

## IMPORTANT NOTICE

### **THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-US PERSONS AND ADDRESSEES OUTSIDE OF THE US**

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND, SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to review this Prospectus or make an investment decision with respect to the securities described herein, investors must not be a US Person (as defined in Regulation S under the Securities Act). You have been sent the attached Prospectus on the basis that you have confirmed to UBS Investment Bank, being the sender of the attached, (i) that you and any customers that you represent are not US Persons, (ii) that the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any State of the United States or the District of Columbia (where "possessions" include Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) and (iii) that you consent to delivery by electronic transmission.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. Also, there are restrictions on the distribution of the attached Prospectus and/or the offer or sale of Notes in the member states of the European Economic Area. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction. The Prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of UBS Investment Bank, the Syndicate Banks or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from UBS Investment Bank, if lawful.

**This Prospectus has been approved by SIX Exchange Regulation Ltd. in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act on 4 May 2023.**

### Prospectus dated 27 April 2023

The Issuer requesting admission to trading on SIX Swiss Exchange is relying on an exemption pursuant to article 51(2) of the Swiss Financial Services Act (*Finanzdienstleistungsgesetz*, the FinSA). Accordingly, in accordance with article 40(5) of the FinSA, you are hereby notified that this prospectus has not yet been reviewed or approved by SIX Exchange Regulation Ltd in its capacity as Swiss review body pursuant to article 52 of the FinSA. This prospectus will only be submitted to such review body for review after the completion of the offering of the Bonds.

This Prospectus will, subject to the publication of any supplements in accordance with article 56 of the FinSA, not be updated for any developments that occur thereafter. In particular, this prospectus is not required to be updated as per the date of any approval by the SIX Exchange Regulation Ltd.



## Bâloise Holding Ltd.

### CHF 100,000,000 2.35% Senior Bonds 2023 – 2033 (the "Bonds")

<b>Issuer's Name and registered office:</b>	Bâloise Holding Ltd, Aeschengraben 21, CH-4001 Basel
<b>Interest Rate:</b>	2.35% p.a., payable annually in arrears on 02 May, for the first time on 02 May 2024.
<b>Issue Price:</b>	The issue price of the Bonds has been fixed at 100.00% of the aggregate nominal amount of the Bonds (before commissions). The placement price will be determined in accordance with supply and demand.
<b>Placement Price:</b>	The Placement Price of the Bonds will be fixed in accordance with supply and demand.
<b>Payment Date:</b>	02 May 2023
<b>Maturity Date:</b>	02 May 2033, redemption at par.
<b>Early Redemption / Par Call:</b>	Issuer par call 3 months prior to redemption, notice period: 30, max. 60 days, in accordance with the terms and conditions of the Bonds.
<b>Reopening of the Issue:</b>	The Issuer reserves the right to reopen this issue according to the terms and conditions of the Bonds.
<b>Denominations:</b>	CHF 5,000 nominal and multiples thereof.
<b>Form of the Bonds:</b>	The Bonds will be issued as uncertificated securities ( <i>Wertrechte</i> ) in accordance with art. 973c of the Swiss Code of Obligations and, upon registration in the main register ( <i>Hauptregister</i> ) of SIX SIS Ltd., will constitute intermediated securities ( <i>Bucheffekten</i> ). Bondholders do not have the right to request the printing and delivery of definitive Bonds.
<b>Covenants:</b>	Pari Passu, Negative Pledge, Cross Default.
<b>Listing and Trading:</b>	Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange. The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange on 27 April 2023. The last trading date will be the second business day prior to the Maturity Date.
<b>Governing Law and Jurisdiction:</b>	The Bonds are governed by, and construed in accordance with Swiss law. Exclusive place of jurisdiction for the Bonds and all related contractual documentation shall be the courts of Basel-Stadt.
<b>Selling Restrictions:</b>	In particular U.S.A., U.S. persons, European Economic Area and United Kingdom
<b>Security Number/ ISIN/Common Code:</b>	125.636.719 / CH1256367199 / 261461072

#### Joint-Lead Managers

UBS Investment Bank

Zürcher Kantonalbank

# SUMMARY

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The following summary (the "Summary") is to be understood as an introduction to the prospectus and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus, including the discussion under "Risk Factors" and the financial information, which are included elsewhere in this Prospectus.

Investors are required to base their investment decision on the information in the prospectus in its entirety and not on the Summary.

Liability for the Summary is limited to cases where the information contained therein is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus.

## A. Information on the Issuer

Issuer's Name, registered office and legal form	Bâloise Holding Ltd. is a stock corporation ( <i>Aktiengesellschaft</i> ) pursuant to articles 620 et seq. of the Swiss Code of Obligations incorporated under the laws of Switzerland for an unlimited duration with its registered office at Aeschengraben 21, 4001 Basel, Switzerland. It was incorporated on 29 November 1962 (date of registration).
Legal Entity Identifier ("LEI")	529900G5XKBZN48T6283
Auditor / Auditor Supervision	Ernst & Young AG, Aeschengraben 27, 4051 Basel, Switzerland (the " <b>Auditor</b> "), acts as statutory auditor and as auditor of the consolidated financial statements of the Issuer since the business year 2016.  The Auditor is supervised by and registered with the Swiss Federal Audit Oversight Authority (FAOA) under the register number 500646.

## B. Information on the Terms of the Bonds

Nature of Bonds	Fixed Rate Bonds 2023 – 2033 / Senior unsecured debt
Aggregate principal amount	CHF 100,000,000
Payment Date	02 May 2023.
Maturity Date	02 May 2033, redemption at par.
Duration	10 years.
Interest Rate and Interest Payment Dates	2.35% p.a., payable annually in arrears on 02 May, for the first time on 02 May 2024.
Denomination	CHF 5,000 nominal and multiples thereof.
Status	The Bonds are direct, unsecured, unconditional and unsubordinated obligations of the Issuer and rank and will rank <i>pari passu</i> with all other present or future direct, unsecured, unconditional and unsubordinated obligations of the Issuer.
Form of the Bonds	The Bonds will be issued as uncertificated securities ( <i>Wertrechte</i> ) in accordance with art. 973c of the Swiss Code of Obligations and, upon registration in the main register ( <i>Hauptregister</i> ) of SIX SIS Ltd., will constitute intermediated securities ( <i>Bucheffekten</i> ). Bondholders do not have the right to request the printing and delivery of definitive Bonds.
Reopening of the Issue	The Issuer reserves the right to reopen this issue according to the Terms of the Bonds.
Covenants	Pari Passu, Negative Pledge, Cross Default, all in accordance with the terms and conditions of the Bonds.
Early Redemption	Issuer par call 3 months prior to redemption, notice period: 30, max. 60 days, in accordance with the terms and conditions of the Bonds.
Listing and Principal Paying Agent	UBS AG
Governing Law and Jurisdiction	The Bonds are governed by, and construed in accordance with Swiss law. Place of jurisdiction for the Bonds and all related contractual documentation shall exclusively be the courts of Basel-Stadt.

### C. Information on the Offering

Public Offer	The Bonds will be offered to prospective investors by way of (i) a public offering in Switzerland, and (ii) private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable law.
Issue Price	100.00% of the aggregate nominal amount of the Bonds (before commissions).
Placement Price	The placement price of the Bonds will be fixed in accordance with supply and demand.
Clearing and Settlement	SIX SIS Ltd.  Further clearing and settlement through both Euroclear Bank SA/NV and Clearstream Banking S.A.
Use of Proceeds	An amount equal to the net proceeds of the Bonds, being the amount of CHF 99,728,000 (the " <b>Net Proceeds</b> "), will be used by the Issuer for general corporate purposes. None of the Joint-Lead Managers shall have any responsibility for, or be obliged to concern itself with, the application of the Net Proceeds of the Bonds.
Swiss Security Number	125.636.719
ISIN	CH1256367199
Common Code	261461072
Selling Restrictions	The Bonds are subject to restrictions on their offering, sale and delivery both generally and specifically in the United States of America and to U.S. persons, European Economic Area and United Kingdom, in each case as further described in the Prospectus.
Joint-Lead Managers	UBS AG (acting through its business division UBS Investment Bank) and Zürcher Kantonalbank.

### D. Information on the Admission to Trading and Listing

Swiss Trading Venue	SIX Swiss Exchange
Admission to Trading and Listing	The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange on 27 April 2023. The last trading date will be the second business day prior to the Maturity Date.  Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange.

### E. Information on Prospectus Approval

Swiss Review Body	SIX Exchange Regulation Ltd.
Approval of Prospectus	By way of exception according to article 51 paragraph 2 of the Financial Services Act (" <b>FinSA</b> "): An exception according to article 51 paragraph 2 of FinSA is being requested and this Prospectus dated 27 April 2023 has not yet been reviewed by 27 April 2023. It is current only as of the date of the prospectus and it does not have to be updated past 27 April 2023.  This Prospectus is dated 27 April 2023 and has been approved by the Swiss Review Body on the date appearing on the cover page of this Prospectus.  This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as per the date of the approval by the Swiss Review Body.

# SELLING RESTRICTIONS

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## General

Save for (i) the preparation of a Long Form Term Sheet and a Prospectus for a public offering and admission to trading and listing the Bonds on a trading venue in Switzerland and (ii) having the Bonds admitted to trading and listed on a trading venue in Switzerland, no action has been or will be taken in any jurisdiction by the Issuer or the Joint-Lead Managers that would permit a public offering of the Bonds, or possession or distribution of any offering material in relation thereto, in or from any country or jurisdiction where action for that purpose is required. In addition to the specific selling restrictions set out below, each Joint-Lead Manager undertakes to comply with all applicable laws and regulations in each country or jurisdiction in which it purchases or in or from which it offers, sells or delivers the Bonds or has in its possession or distributes any offering material in respect of the Bonds.

## United States of America and United States Persons

No substantial U.S. market interest: The Issuer reasonably believes that at the time the offering of the Bonds began, there was no substantial U.S. market interest in its debt securities in the meaning of Rule 902 (j) (2) of Regulation S under the Securities Act of 1933 of the United States of America, as amended (the "**Securities Act**").

A) The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States of America (the "**United States**") or to or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each of the Issuer and the Joint-Lead Managers has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Bonds constituting part of their allotment within the United States or to or for the account or benefit of United States persons except in accordance with Rule 903 of Regulation S under the Securities Act.

Each of the Issuer and the Joint-Lead Managers has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any selling efforts directed to the United States with respect to the Bonds.

Terms used in this paragraph (A) have the meanings given to them by Regulation S.

B) Each Joint Lead Manager has represented, warranted and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds, except with their affiliates or with the prior written consent of the Issuer.

## European Economic Area

In relation to each Member State of the European Economic Area (the "**EEA**") (each, a "**Member State**"), each Joint-Lead Manager has represented and agreed that it has not made and will not make an offer of Bonds to the public in that Member State except that it may make an offer of such Bonds to the public in that Member State at any time:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or
- (b) to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Joint-Lead Managers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within article 1(4) of the Prospectus Regulation,

provided that no such offer of Bonds referred to in (a) to (c) above shall require the Issuer or any Joint-Lead Manager to publish a prospectus pursuant to article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

## United Kingdom

In relation to the United Kingdom (the "**UK**"), each Joint-Lead Manager has represented and agreed that it has not made and will not make an offer of Bonds to the public in the UK except that it may make an offer of such Bonds to the public in the UK at any time:

- (a) to any legal entity that is a qualified investor as defined in the UK Prospectus Regulation; or

- (b) to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the UK Prospectus Regulation), in the UK subject to obtaining the prior consent of the relevant Joint-Lead Managers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (the "**FSMA**"),

provided that no such offer of Bonds to the public referred to in (a) to (c) above shall require the Issuer or any Joint-Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Bonds to the public" in relation to any Bonds in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, and the expression "**UK Prospectus Regulation**" means the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**").

Each Joint-Lead Manager has represented and agreed that:

- (i) Financial Promotion: it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer; and
- (ii) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK.

## FORWARD LOOKING STATEMENTS

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This prospectus (as defined herein) contains or incorporates by reference statements that constitute forward-looking statements. Such forward looking statements may include, without limitation, statements relating to the current prospects, expectations, estimates, plans, strategic aims, vision statements, and projections of the Issuer and are based on information currently available to it. These forward looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results of operations, financial condition, performance or achievements of the Issuer to be materially different from any future results, financial condition, performance or achievements expressed or implied by such forward looking statements. Terms and phrases such as "will", "believe", "expect", "anticipate", "intend", "plan", "predict", "estimate", "project", "target", "assume", "may" and "could", and variations of these words and similar expressions, are intended to identify prospects and/or other forward looking statements but are not the exclusive means of identifying such prospects and other statements. The Issuer, in reliance on article 69(3) FinSA, hereby cautions you that any such prospects, expectations, estimates, plans, strategic aims, vision statements, and projections contained or incorporated by reference in this prospectus are not historical in nature but are forward looking based on information and assumptions the Issuer considers to be reasonable. Such statements are inherently uncertain and subject to a variety of circumstances, many of which are beyond the Issuer's control and could cause actual results to differ materially from what the Issuer anticipates. Due to the uncertainty of future developments, to the fullest extent permitted by applicable law, neither the Issuer nor the Joint-Lead Managers assume any liability in respect to or in connection with such prospects or other forward looking statements contained or incorporated by reference herein.

