

**Prince Sultan University**

**Women's College**

**College of Business Administration**



**Final Report for Co-Op Program Training**

**Course Code: Fin 492**



**By**

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**Supervised by**

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**1<sup>st</sup> August, 2016**

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### **Acknowledgement:**

First and above all, I would like to thank Allah for being blessed by getting the best education, by being supported by a great family and loving people who've been always there for me and by being lucky enough that I cannot ask for a better co-op program than what I had.

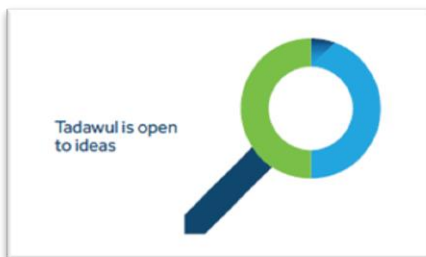
I cannot express enough thanks to my parents: Reem Hamoudah and Attaf AlSahhaf, who supported me since the beginning of my college life until the end of my journey. I would also like to thank my family and friends who were always supporting me in whatever is best for my future. They provided me guidance, support and pushing me forward to become a better person.

In addition, I would also like to take this opportunity to express my gratitude to my advisor Dr. Raneem Al-Selaimi for her support, guidance and constant encouragement throughout the period of my co-op.

Finally, I would like to thank Tadawul for their support and for giving me their time to teach me and guide me through my Co-op program. I consider myself the luckiest to be able to work with amazing Team of (Finance and support services) and mostly with my mentor Ms. Aljohara Al-Rabiah who really showed me step by step into how to become an intelligent investor.

## i. Introduction:

Higher education has become the most essential requirement to have in order to open up career opportunities. However, work experience is also considered being one of the needed factors that assist most of the graduates to increase their work chances among the work fields. Therefore, Prince Sultan University played a major role in providing the Co-op program to their students prior to graduation as one of the main curriculum requirements for the finance degree completion. Interestingly, Saudi stock exchange Tadawul was the selected company for my internship program. This experience allowed me to reflect my obtained knowledge onto the work environment and enhanced great amount of understanding to the financial function at the market world.



## A. Company Profile

Saudi joint stock companies had their beginnings in the mid 1930's, when the "Arab Automobile" company was established as the first joint stock company. By 1975 there were about 14 public companies. The rapid economic expansion, besides the Saudisation of part of the foreign banks capital in the 1970's led to the establishment of a number of large corporations and joint stock banks, according to Tadawul's website.

The market remained informal, until the early 1980's when the government embarked on forming a regulated market for trading together with the required systems. In 1984, a Ministerial Committee composed of the Ministry of Finance and National Economy, Ministry of Commerce and Saudi Arabian Monetary Agency (SAMA) was formed to regulate and develop the market. SAMA was the government body charged with regulating and monitoring market activities until the Capital Market Authority (CMA) was established in July 2003 under the Capital Market Law (CML) by Royal Decree No. (M/30). The CMA is the sole regulator and supervisor of the capital market, it issues the required rules and regulations to protect investors and ensure fairness and efficiency in the market (Tadawul, 2003).

The Council of Ministers approved on the 19th of March 2007, the formation of The Saudi Stock Exchange (Tadawul) Company. This was in accordance with Article-20 of the Capital Market Law establishing Tadawul as a joint stock company.

## Vision

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

## Mission

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

## Objectives

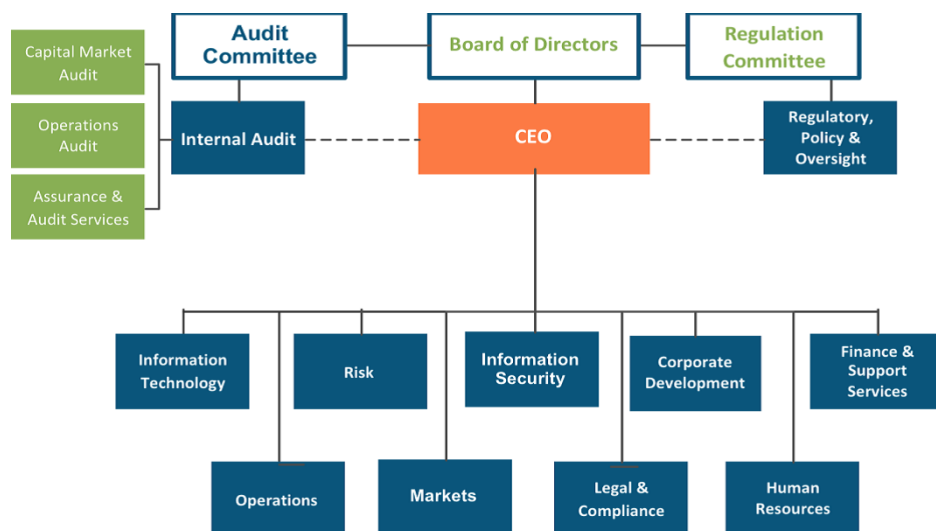
### 1- Operating the market efficiently and delivering service excellence:

- ✦ Operate the market effectively and efficiently.
- ✦ Ensure market integrity, quality, and fairness.
- ✦ Support investor education and awareness efforts.
- ✦ Develop service excellence for customers (brokers, issuers, investors, vendors, etc.)
- ✦ Develop the exchange's capabilities and competencies.

### 2- Developing a leading financial exchange by supporting competitive investment and financing channels:

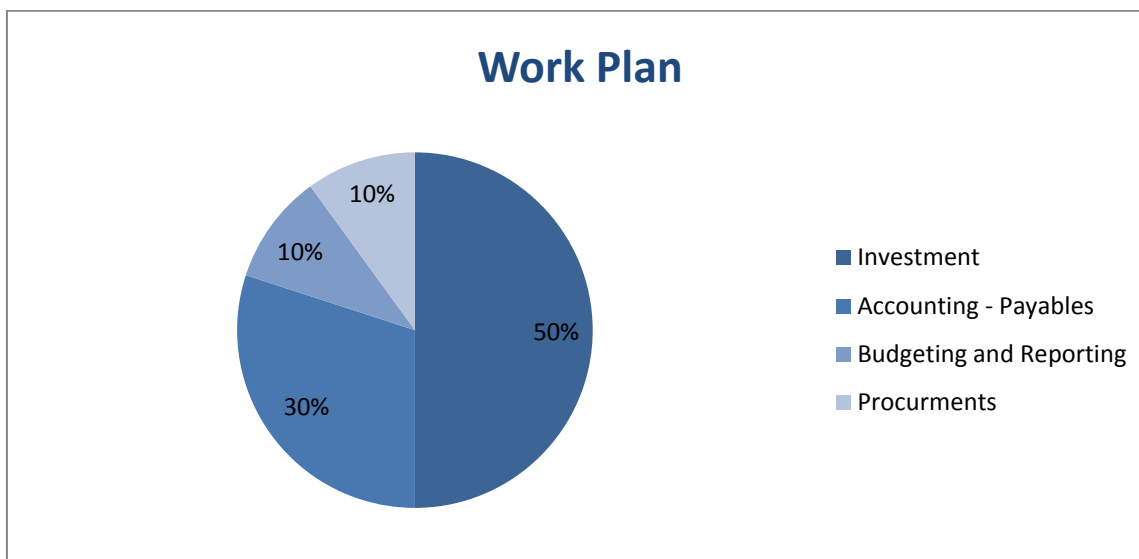
- ✦ Support efficient capital raising for companies.
- ✦ Provide innovative, diversified, and integrated financial markets, products, services, and instruments.
- ✦ Attract national and international market participants.
- ✦ Integrate and leverage offerings across our value chain.
- ✦ Provide superior financial returns and shareholder value.

