

Our Bold Journey of Growth

Carsten Stolz, CFO

Swiss Equities Conference – Bad Ragaz, 10 January 2019



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.

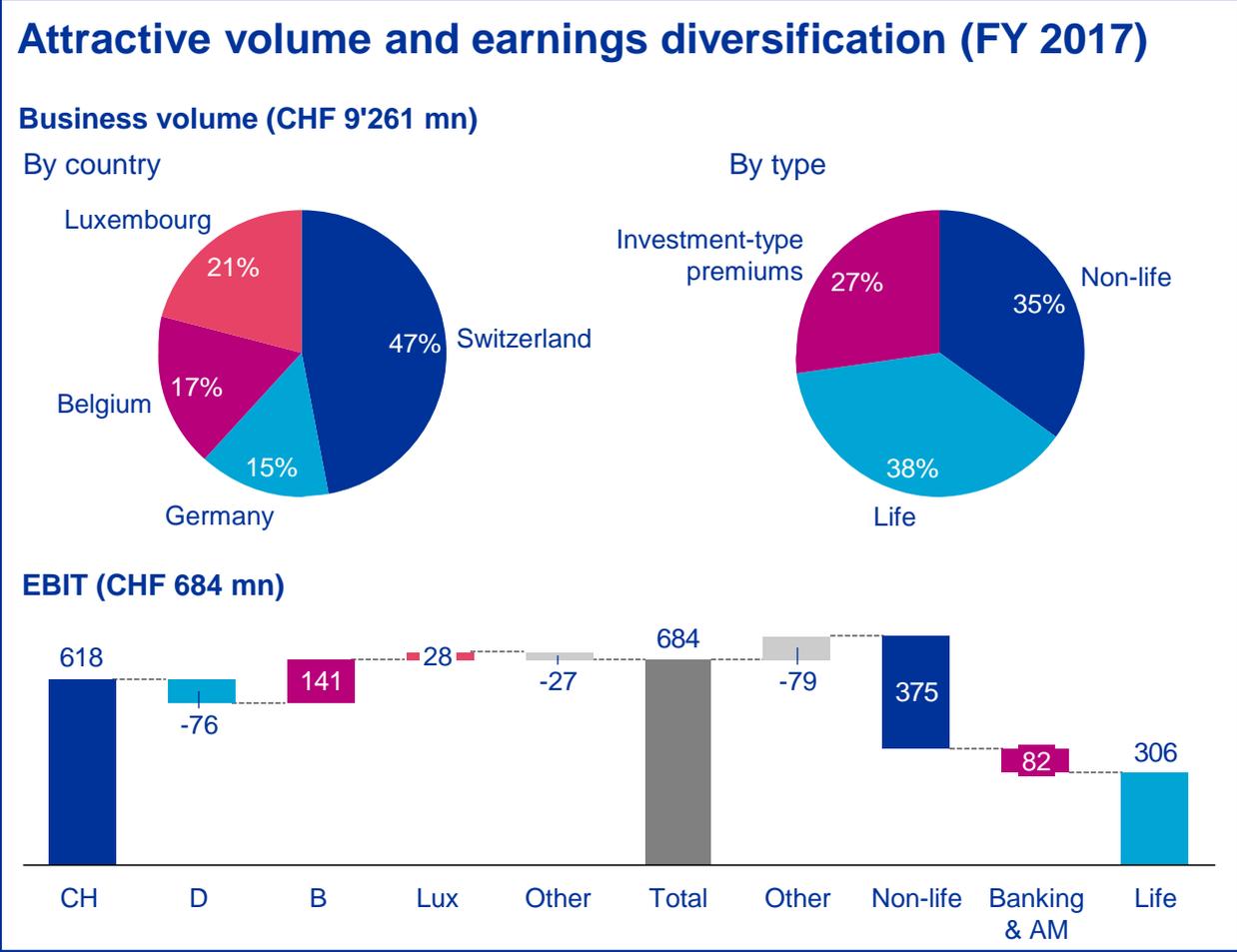
Copyright © 2019 Bâloise Holding AG. All rights reserved.

Agenda

1. Baloise in a Nutshell
2. Baloise Value Management
3. Earnings, Cash, Capital and Optionality
4. Outlook FY18 and Key Investment Highlights

1. Baloise in a Nutshell

Baloise Group Is a Well-Diversified Multiline Insurer



SIMPLY SAFE

Our Bold Journey of Growth

1863 - 2015

2016

2021

Growing Competition

New and Changing Customer Needs

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

A Leading Employer in the Sector

Increasing Regulation

Unprecedented Low Interest Rate Environment

Growing Competition

2. But we risk everything if we only rely on what has worked well in the past.

★ Capital Management – Safe and Sound

★ Dividend – Attractive and Reliable

★ Operations – Strong Market Positions

★ Non-life – Highly Profitable

★ Digitalisation – State-of-the-Art Systems

1. A bright future needs a solid past.



Baloise
since 1863



SIMPLY SAFE

Our Bold Journey of Growth

Growing Competition

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

★ Capital Management – Safe and Sound

New and Changing Customer Needs

★ Dividend – Attractive and Reliable

A Leading Employer in the Sector

★ Digitalisation – State-of-the-Art Systems

★ Operations – Strong Market Positions

Increasing Regulation

Unprecedented Low Interest Rate Environment

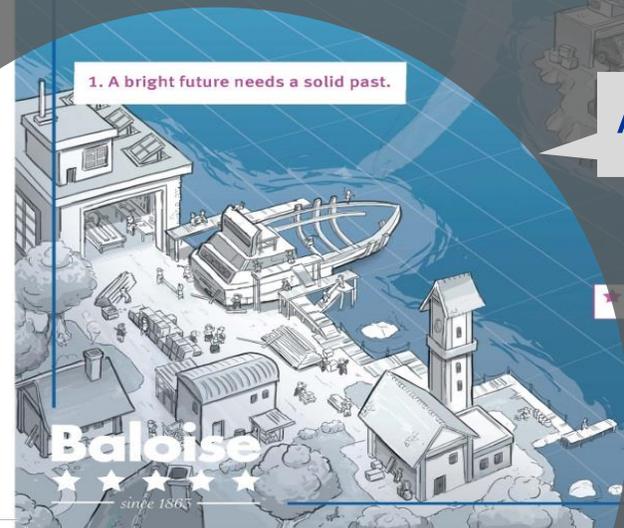
Growing Competition

A bright future needs a **solid past**

★ Non-life – Highly Profitable

2. But we risk everything if we only rely on what has worked well in the past.

1. A bright future needs a solid past.



Baloise

since 1863



SIMPLY SAFE

Our Bold Journey of Growth

★ Digitalisation – State-of-the-Art Systems

★ Capital Management – Safe and Sound

Growing Competition

New and Changing Customer Needs

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

A Leading Employer in the Sector

★ Dividend – Attractive and Reliable

★ Operations – Strong Market Positions

Increasing Regulation

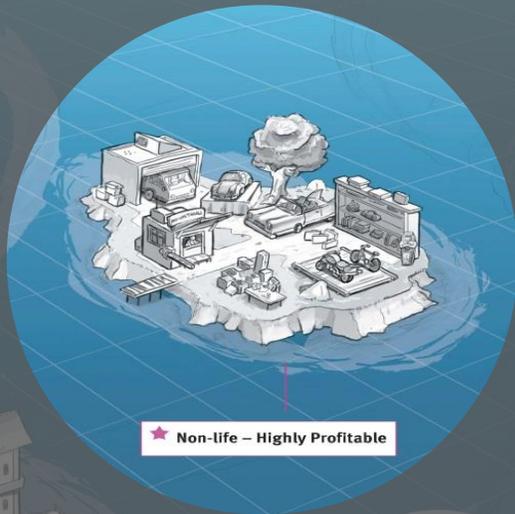
Unprecedented Low Interest Rate Environment

