

# Note From Our Group CEO



**Najla M. Al Shirawi**  
Group Chief Executive Officer



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## Leading with Purpose

Reflecting on the past year, I am immensely proud of what we have achieved together at SICO. In a quickly developing financial landscape, where uncertainty remains a constant, our ability to navigate challenges, seize opportunities, and deliver strong results underscores the strength of our strategy and the dedication of our team.

2024 was a year defined by execution, innovation, and resilience. Despite global market volatility and shifting economic conditions, we remained steadfast in our commitment to delivering value for our clients and stakeholders. Our numbers this year tell a compelling story beyond financial performance, one of the discipline, expertise, and a relentless drive that fuel our success.

## Delivering a Strong Financial Performance

SICO delivered an exceptional year of consistent and robust growth. Our AUM rose by 23% to reach USD 7.4 billion, reinforcing our ability to build a strong, resilient portfolio for our clients. Our net profit attributable to shareholders surged by 26% year-on-year to BD 5.5 million (USD 14.6 million), underscoring our effective execution and operational strength.

A key driver of our success has been our fee-based business, which saw net fee income grow by an impressive 33% to BD 10.8 million (USD 28.8 million), reflecting

our ability to generate sustainable revenue streams despite industry-wide pressures. Brokerage and other income soared 77% to BD 3.8 million (USD 10.0 million), fueled by our market leadership and innovation in trade execution. Meanwhile, net interest income increased by 10% to BD 3.9 million (USD 10.5 million).

In an increasingly competitive market, we have also strengthened our presence in KSA, where our AUM has grown significantly, positioning us among the fastest-growing asset managers in the region. Our total equity attributable to shareholders increased by 5% to BD 74 million (USD 196.2 million), reflecting our disciplined approach to capital allocation and risk management.

## Market Background

The regional equity markets remained stable during 2024, returning mid-single digits, with the exception of Dubai, which had a stellar year of nearly 35% in total return. The outperformance is despite the 9% corporate taxation that was introduced in UAE during FY24. Given the strong growth in earnings driven by macro momentum and reforms, Dubai market's robust returns for the second year in a row are not surprising. Taxation reforms will remain an important theme for 2025, as most GCC markets are implementing Domestic Minimum Top-up Taxation (DMTT), which will affect multinational enterprises and their subsidiaries with a



5.5<sup>BD/MN</sup>

Net profit in 2024, up 26% year-on-year

certain revenue threshold. While this can be negative for near-term earnings, markets will likely focus on long-term recurring earnings growth, as seen in Dubai during FY24. Investor sentiments in the region have been broadly positive, led by stable oil prices, extension of OPEC+ voluntary cuts, and ongoing structural reforms to further diversify economies, boost non-oil growth, and attract both FII and FDI into the region.

In 2024, the GCC fixed income market rose by 2.1%, navigating a year of significant volatility in the credit space as 10-year treasuries rose by 75 basis points to close the year at 4.57%, despite the Fed cutting rates by 100 basis points for the first time since the pandemic. Overall, the economic landscape in 2024 was defined by a combination of strong growth, higher than expected inflation, and a robust labor market, as investors grappled with a series of data surprises and a data-dependent Fed. Notably, Bahrain emerged as the best-performing GCC market in 2024, achieving

a remarkable 6.5% return, followed by Kuwait, which saw a 5.7% increase largely driven by corporate bonds and perpetual securities. In contrast, longer-term and higher-quality issuers like KSA and Qatar experienced more modest gains of approximately 1%, reflecting movements in US Treasuries while benefiting from coupon and spread compression.

Looking ahead to 2025, markets are currently pricing in only two potential rate cuts from the Fed—one in June and another in December—as the Fed tempered its narrative regarding excessive rate reductions, taking a more cautious approach to the uncertainties surrounding fiscal policies and tariffs under the Trump administration. Nevertheless, the market seems to have an overall downward bias in rates with expected bursts in volatility, with security selection and market timing to drive meaningful returns this year. Overall, the outlook for the GCC fixed income in the 2025 market remains optimistic, with investors expected to generate returns in the 5% to 6% range.

