

# Baloise Group - Good result follows operational excellence

Martin Strobel, Group CEO

Helvea - Swiss Equities Conference 2013, Bad Ragaz, 17 January 2013



Making you safer.

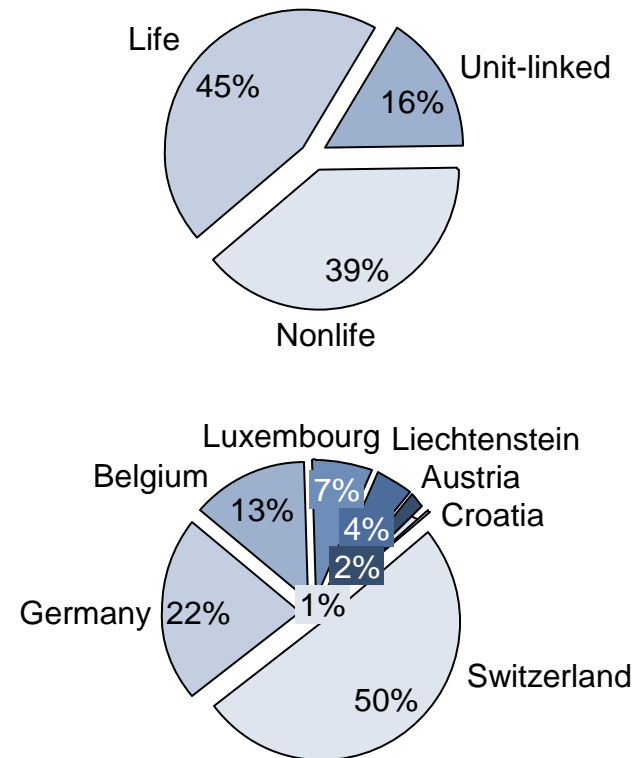
# Cautionary Statement Regarding Forward-Looking Information

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# The Baloise Group Overview



## Business Volume FY 2011: CHF 8,145 mn



# Highlights HY 2012

## Good result from strong operations

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→ Profit of CHF 219 mn up by 7.8%; high cashflows stemming from strong operations

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→ Business volume up by 2.4%<sup>1)</sup>

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→ Excellent net combined ratio of 92.6%

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→ Stable recurring income and good investment performance of 3.0%<sup>2)</sup>

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→ Solid shareholders' equity, book value per share up by 6.4%

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→ Comfortable capitalisation: strong solvency I of 228%, S&P rating "A-, stable" confirmed

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→ «Baloise 2012» on the home stretch, full benefit of CHF 200 mn for FY 2012 expected

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→ «Safety World» product enhancements increase premiums and profit in Switzerland

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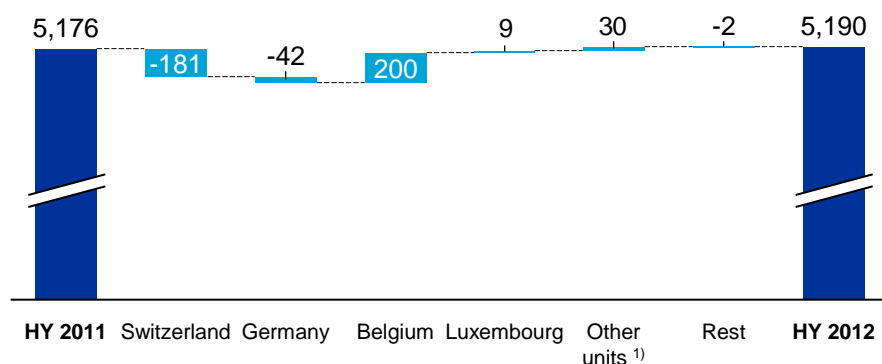
<sup>1)</sup> local currency (LC)

<sup>2)</sup> insurance assets excl. investment-type assets; incl. costs and movements in unrealised capital gains

