



Getting you there.

Fortis to acquire a majority stake in Pacific Century Insurance

March 1, 2007

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In certain jurisdictions outside Hong Kong (including the United States), the transaction described herein may be on alternative terms or not made at all in accordance with the regulations of such jurisdictions.

1. Transaction Summary

Fortis to acquire control in Pacific Century Insurance Holdings Limited (“PCI”)

Purchase Price

- A total consideration of HKD 3.5 billion (EUR 341 million)⁽¹⁾ for 431 million shares representing over 50% of PCI’s total share capital on a fully diluted basis, from Pacific Century Regional Development (“PCRD”) and certain other shareholders
- All cash consideration, to be funded by internal sources

Valuation

- The transaction values the Company at HKD 7.0 billion
 - 1.38x 2006 embedded value
 - 21.7x 2006 earnings
- The purchase price of HKD 8.18 per share represents 58.2% premium to PCI’s closing price of HK\$5.17 on the last full trading day as of February 23rd, 2007
- The transaction has minimal impact on Fortis’ EPS / capital adequacy ratios

Required Approvals

- Regulatory approvals in Hong Kong and Bermuda including the Office of the Commissioner of Insurance of Hong Kong
- Shareholder approval from PCRD at an EGM to be called

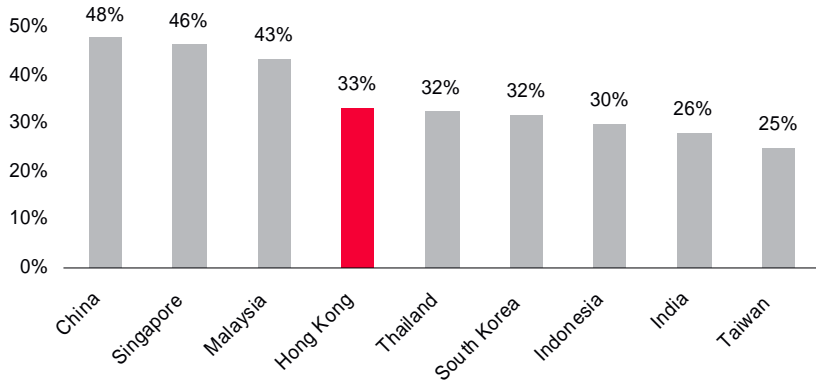
Anticipated Closing

- Subject to PCRD shareholder approval and regulatory approvals expected by July 2007
- Upon completion of the acquisition, Fortis will make an unconditional mandatory general offer (“MGO”) to acquire the remaining shares of PCI

Note:
1. Euro/USD exchange rate of 10.35 as of 27 February, 2007

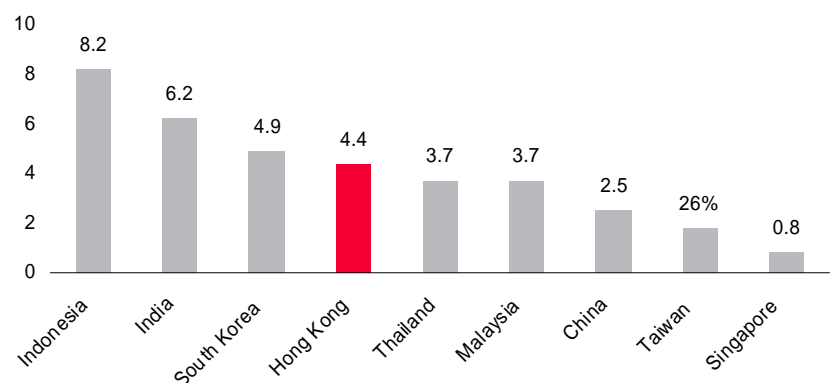
2.1 Hong Kong: An Attractive Life Insurance Market

