9-30-2008

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Associated Press
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317 words
30 September 2008
04:17 PM
Associated Press Newswires
APRS
English
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BRUSSELS, Belgium (AP) - Fortis NV said Tuesday that it would not complete a deal with a Chinese insurer that had planned to buy half of the Belgian-Dutch bank's asset management arm.

The company blamed "current severe market disruption and the ongoing uncertainty in the global capital markets" for ending an agreement for Ping An Ltd. to buy a 50 percent stake in Fortis Investments for euro2.15 billion (US$3.39 billion).

Fortis was forced to call on an euro11.2 billion (US$16.4 billion) government bailout on Sunday after its share price plummeted last week on market worries that it was carrying too much debt. It also owned up to huge losses at its credit derivatives portfolio.

The bank said it will keep full control of the unit, which already has absorbed the asset management business of ABN Amro, a Dutch bank Fortis will now have to sell as part of the rescue package with the Belgian, Dutch and Luxembourg governments.

Last March when Ping An agreed to buy the stake, the business managed a portfolio of about euro245 billion (US$387 billion) and was expanding into Asia.

Ping An, China's second-largest insurer, was one of the first Chinese investors to buy into Europe's financial industry when it bought 5 percent of Fortis NV earlier this year.

Fortis found itself strapped for cash after taking part in the world's largest banking takeover, with a euro24 billion (US$38 billion) chunk of the three-bank bid of euro70 billion (US$111 billion) for ABN Amro.

But shareholders were angered by the bank's attempts to raise money by issuing new shares and taking on debt -- which devalued their holdings. The stock price began a steady descent that has now seen it lose three-quarters of its value since the start of the year.