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# Helvetia & Baloise Merger of Equals

## Shareholder Brochure

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## Letter from the Chairs

### Dear Shareholders,

We are delighted to present to you the proposed merger of equals between Helvetia and Baloise, a transformative combination that will create Helvetia Baloise Holding Ltd, the second largest insurance group in Switzerland and a leading European insurer. This merger is the result of extensive negotiations between our two esteemed companies, focused on delivering substantial value to our shareholders.

At the forthcoming Extraordinary General Meetings of Helvetia and Baloise, each planned for 23 May 2025, we will seek your approval for this merger. The Board of Directors of both companies have unanimously endorsed the proposal, recognizing the significant benefits it will bring to our respective shareholders, policyholders, partners, and employees. Additionally, Helvetia's 34.1% anchor shareholder, Patria Genossenschaft, fully supports the merger.

### Creating a Leading European Insurance Group

The merger of Baloise and Helvetia will create one of the largest Continental European insurers with attractive positions in eight European markets and in global specialty business. By joining forces as equal partners, we will create a top-tier insurance group, poised to capitalize on growth opportunities in both life and non-life segments. The combined company will be rooted in the highly attractive Swiss market, establishing itself as the second largest player in aggregate life and non-life volumes with a ~20% market share. This strategic combination will allow us to leverage our combined product portfolio across our diversified geographies in Europe, enabling us to offer a comprehensive range of insurance solutions to our clients.

### Strategic Rationale and Synergies

The strategic logic behind this merger of equals is compelling. We anticipate realizing significant synergies with attractive value creation potential for all stakeholders. The merger is expected to generate approx. CHF 350 million in run-rate pre-tax cost synergies,

corresponding to a run-rate cash uplift of approx. CHF 220 million net of taxes and post policyholder participation that would meaningfully enhance our dividend capacity with approx. 20% uplift by 2029 compared to extrapolated consensus estimates. The transaction is expected to be seamlessly executed, leveraging our shared values, culture and aligned strategic goals and vision. Our highly experienced management teams are committed to delivering on these strategic objectives.

### Strict Focus on Capital Efficiency

The combined company will have a strict focus on capital efficiency and will manage its businesses according to capital return targets. Our joint merger plan is focused on meeting or exceeding individual capital efficiency hurdle rates and our portfolio will be regularly assessed based on those criteria.

### Leadership and Governance

The leadership team of the combined company will include experienced executives from both Baloise and Helvetia, ensuring a smooth integration and continued success. The Board of Directors will be composed equally of members from each company, reflecting a balanced governance structure that leverages the strengths of both organizations.

### Looking Ahead

We are confident that this merger of equals will create long-term value for our shareholders and align with the best interests of all stakeholders. We appreciate your trust and support as we embark on this exciting journey together. We look forward to your participation in the upcoming Extraordinary General Meetings and to working together to drive the successful development of the combined company.

Thank you for your continued support and confidence in our vision.

Sincerely,

Thomas von Planta, Chairman of Baloise

Thomas Schmuckli, Chairman of Helvetia

# 1. Strategic Logic and Benefits of the Merger

The merger of Baloise and Helvetia will create a leading European insurance group with strong Swiss roots. With CHF 20 billion in business volume, the combined company will hold a leading market share in Europe and create an insurance powerhouse in Switzerland, excelling in both the life and non-life segments, driven by innovative products and an enhanced customer focus.

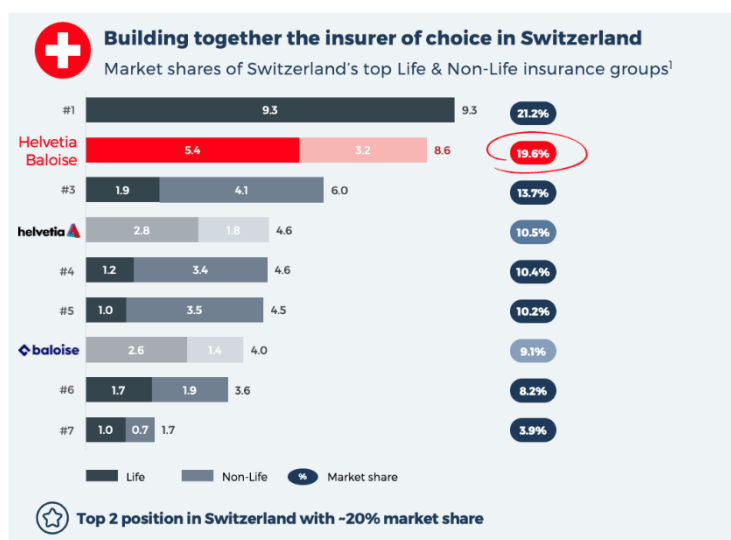
The compelling strategic fit of this merger is evident in the perfect-match business model that aligns seamlessly in our highly attractive home market Switzerland. By leveraging complementary strengths such as Helvetia's global specialty business and Baloise's banking capabilities, we are striving to maximize efficiency and impact. We will leverage our overlapping regional presence in Switzerland and Germany to unlock significant synergy potential. Additionally, our growth-driven complementary regions such as Spain, Belgium, Italy, Austria, and Luxembourg will enhance the geographic diversification and create a joint platform for focused, yield-oriented growth.

