

Making an Impact

We take a structured approach to ESG, first by **operating as a responsible business** and **second by embedding ESG considerations** into our investment processes to drive sustainable and ethical investing.

As a leading regional group, SICO is committed to maintaining its position at the forefront by aligning its ESG policies with globally recognised best practices. We take guidance from prominent independent organizations, including the UN-supported Principles for Responsible

Investment (UNPRI), a key advocate for responsible investing, and the United Nations Sustainable Development Goals (UNSDGs), using them as benchmarks to shape our commitment to sustainability and responsible business practices.



At SICO, we take pride in being an ethical organization that upholds diversity, inclusion, environmental sustainability, and strong corporate governance at every level of decision-making and operations. We are also deeply committed

to supporting and enriching the communities in which we operate. By embedding ESG principles into the core of our business, we create long-term value for all stakeholders—clients, partners, employees, and the wider community.



Supporting Our People

Diversity and Inclusion

SICO takes pride in its commitment to being an equal opportunity employer, fostering a diverse workforce, and cultivating a culture that emphasises the empowerment of women. Since 2014, SICO has been led by its first female CEO, Najla Al-Shirawi, and currently, 30% of managerial positions are held by women. The Group is proud to have the highest female representation in Bahrain on its Board of Directors at 44%. Overall, 44% of SICO's total workforce is made up of women, with nine currently in leadership positions. Furthermore, our research team is 44% female, and our brokerage team is led by the only female Chief Broker in Bahrain together with her team, which consists of 60% women. Our market-making business line is also headed by a female, and her team consists of 100% females.

In line with our commitment to equal opportunity, SICO has implemented policies to ensure fair hiring, promotion, and performance management practices that are free from bias. Guided by our Talent Acquisition, Talent Development, and Talent Acknowledgement Policies, these efforts are designed to create an inclusive workplace that values diversity at all levels. The SICO Equal Opportunity Committee plays a key role in promoting gender inclusion and enhancing these policies across the organization. In late 2024, SICO launched a business ethics training course for all employees, with 62% completing the course as of the date of issuing this report. Additionally, all SICO management have completed a diversity and inclusion training course.



Note: These figures only represent SICO's Bahrain office.



SICO strengthened its commitment to gender equality by signing the UN Women’s Empowerment Principles (WEPs), a global initiative that promotes the advancement of women in the workplace, marketplace, and community. This milestone underscores SICO’s dedication to fostering diversity, equity, and inclusion, aligning with national efforts such as the Supreme Council for Women in Bahrain. By joining over 600 regional companies in this initiative, SICO reaffirms its longstanding commitment to empowering women through leadership programs, mentorship opportunities, and policies that support work-life balance and greater female representation in senior management.

SICO continued its partnership with Warsha Consultancy and Development on the “Support and Accelerate Women’s Inclusion” (SAWI) initiative, a regional program led by the American University in Beirut. As one of only two

local organizations involved in this initiative in Bahrain, SICO focused on implementing and improving inclusive workplace policies, particularly enhancing its Work-from-Home Policy. With structured feedback from Warsha, SICO made significant improvements in several areas, including policy restructuring, performance tracking, flexibility, employee well-being, and communication protocols. To ensure lasting impact, Warsha also developed a policy implementation and monitoring tool, allowing SICO to track progress and measure the effectiveness of these initiatives beyond the duration of the SAWI project.

SICO’s offices at the Bahrain World Trade Center (BWTC) are designed to foster collaboration, connection, and well-being. Communal areas provide a comfortable setting where colleagues can gather, unwind, and share meals, while dedicated collaborative spaces encourage brainstorming and teamwork. For more private discussions, phone booths and meeting rooms are readily available. The office also includes prayer rooms to support employees in practicing their faith, as well as

wellness rooms that serve as lactation spaces for new mothers and quiet retreats for employees and guests in need of a moment to recharge.

SICO recognises the importance of supporting employees during key life events and provides comprehensive parental leave benefits that go beyond regulatory requirements. Women are entitled to paid leave in accordance with the Bahrain Labour Law, plus up to 120 calendar days of remote work and an additional 60 days of leave with full pay, ensuring they have the flexibility to balance professional and personal commitments. For male employees, SICO offers five days of parental leave, promoting a culture of inclusivity and shared family responsibilities.

Employee well-being is a key pillar of SICO’s human capital strategy. We offer flexible working arrangements, with our work-from-home (WFH) policy, enabling eligible employees to work remotely up to 50% of the time. In 2024, 73% of WFH hours in Bahrain, 59% in the UAE, and 24% in KSA were granted to women, with a total of 1,215 WFH days recorded across offices.

Our focus on work-life balance includes flexible and remote hours, family leave policies, maternity support, children’s vaccination leave, health club allowances, and recognition programs like long-service awards and referral bonuses.

We provide wellness programs, counselling services, and training initiatives to foster a supportive and productive workplace. In 2024, we introduced mental health sessions to enhance emotional resilience and productivity. Employees are also supported through our open-door policy, promoting transparency and trust, and our Grievance Policy, ensuring workplace concerns are addressed fairly

We uphold a zero-tolerance policy for child and forced labour, embedding this commitment in our employment policies and supplier engagement practices, and we are proud to report zero incidents of discrimination, harassment, or compulsory labour in 2024.

Developing Talent

SICO is deeply committed to nurturing talent through dedicated mentoring and training initiatives. Throughout the year, employees have access to a comprehensive range of training programs covering banking and finance, leadership and management, risk management, anti-money laundering, diversity and inclusion, and essential soft skills. These programs are delivered in collaboration with leading global and local institutions, including the Bahrain Institute of Banking and Finance (BIBF), Roshcomm, Bloomberg, and Thomson Reuters Compliance Learning. By investing in continuous learning, SICO ensures its workforce remains highly skilled and aligned with the latest industry standards and best practices.

76% average Bahraini nationals at SICO

106 employees completed cybersecurity training

6 nationalities represented

97 employees completed AML training

37 average age

Employee Training Hours

Training and development	2022	2023	2024
Total number of training hours (#)	3,103	2,931	3,354
Training hours by gender			
Male (#)	1,848	1,307	1,785
Female (#)	1,255	1,624	1,569

As part of our commitment to human capital development, SICO continues to invest in professional growth through diverse training programs. In 2024, employees collectively completed over 3,000 training hours, strengthening their expertise across key areas. We also deepened our focus on responsible investing by completing the PRI Academy training, with 22% of employees enhancing their understanding of ESG integration in investment decisions.



During the year, SICO employees continued to participate in the CFA Society Bahrain's Qodwa Mentorship Program, which pairs candidates with experienced charter holders as mentors to help them work towards their academic and professional goals. Six rounds have been completed, and the seventh round is progressing now. So far, over 150 members have participated in the program (including mentors and mentees).

A total of 106 employees have successfully completed cybersecurity training and 97 completed anti-money laundering (AML) training programmes. These initiatives reflect SICO's commitment to fostering a secure and compliant work environment, where employees are equipped with the necessary knowledge and skills to safeguard sensitive data and uphold regulatory standards. Through these comprehensive training sessions, our workforce has gained valuable insights into identifying and mitigating cyber threats, as well as detecting and preventing illicit financial activities.

Employee Savings Scheme

SICO's employee saving scheme (ESS), launched in 2023, allows employees to opt into a savings plan by designating a portion of their monthly base pay with a guarantee that SICO will match the amount with a cash contribution of a similar amount, subject to a maximum cap and a vesting period. Employees can select one of

three global options (aggressive, moderate, conservative) according to their personal investment needs. SICO's Global Markets team then invests the savings in diversified, low-cost liquid investments that are ring-fenced according to best international practices. The ESS was designed in consultation with multinational insurance company, Aon. In 2024, 81% of employees participated in the ESS; excluding KSA, where implementation is still underway.

Employee Engagement

At SICO, fostering collaboration, transparency, and employee satisfaction is central to our success. To enhance the workplace experience, we conduct employee engagement surveys biannually. In 2024, using the globally recognised "Great Place to Work" methodology, the survey achieved an 82% participation rate, up from 75% previously. Results revealed that 87% of employees view SICO as a great place to work, with 79% of responses being positive. These insights reinforce our commitment to creating a supportive, inclusive environment where employees feel valued and empowered to drive organizational success.



