

Annual Report 2017

Summary

Baloise key figures

	2016	2017	Change (%)
CHF million			
Business volume			
Gross premiums written (non-life)	3,140.7	3,229.3	2.8
Gross premiums written (life)	3,570.9	3,512.0	-1.6
Sub-total of IFRS gross premiums written ¹	6,711.6	6,741.3	0.4
Investment-type premiums	2,199.2	2,519.5	14.6
Total business volume	8,910.8	9,260.8	3.9
Operating profit (loss)			
Profit/loss before borrowing costs and taxes			
Non-life	396.4	374.7	-5.5
Life ²	226.1	306.0	35.3
Banking	92.1	81.8	-11.2
Other activities	-31.0	-78.5	153.2
Profit for the period	533.9	531.9	-0.4
Balance sheet			
Technical reserves	46,209.0	48,008.5	3.9
Equity	5,773.7	6,409.2	11.0
Ratios (per cent)			
Return on equity (RoE)	9.7	8.9	-
Gross combined ratio (non-life)	91.1	90.2	-
Net combined ratio (non-life)	92.2	92.3	-
New business margin (life)	21.3	33.4	-
Investment performance (insurance) ³	3.1	2.5	-
Embedded value of life insurance policies			
Embedded value (MCEV)	4,409.4	4,896.8	11.1
Annual premium equivalent (APE)	322.1	376.8	17.0
Value of new business	68.5	125.8	83.6
Key figures on the Company's shares			
Shares issued (units)	50,000,000	48,800,000	-2.4
Basic earnings per share ⁴ (CHF)	11.53	11.50	-0.3
Diluted earnings per share ⁴ (CHF)	11.22	11.48	2.3
Equity per share ⁴ (CHF)	123.8	133.2	7.6
Closing price (CHF)	128.30	151.70	18.2
Market capitalisation (CHF million)	6,415.0	7,403.0	15.4
Dividend per share ⁵ (CHF)	5.20	5.60	7.7

1 Premiums written and policy fees (gross).

2 Of which deferred gains/losses from other operating segments (31 December 2016: CHF -2.0 million; 31 December 2017: CHF 14.5 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 2017 based on the proposal submitted to the Annual General Meeting.

At a glance

Equity of
CHF **6,409.2** million

Return on equity
(RoE) of
8.9 %

Profit for the period* of
CHF **531.9** million

Profit (attributable to the
shareholders)

CHF **548.0** million

Dividend of
CHF **5.60** per share
(will be proposed to the
Annual General Meeting
on 27 April 2018)

14.6 %
higher business volume
with investment-type premiums

Net investment yield
of insurance assets
2.9 %

Net combined ratio of
92.3 %

New business margin of
33.4 %

*The difference between the profit for the period and the profit attributable to shareholders is primarily due to the fact that only part of the book losses incurred on the sale of non-strategic entities in Germany was borne by the shareholders.



Dr Andreas Burckhardt, Chairman of the Board of Directors (on the right), and Gert De Winter, Group CEO (on the left), testing the Baloise Park augmented reality app, which can be downloaded for free from the Google Play Store and the Apple App Store.

DEAR SHAREHOLDERS

In the autumn of 2016, Baloise formulated the three targets for its new strategy. By 2021, our aim is to generate CHF 2 billion of cash for the holding company, attract an additional one million customers and become one of the most attractive employers in our industry. At the end of the first year, it is clear that we have made a very good start. The profit for the period attributable to shareholders was up by 2.5 per cent to CHF 548.0 million (2016: CHF 534.8 million) and the net combined ratio held steady at 92.3 per cent (2016: 92.2 per cent), demonstrating that Baloise has successfully embarked on this strategic journey. The volume of business grew by 3.9 per cent to CHF 9,260.8 million. Moreover, Baloise launched numerous initiatives in 2017 without neglecting its core business, which is and remains the basis for long-term business success.

The volume of non-life business reached CHF 3,229.3 million, a year-on-year rise of 2.8 per cent. Switzerland notched up growth (in Swiss francs) of 0.7 per cent, Belgium 5.5 per cent, Luxembourg 5.0 per cent and Germany 3.6 per cent. The performance of the life business was also highly encouraging. Underwriting policy in the traditional life business remained restrictive, resulting in a 1.6 per cent contraction in the volume of business

to CHF 3,512.0 million. However, business with investment-type premiums was very successful in 2017 and the volume of premium income grew by 14.6 per cent to CHF 2,519.5 million.

