

Basle, 21 March 2007  
Meeting of Financial Analysts

**Annual Results 2006**

**Best Results Ever**



## Cautionary Statement Regarding Forward-Looking Information

**This presentation is made by the Baloise and may not be copied, altered, offered, sold or otherwise distributed to any other person by any recipient without the consent of the Baloise. This document is selective in nature and is intended to provide an overview of the business of the Baloise. Neither the Baloise nor any of its directors, officers, employees or advisors nor any other person make any representation or warranty as to the accuracy or completeness of the information contained in this presentation. Neither the Baloise nor any of its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation. This presentation may contain projections or other forward-looking statements related to the Baloise that involve risks and uncertainties. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. All forward-looking statements are based on information available to the Baloise on the date of its first public presentation in Switzerland and the Baloise assumes no obligation to update such statements unless otherwise required by applicable law. This presentation does not constitute an offer or invitation to subscribe for, or purchase, any shares of the Baloise.**

## Agenda

- |   |                        |
|---|------------------------|
| <b>1. Overview</b>                        | <b>Frank Schnewlin</b> |
| <b>2. Financial Results</b>               | <b>German Egloff</b>   |
| <b>3. Swiss Operations</b>                | <b>Martin Strobel</b>  |
| <b>4. Foreign Operations and Ambition</b> | <b>Frank Schnewlin</b> |

Annual Results 2006

# Overview

**Frank Schnewlin**  
CEO Baloise Group

# Highlights

**Our strategy works, we have superior results**

<b>CHF 707mn net profit</b>	Highest profit ever
<b>RoE of 15.3% delivered</b>	Target achieved two years in advance
<b>94.0% combined ratio net achieved</b>	<p>Strategy paying off:</p> <ul style="list-style-type: none"> <li>- Target customer management</li> <li>- Focus on quality before growth</li> </ul> <p>Absence of natural disasters</p>
<b>7.3% new business margin reached</b>	Profitability of life business further improved
<b>1.3% growth of business volume</b>	Higher unit-linked business volume
<b>CHF 3.80 dividend per share proposed</b>	73% higher than 2005, in line with net profit growth
<b>EPS accretion delivered</b>	AGM-proposal to cancel 2.4% of total shares

# Financial Highlights

## High contribution from non-life operations

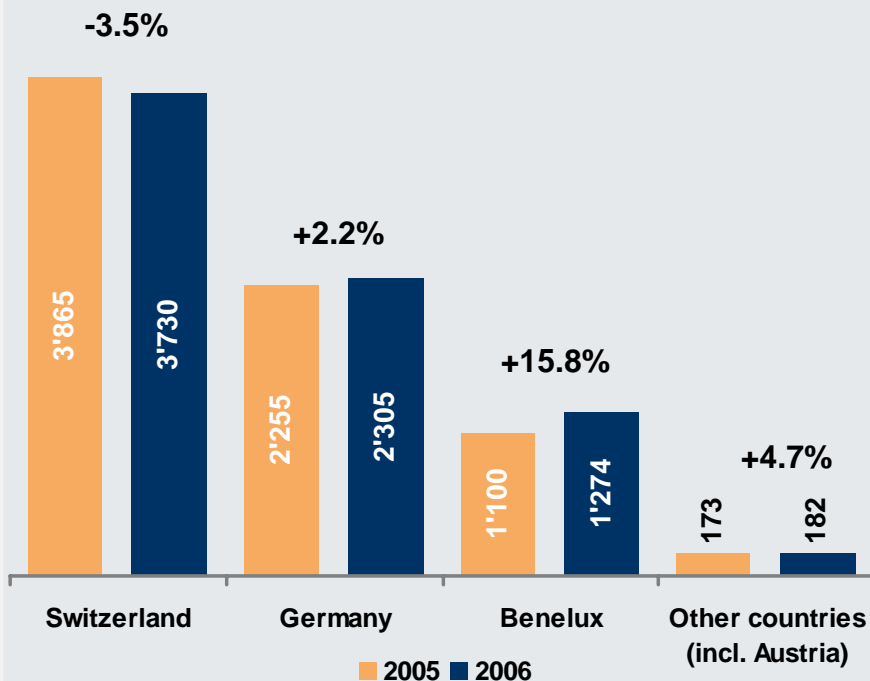
<i>in CHF mn</i>	2005	2006	+/-
<b>Business volume, incl. investment-type insurance products</b>	7,394	7,491	1.3%
<b>Gross premiums written</b>	6,839	6,717	-1.8%
<b>Earnings before interest &amp; tax (EBIT)</b>	529	941	77.9%
<i>non-life</i>	255	542	112.5%
<i>life</i>	149	246	65.0%
<i>banking</i>	77	64	-17.4%
<i>other activities</i>	48	89	86.3%
<b>Net profit</b>	404	707	75.2%
<b>Proposed dividend to AGM, CHF per share</b>	2.20	3.80	72.7%

# Financial Highlights

## High profit levels & regional diversification

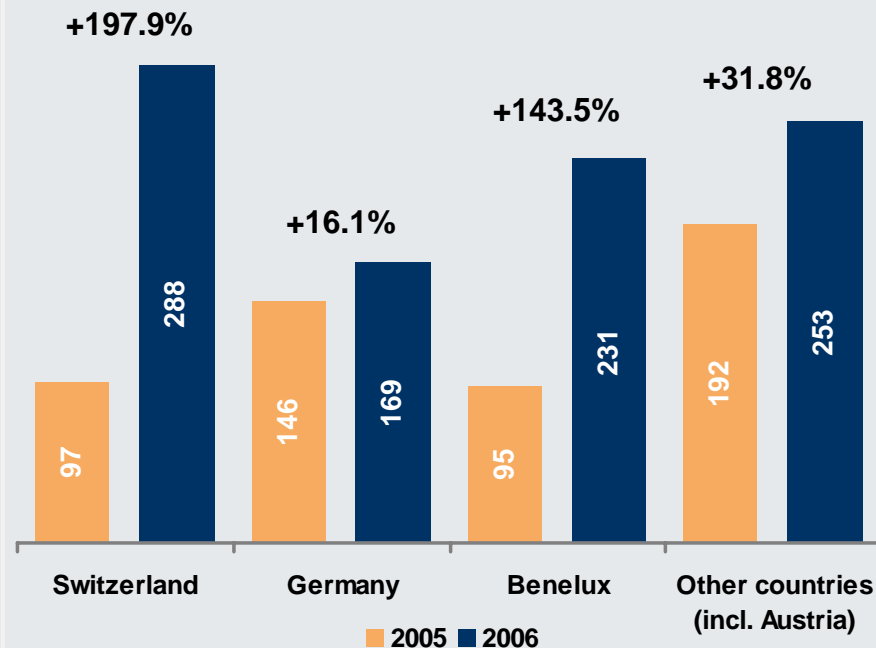
in CHF mn

### Business volume



in CHF mn

### EBIT



## Track Record 2006

We delivered on our targets

Targets set for 2006	What we achieved			Comments
Enhance operational earnings power	Net profit:	CHF 707mn +75.2%	✓	- Operational milestones - Adherence to asset management policy results in capital gains
Combined ratio, net: <100%	Combined ratio net:	94.0%	✓	- Customer management pays off - Absence of natural disasters
Life EBIT: further increase	EBIT	CHF 246mn +65.0%	✓	- Positive impact from higher interest rates in H1 partially reverted
Continued growth of unit-linked business	Unit-linked volume:	CHF 775mn +39.7%	✓	- Excellent sales figures in Luxembourg - Strong growth at Deutscher Ring
DR Bausparkasse: break-even by 2006	Net profit:	CHF 1.4mn	✓	-Restructuring finalized -Focus on sustainable profitability



Annual Results 2006

# Financial Results

**German Egloff**  
CFO Baloise Group

# Key Figures

## Best ever combined ratio

<i>in CHF mn</i>	2005	2006	+/-
<b>Total business volume</b>	<b>7,394</b>	<b>7,491</b>	1.3%
<b>Gross premiums written</b>	<b>6,839</b>	<b>6,717</b>	-1.8%
<b>Net income from investments <sup>1)</sup></b>	<b>2,060</b>	<b>2,297</b>	11.5%
<b>Average total investments</b>	<b>53,312</b>	<b>55,302</b>	3.7%
<b>Investment yield <sup>1)</sup></b>	<b>3.9%</b>	<b>4.2%</b>	0.3 pts
<b>Net profit</b>	<b>404</b>	<b>707</b>	75.2%
<b>Gross combined ratio</b>	<b>100.6%</b>	<b>90.2%</b>	-10.4 pts
<b>Net combined ratio</b>	<b>100.0%</b>	<b>94.0%</b>	-6.0 pts
<b>Embedded value</b>	<b>2,360</b>	<b>2,628</b>	
<b>New business margin</b>	<b>5.3%</b>	<b>7.3%</b>	
<b>Shareholders' equity</b>	<b>4,391</b>	<b>4,986</b>	13.6%
<b>Consolidated solvency <sup>2)</sup></b>	<b>291%</b>	<b>320%</b>	29 pts

1) Including costs, excluding movements in unrealized capital gains, excluding unit-linked assets

2) excluding banking

## Non-Life, Key Figures

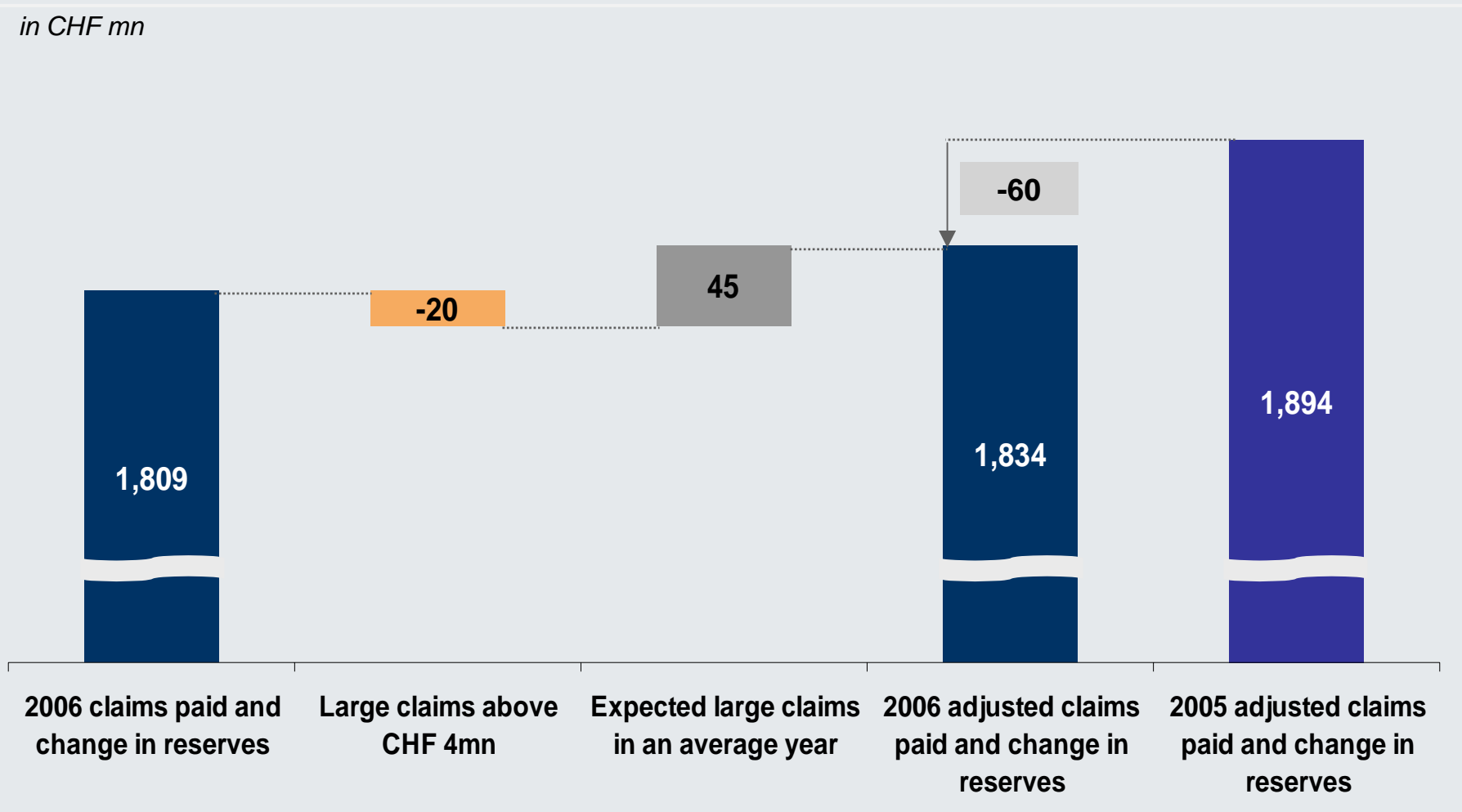
### Profit more than doubled

<i>in CHF mn</i>	2005	2006	+/-
<b>Gross premiums written</b>	<b>3,055</b>	<b>3,065</b>	0.3%
<b>Net income from investments</b>	<b>329</b>	<b>398</b>	21.2%
<b>Net claims incurred</b>	<b>-1,989</b>	<b>-1,809</b>	-9.0%
<b>Technical costs</b>	<b>-903</b>	<b>-916</b>	1.5%
<b>EBIT</b>	<b>255</b>	<b>542</b>	112.5%
<i>Loss ratio, gross</i>	70.5%	59.4%	-11.1 pts
<i>Expense ratio, gross</i>	29.7%	30.1%	0.4 pts
<i>Surplus sharing ratio</i>	0.4%	0.7%	0.3 pts
<b>Combined ratio, gross</b>	<b>100.6%</b>	<b>90.2%</b>	-10.4 pts

# Adjusted Loss Ratio Net







Underlying improvement: 2.5% of loss ratio

*in CHF mn*



# Non-Life, Technical Performance

All operations below 100%

	Basler Schweiz	Deutscher Ring	Basler Deutschland	Mercator	Baloise Luxembourg	Basler Österreich		Group
<i>gross</i>								
Loss ratio	62.0%	41.3%	61.8%	59.2%	51.1%	59.2%		59.4%
Expense ratio	24.5%	53.1%	30.3%	33.5%	38.5%	40.5%		30.1%
Surplus sharing ratio	1.3%	-	0.5%	0.0%	0.1%	-		0.7%
<b>Combined ratio 2006</b>	<b>87.8%</b>	<b>94.4%</b>	<b>92.6%</b>	<b>92.7%</b>	<b>89.7%</b>	<b>99.7%</b>		<b>90.2%</b>
<b>Combined ratio 2005</b>	<b>113.3%</b>	<b>94.5%</b>	<b>93.9%</b>	<b>94.1%</b>	<b>86.8%</b>	<b>103.7%</b>		<b>100.6%</b>
Change vs 2005 (in pts)	-25.5	-0.1	-1.3	-1.4	2.9	-4.1		-10.4