# Business Volume

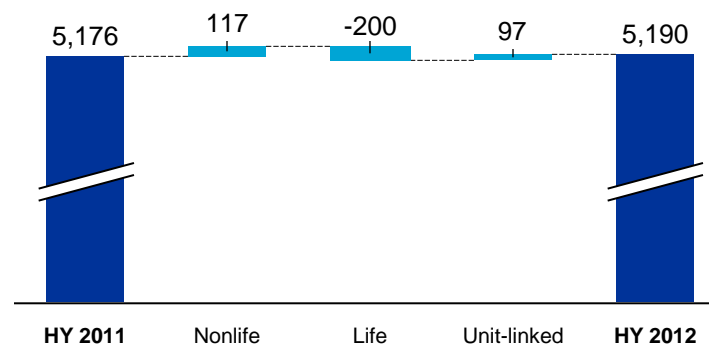
## Strong growth in nonlife and unit-linked business

### By country



in CHF mn	HY 2011	HY 2012	+/-	+/- LC <sup>2)</sup>
Switzerland	3,040	<b>2,859</b>	-6.0%	-6.0%
Germany	1,016	<b>974</b>	-4.1%	1.1%
Belgium	515	<b>715</b>	38.7%	46.2%
Luxembourg	272	<b>281</b>	3.1%	8.6%
Other units <sup>1)</sup>	327	<b>357</b>	9.3%	-
Rest	6	<b>4</b>	-38.3%	-38.5%
<b>Total</b>	<b>5,176</b>	<b>5,190</b>	<b>0.3%</b>	<b>2.4%</b>

### By line of business



in CHF mn	HY 2011	HY 2012	+/-	+/- LC <sup>2)</sup>
Nonlife	2,098	<b>2,215</b>	5.6%	8.6%
Life	2,424	<b>2,224</b>	-8.3%	-7.3%
Unit-linked	654	<b>751</b>	14.9%	18.7%
<b>Total</b>	<b>5,176</b>	<b>5,190</b>	<b>0.3%</b>	<b>2.4%</b>

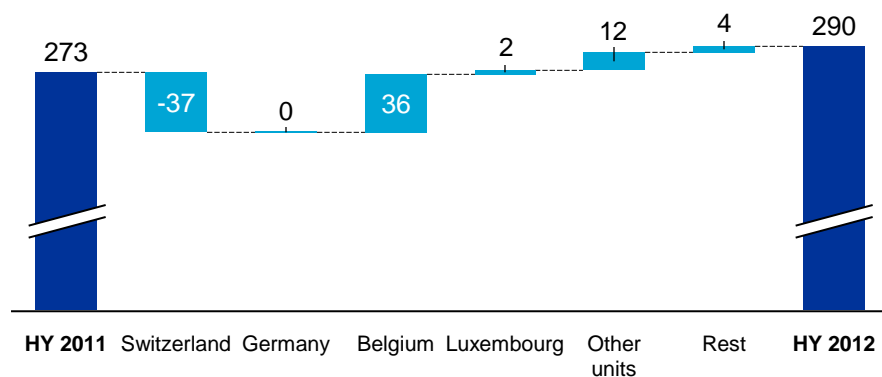
<sup>1)</sup> Austria, Croatia, Serbia and Baloise Life Liechtenstein

<sup>2)</sup> local currency (LC)

