



## PRESS RELEASE

### PHILFIRST INSURANCE AND STI TO ACQUIRE PHILAM PLANS

**Makati City, September 4, 2009.** Philippines First Insurance Co., Inc. (PhilFirst Insurance) and Systems Technology Institute, Inc. (STI), and The Philippine American Life and General Insurance Company (Philamlife) today announced that they have entered into a Share Sale Agreement for PhilFirst Insurance and STI to acquire all of the shares of Philam Plans, Inc. (Philam Plans).

Established in 1989, Philam Plans is one of the leading pre-need companies in the Philippines with over 300,000 pre-need plans in-force. It provides pension, education and life plans and distributes its products through a nationwide agency force of over 5,000 agents across 63 branch locations. Its capitalization of over P700 million is seven times the minimum regulatory requirement for pre-need companies in the Philippines. Philam Plans has a Trust Fund of P30 billion as of year-end 2008, the largest in the industry. The majority of its assets are in liquid assets, such as government securities, with less than 4% in real estate and blue-chip equities.

PhilFirst Insurance is the first Filipino domestic non-life insurance company, established in 1906 and provides a wide array of non-life insurance coverage to individuals and corporations. The company, which is run by insurance professionals, enjoys a good track record of servicing its customers.

STI, a 26-year old educational institution, has a network of 95 tertiary campuses located in every major urban center in the Philippines. In addition, STI also operates a network of prep schools, grade schools and high schools across the nation. It recently achieved its highest ever enrollment of 64,000 students for the school year 2009-2010. STI has a solid reputation in the information technology field and is one of the leaders in this area among all schools in the Philippines. STI has also expanded its field of expertise in the areas of engineering, healthcare, business administration as well as hotel and restaurant management courses. STI recorded a total revenue of P1.1 billion in the financial year ended 2008.

“Philam Plans is an excellent fit with our existing operations and we are delighted to have the opportunity to acquire such a strong and exciting business,” said Eusebio Tanco, President of PhilFirst Insurance and Executive Committee Chairman of STI. Mr. Tanco believes that while other pre-need plan companies rely on third party schools for the provision of education, STI provides the education services itself. STI intends to grow Philam Plans and believes that it is capable of increasing Philam Plans product portfolio by accessing STI’s network of education services. Through the Trust Fund of Philam Plans, the planholders can be assured that their benefits remain protected and intact and there will be continuity of operations for Philam Plans employees and agents.”

STI President and CEO Monico V. Jacob said, “There are really strong synergies between the provider of the educational plans and the provider of education services which we believe would provide significant improvement to the industry.”

Philamlife Vice-Chairman and Philam Plans Chairman Jose L. Cuisia said, “Philam Plans is a well established and respected company. Philamlife is selling Philam Plans as part of our strategy to focus on core life insurance and wealth management operations, as we move towards becoming part of the AIA Group. While Philam Plans is a robust and financially sound business, it is not a core business of Philamlife.

The share sale transaction is conditional upon receipt of regulatory approvals.

Deutsche Bank acted as sole financial advisor to Philamlife on this transaction.

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### **About Philamlife**

*The Philippine American Life and General Insurance Company is the largest insurance company in the Philippines and the market leader for over sixty years. Philamlife offers an extensive line of products in the industry that provides solutions to various financial needs including income protection, retirement, education, investment, health, personal accident, group life and credit life. Philamlife has more than a million individual and corporate policyholders, and maintains the most extensive network of offices and sales agencies nationwide.*

*Subject to regulatory approval, Philamlife will become part of the AIA Group. The AIA Group is a leading pan-Asian life insurance organisation with a unique heritage of serving the world's most dynamic region for 90 years. It provides consumers and businesses with products and services for life insurance, retirement planning, accident and health insurance as well as wealth management solutions. Through an extensive network of 250,000 agents and 20,000 employees across 15 geographical markets, the AIA Group serves over 20 million customers in the region.*