



## **Middle Sea Insurance p.l.c.**

### ***Company Announcement in accordance with Malta Stock Exchange Bye Law 6.05.04***

Middle Sea Insurance p.l.c. ("MSI") was established primarily as a reinsurer and operated for a number of years as recipient of a compulsory reinsurance cession in Malta, and as a conservative reinsurer of treaty and facultative property business in London. The total liberalisation of the home market saw MSI entering into a transition period whereby the Company sought to refocus its core operations. A decision was taken, in part instigated by the wave of deregulation and liberalisation of the financial sector in Malta, to revisit the Company's strategy. The view was to turn Middle Sea into a direct insurer in Malta, and to develop a strategy for overseas expansion in primary markets with particular emphasis on the Euro-Mediterranean region.

Following its efforts throughout most of the nineties, MSI successfully established itself as a leading insurer in its home market. Moreover, its strategy to expand in overseas primary markets has been partially achieved through the establishment of a branch operation in Gibraltar and the acquisition of a 51% shareholding in Mapfre Progress Assicurazioni S.p.A., a company operating in the south of Italy.

These developments led the board of directors to review the company's involvement in international reinsurance business.

Following representations to the UK Financial Services Authority ("FSA"), the board decided to voluntarily withdraw its capacity from the London Market as from 1 November 2000, thereby discontinuing its underwriting activities from its London Branch in the field of non-life (property) international reinsurance. It is the intention to carry out the run-off of the portfolio in an orderly manner. The Malta Financial Services Centre ("MFSC") has been informed of this decision.

**E.M. Borg**  
**Company Secretary**

13 October, 2000