

# ANNUAL REPORT

# 2016

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Summary

# Baloise key figures

	2015	2016	Change (%)
CHF million			
<b>Business volume</b>			
Gross premiums written (non-life)	3,050.0	3,140.7	3.0
Gross premiums written (life)	3,783.4	3,570.9	-5.6
<b>Sub-total of IFRS gross premiums written<sup>1</sup></b>	<b>6,833.4</b>	<b>6,711.6</b>	<b>-1.8</b>
Investment-type premiums	2,085.1	2,199.2	5.5
<b>Total business volume</b>	<b>8,918.6</b>	<b>8,910.8</b>	<b>-0.1</b>
<b>Operating profit (loss)</b>			
Profit / loss before borrowing costs and taxes			
Non-life	395.5	396.4	0.2
Life <sup>2</sup>	277.3	226.1	-18.5
Banking	80.8	92.1	14.0
Other activities	-34.4	-31.0	-9.9
Profit for the period	511.1	533.9	4.5
<b>Balance sheet</b>			
Technical reserves	45,776.6	46,209.0	0.9
Equity	5,453.6	5,773.7	5.9
<b>Ratios (per cent)</b>			
Return on equity (RoE)	9.3	9.7	-
Gross combined ratio (non-life)	92.5	91.1	-
Net combined ratio (non-life)	93.3	92.2	-
New business margin (life)	9.8	21.3	-
Investment performance (insurance) <sup>3</sup>	1.7	3.1	-
<b>Embedded value of life insurance policies</b>			
Embedded value (MCEV)	3,876.2	4,409.4	13.8
Annual premium equivalent (APE)	367.0	322.1	-12.2
Value of new business	36.1	68.5	89.8
<b>Key figures on the Company's shares</b>			
Shares issued (units)	50,000,000	50,000,000	0.0
Basic earnings per share <sup>4</sup> (CHF)	10.96	11.53	5.2
Diluted earnings per share <sup>4</sup> (CHF)	10.65	11.22	5.4
Equity per share <sup>4</sup> (CHF)	116.0	123.8	6.7
Closing price (CHF)	127.60	128.30	0.5
Market capitalisation (CHF million)	6,380.0	6,415.0	0.5
Dividend per share <sup>5</sup> (CHF)	5.00	5.20	4.0

1 Premiums written and policy fees (gross).

2 Of which deferred gains / losses from other operating segments (31 December 2015: CHF - 3.3 million; 31 December 2016: CHF 2.0 million).

3 Excluding investments for the account and at the risk of life insurance policyholders.

4 Calculation is based on the profit for the period attributable to shareholders and the equity attributable to shareholders.

5 2016, based on the proposal submitted to the Annual General Meeting.

## At a glance

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Equity of  
CHF **5,773.7** million

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Return on equity  
(RoE) of  
**9.7 %**

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Profit of  
CHF **534.8** million  
(attributable to shareholders)

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Dividend of  
CHF **5.20** per share  
(will be proposed to the  
Annual General Meeting  
on 28 April 2017)

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**5.5 %**  
higher business volume  
with investment-type premiums

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Net investment yield  
of insurance assets  
**2.9 %**

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Net combined ratio of  
**92.2 %**

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New business margin of  
**21.3 %**

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Dr. Andreas Burckhardt, Chairman of the Board of Directors (right), and Gert De Winter, Group CEO (left).

## Baloise exceeds expectations

### DEAR SHAREHOLDERS

Baloise is ready for the future. We are relying on innovation, agility and an entrepreneurial culture – without neglecting our core insurance business. The Simply Safe strategy sets out ambitious targets for Baloise to achieve by 2021. At the Investor Day in late October, Baloise presented the targets for the coming five years, in which it will be focusing on employees, customers and shareholders. Against a backdrop of changing conditions in the insurance sector, Baloise is thus evolving into an innovative provider of solutions that expand its core business and extend beyond traditional insurance.

Gert De Winter joined as Group CEO in early 2016. He has been tasked with looking after the existing business and, at the same time, daring to embark on new ventures in order to tackle the challenges of a changing environment. The Company's track record over the past decade has been excellent.

