

السوق المالية السعودية
Saudi Stock Exchange

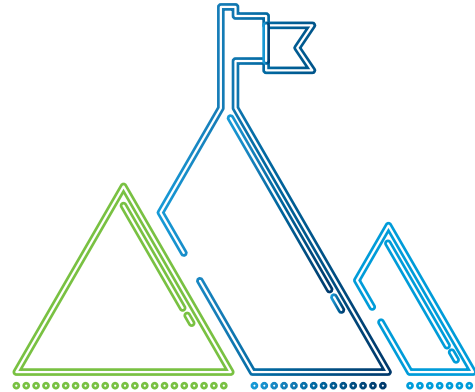
تداول
Tadawul

Tadawul Strategy

2018 - 2022

OUR VISION

To be an integrated financial exchange that fosters the development of a diverse Saudi capital market and competes internationally.



OUR MISSION

To offer sound, efficient and attractive capital market products and services that deliver superior value to our market participants and stakeholders.

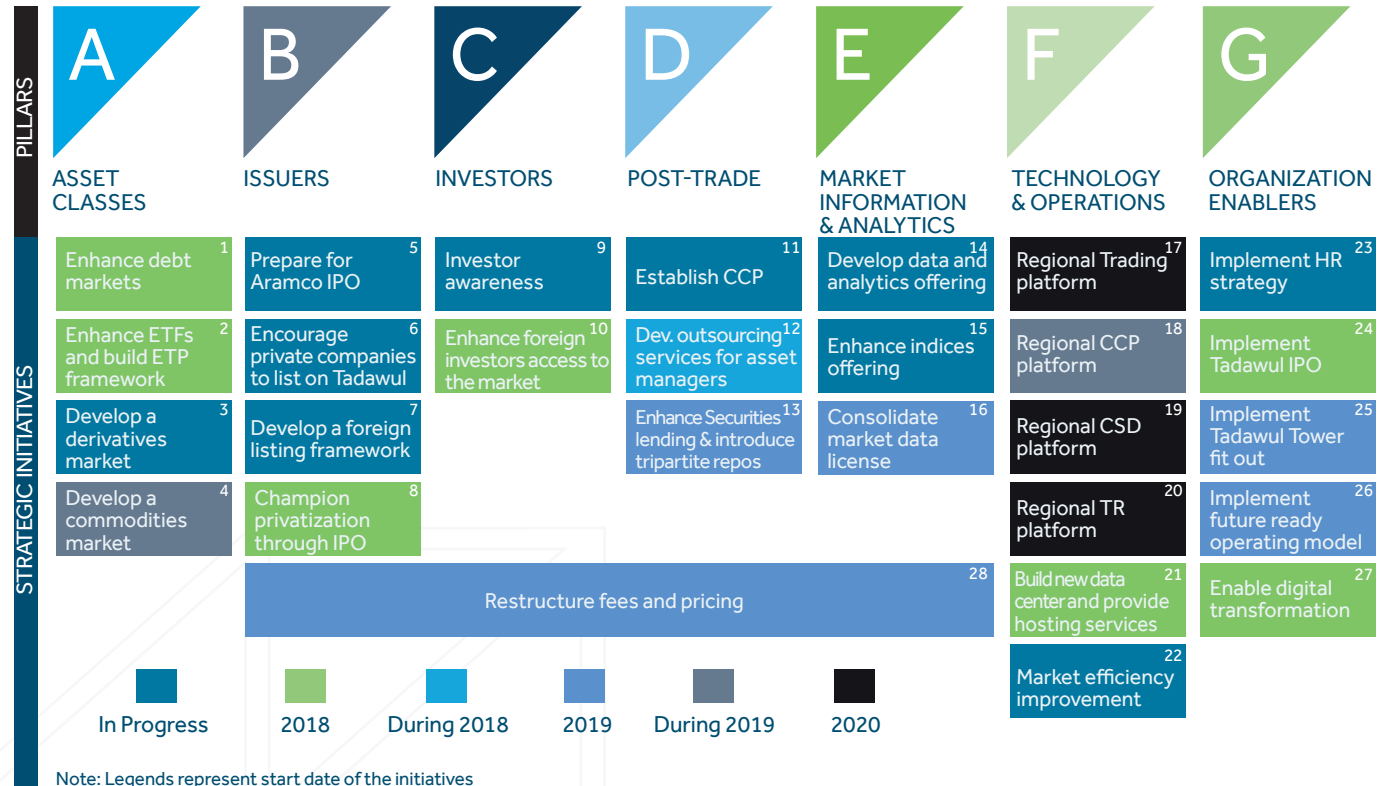
Proposed Tadawul 2022 ambition: Three key value drivers to deliver superior shareholder returns