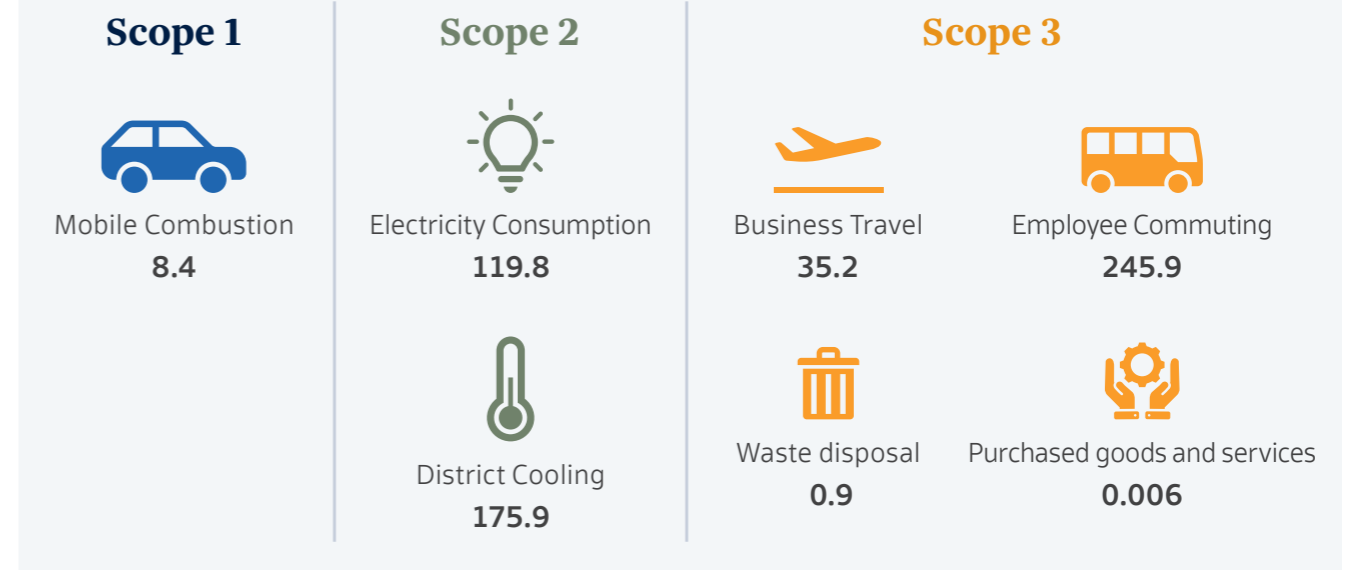
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Addressing Climate Challenge

SICO is dedicated to addressing greenhouse gas (GHG) emissions through robust policies, governance frameworks, and targeted sustainability initiatives.

We conducted our GHG emissions calculations for the period from January 1 to December 31, 2024, and observed a 29% increase in total emissions compared to the previous

GHG EMISSIONS In Mt CO₂e



year. This increase was primarily due to two factors. The first is the number of employees in our KSA subsidiary nearly doubled in 2024 compared to 2023, leading to higher emissions. Additionally, this year's employee commuting survey had a larger sample size, with 101 employees participating—more than last year. We also extrapolated the results to represent the total workforce, contributing to a more comprehensive emissions assessment.

To further strengthen our monitoring, we enhanced our tracking systems and began measuring Scope 3, Category 1 emissions (purchased goods and services) to improve overall GHG emissions reporting. Despite the overall increase in emissions and expanded monitoring, GHG intensity remained nearly unchanged, reinforcing our commitment to responsible and sustainable operations.

Recognising the critical need to identify and manage climate-related risks, we continue to refine our sustainability strategies. A key example of this commitment is our ongoing partnership with The National Initiative for Agricultural Development (NIAD)'s Forever Green

campaign, held under the patronage of Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa. In 2024, we successfully completed our fifth tree-planting initiative, bringing the total number of trees planted to 2,700 trees planted. These efforts have sequestered 48.6 tonnes of CO₂e, improving air quality, promoting biodiversity, and supporting soil conservation. Expanding urban green spaces is a reflection of SICO's dedication to Bahrain's national net-zero carbon emissions target.

Further advancing our sustainability efforts, we are implementing a new Society for Worldwide Interbank Financial Telecommunication (SWIFT) solution, eliminating the need for printing SWIFT messages entirely. This initiative will result in the removal of the SWIFT room and printer, significantly reducing paper consumption and optimising operational efficiency.

In regards to water conservation, we have adopted water-efficient technologies and launched employee awareness campaigns to reduce consumption and enhance resource management across our facilities. Additionally,

our biodiversity initiatives, including active participation in NIAD's Forever Green campaign, reinforce our commitment to climate action.

Developing Our Communities

SICO is committed to creating sustainable value through impactful community initiatives, employee engagement, and responsible partnerships. In 2024, we invested 1.8% of our company revenues into community programs, supporting education, financial inclusion, and cultural enrichment in alignment with Bahrain Vision 2030 and our ESG priorities.

Educational Initiatives

SICO is dedicated to increasing the accessibility of education through proactive and engaging community initiatives. The Group continued to sponsor a variety of education and career development programs targeting different segments of the population in collaboration with local entities, including the BHB, the CFA Society, and the Bahrain Institute of Banking and Finance (BIBF).

SICO has launched the third round of the Women in Investment (WIM) Programme in collaboration with the Supreme Council for Women (SCW) and the CFA Society – Bahrain. The new training programme was delivered by the BIBF as the knowledge partner. Out of 75 applicants, 26 women were selected to participate in a comprehensive educational journey that included interactive workshops and open discussions.



The programme achieved impressive outcomes, with a 90% employment rate for participants in the financial sector, highlighting its effectiveness in enhancing the role of Bahraini women in the local economy. This achievement reflects SICO's commitment to promoting diversity and inclusivity in the financial sector and investing in the development of talented local professionals. To further

support their professional growth and advancement, the participants will receive ongoing executive mentoring through the CFA Society mentorship programme, Qodwa, which empowers participants by connecting them with experienced industry professionals.

SICO continued to sponsor BHB's TradeQuest Program, a competitive financial simulation that provides university and high school students with real-life experiences simulating local and international financial markets. Participants form investment teams made up of seven to eight members who are given virtual portfolios worth BD 500 thousand and USD 4 million to invest in companies listed on the BHB and the New York Stock Exchange (NYSE). Students trade on both markets during specified trading sessions via an electronic trading platform on the BHB and StockTrak Websites. Teams are provided with mentors and evaluated based on presentation and the financial performance of their portfolio.



To develop the next generation of financial leaders, SICO has launched two specialised programs aimed at ambitious young talent.

SICO lent its support to Bahrain's flagship educational programs, the Crown Prince's International Scholarship Program (CPISP), which it has contributed to for the past 19 years. The CPISP, which celebrated its 25-year anniversary in 2023, is a program established by Bahrain's Prime Minister and Crown Prince, HRH Prince Salman bin Hamad Al Khalifa, and operated through funding by the Crown Prince, as well as a number of local and international sponsors. The program seeks to support talented individuals in their academic journey. Since it first began working with CPISP, SICO has supported more than 195 scholars in pursuing higher education degrees at some of the world's leading educational institutions.

SICO renewed its sponsorship for the 11th edition of the Ibn Khuldoon National School's Annual Model United

Nations (MUN), Conference, which brings together students to roleplay as UN delegates and simulate UN committees. MUN participants significantly improve their leadership, public speaking, teamwork, and negotiation skills while also expanding their knowledge of current global issues. This year's conference was hailed as a great success, with 400 students from 15 different schools across the Kingdom of Bahrain.