Except as required by the FinSA or other applicable securities laws, neither the Issuer nor the Joint-Lead Managers undertake an obligation to update any prospects or forward looking statements after the date hereof, even if new information, future events or other circumstances have made them incorrect or misleading.

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# RISK FACTORS

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## **Risks related to Baloise Holding AG (Baloise Holding SA) (Baloise Holding Ltd) and its subsidiaries (together the Baloise Group)**

### **Market and business related risks**

#### *Risks from general economic conditions and global financial markets*

The performance of Baloise Group has been and will continue to be influenced by the economic conditions of the countries in which it operates. Many of these countries have experienced economic downturns in the past and could re-experience such conditions in the near to medium term. Such conditions have resulted and may result in a reduction in demand for Baloise Group's products as well as a reduction in the value of its assets. Baloise Group also may experience a higher incidence of claims and lapses or surrenders of policies. Baloise Group's policyholders may choose to defer or stop paying insurance premiums. Baloise Group cannot predict whether or when such actions, which could impact the business, financial condition and/or results of operations, may occur. Baloise Group's business, its results of operations and/or its financial condition may be materially affected from time to time by general economic conditions, such as levels of employment, consumer lending or inflation in the countries in which Baloise Group operates. The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

#### *Risks from changing market conditions in the insurance industry*

Businesses in the financial services sector are affected by changing general market conditions which are outside the control of Baloise Group and which can cause the results and value of Baloise Group's businesses to fluctuate from year to year, as well as on a long-term basis, in ways that may be unpredictable.

These conditions include economic cycles such as insurance industry cycles, particularly with respect to non-life insurance, financial market cycles, including volatile movements in market prices for securities, and banking industry cycles. The non-life insurance industry cycles are characterised by periods of price competition, fluctuations in underwriting results and the occurrence of unpredictable weather related and man-made catastrophes related large losses as well as other losses. Other factors which impact the business and economic environment and businesses in the financial services sector include fluctuations in interest rates and exchange rates, consumer spending, business investment, the real estate market, the volatility and strength of the capital markets, catastrophic events, terrorism, pandemic or epidemic events, power network or internet outages, and acts of war and the governmental and political developments relating to the foregoing, as well as social or political instability, diplomatic relations and international conflicts.

Adverse and extreme market developments as the ones experienced during the global financial crisis or following the outbreak of the Corona virus have affected the financial services sector in a number of ways and may have further adverse effects on the financial services sector in the future. Such effects may include: (i) a general reduction in business activity and market volumes which affects fees, commissions and margins from market-making and customer-driven transactions and activities; (ii) market downturns which are likely to reduce the volume and valuations of assets managed on behalf of clients, reducing asset and performance-based fees; (iii) reduced market liquidity, limiting trading and arbitrage opportunities and impeding a company's ability to manage risks, impacting both trading income and performance-based fees; (iv) a reduction in the value of the assets a company holds for its own account as trading positions; and (v) impairments and defaults on credit exposures and on trading and investment positions could increase, and losses may be exacerbated by falling collateral values.

The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

#### *Risks from insurance business*

Baloise Group maintains reserves for its insurance business to cover its liabilities. Such insurance reserves depend on various factors, assumptions and uncertainties (see "*Risks associated with Baloise Group's calculations and assumptions*"). While Baloise Group believes its economic risk is reduced by the matching of durations of assets and liabilities under its asset and liability management ("**ALM**"), mandatory, guaranteed or other applicable interest rates may not change in line with market yields and may result in sudden changes in the reported amounts even if there was no corresponding change in investment yields and the value of assets. Moreover, changes in mortality, morbidity, longevity and other biometric assumptions may have a significant impact on annuity and other reserves. Loss reserves also do not represent an exact calculation of ultimate liabilities, but rather are estimates of the expected liabilities. Furthermore, technical reserves depend on regulatory requirements as well as other factors, which may cause actual liabilities to differ from estimates. Likewise, technical reserves may change significantly due to regulatory and legal

changes and other factors. There is the risk that insurance coverage is inadvertently included in insurance policies, e.g. silent cyber risks.

Any insufficiencies in loss reserves for future claims and any change in reserves required as a result of changes in interest rates, biometric assumptions, weather related and man-made catastrophes related large losses, epidemic and pandemic events (such as Covid-19), claims inflation, legal changes or other factors including regulatory changes could adversely affect the extent to which new business may be originated and could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks from ceded reinsurance***

Baloise Group systematically transfers its exposure to certain risks in its life, health and property and casualty insurance business to third parties through reinsurance arrangements. Under these arrangements, other (re)insurers assume a portion of Baloise Group's losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums.

The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly from time to time. Any decrease in the amount of Baloise Group's ceded reinsurance will increase its risk of losses. When it obtains reinsurance, Baloise Group could still be liable for those transferred risks, in particular if the reinsurer cannot meet its obligations. Accordingly, Baloise Group bears credit risk with respect to its reinsurers and could be faced with their inability or unwillingness to meet their financial obligations when falling due. Although Baloise Group conducts periodic reviews of credit risk rating reports and the reputation of its reinsurers, and, when appropriate, requires letters of credit, deposits or other financial collaterals to further minimise its credit risk exposure, reinsurers may become financially unsound by the time they are called upon to pay amounts due under the reinsurance contracts with Baloise Group.

If the terms and conditions of such reinsurance contracts deteriorate in the future, if certain protection layers are no longer available on the market, or if individual reinsurers should become unable or unwilling to meet their payment obligations when falling due, this could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks associated with Baloise Group's calculations and assumptions***

Baloise Group's business operations and risk management require complex models under which it needs to properly reflect the value of its business and an adequate allowance for risks associated with it. This includes a constant assessment of numerous factors, such as the long-term development of interest rates, investment returns, the allocation of investments between equity, fixed income and other categories, policyholder interest and crediting rates (some of which are guaranteed) and the overall approach to policyholder participation, mortality, morbidity and longevity, claims inflation and claims frequency development, rates, policyholder lapses and future expense levels. Baloise Group monitors the accuracy of its assumptions and continuously refines its long-term assumptions.

The actuarial practices and assumptions listed above are, among other factors, the basis for (i) its "best estimate" actuarial assumptions under the IFRS liability adequacy testing, (ii) capital and other requirements under the Swiss Solvency Test ("SST") or Solvency II, (iii) the calculation of insurance premiums and reserves, (iv) Baloise Group's Own Risk and Solvency Assessment ("ORSA"), and (v) Baloise Group's own pension obligations.

In any of the aforementioned cases Baloise Group needs to rely on its own assumptions and estimates when operating its risk analysis and risk management systems. The assumptions used may differ from actual developments in the future. Adjustments in such assumptions may have to be made in reaction to revised legal and regulatory requirements, changing financial markets or expected future actuarial experience, which may lead to changes in the solvency position as well as the accounting of, and reserves required for, Baloise Group's insurance operations.

Certain risks are non-hedgeable and even with hedgeable risks there is a residual risk that hedging arrangements concluded by Baloise Group do not or only partially cover such risks.

Furthermore, Baloise Group could experience that its initial risk assessment, risk allowance or reserves prove to be inadequate at a later stage.

The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks associated with the implementation of Baloise Group's strategy***

The achievement of Baloise Group's strategic, operational and financial targets remains subject to uncertainty. Whilst the objectives for growth are subject to fluctuations in demand for insurance protection and competition, the ability to achieve a satisfactory performance in respect of the basic insurance result depends on pricing, the ability to control costs, claims figures, changes in reserves and the ability to generate insurance-related fee income. In addition to the basic insurance result, the investment result is an important factor in the profitability of Baloise Group's insurance operations. This result is driven by the returns achieved on the investment portfolio, which partially depend on capital

markets conditions, and – with respect to the life insurance business – on the guaranteed and non-guaranteed payments made to policyholders.

Besides the insurance business, Baloise Group aims to generate fee income through its advisory activities. The ability to generate such income depends on factors including quality of advisory, the ability to recruit advisors, reputation and the general economic conditions.

Furthermore, mergers, acquisitions, disposals and management re-organisations may result in Baloise Group incurring costs and using considerable management resources. It is also possible that, as a result of any past or future mergers, acquisitions and disposals, Baloise Group may be subject to warranty, indemnity or other claims or to adverse tax or accounting charges.

The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks associated with the failure to maintain the value of the "Baloise" brand***

One of the most valuable assets of Baloise Group is the "Baloise" brand. The continued strength and recognition of Baloise Group's brand is a key factor in maintaining Baloise Group's competitive position. Baloise Group's brand could be harmed if its public image or reputation were to be tarnished by negative publicity or negative sentiments expressed in any media coverage, in social media or elsewhere on the Internet, whether or not true, about Baloise Group or the insurance or financial services industry in general, or by a negative perception of Baloise Group's short-term or long-term financial prospects. Failure to maintain the value of Baloise Group's brand could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks of competition and risks of general distress in the insurance market***

Baloise Group operates in selected European markets (primarily Switzerland, Germany, Belgium and Luxembourg). It faces a very competitive environment in all the markets in which it operates. Baloise Group's profitability is generally dependent on the level of demand for its products and services as a whole, and on its ability to control its risk profile and operating costs. While an important factor lies in Baloise Group's ability to offer competitive and attractive products and services, demand and competition in these markets are subject to changes in response to political or regulatory developments, general economic conditions, and other market conditions beyond the control of Baloise Group. As a consequence, Baloise Group may face margin or volume declines in the future.

In addition, individual regional and local competitive factors could in the future change to Baloise Group's disadvantage, significantly intensifying competition in certain regions or countries.

The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

In addition, the implementation of Baloise Group's strategy as well as its operational and financial performance depend on the general conditions of the insurance industry. As a consequence, the deterioration of the insurance industry conditions, for instance, due to sustained low or even negative interest rate levels, a change of the regulatory environment or a general distrust against the industry may have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks of unpredictable political, macro-economic and demographic influences***

Baloise Group's future financial condition and results of operations, developments in its business, growth and profitability, and general industry and business conditions applicable to it may be adversely affected by unpredictable political, macro-economic and demographic influences.

In light of economic conditions in Europe, there is a possibility of certain Eurozone member states exiting the Eurozone which may cause the collapse of the Euro. A total break-up or an exit of certain member states could lead to a depression with high negative GDP growth, mass unemployment and high volatility of currencies. A collapse of the European banking system as a result of a Euro break-up and a return to operating in a European business environment of multiple currencies would result in significant market dislocation, which would have a negative impact on Baloise Group.

Likewise, macro-economic disruptions can lead to a sudden increase in inflation, which may be followed by surrender rates higher than currently expected or result in a deflationary phase induced by a strong recession, which could harm Baloise Group's ability to achieve the needed investment return and to generate profitable new business.

Any of the foregoing risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks related to the occurrence of natural and man-made catastrophes***

Portions of Baloise Group's private, commercial, industrial and international insurance cover losses from unpredictable events such as hurricanes, windstorms, hailstorms, earthquakes, fires, industrial explosions, freezes, riots, floods, epidemic infectious diseases (pandemics), power network or internet outages and other man-made or natural disasters. The incidence and severity of these catastrophes in any given period are inherently unpredictable and may have material adverse effects on Baloise Group's business, financial condition and results of operations.

Baloise Group generally seeks to reduce its exposure to these events through the purchase of reinsurance, selective underwriting practices, by monitoring risk accumulation and/or by business continuity planning. However, such efforts to reduce exposure may not be successful and such catastrophes may result in unusually high levels of losses or business interruptions, all of which could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks of fluctuations in the financial markets and changes in general economic conditions***

Investment returns are an important part of Baloise Group's overall profitability. Fluctuations in the financial markets, changes in interest rates and credit spreads (see "*Risk of interest rate and credit spread rate changes*"), a lack of pricing transparency, reduced market liquidity, changes in equity, fixed income and commodity prices as well as foreign exchange rates, alone or in combination, could have material adverse effects on Baloise Group's financial condition, results of operations and cash flows. Volatility and fluctuations in the financial markets also impact the costs of hedging, which can result in lower investment returns. In addition, a default by a major market participant or a significant act of terrorism or other large-scale events could disrupt the securities markets or clearance and settlement systems in major markets which could in turn cause market declines or increased volatility. The failure of a major market participant could also lead to a chain of defaults that could adversely affect Baloise Group.

