

## **Presentation to OIC Member States' Stock Exchanges Forum – “Index Update”**

Charbel Azzi  
Director,  
Head of Client Coverage, MEA  
S&P Indices

Rodney Fernandes  
Vice President,  
Head of Client Coverage (EMEA & India)  
S&P Indices

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# Proposal for Two Shariah Indices

- **Proposed Benchmark Index - S&P/OIC Exchanges BMI Shariah index:**
  - a broad market index covering 19 member countries of the OIC
  - market capitalization weighted and free float adjusted
  - screened for Shariah compliance monthly
  - ideal as a benchmark for Pan Islamic funds
  - regional splits: eg. S&P/OIC Asia, S&P/OIC Africa, S&P/OIC Pan Arab etc.
  - sector splits: as per S&P's Global Industry Classification System (GICS®)



# Proposal for Two Shariah Indices

- **Proposed Tradable Index - S&P/OIC Exchanges Shariah 50 index:**
  - a liquid, 50 stock index as a subset of the broader benchmark index
  - constituent stocks are blue chip liquid stocks from the S&P/OIC Exchanges BMI Shariah index universe
  - modified to ensure representation for maximum number of countries
  - country capping and stock level capping to ensure maximum diversification as a possible option
  - screened for Shariah compliance monthly
  - ideal for Exchange Traded Funds (ETFs)
  - Index managed by an index committee

*n.b. All these rules (including number of stocks) are guidelines. Final index will be designed by our Research team with input from OIC members once we have the official confirmation to proceed.*

# OIC Exchanges Currently Covered by S&P Indices

|    | <b>COUNTRY</b>       | <b>STOCK EXCHANGE</b>   | <b>Exchanges Covered by S&amp;P</b> |
|----|----------------------|---|-------------------------------------|
| 1  | BAHRAIN              | Bahrain Stock Exchange, Bahrain                                 | √                                   |
| 2  | BANGLADESH           | Dhaka Stock Exchange, Bangladesh                                | √                                   |
| 3  | COTE D'IVOIRE        | Bourse Regionale Des Valuers Mobilieres, Côte d'Ivoire          | √                                   |
| 4  | EGYPT                | Egyptian Exchange, Egypt  | √                                   |
| 5  | INDONESIA            | Indonesia Stock Exchange, Indonesia                             | √                                   |
| 6  | JORDAN               | Amman Stock Exchange, Jordan                                    | √                                   |
| 7  | KAZAKHSTAN           | Kazakhstan Stock Exchange, Kazakhstan                           | √                                   |
| 8  | KUWAIT               | Kuwait Stock Exchange, Kuwait                                   | √                                   |
| 9  | LEBANON              | Beirut Stock Exchange, Beirut                                   | √                                   |
| 10 | MALAYSIA             | Bursa Malaysia Berhad, Malaysia                                 | √                                   |
| 11 | MOROCCO              | Casablanca Stock Exchange, Morocco                              | √                                   |
| 12 | NIGERIA              | Nigerian Stock Exchange, Nigeria                                | √                                   |
| 13 | OMAN                 | Muscat Securities Market, Oman                                  | √                                   |
| 14 | PAKISTAN             | Karachi Stock Exchange, Pakistan                                | √                                   |
| 15 | QATAR                | Qatar Exchange, Qatar   | √                                   |
| 16 | SAUDI ARABIA         | Saudi Arabian Stock Exchange (Tadawul), Kingdom of Saudi Arabia | √                                   |
| 17 | TUNISIA              | Tunisia Stock Exchange, Tunisia                                 | √                                   |
| 18 | TURKEY               | Istanbul Stock Exchange, Turkey                                 | √                                   |
| 19 | UNITED ARAB EMIRATES | Dubai Financial Market, United Arab Emirates                    | √                                   |
| 20 | UNITED ARAB EMIRATES | Abu Dhabi Securities Exchange                                   | √                                   |

