

Baloise Group

Martin Strobel, Group CEO

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Making you safer.

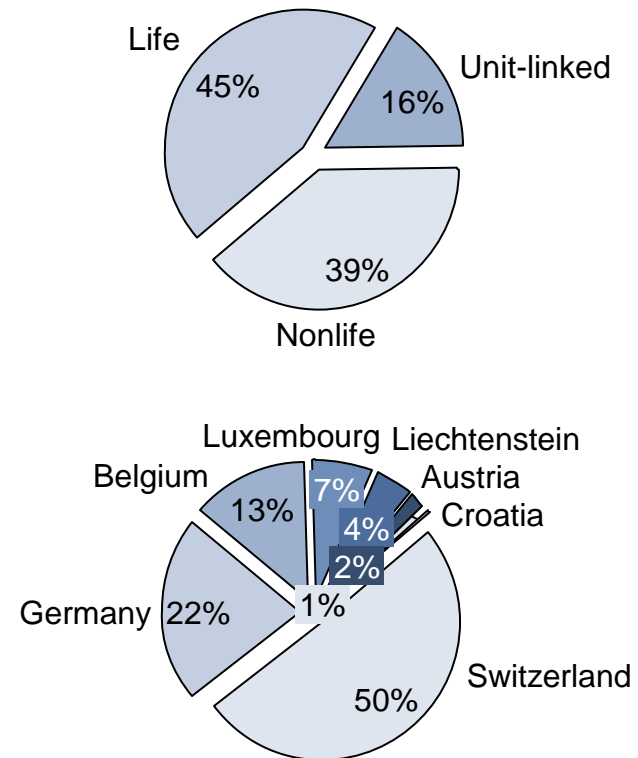
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The Baloise Group Overview



Business Volume 2011: CHF 8,145 mn



Highlights 2011







Considerably lower profit – despite good operating performance

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- Profit of CHF 61 mn; impacted by negative economic development
 - Negative interest rate effect of CHF 89 mn and impairments on shares of CHF 119 mn
 - Greek government bond impairment of CHF 78 mn
 - Write down of goodwill on Croatian subsidiary, CHF 50 mn
 - Solid growth, gross premiums written up by 4.1%¹⁾
 - Strong nonlife operations despite above average large claims, net combined ratio 95.5%
 - «Baloise 2012» fully on track, efficiency significantly improved and costs reduced
 - Strong solvency I of 203%
 - Belgium: captured leading market position in nonlife; fast integration of Avéro and Nateus
 - Reliable dividend of CHF 4.50 stemming from solid operations and strong capitalisation
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¹⁾ local currency (LC)

Nonlife Business

Solid operational footprint

gross, in %	Switzerland	Germany	Belgium	Luxembourg	Austria	Croatia (incl. Serbia)	Group
							
Loss ratio	63.1	63.5	60.8	47.6	61.3	55.1	61.6
Expense ratio	24.4	34.3	34.3	33.5	33.7	52.3	30.2
Surplus sharing ratio	0.9	0.4	0.2	0.0	0.0	-	0.6
Combined ratio 2011	88.4	98.2	95.3	81.1	95.0	107.4	92.4
Change vs. FY 2010 (in pts)							
Δ Loss ratio	1.1	1.5	1.0	3.7	-1.5	-1.5	0.7
Δ Expense ratio	-0.7	-0.5	0.6	-4.0	-1.0	-1.3	-0.5
Δ Surplus sharing ratio	0.0	0.1	-0.3	0.0	0.0	-	0.0
Δ Combined ratio	0.4	1.1	1.3	-0.3	-2.5	-2.8	0.2

