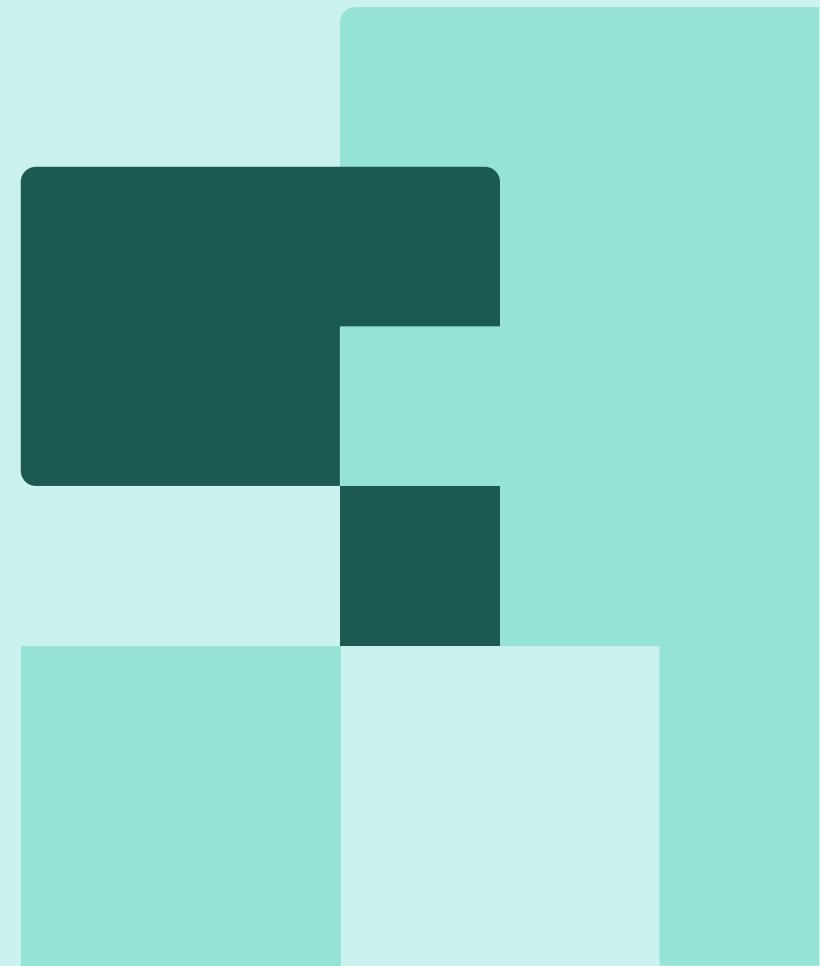


# Half Year Results 2024

## Presentation to Investors and Analysts

Basel, 12 September 2024



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# Agenda

- 1. Half Year Results 2024 in a Nutshell**
- 2. Capitalisation**
- 3. Non-Life Business**
- 4. Life Business**
- 5. Asset Management and Banking**
- 6. Insurance Assets**
- 7. Appendix**

# 01

# Half Year Results 2024 in a Nutshell

# Financial Highlights Half Year 2024

Sound result with growth in Non-Life and higher CSM in Life

## Group

### Earnings

EBIT	<b>272 mn</b>
Net Income	<b>220 mn</b>

### Cash

Cash Remittance	<b>On track</b>
-----------------	-----------------

### Capital

Comprehensive Equity <sup>1</sup>	<b>7.8 bn</b>
S&P Rating	<b>A+</b>
SST-Ratio <sup>2</sup>	<b>~210%</b>

## Non-Life Business

Growth <sup>3</sup>	4.6%
Combined Ratio	90.4%
<b>EBIT</b>	<b>123 mn</b>

## Life Business

Growth	-4.5% <sup>3</sup> / -1.1% <sup>4</sup>
New Business Margin	5.7%
<b>EBIT</b>	<b>145 mn</b>

## Asset Mgmt & Banking

Third-Party Assets	+0.7 bn
Total Investment Yield <sup>5</sup>	0.4%
<b>EBIT</b>	<b>42 mn</b>

## Main Messages

- Increasing earnings contribution from Germany and Belgium
- Good growth in Non-Life and solid result despite higher claims environment
- Higher CSM and strong EBIT in Life due to favourable economic development and higher illiquidity premium
- Continued growth and solid EBIT contribution from Asset Management & Banking
- Higher equity and strong economic capitalisation
- Well on track to reach our cash ambition of CHF 2 bn from 2022-2025

All amounts in CHF

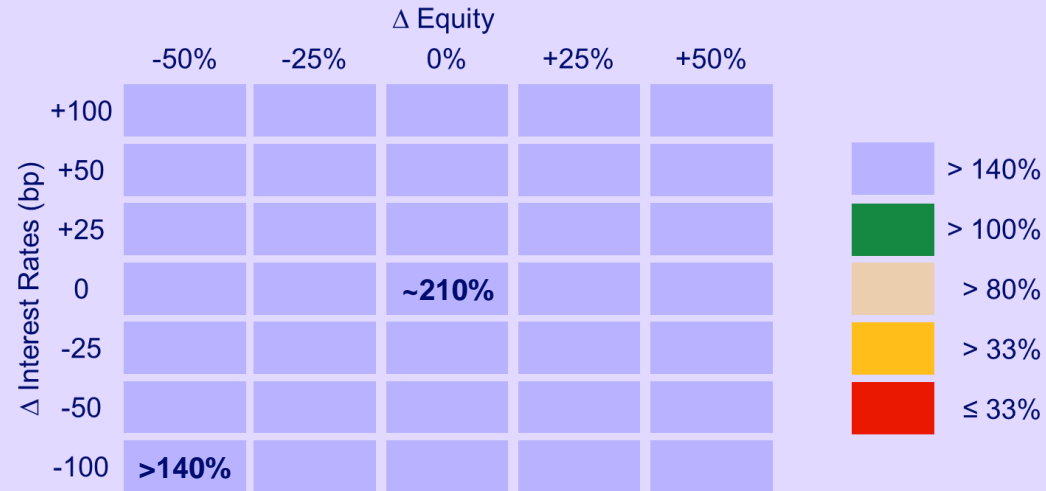
1) Shareholders Equity plus CSM (post tax) 2) Estimated, per 30.6.2024 3) Gross Written Premiums in local currency 4) Investment-type Premiums in local currency 5) Total performance on insurance assets (not annualised)

# 02 Capitalisation

# Capital – Solvency and Rating

## Swiss Solvency Test (SST)

SST ratio and sensitivities<sup>1</sup> as of 30 June 2024, estimated



- SST ratio as of 30 June 2024 of ~210% estimated (1 January 2024: 207%)
- SST ratio expected to be above 140% even if interest rates would drop by 100 bp and equity markets would simultaneously crash by 50%

1) Prior to comprehensive ALM measures in any stress scenario

## Solvency II

All Solvency II ratios without transitionals and without volatility adjustment 'in the green' (>100%) as of 31 December 2023

Baloise business units in the EU published their 2023 Solvency and Financial Condition Report (SFCR) in April 2024

## S&P Rating

S&P rating of 'A+ with a stable outlook' confirmed in June 2024

S&P Global Ratings continues to consider the capital strength of the Baloise Group to be excellent. In its credit rating report, S&P underlines the Baloise Group's very good market positions, strong technical performance and continued high level of capitalisation

# Capital – IFRS Equity

## Change in Equity

In CHF mn

	HY 2024
<b>Total Equity at January 1</b>	<b>3,259</b>
Profit for the period	219
Other comprehensive income	379
Dividends	-349
Other <sup>1</sup>	13
<b>Total Equity at June 30</b>	<b>3,522</b>
Non-controlling interests	-10
<b>Shareholders' Equity</b>	<b>3,512</b>

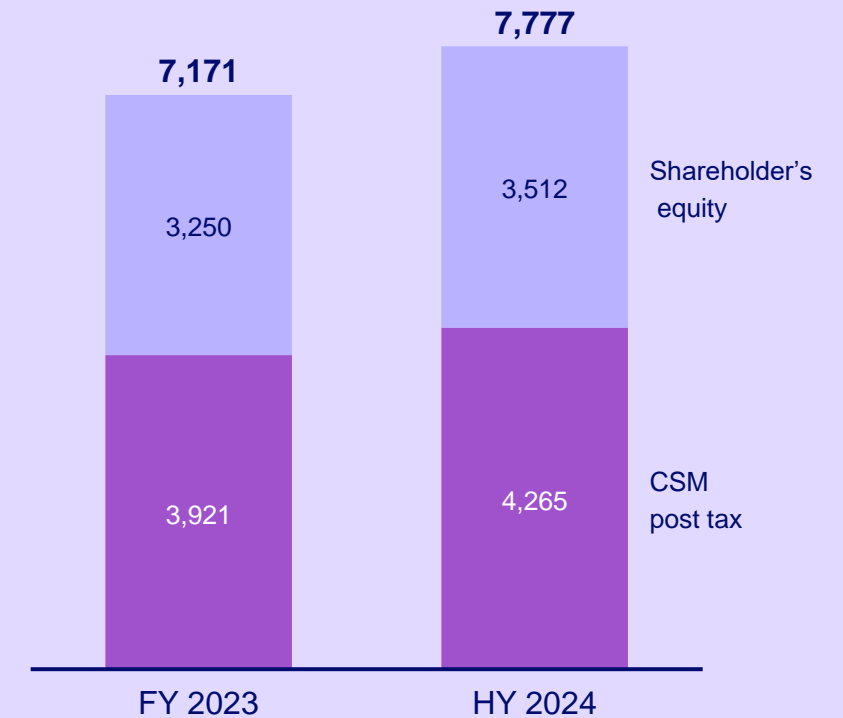
$\Delta = +8.0\%$

1) incl. purchase / sale of treasury shares

## Comprehensive Equity

In CHF mn

Higher Equity and higher CSM



Comprehensive Equity of CHF 170 per share in HY 2024, based on 45.8 mn shares outstanding

