Annual Report

2024

baloise

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Reporting environment

Overview of Baloise's external reporting
The annual reporting procedures of the Baloise Group are based on relevant statutory and regulatory requirements and applicable standards and guidelines, particularly those issued by the International Accounting Standards Board and SIX Swiss Exchange, where the shares of Baloise Holding Ltd are listed. The financial report (consolidated financial statements) is prepared in accordance with International Financial Reporting Standards (IFRS). The report on non-financial matters is prepared in accordance with the requirements of the Swiss Code of Obligations (Art. 964a–964c) and is aligned with the provisions of the European Sustainability Reporting Standards (ESRS).

Annual Report
The Annual Report forms the core of the reporting activities. It essentially comprises three components: the **management report**, the **financial report** and the **report on non-financial matters**. The annual review has been discontinued, but selected content from it is included in the appropriate chapters of the Annual Report.

Management report
The management report constitutes the first part of the Annual Report. It comprises the **review of operating performance**, the **corporate governance report** and the **remuneration report**. It also provides information on how Baloise creates value for its different stakeholders. This information focuses on investors, employees and customers (including sales partners) as key stakeholder groups, as well as on the environment and society as a whole.

Financial report
The financial report contains the consolidated annual financial statements of the Baloise Group and the annual financial statements of Baloise Holding Ltd.

Report on non-financial matters
The report on non-financial matters contains Baloise's sustainability information and was prepared in compliance with Art. 964b of the Swiss Code of Obligations (OR), including the Swiss Ordinance on Climate Disclosures. Moreover, the structure and content of the non-financial reporting are aligned with ESRS to a large extent. However, this report is not a complete group report pursuant to the EU Corporate Sustainability Reporting Directive (CSRD).

Presentation for investors and analysts
The presentation for investors and analysts is made available only on the website and exclusively in English. It provides detailed information on the financial performance of Baloise.

Electronic copies of all documents pertaining to the annual financial statements are available on the website: **www.baloise.com/annual-report**

Continuous reporting
Baloise uses its website, **www.baloise.com**, to publish ad hoc announcements and other media releases, share regular updates on various initiatives and activities, and provide information on the implementation of its strategy.

Reporting by national organisations
In some cases, Baloise's national organisations publish their own external reports in accordance with the statutory and regulatory requirements of the jurisdiction in which they operate. In Belgium and Germany, reports on non-financial matters are also prepared in accordance with EU requirements (CSRD and Non-Financial Reporting Directive, NFRD).

All documents are available in electronic form on the following websites:

- Baloise Group
  www.baloise.com/annual-report
- Baloise in Belgium
  www.baloise.be/fr/a-propos-de-nous
- Baloise in Germany
  www.baloise.de/de/ueber-uns
- Baloise in Liechtenstein
  www.baloise-life.com/reports
- Baloise in Luxembourg
  www.baloise.lu/annual-reports
- Baloise Switzerland
  www.baloise.com/financial-condition-report
  www.baloise.com/bank

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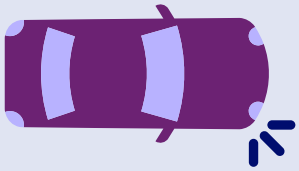
Baloise at a glance

CHF 3,629.7 million
equity



92.9 %
combined ratio

4.9 %
new business margin in the life business

CHF 384.8 million
profit attributable to shareholders

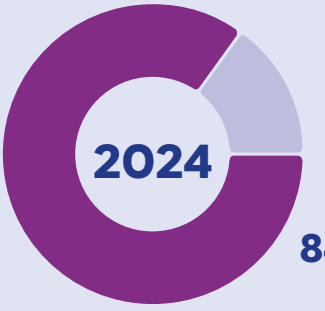
80 %
of employees responded positively to Baloise's employee satisfaction survey

13.9 %*
return on equity

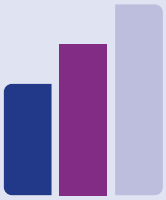
*adjusted for exceptional non-operating items of CHF 92 million from the sale of FRIDAY and the discontinuation of the ecosystem strategy

Asset Management	
Total assets under management	CHF 93.6 billion
Third-party assets under management	CHF 16.8 billion
of which multi assets	CHF 7.9 billion
of which real estate	CHF 2.3 billion
Employees	254

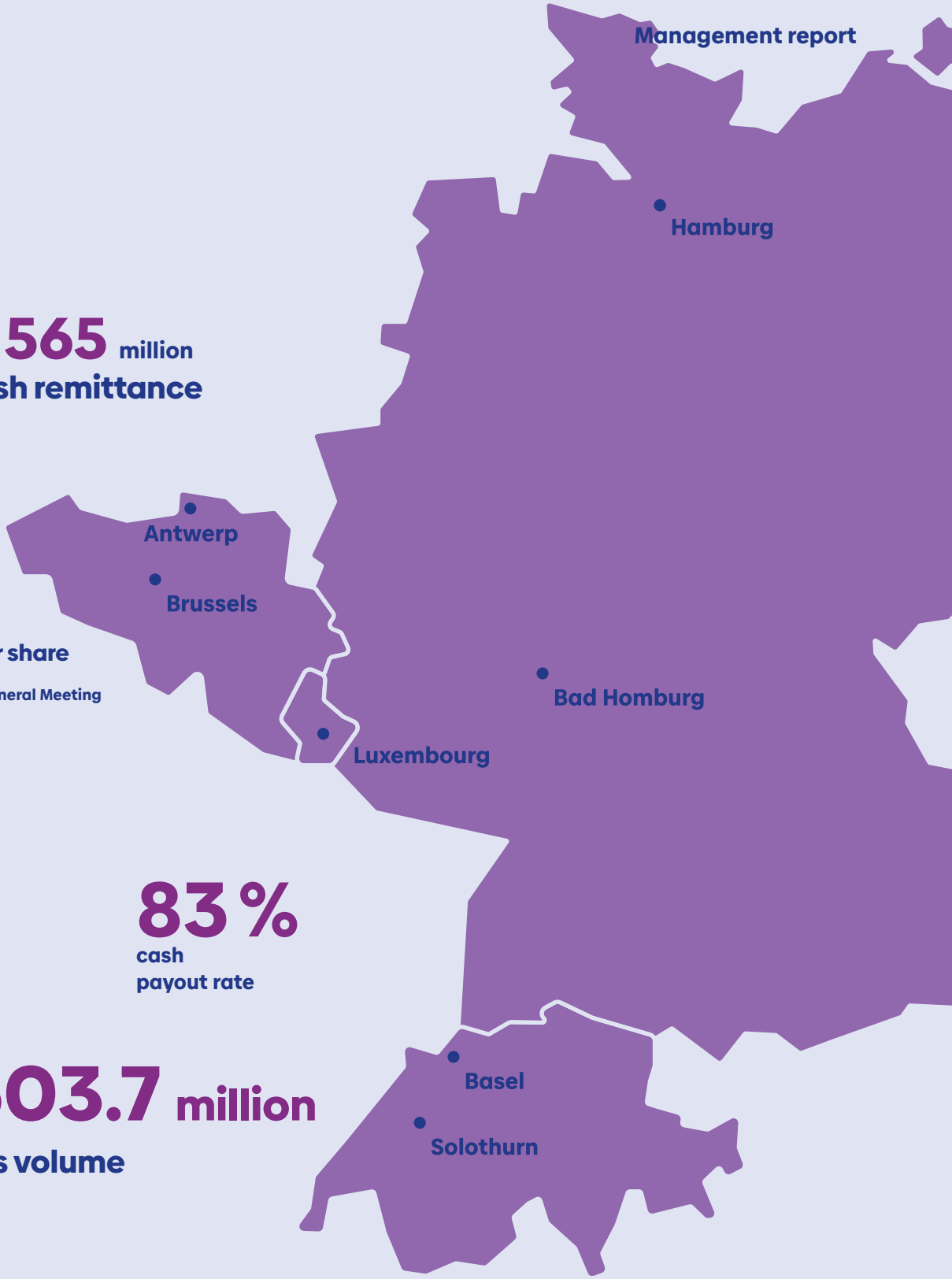
Bank	
Net new money custody account volume (market-adjusted)	CHF 188.7 million
Total assets	CHF 9,333.3 million
Wealth & pension advisory mandates	5,319
Cost/income ratio	63.6 %
Employees	398



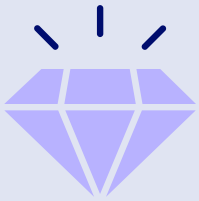
A-AAA MSCI ESG rating for rated insurance investments



CHF 565 million
cash remittance



Dividend of
CHF 8.10 per share
(proposal to the Annual General Meeting on 25 April 2025)



83 %
cash payout rate

CHF 8,603.7 million
total business volume

	Switzerland	Germany	Belgium	Luxembourg
Business volume				
Life (CHF million)	2,249.4	514.1	471.6	200.3
Non-life (CHF million)	1,485.6	869.8	1,550.8	161.8
Investment-type premiums (CHF million)	50.4	–	108.9	888.8
Employees	4,043[1]	1,563	1,767	624[2]
Combined ratio	92.5%	93.3%	91.3%	97.1%

1 Including Asset Management and Bank
2 Including Liechtenstein [18] and FRIDAY [169]

Further information on business performance can be found in the chapter "Review of operating performance" from page 38 onwards.

Key figures

CHF million	2024	2023	Change (%)
Business volume			
Gross premiums written Non-life	4,120.2	4,081.6	0.9
Gross premiums written Life	3,435.4	3,648.0	–5.8
Investment-type premiums	1,048.2	888.5	18.0
Total business volume	**8,603.7**	**8,618.1**	**–0.2**
Insurance revenue			
Insurance revenue Non-life	4,095.0	4,013.0	2.0
Insurance revenue Life	1,461.7	1,399.4	4.5
Total insurance revenue	**5,556.8**	**5,412.4**	**2.7**
Operating profit (loss)			
Consolidated profit/loss before borrowing costs and taxes			
Non-life	261.1	134.0	94.9
Life	282.3	203.1	39.0
Asset Management & Banking	89.1	82.3	8.3
Other activities	–87.1	–75.0	16.1
Consolidated profit for the period	379.4	236.2	60.6
Profit (attributable to the shareholders)	384.8	239.6	60.6
Balance sheet			
Insurance contract liabilities	49,506.2	49,819.5	–0.6
Contractual service margin (CSM)	5,002.1	4,864.8	2.8
Equity	3,636.3	3,259.3	11.6
Ratios (per cent)			
Return on equity (RoE)[1]	13.9	7.2	–
Combined ratio Non-life	92.9	94.6	–
New business margin (NBM) Life	4.9	6.5	–
New life insurance business			
Value of new business (VNB)	142.0	177.4	–20.0
Present value new business premium (PVNBP)	2,878.4	2,748.6	4.7
New business CSM	133.2	167.0	–20.2
Key figures on the Company's shares			
Shares issued (units)	45,800,000	45,800,000	0.0
Average number of shares outstanding	45,393,010	45,298,246	0.2
Basic earnings per share[2] (CHF)	8.48	5.29	60.3
Diluted earnings per share[2] (CHF)	8.47	5.29	60.1
Comprehensive equity per share[3] (CHF)	166.69	156.57	6.5
Closing price (CHF)	164.10	131.80	24.5
Market capitalisation (CHF million)	7,515.8	6,036.4	24.5
Dividend per share[4] (CHF)	8.10	7.70	5.2

1 2024 adjusted for exceptional non-operating items of CHF 92 million from the sale of FRIDAY and the discontinuation of the ecosystem strategy.
2 Calculation based on the profit for the period attributable to shareholders.
3 Calculation based on shareholders' equity (equity before non-controlling interests) and the contractual service margin (CSM) after taxes.
4 2024 based on the proposal submitted to the Annual General Meeting.

Sustainability key figures

Key figure	Unit	2024	Reference
Environment key figures			
Total GHG emissions			page 167
Total Scope 1 emissions	**tCO_2e**	**4,785**	
Total Scope 2 emissions (location-based)	**tCO_2e**	**2,719**	
Total Scope 2 emissions (market-based)	**tCO_2e**	**616**	
Total Scope 3 emissions	**tCO_2e**	**1,578,820**	
1 Purchased goods and services	tCO_2e	79,640	
2 Capital goods	tCO_2e	914	
3 Fuel- and energy-related emissions (not included in Scope 1 or Scope 2)	tCO_2e	1,733	
5 Operational waste	tCO_2e	176	
6 Business travel	tCO_2e	908	
7 Employee commuting	tCO_2e	3,323	
15 Investments	tCO_2e	1,492,125	
Total GHG emissions (location-based)	**tCO_2e**	**1,586,323**	
Total GHG emissions (market-based)	**tCO_2e**	**1,584,221**	
GHG emissions intensity			page 167
Total GHG emissions (location-based) per million net revenue* in CHF	tCO_2e/CHF million	285.5	
Total GHG emissions (market-based) per million net revenue* in CHF	tCO_2e/CHF million	285.1	
Social key figures			
Employee characteristics			page 184
Total number of employees	headcount	7,997	
Diversity and inclusion			page 186
Female employees	headcount	3,586	
Male employees	headcount	4,411	
Proportion of female employees in the workforce	%	44.8%	
Age distribution of employees			
Employees under 30 years of age	%	14.7%	
Employees aged 30–50	%	48.8%	
Employees over 50 years of age	%	36.5%	
Governance key figures			
Board of Directors			page 66
Independence	%	100%	
Average tenure	years	5.1	
Diversity on the Board of Directors			page 68
Number of women on the Board of Directors	headcount	3	
Proportion of women on the Board of Directors	%	33.3%	
Average age of the members of the Board of Directors	years	61	
Remuneration			page 96
Total compensation of the CEO	CHF thousand	1,899.2	

* corresponds to the insurance revenue

Letter to shareholders

Dear shareholders,

Baloise generated a very satisfying profit attributable to shareholders of CHF 384.8 million and brought about a tangible improvement in its core business in 2024. All national subsidiaries played their part with increased EBIT contributions. Having seen an exceptionally high volume of natural disaster claims and large claims in 2023, we are back on track again operationally. The volume of business decreased slightly in 2024 to CHF 8,603.7 million, which was attributable to a lower volume of premiums in the traditional life insurance business and to exchange rate movements. The combined ratio was reduced substantially despite Switzerland once again seeing a high level of storm-related claims in the summer in the first half of the year. The Group's combined ratio is 92.9 per cent, which is an improvement of 1.7 percentage points compared with 2023. Baloise's capitalisation remained robust. Comprehensive equity rose to CHF 7,634.4 million as at 31 December 2024. The rating agency S&P Global Ratings (S&P) reaffirmed the Baloise Group's rating of A+ with a stable outlook in June 2024. We expect the SST ratio as at 1 January 2025 to be just over 200 per cent.

Non-life business notched up EBIT of CHF 261.1 million, which was a considerable year-on-year improvement thanks to a lower level of claims incurred and an improved level of gains or losses on investments. With EBIT of CHF 282.3 million, the life business also hiked its earnings compared with 2023, thanks in part to positive non-recurring effects. The Asset Management & Banking segment recorded a strong year-on-year increase in EBIT to stand at CHF 89.1 million. This figure was dominated by the rise in third-party assets in asset management.

Refocusing strategy off to a good start

Back in spring 2024, we announced that we would be focusing more keenly on our core business and not investing any further in our ecosystem strategy. In September of last year, we launched our refocusing strategy. The subsequent sale of FRIDAY and the discontinuation of the ecosystem strategy weighed on profit attributable to shareholders for 2024 with exceptional non-operating items of CHF 92 million. We do not expect the portfolio transaction or ecosystem divestments to have any further significant adverse impact on earnings in 2025 or beyond. This is testimony to our focused approach and reinforces our commitment to forging ahead with our chosen course.

We successfully embarked on the new strategy phase in September 2024. The refocusing strategy is founded on four central pillars: technical profitability, operational efficiency, growth in target segments and capital productivity. The aim is to further build on Baloise's existing strengths and to boost profitability and growth for the long term. Implementing the refocusing strategy is a cornerstone of these efforts and the first steps are already proving effective, creating a solid foundation on which Baloise can create enduring value for the long term. We will rigorously pursue steps to boost efficiency, achieve profitable growth and optimise our portfolio with a targeted combined ratio of around 90 per cent and an expense ratio of less than 28 per cent in 2027. With a return on equity of 13.9 per cent (adjusted for exceptional non-operating items of CHF 92 million in connection with the sale of the FRIDAY portfolio and the discontinuation of the ecosystem strategy), we are already within the target range of 12 per cent to 15 per cent and, coupled with a cash payout rate of over 80 per cent, are demonstrating our long-standing, reliable appeal for our investors. The new financial targets have been clearly defined and we are well on track to achieve them between now and 2027.

Renewed dividend increase thanks to high level of profitability

Baloise reported strong cash remittance once again in 2024, allowing us to maintain our attractive and consistent dividend policy. The Board of Directors will therefore propose to the Annual General Meeting that the dividend be increased by CHF 0.40 to CHF 8.10 per share. We also plan to supplement the ordinary dividend with a share buy-back of CHF 100 million. Our business strategy is geared towards longevity and underscores the dependability of Baloise as an attractive and sustainable investment.

Baloise is on the right path to be able to continue keeping its promises. For years, we have proven that a business model with a long-term focus based on sustainable value creation is a stable anchor for all of our stakeholders: for shareholders, for customers and for our employees. We will therefore power ahead with the course that has been set under the refocusing strategy, while remaining flexible should adjustments be required

along the way. As ever, this is with our goal in mind of positioning Baloise as a dependable partner for all of its stakeholders for the long term.

Basel, March 2025

Dr Thomas von Planta
Chairman of the
Board of Directors

Michael Müller
Group CEO

“Our refocusing strategy is already starting to have a positive impact.”

Dr Thomas von Planta, Chairman of the Board of Directors (left), and **Michael Müller,** Group CEO (right)

Strategy

Baloise launches refocusing strategy

In September 2024, Baloise announced the start of a refocusing strategy that includes measures related to technical profitability, operational efficiency, growth in target segments and capital productivity. The Simply Safe strategic programme and the related targets and ambitions have been replaced by the new refocusing strategy.

The intention of the refocusing strategy is to further improve Baloise's existing strengths and boost profitability. The new financial targets consist of a return on equity of between 12 per cent and 15 per cent, strong cash remittance of more than CHF 2 billion in the period 2024–2027 and a higher cash payout rate of 80 per cent or more. The new financial target for cash remittance retains the existing ambition of cash remittance of CHF 2 billion in the period 2022–2025.

To achieve these targets, we are implementing measures to raise efficiency and reduce costs, continually optimising our portfolio and striving for targeted growth. These steps provide the basis for maintaining our attractive shareholder policy, under which the reliable dividend payment is to be supplemented with a new distribution structure for share buy-backs (see text box at the end of this chapter for further details).

Sharpening the strategic focus on the core business also strengthens long-term value creation for our customers, sales partners, the environment, society and our employees.

Ensuring the long-term profitability of the non-life business

We have been continually optimising our non-life business for more than 20 years. As a result, our non-life portfolio is one of the most profitable in Europe. The combined ratio has always been below 95 per cent since 2012 and the loss ratio has been consistently strong, outperforming the wider market by an average of 2 percentage points over the last ten years. Going forward, we intend to use a variety of measures, such as the optimisation of our products and prices, to ensure that our loss ratio remains best in class. At the same time, we have set ourselves the goal of lowering our expense ratio by 2 to 3 percentage points by 2027.

Our ambition is therefore to achieve a combined ratio of around 90 per cent in an average interest-rate and claims environment. This percentage is at the lower end of the range of ratios that we have achieved in the past decade. We are confident that by optimising claims incurred, being more selective in our underwriting and reducing costs, we can achieve this ambition and thus ensure that our non-life portfolio remains attractive over the long term.

Strengthening a resilient life business

Our life business is a resilient and stable source of earnings, with a healthy level of cash remittance and an EBIT contribution of at least CHF 200 million. By continually optimising our policy portfolios, for example by protecting them using reinsurance programmes, focusing on capital-efficient new business and taking a selective approach in the Swiss group life business, we are ensuring that the life business can continue to contribute to the Company's success in the long term without limiting the breadth of the products and services that we offer. As a result, we can be very flexible in meeting customers' needs and, depending on demand, offer different provision models. In particular, our business model in Switzerland – comprising insurance and banking – enables us to combine insurance products with tailored banking solutions. This means we are always well positioned to satisfy customers' needs.

Leading the field in attractive target segments

In Switzerland, Belgium, Germany and Luxembourg, we want to be among the leading insurance companies in our attractive target segments. To this end, we have to increase our cost discipline and achieve sustained profitable growth in the target segments and, by doing so, grow at a faster rate than the relevant markets. We are therefore setting ourselves the ambition of further improving our cost efficiency by lowering our expense ratio in the non-life business by between 2 and 3 percentage points.

To achieve this, we are cutting 250 jobs across the Group, optimising operating costs and making improvements by deploying new technologies. The latter will also help us to increase technical profitability, for example by applying dynamic pricing and detecting insurance fraud. We are also using artificial intelligence to accelerate growth in our markets and to provide an even better advisory service to our customers.

Further information on our refocusing strategy can be found in the presentation for the 2024 investor update.
www.baloise.com/investor-days

Refocusing strategy: selected financial targets

Capital productivity and return on equity
The increase in technical profitability, the improved cost base, the profitable growth of our target segments and a stronger focus on capital efficiency will have a positive impact on return on equity in the medium term. Baloise is now targeting a return on equity of between 12 per cent and 15 per cent.

All business units will contribute to this ambition, and we will use continual portfolio analysis to check which steps need to be taken to achieve this. As before, we may decide to acquire portfolios, review and restructure portfolios or even dispose of them if they do not satisfy this new target.

Dividend and share buy-backs
Across the business portfolio as a whole, we anticipate broad-based cash remittance with a cumulative amount of over CHF 2 billion in the period 2024–2027. Of the cash remitted, at least 80 per cent is to be distributed in the form of dividends and complementary share buy-backs. This shareholder-oriented dividend policy reflects the focus on the earnings power of the core business and the discontinuation of the ecosystem strategy.

The difference between the dividend payments and the cash payout rate of 80 per cent or more will be accumulated annually. As soon as a minimum of CHF 100 million is reached, this capital will be returned to shareholders in the form of share buy-backs.

Information on the achievement of our targets in 2024 can be found in the chapter “Review of operating performance” from page 38 onwards.

Baloise brand

Building a sustainably strong brand

The consolidation of all the existing brands into a single Baloise brand, a process that began in autumn 2022, is proving effective in all markets, both internally and externally. Internally, the single brand identity has led to greater collaboration across national borders with regard to brand management and brand communication. It has also strengthened the feeling of a shared identity between all employees. In terms of our external perception, the new brand has become established and we are seeing a positive trend in the strength of our brand. We are continuing to pursue our strategic ambition of further strengthening the brand and making it an asset that contributes to our business performance:

- We are a modern, unified and sharpened brand that best supports the unique Baloise customer experience and leverages growth.
- Baloise is the preferred brand for customers, partners and employees who want to engage with a human insurance and finance brand.
- Baloise has a strong reputation as a responsible insurance and finance brand whose sustainable action supports customers and strengthens society, the economy and the environment.

The role of the Baloise brand

The brand is the link between the customers and Baloise. It communicates the brand promise and strengthens trust in the Company's services. This is where the brand purpose comes into play:

- At Baloise, we care. We develop insurance and financial solutions with a human touch, because we want our employees, customers and partners to feel that they are in good hands.
- At Baloise, we inspire. We love what we do – and we love to go further. We explore new pathways, create new possibilities and seek out new solutions. As an inspiring partner, we encourage our employees, customers and partners to remove worry from their lives.
- At Baloise, we keep our promises. We listen to our customers and partners so we can meet their needs. We act responsibly and take responsibility for our future and contribute to the society we live and work in.

"We are Baloise. We are the inspiring partner for your tomorrow."

Brand values and brand experience

Our brand values are partnership, proximity and tomorrow. This is what we stand for and what we believe in.

We believe in partnership
This is why we treat our colleagues, clients and partners as equals and why we build our relationships on mutual trust: because for us, business success begins with a strong partnership.

We believe in closeness
This is why we take care of our employees, customers and partners and why we behave like a reliable friend: because for us, solutions by people for people start with closeness.

We believe in the future
This is why we act responsibly for the benefit of people today and with consideration for future generations and why we want to make a difference in the society we live and work in: because for us, being an inspiring partner begins with optimism and confidence about the future.

Brand campaign aimed at building a strong brand

Building a brand and positioning it well for the long term takes time. The consolidation of the brand portfolio has laid the foundations to strengthen the Baloise brand sustainably by means of targeted measures.

Brand management measures vary from country to country depending on the level of brand recognition in each market. In Luxembourg and Belgium, the Baloise brand is already relatively well established and known. Here, the challenge is to position the brand values more strongly to make Baloise the preferred choice for customers. In Germany, the emphasis is on reassuring customers and partners that the new Baloise brand still represents the same strengths, innovative mindset and long-standing experience that they have come to trust. To this end, the Company launched a campaign with the slogan “Versicherungstrendsetter. Seit 1864.” (“Setting trends in insurance. Since 1864.”). In Switzerland, communications are focused on boosting brand recognition and highlighting the unique business model of insurance and banking. To support this endeavour, a value proposition has been formulated as a basis for future campaigns: At all stages of life, Baloise is there for its customers and can support them seamlessly with financial products from a single source and comprehensive advice.
www.baloise.ch/de/ueber-uns/wir-sind-baloise
(only in German)

Baloise shares

Review of the 2024 trading year

Much like in 2023, inflation data and interest-rate changes were major factors that shaped the financial markets in 2024. Inflation slowed in all regions, and the central banks in industrialised economies started to lower their key interest rates. The global economic growth picture was characterised by significant variation at regional and sector level. The geopolitical situation and political uncertainty were once again significant sources of risk for investors in the reporting year. Nonetheless, 2024 was, on balance, a positive year for the equity markets. The Swiss Market Index (SMI) was up by around 4.2 per cent at the end of the year. Baloise shares* performed well in 2024, closing around 25 per cent higher than they had been at the start of the year. In addition, Baloise remains a reliable choice for dividends. The Board of Directors has proposed that the dividend be raised by 5.2 per cent to CHF 8.10 for 2024. Moreover, the Company is planning a share buy-back programme with a volume of CHF 100 million, subject to the decision made about the dividend at the Annual General Meeting.

A rally in the equity markets towards the end of 2023, prompted by the conclusion of the cycle of interest-rate hikes, set an upbeat tone for a positive 2024 trading year. Inflation stabilised in most industrialised countries at the beginning of the reporting year. This raised the prospect of potential interest-rate cuts, which, in turn, paved the way for further recovery. In March 2024, the Swiss National Bank (SNB) lowered its key rate to 1.50 per cent (1 January 2024: 1.75 per cent) and thus became the first central bank of an industrialised economy to usher in an interest-rate policy change. While inflation in Switzerland had been within the SNB's target band since mid-2023, it proved stickier in the eurozone and the US. Consequently, the European Central Bank (ECB) and the US Federal Reserve (Fed) waited slightly longer before cutting interest rates. In June 2024, the ECB lowered its key rate by 0.25 percentage points to 4.25 per cent (1 January 2024: 4.50 per cent), and the SNB implemented a second rate reduction to 1.25 per cent. The Fed followed suit in September with its first of three cuts to the federal funds rate in 2024 (upper end of the target range as at 1 January 2024: 5.50 per cent), and both the ECB and the SNB also announced further reductions before the end of the year. As at 31 December 2024, the SNB's key rate stood at 0.50 per cent and that of the ECB at 3.00 per cent, while the upper end of the target range for the Fed's key rate was 4.50 per cent.

The US economy proved exceptionally robust in 2024, whereas growth in the major EU economies stagnated. Manufacturers in the eurozone struggled to recover from the energy price shock triggered by the war in Ukraine, and low demand from China – together with certain structural issues – put further pressure on the EU's industrial sector. Over the course of the year, this weakness spilled over into the service sector. The Swiss economy continued to record moderate growth.

The geopolitical environment was fraught, but no significant escalation occurred in 2024. Ongoing tensions in the Middle East and the continuing war in Ukraine affected commodity prices throughout the year. Gold, a safe haven for investors, climbed to a record high in 2024. The election of Donald Trump for a second term as US president brought additional volatility to the markets in the last two months of the reporting year. US equities were spurred on by the prospect of tax cuts and deregulation, while positive comments about cryptocurrencies sent Bitcoin soaring to an all-time high of more than USD 106,000 in mid-December. By contrast, the possible implementation of punitive tariffs by the US put a damper on equities from the emerging markets.

Over 2024 as a whole, Baloise shares rose in value, reaching their high for the year at CHF 176.20 (closing price) in October and ending the trading year up by 25 per cent year on year at a price of CHF 164.10. This meant that Baloise shares significantly outperformed the European insurance industry index (STOXX Europe 600 Insurance), which gained 18 per cent over the year as a whole, and nearly matched the performance of the Swiss Exchange Supersector Insurance index (up by 26 per cent).
www.baloise.com/baloise-share

* Baloise shares = shares in Baloise Holding Ltd

Dividends paid to shareholders

The Board of Directors of Baloise Holding Ltd will propose to the Annual General Meeting on 25 April 2025 that a cash dividend of CHF 8.10 per share be paid for the 2024 financial year, representing a year-on-year increase of 5.2 per cent. This represents an attractive dividend yield of 4.9 per cent on the year-end share price. Moreover, the Company is planning a share buy-back programme with a volume of CHF 100 million, subject to the decision made about the dividend at the Annual General Meeting. The total payout rate including dividend and share buy-back comes to an attractive 83 per cent of cash remittance in 2024.

Shareholder structure

The shares in Baloise Holding Ltd are widely held. There were two material changes in connection with significant shareholders under Swiss law. In May 2024, UBS Fund Management (Switzerland) AG disclosed a percentage of its shareholding of 9.324 per cent following the integration of Credit Suisse. In June 2024, Cevian Capital Partners Ltd. reported a percentage of shareholding of 5.113 per cent. In accordance with SIX Swiss Exchange's definition, 94.89 per cent of Baloise shares are now free float. Further information on significant shareholders as at 31 December 2024 is provided in table 16 on page 417 of the 2024 Annual Report.

	Cash dividends	Share buy-backs	Total
Year (CHF million)			
2024	371.0[1]	–	371.0
2023	352.7	–	352.7
2022	338.9	–	338.9
2021	320.6	–	320.6
2020	312.3	92.8	405.1
Total	**1,695.5**	**92.8**	**1,788.3**

All figures stated as at 31 December.
1 Proposal to the Annual General Meeting on 25 April 2025.

Statistics on Baloise shares

	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Price at year-end (CHF)	164.10	131.80	142.70	149.10	157.50
High (CHF)	176.20	158.50	176.00	168.80	182.10
Low (CHF)	129.60	126.90	125.50	137.60	107.90
Market capitalisation (CHF million)	7,515.8	6,036.4	6,535.7	6,828.8	7,686.0
Basic earnings per share (CHF)	8.48	5.29	5.49	13.06	9.65
Diluted earnings per share (CHF)	8.47	5.29	5.48	13.05	9.63
Price/earnings (p/e) ratio[1]	19.35	24.91	25.99	11.42	16.32
Price/book (p/b) ratio[1]	2.05	1.84	1.89	0.92	1.02
Number of shares issued (units)	45,800,000	45,800,000	45,800,000	45,800,000	48,800,000
Number of treasury shares (units)	305,914	386,340	545,636	648,730	3,750,453
Number of shares in circulation (units)	45,494,086	45,413,660	45,254,364	45,151,270	45,049,547
Average number of shares outstanding[2]	45,393,010	45,298,246	45,176,614	45,062,127	45,031,594
Dividend per share[3] (CHF)	8.10	7.70	7.40	7.00	6.40
Dividend payout ratio[3]	95.6	145.6	134.9	53.6	66.3
Dividend yield[3]	4.9	5.8	5.2	4.7	4.1

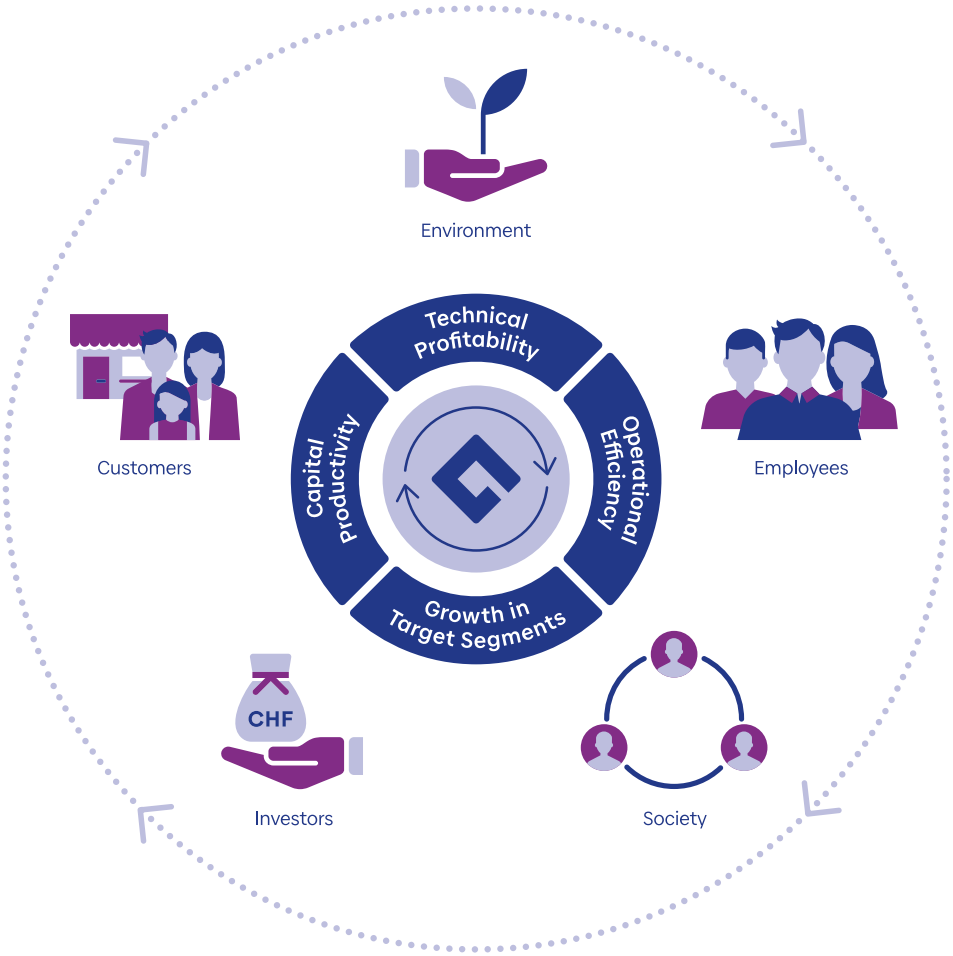
1 Calculation is based on the profit for the period attributable to shareholders and the equity attributable to shareholders.
2 Relevant for the calculation of earnings per share (see page 330 of the financial report).
3 2024 based on the proposal submitted to the Annual General Meeting.

Baloise shares

Security symbol	BALN
Nominal value	CHF 0.10
Security number	1.241.051
ISIN	CH0012410517
Stock exchange	SIX Swiss Exchange
Security type	100% registered shares

How Baloise creates value

We have been creating value for all our stakeholders for more than 160 years



Stakeholders	Objectives/commitments
Customers/partners	High level of satisfaction, responsible partnership
Shareholders/investors	12–15 per cent return on equity Cash remittance of more than CHF 2 billion between 2024 and 2027 Cash payout rate of at least 80 per cent
Society	Good corporate citizen / CSR initiatives / private-sector solutions to societal challenges
Environment	Climate roadmap, net zero / Paris 2050 / RI policies
Employees	High level of employee satisfaction

In line with the objective of continuing to be a reliable partner for all the Company's stakeholders, Baloise's Board of Directors and Executive Committee periodically review the corporate strategy and adapt it to changing conditions and requirements. In autumn 2024, Baloise organised an investor update and set itself new objectives. The Company intends to pursue a refocusing strategy under which it will strengthen its focus on its core business to ensure it can continue generating lasting added value for all stakeholder groups in future.

The refocusing strategy will pay particular attention to technical profitability, operational efficiency, growth in target segments and capital productivity. Baloise has also defined new financial targets, which consist of a return on equity of 12 to 15 per cent, strong cash remittance of more than CHF 2 billion in the period from 2024 to 2027 and a higher cash payout rate of 80 per cent or more to our shareholders (for more information, see the chapter "Strategy"). The dividend policy will also be extended to include a rules-based share buy-back

In 2024, Baloise took its sustainability strategy a further step forward. Baloise is aware of its responsibility towards customers, partners, shareholders, investors, employees, the environment and society. We seek to create long-term added value while having a positive impact on people and the environment. By taking environmental and social considerations into account, Baloise is aiming to generate long-term success and contribute to efforts to tackle global challenges.

Following a thorough and detailed analysis, strategic action areas were defined that take a long-term approach to achieve sustainable growth while having a positive effect on both society and the environment.
The Baloise sustainability strategy covers the following action areas:

- **Contribution to a safe, secure and resilient society**
  Baloise seeks to contribute to the safety, security and resilience of society by minimising risks and finding solutions that protect and strengthen society.

- **Improvement of the impact on CO_2 emissions and management of the impact on business activities**
  Baloise endeavours to reduce its carbon footprint and use resources more efficiently. The Company has set itself the target of cutting CO_2 emissions to net zero by 2050.

- **Embedding of sustainability into the corporate culture**
  Sustainability needs to be firmly anchored in Baloise's corporate culture and in its day-to-day activities.

As part of its updated sustainability strategy, Baloise will draw up and implement actions and targets for the strategic action areas. The goal is to successfully integrate the sustainability strategy, measure progress and report on it transparently. Regular reviews and adjustments should ensure that we remain on track to achieve our long-term sustainability targets.

The 2024 Annual Report comments and reports in detail on the fundamental principles of long-term value creation at Baloise and on the milestones that have been achieved over the last year. In a departure from previous years, all elements of our reporting – financial and non-financial – are combined into one report.

How we create value for the environment

For more than 160 years, Baloise has been providing services that make the lives of its customers safer and creating lasting added value for all its stakeholders. Environmental considerations also play a central role here. Our environmental policy focuses on the promotion of energy from renewable sources and the sustainable expansion of climate change mitigation actions. We attach a high priority to the responsible use of natural resources and the continuous reduction of CO_2 emissions both in our operations and across our business activity as a whole. Our responsibility towards the environment and our philosophy of value creation are reflected in our energy consumption, our investments, the procurement of products and services, and our underwriting policy.

Alternative solutions that have a less harmful impact on the climate and environment are especially relevant for our customers in the areas of transport and the home. That is why we offer insurance for electric vehicles, solar panels and other products that help to protect the climate.

We provide comprehensive protection in Switzerland for our customers' electric vehicles and accessories through our Electra supplementary cover. If the charging point or charging accessories are damaged or stolen, the charging card or charging app is misused or the battery is damaged, Electra covers the costs.

Our Drive Electric product, offered in partnership with Enovos and diego in Luxembourg, supports our customers through the transition to an electric or hybrid vehicle. It includes a free charging card that can be used at 180,000 charging points throughout Europe and the personal support of an expert who will guide customers through the process of selecting and installing a private charging point at home, and through all the dealings with public authorities, such as applying for government grants.

We also promote the use of SMART Repair for damaged vehicles. Thanks to our partner network of workshops, we can offer eco-friendly repairs of the highest quality. This reduces greenhouse gases and conserves resources.

We offer insurance for photovoltaic systems and more climate-friendly heating systems for both private and business clients. Our aim is to offer the right protection for every system so as to encourage greater use of energy from renewable sources and offer our customers the protection they need.

Climate roadmap

We have had our own environmental mission statement since 1999. From the outset, it was important to embed sustainability throughout the Company and in all day-to-day business activities. The environmental mission statement became an integral element of the Baloise value creation model for sustainable development in 2018 and was thus incorporated into our overall sustainability management. The environmental mission statement is a key part of our efforts to create value in relation to the environment and confirms our commitment to the targets of the 2015 Paris climate agreement.

We support the targets of the Paris Agreement and the efforts of Switzerland and the EU, and have therefore set ourselves the goals of reducing our **CO_2 emissions to net zero by 2050** and lowering our operational emissions (Scopes 1 and 2) by a further 25 per cent by 2030, relative to 2022. To achieve these targets, we will set interim decarbonisation targets by the end of 2025 for our own business operations and for our financed and insured emissions as part of a Group-wide transition plan.

In relation to our own business operations (Scopes 1 and 2), we are developing a holistic approach to reducing our carbon footprint. We continuously analyse and optimise our energy consumption and emission patterns in order to introduce more efficient processes and maximise the use of energy from renewable sources. We use energy-efficient technologies and sustainable means of transport to minimise the CO_2 emissions of our vehicle fleet. We are also committed to environmentally responsible building standards and encourage the use of renewable energy in our facilities.

The management of our investments and insured risks in accordance with climate criteria is an important lever for mitigating the effects of climate change. We therefore also consider the carbon footprint of our investments. We analyse and assess our portfolios and follow sustainable investment strategies that support the transition to a low-carbon economy. Targeted investment is helping us to reduce our overall carbon footprint while also bringing about positive changes in society. For more information, see the chapter "Responsible investment".

We are currently focusing on a framework for calculating our insured emissions. Our aim is to put the necessary framework in place in 2025. enabling us to record and analyse these emissions precisely and comprehensively. This includes developing robust methods and models as well as collecting and processing high-quality

data that helps us to accurately determine the carbon footprint of our insured emissions. We are working to create a robust dataset in all GHG categories that we can use to set reduction targets for our own operations and for our investment and insurance portfolios by the end of 2025. The significant improvement in data quality and completeness in the reporting year led to material changes in the relevant GHG categories, which diminishes comparability with the prior-year figures.

These efforts are an important step in our sustainability strategy, as they will increase the transparency of our environmental impact and allow us to make informed decisions on the reduction of our CO_2 emissions. Through these initiatives, we are laying the cornerstone for more sustainable insurance practices and proactively helping to achieve climate targets.

Our goal of achieving net zero emissions by 2050 reflects our commitment to climate change mitigation. This goes beyond simply reducing emissions and includes offsetting our own unavoidable operational emissions. We recognise that reducing CO_2 emissions requires a collaborative approach, and we are committed to working with other companies, governments and civil society to find collective solutions to climate change.

CO_2 offsets for unavoidable emissions within the Company

Since 2020, we have been retrospectively offsetting the CO_2 emissions that we are unable to avoid through targeted cuts or optimisation measures, in accordance with the annual greenhouse gas review. The focus is exclusively on high-quality projects centred on sustainable local development.

In 2024, around CHF 150,000 was spent on offsetting approximately 11,100 tonnes of CO_2 from 2023. These are the unavoidable emissions arising from business operations and from holding the 2024 Annual General Meeting. We are currently focusing on achieving a 1:1 offset ratio through avoidance projects, which aim to prevent emissions from being released in the first place. The following climate change mitigation projects are used to offset our global emissions:

- Forest conservation in Indonesia and South America
- Renewable energy from sawdust in Bulgaria
- Renewable wind power in Bulgaria
- Sustainable forestry and climate action in Switzerland

With the Verified Carbon Standard and Gold Standard, and an audit under ISO 14064-2 with validation by TÜV NORD, Baloise has a credible, measurable and transparent portfolio of climate change mitigation measures.

Swiss Climate Foundation

The Swiss Climate Foundation has been supporting small and medium-sized enterprises in Switzerland and Liechtenstein that contribute to the implementation of climate change mitigation measures for 16 years. It promotes projects that reduce CO_2 emissions while strengthening the innovative capacity and competitiveness of the companies that implement them.

We joined the Swiss Climate Foundation in 2021 and donate to it the money received from the redistribution of the CO_2 levy on fuel. In 2024, the net contribution less our own CO_2 levies amounted to just under CHF 240,000. We are part of a group of 31 partner companies that promotes climate action and supports small and medium-sized enterprises.

This year, the Climate Foundation awarded a total of CHF 2.2 million to 16 initiatives, bringing the number of projects it has supported since its inception to more than 200. There was a broad mix of projects this year, ranging from mini biogas power plants for farms to the production of natural foam and a solution for converting plastic waste into raw materials for the circular economy.

In addition to its financial contributions, Baloise participates in the review and assessment of the projects' effectiveness and sustainability, thanks to its two seats on the advisory board.

www.klimastiftung.ch

Operational emissions

As we are an insurance company, our operations are not fundamentally energy-intensive compared to a manufacturing company, for example. At our sites, we predominantly require energy for electricity and heating.

We apply the latest building standards and renovation methods to ensure our office buildings are climate-friendly, and operate them in as resource-efficient a manner as possible. We now source all our electricity from 100 per cent renewable sources in Switzerland, Germany, Belgium and Luxembourg in the buildings where we control our own electricity mix. For more information, see chapter environmental information of the report on non-financial matters.

How we create value for our employees

Baloise as an employer

Baloise stands for a working environment built on authenticity, continuous growth and partnership, thereby creating the ideal conditions for pragmatic action and lasting success. We foster a culture of trust where each and every employee has the opportunity to take responsibility, contribute their own ideas and overcome their limits. At the same time, we expect our employees to stand up for their opinions, be receptive to feedback and proactively help shape their own development.

Our work is affected by the challenges arising from the shortage of skilled workers. As a responsible employer, we tackle these challenges head-on – both internally with targeted development programmes for our employees and externally by promoting and developing talent in a wide range of skill areas. Our corporate culture provides the foundation for our work here. We are target-driven, pragmatic, solution-oriented and resolute. Everything we do is shaped by our guiding principle: Be yourself. And unlock your potential. This is how we shape Baloise. Together.

Be yourself.

Individuality, diversity and equal opportunity are essential to us. We encourage authenticity in our dealings with one another and create an inclusive environment in which every employee can develop their strengths, irrespective of personal background or challenges. With carefully designed programmes, flexible working models and a clear commitment to diversity, we make sure everyone has the same opportunities to develop and contribute professionally. In this way, we create a culture in which every voice counts and personal growth becomes possible. This is recognised, for example, in the Friendly Work Space® label, which has been regularly awarded to Baloise in Switzerland since 2010.

Diversity and inclusion

An inclusive, diverse and healthy working environment is important for our long-term success as a company. Below, we have listed a few initiatives implemented by Baloise in Switzerland. These are representative of the work on diversity and inclusion carried out in the other countries. Our initiatives place a particular emphasis on diversity. For example, we support our LGBTQ network, which was set up by employees for employees. We also regularly take part in the external 50+ jobs fair.

We also aim to make our leadership teams more diverse by filling 40 per cent of all positions in the management team with people who meet at least one diversity criterion – age, gender or mother tongue. We are pleased to have made good progress in this area since November 2023, thanks to the efforts of our recruitment team and also to targeted active sourcing. A total of 55 per cent of all new vacancies in the management team were filled by people who meet at least one diversity criterion. Women made up a third of all promotions in 2024. We encourage part-time working in all positions, including the sales force: almost all our full-time vacancies are advertised with an option to work 80 per cent of full-time hours, and around a quarter of employees work part-time. Some time ago, we began implementing a series of workshops across the Group to help employees recognise unconscious bias and reduce the potential for discriminatory behaviour.

As a responsible employer, we are also committed to the integration of people with special needs. To achieve this goal, we partner with the Federal Disability Insurance (IV) system to offer a number of places each year to help get people with disabilities back into work. We have provided more than 74 IV training places since 2012. We also offer special training places to give young people with special needs an opportunity to secure a vocational apprenticeship.

And unlock your potential.

Our employees hold the key to their own development. We encourage curiosity and use targeted programmes and executive development to create an environment that facilitates continuous learning. At Baloise, development means trying new things, learning from mistakes and overcoming our limits together.

Baloise competences

To meet the requirements of a constantly changing digital world and counter the skills shortage, we have defined the Baloise competences that will be needed in future in the form of our strategic skills initiative. These competences provide all employees with a clear vision of the wider skills necessary for success. They are an integral part of the continuous development dialogue and will help employees acquire the specific skills that are key for the implementation of Baloise's strategic targets.

baloise

Own it

- Taking ownership
- Focusing on results

baloise

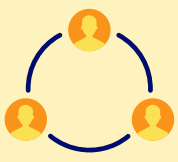
Learn

- Living curiosity
- Developing through reflection
- Promoting development of others
- Building digital literacy

baloise

Connect

- Living integrity & trust
- Leveraging diversity through dialogue



baloise

Collaborate

- Establishing meaning
- Collaborating effectively

AI Discovery Weeks
We have introduced AI Discovery Weeks, a forward-looking learning programme that gives all employees the opportunity to engage with artificial intelligence (AI) in depth. The self-directed AI Fit learning path covers a range of competence areas such as basic understanding of AI, application and critical analysis. Employees work in small groups and have weekly circle meetings where they can share what they have learned and put it into practice. A central aim of the AI Discovery Weeks is to develop specific use cases for Baloise that can be directly applied in everyday work processes.

Baloise Campus
The international executive development programmes offered by Baloise Campus bring senior managers from Switzerland, Germany, Belgium and Luxembourg together to support their personal and professional development. Through various learning formats and support from experienced coaches, we create a safe learning environment where executives can hone their skills so they are able to effectively implement our corporate strategy.

This is how we shape Baloise.

We foster a culture of trust and individual responsibility. We give our employees the freedom to make decisions and we expect them to take a pragmatic approach to make a real difference. Through a high degree of empowerment and decision-making freedom, we create an environment in which success is celebrated and continuous improvement is always the aim.

Focus on performance and hands-on culture
Within our new refocusing strategy, we see pragmatism and an emphasis on performance as the key elements for the ongoing development of our culture. As our ultimate aim is to successfully implement our strategy and achieve our strategic goals, we weight results higher than effort and rapid implementation higher than conceptual perfection.

In accordance with our long-standing culture of trust, we encourage our committed employees to take responsibility for their own performance.

For employees to act independently while maintaining a clear view of our purpose, they need to be in close dialogue with their managers. That is why we place continuous dialogue at the heart of our performance management.

All employees regularly engage in this dialogue with their managers, discussing where they stand in terms of performance, conduct and development. In addition to their individual contribution to the team and company performance, the dialogue covers the interplay with behavioural and development matters. This continuous dialogue enables employees to reflect on evolving require-

ments and framework conditions in real time, and to adapt their actions accordingly. It also creates transparency with regard to employees' individual contributions towards achieving their team's goals and enables this to be fairly rewarded.

To engage in this continuous dialogue effectively, our managers need various skills; we refer to this as performance-driven leadership. Skills include the ability to coach employees or provide them with guidance, but also to address shortcomings openly and take appropriate action. These skills are taught in the Baloise Campus executive development programmes referred to above.

Alongside executive development, we also support entire teams in establishing for themselves what our refocusing strategy means for their specific work. This takes the form of the "Focus on performance and hands-on culture" workshop organised by the teams themselves, where they have the opportunity to reflect on areas where they need to take action, identify potential for improvement and develop specific measures to optimise their work processes.

Together.

Different perspectives and strengths are brought together to create synergies that go beyond individual performance. We see friction and conflict not as obstacles, but as valuable impetus that generates energy for innovation and growth. This culture of cooperation forms the basis upon which our employees can not only work successfully but also continuously grow, both personally and professionally.

Networks and information-sharing formats to promote collaboration

Open communication and direct information-sharing are firmly embedded in the Baloise corporate culture. Formats such as Coffee with Clemens, an informal discussion with the CEO of Baloise in Switzerland, provide a forum for employees to share their concerns and ideas with senior management on equal terms. Such initiatives promote transparency, strengthen trust and help to build a more tightly binding corporate culture.

We also offer our employees various workshops, retrospectives and feedback meetings to promote collaboration, reflect on experience and develop pragmatic solutions. These strengthen cohesion and help teams to unlock their potential.

The Baloise Code and the Code of Conduct: guidelines for day-to-day work

The Baloise Code – developed by employees for employees – provides guidance for values-based teamwork and leadership. It defines clear standards of behaviour for day-to-day working. These principles help employees to work within teams while also achieving their individual goals.
www.baloise.com/code

The Code of Conduct lays down specific standards and rules that govern how employees are treated. It covers protection of health, equal treatment, treating one another with respect and zero tolerance of bullying and sexual harassment. The two codes complement one another: while the Baloise Code sets out our cultural values, the Code of Conduct provides the framework for a safe working environment that is free of discrimination.
www.baloise.com/codeofconduct

Careers website:
www.baloise.com/jobs

Careers blog:
www.baloise.com/karriereblog

LinkedIn:
www.linkedin.com/company/baloisech

Instagram:
www.instagram.com/baloisejobs

Facebook:
www.facebook.com/baloisech

YouTube:
www.youtube.com/baloisegroup

How we create value for our customers

The insurance business is rooted in the principle of risk-sharing, the strengths of which are demonstrated when individuals are in most need of protection. Delivering the promised benefits and handling claims quickly and straightforwardly are key to the satisfaction of our customers and their trust in Baloise. We are partners for the financial security of our customers and we are there for them when they need help most urgently. Major loss events such as the storms and heavy rains experienced in Switzerland in early summer 2024 take their toll not only on our customers but also on the economies of the affected regions. Saastal in the canton of Valais was particularly affected, suffering flooding, landslides and debris flows. Our claims handling organisation and the general agency for Upper Valais joined forces to help all affected customers as quickly and efficiently as possible. The storms resulted in around CHF 80 million worth of claims across the whole of Valais. While it is events like these that illustrate the strengths and customer benefits of insurance in extreme situations, Baloise also creates value for its customers on an everyday basis.

Advisory quality is key

When it comes to advising customers, we apply the principle of lifelong learning to ensure customers always get to enjoy the benefits of the latest concepts and solutions. Cicero certification (the Swiss quality seal for advisory standards) requires customer advisers in Switzerland to undergo continuing professional development, and Baloise offers a huge range of training and education options for this purpose. Every customer adviser is obliged to act in accordance with the internal procedures and rules of conduct. Quality assurance spot checks and customer surveys are conducted at regular intervals. In total, 803 Baloise customer advisers hold Cicero certification, 62 of whom gained it for the first time in 2024. **www.cicero.ch**

During their basic training, advisers have to pass regular tests on specific subjects. This ensures that they have the expertise they need to be able to provide competent advice, especially in heavily advice-focused business lines. As sustainability is becoming an increasingly important aspect of customer advice, since 2024 customer advisers have undergone newly designed basic training in this area using a blended learning format.

Under the IDD (Insurance Distribution Directive), insurance brokers and advisers and all employees involved in selling insurance in Germany, Belgium and Luxembourg are legally required to complete at least 15 hours of training every year. This requirement is intended to ensure that employees keep their professional and personal skills up to date.

Sustainability for SMEs: support beyond insurance

Although it is not (yet) a legal requirement in Switzerland, small and medium-sized enterprises (SMEs) are increasingly being called upon to approach the sustainability in a more integrated way – and to provide evidence that they have done so. It is no longer enough to show that the economics of the business work. Employees, customers and investors are also interested in key sustainability figures. For many SMEs, however, sustainability remains a maze of certificates, unclear costs and many questions.

For Baloise, sustainable development means much more than just protecting our business as an insurance provider, bank and asset manager. We want to actively help shape social change and show SMEs how they can use sustainability as a competitive advantage. That is why, in Switzerland, we have set up a digital sustainability platform for SMEs (**www.baloise.ch/nachhaltig**) (only in German), where they can find background information, practical tips, useful tools and inspiration for their day-to-day operations. There are many of articles containing basic information on environmental, social and economic sustainability. Our aim is to raise companies' awareness now so that they can be successful in the long term.

finance4women: new routes to financial self-determination

Through our finance4women project, we are giving women in Switzerland knowledge, insights and background on their pension situation in a readily understandable, inspiring form. We show them how they can actively manage their pension situation, find their way through the maze of investment options and guarantee financial security for their nearest and dearest. We provide knowledge and empower women to take financial decisions confidently and independently in areas such as financial autonomy, financial planning for families and security within a partnership.

At the heart of the project is a very broad, search-engine-optimised collection of topics in three languages on the Baloise website (**www.baloise.ch/finance4women**). It is based on the subjects most searched for on Google and other search engines, and it is continuously updated. The

main focus is on the communication of information with practical tips – and without any direct sales intent. But knowledge alone is not enough. The topic must be packaged in an appealing way to generate interest. With this information resource, which is aimed at young women and women in families, we are addressing an important socio-political issue and thus investing in the future. The project not only improves financial understanding among women but is also changing the way Baloise is perceived.

Streamlining of our product portfolio

A streamlined product portfolio is essential for digitalisation and will make it easier for our customers and partners to interact with us. The wide variety of products creates complexity across the whole value chain, for example in claims handling, customer service and IT. This complexity is a significant cost driver and impairs our ability to respond quickly and appropriately.

Product simplification is an ongoing process within our core business. We have reduced the number of products by more than 10 per cent since 2019. This figure does not include the migration of acquired portfolios into existing Baloise products. The reduction in the number of products helps us to streamline our product portfolio, but is by no means the main driver. We likewise work continuously to refine products and processes, such as straight-through processing (STP).

The opinion of our customers is important

To measure the Net Promoter Score (NPS) and customer satisfaction, end customers (private clients and businesses) and brokers across the Group are actively questioned about their experience with Baloise. Feedback is requested automatically and immediately every time a customer has been in contact with Baloise.

The NPS programme helps us to see the world through the eyes of our customers. Our strategic business planning approach uses internal key performance indicators for monitoring and improvement purposes. This strengthens Baloise's customer-oriented culture. Our approach is based on three core principles:

- **Dialogue**
- **Responding to data**
- **Promoting change**

If major fluctuations in the customer experience scores of the tNPS (transactional Net Promoter Score) are noticed, this is documented and analysed. For example, the tNPS fell by several points in one customer service unit, and the subsequent investigation found that the high workload on employees had led to a delay in response times, which resulted in greater dissatisfaction among customers. No independent organisation was asked to measure satisfaction in 2024, but feedback was collected via reviews on Google, Trustpilot and Comparis, as well as directly from customers, and published on the website in the form of testimonials. In 2024, we also introduced a process to follow up with NPS passives. As with detractors, this involves following up on feedback from customers (in this case those who have given us mediocre ratings) to avoid losing them.

Customer satisfaction

Feedback – positive or negative – helps us to optimise our services. That is why we ask our customers for their opinion after various interactions.

In **Switzerland**, we ask new customers to rate their satisfaction with our customer onboarding process. Feedback is also requested at the end of a claims process and after contact with customer services or with a customer adviser.

In **Luxembourg**, we ask new customers to rate their satisfaction with the customer onboarding process. Feedback is also requested at the end of the claims process for standard products and claims as well as after any changes to their policy.

In **Germany**, customers are asked about the claims handling process for motor vehicle and property insurance products. Since 2023, we have also conducted broker satisfaction surveys at the application touchpoint in order to improve processes for business customers.

In **Belgium**, we ask customers about the claims handling process for fire and property insurance. We also took part in the Profacts benchmarking survey for the fifth time, which questions brokers about insurance companies and how it is to work with them.

The NPS Board Switzerland, an interdisciplinary and self-organised unit, continued its work in analysing the results of the NPS surveys and using its findings to devise measures to optimise processes. The Board successfully introduced several more initiatives last year, which were based on sound hypotheses and further optimised both internal processes and customer communications. The NPS Board was disbanded in the last quarter of the year as part of the refocusing strategy. However, a structured process is in place to feed ideas for optimisation that are identified within the departments to the former members of the NPS board, who are available to provide support if needed. Projects that have already begun will be pursued to completion by the former board members.

In **Luxembourg**, the priority for the next few years will be on commercial products ("Home" and "Drive"). Following the introduction of "Home 2" in the first quarter of 2024, Baloise **Luxembourg** is pursuing a strategy of diversifying its portfolio away from vehicle-based products. The next project will be to restructure the "Drive" product and improve the customer journey. Baloise will also use the feedback from customer surveys and incorporate it into the decision-making process through monthly analyses

and communication with the relevant departments. In-depth analyses will be carried out on request or if a new trend is identified from customer complaints.

In **Belgium**, a clear strategy was implemented in 2023 that is fully focused on a multifaceted market offering and supported by a unique operating model. The market offering focuses on profitable areas where we are growing and able to create an extraordinary Baloise experience. To ensure that we succeed here, we have strengthened our focus on brokers as the most important sales channel, are offering market standards and simplified products that deliver a stress-free experience, and are intensifying our tailored broker approach. We are improving the customer and partner experience through the use of the NPS programme and by pushing ahead with digitalisation. We help our brokers to create an efficient customer journey by concentrating on the digitalisation of administrative processes and STP (straight-through processing). For example, we have introduced a fully digital, customer-oriented customer journey for motor vehicle and property claims. We are also simplifying the digital sales process with a new lead generator for our private clients that features an integrated report generating function.

In **Germany**, satisfaction surveys were once again completed by end customers and, in line with the strategy, with a focus on brokers and sales partners. The findings help us to assess our performance and rate ourselves against the competition.

Omnichannel approach – using all channels to support our customers

The key to a seamless customer experience lies in the integration of physical and digital sales and communication channels. Whenever possible, we aim to communicate with our customers through their preferred channel. A strong insurance sales force that acts as an important point of contact for customers and their individual needs is essential to this approach. It is complemented by our telephone-based advisory service, Baloise Direct Line (BDL). In addition to these traditional channels, we use a variety of digital channels such as email, video consultations, our website, the myBaloise customer portal, social media and IT solutions like the Baloise Bank messaging service. In 2024, we launched a new channel with our chatbot "Helga". The AI-based chatbot is available 24/7 to answer numerous questions about our products and services. If the chatbot cannot answer a question, the customer is seamlessly switched to a live chat where the Baloise Direct Line advisers can expertly handle their query. The aim is to make contact between Baloise and its customers as simple and straightforward as possible. E-banking is now the norm for regular banking transactions. And no wonder: e-banking is fast and secure. More and more people are using smartphone apps for this, enabling them to do their banking conveniently from home or on the go. The advantages are clear: 24/7 access from any location, with enhanced security through the use of a banking app. In 2024, Baloise Bank updated the technology and look of its e-banking service, creating a new basis for future enhancements on its way to becoming a full-service financial platform. Over a period of two and a half months, 49,000 e-banking users were migrated to the new system in four phases without any major error or incident. The majority of customer feedback has been positive. Our new e-banking and mobile banking service has won the "Best of Swiss Software Award" in the "Core Business Integration" category.

In 2024, Baloise in Belgium stepped up its collaboration with the selection of brokers who are active in the lead generator programme, increasing the number of leads by 30 per cent. The lead generator for property insurance products allows us to be present where the customer journey often begins: online. The potential customer is targeted through online ads, followed by a web-based price calculation. The contract is signed in the broker's office, creating a consistent and valuable connection between the online behaviour of the modern customer and the network of independent brokers. In 2024, Baloise in Belgium also took an additional stake in Telebib, a service that facilitates the exchange of data with brokers via its broker platform. Telebib allows our brokers to easily manage end customer data, irrespective of which platform they work on or where the customer data is stored.

Customer engagement – personalised and individual contact

In Switzerland, we continued our focus on personalised and individual communication with our customers in 2024. Our advanced marketing automation software remains at the core of our successful, data-driven customer communication. The software enables us to create a wide variety of customer journeys, from awareness measures to cross-selling and upselling. The aim is that recipients should automatically receive information that is relevant to them at the right time. To push ahead with the development of our marketing automation platform, the Marketing Automation working group was expanded in 2024 with additional resources from data analytics. This increased capacity made the working group more professional, and it now produces quarterly roadmaps in close collaboration with the departments. This team plays an even more central role, ensuring not only the seamless operation of the platform but also optimisation by using the insights generated to adapt existing measures and develop new ones.

A particular highlight in 2024 was the development of a personalised birthday video. This new project follows on from our previous successes, which included a personalised "thank you" video and an onboarding video for new customers.

Baloise in Germany began to roll out a new telephone system from market leader Genesys in the service departments in summer 2024. In combination with the customer relationship management portal from software provider BSI, which had been introduced at an earlier date, this created the basis for a 360° view of customers that now also includes telephone requests. This means that finance partners now have better information on which to base their advice and can process customer requests in a much more service-oriented way.

Innovations and awards

Luxembourg
MoveMe is an innovative start-up that emerged from the Incubator at the University of Luxembourg in partnership with Baloise in Luxembourg. Its aim is to simplify the relocation process for future students. Together with big-name partners such as POST and Spuerkeess, we are committed to optimising the administrative processes for new arrivals in Luxembourg through this free, personalised web platform. MoveMe is a bespoke solution that supports students both before and after their arrival in the Grand Duchy by centralising all the necessary administrative processes in accordance with the profile, nationality and arrival date of the user. The initiative seeks to enable a smooth, stress-free move by reducing formalities and offering an intuitive and simplified user experience.

Germany
Our income protection insurance has once again been given the best possible rating of "very good" by Finanzen, a magazine published by the German consumer organisation Stiftung Warentest. In non-life insurance, our high-performing products all hold top ratings. This includes accident insurance, which won the German Insurance Award for the third time running and, for the first time, was awarded 'test winner' and '2024 insurance product of the year' by DISQ (focus on innovation value and benefit); cyber insurance received top marks from Franke & Bornberg, while our rent deposit insurance was placed first by Check AWARD.

Customers whose cars are insured with Baloise have the option to have damage to their vehicle repaired at one of Baloise's partner workshops. Our partners are selected on the basis of very strict criteria and are among the most innovative companies in their sector. They use the SMART repair process, which incorporates a variety of methods to repair minor damage on vehicles. Dents or scratches on the bodywork are easily fixed. This modern repair method produces significantly fewer harmful and environmentally damaging emissions. Our partner workshops are highly professional and knowledgeable. Customers with comprehensive insurance who choose to have repairs carried out in Baloise's partner network of workshops enjoy exclusive benefits such as reduced premiums or excess, a free replacement vehicle while their car is being repaired, and a collect-and-return service within the area served by the partner workshop. If a damaged windscreen is repaired instead of being replaced, the excess is waived. The contractual commitment of the partner workshops to apply the principle of repair before replacement means we are making a valuable contribution to sustainability.

Luxembourg
We observed an increase in the average cost of glass-related claims in 2024, including those carried out by our partner Carglass. To address this, we reviewed our workshop network and ultimately decided to retain Autoglas and Carglass as key partners. We worked closely with Carglass to bring down the cost of windscreen repairs and increase the use of preventive options. We are also encouraging our network of agents to refer their customers to specialist workshops instead of the manufacturer's authorised repairers. A new awareness-raising campaign is designed to help advisers and brokers inform their customers about more cost-effective options. Our preferred partners are also featured prominently on the myBaloise portal to help customers reach a decision.

Belgium
Customers in Belgium who choose to have their car repaired in Baloise's partner network of workshops enjoy exclusive benefits such as reduced excess, a free replacement vehicle while their car is being repaired, a collect-and-return service for the damaged vehicle, a safety check and a three-year guarantee. A qualified team of internal vehicle experts monitors the average costs, the ratio of repairs to replacements, the SMART repair rate and the service quality of the bodyshops. They check whether the workshops have sustainability designations such as "sustainable repair" or "long-life repair". They also follow up complaints and draw up action plans for poorly performing providers. Carglass repairs 70 per cent of damaged windscreens. As the repair rate is above 50 per cent, they have better average costs than other companies in this area. Particular attention is paid to the calibration of driver assistance systems (ADAS) to guarantee the safety of the driver, the passengers and the other road users who could be put at risk. If a damaged windscreen is repaired or replaced, no excess is payable, even if the repair or replacement is carried out by a workshop that is not a member of our partner network.

Germany
The more parts of a vehicle that are repaired rather than replaced, the more sustainable the repair of accident damage to our customers' vehicles becomes. This is the principle that guides our partner workshops. The aim is thus to encourage more customers to use partner workshops instead of branded workshops, so we can be more sustainable together. With "Workshop Service Premium", Baloise chooses the partner workshop. Customers in Germany who have their car repaired in Baloise's network of partner workshops enjoy exclusive benefits such as a free replacement vehicle while their car is being repaired, a collect-and-return service for the damaged vehicle, and free internal and external valeting of the damaged vehicle.

Sustainability criteria in the underwriting policy – responsible underwriting

We are a reliable insurance partner and take our responsibility in the underwriting of risk seriously. Our products and services support sustainable behaviour in the changing business models involving insurance for companies and individuals. We work in partnership to overcome the challenges of sustainable growth.

Since signing up to the Principles for Sustainable Insurance (PSI) in August 2020, we have integrated sustainability matters into our underwriting guidelines. Our assessment process ensures that we meet our commitments and create a risk management tool that supports the transition to sustainable business models, minimises losses and mitigates risk.

This view of risk is complemented by the exploitation of opportunities. For example, we encourage the use of renewable energy sources by offering suitable insurance solutions.

Assessment process
We began evaluating sustainability risks based on exclusions and sensitive areas in 2022. This process involves both the relevant departments and our sustainability experts. Requests for a quotation are examined on the basis of their allocation to the exclusions or sensitive areas. This review is partly automated. If the activity to be insured falls within a defined exclusion or sensitive area, the department makes an assessment of the risk. This assessment considers the requested insurance volume, the company's revenue and details of its activity. If the revenue and insurance volumes exceed a defined threshold, a review must be carried out within the Underwriting ESG Boards of the relevant national subsidiaries. Training and a software solution to assess sustainability risks at companies are available to ensure the assessment expertise (see the chapter "Risk management", page 52).

Transition, exclusions and sensitive areas
The integration of environmental, social and corporate governance criteria in our underwriting guidelines requires certain economic activities to be subject to a pre-contractual ESG assessment. Existing relationships in these risk areas are also subject to these guidelines. These have already been assessed and are currently in the three-year transition phase. The plan for structured and personal customer dialogue has been implemented. We stress the need for the development of a sustainable business model as a condition for continued partnership. To date, this has not resulted in the termination of any relationships.

Certain sections of the value chain, such as production, manufacturing or deinstallation/dismantlement, are excluded for the following economic activities:

- Fossil fuels
- Tobacco products
- Infrastructure and dam construction with a critical impact on protected areas in non-OECD countries
- Controversial weapons
- Fast fashion

These exclusions are consistent with our responsible investment policy.

Additional clarifications are essential for economic activities in sensitive areas. These include the existence of a sustainability strategy, defined sustainability targets, commitments to accepted industry standards and sustainability reporting. The sensitive areas include the following seven economic activities:

- Livestock breeding and farming
- Food and drink production
- Infrastructure with critical impact and dam construction in non-OECD countries
- Nuclear energy
- Mining and specialist mining
- Financial institutions
- Weapons

Baloise has published the Group-wide results of the ESG assessments in underwriting for the life and non-life businesses since 2022. For the first time, the rejections published this year include information on which exclusions or sensitive areas are affected.

A rejection relates to the sensitive area "financial institutions" if the business concerned is a Swiss subsidiary of a foreign bank.

Group-wide results of the ESG assessments in underwriting in Switzerland, Germany, Belgium and Luxembourg

	2024		2023	
	Non-life	**Life**	**Non-life**	**Life**
Rejection of request following audit by sustainability managers and / or UW ESG Advisory Group	8	0	5	1
Acceptance of request following audit by sustainability managers and / or UW ESG Advisory Group	49	6	32	6
Total requests	**57**	**6**	**37**	**7**

The above figures refer exclusively to new business. In Germany, the life business only consists of private clients, who are not subject to this assessment. The increase in numbers is due to the use of an automated solution that led to more matches, especially for infrastructure projects and in food and drink production.
The rejections in 2024 related to the following economic activities: fast fashion, food and drink production, weapons, financial institutions, and livestock breeding and farming.

How we create value for society

Baloise sees itself as a company that engages in dialogue with all relevant stakeholders and offers them long-term added value through its services. "Society" is also a stakeholder in this regard. We want our Company to be a valued member of society by being a reliable partner to all our stakeholders.

Taking responsibility

We see our Company as part of the sustainable development of a stable society and a healthy environment, and we therefore believe we have a responsibility to society in our role as a corporate citizen. We conduct our business activities in accordance with the relevant legal provisions and therefore in compliance with the basic rights enshrined in the constitution of the Swiss Confederation, such as human rights (see also page 205 onwards in the chapter "Governance information" of the report on non-financial matters).

Our business model plays an important part in maintaining society's prosperity. Our products and services enable companies and private individuals to take risks that they would not be able to manage on their own without great financial expense. Companies can develop and grow sustainably, and private individuals enjoy greater financial security. This also prevents potential social inequalities based on financial opportunities and contributes to an equitable society. The insurability of risks and reliable, long-term financial provision in retirement are important elements of a society's social equality. Insurance companies play an important role here. We fulfil our responsibility to society by sharing risks and costs and operating our business in a forward-looking and innovative way. This means weighing up the positive and negative consequences of our decisions and actions on fundamental issues for our business, society and the environment.

The claims and benefits paid to our customers reflect the contribution that they do not have to pay themselves or, in extreme cases, would have to come from the public purse. These payments therefore underpin the resilience of the economy. In the non-life business, they include claims paid under products, such as contents insurance, liability insurance and motor vehicle insurance, and particularly natural disaster insurance. In the life business, they include annuities and benefits paid out from life insurance policies.

Claims and benefits paid

CHF million	2024	2023
Non-life	2,623.7	2,530.9
Life	4,785.4	4,473.6
Total	**7,409.1**	**7,004.5**

The payments recognised mainly comprise claims payments including claims handling costs in the non-life segment and insurance benefits paid including investment components and surrenders in the life segment.

Responsible investment for society

We take our role in society as a responsible custodian of assets seriously, which is why the asset management team is continuously developing its responsible investment strategy. We also pursue an active ownership approach. The objective of our active ownership strategy is to generate a long-term, positive risk-return ratio and mitigate risk for customers. We also aim to use the funds entrusted to us and the financial strength this gives us to persuade the management of our portfolio companies to address ESG-related risks and exploit the opportunities.

We again published our active ownership review in 2024: **www.baloise.com/active-ownership-review**

For more information on our responsible investment strategy, see page 56 in the chapter "Responsible investment".

ESG criteria in our underwriting policy

We began applying social criteria in addition to environmental and corporate governance criteria in our underwriting guidelines in 2022. This means we will no longer insure certain economic activities or grant existing customers in these areas a transition period. In addition to risks such as climate change, bribery and corruption, risks that have a direct impact on social conditions will be taken into account. These risks can be divided into non-sustainable practices, human rights and employment rights, product quality and safety, and healthcare.

For further information on the integration of ESG criteria into our underwriting policy, see page 32 onwards in the "Sustainability criteria in the underwriting policy – responsible underwriting" section of the chapter "Customers".

Our social responsibility

Corporate social responsibility is the part of our approach to sustainability that focuses on society and the environment. We have been a committed advocate of voluntary work for many years and encourage employees in all parts of the Baloise Group to engage in voluntary activities. In 2015, we became a signatory to the declaration by economiesuisse (the umbrella organisation representing Swiss business) and the Swiss Employers Confederation. The declaration requires companies to offer flexible working conditions and working time models that enable employees to participate in voluntary work. Baloise not only encourages its employees to engage in voluntary activities by holding annual events but also meets its own responsibility to society as a commercial organisation. Two of our employees in Switzerland are currently members of cantonal parliaments, and many others are involved in politics at local level. Furthermore, Baloise creates and preserves jobs that add value and pays taxes from its profits that help to fund the public sector. The majority of these taxes are payable in Switzerland.

Taxes paid

	2024	2023
CHF million		
Taxes paid	65.6	35.9

See 2024 Annual Report, page 240 'Consolidated cash flow statement'

The profits we generate enable us to be an active partner in many areas of society. Baloise supports a number of charitable projects and initiatives in its national subsidiaries, which can be roughly divided into the following categories:

1. **Community and good causes**
2. **Environmental protection and climate action**
3. **Healthcare**
4. **Education and research**
5. **Innovation and safety**

Our national subsidiaries decide which projects they wish to be involved in within the scope of the Baloise CSR Charter. **www.baloise.com/csr-charta**

Baloise and its employees made total charitable donations of more than CHF 605,000 in 2024, which equates to around CHF 76 per employee. This sum consists solely of financial donations that were given to organisations which serve the common good or a charitable purpose or which promote environmental protection. It does not include the donations of goods, expenses incurred for the organisation of volunteering activities, support for events staged for the common good, or financial support for organisations and events that serve an educational purpose.

Once again, employees at all our offices took part in voluntary activities for the benefit of society and/or the environment in 2024. Employees were allowed to carry out some of these activities during working hours.
www.baloise.com/csr

In **Switzerland**, volunteers organised two blood donation drives. On Good Deed Day, they rolled up their sleeves and worked at Waldenstein organic farm in the Jura mountains in the canton of Solothurn. They were also involved in sports for disabled persons at the PluSport Event and took part in the Basel City Run, with Baloise making a donation for every runner.

In **Belgium**, employees joined in the Sustainable Mobility Week & Bike Check. Baloise employees were encouraged to register and take part in a nationwide quiz and a free bike check or basic bike repair workshop. They also participated in Baloise For Life, a week of charity activities that takes place every year. All the money collected went to charitable organisations nominated by the employees.

All employees in **Germany** tracked their sporting activities over the summer and reported their total kilometres as part of the Running Challenge initiative. The Baloise Executive Committee in Germany made a contribution for each kilometre achieved, resulting in a sum of EUR 6,500 being donated to community organisations. A total of 35 Baloise employees took part in Volunteer Day. In Bad Homburg, they helped the city council sweep up leaves in a cemetery. In Hamburg, they visited a retirement home run by the German Workers' Welfare Association and spent time with the residents. At the end of the year, Baloise organised a concert for current and former employees and their families at St. Michael's Church in Hamburg. The event raised a total of EUR 21,500 for community organisations.

In **Luxembourg**, employees focused their volunteering efforts on cancer sufferers. Baloise teams took part in 24 hours of sport over the course of a weekend as part of the Relay For Life event. They entered the LËTZ GO GOLD charity run to raise funds for research into childhood cancer and also took part in October Rose, a five-kilometre race organised by Baloise. This raised EUR 1,800 for Luxembourg's Cancer Foundation in 2024, and this sum was matched by Baloise.

Sponsorship activities

Baloise is committed to promoting cultural diversity in **Switzerland**, particularly in the areas of art and music. At the heart of our activity is our Baloise – We Music sponsorship strategy, which encompasses four different platforms. We are the presenting sponsor of the boutique music festival Baloise Session and organisers of Baloise Exclusive, a dedicated concert evening for around 1,500 guests that we host as part of the Baloise Session. To bring music to other parts of the country, we organise the Baloise on Tour concert series. Our wide-ranging commitment to music is

rounded off with the Baloise Summer Stage, a concert for our employees at the Company's headquarters in Basel.

Music brings people together and embodies emotion, partnership and innovation – values that are central to Baloise. Via our platforms, we are able to communicate these values to more than 20,000 concertgoers, customers and employees every year and bring them to life through live events. Music is and has always been an important part of Baloise, and will remain so in the future.

In **Belgium**, we are a major sponsor of sports, especially cycling. Team Flanders-Baloise, Baloise Wallonie Bruxelles Ladies and Baloise Trek Lions are three professional cycling teams that compete under the Baloise name. They participate in the Benelux races of the pro tour and on the international calendar of the continental professional cycling teams in Europe. The teams have a clear vision. They are committed to the development of young, local talent and offer the professional support required. We also sponsor the Baloise Belgium Tour and the Baloise Ladies Tour, two international multistage cycling events that take place in Belgium. In addition, we are a key partner of the Belgian football club KAA Gent and the named partner of the Baloise Antwerp 10 Miles, Belgium's biggest running event that attracts more than 30,000 participants and a large media presence. In the south of the country, Baloise is the named partner of the Baloise Namur Marathon, an event involving 10,000 participants.

In the area of arts and culture, Baloise encourages cultural dialogue among the public through the Noordstarfonds in Belgium. The Noordstarfonds is a non-profit organisation run by Baloise in Belgium that was established in the middle of the 20th century to promote art, culture and the Dutch language among the Flemish population. This charitable organisation has its own concert hall, the Handelsbeurs, in Ghent. The Noordstarfonds currently focuses on promoting various music genres and creating a bridge between these genres. Baloise works with Noordstarfonds to present Baloise On Stage, a cultural programme that supports established artists who work with talented young artists.

In **Luxembourg**, we sponsor beehives as part of our commitment to help the environment. They are managed by the Luxembourg organic bee farm Honapi Luxembourg, which runs a sustainable beekeeping business in partnership with gardeners.

In **Germany**, we have been a platinum partner of the Bad Homburg Open, a WTA grass-court tennis tournament, since 2022. This sponsorship raises the profile of Baloise in Germany, as the stands of the two outside courts are fully Baloise-branded. Furthermore, the fan zone in the Bad Homburg spa gardens, which is open to the public free of charge, is named the Baloise Park Village.
https://badhomburg-open.de/en/home/
www.baloise.de/de/ueber-uns/bad-homburg-open

Our commitment to art

Our art collection is an important part of the Baloise corporate culture. Works from the collection are on permanent display and exhibitions are held at Art Forum Baloise Park. The collection also sends pieces out on temporary loan to museums. Our website at **www.baloiseart.com** provides an in-depth insight into our commitment to art, which we pursue with a passion.

Corporate collecting – engrained in the culture at Baloise
The principal objective of our acquisitions is to enhance our collection and contribute to the Baloise corporate culture, so selected works are always on display in foyers, corridors, meeting rooms, offices and reception rooms that are open to the public. Since 2023, individual pieces from our collection have also been displayed at the locations of our national subsidiaries in Luxembourg and Belgium and at various Baloise sites in Switzerland.

Baloise Art Prize
We have been committed to providing access to successful careers in insurance and banking through our training and development programmes for more than 30 years. Our support for contemporary art also forms part of this approach. Through acquisitions for our own collection and the awarding of the annual Baloise Art Prize, we are supporting the development of young and emerging artistic talent. In 2024, the 25th anniversary year, the coveted Baloise Art Prize was once again awarded to two talented young artists: Tiffany Sia (born 1988) and Ahmed Umar (born 1988). Interviews are available online at **www.baloiseart.com**.

Art Forum Baloise Park
Under the guidance of Frédérique Hutter, art adviser and Art Forum curator, we open our publicly accessible exhibition space to young curators. Twice a year, they are given the opportunity to put their newly acquired expertise into practice by curating an exhibition on a current theme, which must include at least one work from the Baloise collection. Baloise supports these exhibitions with its knowledge in the areas of art handling, documentation, publicity and communication.

Acquisitions for the art collection
The art commission comprises six employees from various parts of the Company who are knowledgeable and passionate about art, as well as our art adviser (see above). Since 2022, the art commission has focused its attention on emerging artists, preferably those based in Baloise's core markets. The decisive factor for inclusion in the collection is the persuasive quality of the work, which should also reflect our corporate values. In 2024, works by artists including Clara Brörmann and Nel Aerts, Paula Santomé, Rebekka Steiger, Mitchell Anderson, Fabio Luks and Gil Pellaton were added to our collection.
www.baloiseart.com

Untitled, 2023
Rebekka Steiger
Acrylic ink on canvas, 140 x 195.5 x 4cm

Web links to the activities of the national subsidiaries

- Switzerland
  www.baloise.ch/de/ueber-uns/engagement
- Germany
  www.basler.de/de/ueber-uns/nachhaltigkeit
- Belgium
  www.baloise.be/nl/over-ons/csr-en-sponsoring
- Luxembourg
  www.baloise.lu/unsere-verantwortung

Review of operating performance

Baloise delivers an operationally successful year and increases its dividend

From an operational perspective, 2024 was a successful year for Baloise, which saw it tangibly improve its core business. Our recently launched refocusing strategy has begun to have a visible impact on the performance of our business and its ability to generate value, as our annual results show, with an improved combined ratio and a higher return on equity. Thanks to strong cash remittance of CHF 565 million, we are well on track to achieving our target of more than CHF 2 billion cash remittance in the period 2024–2027. This success is the result of our focused endeavours and reinforces our commitment to pursuing our targeted course of action. Based on the high level of cash remittance and an improvement in underlying business, we intend to maintain our attractive shareholder policy and propose an increase of CHF 0.40 in the dividend per share to CHF 8.10. As announced, we also intend to supplement the ordinary dividend with a share buy-back of up to CHF 100 million.

Annual financial results in brief

- **Profit attributable to shareholders** for 2024 amounted to CHF 384.8 million (2023: CHF 239.6 million), which was an outstanding 60.6 per cent higher than in 2023 when a lot of claims were made. All countries increased their EBIT contribution . The previously announced sale of FRIDAY and the discontinuation of the ecosystem strategy will have a negative effect of CHF 92 million on profit attributable to shareholders in accordance with IFRS. These steps will also impact on the statutory earnings of Baloise Holding Ltd calculated in accordance with the Swiss Code of Obligations (OR).

- Adjusted for exceptional non-operating items of CHF 92 million, **return on equity** amounts to 13.9 per cent, which is considerably higher than the prior-year figure of 7.2 per cent.

- The **Group's volume of business** was slightly lower than in the prior year at CHF 8,603.7 million (2023: CHF 8,618.1 million). This equated to a decrease of 0.2 per cent. Adjusted for currency effects, there was an increase of 0.9 per cent.

- In the **non-life business**, the volume of premiums rose by 2.2 per cent in local currency terms, or 0.9 per cent in Swiss francs, to CHF 4,120.2 million (2023: CHF 4,081.6 million). Particularly strong growth was generated in Germany (8.7 per cent in local currency terms) and Luxembourg (6.7 per cent in local currency terms).

- The **combined ratio** of the Group was reduced significantly to stand at 92.9 per cent (2023: 94.6 per cent*). This positive result was achieved despite an again increased level of storm-related claims in Switzerland in the first half of 2024.

- **Profit before borrowing costs and taxes in the non-life business (EBIT)** climbed to CHF 261.1 million (2023: CHF 134.0 million). This was due to an improvement in gains and losses on investments, and a lower level of large claims incurred compared with 2023.

- The level of **gross premiums in the life business** reflected the continuing trend towards semi-autonomous occupational pension solutions. The volume of premiums in the traditional life insurance business fell by 5.2 per cent year on year in local currency terms or 5.8 per cent in Swiss francs to CHF 3,435.4 million (2023: CHF 3,648.0 million).

* Restated prior-year figure

- The **new business margin** in the life business stood at 4.9 per cent in 2024 (2023: 6.5 per cent). The interest margin came to 135 basis points (2023: 137 basis points).

- **EBIT in the life business** rose by a very healthy 39.0 per cent to CHF 282.3 million, which was considerably higher than in the prior year (2023: CHF 203.1 million*). Besides a larger amount being released from the contractual service margin (CSM), this improvement was due to a positive non-recurring effect in other income following the updating of actuarial assumptions.

- As at 31 December 2024, the total assets under management (AuM) of Baloise Asset Management stood at CHF 59.5 billion, a rise of 2.8 per cent compared with the end of the prior year (31 December 2023: CHF 57.9 billion). **EBIT for Asset Management & Banking** amounted to CHF 89.1 million (2023: CHF 82.3 million).

- Baloise's **capitalisation** remained reliably robust. S&P Global Ratings (S&P) confirmed its **A+ rating** with a stable outlook for the Baloise Group in June 2024. **Comprehensive equity** increased to CHF 7,634.4 million as at 31 December 2024 (31 December 2023: CHF 7,170.9 million). This was due to both an increase in equity of CHF 3,629.7 million (31 December 2023: CHF 3,250.0 million) and a higher CSM (after taxes) of CHF 4,004.7 million (31 December 2023: CHF 3,921.0 million). We expect the **Swiss Solvency Test (SST) ratio** as at 1 January 2025 to be just over 200 per cent (1 January 2024: 207 per cent).

- In 2024, **cash remittance** increased to CHF 565 million (2023: CHF 493 million). This includes a positive non-recurring effect of CHF 62 million from the optimisation of a Belgian run-off life insurance portfolio in 2023.

- The reliable and increased level of cash remittance allows Baloise to maintain its attractive shareholder policy. The Board of Directors of Baloise Holding Ltd therefore intends to ask the Annual General Meeting 2025 to **increase the dividend** by CHF 0.40 to CHF 8.10 per share. We also plan to supplement the ordinary dividend with a **share buy-back** of CHF 100 million. All in all, this will give rise to a much higher total **cash payout ratio** of 83 per cent for 2024 (2023: 72 per cent).

Profit and business volume

Growing profit confirms successful implementation of the strategy

Baloise grew its profit considerably in 2024. **Profit attributable to shareholders** increased to CHF 384.8 million, which equated to growth of 60.6 per cent year on year (2023: CHF 239.6 million). This includes negative non-recurring items of around CHF 92 million from the sale of FRIDAY and the discontinuation of the ecosystem strategy. Adjusted for these non-recurring effects, profit attributable to shareholders stood at a healthy CHF 476.9 million.

The Group's **profit before borrowing costs and taxes (EBIT)** was also much higher as a result, recording a 58.3 per cent increase compared with the prior year to CHF 545.3 million (2023: CHF 344.4 million). Non-life and life business and Asset Management & Banking contributed to this improved result, with all national subsidiaries contributing too.

The biggest contribution to EBIT came from business in Switzerland, which saw a substantial improvement from CHF 166.2 million in 2023 to CHF 358.5 million in 2024. With strong EBIT growth as a whole, contributions to the overall increase came from the companies in Belgium, with CHF 153.3 million (2023: CHF 111.7 million), Germany, with CHF 102.2 million (2023: CHF 93.6 million), and Luxembourg, with CHF 34.4 million (2023: CHF 18.2 million). This positive performance reinforces our commitment to implementing our refocusing strategy, which we presented in September.

Due to adverse currency effects, the **Group's volume of business** edged down by 0.2 per cent year on year to CHF 8,603.7 million (2023: CHF 8,618.1 million). Adjusted for currency effects, the increase was 0.9 per cent. Growth in the target segments was outweighed to some extent by the decline in traditional life business.

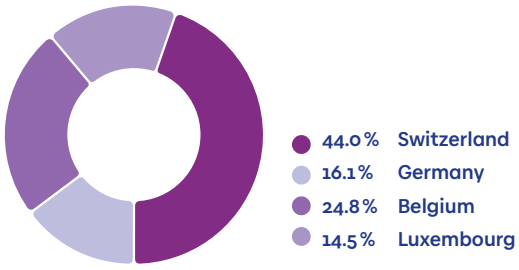
The volume of **investment-type premiums** improved to CHF 1,048.2 million (2023: CHF 888.5 million) on the back of a product relaunch in Belgium and higher contributions from Luxembourg.

Business volume

CHF million	2024	2023	+/– %
Total business volume	**8,603.7**	**8,618.1**	**–0.2**
Gross premiums written Non-life	4,120.2	4,081.6	0.9
Gross premiums written Life	3,435.4	3,648.0	–5.8
Investment-type premiums	1,048.2	888.5	18.0

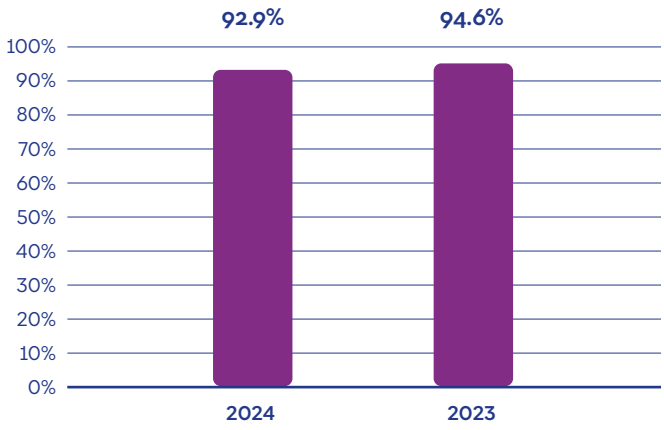
* Restated prior-year figure

Business volume in 2024 (gross)
by strategic business unit[1]



[1] 0.6 % group business

Development of combined ratio



Insurance business

Strong increase in profitability in non-life business

Baloise's non-life business fared well in 2024 despite the persistently high level of claims incurred in Switzerland. While 2023 saw an unusually high level of claims incurred, the first half of 2024 was shaped by a large number of storm-related claims that affected the financial results. The segment continued to strengthen nevertheless as a result of decisive changes to insurance rates and profitable growth.

The entire **volume of premiums** rose by 2.2 per cent in local currency terms, or 0.9 per cent in Swiss francs, to CHF 4,120.2 million (2023: CHF 4,081.6 million), which was attributable chiefly to strong growth in Germany and Luxembourg. In Switzerland, the non-life portfolio grew by 1.1 per cent to CHF 1,485.6 million (2023: CHF 1,468.7 million). The slightly lower growth compared with 2023 was attributable to the performance of individual insurance sectors. Good growth in property and liability insurance was partially offset by negative volume effects in motor vehicle, accident and marine insurance – due to a stronger focus on profitability. The volume of premiums in Belgium declined slightly to CHF 1,550.8 million (2023: CHF 1,589.7 million) as result of initiatives to improve profitability in motor vehicle business and a far-reaching exit from marine business under the refocusing strategy. Adjusted for currency effects and the portfolio disposals in the marine business, growth in Belgian non-life business came to just over 3 per cent in 2024. Business in Germany registered the highest rate of growth of 8.7 per cent in local currency terms, or 6.5 per cent in Swiss francs, to CHF 869.8 million (2023: CHF 816.5 million) – due to strong new business and inflation-related changes in insurance rates that we successfully pushed through. Business in Luxembourg was very encouraging with an increase of 6.7 per cent in local currency terms, or 4.6 per cent in Swiss francs, to CHF 161.8 million (2023: CHF 154.6 million).

Baloise boosted its profitability further in the non-life segment and, despite a high level of storm-related expenses in the first half of 2024, improved its **combined ratio** to 92.9 per cent (2023: 94.6 per cent*). This was attributable mainly to a lower level of claims in the second half of 2024. The expense ratio improved marginally to 29.9 per cent (2023: 30.0 per cent).

Gains or losses on investments in the non-life segment improved significantly and amounted to a net gain of CHF 198.4 million in 2024. Current income increased to CHF 207.8 million. Gains recognised in the income statement amounted to CHF 17.4 million. Positive movements in the Swiss real estate market and stock market had a favourable impact on the result. The gains on investment recognised in other comprehensive income (OCI) amounted to CHF 78.4 million. These were attributable to the fall in yields on bonds denominated in Swiss francs and the slight narrowing of credit spreads. Overall, investment performance of the non-life business stood at 2.9 per cent.

EBIT attributable to the non-life business rose sharply to CHF 261.1 million (2023: CHF 134.0 million). This was a result of the lower level of claims incurred in 2024 and the improved investment result.

Trend towards semi-autonomous solutions in life business and exceptionally strong EBIT growth

The **volume of business in the life business** (premiums written and investment-type premiums) deteriorated by 0.2 per cent in local currency terms, or 1.2 per cent in Swiss francs, to CHF 4,483.6 million (2023: CHF 4,536.5 million). This was due largely to a lower volume of premiums in Swiss group life business.

Gross premiums written in life business declined by 5.2 per cent in local currency terms, or 5.8 per cent in Swiss francs, to CHF 3,435.4 million (2023: CHF 3,648.0 million). In Switzerland, a lower level of demand in group life led to a decline of 10.5 per cent to CHF 2,249.4 million (2023: CHF 2,513.4 million).

Business with semi-autonomous solutions in Switzerland, by contrast, recorded good growth. The **Perspectiva Collective Foundation** continued to report unbridled growth in 2024. Thanks to huge demand for semi-autonomous pension solutions, the number of companies signing up rose to 5,186 (2023: 4,903) with some 22,750 policyholders, while assets under management (AuM) increased by 20 per cent to CHF 1.9 billion (2023: CHF 1.6 billion). The foundation's return on investment stood at 9.2 per cent.

* Restated prior-year figure

Key figures for the national companies

Key figures for Switzerland

	2024	2023	+/– %
CHF million			
Business volume	3,785.4	4,025.7	–6.0
of which: Non-life	1,485.6	1,468.7	1.1
of which: Life [1]	2,299.8	2,557.0	–10.1
Combined ratio (per cent) [2]	92.5	99.2	–6.7
Profit before borrowing costs and taxes	358.5	166.2	115.7

Key figures for Belgium

	2024	2023	+/– %
CHF million			
Business volume	2,131.3	2,085.7	2.2
of which: Non-life	1,550.8	1,589.7	–2.4
of which: Life [1]	580.5	496.0	17.0
Combined ratio (per cent) [2]	91.3	90.6	0.7
Profit before borrowing costs and taxes	153.3	111.7	37.2

Key figures for Germany

	2024	2023	+/– %
CHF million			
Business volume	1,383.9	1,316.3	5.1
of which: Non-life	869.8	816.5	6.5
of which: Life [1]	514.1	499.8	2.9
Combined ratio (per cent) [2]	93.3	90.9	2.4
Profit before borrowing costs and taxes	102.2	93.6	9.2

Key figures for Luxembourg

	2024	2023	+/– %
CHF million			
Business volume	1,250.9	1,138.3	9.9
of which: Non-life	161.8	154.6	4.6
of which: Life [1]	1,089.2	983.6	10.7
Combined ratio (per cent) [2]	97.1	90.5	6.6
Profit before borrowing costs and taxes	34.4	18.2	89.0

1 Including investment-type premiums.
2 The previous year's figures have been adjusted in accordance with the new calculation method.

Assets held by Baloise

as at 31 December 2024	Non-life	Life	Asset Management & Banking	Total for the Group [1]
CHF million				
Investments for own account and at own risk	9,446.4	39,260.3	9,306.6	58,683.6
Asset portfolio for the account and at the risk of customers and third parties	–	17,274.3	–	18,043.5
Total recognised assets	**9,446.4**	**56,534.6**	**9,306.6**	**76,727.1**
Third-party assets				16,834.0

as at 31 December 2023	Non-life	Life	Asset Management & Banking	Total for the Group [1]
CHF million				
Investments for own account and at own risk	9,391.2	40,065.6	8,654.5	58,742.3
Asset portfolio for the account and at the risk of customers and third parties	–	15,667.4	–	16,252.8
Total recognised assets	**9,391.2**	**55,732.9**	**8,654.5**	**74,995.1**
Third-party assets				14,993.0

1 Including Group business and elimination.

The Belgian life business was on a par with the prior year at CHF 471.6 million (2023: CHF 482.0 million).

Life business was encouraging in Germany and in Luxembourg, with growth in German life business outstripping the market in the target segments. The volume of premiums grew by 4.9 per cent in local currency terms, or 2.9 per cent in Swiss francs, to CHF 514.1 million (2023: CHF 499.8 million). In Luxembourg, life business increased by a strong 33.7 per cent in local currency terms, or by 31.1 per cent in Swiss francs, to CHF 200.3 million (2023: CHF 152.8 million) due to additional major contracts in occupational pensions.

Investment-type premiums amounting to CHF 1,048.2 million (2023: CHF 888.5 million) were written in 2024. This equates to an increase of 20.2 per cent in local currency terms and of 18.0 per cent in Swiss francs. Belgium registered the most growth. Our business unit in Luxembourg continued to account for the biggest share of investment-type premiums at CHF 888.8 million.

Gains or losses on investments in the life segment amounted to a net gain of CHF 1.3 billion. Current income deteriorated by CHF 46.5 million to CHF 870.3 million owing to a smaller investment portfolio. The fall in yields on bonds denominated in Swiss francs and the slight narrowing of credit spreads had a positive impact on the fair values of bonds. Movements in currencies and the stock market also had a favourable impact. However, these effects were partially offset by the persistently high cost of currency hedging. Growth in the Swiss real estate market was unable to compensate for a contraction in the real estate market in the eurozone. The positive change in fair value reported in the income statement came to CHF 512.4 million. The investment performance of the life business stood at 3.1 per cent in 2024.

EBIT in the life business went up significantly year on year to stand at CHF 282.3 million (2023: CHF 203.1 million*). This growth stemmed from updated assumptions used to calculate the yield curve, which led to a larger amount being released from the contractual service margin (CSM). Updated actuarial assumptions in the 'freedom of service' business also had a positive impact, contributing to an improvement in other income. For the strategy phase until 2027, we continue to anticipate an annual EBIT contribution of more than CHF 200 million.

The **new business margin** in the life business was down slightly year on year at 4.9 per cent in 2024 (2023: 6.5 per cent). The lower new business margin was due to a change in the business mix with higher volumes from Germany and Luxembourg. The new business margin is derived from the contractual service margin (CSM) for new business and is calculated relative to the present value of new business premiums.

The **interest margin**, which constitutes the difference between current income on the assets side and guarantees on the liabilities side, decreased slightly to 135 basis points (2023: 137 basis points). The slight reduction is attributable mainly to lower current income as a result of a somewhat smaller real estate portfolio in the life segment. The average guarantee was lowered further to 0.9 per cent (2023: 1.0 per cent) through active portfolio management – in particular the optimisation of a run-off portfolio in the Belgian life business.

Asset Management & Banking

Positive trends in the Asset Management & Banking segment

Following a strong rise in the prior year, **EBIT in Asset Management & Banking** saw a renewed rise to stand at CHF 89.1 million (2023: CHF 82.3 million). The rise is attributable to the asset management business and was influenced by the increase in third-party assets. EBIT in the banking business was maintained at a good level of CHF 42.1 million (2023: CHF 42.1 million) despite lower net interest income. Cash remittance for Asset Management & Banking came to CHF 49 million, of which CHF 35 million related to Asset Management (2023: CHF 30 million).

At CHF 1,022.0 million (2023: CHF 486.0 million), the **sales volume** of Baloise Bank Ltd increased considerably and surpassed CHF 1 billion for the first time. The sales volume comprises the net growth in lending business assets, particularly mortgages, net growth in client assets and the inflow of new funds from asset management mandates adjusted for performance factors. Initiatives to boost efficiency were also defined as part of the refocusing strategy. By 2027, the Bank's current cost/income ratio of 63.6 per cent should be reduced to less than 55 per cent.

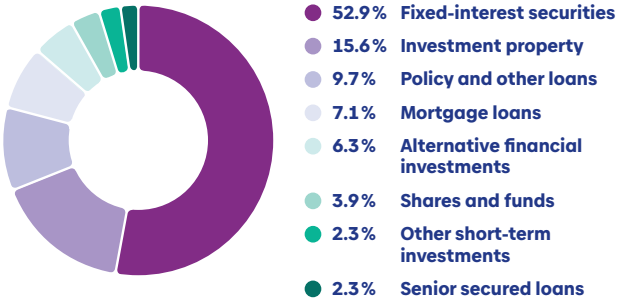
As at 31 December 2024, the total assets under management (AuM) of Baloise Asset Management stood at CHF 59.5 billion, a rise of 2.8 per cent compared with the end of the prior year (31 December 2023: CHF 57.9 billion).

