 2015 to 1.09% in HY2021

<sup>2)</sup> From 3% in 2015 to 15% in HY2021

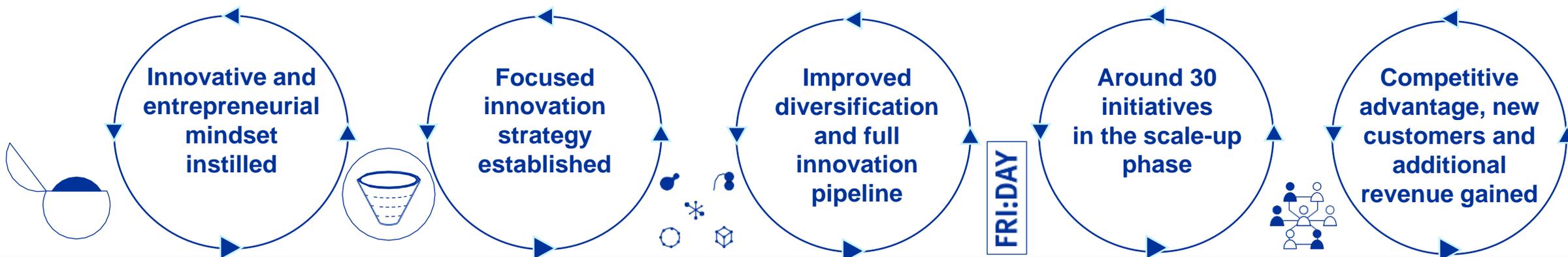
<sup>3)</sup> AuM of Luxembourg's freedom of service business increased from FY2015 by 65% to over CHF 13 bn in HY2021

<sup>4)</sup> Over 3,300 companies signed up to the semi-autonomous pension offering Perspectiva between 2015 and HY2021, from a starting point of zero

<sup>5)</sup> EBIT > CHF 200 million in all years of Season 1

# Season 1: Innovation at Baloise

We have built up a full innovation pipeline and a value-driven innovation approach ...



Since 2017, we have rigorously transformed our **culture** to become more innovative and entrepreneurial and progressed to the top 10% of best employers in the European financial sector, which helps us to attract new talents and to keep the ones we already have.

We have screened about 7'500 ideas and start-ups and developed the **Baloise Open Innovation Funnel**, which currently contains around 100 active initiatives.

We have diversified our business through targeted acquisitions and **investments (about CHF 50 million per year)**, inhouse incubations, a number of new partnerships, and ongoing development work.

The most prominent example is our insurtech company **FRIDAY**, which has grown into the leading digital insurer in Germany, successfully launched in France, and doubled its premiums year-on-year. There are however many more promising ventures in our ecosystems such as aboDeinauto, Gowago, Batmaid etc.

We have won around a dozen innovation awards, and have gained a competitive advantage by becoming more insurtech-driven, more versatile and much faster.

We have successfully expanded our business by attracting several hundred thousands new customers and **generating additional revenue** (2021E > CHF 70 million)

