

Basle, 6 September 2007  
Meeting of Financial Analysts

**Half Year Results 2007**

# Baloise achieves another record result



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# 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 Outlook</b> | <b>Frank Schnewlin</b> |

Half Year Results 2007

# Overview

**Frank Schnewlin**  
CEO Baloise Group

## Highlights HY 2007

### Another record result achieved

- CHF 474mn net profit achieved, up by 13.2%
- CHF 4,884mn business volume generated, up by 6.5%
- Strong operational result despite of major losses
- Strong life profitability
- Platform for growth strengthened through acquisitions in Luxembourg and Croatia

# Track Record HY 2007

Strategy implementation fully on track

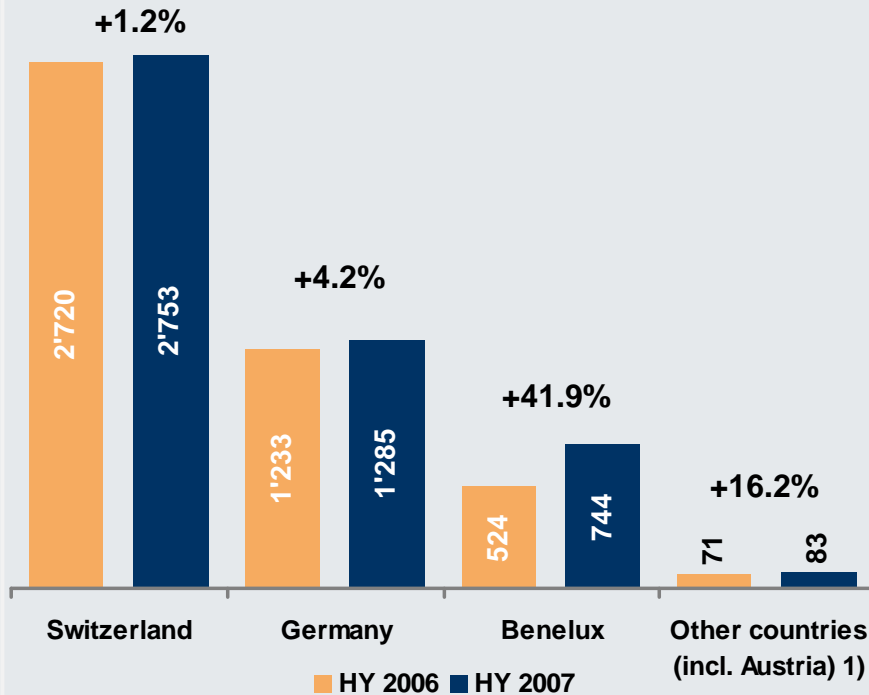
| Ambition                                     | Where we stand                                          |   | Comments                                                                              |
|----------------------------------------------|---------------------------------------------------------|---|---------------------------------------------------------------------------------------|
| Return on equity of at least 15%             | Half-year profit of CHF 474mn                           | ✓ | - Half-year profit 13.2% higher than in previous year period                          |
| Continuous increase of earnings per share    | EPS: CHF 8.9 (+17.1%)                                   |   | - Earnings accretion through share-buyback                                            |
| Combined ratio well below 100%               | 95.6% combined ratio net                                | ✓ | - Combined ratio well below 100% despite winter storm «Kyrill» and other major claims |
| Overall growth in line with market           | 6.5% growth in business volume (4.5% in local currency) | ✓ | - Above average growth in target segments                                             |
| Above average growth in unit-linked business | Unit-linked business +93.1%                             | ✓ | - Strong growth, especially in Luxembourg and Germany                                 |

# Business Volume

## Positive business development

in CHF mn

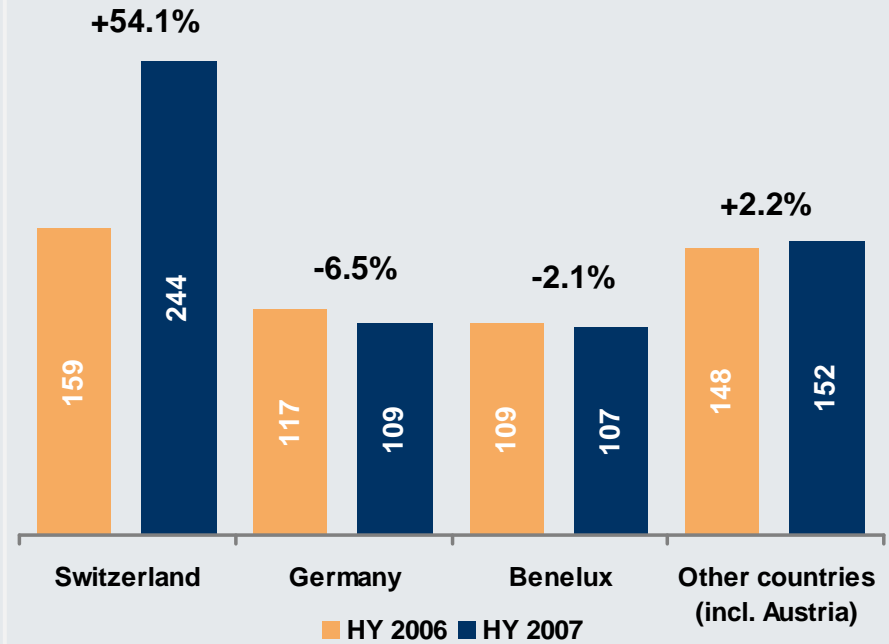
### Business volume



1) Excl. head-office business

in CHF mn

### EBIT



Half Year Results 2007

# Financial Results

**German Egloff**  
CFO Baloise Group



## Key Figures HY 2007

### Earnings accretion delivered

| <i>in CHF mn</i>                                 |                 | HY 2006      | HY 2007      | +/-     |
|--------------------------------------------------|-----------------|--------------|--------------|---------|
| <b>Total business volume</b>                     |                 | <b>4,586</b> | <b>4,884</b> | 6.5%    |
| <b>Gross premiums written</b>                    |                 | <b>4,350</b> | <b>4,428</b> | 1.8%    |
| <b>Net income from investments <sup>1)</sup></b> |                 | <b>1,189</b> | <b>1,414</b> | 18.9%   |
| <b>Investment yield <sup>2)</sup></b>            |                 | <b>2.2%</b>  | <b>2.5%</b>  | 0.3 pts |
| <b>EBIT</b>                                      |                 | <b>533</b>   | <b>612</b>   | 14.9%   |
|                                                  | <i>Non-life</i> | 298          | 271          | -9.2%   |
|                                                  | <i>Life</i>     | 164          | 271          | 65.7%   |
|                                                  | <i>Banking</i>  | 31           | 32           | 1.9%    |
|                                                  | <i>Other</i>    | 40           | 38           | -4.6%   |
| <b>Net profit</b>                                |                 | <b>419</b>   | <b>474</b>   | 13.2%   |
| <b>Earnings per share</b>                        |                 | <b>7.6</b>   | <b>8.9</b>   | 17.1%   |
| <b>Combined ratio, net</b>                       |                 | <b>94.2%</b> | <b>95.6%</b> | 1.4 pts |
| <b>Life new business margin</b>                  |                 | <b>9.1%</b>  | <b>10.3%</b> | 1.2 pts |

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

2) Not annualized, including costs, excluding movements in unrealized capital gains, excluding unit-linked assets

## Non-Life, Key Figures

### Combined Ratio well below 100%

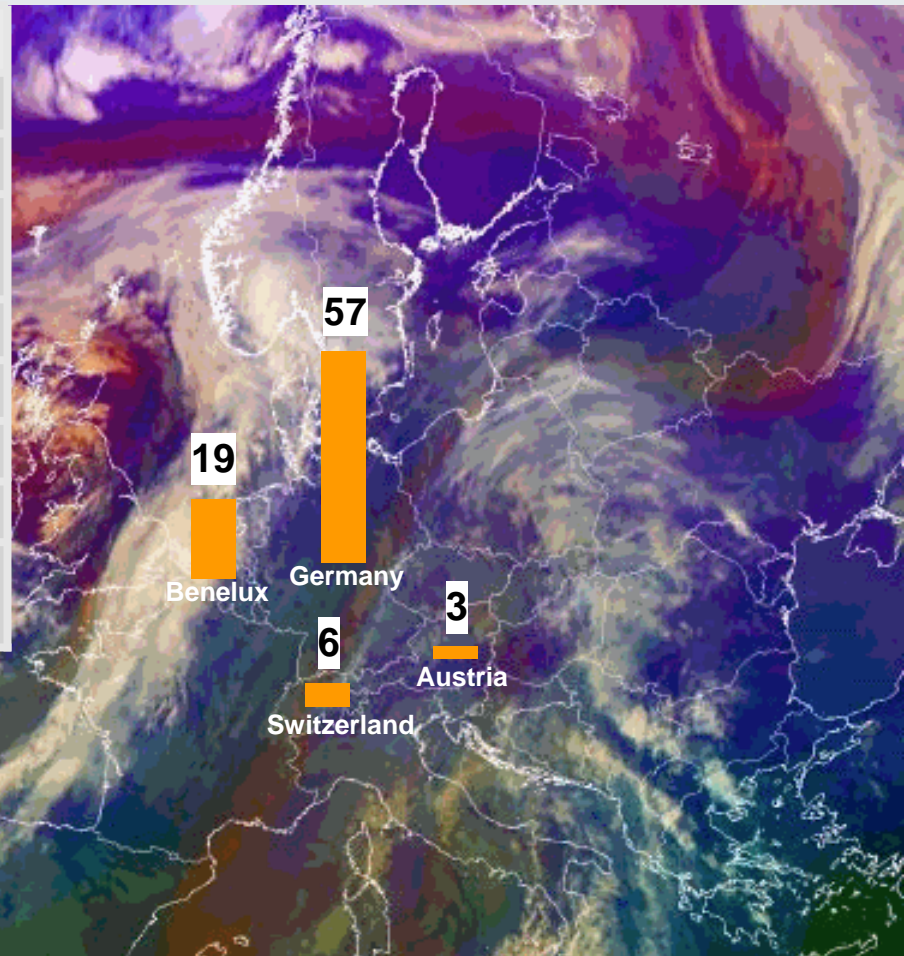
| <i>in CHF mn</i>                   | <b>HY 2006</b> | <b>HY 2007</b> | <b>+/-</b>     |
|------------------------------------|----------------|----------------|----------------|
| <b>Gross premiums written</b>      | <b>2,005</b>   | <b>2,072</b>   | <b>3.4%</b>    |
| <b>Net income from investments</b> | <b>216</b>     | <b>256</b>     | <b>18.2%</b>   |
| <b>Net claims incurred</b>         | <b>-888</b>    | <b>-926</b>    | <b>4.2%</b>    |
| <b>Technical costs</b>             | <b>-457</b>    | <b>-480</b>    | <b>5.0%</b>    |
| <b>EBIT</b>                        | <b>298</b>     | <b>271</b>     | <b>-9.2%</b>   |
| <i>Loss ratio, net</i>             | <i>61.4%</i>   | <i>62.0%</i>   | <i>0.6 pts</i> |
| <i>Expense ratio, net</i>          | <i>32.2%</i>   | <i>33.0%</i>   | <i>0.8 pts</i> |
| <i>Surplus sharing ratio</i>       | <i>0.6%</i>    | <i>0.6%</i>    | <i>0.0 pts</i> |
| <b>Combined ratio, net</b>         | <b>94.2%</b>   | <b>95.6%</b>   | <b>1.4 pts</b> |

# Impact of «Kyrill»

## Second largest loss event ever

Claims from «Kyrill»; in CHF mn







|                                        |                 |
|----------------------------------------|-----------------|
| <b>Gross claims</b>                    | <b>85</b>       |
| <b>Net claims <sup>1)</sup></b>        | <b>31</b>       |
| <b>Impact on combined ratio, gross</b> | <b>5.5 pts</b>  |
| <i>Switzerland</i>                     | <i>0.9 pts</i>  |
| <i>Germany</i>                         | <i>10.9 pts</i> |
| <i>Benelux</i>                         | <i>6.2 pts</i>  |
| <i>Austria</i>                         | <i>5.3 pts</i>  |
| <b>Impact on combined ratio, net</b>   | <b>2.1 pts</b>  |