# OIC Exchanges Currently Not Covered by S&P

|    | COUNTRY    | STOCK EXCHANGE                                 | Exchanges Not Covered by S&P |
|----|------------|--|------------------------------|
| 1  | ALBANIA    | Tirana Stock Exchange, Albania                 | x                            |
| 2  | ALGERIA    | Bourse d'Alger, Algérie                        | x                            |
| 3  | AZERBAIJAN | Baku Interbank Currency Exchange, Azerbaijan   | x                            |
| 4  | AZERBAIJAN | Baku Stock Exchange, Azerbaijan                | x                            |
| 5  | BANGLADESH | Chittagong Stock Exchange, Bangladesh          | x                            |
| 6  | IRAN       | Tehran Stock Exchange, Iran                    | x                            |
| 7  | IRAQ       | Iraq Stock Exchange, Iraq                      | x                            |
| 8  | KYRGYZ     | Kyrgyz Stock Exchange, Kyrgyz Republic         | x                            |
| 9  | MOZAMBIQUE | Mozambique Stock Exchange                      | x                            |
| 10 | PAKISTAN   | Lahore Stock Exchange, Pakistan                | x                            |
| 11 | PAKISTAN   | Islamabad Stock Exchange, Pakistan             | x                            |
| 12 | PALESTINE  | Palestine Securities Exchange, Palestine       | x                            |
| 13 | SUDAN      | Khartoum Stock Exchange, Sudan                 | x                            |
| 14 | UGANDA     | Uganda Stock Exchange, Uganda                  | x                            |
| 15 | UZBEKISTAN | Toshkent Republican Stock Exchange, Uzbekistan | x                            |



# S&P/OIC Exchanges BMI Shariah index

- **S&P will design and launch a Pan Islamic Shariah index which covers 19 member countries (and 20 exchanges) of the OIC**
- **The starting point is the conventional S&P Global BMI which covers more than 97% of the local market capitalization**
- **Of the 19 OIC member countries covered by S&P:**
  - 5 are included in the S&P BMI Emerging (inclusion criteria for constituents is that all companies with a float-adjusted market capitalization over US \$100 million and a minimum value traded over past 12 months must be US \$50 million).
  - 13 are included in the S&P BMI Frontier (designed to capture 80% or more of the local market capitalization. The first level of selection is for all those constituents which are more than \$100 million in size. If target market coverage is not reached by this screening then stocks with smaller market capitalization are also selected).
  - Saudi Arabia is a stand alone emerging market index
- **The S&P BMI Shariah is drawn from this broad pool of conventional indices**
- **All stocks in the conventional BMI indices that are Shariah compliant are included in the S&P BMI Shariah index**
- **If any of the remaining countries in the OIC are added to S&P's global coverage in future, these will be added to the index**
- **Index to be designed, maintained and disseminated by S&P**