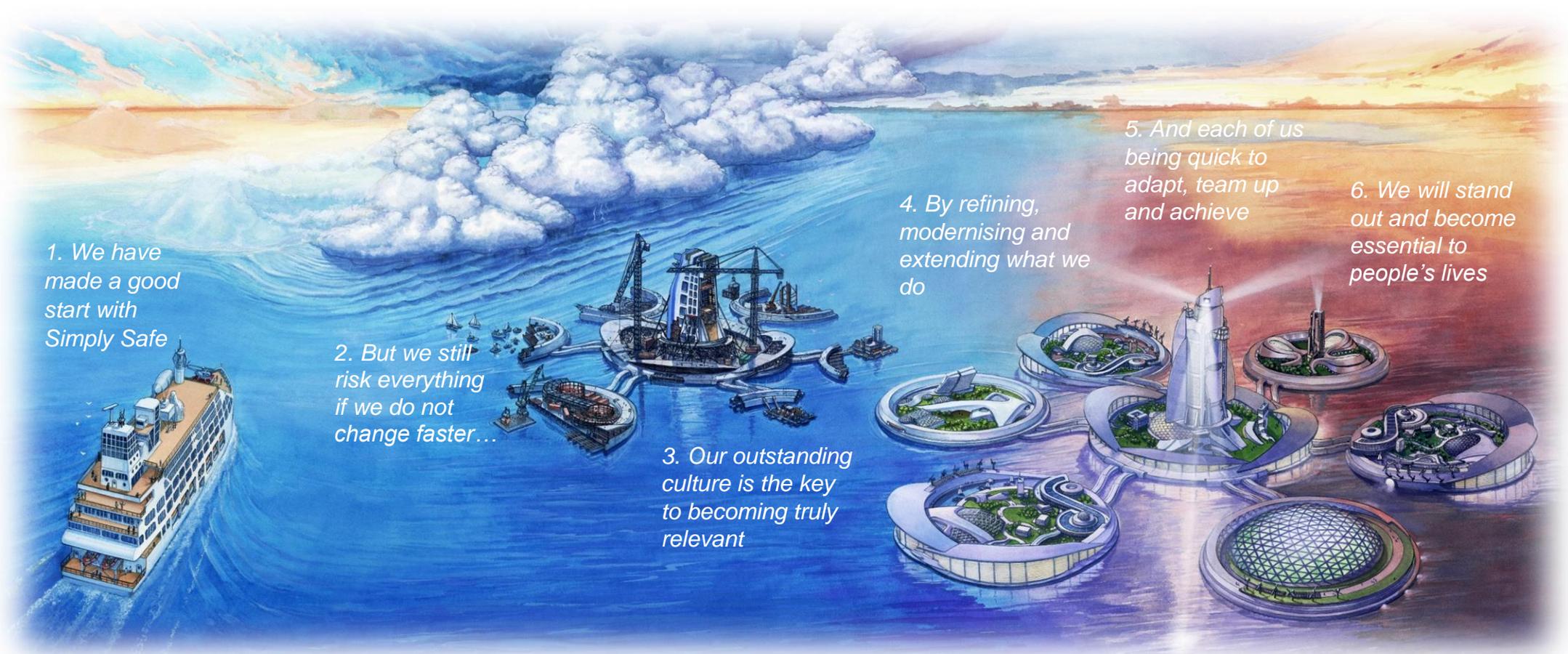


Experience our scrollytelling-website «Connecting the Dots» on innovation via [www.baloise.com/innovation-story](http://www.baloise.com/innovation-story)