## Life, Key Figures

### Improved new business margin

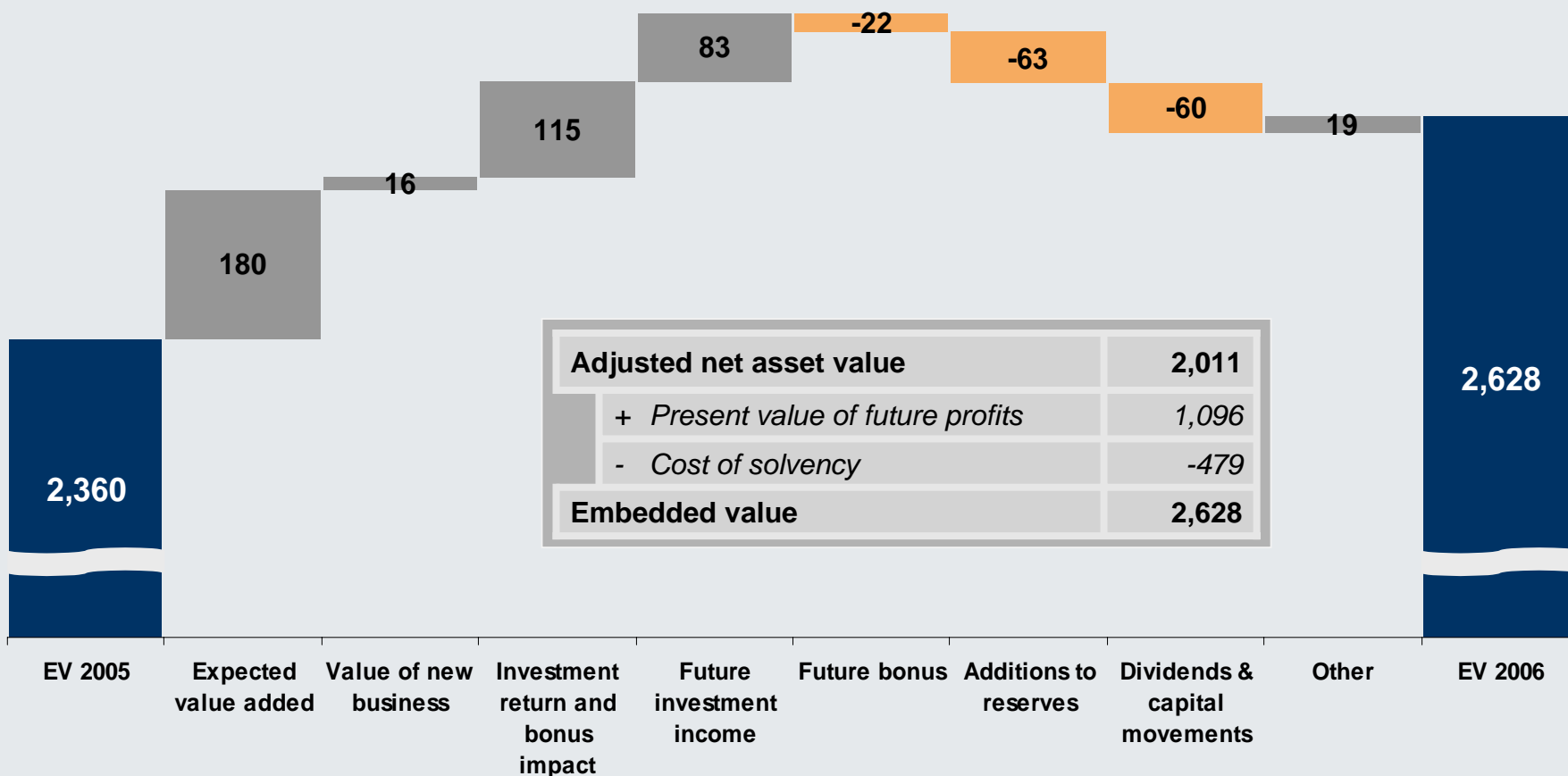
<i>in CHF mn</i>	2005	2006	+/-
<b>Business volume</b>	4,338	4,426	2.0%
<b>Gross premiums written</b>	3,784	3,651	-3.5%
<b>Investment-type premiums</b>	554	775	39.7%
<b>Net income from investments <sup>1)</sup></b>	1,711	1,769	3.4%
<b>Claims / benefits paid &amp; change in actuarial reserve</b>	-4,390	-4,101	-0.7%
<b>Surplus and profit allocations</b>	-287	-431	50.4%
<b>Technical costs</b>	-508	-504	-0.7%
<b>EBIT</b>	149	246	65.0%
<b>Embedded value</b>	2,360	2,628	
<b>Value of new business</b>	12	16	
<b>Annual premium equivalent</b>	225	217	
<b>New business margin</b>	5.3%	7.3%	

1) incl. unit-linked assets

# Change in Embedded Value

Return on embedded value of 13.9%

in CHF mn



## Life, Direct Yield and Guarantees

### Positive spreads

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

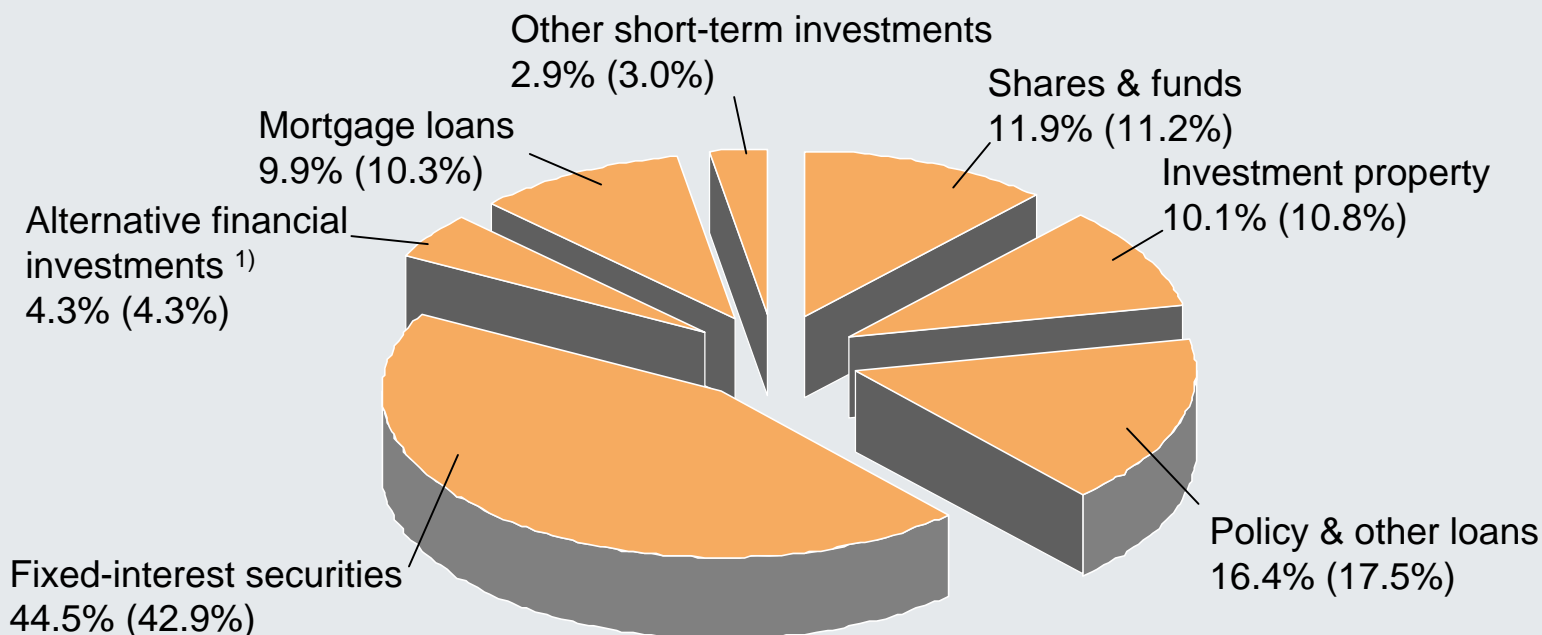
2005	CH	EU	Total
<b>Direct yield</b> <i>(relative to average actuarial reserves, excl. realizations)</i>	2.7%	4.0%	3.2%
<b>Average guaranteed rate of return</b>	2.5%	3.0%	2.7%
<b>Margin</b>	0.2%	1.0%	0.5%



# Asset Allocation Insurance

## Equity exposure in line with policy

excluding assets from investment-type insurance contracts, ()= 2005



**Equity & equity related investments: 14.5% (13.9%)**

**Total : CHF 50,742 mn (2005: CHF 48,694 mn)**

1) Private equity and hedge funds

## Investment Yield

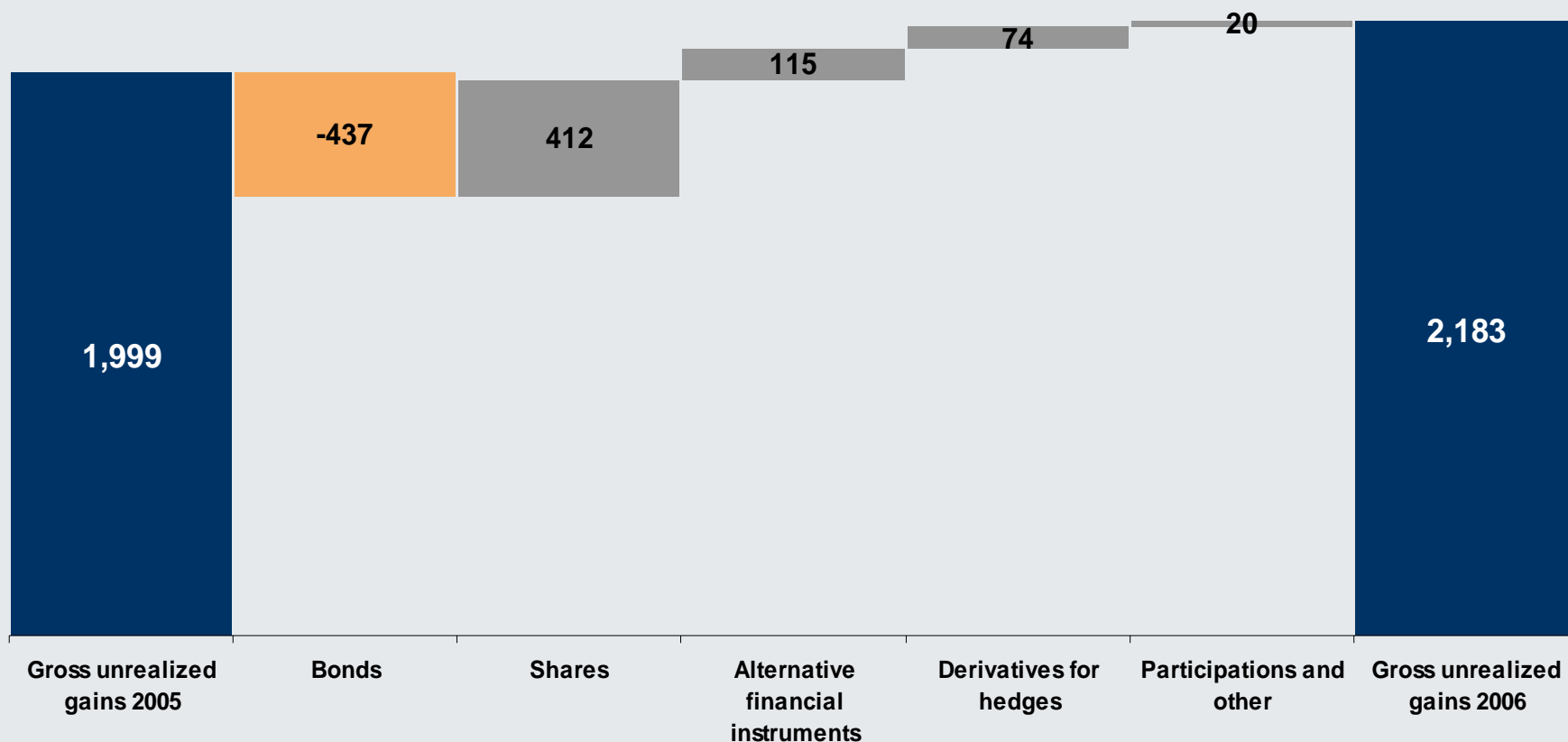
Higher but not excessive realizations

<i>in CHF mn, excluding income on investment-type insurance contracts</i>	Non-life			Life		
	2005	2006	+/-	2005	2006	+/-
<b>Recurring gross income</b>	<b>283</b>	<b>297</b>	4.9%	<b>1,351</b>	<b>1,368</b>	1.3%
<b>Investment expenses</b>	<b>-19</b>	<b>-20</b>	1.5%	<b>-68</b>	<b>-74</b>	7.8%
<b>Realized gains / losses net</b>	<b>65</b>	<b>122</b>	86.2%	<b>235</b>	<b>353</b>	50.6%
<i>fixed interest securities</i>	40	5	-87.4%	120	76	-36.5%
<i>shares</i>	79	117	47.3%	219	313	42.8%
<i>other</i>	-54	-0	-99.1%	-104	-36	-65.5%
<b>Total net income from investments</b>	<b>329</b>	<b>398</b>	21.2%	<b>1,517</b>	<b>1,648</b>	8.6%
<b>Average investments</b>	<b>8,658</b>	<b>9,125</b>	5.2%	<b>39,238</b>	<b>40,592</b>	3.5%
<b>Investment yield</b>	<b>3.8%</b>	<b>4.4%</b>		<b>3.9%</b>	<b>4.1%</b>	