The merger presents substantial value creation potential, with cost synergy opportunities estimated at a run-rate of approx. CHF 350 million, corresponding to approx. CHF 220 million cash uplift net of taxes and post policyholder participation. These synergies will be achieved through operational efficiencies and strategic integrations, creating a streamlined platform for future profitable growth. Additionally, the combined company will confirm its commitment to pay dividends at least equal to prior year and we expect by 2029 a dividend capacity uplift of approx. 20% compared to extrapolated consensus estimate, thanks to enhanced cash generation. Lastly, the combined company will benefit from a strong capital position with an estimated SST ratio above 240% as of 1 January 2025.

Our strong cultural fit is rooted in both companies' 160-year histories in Switzerland. Through partnerships and sponsorships we have both built a strong connection with Swiss society and this work will continue as part of our unified corporate culture. Our commitment to all of our stakeholders is further reinforced by Patria Genossenschaft, a strong and long-term oriented shareholder, dedicated to supporting the combined company on its journey to create value for all its stakeholders, including society and community.

Our market-leading teams at both Board of Directors and Group Executive Board will drive the success of the combined company. Managed by Fabian Rupprecht, an impact-driven leader with a proven track record in the industry, the executive team is highly experienced and committed to excellence. The proposed governance structure will ensure balanced representation from both companies, ensuring a smooth integration, accountability, and strategic oversight.

## Switzerland market position and market share by GWP (FINMA, 2023)



Source: Swiss Financial Market Supervisory Authority 2023  
1. Ranking by Premiums Written 2023 excl. Health (in CHF Bn)

## 2. Transaction Details

The Boards of Directors of Helvetia Holding Ltd and Baloise Holding Ltd approved and signed a merger agreement on 21 April 2025. They will propose to their respective Extraordinary General Meetings, planned on 23 May 2025, the approval of the merger and the merger agreement.

The transaction is agreed between two parties which consider themselves equal. However, for practical purposes, the transaction will be structured as a merger by absorption according to the Swiss Merger Act (Fusionsgesetz) by which Baloise Holding Ltd will be dissolved and all its assets and liabilities will be transferred to Helvetia Holding Ltd. As a result, Baloise shareholders will receive 1.0119 Helvetia shares for each Baloise share (the “exchange ratio”). The exchange ratio is fixed and not subject to share price fluctuations and is already adjusted for the dividends proposed to the respective Annual General Meetings. Its financial appropriateness has been confirmed by a fairness opinion from IFBC, Zurich, which was prepared independently. The combined company will change its name to Helvetia Baloise Holding Ltd and will move its legal headquarters to Basel. The initial composition of the Board of Directors and Group Executive Board will be balanced, with equal representation from both Helvetia and Baloise, ensuring a governance structure that leverages the strengths of both organizations.

Subject to the approval of the merger by the respective Extraordinary General Meetings of Baloise and Helvetia and the receipt of all necessary regulatory approvals, the main steps for the merger will be as follows:

**1. Capital increase:** Helvetia Holding Ltd will issue up to 46,460,000 new registered shares with a nominal value of CHF 0.02 each, to be fully paid up, thereby increasing its share capital from CHF 1,060,513.70 by up to CHF 929,200.00 to up to CHF 1,989,713.70. The existing Helvetia shareholders' subscription rights will be excluded. The newly issued shares will be paid out of the surplus assets resulting from the transfer of all assets and liabilities from Baloise Holding Ltd to Helvetia Holding Ltd.