## 2. Our New Targets and Ambitions in Season 2

# Baloise Strategy: Simply Safe – Season 2 (2022-2025)

Becoming essential to people's lives



1. We have made a good start with Simply Safe

2. But we still risk everything if we do not change faster...

3. Our outstanding culture is the key to becoming truly relevant

4. By refining, modernising and extending what we do

5. And each of us being quick to adapt, team up and achieve

6. We will stand out and become essential to people's lives

# Baloise Strategy: New Targets and Ambitions in Season 2

Our strategic targets for 2022-2025

## Employees

*A leading employer*

**Top 5% of best employers in Europe**

Annual reporting to begin from 2022

## Customers

*The trusted choice for our clients*

**1.5 million more customers**

Net new customers in 2022-2025

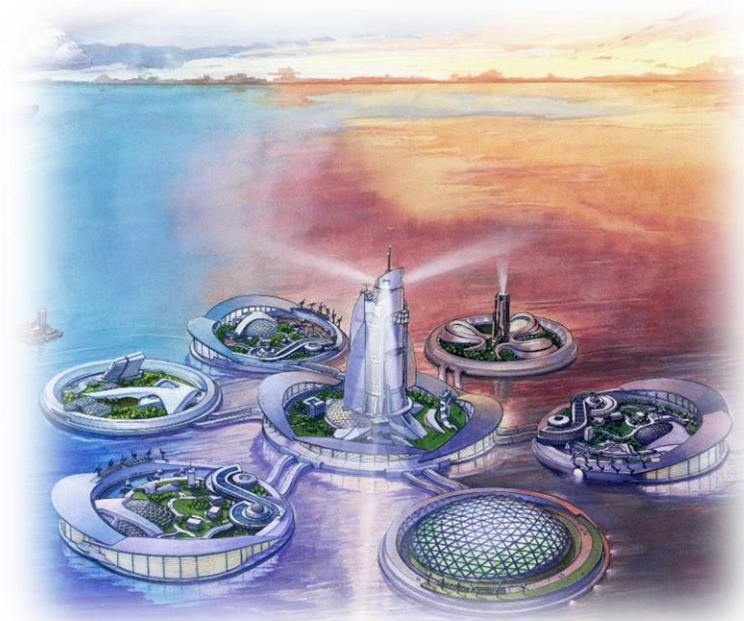
## Investors

*Attractive, reliable and responsible investment*

**25% more cash**

Cash remittance of CHF 2.0 billion in 2022-2025

*We set ourselves 3 simple, yet ambitious targets which are based on our basis philosophy “engaged and happy employees lead to satisfied and loyal customers and partners, and this in turn leads to profitable growth and success for all our stakeholders”*



# Baloise Strategy: New Targets and Ambitions in Season 2

Our financial messages for 2022-2025

## Focus

### Non-Life

Combined ratio (net) of about 90%

### Life

EBIT of more than CHF 200 million and resilient interest rate margin

### Asset Management & Banking

At least CHF 10 billion of new net third-party assets in the period 2022–2025

### Cost Synergies

Leverage cost efficiencies of about CHF 200 mn in the Group by 2025

### Cash Deployment

'Up-only' dividend policy with cash payout ratio of 60-80% starting from 2020. About 10-30% for innovation in the core business and beyond

