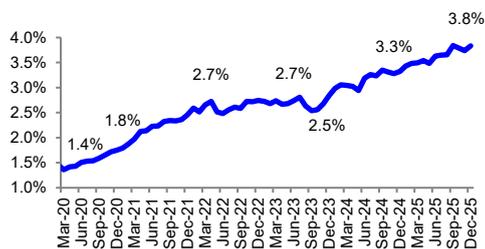
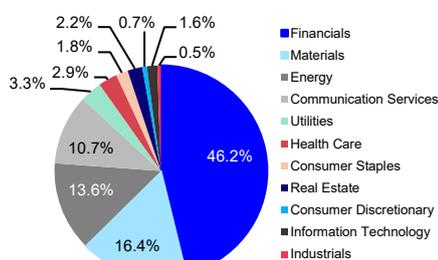


QFI ownership trend (as % of Total Mcap)



Source: Tadawul, AI Rajhi Capital

Sector Weights



Source: MSCI, AI Rajhi Capital; Data as of 20th January 2026

MSCI Saudi Arabia Index- Largest Constituents

Company	FIF Adj Mcap (US\$bn)*	Index weights
Al Rajhi Banking & Inv	53.8	17.47%
Saudi Aramco	40.3	13.09%
Saudi National Bank	33.1	10.74%
Saudi Arabian Mining Co	26.9	8.72%
Saudi Telecom Co	23.6	7.64%
Saudi Basic Ind Corp	12.8	4.16%
Riyad Bank	10.5	3.40%
Saudi British Bank	9.3	3.01%
Alinma Bank	8.7	2.83%
SABIC Agri-Nutrients	7.4	2.40%

Source: MSCI, AI Rajhi Capital; Data as of 20th January 2026

MSCI Quarterly Review – February 2026
Nahdi potential inclusion in the Small cap index

- We foresee no inclusion candidate in the Standard Index, but there are potential exclusion candidates with **Dallah and SRMG** having the highest risk.
- MSCI Small Cap - **Nahdi** could be the potential inclusion, while **Sumou** (High probability), **Nice One & Modern Mills** (low to medium probability) could be potential exclusions.
- Based on the closing prices of 20th January, we have analysed the potential changes.
- The outcome of upcoming review (February 2026) will be announced on 10th February, with changes becoming effective from 2nd March 2026.
- In the last review (November 2025), MSCI excluded **Al Rajhi Takaful, Nahdi and Luberef** from the MSCI Saudi Arabia Standard Index.

MSCI Standard Index: Most of the existing constituents meet the minimum market-capitalization requirement with the exception of Dallah and SRMG. Dallah, with a market cap of SAR 12.3bn, falls below the threshold and also fails to clear the free-float-adjusted market cap cut-off, leaving it vulnerable to potential exclusion. SRMG, with a market cap of SAR 9.6bn, also falls short of the required level. Nevertheless, SRMG is more likely to witness a downgrade from the Standard to the Small index rather than outright exclusion.

Additionally, SIPCHEM is also a potential exclusion candidate from the MSCI Saudi Arabia Standard Index, but the probability is relatively less (medium probability), while Mouwasat and SAL are also on the watchlist, albeit with a low probability of exclusion.

MSCI Small Cap: Within the small-cap universe, SUMOU emerges as a high-probability exclusion candidate. Nice One and Modern Mills are also exclusion candidates with low-to-medium probability, with potential deletion contingent on an ~5% decline in their share prices. On the inclusion front, Nahdi stands out as a potential candidate.

Current weight/flows: The MSCI Saudi Index currently comprises 36 stocks (would become 34 if Dallah and SRMG goes out) with Al Rajhi (17.5%) and Saudi Aramco (13.1%) being the largest constituents among all the Saudi companies in MSCI Saudi Index as of 20th January 2026. KSA's current weight in the EM index is estimated to be around 2.71% (as of 20th January 2026). Assuming the proforma weight of Saudi Arabia remains unchanged, based on our calculations, we estimate outflows of USD 85mn each for SRMG and Dallah.

Figure 1 Potential Exclusion Contender for the Standard Index (Nov' 2025 Review)

Addition/Exclusion	Feb'26 Review	Market Cap (\$mn)	Probability	Flows (\$mn)	Flows (SAR mn)	DTC - Based on 20D Avg. turnover	DTC - Based on 3M Avg. turnover
Exclusion/downgrade	SRMG	2,569	High	(85)	(318)	39.7	34.4
	Dallah	3,291	High	(85)	(317)	44.5	37.8
	Sipchem	2,943	Medium	(106)	(397)	21.9	16.7
	Mouwasat	3,485	Low	(125)	(470)	25.1	17.3
	SAL	3,620	Low	(120)	(449)	22.0	17.4