1. A bright future needs a solid past.

Non-Life – highly profitable

★ Non-life – Highly Profitable

2. But we risk everything if we only rely on what has worked well in the past.



SIMPLY SAFE

Our Bold Journey of Growth

Growing Competition

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

★ Capital Management – Safe and Sound

New and Changing Customer Needs

★ Dividend – Attractive and Reliable

A Leading Employer in the Sector

★ Digitalisation – State-of-the-Art Systems

Increasing Regulation

Operations – strong market positions

Balaise

Unprecedented Low Interest Rate Environment

Growing Competition

★ Non-life – Highly Profitable

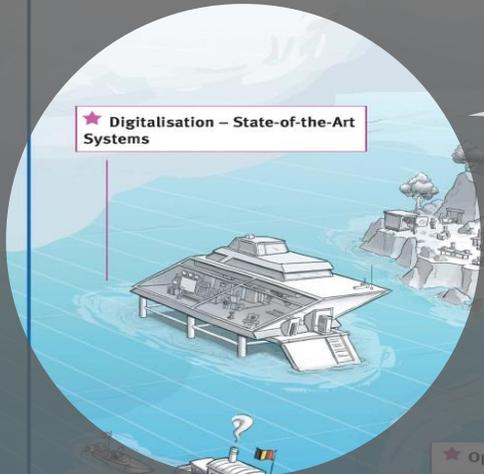
1. A bright future needs a solid past.

2. But we risk everything if we only rely on what has worked well in the past.



SIMPLY SAFE

Our Bold Journey of Growth



★ Digitalisation – State-of-the-Art Systems

Digitalisation – state-of-the-art

Growing Competition

★ Capital Management – Safe and Sound

New and Changing Customer Needs

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

A Leading Employer in the Sector

★ Dividend – Attractive and Reliable

★ Operations – Strong Market Positions

Increasing Regulation

Unprecedented Low Interest Rate Environment

Growing Competition

★ Non-life – Highly Profitable

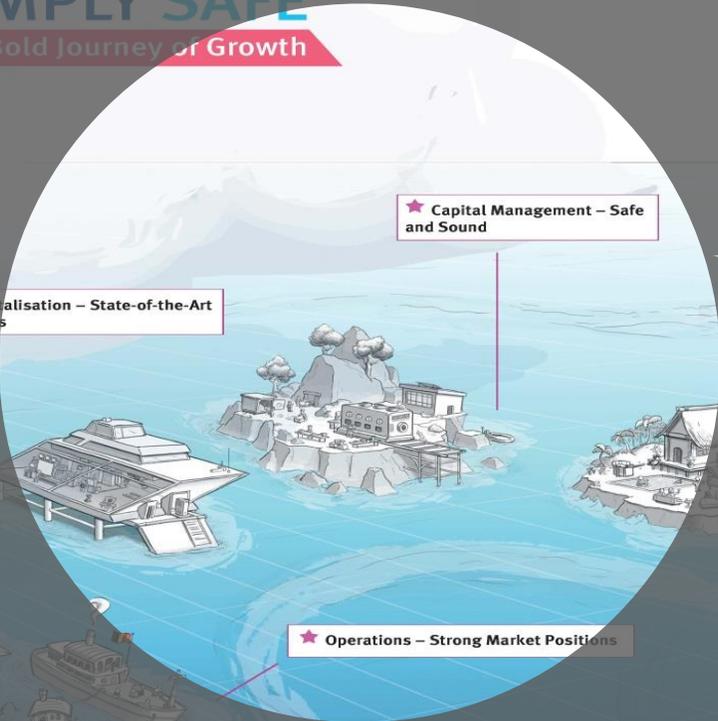
1. A bright future needs a solid past.