# Gross Unrealized Capital Gains

## Equity markets drive unrealized gains

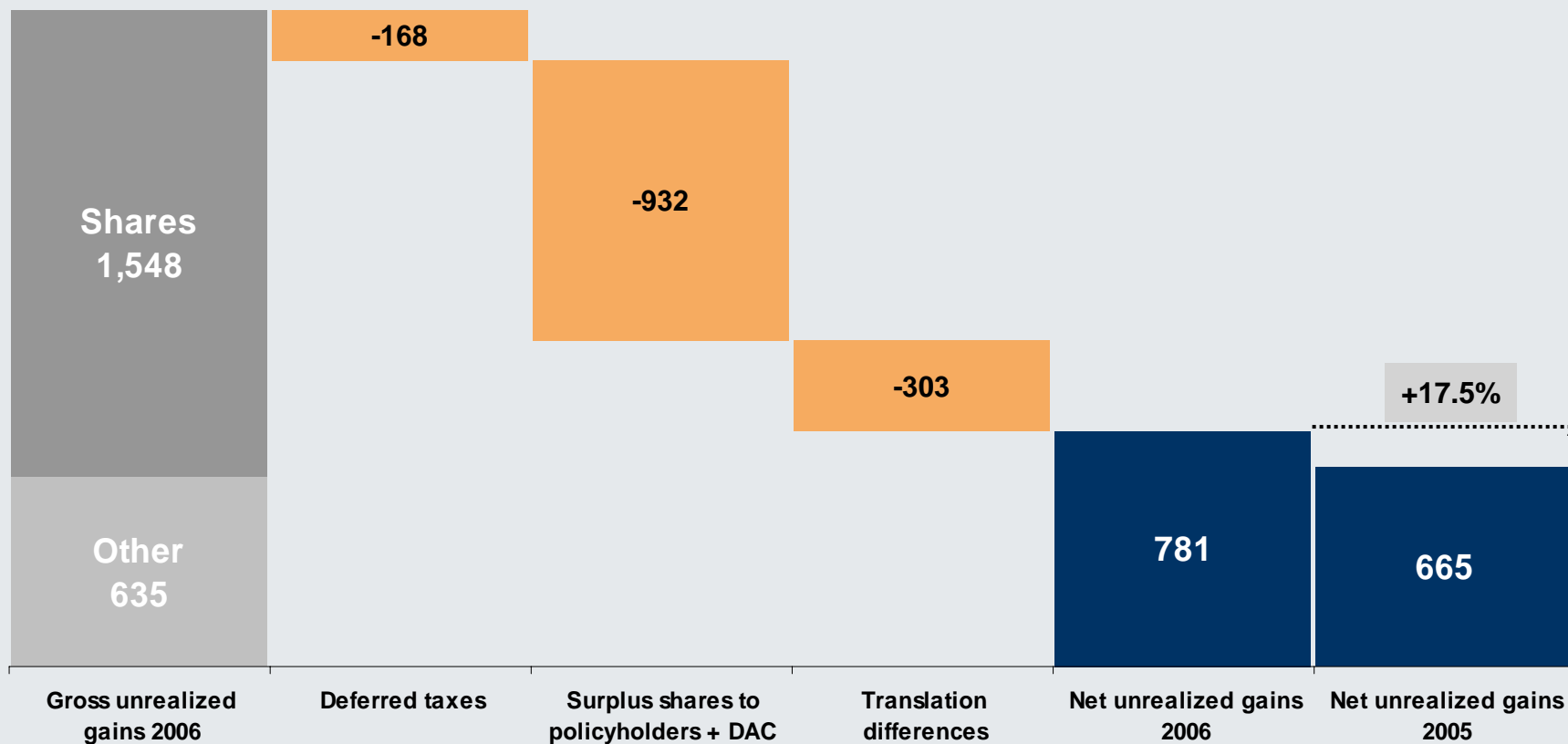
*in CHF mn*



# Net Unrealized Capital Gains

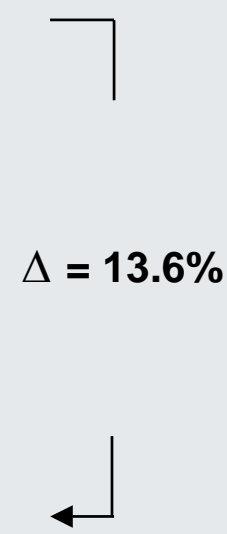
## A comfortable cushion

*in CHF mn*



## Shareholders' Equity

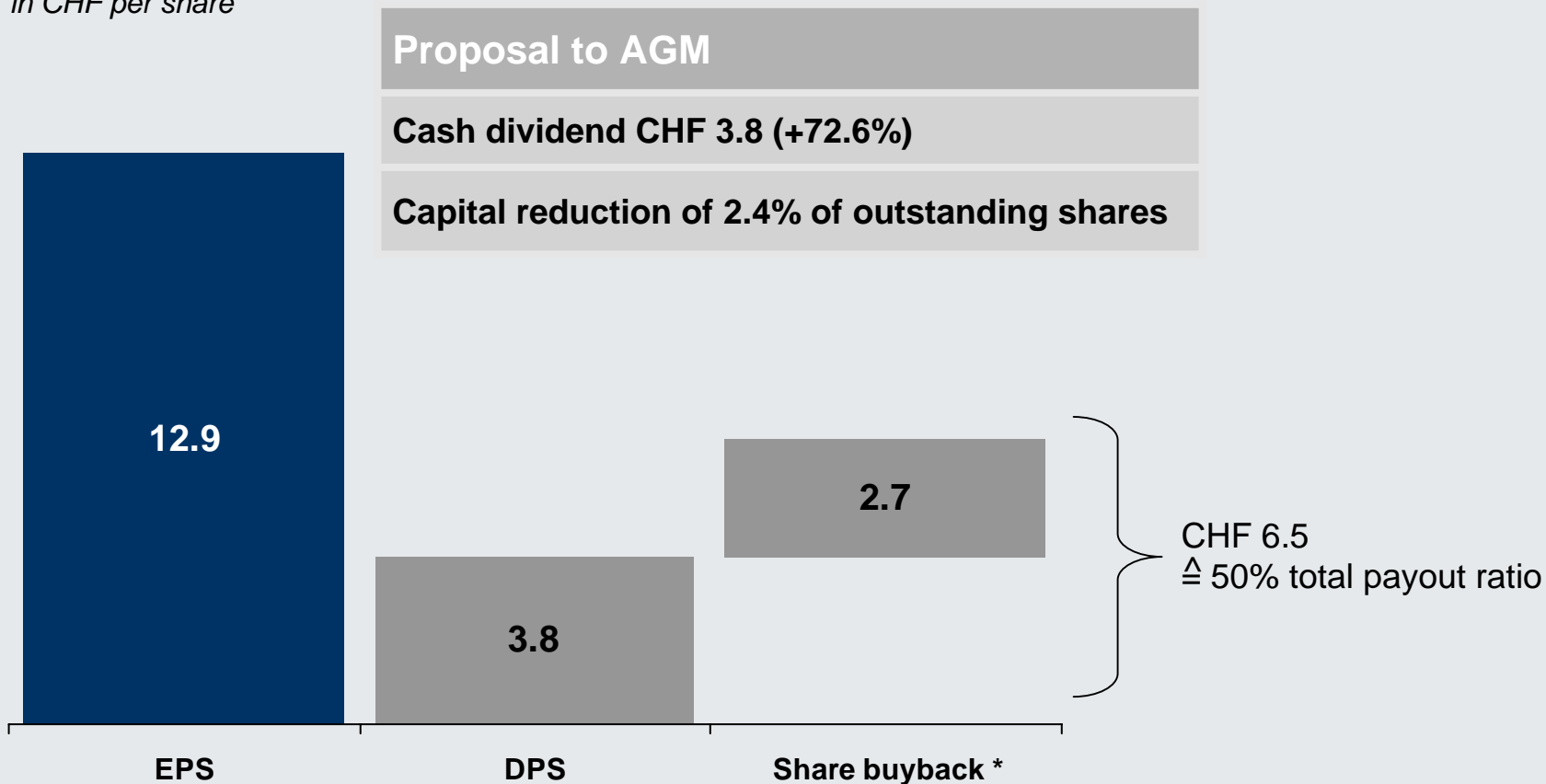
### Net profit boosts shareholders' equity

<i>in CHF mn</i>	2006	
<b>Shareholders' equity at January 1 (including minorities)</b>	<b>4,391</b>	
<i>Change in net unrealized gains and losses</i>	116	
<i>Dividends</i>	-130	
<i>Net profit</i>	707	
<i>Purchase / sale of treasury stock</i>	-102	
<i>Change in minority interests</i>	5	
<b>Shareholders' equity at December 31 (including minorities)</b>	<b>4,986</b>	
<b>Return on equity</b>	<b>15.3%</b>	

# Payout

## Total payout 50%

*in CHF per share*



\* Share buyback based on time-weighted outstanding shares 2006 (54,086,516 shares)

Annual Results 2006

# Swiss Operations

**Martin Strobel**  
CEO Switzerland

# Switzerland

## Profitability ranks first

<i>in CHF mn</i>		2005	2006	+/-
<b>Business volume, incl. investment-type insurance products</b>		<b>3,865</b>	<b>3,730</b>	<b>-3.5%</b>
<b>Gross premiums written</b>		<b>3,819</b>	<b>3,694</b>	<b>-3.3%</b>
	<i>non-life</i>	1,287	1,281	-0.5%
	<i>life</i>	2,532	2,414	-4.7%
<b>EBIT</b>		<b>97</b>	<b>288</b>	<b>197.9%</b>



## CH: Track Record 2006 (1/2)

An excellent year!

Targets set for 2006	What we achieved		Comments
<b>Further improvement of profitability:</b>			
Non-life	Combined ratio, gross: 87.8%	✓	<ul style="list-style-type: none"> <li>- Customer management yields results</li> <li>- Competitive environment becomes tougher</li> <li>- Benign claims environment</li> </ul>
Life	EBIT life: CHF 81mn (0.0%)	✓	<ul style="list-style-type: none"> <li>- Positive influence of interest rates, equity markets and currencies</li> <li>- Higher allocation to policyholders</li> </ul>
Baloise Bank SoBa	Net profit (local GAAP): CHF 30mn (35.5%)	✓	<ul style="list-style-type: none"> <li>- Further growth in target segments</li> <li>- Improvement of efficiency and further reduction of risk costs</li> </ul>

## CH: Track Record 2006 (2/2)

### Baloise Bank SoBa with pleasing figures

Targets set for 2006	Where we achieved		Comments
<b>Premium growth</b>			
Non-life: 1-2%	GWP non-life:	-0.5%	x - Premium decline in non target segments
Life: in line with market	GWP life:	-4.7%	✓ - Low interest rates still a drag for individual business sales
<b>Baloise Bank SoBa: RoE &gt; 10%</b>	RoE:	10.1% / 12.7% <sup>1)</sup>	✓ - Pleasing profitability - Steady improvement of cost income ratio
<b>Focused financial services provider: higher volume</b>	New business distribution volume:	463mn (7.1%)	✓ - Baloise Bank SoBa is one of the fastest growing banks in Switzerland

1) Including contribution from focused financial services provider

## CH: Non-Life

### Tremendous technical improvement

<i>in CHF mn</i>		2005	2006	+/-
<b>Gross premiums written</b>		1,287	1,281	-0.5%
<b>Net income from investments</b>		144	149	3.3%
<b>Claims incurred net</b>		-862	-739	-14.3%
<b>Technical costs</b>		-306	-312	2.1%
<b>EBIT</b>		-34	118	(-)
	<i>Loss ratio, gross</i>	88.4%	62.0%	-26.4 pts
	<i>Expense ratio, gross</i>	24.1%	24.5%	0.4 pts
	<i>Surplus sharing ratio</i>	0.8%	1.3%	0.5 pts
<b>Combined ratio, gross</b>		113.3%	87.8%	-25.5 pts

## CH: Life

### Higher return shared with policyholders

<i>in CHF mn</i>	2005	2006	+/-
<b>Gross premiums written</b>	2,532	2,414	-4.7%
<b>Investment-type premiums</b>	46	36	-21.0%
<b>Net income from investments</b>	667	726	8.9%
<b>Claims / benefits paid &amp; change in actuarial reserve</b>	-2,835	-2,705	-4.6%
<b>Surplus and profit allocations</b>	-50	-126	152.9%
<b>Technical costs <sup>1)</sup></b>	-201	-181	-9.6%
<b>EBIT</b>	81	81	(-)
<b>Embedded value</b>	1,974	2,242	
<b>Value of new business</b>	8	11	
<b>Annual premium equivalent</b>	118	106	
<b>New business margin</b>	6.5%	10.2%	

1) see technical income statement

## CH: Group Life with Legal Quote

### Legal quote excelled

*in CHF mn, in accordance with statutory financial statements*

Group life CH, statutory financial statement		2006
	<i>Result of savings process</i>	71
	<i>Result of risk process</i>	41
	<i>Result of cost process</i>	-15
<b>Gross result for business subject to legal quote</b>		<b>97</b>
	<i>Strengthening of reserves</i>	-33
	<i>Allocation to provisions for future policyholder bonuses</i>	-23
<b>Operating result for business subject to legal quote</b>		<b>41</b>

Derivation of legal quote group life CH		2006	
<b>Gross income from business subject to legal quote</b>		<b>523</b>	100%
<b>Insurance benefits paid in business subject to legal quote</b>		<b>482</b>	92%

## CH: Direct Yield and Guarantees

### Positive spread in individual life

2006	Individual life	Group life	Total life CH
<b>Direct yield</b> <i>(relative to average actuarial reserves, excl. realizations)</i>	2.7%	2.7%	2.7%
<b>Average guaranteed rate of return</b>	2.5%	2.4%	2.5%
<b>Margin</b>	0.2%	0.3%	0.2%
2005	Individual life	Group life	Total life CH
<b>Direct yield</b> <i>(relative to average actuarial reserves, excl. realizations)</i>	2.6%	2.7%	2.7%
<b>Average guaranteed rate of return</b>	2.6%	2.4%	2.5%
<b>Margin</b>	0.0%	0.3%	0.2%

## Baloise Bank SoBa

### Return ambition fulfilled

<i>in CHF mn, local GAAP</i>	2005	2006	+/-
<b>Net interest income</b>	83	86	2.8%
<b>Net commission and fee income</b>	23	25	5.7%
<b>Net trading income</b>	4	4	9.8%
<b>Gross profit</b>	40	45	12.1%
<b>Net profit</b>	22	30	35.5%
<b>Cost / income ratio</b>	63.9%	60.9%	-3.0 pts
<b>TIER 1 ratio</b>	10.1%	10.3%	0.2 pts
<b>RoE</b>	7.0% / 9.0% <sup>1)</sup>	10.1% / 12.7% <sup>1)</sup>	3.1 / 3.7 pts
<b>Risk weighted assets</b>	3,016	3,003	-0.5%

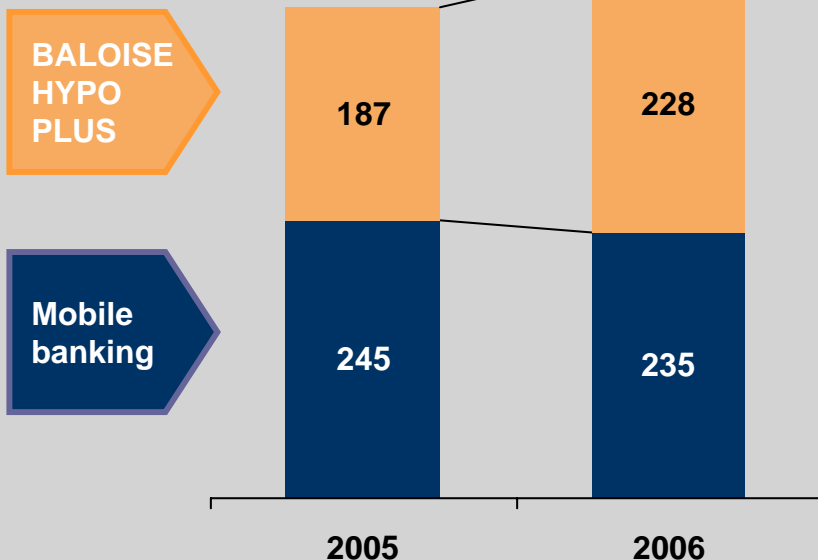
1) Including contribution from focused financial services provider