1) Incl. reinstatement premiums

# Non-Life, Technical Performance

## Combined Ratio affected by major claims

|                                                        | Basler<br>Schweiz                                                                 | Deutscher<br>Ring                                                                 | Basler<br>Deutschland                                                              | Mercator                                                                            | Baloise<br>Luxembourg                                                               | Basler<br>Österreich                                                                | Group       |
|--------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------|
| <i>Gross, in %</i>                                     |  |  |  |  |  |  |             |
| Loss ratio                                             | 62.8                                                                              | 47.0                                                                              | 72.0                                                                               | 60.4                                                                                | 53.1                                                                                | 64.1                                                                                | 63.5        |
| Expense ratio                                          | 24.3                                                                              | 52.8                                                                              | 31.9                                                                               | 36.3                                                                                | 39.2                                                                                | 39.9                                                                                | 31.3        |
| Surplus sharing ratio                                  | 1.0                                                                               | -                                                                                 | 0.3                                                                                | 0.3                                                                                 | -0.1                                                                                | -                                                                                   | 0.6         |
| <b>Combined ratio</b>                                  | <b>88.1</b>                                                                       | <b>99.8</b>                                                                       | <b>104.2</b>                                                                       | <b>97.0</b>                                                                         | <b>92.2</b>                                                                         | <b>104.0</b>                                                                        | <b>95.4</b> |
| <i>Combined ratio adjusted<br/>for «Kyrill» claims</i> | 87.2                                                                              | 91.6                                                                              | 92.6                                                                               | 90.3                                                                                | 91.1                                                                                | 98.7                                                                                | 89.9        |
| <b>Combined ratio HY 2006</b>                          | <b>87.9</b>                                                                       | <b>93.3</b>                                                                       | <b>94.3</b>                                                                        | <b>94.8</b>                                                                         | <b>91.5</b>                                                                         | <b>103.4</b>                                                                        | <b>90.9</b> |
| Change vs HY 2006<br>(in pts)                          | 0.2                                                                               | 6.5                                                                               | 9.9                                                                                | 2.2                                                                                 | 0.7                                                                                 | 0.6                                                                                 | 4.5         |

## Life, Key Figures

### Rising interest rates help

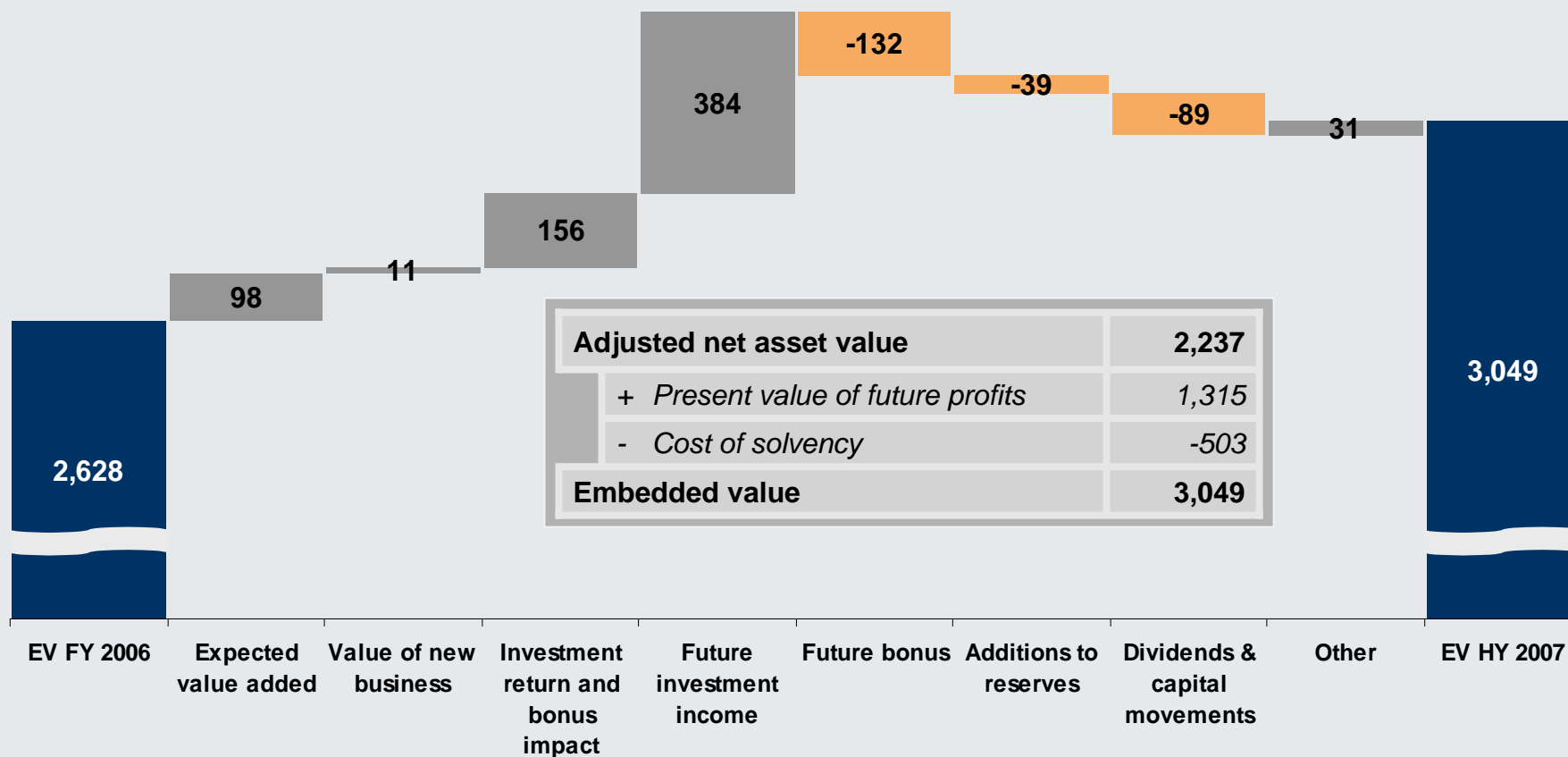
| <i>in CHF mn</i>                                                | <b>HY 2006</b> | <b>HY 2007</b> | <b>+/-</b>     |
|-----------------------------------------------------------------|----------------|----------------|----------------|
| <b>Business volume</b>                                          | <b>2,582</b>   | <b>2,812</b>   | <b>8.9%</b>    |
| <b>Gross premiums written</b>                                   | <b>2,346</b>   | <b>2,356</b>   | <b>0.4%</b>    |
| <b>Investment-type premiums</b>                                 | <b>236</b>     | <b>456</b>     | <b>93.1%</b>   |
| <b>Net income from investments <sup>1)</sup></b>                | <b>877</b>     | <b>1,170</b>   | <b>33.5%</b>   |
| <b>Claims / benefits paid &amp; change in actuarial reserve</b> | <b>-2,468</b>  | <b>-2,591</b>  | <b>5.0%</b>    |
| <b>Surplus and profit allocations</b>                           | <b>-298</b>    | <b>-377</b>    | <b>26.4%</b>   |
| <b>Technical costs</b>                                          | <b>-196</b>    | <b>-211</b>    | <b>7.6%</b>    |
| <b>EBIT</b>                                                     | <b>164</b>     | <b>271</b>     | <b>65.7%</b>   |
| <b>Value of new business</b>                                    | <b>10</b>      | <b>11</b>      | <b>12.2%</b>   |
| <b>Annual premium equivalent (APE)</b>                          | <b>108</b>     | <b>107</b>     | <b>-0.7%</b>   |
| <b>New business margin</b>                                      | <b>9.1%</b>    | <b>10.3%</b>   | <b>1.2 pts</b> |