Baloise can report initial progress on achieving the strategic targets after just the first year. The holding company has already received CHF 415 million of the total of CHF 2 billion, we have signed up 118,000 new customers and we are among the top 25 per cent of the most attractive employers in our sector in Europe (our ambition: top 10 per cent). Last year, our strategic activities focused on the launch of digitalisation initiatives and the expansion of customer care. Building on its strong and stable core business, Baloise is concentrating on becoming even more customer-centric. In doing so, it is striving to evolve into a service provider for insurance, pension and other services that extend beyond the core insurance business. This transformation of the business model requires, above all, entrepreneurial energy, and this was evident throughout the Company in 2017. When implementing new initiatives, Baloise focuses on five dimensions: we identify start-ups, develop or help them to mature, enter into alliances, test out new ideas ourselves or buy fledging businesses. This broad-based approach gives the

individual initiatives a better chance of success. Working with an investment and consultancy firm in London, Baloise is investing up to CHF 50 million in European and US-based start-ups that offer the potential to drive forward the process of digitalisation at Baloise. We also benefit from the firm's experience with digital financial services and are incorporating it into our new strategy. In Switzerland, we are involved with companies that support and develop international fintech start-ups. This gives Baloise exclusive access to highly promising fintech start-ups, new technologies and business models that have the potential to bring about significant changes in the insurance sector.

«Entrepreneurial energy was evident throughout Baloise in 2017.»

Baloise also invests in its own start-ups. FRI:DAY, a mobile insurer, made its debut in early 2017 in Germany. The company launched the first mileage-based motor vehicle policy and has already attracted more than 15,000 customers. Another start-up is Mobly, a platform for services in the Belgian used car market that complement traditional motor vehicle insurance. The company began with two products: Mobly Go is a driver assistance system for all vehicle brands in the used car segment, while Mobly Car Expert enables customers to obtain professional support when buying a second-hand car.

In its partnerships with various start-ups, Baloise has shown that it is capable of breaking away from the mindset of a traditional insurer. The alliances have given rise to new products, such as watch insurance featuring photo recognition software, which is offered in Switzerland and Germany. Other examples include the first cyber-insurance product for retail customers in Switzerland, the first mortgage app in Switzerland, fully digitalised insurance for personal items, which can be taken out with just a few clicks and offers cover for more than 60 individual items, and GoodStart, a simple online home contents insurance product in Luxembourg. Another highlight was the new YounGo insurance line for customers in Switzerland up to the age of 30, which has led to a sharp rise in new customers. Partnerships with TCS, Bank Cler, BLKB, Möbel Pfister and many others are also important as they give Baloise significantly more opportunities to interact with customers in all markets. Finally, Baloise itself is creating a new digital experience relating to the construction of Baloise Park with an app that shows what the new buildings will look like.

Corporate culture is an important element of the digital transformation, and satisfied employees are central to Baloise's new strategy. Employees are playing a core role in implementing the strategy. In the remuneration system, we have cancelled the individual performance targets and introduced a new incentive scheme. The focus is now on team targets that actively encourage people to work together. This is rooted in our firm belief that, in future, team achievements rather than exceptional performance on the part of individuals will determine our success and lead to the best solutions.

The first year of the new strategy highlights the energy and speed with which Baloise is tackling the challenges of the digital transformation. We are doing this with a broad spectrum of initiatives and capital expenditure on business models that we think will work, underpinned by our traditionally strong core business. There are four more years to go before we reach the objectives of our new strategy. The first signs of success are already visible and tangible. Not least thanks to its traditionally strong corporate culture, Baloise has the strength to achieve its targets and thus successfully implement its plan. For this reason, the Annual General Meeting will be asked to raise the dividend by CHF 0.40 to CHF 5.60.

Basel, March 2018

Dr Andreas Burckhardt

Chairman of the Board of Directors

Gert De Winter

Group CEO

Success during the first year of the new strategic phase

Baloise's profit for 2017 attributable to shareholders was the second highest of the last ten years. This achievement is proof positive that Baloise is on the right track with its investment in the future and, at the same time, has strengthened its core business. It has already seen its first operational success in respect of the strategic targets to be reached by 2021, even though 2017 was just the beginning and saw numerous initiatives being launched. Core business also fared very well. The non-life business continues to grow in all markets and profitability remains high. The shift in the life portfolio towards life insurance products that tie up less capital is having a sustained positive effect. The contribution to EBIT from the life business rose significantly in 2017.

