

EPF, KWAP eyeing foreign insurers' stakes

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KUALA LUMPUR: Malaysian pension funds, the Employees Provident Fund (EPF) and Kumpulan Wang Persaraan (Diperbadankan) or KWAP, are looking into buying stakes in foreign-owned insurance firms in the country, according to a Bloomberg report yesterday.

In an immediate response, KWAP admitted it is considering "available options" to acquire an equity stake in a foreign-owned insurance company in Malaysia.

"Referring to the recent news development on KWAP's consideration to invest in foreign-owned insurers, the organisation would like to reiterate that it is considering available options and will go through the required process and procedures based on the determined guidelines," the civil servant pension fund said in a statement.

"Any new development on this matter will be made through an issuance of an official statement," it added.

The report, citing sources, said both EPF and KWAP have requested the central bank's green light to start deal negotiations with potential targets.

"They are each considering acquiring a minority stake in one of the locally incorporated life insurance companies owned by overseas firms, the people said, asking not to be identified because the information is private," the news agency reported.

The move comes after Bank Negara Malaysia gave foreign-owned insurance companies until June 2018 to pare down their shareholdings in their local firms to no more than 70%, the report said.

It also noted that Prudential plc, Singapore's Great Eastern Holdings Ltd and Japan's Tokio Marine Holdings Inc are among companies pursuing plans to cut stakes in their Malaysian units, quoting people with knowledge of the matter.

It added that the EPF was managing RM731 billion worth of investments as of the end of last year, while KWAP, the nation's second-biggest retirement scheme, had assets worth RM125 billion.

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