1) Incl. assets from investment-type insurance contracts

# Change in Embedded Value

## Driven by financial markets

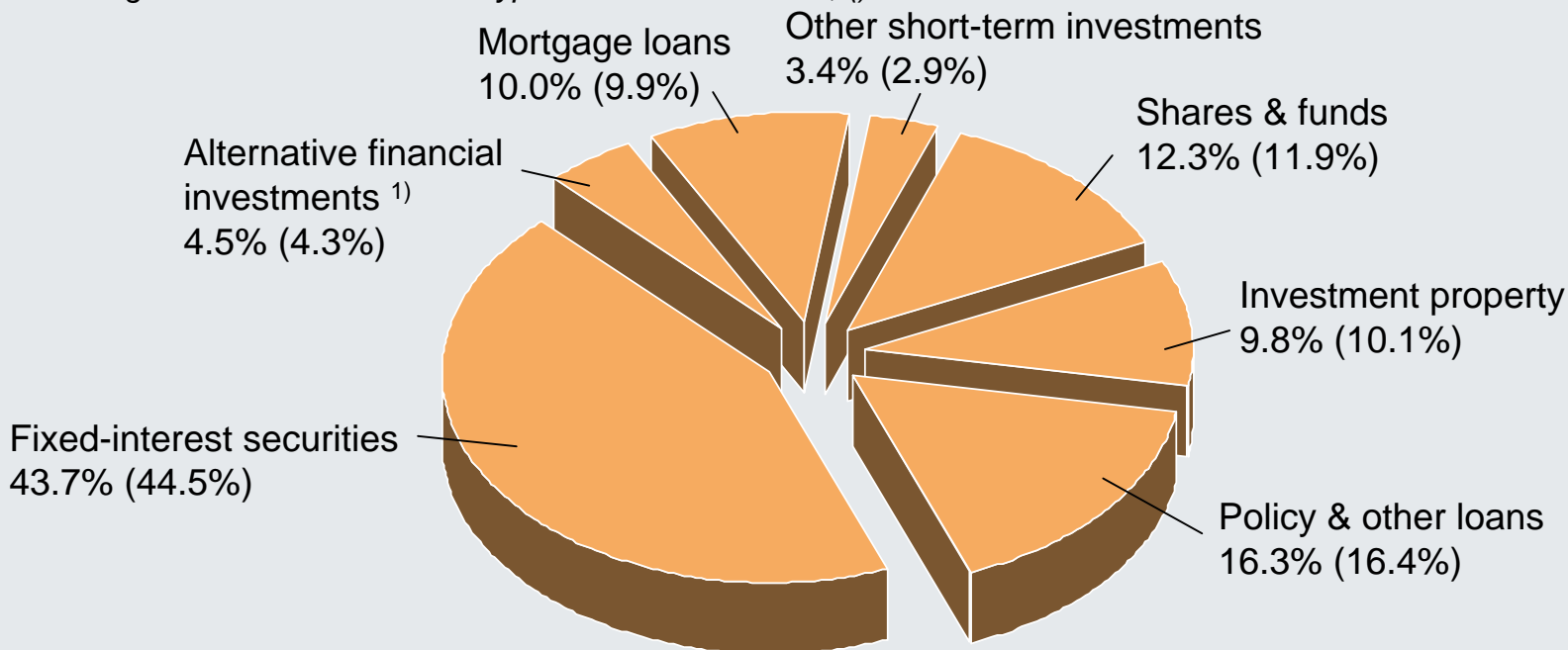
in CHF mn



# Asset Allocation Insurance

## US subprime exposure negligible

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



**Equity & equity related investments: 14.6% (14.1%)**

**Total: CHF 51,858mn (CHF 50,742mn)**

1) Private equity and hedge funds

## Investment Yield

### Realizations in line with policy

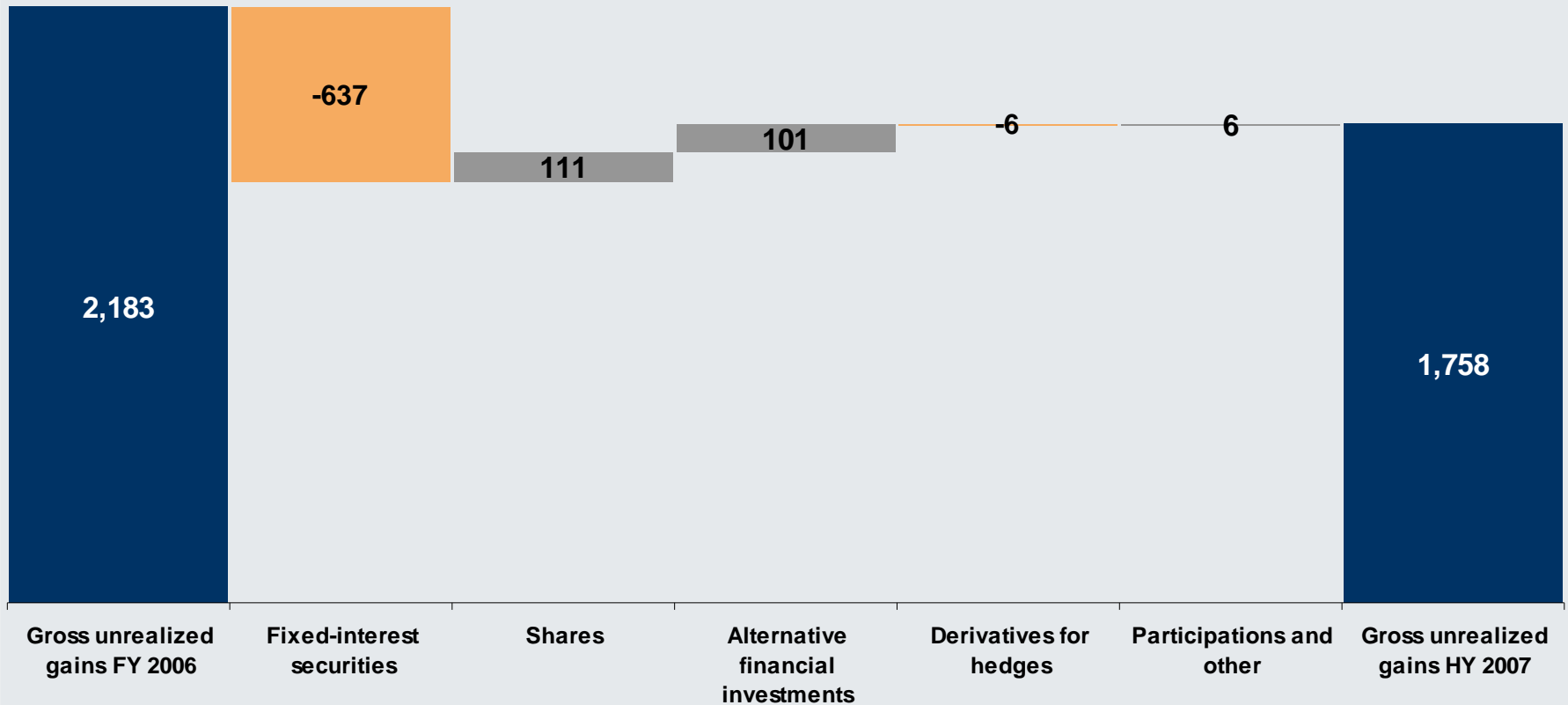
| <i>in CHF mn, excluding income on investment-type insurance contracts</i> | Non-life     |              |       | Life          |               |        |
|---------------------------------------------------------------------------|--------------|--------------|-------|---------------|---------------|--------|
|                                                                           | HY 06        | HY 07        | +/-   | HY 06         | HY 07         | +/-    |
| <b>Recurring gross income</b>                                             | <b>151</b>   | <b>176</b>   | 16.9% | <b>698</b>    | <b>786</b>    | 12.5%  |
| <b>Investment expenses</b>                                                | <b>-10</b>   | <b>-10</b>   | -5.0% | <b>-36</b>    | <b>-41</b>    | 16.0%  |
| <b>Realized gains / losses net</b>                                        | <b>76</b>    | <b>89</b>    | 17.7% | <b>229</b>    | <b>316</b>    | 38.0%  |
| <i>Fixed interest securities</i>                                          | -7           | 3            | -     | 13            | 36            | 188.1% |
| <i>Shares</i>                                                             | 83           | 89           | 7.2%  | 201           | 344           | 71.5%  |
| <i>Other</i>                                                              | -0           | -3           | -     | 16            | -64           | -      |
| <b>Total net income from investments</b>                                  | <b>216</b>   | <b>256</b>   | 18.2% | <b>892</b>    | <b>1,061</b>  | 18.9%  |
| <b>Average investments</b>                                                | <b>8,891</b> | <b>9,554</b> | 7.5%  | <b>40,027</b> | <b>41,746</b> | 4.3%   |
| <b>Investment yield, not annualized</b>                                   | <b>2.4%</b>  | <b>2.7%</b>  |       | <b>2.2%</b>   | <b>2.5%</b>   |        |



# Gross Unrealized Capital Gains

## Decrease due to fixed-interest securities

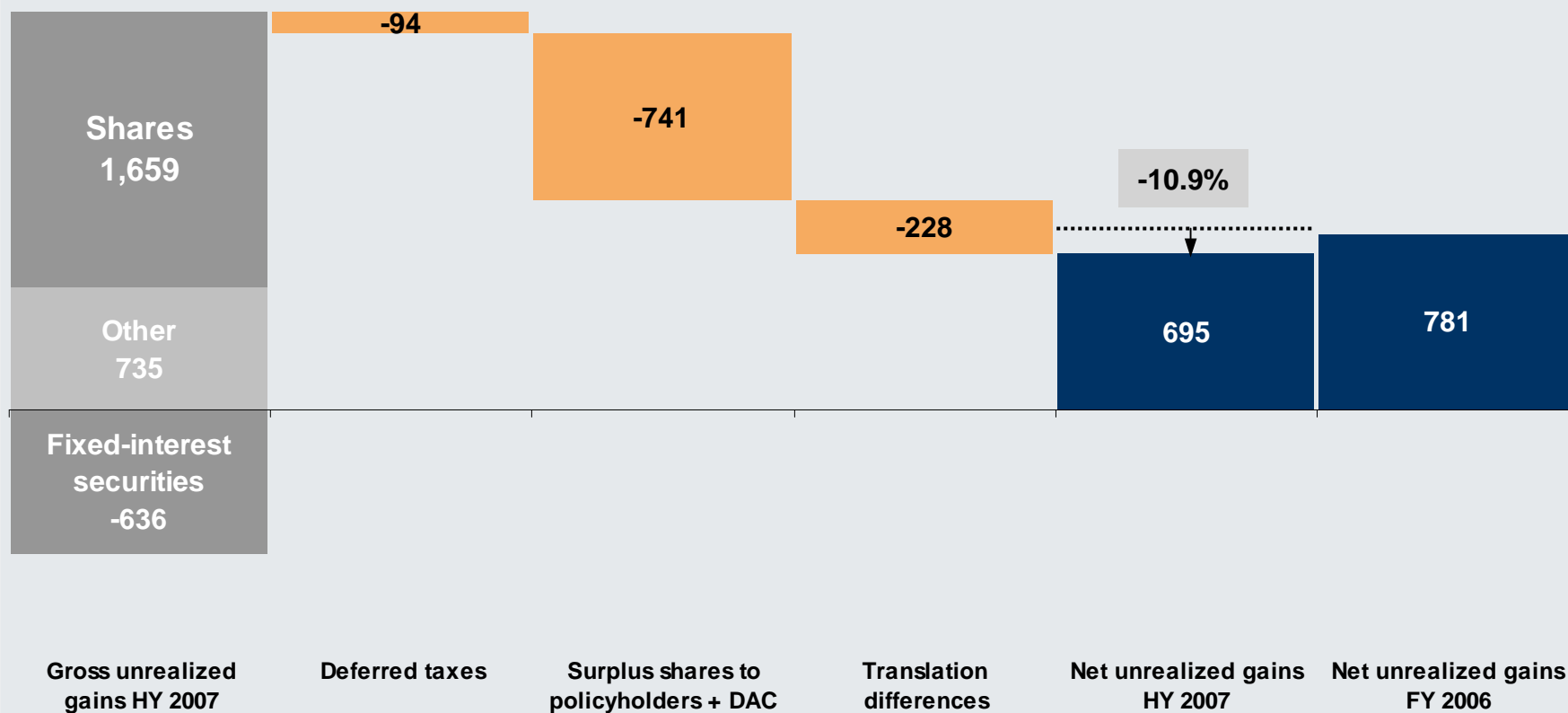
*in CHF mn*



# Net Unrealized Capital Gains



## Largely unchanged

*in CHF mn*



# Shareholders' Equity

## Share buyback accelerated

| <i>in CHF mn</i>                                                | 2007         |                                                                                                                                                                                                           |
|-----------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Shareholders' equity at January 1 (including minorities)</b> | <b>4,987</b> | <br><br>$\Delta = -0.4\%$<br><br> |
| <i>Change in net unrealized gains and losses</i>                | -83          |                                                                                                                                                                                                           |
| <i>Dividends</i>                                                | -217         |                                                                                                                                                                                                           |
| <i>Semi-annual profit</i>                                       | 474          |                                                                                                                                                                                                           |
| <i>Purchase / sale of treasury stock</i>                        | -194         |                                                                                                                                                                                                           |
| <i>Change in minority interests</i>                             | -            |                                                                                                                                                                                                           |
| <b>Shareholders' equity at June 30 (including minorities)</b>   | <b>4,967</b> |                                                                                                                                                                                                           |

Half Year Results 2007

# Swiss Operations

**Martin Strobel**  
CEO Switzerland

# Switzerland

## Strongly increased profit

| <i>in CHF mn</i>                                       |                 | HY 2006 | HY 2007 | +/-   |
|--------------------------------------------------------|-----------------|---------|---------|-------|
| <b>Business volume, incl. investment-type premiums</b> |                 | 2,720   | 2,753   | 1.2%  |
| <b>Gross premiums written</b>                          |                 | 2,705   | 2,735   | 1.1%  |
|                                                        | <i>Non-life</i> | 961     | 977     | 1.7%  |
|                                                        | <i>Life</i>     | 1,744   | 1,758   | 0.8%  |
| <b>EBIT</b>                                            |                 | 159     | 244     | 54.1% |

## CH: Track Record HY 2007

### Highly profitable despite major claims

| Targets set for 2007                            | Where we stand                                                        |   | Comments                                                                                                          |
|-------------------------------------------------|-----------------------------------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------|
| Growth in line with market                      | <b>Non-life premiums: +1.7%</b><br><b>Business volume life: +0.9%</b> | ✓ | - Above market growth in non-life<br>- Life growth in line with market                                            |
| Unit-linked premium volume: 1/3 of new business | <b>16.9% of new business is unit-linked business</b>                  | x | - Tough competitive environment<br>- Further initiatives to accelerate growth introduced<br>- Above market growth |
| Non-life: combined ratio well below 100%        | <b>Combined ratio gross: 88.1%</b>                                    | ✓ | - Stable combined ratio despite several large losses                                                              |
| Life: further operational improvement           | <b>EBIT: CHF 124mn (+110.9%)</b><br><b>New business margin: 14.2%</b> | ✓ | - Higher interest rates supportive for new business margin and profit of life segment                             |
| Baloise Bank SoBa: RoE >10%                     | <b>RoE: 11.0%</b>                                                     | ✓ | - Further efficiency improvement                                                                                  |

## CH: Non-Life

### Profit nearly doubled

| <i>in CHF mn</i>                   | HY 2006      | HY 2007      | +/-      |
|------------------------------------|--------------|--------------|----------|
| <b>Gross premiums written</b>      | <b>961</b>   | <b>977</b>   | 1.7%     |
| <b>Net income from investments</b> | <b>70</b>    | <b>111</b>   | 59.5%    |
| <b>Claims incurred net</b>         | <b>-381</b>  | <b>-373</b>  | -2.1%    |
| <b>Technical costs</b>             | <b>-155</b>  | <b>-155</b>  | -0.3%    |
| <b>EBIT</b>                        | <b>52</b>    | <b>99</b>    | 91.5%    |
| <i>Loss ratio, gross</i>           | 62.1%        | 62.8%        | 0.7 pts  |
| <i>Expense ratio, gross</i>        | 24.6%        | 24.3%        | -0.3 pts |
| <i>Surplus sharing ratio</i>       | 1.2%         | 1.0%         | -0.2 pts |
| <b>Combined ratio, gross</b>       | <b>87.9%</b> | <b>88.1%</b> | 0.2 pts  |