Changes in the economic conditions and markets, in particular rising interest rates, could adversely affect the real estate markets, which could have a negative impact on Baloise Group's real estate portfolio. In worsening economic circumstances, which may be driven by global macro-economic developments, domestic economic or political events (e.g. public votes), or other effects, the vacancy rates may increase which reduces the expected future cash inflows from rents accordingly, and hence may lower the valuation of individual properties substantially. Similarly, higher interest rates and an increase in unemployment rates lead to potential defaults of clients and third parties on mortgages.

Fluctuations in stock markets could have an adverse impact on the valuation of Baloise Group's holdings in equities, which could result in a deterioration of Baloise Group's financial position and net income. Declining equity markets may also affect Baloise Group's results of operations, as fees from insurance business on third-party accounts are generally based on the value of the underlying funds, which fluctuate to a large extent with changes in equity markets. Hedges in place with respect to Baloise Group's investments are designed to reduce Baloise Group's economic exposure to declines in asset values but would not prevent an impairment charge in the Baloise Group's accounts in the event the impairment criteria under the International Financial Reporting Standards ("**IFRS**") were met.

Baloise Group's equity investments are subject, to the extent that they are sold, to the risk that they will be sold for less than their value in Baloise Group's accounts, and that Baloise Group will recognise a loss. To the extent that such equity investments are not sold, and their value decreases, Baloise Group may be required to write-off a portion of the book value of such equity investments through its profit and loss accounting.

Baloise Group's strategic shareholdings, participations, and other intangible assets are subject to regular impairment tests, taking into account their operating performance, as well as general economic conditions and forecasts. Potential valuation readjustments could lead to impairment losses adversely affecting Baloise Group's financial results.

For diversification purposes Baloise Group also holds an increasing amount of alternative investments in its portfolio, in particular participations in private equity, hedge funds, senior secured loans and private debt (incl. infrastructure debt and Dutch mortgages). Market volatility has impacted and may continue to impact both the level of net investment income from these types of investments and, given their limited liquidity, the ability to dispose of such investments on favourable terms or at all.

Any of the risks mentioned above could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks of interest rate and credit spread changes***

Changes in prevailing capital market interest rates (including changes in the difference between the levels of prevailing short- and long-term rates) may adversely affect Baloise Group's insurance, asset management and corporate results despite the structured approach towards ALM that Baloise Group is pursuing. Over the past several years, movements in both short- and long-term interest rates have affected the level and timing of recognition of gains and losses on securities held in Baloise Group's investment portfolios. An increase in interest rates could substantially decrease the value of Baloise Group's fixed-income portfolio, and any unexpected change in interest

rates could materially adversely affect Baloise Group's bond and interest rate derivative positions as well as the investment result. Results of Baloise Group's asset management business may also be affected by movements in interest rates, as management fees are generally based on the value of assets under management, which fluctuates with changes in the level of interest rates.

In addition, Baloise Group has a significant portfolio of contracts with guaranteed investment returns, including endowment and annuity products. If interest rates remain on historically low levels for a long period, Baloise Group could be required to provide additional funds to its insurance subsidiaries to support their obligations in respect of products with higher guaranteed returns, or increase reserves in respect of such products. Baloise Group also has a portfolio of contracts with guaranteed investment returns tied to equity markets.

Baloise Group invests part of its assets in corporate bonds and is therefore exposed to credit spread risk to the extent that a credit spread widening decreases the market value of the corporate bond portfolio. Spread movements may adversely impact the valuation reserves of bonds classified as available for sale, and therefore Baloise Group's solvency position. From an economic perspective, in particular for economic solvency purposes, all corporate bonds are considered at their market value and thus market value changes due to a change in spreads have an impact on Baloise Group's available economic capital. Moreover, the market value of corporate bonds may become difficult to ascertain if markets are less liquid or lack liquidity which may also affect Baloise Group's ability to dispose of such investments on favourable terms or at all.

In addition, Baloise Group invests a part of its assets in government and sovereign bonds and similar instruments. Therefore, Baloise Group is exposed to the risk that credit spread widens, for instance, due to downgrades or possible downgrades of the respective government or sovereign ratings. Government and sovereign credit spread widening leads to a decrease of the market value of the government and sovereign bond portfolio.

Reductions in the investment income below the rates prevailing at the issue date of the policy, or below the regulatory minimum required rates in countries such as Switzerland, Germany, Belgium and Luxembourg, would reduce or eliminate the investment margins on the life insurance business written by the Baloise Holding AG's life-insurance subsidiaries to the extent the duration composition of the assets does not match the duration composition of the insurance obligations they are backing.

In the life-insurance business, rising interest rates could lead to increased surrenders of policyholders, including pension funds ("insurance run"), with subsequent impacts on Baloise Group's liquidity positions and profitability for the current and for subsequent years.

Any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Currency risks***

As a group with international operations, Baloise Group generates a certain portion of its total income and incurs a portion of its expenses in currencies other than CHF, which primarily include EUR and USD. Baloise Group prepares its consolidated financial statements in CHF. Baloise Group's expenses and income in a certain currency do not necessarily match for any given period. As a result, unfavourable movements in exchange rates between such currencies and CHF may lead to differences between the costs of Baloise Group's operations and the income generated from them at a different stage. Furthermore, there may be currency mismatches between the insurance liabilities and the assets backing them.

Fluctuations in the exchange rates of the currencies of the countries in which Baloise Group operates may generally lead to transaction risks and translation risks. Transaction risk refers to the exchange rate risk associated with the time delay between the entrance and settlement of a contract, while translation risk refers to the risk of a change in value in the currency in which the financial statements are maintained, resulting from the translation of positions in the balance sheet and income statement originally expressed in a foreign currency during the course of consolidation.

Baloise Group may enter into transactions aiming to hedge currency risks. Such transactions may reduce currency risks but may in turn increase other risks such as liquidity risks, counterparty risks and operational risks.

The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks of additional capital needs***

Baloise Group's capital requirements depend on many factors, including its operational results, capital market conditions, developments of biometrics, general changes in the business mix, the volume of newly generated business, regulatory changes to capital or other requirements such as reserving requirements and other regulatory developments. Baloise Group may be unable to obtain capital in the future or may only obtain it at considerably higher costs, in particular in case of negative rating actions (see "*Risks of rating downgrades and other negative rating actions*"). This could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Liquidity and financing risks***

Liquidity risk may refer to the risk that the available liquidity is insufficient to meet payment obligations in relation to insurance contracts, in particular resulting from unexpected events or series of events, such as mass surrenders or weather related and man-made catastrophes related large losses that trigger Baloise Group's coverage obligations. Baloise Group's liquidity may also be insufficient to meet payment obligations resulting from investment activities, in particular related to derivative contracts made on a collateralised basis, such as those used for hedging activities (in particular, Baloise Group uses such instruments to hedge interest rate risk and foreign exchange risk) and forward contracts.

Unexpected liquidity needs could require Baloise Group to increase levels of indebtedness or to liquidate investments or other assets. If Baloise Group requires liquidity at a time when access to bank funding or capital markets is limited, it may not be able to secure new sources of financing. In particular, Baloise Group's ability to meet liquidity needs through the incurrence of debt may be limited by constraints on the general availability of credit and the willingness of lenders to lend in case of bank funding, and adverse market conditions in case of capital market instruments.

The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's liquidity situation, financial condition and results of operations.

### ***Impairment risks***

If certain operational and strategic targets cannot be achieved in time, Baloise Group could be faced with impairment losses on its subsidiaries, associates and its other intangible assets. Baloise Group tests goodwill for impairment annually in autumn and whenever there is an indication that the asset might need to be impaired. The tests may lead to an impairment write-down of said assets, which could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks of rating downgrades and other negative rating actions***

Many of Baloise Group's businesses are dependent on the financial strength and credit ratings assigned to them and their businesses (including outlooks). Therefore, a rating downgrade (or any other negative rating actions such as a change in the outlook) may materially adversely affect relationships with customers and intermediaries, negatively impact sales of its products and increase its cost of borrowing and of reinsurance.

Claims paying ability and financial strength ratings are each a factor in establishing the competitive position of insurers. The financial strength rating of Baloise Holding AG has a significant impact on the individual ratings of key subsidiaries. If a rating of certain Baloise Group's entities falls below a certain threshold, the respective operating business of these entities or other Baloise Group entities may be significantly affected. A negative rating action with respect to Baloise Holding AG or any of its subsidiaries could, among other things, adversely affect relationships with customers, agents, brokers and other distributors of its products and services, thereby negatively affecting new sales and existing business, adversely affect its ability to compete in the relevant markets and increase the cost of borrowing. In particular, in those countries where primary distribution of its insurance products is done through independent partners, such as Germany, Belgium and Luxembourg, negative rating actions could adversely impact sales of insurance products.

Any negative rating action could also materially adversely affect Baloise Group's cost of capital, and could, in addition, give rise to additional financial obligations or accelerate existing financial obligations which are dependent on maintaining specified rating levels. Rating agencies can be expected to continue to monitor Baloise Group's financial strength and claims paying ability, and no assurances can be given that future negative rating actions will not occur, whether due to economic and financial market downturns, changes in Baloise Group's performance, changes in rating agencies' industry views, rating methodologies or criteria, or a combination of such factors.

### ***Counterparty risks***

Baloise Group has monetary and securities claims under numerous transactions against reinsurers, brokers and other debtors. Such third-party debtors may not pay or fail to perform their other obligations. These parties include the issuers whose securities are held by Baloise Group, borrowers under loans made, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. Also, Baloise Group is active in the banking business in Switzerland, where it actively lends funds to borrowers. As a result, defaults by one or more of these parties on their obligations due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, or even rumours about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses or defaults by Baloise Group. In addition, with respect to secured transactions, Baloise Group's credit risk may be exacerbated when the collateral held by it cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure.

The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's liquidity situation, financial condition and results of operations.

### ***Operational risks***

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes and systems, people or from external events which adversely impact the operations of Baloise Group (other than financial risks such as, *inter alia*, financial market risks and counterparty risks). In particular in view of the broad spectrum of operational risks, the realisation of one or more of these risks could damage Baloise Group's reputation and have material adverse effects on its business, financial condition and results of operations.

### ***Risks related to the efficient and uninterrupted operation of Baloise Group's information technology systems***

Baloise Group's ability to improve and maintain its financial controls as well as its risk management processes to comply with the legal requirements and to pursue its business depends, in part, on the efficient, adequate and uninterrupted operation of its information technology systems including its management information systems. These information technology systems are subject to damage or interruption from floods, fires, power loss, telecommunications, hardware and software failures and similar events, and Baloise Group's business contingency and continuity measures, data safety and information technology security and document retention procedures may prove to be insufficient. These systems may also be subject to sabotage, vandalism and similar misconduct. Cyber attacks directed at Baloise Group's computer systems or networks and other forms of criminal manipulation could disrupt its businesses, result in the disclosure of confidential information and damage its reputation.

Baloise Group's information technology may not be able to provide Baloise Group with adequate support. Certain of its information is held on aged or legacy systems. Baloise Group may not be able to ensure maintenance of these systems and their applications. There is a risk that it will be difficult to operate these systems at the same level of efficiency as other systems of Baloise Group and that the migration of old or creation of new applications and the transfer of information held on the aged or legacy systems to more up-to-date systems, could result in the loss of data and/or Baloise Group incurring significant additional costs. Baloise Group might also face similar risks occurring in the context of the implementation of new systems or applications.

Baloise Group's information technology governance, its project, contract and compliance management and implementation and its information technology risk management procedures may prove to be insufficient. Software source codes and the intellectual property rights required for the software used by Baloise Group may not be sufficiently secured or obtained and cancellation of information technology projects may result in significant write-offs.

Baloise Group also depends on the continued performance of certain third party service and software providers. Ownership of information technology assets used by Baloise Group may remain with third party providers and Baloise Group may lose control of these assets. The systems of any third party service provider are subject to the same risks of interruption highlighted above, as well as the risk that such provider may by reason of insolvency or otherwise fail to perform its obligations under the relevant service arrangements.

The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks relating to Baloise Group's distribution partners***

Baloise Group's business focuses on providing comprehensive life and non-life insurance coverage. In its core markets Switzerland, Germany, Belgium and Luxembourg, Baloise Group offers comprehensive and individual advice plus a broad range of own and partner products through, among other chains, distribution partners (such as insurance brokers and banks).

If a significant number of these distribution partners were to terminate their distribution agreements with Baloise Group, or if the terms of such distribution agreements were to change to Baloise Group's detriment, it may lose a material portion of the business provided by such distribution partners. This could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks related to the dependence on key personnel and qualified staff***

In order to implement its strategy, Baloise Group is dependent on key personnel, including the members of the Corporate Executive Board. Were Baloise Group to lose the services of one or more of its key personnel, its ability to implement its new strategy and to manage its business may suffer, which could have material adverse effects on Baloise Group's business, financial condition and results of operations.

