

Half Year Results 2017

Presentation to Investors and Analysts

Basel, 30 August 2017



Cautionary statement regarding forward-looking information

This presentation was produced by Bâloise Holding AG and/or its affiliates (hereafter "Baloise") with the greatest of care and to the best of its knowledge based on information available for Baloise in Switzerland on the day of its first publication. If nothing is indicated to the contrary, all figures are not audited. This presentation contains forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, and Baloise might not be able to achieve the predictions, forecasts, projections and other outcomes Baloise describes or implies in this presentation. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions Baloise expresses in this presentation. However, neither Baloise nor any of its members of the board, directors, officers, employees, advisors or any other person make any representation or warranty as to the accuracy or completeness of the information contained in this presentation. Neither Baloise nor any of its members of the board, directors, officers, employees, advisors or any other person accept any liability for direct or indirect losses which might arise from making use of the information of this presentation. This presentation does not constitute an offer or a recommendation to subscribe for or purchase any shares or other securities of Baloise and does not release the recipient from exercising his/her own judgment, if necessary with the help of a professional advisor. Furthermore, Baloise does not intend to update these forward-looking statements except as may be required by applicable law. This document may not be copied, reproduced, altered, offered, sold or otherwise distributed to any other person either in part or in full without the prior written consent of Baloise.

Copyright © 2017 Bâloise Holding AG. All rights reserved.

Agenda

1. Half Year Results 2017 – In a Nutshell
2. Capitalisation
3. Non-Life
4. Life
5. Banking and Asset Management
6. Assets
7. Baloise Figures
8. Further Information

1. Half Year Results 2017 – In a Nutshell

Half Year Results 2017

- Good growth in target segments and further initiatives in going beyond traditional insurance business
- Higher result thanks to further improved profitability in non-life and less reserve strengthenings in life
- Net Combined Ratio Group below 90%; Germany below 100%

Non-Life
EBIT: CHF 261 mn

Net Combined Ratio **89.7%**
(-2.8 pts)

Life
EBIT: CHF 115 mn

New business margin **24.8%**

Interest rate margin **115 bp**

Banking & Asset Management
EBIT: CHF 42 mn

Net Investment Yield **1.4%**
(not annualised)
(-0.3 pts)

Group			
Growth	1.0% Non-Life	-0.2% Life	2.9% Investment-type
Net Income	CHF 299 mn (+33.8%)		
Capital	CHF 5.9 bn Equity	A outlook stable S&P	'in the green' SST

A leading employer in the sector

The trusted choice for our customers: **one million additional customers**

A reliable and attractive investment: **CHF 2 bn cash remittance to the Holding**



2. Capitalisation

Capital - IFRS Total Equity

Change in equity

In CHF mn, incl. non-controlling interests

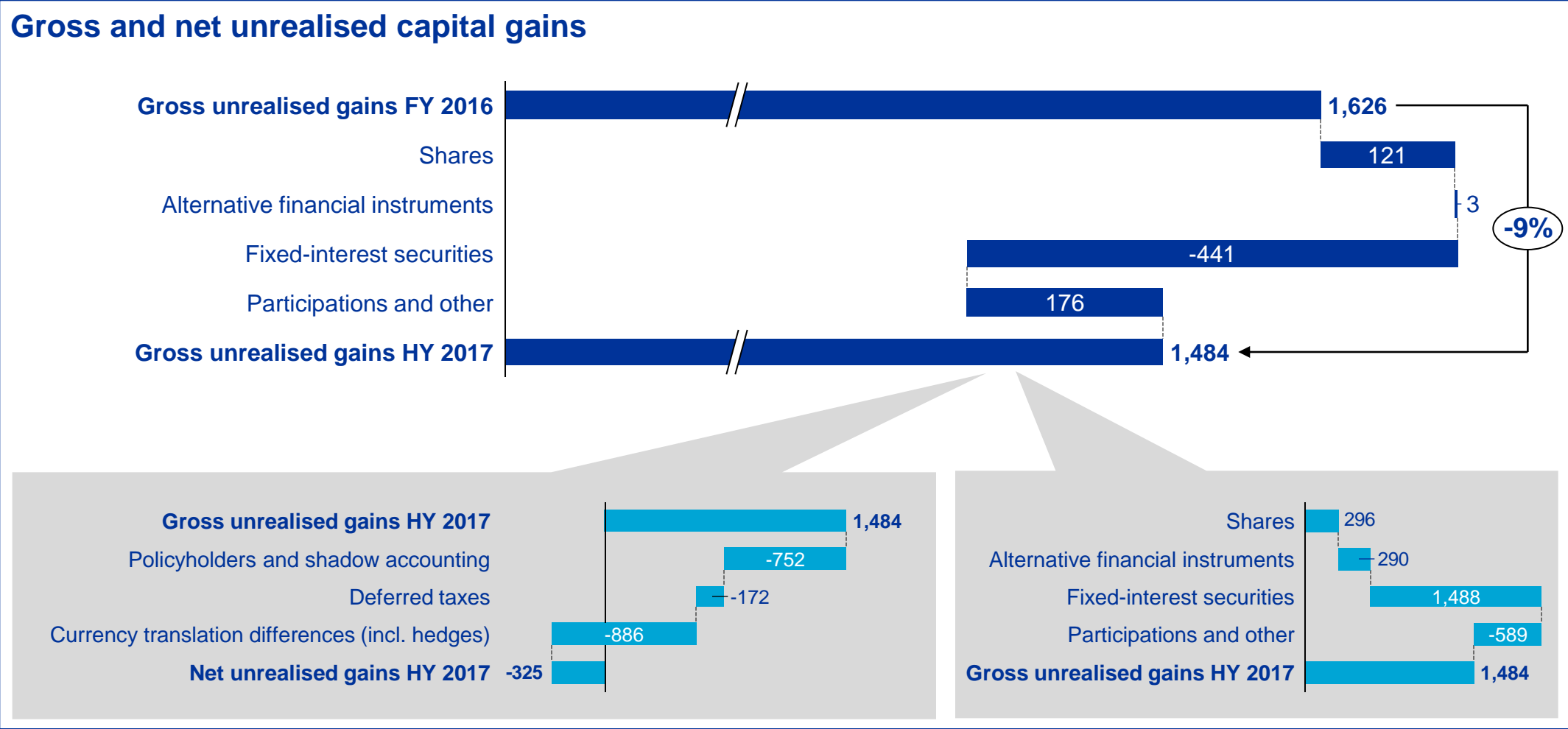
	2017		Per share¹⁾
Total equity at January 1	5,774		123.8
Other comprehensive income	9		
Dividends	-249		
Profit for the period	299	$\Delta = 2.0\%$	$\Delta = -1.6\%$
Purchase / sale of treasury shares	12		
Change in non-controlling interests	48		
Total equity at June 30	5,892		121.8

New share buy-back started April 2017

- Shares to be repurchased : up to 3 mn
- Expected buy-back period: 3 years
- Completion rate (25.08.): 8%

¹⁾ Based on consolidated total equity (excl. non-controlling interests) and on average shares outstanding

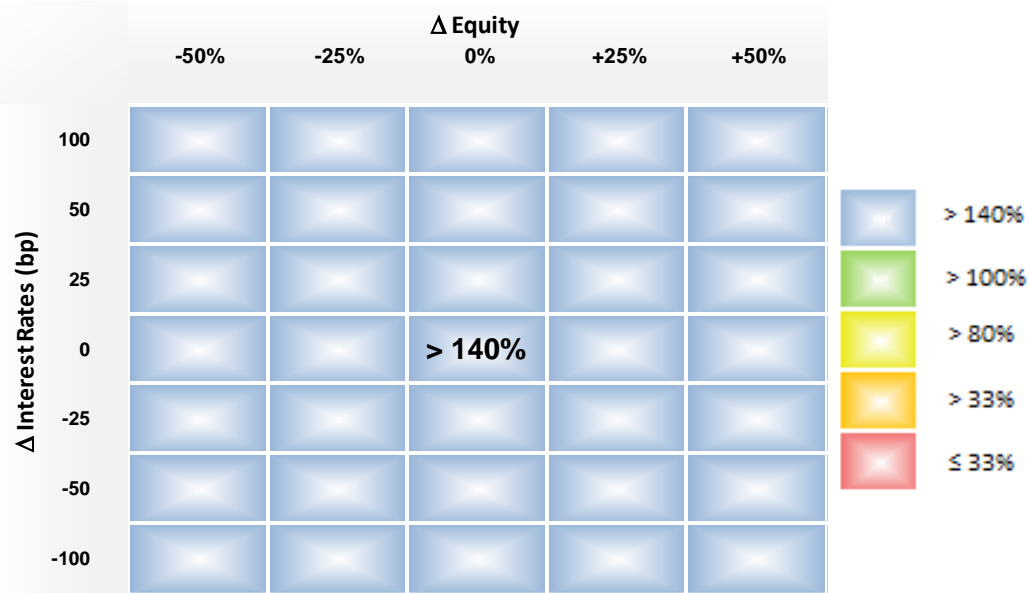
Capital - Unrealised Capital Gains



Economic Capitalisation

Swiss Solvency Test (SST)

