



CIIH



Press release

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Fortis and China Insurance group to launch landmark life insurance partnership in China

China Insurance International Holdings Company Limited (CIIH) and China Insurance Company Limited (CIC), the parent company of the China Insurance group, today signed a life insurance partnership agreement with Fortis. Under the terms of the agreement, Fortis will acquire a 24.9% initial interest in Tai Ping Life (TPL) for USD 88 million (EUR 97 million) in equal proportions from both CIIH and CIC.

The purpose of the partnership is to build a major and highly successful life insurance business in China. To that end, Fortis expects to bring to the venture life insurance skills, including those relating to bancassurance, management experience and international best practices.

Tai Ping Life is a life insurance company with a national life insurance licence in the People's Republic of China (PRC), and part of the China Insurance group. TPL was originally founded in the 1930s but has been dormant in the domestic market since 1949. CIC, the former sole investor of TPL, recently transferred a majority interest in TPL to CIIH, its listed Hong Kong subsidiary.

On completion of the transaction, CIIH will retain a majority ownership in TPL with 50.05%, with CIC owning 25.05% and Fortis owning 24.90%. Fortis has the option to increase its participation to 49% subject to implementation of new regulations after China joins the World Trade Organisation. The transaction is subject to Chinese regulatory and other approvals.

Mr. Yang Chao, Chairman of CIC and CIIH said, "The excellent relationship we have established with Fortis, and the quality of their expertise and outstanding track record makes us confident that we have selected the right partner. This followed a competitive process among major international financial institutions." He added, "Fortis' strengths combined with those of the high calibre management team that Tai Ping Life has already begun to assemble provides an ideal combination to pursue successfully the substantial market opportunity and growth potential in China. In particular, Fortis' bancassurance experience will complement the traditional distribution strategies and will help to elevate TPL's platform in China."

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This agreement is in line with Fortis' strategy to focus on Europe, Asia, and selected niche markets in the US. In Asia, Fortis has expressed special interest in partnerships with major financial institutions with which Fortis can share know how such as bancassurance.

Anton van Rossum, Chief Executive Officer of Fortis, said, "Tai Ping Life is a unique opportunity for Fortis, since it combines the highest shareholding in a Chinese national insurer ever granted to an international insurance company with access to a national life insurance licence, together with management involvement. We are delighted with this partnership which will allow us to participate actively in a sector with high growth potential."

Mr. van Rossum added, "Fortis has been present in China for almost a century and has developed strong relationships with its Chinese partners. We were the first European company to be granted an authorisation to open a Representative Office with a view to developing asset management activities in Shanghai. The presence of Fortis on these two fronts will strongly contribute to our asset gathering strategy in Asia."

Tai Ping Life (TPL)

TPL was established in Shanghai in the 1930s. In 1949, the Government nationalised the domestic insurance sector under the People's Insurance Company of China (PICC), subsequently requiring that the company cease domestic operations and transfer its assets and liabilities to PICC. Following recent changes within the insurance industry in China, Tai Ping Life received approval from the State Council and the Chinese Insurance Regulatory Commission (CIRC) to resume its national life insurance business. Currently, Tai Ping Life is one of six life insurance companies in China with a national licence. An experienced management team has been hired in Shanghai, the location of Tai Ping Life's head office, and preparations are underway for the imminent launch of the business.

China Insurance International Holdings (CIIH)

CIIH, a Hong Kong-listed entity, is a subsidiary of CIC. CIIH is primarily engaged in reinsurance. With an approximately 20% market share, it is the second largest reinsurer in Hong Kong. CIIH has been listed on The Stock Exchange of Hong Kong since its initial public offering in June 2000 (Ticker – 966 HK). CIIH is the first and only internationally-listed insurance company owned by a mainland China group and will be the majority shareholder of Tai Ping Life.

China Insurance Company Ltd (CIC)

CIC was established in China in 1931. It is currently the parent company for the China Insurance group – one of the four domestic state-owned insurance groups created in 1999. The China Insurance group took over PICC's overseas assets and operations after the reorganisation of PICC. The group has comprehensive capabilities in insurance, reinsurance, asset management and securities brokerage. It is the only insurance company in the People's Republic of China with international operations, including a publicly listed subsidiary (CIIH).

Fortis

Fortis is an international financial services provider active in insurance, banking and investments. With a market capitalisation of approximately EUR 34 billion (USD 31 billion) and 70,000 employees, Fortis ranks among the fifteen largest financial institutions in Europe.

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, London and Luxembourg and has a sponsored ADR programme in the United States.

Fortis in the PRC

Fortis has been present in China's banking sector since 1902. Today Fortis Bank has operating branches both in Shanghai (using the MeesPierson brand) and Guangzhou, and representative offices in Beijing (banking) and Shanghai (asset management). Fortis was also one of the first foreign banks to obtain a licence for foreign currency business. Fortis' specialised commodity finance business is very active in China. Fortis Bank has commercial lines with most of the Chinese banks, primarily for the purpose of their trade finance business, and also provides several of them with technical assistance and training programmes.

In November 2000 Fortis became the first European asset manager to obtain a licence from the China Securities Regulatory Commission (CSRC) to open a representative office in China. It is currently in negotiation with a domestic securities company to form a fund management joint venture in Shanghai. Fortis is also active in other development activities including the recent organisation of a seminar with the China Security Association to support and improve the China's asset management industry.

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