# S&P/OIC Exchanges BMI Shariah index - Market Cap Coverage & Number of Stocks by Country

| Market Capitalization Coverage by Country |                                    |               |   |               |                     |                                    |               |   |               |                     |
|---|------------------------------------|---------------|---|---------------|---------------------|------------------------------------|---------------|---|---------------|---------------------|
| Country                                   | S&P Global/Frontier BMI            |               |   |               |                     | S&P Global/Frontier BMI Shariah    |               |   |               |                     |
|   | Total Market Cap (USD in Millions) | % of Total    | Float Adjusted Market Cap (USD in Millions) | % of Total    | Number of Companies | Total Market Cap (USD in Millions) | % of Total    | Float Adjusted Market Cap (USD in Millions) | % of Total    | Number of Companies |
| Bahrain                                   | 12,440                             | 0.8%          | 4,339                                       | 0.7%          | 9                   | 6,186                              | 0.8%          | 1,087                                       | 0.4%          | 5                   |
| Bangladesh                                | 14,047                             | 0.9%          | 3,354                                       | 0.5%          | 28                  | 10,146                             | 1.3%          | 2,797                                       | 1.1%          | 19                  |
| Cote D'Ivoire                             | 4,522                              | 0.3%          | 1,327                                       | 0.2%          | 10                  | 3,594                              | 0.5%          | 1,032                                       | 0.4%          | 4                   |
| Egypt                                     | 40,038                             | 2.4%          | 17,358                                      | 2.8%          | 40                  | 12,124                             | 1.6%          | 3,857                                       | 1.5%          | 17                  |
| Indonesia                                 | 303,762                            | 18.4%         | 121,056                                     | 19.7%         | 77                  | 120,487                            | 15.8%         | 43,287                                      | 16.5%         | 29                  |
| Jordan                                    | 19,429                             | 1.2%          | 7,051                                       | 1.1%          | 15                  | 8,819                              | 1.2%          | 1,436                                       | 0.5%          | 5                   |
| Kazakhstan                                | 38,996                             | 2.4%          | 11,826                                      | 1.9%          | 11                  | 31,507                             | 4.1%          | 9,327                                       | 3.5%          | 4                   |
| Kuwait                                    | 86,018                             | 5.2%          | 41,297                                      | 6.7%          | 53                  | 41,945                             | 5.5%          | 20,783                                      | 7.9%          | 20                  |
| Lebanon                                   | 8,173                              | 0.5%          | 5,472                                       | 0.9%          | 5                   | 2,651                              | 0.3%          | 2,651                                       | 1.0%          | 2                   |
| Malaysia                                  | 332,773                            | 20.1%         | 121,381                                     | 19.7%         | 121                 | 130,009                            | 17.0%         | 41,085                                      | 15.6%         | 40                  |
| Morocco                                   | 56,963                             | 3.4%          | 15,898                                      | 2.6%          | 21                  | 32,701                             | 4.3%          | 7,644                                       | 2.9%          | 11                  |
| Nigeria                                   | 39,006                             | 2.4%          | 18,776                                      | 3.1%          | 35                  | 17,959                             | 2.4%          | 3,557                                       | 1.4%          | 12                  |
| Oman                                      | 13,289                             | 0.8%          | 5,018                                       | 0.8%          | 17                  | 5,379                              | 0.7%          | 1,691                                       | 0.6%          | 7                   |
| Pakistan                                  | 22,516                             | 1.4%          | 7,093                                       | 1.2%          | 31                  | 12,301                             | 1.6%          | 2,969                                       | 1.1%          | 7                   |
| Qatar                                     | 94,981                             | 5.7%          | 25,138                                      | 4.1%          | 21                  | 40,535                             | 5.3%          | 11,736                                      | 4.5%          | 10                  |
| Saudi Arabia                              | 311,527                            | 18.9%         | 127,289                                     | 20.7%         | 107                 | 222,466                            | 29.1%         | 87,371                                      | 33.2%         | 84                  |
| Tunisia                                   | 5,577                              | 0.3%          | 2,015                                       | 0.3%          | 12                  | 866                                | 0.1%          | 351   | 0.1%          | 3                   |
| Turkey                                    | 187,745                            | 11.4%         | 64,175                                      | 10.4%         | 84                  | 54,183                             | 7.1%          | 16,535                                      | 6.3%          | 27                  |
| United Arab Emirates*                     | 60,378                             | 3.7%          | 15,436                                      | 2.5%          | 32                  | 9,587                              | 1.3%          | 3,744                                       | 1.4%          | 8                   |
| <b>Total</b>                              | <b>1,652,180</b>                   | <b>100.0%</b> | <b>615,297</b>                              | <b>100.0%</b> | <b>729</b>          | <b>763,448</b>                     | <b>100.0%</b> | <b>262,939</b>                              | <b>100.0%</b> | <b>314</b>          |