2. But we risk everything if we only rely on what has worked well in the past.



SIMPLY SAFE

Our Bold Journey of Growth



★ Capital Management – Safe and Sound

★ Digitalisation – State-of-the-Art Systems

★ Operations – Strong Market Positions

Capital Management – safe and sound

Growing Competition

New and Changing Customer Needs

★ Dividend – Attractive and Reliable

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

A Leading Employer in the Sector

Increasing Regulation

Unprecedented Low Interest Rate Environment

Growing Competition

★ Non-life – Highly Profitable

1. A bright future needs a solid past.

2. But we risk everything if we only rely on what has worked well in the past.



SIMPLY SAFE

Our Bold Journey of Growth

Growing Competition

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

A Leading Employer in the Sector

★ Capital Management – Safe and Sound

★ Dividend – Attractive and Reliable

Dividend – attractive and reliable

★ Digitalisation – State-of-the-Art Systems

★ Operations – Strong Market Positions

★ Non-life – Highly Profitable



Unprecedented Low Interest Rate Environment

Increasing Regulation

Growing Competition

2. But we risk everything if we only rely on what has worked well in the past.

1. A bright future needs a solid past.



SIMPLY SAFE

Our Bold Journey of Growth

But we risk everything if we only rely on what has worked well in the past

Management – Safe

Growing Competition

New and Changing Customer Needs

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

A Leading Employer in the Sector

★ Dividend – Attractive and Reliable

★ Operations – Strong Market Positions

Increasing Regulation



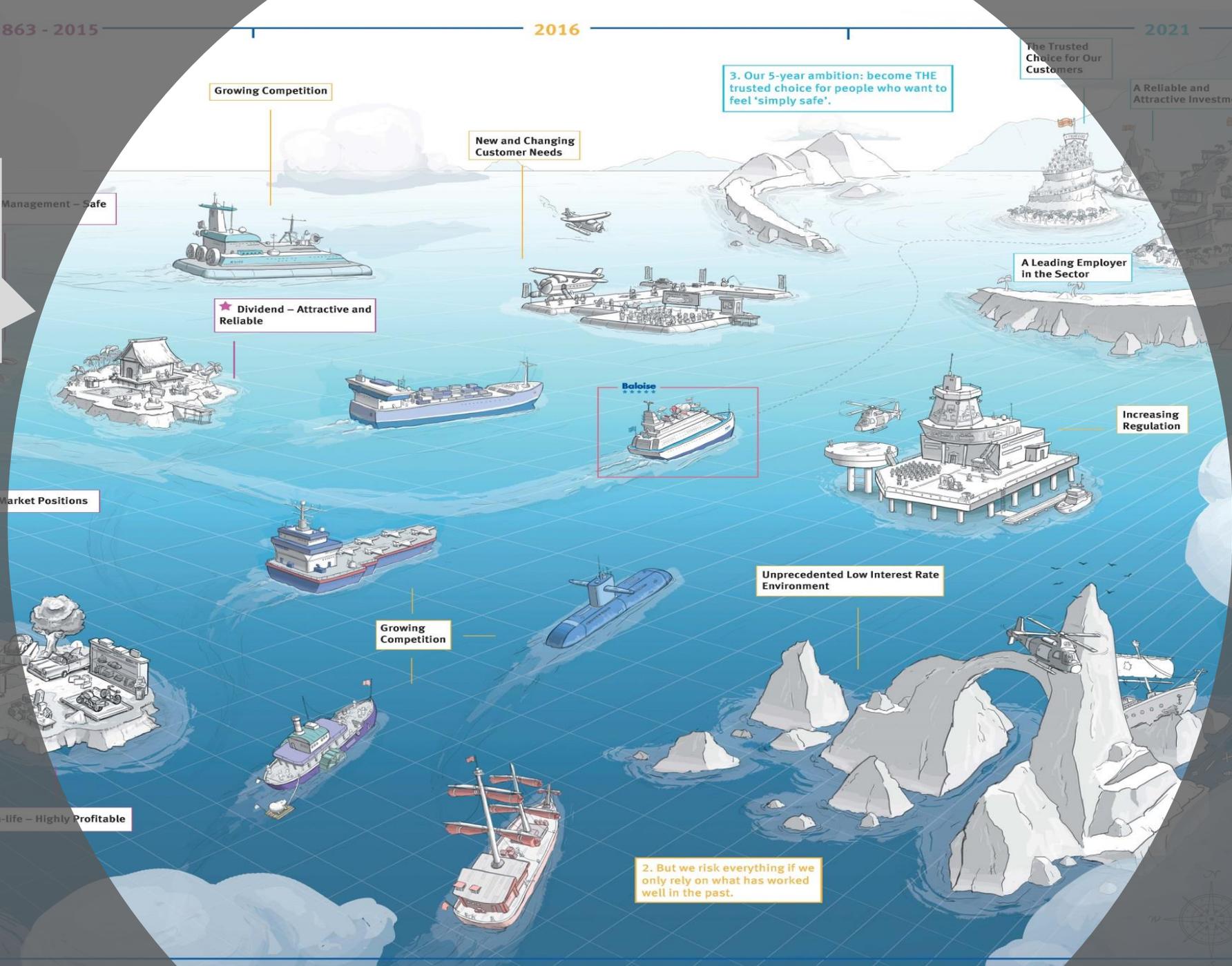
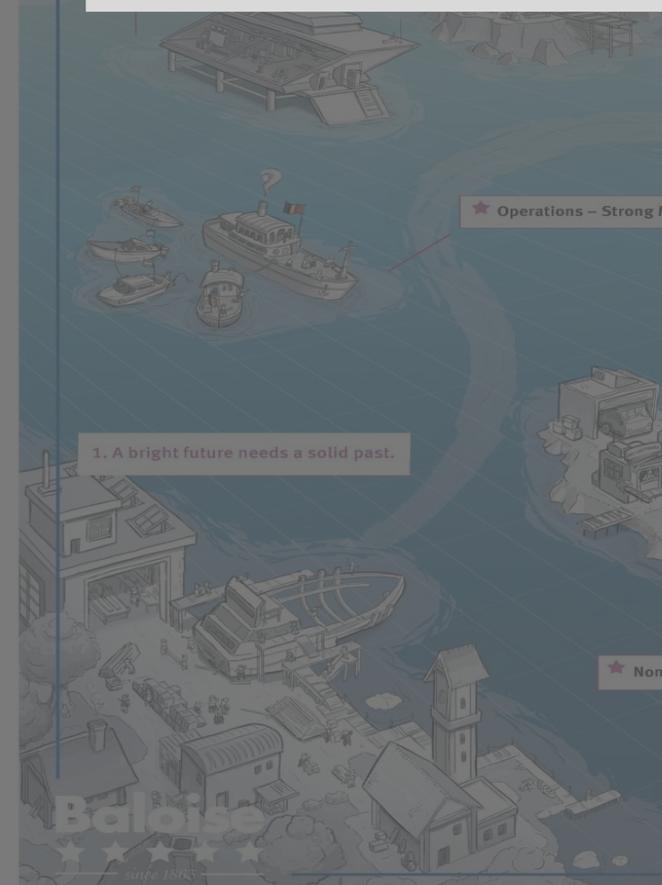
Unprecedented Low Interest Rate Environment

Growing Competition

★ Non-life – Highly Profitable

2. But we risk everything if we only rely on what has worked well in the past.

1. A bright future needs a solid past.



SIMPLY SAFE

Our Bold Journey of Growth

1863 - 2015

Growing Competition

★ Capital Management – Safe and Sound

Our 5-year ambitions:

- **Employees:** a leading employer in the sector
- **Customers:** an additional 1m customers (+30%)
- **Shareholders:** cash upstream of CHF 2bn to Bâloise Holding

1. A bright future needs a solid past.

★ Non-life – Highly Profitable

Growing Competition

2016

New and Changing Customer Needs

3. Our 5-year ambition: become THE trusted choice for people who want to feel 'simply safe'.

The Trusted Choice for Our Customers

A Reliable and Attractive Investment

A Leading Employer in the Sector

Increasing Regulation

Unprecedented Low Interest Rate Environment

2021

2. But we risk everything if we only rely on what has worked well in the past.

'Simply Safe' – Strategic Ambitions 2017 – 2021

Well on track to achieve our three strategic targets

Customers

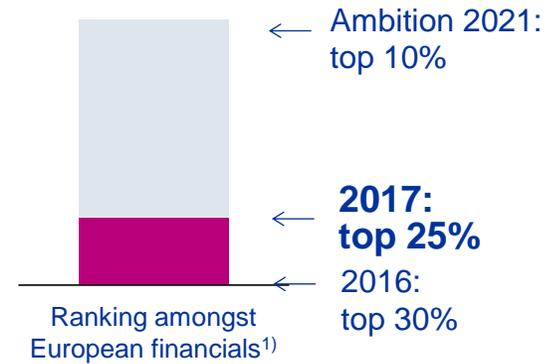
Ambition: 1 mn additional customers



- › Number of customers increased in all business units
- › Various new customer initiatives and products launched; benefits expected to accelerate in the mid-term

Employees

Ambition: a leading employer in the sector

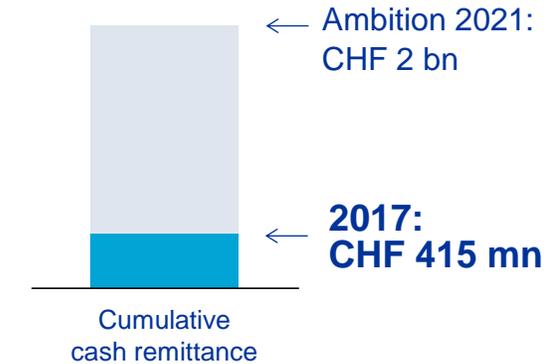


- › Improvements across all business units resulted in a jump in 2017 from top 30th to top 25th percentile
- › Multiple initiatives launched to further increase employee engagement

¹⁾ based on Korn Ferry Hay database

Shareholders

Ambition: CHF 2 bn to the Holding



- › Significant increase in cash remittance in 2017 year-on-year, particularly thanks to improved contributions from life business
- › Well on track to achieve the CHF 2 bn target

2. Baloise Value Management

Baloise Value Management

Strong focus on value management to achieve our financial ambitions

- › To achieve our target of upstreaming CHF 2 bn in cash to the holding company by 2021, we reconfigured **internal metrics to target cash generation**
- › Greater emphasis is put on **cash** and less on accounting profit
- › Our 'Simply Safe' strategy and our comprehensive value management approach boost Baloise's endeavours to generate **even more added value** in the future