## CH: Life

Value of new business up by 10.3%

| <i>in CHF mn</i>                                                | HY 2006       | HY 2007       | +/-     |
|-----------------------------------------------------------------|---------------|---------------|---------|
| <b>Business volume</b>                                          | <b>1,759</b>  | <b>1,776</b>  | 0.9%    |
| <i>Gross premiums written</i>                                   | 1,744         | 1,758         | 0.8%    |
| <i>Investment-type premiums</i>                                 | 15            | 17            | 13.7%   |
| <b>Net income from investments</b>                              | <b>348</b>    | <b>472</b>    | 35.5%   |
| <b>Claims / benefits paid &amp; change in actuarial reserve</b> | <b>-1,837</b> | <b>-1,851</b> | 0.8%    |
| <b>Surplus and profit allocations</b>                           | <b>-99</b>    | <b>-163</b>   | 64.3%   |
| <b>Technical costs</b>                                          | <b>-69</b>    | <b>-73</b>    | 5.5%    |
| <b>EBIT</b>                                                     | <b>59</b>     | <b>124</b>    | 110.9%  |
| <b>Value of new business</b>                                    | <b>8</b>      | <b>9</b>      | 10.3%   |
| <b>Annual premium equivalent (APE)</b>                          | <b>68</b>     | <b>61</b>     | -11.3%  |
| <b>New business margin</b>                                      | <b>11.4%</b>  | <b>14.2%</b>  | 2.8 pts |



## Baloise Bank SoBa

### Increase in net profit

| <i>in CHF mn, local GAAP</i>         | <b>HY 2006</b>                     | <b>HY 2007</b>                     | <b>+/-</b>           |
|--------------------------------------|------------------------------------|------------------------------------|----------------------|
| <b>Net interest income</b>           | <b>43</b>                          | <b>42</b>                          | <b>-1.8%</b>         |
| <b>Net commission and fee income</b> | <b>12</b>                          | <b>13</b>                          | <b>3.0%</b>          |
| <b>Net trading income</b>            | <b>2</b>                           | <b>2</b>                           | <b>4.7%</b>          |
| <b>Gross profit</b>                  | <b>23</b>                          | <b>22</b>                          | <b>-3.5%</b>         |
| <b>Net profit</b>                    | <b>15</b>                          | <b>16</b>                          | <b>5.2%</b>          |
| <b>Cost-income-ratio</b>             | <b>60.5%</b>                       | <b>61.8%</b>                       | <b>1.3 pts</b>       |
| <b>TIER 1 ratio</b>                  | <b>10.0%</b>                       | <b>10.2%</b>                       | <b>0.2 pts</b>       |
| <b>RoE</b>                           | <b>10.3% / 12.8% <sup>1)</sup></b> | <b>11.0% / 14.1% <sup>1)</sup></b> | <b>0.7 / 1.3 pts</b> |
| <b>Risk weighted assets</b>          | <b>3,073</b>                       | <b>3,017</b>                       | <b>-1.8%</b>         |

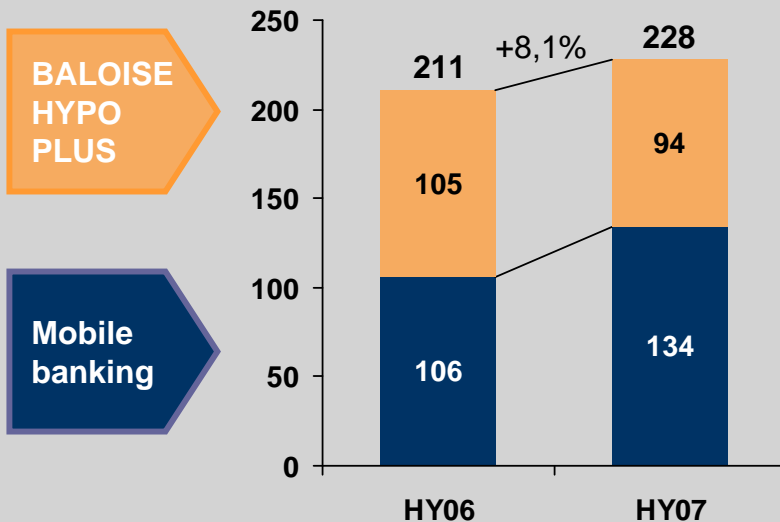
1) Including contribution from focused financial services provider

# Focused Financial Services

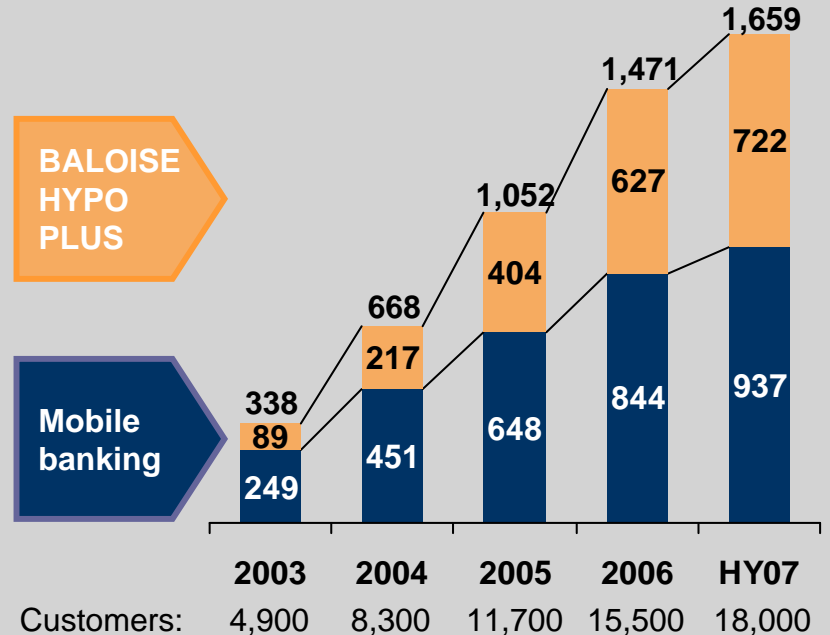
## Growth further accelerated

### New business volume <sup>1)</sup> focused financial services provider

in CHF mn



### Portfolio development focused financial services provider



1) New business volume = mobile banking (custody accounts, client assets, loans, Finaclear) + BALOISEHYPO PLUS

# OPEX Performance drivers

## Continuous progress

| Objectives                                                                                                                                                                                                                     | Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Target customer management</b></p> <ul style="list-style-type: none"> <li>▪ Focus on target customers</li> <li>▪ Optimization D-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, stepwise rollout starts on 1 January 2008</li> <li>▪ Decrease of losses in D-customer segment</li> </ul>                                                                                                                                                                                                                                                                                         |
| <p><b>Sales profitability</b></p> <ul style="list-style-type: none"> <li>▪ Increase in sales productivity</li> <li>▪ Target broker management</li> </ul>                                                                       | <ul style="list-style-type: none"> <li>▪ Sales productivity increased by 5% in first half of 2007</li> <li>▪ Incentive scheme for sales force will be further aligned to target customer management from January 2008 onwards</li> <li>▪ Strong, profitable growth in target broker segments</li> </ul>                                                                                                                                                                                                                                                            |
| <p><b>Profitable products</b></p> <ul style="list-style-type: none"> <li>▪ Non-life: optimization 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 claims management with strong profit contribution; “GEPARD” initiative launched in order (details see below) to further improve claims processes</li> <li>▪ Product pricing further refined and 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 autumn 2007</li> <li>▪ First customers won with Trigona-model</li> </ul> |
| <p><b>Efficiency</b></p> <ul style="list-style-type: none"> <li>▪ Optimize processes</li> </ul>                                                                                                                                | <ul style="list-style-type: none"> <li>▪ B2B connection in group life successfully launched</li> <li>▪ “GEPARD” initiative launched to further improve quality and efficiency; main levers: document scanning, electronic workflow, service center organization</li> </ul>                                                                                                                                                                                                                                                                                         |

# Target customer management

## Launch of baloisedirect



▼ Autoversicherung

Prämienberechnung

Unser Angebot

Haftpflicht-Paket

Teilkasko-Paket

Vollkasko-Paket

Ausstattungsoptionen

▶ Vertragsverwaltung

▶ Schadenservice

▶ Warum baloisedirect



# ruckzuck versichert

- einfach abgeschlossen
- optimal geschützt
- clever gespart

- **baloisedirect launched 3 September 2007**
  - Target customer management: specific product line for customers who prefer internet interaction with Baloise
- **Key product parameters**
  - Motor insurance in a first step; further extension (e.g. property) under evaluation
  - Simple products, simple handling, efficient and completely automated processes
  - Completely internet based; no advice or support by Baloise sales force
  - Use of well proven Baloise platforms will ensure product quality (e.g. claims processes)
  - Price advantage for customers through more efficient processes (approx. –20% compared to classical motor product)

## Elementary claims in July/August

### Bâloise supports customers with targeted claim-preventing measures

- 19. - 21.07.: thunderstorms with hail
- 08. - 10.08.: floods (AG, BE, BL, SO...)
- 29. - 30.08.: floods (Lyss among others)

| Line of business      | Total claims reported |
|-----------------------|-----------------------|
| Elementary claims     | ~1,200                |
| Business interruption | ~50                   |
| Motor                 | ~1,850                |
| Other property claims | ~300                  |
| <b>Total</b>          | <b>~3,400</b>         |



# Outlook

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

|                                                                                                                                             |                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ <b>Business growth in line with market by growing above market in targeted 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 focused financial services provider</b></li> </ul>                                | <b>Baloise Bank SoBa: RoE &gt; 10%</b>      |

1) Subject to unexpected market or claims development

Half Year Results 2007

# Foreign Operations and Outlook

**Frank Schnewlin**  
CEO Baloise Group

## Germany

### Strong unit-linked sales

| <i>in CHF mn</i>         | DR NL      | DR L        | Basler NL  | Basler L    |
|--------------------------|------------|-------------|------------|-------------|
| Gross premiums written   | 113 (3.1%) | 398 (0.5%)  | 547 (5.7%) | 104 (-5.3%) |
| Investment-type premiums |            | 121 (22.2%) |            | 2 (19.4%)   |
| EBIT                     | 30 (8.3%)  | 26 (17.9%)  | 34 (2.7%)  | 9 (-6.9%)   |

#### Deutscher Ring (DR):

- Strong growth of investment-type life products
- Traditional life premiums down because of high amount of product maturities
- New Riester product supports growth
- Favourable non-life claims ratio (excluding «Kyrill»)
- EBIT supported by higher investment income

#### Basler Deutschland:

- Growing non-life premiums, despite strong price competition in motor and industrial lines
- Combined ratio affected by «Kyrill» claims of EUR 30mn (gross)
- Higher non-life EBIT despite major losses



## Belgium

### Upward growth trend in non-life

| <i>in CHF mn</i>                | Non-Life           | Life               |
|---------------------------------|--------------------|--------------------|
| <b>Gross premiums written</b>   | <b>325 (8.3%)</b>  | <b>53 (3.0%)</b>   |
| <b>Investment-type premiums</b> |                    | <b>33 (-2.0%)</b>  |
| <b>EBIT</b>                     | <b>44 (-46.3%)</b> | <b>47 (182.6%)</b> |

- Positive non-life premium growth rate despite increased price competition
- Impact of «Kyrill»: EUR 11.5mn (gross)
- Business volume up 1%, stemming in particular from very good growth figures in the 2<sup>nd</sup> and 3<sup>rd</sup> pillar market (pension schemes +42%)
- First company which introduces a life product in the «Family plan» and starts to commercialize a «SME package»
- Substantially higher life EBIT, mainly caused by capital gains

## Luxembourg Going strong

| <i>in CHF mn</i>                | Non-Life          | Life                |
|---------------------------------|-------------------|---------------------|
| <b>Gross premiums written</b>   | <b>32 (13.9%)</b> | <b>22 (-14.0%)</b>  |
| <b>Investment-type premiums</b> |                   | <b>279 (226.3%)</b> |
| <b>EBIT</b>                     | <b>2 (-29.4%)</b> | <b>4 (73.9%)</b>    |

- Strong non-life premium growth in line with expectations
- Impact of «Kyrill»: EUR 0.2mn (gross); impact of two hail storms: EUR 0.8mn (gross)
- Three major claims, the largest initially reserved with EUR 1.0mn
- Life premiums in line with plan after last year's exceptional premium income in group life
- Very strong unit-linked premium growth due to wider market range and more «point of sales» (especially in Belgium)
- Integration of Baloise Europe Vie (former Winterthur-Europe Vie) running smoothly, within timetable
- Non-life EBIT affected by large claims

## Austria & Croatia

### Continued growth dynamics

| <i>in CHF mn</i>                | Non-Life          | Life             |
|---------------------------------|-------------------|------------------|
| <b>Gross premiums written</b>   | <b>58 (14.7%)</b> | <b>22 (8.3%)</b> |
| <b>Investment-type premiums</b> |                   | <b>2 (-%)</b>    |
| <b>EBIT</b>                     | <b>2 (50.0%)</b>  | <b>0 (-50%)</b>  |