**2. Exchange of shares:** The newly issued Helvetia Holding Ltd shares will be used to exchange Baloise's shares at an exchange ratio of 1:1.0119, i.e., each Baloise shareholder shall receive 1.0119 newly issued Helvetia shares for one Baloise share. Any fractions arising from the exchange of Baloise shares for Helvetia shares will be settled in cash.

**3. Merger, name change and transfer of the registered office:** As a result of the merger, Baloise Holding Ltd will be dissolved and all its assets and liabilities will be transferred to Helvetia Holding Ltd. Helvetia Holding Ltd will be renamed to “Helvetia Baloise Holding Ltd” and transfer its registered office to Basel.

**4. Delisting of Baloise shares:** The Baloise shares will be delisted.

**5. Listing of newly issued Helvetia Baloise Holding Ltd shares:** The newly issued shares of “Helvetia Baloise Holding Ltd” (after it has been renamed) will be listed on the SIX Swiss Exchange under the new ticker “HBAN”.

Steps 1 to 4 above will occur simultaneously on the date of registration of the merger in the commercial register, which is expected to occur during Q4 2025 (the “closing”). The listing of the new “Helvetia Baloise Holding Ltd” shares according to step 5 will take place on the first trading day after closing.

The current statutory auditor of Helvetia, KPMG, Zurich, is to remain in its position for a transitional period following the completion of the merger. The parties intend to re-tender the audit mandate by 2027 at the latest, in view of the election of the statutory auditor at the Annual General Meeting in 2028.

**Table: Summary Of Key Merger Terms**

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<b>Merger Structure</b>	<ul style="list-style-type: none"><li>• Merger of equals based on market values (30-day volume weighted average price (VWAP) prior to announcement), with an implied merger ratio of approx. 53% Helvetia / 47% Baloise</li><li>• Merger structure: Baloise merges into Helvetia, with Helvetia Holding Ltd to be renamed to "Helvetia Baloise Holding Ltd"</li><li>• 100% share consideration</li></ul>
<b>Main Shareholder</b>	<ul style="list-style-type: none"><li>• Patria Genossenschaft (34.1% shareholder in Helvetia) committed to vote in favour of the merger</li></ul>
<b>Exchange Ratio</b>	<ul style="list-style-type: none"><li>• Fixed exchange ratio of 1.0119 Helvetia shares for each Baloise share outstanding</li><li>• Any fractions arising from the exchange of Baloise shares for Helvetia shares will be settled in cash</li></ul>
<b>Company Name &amp; Headquarters</b>	<ul style="list-style-type: none"><li>• Helvetia Baloise Holding Ltd (Ticker: HBAN)</li><li>• Headquarters and registered domicile: Basel</li></ul>
<b>Board Composition</b>	<ul style="list-style-type: none"><li>• Board of Directors: comprised of 14 members consisting of 7 from Baloise and 7 from Helvetia</li><li>• Chair: Thomas von Planta (Chairman of Baloise)</li><li>• Vice-Chair: Ivo Furrer (member of Helvetia's Board of Directors)</li></ul>
<b>Leadership</b>	<ul style="list-style-type: none"><li>• CEO: Fabian Rupprecht (CEO of Helvetia)</li><li>• Deputy CEO and Head of Integration: Michael Müller (CEO of Baloise)</li></ul>
<b>Dividends</b>	<ul style="list-style-type: none"><li>• Each company will distribute ordinary dividends related to their full-year 2024 results subject to approval by shareholders at their respective Annual General Meetings on 25 April 2025</li><li>• Baloise's share buy-back programme will not be implemented, provided that the merger is approved by the shareholders at the Extraordinary General Meetings</li></ul>
<b>Required Approvals</b>	<ul style="list-style-type: none"><li>• Subject to approval from Baloise's and Helvetia's shareholders at respective Extraordinary General Meetings planned on 23 May 2025</li><li>• Customary regulatory approvals</li><li>• Anticipated closing in Q4 2025</li></ul>

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**Table: Key Financial Metrics**

<b>Key Figures</b>	<b>Helvetia</b>	<b>Baloise</b>	<b>Helvetia Baloise<sup>1</sup></b>
FY 2024 data in CHF million			
Premiums Written Life <sup>2</sup>	4,128	4,484	8,611
Premiums Written Non-life	7,425	4,120	11,545
<b>Total Business Volume</b>	<b>11,553</b>	<b>8,604</b>	<b>20,156</b>
Net income attributable to shareholders	482	385	867
<b>Combined ratio</b>	<b>95%</b>	<b>93%</b>	<b>94%</b>
Shareholders' equity <sup>3</sup>	3,660	3,630	7,290
<b>Dividend payout<sup>4</sup></b>	<b>355</b>	<b>371</b>	<b>726</b>

Notes:

<sup>1</sup> Presented pro-forma combined figures are highly preliminary and represent the aggregated, unadjusted figures of Helvetia and Baloise.