1. Attractive Savings Market (1)



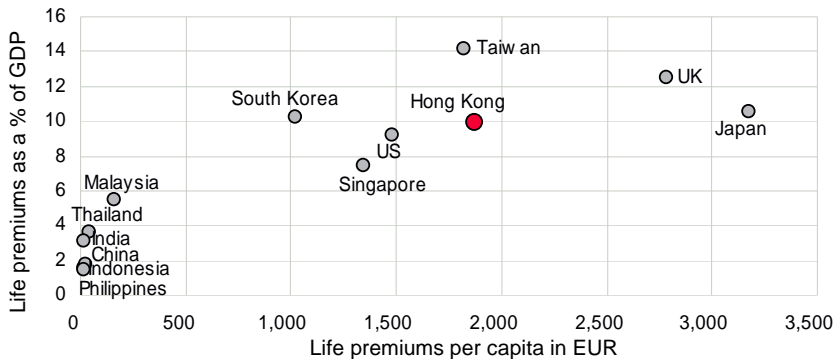
Source: Global Insight

2. Low Deposit Rate (%) (2)



Source: Bloomberg

3. Scope for Greater Penetration



Source: Sigma

(1) 2006 Savings as a % of GDP
 (2) Retail Bank Deposit Rates, 1-Year

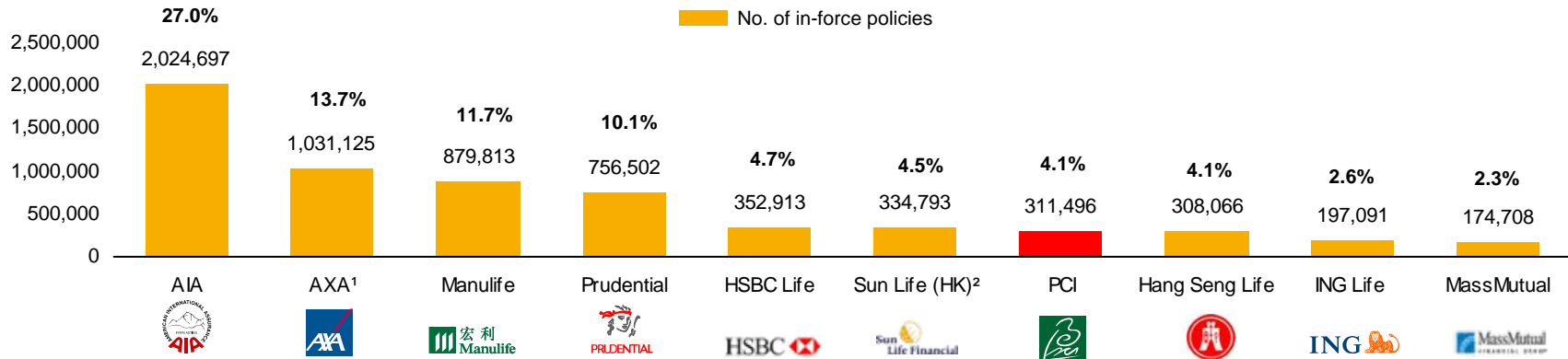
4. Resulting in Strong Premium Growth



Source: Sigma

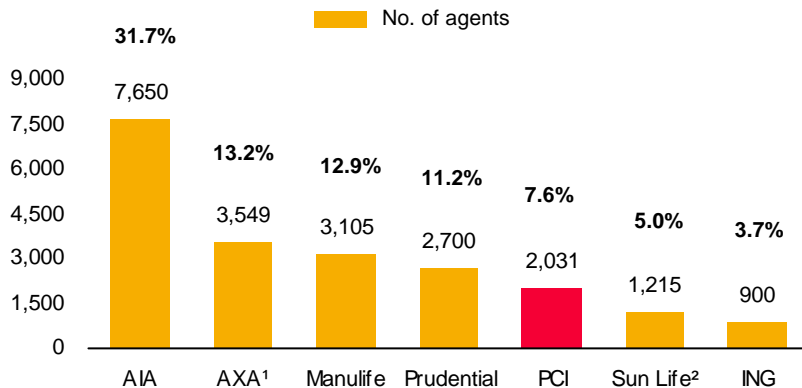
2.2 PCI – Where We Stand Today

Market share position based on number of in-force policies (%), 3Q2006E



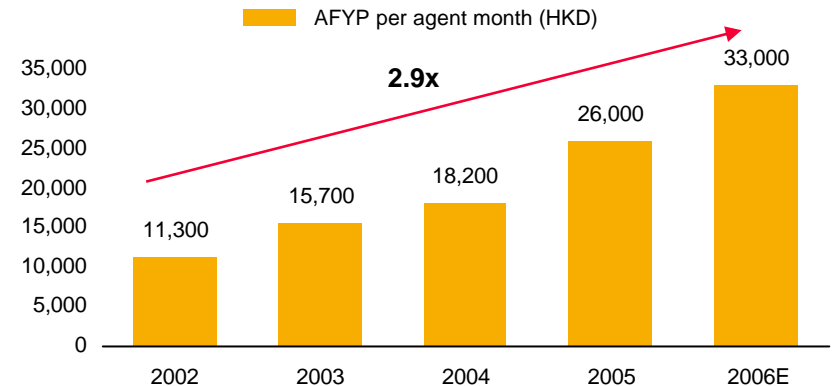
Source: OCI
¹ Pro forma Winterthur Hong Kong and MLC
² Pro forma CMG

Market share based on number of agents (%), 2006E



Source: Management estimates
⁽¹⁾ Pro forma Winterthur Hong Kong and MLC
⁽²⁾ Pro forma CMG

Improving agent productivity



Source: Company reports

2.3 Fortis is the Logical Partner to Take PCI Forward

- Stable and well financed owner
- Deep financial industry expertise
- Greater capital and resources
- International expertise
- Can help the business grow