OVERVIEW

In 2017, Baloise's profit for the period attributable to shareholders advanced by 2.5 per cent to CHF 548.0 million (2016: CHF 534.8 million). Excluding the non-recurring restructuring effects, Baloise would have earned a profit attributable to shareholders of CHF 601.7 million, giving a year-on-year increase of 12.5 per cent. The volume of business grew by 3.9 per cent to CHF 9,260.8 million. This was driven by business with investment-type premiums, which climbed by 14.6 per cent to CHF 2,519.5 million, and by the robust growth of the non-life business in all national subsidiaries.

The non-life business generated premium income reported under IFRS of CHF 3,229.3 million, a year-on-year rise of 2.8 per cent. All business units contributed to this improvement. Profit before borrowing costs and taxes (EBIT) in the non-life business was 5.5 per cent lower than in 2016 at CHF 374.7 million. There were two main reasons for this decrease of around CHF 20 million: the initial financing for FRI:DAY and a voluntary contribution to the employee pension fund in Switzerland. The ongoing restructuring of a portfolio in the German liability insurance segment also had an adverse effect on EBIT. The net combined ratio was on a par with the prior year at a very healthy 92.3 per cent (2016: 92.2 per cent).

A still restrictive underwriting policy and the sale of the life portfolio in Germany meant that the volume of traditional life business contracted by 1.6 per cent to CHF 3,512.0 million. However, EBIT rose by 35.3 per cent to CHF 306.0 million. This was due to a slight easing of the interest rate situation, which significantly reduced the need to strengthen reserves. Another factor was the ongoing shift in the life portfolio. The volume of investment-type premium income continued to grow, rising by an impressive 14.6 per cent to CHF 2,519.5 million.

The gains on the investment of insurance assets amounted to CHF 1,621.6 million, which was above the 2016 level of CHF 1,578.9 million. Recurring current income stood at CHF 1,300.5 million (2016: CHF 1,379.3 million). The gains on investments achieved for insurance assets equated to a net return of 2.9 per cent. 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 2.5 per cent, representing a decrease on the 3.1 per cent rate of return according to IFRS in 2016.

BUSINESS VOLUME IN 2017 (GROSS) BY STRATEGIC BUSINESS UNIT

As a percentage

Switzerland	46.9
Germany	14.8
Belgium	17.1
Luxembourg	21.2



In operational terms, the EBIT generated by the banking business was encouraging at CHF 81.8 million. Although this was a fall of 11.2 per cent compared with 2016, the prior-year figure had been boosted by a positive non-recurring effect of CHF 11.3 million arising from a change in the pension scheme at Baloise Bank SoBa.

Baloise's balance sheet grew even stronger, with consolidated equity rising by 11.0 per cent year on year to reach CHF 6,409.2 million at the end of 2017.

BUSINESS VOLUME

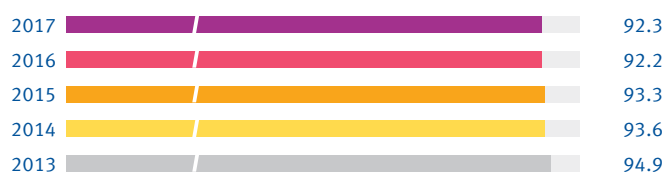
	2016	2017	+/- %
CHF million			
Total business volume	8,910.8	9,260.8	3.9
Life	3,570.9	3,512.0	-1.6
Non-life	3,140.7	3,229.3	2.8
Investment-type premiums	2,199.2	2,519.5	14.6

NON-LIFE DIVISION: GOOD GROWTH AND CONTINUED HIGH PROFITABILITY

The non-life division saw a further rise in the volume of premiums (in Swiss francs) of 2.8 per cent. With increases of 0.7 per cent in Switzerland, 5.5 per cent in Belgium, 3.6 per cent in Germany and 5.0 per cent in Luxembourg, the total volume came to CHF 3,229.3 million. In local currency terms too, growth was consistently above 1.5 per cent in the non-Swiss markets. Whereas the Swiss business had benefited from a positive effect of CHF 35.5 million in 2016 owing to pension scheme changes, the strengthening of the employer contribution reserve in 2017 had a negative impact on earnings. The initial financing for the mobile insurer FRI:DAY and the losses arising on a portfolio undergoing restructuring in the German liability insurance segment also adversely affected EBIT. Consequently, EBIT in the non-life business fell by 5.5 per cent to CHF 374.7 million. The level of large claims incurred declined overall. The net combined ratio was almost the same as in 2016 at an excellent 92.3 per cent.

