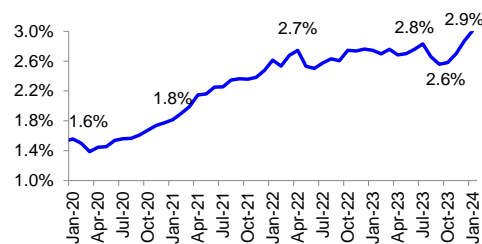
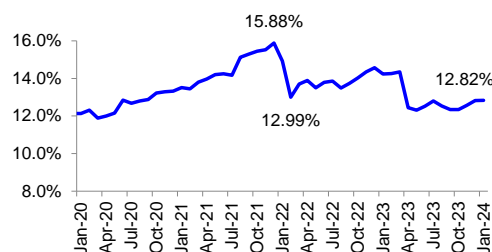


QFI +Swap ownership trend



Source: Tadawul, Al Rajhi Capital

QFI + Swap ownership (as a % of FF*Mcap) trend



Source: Tadawul, Al Rajhi Capital. * Free Float Market Capitalization

FTSE Semi-Annual Review- Mar 2024

Aldrees probable candidate for inclusion

FTSE is scheduled to announce the outcome of its semi-annual review for March 2024 on 1st of Mar 2024 and the changes will be effective from 18th of March. Based on the ground rules, the cut-off date stands on 29th December 2023, according to which we have analysed the possible changes in the FTSE Saudi Arabia Free Index which includes large and mid-cap companies. Considering the closing prices as on 29th December 2023, we present our analysis for the possible inclusion and exclusion candidates. As per our calculations, Aldrees Petroleum is a potential inclusion candidate for the upcoming semi-annual review. We note that Aldrees adequately satisfies the investible market cap inclusion level (US\$873.70mn equivalent to SAR3276mn) specified for the Middle East region for the March 2024 review. However, subject to the ground rules for the Free Index, there is no possible exclusion candidate for the upcoming review as per our analysis.

Details of inclusion/exclusion candidates: Considering the investible market cap inclusion level (SAR3.3bn as of the cut-off date of December 2024), the investible market capitalisation of Aldrees at SAR11.8bn is significantly above the threshold. Moreover, factoring in the buffer zones based on the Gross market cap inclusion level, although Aldrees's investible market cap is below the large cap inclusion level of SAR33.3bn, it is reasonably above the mid-cap inclusion level (SAR10.4bn). Hence, it would qualify as a probable inclusion candidate.

Current weights of FTSE Saudi Arabia Free Index: The FTSE Saudi Arabia Free Index currently comprises of 59 constituents (would increase to 60 after the potential inclusion) with Al Rajhi (21.5%) and SNB (9.8%) being the largest constituents among all the Saudi companies in the FTSE Index as of 20th Feb 2024.

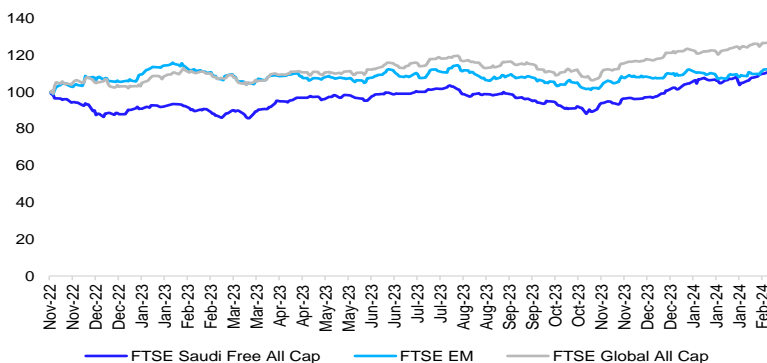
Flows/Liquidity: Assuming the proforma weight of Saudi Arabia to be 4.78% in the FTSE EM (FTSE factsheet as of 31st Jan 2024), we estimate Aldrees to witness inflows of US\$26mn. Based on the average trading value over the last three months and 20 days, it implies 2 days to cover the anticipated inflows for Aldrees.

Figure 1 FTSE Semi-Annual Review Update

| Companies | Mcap (US\$bn)* | 20D ADV (US\$mn) | 3M ADV (US\$mn) | FTSE Semi-Annual Review likely outcome | Net inflows/(outflows) - US\$mn | DTC - Based on 20D Avg. turnover | DTC - Based on 3M Avg. turnover |
|-----------|----------------|------------------|-----------------|--|---------------------------------|----------------------------------|---------------------------------|
| Aldrees | 3 | 2 | 2 | Addition | 26 | 2 | 2 |

Source: FTSE, Bloomberg Al Rajhi Capital. *Data as of 20th February 2024. The flows are estimated based on FTSE EM passive AUM size of US\$137.9bn (as of June 2023; source FTSE Russel Index Passive Assets Report).

Figure 2 FTSE Saudi Arabia Free All Cap Performance vs FTSE EM and ACWI indexes



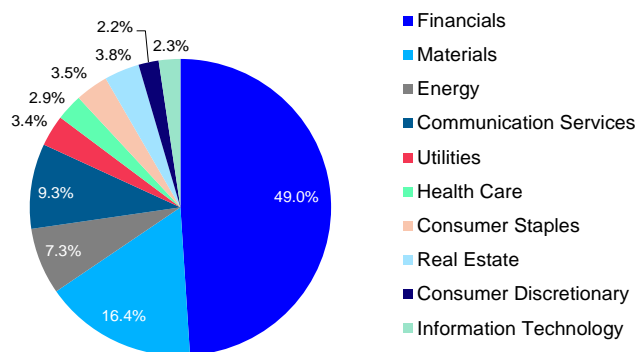
Source: Bloomberg, Al Rajhi Capital, Data as of 20th February 2024

Figure 3 Largest Index Constituents- FTSE Saudi Arabia Free Index

| Companies | Sector | Float Adj Mcap (US\$bn) | Index weights |
|-------------------------------|------------------------|-------------------------|---------------|
| Al Rajhi Banking & Investment | Financials | 92.67 | 21.5% |
| The Saudi National Bank | Financials | 42.38 | 9.8% |
| Saudi Aramco | Energy | 26.00 | 6.0% |
| Alinma Bank | Financials | 21.24 | 4.9% |
| Saudi Telecom Co | Communication Services | 20.54 | 4.8% |
| Saudi Basic Industries Corp | Materials | 19.06 | 4.4% |
| Saudi Arabian Mining | Materials | 16.41 | 3.8% |
| Riyad Bank | Financials | 12.62 | 2.9% |
| Saudi British Bank | Financials | 9.63 | 2.2% |
| Banque Saudi Fransi | Financials | 9.08 | 2.1% |

Source: FTSE, Al Rajhi Capital; Data as of 20th February 2024

Figure 4 Sector Weights- FTSE Saudi Arabia Free Index



Source: FTSE, Al Rajhi Capital; Data as of 20th February 2024

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