## Organization structure



## B. Work Plan

My internship plan included working on different section under the Finance and Support Services. At each Section we were asked to Complete a daily tasks and work on project that might take from 2 days to 1 month to complete. Most of the projects I worked on were with the Trainees team.



| Training Activity                                                                                               | Task                                                                                             |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
|  <b>Budget &amp; Control</b> | Budget upload, prepare annual reports, prepare financials and approve or reject budget requests. |
|  <b>Investment</b>           | Analyze and evaluate funds, securities, and sectors within the Saudi market                      |
|  <b>Accounts Payable</b>     | Data entries using Oracle.                                                                       |
|  <b>Accounts Receivable</b>  | Categorize customers based on specific criteria.                                                 |

The table shows the some tasks that I will mention in detail later on.

## ii. Projects & Activities

### A. Finance and Investment Projects

#### 1- Daily activities and sessions:

##### ❖ Daily news:

The Daily news tasks is about each one from the Trainees group in the finance & support services department reading different news every day ending by choosing one news to make an analysis about, then sending to each member of the group and to our Supervisor Al-Joharah Al-Rabiah. After one hour we discuss the news and its impact on Saudi Stock Market in a meeting with each other's and forecast for the coming days. The benefit from this task is to improve our reading skill, being informed about the world news, being in touch with the group members and enhance the communication between them.

From: Leena A. Al Sahhaf

To: Al-Joharah F. Al-Rabiah; Yara A. Al Smaary; Abdulrahman K. Al Kreddy; Reem A. Alhagbani; Hamad Alshafan

Subject: Daily news

Sent: ٢٠١٦/٠٥/١١ ١٩:٤٣

**Today's News:**

**النفط يهبط لأدنى مستوى له منذ شهرين**

عامل بأحد التحول التقلبي بالأسواق - المسورة من رويترز أريبيان آي

AddThis Sharing Buttons  
 Share to FacebookShare to TwitterShare to Google+Share to LinkedIn

١١ مايو ٢٠١٦ ١٩:٤٣

من : محمود جمال

ماتر: تراجع أسعار النفط الخام في سبب التقلبات الأخيرة يوم الاثنين متفجرة من أدنى مستوى لها منذ شهرين على الرغم من تأكيد السعودية سعيها إلى استقرار السوق.

وقال خالد الفالح وزير الطاقة السعودي في وقت متأخر يوم الأحد إن سوق النفط تنبه إلى التوازن. وقال إن السعودية تسمى دائما إلى استقرار السوق التقلبية والاقتصاد العالمي وذلك من خلال ضمان تفتق الإمدادات. وقال إن وزارة الطاقة السعودية.

وتدخل الساعة ٢:٤٥ بتوقيت جرينتش. هبط سعر خام برنت تسليم سبتمبر بنحو ٠.١٦ دولارا (مليار) ٢٢ سنتا. بالغا أدنى مستوى له منذ مطلع مايو الماضي عند ٤٦.٥٤ دولارا للبرميل. وذلك بعد ارتفاعه ٤٩ سنتا عند الإغلاق يوم الجمعة.

وقال أحمد حسن كرم، المحلل القطري، لـ"المستثمر". إن هناك توقعات سلبية لأسعار النفط خلال الأسبوع الجاري. تؤكد وصوله لما دون مستوى ٤٠ دولارا. وذلك على الرغم من تلك التصريحات الإيجابية من الجانب السعودي. لتسعى إلى استقرار الأسعار.

وبين كرم أن سعر خام برنت لمستوى ٤٧ دولارا. يواظبه قويا للارتفاع إلى مستوى ٤٥ دولارا. ومنها إلى ما دون ٤٤ دولارا مجددا.

وفي ذات الوقت اليوم، هبط سعر الخام الأمريكي تسليم أغسطس بنحو ٠.١١ دولارا (مليار) ٢١ سنتا إلى ٤٥.١٤ دولارا للبرميل. بعد ارتفاعه ٢٧ سنتا عند الإغلاق يوم الجمعة.

وأضاف كرم إن من أسباب تراجع أسعار النفط، التوقعات السلبية في السوق العالمية. سوف تقل الاستثمار بالخام خلال الفترة القادمة. لتؤدي مزيد من الخسائر في ظل تزايد المخاوف المتعلقة بالعرض والطلب.

وقال كرم إن السلبية ستؤدي للسيطرة على الأسعار. مما يؤدي إلى مزيد من هجمات حيتنة على البنية الأساسية النفطية في نيجيريا أو غيرها من مناطق حول دول أخرى.

**Analysis:**

The decrease of oil prices has a negative effect on the Saudi economy. Because the oil is consider the biggest source of export of Saudi Arabia. On the other hand, falling oil prices is good news for oil importers.

And as they mentioned majority of hedge funds in the world's oil, will reduce investment with crude oil during the coming period in order to avoid further losses amid growing concerns about the supply and demand.

**Reference:**

<http://www.mubasher.info/news/2971135/%D8%A7%D9%84%D9%86%D9%81%D8%B7%D9%8A%D9%87%D8%A8%D8%B7%D9%84%D8%A3%D8%AF%D9%86%D9%89%D9%85%D8%B3%D8%AA%D9%88%D9%87%D9%85%D9%86%D8%B0%D8%B4%D9%87%D8%B1%D9%8A%D9%86>

### ❖ Prices Update:

In this task each member in the group should choose one company in the Stock market, currency and commodity. Then we provide to our Supervisor every day with their prices to compare how the prices go by the end of the week. I chose Silver as a commodity, the National Shipping Company of Saudi Arabia (Bahri) and Bawan Company as a Company Stock market and Russian (RUB) as a Currency. In this task I learned how the prices changes and affected by the market in different ways, Also it was interesting to follow up the currencies and the commodities prices in order to make smarter investing decisions which starts with staying informed about the latest market movements.

|          |                                                                         |
|----------|-------------------------------------------------------------------------|
| From:    | <input type="checkbox"/> Leena A. Al Sahhaf                             |
| To:      | <input type="checkbox"/> Al-Joharah F. Al-Rabiah                        |
| Cc:      | <input checked="" type="checkbox"/> Trainees Finance & support Services |
| Subject: | leena                                                                   |

**Prices Update:**

**Russian currency price:**

1 RUB = 0.059346 SAR  
1 SAR = 16.793 RUB

**Commodity**

**Silver price:**  
19.82 decreased by -0.19

**The National Shipping Company of Saudi Arabia (Bahri):**

|            |        |
|------------|--------|
| Last Trade | 41.50  |
| Change     | (0.24) |
| Change (%) | (0.58) |