# Focused Financial Services

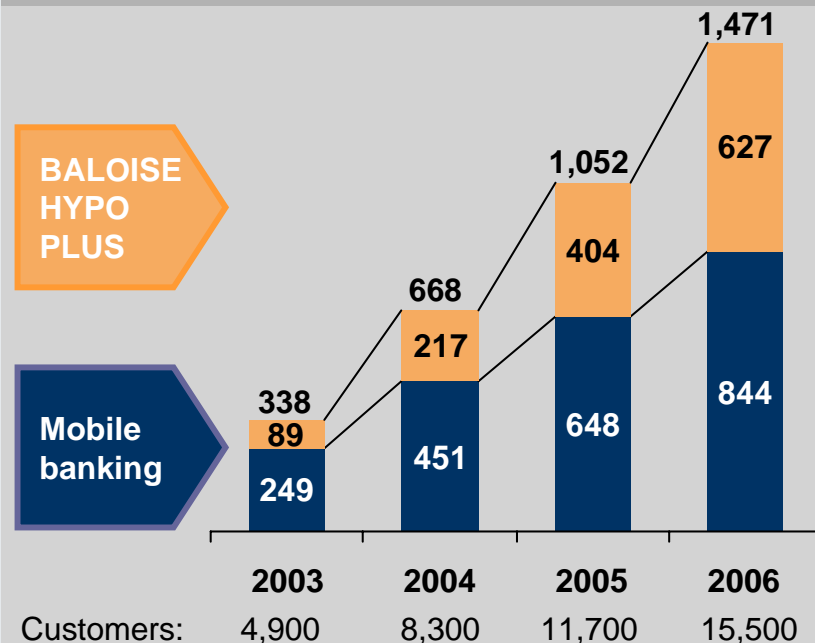
## Proven platform for growth

New business distribution volume <sup>1)</sup>  
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 Management

## Our key strategic initiative

### Customer value model <sup>1)</sup>

	% of customers	Attractiveness
<b>A</b>	16%	+++
<b>B</b>	37%	++
<b>C</b>	46%	+
<b>D</b>	<1%	---

### Target customer management

- 360 degree customer view and advice
- Cross- and up-selling campaigns
- Retention programs
- Alignment of distribution management
- Incentivation of tied agent network
- Adjust product pricing for target customers

### C-Customers

- Efficient servicing
- Develop C customers to target customers

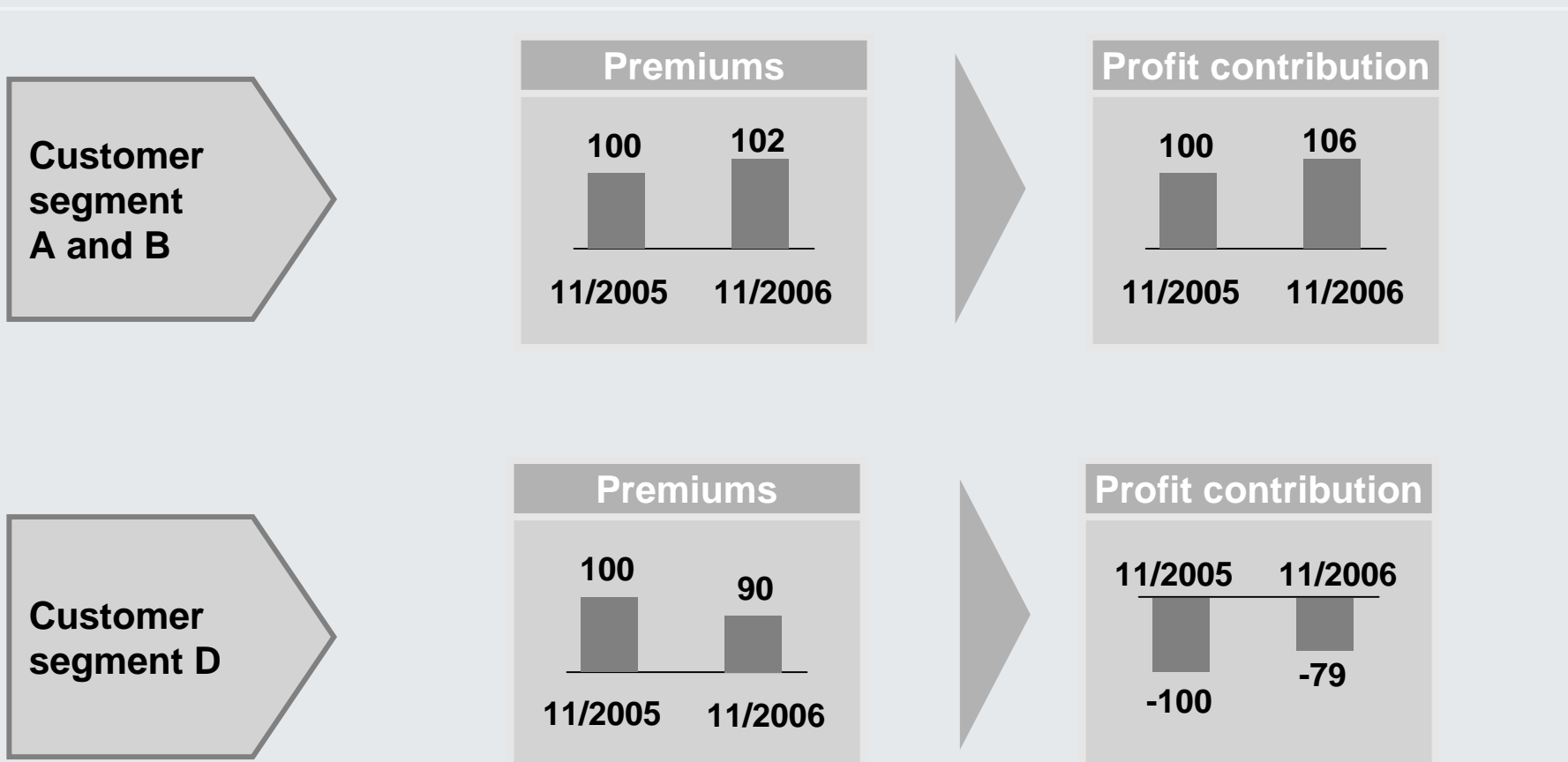
### D-customers

- Re-underwriting with customer perspective

1) Comprises retail and SME customers; industry customers not included in customer value model

# Target Customer Segments

## Rapid growth



Note: Customer value view and IFRS-perspective are not entirely comparable

## Other OPEX Performance Drivers

### Significant progress

Objectives	Status
<b>Customer focus</b> <ul style="list-style-type: none"> <li>▪ Focus on high value target customers</li> <li>▪ Optimization non-profitable customers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Above market, profitable growth in target customer segments</li> <li>▪ Pilot “Efficient C customer handling” successful</li> <li>▪ Decrease of losses in D customer segment</li> </ul>
<b>Sales profitability</b> <ul style="list-style-type: none"> <li>▪ Increase in sales productivity</li> <li>▪ Value focused broker channel mgmt.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sales productivity increased by 10% in 2006; incentive scheme aligned more strongly to target customer management in January 2007</li> <li>▪ Strong, profitable growth in target broker segments</li> </ul>
<b>Profitable products</b> <ul style="list-style-type: none"> <li>▪ Non-life: Improvement of claims processing, risk-based pricing and re-underwriting process</li> <li>▪ Improvement of life profitability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Optimized claim management with strong profit contribution</li> <li>▪ Product pricing further refined; adapted to target customer management</li> <li>▪ Re-underwriting further pushed and automated</li> <li>▪ New business margin, return on embedded value and IFRS result improved</li> <li>▪ New unit-linked product will be launched in 2007</li> <li>▪ First customers signed with TRIGONA</li> </ul>
<b>Efficiency</b> <ul style="list-style-type: none"> <li>▪ Optimize processes</li> </ul>	<ul style="list-style-type: none"> <li>▪ New IT systems in individual and group life led to process improvements</li> <li>▪ B2B connection in group life operational by mid 2007</li> </ul>

# Ambition

## Ambition 2007 <sup>1)</sup>

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▪ <b>Business growth in line with market by growing above market in target segments</b></li> </ul> |   |
| <ul style="list-style-type: none"> <li>▪ <b>Profitability non-life</b></li> </ul>   | <b>Combined ratio gross well below 100%</b> |
| <ul style="list-style-type: none"> <li>▪ <b>Profitability life</b></li> </ul>   | <b>Further operational improvement</b>      |
| <ul style="list-style-type: none"> <li>▪ <b>Profitability financial services provider</b></li> </ul>                                      | <b>RoE Baloise Bank SoBa &gt; 10%</b>       |

1) Subject to unexpected market or claims development

Annual Results 2006

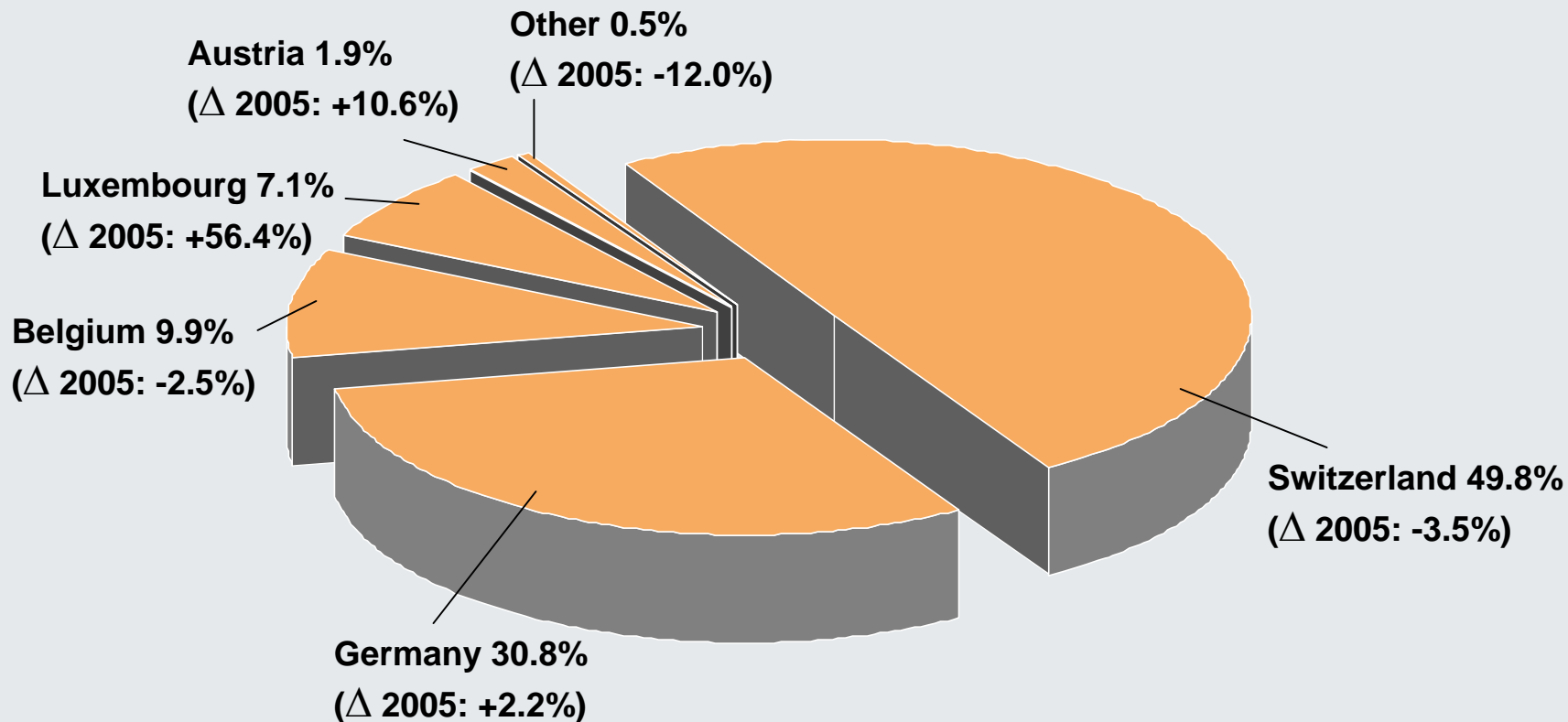
## Foreign Operations and Ambition

**Frank Schnewlin**  
CEO Baloise Group

# Breakdown of Business Volume

## Half of business from foreign operations

( )= %-change in business volume



## Germany

### Excellent technical profitability

<i>in CHF mn</i>	DR NL	DR L	Basler NL	Basler L
Gross premiums written	215 (0.5%)	815 (-2.9%)	842 (0.9%)	222 (-0.4%)
Investment-type premiums		209 (45.6%)		3 (83.3%)
EBIT	36 (58.5%)	2 (-81.1%)	70 (12.2%)	23 (249.0%)

- Deutscher Ring (DR):**
- Profitable growth of 46% <sup>1)</sup> in unit-linked premiums
  - Launch of Riester product in 2007
  - Moneymaxx successfully repositioned; more profitable than expected
  - IPO of OVB
  - Restructuring of Bausparkasse completed
- Basler:**
- Excellent combined ratio gross of 92.6%
  - Focus on private and SME clients, marine and technical insurance
  - Target customer / target broker management introduced 2006
  - Efficient claims and service organization implemented

1) Including contribution from Moneymaxx which was acquired in 2005 and for the first time fully consolidated in 2006

## Belgium

Once more with significant profit contribution

<i>in CHF mn</i>	Non-Life	Life
<b>Gross premiums written</b>	<b>542 (0.4%)</b>	<b>118 (0.1%)</b>
<b>Investment-type premiums</b>		<b>79 (-21.1%)</b>
<b>EBIT</b>	<b>134 (86.1%)</b>	<b>47 (453.8%)</b>

- Excellent combined ratio gross of 92.7%
- Focus on target broker management with strong new business growth
- Risk adjusted pricing and tariffs result in excellent technical profitability
- Re-underwriting of SME-business impacted non-life top-line growth
- Drop in life volume caused by decrease in new business production owing to new tax introduced in January 2006 and ending of distribution agreement with Record Bank
- Cost efficiency improved by centralization of administrative tasks (Gent)
- Extraordinary capital gains from realizations on financial participations and real estate holdings



## Luxembourg

### Growth pattern maintained

<i>in CHF mn</i>	Non-Life	Life
<b>Gross premiums written</b>	<b>48 (11.3%)</b>	<b>43 (23.1%)</b>
<b>Investment-type premiums</b>		<b>444 (68.2%)</b>
<b>EBIT</b>	<b>3 (-12.2%)</b>	<b>6 (17.9%)</b>

- Non-life growth once again significantly above market
- Unit-linked production at full speed – CHF 444mn
- Expansion of unit-linked business model into new markets
- New general agents – continuation of strong profitable non-life growth pattern assured
- Cooperation with brokers massively enhanced
- PolyCARE: above average, profitable non-life growth thanks to scoring (premiums earned +106%, combined ratio gross 90.8%)
- Market position in group life business significantly strengthened
- Acquisition of Winterthur Europe Vie will further enhance competitive position in investment type insurance products