Assets under management (AuM) in business with third parties increased from CHF 15.0 billion to CHF 16.8 billion, with net new assets contributing CHF 0.8 billion. **Net new assets** related to a number of items, including the continued growth of the asset management business of Baloise Bank Ltd, of the semi-autonomous Perspectiva Collective Foundation and of real estate. Growth in the latter stemmed chiefly from two capital increases in the listed Baloise Swiss Property Fund (BSPF) and from the 'Real Estate Switzerland' asset group of the Baloise Investment Foundation for Pension Funds. Real estate assets rose from CHF 2.0 billion to CHF 2.3 billion. Assets under management (AuM) in the multi assets business went up by CHF 6.8 billion to CHF 7.9 billion. We are therefore on track to achieve the refocusing strategy targets for multi assets and real estate that were communicated in the investor update.

In the reporting period, we continued our targeted work in the area of responsible investing (RI). For example, the BSPF is pursuing a sustainable investment strategy from 7 January 2025 that consists of three approaches: a focus on the climate (net zero by 2050), ESG integration and exclusion. As a result, the BSPF is classified as a sustainable investment fund in Switzerland.

* Restated prior-year figure

Investment components in 2024



Proprietary investments by category (insurance policy portfolio)[1]

CHF million	31.12.2024	31.12.2023	+/– %
Fixed-interest securities	25,752.6	26,363.1	–2.3
Senior secured loans	1,111.1	962.1	15.5
Policy and other loans	4,707.9	4,871.4	–3.4
Mortgage loans	3,467.1	3,552.5	–2.4
Investment property	7,586.7	7,920.2	–4.2
Shares and funds	1,888.3	1,774.7	6.4
Alternative financial investments	3,084.2	2,655.2	16.2
Other short-term investments	1,109.0	1,357.5	–18.3
Total	**48,706.7**	**49,456.7**	**–1.5**

1 Excluding investments for the account and at the risk of customers and third parties.

Capitalisation and cash remittance

Strong capitalisation and increased cash remittance – dividend increase to CHF 8.10

Baloise further solidified its sound capital base in 2024. The equity attributable to shareholders swelled by 11.7 per cent to CHF 3,629.7 million as at 31 December 2024 (31 December 2023: CHF 3,250.0 million). The **contractual service margin (CSM)** after taxes rose to CHF 4,004.7 million (31 December 2023: CHF 3,921.0 million). **Comprehensive equity** also increased as a result and totalled CHF 7,634.4 million (31 December 2023: CHF 7,170.9 million) or CHF 167 per share.

The rating agency **S&P Global Ratings (S&P)** reaffirmed its **rating of A+** for the Baloise Group in June 2024 and highlighted Baloise's excellent capitalisation. 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. The complete report is available at **www.baloise.com/ratings**.

In the **Swiss Solvency Test (SST)**, we expect a ratio of just over 200 per cent as at 1 January 2025 (1 January 2024: 207 per cent), confirming that Baloise's business remains built on solid foundations.

Baloise recorded **cash remittance** of CHF 565 million in 2024. This equates to a renewed year-on-year rise of 14.6 per cent (2023: CHF 493 million). This item includes the release of cash of CHF 62 million due to a reinsurance transaction in Belgian life insurance business. Even without this non-recurring effect, Baloise remitted cash of more than CHF 500 million for the first time. This sets us in very good stead to achieve our strategic target of cash remittance of more than CHF 2 billion in the period 2024–2027.

Baloise Holding Ltd's profit in accordance with IFRS and statutory earnings calculated in accordance with the Swiss Code of Obligations (OR) were adversely affected by the aforementioned write-downs as a result of the sale of FRIDAY and the discontinuation of the ecosystem strategy. An impairment loss from the recognition of losses arising from exchange differences – as a result of the streamlining of the holding company structure – also contributed to the downward pressure. All in all, Baloise Holding Ltd recognised a net loss in accordance with OR of CHF 150 million.

These non-recurring items have no influence on Baloise's long-term profitability or ability to maintain its sustainable dividend policy. Based on the reliable level of cash remittance, the Board of Directors therefore intends to propose to the Annual General Meeting that the dividend be increased by CHF 0.40 to CHF 8.10 per share. In line with the new structure for share buy-backs introduced in the investor update of 12 September 2024, the Board of Directors reiterates its intention to supplement the attractive dividend policy for 2024 with a share buy-back of up to CHF 100 million.

Outlook

Forging ahead with the refocusing strategy boosts profitability and adds value

Baloise has successfully embarked on the new strategy phase and is committed to implementing the refocusing strategy that was unveiled in September 2024. The strategy is founded on four central pillars: technical profitability, operational efficiency, growth in target segments and capital productivity. The aim is to build on Baloise's existing strengths and achieve a lasting increase in profitability.

Our profit for 2024 shows that we have set the right course with the refocusing strategy. We will relentlessly pursue this course in order to reach the financial targets that we have set. We will take steps to boost efficiency, achieve profitable growth and optimise our portfolio with a targeted combined ratio of around 90 per cent and an expense ratio of 28 per cent at most in 2027. All of this while positioning Baloise as a dependable partner for all its stakeholders.

The new financial targets have been clearly defined and we are well on course to achieve them as follows: a return on equity of between 12 per cent and 15 per cent, strong cash remittance of more than CHF 2 billion in the period 2024–2027 and an increased cash payout rate of 80 per cent or more. This provides the basis for continuing Baloise's attractive shareholder policy.

Consolidated income statement

CHF million	2024	2023	2022
Insurance revenue	5,556.8	5,412.4	5,339.6
Insurance service expenses	–4,681.7	–4,666.9	–4,678.4
Insurance service result from reinsurance contracts	–158.7	–151.8	–57.5
Insurance service result	**716.4**	**593.7**	**603.7**
Insurance finance income and expenses from insurance contracts	–1,937.8	–2,833.2	6,343.0
Insurance finance income and expenses from reinsurance contracts	10.4	26.8	27.8
Insurance finance income and expenses	**–1,927.5**	**–2,806.4**	**6,370.8**
Interest revenue calculated using the effective interest method	310.7	296.8	166.0
Investment income	921.6	970.6	994.9
Realised gains and losses on investments	2,055.7	2,555.4	–8,888.5
Change in expected credit loss	2.3	2.2	–9.8
Result from financial contracts	–1,090.2	–842.7	1,490.5
Result from investments and financial contracts	**2,200.0**	**2,982.2**	**–6,246.8**
Income from services rendered	142.4	141.7	118.3
Other operating income	167.3	161.6	120.0
Other operating expenses	–732.0	–691.7	–633.8
Share of profit (loss) of associates and joint ventures	–14.8	–20.7	4.9
Profit and loss from owner-occupied properties FVPL	–6.5	–16.0	29.3
Profit / loss before borrowing costs and taxes	**545.3**	**344.4**	**366.4**
Borrowing costs	–24.9	–26.2	–22.4
Profit / loss before taxes	**520.5**	**318.2**	**343.9**
Income taxes	–141.1	–81.9	–99.5
Profit / loss for the period	**379.4**	**236.2**	**244.5**
Profit attributable to:			
Shareholders	384.8	239.6	247.8
Non-controlling interests	–5.4	–3.3	–3.4
Earnings / loss per share:			
Basic (CHF)	8.48	5.29	5.49
Diluted (CHF)	8.47	5.29	5.48

Consolidated balance sheet

CHF million	31.12.2024	31.12.2023	31.12.2022	01.01.2022
Assets				
Property, plant and equipment	540.2	636.1	594.6	560.0
Intangible assets	200.6	214.8	237.4	265.8
Investments in associates and joint ventures	312.1	318.1	344.7	316.0
Investment property	7,706.7	8,248.6	8,495.1	8,464.5
Financial instruments with characteristics of equity	16,613.7	14,932.9	16,276.7	19,172.6
Financial instruments with characteristics of debt	32,605.3	32,153.4	31,264.6	38,216.3
Mortgages and loans	16,089.3	15,602.3	14,665.8	16,193.2
Derivative financial instruments	902.8	1,072.6	809.3	896.1
Insurance contract assets	29.4	68.4	43.0	–
Reinsurance contract assets	1,171.7	450.5	614.6	767.8
Receivables from employee benefits	6.0	6.3	7.3	5.9
Financial receivables	607.1	727.2	600.6	621.8
Deferred tax assets	208.1	207.1	239.3	177.6
Other assets	269.5	249.1	430.8	206.3
Cash and cash equivalents	2,714.4	2,985.3	3,370.8	4,073.5
Total assets	**79,976.9**	**77,872.8**	**77,994.6**	**89,937.2**
Equity and liabilities				
Equity before non-controlling interests	3,629.7	3,250.0	3,405.2	4,170.6
Non-controlling interests	6.7	9.3	12.2	14.2
Total equity	**3,636.3**	**3,259.3**	**3,417.4**	**4,184.7**
Insurance contract liabilities	49,506.2	49,819.5	49,753.3	58,947.0
Reinsurance contract liabilities	9.0	2.5	67.5	–
Liabilities arising from financial contracts	22,182.1	19,936.3	19,839.7	21,878.8
Financial liabilities	2,388.8	2,391.3	2,609.4	2,425.7
Non-technical provisions	114.0	111.9	112.5	136.4
Derivative financial instruments	161.5	83.4	135.8	89.4
Deferred tax liabilities	542.6	419.4	380.6	468.1
Other liabilities	1,436.2	1,849.1	1,678.3	1,807.1
Total liabilities	**76,340.5**	**74,613.5**	**74,577.1**	**85,752.5**
Total equity and liabilities	**79,976.9**	**77,872.8**	**77,994.6**	**89,937.2**

Key figures insurance business

Business volume

The business volume of the Baloise Group comprises the gross premium income from non-life and life insurance recognised during the reporting period and the payments from policyholders in business involving financial contracts and investment-linked life insurance policies. Unlike insurance revenue, it includes savings premium components and thus is generally higher for life insurance.

2024	Group [1]	Switzerland	Germany	Belgium	Luxembourg [2]
CHF million					
Gross premiums written Non-life	4,120.2	1,485.6	869.8	1,550.8	161.8
Gross premiums written Life	3,435.4	2,249.4	514.1	471.6	200.3
Investment-type premiums	1,048.2	50.4	–	108.9	888.8
Total business volume	**8,603.7**	**3,785.4**	**1,383.9**	**2,131.3**	**1,250.9**

2023	Group [1]	Switzerland	Germany	Belgium	Luxembourg [2]
CHF million					
Gross premiums written Non-life	4,081.6	1,468.7	816.5	1,589.7	154.6
Gross premiums written Life	3,648.0	2,513.4	499.8	482.0	152.8
Investment-type premiums	888.5	43.6	–	14.1	830.8
Total business volume	**8,618.1**	**4,025.7**	**1,316.3**	**2,085.7**	**1,138.3**

Insurance revenue

Insurance revenue is the amount that reflects the consideration to which an insurance company expects to be entitled in exchange for the provision of services under insurance contracts.

2024	Group [1]	Switzerland	Germany	Belgium	Luxembourg [2]
CHF million					
Insurance revenue Non-life	4,095.0	1,479.9	856.1	1,554.5	161.1
Insurance revenue Life	1,461.7	1,052.3	265.7	122.2	21.6
Total insurance revenue	**5,556.8**	**2,532.2**	**1,121.8**	**1,676.7**	**182.7**

2023	Group [1]	Switzerland	Germany	Belgium	Luxembourg [2]
CHF million					
Insurance revenue Non-life	4,013.0	1,446.5	808.5	1,561.8	152.9
Insurance revenue Life	1,399.4	993.9	257.6	128.4	19.7
Total insurance revenue	**5,412.4**	**2,440.4**	**1,066.0**	**1,690.3**	**172.6**

1 Including Group business.
2 Including Baloise Life Liechtenstein.

Combined ratio

The combined ratio is used to gauge the profitability of non-life insurance business. The combined ratio is typically expressed as a percentage. A ratio of less than 100 per cent means that the business is profitable from an underwriting perspective, while a ratio of more than 100 per cent indicates an underwriting loss.

2024	Group	Switzerland	Germany	Belgium	Luxembourg
as a percentage of the insurance revenue					
Loss ratio [1]	63.0	69.6	58.6	58.1	64.8
Expense ratio	29.9	23.0	34.7	33.2	32.3
Combined ratio	**92.9**	**92.5**	**93.3**	**91.3**	**97.1**

2023	Group	Switzerland	Germany	Belgium	Luxembourg
as a percentage of the insurance revenue					
Loss ratio [1]	64.6	75.7	56.4	57.3	57.2
Expense ratio [2]	30.0	23.5	34.5	33.3	33.3
Combined ratio	**94.6**	**99.2**	**90.9**	**90.6**	**90.5**

1 Including net reinsurance income / expense.
2 The previous year's figures have been adjusted in accordance with the new calculation method.

New business margin

The new business margin is used to measure the profitability of new business in the life segment.

	2024	2023
CHF million		
Value new business	142.0	177.4
Present value new business premium (PVNBP)	2,878.4	2,748.6
New business margin	**4.9%**	**6.5%**

Insurance revenue by sector

The Baloise Group's insurance revenue in the non-life business is presented below, broken down by sector.

CHF million	2024	2023	+/– %
Motor	1,275.9	1,246.1	2.4
General liability	392.3	379.3	3.4
Accident	435.5	446.6	–2.5
Health	197.7	181.4	9.0
Property	1,471.3	1,382.7	6.4
Marine	187.2	250.5	–25.3
Other	135.1	126.3	7.0
Non-life insurance revenue by sector	**4,095.0**	**4,013.0**	**2.0**

CSM development

The following table shows the material factors affecting the change in the CSM in the Baloise Group. The CSM represents the unearned profit of a group of insurance contracts that an entity recognises for the provision of insurance contract services in the future.

CHF million	2024	2023
Balance as at 1 January	**4,864.8**	**5,391.8**
Expected business contribution	100.9	113.8
New business CSM	133.2	167.0
Economic variances	267.7	–406.4
Operating variances	–80.3	–149.2
CSM release	–284.1	–252.3
Balance as at 31 December	**5,002.1**	**4,864.8**

Banking activities

The tables below provide an overview of banking activities.

Profit or loss from banking activities

CHF million	2024	2023
Interest revenue calculated using the effective interest method	148.5	140.3
Investment income	0.6	0.5
Realised gains and losses on investments	20.5	18.4
Change in expected credit loss	0.2	1.1
Result from financial contracts	– 86.1	– 69.0
Result from investments and financial contracts	**83.8**	**91.4**
Income from services rendered	184.4	162.8
Other operating income	22.0	14.7
Other operating expenses	– 200.9	– 186.5
Share of profit (loss) of associates and joint ventures	– 0.2	– 0.1
Profit and loss from owner-occupied properties FVPL	–	–
Profit / loss before borrowing costs and taxes	**89.1**	**82.3**
Borrowing costs	0.0	0.0
Profit / loss before taxes	**89.1**	**82.2**
Income taxes	– 12.3	– 12.6
Profit / loss for the period (segment result)	**76.8**	**69.6**

Additional information

CHF million	31.12.2024	31.12.2023
Third-party assets	16,834.0	14,993.0

Asset allocation

CHF million	31.12.2024	31.12.2023
Investment property	–	–
Financial instruments with characteristics of equity	26.9	23.0
Financial instruments with characteristics of debt	139.7	123.1
Mortgages and loans	8,145.3	7,514.8
Derivative financial instruments	5.5	39.3
Cash and cash equivalents	989.2	954.4
Total	**9,306.6**	**8,654.5**

Investment performance (insurance)

The tables below provide an overview of the investment performance of the Baloise Group's insurance business, broken down into non-life and life.

Non-life

					2024	2023
	Current investment income	Gains and losses through income statement [1]	Total investment income in income statement	Gains and losses through other comprehen-sive income	Total investment income (P&L and OCI)	Total investment income (P&L and OCI)
CHF million						
Fixed-income securities	104.7	30.6	135.3	96.9	232.3	328.6
Equities and funds	22.7	8.4	31.1	–9.4	21.7	25.9
Investment property	35.6	25.2	60.8	–	60.8	37.9
Mortgages and loans [2]	44.8	–11.0	33.8	12.3	46.1	72.0
Derivative financial instruments	–	–35.8	–35.8	–21.4	–57.2	33.9
Total before investment expenses	**207.8**	**17.4**	**225.2**	**78.4**	**303.6**	**498.4**
Investment expenses			–26.8		–26.8	–27.5
Investment income			**198.4**		**276.8**	**470.9**
Average investments	9,418.8		9,418.8		9,418.8	9,420.6
Yield	**2.2%**		**2.1%**		**2.9%**	**5.0%**

Life [3]

					2024	2023
	Current investment income	Gains and losses through income statement [1]	Total investment income in income statement	Gains and losses through other comprehen-sive income	Total investment income (P&L and OCI)	Total investment income (P&L and OCI)
CHF million						
Fixed-income securities	460.2	588.9	1,049.0	–	1,049.0	1,717.7
Equities and funds	70.6	27.1	97.7	–	97.7	160.1
Investment property	233.5	–23.7	209.8	–	209.8	172.7
Mortgages and loans [2]	106.0	127.9	233.9	–	233.9	250.0
Derivative financial instruments	–	–207.8	–207.8	–59.7	–267.5	185.8
Total before investment expenses	**870.3**	**512.4**	**1,382.6**	**–59.7**	**1,322.9**	**2,486.3**
Investment expenses			–100.1		–100.1	–100.5
Investment income			**1,282.5**		**1,222.8**	**2,385.8**
Average investments	39,663.0		39,663.0		39,663.0	40,492.5
Yield	**2.2%**		**3.2%**		**3.1%**	**5.9%**

1 Including change in expected credit loss.
2 Including cash.
3 Excluding investments for the account and at the risk of customers and third parties.

Asset allocation – average for the period

	2024			2023		
	Non-life	Life [2]	Total	Non-life	Life [2]	Total
CHF million						
Fixed-income securities	5,506.6	23,144.9	28,651.5	5,191.4	23,397.0	28,588.3
Equities and funds	786.0	2,358.1	3,144.1	989.7	2,843.1	3,832.8
Investment property	1,003.5	6,749.9	7,753.4	1,041.0	7,068.6	8,109.6
Mortgages and loans [1]	2,105.6	7,098.6	9,204.3	2,173.9	6,793.4	8,967.2
Derivative financial instruments	17.1	311.4	328.5	24.6	390.4	415.1
Total	**9,418.8**	**39,663.0**	**49,081.7**	**9,420.6**	**40,492.5**	**49,913.1**

1 Including cash.
2 Excluding investments for the account and at the risk of customers and third parties.

Risk management: a key pillar of our value creation

Risk management is an important element of sustainability-focused corporate governance and, as such, plays an important role in adding value for all our stakeholders. It helps to ensure a strong balance sheet, a high level of operational profitability, a well-developed risk culture, consistent risk processes and a sustainable investment policy. The main tasks of risk management are to satisfy the statutory and regulatory requirements applicable to Baloise and to optimise the risk/return ratio. It thus involves managing risk and value and is based on innovative standards, so we can always keep our promise to our customers and maintain and increase value for our stakeholders in the long term.

The Baloise Board of Directors exercises ultimate supervisory authority over the operational management of the Company and the Group and is thus responsible for managing risk and ensuring compliance with the relevant laws. It appoints the Strategy and Governance Committee to exercise this function, alongside the Audit Committee and the Investment and Risk Committee. The duties of the Strategy and Governance Committee include acting as a preliminary advisory committee for sustainability matters (see chapter Governance information in the report on non-financial matters, page 205 onwards).

The Corporate Executive Committee has overall responsibility for developing a detailed risk management concept, which is implemented by the central risk management function of the Baloise Group and by the local risk management teams at the level of the strategic business units.

At Group level and locally, the risk management teams are supported by risk committees, which meet regularly.

Our risk management is a standardised strategic and operational system that is applied throughout the Baloise Group and covers the following areas:

- **Risk governance and risk culture**
  Policies and standards that apply across the Group form the backbone of Baloise's risk strategy and define – in the form of a risk map – the fundamental risk issues, such as actuarial risk and market risk, as well as the operational risk arising from business activities. The detailed risk map can be found on pages 54 and 55. Risk awareness is encouraged throughout the organisation. Moreover, the approach to dealing with risks is firmly embedded in the organisation. One way in which we achieve this is by involving our employees from different departments and operating segments in the risk management system, for example in the assessment of risks and in the allocation of responsibility for risks.

- **Risk measurement**
  At Baloise, risk is identified and quantified in all business and financial processes according to common internal standards. This enables appropriate priorities to be set for our senior management in respect of the risks taken on.

- **Risk processes**
  Leadership, reporting and evaluation processes are supported by risk processes to ensure the risk perspective is factored into all important business decisions.

- **Risk reporting**
  Risk reporting ensures that the current risk situation is presented transparently in our internal and external communications.

- **Risk management**
  Risks are managed and mitigated carefully in keeping with the defined risk appetite. Upside potential is optimised with due consideration of the risks, resulting in sustainable value creation for Baloise's investors.

Sustainability risks – including climate risks – are identified on the risk map and integrated into the existing risk management processes and frameworks. This ensures that the results of the regular analyses and assessments are incorporated into our strategic risk management approach. The inclusion of a risk analysis in existing processes also ensures that the steps carried out are covered by the internal control system. Details on the identification of sustainability-related and climate risks and their integration into the risk management process, plus an assessment of possible impacts, can be found in the report on non-financial matters (see page 109 onwards).

Risk management system and risk culture

The end-to-end risk management system and risk culture ensure that all material risks are identified, measured and adequately addressed. Risks that have been taken on are consciously managed and unwanted risks are actively reduced for us and for our stakeholders.

A key part of our risk management system is the identification and assessment of risks. Group-wide individual risks are plotted on the risk map according to their likelihood and their expected impact. A corporate database of specific risks – containing a detailed description of the risks concerned, their position on the risk map, early-

warning indicators and their evaluation – is generated from this standardised process. Risks are documented together with the measures needed to mitigate them. Clear responsibilities are defined across all departments. Each risk is assigned to a risk owner (with overall responsibility) and to a separate risk controller (responsible for risk monitoring and control). Based on this database, which is regularly updated, it is possible to check whether the risks that have been taken on are within the limits of acceptable risk. This allows unwanted risks with possible negative consequences for us and our stakeholders to be identified at an early stage and mitigated in a targeted manner. Strategic decision-makers are brought into the risk assessment process, along with system managers, process managers and specialists, which creates risk awareness and a risk culture among our employees.

Compliance with regulatory obligations and disclosure requirements

By complying with regulatory obligations and disclosure requirements in risk management, we show that we are a reliable partner to regulatory authorities, customers, investors and society.

Baloise meets various regulatory obligations, such as the Swiss Solvency Test (SST), Solvency II, the Own Risk and Solvency Assessment (ORSA) and the requirements for internal control systems. This helps it to monitor risk and provide regular reports on its risk and solvency situation to the regulators. Fulfilment of these requirements ensures that we reduce unwanted risks to the greatest possible extent and remain solvent even under adverse circumstances, so we can always meet our obligations to customers.

The calculation methods stipulated by the Swiss Solvency Test and the Solvency II guidelines provide the basis for the quantitative risk measurement of all business and financial market risks. This combination of quantitative risk measurement and analysis of specific risks as described above ensures that we have an adequate overview of the prevailing risk situation at all times. The overall risk situation is presented in the Own Risk and Solvency Assessment and verified in cooperation with the decision-makers as a basis for developing appropriate action plans.

The purpose of the internal control system is to ensure compliance with laws and regulations, the reliability of the financial reporting and the effectiveness of the business processes in order to support the Company in achieving its goals. In implementing the internal control system, we are pursuing a strategy of increasing risk awareness at all levels of the Company and focusing on the identification and management of material risks faced by the Company that could pose a threat to the proper functioning of business operations and thus to the success of the Company. Using the internal control system, we can identify risks for our stakeholders at an early stage and effectively mitigate them.

Disclosures made in the financial condition report (Baloise Group and its Swiss companies) and the Solvency and Financial Condition Report (European Economic Area) inform the market, investors and customers about the most important findings of the quantitative solvency measurement and thus the capital strength and the risks taken. This reporting also promotes market discipline and thus the stability of the financial sector.

Our risk management team proactively participates in discussions with our partners, thereby contributing to society and to a better understanding of the future risks for the insurance industry. Baloise is a member of the Swiss Insurance Association (SIA), for example. We fulfil our responsibilities through our work with the association and in direct cooperation with the regulatory authorities by providing support in the form of data, analyses and assessments for industry surveys about specific issues and for use in the ongoing development of the regulatory system.

Risk management

The ongoing optimisation of income through risk/return criteria as part of strategic risk management will secure the long-term stability of Baloise and be of benefit to our customers and investors.

Our risk models, which use quantitative methods to assess material business risks and financial market risks, form the basis for strategic discussions about risk appetite. Strategic risk management within the scope of the defined risk appetite offers a clear picture of the risks involved in opening up new business lines and how to optimise the risk/return profile of existing business. In the area of investment, for example, we aim to achieve the highest possible expected return with the lowest possible risk. This will ensure long-term stability, benefiting both our customers and our investors.

www.baloise.com/risk-management

Risk map

Business risk

Actuarial risk – life
- Parameter risk
- Catastrophe scenarios

Actuarial risk – non-life
- Premiums
- Claims
- Catastrophe scenarios
- Recognition of reserves

Reinsurance
- Premiums / setting of insurance rates
- Reinsurance default
- Inward reinsurance

Investment risk

Market risk
- Interest rates
- Equities
- Currencies
- Real estate
- Market liquidity
- Derivatives
- Alternative investments

Credit risk

Financial structure risk

Asset/liability risk
- Interest rate risk
- Financing/funding, liquidity

Concentration of risk
- Accumulation risk
- Cluster risk

Balance sheet structure and capital requirements
- Solvency
- Other regulatory requirements

Business environment risk

Changes to standards

Competition risk

External events

Investors

Operational risk

IT risk
- IT governance
- IT architecture
- IT operations
- Cybersecurity

HR risk
- Skills/capacity
- Availability of knowledge
- Incentive systems

Legal risk
- Contracts
- Liability and litigation
- Taxes

Compliance

Business processes
- Process risk
- Project risk
- Insourcing/outsourcing

Risk analysis and reporting
- Risk analysis and assessment
- Risk reporting

Management/ information risk

Organisational structure

Corporate culture

Business strategy
- Business portfolio
- Risk management
- Sustainability

Mergers and acquisitions

External communication
- External reporting
- Reputational management

Financial statements, forecast, planning

Project portfolio

Internal misinformation

Responsible investment

As part of the Baloise sustainability strategy, Asset Management drew up Baloise's responsible investment policies, which comprise a general and an expanded responsible investment strategy. The general responsible investment strategy consists of exclusions, active ownership elements and the integration of environmental, social and corporate governance (ESG) criteria into the investment process. The general responsible investment strategy applies to a small number of private assets and bonds that were added to the insurance portfolio prior to 1 January 2023 (grandfathering) and also applies to Luxembourg investment funds managed by Baloise that fall under Art. 6 of the Sustainable Finance Disclosures Regulation (SFDR).

The expanded responsible investment strategy has been in place since 1 January 2023. It applies to the majority of insurance investments, to Luxembourg investment funds that are managed by Baloise and promote environmental and/or social characteristics in accordance with Art. 8 SFDR, and to collective investments that satisfy the Swiss criteria for sustainable investments as defined by the Asset Management Association Switzerland (AMAS) and the Swiss Financial Market Supervisory Authority (FINMA).

The expanded responsible investment strategy is supplemented by the active ownership strategy and the climate strategy for liquid assets, and is based on four approaches – exclusions, best in class, ESG integration and active ownership – as shown in figure 1.

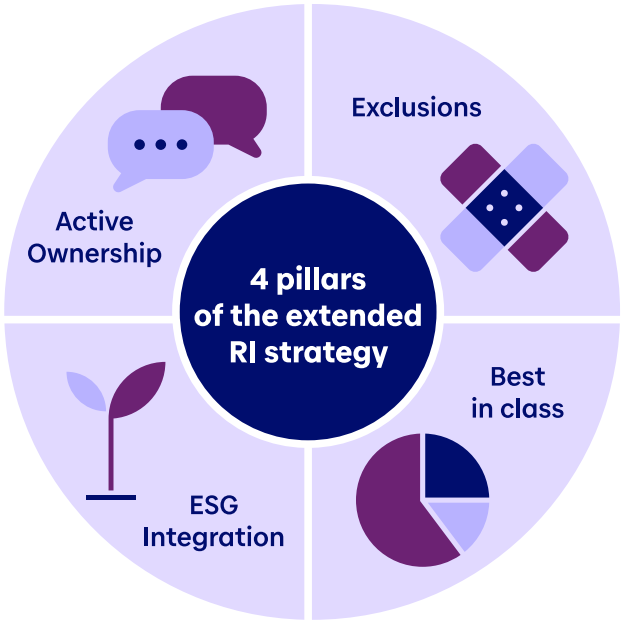


Figure 1: Extended Baloise responsible investment strategy

The active ownership strategy is the fourth pillar of the extended Baloise responsible investment strategy and itself consists of four pillars – proxy voting, direct engagement, collaborative engagement and public policy engagement – as shown in figure 2. Under the active ownership strategy, Baloise Asset Management defines focus topics. The responsible investment team reviews these annually to check they are still relevant. These focus topics guide Baloise Asset Management in the selection of potential corporate partners for collaborative dialogue.

Baloise Asset Management focused on the following in 2024 as part of its active ownership strategy: decarbonisation of the economy, reduction of CO_2 emissions, biodiversity, improvement of working conditions, human rights, workforce (including diversity), the composition, remuneration and independence of the Executive Committee, promotion of transparency regarding sustainability, and standardisation of non-financial disclosures.

Baloise Active Ownership Strategy

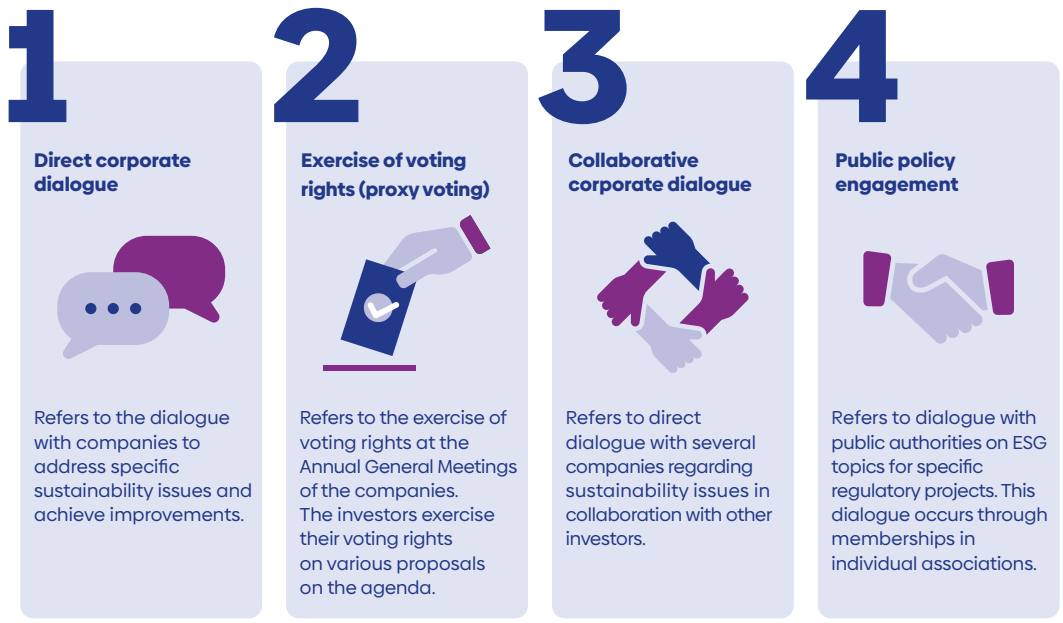
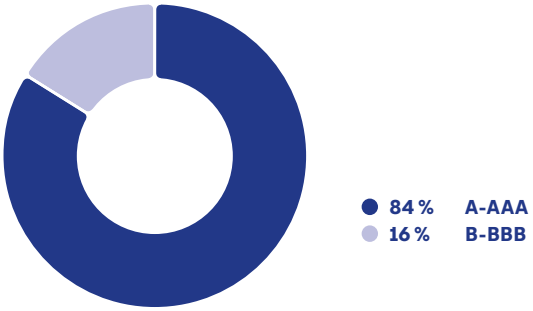


Figure 2: Baloise active ownership strategy

The climate strategy for liquid assets is an integral element of the responsible investment strategies. Under the climate strategy for liquid assets, Baloise endeavours to contribute to combating climate change by reducing the negative impact on the environment and society, while the risks arising in connection with climate change are managed prudently in the portfolio. For this purpose, Baloise Asset Management uses data from MSCI Ltd.
www.baloise.com/policy-active-ownership
www.baloise.com/active-ownership-review

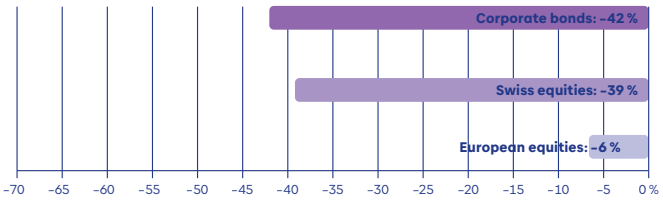
Distribution of ESG ratings of our insurance investments



Sources: Baloise Asset Management, MSCI/data basis as at 31 December 2024; equities and bonds with an MSCI ESG rating that are covered by the responsible investment strategy, without weighting.

The insurance portfolio's CO_2 emissions relative to those of the benchmark

(weighted average tonnes of CO_2 / $M revenue)



Sources: Baloise Asset Management, MSCI/data basis as at 31 December 2024: Swiss equities relative to SPI, European equities relative to MSCI EMU large-cap equities, and bonds relative to the Bloomberg Global Aggregate Index. The evaluation includes the Scope 1 + 2 emissions of all securities covered by the responsible investment strategy. Note: the benchmarks for our equities investments were changed in 2023.

Baloise is one of the biggest property managers in Switzerland and takes account of sustainability criteria in this area too. Baloise's responsible investment policy for real estate, which came into force on 1 January 2023, defines the actions for implementing a forward-looking environmental and energy policy for the properties held directly by the Swiss insurance units. In 2024, work was completed on the integration of an energy management system (EMS) aimed at recording and reporting real energy consumption data.

Finally, the Baloise Swiss Property Fund (BSPF) is pursuing a sustainable investment strategy from 7 January 2025 that consists of three approaches: a focus on the climate (net zero by 2050), ESG integration and exclusion. As a result, the BSPF is classified as a sustainable investment fund in Switzerland. For indirect investments in Swiss real estate, a new selection process has been in place since 1 January 2025 that systematically integrates sustainability criteria into the selection and assessment of target real estate investments.

Outlook for responsible investment

Baloise intends to continue to refine the expanded Baloise responsible investment strategy in line with applicable Swiss and European regulatory frameworks in 2025. Another focus will be on updating the climate strategy for liquid assets and preparing a transition plan for all insurance assets with a view to net zero by 2050, including interim targets for the portfolios and for engagement. The active ownership strategy will play an important role in this regard. The updated strategy for responsible investment will be published in 2025. The collection and evaluation of climate-related data for financial assets will continue to provide an important basis for the aforementioned initiatives.

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Data governance & security

Digital trust – part of the oneIT strategy 2025–2027

In 2024, we made significant progress with integrating digital trust, which represents a core element of our oneIT strategy 2025–2027. This strategy is aimed at strengthening our customers', partners' and employees' trust in how we protect and use data. The introduction of a Group-wide governance model, the integration of security processes and ongoing monitoring ensure that the concept of digital trust is firmly anchored in the Baloise Group's IT landscape.

Information security 2025–2027

Strategic goals for information security in the period 2025 to 2027 have also been defined to further strengthen digital security at Baloise. The strategy consists of developing a positive security culture, regularly testing the response to security incidents and proactively managing cyber risks. For example, an ongoing external bug bounty program helps to continuously identify technological vulnerabilities that could be exploited by external attackers. The automation of security checks and the standardisation of information security are also being stepped up. The aim of the various initiatives is to continually improve security and ensure that the organisation is as well equipped as possible to deal with emerging threats.

Information security management system and IT risk management

We have successfully implemented our information security management system (ISMS) throughout the Group. This enables us to improve and standardise our IT risk management approach and integrate security and risk assessments into our day-to-day IT operations and projects. Our activities in this context are aimed at systematically identifying, analysing and reducing IT risks in order to continually improve Baloise's risk situation. In 2024, we focused on strengthening the governance model, the underlying IT risk management processes and, as an increasingly important aspect, third-party risk management.

Information security awareness

Baloise has been running awareness campaigns across the Group for years to provide employees with information about the latest threats, such as phishing simulations and deepfakes in connection with AI. The voluntary community, known as digital scouts, also arranges internal and external events on specific topics with the aim of raising awareness of the latest developments in the digital sphere.

www.baloise.com/information-security

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Corporate governance report

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Corporate governance report

Baloise is a company that adds value, and, as such, we attach great importance to practising sound, responsible corporate governance.

Operating in line with the requirements of economiesuisse's Swiss Code of Best Practice and the SIX Swiss Exchange Corporate Governance Guidelines, Baloise strives to foster a corporate culture of high ethical standards that emphasises the integrity of the Company and its employees. Baloise firmly believes that high-quality corporate governance has a positive impact on its performance.

This chapter reflects the structure of the SIX Corporate Governance Guidelines as amended on 29 June 2022 in order to improve comparability with previous years and with other companies. It includes the requirements of economiesuisse's Swiss Code of Best Practice for Corporate Governance, which contains recommendations on the remuneration paid to the Board of Directors and the Executive Committee.

The information contained in the corporate governance report refers to the situation on the balance sheet date (31 December 2024). Additional reference is made to material changes occurring between the balance sheet date and the print deadline for the Annual Report.

Sustainable business management plays an important role at Baloise. In addition to the information provided in the corporate governance report, governance structures – both general and relating to specific areas – are described in more depth in the sustainability section of the Company's non-financial report (page 205 onwards of the Annual Report).

1. Structure of the Baloise Group and shareholder base

Shares and structure of the Baloise Group

Headquartered in Basel, Switzerland, Baloise Holding Ltd is a public limited company that is incorporated under Swiss law and listed on the Swiss Exchange (SIX). Its shares are traded under the stock symbol BALN and security number 1.241.051 (ISIN CH0012410517). The Baloise Group had a market capitalisation of CHF 7,515.8 million as at 31 December 2024.

- Significant subsidiaries, joint ventures and associates as at 31 December 2024 can be found from page 334 onwards in the notes to the consolidated annual financial statements, which form part of the financial report.
- Segment reporting by region and operating segment can be found from page 245 onwards in the notes to the consolidated annual financial statements within the financial report.
- The Baloise Group's operational management structure is presented on page 78 onwards.

Shareholder base

As a public company with a broad shareholder base, Baloise Holding Ltd is a member of the SMI Mid (SMIM) index. A total of 32,668 shareholders were registered in Baloise Holding Ltd's share register as at 31 December 2024. The number of registered shareholders had increased by 6.1 per cent compared with the previous year. The "Significant shareholders" section on page 417 provides information on the structure of the Company's shareholder base as at 31 December 2024.

The reports that were submitted to the issuer and to SIX Swiss Exchange AG's disclosure office during the reporting year in compliance with Article 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinfraG) and were published on the latter's electronic reporting and publication platform in compliance with Article 124 FinfraG can be viewed using the search function at **www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html**.

Treasury shares

Baloise Holding Ltd held (directly and indirectly) 305,914 treasury shares (0.668 per cent of the issued share capital) as at 31 December 2024.

Cross-shareholdings

There are no cross-shareholdings based on either capital ownership or voting rights.

Dividend policy

Baloise Holding Ltd pursues a policy of paying consistent, earnings-related dividends. It uses other dividend instruments such as share buybacks to supplement conventional cash dividends. Shareholders have received a total of CHF 1,788.3 million from cash dividends and share buybacks over the last five years. Baloise has announced that the difference between the dividend payments and the cash payout rate of 80 per cent or more will be accumulated annually and that as soon as a minimum of CHF 100 million is reached, this capital will be returned to shareholders in the form of share buybacks.

	Cash dividends	Share buy-backs	Total
Year (CHF million)			
2024	371.0[1]	–	371.0
2023	352.7	–	352.7
2022	338.9	–	338.9
2021	320.6	–	320.6
2020	312.3	92.8	405.1
Total	**1,695.5**	**92.8**	**1,788.3**

All figures stated as at 31 December.
1 Proposal to the Annual General Meeting on 25 April 2025.

2. Capital structure

Equity attributable to Baloise Holding Ltd

The table below shows the changes in equity during the last three reporting years.

Changes in Baloise Holding Ltd's equity (before appropriation of profit)

	31.12.2024	31.12.2023	31.12.2022
CHF million			
Share capital	4.6	4.6	4.6
General reserve	11.7	11.7	11.7
Reserve for treasury shares	10.3	5.4	7.8
Free reserves	730.8	644.4	573.6
Distributable profit	–150.1	444.0	407.4
Treasury shares	–5.5	–6.0	–8.1
Equity attributable	**601.8**	**1,104.1**	**997.0**

Since the capital reduction decided on 30 April 2021, the share capital of Baloise Holding Ltd has totalled CHF 4.58 million and is divided into 45,800,000 dividend-bearing registered shares with a par value of CHF 0.10 each.

Capital band and conditional capital; other equity instruments

Capital band

A resolution adopted by the Annual General Meeting on 28 April 2023 has authorised the Board of Directors until 28 April 2028 to increase or reduce the Company's share capital within the capital band subject to a lower limit of CHF 4,122,000 and an upper limit of CHF 5,038,000 (see Article 3 [4] of the Articles of Association).
www.baloise.com/articles-of-association

Conditional capital

Conditional capital has also been created that enables the Company's share capital to be increased by up to 5,530,715 registered shares with a par value of CHF 0.10 each (see Article 3 [2] of the Articles of Association). This constitutes a nominal share capital increase of up to CHF 553,071.50.

Conditional capital is used to cover any option rights or conversion rights granted in conjunction with bonds and similar securities. Shareholders' pre-emption rights are disapplied. Holders of the pertinent option rights and conversion rights are entitled to subscribe for the new registered shares. The Board of Directors may restrict or disapply shareholders' pre-emption rights when issuing warrant-linked bonds or convertible bonds in international capital markets (see Article 3 [3] of the Articles of Association).

www.baloise.com/articles-of-association

Upper limit for the disapplication of pre-emption rights

The total number of registered shares that the Board of Directors is authorised to issue from the conditional capital and from the capital band, in each case disapplying or limiting shareholders' pre-emption rights, is limited to 4,580,000 registered shares, which equates to 10 per cent of the current issued capital (see Article 3 [9] of the Articles of Association).

Other equity instruments

The Company has no profit participation certificates.

The Baloise Group's consolidated equity

The Baloise Group's consolidated equity amounted to CHF 3,636.3 million on 31 December 2024. Details of changes in consolidated equity in 2023 and 2024 can be found in the consolidated statement of changes in equity on pages 238 and 239 in the financial report.

Bonds outstanding

Baloise Holding Ltd and Baloise Life Ltd (with Baloise Holding Ltd acting as guarantor) have issued bonds publicly. As at the end of 2024, a total of 14 public bonds were outstanding. Details of outstanding bonds can be found on pages 306 and 415 and on the website.

www.baloise.com/bonds

Credit rating

On 11 June 2024, the credit rating agency S&P Global confirmed its rating for the Baloise Group's core companies of A+ with a stable outlook. The rating is the first one using the revised capital model for insurance companies that S&P has applied since November 2023. Under the revised criteria, S&P has again rated the capital strength of the Baloise Group as 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. Information about the ratings of Baloise Holding Ltd and its subsidiaries Baloise Belgium NV (Belgium), Baloise Sachversicherung AG (Germany), Baloise Insurance Ltd (Switzerland) and Baloise Life Ltd (Switzerland) can be found on the website.

www.baloise.com/rating

3. Board of Directors

Election and term of appointment

The Board of Directors consists of nine members. Each member of the Board of Directors has been elected for a term of one year at a time. As at 31 December 2024, the average age on the Board of Directors was 61. The average term of office is five years.

The Organisational Regulations state that the term of appointment for members of the Board of Directors usually ends at the Annual General Meeting that follows the member's 70th birthday (age limit).

Members of the Board of Directors

All members of the Board of Directors (including the Chairman) are independent non-executive directors. They were not involved in the day-to-day management of any Baloise Group companies in any of the three financial years immediately preceding the reporting period, and they maintain no material business relationships with the Baloise Group. During the reporting year, Dr Thomas von Planta, Christoph Mäder, Dr Maya Bundt, Dr Guido Fürer, Christoph B. Gloor, Dr Karin Lenzlinger Diedenhofen, Dr Markus R. Neuhaus, Professor Hans-Jörg Schmidt-Trenz and Professor Marie-Noëlle Venturi – Zen-Ruffinen were re-elected as members of the Board of Directors for a one-year term until the end of the next Annual General Meeting.

Christoph B. Gloor and Professor Hans-Jörg Schmidt-Trenz will not be standing for re-election at the Annual General Meeting on 25 April 2025. The other members are standing for re-election.

As announced in the media release of 9 December 2024, the Board of Directors will propose to the Annual General Meeting on 25 April 2025 that André Helfenstein, Robert Schuchna and Vincent Vandendael be elected to the Board of Directors. All nominees will be independent non-executive directors. These nominations will strengthen the Board's knowledge and experience of the insurance and financial markets. Robert Schuchna is also a representative of Baloise's largest shareholder at present, Cevian Capital Ltd.

- André Helfenstein (1967) graduated with a master's degree in business administration from the University of St. Gallen. In his role as Partner and Managing Director of Boston Consulting Group, he mainly advised insurance companies, banks and asset managers. He held a number of leadership positions at Credit Suisse (CS), lastly as CEO for Switzerland and a member of the Executive Board of the CS Group. André Helfenstein is a member of the Board of Directors of SIX Group AG.
- Robert Schuchna (1988) studied banking and finance at the University of Zurich, graduating with an MA. He is also a Chartered Financial Analyst (CFA). As a partner at Cevian Capital Ltd, he was involved in that company's investment in UK insurer Aviva. Schuchna has been a member of the Supervisory Board of Germany-based Bilfinger SE since 2020 and a member of the Board of Foundation of Inter Pensionskasse since 2022.
- Vincent Vandendael (1964) holds a master's degree in commercial engineering with a major in finance from the Catholic University of Leuven. He was CEO for the Commercial & Corporate segment in the Asia-Pacific business of Zurich Insurance Group, and Global Chief Commercial Officer at Lloyd's of London. As the CEO of reinsurer Everest Group, he was responsible for the European business and Global Markets. Vincent shares his extensive underwriting knowledge with the Boards of Directors of Chedid Re and MJM Holdings Capital Group.

Further information on the members of the Board of Directors can be found on the website.
www.baloise.com/board-of-directors

Members

	Strategy and Governance Committee	Investment and Risk Committee	Remuneration Committee	Audit Committee
Thomas von Planta	C	M		
Christoph Mäder	DC		C	
Maya Bundt				M
Guido Fürer		DC		
Christoph B. Gloor		C	M	
Karin Lenzlinger Diedenhofen			M	
Markus R. Neuhaus	M			C
Hans-Jörg Schmidt-Trenz			DC	M
Marie-Noëlle Venturi - Zen-Ruffinen	M			DC

C: Chair, DC: Deputy Chair, M: Member.

Members	Term of appointment (full years)	Board of Directors	C-Level	Insurance	Banking / Asset Management	Finance / Audit / Risk Management	Legal / Compliance / Governance	Digitalisation / Technology	Nationality	Gender	Age	Non-Executive	Independent
Thomas von Planta	7	●	●		●	●	●		CH	M	63	Yes	Yes
Christoph Mäder	5	●	●			●	●	●	CH	M	65	Yes	Yes
Maya Bundt	2	●		●	●	●		●	CH / DE	F	53	Yes	Yes
Guido Fürer	0		●	●	●	●			CH	M	61	Yes	Yes
Christoph B. Gloor	10		●		●	●		●	CH	M	58	Yes	Yes
Karin Lenzlinger Diedenhofen	3	●	●			●			CH	F	65	Yes	Yes
Markus R. Neuhaus	5	●	●			●	●		CH	M	66	Yes	Yes
Hans-Jörg Schmidt-Trenz	6		●	●		●	●		DE	M	65	Yes	Yes
Marie-Noëlle Venturi - Zen-Ruffinen	8	●			●		●		CH	F	49	Yes	Yes

Board of Directors	In a listed company
C-Level	In a listed or private company
Insurance	In a senior position in a company within the insurance or reinsurance sector
Banking / Asset Management	In a senior position in a bank or an asset management department / company
Finance / Audit / Risk Management	In a senior position in the finance or risk management division of a company or in a senior audit function in a leading audit firm
Legal / Compliance / Governance	Degree in law; senior position in Legal and / or Compliance
Digitalisation / Technology	Leader of digitalisation, IT or transformation projects or position as Chief Digital Officer or Chief Technology / IT Officer

Statutory rules concerning the number of permitted activities

The Articles of Association contain a provision (Article 33) concerning the maximum number of mandates that can be held outside the Company. Subsection 1 stipulates that the number of external mandates held by members of the Board of Directors or of the Corporate Executive Committee must be compatible with the commitment, availability, capabilities and independence necessary for the performance of their duties as members of the Board of Directors or Corporate Executive Committee. Subsection 3 specifies numerical restrictions. Subsection 2 stipulates that mandates of members of the Board of Directors and of the Corporate Executive Committee in comparable functions in other companies with a commercial purpose must be included. In this Annual Report, mandates are disclosed in accordance with Article 33 of the Articles of Association and in accordance with the SIX Corporate Governance Guidelines.

Interlocking directorates

There are no interlocking directorates.

Internal organisation

Functions and responsibilities of the Board of Directors

Subject to the decision-making powers exercised by shareholders at the Annual General Meeting, the Board of Directors is the Company's ultimate decision-making body. Decisions are taken by the Board of Directors unless, on the basis of the Organisational Regulations, authority on the matter is delegated to the Chairman of the Board of Directors, its committees, the Group CEO or the Corporate Executive Committee.

Article 716a of the Swiss Code of Obligations (OR) and section A3 of the Organisational Regulations state that the Board of Directors' main functions and responsibilities are to act as the Company's ultimate managerial and supervisory body, to oversee the Company's finances and to determine its organisational structures.

www.baloise.com/articles-of-association

Information on the Board of Directors' role in corporate social and environmental responsibility can be found in the non-financial report (page 109 onwards in the Annual Report).

The Chairman of the Board of Directors is also Chairman of the Strategy and Governance Committee, and presides over the meetings of both bodies. He is also a member of the Investment and Risk Committee. He represents the Company externally and, acting in this capacity, maintains contact with investors, government agencies, trade associations and other Baloise stakeholders. The Chairman of the Board of Directors is in close and constant contact with the Group CEO. He attends the meetings of the Corporate Executive Committee when appropriate, particularly when matters of strategic or long-term importance are being discussed. He ensures that the decisions of the Board of Directors are implemented by the Corporate Executive Committee and, conversely, that the Board of Directors is kept informed on all matters of material importance to the decision-making and monitoring process at Baloise.

The powers of the Vice-Chairman and Chairman of the Audit Committee provide a counterbalance to those of the full-time Chairman. The Board of Directors has a Vice-Chairman who is an ex officio member of the Strategy and Governance Committee (see section C2.2 of the Organisational Regulations); he is also the Head of the Remuneration Committee. The role of the Vice-Chairman was strengthened: he now has the power to convene a meeting of the Board of Directors at any time and attend meetings of the Corporate Executive Committee (see sections A4 and B8 of the Organisational Regulations). The Chairman of the Audit Committee is also a member of the Strategy and Governance Committee. The Heads of the control functions (Risk Management, Compliance, Group Internal Audit and the Appointed Actuary) report to him, as do the external auditors. The Chairman of the Audit Committee has powers that enable him to ensure the independence of the control functions.

Committees of the Board of Directors

The Board of Directors has four committees, which support it in its activities. These committees report to the Board of Directors and submit proposals and motions. The Investment and Risk Committee and the Remuneration Committee have their own decision-making powers.

The committees appointed by the Board of Directors generally consist of four members, who are newly elected every year by the Board of Directors. Article 733 OR requires the members of the Remuneration Committee to be individually elected by the Annual General Meeting. The Chairman and Vice-Chairman of the Board of Directors are ex officio members of the Strategy and Governance Committee. The Chairman of the Board of Directors is not allowed to sit on the Audit Committee. The committees' basic functions and responsibilities are specified in the Organisational Regulations. Additional specific regulations applicable to individual committees govern administrative and other aspects.

Functions and responsibilities of the committees

The **Strategy and Governance Committee** monitors the development and implementation of strategy, including the sustainability strategy, in preparation for subsequent discussion by the Board of Directors. The Board of Directors is responsible for both areas (in the case of strategy, this is mandated by Article 716a OR) and, where required, adopts the relevant resolutions. The Strategy and Governance Committee prepares nominations within the parameters of the Board of Directors' responsibility for nominations and elections.

The **Investment and Risk Committee** supports the Board of Directors in the areas of investment management, capital management and risk management. It oversees investment activities and assesses capital adequacy and asset and liability management as part of its overall review of financial risks. Key influencing factors (such as solvency, cover assets and reserves) are taken into account by the committee when reviewing asset management. The committee reviews the risk strategy and risk appetite of the Group for subsequent appraisal by the Board of Directors and takes note of risk reports.

The **Audit Committee** supports the Board of Directors in its supervision of accounting, financial, non-financial and regulatory reporting and compliance with statutory provisions. Only independent members of the Board of Directors may sit on the Audit Committee, which receives the reports from the various control functions (such as the external auditors, Internal Audit, Compliance and Risk Management).

The **Remuneration Committee** proposes to the Board of Directors – for subsequent appraisal by the Annual General Meeting – the structure and amount of remuneration paid to the members of the Board of Directors and of the salaries paid to the members of the Corporate Executive Committee. Under Article 735 OR, the remuneration paid to the Board of Directors and the Corporate Executive Committee has to be approved by the Annual General Meeting. The Remuneration Committee approves the target agreements and performance assessments that are applied to the Corporate Executive Committee members in order to determine their variable remuneration. It also sanctions the remuneration policies applicable to the Corporate Executive Committee members and ensures that they are being correctly implemented. It approves the variable remuneration granted to individual members of the Corporate Executive Committee within the limits approved by the Annual General Meeting. Furthermore, it specifies the total amount available in the performance pool. The Remuneration Committee is elected by and reports to the Annual General Meeting.

Meetings of the Board of Directors and its committees

The Organisational Regulations stipulate that the full Board of Directors must meet as often as business requires, but no fewer than four times a year.
www.baloise.com/articles-of-association

In 2024, the full Board of Directors of Baloise Holding Ltd held five ordinary meetings and four extraordinary meetings relating to development of the refocusing strategy and to strategic projects. The ordinary meetings of the Board of Directors usually last a full working day and the meetings of its committees last either half a working day or a full working day.

The attendance rate at the ordinary meetings of the full Board of Directors and its committees was 100 per cent. Three members each missed one of the four shorter extraordinary meetings of the full Board of Directors (Christoph B. Gloor, Dr Karin Lenzlinger Diedenhofen and Professor Marie-Noëlle Venturi - Zen-Ruffinen). Including these extraordinary meetings, the attendance rate was 96.3 per cent.

The Strategy and Governance Committee convened twelve times in 2024, which included one two-day strategy meeting. The Investment and Risk Committee, the Remuneration Committee and the Audit Committee each met on four occasions. Meetings of the Board of Directors are regularly attended by members of the Corporate Executive Committee. Meetings of the Strategy and Governance Committee are usually attended by the Group CEO and the Head of Corporate Division Finance. Those present at Audit Committee meetings are the Head of Corporate Division Finance, the Head of Group Internal Audit and, occasionally, representatives of the external auditors and the heads of control functions such as Risk Management and Compliance. The main attendees at Remuneration Committee meetings are the Group CEO, the Head of Group Human Resources and the Head of Compensation and Benefits. Meetings of the Investment and Risk Committee are usually attended by the Group CEO and the Heads of Corporate Division Asset Management, Corporate Division Finance and Group Risk Management. The secretariat of the Board of Directors attends all meetings of the full Board of Directors and those of its committees.

Self-evaluation

Every year, a comprehensive self-evaluation is carried out in the full Board of Directors and in all committees to verify that each body is working efficiently and effectively. The review covers the composition of the Board of Directors, the availability of its members, engagement, cooperation and culture within the Board of Directors, the processes for preparing for and holding the meetings and the interaction between the Corporate Executive Committee and senior management. The members of each committee discuss the findings and agree on appropriate measures, including the priorities for the following year.

Training and development

The members of the Board of Directors participate in multi-day introductory programmes in preparation for a new role on the Board and then receive ongoing training (at least once a year) in half-day seminars on specific topics. The Board of Directors received training on the Code of Conduct and on conflicts of interest. Several presentations by external experts were held at committee level, along with more in-depth sessions (including a policy paper on the benefits of variable remuneration, ESG regulations, outlook for the insurance industry, revision of the Insurance Supervision Act, etc.).

Succession planning

There are changes to the Board of Directors on an ongoing basis. Succession planning is the responsibility of the Strategy and Governance Committee, which takes care to ensure that the composition of the Board of Directors is balanced in terms of the experience and knowledge of its members and their nationality, term of appointment and gender (see chart on page 68). Any restrictions on availability and potential conflicts of interest arising from other mandates are also taken into account. The Strategy and Governance Committee is also responsible for planning personnel changes within the Corporate Executive Committee. It receives regular reports on HR matters such as the shortage of skilled workers, diversity and talent management.

Division of authorities, functions and responsibilities between the Board of Directors and the Corporate Executive Committee

The division of authorities, functions and responsibilities between the Board of Directors and the Corporate Executive Committee is governed by law, the Articles of Association and the Organisational Regulations. The Organisational Regulations are reviewed on an ongoing basis and updated as changing circumstances require. The Organisational Regulations were last updated on 6 December 2024.

www.baloise.com/articles-of-association

Tools used to monitor and obtain information on the Corporate Executive Committee

Group Internal Audit reports directly to the Chairman of the Board of Directors.

Effective risk management is essential for any insurance group. This is why Baloise has devoted a separate chapter to the subject of financial risk management from page 52 onwards and in the financial report starting on page 340.

The members of the Board of Directors have access to the minutes of all meetings of the committees. The Chairman of the Board of Directors and the Vice-Chairman may attend meetings of the Corporate Executive Committee at any time.

Thomas von Planta (1961, Switzerland, Dr iur., lawyer)
has been a member of the Board of Directors since 2017 and its Chairman since April 2021. Until 2019, he was Chairman of the Board of Directors of Bellevue Group AG, Bank am Bellevue AG and Bellevue Asset Management AG. Before that, he worked for Goldman Sachs in Zurich, Frankfurt and London for around ten years and was the interim Head of Investment Banking and Head of Corporate Finance for the Vontobel Group in Zurich from 2002 to 2006. Until 2021, he was Managing Director of CorFinAd AG, a company he founded that specialises in consultancy for M&A transactions and capital market finance. He is an independent non-executive director.

Other mandate:
- BB Biotech, Chairman of the Board of Directors (since 21 March 2024)

Christoph Mäder (1959, Switzerland, lawyer)
has sat on the Board of Directors since 2019 and has been Vice-Chairman since May 2022. From 2000 to 2018, he was a member of the Syngenta International AG executive team with responsibility for legal and tax. He was also a member of the Management Board of the Basel Chamber of Commerce and of scienceindustries until 2018, serving as the latter's president between 2008 and 2014. He is an independent non-executive director.

Other mandates:
- economiesuisse, the umbrella organisation representing Swiss business, President
- Lonza Group AG, Vice-Chairman of the Board of Directors (until 2024, since then Lead Independent Director)
- Assivalor AG, member of the Board of Directors
- Schindler Holding AG, member of the Board of Directors (since 19 March 2024)
- Swiss National Bank, member of the Bank Council
- Becker | Gurini | Partner, law firm + notary's office, Partner

Maya Bundt (1971, Germany/Switzerland, Dr sc. nat. ETH Zurich, geoecologist)
has been a member of the Board of Directors since April 2022. She worked for the reinsurance company Swiss Re in a variety of roles, including Head of the Cyber & Digital Solutions department, Cyber Practice Leader and Chair of the Swiss Re Cyber Council. Before joining Swiss Re, Dr Maya Bundt spent three years working for the Boston Consulting Group as a strategy consultant in a variety of sectors. She is an independent non-executive director.

Other mandates:
- Valiant Bank AG, member of the Board of Directors
- APG SGA AG, member of the Board of Directors
- Federal administration, President of the steering committee for the implementation of the National Cyberstrategy (NCS)

Guido Fürer (1963, Switzerland, Doctor of Economics, EMBA)
has been a member of the Board of Directors since 2024. After finishing his MA in economics, he completed a doctorate in financial risk management at the University of Zurich. He also has an Executive MBA from INSEAD, Fontainebleau, France. Dr Guido Fürer began his career in 1990 at Swiss Bank Corporation and in 1997 moved to Swiss Re, where he held a number of different roles. Following his appointment as Group Chief Investment Officer and member of the Corporate Executive Committee in 2012, Dr Fürer headed up Group Asset Management until the end of March 2023. From 2019 to 2022, he was responsible for Swiss Re in Switzerland as Country President, and was the Chair of the Group Strategic Council. He is an independent non-executive director.

Other mandates:
- Department of Finance at the University of Zurich, Chairman of the Advisory Board
- Swiss Institute for Art Research (SIK-ISEA), member of the Board of Foundation and Head of the Financial Committee
- Schwyzer-Winiker Foundation in Zurich, Vice-Chairman of the Board of Foundation (stepped down with effect from 1 January 2025)

Christoph B. Gloor (1966, Switzerland, degree in business economics HWV)
has been a member of the Board of Directors since 2014. He was Partner and Chief Executive Officer of private bank La Roche & Co AG before going on to become a member of the Executive Committee and Deputy CEO of Notenstein La Roche Privatbank AG and Deputy Head of Wealth Management at Bank Vontobel AG. Prior to joining La Roche & Co AG in 1998, he worked for Swiss Bank Corporation before moving to Vitra (International). Christoph B. Gloor served as President of the Association of Swiss Private Banks from 2013 to 2015 and was a member of the Board of Directors of the Swiss Bankers Association from 2013 to 2015. He was a member of the Board of Managing Directors of the Basel Banking Association until 2019. He holds an Executive Master in Change from INSEAD, where he also completed the International Directors Program in 2018. He is an independent non-executive director.

Other mandates:
- Private bank E. Gutzwiller & Cie, Banquiers, Director
- Endress Familien AG, Chairman of the Investment Committee

Karin Lenzlinger Diedenhofen (1959, Switzerland, Dr oec. HSG)
has been a member of the Board of Directors since 2021. Until the end of February 2024, she was a member of the Board of Directors of LLB (Switzerland) AG. Between 1991 and 2019, she held various positions, including CEO and delegate of the Board of Directors of Lenzlinger Söhne AG, Nänikon/Uster from 1999. She is an independent non-executive director.

Other mandates:
- Zurich Chamber of Commerce, President
- Zürcher Oberland Medien AG, Chairwoman of the Board of Directors
- Staff pension fund of Zürcher Oberland Medien AG, Chairwoman
- SV Group AG, Vice-Chairwoman of the Board of Directors
- Übermorgen Ventures Investment AG, member of the Board of Directors
- economiesuisse, member of the Board of Directors

Markus R. Neuhaus (1958, Switzerland, Dr iur., qualified tax expert) has been a member of the Board of Directors since 2019. He was the Chairman of the Board of Directors of PricewaterhouseCoopers AG (PwC) from 2012 to 2019 and served as its CEO for a period of nine years prior to that. He was Vice-Chairman of the Board of Directors of Orior AG until April 2023. He is an independent non-executive director.

Other mandates:
- Galenica AG, Chairman of the Board of Directors
- Jacobs Holding AG, member of the Board of Directors
- Barry Callebaut AG, Vice-Chairman of the Board of Directors
- Avenir Suisse, Vice-Chair of the Board of Trustees
- Zurich Chamber of Commerce, Vice-Chairman of the Management Board

Hans-Jörg Schmidt-Trenz (1959, Germany, Prof. Dr rer. pol., economist) has sat on the Board of Directors since 2018. He is Professor of Economics at Saarland University and the University of Hamburg (specialising in institutional economics and governance). From 1996 to 2017, he was Chief Executive Officer of the Hamburg Chamber of Commerce, and from 2010 to 2018, President of the Working Committee of European Chamber Chief Executives. Until 2022, he was Vice-Chair- man of the World Chamber Federation of the International Chamber of Commerce (ICC). He was Founding President of the HSBA Hamburg School of Business Administration, a long-serving member of the Supervisory Board of Hamburg Airport, Hamburg Exhibition Centre and the NDR Broadcasting Council, as well as a member of the Boards of Trustees of Hamburger Sparkasse and HanseMerkur Versicherung. He is an independent non-executive director.

Other mandates:
- Tafel foundation of Schleswig Holstein Hamburg, Chairman of the Board of Trustees
- STconnect GmbH, Managing Director
- Hamburg Academic Foundation, member of the Board of Trustees

Marie-Noëlle Venturi - Zen-Ruffinen (1975, Switzerland, Prof. Dr iur., lawyer) has been a member of the Board of Directors since 2016. She holds a master's degree and a PhD in law and a master's degree in philosophy from the University of Fribourg. She has completed executive development courses in finance at Harvard Business School and in sustainability/ESG at the Oxford Said Business School. She is an independent non-executive director.

Other mandates:
- Law firm in Geneva, of counsel
- University of Geneva, School of Economics and Management, honorary professor
- Banco Santander International SA, Vice-Chair of the Board of Directors
- Ina Invest AG, member of the Board of Directors
- Board of Foundation of the Swiss Board Institute, Vice-Chairwoman
- Swiss Institute of Directors, member of the Board of Governors
- Foundation for Accounting and Reporting Recommendations (Swiss GAAP FER), member of the Board of Foundation
- Implenia AG, member of the Board of Directors (subject to election at the AGM on 25 March 2025)

Secretary to the Board of Directors:
Dr Philipp Jermann,
Buus BL

Head of Group Internal Audit:
Christian Schacher,
Breitenbach SO

4. Corporate Executive Committee

Michael Müller (1971, Switzerland, lic. oec. publ.)
graduated in economics from the University of Zurich, specialising in insurance and accounting/finance. He began his career at Baloise in 1997, starting as a management trainee, then working in Group Finance and eventually becoming Deputy Head and, in 2004, Head of Financial Accounting for the Baloise Group. In 2009, as Head of Finance and Risk, he became a member of the senior management team in Corporate Division Switzerland. He became a member of the Corporate Executive Committee and CEO of Corporate Division Switzerland in 2011, and, as such, was in charge of business in Switzerland. Michael Müller has been Group CEO since 1 July 2023. He was a member of the Board of Directors of the Swiss Insurance Association (SIA) from 2011 to 2024.

External mandates:
- Swiss Employers Confederation (SAV), Treasurer
- Basel Chamber of Commerce, member of the Management Board

Alexander Bockelmann (1974, Germany, Dr rer. nat.)
studied environmental sciences at the universities of Bayreuth (Germany) and East Anglia (UK) and obtained a doctorate in geosciences at the University of Tübingen (Germany). He is a proven expert in IT digitalisation and transformation and has many years of experience in the financial sector. Among his previous roles, he worked as a consultant at the Boston Consulting Group and spent around ten years in various senior roles at Allianz SE in Germany and seven years in the USA. At the end of 2013, he moved to UNIQA Insurance Group AG in Austria in the role of Group CIO and became Chief Digital Officer and Group Chief Information Officer on the Management Board, with responsibility for IT in Austria and all group-wide IT topics and services in over 16 countries. Since 2019, Dr Alexander Bockelmann has been Head of the Baloise Group's Corporate Division IT, which is responsible for the Group-wide IT strategy, IT projects, and all IT shared services of the Group and the corporate functions.

External mandate:
- Swiss FS-CSC association, member of the Steering Board

Matthias Henny (1971, Switzerland, Dr phil.)
completed his undergraduate and postgraduate studies in physics at the University of Basel. From 1998 to 2003, he was employed at McKinsey & Company, before switching to what was then the Winterthur Group, where he was Head of Financial Engineering in Asset Management until 2007. Subsequently, he was a member of the management team at AXA Winterthur, as Head of Asset Management (until 2010) and as CFO. In 2012, Dr Matthias Henny joined the Baloise Group. As CEO of Baloise Asset Management, he was responsible for the administration of approximately CHF 50 billion in assets. Dr Matthias Henny became a member of the Corporate Executive Committee in 2017. He manages the Corporate Division Asset Management, incorporating the Investment Strategy, Business Development, Portfolio Management, Finance & Operations, Real Estate and Corporate Services units.

External mandate:
- AMAS (Asset Management Association Switzerland), member of the Board of Directors

Clemens Markstein (1971, Germany, Dipl.-Wi.-Ing.)
studied industrial engineering at Karlsruhe University and trained in strategy, marketing and finance during a management programme at Wharton Business School and at the University of St. Gallen. He also completed an advanced management programme at the INSEAD Business School. Clemens Markstein began his professional career as a consultant at the Boston Consulting Group in Stuttgart. He then held various roles at Allianz in Germany and Switzerland, before moving to Baloise. He joined the Executive Committee of Baloise's Corporate Division Switzerland in 2009 as Head of Product Management for Corporate Clients. He was Head of Operations & IT from 2017. Since 1 July 2023, Clemens Markstein has been a member of the Corporate Executive Committee and CEO of Corporate Division Switzerland, and, as such, has been in charge of business in Switzerland.

External mandates:
- Stiftung Finanzplatz Basel, member of the Board of Foundation
- Association of Basel Insurance Companies, member of the Executive Board
- Promotion Society of the Institute of Insurance Economics at the University of St. Gallen, member of the Board of Directors
- Swiss Insurance Association (SIA), member of the Board of Directors

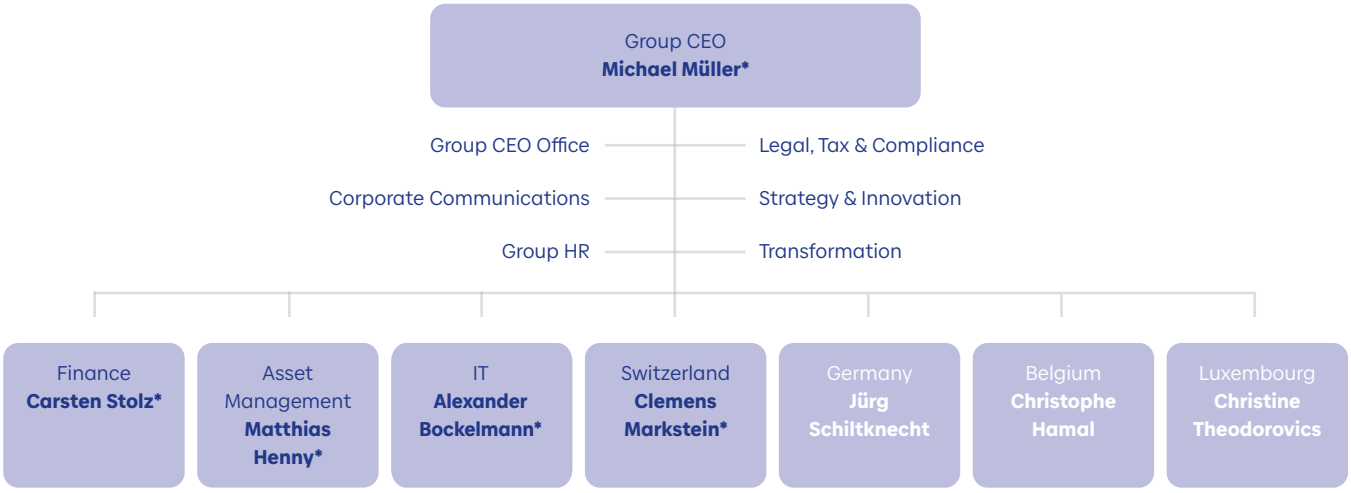
Carsten Stolz (1968, Germany/Switzerland, Dr rer. pol.)
studied business economics at Fribourg University and gained a doctorate specialising in financial management. He holds an Executive Master in Change from INSEAD. He joined the Baloise Group in 2002 as Head of Financial Relations. From 2009 to 2011, he was the Baloise Group's Head of Financial Accounting & Corporate Finance. Between 2011 and 2017, he was Head of Finance and Risk, and thus a member of the Executive Committee, at Baloise in Switzerland. Dr Carsten Stolz has been Head of Corporate Division Finance since May 2017 and is a member of the Corporate Executive Committee.

External mandates:
- creace GmbH, Executive Director
- Swiss Insurance Association (SIA), member of the Finance and Regulation Committee

With the exception of the mandates listed above, no Corporate Executive Committee members serve on the Boards of Directors at companies outside the Baloise Group. There are no management agreements that assign executive functions to third parties. Further information on the members of the Corporate Executive Committee can be found on the website.
www.baloise.com/corporate-executive-committee

Management structure

(as at 31 December 2024)



* Member of the Corporate Executive Committee.

5. Remuneration, shareholdings and loans

The remuneration report (page 83 onwards of the Annual Report) describes the remuneration policies adopted and the remuneration system in place and contains, in particular, the remuneration paid and the loans granted to members of the Board of Directors and the Corporate Executive Committee for 2024 as well as the investments they hold. The report of the external auditors on the audit of the remuneration report can be found in the appendix of that report (page 104 onwards of the Annual Report).

6. Shareholder participation rights

Voting rights

The share capital of Baloise Holding Ltd consists solely of uniform registered shares. Each share confers the right to one vote. Shareholders who have acquired shares in their own name and for their own account (as defined in Article 5 of the Articles of Association) are registered in the share register with voting rights upon request. Nominees are registered with voting rights by request if they inform the Company of the names, addresses and shareholdings of the beneficial owners. Shareholders are allowed to delegate the exercise of their voting rights to the independent proxy and to persons of their choosing. Powers of attorney and voting instructions may also be given to an independent proxy electronically without requiring a qualifying electronic signature (Article 16 [2] of the Articles of Association).

At the Annual General Meeting on 26 April 2024, the Baloise shareholders voted to remove the provisions in the Articles of Association relating to restrictions on registration and voting rights. Each share now confers one vote (Article 16 [3] of the Articles of Association). A shareholder motion to amend the nominee provision in the Articles of Association was supported by a simple majority of shareholders, but failed to achieve the necessary qualified majority. It became clear in the meetings with investors in autumn 2024 that, following the removal of the restriction on registration and voting rights, very few investors were troubled by the nominee provision in the Articles of Association. The Company has an interest in knowing the shareholders who are entitled to vote, regardless of whether they hold the shares directly or via nominees. The Company will therefore maintain the long-established practice of registering nominees with voting rights upon request (now unlimited), provided they notify Baloise of the names, addresses and shareholdings of the beneficial owners.

Statutory quorums

The Annual General Meeting is quorate regardless of the number of shareholders present or proxy votes represented, subject to the mandatory cases stated by law (Article 17 of the Articles of Association).

The consent of at least two-thirds of the votes represented at the Annual General Meeting is required for the cases specified in Article 17 [3] (a) to (h) of the Articles of Association. The votes must also represent at least one-third of the total shares issued by the Company. Otherwise, resolutions are adopted by a majority of the votes cast, subject to compulsory legal provisions (Article 17 of the Articles of Association).

Convening the Annual General Meeting

The Annual General Meeting generally takes place in April, but must be held within six months of the end of the previous financial year. Baloise Holding Ltd's financial year ends on 31 December. The Annual General Meeting is convened at least 20 days before the date of the meeting. All registered shareholders receive a personal invitation, which includes the agenda. The invitation and the agenda are published in the Swiss Official Gazette of Commerce and on the website.

The Annual General Meeting, the Board of Directors or the external auditors decide whether to convene extraordinary general meetings. Furthermore, legal provisions also require the Board of Directors to convene an extraordinary general meeting if requested by the shareholders (Article 11 of the Articles of Association). Article 699 (3) OR states that such requests may only be made by shareholders who represent at least 5 per cent of the share capital or the votes.

Requesting agenda items

Shareholders representing at least 0.5 per cent of the share capital or votes can demand that items are placed on the agenda or that motions are submitted. Such requests must be submitted in writing to the Board of Directors at least six weeks before the Annual General Meeting is held, giving details of the agenda item and the motion to be put to the AGM (Article 14 of the Articles of Association).

Entry in the share register

Shareholders are entitled to vote at the Annual General Meeting provided they are registered in the share register as shareholders with voting rights on the cut-off date stated by the Board of Directors in the invitation. The cut-off date should be several days before the Annual General Meeting (Article 16 of the Articles of Association).

The registration restrictions are set out in Article 5 of the Articles of Association. The procedures and requirements for suspending and restricting transferability are set out in Article 5 and Article 17 of the Articles of Association.

www.baloise.com/articles-of-association
www.baloise.com/calendar

7. Changes of control and poison-pill measures

Shareholders or groups of shareholders acting together by agreement are required to issue a takeover bid to all other shareholders when they have acquired more than 33⅓ per cent of all Baloise shares. Baloise Holding Ltd has not made any use of the option to deviate from or waive this regulation. There is no statutory opting-out clause or opting-up clause as defined by the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinfraG).

The members of the Corporate Executive Committee have a notice period of twelve months. Baloise has not agreed any arrangements in respect of changes of control or non-compete clauses with members of either the Board of Directors or the Corporate Executive Committee.

8. External auditors

The external auditors are elected annually by the Annual General Meeting. Ernst & Young Ltd, Basel, has been the external auditing firm for Baloise since 2016. Christian Fleig held the post of auditor-in-charge from 2018 and led the audit for the last time in 2024. In accordance with Article 730a (2) OR, the role of auditor-in-charge is rotated every seven years. Ernst & Young is the external auditing firm for almost all Group companies.

External auditors' fees

CHF (including outlays and VAT)	2024	2023
Audit fees	8,267,425	5,590,039
Consulting fees	62,092	189,530
Total	**8,329,517**	**5,779,569**

Audit fees paid to Ernst & Young include fees for engagements with a direct or indirect connection to a particular audit engagement and fees for audit-related activities (namely, statutory and regulatory special audits).

The services were rendered in accordance with the relevant provisions on independence set forth in the Swiss Code of Obligations, the Swiss Audit Supervision Act and FINMA circular 2013/3 on auditing (from 1 January 2025 FINMA circular 2025/1) published by the Swiss Financial Market Supervisory Authority (FINMA).

At its meetings, primarily at meetings about the annual and half-year financial statements, the Audit Committee received detailed explanations and documents about the external auditors' main findings from the auditors' representatives.

The performance of the external auditors and their interaction with Group Internal Audit, Risk Management and Compliance are assessed by the Audit Committee. The Audit Committee's discussions with the external auditors focus on the audit work the latter have undertaken, their reports and the material findings and most important issues raised during the audit.

Before the start of the annual audit, the Audit Committee reviews the scope of the audit and suggests areas that require special attention. The Audit Committee reviews the external auditors' fees, their independence and the quality of the service.

In the interests of ensuring the independence of the external auditors and the quality of the audit, certain proxy advisors and individual investors would like a tendering process to be carried out for the external audit contract every ten years, and for the external audit firm to be changed after a maximum of 20 years. The respective EU regulation will be applied as from 2026 to listed companies outside the EU, for which no such rotation rules exist.

Baloise has taken various measures to ensure independence and audit quality. Tendering processes will be carried out in 2024 and 2025 at the level of supervised Group companies headquartered in Belgium, Germany and Luxembourg, and a shared auditor model will be introduced from 2026. In 2025, a new Lead Auditor will be engaged for the Group mandate. The quality of the cooperation with Ernst & Young is reviewed and rated as positive by the Audit Committee. Also in light of the ongoing finance transformation, Baloise plans to tender the Group mandate (thereby observing the cooling-in periods of auditors) for the 2028 financial year.

9. Information policy

Information principles

Baloise provides (potential) shareholders, investors, employees, customers and the public with information on a regular, open and comprehensive basis. All registered shareholders each receive a summary of the review of operating performance once a year. The full Annual Report is available online at **www.baloise.com/annual-report**. In addition, a presentation is created for every set of financial statements that summarises the financial year or period and is primarily aimed at financial analysts and investors. All publications are simultaneously available to the public. All market participants receive the same information. Baloise offers teleconferences, podcasts, videos and live streaming in order to make information generally and easily accessible.
www.baloise.com/annual-report

Information events

Baloise provides detailed information about its business activities as follows:

- Details about its financial performance, targets, strategies and operations are provided at media conferences covering its annual and half-year financial statements.
- Teleconferences for financial analysts and investors take place when the annual and half-year financial statements are published. The events can then be downloaded as podcasts.
- Shareholders are informed about business during the year at the Annual General Meeting.
- Roadshows are regularly staged at various financial centres.
- At Investor Days, the Company presents its corporate strategy, targets and any other matters relevant to its business. The documents used for this and the recording of the event are made publicly available on various media.
- Ongoing relationships are maintained with analysts, investors and the media. Full details of individual Baloise events can be accessed at **www.baloise.com**.

Information about Baloise shares
Information on Baloise shares can be found on page 18.
www.baloise.com/baloise-share

Financial calendar
Important dates for investors are available at **www.baloise.com**. This is where the publication dates for the annual and half-year reports and the Q3 interim statement are listed and where the date of the Annual General Meeting, the notice of the Annual General Meeting, the closing date for the share register and any ex-dividend dates are published.
www.baloise.com/calendar

Availability of documents
Annual and half-year reports, media releases, disclosures, recent announcements, presentations and other documents are available to the public at **www.baloise.com**. Please register for the latest corporate communications at **www.baloise.com/mailinglist**.
www.baloise.com/media

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Remuneration report

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Letter from the Chairman of the Remuneration Committee

Dear shareholders,

In my role as Chairman of the Remuneration Committee, I am delighted to present this remuneration report to you and to inform you about the activities of the Remuneration Committee in the past year.

I was pleased to note the Annual General Meeting's approval rating for last year's report, which improved to 93 per cent. This favourable vote from the shareholders in spring 2024 affirms that our remuneration is appropriate and that we have taken the right course of action in adjusting and disclosing the remuneration processes.

In 2023, we adjusted the relative weighting of the short-term and long-term variable remuneration components for the Corporate Executive Committee. Building on this, our focus in 2024 was on further optimising the variable remuneration by adding to the key figures used to assess performance.

An effective remuneration system supports the business strategy by offering the right incentives and rewarding successful management of the Company and achievement of the strategic targets. When the refocusing strategy was announced in September 2024, we therefore adjusted the short-term and long-term variable remuneration in line with the success-related key figures defined in the strategy to ensure that the metrics used to measure performance support the new strategy.

The adjustments in detail:

- From the 2025 assessment year, the financial assessment for short-term variable remuneration (performance pool) is based not only on cash remittance but also on two additional financial key figures: the combined ratio (non-life) and EBIT (life). These key figures reflect the success of Baloise's insurance business and thereby support the annual strategic targets set for senior management.

- From the 2025 assessment year, the quality assessment for the performance pool is based on a structured appraisal conducted by the Remuneration Committee with regard to two criteria, namely sustainability and risk.

- We have introduced a new metric for long-term variable remuneration (performance share units, PSUs) to put the measurement of performance on a broader footing. From the 2025 assessment year, the three-year measurement of the performance of the PSU plans is based not only on the relative total shareholder return (rTSR) but also on the return on equity (ROE). By adding ROE in this way, we have thus supplemented the calculation of long-term variable remuneration with a core strategic key figure that will ensure the stable presentation of long-term value creation without duplicating the measures of performance already used for short-term variable remuneration.

In taking these steps, we are making sure that the remuneration system continues to provide support for the implementation of the strategy and remains aligned with the interests of our shareholders.

The Remuneration Committee seeks to apply the principle of performance-related remuneration in an appropriate manner. Cash remittance was significantly higher in 2024 than in previous years, resulting in a financial assessment for short-term variable remuneration of 110 per cent. However, a number of the targets set were not achieved as planned, partly owing to the strategic realignment. The quality assessment for short-term variable remuneration reflects this, with a lower valuation of 92 per cent. This, combined with the positive financial assessment, gives a performance pool factor of 101 per cent. This factor is used to calculate the short-term variable remuneration paid to the Corporate Executive Committee for 2024.

On behalf of all members of the Remuneration Committee, I would like to thank you, our esteemed shareholders, for your interest and trust.

Basel, March 2025

Christoph Mäder
Chairman of the Remuneration Committee

1. Overview of remuneration

Remuneration system for the Board of Directors

The members of the Board of Directors receive fixed remuneration for their service as members of the board and its committees, as set out in the table below. These amounts provide appropriate compensation for the responsibility and workload involved in their various functions and have not been raised since 2008.

Board of Directors' fees and mandatory share ownership

	CHF thousand / year	of which shares in Baloise Holding Ltd [1]
Total fee – Chairman	1,200	1/3
Base fee – Member	125	1/4
Additional fee – Vice-Chairman	50	1/4
Additional fee – Chair of Committee	70	1/4
Additional fee – Committee Member	50	1/4
Mandatory share ownership		1,000 shares each

1 The share elements of the fee are blocked for three years, the 1,000 mandatory shares until resignation.

Remuneration of the members of the Board of Directors for the 2023/24 term of appointment and for the 2024 reporting year

The Annual General Meeting held on 28 April 2023 approved an amount of CHF 3.6 million (including social security contributions and Share Subscription Plan discount) for the remuneration of the Board of Directors for the 2023/24 term of appointment. The amount paid for the 2023/24 term of appointment was CHF 3.3 million. The amount paid in the 2024 reporting year was CHF 3.2 million.

Remuneration system for the Corporate Executive Committee

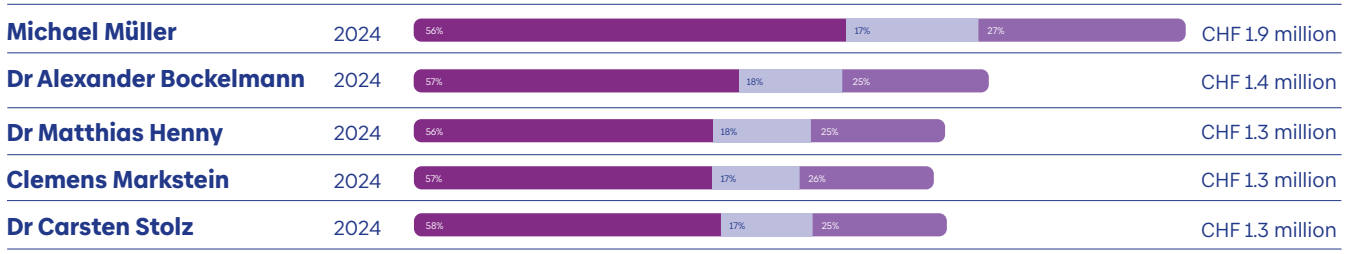
Members of the Corporate Executive Committee of the Baloise Group receive fixed remuneration and variable remuneration that comprises a short-term component (performance pool) and a long-term component (performance share units, PSUs). At least 30 per cent of short-term variable remuneration is awarded in shares. The PSUs under the long-term variable remuneration plan are prospective entitlements to shares that are either converted and definitively allocated after three years or expire at this point, depending on whether or not the vesting condition has been met.

These elements ensure that remuneration is competitive and reflective of performance. They also incentivise recipients to achieve ambitious targets while simultaneously emphasising the importance of sustainable management practices. In addition, they strengthen the Company's ability to retain high performers and to align their interests with those of stakeholder groups, particularly our shareholders. All elements of Corporate Executive Committee remuneration are determined individually by the Remuneration Committee in keeping with the maximum amounts approved by the Annual General Meeting.

Description	Purpose
Fixed remuneration • Basic salary • Fringe benefits • Social security contributions	• Competitiveness in the marketplace • Fairness and transparency • Financial hedging
Short-term variable remuneration • Performance pool • Paid in cash and restricted shares	• Remuneration for the achievement of annual targets (Company, team and individual targets) • Participation in the success of the business
Long-term variable remuneration • Performance share units (PSUs)	• Strengthening of senior managers' loyalty to the Company • Alignment of senior managers' interests with those of shareholders

Remuneration of the members of the Corporate Executive Committee for the 2024 reporting year

The Annual General Meeting held on 28 April 2023 approved an amount of CHF 4.4 million for the fixed remuneration (including social security contributions) of the Corporate Executive Committee for 2024. The amount paid was CHF 3.9 million. In addition, the Annual General Meeting held on 28 April 2023 approved a maximum amount of CHF 5.0 million (including social security contributions and Share Subscription Plan discount) for the variable remuneration for 2024. The total amount paid was CHF 3.3 million. The chart below shows the remuneration of the individual members of the Corporate Executive Committee for 2024 and the breakdown by remuneration component.



Fixed (includes basic salaries, non-cash remuneration and employer contributions to the state-run social security schemes and the occupational pension scheme)

Short-term variable remuneration (includes payments from the performance pool in shares and cash)

Long-term variable remuneration (includes allocations of performance share units)

2. Governance

Remuneration-related provisions in the Articles of Association

Article 31 of the Articles of Association of Baloise Holding Ltd defines the approval process for the remuneration of members of the Board of Directors and the Corporate Executive Committee. The process involves separate approvals of:

- the total amount of remuneration for the Board of Directors for the one-year term of appointment until the end of the next Annual General Meeting;
- the total amount of fixed remuneration for the Corporate Executive Committee for the next financial year;
- the maximum amount of variable remuneration for the Corporate Executive Committee for the next financial year.

The Articles of Association of Baloise Holding Ltd also stipulate the applicable remuneration principles and include the following provisions:

- Mandatory share ownership rules for the Board of Directors (Article 20)
- Term of remuneration contracts (Article 29)
- Additional amount for the remuneration of newly appointed membersof the Corporate Executive Committee (Article 30)
- Principles of variable remuneration (Article 32)
- Activities for other companies (Article 33); for further information see the corporate governance report, p. 68
- Loans and credit facilities (Article 34)

www.baloise.com/articles-of-association

Remuneration Committee of the Board of Directors

The Remuneration Committee is tasked with helping the Board of Directors to frame the Company's remuneration policy. It has been vested with special powers and ensures, among other things, that:

- the remuneration offered by Baloise is in line with the going market rate and reflective of performance in order to attract and retain individuals with the necessary skills and character attributes;
- remuneration is demonstrably dependent on the Company's sustained success and individuals' personal contributions and does not create any false incentives;
- the structure and amount of overall remuneration are consistent with Baloise's risk policies and encourage risk awareness.

The Remuneration Committee's main functions and responsibilities are to:

- submit proposals to the Board of Directors on the structure of remuneration in the Baloise Group;
- submit proposals to the Board of Directors – for approval by the Annual General Meeting – on the maximum amount of remuneration for the Chairman and members of the Board of Directors and for the members of the Corporate Executive Committee;
- approve the basic salaries and the variable remuneration for the individual members of the Corporate Executive Committee (in compliance with the pay caps stipulated by the Annual General Meeting);
- specify the total amount available in the performance pool and the total amount set aside for the allocation of performance share units (PSUs);
- approve inducement payments and severance packages for senior managers that, in individual cases, exceed CHF 100,000 (subject to the proviso that members of the Board of Directors or the Corporate Executive Committee may not be granted severance packages and may be granted an inducement payment only in order to offset a verifiable financial disadvantage).

The Remuneration Committee consists of at least three members of the Board of Directors, who are elected every year by the Annual General Meeting. Christoph Mäder (Chairman), Professor Hans-Jörg Schmidt-Trenz (Deputy Chairman), Christoph B. Gloor and Dr Karin Lenzlinger Diedenhofen were re-elected to the Remuneration Committee by the Annual General Meeting on 26 April 2024. The Remuneration Committee maintains a regular dialogue with senior management throughout the year and meets at least three times per year. In addition to the Committee Secretary being present, these meetings are usually attended by the Group CEO, the Head of Group Human Resources and the Head of Compensation and Benefits, who collectively participate in an advisory capacity. The Group CEO leaves the meeting when his personal remuneration is being discussed and decided. The Chairman of the Remuneration Committee reports on its activities to the Board of Directors at its next meeting.

Approval structure

	Group CEO	Chairman of the Board of Directors	Remuneration Committee	Board of Directors	Annual General Meeting
Remuneration policies			Proposal	Approval	
Maximum total remuneration for the Board of Directors and the Corporate Executive Committee			Proposal	Review	Approval (binding vote)
Remuneration for the Chairman of the Board of Directors			Proposal	Approval	
Remuneration for the Group CEO		Proposal	Approval		
Remuneration for the Corporate Executive Committee	Proposal		Approval		
Remuneration Report			Proposal	Approval	Advisory vote

3. Remuneration principles

The remuneration principles and parameters applied across the Baloise Group have been set out in a Remuneration Guideline. This Remuneration Guideline applies to all employees throughout the Baloise Group. It is based on the principles set out in the sections below.

Competitiveness in the marketplace

Baloise aims to pay basic salaries that are broadly in line with the market, i.e. around the market median. Total remuneration should exceed the market median in the event of outstanding performance by the Company and outstanding individual performance. Baloise therefore regularly compares the salaries paid to its employees with those paid in the wider market in Switzerland and Europe. This involves taking part in benchmarking surveys conducted by Willis Towers Watson and Kienbaum. In 2021, Baloise participated in Willis Towers Watson's standard survey on executive compensation. As surveys of this type cover a wide spectrum of companies, the peer group used to benchmark the remuneration for the Corporate Executive Committee is broad-based and includes companies from outside the financial sector.

In 2022, a market analysis of executive remuneration structures was carried out with support from PwC. Two peer group data sets were used for this purpose. One set comprised 26 SMIM companies, namely Adecco, Bachem, BB Biotech, Clariant, EMS, Galenica, Kühne + Nagel, PSP, SIG Combibloc, Straumann, Swiss Prime Site, Temenos, Zur Rose, ams, Barry Callebaut, Cembra, Dufry, Flughafen Zürich, Georg Fischer, Julius Bär, Lindt, Schindler, Sonova, Swatch, Tecan, and VAT (multi-sector peer group), and the other comprised selected listed Swiss companies, namely Helvetia, Swiss Life, Swiss Re, and Zurich Insurance (insurance peer group).

Consideration of individual performance and the Company's success

As a performance-driven organisation, Baloise always maintains a clear and transparent link between the Company's strategic targets, team targets and the targets of individual employees. The amount of short-term variable remuneration is influenced by the individual contributions to the achievement of these targets.

Fairness and transparency

In addition to the regular benchmarking of overall remuneration against the market, Baloise also aims to ensure that pay within the Company is fair when setting salary levels. Baloise applies the fair-pay principle that people who do the same job and have the same qualifications should be paid the same amount.

Baloise seeks to maintain fairness in remuneration at all times and, wherever possible, to reduce differences in pay that cannot be objectively explained. It has been conducting regular analyses since 2013 and uses internal fair pay analyses and pay structure assessments when determining initial salaries, adjusting salaries and awarding variable remuneration to ensure that remuneration at Baloise is fair. In 2021, an independent audit also confirmed that wage equality had been maintained in accordance with the provisions of the Swiss Gender Equality Act.

Sustainable remuneration

Baloise attaches considerable importance to managing its business sustainably and retaining high performers. It also matters to Baloise that its remuneration is not only competitive and performance-based but also encourages managerial staff to align their long-term focus with the interests of stakeholders, particularly our shareholders. To this end, members of the top three tiers of management are awarded a significant portion of their variable remuneration in shares that are restricted for three years and exposed to market risk during this period. Those entitled to short-term variable remuneration generally have a choice as to what percentage of their remuneration they receive as shares. However, this choice is limited for the most senior managers. Members of the Corporate Executive Committee must receive at least 30 per cent of their short-term variable remuneration in the form of shares. Furthermore, the top three tiers of management also receive performance share units, which means that a further component of their salaries is paid out as prospective entitlements. These PSUs must be held for three years before being converted into shares as a form of deferred remuneration. Both the proportion of variable remuneration in the total pay package and the proportion of remuneration awarded in restricted shares or as deferred remuneration increase in line with employees' scope of strategic responsibility and influence.

This mandatory purchase of shares ensures that a significant proportion of the Corporate Executive Committee's remuneration is granted as deferred shares. The expectation is that deferred shares make up 72 per cent of variable remuneration, which equates to 36 per cent of total remuneration.

Excessive remuneration is prevented by means of clearly defined caps for the remuneration for the Board of Directors and the Corporate Executive Committee that are approved by the Annual General Meeting.

4. Remuneration system for the Board of Directors

The members of the Board of Directors receive fixed remuneration for their service as members of the board and its committees. The Chairman of the Board of Directors performs his various functions on a full-time basis, in return for which he is paid a fixed fee of CHF 1,200,000. He is not entitled to any variable remuneration. The tasks of the Chairman are described in more detail in the corporate governance report (page 69).

All other members of the Board of Directors receive a fee of CHF 125,000. The Vice-Chairman of the Board of Directors receives an additional fee of CHF 50,000. The additional fee for the chair of a committee is CHF 70,000, while committee members receive an additional fee of CHF 50,000. These amounts provide appropriate compensation for the responsibility and workload involved in their various functions and have not been raised since 2008.

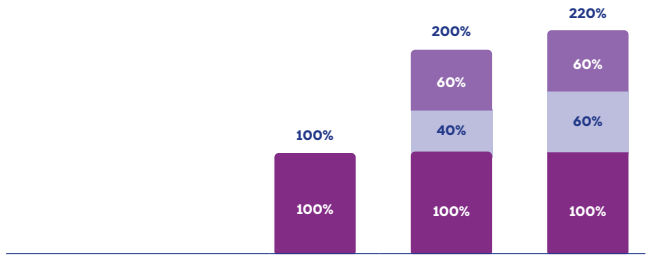
The members of the Board of Directors are obliged to lodge 1,000 shares with the Company for the duration of their term of appointment (Article 20 of the Articles of Association). They do not participate in any share participation plans that are predicated on the achievement of specific performance targets

One-third (Chairman) or one-quarter (other members) of the annual remuneration is awarded in the form of shares that remain restricted for three years. The subscription price is based on the volume-weighted average price for the ten trading days prior to allocation on 1 June; a 10 per cent discount is granted on this price.

	Relevant closing price	
	as at	**CHF**
Shares received by members of the Board of Directors 2024	01.06.2024	155.90
Shares received by members of the Board of Directors 2023	01.06.2023	140.00

5. Remuneration system for the Corporate Executive Committee

Remuneration structure



	Minimum remuneration	Expected value	Maximum remuneration
Basic salary	100%	100%	100%
Short-term variable remuneration (performance pool)	0%	40%	60%
Long-term variable remuneration (PSU, value at allocation)	0%	60%	60%

Mandatory share subscription	**At least 30 per cent of the short-term variable remuneration paid to members of the Corporate Executive Committee must be awarded in shares.**
Mandatory share ownership	**Members of the Corporate Executive Committee must hold shares equivalent to 200 per cent (300 per cent for the Group CEO) of their basic salary (within five years of taking office). For further information, see page 91**

Basic salary

The basic salary constitutes the level of remuneration that is commensurate with the functions and responsibilities of the position concerned. A market comparison of basic salary is carried out periodically. Fair pay within the Baloise Group is also taken into consideration. The Baloise Group applies the fair-pay principle that people who do the same job and have the same qualifications should be paid the same amount.

Short-term variable remuneration: performance pool

Short-term variable remuneration is the reward for achieving annual targets. It is distributed from the performance pool, which is the total amount of short-term variable remuneration that is to be distributed. The aim of the performance pool is to reward members of the Corporate Executive Committee and other eligible employees in a measure that reflects the extent to which their performance in the preceding year has contributed to achieving the Company's targets and satisfying the interests of our shareholders.

Members of the Corporate Executive Committee and employees at senior management level are eligible for performance pool payments.

The variable remuneration of employees who perform control functions (Risk Management, Compliance, Group Internal Audit and the Appointed Actuary) is structured in such a way that it is not determined directly by the profitability of the unit being monitored or by the profitability of individual products or transactions. The Remuneration Committee approves the remuneration of the heads of the control functions on an annual basis.

The Remuneration Committee decides on the short-term variable remuneration awarded to the individual members of the Corporate Executive Committee from the available performance pool based on their achievement of their individual targets. The achievement of the targets agreed for the Group CEO for the reporting year is assessed by the Chairman of the Board of Directors. The Group CEO assesses the target achievement of the other members of the Corporate Executive Committee. Based on the weighted average target achievement of each member of the Corporate Executive Committee, the Chairman of the Board of Directors and the Group CEO each submit a proposal for individual allocations of remuneration to the Remuneration Committee. The committee meets to discuss the material facts relating to each individual member and make a final decision on their target achievement for the reporting year and the remuneration to be awarded to them on this basis.