Baloise Value Management



Focus on cash



Support corporate strategy



Ensure sustainable profitability



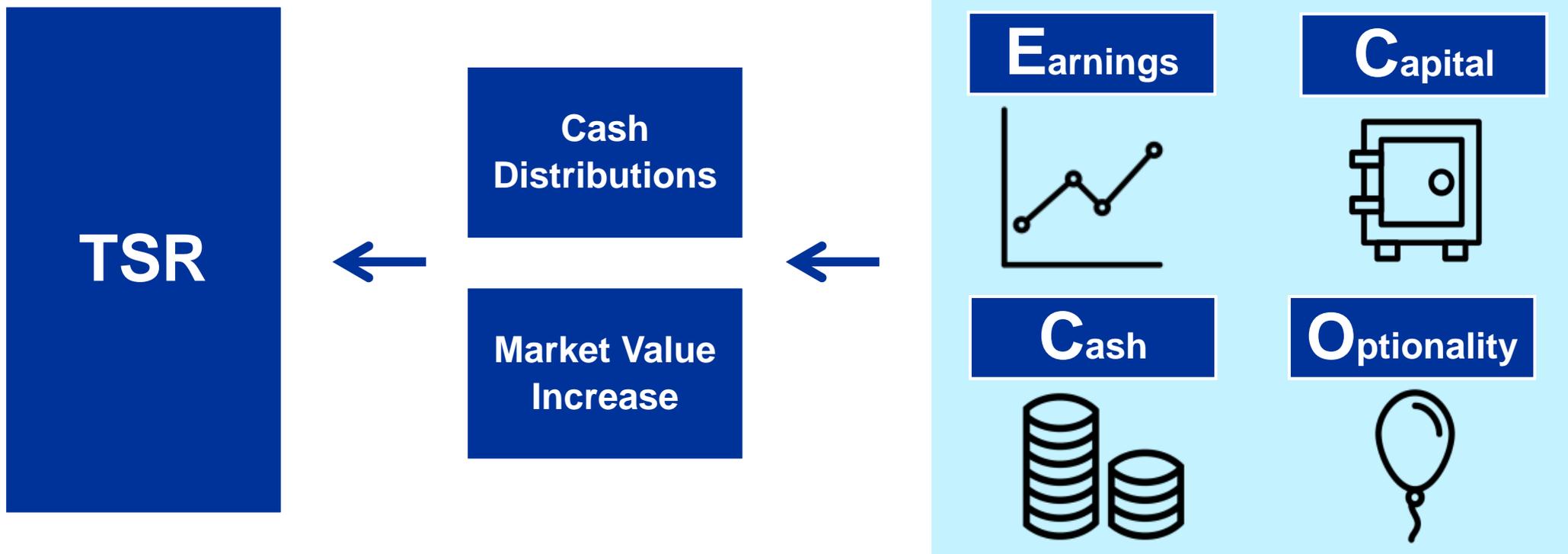
Management of new investments



Total Shareholder Return (TSR) and Value Drivers

The TSR is the basis of our internal steering regime and value management framework

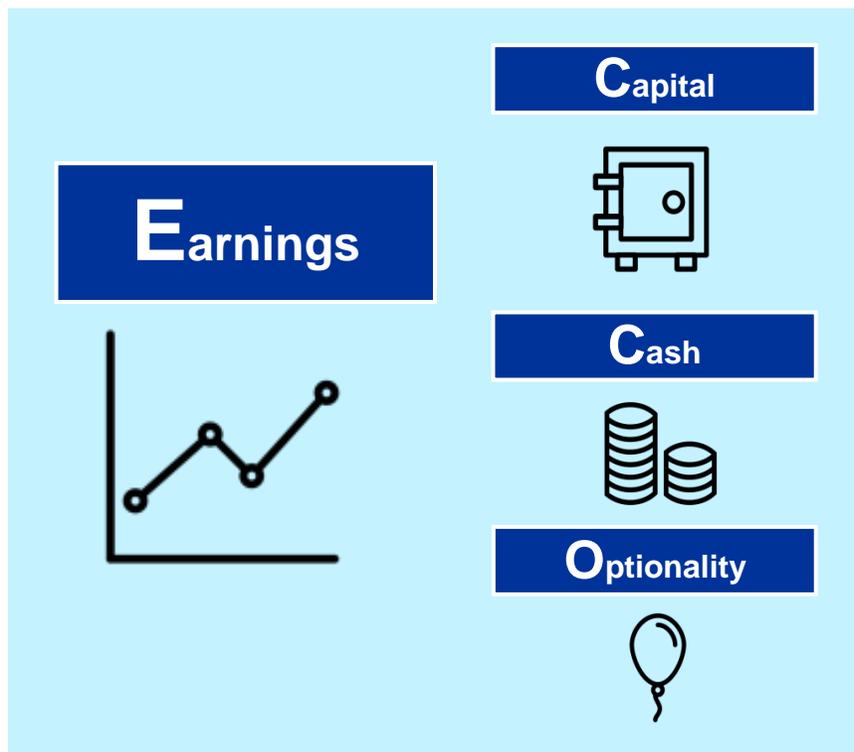
Our four Drivers of Value (ECCO)



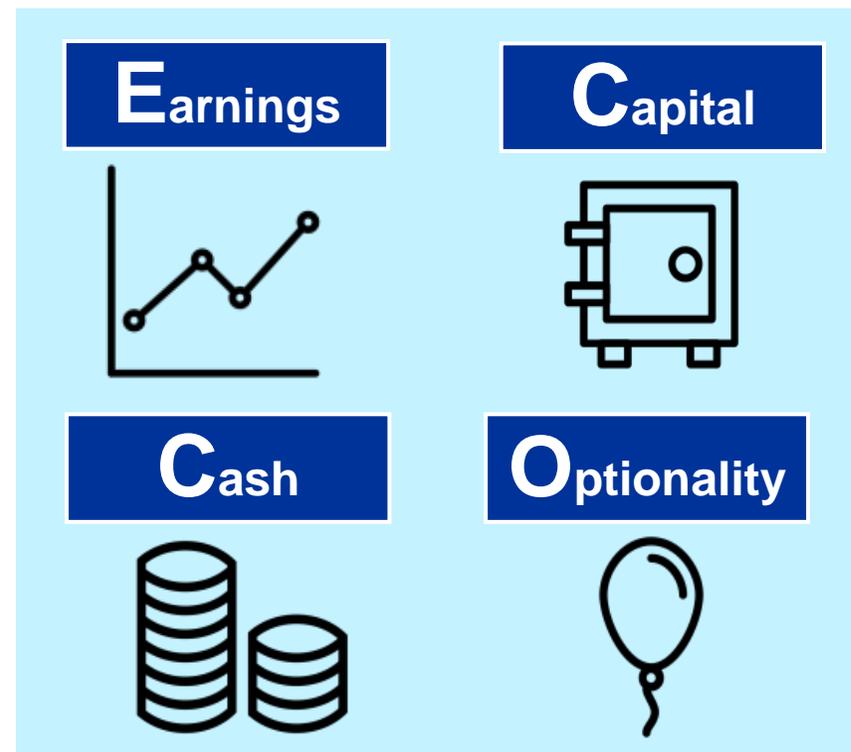
Our Four Drivers of Value

The importance of capital, cash and optionality for our value management has increased

In the Past:

