



ADF Strategy (2021-2025)

Sept 2020



ADF Strategy –vision, mission and objectives (2021-2025)



Vision

A leading fund that offers best-in-class sustainable financing solutions to promote the realization of the National Agriculture Strategy



Mission

- Contribute to enhancing food security while preserving natural resources
- Contribute to economic growth and promote sustainable agricultural rural development by building on regional comparative advantages
- Provide best-in-class financing solutions and services by leveraging strategic partnerships
- Enhance financial sustainability, develop employee capabilities and achieve operational excellence within an established risk management framework



Strategic Objectives

- 1 Contribute to enhancing food security through financing local production and the wider supply chain, increasing local content, and developing marketing and agriculture services
- 2 Finance the agriculture sector to promote sustainable agricultural rural development and align the crop mix with regional competitive advantages
- 3 Encourage the use of modern technologies and practices to conserve natural resources and improve agriculture productivity while leveraging strategic partnerships with cooperatives, the private sector and research centers
- 4 Develop and improve customers' experience and offer best-in-class financing solutions and services
- 5 Enhance our operating model and develop employee capabilities to achieve corporate excellence
- 6 Ensure financial sustainability through improving operational efficiency and liquidity management within an established risk management framework



Alignment of the fund's goals with the Kingdom's vision and the national agricultural strategy



Relevant Vision 2030 Objectives

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| 1. Ensure development and food security | 5. Grow productive families contribution to the economy |
| 2. Increase localization of non-oil sectors | 6. Grow SME contribution to the economy |
| 3. Ensure sustainable use of water resources | 7. Enable financial institutions to support private sector growth |
| 4. Reduce all types of pollution | |

Relevant National Agriculture Strategy 2030 Objectives

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| 1. Enhance food security throughout the Kingdom | 4. Contribute to sustainable rural development and provide adequate living conditions for small farmers |
| 2. Improve plant and animal health and safety and protection against diseases and pest infections | 5. Enhance production efficiency, competitiveness and the investment environment for agricultural products |
| 3. Protect and improve the use and sustainability of natural resources and the preserve the environment | |

Fund Objectives (2021-2025)

Contribute to food security by providing access to credit for domestic production and enterprises across the supply chain, bolstering local content, and developing marketing and agricultural services	Provide targeted financing to support sustainable agriculture rural development and changes in the production mix in line with regional comparative advantages	Promote the adoption of modern technologies and advanced practices to conserve natural resources and improve productivity while leveraging strategic partnerships with cooperatives, the private sector and research centers
Enhance customer experience and offer best-in-class financing solutions and services	Streamline our operating model and upscale employee capabilities to achieve corporate excellence	Uphold financial sustainability through improved operational efficiency and liquidity management in accordance with an established risk management framework



ADF Strategy – Proposed initiatives for 2021-2025 (1 of 2)



	Initiatives	Description
1	Development of Local Production	Provide credit facilities to support local agriculture production in alignment with the National Agriculture Strategy
2	Support of the Agriculture Rural Development Program	Provide credit facilities to support the implementation of the Agricultural Rural Development program
3	Expansion Across the Agriculture Supply Chain	Provide credit facilities to support projects related to agricultural inputs, transport and handling, storage and processing, primary manufacturing, marketing and distribution
4	Support for Agriculture Investment Abroad	Provide credit facilities to support the implementation of the Responsible Agriculture Investment Abroad Strategy and thus, enhance food security
5	Promotion of Modern Technologies	Provide credit facilities to increase the penetration of modern technologies, especially for irrigation, in coordination with the Saudi Irrigation Organization and other stakeholders
6	Development of the Services Portfolio and Partnerships	Develop new products in collaboration with cooperatives and partnerships with commercial banks and the industry ecosystem, and offer advisory services with the support of third party providers
7	Improved Targeting of Customers and Marketing Effectiveness	Improve marketing reach and customer relationship management based on a proactive and collaborative approach that leverages digital channels and improves operational efficiency



ADF Strategy – Proposed initiatives for 2021-2025 (2 of 2)

	Initiatives	Description
8	IT Systems Enhancement and Process Automation	Confirm the needs of ADF and implement IT systems that enable the digitization of key processes and improvements in efficiency and customer experience
9	Enhancement of Risk and Compliance Management	Enhance risk and compliance management and cybersecurity by developing and implementing related policies, procedures, certifications and organizational capabilities
10	Regulations Update and Improvement of Governance & Performance Management	Update ADF's founding regulations, improve its governance, implement an integrated framework for performance management and set up a Transformation Office to enable the successful implementation of its strategy
11	Organization Restructuring, HR Optimization and Change Management	Review and implement the targeted organization structure and improve human capital productivity and key capabilities to enable the achievement of the fund's strategy
12	Organizational Excellence	Enhance quality management and implement business intelligence capabilities to enhance decision making and knowledge management
13	Pricing Strategy Review, Financial Planning and Transition to IFRS	Transition to IFRS and implement financial plans that promote ADF's sustainability and the achievement of its operational targets, including credit portfolio expansion, non-performing loans and cost reduction and investment portfolio optimization



Thank you