### ***Risks related to the integration of acquired businesses***

As a result of any material acquisitions, Baloise Group will face risks typically associated with such acquisitions, including those related to the integration of additional entities, organisations, employees and facilities, as well as maintaining the existing and/or having to establish new relationships with customers. There are inherent difficulties that may arise after the closing of an acquisition, such as delays in implementation or unexpected costs or liabilities.

Similarly, there is a risk that Baloise Group will not be able to realise the expected operating benefits or synergies from an acquisition. The occurrence of any of these risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

## **Regulatory, legal and tax-related risks**

### ***Risks due to regulatory or legal changes***

Baloise Group is primarily active in the insurance business (life and non-life insurance). Furthermore, it is active in the banking sector in Switzerland and offers asset management services primarily to institutional clients located in Switzerland. Baloise Group's businesses are subject to detailed, comprehensive laws and regulations as well as close supervision in all the countries in which it operates. Changes in existing laws and regulations and their interpretation may affect the way in which Baloise Group conducts its business and the products it offers. Changes in regulations relating to pensions and employment, social security, financial services including reinsurance business, taxation, securities products and transactions may necessitate the restructuring of its activities, impose increased costs and thereby, or otherwise, could have material adverse effects on Baloise Group's businesses or Baloise Group as a whole.

In addition, Baloise Group, like many other financial institutions, has come under greater regulatory scrutiny in recent years and expects similar conditions to continue for the foreseeable future. Regulatory agencies and supervisory authorities have broad administrative powers over many aspects of the financial services business, which may include corporate governance, liquidity, capital adequacy, permitted investments, ethical issues, "know your customer" and rules combatting money laundering and terrorist financing, privacy, record keeping, solicitation, marketing and selling practices as well as employee compensation, conduct of business and product governance and disclosure requirements. Insurance, banking, asset management and other financial services laws, regulations and policies currently governing Baloise Group entities may change at any time in ways which have an adverse effect on their respective businesses or Baloise Group as a whole, and Baloise Group cannot predict the timing or form of any future regulatory or enforcement initiatives in respect thereof. Also, regulators and other supervisory authorities in Switzerland, the European Economic Area, the United Kingdom and elsewhere continue to scrutinise payment processing and other transactions under regulations governing matters such as money-laundering, prohibited transactions with countries subject to sanctions, tax evasion and bribery or anti-corruption measures. Despite Baloise Group's best efforts to comply with applicable regulations, there are a number of risks in areas where applicable regulations may be unclear or where regulators revise their previous guidance or courts overturn previous rulings. Regulators and other authorities have the power to bring administrative, criminal or judicial proceedings against the entities or officers and employees of Baloise Group, which could result, among other things, in significant adverse publicity and reputational damage, suspension or revocation of licenses, other operative or financial conditions ("*Auflagen*"), cease-and-desist orders, fines, civil penalties, criminal sanctions and/or other disciplinary actions.

In Switzerland, Baloise Holding AG (on a consolidated level) and several of its Swiss subsidiaries are supervised by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"). Foreign subsidiaries of Baloise Holding AG are supervised by their relevant domestic supervisory authorities. Baloise Group is subject to the capital requirements of the Swiss Solvency Test (SST). The insurance entities of Baloise Group, which are domiciled in the European Union, are subject to the Solvency II regime. Applicable rules and practices by the competent supervisory authorities, as well as changes thereof, might have an adverse impact on the ability of these insurance entities of Baloise Group to pay dividends to their respective shareholder(s).

The implementation of the SST and Solvency II are subject to ongoing discussions with regulators which could lead to additional capital requirements of Baloise Holding AG and its subsidiaries or changes to the way in which Baloise Group carries out its business, could result in additional expense or a competitive disadvantage vis-à-vis competitors domiciled in or outside of Switzerland or could otherwise adversely affect Baloise Group's financial or solvency position.

On 18 March 2022, the Swiss parliament adopted a partial revision of the Swiss Federal Act on the Supervision of Insurance Companies ("**ISA**"). The amended ISA will, among other things, introduce rules regarding the reorganisation of insurance companies and shall contain rules regarding due diligence requirements applicable to insurance companies providing financial services, which were originally envisaged to be covered in the Swiss Federal Financial Services Act ("**FinSA**"). The revised ISA is expected to enter into force on 1 July 2023 at the earliest, rather later.

The Swiss financial regulatory landscape (including as to insurance companies, banks, and asset managers) has been and will likely be significantly changed in the forthcoming years. By means of several new codified acts and legislative projects, such as the revised ISA, the entry into force of the revised Swiss Federal Insurance Contract Act ("**ICA**") on 1 January 2022, the new FinSA and the new Swiss Federal Financial Institutions Act ("**FINIA** ") and with amended rules in the area of anti-money laundering, the Swiss lawmaker is responding to international developments and changes with a view to create a level playing field and ensure equivalence. The FinSA and FINIA entered into force on 1 January 2020. Even though not expected, Baloise Group cannot exclude that new legal frameworks, including FinSA, FINIA, ISA, and their application by FINMA could have material adverse effects on Baloise Group's businesses and results of operations.



### ***Risks due to legal quote restrictions in Switzerland and similar regulations in other jurisdictions***

Some of Baloise Group's life insurance business is affected by so called "legal quote" restrictions. Such legal quote restricts Baloise Group's ability to allocate surplus to its shareholders and may affect its debt servicing capacity, including the Baloise Group's ability, to meet interest payment obligations under the Bonds, if any. Under certain circumstances, the legal quote may affect the profitability of other Baloise Group affiliates that provide services to the insurance life business. The legal quote limits Baloise Group's flexibility in a way which, in certain market conditions, could have a negative impact on its future profitability and the value of new and existing business.

The Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (*Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge*, or "**BVG**") legal quote mechanism introduced in 2004 is regularly subject to political and public discussions. There can be no assurance that the current BVG legal quote regime will remain unchanged in the future. Unfavourable changes to it or to comparable regulations in other countries in which Baloise Group operates could adversely affect the profitability of Baloise Group.

While Baloise Group believes that the legal quote restrictions reduce the sensitivity of its results (after policyholder participation) to changes in the BVG guaranteed minimum interest rate or the mandatory conversion rate, the profitability of Baloise Group's BVG business and Baloise Group's ability to maintain and increase its premium volume and market share could both be adversely affected if the levels of, or changes in, either of these rates do not reflect the prevailing economic, market or other conditions relevant for such products.

### ***Risks relating to the sustainability of Baloise Group's BVG business***

Baloise Group's life insurance business in Switzerland based on the BVG is subject to guaranteed minimum interest and annuity conversion rates. Swiss law provides for an annuity conversion rate which determines the amount of the annual retirement pension payable to an annuitant based on the contributions accumulated to the retirement date. For the mandatory part of Baloise Group's life insurance business in Switzerland, a market-consistent conversion rate which has been approved by FINMA is applied whereas in the non-mandatory part of the BVG business a conversion rate calculated using actuarial assumptions is applied. In any case, Baloise Group's life insurance business in Switzerland has to guarantee that the total pension paid meets the legal requirement with the legally stipulated conversion rate for the mandatory part. Guaranteed minimum interest and annuity conversion rates could be imposed by the respective authorities in a manner which may diverge from the rates of return that Baloise Group is able to achieve on its assets. The minimum interest rate is subject to annual changes by the Swiss Federal Council and the annuity conversion rate does not as yet follow a predictable formula consistent with the economic notion of a guarantee. The process for setting these rates is not predictable and the rates may from time to time diverge from the rates of return that Baloise Group is able to achieve on the assets backing such business.

In addition, while Baloise Group has some flexibility to reprice or restructure its products in response to such conditions or changes, the ability to implement a revised product offering is subject to a number of uncertainties and may not have immediate effect. For example, the current Swiss regulatory regime requires that approval must be sought from the regulator prior to the introduction of new tariffs. Also, the ability to implement a revised product offering is subject to customers' acceptance of the new terms.

Failure by Baloise Group to achieve a rate of return on its investments in excess of the statutory guaranteed minimum interest rate could have material adverse effects on Baloise Group's financial condition and results of operations. The same adverse effects could result from changes in mortality, morbidity, longevity and other biometric assumptions, changes in technical interest rates not provided for in the statutory guaranteed annuity conversion rate, and from any adverse change in the statutory guaranteed interest or annuity conversion rates. At the extreme, in the event of market deterioration or of the setting of the statutory guaranteed interest rate or the statutory guaranteed annuity conversion rate at certain levels, Baloise Group may be unable to write profitable group life insurance business in Switzerland.

### ***Risks emanating from the pension reform 2021***

The general regulation and structure of the BVG is currently subject to review by the Swiss government, which after the failure of the last pension reform in 2017, initiated the elaboration of a reform project as to the BVG. The national trade unions submitted their proposals in July 2019. The consultation procedure for the revision of the BVG ended on 29 May 2020 and the Swiss Federal Council adopted the dispatch on the revision of the BVG on 25 November 2020. The deliberations in the Swiss parliament started end of 2021. On March 17, 2023, the Swiss Parliament passed the amendments to the BVG (called "BVG 21"). It is most probable that a referendum against BVG 21 will be held, which means that in all likelihood the Swiss electorate will one day vote on BVG 21. In the absence of a binding revised text of the BVG, the possible impact of the amended BVG on insurance companies and their businesses cannot be determined. Also, in light of the experience with previous BVG reforms, it cannot be excluded that there will be no adjustments to BVG regulations aligning the regulatory framework with actual biological (longevity) and financial market conditions in due course, thereby making it increasingly difficult to operate in this line of business.

## ***Potential changes to International Financial Reporting Standards as issued by the International Accounting Standards Board may adversely affect the consolidated results of the Baloise Group and its financial condition***

The consolidated financial statements of Baloise Group are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("**IASB**"). In March 2004, the IASB introduced a framework for reporting insurance contracts ("**IFRS 4**"), described as Phase I, which, except for selected exceptions, basically allowed the continuation of existing practices for reporting insurance contracts and associated policyholder liabilities that existed before January 2005. In June 2013, the IASB published a revised exposure draft of proposals for the accounting of insurance contracts building on the proposals formulated in the exposure draft published in July 2010, for its IFRS 4 Phase II on insurance contracts. Phase II is expected to introduce significant changes to the way entities that prepare accounts in accordance with IFRS would report insurance contracts. In May 2017 IFRS 17 «Insurance Contracts» was issued by the IASB ("**IFRS 17**"). IFRS 17 is expected to affect significantly the way the consolidated financial position and results of Baloise Group's operations are reported and measured, the impact of which currently cannot be fully assessed. Furthermore, in 2014, the IASB published the final version of the IFRS 9 Standard which will replace the current IAS 39 Standard regarding classification and measurement of financial instruments ("**IFRS 9**"). In addition, in December 2015, the exposure draft «Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts» proposing amendments to IFRS 4 was published. On 17 March 2020, the IASB decided to defer for insurance groups the effective date of the two new standards IFRS 17 and IFRS 9 until 1 January 2023. Both, IFRS 9 and IFRS 17, are expected to affect the way the consolidated financial position and results of Baloise Group's operations are reported and measured. IFRS 17 introduces significant changes to the presentation and measurement of insurance contracts, including the effect of technical reserves and reinsurance on the value of insurance contracts. The new standard changes the reported value of insurance and reinsurance contracts in the balance sheet and recognition of revenue in the profit or loss, and may have a significant impact on the consolidated results of the Baloise Group.

## ***Risks of failure to comply with laws and regulations***

Baloise Group's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to Baloise Group, other well-known companies and the financial services industry in general. In particular Baloise Group's different distribution channels in the countries where it operates business (sales personnel, tied agents, brokers, banking channels, owned and independent financial advisors) bear the risk of inefficiencies or litigation that arise from the failure or perceived failure by Baloise Group's sales representatives to comply with legal, regulatory or compliance requirements or their duty of care when advising clients. Legal sanctions, adverse publicity and damage to its reputation arising from such failure or perceived failure, financial reporting irregularities involving other large and well-known companies, increasing regulatory and law enforcement scrutiny of "know your customer", anti-money laundering and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the insurance and banking industries, and litigation that arises from the failure or perceived failure by entities of the Baloise Group to comply with legal, regulatory and compliance requirements, could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect Baloise Group's ability to attract and retain customers as well as maintain access to the capital markets, result in lawsuits, enforcement actions, fines and penalties or have other adverse effects on Baloise Group in ways that are not predictable.

## ***Litigation risks***

Subsidiaries of Baloise Group are involved in legal, arbitration and other formal and informal dispute resolution proceedings both as plaintiff and respondent.