<sup>2</sup> Including Deposits Life

<sup>3</sup> Excluding non-controlling interests and preference shares

<sup>4</sup> FY 2024 based on the "dividend payout proposed to the respective Annual General Meeting in FY 2025" times the "number of shares issued"

### 3. Impact of the Merger

The merger will result in a stronger financial profile for the combined company versus standalone, with enhanced cash generation and dividend capacity. The combined company will benefit from a strong balance sheet and capital position and is expected to create substantial synergies, with expected run-rate pre-tax cost savings of approx. CHF 350 million, corresponding to approx. CHF 220 million cash uplift net of taxes and post policyholder participation. As a result, we expect a ~20% uplift in dividend capacity by 2029 compared to extrapolated consensus estimate. In particular, we expect the first uplift in dividends from synergy realisation net of integration costs by 2028 above current combined expectations.

Additionally, the combined entity will benefit from a strong capital position with an estimated SST ratio as of 1 January 2025 above 240%.

The management teams of both companies have identified areas of cost synergies which come on top of both companies' existing and previously communicated standalone efficiency plans. The combined company will run a streamlined organization by consolidating teams where applicable. Redundancies shall be achieved through natural fluctuation and early retirement whenever possible. We expect additional merger-related synergies in the areas of general administrative expenses and central costs, in addition to efficiency and scale gains. To achieve our synergy targets, we expect total integration costs of approx. CHF 500-600 million (pre-tax and before policyholder participation) in the coming years, most of which are expected to be incurred by the end of 2028.

The seamless execution of our joint integration plan is of highest priority and supported by several compelling drivers. Firstly, the combined company's leadership team is highly committed, motivated, and experienced, providing a strong foundation for effective decision-making and strategic direction. Michael Müller, CEO of Baloise, will be leading the task force in charge of the integration. Secondly, the similarity of our business models, operational setups, and aligned governance structures facilitate a smooth and efficient transition. High levels of alignment will mean that both organizations can operate cohesively, leveraging each other's strengths. Thirdly, there is a strong cultural fit across our organizations, as we share a common vision, values, and heritage. This cultural alignment fosters collaboration and mutual understanding, which are crucial for a successful integration. Finally, both sides bring along valuable experience and insights from past integration processes within their respective companies, allowing for knowledge sharing, the application of best practice. This history of successful integrations provides management with confidence that we can effectively take advantage of the opportunities that arise, ultimately leading to a successful and seamless integration.

## 4. Governance and Leadership

The Group Executive Board of the combined company will include experienced executives from both Helvetia and Baloise. The Board of Directors will consist of 14 members, with seven members from each of Baloise and Helvetia, creating a balanced governance structure. The new company will be led by a CEO from Helvetia and a Deputy CEO and Head of Integration from Baloise, with a Board of Directors' Chair from Baloise and Vice-Chair from Helvetia. This structure will ensure continuity and leverage the strengths of both organizations.

### Board of Directors

#### Representatives from Baloise

**Thomas von Planta** - Designated Chairman

**Christoph Mäder**

**Guido Furer**

**Markus Neuhaus**

**Marie-Noëlle Venturi Zen-Ruffinen**

**Vincent Vandendael**

*7th Board member of Baloise will be announced by 30 April 2025 at the latest.*

#### Representatives from Helvetia

**Ivo Furrer** - Designated Vice-Chairman

**Thomas Schmuckli**

**René Cotting**

**Beat Fellmann**

**Gabriela Maria Payer**

**Yvonne Wicki Macus**

**Luigi Lubelli**

## Group Executive Board

<b>Chief Executive Officer</b>	Fabian Rupprecht
<b>Deputy Chief Executive Officer &amp; Chief Integration Officer</b>	Michael Müller
<b>Chief Financial Officer</b>	Matthias Henny
<b>Chief Investment Officer</b>	André Keller
<b>Chief Executive Officer Belgium</b>	Christophe Hamal
<b>Chief Executive Officer Germany</b>	Jürg Schiltknecht
<b>Chief Executive Officer Luxembourg, Austria, Italy</b>	Christine Theodorovics
<b>Chief Executive Officer Switzerland</b>	Martin Jara
<b>Chief Executive Officer Spain</b>	Juan Estallo
<b>CEO Specialty Markets</b>	David Ribeaud
<b>Chief Technology Officer</b>	Alexander Bockelmann
<b>Chief Human Resources Officer</b>	Esther Roman
<b>Chief Risk Officer</b>	<i>Open</i>