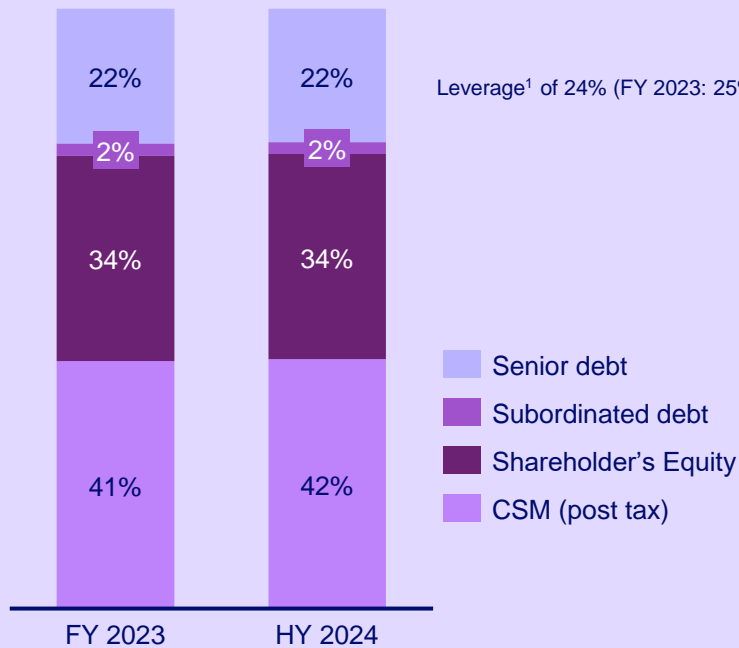


# Capital – Structure and Debt Maturity Profile

## Capital Structure IFRS values

Conservative capital structure with a very low share of subordinated debt

Leverage<sup>1</sup> of 24% (FY 2023: 25%)



1) Debt / (Debt + Shareholder's equity + CSM (post tax))

## Maturity Profile

In CHF mn, as of September 2024

Balanced maturity profile and fully refinanced until November 2025



Subordinated debt maturity profile based on first call date  
Total nominal value of outstanding debt amounts to CHF 2,485 mn

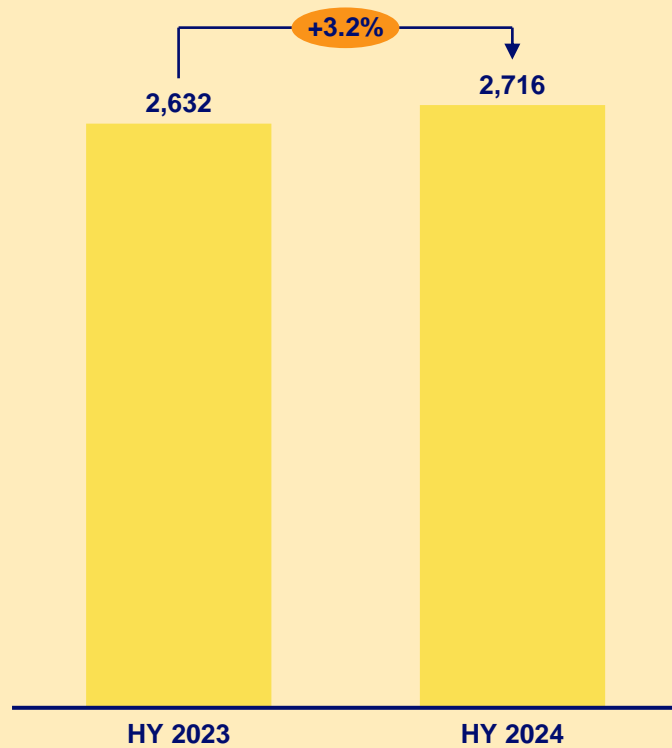
# 03 Non-Life Business

# Non-Life – Business Volume and Business Mix

## Gross written premiums

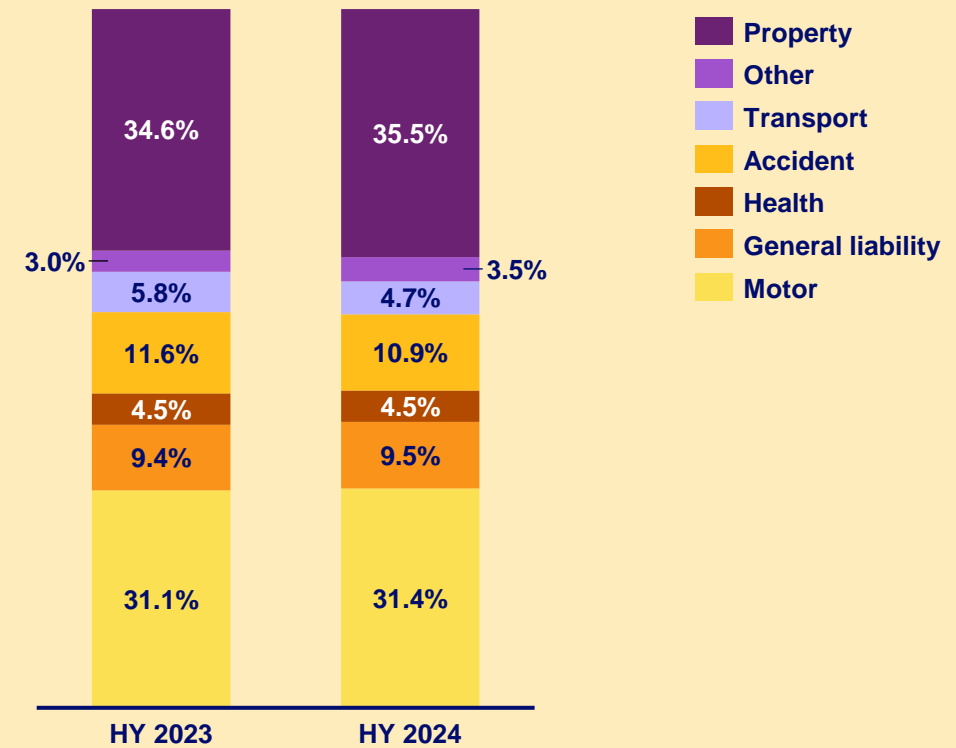
In CHF mn

+4.6% growth in local currency



## Business mix

In % of insurance revenue



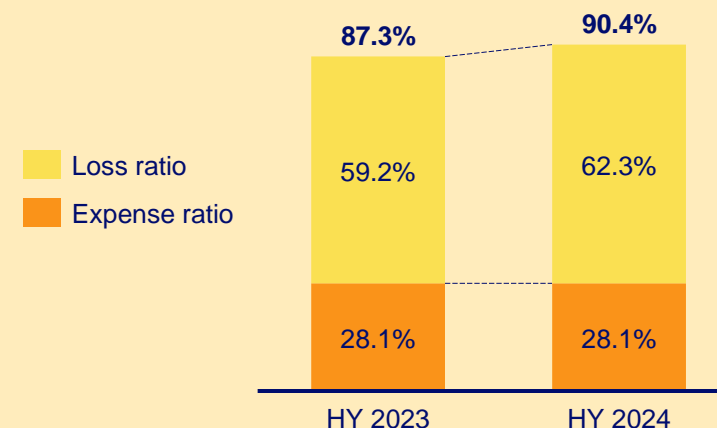
# Non-Life – Earnings and Combined Ratio

## Profit & Loss

In CHF mn	HY 2023	HY 2024
<b>Insurance Service Result</b>	<b>252</b>	<b>193</b>
Insurance Revenue	1,984	2,013
Insurance Service Expenses	-1,659	-1,751
Losses	-1,101	-1,184
Expenses	-558	-567
Reinsurance Result	-73	-70
<b>Finance Result</b>	<b>21</b>	<b>58</b>
Insurance Finance Result	-48	-59
Result from Investments & Financial Contracts <sup>1</sup>	69	117
<b>Other Income &amp; Expenses</b>	<b>-115</b>	<b>-128</b>
Of which operating non-attributable Expenses	-53	-56
<b>EBIT</b>	<b>158</b>	<b>123</b>

1) Incl. total investment income (HY 2024: CHF 124 mn, see page 14)






## Combined Ratio



Combined ratio negatively impacted by less favorable claims environment (mainly June storm event in Switzerland)

in % insurance revenue	HY 2023	HY 2024
<b>Expense Ratio</b>	<b>28.1</b>	<b>28.1</b>
<b>Loss Ratio</b>	<b>59.2</b>	<b>62.3</b>
of which: Discounting	-3.4	-4.0
of which: Large Claims	3.3	4.7