Life Business

Stable margins

2011	CH	EU	Total
Direct yield ¹⁾	2.9%	3.8%	3.2%
Average guaranteed rate of return	2.0%	3.1%	2.4%
Margin	0.9%	0.7%	0.8%

2010	CH	EU	Total
Direct yield ¹⁾	2.9%	4.0%	3.3%
Average guaranteed rate of return	2.2%	3.1%	2.5%
Margin	0.7%	0.9%	0.8%

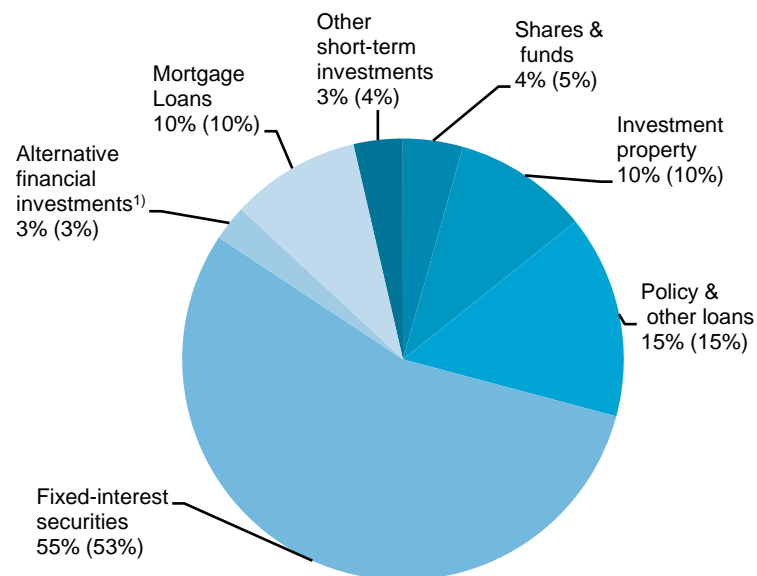
¹⁾ relative to average technical reserves, excl. realisations

Asset Management

Diversified asset allocation generates stable recurring income

excluding banking assets and assets from investment-type premiums

2011 (2010)



¹⁾ private equity & hedge funds

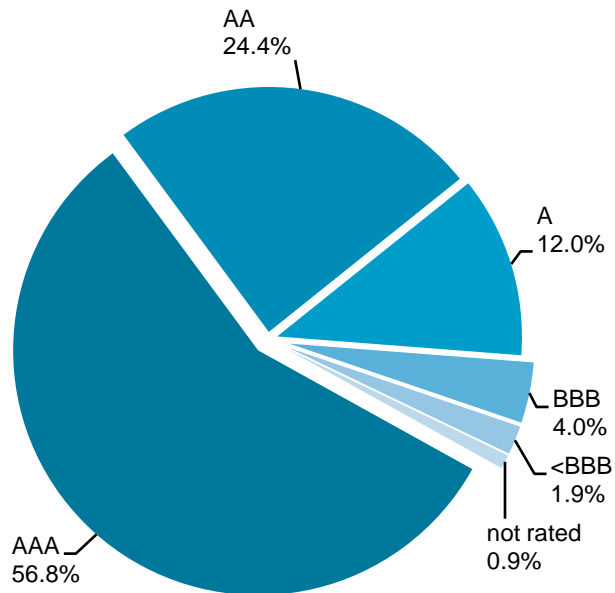
In CHF mn, %	2010	2011
Equity & equity-related investments (net)	5.8%	4.8%
Total insurance assets	46,476	50,032