\*Two exchanges covered in the UAE

Source: Standard and Poor's: Data as of 31<sup>st</sup> August 2011

# S&P/OIC Exchanges BMI Shariah index - Market Cap Coverage & Number of Stocks by Sector

| Market Capitalization Coverage by Sector |                                    |               |   |               |                     |                                    |               |   |               |                     |
|--|------------------------------------|---------------|---|---------------|---------------------|------------------------------------|---------------|---|---------------|---------------------|
| Country                                  | S&P Global/Frontier BMI            |               |   |               |                     | S&P Global/Frontier BMI Shariah    |               |   |               |                     |
|  | Total Market Cap (USD in Millions) | % of Total    | Float Adjusted Market Cap (USD in Millions) | % of Total    | Number of Companies | Total Market Cap (USD in Millions) | % of Total    | Float Adjusted Market Cap (USD in Millions) | % of Total    | Number of Companies |
| Consumer Discretionary                   | 95,707                             | 5.8%          | 43,557                                      | 7.1%          | 69                  | 15,794                             | 2.1%          | 6,000                                       | 2.3%          | 33                  |
| Consumer Staples                         | 136,193                            | 8.2%          | 52,992                                      | 8.6%          | 67                  | 73,348                             | 9.6%          | 26,954                                      | 10.3%         | 40                  |
| Energy                                   | 96,043                             | 5.8%          | 35,960                                      | 5.8%          | 56                  | 61,019                             | 8.0%          | 18,945                                      | 7.2%          | 26                  |
| Financials                               | 628,859                            | 38.1%         | 245,525                                     | 39.9%         | 251                 | 109,611                            | 14.4%         | 52,177                                      | 19.8%         | 55                  |
| Health Care                              | 12,282                             | 0.7%          | 5,592                                       | 0.9%          | 16                  | 10,423                             | 1.4%          | 5,033                                       | 1.9%          | 12                  |
| Industrials                              | 167,148                            | 10.1%         | 65,125                                      | 10.6%         | 101                 | 88,596                             | 11.6%         | 29,477                                      | 11.2%         | 42                  |
| Information Technology                   | 983                                | 0.1%          | 465   | 0.1%          | 4                   | 683                                | 0.1%          | 240   | 0.1%          | 3                   |
| Materials                                | 265,921                            | 16.1%         | 87,898                                      | 14.3%         | 114                 | 222,365                            | 29.1%         | 67,860                                      | 25.8%         | 73                  |
| Telecom Services                         | 190,139                            | 11.5%         | 60,778                                      | 9.9%          | 31                  | 146,940                            | 19.2%         | 47,395                                      | 18.0%         | 21                  |
| Utilities                                | 58,905                             | 3.6%          | 17,404                                      | 2.8%          | 20                  | 34,670                             | 4.5%          | 8,857                                       | 3.4%          | 9                   |
| <b>Total</b>                             | <b>1,652,180</b>                   | <b>100.0%</b> | <b>615,297</b>                              | <b>100.0%</b> | <b>729</b>          | <b>763,448</b>                     | <b>100.0%</b> | <b>262,939</b>                              | <b>100.0%</b> | <b>314</b>          |

Source: Standard and Poor's: Data as of 31st August 2011

# S&P's Shariah Methodology – Business Activity Screens

- **Business activity screens exclude the following:**
  - Pork
  - Alcohol
  - Gambling
  - *Financials, except:*
    - » *Islamic Banks*
    - » *Islamic Financial Institutions*
    - » *Islamic Insurance companies*
  - *Advertising and Media, with the following exceptions:*
    - » *Newspapers*
    - » *News channels*
    - » *Sports Channels*
    - » *Media and advertising companies generating revenues in excess of 65% of total income from the GCC countries.*
  - Pornography
  - Tobacco
  - Trading of gold and silver as cash on deferred basis
  - Cloning

# S&P's Shariah Methodology - Financial Compliance

## – **Leverage Compliance:**

- Debt / Market Value of Equity (36 Month average) < 33 %;

## – **Cash Compliance:**

- Accounts Receivables / Market value of Equity (36 Month average) < 49 %;
- (Cash + Interest Bearing Securities) / Market value of Equity (36 Month average) < 33%;

## • **Revenue Share from Non-Compliant Activities:**

- Revenue from non-compliant activities can be tolerated, if they comply with the following threshold:
  - » (Non Permissible Income other than Interest Income) / Revenue < 5%

## • **Dividend Purification Ratio\*:**

- This ratio is provided to investors for purification purposes, it is calculated as:
  - » Dividend \* (Non Permissible Revenue / Total Revenue)

\* The dividend purification ratio is by stock and currently informational only – S&P Indices have the capability to calculate dividend purified index levels subject to demand and will be guided by OIC Exchanges in this regard.