# Non-Life – Margins by Country

	 Switzerland		 Germany		 Belgium		 Luxembourg		 Group	
in % of insurance revenue	HY 2023	HY 2024	HY 2023	HY 2024	HY 2023	HY 2024	HY 2023	HY 2024	HY 2023	HY 2024
Loss ratio	60.6	<b>70.9</b>	53.4	<b>51.8</b>	60.6	<b>58.9</b>	55.4	<b>68.9</b>	59.2	<b>62.3</b>
Expense ratio	22.6	<b>21.8</b>	36.6	<b>36.4</b>	28.3	<b>29.2</b>	31.3	<b>32.3</b>	28.1	<b>28.1</b>
<b>Combined ratio</b>	83.2	<b>92.7</b>	90.0	<b>88.2</b>	88.8	<b>88.1</b>	86.8	<b>101.2</b>	87.3	<b>90.4</b>

Increase of Combined Ratio mainly driven by Switzerland

# Non-Life – Investment Result

## Investment income and yield

HY 2024

in CHF mn	Current investment income	Gains and losses through income statement <sup>1</sup>	Total investment income in income statement	Gains and losses through other comprehensive income	Total investment income (P&L and OCI)
Fixed-income securities	50	40	90	-25	65
Equities and funds	14	13	27	12	39
Investment property	18	0	18	-	18
Mortgages, loans and cash	25	0	25	-5	20
Derivatives	-	-36	-36	-18	-54
<b>Total before investment expenses</b>	107	17	124	-36	88
Investment expenses			-15		-15
<b>Investment income</b>			109		73
Average investments	9,407		9,407		9,407
<b>Yield</b> (not annualised)	1.1%		1.2%		0.8%

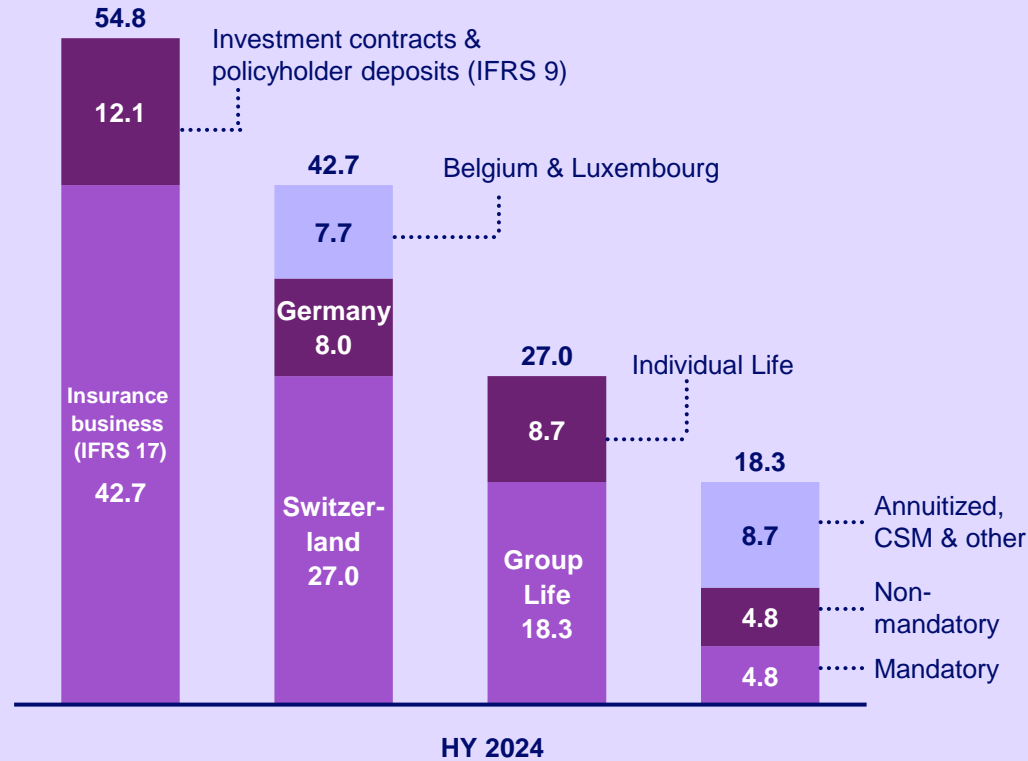
1) Incl. change in expected credit loss

# 04 Life Business

# Life – Business Volume and Business Mix

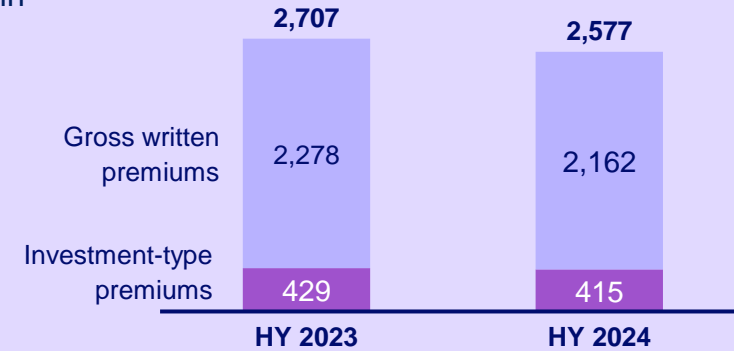
## IFRS Total Reserves

In CHF bn



## Business Volume

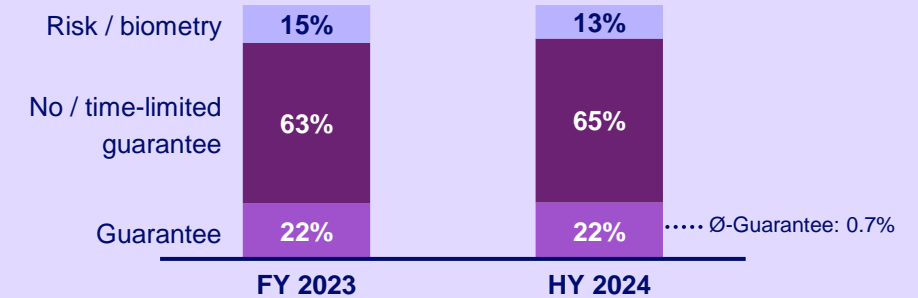
In CHF mn



Lower business volume driven by market shift to semi-autonomous solutions in Switzerland

## New Business mix

Individual Life, in % APE, statutory basis



High share of capital light products



# Life – P&L and CSM Sensitivities

## Profit & Loss

In CHF mn	HY 2023	HY 2024
Insurance Service Result	129	140
CSM Release	138	146
Other Components	-9	-6
Finance Result	30	49
Insurance Finance Result	-1,301	-491
Result from Investments & Financial Contracts <sup>1, 2</sup>	1,331	540
Other Income & Expenses	-55	-44
<b>EBIT</b>	<b>104</b>	<b>145</b>

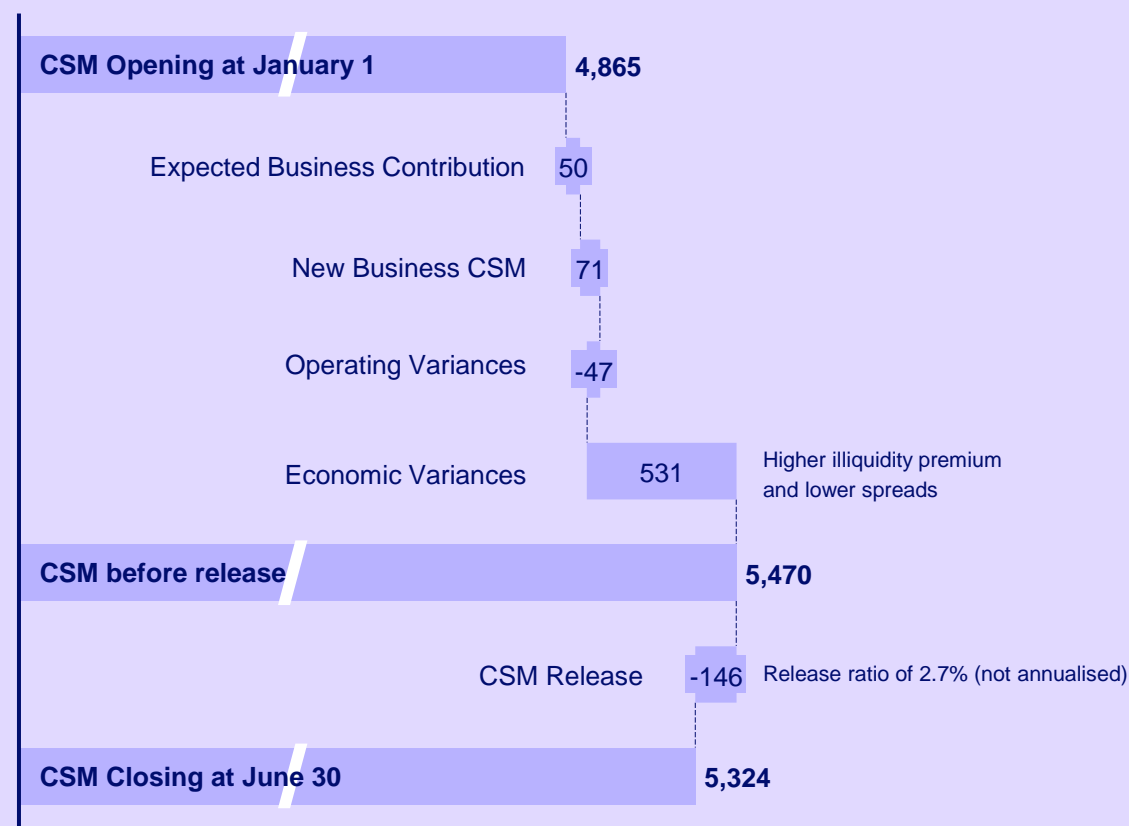
1) Incl. total investment income (HY 2024: CHF 229 mn; see page 20)