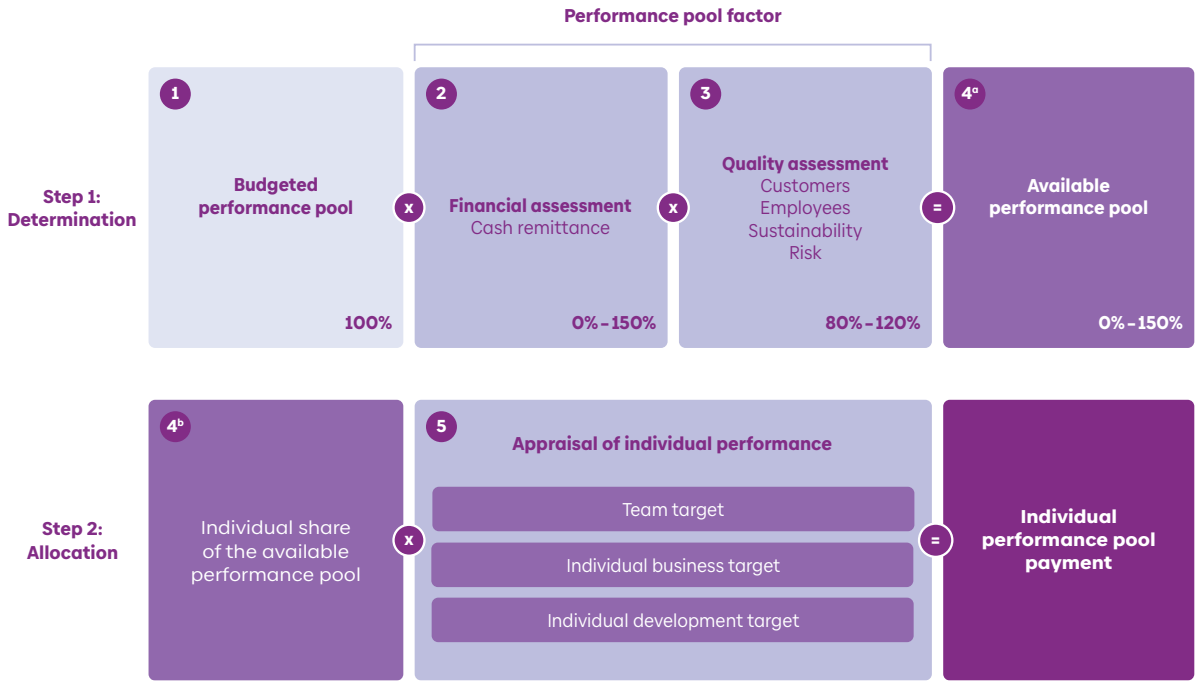
By taking a structured approach to setting the team targets and individual targets for the members of the Corporate Executive Committee, Baloise ensures that all activities undertaken by them are aligned with the overarching strategic targets.

Quantitative team targets create an incentive to achieve the targeted levels of strategically relevant Group-wide key figures. By contrast, qualitative team targets focus more on processes than on outcomes, serving to assess collaboration and conduct.

The individual targets for each member of the Corporate Executive Committee are derived from the strategic ambitions and team targets. They ensure that each individual member with their assigned area of responsibility makes a clearly defined contribution to achieving the overarching targets. In addition to the performance-related targets, individual personal development targets are agreed for the members of the Corporate Executive Committee.

Short-term variable remuneration is measured on the basis of the performance pool factor. The Remuneration Committee determines the performance pool factor for the preceding year. To this end, the committee systematically analyses the achievement of targets using the following indicator model.

Indicator model, performance assessment and the resulting allocation of individual short-term variable remuneration



1 Budgeted performance pool:
Total sum of the basic salary of the Corporate Executive Committee multiplied by the expected value of 40 per cent.

2 Financial assessment:
The financial assessment is based on the cash remittance to Baloise Holding Ltd. This key figure is one of Baloise's three strategic targets and forms the basis for enabling investors to share in the Company's success. The target achievement rate for the financial assessment is capped at 150 per cent.

3 Quality assessment:
In addition to the assessment of financial performance, the quality of the results is assessed on the basis of four strategic key factors: the growth of the customer base, employee satisfaction, the sustainability strategy, and risk management. The Company's performance in these areas is evaluated annually, using medium-term ambitions as the benchmark. The result of this quality assessment (80–120 per cent) is multiplied by the result of the financial assessment.

4a Available performance pool:
The Remuneration Committee reviews and approves the final size of the performance pool based on the aforementioned factors. The available performance pool is capped at 150 per cent of the budgeted performance pool. If the performance pool factor is set at 100 per cent, this means the targets have been met.

5 Assessment of individual performance and determination of personal performance pool allocations:
The Remuneration Committee discusses and evaluates the performance of each member of the Corporate Executive Committee in the relevant assessment year on the basis of a shared team target and individual business and development targets. This provides the committee with a clear framework and a structured process within which it can use its discretion to make well-founded decisions. The allocation from the available performance pool (see 4b in the chart) to each member of the Corporate Executive Committee is determined in accordance with the appraisal of their individual performance.

Metrics for the performance pool from 2025
The performance metrics for the performance pool have been adjusted with effect from 2025 on the basis of the success-related key figures used in the refocusing strategy. In addition to cash remittance, the financial assessment now incorporates two new metrics: the combined ratio (non-life) and EBIT (life). Going forward, the quality assessment will be based on a structured appraisal conducted with regard to two criteria, namely sustainability and risk.

Long-term variable remuneration: performance share units

The aim of long-term variable remuneration is to strengthen senior managers' loyalty to the Baloise Group and align the interests of senior management with the interests of our shareholders. Long-term variable remuneration is granted in the form of performance share units (PSUs). PSUs are prospective entitlements to shares. At the beginning of each vesting period, the participating employees are granted rights in the form of PSUs, which entitle them to receive a certain number of shares free of charge after the vesting period has elapsed. The Remuneration Committee specifies the grant date and applies its own discretion in deciding which senior managers are eligible to participate. It determines the total number of PSUs available and decides how many are to be awarded to each member of the Corporate Executive Committee.

The number of shares that can be subscribed after three years – i.e. at the end of the vesting period – depends on the total shareholder return (TSR) of Baloise Holding Ltd relative to a peer group; this measure is referred to as the relative total shareholder return (rTSR). The peer group comprises the leading European insurance companies within the STOXX Europe 600 Insurance Index (see table below).

Companies in the STOXX Europe 600 Insurance Index (as at 31 December 2024)

ADMIRAL GROUP	MUENCHENER RUECK
AEGON	NN GROUP
AGEAS	PHOENIX GROUP HOLDINGS
ALLIANZ	POWSZECHNY ZAKLAD
ASR NEDERLAND	UBEZPIECZEN
AVIVA	PRUDENTIAL
AXA	SAMPO
BALOISE HOLDING	SCOR
BEAZLEY	STOREBRAND
DIRECT LINE INSURANCE GROUP	SWISS LIFE HOLDING
GENERALI	SWISS RE
GJENSIDIGE FORSIKRING	TALANX
HANNOVER RUECK	TRYG
HELVETIA HOLDING	UNIPOL GRUPPO
HISCOX	ZURICH INSURANCE GROUP
LEGAL & GENERAL GROUP	

Source: https://www.stoxx.com/index-details?symbol=SXIP

Starting with the 2024 assessment year, the rTSR is measured annually and Baloise's relative position (expressed as a percentile) is calculated over a three-year period. The performance multiplier is 0.0 if the average of the percentiles is below the first quartile, i.e. below 0.25. It is 0.5 if the average of the percentiles is 0.25. It amounts to the maximum of 2.0 if the average of the percentiles is 1.0, i.e. Baloise achieved a higher TSR than all the companies in the peer group in every year during the vesting period. Consequently, the performance multiplier increases on a linear basis from the bottom quartile upwards from 0.5 to 2.0 (see the chart on page 99).

Participants receive the pertinent number of shares once the three-year vesting period has elapsed. After they have been transferred, the shares are not subject to any further closed period and are thus freely disposable.

Any outstanding entitlement to PSUs expires entirely in the event of a termination of employment during the vesting period due to poor performance or misconduct or if the person subsequently engages in any activities in competition with Baloise. In addition, the Remuneration Com- mittee has the powers to claw back some or all of the PSUs allocated to an individual or to a group of participants if there are specific reasons for doing so (malus provision).

Additional metric for the PSU plan from 2025

The PSU plan has been adjusted in line with the refocusing strategy. From the 2025 assessment year, measurement of performance includes not only the relative total shareholder return (rTSR) but also the return on equity (ROE) as a new metric.

Share Subscription Plan

Members of the Corporate Executive Committee are obliged to receive at least 30 per cent of their short-term variable remuneration in the form of shares. Through the Share Subscription Plan, they can subscribe to dividend-bearing shares with a closed period of at least three years at a preferential price (10 per cent discount). The terms of the Share Subscription Plan are defined by the Remuneration Committee.

Mandatory share ownership rules for the Corporate Executive Committee

Each member of the Corporate Executive Committee is required to hold at least 200 per cent of their basic salary – or 300 per cent in the case of the Group CEO – in free float or restricted shares within a period of five years from the start of their term of appointment. Since 2023, awarded but as yet unvested PSUs are no longer being taken into account for the purposes of compliance with mandatory share ownership rules, because they have not been converted. This updated policy has been in effect since 2023 and its requirements must be met within a period of five years.

Reductions of variable remuneration (malus and clawback provisions)

In the event of a restatement due to a material breach of applicable financial reporting standards or an incident of misconduct on the part of an individual, the Remuneration Committee may recalculate the allocation of short-term variable remuneration and use its discretion to reduce outstanding remuneration entitlements or let a proportion of allocated but as yet unvested PSUs expire (malus) for

members of the Corporate Executive Committee. The Remuneration Committee may also demand that an amount of variable remuneration that has already been disbursed be paid back in part or in full by the members of the Corporate Executive Committee and/or that vested shares awarded in previous vesting periods be returned to the Company without consideration or compensation (clawback).

Employment contracts, change-of-control clauses, inducement payments and severance packages

All members of the Corporate Executive Committee have a notice period of twelve months. There are no change-of-control clauses. No severance packages may be awarded to members of the Corporate Executive Committee. Inducement payments that do not offset a verifiable financial disadvantage are not permitted. Any offsetting payments of this nature made at the start of an employment contract must be approved by the Remuneration Committee irrespective of the amount payable.

6. Remuneration for the reporting year

A. Remuneration paid to the members of the Board of Directors

The amount paid to the members of the Board of Directors in 2024 was CHF 3.2 million, which is broken down as follows:

Remuneration paid to the members of the Board of Directors

2024	Remuneration (cash)	Remuneration (shares incl. discount)	Social security contributions	Total remuneration
CHF thousand				
Dr Thomas von Planta	822.3	464.4	12.7	**1,299.4**
Chairman of the Board of Directors				
Christoph Mäder	221.3	83.3	6.3	**310.9**
Vice-Chairman of the Board of Directors				
Dr Maya Bundt	131.3	49.4	6.3	**187.0**
Dr Guido Fürer (since 27 April 2024)	87.6	32.9	10.3	**130.7**
Christoph B. Gloor	183.9	69.1	6.3	**259.2**
Hugo Lasat (until 26 April 2024)	43.8	16.4	–	**60.2**
Dr Karin Lenzlinger Diedenhofen	131.3	49.4	4.7	**185.4**
Dr Markus R. Neuhaus	183.9	69.1	–	**252.9**
Prof. Dr Hans-Jörg Schmidt-Trenz	168.8	63.5	–	**232.3**
Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen	168.8	63.5	6.3	**238.6**
Total for the Board of Directors	**2,143.0**	**960.8**	**52.8**	**3,156.6**

Explanatory notes to the table
Remuneration in shares including discount A proportion of the contractually agreed overall remuneration is paid in shares, which remain restricted for three years. Shares are stated on the basis of the closing price on 1 June 2024 (CHF 155.90). Members of the Board of Directors receive a 10 per cent discount on the shares' market price under the Share Subscription Plan for the Board of Directors. This discount is reported separately in addition to the value of the shares.
Social security contributions The information disclosed for 2024 includes the contributions that the employer is required by law to pay into the state-run social security schemes (up to the pensionable or insurable threshold in each case). For the members of the Board of Directors who work for Baloise as their main job (such as the Chairman), the statutory employer contributions are paid into an occupational pension scheme. No contributions to occupational pension schemes are made for the other members of the Board of Directors.

The Annual General Meeting held on 28 April 2023 approved an amount of CHF 3.6 million (including social security contributions and Share Subscription Plan discount) for the remuneration of the Board of Directors for the 2023/24 term of appointment, which began at the Annual General Meeting held on 28 April 2023 and ended in the reporting year at the Annual General Meeting held on 26 April 2024. The amount paid for the 2023/24 term of appointment was CHF 3.3 million.

Remuneration paid to the members of the Board of Directors

2023	Remuneration (cash)	Remuneration (shares incl. discount)	Social security contributions	Total remuneration
CHF thousand				
Dr Thomas von Planta	866.7	481.7	12.8	**1,361.2**
Chairman of the Board of Directors				
Christoph Mäder	221.3	81.9	6.3	**309.5**
Vice-Chairman of the Board of Directors				
Dr Maya Bundt	131.3	48.6	6.3	**186.2**
Claudia Dill (until 31 October 2023)	109.4	40.5	6.3	**156.2**
Christoph B. Gloor	178.8	66.2	6.3	**251.3**
Hugo Lasat	131.3	48.6	–	**179.9**
Dr Karin Lenzlinger Diedenhofen	131.3	48.6	6.3	**186.2**
Dr Markus R. Neuhaus	183.8	68.0	6.3	**258.2**
Prof. Dr Hans-Jörg Schmidt-Trenz	168.8	62.4	–	**231.3**
Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen	168.8	62.4	6.3	**237.6**
Total for the Board of Directors	**2,291.7**	**1,009.0**	**56.9**	**3,357.6**

Explanatory notes to the table
Remuneration in shares including discount A proportion of the contractually agreed overall remuneration is paid in shares, which remain restricted for three years. Shares are stated on the basis of the closing price on 1 June 2023 (CHF 140.00). Members of the Board of Directors receive a 10 per cent discount on the shares' market price under the Share Subscription Plan for the Board of Directors. This discount is reported separately in addition to the value of the shares.
Social security contributions The information disclosed for 2023 includes the contributions that the employer is required by law to pay into the state-run social security schemes (up to the pensionable or insurable threshold in each case). Statutory employer contributions are made to an occupational pension scheme for the Chairman of the Board of Directors, who works in this role on a full-time basis. No contributions to occupational pension schemes are made for the other members of the Board of Directors.

Amounts receivable and remuneration on a non-arm's-length basis

No remuneration on a non-arm's-length basis was paid to former members of the Board of Directors or companies or individuals who are related to members of the Board of Directors. Related parties are spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; and children, relatives, companies and trustees of the spouse or life partner. No amounts receivable from current or former members of the Board of Directors or any of the aforementioned persons or companies have been waived. No remuneration was paid to former members of the Board of Directors.

B. Remuneration paid to the members of the Corporate Executive Committee

Remuneration for 2024

The actual level of remuneration paid to the Corporate Executive Committee is determined in accordance with the table below.

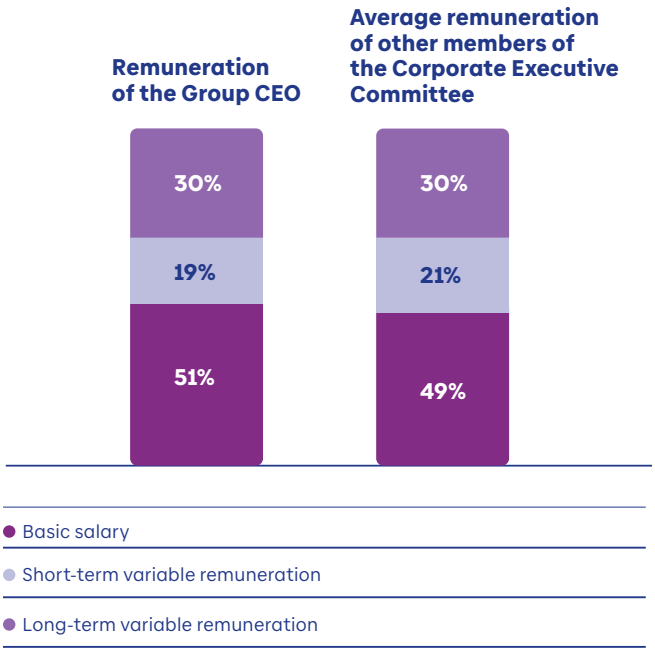
Type of remuneration	Determined by
Fixed remuneration for 2024	2023 Annual General Meeting
Variable remuneration for 2024	
– Cap	2023 Annual General Meeting
– Individual payment	Remuneration Committee in February 2024 for long-term variable remuneration and in February 2025 for short-term variable remuneration (in compliance with the cap set by the 2023 Annual General Meeting)

The Annual General Meeting held on 28 April 2023 approved an amount of CHF 4.4 million for the fixed remuneration (including social security contributions) of the Corporate Executive Committee for 2024. The amount paid was CHF 3.9 million. In addition, the Annual General Meeting held on 28 April 2023 approved a maximum amount of CHF 5.0 million (including social security contributions and Share Subscription Plan discount) for the variable remuneration for 2024. The total amount paid was CHF 3.3 million.

On 1 March 2024, the performance share units allocated in 2021 became due for conversion. These PSUs had a value of CHF 1.3 million at the time of allocation. No shares were granted because the performance multiplier was 0.0. The prospective entitlements expired in full.

The remuneration of the members of the Corporate Executive Committee for the 2024 and 2023 financial years is set out in the tables below. The disclosure is made in accordance with the accrual principle. The tables include all forms of remuneration awarded for performance in each financial year even if individual components are not paid until a later date.

Distribution of remuneration for 2024



Remuneration paid to the members of the Corporate Executive Committee

2024	Basic salary	Variable remuneration				Total basic salary plus variable remuneration	Variable remuneration as percentage of basic salary	Non-cash benefits	Social security contributions	Total remuneration
	Cash payment (fixed)	Cash payment (variable)	Share Subscription Plan	PSU (granted in 2024)	Total variable remuneration					
CHF thousand										
Michael Müller	850.0	216.5	107.9	510.1	834.4	1,684.4	98%	5.9	208.9	**1,899.2**
Group CEO										
Dr Alexander Bockelmann	600.0	45.2	210.0	360.1	615.3	1,215.3	103%	5.9	196.2	**1,417.3**
Head of Corporate Division IT										
Dr Matthias Henny	550.0	0.1	240.6	330.1	570.8	1,120.8	104%	5.9	180.3	**1,307.0**
Head of Corporate Division Asset Management										
Clemens Markstein	550.0	98.9	115.2	330.1	544.2	1,094.2	99%	5.9	178.3	**1,278.3**
Head of Corporate Division Switzerland										
Dr Carsten Stolz	550.0	104.5	121.6	330.1	556.2	1,106.2	101%	5.9	199.8	**1,311.8**
Head of Corporate Division Finance										
Total for the Corporate Executive Committee	**3,100.0**	**465.2**	**795.2**	**1,860.5**	**3,120.9**	**6,220.9**	**101%**	**29.3**	**963.5**	**7,213.6**

Explanatory notes to the table
Remuneration is disclosed in accordance with the accrual principle. The table includes all forms of remuneration awarded for performance in 2024, even if individual components are not paid until a later date. Amounts are gross, before deduction of social security contributions, etc.
Share Subscription Plan Proportion of variable remuneration received directly as shares, which are valued at their market value as at 1 March 2025 = CHF 173.70.
PSUs Disclosure at the value on the date of allocation (CHF 141.73), calculated using a Monte Carlo simulation that calculates a present value for the payout expected at the end of the vesting period.
Non-cash benefits All remuneration elements required to be declared on the Swiss salary certificate, including long-service awards and taxable benefits relating to shares received in connection with the Employee Incentive Plan (maximum of 100 shares per annum).
Social security contributions These comprise the employer contributions to the state-run social security schemes and the occupational pension scheme (up to the pensionable or insurable threshold in each case). The members of the Corporate Executive Committee are insured under the pension scheme run by Baloise Insurance Ltd. They are subject to the same terms and conditions as all other insured office-based members of staff.

Remuneration paid to the members of the Corporate Executive Committee

2023	Basic salary	Variable remuneration				Total basic salary plus variable remuneration	Variable remuneration as percentage of basic salary	Non-cash benefits	Social security contributions	Total remuneration
	Cash payment (fixed)	Cash payment (variable)	Share Subscription Plan	PSU (granted in 2023)	Total variable remuneration					
CHF thousand										
Gert De Winter	475.0	109.1	132.0	–	241.1	716.1	51%	–	183.0	**899.2**
Group CEO (until 30 June 2023)										
Michael Müller	775.0	177.9	215.5	310.1	703.5	1,478.5	91%	4.9	203.2	**1,686.6**
Head of Corporate Division Switzerland (until 30 June 2023) Group CEO (since 1 July 2023)										
Dr Alexander Bockelmann	600.0	91.9	259.5	240.1	591.5	1,191.5	99%	–	184.0	**1,375.5**
Head of Corporate Division IT										
Dr Matthias Henny	550.0	0.0	305.9	220.0	526.0	1,076.0	96%	4.9	190.9	**1,271.8**
Head of Corporate Division Asset Management										
Clemens Markstein[1]	275.0	63.2	76.5	45.6	185.2	460.2	67%	4.9	98.6	**563.6**
Head of Corporate Division Switzerland (since 1 July 2023)										
Dr Carsten Stolz	550.0	126.3	152.9	220.0	499.2	1,049.2	91%	4.9	210.9	**1,265.0**
Head of Corporate Division Finance										
Total for the Corporate Executive Committee	**3,225.0**	**568.5**	**1,142.3**	**1,035.8**	**2,746.6**	**5,971.6**	**85%**	**19.5**	**1,070.6**	**7,061.7**

1 The remuneration of Clemens Markstein was taken into account on a pro rata basis from 1 July 2023. The PSUs allocated to Clemens Markstein as at 1 March 2023 were also calculated on a pro rata basis from 1 July 2023 and were determined on the basis of the terms applicable before his move to the Corporate Executive Committee.

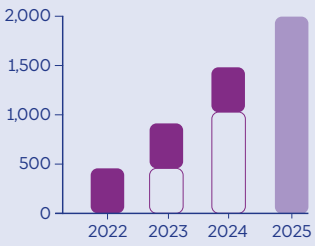
Explanatory notes to the table
Remuneration is disclosed in accordance with the accrual principle. The table includes all forms of remuneration awarded for performance in 2023 even if individual components are not paid until a later date. Amounts are gross, before deduction of social security contributions etc.
Share Subscription Plan Proportion of variable remuneration received directly as shares, which are valued at their market value as at 1 March 2024 = CHF 142.90.
PSUs Disclosure at the value on the date of allocation (CHF 156.61), calculated using a Monte Carlo simulation that calculates a present value for the payout expected at the end of the vesting period.
Non-cash benefits All remuneration elements required to be declared on the Swiss salary certificate, including long-service awards and taxable benefits relating to shares received in connection with the Employee Incentive Plan (maximum of 100 shares per annum).
Social security contributions These comprise the employer contributions to the state-run social security schemes and the occupational pension scheme (up to the pensionable or insurable threshold in each case). The members of the Corporate Executive Committee are insured under the pension scheme run by Baloise Insurance Ltd. They are subject to the same terms and conditions as all other insured, office-based members of staff.

Amounts receivable and remuneration on a non-arm's-length basis

No remuneration on a non-arm's-length basis was paid to former members of the Corporate Executive Committee or companies or individuals who are related to members of the Corporate Executive Committee. Related parties are spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; and children, relatives, companies and trustees of the spouse or life partner. No amounts receivable from current or former members of the Corporate Executive Committee or any of the aforementioned persons or companies have been waived.

Performance pool factor for 2024

For 2024, the Remuneration Committee set a factor of 101 per cent for the performance pool. The outcomes of the financial and quality assessments are explained in greater detail below.

Metrics	Targets 2022 – 2025	Results for 2024 / annual performance	Performance appraisal by the Remuneration Committee	Overall status
1 Financial assessment (0–150 %)				
Cash Remittance	CHF 2 billion	CHF 565 million 	At CHF 565 million, cash remittance was at a high level. It included a non-recurring effect in the form of release of capital as a result of taking out reinsurance for a closed life portfolio in Belgium. This non-recurring effect was only factored into the calculation of target achievement on a pro rata basis. However, our cash remittance would have exceeded CHF 500 million for the first time even without this non-recurring effect, so this result can be regarded as very good.	110%
2 Quality assessment (80–120 %)				
Simply Safe Season 2 targets: customers and employees	1.5 million new customers Top 5 % of all employers in Europe by the end of 2025	101,000 new customers Top 27% of all employers in Europe	The new customer targets and the employee target were strategic ambitions under the Simply Safe Season 2 strategic phase, which has now been discontinued. These two targets were replaced when we introduced our refocusing strategy. The ending of the ecosystem strategy, which was expected to contribute a significant proportion of the new customers, means the customer target is no longer realistic. Nevertheless, we increased the number of new customers to 101,000 in 2024, which was twice as high as the increase in 2023. Employee satisfaction saw a further slight decline in the European market, but in terms of Baloise as a whole, we maintained a consistent level despite the difficult conditions and change of strategy. We made progress compared with the prior year, although we fell short of the original targets. Consequently, these two factors have been given a negative assessment.	92%
Sustainability	Upper mid-level ranking in the MSCI and Sustainalytics indices and in S&P's SAM Score	MSCI: AA 79th percentile Sustainalytics: 22.4 58th percentile SAM Score: 36 60th percentile	Baloise's ESG rating of AA awarded by MSCI in 2023 was confirmed in 2024. While the Sustainalytics rating slightly decreased, the SAM Score remained unchanged. Overall, we are still in the upper mid-level ranking in line with our targets, so this factor is assessed as neutral.	
Risk	Positive integral qualitative risk assessment	Overall assessment: neutral	The risk situation is assessed as neutral due to a stable credit rating from S&P of A+, a slightly lower SST ratio and a positive compliance appraisal.	
1 x 2 = Performance pool factor for 2024				**101%**

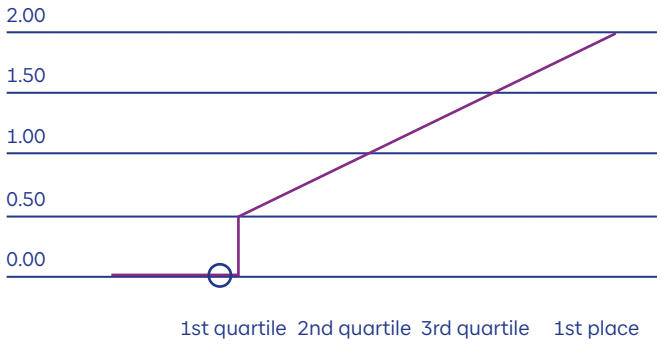
Assessment of the Corporate Executive Committee's performance in 2024

A very good level of cash remittance was achieved in 2024. The results for the employee target and new customer target were higher than in the prior year. However, the ambitious targets set under the now replaced Simply Safe strategy were not achieved, primarily because the ecosystem strategy has been discontinued. In the non-life business, the loss ratio improved compared with the prior year, which had been heavily impacted by storms. However, the combined ratio was higher than our ambition and therefore unsatisfactory. Growth also fell short of expectations. By contrast, EBIT in the life business can be viewed positively, as progress was made compared with 2023. At a qualitative level, the Corporate Executive Committee focused firmly on the priorities set for 2024. The main action area in the year under was review was to draw up the refocusing strategy, which centres on technical profitability and the management of costs. The process of developing the strategy was very intensive and demonstrated that the members of the Corporate Executive Committee work very well as a team. They collaborated constructively and supported each other in a spirit of partnership.

PSUs for the period 2021 to 2024

During the calculation period, Baloise was ranked 26th out of the 32 insurance companies in the STOXX Europe 600 Insurance Index. The company with the best TSR performance in the calculation period is ranked first. Baloise's ranking equates to a performance multiplier of 0.0 (1st place = performance multiplier of 2.0; 1st quartile = performance multiplier of 0.5; below the 1st quartile = performance multiplier of 0.0).

Range for the performance multiplier and Baloise's ranking during the 2021–2024 calculation period



○ 26th place (Baloise) equates to a performance multiplier of 0.0
— Performance multiplier, dependent on the ranking within the peer group

The chart shows the possible range for the performance multiplier, depending on Baloise's ranking out of the 32 companies in the STOXX Europe 600 Insurance Index.

This means that a person who was granted, for example, a prospective entitlement to 100 shares in 2021 receives no shares upon conversion in 2024 based on the performance multiplier of 0.0.

The value of PSUs is exposed to market risk until the end of the vesting period and may, of course, fluctuate significantly, as shown in the tables below.

Completed PSU plans

	Price when granted (CHF)	Price when converted (CHF)	Performance multiplier	Value when converted (CHF)	Overall growth in value
2019–2022	163.00	154.10	0.67	103.25	–37%
2020–2023	154.90	156.50	0.61	95.45	–38%
2021–2024	158.90	142.60	0.00	0.00	–100%

The table shows the PSU plans that expired in the past three years.

Current PSU plans

	Price when granted (CHF)	Price at interim valuation (CHF)	Performance multiplier	Interim valuation (CHF)	Overall growth in value
2022–2025	154.10	164.10	0.83	135.56	–12%
2023–2026	156.50	164.10	0.63	102.56	–34%
2024–2027	142.60	164.10	1.45	237.66	67%

The table shows the interim valuation of the three current PSU plans as at 31 December 2024.

The interim valuation of the current plans as at 31 December 2024 shows the value at which the PSUs would have been converted if the vesting period had ended on 31 December 2024.

C. Loans and credit facilities granted to members of the Board of Directors and the Corporate Executive Committee (as at 31 December)

Loans and credit facilities are offered at arm's-length market rates. Mortgages of up to CHF 1 million are granted at the terms and conditions offered to employees: 1 per cent below the customer interest rate for variable-rate mortgages (but not negative interest rates) and at a preferential interest rate for fixed-rate mortgages.

There are no loans or credit facilities that were extended at non-arm's-length market rates to former members of the Board of Directors or the Corporate Executive Committee or to individuals or companies who are related to members of the Board of Directors or Corporate Executive Committee. Related parties are spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; and children, relatives, companies and trustees of the spouse or life partner. There are no outstanding policy loans.

Loans and credit facilities granted to members of the Board of Directors and the Corporate Executive Committee (as at 31 December)

	2024	2023
CHF thousand		
Total for the Board of Directors	**–**	**–**
Corporate Executive Committee member with the highest outstanding loan:		
Dr Carsten Stolz	1,600.0	1,600.0
Head of Corporate Division Finance		
Other members of the Corporate Executive Committee	1,680.7	2,963.4
Total for the Corporate Executive Committee	**3,280.7**	**4,563.4**

D. Shares and options held

Shares held by members of the Board of Directors (as at 31 December)

	Discretionary shares		Restricted shares		Total share ownership		Percentage of issued share capital	
	2024	2023	2024	2023	2024	2023	2024	2023
Quantity								
Dr Thomas von Planta	6,977	4,302	10,373	9,698	**17,350**	**14,000**	0.038%	0.031%
Chairman								
Christoph Mäder	1,415	1,088	2,553	2,346	**3,968**	**3,434**	0.009%	0.007%
Vice-Chairman								
Dr Maya Bundt	0	0	1,862	1,545	**1,862**	**1,545**	0.004%	0.003%
Dr Guido Fürer	0	–	1,211	–	**1,211**	**–**	0.003%	–
Christoph B. Gloor	10,288	9,867	2,299	2,277	**12,587**	**12,144**	0.027%	0.027%
Hugo Lasat	–	1,379	–	1,972	**–**	**3,351**	–	0.007%
Dr Karin Lenzlinger Diedenhofen	218	0	1,962	1,863	**2,180**	**1,863**	0.005%	0.004%
Dr Markus R. Neuhaus	745	355	2,335	2,282	**3,080**	**2,637**	0.007%	0.006%
Prof. Dr Hans-Jörg Schmidt-Trenz	1,020	693	2,208	2,128	**3,228**	**2,821**	0.007%	0.006%
Prof. Dr Marie-Noëlle Venturi - Zen-Ruffinen	1,902	1,481	2,236	2,250	**4,138**	**3,731**	0.009%	0.008%
Total for the Board of Directors	**22,565**	**19,165**	**27,039**	**26,361**	**49,604**	**45,526**	**0.108%**	**0.099%**
Percentage of issued share capital	0.049%	0.042%	0.059%	0.058%	**0.108%**	**0.099%**		

Explanatory notes to the table
Shareholdings Includes shares held by related parties (spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; and children, relatives, companies and trustees of the spouse or life partner).
Restricted shares Shares received in connection with share-based remuneration programmes are subject to a closed period of three years. Article 20 of the Articles of Association also requires all members of the Board of Directors to lodge 1,000 shares with the Company for the duration of their term of appointment (mandatory share ownership).
Options Members of the Board of Directors do not hold any options on Baloise shares.

Shares held by members of the Corporate Executive Committee (as at 31 December)

	Discretionary shares		Restricted shares		Total share ownership		Percentage of issued share capital		Prospective entitlements (PSUs)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Quantity										
Michael Müller	33,846	32,166	5,811	5,883	**39,657**	**38,049**	0.087%	0.083%	7,337	5,341
Group CEO										
Dr Alexander Bockelmann	6,102	3,928	11,199	16,278	**17,301**	**20,206**	0.038%	0.044%	5,581	4,414
Head of Corporate Division IT										
Dr Matthias Henny	12,445	10,577	12,146	15,588	**24,591**	**26,165**	0.054%	0.057%	4,990	3,806
Head of Corporate Division Asset Management										
Clemens Markstein	4,673	4,114	2,486	2,637	**7,159**	**6,751**	0.016%	0.015%	3,495	1,710
Head of Corporate Division Switzerland										
Dr Carsten Stolz	3,060	2,019	3,585	3,456	**6,645**	**5,475**	0.015%	0.012%	4,990	3,806
Head of Corporate Division Finance										
Total for the members of the Corporate Executive Committee	**60,126**	**52,804**	**35,227**	**43,842**	**95,353**	**96,646**	**0.208%**	**0.211%**	**26,393**	**19,077**
Percentage of issued share capital	0.131%	0.115%	0.077%	0.096%	**0.208%**	**0.211%**				

Explanatory notes to the table
Shareholdings Includes shares held by related parties (spouses or life partners; children under 18 years or dependent family members; companies owned or controlled by directors; individuals who act as trustees for them; children, relatives, companies and trustees of the spouse or life partner).
Restricted shares Includes loan-financed shares connected with the Share Participation Plan. Shares received in connection with share-based remuneration programmes are subject to a closed period of at least three years.
Options Options held in connection with the Share Participation Plan are not reported here, because they were written in order to hedge loans and do not originate from a separate option plan. Each put option is also offset by a countervailing call option.
Prospective entitlements (PSUs) Number of allocated performance share units (allocated as at 1 March 2022, 1 March 2023 and 1 March 2024).

E. Total remuneration at the Baloise Group

As requested by circular 10/1 issued by the Swiss Financial Market Supervisory Authority on the subject of remuneration, Baloise has published the amounts of total remuneration and variable remuneration and disclosed the total amounts of outstanding deferred remuneration as well as the inducement payments and severance packages granted. These figures in the table below include all forms of remuneration awarded for 2024, even if individual components are not paid until a later date.

Total and variable remuneration in the Baloise Group

	Cash		Shares		Prospective entitlements (PSUs)		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
CHF million								
Total remuneration	848.3	849.7	3.4	3.2	5.6	4.7	857.3	857.6
Total variable remuneration (total pool)	146.9	150.8	3.4	3.2	5.6	4.7	155.9	158.7
Number of beneficiaries	5,987	5,858	187	176	69	68		
Total outstanding deferred remuneration	–	–	134.6	105.9	14.9	14.2	149.5	120.1
Debits / credits for remuneration for previous reporting periods recognised in profit or loss	0.4	0.3	–	–	–	–	0.4	0.3
Total inducement payments made	0.3	0.2	–	–	–	–	0.3	0.2
Number of beneficiaries	10	9	–	–	–	–		
Total severance payments made	3.4	5.1	–	–	–	–	3.4	5.1
Number of beneficiaries	101	87	–	–	–	–		

Explanatory notes to the table
The table includes all forms of remuneration awarded for each year, even if individual components are not paid until a later date.
Total remuneration All taxable benefits that the financial institution provides to persons directly or indirectly for the work they have performed for it in connection with their employment or directorship. They include cash payments, non-cash benefits, expenditure that creates or increases entitlements to pension benefits, pensions, allocation of shareholdings, conversion rights and warrants, and debt waivers.
Variable remuneration Part of total remuneration, the amount or payment of which is at the discretion of the financial institution or which depends on the occurrence of the agreed conditions. It includes performance-related and success-based remuneration such as fees and commissions. Inducement and severance payments also fall under the definition of variable remuneration.
Total pool All variable remuneration that a financial institution allocates for a year regardless of its form, any contractual undertaking in respect of grant dates or payout dates, and any terms and conditions attached. Inducement and severance payments made in the relevant year should be included in the total pool.
Inducement payment One-off payment agreed when an employment contract is signed. Payments to compensate for lost entitlement to remuneration from a former employer also count as inducement pay. For members of the Board of Directors and the Corporate Executive Committee, such payments are allowable only if they compensate for lost entitlement to remuneration.
Severance payment Remuneration agreed in connection with the termination of an employment contract. Severance packages are paid only in individual justified cases, but not to members of the Board of Directors or the Corporate Executive Committee.

Appendix: Report of the statutory auditor to the Annual General Meeting of Baloise Holding Ltd, Basel

Please refer to the German version of the Baloise Annual Report 2024, page 104, for the report of the statutory auditor on the audit of the renumeration report. The auditor's opinion dated 20 March 2025 confirms compliance with Swiss law and the Company's articles of incorporation.

Please also refer to the disclosure on page 439, "Information on the Baloise Group", referencing the fact that only the German text of the annual report is legally binding.

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Report on non-financial matters

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About this report

This report was prepared in accordance with "Section six, Transparency on non-financial matters", of the Swiss Code of Obligations (OR). It contains the disclosures required by Art. 964b OR and the Swiss Ordinance on Climate Disclosures (KlimaVO) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which are referenced in the Ordinance. In terms of structure and contents, the report is largely aligned with the European Sustainability Reporting Standards (ESRS) and incorporates many of the ESRS requirements. This report fulfils the requirements of the Corporate Sustainability Reporting Directive (CSRD), albeit not yet in full.

This report follows the structure of the ESRS and contains general information (ESRS 2), environmental information (ESRS E1), social information (ESRS S1 and ESRS S4) and governance information (ESRS G1). The references to the disclosures required by Art. 964b OR, Art. 3 KlimaVO and the recommendations of the TCFD are presented in the appendix to this report and are also shown in the sub-headings within the main report.

Foreword

Dear shareholders, dear readers,

Insurance companies typically have long-term business models that create sustainable value for all stakeholders. We have been shouldering responsibility on behalf of our customers, employees and investors for 160 years. We do this for the benefit of current and future generations. Sustainability is firmly anchored in Baloise's corporate culture. The success of our business allows us to make an enduring contribution to the protection of people and the environment.

The products and services we provide at Baloise help to make society safer and more resilient. Baloise makes an important contribution to a stable society and encourages growth and innovation by assuming risks. When it comes to meeting environmental and social challenges now and in future, Baloise aims to be part of the solution. Baloise wants to create value for investors, customers, employees, the wider public and the environment by integrating sustainability criteria more keenly in its decision making.

At the heart of Baloise's focus on sustainability are the needs of our customers and employees and the challenges posed by climate change. Under our new sustainability strategy that was created in 2024, we have defined actions and targets to take Baloise forward in the key strategic action areas relating to sustainability. These strategic actions are supplemented by integrated sustainability governance.

In this report, we explain how we take responsibility for the environment, society and corporate governance. The report meets the requirements for transparency on non-financial matters set forth in Art. 964a–964c of the Swiss Code of Obligations (OR) and is aligned with European Sustainability Reporting Standards (ESRS).

Basel, March 2025

Dr Thomas von Planta
Chairman of the
Board of Directors

Michael Müller
Group CEO

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General information

ESRS 2 – General disclosures

Basis for preparation

BP-1 – General basis for preparation of the sustainability statement

Baloise Holding Ltd's sustainability statement has been prepared on a consolidated basis.

The non-financial scope of consolidation is the same as the financial scope of consolidation.

The sustainability statement covers the Company's upstream and downstream value chain in the scope defined in accordance with ESRS SBM-1 Strategy, business model and value chain.

Baloise Holding Ltd has not taken up the option to omit information relating to intellectual property, know-how or the results of innovation.

BP-2 – Disclosures in relation to specific circumstances

(Art. 3 KlimaVO)

Time horizons

In ESRS, the short-term, medium-term and long-term time horizons are defined as one year, up to five years and more than five years, respectively. These time horizons are the same as those used as the basis for assessing risks in the context of the Own Risk and Solvency Assessment (ORSA).

In the climate scenarios, which – in accordance with the EIOPA Opinion on the supervision of the use of climate change scenarios in ORSA – are also examined in ORSA, the time horizons were adapted and the impact in the periods up to 2030 (short term), 2050 (medium term) and 2080 (long term) were analysed.

Value chain estimation

The sustainability statement of Baloise Holding Ltd does not incorporate any estimates of data on the upstream and/or downstream value chain.

Sources of estimation and outcome uncertainty

The following quantitative metrics and monetary amounts are subject to a high level of measurement uncertainty:

- In the emissions data, (see ESRS E1-6), the Scope 3 emissions in the "purchased goods and services" and "capital goods" categories have been estimated on the basis of the Group's purchasing data. Furthermore, the emissions of smaller sites and units for which no activity data is available have been extrapolated on the basis of the Group-wide emissions and the number of employees.
- As the actual number of working hours per year is not known for Baloise Luxembourg and Euromex NV, assumptions were made about this number in order to calculate the rate of recordable work-related accidents (see ESRS S1-14 Health and safety metrics).
- The number of days lost to work-related injuries and fatalities from work-related accidents (see ESRS S1-14 Health and safety metrics) and the proportion of employees who took family leave (see ESRS S1-15 Work-life balance metrics) had to be calculated on the basis of data relating to only part of the workforce.

Furthermore, it should be noted that forecasts and forward-looking information are subject to a certain degree of uncertainty.

Changes in preparation or presentation of sustainability information

In terms of structure and contents, this report was prepared in accordance with the rules of ESRS for the first time. Consequently, there are no changes to the preparation or presentation of the sustainability information.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

We refer to the information provided under "About this report" on page 110.

Incorporation by reference

In ESRS 2 SBM-1 – Strategy, business model and value chain, reference is made to the segment reporting in the financial report for details of the significant product groups and markets.

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

Art. 964b (2) 1 OR, Art. 3 KlimaVO)

Governance in general

At Baloise, it is not individuals but the following governing bodies who are responsible for the sustainable and long-term development of the corporate strategy and its implementation.

The division of authorities, functions and responsibilities between the Board of Directors and the Corporate Executive Committee is governed by law, the Articles of Association and the Organisational Regulations. The Organisational Regulations are reviewed on an ongoing basis and updated as changing circumstances require.

We are pursuing the following objectives with the rules on sustainability that we have put in place:

- Embedding sustainability in the business strategy, including control mechanisms
- Implementing and regularly reviewing structures and processes to ensure the achievement of objectives
- Ensuring good corporate governance in accordance with the requirements of economiesuisse (umbrella organisation representing Swiss business)
- Promoting transparency and trust

Baloise's system of governance includes an extensive range of processes and controls for monitoring and managing sustainability-related impacts, risks and opportunities.

Board of Directors

As at the reporting date of 31 December 2024, the Board of Directors consisted of the following nine independent and non-executive members: Thomas von Planta (Chairman of the Board of Directors), Christoph Mäder (Vice Chairman), Maya Bundt, Guido Fürer, Christoph B. Gloor, Karin Lenzlinger Diedenhofen, Markus R. Neuhaus, Hans-Jörg Schmidt-Trenz and Marie-Noëlle Venturi-Zen-Ruffinen. In Switzerland, it is neither legally required nor typical for a member of the Board of Directors to represent employees and other workers. No member of the Board of Directors is simultaneously a member of the Executive Committee, and this is prohibited by the regulatory requirements for insurance companies.

The Board of Directors comprises three female and six male members. The average ratio of women to men is thus 3:6, which equates to 50 per cent (calculated in accordance with ESRS). Women make up 33 per cent of the total number of board members. The proportion of independent members of the Board of Directors is 100 per cent. For this purpose, Baloise uses the definition of independence in the Swiss Code of Best Practice for Corporate Governance.

The Baloise Board of Directors exercises ultimate supervisory authority over the operational management of the Company and the Group. It monitors both compliance with the relevant laws and risk management. The Board of Directors defines the long-term targets and strategies, including the Group's sustainability strategy, and is ultimately responsible for their implementation in operational management. The Board of Directors approves the report on non-financial matters for subsequent approval by the Annual General Meeting and defines the structure of remuneration.

The Board of Directors has four committees, each of which is responsible for certain aspects of sustainability:

- The Strategy and Governance Committee (SGC) – providing advice to the Board of Directors – monitors the development and implementation of the sustainability strategy in the field of sustainable corporate governance. The Organisational Regulations stipulate that the Chairman of the Board of Directors is a member of the SGC.
- The Audit Committee (AC) monitors progress with sustainability reporting. It decides whether the non-financial report can be recommended for presentation to the Annual General Meeting and for approval.
- The Investment and Risk Committee (IRC) is responsible for defining the principles of sustainable investment at a strategic level. It also monitors progress with sustainability in asset management and sustainability-related risks in Baloise's risk environment.
- The Remuneration Committee (RC) submits proposals to the Board of Directors on the structure of remuneration and ensures that sustainability criteria are embedded in Baloise's remuneration system.

The members of the Board of Directors represent a diverse range of industry knowledge, training and education, experience and nationalities, as can be seen from the skills matrix and from their individual résumés published in the "Corporate governance" chapter of the Annual Report.

Corporate Executive Committee

As at the reporting date of 31 December 2024, the Corporate Executive Committee consisted of the following five members: Michael Müller (Group CEO), Alexander Bockelmann (Head Corporate Division Group IT), Matthias Henny (Head Corporate Division Asset Management), Clemens Markstein (Head Corporate Division Switzerland) and Carsten Stolz (Head Corporate Division Finance).

The Corporate Executive Committee comprises five male and no female members (average ratio of women to men: 0 per cent). The Board of Directors is endeavouring to establish equal representation of both genders in the most senior operational management body before this becomes mandatory under the Swiss Code of Obligations at the start of 2031. The Swiss Code of Obligations will require companies whose Executive Committee does not represent each gender to at least 20 per cent to state the reasons for this in the remuneration report.

The Corporate Executive Committee is in charge of the operational management of the Baloise Group. Together with the Group CEO, it is responsible for the implementation of the long-term targets and strategies, including the Group's sustainability strategy. It defines the sustainability strategy more precisely on an operational level and determines the action to be taken to achieve the sustainability targets, which the local Executive Committees then integrate into their action plans. When and where relevant for the Belgium, Germany and Luxembourg strategic business units (SBUs), the heads of these SBUs are involved in strategy discussions (Group Strategy Board).

The knowledge and experience of the individual members of the Corporate Executive Committee are set out in the "Corporate governance" chapter of the Annual Report.

The Corporate Executive Committee has the requisite knowledge regarding the insurance and financial sectors, the products in these sectors and the regions in which the Group entities are located.

Sustainability network

At the heart of the organisation working on sustainability at Baloise is the Group-wide sustainability network, which was created in 2019. It brings together representatives from all national subsidiaries and Group functions, such as Compliance, Group Human Resources and Asset Management. Its interdisciplinary structure means the network has the expertise it needs to perform its role effectively. The network's tasks include developing and steering Baloise's sustainability strategy and defining clear guidelines for its implementation.

Representatives of the sustainability network undertake their tasks in the **Group governing bodies** as follows:

- The sustainability network is in regular dialogue with the Corporate Executive Committee (the composition of which is described above). Sustainability representatives from the national subsidiaries in Switzerland, Germany, Belgium and Luxembourg are part of the Group-wide sustainability network. The Corporate Executive Committee has overall responsibility for operational implementation and sets out the requirements of the sustainability strategy in more detail. It deals with requests from the sustainability network and signs off on them for approval by the Board of Directors. Representing the sustainability network, the Head of Sustainability & Regulatory Affairs regularly reports directly to the SGC on the development and refinement of the sustainability strategy and its implementation.

- The Head of Sustainability & Regulatory Affairs reports to the Audit Committee on regulatory developments relating to sustainability and on mandatory reporting.

- The Head of Group HR regularly informs the SGC about succession planning at the upper management levels, the advancement of talented individuals, the promotion of diversity within the Group and other selected aspects of the HR strategy pertaining to sustainability.

- The Head of Total Rewards reports to the RC on the policies developed, especially on the measurable sustainability indicators in Baloise's remuneration system that are relevant to the strategy.

- The Head of Responsible Investment in Asset Management reports to the IRC on the responsible investment strategy and prepares the principles for responsible investment for approval by the IRC. The Chief Risk Officer reports on the risks that could arise if sustainability rules are not properly implemented, which actions can mitigate sustainability risk and which controls are used to monitor risk.

Representatives of the sustainability network undertake their tasks in the governing bodies in the national subsidiaries and corporate divisions as follows:

The sustainability representatives of the national subsidiaries are the link to the local sustainability networks, the local Executive Committees and the local Boards of Directors. The local networks focus on ensuring sustainability is implemented in all areas. However, implementation is not the exclusive responsibility of the local networks. Together with the local departments, they coordinate which actions are implemented, as well as when and how they are implemented.

Close consultation between the networks is essential for uniform Group-wide implementation and is ensured by the sustainability coordinators of the national subsidiaries and at Group level.

Depending on the internal regulations, the Boards of Directors and/or the Executive Committees of the national subsidiaries and corporate divisions are responsible for implementation of the local sustainability strategies within the overall Group strategy.

Adjustments to the organisational and management structure from 1 January 2025

Adjustments to the organisational structure

Baloise introduced significant organisational changes in 2024 by merging the Sustainability function and the Regulatory Affairs function to form a new Group function called "Sustainability & Regulatory Affairs" within the Corporate Division Finance. The new organisation is intended to exploit the synergies between strategy development and reporting in the area of sustainability.

In merging these two functions, Baloise aims to ensure it can satisfy all sustainability-related statutory and regulatory requirements in a focused and efficient manner. The new Sustainability & Regulatory Affairs Group function will support the more targeted development and implementation of the sustainability strategy by bringing together the expertise in these two areas, thereby ensuring Baloise can take a coherent and integrated approach.

This organisational change underpins Baloise's commitment to sustainability and will make sure that it can live up to the growing requirements and expectations of its stakeholders. At the same time, it can lay sustainable foundations for its future business success.

Adjustments to the governance structure and the operating model

As part of the process of continual improvement, Baloise makes adjustments to its governance structure and operating model in order to tackle new challenges and seize opportunities that arise with due consideration for sustainability. In doing so, it makes efficient use of existing structures while integrating management elements.

A material element of these changes is the establishment of a Sustainability Council, led by the Head of Sustainability & Regulatory Affairs. This new body, which generally consists of members of the Executive Committee, acts as a review and advisory body reporting to the Corporate Executive Committee / Group Strategy Board.

The Sustainability Circle comprises all Sustainability Leads from the national subsidiaries, the Banking segment and Baloise Asset Management, plus people with relevant responsibilities. It is coordinated by the Sustainability Lead Group and reports directly to the Sustainability Council. The Sustainability Circle is responsible for drawing up proposals for the Baloise Group's sustainability strategy, including individual actions. It also provides support on implementation in order to deliver on the sustainability targets. Through the Sustainability Circle and the heightened involvement of the departments, Baloise is improving its ability to integrate sustainability matters into its core business and ensuring that its sustainability targets are pursued and achieved at all levels of the Company. The Sustainability Circle builds on the Baloise Group's existing sustainability network, with the addition of local people from the responsible departments.

Specific knowledge, continuing professional development

The members of the Corporate Executive Committee and Board of Directors have the requisite sustainability-related knowledge and experience. Know-how is built up on an ongoing basis internally through the Group-wide sustainability network.

The members of the Board of Directors offer a broad range of sustainability-related experience that they have amassed in their other roles. Some members have specific knowledge of particular areas of sustainability. The Sustainability & Regulatory Affairs Group function reports on regulatory developments in sustainability at regular intervals and, together with the Responsible Investment centre of excellence, plays a key role in supporting the governing bodies at Baloise by ensuring that they receive relevant specialist information. Comprehensive and regular reporting strengthens the required knowledge of sustainability within the organisation.

The aim is to supply the governing bodies with up-to-date, relevant information so they can make well-founded decisions and implement the sustainability strategy effectively based on the Company's material impacts, risks and opportunities. This includes providing documents on regulatory requirements, market trends and best practices in the field of sustainability.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

(Art. 964b (2) 1 OR, Art. 3 KlimaVO)

In 2024, sustainable corporate governance was addressed at the level of the Board of Directors as follows:

- Three times by the Board of Directors: corporate strategy and sustainability strategy, double materiality assessment (DMA), sustainability governance and roadmap

- Nine times by the committees:
  - SGC (in preparation for approval by the Board of Directors)
  - AC (including the report on non-financial matters, DMA, external presentation, training on ESG frameworks)
  - RC (including sustainability KPIs, regulatory developments relating to reporting and remuneration)
  - IRC (including responsible investing, external presentations on risk topics and sustainability)

In 2024, sustainable corporate governance was addressed at the level of the Corporate Executive Committee (Group Strategy Board) on five occasions, one of which was a workshop. The focus was on the new corporate strategy, the refinement of the sustainability strategy based on this strategy, the DMA, sustainability governance and the roadmap.

GOV-3 – Integration of sustainability-related performance in incentive schemes

(Art. 964b (2) 2 OR, Art. 3 KlimaVO)

As described in the remuneration report in the Annual Report, the remuneration of the members of the Corporate Executive Committee is divided into a fixed variable, a short-term variable and a long-term variable component that is tied to the achievement of strategic targets.

The remuneration principles are competitiveness, the consideration of individual performance and the Company's success, fairness and transparency, sustainability in leadership and the Company's ability to retain high performers.

The amount of short-term variable remuneration paid depends on various factors that include an employee target measuring employee satisfaction ("S") and a sustainability target measuring Baloise's performance based on three ESG ratings.

A total of 30 per cent of the short-term variable remuneration and all of the long-term variable remuneration is paid in the form of shares that are restricted for a minimum of three years for prospective entitlements in order to encourage a sustainable approach.

The Remuneration Committee of the Board of Directors arranges for the regular review and improvement of the remuneration system by Group HR, focusing on creating the right incentives for employees and, in particular, senior management to ensure they remain dedicated to the Company and to doing business sustainably. The responsibilities with regard to amending the remuneration system are clearly defined.

Members of the Board of Directors receive fixed remuneration that is not linked to the achievement of targets. A quarter of this remuneration – a third for the Chairman of the Board of Directors – is paid in the form of shares that are restricted for three years in order to encourage a sustainable approach.

GOV-4 – Statement on due diligence

(Art. 964b (2) 2 OR, Art. 3 KlimaVO)

The following table shows the sections of this sustainability report in which the core elements of due diligence are explained.

Overview of compliance with due diligence obligations

Core elements of due diligence	Standard	Disclosure	Page number
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	115
	ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	118
	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	118
	ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	120
	ESRS 2 SBM-1	Strategy, business model and value chain	122
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	129
Engaging with affected stakeholders	ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	118
	ESRS 2 SBM-2	Interests and views of stakeholders	127
	ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	148
	ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	155
	ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	181
	ESRS S4-2	Processes for engaging with consumers and end-users about impacts	195
Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	148
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	129
Taking action to address negative impacts on people and the environment	ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	155
	ESRS E1-3	Actions and resources in relation to climate change policies	165
	ESRS S1-4	Taking action on material impacts on the Company's own workforce, and approaches to managing material risks and pursuing material opportunities related to the Company's own workforce, and effectiveness of those actions and approaches	182
	ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches	196
Tracking the effectiveness of these efforts	ESRS 2 MDR-M	Metrics in relation to material sustainability matters	155
	ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	155

GOV-5 – Risk management and internal controls over sustainability reporting

(Art. 964b (2) 4 OR, Art. 3 KlimaVO)

In 2024, Baloise developed a sustainability reporting process in accordance with the Group-wide risk management system and internal control system. Developing this process involved identifying its risk environment, assessing the risks and determining the key controls.

The main risks identified and the related controls

The key controls in the sustainability reporting process are the initial review of the regulatory requirements regarding the report and, in particular, the preparation of the report's content and a review by a second person to ensure the accuracy and completeness of the qualitative and quantitative content and compliance with internal and external rules. The report is also reviewed and signed off by the appropriate governing bodies. In light of foreseeable changes to sustainability reporting in terms of structure and content, the control setup is due to be reviewed again for the next reporting year.

Internal control system

In the context of integrated risk management, the internal control system (ICS) forms a core component of Company-wide risk management. The main principles for the design and implementation of the internal controls are effectiveness, transparency and efficiency of the actions taken, plus a focus on the material risks.

The purpose of Baloise's ICS is to ensure compliance with laws and regulations, guarantee the reliability of the financial reporting and contribute to the effectiveness of business processes in order to support the Company in achieving its goals. In implementing the ICS, Baloise is pursuing a strategy of increasing risk awareness at all levels of the Company and focusing on the identification and management of material risks faced by the Company that could pose a threat to the proper functioning of business operations and thus to the success of the Company. As part of the ICS, Baloise applies entity-level controls (ELCs), IT general controls (ITGCs) and process controls, depending on the types of risk to be covered. The ICS actions are integrated into operating procedures and used at all levels of the Company. The ICS's effectiveness is assessed regularly. In the event of deficiencies, suitable actions are initiated and their implementation monitored. The Board of Directors is responsible for ensuring an effective ICS is in place and, based on the Audit Committee's recommendation, defines the strategy, targets and scope for the ICS. In addition, it is responsible for ensuring adequate monitoring of the ICS's effectiveness by the Executive Committee. Each year, it reviews and formally accepts the results of the analysis of the ICS's scope. It also receives regular reports on the ICS.

The risk management system

Risk management at Baloise is a standardised strategic and operational system that is applied throughout the Group and covers the following areas:

- **Risk governance and risk culture**
  Standards that apply across the Group form the backbone of Baloise's risk strategy and define – in the form of a risk map – the fundamental risk issues, such as actuarial risk and market risk, as well as the operational risk arising from business activities. Risk awareness is encouraged and embedded throughout the organisation. One way in which Baloise achieves this is by involving employees from different departments and operating segments in the risk management system, e.g. in the assessment of risks and in the allocation of responsibility for risks.

- **Risk measurement**
  At Baloise, risk is identified and quantified in all business and financial processes according to common internal standards. This enables appropriate priorities to be set for senior management in respect of the risks taken on.

- **Risk processes**
  Leadership, reporting and evaluation processes are supported by risk processes to ensure that the risk perspective is factored into all important business decisions.

- **Risk reporting**
  Risk reporting ensures that the current risk situation is presented transparently in internal and external communications.

- **Risk management**
  Risks are managed and mitigated carefully in keeping with the defined risk tolerance. Upside potential is optimised with due consideration of the risks, resulting in sustainable value creation for Baloise's investors.

Risk management is a key element of sustainability-focused corporate governance and, as such, plays an important role at Baloise in adding value for all stakeholders. It helps to ensure a strong balance sheet, a high level of operational profitability, a well-developed risk culture, consistent risk processes and a sustainable investment policy. The main tasks of risk management are to satisfy the statutory and regulatory requirements applicable to Baloise and to optimise the risk/return ratio. It thus involves managing risk and value and is based on innovative standards, so that Baloise can always keep its promise to its customers and maintain and increase value for its stakeholders in the long term.

Further details of targets and activities relating to risk management and of the impact of risk management can

be found in the "Risk management" chapter of the Annual Report.

Sustainability risks

Sustainability risks – including climate risks – are identified on the risk map and integrated into the existing risk management processes and frameworks. This ensures that the results of the regular analyses and assessments are incorporated into Baloise's strategic risk management approach. Inclusion in existing processes also ensures that the steps carried out are covered by the internal control system.

At Baloise, sustainability risks are classified as pertaining to the environmental, social or corporate governance (ESG) dimensions:

- Environmental risks are all risks relating to the environment as a resource and to climate change, natural disasters, pollution or resource scarcity.
- Social risks can arise from poor working conditions, human rights violations, discrimination or inadequate health and safety.
- Corporate governance risks comprise all matters relating to corporate governance, corruption, a lack of transparency or unethical conduct.

Based on the commonly used typology, climate risks, which are a subcategory of environmental risks, are further subdivided into:

- **Physical risks**
  Physical climate risks are now arising in the form of natural disasters. Climate change will lead to further risks, particularly in the medium and long term, as a result of the increasing prevalence of natural phenomena such as hurricanes, floods, hailstorms and fires. Chronic threats with long-term effects – such as rising sea levels – represent potential emerging risks, especially as they are expected to have an adverse impact on investments and insured business.

- **Transition risks**
  In the short term, changing expectations with regard to sustainability – and the resulting shift in demand for financial and insurance products – will create competition risks if Baloise does not respond appropriately to these changes. Moreover, an unexpectedly strong fall in demand in respect of certain companies or sectors in which Baloise has invested could lead to market risks (stranded assets). There is a risk in the medium term that these circumstances are not adequately factored into strategic decisions and that suitable adjustments are not made to Baloise's product range. With regard to transition risks, it is also important to consider technological developments in connection with the transition to a lower-carbon economy. Risks could also arise for Baloise in the longer term if companies are increasingly held liable for the environmental damage they cause, for example due to pollution, endangering biodiversity or breaching of environmental standards.

The increasing prevalence of unpredictable weather events as a result of climate change poses a growing challenge for property insurance, as these events have a direct impact on the extent and frequency of claims. Risk models are used to analyse climate-related and weather-related risks. The modelling results influence the pricing of insurance products. Rating scales are regularly reviewed and adjusted to reflect changing conditions.

Existing and foreseeable regulatory requirements and other developments in the financial sector are taken into account in the identification and integration of climate risks. Developments in the EU play a particularly material role owing to Baloise's area of business. Regulatory developments in the wider sustainability sphere are also proactively monitored by the Sustainability & Regulatory Affairs department, and actions to implement them promptly are drawn up.

Integration and assessment of sustainability risks into risk management processes

As the identification, documentation and assessment of sustainability risks and climate risks in the risk management framework progress, Baloise's risk profile is becoming more nuanced. Over the long term, the inclusion of sustainability matters in risk-related strategic considerations will improve the creation of value for customers and investors and will reduce the Company's environmental impact.

Risk assessment

Within the Own Risk and Solvency Assessment, risks are assessed on a qualitative and quantitative basis over a short-term (around one year), a medium-term (around one to five years) and a long-term (more than five years) time horizon on the risk map. Climate risks and sustainability constitute a driver within the established risk categories used by insurance companies, banks and asset management companies, such as actuarial risk or credit risk and market risk. Additional aspects of sustainability that are relevant to the risk strategy are also examined as a separate risk in the context of the business strategy. Liability risks are considered in the risk inventory check. As well as the relevance of sustainability as a driver of existing risks, individual risks in the risk framework are assessed in terms of their probability of occurrence and claim volume.

The assessments are factored into the overall risk situation with equal priority, highlighting the relative importance of climate-related risks compared with traditional risks. As is the case in the general risk management system, these risks are assigned risk owners who take action to mitigate them as required.

For example, climate trends are factored into the reinsurance strategy by performing regular natural disaster analyses in conjunction with the reinsurance brokers. At a strategic level, sustainability risks are countered by integrating them into Baloise's investment and underwriting policy.

Sustainability risk management in Asset Management and Banking

The Group-wide approach to identifying risks and the applicable risk inventory, which forms the basis for identifying risks, apply to all subsidiaries and thus to Asset Management and the Banking segment. This means sustainability-related risks are also identified for Asset Management and Baloise Bank. Baloise Bank intends to refine its risk processes in light of future requirements that arise, for example in connection with the circular from the Swiss Financial Market Supervisory Authority (FINMA) on nature-related financial risks.

Risk governance

The Baloise Board of Directors exercises ultimate supervisory authority over the operational management of the Company and the Group and is thus responsible for ensuring compliance with the relevant laws and managing risk.

It appoints the Strategy and Governance Committee to exercise this function, alongside the Audit Committee and the Investment and Risk Committee. The duties of the Strategy and Governance Committee include acting as a preliminary advisory committee for sustainability matters (see ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies).

The Corporate Executive Committee has overall responsibility for developing a detailed risk management concept, which is implemented by the central risk management function of the Baloise Group and by the local risk management teams at the level of the strategic business units. At Group level and locally, the risk management teams are supported by risk committees, which meet regularly.

Strategy

SBM-1 – Strategy, business model and value chain

(Art. 964b (2) 1-3 OR, Art. 3 KlimaVO)

Significant product groups and markets

The most significant groups of products and services offered can be divided into four areas: non-life insurance, life insurance, asset management and banking. In its non-life business, Baloise offers accident and health insurance as well as products relating to liability, motor, property and marine insurance. These products are tailored to the specific needs of Baloise's customers – primarily private clients – and are offered by the relevant Baloise Group companies.

In its life business, Baloise provides individuals and companies with a wide range of endowment policies, term insurance, investment-linked products and private placement life insurance. In asset management, Baloise offers investment solutions in the areas of equities, bonds, alternative investments, real estate and multi assets.

In its banking business in Switzerland, Baloise offers a comprehensive range of support and help with finding the right solutions relating to pensions, wealth management and financing.

Baloise is headquartered in Switzerland, where it provides services in all of the aforementioned segments. The Baloise Group also operates in the insurance segment in Germany, Belgium, Luxembourg and Liechtenstein. The number of employees is disclosed under ESRS S1-6 Characteristics of the Company's employees.

Detailed information on the markets, a review of business performance and the breakdown of total revenue by operating segment (Non-life, Life, Asset Management & Banking and Other activities) can be found in the IFRS segment in the Annual Report (see also the summary provided in the management report section of the Annual Report on pages 8 and 9).

A breakdown of total revenue by relevant ESRS sector is not currently possible, as the European Commission has not yet published a definition of the ESRS sectors.

Business strategy

In recent years, Baloise has concentrated on the markets and areas of business that are particularly important to the Company and in which Baloise plays a material role.

Between 2016 and 2024, Baloise pursued its Simply Safe strategy, under which it initiated a phase of growth and diversification. The Simply Safe: Season 2 strategic phase, which ran from 2022, saw Baloise build on the goals and successes of the previous strategic phase while continuing to focus on its core stakeholders (customers, employees and shareholders). Four strategy areas formed the basis for this strategic phase: focus on the core insurance business; improve the customer experience; diversify into

new business areas; and harness the corporate culture and sustainability as key drivers of the transformation.

Back in autumn 2023, Baloise took initial action aimed at operational excellence in order to adapt to the rapidly changing conditions. The pandemic, conflicts in Europe and the Middle East, more volatility in terms of adverse weather events, inflation (requiring adjustments to its premiums) and interest-rate movements all had an influence on Baloise's strategy. Baloise therefore reviewed its strategic direction and halted new investment in its ecosystems during the first half of 2024. In addition, Baloise conducted an extensive strategic analysis, adjusted its targets and took action to boost its profitability. It ended the Simply Safe: Season 2 strategic phase in 2024 and is now launching its refocusing strategy. The focus is now on technical profitability, cost efficiency, growth in the target segments and the productivity of capital employed. Baloise believes that it has substantial potential for growth, earnings and cost savings in its existing markets. The refocusing of the strategy is aimed not only at maintaining its financial success but also at ensuring Baloise remains a source of reliability and stability for its customers, employees and investors. Under its refocusing strategy, Baloise will create lasting value for all stakeholders and lay the foundations for further growth.

Sustainability strategy

Under its sustainability strategy, Baloise is aiming to create long-term added value while having a positive impact on people and the environment. By integrating environmental and social matters into its business model, it is striving for long-term success and aims to contribute to efforts to tackle global challenges. The most important topics that have the biggest influence on the business model and on stakeholders were identified on the basis of the 2024 double materiality assessment. These topics were then used to define the following sustainability-related strategic action areas:

- **Baloise's contribution to a safe, secure and resilient society**
  Baloise aims to contribute to a safe, secure and resilient society. Sustainability means not only protecting the environment but also ensuring people's safety, security and wellbeing. Baloise therefore strives to minimise risks and find solutions that contribute to protecting and strengthening society.

- **Improvement of the impact on CO_2 emissions and management of the impact on business activities**
  Baloise endeavours to improve its influence on the environment and society. It introduces sustainable practices and deploys innovative technologies with the aim of continually shrinking its environmental footprint and using resources more efficiently. In addition, Baloise believes that it has a responsibility to shape the influence of business and ensure that it is aligned with sustainability targets. It has set itself the target of reducing CO_2 emissions to net zero by 2050. To achieve this target, it will set interim decarbonisation targets for its own business operations and for financed and insured emissions.

- **Sustainability is embedded in Baloise's corporate culture**
  Baloise attaches a great deal of importance to sustainability and to ensuring that it is firmly anchored in its corporate culture and day-to-day activities. The Company promotes a shared understanding of a sustainable future that is taken into account in all operating segments and processes. From product development through to risk management and workforce management, sustainability is a guiding principle that informs the Company's decisions and has a bearing on its identity. In 2024, Baloise started to draw up specific actions and targets to support the implementation of these strategic action areas. In particular, various policies relating to climate change mitigation were defined. In 2025, Baloise plans to consolidate these in a Group-wide transition plan and to embed them in a comprehensive sustainability strategy.

To support the sustainability targets, these action plans will be continually refined in close cooperation with all relevant departments. This includes setting priorities, defining time frames and allocating resources to ensure successful implementation. These actions are to be reviewed regularly and their progress will be measured.

Responsible investment strategy

As part of the Baloise sustainability strategy, Asset Management drew up Baloise's responsible investment policies, which comprise a general and an expanded responsible investment strategy. The general responsible investment strategy consists of exclusions, active ownership elements and the integration of environmental, social and corporate governance (ESG) criteria into the investment process. The general responsible investment strategy applies to some private assets and bonds that were added to the insurance portfolio prior to 1 January 2023 (grandfathering) and also applies to Luxembourg investment funds managed by Baloise that fall under Art. 6 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation, SFDR).

The expanded responsible investment strategy has been in place since 1 January 2023. It applies to the majority of insurance investments, to Luxembourg investment funds that are managed by Baloise and promote environmental and/or social characteristics in accordance with Art. 8 SFDR, and to collective investments

that satisfy the Swiss criteria for sustainable investments as defined by the Asset Management Association Switzerland (AMAS) and FINMA.

The expanded responsible investment strategy is supplemented by the active ownership strategy and the climate strategy for liquid assets and is based on four approaches:

1. **Exclusion**
   The expanded responsible investment strategy contains general exclusions and wider exclusions based on data from MSCI ESG Research LLC. The exclusions are applied using thresholds. Companies involved in controversial weapons or tobacco production and those operating in polluting sectors, such as coal, unconventional oil and gas, or oil and gas production, are excluded if certain revenue thresholds are exceeded. Companies that are in severe violation of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises are excluded too.

2. **Best in class**
   This approach excludes securities that perform worse than peers in terms of sustainability matters. The worst 20 per cent of issuers within their sectors or peer groups are excluded, based on the MSCI ESG universe. The best-in-class approach is used both for companies and for government bonds (see the disclosures under ESRS E1-2 – Policies related to climate change mitigation and adaptation).

3. **ESG integration**
   The investment teams incorporate sustainability risks into the investment analysis to reduce the potential negative financial impact or reputational damage from sustainability risks. The portfolio management team is provided with dedicated ESG data. All investment teams have access to the ESG database of MSCI ESG Research LLC.

4. **Active ownership**
   The active ownership strategy consists of the following four pillars:

   a. **Proxy voting**
      Baloise exercises the voting rights of listed Swiss equities in the actively managed insurance portfolio in accordance with the principles of good and ethical corporate governance. Additional sustainability criteria are also an integral element of the proxy voting instruction, which was extended in 2023 to include them.

   b. **Direct engagement**
      Direct engagement involves entering into constructive dialogue with companies in which Baloise is invested in order to address specific sustainabilty-related matters. Under the expanded responsible investment strategy, direct engagement is considered in the following cases:
      - Deterioration of the MSCI ESG rating (final industry-adjusted company score) of a company after inclusion in the portfolio, meaning that the investment no longer meets the requirements of the best-in-class approach.
      - A severe breach of minimum standards of conduct in areas such as human rights, employment, the environment and anti-corruption, defined as “red flags” by MSCI ESG Research LLC.

      The primary aim of direct engagement is to help to rectify the cause of the deterioration in the MSCI ESG rating or the failure to respect the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.

   c. **Collaborative engagement**
      As well as engaging directly with companies, Baloise also joins groups of like-minded shareholders who are concerned with the same sustainability issues, in a process known as collaborative engagement. This collaborative engagement can be conducted through participation in initiatives such as Climate Action 100+ or the PRI cooperation platform.

   d. **Public policy engagement**
      Baloise takes an active role in designing and enhancing regulatory frameworks related to sustainability, including those with a focus on corporate sustainability, climate risks and responsible investment. This takes place through involvement in various associations and initiatives, such as the Principles for Responsible Investment (PRI), the Swiss Insurance Association (SIA), the Asset Management Association Switzerland (AMAS) and Swiss Sustainable Finance (SSF).

Under the active ownership strategy, Baloise Asset Management defines focus topics. The responsible investment team reviews these annually to check that they are still relevant. They guide Baloise Asset Management in the selection of potential corporate partners for collaborative dialogues.

Baloise Asset Management focused on the following in 2024 as part of its active ownership strategy: decarbonisation of the economy, reduction of CO_2 emissions, biodiversity, improvement of working

conditions, human rights, workforce (including diversity), the composition, remuneration and independence of the Executive Committee, promotion of transparency regarding sustainability, and standardisation of non-financial disclosures.

The climate strategy for liquid assets is an integral element of the responsible investment strategies. Under the climate strategy for liquid assets, Baloise endeavours to contribute to combating climate change by reducing the negative impact on the environment and society, while the risks arising in connection with climate change are managed prudently in the portfolio. For this purpose, Baloise Asset Management uses data from MSCI ESG Research LLC.

Sustainability risks and key negative impacts from investments

Baloise is aware of the significance of integrating sustainability matters and climate matters into investment decisions and risk management. Baloise's responsible investment policies, its climate strategy for liquid assets and the active ownership strategy define the general parameters for responsible investment and for the management of sustainability risks in asset management.

The different versions of the responsible investment strategy each addresses the most important principal adverse impacts (PAIs) of investment decisions on sustainability factors.

Responsible real estate management

Baloise is one of the biggest property managers in Switzerland and takes account of sustainability criteria in this area too. Baloise's responsible investment policy for real estate, which came into force on 1 January 2023, defines the actions for implementing a forward-looking environmental and energy policy for the properties held directly by the Swiss insurance units. In 2024, work was completed on the integration of an energy management system (EMS) aimed at recording and reporting real energy consumption data.

Finally, the Baloise Swiss Property Fund (BSPF) is pursuing a sustainable investment strategy from 7 January 2025 that consists of three approaches: a focus on the climate (net zero by 2050), ESG integration and exclusion. As a result, the BSPF is classified as a sustainable investment fund in Switzerland.

For indirect investments in Swiss real estate, a new selection process has been in place since 1 January 2025 that systematically integrates sustainability criteria into the selection and assessment of target real estate investments.

Outlook for responsible investment

Baloise intends to continue refining the expanded Baloise responsible investment strategy in line with applicable Swiss and European regulatory frameworks in 2025. Another focus will be on updating the climate strategy for liquid assets and preparing a transition plan for all insurance assets with a view to net zero by 2050, including interim targets for the portfolios and for engagement. The active ownership strategy will play an important role in this regard. The updated strategy for responsible investment will be published in 2025. The collection and evaluation of climate-related data for financial assets will continue to provide an important basis for the aforementioned initiatives.

Respect for human rights

Respect for human rights and labour rights is extremely important to Baloise. With insurance operations across Switzerland and the EU/European Economic Area, Baloise expressly acknowledges the global values and laws pertaining to human rights. Baloise's fundamental stance, approach and responsibilities regarding the observance of human rights are set out in the Group Policy on Human Rights.

Baloise is committed to respecting human rights in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs) and to upholding them in its business activities and along the value chain. This commitment encompasses all internationally accepted human rights, including:

- the International Bill of Human Rights, comprising the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).
- the Convention on the Rights of the Child (CRC).
- the fundamental conventions of the International Labour Organization (ILO)

Description of the value chain

Upstream value chain

The upstream value chain of an insurance group that also has Banking and Asset Management segments consists of various parts and players:

- **Data & information flow**
  In this part of the value chain, data and information are collected and managed that are relevant to the business activities of the insurance companies and the Banking and Asset Management segments. The data and information comprise financial market information, economic data, details of market and industry trends, and insurance data (e.g. mortality tables and other necessary statistical data). The insurance companies need this information to be able to assess risks, calculate premiums and develop investment strategies.

- **Human capital**
  Employees play a key role in the value chain. They perform a range of tasks in the areas of insurance, banking and asset management. Employees ensure that business processes run smoothly. They also provide high-quality customer service.

- **Capital**
  Capital is a material element of the value chain. The insurance companies and the Banking and Asset Management segments require capital to fund their business activities. The capital may be obtained from various players, such as shareholders who invest in the Company, or the Company may raise it in the capital markets.

- **Suppliers & service providers**
  Various suppliers and service providers support the insurance companies and the Banking and Asset Management segments in their day-to-day activities. They include suppliers of computer software and hardware for the technological infrastructure, property service providers, marketing service providers, consultants, asset managers/investment managers and rating agencies. The insurance companies also work closely with partner networks and partner service providers in the areas of claims settlement and with sales partners. Collaborating with these suppliers and service providers helps the insurance companies to establish an efficient and effective value chain and to optimise their business processes.

Core business

In **insurance**, the core business focuses on ensuring that customers are offered effective services:

- **Product development & pricing**
  developing and designing insurance products that meet customers' needs

- **Assessment and acceptance of risks**
  assessing the risks associated with insuring people and items and deciding whether to take on these risks

- **Sales and marketing**
  marketing insurance products and selling them through various channels, such as brokers and agents, or selling them to customers directly

- **Underwriting**
  setting the premiums and defining the terms and conditions for insurance policies based on the risk assessment

- **Claims management**
  processing claims, including assessing and settling claims

- **Policy administration & customer service**
  providing customers with support and information throughout the term of the insurance policy

- **Risk management & reinsurance**
  protecting against significant losses by entering into reinsurance contracts with other insurers

These tasks are crucial in ensuring that an insurance company operates efficiently and offers optimum cover for its customers.

In **banking business,** the core business focuses on identifying market expertise, data and information that it can use to develop products and services. This includes analysing market trends, customer needs and the competitive environment in order to offer innovative banking solutions. The Banking segment aims to generate sales and create long-term customer loyalty by offering effective brand management, customer relationships and 360° financial solutions. This can be achieved with targeted marketing, customer communications and a comprehensive service that meets customers' different financial needs.

Downstream value chain
In the **insurance business,** the downstream value chain focuses on providing insurance solutions in both the life and the non-life segments. Life insurance offers financial protection in the event of death, disability or retirement, whereas non-life insurance offers cover for liability, accidents or loss or damage to property.

Investments are categorised as part of the downstream value chain. A distinction is made between insurance assets and third-party assets. Baloise invests in liquid assets and private assets as well as in real estate in which it invests directly or indirectly.

In the **banking business,** the downstream value chain focuses on providing banking solutions, which includes providing services such as pensions, investments and finance solutions. As part of their pension services, the insurance companies offer solutions for old-age pensions and a financial provision for retirement. In its investment business, the Banking segment offers various investment products such as investment funds and individual investment accounts. The finance solutions offered by the Banking segment include loans, mortgages and other types of finance for private clients and businesses. It also offers other banking services, for example payments processing and account management.

SBM-2 – Interests and views of stakeholders

(Art. 964b (2) 1 OR)

Baloise considers the interests and views of its stakeholders as important, which is why it takes extensive account of them in its strategy and business model. Based on the stakeholders identified as part of the materiality assessment, the Company's employees, customers and partners and, on a broader level, society and the environment are classified as affected stakeholders.

- **Employees**
  The employee engagement survey (EES) is used to ask employees about their satisfaction and the factors that influence it. The survey's core purpose is to identify the main drivers of employee satisfaction, document Baloise's strengths and weaknesses in a benchmark comparison and track the findings in order to identify any areas of improvement or deterioration at an early stage.

- **Customers**
  To measure its Net Promoter Score (NPS) and customer satisfaction, Baloise actively asks end customers (private clients and businesses) across the Group about their experience with Baloise. Feedback is requested automatically and immediately every time a customer has been in contact as well as at regular intervals, helping Baloise to gain a better understanding of the customer perspective. The strategic business planning approach uses internal key performance indicators for ongoing monitoring and improvement purposes. This strengthens Baloise's customer-oriented culture.

- **Investors**
  Baloise talks directly to investors in the context of stakeholder dialogue. Transparent communication with all capital market participants is aimed at ensuring a solid factual foundation is available to enable investors to make informed investment decisions.

- **Society**
  Baloise incorporates the interests and views of society into its strategy development process by taking a systematic and comprehensive approach. It holds regular discussions with representatives of the different groups within society in order to maintain an ongoing dialogue. To encourage social responsibility, Baloise teams up with non-governmental organisations (NGOs), local communities and public-sector institutions. Partnerships and alliances also help with the development and implementation of joint initiatives. Regularly publishing sustainability reports and transparently communicating targets, actions and results relating to strategy development are key to strengthening the trust of society and stakeholders. Thanks to this comprehensive approach, Baloise can ensure that it not only is financially successful but also has a positive impact on sustainable development and the good of society. This strengthens stakeholders' trust in Baloise, improves its reputation and contributes to the Company's long-term stability and resilience.

- **Environment**
  To take account of environmental interests, Baloise maintains dialogue and collaborates with relevant stakeholders. The first step is to identify the relevant environmental stakeholders, which include environmental organisations, regulatory authorities, local communities and customers. Analysis of the interests and concerns of these groups gives the Company an in-depth understanding of the environmental challenges and opportunities of relevance to its business activities. Transparent reporting and communication on the Company's environmental targets, actions and progress represent a further important aspect. Regular sustainability reports are a chance to show Baloise's environmental performance and strengthen stakeholders' trust.

- **Partners**
  Baloise regularly measures its Net Promoter Score (NPS) and brokers' satisfaction with Baloise. It maintains a dialogue with suppliers on the subject of sustainability, including the imposition of the Vendor Code of Conduct. Its links with different partners, such as innovation partners, start-ups, outsourcing partners, suppliers and agents, form a network that unlocks synergies, promotes knowledge transfer and creates added value for everyone involved by increasing collective success. This pooling of expertise enables Baloise to offer its customers new, innovative products that are tailored to their needs.

Involvement of the Corporate Executive Committee and the Board of Directors
The Corporate Executive Committee and the Board of Directors are informed about the views and interests of affected stakeholders with regard to the Company's sustainability-related impacts as set out below.

Corporate Executive Committee
During the revision of the sustainability strategy, the fundamental principles and the procedures of the double materiality assessment were explained in detail at various Corporate Executive Committee meetings, at which the key pillars of the related sustainability strategy were also presented. Particular attention was paid to the defined level of ambition. The members of the Corporate Executive Committee worked with the project team to draw up three strategic ambitions for the sustainability strategy. This collaborative approach ensured that all relevant perspectives were taken into account and a shared understanding of the strategic targets was achieved. It also ensured that Baloise's overarching business strategy and sustainability strategy are aligned. Following an in-depth discussion and check, the results of the double materiality assessment were signed off by the Corporate Executive Committee. This multi-stage and participative process ensures that the views and interests of affected stakeholders are appropriately taken into account in Baloise's sustainability-related strategy.

Board of Directors
The Board of Directors received extensive information about the views and interests of affected stakeholders with regard to the Company's sustainability-related impacts as part of a structured, multi-stage process that extended over several meetings. In the first stage, the Board of Directors was given an introduction to the Baloise-specific procedures for the double materiality assessment. The sustainability strategy's level of ambition and the strategic statements drawn up were then presented to the Board of Directors for approval. Following an in-depth discussion and check, the results of the double materiality assessment were signed off by the Board of Directors, representing a major step in developing the sustainability strategy. In the last step, the roadmap for the overall sustainability strategy was approved. This roadmap is used to define the specific steps and actions required to implement the strategy and ensure that all relevant targets and ambitions are clearly defined and scheduled. Using this multi-stage information process made sure that the Board of Directors was kept informed about the relevant views and interests of the affected stakeholders and that it was able to make decisions about the Company's sustainability-related focus.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(Art. 964b (2) 1 and 4 OR, Art. 3 KlimaVO)

Material impacts, risks and opportunities

When it carried out a double materiality assessment in accordance with CSRD, Baloise identified the following material sustainability topics based on its impacts, risks and opportunities:

- Environmental topics: climate change (ESRS E1)
- Social topics: the Company's own workforce (ESRS S1) and consumers and end-users (ESRS S4)
- Governance topics: business conduct (ESRS G1)

The impacts, risks and opportunities assigned to the topic of climate change primarily relate to climate change mitigation and environmental action in business operations and investments.

With regard to the Company's own workforce, the main material impacts and opportunities identified were those that relate to labour rights and business ethics, employee engagement and collaboration with employees.

In terms of consumers and end-users, risks were identified in relation to underwriting management and product management for climate change mitigation, interaction with customers and customer protection, communication and dialogue with stakeholders, and cyber-resilience and data security.

Material impacts and risks identified in respect of business conduct relate to business ethics and compliance, environmental action in collaboration with partners and responsible partnerships.

Influence of material impacts, risks and opportunities

The material sustainability-related impacts, risks and opportunities arising in connection with Baloise's business activities and value chain are generally factored into the management of the Company. They provide invaluable insights and input for the refinement of the sustainability strategy and for the targets and actions based on this strategy.

Financial effects of the material risks and opportunities

There are currently no risks that entailed a material adjustment to the carrying amounts of the assets and liabilities reported in the annual financial statements.

There were no changes compared with the prior reporting period.

Overview of impacts, risks and opportunities
ESRS E1 – Climate change

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model	
IMPACTS					
Emission of GHGs through use of energy and fuels	Negative	Actual	Only needed for potential impacts	Environmental action in business operations; collaboration with partners	
Promotion of sustainable customer behaviour	Positive	Actual		Underwriting management and product management for climate change mitigation	
Emission of particulate matter, heavy metals and other emissions through use of fossil energy	Negative	Actual		Environmental action in business operations; collaboration with partners	
Heightened environmental awareness among employees	Positive	Actual		Employee engagement	
Reduction of GHG emissions (investment)	Positive	Actual		Climate change mitigation through responsible investment	
Emission of GHGs (investment)	Negative	Actual		Climate change mitigation through responsible investment	
OPPORTUNITIES					
Offering new/innovative products and services, e.g. insurance solutions in the areas of renewable energy, digital insurance and expansion of ecosystems			Medium to long term	Climate change mitigation	
Unlocking potential for growth in non-life insurance resulting from increased risk caused by climate change			Medium to long term	Climate change adaptation	
Providing sustainable, fair products and services (e.g. support for the reuse of products through portals for donations in kind, insurance for electric vehicles and solar panels)			Medium to long term	Climate change adaptation	
Catering to the increased importance to society of environmentally responsible investments			Medium to long term	Climate change adaptation	

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			IMPACTS
	Own operations and business relationships	Global warming and climate change, which lead to extreme weather events, rising sea levels and negative impacts on health and ecosystems	**Emission of GHGs through use of energy and fuels**
	Own operations	Direct and indirect positive impact on health and ecosystems as a result of improvements in customers' energy efficiency with the help of specific products	**Promotion of sustainable customer behaviour**
	Own operations and business relationships	Negative impacts on health and ecosystems	**Emission of particulate matter, heavy metals and other emissions through use of fossil energy**
	Own operations	Direct and indirect positive impact on health and ecosystems as a result of raising awareness of sustainability topics among employees; promotion of sustainability-related ideas and innovation; general change in habits, e.g. through the use of more sustainable forms of travel	**Heightened environmental awareness among employees**
	Own operations	Direct and indirect positive impact on health and ecosystems, e.g. as a result of replacing heating systems in properties	**Reduction of GHG emissions (investment)**
	Own operations	Direct and indirect negative impacts on health and ecosystems	**Emission of GHGs (investment)**
			OPPORTUNITIES
	Own operations	Only needed for impacts	**Offering new/innovative products and services, e.g. insurance solutions in the areas of renewable energy, digital insurance and expansion of ecosystems**
	Own operations	Only needed for impacts	**Unlocking potential for growth in non-life insurance resulting from increased risk caused by climate change**
	Own operations	Only needed for impacts	**Providing sustainable, fair products and services (e.g. support for the reuse of products through portals for donations in kind, insurance for electric vehicles and solar panels)**
	Own operations	Only needed for impacts	**Catering to the increased importance to society of environmentally responsible investments**

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model	
RISKS					
Investment risk: Investments perform poorly owing to climate-related incidents and issuers' unsustainable business practices. This can affect equity price risk, interest risk, interest-rate risk, spread risk and general financial crisis situations.			Medium term	Climate change adaptation	
Catastrophe risk: Baloise's exposure to a catastrophic extreme weather event with an impact on the claims rate may increase as a result of climate change.			Medium term	Underwriting management and product management for climate change mitigation	
Natural disaster risk: In-force business (property, marine, comprehensive motor vehicle insurance) is affected by a natural disaster. Natural disasters that affect Germany are storms, hail, flooding and earthquakes.			Short term	Underwriting management and product management for climate change mitigation	
Accumulation risk: This is the risk that multiple separate risks are affected by one single event.			Short to medium term	Underwriting management and product management for climate change mitigation	
Premium and reserve risk: This is the risk that the insurance premiums calculated are based on incorrect assumptions, which may mean that premiums are insufficient to cover the resulting low risks or that rate scales are implemented too slowly. Climate change also has the potential to impact on the claims triangle and to increase reserve risk. Trends towards larger or more frequent claims, e.g. as a result of climate change, may make it harder to estimate the metrics for large claims, thereby causing greater uncertainty.			Medium to long term	Underwriting management and product management for climate change mitigation	
Business continuity management (BCM) risk: There is a risk that, in an extraordinary situation (e.g. caused by a terrorist attack, earthquake or major fire), the continuity of business operations cannot be assured, which may have an operational or financial impact or consequences under criminal law for the Company and thereby harm its reputation. Business continuity is at risk if time-critical and mission-critical processes are not identified, no plans are in place for restoring them and/or these plans are untested, and affected employees are not trained on executing the plans.			Medium to long term	Environmental action in business operations; collaboration with partners	
Strategic sustainability risk: This is the risk that Baloise does not take adequate account of sustainability in business decisions and when defining its business strategy and risk strategy.			Medium term	Risk analysis and mitigation	

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			RISKS
	Own operations	Only needed for impacts	**Investment risk: Investments perform poorly owing to climate-related incidents and issuers' unsustainable business practices. This can affect equity price risk, interest risk, interest-rate risk, spread risk and general financial crisis situations.**
	Own operations	Only needed for impacts	**Catastrophe risk: Baloise's exposure to a catastrophic extreme weather event with an impact on the claims rate may increase as a result of climate change.**
	Own operations	Only needed for impacts	**Natural disaster risk: In-force business (property, marine, comprehensive motor vehicle insurance) is affected by a natural disaster. Natural disasters that affect Germany are storms, hail, flooding and earthquakes.**
	Own operations	Only needed for impacts	**Accumulation risk: This is the risk that multiple separate risks are affected by one single event.**
	Own operations	Only needed for impacts	**Premium and reserve risk: This is the risk that the insurance premiums calculated are based on incorrect assumptions, which may mean that premiums are insufficient to cover the resulting low risks or that rate scales are implemented too slowly. Climate change also has the potential to impact on the claims triangle and to increase reserve risk. Trends towards larger or more frequent claims, e.g. as a result of climate change, may make it harder to estimate the metrics for large claims, thereby causing greater uncertainty.**
	Own operations	Only needed for impacts	**Business continuity management (BCM) risk: There is a risk that, in an extraordinary situation (e.g. caused by a terrorist attack, earthquake or major fire), the continuity of business operations cannot be assured, which may have an operational or financial impact or consequences under criminal law for the Company and thereby harm its reputation. Business continuity is at risk if time-critical and mission-critical processes are not identified, no plans are in place for restoring them and/or these plans are untested, and affected employees are not trained on executing the plans.**
	Own operations	Only needed for impacts	**Strategic sustainability risk: This is the risk that Baloise does not take adequate account of sustainability in business decisions and when defining its business strategy and risk strategy.**

Overview of impacts, risks and opportunities
ESRS S1 – Own workforce

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model	
IMPACTS					
Deterioration in employees' physical and/or mental health as a result of discrimination against employees	Negative	Potential	Short term	Human rights and labour rights	
Deterioration in employees' physical and/or mental health as a result of high workloads	Negative	Actual	Only needed for potential impacts	Employee engagement	
Support for employees' health	Positive	Actual	Only needed for potential impacts	Employee engagement	
Physical problems for employees, e.g. as a result of a non-ergonomic workstation	Negative	Actual	Only needed for potential impacts	Employee engagement	
Social protection for employees	Positive	Actual	Only needed for potential impacts	Contribution to society	
Stress/frustration resulting from a difficult financial situation that is attributable to unfair/low pay	Negative	Actual	Only needed for potential impacts	Employee engagement	
Support for the equal treatment of women when it comes to pay	Positive	Actual	Only needed for potential impacts	Employee collaboration	
Pay gap (highest wage vs. lowest wage)	Negative	Actual	Only needed for potential impacts	Employee collaboration	
Unequal opportunities for promotion	Negative	Actual	Only needed for potential impacts	Business ethics and compliance	
Violation of human rights	Negative	Actual	Only needed for potential impacts	Business ethics and compliance	
Support for employees' continuing professional development and training	Positive	Actual	Only needed for potential impacts	People development	
Poor balance between family/ personal life and work	Negative	Actual	Only needed for potential impacts	Employee engagement	
Very good balance between family/ personal life and work	Positive	Actual	Only needed for potential impacts	Employee engagement	

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			IMPACTS
		Deterioration in mental and physical health and exacerbation of social inequality	**Deterioration in employees' physical and/or mental health as a result of discrimination against employees**
	Own operations	Deterioration in employees' mental and physical health as a result of stress and exhaustion, for example	**Deterioration in employees' physical and/or mental health as a result of high workloads**
	Own operations	Improvement in mental and physical health, performance and motivation to work	**Support for employees' health**
	Own operations	Deterioration in employees' physical health as a result of musculoskeletal disorders, for example	**Physical problems for employees, e.g. as a result of a non-ergonomic workstation**
	Own operations	Improvement in financial stability and general sense of wellbeing	**Social protection for employees**
	Own operations	Deterioration in financial stability, mental and physical health, and motivation to work	**Stress/frustration resulting from a difficult financial situation that is attributable to unfair/low pay**
	Own operations	Improvement in financial stability and social protection, greater motivation to work, independence and opportunities for promotion	**Support for the equal treatment of women when it comes to pay**
	Own operations	Deterioration in financial stability, social protection and motivation to work	**Pay gap (highest wage vs. lowest wage)**
	Own operations	Deterioration in financial stability as a result of pay gaps and limited development opportunities	**Unequal opportunities for promotion**
	Own operations	Deterioration in mental and physical health and financial stability	**Violation of human rights**
	Own operations	Increase in motivation to work and performance and improvement in opportunities for promotion	**Support for employees' continuing professional development and training**
	Own operations	Deterioration in mental and physical health, performance and motivation to work	**Poor balance between family/ personal life and work**
	Own operations	Improvement in mental and physical health, performance and motivation to work	**Very good balance between family/ personal life and work**

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model	
OPPORTUNITIES					
Offering attractive and forward-looking working models, e.g. increased remote working options			Medium to long term	Employee engagement	
Supporting current and future employees' lifelong learning and offering attractive development opportunities			Medium to long term	People development	
Using digitalisation to ease employees' workloads			Medium to long term	Innovation and digitalisation	
RISKS					
Knowledge transfer: Insufficient availability of knowledge, expertise and skills owing to insufficient training and development can result in people in important positions/roles not having the knowledge that they require at the right time.			Short to medium term	People development; working conditions	
Capacity shortages in project work: The unique nature of the Company's projects, tight deadlines or the impact of the project outcome may necessitate the availability of specific expertise.			Short term	Working conditions	
It is conceivable that positions cannot be filled with sufficient and/or suitably qualified skilled workers because they are not available in the labour market or because they do not want to be recruited on the terms offered. Moreover, the shortage of skilled workers can cause staff turnover to rise and qualified employees may potentially leave the Company. These risks relate both to newly formed organisational units and to vacancies. They may impair the planned operation of processes, may disrupt Baloise's ongoing development and thus may weaken its potential for growth.			Short to medium term	People development	

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			OPPORTUNITIES
	Own operations	Only needed for impacts	**Offering attractive and forward-looking working models, e.g. increased remote working options**
	Own operations	Only needed for impacts	**Supporting current and future employees' lifelong learning and offering attractive development opportunities**
	Own operations	Only needed for impacts	**Using digitalisation to ease employees' workloads**
			RISKS
	Own operations	Only needed for impacts	**Knowledge transfer: Insufficient availability of knowledge, expertise and skills owing to insufficient training and development can result in people in important positions/roles not having the knowledge that they require at the right time.**
	Own operations	Only needed for impacts	**Capacity shortages in project work: The unique nature of the Company's projects, tight deadlines or the impact of the project outcome may necessitate the availability of specific expertise.**
	Own operations	Only needed for impacts	**It is conceivable that positions cannot be filled with sufficient and/or suitably qualified skilled workers because they are not available in the labour market or because they do not want to be recruited on the terms offered. Moreover, the shortage of skilled workers can cause staff turnover to rise and qualified employees may potentially leave the Company. These risks relate both to newly formed organisational units and to vacancies. They may impair the planned operation of processes, may disrupt Baloise's ongoing development and thus may weaken its potential for growth.**

Overview of impacts, risks and opportunities
ESRS S4 – Consumers and end-users

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model	
IMPACTS					
Harm to customers as a result of the loss or theft of data	Negative	Actual	Only needed for potential impacts	Cyber-resilience and data security	
Consumer deception	Negative	Actual	Only needed for potential impacts	Interaction with customers and customer protection	
Strengthening of information asymmetries as a result of advice or the contract formation process not being accessible	Negative	Actual	Only needed for potential impacts	Interaction with customers and customer protection	
Insufficient financial protection for customers owing to poor advice	Negative	Potential	Medium to long term	Interaction with customers and customer protection	
Insufficient financial protection for customers owing to unjustified refusal/delay of payment of the sum insured	Negative	Potential	Medium to long term	Contribution to society	
OPPORTUNITIES					
Digitalising the customer journey and designing it from the customer perspective (tailored omnichannel communication)			Medium to long term	Interaction with customers and customer protection	
Catering to the increased importance to society of socially responsible investment			Medium to long term	Responsible investment	
Supporting the transition to a sustainable business model			Medium to long term	Interaction with customers and customer protection	

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			IMPACTS
	Own operations and business relationships	Financial losses, violation of the right to privacy, and loss of trust	**Harm to customers as a result of the loss or theft of data**
	Own operations and business relationships	Financial losses and loss of trust	**Consumer deception**
	Own operations and business relationships	Financial losses and loss of trust	**Strengthening of information asymmetries as a result of advice or the contract formation process not being accessible**
	Own operations and business relationships	Financial losses and loss of trust	**Insufficient financial protection for customers owing to poor advice**
	Own operations and business relationships	Financial losses and loss of trust	**Insufficient financial protection for customers owing to unjustified refusal/delay of payment of the sum insured**
			OPPORTUNITIES
	Own operations	Only needed for impacts	**Digitalising the customer journey and designing it from the customer perspective (tailored omnichannel communication)**
	Own operations	Only needed for impacts	**Catering to the increased importance to society of socially responsible investment**
	Own operations	Only needed for impacts	**Supporting the transition to a sustainable business model**

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model	
RISKS					
Advisory risks in the investment process: There is a risk that customers will receive incorrect advice in the investment advice process. If they are not given sufficient information, this constitutes a breach of customer advisers' duty to explain and clarify.			Short term	Interaction with customers and customer protection	
External reporting: Inaccurate, delayed and incomplete external reporting may give shareholders, customers, competitors and authorities an incorrect picture of the Company's situation. This has the potential to have an overall negative impact on the Company, e.g. by way of reputational damage.			Short term	Communication and dialogue with stakeholders	
Counterparty risk: There is a risk of financial loss if a counterparty or issuer is unable to fulfil its contractual obligations. All types of customer are included in this.			Short term	Responsible partnerships	
Collection management: There is a risk that day-to-day collection and disbursement processes can no longer be operated adequately and accurately owing to the IT system no longer being appropriate, a lack of knowledge, ineffective organisational structures and incorrectly assigned responsibilities. If this leads to wrong payments, inaccurate postings, incorrect settlement and thus customer complaints, the Company may suffer reputational damage.			Short term	Environmental action in business operations; collaboration with partners	
Premium risk: There is a danger that the insurance premiums calculated are based on incorrect assumptions and the premiums will therefore be insufficient to cover the financial obligations arising from the insured risks. In particular, trends such as an increase in larger or more frequent claims, e.g. as a result of climate change, may make it harder to estimate the metrics for large claims. These uncertainties increase the risk of premiums being insufficient.			Medium to long term	Underwriting management and product management for climate change mitigation	
Data security risk: Data may end up in the wrong hands as a consequence of cyberattacks or the improper handling of information.			Short to long term	Cyber-resilience and data security	
IT BCM risk: There is a danger that IT applications and systems go down for a short or extended period and are not available to customers as a result of natural disasters, incorrect programming or external attacks.			Short to long term	Cyber-resilience and data security	

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			RISKS
	Own operations	Only needed for impacts	**Advisory risks in the investment process: There is a risk that customers will receive incorrect advice in the investment advice process. If they are not given sufficient information, this constitutes a breach of customer advisers' duty to explain and clarify.**
	Own operations	Only needed for impacts	**External reporting: Inaccurate, delayed and incomplete external reporting may give shareholders, customers, competitors and authorities an incorrect picture of the Company's situation. This has the potential to have an overall negative impact on the Company, e.g. by way of reputational damage.**
	Own operations	Only needed for impacts	**Counterparty risk: There is a risk of financial loss if a counterparty or issuer is unable to fulfil its contractual obligations. All types of customer are included in this.**
	Own operations	Only needed for impacts	**Collection management: There is a risk that day-to-day collection and disbursement processes can no longer be operated adequately and accurately owing to the IT system no longer being appropriate, a lack of knowledge, ineffective organisational structures and incorrectly assigned responsibilities. If this leads to wrong payments, inaccurate postings, incorrect settlement and thus customer complaints, the Company may suffer reputational damage.**
	Own operations	Only needed for impacts	**Premium risk: There is a danger that the insurance premiums calculated are based on incorrect assumptions and the premiums will therefore be insufficient to cover the financial obligations arising from the insured risks. In particular, trends such as an increase in larger or more frequent claims, e.g. as a result of climate change, may make it harder to estimate the metrics for large claims. These uncertainties increase the risk of premiums being insufficient.**
	Own operations	Only needed for impacts	**Data security risk: Data may end up in the wrong hands as a consequence of cyberattacks or the improper handling of information.**
	Own operations	Only needed for impacts	**IT BCM risk: There is a danger that IT applications and systems go down for a short or extended period and are not available to customers as a result of natural disasters, incorrect programming or external attacks.**

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
RISKS				
Non-compliance with solvency capital or liquidity requirements: There is a danger that the Company's capital levels fall or the solvency capital requirements are tightened. This may mean that the Company no longer has adequate solvency ratios. There is also a danger that the short-term liquidity and stable funding levels in banking activities no longer meet the regulatory requirements, and the minimum requirements can only be satisfied at significant additional cost.			Medium to long term	Responsible investment; business ethics and compliance
Premium and reserve risk: There is a danger that the insurance premiums calculated are based on incorrect assumptions and the premiums will therefore be insufficient to cover the risks that, as a result, have been underestimated. This may also lead to rate scales being implemented too slowly.			Medium to long term	Underwriting management and product management for climate change mitigation
Investment risk: There is a risk that investments will fall in value because climate-related events occur or because issuers do not follow sustainable business practices. This may lead to losses on equities, spread movements and general financial crisis situations.			Medium term	Climate change adaptation

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			RISKS
	Own operations	Only needed for impacts	**Non-compliance with solvency capital or liquidity requirements: There is a danger that the Company's capital levels fall or the solvency capital requirements are tightened. This may mean that the Company no longer has adequate solvency ratios. There is also a danger that the short-term liquidity and stable funding levels in banking activities no longer meet the regulatory requirements, and the minimum requirements can only be satisfied at significant additional cost.**
	Own operations	Only needed for impacts	**Premium and reserve risk: There is a danger that the insurance premiums calculated are based on incorrect assumptions and the premiums will therefore be insufficient to cover the risks that, as a result, have been underestimated. This may also lead to rate scales being implemented too slowly.**
	Own operations	Only needed for impacts	**Investment risk: There is a risk that investments will fall in value because climate-related events occur or because issuers do not follow sustainable business practices. This may lead to losses on equities, spread movements and general financial crisis situations.**

Overview of impacts, risks and opportunities
ESRS G1 – Business conduct

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model	
IMPACTS					
Reduction in stakeholders' willingness to report/disclose irregularities owing to a lack of protection for whistleblowers	Negative	Potential	Medium to long term	Business ethics and compliance	
Positive influence on policy decisions	Positive	Actual	Only needed for potential impacts	Business ethics and compliance	
Negative influence on policy decisions	Negative	Actual	Only needed for potential impacts	Business ethics and compliance	
Loss of trust in the industry as a result of incidents of corruption and bribery	Negative	Potential	Medium to long term	Business ethics and compliance	
Positive influence on sustainability at companies in which Baloise has invested	Positive	Actual	Only needed for potential impacts	Responsible investment	
OPPORTUNITIES					
n/a					

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			IMPACTS
	Own operations and business relationships	Deterioration in mental and physical health and ecosystems	**Reduction in stakeholders' willingness to report/disclose irregularities owing to a lack of protection for whistleblowers**
	Own operations	Positive impacts on health and ecosystems	**Positive influence on policy decisions**
	Own operations	Negative impacts on health and ecosystems	**Negative influence on policy decisions**
	Own operations and business relationships	Financial losses and loss of trust	**Loss of trust in the industry as a result of incidents of corruption and bribery**
	Own operations	Reduction in direct and indirect negative impacts on health and ecosystems	**Positive influence on sustainability at companies in which Baloise has invested**
			OPPORTUNITIES
			n/a

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model	
RISKS					
Non-compliance with sustainability requirements: Relevant regulatory requirements are inadequately implemented in the sustainability strategy and inadequately applied.			Short to long term	Environmental action in business operations; collaboration with partners; development of products and services; business ethics and compliance	
Inaccurate risk analysis and reporting: There is a danger that risks are not properly identified, are insufficiently analysed or are incorrectly assessed.			Short to medium term	Risk analysis and mitigation	
Outsourcing risk: There is a danger that the Company becomes dependent on external service providers or that these service providers do not perform their tasks satisfactorily. This can lead to problems if tasks inherent to the insurance business have been outsourced to these service providers.			Short to long term	Responsible partnerships; business ethics and compliance	
Reputational risk: It is conceivable that external communications are not aligned with the strategy and corporate values, that reputational problems are not handled correctly and that wrong/inappropriate information is communicated.			Short to medium term	Responsible investment; communication and dialogue with stakeholders; responsible partnerships	
Legal risk: There is a danger that legal and regulatory requirements are not satisfied, resulting in financial losses, reputational damage, consequences under criminal law, regulatory sanctions or organisational problems.			Medium term	Business ethics and compliance; environmental action in business operations; collaboration with partners, business ethics and compliance	
Process risk: There is a risk that business processes are deficient or inadequate, are not organised professionally and appropriately or are not fully aligned with the Company's targets, policies and instructions, e.g. in relation to efficiency, growth and customer loyalty, quality and service level.			Short to long term	Environmental action in business operations; collaboration with partners; communication and dialogue with stakeholders	
Competition risks: There are risks resulting from changes in the market environment, e.g. as a result of the emergence of new competitors or changes in the behaviour of existing competitors or of sales partners.			Short to medium term	Development of products and services; responsible partnerships	
Wrong decisions: It is conceivable that, driven by perverse incentives, senior management makes decisions that have a negative impact on the Company.			Short to long term	Employee engagement; employee collaboration	
Possible external effects on business: External influences, such as geopolitical tensions or inflation, may lead to targets for growth or profitability not being achieved.			Medium term	Climate change mitigation through responsible investment; environmental action in business operations; collaboration with partners	

	Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
			RISKS
	Own operations	Only needed for impacts	**Non-compliance with sustainability requirements: Relevant regulatory requirements are inadequately implemented in the sustainability strategy and inadequately applied.**
	Own operations	Only needed for impacts	**Inaccurate risk analysis and reporting: There is a danger that risks are not properly identified, are insufficiently analysed or are incorrectly assessed.**
	Own operations	Only needed for impacts	**Outsourcing risk: There is a danger that the Company becomes dependent on external service providers or that these service providers do not perform their tasks satisfactorily. This can lead to problems if tasks inherent to the insurance business have been outsourced to these service providers.**
	Own operations	Only needed for impacts	**Reputational risk: It is conceivable that external communications are not aligned with the strategy and corporate values, that reputational problems are not handled correctly and that wrong/inappropriate information is communicated.**
	Own operations	Only needed for impacts	**Legal risk: There is a danger that legal and regulatory requirements are not satisfied, resulting in financial losses, reputational damage, consequences under criminal law, regulatory sanctions or organisational problems.**
	Own operations	Only needed for impacts	**Process risk: There is a risk that business processes are deficient or inadequate, are not organised professionally and appropriately or are not fully aligned with the Company's targets, policies and instructions, e.g. in relation to efficiency, growth and customer loyalty, quality and service level.**
	Own operations	Only needed for impacts	**Competition risks: There are risks resulting from changes in the market environment, e.g. as a result of the emergence of new competitors or changes in the behaviour of existing competitors or of sales partners.**
	Own operations	Only needed for impacts	**Wrong decisions: It is conceivable that, driven by perverse incentives, senior management makes decisions that have a negative impact on the Company.**
	Own operations	Only needed for impacts	**Possible external effects on business: External influences, such as geopolitical tensions or inflation, may lead to targets for growth or profitability not being achieved.**

Impact, risk and opportunity management

Disclosures on the materiality assessment process

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

(Art. 964b (2) 2 and 4 OR, Art. 3 KlimaVO)

The double materiality assessment underlying this sustainability statement is based on the Integrated Reporting Framework, the sector-specific requirements of the Sustainability Accounting Standards Board (SASB) and dialogue with stakeholders. The requirements of the CSRD were also taken into account when performing the double materiality assessment, which is reviewed regularly and repeated every four years.

