

Saudi Arabian Oil Company (Saudi Aramco): IPO Index Eligibility

Follow-Up Notice 2

09 December 2019

This notice updates the Saudi Arabian Oil Company (Saudi Aramco) informative notices published on (11 November 2019) and (29 November 2019).

Following the announcement by Tadawul Stock Exchange that Saudi Aramco's (Saudi Arabia) first day of unconditional trading for the initial public offering will be Wednesday 11 December 2019, FTSE Russell will confirm whether the fast entry threshold for inclusion to the FTSE Global Equity Index Series (GEIS) has been met based on Saudi Aramco's closing price on the first day of unconditional trading and the free float as determined in accordance with the FTSE Russell [Free Float Restrictions](#) guide and the published breakdown of Institutional Subscribing shareholders.

An official breakdown of the take-up of the Institutional Subscribers offering has yet to be published. However, based on the indicative Institutional Subscribers breakdown figures published on Monday 09 December 2019 ([Al Arabiya](#)), a free float of 0.631% would be assigned to Saudi Aramco to evaluate its fast entry assessment. This indicative float is derived by subtracting the allocation to Private Companies (0.243%) and Government Related Entities (0.126%) from the 1% offered to Institutional Subscribers. FTSE Russell will issue a further notification updating the free float once further information becomes available.

The December 2019 fast entry threshold for the FTSE Middle East & Africa region for stocks listing with a free float of less than 5% is USD 4.893bn (Large Cap - Full Market Cap Threshold) and USD 4.231bn (Investible Market Cap Threshold).

For illustration purposes only, based on the official offering price of 32 SAR (equivalent to USD 8.53 as of Friday 6 December 2019), a free float derived as above of 0.631% and total shares in issue of 200bn, the investable market capitalisation for fast entry assessment purposes of Saudi Aramco would be USD 10.769bn with a full market capitalisation of USD 1,706.7bn.

In accordance with Question 13 of the Reclassification of Saudi Arabia to Secondary Emerging Market Status ([FAQ](#)), if the fast entry inclusion of Saudi Aramco is confirmed, it will be added to FTSE GEIS at the same tranching factor of 0.75 as the current Saudi Arabian constituents in FTSE GEIS. As a result, the investability weight at which Saudi Aramco will be added to FTSE GEIS will be 0.47325% (free float x tranching factor = 0.6310% * 0.75). An investability weighing of 0.47325% equates to an investable market capitalisation of USD 8.0768bn for Saudi Aramco.

The below table illustrates the projected weight in index of Saudi Aramco in the FTSE Global All Cap and FTSE All-World indexes based on an indicative investable market capitalisation of USD 8.0768bn and index valuations as of close on 29 November 2019.

FTSE Global All Cap	FTSE Emerging All Cap	FTSE All-World	FTSE Emerging
0.0146%	0.1451%	0.0164%	0.1592%

Note, the tranching factor for Saudi Arabian constituents in FTSE GEIS will be increased to 1 in conjunction with the March 2020 FTSE GEIS semi-annual review when the final tranche of Saudi Arabia will be implemented into FTSE GEIS.

In accordance with the FTSE GEIS [Ground Rule 8.1.3. A](#), the addition of Saudi Aramco would be implemented after the close of business on the fifth day of trading. However as the fifth day of trading is in close proximity to the December 2019 Quarterly Review, if fast entry to FTSE GEIS is confirmed, the

inclusion of Saudi Aramco will be implemented in conjunction with the December 2019 Quarter Review based on the official closing price on Thursday 19 December 2019 (i.e. effective from the open on Monday 23 December 2019).

Saudi Aramco has been assigned an ICB Classification of 0537 (Integrated Oil & Gas).

FTSE Russell will issue a further notice to confirm whether Saudi Aramco meets the fast entry index eligibility for FTSE GEIS after the close on the first day of unconditional trading on Wednesday 11 December 2019.

For further information please contact FTSE Russell Client Services at info@ftserussell.com or call:

Australia	+1 800 653 680
Hong Kong	+8 52 2164 3333
Japan	+8 1 3 4563 6346
London	+44 (0) 20 7866 1810
New York	+1 866 551 0617

Alternatively please visit our website at www.ftserussell.com

[Terms of Use](#) | Copyright © 2019 FTSE Russell