# S&P's Policy for Adding Country/Exchange Coverage

- **S&P adds a country to its Frontier or Emerging market indices if it meets the following criteria:**
  - It is at a minimum of 40 bps of either the Emerging BMI or the Frontier BMI
  - It has no onerous legal restrictions on investments or transactions by foreigners
  - It has daily trading
  - Custodians and brokers offer services for transacting
  - Pricing can be obtained for all listed stocks via Reuters daily
  - Information around corporate actions and ownership structures of companies is available in a timely and accurate manner
  - Transaction costs are not considered to be punitive
  - Foreign exchange transactions are easily possible and forex rates are continuously reported through standard sources like WM Reuters
  - There is an established regulatory structure to monitor fair trading and shareholder rights
  - There is significant client demand for an index on the market
  - S&P is able to monitor all these in points for a period of 12 months to its satisfaction
  - A second exchange is added to a country already under coverage only if the exchange has listings independent and significant in size to the main exchange



# S&P/OIC Exchanges Shariah 50 index – initial parameters

- **To recap:**
  - a highly liquid, 50 stock index as a subset of the broader benchmark index
  - constituent stocks are blue chip liquid stocks from the S&P/OIC Exchanges BMI Shariah index universe
  - modified to ensure representation for maximum number of countries
    - Countries capped at 20%
    - Stocks capped at 5%
    - Average Daily Value Traded (ADVT) > \$1 million
    - Number of stocks per country: minimum of 1 and maximum of 8 (that meet eligibility criteria)
  - screened for Shariah compliance monthly
  - ideal for Exchange Traded Funds (ETFs)
  - Index managed by an index committee

*n.b. All these rules (including number of stocks) are guidelines. Final index will be designed by our Research team with input from OIC members once we have the official confirmation to proceed.*

# S&P/OIC Exchanges Shariah 50 index - Country Weights

| COUNTRY              | # Stocks  | Weight before |                      |
|----------------------|-----------|---------------|----------------------|
|                      |           | Capping       | Weight after Capping |
| Indonesia            | 8         | 18.5%         | 20.0%                |
| Saudi Arabia         | 8         | 31.3%         | 20.0%                |
| Malaysia             | 8         | 17.3%         | 19.9%                |
| Turkey               | 7         | 7.8%          | 10.0%                |
| Kuwait               | 2         | 8.2%          | 7.9%                 |
| Qatar                | 5         | 5.8%          | 7.5%                 |
| Kazakhstan           | 3         | 5.5%          | 6.5%                 |
| Morocco              | 2         | 2.5%          | 3.1%                 |
| United Arab Emirates | 1         | 1.4%          | 1.7%                 |
| Pakistan             | 2         | 0.8%          | 1.5%                 |
| Egypt                | 1         | 0.5%          | 0.8%                 |
| Bangladesh           | 1         | 0.3%          | 0.6%                 |
| Tunisia              | 1         | 0.1%          | 0.4%                 |
| Bahrain              | 1         | 0.0%          | 0.1%                 |
| <b>Total</b>         | <b>50</b> | <b>100.0%</b> | <b>100.0%</b>        |