The outcome of any of such proceedings cannot be determined in advance. Baloise Group is of the opinion that the currently pending proceedings should not have any material detrimental effect on its assets and net income. Nevertheless, this assessment may prove to be inaccurate and therefore could have material adverse effects on Baloise Group's business, financial condition and results of operations.

## ***Risks in connection with changes in tax laws***

Baloise Group's net income and cash flows are determined to a certain extent by current taxation, regulation and application thereof by tax authorities. In addition, changes to tax laws may affect the attractiveness of certain of Baloise Group's products that currently receive favourable tax treatment. Governments in jurisdictions in which Baloise Group does business may consider changes to tax laws that could adversely affect such existing tax advantages, and if enacted, could result in a significant reduction in the sale of such products. The realisation of any of the aforementioned risks could have material adverse effects on Baloise Group's business, financial condition and results of operations.

Previously common practices and regulations regarding the taxation of companies and individuals are currently under scrutiny and change. The financial crisis has incentivised states to seek new sources of revenue. FATCA, as an example, has imposed significant new burdens on financial institutions regarding the documentation, reporting and potentially withholding of payments to US persons. On OECD level, important changes like the automatic exchange of financial account information and the project base erosion and profit shifting (BEPS) including the latest proposals

of the OECD published as Pillar 1 and Pillar 2, have been implemented and/or are currently under consideration. The impact of such changes in practice, which could lead to increased costs and the threat of potential fines for non-compliance, are inherently difficult to predict and may lead to significant costs and additional tax burdens for financial institutions such as Baloise Group.

**Baloise Holding AG assumes no obligation or responsibility to update or adjust the above risk factors. Investors are requested to consult the Term Sheet or the Prospectus, respectively, including all documents incorporated by reference to such Term Sheet or Prospectus, respectively, prior to making any investment in bonds issued by any member of the Baloise Group.**

### **Risk Factors relating to the Bonds**

#### ***The Issuer is a holding company and will depend on the business of its subsidiaries to satisfy its obligations under the Bonds***

The Issuer is a holding company and it has no significant assets other than its ownership interests in its subsidiaries. Consequently, the ability of the Issuer to meet its financial obligations under the Bonds is dependent upon the availability of cash flows from its subsidiaries and affiliated companies through dividends, intercompany advances and other payments. The Issuer's direct and indirect subsidiaries are separate and distinct legal entities and, under certain circumstances, legal and contractual restrictions may limit the ability of these subsidiaries to provide the Issuer with funds for the Issuer's payment of its obligations under its securities, such as the Bonds, whether by dividends, distributions, loans or other payments. The Issuer cannot assure potential investors that the operating results of its subsidiaries at any given time will be sufficient to make dividends, distributions or other payments to it or that any such dividends, distributions or other payments will be adequate to pay principal and interest, and any other payments, on the Bonds and its other indebtedness when due.

The Bonds will be obligations of the Issuer only and will not be guaranteed by any of its subsidiaries. Consequently, in the event of a bankruptcy, liquidation, reorganization or similar proceeding relating to a subsidiary of the Issuer, the right of holders of the Bonds ("**Bondholders**") to participate in a distribution of the assets of such subsidiary will rank behind such subsidiary's creditors (including trade creditors), except to the extent that the Issuer has direct claims against such subsidiary. In the case of any of the foregoing events, there can be no assurance that there will be sufficient assets to pay amounts due on the Bonds.

#### ***The Issuer can incur additional debt***

The Terms of the Bonds do not limit the amount of additional indebtedness or securities that Baloise Group can issue, create, incur or assume and, accordingly, there is no guarantee that Baloise Group does not issue, create, incur, assume or guarantee additional indebtedness or securities. The issue, creation, incurrence or assumption of any such further indebtedness or securities may limit the ability of Baloise Group to meet its respective obligations under the Bonds.

#### ***There is no prior market for the Bonds***

Prior to this offering, there has been no public market for the Bonds. Application will be made for the listing and trading of the Bonds according to the Standard for Bonds on the SIX Swiss Exchange. Baloise Group cannot be certain that an active and liquid trading market for the Bonds will develop or be sustained or that the market price of the Bonds will not decline.

If a market does develop, it may not be liquid. The liquidity of any market will depend upon the number of Bondholders, the market for similar securities, the interest of securities dealers in making a market in the Bonds and other factors. Therefore, investors may not be able to sell their Bonds easily. Illiquidity may have a material adverse effect on the market value of Bonds.

#### ***The market for and price of the Bonds may be volatile***

The market price at which the Bonds will trade will depend upon a number of factors, some of which are beyond the Baloise Group's control. These factors include, but are not limited to:

- the trading liquidity of the Bonds;
- the historical and/or anticipated operating results and financial condition of the Baloise Group or those of other companies in its industry;
- fluctuations in the Baloise Group's financial position or operating results;
- fluctuations of interest rates and spreads for corporate issuers in general;

- general market and economic conditions;
- changes in analysts' recommendations and/or a downgrade or potential downgrade of the Baloise Group 's credit ratings, if any;
- announcements by the Baloise Group and developments affecting the Baloise Group, its business and customers and suppliers and the markets in which the Baloise Group competes; and/or
- the factors listed herein under "*Risk Factors—Risks to Baloise Holding AG (Baloise Holding SA) (Baloise Holding Ltd) and its subsidiaries (together the Baloise Group)*".

In addition, bond markets have from time to time experienced substantial price and volume fluctuations. Such market fluctuations may lead to a drop in the market price of the Bonds. Accordingly, if a Bondholder sells its Bonds in the secondary market, it may not be able to obtain a price equal to the principal amount of the Bonds or a price equal to the price that it paid for the Bonds.

#### ***Investors in the Bonds may be subject to exchange rate risks and exchange controls***

The Baloise Group will pay principal and interest on the Bonds in Swiss francs (CHF). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than CHF. These include the risk that exchange rates may significantly change (including changes due to devaluation of the CHF or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to CHF would decrease (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### ***Investors in the Bonds may be subject to interest rate risks***

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

#### ***The Issuer may redeem the Bonds under certain circumstances***

Subject to a period of not less than thirty (30) calendar days' prior notice to the Principal Paying Agent, the Bonds may be redeemed at the option of the Issuer in whole (but not in part) (a) at any time after the Issue Date and prior to the date falling three months prior to the Maturity Date at par plus interest accrued until (but excluding) the date specified by the Issuer for early redemption, if eighty five (85) per cent or more of the Aggregate Principal Amount has been redeemed or purchased and cancelled; or (b) at any time during the period from (and including) the date falling three months prior to the Maturity Date to (but excluding) the Maturity Date at par plus interest accrued until (but excluding) the date specified by the Issuer for such early redemption; or (c) at any time after the Issue Date and prior to the date falling three months prior to the Maturity Date at par, plus interest accrued until (but excluding) the date specified by the Issuer for such early redemption. This feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the relevant Bonds is generally not expected to rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to exercise its call option to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. There can be no assurance that, at the relevant time, investors will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Bonds. Prospective investors should consider reinvestment risk in light of other investments available at that time.

#### ***The Bondholders rights and remedies may be affected by changes of law***

The Terms of the Bonds are based on Swiss law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Swiss law or administrative practice after the date of this Prospectus.

Changes in the laws of Switzerland after the date hereof may also affect the rights and remedies of Bondholders as well as the market value of the Bonds. Such changes in law may include changes in statutory, tax and other regimes during the life of the Bonds, which may have an adverse effect on investments in the Bonds.

***In certain instances Bondholders may be bound by certain amendments to the Bonds to which they did not consent***

The Bonds are subject to statutory provisions of Swiss law allowing for the calling of meetings of Bondholders to consider matters affecting their interests. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

***The Bonds may not be a suitable investment for all potential investors***

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the Terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (i) Bonds are legal investments for it; (ii) Bonds can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

***The Issuer may, without consent of the Bondholders, substitute another legal entity as issuer under the Bonds***

Under the Bonds, the Issuer may, without the consent of the Bondholders and subject to certain conditions, substitute for itself any other legal entity as issuer of the Bonds. So long as the conditions described in the terms of the Bonds are satisfied, such new issuer may be an entity incorporated in a jurisdiction other than Switzerland or having a different form from the Issuer. In such a case, the rights of Bondholders under the laws of the jurisdiction of such new issuer may differ from the rights of Bondholders against the Issuer under the laws of Switzerland. For example, other types of entities or entities formed in other jurisdictions may be subject to different insolvency regimes or may not be subject to suit in the same manner. As a result, Bondholders may be required to comply with legal procedures for making a claim or enforcing an action against such new issuer specific to the jurisdiction or form of incorporation of such new issuer that differ from the legal procedures required for making a claim or enforcing an action against the Issuer under the laws of Switzerland.

***The Issuer's credit rating may not reflect all risks of an investment in the Bonds***

The Issuer's credit rating may not reflect the potential impact of all risks relating to the market values of the Bonds. However, real or anticipated changes in the Issuer's credit rating will generally affect the market values of the Bonds or may result in a downgrade in the ratings for the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

# GENERAL INFORMATION

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## Notice to Investors

The prospectus (the "**Prospectus**") shall be read and construed on the basis that the annexes hereto are deemed to be incorporated in, and to form part of, this Prospectus.

The financial institutions involved in the issuance and offering of the Bonds are banks, which directly or indirectly have participated, or may participate, in financing transactions and/or other banking business with the Issuer, which are not disclosed herein.

Investors are advised to familiarise themselves with the entire content of this Prospectus.

## Documents Available

Copies of this Prospectus (for the documents incorporated by reference see section below) are available in electronic or printed form, free of charge, upon request at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland, or can be ordered by telephone +41-44-239 47 03 (voicemail), fax +41-44-239 69 14 or by e-mail [swiss-prospectus@ubs.com](mailto:swiss-prospectus@ubs.com).

## Documents incorporated by reference

The following documents shall be deemed to be incorporated in, and form part of this Prospectus (copies of the documents incorporated by reference are available upon request at the address indicated in the preceding paragraph):

1. Annual Report 2022 of Baloise Group:

<https://www.baloise.com/en/home/investors/publications/financial-statements.html>

2. Important Press Releases as follows:

18 January 2023      Michael Müller to be new CEO of the Baloise Group

9 March 2023        Ad hoc announcement pursuant to Art. 53 LR Solid results, increased cash remittance and higher dividend at Baloise

16 March 2023      Christine Theodorovics to become CEO of Baloise in Luxembourg

20 April 2023        Baloise announces repayment of hybrid bonds of CHF 300 million

For the press releases above and further press releases please refer to the following weblink:

<https://www.baloise.com/en/home/news-stories/news/media-releases.html>

3. Articles of Association of the Issuer in their current version:

<https://www.baloise.com/en/home/investors/shareholders/articles-of-association.html>

4. Invitation to the General Meeting of Friday, 28 April 2023 of the Issuer:

<https://www.baloise.com/en/home/investors/shareholders/annual-general-meeting.html>

Copies of the documents incorporated by reference herein are available on the website of the Issuer under [www.baloise.com](http://www.baloise.com) or are also available in electronic or printed form, free of charge, upon request at the Issuer, Investor Relations, Aeschengraben 21, CH-4001 Basel (Telephone +41-58-285 81 81 or by E-Mail [investor.relations@baloise.com](mailto:investor.relations@baloise.com)) or are also available at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland (Telephone +41-44-239 47 03 (voicemail), fax +41-44-239 69 14 or by e-mail [swiss-prospectus@ubs.com](mailto:swiss-prospectus@ubs.com)).

## Prospectus

This Prospectus is available in English language only, except for the Terms of the Bonds in German language, and provides information about the Issuer and the Bonds. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds.

No person has been authorized to give any information or make any representation in connection with the offering of the Bonds other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorised by the Issuer or the Joint-Lead Managers. Neither the delivery of this Prospectus, nor the issue of the Bonds nor any sale thereof shall, in any circumstances, create any implication that there has been no material adverse change in the affairs of the Issuer since the date hereof.

# INFORMATION ON THE BONDS

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## Authorisation / Public Offer

Pursuant to a resolution of the Board of Directors of the Issuer dated 23 August 2022 and the Bond Purchase and Paying Agency Agreement (*Anleihensvertrag*) dated 27 April 2023 between the Issuer on one side and UBS AG, acting through its business division UBS Investment Bank ("**UBS AG**") and Zürcher Kantonalbank (together with UBS AG the "**Joint-Lead Managers**") on the other side, the Issuer has decided to issue the Bonds of CHF 100,000,000 to be paid on 02 May 2023 and maturing on 02 May 2033.

The Bonds will be offered to prospective investors by way of (i) a public offering in Switzerland, and (ii) private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable laws.

## Net Proceeds and Use of Proceeds

The net proceeds of the Bonds, being the amount of CHF 99,728,000.00 (the "**Net Proceeds**") will be used by the Issuer for general corporate purposes. None of the Joint-Lead Managers shall have any responsibility for, or be obliged to concern itself with, the application of the Net Proceeds of the Bonds.