The region remains active in primary issuances, with 22 issuances across main markets in the GCC during 2024, including Bahrain, which had a successful listing where SICO was the lead manager. KSA continues to dominate in the primary issuances, and the majority of the listings have been highly rewarding to the investors. Both Abu Dhabi and Dubai have also been active in the primary market, and we expect KSA and UAE to continue to lead the momentum in IPOs during 2025.

2025 is expected to bring its own share of opportunities and challenges. Given risks of tariffs under new US government and likely retaliations by affected countries, inflation and Fed rates cuts will be tricky to predict. This would affect interest rates in the GCC, where central banks largely mimic Fed policy changes. However, we expect OPEC+ to continue its efforts to play an important role in stabilising oil prices around the USD 75/bbl level, which should be positive in general for regional sentiments. As regulatory reforms, project spending, and improving private sector participation continue in



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the region, we look forward to an exciting year ahead with multiple opportunities.

#### Operational Review: Advancing Growth Across Business Lines

SICO's Asset Management division delivered another year of outperformance, expanding AUM by 23% year-on-year to USD 7.4 billion. The division also played a key role in the launch of the Tanmia Liquidity Fund in Oman, enhancing market depth on the Muscat Stock Exchange. Our Khaleej Equity Fund celebrated its 20th anniversary, reaffirming its reputation as a top performer with an average annual return of 20.3%.

SICO Brokerage continued to dominate Bahrain's market for the 26<sup>th</sup> consecutive year, executing over 90% of major transactions in the Kingdom. Trading activity through our digital platform surged 60% year-over-year, reflecting growing client adoption of our technology-driven solutions. Notably, the introduction of fractional bond trading for as little as USD 50,000 has expanded market access to a broader client base, positioning SICO as an innovator in the regional brokerage landscape.

SICO Investment Banking reinforced its market leadership through high-profile transactions, including managing the oversubscribed IPO of AlAbraaj Restaurants Group and co-leading Lulu Retail's landmark listing on the Abu Dhabi Securities Exchange. Our advisory expertise also played a pivotal role in structuring mergers and acquisitions, such as Gulf Tamin Ltd's acquisition

of a strategic stake in Arab Insurance Group. We also completed our first public debt capital market deal this year, acting as Joint Lead Manager and Joint Bookrunner alongside regional and international banks for BBK's USD 500 million senior unsecured five-year bond.

In 2024, SICO strengthened its presence in KSA and the UAE through strategic expansions and key financial transactions. In KSA, SICO advanced its asset management capabilities by expanding real estate investments and managing external funds for regional institutions, while its Securities Services division continued to provide comprehensive fund administration and custody solutions. In the UAE, SICO maintained its role as a market maker and liquidity provider on ADX and DFM, reinforcing its expertise in liquidity provision.

We also remained the leading market maker on the Bahrain Bourse, playing a crucial role in enhancing liquidity. Our Bahrain Liquidity Fund continued to support market volumes and valuations, demonstrating its value as a stabilising force in times of volatility.

#### A Strategy Built for Growth

SICO's Vision 2025 strategy continues to guide our expansion, ensuring that we build a business that is not only high-performing but also sustainable and diversified. Our focus remains on strengthening our fee-based businesses to drive recurring revenues, expanding our geographical reach, with a core focus on KSA and the UAE; streamlining end-to-end operations to enhance efficiency and governance; and accelerating digital transformation to create a seamless client experience.



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A key milestone in this journey was the approval and initiation of our partnership with Backbase, a state-of-the-art digital banking platform that will serve as the foundation for our digital ecosystem. This transformation is about fundamentally reshaping how we interact with clients, streamline operations, and enhance efficiency across all touchpoints. By embracing digitalization, we are ensuring that SICO remains at the forefront of financial services innovation, able to deliver solutions that are not only effective but also agile and future-ready.

