

PRESS RELEASE

10 July 2008

Singapore-based ACR Capital Holdings Announces Licence from the Central Bank of Bahrain to Establish Retakaful Venture

Singapore, 10 July 2008 – ACR Capital Holdings Pte Ltd – the Singapore-based parent of Asia Capital Reinsurance Group – announced today that the Central Bank of Bahrain (CBB) has issued an operating licence to newly established ACR ReTakaful MEA B.S.C. (c), a Shari’ah compliant retakaful company.

The new firm is a wholly-owned subsidiary of Dubai-based ACR ReTakaful Holdings, established in May as a joint venture between ACR Capital Holdings Pte. Ltd., Malaysian national investment company Khazanah Nasional Bhd. and Dubai Banking Group, the global Shari’ah-compliant investment company of Dubai Group. ACR ReTakaful Holdings was capitalised at US\$300 million, making it the largest retakaful entity in the world.

ACR ReTakaful MEA is capitalised at US\$200 million and the new licence will allow the company to offer retakaful solutions and services to the Middle East market.

Said Mr. Jonathan Wilton, CEO of ACR ReTakaful MEA: “We are delighted to have obtained a licence to start our retakaful business in Bahrain. It will allow us to respond to the growing needs and market potential in the Islamic countries across our region”.

“With ACR’s vast management experience and technical underwriting expertise, we are confident that we can contribute positively to the retakaful sector which we believe has good growth prospects,” he added.

Said Mr Ahmed Abdul Aziz Al Bassam, Director, Licensing & Policy, at the Central Bank of Bahrain (CBB): “The CBB is delighted to welcome ACR Retakaful MEA to the Kingdom’s growing community of takaful and retakaful operators”.

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“The Middle East insurance market, as a whole, is attracting much international interest with many prominent market players choosing to locate in Bahrain.”

Overall rates of insurance penetration in the Middle East are not high. However, Bahrain, having established its credentials as a financial services hub for the region, had been looking to boost its insurance sector by taking a proactive approach, both in terms of product development and implementing an effective regulatory framework.

As with Islamic banking, Bahrain has been quick to recognise the growing acceptance and demand for insurance products - both conventional and Islamic - and in 2005, effected comprehensive regulations, to govern the Islamic insurance and reinsurance industry and encourage its growth.

The licence for ACR Retakaful MEA is the fourth to be granted by the CBB in the past two years.

ACR ReTakaful MEA is the second Bahrain venture of ACR Capital Holdings and the latest in a series of corporate developments for the dynamic 1½-year-old company which incepted in November 2006 and was capitalised at US\$620 million.

ACR has written more than US\$340 million in non-life premiums in its first financial year and has built a book of business which already extends to more than 40 countries.

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About Asia Capital Reinsurance Group

ACR is the first independent reinsurance group with an exclusive focus on serving clients in the fast-growing Asian region and brings an unrivalled expertise in large risk underwriting in the specialist lines of aviation, marine, energy, property, engineering and casualty.

In recognition of its strong capitalisation, experienced management team, solid risk management capabilities and the ability to attract highly experienced underwriters, ACR received an initial financial strength rating of A- (Excellent) from AM Best, the world's leading credit rating company, garnering one of the highest ratings among Asian reinsurers. This financial rating was re-affirmed by AM Best in December 2007. ACR is currently in discussion with AM Best and expects to secure A- ratings for the new retakaful venture.

In addition, ACR was named 'Company Launch Of The Year' in The Review magazine's 14th Worldwide Reinsurance Awards 2007, while its private placement was voted the 'Most Innovative Deal – Equity' in The Asset's Triple A – The Asset Asian Awards 2006.

Beyond Singapore, ACR has a Joint Venture reinsurance company in Malaysia, as well as representative offices in Taipei and Bahrain.

About ACR ReTakaful MEA B.S.C. (c)

ACR ReTakaful MEA was formed in May 2008 to bring to the Takaful markets in which it operates a fully Shari'ah compliant, highly capitalised and professionally managed team of top underwriters in each line of business.

By sharing with its clients its capital strength, leading capacity and technical expertise, ACR ReTakaful MEA brings capacity and capability to the fast developing world of Islamic insurance.

ACR ReTakaful MEA will follow the widely approved hybrid model of Takaful entities, which combines the profit-sharing Mudharaba concept with the fee-based Wakalah model.

In this way, the participants' fund is secured and the operator is incentivised to maintain underwriting discipline.

As with conventional insurance, so with Takaful, there is a requirement for a secondary market which can bring capital strength and technical expertise to support the growth and development of the domestic risk carriers.

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ACR ReTakaful has been established, with strong shareholder support from leading investors in Dubai and Malaysia, as well as from ACR itself, specifically to meet this requirement.

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