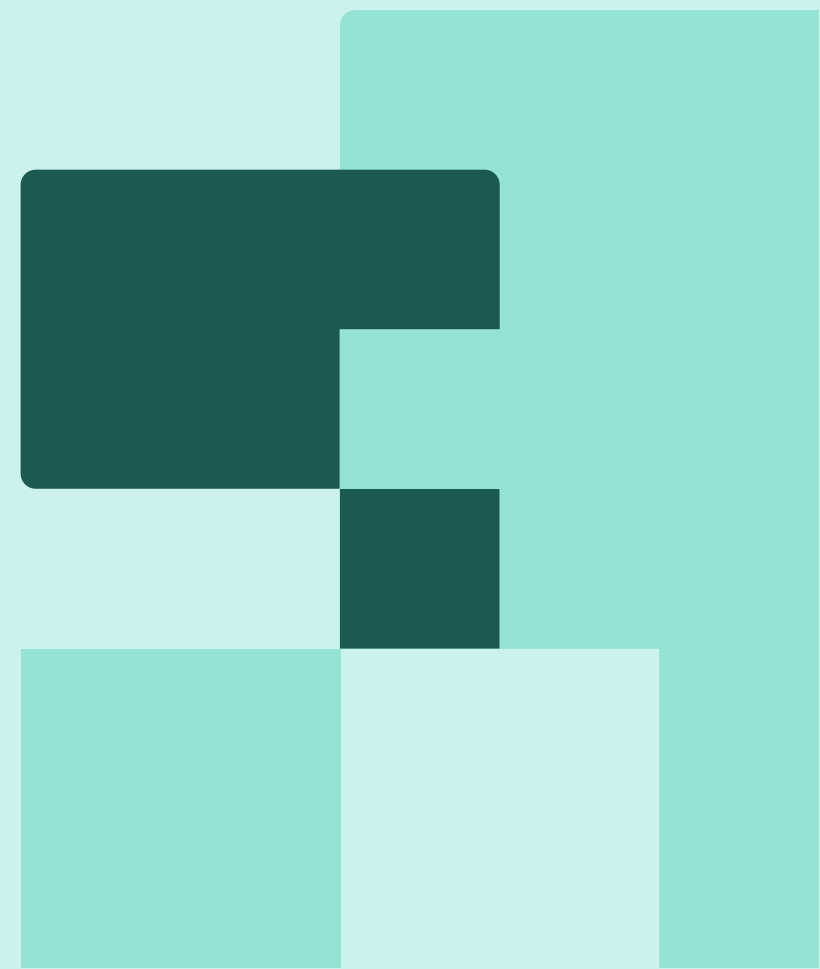


Update on Baloise

Gert De Winter, CEO

Berenberg Swiss Insurance Trip, 21 November 2022



Agenda

- 1. Our Latest Results**
- 2. What Changed**
- 3. What Stays Unchanged**
- 4. What Comes Next**

01

Our Latest Results

Our Financial Highlights Half-Year 2022

Start into the new strategic phase “Simply Safe: Season 2” (2022-2025) with a solid set of results

Group

Net Income

287 mn

Capital

Equity 5.0 bn

S&P Rating A+

SST-Ratio¹ ~230%

Non-Life Business

Combined Ratio 91.9%

Growth²: 2.3%, EBIT: 162 mn

Life Business

Interest Rate Margin 111bp

Growth³: -5.9% / -21.1%, EBIT: 178 mn

Asset Mgmt & Bank

Net Investment Yield⁴ 0.9%

Growth⁵: +713mn, EBIT: 39 mn

Main Messages

- Well diversified half-year result demonstrates reliability and stability of Baloise
- Very strong result in Life despite headwinds from capital markets
- Solid growth and reliable Combined Ratio in Non-Life despite larger winter storm event in February
- Lower equity but stronger economic capitalization due to higher interest rates
- Further progress in ecosystems Home and Mobility achieved

All amounts in CHF

1) Estimated per 30.06.2022

2) Growth in Local Currency (LC)