## Austria (incl. Croatia)

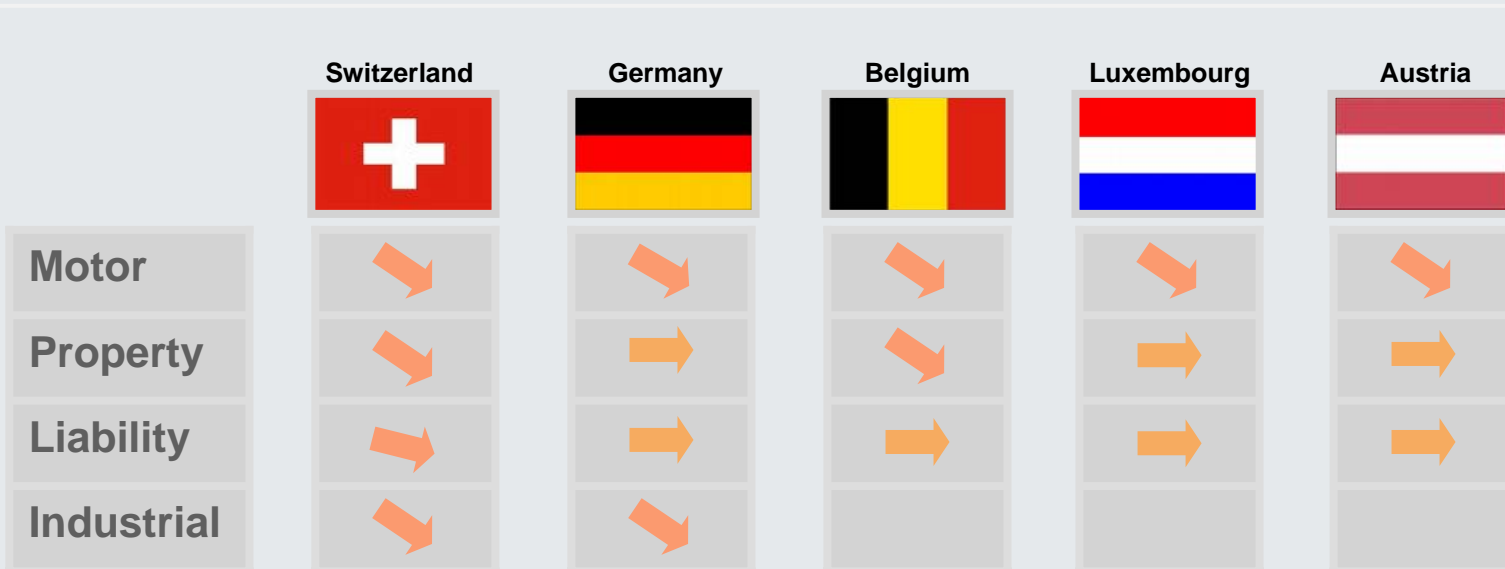
Combined ratio target of <100% achieved

<i>in CHF mn</i>	Non-Life	Life
<b>Gross premiums written</b>	<b>98 (6.9%)</b>	<b>40 (9.0%)</b>
<b>Investment-type premiums</b>		<b>4 (-)</b>
<b>EBIT</b>	<b>4 (27.4%)</b>	<b>1 (197.0%)</b>

- Non-life growth double market growth
- Combined ratio gross 99.7% i.e. below 100% despite natural disasters (heavy damage from snow in spring 2006)
- Strong profitable growth in target customer segments
- Further expansion of distribution capacity
- Strong organic growth in Croatia and preparation of market entry in Serbia

# Pricing Environment

## Fiercer competition for new business



- We continue to place profitability before growth
- Our ambition is to improve the profitability of our business relative to market
- With our customer value approach, which aims at increasing market share in profitable segments, we will succeed

## Ambition

**Assuming ongoing favorable market conditions: return on equity at least 15% and a combined ratio in the non-life business of well below 100%**

**Continuous increase of earnings per share**

### Growth

- Overall business growth in line with market average
- Above-average growth in high-value target segments, including unit-linked life insurance
- Focus on organic growth and targeted acquisitions in existing markets in continental Europe

Annual Results 2006

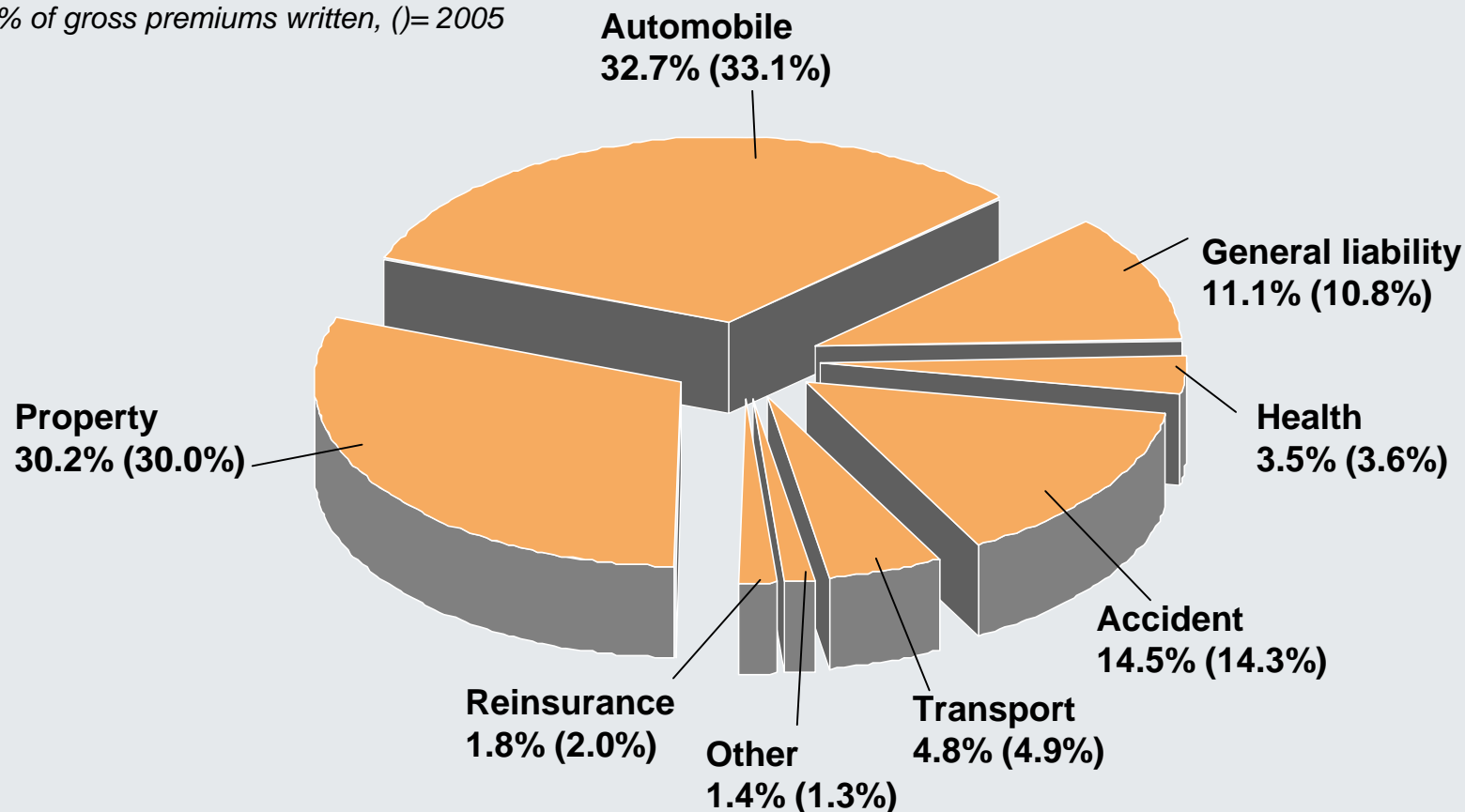
**Q & A**

Annual Results 2006

# Appendix

## Non-Life, Business Mix

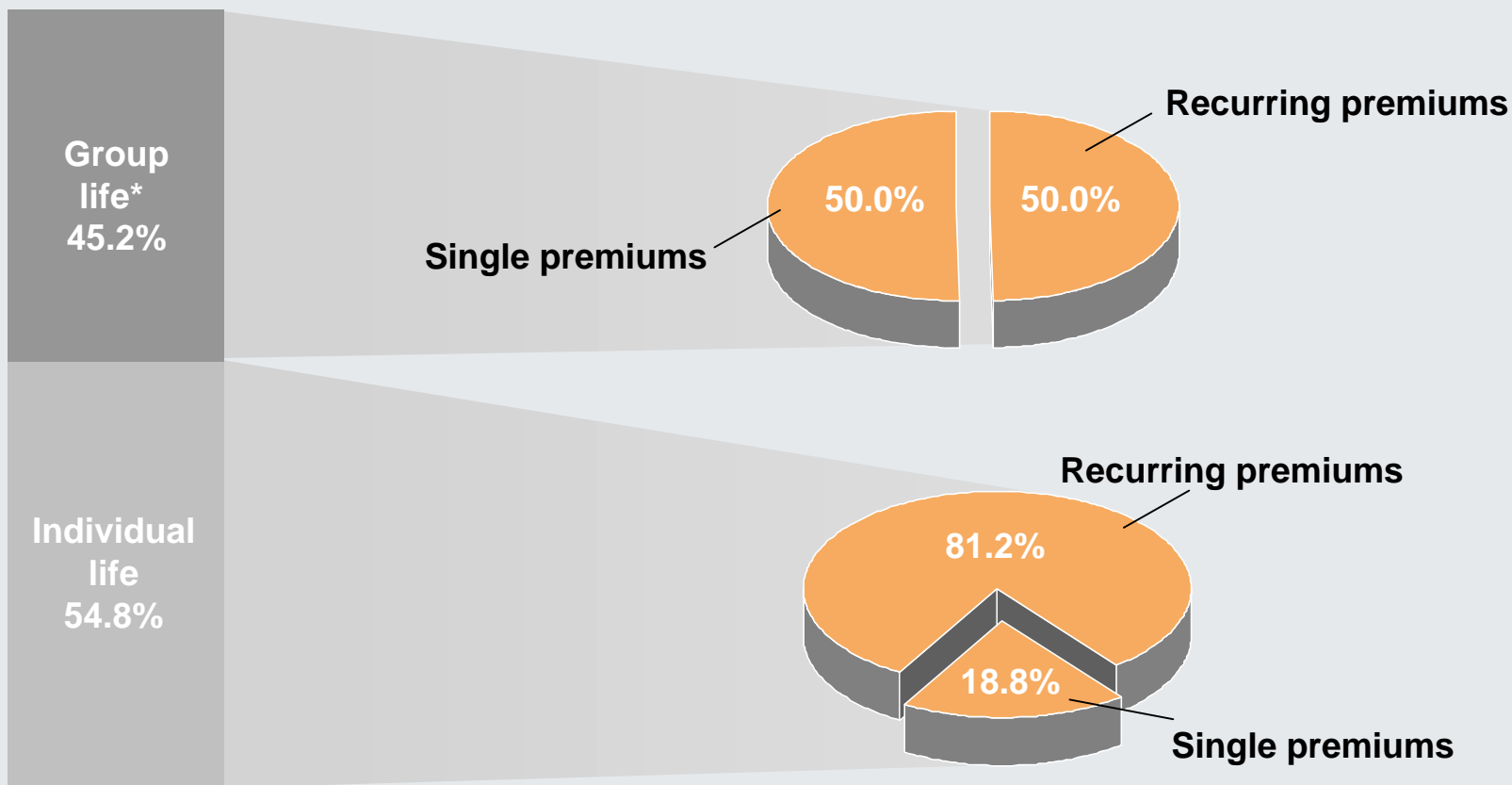
in % of gross premiums written, (=) = 2005



Gross written premiums non-life: CHF 3'065mn

# Life, Business Mix

*in % of gross premiums written*

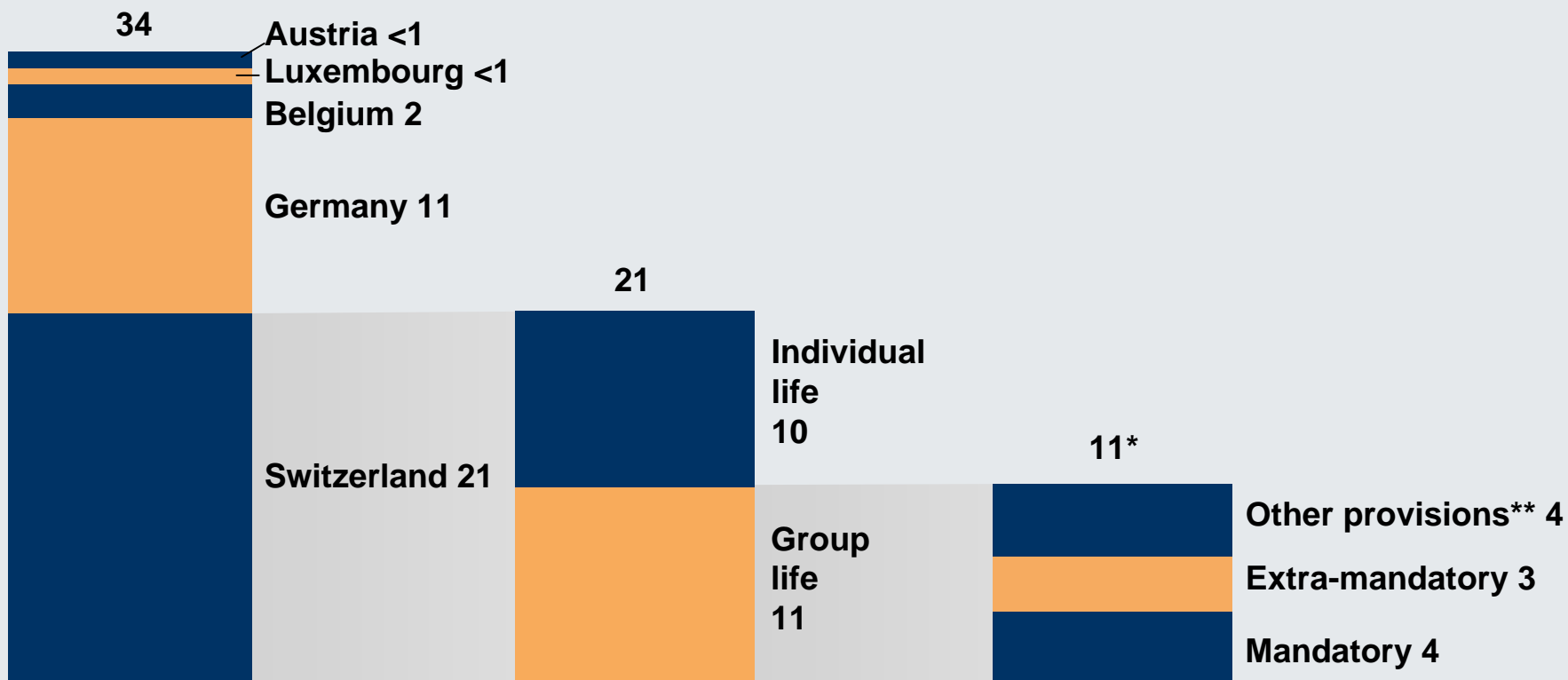


\* Swiss Group life business only



# Breakdown of Actuarial Reserve Life

gross, in CHF bn



\* local GAAP

\*\* provisions for annuities, mortality, disability, inflation

## CH: Group Life

### Operating result

*in CHF mn, in accordance with statutory financial statements*

<b>Group life operating result</b>	<b>2006</b>
<i>Premium income (earned)</i>	1,725
<i>Insurance benefits paid</i>	-1,527
<i>Change in insurance reserves incl. strengthening of reserves</i>	-365
<i>Acquisition and administrative costs</i>	-97
<i>Net investment income</i>	387
<i>Reinsurance result</i>	3
<i>Surplus allocated to bonus reserves</i>	-72
<b>Operating result for group life business</b>	<b>54</b>