Bond Portfolio

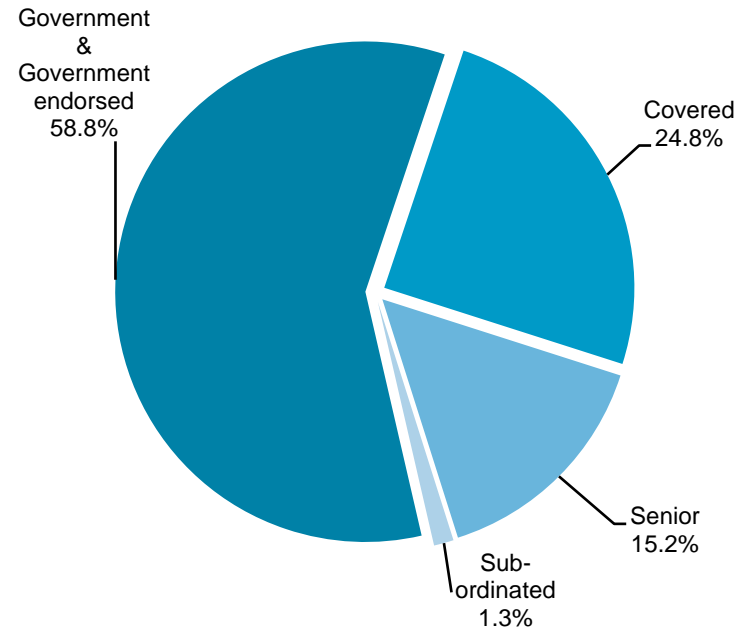
Very high quality

excluding banking assets and assets from investment-type premiums

By quality



By ordination



in CHF mn	2011
Total bond investments	27,609

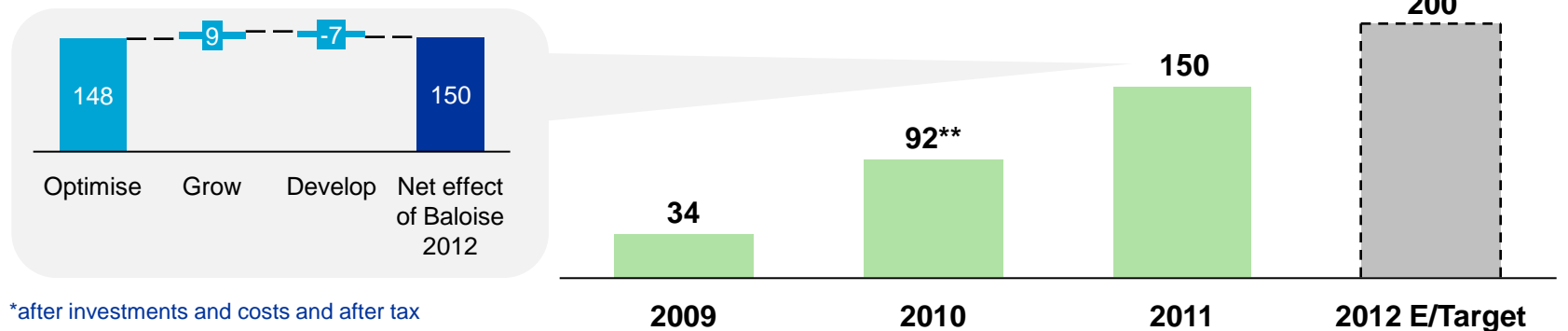
Baloise 2012

Major achievements 2011

- Reduced leakage through enhanced claims management and successful conclusion of process optimisation project "GEPARD"
- Cost optimisation initiatives in Belgium
- Sales force development in Austria and Croatia
- Portfolio re-underwriting in nonlife business in Austria, Belgium, Germany and Switzerland



Net effect* of Baloise 2012:



*after investments and costs and after tax

** includes one-off payment out of unwinding in Germany



Safety World «embedded»

New product features lead to cross- and upselling

Safety World features of property and general liability insurance

- Safety Box
- Card Protection
- Psychological treatment in case of burglary
- Self-defense lessons

Cross- and upselling

- Innovative product features embedded in insurance policy
- Every fourth insurance policy already sold with new additional features
- USP vs. peers



«Agents who offer these safety world add-ons to their clients, have a 90% success ratio.»