3) Growth (in LC) in Life business / investment-type premium business

4) On insurance assets, not annualized

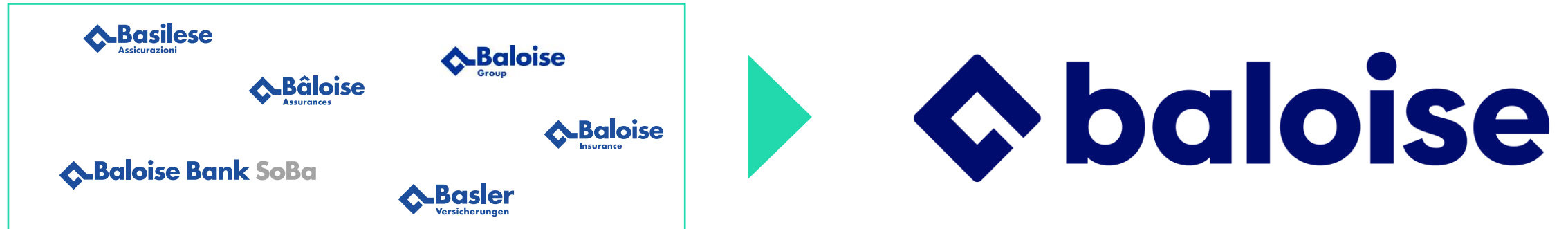
5) Net new third party assets

02 What Changed

A strong brand supports the success of our Simply Safe: Season 2 strategy

Launch of new Baloise brand in October 2022

New single brand approach:



Key objectives:

1

Reduce complexity

2

Convey our strategy

3

Strengthen
differentiation

4

Attract new customers

03 What Stays Unchanged

Our Strategy «Simply Safe Season 2»

Strategic Targets for 2022-2025

A leading employer

Top 5% employer in
Europe until 2025

**The trusted choice for
our clients**

+1.5 million additional customers
in 2022-2025

**An attractive, reliable and
responsible investment**

+25% higher cash generation,
i.e. CHF 2.0 billion in 2022-2025

“Engaged and happy employees lead to satisfied and loyal customers and partners which in turn results in profitable growth and financial success for our investors.”

We launched our strategy Simply Safe in 2017 with the ambition to strengthen our core business while responding to the changing needs of society by providing innovative solutions that extend beyond traditional insurance. We successfully completed the first phase of Simply Safe in 2021. [Click here](#) to find out more about our «Simply Safe» Strategy.

Our Strategy «Simply Safe Season 2»

Financial Messages for 2022-2025

Non-Life

Combined ratio (net) of about 90%

Life

EBIT of more than CHF 200 million and resilient interest rate margin

Asset Management & Banking

At least CHF 10 billion of new net third-party assets

Cost Synergies

Leverage cost efficiencies of about CHF 200 million in the Group

Cash Deployment

Cash payout ratio of 60-80% and 10-30% for investments in innovation

Innovation

Revenue of CHF 350 million and CHF 1.0 billion valuation by 2025



Sustainability

ESG implementation in business areas

Regulation

Continuous alignment of requirements with existing processes and disclosure

Underwriting

Application of process to support customers in their sustainability transition and yearly evaluation of approach

Asset Management

Implementation of regulatory requirements and further development of ESG Policy

Risk Management

Identification of ESG factors in assessed risks

Procurement

Adjustments of Vendor Code of Conduct incl. referencing documents and process

Carbon Accounting

Compensation of operational CO2 emissions since 2020, adaptation of GHG protocol structure and development of environmental target set

Annual Reporting

Further steps towards integrated reporting and transparency on material topics



Sustainability

ESG Ratings

Baloise was upgraded by MSCI, Sustainalytics and S&P:

2022

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



2021

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



2020

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



SUSTAINALYTICS
a Morningstar company

Jan. 2022: **20.4 Medium Risk**
Subindustry Diversified Insurance Services Positioning 19 out of 76




SUSTAINALYTICS
a Morningstar company

Jan. 2021: **23.6 Medium Risk**
Subindustry Diversified Insurance Services Positioning 20 out of 71





SUSTAINALYTICS
a Morningstar company

Dec. 2019: **26.0 Medium Risk**
Subindustry Diversified Insurance Services Positioning 27 out of 65

Baloise Holding AG Nov 12, 2021
INS Insurance

43
Score used for index selection

S&P Global



Baloise Holding AG Nov 13, 2020
INS Insurance

34
Score used for index selection

S&P Global



Baloise Holding AG Sep 13, 2019
INS Insurance

23
Score used for index selection

S&P Global

Key Investment Highlights

Our four value drivers (ECCO) and what sets Baloise apart

Earnings

One of the most profitable non-life portfolios in Europe and well positioned in life