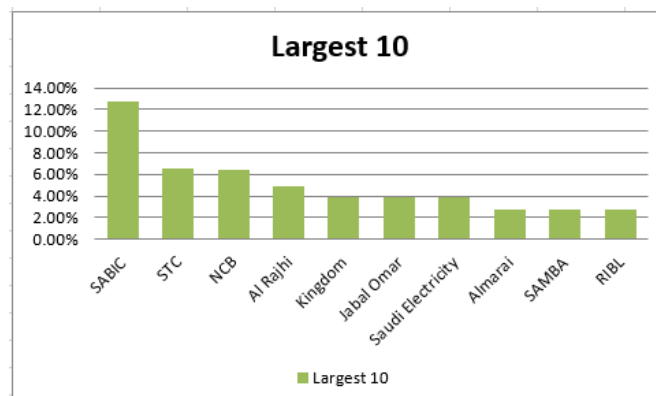
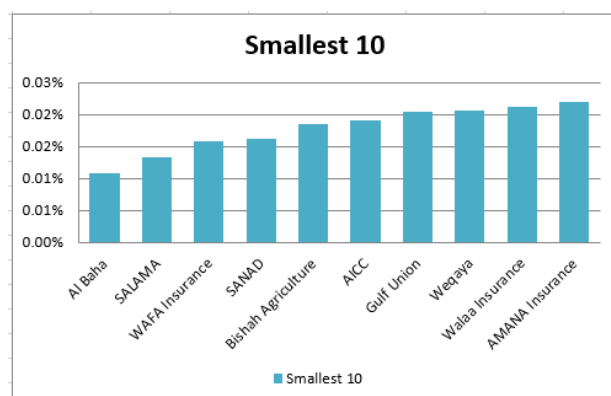
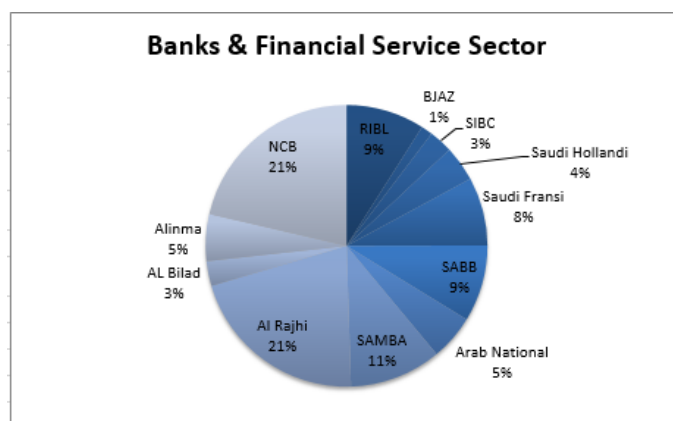
**Bawan Company (Bawan)**

|            |        |
|------------|--------|
| Last Trade | 41.50  |
| Change     | (0.24) |
| Change (%) | (0.58) |

## 2- Market Capitalization:

Market capitalization is the total market value of all of a company's outstanding shares. Market capitalization is calculated by multiplying a company's shares outstanding by the current market price of one share. We used Market capitalization to determine the size of the company, the percentage to the sector and the percentage to the market. The benefit that we got from this task was to figure out the Largest and smallest 10 Companies in the market.

| Tadawul Symbol                               | Company Name   | Issued Shares | CLOSE | MARKET CAPITALIZATION | %TO SECTOR | % TO MARKET |
|----------------------------------------------|----------------|---------------|-------|-----------------------|------------|-------------|
| <b>Banks &amp; Financial Services Sector</b> |                |               |       |                       |            |             |
| 1010                                         | RIBL           | 3,000,000,000 | 11.25 | 33,750,000,000.00     | 9.01%      | 2.51%       |
| 1020                                         | BJAZ           | 400,000,000   | 12.35 | 4,940,000,000.00      | 1.32%      | 0.37%       |
| 1030                                         | SIBC           | 650,000,000   | 15.60 | 10,140,000,000.00     | 2.71%      | 0.75%       |
| 1040                                         | Saudi Hollandi | 571,536,000   | 26.60 | 15,202,857,600.00     | 4.06%      | 1.13%       |
| 1050                                         | Saudi Fransi   | 1,205,357,167 | 24.40 | 29,410,714,874.80     | 7.85%      | 2.18%       |
| 1060                                         | SABB           | 1,500,000,000 | 22.00 | 33,000,000,000.00     | 8.81%      | 2.45%       |
| 1080                                         | Arab National  | 1,000,000,000 | 19.50 | 19,500,000,000.00     | 5.21%      | 1.45%       |
| 1090                                         | SAMBA          | 2,000,000,000 | 19.75 | 39,500,000,000.00     | 10.54%     | 2.93%       |
| 1120                                         | Al Rajhi       | 1,625,000,000 | 48.20 | 78,325,000,000.00     | 20.91%     | 5.82%       |
| 1140                                         | AL Bilad       | 500,000,000   | 21.35 | 10,675,000,000.00     | 2.85%      | 0.79%       |
| 1150                                         | Alinma         | 1,500,000,000 | 13.45 | 20,175,000,000.00     | 5.39%      | 1.50%       |
| 1180                                         | NCB            | 2,000,000,000 | 40.00 | 80,000,000,000.00     | 21.36%     | 5.94%       |
| TOTAL                                        |                |               |       | 374,618,572,474.80    | 100.00%    | 27.82%      |



### 3- Money Market and Trade finance:

In this task we assumed that we had “1,000,000,000” to invest in money market local and trade finance local. First, we got the information about each fund Such as, the name of the fund, Classification, Unit price, %YTD, NAV, Benchmark, Strategy and fund allocation from Tadawul website in an excel sheet to be easier to compare between them. Second, the main things we build our decision on was the classification and %YTD. We end up with six fund which met our criteria in terms of high %YTD with different classification to diversify our amount to avoid the risk.

| A                   | B                                     | C                    | D          | E        | F              | G                                                                   | H                                                                                                                                                                                          |
|---------------------|---------------------------------------|----------------------|------------|----------|----------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amount invested SAR | Money Market Local                    |                      |            |          |                |                                                                     |                                                                                                                                                                                            |
|                     | Fund Name                             | Classification       | Unit Price | %YTD Cha | NAV            | Fund Benchmark                                                      | Fund Strategy                                                                                                                                                                              |
| 250,000,000         | Saudi Riyal Money Market Fund         | Capital Preservation | 19.3695    | 1.99     | 382,317,839    | SIBOR 1 month Index                                                 | Capital preservation & appreciation over the medium to short term.                                                                                                                         |
| 250,000,000         | Trade Finance Local                   |                      |            |          |                |                                                                     |                                                                                                                                                                                            |
|                     | Fund Name                             | Classification       | Unit Price | %YTD Cha | NAV            | Fund Benchmark                                                      | Fund Strategy                                                                                                                                                                              |
| 250,000,000         | Al Yusr Morabaha & Sukuk Fund         | Growth               | 11.4569    | 1.94     | 545,400,420.00 | Interest on deposits Saudi Riyal rate for six months of Saudi banks | Invest in Murabaha and commercial instruments.                                                                                                                                             |
| 100,000,000         | Al-Arabi SAR Money Market Func Income |                      | 14.5965    | 1.75     | 136,187,170.00 | One Month Sibor                                                     | Capital preservation, liquidity and short term capital growth.                                                                                                                             |
| 150,000,000         | Trade Finance Local                   |                      |            |          |                |                                                                     |                                                                                                                                                                                            |
|                     | Fund Name                             | Classification       | Unit Price | %YTD Cha | NAV            | Fund Benchmark                                                      | Fund Strategy                                                                                                                                                                              |
| 150,000,000         | AL-Qawafeel Commodities Trading Fund  | Capital Preservation | 134.5831   | 1.86     | 1,351,966,740  | One month SIBOR                                                     | To provide investors with return on investments relative to the Benchmark from Murabaha trading.                                                                                           |
| 50,000,000          | Al Rajhi commodity fund-SAR           | Growth               | 144.8251   | 1.41     | 8,353,372,382  | SAIBOR 3 Months Indexed                                             | Capital growth and liquidity.                                                                                                                                                              |
| 200,000,000         | Falcom murabaha fund                  | Income               | 1.14       | 2.2      | 565,938,583    | SAIBOR                                                              | FALCOM Asset Management's team of investment professionals seeks to add value over the Benchmark through active management of Morabaha investments To provide current income and liquidity |
| 1,000,000,000       |                                       |                      |            |          |                |                                                                     |                                                                                                                                                                                            |