## CH: Group Life

### Investment performance

*in CHF mn, in accordance with statutory financial statements*

<b>Group life investment performance</b>	<b>2006</b>	
<b>Net investment income</b>		<b>387</b>
	<b>Book value</b>	<b>Market value</b>
<b>Investment portfolio at beginning of financial year</b>	<b>11,319</b>	<b>12,247</b>
<b>Investment portfolio at end of financial year</b>	<b>11,787</b>	<b>12,682</b>
<b>Return on book value</b>		<b>3.4%</b>
<b>Return on market value</b>		<b>2.8%</b>

## CH: Group Life

### Business subject to legal quote

*in CHF mn, in accordance with statutory financial statements*

Group life CH, statutory financial statement	2006
<i>Result of savings process</i>	71
<i>Result of risk process</i>	41
<i>Result of cost process</i>	-15
<b>Gross result for business subject to legal quote</b>	<b>97</b>
<i>Strengthening of reserve</i>	-33
<i>Allocation to provisions for future policyholder bonuses</i>	-23
<b>Operating result for business subject to legal quote</b>	<b>41</b>

## CH: Group Life

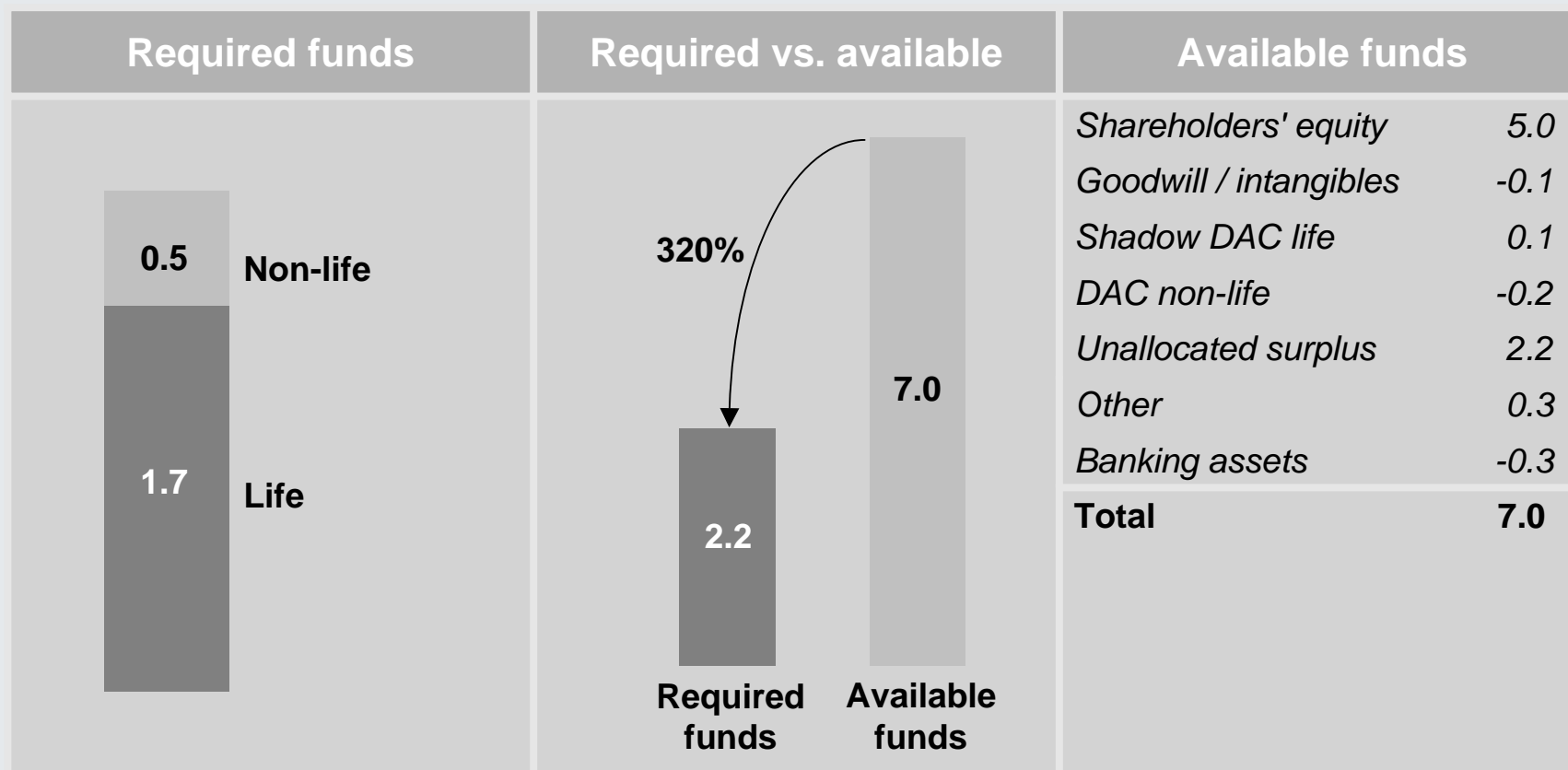
### Derivation of legal quote

*in CHF mn, in accordance with statutory financial statements*

	2006	
<i>Gross income from business subject to legal quote</i>	523	<b>100%</b>
<i>Insurance benefits paid in business subject to legal quote</i>	-482	<b>92%</b>
<b>Operating result for business subject to legal quote</b>	<b>41</b>	
<i>Operating result for business not subject to legal quote</i>	13	
<b>Operating result for group life business</b>	<b>54</b>	

# Solvency (excluding banking)

in CHF bn



## Embedded Value Split

	2005		2006	
	CH	EU	CH	EU
<i>ANAV</i>	1,474	348	1,756	320
<i>+ PVFP</i>	873	200	862	234
<i>- CoS</i>	-373	-102	-376	-103
<b>Embedded value</b>	<b>1,974</b>	<b>446</b>	<b>2,242</b>	<b>451</b>

Key assumptions 2006	CH	EU
<b>Risk discount rate</b>	<b>7.5%</b>	<b>8.3%</b>
<b>Bond yields <sup>1)</sup></b>	<b>2.65%</b>	<b>4.0%</b>
<b>Return on shares</b>	<b>7.0%</b>	<b>8.0%</b>
<b>Return on investment property</b>	<b>4.75%</b>	<b>5.2%</b>

1) Flat yield curve

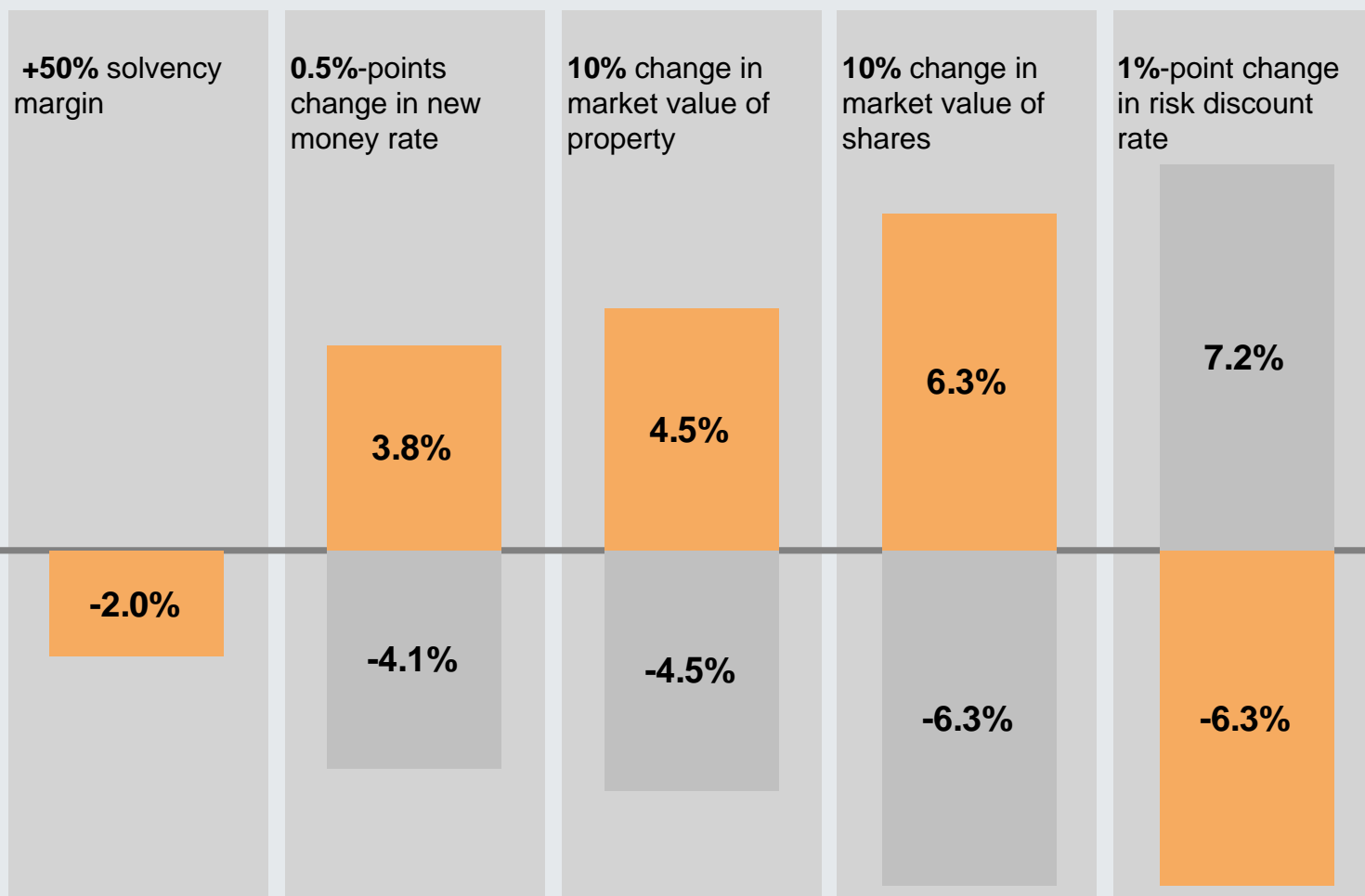
## New Business Margin

*in CHF mn*

	2005		2006	
	CH	EU	CH	EU
<b>Embedded value</b>	<b>1,974</b>	<b>446</b>	<b>2,242</b>	<b>451</b>
<i>Value of new business</i>	8	4	11	5
<i>Annual premium equivalent</i>	118	108	106	111
<b>New business margin</b>	<b>6.5%</b>	<b>4.1%</b>	<b>10.2%</b>	<b>4.5%</b>