Baloise has one of the most profitable non-life portfolios in Europe, a strong market position in its core markets, cutting-edge IT systems and digitalised processes, plus forward-looking capital and risk management. These attributes and our shareholder-friendly dividend policy have long made Baloise one of the most attractive stocks in the sector. A fact that I am sure you already appreciate as shareholders.

Building on its successful past, Baloise is further strengthening its core business and also stepping up its activities outside the traditional insurance business in areas such as safety services, active assistance and prevention. The Company is thus equipping itself for the changing requirements of today's customers. On this journey, Baloise will measure its performance using three clear and simple goals.

1. Baloise aims to become the first choice for people who want to feel “simply safe”. By ensuring an even stronger focus on customer needs, tailored omnichannel communication and innovative products and services in the areas of insurance, assistance and pensions, Baloise is striving to attract an additional one million customers by 2021. This equates to an increase of 30 per cent.
2. The workforce is key to implementing the new corporate strategy. Baloise wants to become an employer of choice in its industry. This will be measured in terms of how strongly its employees recommend it as an employer. Currently, Baloise is in the top third of the market

for European financial services providers. The aim is to make it into the top 10 per cent.

3. Finally, you, our shareholders, are to benefit directly from Baloise continuing to pursue an attractive dividend policy and repurchasing up to three million more treasury shares. At the same time, targeted capital investment in new strategic projects will indirectly generate additional profits in existing and new areas of business. We anticipate a cash inflow to Baloise Holding of CHF 2 billion between now and 2021 that will pave the way for this consistently attractive shareholder policy and profit-bringing new capital expenditure.

### “The workforce is key to implementing the new corporate strategy.”

However, 2016 was not just about the new strategy. Important foundations for the future were laid in Germany. The strengthening of reserves in the German industrial and liability business, the shift in the business mix towards profitable retail and SME customers and measures to increase the company’s sales capability are putting the German business on a firm footing. This strengthening of reserves reduced profit for the period by CHF 37.9 million net. In Switzerland, however, pension plan changes for banking and insurance employees resulting from IAS 19 had a positive impact. The profit for the period of CHF 534.8 million was therefore 4.4 per cent higher than in 2015.

In the life business, our efforts to change the business mix are already having an impact. Premiums from traditional life business declined in all countries, whereas investment-type premiums rose by 5.5 per cent across the Group. In the non-life business, the rise was 3.0 per cent. The net combined ratio improved by 1.1 percentage points year on year to 92.2 per cent. The net return on insurance assets came to 2.9 per cent, which was in line with the long-term trend (2015: 3.0 per cent). This is further proof of the stability of our asset management.

The Swiss business significantly increased its earnings and remains highly profitable. Earnings from the German business were influenced by the strengthening of reserves in non-life insurance. The business volume in Germany remained stable. Thanks to the steps taken, earnings are predicted to improve in future. In Belgium, the volume of business and the profitability of the non-life business grew. However, earnings were down

year on year due to a decline in the life business. Luxembourg enjoyed a good year in 2016. Although earnings fell slightly (by 0.9 per cent), the business volume increased once again and the profitability of the non-life business continues to be very good.

We owe a huge debt of gratitude to our employees for achieving good results once again against a backdrop of continued uncertainty and challenging economic conditions. Day in, day out, our employees contribute to Baloise’s success on many different levels.

The profit that we generated in 2016 exceeded expectations. For this reason, the Board of Directors will ask the Annual General Meeting to raise the dividend to CHF 5.20. Moreover, the share buy-back programme launched in 2015 has finished earlier than planned. We have already announced a new programme, in which up to three million shares are to be repurchased over the next three years.

Under its new strategy, Baloise has set itself three clear targets in respect of employees, customers and shareholders. These will enable us to measure our performance over the next five years. We believe the targets are ambitious, especially because low interest rates and the strong Swiss franc continue to present us with difficulties. In view of the challenges facing our industry, we have to be innovative and dare to embark on new ventures. However, we have the necessary strength with which to pursue this strategy successfully. We believe Baloise is very well positioned to get through even difficult periods and achieve the targets that it has set.