Identification of material issues

Baloise uses external and internal sources to identify material sustainability topics. This involves combining sector analyses, external expectations, regulations, ESG ratings and standards with internal department-specific topics. Experts from various departments analyse these topics to ascertain their relevance to Baloise.

To this end, the experts first assess whether the identified topics have an influence on Baloise and its business activities. In the next phase, an assessment is carried out using the Future-Fit Business Benchmark to establish the impact of the identified topics and thus of Baloise's business activities on society as a whole.

The low-impact and low-risk topics are filtered out and the content of the topics that are deemed relevant is developed (detailed description and adjustment of the names). This is then used to draw up a list of potentially material non-financial topics. These topics are subdivided based on their relevance within the Company, and each one is assigned to one of the three sustainability dimensions E (environmental), S (social) and G (corporate governance).

On the basis of the potentially material topics identified, possible non-financial impacts (in accordance with relevant sustainability standards), risks (from the Baloise risk inventory) and opportunities along Baloise's value chain are identified.

The identified impacts, risks and opportunities are also subdivided into operational aspects, investment-related aspects and insurance-related aspects, and each one is assigned to one of the three sustainability dimensions E (environmental), S (social) and G (corporate governance).

Identification of relevant stakeholders

Based on the Baloise stakeholder overview and taking account of the stakeholder categories pursuant to GRI and ESRS 1, stakeholders are then identified that are relevant from a segment-specific perspective and from a cross-segment perspective. This distinction allows for a nuanced assessment of the relevance of the stakeholders in the segments and in the Group.

In addition to the stakeholders, six interview partners were identified who have expertise in the topics along Baloise's value chain. Together with business partners, investors, environmental experts, employees and the public/society, the selected experts represent Baloise's relevant stakeholder groups.

Comprehensive assessment of the material topics

The identified topics and the related impacts, risks and opportunities are assessed from a qualitative perspective according to the principles of double materiality. To this end, the following steps are carried out:

- First, an online questionnaire is used to ask all stakeholders except senior management about potentially relevant topics. The people questioned are asked to assess the topics according to their relevance and to rank them accordingly. An average ranking is then determined for each topic.

- To assess the impacts of the topics, a qualitative assessment is carried out in the form of interviews with external experts. The experts judge the significance of Baloise's impacts on the social, environmental and economic spheres and assess their relative significance in qualitative terms.

- A questionnaire is used to ask senior management about the topics' relevance to business in terms of risks and opportunities. Senior management assesses which topics are the most important for Baloise's sustainable performance in the financial, environmental and social spheres in the short term, medium term and long term. In assessing the topics, senior management takes into account that dependencies on natural, personnel and social resources can give rise to financial risks and opportunities for the Company's own business and for the reliability of supply chains in the context of value creation.

- In the case of actual negative or positive impacts, the materiality of these impacts was determined on the basis of their scale, scope and irremediable character using a ranking of one (low) to five (high). To determine the overall relevance of this impact, the mean of these three rankings was calculated. In the case of potential negative or positive impacts, the time horizon (short, medium or long term) and the probability of occurrence

were also assessed. An impact is deemed material if it reaches or exceeds a threshold of three. With regard to the disclosure requirement for the process used to identify and assess climate impacts, Baloise cannot currently make any specific statements on its activities and plans for assessing actual and potential future greenhouse gas emissions and the drivers of other climate-related impacts because the requisite emissions data is not yet available in sufficient quantity or adequate quality.

- To determine financial materiality, the probability of occurrence is classified as low (once in 20 years), medium (once in five years), high (once in two years) or very high (more than once in two years). In addition, the potential financial magnitude of the impacts is categorised as low, medium or high. By combining the probability of occurrence and the potential financial magnitude of the impacts, the risk or opportunity is assigned a heatmap value of between one and 16. The risk or opportunity is deemed material if it reaches or exceeds a threshold of five on the heat map.

- Finally, all impacts, risks and opportunities identified as material are aggregated per topic and assigned to the appropriate ESRSs.

Outlook for the 2024 double materiality assessment
In 2024, Baloise carried out another double materiality assessment in accordance with the requirements of the CSRD. It is valid from 1 January 2025. This confirmed that the following topics are material to Baloise:
- Environmental topics: climate change (ESRS E1)
- Social topics: the Company's own workforce (ESRS S1) and consumers and end-users (ESRS S4)
- Governance topics: business conduct (ESRS G1)

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The disclosure requirements that were applied in the preparation of the sustainability statement on the basis of the results of the materiality assessment comprise ESRS 2 and the topical ESRSs E1, S1, S4 and G1, including all sub-topics. The exact page numbers for the relevant disclosures are listed in the table of contents in this sustainability statement.

The following table illustrates the datapoints in ESRS 2 and in the topical ESRSs that are derived from other EU legislation, including those datapoints that were deemed not material.

Datapoints from other EU legislation

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		115
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		115
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				118
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		122
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		122
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12; Delegated Regulation (EU) 2020/1816, Annex II		122
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12; Delegated Regulation (EU) 2020/1816, Annex II		122
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2	158
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12 letters d to g and Article 12		158
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		166

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				166
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				166
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				166
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	Indicator numbers 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5, 6 and 8		167
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8		167
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2	171
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II		172
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47 Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			172
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			172

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		172
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	Indicator number 8 Table #1 of Annex 1, Indicator number 2 Table #2 of Annex 1, Indicator number 1 Table #2 of Annex 1 and Indicator number 3 Table #2 of Annex 1				n.a.
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				n.a.
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				n.a.
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				n.a.
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				n.a.
ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				n.a.
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				n.a.
ESRS 2 – SBM-3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				n.a.
ESRS 2 – SBM-3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				n.a.
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				n.a.
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				n.a.
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				n.a.
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				n.a.

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				n.a.
ESRS 2 SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				176
ESRS 2 SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				176
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				177
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 paragraph 21			Delegated Regulation (EU) 2020/1816, Annex I		177
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				177
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				177
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				182
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		187
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				187
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		188
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				188
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				189

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12		189
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicator numbers 12 and 13 Table #3 of Annex I				n.a.
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				n.a.
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator numbers 11 and 4 Table #3 of Annex 1				n.a.
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12		n.a.
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		n.a.
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				n.a.
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				n.a.
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12		n.a.
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				n.a.

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				191
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12		191
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				196
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				206
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				206
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		215
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				215

Minimum disclosure requirements regarding policies, actions, metrics and targets (MDR-P, MDR-A, MDR-M, MDR-T)

Details of the policies relating to material sustainability matters can be found in the description in the topic-specific standards.

The metrics reported in relation to material sustainability matters currently comprise only those metrics that are defined in the topic-specific standards. The measurability of actions using targets will be taken into account when drawing up future strategies and actions.

Policies for managing material sustainability matters are currently being drawn up.

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Environmental information

ESRS E1 – Climate change

(Art. 964b (1) OR, Art. 3 KlimaVO)

Governance

Disclosure requirement related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

(Art. 3 KlimaVO)

For the disclosures as to whether and how climate-related considerations are factored into the remuneration of members of the administrative, management and supervisory bodies, reference is made to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes. Sustainability-related performance is factored into variable remuneration but is not yet linked to specific emission reduction targets.

Strategy

E1-1 – Transition plan for climate change mitigation

(Art. 3 KlimaVO)

Baloise has defined various policies relating to climate change mitigation and plans to consolidate these as part of a Group-wide transition plan and embed them in a comprehensive sustainability strategy in 2025. Baloise's current Simply Safe: Season 2 and Refocusing strategy papers describe the strategic direction that Baloise has taken until now and the strategic direction that it will take going forward. The direction of sustainability-related efforts will be specified in more detail from 2025 onwards in connection with the new sustainability strategy.

Baloise has set itself the target of reducing CO_2 emissions to net zero by 2050. To achieve this, it is defining decarbonisation targets for its own business operations and for financed and insured emissions.

Regarding its own business operations, Baloise plans to develop a specific plan for reducing its carbon footprint and to define in greater detail the target that has already been set. A few years ago, it began systematically collecting its CO_2 emissions data using the Greenhouse Gas Protocol standard. Based on this systematic collection of data, Baloise can identify the areas with the biggest decarbonisation levers and define actions that offer a reasonable level of effectiveness. Furthermore, Baloise intends to use energy-efficient technologies and sustainable means of transport to minimise its fleet's CO_2 emissions and continue to maximise the use of renewable energies. Another lever for Baloise is the application of environmentally responsible building standards and the encouragement of the use of renewable energies in its facilities.

Information on financed emissions is provided under ESRS E1-2 – Policies related to climate change mitigation and adaptation.

Baloise also considers sustainability and climate change mitigation in respect of the risks that it insures. In 2024, Baloise calculated the "insurance-associated emissions" in its portfolio for the first time, following the methodology of the Partnership for Carbon Accounting Financials (PCAF). In order to be able to define a reliable transition plan and specific targets, Baloise is working hard to improve the data used to calculate insured emissions.

Transition plan for climate change mitigation

Baloise is committed to the targets of the Paris climate agreement and supports the efforts of Switzerland and the European Union (EU) to reach net zero by 2050.

It wants to reduce its operational emissions (Scopes 1 and 2) by 25 per cent by 2030 compared with 2022. This target will be defined in greater detail in the Group-wide transition plan, which is due to be fleshed out in 2025.

Managing investments and insured risks in accordance with climate criteria is another important lever in reducing the consequences of climate change. This requires large amounts of good quality data.

Baloise Asset Management has devised a climate strategy for liquid assets that is an integral element of the expanded responsible investment strategy. One of Baloise's main objectives under this strategy is to further reduce financed CO_2 emissions. This target will be reflected in the transition plan for investments, which contains interim targets for decarbonisation in line with the Baloise Group's overall commitment to reach net zero by 2050.

Investments and funding supporting the implementation of the transition plan

At present, data on investment in climate change mitigation in respect of actions taken in Baloise's own operations is not systematically collected or documented. As part of its ongoing strategic focus on sustainability, Baloise will start collecting data on these investments.

In 2024, no capital expenditure (CapEx) was invested that can be clearly assigned to the key performance indicators for taxonomy-aligned CapEx and to the CapEx

plans pursuant to Delegated Regulation (EU) 2021/2178 supplementing the Taxonomy Regulation (EU) 2020/852.

Assessment of potentially locked-in greenhouse gas emissions

The extent to which potentially locked-in greenhouse gas emissions could hinder Baloise's achievement of its targets is currently being thoroughly analysed and is taken into consideration when formulating targets as part of the transition plan.

Targets and plans for the taxonomy alignment of economic activities

The investment portfolio and product range are not actively managed in accordance with taxonomy metrics at present. Doing so will be considered as part of Baloise's ongoing strategic focus.

In 2024, Baloise's investments in the context of coal, oil and gas-related economic activities amounted to CHF 1,131,750,490.

Baloise is not excluded from the Paris-aligned EU benchmarks of Delegated Regulation (EU) 2020/1818 supplementing Benchmark Regulation (EU) 2016/1011.

Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(Art. 3 KlimaVO)

In the following section, the most important impacts, risks and opportunities relating to climate change are considered. A detailed overview of the material impacts, risks and opportunities and their interaction with the strategy and business model are presented in ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model. That section contains a detailed description of the identified impacts on people and the environment. The processes to identify and assess the material impacts, risks and opportunities, along with related information, are explained in the disclosures under ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

The negative impacts of Baloise's operations include the emission of greenhouse gases (GHGs) produced using energy and fuels and the emission of particulate matter, heavy metals and other pollutants using fossil energy. Direct and indirect GHG emissions in connection with investments – real estate, liquid assets and illiquid assets – are another negative impact.

A potential positive impact is the further reduction of direct and indirect GHG emissions in connection with investments.

The other positive impacts include the promotion of sustainable customer behaviour. Baloise offers a broad range of products that can influence customers' energy efficiency. The shift in employees' environmental awareness as a result of awareness-raising actions can also make employees more concerned for the environment.

The opportunities of climate change include offering new/innovative products and services, e.g. insurance solutions in the areas of renewable energy, and offering products that are more sustainable. There is also potential for growth in claims resulting from increased risk caused by climate change. Another opportunity is catering to the increased importance to society of environmentally responsible investments.

Material risks in connection with climate change include strategic sustainability risks. This means there is a risk that Baloise does not take adequate account of sustainability in business decisions and when defining its business strategy and risk strategy. Baloise is also exposed to risk in respect of investments. Investments may perform poorly owing to climate-related incidents and issuers' unsustainable business practices. There are also material risks in underwriting management and product management for climate change mitigation, such as catastrophe risk, accumulation risk and premium and reserve risk. Risks relating to environmental action in business operations and collaboration with partners are also material, including natural disaster risk.

Resilience of the strategy and business model in relation to climate change

The resilience of Baloise's strategy and business model is determined using various analyses, as described below.

Climate risk analysis

Given the structural differences between climate risk and the traditional types of risk covered by risk management, climate risk undergoes a separate annual analysis as part of the Own Risk and Solvency Assessment process (ORSA process). This analysis, which is based on time horizons that go beyond traditional planning horizons, examines climate risk from both a qualitative and a quantitative perspective. The first step is to identify material aspects in the investment portfolio and insurance portfolio. These aspects are then analysed using scenarios provided by the Network for Greening the Financial System (NGFS).

Despite negative impacts in the scenarios considered, the investment and insurance business can continue as a going concern from the current perspective.

Exposure analysis

Both on the assets side and on the equity and liabilities side of the balance sheet, this involves examining aspects that are material in terms of their exposure and significantly adversely affected either by climate change or by action taken to mitigate climate change. Depending on the data that is available, the exposure is determined

using adequate KPIs on the assets side and the equity and liabilities side or by referring to expert assessments. The geographical location and the area of business of the investment or insurance activity are taken into consideration.

At present, exposures that are material in terms of transition risks have been identified in the life insurance business and in a number of asset classes in the investment business.

Physical risks result from extreme weather events and lead to the greater frequency and intensity of natural disaster claims. At present, exposures that are material in terms of physical risks have been identified primarily in the non-life insurance business as well as in parts of the investment business. The exposure to weather-related disasters in property insurance business is routinely monitored. Modelling and analysis is used to this end, which provides a sound basis for risk management.

Data on the impact of climate-related transition and physical risks has not yet been acquired for the Banking segment. However, this is to be done in future to reflect regulatory developments (such as the forthcoming FINMA circular on nature-related risks).

Scenario analysis based on the exposures identified

The analysis looks at a scenario with high physical risks associated with global warming of more than 2°C (physical scenario) and a transition scenario involving transition risks. The actions implemented in this context should contribute to successfully reducing global warming to below 2°C. As chronic changes to the climate and the adaptation of actions will take place in the distant future, this analysis considers time horizons that go beyond the traditional planning horizons. Specifically, the analysis considers the impacts up to 2030 (short term), 2050 (medium term) and 2080 (long term).

The scenario analysis carried out in connection with ORSA covers the largest asset classes and the insurance portfolio in the life and non-life businesses. For the non-life business, possible losses from claims relating to flooding, storms and hail are analysed. The reinsurance in place also has an influence on the degree to which financial positions are impacted. Information about Baloise's own portfolio is used, along with external data from NGFS.

Despite negative impacts in the scenarios considered, the investment and insurance business can continue as a going concern from the current perspective. This is partly because strategic actions have been carried out to counteract the negative impacts described. For example, the Responsible Investment (RI) Policy already excludes carbon-intensive assets from the investment horizon, and the ESG Underwriting Policy includes an exclusion strategy for certain sectors. In the real estate business, the base data is being improved with regard to climate risk information. This is to be used to develop and implement pathways for lowering CO_2 emissions. The consideration of natural perils in reinsurance and the ability to use pricing to respond to emerging claim trends should also help to limit losses in the non-life business. Premium and reserve risk can be adequately managed in a similar way. Furthermore, the monitoring of mortality and lapse rates and trends ensures that the Company can respond to the developments described in the scenarios in good time. However, it must be remembered that the findings of the analysis are rough estimates and that the inputs used for the projections are subject to significant uncertainty, particularly in view of the long time horizons.

The regular analyses carried out are integrated into the usual risk assessment processes, e.g. ORSA. The resulting risk situation is discussed in detail with the Corporate Executive Committee and its committees – primarily the Risk Committee – and signed off by the Board of Directors.

The integration of sustainability risks into existing risk management processes ensures that the results of regular analyses and assessments are incorporated into Baloise's strategic risk management approach and that this approach is adequate for dealing with these risks. In addition, general risk awareness is strengthened through the involvement of employees from different departments and operating segments. This ongoing integration of sustainability risks and climate risks into the management of risk constitutes an important step in implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

A specific scenario analysis is not currently carried out for the Asset Management or Banking segment. The Group-wide risk management processes and evaluations are used in these segments.

Vulnerability analysis

A vulnerability analysis was carried out for property in Germany and Belgium as part of the taxonomy-related "do no significant harm" analysis. The aim was to analyse the physical climate-related hazards. All hazards that are considered material in view of the vulnerability of the business model and geographical location were included in the analysis on the basis of data from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). Location Risk Intelligence, a SaaS platform from reinsurance company Munich Re, was used obtain a location-specific, climate-related hazard analysis in climate scenarios. The analysis was based on scenario SSP5-8.5/RCP 8.5 up to 2050. The scenario describes climate change involving a rise in temperatures in 2100 of more than 4°C above pre-industrial temperatures. This is based on increased exploitation of fossil fuels and an energy- and resource-intense lifestyle, which leads to higher greenhouse gas emissions and an increased burden on the climate. The findings of the analysis show that the identified climate risks have no material negative impact on the business model and thus on the Company's strategic direction.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

(Art. 3 KlimaVO)

Regarding the identification and assessment of material climate-related impacts, risks and opportunities, reference is made to the disclosures under ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting and ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities, and the disclosures in connection with ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model under ESRS E1 Climate change.

E1-2 – Policies related to climate change mitigation and adaptation

(Art. 3 KlimaVO)

Baloise's policies related to climate change mitigation and adaptation are described in the table below.

Policies relating to the transition plan for climate change mitigation (MDR-P)

Name of rule set	Main content	General objectives	Review
Baloise Responsible Investment Policy: for insurance funds held by Baloise Group companies	Definition of the responsible investment strategy, taking the following into account: • General and expanded responsible investment strategy • Sustainability risks and risk management • ESG data • Memberships and partnerships	Definition of a strategy on responsible investment	At least annually
Baloise Responsible Investment Policy: for third-party assets and investment funds	Definition of the responsible investment strategy, taking the following into account: • General and expanded responsible investment strategy • Sustainability risks and risk management • ESG data • Memberships and partnerships	Definition of a strategy on responsible investment	At least annually
Baloise asset management climate strategy for liquid assets	Description of the climate focus as an integral element of the Baloise responsible investment strategy	Definition of climate strategy for liquid assets	Adjustments as required
Group Risk Policy	The Group Risk Policy defines Baloise's risk management cycle and comprises the following: • Definition of the risk strategy based on the business strategy, taking account of risk preferences, risk-bearing capacity, risk appetite, risk tolerance, risk limits and capital management • escalation processes. • Risk governance • Monitoring and reporting • Risk appetite statement	Definition of the risk management framework	Annually
Own Risk and Solvency Assessment Policy	• Definition of the Own Risk and Solvency Assessment (ORSA) governance model • Description of the elements of the ORSA process, comprising the following: - Identification of risks - Assessment of risks - Business planning - Risk strategy - Risk appetite - Risk reporting - Results and actions stemming from ORSA	Definition of the ORSA process	Annually
Baloise Reinsurance Policy	In the Group Reinsurance Policy, the roles and responsibilities, the process for analysing reinsurance requirements and renewals, and the monitoring and reporting in connection with reinsurance are defined.	Definition of the policy on reinsurance	Annually
Underwriting Directive	The Underwriting Directive sets out the responsibilities, the underwriting principles to be applied, the duties of the underwriter and the placement of facultative reinsurance in respect of indemnity insurance for business clients. It also contains specific underwriting rules for the different types of insurance.	Definition of the underwriting rules	Annually

Area of application	Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Baloise Asset Management	Investment Insurance Committee (IIC)	n/a	Website	**Baloise Responsible Investment Policy: for insurance funds held by Baloise Group companies**
Baloise Asset Management	Executive Committee and Board of Directors Baloise Asset Management	n/a	Website	**Baloise Responsible Investment Policy: for third-party assets and investment funds**
Baloise Asset Management	Executive Committee Baloise Asset Management & Investment Insurance Committee (IIC)	n/a	Website	**Baloise asset management climate strategy for liquid assets**
Group-wide	Group Risk Management	n/a	Intranet	**Group Risk Policy**
Group-wide	Group Risk Management	n/a	Intranet	**Own Risk and Solvency Assessment Policy**
Group-wide	Group Risk Management	n/a	Intranet	**Baloise Reinsurance Policy**
Switzerland	Indemnity insurance for business clients	n/a	Intranet	**Underwriting Directive**

Sustainability strategy

In 2024, Baloise decided on its future action areas and defined the cornerstones of its sustainability strategy on the basis of the recently performed double materiality assessment. The sustainability strategy is designed to ensure that Baloise can identify, assess, manage and remediate the material impacts, risks and opportunities relating to climate change mitigation and climate change adaptation.

Baloise is drawing up the necessary targets and actions, which will apply across the Group.

For Baloise, it is essential to ensure that the strategy is implemented effectively and sustainably. The Company has therefore made the necessary resources available. Close contact between the national subsidiaries and departments is also fundamentally important, ensuring that the strategy developed is based on best practice and standards. It should be emphasised that the development of a sustainability strategy necessitates an ongoing review process so that it can be adapted to reflect current challenges.

The national subsidiaries integrate the requirements of the overarching Group strategy into their individual sustainability strategies when they update them. On this basis, they draw up specific actions that align with the regional circumstances and requirements. These actions serve to achieve the joint targets in the Group strategy and implement them at local level. This coordinated approach ensures that the Baloise Group's sustainability targets are implemented consistently and effectively in all national subsidiaries. Thanks to the Group's shared focus on sustainability ambitions, several policies have already been drawn up by the national subsidiaries.

On a general level, this approach is designed to ensure that sustainability matters are adequately factored into business decisions and strategic considerations.

Action plans for the use of renewable energy are implemented across the Group. They are described in the disclosures under ESRS E1-3 – Actions and resources in relation to climate change policies. These action plans are incorporated into the local policies that are already in place.

Responsible investment strategy

Baloise endeavours to reduce the financed emissions in the investment business. In this business, Baloise Asset Management has drawn up a climate strategy for liquid assets that is an integral element of the expanded responsible investment strategy. The expanded responsible investment strategy specifically applies to the majority of insurance investments, to Luxembourg investment funds that are managed by Baloise and promote environmental or social characteristics in accordance with Article 8 SFDR, or a combination of these characteristics, and to collective investments that satisfy the Swiss criteria for sustainable investments pursuant to the "Self-regulation on transparency and disclosure for sustainability-related collective assets" of the Asset Management Association Switzerland (AMAS) and the FINMA guidance on preventing and combating greenwashing.

The climate strategy is aimed at ensuring the management of risks relating to climate change, increasing the long-term profitability of investments and thus contributing to the success of investments over the long term. However, it is also aimed at making a contribution to climate change mitigation. The existing climate strategy will be updated in 2025 in line with the target of net zero by 2050. This commitment will be reflected in the transition plan for investments, which contains interim targets for decarbonisation.

In both 2023 and 2024, the use of exclusions for companies and countries helped to reduce greenhouse gas emissions in the investment portfolio. The exclusion criteria in respect of greenhouse emissions apply to the following companies:

- Companies that generate at least 10 per cent of their revenue from coal.
- Companies that generate at least 5 per cent of their revenue from unconventional oil and gas.
- Companies that generate at least 30 per cent of their revenue from conventional oil and gas.

The exclusions are based on an assessment conducted by MSCI ESG Research LLC and were applied using binding threshold values. All liquid assets and a large proportion of private assets (infrastructure and private debt) are affected by these extended exclusions.

In addition, a best-in-class approach was used as part of the expanded responsible investment strategy that is aimed at consciously giving preference to investments based on their MSCI ESG rating. The MSCI ESG rating consists of multiple key performance indicators (KPIs)/scores that are based on various sector-specific material ESG criteria. Individual KPIs/scores can provide a direct indicator of an issuer's performance relative to its peer group in terms of certain important negative impacts on sustainability factors. They can also reflect this performance implicitly. The main score in relation to greenhouse gas emissions is the carbon emissions score, which includes the carbon emissions management score and the carbon emissions exposure score.

In its investment business, Baloise has a good set of base data for all liquid assets. With regard to illiquid assets, Baloise Asset Management is working with its external investment managers to build up a similarly comprehensive set of base data over time. The responsible investment team has developed a dedicated questionnaire for this purpose, enabling the necessary data to be systematically collected on a regular basis. In the Swiss real estate business, an energy management system (EMS) was implemented in 2024 so that all of the

necessary actual consumption data for the properties in Switzerland is available. This forms a solid basis for the planned revision of the climate strategy and the transition plan for investments in 2025.

Policies in the banking business for lowering greenhouse gas emissions

Baloise Bank offers its private clients in the lending business an extensive range of information on how to improve the energy efficiency of their own homes and their holiday homes. Specific sustainable products are not currently offered in the lending business.

In connection with investment advice and portfolio management, customers are given information in accordance with the self-regulation published by the SBA on ESG risks attaching to the sustainable products and financial services offered, in addition to general risks. Appropriate solutions are offered to sustainability-minded customers.

E1-3 – Actions and resources in relation to climate change policies

(Art. 3 KlimaVO)

In 2024 and previous years, Baloise carried out actions to lower greenhouse gas emissions and, at the same time, protect natural resources.

As part of its future efforts, Baloise will increase its focus on improving the base data for ensuring the transparency of its climate change mitigation actions so that it can disclose reliable figures and information. This relates not only to the achieved and expected reductions in greenhouse gas emissions but also specific information on the significant CapEx and OpEx monetary amounts.

The following climate change mitigation actions have already been implemented or were initiated in 2024:

Germany

- Optimise employees' methods of travel
- Optimise the energy efficiency of the Company's own buildings
- Increase the use of renewable energies in the Company's own buildings

Switzerland

- Increase the proportion of electric vehicles in the fleet
- Optimise the energy efficiency of the Company's own buildings
- Optimise the energy efficiency of rented buildings
- Increase the use of renewable energies in the Company's own buildings
- Reduce air travel and business trips in general

Belgium

- Increase the proportion of electric vehicles in the fleet
- Publish a policy for carpooling and carsharing
- Optimise the energy efficiency of the Company's own buildings
- Optimise the energy efficiency of rented buildings – sustainable rental agreements, including energy efficiency, water savings, waste reduction and air quality
- Increase the use of renewable energies in the Company's own buildings
- Increase the use of renewable energies in rented buildings
- Reduce air travel
- Install heat pump boilers: reduction in gas consumption
- Install solar collectors
- Renovate the Royale Belge building

Luxembourg

- Increase the proportion of electric vehicles in the fleet
- Optimise the energy efficiency of the Company's own buildings
- Optimise the energy efficiency of rented buildings
- Increase the use of renewable energies in the Company's own buildings
- Increase the use of renewable energies in rented buildings

The Baloise Group reviews the selection of climate change mitigation projects at regular intervals and, working with external partner companies, adapts them in line with market developments.

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

(Art. 3 KlimaVO)

Climate-related targets

As described under ESRS E-2 Policies related to climate change mitigation and adaptation, the direction of sustainability-related efforts will be specified in more detail from 2025 onwards in connection with the new sustainability strategy. This includes setting targets in connection with the transition plans for the Group's own operations and for financed and insured emissions. Baloise will also reassess the existing climate-related targets (net zero by 2050 and the reduction of emissions from own operations (Scopes 1 and 2) by 25 per cent by 2030 compared with the 2022 base year) and integrate them into the transition plans to be drawn up.

No targets have been set in the existing asset management climate strategy for liquid assets. Interim targets for decarbonisation in line with the Baloise Group's general commitment to reaching net zero by 2050, for example, will be included in the planned transition plan for investments. The revised climate strategy and the transition plan for investments will be published in the next reporting cycle.

E1-5 – Energy consumption and mix

(Art. 3 KlimaVO)

E1-5: Energy consumption and energy mix

Key figure	Unit	2024	2023	2022
Total energy consumption from fossil sources	**MWh**	**10,502**	**9,578**	**11,424**
Total energy consumption from nuclear sources	**MWh**	**0**	**0**	**0**
Total energy consumption from renewable energy sources, broken down into:	**MWh**	**13,961**	**14,892**	**16,377**
Fuel consumption for renewable sources, including biomass (including industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources, etc.	MWh	1,925	1,838	2,096
Consumption from purchased and received electricity, heat, steam and cooling from renewable sources	MWh	11,910	12,961	14,236
Consumption of self-generated renewable energy other than fuels	MWh	126	94	45

Information on energy consumption at the Baloise sites is collected annually. The data basis is the same as for the calculation of operational emissions in E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions. The energy consumption of sites for which no detailed information is available is estimated on the basis of comparable sites using a conservative method of calculation. Energy consumption from fossil sources includes the consumption of all electricity without verifiable guarantees of origin and the share of fossil fuels in district heating consumption.

E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

(Art. 3 KlimaVO)

E1-6: GHG Gross emissions for Scope 1, 2 and 3 categories, and total GHG emissions

Key figure	Unit	2024	2023	2022
Scope 1 emissions				
Total Scope 1 emissions	tCO_2e	4,785	4,078	4,738
Share of Scope 1 GHG emissions from regulated ETS	per cent	0	0	0
Scope 2 emissions				
Total Scope 2 emissions (location-based)	tCO_2e	2,719	n/a	n/a
Total Scope 2 emissions (market-based)	tCO_2e	616	632	1,004
Significant Scope 3 emissions				
Total Scope 3 emissions	tCO_2e	1,578,820	83,121	85,257
1 Purchased goods and services	tCO_2e	79,640	76,065	79,452
2 Capital goods	tCO_2e	914	1,306	1,348
3 Fuel- and energy-related emissions (not included in Scope 1 or Scope 2)	tCO_2e	1,733	1,790	1,481
5 Operational waste	tCO_2e	176	174	115
6 Business travel	tCO_2e	908	1,416	1,145
7 Commuting	tCO_2e	3,323	2,369	1,718
15 Investments	tCO_2e	1,492,125	n/a	n/a
Total GHG emissions				
Total GHG emissions (location-based)	tCO_2e	1,586,323	n/a	n/a
Total GHG emissions (market-based)	tCO_2e	1,584,221	87,831	90,999
GHG emissions intensity				
Total GHG emissions (location-based) per million net revenue* in CHF	tCO_2e/million CHF	285.5	n/a	n/a
Total GHG emissions (market-based) per million net revenue* in CHF	tCO_2e/million CHF	285.1	16.2	17.0

* corresponds to insurance revenue.

Baloise's GHG footprint is prepared in accordance with the Greenhouse Gas Protocol Corporate Standard (GHG Protocol Corporate Standard). It includes the currently measured and estimated direct and indirect environmental key figures. The emissions are recorded in metric tonnes of carbon dioxide equivalents (tCO_2eq). The organisational system limits for the calculation of operational emissions were determined in accordance with the operational control principle.

For operational emissions, data is collected from the following sites as part of the annual carbon accounting processes:

- Switzerland: Basel, Lausanne, Lugano, Bern, Zurich, Solothurn
- Germany: Bad Homburg, Hamburg, Bremen
- Belgium: Antwerp, Brussels, Ghent, Hasselt
- Euromex: Antwerp
- Luxembourg: Leudelange

The emissions of smaller sites and units for which no activity data is available are extrapolated on the basis of the Group-wide emissions and the number of employees. This process ensures that all significant sources of operational emissions are included in carbon accounting.

The emission factors that Baloise uses to calculate Group-wide emissions are supplied by an external provider that is established in the market. The emission factors are based on state-of-the-art research, particularly the IPCC's Guidelines for National Greenhouse Gas Inventories.

Scope 1 emissions include the use of fuel to heat buildings, the renewable energy generated on Baloise sites, the company's own vehicle fleet (petrol and diesel) and the loss of coolant at Baloise sites.

Scope 2 emissions cover the use of purchased electricity and district heating at Baloise sites. This scope also includes the electricity consumption of electric cars used for company business.

Scope 3 emissions comprise purchased goods and services, and capital goods. They also include fuel-related and energy-related emissions, emissions from refuse generation and water consumption, and emissions from business travel and commuting by employees, including energy used by employees working from home.

Baloise makes an ongoing effort to improve the base data. These efforts enabled Baloise to disclose market-based and location-based Scope 2 emissions, Group-wide emissions from purchased goods and services and capital goods, and Group-wide financed emissions for the first time in 2024. The continual improvement in data quality and completeness leads to significant changes in the amount of emissions disclosed, especially Scope 3 emissions. Operational emissions, mainly in the "purchased goods and services" and "capital goods" categories, play a prominent role here. The emissions in these two categories were estimated for the first time for all years included in this report on the basis of Group-wide procurement data covering around 90 per cent of Baloise's purchases. This calculation facilitates an initial estimate and should be understood as an approximation. Baloise is reviewing ways of making greater use of activity data to calculate emissions in these categories.

Financed emissions in the investment portfolio

The gross GHG emissions in Scope 3 category 15 presented below comprise the Scope 1 and Scope 2 emissions from the insurance investment portfolio of the Baloise Group, specifically the emissions for the following assets: loans to listed companies, equities and real estate. They also cover funds linked to loans to listed companies and equities. Also included are bonds classified as public or government bonds that have been issued by companies which are partly or wholly owned by a government but operate in certain sectors of industry. Government bonds are listed separately at the end of this section.

Not currently included are figures for Baloise's exposure to private assets, mortgages, derivatives, commercial paper, cash and long-term equity investments.

E1-6: GHG Gross emissions Scope 3 Category 15

Absolute GHG emissions financed by investments per asset class

Key figure	Unit	Corporate loans	Listed shares	Funds	Real estate
GHG emissions	tCO_2e	496,000	19,105	5,497	54,968
Coverage rate	per cent	91.2	97.3	35.0	94.1
Covered investment volume	CHF	14,679,848,428	613,581,838	92,154,633	8,628,125,469

To calculate financed emissions, Baloise aggregated the emissions of the various in-scope assets. Emissions for liquid assets were calculated using the Partnership for Carbon Accounting Financials (PCAF) method and, where available, emissions data from MSCI Ltd. for listed assets based on data as at the end of 2024.

To calculate Baloise's financed emissions in a company, the sum of the company's emissions are divided by the enterprise value including cash (EVIC) and then multiplied by the amount of Baloise's investment. The sum of financed emissions from all companies in the portfolio is then used to calculate the total financed emissions of Baloise.

The average data quality score of 2.34 for business loans and 2.01 for equities was calculated on the basis of PCAF data quality scoring from MSCI Ltd. Quality level 2 dominated for equities and bonds. This means that the emissions were based either on reported emissions or on data about the primary physical activity entailing energy consumption by the company. For lower data quality scores, missing emissions data was estimated by MSCI Ltd. on the basis of the company's production or revenue figures, or, if these were not available either, on the basis of industry averages for emissions intensity.

For real estate, Baloise used data from the end of 2023. The emissions were estimated using the PCAF method and emission factors in accordance with the Carbon Risk Real Estate Monitor (CRREM). The average PCAF data quality value is 4 for real estate.

The degree of coverage represents the sum of assets for which weighted average carbon intensity (WACI) data is available divided by the total sum of assets that are in scope of the specific category. For example, the degree of coverage for fixed-income investments is the sum of fixed-income investments for which data is available divided by the total sum of fixed-income investments that are included in the analysis. For real estate, the degree of coverage is calculated as follows: value of all properties in the real estate portfolio for which emissions can be estimated using available floor space data, divided by the total value of the real estate portfolio

E1-6: GHG Gross emissions Scope 3 Category 15

Liquid assets: weighted average carbon intensity by revenue

Key figure	Unit	Corporate loans	Listed shares	Funds
WACI	tCO_2e/CHF million income	52.0	63.4	103.5
Coverage rate	per cent	92.7	97.3	35.7
Covered investment volume	CHF	14,924,501,072	613,581,838	94,006,940

For liquid assets, we measure the weighted average carbon intensity (WACI), which covers the Scope 1 and Scope 2 emissions of the insurance investment assets and comprises, in particular, loans to listed companies, equities and funds linked to such assets.

The approach for calculating intensity based on revenue (tCO_2e/year/revenue) in accordance with PCAF is based on data from MSCI Ltd. It has a weighted average data quality score of 2.35 for business loans and 2.01 for equities, based on the PCAF data quality score, which is also from MSCI Ltd.

Quality level 2 dominated for equities and bonds. This means that the emissions were based either on reported emissions or on data about the primary physical activity entailing energy consumption by the company. For lower data quality scores, missing emissions data was estimated by MSCI Ltd. on the basis of the company's production or revenue figures, or, if these were not available either, on the basis of industry averages for emissions intensity.

The degree of coverage represents the sum of assets for which WACI data is available divided by the total sum of assets that are in scope of the specific category. For example, the degree of coverage for fixed-income investments is the sum of fixed-income investments for which data is available divided by the total sum of fixed-income investments that are included in the analysis.

The covered investment volume represents the sum of assets for which data is available, i.e. it is the numerator in the degree of coverage.

E1-6: GHG Gross emissions Scope 3 Category 15

Real estate: weighted average carbon intensity per square meter

Key figure	Unit	Real estate
Intensity per square metre	$kgCO_2e/m^2$	25.2
Coverage rate	per cent	94.1
Covered investment volume	CHF	8,628,125,469

For real estate, the intensity score for Scope 1 and Scope 2 emissions attributed to Baloise is measured in $kgCO_2e/m^2$ (financed emissions divided by the financed floor space of the real estate). The method is based on the one prescribed by PCAF. CRREM emissions factors from 2023 were used.

The overall estimate leads to a weighted average PCAF quality score of 4 for directly held real estate. It is anticipated that this score will improve in the next reporting period as Baloise will include consumption data in the measurement methods.

In addition to the above disclosures, Baloise has also estimated its financed emissions from government bonds. In accordance with the PCAF method, sub-national and supranational bonds were excluded.

The figures reflect the attributed emissions as Baloise's exposure to government bonds was multiplied by the emission factor for government bonds (in accordance with the Emissions Database for Global Atmospheric Research (EDGAR) 2023) and divided by GDP adjusted for PPP (gross domestic product based on purchasing power parity according to the World Bank, 2023). This is in line with the PCAF method. For Baloise, this figure is 916,555 tCO_2e/year from an exposure of CHF 7.27 billion in government bonds.

Insurance-associated emissions

In 2024, Baloise calculated the "insurance-associated emissions" in its portfolio for the first time, following the methodology of the PCAF. PCAF divides insurance-associated emissions into two segments for this purpose: commercial lines and personal motor lines. Baloise's first calculation highlighted the distribution of absolute emissions within the various segments and business units. The emissions intensity metric, which indicates the emissions per Swiss franc of premiums, enabled specific comparisons to be made in the overall market. Initial calculations show that in the commercial lines segment, the Swiss market has higher emissions than the other business units. By contrast, Germany has the highest emissions intensity in the personal motor lines segment. The biggest challenge was obtaining good-quality data. In the commercial lines segment in particular, barely any data on emissions or revenue is available, so some of the results are not meaningful. This deficiency will gradually be eliminated going forward, thereby providing a more reliable set of base data.

The actions planned include optimisation of coverage of the insurance portfolio by integrating sectoral and industry classifications, clearer assignment to the insurance sectors and an automated process for obtaining data. This will lay the foundations on which to define targets for the insurance portfolio.

Carbon-related assets of the Banking segment

The Banking segment's credit portfolio is largely focused on mortgages on owner-occupied properties, so it does not have a significant concentration of carbon-related assets.

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

(Art. 3 KlimaVO)

The removal or storage of greenhouse gases does not currently take place within Baloise's own operations or value chain.

When it defines specific sustainability targets and develops the related reduction pathway, Baloise will look at options for removing greenhouse gases in its value chain.

Baloise currently uses emission allowances to voluntarily offset the greenhouse gas emissions from its own operations as follows:

The Baloise Group invests centrally in emissions avoidance projects in order to offset greenhouse gas emissions. It purchased and cancelled allowances totalling 11,092 tonnes of CO_2 in 2024. This covers the amount of carbon emissions caused by operations based on the 2023 calculation. Further allowances for cancellation at a future date were not purchased.

Baloise's initiative to offset its own emissions is undertaken on a voluntary basis and is not part of its transition plans that are currently being drawn up for the Group as a whole (see the disclosures under ESRS E1-4 – Targets related to climate change mitigation and adaptation).

The projects for the allowances were selected and the allowances purchased with the assistance of an established provider in Switzerland. The modalities and methods of the projects were assessed and the projects were certified against the following standards in terms of impact on the environment and society:

- The Gold Standard, which is an independent standard of quality for high-quality climate change mitigation projects that pursue ecological objectives and contribute to sustainable development (share of the total volume: 2,213 tCO_2 (20 per cent))
- The Verified Carbon Standard (VCS), which ensures the environmental integrity and quality of climate change mitigation projects (share of the total volume: 8,326 tCO_2 (75 per cent))
- ISO 14064-2, validated by TÜV NORD, a recognised standard for accurate quantification, monitoring and reporting of greenhouse gas reductions at project level (share of the total volume: 553 tCO_2 (5 per cent))

35 per cent of the CO_2 volume was generated through projects within the EU and 5 per cent through projects in Switzerland.

The Baloise Group reviews the selection of climate change mitigation projects at regular intervals and adapts its selection in line with market developments.

E1-8 – Internal carbon pricing

(Art. 3 KlimaVO)

Baloise has not implemented any internal carbon pricing schemes as part of its management of the Company.

E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

(Art. 3 KlimaVO)

The metrics currently available regarding the environment and climate are disclosed in the chapters above. Baloise will endeavour to publish additional metrics for measuring climate-related risks and opportunities in future years.

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Social information

ESRS S1 – Own workforce

(Art. 964b (1) OR)

Strategy

Disclosure requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

(Art. 964b (2) 1 OR)

Reference is made to ESRS 2 SBM-2 – Interests and views of stakeholders, with regard to how the interests, views and rights of Baloise's own workforce, including respect for workers' human rights, inform the strategy and business model.

Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(Art. 964b (2) 1 and 4 OR)

In the following section, the material topic-specific impacts, risks and opportunities relating to Baloise's own workforce are considered. A detailed overview can be found in ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model, which contains comprehensive disclosures on the identified impacts on people and the environment.

Baloise's workforce mainly comprises salaried employees, including full-time and part-time staff, temporary student employees and interns. There is only a small number of non-employees, such as self-employed people and people provided by third-party companies.

All workers may potentially be affected by the identified impacts.

Negative impacts affecting Baloise's own workforce include deterioration in employees' physical and/or mental health as a result of discrimination, workload or non-ergonomic workstations. Other examples are unequal opportunities for promotion, violation of human rights or a poor balance between family/personal life and work. Negative impacts may also arise in connection with remuneration, e.g. as a result of a pay gap or stress resulting from a difficult financial situation that is attributable to low pay. However, it should be noted that negative impacts such as these tend to be linked to individual circumstances and are not systemic.

Baloise attaches a high priority to employee satisfaction. This applies to all employees, irrespective of their racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin. Baloise pays all its employees adequate and fair wages that are in line with country-specific standards. In accordance with the statutory requirements applicable to the individual national subsidiaries, all employees benefit from social protection against loss of income due to major life events (sickness, unemployment starting from when the employee works for the Company, employment injuries and acquired disability, parental leave and retirement). Flexible working models help employees to maintain a good work-life balance. As a responsible employer, Baloise protects the health of its employees and carries out suitable actions to proactively avoid risks in the workplace.

The material risks in relation to Baloise's own workforce include, for example, the risk of a shortage of skilled workers. This means that positions cannot be filled with sufficient and/or suitably qualified skilled workers because they are not available in the labour market or because they do not want to be recruited on the terms offered. There is also a risk of capacity shortages when additional project work is required, as specific expertise is often needed at short notice. Inadequate knowledge transfer due to insufficient training and development and due to information not being properly passed on also poses a risk to the success of the Company.

The material opportunities arising in relation to Baloise's own workforce include using digitalisation to ease employees' workloads, offering attractive and forward-looking working models and offering attractive development opportunities.

As Baloise has not yet implemented any transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations, it is currently not possible to identify any material impacts on the Company's own workforce.

The positive impact on the change in employees' environmental awareness is presented in ESRS E1 Climate change.

At Baloise, there are no operations that pose a significant risk of incidents of forced labour or child labour.

As equal working conditions and structures are offered at Baloise, all employees are treated equally regardless of their position. No employee group in Baloise's workforce is disproportionately affected by negative impacts. Nevertheless, supporting actions are carried out in

individual cases where required (e.g. making an office building accessible for an employee with a disability).

The risks and opportunities identified relate to everyone in the workforce.

Impact, risk and opportunity management

S1-1 – Policies related to own workforce

(Art. 964b (2) 2-4 OR)

The material policies established by Baloise in relation to its own workforce are presented in the following table. Baloise implements these policies by taking specific action, which is reported on in full under ESRS S1 Own workforce.

Policies related to own workforce (MDR-P)

Name of rule set	Main content	General objectives	Review	Area of application
HR strategy	• Dimensions and objectives of HR management • Analysis of employees' satisfaction and experiences • Process for recruiting new employees, including onboarding	Recruitment and retention of employees	Annually	Group-wide
Group Policy on Human Rights	• Definition of the Baloise Group's stance on human rights and labour rights, including the prohibition of child labour • Description of the Baloise Group's approach to the observance of human rights • Definition of responsibilities in relation to human rights and arrangements for cooperation with the various stakeholders in the Baloise Group • Description of the reporting process	Upholding of human rights and labour rights; avoidance of child labour	Annually	Group-wide
Code of Conduct	• Ensuring confidentiality (confidentiality, data protection, use of electronic information and communication media) • Safeguarding integrity (money laundering prevention and embargoes, insider dealing, cartels, accounting, records management) • Dealing with customers and the public (mandates, conflicts of interest, gifts, donations, corruption, complaints, duty of care, taxes, communications and media) • Employee relations (health, equal treatment, bullying, sexual harassment) • Employees' contribution to implementation of the Code (responsibility, breaches, sanctions, performance assessment) • Link to the whistleblowing system	Information about the ethical and legal principles and duties applicable to all employees	Annually	Group-wide

Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Group HR	n/a	Restricted, on a need-to-know basis	**HR strategy**
Group Compliance	• UN Principles for Sustainable Insurance (PSI) and Responsible Investment (PRI) • UN Sustainable Development Goals (SDGs) • OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD MNE Guidelines)	Intranet and summary on the website	**Group Policy on Human Rights**
Group Compliance	n/a	Website and intranet	**Code of Conduct**

HR strategy

Baloise's HR strategy defines the central dimensions and objectives of HR management and recruitment. It also sets out the process for analysing employees' satisfaction and experiences.

Baloise's success relies on skilled and customer-focused employees working with dedication and commitment in their areas of responsibility, thereby actively contributing to the implementation of Baloise's strategy. To be and remain an employer of choice, Baloise attaches a high priority to employee satisfaction and commitment. It has therefore conducted a regular engagement survey among all employees for more than ten years in order to gauge their satisfaction and motivation and to implement targeted action aimed at improvement based on the outcome of the survey.

As part of the HR strategy, especially since the start of the Season 2 strategy period, Baloise has been taking a clearly structured approach to gauge employee satisfaction and commitment on an ongoing basis and to heighten its appeal as an employer:

- **Regular Company-wide survey**
  The employee engagement survey (EES) is used to ask employees about their satisfaction and about the factors that influence it. These surveys are aimed at determining employee satisfaction and tracking employees' feedback over time to highlight positive trends and to take early appropriate action in the event of a deterioration. The results of these surveys are shared with all participating units so that suitable action aimed at improvement can be taken at all levels – from the team to the Company as a whole.

- **More in-depth analysis of the main drivers of satisfaction**
  Building on the main drivers identified in the EES, Baloise carries out an ongoing survey of all employees from the employee experience perspective using an employee experience inventory (EXI). The purpose of this additional survey is to find out about employees' core experiences of what the Company offers. The data collected provides valuable quantitative insights to those responsible, which they can use to address potential areas of improvement in the relevant processes and functions.

- **Additional initiatives by the national subsidiaries**
  In addition to the Group-wide actions, Baloise encourages national approaches to improving employee satisfaction further. In Switzerland, for example, Baloise has been awarded the Friendly Workspace label for many years in recognition of its firm focus on good working conditions and healthy employees. It undergoes the necessary recertification process every three years.

This comprehensive approach underlines Baloise's commitment as an employer of choice to creating positive working conditions and maintaining employee satisfaction in the long term.

To round off the Season 2 strategy period, Baloise conducted the EES pulse check in November 2024, measuring progress in this way for the final time. The new strategy period will see the tried-and-trusted approach to measuring employee commitment carried out in a comparable way, because committed employees remain a central pillar of Baloise's success (see the Refocusing Baloise strategy).

Baloise's comprehensive efforts to increase employee satisfaction under its HR strategy and ease employees' workloads through digitalisation and project management tools allow Baloise to tackle the risks arising as a result of the shortage of skilled workers, capacity shortages and staff turnover.

To minimise the risk of inadequate knowledge transfer and to build up employees' skills, Baloise holds regular training courses and personal development meetings. It draws on additional external support where required.

Enabling employees to combine work and family life through flexible working time models contributes to employee satisfaction while also reducing the risks associated with a poor work-life balance.

Group Policy on Human Rights

Upholding human rights and labour rights is enshrined in Baloise's Group Policy on Human Rights, as is the avoidance of child labour.

With regard to the disclosures relating to respect for human rights, including labour rights within Baloise's own workforce, see ESRS 2 SBM-1 – Strategy, business model and value chain. That section also addresses human trafficking, forced labour and child labour. A preventative and/or corrective approach is taken to human rights-related risks.

In the countries in which it operates, Baloise ensures compliance with statutory requirements protecting labour rights. To do so, it deploys specialists (e.g. in HR) and by having elected employee representatives.

In addition to having a works council, Baloise works closely with the representative committee for employees with severe disabilities in Germany. The aim is to ensure that the interests of the workforce as a whole and the particular needs of employees with disabilities are taken into account in all decision-making processes that may potentially have a social or environmental impact.

Baloise Code of Conduct

Baloise also has a Code of Conduct that defines the fundamental expectations and requirements in terms of employees' behaviour with regard to health and safety and with regard to elimination of discrimination, including harassment. It underlines adherence to compliance rules

and their implementation in the compliance management system, and includes information on the whistleblowing system.

Health and safety
As a responsible employer, Baloise protects the health of its employees and carries out targeted actions to proactively mitigate risks in the workplace. The obligation to both protect the health and safety of employees and maintain appropriate working conditions is enshrined in the Code of Conduct. Responsibility lies with the individual national subsidiaries, which run various initiatives in pursuit of these objectives. This ensures that the local standards of occupational health and safety are fully satisfied.

Elimination of discrimination including harassment
In its positioning as an employer, its recruitment processes and its day-to-day operations, Baloise creates a working environment for employees that is free of discrimination on the grounds of racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction, social origin and other forms of discrimination.

Collaborating across borders and embracing differences are an important part of Baloise's corporate culture. For Baloise, diversity and inclusion mean utilising employees' different strengths and personalities while remaining mutually respectful and accepting of each other.

The national subsidiaries also undertake specific action to further enhance diversity, inclusion and equal opportunities. These include action to comply with local statutory requirements and targeted initiatives, such as those that support the advancement of women. Examples in Germany include targets for the proportion of women in management and the signing of the Diversity Charter.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

(Art. 964b (2) 3 and 5 OR)

In all of Baloise's national subsidiaries, there are formal employee representative bodies or works councils that represent the interests of employees vis-à-vis the Company.

In consultation with the employee representatives, Baloise uses a structured data collection method to measure employee satisfaction and as a basis for systematically defining action aimed at improvement:

Employee engagement surveys and EES pulse checks

- Through the employee engagement survey (EES) that it conducts every two years (most recently at the end of 2023, as per the schedule), Baloise asks all employees for feedback on their satisfaction and the factors that influence it (see details of the measurement approach under ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities)).

- At intervals between these full surveys, all employees are requested to complete a short EES pulse check on progress in order to identify material developments as promptly as possible.

Transparency and dialogue

- The results of the EES surveys are broken down by team and made available to all employees promptly after the survey has taken place.

Definition of action aimed at improvement

- All of the organisational units involved – from team level up to Group level – are required to analyse their results and to define suitable action aimed at improvement.

- Action areas affecting multiple units are identified at the level of the operating segments by the relevant management teams and at Company level by the Group Strategy Board. The actions to be taken by the operating segments are also shared on the Group Strategy Board so that synergies can be identified.

- The operating segments' results are also made available to the relevant employee representative bodies, enabling necessary actions to be discussed in partnership between the management teams and the employee representatives. At the level of the Company as a whole, this takes place in the context of the annual European Forum (see ESRS S1-8).

Employee experience inventory (EXI)

- In addition to the EES, there is an employee experience inventory approach (EXI), which involves asking a group of employees on a monthly basis about their experiences of the material benefits that the Company offers them in the context of their work. The entire employee lifecycle is covered, from recruitment through to the end of the employment relationship.

Combination of EES and EXI

- To link the two surveys – EES and EXI – and to provide a leading indicator for the EES, the EXI also asks employees about their satisfaction.

Using the results and drawing up actions

- The EXI results are made available to the responsible people in the national subsidiaries in order to identify action areas at national or Group level. This information is then provided to the people responsible for the relevant processes and functions in order to define specific action aimed at improvement.

Group-wide responsibility for the strategic design of Baloise's employee surveys, comprehensive analysis of the results, and coordination of the Company-wide improvement process lies with the CEO unit.

All in all, Baloise considers the data collection and improvement methodology described above to be extremely effective for implementing its strategy. It allows all relevant teams and functions to be systematically involved in the ongoing process of improvement. The Group-wide participation rate for the most recent EES, which was conducted in November 2023, was 77 per cent.

The EES captures anonymised data on key characteristics, such as employees' gender, years of service and whether they are a manager, in order to facilitate related analysis. The survey does not offer more in-depth evaluations regarding possible minorities for reasons of data protection.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

(Art. 964b (2) 3 OR)

Baloise has put internal grievance mechanisms in place to avoid or remedy negative impacts on its own workforce. The mechanisms ensure that employees can voice their concerns safely and in confidence. Baloise attaches great importance to protecting the identity of the whistleblower and any persons mentioned in the reports.

The channels through which employees can make complaints about unlawful and unethical conduct are the Integrity Line reporting platform, the responsible points of contact in the Compliance function, the employees' line managers or another Company representative.

Baloise cultivates an open corporate culture and encourages its employees to give their names when reporting incidents. However, reports can also be made anonymously. A dedicated page containing extensive information on reporting suspicions has been created on the intranet. Baloise has also put an action plan in place to protect individuals from retaliation. Baloise does not tolerate retaliation against employees who make reports in good faith. Whistleblowers are protected from negative consequences as a result of submitting a report, unless they knew that the matter reported was not true. More information on this and on the Integrity Line can also be found in the disclosures under ESRS G1-1 – Business conduct policies and corporate culture.

Baloise supports the availability of such channels by regularly providing information on the channels for submitting reports and keeping this information up to date. Employees also receiving regular training on the reporting channels, and participation in such training is monitored.

Reported matters are investigated by an independent internal office. Once the investigation has been completed, this office recommends appropriate actions. The relevant line managers are responsible for implementing and tracking the actions. The actions can also be implemented by independent offices in the second or third line of defence where there is an elevated level of risk.

The Audit Committee is informed periodically about the type and number of Integrity Line reports.

S1-4 – Taking action on material impacts on the Company's own workforce, and approaches to managing material risks and pursuing material opportunities related to the Company's own workforce, and effectiveness of those actions and approaches

(Art. 964b (2) 3 OR)

Baloise systematically focuses on informed analysis and targeted action to boost the satisfaction and commitment of its employees. The following steps and insights show how the Company addresses material risks, utilises opportunities and ensures the effectiveness of the action taken.

The results of the full EES survey conducted as scheduled at the end of 2023 was able to be analysed in detail in the first quarter of 2024. Action aimed at improvement was derived on the basis of this analysis. A material insight was the change in the ranking of individual factors of influence. While issues such as the stretched resource situation and the wellbeing of employees during the pandemic had become less relevant, emotional needs, such as a feeling of belonging or feeling confidence about the future, became far more important to employees.

In 2024, a focus was placed on decentralised, team-specific action, as the results of the employee survey were made available at the level of teams. The most important action areas affecting multiple units were defined and specific actions for improving employee satisfaction were implemented. The Group Strategy Board discussed the results of the EES on three occasions and identified Group-wide action areas such as “survey follow-up”, “trust in the Executive Committees” and “outlook for the future”. These action areas were translated into specific actions.

On the subject of “survey follow-up” in 2024, the Group Strategy Board members attached great importance to clearly linking the new action steps initiated in their areas of responsibility with the EES in order to highlight their relevance for employees.

To address the other two action areas (“trust in the Executive Committee” and “outlook for the future”), dialogue with employees in connection with the strategic realignment was stepped up. New communication formats, such as town hall meetings and platforms for dialogue with senior management were established. The management teams were also given training on organisational leadership and communication. To prepare their strategy communication, the management teams in Germany and Luxembourg and at Baloise Bank took part in this training course in 2024. The effectiveness of the action taken was tracked through the EES pulse check in November 2024. The results showed, in particular, that the initial communication of the strategic realignment gave employees the guidance that they had been looking for. The tried-and-trusted approach to collecting data will be continued in a comparable manner in the new strategy period from 2025 in order to address the concerns of employees and boost their satisfaction.

In addition to the employee surveys, other channels are available for making complaints, such as the Integrity Line. More information can be found in the disclosures under ESRS S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns.

Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(Art. 964b (2) 2 OR)

During the Season 2 strategy period, which was completed in 2024, Baloise pursued its ambitious target for the Group to become a leading employer in Europe. The specific target was employee satisfaction in the 5th percentile of all European companies, with an interim target to be achieved by 2024 of joining the upper 10th percentile of employers. A high level of employee satisfaction plays a key part in implementing the business strategy because it leads to happy customers, which in turn leads to success for the business.

Specifically, Baloise measured employee satisfaction by asking its employees "How happy are you to work at Baloise?" At the end of each year, an external partner institute that specialises in employee surveys provided Baloise with a benchmark analysis of its percentile position compared with all other companies in Europe.

Progress is tracked by employees in the CEO unit. This includes reporting the results to the Group Strategy Board and coordinating action aimed at improvement across the Group. Progress is discussed annually with Baloise's employee representatives in the context of the European Forum (see ESRS S1-8 – Collective bargaining coverage and social dialogue).

In the previous strategy period, Baloise achieved its target of the Group numbering among the 10th percentile of employers in the financial sector in Europe. The 5 per cent target for Season 2 was another milestone. However, this target came with a new benchmark that was introduced in connection with switching to Glint as the survey partner. This opened the comparison up to include more than the financial sector alone. The first survey in 2021 placed Baloise in the upper 36th percentile of employers in Europe. Baloise was able to maintain this position in 2022 in what was a challenging environment. In 2023, the survey results improved slightly, placing Baloise in the upper 29th percentile of employers.

The last EES pulse check in November 2024 indicated that employee satisfaction remained steady in 2024 despite the strategic realignment. Baloise was able to improve its benchmark ranking by 2 percentage points to move into the top 27 per cent of employers. This is the final figure for Season 2.

While the overly ambitious 5 per cent target was not achieved by any means, ranking in the upper 27th percentile of the best employers (measured on the basis of customer satisfaction) is sufficient and suitable for preventing material risks and negative impacts on employees while enhancing positive impacts.

S1-6 – Characteristics of the Company's employees

(Art. 964b (2) 5 OR)

S1-6: Characteristics of the company's employees

Total number of employees by gender

Gender	Unit	2024	2023
Female	Headcount	3,586	n/a
Male	Headcount	4,411	n/a
Not specified	Headcount	0	n/a
Total	**Headcount**	**7,997**	**n/a**

No prior-year data is available for this disclosure requirement.

Headcount relates to Baloise employees with a current employment contract with Baloise as at the reporting date of 31 December 2024.

S1-6: Characteristics of the company's employees

Total number of employees by country

Country	Unit	2024	2023
Switzerland	Headcount	4,043	n/a
Germany	Headcount	1,563	n/a
Belgium	Headcount	1,767	n/a
Luxembourg	Headcount	624	n/a
Total	**Headcount**	**7,997**	**n/a**

No prior-year data is available for this disclosure requirement.

Baloise does not have any headcount figures for employees in Poland, Liechtenstein, the Netherlands or France. For organisational purposes, employees in these countries are assigned to and counted in the figures for the aforementioned country sub-groups.

S1-6: Characteristics of the company's employees

Total number of employees by employment contract and gender

		Female	Male	Not specified	Total
Employees with permanent contracts	Headcount	3,370	4,199	0	7,569
Employees on temporary contracts	Headcount	215	211	0	426
Call-off labour	Headcount	1	1	0	2
Total	**Headcount**	**3,586**	**4,411**	**0**	**7,997**

No prior-year data is available for this disclosure requirement.

A total of 95 per cent of employees are permanent.

S1-6: Characteristics of the company's employees

Staff turnover

Key figure	Unit	2024	2023
Total number of employees that left the organisation during the reporting period	Headcount	784	n/a
Employee turnover in the reporting period	%	10.3	n/a

No prior-year data is available for this disclosure requirement.

All of the people who left during 2024 and average headcount were compared (total number of people who left divided by the average headcount for the year).

Total turnover includes employees who left the Company for the following reasons in 2024:

- Termination of employment by the employee
- Termination of employment by the employer
- Natural attrition due to retirement or death
- Temporary employment contract coming to an end
- Employment contracts being ended by mutual agreement

All of the people who left during 2024 and average headcount were compared.

S1-7 – Characteristics of the Company's non-employees

(Art. 964b (2) 5 OR)

The information under this disclosure requirement is not disclosed for the reporting year.

S1-8 – Collective bargaining coverage and social dialogue

(Art. 964b (2) 5 OR)

S1-8: Collective bargaining coverage and social dialogue

Coverage	Collective bargaining coverage		Social dialogue
	Employees in the EEA area	Employees outside the EEA area	
0–19 %			
20–39 %			
40–59 %			
60–79 %	Luxembourg	Switzerland	
80–100 %	Germany Belgium		Switzerland Germany Belgium Luxembourg

All national subsidiaries have collective pay agreements or collective labour agreements that cover a majority of the workforce.

Of the employees of the Baloise Group, 85 per cent are covered by collective pay agreements and/or the Swiss collective bargaining agreement for trained office staff.

Employees in the countries listed are represented in social dialogue by employee representative bodies such as the employee commission and the works councils.

Together with the employee representatives, Baloise set up the European Forum to promote dialogue at international level. This forum provides a platform that brings together the representatives, the Corporate Executive Committee and senior management so that they can discuss and seek common solutions to current issues of relevance to the Group as a whole.

S1-9 – Diversity metrics

(Art. 964b (2) 5 OR)

S1-9: Diversity parameters

Gender distribution at top management

Gender	2024		2023	
	absolute	%	absolute	Per cent
Female	5	14.7	4	12.5
Male	29	85.3	28	87.5
Not specified	0	0.0	0	0.0
Total	**34**	**100.0**	**32**	**100.0**

At Group level, a standard hierarchy was drawn up based on country-specific management tiers. The top management level comprises the Corporate Executive Committee and local Executive Committees.

The members of the top management level in Belgium are self-employed and therefore belong to the non-employee population. However, they are included in the gender distribution for the top management level.

The breakdown of the workforce by age was as follows:

S1-9: Diversity parameters

Age distribution of the workforce

Age distribution	2024		2023	
	absolute	%	Completely	%
Below 30	1,177	14.7	n/a	n/a
30 to 50	3,899	48.8	n/a	n/a
Over 50	2,921	36.5	n/a	n/a
Total	**7,997**	**100.0**	**n/a**	**n/a**

S1-10 – Adequate wages

(Art. 964b (2) 5 OR)

At Baloise, all employees are guaranteed fair and adequate wages that are in line with country-specific benchmarks. A significant proportion of the salaries are based on collective pay agreements.

S1-11 – Social protection
(Art. 964b (2) 5 OR)

All employees benefit, as a minimum, from social protection in accordance with the statutory requirements applicable to the individual national subsidiaries. This protection comprises protection against loss of income due to major life events, such as sickness, unemployment (starting from when the employee works for Baloise), employment injuries and acquired disability, parental leave and retirement.

S1-12 – Persons with disabilities
(Art. 964b (2) 5 OR)

The information under this disclosure requirement is not disclosed for the reporting year.

S1-13 – Training and skills development metrics
(Art. 964b (2) 5 OR)

The information under this disclosure requirement is not disclosed for the reporting year.

S1-14 – Health and safety metrics
(Art. 964b (2) 5 OR)

As a responsible employer, Baloise protects and promotes the health of its employees and various initiatives are run in its national units with this aim in mind. Special safety arrangements are made for activities or special occasions with a potential risk of accidents.

S1-14: Health and safety metrics

Key figure	Unit	2024	2023
Percentage of persons in the labour force covered by the company's health and safety management system, based on legal requirements and/or recognised standards or guidelines	%	100	100
Number of deaths from work-related injuries and work-related illnesses	Quantity	0	n/a
Number of reportable work-related accidents	Quantity	59	n/a
Rate of reportable occupational accidents	%	5.0	n/a

No prior-year data is available for this disclosure requirement.

The number of workplace accidents is recorded for Baloise in Switzerland, Germany, Belgium and Luxembourg and therefore covers more than 97 per cent of the total workforce.

The rate of recordable work-related accidents is the number of accidents per million hours worked.

While the actual hours worked in 2024 are available for the Baloise sub-groups in Switzerland and Germany and for Baloise Belgium NV, the hours worked for Baloise Luxembourg and Euromex NV are estimated.

To do so, it was assumed that each employee – in accordance with the local collective pay agreements – worked seven hours per day in Belgium and eight hours per day in Luxembourg on 220 working days in the year.

It was assumed that the accident rate was comparable with that for other employees in the Group because the work that they do is similar.

Due to data protection rules, Baloise does not have any information on recordable work-related ill health. Similarly, the number of days lost to work-related injuries or to fatalities resulting from workplace accidents is only recorded for Baloise Belgium NV and Baloise Germany. This equates to coverage of 39 per cent of the total workforce.

In Switzerland and Luxembourg, no diagnoses of ill health may be recorded due to data protection rules, which is why the number of days lost to work-related accidents and illnesses cannot be calculated.

S1-15 – Work-life balance metrics

(Art. 964b (2) 5 OR)

In accordance with the respective legislation in each country, Baloise employees are entitled to take family-related leave.

In 2024, 4 per cent of all men entitled to do so and 8 per cent of all women entitled to do so took family-related leave.

The figures calculated cover 97 per cent of employees in the Baloise Group.

It is assumed that the ratios calculated can be applied analogously to the other 3 per cent of employees.

S1-16 – Remuneration metrics (pay gap and total remuneration)

(Art. 964b (2) 5 OR)

The information under this disclosure requirement is not disclosed for the reporting year.

S1-17 – Incidents, complaints and severe human rights impacts

(Art. 964b (2) 5 OR)

The following information is disclosed in relation to incidents, complaints and severe human rights impacts:

S1-17: Incidents, complaints and severe human rights impacts

Incidents of discrimination, including harassment

Key figure	Unit	2024	2023
Total number of cases of discrimination, including harassment, reported during the reporting period	Quantity	4	6
Number of grievances about operations and facilities in which the right to freedom of association and collective bargaining has been violated, including through mechanisms provided for in agreements with trade unions	Quantity	1	2
Total amount of significant fines, sanctions and damages, as well as a reconciliation of the stated amounts of money with the most meaningful amount stated in the financial statements	CHF	0	0

The following information is disclosed in relation to identified cases of severe human rights incidents (e.g. forced labour, human trafficking or child labour):

S1-17: Incidents, complaints and severe human rights impacts

Cases of human rights incidents

Key figure	Unit	2024	2023
Number of serious incidents of human rights violations involving the company's workforce during the reporting period, including information on how many of them violate the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises	Quantity	0	0
The total amount of fines, sanctions and damages, and a reconciliation of these amounts with the most meaningful amount disclosed in the financial statements	CHF	0	0

Social information

ESRS S4 – Consumers and end-users

(Art. 964b (1) OR)

Strategy

Disclosure requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

(Art. 964b (2) 1 OR)

Reference is made to the disclosures under ESRS 2 SBM-2 – Interests and views of stakeholders with regard to how the interests, views and rights of consumers and/or end-users, including respect for their human rights, inform the strategy and business model.

Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(Art. 964b (2) 4 OR)

In the following section, the most important impacts, risks and opportunities relating to consumers and end-users are described. A detailed overview of the material impacts, risks and opportunities and their interaction with the strategy and business model is presented in ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model. That section contains a detailed description of the identified impacts on people and the environment. The processes to identify and assess the material impacts, risks and opportunities, along with related information, are explained in the disclosures under ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

The material actual negative impacts include harm to customers as a result of the loss or theft of data, consumer deception, strengthening of information asymmetries as a result of advice or the contract formation process not being adequately accessible, insufficient financial protection for customers owing to poor advice or unjustified refusal of payment of the sums insured.

Risks in connection with customers and end-users relate to corporate communications, insurance, banking and asset management business, and the provision of advice and support to customers.

Risks in connection with corporate communications: False, delayed or inaccurate public reporting can give customers, shareholders, competitors and authorities an inadequate picture of the Company's situation.

Risks arising from Baloise's operations: Financial losses can arise if a counterparty, such as a policyholder or issuer, is unable to fulfil its contractual obligations. There is also a risk that larger claims or higher claims than expected are incurred and the premiums collected are insufficient (premium risk). Negative unfavourable capital market movements can also affect investment products.

Another risk related to operations is non-compliance with solvency capital or liquidity requirements: If the Company's capital levels fall or the solvency capital requirements are tightened, the Company may no longer have adequate coverage to maintain solvency. There is a risk in banking activities that the short-term liquidity and stable funding levels no longer meet the regulatory requirements and can only be guaranteed at significant additional cost.

Risks in connection with advising and supporting customers: Data security is a material risk, as data may end up in the wrong hands as a consequence of cyberattacks or the improper handling of information. In IT business continuity management, there is a risk that IT applications and systems go down for periods and are not available to customers as a result of natural disasters, incorrect programming or external attacks.

In collection management, there is a risk that collections can no longer be processed accurately owing to the IT system being insufficient, a lack of knowledge or inadequate organisational setup. This can lead to incorrect payments, postings or processing, and reputational risk such as customer complaints.

In the provision of investment advice, there is a risk that customers receive incorrect advice. If they are not given sufficient information about a product, this can also constitute a breach of the banking advisers' duty to explain and clarify.

Baloise's material opportunities arising from impacts and dependencies on consumers and end-users lie in digitalising the customer journey. This encompasses the customers' entire journey and includes everyone involved in the process, such as sales and other employees, especially through tailored omnichannel communication, which facilitates seamless interaction through all channels. There is also an opportunity to cater to the increased importance to society of investing sustainably and to actively support the companies in which Baloise

invests as they transition to a sustainable business model. Further information on Baloise's responsible investment strategy is presented in the disclosures under ESRS 2 SBM-1 – Strategy, business model and value chain.

All types of Baloise customers – business clients and individuals – can be affected by the material impacts, risks and opportunities. Material impacts can relate to individual incidents or to specific business relationships.

Baloise does not sell any products that are inherently harmful to people and/or increase the risk of chronic disease.

Impact, risk and opportunity management

S4-1 – Policies related to consumers and end-users

(Art. 964b (2) 2-5 OR)

Baloise has developed a number of Group-wide and country-specific policies relating to consumers and end-users. The Group-wide policies are shown in the following table.

Policies related to consumers and end-users (MDR-P)

Name of rule set	Main content	General objectives	Review
Information security strategy (2024–2027)	Information security strategy • Vision and mission • Strategic objectives	Identification of strategic objectives in information security	Quarterly
Data Protection Policy	• Principles of data protection • Rights of data subjects • Consent of data subjects • Processing of special categories of personal data • Special processing situations • Data protection organisation at Baloise • Data protection officer • Sanctions/labour relations law	Data protection rules	Annually

Area of application	Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Group-wide	Group CISO	Cybersecurity & Data Privacy Metaframework	Intranet	**Information security strategy (2024–2027)**
Group-wide	Group Compliance	EU General Data Protection Regulation	Intranet	**Data Protection Policy**

Some of the national subsidiaries have additional local policies in place that relate to consumers and end-users.

- **Guidelines on the product development process**
  Guidelines for the development process for new products and for revising and reviewing existing products
- **Guidelines on sales**
  Rules and arrangements for implementing insurance distribution regulations in line with the Swiss Insurance Supervision Act (ISA) and implementation of the European Insurance Distribution Directive (EU) 2016/97 (IDD)
- **Guidelines for complaints management**
  Definition of the framework for handling complaints in accordance with the regulatory requirements on complaints handling by insurance companies
- **Information security strategy (2024–2027)**
  Description of the strategic objectives in the area of information security aimed at protecting data and ensuring data security, with a focus on the processing of personal data
- **Underwriting guidelines**
  Definition of the underwriting rules and the underlying principles and processes
- **ESG underwriting policies**
  Definition of rules on implementing ESG ambitions in underwriting, e.g. through underwriting restrictions
- **Procedural instructions for claims handling**
  Definition of the approach to claims handling, including prioritisation of claims by criticality and rules on prompt processing
- **Target segment strategy for non-life**
  Definition of the current non-life target segments, which serves as the basis for designing the product range

Each of these policies is managed by the relevant department in the respective unit, reviewed at the intervals specified locally in accordance with regulatory requirements and made available to employees on the local intranet.

Baloise's policies related to consumers and end-users mainly focus on the following topics:

1. Product range
2. Customer communication and transparency
3. Crisis management and claims strategy
4. Data protection and digital security

Policies on the product range include target segment strategies and guidelines on product development, which ensure the integration of customer needs and consideration of disadvantaged groups. There are also rules in the ESG underwriting policies that exclude certain industries. Customer communication and transparency focus on advising consumers and end-users on insurance products. Key topics in this regard cover avoiding consumer deception, reducing information asymmetries and ensuring sufficient financial protection through professional advice.

Another aspect is the opportunity to optimise the customer journey through digitalisation and implement tailored omnichannel communication in order to respond to changing customer requirements. In addition, Baloise actively supports the transition to a sustainable business model by including ESG criteria in line with ESG underwriting policies. Baloise has clearly defined procedural instructions and processes for crisis management and claims processing to ensure that claims are dealt with quickly and efficiently.

The data protection and information security strategy is prepared on a Group-wide basis with all national subsidiaries and takes all local and European requirements into account. In this way, Baloise addresses the negative impact of harm to customers as a result of data protection violations or the loss or theft of data.

The range of insurance products is also adjusted on an ongoing basis in the interests of customers. It includes elements that encourage customers to act in a more sustainable manner.

With regard to respect for human rights that are relevant to consumers and/or end-users, see "Respect for human rights" under ESRS 2 SBM-1. Human rights-related risks are identified on a precautionary basis and handled in a preventative and corrective manner. No incidents involving consumers and/or end-users were reported in this context.

S4-2 – Processes for engaging with consumers and end-users about impacts

(Art. 964b (2) 3 OR)

The perspectives of consumers and end-users are decisively important for Baloise in order for it to incorporate their concerns and needs into its strategies and operations. This is done in three ways: by calculating, monitoring and managing the Net Promoter Score (NPS), through customer surveys and by analysing the customer journey.

Baloise calculates its NPS and measures the satisfaction of end customers and brokers by requesting feedback every time they have been in contact. The product range and customer service are evaluated from a customer perspective. Internal key performance indicators serve to improve processes and provide a basis for strategic decisions.

The progress of ongoing initiatives is monitored using the NPS and internal key performance indicators. These indicators also serve as a basis for setting priorities for new initiatives aimed at improving the customer experience. An internal core team made up of members from different national markets share experiences relating to customer focus. This allows Baloise to use the NPS internally in order to bring customer experiences to employees' attention and raise awareness of the opportunities that Baloise unlocks by gaining insights into these experiences. Baloise regularly updates its local management teams at all sites on progress made regarding the loyalty of customers and brokers and the quality of the customer experience. This information is then used as a basis for potential decisions on, and the adjustment of, strategic and operational matters. By promoting close collaboration between all national subsidiaries, subject matter experts and senior management, Baloise strengthens its customer-oriented culture. As Baloise operates in various different markets, it adapts its loyalty assessments to market-specific conditions in order to take account of specific requirements and expectations.

Baloise has conducted customer satisfaction surveys at regular intervals since 2021. They help Baloise to review its service offering and assess its performance relative to its competitors.

The following surveys are carried out within the national subsidiaries:

- **Switzerland**
  Customers are asked to rate their satisfaction after the inception of a policy, at the end of a claims process and after contact with customer services or with a customer adviser.
- **Germany**
  Customers are asked for feedback on the claims handling process for motor vehicle and property insurance products. The Germany-wide agent survey KUBUS is also carried out and market comparisons, agent feedback and product comparisons are also obtained via external providers.
- **Belgium**
  Customers of Baloise Belgium NV are asked for feedback on the claims handling process for fire and buildings insurance. Baloise Belgium took part in the Profacts benchmarking survey for the fifth time in 2024, in which professional brokers are asked about their working relationship with insurance companies.
- **Euromex**
  Given the specific nature of the sales channels, Euromex does not contact customers directly, measuring customer satisfaction through brokers instead. Contact with brokers is sporadic and does not happen after every interaction. Certain events or seminars are selected after which the brokers are surveyed.
- **Luxembourg**
  Customers are asked to rate their satisfaction after the inception of a policy and at the end of a claims process for standard products and claims.

Baloise also analyses the customer journey for its different target groups in order to identify potential for improvement from a customer perspective and to improve customers' experience with Baloise.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

(Art. 964b (2) 3 OR)

For Baloise, it is essential that business activities always comply with the law and are ethical and moral.

Any advice that Baloise provides is therefore always based on internal guidelines that take the requirements of local statutory and regulatory requirements into account. In combination with other compliance rules, this ensures that advice is compliant.

Nonetheless, customers may wish to report concerns or make complaints.

Baloise sees customer complaints as an opportunity to bring about improvements. It is normal for Baloise to enter into dialogue with customers making complaints, be it through talking to them personally or on social media. Proactive complaints management is anchored within the Company and designed to remediate negative impacts on consumers and end-users quickly and effectively.

All incoming complaints are tracked and monitored in the complaints management system, and customers are regularly informed about the status of their complaints.

Reports are thoroughly analysed and documented. If material negative impacts are identified, Baloise takes corrective action plus action to avoid future incidents. The Company continually reviews the effectiveness of these actions to ensure that they align with customer needs and contribute to improvement.

Baloise has defined the following reporting channels for customer concerns and complaints:

- Instant message via digital communication platforms
- Telephone during stipulated customer service hours
- Post to the Company's official address
- Whistleblowing platform – Integrity Line (see the disclosures under ESRS G1-1 – Business conduct policies and corporate culture)

With the exception of the Integrity Line, which is an independent platform provided through an external service provider (EQS GmbH), Baloise set up these channels itself. They ensure that customer concerns are processed quickly and efficiently. The internal mechanisms facilitate the structured recording and processing of all incoming concerns.

In its business relationships, Baloise champions the existence of channels for complaints and ensures that sales partners use similar structures to guarantee a high level of service quality and customer satisfaction. It is ensured that channels for complaints are available along the entire value chain.

Baloise reviews the effectiveness of the complaints channels through ongoing feedback from the affected customers and implements actions to improve the channels when necessary.

The processes in place are firmly established in the Company and are an integral element of IT security and compliance training for new hires. They are also enshrined in the compliance guidelines on fraud and the guidelines on complaints handling. Baloise publishes these on the intranet to aid awareness of the policies in place to protect people using these structures or processes.

Through clear communication and transparent processes, Baloise ensures that customers are aware of the channels available for making complaints and have faith in them. The Company also has whistleblower protection policies in place to protect people lodging complaints from reprisals.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches

(Art. 964b (2) 3-5 OR)

Actions in relation to material negative impacts on consumers and/or end-users

Baloise divides the potentially material negative impacts into the following categories:

- Product range
- Customer communication and transparency
- Crisis management and claims strategy
- Data protection and digital security

The actions in relation to the **product range** break down as follows:

- **Simplification of the product portfolio**
  A simplified product portfolio is essential for digitalisation and will make it easier for customers and partners to interact with Baloise. By streamlining the product portfolio, activities in the value chain, such as claims handling or customer services, are accelerated and simplified. This not only boosts efficiency but also has a positive impact on the related costs. Product simplification is therefore one of the most important initiatives within the strategic pillar "Focus on core business". Besides simplifying its product range, Baloise is also pushing ahead with the full automation of product-related processes, such as the automated signing of insurance contracts. Progress is measured using the straight-through-processing (STP) rate. For example, the Group-wide STP rate in the motor vehicle insurance business is now at 90 per cent of all new quotes, and the figure for the private real estate business is over 95 per cent. Due to the high volume of policies processed on a fully automated basis in property insurance, liability insurance, accident insurance and health insurance in private client business, Baloise believes that simplifying its product portfolio is essential if it is to remain competitive. Baloise in Germany is focusing on simplifying the insurance terms and conditions and integrating the retention of benefits and innovation guarantees into current product lines. This involves offering a policyholder all the benefits they had with a previous insurer and updating policies to reflect the latest insurance cover available in the market. Customers therefore have uninterrupted cover, while agents benefit from advice that is reliable in terms of liability. In Belgium, Baloise's product simplification efforts involve an increased emphasis on brokers as the most important sales channel. It is also tailoring

its product range to focus on insurance products that deliver an excellent customer experience.

- **Product development**
  The entire lifecycle of a new product is considered in the round during the product development stage in order to ensure that products are customer-focused and sustainable. When product development begins, the Company focuses on customer needs, trends and standards as well as on ensuring sustainable customer and claims management. It also establishes potential downstream instruments to maintain customer loyalty over the long term, e.g. regular monitoring of outcomes. Baloise also scrutinises regulatory requirements and technical dependencies. In Germany, for example, Baloise has set itself six targets in the area of sustainability that have been enshrined in a binding product datasheet, which is part of the product development guidelines, to make sure they are factored into product development as standard. Baloise is also pushing ahead with developing taxonomy-aligned products in the taxonomy-eligible divisions, and taxonomy alignment is clearly described in the product datasheets. The guidelines for product development in the national subsidiaries are an integral element of Baloise's process landscape. They are communicated openly and transparently to all employees. The guidelines can be accessed on the intranet. Information on updates is also promptly published on the intranet to ensure that all employees are always kept up to date.

- **Consideration of disadvantaged groups**
  Baloise attaches great importance to people with disabilities being able to take advantage of its services without the assistance of other people. When developing products, they are tailored to the personal circumstances of an individual group of customers where possible. This includes insurance products aimed at particular age groups (e.g. senior rate scales) and, in Germany, insurance benefits that compensate physical or mental impairments in the event of a claim (e.g. payouts under personal liability insurance due to loss or damage caused by individuals who are not considered legally responsible). Failing to adequately consider the needs of disadvantaged groups can give rise to discriminatory actions and can entail legal repercussions and reputational damage.

- **Insurance for welfare and educational settings**
  Beyond primary expectations of turning a profit, Baloise pursues the objective of making a positive contribution to integration, inclusion and social protection. To this end, its insures social welfare establishments and educational settings, such as childcare facilities, sheltered workshops, advice centres and residential homes.

- **Sustainability criteria in the underwriting process**
  In August 2020, Baloise signed up to the Principles of Sustainable Insurance (PSI), which include the gradual integration of sustainability matters into Baloise's underwriting guidelines. Since 2022, the Company has applied environmental, social and corporate governance criteria in its ESG underwriting principles, which were revised and tightened once more with effect from 1 April 2023. Certain sectors and activities are no longer supported, and activities are only continued if customers are prepared to switch to a sustainable business model within a transitional period. In addition, Baloise aims to work in partnership with customers whose business model is currently undergoing this transformation in order to understand the challenges they face with regard to sustainable development and to support them. The integration of sustainability matters into the underwriting guidelines is a risk management tool that can be used to support the transition of the economy to sustainable business models and to minimise potential losses and risks. Baloise can thus actively manage critical ESG risks in its underwriting policy, because existing risks are reduced and potential risks are mitigated. This view of risk is complemented by the targeted exploitation of opportunities. For example, Baloise is committed to encouraging the use of renewable energy sources through its tailored insurance solutions.

The actions in relation to **customer communication and transparency** break down as follows:

- **High-quality advice**
  In order to guarantee the quality of advice in the insurance sales organisation, Baloise complies with the statutory requirements of the Swiss ISA and the IDD in the EU. Baloise focuses on clear and understandable communication of information about insurance products and knowledgeable and ethical customer advice that takes individual preferences into account. To make the products on offer more understandable to customers and minimise the risk of misunderstandings, Baloise gives customers easily understandable product information documents when providing advice. Baloise relies on well informed and trained partners to provide high-quality advice, as well as training its own sales employees to equip customers with the necessary information. Regular webinars, ad hoc presentations and meetings, and training and e-learning are used to showcase products and explain their added value. An overview containing up-to-date information on training and development initiatives is available on the website and sales portals. The national subsidiaries have defined local training requirements and polices for their sales organisations. For example, advisers in Switzerland and Germany have to take regular tests

on specific subjects during their basic training. Brokers are obliged to undertake a reasonable amount of continuing professional development every year, which Baloise monitors. Sales partners can also keep up with news about Baloise, its products, webinars and events via a regular newsletter. There are also internal rules of conduct and procedural rules for the sales organisations, which insurance brokers must adhere to in order to provide customers with consistently high-quality advice that matches their preferences and needs. In the case of pension products, the broker must also check the appropriateness of the retirement benefit and the suitability of the pension product based on the customer's investment preferences and knowledge. In the EU, customers must also be asked about their sustainability preferences when advising them. Advice is documented in a record of investment advice. The quality of the advice provided and the satisfaction of customers feed into the variable remuneration of sales staff. In other departments too, the strategic team targets are formulated using the NPS. For quality assurance purposes, regular feedback is obtained from policyholders and brokers. More information is provided in this regard under ESRS S4-2 Processes for engaging with consumers and end-users about impacts.

- **Lead management**
  Another example of actions to avoid or mitigate material negative impacts such as consumer deception, information asymmetries and insufficient financial protection is lead management in Germany. It helps agencies to manage existing customer relationships strategically in order to identify and address gaps in coverage at the earliest opportunity. The customer hotline in the life insurance business offers customers needs-based advice in order to provide them with targeted support for their enquiries. Customers can also make simple changes themselves in the self-service area of Baloise's Germany website, which promotes transparency and security. Special actions are defined on the basis of customer surveys.

- **Sustainability and corporate social responsibility in customer contact**
  Communicating sustainability matters is essential for raising awareness of the issue among the sales force. Baloise in Germany, for example, carries out training on the topic of sustainability with the agencies. It also publishes sustainability action plans for transitioning to sustainable agency operations. The corporate communications function offers ongoing support to remediate misunderstandings or problems in sustainability communication. In Switzerland, content is currently being created for sustainability training for sales employees, as the topic is gaining importance in Switzerland and the EU alike.

- **Service portal**
  Baloise in Switzerland and Baloise in Germany use a customer relationship management portal from software provider BSI in the private client business. This software provides an overview of customers' insurance contracts across the divisions and gives customer advisers better information on which to base their advice, enabling them to process customer requests in a service-oriented way.

The actions in relation to **crisis management and claims handling** break down as follows:

- **Financial distress of consumers and end customers**
  For customers who unexpectedly find themselves in financial distress, life insurance products offer specific liquidity options that help to bridge financial bottlenecks. There are also options for making adjustments to contracts, such as premium waivers, that provide customer-specific solutions for continuing a contract and avoiding terminating it early in the event of financial difficulties.

- **Actions in relation to claims handling**
  Baloise aims to provide service-oriented claims handling for its customers and, to this end, it refines its active claims management process on an ongoing basis. Automated and streamlined processes, transparent practices, speed and efficiency are key pillars of the Company's strategic direction. Baloise's aim is to process claims in an unbureaucratic manner, focusing on active claims handling and telephone contact. These actions are enshrined in procedural instructions for claims handling in the national subsidiaries. Procedural instructions provide an overview of processes and specific resources for day-to-day administration. Topics such as the prioritisation and processing of claims are set out in detail, including specific details of processing windows.

The actions in relation to **data protection and information security** break down as follows:

As an insurance company that handles sensitive customer data, Baloise is aware of the high importance of data protection. The loss or theft of customer data and violations of data protection can have significant negative consequences, such as reputational damage and financial loss, which can potentially lead to compensation payments and fines. Due to the risk of human error or cyberattack, Baloise has taken extensive action to mitigate risk.

The Baloise Group's data protection and information security strategy is prepared in cooperation with all national subsidiaries and takes all local and European requirements into account, such as the Digital Operational

Resilience Act (EU) 2022/2554 (DORA), the General Data Protection Regulation (EU) 2016/679 and the General Data Protection Regulation (GDPR) in the EU and the Swiss Data Protection Act (FADP). This strategy applies to all groups of people, whether individuals or legal entities.

The data protection strategy not only sets out the principles for processing personal data within the Company but it also covers customers, upstream and downstream service providers and employees. The defined actions are intended to ensure an appropriate level of protection across the entire value chain.

Compliance with the statutory requirements is ensured by providing regular training and regularly reviewing the defined action. Baloise updates its systems, processes and training at regular intervals, monitors them for weaknesses and adjusts them where necessary. Employees are given data protection and information security training, and internal and external audits are also carried out. Reporting and handling processes are in place for security incidents.

In the event of a data protection incident or a cyberattack, established processes ensure that they can be identified and responded to rapidly in order to minimise the harm for the affected persons. The security incident and event management (SIEM) system aids the swift identification of threats and the implementation of mitigation actions so as to avert harm or minimise it as much as possible.

Besides damage limitation, Baloise also initiates additional action to enhance data security and increase the affected persons' trust in Baloise's data protection strategies. The Company is currently implementing a Group-wide tool to improve and standardise information security and data protection management processes. This tool helps Baloise to analyse the need for protection, define and track security actions, perform security and IT risk assessments, evaluate and document violations of security rules and perform data protection impact assessments.

Baloise fully informs persons affected by the processing of their data (prospective customers, employees, etc.) about the relevant processes. The Company also includes customers in a current contractual relationship with it in its approach to data protection, e.g. when they make a claim, and informs them about action and asks for their consent when required to do so by law.

Processes to identify actions in relation to potential or actual negative impacts

As described under ESRS S4-2 – Processes for engaging with consumers and end-users about impacts and ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns, the needs of the customer are identified and, building on that, the requisite actions are determined. These are then implemented in the context of, for example, product development, claims management and the provision of advice to customers.

In data protection, Baloise has implemented processes for the early detection and reduction of negative impacts and risks. See the information above on actions in relation to data protection and digital security.

Approaches to taking action in relation to specific negative impacts

The approaches to taking action in relation to specific negative impacts are explained in ESRS S4-3 and in the information above.

With regard to IT and data protection, Baloise has established ongoing review and improvement processes. These approaches are intended to minimise the risk of harm to customers as a result of data loss.

Baloise checks at regular intervals and whenever necessary whether the implemented actions, processes and systems are up to date and effective. This ensures that they reflect the latest developments and that security guidelines meet the latest requirements. In order to identify and remedy potential weaknesses at an early stage, Baloise refines these actions on an ongoing basis or defines new ones where required.

Service providers processing personal data on behalf of Baloise must comply with strict contractual arrangements and security requirements. Contractual and statutory requirements are regularly reviewed through audits of service providers in order to ensure adherence to security standards and to minimise the risk of a potential data loss.

This approach ensures that specific negative impacts are addressed proactively through preventative and reactive action in order to protect the security of customer data.

Ensuring the effectiveness of mitigation actions in the event of material negative impacts

Baloise measures the effectiveness of actions in connection with customers and end-users through regular customer surveys. A KPI from the surveys is the NPS.

Baloise uses specific indicators to assess the effectiveness of mitigation actions in the event of data protection violations or IT outages that affect end customers. Once such actions have been implemented, their effectiveness is checked on a regular basis in order to ensure that they are providing the anticipated level of protection.

The indicators used include the frequency and severity of security incidents following the implementation of an action and the response times and success rates in averting potential threats. These metrics help to gauge the success of the actions and to make adjustments where necessary.

In order to continually improve security actions, Baloise retrospectively analyses all incidents, including those that did not directly lead to a security incident. These investigations are aimed at identifying potential weaknesses, which can then be remedied in a targeted manner. Actions that have already been implemented are also reviewed at regular intervals to ensure that they are in line with the latest security requirements. They are improved where necessary.

This ongoing process is intended to ensure not only that the mitigation actions are effective in the short term but also that they are continually adapted to new threats and security standards in order to minimise the risk of harm to customers due to data loss.

Action on material risks in relation to consumers and end-users

The aforementioned actions in relation to impacts also relate to material risks in relation to consumers and end-users. Various other actions have also been defined, which can be assigned to the different risk types as follows:

- **Regulatory risk**
  Baloise has a comprehensive compliance management system in place to ensure that regulatory changes are implemented promptly and accurately. This system comprises extensive legal monitoring, which is carried out by both the legal and compliance functions and the relevant departments. This allows regulatory changes to be identified at an early stage and suitable communication actions to be taken. Regulatory changes affecting customers are communicated to them in a suitable manner, including by writing to them, updating privacy notices or issuing contract addendums. This ensures that customers are always informed of their rights and the protection of their data. In this way, Baloise ensures compliance with regulatory requirements and also boosts customers' faith in the Company's data protection and security processes.

- **Public reporting**
  Baloise has implemented processes to ensure timely and accurate communication of its key figures, thereby ensuring that it communicates verified content with the public punctually.

- **Counterparty risk and collection management**
  To mitigate counterparty risk, Baloise has set up collection processes to remind customers about payments in good time before further steps are initiated. The risk that day-to-day collection management processes can no longer be operated adequately and accurately (incorrect payments, postings or processing) and could give rise to reputational risk (customer complaints) owing to the IT system being insufficient, a lack of knowledge, inadequate organisational setup or incorrectly assigned responsibilities, is mitigated by the use of standardised processes and clear procedural instructions.

- **Advisory risks in the investment process**
  There is a risk that customers will receive incorrect advice in the investment advice process. If they are not given sufficient information, this constitutes a breach of customer advisers' duty to explain and clarify. Actions that cover this risk are outlined in the above section on actions in relation to customer communication and transparency.