#### 4- Sukuk Default Risk Probability:

In this task we were asked to find if the sukuk will have a default risk which was very hard task to do because there is no direct formula to calculate the default risk. So we focused on “Cash Ratio, Current Ration and Quick Ratio” for the short term which is less than one year. On the other hand, we focused on “Total Debt/Equity, Total Debt/Capital and Total Debt/Total assets” for the long term which is more than one year. To make these ratios meaningful we had to compare it with different companies in the same sector. We got all of these information from Bloomberg because we can get information quicker and easier. Also, they have function that we used as an indication which is “1-Yr Default Prob”.

|                         | Company<br>NIC AB Equity | Company<br>APPC AB Equity | Company<br>SIIG AB equity |
|-------------------------|--------------------------|---------------------------|---------------------------|
| <b>TASNEE</b>           | <b>Advance</b>           | <b>Saudi ind</b>          |                           |
| <b>FY 2015</b>          | <b>FY 2015</b>           | <b>FY 2015</b>            |                           |
| <b>12/31/2015</b>       | <b>12/31/2015</b>        | <b>12/31/2015</b>         |                           |
| Cash Ratio              | 0.382894946              | 0.300196047               | 1.328490919               |
| Current Ratio           | 1.305245394              | 1.600134231               | 2.277139654               |
| Quick Ratio             | 0.705176496              | 1.083671559               | 1.687544791               |
| Total Debt/Equity       | 191.5356808              | 43.37520591               | 103.5013746               |
| Total Debt/Capital      | 65.69888127              | 30.25293365               | 50.86028279               |
| Total Debt/Total Assets | 58.549216                | 28.0044302                | 48.71063253               |
| 1-Yr Default Prob       | 0.8547                   | 0.0753                    | 0.5926                    |
| Net Income              | -1426                    | 713                       | 727                       |

After the comparing between the companies in the same sector we ended up with this analysis were we used “If” function so that will be easier and standardized for all the sukuk. In order to know whether the debt/equity and the net income high or low. Also, we used it to came up with the below analysis.

| The Analysis:                  |                                                                                               |                                                     |                                                                                                                                            |
|--------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| The Debt/Equity high or low?   | High                                                                                          | Low                                                 | High                                                                                                                                       |
| The Net income is high or low? | Low                                                                                           | High                                                | High                                                                                                                                       |
| The analysis                   | The company carries a high risk because it have a high Debt/Equity ratio and a low Net income | The company is not leveraged and have a high income | The company is very leveraged because it have a high Debt/Equity ratio but it does not carry a high risk because it have a high Net income |

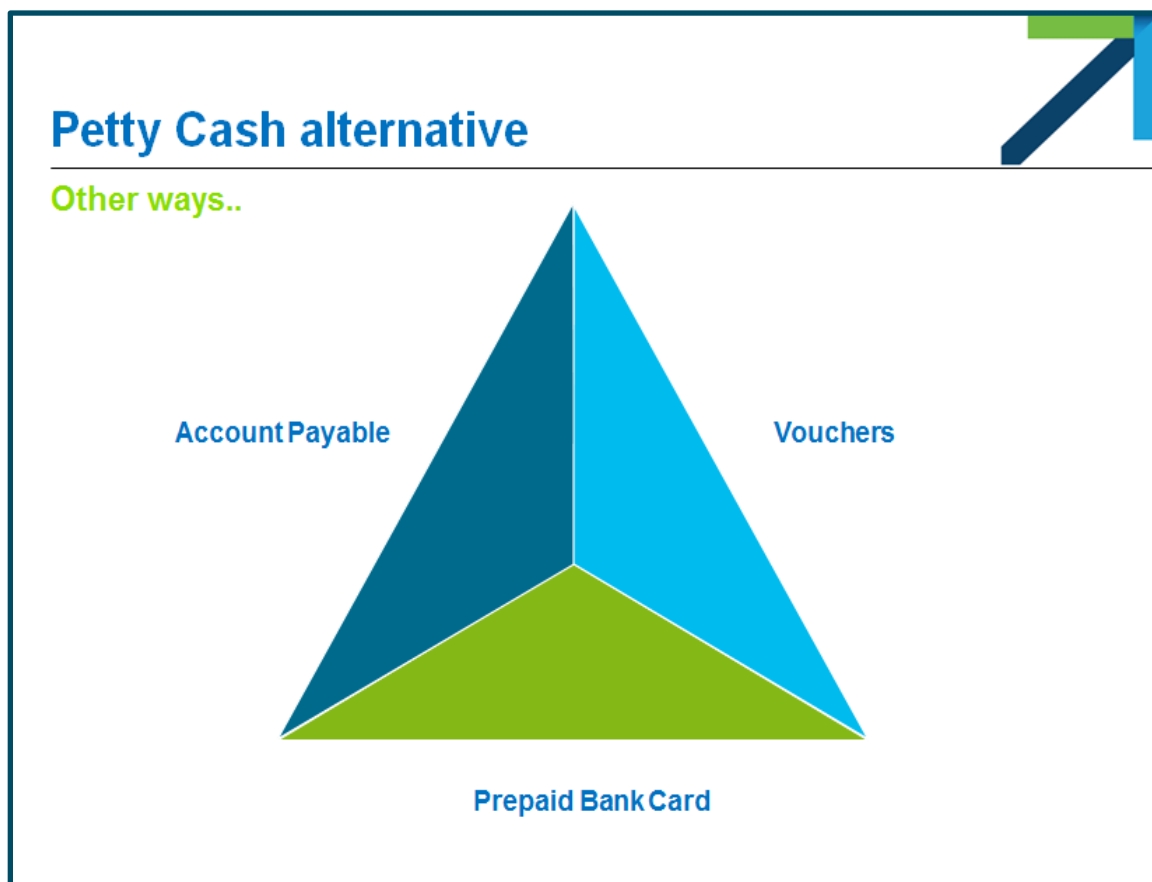
## 5- Due Diligence Reports:

Conducting a Due Diligence (DD) on a company to investigate and evaluate a business opportunity to confirm that the business is what it appears to be to avoid a bad transaction and that it complies with investment criteria. such as reviewing all financial records and anything else deemed material to the sale. We visit two big capitals to work on two Due Diligence reports, which took almost a month to complete one DD. This made our report writing skill more professional. We have a conflict that sometimes after our visits we still have some queries, and we had to follow up with the capital which took us almost two weeks to get a reply.