# EBIT

## High contribution of nonlife business

### By country

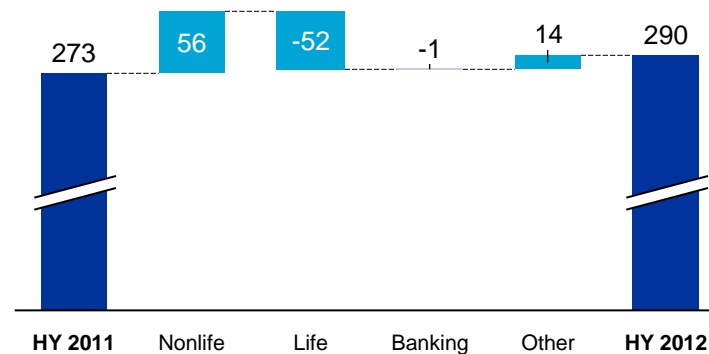


in CHF mn	HY 2011	HY 2012	+/-
Switzerland	174	137	-21.4%
Germany	13	14	1.5%
Belgium	41	77	89.0%
Luxembourg	5	7	44.4%
Other units <sup>1)</sup>	-9	2	-
Rest <sup>2)</sup>	49	53	8.1%
<b>Total</b>	<b>273</b>	<b>290</b>	<b>6.2%</b>

<sup>1)</sup> Austria, Croatia, Serbia and Baloise Life Liechtenstein

<sup>2)</sup> incl. Baloise Holding AG, internal reinsurance, Corporate IT. etc.

### By line of business



in CHF mn	HY 2011	HY 2012	+/-
Nonlife	176	232	31.7%
Life	101	49	-51.9%
Banking	37	36	-2.2%
Other <sup>3)</sup>	-41	-27	-34.5%
<b>Total</b>	<b>273</b>	<b>290</b>	<b>6.2%</b>

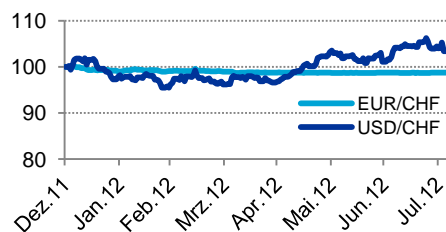
<sup>3)</sup> incl. Baloise Holding AG, Corporate IT, Baloise Incentive Foundation, etc.

# Asset Management

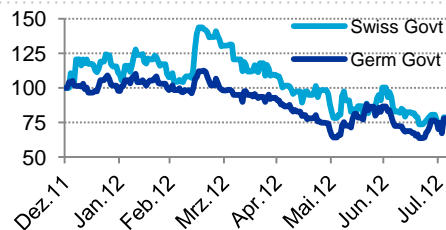
## Investment result back on track

### Drivers

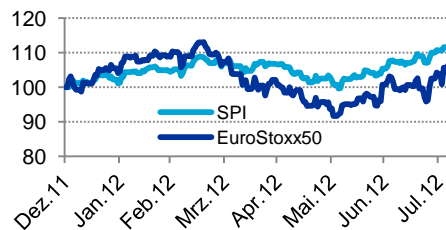
#### Currency



#### Interest Rates



#### Equities



### Measures

- Despite SNB EUR/CHF peg hedging quota above 90% on fixed income instruments
- USD hedge ratio on alternative investments managed more actively; no hedging of earnings of foreign business units and equities

- Low interest rate environment persists
- Duration increased by 0.3 years
- Further reduction of GIIPS exposure; Greek and Portuguese exposure sold

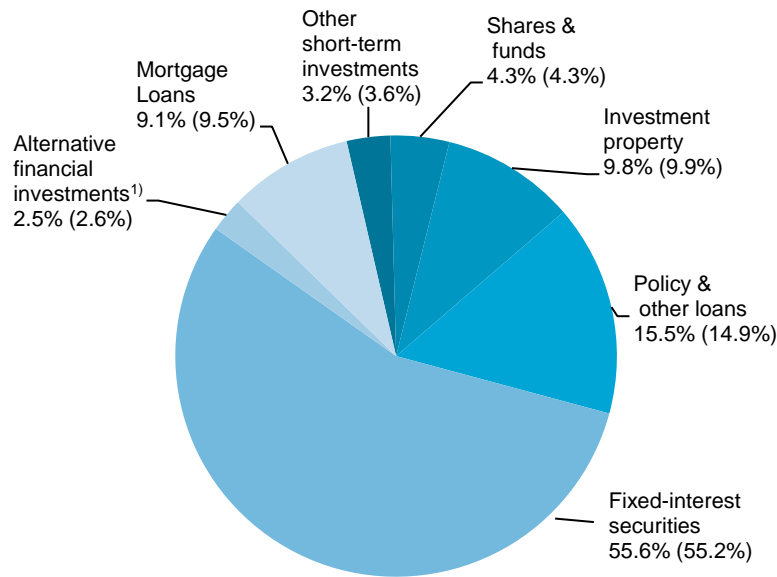
- Equity quota maintained
- New investment approach on high quality stocks and sustainable high payments of dividend