NET COMBINED RATIO

As a percentage



LIFE DIVISION: FURTHER STRONG GROWTH IN INVESTMENT-TYPE PREMIUMS

The life business is evolving as intended. The ongoing shift in the portfolio was reflected in the 1.6 per cent decline in traditional life insurance. Investment-type premiums grew at a very encouraging rate of 14.6 per cent. Total premium income, including investment-type premiums, amounted to CHF 6,031.5 million (2016: CHF 5,770.1 million). In traditional life insurance, the business volume increased by 0.9 per cent in Switzerland (despite a restrictive underwriting policy) and by 3.7 per cent in Belgium, but contracted by 18.7 per cent in Germany and by 2.7 per cent in Luxembourg. The sharp fall in Germany was due to the sale of a closed life insurance portfolio to Frankfurter Leben.

Investment-type premiums increased to CHF 2,519.5 million (2016: CHF 2,199.2 million). By far the biggest growth driver in 2017 was business in Luxembourg, which was up by 25.2 per cent. In the other markets, business held steady or contracted. Business in Luxembourg (including Liechtenstein) accounts for around 70 per cent of all business with investment-type premiums. EBIT in the life business again rose year on year, reaching CHF 306.0 million (2016: CHF 226.1 million). This was mainly because there was less of a need to strengthen reserves than in the prior year thanks to the slight bounce-back of interest rates.

The positive operating income and economic growth resulted in an increase in the embedded value of the life insurance business from CHF 4,409.4 million to CHF 4,896.8 million in 2017, which is equivalent to a return on embedded value of 12.4 per cent. The new business margin went up in all countries thanks to operational measures and further improvements to the

business mix, and stood at 33.4 per cent (2016: 21.3 per cent). The value of new business also rose, reaching CHF 125.8 million.

BANKING DIVISION: EARNINGS REMAIN STABLE

If the prior-year positive non-recurring effect of CHF 11.3 million arising from a change in the pension scheme at Baloise Bank SoBa is excluded, the banking division's earnings improved slightly in operational terms. EBIT in the banking business amounted to CHF 81.8 million (2016: CHF 92.1 million), a year-on-year fall of 11.2 per cent. As in prior years, the main contributors to profit were Baloise Asset Management, whose contribution was up slightly at CHF 44.9 million, and Baloise Bank SoBa, which contributed CHF 30.7 million.

EQUITY REMAINS ROBUST

The balance sheet of Baloise improved once again, with consolidated equity rising by 11.0 per cent year on year to reach CHF 6,409.2 million at the end of 2017. The profit for the period and other comprehensive income played a big part in this increase, which was partly offset by dividends paid of CHF 248.7 million. The Annual General Meeting held on 28 April 2017 voted to cancel 1.2 million shares. This was carried out on 12 July 2017, reducing the share capital by CHF 120,000 million. Under the announced programme to buy back more than three million shares, a total of 423,450 shares had been repurchased by the end of 2017. This meant CHF 63.3 million was returned to the shareholders.

The increase in equity, the credit rating of "A with a positive outlook" awarded by Standard & Poor's and an SST ratio of significantly above 200 per cent are signs of the strong foundations provided by Baloise's sustained and robust level of capitalisation.

INVESTMENTS: SOLID RESULTS IN A QUIET MARKET ENVIRONMENT

Broad-based growth and the support from the continued expansionary monetary policy of many central banks provided fertile conditions for a good year in the capital markets. Volatility in equity markets was at historically low levels throughout 2017, making it an excellent year for shares. The Swiss Market Index rose by a healthy 14.1 per cent. Three interest rate hikes by the US Federal Reserve led to a widening of the interest spread at the short end compared with Switzerland and the eurozone, whereas long-term interest rates mainly remained within a narrow range.

