

إعادة
Saudi Re

PUBLIC INVESTMENT
FUND (PIF) INVESTMENT
IN "SAUDI RE"

BRIEF ON THE TRANSACTION

The General Assembly of the Company approved on 24/12/2024 the Board of Directors' recommendation to increase the company's capital by 30% through issuing new ordinary shares with suspension of pre-emptive rights. The Public Investment Fund (PIF) will subscribe to all newly issued shares, resulting in a 23.08% ownership stake in the company's capital following the capital increase, as per the following details:

- Increase in Share Capital: From SAR 891,000,000 (divided into 89,100,000 ordinary shares of equal value) to SAR 1,158,300,000 (divided into 115,830,000 ordinary shares of equal value).
- Issuance of New Shares: Issuance of 26,730,000 new ordinary shares, representing 30% of the Company's current capital, with a nominal value of SAR 10 per share and an offer price of SAR 16 per share.
- Total Subscription Amount: SAR 427,680,000.
- According to the subscription agreement signed on July 4, 2024, (PIF) will subscribe to all the new shares, increasing its ownership in the Company's share capital to 23.08% after the capital increase, enabling Saudi Re to strengthen its capital base and fund future growth plans.

REINFORCING SAUDI RE FINANCIAL POSITION

Strengthen

Saudi Re business expansion plans on both locally and globally

Generate

higher returns and create greater value for shareholders

Enhance

underwriting capacity to capitalize on exceptional local growth opportunities

Empower

Saudi Re to play an active role in the development of the reinsurance sector and increasing its contribution to the national economy

DEVELOPING A STRONG NATIONAL REINSURER



Supporting Local Content through the **retention of reinsurance premiums within the Kingdom** and **increasing its value to the national economy**, while promoting industry localization, developing national economy, while promoting industry **localization, developing national talent**, and creating local job opportunities.

Participating in the support of non-oil Gross Domestic Product (GDP) growth by exporting **reinsurance services to global markets**, thus promoting the **Kingdom's image in the global financial markets**.

Supporting the development of a domestic reinsurance industry that aligns with the national agenda and has the capacity to provide essential **protection for national assets** and coverage against risks that commercial activities in the Kingdom may face, thus **ensuring business continuity**.

Contributing to the empowerment of the insurance sector by facilitating its development and providing **financial and technical support** to meet the growing demand for risk management solutions and services

Contributing to the development of professional standards and practices, and building **innovative solutions and products** aimed at **advancing the insurance and reinsurance sector** in tandem with the progress of the financial services sector in the Kingdom.

A PROMISING INDUSTRY

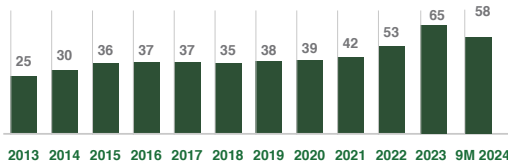
Considered among the world's fastest-growing markets, the Saudi insurance market is the largest in the Middle East in terms of gross written premiums, ranking 35th globally. Furthermore, the Saudi insurance sector holds great potential and diverse opportunities, as it plays a vital role in ensuring protection for organizations and individuals, contributes to the national economy, attracts investments, and provides employment opportunities.

The largest market in the Middle East and 35th in the world

The size of the Saudi insurance and reinsurance market

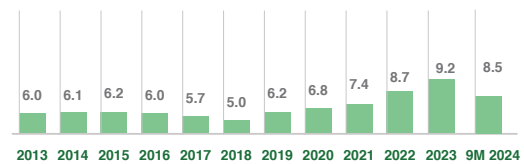
Insurance Premium

Billion Riyals



Reinsurance Premium

Billion Riyals



surety bond insurance program

29/12/2024

"Saudi Re" announced the signing of exclusive contracts, making it the sole reinsurer for the surety bond insurance program in the Saudi market. This program serves as a financial guarantee aimed at ensuring contractors fulfill their contractual obligations in construction projects affiliated with the Public Investment Fund's real estate companies.

7/10/2024

Employer Defaults Insurance

Saudi Re announced the signing of a reinsurance agreement with Al-Etihad Cooperative Insurance Company to provide insurance against employer default. This product reflects the collaborative efforts of the Ministry of Human Resources and Social Development and the Insurance Authority. The agreement aims to provide insurance coverage for the rights and entitlements of non-Saudi workers in the private sector in cases of employer insolvency, in accordance with the agreed terms and conditions.