- 9.4% growth in in Austrian non-life business fuelled by increase in sales capacity and systematic cross-selling efforts
- Increased price competition in motor: new business premiums approximately 15% lower, in line with market
- Life regular premiums up by 15%, single premiums down by 28%
- Basler Croatia doubled life premiums and grew in non-life by 28%

## Strategy implementation

### Rigorous pursuit of targets

- Above market profitable organic growth in target segments (customers, solutions, distribution partners) through rigorous execution of operational excellence profit drivers
- Improve business efficiency, e.g. «GEPARD» initiative in Switzerland
- Pursue targeted acquisitions in existing markets in Continental Europe
- Realize capital gains in a disciplined manner
- Manage capital efficiency (e.g. share buyback)
- Further develop business excellence

## Outlook 2007

**Assuming normal business conditions for the rest of the year, we will exceed our record 2006 earnings of CHF 707mn by the end of 2007.**

# Investor Day 2007

Save the date

**Basle, 6 November 2007, Hilton Auditorium**

Half Year Results 2007

**Q&A**

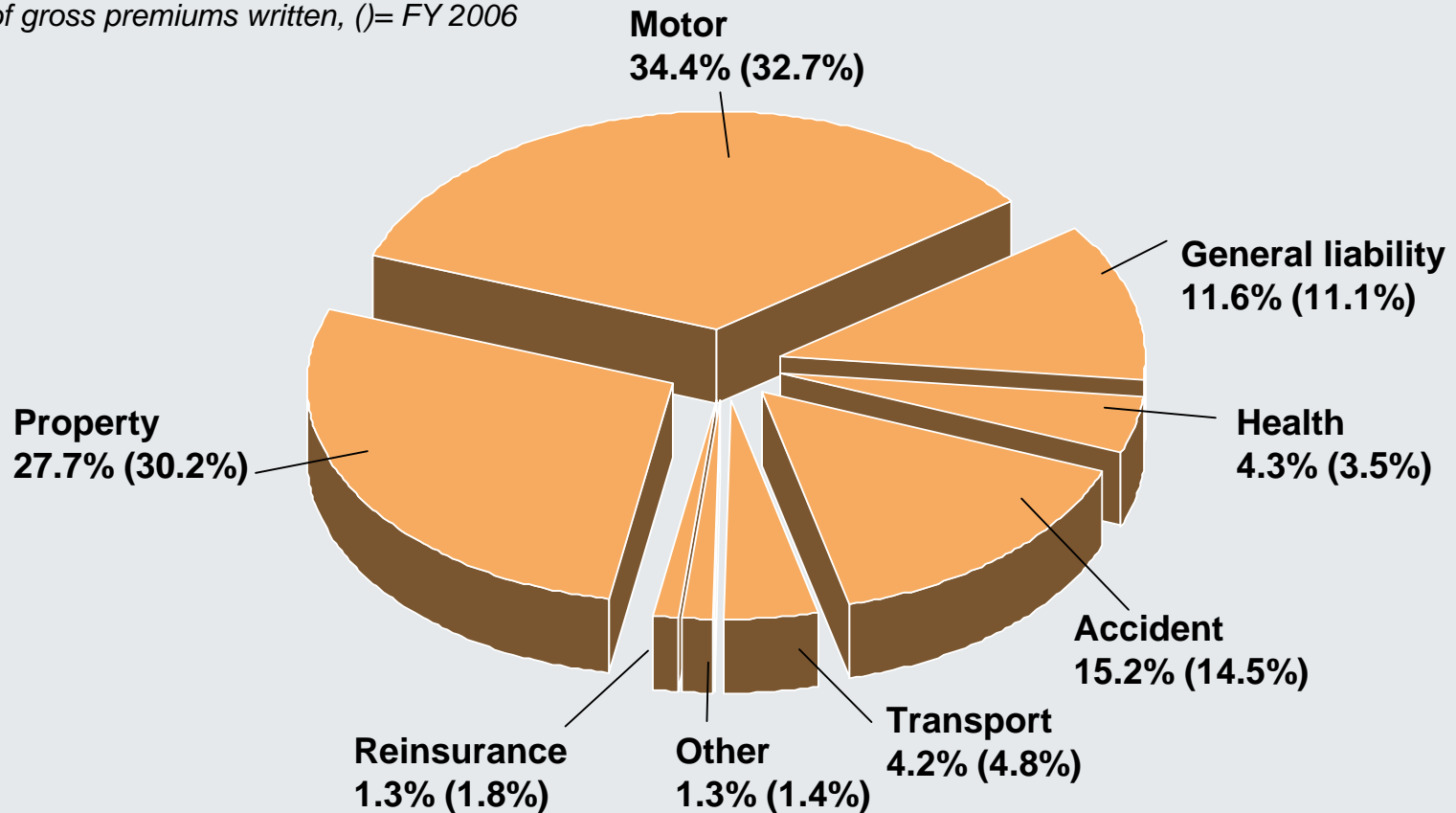
Half Year Results 2007

# Appendix



## Non-Life, Business Mix

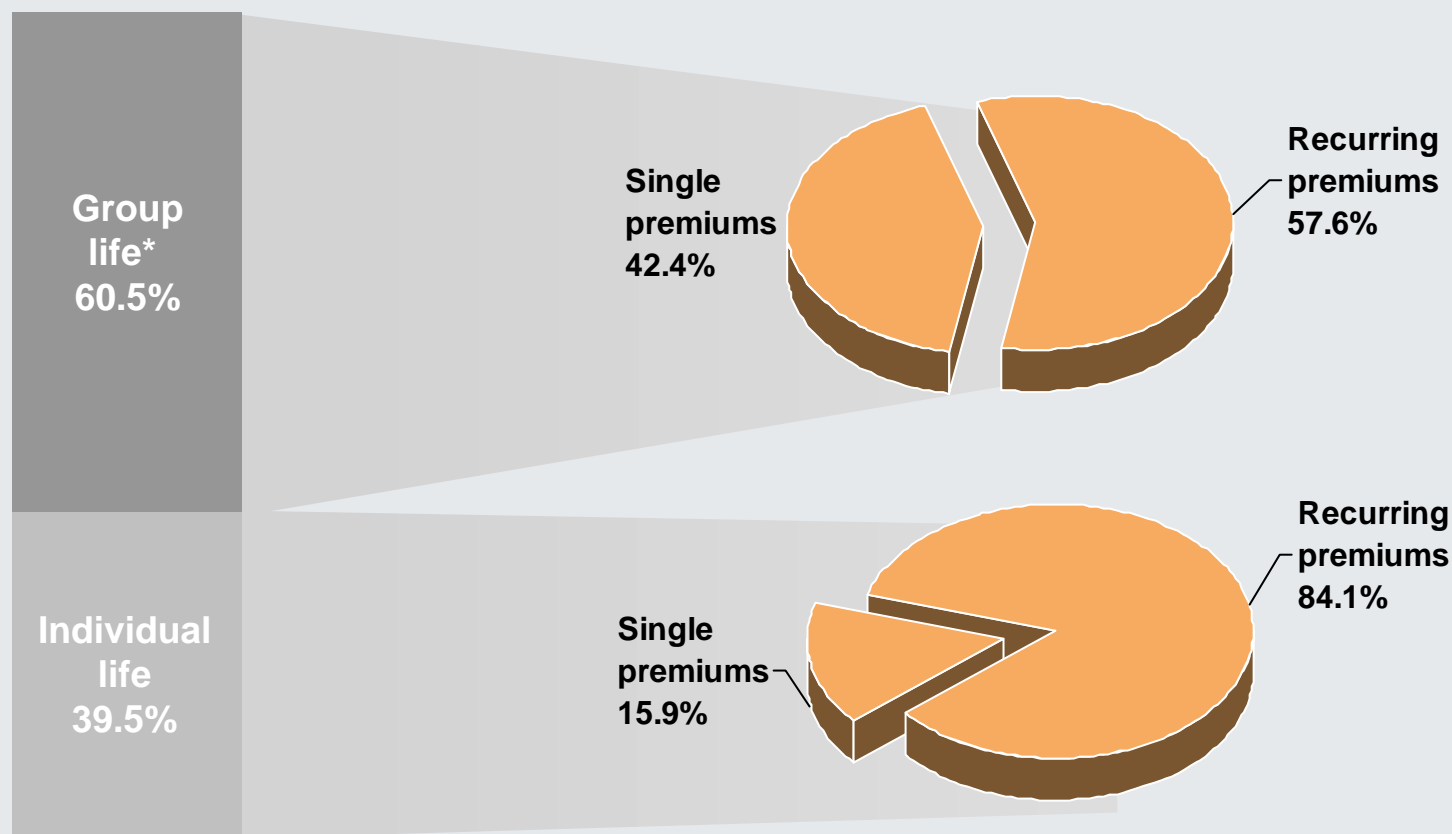
in % of gross premiums written, ()= FY 2006