Sensitivities as of 1.1.2017



Swiss Solvency Test

SST-ratio as of 1.1.2017 above 140% even in economic stress events such as if interest rates drop by 100 bp and equity markets crash by 50%

SST still characterised by high model volatility. FINMA and Swiss insurance industry working on new standard model for Swiss Group Life with the ambition that the new model is used starting from 1.1.2018 onward

Solvency II

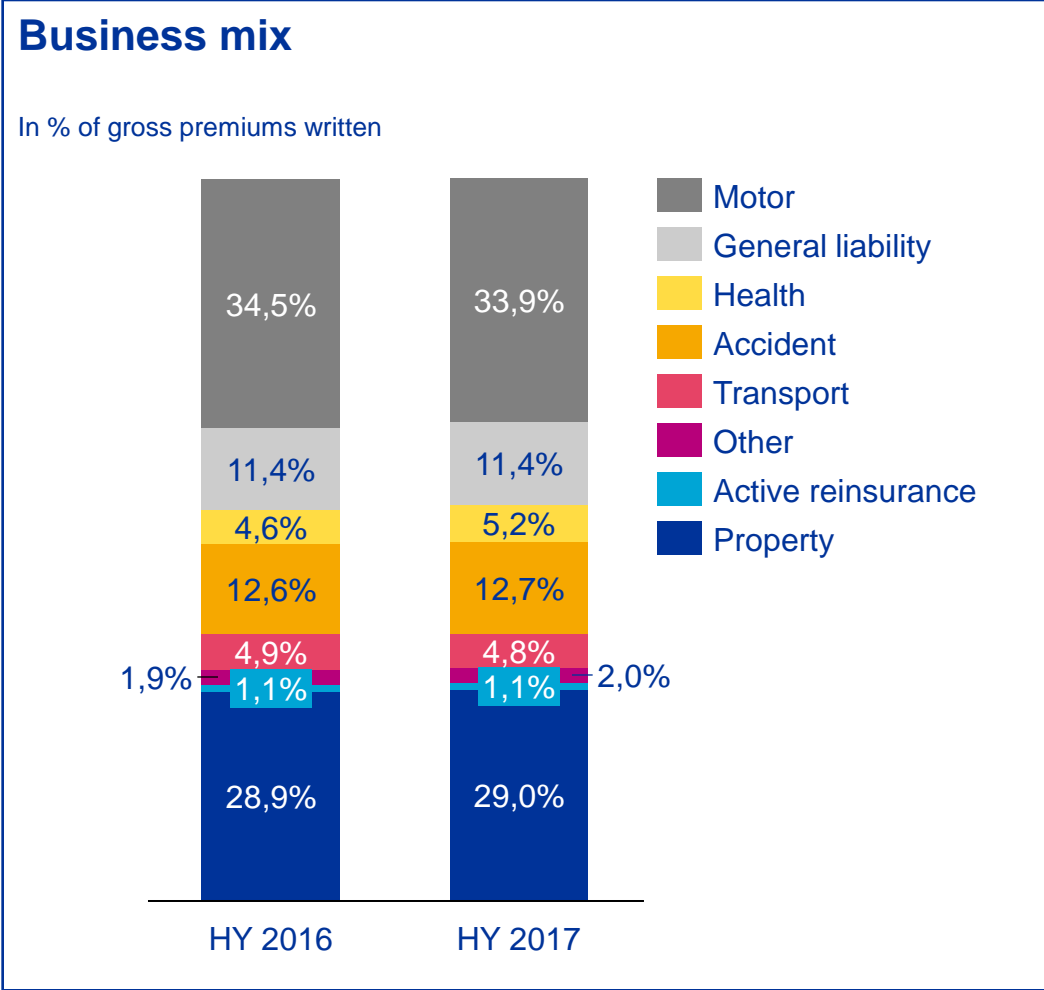
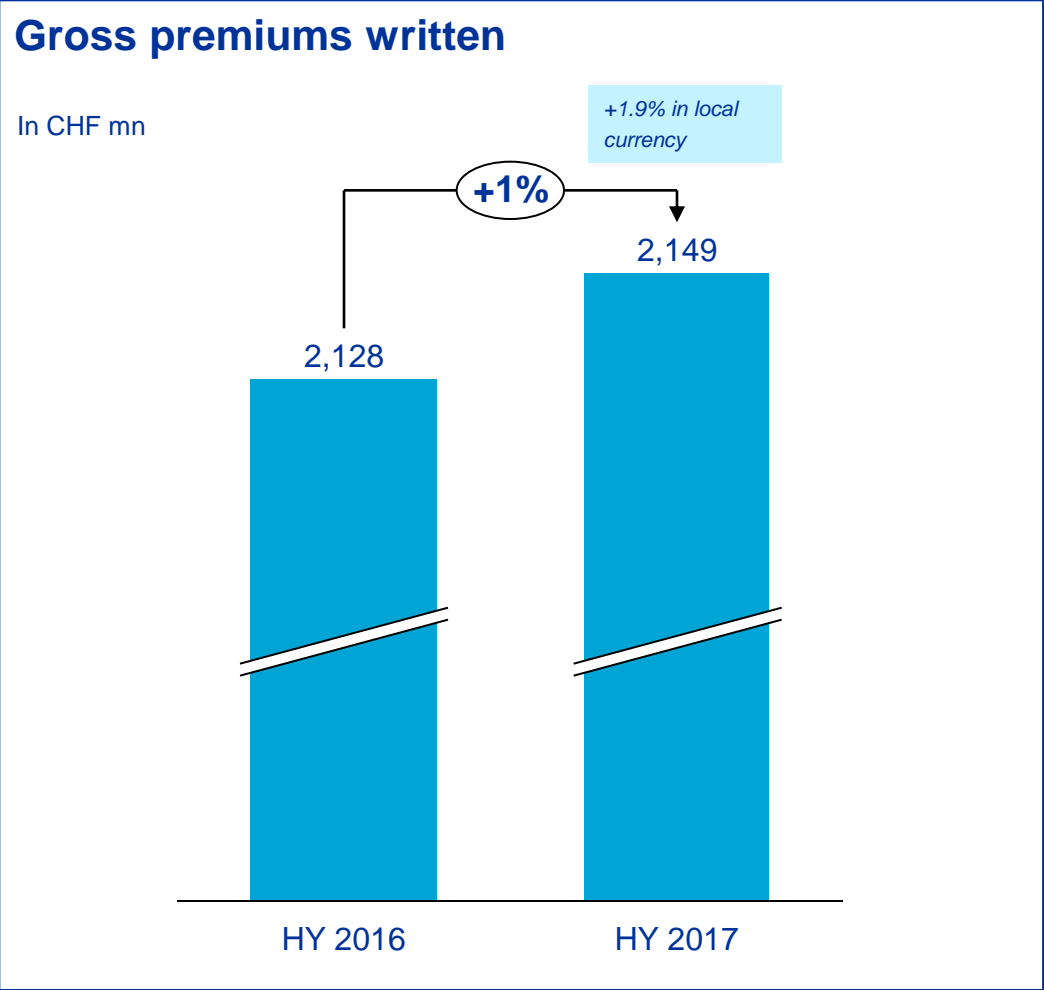
Baloise business units in the EU published their first Solvency and Financial Condition Report (SFCR) in May 2017. All SII-quotas without transitionals and without volatility adjustment 'in the green'

Standard & Poor's Rating

Standard & Poor's confirmed Baloise's strong rating of 'A' with a stable outlook, acknowledging its very healthy AAA-capitalisation, strong risk management, high operational profitability and robust competitive position in its profitable core markets

3. Non-Life

Non-Life – Business Volume and Business Mix



Non-Life – Earnings and Combined Ratio

Profit & Loss		
In CHF mn	HY 2016	HY 2017
Premiums earned (net)	1,467	1,490
Premiums earned (gross)	1,531	1,559
Reinsurance premiums ceded	-64	-70
Claims and benefit paid (net)	-911	-844
Claims and benefits paid (gross)	-887	-898
Reinsurers' share of claims incurred	53	19
Change in technical reserves	-77	35
Technical costs	-466	-476
Acquisition costs	-217	-225
Operating and administrative expenses	-250	-251
Net investment result	150	127
Other	-32	-35
EBIT	208	261

Margin – Net combined ratio		
In %	HY 2016	HY 2017
Net combined ratio	92.5	89.7
Loss ratio	60.6	57.7
Claims and benefit paid (net) / premiums earned (net)	62.1	56.7
Adjustment for non-life annuities ¹⁾	-0.6	-0.5
Adjustment for impending losses ²⁾	-0.9	1.5
Expense ratio	31.9	32.0
Technical costs / premiums earned (net)	31.8	32.0
Expense adjustment	0.1	0.0