Members of SICO's staff participated in two initiatives with INJAZ Bahrain, a non-profit organization that was



established in 2005 as part of Junior Achievement Worldwide with the aim of empowering young people to own their economic success and be prepared for today's business challenges. SICO employees participated in the organization's Career Speaker Series, where professionals, entrepreneurs, and innovative thinkers from a variety of industries share their personal and professional career journey with students. They also took part in the Entrepreneurship Masterclass, which was a one-day workshop designed to give intermediate school students the opportunity to learn the skills and behaviors necessary to establish and run a company.

To develop the next generation of financial leaders, SICO has launched two specialised programs aimed at ambitious young talent: a job shadowing initiative for Grade 12 students and an internship program for undergraduates from top universities in Bahrain, the UK, and the US. These programs provide hands-on exposure to key departments, including asset management, investment banking, sustainability, legal affairs, brokerage, global markets, compliance, and treasury. Participants gain invaluable industry insights and practical experience.

SICO, in partnership with Bahrain Polytechnic, celebrated the graduation of participants from the SICO LIVE Global Trading Game, a simulated trading platform launched in November 2024. Over the course of three weeks, 25 participants executed more than 1,000 trades using virtual funds and real market data, gaining hands-on experience in fundamental and technical analysis, order

SICO LIVE Global Trading Game



types, and risk management. The simulation resulted in a total profit exceeding USD 95 thousand, with students actively exploring key sectors that include banking, technology, energy, and healthcare. This initiative reflects SICO's commitment to financial education and equipping future professionals with practical market insights.

Also in collaboration with Bahrain Polytechnic, SICO launched the Cybersecurity Research Lab, a leading hub for innovation and research, dedicated to developing solutions that protect digital assets, enhance national security, and expand cybersecurity knowledge. Designed to support academic researchers and postgraduate students, the lab provides cutting-edge infrastructure, including secure network environments, high-performance computing, and virtual collaboration platforms. Supporting over 30 research projects annually, the lab partners with industry, government, and academia to drive impactful research, with a strong emphasis on real-world applications and knowledge dissemination through conferences and publications.

SICO also sponsored the Lamea Project, a youth initiative under the Ministry of Youth Affairs in collaboration with the Institute of Public Administration. Designed to cultivate future leaders, the program selects outstanding Bahraini youth for rigorous assessments and international training, empowering them to propose impactful

projects for the Kingdom. With 542 participants from diverse sectors, the initiative fostered skill development through workshops and challenges in communication, project management, strategic innovation, institutional excellence, and AI solutions, equipping young leaders with the expertise to drive meaningful change.

SICO sponsored FinTech Forward, an event hosted by the Bahrain Economic Development Board (EDB) that gathered global experts, financial institutions, and regulators to exchange insights and explore new opportunities driving innovation in financial technology. It also sponsored the Bahrain Chapter of the Institute of Chartered Accounts of India's annual conference.

Healthcare and Social Services



1,183 hours of volunteering by employees

Beyond education, we actively contribute to cultural and social initiatives. In 2024, we maintained our partnership with the Shaikh Ebrahim Center, which has hosted over 500 global thinkers, poets, and philosophers, while restoring historic Bahraini sites. We also advanced our commitment to diversity and inclusion by supporting initiatives for autistic children, equestrian athletes, and football programs.

To address societal needs, our employees dedicated their time to volunteering initiatives, including a Ramadan food drive, which provided meals to underprivileged families across Bahrain.

SICO's impact extends beyond philanthropy. In 2024, we expanded efforts to enhance financial inclusion, improving access to investment solutions for underserved segments and supporting SMEs with innovative financing options. Through internships, training programs, and educational partnerships, we invested in the next generation of financial leaders, reinforcing Bahrain's economic diversification goals.

Responsible Investing

SICO recognises the increasing significance of ESG in the region and aims to stay ahead by aligning with international best practices and peers, integrating ESG considerations into its investment decisions. Understanding the impact of ESG issues on long-term portfolio performance, such as sustainable development and climate change, SICO incorporates ESG criteria to gain insights into potential risks and mitigate them effectively. Embracing the UNPRI framework, the Group remains committed to promoting responsible investment, integrating ESG into its operations for long-term stakeholder value. SICO also prioritises transparency, adhering to global standards such as the Global Investment Performance Standards (GIPS) to safeguard the interests of shareholders and clients.

Launched in 2023, the Responsible Investment Policy of SICO extends its coverage to the Equity and Fixed Income Asset Management Department, as well as the Strategy, Partnership, and Treasury Department. This policy serves as a foundational framework, offering a reference point and presenting a set of initiatives for implementation by all relevant employees engaged in integrating ESG considerations into SICO's investment decision-making process.

The primary objective of this policy is to streamline and enhance the efficiency of the investment process by providing clear guidance. It acts as a comprehensive resource, outlining a series of actions to be undertaken by employees involved in incorporating ESG factors into SICO's investment decisions. In order to efficiently integrate the policy's objectives across the Group, SICO's Fixed Income, Equity, and Investment teams all attended an awareness class to educate them on the implementation of the framework. Additionally, a member of the SICO team is now qualified as a CFA ESG-certified professional.

Developed to offer organizational guidance, this policy outlines how ESG factors should be seamlessly integrated into the investment decision process. It acts as an additional lens, supporting the identification of potential risks that could

impact the investment portfolio. Emphasising adaptability, the policy is designed to evolve over time, aligning with shifts in business practices and the regulatory landscape. Regular monitoring is a key feature, with an annual review ensuring that the policy remains robust and aligns with the organization's commitment to responsible investment. Adjustments to the approach are made as necessary, reflecting the dynamic nature of responsible investment practices and the evolving expectations within the industry.

Economic Impact

SICO's economic impact extends beyond revenue generation and operational costs, encompassing significant investments in its workforce, financial ecosystem, and broader market development. Through initiatives such as the Employee Savings Scheme (ESS), SICO supports employees' financial well-being by offering matched contributions and flexible investment options, fostering long-term financial security while ensuring efficient asset management.

Beyond its direct contributions, SICO plays a vital role in advancing education and market development. Through partnerships with educational institutions and initiatives, such as the WIM Programme and the Financial Literacy Summer Camp, SICO actively promotes financial literacy and professional growth. Additionally, its Market-Making division enhances liquidity, strengthens investor confidence, and improves market performance through strategic transactions and the Bahrain Liquidity Fund, driving economic stability and growth.



Beyond its direct contributions, SICO plays a vital role in advancing education and market development.

SICO also contributes to Bahrain's financial sector by embracing innovative financial technologies and supporting initiatives such as Fintech Bay, which enhances client interactions and promotes digital transformation. As a

sponsor of Bahrain's CFA Society and a regular participant in conferences and panels, SICO remains committed to professional development and capital market growth. Group CEO Najla Al-Shirawi and senior executives from across SICO's business lines frequently engage in industry discussions throughout Bahrain and the GCC, reinforcing SICO's leadership in the financial sector and its role in driving economic progress across the region.

Corporate Governance

Commitment

SICO is committed to upholding the highest standards of corporate governance. This entails complying with regulatory requirements, protecting the rights and interests of all stakeholders, enhancing shareholder value, and achieving organizational efficiency. The Bank has Board-approved policies for Risk Management, Compliance, and Internal Controls, in accordance with the rules and guidelines from the CBB.

The adoption and implementation of corporate governance is the direct responsibility of the Board of Directors. The Board is committed to excellence in corporate governance and adheres to rules of the High-Level Controls Module (HC Module) of the CBB and the principles of the Corporate Governance Code of the Kingdom of Bahrain issued by the Ministry of Industry, Commerce, and Tourism.

Shareholder Information

The Bank's shares are listed on the BHB as a closed company. As of 31 December 2024, the Bank had issued 441,342,373 ordinary shares of Bahraini fils 100 each. The last Annual General Meeting was held on 25 March 2024.

Responsibilities of the Board of Directors

The Board is accountable to the shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. The Board works as a team to provide strategic leadership to staff, maintain the organization's fitness for purpose, set the values and standards for the organization and ensure that sufficient financial and human resources are available. The Board's roles and responsibilities are outlined in the Board Charter of the Bank. The Board organises a formal schedule of matters for its decision-making process

to ensure that the direction and control of the Bank rests with the Board. This process includes strategic issues and planning, review of management structure and responsibilities, monitoring management performance, acquisition and disposal of assets, investment policies, capital expenditure, authority levels, treasury policies, risk management policies, the appointment of auditors and review of financial statements, financing and borrowing activities, reviewing and approving the annual operating plan and budget, ensuring regulatory compliance, and reviewing the adequacy and integrity of internal systems and controls framework.

