



FTSE Russell - Implementation Phase

On 18 March 2019, FTSE Russell will begin the implementation of the inclusion of Saudi Arabia into the FTSE index series. Saudi Arabia is projected to have a weight of 2.9% in the FTSE Emerging All Cap index and 0.30% in the FTSE Global Equity index. Saudi's addition to the FTSE Emerging All Cap index is expected to result in a total inflow of cSAR21.7bn mainly from passive funds benchmarked to the index. The implementation will occur in five tranches with the first tranche representing 10% of total inflows. We expect the Saudi market to continue its positive momentum supported by increasing inflows from investors benchmarked to both FTSE and MSCI indices.

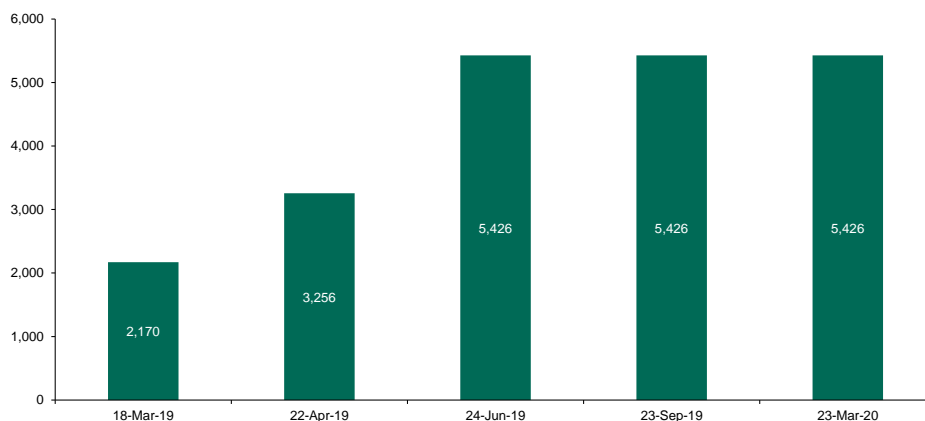
The TASI market weight in the FTSE Emerging Markets index is estimated at c2.9%. Implementation will occur in five tranches starting on 18 March 2019 and will end a year later on 23 March 2020. Inclusion in FTSE Emerging Markets benchmark index is expected to result in passive inflows, at current prices, of up to cSAR21.7bn (or US\$5.9bn) overtime.

Exhibit 1: FTSE Index Implementation Dates

	Effective Date	Saudi Arabia Inclusion Factor
Tranche 1	18 th March 2019	10%
Tranche 2	22 nd April 2019	15%
Tranche 3	24 th June 2019	25%
Tranche 4	23 rd September 2019	25%
Tranche 5	23 rd March 2020	25%

Source: FTSE, NCBC Research

Exhibit 2: FTSE Emerging Markets – Passive Projected Inflows (SAR mn)



