

MEDIA STATEMENT

Kuala Lumpur, 6 May 2018

Khazanah recognised in Bretton Woods II Leaders List

- *International recognition is testimony to Malaysia's solid economic progress*
- *Khazanah and Yayasan Hasanah also release their respective annual reports, The Khazanah Report 2017 & The Hasanah Report 2017 this week*

Khazanah Nasional Berhad (“Khazanah”) has been recognised in the Bretton Woods II Leaders List as one of the 25 Most Responsible Asset Allocators globally. The award was officially conferred on organisations in the list at a ceremony held in London, United Kingdom on Thursday, 3 May 2018.

The Bretton Woods II Leaders List is a ranking of the most responsible sovereign wealth and government pension funds globally, based on a comprehensive analysis of over 120 funds comprising USD20 trillion in assets. It provides insights into how long-term investors across the world are developing new strategies to manage social, governance and environmental risks. Bretton Woods II is an initiative by some of the world’s leading development institutions to promote a stronger focus on social impact, sustainability, and good governance in investments.¹

The Bretton Woods II recognition of Khazanah as a leading responsible asset allocator underscores the efforts by Malaysian institutions in contributing towards the country’s continued macroeconomic progress and development, as it moves further forward in becoming a sustainable and inclusive high-income economy that is globally-competitive. Malaysia is ranked 23rd in the World Economic Forum’s (“WEF”) most recent Global Competitiveness Index of 137 economies, and ranked 4th in Protecting Investors out of 178 economies in the World Bank’s Doing Business 2018 annual report.

As the strategic investment fund of the Government of Malaysia, Khazanah continuously enhances its efforts in strengthening institutional integrity, corporate governance and sustainability by adopting and supporting global best practices and standards. On the domestic front, Khazanah is a member of the Institutional Investor Council of Malaysia (“IIC”) and a signatory of the IIC’s Malaysian Code for Institutional Investors. Khazanah is also driving responsible investing initiatives through Project Chronos, which seeks to measure the societal impact of Khazanah’s investments, besides their financial and economic value.

Internationally, in January this year, Khazanah was invited to become a Strategic Partner of the World Economic Forum (“WEF”). This is one of the highest levels of partnership accorded, as one of 120 strategic partners globally, and the only one from Southeast Asia. Khazanah is also represented on currently several WEF bodies, including the Stewardship Board of the System Initiative on the Future of Economic Progress, and the ASEAN Regional Strategy Group. Khazanah is also a signatory of the United Nations-supported Principles for Responsible Investment (“UN-PRI”), and a founding

¹ For more information on the Bretton Woods II Leaders List, go to <https://www.newamerica.org/in-depth/bwii-responsible-asset-allocator/bretton-woods-ii-leaders-list/>



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member of FCLTGlobal (“Focusing Capital on the Long Term”), a not-for-profit organisation that works to encourage a longer term focus in business and investment decision-making².

Khazanah Managing Director, Tan Sri Azman Hj Mokhtar, said: “In line with our mandate, Khazanah is focused on long-term value creation across the entire spectrum of our activities. International recognition of such efforts by Khazanah and other Malaysian institutions to collectively drive Malaysia forward is a reflection of the nation's continuing progress in many spheres.”

“We the are thankful that as the strategic investment fund of the nation, these international awards and recognition come on the back of our record financial performance for 2017 and long-term delivery of value to the *Rakyat*. This in turn was created upon the economic stability and fundamentals of the country, as well as the stewardship and governance model we operate in. We have highlighted these factors in our and Yayasan Hasanah’s respective annual reports, The Khazanah Report 2017 and The Hasanah Report 2017, released this week. We thank all stakeholders, the staff, management and Board of Khazanah that is led by our Chairman, YAB Dato’ Seri Mohd Najib Tun Abdul Razak, in this regard.”

The Khazanah Report 2017 provides, among others, details of our financial performance for the year. In 2017, our portfolio Net Worth Adjusted (“NWA”) increased 13.2% to a record RM115.6 billion as at 31 December 2017, while Profit Before Tax rose 84.7% to RM2.89 billion. The financial performance was recorded on the back of a sustainable and prudent approach in long-term value creation, with Portfolio NWA growing at a compounded annual growth rate (“CAGR”) of 9.6% per annum since 14 May 2004, and a portfolio asset cover (assets over liabilities) of 3.1x Realisable Asset Value (“RAV”) of RM157.2 billion as at 31 December 2017.

The Hasanah Report 2017 elaborates on the various Corporate Responsibility (“CR”) initiatives lead by Yayasan Hasanah for the year. Khazanah, together with Yayasan Hasanah, continued to deliver on our value distribution efforts, with a combined total of RM233.5 million spent on CR initiatives in 2017. The initiatives include the Khazanah-Skim Latihan 1 Malaysia (“SL1M”) programme, where 4,220 graduates were trained last year; the Trust School Programme, a Public-Private Partnership (“PPP”) between Yayasan AMIR and the Ministry of Education, where an additional 64 schools were identified for the further rollout of the programme; specific commitments in support of the Transformasi Nasional 2050 (“TN50”) initiative spearheaded by the Youth and Sports Ministry; the Taman Tugu Project, which saw the establishment of Amanah Warisan Negara, a national trust under which Taman Tugu which will be placed, as well as an additional 25 acres allocated by the Government to the project; and the launch of Hari Hasanah and its outreach programme Hasanah Bersama Rakyat, where over 30,000 people across the country were directly impacted through more than 100 initiatives aimed at doing good deeds for the benefit of others, especially those in need.

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For further information on Khazanah, please visit www.khazanah.com.my or contact Mohd Raslan Md Sharif at +603 2034 0000, or e-mail at raslan.ssharif@khazanah.com.my

² For more information on FCLTGlobal, go to www.fcltglobal.org



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About Khazanah Nasional Berhad

Khazanah Nasional Berhad (“Khazanah”) is the strategic investment fund of the Government of Malaysia entrusted to hold and manage the commercial assets of the Government and to undertake strategic investments. Khazanah is involved in various sectors such as power, telecommunications, financial institutions, healthcare, aviation, infrastructure, leisure & tourism, property, creative & media, education, and innovation & technology. Some of the key listed companies in Khazanah’s investment portfolio include Telekom Malaysia Bhd, Tenaga Nasional Bhd, CIMB Group, Axiata Group Bhd, IHH Healthcare Bhd, Malaysia Airports Holdings Bhd and UEM Sunrise Bhd. For further information on Khazanah, please visit www.khazanah.com.my.