| Assets management                                                                    |                                                          |                             |                             |                             |                             |
|--------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Required attached document                                                           |                                                          |                             |                             |                             |                             |
|                                                                                      | Yes/No                                                   | Attachment                  | Notes                       |                             |                             |
| Investment philosophy                                                                | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Have there been any significant changes to the investment philosophy                 | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Do you have any process of rebalancing the portfolio                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Is the asset management firm affiliated with any other institution, broker or dealer | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Do you have any specific sector/trade concentration limits                           | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Do you have Services outsourced to third parties                                     | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Any fund closure or liquidation during the past five years                           | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Do you have any lock-in financing Funds                                              | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Do you have Offsite trading ability                                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| AUM Breakdown by Investor Type                                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| AUM Breakdown by Region Type                                                         | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Do you have backup procedures for the operations                                     | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Lock-up Period                                                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Statistics Summary                                                                   | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Total Expense Ratios of funds                                                        | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| NAV Calculation of the fund                                                          | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Average annual turnover per account (The minimum of purchases & sales)               | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Performance Fee                                                                      | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| Management Fee                                                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| CMA violations                                                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/>    |                             |                             |                             |
| How often do you backup trading information, client accounts and research data       |                                                          |                             |                             |                             |                             |
| Subscription                                                                         | Settlement day                                           | Valuation days              | Cutoff                      | Redemption                  | Dealing Day                 |
| Click here to enter a date.                                                          | Click here to enter a date.                              | Click here to enter a date. | Click here to enter a date. | Click here to enter a date. | Click here to enter a date. |

## 6- Petty Cash Alternative:

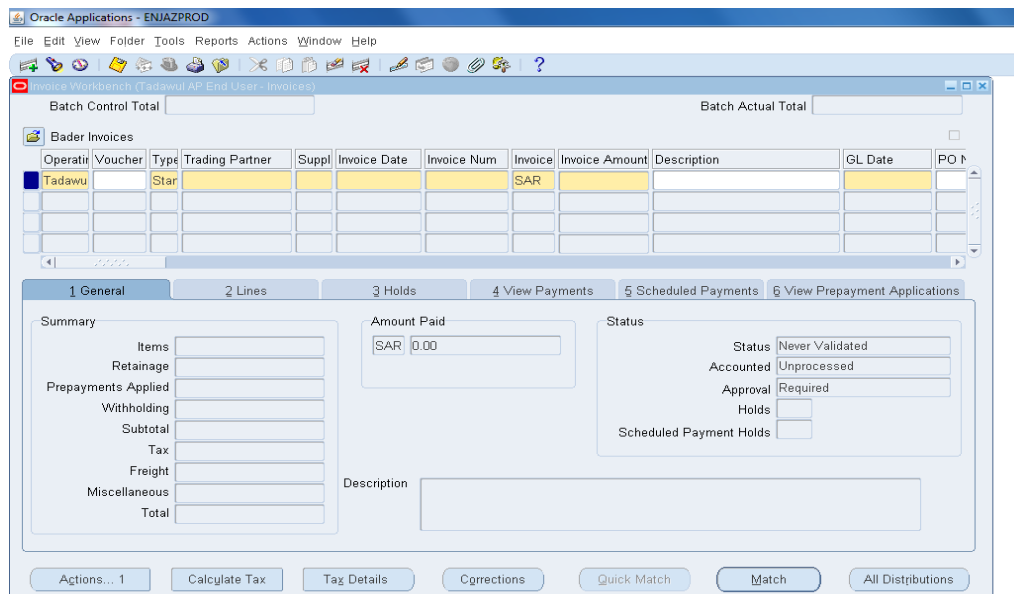
In this task we have asked to search about alternative procedure of petty cash for Tadawul to serve the departments in easier way. In which the petty cash is a cash fund for paying small charges, as for minor office supplies or deliveries. As of the concept of the petty cash we have asked to search in exchange for the easier and shorter way. Therefore we prepare a presentation to describe the option that it will be a good choice and why we think it will be useful. After a long research we figure out three methods that Tadawul may use. First the Vouchers since Tadawul can know how's their Vendor that they usually purchase from , Second Account payable because it will be paid only at one time during a specific period "Once a month" not every time as the petty cash. Finally the last alternative in our view was the prepaid card that we can get from the bank.



## B. Accounting Projects

### 1- Account Payable:

In this department we paid different kind of invoices. Such as, Training courses, Over time, Stander invoice and Different transfer. First, We receive the invoices from the procurement department after they initiate the Purchase Order. Second, we use Oracle system to enter the invoice details which are (Supplier Name, Supplier Number, Invoice Date, Invoice Number, Description, GL Date, Currencies, The Amount and Payment method) In international invoices it required to calculate the tax. Third, At this step we need to check whether it is delivered or received by the requester. If it is only delivered we reject the payment. Otherwise, we pay it. At the end we scan the invoice an PO as an attachment.



The screenshot displays the Oracle Applications - ENJAZPROD Invoice Workbench interface. The window title is "Oracle Applications - ENJAZPROD". The menu bar includes File, Edit, View, Folder, Tools, Reports, Actions, Window, and Help. The toolbar contains various icons for file operations and system functions. The main window is titled "Invoice Workbench (Tadawul AP End User - Invoices)". It features a "Batch Control Total" and a "Batch Actual Total" field. Below these is a table for "Bader Invoices" with columns: Operati, Voucher, Type, Trading Partner, Suppl, Invoice Date, Invoice Num, Invoice, Invoice Amount, Description, GL Date, and PO. The table shows one entry for "Tadawul" with a "Star" type and "SAR" currency. Below the table are tabs for "1 General", "2 Lines", "3 Holds", "4 View Payments", "5 Scheduled Payments", and "6 View Prepayment Applications". The "1 General" tab is active, showing a "Summary" section with fields for Items, Retainage, Prepayments Applied, Withholding, Subtotal, Tax, Freight, Miscellaneous, and Total. It also includes an "Amount Paid" section with "SAR 0.00" and a "Status" section with fields for Status (Never Validated), Accounted (Unprocessed), Approval (Required), Holds, and Scheduled Payment Holds. At the bottom, there are buttons for "Actions... 1", "Calculate Tax", "Tax Details", "Corrections", "Quick Match", "Match", and "All Distributions".

### 2-Account Receivable:

The account receivable ensures that Tadawul receives payments for all services they have provided and records all transactions, to make the collection easier and more accurate for Tadawul. We have been asked to collect the outstanding amounts for both International and Local companies which Tadawul provided them services by contacting them through emails and phone calls. In this task we improved our communication skills.

## C. Budget And Reporting

### 1-Benchmark:

First we selected what we saw as a developed markets which are considered as a strong, efficient and a fully mature market such as (LSE, ICE, JPX, SGX and DBG). Also, the emerging markets which are in progress toward becoming more advanced. Such as, ( DFM, Bursa Malaysia and Moscow Exchange) which Tadawul falls in. Then we reviewed the financial statements of each of the following Stock Exchanges to gather the information we need. Also, we relied on Bloomberg to collect additional information. In order to compare Tadawul with its peers in the emerging markets and its performance with the developed market. We got a conclusion for each metrics such as, ( Revenue, Cost, Profits and other) the conclusion was charts with an explanation. For Example Revenue Metrics.