The gains on the investment of insurance assets amounted to CHF 1,621.6 million, which was above the 2016 level of CHF 1,578.9 million. The interest rate environment remained challenging and this was reflected in the lower recurring current income of CHF 1,300.5 million (2016: CHF 1,379.3 million). Of the total decrease, CHF 54.8 million was attributable to the transfer of the closed life insurance portfolio to the Frankfurter Leben Group. As there was limited appeal in the reinvestment

PROPRIETARY INVESTMENTS BY CATEGORY¹

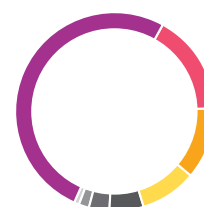
	31.12.2016	31.12.2017	+/- %
CHF million			
Investment property	6,817.5	7,480.3	9.7
Equities	4,055.3	3,633.6	-10.4
Alternative financial assets	1,304.1	1,112.6	-14.7
Fixed-income securities	32,062.1	33,388.2	4.1
Mortgage assets	10,690.6	10,596.4	-0.9
Policy loans and other loans	5,664.1	5,972.1	5.4
Derivatives	363.0	362.4	-0.2
Cash and cash equivalents	1,935.5	2,133.2	10.2
Total	62,892.3	64,678.9	2.8

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

INVESTMENT COMPONENTS IN 2017

As a percentage

Fixed-income securities	51.6
Mortgage assets	16.4
Investment property	11.6
Policy loans and other loans	9.2
Equities	5.6
Cash and cash equivalents	3.3
Alternative financial assets	1.7
Derivatives	0.6



ASSETS HELD BY BALOISE

as at 31 December 2016	Non-life	Life	Banking	Total for the Group
CHF million				
Investments for own account and at own risk	9,166.6	46,006.1	8,120.6	62,892.3
Asset portfolio for the account and at risk of life insurance policyholders and third parties ¹		12,001.0		12,337.2
Total recognised assets	9,166.6	58,007.2	8,120.6	75,229.5
Third party assets				7,984.7

as at 31 December 2017	Non-life	Life	Banking	Total for the Group
CHF million				
Investments for own account and at own risk	9,605.9	48,141.2	7,397.8	64,678.9
Asset portfolio for the account and at risk of life insurance policyholders and third parties ¹		14,543.8		15,027.4
Total recognised assets	9,605.9	62,685.0	7,397.8	79,706.3
Third party assets				8,958.6

¹ Including CHF 70.5 million (2016: CHF 54.5 million) in other assets (precious metal holdings from investment-linked life insurance policies).

of maturing bonds denominated in Swiss francs, Baloise avoided doing so for the most part and instead opted for currency-hedged euro-denominated bonds and senior secured loans. It continued to build up its portfolio of investment property and mortgages with stable income, thereby slightly mitigating the effect of declining income.

At CHF 467.6 million, the gains recognised in the income statement were up by CHF 45.1 million compared with the prior year. Baloise made use of the buoyant equity markets to realise some of the gains. By contrast, it registered significantly smaller gains on bonds than in 2016. The remeasurement of available-for-sale real estate led to extraordinary gains of CHF 39.0 million. As a result of the good market conditions, gross impairment losses fell by CHF 87.6 million year on year to CHF 28.0 million. The currency-related losses of CHF 117.7 million were virtually equal to the currency hedging costs.

The gains on investments achieved for insurance assets equated to a net return of 2.9 per cent, which was exactly the same as in 2016. The slight rise in interest rates in euros and Swiss francs led to a reduction in unrealised gains of CHF 323.7 million. 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 2.5 per cent, representing a decrease on the 3.1 per cent rate of return according to IFRS in 2016. The banking and asset management segment reported net inflows of CHF 406.3 million in 2017. The volume of assets managed for third parties had thus risen to CHF 8,958.6 million at the end of 2017.

