

AIA to buy ING's Malaysian unit for US\$1.73bil
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Oleh AFP

Asian insurance giant AIA said today it will buy ING's Malaysian insurance unit for US\$1.73 billion, the Dutch banking firm's first step in selling off its assets in the region.

Hong Kong-listed AIA, which is partly owned by the troubled American International Group, said the two parties aim to complete the acquisition by the first quarter of 2013. The deal is subject to regulatory approval.

AIA said the 1.34 billion euros (US\$1.73 billion) deal will make it the number one insurance provider by premiums in what it described as the "high-growth Malaysian market".

"This is a compelling and unique opportunity for AIA to further enhance our ability to sustain high-quality growth in the fastest-growing insurance region in the world and in one of the most attractive markets in the region," AIA group chief executive Mark Tucker said.

ING Malaysia is the third largest insurer in Malaysia, serving more than 1.6 million customers, according to AIA.

ING put its Asian business up for sale in January after scrapping plans to float the unit along with its European insurance operations, saying a tough market in Europe no longer made a a combined European-Asian IPO sensible.

The European Commission told ING it would have to sell its global insurance arm in order to win approval for 10 billion euros in state aid received during the financial crisis.

It is still looking to sell off its other Asian assets.

AIA recently announced the value of its new business in the three months to Aug 31 grew 22 percent year-on-year to US\$300 million, driven by growth in the Singapore, Indonesia and the Philippine markets.

The firm, which operates in 14 Asia-Pacific markets, raised US\$20.5 billion in an initial public offering in 2010.

