



## **PRESS RELEASE**

### **PHILFIRST INSURANCE AND STI TO ACQUIRE PHILAMCARE**

**Makati City, September 4, 2009.** Philippines First Insurance Co., Inc. (PhilFirst Insurance), 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 Philamlife's share of PhilamCare Health Systems, Inc. (PhilamCare).

PhilamCare is one of the leading health maintenance organizations in the Philippines. It is a premier provider of health care products and services to over 160, 000 cardholders. It has total assets of P794 million and stockholders' equity of P239 million at the end of 2008. PhilamCare posted P1.05 billion in earned revenues in 2008, a 12% growth over previous year.

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.

STI, through its affiliates, also operates a megaclinic which occupies 22,000 square feet in a major mall, MegaMall, and two tertiary hospitals with a combined 257-bed capacity.

PhilFirst Insurance President and STI Chairman Eusebio Tanco said, "We want to be known in the health care business. PhilamCare is an excellent fit with our existing operations since we are expanding our business to include health care courses and hospital services and management. We have the De Los Santos-STI Medical Center, the DLS-STI College of Health Professions and the management of the Dr. Fe Del Mundo Medical Center under our wing. We are delighted to have the opportunity to acquire PhilamCare, which is an excellent addition to our growing roster of health care organizations. PhilamCare clients, partners and employees can be assured that healthcare agreements remain the same and there will be continuity of operations and services."

STI President and CEO Monico V. Jacob further said, “We believe STI can further enhance PhilamCare’s growth since we are in the process of developing our network of health care professionals and affiliated hospitals and clinics nationwide.”

Philamlife Vice-Chairman and PhilamCare Chairman Jose L. Cuisia said, “The divestment of PhilamCare is 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 PhilamCare is a robust and financially sound business, it is not a core business of Philamlife.

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.*