¹⁾ For interest effect from discounted non-life annuity reserves

²⁾ Relating to future reporting periods

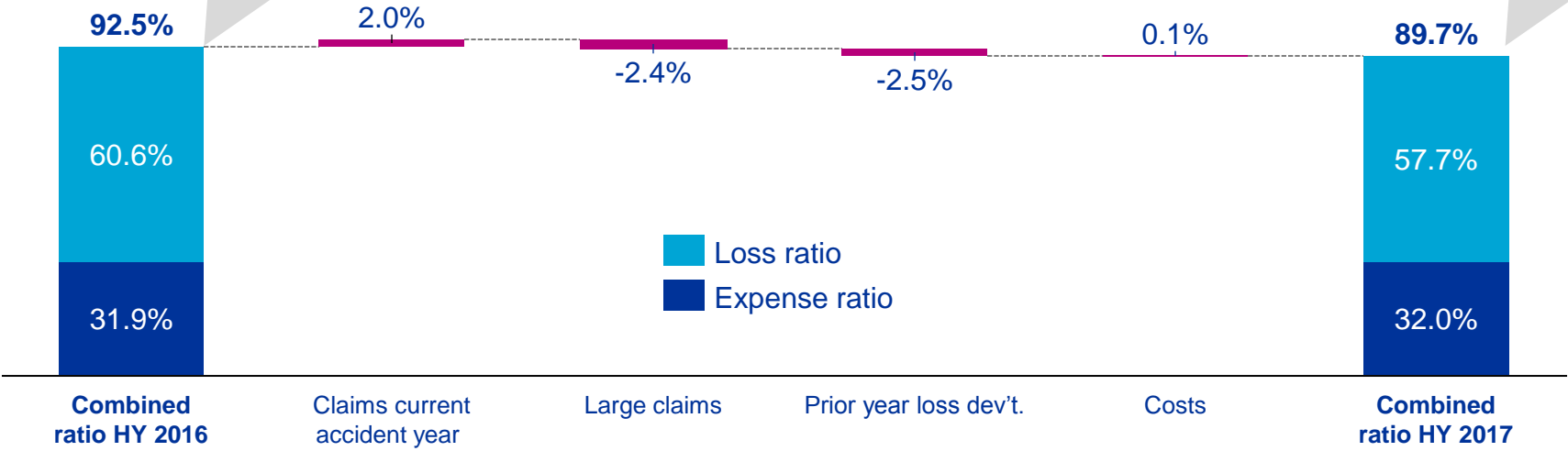
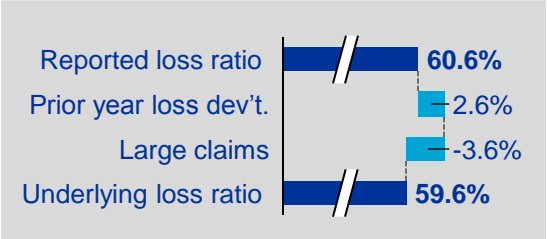
Lower impending losses relating to future reporting periods due to improved claims experiences in the Swiss accident and health business

See page 15 for details

Non-Life – Analysis of Change

Net combined ratio and underlying loss ratio

In % of net premiums earned







60.6%
31.9%

57.7%
32.0%

Loss ratio
Expense ratio

Loss ratio incl. surplus sharing

Non-Life – Margins by Country

Net combined ratio					
	Switzerland	Germany	Belgium	Luxembourg	Group
In % of net premiums earned					
Loss ratio	54.4	61.7	59.5	58.4	57.7
Expense ratio	27.0	37.8	34.5	31.3	32.0
Combined ratio HY 2017	81.4	99.5	94.0	89.7	89.7
Change vs. HY 2016 (in pts)					
Δ Loss ratio	3.6	-18.6	-0.2	3.8	-2.9
Δ Expense ratio	-0.6	1.8	0.1	-1.3	0.1
Δ Combined ratio	3.0	-16.8	-0.1	2.5	-2.8

Loss ratio incl. surplus sharing

Germany's HY 2016 loss ratio includes 15.2 pts impact of one-off reserve strengthening

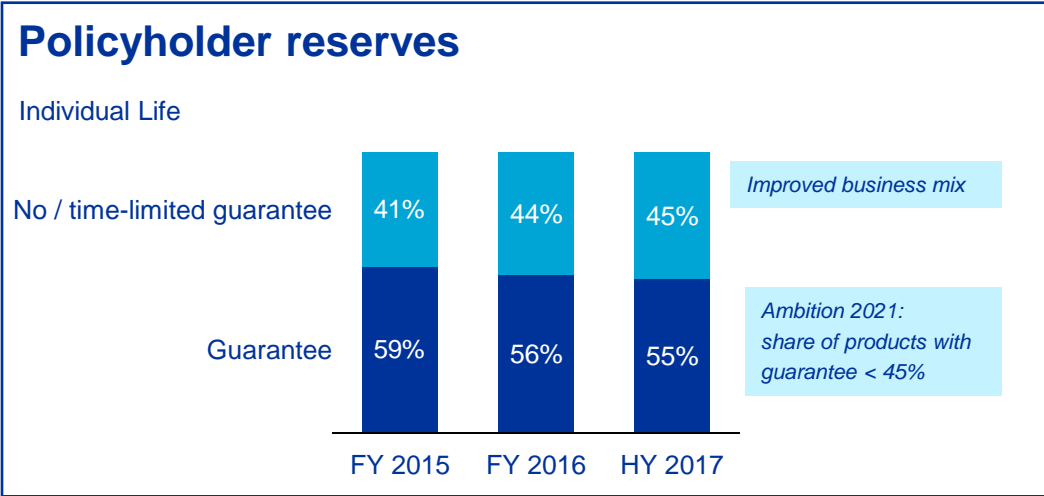
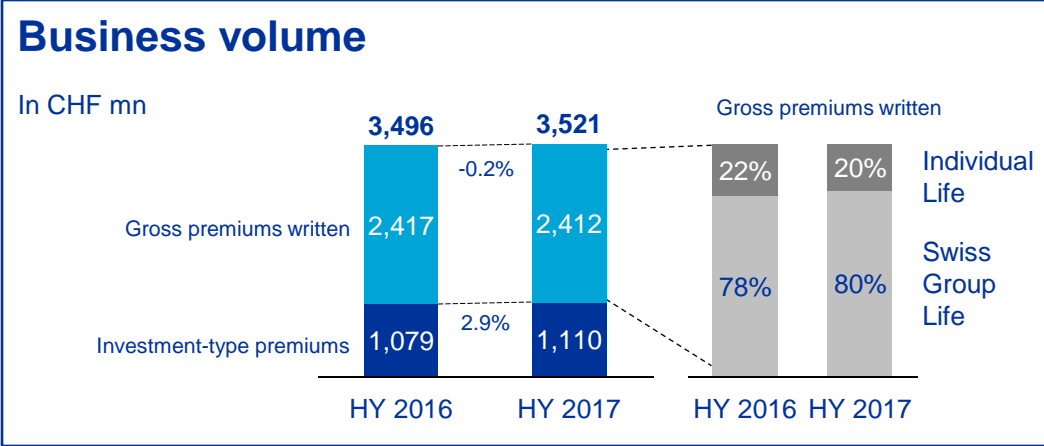
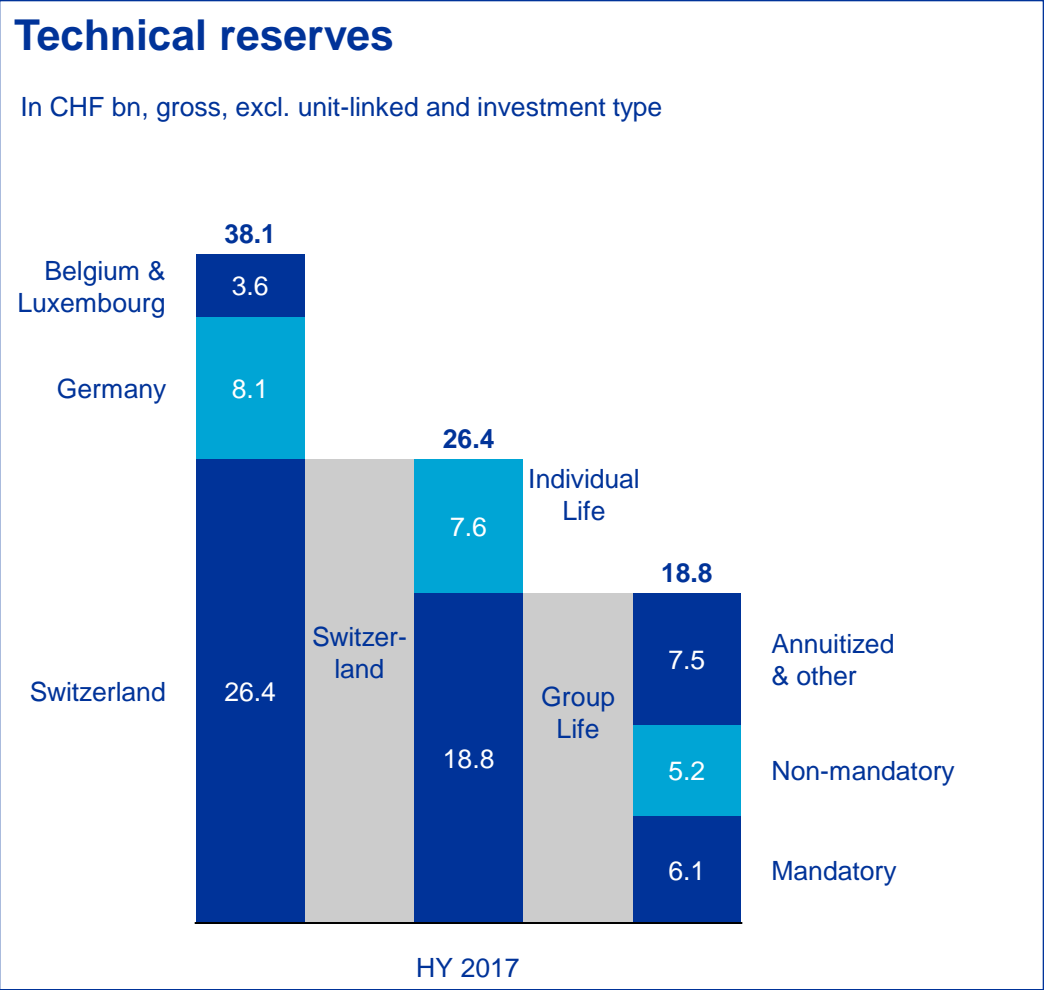
Non-Life – Investment Result