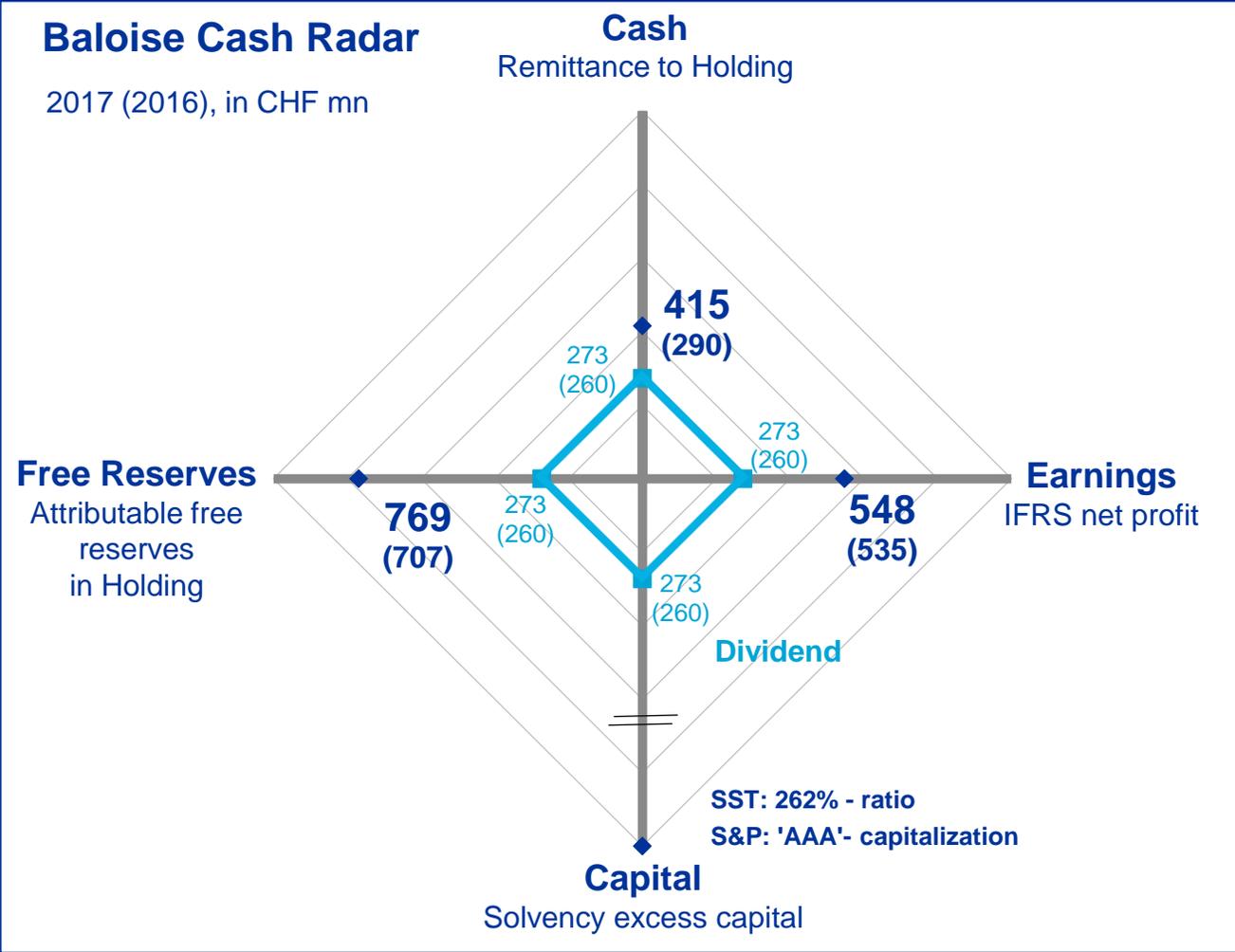


Today:



Baloise Cash Radar

Multi-framework view with focus on cash generation and remittance

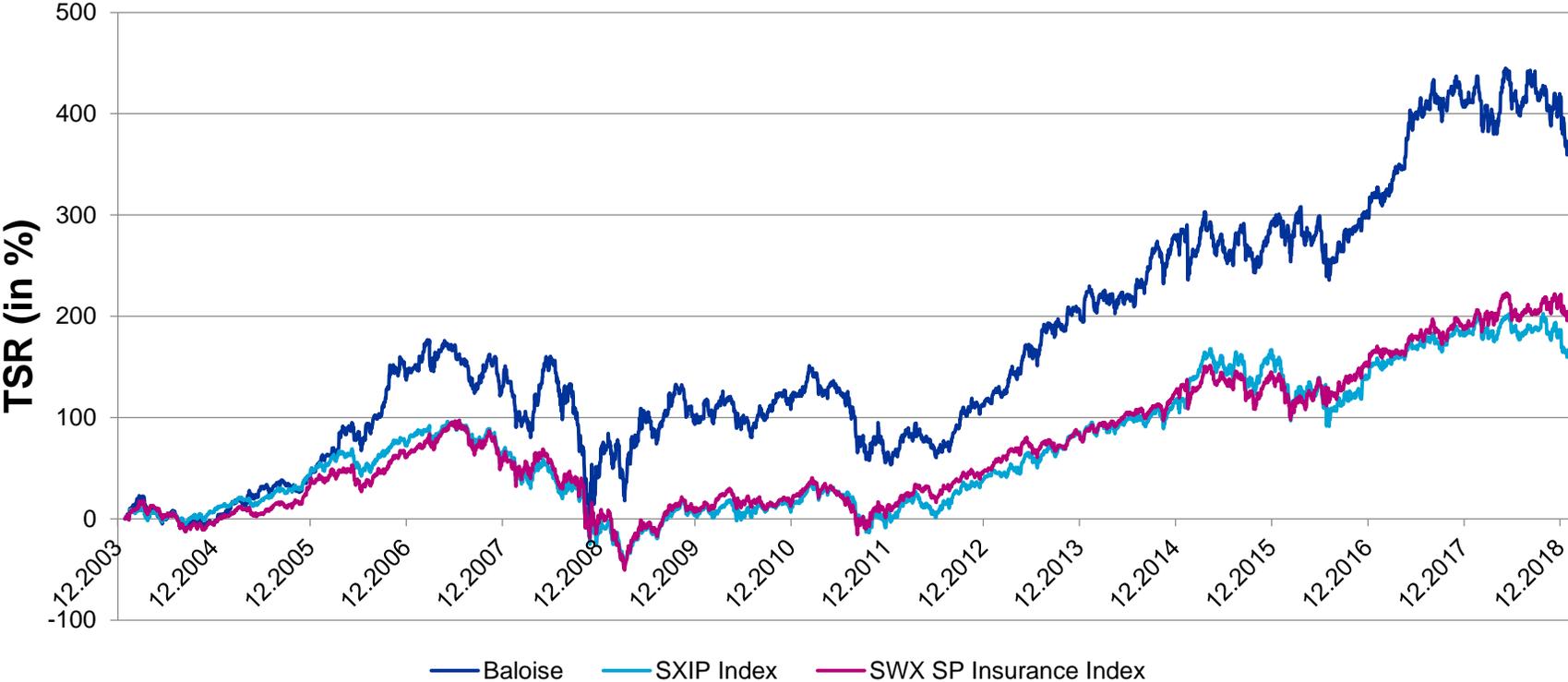


- › For Baloise, consistent value management and strong cash generation means more than focusing on only one key figure such as the earnings
- › A whole set of key factors and variables are carefully monitored and controlled
- › Baloise has developed its 'cash radar' to monitor these key factors and optimise its performance

Baloise Delivered Strong Long-Term TSR to Its Shareholders

Average TSR of 11% per year over the past 15 years

December 2003 - December 2018



Future performance based on our four drivers of value

Earnings



Capital



Cash

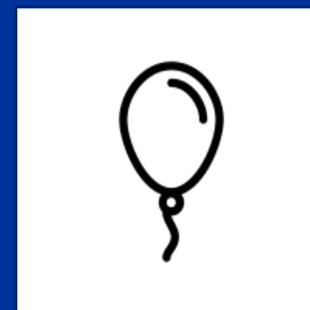
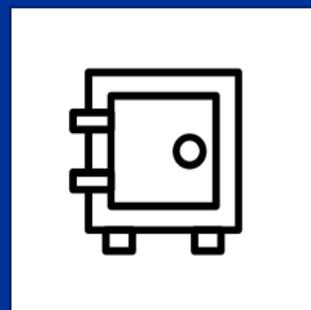