Basel, March 2017

**Dr Andreas Burckhardt**

Chairman of the Board of Directors

**Gert De Winter**

Group CEO

# Strong profit despite uncertain economic policy

Baloise generated a strong profit in 2016. The year as a whole was shaped by economic policy uncertainties stemming from the vote for Brexit and the US election. These uncertainties impact on the economy, which saw even lower interest rates and volatile stock markets in 2016. From an operating perspective, the focus at Baloise was on the strengthening of reserves, steps to improve the German non-life business, low interest rates and the continuing shift of the business mix in the life business. The business volume grew in the two target segments: non-life and investment-linked premiums. In the traditional life business, however, the volume contracted. All operating segments contributed to the strong profit. In particular, the profitability of the non-life business remained very good.

## OVERVIEW

In 2016, Baloise generated a profit of CHF 534.8 million, which was up by 4.4 per cent year on year. Although the climate of persistently low, or even negative, interest rates and the strong Swiss franc can now be considered normal, they are still an ongoing challenge. Moreover, the strengthening of reserves in the German non-life business reduced profit by CHF 37.9 million. Conversely, profit was boosted by roughly the same amount as a result of a positive accounting effect relating to provisions for pensions and other post-employment benefits (IAS 19) in respect of bank and insurance employees in Switzerland. The strength of the Swiss franc barely changed compared with 2015, which means that currency effects were negligible.

The volume of business generated was almost exactly the same as in 2015 at CHF 8.9 billion. The non-life division generated premium income reported under IFRS of CHF 3,140.7 million, an increase of 3.0 per cent. At CHF 396.4 million, the non-life business's profit before borrowing costs and taxes (EBIT) was up slightly year on year, despite a higher level of large claims incurred and the strengthening of reserves in Germany. A year-on-year increase in the profit on claims reserves had a positive impact. In the life division, the traditional life insurance business declined as had been expected, falling by 5.6 per cent compared with 2015. By contrast, investment-type premiums advanced by 5.5 per cent. This trend reflects the strategy of further improving the business mix in the life business. Reserves were strengthened by a substantial amount of more than CHF 300 million in view of the low interest rates. Despite this strengthening of reserves, the life business also generated a healthy profit although, at CHF 226.1 million, its EBIT was down slightly compared with the very good prior-year figure.

The gains achieved on the investment of insurance assets amounted to CHF 1,578.9 million, which was below the 2015 level of CHF 1,685.4 million. The challenging interest rate environment was reflected in the slightly lower recurring income of CHF 1,379.3 million (2015: CHF 1,418.0 million). The gains on investments achieved in these very challenging conditions equated to a net return on insurance assets of 2.9 per cent (2015: 3.0 per cent) and therefore remained broadly in line with the return seen in recent years. The rate of return on insurance assets according to IFRS – which includes unrealised net gains and losses on investments but excludes gains and losses on held-to-maturity debt instruments – was 3.1 per cent, representing an increase on the 1.7 per cent net return in 2015.

## BUSINESS VOLUME IN 2016 (GROSS) BY STRATEGIC BUSINESS UNIT

As a percentage

→ Switzerland	48.3
→ Germany	16.1
→ Belgium	17.5
→ Luxembourg	18.0



There was further encouraging growth in the EBIT generated by the banking business, which rose by 14.0 per cent to CHF 92.1 million. The sharp increase was mainly attributable to a change in the pension scheme at Baloise Bank SoBa, which took effect in the first half of the year.

Baloise continues to have a very robust balance sheet. Consolidated equity went up by 5.9 per cent to CHF 5,773.7 million. This figure was bolstered by the profit for the period and by the gains from the sale of treasury shares after a convertible bond, which had not been fully converted, reached maturity in November 2016.