## Reimagine

## Transform



## Diversify

### Ecosystem Mobility

Revenue of CHF 100 million by 2025

### Ecosystem Home

Revenue of CHF 100 million by 2025

### FRIDAY

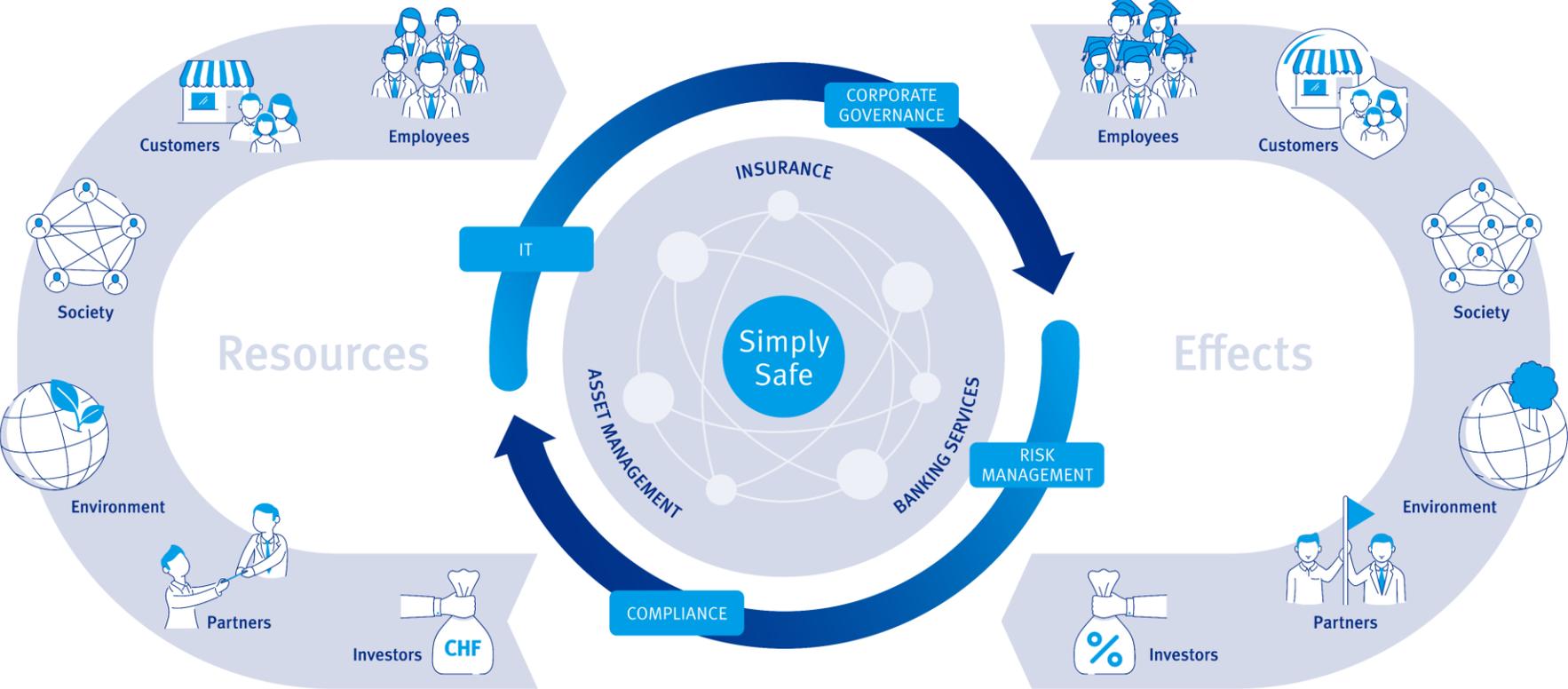
Revenue of CHF 150 million and profitable in Germany by 2025

### Innovation Funnel

CHF 1.0 billion valuation by 2025

# Baloise Sustainability Strategy

Our commitments to our stakeholders



## Our commitments

- Employees**  
Increasing happiness
- Customers**  
Higher customer satisfaction
- Society**  
Valued member of society
- Environment**  
Climate protection
- Partners**  
Responsible and successful cooperation
- Investors**  
Attractive, reliable and responsible investment

# 3. Outlook on our FY 2021 Results and Key Investment Highlights

# Outlook on our FY 2021 Results

Our operational profitability, capital base and cash generation remain strong

## Cash

**Strong focus on cash:** Confident that we will again have a robust cash generation in 2021 to maintain our attractive dividend policy.

## Life

**Well positioned to profit from increasing interest rates:** The profit contribution before taxes (EBIT) from the life business is expected to reach more than CHF 300 mn in 2021.

## Non-Life

**High quality of the portfolio:** Despite historic high expected claims due to the floods and summer storms (2021E: net claims of about CHF 120 mn), combined ratio still expected to be firmly within the target range of 90%-95%.