Investment income and yield							
In CHF mn	HY 2017 Current investment income	HY 2017 Impairments	HY 2017 Gains and losses through income statement			HY 2017 Net investment result	HY 2016 Net investment result
			On underlying	On derivatives	Net		
Fixed-income securities ¹⁾	47	-	3	-	3	50	90
Equities	34	-4	40	-18	22	53	32
Investment property	20	-	5	-	5	26	23
Other ²⁾	17	-2	7	-	7	23	24
Total before FX and investment expenses	118	-5	56	-18	38	152	168
FX: gains / losses and hedging costs			-39	27		-11	-7
Investment expenses						-13	-11
Net investment result						127	150
Average investments						9,486	9,277
Net investment yield						1.3%	1.6%

¹⁾ incl. senior secured loans ²⁾ incl. mortgages and loans

4. Life

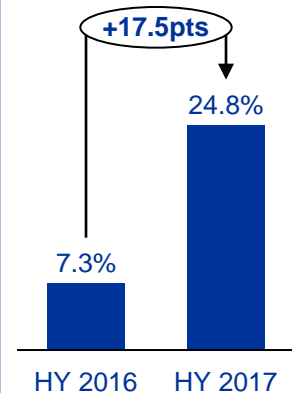
Life – Business Volume and Business Mix



Life – Volume and Value of New Business

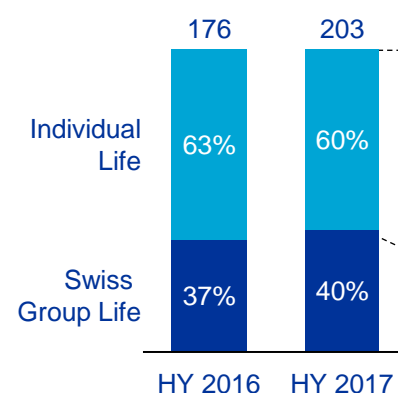
New business

Margin
in % APE

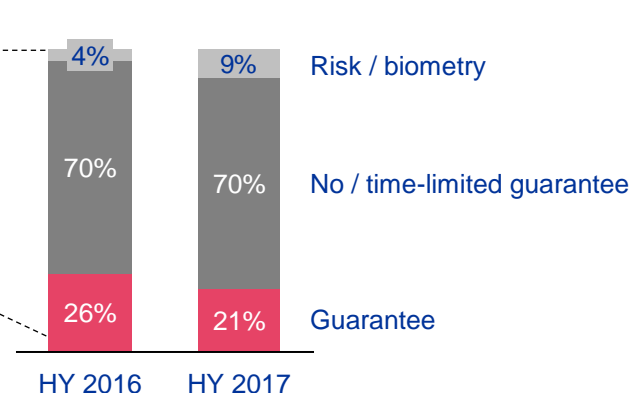


Higher margin due to repricing, improved business mix and FY 2016 model refinements in Switzerland

Volume
APE, in CHF mn



Business mix
Individual Life, in % APE



Ambition 2021:
share of products with
guarantee < 15%

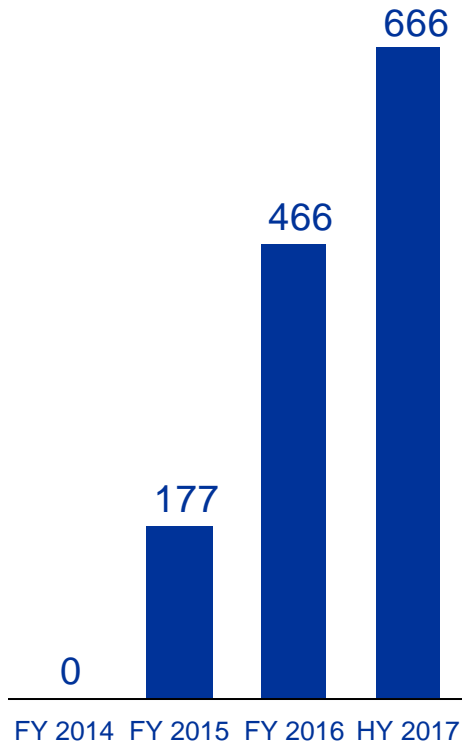
	HY 2016					HY 2017				
	CH	D	B	Lux ¹⁾	Group	CH	D	B	Lux ¹⁾	Group
Margin (in % APE)	-3.8%	25.5%	21.0%	11.0%	7.3%	21.5%	20.8%	62.5%	17.2%	24.8%
Volume (APE)	78	16	28	53	176	96	21	23	62	203
Value (MCVNB)	-3	4	6	6	13	21	4	15	11	50

¹⁾ excl. Baloise Life Liechtenstein

Swiss Group Life

Semi-autonomous solution
«Perspectiva»