# S&P/OIC Exchanges Shariah 50 index – constituents snapshot

| COMPANY                                      | COUNTRY |                      | GICS CODE | FULL MARKET     |        | FLOAT MARKET CAP (\$Million) | ADVT (\$Million) | Stock Weight before Capping | Final Stock Weight after Capping |
|--|---------|----------------------|-----------|-----------------|--------|------------------------------|------------------|-----------------------------|----------------------------------|
|  | CODE    | COUNTRY              |           | CAP (\$Million) | IWF    |                              |                  |                             |                                  |
| Telekomunikasi Indonesia Tbk PT              | ID      | Indonesia            | 50101020  | 17,129          | 0.4881 | 8,361                        | 14.9             | 5.0%                        | 5.0%                             |
| Mobile Telecommunications Company            | KW      | Kuwait               | 50102010  | 14,875          | 0.6272 | 9,329                        | 3.2              | 5.6%                        | 5.0%                             |
| SAUDI BASIC INDUSTRIES CORP                  | SA      | Saudi Arabia         | 15101010  | 73,598          | 0.2246 | 16,530                       | 93.0             | 9.9%                        | 5.0%                             |
| Al Rajhi Banking & Investment Corp.          | SA      | Saudi Arabia         | 40101010  | 27,899          | 0.5421 | 15,124                       | 7.9              | 9.1%                        | 5.0%                             |
| Sime Darby Bhd                               | MY      | Malaysia             | 20105010  | 17,708          | 0.3415 | 6,047                        | 23.3             | 3.6%                        | 4.0%                             |
| Petronas Chemicals Group Bhd                 | MY      | Malaysia             | 15101010  | 16,681          | 0.31   | 5,171                        | 31.4             | 3.1%                        | 3.4%                             |
| Industries Qatar                             | QA      | Qatar                | 20105010  | 18,819          | 0.25   | 4,705                        | 8.3              | 2.8%                        | 3.1%                             |
| IOI Corp Bhd                                 | MY      | Malaysia             | 30202010  | 10,093          | 0.4606 | 4,649                        | 10.3             | 2.8%                        | 3.1%                             |
| Etihad Etisalat Co.                          | SA      | Saudi Arabia         | 50102010  | 9,846           | 0.5849 | 5,759                        | 7.6              | 3.5%                        | 3.1%                             |
| Kuwait Finance House                         | KW      | Kuwait               | 40101010  | 8,690           | 0.49   | 4,258                        | 3.4              | 2.6%                        | 2.9%                             |
| Adaro Energy Tbk PT                          | ID      | Indonesia            | 10102050  | 7,591           | 0.5609 | 4,258                        | 13.7             | 2.6%                        | 2.8%                             |
| Maxis Bhd                                    | MY      | Malaysia             | 50102010  | 13,351          | 0.3    | 4,005                        | 4.8              | 2.4%                        | 2.7%                             |
| United Tractors Tbk PT                       | ID      | Indonesia            | 20106010  | 10,317          | 0.405  | 4,178                        | 11.8             | 2.5%                        | 2.7%                             |
| Kazakhmys PLC                                | KZ      | Kazakhstan           | 15104020  | 9,508           | 0.3958 | 3,763                        | 42.7             | 2.3%                        | 2.6%                             |
| Turkcell Iletisim Hizmet AS                  | TR      | Turkey               | 50102010  | 9,766           | 0.3593 | 3,509                        | 10.1             | 2.1%                        | 2.4%                             |
| Perusahaan Gas Negara PT                     | ID      | Indonesia            | 55102010  | 8,381           | 0.4304 | 3,607                        | 17.9             | 2.2%                        | 2.4%                             |
| Indocement Tunggal Prakarsa Tbk PT           | ID      | Indonesia            | 15102010  | 6,557           | 0.49   | 3,213                        | 6.4              | 1.9%                        | 2.1%                             |
| Saudi Arabian Fertilizer Company             | SA      | Saudi Arabia         | 15101030  | 11,366          | 0.3613 | 4,107                        | 3.7              | 2.5%                        | 2.1%                             |
| Semen Gresik Persero Tbk PT                  | ID      | Indonesia            | 15102010  | 6,326           | 0.4899 | 3,099                        | 7.7              | 1.9%                        | 2.1%                             |
| BIM Birlesik Magazalar AS                    | TR      | Turkey               | 30101030  | 4,864           | 0.6004 | 2,920                        | 6.0              | 1.8%                        | 2.1%                             |
| Kuala Lumpur Kepong Bhd                      | MY      | Malaysia             | 30202010  | 7,630           | 0.3734 | 2,849                        | 7.9              | 1.7%                        | 2.0%                             |
| KazMunaiGas EP JSC - GDR                     | KZ      | Kazakhstan           | 10102020  | 7,130           | 0.3864 | 2,755                        | 4.0              | 1.7%                        | 2.0%                             |
| Maroc Telecom                                | MA      | Morocco              | 50101020  | 16,067          | 0.17   | 2,731                        | 1.6              | 1.6%                        | 2.0%                             |
| Digi.com Bhd                                 | MY      | Malaysia             | 50102010  | 7,877           | 0.3424 | 2,697                        | 6.1              | 1.6%                        | 1.9%                             |
