

Baloise Group - Good result follows operational excellence

Martin Strobel, Group CEO

UBS - Best of Switzerland Conference - Wolfsberg Ermatingen, 20 September 2012



Making you safer.

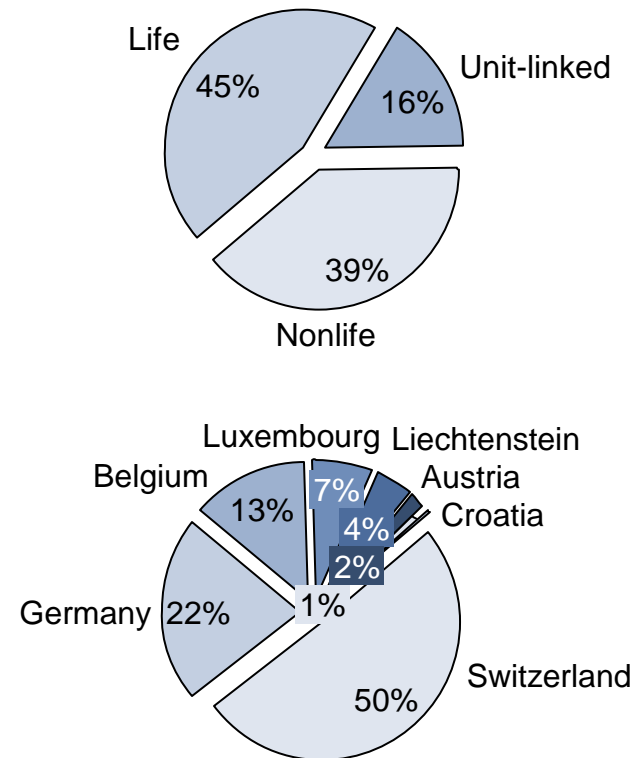
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The Baloise Group Overview



Business Volume 2011: CHF 8,145 mn



Highlights HY 2012

Good result from strong operations

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

→ Business volume up by 2.4%¹⁾

→ Excellent net combined ratio of 92.6%

→ Stable recurring income and good investment performance of 3.0%²⁾

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

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

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

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

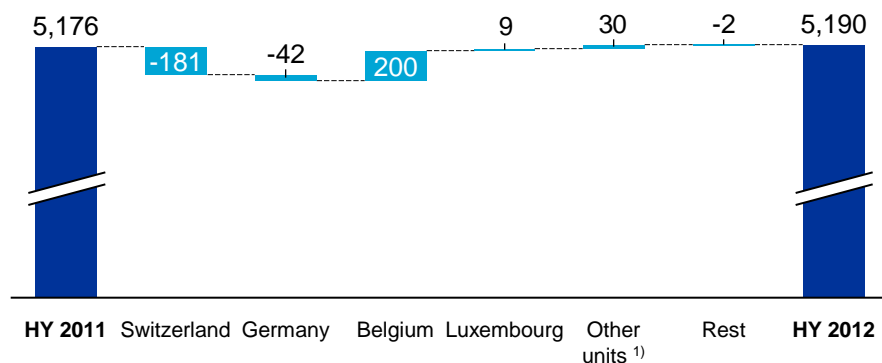
¹⁾ local currency (LC)

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

Business Volume

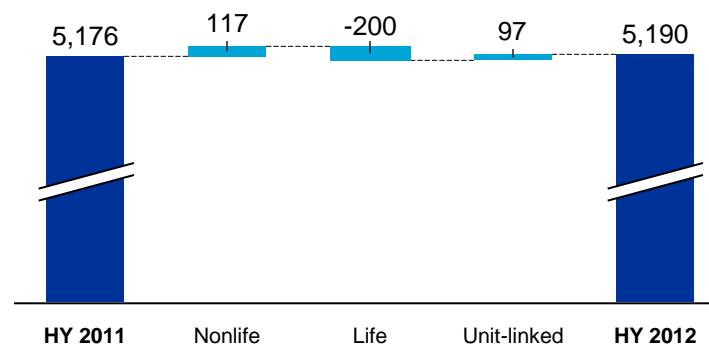
Strong growth in nonlife and unit-linked business

By country



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

By line of business



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

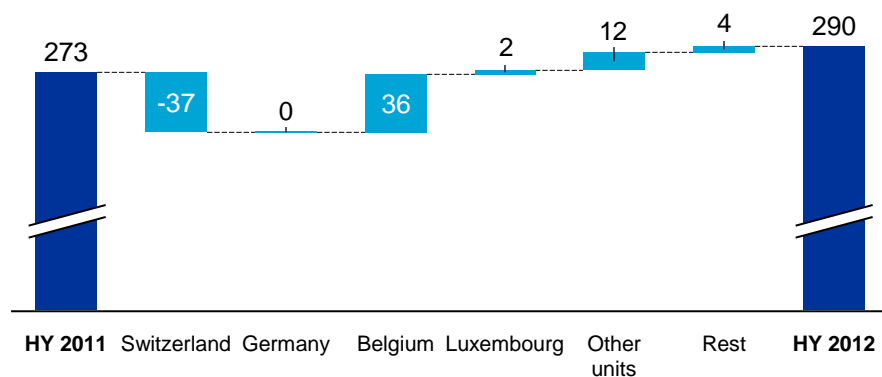
¹⁾ Austria, Croatia, Serbia and Baloise Life Liechtenstein