2) Incl. profit and loss from owner-occupied properties FVPL (HY 2024: CHF -1 mn; HY 2023: CHF -8 mn) and share of profit (loss) of associates and joint ventures (HY 2024: CHF 1 mn; HY 2023: CHF -4 mn)

## CSM development

In CHF mn, as of HY 2024

CSM growth of -0.5% (excl. variances)

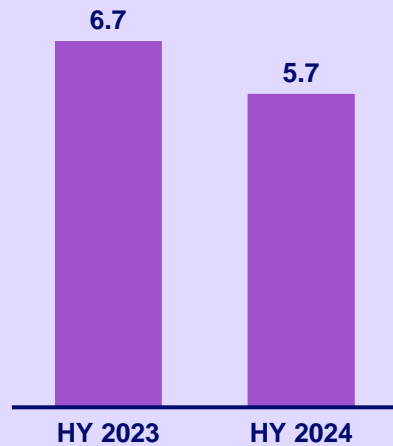


# Life – Volume and Value of New Business

## Value and Margin of New Business

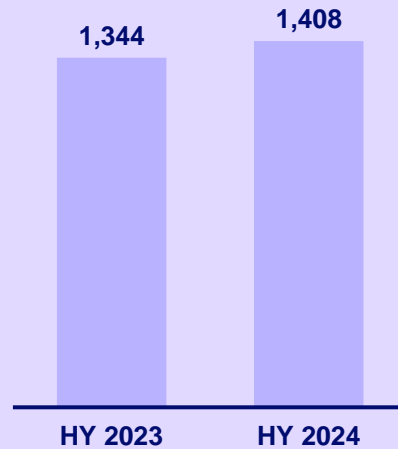
### New Business Margin

New Business Value in % PVNBP



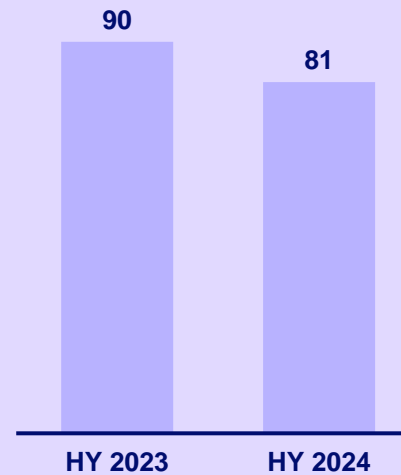
### New Business Volume

PVNBP, in CHF mn



### New Business Value

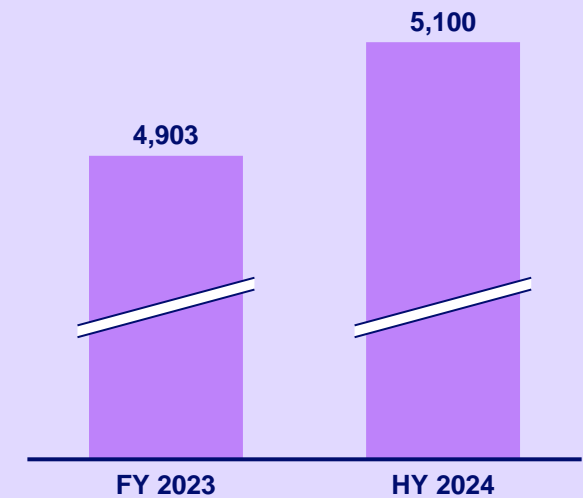
In CHF mn



New Business Margin defined as New Business Value divided by New Business Volume (Present Value of New Business Premiums, PVNBP).  
New Business Value based on New business CSM (CHF 71 mn in HY 2024) adjusted for loss component and value of IFRS 9 New Business.

## Swiss Group Life Semi-autonomous solution «Perspectiva»

# total companies



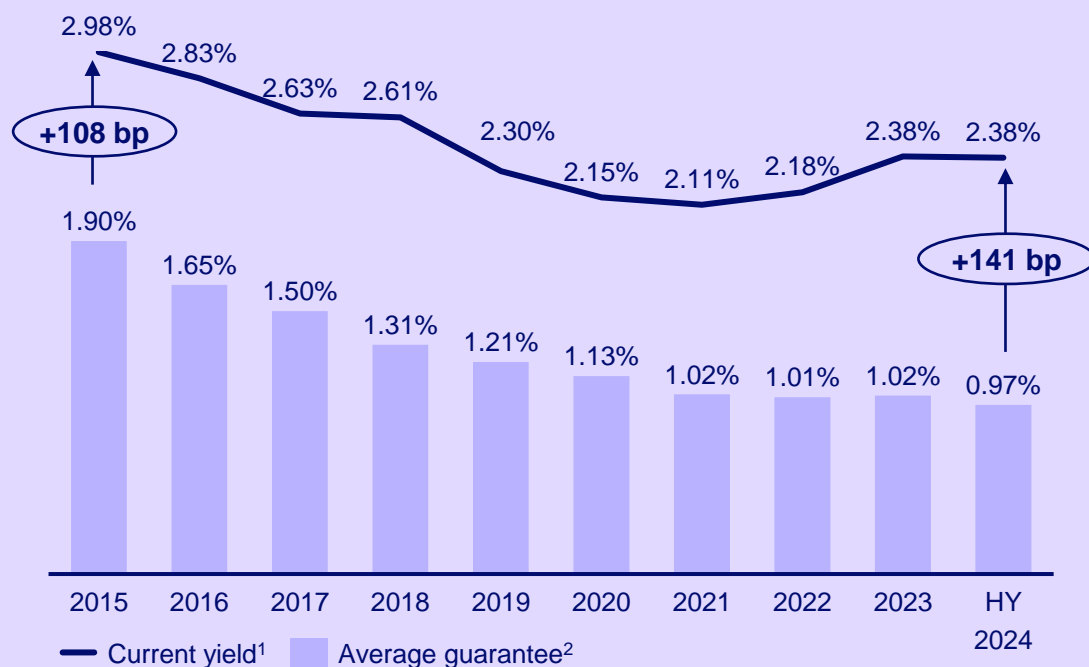
Number of companies more than doubled since 2019

# Life – Average Guarantees and Interest Rate Margin

## Current yield and guarantees

Statutory basis

Improved interest rate margin due to active management of guarantees



1) Current investment income (IFRS) in % of statutory reserves, excl. realised capital gains / losses and FX hedging cost, incl. investment costs and amortized cost revaluations

2) Average guarantee (statutory basis), as at 1.1. next year resp. 1.7. current year

## Technical reserves and average guarantees

Statutory basis

	CH Ind. Life	CH Group Life	CH	D	B	Lux	Group
<b>Technical reserves<sup>1</sup></b> In CHF bn							
<b>2023</b>	6.5	17.4	<b>23.9</b>	4.8	6.9	0.5	<b>36.2</b>
<b>HY 2024</b>	6.4	17.1	<b>23.5</b>	5.0	6.2	0.6	<b>35.3</b>

1) excl. unit-linked

## Average guarantees

As at 1.1. next year resp. 1.7. current year

2015	1.9%	1.3%	<b>1.5%</b>	2.8%	2.9%	2.7%	<b>1.9%</b>
2016	1.7%	1.0%	<b>1.2%</b>	2.4%	2.6%	2.6%	<b>1.6%</b>
⋮							
<b>2023</b>	0.4%	0.8%	<b>0.7%</b>	1.5%	1.8%	1.7%	<b>1.0%</b>
<b>HY 2024</b>	0.3%	0.8%	<b>0.7%</b>	1.5%	1.5%	1.7%	<b>1.0%</b>

# Life – Investment Result

## Investment income and yield

HY 2024

in CHF mn	Current investment income	Gains and losses through income statement <sup>1</sup>	Total investment income in income statement	Gains and losses through other comprehensive income	Total investment income (P&L and OCI)
Fixed-income securities	237	-4	233	3	236
Equities and funds	36	45	81	0	81
Investment property	124	0	124	-	124
Mortgages, loans and cash	59	-33	25	-	25
Derivatives	-	-234	-234	-64	-298
<b>Total before investment expenses</b>	455	-226	229	-60	168
Investment expenses			-52		-52
<b>Investment income</b>			177		116
Average investments	40,643		40,643		40,643
<b>Yield (not annualized)</b>	1.1%		0.4%		0.3%