The Chairman is responsible for leading the Board, ensuring its effectiveness, monitoring the performance of the Executive Management, and maintaining a dialogue with the Bank's shareholders. The Chairman also ensures that new Directors receive a formal and tailored induction to facilitate their contribution to the Board.

Without abdicating its overall responsibility, the Board delegates certain responsibilities to Board committees. This is to ensure sound decision-making and facilitate the conduct of business without unnecessary impediment, since the speed of decision-making in the Bank is crucial. When a committee is formed, a specific charter of the committee is established to cover matters such as the purpose, composition, and function of the committee. The Board has three committees to assist it in carrying out its responsibilities: The Investment Committee; the Audit, Risk, and Compliance Committee; and the Nomination, Remuneration, and Corporate Governance Committee. The Internal Audit, Compliance, and Risk Management functions report directly to the Board through the Audit, Risk, and Compliance Committee.

The Board receives reports and recommendations from Board Committees and Management on matters it considers to be of significance to the Bank.

Board Composition and Election

The Board's composition is guided by the Bank's Articles of Association. As of 31 December 2024, the Board consisted of 10 Directors, three of which are Independent Directors, two are Executive Directors, and five are Non-Executive Directors, including the Chairman. The Bank recognises the need for Board composition to reflect a range of skills and expertise. The profiles of Board Members are listed later in this Review. The Company Secretary is Maryam AlThukair. The classification of Executive, Non-executive, and Independent Directors is in accordance with the definitions stipulated by the CBB. Directors are appointed or elected by the shareholders at the Bank's Annual General Meeting, subject to prior approval by the CBB, for a period of three year. The current term of the Board commenced in March 2023 and ends in March 2026.

Independence of Directors

In line with the requirements of the CBB's HC Module, the Bank has put in place Board-approved criteria to determine "Test of Independence" using formal requirements as specified in the CBB rule book and other relevant requirements as assessed by the Board of SICO. The purpose of the test is to determine whether the Director is "Independent" of management, and any business or other relationships, that could materially interfere with the Director's ability to exercise objective, unfettered, or independent judgment. The test also assesses the Director's ability to act in the best interests of SICO. The CBB has considered that three of the Non-executive Directors of SICO met the relevant requirements of the "Test of

Independence", and accordingly, these Directors were classified as "Independent" Directors.

Board and Committee Evaluation

The Board performs a self-evaluation on an annual basis. The Board periodically reviews its Charter and its own effectiveness, while initiating suitable steps for any amendments. The Board also reviews self-evaluations of the individual Board members, Chairman, and the Board Committees, and it considers appropriately any recommendations arising out of such evaluation.

Remuneration of Directors Policy

The Board of Directors' remuneration is governed by provisions of the Commercial Companies Law 2001 and the CBB. The Directors' remuneration is approved by the shareholders at the Annual General Meeting. In addition, the members are paid sitting fees for board and committee meetings. The Board's remuneration is reviewed by the Nomination, Remuneration, and Corporate Governance Committee, as per the remuneration policy. Directors' remuneration is accounted as an expense, as per international accounting standards and CBB regulations.

Board Meetings and Attendance

According to the Bahrain Commercial Companies Law and CBB rules, Board meetings will be conducted at least four times a year on a quarterly basis. All Board members must attend at least 75% of all Board meetings within a calendar year. At least 50% of the Directors must attend each Board meeting, including the Chairman or the Vice-Chairman. During 2024, five Board meetings were held in Bahrain.

Directors' Attendance – January to December 2024

Board Meetings

Board Members	No. 157 26-Feb-24	No. 158 13-May-24	No. 159 6-Jun-24	No. 160 12-Aug-24	No.161 13-Nov-24
Abdulla Kamal (Chairman)	✓	✓	✓	✓	✓
Hisham AlKurdi (Vice Chairman)	✓	✓	✓	✓	✓
Dana Raees	✓	✓	✓	✓	✓
Elham Al Majed	✓	✓	✓	✓	✓
Fadi Al Qutub (Appointed on 30 April 2024)	N/A	✓	✓	✓	✓
Khalid AlJassim	✓	✓	✓	✓	✓
Mohammed Abdulla Isa	✓	✓	✓	✓	✓
Naseema Haider	✓	✓	✓	✓	✓
Tala Fakhro	✓	✓	-	✓	✓
Sh. Waleed Al Hashar	✓	✓	✓	✓	✓

Board Investment Committee Meetings

Board Members	No. 50 30-Jan-24	No. 51 30-Apr-24	No. 52 28-Jul-24	No. 53 12-Aug-24	No. 54 10-Nov-24
Abdulla Kamal (Chairman)	✓	✓	✓	✓	✓
Hisham AlKurdi	✓	✓	✓	✓	✓
Elham Al Majed	✓	✓	✓	✓	✓
Sh. Waleed Al Hashar	✓	✓	✓	✓	✓

Board Audit, Risk & Compliance Committee Meetings

Board Members	No. 82 19-Feb-24	No. 83 12-May-24	No. 84 11-Aug-24	No. 85 11-Nov-24
Tala Fakhro (Chairperson)	✓	✓	✓	✓
Mohammed Abdulla Isa	✓	✓	✓	✓
Naseema Haider	✓	✓	✓	✓

Board Nomination, Remuneration, and Corporate Governance Committee Meetings

Board Members	No. 44 31-Jan-24	No. 45 13-Feb-24	No. 46 4-Jun-24	No. 47 24-Oct-24
Khalid AlJassim (Chairman)	✓	✓	✓	✓
Dana Raees	✓	✓	✓	✓
Fadi Al Qutub (Appointed since meeting no. 46)	N/A	N/A	✓	✓
Mohammed Abdulla Isa (Member until meeting no. 45)	✓	✓	N/A	N/A

Board Committees

Investment Committee

Objective –

- Review investment policies and procedures to monitor the application of, and compliance with, investment policies.
- Approve and recommend (where appropriate) to the Board-relevant investment decisions (as defined in the Investment Policy Guidelines and Restrictions).
- Review strategy and budget business plans prior to submission to the Board.
- Monitor financial performance.
- Oversee the financial and investment affairs of the Bank.

Audit, Risk, and Compliance Committee

Objective –

- Review the Bank's accounting and financial practices.
- Review the integrity of the Bank's financial and internal controls and financial statements.
- Recommend the appointment, compensation, and oversight of the Bank's External Auditors.
- Recommend the appointment of the Head of Internal Audit, Head of Compliance, and Head of Risk.
- Review the Bank's compliance procedures and regulatory matters.
- Provide active oversight on the risk management framework, approve risk policies and Delegated Authority Limits (DAL), and ensure adequacy of risk controls.

Nomination, Remuneration, and Corporate Governance Committee

Objective –

- Identify and screen suitable and qualified candidates as members of the Board of Directors, or for the roles of Chief Executive Officer, Chief Financial Officer, Corporate Secretary, and any other officers of the Bank considered appropriate by the Board if and when such positions become vacant, with the exception of the appointment of the Heads of Internal Auditor, Compliance, and Risk Management, which shall be the responsibility of the Audit, Risk, and Compliance Committee.
- Submit its recommendations, including candidates for Board membership, to the whole Board of Directors, which should, in turn, include them in the agenda for the following Annual Shareholder Meeting.
- Review the Bank's remuneration policies for the approved persons and material risk-takers, which must be approved by the shareholders and be consistent with the Bank's corporate values and strategy.
- Approve the remuneration policy and amounts for approved persons and material risk-takers, as well as the total variable remuneration to be distributed, taking account of total remuneration, including salaries, fees, expenses, bonuses, and other employee benefits.
- Approve, monitor, and review the remuneration system to ensure the system operates as intended.