²⁾ local currency (LC)

EBIT

High contribution of nonlife business

By country

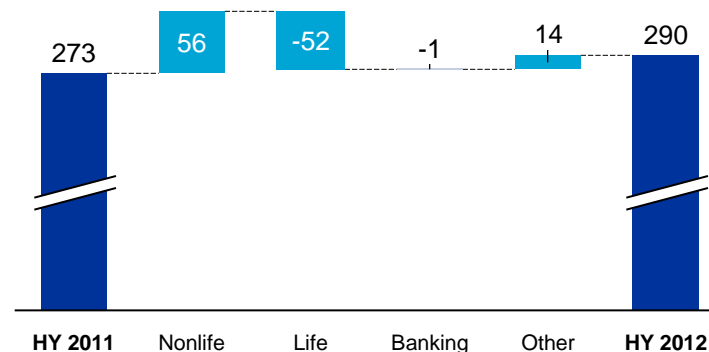


in CHF mn	HY 2011	HY 2012	+/-
Switzerland	174	137	-21.4%
Germany	13	14	1.5%
Belgium	41	77	89.0%
Luxembourg	5	7	44.4%
Other units ¹⁾	-9	2	-
Rest ²⁾	49	53	8.1%
Total	273	290	6.2%

¹⁾ Austria, Croatia, Serbia and Baloise Life Liechtenstein

²⁾ 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 ³⁾	-41	-27	-34.5%
Total	273	290	6.2%

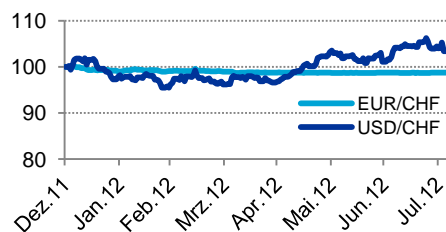
³⁾ incl. Baloise Holding AG, Corporate IT, Baloise Incentive Foundation, etc.

Asset Management

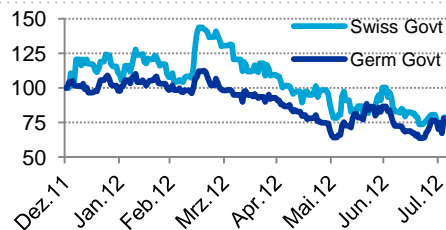
Investment result back on track

Drivers

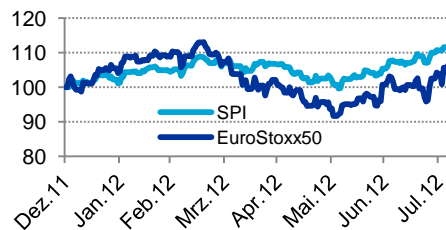
Currency



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

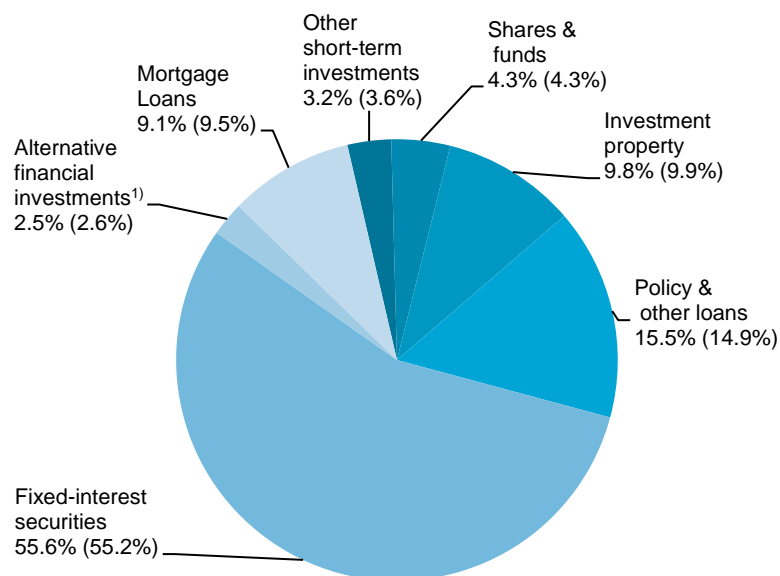
- Equity quota maintained
- New investment approach on high quality stocks and sustainable high payments of dividend

Asset Allocation

Strong diversification, high quality and stable recurring income

excluding banking assets and assets from investment-type premiums

HY 2012 (FY 2011)



¹⁾ private equity & hedge funds

In CHF mn, %	FY 2011	HY 2012
Equity & equity-related investments (net)	4.8 %	5.1 %
Total insurance assets	50,032	51,512