#### BUSINESS VOLUME

	2015	2016	+ / - %
CHF million			
Total business volume	8,918.6	8,910.8	- 0.1
Life	3,783.4	3,570.9	- 5.6
Non-life	3,050.0	3,140.7	3.0
Investment-type premiums	2,085.1	2,199.2	5.5

#### NON-LIFE DIVISION: INCREASED PROFITABILITY AND STRENGTHENING OF RESERVES IN GERMANY

The volume of business rose by 3.0 per cent in the non-life division. While the volume held steady in Switzerland due to the selective underwriting policy for accident and health insurance, Luxembourg (rise of 7.1 per cent), Belgium (rise of 6.6 per cent) and Germany (rise of 2.9 per cent) contributed to the increased volume, which reached a total of CHF 3,140.7 million. The amount paid out for large claims was up on the prior year due to losses across Europe in connection with flooding and hail, various large claims in the industrial business (losses in connection with fires in Germany and Switzerland) and large claims in the Swiss accident business. The claims ratio was also adversely affected by the strengthening of reserves in Germany. Nonetheless, the claims ratio went down overall and the combined ratio improved by a further 1.1 percentage points compared with 2015. One of the contributing factors was the year-on-year improvement in the profit on claims reserves. The net combined ratio stood at 92.2 per cent, underlining the excellent profitability of the non-life business. At CHF 396.4 million, EBIT in the non-life business was down slightly compared with 2015.

#### NET COMBINED RATIO

As a percentage

2016		92.2
2015		93.3
2014		93.6
2013		94.9
2012		94.1

#### LIFE DIVISION: INTEREST RATE-RELATED STRENGTHENING OF RESERVES AND CHANGING BUSINESS MIX

In the life insurance division, the business volume contracted by 1.7 per cent. This decrease reflected the continuing shift in the business mix away from classic life business, which is no longer a focus because of the ongoing phase of low and, in some cases negative, interest rates. Premium income from traditional life business declined by 5.6 per cent, while investment-type premiums were up by 5.5 per cent. Total premium income, including investment-type premiums, amounted to CHF 5,770.1 million. In traditional life insurance, the business volume decreased in Switzerland (by 6.7 per cent), Germany (by 2.3 per cent) and Belgium (by 0.7 per cent) but increased in Luxembourg (by 10.8 per cent). The strong growth rate in Luxembourg was primarily attributable to risk products that pay out in the event of death. In contrast to the traditional life business, investment-type premiums rose to CHF 2,199.2 million, with the volume increasing by 3.4 per cent in Germany, by 14.2 per cent in Belgium and by 7.6 per cent in Luxembourg. In Switzerland, Baloise decided not to launch a second tranche product in view of the extremely low interest rates. As a result, investment-type premiums also declined. There were further encouraging increases in the volume of partially autonomous solutions for occupational pensions in Switzerland. Because interest rates were low, a substantial CHF 316.7 million was added to reserves in the life business in total. Although EBIT in the life business was lower than in 2015, it still amounted to a very healthy CHF 226.1 million. The positive operating income resulted in an increase in the embedded value of the life insurance business from CHF 3,876.2 million to CHF 4,409.4 million in 2016, which is equivalent to a return on embedded value of 14.7 per cent. The new business margin improved to 21.3 per cent (2015: 9.8 per cent) owing to a higher margin in Switzerland. The value of new business also rose, reaching CHF 68.5 million.

## BANKING DIVISION: STABLE EARNINGS DESPITE LOW-INTEREST-RATE ENVIRONMENT

The banking business achieved a good profit once again, raising its EBIT by 14.0 per cent to CHF 92.1 million. This was due, in particular, to a non-recurring effect in connection with the change to the pension scheme of Baloise Bank SoBa. Profit would have held steady without this one-off item. As usual, the main contributors to profit were Baloise Asset Management (CHF 44.5 million) and Baloise Bank SoBa (CHF 41.7 million).

## EQUITY REMAINS ROBUST

Baloise is, and will continue to be, underpinned by a strong capital base. Consolidated equity rose by 5.9 per cent year on year, reaching CHF 5,773.7 million. This figure was bolstered by the good profit for the period and by the gains from the sale of treasury shares after a convertible bond, which had not been fully converted, reached maturity in November 2016. The shares held in reserve for conversion had been recognised at a low purchase price. The total gains from the sale came to CHF 121.4 million. This resulted in an increase in capital reserves, although this was partly offset by dividends paid of CHF 232.0 million and other factors.

