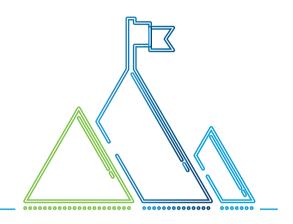
تــداوك Tadawul السوق المالية السعودية Saudi Stock Exchange **Tadawul** Strategy 2018 - 2022



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





Pilars & strategic objectives









ISSUERS



INVESTORS



POST-TRADE



MARKET **INFORMATION** & ANALYTICS



TECHNOLOGY & OPERATIONS



ORGANIZATION ENABLERS

Enhance existing asset classes while to KSA's developing derivatives and commodities investor needs

Become a partner privatization and debt listing and encourage markets in line with Saudi and GCC private companies to list

Diversify investor base by attracting international and institutional investors

post-trade products & services

Establish a CCP and enhance

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

2018 - 2022 Corporate KPIs



	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		
Strategy	lssuers	# 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	re 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	- II, analytics a comology revenues as 7001 countervenues			
	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		
	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) Adherence to governance & controls	Measures the efficiency of key operational activities in terms of time a. Major KRI incidents breached (out of the 22 KRIs) b. Critical external audit observations past due c. Critical internal audit observations past due		
<u>a</u>	Revenues	Total operating revenues ¹	Drives top-line performance in line with business plan		
inancia	Costs	Opex as % of total operating revenues ¹	Control cost base while sufficiently investing in staff development and technology capabilities as per plans		
뜶	Profitability	Return on Equity (RoE) ¹	Drive profitability in line with business plan		
		1.Before Zakat 2.Excluding Aramco Market Cap	Source: BCG & Tadawul Analysis		

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

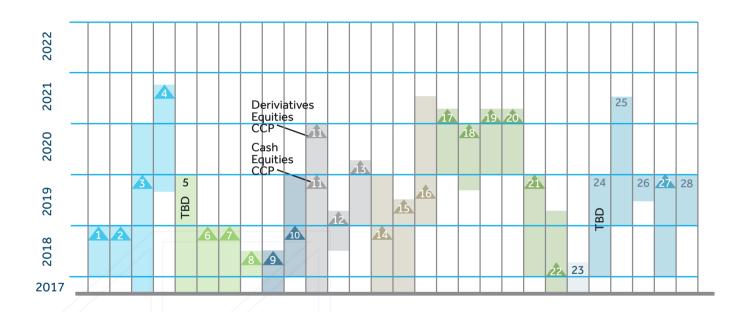


PILLARS	A	В	C	D	E	F	G
	ASSET CLASSES	ISSUERS	INVESTORS	POST-TRADE	MARKET INFORMATION & ANALYTICS	TECHNOLOGY & OPERATIONS	ORGANIZATION ENABLERS
	Enhance debt markets	Prepare for Aramco IPO	Investor awareness	Establish CCP	Develop data and analytics offering	Regional Trading platform	Implement HR 23 strategy
RATEGIC INITIATIVES	Enhance ETFs 2 and build ETP framework	Encourage 6 private companies to list on Tadawul	Enhance foreign 10 investors access to the market	Dev. outsourcing 12 services for asset managers	Enhance indices offering	Regional CCP 18 platform	Implement Tadawul IPO
	Develop a derivatives market	Develop a foreign listing framework		Enhance Securities 13 lending & introduce tripartite repos	Consolidate market data license	Regional CSD platform	Implement 725 Tadawul Tower fit out
	Develop a commodities market	Champion privatization through IPO				Regional TR platform	Implement future ready operating model
ST			Restructure fe	Build new data center and provide hosting services	Enable digital transformation		
						Market efficiency improvement	

Note: Legends represent start date of the initiatives

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







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