

# Khazanah's Avicennia targets emerging markets

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**KUALA LUMPUR:** Khazanah Nasional Bhd's subsidiary, Avicennia Capital Sdn Bhd, aims to invest in emerging markets in South-East Asia.

The Malaysia-based holding company is looking to grow its business in the country, Indonesia, the Philippines, Singapore and Thailand.

"Our primary thrust is in life and health insurance, on top of general insurance," Avicennia chief executive officer Alexander Ankel, who is a 30-year industry veteran, told *StarBiz*.

"We're open to the full menu of insurance services in Malaysia. In other countries, however, our focus will be on life, pension, health and travel insurance."

He said Avicennia aimed to explore building best practices around *takaful* insurance in Malaysia, as well as developing it in Turkey (where it is called Participating Insurance), as there have been signs of interest.

"We see from their banks that they want to start consumer loans and savings products built around the Islamic financing principle," Ankel said.

"We are looking at South-East Asia and Turkey as investment targets, as we have a solid relationship with Turkey."

As of last April, Khazanah's investments in Turkey amounted to more than US\$2bil (RM6.5bil).

"Our recent investment in *Acibadem Sa İla ve Hayat Sigortası Acibadem Sigorta* is emerging as one of Avicennia's pillars. Turkey's close proximity to Europe also promises growth potential supported by the Government's legislation," Ankel said.

The start-up had, in November 2013, completed the US\$252mil (RM10mil) acquisition

of a 90% stake in *Acibadem Sigorta*, a major health and life insurer in Turkey, which holds the second-largest health insurance market share in the industry.

The other two companies under Avicennia's portfolio are CIMB's Sun Life Malaysia Assurance Bhd and Sun Life Malaysia *takaful* Bhd, which were acquired in April 2013.

"The prospects for us in acquiring these companies would be to have a balanced global portfolio and access to markets with supportive demographic numbers, while leveraging their risk and utility scales as with insurance companies. Irrespective of who buys into whom, it helps the company to grow and gives it access to new distribution," Ankel said.

Avicennia plans to invest in companies that have reached – or are about to reach – critical mass in terms of skill sets combined with relevant distribution capabilities, specifically banking, that cater for sustainable growth. "We are satisfied with our engagements in the existing subsidiaries and shareholding agreements, as in the case of Sun Life."