## SIGNIFICANT GAINS ON INVESTMENTS

Following a significant stock market correction at the start of the year, there was a turnaround at the end of February that was largely the result of the European Central Bank increasing its quantitative easing. Despite political uncertainties, such as the Brexit referendum, the equity markets subsequently performed well. The combination of expansionary monetary policy and political uncertainties pushed interest rates to new lows around the world in mid-2016. The unexpected outcome of the US presidential election resulted in rising inflation expectations that, in turn, led to a moderate increase in interest rates and caused the equity markets to rally. Over the year as a whole, the Swiss stock market fell sharply against its global counterparts. Interest rates in Switzerland and the rest of Europe decreased over 2016 as a whole, despite rising at the end of the year.

The gains achieved on the investment of insurance assets amounted to CHF 1,578.9 million, which was below the 2015 level of CHF 1,685.4 million. The challenging interest rate environment was reflected in the lower recurring income of CHF 1,379.3 million (2015: CHF 1,418.0 million). As reinvesting repaid bonds has limited appeal in Europe, there was a preference for currency-hedged US dollar investments and tangible assets offering regular income. The duration of the bond portfolio was further

### PROPRIETARY INVESTMENTS BY CATEGORY<sup>1</sup>

	31.12.2015	31.12.2016	+ / - %
CHF million			
Investment property	6,251.9	6,817.5	9.0
Equities	4,357.5	4,055.3	-6.9
Alternative financial assets	1,259.6	1,304.1	3.5
Fixed-income securities	31,620.6	32,062.1	1.4
Mortgage assets	10,869.5	10,690.6	-1.6
Policy loans and other loans	5,787.0	5,664.1	-2.1
Derivatives	363.2	363.0	-0.1
Cash and cash equivalents	1,765.8	1,935.5	9.6
<b>Total</b>	<b>62,275.3</b>	<b>62,892.3</b>	<b>1.0</b>

<sup>1</sup> Excluding investments for the account and at the risk of life insurance policyholders and third parties.

### INVESTMENT COMPONENTS IN 2016

As a percentage

Fixed-income securities	51.0
Mortgage assets	17.0
Investment property	10.8
Policy loans and other loans	9.0
Equities	6.4
Cash and cash equivalents	3.1
Alternative financial assets	2.1
Derivatives	0.6





## ASSETS HELD BY BALOISE

as at 31 December 2015	Non-life	Life	Banking	Total for the Group
CHF million				
Proprietary investments	9,160.2	45,406.3	7,902.1	62,275.3
Investment-linked life insurance <sup>1</sup>		10,873.2		11,186.3
Total recognised assets	9,160.2	56,279.5	7,902.1	73,461.6
Asset management for third parties				4,985.9
<b>Total assets under management</b>				<b>78,447.5</b>

as at 31 December 2016	Non-life	Life	Banking	Total for the Group
CHF million				
Proprietary investments	9,166.6	46,006.1	8,120.6	62,892.3
Investment-linked life insurance <sup>1</sup>		12,001.0		12,337.2
Total recognised assets	9,166.6	58,007.2	8,120.6	75,229.5
Asset management for third parties				4,938.3
<b>Total assets under management</b>				<b>80,167.8</b>

<sup>1</sup> Including CHF 54.5 million (2015: CHF 40.2 million) in other assets (precious metal holdings from investment-linked life insurance policies).

increased. Investment property is a stable source of income. The same applies to mortgages.

The gains recognised in the income statement were lower than in 2015 because it was not possible to increase the valuations of investment property to the same extent as the previous year. Moreover, impairment losses of CHF 108.2 million gross had to be recognised on financial instruments with characteristics of equity (2015: CHF 72.0 million). The flagging Swiss stock market was one of the contributing factors. In the life companies, gains realised on bonds were used to strengthen reserves and were at a lower level than in 2015. Currency effects were much more positive than in the previous year; the currency-related losses of CHF 99.8 million were virtually equal to the currency hedging costs.