## Notices

All notices in relation to the Bonds will be published in electronic form on the internet site of the SIX Swiss Exchange under the section headed Official Notices (currently: [www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html](http://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html)).

Notices to shareholders of the Issuer are validly made by publication in the Swiss Official Gazette of commerce (*Schweizerisches Handelsamtsblatt*) according to article 39 of the articles of association of the Issuer.

## Information on the Admission to Trading and Listing

The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 27 April 2023. The last trading date will be the second business day prior to the Maturity Date.

Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange.

## Representation

In accordance with Article 58a of the Listing Rules of the SIX Swiss Exchange, UBS AG has been appointed by the Issuer as representative to file the application with the SIX Exchange Regulation Ltd in its capacity as competent authority for the admission to trading (including to provisional admission to trading) and listing of the Bonds on SIX Swiss Exchange.

# INFORMATION ON THE ISSUER

## Name, Legal Form, Registered Office and Head Office, Incorporation

Bâloise Holding Ltd. is a stock corporation (*Aktiengesellschaft*) pursuant to articles 620 et seq. of the Swiss Code of Obligations incorporated under the laws of Switzerland for an unlimited duration with its registered office at Aeschengraben 21, 4001 Basel, Switzerland. It was incorporated on 29 November 1962 (date of registration).

It is registered with the commercial register of the Canton Basel-Stadt under company registration number CHE-102.743.957.

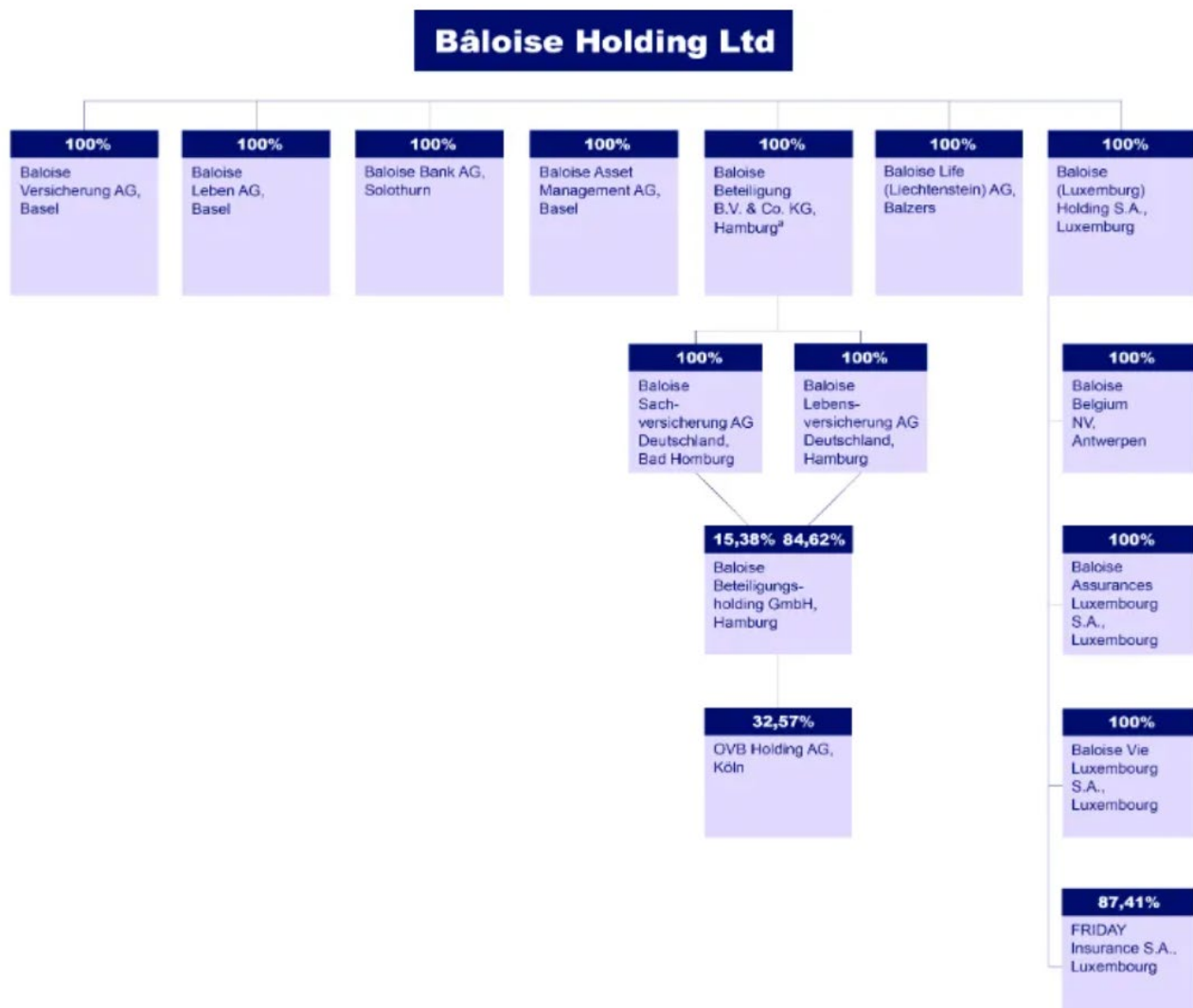
## Articles of Association, Business Purpose

The articles of association of the Issuer in their current version are dated 30 April 2021.

Pursuant to article 2 of the articles of association of the Issuer, the purpose of the Issuer is to ensure the uniform corporate management of all the «Bâloise insurance companies».

The Issuer may also establish, hold equity interests in, acquire or merge with enterprises of any kind in Switzerland and abroad.

## Group<sup>1</sup>



a) Indirectly via Baloise Holding S.a.r.l., Luxembourg and Baloise Saturn Management B.V., Amsterdam  
Version 01.03.2023

<sup>1</sup> Overview of material holding entities and operating entities of Baloise Group.



## Change of Issuer

In accordance with Condition 10 of the Terms of the Bonds (*Anleihebedingungen*), the Issuer has the right, subject to consent of the Bondholders' Representative but without consent required from the Bondholders, to substitute the issuer provided that the new issuer is in a position to fulfil all obligations in accordance with the Terms of the Bonds and, cumulatively, the former issuer so substituted has issued a guarantee in accordance with article 111 Swiss Code of Obligations.

## Management

### *Board of Directors*

<b>Name</b>	<b>Position</b>
Dr. Thomas von Planta	Chairman of the Board
Christoph Mäder	Vice Chairman of the Board
Dr. Maya Bundt	Member
Claudia Dill	Member
Christoph B. Gloor	Member
Hugo Lasat	Member
Dr. Karin Lenzlinger Diedenhofen	Member
Dr. Markus R. Neuhaus	Member
Prof. Dr. Hans-Jörg Schmidt-Trenz	Member
Prof. Dr. Marie-Noëlle Venturi - Zen-Ruffinen	Member

The members of the Board of Directors may be contacted at the registered office of the Issuer.

### *Corporate Executive Committee*

<b>Name</b>	<b>Position</b>
Gert De Winter*	Group Chief Executive Officer
Dr. Alexander Bockelmann	Group Chief Technology Officer
Dr. Matthias Henny	Group Chief Investment Officer
Michael Müller	Chief Executive Officer Switzerland
Dr. Carsten Stolz	Group Chief Finance Officer

\*Gert De Winter has decided to step down as Group CEO. The Board of Directors of Bâloise Holding Ltd has appointed Michael Müller to replace him with effect from 1 July 2023. Further information is available in the press release dated 18 January 2023 which is incorporated into this Prospectus.

The members of the Executive Management Board may be contacted at the registered office of the Issuer.

## Auditor / Auditor Supervision

Ernst & Young AG, Aeschengraben 27, 4051 Basel, Switzerland (the "**Auditor**"), acts as statutory auditor and as auditor of the consolidated financial statements of the Issuer since the business year 2016.

The Auditor is supervised by and registered with the Swiss Federal Audit Oversight Authority (FAOA) under the register number 500646.

## Patents and licenses

The Issuer is not dependent on specific patents or licences.

## Court, arbitral and administrative proceedings

Save as disclosed in this Prospectus, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

## Business activities and outlook on group-wide, consolidated basis

The Baloise Group is an insurance conglomerate which provides prevention, pension, assistance and insurance solutions as well as asset management services. Its core markets are Switzerland, Germany, Belgium and Luxembourg. In Switzerland, with Baloise Bank AG, the Group also operates as a specialised financial services provider, offering a combination of insurance and banking services. The Group offers pension products to retail customers throughout Europe from its competence centre in Luxembourg. It currently employs approx. 8,000 persons.

Reference is made to available disclosures on Baloise's website regarding the company's Investor Day 2020 and to the following key ambitions of our strategic period 2022 - 2025:

- Cash Remittance of CHF 2 bn to Baloise Holding AG in four years (2022-2025)
- 1.5 million additional customers in four years (2022-2025)
- Top 5 percent of the best companies to work for in Europe by the end of 2025
- Net Combined ratio of around 90 percent
- EBIT of the Life business of at least CHF 200 mn
- Attractive and reliable dividend policy with payout in the area of 60% to 80% of the generated cash remittance

This outlook above is subject to the statements made under «Forward-looking Statements» at page 7 of this Prospectus. Further, IFRS 17 and IFRS 9, both effective from 1 January 2023, are expected to affect significantly the way the consolidated financial position and results of Baloise Group's operations are reported and measured, the impact of which currently cannot be fully assessed (cf. «Risk Factors» from page 9 onwards of this Prospectus).

## Annual General Meeting

On 28 April 2023 the Issuer will hold its 60<sup>th</sup> ordinary annual general meeting ("General Meeting"). Among others, the shareholders will vote on amendments to the Articles of Association as set out in the invitation to the General Meeting (see "*Documents incorporated by reference*"). Following the General Meeting the Issuer is expected to publish a media release.

## Capital Structure / Trading Venue Shares

### *Share Capital*

The share capital of the Issuer is CHF 4,580,000, divided into 45,800,000 fully paid up registered shares, each with a par value of CHF 0.10. Voting rights of shareholders are restricted as set forth in articles 5 and 16 of the Issuer's articles of association.

### *Conditional Capital*

The Issuer's share capital may be increased by a maximum of CHF 553,071.50 through the issuance of up to 5,530,715 fully paid-up registered shares with a par value of CHF 0.10 each upon the exercise of warrant or conversion rights granted in conjunction with bonds or similar debt instruments of the Issuer or of the Baloise Group companies. Shareholders' subscription rights shall be excluded. The holders of the pertinent warrants or conversion rights are entitled to subscribe to the new registered shares. The terms of the warrants and conversion rights shall be determined by the Board of Directors. The acquisition of registered shares through the exercise of warrants or conversion rights is subject to the restrictions on entries in the share register as stipulated under Art. 5 of the articles of association.

In connection with the issue of warrants and convertible bonds on the international capital markets, shareholders' pre-emptive subscription rights may be restricted or excluded by a resolution of the Board of Directors. If such pre-emptive subscription rights are excluded, then (i) the warrant or convertible bond must be placed with the public at market conditions; (ii) the exercise period must not exceed seven years from the date of issue in the case of warrants

or 15 years from the date of issue in the case of conversion rights; and (iii) the issue price for the new shares must at least correspond to the market conditions applying at the date of issue of the warrant or convertible bond.

### ***Authorised Capital***

The Board of Directors is authorised to increase the share capital by a maximum of CHF 400,000 on or before 30 April 2023 by issuing a maximum of 4,000,000 fully paid up registered shares with a par value of CHF 0.10 each. Increases by firm underwriting and partial increases are permissible. The Board of Directors shall determine the date on which new shares are to be issued, the issue price, the method of payment, the conditions relating to the exercising of subscription rights, and the date of entitlement to dividend payments. The acquisition of registered shares through the exercising of subscription rights and every subsequent transfer of the new shares are subject to the restrictions on entries in the share register under Art. 5 of the Articles of Association. The Board of Directors is entitled to exclude shareholders' subscription rights and assign them to third parties, if the new registered shares are used for mergers with other companies, the acquisition of companies, parts of companies or shareholdings, or to finance/refinance such transactions. Registered shares for which subscription rights are granted but not exercised must be sold on the market at market conditions. The company law reform that came into effect on 1 January 2023 replaces authorised capital with the concept of the capital band. The General Meeting of the Issuer on 28 April 2023 will be asked to delete the provision relating to authorised capital from the Articles of Association and introduce a capital band with a floor of CHF 4,122,000 and a ceiling of CHF 5,038,000, valid until 28 April 2028. Details of the new provisions regarding the capital band can be found in the invitation to the general meeting of 28 April 2023 (see "*Documents incorporated by reference*"). Following the General Meeting the Issuer is expected to publish a media release.