Gross premiums written: CHF 2,072mn

## Life, Business Mix

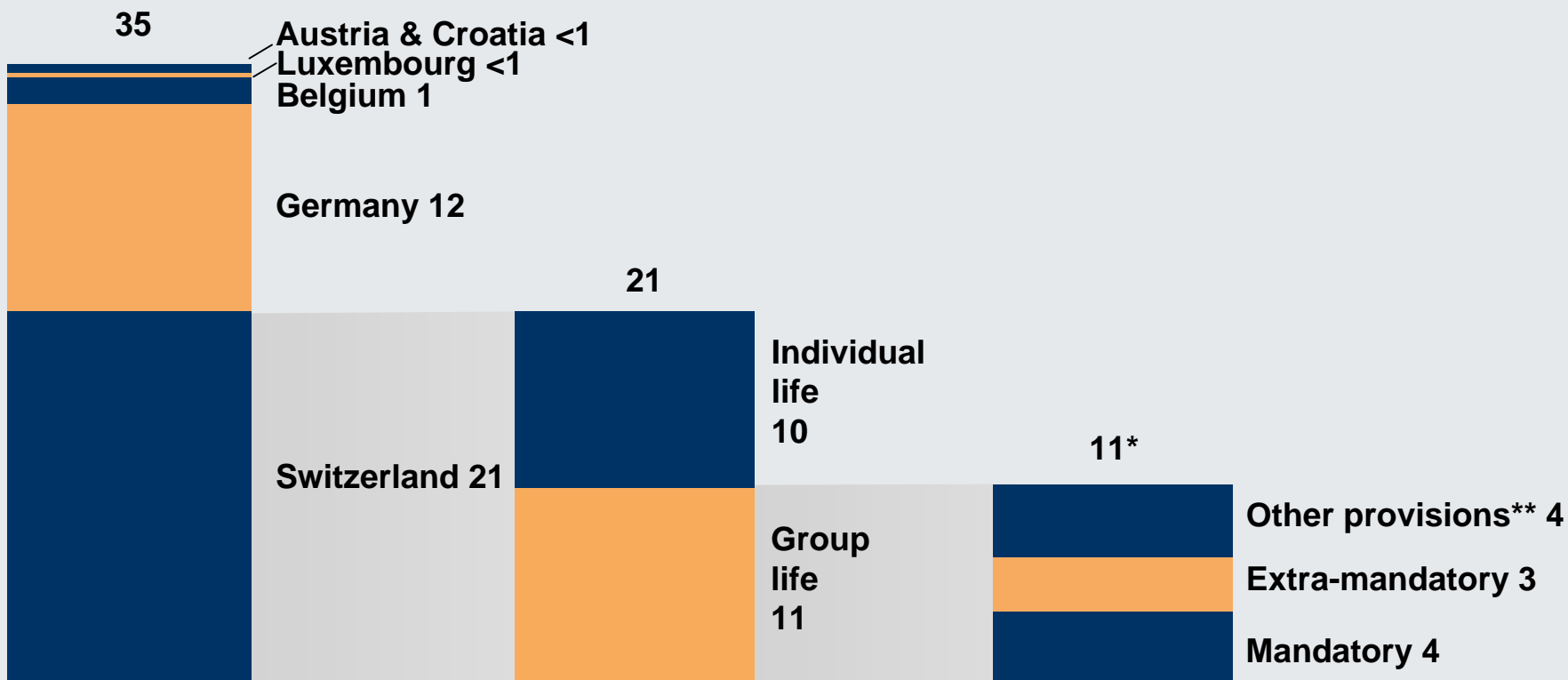
*in % of gross premiums written*



\* Swiss Group life business only

# Actuarial Reserves Life

gross, in CHF bn

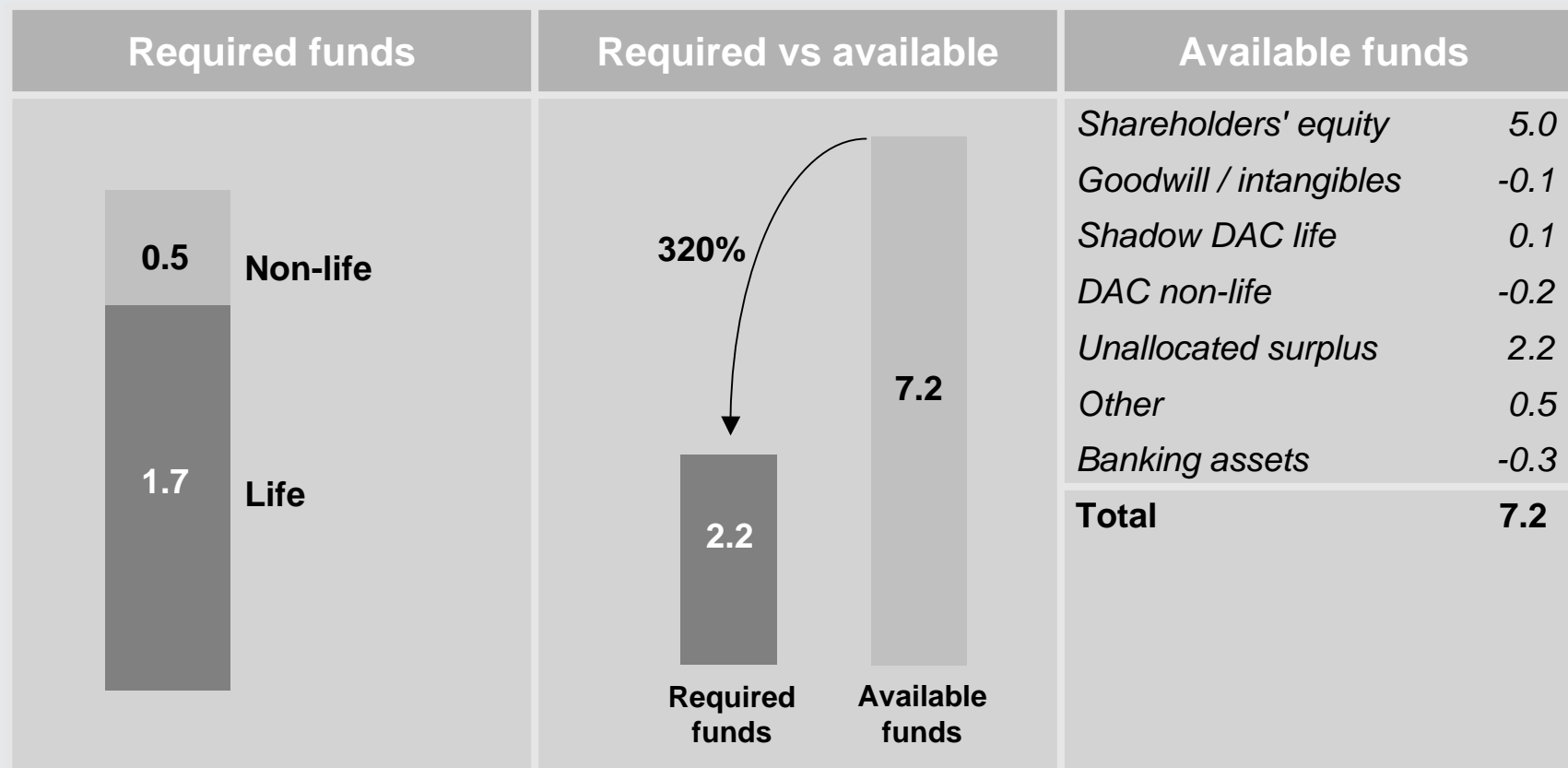


\* local GAAP

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

# Solvency (excluding banking)

in CHF bn



## Embedded Value Split

|                       | 2006         |            | HY 2007      |            |
|-----------------------|--------------|------------|--------------|------------|
|                       | CH           | EU         | CH           | EU         |
| <i>ANAV</i>           | 1,756        | 320        | 1,932        | 375        |
| <i>+ PVFP</i>         | 862          | 234        | 1,039        | 276        |
| <i>- CoS</i>          | -376         | -103       | -398         | -105       |
| <b>Embedded value</b> | <b>2,242</b> | <b>451</b> | <b>2,573</b> | <b>546</b> |

| Key assumptions HY 2007              | CH         | EU         |
|--------------------------------------|------------|------------|
| <b>Risk discount rate</b>            | <b>7.5</b> | <b>8.3</b> |
| <b>Bond yields <sup>1)</sup></b>     | <b>3.3</b> | <b>4.7</b> |
| <b>Return on shares</b>              | <b>7.0</b> | <b>8.0</b> |
| <b>Return on investment property</b> | <b>4.7</b> | <b>5.3</b> |

1) Flat yield curve

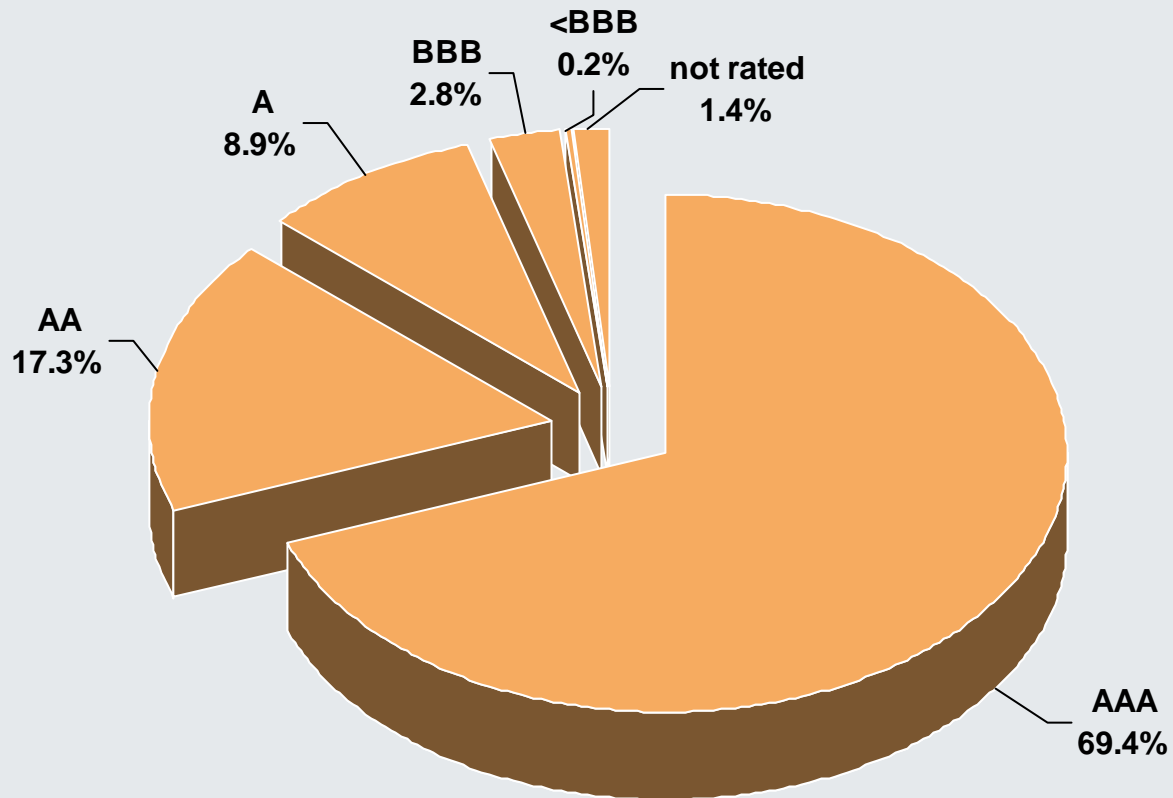
## New Business Margin

*in CHF mn*

|                                        | HY 2006     |            | HY 2007     |            |
|----------------------------------------|-------------|------------|-------------|------------|
|                                        | CH          | EU         | CH          | EU         |
| <i>Value of new business</i>           | 8           | 2          | 9           | 2          |
| <i>Annual premium equivalent (APE)</i> | 68          | 39         | 61          | 46         |
| <b>New business margin, in %</b>       | <b>11.4</b> | <b>5.1</b> | <b>14.2</b> | <b>5.2</b> |