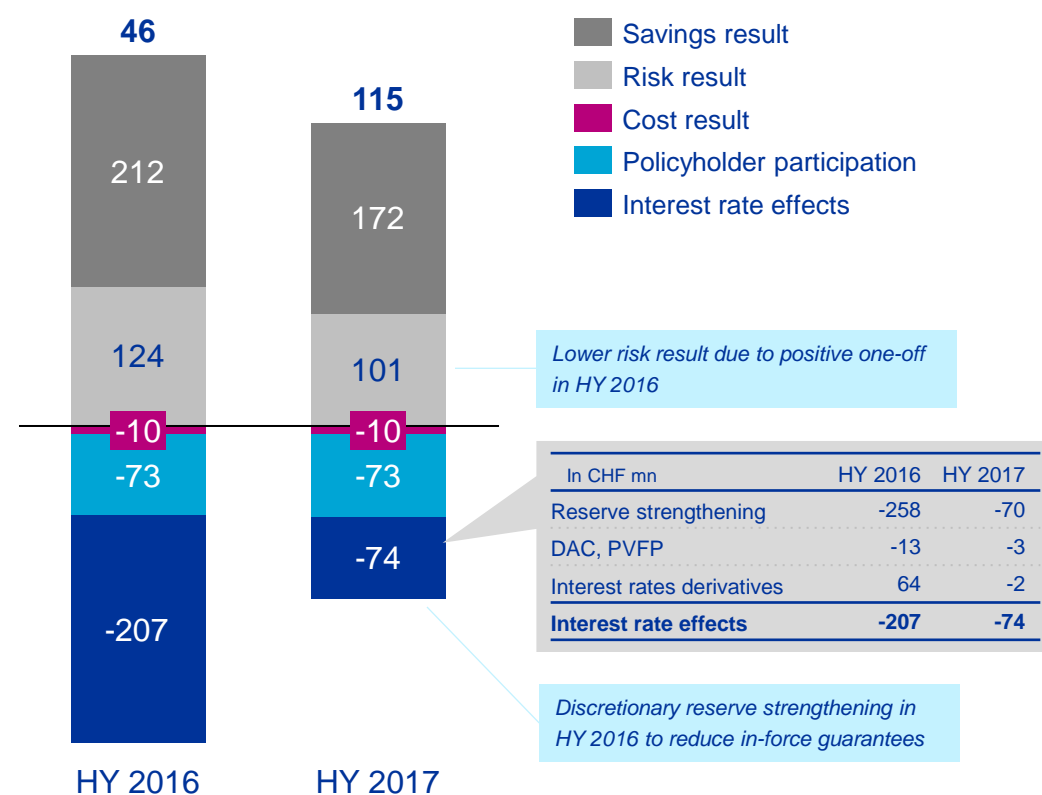
total companies



Life – Earnings and Value

EBIT Life – Profit by sources

IFRS, in CHF mn

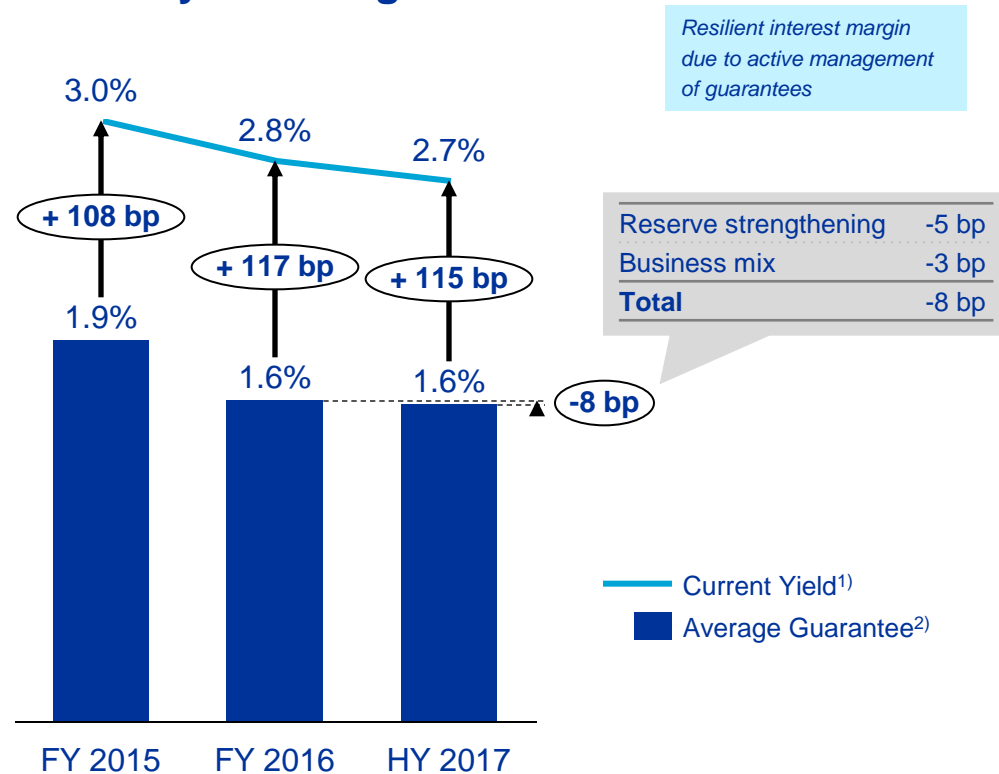


In CHF mn	HY 2016	HY 2017
Savings results	212	172
Risk result	124	101
Cost result	-10	-10
Policyholder participation	-73	-73
Interest rate effects	-207	-74
EBIT	46	115

In CHF mn	HY 2016	HY 2017
Reserve strengthening	-258	-70
DAC, PVFP	-13	-3
Interest rates derivatives	64	-2
Interest rate effects	-207	-74

Life – Average Guarantees and Interest Rate Margin

Current yield and guarantees



¹⁾ Annualised current investment income (IFRS) in % of statutory reserves, excl. realised capital gains / losses, incl. investment costs

²⁾ Average guarantee (statutory basis), as at 1.1. resp. 1.7. next reporting period

Technical reserves and average guarantees

Statutory basis

	CH Ind. Life	CH Group Life	CH +	D +	B +	Lux +	Group
Technical reserves³⁾							
As at 31.12. resp. 30.06., in CHF bn							
FY 2015	8.0	16.0	23.9	6.0	5.0	0.4	35.4
FY 2016	8.1	16.6	24.7	5.9	5.3	0.5	36.4
HY 2017	7.9	17.2	25.1	6.0	5.6	0.5	37.2

Average guarantees

As at 1.1. resp. 1.7. next reporting period

FY 2015	1.9%	1.3%	1.5%	2.8%	2.9%	2.7%	1.9%
FY 2016	1.7%	1.0%	1.2%	2.4%	2.6%	2.6%	1.6%
HY 2017	1.6%	1.0%	1.2%	2.3%	2.6%	2.5%	1.6%

³⁾ excl. unit-linked

Life – Investment Result

Investment income and yield							
In CHF mn	HY 2017 Current investment income	HY 2017 Impairments	HY 2017 Gains and losses through income statement			HY 2017 Net investment result	HY 2016 Net investment result
			On underlying	On derivatives	Net		
Fixed-income securities ¹⁾	284	-	130	-16	114	398	480
Equities	60	-8	65	-34	31	83	75
Investment property	109	-	16	-	16	126	128
Other ²⁾	99	-7	40	-	40	132	172
Total before FX and investment expenses	552	-15	251	-50	202	739	854
FX: gains / losses and hedging costs			-131	80		-51	-33
Investment expenses						-44	-41
Net investment result						643	780
Average investments						46,653	45,962
Net investment yield						1.4%	1.7%

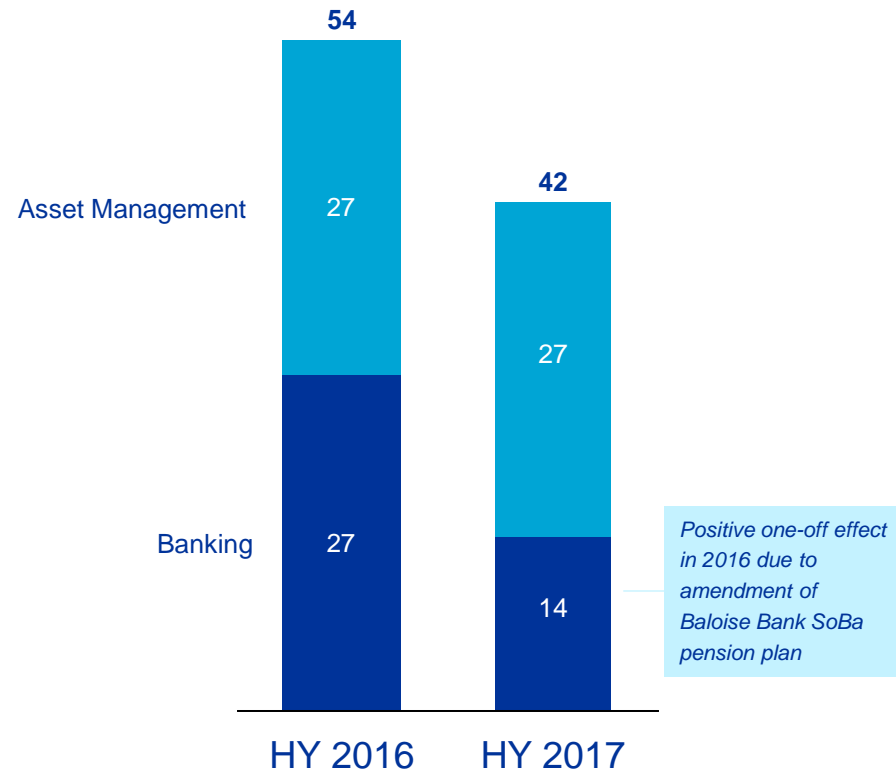
¹⁾ incl. senior secured loans ²⁾ incl. mortgages and loans

5. Banking and Asset Management

Banking and Asset Management – Earnings

IFRS Earnings

EBIT, in CHF mn



Baloise Bank Soba

Local GAAP, in CHF mn

HY 2016

HY 2017

Profit for the period	13	13
Mortgage portfolio (FY 2016)	6,158	6,172

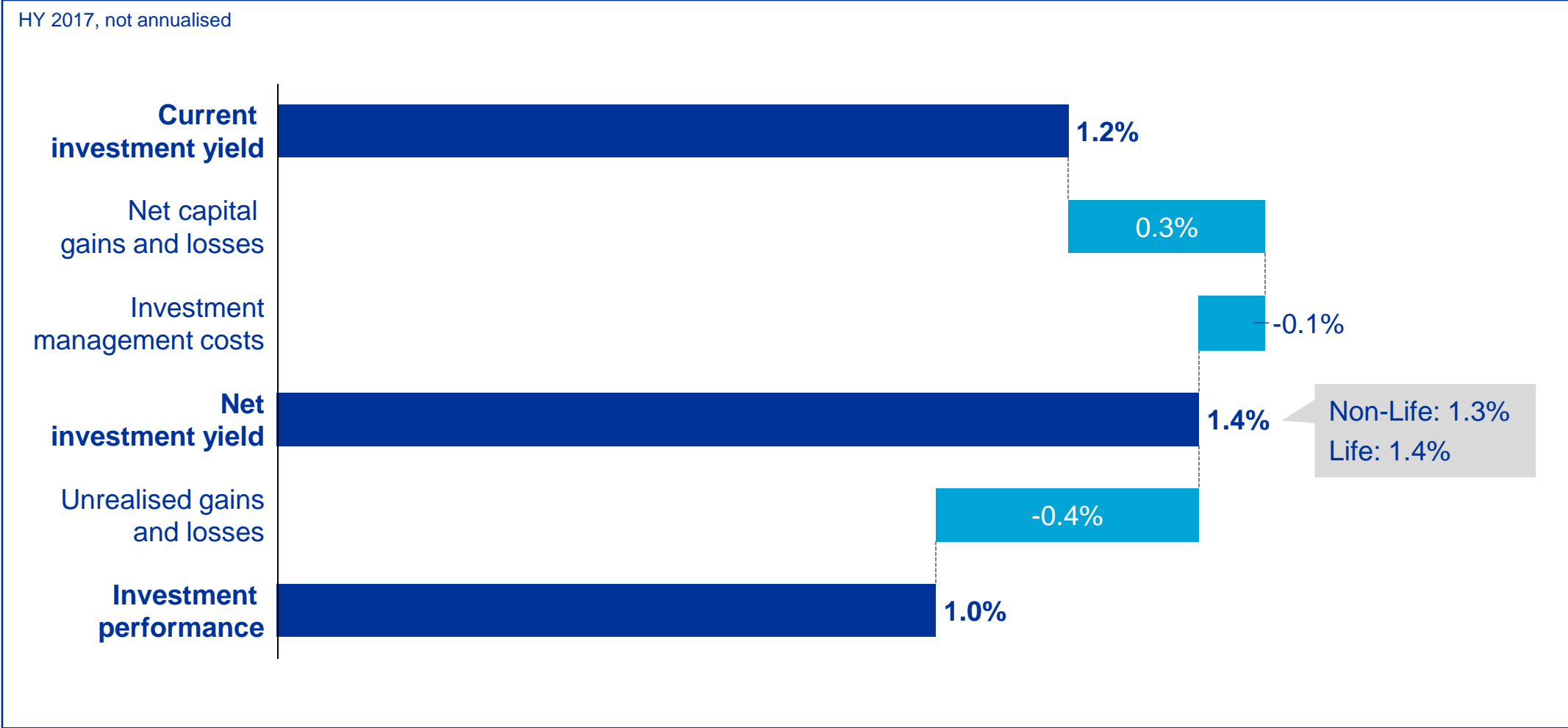
Positive development in commission business and hardly any impairments in mortgage business