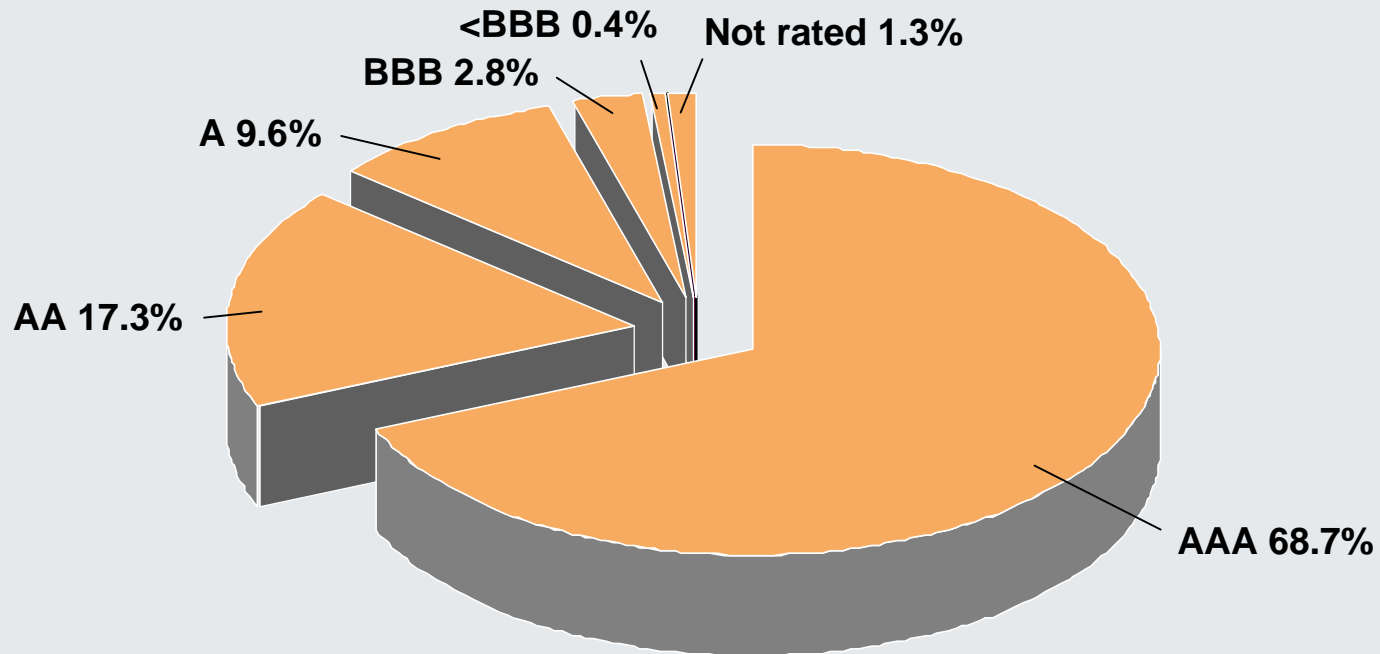


# Sensitivity Analysis of Embedded Value



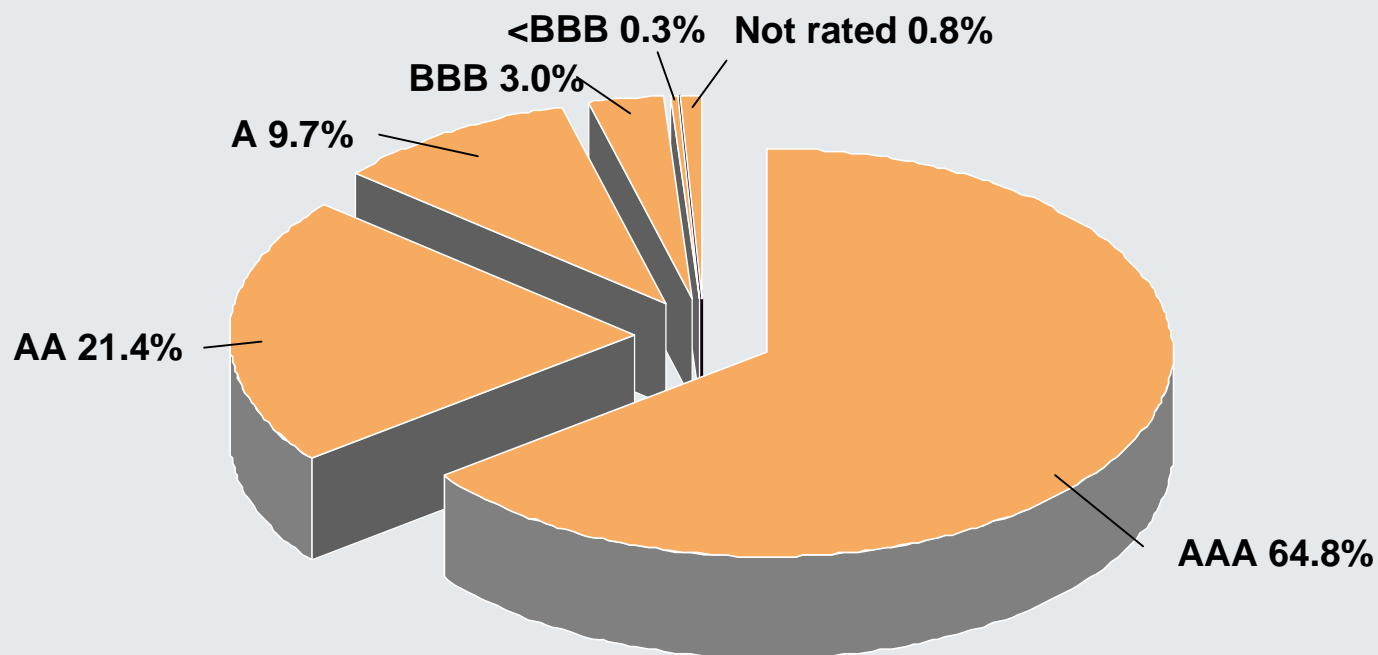
## Bonds and Promissory Notes: Quality

*excluding banking assets and assets from investment-type insurance contracts*



## Debt Securities: Quality

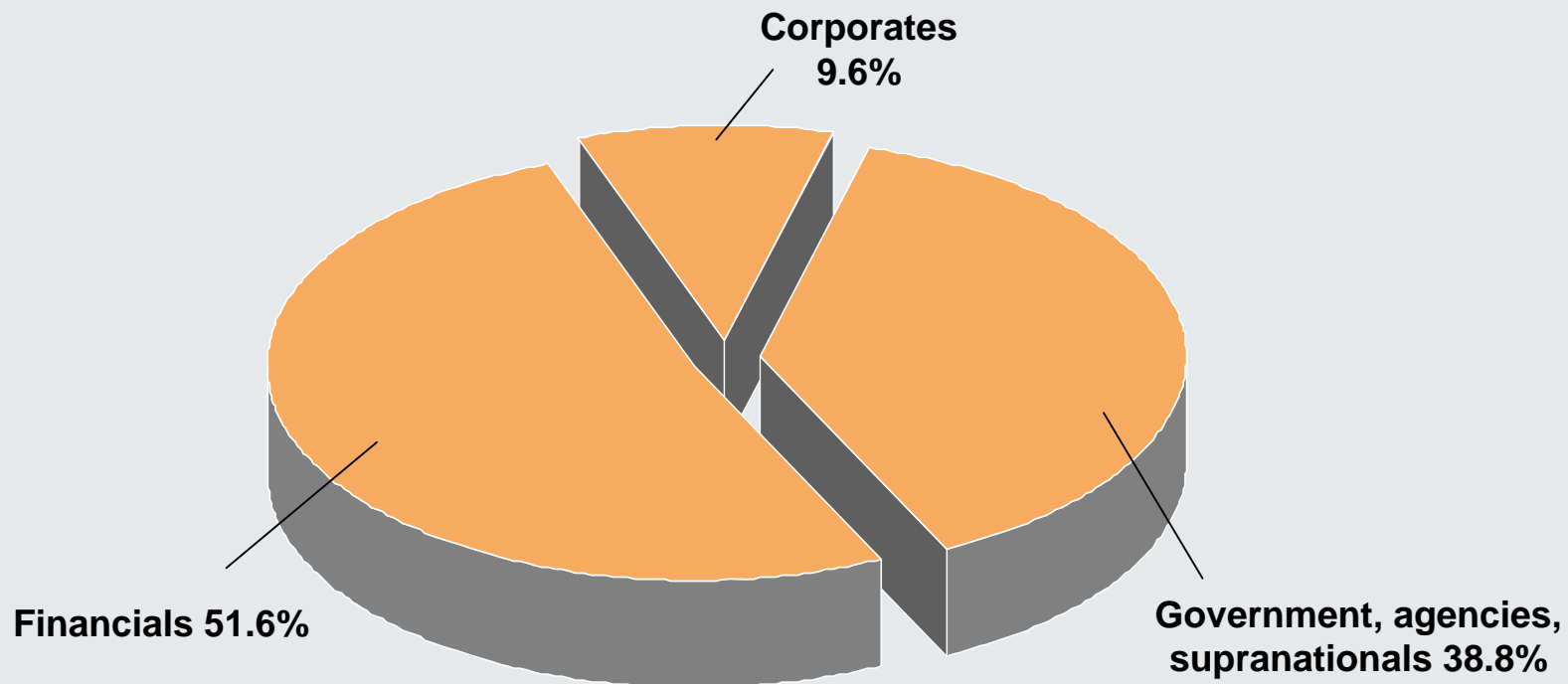
*excluding banking assets and assets from investment-type insurance contracts*



**Total bond investments: CHF 22,581mn**

## Bond Portfolio: Issuers

*excluding banking assets and assets from investment-type insurance contracts*



**Total bond investments: CHF 22,581mn**

## Bonds and Promissory Notes: Macaulay Duration

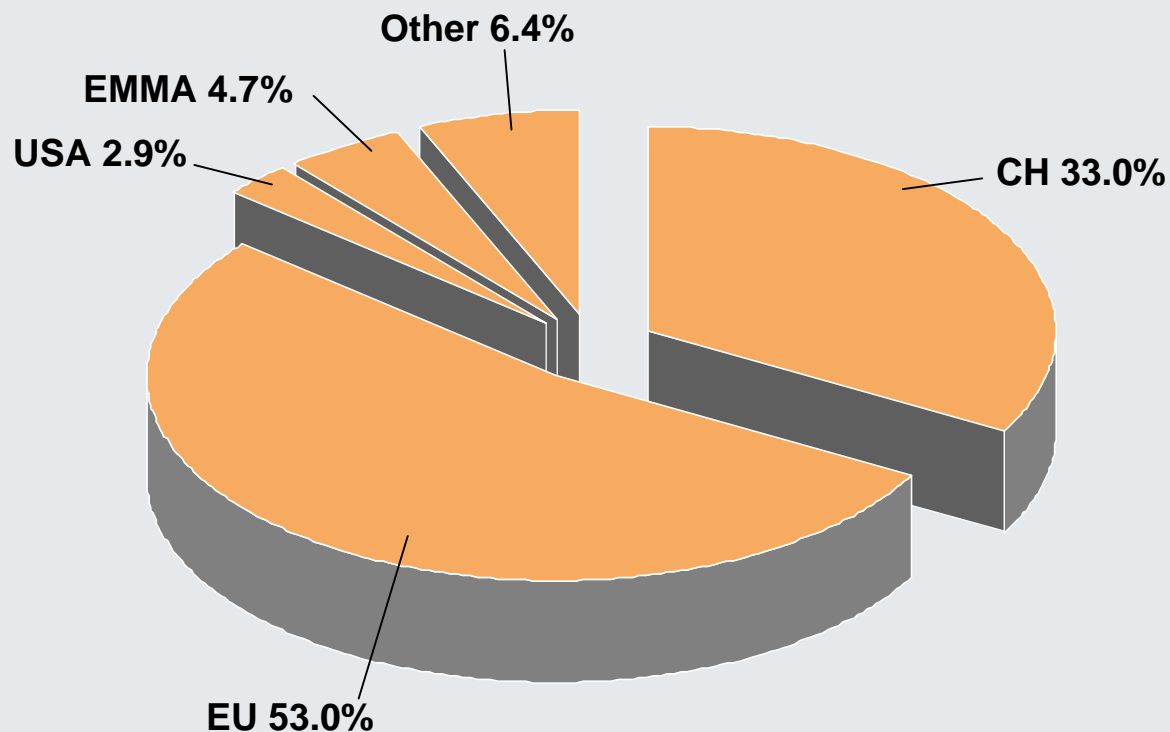
*excluding banking assets and assets from investment-type insurance contracts, ()= in 2005*

	Years	% of total
Duration bonds available-for-sale (AFS)	5.9	55.2%
Duration bonds held-to-maturity (HTM)	5.4	22.7%
Duration promissory notes	4.7	22.1%
<b>Duration portfolio</b>	<b>5.6 (5.5)</b>	<b>100%</b>

	Years	% of total
Duration life bonds (incl. promissory notes)	5.8	80.1%
Duration non-life bonds (incl. promissory notes)	4.9	19.9%
<b>Duration portfolio</b>	<b>5.6 (5.5)</b>	<b>100%</b>

# Equity Portfolio: Regional Exposure

*excluding banking assets and assets from investment-type insurance contracts*

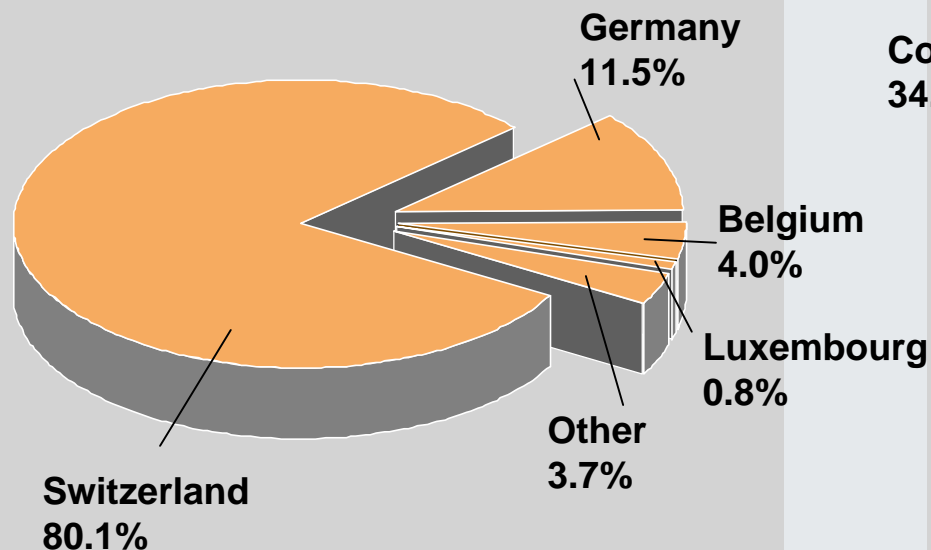


**Total equity investments: CHF 6,022mn**

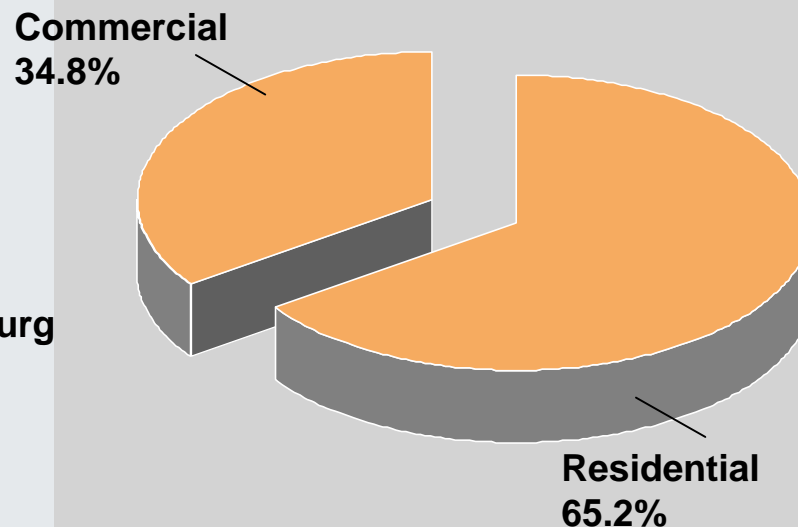
# Investment Property: Country and Type

*excluding banking assets and assets from investment-type insurance contracts*

Breakdown by country



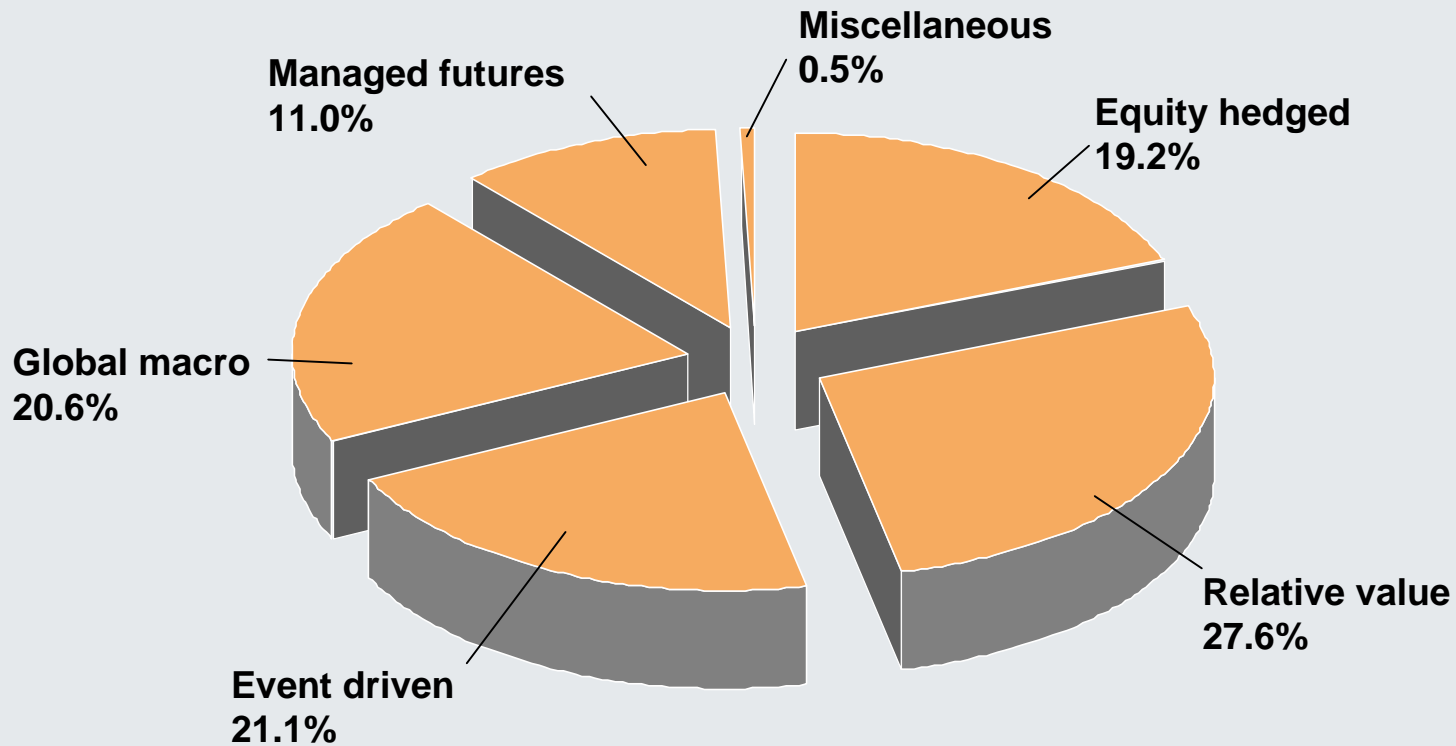
Breakdown by type



**Total investment property: CHF 5,146mn**

## Hedge Fund Portfolio: Style

*excluding banking assets and assets from investment-type insurance contracts*



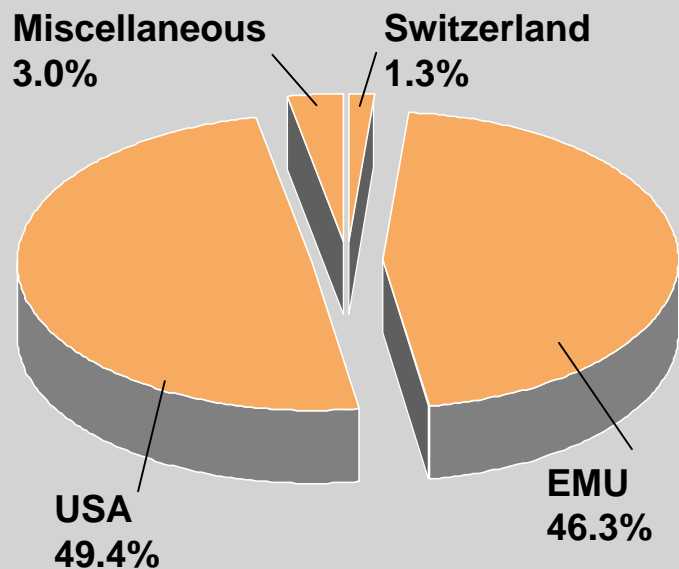
**Total hedge fund investments: CHF 1,605mn  
(88 different managers and 11 fund of funds)**