- **Calculation of premiums**
  Baloise's products and the associated claims are continuously monitored to be able to assess the assumptions on which their pricing is based. Where the need for adjustment is identified, the product development process is initiated and the product is revised. Equally, it is possible to review the underwriting policy for the relevant products.

- **Data security risk**
  Data security risk actions are described under "Actions in relation to data protection and digital security".

- **IT BCM risk**
  There is a danger that IT applications and systems go down for a short or extended period and are not available to customers as a result of natural disasters, incorrect programming or external attacks. Baloise has implemented security policies and business continuity plans to safeguard the functionality of its IT infrastructure.

- **Non-compliance with solvency capital or liquidity requirements**
  These risks are mitigated through a variety of actions. They include, for example, performing financial control actions, actively managing liquidity through asset/liability management, monitoring the solvency ratio, applying a limit system and preparing short-, medium- and long-term forecasts of the solvency ratio as part of the Own Risk and Solvency Assessment (ORSA).

Action on material opportunities in relation to consumers and end customers

Baloise has taken the following action to pursue material opportunities in relation to consumers and end-users:

- **Transition to a sustainable business model**
  Actively marketing sustainable products and services provides opportunities to raise customers' awareness of sustainable solutions of which they are not yet aware. The more popular these solutions become in the market, the more they will oust conventional products. Sustainability is increasingly becoming customer focus. In fact, most consumers will already give preference to a sustainable or more sustainable solution at the same price. There is also a clear target demographic that explicitly seeks such solutions when deciding what to buy. In the long term, alignment with sustainability topics will give rise to new insurance solutions and upselling potential, justifying investment in this area. Baloise can seize the opportunity to present itself as an innovative and responsible partner to its customers. This strengthens the corporate image and customer loyalty.

- **Customer journey and designing it from the customer perspective**
  Digitalising the customer journey is a central element of product design. In this connection, a number of innovative products have been developed to make the customer journey as pleasant as possible, such as the new parametric holiday insurance in Switzerland or the Rapid Damage Cockpit (RDC) project, which facilitates the automatic reporting of a claim by email or text message in the wake of a severe storm. The Competence Centre Automation digitalises the customer journey and relieves employees of the burden of repetitive tasks in order to unlock efficiency gains.

Baloise in Germany focuses on personalised communication using advanced marketing automation software, which allows relevant information to be sent out automatically. Customer advisers benefit from automated campaigns. The foundations have been laid for data-driven campaigns and the platform has been optimised.

In Belgium, Baloise is improving the customer and partner experience through the NPS programme and is pushing ahead with digitalisation. Brokers are being assisted with the digitalisation of administrative processes. A fully digital customer journey has been introduced for motor vehicle and property claims. The digital sales process for private clients is also being simplified with a new lead generator.

In Luxembourg, an interdisciplinary team continually analyses the customer journey and implements effective solutions for improvement, especially in the claims handling process. Through a proactive customer retention initiative, Baloise reaches out to dissatisfied customers with the aim of resolving problems promptly and improving the customer experience.

Actions to avoid material negative impacts

By complying with regulatory and statutory requirements, Baloise ensures that the Company's marketing strategy is not associated with negative impacts on consumers (such as misleading advertising or targeted manipulation).

Many actions for avoiding consumer deception can be found under the relevant actions earlier in this chapter.

Baloise offers an extensive training programme for its agents that includes insurance-related, technical and regulatory elements. A centrally managed training database ensures that rules regarding time spent on training are observed. Advice must be documented and the documentation is archived with the application. Advertising in conjunction with the Baloise brand must be agreed with marketing. Agents are obliged to comply with competition rules.

To ensure that customer data is given maximum protection in the Baloise Group, a number of processes and security actions have been implemented. Checks are performed regularly and whenever necessary to ascertain whether the processes and systems are up to date and effective. Baloise refines the security actions on an ongoing basis to ensure that the processes and systems reflect the latest developments. It checks new processes for compliance with data protection rules and implements action where necessary. For example, during the procurement process for new software products, Baloise checks for compliance with internal data protection rules. The implemented actions are checked for effectiveness at regular intervals.

Potential data protection incidents that could lead to a breach of customer privacy are investigated in detail as soon as Baloise becomes aware of them. There were no severe data protection incidents involving breaches of end customer privacy in the reporting period. No severe human rights issues or incidents connected to consumers and/or end-users were reported either.

Resources for managing material impacts
Baloise has provided the following resources for managing material impacts:

- **Personnel resources**
  Specially trained employees and teams deal with actions to minimise and remediate impacts.

- **Budgeting**
  The Company sets aside an appropriate budget for implementing the actions to manage material impacts, such as carrying out training and maintaining monitoring systems.

- **Technological resources**
  Baloise invests in technologies and tools that record and analyse data on end customers and their experiences. These comprise customer relationship management (CRM) systems and digital channels for customer interaction as well as the expansion of self-services for customers.

- **Training**
  To ensure that employees in the different segments have the requisite skills, Baloise relies on training and development programmes.

- **Data protection and digital security**
  To avoid digital security impacts, employees are given regular training on data protection and IT security. The IT systems are monitored by a SIEM system to protect them from malicious code or anomalies, such as unusual changes in data or data downloads. The systems are protected by authorisation policies that are regularly reviewed.

Metrics and targets

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(Art. 964b (2) 5 OR)

Baloise did not set any time-bound or outcome-oriented targets within the meaning of this disclosure requirement in connection with the stated impacts, risks and opportunities in relation to consumers and/or end-users in 2024.

Nevertheless, the Company has implemented various policies and actions to mitigate material negative impacts, promote positive impacts and manage material risks and opportunities. As already mentioned, customer focus is at the heart of Baloise's strategy. Customer satisfaction is one of Baloise's core targets and is gauged using the NPS. Under its strategic business planning approach, Baloise uses internal key performance indicators for ongoing monitoring and improvement purposes. This strengthens Baloise's customer-oriented corporate culture and allows processes to be designed and fine-tuned with the aim of maintaining customer satisfaction and loyalty. With regard to data protection, Baloise's IT infrastructure is also designed with security in mind to protect against the loss of business and customer data.

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ESRS G1 – Business conduct

(Art. 964b (1) OR)

Governance

Disclosure requirement related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

(Art. 964b (2) 1 OR)

For disclosures on the role and expertise of the administrative, management and supervisory bodies related to business conduct, see ESRS GOV-1 – The role of the administrative, management and supervisory bodies.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

(Art. 964b (2) 4 OR)

In the following section, the most important impacts, risks and opportunities relating to business conduct are considered. A detailed overview of the material impacts, risks and opportunities and their interaction with the strategy and business model is presented under ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model, which also contains a detailed description of the identified impacts on people and the environment. The processes to identify and assess the material impacts, risks and opportunities, along with related information, are explained in the disclosures under ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

The potential negative impacts include stakeholders' unwillingness to report irregularities owing to a lack of protection for whistleblowers. A further negative aspect is the loss of trust in the industry as a result of incidents of corruption and bribery. An impact that can be both positive and negative is influence on policy decisions. A positive impact, by contrast, is the contribution to sustainability (ESG) matters that companies can make through investments.

Material risks relating to business conduct include non-compliance with sustainability requirements, which can mean that the sustainability strategy and regulatory requirements are not adequately applied. There is also the risk of inaccurate risk analysis and reports in connection with sustainability reporting. Outsourcing activities are a further key risk due to the danger of dependencies or poor service standards from service providers. Furthermore, reputational risk may arise if external communications are not aligned with the corporate strategy and values or if wrong/inappropriate information is published. The danger of not satisfying legal and regulatory requirements is a further material risk and can give rise to considerable legal risk. Business processes can also prove to be inadequate or deficient, impacting on efficiency and quality. Competition risks arise as a result of changes in the market environment or pressure from competitors. Wrong decisions by senior management, driven by unsuitable incentive schemes, can also have significant repercussions. Finally, there is a risk that targets for growth or profitability are not achieved due to external factors, such as geopolitical tensions or inflation.

G1-1 – Business conduct policies and corporate culture

(Art. 964b (2) 2-4 OR)

Baloise has developed a number of policies relating to business conduct and corporate culture. They are presented in the following table.

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Business conduct policies and corporate culture (MDR-P)

Name of rule set	Main content	General objectives	Review	Area of application
Group Policy on Human Rights	• Definition of the Baloise Group's stance on human rights and labour rights, including the prohibition of child labour • Description of the Baloise Group'sapproach to the observance of human rights • Definition of responsibilities in relation to human rights and arrangements for cooperation with the various stakeholders in the Baloise Group • Description of the reporting	Upholding of human rights and labour rights; avoidance of child labour	Annually	Group-wide
Code of Conduct	• Ensuring confidentiality (confidentiality, data protection, use of electronic information and communication media) • Safeguarding integrity (money laundering prevention and embargoes, insider dealing, cartels, accounting, records management) • Dealing with customers and the public (mandates, conflicts of interest, gifts, donations, corruption, complaints, duty of care, taxes, communications and media) • Employee relations (health, equal treatment, bullying, sexual harassment) • Employees' contribution to implementation of the Code (responsibility, breaches, sanctions, performance assessment) • Link to the whistleblowing system	Information about the ethical and legal principles and duties applicable to all employees	Annually	Group-wide
Baloise Vendor Code of Conduct	• Description of the criteria for ensuring a fair and transparent procurement process and the responsible selection of suppliers on the basis of a number of factors, including a range of criteria relating to sustainability, human rights and quality	Assurance of a fair and transparent procurement process and the responsible selection of suppliers	As required	Group-wide
Group Compliance Policy	The Group Compliance Policy defines • responsibilities under the compliance management system; • tasks and authorisation levels for compliance and compliance-enabling functions; • rules for reporting and interfaces within the Baloise Group; • escalation processes.	Compliance framework of the Baloise Group	Annually	Group-wide
Instructions regarding active and passive bribery	• Rules for the acceptance of gifts and hospitality • Rules for the granting of gifts and hospitality • Preferential treatment in connection with Baloise individual life insurance policies • Donations (gifts) and sponsorship • Approvals • Sanctions	Rules for the prevention of bribery	Annually	Switzerland

Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Group Compliance	• UN Principles for Sustainable Insurance (PSI) and Responsible Investment (PRI) • UN sustainable development goals (SDGs) • UN Guiding Principles on Business and Human Rights (UNGPs) • OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD MNE Guidelines)	Intranet and summary on the website	**Group Policy on Human Rights**
Group Compliance	n/a	Website and intranet	**Code of Conduct**
Group Procurement	• UN Sustainable Development Goals (SDGs) • UN Guiding Principles on Business and Human Rights (UNGPs) • General and industry-specific sustainability standards	Website and intranet	**Baloise Vendor Code of Conduct**
Group Compliance	n/a	Intranet	**Group Compliance Policy**
• Group Compliance • Corporate Division Switzerland Risk and Compliance • Corporate Division Asset Management Compliance Guild • Bank Compliance	n/a	Intranet	**Instructions regarding active and passive bribery**

Name of rule set	Main content	General objectives	Review	Area of application
Group Outsourcing Policy	Definition of clear rules on the outsourcing of material or critical functions throughout the entire outsourcing lifecycle in terms of the following: • Selection, instruction and monitoring of the service provider • Rules on data protection and security, business continuity management, assurance of data protection • Audit and oversight of the service provider • Rules on outsourcing to other countries • Rules on contractual arrangements and compliance with regulatory requirements	Rules on management of outsourcing arrangements	Annually	Group-wide
Group Compliance Controlling Standards	Description of the compliance reporting process, which comprises the following material steps: • Identification and assessment of compliance risks and key controls • Reporting on changes in regulations • Compliance reporting • Compliance plan • Roles and responsibilities	Description of the compliance reporting process	Annually	Group-wide
ICS standards of the Baloise Group	Description of internal control system requirements and processes: 1. ICS organisational structure • Requirements for ICS control mechanisms • Processes, process risks and process controls • Documentation requirements • ICS assessment of outsourcing 2. ICS operational structure • ICS cycle (scoping, framework adjustment, evaluation, remedying of shortcomings, reporting, communication and monitoring)	Rules on the internal control system	Annually	Group-wide
Conflict of interest guidelines	Instructions on dealing with conflicts of interest	Instructions on dealing with conflicts of interest	Annually	Switzerland
Group Risk Policy	The Group Risk Policy defines Baloise's risk management cycle and comprises the following: • Definition of the risk strategy based on the business strategy, taking account of risk preferences, risk-bearing capacity, risk appetite, risk tolerance, risk limits and capital management • Escalation processes • Risk governance • Monitoring and reporting • Risk appetite statement	Definition of the risk management framework	Annually	Group-wide
Social media guideline	• Target: Make employees' use of social media safer and protect Baloise's reputation • Direct media enquiries to the responsible department	Make employees' use of social media safer and protect Baloise's reputation	As required	Group-wide
Publication of information	Instructions on the approach to publishing information	Maintain professional secrecy and comply with data protection and stock exchange rules	As required	Group-wide

Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Group Risk Management	n/a	Intranet	**Group Outsourcing Policy**
Group Compliance	n/a	Intranet	**Group Compliance Controlling Standards**
Group ICS Office	n/a	Intranet	**ICS standards of the Baloise Group**
Group Compliance	n/a	Intranet	**Conflict of interest guidelines**
Group Risk Management	n/a	Intranet	**Group Risk Policy**
Corporate Communications/ Marketing	n/a	Intranet	**Social media guideline**
Corporate Communications	n/a	Intranet	**Publication of information**

Compliance policies and compliance culture

The Group Compliance Policy sets out responsibilities, authorisation levels and tasks under the compliance management system and provides rules for reporting, collaboration between different areas of the business and escalation processes. The Group Compliance Controlling Standards define the process for monitoring and managing compliance risks. The Code of Conduct defines the fundamental expectations and requirements in terms of employees' behaviour. It underlines adherence to compliance rules and their implementation in the compliance management system, and includes information on the whistleblowing system. The Group Policy on Human Rights sets out Baloise's approach to respecting and promoting human rights. Baloise has introduced its Remuneration Policy, instructions regarding active and passive bribery, and guidelines on conflicts of interest in order to avoid bribery and conflicts of interest.

Compliance plays a key role in creating sustainable value for different stakeholder groups such as customers, partners, employees and shareholders. A fundamental attitude of self-responsibility is at the heart of Baloise's compliance culture and is encouraged to ensure that employees understand the guidelines and are able to operate within the set framework. Compliance requirements in a regulated company are strict and becoming ever stricter.

Baloise promotes a strong compliance culture and standards of ethical behaviour by raising employees' awareness of compliance through issuing instructions and providing regular training. This training is held every one to three years on various compliance topics, such as data protection, anti-money laundering, competition law, bribery and corruption.

All Baloise employees, including the Corporate Executive Committee, must complete the compliance training. The participants and the degree to which the training is completed is monitored in the internal training system. The Compliance department is the central point of contact for employees' questions and reports relating to compliance matters defined in the Code of Conduct. In order to avoid legal risk, the department monitors important legal developments. It also provides information about the status of the implementation of and adherence to the internal and external legal and regulatory provisions. Existing compliance risks are also systematically identified, assessed and monitored.

Projects are set up on an ongoing basis to incorporate new regulatory topics – including in the area of sustainability – into the Baloise Group's corporate governance. Sustainability risks are also covered by the standard and regular risk management process in order to avoid shortcomings in the identification, analysis or assessment of risk.

The prevention of negative impacts relating to the granting and acceptance of gifts and non-cash benefits is addressed through clearly defined approval processes in the internal instructions and in the Baloise Code of Conduct.

Every six months, compliance reports are submitted to the local Executive Committees and, in consolidated form, to the Corporate Executive Committee and the Audit Committee of the Board of Directors. Ultimate responsibility rests with the Corporate Executive Committee and the Board of Directors.

Baloise defines Group-wide standards and a control framework for combating corruption in line with Swiss law. In 2009, Switzerland ratified the United Nations Convention against Corruption (UNCAC), and Baloise's policies on anti-corruption and anti-bribery are therefore consistent with the requirements of the UNCAC.

Suspected compliance violations can be reported via a number of channels, including an anonymous whistleblower platform that is also open to external parties. Clearly defined, Group-wide rules are in place that govern how reports and cases are to be dealt with.

The Integrity Line is an externally operated reporting platform that uses security precautions to allow users to make anonymous written or audio reports in defined categories, such as bribery and corruption. Whistleblowers receive confirmation of the receipt of their report within three days. Information received is examined by the relevant Compliance department in line with the local fraud response guidelines and the necessary actions are taken. The investigations are performed without undue delay, independently and objectively.

A link to the Integrity Line is published in the compliance information on the Group's intranet and website and is accessible to all employees. A link is also available on Baloise's website together with the Code of Conduct.

Further business conduct policies and corporate culture

Baloise also has a Vendor Code of Conduct, which describes criteria for the selection of suppliers in an ethical and responsible value chain. The Group Risk Policy, the ICS standards of the Baloise Group and the Group Outsourcing Policy play a central role in Baloise's governance system.

Strategies relating to animal welfare

Baloise is currently incorporating ESG criteria relating to animal welfare into its underwriting guidelines in Germany, taking into account aspects of animal welfare such as livestock farming practices, animal transport, slaughterhouses and animal testing in cosmetics research. Across the Group, all these sectors are considered sensitive areas in accordance with the current underwriting policies.

G1-2 – Management of relationships with suppliers

(Art. 964b (2) 2-4 OR)

It is very important to Baloise that it too is a fair business partner for its suppliers. For Baloise, fair supplier management begins with transparent call for tenders processes. Tender documents contain a description of standard requirements for all suppliers and evaluation criteria for awarding the tender in order to ensure fairness and objectivity. When choosing business partners for the outsourcing of activities that are material, relevant from a regulatory perspective or critical, the associated risks are considered in sufficient depth for regulatory purposes in order to avoid risks from outsourcing in the shape of dependencies or poor service standards from service providers. Risks associated with outsourcing arrangements are recorded in the risk management system, kept up to date and monitored. On request and to provide full transparency for suppliers, dedicated debriefing sessions are held in order to explain to the suppliers in detail why they did not win the tender over their competitors. Throughout the entire supplier lifecycle, Baloise ensures that suppliers have a clear point of contact within the Company.

Baloise also demonstrates fairness towards suppliers in its receivables management. Baloise has implemented a transparent payment system to avoid causing late payments, particularly for small and medium-sized enterprises (SMEs). The following actions are taken in addition to a daily payment run:

- **Proactive invoice control**
  All incoming invoices are checked for accuracy and completeness immediately in order to avoid delays in the payment process.

- **Reliable payment deadlines**
  Baloise adheres to contractually agreed payment deadlines and ensures that they are not exceeded, particularly for SMEs.

- **Ongoing communication**
  In the event of discrepancies or questions, Baloise communicates directly and promptly with the supplier to clarify the situation quickly and minimise delays.

Long-term and enduring relationships with suppliers are important to Baloise. With this in mind, it created the Baloise Vendor Code of Conduct, which is applicable in Switzerland and Germany. The other national subsidiaries follow their own local rules in this respect. The Vendor Code of Conduct places a clear focus on sustainability criteria, which encompass key considerations related to environmental stewardship, social wellbeing and ethical corporate governance. In this context, compliance with all applicable laws, regulations and industry standards is of prime importance, especially in terms of environmental compatibility, resource conservation, human rights, labour rights, and health and safety. Baloise has defined general principles and specific requirements for various purchasing categories, with the reduction of CO_2 emissions being a core element. Baloise's environmental mindset in procurement is "avoid, reduce, recycle". Goods that are particularly environmentally friendly or come from environmentally certified manufacturers are generally given preference over goods with otherwise comparable features and terms and conditions.

There is a danger of strategic partners exerting considerable price pressure given their importance for Baloise's ability to compete. To avoid this, contract extensions are initiated at an early stage to maintain price stability. There are also competition risks and other external factors resulting from changes in the market and competitive environment. These are identified at the earliest opportunity by observing and analysing the market. This allows suitable action to be taken, such as in product design or pricing.

G1-3 – Preventing and detecting corruption and bribery

(Art. 964b (2) 3 and 4 OR)

Baloise makes a distinction between active and passive bribery. Active bribery involves employees promising gifts or hospitality with the aim of inducing holders of public office or individuals bound by a duty of allegiance to violate their obligations towards their organisation or company or to exercise their discretionary powers in favour of Baloise. Passive bribery is when employees let themselves be induced to make certain decisions or behave in a certain way by accepting gifts or hospitality. The fundamental rule is that gifts and hospitality must not be accepted if this could influence employees' decisions or their behaviour. Baloise's approach to suspected compliance violations and dealing with them is described in the disclosures under ESRS G1-1 – Business conduct policies and corporate culture. The investigators/investigating committee are separate from the chain of management involved in the matter. The results of an investigation are also reported to the responsible Executive Committee members and, in certain cases, also to the full Executive Committees. An aggregated report of all cases is also made as part of the annual compliance reporting process at Group level. Reports on internal investigations are provided to line management and other administrative and supervisory bodies if required once the process has been completed.

Group Compliance Controlling Standards set forth the fundamental compliance topics entailing the most risk as well as the related control targets that all of Baloise's strategic business units (SBUs) must implement as a minimum. Corruption and bribery have been identified as a specific compliance risk and appropriate controls have been drawn up.

Baloise has specific instructions that explain what corruption and bribery is and how gifts, hospitality, courtesies, donations and sponsorship must be handled.

The individual strategic business units in Belgium, Germany, Luxembourg, Liechtenstein and Switzerland must appoint anti-corruption and anti-bribery officers. Each company has internal instructions in place that reflect local law.

Regular training ensures that employees are familiar with anti-corruption regulations and are informed of any changes to the legal situation. Country-specific web-based training is held on the Code of Conduct and on compliance in general as part of e-learning. The training is geared to real-world needs and is intended to encourage active participation by employees.

The following topics are addressed and the proper conduct taught:

- Code of Conduct
- Compliance breaches, Integrity Line
- Conflicts of interest
- Corruption, especially how to deal with gifts and hospitality, fraud
- Competition law
- Data protection
- Advice
- Anti-money laundering
- Automatic Exchange of Information (AEOI) / Foreign Account Tax Compliance Act (FATCA)

The training content is based on compliance risks that have been classed as material. Regulatory and statutory obligations are met and all relevant legal changes and legislative procedures are covered.

Training on selected compliance topics is held for all new hires within three months of joining Baloise and for all employees every three years. Responsibility for carrying out training lies with the national subsidiaries' Compliance department or anti-money laundering officer. Employees who, as a result of their tasks, are at heightened risk of being exposed to money laundering generally receive additional specific anti-money laundering training once a year (the frequency depends on local law).

Additional compliance training and workshops are carried out in relevant departments as required. They are run in accordance with the specific needs of individual departments. For example, such training or workshops are offered if compliance risks have materialised in the department concerned and it is deemed prudent to raise awareness further among employees. This offer of training is also available to departments that have an increased need for information in relation to specific compliance topics.

The proportion of functions-at-risk covered by training programmes is 100 per cent.

Scope of training for administrative, management and supervisory bodies

There is no specific training on corruption or bribery for members of the Board of Directors of the Baloise Group.

The members of the Supervisory Boards of Baloise Lebensversicherung AG Deutschland and Baloise Sachversicherung AG Deutschland are subject to statutory and regulatory fit and proper requirements. In particular, the requirements of the German Federal Financial Supervisory Authority (BaFin) are observed. An individual training plan is prepared annually for members of the Supervisory Boards and is sent to BaFin. In addition, an annual assessment is carried out to ascertain whether the Supervisory Board members' knowledge of investment, underwriting and financial reporting is up to date. The outcome of this assessment is also sent to BaFin.

Metrics and targets

G1-4 – Incidents of corruption and bribery

(Art. 964b (2) 5 OR)

Information on incidents of corruption or bribery during the reporting period:

G1-4: Incidents of corruption or bribery

Key figure	Unit	2024	2023
Number of convictions for corruption and bribery offences	Quantity	0	0
Amount of fines for violations of corruption and bribery laws	CHF	0	0

No public legal cases involving corruption or bribery were brought against Baloise and its own workforce during the reporting period.

G1-5 – Political influence and lobbying activities

Baloise is a member of the national insurance industry associations in Germany (German Insurance Association (GDV), Belgium (Assuralia), Luxembourg (Association des Compagnies d'Assurances et de Réassurances (ACA)), Liechtenstein (Liechtenstein Insurance Association) and Switzerland (Swiss Insurance Association (SIA)). Baloise Bank in Switzerland is a member of the Association of Swiss Regional Banks (VSRB) and the Swiss Bankers Association (SBA). Baloise Asset Management AG is a member of the Asset Management Association Switzerland (AMAS).

The national industry associations represent the interests of insurers and banks, and also provide a number of services for their members aimed at supporting and promoting the industry. They focus on helping to ensure that the regulatory framework allows the insurance industry to operate its core business for the benefit of its customers and the economy. On their respective websites, the national insurance associations publish the issues that they address in the interests of the private insurance industry. In Switzerland, Baloise supports pro-business political parties. The Swiss political system is founded on the principle of volunteering and there is no state funding of political parties, which means that this support strengthens the system of direct democracy. The contributions are not tied to any obligations. The Executive Committee of each national subsidiary is responsible for monitoring any financial or in-kind contributions that are made. The Chairman of the Board of Directors, the Group CEO and the CEO for Switzerland are responsible for financial contributions to political parties in Switzerland. The following direct and indirect financial contributions were made in 2024:

G1-5: Political influence and lobbying activities

Financial contributions

National Units	Unit	2024	2023
Switzerland	CHF	1,772,914	n/a
Germany	CHF	626,969	n/a
Belgium	CHF	787,925	n/a
Luxembourg	CHF	147,205	n/a
Liechtenstein	CHF	14,923	n/a
Total	**CHF**	**3,349,936**	**n/a**

No prior-year data is available for this disclosure requirement.

The aforementioned contributions mainly relate to memberships of associations. The financial support of parties in Switzerland in the financial year amounted to CHF 82,000.- (2023: CHF 100,500.-)

Baloise did not make any in-kind contributions in the context of political lobbying.

In 2024, no persons were appointed to the Corporate Executive Committee or the Board of Directors who had held a comparable position in public administration or with regulatory authorities in the two years preceding their appointment.

G1-6 – Payment practices

(Art. 964b (2) 5 OR)

Baloise's relationship with suppliers is reflected in the metrics on its payment practices. Across the Group, Baloise's standard payment terms are 30 days and apply for the majority of supplier relationships – regardless of the category of goods. For all other supplier relationships, the individual payment terms of the relevant supplier apply.

Baloise pays invoices promptly within the payment deadlines. The average payment duration varies for each national subsidiary and is between nine and 30 days. During the reporting period, there were no public court proceedings against Baloise for late payment.

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	Material risks and their management (Art. 964b (2) 4 OR)	ESRS 2, Governance (GOV-5 – Risk management and internal controls over sustainability reporting)	120
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		ESRS G1, Impact, risk and opportunity management (ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities)	206
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	Material key performance indicators (Art. 964b (2) 5 OR)	ESRS G1, Metrics and targets (G1-4 – Incidents of corruption and bribery)	215

Table of references for the Task Force on Climate-related Financial Disclosures (TCFD)

Disclosures in accordance with Art. 3 of the Swiss Ordinance on Climate Disclosures (KlimaVO) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which are referenced in the ordinance, in connection with environmental matters in accordance with Art. 964b (1) OR

The disclosures in the relevant chapters of this report follow the TCFD disclosure recommendations and also reflect the supplemental TCFD guidance for the financial sector.

Topic	Disclosure recommendation	Chapter	Page
Governance Disclosure of governance in relation to climate-related risks and opportunities	a) Monitoring of climate-related risks and opportunities by the Board of Directors	ESRS 2, Governance (GOV–1 – The role of the administrative, management and supervisory bodies)	115
		ESRS 2, Governance (GOV-2 – Information provided to and sustainability matters addressed by the Company's administrative, management and supervisory bodies)	118
		ESRS 2, Governance (GOV-4 – Statement on due diligence)	118
		ESRS 2, Governance (GOV-5 – Risk management and internal controls over sustainability reporting)	120
	b) Role of senior management in assessing and managing climate-related risks and opportunities	ESRS 2, Governance (GOV–1 – The role of the administrative, management and supervisory bodies)	115

Topic	Disclosure recommendation	Chapter	Page
Strategy Disclosure of the actual and potential impacts of climate-related risks and opportunities on operations, strategy and financial planning	a) Short-, medium- and long-term climate-related risks and opportunities of the organisation	ESRS 2, Basis for preparation (BP-2 – Disclosures in relation to specific circumstances)	114
		ESRS 2, Strategy (SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	129
		ESRS E1, Strategy (ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	159
		ESRS 2, Impact, risk and opportunity management (IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities)	148
		ESRS E1, Metrics and targets (E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions)	167
	b) Impacts of climate-related risks and opportunities on operations, strategy and financial planning	ESRS 2, Strategy (SBM-1 – Strategy, business model and value chain)	122
		ESRS 2, Strategy (SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	129
		ESRS E1, Strategy (ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	159
		ESRS E1, Strategy (E1-1 – Transition plan for climate change mitigation)	158
	c) Resilience of the strategy based on different climate scenarios, including a scenario in which global warming is 2°C or less	ESRS 2, Strategy (SBM-1 – Strategy, business model and value chain)	122
		ESRS 2, Strategy (SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	129
		ESRS E1, Strategy (ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	159

Topic	Disclosure recommendation	Chapter	Page
Risk management Disclosure of the processes to identify, assess and manage climate-related risks	a) Processes to identify and assess climate-related risks	ESRS 2, Governance (GOV-5 – Risk management and internal controls over sustainability reporting)	120
		ESRS 2, Strategy (SBM-1 – Strategy, business model and value chain)	122
	b) Processes to manage climate-related risks	ESRS 2, Governance (GOV-5 – Risk management and internal controls over sustainability reporting)	120
		ESRS 2, Strategy (SBM-1 – Strategy, business model and value chain)	122
	a) Integration of processes to identify, assess and manage climate-related risks into general risk management	ESRS 2, Governance (GOV-5 – Risk management and internal controls over sustainability reporting)	120
Metrics and targets Disclosure of the metrics and targets to assess and manage relevant climate-related risks and opportunities	a) Metrics to assess climate-related risks and opportunities based on the strategy and risk management process	ESRS 2, Governance (GOV-3 – Integration of sustainability-related performance in incentive schemes)	118
		ESRS E1, Governance (ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes)	158
		ESRS E1, Strategy (E1-1 – Transition plan for climate change mitigation)	158
		ESRS 2, Strategy (SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	129
		ESRS E1, Strategy (ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	159
		ESRS E1, Impact, risk and opportunity management (E1-2 – Policies related to climate change mitigation and adaptation)	161
		ESRS E1, Impact, risk and opportunity management (E1-3 – Actions and resources in relation to climate change policies)	165
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	b) Scope 2 and – where appropriate – Scope 3 GHG emissions and the related risks	ESRS E1, Metrics and targets (E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions)	167
	c) Targets for managing climate-related risks and opportunities, including performance with regard to these targets	ESRS E1, Strategy (E1-1 – Transition plan for climate change mitigation)	158
		ESRS E1, Impact, risk and opportunity management (E1-2 – Policies related to climate change mitigation and adaptation)	161
		ESRS E1, Metrics and targets (E1-4 – Targets related to climate change mitigation and adaptation)	166

Report on non-financial matters

Report of the statutory auditor to the Annual General Meeting of Baloise Holding Ltd, Basel

Please refer to the German version of the Baloise Annual Report 2024, page 228, for the report of the statutory auditor on greenhouse gas emissions performance indicators for 2024. The auditor's opinion dated 20 March 2025 confirms compliance with Swiss law and the Company's articles of incorporation.

Please also refer to the disclosure on page 439, "Information on the Baloise Group", referencing the fact that only the German text of the annual report is legally binding.

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Consolidated income statement

CHF million	Note	2024	2023
Insurance revenue	3.1.1	5,556.8	5,412.4
Insurance service expenses	3.1.2	–4,681.7	–4,666.9
Insurance service result from reinsurance contracts	3.1.3	–158.7	–151.8
Insurance service result		**716.4**	**593.7**
Insurance finance income and expenses from insurance contracts	3.2	–1,937.8	–2,833.2
Insurance finance income and expenses from reinsurance contracts	3.2	10.4	26.8
Insurance finance income and expenses		**–1,927.5**	**–2,806.4**
Interest revenue calculated using the effective interest method	4.1	310.7	296.8
Investment income	4.1	921.6	970.6
Realised gains and losses on investments	4.1	2,055.7	2,555.4
Change in expected credit loss	4.1	2.3	2.2
Result from financial contracts	4.3.1	–1,090.2	–842.7
Result from investments and financial contracts		**2,200.0**	**2,982.2**
Income from services rendered	8.1	142.4	141.7
Other operating income	8.2	167.3	161.6
Other operating expenses	8.3	–732.0	–691.7
Share of profit (loss) of associates and joint ventures	10.2.3	–14.8	–20.7
Profit and loss from owner-occupied properties FVPL	9.1	–6.5	–16.0
Profit before borrowing costs and taxes		**545.3**	**344.4**
Borrowing costs	5.1	–24.9	–26.2
Profit before taxes		**520.5**	**318.2**
Income taxes	7.1	–141.1	–81.9
Profit for the period		**379.4**	**236.2**
Profit attributable to:			
Shareholders		384.8	239.6
Non-controlling interests		–5.4	–3.3
Earnings / loss per share:	10.1		
Basic (CHF)		8.48	5.29
Diluted (CHF)		8.47	5.29

Consolidated statement of comprehensive income

CHF million	Note	2024	2023
Profit for the period		**379.4**	**236.2**
Other comprehensive income			
Items not to be reclassified to the income statement			
Change in reserves arising from reclassification of investment property		0.0	0.1
Change in reserves arising from assets and liabilities of post-employment benefits (defined benefit plans)		–12.2	–55.1
Change in other reserves on equity instruments at FVOCI		–14.1	1.2
Total items not to be reclassified to the income statement	**9.5**	**–26.3**	**–53.7**
Items to be reclassified to the income statement			
Change in other reserves on associates and joint ventures		–3.6	–2.2
Change in hedging reserves for derivative financial instruments held as hedges of a net investment in a foreign operation		–71.9	77.2
Change in other reserves on debt investments at FVOCI		94.0	266.0
Change in other reserves on loans at FVOCI		8.5	22.6
Insurance finance income and expenses from insurance contracts		181.1	–63.6
Insurance finance income and expenses from reinsurance contracts		–38.1	–0.5
Exchange differences of foreign operations		173.9	–328.1
Total items to be reclassified to the income statement	**9.5**	**343.9**	**–28.6**
Total other comprehensive income	**9.5**	**317.5**	**–82.3**
Comprehensive income		**696.9**	**154.0**
Attributable to:			
Shareholders		702.2	157.4
Non-controlling interests		–5.3	–3.5

Consolidated balance sheet

CHF million	Note	31.12.2024	31.12.2023
Assets			
Property, plant and equipment	9.1	540.2	636.1
Intangible assets	9.2	200.6	214.8
Investments in associates and joint ventures	10.2.3	312.1	318.1
Investment property	4.2.1	7,706.7	8,248.6
Financial instruments with characteristics of equity	4.2	16,613.7	14,932.9
Recognised at fair value through OCI (FVOCI)		339.4	336.7
Recognised at fair value through profit or loss (FVPL)		16,274.3	14,596.2
Financial instruments with characteristics of debt	4.2	32,605.3	32,153.4
Recognised at amortised cost (AC)		155.9	125.0
Recognised at fair value through OCI (FVOCI)		6,315.1	5,654.7
Recognised at fair value through profit or loss (FVPL)		26,134.4	26,373.7
Mortgages and loans	4.2	16,089.3	15,602.3
Recognised at amortised cost (AC)		11,020.3	10,138.4
Recognised at fair value through OCI (FVOCI)		504.1	555.0
Recognised at fair value through profit or loss (FVPL)		4,564.9	4,909.0
Derivative financial instruments	4.2	902.8	1,072.6
Insurance contract assets	3.4	29.4	68.4
Reinsurance contract assets	3.5	1,171.7	450.5
Receivables from employee benefits	6.1	6.0	6.3
Financial receivables	4.2	607.1	727.2
Deferred tax assets	7.3	208.1	207.1
Current income tax assets		45.5	57.7
Other assets	9.3	103.6	100.3
Cash and cash equivalents	4.2	2,714.4	2,985.3
Non-current assets and disposal groups classified as held for sale	10.2.5	120.5	91.1
Total assets		**79,976.9**	**77,872.8**

CHF million	Note	31.12.2024	31.12.2023
Equity and liabilities			
Equity			
Share capital	9.4	4.6	4.6
Capital reserves		398.4	378.6
Treasury shares		–40.5	–48.8
Other reserves	9.5	–1,581.1	–1,892.6
Retained earnings		4,848.3	4,808.3
Equity before non-controlling interests		**3,629.7**	**3,250.0**
Non-controlling interests		6.7	9.3
Total equity		**3,636.3**	**3,259.3**
Liabilities			
Insurance contract liabilities	3.4	49,506.2	49,819.5
Reinsurance contract liabilities	3.5	9.0	2.5
Liabilities arising from financial contracts	4.3.2	22,182.1	19,936.3
Recognised at amortised cost (AC)		8,890.3	8,123.3
Recognised at fair value through profit or loss (FVPL)		13,291.8	11,813.1
Financial liabilities	5.2	2,388.8	2,391.3
Non-technical provisions	9.6	114.0	111.9
Derivative financial instruments	4.2.5	161.5	83.4
Liabilities arising from employee benefits	6.1	655.9	635.5
Deferred tax liabilities	7.3	542.6	419.4
Current income tax liabilities		57.6	56.5
Other liabilities and other financial liabilities		676.9	1,002.4
Liabilities included in non-current assets and disposal groups classified as held for sale	10.2.5	45.8	154.7
Total liabilities		**76,340.5**	**74,613.5**
Total equity and liabilities		**79,976.9**	**77,872.8**

Consolidated statement of changes in equity

2024	Share capital	Capital reserves	Treasury shares	Other reserves	Retained earnings	Equity before non-controlling interests	Non-controlling interests	Total equity
CHF million								
Balance as at 1 January	**4.6**	**378.6**	**–48.8**	**–1,892.6**	**4,808.3**	**3,250.0**	**9.3**	**3,259.3**
Profit/loss for the period	–	–	–	–	384.8	**384.8**	–5.4	**379.4**
Other comprehensive income	–	–	–	317.4	–	**317.4**	0.1	**317.5**
Comprehensive income	**–**	**–**	**–**	**317.4**	**384.8**	**702.2**	**–5.3**	**696.9**
Other reserves transferred directly to retained earnings	–	–	–	–5.9	5.9	**–**	–	**–**
Dividend	–	–	–	–	–349.1	**–349.1**	–	**–349.1**
Capital increase/repayment	–	–	–	–	–	**–**	–	**–**
Purchase of treasury shares	–	–	–28.3	–	–	**–28.3**	–	**–28.3**
Sale of treasury shares	–	34.2	13.5	–	–	**47.7**	–	**47.7**
Purchase and sale of options on treasury shares	–	8.9	–	–	–	**8.9**	–	**8.9**
Share-based payments	–	–0.1	–	–	–	**–0.1**	1.3	**1.1**
Allocation of treasury shares as part of share-based remuneration programmes	–	–23.1	23.1	–	–	**–**	–	**–**
Increase/decrease in non-controlling interests due to change in the scope of consolidation	–	–	–	–	–	**–**	–	**–**
Increase/decrease in non-controlling interests due to change in the percentage of share-holding	–	–	–	–	–1.4	**–1.4**	1.4	**–**
Balance as at 31 December	**4.6**	**398.4**	**–40.5**	**–1,581.1**	**4,848.3**	**3,629.7**	**6.7**	**3,636.3**

2023	Share capital	Capital reserves	Treasury shares	Other reserves	Retained earnings	Equity before non-controlling interests	Non-controlling interests	Total equity
CHF million								
Balance as at 1 January	**4.6**	**377.3**	**–71.6**	**–1,803.3**	**4,898.2**	**3,405.2**	**12.2**	**3,417.4**
Profit / loss for the period	–	–	–	–	239.6	**239.6**	–3.3	**236.2**
Other comprehensive income	–	–	–	–82.2	–	**–82.2**	–0.1	**–82.3**
Comprehensive income	**–**	**–**	**–**	**–82.2**	**239.6**	**157.4**	**–3.5**	**154.0**
Other reserves transferred directly to retained earnings	–	–	–	–7.1	7.1	**0.0**	–	**0.0**
Dividend	–	–	–	–	–335.3	**–335.3**	–0.4	**–335.7**
Capital increase / repayment	–	–	–	–	–	**–**	–	**–**
Purchase of treasury shares	–	–	–33.3	–	–	**–33.3**	–	**–33.3**
Sale of treasury shares	–	25.5	28.7	–	–	**54.1**	–	**54.1**
Purchase and sale of options on treasury shares	–	0.1	–	–	–	**0.1**	–	**0.1**
Share-based payments	–	3.2	–	–	–	**3.2**	0.8	**4.0**
Allocation of treasury shares as part of share-based remuneration programmes	–	–27.4	27.4	–	–	**–**	–	**–**
Increase / decrease in non-controlling interests due to change in the scope of consolidation	–	–	–	–	0.3	**0.3**	–1.4	**–1.1**
Increase / decrease in non-controlling interests due to change in the percentage of share-holding	–	–	–	–	–1.6	**–1.6**	1.6	**–**
Balance as at 31 December	**4.6**	**378.6**	**–48.8**	**–1,892.6**	**4,808.3**	**3,250.0**	**9.3**	**3,259.3**

Consolidated cash flow statement

CHF million	Note	2024	2023
Cash flow from operating activities			
Profit before taxes		520.5	318.2
Adjustments for			
Depreciation, amortisation and impairment of property, plant and equipment and of intangible assets	8.4	73.5	76.0
Realised gains and losses on property, plant and equipment and on intangible assets		3.9	–0.1
Share of profit (loss) of associates and joint ventures		14.8	20.7
Realised gains and losses on financial assets and investment property		–2,055.7	–2,555.4
Profit and loss from owner-occupied properties FVPL		6.5	16.0
Change in expected credit loss		–2.3	–2.2
Share-based payments		1.1	4.0
Other non-cash income and expenses		–9.4	–36.4
Change in assets and liabilities from operating activities			
Insurance contract assets and liabilities		–319.1	1,126.8
Reinsurance contract assets and liabilities		–846.5	108.8
Liabilities arising from financial contracts		2,128.0	675.4
Financial receivables		121.5	–164.5
Change in other assets and other liabilities		–270.3	232.6
Change in operating assets and liabilities			
Purchase and sale of owner-occupied properties FVPL		–2.0	–2.9
Purchase and sale of investment property	4.2.1	566.6	269.6
Purchase and sale of financial instruments with characteristics of equity		–89.1	1,589.7
Purchase and sale of financial instruments with characteristics of debt		681.9	–270.8
Addition and disposal of mortgages and loans		–285.3	–892.0
Addition and disposal of derivative financial instruments		–75.2	–8.4
Borrowing costs	5.1	24.9	26.2
Taxes paid		–65.6	–35.9
Cash flow from operating activities		**122.6**	**495.5**
Cash flow from investing activities			
Purchase of property, plant and equipment	9.1	–28.9	–16.2
Sale of property, plant and equipment		7.9	0.6
Purchase of intangible assets	9.2	–36.0	–40.1
Sale of intangible assets		6.7	2.2
Acquisition of companies, net of cash and cash equivalents		–	–145.8
Disposal of companies, net of cash and cash equivalents	10.2.1	–0.3	16.0
Purchase of investments in associates and joint ventures		–21.9	–17.9
Sale of investments in associates and joint ventures		1.7	2.4
Dividends from associates and joint ventures		8.2	7.2
Cash flow from investing activities		**–62.5**	**–191.6**

CHF million	Note	2024	2023
Cash flow from financing activities			
Additions to financial liabilities[1]	5.2.1	150.0	274.9
Disposals of financial liabilities[1]	5.2.1	– 150.0	– 525.0
Borrowing costs paid	5.2.1	– 15.4	– 19.8
Repayment of lease liabilities	5.2.2	– 11.7	– 12.3
Purchase of treasury shares		– 28.3	– 33.3
Sale of treasury shares		47.7	54.1
Purchase and sale of options on treasury shares		8.9	0.1
Dividends attributable to non-controlling interests		–	– 0.4
Dividends paid		– 349.1	– 335.3
Cash flow from financing activities		**– 347.8**	**– 596.9**
Total cash flow		**– 287.8**	**– 293.1**
Cash and cash equivalents			
Balance as at 1 January		2,985.3	3,370.8
Change during the financial year		– 287.8	– 293.1
Reclassification to non-current assets and disposal groups classified as held for sale		– 10.3	–
Effect of changes in exchange rates on cash and cash equivalents		27.2	– 92.5
Balance as at 31 December		**2,714.4**	**2,985.3**
Breakdown of cash and cash equivalents at the balance sheet date			
Cash and bank balances		1,927.4	2,068.9
Cash equivalents		0.1	0.1
Cash and cash equivalents for the account and at the risk of customers and third parties		786.9	916.3
Balance as at 31 December		**2,714.4**	**2,985.3**
of which: restricted cash and cash equivalents		68.7	188.2
Supplemental disclosures on cash flow from operating activities			
Interest received		690.7	854.7
Dividends received		23.1	36.4
Interest paid		– 46.0	– 25.8

1 The prior-year figures have been adjusted.

Notes to the consolidated annual financial statements

1. General comments

1.1 Basis of preparation

The Baloise Group is a European direct insurer operating in virtually every segment of the life and non-life insurance business.Its holding company is Baloise Holding Ltd, a Swiss corporation based in Basel whose shares are listed in the Regulatory Standard for Equity Securities (Sub-Standard: International Reporting) of the SIX Swiss Exchange. Its subsidiaries are active in the direct insurance markets in Switzerland, Liechtenstein, Germany, Belgium and Luxembourg. Its banking business is conducted by subsidiaries in Switzerland. In addition, the Baloise Group has several fund management companies in Luxembourg.

The amounts shown in the consolidated financial statements are stated in Swiss francs (CHF). The reporting year is the same as the calendar year. The consolidated financial statements are prepared in accordance with IFRS accounting standards. Financial instruments and the insurance business are predominantly measured at fair value through other comprehensive income or at fair value through profit or loss. Other assets and liabilities are generally measured at historical cost.

All amounts shown in these consolidated annual financial statements are stated in millions of Swiss francs (CHF million) and have been rounded to one decimal place. Consequently, the sum total of amounts that have been rounded may in isolated cases differ from the rounded total shown in this report.

At its meeting on 20 March 2025 the Baloise Holding Ltd Board of Directors approved the annual financial statements and the financial report and authorised them for issue. The financial statements have yet to be approved by the Annual General Meeting of Baloise Holding Ltd.

IFRS 9 and IFRS 17 contain numerous technical terms that, in practice, are often used only in their abbreviated form. The Baloise Group uses the most common abbreviations, which are set out below:

List of abbreviations IFRS

Abbreviation	Original English term
AC	amortised cost
CF	cash flow
CSM	contractual service margin
CU	coverage unit
DAC	deferred acquisition costs
DPF	discretionary participation feature
EaD	exposure at default
ECL	expected credit loss
ESG	environmental, social and governance
FRA	full retrospective approach
FCF	fulfilment cash flows
FV	fair value
FVA	fair value approach
FVOCI	fair value through OCI
FVPL	fair value through profit or loss
GIC	groups of insurance contracts
GMM	general measurement model
IACF	insurance acquisition cash flows
IFIE	insurance finance income or expenses
LC	loss component
LGD	loss given default

LIC	liability for incurred claims
LRC	liability for remaining coverage
LORECO	loss recovery component
MRA	modified retrospective approach
OCI	other comprehensive income
PAA	premium allocation approach
PD	probability of default
PIC	portfolios of insurance contracts
POCI	purchased or originated credit-impaired
PVFCF	present value of future cash flows
RA	risk adjustment
SPPI	solely payments of principal and interest
VFA	variable fee approach

1.2 Application of new financial reporting standards

1.2.1 Newly applied IFRS and interpretations

The following amendments to the financial reporting standards must be applied from 1 January 2024 although they have no impact on the Baloise Group's consolidated financial statements as at 31 December 2024:

- IAS 1 "Classification of Liabilities as Current or Non-current"
- IAS 1 "Non-current Liabilities with Covenants"
- IFRS 16 "Lease Liability in a Sale and Leaseback"
- AS 7 and IFRS 7 "Supplier Finance Arrangements"

1.2.2 Early application of amendments

IFRS 7/9 Amendments regarding the classification and measurement of financial instruments

The application notes now provide a more precise definition of the criteria for determining whether a financial asset satisfies the SPPI criterion. They clarify that assets with ESG-linked or similar features that relate to borrower-specific conditions – but not general market conditions – meet the SPPI test under certain conditions.

The early application of the amendments to the classification of financial instruments (IFRS 9.4.1) resulted, on a small scale, in the reclassification of financial instruments with characteristics of liabilities (ESG bonds) from measurement at fair value through profit or loss (FVPL) to measurement at fair value through other comprehensive income (FVOCI). Only the application notes on the classification of financial instruments and their disclosure requirements were applied early. The new disclosure requirements regarding financial instruments with characteristics of equity measured at FVOCI were not applied early (IFRS 9.7.1.13).

1.2.3 IFRSs and interpretations not yet applied

The following new standards and interpretations relevant to the Baloise Group have been published by the IASB but have not yet come into effect. With the exception of the application notes on the classification of financial instruments, they were not yet applied in the 2024 consolidated annual financial statements:

Standard / Interpretation	Content	Applicable to annual periods beginning on or after:
IAS 21	Lack of Exchangeability	01.01.2025
IFRS 7 /9	Amendments to the Classification and Measurement of Financial Instruments	01.01.2026
IFRS 18	Presentation and Disclosure in Financial Statements	01.01.2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01.01.2027

IFRS 7/9 Amendments regarding the classification and measurement of financial instruments

In addition to the application notes on the classification of financial instruments, new disclosure requirements regarding financial instruments with characteristics of equity measured at FVOCI were introduced. Only the application notes on the classification of financial instruments were applied early. The new disclosure requirements regarding financial instruments with characteristics of equity measured at FVOCI were not applied early (IFRS 9.7.1.13).

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 was published by the IASB on 9 April 2024 and is required to be applied to annual periods beginning on or after 1 January 2027. IFRS 18 replaces IAS 1 Presentation of Financial Statements. In particular, the standard introduces three specific categories for the structure of the income statement (operating, investing and financing) plus defined subtotals. IFRS 18 also sets out principles for aggregation and disaggregation in the annual financial statements. The impact of IFRS 18 on Baloise is currently being analysed. Based on an initial assessment, adjustments to the presentation of the consolidated income statement and cash flow statement are expected, along with adjustments to individual disclosures in the notes to the consolidated financial statements.

2. Segment information

The Baloise Group organises its operating activities into strategic business units, which are generally combined under a single management team for each region. The financial and management information needed for all relevant executive decisions is held by these strategic business units. This is also the organisational level at which the chief operating decision-makers are situated. Regardless of where they are headquartered, all Baloise Group entities are therefore assigned to one of the reportable segments

- Switzerland
- Germany
- Belgium
- Luxembourg

The "Luxembourg" segment also includes the Baloise Life Liechtenstein unit.

The "Group business" segment comprises the units engaged in intercompany reinsurance and financing, Group IT, the holding companies, the German hospital liability business, which has been transferred to the Group's run-off portfolio, plus a portfolio of variable annuities products.

The revenue generated by the Baloise Group is broken down into the "Non-Life", "Life", "Asset Management & Banking" and "Other Activities" operating segments.

The Non-Life operating segment offers accident and health insurance as well as products relating to liability, motor, property and marine insurance. These products are tailored to the specific needs of our customers – primarily retail clients – and the core competences of the relevant companies in the Baloise Group.

The Life operating segment provides individuals and companies with a wide range of endowment policies, term insurance, investment-linked products and private placement life insurance.

The Asset Management & Banking operating segment encompasses banking-related areas of asset management as well as the actual banking area.

The Other Activities operating segment includes equity investment companies, real estate firms and financing companies.

Reporting units that do not operate insurance business were reclassified from the Life operating segment to the Other Activities operating segment in the reporting period. The prior-year figures have therefore been adjusted.

The accounting policies applied to the presentation of the segment reporting are those used throughout the financial report. No intersegment relationships recognised either on the balance sheet or in the income statement – with the exception of income from long-term equity investments – are offset against each other.

2.1 Segment reporting by strategic business unit

	Switzerland		Germany		Belgium		Luxembourg	
	2024	2023	2024	2023	2024	2023	2024	2023
CHF million								
Insurance revenue	2,532.2	2,440.4	1,121.8	1,066.0	1,676.7	1,690.3	182.7	172.6
Insurance service expenses	-2,159.3	-2,169.3	-934.4	-878.7	-1,339.9	-1,392.7	-184.6	-145.6
Insurance service result from reinsurance contracts	-57.3	-68.1	-39.3	-54.4	-61.1	-69.7	-8.9	-3.5
Insurance service result	**315.6**	**202.9**	**148.1**	**132.9**	**275.7**	**227.9**	**-10.8**	**23.6**
Insurance finance income and expenses from insurance contracts	-1,227.6	-1,651.6	-389.4	-573.5	-246.6	-517.7	-69.8	-87.8
Insurance finance income and expenses from reinsurance contracts	0.8	2.0	4.7	7.0	8.9	17.1	1.3	5.5
Insurance finance income and expenses	**-1,226.8**	**-1,649.6**	**-384.7**	**-566.5**	**-237.7**	**-500.6**	**-68.5**	**-82.3**
Interest revenue calculated using the effective interest method	235.1	224.6	24.7	23.3	58.8	54.6	6.9	5.6
Investment income	618.0	642.5	142.5	150.8	143.5	160.6	17.5	16.6
Realised gains and losses on investments	667.0	1,019.7	231.3	411.1	97.3	336.2	1,013.5	803.5
Change in expected credit loss	1.9	2.1	0.1	0.1	-0.2	0.0	0.5	-0.1
Result from financial contracts	-112.8	-112.3	-1.5	7.3	-25.7	-17.8	-925.8	-720.0
Result from investments and financial contracts	**1,409.3**	**1,776.5**	**397.3**	**592.6**	**273.7**	**533.7**	**112.5**	**105.7**
Income from services rendered	120.6	117.2	32.7	32.7	8.4	9.7	1.5	1.9
Other operating income	70.2	83.3	36.3	19.1	21.0	17.2	30.2	3.6
Other operating expenses	-314.2	-328.8	-131.4	-122.6	-183.3	-175.5	-30.4	-34.3
Share of profit (loss) of associates and joint ventures	-14.8	-21.1	9.1	7.2	-4.6	-0.6	-0.1	-
Profit and loss from owner-occupied properties FVPL	-1.3	-14.3	-5.1	-1.7	-	-	-	-
Profit / loss before borrowing costs and taxes	**358.5**	**166.2**	**102.2**	**93.6**	**153.3**	**111.7**	**34.4**	**18.2**
Income between segments	-42.0	-39.6	-22.0	-16.6	-15.3	-11.5	-3.0	-3.0
Borrowing costs	-4.8	-7.4	0.0	0.0	0.0	0.0	-0.3	-0.4
Profit / loss before taxes	**353.7**	**158.9**	**102.2**	**93.6**	**153.3**	**111.7**	**34.0**	**17.8**
Income taxes	-56.6	-21.7	-35.1	-35.2	-37.8	-35.3	-7.8	-1.5
Profit / loss for the period (segment result)	**297.1**	**137.2**	**67.1**	**58.4**	**115.5**	**76.4**	**26.3**	**16.3**
Segment assets as at 31 December	43,996.9	43,508.0	10,217.9	9,978.5	11,371.2	11,358.6	14,015.9	12,675.4

Sub-total		Group business		Eliminated		Total		
2024	2023	2024	2023	2024	2023	2024	2023	CHF million
5,513.4	5,369.3	164.7	205.8	–121.3	–162.7	5,556.8	5,412.4	Insurance revenue
–4,618.2	–4,586.4	–179.8	–207.2	116.3	126.6	–4,681.7	–4,666.9	Insurance service expenses
–166.6	–195.6	2.1	2.8	5.9	41.1	–158.7	–151.8	Insurance service result from reinsurance contracts
728.5	**587.3**	**–13.1**	**1.4**	**0.9**	**5.0**	**716.4**	**593.7**	**Insurance service result**
–1,933.4	–2,830.5	–10.5	–9.8	6.1	7.1	–1,937.8	–2,833.2	Insurance finance income and expenses from insurance contracts
15.8	31.6	0.5	2.9	–5.9	–7.7	10.4	26.8	Insurance finance income and expenses from reinsurance contracts
–1,917.6	**–2,798.9**	**–10.0**	**–6.9**	**0.1**	**–0.6**	**–1,927.5**	**–2,806.4**	**Insurance finance income and expenses**
325.6	308.2	26.1	23.3	–41.0	–34.7	310.7	296.8	Interest revenue calculated using the effective interest method
921.5	970.6	0.1	0.0	–	–	921.6	970.6	Investment income
2,009.1	2,570.4	46.5	–15.0	–	–	2,055.7	2,555.4	Realised gains and losses on investments
2.3	2.1	0.0	0.0	–	–	2.3	2.2	Change in expected credit loss
–1,065.8	–842.9	–65.6	–34.8	41.2	35.0	–1,090.2	–842.7	Result from financial contracts
2,192.7	**3,008.4**	**7.0**	**–26.5**	**0.2**	**0.3**	**2,200.0**	**2,982.2**	**Result from investments and financial contracts**
163.3	161.4	168.1	158.9	–189.0	–178.7	142.4	141.7	Income from services rendered
157.7	123.1	48.0	72.7	–38.3	–34.2	167.3	161.6	Other operating income
–659.4	–661.1	–298.7	–238.7	226.1	208.1	–732.0	–691.7	Other operating expenses
–10.4	–14.5	–4.4	–6.3	–	–	–14.8	–20.7	Share of profit (loss) of associates and joint ventures
–6.5	–16.0	–	–	–	–	–6.5	–16.0	Profit and loss from owner-occupied properties FVPL
648.4	**389.8**	**–103.1**	**–45.4**	**–**	**–**	**545.3**	**344.4**	**Profit / loss before borrowing costs and taxes**
–82.3	–70.7	–184.9	–209.8	267.2	280.5	–	–	Income between segments
–5.2	–7.7	–19.7	–18.5	–	–	–24.9	–26.2	Borrowing costs
643.2	**382.0**	**–122.7**	**–63.8**	**–**	**–**	**520.5**	**318.2**	**Profit / loss before taxes**
–137.3	–93.7	–3.8	11.8	–	–	–141.1	–81.9	Income taxes
505.9	**288.3**	**–126.6**	**–52.0**	**–**	**–**	**379.4**	**236.2**	**Profit / loss for the period (segment result)**
79,601.9	77,520.6	2,819.6	2,419.5	–2,444.7	–2,067.3	79,976.9	77,872.8	Segment assets as at 31 December

2.2 Segment reporting by operating segment

	Non-Life		Life [1]		Asset Management & Banking	
	2024	2023	2024	2023	2024	2023
CHF million						
Insurance revenue	4,101.3	4,020.8	1,461.7	1,399.4	–	–
Insurance service expenses	–3,497.0	–3,555.4	–1,190.2	–1,118.9	–	–
Insurance service result from reinsurance contracts	–183.4	–143.4	23.8	–8.8	–	–
Insurance service result	**421.0**	**321.9**	**295.3**	**271.8**	**–**	**–**
Insurance finance income and expenses from insurance contracts	–101.3	–104.3	–1,836.7	–2,729.0	–	–
Insurance finance income and expenses from reinsurance contracts	7.0	24.1	3.5	2.8	–	–
Insurance finance income and expenses	**–94.3**	**–80.2**	**–1,833.1**	**–2,726.3**	**–**	**–**
Interest revenue calculated using the effective interest method	149.5	133.0	19.1	21.2	148.5	140.3
Investment income	58.5	64.0	859.2	903.2	0.6	0.5
Realised gains and losses on investments	13.8	–68.8	1,985.3	2,617.0	20.5	18.4
Change in expected credit loss	4.0	0.1	0.1	0.0	0.2	1.1
Result from financial contracts	–15.2	–15.1	–966.2	–759.5	–86.1	–69.0
Result from investments and financial contracts	**210.6**	**113.2**	**1,897.5**	**2,781.9**	**83.8**	**91.4**
Income from services rendered	76.7	82.1	15.2	14.8	184.4	162.8
Other operating income	63.9	82.8	89.0	50.8	22.0	14.7
Other operating expenses	–412.4	–383.4	–180.0	–180.8	–200.9	–186.5
Share of profit (loss) of associates and joint ventures	–4.3	–2.4	4.8	6.9	–0.2	–0.1
Profit and loss from owner-occupied properties FVPL	–	–	–6.5	–16.0	–	–
Profit / loss before borrowing costs and taxes	**261.1**	**134.0**	**282.3**	**203.1**	**89.1**	**82.3**
Borrowing costs	–0.5	–0.5	–0.1	0.0	0.0	0.0
Profit / loss before taxes	**260.6**	**133.5**	**282.2**	**203.1**	**89.1**	**82.2**
Income taxes	–79.9	–44.4	–52.0	–34.8	–12.3	–12.6
Profit / loss for the period (segment result)	**180.7**	**89.1**	**230.2**	**168.3**	**76.8**	**69.6**

1 The prior-year figures have been adjusted owing to the reclassification of reporting units that do not operate direct life insurance business, and are not part of the underlying items, to the Other Activities operating segment.

Other activities [1]		Eliminated		Total		
2024	2023	2024	2023	2024	2023	CHF million
–	–	– 6.3	– 7.8	5,556.8	5,412.4	Insurance revenue
–	–	5.5	7.4	– 4,681.7	– 4,666.9	Insurance service expenses
–	–	0.9	0.5	– 158.7	– 151.8	Insurance service result from reinsurance contracts
–	**–**	**0.1**	**0.0**	**716.4**	**593.7**	**Insurance service result**
–	–	0.1	0.1	– 1,937.8	– 2,833.2	Insurance finance income and expenses from insurance contracts
–	–	– 0.2	– 0.1	10.4	26.8	Insurance finance income and expenses from reinsurance contracts
–	**–**	**0.0**	**0.0**	**– 1,927.5**	**– 2,806.4**	**Insurance finance income and expenses**
34.9	35.3	– 41.3	– 32.9	310.7	296.8	Interest revenue calculated using the effective interest method
3.3	2.8	–	–	921.6	970.6	Investment income
36.0	– 11.2	–	0.0	2,055.7	2,555.4	Realised gains and losses on investments
– 2.1	0.9	–	–	2.3	2.2	Change in expected credit loss
– 64.3	– 32.4	41.5	33.3	– 1,090.2	– 842.7	Result from financial contracts
7.9	**– 4.5**	**0.2**	**0.3**	**2,200.0**	**2,982.2**	**Result from investments and financial contracts**
155.3	150.7	– 289.3	– 268.8	142.4	141.7	Income from services rendered
36.5	53.5	– 44.0	– 40.2	167.3	161.6	Other operating income
– 271.7	– 249.5	333.0	308.6	– 732.0	– 691.7	Other operating expenses
– 15.1	– 25.1	–	–	– 14.8	– 20.7	Share of profit (loss) of associates and joint ventures
–	–	–	–	– 6.5	– 16.0	Profit and loss from owner-occupied properties FVPL
– 87.1	**– 75.0**	**–**	**–**	**545.3**	**344.4**	**Profit / loss before borrowing costs and taxes**
– 24.2	– 25.6	–	–	– 24.9	– 26.2	Borrowing costs
– 111.4	**– 100.7**	**–**	**–**	**520.5**	**318.2**	**Profit / loss before taxes**
3.0	9.9	–	–	– 141.1	– 81.9	Income taxes
– 108.4	**– 90.7**	**–**	**–**	**379.4**	**236.2**	**Profit / loss for the period (segment result)**

3. Insurance business

3.1 Insurance revenue and insurance service expenses

3.1.1 Insurance revenue

CHF million	2024	2023
Insurance revenue from non-life contracts	**4,095.0**	**4,013.0**
Measured with PAA	4,095.0	4,013.0
Measured with GMM	–	–
Insurance revenue from life insurance contracts	**1,461.7**	**1,399.4**
Measured with VFA	1,322.2	1,255.9
Measured with GMM	139.5	143.5
Insurance revenue	**5,556.8**	**5,412.4**

Insurance revenue non-life

Insurance revenue from non-life contracts amounted to CHF 4,095.0 million (previous year: CHF 4,013.0 million) and was generated solely from contracts measured using the premium allocation approach.

Insurance revenue life

The following table shows revenue from life insurance contracts measured using the variable fee approach:

CHF million	2024	2023
Expected incurred claims and other expected insurance service expenses	1,043.2	1,102.3
Release risk adjustment for non-financial risk	3.4	3.0
CSM for the service provided in the period (release)	248.5	224.3
Other	–145.0	–226.6
Change in the liability for remaining coverage	**1,150.1**	**1,103.0**
Recovery of insurance acquisition cash flows	172.1	152.9
Total insurance revenue from life insurance contracts (VFA)	**1,322.2**	**1,255.9**

The following table shows revenue from life insurance contracts measured using the general measurement model:

CHF million	2024	2023
Expected incurred claims and other expected insurance service expenses	108.3	111.0
Release risk adjustment for non-financial risk	– 0.7	6.3
CSM for the service provided in the period (release)	35.6	28.0
Other	– 6.0	– 6.8
Change in the liability for remaining coverage	**137.1**	**138.5**
Recovery of insurance acquisition cash flows	2.4	5.1
Total insurance revenue from life insurance contracts (GMM)	**139.5**	**143.5**

3.1.2 Insurance service expenses

CHF million	2024	2023
Insurance service expenses from non-life contracts	**– 3,491.5**	**– 3,548.1**
Measured with PAA	– 3,491.5	– 3,548.1
Measured with GMM	–	–
Insurance service expenses from life insurance contracts	**– 1,190.2**	**– 1,118.9**
Measured with VFA	– 1,061.7	– 1,014.6
Measured with GMM	– 128.5	– 104.3
Insurance service expenses	**– 4,681.7**	**– 4,666.9**

3.1.3 Insurance service result from reinsurance contracts

CHF million	2024	2023
Insurance service result from non-life reinsurance contracts	**– 183.4**	**– 143.4**
Measured with PAA	– 183.4	– 143.4
Measured with GMM	–	–
Insurance service result from life reinsurance contracts	**24.7**	**– 8.3**
Measured with PAA	– 1.8	– 1.3
Measured with GMM	26.5	– 7.0
Insurance service result from reinsurance contracts	**– 158.7**	**– 151.8**

3.1.4 Expected recognition of the contractual service margin

Expected recognition of the contractual service margin for insurance contracts in profit or loss
The table below shows the expected recognition of the CSM in profit or loss for the individual portfolios according to the latest projection. In addition to the effect of the release, the CSM also changes due to the interest expected to be accreted on it. Such interest increases the CSM. The table shows the total combined change resulting from these two effects. Consequently, the table cannot be used to draw direct conclusions about future earnings.

			2024			2023
Life	**VFA**	**GMM**	**Total**	**VFA**	**GMM**	**Total**
CHF million						
< 5 years	855.1	85.2	**940.3**	789.8	104.5	**894.2**
6 – 10 years	805.4	91.0	**896.3**	784.8	82.0	**866.7**
11 – 15 years	682.7	96.5	**779.1**	671.3	83.9	**755.2**
16 – 20 years	549.7	85.8	**635.5**	537.7	74.3	**611.9**
> 20 years	1,571.5	179.4	**1,750.9**	1,572.3	164.3	**1,736.6**
Total	**4,464.3**	**537.8**	**5,002.1**	**4,355.8**	**509.0**	**4,864.8**

Expected recognition of the contractual service margin for reinsurance contracts in profit or loss
The table below shows the expected recognition of the CSM in profit or loss for the individual portfolios according to the latest projection. In addition to the effect of the release, the CSM also changes due to the interest expected to be accreted on it. Such interest increases the CSM. The table shows the total combined change resulting from these two effects. Consequently, the table cannot be used to draw direct conclusions about future earnings.

Life	**2024**	**2023**
CHF million		
< 5 years	11.1	– 24.5
6 – 10 years	– 12.5	– 19.3
11 – 15 years	– 44.4	– 37.5
16 – 20 years	– 66.9	– 52.5
> 20 years	– 338.9	– 249.6
Total	**– 451.7**	**– 383.3**

For the purpose of the above table, a CSM balance with a negative sign represents an asset and any release of such asset represents an expense.

3.2 Insurance finance income or expenses

The net finance income or expenses from insurance and reinsurance business relates as follows to the net investment income generated by the Baloise Group:

2024	Non-life	Life	Total
CHF million			
Comprehensive income from underlying items and other assets backing insurance contracts			
Result from investments	203.5	1,898.3	**2,101.8**
of which: interest revenue calculated using the effective interest method	127.1	18.5	**145.6**
of which: investment income	58.5	706.3	**764.8**
of which: realised gains and losses on investments	13.8	1,173.4	**1,187.2**
of which: change in expected credit loss	4.0	0.1	**4.1**
Share of profit (loss) of associates and joint ventures	–4.3	–0.9	**–5.2**
Gains and losses on owner-occupied properties FVPL	–	–6.5	**–6.5**
Result from other underlying items	–	–10.1	**–10.1**
Total return from underlying items and other assets backing insurance contracts	**199.2**	**1,880.9**	**2,080.1**
Gains and losses recognised in OCI	81.6	35.5	**117.1**
Comprehensive income from underlying items and other assets backing insurance contracts	**280.8**	**1,916.4**	**2,197.2**
Insurance finance income or expenses from insurance contracts			
Change in fair value of underlying items	–	–1,673.1	**–1,673.1**
Interest accreted	–140.8	–261.8	**–402.6**
Effect of changes in interest rates and other financial assumptions	174.5	186.2	**360.7**
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	–	30.2	**30.2**
Net foreign exchange effect	–1.4	–0.3	**–1.7**
Insurance finance income or expenses from insurance contracts	**32.3**	**–1,718.8**	**–1,686.5**
of which: recognised in profit or loss	–101.2	–1,836.7	**–1,937.8**
of which: recognised in other comprehensive income	133.5	117.9	**251.3**
Insurance finance income or expenses from reinsurance contracts			
Interest accreted	14.4	–5.6	**8.8**
Effect of changes in interest rates and other financial assumptions	–36.7	–29.7	**–66.3**
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	–	12.3	**12.3**
Net foreign exchange effect	0.0	0.0	**0.0**
Insurance finance income or expenses from reinsurance contracts	**–22.3**	**–22.9**	**–45.2**
of which: recognised in profit or loss	7.0	3.4	**10.4**
of which: recognised in other comprehensive income	–29.3	–26.3	**–55.6**
Total	**290.8**	**174.7**	**465.5**
of which: recognised in profit or loss	105.0	47.6	**152.6**
of which: recognised in other comprehensive income	185.8	127.1	**312.9**

2023	Non-life	Life	Total
CHF million			
Comprehensive income from underlying items and other assets backing insurance contracts			
Result from investments	113.4	2,750.4	**2,863.9**
of which: interest revenue calculated using the effective interest method	118.1	21.3	**139.4**
of which: investment income	64.0	856.7	**920.8**
of which: realised gains and losses on investments	–68.8	1,872.3	**1,803.5**
of which: change in expected credit loss	0.1	0.0	**0.1**
Share of profit (loss) of associates and joint ventures	–2.4	2.2	**–0.3**
Gains and losses on owner-occupied properties FVPL	–	–16.0	**–16.0**
Result from other underlying items	–	–6.2	**–6.2**
Total return from underlying items and other assets backing insurance contracts	**111.0**	**2,730.5**	**2,841.5**
Gains and losses recognised in OCI	348.2	–99.2	**249.0**
Comprehensive income from underlying items and other assets backing insurance contracts	**459.2**	**2,631.2**	**3,090.4**
Insurance finance income or expenses from insurance contracts			
Change in fair value of underlying items	–	–2,126.2	**–2,126.2**
Interest accreted	–145.4	–242.0	**–387.4**
Effect of changes in interest rates and other financial assumptions	–180.5	–302.1	**–482.6**
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	–	48.4	**48.4**
Net foreign exchange effect	0.4	26.6	**26.9**
Insurance finance income or expenses from insurance contracts	**–325.6**	**–2,595.3**	**–2,920.9**
of which: recognised in profit or loss	–104.2	–2,729.0	**–2,833.2**
of which: recognised in other comprehensive income	–221.4	133.7	**–87.7**
Insurance finance income or expenses from reinsurance contracts			
Interest accreted	28.2	–3.9	**24.3**
Effect of changes in interest rates and other financial assumptions	5.2	–4.6	**0.6**
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	–	1.3	**1.3**
Net foreign exchange effect	3.2	–0.2	**3.1**
Insurance finance income or expenses from reinsurance contracts	**36.7**	**–7.4**	**29.3**
of which: recognised in profit or loss	24.1	2.7	**26.8**
of which: recognised in other comprehensive income	12.6	–10.1	**2.5**
Total	**170.3**	**28.5**	**198.8**
of which: recognised in profit or loss	30.9	4.2	**35.1**
of which: recognised in other comprehensive income	139.4	24.4	**163.7**

3.3 Composition and fair values of underlying items

The following table shows the fair values of underlying items for life insurance contracts measured using the variable fee approach.

CHF million	31.12.2024	31.12.2023
Fair value of underlying items		
Investment property	5,989.7	6,286.7
Owner-occupied property (FVPL)	379.6	474.2
Investments[1]	236.9	179.5
Financial instruments with characteristics of equity	6,128.1	7,548.4
Financial instruments with characteristics of debt	17,392.4	15,837.5
Mortgages and loans	4,628.3	4,991.8
Derivative financial instruments	–60.4	168.8
Other	954.5	846.1
Total underlying items	**35,649.1**	**36,332.8**

1 Directly held long-term equity investments and investments in associates and joint ventures

3.4 Insurance contract assets and liabilities

The insurance contract assets and liabilities consist of the following:

	Insurance contract assets		Insurance contract liabilities	
as at 31.12.	**2024**	**2023**	**2024**	**2023**
CHF million				
Non-life contracts (PAA)	29.4	68.4	6,019.0	6,166.0
of which: liability for remaining coverage	–0.9	–2.4	972.0	1,019.0
of which: liability for incurred claims	30.3	70.8	5,067.5	5,179.3
of which: deferred acquisition costs (DAC)	–	–	–20.4	–32.3
Non-life contracts (GMM)	0.0	0.0	0.7	1.1
Total non-life	**29.4**	**68.4**	**6,019.7**	**6,167.1**
Life contracts (VFA)	–	–	36,191.2	36,219.3
Life contracts (GMM)	–	–	7,295.3	7,433.1
Total life	**–**	**–**	**43,486.5**	**43,652.4**
Total insurance contract assets and liabilities	**29.4**	**68.4**	**49,506.2**	**49,819.5**

In the non-life insurance business, the Baloise Group anticipates the following changes over time in respect of the deferred insurance acquisition cash flows:

Non-Life	**2024**	**2023**
CHF million		
< 1 year	14.3	24.0
1 – 2 years	5.0	7.0
2 – 3 years	1.0	1.1
3 – 4 years	0.1	0.2
4 – 5 years	–	–
> 5 years	–	–
Total	**20.4**	**32.3**

In the life insurance business, no insurance acquisition cash flows were recognised as at 31 December 2024 or as at 31 December 2023.

3.4.1 Non-life – Insurance contracts measured using the premium allocation approach

Reconciliation for remaining coverage and claims already incurred:

	Liability for remaining coverage		Liability for incurred claims		Deferred acquisition costs	Total
2024	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment		
CHF million						
Insurance contract assets	–2.4	–	70.1	0.7	–	**68.4**
Insurance contract liabilities	–959.4	–59.6	–5,009.0	–170.3	32.3	**–6,166.0**
Net balance as at 1 January	**–961.8**	**–59.6**	**–4,938.9**	**–169.6**	**32.3**	**–6,097.6**
Changes recognised in the statement of comprehensive income						
Insurance revenue	4,095.0	–	–	–	–	**4,095.0**
Insurance service expenses	–609.9	–1.5	–2,879.1	2.0	–3.0	**–3,491.5**
of which: incurred claims and other incurred service expenses	–	80.9	–2,688.6	–55.2	–	**–2,662.9**
of which: adjustments to the liability for incurred claims	–	–	–190.5	57.2	–	**–133.3**
of which: losses and reversals of losses on onerous contracts	–	–82.4	–	–	–	**–82.4**
of which: amortisation of insurance acquisition cash flows	–609.9	–	–	–	–	**–609.9**
of which: impairment and reversal of impairment of deferred acquisition costs	–	–	–	–	–3.0	**–3.0**
Insurance service result from insurance contracts	**3,485.2**	**–1.5**	**–2,879.1**	**2.0**	**–3.0**	**603.5**
Insurance finance income or expenses	–	–	34.4	–2.1	–	**32.3**
Exchange differences	–5.0	–0.2	–36.4	–1.0	0.2	**–42.4**
Changes recognised in the statement of comprehensive income	**3,480.1**	**–1.7**	**–2,881.2**	**–1.0**	**–2.8**	**593.4**
Premiums received	–4,065.8	–	–	–	–	**–4,065.8**
Claims and other insurance service expenses paid	–	–	3,086.7	–	–	**3,086.7**
Insurance acquisition cash flows paid	601.2	–	–	–	15.2	**616.3**
Other cash flows	–2.8	–	–	–	–	**–2.8**
Cash flows	**–3,467.5**	**–**	**3,086.7**	**–**	**15.2**	**–365.6**
Allocation from deferred acquisition costs to groups of insurance contracts	24.2	–	–	–	–24.2	**–**
Other movements[1]	3.3	10.2	–112.8	–20.3	–	**–119.7**
Net balance as at 31 December	**–921.6**	**–51.2**	**–4,846.2**	**–191.0**	**20.4**	**–5,989.6**
of which: insurance contract assets	–0.9	–	29.9	0.4	–	**29.4**
of which: insurance contract liabilities	–920.7	–51.2	–4,876.1	–191.4	20.4	**–6,019.0**

1 Includes the reclassification to non-current assets classified as held for sale.

2023	Liability for remaining coverage		Liability for incurred claims		Deferred acquisition costs	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment		
CHF million						
Insurance contract assets	0.4	–	42.2	0.4	–	**43.0**
Insurance contract liabilities	–995.1	–66.1	–4,905.6	–180.8	40.4	**–6,107.2**
Net balance as at 1 January	**–994.7**	**–66.1**	**–4,863.4**	**–180.4**	**40.4**	**–6,064.2**
Changes recognised in the statement of comprehensive income						
Insurance revenue	4,013.0	–	–	–	–	**4,013.0**
Insurance service expenses	–589.9	5.4	–2,972.3	13.6	–4.8	**–3,548.1**
of which: incurred claims and other incurred service expenses	–	72.9	–3,033.3	–59.1	–	**–3,019.5**
of which: adjustments to the liability for incurred claims	–	–	61.0	72.7	–	**133.7**
of which: losses and reversals of losses on onerous contracts	–	–67.5	–	–	–	**–67.5**
of which: amortisation of insurance acquisition cash flows	–589.9	–	–	–	–	**–589.9**
of which: impairment and reversal of impairment of deferred acquisition costs	–	–	–	–	–4.8	**–4.8**
Insurance service result from insurance contracts	**3,423.1**	**5.4**	**–2,972.3**	**13.6**	**–4.8**	**464.9**
Insurance finance income or expenses	–	–	–313.0	–12.7	–	**–325.6**
Exchange differences	24.1	1.1	189.4	6.5	–0.7	**220.2**
Changes recognised in the statement of comprehensive income	**3,447.1**	**6.5**	**–3,096.0**	**7.4**	**–5.6**	**359.5**
Premiums received	–4,030.2	–	–	–	–	**–4,030.2**
Claims and other insurance service expenses paid	–	–	3,010.4	–	–	**3,010.4**
Insurance acquisition cash flows paid	587.0	–	–	–	21.9	**608.9**
Other cash flows	4.5	–	–	–	–	**4.5**
Cash flows	**–3,438.7**	**–**	**3,010.4**	**–**	**21.9**	**–406.4**
Allocation from deferred acquisition costs to groups of insurance contracts	24.5	–	–	–	–24.5	**–**
Other movements	–	–	10.1	3.4	–	**13.5**
Net balance as at 31 December	**–961.8**	**–59.6**	**–4,938.9**	**–169.6**	**32.3**	**–6,097.6**
of which: insurance contract assets	–2.4	–	70.1	0.7	–	**68.4**
of which: insurance contract liabilities	–959.4	–59.6	–5,009.0	–170.3	32.3	**–6,166.0**

Claims settlement

	Accident year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
CHF million											
Estimated undiscounted claims incurred (gross)											
At the end of the year in which the claims occurred				1,912.6	2,053.2	2,203.0	2,614.0	2,418.6	2,652.7	2,548.0	
One year later			1,863.7	2,001.4	2,097.1	2,203.0	2,656.3	2,478.0	2,681.7		
Two years later		1,798.4	1,882.9	2,000.0	2,079.1	2,238.9	2,599.1	2,482.6			
Three years later	1,747.1	1,812.7	1,875.7	1,983.9	2,077.1	2,223.9	2,598.5				
Four years later	1,755.8	1,825.2	1,867.1	1,995.8	2,049.6	2,223.4					
Five years later	1,761.8	1,812.5	1,868.5	1,963.8	2,052.6						
Six years later	1,736.0	1,822.4	1,843.0	1,985.1							
Seven years later	1,769.9	1,808.2	1,873.7								
Eight years later	1,737.4	1,861.7									
Nine years later	1,743.6										
Estimated claims incurred	1,743.6	1,861.7	1,873.7	1,985.1	2,052.6	2,223.4	2,598.5	2,482.6	2,681.7	2,548.0	22,050.9
Claims paid to date	–1,605.8	–1,663.0	–1,682.4	–1,789.0	–1,862.9	–1,965.6	–2,311.1	–2,066.7	–1,972.8	–1,167.2	–18,086.5
Claims reserves (gross)	**137.8**	**198.8**	**191.3**	**196.1**	**189.7**	**257.7**	**287.5**	**415.9**	**708.8**	**1,380.8**	**3,964.5**
Gross liabilities more than 10 years old											2,118.1
Total claims reserves (gross)											**6,082.6**
Effect of discounting											–1,045.4
Present value of expected future claims payments (gross)											**5,037.2**
Reinsurance ceded											–284.2
Present value of expected future claims payments (net)											**4,753.0**

Owing to the agreement for the sale of the FRIDAY insurance portfolio, this portfolio is no longer taken into account in the claims triangle; see note 10.2.5.

Baloise is not disclosing any previously unpublished information on claims that were incurred more than seven years before the end of the reporting period in which IFRS 17 was applied for the first time.

3.4.2 Life – Insurance contracts measured using the variable fee approach

Reconciliation for remaining coverage and claims already incurred:

	Liability for remaining coverage		Liability for incurred claims	Total
2024	**Excluding loss component**	**Loss component**		
CHF million				
Insurance contract assets	–	–	–	**–**
Insurance contract liabilities	–36,002.6	–2.7	–213.9	**–36,219.3**
Net balance as at 1 January	**–36,002.6**	**–2.7**	**–213.9**	**–36,219.3**
Changes recognised in the statement of comprehensive income				
Insurance revenue	1,322.2	–	–	**1,322.2**
of which: contracts under the modified retrospective approach	1,001.8	–	–	**1,001.8**
of which: contracts under the fair value approach	202.6	–	–	**202.6**
of which: other contracts	117.8	–	–	**117.8**
Insurance service expenses	–172.1	0.4	–890.0	**–1,061.7**
of which: incurred claims and other incurred service expenses	–	0.2	–890.0	**–889.8**
of which: adjustments to the liability for incurred claims	–	–	–	**–**
of which: losses and reversals of losses on onerous contracts	–	0.2	–	**0.2**
of which: amortisation of insurance acquisition cash flows	–172.1	–	–	**–172.1**
Investment components	3,339.3	–	–3,339.3	**–**
Insurance service result from insurance contracts	**4,489.4**	**0.4**	**–4,229.3**	**260.5**
Insurance finance income or expenses	–1,673.4	–	0.0	**–1,673.4**
Exchange differences	–97.9	0.0	–0.5	**–98.5**
Changes recognised in the statement of comprehensive income	**2,718.1**	**0.4**	**–4,229.8**	**–1,511.4**
Premiums received	–2,840.4	–	–	**–2,840.4**
Claims and other insurance service expenses paid, incl. investment components	–	–	4,221.9	**4,221.9**
Insurance acquisition cash flows paid	154.0	–	–	**154.0**
Other cash flows	4.0	–	–	**4.0**
Cash flows	**–2,682.4**	**–**	**4,221.9**	**1,539.5**
Other movements	–	–	–	**–**
Net balance as at 31 December	**–35,967.0**	**–2.3**	**–221.8**	**–36,191.2**
of which: insurance contract assets	–	–	–	**–**
of which: insurance contract liabilities	–35,967.0	–2.3	–221.8	**–36,191.2**

2023	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
CHF million				
Insurance contract assets	–	–	–	**–**
Insurance contract liabilities	–35,848.6	–3.2	–198.3	**–36,050.2**
Net balance as at 1 January	**–35,848.6**	**–3.2**	**–198.3**	**–36,050.2**
Changes recognised in the statement of comprehensive income				
Insurance revenue	1,255.9	–	–	**1,255.9**
of which: contracts under the modified retrospective approach	953.9	–	–	**953.9**
of which: contracts under the fair value approach	215.1	–	–	**215.1**
of which: other contracts	86.9	–	–	**86.9**
Insurance service expenses	–152.9	0.4	–862.1	**–1,014.6**
of which: incurred claims and other incurred service expenses	–	0.4	–862.1	**–861.7**
of which: adjustments to the liability for incurred claims	–	–	–	**–**
of which: losses and reversals of losses on onerous contracts	–	0.1	–	**0.1**
of which: amortisation of insurance acquisition cash flows	–152.9	–	–	**–152.9**
Investment components	3,153.9	–	–3,153.9	**–**
Insurance service result from insurance contracts	**4,256.9**	**0.4**	**–4,016.0**	**241.3**
Insurance finance income or expenses	–2,099.7	–	0.1	**–2,099.6**
Exchange differences	503.0	0.1	3.8	**506.9**
Changes recognised in the statement of comprehensive income	**2,660.2**	**0.5**	**–4,012.2**	**–1,351.5**
Premiums received	–2,964.8	–	–	**–2,964.8**
Claims and other insurance service expenses paid, incl. investment components	–	–	3,996.5	**3,996.5**
Insurance acquisition cash flows paid	149.6	–	–	**149.6**
Other cash flows	1.0	–	–	**1.0**
Cash flows	**–2,814.2**	**–**	**3,996.5**	**1,182.3**
Other movements	–	–	–	**–**
Net balance as at 31 December	**–36,002.6**	**–2.7**	**–213.9**	**–36,219.3**
of which: insurance contract assets	–	–	–	**–**
of which: insurance contract liabilities	–36,002.6	–2.7	–213.9	**–36,219.3**

Reconciliation for measurement components:

2024	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
			Modified retro-spective approach	Fair value approach	Other	
CHF million						
Insurance contract assets	–	–	–	–	–	**–**
Insurance contract liabilities	–31,745.8	–117.7	–2,904.7	–487.7	–963.4	**–36,219.3**
Net balance as at 1 January	**–31,745.8**	**–117.7**	**–2,904.7**	**–487.7**	**–963.4**	**–36,219.3**
Changes that relate to current services	8.3	3.4	175.2	41.1	32.2	**260.3**
of which: CSM for the service provided in the period (release)	–	–	175.2	41.1	32.2	**248.5**
of which: change in risk adjustment for non-financial risk	–	3.4	–	–	–	**3.4**
of which: experience adjustments	8.3	–	–	–	–	**8.3**
Changes that relate to future services	27.7	–26.2	37.3	–31.9	–6.6	**0.2**
of which: contracts initially recognised in the period[1]	80.6	–7.0	–	–	–74.2	**–0.5**
of which: changes in estimates reflected in the CSM	–53.7	–19.2	37.3	–31.9	67.5	**–**
of which: changes in estimates that relate to losses and reversals of losses	0.8	0.0	–	–	–	**0.8**
Changes that relate to past services	–	–	–	–	–	**–**
of which: changes in fulfilment cash flows relating to incurred claims	–	–	–	–	–	**–**
Insurance service result from insurance contracts	**36.0**	**–22.8**	**212.5**	**9.2**	**25.5**	**260.5**
Insurance finance income or expenses	–1,358.5	32.2	–103.4	–109.0	–134.6	**–1,673.4**
Exchange differences	–89.4	–0.3	–0.1	–4.4	–4.2	**–98.5**
Changes recognised in the statement of comprehensive income	**–1,412.0**	**9.1**	**108.9**	**–104.2**	**–113.3**	**–1,511.4**
Premiums received	–2,840.4	–	–	–	–	**–2,840.4**
Claims and other insurance service expenses paid, incl. investment components	4,221.9	–	–	–	–	**4,221.9**
Insurance acquisition cash flows paid	154.0	–	–	–	–	**154.0**
Other cash flows	4.0	–	–	–	–	**4.0**
Cash flows	**1,539.5**	**–**	**–**	**–**	**–**	**1,539.5**
Other movements	–	–	–	–	–	**–**
Net balance as at 31 December	**–31,618.3**	**–108.6**	**–2,795.8**	**–591.8**	**–1,076.7**	**–36,191.2**
of which: insurance contract assets	–	–	–	–	–	**–**
of which: insurance contract liabilities	–31,618.3	–108.6	–2,795.8	–591.8	–1,076.7	**–36,191.2**

1 New contracts in the Swiss group life reporting unit are shown together with existing contracts.

2023	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
			Modified retro-spective approach	Fair value approach	Other	
CHF million						
Insurance contract assets	–	–	–	–	–	**–**
Insurance contract liabilities	–31,188.0	–111.3	–3,421.4	–618.8	–710.7	**–36,050.2**
Net balance as at 1 January	**–31,188.0**	**–111.3**	**–3,421.4**	**–618.8**	**–710.7**	**–36,050.2**
Changes that relate to current services	14.0	3.0	167.5	33.8	23.0	**241.3**
of which: CSM for the service provided in the period (release) [2]	–	–	167.5	33.8	23.0	**224.3**
of which: change in risk adjustment for non-financial risk	–	3.0	–	–	–	**3.0**
of which: experience adjustments [2]	14.0	–	–	–	–	**14.0**
Changes that relate to future services	101.1	–9.2	15.5	119.2	–226.5	**0.0**
of which: contracts initially recognised in the period [1]	101.9	–3.5	–	–	–98.8	**–0.4**
of which: changes in estimates reflected in the CSM [2]	–1.3	–5.7	15.5	119.2	–127.7	**–**
of which: changes in estimates that relate to losses and reversals of losses	0.4	0.0	–	–	–	**0.4**
Changes that relate to past services	–	–	–	–	–	**–**
of which: changes in fulfilment cash flows relating to incurred claims	–	–	–	–	–	**–**
Insurance service result from insurance contracts	**115.0**	**–6.3**	**183.0**	**153.1**	**–203.5**	**241.3**
Insurance finance income or expenses [2]	–2,300.7	–1.9	319.5	–40.9	–75.6	**–2,099.6**
Exchange differences	445.5	1.8	14.2	19.0	26.4	**506.9**
Changes recognised in the statement of comprehensive income	**–1,740.1**	**–6.4**	**516.7**	**131.1**	**–252.7**	**–1,351.5**
Premiums received	–2,964.8	–	–	–	–	**–2,964.8**
Claims and other insurance service expenses paid, incl. investment components	3,996.5	–	–	–	–	**3,996.5**
Insurance acquisition cash flows paid	149.6	–	–	–	–	**149.6**
Other cash flows	1.0	–	–	–	–	**1.0**
Cash flows	**1,182.3**	**–**	**–**	**–**	**–**	**1,182.3**
Other movements	–	–	–	–	–	**–**
Net balance as at 31 December	**–31,745.8**	**–117.7**	**–2,904.7**	**–487.7**	**–963.4**	**–36,219.3**
of which: insurance contract assets	–	–	–	–	–	**–**
of which: insurance contract liabilities	–31,745.8	–117.7	–2,904.7	–487.7	–963.4	**–36,219.3**

1 New contracts in the Swiss group life reporting unit are shown together with existing contracts.
2 Adjustment of the figures to ensure that presentation is consistent with the changed breakdown used for 2024.