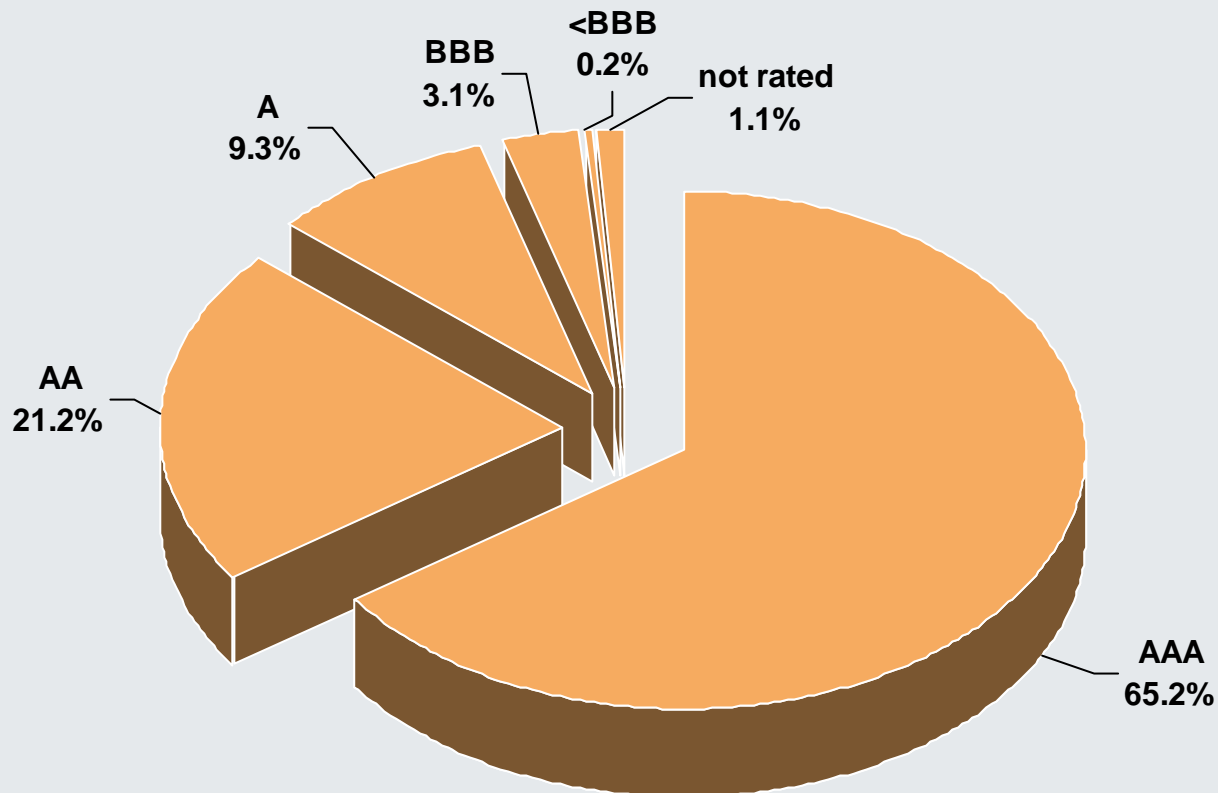
## Bonds and Promissory Notes: Quality

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



## Debt Securities: Quality

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

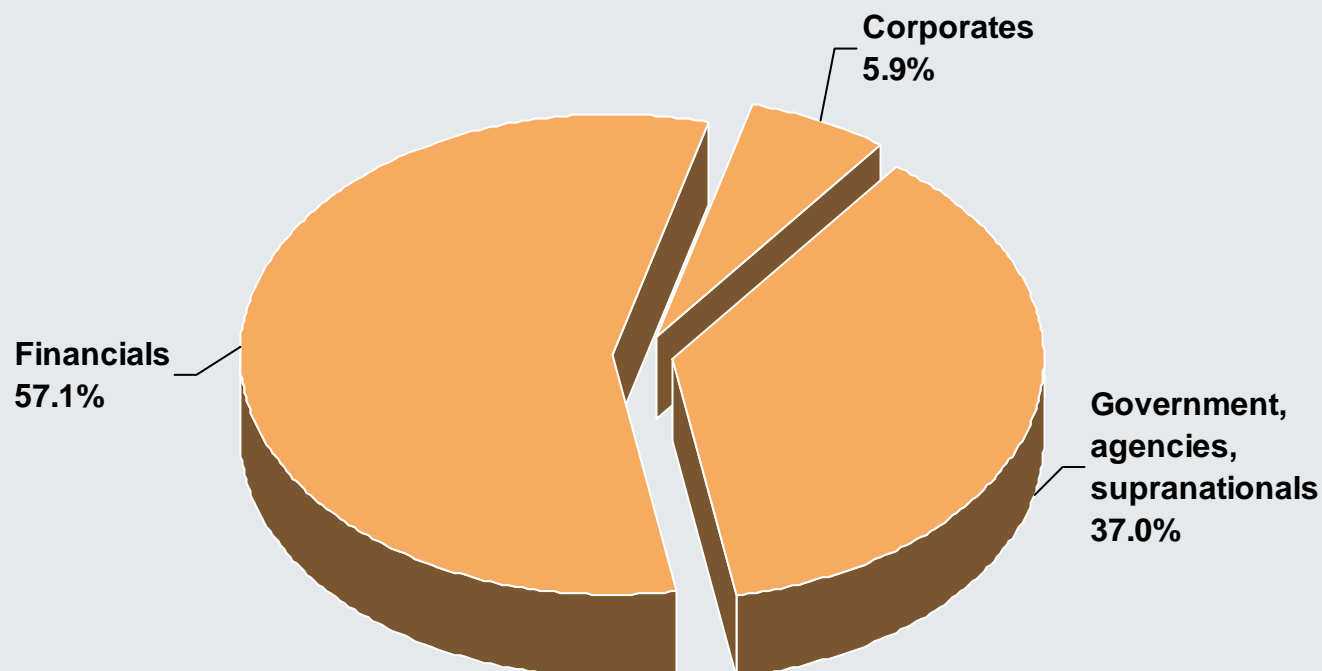


**Total bond investments: CHF 22,661mn**



## Bond Portfolio: Issuers

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



**Total bond investments: CHF 22,661mn**

## Bonds and Promissory Notes: Macaulay Duration

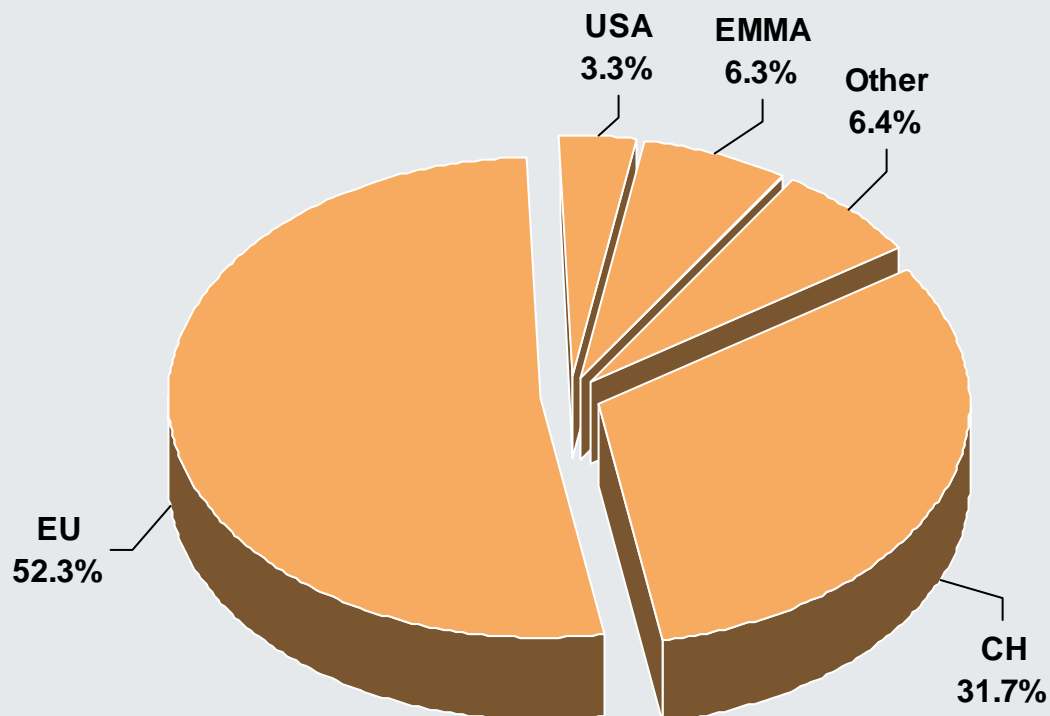
*excluding banking assets and assets from investment-type insurance contracts, ()= FY 2006*

|                                         | Years            | % of total  |
|-----------------------------------------|------------------|-------------|
| Duration bonds available-for-sale (AFS) | 5.9 (5.9)        | 55.8%       |
| Duration bonds held-to-maturity (HTM)   | 5.0 (5.4)        | 21.9%       |
| Duration promissory notes               | 5.2 (4.7)        | 22.3%       |
| <b>Duration portfolio</b>               | <b>5.6 (5.6)</b> | <b>100%</b> |

|                                                  | Years            | % of total  |
|--------------------------------------------------|------------------|-------------|
| Duration life bonds (incl. promissory notes)     | 5.8 (5.8)        | 79.9%       |
| Duration non-life bonds (incl. promissory notes) | 4.8 (4.9)        | 20.1%       |
| <b>Duration portfolio</b>                        | <b>5.6 (5.6)</b> | <b>100%</b> |