Baloise 2012

Major contributors in the first half of the year 2012

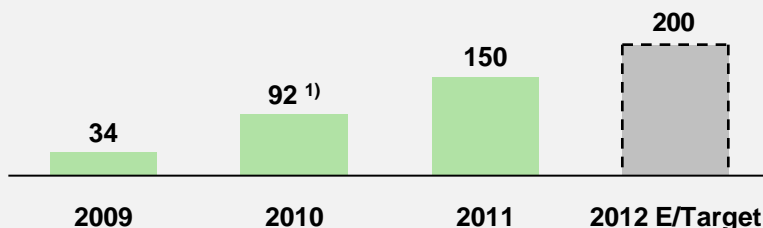


Optimise: → Successful claims management and cost initiatives in Switzerland
 → Cost optimisation initiatives in Belgium
 → Centralized group procurement

Grow: → Pricing initiative in Switzerland
 → Growth of Variable Annuity business in Germany
 → Growth in life business in Belgium

Develop: → Steady income from investment type life insurance business

→ **Baloise 2012 fully on track**
 Additional sustainable profit of CHF 200 mn until 2012



¹⁾ 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

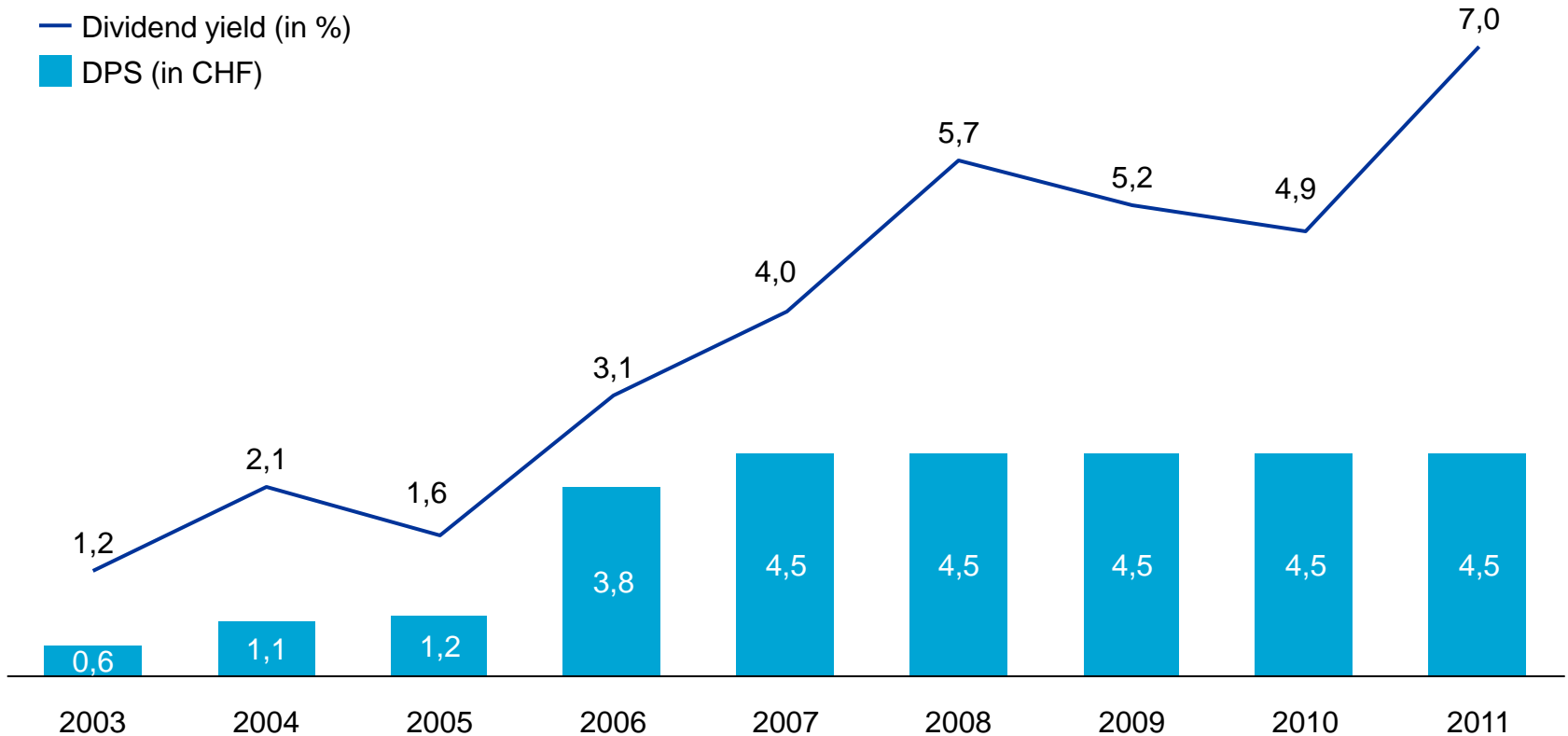


«Agents who offer these safety world add-ons to their clients, have a 90% success ratio.»

Michael Müller, CEO Switzerland

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

→ Full Year Results 2012

Tuesday, 19 March 2013

→ Annual General Meeting

Thursday, 2 May 2013

→ Half Year Results 2013

Thursday, 29 August 2013

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

Contacts

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