Optionality



Source: Bloomberg, 31.12.2018

3. Earnings, Cash, Capital and Optionality

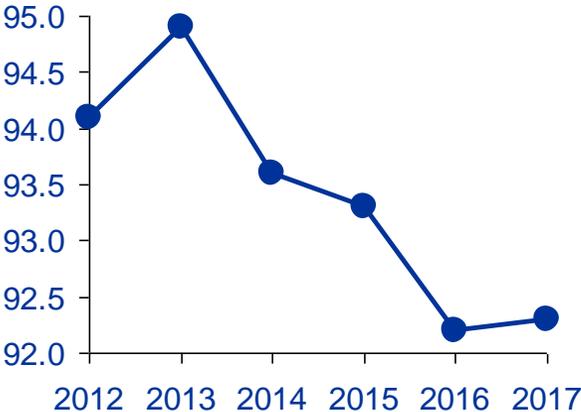




Earnings: Attractive and Well-Diversified Mix from Non-Life, Life and Banking & Asset Management

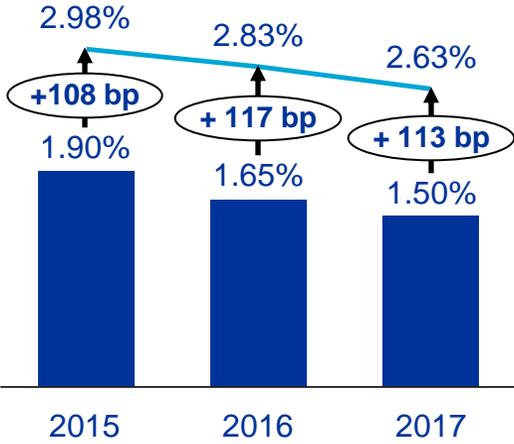
1 Our **non-life** portfolio is widely recognized as one of the most profitable in Europe...

Net combined ratio (in %)



2 ...our **life** business is best positioned to navigate the current interest rate environment...

Interest rate margin



— Current yield ■ Average guarantee

3 ...and our **banking & asset management** continues to deliver reliable contributions:

IFRS EBIT, in CHF mn



■ Banking ■ Asset Mgmt

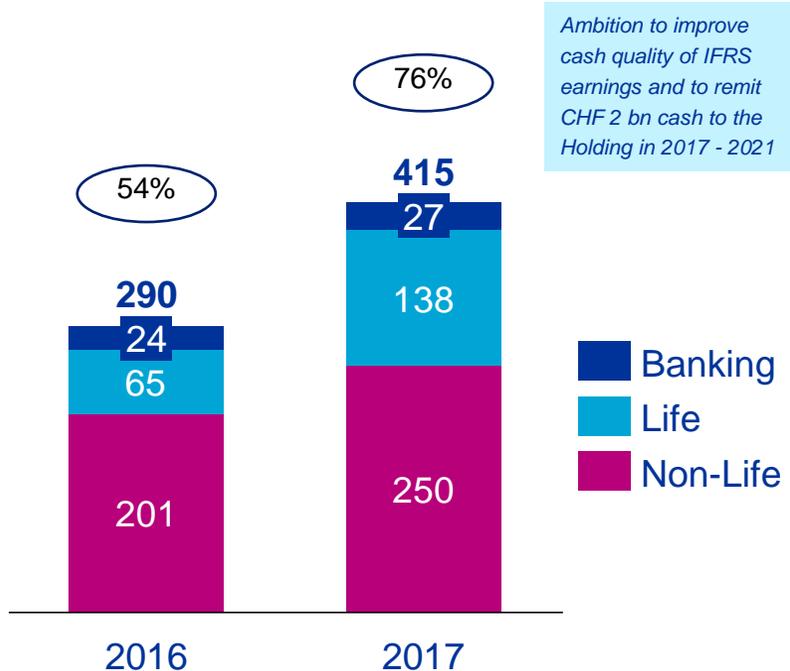
Our focus is on increasing the cash quality of IFRS earnings!



Cash: Well on Track to Achieve the CHF 2 Billion Target

Cash remittance to Holding¹⁾

(in CHF mn, cash remittance in % of net profit)

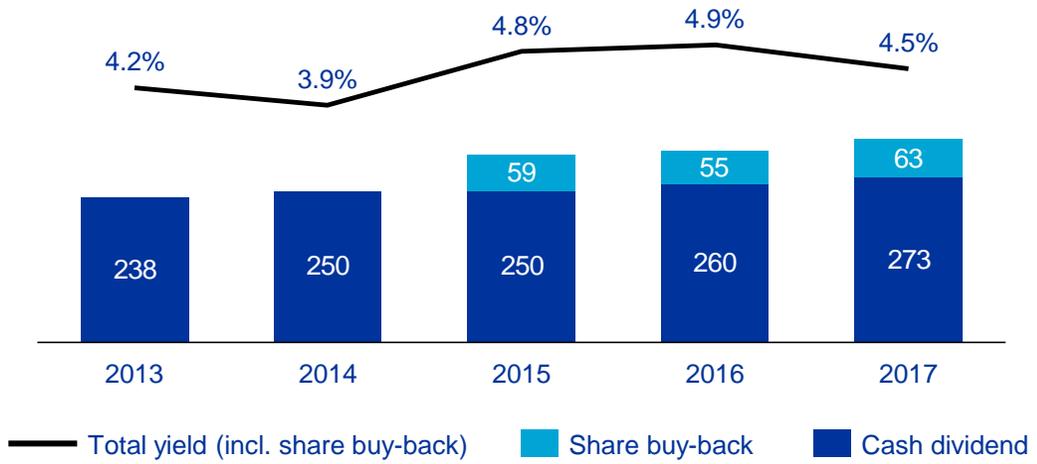


Ambition to improve cash quality of IFRS earnings and to remit CHF 2 bn cash to the Holding in 2017 - 2021

¹⁾ dividends, internal debt payments and capital releases

Payout to shareholders

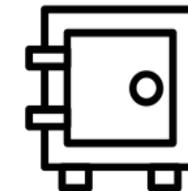
(in CHF mn, cash remittance in % of net profit)



Share buy-back

Shares to be repurchased	up to 3 mn
Latest termination date	April 2020
Completion rate (31.12.2018)	45%

Capital: Strong Capital Base and Financial Flexibility



Swiss Solvency Test

Per 1.1.2018

262%

- › SST ratio above 140% even in economic stress events such as if interest rates would drop by 100 bps and equity markets would simultaneously crash by 50%
- › Very high quality of capital, with hybrid representing less than 5% of the risk bearing capital

Standard & Poor's

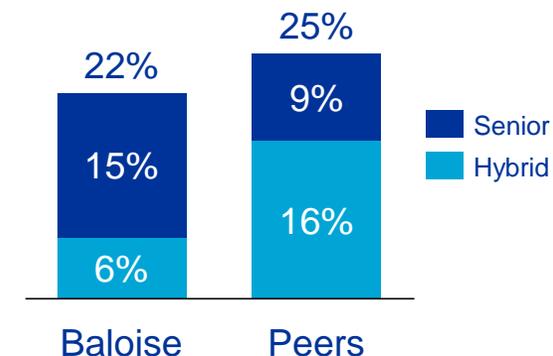
S&P Global Ratings

A+

- › In June 2018, S&P raised Baloise's credit rating to 'A+' with a stable outlook, hence becoming one of the few mid-cap insurers in Europe with such a strong rating
- › In particular, S&P acknowledged Baloise very strong 'AAA' capitalization

IFRS Leverage

Per 30.06.2018



- › Very high financial flexibility due to conservative balance sheet structure with leverage and hybrid share clearly under market average



Optionality: Digitalisation & Going Beyond Traditional Insurance

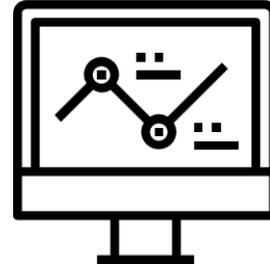
Why?