## 5. Indicative Timeline

The merger process will follow a structured timeline. Key dates and milestones include:

<b>22 April 2025</b>	<ul style="list-style-type: none"><li>• Merger announcement</li><li>• Media conference</li><li>• Webcast for analysts and investors</li><li>• Publication of merger documents</li></ul>
<b>By 30 April 2025</b>	<ul style="list-style-type: none"><li>• Publications of invitations to the Extraordinary General Meetings of Helvetia and Baloise in the Swiss Official Gazette of Commerce (SHAB)</li></ul>
<b>23 May 2025</b>	<ul style="list-style-type: none"><li>• Extraordinary General Meeting of Helvetia Holding Ltd<ul style="list-style-type: none"><li>◦ Approval of the merger and the merger agreement</li><li>◦ Approval of the capital band for the issuance of new shares to Baloise shareholders as part of the merger</li><li>◦ Change of company name to “Helvetia Baloise Holding Ltd”</li><li>◦ Relocation of the headquarters and registered office to Basel</li><li>◦ Election of the proposed board members for the combined company</li><li>◦ Further changes to the articles of association and resolutions</li></ul></li><li>• Extraordinary General Meeting of Baloise Holding Ltd<ul style="list-style-type: none"><li>◦ Approval of the merger and the merger agreement</li></ul></li></ul>
<b>Q4 2025</b>	<ul style="list-style-type: none"><li>• Expected closing of the merger, with the last trading day of Baloise shares</li><li>• First trading day of the new shares of the combined company on the SIX Swiss Exchange (one trading day after closing of the merger), along with the publication of the approved listing prospectus</li></ul>

# 6. Frequently Asked Questions

## **What are the benefits of the merger for Baloise and Helvetia shareholders?**

The merger creates a leading insurance group with a strong market position in Switzerland and Europe. Shareholders will benefit from enhanced market presence, improved financial performance, and increased dividend capacity. This merger of equals is expected to create long-term value and align with the best interests of all stakeholders.

## **How was the exchange ratio determined, and was it independently verified?**

The exchange ratio was determined by the Board of Directors of Baloise and Helvetia and reflects the volume weighted average price (VWAP) of the shares of both companies over the last 30 trading days preceding the announcement. An independent fairness opinion was obtained from IFBC, Zurich, to confirm that the exchange ratio is fair and adequate from a financial perspective.

## **What happens to Baloise shareholders who do not receive a whole number of shares in the combined company?**

Shareholders who do not receive a whole number of shares in the combined company will receive a cash payment for fractional shares.

## **What do Baloise shareholders need to do to receive shares in the combined company?**

Baloise shareholders do not need to take any action. The exchange of Baloise shares for shares in the combined company will be handled automatically by the respective depository banks.

## **What do Helvetia shareholders need to do to receive shares in the combined company?**

Helvetia shareholders do not need to take any action as they are already shareholders of Helvetia Holding Ltd, which will be renamed to "Helvetia Baloise Holding Ltd", therefore making them already shareholders of the combined company.

## **Will Baloise shareholders be automatically registered in the combined company's shareholder register?**

The registration of Baloise shareholders in the combined company's shareholder register will be made via their depository banks, based on the recorded registration instructions.

## **What will happen to the existing Baloise and Helvetia shares?**

Existing Baloise shares will be exchanged automatically for shares in "Helvetia Baloise Holding Ltd" upon closing of the merger. Baloise shares will be delisted, and Helvetia shares will continue to be listed on SIX Swiss Exchange, under the new name as well as new ticker "HBAN".

## **What is the future dividend policy of the combined company?**

The combined company aims to maintain an attractive, shareholder-friendly dividend framework and confirms its commitment to pay dividends at least equal to the prior year.

## **Where can I find more information about the merger?**

Further information about the merger can be found on the companies' websites:

Helvetia: [www.helvetia.com/merger-documents](http://www.helvetia.com/merger-documents)

Baloise: [www.baloise.com/merger](http://www.baloise.com/merger)

## **For any additional questions, please contact our Investor Relations teams.**

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