3.1 Overview of Transaction Rationale



- ✓ **Excellent Fit, Fully Aligned with Fortis Strategy**
- ✓ **A Significant Addition and Strong Complementary Fit to Our Existing Asian Platform**
- ✓ **A Quality Franchise in a Highly Profitable and Growing Market**
- ✓ **Strong Growth Potential Under Fortis Management by Leveraging Our Product and Distribution Skills**

3.2 Consistent with Fortis Strategy

Fortis Strategy

- Expanding outside home market (Benelux countries), organically and through selective acquisitions
- Strong Focus on the enlarged Europe and selective growth in Asia and North America

Pacific Century Insurance Acquisition

- Expanding our Asian footprint by entering new selected target markets
- Balancing our Asian platform
 - Developed markets vs. emerging markets
 - Majority investments vs. minority stakes
- Building on our established Asian knowledge
- Leveraging on our product and distribution skills
- Increasing earnings contribution from operations outside of Benelux to target 30% of total net profit by 2009

**The acquisition of PCI represents a significant step forward
in Fortis' development of Asian insurance businesses**

3.3 A Significant Addition to Our Asian Platform



India

- March 2006: MoU with IDBI for Life Insurance JV
- Third partner selected: Federal Bank. Three party JVA signed on 23-Nov-06
- Expected start-up: 2H07



Thailand / Muang Thai Fortis

- June 2004
- Shareholding: Fortis 40%
- Bancassurance, tied agents and brokers
- GWP 9M2006: EUR 178 m
- N°5 with a ~6% market share

Hong-Kong



- Controlling stake
- GWP 2006: EUR 189 mm
- N°7 in terms of in-force policies
- N°9 with market share of 2.5% in terms of in-force premium
- 2006 net profit: EUR 31 mm



China / Taiping Life

- December 2001
- Shareholding: Fortis 24.9%
- Bancassurance, tied agents, group life; internet in development
- GWP 9M2006: EUR 833 m
- N°6 with a ~3% market share



Malaysia / Mayban Fortis

- February 2001
- Shareholding: Fortis 30%
- Bancassurance, brokers and direct
- GWP 9M2006: EUR 636 m
- N°3 in life insurance with a 13.2% market share

3.4 A Major Step in Fortis' Asian Expansion

An Opportunity to Enter the Attractive Hong Kong Life Insurance Market

- Hong Kong is one of our prioritized life insurance markets in Asia
- 6th largest in Asia by premium: ~ EUR 11.8 billion in 2005
- Strong and stable growth: ~30% average growth p.a. in new business premium over recent years
- Attractive new business margins
- Developed legal and regulatory framework, no restriction on foreign ownership
- Demographic shift raising awareness in health and pensions

An Opportunity to Anchor Our Greater China and Asia Operations

- The second leg of our Greater China platform after our successful investment in Taiping Life
- Fully-controlled platform based on which we can build:
 - A Centre of Excellence
 - A regional and operational management 'hub'
 - A talent pool to support best practice promotion in a range of disciplines
- Fortis will leverage PCI as an anchor of our regional footprint and position ourselves for further expansion

3.5 An Attractive Acquisition Opportunity

A Quality Franchise ...

- Quality business with sound fundamentals and attractive business mix
- A high performing agency sales force, 5th largest in Hong Kong, with superior productivity and exceptionally high persistency
- Continually invested in infrastructure and talent development

... With Strong Potential

- PCI is a young and fast growing life business which has reached the “crossroads” of its development
 - Significant value creation through business turnaround reflected in a 25% increase in embedded value in 2006
 - Strong growth and recent introduction of unit linked products, evidenced by a 59% growth in new business sales in 2006
 - PCI can still realize benefits from economies of scale

An Attractive Valuation

- A rare opportunity to acquire a quality and sizeable business at a fair valuation in Greater China
 - 1.38x price to embedded value, in line with recent comparable transactions in Hong Kong

3.6 Further Growth Potential Under Fortis Management

Potential initiatives may include:

Agency Force

- Nurture and grow the agency force
- Improve efficiency and productivity

Product Offerings

- Extend the product range while maintaining margins
- Introduce a new range of products that meet the needs of Hong Kong's aging population

Operational Excellence

- Optimize operational efficiencies

Infrastructure

- Strengthen infrastructure with selective Fortis appointments
- Leverage on Fortis' strong risk management capabilities

5. Restatement of Transaction Rationale

- ✓ Excellent fit and fully in line with Fortis strategy
- ✓ A significant addition and strong complementary fit to our existing Asian platform
- ✓ A quality franchise in a highly profitable and growing market
- ✓ Enhanced business opportunities under Fortis management, leveraging on our product and distribution skills



Getting you there.

Questions and Answers