Consolidated income statement

FIVE-YEAR OVERVIEW

	2013	2014	2015	2016	2017
CHF million					
Income					
Premiums earned and policy fees (gross) ¹	7,212.7	7,168.1	6,832.4	6,680.6	6,726.4
Reinsurance premiums ceded	-167.9	-163.6	-148.6	-168.2	-183.4
Premiums earned and policy fees (net)	7,044.8	7,004.5	6,683.7	6,512.4	6,542.9
Investment income	1,765.1	1,701.9	1,521.8	1,476.6	1,392.5
Realised gains and losses on investments ²					
For own account and at own risk	210.7	775.1	379.1	303.1	427.8
For the account and at risk of life insurance policyholders and third parties	459.6	587.4	7.1	364.1	696.5
Income from services rendered	119.0	110.7	112.6	110.1	116.9
Share of profit (loss) of associates	40.5	8.1	36.8	7.1	5.5
Other operating income	107.9	185.2	136.6	136.8	235.0
Income	9,747.5	10,372.8	8,877.9	8,910.2	9,417.1
Expense					
Claims and benefits paid (gross)	-5,439.7	-5,666.4	-5,352.4	-5,664.2	-5,726.5
Change in technical reserves (gross)	-1,359.4	-1,469.5	-1,241.9	-669.1	-535.0
Reinsurance share of claims incurred	75.5	146.6	97.9	108.2	80.8
Acquisition costs	-500.5	-569.6	-472.4	-502.9	-482.1
Operating and administrative expenses for insurance business	-897.1	-866.5	-761.3	-763.9	-765.8
Investment management expenses	-70.6	-66.9	-60.4	-60.3	-77.2
Interest expenses on insurance liabilities	-47.3	-42.6	-34.1	-30.5	-21.9
Gains or losses on financial contracts	-368.9	-462.6	-0.9	-342.9	-613.4
Other operating expenses	-481.3	-446.8	-333.1	-300.9	-591.8
Expense	-9,089.3	-9,444.3	-8,158.6	-8,226.6	-8,733.0
Profit before borrowing costs and taxes	658.2	928.6	719.2	683.6	684.1
Borrowing costs	-50.1	-43.5	-40.0	-38.0	-34.3
Profit before taxes	608.1	885.1	679.3	645.6	649.8
Income taxes	-152.7	-173.2	-168.2	-111.7	-117.9
Profit for the period	455.4	711.9	511.1	533.9	531.9
Attributable to					
Shareholders	452.6	710.7	512.1	534.8	548.0
Non-controlling interests	2.8	1.3	-1.0	-0.9	-16.1
Earnings/loss per share					
Basic (CHF)	9.65	15.15	10.96	11.53	11.50
Diluted (CHF)	9.38	14.63	10.65	11.22	11.48

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.	2013	2014	2015 (restated)	2016	2017
CHF million					
Assets					
Property, plant and equipment	422.5	379.2	399.1	349.3	353.3
Intangible assets	1,080.3	909.2	838.2	836.1	1,002.5
Investments in associates	222.0	227.9	162.3	160.4	138.4
Investment property	5,685.9	5,962.9	6,251.9	6,817.5	7,480.3
Financial instruments with characteristics of equity	11,344.4	13,451.2	13,770.8	14,305.6	15,874.9
Financial instruments with characteristics of liabilities	32,327.1	34,461.6	33,248.4	33,766.5	35,360.1
Mortgages and loans	18,329.5	18,165.9	16,656.6	16,354.7	16,568.6
Derivative financial instruments	410.7	613.2	653.9	757.3	800.4
Other assets/receivables	2,857.7	2,153.5	3,921.5	4,024.3	3,305.1
Deferred tax assets	56.0	48.3	39.8	69.3	88.8
Cash and cash equivalents	2,960.8	2,969.6	2,839.8	3,173.3	3,551.6
Total assets	75,696.9	79,342.3	78,782.3	80,614.3	84,523.9

as at 31.12.	2013	2014	2015 (restated)	2016	2017
CHF million					
Equity and liabilities					
Equity					
Equity before non-controlling interests	4,855.9	5,791.3	5,418.9	5,741.3	6,346.2
Non-controlling interests	50.5	39.7	34.7	32.4	63.0
Total equity	4,906.4	5,831.0	5,453.6	5,773.7	6,409.2
Liabilities					
Gross technical reserves	47,435.6	48,738.9	45,776.6	46,209.0	48,008.5
Liabilities arising from banking business and financial contracts	16,542.1	17,740.8	19,012.0	20,317.7	22,696.5
Derivative financial instruments	68.2	176.4	250.8	299.0	145.3
Other accounts payable	5,862.3	5,789.7	7,379.5	7,070.0	6,341.9
Deferred tax liabilities	882.3	1,065.5	909.7	944.9	922.4
Total liabilities	70,790.5	73,511.4	73,328.7	74,840.6	78,114.7
Total equity and liabilities	75,696.9	79,342.3	78,782.3	80,614.3	84,523.9

Business volume, premiums and combined ratio

BUSINESS VOLUME

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
Sub-total of IFRS gross premiums written ¹	6,711.6	4,195.1	1,222.1	1,090.6	198.3
Investment-type premiums	2,199.2	112.1	209.0	470.8	1,407.3
Total business volume	8,910.8	4,307.2	1,431.2	1,561.4	1,605.5