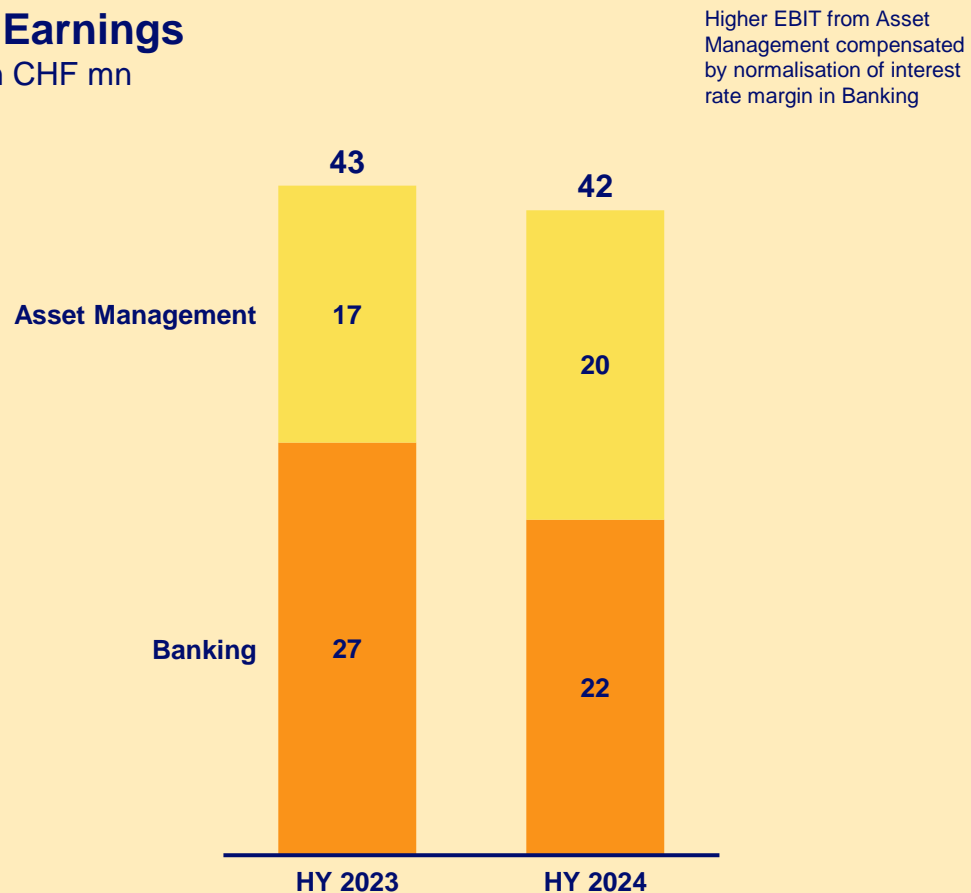
1) Incl. change in expected credit loss

# 05 Asset Management and Banking

# Asset Management and Banking

## IFRS Earnings

EBIT, in CHF mn



## Split of total assets

IFRS values, in CHF mn

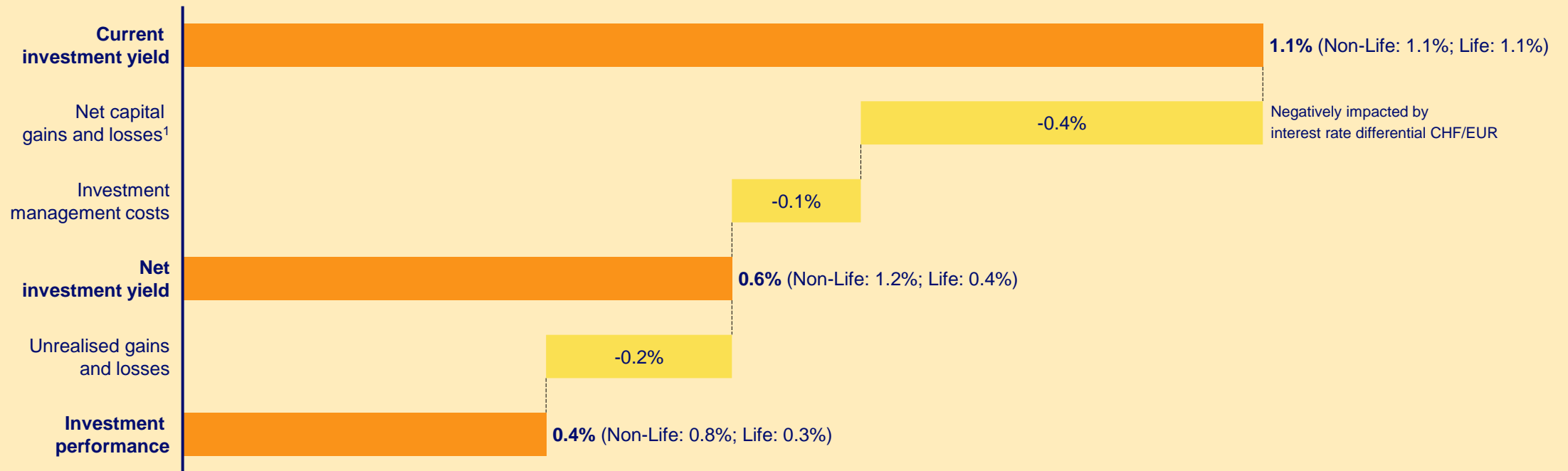
	FY 2023	HY 2024
Insurance assets	50,772	<b>49,773</b>
Non-Life	9,391	<b>9,481</b>
Life	41,381	<b>40,292</b>
Banking assets	8,655	<b>8,894</b>
Investment-linked life insurance	15,667	<b>16,967</b>
Other	-99	<b>-295</b>
<b>Assets on balance sheet</b>	<b>74,995</b>	<b>75,339</b>
Third-party assets	14,993	<b>16,211</b>
<b>Total Assets under Management</b>	<b>89,988</b>	<b>91,550</b>

	HY 2023	HY 2024
<b>Net new third-party assets</b>	<b>617</b>	<b>710</b>

# 06 Insurance Assets

# Investment Performance (Insurance)

HY 2024, not annualised



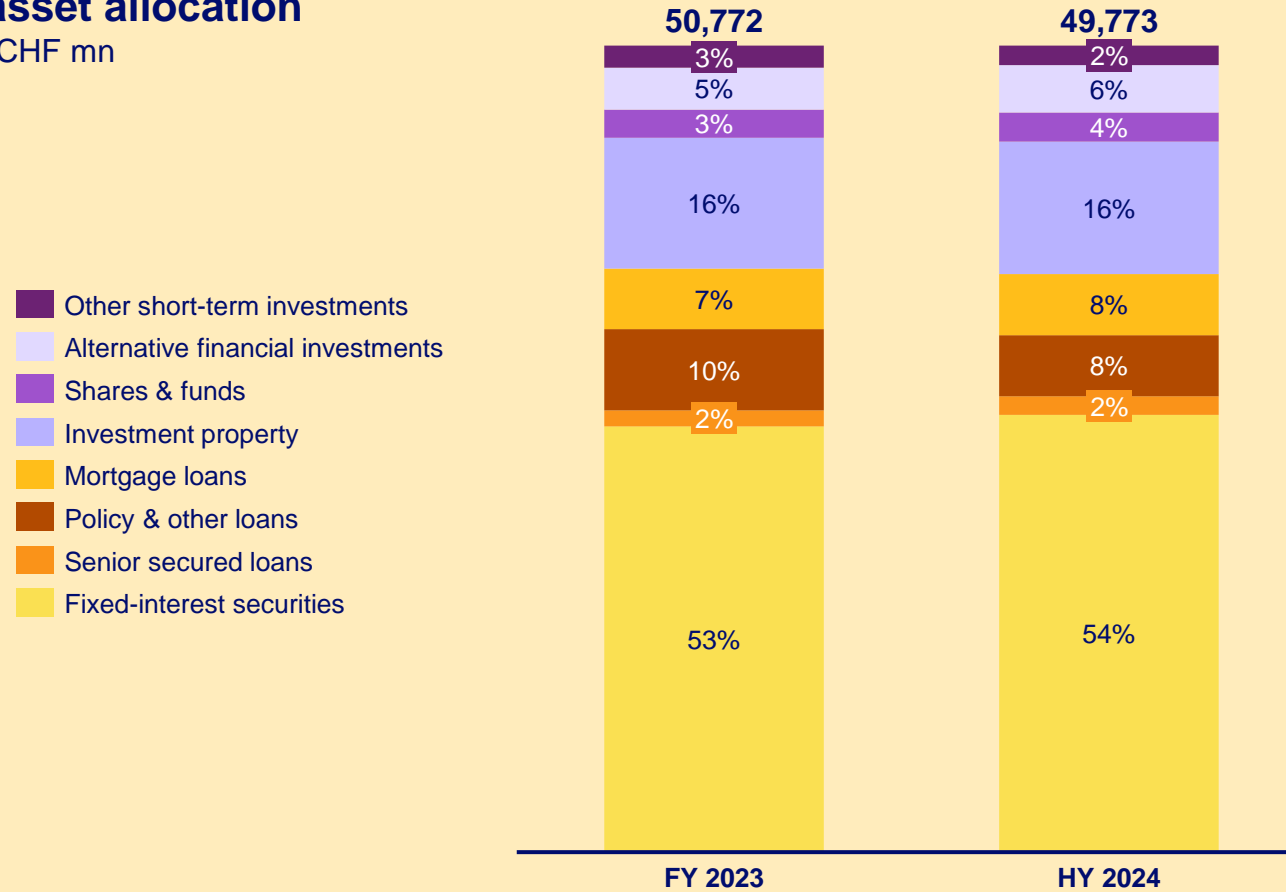
1) Incl. FX gains / losses and hedging cost