The gains on investments achieved in these very challenging conditions equated to a net return on insurance assets of

2.9 per cent (2015: 3.0 per cent) and were therefore broadly in line with the return seen in recent years. The volume of unrealised gains improved. Consequently, the rate of return on insurance assets according to IFRS – which includes unrealised net gains and losses on investments but excludes gains and losses on held-to-maturity debt instruments – was 3.1 per cent, which was above the net return and the prior-year IFRS figure of 1.7 per cent.

# Consolidated income statement

## FIVE-YEAR OVERVIEW

	2012	2013	2014	2015	2016
CHF million					
<b>Income</b>					
Premiums earned and policy fees (gross) <sup>1</sup>	6,731.1	7,212.7	7,168.1	6,832.4	6,680.6
Reinsurance premiums ceded	-176.5	-167.9	-163.6	-148.6	-168.2
Premiums earned and policy fees (net)	6,554.6	7,044.8	7,004.5	6,683.7	6,512.4
Investment income	1,782.2	1,765.1	1,701.9	1,521.8	1,476.6
Realised gains and losses on investments <sup>2</sup>	852.9	670.3	1,362.5	386.2	667.2
Income from services rendered	125.0	119.0	110.7	112.6	110.1
Share of profit (loss) of associates	16.5	40.5	8.1	36.8	7.1
Other operating income	92.0	107.9	185.2	136.6	136.8
<b>Income</b>	<b>9,423.2</b>	<b>9,747.5</b>	<b>10,372.8</b>	<b>8,877.9</b>	<b>8,910.2</b>
<b>Expense</b>					
Claims and benefits paid (gross)	-5,449.4	-5,439.7	-5,666.4	-5,352.4	-5,664.2
Change in technical reserves (gross)	-867.7	-1,359.4	-1,469.5	-1,241.9	-669.1
Reinsurance share of claims incurred	113.2	75.5	146.6	97.9	108.2
Acquisition costs	-651.0	-500.5	-569.6	-472.4	-502.9
Operating and administrative expenses for insurance business	-900.0	-897.1	-866.5	-761.3	-763.9
Investment management expenses	-59.0	-70.6	-66.9	-60.4	-60.3
Interest expenses on insurance liabilities	-50.5	-47.3	-42.6	-34.1	-30.5
Gains or losses on financial contracts	-577.8	-368.9	-462.6	-0.9	-342.9
Other operating expenses	-363.2	-481.3	-446.8	-333.1	-300.9
<b>Expense</b>	<b>-8,805.4</b>	<b>-9,089.3</b>	<b>-9,444.3</b>	<b>-8,158.6</b>	<b>-8,226.6</b>
<b>Profit before borrowing costs and taxes</b>	<b>617.9</b>	<b>658.2</b>	<b>928.6</b>	<b>719.2</b>	<b>683.6</b>
Borrowing costs	-61.0	-50.1	-43.5	-40.0	-38.0
<b>Profit before taxes</b>	<b>556.8</b>	<b>608.1</b>	<b>885.1</b>	<b>679.3</b>	<b>645.6</b>
Income taxes	-71.6	-152.7	-173.2	-168.2	-111.7
<b>Profit for the period</b>	<b>485.2</b>	<b>455.4</b>	<b>711.9</b>	<b>511.1</b>	<b>533.9</b>
Attributable to					
Shareholders	479.5	452.6	710.7	512.1	534.8
Non-controlling interests	5.7	2.8	1.3	-1.0	-0.9
Earnings / loss per share					
Basic (CHF)	10.24	9.65	15.15	10.96	11.53
Diluted (CHF)	9.96	9.38	14.63	10.65	11.22

1 In line with the accounting principles applied by the Baloise Group, investment-type insurance premiums are not included in premiums earned and policy fees.

