



MUANG THAI LIFE ASSURANCE CO.,LTD.



Solid partners, flexible solutions

## Press release

Bangkok/Brussels/Utrecht, 8 March 2004

### **Fortis and the Muang Thai Group enter into a strategic partnership to expand insurance activities in Thailand**

**Today Muang Thai and Fortis signed an agreement under which Fortis will acquire 25% of Muang Thai Life Assurance (MTL - Life insurance) and 25% of Muang Thai Insurance (MTI - Non-life), as well as 20% of Muang Thai Holding.**

The Muang Thai group occupies a leading position in the Thailand insurance sector. MTL is a market leader in the Life sector and MTI has developed a strong position in Non-life. Both companies benefit from strong agency platforms, and MTL has recently signed a bancassurance distribution agreement with Kasikorn Bank, the country's third largest bank in terms of assets, loans and deposits.

Fortis' CEO Anton van Rossum said: "As stated in the Fortis strategy outlined last September, Fortis looks at Asia as a growth platform, in particular in bancassurance. After our successful entry into insurance activities in Malaysia and China, Muang Thai is the ideal strategic partner to jointly develop Fortis' presence in Thailand, which is one of Asia's most promising countries in terms of economic growth potential. We are delighted about this new strategic step and we are confident that the combined high levels of expertise and commitment of Muang Thai and Fortis will help us make the partnership a resounding success".

Fortis will receive both existing and new shares in a total transaction of EUR 61 million (BHT 2,961 million). The new shares will be part of a joint capital increase that will not only strengthen Muang Thai capital in order to support future growth prospects, but also reinforce Muang Thai's current strong capital base to match international standard.

It has also been agreed that the holding company will be renamed Muang Thai Fortis Holdings.

The transaction will be finalized subject to customary closing conditions. It will have no immediate impact on Fortis' P&L account.

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## Appendix

### **Muang Thai Life Assurance**

Muang Thai Life Assurance has served the public with solid integrity and reliability throughout its 53 years history since its establishment in 1951 by founder and first managing director Mr. Chulind Lamsam.

Muang Thai Life Assurance Co.,Ltd. was the first insurance company to be granted Royal Patronage, entitling the company to bear on its letterhead the Royal Garuda emblem with the inscription by Appointment to H.M. The King. It was also the first among Thai insurance companies to be awarded the **ISO 9002** international standard certification. Under the capable leadership of Mr.Photipong Lamsam, Chairman, Mr.Poomchai Lamsam, Chief Executive Officer and Mr. Sara Lamsam, President, the company has been growing at a rapid pace, its business expanding extensively to over 100 branches.

At present Muang Thai Life Assurance provides annual renewal life insurance services, salary saving insurance and personal accident insurance. Advanced technology has been incorporated in the management system, while organization restructuring had been carried out at greater operational flexibility. The company has set up a **Customer Service Centre(CSC)** to ensure maximum customer convenience and satisfaction. In addition, the company also opened a website [www.muangthai.co.th](http://www.muangthai.co.th) to provide information of interest to customers and the public as to complement its slogan: "Advance in Technology, Hospitality in Service."

With effective operation plan and well-aligned management, Muang Thai Life Assurance won the confidence of nearly a million Thais who became our policyholders. Development of innovative insurance products to fit customers requirements has resulted in continued growth of our total annual premiums. In 2003, among 25 licensed life assurance companies in Thailand, Muang Thai Assurance ranked 4th in terms of total asset and 6th in terms of total annual premiums. At the end of 2003, the company's total assets were worth BHT 23,675 million (EUR 485 million).

### **Muang Thai Insurance (Non-life)**

Established in 1951, Muang Thai Insurance has been offering Non-Life Insurance services under Muang Thai Life Assurance. In 1998, Muang Thai Insurance was registered as a separate company in compliance with the Non-Life Insurance Act A.D. 1992 and has offered full non-life insurance services since 1 January 1999.

Throughout its 53 years of history, the Company has expanded rapidly with the support from the honest and dedicated management team, offering full package of insurance and related professional services to its customers. The Company is headed by Mr. Poomchai Lamsam, Chief Executive Officer of Muang Thai Life Assurance, as the Chairman and Chief Executive Office of Muang Thai Insurance, and Mr. Chaiyot Tiyachate, Director and Senior Executive VicePresident of Muang Thai Life Assurance, as the President of Muang Thai Insurance.

Muang Thai Insurance has continued to offer a full range of non-life insurance services.

- Fire Insurance and Business Interruption Insurance
- Motor Insurance
- Marine and Transportation Insurance
- Miscellaneous Accident Insurance

Muang Thai Insurance has increased its service efficiency by setting up the Customer Service Centre (CSC) to provide one-stop integrated service, over the counter or on the phone, to its customers. The Company also has the Motor Claim Notification Center (MCNC) , which opens 24 hours every day, to provide instant service to its Insured in case of accident nationwide. To increase the potential for service and sales management to be more efficient, the company has developed its insurance toward E-commerce system from the compulsory motor insurance sales service through the website on the internet [www.mtins.com](http://www.mtins.com) and the Motor Claim Service to the insured through the E-Claim system.

In 2003, Muang Thai Insurance ranked 17th in terms total annual premium among 75 licensed non-life insurance companies in Thailand. At the end of 2003, the company's total assets were worth BHT 1,593 million (EUR 33 million).

## **Fortis**

Fortis is an international financial services provider active in the fields of banking and insurance. With a market capitalization of EUR 24.8 billion (29/02/04) and around 54,000 employees, Fortis ranks in the top 20 European financial institutions.

In its home market, the Benelux countries, Fortis occupies a leading position and offers a broad range of financial services to individuals, companies and the public sector. Outside its home market, Fortis concentrates on selected market segments.

Fortis is listed on the exchanges of Amsterdam, Brussels and Luxembourg and has a sponsored ADR programme in the United States. .More information is available on [www.fortis.com](http://www.fortis.com)

## **Fortis in Asia**

Fortis has been present in Asia since 1902 when it opened its first banking branch in Shanghai (China). Back then, The Belgian Bank, the former Generale Bank's wholly owned subsidiary in China, had branches in four cities in China.

Currently, Fortis Bank is present in Asia through its branches in Hong Kong, Singapore, Shanghai, Guangzhou and Taipei, and representative offices in Beijing, Manila, Jakarta, Ho Chi Minh City and Mumbai.

In Hong Kong, Fortis Bank provides a wide range of financial services – including, commercial/corporate banking, private wealth management and financial markets – to medium size enterprises and corporates. The private wealth management services are offered under the MeesPierson brandname. It also operates a network of retail branches and business centers across the Hong Kong territory in partnership with ICBC (Asia), with whom Fortis Bank Hong Kong recently merged its retail and commercial (SME) banking activities. In China, the Shanghai branch focuses on commodity trade finance services while the Guangzhou branch is mainly active in commercial banking.

Fortis Bank also has developed important Export and Project Finance Activities in Asia. It also has substantial lending activities in Asia in sectors such as power, utilities, telecom and industrial infrastructure.

Fortis Investments is also present in Hong Kong and has opened a representative office in Shanghai. In November 2001, Fortis Investments Asia signed a co-operation agreement with Haitong Securities, a leading securities firm, and is developing asset management activities in China.

In the insurance sector, Fortis set up a joint venture with Maybank, Malaysia's largest bank, with a view to developing bancassurance activities.

In China, Fortis holds a 24.9% holding in Taiping Life, one of the few insurance companies with a license to sell life insurance nation-wide. Taiping Life is headquartered in Shanghai and has branches in Beijing, Guangzhou and Chengdu, as well as in other major cities across the country.

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