- Recommend Board Members' remuneration based on their attendance and performance, and in compliance with Article 188 of the Company Law.
- Review the Bank's existing Corporate Governance policies and framework.
- Advise the Board on the Bank's public reporting of information on Corporate Governance practices and issues

Management

The Board delegates the authority for the day-to-day management of the business to the Chief Executive Officer, who is supported by a qualified senior management team and six management committees: Asset Management Committee; Assets, Liabilities, and Investments Committee (ALIC); Governance, Risk, and Compliance Committee (GRCC), ESG Committee, Digital Transformation Committee, and Cybersecurity Committee.

Management Committees

Managers	Asset Management Committee	Assets, Liabilities, and Investments Committee	Governance, Risk, and Compliance Committee	ESG Committee	Digital Transformation Committee	Cybersecurity Committee
Group Chief Executive Officer	Chairperson	Chairperson		Chairperson	Chairperson	
Group Chief Capital Markets Officer						
Group Chief Operating Officer			Chairperson			Chairperson
Group Chief Financial Officer						
Group Head of Equities Asset Management						
Group Head of Fixed Income Asset Management						
Head of Proprietary Investments		x				
Group Head of Internal Audit	x	x		x		
Group Chief Risk Officer	x	x				
Head of Fixed Income Middle Office	x					
Head of Equities Middle Office	x					
Head of Compliance and MLRO	x	x				
Head of Treasury		x				
Group Head of Strategy and Treasury		x				
Group Chief Legal Officer						
Group Head of Information Technology						
Group Head of Sustainability and Corporate Communications						
Chief Operating Officer – SICO Capital						
Head of Client Relations						
Group Head of Transformation						
VP of Transformation						
Information Security Officer			x			
Head of Compliance, Finance, and Risk of Subsidiaries of SICO			x			

Shaded = Voting committee members

X = Non-voting member

Asset Management Committee

Objective –

Oversee the fiduciary responsibilities carried out by the Asset Management Department in managing clients' discretionary portfolios and the funds operated and managed by SICO. It also reviews the investment strategy of the Bank's funds and portfolios, reviews portfolio performance, and reviews subscription, redemptions, and compliance.

Assets, Liabilities, and Investments Committee (ALIC)

Objective –

ALIC acts as the principal policy-making body responsible for overseeing the Bank's capital and financial resources. It is also responsible for managing the balance sheet and all proprietary investment activities, including investment strategy and asset, country, and industry/sector allocations. The committee is specifically responsible for managing the balance sheet risk, capital and dividend planning, forecasting and monitoring interest rate risk positions, and liquidity and funds management. The committee is also responsible for formulating and reviewing the Bank's investment policies (subject to approval by the Board), strategies and performance measurement and assessment.

Governance, Risk, and Compliance Committee (GRCC)

Objective –

Oversee the Internal Control functions carried out within SICO by various departments. The scope of GRCC is to look into strengthening the internal control culture throughout the company by ensuring that each department head takes ownership, responsibility, and accountability for internal control. The Committee is entrusted with the responsibility to consult and advise the Board of Directors in the assessment and decision-making concerning the Bank's system of risk management, internal control, and corporate governance.

ESG Committee

Objective –

Support the integration of ESG considerations into the investment decision-making processes across the Equity and Fixed Income Asset Management Departments and the Proprietary Investment Department. It

oversees the organization's Responsible Investment Philosophy, assesses the impact of ESG trends at various levels, develops and reviews ESG policies and guidelines, monitors investment performance related to ESG criteria, manages ESG risks and opportunities, and provides specialised training for investment teams. Additionally, the committee reviews and approves changes to investment policies, addresses ESG-related guideline breaches, and updates the Model Portfolio as needed.

Digital Transformation Committee

Objective –

Align the bank's business strategy with technological initiatives to drive digital transformation. It oversees the implementation of fintech solutions, enhances customer digital engagement, streamlines internal operations, and ensures that technology projects support business growth. The committee reviews and prioritises digital initiatives, monitors progress, manages associated risks, and advises on best practices. Additionally, it reports decisions to the Board and periodically reassesses its charter to maintain relevance.

Cybersecurity Committee

Objective –

Oversee the company's cybersecurity risk management, ensuring alignment with organizational objectives and maintaining compliance with regulatory frameworks. It monitors and reviews the company's cyber risk appetite, strategy, governance, policies, and programs to safeguard against internal and external threats. The committee works closely with the ISO to assess cybersecurity measures, incident response plans, access controls, and best practices to mitigate vulnerabilities. Additionally, it ensures employee awareness, evaluates cybersecurity projects, and reports high-level risks to regulatory authorities as required.

Management Profiles

Najla Al Shirawi

Group Chief Executive Officer

Najla Al Shirawi has more than 27 years of investment banking experience. Having been part of SICO since 1997, she was appointed CEO in 2014, following her appointment as deputy CEO in 2013. Najla served with Geneva-based Dar Al-Maal Al-Islami Trust, where she established private banking operations for the Group in the Gulf region. Najla is a Board member at the Bahrain Economic Development Board (EDB) and the Vice Chairperson of SICO Capital in Riyadh, KSA. She is also an Independent Board Member of Eskan Bank BSC(c), Bahrain, and a Board Member of the Bahrain Commercial Facilities Company, the Future Generations Reserve Council, and the Bahrain Institute of Banking and Finance. She holds a Master of Business Administration and Finance from the American College in London and a Bachelor's Degree in Civil Engineering from the University of Bahrain.

Fadhel Makhloq

Group Chief Capital Markets Officer

With over 42 years of professional experience, Fadhel Makhloq joined SICO in 2004 as Head of Brokerage before being appointed Head of Investments and Treasury in 2008. He was re-appointed Head of Brokerage in 2010 and then assumed the position of Chief Capital Markets Officer in 2018. Prior to joining SICO, he worked for a number of leading financial institutions, including Investcorp and Chemical Bank (now JPM Morgan Chase). Fadhel is the Chairman of SICO Invest in UAE and he holds a Master of Business Administration from the University of Glamorgan, UK.

K. Shyam Krishnan

Group Chief Financial Officer

K. Shyam Krishnan has 34 years of experience in finance, accounting, audit, investments, and risk management, with the majority of his career spent in conventional and Sharia-compliant banking. Prior to joining SICO in 2015, he was Group Head of Finance at Al Salam Bank-Bahrain. Before this, he was Head of Hedge Funds' Operational Risk Management at Investcorp, Bahrain, and Audit

Supervisor at the Bahrain office of Ernst & Young. He is a Chartered Accountant and Management Accountant from India and a Chartered Financial Analyst, Certified Internal Auditor, and a Certified Information Systems Auditor. He holds a Bachelor of Commerce from Madras University, India.

Anantha Narayanan

Group Chief Operating Officer

With over 34 years of diversified experience in operations, audit, finance, and risk within the banking industry, Anantha has built a distinguished career working across multiple prominent financial institutions. He joined SICO in 2008 and Anantha began his professional journey as an external auditor with Big 4 firms. Prior to joining SICO he worked in several leading financial institutions, including Credit Agricole, BBK, Commercial Bank of Oman (now Bank Muscat), and PricewaterhouseCoopers. Currently serving as the Vice Chairman of SICO Invest in the UAE, Anantha holds several prestigious professional qualifications, which include Chartered Accountant (India), Cost Accountant (India), Certified Information Systems Auditor (CISA) (USA), Financial Risk Manager (FRM) (USA), Associate Member, Institute of Financial Studies (UK). Additionally, he holds a Bachelor of Science (Honours) degree from the University of Manchester, UK.

Maryam AlMohri

Group Chief Risk Officer

Maryam AlMohri brings a wealth of experience in risk management to her role as Chief Risk Officer at SICO, specialising in asset management, treasury, brokerage, and investment banking. Maryam's journey with SICO began in 2017, and her most recent position before this appointment was Vice President of Risk Management. Prior to joining SICO, she held the position of Assistant Manager in ALM Reporting and Capital Management at Gulf International Bank. Maryam holds the Chartered Financial Analyst (CFA) designation and a first-class Master of Science (MSc) in Investment Banking and Islamic Finance from the University of Reading, UK. She also earned a Bachelor of Arts (Honors) in Finance and Investment

Management from Northumbria University, United Kingdom. Additionally, she is a qualified Chartered Islamic Finance Professional (CIFP).