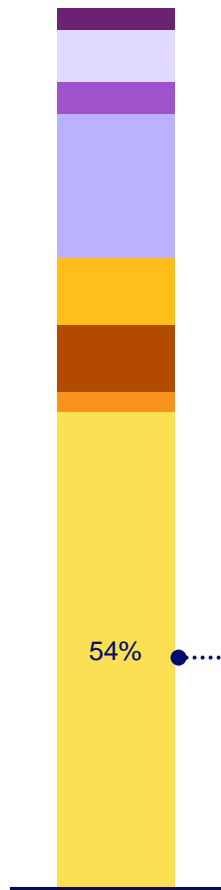
# Insurance Asset Allocation

## Insurance asset allocation

IFRS values, in CHF mn



# Insurance Assets: Fixed-Interest Securities (1/2)



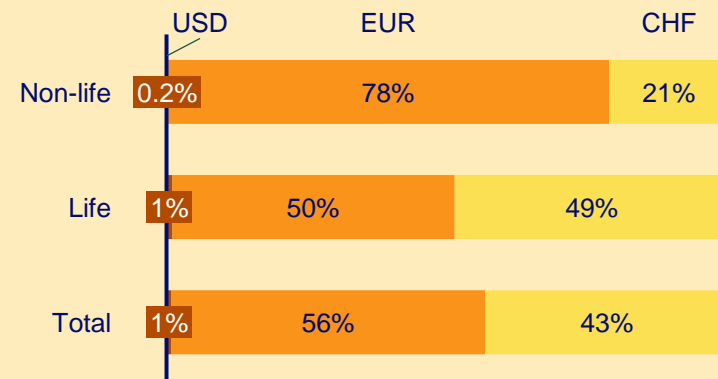
HY 2024

## Fixed-interest securities

In CHF mn

HY 2024	In CHF mn	Duration in yrs.
Total investments	<b>26,903</b>	<b>7.9</b>
Life in %	79.8%	8.6
Non-Life in %	20.2%	5.1

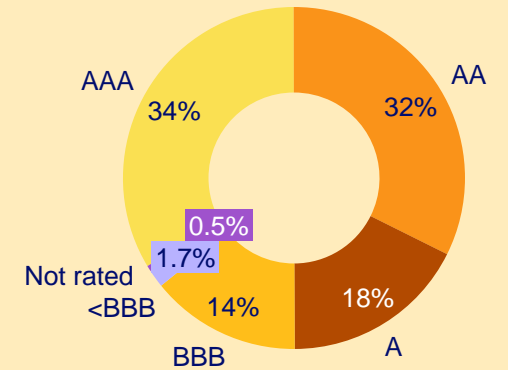
## Currency exposure



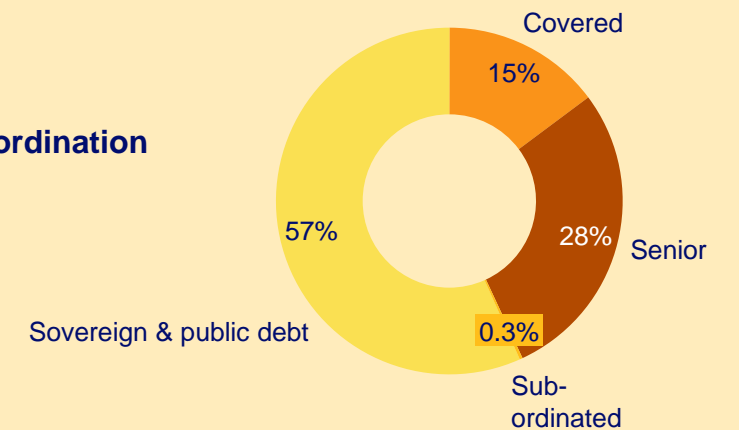
FX-risk mainly hedged

66% of fixed-interest securities with rating of AAA or AA and 98% in investment grade

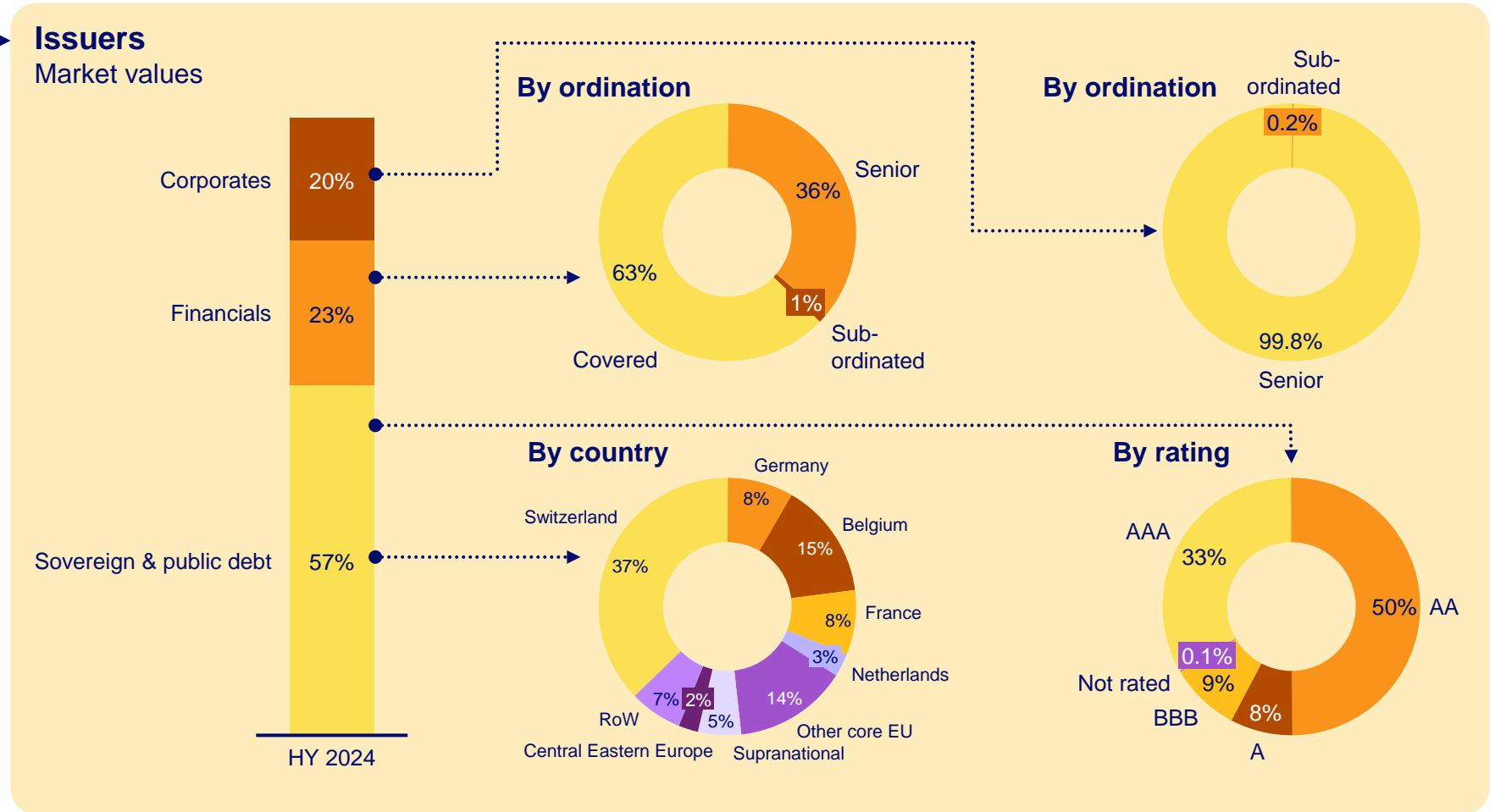
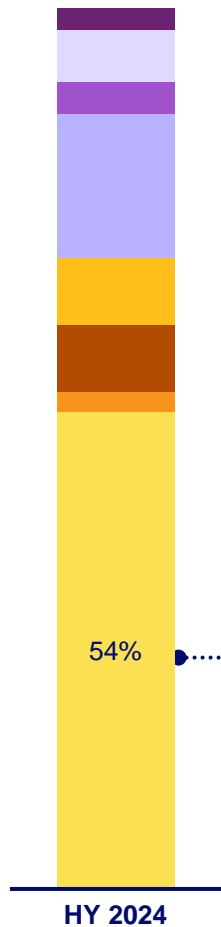
## By quality



