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**PETALING JAYA:** MNRB Holdings Bhd plans to acquire the remaining 80% stake in Labuan Reinsurance (L) Ltd (Labuan Re) that it does not already own for RM400.49mil in cash, a move aimed at strengthening its regional reinsurance and retakaful presence.

In a filing with Bursa Malaysia yesterday, the insurance and takaful group said it had entered into a conditional share purchase agreement with 10 shareholders of Labuan Re, including CIMB Bank Bhd, Malayan Banking Bhd, Public Bank Bhd, RHB Bank Bhd, Petroliaam Nasional Bhd or PETRONAS, Tenaga Nasional Bhd and Telekom Malaysia Bhd.

MNRB currently holds a 20% indirect interest in Labuan Re through its wholly owned subsidiary Malaysian Reinsurance

Bhd. Upon completion of the acquisition, Labuan Re will become a wholly owned subsidiary of the group.

The proposed acquisition values the 80% stake at US\$100.69mil, equivalent to RM400.49mil based on a pre-determined exchange rate of RM3.9775 to the US dollar.

The purchase price may be adjusted for distributions paid by Labuan Re before completion.

MNRB said the acquisition would strengthen its position as a regionally competitive reinsurance and retakaful group by leveraging Labuan Re's offshore platform and international client base.

"The proposed acquisition represents a strategic opportunity for MNRB to strengthen its position as a regionally

competitive reinsurance and retakaful group," the company said.

Labuan Re, incorporated in Labuan in 1992, underwrites general reinsurance and general retakaful business and also participates in Lloyd's syndicates through its subsidiary. It is regulated by the Labuan Financial Services Authority.

For the financial year ended Dec 31, 2024, Labuan Re posted a net profit after tax and zakat of US\$26.66mil, equivalent to RM121.59mil, while its net assets stood at US\$197.54mil or RM884.09mil.

MNRB said the acquisition was being undertaken at 0.88 times Labuan Re's adjusted tangible net asset value, which it noted was below the median valuation multiples of comparable transactions in the global reinsurance sector.