Excellent growth in wealth management mandates (+30%)

Various digital projects, e.g. offering of Apple Pay as one of the first financial institutions in Switzerland. Launch of online mortgages in the second half year.

6. Assets

Investment Performance (Insurance)

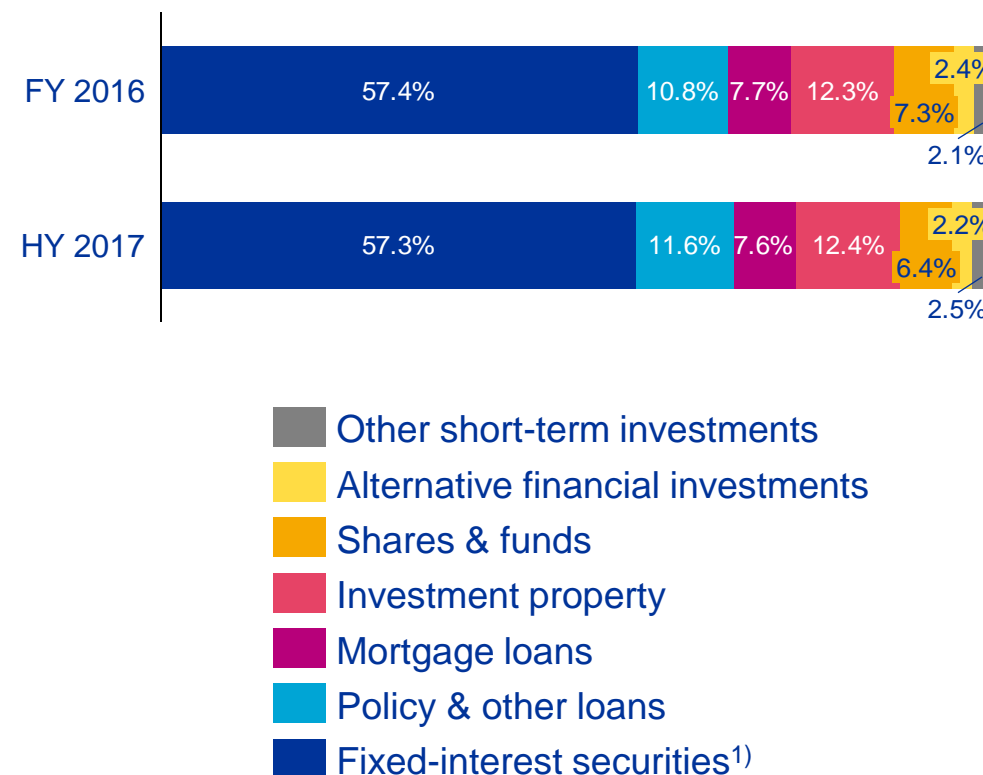


Split of Assets and Insurance Asset Allocation

Split of total assets

In CHF mn	FY 2016	HY 2017
Insurance assets	55,173	57,104
Non-life	9,167	9,805
Life	46,006	47,299
Banking assets	8,121	8,091
Other and elimination	-401	-432
Group assets	62,892	64,764
Investment-linked life insurance	12,337	13,334
Asset management for third parties	4,938	5,056
Total assets	80,168	83,153

Insurance asset allocation



¹⁾ HY 2017: incl. direct investments in senior secured loans

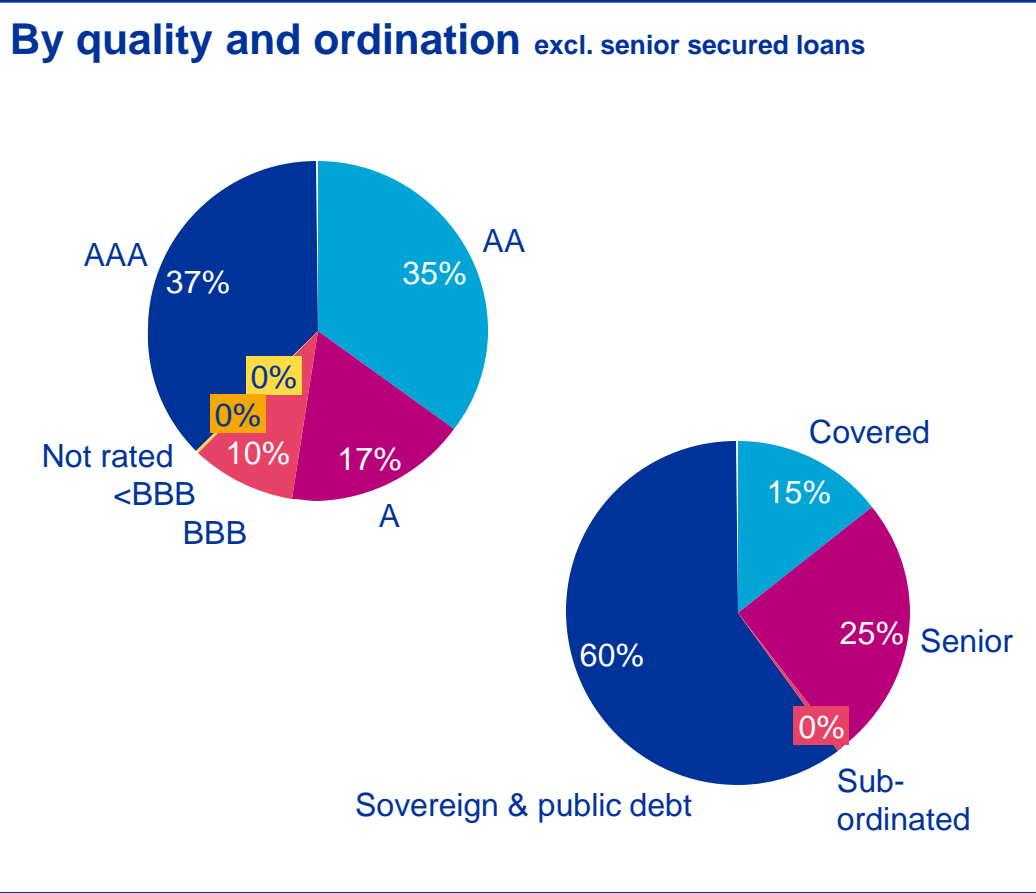
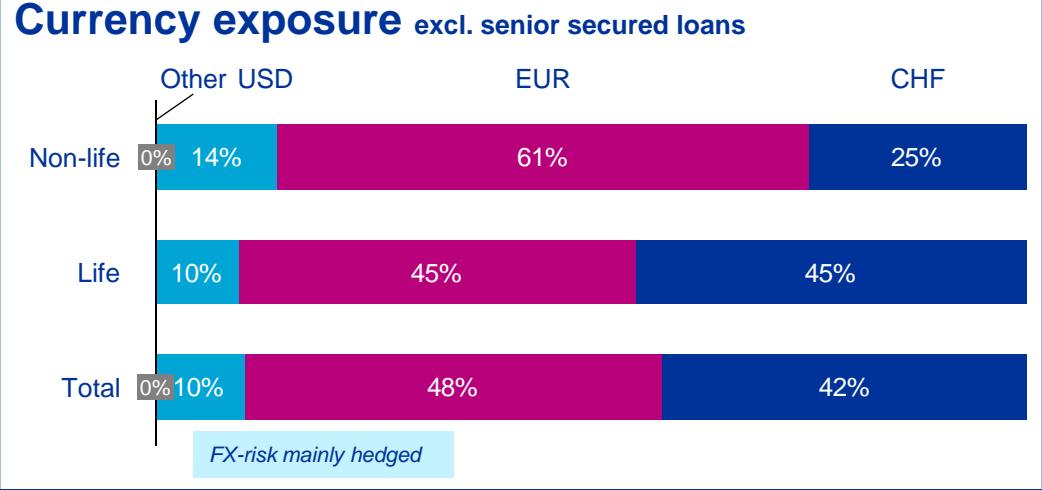
Insurance Assets: Fixed-Interest Securities (1/3)