Contracts recognised for the first time in the financial year, measured using the variable fee approach:

	31.12.2024			31.12.2023		
CHF million	**Total insurance contracts**	**Of which: Contracts acquired**	**Of which: Onerous contracts**	**Total insurance contracts**	**Of which: Contracts acquired**	**Of which: Onerous contracts**
Present value of future cash inflows	**–1,178.6**	–	–10.7	**–1,131.1**	–	–8.2
Present value of future cash outflows	**1,098.0**	–	11.2	**1,029.2**	–	8.5
of which: expected claims and insurance service expenses	**963.0**	–	10.5	**893.3**	–	8.0
of which: expected insurance acquisition cash flows	**135.0**	–	0.7	**135.9**	–	0.5
Risk adjustment for non-financial risk	**7.0**	–	0.1	**3.5**	–	0.1
Contractual service margin	**74.2**	–	–	**98.8**	–	–
Loss component recognised on initial recognition	**0.5**	–	0.5	**0.4**	–	0.4

3.4.3 Life – Insurance contracts measured using the general measurement model

Reconciliation for remaining coverage and claims already incurred:

	Liability for remaining coverage		Liability for incurred claims	Total
2024	Excluding loss component	Loss component		
CHF million				
Insurance contract assets	–	–	–	**–**
Insurance contract liabilities	–7,347.9	–17.9	–67.4	**–7,433.1**
Net balance as at 1 January	**–7,347.9**	**–17.9**	**–67.4**	**–7,433.1**
Changes recognised in the statement of comprehensive income				
Insurance revenue	139.5	–	–	**139.5**
of which: contracts under the modified retrospective approach	3.1	–	–	**3.1**
of which: contracts under the fair value approach	69.3	–	–	**69.3**
of which: other contracts	67.1	–	–	**67.1**
Insurance service expenses	–2.4	–24.0	–102.1	**–128.5**
of which: incurred claims and other incurred service expenses	–	2.7	–102.1	**–99.4**
of which: adjustments to the liability for incurred claims	–	–	–	**–**
of which: losses and reversals of losses on onerous contracts	–	–26.7	–	**–26.7**
of which: amortisation of insurance acquisition cash flows	–2.4	–	–	**–2.4**
Investment components	715.2	–	–715.2	**–**
Insurance service result from insurance contracts	**852.3**	**–24.0**	**–817.3**	**11.0**
Insurance finance income or expenses	–45.4	–	–	**–45.4**
Exchange differences	–90.5	0.1	–0.8	**–91.1**
Changes recognised in the statement of comprehensive income	**716.4**	**–23.9**	**–818.1**	**–125.5**
Premiums received	–568.7	–	–	**–568.7**
Claims and other insurance service expenses paid, incl. investment components	–	–	815.1	**815.1**
Insurance acquisition cash flows paid	13.1	–	–	**13.1**
Other cash flows	3.8	–	–	**3.8**
Cash flows	**–551.8**	**–**	**815.1**	**263.3**
Other movements	–	–	–	**–**
Net balance as at 31 December	**–7,183.2**	**–41.7**	**–70.4**	**–7,295.3**
of which: insurance contract assets	–	–	–	**–**
of which: insurance contract liabilities	–7,183.2	–41.7	–70.4	**–7,295.3**

2023	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liability for incurred claims	Total
CHF million				
Insurance contract assets	–	–	–	**–**
Insurance contract liabilities	–7,521.8	–18.2	–55.3	**–7,595.2**
Net balance as at 1 January	**–7,521.8**	**–18.2**	**–55.3**	**–7,595.2**
Changes recognised in the statement of comprehensive income				
Insurance revenue	143.5	–	–	**143.5**
of which: contracts under the modified retrospective approach	3.2	–	–	**3.2**
of which: contracts under the fair value approach	117.2	–	–	**117.2**
of which: other contracts	23.2	–	–	**23.2**
Insurance service expenses	–5.1	–0.8	–98.4	**–104.3**
of which: incurred claims and other incurred service expenses	–	0.8	–98.4	**–97.6**
of which: adjustments to the liability for incurred claims	–	–	–	**–**
of which: losses and reversals of losses on onerous contracts	–	–1.6	–	**–1.6**
of which: amortisation of insurance acquisition cash flows	–5.1	–	–	**–5.1**
Investment components	618.3	–	–618.3	**–**
Insurance service result from insurance contracts	**756.8**	**–0.8**	**–716.8**	**39.2**
Insurance finance income or expenses	–495.7	–	–	**–495.7**
Exchange differences	461.8	1.1	4.0	**466.9**
Changes recognised in the statement of comprehensive income	**722.9**	**0.4**	**–712.8**	**10.5**
Premiums received	–560.4	–	–	**–560.4**
Claims and other insurance service expenses paid, incl. investment components	–	–	700.6	**700.6**
Insurance acquisition cash flows paid	14.6	–	–	**14.6**
Other cash flows	–3.2	–	–	**–3.2**
Cash flows	**–549.0**	**–**	**700.6**	**151.6**
Other movements	–	–	–	**–**
Net balance as at 31 December	**–7,347.9**	**–17.9**	**–67.4**	**–7,433.1**
of which: insurance contract assets	–	–	–	**–**
of which: insurance contract liabilities	–7,347.9	–17.9	–67.4	**–7,433.1**

Reconciliation for measurement components:

2024	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
			Modified retro-spective approach	Fair value approach	Other	
CHF million						
Insurance contract assets	–	–	–	–	–	**–**
Insurance contract liabilities	–6,839.6	–84.6	–10.7	–223.0	–275.3	**–7,433.1**
Net balance as at 1 January	**–6,839.6**	**–84.6**	**–10.7**	**–223.0**	**–275.3**	**–7,433.1**
Changes that relate to current services	2.3	–0.3	0.9	18.8	16.0	**37.7**
of which: CSM for the service provided in the period (release)	–	–	0.9	18.8	16.0	**35.6**
of which: change in risk adjustment for non-financial risk	–	–0.3	–	–	–	**–0.3**
of which: experience adjustments	2.3	–	–	–	–	**2.3**
Changes that relate to future services	47.2	–22.2	0.7	–6.2	–46.2	**–26.7**
of which: contracts initially recognised in the period	52.0	–8.1	–	–	–46.8	**–2.9**
of which: changes in estimates reflected in the CSM	18.7	–13.8	0.7	–6.2	0.6	**–**
of which: changes in estimates that relate to losses and reversals of losses	–23.5	–0.2	–	–	–	**–23.8**
Changes that relate to past services	–	–	–	–	–	**–**
of which: changes in fulfilment cash flows relating to incurred claims	–	–	–	–	–	**–**
Insurance service result from insurance contracts	**49.5**	**–22.4**	**1.6**	**12.6**	**–30.3**	**11.0**
Insurance finance income or expenses	–41.7	3.4	–0.1	–4.0	–3.0	**–45.4**
Exchange differences	–84.7	–0.7	–0.1	–2.8	–2.8	**–91.1**
Changes recognised in the statement of comprehensive income	**–76.9**	**–19.8**	**1.3**	**5.9**	**–36.0**	**–125.5**
Premiums received	–568.7	–	–	–	–	**–568.7**
Claims and other insurance service expenses paid, incl. investment components	815.1	–	–	–	–	**815.1**
Insurance acquisition cash flows paid	13.1	–	–	–	–	**13.1**
Other cash flows	3.8	–	–	–	–	**3.8**
Cash flows	**263.3**	**–**	**–**	**–**	**–**	**263.3**
Other movements	–	–	–	–	–	**–**
Net balance as at 31 December	**–6,653.1**	**–104.4**	**–9.4**	**–217.1**	**–311.3**	**–7,295.3**
of which: insurance contract assets	–	–	–	–	–	**–**
of which: insurance contract liabilities	–6,653.1	–104.4	–9.4	–217.1	–311.3	**–7,295.3**

2023	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
			Modified retro-spective approach	Fair value approach	Other	
CHF million						
Insurance contract assets	–	–	–	–	–	**–**
Insurance contract liabilities	–6,884.2	–70.2	–12.5	–246.7	–381.7	**–7,595.2**
Net balance as at 1 January	**–6,884.2**	**–70.2**	**–12.5**	**–246.7**	**–381.7**	**–7,595.2**
Changes that relate to current services	6.3	6.6	1.0	16.4	10.5	**40.8**
of which: CSM for the service provided in the period (release) [1]	–	–	1.0	16.4	10.5	**28.0**
of which: change in risk adjustment for non-financial risk	–	6.6	–	–	–	**6.6**
of which: experience adjustments [1]	6.3	–	–	–	–	**6.3**
Changes that relate to future services	–62.5	–13.1	0.3	–5.8	79.5	**–1.6**
of which: contracts initially recognised in the period	61.1	–8.3	–	–	–53.5	**–0.7**
of which: changes in estimates reflected in the CSM [1]	–122.7	–4.8	0.3	–5.8	133.0	**–**
of which: changes in estimates that relate to losses and reversals of losses	–0.9	0.0	–	–	–	**–0.9**
Changes that relate to past services	–	–	–	–	–	**–**
of which: changes in fulfilment cash flows relating to incurred claims	–	–	–	–	–	**–**
Insurance service result from insurance contracts	**–56.2**	**–6.5**	**1.3**	**10.7**	**90.0**	**39.2**
Insurance finance income or expenses	–478.9	–12.9	–0.2	–1.3	–2.4	**–495.7**
Exchange differences	428.0	5.1	0.7	14.3	18.9	**466.9**
Changes recognised in the statement of comprehensive income	**–107.1**	**–14.4**	**1.8**	**23.7**	**106.4**	**10.5**
Premiums received	–560.4	–	–	–	–	**–560.4**
Claims and other insurance service expenses paid, incl. investment components	700.6	–	–	–	–	**700.6**
Insurance acquisition cash flows paid	14.6	–	–	–	–	**14.6**
Other cash flows	–3.2	–	–	–	–	**–3.2**
Cash flows	**151.6**	**–**	**–**	**–**	**–**	**151.6**
Other movements	–	–	–	–	–	**–**
Net balance as at 31 December	**–6,839.6**	**–84.6**	**–10.7**	**–223.0**	**–275.3**	**–7,433.1**
of which: insurance contract assets	–	–	–	–	–	**–**
of which: insurance contract liabilities	–6,839.6	–84.6	–10.7	–223.0	–275.3	**–7,433.1**

1 Adjustment of the figures to ensure that presentation is consistent with the changed breakdown used for 2024.

Contracts recognised for the first time in the financial year, measured using the general measurement model:

	31.12.2024			31.12.2023		
	Total insurance contracts	Of which: Contracts acquired	Of which: Onerous contracts	Total insurance contracts	Of which: Contracts acquired	Of which: Onerous contracts
CHF million						
Present value of future cash inflows	**–438.6**	–	–45.3	**–406.1**	–	–13.6
Present value of future cash outflows	**386.6**	–	47.7	**344.9**	–	14.1
of which: expected claims and insurance service expenses	**373.0**	–	44.8	**330.0**	–	12.9
of which: expected insurance acquisition cash flows	**13.6**	–	2.9	**15.0**	–	1.1
Risk adjustment for non-financial risk	**8.1**	–	0.5	**8.3**	–	0.1
Contractual service margin	**46.8**	–	–	**53.5**	–	–
Loss component recognised on initial recognition	**2.9**	**–**	**2.9**	**0.7**	**–**	**0.7**

3.5 Reinsurance contract assets and liabilities

The reinsurance contract assets and liabilities consist of the following:

	Reinsurance contract assets		Reinsurance contract liabilities	
as at 31.12.	**2024**	**2023**	**2024**	**2023**
CHF million				
Non-life contracts (PAA)	273.4	346.5	7.5	2.2
Non-life contracts (GMM)	–	–	–	–
Total non-life	**273.4**	**346.5**	**7.5**	**2.2**
Life contracts (PAA)	21.0	19.2	–	–
Life contracts (GMM)	877.3	84.7	1.5	0.3
Total life	**898.3**	**103.9**	**1.5**	**0.3**
Total reinsurance contract assets and liabilities	**1,171.7**	**450.5**	**9.0**	**2.5**

3.5.1 Non-life reinsurance contracts held

Reinsurance contracts held, measured using the premium allocation approach

2024	Expected recovery (remaining coverage)	Expected recovery for incurred claims		Total
		Present value of future cash flows	Risk adjustment	
CHF million				
Reinsurance contract assets	1.0	329.2	16.4	**346.5**
Reinsurance contract liabilities	–3.7	2.5	–1.0	**–2.2**
Net balance as at 1 January	**–2.7**	**331.6**	**15.4**	**344.3**
Changes recognised in the statement of comprehensive income				
Allocation of reinsurance premium paid	–216.9	–	–	**–216.9**
Amounts recoverable from reinsurers	1.2	34.7	–2.3	**33.6**
of which: recoveries of incurred claims and other insurance service expenses	–17.4	53.4	2.1	**38.1**
of which: changes of loss recovery component for losses on onerous insurance contracts	18.6	–	–	**18.6**
of which: adjustments to assets for incurred claims	–	–18.7	–4.3	**–23.0**
of which: effect of changes in non-performance risk of reinsurers	–	–0.1	0.0	**–0.1**
Insurance service result from reinsurance contracts	**–215.7**	**34.7**	**–2.3**	**–183.4**
Insurance finance income or expenses	–	–22.7	0.4	**–22.3**
Exchange differences	0.1	4.3	0.2	**4.5**
Changes recognised in the statement of comprehensive income	**–215.7**	**16.2**	**–1.6**	**–201.1**
Premiums paid to the reinsurer	206.7	–	–	**206.7**
Claims and other insurance service expenses reimbursed	–	–69.0	–	**–69.0**
Insurance acquisition cash flows paid (brokerage)	0.2	–	–	**0.2**
Other cash flows	0.0	–	–	**0.0**
Cash flows	**207.0**	**–69.0**	**–**	**137.9**
Other movements[1]	–6.9	–9.7	1.3	**–15.3**
Net balance as at 31 December	**–18.3**	**269.1**	**15.1**	**265.9**
of which: reinsurance contract assets	–13.2	271.6	15.0	**273.4**
of which: reinsurance contract liabilities	–5.1	–2.5	0.1	**–7.5**

1 Includes the reclassification to non-current assets classified as held for sale.

2023	Expected recovery (remaining coverage)	Expected recovery for incurred claims		Total
		Present value of future cash flows	Risk adjustment	
CHF million				
Reinsurance contract assets	8.2	468.8	16.0	**493.0**
Reinsurance contract liabilities	– 5.8	– 64.8	3.2	**– 67.5**
Net balance as at 1 January	**2.4**	**404.0**	**19.2**	**425.5**
Changes recognised in the statement of comprehensive income				
Allocation of reinsurance premium paid	– 246.2	–	–	**– 246.2**
Amounts recoverable from reinsurers	– 3.7	121.0	– 14.5	**102.7**
of which: recoveries of incurred claims and other insurance service expenses	– 20.8	109.3	4.4	**93.0**
of which: changes of loss recovery component for losses on onerous insurance contracts	17.1	–	–	**17.1**
of which: adjustments to assets for incurred claims	–	11.6	– 18.9	**– 7.3**
of which: effect of changes in non-performance risk of reinsurers	–	0.0	0.0	**0.0**
Insurance service result from reinsurance contracts	**– 249.8**	**121.0**	**– 14.5**	**– 143.4**
Insurance finance income or expenses	–	24.0	12.7	**36.7**
Exchange differences	0.2	– 18.3	– 0.9	**– 19.1**
Changes recognised in the statement of comprehensive income	**– 249.7**	**126.6**	**– 2.8**	**– 125.9**
Premiums paid to the reinsurer	244.9	–	–	**244.9**
Claims and other insurance service expenses reimbursed	–	– 198.7	–	**– 198.7**
Insurance acquisition cash flows paid (brokerage)	– 0.2	–	–	**– 0.2**
Other cash flows	– 0.2	–	–	**– 0.2**
Cash flows	**244.6**	**– 198.7**	**–**	**45.8**
Other movements	–	– 0.2	– 1.0	**– 1.2**
Net balance as at 31 December	**– 2.7**	**331.6**	**15.4**	**344.3**
of which: reinsurance contract assets	1.0	329.2	16.4	**346.5**
of which: reinsurance contract liabilities	– 3.7	2.5	– 1.0	**– 2.2**

3.5.2 Life reinsurance contracts held

Reinsurance contracts held, measured using the premium allocation approach

Reconciliation for remaining coverage and claims already incurred:

	Expected recovery (remaining coverage)	Expected recovery for incurred claims		Total
2024		Present value of future cash flows	Risk adjustment	
CHF million				
Reinsurance contract assets	0.1	19.1	–	**19.2**
Reinsurance contract liabilities	–	–	–	**–**
Net balance as at 1 January	**0.1**	**19.1**	**–**	**19.2**
Changes recognised in the statement of comprehensive income				
Allocation of reinsurance premium paid	–8.4	–	–	**–8.4**
Amounts recoverable from reinsurers	–	6.6	–	**6.6**
of which: recoveries of incurred claims and other insurance service expenses	–	1.3	–	**1.3**
of which: changes of loss recovery component for losses on onerous insurance contracts	–	–	–	**–**
of which: adjustments to assets for incurred claims	–	5.3	–	**5.3**
of which: effect of changes in non-performance risk of reinsurers	–	–	–	**–**
Insurance service result from reinsurance contracts	**–8.4**	**6.6**	**–**	**–1.8**
Insurance finance income or expenses	–	0.0	–	**0.0**
Exchange differences	–	0.2	–	**0.2**
Changes recognised in the statement of comprehensive income	**–8.4**	**6.8**	**–**	**–1.6**
Premiums paid to the reinsurer	9.2	–	–	**9.2**
Claims and other insurance service expenses reimbursed, incl. investment components	–	–5.8	–	**–5.8**
Insurance acquisition cash flows paid (brokerage)	–	–	–	**–**
Other cash flows	–	–	–	**–**
Cash flows	**9.2**	**–5.8**	**–**	**3.3**
Other movements	–	–	–	**–**
Net balance as at 31 December	**0.9**	**20.0**	**–**	**21.0**
of which: reinsurance contract assets	0.9	20.0	–	**21.0**
of which: reinsurance contract liabilities	–	–	–	**–**

2023	Expected recovery (remaining coverage)	Expected recovery for incurred claims		Total
		Present value of future cash flows	Risk adjustment	
CHF million				
Reinsurance contract assets	0.4	20.2	–	**20.6**
Reinsurance contract liabilities	–	–	–	**–**
Net balance as at 1 January	**0.4**	**20.2**	**–**	**20.6**
Changes recognised in the statement of comprehensive income				
Allocation of reinsurance premium paid	–9.4	–	–	**–9.4**
Amounts recoverable from reinsurers	–	8.0	–	**8.0**
of which: recoveries of incurred claims and other insurance service expenses	–	1.5	–	**1.5**
of which: changes of loss recovery component for losses on onerous insurance contracts	–	–	–	**–**
of which: adjustments to assets for incurred claims	–	6.6	–	**6.6**
of which: effect of changes in non-performance risk of reinsurers	–	–	–	**–**
Insurance service result from reinsurance contracts	**–9.4**	**8.0**	**–**	**–1.3**
Insurance finance income or expenses	–	0.0	–	**0.0**
Exchange differences	–	–1.0	–	**–1.0**
Changes recognised in the statement of comprehensive income	**–9.4**	**7.1**	**–**	**–2.3**
Premiums paid to the reinsurer	9.1	–	–	**9.1**
Claims and other insurance service expenses reimbursed, incl. investment components	–	–8.2	–	**–8.2**
Insurance acquisition cash flows paid (brokerage)	–	–	–	**–**
Other cash flows	–	–	–	**–**
Cash flows	**9.1**	**–8.2**	**–**	**0.9**
Other movements	–	–	–	**–**
Net balance as at 31 December	**0.1**	**19.1**	**–**	**19.2**
of which: reinsurance contract assets	0.1	19.1	–	**19.2**
of which: reinsurance contract liabilities	–	–	–	**–**

Reinsurance contracts held, measured using the general measurement model

Reconciliation for remaining coverage and claims already incurred:

2024	Expected recovery (remaining coverage)	Expected recovery for incurred claims	Total
CHF million			
Reinsurance contract assets	84.4	0.4	**84.7**
Reinsurance contract liabilities	– 0.3	–	**– 0.3**
Net balance as at 1 January	**84.1**	**0.4**	**84.4**
Changes recognised in the statement of comprehensive income			
Allocation of reinsurance premium paid	– 89.9	–	**– 89.9**
Amounts recoverable from reinsurers	0.0	116.3	**116.3**
of which: recoveries of incurred claims and other insurance service expenses	0.0	116.3	**116.3**
of which: changes of loss recovery component for losses on onerous insurance contracts	0.0	–	**0.0**
of which: adjustments to assets for incurred claims	–	–	**–**
of which: effect of changes in non-performance risk of reinsurers	–	–	**–**
Investment components and premium refunds	–	–	**–**
Insurance service result from reinsurance contracts	**– 89.9**	**116.3**	**26.5**
Insurance finance income or expenses	– 22.9	–	**– 22.9**
Exchange differences	– 10.2	0.1	**– 10.1**
Changes recognised in the statement of comprehensive income	**– 123.0**	**116.5**	**– 6.5**
Premiums paid to the reinsurer	923.0	–	**923.0**
Claims and other insurance service expenses reimbursed, incl. investment components	–	– 125.1	**– 125.1**
Insurance acquisition cash flows paid (brokerage)	–	–	**–**
Other cash flows	–	–	**–**
Cash flows	**923.0**	**– 125.1**	**797.9**
Other movements	–	–	**–**
Net balance as at 31 December	**884.1**	**– 8.3**	**875.8**
of which: reinsurance contract assets	881.0	– 3.7	**877.3**
of which: reinsurance contract liabilities	3.1	– 4.6	**– 1.5**

2023	Expected recovery (remaining coverage)	Expected recovery for incurred claims	Total
CHF million			
Reinsurance contract assets	100.5	0.5	**101.0**
Reinsurance contract liabilities	– 0.3	0.3	**0.0**
Net balance as at 1 January	**100.1**	**0.8**	**101.0**
Changes recognised in the statement of comprehensive income			
Allocation of reinsurance premium paid	– 19.6	–	**– 19.6**
Amounts recoverable from reinsurers	0.0	12.6	**12.6**
of which: recoveries of incurred claims and other insurance service expenses	0.0	12.6	**12.6**
of which: changes of loss recovery component for losses on onerous insurance contracts	–	–	**–**
of which: adjustments to assets for incurred claims	–	–	**–**
of which: effect of changes in non-performance risk of reinsurers	–	–	**–**
Investment components and premium refunds	–	–	**–**
Insurance service result from reinsurance contracts	**– 19.6**	**12.6**	**– 7.0**
Insurance finance income or expenses	– 7.4	–	**– 7.4**
Exchange differences	– 5.3	0.0	**– 5.3**
Changes recognised in the statement of comprehensive income	**– 32.3**	**12.5**	**– 19.7**
Premiums paid to the reinsurer	16.2	–	**16.2**
Claims and other insurance service expenses reimbursed, incl. investment components	–	– 13.0	**– 13.0**
Insurance acquisition cash flows paid (brokerage)	–	–	**–**
Other cash flows	–	–	**–**
Cash flows	**16.2**	**– 13.0**	**3.2**
Other movements	–	–	**–**
Net balance as at 31 December	**84.1**	**0.4**	**84.4**
of which: reinsurance contract assets	84.4	0.4	**84.7**
of which: reinsurance contract liabilities	– 0.3	–	**– 0.3**

Reconciliation for measurement components:

2024	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
			Modified retro-spective approach	Fair value approach	Other	
CHF million						
Reinsurance contract assets	-301.8	3.4	110.7	0.9	271.6	**84.7**
Reinsurance contract liabilities	-0.5	0.0	-	-0.2	0.3	**-0.3**
Net balance as at 1 January	**-302.3**	**3.4**	**110.7**	**0.7**	**271.9**	**84.4**
Changes that relate to current services	27.3	0.0	-2.6	-1.0	2.7	**26.5**
of which: CSM related to the service received (release)	-	-	-2.6	-1.0	2.7	**-0.9**
of which: expected release of risk adjustment for non-financial risk	-	0.0	-	-	-	**0.0**
of which: experience adjustments	27.3	-	-	-	-	**27.3**
of which: effect of changes in non-performance risk of reinsurers	-	-	-	-	-	**-**
Changes that relate to future services	-67.7	5.0	-3.6	1.7	64.6	**0.0**
of which: contracts initially recognised in the period	32.3	-2.9	-	-	-29.3	**-**
of which: changes in estimates that adjust the CSM	-99.9	7.9	-3.6	1.7	93.9	**-**
of which: changes in estimates that relate to losses and reversals of losses of underlying contracts	0.0	-	-	-	-	**0.0**
Changes that relate to past services	-	-	-	-	-	**-**
of which: changes in fulfilment cash flows relating to incurred claims ceded to reinsurer	-	-	-	-	-	**-**
Insurance service result from reinsurance contracts	**-40.4**	**5.0**	**-6.2**	**0.7**	**67.3**	**26.5**
Insurance finance income or expenses	-24.6	-1.2	1.9	0.0	0.9	**-22.9**
Exchange differences	-13.7	0.0	1.4	0.0	2.3	**-10.1**
Changes recognised in the statement of comprehensive income	**-78.7**	**3.8**	**-2.8**	**0.7**	**70.5**	**-6.5**
Premiums paid to the reinsurer	923.0	-	-	-	-	**923.0**
Claims and other insurance service expenses reimbursed, incl. investment components	-125.1	-	-	-	-	**-125.1**
Insurance acquisition cash flows paid (brokerage)	-	-	-	-	-	**-**
Other cash flows	-	-	-	-	-	**-**
Cash flows	**797.9**	**-**	**-**	**-**	**-**	**797.9**
Other movements	-	-	-	-	-	**-**
Net balance as at 31 December	**416.9**	**7.2**	**107.8**	**1.4**	**342.4**	**875.8**
of which: reinsurance contract assets	418.4	7.2	107.8	1.2	342.6	**877.3**
of which: reinsurance contract liabilities	-1.5	0.0	-	0.2	-0.2	**-1.5**

2023	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
			Modified retro-spective approach	Fair value approach	Other	
CHF million						
Reinsurance contract assets	-234.0	1.6	119.4	-0.2	214.2	**101.0**
Reinsurance contract liabilities	-0.3	0.0	-	0.1	0.2	**0.0**
Net balance as at 1 January	**-234.3**	**1.7**	**119.4**	**-0.2**	**214.4**	**101.0**
Changes that relate to current services	-1.3	0.0	-2.0	-0.4	-3.3	**-7.0**
of which: CSM related to the service received (release)	-	-	-2.0	-0.4	-3.3	**-5.7**
of which: expected release of risk adjustment for non-financial risk	-	0.0	-	-	-	**0.0**
of which: experience adjustments	-1.3	-	-	-	-	**-1.3**
of which: effect of changes in non-performance risk of reinsurers	-	-	-	-	-	**-**
Changes that relate to future services	-76.5	0.4	-1.5	1.3	76.3	**-**
of which: contracts initially recognised in the period	-	-	-	-	-	**-**
of which: changes in estimates that adjust the CSM	-76.5	0.4	-1.5	1.3	76.3	**-**
of which: changes in estimates that relate to losses and reversals of losses of underlying contracts	-	-	-	-	-	**-**
Changes that relate to past services	-	-	-	-	-	**-**
of which: changes in fulfilment cash flows relating to incurred claims ceded to reinsurer	-	-	-	-	-	**-**
Insurance service result from reinsurance contracts	**-77.9**	**0.4**	**-3.5**	**0.9**	**73.0**	**-7.0**
Insurance finance income or expenses	-11.3	1.6	1.8	0.0	0.6	**-7.4**
Exchange differences	18.0	-0.2	-7.1	0.0	-16.1	**-5.3**
Changes recognised in the statement of comprehensive income	**-71.1**	**1.8**	**-8.7**	**0.9**	**57.5**	**-19.7**
Premiums paid to the reinsurer	16.2	-	-	-	-	**16.2**
Claims and other insurance service expenses reimbursed, incl. investment components	-13.0	-	-	-	-	**-13.0**
Insurance acquisition cash flows paid (brokerage)	-	-	-	-	-	**-**
Other cash flows	-	-	-	-	-	**-**
Cash flows	**3.2**	**-**	**-**	**-**	**-**	**3.2**
Other movements	-	-	-	-	-	**-**
Net balance as at 31 December	**-302.3**	**3.4**	**110.7**	**0.7**	**271.9**	**84.4**
of which: reinsurance contract assets	-301.8	3.4	110.7	0.9	271.6	**84.7**
of which: reinsurance contract liabilities	-0.5	0.0	-	-0.2	0.3	**-0.3**

The following amounts were recognised for reinsurance contracts held that were recognised for the first time in the financial year:

	31.12.2024		31.12.2023	
CHF million	Total ceded reinsurance	Of which contracts acquired	Total ceded reinsurance	Of which contracts acquired
Present value of future cash outflows	**989.3**	–	**–**	–
Present value of future cash inflows	**–1,021.6**	–	**–**	–
of which: expected claims and insurance service expenses ceded to reinsurer	**–1,021.6**	–	**–**	–
of which: expected insurance acquisition cash flows (brokerage)	**–**	–	**–**	–
Risk adjustment for non-financial risk	**2.9**	–	**–**	–
Contractual service margin	**29.3**	–	**–**	–
Loss recovery component	**–**	**–**	**–**	**–**

4. Investments and financial liabilities

Investments encompass both investment property and financial assets. Financial assets consist of financial instruments with characteristics of equity, financial instruments with characteristics of debt, mortgages, loans, derivatives (assets), cash and cash equivalents, and receivables.

Financial liabilities consist of liabilities arising from financial contracts, derivatives (liabilities) and other financial liabilities.

4.1 Comprehensive income on investments

A distinction is made between investments and financial liabilities for own account and at own risk on the one hand and investments and financial liabilities for the account and at the risk of customers and third parties on the other. Investments for the account and at the risk of customers and third parties are assets from premiums for unit-linked or investment-linked life insurance contracts in which policyholders themselves bear the investment risk in accordance with the investment objectives. Accordingly, and in contrast to investments for own account and at own risk, the Baloise Group has no rights in respect of these investments.

2024 CHF million	Interest revenue calculated using the effective interest method	Investment income	Realised gains and losses	Change in expected credit loss	Investment return
Investment return					
Investment property	–	272.4	–0.9	–	**271.6**
Financial instruments with characteristics of equity	–	94.0	35.5	–	**129.5**
Recognised at fair value through OCI (FVOCI)	–	6.8	–	–	**6.8**
Recognised at fair value through profit or loss (FVPL)[1]	–	87.2	35.5	–	**122.7**
Financial instruments with characteristics of debt	116.2	460.3	618.6	1.8	**1,196.9**
Recognised at amortised cost (AC)	2.6	–	0.0	0.0	**2.6**
Recognised at fair value through OCI (FVOCI)	113.6	–	29.7	1.9	**145.2**
Recognised at fair value through profit or loss (FVPL)	–	460.3	588.9	–	**1,049.1**
– of which: mandatorily FVPL	–	1.2	1.0	–	**2.2**
– of which: designated as FVPL	–	459.1	587.9	–	**1,047.0**
Mortgages and loans	165.5	86.9	155.9	–0.9	**407.4**
Recognised at amortised cost (AC)	161.0	–	35.7	–0.9	**195.8**
Recognised at fair value through OCI (FVOCI)	4.5	–	–	0.0	**4.5**
Recognised at fair value through profit or loss	–	86.9	120.1	–	**207.0**
– of which: mandatorily FVPL	–	0.0	–7.3	–	**–7.3**
– of which: designated as FVPL	–	86.9	127.4	–	**214.3**
Derivative financial instruments[2]	–	–	–266.9	–	**–266.9**
Financial receivables	16.2	–	–	1.3	**17.5**
Cash and cash equivalents	12.8	–	–0.5	–	**12.3**
Investment return for own account and at own risk	**310.7**	**913.5**	**541.8**	**2.3**	**1,768.3**
Investment return for the account and risk of customers and third parties	–	8.0	1,513.9	–	**1,521.9**
Total investment return	**310.7**	**921.6**	**2,055.7**	**2.3**	**3,290.2**

1 The position "Financial instruments with characteristics of equity - recognised at fair value through profit or loss (FVPL)" comprises gains and losses from hedging operations.
2 The position "Derivative financial instruments" comprises gains and losses on derivative financial assets and derivative financial liabilities.

2023 CHF million	Interest revenue calculated using the effective interest method	Investment income	Realised gains and losses	Change in expected credit loss	Investment return
Investment return					
Investment property	–	280.1	–72.0	–	**208.1**
Financial instruments with characteristics of equity	–	110.2	68.0	–	**178.2**
Recognised at fair value through OCI (FVOCI)	–	8.9	–	–	**8.9**
Recognised at fair value through profit or loss (FVPL)[1]	–	101.3	68.0	–	**169.3**
Financial instruments with characteristics of debt	107.3	479.0	1,153.4	0.5	**1,740.2**
Recognised at amortised cost (AC)	1.3	–	–	–	**1.3**
Recognised at fair value through OCI (FVOCI)	106.0	–	–90.8	0.5	**15.6**
Recognised at fair value through profit or loss (FVPL)	–	479.0	1,244.2	–	**1,723.2**
– of which: mandatorily FVPL	–	4.4	9.9	–	**14.3**
– of which: designated as FVPL	–	474.6	1,234.3	–	**1,708.9**
Mortgages and loans	155.7	93.6	155.2	1.8	**406.4**
Recognised at amortised cost (AC)	150.5	–	20.1	1.8	**172.4**
Recognised at fair value through OCI (FVOCI)	5.2	–	0.0	0.0	**5.2**
Recognised at fair value through profit or loss	–	93.6	135.2	–	**228.8**
– of which: mandatorily FVPL	–	–0.1	1.3	–	**1.2**
– of which: designated as FVPL	–	93.7	133.9	–	**227.6**
Derivative financial instruments[2]	–	–	120.7	–	**120.7**
Financial receivables	19.9	–	–	–0.1	**19.8**
Cash and cash equivalents	14.0	–	–0.5	–	**13.4**
Investment return for own account and at own risk	**296.8**	**962.9**	**1,424.9**	**2.2**	**2,686.8**
Investment return for the account and risk of customers and third parties	–	7.7	1,130.5	–	**1,138.2**
Total investment return	**296.8**	**970.6**	**2,555.4**	**2.2**	**3,825.0**

1 The position "Financial instruments with characteristics of equity – recognised at fair value through profit or loss (FVPL)" comprises gains and losses from hedging operations.
2 The position "Derivative financial instruments" comprises gains and losses on derivative financial assets and derivative financial liabilities.

Income from investment property consists mainly of rental income. Income from financial instruments with characteristics of equity primarily comprises dividend income, while income from financial instruments with characteristics of debt essentially contains interest income and net income from the recognition and reversal of impairment losses owing to application of the effective interest method. The income from mortgages and loans is derived from the interest paid thereon and from the recognition and reversal of impairment losses owing to application of the effective interest method. Income from cash and cash equivalents is mainly derived from the interest paid thereon.

The change in the realised gains and losses predominantly results from market-related fluctuations in the measurement of financial instruments with characteristics of debt that are designated as measured at FVPL.

The income from financial assets with characteristics of equity that are classified as measured at fair value through other comprehensive income (FVOCI) can be broken down as follows:

	2024	2023
CHF million		
Income from financial instruments with characteristics of equity (FVOCI)		
Income from financial instruments held at the balance sheet date	0.5	2.6
Income from financial instruments sold during the reporting period	6.3	6.3
Total income from financial instruments with characteristics of equity (FVOCI)	**6.8**	**8.9**

Currency gains and losses

Excluding exchange rate losses on transactions involving financial instruments that are recognised at fair value through profit or loss, a currency loss of CHF 32.3 million was reported for 2024 (previous year: loss of CHF 100.5 million).

Other currency gains or losses

A gross currency loss of CHF 166.0 million was recognised directly in equity for the reporting year (previous year: loss of CHF 294.8 million). Allowing for hedges of a net investment in a foreign operation (hedge accounting), a net loss of CHF 81.3 million was recognised for 2024 (previous year: net loss of CHF 204.0 million).

4.2 Investments on the balance sheet

	Investments for own account and own risk		Investments for the account and risk of customers and third parties		Total investments	
as at 31.12.	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
CHF million						
Investment property	7,706.7	8,248.6	–	–	7,706.7	8,248.6
Financial instruments with characteristics of equity	3,245.6	3,105.6	13,368.2	11,827.2	16,613.7	14,932.9
Financial instruments with characteristics of debt	29,356.6	29,267.0	3,248.7	2,886.5	32,605.3	32,153.4
Mortgages and loans	16,089.3	15,602.3	–	–	16,089.3	15,602.3
Derivative financial instruments	263.1	449.8	639.7	622.8	902.8	1,072.6
Financial receivables	607.1	727.2	0.0	0.0	607.1	727.2
Cash and cash equivalents	1,927.5	2,069.0	786.9	916.3	2,714.4	2,985.3
Total investments	**59,195.8**	**59,469.5**	**18,043.5**	**16,252.8**	**77,239.3**	**75,722.3**

4.2.1 Investment property

CHF million	2024	2023
Balance as at 1 January	**8,248.6**	**8,495.1**
Additions	38.6	121.9
Additions from capitalisable investments	5.4	7.6
Additions arising from change in scope of consolidation	–	152.9
Disposals	–610.6	–399.1
Reclassification	93.4	–30.7
Reclassification from/to non-current assets classified as held for sale	–83.6	56.4
Change in fair value	–0.9	–72.0
Exchange differences	15.8	–83.5
Balance as at 31 December	**7,706.7**	**8,248.6**
Operating expenses arising from investment property that generates rental income	90.0	82.9
Operating expenses arising from investment property that does not generate rental income	–	–

The Baloise Group intends to dispose of five Baloise Insurance Ltd and Baloise Life Ltd properties within the next twelve months, which is why these properties have been reclassified as non-current assets held for sale. As at the time of reclassification, the fair value of these properties totalled CHF 83.6 million.

In addition, an owner-occupied property in Germany measured at FVPL with a fair value of CHF 93.4 million was reclassified as an investment property. The reclassification was carried out due to the property's change of use.

In 2023, six investment properties held for sale, which had a total fair value of CHF 56.4 million were reclassified as investment properties again as the parties to the sale were unable to reach an agreement.

Also in 2023, an owner-occupied property measured at FVPL with a fair value of CHF 5.1 million was reclassified as an investment property. Furthermore, an investment property with a fair value of CHF 35.8 million was reclassified as an owner-occupied property measured at FVPL. Both of these reclassifications were carried out due to the change of use of the properties.

Baloise as lessor

Where it leases investment properties to third parties, the Baloise Group has entered into operating leases from which it receives lease income.

Leasing in the income statement	2024	2023
CHF million		
Fixed lease income	362.4	363.0
Variable lease income	0.1	1.4
Lease income	**362.6**	**364.4**

Due dates of lease income	2024	2023
CHF million		
Due within one year	341.5	345.2
Due after one to three years	657.4	664.8
Due after three to five years	457.1	471.4
Due after five years or more	231.8	239.4
Total	**1,687.8**	**1,720.7**

4.2.2 Financial instruments with characteristics of equity

31.12.2024	Equities	Equity funds	Other funds	Private equity	Total
CHF million					
Financial instruments with characteristics of equity					
Recognised at fair value through OCI (FVOCI)	221.1	–	–	118.3	**339.4**
Recognised at fair value through profit or loss (FVPL)	425.2	65.9	1,366.8	1,048.3	**2,906.2**
Financial instruments with characteristics of equity for own account and at own risk	**646.3**	**65.9**	**1,366.8**	**1,166.6**	**3,245.6**
of which: publicly listed	606.5	54.7	321.6	1.2	**983.9**
of which: not publicly listed	39.8	11.2	1,045.2	1,165.4	**2,261.6**

31.12.2023	Equities	Equity funds	Other funds	Private equity	Total
CHF million					
Financial instruments with characteristics of equity					
Recognised at fair value through OCI (FVOCI)	216.8	–	–	120.0	**336.7**
Recognised at fair value through profit or loss (FVPL)	406.5	75.1	1,288.5	998.7	**2,768.9**
Financial instruments with characteristics of equity for own account and at own risk	**623.3**	**75.1**	**1,288.5**	**1,118.7**	**3,105.6**
of which: publicly listed	580.4	49.2	201.3	1.2	**832.0**
of which: not publicly listed	42.9	25.9	1,087.3	1,117.5	**2,273.7**

For equities in the non-life segment that are not held for trading, Baloise uses the FVOCI option in order to avoid accounting mismatches. Gains and losses on individual equities in this group of financial instruments are recognised in other comprehensive income, as are currency effects; dividends are recognised in the income statement. Upon disposal or derecognition, the cumulative gains and losses are transferred from other comprehensive income to retained earnings. The majority of the equities measured at fair value through comprehensive income are publicly traded shares that are held for the purpose of collecting dividends.

	2024	2023
CHF million		
Balance as at 1 January	**336.7**	**611.6**
Additions	60.8	118.1
Disposals	–45.4	–387.7
Disposals arising from change in scope of consolidation	–	–1.4
Change in fair value [1]	–12.7	–3.8
Balance as at 31 December	**339.4**	**336.7**

1 Includes fair value revaluations as well as exchange rate differences.

In 2023, financial instruments with characteristics of equity and measured at fair value through other comprehensive income were derecognised in an amount of CHF 389.1 million on the basis of strategic business decisions or adjustments to the asset allocation. Of this total, CHF 387.7 million was attributable to disposals. The cumulative gains and losses on these instruments recognised in other comprehensive income, amounting to CHF 7.3 million, were transferred to retained earnings.

4.2.3 Financial instruments with characteristics of debt

31.12.2024	Public corporations	Industrial enterprises	Financial institutions	Private debt	Other	Total
CHF million						
Financial instruments with characteristics of debt						
Recognised at amortised cost (AC)	78.8	–	30.8	16.2	30.0	**155.9**
Recognised at fair value through OCI (FVOCI)	2,661.8	1,590.7	1,764.3	298.2	–	**6,315.1**
Recognised at fair value through profit or loss (FVPL)	12,321.9	3,383.0	4,572.6	2,608.2	–	**22,885.7**
of which: mandatorily FVPL	–	6.2	0.7	–	–	**6.9**
of which: designated as FVPL	12,321.9	3,376.8	4,571.9	2,608.2	–	**22,878.8**
Financial instruments with characteristics of debt for own account and at own risk	**15,062.5**	**4,973.7**	**6,367.8**	**2,922.6**	**30.0**	**29,356.6**
of which: publicly listed	15,062.5	4,943.4	6,341.1	–	30.0	**26,377.0**
of which: not publicly listed	–	30.3	26.7	2,922.6	–	**2,979.7**

31.12.2023	Public corporations	Industrial enterprises	Financial institutions	Private debt	Other	Total
CHF million						
Financial instruments with characteristics of debt						
Recognised at amortised cost (AC)	81.6	–	11.5	2.0	29.9	**125.0**
Recognised at fair value through OCI (FVOCI)	2,509.9	1,338.0	1,579.1	227.7	–	**5,654.7**
Recognised at fair value through profit or loss (FVPL)	13,059.1	3,759.7	4,531.1	2,137.4	–	**23,487.3**
of which: mandatorily FVPL	16.1	170.4	59.0	–	–	**245.5**
of which: designated as FVPL	13,043.1	3,589.2	4,472.1	2,137.4	–	**23,241.8**
Financial instruments with characteristics of debt for own account and at own risk	**15,650.6**	**5,097.7**	**6,121.8**	**2,367.0**	**29.9**	**29,267.0**
of which: publicly listed	15,650.6	5,071.3	6,096.4	–	29.9	**26,848.2**
of which: not publicly listed	–	26.4	25.4	2,367.0	–	**2,418.8**

Financial instruments with characteristics of debt (AC)

	Gross amount		Impairment (ECL)		Carrying amount		Fair value	
as at 31.12.	2024	2023	2024	2023	2024	2023	2024	2023
CHF million								
Financial instruments with characteristics of debt carried at cost								
Public corporations	78.8	81.6	–	–	78.8	81.6	80.7	81.6
Industrial enterprises	–	–	–	–	–	–	–	–
Financial institutions	30.8	11.5	–	–	30.8	11.5	31.5	11.5
Private debt	16.2	2.0	0.0	–	16.2	2.0	16.2	2.0
Other	30.0	29.9	–	–	30.0	29.9	31.3	30.5
Financial instruments with characteristics of debt carried at cost	**155.9**	**125.0**	**0.0**	**–**	**155.9**	**125.0**	**159.7**	**125.5**

4.2.4 Mortgages and loans

31.12.2024	Mortgages	Promissory notes	Registered bonds	Time deposits	Reverse repurchase agreements	Other loans	Total
CHF million							
Mortgages and loans							
Recognised at amortised cost (AC)	8,470.6	–	–	228.9	1,875.0	445.8	**11,020.3**
Recognised at fair value through OCI (FVOCI)	–	208.2	295.9	–	–	–	**504.1**
Recognised at fair value through profit or loss (FVPL)	3,052.9	946.0	531.9	–	–	34.0	**4,564.9**
of which: mandatorily FVPL	–	0.5	–	–	–	33.9	**34.4**
of which: designated as FVPL	3,052.9	945.5	531.9	–	–	0.1	**4,530.5**
Mortgages and loans for own account and at own risk	**11,523.5**	**1,154.2**	**827.8**	**228.9**	**1,875.0**	**479.8**	**16,089.3**

31.12.2023	Mortgages	Promissory notes	Registered bonds	Time deposits	Reverse repurchase agreements	Other loans	Total
CHF million							
Mortgages and loans							
Recognised at amortised cost (AC)	8,017.5	0.2	–	762.7	1,015.0	343.1	**10,138.4**
Recognised at fair value through OCI (FVOCI)	–	228.6	326.4	–	–	–	**555.0**
Recognised at fair value through profit or loss (FVPL)	3,104.3	999.4	765.4	2.5	–	37.4	**4,909.0**
of which: mandatorily FVPL	–	4.6	–	–	–	31.7	**36.2**
of which: designated as FVPL	3,104.3	994.8	765.4	2.5	–	5.7	**4,872.7**
Mortgages and loans for own account and at own risk	**11,121.8**	**1,228.1**	**1,091.8**	**765.2**	**1,015.0**	**380.5**	**15,602.3**

	Gross amount		Impairment (ECL)		Carrying amount		Fair value	
as at 31.12.	2024	2023	2024	2023	2024	2023	2024	2023
CHF million								
Mortgages and loans (AC)								
Mortgages	8,486.4	8,034.2	–15.8	–16.7	8,470.6	8,017.5	8,851.5	8,089.6
Promissory notes	0.2	0.2	–0.2	–	–	0.2	–	0.2
Time deposits	228.9	762.7	–	–	228.9	762.7	228.9	762.6
Reverse repurchase agreements	1,875.0	1,015.0	–	–	1,875.0	1,015.0	1,875.0	1,015.0
Other loans	446.4	343.3	–0.6	–0.3	445.8	343.1	461.6	341.6
Total mortgages and loans (AC)	**11,036.9**	**10,155.3**	**–16.6**	**–16.9**	**11,020.3**	**10,138.4**	**11,417.0**	**10,208.9**

4.2.5 Derivatives

	Contract value		Fair value assets		Fair value liabilities	
as at 31.12.	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
CHF million						
Interest rate instruments						
Swaps	1,049.3	1,018.5	5.0	39.0	7.0	27.1
Other[1]	2.0	1.7	247.9	205.8	59.5	51.9
Total interest rate instruments	**1,051.2**	**1,020.1**	**252.9**	**244.8**	**66.4**	**79.0**
Equity instruments						
OTC options	707.7	251.7	6.8	3.4	–	–
Total equity instruments	**707.7**	**251.7**	**6.8**	**3.4**	**–**	**–**
Foreign currency instruments						
Forward contracts	5,141.6	5,451.3	3.4	201.6	95.1	4.4
Total foreign currency instruments	**5,141.6**	**5,451.3**	**3.4**	**201.6**	**95.1**	**4.4**
Derivative financial instruments for own account and at own risk	**6,900.6**	**6,723.1**	**263.1**	**449.8**	**161.5**	**83.4**
of which: designated as fair value hedges	1,049.3	1,018.5	5.0	39.0	7.0	27.1
of which: designated as hedges of a net investment in a foreign operation	1,552.9	1,423.3	0.5	60.6	47.9	1.1

1 The "Other" line item contains structured products of Baloise Life Ltd.

For disclosure purposes, the contract value or notional amount is used for derivatives where the principal can be exchanged at maturity (options, futures and currency swaps). The contract value or notional amount is also used for instruments where the principal is only notionally lent or borrowed (interest rate swaps). The contract value or notional amount is disclosed in order to show the volume of derivative transactions in which the Baloise Group is involved.

Hedging of interest rate risk using fair value hedges

To hedge interest rate risk on receivables arising from fixed-rate mortgages and on liabilities arising from fixed-rate mortgage-backed bonds, Baloise Bank uses interest rate swap derivatives (payer and receiver swaps). It designates these derivatives as hedging instruments and designates the mortgages and mortgage-backed bonds as hedged items as part of a fair value hedge. This eliminates the accounting mismatches between the hedging instruments measured at fair value through profit or loss and the hedged items measured at amortised cost. Any gain or loss on the hedging instrument is recognised in profit or loss; the hedging gain or loss leads to an interest rate-related adjustment of the hedged item's carrying amount that is also recognised in profit or loss. The following tables show how the hedge accounting is presented on the balance sheet.

			Carrying amount			
	Nominal amount		Assets		Liabilities	
as at 31.12.	2024	2023	2024	2023	2024	2023
CHF million						
Interest rate risk						
Interest rate swaps – mortgages	765.9	762.6	5.0	39.0	–	–
Interest rate swaps – mortgage-backed bonds	283.4	255.9	–	–	7.0	27.1

The hedging instruments that are held for the purpose of hedging mortgages and mortgage-backed bonds are recognised in the "Derivative financial instruments" line item on the balance sheet.

					Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item			
	Carrying amount							
	Assets		Liabilities		Assets		Liabilities	
as at 31.12.	2024	2023	2024	2023	2024	2023	2024	2023
CHF million								
Mortgages	760.8	723.1	–	–	–5.1	–39.5	–	–
Mortgage-backed bonds	–	–	276.3	228.7	–	–	–7.1	–27.2

The hedged mortgages are recognised in the "Mortgages and loans" line item on the balance sheet.

The hedged mortgage-backed bonds are recognised in the "Liabilities arising from financial contracts" line item on the balance sheet.

	Change in fair value used for calculating hedge ineffectiveness		Ineffectiveness recognised in profit or loss	
	2024	2023	2024	2023
CHF million				
Interest rate risk				
Interest rate swaps – mortgages	– 34.0	– 32.8	– 0.1	– 0.5
Interest rate swaps – mortgage-backed bonds	– 20.2	– 20.4	0.1	0.1

Hedge ineffectiveness is recognised in the “Realised gains and losses on investments” line item.

	Change in value used for calculating hedge ineffectiveness		Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses	
	2024	2023	2024	2023
CHF million				
Mortgages	34.4	30.8	–	–
Mortgage-backed bonds	20.1	20.2	–	–

Hedges of a net investment in a foreign operation

The Group's own companies, Baloise Private Equity (Luxembourg) SCS and Baloise Alternative Invest S.A. SICAV-RAIF, manage the substantial investments in alternative financial assets such as private equity and senior secured loans.

The Baloise Group's FX managers enter into currency hedging transactions in the form of forward contracts to limit the currency risk exposure of its net investment in these foreign entities whose reporting currency is the US dollar. The limitation to forward exchange transactions in the implementation of hedging strategies makes it easier to document the hedging efficiency and apply hedge accounting (for investments of Swiss entities).

	Contract value		Fair value assets		Fair value liabilities	
as at 31.12.	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
CHF million						
Foreign currency instruments						
Forward contracts	1,552.9	1,423.3	0.5	60.6	47.9	1.1
Total foreign currency instruments used as hedges of a net investment in a foreign operation	**1,552.9**	**1,423.3**	**0.5**	**60.6**	**47.9**	**1.1**

as at 31.12.	**2024**	**2023**
CHF million		
Amount recognised directly in equity	–84.4	118.1
Hedge ineffectiveness reclassified to the income statement	–	–

Because equity investments are actively managed, additions to and deductions from equity are carried out on a regular basis during the year. Consequently, the year-on-year effects underlying hedge accounting and the recognition of cash flows in profit or loss are recognised on a pro-rata basis.

4.2.6 Financial receivables

	Gross amount		Impairment (ECL)		Carrying amount		Fair value	
as at 31.12.	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
CHF million								
Financial receivables (AC)								
Receivables from financial contracts	66.8	71.5	–0.7	–1.4	66.1	70.1	67.8	70.4
Receivables from investments	434.3	522.8	–1.2	–1.5	433.1	521.3	433.0	520.9
Other financial receivables	110.4	136.9	–2.4	–1.1	108.0	135.8	107.8	134.5
Financial receivables (AC)	**611.4**	**731.3**	**–4.3**	**–4.0**	**607.1**	**727.2**	**608.7**	**725.9**
Financial receivables (FVPL)								
Receivables from investments	0.0	0.0	–	–	0.0	0.0	0.0	0.0
Financial receivables (FVPL)	**0.0**	**0.0**	**–**	**–**	**0.0**	**0.0**	**0.0**	**0.0**
of which: mandatorily FVPL	0.0	0.0	–	–	0.0	0.0	0.0	0.0
of which: designated as FVPL	–	–	–	–	–	–	–	–
Total financial receivables for own account and at own risk	**611.4**	**731.3**	**–4.3**	**–4.0**	**607.1**	**727.2**	**608.7**	**725.9**

Other receivables include CHF 0.2 million in premiums that are due but have not yet been paid relating to contracts measured using the PAA and not recognised as part of the LRC (previous year: CHF 0.2 million).

4.3 Financial liabilities

4.3.1 Gains or losses on financial contracts

	2024	2023
CHF million		
Result from financial contracts for own account and at own risk		
Interest expenses	–55.2	–53.7
Realised gains and losses	–22.2	–0.1
Other result from financial contracts	–12.1	–9.3
Total result from financial contracts for own account and at own risk	**–89.5**	**–63.2**
Result from financial contracts for the account and at the risk of policyholders and third parties	–1,000.7	–779.6
Total result from financial contracts	**–1,090.2**	**–842.7**

CHF million	2024	2023
Interest expenses arising from financial contracts (AC)		
Interest on loans	–22.0	–19.6
Interest due	0.0	–0.3
Interest arising from banking business	–28.7	–16.8
Interest expenses on repurchase agreements	–2.7	–3.3
Expenses arising from other financial contracts	–	–13.5
Interest expenses arising from financial contracts (AC)	**–53.4**	**–53.4**
Interest expenses arising from financial contracts (FVPL)		
Interest due	0.0	–
Expenses arising from other financial contracts	–1.8	–0.3
Interest expenses arising from financial contracts (FVPL)	**–1.8**	**–0.3**
of which: mandatorily FVPL	–1.8	–0.3
of which: designated as FVPL	–	–
Total interest expense from financial contracts for own account and at own risk	**–55.2**	**–53.7**

4.3.2 Financial contracts on the balance sheet

CHF million	2024	2023
Liabilities arising from financial contracts at own account and at own risk	9,003.7	8,170.4
Liabilities arising from financial contracts at the account and risk of customers and third parties	13,178.4	11,766.0
Total liabilities arising from financial contracts	**22,182.1**	**19,936.3**

Financial liabilities for the account and at the risk of customers and third parties are financial contracts arising from investment-linked life insurance contracts involving little or no transfer of risk. The year-on-year change in this liability consists entirely of the funds flowing into and out of the pertinent investment portfolio, market-related fluctuations in the measurement of the portfolio (recognised in profit or loss) and exchange rate movements.

	Carrying amount		Fair value	
as at 31.12.	**2024**	**2023**	**2024**	**2023**
CHF million				
Liabilities arising from financial contracts (AC)				
Liabilities to banks	105.4	30.1	105.6	29.9
Repurchase agreements	215.0	–	215.0	–
Loans	5.5	5.8	5.5	6.3
Mortgages	–	5.4	–	5.4
Savings and customer deposits	5,314.6	5,256.1	5,314.4	5,183.4
Medium-term bonds	487.3	286.7	502.8	289.8
Mortgage-backed bonds	2,762.5	2,529.1	2,843.2	2,477.9
Other financial contracts	0.1	10.0	0.1	10.0
Liabilities arising from financial contracts (AC)	**8,890.3**	**8,123.3**	**8,986.5**	**8,002.8**
Liabilities arising from financial contracts (FVPL)				
Other financial contracts	113.4	47.1	113.4	47.1
Liabilities arising from financial contracts (FVPL)	**113.4**	**47.1**	**113.4**	**47.1**
of which: mandatorily FVPL	113.4	47.1	113.4	47.1
of which: designated as FVPL	–	–	–	–
Total liabilities arising from financial contracts for own account and at own risk	**9,003.7**	**8,170.4**	**9,099.9**	**8,049.8**

Savings deposits and customer deposits essentially consist of savings accounts, business accounts and deposit accounts held by Swiss banking clients. The mortgage-backed bonds reported have all been issued by Pfandbriefbank schweizerischer Hypothekarinstitute AG.

4.4 Offsetting of financial assets and liabilities

The relevant information used to determine the amount of the counterparty risk exposure includes information on the offsetting of financial assets and liabilities on the balance sheet and any existing offsetting agreements in this context. This information is summarised in the table below.

The table also shows the scope of the offsetting agreements that exist, even though no offsetting as defined in IFRS is carried out on the balance sheet. The offsetting agreements are ISDA and Swiss master agreements for OTC derivative transactions, Swiss master agreements for repos (multilateral version), and global master securities lending agreements. In the event of insolvency or if one of the parties fails to fulfil its contractual obligations, each party has the right to close the current contracts and to offset outstanding receivables with liabilities and collateral received within the offsetting agreement.

		Offsetting recognised on the balance sheet		Netting potential not recognised on the balance sheet		
2024	Gross assets before offset	Offset with gross liabilities	Net assets recognised on the balance sheet	Financial liability	Collateral received	Assets after consideration of netting potential
CHF million						
Financial assets	1,977.1	– 83.7	**1,893.5**	–	– 1,888.0	**5.5**

		Offsetting recognised on the balance sheet		Netting potential not recognised on the balance sheet		
2023	Gross assets before offset	Offset with gross liabilities	Net assets recognised on the balance sheet	Financial liability	Collateral received	Assets after consideration of netting potential
CHF million						
Financial assets	1,264.0	– 2.6	**1,261.3**	–	– 1,178.8	**82.5**

		Offsetting recognised on the balance sheet		Netting potential not recognised on the balance sheet		
2024	Gross liabilities before offset	Offset with gross assets	Net liabilities recognised on the balance sheet	Financial asset	Collateral pledged	Liabilities after consideration of netting potential
CHF million						
Financial liabilities	–315.5	–	**–315.5**	–	301.7	**–13.8**

		Offsetting recognised on the balance sheet		Netting potential not recognised on the balance sheet		
2023	Gross liabilities before offset	Offset with gross assets	Net liabilities recognised on the balance sheet	Financial asset	Collateral pledged	Liabilities after consideration of netting potential
CHF million						
Financial liabilities	30.0	–	**30.0**	–	–27.1	**2.8**

4.5 Fair value measurement of investments and financial liabilities

Where available, quoted market prices are used to determine the fair value of assets and liabilities. They are defined as available if quoted prices can be obtained easily and frequently on an exchange, from a dealer, broker, trade association, pricing service or regulatory authority, provided these prices are current, in sufficient volume and represent regularly occurring arm's-length transactions in the market.

If no quoted market prices are available (e.g. because a market is inactive), the fair value is determined using a market-based measurement process. Market-based means that the measurement method is based on a significant quantity of observable market data (as available).

Fair value measurement is divided into the following three hierarchy levels:

- **Fair value determined by publicly quoted prices (level 1):** Fair value is based on prices in active markets on the balance sheet date and it is not adjusted or compiled in any other way.
- **Fair value determined by using observable market data (level 2):** Fair value is estimated using generally recognised methods (discounted cash flow, etc.). In this case, measurement incorporates a significant quantity of observable market data (interest rates, index performance, etc.).
- **Fair value determined without the use of observable market data (level 3):** Fair value is estimated using generally recognised methods (discounted cash flow, etc.), although it is measured without reference to any observable market data (or only to a very minor degree), either because this data is not available or because it does not permit any reliable conclusions to be drawn with regard to fair value.

Detailed information about measurement principles and the measurement methods used can be found in note 12.2.

Details of the methods used to measure level 2 and 3 assets and liabilities

The table below gives an overview of the measurement methods that the Baloise Group uses to determine the fair value of balance sheet line items classified as level 2 or level 3. The table shows the individual measurement methods, the key input factors used for measurement purposes and – where practicable – the range within which these input factors vary.

Balance sheet line item	Measurement method	Key input factors used for measurement purposes	Range of input factors
Level 2			
Financial instruments with characteristics of equity			
Recognised at fair value through OCI (FVOCI)	Internal measurement methods	Price of underlying instrument, liquidity discount, balance sheet and income statement figures	–
	Net asset value	n.a.	–
Recognised at fair value through profit or loss (FVPL)	Net asset value	n.a.	–
Financial instruments with characteristics of debt			
Recognised at fair value through OCI (FVOCI)	Present-value model	Yield curve, swap rates, default risk	–
Recognised at fair value through profit or loss (FVPL)	Present-value model Net asset value	Interest rate, credit spread, market price n.a.	–
Mortgages and loans			
Recognised at amortised cost (AC)	Present-value model	Interest rate, credit spread	–
Recognised at fair value through profit or loss (FVPL)	Present-value model	SARON, swap rates	–
Derivative financial instruments	Black-Scholes option pricing model	Money market interest rate, volatility, price of underlying instrument, exchange rates	–
	Black-76	Volatility, forward interest rate	–
Liabilities arising from financial contracts			
Recognised at fair value through profit or loss (FVPL)	Stochastic present-value model	Investment fund prices, interest rates, cancellation rate	–
	Present-value model	SARON, swap rates	–
Level 3			
Financial instruments with characteristics of equity	Net asset value	n.a.	n.a.
Financial instruments with characteristics of debt	Present-value model	Interest rate, credit spread	–
Mortgages and loans			
Recognised at amortised cost (AC)	Present-value model	Swap curve, individual spread	–
Recognised at fair value through OCI (FVOCI)	Present-value model	Swap curve, individual spread	–
Recognised at fair value through profit or loss (FVPL)	Present-value model	Swap curve, individual spread	–
Liabilities arising from financial contracts			
Recognised at fair value through profit or loss (FVPL)	Stochastic present-value model	Investment fund prices, interest rates, cancellation rate	–
	Present-value model	SARON, swap rates	–
Investment property	DCF method	Discount rate [1]	2.30% – 3.78% [3]
		Rental income [2]	300 – 320 CHF million [3]
		Vacancy costs [1]	13 – 19 CHF million [3]
		Running costs [1]	26 – 32 CHF million [3]
		Maintenance costs [1]	28 – 34 CHF million [3]
		Capital expenditure [2]	20 – 50 CHF million [3]

1 The lower these key input factors are, the higher the fair value of the investment property is.
2 The higher these key input factors are, the lower the fair value of the investment property is.
3 The input factor ranges shown essentially relate to the real estate portfolios held by the Baloise Group's Swiss entities.

Determining the fair value of assets and liabilities classified as level 3

The Baloise Group organises its operating activities into strategic business units, which are generally combined under a single management team for each region. The financial and management information needed for all relevant executive decisions is held by these strategic business units. This organisational structure is also used to delegate authority and responsibility for proper implementation of, and compliance with, financial reporting standards within the Baloise Group to the individual strategic business units.

The organisation of these individual units varies in terms of how they determine the fair value of financial instruments classified as level 3. This process essentially involves the regular discussion of measurement methods, measurement inconsistencies and classification issues by formal or informal committees at each reporting date. Appropriate adjustments are made where necessary.

Financial instruments with characteristics of equity classed as FVOCI or FVPL and classified as level 3 are primarily private equity investments and alternative investments held by Baloise as well as non-controlling interests in real estate companies. The fair value of such investments is usually determined by fund managers (external providers) based on net asset value (NAV). These external providers generally use non-public information to calculate the individual investments' NAV.

Financial instruments with characteristics of debt that are assigned to level 3 are predominantly corporate bonds originating from private placements and for which third-party prices are not available. A present-value model is used to measure their fair value.

The measurement of investment property classified as level 3 is carried out internally each year by experts using market-based assumptions that have been verified by respected external consultancies. This property is also assessed by external valuation specialists at regular intervals.

The mortgages and loans classified as level 3 are predominantly promissory notes and registered bonds, the fair value of which is determined individually with a present value model using a spread on the EUR and CHF swap curve calculated for instruments with a comparable maturity period and a similar risk profile.

Fair value of investments and financial liabilities for own account and at own risk

31.12.2024	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
CHF million					
Investments					
Investment property	**7,706.7**	**7,706.7**	–	–	7,706.7
Financial instruments with characteristics of equity	**3,245.6**	**3,245.6**	983.9	273.5	1,988.2
Recognised at fair value through OCI (FVOCI)	**339.4**	**339.4**	187.9	26.8	124.7
Recognised at fair value through profit or loss (FVPL)	**2,906.2**	**2,906.2**	796.1	246.7	1,863.4
Financial instruments with characteristics of debt	**29,356.6**	**29,360.5**	26,377.3	2,983.2	–
Recognised at amortised cost (AC)	**155.9**	**159.7**	143.5	16.2	–
Recognised at fair value through OCI (FVOCI)	**6,315.1**	**6,315.1**	6,015.4	299.7	–
Recognised at fair value through profit or loss (FVPL)	**22,885.7**	**22,885.7**	20,218.3	2,667.3	–
Mortgages and loans	**16,089.3**	**16,486.0**	–	13,779.4	2,706.6
Recognised at amortised cost (AC)	**11,020.3**	**11,417.0**	–	10,726.5	690.5
Recognised at fair value through OCI (FVOCI)	**504.1**	**504.1**	–	–	504.1
Recognised at fair value through profit or loss (FVPL)	**4,564.9**	**4,564.9**	–	3,052.9	1,512.0
Derivative financial instruments	**263.1**	**263.1**	–	263.1	–
Financial receivables	**607.1**	**608.7**	129.5	4.9	474.4
Financial liabilities					
Liabilities arising from financial contracts	**9,003.7**	**9,099.9**	113.6	8,980.9	5.5
Recognised at amortised cost (AC)	**8,890.3**	**8,986.5**	0.2	8,980.9	5.5
Recognised at fair value through profit or loss (FVPL)	**113.4**	**113.4**	113.4	–	0.0
Derivative financial instruments	**161.5**	**161.5**	1.4	160.1	0.0
Outstanding bonds [1]	**2,334.1**	**2,372.2**	2,372.2	–	–

1 Details of the outstanding bonds can be found in note 5.2.1.

31.12.2023	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
CHF million					
Investments					
Investment property	**8,248.6**	**8,248.6**	–	–	8,248.6
Financial instruments with characteristics of equity[1]	**3,105.6**	**3,105.6**	831.5	317.4	1,956.8
Recognised at fair value through OCI (FVOCI)	**336.7**	**336.7**	180.9	22.9	132.9
Recognised at fair value through profit or loss (FVPL)	**2,768.9**	**2,768.9**	650.6	294.5	1,823.8
Financial instruments with characteristics of debt	**29,267.0**	**29,267.5**	26,848.7	2,418.8	–
Recognised at amortised cost (AC)	**125.0**	**125.5**	123.6	2.0	–
Recognised at fair value through OCI (FVOCI)	**5,654.7**	**5,654.7**	5,427.0	227.7	–
Recognised at fair value through profit or loss (FVPL)	**23,487.3**	**23,487.3**	21,298.2	2,189.1	–
Mortgages and loans[1]	**15,602.3**	**15,672.9**	–	12,208.9	3,464.0
Recognised at amortised cost (AC)	**10,138.4**	**10,208.9**	–	9,104.6	1,104.4
Recognised at fair value through OCI (FVOCI)	**555.0**	**555.0**	–	–	555.0
Recognised at fair value through profit or loss (FVPL)	**4,909.0**	**4,909.0**	–	3,104.3	1,804.7
Derivative financial instruments	**449.8**	**449.8**	0.2	449.6	–
Financial receivables	**727.2**	**725.9**	323.8	6.7	395.4
Financial liabilities					
Liabilities arising from financial contracts	**8,170.4**	**8,049.8**	42.7	7,981.0	26.1
Recognised at amortised cost (AC)	**8,123.3**	**8,002.8**	0.7	7,981.0	21.0
Recognised at fair value through profit or loss (FVPL)	**47.1**	**47.1**	42.0	–	5.1
Derivative financial instruments	**83.4**	**83.4**	–	83.4	0.0
Outstanding bonds[2]	**2,334.0**	**2,270.8**	2,270.8	–	–

1 Owing to a more detailed set of base data, the assignment to the levels of the hierarchy has been adjusted for 2023. Financial instruments with characteristics of equity (FVPL) of CHF 101.9 million and mortgages and loans (AC) of CHF 100.0 million were reclassified from level 2 to level 3.
2 Details of the outstanding bonds can be found in note 5.2.1.

Fair value of investments and financial liabilities for the account and risk of customers and third parties

31.12.2024	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
CHF million					
Investments					
Financial instruments with characteristics of equity	**13,368.2**	**13,368.2**	12,301.8	585.8	480.6
Financial instruments with characteristics of debt	**3,248.7**	**3,248.7**	2,690.3	338.8	219.6
Derivative financial instruments	**639.7**	**639.7**	–	639.7	–
Financial liabilities					
Liabilities arising from financial contracts	**13,178.4**	**13,178.4**	11,697.7	807.0	673.7

31.12.2023	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
CHF million					
Investments					
Financial instruments with characteristics of equity	**11,827.2**	**11,827.2**	10,794.8	577.5	455.0
Financial instruments with characteristics of debt	**2,886.5**	**2,886.5**	2,529.3	233.5	123.7
Derivative financial instruments	**622.8**	**622.8**	–	622.8	–
Financial liabilities					
Liabilities arising from financial contracts	**11,766.0**	**11,766.0**	10,532.5	687.3	546.2

Investments and financial liabilities measured at fair value on a recurring basis for own account and at own risk classified as Level 3

2024	Investment property	Financial instruments with characteristics of equity		Mortgages and loans		Total investments	Liabilities arising from financial contracts	Total financial liabilities
	FVPL	FVOCI	FVPL	FVOCI	FVPL		FVPL	
CHF million								
Balance as at 1 January	**8,248.6**	**132.9**	**1,823.8**	**555.0**	**1,804.7**	**12,565.0**	**5.1**	**5.1**
Additions	44.0	11.2	100.8	–	9.3	**165.3**	–5.2	**–5.2**
Disposals	–610.6	–3.2	–134.5	–66.2	–335.5	**–1,150.0**	–	**–**
Reclassified to level 3	93.4	–	–	–	–	**93.4**	–	**–**
Reclassified from level 3	–	–	–	–	–	**–**	–	**–**
Reclassification to non-current assets classified as held for sale	–83.6	–	–	–	–	**–83.6**	–	**–**
Changes in fair value recognised in profit or loss	–0.9	–	2.3	–5.2	12.7	**8.9**	–	**–**
Changes in fair value not recognised in profit or loss	–	–17.6	–	13.2	–	**–4.4**	–	**–**
Exchange differences	15.8	1.5	71.1	7.4	20.7	**116.4**	0.1	**0.1**
Balance as at 31 December	**7,706.7**	**124.7**	**1,863.4**	**504.1**	**1,512.0**	**11,710.9**	**0.0**	**0.0**
Changes in fair value of financial instruments held at the balance sheet date and recognised in profit or loss	**–56.4**	**–**	**–56.4**	**–**	**21.1**	**–91.7**	**–**	**–**

The Baloise Group intends to dispose of five Baloise Insurance Ltd and Baloise Life Ltd properties within the next twelve months, which is why these properties have been reclassified as non-current assets held for sale. As at the time of reclassification, the fair value of these properties totalled CHF 83.6 million.

In addition, an owner-occupied property in Germany measured at FVPL with a fair value of CHF 93.4 million was reclassified as an investment property. The reclassification was carried out due to the property's change of use.

	Investment property	Financial instruments with characteristics of equity[1]		Mortgages and loans		Total investments	Liabilities arising from financial contracts	Total financial liabilities
2023	**FVPL**	**FVOCI**	**FVPL**	**FVOCI**	**FVPL**		**FVPL**	
CHF million								
Balance as at 1 January	**8,495.1**	**155.3**	**1,873.1**	**583.4**	**1,928.8**	**13,035.6**	**–**	**–**
Additions	129.5	11.1	192.7	13.6	64.7	**411.6**	5.1	**5.1**
Additions arising from change in the scope of consolidation	152.9	–	–	–	–	**152.9**	–	**–**
Disposals	–399.1	–1.5	–122.9	–29.2	–179.8	**–732.5**	–	**–**
Reclassified to level 3	5.1	–	16.8	–	–	**21.8**	–	**–**
Reclassified from level 3	–35.8	–	–	–	–	**–35.8**	–	**–**
Reclassification to non-current assets classified as held for sale	56.4	–	–	–	–	**56.4**	–	**–**
Changes in fair value recognised in profit or loss	–72.0	–	–1.5	–6.0	84.6	**5.0**	–	**–**
Changes in fair value not recognised in profit or loss	–	–24.1	–	28.3	–	**4.2**	–	**–**
Exchange differences	–83.5	–7.8	–134.3	–35.1	–93.6	**–354.3**	–	**–**
Balance as at 31 December	**8,248.6**	**132.9**	**1,823.8**	**555.0**	**1,804.7**	**12,565.0**	**5.1**	**5.1**
Changes in fair value of financial instruments held at the balance sheet date and recognised in profit or loss	**–88.6**	**–**	**–30.2**	**–**	**82.9**	**–35.9**	**–**	**–**

1 The differentiation between levels was adjusted slightly in 2023 as a result of more detailed base data.

In 2023, six investment properties held for sale, which had a total fair value of CHF 56.4 million were reclassified as investment properties again as the parties to the sale were unable to reach an agreement.

Also in 2023, an owner-occupied property measured at FVPL with a fair value of CHF 5.1 million was reclassified as an investment property. Furthermore, an investment property with a fair value of CHF 35.8 million was reclassified as an owner-occupied property measured at FVPL. Both of these reclassifications were carried out due to the change of use of the properties.

Investments and financial liabilities of customers and third parties measured at fair value on a recurring basis classified as Level 3

2024	Financial instruments with characteristics of equity FVPL	Financial instruments with characteristics of debt FVPL	Total investments	Liabilities arising from financial contracts FVPL	Total financial liabilities
CHF million					
Balance as at 1 January	**455.0**	**123.7**	**578.7**	**546.2**	**546.2**
Additions	130.6	100.1	**230.7**	4.0	**4.0**
Disposals	–112.4	–16.2	**–128.6**	0.0	**0.0**
Reclassified to level 3	0.4	12.7	**13.1**	11.6	**11.6**
Reclassified from level 3	–0.3	–0.7	**–1.0**	–1.0	**–1.0**
Changes in fair value recognised in profit or loss	2.3	–0.2	**2.1**	108.0	**108.0**
Exchange differences	5.1	0.2	**5.3**	4.8	**4.8**
Balance as at 31 December	**480.6**	**219.6**	**700.2**	**673.7**	**673.7**
Changes in fair value of financial instruments held at the balance sheet date and recognised in profit or loss	**2.3**	**–0.2**	**2.1**	**–107.2**	**–107.2**

2023	Financial instruments with characteristics of equity FVPL	Financial instruments with characteristics of debt FVPL	Total investments	Liabilities arising from financial contracts FVPL	Total financial liabilities
CHF million					
Balance as at 1 January	**406.5**	**112.1**	**518.6**	**8,698.1**	**8,698.1**
Additions	75.5	18.0	**93.5**	10.6	**10.6**
Disposals	–69.0	–1.2	**–70.2**	–2.6	**–2.6**
Reclassified to level 3	0.2	2.3	**2.5**	0.8	**0.8**
Reclassified from level 3	–	–1.1	**–1.1**	–8,799.6	**–8,799.6**
Changes in fair value recognised in profit or loss	69.2	1.1	**70.2**	802.7	**802.7**
Exchange differences	–27.4	–7.6	**–34.9**	–163.8	**–163.8**
Balance as at 31 December	**455.0**	**123.7**	**578.7**	**546.2**	**546.2**
Changes in fair value of financial instruments held at the balance sheet date and recognised in profit or loss	**69.2**	**1.1**	**70.2**	**–803.5**	**–803.5**

Reclassification of assets and liabilities between level 1 and level 2

Assets and liabilities measured at fair value are generally reclassified from level 1 to level 2 if there is no longer deemed to be an active market for these instruments owing to their low daily trading volumes or lack of liquidity or if the instruments concerned have been de-listed. Financial instruments are reclassified from level 2 to level 1 for the exact opposite reasons.

No significant amounts of assets or liabilities measured at fair value were reclassified from level 1 to level 2 or vice versa during the reporting period.

Reclassification of assets and liabilities to and from level 3

In the reporting period, an owner-occupied property measured at FVPL with a fair value of CHF 93.4 million was reclassified as an investment property in Germany.

The reclassifications of investment properties made to and from level 3 in 2023 were attributable to the change of use of two owner-occupied properties measured at FVPL.

Discrepancy between a non-financial asset's highest and best use and its current use

The fair value of investment property is determined on the basis of its highest and best use.

This periodic analysis, based on criteria such as the potential to increase a property's market value by converting it into apartments, the repurposing of some or all of an existing property, the availability of a significant amount of land for further building and development, and the unlocking of added value by demolishing an existing property and building a new one, revealed for the reporting period that the highest and best use of only individual investment properties in the Swiss portfolio differed from their current use.

5. Funding

5.1 Borrowing costs

CHF million	2024	2023
Interest expense from outstanding bonds	24.2	25.6
Interest expense from lease liabilities	0.6	0.5
Total borrowing costs	**24.9**	**26.2**

5.2 Financial liabilities

CHF million	2024	2023
Outstanding bonds	2,334.1	2,334.0
Lease liabilities	54.6	57.3
Total financial liabilities	**2,388.8**	**2,391.3**

The maturity analysis of undiscounted cash flows from senior debt and lease liabilities is presented in note 11.3.3.

5.2.1 Outstanding bonds

	2024			2023		
CHF million	Senior debt	Subordinated debt	Total	Senior debt	Subordinated debt	Total
Balance as at 1 January	**2,134.6**	**199.4**	**2,334.0**	**2,084.7**	**499.0**	**2,583.8**
Additions[1]	150.0	–	**150.0**	274.9	–	**274.9**
Disposals/repayments[1]	–150.0	–	**–150.0**	–225.0	–300.0	**–525.0**
Interest expenses	19.7	4.6	**24.2**	18.4	7.3	**25.6**
Borrowing costs paid	–13.3	–2.1	**–15.4**	–13.5	–6.3	**–19.8**
Accrued borrowing costs	–6.3	–2.4	**–8.7**	–4.9	–0.7	**–5.6**
Interest costs (sub-total)	**0.0**	**0.1**	**0.1**	**0.0**	**0.3**	**0.3**
Balance as at 31 December	**2,134.6**	**199.5**	**2,334.1**	**2,134.6**	**199.4**	**2,334.0**

1 The prior-year figures have been adjusted.

On 7 June 2024, Baloise Holding Ltd placed a senior bond on behalf of the Baloise Group with a volume of CHF 150 million and a coupon of 1.75 per cent (maturity period: 2024–2034) for general company purposes.

On 19 December 2024, a CHF-denominated senior bond with a volume of CHF 150 million and a coupon of 1.125 per cent issuedby Baloise Holding Ltd was repaid.

In 2023, the Baloise Group issued two bonds as part of its funding activities: the senior green bond issued through Baloise Holding Ltd on 30 January 2023 with a volume of CHF 175 million and a coupon of 2.20 per cent (maturity period: 2023–2032) and the senior bond issued on 2 May 2023 with a volume of CHF 100 million and a coupon of 2.35 per cent (maturity period 2023–2033).

Furthermore, a senior bond with a volume of CHF 225 million and a coupon of 1.75 per cent issued by Baloise Holding Ltd was repaid on 26 April 2023. On 19 June 2023, Baloise Life Ltd repaid a further, open-ended subordinated bond with a volume of CHF 300 million and a coupon of 1.75 per cent on the earliest possible call date.

Terms & conditions of outstanding bonds as at 31 December 2024

Issuer	Baloise Life Ltd	Baloise Holding Ltd	Baloise Holding Ltd	Baloise Holding Ltd	Baloise Holding Ltd
Face value (CHF million)	200	200	100	125	175
Interest rate	2.200%	0.500%	0.000%	0.000%	0.250%
Redemption value	100%	100%	100%	100%	100%
Issue date	19.09.2017	28.01.2019	25.09.2019	25.09.2019	16.07.2020
Repayment date	19.06.2048	28.11.2025	25.09.2026	25.09.2029	16.12.2026
ISIN	CH0379611004	CH0458097976	CH0496692978	CH0496692986	CH0553331817
Ranking	subordinated[1]	senior	senior	senior	senior

Issuer	Baloise Holding Ltd	Baloise Holding Ltd	Baloise Holding Ltd	Baloise Holding Ltd	Baloise Holding Ltd
Face value (CHF million)	125	250	200	200	110
Interest rate	0.500%	0.150%	0.125%	0.300%	1.900%
Redemption value	100%	100%	100%	100%	100%
Issue date	16.07.2020	15.02.2021	27.09.2021	16.02.2022	19.07.2022
Repayment date	16.12.2030	17.02.2031	27.06.2030	16.02.2027	19.07.2028
ISIN	CH0553331825	CH0593641068	CH1130818839	CH1148728210	CH1199322350
Ranking	senior	senior	senior	senior	senior

Issuer	Baloise Holding Ltd	Baloise Holding Ltd	Baloise Holding Ltd	Baloise Holding Ltd	
Face value (CHF million)	225	175	100	150	
Interest rate	2.200%	2.200%	2.350%	1.750%	
Redemption value	100%	100%	100%	100%	
Issue date	30.11.2022	30.01.2023	02.05.2023	07.06.2024	
Repayment date	30.05.2029	30.01.2032	02.05.2033	07.06.2034	
ISIN	CH1206367661	CH1232107180	CH1256367199	CH1348614145	
Ranking	senior	senior	senior	senior	

1 The first scheduled call date for the issuer is 19 June 2028.

5.2.2 Lease liabilities

Baloise as lessee

Generally, leases are entered into only if a purchase would be economically disadvantageous or is not possible. The Baloise Group leases real estate for office space and warehousing and recognises it on its balance sheet. On the balance sheet, right-of-use assets are recognised under the "Property, plant and equipment" line item and the lease liabilities under "Financial liabilities". The leases are negotiated individually and contain a variety of different conditions to give the Baloise Group the maximum operational flexibility with regard to the overall lease portfolio. As a rule, the leases are entered into for a term of two to five years. Possible extension options are factored into the measurement of lease liabilities, provided that it is sufficiently certain that the options will be exercised. Any non-lease components within a rental contract are not treated separately. Instead, they are also taken into account in the measurement of the relevant lease liability.

Leases of low-value assets and short-term leases for operating equipment, parking spaces and other property, plant and equipment are expensed in the income statement on a straight-line basis over the term of the lease; they are not recognised on the balance sheet.

	2024	2023
CHF million		
Balance as at 1 January	**57.3**	**25.6**
Additions	15.3	46.6
Disposals	–7.2	–0.4
Disposals arising from change in scope of consolidation	–	–0.5
Interest expenses	0.2	0.5
Repayment of lease liabilities	–11.7	–12.3
Exchange differences	0.7	–2.3
Balance as at 31 December	**54.6**	**57.3**

Leases in the income statement

	2024	2023
CHF million		
Expenses relating to leases of low-value and short-term leases	–5.3	–3.8
Interest expenses on lease liabilities	–0.2	–0.5
Depreciation and impairment of right-of-use assets	–14.5	–12.0

6. Employee benefits

6.1 Receivables and liabilities arising from employee benefits

CHF million	31.12.2024	31.12.2023
Receivables from employee benefits		
Short-term employee benefits	3.7	4.1
Post-employment benefits – defined benefit plans	2.3	2.2
Total receivables from employee benefits	**6.0**	**6.3**
Liabilities from employee benefits		
Short-term employee benefits	79.4	70.2
Post-employment benefits – defined benefit plans	538.7	537.3
Other long-term employee benefits	27.6	25.4
Termination benefits	10.2	2.6
Total liabilities from employee benefits	**655.9**	**635.5**

6.2 Post-employment benefits – defined benefit plans

The Baloise Group provides a range of pension benefits, which vary from country to country in line with local circumstances. The funded – or partially funded – liabilities relate to the occupational pension provision offered in Switzerland, in Liechtenstein and partially in Belgium.

Switzerland has the largest plans. The employer and employee each contribute to these plans; the contributions are used to cover benefits paid in the event of death or invalidity as well as being saved up to fund a pension. The employee has the option of receiving all or part of the accumulated capital as a one-off payment. Some of the benefits granted in this way are governed by binding statutory regulations that are applicable to all Swiss employers and, in particular, stipulate certain minimum benefits. The pensions are the responsibility of separate legal entities (foundations) that are run by a committee consisting of employer and employee representatives.

In other countries, the benefits are either granted by the employer directly or covered by an insurance policy that, as a rule, is funded by the employer. Directly granted benefits are particularly relevant in Germany, where benefits are agreed between the employer and the employee representatives.

The pension benefits on offer also comprise special benefits that the Baloise Group grants to retirees (especially those in Switzerland). These benefits include subsidised mortgages. These benefits and concessions are classified as defined benefit pension obligations under IAS 19.

6.2.1 Comprehensive income on defined benefit plans

CHF million	2024	2023
Current service cost (net)	–68.0	–40.6
Net interest cost	–16.5	–17.8
Unrecognised past service cost	–0.1	–
Gains and losses on plan settlements	–	–
Expected return on reimbursement rights	–	–
Total expenses for defined benefit plans recognised in the income statement	**–84.7**	**–58.4**
Actuarial gains/losses	–71.4	–392.3
Return on plan assets	173.1	22.3
Effect of the asset ceiling, excluding the time value of money	–112.9	293.0
Total other comprehensive income on defined benefit plans	**–11.2**	**–77.0**
Total comprehensive income on defined benefit plans	**–95.9**	**–135.4**

6.2.2 Net actuarial liabilities under defined benefit plans

CHF million	31.12.2024	31.12.2023
Fair value of plan assets	3,033.3	2,853.7
Present value of (partially) funded liabilities	–2,714.3	–2,645.0
Present value of unfunded liabilities	–526.5	–530.8
Effect of the asset ceiling, including the time value of money	–329.0	–212.8
Net actuarial liabilities under defined benefit plans	**–536.5**	**–535.0**

Fair value of plan assets

CHF million	2024	2023
Balance as at 1 January	**2,853.7**	**2,780.3**
Interest rate effect	43.3	67.3
Return on plan assets (after deduction of the time value of money)	173.1	22.3
Employees' savings and purchases	41.3	41.4
Exchange differences	0.3	–2.7
Employer contribution	70.8	71.2
Employee contribution	42.2	41.9
Benefits paid	–191.4	–168.1
Cash flow between Baloise Group and plan assets (excl. benefits paid to employees and employer contribution)	–	–
Gains and losses on plan settlements	–	–
Balance as at 31 December	**3,033.3**	**2,853.7**

Partially funded liabilities under defined benefit plans

CHF million	2024	2023
Balance as at 1 January	**-2,645.0**	**-2,286.7**
Current service cost (net)	-58.8	-32.0
Interest rate effect	-40.1	-58.9
Employee contribution	-42.2	-41.9
Employees' savings and purchases	-41.3	-41.4
Actuarial gains/losses on defined benefit obligations arising from	-77.5	-355.2
Changes in financial assumptions	-163.7	-257.6
Changes in demographic assumptions	13.4	-12.9
Experience adjustments	72.7	-84.8
Exchange differences	-0.3	3.0
Unrecognised past service cost	-	-
Benefits paid	191.0	168.1
Gains and losses on plan settlements	-	-
Balance as at 31 December	**-2,714.3**	**-2,645.0**

Unfunded liabilities under defined benefit plans

CHF million	2024	2023
Balance as at 1 January	**-530.8**	**-526.2**
Current service cost (net)	-9.3	-8.6
Interest rate effect	-16.5	-18.9
Employee contribution	-1.0	-1.0
Employees' savings and purchases	-	-
Actuarial gains/losses on defined benefit obligations arising from	6.1	-37.0
Changes in financial assumptions	3.4	-37.8
Changes in demographic assumptions	-0.8	1.2
Experience adjustments	3.5	-0.5
Exchange differences	-6.1	31.1
Unrecognised past service cost	-0.1	-
Benefits paid	31.1	29.9
Gains and losses on plan settlements	-	-
Balance as at 31 December	**-526.5**	**-530.8**

Asset ceiling

	2024	2023
CHF million		
Balance as at 1 January	**–212.8**	**–498.6**
Interest rate effect	–3.2	–7.2
Effect of the asset ceiling (excluding interest rate effect)	–112.9	293.0
Exchange differences	0.0	–
Balance as at 31 December	**–329.0**	**–212.8**

6.2.3 Asset allocation

	31.12.2024	31.12.2023
CHF million		
Cash and cash equivalents	36.9	66.4
Real estate	717.5	670.6
Equities and investment funds	1,795.8	1,642.6
publicly listed	1,742.7	1,601.3
not publicly listed	53.2	41.2
Fixed-interest assets	78.5	73.3
publicly listed	78.5	73.3
not publicly listed	–	–
Mortgages and loans	357.8	364.1
Derivatives	–5.9	4.2
publicly listed	–	–
not publicly listed	–5.9	4.2
Other	52.7	32.4
Fair value of plan assets	**3,033.3**	**2,853.7**
of which: Baloise Holding Ltd shares (fair value)	23.0	18.5
of which: real estate leased to the Baloise Group	–	–

The line item “Equities and investment funds” predominantly consists of fixed-income funds.

6.2.4 Actuarial assumptions

	2024	2023
per cent		
Discount rate	1.4	1.8
Expected wage and salary increases	1.4	1.4
Expected increase in pension benefits	0.2	0.2
Weighted annuity option take-up rate	57.6	61.5
Years		
Average life expectancy of a 65-year-old woman	24.6	24.5
Average life expectancy of a 65-year-old man	22.6	22.5

When calculating liabilities and expenses for defined benefit plans, the Baloise Group is required to make actuarial and other assumptions that are determined on a company-by-company and country-by-country basis. The assumptions shown above are weighted averages.

6.2.5 Sensitivity analysis for liabilities under defined benefit plans

CHF million	31.12.2024	31.12.2023
Total defined benefit obligation as shown	–3,240.9	–3,175.9
Discount rate plus 0.5% age points	193.8	197.2
Discount rate minus 0.5% age points	–213.1	–221.4
Expected wage and salary increases plus 0.5% age points	–25.3	–22.7
Expected wage and salary increases minus 0.5% age points	25.1	21.5
Expected pension benefits increases plus 0.5% age points	–139.2	–137.7
Expected pension benefits increases minus 0.5% age points	17.2	17.9
Mortality probabilities for 65-year-olds plus 10.0% age points [1]	66.1	60.7
Mortality probabilities for 65-year-olds minus 10.0% age points [1]	–67.3	–67.1
Share of annuity option plus 10.0% age points	–12.4	–2.7

1 The prior-year figures have been adjusted.

The Baloise Group determines the sensitivities of liabilities under defined benefit plans by recalculating them using the same models as used for the calculation of the effective value. In this calculation, only one parameter of the base scenario is changed. Possible interaction between individual parameters is not taken into consideration. The effect resulting from various parameters occurring simultaneously may vary from the sum total of individually determined differences.

The sensitivity is only calculated for the liability. A possible simultaneous impact on plan assets is not investigated.

6.2.6 Funding of plan benefits

The plan assets of the Swiss plans are funded jointly by the employer and employee. The amount of individual contributions depends largely on an employee's remuneration and age. Statutory regulations require employers to contribute a minimum of 50 per cent of the total contributions for part of the insured benefits.

6.2.7 Estimated employer contribution

The employer's contribution for the following year can only be predicted with a limited degree of certainty. The Baloise Group expects to pay employer contributions of approximately CHF 78.5 million for the 2025 financial year.

6.2.8 Maturity profile

The maturity profile of liabilities under pension plans differs depending on whether benefits are prospective or current entitlements. For prospective benefit entitlements, the average expected remaining service period is 9.5 years; current benefit entitlements under pension commitments are designed for an average of 17.1 years.

6.3 Other long-term employee benefits

Benefits granted to current employees that are payable twelve months or more after the end of the financial year are accounted for separately and according to specific rules. The accounting policies applied are similar to those used for pension liabilities, except that actuarial gains and losses are recognised in profit or loss.

Long-service bonuses constitute the principal benefit paid. The present value of liabilities as at 31 December 2024 totalled CHF 27.6 million (previous year: CHF 25.4 million). There were no disposals of plan assets for long-term employee benefits. Benefits paid out amounted to CHF 0.5 million (previous year: CHF 2.5 million).

6.4 Share-based payment plan

For some time now, the Baloise Group has offered employees and management team members the chance to participate in various plans under which shares are granted as part of their overall remuneration packages: the Employee Incentive Plan, the Share Subscription Plan, the Share Participation Plan (discontinued with effect from 1 January 2024) and the Performance share units (PSU) Plan. The PSU Plan and the Employee Incentive Plan are equity-settled share-based payment plans. By contrast, the Share Subscription Plan and the Share Participation Plan are share-based payment plans with a choice of settlement. The textual explanations of these individual compensation programs are contained in notes 4, 5 and 6 of the Compensation Report.

In 2024, a sum of CHF 30.9 million (previous year: CHF 29.0 million) was recognised as an expense in profit or loss in connection with the following share-based payment plans. The most important quantitative information is listed in tabular form below.

6.4.1 Employee Incentive Plan

	2024	2023
Number of shares subscribed	234,337	238,410
Restricted until	31.08.2027	31.08.2026
Subscription price per share (CHF)	79.20	67.90
Value of shares subscribed (CHF million)	18.6	16.2
Fair value of subscribed shares on subscription date (CHF million)	38.4	33.1
Employees entitled to participate	3,423	3,471
Participating employees	2,622	2,646
Subscribed shares per participant (average)	89.4	90.1

6.4.2 Share Subscription Plan

Share Subscription Plan for senior managers (SSP) [1]	2024	2023
Number of shares subscribed	27,565	22,694
Restricted until	28.02.2027	28.02.2026
Subscription price per share (CHF)	117.89	134.28
Value of shares subscribed (CHF million)	3.2	3.0
Fair value of subscribed shares on subscription date (CHF million)	3.9	3.6
Employees entitled to participate	1,165	1,113
Participating employees	177	132
SSP portion of variable remuneration	16%	12%

1 Members of the management team entitled to receive shares under this plan include the most senior level of management across the entire Group and the middle management tier in Switzerland.

Share Subscription Plan for the board of directors	2024	2023
Number of shares subscribed	6,163	7,207
Restricted until	31.05.2027	31.05.2026
Subscription price per share (CHF)	137.98	125.91
Value of shares subscribed (CHF million)	0.9	0.9
Fair value of subscribed shares on subscription date (CHF million)	1.0	1.0
Participating members of the Board of Directors	10	10

6.4.3 Share Participation Plan

	2023
Number of shares subscribed [1]	108,923
Restricted until	28.02.2026
Subscription price per share [2] (CHF)	127.14
Value of shares subscribed [2] (CHF million)	13.8
Fair value of subscribed shares on subscription date (CHF million)	17.0
Employees entitled to participate	1,086
Participating employees	181
SPP portion of variable remuneration	9%

1 Including shares financed by loans.
2 Net of the discounted dividend right over three years.

The Share Participation Plan was discontinued as of 1 January 2024.

6.4.4 Performance Share Units (PSU) Plan

The value of PSUs is exposed to market risk until the end of the vesting period and may, of course, fluctuate significantly, as shown in the table below:

	PSUs granted		PSUs converted				Change in value [3]
	Date	Price (CHF) [1]	Date	Multiplier	Price (CHF) [1]	Value (CHF) [2]	
2020	01.03.2020	154.90	01.03.2023	0.61	156.50	95.47	-38%
2021	01.03.2021	158.90	01.03.2024	0.00	142.60	0.00	-100%
2022	01.03.2022	154.10	01.03.2025	0.83 [4]	164.10 [4]	135.56 [4]	-12% [4]
2023	01.03.2023	156.50	01.03.2026	0.63 [4]	164.10 [4]	102.56 [4]	-34% [4]
2024	01.03.2024	142.60	01.03.2027	1.45 [4]	164.10 [4]	237.66 [4]	67% [4]

1 Price = price of Baloise shares at the PSU grant date or conversion date.
2 Value = value of one PSU at the conversion date (share price at the conversion date times the multiplier).
3 Change in value = difference between the value at the conversion date (multiplier times the share price at the conversion date) and the share price at the grant date, expressed as a percentage of the share price at the grant date; example of the PSU plan in 2020: ([(0.61*156.50)-154.90] / 154.90) * 100 = -38%.
4 Interim measurement as at 31 December 2024.

Measurement of the PSUs at their issue date is based on a Monte Carlo simulation, which calculates a present value for the payout expected at the end of the vesting period. This measurement incorporates the following parameters:

- risk-free interest rate
- The volatilities of all shares in the peer group and their correlations with each other are measured over a three-year track record.

	Plan 2024	Plan 2023	Plan 2022
Employees entitled to participate at launch of programme	68	68	78
Number of allocated PSU	39,018	29,812	33,914
of which: expired (departures in 2022)	–	–	–
Number of active PSUs as at 31 December 2022	–	–	33,914
of which: expired (departures in 2023)	–	– 309	– 1,402
Number of active PSUs as at 31 December 2023	–	29,503	32,512
of which: expired (departures in 2024)	– 724	– 1,207	– 697
Number of active PSUs as at 31 December 2024	38,294	28,296	31,815
Value of allocated PSUs on issue date (CHF million)	5.4	4.4	5.1
PSU expense incurred by the Baloise Group for 2022 (CHF million)	–	–	1.4
PSU expense incurred by the Baloise Group for 2023 (CHF million)	–	1.2	1.8
PSU expense incurred by the Baloise Group for 2024 (CHF million)	1.9	1.4	1.5

6.4.5 Employee Stock Option Programme

FRIDAY Insurance S.A., a subsidiary of Baloise Luxembourg Holding S.A., offers selected employees an Employee Stock Option Programme (ESOP) that was launched in 2021. The equity instruments allocated become vested over a period of five years from the allocation date. Allocations can be made each quarter. The fair value of the granted ESOPs is determined using a Black-Scholes model and recognised in profit or loss during the vesting period. The vested options will be exercised either when an exit event takes place or, at the latest, when the maturity event takes place after seven years.

	2024	2023
Participating employees	71	79
Number of allocated options	4,064,156	3,989,458
of which: expired (departures in 2021)	416,260	416,260
of which: expired (departures in 2022)	518,213	518,213
of which: expired (departures in 2023)	591,345	591,345
of which: expired (departures in 2024)	538,633	–
Number of active options as at 31 December 2024	1,999,705	2,463,640
ESOP expense (CHF million)	1.3	0.9

7. Taxes

7.1 Current income taxes and deferred taxes

CHF million	2024	2023
Current income taxes	– 78.8	– 69.5
Domestic top-up tax OECD Pillar two	– 0.1	–
Deferred taxes	– 62.3	– 12.4
Total income taxes	**– 141.1**	**– 81.9**

Expected and current income taxes

The expected average tax rate for the Baloise Group was 22.5 per cent in 2024 and 27.7 per cent in 2023. These rates correspond to the weighted average tax rates in those countries where the Baloise Group operates.

CHF million	2024	2023
Profit before taxes	520.5	318.2
Expected average tax rate (per cent)	22.46 %	27.67 %
Expected income taxes	**– 116.9**	**– 88.0**
Increase / reduction owing to		
Tax-exempt profits and losses	5.6	12.4
Non-deductible expenses	– 4.4	– 6.4
Withholding taxes on dividends	0.0	– 1.6
Change in tax rates	– 1.1	0.0
Change in unrecognised tax losses [1]	– 29.4	2.3
Recognition of tax credits	–	–
Tax items related to other reporting periods	2.6	9.1
Non-taxable measurement differences	2.8	– 3.0
Intercompany effects	8.0	6.1
Other impacts	– 8.5	– 12.8
Current income taxes	**– 141.1**	**– 81.9**

1 Largely as a result of the reversal of recognised prior-year losses of CHF -24.2 million at FRIDAY (transfer of insurance portfolio) and of CHF -5.5 million at Baloise Luxembourg.

Baloise falls within the scope of the OECD rules on global minimum tax.

Baloise identifies as strategic business units (Switzerland, Germany, Belgium and Luxembourg), and which are covered by the OECD rules on global minimum tax, the legislative position is that domestic top-up taxes apply with effect from 1 January 2024.

The rules for international top-up taxes (Income Inclusion Rule) apply from 1 January 2024 (except in Switzerland, where they apply from 1 January 2025); the Undertaxed Profits Rule applies from 1 January 2025 (except in Switzerland, where it will not come into effect for the time being).

Under the global minimum tax rules, Baloise would be required to pay a national top-up tax in the event that, according to the OECD pillar two rules, the effective tax rate in a jurisdiction was below 15 per cent. The OECD has defined 15 per cent as the minimum tax rate.

Based on a comprehensive quantitative analysis for 2023, the specific adjustments set out in the OECD pillar two rules result in effective tax rates that are different to the tax rates calculated in accordance with IAS 12 and/or local tax legislation. A risk-based analysis for 2024 ascertained that no jurisdiction of the strategic business units in Switzerland, Germany, Belgium and Luxembourg has a tax rate below the minimum tax rate of 15 per cent defined by the OECD and

therefore no national top-up taxes are owed. The risk-based analysis shows that the effective tax rate calculated in accordance with the OECD pillar two rules is only below 15 per cent in Liechtenstein. However, the resulting national top-up tax is immaterial.

Baloise is applying the temporary exception granted by IAS 12 that exempts it from recognising and disclosing deferred tax assets and liabilities in connection with the pillar two international tax reform (global minimum tax).

7.2 Deferred taxes in other comprehensive income

	2024			2023		
CHF million	Items not to be reclassified to the income statement	Items to be reclassified to the income statement	Total	Items not to be reclassified to the income statement	Items to be reclassified to the income statement	Total
Deferred taxes in other comprehensive income						
From financial instruments and loans FVOCI	–0.6	–29.0	**–29.6**	–1.8	–73.8	**–75.6**
From hedging	–	12.8	**12.8**	–	–13.8	**–13.8**
From insurance finance income or expenses	–	–49.5	**–49.5**	–	16.5	**16.5**
From defined benefit pension plans	0.3	–	**0.3**	16.3	–	**16.3**
From other	–	1.7	**1.7**	–	0.4	**0.4**
Total deferred taxes in other comprehensive income	**–0.3**	**–63.9**	**–64.2**	**14.4**	**–70.7**	**–56.2**

7.3 Deferred tax assets and liabilities

The Baloise Group reports its deferred taxes on a net basis. Deferred tax assets and liabilities are offset against each other in cases where the criteria for such offsetting have been met. This is usually the case if the tax jurisdiction, the taxable entity and the type of taxation are identical.

The Baloise Group had recognised deferred tax assets on tax loss carryforwards totalling CHF 239.0 million as at 31 December 2024 (previous year: CHF 372.4 million) that will expire after five years or more.

As at 31 December 2024, the Baloise Group had a tax credit of CHF 109.4 million (previous year: CHF 109.4 million) for which no deferred tax assets were recognised as the requirements for recognition were not met. These tax assets remain valid until the end of 2025.

No deferred tax assets had been recognised on tax loss carryforwards amounting to CHF 861.3 million as at 31 December 2024 (previous year: CHF 436.2 million) because the relevant offsetting criteria had not been met. Of this total, CHF 0.0 million will expire after one year (previous year: CHF: 0.8 million), CHF 11.2 million after two to four years (previous year: CHF 12.6 million) and CHF 850.1 million after five years or more (previous year: CHF 422.8 million).

CHF million	31.12.2024	31.12.2023
Deferred tax assets	1,401.9	1,428.4
Deferred tax liabilities	–1,736.4	–1,640.7
Total (net)	**–334.5**	**–212.3**
of which: recognised as deferred tax assets	208.1	207.1
of which: recognised as deferred tax liabilities	–542.6	–419.4

7.3.1 Deferred tax assets

2024 CHF million	Balance as at 1 January	Change recognised in profit or loss	Change recognised directly in equity	Change in the scope of consolidation	Reclassification in accordance with IFRS 5	Exchange differences	Balance as at 31 December
Deferred tax assets							
Investments	645.7	–196.2	–	–	–	6.9	**456.4**
Other comprehensive income	275.8	–	–50.4	–	–	3.2	**228.6**
Tax credits and losses carried forward	100.2	–39.1	–	–	–	1.1	**62.3**
Insurance contract assets and liabilities	231.0	105.2	–	–	–	–0.1	**336.1**
Reinsurance contract assets and liabilities	13.6	35.2	–	–	–	–0.6	**48.2**
Liabilities arising from financial contracts	41.8	89.9	–	–	–	0.0	**131.8**
Liabilities arising from employee benefits	42.6	–0.3	–	–	–	0.5	**42.7**
Other	77.7	18.1	–	–0.2	–	0.2	**95.9**
Total deferred tax assets	**1,428.4**	**12.9**	**–50.4**	**–0.2**	**–**	**11.2**	**1,401.9**

2023 CHF million	Balance as at 1 January	Change recognised in profit or loss	Change recognised directly in equity	Change in the scope of consolidation	Reclassification in accordance with IFRS 5	Exchange differences	Balance as at 31 December
Deferred tax assets							
Investments	998.6	–322.0	–	0.0	1.0	–31.9	**645.7**
Other comprehensive income	345.8	–	–54.8	–	–	–15.2	**275.8**
Tax credits and losses carried forward	76.9	26.7	–	–	–	–3.4	**100.2**
Insurance contract assets and liabilities	107.0	124.1	–	–	–	0.0	**231.0**
Reinsurance contract assets and liabilities	13.6	0.5	–	–	–	–0.5	**13.6**
Liabilities arising from financial contracts	32.7	11.2	–	–	–	–2.1	**41.8**
Liabilities arising from employee benefits	48.0	–3.0	–	–	–	–2.5	**42.6**
Other	103.9	–23.8	–	0.3	–	–2.7	**77.7**
Total deferred tax assets	**1,726.6**	**–186.3**	**–54.8**	**0.3**	**1.0**	**–58.3**	**1,428.4**

7.3.2 Deferred tax liabilities

2024 CHF million	Balance as at 1 January	Change recognised in profit or loss	Change recognised directly in equity	Change in the scope of consolidation	Reclassification in accordance with IFRS 5	Exchange differences	Balance as at 31 December
Deferred tax liabilities							
Property, plant and equipment	25.7	–1.9	–	–	–	0.3	**24.1**
Owner-occupied properties FVPL	44.0	–15.4	–	–	–	0.5	**29.1**
Intangible assets	8.2	–1.7	–	–0.2	–	0.1	**6.4**
Long-term equity investments	161.2	–72.6	–	–	–	1.8	**90.4**
Investment property	421.5	–11.5	–	–	–4.8	1.3	**406.5**
Financial assets	188.1	–30.9	–	–	–	6.7	**163.9**
Other comprehensive income	117.6	–	13.8	–	–	0.5	**131.9**
Insurance contract assets and liabilities	574.5	91.8	–	–	–	3.5	**669.8**
Reinsurance contract assets and liabilities	10.8	42.0	–	–	–	–0.2	**52.6**
Other	89.1	73.1	–	0.0	–	–0.3	**161.9**
Total deferred tax liabilities	**1,640.7**	**72.8**	**13.8**	**–0.2**	**–4.8**	**14.1**	**1,736.4**

2023 CHF million	Balance as at 1 January	Change recognised in profit or loss	Change recognised directly in equity	Change in the scope of consolidation	Reclassification in accordance with IFRS 5	Exchange differences	Balance as at 31 December
Deferred tax liabilities							
Property, plant and equipment	15.6	11.0	–	–	–	–0.9	**25.7**
Owner-occupied properties FVPL	38.0	7.3	–	–	–	–1.3	**44.0**
Intangible assets	22.5	–13.6	–	–	–	–0.6	**8.2**
Long-term equity investments	87.1	78.8	–	–	–	–4.7	**161.2**
Investment property	479.6	–55.0	–	4.9	–0.1	–7.8	**421.5**
Financial assets	272.9	–72.5	–	–	–	–12.4	**188.1**
Other comprehensive income	120.9	–	1.4	0.0	–	–4.7	**117.6**
Insurance contract assets and liabilities	698.3	–95.2	–	–	–	–28.6	**574.5**
Reinsurance contract assets and liabilities	34.4	–22.8	–	–	–	–0.8	**10.8**
Other	98.5	–8.6	–	–0.3	–	–0.6	**89.1**
Total deferred tax liabilities	**1,867.9**	**–170.6**	**1.4**	**4.6**	**–0.1**	**–62.4**	**1,640.7**

8. Other income statement line items

8.1 Income from services rendered

CHF million	2024	2023
Asset management	2.8	22.7
Services	65.0	55.5
Banking services	46.3	41.4
Investment management	28.2	22.1
Income from services rendered	**142.4**	**141.7**

8.2 Other operating income

CHF million	2024	2023
Gains on disposal of intangible assets and property, plant and equipment	1.1	0.5
Currency gains on assets and liabilities	38.2	30.4
External income from owner-occupied property	2.8	2.3
Income from development properties	0.4	1.2
Other income	124.7	127.2
Other operating income	**167.3**	**161.6**

8.3 Other operating expenses

CHF million	2024	2023
Operating and administrative expenses of the insurance business [1]	– 299.9	– 304.2
Operating and administrative expenses for non-insurance companies	– 184.8	– 179.1
Expenses for investment management	– 46.3	– 52.2
Expense for maintenance, depreciation / amortisation / impairment and disposal of property, plant and equipment and of intangible assets [2]	– 33.3	– 37.3
Expense for brokerage of banking services and for broker sales of insurance products	– 24.8	– 25.6
Currency expense	– 40.1	– 21.0
Other expenses	– 102.8	– 72.3
Other operating expenses	**– 732.0**	**– 691.7**

1 Costs that are not directly attributable to underwriting business (IFRS 17 non-attributable expenses).
2 If these costs are not already assigned to "Insurance service expenses" or "Other operating and administrative expenses".

8.4 Personnel expenses and depreciations / impairments

CHF million	2024	2023
Personnel expenses	– 994.1	– 1,024.5
Depreciation and impairment of property, plant and equipment	– 29.6	– 22.9
Amortisation and impairment of intangible assets	– 43.9	– 53.1
Total depreciation / amortisation and impairments	**– 73.5**	**– 76.0**

9. Other balance sheet line items

9.1 Property, plant and equipment

2024	Land	Buildings	Owner-occupied properties FVPL	Operating equipment	Other	Right-of-use assets	Total
CHF million							
Balance as at 1 January	**11.4**	**53.9**	**474.2**	**6.0**	**33.6**	**57.0**	**636.1**
Additions	–	0.9	2.0	7.0	20.9	17.9	**48.8**
Disposals	–1.0	–1.6	–	–2.3	–6.2	–8.3	**–19.4**
Disposals arising from change in the scope of consolidation	–	–	–	–	–0.3	–	**–0.3**
Reclassification	–	–	–93.4	–	–	–	**–93.4**
Depreciation and impairment[1]	–	–2.9	–	–1.6	–10.5	–14.5	**–29.6**
Depreciation	–	–2.9	–	–1.6	–10.5	–14.5	**–29.6**
Impairment losses recognised in profit or loss	–	–	–	–	–	–	**–**
Reversal of impairment losses recognised in profit or loss	–	–	–	–	–	–	**–**
Changes in fair value	–	–	–6.5	–	–	–	**–6.5**
Exchange differences	0.1	0.3	3.2	0.0	0.1	0.7	**4.4**
Balance as at 31 December	**10.4**	**50.7**	**379.6**	**9.2**	**37.6**	**52.7**	**540.2**
Acquisition costs	11.2	170.3	–	33.0	130.3	131.4	**–**
Accumulated depreciation and impairment	–0.9	–119.6	–	–23.8	–92.7	–78.7	**–**
Balance as at 31 December	**10.4**	**50.7**	**379.6**	**9.2**	**37.6**	**52.7**	**540.2**

1 Depreciation and impairment form part of other operating expenses.

In Germany, an owner-occupied property measured at FVPL with a fair value of CHF 93.4 million was reclassified as an investment property. This reclassifications was carried out due to the change of use of the property.