### ***Trading Venue Shares***

The Issuer's registered shares are listed at SIX Swiss Exchange.

### **Outstanding bonds**

The Issuer and Baloise Life Ltd (with the Issuer acting as guarantor) have issued bonds publicly. At the end of March 2023, a total of 15 public bonds were outstanding. On 20 April 2023, Baloise Group announced and informed investors to pay perpetual hybrid bonds with a volume of CHF 300 million back to the creditors (see "*Press releases*" in "*Documents incorporated by reference*"). For information of the outstanding bonds, please refer to the page 36 of the Annual Report 2022 incorporated by reference into this Prospectus and on the website <https://www.baloise.com/en/home/investors/bonds-rating/bonds.html>.

### **Own equity securities**

As per 31 March 2023, the Issuer holds 306,410 of its own registered shares.

### **Material changes since the most recent financial statements**

Except as disclosed in this Prospectus, there has been no material adverse change in the financial condition or operations of the Issuer since 31 December 2022, which would materially affect its ability to carry out its obligations under the Bonds.

# TAXATION

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The following is a summary of certain tax implications under the laws of Switzerland as they may affect investors. It applies only to persons who are beneficial owners of Bonds and may not apply to certain classes of persons. The Issuer makes no representations as to the completeness of the information nor undertakes any liability of whatsoever nature for the tax implications for investors. Potential investors are strongly advised to consult their own professional advisers in light of their particular circumstances.

## Swiss Federal Withholding Tax

Payments by the Issuer on the Bonds, which classify as interest will be subject to Swiss federal withholding tax (*Verrechnungssteuer*) at a rate of 35%.

A holder of a Bond who is (i) an individual resident in Switzerland and who holds the Bond as private asset and who duly reports the gross amount of the taxable payment in his or her tax return, (ii) a Swiss resident legal entity or (iii) a Swiss resident individual holding the Bond as business assets or (iv) a foreign resident legal entity or individual who holds the Bond through a permanent establishment in Switzerland to which such Bond is attributable and in each case who includes such payment as earnings in its income statement, and who in each case is the beneficial owner of the taxable payment, is entitled to a full refund of the Swiss withholding tax, provided certain other conditions are met.

A holder of a Bond who is resident outside Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment in Switzerland to which such Bond is attributable may be able to claim a full or partial refund of the Swiss withholding tax by virtue of the provisions of a double taxation treaty, if any, between Switzerland and his or her country of residence.

## Swiss Federal Securities Turnover Tax

The issue and the sale/purchase of a Bond on the issuance day (primary market transaction) are not subject to Swiss federal securities turnover tax (*Umsatzabgabe*). Secondary market dealings in Bonds are in principle subject to the Swiss federal securities turnover tax at a rate of up to 0.15% of the purchase price of the Bonds, however, only if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss Federal Stamp Duty Act (*Bundesgesetz über die Stempelabgaben*), is a party or acts as an intermediary to the transaction and no exemption applies.

## Income Taxation on Principal or Interest

### a) *Bonds Held by Non-Swiss Holders*

Payments of interest and repayment of principal by the Issuer to, and gain realized on the sale or tender of Bonds by, a holder of Bonds who is not a resident of Switzerland and who during the current taxation year has not engaged in a trade or business through a permanent establishment in Switzerland to which such Bond is attributable will not be subject to any Swiss federal, cantonal or communal income tax in respect of such Bond.

### b) *Bonds Held as Private Assets by a Swiss Resident Holder*

Individuals who are resident in Switzerland and who hold Bonds as private assets are required to include all payments of interest on such Bonds in their personal income tax return for the relevant tax period and will be taxable on any taxable income for such tax period.

In principle a capital gain, including a gain relating to interest accrued realized on the sale or tender of Bonds by such a Swiss resident holder, is a tax-free private capital gain, and, conversely, a respective loss on the Bond is a non-tax-deductible private capital loss.

*Bonds without a "predominant one-time interest payment":* Swiss resident individuals who hold Bonds without a predominant onetime interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a onetime interest payment) who receive payments of interest on Bonds (either in the form of periodic interest payments or as a one-time-interest-payment such as an issue discount or a repayment premium) are required to include such amounts in their personal income tax return and will be taxable on any taxable income (including the payments of interest on the Bonds) for the relevant tax period. The Holder who receives the one-time-interest-payment on redemption date is taxed on the whole one-time-interest-payment irrespective of when he or she purchased the bond.

### c) *Bonds Held as Business Assets and by Private Persons Classified as Professional Securities Dealers for income tax purposes*

Individuals who hold Bonds as part of a business in Switzerland and Swiss resident corporates and corporate taxpayers resident abroad holding Bonds as part of a permanent establishment in Switzerland, are required to recognize the payments of interest and any gain realized on the sale or tender of such Bonds (including a gain relating to interest accrued) and any loss on such Bonds in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss resident individuals who,

for income tax purposes, are classified as «professional securities dealers» for reasons of, inter alia, frequent dealings and leveraged investments in securities.

### **Automatic Exchange of Information in Tax Matters**

The Automatic Exchange of Information in Tax Matters ("AEI") is a global initiative led by the Organization of Economic Co-Operation and Development ("OECD"). It aims to establish a universal standard for automatic exchange of tax information and to increase tax transparency. Jurisdictions that are committed to implement or have implemented the AEI (such as Switzerland, the EU member countries and many other jurisdictions worldwide) require their Reporting Financial Institutions in accordance with the respective local implementing law to determine the tax residence(s) of their account holders and controlling persons (as applicable) and, in case of reportable accounts, report certain identification information, account information and financial information (including the account balance and related payments such as interest, dividends, other income and gross proceeds) to the local tax authority which will then exchange the information received with the tax authorities in the relevant reportable jurisdictions.

More specifically, Switzerland has concluded a multilateral AEI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEI agreements with several non-EU countries. In accordance with such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland has begun exchange data so collected, and such data may include data about payments made in respect of the Bonds.

## **RESPONSIBILITY STATEMENT**

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Bâloise Holding Ltd, Basel, accepts responsibility for all information contained in this Prospectus and has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading, whether of fact or opinion.

# TERMS OF THE BONDS

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## Anleihebedingungen

### 1. Nennwert / Stückelung / Aufstockung

Die 2.35% Anleihe 2023 – 2033 (Valor 125.636.719 / ISIN CH1256367199) (die «Anleihe») wird anfänglich in einem Betrag von CHF 100,000,000 ausgegeben (die «Basistranche») und ist eingeteilt in auf den Inhaber lautende Obligationen von CHF 5,000 Nennwert und einem Mehrfachen davon (die «Obligationen»). Die Bâloise Holding AG, Aeschengraben 21, CH-4001 Basel, (der «Emittent») behält sich das Recht vor, jederzeit ohne Zustimmung der Inhaber von Obligationen (die «Obligationäre»), in einer oder mehreren Tranche(n) weitere im Zeitpunkt der Zusammenführung mit der Anleihe fungible Obligationen (bezüglich Anleihebedingungen, Valoren- oder sonstiger Wertschriftenkennnummer, Endfälligkeit und Zinssatz) auszugeben (die «Aufstockung»).

### 2. Form der Verurkundung / Verwahrung

- a) Die Obligationen werden als Wertrechte gemäss Artikel 973c des Schweizerischen Obligationenrechts ausgegeben.
- b) Die Wertrechte entstehen, indem der Emittent die Obligationen in ein von ihm geführtes Wertrechtbuch einträgt. Die Wertrechte werden anschliessend ins Hauptregister der SIX SIS AG («Verwahrungsstelle») eingetragen. Mit dem Eintrag im Hauptregister der Verwahrungsstelle und der Gutschrift im Effektenkonto von Teilnehmern der Verwahrungsstelle werden die Wertrechte schliesslich zu Bucheffekten («Bucheffekten») gemäss den Bestimmungen des Bucheffektengesetzes.
- c) Weder der Emittent, noch die Obligationäre, noch sonst wer haben das Recht, die Umwandlung der Wertrechte in Wertpapiere oder eine Globalurkunde und die Auslieferung von Wertpapieren oder einer Globalurkunde zu verlangen oder zu veranlassen.

### 3. Verzinsung

Die Anleihe ist vom 02. Mai 2023 (das «Liberierungsdatum») an zum Satze von 2.35% p.a. (der «Zinssatz») per 02. Mai (die «Zinsfälligkeit») verzinslich, erstmals zahlbar am 02. Mai 2024. Die Zinsberechnung basiert auf dem Nennwert und erfolgt auf der Basis eines Kalenderjahres von 360 Tagen zu 12 Monate zu je 30 Tagen (30/360).

### 4. Laufzeit / Rückzahlung

- a) Rückzahlung bei Endfälligkeit

Die Anleihe hat eine feste Laufzeit vom 02. Mai 2023 bis 02. Mai 2033 (10 Jahre). Der Emittent verpflichtet sich, die Anleihe ohne vorherige Kündigung spätestens am 02. Mai 2033 zum Nennwert zurückzuzahlen.

- b) Vorzeitige Rückzahlung auf Verlangen des Emittenten

Der Emittent ist mittels schriftlicher, unwiderruflicher Mitteilung an UBS AG, Bahnhofstrasse 45, CH-8001 Zürich, (die «Investmentbank») berechtigt, zwischen dem Liberierungsdatum und der Endfälligkeit alle noch ausstehenden Obligationen zum Nennwert samt aufgelaufenem Zins innerhalb einer Frist von mindestens dreissig (30) bzw. längstens sechzig (60) Tagen ab Mitteilungsempfang an dem in der Mitteilung genannten Tag zurückzuzahlen, sofern (i) im Zeitpunkt des Mitteilungsempfangs mindestens 85% des ursprünglichen Nennwerts der Obligationen durch den Emittenten zurückgekauft und entwertet sind sowie (ii) jederzeit in der Frist beginnend 3 Monate vor Endverfall bis Endverfall (3 Monate par call).

- c) Rückkauf zu Anlage- und/oder Tilgungszwecken

Der Emittent ist berechtigt, jederzeit Obligationen in beliebiger Anzahl zu Anlage- oder zu Tilgungszwecken zurückzukaufen. Im Falle von Rückkäufen zu Tilgungszwecken verpflichtet sich der Emittent, die Investmentbank spätestens 30 Bankarbeitstage vor der nächstfolgenden Zinsfälligkeit über diese Rückkäufe in Kenntnis zu setzen. Die Investmentbank wird daraufhin die Reduktion des Nennwerts der Anleihe im Hauptregister der SIX SIS AG und im Wertrechtbuch des Emittenten auf den Zeitpunkt der bevorstehenden Zinsfälligkeit veranlassen.

In diesen Anleihebedingungen bedeutet der Begriff «Bankarbeitstag» ein Tag, an welchem die Schalter von Geschäftsbanken in Zürich ganztags geöffnet sind und Zahlungen und Devisenoperationen durchgeführt werden.

- d) Im Falle einer vorzeitigen Rückzahlung oder Tilgung von Obligationen erfolgt eine Bekanntmachung gemäss Ziffer 11 dieser Anleihebedingungen.

## 5. Anleihedienst / Verjährung

- a) Der Emittent verpflichtet sich, jeweils auf den Fälligkeitstag die geschuldeten Beträge für die Zinszahlungen und rückzahlbaren Obligationen spesenfrei, die Zinszahlungen, jedoch unter Abzug der Eidgenössischen Verrechnungssteuer, zugunsten der Obligationäre zu bezahlen. Die fälligen Zinszahlungen und Rückzahlungen von Obligationen können bei sämtlichen schweizerischen Geschäftsstellen der Hauptzahlstelle geltend gemacht werden:

Die Investmentbank in ihrer Funktion als Hauptzahlstelle für die Anleihe ist nach Rücksprache mit dem Emittenten berechtigt, weitere Banken als Zahlstellen zu bezeichnen, sofern dies für den Emittenten nicht mit zusätzlichen Kosten verbunden ist. Ist der Fälligkeitstag einer Zahlung kein Bankarbeitstag, werden die für den Anleihedienst erforderlichen Geldbeträge jeweils per Valuta nächstfolgenden Bankarbeitstag überwiesen.

- b) Die für den Zinsen- und Kapitaldienst der Anleihe benötigten Mittel wird der Emittent valutagerecht der Investmentbank zugunsten der Obligationäre zur Verfügung stellen. Der korrekte Eingang dieser Zahlungen befreit den Emittenten von den entsprechenden Verpflichtungen gegenüber den Obligationären.
- c) Die Verzinsung der Obligationen endet mit dem Tag der Endfälligkeit. Die Zinsansprüche verjähren fünf Jahre und die Obligationen zehn Jahre nach den entsprechenden Fälligkeitsterminen.