2 Including financial liabilities held for trading purposes (derivative financial instruments).

# Consolidated balance sheet

## FIVE-YEAR OVERVIEW

as at 31.12.	2012	2013	2014	2015 (restated)	2016
CHF million					
<b>Assets</b>					
Property, plant and equipment	458.5	422.5	379.2	399.1	349.3
Intangible assets	1,078.5	1,080.3	909.2	838.2	836.1
Investments in associates	227.2	222.0	227.9	162.3	160.4
Investment property	5,441.0	5,685.9	5,962.9	6,251.9	6,817.5
Financial instruments with characteristics of equity	9,475.7	11,344.4	13,451.2	13,770.8	14,305.6
Financial instruments with characteristics of liabilities	32,513.3	32,327.1	34,461.6	33,248.4	33,766.5
Mortgages and loans	18,510.9	18,329.5	18,165.9	16,656.6	16,354.7
Derivative financial instruments	497.6	410.7	613.2	653.9	757.3
Other assets / receivables	2,618.6	2,857.7	2,153.5	3,921.5	4,024.3
Deferred tax assets	32.7	56.0	48.3	39.8	69.3
Cash and cash equivalents	2,923.7	2,960.8	2,969.6	2,839.8	3,173.3
<b>Total assets</b>	<b>73,777.7</b>	<b>75,696.9</b>	<b>79,342.3</b>	<b>78,782.3</b>	<b>80,614.3</b>

as at 31.12.	2012	2013	2014	2015 (restated)	2016
CHF million					
<b>Equity and liabilities</b>					
<b>Equity</b>					
Equity before non-controlling interests	4,603.5	4,855.9	5,791.3	5,418.9	5,741.3
Non-controlling interests	37.8	50.5	39.7	34.7	32.4
<b>Total equity</b>	<b>4,641.3</b>	<b>4,906.4</b>	<b>5,831.0</b>	<b>5,453.6</b>	<b>5,773.7</b>
<b>Liabilities</b>					
Gross technical reserves	46,591.9	47,435.6	48,738.9	45,776.6	46,209.0
Liabilities arising from banking business and financial contracts	15,839.6	16,542.1	17,740.8	19,012.0	20,317.7
Derivative financial instruments	64.4	68.2	176.4	250.8	299.0
Other accounts payable	5,802.0	5,862.3	5,789.7	7,379.5	7,070.0
Deferred tax liabilities	838.5	882.3	1,065.5	909.7	944.9
<b>Total liabilities</b>	<b>69,136.4</b>	<b>70,790.5</b>	<b>73,511.4</b>	<b>73,328.7</b>	<b>74,840.6</b>
<b>Total equity and liabilities</b>	<b>73,777.7</b>	<b>75,696.9</b>	<b>79,342.3</b>	<b>78,782.3</b>	<b>80,614.3</b>

# Business volume, premiums and combined ratio

## BUSINESS VOLUME

2015	Group	Switzerland	Germany	Belgium	Luxembourg
CHF million					
Non-life	3,050.0	1,315.5	734.5	888.3	108.6
Life	3,783.4	3,087.6	477.4	144.5	73.9
<b>Sub-total of IFRS gross premiums written<sup>1</sup></b>	<b>6,833.4</b>	<b>4,403.2</b>	<b>1,211.9</b>	<b>1,032.8</b>	<b>182.5</b>
Investment-type premiums	2,085.1	162.4	202.2	412.2	1,308.4
<b>Total business volume</b>	<b>8,918.6</b>	<b>4,565.5</b>	<b>1,414.1</b>	<b>1,445.0</b>	<b>1,490.9</b>

2016	Group	Switzerland	Germany	Belgium	Luxembourg
CHF million					
Non-life	3,140.7	1,315.8	755.9	947.1	116.4
Life	3,570.9	2,879.3	466.2	143.5	81.9
<b>Sub-total of IFRS gross premiums written<sup>1</sup></b>	<b>6,711.6</b>	<b>4,195.1</b>	<b>1,222.1</b>	<b>1,090.6</b>	<b>198.3</b>
Investment-type premiums	2,199.2	112.1	209.0	470.8	1,407.3
<b>Total business volume</b>	<b>8,910.8</b>	<b>4,307.2</b>	<b>1,431.2</b>	<b>1,561.4</b>	<b>1,605.5</b>

<sup>1</sup> Premiums written and policy fees (gross).