Enforcing the local retention of reinsurance premiums 2023

26/10/2022

Insurance Authority introduced a new mechanism aiming at improving the enforcement of local retention of reinsurance premiums within the Kingdom targeting a minimum 30% by 2025. The mechanism is expected to strengthen the domestic reinsurance ecosystem and enable the national reinsurance market to play an active role. The increased retention of reinsurance premiums within the Kingdom is expected to have a positive economic impact and contribute to the financial stability of the sector

STRATEGY BRIEF

Vision

To evolve into a large and diversified reinsurer contributing to the growth of our economy and be ranked among the Top 50 global reinsurers.



STRATEGIC INITIATIVES

- **Capitalizing on the growth potential of the Saudi economy and leveraging our advantageous presence in the Kingdom to:**



Support Saudi Vision 2030 and de-risking economic growth.



Play an anchor role in increased domestic market retention and absorption of risks.



Drive innovation to better capture new and emerging risks.

- **Maintaining a well-balanced portfolio with healthy composition of local and international business by:**

Becoming a prominent exporter of reinsurance capacity through the prudent underwriting of international risks.

Harnessing existing global reach to advance into new markets and vital capabilities.

The strategic plan was formulated with careful consideration of a range of market trends, including economic, geopolitical, social, technical, and technological factors. The strategy continues to center around the following five pillars:



Scale

We prioritize the pursuit of scale, which involves expanding our economic scale, earnings, and capital base, as well as enhancing our resilience to major losses.



Diversification

Our strategy includes diversification, both geographically and in terms of risk type, to ensure a well-balanced portfolio.



Technical and Operational Capabilities

We are dedicated to continuously improving our technical and operational capabilities, which include risk management, technological advancements, and human capital development.



Relationships

We place a high value on building strong relationships, particularly with cedants, brokers, partners, and regulators. Our corporate brand is also an essential factor in fostering positive relationships.



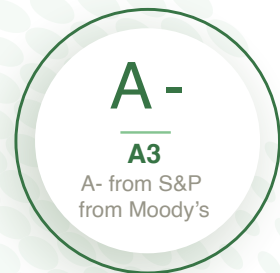
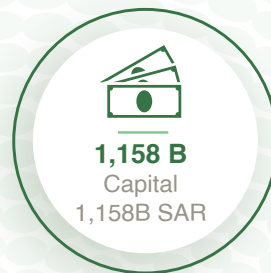
Financial Soundness

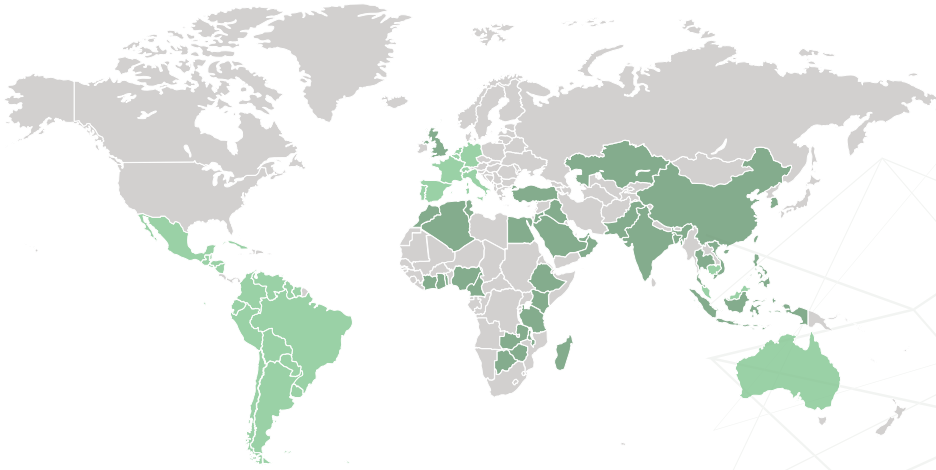
Maintaining financial soundness is critical to the strength and stability of our business. We strive to maintain technical profitability, adequate capitalization, and favorable returns on investment.

ABOUT SAUDI RE

Saudi Re is the only specialized reinsurance company in Saudi Arabia which operates in more than 40+ countries across the Middle East, Asia, Africa and Lloyd's Market in the UK through it's HO in Riyadh and through it's Labuan KL branch.

The Company operates under the supervision of the Insurance Authority and listed on the Saudi Exchange (Tadawul). Based in a G20 economy, with one of the world's fastest-growing insurance markets, giving Saudi Re significant opportunities for growth and development.