2017	Group	Switzerland	Germany	Belgium	Luxembourg
CHF million					
Non-life	3,229.3	1,324.6	783.0	999.0	122.3
Life	3,512.0	2,904.3	379.2	148.8	79.6
Sub-total of IFRS gross premiums written ¹	6,741.3	4,228.9	1,162.2	1,147.8	201.9
Investment-type premiums	2,519.5	111.6	207.1	439.3	1,761.6
Total business volume	9,260.8	4,340.6	1,369.3	1,587.1	1,963.5

¹ Premiums written and policy fees (gross).

NET COMBINED RATIO

2016	Group	Switzerland	Germany	Belgium	Luxembourg
as a percentage of premiums earned					
Claims ratio ¹	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

2017	Group	Switzerland	Germany	Belgium	Luxembourg
as a percentage of premiums earned					
Claims ratio ¹	60.7	56.6	72.1	57.3	61.5
Expense ratio	31.6	26.9	36.2	34.6	30.0
Combined ratio	92.3	83.5	108.3	91.9	91.5

1 Including the profit-sharing ratio.

GROSS AND NET COMBINED RATIO

	Gross		Net	
	2016	2017	2016	2017
as a percentage of premiums earned				
Claims ratio ¹	60.9	59.7	60.8	60.7
Expense ratio	30.2	30.5	31.4	31.6
Combined ratio	91.1	90.2	92.2	92.3

1 Including the profit-sharing ratio.

FUNDING RATIO (NON-LIFE)

	2016	2017
CHF million		
Technical reserve for own account ¹	5,637.2	5,924.8
Premiums written and policy fees for own account	2,990.8	3,065.0
Funding ratio (per cent)	188.5	193.3

1 Not including capitalised settlement premiums.

Income statement of Bâloise Holding Ltd

	2016	2017
CHF million		
Income from long-term equity investments	256.3	406.8
Income from interest and securities	102.0	33.8
Other income	12.4	6.9
Total income	370.7	447.5
Administrative expenses	-40.7	-46.6
Interest expenses	-33.0	-30.5
Other expenses	-2.5	-2.8
Total expenses	-76.2	-79.9
Tax expense	-5.3	-0.3
Profit for the period	289.2	367.3

Balance sheet of Bâloise Holding Ltd

	31.12.2016	31.12.2017
CHF million		
Assets		
Cash and cash equivalents	76.5	96.1
Receivables from Group companies	207.5	359.9
Receivables from third parties	5.0	2.8
Current assets	289.0	458.8
Financial assets		
Loans to Group companies	102.0	102.0
Long-term equity investments	1,849.5	1,860.8
Non-current assets	1,951.5	1,962.8
Total assets	2,240.5	2,421.6
Equity and liabilities		
Current liabilities		
Liabilities to Group companies	8.5	3.4
Liabilities to third parties	0.0	1.6
Current interest-bearing liabilities to third parties	225.0	–
Deferred income	22.9	27.7
Non-current liabilities		
Long-term interest-bearing liabilities to Group companies	–	340.0
Long-term interest-bearing liabilities to third parties	1,250.0	1,250.0
Provisions	8.2	7.7
Liabilities	1,514.6	1,630.4
Share capital	5.0	4.9
Statutory retained earnings		
General reserve	11.7	11.7
Reserve for treasury shares	2.3	6.1
Voluntary retained earnings		
Free reserves	573.9	472.4
Distributable profit:		
– Profit carried forward	0.4	0.6
– Profit for the period	289.2	367.3
Treasury shares	–156.6	–71.8
Equity	725.9	791.2
Total equity and liabilities	2,240.5	2,421.6

Financial calendar

27 MARCH 2018

Annual financial results

Media conference

Conference call for analysts

27 APRIL 2018

Annual General Meeting

Bâloise Holding Ltd

28 AUGUST 2018

Half-year financial results

Conference call for analysts and the media

14 NOVEMBER 2018

Q3 interim statement

28 MARCH 2019

Annual financial results

Media conference

Conference call for analysts

26 APRIL 2019

Annual General Meeting

Bâloise Holding Ltd

Bâloise Holding Ltd

Aeschengraben 21

CH-4002 Basel, Switzerland

www.baloise.com