### 1 Executive Summary

#### Metrics used for Benchmarking Analysis

##### Revenue Metrics

|   |                      |
|---|----------------------|
| 1 | Total Revenue        |
| 2 | Revenue Per Employee |
| 3 | Revenue Mix          |

##### Cost Metrics

|   |                      |
|---|----------------------|
| 1 | Total Cost           |
| 2 | Cost Per Employee    |
| 3 | Cost Mix             |
| 4 | Cost-to-Income Ratio |

##### Profit Metrics

|   |                  |
|---|------------------|
| 1 | Profit Margin    |
| 2 | EBITDA Margin    |
| 3 | Return on Assets |
| 4 | Return on Equity |

##### Other Metrics

|   |                         |
|---|-------------------------|
| 1 | Earnings Per Share      |
| 2 | Sustainable Growth Rate |
| 3 | Dividend Payout Ratio   |
| 4 | Dividend Yield          |

#### Global exchanges selected for the benchmarking analysis:

##### Developed Markets



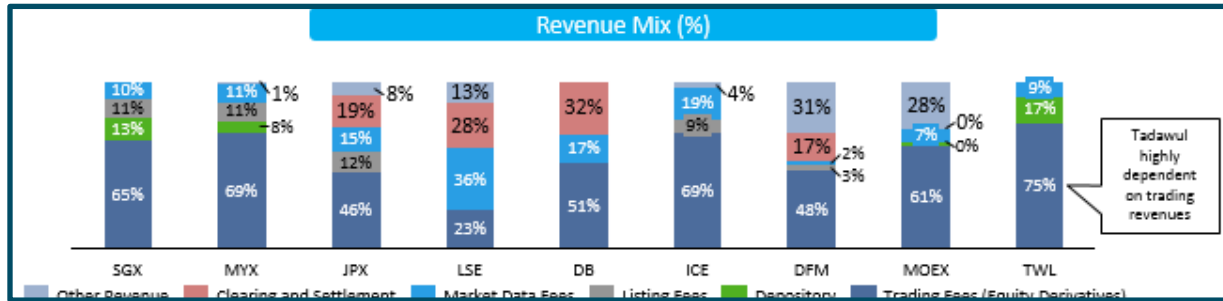
##### Emerging Markets



Source: Annual report and Bloomberg

Note :

- 1) The financial year for some stock exchanges may vary. For example, YE March (JPX) and YE June Singapore. The rest are in December
- 2) ICE is Intercontinental Exchange where NYSE is part of.



- **75%** of Tadawul's total revenue comes from **Trading fees**. This is an improvement from 2014 when Trading Fees revenue was 80% . Depository and Market Data Fees revenue also showed an improvement, from 14% up to 17% and 7% up to 9% respectively from 2014 and 2015. This shows that Tadawul is gradually moving away from relying mostly on trading fees and becoming more diversified just like the rest of the exchanges worldwide.

### Benchmark Conclusion:

1. In the Revenue metrics we conclude that:  
Total Revenue :As far as Emerging Markets is concerned, Tadawul appears to be relatively similar to Bursa Malaysia (MYX) and Dubai Financial Markets (DFM) in terms of the Total Revenue generated. However, Moscow Exchange (MOEX) has somewhat outperformed compared to rest of them.
2. In terms of **Revenue per Employee** Tadawul appears to be lower than the average but is somewhere in between MYX, an Emerging Market and London Stock Exchange (LSE) & Deutsche Bores (DB) - both are Developed Markets.
3. Tadawul seems to have improved in terms of diversifying its revenue portfolio compared to the previous year. This can be seen as a good progress.
4. Activating new fees in the areas of post trade, listing and membership will help bring even more revenue for Tadawul
5. Overall, Tadawul seems to be in line with the rest of its peers under the Emerging Markets category.
6. Moving forward, Tadawul may also want to improve on its cost control.

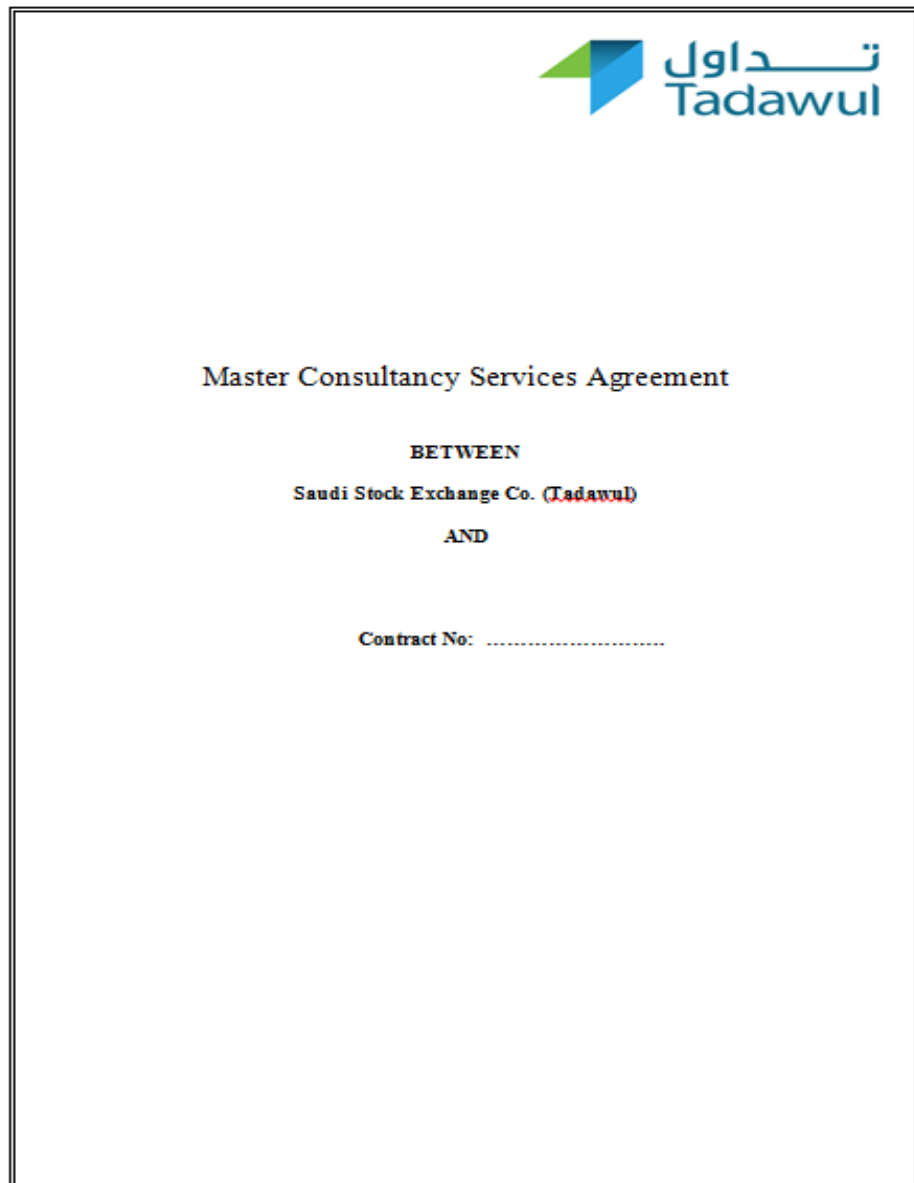
This Project made us more capable with using Bloomberg Terminal and improved our Analyzing, searching skills.

## **2- Revised & helped making the 1<sup>st</sup> Q and 2<sup>nd</sup> Q annual report:**

Reviewed the Arabic version interim financial statements that include income statement, balance sheet, statement of cash flows, and accompanying footnotes. It may also contain a letter to shareholders, management comments, an audit report, and various supporting schedules that may be required by regulatory organizations, in which the annual report is a publication issued to a company's shareholders, creditors, and regulatory organizations. I helped in reformatting and retranslating the current English version of the financial statement. Some parts needed its contents to be merged in one part and others needed to be specified and split in more than one part.

#### D. Procurement

In the procurement department I worked on documents that contain contracts between tadawul and companies, I also worked on an excel sheet (PO list). I am unable to share any documents since its confidential and contain sensitive client information. In addition, I have learned how to write agreements between two companies.



