

## China banks cleared to buy insurer stakes

China's insurance regulator has given Bank of Communications and Bank of Beijing approval to buy into domestic insurers, the China Securities Journal reported on Friday.

□ The approvals mark an acceleration of the development of financial conglomerates in China, the paper quoted a source at a State-run commercial bank as saying.

The China Insurance Regulatory Commission has given Bank of Communications, China's fifth-largest lender, approval to buy a stake in Shanghai-based China Life-CMG Insurance Co, the paper said, citing sources.

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The insurer is a joint venture between Commonwealth Bank of Australia and China Life Insurance.

The regulator has also approved the purchase by Bank of Beijing, which is 16 percent owned by ING Groep NV, of a stake in Pacific-Antai Life Insurance Co, the paper said.

The report did not specify the size of the stakes or the financial terms of the purchases.

China is relaxing its rules and allowing banks to enter the brokerage, fund management and insurance businesses to reduce their reliance on lending in a weakened economy, as well as to develop and deepen the country's financial services sector.

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