## 6. Steuerstatus

Abgesehen von der Eidgenössischen Verrechnungssteuer von gegenwärtig 35%, welche auf dem Wege des Quellenabzugs oder Einbehalts erhoben und durch den Emittenten an die zur Steuererhebung ermächtigte Stelle abgeliefert wird, sind Kapital und Zinsen dieser Anleihe derzeit ohne jeden Abzug oder Einbehalt irgendwelcher Steuern, Gebühren oder Abgaben, die von irgendeiner in der Schweiz zur Steuererhebung ermächtigten Stelle erhoben würden, zahlbar.

## 7. Status

Die Obligationen dieser Anleihe stellen direkte, ungesicherte, unbedingte und nicht nachrangige Verpflichtungen des Emittenten dar und stehen im gleichen Rang (*pari-passu*) mit allen anderen bestehenden und zukünftigen direkten, ungesicherten, unbedingten und nicht nachrangigen Verbindlichkeiten des Emittenten.

## 8. Negativklausel

Der Emittent verpflichtet sich, während der ganzen Dauer dieser Anleihe und bis zu ihrer vollständigen Rückzahlung keine bestehenden oder zukünftigen kapitalmarktmässig begebenen Finanzierungsinstrumente,



wie Anleihen, Schuldverschreibungen, Notes oder ähnliche Schuldverpflichtungen mit besonderen Sicherheiten auszustatten zu lassen, ohne diese Anleihe mit gleicher oder gleichwertigen Sicherheiten zu versehen.

## 9. Verzug

Die Investmentbank hat das Recht, nicht aber die Pflicht, alle ausstehenden Obligationen dieser Anleihe, einschliesslich aufgelaufener Zinsen, unverzüglich und ohne weiteres als fällig und zu ihrem Nennwert zahlbar zu erklären, falls eines der nachstehenden Ereignisse (je ein «Verzugsfall») eintritt:

- a) Der Emittent befindet sich ab Fälligkeitstermin mit der Zahlung von Zinsen oder Kapital dieser Anleihe mehr als zehn Tage im Rückstand;
- b) Der Emittent verletzt eine wesentliche Bestimmung dieser Anleihebedingungen und hat diesen Mangel nicht innert einer Frist von dreissig Tagen nach Empfang einer schriftlichen Anzeige durch die Investmentbank behoben;
- c) Der Emittent oder eine seiner Wichtigen Tochtergesellschaften wird zur vorzeitigen Rückzahlung einer anderen Anleihe, Schuldverschreibung oder einer mittel- oder ähnlichen, langfristigen Darlehensschuld, jeweils mit einem Mindestbetrag von CHF 10 Millionen (oder dem Gegenwert in einer anderen Währung) verpflichtet, weil er irgendeiner wesentlichen, damit übernommenen Verpflichtung oder Auflage (einschliesslich Rückzahlung bei Endfälligkeit) nicht nachgekommen ist und die betreffenden Beträge nicht innerhalb einer allfälligen Nachfrist bezahlt worden sind;
- d) Der Emittent oder eine seiner Wichtigen Tochtergesellschaften schliesst ein Stillhalte- oder ähnliches Abkommen mit seinen/ihren Gläubigern ab, es sei denn, die Obligationäre werden nach Ansicht eines unabhängigen Experten gegenüber den übrigen Gläubigern nicht benachteiligt.

In diesen Anleihebedingungen gilt als «Stillhalte- oder ähnliches Abkommen» jede Vereinbarung, welche der Emittent mit einem oder mehreren Finanzgläubiger(n) (z.B. Banken) trifft, u.a. mit dem Ziel, dass diese(r) Finanzgläubiger einwilligt, bis zum Ablauf einer für alle an einem solchen Abkommen beteiligten Parteien verbindlich festgelegten Frist unter genau festgelegten Bedingungen auf die Rückzahlung und die Kündigung der Guthaben gegenüber dem Emittenten zu verzichten;

- e) Der Emittent oder eine seiner Wichtigen Tochtergesellschaften ist zahlungsunfähig, droht zahlungsunfähig zu werden bzw. befindet sich in Konkurs, stellt ein Begehren um Konkursaufschub oder Nachlassstundung;
- f) Der Emittent oder eine seiner Wichtigen Tochtergesellschaften ändert seine/ihre rechtliche oder wirtschaftliche Struktur durch (i) Liquidation, (ii) Fusion bzw. Restrukturierung, (iii) Veräusserung aller oder nahezu aller Aktiven oder (iv) Änderung des Gesellschaftszweckes bzw. der Geschäftstätigkeit, sofern einer der unter (i) bis (iv) genannten Vorgänge nach Ansicht eines unabhängigen Experten einen wesentlichen Einfluss auf die Fähigkeit des Emittenten hat, seine gegenwärtigen oder zukünftigen Verpflichtungen aus dieser Anleihe zu erfüllen, es sei denn, die Investmentbank erachte die Situation der Obligationäre zufolge der vom Emittenten bestellten Sicherheiten bzw. getroffenen Massnahmen als ausreichend gesichert.

Als «Wichtige Tochtergesellschaft» gilt in diesen Anleihebedingungen jedes führungsmässig in die Unternehmensgruppe des Emittenten integrierte bzw. vollkonsolidierte Unternehmen, oder ein Unternehmen, in dem der Emittent eine beherrschende Stellung einnimmt, soweit deren Bilanzsumme und/oder deren durchschnittliches Betriebsergebnis der letzten 3 Jahre vor Steuern 7.5% oder mehr der konsolidierten Bilanzsumme und/oder des konsolidierten durchschnittlichen Betriebsergebnisses der letzten drei Jahre vor Steuern ausmacht, wobei die Bilanzsummen und/oder die durchschnittlichen Betriebsergebnisse vor Steuern

- i) aufgrund der jeweils letzten geprüften Einzel- bzw. konsolidierten Geschäftsberichte der Wichtigen Tochtergesellschaften bzw. des Emittenten; oder
- ii) falls ein Rechtssubjekt erst nach Publikation der geprüften Einzel- bzw. konsolidierten Geschäftsberichte eine Wichtige Tochtergesellschaft im Sinne dieser Anleihebedingungen wird, aufgrund der letzten geprüften und konsolidierten Geschäftsberichte des Emittenten, ergänzt durch einen Bericht des Rechnungsprüfers des Emittenten in Bezug auf die Bilanzsumme, und/oder das

durchschnittliche Betriebsergebnis der letzten drei Jahre vor Steuern des entsprechenden Rechtssubjektes bestimmt werden.

Eine Tochtergesellschaft des Emittenten gilt in Zweifelsfällen so lange als Wichtige Tochtergesellschaft im Sinne dieser Anleihebedingungen bis der Emittent mittels eines schriftlichen Berichtes seines Rechnungsprüfers nachgewiesen hat, dass die Tochtergesellschaft die Voraussetzungen einer Wichtigen Tochtergesellschaft im Sinne dieser Anleihebedingungen nicht mehr erfüllt. Die Investmentbank und allenfalls beigezogene unabhängige Experten haben das Recht, Informationen vom Emittenten und, falls notwendig, einen schriftlichen Bericht des Rechnungsprüfers in Bezug auf eine Tochtergesellschaft, welche aufgrund ihres letzten Geschäftsberichtes als Wichtige Tochtergesellschaft im Sinne dieser Anleihebedingungen zu qualifizieren ist, zu verlangen.

Für den Fall des Eintretens eines der unter lit. (c) bis (f) erwähnten Fälle verpflichtet sich der Emittent, die Investmentbank unverzüglich zu benachrichtigen und ihr die zur Beurteilung notwendigen Auskünfte umgehend zu erteilen. Dabei ist die Investmentbank berechtigt, sich in vollem Umfang auf die ihr vom Emittenten abgegebenen Unterlagen und Erklärungen zu verlassen. Die Investmentbank ist nicht verpflichtet, selbst Schritte zu unternehmen, um abzuklären, ob ein Ereignis eingetreten ist, das zu einer vorzeitigen Zahlbarstellung der Obligationen führen würde.

Die Investmentbank kann beim Eintreten eines der vorstehend unter lit. a) bis f) erwähnten Falles die Obligationäre gemäss Artikel 1157 ff. OR zur Beschlussfassung über die Vornahme der Kündigung zu einer Gläubigerversammlung einladen. Der an einer solchen durch die Investmentbank einberufenen Gläubigerversammlung erfolgte Entscheid, die Anleihe zu kündigen, tritt dann an die Stelle des der Investmentbank vorbehaltenen Rechts, die Anleihe namens der Obligationäre fällig zu stellen. Spricht sich die Gläubigerversammlung gegen eine Kündigung der Anleihe aus, so fällt das Recht zur Vornahme der Kündigung an die Investmentbank zurück, wobei die Investmentbank an den negativen Entscheid der Gläubigerversammlung nicht gebunden ist, soweit neue Umstände vorliegen bzw. bekannt werden, die eine Neubeurteilung des Sachverhalts erfordern. Ausserdem hat Investmentbank das Recht auf eigene Kosten, einen unabhängigen Experten beizuziehen.

Die Anleihe, zuzüglich aufgelaufener Zinsen bis zum korrekten Eingang der Mittel gemäss Ziffer 5 lit. (b) dieser Anleihebedingungen, wird 30 Tage nach Empfang der schriftlichen, von der Investmentbank an den Emittenten gerichteten Anzeige fällig, ausser wenn der Grund für die Fälligkeitserklärung vorher behoben oder wenn für Kapital, fällige sowie zukünftige Zinsen der Anleihe den Obligationären nach Ansicht der Investmentbank angemessene Sicherheit geleistet wird.

Alle Bekanntmachungen betreffend eine solche vorzeitige Kündigung erfolgen durch die Investmentbank gemäss Ziffer 11 dieser Anleihebedingungen.

## **10. Schuldnerwechsel**

Der Emittent ist jederzeit berechtigt, mit Zustimmung der Investmentbank aber ohne Zustimmung der Obligationäre, eine andere juristische Rechtspersönlichkeit (den «Neuen Emittenten») für sämtliche Verpflichtungen aus oder im Zusammenhang mit dieser Anleihe an die Stelle des Emittenten zu setzen, sofern

- a) der Neue Emittent alle Verpflichtungen des Emittenten im Zusammenhang mit dieser Anleihe übernimmt und der Investmentbank nachweist, dass er alle sich im Zusammenhang mit dieser Anleihe ergebenden Zahlungsverpflichtungen erfüllen sowie die hierzu erforderlichen Beträge zugunsten der Obligationäre an die Investmentbank auf den jeweiligen Verfalltag valutigerecht überweisen kann (siehe Ziffer 5 lit. (b) dieser Anleihebedingungen),

und

- b) der Emittent in schriftlicher Form eine unbedingte und unwiderrufliche Garantie gemäss Art. 111 OR hinsichtlich aller aus dieser Anleihe erwachsenden Verpflichtungen abgibt.

Im Falle eines solchen Schuldnerwechsels gilt jede in diesen Anleihebedingungen aufgeführte Bezugnahme auf den Emittenten als auf den Neuen Emittenten bezogen.

Ein derartiger Schuldnerwechsel ist gemäss Ziffer 11 dieser Anleihebedingungen zu veröffentlichen.

## **11. Mitteilungen**

Alle diese Anleihebedingungen betreffenden Mitteilungen werden durch die Investmentbank durch elektronische Publikation auf der Website der SIX Swiss Exchange AG veranlasst

(<https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/>).

## **12. Kotierung**

Die Kotierung der Anleihe an der SIX Swiss Exchange AG wird durch Vermittlung der Investmentbank beantragt und bis zum zweiten Bankarbeitstag vor dem Rückzahlungstermin infolge Fälligkeit aufrechterhalten. Die Aufhebung der Kotierung infolge Endfälligkeit der Anleihe gemäss Ziffer 4 der Anleihebedingungen erfolgt ohne vorherige Bekanntmachung.

## **13. Anwendbares Recht / Gerichtsstand**

Form, Inhalt und Auslegung dieser Anleihebedingungen unterstehen materiellem Schweizer Recht.

Alle Streitigkeiten, zu welchen die Obligationen Anlass geben, fallen in die ausschliessliche Zuständigkeit der Gerichte von Basel-Stadt.

## **14. Änderung der Anleihebedingungen**

Die Anleihebedingungen können jederzeit in Übereinkunft zwischen dem Emittenten und der Investmentbank namens der Obligationäre abgeändert werden, vorausgesetzt, dass diese Änderungen rein formaler, geringfügiger oder technischer Natur sind, oder dass diese Änderungen gemacht werden, um einen offenkundigen Irrtum zu korrigieren. Eine solche Änderung der Anleihebedingungen ist für alle Obligationäre bindend.

Die Veröffentlichung einer solchen Änderung der Anleihebedingungen erfolgt gemäss Ziffer 11 dieser Anleihebedingungen.