# Asset Allocation

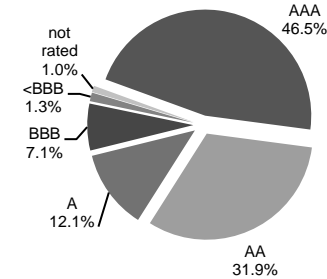
## Strong diversification, high quality and stable recurring income

excluding banking assets and assets from investment-type premiums

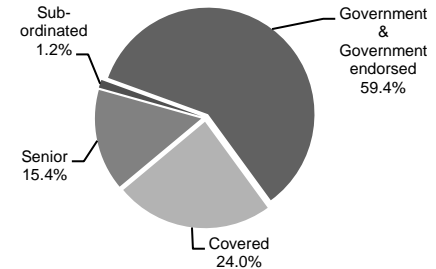
HY 2012 (FY 2011)



### Bond Portfolio by quality:



### Bond Portfolio by ordination:



<sup>1)</sup> private equity & hedge funds

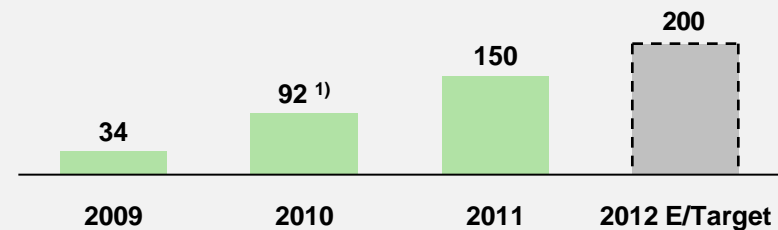


# Baloise 2012

## Fully on track; full benefit expected for FY 2012



→ Additional sustainable profit of CHF 200 mn until 2012

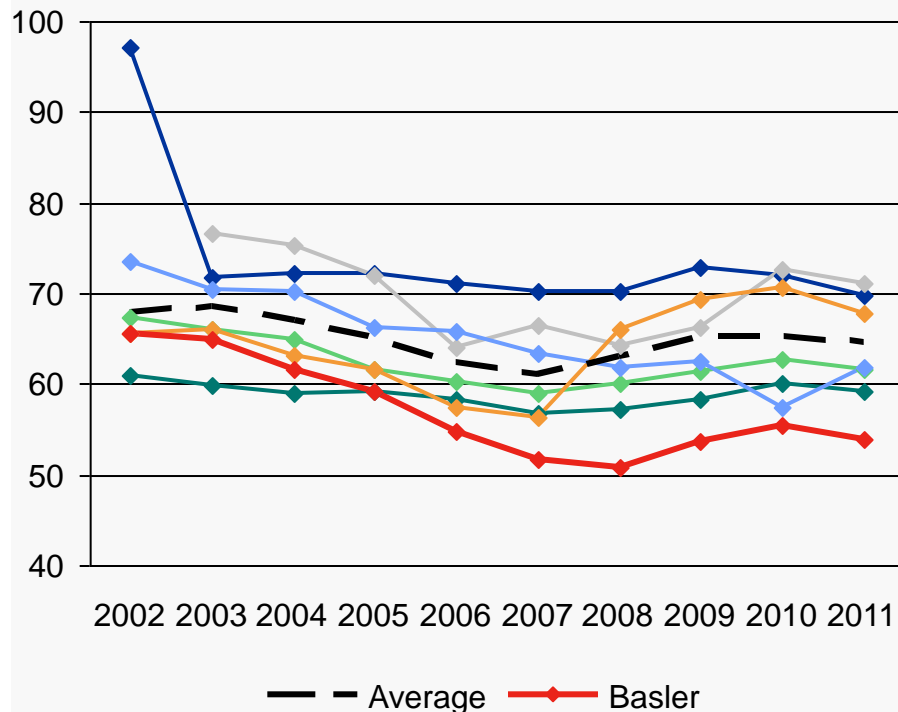


<sup>1)</sup> includes one-off payment out of unwinding in Germany

