

MEDIA RELEASE

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Khazanah, Dubai Banking Group and ACR to set up USD300 million ACR ReTakaful

Establishing world's largest retakaful group

Khazanah is pleased to announce that it has signed an agreement with Dubai Banking Group (“DBG”) and Asia Capital Reinsurance (“ACR”) to form the world’s largest retakaful group, ACR ReTakaful Holdings Limited (“ACR ReTakaful”). Khazanah and DBG will each directly hold a 40% interest in ACR ReTakaful while ACR will hold the remaining 20%. By virtue of Khazanah’s 32% stake in ACR, it would have the largest effective shareholding in ACR ReTakaful.

ACR ReTakaful will have a capital base of USD300 million, and will have two operating companies in its stable, to be based in Kuala Lumpur and the Middle East.

The official signing ceremony was held today in Dubai with Khazanah represented by its Managing Director, Dato’ Azman Hj Mokhtar and DBG by the UAE Minister for Cabinet Affairs and Chairman of Dubai Holdings, Mr Mohammed Al Gergawi. The signing was witnessed by YAB Prime Minister, Dato’ Seri Abdullah Hj Ahmad Badawi.

Commenting on the agreement, Dato’ Azman said that the establishment of a retakaful operator is the latest in a series of initiatives undertaken by Khazanah to support the development of Islamic financial services in which Malaysia has been at the forefront.

“The rationale for ACR ReTakaful is the same as the aspiration behind the Malaysia International Islamic Financial Centre (“MIFC”) initiative.”

“This is an exciting investment for us, as it consolidates Khazanah’s position as a key player in the regional reinsurance and retakaful sector,” said Dato’ Azman. This follows Khazanah’s earlier investments of USD200 million into ACR to emerge as the joint largest investor, as well as RM175 million into ACR Malaysia to become the major shareholder in the Kuala Lumpur-based reinsurance company.

“We have had a vision for a global retakaful player since our investment into ACR in December 2006, and this retakaful company is the fulfillment of a condition from that transaction. We believe ACR ReTakaful is poised to become a major player in the global retakaful business, not least due to the extensive pan-Asian business networks of Khazanah and DBG, as well as the expertise provided by ACR.”

Khazanah, adds Dato’ Azman, “expects this investment to increase the retention of reinsurance and retakaful within Malaysia as well as to catalyse the development of the local takaful industry.”

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About Khazanah Nasional Berhad

Khazanah is the investment holding arm of the Government of Malaysia entrusted to hold and manage the commercial assets of the Government and to undertake strategic investments. Khazanah was incorporated under the Companies Act 1965 on 3 September 1993 as a public limited company.

Khazanah has an eight member board comprising representatives from the public and private sectors. YAB Dato' Seri Abdullah Haji Ahmad Badawi, the Right Honorable Prime Minister of Malaysia is the Chairman of the Board.

Khazanah has stakes in more than 50 companies with assets valued in excess of US\$25 billion. Khazanah is also the state agency responsible for strategic cross-border investments. These companies are involved in various sectors such as power, telecommunications, banking, automotive, airport management, infrastructure, property development, broadcasting, semiconductor, steel production, electronics, investment holding, research technology and venture capital.

Some of the key listed companies in Khazanah's investment portfolio include Telekom Malaysia Berhad, Tenaga Nasional Berhad, CIMB Group, Proton Holdings Berhad, PLUS Expressways Berhad, Malaysian Airline System Berhad, Malaysia Airport Holdings Berhad, UEM World Berhad, PT Bank Lippo and Time dotCom Berhad.