The change in value, recognised in profit or loss, of the owner-occupied properties measured at FVPL and held as at the balance sheet date amounted to CHF –6.5 million in 2024 (previous year: CHF –16.0 million).

The fair value of the owner-occupied properties measured at FVPL is determined using the DCF method. Measurement is carried out annually by internal experts and at regular intervals by external property valuers. As is the case for investment properties, owner-occupied properties measured at FVPL are assigned to level 3. Details of assignment to the different levels of the hierarchy can be found in note 4.5.

2023	Land	Buildings	Owner-occupied properties FVPL	Operating equipment	Other	Right-of-use assets	Total
CHF million							
Balance as at 1 January	**11.7**	**54.4**	**466.0**	**7.1**	**29.9**	**25.5**	**594.6**
Additions	–	0.5	2.9	0.8	14.9	46.6	**65.7**
Additions arising from change in the scope of consolidation	–	–	–	–	0.2	–	**0.2**
Disposals	0.0	–	–	–	– 0.4	– 0.4	**– 0.8**
Disposals arising from change in the scope of consolidation	–	–	–	– 0.1	0.0	– 0.5	**– 0.6**
Reclassification	0.0	–	30.7	–	–	–	**30.7**
Depreciation and impairment [1]	–	0.7	–	– 1.6	– 10.0	– 12.0	**– 22.9**
Depreciation	–	– 3.2	–	– 1.6	– 10.0	– 12.0	**– 26.8**
Impairment losses recognised in profit or loss	–	–	–	–	–	–	**–**
Reversal of impairment losses recognised in profit or loss	–	3.9	–	–	–	–	**3.9**
Changes in fair value	–	–	– 16.0	–	–	–	**– 16.0**
Exchange differences	– 0.3	– 1.7	– 9.4	– 0.2	– 0.9	– 2.2	**– 14.8**
Balance as at 31 December	**11.4**	**53.9**	**474.2**	**6.0**	**33.6**	**57.0**	**636.1**
Acquisition costs	12.2	174.1	–	30.2	142.9	122.6	**–**
Accumulated depreciation and impairment	– 0.8	– 120.3	–	– 24.1	– 109.3	– 65.6	**–**
Balance as at 31 December	**11.4**	**53.9**	**474.2**	**6.0**	**33.6**	**57.0**	**636.1**

1 Depreciation and impairment form part of other operating expenses.

In 2023, an owner-occupied property measured at FVPL with a fair value of CHF 5.1 million was reclassified as an investment property. Also in 2023, an investment property with a fair value of CHF 35.8 million was reclassified as an owner-occupied property measured at FVPL. Both of these reclassifications were carried out due to the change of use of the properties.

9.2 Intangible assets

	2024			2023		
CHF million	Goodwill	Software and other intangible assets	Total	Goodwill	Software and other intangible assets	Total
Balance as at 1 January	**92.1**	**122.7**	**214.8**	**96.3**	**141.1**	**237.4**
Additions	–	36.0	**36.0**	–	40.1	**40.1**
Additions arising from change in the scope of consolidation	–	–	**–**	0.0	3.1	**3.1**
Disposals	–	–7.4	**–7.4**	–	–2.3	**–2.3**
Disposals arising from change in the scope of consolidation	–	–0.8	**–0.8**	0.0	–0.7	**–0.8**
Amortisation and impairment	–	–43.9	**–43.9**	–	–53.1	**–53.1**
Amortisation	–	–43.9	**–43.9**	–	–53.1	**–53.1**
Impairment losses recognised in profit or loss	–	–	**–**	–	–	**–**
Reversal of impairment losses recognised in profit or loss	–	–	**–**	–	–	**–**
Exchange differences	0.8	1.1	**1.9**	–4.2	–5.4	**–9.6**
Balance as at 31 December	**92.9**	**107.7**	**200.6**	**92.1**	**122.7**	**214.8**
Acquisition costs	239.9	654.6	**894.5**	237.6	701.8	**939.4**
Accumulated amortisation and impairment	–147.0	–546.9	**–693.9**	–145.5	–579.1	**–724.6**
Balance as at 31 December[1]	**92.9**	**107.7**	**200.6**	**92.1**	**122.7**	**214.8**
By strategic business unit						
Switzerland	25.6	33.9	**59.5**	25.6	37.6	**63.2**
Germany	13.6	0.8	**14.4**	13.5	0.9	**14.3**
Belgium	33.7	23.8	**57.5**	33.3	38.4	**71.7**
Luxembourg	19.9	3.6	**23.5**	19.7	3.6	**23.3**
Group business	–	45.7	**45.7**	–	42.3	**42.3**
Balance as at 31 December	**92.9**	**107.7**	**200.6**	**92.1**	**122.7**	**214.8**

1 With the possible exception of goodwill, the Baloise Group has no intangible assets with indefinite useful lives.

Assumptions used to test the impairment of significant goodwill items

Assumptions used to forecast future business developments and trends have been reviewed by the local management teams and take account of macroeconomic conditions. The input factors are described in note 12.7.3.

	Goodwill as at 31.12. CHF million		Discount rate per cent		Growth rate per cent	
	2024	2023	2024	2023	2024	2023
Baloise Insurance Ltd	25.6	25.6	7.7	8.1	1.0	1.0
Baloise Financial Services GmbH	11.9	11.8	8.1	8.1	1.0	1.0
Baloise Vie Luxembourg S. A.	7.3	7.2	8.0	8.5	2.5	2.5
Baloise Assurances Luxembourg S. A.	12.2	12.0	8.0	8.5	2.5	2.5
Baloise Belgium NV	32.7	32.3	8.3	8.6	2.6	2.6

The impairment test in 2024 did not reveal any need to recognise impairment losses.

The management is of the opinion that a possible change in the assumptions based on the exercise of appropriate discretion would not have led, either in 2024 or in 2023, to the carrying amount of an entity being significantly higher than its recoverable value.

9.3 Other assets

CHF million	31.12.2024	31.12.2023
Accrued income	51.1	32.4
Development properties	–	3.0
Tax credits indirect taxes (withholding tax etc.)	33.7	34.6
Other assets	19.0	33.0
Impairments	–0.3	–2.7
Total other assets	**103.6**	**100.3**

9.4 Share capital

2024	Number of treasury shares	Number of shares in circulation	Number of shares issued	Share capital (CHF million)
Balance as at 1 January	**386,340**	**45,413,660**	**45,800,000**	**4.6**
Purchase/sale of treasury shares	–80,426	80,426	–	–
Balance as at 31 December	**305,914**	**45,494,086**	**45,800,000**	**4.6**

2023	Number of treasury shares	Number of shares in circulation	Number of shares issued	Share capital (CHF million)
Balance as at 1 January	**545,636**	**45,254,364**	**45,800,000**	**4.6**
Purchase/sale of treasury shares	–159,296	159,296	–	–
Balance as at 31 December	**386,340**	**45,413,660**	**45,800,000**	**4.6**

The share capital of Baloise Holding Ltd totals CHF 4.6 million and is divided into 45,800,000 registered, fully paid-up registered shares with a par value of CHF 0.10 each (previous year: CHF 0.10). The Baloise Group buys and sells its own shares for employee share ownership programmes.

The Annual General Meeting held on 26 April 2024 voted in favour of a total dividend distribution of CHF 352.7 million for the 2023 financial year. This amounts to a gross dividend of CHF 7.70 per share. Excluding the treasury shares held by Baloise Holding Ltd at the time that the dividend was paid, the total distribution effectively amounted to CHF 349.1 million.

For the 2024 financial year, a total dividend distribution of CHF 371.0 million will be proposed for approval at the Annual General Meeting on 25 April 2025. This amounts to a gross dividend of CHF 8.10 per share. The dividend distribution will be recognised upon approval at the Annual General Meeting.

9.5 Other reserves

2024	from financial instruments and loans	from hedging	from insurance business	from defined benefit pension plans	from foreign currency translation	from other	Total
CHF million							
Balance as at 1 January	**-303.0**	**187.8**	**-131.1**	**-163.5**	**-1,517.1**	**32.2**	**-1,894.8**
Other comprehensive income from items not to be reclassified to the income statement							
Gains and losses arising during the reporting period	-14.3	–	–	-11.2	–	–	**-25.5**
Deferred taxes	-0.6	–	–	0.3	–	–	**-0.3**
Exchange differences	0.8	–	–	-1.3	–	0.0	**-0.5**
Total other comprehensive income from items not to be reclassified to the income statement	**-14.1**	**–**	**–**	**-12.2**	**–**	**0.0**	**-26.3**
Other comprehensive income from items to be reclassified to the income statement							
Gains and losses arising during the reporting period	149.5	-84.4	195.8	–	174.9	-5.7	**430.1**
Gains and losses reclassified to the income statement	-16.8	-0.3	–	–	-1.0	–	**-18.1**
ECL on financial instruments (FVOCI)	3.2	–	–	–	–	–	**3.2**
Deferred taxes	-29.0	12.8	-49.5	–	–	1.7	**-63.9**
Exchange differences	-4.4	–	-3.3	–	–	0.3	**-7.4**
Total other comprehensive income from items to be reclassified to the income statement	**102.5**	**-71.9**	**143.0**	**–**	**173.9**	**-3.6**	**343.9**
Total other comprehensive income	**88.4**	**-71.9**	**143.0**	**-12.2**	**173.9**	**-3.7**	**317.5**
Other reserves reclassified directly to retained earnings	-5.9	–	–	–	–	–	**-5.9**
Balance as at 31 December	**-220.5**	**115.9**	**11.9**	**-175.7**	**-1,343.3**	**28.5**	**-1,583.2**
of which: shareholders							**-1,581.1**
of which: non-controlling interests							**-2.1**

2023	from financial instruments and loans	from hedging	from insurance business	from defined benefit pension plans	from foreign currency translation	from other	Total
CHF million							
Balance as at 1 January (restated)	**–585.7**	**110.6**	**–67.0**	**–108.5**	**–1,189.0**	**34.3**	**–1,805.3**
Other comprehensive income from items not to be reclassified to the income statement							
Gains and losses arising during the reporting period	6.4	–	–	–77.1	–	–	**–70.6**
Deferred taxes	–1.8	–	–	16.3	–	–	**14.4**
Exchange differences	–3.4	–	–	5.7	–	0.1	**2.5**
Total other comprehensive income from items not to be reclassified to the income statement	**1.2**	**–**	**–**	**–55.1**	**–**	**0.1**	**–53.7**
Other comprehensive income from items to be reclassified to the income statement							
Gains and losses arising during the reporting period	333.2	118.1	–85.2	–	–330.6	–1.3	**34.2**
Gains and losses reclassified to the income statement	–1.5	–27.1	–	–	2.5	–	**–26.1**
ECL on financial instruments (FVOCI)	3.1	–	–	–	–	–	**3.1**
Deferred taxes	–73.8	–13.8	16.5	–	–	0.4	**–70.7**
Exchange differences	27.6	–	4.6	–	–	–1.3	**30.9**
Total other comprehensive income from items to be reclassified to the income statement	**288.7**	**77.2**	**–64.1**	**–**	**–328.1**	**–2.2**	**–28.6**
Total other comprehensive income	**289.9**	**77.2**	**–64.1**	**–55.1**	**–328.1**	**–2.1**	**–82.3**
Other reserves reclassified directly to retained earnings	–7.1	–	–	–	–	–	**–7.1**
Balance as at 31 December	**–303.0**	**187.8**	**–131.1**	**–163.5**	**–1,517.1**	**32.2**	**–1,894.8**
of which: shareholders							**–1,892.6**
of which: non-controlling interests							**–2.2**

9.6 Non-technical provisions

	2024			2023		
	Restructuring	Other	Total	Restructuring	Other	Total
CHF million						
Balance as at 1 January	**4.6**	**107.3**	**111.9**	**8.1**	**104.4**	**112.5**
Additions arising from change in scope of consolidation	–	–	**–**	–	–	**–**
Disposals arising from change in scope of consolidation	–	0.0	**0.0**	–	–	**–**
Increases and additional provisions recognised in profit or loss	–	34.7	**34.7**	–	15.8	**15.8**
Unused provisions reversed through profit or loss	–	–26.4	**–26.4**	–	–6.5	**–6.5**
Usage not recognised in profit or loss	–4.5	–3.0	**–7.5**	–3.1	–1.9	**–5.1**
Unwinding of discount	–	–	**–**	–	0.0	**0.0**
Exchange differences	0.1	1.2	**1.3**	–0.3	–4.5	**–4.8**
Balance as at 31 December	**0.2**	**113.8**	**114.0**	**4.6**	**107.3**	**111.9**

The restructuring provisions largely relate to the German entities.

The balance shown for other non-technical provisions includes not only provisions for unavoidable costs relating to investment contracts without significant insurance risk but also typical amounts for legal advice and litigation risks. The recognition of other non-technical provisions in profit or loss and their usage recognised or not recognised in profit or loss primarily relate to the Swiss and Luxembourg entities.

10. Other disclosures

10.1 Earnings per share

	2024	2023
Profit for the period attributable to shareholders (CHF million)	384.8	239.6
Average number of shares outstanding	45,393,010	45,298,246
Basic earnings per share (CHF)	**8.48**	**5.29**

	2024	2023
Profit for the period attributable to shareholders (CHF million)	**384.8**	**239.6**
Average number of shares outstanding	45,393,010	45,298,246
Adjustment due to theoretical exercise of share-based payment plans	55,380	–
Adjusted average number of shares outstanding	**45,448,390**	**45,298,246**
Diluted earnings per share (CHF)	**8.47**	**5.29**

The dilution of earnings for 2024 was attributable to the Performance Share Units (PSUs) share-based payment plan.

In 2023, earnings per share was not affected by any dilutive effects.

10.2 Long-term equity investments and structure of the Baloise Group

10.2.1 Acquisition and disposal of companies

	Cumulative acquisitions		Cumulative disposals	
	2024	2023	2024	2023
CHF million				
Investments	–	–	1.5	2.6
Other assets	–	–	6.2	17.5
Cash and cash equivalents	–	–	0.3	8.9
(Re)insurance assets and liabilities	–	–	–	–
Other accounts payable	–	–	–6.9	–20.6
Non-controlling interests	–	–	–	–2.1
Net assets acquired / disposed of	**–**	**–**	**1.2**	**6.2**
Funds used / received for acquisitions and disposals				
Cash and cash equivalents	–	–	–	24.9
Offsetting	–	–	–	–
Transfer of assets	–	–	–	–
Directly attributable costs	–	–	–	–
Financial assets	–	–	5.8	–
Reclassification of investments in associates and joint ventures	–	–	–	–
Acquisition / disposal price	**–**	**–**	**5.8**	**24.9**
Net assets acquired / disposed of	–	–	–1.2	–6.2
Other comprehensive income [1]	–	–	–	0.1
Current year earnings of disposed companies	–	–	–	–1.3
Goodwill / negative goodwill or proceeds from disposals	**–**	**–**	**4.7**	**17.5**
Cash and cash equivalents used / received for acquisitions and disposals	–	–	–	24.9
Cash and cash equivalents acquired / disposed of	–	–	–0.3	–8.9
Outflow / inflow of cash and cash equivalents	**–**	**–**	**–0.3**	**16.0**

1 This includes primarily historical cumulative exchange differences.

Bubble Box AG was sold in the second half of 2024 as part of the refocusing strategy. This sale had no material impact on earnings in the consolidated financial statements.

Also in 2024, the fully consolidated company Devis.ch was merged into Houzy, a long-term equity investment recognised as an associate. This had no material impact on earnings. The investment in Houzy continues to be recognised as a joint venture.

On 5 December 2023, Baloise sold its 74.75 per cent stake in the subsidiary Haakon AG and Haakon AG's wholly owned subsidiary, Haakon Asia Ltd. Haakon AG and its subsidiary operate as reinsurance brokers. The gain on the sale was an amount in the low double-digit millions and was posted as other operating income in the Group business segment.

10.2.2 Changes to shareholdings

There were no transactions resulting in a change of control over a subsidiary, as had also been the case in 2023.

10.2.3 Investments in associates and joint ventures

The Baloise Group holds investments in a number of non-significant associates and joint ventures.

	2024	2023
CHF million		
Carrying amount	312.1	318.1

	2024	2023
CHF million		
Baloise's share of		
Profit or loss for the period from continuing operations	– 14.8	– 20.7
Other comprehensive income	– 5.7	– 1.3
Share of comprehensive income	**– 20.5**	**– 22.0**

In 2024, the fully consolidated company Devis.ch was merged into Houzy, a long-term equity investment recognised as an associate. This had no material impact on earnings. The investment in Houzy continues to be recognised as a joint venture.

In the second half of 2023, the Baloise Group acquired 50 percent stakes in two real estate investment companies headquartered in Belgium. These stakes are classified and reported as joint ventures.

As at 31 December 2024 or 31 December 2023, the Baloise Group held more than 20 per cent of the capital of further companies but does not have any influence over these companies' management. As a result, they are not reported as associates.

There were no contingent liabilities arising from investments in associates and no substantial unrecognised shares of the losses of associates as at either 31 December 2024 or 31 December 2023.

10.2.4 Other changes in the scope of consolidation

The long-term equity investment in FRIDAY Insurance S.A. increased by 0.7 per cent to a total of 90.1 per cent in 2024 as a result of an additional capital transaction. Following the buyout of non-controlling interests on 16 January 2025, the shareholding in FRIDAY Insurance S.A. stands at 100.0 per cent.

On 13 September 2023, the real-estate company Souverain 25 NV, located in Woluwe-Saint-Pierre, Belgium, was acquired. Its sole property is the Royale Belge office building. The purchase is classified as the acquisition of assets.

The long-term equity investment in FRIDAY Insurance S.A. increased by 0.8 per cent to a total of 89.4 per cent in 2023 as a result of an additional capital transaction.

10.2.5 Non-current assets and disposal groups classified as held for sale

	31.12.2024			31.12.2023		
	Disposal groups	Non-current assets	Total	Disposal groups	Non-current assets	Total
CHF million						
Property, plant and equipment	–	–	**–**	–	–	**–**
Intangible assets	–	–	**–**	–	–	**–**
Investment property	–	81.8	**81.8**	–	–	**–**
Financial instruments with characteristics of equity and debt	2.9	–	**2.9**	–	–	**–**
Mortgages and loans	–	–	**–**	–	–	**–**
Derivative financial instruments	–	–	**–**	–	–	**–**
Insurance and reinsurance contract assets	25.6	–	**25.6**	10.3	–	**10.3**
Financial receivables	–	–	**–**	80.8	–	**80.8**
Other assets	–	–	**–**	–	–	**–**
Cash and cash equivalents	10.3	–	**10.3**	–	–	**–**
Total assets	**38.7**	**81.8**	**120.5**	**91.1**	**–**	**91.1**
Insurance and reinsurance contract liabilities	38.7	–	**38.7**	154.7	–	**154.7**
Liabilities arising from financial contracts	–	–	**–**	–	–	**–**
Other liabilities	–	7.1	**7.1**	–0.2	0.2	**–**
Total equity and liabilities	**38.7**	**7.1**	**45.8**	**154.5**	**0.2**	**154.7**
Unrealised losses directly associated with non-current assets and disposal groups classified as held for sale	**–**	**–**	**–**	**0.8**	**–**	**0.8**

In October 2024, Baloise signed an agreement with Allianz Direct Versicherungs-AG for the transfer of the FRIDAY insurance portfolio in Germany and France. The assets and liabilities affected by the transfer satisfy the IFRS 5 criteria for separate recognition as non-current assets and disposal groups classified as held for sale and were reclassified for the first time as at 31 December 2024. The transfer still needs to be approved by the relevant supervisory authorities, which is expected to take place by mid-2025.

The Baloise Group intends to dispose of five Baloise Insurance Ltd and Baloise Life Ltd properties within the next twelve months, which is why these properties have been reclassified as non-current assets held for sale. The fair value of the reclassified properties totals CHF 81.8 million. As at the time of reclassification, the fair value of these properties totalled CHF 83.6 million.

The assets and liabilities for the German run-off portfolio for hospital liability insurance were reclassified to the Group business segment as at 31 December 2024. As a sale was no longer highly probable, the criteria for classification as held for sale were no longer met.

In 2023, six investment properties held for sale, which had a total fair value of CHF 56.4 million were reclassified as investment properties again as the parties to the sale were unable to reach an agreement. The remaining seven investment properties held for sale in 2022 were sold in 2023.

10.2.6 Significant subsidiaries

Entities are defined as significant if they either individually or together contribute a significant proportion of the insurance contracts, net income or total assets of the Baloise Group. Other long-term equity investments may be included for qualitative reasons, e.g. they are listed on a stock exchange.

31.12.2024	Primary activity	Operating segment [1]	Group's share of voting rights / capital (per cent) [2]	Direct share of voting rights / capital (per cent) [2]	Method of consolidation [3]	Currency	Share capital (million)	Total assets (million)
Switzerland								
Baloise Holding Ltd, Basel	Holding	O	Holding	Holding	F	CHF	4.6	4,317.1
Baloise Insurance Ltd, Basel	Non-Life	NL	100.00	100.00	F	CHF	75.0	5,226.7
Baloise Life Ltd, Basel	Life	L	100.00	100.00	F	CHF	50.0	29,986.4
Baloise Bank SoBa AG, Solothurn	Banking	B	100.00	100.00	F	CHF	50.0	9,325.7
Baloise Asset Management Schweiz AG, Basel	Investment management	B	100.00	100.00	F	CHF	1.0	109.6
Baloise Asset Management International AG, Basel	Investment consulting	B	100.00	100.00	F	CHF	1.5	27.7
Germany								
Baloise Lebensversicherung AG, Hamburg	Life	L	100.00	100.00	F	EUR	22.0	9,062.3
Baloise Sachversicherung AG, Bad Homburg	Non-Life	NL	100.00	100.00	F	EUR	15.1	1,810.5
Baloise Sach Holding AG, Hamburg	Holding	NL	100.00	100.00	F	EUR	3.6	180.5

1 L: Life, NL: Non-Life, B: Banking, O: Other activities / Group business.
2 Shares stated as a percentage are rounded down.
3 F: Full consolidation.

31.12.2024	Primary activity	Operating segment [1]	Group's share of voting rights / capital (per cent) [2]	Direct share of voting rights / capital (per cent) [2]	Method of consoli-dation [3]	Currency	Share capital (million)	Total assets (million)
Belgium								
Baloise Belgium NV, Antwerp	Life and Non-Life	L/NL	100.00	100.00	F	EUR	355.3	11,888.7
Euromex NV, Antwerp	Non-Life	NL	100.00	100.00	F	EUR	2.7	277.0
Luxembourg								
Baloise Luxembourg Holding S. A., Bertrange (Luxembourg)	Holding	O	100.00	100.00	F	CHF	50.0	732.4
Baloise Assurances Luxembourg S. A., Bertrange (Luxembourg)	Non-Life	NL	100.00	100.00	F	EUR	15.8	371.4
Baloise Vie Luxembourg S. A., Bertrange (Luxembourg)	Life	L	100.00	100.00	F	EUR	32.7	12,012.2
Baloise Private Equity (Luxembourg) SCS, Luxembourg	Investment manage-ment	L/NL	100.00	100.00	F	USD	0.0	750.5
Baloise Alternative Invest S. A. SICAV-RAIF, Luxembourg	Investment manage-ment	L/NL/O	100.00	100.00	F	USD	–	1,384.3
Baloise Private Assets Fund S.C.S SI-CAV-RAIF, Luxembourg	Investment manage-ment	L/NL	100.00	100.00	F	EUR	–	1,031.6
Other territories								
Baloise Life (Liechtenstein) AG, Balzers	Life	L	100.00	100.00	F	EUR	8.1	2,510.3

1 L: Life, NL: Non-Life, B: Banking, O: Other activities / Group business.
2 Shares stated as a percentage are rounded down.
3 F: Full consolidation.

10.3 Contingent and future liabilities

10.3.1 Contingent liabilities

Legal disputes

The companies in the Baloise Group are regularly involved in litigation, legal claims and lawsuits, which in most cases constitute a normal part of its operating activities as an insurer.

The Corporate Executive Committee is not aware of any facts that materialised after the balance sheet date of 31 December 2024 and that could have a significant impact on the 2024 consolidated annual financial statements.

Guarantees and collateral for the benefit of third parties

The Baloise Group has issued guarantees and provided collateral to third parties. These include obligations – in contractually specified cases – to make capital contributions or payments to increase the amount of equity, provide funds to cover principal and interest payments when they fall due, and issue guarantees as part of its operating activities. The Baloise Group is not aware of any cases of default that could trigger such guarantee payments.

In the normal course of its insurance business, the Baloise Group provided contractually binding collateral, mainly joint collateral relating to insurance-backed construction guarantees, and professional and commercial surety bonds.

	31.12.2024	31.12.2023
CHF million		
Guarantees	55.3	55.6
Collateral	502.5	495.4
Total guarantees and collateral for the benefit of third parties	**557.8**	**551.0**

Credit ratings of guarantees and collateral

	31.12.2024	31.12.2023
CHF million		
Guarantees		
Very low credit risk (AAA)	–	–
Low credit risk (AA to A)	42.2	41.7
Moderate/medium credit risk (BBB)	–	–
High credit risk or no rating (BB and lower or no rating)	13.1	14.0
Total	**55.3**	**55.6**
Collateral		
Very low credit risk (AAA)	–	–
Low credit risk (AA to A)	–	–
Moderate/medium credit risk (BBB)	–	–
High credit risk or no rating (BB and lower or no rating)	502.5	495.4
Total	**502.5**	**495.4**

Pledged or ceded assets, securities lending assets and collateral held

Carrying amounts of assets pledged or ceded as collateral

CHF million	31.12.2024	31.12.2023
Financial assets under repurchase agreements	195.0	–
Financial assets in the context of securities lending	2,305.9	1,941.2
Investments	3,492.8	3,290.1
Total	**5,993.7**	**5,231.3**

Fair value of collateral held

CHF million	31.12.2024	31.12.2023
Financial assets under reverse repurchase agreements	1,875.1	1,017.0
Financial assets in the context of securities lending	2,565.1	2,233.9
Total	**4,440.2**	**3,251.0**
Of which: sold or repledged		
– with an obligation to return the assets	–	–
– with no obligation to return the assets	–	–

The Baloise Group engages in securities lending transactions that may give rise to credit risk. Collateral is required in order to hedge these credit risks by more than covering the underlying value of the securities that are being lent (mainly bonds). The value of the counterparty's lending securities is regularly measured in order to minimise the credit risk involved. Additional collateral is immediately required if this value falls below the value of cover provided.

The Baloise Group retains control over the loaned securities throughout the term of its lending transactions. The income received from securities lending is recognised in profit or loss.

10.3.2 Future liabilities

Capital commitments

CHF million	31.12.2024	31.12.2023
Commitments undertaken for future acquisition of		
Investment property	111.6	88.3
Financial assets	1,656.6	2,901.8
Intangible assets	73.6	–
Total commitments undertaken	**1,841.8**	**2,990.0**
of which: in connection with joint ventures	–	–
of which: own share of joint ventures' capital commitments	–	–

CHF million	31.12.2024	31.12.2023
Capital commitments		
Very low credit risk (AAA)	–	4.7
Low credit risk (AA to A)	5.8	3.2
Moderate/medium credit risk (BBB)	–	–
High credit risk or no rating (BB and lower or no rating)	1,835.9	2,982.2
Total	**1,841.8**	**2,990.0**

Obligations undertaken by the Baloise Group to make future purchases of investments include unfunded commitments to invest directly in private equity or to invest in private equity funds and additional investment obligations in connection with the Dutch mortgage fund.

10.4 Related party transactions

In the course of its ordinary operating activities, the Baloise Group conducts transactions with associates, key management personnel and related parties.

The executive management team consists of the members of Baloise Holding Ltd's Board of Directors and Corporate Executive Committee.

Related party transactions

	Paid premiums		Investment income		Expenses		Mortgages and loans		Liabilities	
	2024	2023	2024	2023	2024	2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
CHF million										
Associates and joint ventures	–	–	0.9	– 1.0	– 14.5	– 16.3	32.3	44.0	– 2.3	– 2.4
Key management personnel	0.1	0.1	0.0	0.0	– 10.4	– 10.4	1.7	4.6	–	–

Executive management team remuneration

	2024	2023
CHF million		
Short-term employee benefits	– 5.7	– 6.1
Post-employment benefits	– 1.0	– 1.1
Payments under share-based payment plans	– 3.6	– 3.2
Total	**– 10.4**	**– 10.4**

In 2023, shares worth CHF 1.6 million were repurchased from members of the Corporate Executive Committee under the Share Participation Plan (note 6.4.3). The Share Participation Plan was discontinued as at 1 January 2024.

10.5 Events after the balance sheet date

By the time that these consolidated annual financial statements had been completed on 20 March 2025, we had not become aware of events that would have a material impact on the consolidated annual financial statements as a whole.

11. Risk management

The Baloise Group offers its customers non-life and life insurance, asset management services and, in Switzerland, banking products. In the course of its business, the Baloise Group is exposed to a number of different risks.

11.1 Organisation of risk management in the Baloise Group

A comprehensive Group-wide risk management system is in place in all insurance units and the banking business in order to manage these risks. Its Group-wide Risk Management Standards focus on the following areas:

- Organisation and responsibilities
- Methods, regulations and limits
- Risk control

An overall set of rules governs all activities directly connected with risk management and ensures that they are compatible with one another.

Within the Baloise Group and within each business unit, a risk owner is responsible for each individual risk that has been identified. The Group's overall risk owner is the Chief Executive Officer of the Baloise Group. Alongside the risk owners, defined risk controllers are responsible for independently assessing the risks. When selecting risk controllers, particular care is taken to ensure that their role is independent of the risk they control. The overall risk controller is the Chief Executive Officer of the Baloise Group.

The Baloise Group's central risk management team forms part of Corporate Division Finance and reports to the Group Chief Risk Officer, who in turn reports to the Group CFO. It coordinates intra-Group policies, risk reporting and the technical development of suitable risk management processes and tools. Every month, it tracks developments in the financial markets and their impact on the risk portfolio and the individual risk capacity of all the business units and the Group as a whole.

The Baloise Group categorises the risks that it has identified in a risk map, which, at the highest level, is broken into the following risk categories:

- Business risk
- Investment risk
- Financial-structure risk
- Business-environment risk
- Operational risk
- Management and information risk

The business risk, investment risk and financial structure risk categories relate directly to the Baloise Group's core businesses. These risks are deliberately incurred, managed and optimised by the management team and various risk committees. Analysis of these risks is model-based and it ultimately results in an aggregate overview.

Business environment risk, operational risk and management and information risk arise as direct or indirect results of the business operations, business environment or strategic activities of each company. Risks of this type are also identified, assessed on a qualitative / quantitative basis and managed accordingly. The assessment also serves to analyse the significance of the risk in question in the context of the overall risk situation of the Baloise Group and the individual Group company.

Various limits and rules covering business risk and investment risk are in place, such as underwriting and investment guidelines, which restrict identified individual risks to an acceptable level or eliminate them altogether.

Risk control within the Baloise Group focuses on business risk (actuarial and banking risks), investment risk, risks to the Group's financial structure and operational risks including compliance.

Separate reporting is undertaken for each identified risk category. The business units prepare an annual Own Risk and Solvency Assessment (ORSA) report. These reports together form the basis for the Baloise Group's report. The ORSA reporting is used as a basis for business strategy and risk strategy considerations that are factored into management decisions.

The information below is based on the risk terminology in IFRS 7 Financial Instruments: Disclosures and IFRS 17 Insurance Contracts and can diverge from the terminology and structure in the risk map.

11.2 Material risk from underwritten policies

Risk arising from insurance business is presented below for non-life insurance and life insurance in line with the following breakdown of the Baloise Group's portfolio. The life insurance business comprises savings business, risk business and unit-linked and similar contracts. The Baloise Group also writes financial contracts in the banking business and financial contracts with characteristics of unit-linked contracts without significant insurance risk.

The intention of the sensitivities described in notes 11.2.1, 11.2.2 and 11.3.1 is to show possible effects on the results given that crucial effects in the reporting period would show a different realisation. For sensitivities with a potential material asymmetry, both upside and downside shocks have been calculated, for the others the downside shock only, assuming a response of the same size but opposite sign for a shock in the other direction. The effect shown in the sensitivities on the insurance contracts is either a direct effect from stressed fulfilment cash flows or the indirect effect from a stressed fair value of the underlying items. In life insurance contracts, the fair value of the underlying items denotes the fair value of assets backing liabilities in either the VFA or the GMM approach. All sensitivities are shocks which take effect at the end of the reporting period and therefore do not stress the effective cash flows which occurred in the period.

11.2.1 Non-life insurance

Baloise primarily underwrites insurance risk for private individuals and small and medium-sized enterprises in selected countries in mainland Europe. Industrial insurance policies in the property & liability, marine and technical insurance divisions are mainly offered by Baloise Insurance Ltd in Basel, Baloise Sachversicherung AG in Bad Homburg (Germany) and Baloise Belgium NV in Antwerp.

Actuarial risk in non-life business comprises claims risk and risk from the recognition of reserves. Claims risk describes the risk that claims not yet incurred will turn out to be larger than anticipated or occur more frequently than anticipated in future (e.g. due to natural disasters or due to changes in legislation). Risk from the recognition of reserves describes the risk that reserves recognised for future claim payments for claims already incurred are insufficient (e.g. due to inflation for divisions which take a long time to process claims).

Contacts in the non-life business are also exposed to market risk, credit risk and liquidity risk.

Management of risk

Baloise counters actuarial risk with an appropriate underwriting strategy (underwriting limits and risk assessment), extensive analysis of claims and dangers and a reinsurance strategy that is tailored to the portfolio.

Every business unit in the Baloise Group issues regulations regarding underwriting and risk review. They include clear authorisation levels and underwriting limits for each sector. Underwriting limits are approved by a business unit's highest decision-making body. In the industrial insurance unit, the maximum net underwriting limit for property insurance amounts to CHF 150 million for Switzerland and EUR 100 million for Germany, Belgium and Luxembourg.
The only other comparable underwriting limits in the Group are for marine and liability insurance.

The entire insurance business is comprehensively analysed on a regular basis. The results of this analysis are taken into account when recognising reserves, setting insurance rates, designing insurance products and formulating reinsurance contracts. In non-life business, the exposure and the appropriate level of risk transfer are analysed and determined in collaboration with reinsurers and brokers.

Building on this analysis, Group Reinsurance structures and places in the market the Baloise Group's non-life treaty reinsurance for all business units in the Corporate Division Finance. When structuring the programmes, Group Reinsurance focuses on the risk-bearing capacity of the Baloise Group as a whole.

The local Baloise Group business units also use additional facultative reinsurance cover on a case-by-case basis. This type of reinsurance is dependent on the individual risk in each case and is therefore placed by the business units themselves.

For its exposure to natural disasters the Baloise Group purchased reinsurance cover of up to CHF 500 million in total. In addition, Baloise Insurance Ltd Switzerland purchased reinsurance cover of up to CHF 1'000 million for earthquakes and Baloise Belgium NV purchased reinsurance cover of up to CHF 700 million for storms and tempests.

Risk exposure

The table below provides information on the risk exposure and risk concentration for each division. Contracts comprising several types of cover were separated by risk for this breakdown. Where separation did not make sense, the contract was assigned to the division with the largest risk exposure.

	Insurance revenue (gross)		Liability for incurred claims	
as at 31.12.	**2024**	**2023**	**2024**	**2023**
CHF million				
Motor – liability	628.1	629.2	1,143.1	1,299.9
Motor – hull	647.9	616.9	115.9	103.7
General liability – private	111.3	109.5	118.7	124.2
General liability – commercial	281.0	269.8	798.7	688.0
Accident (incl. Swiss accident business (UVG))	231.1	238.8	1,262.1	1,292.6
Other accident	204.4	207.8	278.7	284.5
Health	197.7	181.4	139.7	143.5
Property – private customers	824.7	782.1	310.3	305.2
Property – small and medium-sized enterprises	646.6	600.6	585.4	559.0
Marine	187.2	250.5	191.6	258.7
Other	135.1	126.3	123.3	120.0
Total	**4,095.0**	**4,013.0**	**5,067.5**	**5,179.3**

Assumptions

The portfolios on the Group's books must be structured in such a way that the data available is sufficiently homogeneous to enable the use of certain analytical actuarial processes to determine the claims reserves required. One of the assumptions made is that extrapolation of the typical claims settlement pattern of recent years is meaningful. Only cases such as extreme anomalies in settlement behaviour require additional assumptions to be made on a case-by-case basis. The reserve for claims handling costs assumes that costs will follow previous patterns. The ratio of the average claims handling costs incurred in recent years to the payouts made in the same period is used to calculate the level of claims handling reserves to be recognised based on current claims reserves.

In many cases, the assumptions used in the measurement of current pension obligations are based on the criteria prescribed by the regulatory authorities (e.g. mortality tables). The adequacy of these annuity reserves is reviewed annually and the reserves strengthened accordingly in the event of a shortfall.

The Baloise Group has not changed its method of determining the material assumptions for insurance risk compared with the prior year.

Sensitivity analysis

For contracts in non-life business, the sensitivities reflect the effect of a 10 per cent increase in the reserve required for all loss or damage already incurred and the effect of a 10 per cent increase in the loss or damage expected for coverage yet to be provided. For coverage yet be to be provided, the negative effect of the sensitivity at the level of the individual group of insurance contracts is netted, where permissible, with any positive margin as at the reporting date.

	Impact on profit for the period		Impact on equity (incl. profit for the period)	
	2024	2023	2024	2023
CHF million				
LIC increase +10%[1]				
before reinsurance	– 387.8	– 387.0	– 379.3	– 387.6
after reinsurance	– 355.2	– 347.5	– 349.8	– 349.2
Increase in the expected claims in the FCFs in LRC +10%[2]				
before reinsurance	– 37.8	– 38.4	– 37.8	– 38.4
after reinsurance	– 35.9	– 35.3	– 35.9	– 35.3

1 This sensitivity examines the effect of a relative change of the LIC (excluding payables and receivables) by 10%.
2 This sensitivity examines the effect of a relative change of the expected future claims in the LRC of PAA contracts by 10%, increasing existing loss components or leading to new ones.

11.2.2 Life insurance

Savings and risk business

Savings and risk life insurance business generally comprises long-dated contracts that entail a significant exposure to at least one of the following biometric risks:

- Longevity risk for pension and pure endowment insurance
- Mortality risk for whole-life insurance and endowment insurance
- Disability risk for (occupational) disability and incapacity insurance

Whole-life insurance and pure endowment insurance are often combined in endowment insurance which then, like pension insurance, comprises savings and substantial guaranteed cash surrender values for policyholders. For the savings, a minimum rate of interest is guaranteed that is contractually stipulated and generally applies for the entire term. In addition to the direct market and credit risk, the guarantee element in these products therefore gives rise to a risk for the Baloise Group in terms of policyholder behaviour and the timing and frequency of surrenders. The same applies for those pension insurance policies where the policyholders have the option to receive a lump-sum payment.

Baloise also offers group life insurance, particularly in Switzerland in the context of the law on occupational insurance, and in Belgium and Luxembourg. The biometric risks and the guaranteed rate of return and guaranteed minimum cash surrender values in this business are similar in nature to those in the traditional business. There are differences from other traditional business in that policyholders are not generally individuals and there are some very specific regulatory requirements. In Switzerland, for example, the Swiss Federal Council stipulates the minimum rate of interest for the compulsory savings component of retirement assets covered by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and the conversion rates for retirement pensions.

In all life insurance contracts, the biometric risk is impacted by different factors. Changes in lifestyle, for example, or an epidemic or terrorist attack can have a material effect on mortality risk. Longevity risk can stem from medical advances and rising living standards. Disability risk can grow as a result of legislative changes and pension benefits can rise as a result of increasing life expectancy.

A key feature of many traditional life insurance contracts, including in group life business, is the sharing of some insurance and market risk between Baloise and the policyholder through the participation feature. For example, higher death benefits generally mean lower surpluses, so the additional expense is therefore not borne solely by the Baloise Group.

The aim of participation systems is to allow policyholders to participate in residual surpluses generated by the respective group of policyholders. This statutory or discretionary participation varies depending on the country, operating segment (such as individual or group life business) and source of the surplus (e.g. interest rate gain or risk return).

Under traditional contracts in Germany, the Baloise Group is obliged by law to return a minimum percentage of its profit to policyholders by letting them share in surpluses.

Minimum percentages also apply to some of the occupational pensions business in Switzerland, which impacts policyholders' dividends.

Unit-linked and similar contracts

Unit-linked and similar contracts are generally endowment insurance or deferred annuity insurance where the policyholders usually bear the entire investment risk and benefit fully from any positive return.

If the policyholder dies, the beneficiary receives the sum insured or the fund assets, if the latter exceed the sum insured. During the deferment period, unit-linked annuities behave in a similar way to unit-linked endowment life insurance, but during the payout period the policy converts into a traditional annuity with guaranteed benefits.

A key feature of unit-linked life insurance and similar contracts is that the Baloise Group does not guarantee either the cash surrender value or the maturity value.

A closed sub-portfolio of unit-linked contracts in Switzerland represents an exception to this. These contracts were written as part of the statutory pension scheme (Pillar 3a) and on the endowment date guarantee the net investment premium plus accrued interest at an interest rate of 3.25 per cent.

The Baloise Group also has a number of variable annuities products, primarily in its Swiss units, that offer unit-linked and, in some cases, guaranteed whole-life annuities which are hedged using external reinsurance.

All of the above guarantees are measured in line with other products with a guaranteed rate of return. In addition, the Baloise Group offers a minimum maturity value for certain contracts in Switzerland and Germany linked to the choice of underlying fund. The funds are typically those with the type of investment strategy that guarantees a certain fund value at maturity for a specific policy term.

Some closed-end funds in Switzerland also offer a guaranteed maturity value. The funds are managed and the guarantees are provided by banks outside the Baloise Group.

Management of risk

Longevity risk, mortality risk and disability risk are specific to life insurance and are monitored on an ongoing basis. The companies in the Baloise Group review and analyse mortality, along with the frequency with which the policies are cancelled, invalidated and reactivated, on a decentralised basis using standard actuarial methods. The information they gather is used to ensure that rates are adequate, with acceptable safety margins, and to set aside sufficient local reserves to meet future insurance liabilities. The risks in this context are manageable because rates have to be calculated conservatively by law and the base data is relatively good. In pension insurance, there is also the risk that the constant upward trend in life expectancy will lead to annuities having to be paid for longer. Appropriate bases of calculation are used to account for this risk.

There are clear risk-specific authorisation levels and underwriting limits in respect of underwriting in the life insurance business. Reinsurance is also used for risk management purposes in the life insurance business but is less important in this area as a means of transferring risk.

Risk exposure

Life insurance is generally offered as fixed-sum insurance under which – instead of payments for an incurred loss – a fixed sum is paid on occurrence of an insured event, which can be survival or death. Risk insurance options pay capital and/or pension benefits in the event of premature death (whole-life insurance) or disability (disability insurance). The table below quantifies actuarial risk exposure in the life insurance business by liability for remaining coverage, LRC, for the portfolio of insurance contracts (see note 12.1).

	Liability for remaining coverage	
as at 31.12.	**2024**	**2023**
CHF million		
Endowments and pure death benefit products	8,873.9	9,132.7
Annuities	4,370.3	4,447.0
Disability products	199.7	185.9
Unit-linked products	3,169.1	2,955.7
Hybrid products	1,826.1	1,601.1
Investment contracts with DPF	4,295.7	4,437.2
Group life	20,451.6	20,594.8
Other	7.9	16.7
Total	**43,194.3**	**43,371.1**

Assumptions

For measurement in accordance with IFRS 17, Baloise uses assumptions about actuarial risk. These assumptions are updated annually and include, for example:

- Mortality assumptions for whole-life and endowment policies
- Probability of disability and a policyholder being able to return to work for products with (occupational) disability and incapacity insurance
- Assumptions relating to the policyholder options in the rate scales, including assumptions about cancellations and probabilities of pensions being drawn

Where Baloise itself has a sufficiently large volume of business from which to derive best estimates for these assumptions, it makes use of that data to do so. Where portfolios are too small or too new to be the basis or sole basis of statistical methods, Baloise uses industry data and other sources. Besides historical and current trends, certain assumptions also take foreseeable trends into account, including the ongoing improvement of mortality rates.

Sensitivity analysis

The following sensitivity analysis shows the consequences of realistic changes in actuarial risk parameters to which the Baloise Group is exposed at the balance sheet date. These consequences impact on its consolidated equity, profit for the period and CSM. Where risk factors are largely symmetrical, only the negative impact is analysed. Managing the factors to move them in the opposite direction would have the opposite effect, but to roughly the same degree (i.e. an increase instead of a decrease of the same magnitude). In the case of asymmetrical risk factors, both the positive and the negative impact are analysed.

When determining sensitivities, only the assumption being tested is varied. However, the model takes into account additional effects, such as associated changes in profit sharing, using the same rules as applied in the baseline scenario. In general, sensitivities do not behave in a linear fashion and relate to a specific date, meaning that conclusions about future behaviour, particularly where sensitivities are combined, do not necessarily prove correct. For the sensitivities presented below, the effect is calculated of changes in assumptions on profit for the period and on equity after deferred taxes:

	Impact on the CSM		Impact on profit for the period		Impact on equity (incl. profit for the period)	
	2024	2023	2024	2023	2024	2023
CHF million						
Mortality risk +10% for risk-like contracts [1]						
before reinsurance	–39.2	–46.1	–1.3	–1.4	–2.7	–2.8
after reinsurance	–36.8	–44.0	–1.1	–1.4	–2.7	–3.0
Mortality risk –10% for annuity-like contracts [2]						
before reinsurance	–62.5	–108.1	–3.4	–5.2	–3.4	–5.2
after reinsurance	–62.6	–108.4	–3.2	–5.3	–3.0	–5.2
Longevity risk +25% [3]						
before reinsurance	–17.2	–39.8	–0.8	–1.7	–0.8	–1.7
after reinsurance	–17.0	–39.6	–0.7	–1.8	–0.7	–1.8
Disability risk +10% [4]						
before reinsurance	–50.4	–63.4	–1.6	–2.1	–2.0	–2.7
after reinsurance	–0.5	–29.7	–1.7	–2.2	–13.2	–7.0
Surrender rates +10% [5]						
before reinsurance	–75.0	–85.3	0.6	0.2	–5.5	–0.4
after reinsurance	–62.8	–75.0	1.1	0.4	–6.9	–1.5
Surrender rates –10% [5]						
before reinsurance	78.6	90.6	–0.6	–0.2	5.6	0.2
after reinsurance	66.2	80.2	–0.8	–0.6	7.5	1.2

1 This sensitivity measures the effect of a relative increase of 10 per cent in future annual mortality rates on contracts where this would mean an increase in the obligation, e. g. pure risk contracts.
2 This sensitivity measures the effect of a relative decrease of 10 per cent in future annual mortality rates on contracts where this would mean an increase in the obligation, e. g. life annuities.
3 This sensitivity examines the effect of a relative change in the future trend parametrisation in mortality by 25%. It applies only to annuities, and quantifies a parameter risk rather than a biometric risk.
4 This sensitivity examines the effect of a relative change in the yearly future disability rates by 10%.
5 This sensitivity measures the impact of a future relative change in annual surrender rates (redemptions, partial redemptions, cancellations, premium waivers, etc.) of 10 per cent.

11.2.3 Financial contracts

The Baloise Group's banking business in Switzerland is run by Baloise Bank Ltd. Its most important line of business is interest margin business, with lending mainly occurring on a mortgage-backed basis. Baloise Bank Ltd also runs the brokerage and services business.

The main risk categories in the banking business of the Baloise Group are therefore credit risk, interest-rate risk, funding risk and liquidity risk.

Contracts with characteristics of unit-linked contracts but with no significant insurance risk are also deemed financial contracts. They are mainly written in Luxembourg and Liechtenstein. Policyholder behaviour is the central risk with these contracts. There is also an indirect market risk as the Baloise Group's compensation for expenses from these contracts partly depends on the fair value of the underlying assets.

The Group also reports as financial contracts those contracts that do not have significant insurance protection, do not have a significant participation feature and are not unit-linked. Such contracts exist in Belgium. The financial risks are similar to those of traditional insurance products.

11.3 Financial risk

In the course of its business, the Baloise Group is exposed to a number of financial risks. The following notes specifically address market risk, credit risk and liquidity risk. To limit risk from investments, the investments are stress-tested using defined capital market scenarios and the effects are monitored on a monthly basis. The capital market scenarios and limits used are reviewed and approved at least once a year.

11.3.1 Market risks

Currency risk

Currency risk stems from potential financial loss generated by changes in exchange rates. The extent of the effective currency risk depends on:

- the amount of the net foreign currency exposure, i.e. the net position between assets, receivables and liabilities denominated in foreign currencies,
- the volatility of the currencies involved and
- the correlation of currencies with other risk parameters in a portfolio.

Currency risk largely derives from investments in foreign currency bonds for investment or diversification purposes and alternative investments (particularly those denominated in euros and US dollars). The currency effect of foreign currency bonds or insurance-related foreign currency liabilities and changes in the fair value of derivative financial instruments held for hedging purposes are always recognised in the income statement. By contrast, alternative financial assets are posted under the line item 'Net investment in a foreign operation' and their currency effects are only taken to income when the investment is sold. As a result, hedge accounting is used to assign currency hedges to the alternative financial assets, meaning that the currency effects are only taken to income when the underlying item is sold.

Currency risk management

In its management of currency risk, the foreign exchange management team first calculates adequate target hedge ratios based on risk-bearing capacity and risk appetite. It then implements the necessary hedging strategies, taking into account these target hedge ratios and the permitted discretionary ranges. It also takes advantage of phases when exchange rates are overreacting by deliberately overweighting or underweighting the hedge ratios in relation to the defined target hedge ratio. These hedging strategies are implemented using derivatives in which the selection of the instruments to be used in each case depends on factors such as volatility and expected exchange rate movements.

The Group-wide Risk Management Standards require currency risk and the effectiveness of the currency derivatives transacted to be monitored on a continuous basis. The currency risk incurred must be proportionate to the potential superior return generated by the diversification effect achieved in the portfolio.

The Baloise Group writes its insurance business almost exclusively in Swiss francs and euros, meaning that the technical reserves are also mainly in these currencies. There are also small technical liabilities in US dollars. These reserves are generally covered by investments in the same currencies (natural hedges).

Currency risk sensitivities

This sensitivity measures the impact of a relative change in the exchange rates of minus 10 per cent against the Swiss franc at the end of the period. The stress scenario is applied only to monetary items and is consolidated taking account of the effects of deferred taxes. The impact of translating the functional currencies of the individual companies into the Group currency is disregarded.

	Impact on profit for the period		Impact on equity (incl. profit for the period)	
as at 31.12.	**2024**	**2023**	**2024**	**2023**
CHF million				
Currency change against CHF –10%				
Financial instruments	25.7	– 18.1	32.7	– 9.4
Insurance contracts	– 59.8	– 13.3	– 59.1	– 14.6
Total	**– 34.1**	**– 31.4**	**– 26.5**	**– 23.9**
of which: underlying assets relating to insurance contracts	– 33.9	– 30.7	– 40.9	– 22.8

Interest rate risk

Interest rate risk stems from all unfavourable effects of fluctuations in money market and capital market interest rates.

Economic risk arises from the fact that a company's profit can decrease as a result of a lower interest margin or that the fair value of a portfolio of interest rate-sensitive products can decline. Furthermore, a movement in interest rates or in the interest rate curve can result in a significant deterioration in terms and conditions if funding has to be rolled over.

The Baloise Group is exposed to different kinds of interest rate risk. Changes in interest rates can impact the measurement of assets and liabilities to different extents. In particular, technical reserves, being based on discounted cash flows, must be reported on the basis of continually updated financial and non-financial assumptions. This means that changes in interest rates lead to adjustments to reserves, which are reported either in the income statement or through other comprehensive income, depending on the type of contract involved. The same applies analogously to investments, which are measured either at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL). Interest rate risk does not affect the carrying amounts of investments measured using the amortised cost (AC) model. In addition, all of the Baloise Group's business is impacted by the effect of changes in interest rates where assets and liabilities have a different duration or where differing accounting treatments have been chosen.

Interest rate risk management

Under Baloise's Group-wide Risk Management Standards, interest rate risk is managed through investment planning and appropriate asset liability management with due regard to the available risk-bearing capacity.

Additional stress tests are also designed and run for this purpose. They act as an early-warning system and their impact can be simulated for all areas of the Group and their performance. The effect of stress testing key financial figures is measured on a monthly basis. The underlying stress scenario (potential loss arising from a risk) is reviewed regularly and modified as necessary.

In the non-life units, benchmark-based maturity management is the primary method used. In the life units, maturity management is driven by the structure of the obligations.

Baloise's life insurance companies manage their risk associated with changes in interest rates directly, by means of appropriate strategic asset allocation. Specific factors such as risk-bearing capacity and the ability to fund guarantees are taken into account when allocating assets.

The decision-making process also incorporates the asset managers' expectations regarding the development of capital markets and customers' expectations regarding life insurance.

The Baloise Group's Chief Investment Officer (CIO) reviews strategic asset allocation with each business unit twice a year and when the need arises.

The bank also uses an appropriate asset and liability management system to monitor and manage interest rate risk. Interest rate risk is incurred only in proportion to business volume and business activities. Interest rate risk is measured using software based on gap, duration and interest rate sensitivity methods. The asset and liability mismatch at Baloise Bank Ltd is also actively managed through the use of appropriate interest rate derivatives.

Interest rate risk sensitivities

If all interest rates had risen or fallen by 50 basis points on the balance sheet date but all other variables had remained constant, the following impact on profit for the period would have been observed, taking the effects of deferred taxes into account:

	Impact on profit for the period		Impact on equity (incl. profit for the period)	
as at 31.12.	**2024**	**2023[2]**	**2024**	**2023[2]**
CHF million				
Parallel shift +50 basis points[1]				
Financial instruments	–850.5	–884.4	–980.2	–1,010.4
Insurance contracts	840.4	899.3	955.0	1,012.6
Total	**–10.1**	**15.0**	**–25.2**	**2.1**
of which: underlying assets relating to insurance contracts	–830.3	–890.7	–950.0	–1,007.7
Parallel shift –50 basis points[1]				
Financial instruments	932.9	955.0	1,075.4	1,088.2
Insurance contracts	–913.6	–973.2	–1,039.4	–1,092.7
Total	**19.3**	**–18.3**	**36.0**	**–4.5**
of which: underlying assets relating to insurance contracts	904.4	961.4	1,030.8	1,085.1

1 This sensitivity measures the effect of a constant change of 50 basis points in the interest rates used to measure balance sheet line items across all maturities.
2 Financial instruments recognised at amortised cost were excluded from the calculation of interest rate sensitivities. The prior-year effects have been adjusted accordingly.

Certain items on the consolidated balance sheet for which the Baloise Group defines an interest rate sensitivity for the purposes of this disclosure may be subject to other interest rate sensitivity calculations for other disclosures.

Equity price risk

Equity price risk describes the risk of the market price of financial instruments with characteristics of equity changing to the detriment of the Baloise Group. Depending on the measurement option in use, changes in market prices can impact the income statement and/or equity.

Equity price risk management

Equity price risk is significantly reduced by means of diversification, i.e. by spreading risk across sectors, countries and currencies. Active overlay management using derivatives also mitigates equity price risk.

Equity price risk exposure

The Baloise Group is exposed to equity price risk from directly held equity instruments and from collective investments (or fund investments), which, in turn, invest in equity instruments. The Baloise Group is not exposed to any significant risk of concentrated equity price risk.

Equity price risk sensitivities

If the market price of all financial instruments with characteristics of equity were to move by +/– 25 per cent on the balance sheet date, the following impact would be observed:

	Impact on profit for the period		Impact on equity (incl. profit for the period)	
as at 31.12.	**2024**	**2023**	**2024**	**2023**
CHF million				
Change in fair values +25 %				
Financial instruments	1,259.1	1,230.6	1,333.2	1,303.0
Insurance contracts	– 1,135.8	– 1,101.0	– 1,081.4	– 1,053.4
Total	**123.3**	**129.6**	**251.9**	**249.6**
of which: underlying assets relating to insurance contracts	1,248.8	1,229.9	1,316.3	1,295.6
Change in fair values –25 %				
Financial instruments	– 1,259.1	– 1,222.3	– 1,333.2	– 1,294.8
Insurance contracts	1,136.5	1,096.4	1,082.2	1,051.1
Total	**– 122.6**	**– 126.0**	**– 251.0**	**– 243.7**
of which: underlying assets relating to insurance contracts	– 1,249.0	– 1,221.7	– 1,316.5	– 1,287.4

The effects shown include the impact of deferred taxes and derivative hedges. The effect of life insurance policyholders participating in the company's profits, depending on their policy and local circumstances (see note 12.1), is also included in the table above.

Market risk sensitivities – effects on CSM

The described sensitivities in market parameters have the following impact on the CSM:

	Impact on the CSM	
as at 31.12.	**2024**	**2023**
CHF million		
Interest rate change – parallel shift +50 basis points		
Insurance contracts	7.3	– 71.4
Interest rate change – parallel shift –50 basis points		
Insurance contracts	– 15.8	– 28.0
Change in fair values +25%		
Insurance contracts	330.0	302.4
Change in fair values –25%		
Insurance contracts	– 317.5	– 301.4
Currency change against CHF –10%		
Insurance contracts	20.1	7.0

11.3.2 Credit risk

Credit risk relating to assets held by insurance companies refers to the total potential downside risk arising from a deterioration in the credit quality of a borrower or issuer, or from impairment in the value of collateral. Credit risk arises in particular from financial instruments with characteristics of debt, mortgages and loans, as well as from receivables and demand deposits held by banks. In addition, there are guarantees and collateral for the benefit of third parties, which are described in note 10.3.1.

Credit risk rises with increasing concentration of counterparties in a single sector or geographic region. Changes in the economic environment that affect entire sectors or geographic regions can jeopardise the solvency of an entire group of otherwise unrelated counterparties.

Credit risk is managed by monitoring the credit quality of each individual counterparty and relying heavily on credit ratings. When selecting securities and making changes to the credit portfolio, decisions draw on the regional expertise of the business units.

Credit risk management

The maximum default risk of financial assets is equivalent to their carrying amount. The Baloise Group tracks counterparty exposures at all times and monitors default risk – broken down by country, sector and issuer – on a Group-wide basis.

Because the credit risk incurred by the Baloise Group is spread across sectors and geographic regions and among a large number of counterparties and customers, the Baloise Group is not exposed to material credit risk arising from a single counterparty or a specific sector or geographic region.

In order to restrict the credit / accumulation risk in the Baloise Group, the proportion that may be invested by Group companies in a single issuer or borrower is strictly limited in the Group-wide Risk Management Standards. The relevant rules are explicitly defined in the Group investment policy.

As a rule, investments in interest-bearing securities or loans need to have an investment-grade issue rating or be backed by a corresponding third-party guarantee or by a mortgage. Investments in the sub-investment-grade segment can also be carried out but are subject to stricter investment guidelines. Financial derivatives are only permitted to be transacted with issuers holding a rating of at least A- or with whom there is a special collateral agreement.

Please refer to the table of secured financial instruments with characteristics of debt in note 4.2.3 .

The management and control of credit risk arising from mortgage business are set out in instructions and written procedures in which mandatory lending regulations are specified. These lending regulations lay down strict procedures for the immediate identification, accurate assessment, proper authorisation and continuous monitoring of credit risk. Standard credit documentation is used to record and review loan applications, which are all logged and managed centrally. The relevant credit documentation reflects or incorporates all evaluation criteria and policies.

Because a running total of mortgage transactions is kept, it is possible to monitor compliance with credit policy, and corrective action can be taken if necessary. All mortgages are also managed by periodically auditing exposure, including records of overdue interest. Procedures and audit intervals are set out in a separate directive. Senior management regularly receives detailed risk reports on the composition of the mortgage portfolio and risk trends.

Policies, directives and authorisation levels set out the terms and conditions for granting mortgages, which consist of the amount, the credit quality of the counterparty, collateral and the term of the transaction.

There are special instructions for valuing collateral and calculating loan-to-value ratios. The purpose of these provisions is to ensure that a standard procedure is used to determine the applicable value of collateral when assessing mortgages. The calculation of the fair value of the financed assets, the loan value and the assessment of affordability are of critical importance, particularly with regard to mortgage business. One of the objectives of the active management of mortgages is the early identification of potential downside risk.

The mortgage portfolio comprises loans to individuals and to legal entities. The type and degree of risk that may be incurred, together with collateralisation and quality requirements, are set out in directives and authorisation levels. To mitigate risk, the portfolio is as geographically diverse as possible.

Standard & Poor's and Moody's ratings are generally used to assess the credit quality of securities. The lower of the two is used for disclosure.

Because the two agencies do not cover the entire Swiss financial market, the SBI composite rating is applied as and when necessary.

The credit quality of mortgage assets arising from Swiss insurance business is reviewed using risk management processes. Credit ratings are assigned on this basis. Mortgage assets that show no signs of impaired credit quality receive an A rating. Those that show signs of impaired credit quality receive a high credit risk (BB and lower) rating.

Credit risk exposure

The table below shows the loan exposures to the largest counterparties:

Financial assets exceeding 10% of consolidated equity	31.12.2024
CHF million	
Swiss Confederation	2,882.2
Kingdom of Belgium	2,001.6
Pfandbriefbank schweizerischer Hypothekarinstitute AG	1,581.9
Pfandbriefzentrale der schweizerischen Kantonalbanken AG	1,080.5
Republic of France	1,059.8
Federal Republic of Germany	855.5
Kingdom of Spain	703.1
Republic of Ireland	474.6
Canton of Lucerne	450.2
City of Zurich	439.4
Kingdom of the Netherlands	410.0

Financial assets exceeding 10% of consolidated equity	31.12.2023
CHF million	
Swiss Confederation	3,121.7
Kingdom of Belgium	2,076.7
Pfandbriefbank schweizerischer Hypothekarinstitute AG	1,437.6
Republic of France	1,355.2
Pfandbriefzentrale der schweizerischen Kantonalbanken AG	1,068.4
Federal Republic of Germany	1,053.5
Kingdom of Spain	706.7
Canton of Zurich	610.4
Republic of Ireland	486.1
City of Zurich	460.4
Kingdom of the Netherlands	441.2
Canton of Lucerne	417.2
German federal state of North Rhine-Westphalia	341.0
Canton of Basel-Landschaft	330.2

The tables below show the changes in expected credit losses for each measurement category. The losses are broken down by stage in line with the expected credit loss model.

Please refer to note 12.2.3 under accounting policies for notes on this impairment model.

Credit risk by rating class (AC)

2024	Stage 1	Stage 2	Stage 3	Total
CHF million				
Financial instruments with characteristics of debt (AC)				
Very low credit risk (AAA)	45.9	–	–	**45.9**
Low credit risk (AA to A)	93.8	–	–	**93.8**
Moderate/medium credit risk (BBB)	–	–	–	**–**
High credit risk (BB and lower)	16.2	–	–	**16.2**
No rating	–	–	–	**–**
Gross amount (AC)	**155.9**	**–**	**–**	**155.9**
Impairment (ECL)	0.0	–	–	**0.0**
Carrying amount of financial instruments with characteristics of debt (AC)	**155.9**	**–**	**–**	**155.9**
Mortgages and loans (AC)				
Very low credit risk (AAA)	330.8	–	–	**330.8**
Low credit risk (AA to A)	7,481.9	31.6	26.5	**7,539.9**
Moderate/medium credit risk (BBB)	795.8	2.0	10.1	**807.9**
High credit risk (BB and lower)	193.3	–	61.8	**255.2**
No rating	2,103.1	–	–	**2,103.1**
Gross amount (AC)	**10,904.9**	**33.6**	**98.4**	**11,036.9**
Impairment (ECL)	–6.1	–0.3	–10.2	**–16.6**
Carrying amount of mortgages and loans (AC)	**10,898.9**	**33.3**	**88.1**	**11,020.3**
Sub-total of financial assets with credit risk measured at amortised cost	**11,054.7**	**33.3**	**88.1**	**11,176.2**
Financial receivables (AC)[1]				
Gross amount (AC)				**611.4**
Impairment (ECL)				**–4.3**
Carrying amount of financial receivables				**607.1**
Total financial assets with credit risk measured at amortised cost				**11,783.3**

1 Simplified approach

2023	Stage 1	Stage 2	Stage 3	Total
CHF million				
Financial instruments with characteristics of debt (AC)				
Very low credit risk (AAA)	21.0	–	–	**21.0**
Low credit risk (AA to A)	102.1	–	–	**102.1**
Moderate/medium credit risk (BBB)	–	–	–	**–**
High credit risk (BB and lower)	–	–	–	**–**
No rating	2.0	–	–	**2.0**
Gross amount (AC)	**125.0**	**–**	**–**	**125.0**
Impairment (ECL)	–	–	–	**–**
Carrying amount of financial instruments with characteristics of debt (AC)	**125.0**	**–**	**–**	**125.0**
Mortgages and loans (AC)				
Very low credit risk (AAA)	160.4	7.1	–	**167.5**
Low credit risk (AA to A)	6,967.7	35.0	33.6	**7,036.3**
Moderate/medium credit risk (BBB)	854.1	1.5	7.2	**862.8**
High credit risk (BB and lower)	155.9	0.9	53.7	**210.5**
No rating	1,878.2	–	–	**1,878.2**
Gross amount (AC)	**10,016.4**	**44.5**	**94.5**	**10,155.3**
Impairment (ECL)	–6.1	–0.3	–10.5	**–16.9**
Carrying amount of mortgages and loans (AC)	**10,010.3**	**44.2**	**83.9**	**10,138.4**
Sub-total of financial assets with credit risk measured at amortised cost	**10,135.3**	**44.2**	**83.9**	**10,263.4**
Financial receivables (AC)[1]				
Gross amount (AC)				**731.3**
Impairment (ECL)				**–4.0**
Carrying amount of financial receivables				**727.2**
Total financial assets with credit risk measured at amortised cost				**10,990.6**

1 Simplified approach

Credit risk by rating class (FVOCI)

2024	Stage 1	Stage 2	Stage 3	Total
CHF million				
Financial instruments with characteristics of debt (FVOCI)				
Very low credit risk (AAA)	1,699.8	–	–	**1,699.8**
Low credit risk (AA to A)	3,088.9	–	–	**3,088.9**
Moderate/medium credit risk (BBB)	1,081.6	–	–	**1,081.6**
High credit risk (BB and lower)	408.5	12.4	0.0	**421.0**
No rating	22.1	–	1.8	**23.9**
Carrying amount of financial instruments with characteristics of debt (FVOCI)	**6,300.9**	**12.4**	**1.8**	**6,315.1**
Impairment (ECL) recognised in other comprehensive income	– 2.4	– 3.9	– 3.9	**– 10.2**
Mortgages and loans (FVOCI)				
Very low credit risk (AAA)	271.4	–	–	**271.4**
Low credit risk (AA to A)	232.7	–	–	**232.7**
Moderate/medium credit risk (BBB)	–	–	–	**–**
High credit risk (BB and lower)	–	–	–	**–**
No rating	–	–	–	**–**
Carrying amount of mortgages and loans (FVOCI)	**504.1**	**–**	**–**	**504.1**
Impairment (ECL) recognised in other comprehensive income	0.0	–	–	**0.0**
Total financial assets with credit risk measured at fair value through other comprehensive income	**6,805.0**	**12.4**	**1.8**	**6,819.2**

2023	Stage 1	Stage 2	Stage 3	Total
CHF million				
Financial instruments with characteristics of debt (FVOCI)				
Very low credit risk (AAA)	1,501.1	–	–	**1,501.1**
Low credit risk (AA to A)	2,780.8	–	–	**2,780.8**
Moderate/medium credit risk (BBB)	1,020.9	–	–	**1,020.9**
High credit risk (BB and lower)	313.0	25.5	1.2	**339.6**
No rating	12.3	–	–	**12.3**
Carrying amount of financial instruments with characteristics of debt (FVOCI)	**5,628.0**	**25.5**	**1.2**	**5,654.7**
Impairment (ECL) recognised in other comprehensive income	– 3.0	– 6.9	– 1.4	**– 11.4**
Mortgages and loans (FVOCI)				
Very low credit risk (AAA)	332.0	–	–	**332.0**
Low credit risk (AA to A)	222.9	–	–	**222.9**
Moderate/medium credit risk (BBB)	–	–	–	**–**
High credit risk (BB and lower)	–	–	–	**–**
No rating	–	–	–	**–**
Carrying amount of mortgages and loans (FVOCI)	**555.0**	**–**	**–**	**555.0**
Impairment (ECL) recognised in other comprehensive income	0.0	–	–	**0.0**
Total financial assets with credit risk measured at fair value through other comprehensive income	**6,183.0**	**25.5**	**1.2**	**6,209.6**

Changes in expected credit losses (ECLs) – financial instruments with characteristics of debt at AC

The expected credit losses of the financial instruments with characteristics of liabilities that are measured at amortised cost are immaterial.

Changes in expected credit losses (ECLs) – financial instruments with characteristics of debt at FVOCI

2024	Stage 1	Stage 2	Stage 3	Total
CHF million				
Balance as at 1 January	**–3.0**	**–6.9**	**–1.4**	**–11.4**
Net remeasurement of ECL allowance	3.8	–1.4	–3.5	**–1.2**
ECL of new financial assets acquired	–2.1	–	–	**–2.1**
Transfer to Stage 1	–2.7	2.7	–	**–**
Transfer to Stage 2	0.6	–0.6	–	**–**
Transfer to Stage 3	0.0	–	0.0	**–**
Financial assets derecognised	1.1	2.8	1.2	**5.1**
Exchange differences	–0.2	–0.5	–0.1	**–0.7**
Balance as at 31 December	**–2.4**	**–3.9**	**–3.9**	**–10.2**

2023	Stage 1	Stage 2	Stage 3	Total
CHF million				
Balance as at 1 January	**–4.4**	**–7.2**	**–1.3**	**–12.9**
Net remeasurement of ECL allowance	2.5	–3.0	–0.9	**–1.5**
ECL of new financial assets acquired	–1.6	–	–	**–1.6**
Transfer to Stage 1	–1.6	1.6	–	**–**
Transfer to Stage 2	0.7	–0.7	–	**–**
Transfer to Stage 3	0.4	0.3	–0.7	**–**
Financial assets derecognised	0.8	1.4	1.4	**3.6**
Exchange differences	0.3	0.7	0.1	**1.1**
Balance as at 31 December	**–3.0**	**–6.9**	**–1.4**	**–11.4**

Changes in expected credit losses (ECLs) – mortgages and loans at AC

2024	Stage 1	Stage 2	Stage 3	Total
CHF million				
Balance as at 1 January	**-6.1**	**-0.3**	**-10.5**	**-16.9**
Net remeasurement of ECL allowance	0.9	0.0	-2.9	**-2.0**
ECL of new mortgages and loans	-1.1	-	-	**-1.1**
Transfer to Stage 1	-0.5	0.1	0.4	**-**
Transfer to Stage 2	0.0	0.0	-	**-**
Transfer to Stage 3	0.4	0.0	-0.4	**-**
Mortgages and loans derecognised	0.4	0.0	2.0	**2.4**
Write-off	-	-	1.2	**1.2**
Exchange differences	0.0	-	0.0	**0.0**
Balance as at 31 December	**-6.1**	**-0.3**	**-10.2**	**-16.6**

2023	Stage 1	Stage 2	Stage 3	Total
CHF million				
Balance as at 1 January	**-4.9**	**-0.3**	**-14.1**	**-19.3**
Net remeasurement of ECL allowance	1.1	0.0	-1.4	**-0.3**
ECL of new mortgages and loans	-2.5	-	-	**-2.5**
Transfer to Stage 1	-0.3	0.0	0.4	**0.0**
Transfer to Stage 2	0.0	0.0	-	**-**
Transfer to Stage 3	0.0	0.0	0.0	**0.0**
Mortgages and loans derecognised	0.5	0.0	4.0	**4.6**
Write-off	-	-	0.5	**0.5**
Exchange differences	0.0	-	0.0	**0.0**
Balance as at 31 December	**-6.1**	**-0.3**	**-10.5**	**-16.9**

Changes in expected credit losses (ECLs) – mortgages and loans at FVOCI

The expected credit losses of the mortgages and loans that are measured at fair value through other comprehensive income are immaterial.

Expected credit losses (ECLs) – financial receivables at AC

The expected credit losses on receivables are calculated using the simplified approach under the impairment model:

	31.12.2024	31.12.2023
CHF million		
ECL of receivables from financial contracts	-0.7	-1.4
ECL of receivables from investments	-1.2	-1.5
ECL of other financial receivables	-2.4	-1.1
Total ECL of financial receivables (AC)	**-4.3**	**-4.0**

Credit risk from the reinsurance contracts held by the Baloise Group is grouped by credit quality of the counterparty in the table below and was measured in accordance with IFRS 17:

	31.12.2024	31.12.2023
CHF million		
Fulfilment cash flows after deposits and collaterals		
Very low credit risk (AAA)	–	–
Low credit risk (AA to A)	257.2	362.3
Moderate/medium credit risk (BBB)	0.8	0.0
High credit risk (BB and lower)	–	–
No rating	49.0	13.7
Exposure credit risk	**307.0**	**376.0**

Reinsurance contracts may only be entered into with counterparties that have been authorised in advance by Corporate Division Finance. Reinsurers must generally have a minimum rating of A– from Standard & Poor's, but in exceptional cases – and in specific circumstances – a rating lower than A or a comparable rating from another recognised rating agency is permitted. However, reinsurers with this rating would be used for short-dated business in the property insurance segment only. This rule does not apply to captives and pools that are active reinsurance companies, because they do not generally have ratings.

11.3.3 Liquidity risk

Liquidity risk refers to the risk of rapid outflows of large volumes of liquidity that cannot be offset by asset sales or for which alternative funding cannot be secured quickly enough. In extreme cases, a lack of liquidity can result in insolvency. Liquidity risk arises in both the banking business and the insurance business.

Liquidity risk management

Statutory provisions and the following rules apply to the management of liquidity risk: the Group-wide Risk Management Standards require each business unit to plan its liquidity centrally. This is carried out with the close collaboration of the investment, actuarial, underwriting and finance departments of each business unit.

There are also asset and liability management committees in all strategic business units in the Baloise Group. These asset and liability management committees analyse maturity schedules and the income generated by assets or required for liabilities.

As part of tactical and strategic investment planning, care is taken when allocating the assets held by the individual life and non-life insurance units in the Baloise Group to ensure that sufficient liquidity is available to carry out investment activity and for the operational settlement of all business processes. The level of liquidity required is determined on the basis of the maturity structure of investments versus the payout schedule for insurance-related liabilities. Investment planning explicitly includes exceptionally large incoming or outgoing payments that are known in advance. Maintenance of liquidity levels and access to further liquidity via the repo market ensure sufficiently high reserves for payments needed at short notice, such as large claim settlements, until such time as the reinsurer assumes the costs.

If these precautions fail to meet the need for liquidity, the Baloise Group holds financial assets that can be sold at short notice without significant price losses. They include all equities (excluding long-term equity investments). Given the substantial volume of government bonds and quasi-government bonds held, it is likely to still be possible to sell large volumes of bonds even in crisis situations. Mortgages and loans are generally held to maturity; early redemption is not considered at present. Private equity investments have to be considered illiquid in this context. It is furthermore not possible to sell investment property to generate immediate liquidity.

Baloise Bank Ltd's liquidity risk is managed by its asset and liability management committee. The required data and key figures are determined and calculated using a specialist IT application.

Liquidity risk exposure

The anticipated maturity profile of assets and liabilities under insurance contracts and reinsurance contracts, which is monitored as part of liquidity management, is presented in the table below.

Maturities of undiscounted cash flows from liabilities under insurance and reinsurance contracts – non-life

31.12.2024	‹ 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years or no determinable residual term	Total	Carrying amount
CHF million								
Insurance contract liabilities (PAA)	1,630.3	686.6	439.8	317.1	253.7	2,559.6	**5,887.1**	**4,876.1**
Reinsurance contract liabilities (PAA)	3.5	–0.3	–0.2	–0.2	–0.1	–0.3	**2.4**	**2.5**

31.12.2023	‹ 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years or no determinable residual term	Total	Carrying amount
CHF million								
Insurance contract liabilities (PAA)	1,793.4	762.6	525.3	359.6	271.6	2,098.0	**5,810.5**	**5,009.0**
Reinsurance contract liabilities (PAA)	2.1	–1.6	–1.0	–0.8	–0.6	–1.2	**–3.0**	**–2.5**

Maturities of the present values of future cash flows from liabilities under insurance and reinsurance contracts – life

31.12.2024	‹ 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years or no determinable residual term	Total
CHF million							
Insurance contract liabilities (VFA)	2,791.9	1,416.8	985.3	858.4	915.5	24,650.4	**31,618.3**
Insurance contract liabilities (GMM)	234.7	205.5	185.2	157.2	140.8	5,729.6	**6,653.1**
Reinsurance contract liabilities (GMM)	4.9	0.1	0.0	0.0	– 0.1	– 3.4	**1.5**

31.12.2023	‹ 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years or no determinable residual term	Total
CHF million							
Insurance contract liabilities (VFA)	1,586.9	939.1	963.3	836.8	863.2	26,556.5	**31,745.8**
Insurance contract liabilities (GMM)	307.8	193.2	205.1	212.9	194.8	5,725.7	**6,839.6**
Reinsurance contract liabilities (GMM)	0.9	– 0.1	– 0.1	– 0.1	– 0.1	0.0	**0.5**

	31.12.2024	31.12.2023
CHF million		
Amount payable on demand	34,022.0	34,397.8
Carrying amount	38,271.4	38,585.4

Liquidity management must take account of the maturity structure of insurance contract liabilities and financial liabilities:

Maturities of financial liabilities (undiscounted)

31.12.2024	‹ 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years or no determinable residual term	Total	Carrying amount
CHF million								
Financial liabilities								
Liabilities arising from financial contracts[1]	1,826.2	497.2	392.5	340.7	267.0	18,861.0	**22,184.7**	**22,182.1**
Recognised at amortised cost (AC)	1,261.4	410.9	275.0	305.9	245.1	6,394.5	**8,892.8**	**8,890.3**
Recognised at fair value through profit or loss (FVPL)	564.8	86.3	117.5	34.8	21.9	12,466.5	**13,291.8**	**13,291.8**
Derivatives (liabilities)	93.7	–	0.2	–	1.3	66.3	**161.5**	**161.5**
Outstanding bonds	223.6	297.6	222.1	331.5	365.0	1,035.7	**2,475.5**	**2,334.1**
Lease liabilities	13.8	9.3	7.5	5.0	4.7	25.1	**65.4**	**54.6**
Other financial liabilities	571.1	52.8	–	–	–	–	**623.9**	**643.7**
Total financial liabilities (undiscounted)	**2,728.3**	**856.8**	**622.3**	**677.2**	**638.0**	**19,988.1**	**25,510.9**	**25,376.1**
Guarantees and future liabilities								
Guarantees	44.9	0.1	0.2	0.0	0.2	9.8	**55.3**	**–**
Future liabilities	169.4	1,448.8	23.9	10.0	10.7	178.9	**1,841.8**	**–**
Total guarantees and future liabilities (undiscounted)	**214.3**	**1,449.0**	**24.2**	**10.1**	**10.9**	**188.7**	**1,897.1**	**–**

1 All demand deposits are included in the first maturity band.

31.12.2023	‹ 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years or no determinable residual term	Total	Carrying amount
CHF million								
Financial liabilities								
Liabilities arising from financial contracts [1]	1,328.7	358.6	283.9	278.3	250.1	17,437.2	**19,936.8**	**19,936.3**
Recognised at amortised cost (AC)	822.4	311.1	213.9	235.7	215.7	6,324.9	**8,123.8**	**8,123.3**
Recognised at fair value through profit or loss (FVPL)	506.3	47.5	69.9	42.6	34.4	11,112.3	**11,813.1**	**11,813.1**
Derivatives (liabilities)	56.4	–	–	4.1	1.8	21.0	**83.4**	**83.4**
Outstanding bonds	172.6	220.9	294.9	219.5	328.9	1,235.0	**2,471.8**	**2,334.0**
Lease liabilities	17.0	6.4	5.4	4.4	2.9	24.7	**60.8**	**57.3**
Other financial liabilities	823.3	110.3	11.5	–	–	6.4	**951.5**	**962.1**
Total financial liabilities (undiscounted)	**2,398.1**	**696.2**	**595.7**	**506.3**	**583.7**	**18,724.3**	**23,504.3**	**23,373.2**
Guarantees and future liabilities								
Guarantees	44.8	0.8	0.1	0.3	0.0	9.7	**55.6**	**–**
Future liabilities	389.7	1,594.0	8.3	7.2	2.9	987.9	**2,990.0**	**–**
Total guarantees and future liabilities (undiscounted)	**434.5**	**1,594.8**	**8.4**	**7.5**	**2.9**	**997.5**	**3,045.7**	**–**

1 All demand deposits are included in the first maturity band.

11.4 Capital management and solvency

The general parameters regarding the amount of capital employed are set by regulatory requirements and internal risk management policies. While the aim of regulatory requirements is primarily the protection of policyholders, internal policies are largely derived from the risk-based management of operating activities.

11.4.1 Swiss Solvency Test

For the purposes of the Swiss Solvency Test (SST), the Baloise Group defines its risk-bearing capital and target capital (capital requirement) using a model approved by FINMA.

Risk-bearing capital is calculated on the basis of a consolidated balance sheet measured using market values. The difference between the assets and liabilities measured at market value gives the risk-bearing capital after any capital deductions and including any eligible supplementary capital. As a result, all capital items that can be deployed to cover losses in the event of adverse business developments are taken into consideration.

Risk-bearing capital is compared with target capital. The capital requirement covers market risk, credit risk and actuarial risk and is determined using an expected shortfall approach that takes account of diversification effects. The actuarial capital requirement is a measurement of the operational funding required to cover actuarial risk. At the same time, the investment required to smooth fluctuations in investment value and returns for a given probability is also calculated. Analysis of these risks is based on quantitative models that use statistical methods to evaluate historical data and place it in the context of current exposure. The SST ratio (ratio of risk-bearing capital to target capital) is calculated for the strategic business units and the Group.

The results of the Swiss Solvency Test for the Baloise Group are disclosed annually in the financial condition report, which is published at the end of April.

11.4.2 Requirements under local legislation

Individual Group companies are also subject to regulation under local legislation (in particular the Swiss Solvency Text and Solvency II). The ability of the business units, and therefore also of the parent company, to pay dividends is closely linked to the priority placed on meeting these local requirements. Compliance with local solvency requirements is monitored on an ongoing basis. Appropriate action is taken if solvency falls short of these regulations.

The relevant requirements for the banking operations of Baloise Bank are defined by Basel III regulations.

11.4.3 Monitoring the solvency situation

The risk owner and risk controller responsible for each business unit and for the Group as a whole participate in a regular reporting process. Key figures relating to Solvency I, Solvency II and key figures relating to banking operations are reported on a monthly basis, which enables the solvency situation to be monitored in a timely manner, providing the basis for risk-based management decisions within the whole organisation. It also enables Baloise to meet external reporting requirements at all times.

11.5 Other regulatory requirements

In addition to the statutory rules on capital adequacy, the Group companies must comply with numerous other regulatory and contractual requirements, which vary depending on the country or jurisdiction in which they operate. The effects of these requirements on the classification and grouping of insurance contracts are described in note 12.1.

Examples of other regulatory requirements include investment guidelines and rules concerning cover assets, technical reserves, a suitable system of corporate governance, and internal control systems.

In terms of contractual stipulations, the guaranteed rates of return in life insurance outlined above are of particular importance.

12. Principles of consolidation; accounting policies

This note explains the principles of consolidation and the accounting policies used in the Baloise Group's consolidated annual financial statements and provides information about the material accounting estimates and assumptions.

The Baloise Group's consolidated annual financial statements contain accounting estimates and assumptions that can impact on the presentation of financial position and financial performance. Estimates and judgements made by senior management are kept under constant review and are based on empirical values and other factors, including expectations about future events that are deemed to be appropriate on the balance sheet date. The amounts that actually arise may vary from the estimates.

Estimates and assumptions primarily relate to financial assets, impairment, deferred taxes, insurance contracts, provisions and reserves, employee benefits and goodwill.

Assets and liabilities are classified as current when their realisation/repayment is expected within twelve months of the balance sheet date. The maturity analysis of financial liabilities and of insurance contract liabilities and reinsurance contract liabilities is set out in note 11.3.3.

12.1 Insurance contracts

12.1.1 Definition of an insurance contract

Irrespective of its treatment in accordance with regulatory requirements or tax law, an insurance contract is defined in IFRS 17 Insurance Contracts as "a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder". In this context, insurance risk is any directly insured or reinsured risk that is not a financial risk.

The Baloise Group assesses the significance of insurance risk based on the volume of additional payments that will have to be made by the insurer if the insured event occurs.

Contracts that include no significant insurance risk are generally investment contracts. If these investment contracts contain a discretionary participation feature (DPF), the Baloise Group treats them as within the scope of IFRS 17 and its recognition and measurement principles. They are referred to as insurance contracts below.

A financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of the issuer, additional amounts,

- that are expected to be a significant portion of the total contractual benefits,
- the timing or amount of which are contractually at the discretion of the issuer, and that are contractually based on
  - the returns on a specified pool of contracts or a specified type of contract,
  - realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or
  - the profit or loss of the entity or fund that issues the contract.

Some insurance contracts contain combined cover for multiple insurance risks. The Baloise Group treats this type of multi-coverage in line with its internal management structures. In life insurance, main insurance policies and their policy riders (supplementary insurance) are usually treated as one contract and are assigned to a group of insurance contracts and measured as described below. In non-life insurance, policies offering individual cover are generally treated as independent contracts and are assigned to the portfolios described later on.

12.1.2 Separating components from an insurance contract

Under IFRS 17, certain components may need to be separated from the insurance contracts as defined above.

Embedded derivatives

The Baloise Group identifies any embedded derivatives that are included in insurance contracts in accordance with the relevant guidance in IFRS 9 and, on the basis of those principles, determines whether an embedded derivative needs to be separated. If this is the case, all cash flows related to the embedded derivative are separated from the host contract and then measured and presented as a distinct financial instrument.

Embedded derivatives that do satisfy the definition of an insurance contract, such as certain guarantees for annuity conversion rates, are not separated.

Distinct investment components

An investment component of an insurance contract comprises all payments that will have to be made to the policyholder in all circumstances, regardless of whether an insured event has occurred. An investment component is distinct if it is not highly interrelated with the rest of the insurance contract and is – or could be – available as a stand-alone product in the same market as the insurance contract. Investment components are deemed to be highly interrelated with their host contract if they cannot be terminated independently of the host contract.

Distinct investment components must be separated and measured independently in the same way as embedded derivatives but may be within the scope of IFRS 17, for example as an investment contract with DPFs.

Like any other payment, non-distinct investment components are measured as a component of the insurance contract. However, they are treated separately for the purposes of recognising income and expense from insurance contracts, as explained in more detail below in connection with recognition topics.

Guaranteed minimum cash surrender values in life insurance, which are not distinct and therefore part of the insurance contract, are the most important example of investment components in insurance contracts in the Baloise Group.

Distinct non-insurance services

The Baloise Group identifies non-insurance services embedded in insurance contracts in accordance with IFRS 15 Revenue from Contracts with Customers. These non-insurance services are considered distinct if the policyholder can benefit from the services directly.

Cash flows from distinct non-insurance services are separated and measured in accordance with IFRS 15.

12.1.3 Measurement unit for insurance contracts

All of the following references to insurance contracts relate to contracts identified as described above, after the removal of any components that have to be separated.

The measurement unit for insurance contracts is the group of insurance contracts (GIC) that is formed in a multi-step process. The process starts with portfolios of insurance contracts (PICs). These consist of contracts that have similar risks and are managed together. When a contract is issued, it is assigned to a PIC and then allocated to one of the three groups that make up every portfolio:

- Group containing all contracts that, upon initial recognition, Baloise assumes are onerous within the meaning of IFRS 17 (see explanation below)
- Group containing all contracts that are not onerous and, upon initial recognition, have no significant probability of becoming onerous subsequently
- Group containing all other contracts

The Baloise Group applies various qualitative and quantitative factors to assess the risk that a contract will become onerous subsequently.

One exception arises due to EU rules on unisex rates, which prohibits the charging of different premiums according to gender. When forming groups of insurance contracts in accordance with IFRS 17, Baloise groups together any contracts affected by this that otherwise have the same risk profile.

In the final step, these profitability groups are divided up on the basis of calendar year to form the GICs. Each contract remains in the GIC to which it was originally assigned until derecognition. New contracts recognised during a calendar year are added to the GICs on an ongoing basis.

These criteria for grouping contracts apply both to contracts in which the Baloise Group takes on risk and to reinsurance contracts held.

The Baloise Group recognises GICs for the first time at the earliest of the following three points in time:

- The beginning of the coverage period
- The date on which payment of the first premium becomes due or, in the case of contracts that do not have an explicit premium due date, the date on which the premium is received
- The date on which the GIC becomes onerous

New contracts are assigned to a GIC on an ongoing basis as soon as they satisfy one of these conditions formulated for the GICs. The Baloise Group has defined line of business-specific profitability criteria in order to determine the need for a separate test for the third criterion for GICs before the first two criteria have been satisfied.

12.1.4 Measurement and recognition of insurance contracts in accordance with the general measurement model (GMM)

The standard method for measuring liabilities or assets arising from insurance contracts is the general measurement model (GMM), which is described in this note by referring to the individual components:

- Estimates of future cash flows, taking account of options and guarantees
- Adjustment to reflect the time value of money and financial risk (discounting)
- Risk adjustment for non-financial risk
- Contractual service margin (CSM) representing the unearned profit that will be recognised on the agreed services

The sum of the first three components is also referred to as fulfilment cash flows (FCFs). For these components, the methods used for measurement on initial recognition and for subsequent measurement are identical.

Under IFRS 17, the GMM is modified in the case of contracts with certain characteristics and reinsurance contracts held. This is optional in some cases and mandatory in others. The characteristics of these modifications and their application in the Baloise Group are presented in the line of business-specific notes.

Regardless of the measurement method, IFRS 17 requires the part of the reserve recognised for claims already incurred (liability for incurred claims, LIC) to be separated from the part of the reserve recognised for remaining coverage (liability for remaining coverage, LRC).

The following note sets out the recognition rules for the statement of comprehensive income.

Cash flows

The starting point for the measurement of insurance contracts is a current estimate of all future fulfilment cash flows paid or received by the Baloise Group that arise within the contract boundary. The contract boundary is the earliest date on which the policyholder is no longer obliged to pay premiums and the Baloise Group can, on the basis of a new risk assessment, adjust the contract premiums or adjust the level of benefits without changing the level of premiums. All cash flows relating to premiums or claims outside the contract boundary are deemed to relate to a future contract under IFRS 17.

The expected value of all cash flows required to fulfil the insurance contract is estimated, taking account of options and guarantees. The estimate is updated as at each balance sheet date. No adjustments (increases or decreases) to compensate for uncertainties in the cash flows or their discounting are made as they are explicitly taken into account as explained below. Insurance acquisition cash flows are included in projections if they can be directly allocated to individual portfolios of contracts; administrative expenses are included if they can be directly allocated to individual GICs.

If the contracts in a GIC affect the cash flows of another GIC, these mutual effects are taken into account (known as mutualisation). Furthermore, all payments relating to non-distinct investment components are included in the projections just like all other cash flows. Incoming payments and outgoing payments that occur before or after the contractually stipulated due date are deferred or accrued, as appropriate, within the insurance contract liability.

Discounting

All future cash flows generally have to be discounted at current discount rates. This ensures that the time value of money and – where relevant – financial risks that affect the amount and timing of cash flows are taken into account in the measurement.

The Baloise Group discounts the cash flows from insurance contracts using discount rates that match the nominal currency and maturity of the cash flows and take account of the liquidity of the obligations. The calculation of the liquidity premium was adjusted during the reporting period. This resulted in an increase in the liquidity premium as at 31 December 2024. Compared with 31 December 2023, the weighted average of the liquidity premium rose by 63.8 bps for Swiss francs, by 75.0 bps for euros and by 64.3 bps for US dollars. The change in the liquidity premium accounted for the bulk of the economic variances (CHF 267.7 million) in the CSM in 2024.

Where possible, the Baloise Group draws on discounting assumptions observable in liquid markets. If cash flows are expected at times for which no such discount rates are observable, the Baloise Group interpolates or extrapolates the observable discount rates using the Smith-Wilson method.

Financial risks predominantly affect cash flows in life insurance, in particular where benefits paid to the beneficiaries are directly or indirectly derived from the value or performance of financial assets. The Baloise Group takes account of these risks in discounting by taking a consistent, risk-neutral approach when selecting the expected returns that affect the cash flows and when selecting the discount rates for the discounting of these cash flows.

All of the aforementioned discounting principles apply both to insurance contracts issued by the Baloise Group and to reinsurance contracts held.

Cash flows without financial risks are generally discounted without taking account of credit risk, as measurement of the insurance contracts is based on the assumption that all obligations are fulfilled. The Baloise Group therefore uses the following discount rates:

	CHF			
	31.12.2024	30.06.2024	31.12.2023	30.06.2023
weighted average in %				
1 year	1.03	1.82	1.67	2.15
5 years	1.10	1.68	1.34	2.02
10 years	1.30	1.79	1.45	1.97
15 years	1.49	1.95	1.62	2.02
20 years	1.72	2.12	1.78	2.10

	EUR			
	31.12.2024	30.06.2024	31.12.2023	30.06.2023
weighted average in %				
1 year	3.08	4.24	3.42	3.98
5 years	3.02	3.60	2.39	3.16
10 years	3.19	3.60	2.50	2.95
15 years	3.30	3.67	2.62	2.95
20 years	3.28	3.63	2.63	2.86

	USD			
	31.12.2024	30.06.2024	31.12.2023	30.06.2023
weighted average in %				
1 year	4.99	5.72	4.94	5.54
5 years	4.86	4.77	3.70	4.11
10 years	4.89	4.65	3.65	3.75
15 years	4.94	4.65	3.68	3.68
20 years	4.92	4.62	3.66	3.61

Risk adjustment for non-financial risk

Cash flows from insurance contracts are also subject to uncertainty about their amount and timing for non-financial reasons. For example, claims settlement, mortality trends or policyholder behaviour may not be as expected. These risks are taken into account using a risk adjustment for non-financial risk (risk adjustment), i.e. an explicit increase in the present value of the expected cash flows.

The Baloise Group determines the consolidated risk adjustment using the value at risk with a confidence level of 75 per cent and at the level of the strategic business unit, taking all relevant diversification effects into account. Details of the relevant calculation methods and the approaches taken to systematically allocate the risk adjustment to the individual GICs are provided in the division-specific notes.

Contractual service margin (CSM) and loss component (LC) – initial measurement

At initial recognition of a GIC, the Baloise Group assesses the expected cash flows over the entire term of all contracts in the GIC on a risk-adjusted and discounted basis, taking account of the following:

- All estimated future cash flows
- All cash flows at the time of initial recognition
- Release of all deferrals for payments made before initial recognition, including any insurance acquisition cash flow payments due

If the fulfilment cash flows give rise to a net inflow, an additional reserve component is recognised within the LRC, the contractual service margin (CSM). The CSM is initially recognised as the expected sum of future discounted risk-adjusted profits, calculated on the basis of IFRS 17, that the Baloise Group expects to earn as a result of providing cover and other services under the contracts within the GIC.

However, if this gives rise to a net outflow, this amount is shown within the LRC and is updated separately as a loss component (LC).

This generally means that contracts that are expected to have net inflows on the basis of IFRS 17 (also referred to below as profitable contracts) are initially recognised with no impact on the income statement. For GICs containing contracts that are expected to have net outflows (referred to below as onerous GICs), an expense arises upon initial recognition in the amount of the expected net losses.

Contractual service margin – subsequent measurement

If further contracts are added to a GIC after initial recognition, the net inflow from these contracts expected at that time – whether positive or negative – is taken into account in the GIC's CSM. Furthermore, if a GIC contains contracts that are denominated in a currency other than the functional currency of the strategic business unit, the GIC's CSM is adjusted for the effects of changes in exchange rates.

In addition, the expected net profits accrued in the CSM at the time of initial recognition are essentially adjusted in three stages in each period:

- Accretion of interest on the opening balance for the period
- Netting of certain changes to the fulfilment cash flows expected for future periods
- Pro rata release to profit or loss of any remaining positive CSM amount

Interest is accreted at the rate that was used to discount cash flows without financial risk at the time of initial recognition of the contracts in the GIC. As the contracts may be recognised in the GIC at different times, this interest is calculated as a weighted average for all of the contracts in the GIC.

Any changes to the fulfilment cash flows for coverage to be provided after the end of the period and other services are also measured on the basis of this average interest where such changes arise due to the updating of non-financial assumptions (e.g. mortality assumptions).

In the event of a net reduction in this measurement of the fulfilment cash flows on the basis of the aforementioned average interest, any existing CSM of the GIC is increased by the resulting additional margin in the contracts.

In the event of an increase in this measurement of the fulfilment cash flows, any existing CSM of the GIC is reduced by the resulting loss of a margin in the contracts. This adjustment must not result in a negative CSM. Therefore, if the adjustment to be made exceeds the existing CSM, the amount representing this excess increases the entire LRC and is recognised in profit or loss immediately. This amount is disclosed separately as a loss component and is updated separately going forward.

If a loss component was recognised for a GIC in prior periods, any change in the measurement of the fulfilment cash flows on the basis of the average interest is offset against the loss component in profit or loss. As is also the case for the CSM, a loss component cannot be negative. Any excess amount resulting from the changed measurement is recognised in the CSM and is therefore not recognised in profit or loss. Every GIC therefore has either a CSM or a loss component.

Furthermore, the CSM is adjusted to reflect the following experience deviations, i.e. differences between the amounts expected for a particular period and the amounts of the actual payments:
- All experience adjustments for non-distinct investment components
- For premiums: the share of the experience adjustment that relates to future cover or other services

In the last step, the Baloise Group determines the proportion of any remaining positive CSM amount that relates to the performance of services under the insurance contract in the current period. The number of coverage units – a measure for all services to be provided – for each contract in a GIC is determined for the period and for all remaining periods in which services are still to be provided. The release of the CSM for the period is then carried out on the basis of the number of coverage units for all contracts in the GIC for the current period relative to the total coverage units at the end of the period.

The coverage units are identified on a product-specific basis.

Loss component – subsequent measurement

A loss component is a component of the liability for remaining coverage (LRC), irrespective of whether it has to be recognised at the time of initial recognition of a GIC or whether it arises while coverage is being provided owing to the aforementioned adjustments. It is essentially changed by the same influences that, in the case of profitable GICs, adjust the amount of the CSM; in particular, the Baloise Group releases a loss component amount in the same way as it does for the CSM on the basis of coverage units until coverage is no longer provided. In contrast to the CSM, however, all changes to the loss component are recognised in profit or loss:
- All changes within the loss component are part of the insurance service expenses.
- In addition, each amortisation of the loss component on the basis of coverage units is netted with the insurance revenue for the period. In line with IFRS 15, the Baloise Group thus ensures that the insurance revenue does not exceed the premiums collected over the term of the GIC.

Insurance acquisition cash flows for future renewals

If insurance acquisition cash flows are economically attributable not to the new contract but to the expected renewal of this contract, Baloise allocates the share of the cash flows for such future renewals systematically and taking account of the expected number of renewals within the LRC of the related PIC. The Baloise Group regularly reviews the recoverability of the insurance acquisition cash flows allocated in this way, taking account of the expected renewals and their profitability. Impairment losses are recognised immediately in profit or loss for any unrecoverable amounts and, along with any subsequent reversals of impairment losses, are shown under insurance service expenses.

This allocation is not dependent on the measurement model. However, insurance acquisition cash flows for future renewals currently arise predominantly in connection with short-term contracts in the non-life business.

Derecognition and modification of insurance contracts

The Baloise Group derecognises an insurance contract when:
- all obligations under the contract are extinguished or discharged, or
- modification of the insurance contract would have resulted in it being classified differently, assigned to a different GIC or given a materially different contract boundary, or would have resulted in other contract components being separated. In this case, the Baloise Group recognises the modified contract as a new contract.

This modification of a contract represents an amendment to the contract terms, either by way of agreement between the parties or due to changes to the legal basis. The policyholder's exercise of an option provided in the contract does not constitute a modification.

For contracts derecognised from a GIC, the Baloise Group identifies all fulfilment cash flows and, where relevant, the related coverage units. The measurement of the GIC is then adjusted by reducing the fulfilment cash flows and by adjusting the CSM for those cash flows that – depending on the measurement method – would lead to an adjustment of the CSM.

If the reason for derecognition was the sale of the contracts to a third party or one of the types of modification mentioned above, the Baloise Group adjusts the CSM for the contracts being derecognised as follows:

- For contracts transferred to a third party, the CSM adjustment equates to the difference between the change in the fulfilment cash flows that is offset against the CSM and the amount that the third party charges as the premium for taking over the obligations from Baloise.
- For modified contracts, the CSM adjustment is calculated as the difference between the changes in the fulfilment cash flows affecting the CSM and the premium that the Baloise Group would charge if it had entered into the modified contract directly on the date of the modification. The premium determined in this way is also used to determine the CSM of the modified contract.