# The best drivers choose Baloise... ... or why we outperform the market in terms of operational profitability

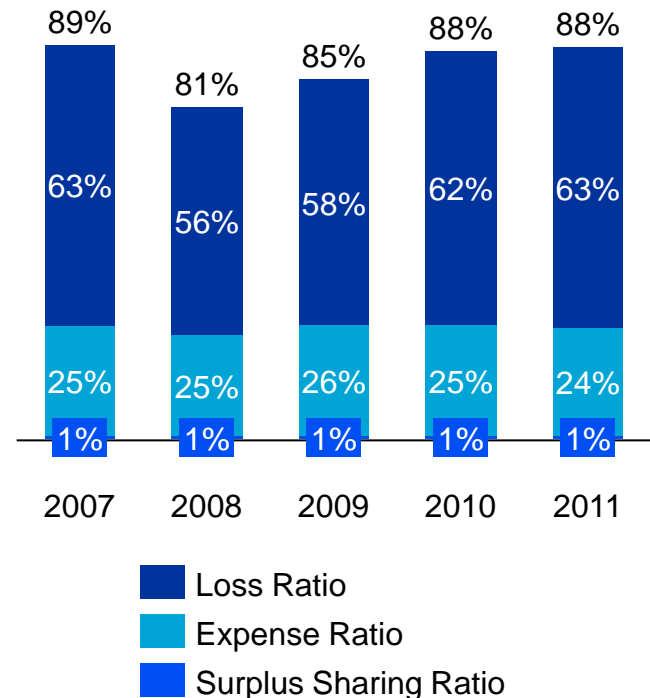
## Lower claims frequency leads to....

Number of claims per 1'000 risks in Swiss Motor Liability Portfolio







Source: Swiss Insurance Association (SIA)



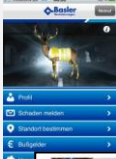



## ... high Cash Flows



# Safety World

## Rolled out in all business units




Life Product Kids Plan



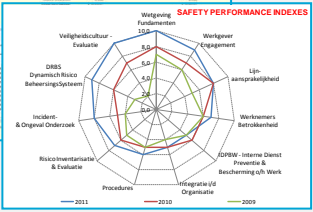








- Business interruption insurance
- Accident










risk advice and prevention tool





24H/7 emergency assistance in case of defects to your house or for the inhabitants