| Eurasian Natural Resources Corp              | KZ      | Kazakhstan           | 15104020  | 14,300          | 0.1858 | 2,657                        | 26.8             | 1.6%                        | 1.9%                             |
| Masraf Al Rayan Bank                         | QA      | Qatar                | 40101010  | 4,964           | 0.49   | 2,432                        | 5.0              | 1.5%                        | 1.8%                             |
| Turk Telekomunikasyon AS                     | TR      | Turkey               | 50101020  | 15,985          | 0.15   | 2,398                        | 9.8              | 1.4%                        | 1.8%                             |
| Emaar Properties                             | AE      | United Arab Emirates | 40403030  | 4,747           | 0.49   | 2,326                        | 7.2              | 1.4%                        | 1.7%                             |
| MISC Bhd                                     | MY      | Malaysia             | 20303010  | 10,430          | 0.2019 | 2,106                        | 2.1              | 1.3%                        | 1.6%                             |
| Unilever Indonesia Tbk PT                    | ID      | Indonesia            | 30301010  | 15,112          | 0.1501 | 2,268                        | 3.4              | 1.4%                        | 1.6%                             |
| Saudi Telecom                                | SA      | Saudi Arabia         | 50101020  | 18,186          | 0.1629 | 2,963                        | 4.1              | 1.8%                        | 1.4%                             |
| Enka Insaat ve Sanayi AS                     | TR      | Turkey               | 20105010  | 5,665           | 0.3081 | 1,745                        | 5.1              | 1.0%                        | 1.4%                             |
| Tambang Batubara Bukit Asam Tbk PT           | ID      | Indonesia            | 10102050  | 5,144           | 0.3498 | 1,799                        | 6.3              | 1.1%                        | 1.3%                             |
| SAVOLA Group                                 | SA      | Saudi Arabia         | 30202030  | 3,560           | 0.7352 | 2,617                        | 1.2              | 1.6%                        | 1.2%                             |
| Douja Prom Addoha                            | MA      | Morocco              | 40403030  | 3,583           | 0.3826 | 1,371                        | 1.4              | 0.8%                        | 1.1%                             |
| Alinma Bank                                  | SA      | Saudi Arabia         | 40101010  | 3,640           | 0.6993 | 2,545                        | 19.0             | 1.5%                        | 1.1%                             |
| Petronas Dagangan BHD                        | MY      | Malaysia             | 10102030  | 5,875           | 0.2328 | 1,368                        | 3.0              | 0.8%                        | 1.1%                             |
| Saudi Electricity Company                    | SA      | Saudi Arabia         | 55101010  | 14,444          | 0.1718 | 2,481                        | 10.0             | 1.5%                        | 1.1%                             |
| Qatar Islamic Bank                           | QA      | Qatar                | 40101010  | 5,224           | 0.25   | 1,306                        | 2.0              | 0.8%                        | 1.1%                             |
| Asya Katilim Bankasi AS                      | TR      | Turkey               | 40101010  | 1,007           | 1      | 1,007                        | 14.0             | 0.6%                        | 0.9%                             |
| Telecom Egypt                                | EG      | Egypt                | 50101020  | 4,275           | 0.2    | 855                          | 1.8              | 0.5%                        | 0.8%                             |
| Pakistan Petroleum Ltd                       | PK      | Pakistan             | 10102020  | 2,743           | 0.3023 | 829                          | 1.9              | 0.5%                        | 0.8%                             |
| Emlak Konut Gayrimenkul Yatirim Ortakligi AS | TR      | Turkey               | 40402050  | 3,262           | 0.2501 | 816                          | 48.2             | 0.5%                        | 0.8%                             |
| Barwa Real Estate                            | QA      | Qatar                | 40403010  | 3,136           | 0.25   | 784                          | 5.1              | 0.5%                        | 0.8%                             |
| Fauji Fertilizer Co Ltd                      | PK      | Pakistan             | 15101030  | 1,508           | 0.3798 | 573                          | 3.3              | 0.3%                        | 0.7%                             |
| Petkim AS                                    | TR      | Turkey               | 15101010  | 1,340           | 0.3868 | 518                          | 13.4             | 0.3%                        | 0.6%                             |
| Qatar International Islam                    | QA      | Qatar                | 40101010  | 2,058           | 0.25   | 514                          | 1.0              | 0.3%                        | 0.6%                             |
| Square Pharmaceuticals Ltd                   | BD      | Bangladesh           | 35202010  | 968             | 0.4583 | 444                          | 1.1              | 0.3%                        | 0.6%                             |
| Societe Carthage Cement                      | TN      | Tunisia              | 15102010  | 414             | 0.4976 | 206                          | 1.1              | 0.1%                        | 0.4%                             |
| Gulf Finance House                           | BH      | Bahrain              | 40203020  | 110             | 0.49   | 54                           | 1.1              | 0.0%                        | 0.1%                             |