HY 2017



Investments in fixed-interest securities
in CHF mn

	HY 2017
Fixed-interest securities	31,367
Senior secured loans	1,326
Total investments	32,693

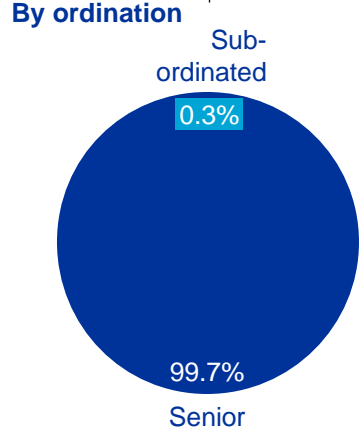
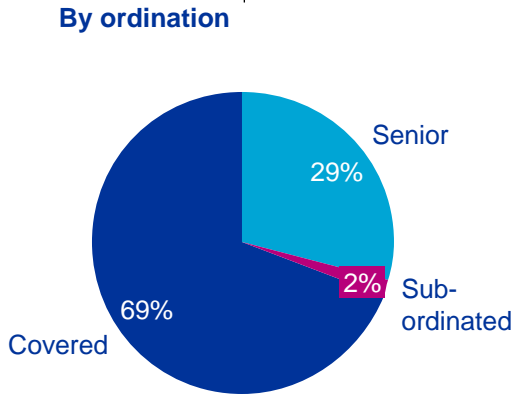
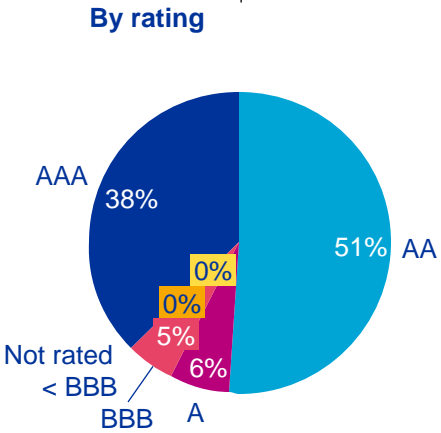
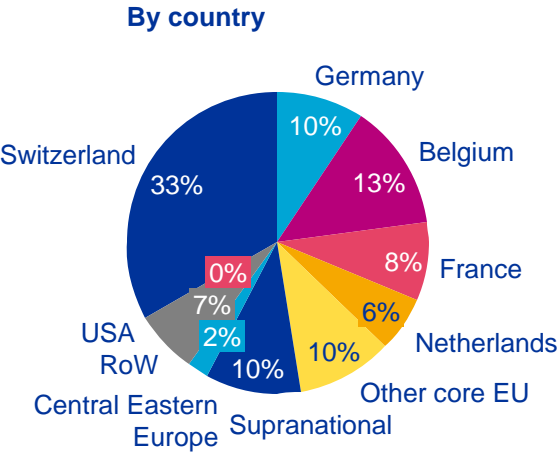


Insurance Assets: Fixed-Interest Securities (2/3)

HY 2017



Issuers of fixed-interest securities excl. senior secured loans



Duration: Fixed-Interest Securities (3/3)

HY 2017

57.3%

57,104

Duration of bonds and promissory notes excl. senior secured loans

Duration by classification

	FY 2016		HY 2017	
	Years	in %	Years	in %
Duration bonds available-for-sale (AFS)	8.6	60.9%	8.5	61.2%
Duration bonds held-to-maturity (HTM)	10.4	24.3%	10.1	25.3%
Duration promissory notes	8.9	14.8%	9.0	13.5%
Duration portfolio	9.1	100%	9.0	100%

Duration by line of business

	FY 2016		HY 2017	
	Years	in %	Years	in %
Duration life bonds (incl. promissory notes)	9.6	85.8%	9.6	84.5%
Duration non-life bonds (incl. promissory notes)	5.8	14.2%	5.7	15.6%
Duration portfolio	9.1	100%	9.0	100%

Insurance Assets: Policy Loans, Mortgages, Investment Property

HY 2017



Policy & other loans

In CHF mn

	HY 2017
Total investments	6,646

Investment property

In CHF mn

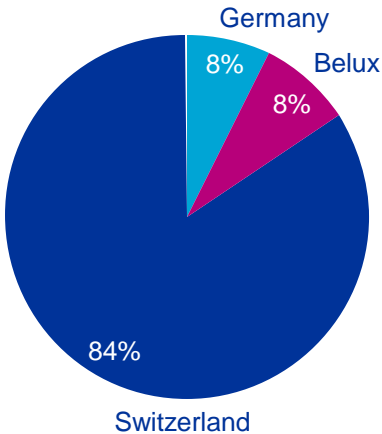
	HY 2017
Total investments	7,071

Mortgages

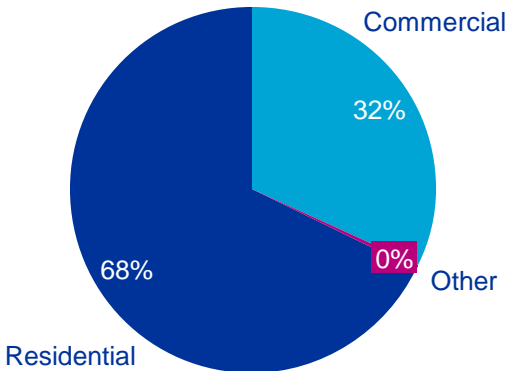
In CHF mn

	HY 2017
Total investments	4,326

By country



By type



Insurance Assets: Shares & Funds

HY 2017

6.4%

57,104

Shares & funds

in CHF mn

HY 2017

Total investments	3,637
-------------------	-------

IFRS equity exposure

Equities	4.7%
----------	------

Other equity classified assets ¹⁾	1.7%
--	------

Shares & funds	6.4%
---------------------------	-------------

Private equity	1.1%
----------------	------

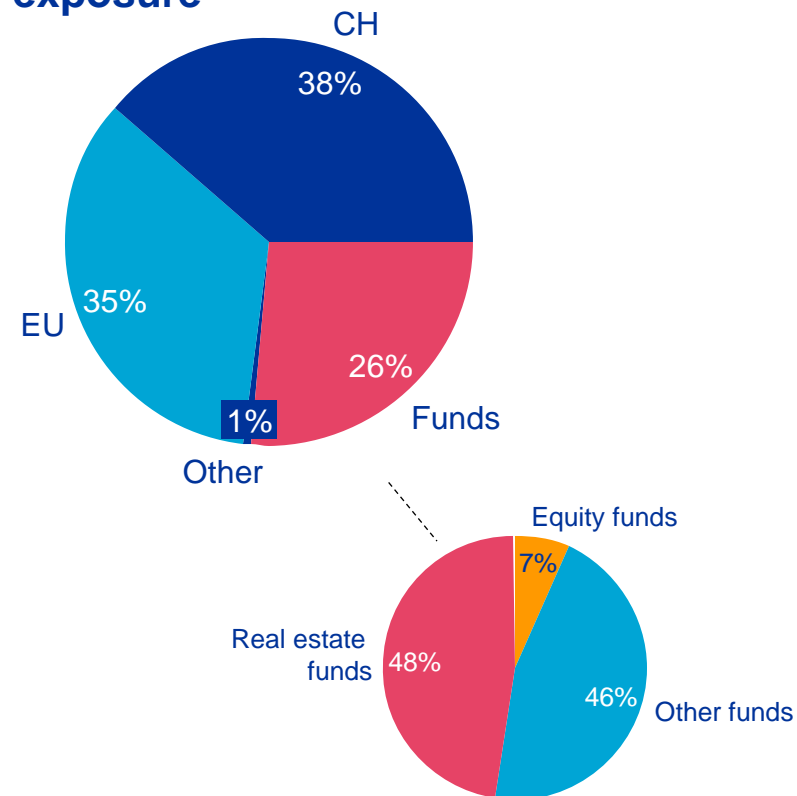
Hedge funds (equity related)	0.3%
------------------------------	------

Equity derivatives ²⁾	-1.9%
----------------------------------	-------

IFRS equity exposure	5.9%
-----------------------------	-------------

¹⁾ e.g. bond & property funds treated as equity under IFRS ²⁾ incl. puts and calls