Noora Janahi

Group Chief Legal Officer

Noora Janahi brings over 16 years of extensive legal experience in investment banking services, corporate law, and offering legal services in banking and finance. She has orchestrated numerous major transactions in Bahrain, including mergers and acquisitions and public and private capital markets transactions. Noora Janahi is licensed before the Court of Cassation and Constitutional Court of Bahrain and is a practicing arbitrator. Noora holds a Master's degree in International Business Law and a License in Law, both from Université de Bourgogne, France. She was also recognised as a leading lawyer in 2020, 2021, and 2022 by Thomson Reuters and highly regarded lawyer in 2024 by IFLR1000.

Shakeel Sarwar

Group Head of Equities Asset Management

Shakeel Sarwar joined SICO in 2004 and, over the length of his career, has accumulated over 30 years of investment industry experience in the UK, Pakistan, and the Middle East. Prior to joining SICO, he worked with Riyad Bank's Asset Management Division and was part of a team that managed over USD 3 billion in KSA equities. He has also held positions with ABN Amro Asia Securities in the UK and Pakistan. Shakeel holds a Master of Business Administration in Banking and Finance from IBA, Karachi, Pakistan.

Ali Marshad

Group Head of Fixed Income Asset Management

Ali Marshad has over 19 years of experience in asset management, investments, treasury, and brokerage. After joining SICO in 2008 as an Analyst in the Investments and Treasury division, Ali then headed up the newly established Fixed Income Desk in 2012 before being promoted to Head of Fixed Income in 2015. Prior to joining SICO, he worked in the UK as an Analyst with Mercer Investment Consulting and as a Performance Analyst with UBS Global Asset Management, London. Ali is a board member of SICO Capital in KSA. A Chartered Financial Analyst, Ali holds a

Bachelor of Science (Honours) in Banking, Finance, and Management from Loughborough University, UK.

Wissam Haddad

Group Head of Investment Banking

Wissam Haddad has 23 years of experience in investment banking, private equity, and corporate finance. Prior to joining SICO in 2014, he was a Director with Gate Capital in Dubai and had previously held senior positions with UAE-based Najd Investments, Unicorn Capital, Emirates NBD's NBD Sana Capital, Saudi National Commercial Bank's NCB Capital, and Eastgate Capital, among others. He is also a board member of SICO Invest in the UAE. Wissam holds a Bachelor of Commerce from Concordia University, Canada.

Jithesh K. Gopi

Group Head of Strategy and Treasury

Jithesh Gopi has over 30 years of experience in investment management, research, and analytics. Since 2013, he has worked with Al Rajhi Capital in Riyadh as Head of Research, Head of Asset Management, Director of Research and Financial Institutions, and Director of Corporate Development and Proprietary Investments. In 2006, he joined SICO as Senior Analyst and as Head of Research, covering over 50 companies in major sectors, and he is currently a Board Member at SICO Invest, UAE. Jithesh holds a Bachelor of Science in Mechanical Engineering from the College of Engineering, Trivandrum, India, and a Master of Business Administration from the Asian Institute of Management in Manila, Philippines. He is also a CFA charterholder, and he has completed the Asian International Executive Program at INSEAD Singapore.

Mariam Isa

Head of Brokerage

Mariam Isa has 20 years of experience in regional equity trading and sales. She joined SICO in 2005. Before becoming the Head of Brokerage, she held the position of Chief Broker. Mariam has also worked as a Senior Officer in the Placement Department at Gulf Finance House. She holds a Master of Business Administration in Islamic Finance from the University College of Bahrain, an Associate Diploma in Accounting from the University of Bahrain, and a Treasury and Capital Market Diploma from BIBF. She has

also completed the Leadership Development Program at the University of Virginia, USA.

Ahmed Almudawi

Head of Global Markets

Ahmed Almudawi has over 14 years of experience in the fixed income and public equity arenas in both emerging and developed markets. Joining SICO in 2015, Ahmed has been the Global Markets primary On-Desk Trader since 2020. He caters to sell-side clients; namely institutional investors and ultra/high net worth individuals. In 2024, he assumed the position of Head of Global Markets. Joining SICO Funds Services (SFS) in 2015 as a Senior Fund Administrator, Ahmed's vast experience in the field has developed through various exposures within the bank. In 2017, Ahmed transitioned from SICO Funds Services to SICO as Senior Fixed Income Trader within the brokerage team. He is a graduate from Exeter University with a Bachelor of Arts in Accounting and Finance. Ahmed is a Chartered Financial Analyst (CFA) and Chartered Accountant (ACCA).

Salman Al Sairafi

Group Head of Transformation

With more than 22 years of experience in financial services and technology, Salman Al Sairafi joined SICO in 2020 as the Head of the newly established Global Markets division and was appointed as the Head of Transformation in 2024. Prior to joining SICO, he held the role of Chief Investment Officer and Board Member at Capital Growth Management in Bahrain and was a Senior Investment Advisor at United Consulting Group in KSA. Prior to that, he headed the Fixed Income and Money Markets desk at NCB Capital in KSA. Salman has also held various other positions in Bahrain and the UK in the fields of consulting and R&D. Salman is a Board member at SICO Invest in UAE, Dar Al Ma'rifa Centre for Education and EDD consulting in Bahrain and is both a Chartered Financial Analyst and a Chartered Alternative Investment Analyst. A former Chevening Scholar, Salman holds a Bachelor of Engineering in Information Systems Engineering and a Master of Science in Advanced Computing from Imperial College London.

Nishit Lakhota

Group Head of Research

Nishit Lakhota has nearly 21 years of experience in the fields of investment research, risk management, hedge funds, and private equity. He has been involved in sell side Research in SICO since 2009, actively covering sectors such as telecommunications, consumers, aviation, and construction across the GCC. Previously, Nishit worked for an Iceland-based private equity firm focusing on India's infrastructure sector and a US-based global hedge fund. Nishit is a Chartered Financial Analyst, a Chartered Alternative Investment Analyst, and a Financial Risk Manager from the Global Association of Risk Professionals. He holds a Master of Business Administration in Finance from the Narsee Monjee Institute of Management Studies, Mumbai, India.

Nadeen Oweis

Group Head of Sustainability and Corporate Communications

Nadeen Oweis joined SICO in 2008 and has accumulated over 23 years of professional experience. Prior to joining SICO, Nadeen oversaw corporate communications and public relations for Microsoft in Bahrain. Before this, she handled regional accounts for Lowe Contexture. She also held posts at Procter and Gamble in Jordan and managed the advertising and promotions account for Radio Fann FM in Jordan. Nadeen holds a master's degree in Diplomatic Studies from the Jordan Institute of Diplomacy, a bachelor's degree in Law from the University of Jordan, and a Certificate of Digital Marketing from Columbia Business School.

Haifa Ajlan

Group Head of HR & Administration

Haifa has more than 23 years of experience in the field of Human Resources. She first joined SICO in 2004, holding the position of Assistant Vice President before now being appointed as Head of Human Resources and Administration. Haifa holds a master's degree in Business Administration from the University of Strathclyde Business School in Glasgow, UK and a bachelor's degree in Business Information Systems from University of Bahrain.

Mohammed Ibrahim

Group Head of Information Technology

Mohammed Ibrahim has over 24 years of experience in the field of information technology (IT), including IT project management, business analysis, complex system builds and interfaces, business continuity planning, and information security. Prior to joining SICO in 2007, he was Training Head and Technical Consultants Team Lead at the Bahrain Institute of Technology and Technical and Training Manager at YAT Group, Egypt. Mohammed is a Certified Information Systems Security Professional (CISSIP), a Master Certified Internet Web Professional (MCIW), a Microsoft Certified Solutions Expert, and a Microsoft Certified Trainer. He holds a Bachelor of Science and Education and a postgraduate diploma in Science and Education from Alexandria University, Egypt.