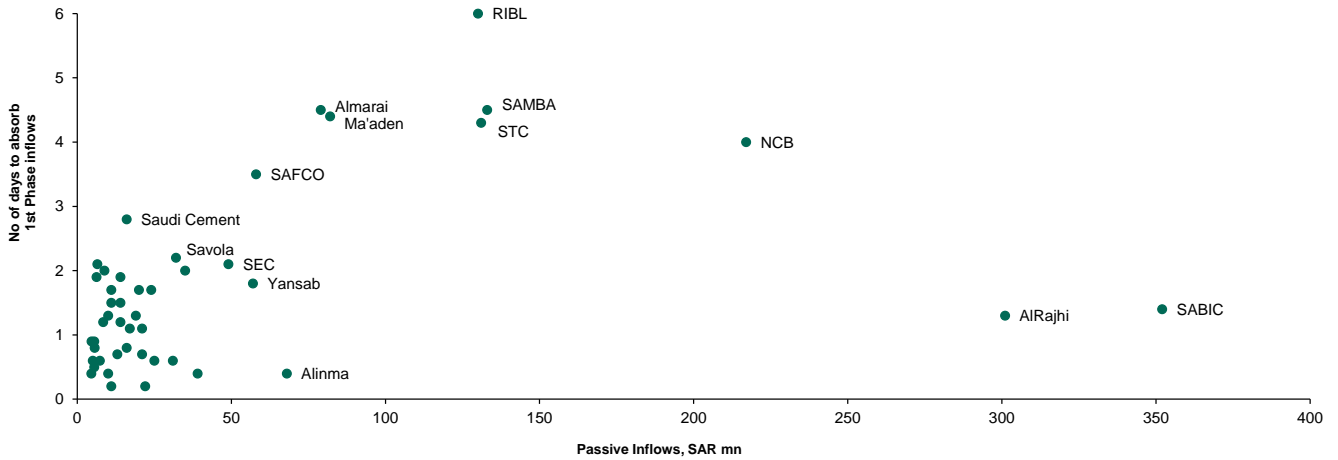
Source: Bloomberg, FTSE, NCBC Research

Walid Bamhair +966 12 690 7885
w.bamhair@alahlicapital.com

Waleed Jameel +966 12 690 7820
waleed.jameel@alahlicapital.com

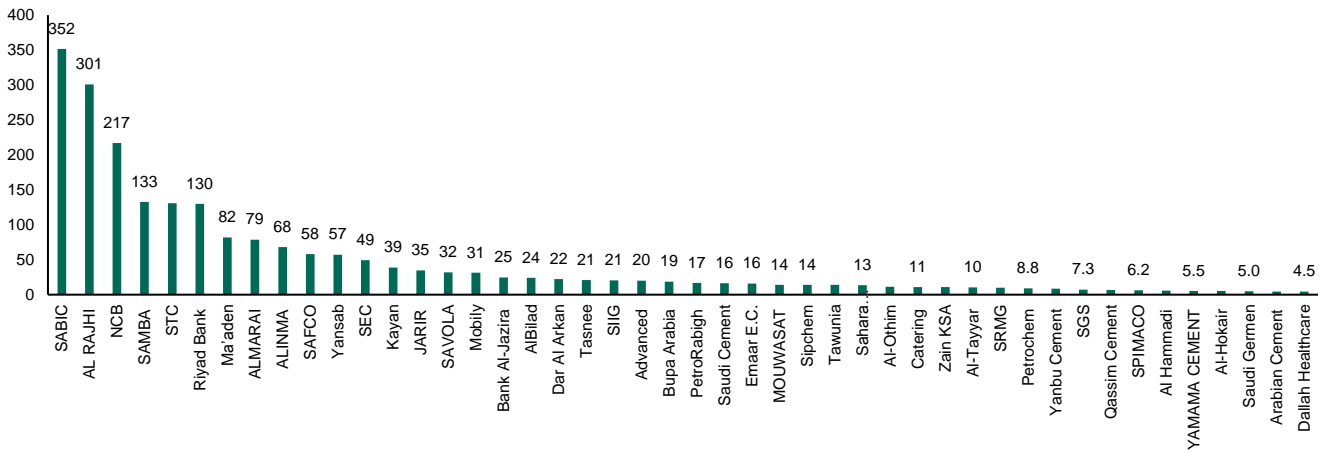
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Exhibit 3: FTSE Emerging Markets – First Phase Passive Inflows, SAR mn and Number of Days