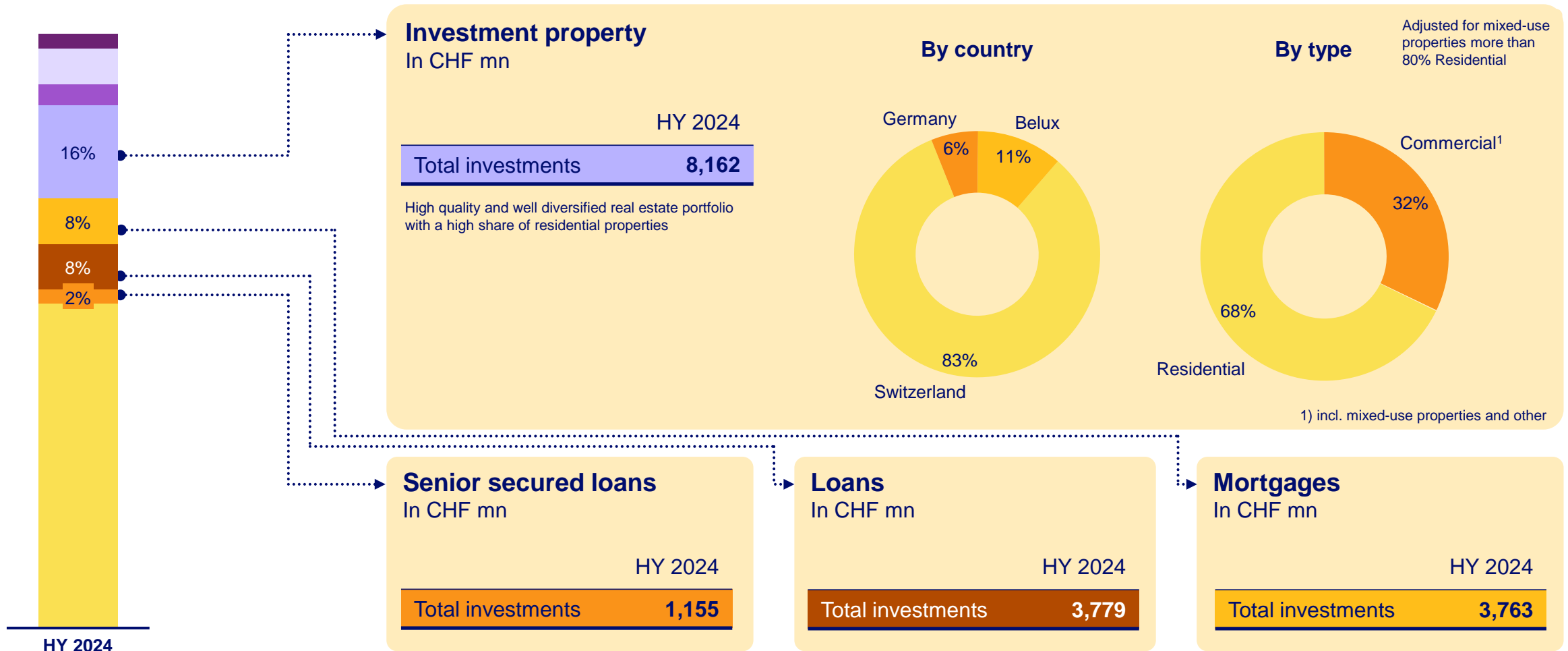
## By ordination



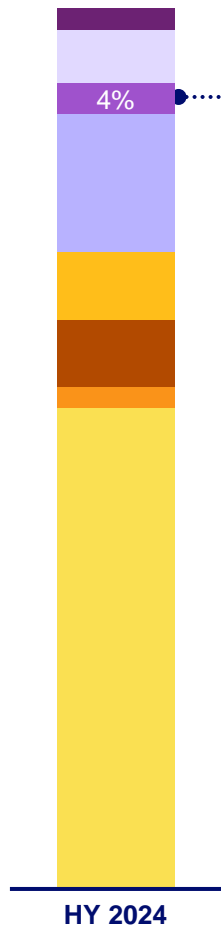
# Insurance Assets: Fixed-Interest Securities (2/2)



# Insurance Assets: Investment Property, Senior Secured Loans, Policy Loans and Mortgages



# Insurance Assets: Shares & Funds



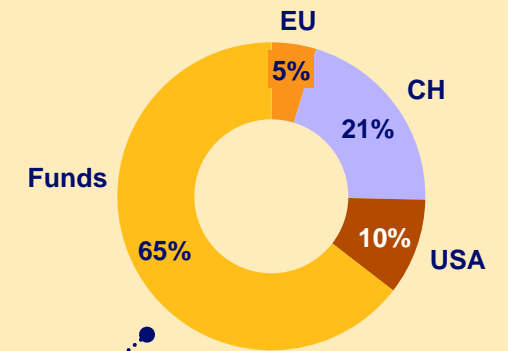
## Shares & funds

In CHF mn

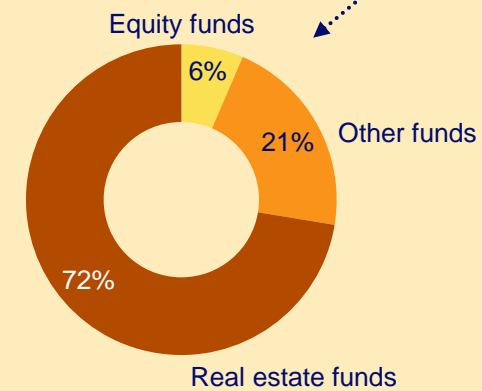
HY 2024

Total investments	1,792
Equities	1.8%
Other equity classified assets <sup>1</sup>	1.8%
<b>Shares &amp; funds</b>	<b>3.6%</b>

## Regional exposure<sup>2</sup>



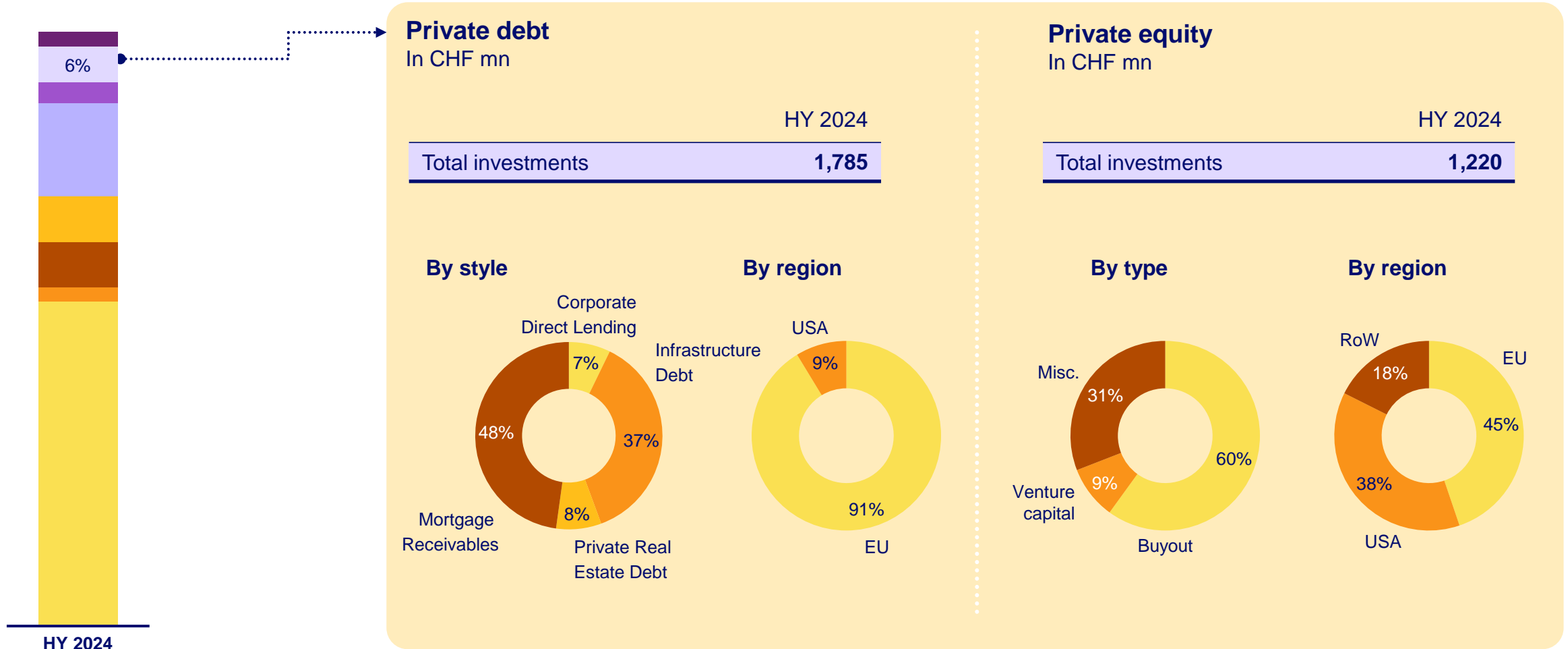
## Funds



1) E.g. bond & property funds treated as equity under IFRS

2) Based on economic exposure of underlyings

# Insurance Assets: Alternative Financial Investments



# Responsible Investment (RI) Policy

## General RI Policy

- **Exclusion:** We do not invest in companies, sovereigns or funds with a CCC MSCI ESG rating and have turnover thresholds for producers of controversial weapons (0%), nuclear weapons ( $\geq 1\%$ ), coal and unconventional oil & gas ( $\geq 10\%$ )
- **ESG-Integration:** Dedicated MSCI ESG data is made available to Portfolio Management and the investment teams to include sustainability risks into the investment analysis
- **Active Ownership (AO):** Proxy Voting (for listed Swiss equities in the actively managed Swiss insurance portfolio) & Engagement (collaborative and public policy engagement)