Improved
Customer
Experience



New
Business
Models

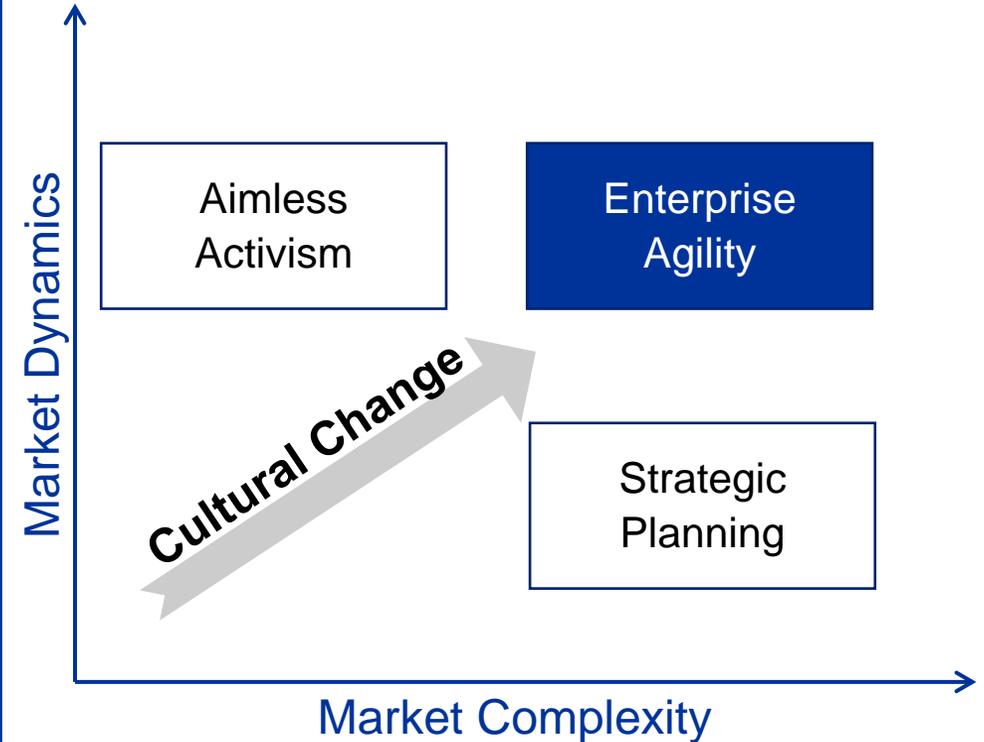


Optimized
Processes

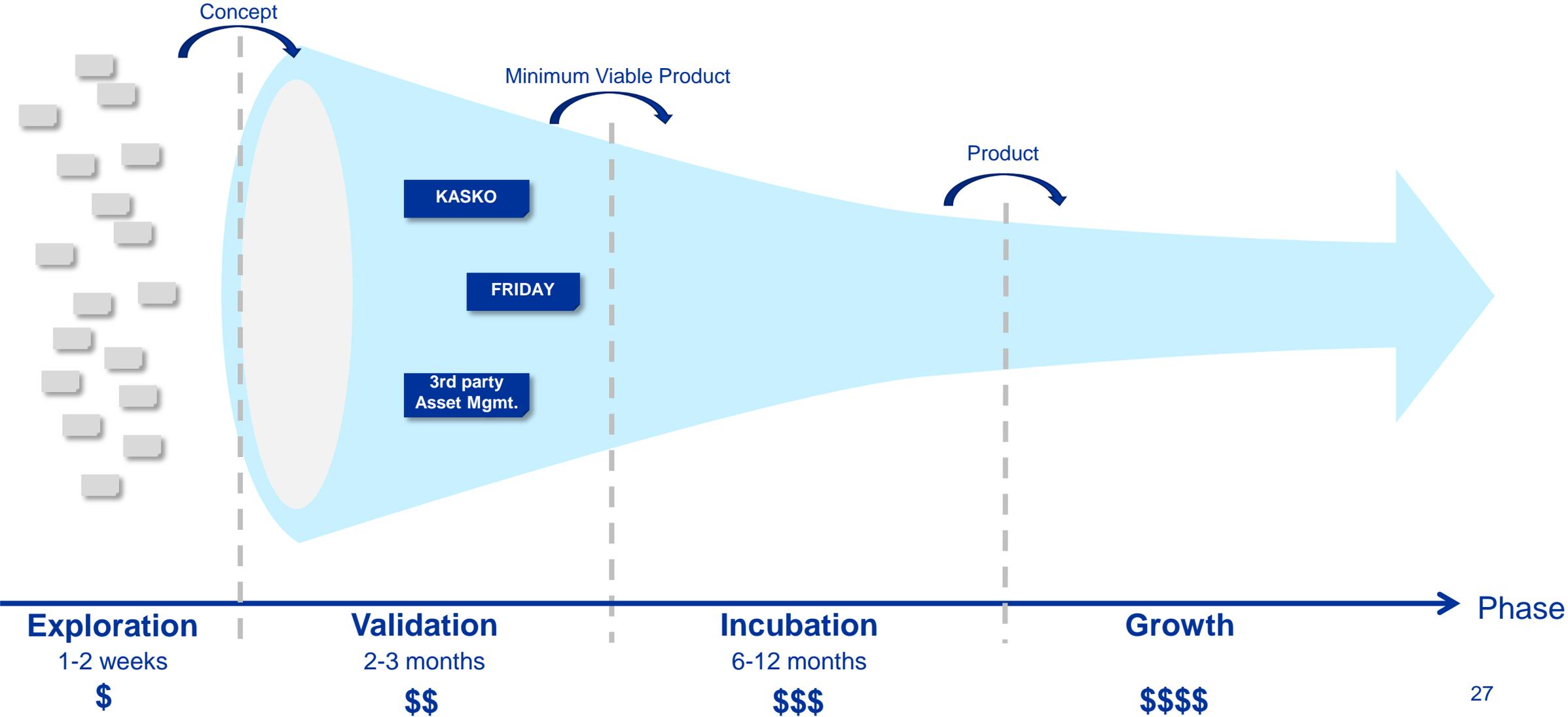
How?

- › **Invest** (partnering with Anthemis)
- › **Incubate** (e.g. F10, Friday, Mobly)
- › **Collaborate** (e.g., Bank Cler, TCS, BLKB, Möbel Pfister)
- › **Testing** (e.g. robotics, AI, chatbots, image recognition)
- › **Acquisitions** (e.g. Movu, Drivolution)

What?