## NET COMBINED RATIO

2015	Group	Switzerland	Germany	Belgium	Luxembourg
as a percentage of premiums earned					
Claims ratio <sup>1</sup>	62.1	60.6	68.0	59.9	60.7
Expense ratio	31.2	26.6	35.7	33.7	34.0
Combined ratio	93.3	87.2	103.7	93.6	94.7

2016	Group	Switzerland	Germany	Belgium	Luxembourg
as a percentage of premiums earned					
Claims ratio <sup>1</sup>	60.8	55.0	72.8	58.9	64.0
Expense ratio	31.4	26.2	36.9	34.5	29.9
Combined ratio	92.2	81.2	109.7	93.4	93.9

1 Including the profit-sharing ratio.

## GROSS AND NET COMBINED RATIO

	Gross		Net	
	2015	2016	2015	2016
as a percentage of premiums earned				
Claims ratio <sup>1</sup>	62.4	60.9	62.1	60.8
Expense ratio	30.1	30.2	31.2	31.4
Combined ratio	92.5	91.1	93.3	92.2

1 Including the profit-sharing ratio.

## FUNDING RATIO (NON-LIFE)

	2015	2016
CHF million		
Technical reserve for own account <sup>1</sup>	5,614.9	5,637.2
Premiums written and policy fees for own account	2,918.9	2,990.8
Funding ratio (per cent)	192.4	188.5

1 Not including capitalised settlement premiums.

# Income statement of Bâloise Holding Ltd

	2015	2016
CHF million		
Income from long-term equity investments	328.1	256.3
Income from interest and securities	16.6	102.0
Other income	210.4	12.4
<b>Total income</b>	<b>555.1</b>	<b>370.7</b>
Administrative expenses	-35.1	-40.7
Depreciation, amortisation and impairment	-45.5	-
Interest expenses	-34.8	-33.0
Other expenses	-3.8	-2.5
<b>Total expenses</b>	<b>-119.2</b>	<b>-76.2</b>
<b>Tax expense</b>	<b>-1.0</b>	<b>-5.3</b>
<b>Profit for the period</b>	<b>434.9</b>	<b>289.2</b>

# Balance sheet of Bâloise Holding Ltd

	31.12.2015	31.12.2016
CHF million		
<b>Assets</b>		
Cash and cash equivalents	253.4	76.5
Receivables from Group companies	169.6	207.5
Receivables from third parties	4.1	5.0
<b>Current assets</b>	<b>427.1</b>	<b>289.0</b>
Financial assets		
Loans to Group companies	102.0	102.0
Long-term equity investments	1,874.9	1,849.5
<b>Non-current assets</b>	<b>1,976.9</b>	<b>1,951.5</b>
<b>Total assets</b>	<b>2,404.0</b>	<b>2,240.5</b>
<b>Equity and liabilities</b>		
Current liabilities		
Liabilities to Group companies	0.1	8.5
Liabilities to third parties	0.1	0.0
Current interest-bearing liabilities	242.5	225.0
Deferred income	28.2	22.9
Non-current liabilities		
Long-term interest-bearing liabilities	1,475.0	1,250.0
Provisions	9.7	8.2
<b>Liabilities</b>	<b>1,755.6</b>	<b>1,514.6</b>
Share capital	5.0	5.0
Statutory retained earnings		
General reserve	11.7	11.7
Reserve for treasury shares	3.5	2.3
Voluntary retained earnings		
Free reserves	387.6	573.9
Distributable profit:		
– Profit carried forward	0.5	0.4
– Profit for the period	434.9	289.2
Treasury shares	–194.8	–156.6
<b>Equity</b>	<b>648.4</b>	<b>725.9</b>
<b>Total equity and liabilities</b>	<b>2,404.0</b>	<b>2,240.5</b>

# Financial calendar

**23.03.2017** Annual financial results:  
media conference  
conference call for analysts

**28.04.2017** Annual General Meeting of  
Bâloise Holding Ltd

**30.08.2017** Half-year financial results:  
conference call for analysts  
and the media

**27.03.2018** Annual financial results:  
media conference  
conference call for analysts

**27.04.2018** Annual General Meeting of  
Bâloise Holding Ltd