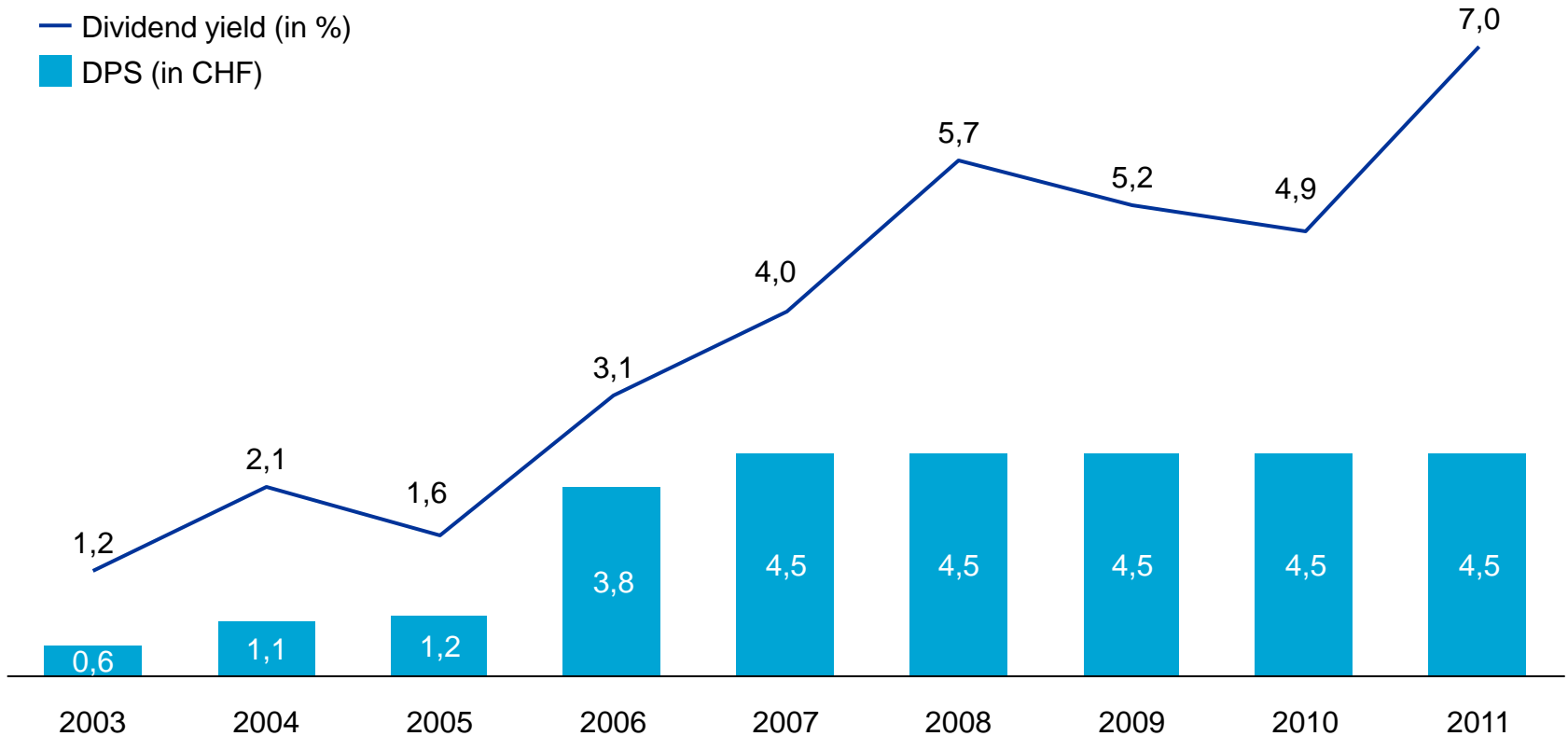


- telephone medical assistance
- prevention program for health insurance

# Distribution to Shareholders

## Attractive payout track record



# Summary

- High cashflows stemming from strong operations
- Strong balance sheet with high financial flexibility
- Highly diversified asset allocation and stable recurring income
- Strategic programme "Baloise 2012" fully on track

**Based on its solid operations and strong capitalisation, Baloise is an attractive and reliable dividend payer**

# Q&A

# Reporting Agenda & Contact Details

# Reporting Agenda

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→ Full Year Results 2012

Tuesday, 19 March 2013

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→ Annual General Meeting

Thursday, 2 May 2013

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→ Half Year Results 2013

Thursday, 29 August 2013

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

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# Contacts

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## Investor Relations

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

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**Making you safer.**