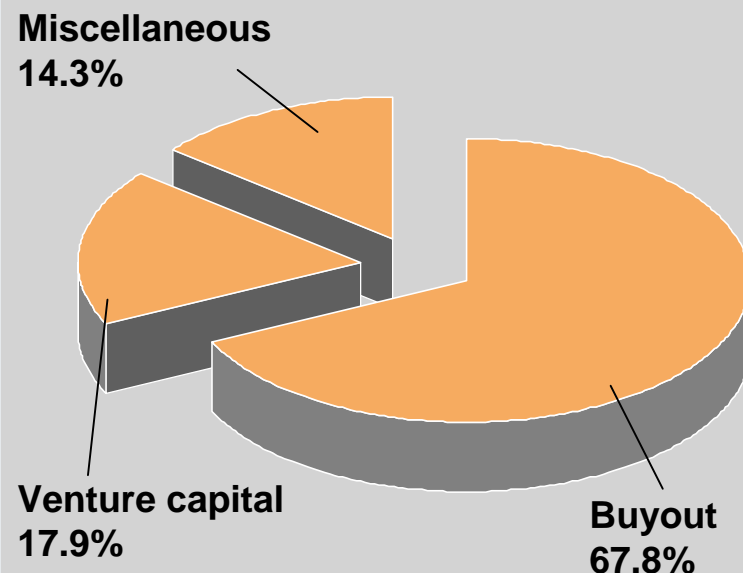
# Private Equity Portfolio

*excluding banking assets and assets from investment-type insurance contracts*

### Breakdown by region



### Breakdown by type

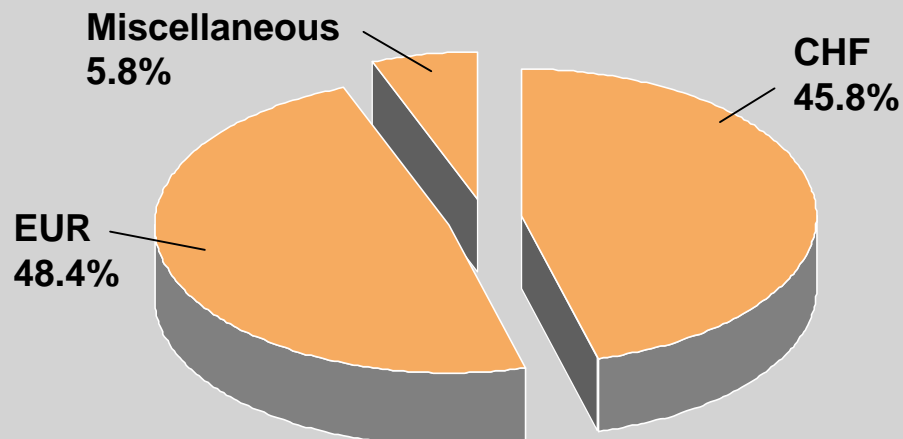


**Total private equity investments: CHF 571mn**

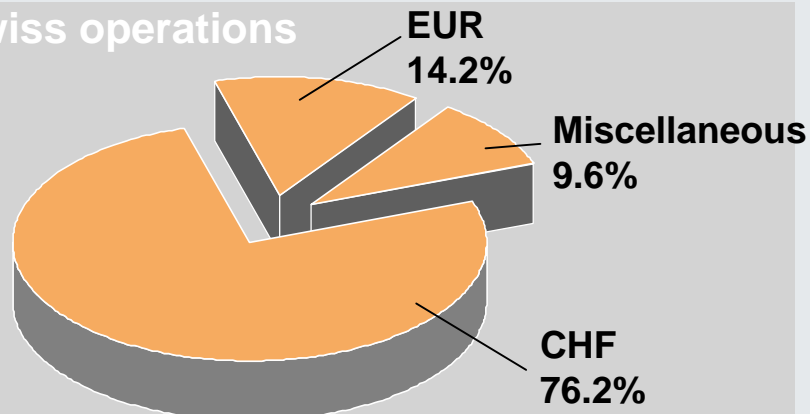
# Currency Exposure, Gross

*excluding banking assets and assets from investment-type insurance contracts*

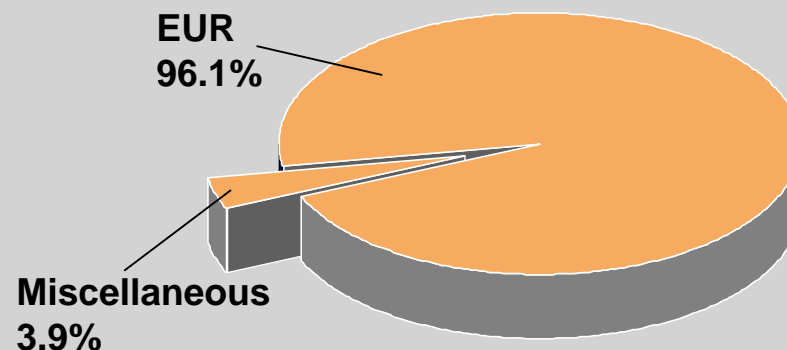
## Group



## Swiss operations



## Foreign operations

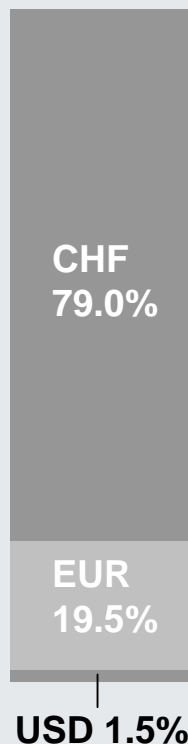
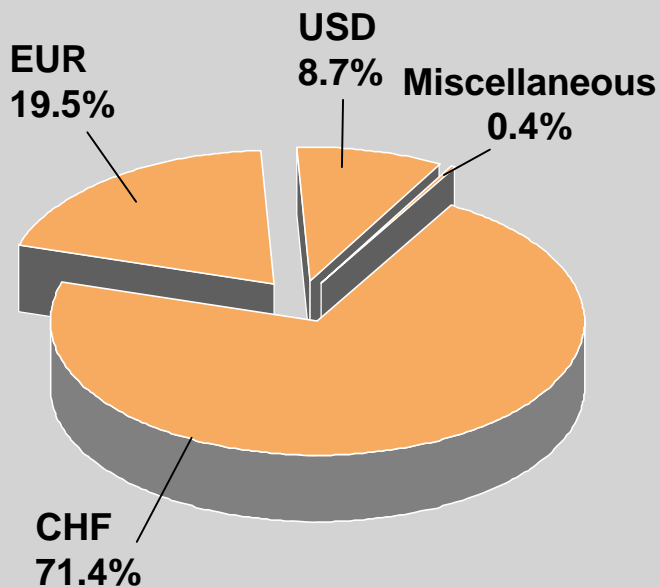


# Bond Portfolio: Currency Exposure of Swiss Operations

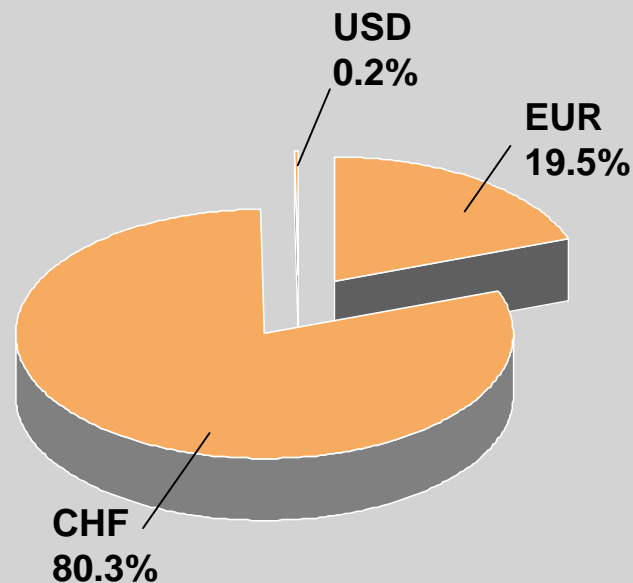
*excluding banking assets and assets from investment-type insurance contracts*

**Total bonds: CHF 13,874mn**

**Non-life: CHF 1,989mn**



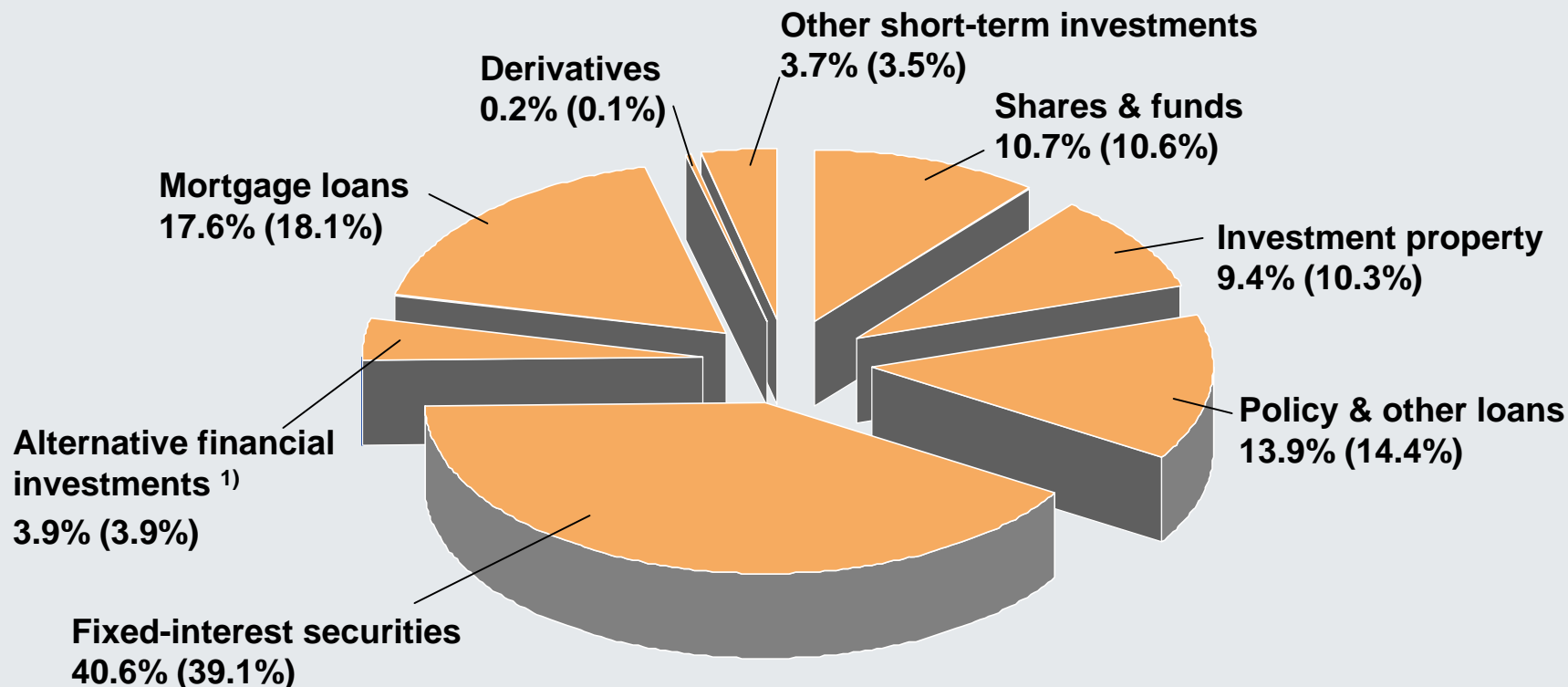
**Life: CHF 11,886mn**



**Total net currency exposure after hedges & liabilities: 4.1% EUR, 1.5% USD**

# Group Asset Allocation (including banking assets)

excluding assets from investment-type insurance contracts, ()= in 2005



**Total at FY 2006: CHF 56,380mn (YE 2005: CHF 54,224mn)**

1) Private equity and hedge funds

# Foreign Currency Exchange Rates

*in CHF*

	Balance sheet		Profit & loss	
	2005	2006	2005	2006
<i>Foreign currency exchange rates</i>				
<b>EUR</b>	<b>1.55</b>	<b>1.61</b>	<b>1.55</b>	<b>1.57</b>
<b>USD</b>	<b>1.32</b>	<b>1.22</b>	<b>1.25</b>	<b>1.25</b>
<b>GBP</b>	<b>2.26</b>	<b>2.39</b>	<b>2.26</b>	<b>2.31</b>
<b>JPY</b>	<b>1.12</b>	<b>1.02</b>	<b>1.13</b>	<b>1.08</b>

EUR, GBP, USD = 1:1; JPY = 100:1

## Key Dates

**Annual General Meeting  
Baloise-Holding  
Friday, 27 April 2007**

**Half Year Results 2007  
Thursday, 6 September 2007**

**Investor Day 2007  
Tuesday, 6 November 2007**

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

## Contacts

### Bâloise-Holding

#### Investor Relations

Aeschengraben 21

CH-4002 Basle/Switzerland

 +41 61 285 81 81

e-mail: [investor.relations@baloise.com](mailto:investor.relations@baloise.com)

[www.baloise.com/investors](http://www.baloise.com/investors)

#### Media Relations

Aeschengraben 21

CH-4002 Basle/Switzerland

 +41 61 285 84 67

e-mail: [media.relations@baloise.com](mailto:media.relations@baloise.com)

[www.baloise.com/media](http://www.baloise.com/media)