Cash

Strong focus on cash and attractive & reliable payouts



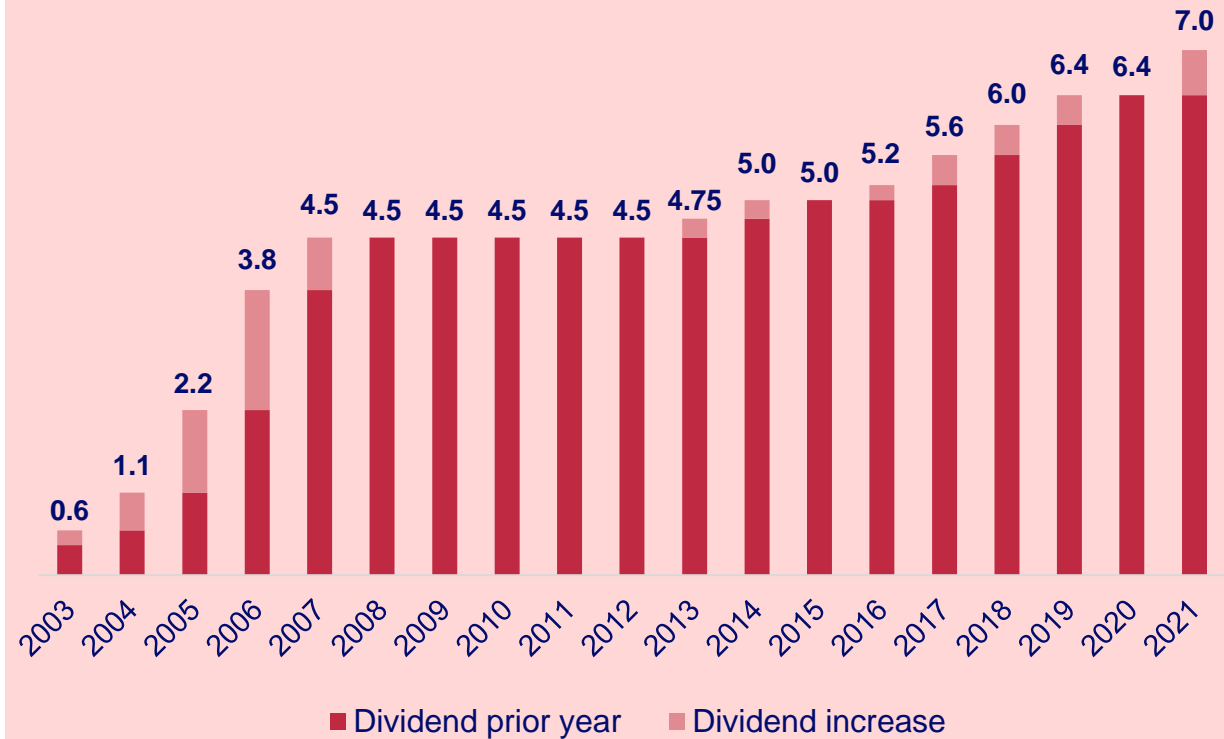
Capital

Very safe balance sheet and high financial flexibility

Optionality

Outstanding corporate culture and leading in digitalisation & innovation

Dividend per Share (CHF gross)



04 What Comes Next

Inflation and increasing interest rates remain key topics

Our current view

Main messages

- Impact of inflation depends on geographic exposure, business mix and asset allocation
- Significantly lower inflation environment in Switzerland compared to other geographies
- We anticipate an inflation-driven increase in costs but have already counteracted some of this increase by raising premiums.
- Baloise well positioned to benefit from increasing interest rates

Overview on financial impacts

Assets

Fixed-interest securities

Unrealized capital gains of available-for-sale bonds decrease with increasing interest rates, but no impact on held-to-maturity bonds (Baloise: comparably large share of >20%) and higher reinvestment levels will gradually lead to **higher recurring income**

Investment property

Increase in discount rates could lead to lower market values (depending on valuation levels applied) but **rental income expected to increase** over time

Other assets

Inflation protection from equity instruments and floating rate assets

Liabilities

Life

Impact of **higher interest rates** depends on duration gap (Baloise: positively positioned)

Non-Life

Business with longer settlement periods is usually more exposed to increases in claim and labour costs. **Price adjustments** as mitigating measure (Baloise: large part of short-tail business)

Capital

Increasing refinancing costs but **positive impact on solvency** from higher interest rates for life business (Baloise: balanced maturity profile and very low share of hybrid capital)

Outlook on our FY 2022 results

Solid FY2022 with reliable cash remittance expected

Cash

Strong focus on cash: Confident that we will again have a reliable cash generation in 2022 to maintain our attractive dividend policy.

Life

Well positioned despite turbulent capital markets: The profit contribution before taxes (EBIT) from life business is expected to reach more than CHF 300 mn in 2022.

Non-Life

Growth in attractive markets: We expect positive growth in local currency from all business units.

Capital

Very well capitalized: The Swiss Solvency Test (SST) ratio is estimated to be around 230% in Q3 2022. Standard & Poor's confirmed its rating of A+.

Optionality

Further progress in our ecosystems Home and Mobility: Partnership with UBS intensified with long-term equity investment in Swiss homeowner platform Houzy.



Reporting Agenda

Annual Financial Results 2022:

9 March 2023

Publication of the Annual Report 2022:

28 March 2023

Half-year Financial Results 2023:

20 September 2023



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