## Capital

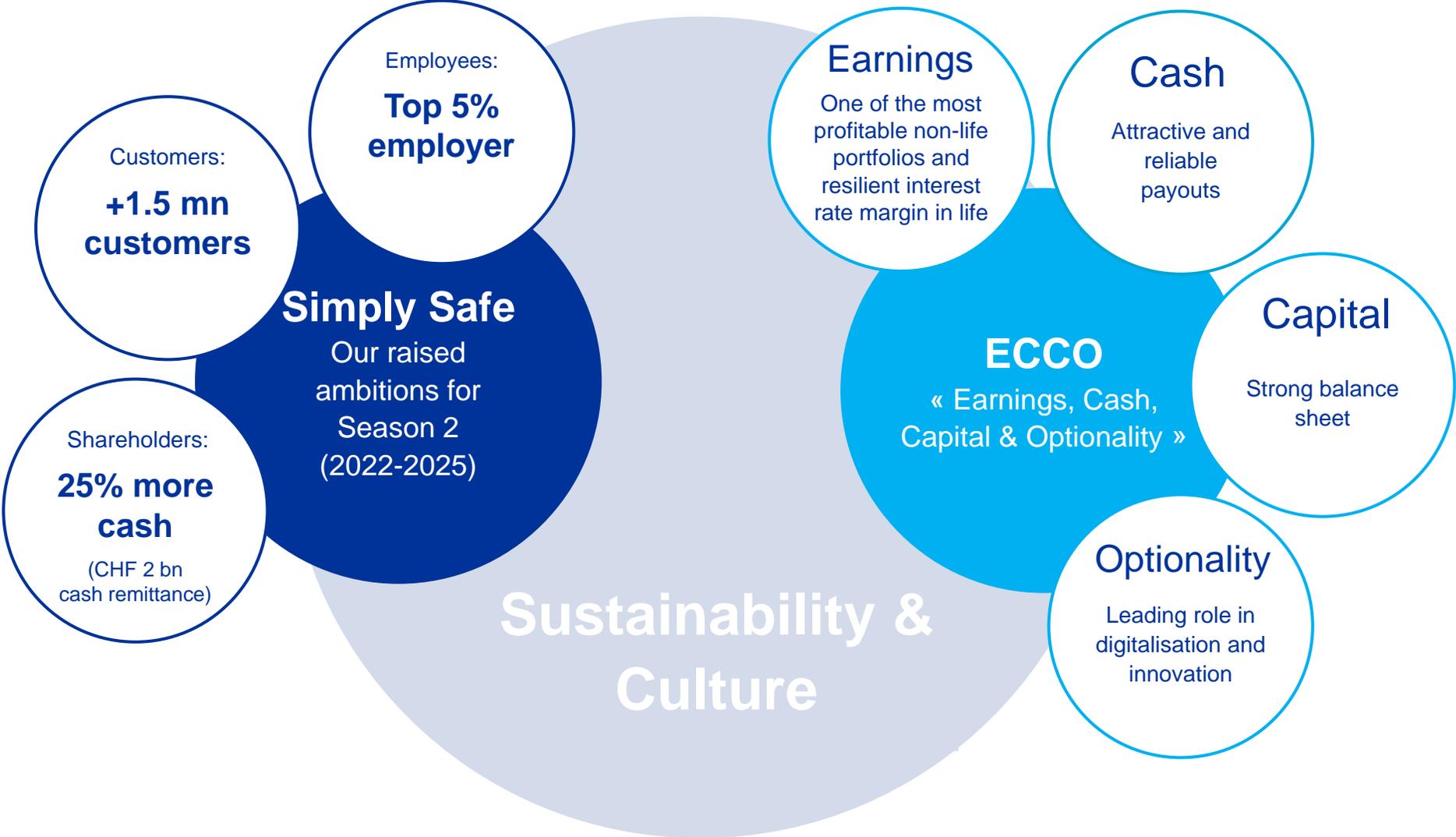
**Very well capitalized:** The Swiss Solvency Test (SST) ratio is estimated to be around 200 per cent in Q3 2021. Standard & Poor's confirmed its rating of A+.

## Optionality

**At the forefront of innovation:** We expect our innovations to have generated annual revenue of already more than CHF 70 mn in 2021, starting from zero in 2016.

# Key Investment Highlights and What Sets Us Apart

Strong focus on Cash and Value Creation for all our stakeholders



# Reporting Agenda

# Reporting Agenda and Contact Information

## Reporting Agenda

- › **Annual Financial Results 2021:**  
10 March 2022
- › **Publication of the Annual Report 2021:**  
29 March 2022
- › **Annual General Meeting 2022:**  
29 April 2022

## Contact Information

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