

Media information

Baloise sells closed life insurance portfolio in Germany

- Life insurance portfolio of the German branch of Baloise Life Ltd sold to Frankfurter Leben-Gruppe
- Portfolio of CHF 1.9 billion represents around one fifth of its life business in Germany
- Portfolio of Basler Lebensversicherungs-AG (Hamburg) amounting to around CHF 7.7 billion not affected by the transaction
- Purchaser to use transaction as basis for creating a specialist consolidation platform for life insurance portfolios in Germany

Basel, 17 September 2015. Baloise has agreed to sell the portfolio held by the German branch of Baloise Life Ltd to Frankfurter Leben-Gruppe. Baloise has not written any new business via this subsidiary since 2012.

The portfolio of Basler Lebensversicherungs-AG (Hamburg), which amounts to around CHF 7.7 billion, is not affected by the transaction.

The portfolio that has been sold has a sum insured of CHF 1.9 billion, which represents around one fifth of Baloise's total portfolio of traditional life insurance in Germany. Traditional life insurance is no longer a target area for Baloise's new business in Germany and it will continue to focus on biometric risk products and capital-efficient fund products.

After the purchase, Frankfurter Leben-Gruppe will operate the company as a separate entity and is making a transfer offer to the 100 or so employees who have worked on the portfolio to date. Extensive employment protection has been agreed with the purchaser for all employees who transfer.

The new company is intended to form the basis for a specialist consolidation platform in the German life insurance market. The headquarters of the new company is planned to be in Bad Homburg, with another office in Bremen.

Frankfurter Leben-Gruppe's business purpose is the acquisition of life insurance companies or life insurance portfolios that are already in run-off or are due to enter run-off.

Baloise Group CEO Martin Strobel is delighted with the transaction: "This agreement to sell part of our German life insurance portfolio allows us to continue focusing our new business consistently on modern life insurance business that ties up less capital."

Jürg Schiltknecht, CEO of Basler Versicherungen in Germany, added: "Protecting the interests of customers, employees and distribution partners played a key role when we were selecting a buyer. Frankfurter Leben-Gruppe and its investors have a long-term, sustainable business model that upholds the interests of policyholders and employees. Customers will continue to receive all contractually guaranteed benefits with the level of service they are accustomed to, and their share of surpluses will be in line with the market."

The transaction has yet to be approved by the responsible authorities.

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Headquartered in Basel, Switzerland, the Baloise Group is a European provider of insurance and pension solutions and has positioned itself as a market player that offers an intelligent 'Safety World' prevention strategy. In Switzerland the Company operates as a focused financial services provider, offering a combination of insurance and banking services. It also has a market presence in Belgium, Germany and Luxembourg. Its distribution network includes its own sales organisation as well as brokers and other partners. The Company uses its competence centre in Luxembourg to run its business in innovative pension products for private customers throughout Europe. Baloise Holding Ltd shares are listed in the main segment of the SIX Swiss Exchange. The Baloise Group employs some 7,600 people.