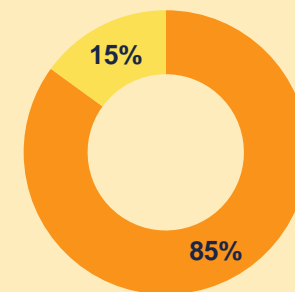
## Advanced RI Policy since 2023

- **Advanced RI strategy** for investment funds that promote environmental or social characteristics as defined in Art. 8 of the SFDR and for the major parts of the insurance portfolio
- **Further elements:**
  - **Wider exclusions:** Lower threshold on unconventional oil & gas ( $\geq 5\%$ ), new exclusions for conventional oil & gas ( $\geq 30\%$ ), tobacco ( $\geq 5\%$ ), compliance with international standards like UN Global Compact, and for sovereigns on climate and human rights, based on MSCI ESG data
  - **Best-in-class** approach and **direct company engagement**

RI Policy for directly held properties of the Swiss insurance unit

## ESG rating distribution insurance portfolio

A – AAA	85%
B – BBB	15%

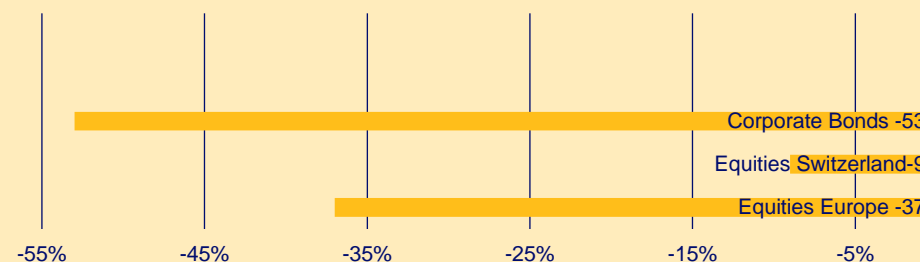


■ A-AAA ■ B-BBB

Source: Baloise Asset Management / MSCI, June 2024 equities and bonds with MSCI ESG Rating, covered by the RI strategy; without weighting.

## CO<sub>2</sub> benchmarking

Corporate bonds and equities of our insurance portfolio in CO<sub>2</sub>-comparison to the benchmark (weighted average tons CO<sub>2</sub> / USD mn sales)



Source: Baloise Asset Management / MSCI, June 2024: Swiss Equity vs. SPI, Europe Equity vs. MSCI EMU Large Caps and Corporate Bonds vs. Bloomberg Global Aggregate Index; portfolio covered by the RI strategy.

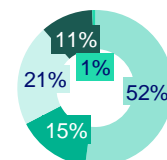
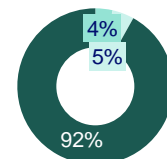
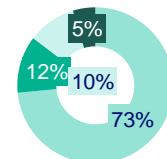
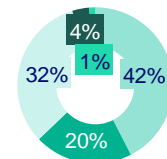
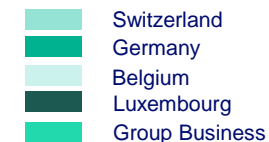
Note: the benchmarks of our equity investments were changed in 2023.

# Appendix



# Business Volume and Growth HY 2024

Gross written premiums in CHF mn vs. HY 2023 in CHF (EUR)	Switzerland	Germany	Belgium	Luxembourg	Group Business	Total
<b>Non-Life</b>	<b>1,153.7</b> +4.3%	<b>553.8</b> +6.1% (+8.7%)	<b>878.6</b> +0.1% (+2.6%)	<b>95.6</b> +4.8% (+7.3%)	<b>34.2</b> -2.6% (-0.2%)	<b>2,715.9</b> +3.2% (+4.6%)
<b>Life</b>	<b>1,588.6</b> -7.8%	<b>256.6</b> +3.4% (+6.0%)	<b>216.3</b> -3.9% (-1.5%)	<b>100.6</b> 22.9% (+26.0%)	-	<b>2,162.1</b> -5.1% (-4.5%)
<b>Investment-type</b>	<b>14.8</b> -38.6%	-	<b>18.8</b> +108.6% (+113.8%)	<b>381.4</b> -3.8% (-1.4%)	-	<b>415.0</b> -3.4% (-1.1%)
<b>Total</b>	<b>2,757.1</b> -3.4%	<b>810.4</b> +5.2% (+7.8%)	<b>1,113.7</b> +0.2% (+2.7%)	<b>577.6</b> +1.4% (+3.9%)	<b>34.2</b> -2.6% (-0.2%)	<b>5,293.0</b> -0.9% (+0.3%)



# IFRS EBIT HY 2024

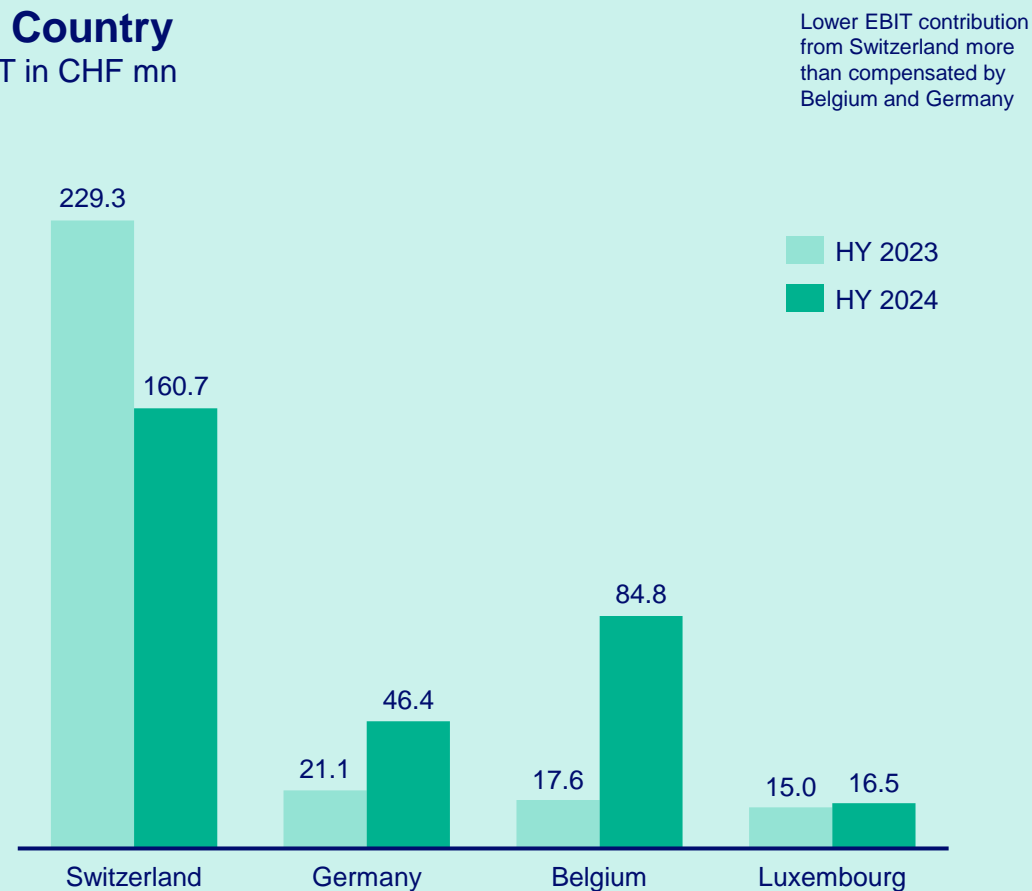
## By Operating Segment

In CHF mn	HY 2023	HY 2024	change in %
EBIT Non-Life	158.2	123.2	-22.1
EBIT Life	104.3	145.5	+39.5
EBIT Asset Mgmt & Banking	43.4	41.8	-3.7
EBIT Other	-38.6	-38.5	-0.3
<b>EBIT Total</b>	<b>267.2</b>	<b>271.9</b>	<b>+1.8</b>
Borrowing Costs	-14.5	-11.7	-19.3
Income Taxes <sup>1</sup>	-49.1	-41.1	-16.3
<b>Profit</b>	<b>203.6</b>	<b>219.1</b>	<b>+7.6</b>

1) Corresponds to a tax rate of 15.8% in HY 2024 resp. 19.4% in HY 2023

## By Country

EBIT in CHF mn



# Financial Calendar and Contact Details

## Financial Calendar

Q3 Interim Statement 2024

20 November 2024

Full-year Results 2024

25 March 2025

Annual General Meeting

25 April 2025

### Investor Relations:

+41 58 285 81 81

[www.baloise.com/investors](http://www.baloise.com/investors)

[investor.relations@baloise.com](mailto:investor.relations@baloise.com)

### Media Relations:

+41 58 285 82 14

[www.baloise.com/media](http://www.baloise.com/media)

[media.relations@baloise.com](mailto:media.relations@baloise.com)