Our digital strategy is being implemented in phases, starting with SICO Bahrain in 2024, followed by SICO Capital and SICO Invest in 2025. The end goal is to create a fully integrated digital framework that enables seamless transactions, real-time analytics, and a highly personalised client experience. In an era where technology is reshaping financial markets, our proactive approach to digital innovation is a defining factor in our continued success.

#### ESG

At SICO, environmental, social, and governance (ESG) principles are integral to our long-term strategy and corporate ethos. In 2024, we reinforced our commitment to diversity, inclusion, and talent development, ensuring that our business creates meaningful impact beyond financial returns.

Diversity and inclusion remain at the heart of SICO's workforce strategy. This year, we celebrated the



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success of the Women in Investment Management (WIM) program, which provided hands-on portfolio management training to 26 Bahraini women selected from 75 applicants. The program's impact was evident, with 90% of participants securing employment in the financial sector, highlighting SICO's role in advancing gender diversity in investment management.

Further cementing our role as a champion of gender equity, SICO signed the UN Women's Empowerment Principles (WEPs), aligning our policies with global best practices in gender equality. As part of this initiative, we have joined over 600 regional companies committed to fostering inclusive workplaces that offer equal opportunities for career progression.

Our ongoing educational tree-planting efforts have led to the planting of thousands of trees across Bahrain's urban areas, helping to enhance green spaces, improve air quality, and promote environmental awareness among younger generations. This initiative aligns with our broader mission to foster a more sustainable future while actively engaging with local communities. In addition, we continue to drive meaningful social impact through a wide range of community service efforts, spanning healthcare, education, and environmental sustainability. Whether through supporting educational programs, contributing to healthcare initiatives, or championing projects that enhance the well-being of our society, we remain dedicated to creating lasting, positive change.

As we continue to grow, ESG principles will remain central to our strategy as a fundamental driver of our sustainable success. Our progress in diversity, talent development, and governance is just the beginning, and we look forward to deepening our impact in the years to come.

### The Power of Our Team

Behind every success story at SICO is a team committed to excellence. What truly sets us apart is our ability to execute, for we are empowered by our shared purpose to increase our clients' wealth by helping grow and protect their assets, equip clients with the information needed to make informed decisions, and reduce risk by delivering solutions that safeguard our clients' interests.

This purpose is embedded in everything we do, aligning our efforts towards a common goal and ensuring that we continuously deliver outcomes that matter. Our ability to innovate, execute with precision, and lead with purpose has been the cornerstone of our success.

I want to take a moment to acknowledge and celebrate the incredible strides we have made as a team. It is this collective excellence that propels SICO forward, ensuring that we remain a trusted partner for our clients, a leader in our industry, and a force for positive change in the markets we serve.

### Looking Ahead

As we look at 2025 and beyond, we remain committed to sustaining our growth trajectory, deepening our market presence, and continuously enhancing the value we bring to our stakeholders. Our ambitions are bold, and with the right strategy, talent, and execution, I have no doubt that we will continue to set new benchmarks for excellence in financial services.

I would like to extend my deepest gratitude to all our stakeholders, including our regulators, the Central



Today, we stand as a regional financial institution that Forbes recently named as a "Top 30 Asset Manager."

Bank of Bahrain, and the Bahrain Bourse, for their unwavering support. Our achievements would not have been possible without the dedication, hard work, and commitment of our shareholders, partners, and clients. Above all, I am immensely proud of our exceptional team at SICO, whose relentless efforts have driven the outstanding financial and operational results we celebrate today. A special thank you to our esteemed Board of Directors and our Chairman for their invaluable guidance and leadership.

Our success is built on the trust and support of our clients, partners, and shareholders, for which I am truly grateful. Equally, it is the passion and expertise of our exceptional team that drive us forward. As we look ahead, I am confident that, together, we will continue to achieve new heights and set even greater benchmarks for excellence.

**Najla Al Shirawi**  
Group Chief Executive Officer