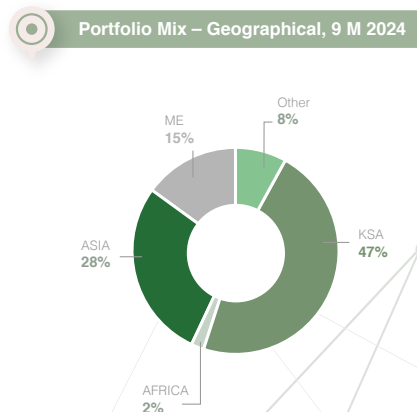
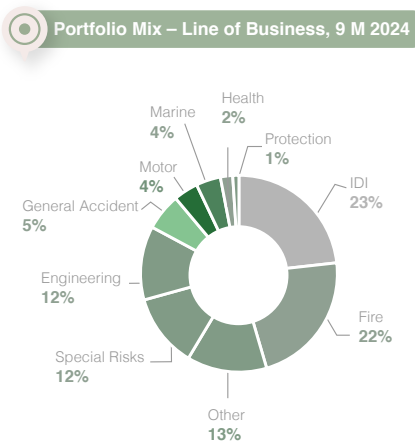
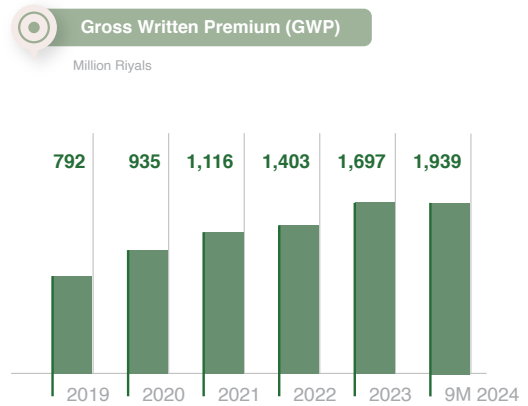
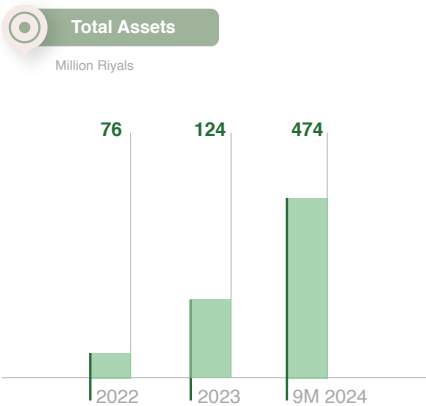




INTERNATIONAL PRESENCE IN MORE THAN 40 MARKETS

In the Middle East, Asia, Africa and Lloyd's in the UK

UNDERWRITING PORTFOLIO OVERVIEW



FINANCIAL STRENGTH RATING

Reflecting Competitive Advantages and Solid Financial Position

A- Stable

- **S&P** noted that Saudi Re has continued to strengthen its **competitive position via profitable business growth and diversification in recent years, thanks to local and international expansion.**
- At the same time, Saudi Re's **exposure to catastrophe and other large risks is relatively modest and the company maintains capital adequacy above the "AAA" level in S&P's model.**
- As per **S&P**, the stable outlook reflects that Saudi Re will maintain excellent **capital adequacy and continue to profitably expand and diversify its business over the next two years.**
- Furthermore, **S&P** views **the governance practices at Saudi Re as effective and appropriate**, and also regards **the consistency in strategy and management's expertise and experience as a benefit to the company.**

A-3 Stable

The A3 IFSR of Saudi Re reflects its:

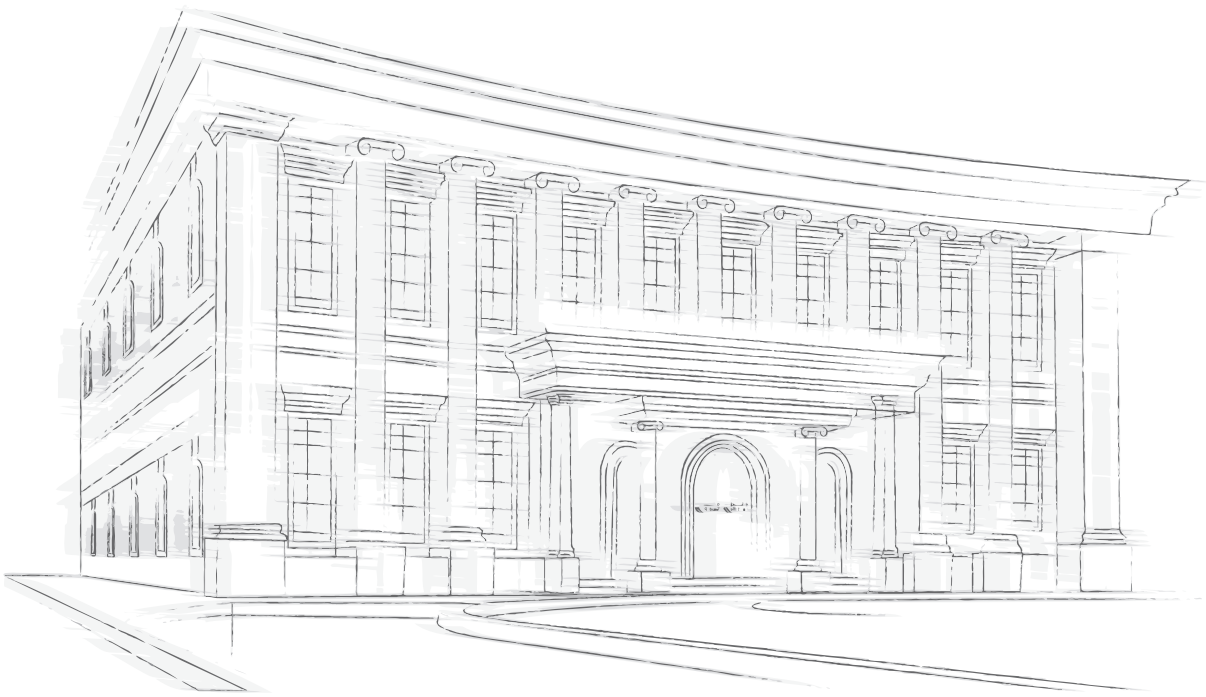
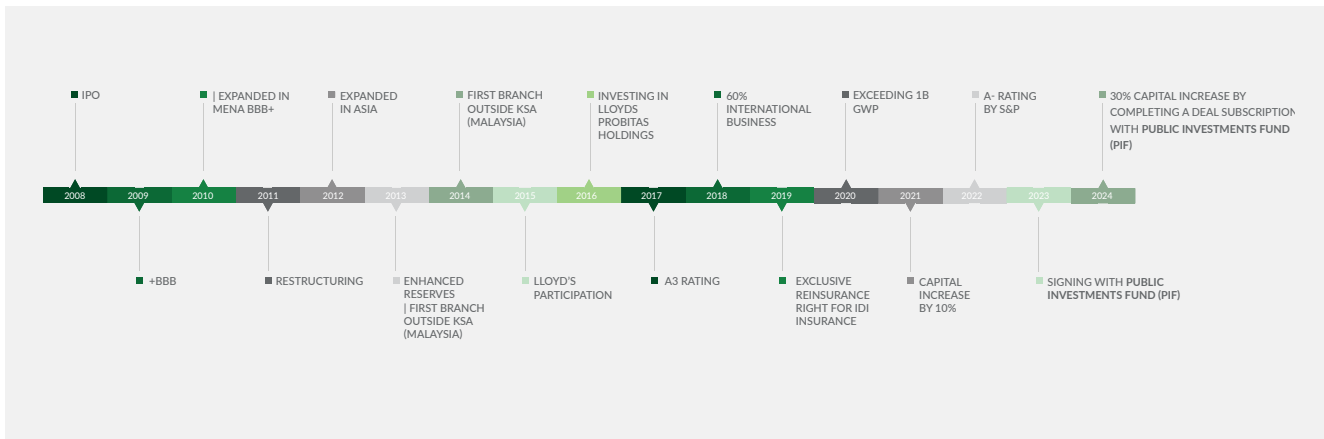
- **strong brand and market position**
in Saudi Arabia as the sole Saudi professional reinsurer as well as a growing presence in its target markets of Asia, Africa and Lloyd's
- **Preferential position in Saudi market**
due to a right of first refusal on a portion of premiums ceded by primary carriers in the Saudi market
- **Strong asset quality**
exemplified by its conservative investment portfolio
- **Good capital adequacy,**
both in terms of capital levels, with gross underwriting leverage (GUL) of 2.1x and relatively modest exposure to natural catastrophe risk
- **Strong financial flexibility**
with nonexistent leverage and good access to capital markets in Saudi Arabia given its listing on the Saudi stock exchange, and broad investor base

Moody's

STRATEGIC MILESTONES

Steady Growth Trajectory

15
YEARS OF
PROGRESS



إعادة
Saudi Re

Under the supervision of Insurance Authority
License No. TMN/20087/17