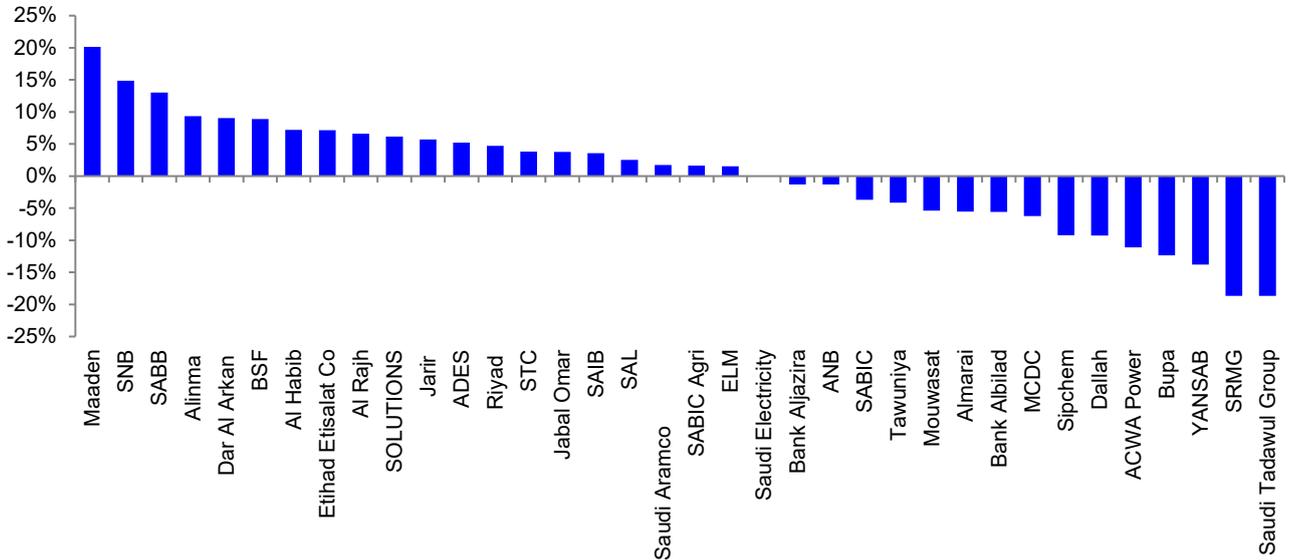
Source: MSCI, Bloomberg, AI Rajhi Capital; Data as of 20th January 2026 * Flows are ARC estimates

Figure 2 Potential Contender for the Small cap index (Nov' 2025 Review)

Addition/Exclusion	Feb'26 Review	Market Cap (\$ mn)	Probability
Exclusion	Sumou Real Estate	412	High
	Nice One	551	Low - Medium
	Modern Mills	582	Low - Medium
Inclusion	Nahdi	3,160	High - Medium

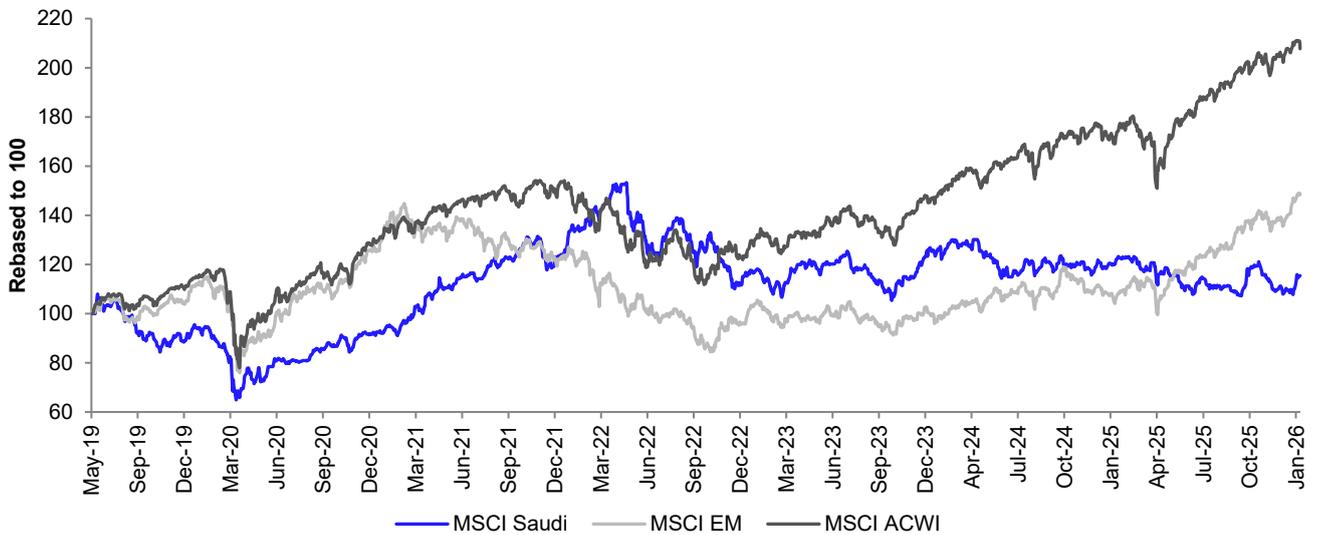
Source: MSCI, Bloomberg, AI Rajhi Capital; Data as of 20th January 2026

Figure 3 MSCI Stock Performance since the last MSCI review announcement



Source: Bloomberg, Al Rajhi Capital; Data as of 20th January 2026

Figure 4 MSCI Saudi Arabia Performance vs MSCI EM and MSCI ACWI indexes



Source: Bloomberg, Al Rajhi Capital; Data as of 20th January 2026

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Market Report

Saudi Arabia

21 January 2026

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