## E. Other Activities

- ✦ Capital Market Authority: The Capital Market Authority Event under title of " Authorized People " which was held at Alfaisaliya Hotel. The CEO of CMA and other banks CEO'S and economists attended, it was about Real Estates, investments and the changes in the financial world toward 2030.
- ✦ Ministry of housing: as a new regulation is applied which is fees on white lands, and we were the first who saw the Lands Entry website.
- ✦ Bloomberg: Started with brief of Bloomberg terminal and then they talked about the effect of oil prices on the Saudi Market.
- ✦ IFRS: I attended " International Financial Reports Standards " training course, which was given by Experts Money Institute, These standards will be applied by 2018 to all Listed and non-Listed companies Financial Statements.

### iii. Field Experiences

#### A. Achievements

- ✦ Developed research, drafting ,and analytical skills.
- ✦ Managed multiple tasks, prioritizing time and communicated potential conflicts to my superior.
- ✦ Develop effective working relationships with team members and client personnel and leveraged those relationships to complete tasks.
- ✦ Demonstrated an awareness of workloads, offered to help team members and taken on additional tasks where possible.

#### B. Challenges

- ✦ For some tasks, I have had *no* feedback from my supervisor, good or bad. Therefore, I had to ask several times to get their feedback.
- ✦ Sometimes they ask me to get huge number of data that takes one week to gather. But they don't tell what they are going to do with that data or how they are going to use it.
- ✦ The difficulty of trying to think of every aspect to a problem in order to avoid any loopholes.
- ✦ The difficulty of applying the things we've studied in college into real life tasks whether it's financial theories or in accounting principles .

### C. Relevant Education

| Course Code | Course Name                            |
|-------------|----------------------------------------|
| FIN 301     | Principle of finance                   |
| FIN 350     | Principle of investment                |
| BUS 495     | Strategic management & business policy |
| ACC 101     | Introduction to Financial accounting   |
| ACC 102     | Introduction to Managerial Accounting  |
| ACC 230     | Intermediate Accounting for Finance    |
| COM 201     | Communication Skills                   |
| CS202       | Computer application for business      |
| Ethics 301  | Business Ethics                        |

#### ❖ Important Books to Read:

The principles of Financial Accounting are introduced by the study of the accounting cycle for service and merchandise companies. Emphasis is on analyzing transactions, summarizing them through the use of the general ledger and reporting the results through the preparation of financial statements for use by the internal and external decision makers such as stockholders, trade creditors, banks, unions and government agencies.

It helps me to know how to analyze business transactions and prepare financial statements in good form using Generally Accepted Accounting Principles (GAAP). In addition, it helps with utilizing all the steps in the accounting cycle as a means of processing relevant business information.

In addition, Principles of finance was very helpful. It includes international financial markets and international financial instruments used in importing and exporting, analysis of stock and bond values, the role and process of the stock and bond markets and the derivative marketplace. It enables us to produce a cash budget, analyze financial statements including all financial ratios used in credit analysis, and determine capital requirements and financing arrangements.

Also, Business ethics course taught me how to interact and communicate with my co-workers and colleagues in an ethical and professional manner.

Finally, CS202 course helped me a lot as most of the work was in excel. I did not take much time to do my tasks in excel and PowerPoint.

#### iv. Conclusion

##### A. Overall Experience

- ✦ Training in Tadawul gave me a clear view of working in a large corporation.
- ✦ Getting to know how Tadawul working as the only Saudi stock exchange, which was interesting.
- ✦ Ability to Implement what I have learned for 5 years in reality.
- ✦ Supportive and experienced advisors who benefited me in different areas.
- ✦ Ability to communicate with all workers through outlook and telephone.
- ✦ Easy to adopt the new environment.
- ✦ writing a good CV and conducting a good interview for being accepted in the selection process in the training program.
- ✦ A risk analyst offered to give us 3 excel sessions each for 2 hours to Improve my Excel efficiency and proficiency with the basic shortcuts and functions that absolutely everyone needs to know.

## B. Knowledge and Skills

- ✦ Knowing myself: training in Tadawul made me recognizes my strengths, weaknesses, what I like and dislike.
- ✦ Teamwork: I worked in teams and collaborate with others to deliver projects and that enhanced my team working skills. Throughout the training I realized how team working creates synergy as different ideas and knowledge can be accompanied together to achieve better result.
- ✦ Communication skills: It is important to have excellent communication skills in order to collaborate effectively with others. The training enhanced both my writing and spoken word. I have been able to get my point accurately and politely through email.
- ✦ Analytical and problem solving skills: being assigned to different tasks and projects enhanced my analytical and problem solving skills.
- ✦ Summarization Skills
- ✦ Technical Skills: I learned:  
How to use Bloomberg terminal  
And Oracle system.

### ❖ Bloomberg:

A major global provider of 24-hour financial news and information including real-time and historic process data, financial data, trading news and analyst coverage.



### ❖ Oracle databases:

All the accounting units work through the Oracle,  
It is database management system that offers a large feature set to the company.



### C. Recommendations:

#### For future trainees:

The training program aimed for your own benefit because theoretical and practical skills are very critical in the field of finance and you have to realize this is an important step on your career path. These insights and tips can help you to make the most of the training period:

- ✦ Build a good relationship with your co-workers.
- ✦ Ensure that you get regular feedback from your supervisor about your work.
- ✦ Don't sit empty-handed; ask for more work when assignments are done
- ✦ Take COOP training program seriously and from training period
- ✦ Remember you have to accept new challenges, never quit your endeavor, be responsible and hard working.

**In conclusion,** It was my first experience in the work environment, during which I was able to understand the financial business environment closely. Ms. Al-Joharah was very cooperative and broad-minded. I have gained excellent experience in the field of financial transactions, where I have learned how to search for information correctly. Moreover, I have learned how to deal with people from different cultures, as well as the correct methods of communication formally. I also have learned how to be patient and solve problems correctly. Finally, I am now able to determine my individual preferences in my future job, and I am ready for finance job in any company.

## v. References

- ⚡ (2016). Retrieved 2016, from <http://www.tadawul.com.net>
- ⚡ (2016). Retrieved 2016, from <http://intranet.com> (just for Tadawul users)
- ⚡ (2016). Bloomberg.com. Retrieved 2016, from <http://www.bloomberg.com>
- ⚡ (2016). Argaam.com. Retrieved 27 July 2016, from <http://www.argaam.com>
- ⚡ Tadawul Financial Statements



## vi. Appendices:

### Training Program Plan :

|                                                                                   |                                                                  |                                      |                                                                       |  |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------|--|
|  | تداول<br>Tadawul<br>Training Section<br>Human Resources Division | <b>STUDENTS<br/>TRAINING PROGRAM</b> | Document No.: _____<br>Revision No.: _____<br>Effectivity Date: _____ |  |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------|--|