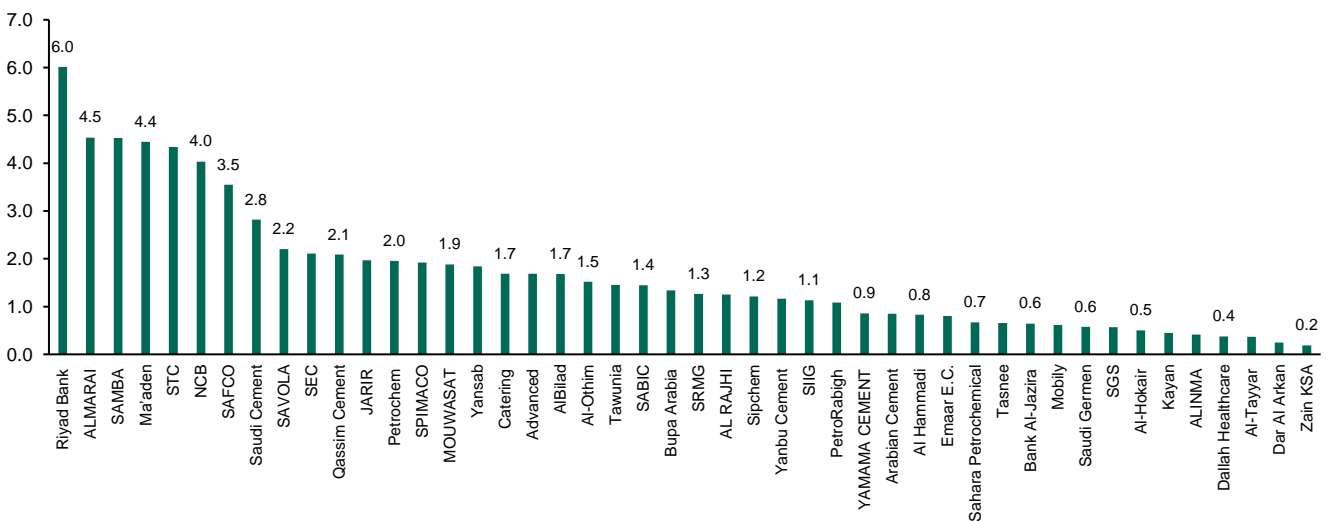
Source: Bloomberg, FTSE, NCBC Research

Exhibit 4: FTSE Emerging Markets First Phase – Passive Inflows SAR mn



Source: Bloomberg, FTSE, NCBC Research

Exhibit 5: FTSE Emerging Markets First Phase – Number of Days of Passive Inflows



Source: Bloomberg, FTSE, NCBC Research

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Exhibit 6: FTSE Saudi Arabia Index Constituents

	Company	Industry	First Phase Passive Inflows, SAR mn	First Phase Passive Inflows No of days of inflows	Passive Inflows, SAR mn	Passive Inflows No of days of inflows
1	SABIC	Materials	352	1.4	3,516	14.5
2	AL RAJHI	Banks	301	1.3	3,008	12.5
3	NCB	Banks	217	4.0	2,169	40.3
4	SAMBA	Banks	133	4.5	1,326	45.3
5	STC	Telecommunication	131	4.3	1,307	43.4
6	Riyad Bank	Banks	130	6.0	1,298	60.1
7	Ma'aden	Materials	82	4.4	820	44.4
8	ALMARAI	Food & Beverages	79	4.5	786	45.4
9	ALINMA	Banks	68	0.4	682	4.1
10	SAFCO	Materials	58	3.5	580	35.5
11	Yansab	Materials	57	1.8	572	18.4
12	SEC	Utilities	49	2.1	494	21.1
13	Kayan	Materials	39	0.4	389	4.5
14	JARIR	Retailing	35	2.0	347	19.7
15	SAVOLA	Food & Beverages	32	2.2	318	22.1
16	Mobily	Telecommunication	31	0.6	314	6.2
17	Bank Al-Jazira	Banks	25	0.6	248	6.4
18	AlBilad	Banks	24	1.7	243	16.8
19	Dar Al Arkan	Real Estate Management	22	0.2	222	2.4
20	Tasnee	Materials	21	0.7	209	6.6
21	SIIG	Materials	21	1.1	206	11.3
22	Advanced	Materials	20	1.7	202	16.8
23	Bupa Arabia	Insurance	19	1.3	187	13.4
24	PetroRabigh	Energy	17	1.1	169	10.9
25	Saudi Cement	Materials	16	2.8	164	28.2
26	Emaar E.C.	Real Estate	16	0.8	159	8.0
27	MOUWASAT	Health Care	14	1.9	142	18.8
28	Sipchem	Materials	14	1.2	140	12.1
29	Tawunia	Insurance	14	1.5	140	14.5
30	Sahara Petrochemical	Materials	13	0.7	134	6.7
31	Al-Othim	Food & Staples Retailing	11	1.5	114	15.2
32	Catering	Commercial and Profe.	11	1.7	110	16.9
33	Zain KSA	Communication Services	11	0.2	107	1.9
34	Al-Tayyar	Consumer Services	10	0.4	102	3.7
35	SRMG	Media	10	1.3	101	12.7
36	Petrochem	Materials	8.8	2.0	88	19.6
37	Yanbu Cement	Materials	8.4	1.2	84	11.7
38	SGS	Transportation	7.3	0.6	73	5.6
39	Qassim Cement	Materials	6.5	2.1	65	20.9
40	SPIMACO	Pharma, Biotech	6.2	1.9	62	19.2
41	Al Hammadi	Health Care	5.6	0.8	56	8.3
42	YAMAMA CEMENT	Materials	5.5	0.9	55	8.5
43	Al-Hokair	Retailing	5.5	0.5	55	5.0
44	Saudi Germen	Health Care	5.0	0.6	50	5.7
45	Arabian Cement	Materials	4.6	0.9	46	8.5
46	Dallah Healthcare	Health Care	4.5	0.4	45	3.7

Source: Bloomberg, FTSE, NCBC Research

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