Mohammed Juma

Head of Compliance and MLRO

Mohammed Juma has over 21 years of experience in compliance, investment, and operations management. Mohammed joined SICO in 2016 as Head of Compliance and MLRO, assuming responsibility for monitoring SICO Group's operational adherence with the guidelines of regulatory authorities. Previously, Mohammed was Head of Compliance and MLRO with the International Investment Bank and JS Bank Limited in Bahrain. Mohammed holds a bachelor's degree in Banking and Finance from the University of Bahrain and has completed the Leadership Grooming Executive Program with the Ivy Business School in Canada and Hong Kong. He is a Certified Compliance Professional and a Certified Anti-Money Laundering Specialist.

Joseph Thomas

Group Head of Internal Audit

Joseph Thomas has over 22 years of experience in internal audits, assurance engagements, and other financial advisory services. Joseph joined SICO in 2015 after having been Head of Internal Audit at Global Banking Corporation and holding a post with the Risk Consulting division of KPMG Bahrain. He began his career with Bharat Overseas Bank in India, followed by an internal audit role at the South Indian Bank. He later served as

Audit Manager and Partner at a Dubai-based auditing firm. Joseph is a Chartered Accountant and a Certified Internal Auditor. He holds a Bachelor of Commerce from Mahatma Gandhi University, India.

Fatima Mansoor

Head of Client Relations

With more than 16 years of experience in regional equity trading and client relations, Fatima Mansoor joined SICO in 2006 as a Broker, assuming the role of Senior Broker in 2008. She moved to the Client Relations Department in 2017 and was appointed Head of the department in 2019. Fatima holds a Bachelor of Science in Banking and Finance from the University of Bahrain and a Master of Business and Administration in Finance from the New York Institute of Technology.

Bassam A. Khoury

CEO of SICO Invest

Bassam has over 40 years of international experience in brokerage, investments, and financial consultancy. He joined SICO in 2008 as Head of Brokerage before leaving in 2010 to join QInvest, Qatar, as Head of Regional Brokerage. Prior to re-joining SICO in 2013 as General Manager of SICO Invest in UAE, Bassam was Chief Executive Officer of Bahrain-based ABC Securities. Previously, he worked with Banque Saudi Fransi in KSA, BMB Investment Bank and Lehman Brothers in Bahrain, a private family office in Paris, and M Sternberg & Company in the USA. Bassam holds a Bachelor of Science in Business Administration and Economics from King's College, New York, USA.

Governance Framework

SICO's Corporate Governance framework comprises Board and Committee Charters, Code of Business Conduct, operational policies and procedures, internal controls and risk management systems, compliance procedures, delegated authority limits (DAL), internal and external audit, effective communications and transparent disclosure, and measurement and accountability.

Code of Business Conduct

SICO conducts itself in accordance with the highest

standards of ethical behavior. A Code of Conduct for SICO Staff has been developed to govern the personal and professional conduct of all employees. The Code of Conduct outlines areas of conflict of interest, confidentiality, fair and equitable treatment, ethics, and managing customer complaints. A Whistleblowing Policy and Procedures guide is also included within the Code of Conduct for SICO Staff.

Compliance and Anti-Money Laundering

As a licensed conventional wholesale bank and listed company, SICO has comprehensive policies and procedures in place to ensure full compliance with the relevant rules and regulations of the CBB and the BHB. The Bank has an independent Compliance Department, in keeping with Basel and CBB guidelines. The Compliance Department acts as the central coordinator for all matters relating to regulatory reporting and other requirements.

Anti-money laundering measures are also an important area for the Compliance Department, with a designated Money Laundering Reporting Officer (MLRO) and Deputy MLRO. The Bank has documented anti-money laundering and combating the financing of terrorism procedures in conformity to the regulatory requirements in the Kingdom of Bahrain. SICO has implemented a risk-based automated transaction monitoring system, which further enhances the Bank's anti-money laundering measures in line with the regulations of the CBB.

Corporate Communications

SICO conducts all communications with its stakeholders in a professional, honest, transparent, understandable, accurate, and timely manner. Main communication channels include an annual report, a corporate website, and regular announcements in the appropriate local media.

To ensure disclosure of relevant information to all shareholders on a timely basis, the Bank publishes its annual report and the past 10 years' financial statements on the corporate website (www.sicobank.com).

Related Party Transactions and Conflict of Interest

The Directors make every practicable effort to arrange their personal and business affairs to avoid a conflict of interest with the Bank. The Directors disclose their interests in other entities or activities to the NRCG Committee on an annual basis, inform the Bank of any conflict of interest whenever it arises, and abstain from voting on any related subject matter. The Bank reviewed all such transactions during 2024, and there were no transactions involving potential conflicts of interest that need to be brought to the shareholders' attention. The related party transaction details are disclosed in Note 27 of the Consolidated Financial Statements.

Recruitment of Relatives

The Bank has a Board-approved policy in place on the employment of relatives to prevent potential favouritism and conflicts of interest in decision-making due to certain relationships among employees, including approved persons.

Remuneration of Board Members and Senior Management and Fees Paid to External Auditors

The remuneration paid to Board members and senior management personnel are disclosed in Note 27 of the Consolidated Financial Statements. The information on fees paid to External Auditors for audit and other services will be available to the CBB and shareholders upon request, provided such disclosure does not impact the interest of the Bank.

Managing Risk



As the external risk environment becomes more and more complex, the Risk Management function has become a critical component of SICO's ability to remain a resilient bank that can meet its targets and create value for its stakeholders.

Given the prevailing and uncertain market conditions, Risk Management emerges as a vital shield, protecting individuals, businesses, and organizations from potential pitfalls. It is the strategic practice of anticipating, analysing, and mitigating the impact of adverse events.

As the external risk environment becomes more and more complex, the Risk Management function has become a critical component of SICO's ability to remain a resilient bank that can meet its targets and create value for its stakeholders. SICO's Risk Management Department (RMD) is responsible for establishing the risk management framework and appropriate risk guidelines to assist the bank in achieving its strategic and business objectives. The department provides leadership, direction, and coordination in implementing the risk management framework across the entire group. This entails a systematic process of identifying, assessing, and mitigating the principal business risks facing SICO by establishing appropriate controls to manage these risks and ensuring that appropriate monitoring and reporting processes are

in place. The bank has established a risk management function that is independent of its risk-taking (business units) functions and reports directly to the Board Audit, Risk, and Compliance Committee (BARCC). During 2024, Risk Management under the leadership of the Group Chief Risk Officer continued to play a pivotal role with the introduction of greater scope for monitoring, reporting, and various other enhancements throughout the RMD. An overview of SICO's risk management framework along with the governance structure is covered in the Risk and Capital Management section of this annual report.

External Risk Factors

Banks operate within a complex web of external risk factors that can significantly impact on their financial health and stability. SICO manages these external risk factors with constant monitoring, stress testing various scenarios, and implementing appropriate mitigation strategies.

Cybersecurity Risk

In today's evolving cybersecurity landscape, modern financial systems face the ongoing challenge of countering increasingly sophisticated threats, particularly as AI-powered tools elevate the complexity of social engineering attacks such as phishing. Cybersecurity has become a critical concern for operational resilience across industries, transcending the financial services sector. As a result, CEOs and boards globally recognise cybersecurity as a core business risk rather than merely a technology concern.

Cybersecurity remains a top priority within SICO's internal risk management framework. We are dedicated to safeguarding our digital assets and ensuring the protection

of client and stakeholder information. In alignment with industry best practices, we actively participated in initiatives organised by the CBB, including workshops aimed at advancing cybersecurity measures across Bahrain's banking sector. These sessions highlighted the importance of adopting the latest security practices and controls to uphold the integrity of the financial system. Additionally, SICO participated at cybersecurity discussion forums hosted by the Bahrain Association of Banks, reinforcing its commitment to staying at the forefront of industry developments.