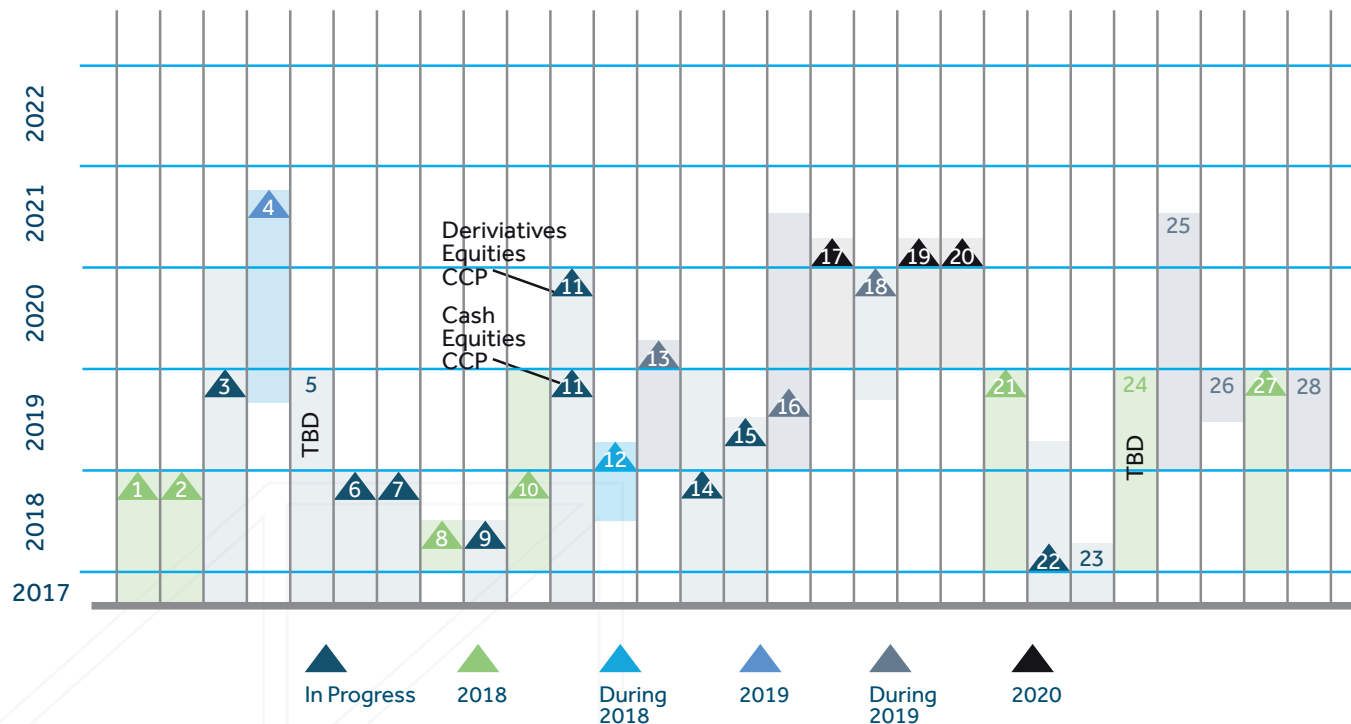
Pillars & strategic objectives

PILLARS	A	B	C	D	E	F	G
	ASSET CLASSES	ISSUERS	INVESTORS	POST-TRADE	MARKET INFORMATION & ANALYTICS	TECHNOLOGY & OPERATIONS	ORGANIZATION ENABLERS
STRATEGIC OBJECTIVES	Enhance existing asset classes while developing derivatives and commodities markets in line with investor needs	Become a partner to KSA's privatization and debt listing and encourage Saudi and GCC private companies to list	Diversify investor base by attracting international and institutional investors	Establish a CCP and enhance post-trade products & services	Develop a comprehensive suite of information & analytics services	Build and operate a regional exchange platform across the value chain	Build an agile, digitized and business oriented org. collaborating with local, regional and international stakeholders to implement the strategy

List of strategic initiatives: 28 initiatives to achieve Tadawul's strategic objectives



Implementation Plan: Initiative plans developed; 10 initiatives will provide above normal revenue growth beyond 2022



2018 – 2022 Corporate KPIs

5-year targets from the financial model

Strategy	Pillar	KPI	Description & rationale
	Asset classes	% of trading revenues from asset classes other than cash equity	Ensures diversification from Cash Equity. To include ETFs/ETPs, debt, derivatives & commodities
	Issuers	# of new IPOs per year (main market)	Ensure Tadawul is actively driving new equity listings. Includes privatization, private sector and foreign IPOs
		# of new debt issuances per year	Ensure Tadawul is actively expanding the debt markets. Includes govt. & private sector
	Investors	Foreign investors ownership as % of total investors in the main market ²	Ensure Tadawul is opening up to foreign investors (QFI) and diversifying its investors base
	Post-trade	Post-trade revenues as % of total operating revenues	Ensure that CCP and other PT products are driving revenues as per plan
	MI & Analytics	MI, analytics & technology revenues as % of total revenues	Make sure that MI & analytics and technology revenues grow as total revenues grow
	Technology & Operations		
	Organization Enablers	Staff engagement	Drives staff satisfaction, development and motivation
		Staff costs as % of total Opex	Drives the exchange costs efficiency and shows the effects of digitization
Financial	Efficiency & Governance	IT Efficiency & Effectiveness Index	Change index that measures: 1. % of successful changes on core systems 2. % of successful releases on core systems
		Operational Efficiency (Time)	Measures the efficiency of key operational activities in terms of time
		Adherence to governance & controls	a. Major KRI incidents breached (out of the 22 KRIs) b. Critical external audit observations past due c. Critical internal audit observations past due
		Total operating revenues ¹	Drives top-line performance in line with business plan
	Revenues	Opex as % of total operating revenues ¹	Control cost base while sufficiently investing in staff development and technology capabilities as per plans
Financial	Costs	Return on Equity (RoE) ¹	Drive profitability in line with business plan
	Profitability		

1. Before Zakat

2. Excluding Aramco Market Cap

Source: BCG & Tadawul Analysis



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