Recognition of insurance contracts in accordance with the general measurement model (GMM) in comprehensive income

Comprehensive income for insurance contracts is broken down into three disclosure groups:

- Insurance revenue
- Insurance service expenses, referred to in combination with insurance revenue as the insurance service result
- Insurance finance income or expenses (IFIE)

The presentation of all the components in comprehensive income is described below. All items recognised within the insurance service result are recognised exclusively in profit or loss.

Insurance revenue

The insurance revenue for a period generally comprises the following items:

A. The consideration expected at the beginning of the period for the provision of services for new claims incurred in the period and expected payments for all other services under the contract (excluding insurance acquisition cash flows that can be allocated), netted (where applicable) with the release of the loss component on the basis of the coverage units
B. Release of the CSM to profit or loss on the basis of the coverage units
C. Release of the part of the risk adjustment that was recognised for uncertainty relating to the current period
D. The share of experience adjustments for premiums relating to the coverage provided in the current period and to other services
E. A share for amortisation of the insurance acquisition cash flows that can be allocated directly

The Baloise Group systematically calculates shares of these amounts that are attributable to any loss component and presents them as part of the insurance service expenses.

Furthermore, the amounts in bullet point A. are reduced by the amount of actual non-distinct investment components.

Baloise determines the recognition of revenue for insurance acquisition cash flows per period pursuant to bullet point E. for a group of insurance contracts, starting with the actual cash flows on the basis of the coverage units.

Insurance service expenses

The insurance service expenses for a period comprise the following items:

F. The actual payments for new claims incurred in the period and actual payments for all other services under the contract (including contract management costs, but excluding insurance acquisition cash flows that can be allocated)

G. A share for amortisation of the insurance acquisition cash flows that can be allocated directly (equates to the value in bullet point E. for insurance revenue)

H. Changes to the risk-adjusted present value of expected payments for claims that have already been incurred (excluding effects attributable to market effects)

I. Changes to any loss components, including financial effects

The amounts in bullet point F. are, where applicable, reduced by precisely the same expected value for non-distinct investment components paid as the values pursuant to bullet point A. for insurance revenue. Differences between actual and expected payments of non-distinct investment components are offset against the CSM or loss component, taking account of the time value of money.

Insurance finance income or expenses

Insurance finance income or expenses constitute the total of all changes in the measurement of insurance and reinsurance contracts that are due to financial effects. This comprises the reduction in the period of discounting (unwinding the discount) and the effects of interest rate changes and other market effects that have a direct impact on the cash flows.

For contracts for which market parameters indirectly affect benefits that are at the discretion of the Baloise Group, Baloise Group specifies at initial recognition and in a systematic way which changes in fulfilment cash flows relate to financial risk.

For each PIC, there is an option in respect of the insurance finance income or expenses to either recognise the total amount in profit or loss or to disaggregate it into a share recognised in profit or loss and a share recognised in other comprehensive income. The option is used for the PICs measured using the GMM, for the liability for incurred claims, and for the traditional life insurance business in Germany and Switzerland, which is measured using the variable fee approach (VFA). Where applicable, the disaggregation method is discussed separately for the life insurance portfolios and the non-life insurance portfolios.

12.1.5 Non-life insurance contracts and the premium allocation approach

Generally, all standardised non-life products contain sufficient insurance risk to be classified as insurance contracts under IFRS 17. The Baloise Group has created the following portfolios for this business:

- Motor – third-party liability
- Motor – comprehensive
- General liability – personal
- General liability – commercial
- Accident (compulsory accident insurance)
- Accident – other
- Health
- Property – personal
- Property – commercial
- Marine
- Other

Premium allocation approach (PAA) - scope of the PAA

IFRS 17 gives entities the option to simplify the measurement of the liability for remaining coverage (LRC) for certain contracts. This simplification, also known as the premium allocation approach (PAA), can generally be used for all GICs in which all contracts – taking account of the contract boundary pursuant to IFRS 17 – have a coverage period of one year or less. A contract's coverage period is the period during which the contract guarantees insurance cover and other services. This criterion is satisfied for most of the non-life business, either because the contracts have a one-year term or because the contract boundary of the contracts that, in legal terms, are multi-year contracts, is one year. This is usually the case when the Baloise Group has a right to adjust the premiums at the end of each year.

The PAA may also be used for all GICs where the PAA would produce a measurement of the LRC that would not be materially different to the measurement under the general measurement model (GMM).

The Baloise Group uses the PAA for all non-life contracts that satisfy at least one of the aforementioned criteria.

If, as a result of a portfolio transfer or the acquisition of a company, the Baloise Group takes on obligations relating to claims already incurred, the cover provided consists of settlement of the claims, which means that the coverage period for these claims equates to the expected remaining settlement period.

Impact of the premium allocation approach

The PAA has no fundamental impact on the classification, initial recognition and derecognition of contracts or on the separation of components and embedded derivatives. In the Baloise Group, the measurement of claims incurred is also identical for PAA contracts.

However, the measurement of the liability for remaining coverage (LRC) does differ materially. Starting with the premiums received and upon initial recognition of a GIC, the LRC is measured as

- any premiums received at the time of initial recognition, minus
- any insurance acquisition cash flows paid before the time of initial recognition, plus
- any adjustment of the liability based on the test, described below, for ascertaining whether contracts are onerous.

Under the PAA, the LRC is subsequently measured as:

- the amount of the LRC at the beginning of the period, plus
- any premiums received in the period, minus
- any insurance acquisition cash flows paid in the period, minus
- the share of the deferred premiums that were recognised in the period as insurance revenue, plus
- the share, recognised in insurance service expenses, of the period for insurance acquisition cash flows, plus
- the interest adjustment for any financing component in the LRC, plus or minus
- the change in any adjustment of the liability on the basis of the onerous contract test.

All changes to a loss component are recognised immediately, and exclusively, in insurance service expenses.

Onerous contract test

The Baloise Group has defined certain indicators that determine when a GIC measured using the PAA must be checked to test whether it is onerous. To this end, the Baloise Group compares the part of the LRC that is based only on deferrals of premiums paid and insurance acquisition cash flows paid with the GIC's fulfilment cash flows that are expected for the coverage still to be provided. If the expected net payments calculated in this way are higher than the LRC, the deferral of insurance acquisition cash flows is released to profit or loss and then, if necessary, the LRC is increased by a loss component in the amount of any remaining difference, such increase being recognised in profit or loss. Contracts in respect of which a loss component has to be recognised at the time of initial recognition are assigned to a GIC for onerous contracts.

Measurement of the liability for incurred claims

The liability for incurred claims (LIC) is recognised for all claims that were incurred up to the measurement date, irrespective of whether they have been reported or not. The liability is calculated as the risk-adjusted present value of the best estimate of the outstanding claim payments and claim settlement costs. A CSM is never recognised for the LIC because expected profits are accrued only for the remaining coverage.

Payment estimates

To calculate the expected nominal values of the payments as realistically as possible, the Baloise Group uses the claims history of recent years, generally accepted mathematical-statistical methods and all the information available to it at the time, especially the knowledge of the experts entrusted with the handling of claims.

The expected claim payments consist of three components. The basis is formed by the reserves calculated using actuarial methods. The second component comprises reserves for those complex special cases and events that are not subject to purely statistical evaluation. These are generally rare claims that are fairly atypical of the sector concerned and are usually large claims whose costs have to be estimated by experts on a case-by-case basis. The third component consists of payments for annuities that are projected using actuarial principles, such as assumptions about mortality, and are largely derived from claims in the motor, liability and accident insurance portfolios. To supplement the various internal control mechanisms, the Baloise Group has the reserves – and the methods used to calculate them – reviewed regularly by external specialists.

Discounting

The Baloise Group discounts the liability for incurred claims using discount rates that are consistent with the currency and maturity of the expected claims, reflecting the fact that nominal values are estimated for the cash flows. The Baloise Group uses the discount rates shown in the tables in note 12.1.4.

For the entire non-life business, the Baloise Group disaggregates the total change in the liability for incurred claims resulting from discounting effects into a share recognised in profit or loss and a share recognised in other comprehensive income. The share of the financial effects recognised in profit or loss is determined – as per recognition at amortised cost – on the basis of the discount rates applicable at the time that the claim is incurred.

Risk adjustment for the liability for incurred claims

The settlement of obligations relating to claims incurred is subject to uncertainty regarding the amount and timing of the payments to be made. This uncertainty is of a non-financial nature, so the Baloise Group recognises a risk adjustment as an additional component of the measurement of the LIC. It calculates the amount of the risk adjustment by referring to the historical volatility of claim estimates in its portfolios and, where necessary due to the non-availability of data, by referring to data for comparable portfolios. The amount of the risk adjustment for the liability for incurred claims corresponds to the consolidated risk adjustment with a 75 per cent confidence level.

The risk adjustment is updated for each contract entered into. Changes to the risk adjustment for claims incurred are generally recognised in profit or loss. For those GICs for which the Baloise Group disaggregates the entire change resulting from interest effects between profit or loss and other comprehensive income, the effect of changes in interest rates on the measurement of the risk adjustment is also shown in other comprehensive income.

Non-life contracts measured using the GMM

Contracts for non-life insurance are measured using the GMM if they do not satisfy the criteria for the PAA. For these contracts, the Baloise Group uses the GMM rules (described above), including the definition of the coverage units.

Transition for non-life insurance contracts

For first-time adoption, the Baloise Group used the full retrospective approach to measure virtually all non-life insurance contracts, i.e. measurement at the transition date was based entirely on historical application of IFRS 17 since acquisition of the contracts. This affects not only business entered into by the Baloise Group itself but also all portfolios acquired as a result of acquisitions (business combinations) or portfolio transfers from the date of transfer.

12.1.6 Life insurance contracts

For its life insurance business, the Baloise Group forms the following portfolios as the basis for determining the groups of insurance contracts (GICs):

- Endowment life insurance and pure whole-life insurance
- Annuities
- Disability insurance
- Unit-linked contracts
- Hybrid products, i.e. products that have both features of unit-linked insurance and features of traditional endowment insurance
- Investment contracts with DPF
- General group insurance
- Swiss group insurance for semi-autonomous funds
- Swiss group insurance purely with risk coverage
- Other life business

For the measurement of all life insurance contracts, the following aspects are significant in addition to the GMM-based standard approach described above.

Cash flows and underlying items

In many life insurance contracts, the level of the policyholder benefits depends on the performance of certain underlying items, such as the surpluses of a particular portfolio or legal entity or the returns on clearly defined investments. A material portion of these payments is often granted in the form of participation features, and the Baloise Group has some degree of discretion in deciding when and in what amount payments are made. Depending on how the product is structured, such benefits may be combined with guaranteed benefits.

The projection of all cash flows for life insurance contracts takes all relevant influencing factors into account including, but not limited to, mortality, invalidity rates, policyholder behaviour, changes in costs and the possible courses of action open to senior management in certain scenarios. The Baloise Group determines these assumptions on the basis of its own statistics, supplemented in some cases by industry-specific or other external information and trends (e.g. mortality improvements, inflation). The Baloise Group uses stochastic models for assumptions without symmetrical distribution around their expected value and for cash flows that do not respond to changes in variables in a non-linear fashion.

Discounting of payments

The assumptions for projecting the performance of investments that affect insurance contract payments are consistent with the discount rates that are used to discount these payments and that thus take account of the financial risk in these payments. To this end, the Baloise Group uses a risk-neutral approach that also includes the measurement of options and guarantees.

Risk adjustment

For all life insurance contracts, the risk adjustment is applied as an increase to the cash flows that have been discounted on a risk-neutral basis. To do so, the Baloise Group determines – at the level of the strategic business unit – the most probable combination of all simultaneous movements in all non-financial parameters, such as mortality, policyholder behaviour and future costs, that correspond to a value at risk with a confidence level of 75 per cent. Using this combination of parameter movements, the risk adjustment is determined for each GIC as the difference between the discounted cash flows with the expected assumptions and the discounted cash flows with the adjusted assumptions.

Coverage units

The Baloise Group determines the coverage units for all life insurance contracts using a consistent approach: For each GIC, the future benefits for the granting of insurance cover, guaranteed investment returns and other investment services are measured and weighted using suitable metrics. In this process, the Baloise Group takes account of both guaranteed benefits and benefits arising from expected participation features. The present value of these benefits forms the coverage unit at each measurement date. To calculate the present value, the same assumptions as for determination of the fulfilment cash flows are used. However, for GICs measured using the GMM, the discount rates applicable at the time of initial recognition of the GIC are used to ensure consistency in the measurement of the CSM.

Recognition of insurance finance income or expenses

For life insurance contracts measured using the general measurement model, there is also an option for each portfolio to disaggregate the total change in the liability for insurance contracts resulting from financial effects into a share recognised in profit or loss and a share recognised in other comprehensive income.

For those PICs in life insurance that the Baloise Group measures using the general measurement model and for which it exercises the option, the share of the insurance finance income or expenses to be recognised in profit or loss is dependent on how the payments to policyholders are determined. Typically, the payments to policyholders are determined on the basis of expected crediting rates and, in these cases, the Baloise Group applies the actual amounts credited and the amounts expected to be credited in future. The share recognised in profit or loss is based on the internal interest rate method only in exceptional cases.

Contracts with direct participation features and the variable fee approach (VFA)

Contracts with direct participation features

The Baloise Group classifies insurance contracts that satisfy each of the following three criteria as contracts with direct participation features:

- The contractual terms specify that the policyholders participate in a clearly identified pool of underlying items. For the purposes of this definition, participation does not prevent the entity from exercising discretion regarding the payment of certain amounts, but the policyholders must be able to enforce their right.
- Based on best estimates at the time of initial recognition of the contracts, the Baloise Group expects to pay to the policyholders an amount equal to a substantial share of the fair value returns on the underlying items.
- At the time of initial recognition of the contracts, the Baloise Group expects – based on its best estimates – that a substantial proportion of the total amounts to be paid to the policyholders will vary in line with the change in the fair value.

Generally, investment contracts with DPF satisfy the definition of a contract with direct participation features. Nonetheless, these are different concepts for different aspects of contract classification.

In the Baloise Group, the following contracts within the scope of IFRS 17 are classified as contracts with direct participation features:

- Unit-linked, index-linked and investment-linked contracts
- Swiss group life business
- Other individual life insurance with participation features in Switzerland
- Traditional German life insurance with participation features

Variable fee approach

For contracts with direct participation features, a modified version of the general measurement method must be used that is also known as the variable fee approach (VFA). In contrast to the premium allocation approach, use of the VFA is mandatory.

Measurement of the risk-adjusted present value of all future payments (fulfilment cash flows) is unaffected and is thus carried out in the same way as for the general measurement model. The modifications to the measurement method therefore only affect the measurement of the contractual service margin:

- The share of changes to the expected payments for future coverage that are attributable to changes in the fair value of the underlying items is not recognised as an adjustment of the CSM but rather is recognised in the same way as the change in the fair value of the underlying items.
- However, all other changes in the fulfilment cash flows for remaining coverage – particularly benefits based on options and guarantees – are generally offset against the CSM, although the CSM is – contrary to the GMM – adjusted on the basis of current market interest rates. The explicit accretion of interest on the CSM is thus not carried out for the variable fee approach.

There are no further differences to the measurement approach under the GMM. For VFA contracts, this particularly includes the following. In the event of an increase in the fulfilment cash flows that are offset against the CSM and exceed the amount of the CSM, a loss component has to be recognised for the GIC. Any subsequent changes to the cash flows are initially offset against this loss component before a CSM can be recognised for the GIC again. A positive CSM amount is released per GIC at the end of the period using suitable coverage units, as described above.

Book yield approach

For contracts with direct participation features, there is also the option to disaggregate the entire change in insurance contract measurement resulting from market effects, recognising a share in profit or loss and a share in other comprehensive income.

Where this option is exercised for contracts that have direct participation features and for which the Baloise Group holds the underlying items that affect their performance, the Baloise Group uses the book yield approach, in which it determines the share recognised in profit or loss of the total change in the insurance contract liability resulting from market influences as precisely the opposite amount of the share recognised in profit or loss of the changes in the fair value of the underlying items resulting from market influences. All other shares of insurance finance income and expenses are recognised in other comprehensive income.

The Baloise Group uses the OCI option only for contracts with direct participation features in Germany and Switzerland.

Transition for life insurance contracts

For the first measurement of life insurance contracts in accordance with IFRS 17, the Baloise Group first identified – separately for each unit that operates life insurance business – the earliest point in time in the past from when all the information was available for all contracts to be able to apply the full retrospective approach from this point in time. For contracts that were initially recognised before this time, the Baloise Group determined the necessary data for periods lying further back in the past on the basis of the modified retrospective approach or the fair value approach.

For the modified retrospective approach, Baloise uses any available assumptions and information that would be applicable to the full retrospective approach. This applies, in particular, to the updating of the CSM and loss component. For parts of portfolios that are measured using the fair value approach, the Baloise Group applies the principles of IFRS 13 Fair Value Measurement to the insurance contracts.

12.1.7 Reinsurance

Reinsurance contracts are insurance contracts between insurance companies and/or reinsurance companies. There must be a transfer of significant insurance risk for a transaction to be recognised as reinsurance; otherwise, the transaction is treated as a financial contract.

Inward reinsurance is any transaction in which the Baloise Group is the risk-taker. It is recognised, measured and presented on the basis of exactly the same rules as for any other risks taken on directly.

Outward reinsurance is the business ceded to insurance companies outside of the Baloise Group and includes transactions ceded from direct life and non-life business and from inward reinsurance. The general recognition and measurement rules in IFRS 17 vary for this type of risk cession in a number of aspects. All references to reinsurance in the rest of this note therefore relate solely to outward reinsurance held.

Initial recognition and formation of groups

The timing of the initial recognition of a reinsurance contract varies depending on the type of reinsurance:

Generally, the reinsurance contract is recognised on the date on which its coverage begins, but no later than the date on which an onerous GIC is recognised if the reinsurance contract was not entered into after this date. Furthermore, Baloise recognises reinsurance contracts that provide proportionate coverage no earlier than when the reinsured business is recognised.

In the same way as for gross business, outward reinsurance contracts are divided into groups of insurance contracts (GICs). These are formed independently of the GICs used in business underwritten by the Baloise Group itself.

The netting of gross business and reinsurance business is prohibited.

For measurement purposes, a distinction is made between two types of outward reinsurance. Retroactive reinsurance refers to the subsequent signing of a reinsurance contract for claims already incurred in gross business. The purpose of such cover is, for example, to protect against uncertainty about the remaining settlement of a portfolio of claims already incurred. Prospective reinsurance is when claims not yet incurred in gross business are reinsured.

Measurement of outward reinsurance

Outward reinsurance is generally measured using the same approaches as for gross business.

The Baloise Group uses the PAA for all GICs of reinsurance contracts that satisfy the criteria for the PAA. Reinsurance contracts cannot be classified as contracts with direct participation features, which is why the variable fee approach cannot be used.

Cash flows and discounting

The expected cash flows for reinsurance – including reinsurance premiums ceded and the expected reimbursements from the reinsurer – are updated at each measurement date. The Baloise Group determines these expected payments consistently based on expectations for the reinsured business, taking account of the specific contract boundaries for ceded business. In this context, the Baloise Group distinguishes between payments that depend directly on claims in the reinsured business and all other payments.

In addition, the expected payments are adjusted directly for the risk of non-performance by the reinsurer in order to take account of the risk that the Baloise Group does not receive the reimbursement expected from the reinsurer. When recognising the risk of non-performance, the Baloise Group takes account of any collateral provided by the reinsurer. Changes in the measurement of the claims against the reinsurer resulting from changes in the estimate of non-performance risk are not offset against any CSM. Instead, they are recognised directly in profit or loss, under insurance finance income or expenses.

Discount rates are chosen using the same approaches as for gross business, without any adjustment.

Risk adjustment

The Baloise Group determines the risk adjustment for outward reinsurance as a reduction of the risk in gross business resulting from reinsurance. The risk adjustment thus increases the measurement of the claims against the reinsurer. The reduction is determined pro rata on the basis of the risk adjustment for the ceded business in proportion to the reinsurance's share of the risk transfer.

Contractual service margin

Upon initial recognition of groups of reinsurance contracts, the Baloise Group always recognises a CSM in an amount that means that initial measurement results in neither an asset nor a liability. In contrast to gross business, this may result in a CSM both for positive and for negative expected fulfilment cash flows, and a loss component is never recognised.

Subsequent measurement of the CSM of a group of reinsurance contracts is based on the balance brought forward, essentially in the same way as for contracts in gross business that are measured using the GMM. In particular, the Baloise Group also identifies coverage units for groups of reinsurance contracts. These coverage units are used to determine the release of the CSM to profit or loss.

Contrary to the process described above, the Baloise Group recognises expected losses immediately upon initial recognition of retroactive reinsurance contracts. Profits expected at the time of initial recognition must also be accrued in a CSM; for subsequent measurement, the general rules for updating the CSM for reinsurance apply.

The measurement of reinsurance contracts is also adjusted if a loss component has to be recognised for the reinsured business. In this case, the Baloise Group calculates the percentage of the losses in gross business that are covered by reinsurance and, for the reinsurance contracts, recognises a loss recovery component (LORECO) in the amount of the reinsured share of the loss component.

The LORECO increases the measurement of the claim against the reinsurer, and each change to the LORECO is shown as part of the insurance service result for reinsurance.

Reinsurance transition

The measurement of reinsurance claims on the IFRS 17 balance sheet is subject to the same general principles as for gross business.

Interim financial reporting

The Baloise Group reverses previous accounting estimates set out in the interim financial reporting in relation to the measurement of contracts in the scope of IFRS 17 for subsequent reporting in the same financial year.

12.2 Investments and financial liabilities

The term “investments” is used in the financial report for the sake of clarity. Investments encompass both investment property and financial assets. Financial assets consist of financial instruments with characteristics of equity, financial instruments with characteristics of debt, mortgages, loans, derivatives (assets), cash and cash equivalents, and receivables.

Financial liabilities consist of liabilities arising from financial contracts, derivatives (liabilities) and other financial liabilities.

12.2.1 Investment property

Investment property comprises land and/or buildings held to earn rental income or for capital appreciation (or both). If mixed-use properties cannot be divided into owner-occupied property and property used by third parties, the entire property is classified according to the purpose for which most of its floor space is used. If, owing to a change of use, an investment property held by the Baloise Group becomes the latter’s owner-occupied property, it is reclassified as property, plant and equipment. Any such reclassification is based on the property’s fair value at the reclassification date. By contrast, if one of the Baloise Group’s owner-occupied properties becomes an investment property owing to reclassification, then on the date this change of use takes effect the difference between the property’s carrying amount and its fair value is recognised in profit or loss in the event of an impairment; or, if the property’s fair value exceeds its carrying amount, then the difference is recognised directly in equity as other comprehensive income. If an investment property that was reclassified in a previous period is sold, the amount recognised directly in equity is reclassified to retained earnings. Investment property is measured at fair value under the discounted cash flow (DCF) method. The current fair value of a property determined under the DCF method equals the sum total of all net income expected in future and discounted to its present value (before interest payments, taxes, depreciation and amortisation) and includes capital expenditure and renovation costs. The net income is determined individually for each property, depending on the opportunities and risks associated with it, and is discounted in line with market rates and on a risk-adjusted basis.

The measurement is carried out internally each year by experts using market-based assumptions that have been verified by respected consultancies. In addition, the properties are assessed by external valuation specialists at regular intervals; roughly 10 per cent of the fair value of the real estate portfolio is subject to such assessments each year. Changes in fair value are taken to income as realised accounting gains or losses in the period in which they occur.

12.2.2 Financial assets

A distinction is made between investments for own account and at own risk on the one hand and investments for the account and at the risk of customers and third parties on the other. Investments for the account and at the risk of customers and third parties are assets from premiums for unit-linked or investment-linked life insurance contracts in which policyholders themselves bear the investment risk in accordance with the investment objectives. Accordingly, and in contrast to investments for own account and at own risk, the Baloise Group has no rights in respect of these investments. The associated liabilities resulting from investments for the account and at the risk of customers and third parties are recognised under "Liabilities arising from financial contracts" on the equity and liabilities side of the balance sheet.

The following asset classes are reported as financial instruments with characteristics of equity: shares, units in equity funds, mixed funds, real estate funds, bond funds, money market funds and alternative financial assets such as private equity investments and hedge funds. Financial instruments with characteristics of equity are generally more frequently exposed to price volatility than financial instruments with characteristics of debt.

Financial instruments with characteristics of debt predominantly encompass securities such as bonds and other fixedincome securities. They are usually interest-bearing and are issued for a fixed or determinable amount.

Mortgages and loans are financial instruments with fixed or determinable payments and are generally not traded in an active market, with the exception of registered bonds and promissory notes that are actively traded in the market.

Derivatives are swaps, futures, forward contracts, options, etc. whose value is primarily derived from the underlying interest rates, exchange rates, commodity prices or share prices. The acquisition cost of derivatives is usually either very low or non-existent.

Cash and cash equivalents essentially comprise cash on hand, demand deposits and cash equivalents. Cash equivalents are predominantly short-term liquid investments with residual terms of no more than three months.

Recognition and measurement

IFRS 9 Financial Instruments uses two criteria to classify financial assets and their measurement:

- Business model
- Characteristics of the contractual cash flows

The business model indicates how the entity manages its financial assets in order to generate cash flows:

- By collecting contractual cash flows (the cash flows are predominantly from interest payments and capital repayments – 'held to collect')
- By selling financial assets (the cash flows are predominantly from the purchase and sale of assets – 'trading and other')
- A combination of the two models described above ('held to collect and sell')

Another criterion to be applied in the classification of financial assets is whether the contractual cash flows are solely payments of principal and interest (SPPI). In this model, interest primarily means consideration for the time value of money, consideration for credit risk and a profit margin. Interest is recognised using the effective interest method.

Based on an analysis of the business model and the nature of the contractual cash flows, a financial asset is allocated to one of the three categories upon initial recognition and subsequently measured accordingly:

- At amortised cost (AC)
- At fair value through other comprehensive income (FVOCI)
- At fair value through profit or loss (FVPL)

All regular purchases of financial assets are recognised on the trade date.

Upon initial recognition, all financial assets are measured at fair value irrespective of the category. With the exception of financial assets measured at fair value through profit or loss (FVPL), the transaction costs are part of the acquisition costs.

Amortised cost (AC)

A financial asset is measured at AC if it satisfies both of the following criteria:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows ('held to collect')
- It satisfies the SPPI criterion

The Baloise Group acquires fixed-income bonds (financial instruments with characteristics of debt) and issues held-to-maturity mortgages and loans in order to collect contractual interest payments. These instruments also satisfy the SPPI criterion.

Receivables, cash and cash equivalents held by the Baloise Group are also recognised at AC and are generally carried at their nominal amount.

These financial assets are measured by applying the effective interest method to the amortised cost (gross carrying amount) and by recognising a loss allowance in profit or loss in the amount of the expected credit loss (ECL). The note 12.2.3 "Expected credit losses" below provides information about the basis of measurement for determining the amount of the expected credit loss.

Currency translation effects on these items are also recognised in profit or loss.

Fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it satisfies both of the following criteria:

- It is held within a business model whose objective is both to collect contractual cash flows and to sell financial assets ('held to collect and sell')
- It satisfies the SPPI criterion

The Baloise Group acquires debt instruments (primarily bonds), registered bonds and promissory notes for the purpose of asset/liability management, i.e. to collect the contractual cash flows and/or to sell the financial assets. The financial assets in this portfolio are therefore measured at FVOCI, provided that they also satisfy the SPPI criterion.

Currency translation effects of financial instruments measured at fair value through other comprehensive income and the interest element calculated using the effective interest method are recognised in profit or loss. Any other changes in fair value, however, are recognised in other comprehensive income. The expected credit loss is also recognised in other comprehensive income and does not reduce the carrying amount of the financial instrument. When such financial instruments are sold, the cumulative gains and losses recognised in other comprehensive income are transferred to the income statement.

Fair value through profit or loss (FVPL)

- **Mandatorily measured at FVPL:** All financial instruments that do not satisfy the SPPI criterion and/or are not held in a 'held to collect' business model or in a 'held to collect and sell' business model are measured at FVPL. Changes in fair value are recognised in profit or loss as realised gains and losses on investments.

  The Baloise Group uses this measurement model for its trading portfolios and for financial instruments with characteristics of equity, provided that the option to measure them at FVOCI has not been exercised. Derivatives are included in this measurement category if they do not qualify as a hedge under IFRS. This is also the case even if they have a hedging function under the Baloise Group's hedging rules. Both positive and negative replacement costs for derivatives are recognised at fair value on the balance sheet.
- **Designated as measured at FVPL:** An entity may, upon initial recognition, irrevocably designate financial instruments as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Baloise Group primarily exercises this option in respect of financial assets used to satisfy obligations under life insurance contracts.

  Mortgages and loans held as part of a fair value hedge are designated as at FVPL. These portfolios are measured using a present value method (yield curve).

FVOCI option (fair value through other comprehensive income)

Financial instruments with characteristics of equity are generally measured at fair value through profit or loss. At the level of the individual instrument, however, an entity may irrevocably elect, upon initial recognition, to recognise subsequent changes in the equity instrument's fair value in other comprehensive income, provided that the financial asset is not held for trading (FVOCI option).

The Baloise Group exercises this option for equities in the non-life business. All other financial instruments with characteristics of equity – including those held for trading – are measured at fair value through profit or loss.

Where financial instruments with characteristics of equity are measured at fair value through other comprehensive income, the gains and losses on changes in the fair value of these instruments are recognised in other comprehensive income. When these financial instruments are sold, the cumulative gains and losses recognised in other comprehensive income remain in equity and are transferred directly to retained earnings. Dividend income from these financial instruments is recognised in profit or loss.

Hedge accounting

At the time the contract is entered into, a derivative is classified either as a hedging instrument for the fair value of an asset or liability (fair value hedge), as a hedge for future transactions (cash flow hedge), as a hedge of a net investment in a foreign operation or – if it does not satisfy the criteria to qualify as a hedge – as a trading instrument (FVPL).

The Baloise Group's hedge accounting system documents the effectiveness of hedges as well as the objectives and strategies pursued with each hedge. Hedge effectiveness is constantly monitored from when the contract is entered into. Derivatives that no longer qualify as a hedge are reclassified as trading instruments.

- **Fair value hedges:** When the effective portion of a hedge is being accounted for, changes in the fair value of derivatives classified as fair value hedges are reported in the income statement together with the hedged portion of the fair value of the asset or liability concerned. The ineffective portion of the hedge is recognised separately in the income statement.

- **Cash flow hedges:** When the effective portion of a hedge is being accounted for, changes in the fair value of derivatives classified as cash flow hedges are recognised directly in equity. The amounts reported in equity under other comprehensive income are taken to the income statement at a later date in line with the hedged cash flows. The ineffective portion of the hedge is recognised in the income statement.

  If a hedging instrument is sold, terminated or exercised or if it no longer qualifies as a hedge, the cumulative gains and losses continue to be recognised directly in equity until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gains and losses recognised in equity are transferred to the income statement.
- **Hedges of a net investment in a foreign operation:** Hedges of a net investment in a foreign operation are accounted for in the same way as cash flow hedges. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity; the ineffective portion is recognised in profit or loss.

  The gain or loss recognised in equity is reclassified to the income statement upon the partial or full disposal of the foreign operation.

Structured products

Structured products are financial instruments (assets or liabilities) that contain embedded derivatives in addition to the host contract. Provided that the economic characteristics and risks of the embedded derivative differ from those of the host contract and that this derivative qualifies as a derivative financial instrument, the embedded derivative is separated from the host contract and is recognised, measured and disclosed separately. If the derivative and the host contract are not separated, the structured product is designated as a host contract recognised at fair value through profit or loss.

Quoted market prices

The fair value of listed financial assets is based on prices in active markets as at the balance sheet date. If no such prices are available, the fair value is estimated using generally accepted methods (such as the present value method), independent assessments based on comparisons with the market prices of similar instruments and the prevailing market situation. Derivatives are measured using publicly quoted prices or on the basis of models. If no publicly quoted prices are available for private equity investments, they are measured on the basis of their net asset value using non-public information from independent external providers. These providers use various methods for their estimates (e.g. analysis of discounted cash flows and reference to similar, recent arm's-length transactions between knowledgeable, willing parties).

If the fair value of hedge funds cannot be determined on the basis of publicly quoted prices, they are measured using prices quoted by independent third-party providers.

A detailed description of fair value measurement and the related disclosures can be found in the note 4.5 "Fair value measurement of investments and financial liabilities".

Securities financing transactions

Cash outflows from reverse repurchase (repo) transactions are offset by corresponding receivables. The financial assets received as collateral from the transaction are not recognised. The relevant transaction is recognised on the balance sheet on the settlement date.

Financial assets transferred as collateral under repurchase agreements continue to be recognised as financial assets. The cash inflows are offset by corresponding liabilities. The securities provided as cover for repos and reverse repos are measured on a daily basis at their current fair values.

The Baloise Group engages in securities lending only. Securities lending transactions may give rise to credit risk. Collateral is requested in order to hedge this credit risk by more than covering the underlying value of the securities that are being lent (mainly bonds). The value of the counterparty's collateral is regularly measured in order to minimise the credit risk involved. Additional collateral is immediately requested if this value falls below the value of required cover. The

Baloise Group retains control over the securities throughout the term of its lending transactions, so it continues to recognise these financial instruments as financial assets on its balance sheet. The income received from securities lending is recognised in profit or loss.

12.2.3 Expected credit losses

The impairment principles in IFRS 9 are applied to financial instruments measured at amortised cost (AC) or at fair value through other comprehensive income (FVOCI), receivables (including rent receivables), lease receivables and off-balance-sheet loan commitments and financial guarantee contracts.

Under IFRS 9, expected credit losses (ECL) must be measured in a way that reflects the time value of money and an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The method of measurement must also take appropriate account of all available information about past events, current conditions and forecasts of future conditions.

Information about past events is used to analyse changes in credit quality between the start of the contract term and the current assessment date. Forward-looking information examines credit quality in the subsequent year and up to the end of the contract term. This expected change in credit quality is determined using macroeconomic factors. In particular, the analysis looks at macroeconomic and financial market indicators to determine whether the expected probability of default in the subsequent year has increased significantly compared with the initial estimate at the time of initial recognition.

Segmentation based on product type and collateral type is carried out for the ECL calculation. In addition to reducing complexity, this segmentation helps to ensure that the specific risks of the financial instruments in question are classified in homogeneous groups and that the relevant parameters for the ECL calculation are defined accordingly and are available in the system. From a conceptual perspective, the same criteria and parameters are always used across a homogeneous segment.

The expected credit losses are a probability-weighted estimate of credit losses within twelve months of the balance sheet date or over the expected life of the financial instrument, i.e. the weighted average of credit losses, with the weighting based on the respective credit risks. To estimate expected credit losses, the Baloise Group evaluates a range of possible outcomes in order to obtain an unbiased and probability-weighted amount. Although there is no need to identify each individual possible scenario, the probability that a credit loss will occur must always be taken into account, irrespective of its probability of occurrence. A probability-weighted estimate is not the same as a single estimate of the worst-case scenario, the best-case scenario or the most probable outcome.

A Group-wide approach is used to model the ECL.

Expected credit losses are generally measured on the basis of four components:

- Probability of default (PD)
- Exposure at default (EaD)
- Loss given default (LGD)
- Discount rate (based on the effective interest rate of the relevant position)

To calculate the ECL, the four components are multiplied:
ECL = PD x EaD x LGD x discount rate

Examples of the factors used by the risk management function to model the probabilities of default for the mortgage portfolio:

- Change in gross domestic product
- Movement in interest rates
- Change in the unemployment rate
- Change in the house price index

The modelling of the probabilities of default for the bond portfolio draws on credit spread forecasts; in the case of receivables, the historical probability of default is adjusted on the basis of an expert evaluation.

The (average) expected loss is recognised in the income statement when the transaction is entered into. At the balance sheet date, all affected positions are assigned to one of the following three stages on the basis of the change in the counterparty's credit quality:

- Stage 1 (performing)
- Stage 2 (underperforming)
- Stage 3 (non-performing)

Stage 1 (performing)

As a rule, all positions are assigned to stage 1 (performing) upon initial recognition unless the counterparty is already in default. For these assets, the twelve-month ECL must be calculated and recognised. This is the portion of the expected credit losses that result from default events that are expected within the twelve months after the balance sheet date, provided that the credit risk has not increased significantly since initial recognition.

Determination of a significant increase in credit risk

If credit risk increases significantly, the position must be classified as underperforming. The assessment of whether credit risk has increased significantly is carried out on the basis of the following factors:

- Quantitative criteria: The starting point is a comparison of credit risk over the residual life at the time of initial recognition and at each balance sheet date. On this basis, criteria are defined that are indicative of a significant increase in credit risk.
- Qualitative criteria: Determination of the quantitative criteria must also take qualitative criteria into account. These criteria are used in-house to identify insolvency or a higher probability that a counterparty will become insolvent or that the credit risk will remain elevated for the foreseeable future.
- Backstop indicators: A safety threshold (backstop) is applied in which contractual payments that are more than 30 days past due in stage 2 (90 days in stage 3) constitute a significant increase in credit risk.

Stage 2 (underperforming)

The Baloise Group recognises a loss allowance in the amount of the lifetime expected credit losses for financial assets whose credit risk is assumed to have increased significantly since initial recognition. This requires the ECL to be calculated on the basis of the lifetime probability of default, the lifetime loss given default and the lifetime exposure at default, which represents the probability of default for the residual term of the financial asset. The loss allowance for credit risk is higher in this stage because the credit risk increases and the effects of a longer horizon than the twelve months used in stage 1 are taken into account.

Stage 3 (non-performing)

Assignment to stage 3 is carried out only where a loss event has effectively occurred. For financial assets that are classified as in default, a loss allowance is recognised in the amount of the expected credit losses, taking account of a probability of default of 100 per cent based on the cash flows expected to be achieved from the asset. Financial assets that are already impaired upon initial recognition on the balance sheet are categorised within stage 3 with a carrying amount that reflects the lifetime expected credit losses (purchased or originated credit-impaired financial assets (POCI assets)).

In the event of assignment to stage 3, a loss allowance is recognised manually in the amount of the expected default, based on information about the loss event. A model is used to calculate the ECL for mortgage loans in stage 3. For financial instruments with characteristics of debt in stage 3, the ECL is not calculated using a model. Instead, suitable experts estimate the lifetime ECL.

Criteria for reversals of impairment losses
A financial instrument is reassigned from stage 2 to stage 1 if the above-mentioned qualitative and quantitative criteria are no longer met and the position has been regularly serviced again for at least 180 days. A financial instrument is reassigned from stage 3 to stage 1 if all of the necessary criteria for this transfer are satisfied and the position has been regularly serviced again for at least 360 days and no loss allowances have been recognised. There are no circumstances in which instruments are reassigned from stage 3 to stage 2. If an impairment loss is reversed, the position is transferred directly to stage 1 once the necessary conditions have been met.

Option for financial instruments with low credit risk
For bonds (including accrued interest), promissory notes and time deposits, the low credit risk exemption provided as an option under IFRS 9 is applied. Under this exemption, all investment-grade financial instruments are assigned to stage 1. These include non-speculative investments where there is a high probability that the outstanding receivable can be repaid and the credit risk is therefore low.

Simplified approach under the impairment model
The simplified approach is generally used for all rent receivables. These are usually of a short-term nature and therefore do not contain a significant financing component. The short-term nature of the receivables means that the expected twelve-month credit loss equals its lifetime expected credit loss, making a transfer from stage 1 to stage 2 irrelevant. Consequently, the expected credit loss for the residual life of the receivable is calculated for all rent receivables that are not past due.

Recognition of loss allowances on the balance sheet
On the balance sheet, the loss allowance for financial instruments measured at AC is deducted from the asset. For financial instruments measured at FVOCI, the loss allowance is recognised in other comprehensive income (equity) and therefore does not reduce the carrying amount of the asset on the balance sheet. This ensures that the carrying amounts of these assets are always equal to their fair value. The gross carrying amount of a financial asset is reduced if it is no longer reasonable to assume that it will recover, i.e. the outstanding receivable is no longer considered collectible or is cancelled. The timing of the write-off is determined individually on a case-by-case basis as soon as there is no longer any reasonable prospect of recovery. Where receivables are backed by collateral, the write-off is recognised only after the forced sale of the pledged assets, whereby the amount written off represents the remaining amount not covered by the collateral.

12.2.4 Revenue recognition

Interest income
Interest income from financial instruments that are not measured at fair value through profit or loss is recognised using the effective interest method. The calculation of interest income depends on the stage of the impairment model to which the financial instrument has been assigned.

In stages 1 and 2, there is no link between recognition of interest and impairment. The interest income is therefore calculated on the gross carrying amount (without deduction of the loss allowance). If a financial asset is assigned to stage 3, the interest income is calculated on the amortised cost of the financial asset (i.e. the gross carrying amount less the loss allowance) and not on the gross carrying amount.

Dividend income
Dividend income from financial assets is recognised in profit or loss as soon as a legal entitlement to receive payment arises.

12.2.5 The Baloise Group as a lessor
Investment property let on operating leases is reported as investment property on the consolidated balance sheet.

12.2.6 Netting of receivables and liabilities
Receivables and liabilities are offset against each other and shown as a net figure on the balance sheet provided that an offsetting option is available and the Baloise Group intends to realise these assets and liabilities simultaneously.

12.2.7 Liabilities arising from financial contracts
Measured at amortised cost
Liabilities measured at amortised cost include savings deposits, medium-term bonds, mortgage-backed bonds, other liabilities and payment obligations that do not qualify as insurance contracts. They are initially measured at their acquisition cost (fair value).

The difference between acquisition cost and redemption value is recognised in profit or loss over the term of the liability as "gains or losses on financial contracts" under the amortised cost method and the effective interest method.

Recognised at fair value through profit or loss
This item includes financial contracts for which the holder bears the entire investment risk as well as banking liabilities that are designated as "at fair value through profit or loss" as part of the Baloise Group's strategy of using natural hedges.

12.3 Financial liabilities
Financial liabilities include not only bonds issued in the capital markets but also lease liabilities.

12.3.1 Outstanding bonds
Outstanding bonds are measured at their acquisition cost (fair value) at initial recognition. Acquisition cost includes transaction costs. The difference between acquisition cost and redemption value is recognised in profit or loss over the term of the liability as borrowing costs under the effective interest method.

12.3.2 Lease liabilities
The Baloise Group as a lessee
The Baloise Group leases real estate for office space and warehousing. It recognises right-of-use assets for these leases on its balance sheet. The related lease liability is initially measured at the present value of the lease payments that will be paid over the lease term, discounted at the lessee's weighted average incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method, including both an interest component and a principal component.

The lease liability and the right-of-use asset are recognised at the commencement date. The right-of-use asset is initially measured in the amount of the initial lease liability, adjusted for any initial direct costs and any incentives granted by the lessor. The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the underlying asset. Both the formation of new leases and the termination of existing leases generate non-cash transactions in right-of-use assets and lease liabilities. On the balance sheet, right-of-use assets are recognised under the "Property, plant and equipment" line item.

Short-term leases with a remaining term of less than twelve months and leases where the underlying asset is of low value are not recognised on the balance sheet because Baloise has elected to apply the exemption provided in IFRS 16. Payments for such leases are expensed in the income statement on a straight-line basis over the lease term. The assets under short-term leases and low-value assets consist of operating equipment, parking spaces and other property, plant and equipment.

12.4 Employee benefits

The benefits that the Baloise Group grants to its employees comprise all forms of remuneration that is paid in return for work performed or in special circumstances.

The calculation of defined benefit obligations towards employees requires assumptions to be made about the economic benefit of assets, future increases in salaries and pension benefits, the discount rate to be applied and other parameters. The most important assumptions are derived from past experience of making estimates.

The benefits available include short-term benefits (such as wages and salaries), long-term benefits (such as long-service bonuses), termination benefits (such as severance pay and social compensation plan benefits) and post-employment benefits.

12.4.1 Post-employment benefits

The main post-employment benefits provided are retirement pensions, employer contributions to mortgage payments and certain insurance benefits. Although these benefits are paid after employees have ceased to work for the Baloise Group, they are funded while the staff members concerned are still actively employed. All the pension benefits currently provided by the Baloise Group are defined benefit plans. The projected unit credit method is used to calculate the pertinent pension liabilities. The Baloise Group's pension plan agreements are tailored to local conditions in terms of enrolment and the range of benefits offered.

Assets corresponding to these liabilities are only recognised if they are ceded to an entity other than the employer (such as a foundation). Such assets are measured at fair value. Changes to assumptions, discrepancies between the planned and actual returns on plan assets, and differences between the benefit entitlements effectively received and those calculated using actuarial assumptions give rise to actuarial gains and losses that must be recognised directly in other comprehensive income.

12.4.2 Share-based payments

The Baloise Group offers its employees and management team members the chance to participate in various plans under which shares are granted as part of their overall remuneration packages: the Employee Incentive Plan, the Share Subscription Plan and the Performance Share Units (PSU) Plan. The PSU Plan and the Employee Incentive Plan are equity-settled share-based payment plans. By contrast, the Share Subscription Plan is a share-based payment plan with a choice of settlement (cash or equity-settled).

In addition, FRIDAY Insurance S.A. offers its employees an Employee Stock Option Programme (ESOP), which is an equity-settled remuneration programme.

Equity-settled plans, as well as plans with a choice of settlement method, are measured and disclosed in compliance with IFRS 2 Share-based Payment. Plans that are settled with shares in Baloise Holding Ltd or FRIDAY Insurance S.A. are measured at fair value on the grant date and are charged as personnel expenses during the vesting period and recognised under equity.

12.5 Taxes

Unused tax loss carryforwards and other deferred tax assets are recognised if it is more likely than not that they will be realised. To this end, assumptions are made about the recoverability of these tax assets; these assumptions are based on the financial track record and future income of the taxable entity concerned.

Provisions for deferred taxes are recognised under the liability method, which means that they are based either on the current tax rate or on the rate expected in future. Deferred taxes reflect the tax-related impact of temporary differences between the assets and liabilities reported in the IFRS financial statements and those reported for tax purposes. When deferred taxes are calculated, tax loss carryforwards are only recognised to the extent that sufficient taxable profit is likely to be earned in future.

Deferred tax assets and liabilities are offset against each other and shown as a net figure in cases where the criteria for such offsetting have been met. This is usually the case if the tax jurisdiction, the taxable entity and the type of taxation are identical.

12.6 Other income statement line items

12.6.1 Revenue recognition

Revenue and income are recognised at the fair value of the consideration received or receivable. Intercompany transactions and the resultant gains and losses are eliminated.

12.6.2 Income from services rendered

Income from services rendered is recognised over a period of time, because the customer receives the benefit of the service provided by the Baloise Group while he or she is using it.

12.7 Other balance sheet line items

12.7.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. An exception to this are owner-occupied buildings that are designated as underlying items for the measurement of life insurance contracts (VFA) and thus measured at fair value through profit or loss.

The acquisition cost of property, plant and equipment includes all directly attributable costs. Subsequent acquisition costs are only capitalised if future economic benefits associated with the property, plant and equipment will flow to the entity concerned and these costs can be measured reliably. All other repairs and maintenance costs are expensed as incurred. Land is not depreciated.

Other items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

- Owner-occupied buildings: 25 to 50 years
- Office furniture, equipment, fixtures and fittings: 5 to 10 years
- Machinery, furniture and vehicles: 4 to 10 years
- Computer hardware: 3 to 5 years

The recoverability and useful life of an item of property, plant and equipment is reviewed at each balance sheet date.

An impairment loss is immediately recognised on the carrying amount of an item of property, plant and equipment if its recoverable amount falls below its carrying amount.

The gain or loss on the sale of an item of property, plant and equipment is recognised under “Other operating income” or “Other operating expenses” in the income statement upon derecognition.

Information on initial recognition and subsequent measurement of right-of-use assets can be found in note 12.3.2.

12.7.2 Intangible assets

Goodwill

Goodwill represents the excess of an acquiree's acquisition cost over the fair value of its assets and liabilities plus the acquisition-date amount of any non-controlling interests in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree. Goodwill is reported as an intangible asset. Goodwill is tested for impairment in the second half of each year. An impairment test may also be conducted if there are objective indications that goodwill may be permanently impaired. Such impairment tests involve calculating a value in use that is largely based on estimates such as the financial planning approved by management and the discount rates and growth rates mentioned in chapter 9.2. When a new investment is acquired, the date for conducting future impairment tests is fixed and these tests are subsequently carried out at the same time each year. When entities are sold, their share of goodwill is recognised in their profit or loss. Goodwill is allocated to cash-generating units (CGUs) for the purposes of impairment testing.

Software and other intangible assets

In addition to software (including internally developed assets), other intangible assets primarily comprise external IT consultancy (in connection with software development) and identified assets from business acquisitions (e.g. brands, customer relationships). Both software and other intangible assets are recognised at cost and amortised over their useful life using the straight-line method. Software has a maximum useful life of ten years. Intangible assets with indefinite useful lives are not amortised and are carried at cost less accumulated impairment losses.

All financing for intangible assets is generally obtained from the Baloise Group's own financial resources. If funding from external sources is required, interest accrued during the assets' development is capitalised as incurred.

12.7.3 Impairment losses on non-financial assets

Goodwill and any assets with indefinite useful lives are tested for impairment at the same time each year or whenever there is objective evidence of impairment. Insurance companies that sell both life and non-life products (so-called composite insurers) test goodwill for impairment at this level. When impairment tests are performed, a CGU's value in use is determined on the basis of the maximum discounted future cash flows (usually dividends) that could potentially be returned to the parent company. This process takes appropriate account of legal requirements and internally specified capital adequacy limits. The long-term financial planning approved by management forms the basis for this calculation of the value in use for a period of at least three years and no more than five years. These values are extrapolated for the subsequent period using an annual growth rate. The growth rate is based on the expected inflation rates of the individual countries. The discount rates include the risk mark-ups for the individual operating segments. Permanent impairment losses are recognised in the income statement as other operating expenses. All other non-financial assets are tested for impairment whenever there is objective evidence of such impairment.

Impairment losses recognised in previous reporting periods on assets with finite useful lives are reversed if the estimates used to determine the recoverable amount have changed since the most recent impairment loss was recognised. This increase constitutes a reversal of impairment losses. Impairment losses recognised in previous reporting periods on goodwill are not reversed. Impairment losses recognised in previous reporting periods on assets with indefinite useful lives are reversed and taken to income; however, the amount to which they are reversed must be no more than the amount recognised prior to the impairment losses.

12.7.4 Other assets

Other assets encompass various line items, primarily development projects earmarked for subsequent sale (such as apartments in blocks of apartments with multiple ownership). They are recognised at the lower of investment cost and recoverable value pursuant to IAS 2 Inventories. The revenue is recognised under "Other income" at the time of the transfer of title (transfer of benefits and risk).

12.7.5 Non-current assets and disposal groups classified as held for sale

Non-current assets (or disposal groups) held for sale that meet the criteria stipulated in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are shown separately on the balance sheet. Those assets described in the standard are measured at the lower of their carrying amount and fair value less costs to sell. Any resultant impairment losses are taken to income. Any depreciation or amortisation is discontinued from the reclassification date.

Details of discontinued operations – if applicable – are disclosed in note 10.2.5.

12.7.6 Equity

Equity instruments are classified as equity unless the Baloise Group is contractually obliged to repay them or to cede other financial assets. Transaction costs relating to equity transactions are deducted and all associated income tax assets are recognised as deductions from equity.

Share capital

The share capital shown on the balance sheet represents the subscribed share capital of Baloise Holding Ltd, Basel. This share capital consists solely of registered shares. No shares carry preferential voting rights.

Capital reserves

Capital reserves include the paid-up share capital in excess of par value (share premium), Baloise Holding Ltd share options and gains and losses on the sale of treasury shares.

Treasury shares

Treasury shares held either by Baloise Holding Ltd or by subsidiaries are shown in the consolidated financial statements at their acquisition cost (including transaction costs) as a deduction from equity. Their carrying amount is not constantly restated to reflect their fair value. If the shares are resold, the difference between their acquisition cost and their sale price is recognised as a change in the capital reserves. Only Baloise Holding Ltd shares are classified as treasury shares.

Other reserves

This line item includes unrealised gains and losses on changes in the fair value of financial instruments classified as FVOCI, the effects of cash flow hedges, the effects of hedges of a net investment in a foreign operation, exchange differences and gains on the reclassification of owner-occupied property as investment property. Cumulative actuarial gains and losses under defined benefit pension plans are also included in this line item. For portfolios of insurance contracts for which the Baloise Group recognises measurement effects in other comprehensive income owing to changes in financial assumptions, this line item contains the cumulative effects of these adjustments.

The related deferred taxes are deducted from the unrealised gains and losses. Any non-controlling interests are also deducted from these line items.

Retained earnings
Retained earnings include the Baloise Group's undistributed earnings and its profit for the period. This line item also contains the gains and losses on financial instruments with characteristics of equity measured at FVOCI that were sold in the reporting year. When a property, associate or joint venture is sold, the related reserves recognised in other comprehensive income that cannot be reclassified to the income statement are also reclassified to retained earnings. Dividends paid to the shareholders of Baloise Holding Ltd are only recognised once they have been approved by the Annual General Meeting.

Non-controlling interests
Non-controlling interests constitute the proportion of Group companies' equity attributable to third parties outside the Baloise Group on the basis of their respective shareholdings.

12.7.7 Non-technical provisions
Non-technical provisions for restructuring, for unavoidable costs relating to investment contracts without significant insurance risk and for legal claims are recognised for present legal or constructive obligations when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amounts of the obligations. The measurement of non-technical provisions requires assumptions to be made about the probability, timing and amount of any outflow of resources. A provision is recognised if such an outflow is probable and can be reliably estimated. If the amount of the obligation cannot be estimated with sufficient reliability, it is reported as a contingent liability.

12.8 Long-term equity investments and structure of the Baloise Group
12.8.1 Subsidiaries
The consolidated annual financial statements comprise the financial statements of Baloise Holding Ltd and its subsidiaries, including any structured entities. A subsidiary is consolidated if the Baloise Group controls it either directly or indirectly. As a rule, this is the case if the Baloise Group has exposure or rights to variable profit components as a result of its involvement with the investee and, because of legal positions, has the ability to influence the investee's business activities that are critical to its financial success and, therefore, to affect the amount of the variable profit components.

Companies acquired during the reporting period are included in the consolidated annual financial statements from the date on which control is effectively assumed, while all companies sold remain consolidated until the date on which control is ceded. Acquisitions of entities are accounted for under the acquisition method (previously known as the purchase method). Transaction costs are charged to the income statement as an expense. The identifiable assets and liabilities of the entity concerned are measured at fair value as at the date of first-time consolidation. Non-controlling interests arising from business combinations are measured either at their fair value or according to their share of the acquiree's identifiable net assets. The Baloise Group decides which measurement method to apply to each individual business combination.

The acquisition cost corresponds to the fair value of the consideration paid to the previous owners on the date of the acquisition. If investments in the form of financial instruments or associates were already held before control was acquired, these investments are remeasured and any difference is recognised in profit or loss. Any contingent consideration recognised as part of the consideration paid for the acquiree is measured at fair value on the transaction date.

Any subsequent changes in the fair value of a contingent consideration are recognised in the income statement. If the acquisition cost exceeds the fair value of assets and liabilities plus non-controlling interests, the difference is recognised as goodwill. Conversely, if the identified net assets exceed the acquisition cost then the difference is recognised directly through profit or loss as other operating income. All intercompany transactions and the resultant gains and losses are eliminated.

The consolidation of subsidiaries ends on the date on which control is ceded. If only some of the shares in a subsidiary are sold, the retained interest is measured at fair value on the date that control is lost. Gains or losses on the disposal of (some of) the subsidiary's shares are recognised in the income statement as either other operating income or other operating expenses.

The acquisition of additional investments in subsidiaries after assuming control and the disposal of investments in subsidiaries without ceding control are both recognised directly in equity as transactions with owners.

12.8.2 Associates and joint ventures

Associates and joint ventures are initially carried at cost (fair value on the date of acquisition) and thereafter are measured under the equity method (the Baloise Group's share of the entity's profit or loss for the period and other comprehensive income) in cases where the Baloise Group can exert a significant influence over the management of the entity concerned. Changes in the fair value of associates and joint ventures are generally recognised in profit or loss and take account of any dividend flows. If the Baloise Group's share of the losses exceeds the value of the associate or the joint venture, no further losses are recognised. Goodwill paid for associates and joint ventures is included in the carrying amount of the investment.

12.8.3 Structured entities

Structured entities are consolidated provided the criteria for control pursuant to IFRS 10 Consolidated Financial Statements are met. If control over a structured entity is lost, it is removed from the basis of consolidation. The consolidation of investment funds depends on the fund's control arrangements and on the characteristics of the fund units. Investment fund units held by third parties, where these units are puttable instruments that include a contractual obligation for the issuer to take back the units, are included in the basis of consolidation in accordance with the criteria in IAS 32 Financial Instruments: Presentation. If there is no such obligation for the issuer to take back the units, the units held by third parties are recognised as non-controlling interests in consolidated equity in accordance with the criteria in IFRS 10.

12.8.4 Joint arrangements

Joint arrangements are contractual agreements over which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture. In a joint operation, the involved parties have direct rights and obligations in respect of the assets and liabilities and the income and expenses. By contrast, the parties involved in a joint venture do not have a direct entitlement to the assets and liabilities, but instead have rights in respect of the net assets of the joint venture owing to their position as investors.

Joint ventures are accounted for using the equity method, i. e. the Baloise Group initially recognises the joint ventures at cost (fair value on the date of acquisition) and thereafter recognises them under the equity method (the Baloise Group's share of the entity's profit or loss for the period and other comprehensive income). In the case of joint operations, the Baloise Group includes directly in its consolidated financial statements the share of the assets, liabilities, income and expenses of the joint operation that is attributable to the Baloise Group.

12.9 Currency translation

12.9.1 Functional currency and reporting currency

Each subsidiary prepares its annual financial statements in its functional currency, which is the currency of its primary economic environment. The consolidated Financial Report is presented in millions of Swiss francs, which is the Baloise Group's reporting currency.

12.9.2 Translation of transaction currency into functional currency at Group companies

Income and expenses in foreign currency are measured using the rates applicable on the transaction date. Monetary and non-monetary balance sheet line items measured at fair value that arise in Group companies' foreign-currency transactions are measured using closing rates. Non-monetary items measured at historical cost are measured using historical rates. Insurance contracts are monetary balance sheet line items.

Exchange differences are generally recognised in profit or loss. The exceptions are exchange differences relating to fair value through OCI financial instruments, cash flow hedges and hedges of net investments in foreign operations, which are recognised in other comprehensive income. If effects of insurance finance expenses relating to insurance contracts are recognised in other comprehensive income, the resulting currency effects are also recognised in other comprehensive income.

12.9.3 Translation of functional currency into reporting currency

The annual financial statements of all entities that have not been prepared in Swiss francs are translated as follows when the consolidated financial statements are being prepared:

- Assets and liabilities at the closing rate
- Income and expenses at the average rate for the year

The resultant exchange differences are aggregated and recognised directly in equity. When subsidiaries are sold, any exchange differences arising on the disposal are recognised in the income statement as a transaction gain or loss.

12.9.4 Key exchange rates

	Balance sheet		Income statement	
	31.12.2024	31.12.2023	Ø 2024	Ø 2023
CHF				
1 EUR (euro)	0.94	0.93	0.95	0.97
1 USD (US dollar)	0.91	0.84	0.88	0.90

Report of the statutory auditor to the Annual General Meeting of Baloise Holding Ltd, Basel

Please refer to the German version of the Baloise Annual Report 2024, page 400, for the report of the statutory auditor, Report on the audit of the consolidated financial statements of Baloise Holding Ltd and its subsidiaries (the "Group"). The auditor's opinion dated 20 March 2025 is unqualified and confirms that the financial statements give a true and fair view of the consolidated financial position of the group as at 31 December 2024 in accordance with IFRS accounting standards and comply with Swiss law.

EY recommends that the consolidated financial statements submitted to the Annual General Meeting of Baloise Holding Ltd, Basel, be approved.

Please also refer to the disclosure on page 439 "Information on the Baloise Group" referencing the fact that only the German text of the annual report is legally binding.

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Baloise Holding Ltd

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Income statement of Baloise Holding Ltd

CHF million	Note	2024	2023
Income from long-term equity investments		542.7	454.3
Income from interest and securities	2	25.5	41.3
Financial income	3	28.5	36.4
Total income		**596.7**	**532.0**
Administrative expenses	4	–52.7	–39.4
Financial expenses	5	–3.2	–20.1
Interest expenses	6	–39.5	–26.1
Impairments	7	–648.2	–
Other expenses		–3.0	–2.8
Total expenses		**–746.6**	**–88.4**
Tax expense		**–0.1**	**–0.4**
Tax expense relating to other periods		**–0.2**	**–**
Tax income relating to other periods		**0.0**	**0.7**
Annual result		**–150.2**	**443.9**

Balance sheet of Baloise Holding Ltd

CHF million	Note	31.12.2024	31.12.2023
Assets			
Cash and cash equivalents		220.9	138.3
Receivables from group companies	8	395.0	377.1
Receivables from third parties		1.7	0.9
Current assets		**617.6**	**516.3**
Loans to group companies	9	587.3	1,199.1
Long-term equity investments	10	2,361.3	1,993.3
Non-current assets		**2,948.6**	**3,192.4**
Total assets		**3,566.2**	**3,708.7**
Equity and liabilities			
Current liabilities			
Liabilities to group companies		5.2	5.4
Liabilities to third parties		2.3	2.2
Current interest-bearing liabilities to third parties	11	200.0	150.0
Deferred income		21.5	10.9
Non-current liabilities			
Long-term interest-bearing liabilities to group companies	12	798.8	451.0
Long-term interest-bearing liabilities to third parties	13	1,935.0	1,985.0
Provisions		1.7	0.1
Liabilities		**2,964.5**	**2,604.6**
Share capital		4.6	4.6
Statutory retained earnings			
General reserve		11.7	11.7
Reserve for treasury shares		10.3	5.4
Voluntary retained earnings			
Free reserves		730.8	644.4
Result shown in the balance sheet			
– Profit carried forward		0.1	0.1
– Annual result		–150.2	443.9
Treasury shares	14	–5.5	–6.0
Equity	**15**	**601.8**	**1,104.1**
Total equity and liabilities		**3,566.2**	**3,708.7**

Notes to the financial statements of Baloise Holding Ltd

1. Accounting Policies

General
These annual financial statements of Baloise Holding Ltd domiciled in Basel have been prepared in accordance with the provisions of Swiss accounting law (Title 32 of the Swiss Code of Obligations). The main policies applied which are not prescribed by law are described below.

All amounts shown in these annual financial statements of Baloise Holding Ltd are stated in millions of Swiss francs (CHF million) and have been rounded to one decimal place. Consequently, the sum total of amounts that have been rounded may in isolated cases differ from the rounded total shown in this report.

Cash and cash equivalents
Cash and cash equivalents include bank deposits and cash equivalents such as call money, fixed-term deposits and money market instruments. They are recognised at their nominal amount.

Receivables from group companies
This balance sheet line item contains dividends approved by the annual general meetings of the subsidiaries of Baloise Holding Ltd as at the balance sheet date. Baloise Holding Ltd recognises them as dividends receivable. They are recognised at their nominal amount.

Receivables from third parties / other short-term receivables
Receivables are recognised at their nominal amount less any impairment losses.

Loans to group companies
These loans are measured at their nominal amount less any impairment losses. Specific write-downs are recognised for all identifiable risks in accordance with the prudence principle.

Derivative financial instruments
Derivative financial instruments are generally measured at fair value. The effect of the derivative is offset against the inverse effect of the underlying instrument if certain conditions are met.

Long-term equity investments
Long-term equity investments are recognised individually at cost less any impairment losses.

Liabilities
Liabilities are recognised at their nominal amount.

Deferred income and accrued expenses
This line item comprises income relating to the new financial year that has already been received, as well as expenses relating to the reporting year that will not be paid until a later date.

Interest-bearing liabilities
Interest-bearing liabilities include bonds to third parties and interest-bearing liabilities to group companies are recognised at their nominal amount. Issuance costs – less any premiums – are charged in full to the income statement at the time the bonds are issued. The liabilities are categorised as current (less than twelve months) or non-current interest-bearing liabilities depending on their residual term.

Provisions
Provisions to cover any risks that may arise are recognised in accordance with the principles of risk-based management and are charged to the income statement.

Treasury shares
Treasury shares are recognised at cost on the date of acquisition as deductions from equity. If the shares are subsequently sold, any gains or losses are recognised in profit or loss as financial income or expense.

Currency risk
Asset and liability positions in foreign currencies are translated using the closing rate as at the balance sheet date (with the exception of long-term equity investments). The resulting differences are recognised in the income statement. In the case of hedged foreign currency positions, the effect of the underlying instrument is offset against the inverse effect of the derivative hedge instrument.

Notes to the income statement

2. Income from interest and securities

CHF million	2024	2023
Income from treasury shares	0.4	0.4
Interest on loans to group companies	22.3	38.3
Realized income treasury shares	–	0.2
Other income from interest and securities	2.8	2.4
Total income from interest and securities	**25.5**	**41.3**

3. Financial income

CHF million	2024	2023
Income from the sale of business	–	24.1
Foreign currency effects	20.7	4.3
Others	7.8	8.0
Total financial income	**28.5**	**36.4**

4. Administrative expenses

CHF million	2024	2023
Proportional personnel expenses [1]	–33.7	–22.6
Other administrative expenses	–19.0	–16.8
Total administrative expenses	**–52.7**	**–39.4**

1 Baloise Holding Ltd has no direct employees. All staff members are employed by Baloise Insurance Ltd, Basel.

5. Financial expenses

CHF million	2024	2023
Foreign currency effects	–1.4	–19.2
Others	–1.8	–0.9
Total Financial expenses	**–3.2**	**–20.1**

6. Interest expenses

CHF million	2024	2023
Interest on bonds	–19.6	–18.4
Other interest expenses	–19.9	–7.7
Total interest expenses	**–39.5**	**–26.1**

7. Impairments

CHF million	2024	2023
Impaiments on Long-term equity investments	– 648.2	–
Total Impairments	**– 648.2**	**–**

Each long-term equity investment is tested annually when it is remeasured. In 2024, impairment losses were recognised on Baloise (Luxembourg) Holding S.A. in an amount of CHF 587.0 million and on Baloise Participation Holding AG in an amount of CHF 61.2 million.

Notes to the balance sheet

8. Receivables from group companies

CHF million	31.12.2024	31.12.2023
Dividends	380.7	366.4
Other receivables	14.3	10.7
Total receivables from group companies	**395.0**	**377.1**

The annual general meeting of the following AGMs voted to recognise the dividends receivable for the 2024 financial year as accrued income:

- 27 February 2025: Baloise Bank AG, Solothurn
- 27 February 2025: Baloise Asset Management AG, Basel and Baloise Asset Management International AG, Basel
- 20 March 2025: Baloise Versicherung AG, Basel and Baloise Leben AG, Basel
- 20 March 2025: Baloise (Luxembourg) Holding S.A., Leudelange (Luxembourg)
- 17 April 2025: Baloise Delta Holding S. à.r.l., Leudelange (Luxembourg)

9. Loans to group companies

CHF million	31.12.2024	31.12.2023
Subordinated loans to Baloise Bank AG	90.0	90.0
Subordinated loans to Baloise (Luxembourg) Holding S. A.	–	284.6
Subordinated loans to Baloise Belgium NV	357.0	352.8
Subordinated loans to Baloise Vie Luxembourg S. A.	65.8	65.0
Loans to Baloise (Luxembourg) Holding S. A.	–	327.4
Loans to Baloise Beteiligungen B. V. & Co. KG	31.5	36.3
Loans to Baloise Sach Holding AG	43.0	43.0
Total loans to group companies	**587.3**	**1,199.1**

10. Long-term equity investments

Company	Total shareholding as at 31.12.2024 (with voting rights) (per cent)[1]	Total shareholding as at 31.12.2023 (with voting rights) (per cent)[1]	Currency	Share capital as at 31.12.2024 (million)	Capital share (million)
Baloise Versicherung AG, Basel	100.00	100.00	CHF	75.0	75.0
Baloise Leben AG, Basel	100.00	100.00	CHF	50.0	50.0
Baloise Bank AG, Solothurn	100.00	100.00	CHF	50.0	50.0
Baloise Asset Management AG, Basel	100.00	100.00	CHF	1.0	1.0
Baloise Asset Management International AG, Basel	100.00	100.00	CHF	1.5	1.5
Baloise Life (Liechtenstein) AG, Balzers (Liechtenstein)	100.00	100.00	CHF	7.5	7.5
Basler Saturn Management B. V., Hamburg (Deutschland)	100.00	100.00	EUR	<0.1	<0.1
Baloise (Luxembourg) Holding S. A., Leudelange (Luxembourg)	100.00	100.00	CHF	50.0	50.0
Baloise Delta Holding S.à.r.l., Leudelange (Luxembourg)	100.00	100.00	EUR	224.3	224.3
Baloise Fund Invest Advico, Leudelange (Luxembourg)	100.00	100.00	EUR	0.1	0.1
Baloise Alternative Investments Partner S.à r. l., Leudelange (Luxembourg)	100.00	100.00	EUR	<0.1	<0.1
Baloise Private Equity Partner S.à. r. l., Leudelange (Luxembourg)	100.00	100.00	EUR	<0.1	<0.1
Baloise Participation Holding AG, Basel	100.00	100.00	CHF	0.1	0.1
Baloise Belgium NV, Antwerpen	100.00	–	EUR	355.3	355.3

1 Investments stated as a percentage are rounded down.

11. Current interest-bearing liabilities to third parties

31.12.2024	Interest rate	Issued	Maturity date	Amount CHF million
Securities with security number				
Bond 45 809 797	0.500%	28.01.2019	28.11.2025	200.0
Total current interest-bearing liabilities				**200.0**

31.12.2023	Interest rate	Issued	Maturity date	Amount CHF million
Securities with security number				
Bond 26 139 906	1.125%	19.12.2014	19.12.2024	150.0
Total current interest-bearing liabilities				**150.0**

12. Long-term interest-bearing liabilities to group companies

CHF million	31.12.2024	31.12.2023
Loans from Baloise Versicherung AG	300.0	300.0
Loans from Baloise Leben AG	141.8	151.0
Loans from Baloise (Luxembourg) Holding S. A.	357.0	–
Total Lont term ,interest-bearing liabilities from Group Companies	**798.8**	**451.0**

13. Long-term interest-bearing liabilities to third parties

31.12.2024	Interest rate	Issued	Maturity date	Amount CHF million
Securities with security number				
Bond 49 669 297	0.000%	25.09.2019	25.09.2026	100.0
Bond 49 669 298	0.000%	25.09.2019	25.09.2029	125.0
Bond 55 333 181	0.250%	16.07.2020	16.12.2026	175.0
Bond 55 333 182	0.500%	16.07.2020	16.12.2030	125.0
Bond 59 364 106	0.150%	15.02.2021	17.02.2031	250.0
Bond 113 081 883	0.125%	27.09.2021	27.06.2030	200.0
Bond 114 872 821	0.300%	16.02.2022	16.02.2027	200.0
Bond 119 932 235	1.900%	19.07.2022	19.07.2028	110.0
Bond 120 636 766	2.200%	30.11.2022	30.05.2029	225.0
Bond 123 210 718	2.200%	30.01.2023	30.01.2032	175.0
Bond 125 636 719	2.350%	02.05.2023	02.05.2033	100.0
Bond 134 861 414	1.750%	07.06.2024	07.06.2034	150.0
Total long-term interest-bearing liabilities				**1,935.0**

31.12.2023	Interest rate	Issued	Maturity date	Amount CHF million
Securities with security number				
Bond 45 809 797	0.500%	28.01.2019	28.11.2025	200.0
Bond 49 669 297	0.000%	25.09.2019	25.09.2026	100.0
Bond 49 669 298	0.000%	25.09.2019	25.09.2029	125.0
Bond 55 333 181	0.250%	16.07.2020	16.12.2026	175.0
Bond 55 333 182	0.500%	16.07.2020	16.12.2030	125.0
Bond 59 364 106	0.150%	15.02.2021	17.02.2031	250.0
Bond 113 081 883	0.125%	27.09.2021	27.06.2030	200.0
Bond 114 872 821	0.300%	16.02.2022	16.02.2027	200.0
Bond 119 932 235	1.900%	19.07.2022	19.07.2028	110.0
Bond 120 636 766	2.200%	30.11.2022	30.05.2029	225.0
Bond 123 210 718	2.200%	30.01.2023	30.01.2032	175.0
Bond 125 636 719	2.350%	02.05.2023	02.05.2033	100.0
Total long-term interest-bearing liabilities				**1,985.0**

14. Treasury shares

2024	Low in CHF	High in CHF	Average share price in CHF	Number of registered shares
Balance as at 1 January				**54,827**
Purchases	–	–	–	–
Disposals in connection with share participation programmes				–3,022
Balance as at 31 December				**51,805**

2023	Low in CHF	High in CHF	Average share price in CHF	Number of registered shares
Balance as at 1 January				**68,991**
Purchases	130.50	135.20	133.64	7,000
Disposals in connection with share participation programmes				–21,164
Balance as at 31 December				**54,827**

15. Changes in equity

	Share capital	Statutory retained earnings		Voluntary retained earnings		Treasury shares	Total equity
2024		General reserve	Reserve for treasury shares	Free reserves	Distributable profit		
CHF million							
Balance as at 1 January	**4.6**	**11.7**	**5.4**	**644.4**	**444.0**	**–6.0**	**1,104.1**
Allocation 2024	–	–	–	91.2	–91.2	–	–
Dividend	–	–	–	–	–352.7	–	–352.7
Additions	–	–	–	–	–	–	–
Reduction of share capital	–	–	–	–	–	–	–
Change in treasury shares	–	–	4.9	–4.9	–	0.5	0.5
Recognition/reversal	–	–			–	–	–
Annual result	–	–	–	–	–150.2	–	–150.2
Balance as at 31 December	**4.6**	**11.7**	**10.3**	**730.8**	**–150.1**	**–5.5**	**601.8**

2023	Share capital	Statutory retained earnings		Voluntary retained earnings		Treasury shares	Total equity
		General reserve	Reserve for treasury shares	Free reserves	Distributable profit		
CHF million							
Balance as at 1 January	**4.6**	**11.7**	**7.8**	**573.6**	**407.4**	**–8.1**	**997.0**
Allocation 2023	–	–	–	68.4	–68.4	–	–
Dividend	–	–	–	–	–338.8	–	–338.8
Additions	–	–	–	–	–	–	–
Reduction of share capital	–	–	–	–	–	–	–
Change in treasury shares	–	–	–	–	–	2.1	2.1
Recognition/reversal	–	–	–2.4	2.4	–	–	–
Annual result	–	–	–	–	443.9	–	443.9
Balance as at 31 December	**4.6**	**11.7**	**5.4**	**644.4**	**444.0**	**–6.0**	**1,104.1**

16. Significant shareholders

Based on the information available to the company from the disclosure notifications pursuant to Art. 120 FMIA (see SIX website) and from the company's share register, the following significant shareholders hold an interest in the company:

	Last disclosure date[1]	Quota according to last disclosure[1]	Shareholding according to share register as at 31.12.2024	Shareholding according to share register as at 31.12.2023
		(per cent)	(per cent)	(per cent)
Shareholders				
Black Rock Inc.	05.09.2017	7.17	<1.0	<1.0
Cevian Capital Partners Ltd.	21.06.2024	5.11	9.4	n/a
LSV Asset Management	06.07.2013	3.73	0.0	0.0
Nortrust Nominees Ltd.[2]	n/a	n/a	2.2	2.9
The Bank of New York Mellon[2]	n/a	n/a	1.3	2.1
UBS Fund Management (Switzerland) AG	08.05.2024	9.32	>5.0	>3.0

1 According to SIX Swiss Exchange (https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html)
2 Financial intermediaries holding shares at the account of third parties (custodian nominees) are added to the free float in accordance with SIX Exchange Regulation and are considered free float. These shareholder groups are not subject to reporting requirements under stock exchange law. The exercise of voting rights by these financial intermediaries requires a nominee conract with the company and the disclosure of the beneficial owners.

17. Contingent liabilities

CHF million	31.12.2024	31.12.2023
Collateral, guarantee commitments	200.0	200.0

Baloise Holding Ltd has issued the following letter of comfort:

As the owner of Baloise Life (Liechtenstein) AG, Baloise Holding Ltd, Basel, has undertaken to ensure that its subsidiary Baloise Life (Liechtenstein) AG is at all times in a financial position to meet in full its liabilities to its customers arising from the contracts relating to its RentaSafe, BelRenta Safe, RentaProtect and RentaSafe Time products, especially its guarantee commitments.

Since October 2012, this letter of comfort has also applied to customers with contracts relating to RentaProtect Time and RentaSafe Time (D-CHF) products that were sold by Baloise Life (Liechtenstein) AG. The maximum obligation amounts to the present value of the outstanding guaranteed insurance benefits as at 31 December 2020. With effect from 1 July 2020, the portfolio of customers from Switzerland using such products was transferred from Baloise Life (Liechtenstein) AG to Baloise Life Ltd. The letter of comfort continues to apply to the transferred policies. The portfolio of customers from other countries, especially those from European countries, remained with Baloise Life (Liechtenstein) AG. As at the balance sheet date, the expected insurance benefits were fully backed by customer deposit accounts governed by individual agreements, reinsurance contracts and additional reserves.

Baloise Holding Ltd has declared to France Assureurs that it will back the financial obligations of the French subsidiary of FRIDAY Insurance S.A. that result from exposures that arise for the subsidiary due to its participation in claim settlement agreements; Baloise Holding Ltd will continue to back these obligations for as long as it has control over the subsidiary.

Baloise Holding Ltd is making cash and cash equivalents of EUR 58.0 million (CHF 54.5 million)[previous year: EUR 58.0 million or CHF 53.9 million] available to Baloise Sachversicherungs-Aktiengesellschaft until at least 23 March 2031. Baloise Sachversicherungs-Aktiengesellschaft can obtain this money in the form of a loan.

Baloise Holding Ltd is making cash and cash equivalents of EUR 40.0 million (CHF37.6million) available to Baloise Vie Luxembourg S.A. until at least 31 October 2029. Baloise Vie Luxembourg S.A can obtain this money in the form of a loan.

Baloise Holding Ltd guarantees all obligations of Baloise Life Ltd relating to the various tranches of the subordinated bonds, which had a total nominal value of CHF 200 million as at the balance sheet date.

Baloise Holding Ltd is jointly and severally liable for the value-added tax (VAT) owed by all companies that form part of the tax group headed by Baloise Insurance Ltd.

18. Remuneration paid to the Board of Directors and the Corporate Executive Committee

The information is contained in the remuneration report on pages 83 to 103. The key information disclosed here includes

- remuneration paid to the members of the Board of Directors,
- remuneration paid to the members of the Corporate Executive Committee,
- loans and credit facilities granted to members of the Board of Directors and the Corporate Executive Committee,
- shares and options held by members of the Board of Directors and the Corporate Executive Committee.

19. Net reversal of hidden reserves

In 2024 no hidden reserves were reversed. In 2023 hidden reserves of CHF 6.1 million were reversed.

20. Events after the balance sheet date

By the time that these annual financial statements had been completed on 20 March 2025, we had not become aware of any events that would have a material impact on the annual financial statements as a whole.

Appropriation of distributable profit/accumulated loss as proposed by the Board of Directors

Appropriation of the accumulated loss, distribution from free reserves

Proposals

The Board of Directors proposes that

- the accumulated loss of CHF 150,124,165.24 (loss for the year of CHF 150,214,295.47 and profit carried forward from the previous year of CHF 90,130.23) be carried forward to the next accounting period and
- a cash dividend of CHF 370,980,000.00 (CHF 8.10 per share) be distributed to the shareholders by withdrawing CHF 730,762,429.51 from free reserves.

Report of the statutory auditor to the Annual General Meeting of Baloise Holding Ltd, Basel

Please refer to the German version of the Baloise Annual Report 2024, page 420, for the report of the statutory auditor, Report on the audit of the financial statements of Baloise Holding Ltd (the "Company"). The auditor's opinion dated 20 March 2025 confirms compliance with Swiss law and the Company's articles of incorporation. EY recommends that the financial statements submitted to the Annual General Meeting of Baloise Holding Ltd, Basel, be approved.

Please also refer to the disclosure on page 439 "Information on the Baloise Group" referencing the fact that only the German text of the annual report is legally binding.

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Alternative performance measures

In its financial publications, Baloise uses not only the figures produced in accordance with the International Financial Reporting Standards (IFRS) but also alternative performance measures (APMs). These APMs are designed to aid understanding of our results. Moreover, APMs help to measure performance, growth, profitability and capital efficiency. However, they should be viewed as supplementary information and not as a substitute for the figures calculated in accordance with IFRS.

Baloise uses the following APMs:
- Business volume
- Return on equity (ROE)
- Comprehensive equity
- Combined ratio (CR)
- Present value of new business premium (PVNBP)
- Value of new business (VNB)
- New business margin (NBM)
- Cash remittance
- Total assets under management (AUM)

It should be noted that similarly named APMs published by other companies may be calculated in a different way. The comparability of APMs between companies may therefore be limited.

Baloise-specific definitions and information about the use and limitations of the aforementioned alternative performance measures can be found below.

Definitions, usage and limitations

Business volume

Definition and use

Business volume is a measure of the amount of business generated in the reporting period. It comprises the gross premium income from non-life and life insurance recognised during the reporting period and the payments from policyholders in business involving financial contracts and investment-linked life insurance policies.

Limitations

The business volume does not give any indication of the profitability of business. Comparability with other companies is also limited because they use different definitions.

The business volume represents supplementary information that complements the disclosure of insurance revenue pursuant to IFRS 17. Unlike insurance revenue, it includes savings premium components and is thus generally higher for life insurance.

Return on equity (ROE)

Definition and use

Return on equity is the ratio of profit for the period attributable to shareholders to average equity attributable to shareholders. Average equity is calculated from the level of equity at the start and end of the reporting period. If significant non-recurring income and expenses arise during the reporting period that are unrelated to Baloise's regular business activities, these influencing factors are eliminated from the basis of calculation.

One of the reasons why the Baloise Group uses ROE as a performance measure is that it looks at both the Company's profitability and its capital efficiency.

Limitations

This performance measure's usefulness is limited because it is a relative measure and thus does not provide information about the absolute level of profit for the period or the absolute level of equity.

ROE is not available at division or product level.

Comprehensive equity

Definition and use

Baloise defines comprehensive equity as the sum of shareholders' equity (equity before non-controlling interests) and the contractual service margin (CSM) after taxes. One of the reasons why the Baloise Group uses comprehensive equity as a performance measure is that, unlike group equity, it includes expected future profits from the life insurance business and thus provides a more complete picture of the carrying amount of an insurance company.

Limitations
The usefulness of this performance measure is limited because, for example, the contractual service margin (CSM) is calculated on the basis of assumptions. The calculation rules for the CSM depend on the measurement approach (VFA or GMM) used for the underlying business. There is no CSM for the premium allocation approach (PAA).

Comprehensive equity is not available at division or product level.

Combined ratio (CR)
Definition and use
The Baloise Group uses the combined ratio to gauge the profitability of underwriting in the non-life insurance business. The combined ratio is the sum of insurance service expenses, net reinsurance income/expense and the pro rata share of other operating expenses (operating non-attributable expenses) divided by insurance revenue. The combined ratio thus expresses the purely operational profitability of the non-life insurance business.

The combined ratio is typically expressed as a percentage. A ratio of less than 100 per cent means that the business is profitable from an underwriting perspective, while a ratio of more than 100 per cent indicates an underwriting loss.

The combined ratio can be broken down into the loss ratio and the expense ratio.

The loss ratio represents claims and insurance benefits (including net reinsurance income/expense) divided by insurance revenue. It therefore expresses the percentage of insurance revenue that is used for the settlement of claims.

The expense ratio represents the insurance acquisition cash flows and administrative expenses included in insurance service expenses as well as a share of other operating expenses (operating non-attributable expenses) relative to insurance revenue. It thus expresses the proportion of insurance revenue that is needed to cover the insurance service expenses for the acquisition of new and renewal business and to cover administrative expenses.

Limitations
The combined ratio is used to measure underwriting profitability. However, it does not provide an indication of profitability in terms of investment performance and only partly reflects non-operating performance. Even if the combined ratio is above 100 per cent, the non-life segment may have still generated a profit overall because it achieved a gain on investments or a non-operating contribution to profit.

The usefulness of the combined ratio is limited because it is a ratio and therefore does not provide any information about the absolute level of the underwriting profit. In addition, comparability with other companies is limited, because they use different definitions.

Present value of new business premiums (PVNBP)
Definition and use
The present value of new business premiums is a performance measure used in the life segment that shows the present value of all premium payments expected to be received from new business over the likely term of the contracts. Baloise calculates the PVNBP from the sum of the present values of future premiums in the reporting period from new business involving IFRS 17 contracts, from new follow-on contracts in the Swiss group life business, and from new financial contracts business. Discounting is based on the IFRS 17 discount rates (risk-free discount rates including an adjustment for illiquidity).

Limitations
There are further restrictions resulting from the assumptions (e.g. lapse rates, biometric assumptions) that are necessary for the projection of future premium payments. In addition, comparability with other companies is limited, partly because they define new business differently.

Value of new business (VNB)
Definition and use
The value of new business is a performance measure used in the life segment and indicates the increase in value generated by underwriting new business in the current period. It is derived from IFRS-based performance measures and is calculated from the contractual service margin (CSM) for new business. This figure is adjusted for any loss component and the value of IFRS 9 new business. It is thus a measure of expected future profit from new business. The calculation involves forecasting lapses,

mortality, disability and expenses up to the end date of insurance contracts, using the latest capital market data and best estimates.

Limitations
Future profits are estimates based on assumptions and may therefore differ from the profits actually generated in the future. They are calculated using IFRS 17 discount rates (risk-free discount rates including an adjustment for illiquidity) that are based on the latest market data. The actual future interest rates and market data may differ. There may also be variation in, for example, the assumptions about customers' future behaviour. Moreover, the long forecast period may result in uncertainties, as future changes to regulatory requirements or in the market environment, for example, may not have been factored into the forecast. Comparability with other companies is limited because they use different definitions and assumptions.

New business margin (NBM)
Definition and use
The new business margin is used to measure the profitability of new business in the life segment. It is the value of new business (VNB) in the reporting period divided by the present value of new business premiums (PVNBP).

Limitations
As the new business margin is calculated from the value of new business and the present value of new business premiums, its usefulness is subject to the same limitations as those measures.

Cash remittance
Definition and use
Cash remittance is a performance measure for cash generation. It includes all dividends paid by subsidiaries to the holding company, including contributions from interest payments on loans. Cash remittance is the main basis for the income that is used for dividends paid by Baloise Holding. The dividend payments are recognised and disclosed in the financial statements prepared in accordance with local accounting standards. In addition, cash remittance is used to cover expenses at the level of the holding company. Such expenses include interest expense for the outstanding bonds of Baloise Holding Ltd.

Limitations
Cash remittance may be higher or lower than the IFRS profit for the period reported by an entity. The composition and definition of cash remittance may vary from company to company. Further differences may arise in the comparison due to the timing of the recognition of cash remittance.

Total assets under management (AUM)
Definition and use
The assets under management are all assets or security portfolios measured at fair value, in respect of which Baloise Asset Management makes investment decisions or bears responsibility for portfolio management. They are managed on behalf of third parties and on behalf of the Baloise Group. As a rule, the level of AUM is reflected in the level of fee income, making it an important measure of the performance of the Baloise's asset management activities over time and in comparison with other companies.

Changes in assets under management are essentially driven by net new assets, market factors, exchange rate effects, and the effects of consolidation and deconsolidation.

Net new assets equates to the sum of assets of new customers and additional contributions from existing customers, less withdrawals from customer accounts, closures of such accounts and distributions to investors in the reporting period.

Limitations
The level of assets under management is subject to volatility resulting from movements in the capital markets. For example, assets under management may continue to increase when interest rates fall, even if the figure for net new assets is negative. This limits the usefulness of this performance measure.

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Glossary

Actuarial reserves
Actuarial reserves are the reserves set aside to cover current life insurance policies.

Baloise
"Baloise" stands for "the Baloise Group", and "Baloise Holding" means "Baloise Holding Ltd". Baloise shares are the shares of Baloise Holding Ltd.

Broker
Insurance brokers are independent intermediaries. These are firms or individuals who are not restricted to any particular insurance companies when selling insurance products. They are paid a commission for the insurance policies that they sell.

Business volume
The total volume of business comprises the premium income earned from non-life and life insurance and from investment-linked life insurance policies during the reporting period.

Claims incurred
Claims incurred comprise the amounts paid out for claims during the financial year, the reserves set aside to cover unsettled claims, the reversal of reserves for claims that no longer have to be settled or do not have to be paid in full, the costs incurred by the processing of claims, and changes in related reserves.

Claims ratio
The ratio of net claims incurred to insurance revenue, expressed as a percentage.

Claims reserve
A reserve for claims that have not been settled by the end of the year.

Combined ratio
A non-life insurance ratio that is defined as net claims incurred (loss ratio) and costs (expense ratio) expressed as a percentage of insurance revenue. This ratio is used to gauge the profitability of non-life insurance business.

Contractual service margin (CSM)
Represents the unearned profit of a group of insurance contracts that an entity will recognise as it provides insurance contract services in the future.

Deferred taxes
Probable future tax expenses and tax benefits arising from temporary differences between the carrying amounts of assets and liabilities recognised in the consolidated financial statements and the corresponding amounts reported for tax purposes. The pertinent calculations are based on country-specific tax rates.

Expected credit loss (ECL)
The credit losses expected according to the principles of IFRS 9 for financial instruments measured at amortised cost (AC) or at fair value through other comprehensive income (FVOCI).

Expense ratio
Ratio of the costs of non-life insurance business to insurance revenue, expressed as a percentage.

Fixed-income securities
Securities (primarily bonds) that yield a fixed rate of interest throughout their term to maturity.

Gross
The gross figures shown on the balance sheet or income statement in an insurance company's annual report are stated before the deduction of reinsurance.

Group life business
Insurance policies taken out by companies or their employee benefit units for the occupational pension plans of their entire workforce.

Impairment
An asset write-down that is recognised in profit or loss. An impairment test is carried out to ascertain whether an asset's carrying amount is higher than its recoverable amount. If this is the case, the asset is written down to its recoverable amount and a corresponding impairment loss is recognised in the income statement.

Insurance benefit
The benefits provided by the insurer in connection with the occurrence of an insured event.

Insurance revenue
Amount that reflects the consideration to which an insurance company expects to be entitled in exchange for the provision of services under insurance contracts.

International Financial Reporting Standards
Since 2000, the Baloise Group has been preparing its consolidated financial statements in compliance with the International Financial Reporting Standards (IFRS), which were previously called the International Accounting Standards (IAS).

Investments
Investments comprise investment property, equities and alternative financial assets (financial instruments with characteristics of equity), fixed-income securities (financial instruments with characteristics of debt), mortgage assets, policy loans and other loans, derivative financial instruments, and cash and cash equivalents.

Investment-linked life insurance
Life insurance policies under which policyholders invest their savings for their own account and at their own risk.

Legal quota
A legally or contractually binding percentage requiring life insurance companies to pass on a certain share of their profits to their policyholders.

Minimum interest rate
The minimum guaranteed interest rate paid to savers under occupational pension plans.

Net
The net figures shown on the balance sheet or income statement in an insurance company's annual report are stated after deduction of reinsurance.

New business margin
The value of new business divided by the volume of new business.

Operating segments
Similar or related business activities are grouped together in operating segments. The Baloise Group's operating segments are Non-Life, Life, Asset Management & Banking, and Other Activities. The Other Activities operating segment includes equity investment companies, real estate firms and financing companies.

Performance of investments
Performance in this context is defined as the rates of return that Baloise generates from its investments. It constitutes the gains, losses, income and expenses recognised in the income statement, plus changes in unrealised gains and losses as a percentage of the average portfolio of investments held.

Periodic premium
Periodically recurring premium income (see definition of "premium").

Policyholder's dividend
An annual, non-guaranteed benefit paid to life insurance policyholders if the revenue generated by their policies is higher and/or the risks and costs associated with their policies are lower than the assumptions on which the calculation of their premiums was based.

Premium
The amount paid by the policyholder to cover the cost of insurance.

Profit after taxes
Profit after taxes is the consolidated net result of all income and expenses, minus all borrowing costs as well as current income taxes and deferred taxes. Profit after taxes includes the share of profit attributable to non-controlling interests. The profit attributable to shareholders is the profit after taxes, excluding the share of profit attributable to non-controlling interests.

Reinsurance
If an insurance company itself does not wish to bear the full risk arising from an insurance policy or an entire portfolio of policies, it passes on part of the risk to a reinsurance company or to another direct insurer. However, the primary insurer still has to indemnify the policyholder for the full risk in all cases.

Reserves
A measurement of future insurance benefit obligations arising from known and unknown claims that are reported as liabilities on the balance sheet.

Return on equity (ROE)
A calculation of the percentage return earned on a company's equity capital during the reporting period; it represents the profit generated in a given reporting period divided by the company's average equity during that period.

Run-off business
An insurance policy portfolio that has ceased to accept new policies and whose existing policies are gradually expiring.

Segment
Financial reporting in the Baloise Group is carried out in accordance with the International Financial Reporting Standards (IFRS), which require similar transactions and business activities to be grouped and presented together. These aggregated operating activities are presented in "segments", broken down by geographic region and business line.

Share buy-back programme
Procedure approved by the Board of Directors under which Baloise can repurchase its own outstanding shares. Companies in Switzerland open a separate trading line in order to carry out such buy-backs.

Shares issued
The total number of shares that a company has issued. Multiplying the total number of shares in issue by their par value gives the company's share capital.

Single premium
Single premiums are used to finance life insurance policies at their inception in the form of a one-off payment. They are mainly used to fund wealth-building life insurance policies, with the prime focus on investment returns and safety.

Swiss Leader Index
The Swiss Leader Index (SLI) comprises the 30 largest and most liquid equities on the Swiss stock market.

Solvency
Minimum capital requirements that the regulatory authorities impose on insurance companies to cover their business risks (investments and claims). These requirements are usually specified at national level and may vary from country to country.

Technical reserve
Insurers disclose on their balance sheets the value of the benefits that they expect to have to provide in future under their existing insurance contracts. This value is calculated from a current perspective in accordance with generally accepted principles.

Technical result
Baloise calculates its technical result by netting all income and expenses arising from its insurance business. Its technical result does not include income and expenses unrelated to its insurance business or the net gains or losses on its investments.

Unearned premium reserves
Deferred income arising from premiums that have already been paid for periods after the balance sheet date.

Unrealised gains and losses (recognised directly in equity)
Unrealised gains and losses are increases or decreases in value that are not recognised in profit or loss and arise from the measurement of assets. They are recognised directly in equity following the deduction of deferred taxes.

Value of new business
The value added by new business transacted during the reporting period.

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Memberships and ratings

ESG ratings

We believe that explaining our current ESG ratings and indices is an important part of transparent sustainability communication.

MSCI

MSCI confirmed Baloise's ESG rating of AA in 2024. The rating recognises our ESG-related diligence through screening, ESG integration and active ownership in the area of responsible investment, as well as our leading corporate governance practices.

Sustainalytics

Our current Sustainalytics rating stands at 22.4 (2023: 20.8). Baloise is not involved in any controversies in the environmental (E), social (S) or corporate governance (G) spheres. We will continue to use the information from our ESG ratings to improve our sustainability activities.

S&P Global Corporate Sustainability Assessment

The Baloise Group improved its S&P Global ESG Score by three points, from 33 to 36. This increase highlights its commitment to sustainable practices and to acting responsibly. Of particular note is that S&P Global rated Baloise as "high" in respect of data availability.

ISS-ESG Corporate Rating

The Baloise Group also raised its ISS-ESG Corporate Rating, from D+ to C-. This improvement is reflected in the rise in the performance score to 45.92 points. It is particularly noteworthy that, in the ISS-ESG rating too, Baloise was rated as "high" in respect of data quality.

CDP

The ESG rating of C that we had received from the Carbon Disclosure Project (CDP) in the previous year was reaffirmed in the reporting year. We were particularly pleased with our good results in relation to the disclosure of CO_2 emissions and energy data and to the management of environmental impacts, risks and opportunities. The CDP is a non-profit organisation that encourages companies and cities worldwide to disclose and manage their impact on the environment. It focuses on the collection and evaluation of data on greenhouse gas emissions, water consumption, risk management and other environmental factors.

These good ratings for data availability underline the reliability and accuracy of the data provided by Baloise, which is very important to investors and other stakeholders. The continuous improvement in these areas emphasises the effort Baloise has made in terms of sustainability and transparency, thereby further strengthening trust in the Company.

1994
Member of the Swiss Business Council for Sustainable Development (oebu)

2018
Signed the Principles for Responsible Investment (PRI)

2019
Member of the local network of the State Secretariat for International Finance (SIF) and Swiss Sustainable Finance (SSF)

2020
Signed the UNEP FI Principles for Sustainable Insurance (PSI), supporter of TCFD, included in FTSE4Good Index series

2021
Joined the Swiss Climate Foundation and awarded accolade of "Most Innovative Sustainability Insurer – Switzerland 2021"

Memberships

Collaboration with other companies, institutions and organisations is essential to drive sustainable development forward. This is why we support sustainable development goal (SDG) no. 17 of the United Nations (partnerships for achieving the goals). We regard partnerships as a fundamental requirement for the achievement of sustainability objectives.

As a member of the Swiss Insurance Association (SIA), we work on standards relating to sustainability for the entire Swiss insurance sector, act jointly in matters relating to regulation and share expertise relating to the integration of ESG criteria into business processes. In 2023, we actively participated in the preparation of the SIA's industry reporting on sustainability topics, as we had done in previous years.
www.svv.ch/en/sustainability-2023

UNEP FI Principles for Sustainable Insurance (UNEP FI PSI)

The Principles for Sustainable Insurance (PSI) of the United Nations Environment Programme Finance Initiative (UNEP FI) serve as a global framework for the insurance industry to integrate environmental, social and governance aspects into business processes and identify the associated risks and opportunities. We signed up to these principles in 2020.

Overview and references to relevant information

Principle 1

We will embed environmental, social and governance issues that are relevant to our insurance business in our decision-making.

- Strategy
  from page 14
- Baloise Brand
  from page 16
- How Baloise creates value
  from page 20
- Environment
  from page 22
- Employees
  from page 24
- Customers
  from page 28
- Responsible underwriting
  from page 32
- Society
  from page 34
- Risk management
  from page 52
- Responsible investment
  from page 56
- Data governance & security
  from page 60
- Report on non-financial matters
  from page 109

Principle 2

We will work together with our customers and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

- Customers
  from page 28
- Responsible underwriting
  from page 32
- Responsible investment
  from page 56
- Report on non-financial matters
  from page 109

Principle 3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

- Memberships and ratings
  from page 434
- Responsible investment
  from page 56
- Responsible underwriting
  from page 32
- Report on non-financial matters
  from page 109

Principle 4

We will demonstrate accountability and transparency by regularly and publicly disclosing our progress in implementing the Principles.

- Annual reports:
  www.baloise.com/annual-report
- Website:
  www.baloise.com/sustainability
- Blog posts and press releases:
  www.baloise.com/en/home/news-stories
- PRI transparency report for Baloise Asset Management
  www.baloise.com/pri-report

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Information on the Baloise Group

This publication was produced by the Baloise Group and may not be copied, amended, offered, sold or made available to third parties without the express authorisation of the Baloise Group. This publications is also available in German. Only the German text is legally binding. The financial report contains the audited 2024 annual financial statements together with detailed information. The annual report contains all of the elements that, in accordance with Art. 961c of the Swiss Code of Obligations, make up the management report. The reporting on non-financial matters is prepared in accordance with the requirements of the Swiss Code of Obligations (Art. 964a–964c OR). Amounts and ratios shown in this annual report are generally stated in millions of Swiss francs (CHF million) and rounded to one decimal place. Consequently, the sum total of amounts that have been rounded may, in some cases, differ from the rounded total shown in this report.

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The sole purpose of this publication is to provide a review in summarised form of the operating performance of Baloise for the period indicated. To this end, the publication also draws on external sources of information (including data). Baloise neither guarantees nor does it recognise the accuracy of such information. Furthermore, this publication may contain forward-looking statements that include forecasts or predictions of future events, plans, goals, business developments and results, and these statements are based on Baloise's current expectations and assumptions. These forward-looking statements should be noted with due caution because they inherently contain both known and unknown risks, are subject to uncertainty and may be adversely affected by other factors. Consequently, business performance, results, plans and goals could differ substantially from those presented explicitly or implicitly in these forward-looking statements. Factors that could influence actual outcomes include, for example, (i) changes in the overall state of the economy, especially in key markets; (ii) financial market performance; (iii) competitive factors; (iv) changes in interest rates; (v) exchange rate movements; (vi) changes in the statutory and regulatory framework, including accounting standards; (vii) frequency and magnitude of claims as well as trends in claims history; (viii) mortality and morbidity rates; (ix) renewal and expiry of insurance policies; (x) legal disputes and administrative proceedings; (xi) departure of key employees; and (xii) negative publicity and media reports. This list is not considered exhaustive. Baloise accepts no obligation to update or revise forward-looking statements in order to take into consideration new information, future events, etc. Past performance is not indicative of future results.

Availability and ordering

The 2024 Annual Report will be available from 25 March 2025 online at:
www.baloise.com/annual-report

Corporate publications can be ordered either online or by post from the Baloise Group, Corporate Communications, Aeschengraben 21, 4002 Basel, Switzerland:
www.baloise.com/order

Information for shareholders and financial analysts

Detailed information and data on Baloise shares, the IR agenda, the latest presentations and how to contact the Investor Relations team can be found online at:
www.baloise.com/investors
This information is available in German and English.

Information for members of the media

The latest media releases, presentations, reports, images and podcasts of various Baloise events as well as media contact details can be found at:
www.baloise.com/media

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Financial calendar and contacts

25 April 2025
Annual General Meeting
Baloise Holding Ltd

10 September 2025
Half-year financial results
Publication of 2025 Half-Year Report
Conference call for analysts and media

www.baloise.com/calendar

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