Title of the Training: Finance Department Training

Name of the Student: Leena Alshahaf

Trainer Name: Aljeharah AlRabiah

Page |

Date: \_\_\_\_\_

Training Duration: 7 Months

Division / Departm: Finance Department

| No. | Training Activity     | In Charge         | Schedule           | 1st                       | 2nd                       | 3rd                       | 4th                       | 5th                       | 6th                       | 7th                       | 8th                       | 9th                       | 10th                      | 11th                      | 12th                      | Remarks |
|-----|-----------------------|-------------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------|
| 1   | Procurement           | Deemah AlNasser   | Schedule<br>Actual | 13-Mar-2018 - 13-Mar-2018 | 14-Mar-2018 - 14-Mar-2018 | 15-Mar-2018 - 15-Mar-2018 | 16-Mar-2018 - 16-Mar-2018 | 17-Mar-2018 - 17-Mar-2018 | 18-Mar-2018 - 18-Mar-2018 | 19-Mar-2018 - 19-Mar-2018 | 20-Mar-2018 - 20-Mar-2018 | 21-Mar-2018 - 21-Mar-2018 | 22-Mar-2018 - 22-Mar-2018 | 23-Mar-2018 - 23-Mar-2018 | 24-Mar-2018 - 24-Mar-2018 |         |
| 2   | Investment Department | Alyahrah AlRabiah | Schedule<br>Actual |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |         |
| 3   | Budgeting & Reporting | Rashed ALGhannai  | Schedule<br>Actual |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |         |
| 4   | Account payable       | Sara AlJahouri    | Schedule<br>Actual |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |         |
| 5   | Cash Management       | Bader BinDahbi    | Schedule<br>Actual |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |         |
| 6   | Account receivable    | Khalid AlKhader   | Schedule<br>Actual |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |         |
| 7   | General Ledger        | Bader BinDahbi    | Schedule<br>Actual |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |         |

**IMPORTANT NOTES:**

- Duty Hours: 8 hours / Day
- Days-off per week: 5 days / Week
- Specialist to monitor the actual training.
- In case of any questions, contact the assigned Training Coordinator
- Monthly progress and evaluation report to be submitted end of every training month

Prepared by: Aljeharah AlRabiah  
 Trainer

Approved by: Maher AlBaqar  
 Department Head

Acknowledged by: \_\_\_\_\_  
 Training Section

These are the Certifications I got from Bloomberg :



# BLOOMBERG ESSENTIALS TRAINING PROGRAM

This is to acknowledge that

**LEENA ALSAHHAF**

has successfully completed

**FX Exam for BESS**

in

04/2016

of the

**BLOOMBERG  
ESSENTIALS  
TRAINING PROGRAM**

Congratulations,



Tom Secunda

**Bloomberg**

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04/2016

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ESSENTIALS  
TRAINING PROGRAM**

Congratulations,



Tom Secunda

**Bloomberg**

## CERTIFICATE OF COMPLETION

THIS IS TO ACKNOWLEDGE THAT

**leena  
alsahhaf**

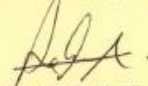
HAS COMPLETED  
BLOOMBERG MARKET CONCEPTS

**29 March 2016**

**BMC**  
BLOOMBERG MARKET CONCEPTS

**Bloomberg**  
INSTITUTE

This is the Certification I got from the "International Financial Reports Standards " training course :

|                                                                                                                                                                         |                                                                                              |                                                                                                                                     |                                                                                                                                                                              |                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Kingdom of Saudi Arabia</b><br>Money Experts Institute<br>Supervised By<br>Technical and Vocational Training Corporation<br>General Directorate for Private Training |                                                                                              | <br>www.mec.biz<br>أحمد مجموعة خبراء المال الفيزية | <br>المؤسسة العامة للتدريب التقني والمهني<br>Technical and Vocational Training Corporation | <b>المملكة العربية السعودية</b><br>معهد خبراء المال<br>تحت إشراف المؤسسة العامة<br>للتدريب التقني والمهني<br>الإدارة العامة للتدريب المهني |
| <b>شهادة حضور دورة تطويرية</b><br><b>Attendance Certificate</b>                                                                                                         |                                                                                              |                                                                                                                                     |                                                                                                                                                                              |                                                                                                                                            |
| This is to Certify that the Trainee \ leena attaf alshhaf                                                                                                               |                                                                                              |                                                                                                                                     |                                                                                                                                                                              |                                                                                                                                            |
| Nationality Saudi                                                                                                                                                       | ID / Iqama No 1076582319                                                                     | جنسيته / سعودي                                                                                                                      | بموجب السجل المدني / إقامة رقم ١٠٧٦٥٨٢٣١٩                                                                                                                                    |                                                                                                                                            |
| Has Attended the I.F.R.S                                                                                                                                                |                                                                                              | قد حضر / ت دورة                                                                                                                     | المعايير المحاسبية الدولية                                                                                                                                                   |                                                                                                                                            |
| That was held in Saudi Arabia                                                                                                                                           |                                                                                              | والمعنقدة في                                                                                                                        | المملكة العربية السعودية                                                                                                                                                     |                                                                                                                                            |
| Has Fulfilled the Requirement of 35 Hours & Total Training Days                                                                                                         | = ساعة تدريبية وعدد أيامها                                                                   | وأنجز / ت متطلبات ما مجموعة ٣٥                                                                                                      | من الفترة ٢٠١٦ / ٠٤ / ٢٧ إلى ٢٠١٦ / ٠٤ / ٢٧                                                                                                                                  |                                                                                                                                            |
| From 18 / 04 / 2016 To 27 / 04 / 2016                                                                                                                                   |                                                                                              | وقد منحت له / ا هذه الشهادة وكل ما يلزم من شرف وحقوق إمتياز                                                                         |                                                                                                                                                                              |                                                                                                                                            |
| He has fulfilled the requirements and all what is necessary to obtain this certification                                                                                |                                                                                              |                                                                                                                                     |                                                                                                                                                                              |                                                                                                                                            |
| Certified by Technical and Vocational Training Corporation NO.                                                                                                          | 2 1 5 4 0 0 6                                                                                | المعتمدة من قبل المؤسسة العامة للتدريب التقني والمهني برقم                                                                          |                                                                                                                                                                              |                                                                                                                                            |
| <br>المدير التنفيذي<br>علي عايض القحطاني                                             | <br>الختم | <br>Instructor<br>مجموعة مدرسين عرب            |                                                                                                                                                                              |                                                                                                                                            |
| ملاحظة: أي كشط أو تعديل في هذه الشهادة يلغوها                                                                                                                           |                                                                                              |                                                                                                                                     |                                                                                                                                                                              |                                                                                                                                            |
| منحت هذه الشهادة برقم (10617) وتاريخ 2016 / 04 / 27                                                                                                                     |                                                                                              |                                                                                                                                     |                                                                                                                                                                              |                                                                                                                                            |

## Recommendation letter from the team leader of Accounting :



التاريخ: 28/7/2016

الموافق:

الرقم:

المرفقات:

**To Whom It May Concern**  
**Recommendation for Leena Al-Sahhaf**

Saudi Stock Exchange (Tadawul ) certifies that Leena Al-Sahhaf was a Trainee in the Finance Department for 7 months in 2016. Leena's work plan included working in the Accounting payables section, her role involved assisting the team by entering invoices using Oracle System.

During her tenure at the Exchange, Leena was a quick learner, a great leader and team player, and was able to stand out among her peers that we entrusted her with more complex work, which she was able to do outstandingly. Leena was hardworking, creative, with an ability to multitask and get the job done effectively. She showed passion, initiative and eagerness to learn and utilize every moment during his training. She has great critical thinking and problem solving skills. On terms of behavior, Leena is very respectable and respecting for others, She has shown integrity, honesty, and the ability to admit her shortcomings.

I am sure that she will be able to succeed in whichever position she is in, in the future, and I definitely recommend her.

**Abdulaziz Al Hamad**  
**Accounting Manager**  
**Saudi Stock Exchange (Tadawul)**




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السوق المالية السعودية  
 SAUDI STOCK EXCHANGE  
 تداول