Financial Ambition

Focus on operational excellence

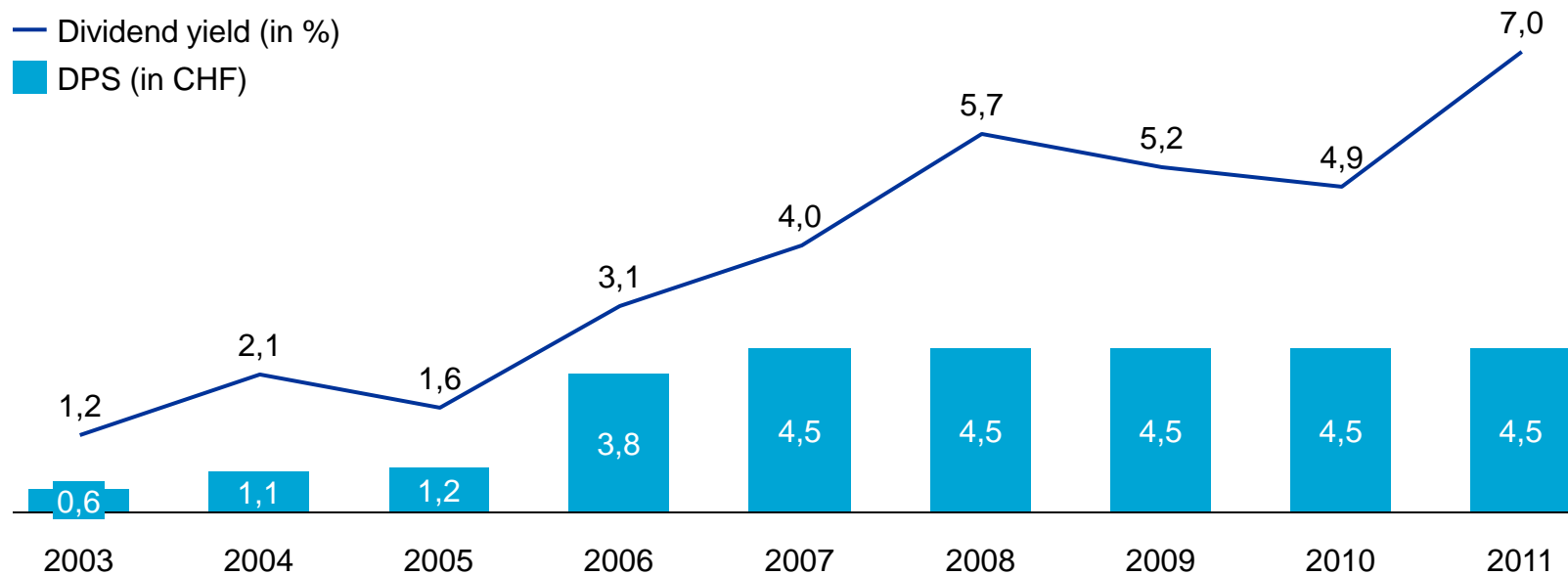
→ Combined ratio well below 100%

→ New business margin of $\geq 10\%$

→ Attractive payout to shareholders

Distribution to Shareholders

Continued attractive dividend



→ Proposed dividend of CHF 4.50 per share

→ Attractive dividend yield of 7%¹⁾

→ Share buyback of 3.6% of outstanding shares i.e. CHF 141 mn completed in April 2011²⁾

¹⁾ Based on year-end closing 2011 of CHF 64.40

²⁾ Share buyback programme 2008-2011: 1,776,435 shares bought back with an average price of CHF 79.36

Summary

- Good operating performance of the insurance business
- Net profit 2011 is considerably lower than previous year's because of market-related and largely one-off negative accounting impacts
- The asset allocation is highly diversified and generates stable recurring income
- Strategic programme "Baloise 2012" is fully on track
- Based on solid operations and strong capitalisation, Baloise is a reliable dividend payer

Q&A

Reporting Agenda & Contact Details

Reporting Agenda

→ Annual General Meeting

Friday, 27 April 2012

→ Half Year Results 2012

Thursday, 30 August 2012

→ Full Year Results 2012

Tuesday, 19 March 2013

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

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