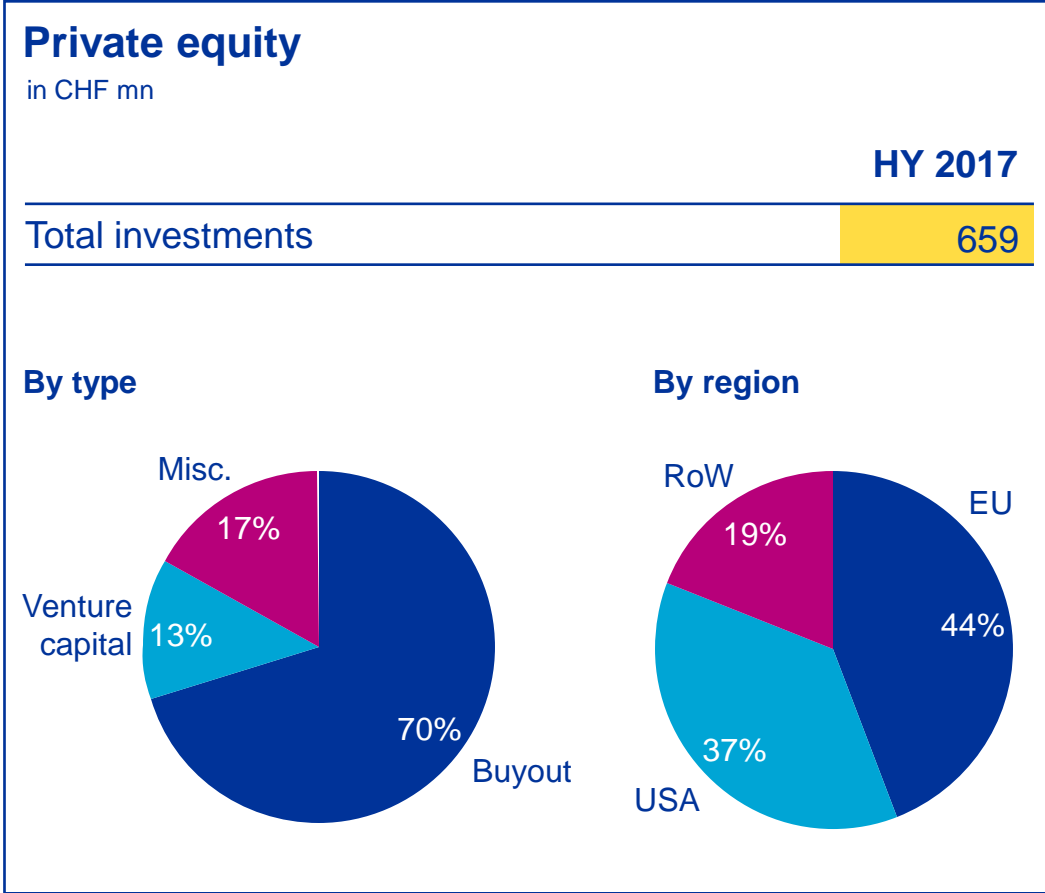
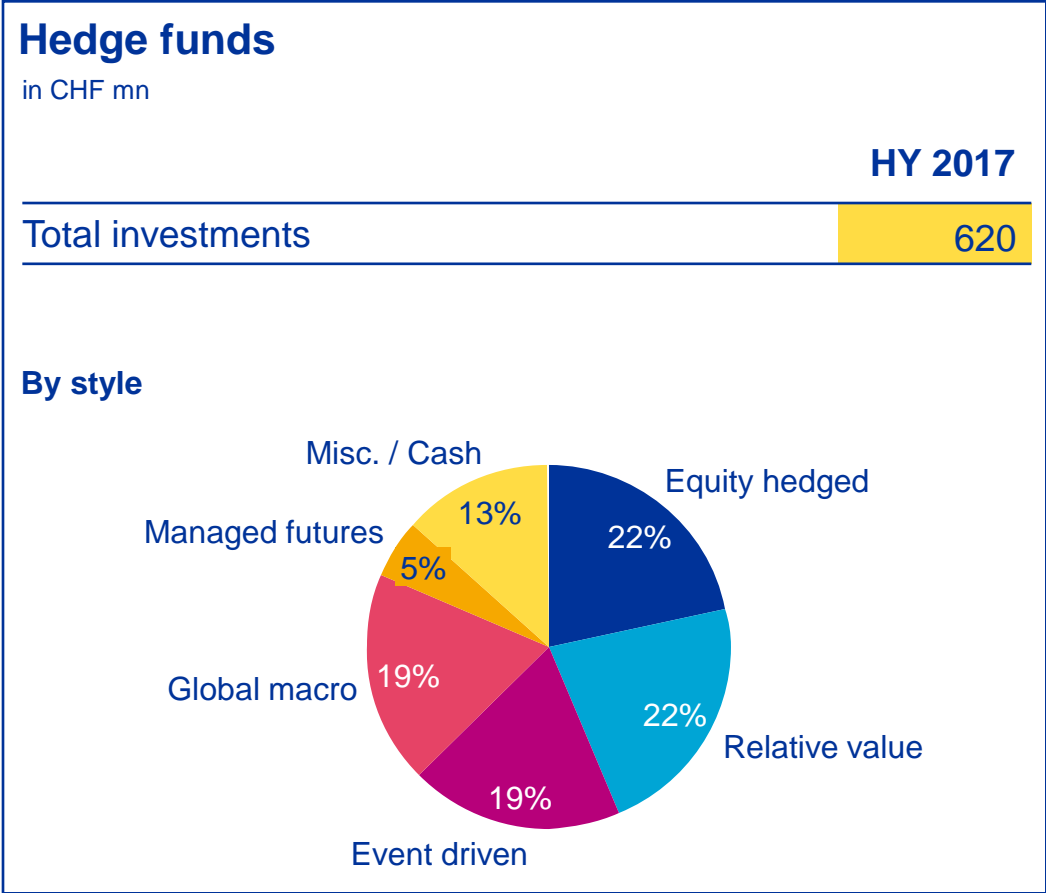
Regional exposure



Insurance Assets: Alternative Financial Investments

HY 2017

2.2% 57,104



7. Baloise Figures

Business Volume Matrix HY 2017

in CHF mn	Switzerland	Germany	Belgium	Luxembourg	Rest	Total
Life	2,124.8 88.1% 65.8%	177.9 7.4% 22.8%	67.6 2.8% 8.9%	41.4 1.7% 4.6%	- - -	2,411.8 100.0% 42.5%
Investment-type premiums	50.9 4.6% 1.6%	103.5 9.3% 13.3%	164.3 14.8% 21.6%	791.0 71.3% 87.6%	- - -	1,109.7 100.0% 19.6%
Non-life	1,051.7 48.9% 32.6%	497.8 23.2% 63.9%	527.4 24.5% 69.5%	71.0 3.3% 7.9%	1.6 0.1% 100.0%	2,149.5 100.0% 37.9%
Total	3,227.4 56.9% 100.0%	779.2 13.7% 100.0%	759.4 13.4% 100.0%	903.4 15.9% 100.0%	1.6 0.0% 100.0%	5,671.0 100.0% 100.0%

Growth Matrix HY 2017

in % in CHF (in % in LC)	Switzerland	Germany	Belgium	Luxembourg	Rest	Total
Life	2.5%	-23.6% (-22.2%)	-0.2% (1.6%)	-5.5% (-3.8%)	- -	-0.2% (0.0%)
Investment-type premiums	1.1%	-4.2% (-2.5%)	-26.9% (-25.6%)	13.7% (15.3%)	- -	2.9% (4.3%)
Non-life	0.3%	1.4% (3.2%)	2.5% (4.3%)	0.2% (2.0%)	-40.4% (-40.4%)	1.0% (1.9%)
Total	1.8%	-6.3% (-4.7%)	-5.9% (-4.3%)	11.5% (13.1%)	-40.4% (-40.4%)	0.8% (1.6%)

Negative growth in Germany's life business mainly due to sale of the run-off portfolio

EBIT Matrix HY 2017

in CHF mn (change in %)	Switzerland	Germany	Belgium	Luxembourg	Rest	Eliminated	Total
Life	123.4 (78.3)	10.1 (26.3)	13.1 (n.a.)	6.5 (116.7)	-18.5 (537.9)	-19.8 (-17.8)	114.8 (152.3)
Non-life	185.8 (20.7)	10.0 (n.a.)	42.9 (-44.9)	6.5 (-13.3)	22.7 (14.1)	-6.6 (164.0)	261.2 (25.3)
Banking & AM	12.7 (-47.7)	-1.0 (0.0)	- (n.a.)	- (n.a.)	10.0 (1.0)	20.2 (0.0)	41.9 (-21.7)
Other	-5.1 (-19.0)	-8.6 (-8.5)	- (n.a.)	1.0 (n.a.)	-13.4 (59.5)	6.2 (-3.1)	-19.8 (10.6)
Total	316.8 (31.4)	10.6 (n.a.)	56.0 (-20.1)	13.9 (35.0)	0.8 (-95.7)	- (n.a.)	398.0 (37.5)

8. Further Information

Reporting Agenda and Contact Details

Reporting agenda

Q3 2017 interim statement	15 November 2017
----------------------------------	------------------

Full-year results 2017	27 March 2018
-------------------------------	---------------

Annual General Meeting	27 April 2018
-------------------------------	---------------

Contact details

Investor Relations: +41 58 285 81 81

www.baloise.com/investors

investor.relations@baloise.com

Media Relations: +41 58 285 84 67

www.baloise.com/media

media.relations@baloise.com

Further Disclosure

Half-Year Report



Half-Year Report HY 2017

Press Release




Press Release HY 2017

C-Level Insights




C-Level Insights HY 2017

Travel Guide




Travel Guide

Simply Safe Strategy 2017 - 2021



Presentation



Strategy Map