# Branding, Costs and Revenues

- Index should be co branded - we have suggested S&P/OIC Shariah index Series
- A co branding with OIC will ensure acceptability across member countries rather than with one specific exchange
- All costs of calculation and dissemination to be borne by S&P
- Initially the indices will be end of day only; real time version will be available based on commercial demand and subject to all constituent exchanges providing approval (*OIC secretariat to provide assistance in getting exchange approvals*)
- Index IP will rest solely with S&P
- Both indices to be launched simultaneously by January 2012 (*subject to receiving approval from the OIC for S& P Indices to proceed with the index design and construction in September 2011*)
- S&P to handle all commercial licensing and data sales, revenues to be shared with OIC secretariat net of all exchange fees, levies and existing partnership agreements- proposed revenue split 50:50 net of all revenue sharing costs in existence with S&P



# Marketing and Data Dissemination

- **S&P will market the indices as part of its global family of Shariah compliant indices**
- **S&P will create and maintain all standard marketing materials, e.g. factsheets, methodology documents, brochures, presentations etc.**
- **S&P will be happy to conduct educational seminars both internally for OIC members as well as externally**
- **The indices will be promoted via the frequent conferences where S&P exhibits its Shariah indices and also where it presents its Shariah indices**
- **Indices will be featured on S&P website promoting its Shariah indices**
- **All information relating to methodology, maintenance and design will be publicly and freely available**
- **Actual index data will be disseminated via established data vendors with whom S&P already has a contract in place or where a contract will be established in the future**
- **Currently we have over 60 data vendors globally with whom we have a contract in place**
- **Established external data vendors include Bloomberg, Thomson Reuters, Factset, amongst others as well as S&P's proprietary platform – IDP**
- **Please see appendix for examples of our marketing capabilities and outreach**

# Questions for OIC

- **We would propose a launch in January 2012**
- **Deadline for all OIC members on December 1<sup>st</sup> 2011**
- **Agreements have been Circulated**
- **S&P/OIC Indices Launch Due date is already behind schedule**

## For questions, please contact:

Charbel Azzi  
Director S&P Indices, Head of Client Coverage (MEA)  
[charbel\\_azzi@standardandpoors.com](mailto:charbel_azzi@standardandpoors.com)

Rodney Fernandes  
Vice President S&P Indices, Head of Client Coverage (EMEA & India)  
[rodney\\_fernandes@standardandpoors.com](mailto:rodney_fernandes@standardandpoors.com)

Alka Banerjee  
Vice President S&P Indices, Global Equities  
[alka\\_banerjee@standardandpoors.com](mailto:alka_banerjee@standardandpoors.com)

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