## Equity Portfolio: Regional Exposure

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

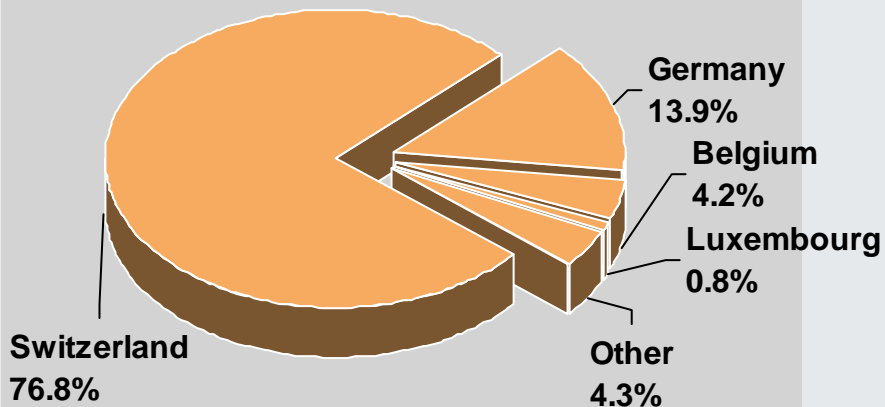


**Total equity investments: CHF 6,392mn**

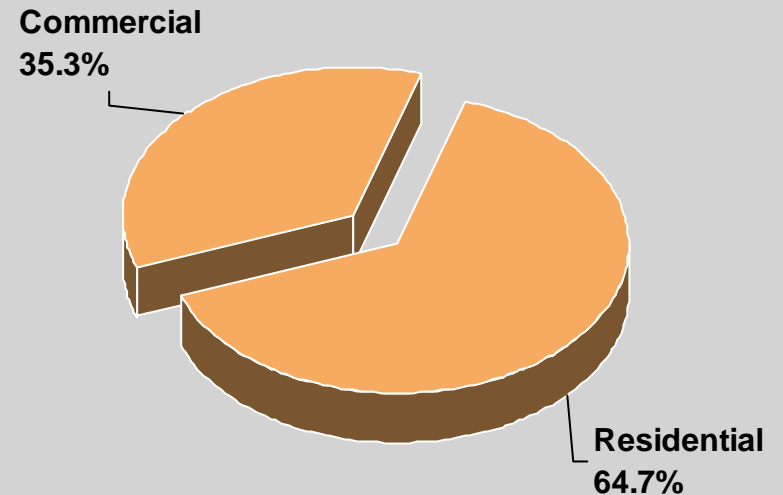
# Investment Property: Country and Type

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

Breakdown by country



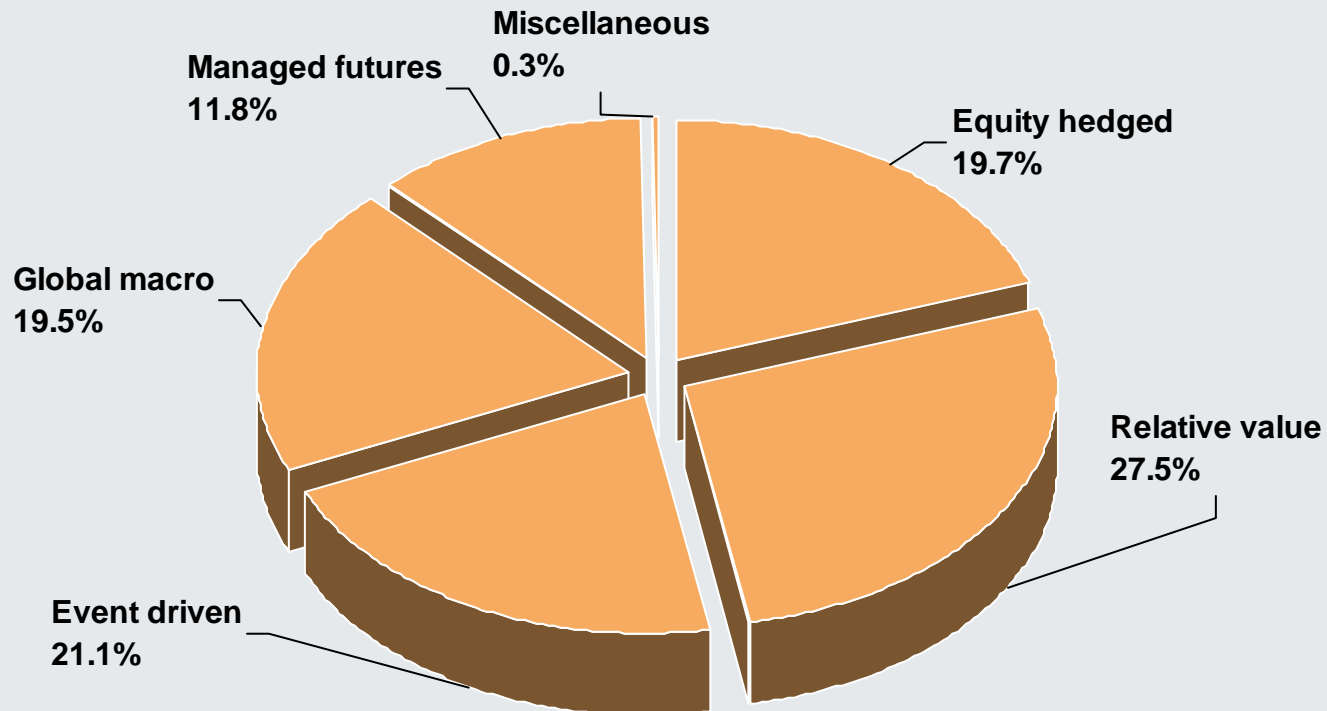
Breakdown by type



**Total investment property: CHF 5,078mn**

## Hedge Fund Portfolio: Style

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

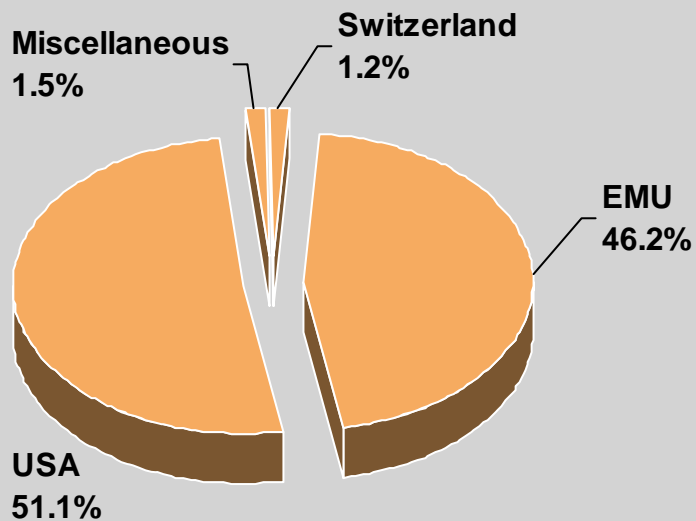


**Total hedge fund investments: CHF 1,741mn  
(88 different managers and 10 fund of funds)**

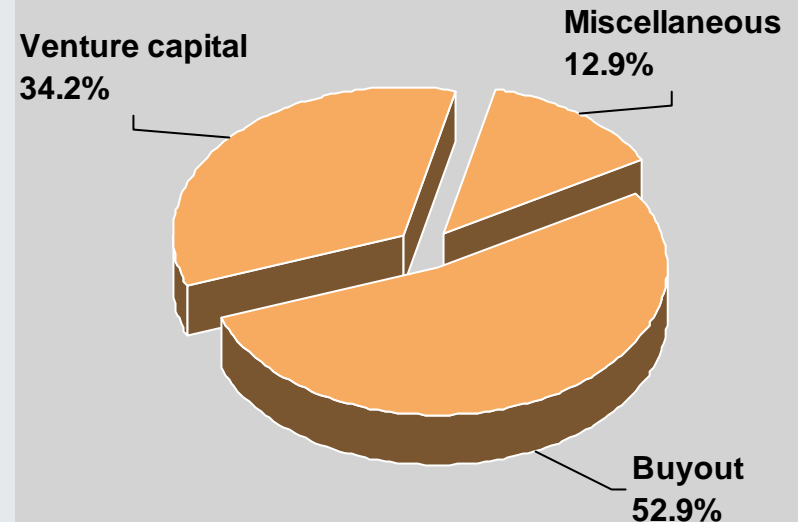
# Private Equity Portfolio

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

### Breakdown by region



### Breakdown by type

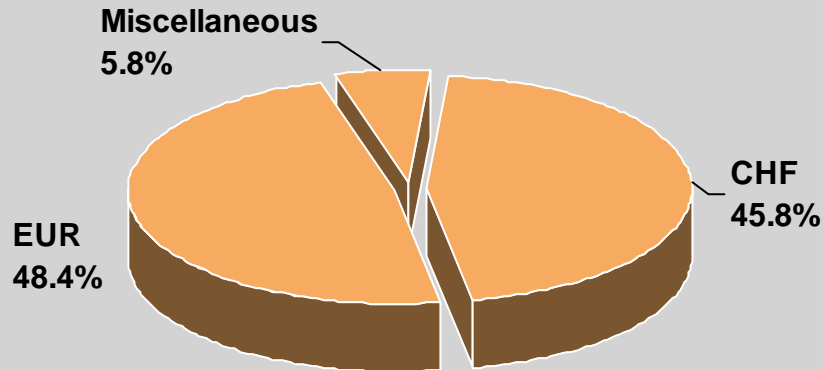


**Total private equity investments: CHF 570mn**

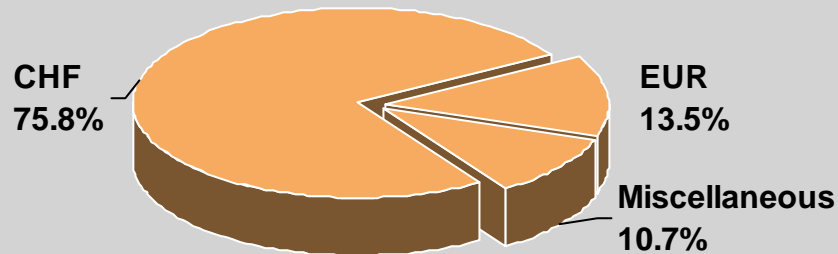
# Currency Exposure, Gross

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

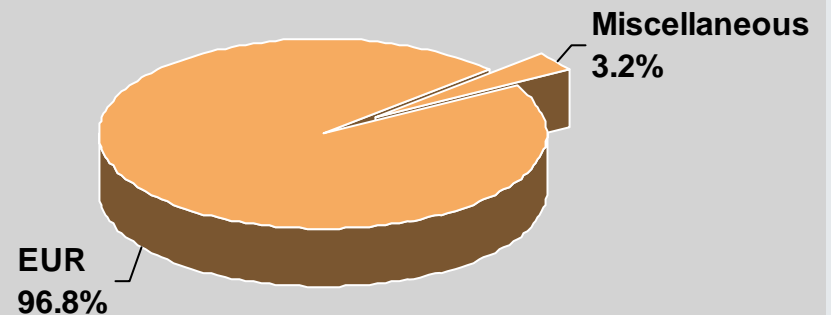
## Group



## Swiss operations



## Foreign operations

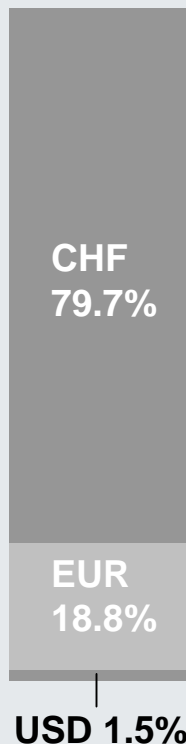
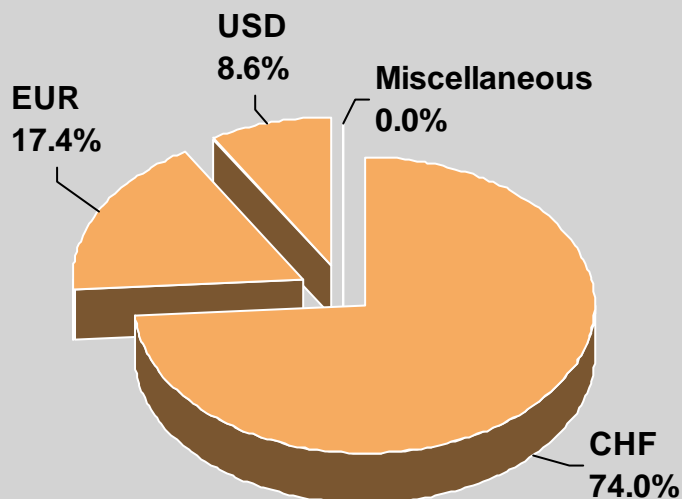


# Bond Portfolio: Currency Exposure of Swiss Operations

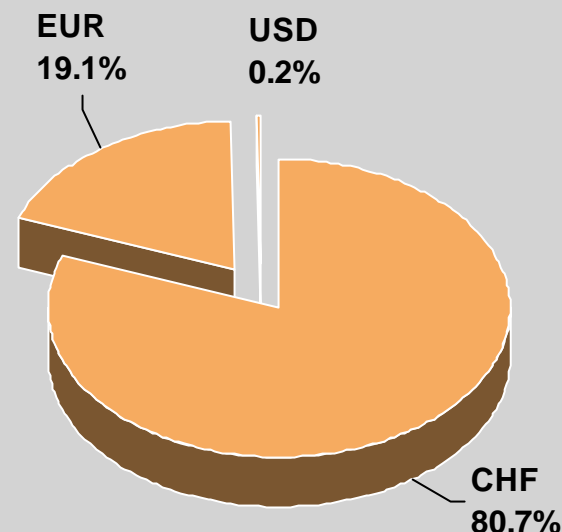
*excluding banking assets and assets from investment-type insurance contracts*

**Total bonds: CHF 13,516mn**

**Non-life: CHF 1,977mn**



**Life: CHF 11,538mn**

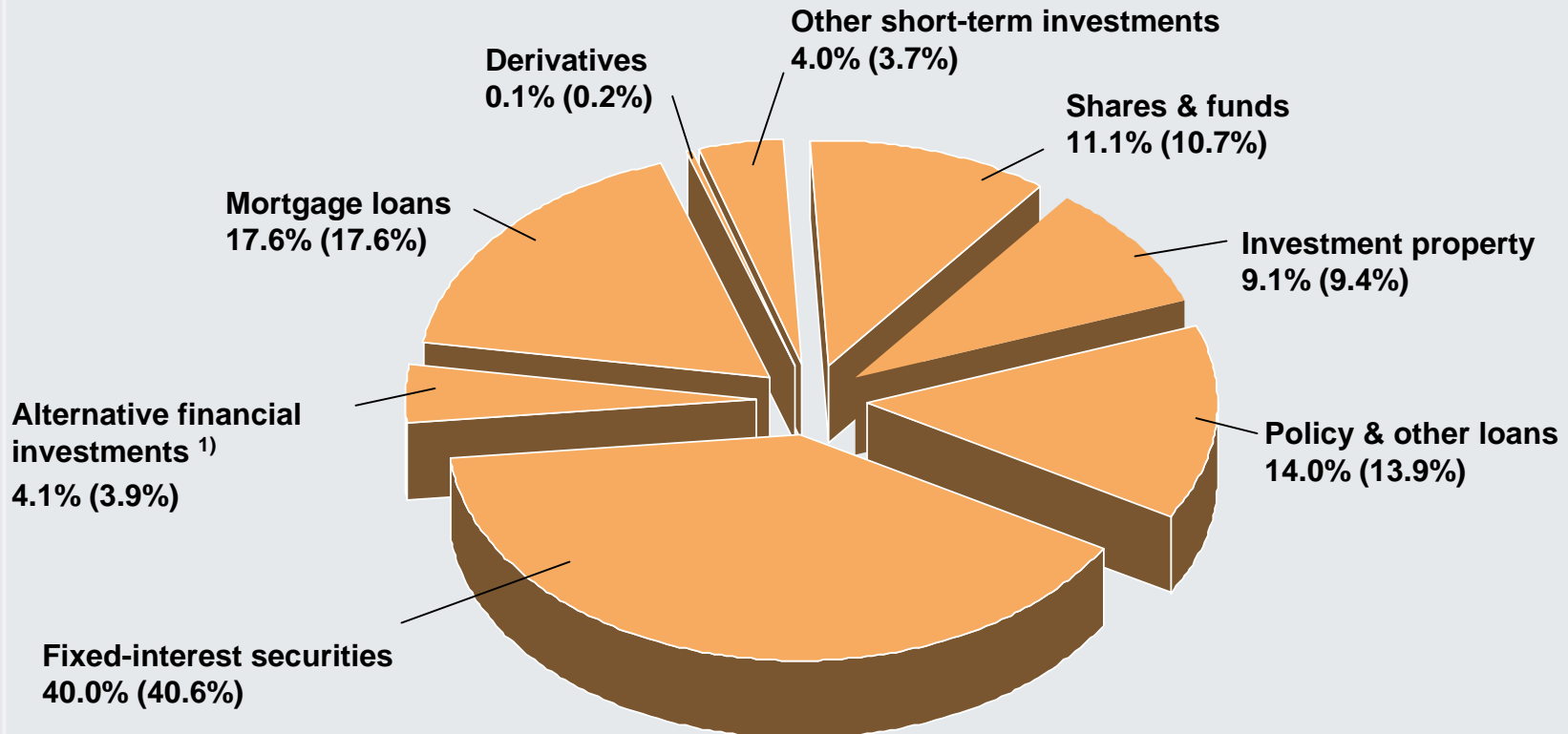


**Total net currency exposure after hedges & liabilities: 3.4% EUR, 0.2% USD**



# Group Asset Allocation (including banking assets)

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



**Total CHF 57,461mn (FY 2006: CHF 56,380mn)**

1) Private equity and hedge funds

## Foreign Currency Exchange Rates

*in CHF*

|                                        | Balance sheet |             | Profit & loss |             |
|----------------------------------------|---------------|-------------|---------------|-------------|
|                                        | 2006          | HY 2007     | 2006          | HY 2007     |
| <i>Foreign currency exchange rates</i> |               |             |               |             |
| <b>EUR</b>                             | <b>1.61</b>   | <b>1.66</b> | <b>1.57</b>   | <b>1.63</b> |
| <b>USD</b>                             | <b>1.22</b>   | <b>1.23</b> | <b>1.25</b>   | <b>1.23</b> |
| <b>GBP</b>                             | <b>2.39</b>   | <b>2.46</b> | <b>2.31</b>   | <b>2.42</b> |
| <b>JPY</b>                             | <b>1.02</b>   | <b>0.99</b> | <b>1.08</b>   | <b>1.02</b> |

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

## Key Dates

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

**Full Year Results 2007**  
**Wednesday, 26 March 2008**

**Annual General Meeting**  
**Tuesday, 29 April 2008**

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

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