In 2024, SICO further strengthened its cybersecurity framework by upgrading its firewall systems, deployed a web application firewall to strengthen protection against web-based threats, and introduced a Privileged Access Management (PAM) solution to safeguard critical systems and privileged accounts. Recognising that cybersecurity is a shared responsibility, SICO also invested in comprehensive training programs to increase employee and client awareness of potential threats, including phishing emails, security best practices, and their roles in maintaining a secure digital environment.

Geopolitical Risk

Geopolitical risks remain a major concern for the banking sector due to the ongoing Russia-Ukraine conflict, continued regional tensions in the Middle East, and the US-China trade relations. Shifts in global trade policies and supply chains, as well as their potential effects on the prices of agricultural and energy commodities, underscore the need for vigilant monitoring and financial resilience. Regional and political instability continue their significant influence on interest rates and financial

markets, thus demanding that banks stay informed with forward-looking decisions to navigate these complexities effectively. SICO's RMD plays a crucial role in safeguarding businesses from the potential disruptions, evolving regulations, and financial consequences arising from geopolitical risks.

Inflation, Market, and Interest Rate Risk

Inflationary measures have eased globally, with the US Federal Reserve maintaining steady interest rates and signaling further potential cuts in 2025, however the effects of elevated living costs and tightening financial conditions continue to weigh on global growth. GCC economies have benefited from higher oil prices, bolstering government revenues and resilience, yet remain vulnerable to geopolitical concerns in the region.

SICO monitors market updates and risks routinely for agile strategy amendments, with a focus on maintaining acceptable fixed income portfolio durations to mitigate any significant interest rate risks.

Environmental, Social, and Governance Risk (ESG)

As ESG becomes more imperative to business strategy, transitioning to integrate sustainability as a core business strategy has become a significant task that must be calculated. This growing attention on ESG is a key focus of SICO and of the CBB, which has recently released its ESG guidelines. The Bank has engaged and implemented a comprehensive review and enhancement of its ESG risk management, evaluating how to better address environmental impact, social responsibility, reporting, and governance practices not only to safeguard its reputation but also to enhance its long-term financial resilience.



By identifying these risks, we can ensure that our business is resilient to potential external threats and volatile market conditions and give further confidence to our clients and stakeholders.

Internal Risk Priorities

SICO is exposed to the major risk types below.

- Credit Risk
- Concentration Risk
- Market Risk
- Operational Risk
- Liquidity Risk
- Fiduciary Risk
- Compliance and Regulatory Risk
- Reputational Risk
- Legal Risk

These are elaborated further in the Risk and Capital Disclosure section of the annual report.

Subsidiary Oversight

In 2024, SICO continued prioritising robust oversight of its subsidiaries to ensure alignment with the Group's risk management framework. The Bank further enhanced its comprehensive monitoring and reporting mechanisms to support subsidiaries in identifying, assessing, and mitigating potential risks across all subsidiary operations. SICO's proactive approach to oversight ensures the implementation of cohesive risk management practices across the group's subsidiaries.

Changes in the Business

An ongoing rapid rate of change for SICO presents a set of challenges, but the Risk Management department is an active partner to the business model that is up to the

task of ensuring that these developments and enhancements are delivered seamlessly without compromising the quality of the client experience or the resilience of operational processes. Our clients' best interests are our top priority, and our fiduciary responsibilities are key. The department also carries out updates of all the relevant risk management frameworks in the light of the changes in business and also ensures compliance with the applicable regulatory requirements across the Group.

Going Forward

The Risk Management department will continue to assist SICO's various business lines in identifying and managing potential sources of risk, ensuring that lessons learned and industry's best practices are applied across the organization. By identifying these risks, we can ensure that our business is resilient to potential external threats, and volatile market conditions and give further confidence to our clients and stakeholders.

Risk Management continually aims to be an effective partner to the front office and support functions, providing a constructive and insightful challenge to current and proposed business practices and products, as necessary. By mapping out internal processes and controls we can rapidly identify new or changing risk factors and address any control vulnerabilities that may emerge in a resource efficient way.

An active and flexible Risk Management function at SICO ultimately gives the bank a competitive advantage to ensure that existing and prospective clients regard SICO as a top-tier investment manager and leader in the risk management space; a "safe pair of hands" to be entrusted with their investments.

The department is continuously enhancing the framework that guides SICO's day-to-day operations and decision-making in a manner that considers market conditions, complex new developments in technology, and the regulatory frameworks in each of the jurisdictions in which SICO operates.

Control Functions

Compliance and Anti-Money Laundering

As a licensed conventional wholesale and listed bank, SICO has implemented comprehensive policies and procedures to ensure full compliance and adherence to all relevant rules and regulations set forth by the Central CBB, the BHB, and other regulatory authorities. In alignment with Basel and CBB guidelines, the Bank has established an Independent Compliance Department, which serves as the central coordinator for all regulatory reporting and compliance related matters. The department is also responsible for ensuring compliance with CBB regulations for anti-money laundering (AML) and counter-terrorism financing (CFT), overseen by a dedicated Money Laundering Reporting Officer (MLRO) and Deputy MLRO. During 2024, SICO maintained compliance with the latest regulatory requirements by the CBB and BHB. A detailed overview of SICO's corporate governance framework, along with a report on key developments throughout the year, is covered in the Corporate Governance Review section of this annual report.

Internal Audit

SICO has a well-established independent Group Internal Audit function that reports directly to the Board Audit, Risk, and Compliance Committee to provide independent and objective assurance over the adequacy and effectiveness of the Bank's and relevant subsidiaries' governance, internal controls, and risk management processes. Its scope and role are defined and approved by the Board Audit, Risk & Compliance Committee ('BARCC').

During 2024, the department met quarterly with the BARCC and the Board Audit Committee of relevant subsidiaries and presented the results of internal audits performed in line with the Board-approved, risk-based internal audit plans. As outlined by the approved group internal audit plan, certain operational, business, and management processes and divisions for SICO and its subsidiaries — SICO Capital CJSK, in Riyadh, KSA and SICO Invest LLC in the UAE — were audited/reviewed. Internal Audit also carried out spot check reviews on an ad-hoc basis covering various areas based on Management's request, with the results being presented to the Senior Management/BARCC.

In 2024, the department continued its focus on internal audits of SICO's KSA Subsidiary, SICO Capital CJSK, and carried out multiple internal audits of certain critical functions and business divisions in SICO Capital. The department continues to support SICO Capital CJSK, with its extensive and specialist experience of internal audit of brokerage, asset management, capital markets' related businesses and securities services; among other areas.

Throughout the year, the department also assisted with various consulting assignments contributing with inputs and reviews at various stages for a number of the group's additional projects such as update of policies and procedures etc. all while keeping adequate safeguards in place in line with IIA standards. During the year, the department also comprehensively revised its policy framework and charter and ensure they are

in line with the new revised Global Internal Audit Standards issued by the Institute of Internal Auditors (USA) and also elevated the policy and charter to that of a group role.

Financial Control

The Financial Control Department, which comprises the Accounting and Reporting Unit (ARU) and the Internal Controls and Value-Added Tax (VAT) Unit (ICU & VAT), is responsible for all aspects of accounting, VAT, and internal controls at SICO. ARU is responsible for ensuring the bank's financial accounts and regulatory reporting standards are in good order. The ICU & VAT unit is responsible for all aspects of complying with VAT regulations as promulgated by the National Bureau of Revenue in the Kingdom of Bahrain. In addition, the unit performs key internal control functions across the various finance and accounting tasks that are in place.

During 2024, ARU produced MIS and regulatory reports and prepared consolidated financial statements in accordance with international accounting standards. Paperless processing of payments are in place, electronic authorization procedures are followed with appropriate controls and seamless integration with the various counterparty banks and brokers has been achieved. All the routine and adhoc regulatory requirements of CBB, NBR, MOICT, and the BHB are met without any exception.

The ICU & VAT unit continues to play a key role in ensuring relevant frameworks were set up and implemented

throughout SICO to comply with VAT. The unit ensured that the bank complied with regulatory requirements to issue tax invoices, that it filed tax returns in a timely manner, and that VAT was paid on a periodic basis, with amendments to regulations and requirements being handled in a timely fashion. All aspects relating to corporate taxation assessments and the related requirements are also carried out by this unit.