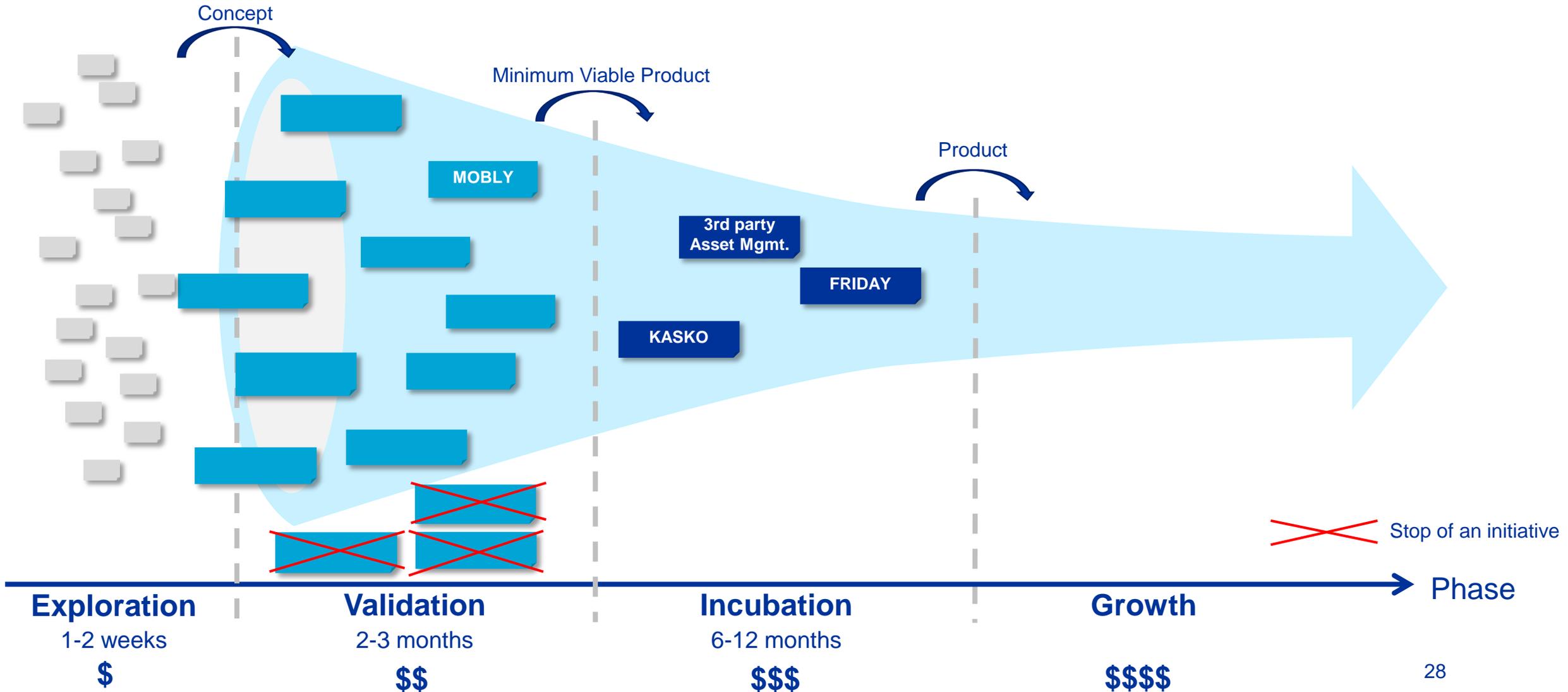


Optionality: Start of Selected Strategic Initiatives in 2016

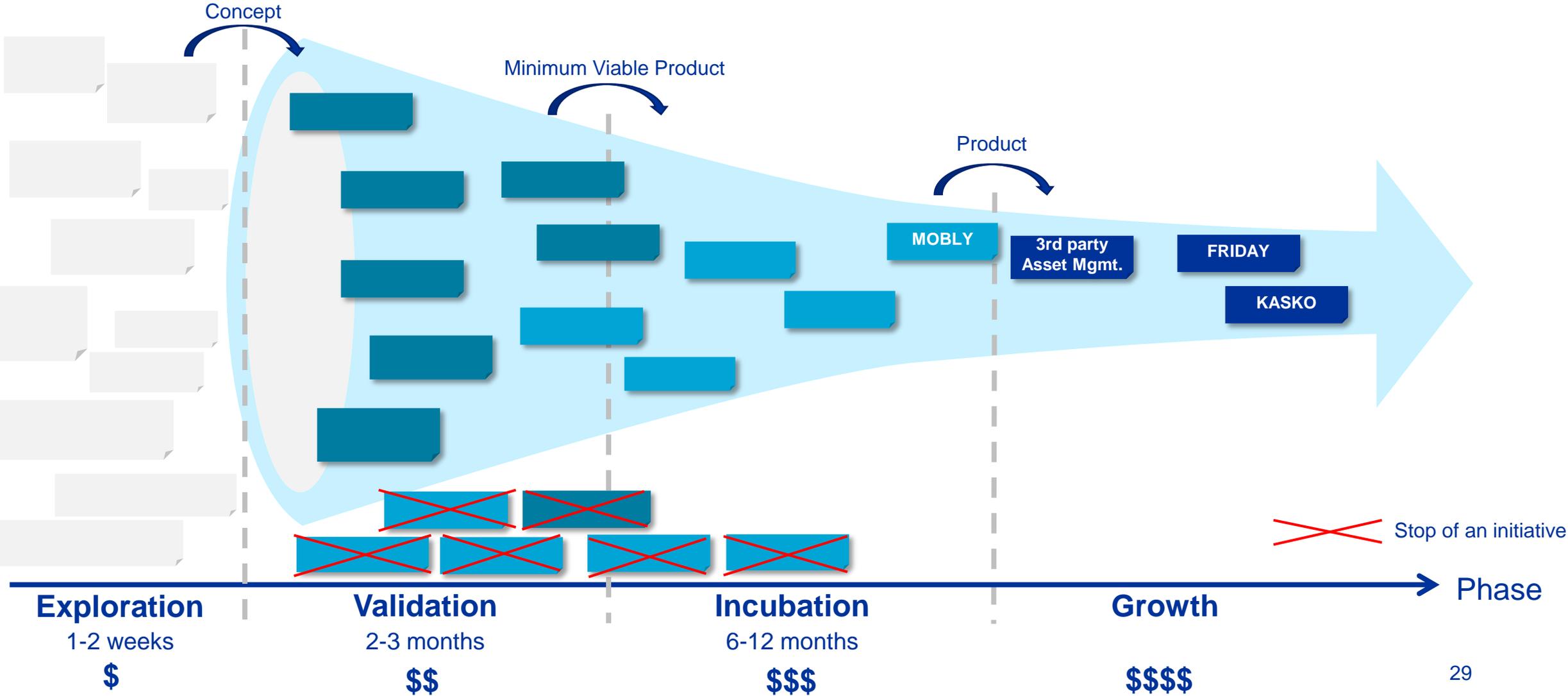




Optionality: Many New Ideas in 2017



Optionality: Our Full Pipeline Contains Several Projects Reaching Their Growth Phase in 2019



4. Outlook FY18 and Key Investment Highlights

Well on Track to Achieve Our Targets

Outlook FY18 Results

- › Confident that we will again generate > **CHF 400 mn cash** in 2018 and maintain our attractive dividend policy
- › Based on the expectation of an average level of claims in the fourth quarter of 2018, we expect the combined ratio of our **non-life business** to be within the target range of 90-95%
- › The business shift mix to capital light products and the stabilisation of interest rates are positive drivers for the profitability in our **life business**. As a consequence, we increased during 2018 our EBIT guidance to CHF 300 mn

Key Investment Highlights and What Sets Us Apart



Simply Safe Strategy: based on our strong core business and unique corporate culture, we are moving from a traditional insurance to a client-focused provider of not only prevention, pension, assistance and insurance but also mobility, home & living, health and SME-services solutions

Operations: Strong positioning in our attractive core markets. Strong underlying business results and unique insurance and banking business model in Switzerland

Non-life: Industry leading know-how on selecting the right customers and one of the most profitable non-life portfolios in Europe

Digitalisation: Competitive advantage due to high agility in IT systems

Capital management: Strong capitalisation, conservatively managed investment portfolio and high financial flexibility

Dividend: Attractive and reliable returns to shareholder

Reporting Agenda and Contact Information

Reporting Agenda

- › **Annual financial results:**
7 March 2019
- › **Publication of the Annual Report 2018:**
28 March 2019
- › **Annual General Meeting:**
26 April 2019

Contact Information

+41 58 285 81 81

investor.relations@baloise.com

www.baloise.com/investors

