



Celebrating 30 Years of Excellence

2025 ANNUAL REPORT

sicobank.com



His Majesty
King Hamad bin Isa Al Khalifa
The King of the Kingdom of Bahrain



His Royal Highness
Prince Salman bin Hamad Al Khalifa
The Crown Prince and Prime Minister

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01

SICO at a Glance

Who We Are

A Leading Regional Financial Partner Driving Growth and Innovation Across the GCC

SICO stands as a premier regional asset manager, broker, investment bank, and market maker, currently managing USD 8.2 billion in assets under management. Operating under a wholesale banking license from the Central Bank of Bahrain (CBB), the firm has built a reputation for excellence and reliability. Headquartered in the Kingdom of Bahrain, SICO's regional footprint continues to expand through dedicated teams on the ground in Saudi Arabia and the United Arab Emirates.

SICO has a well-established track record as a trusted regional bank offering a comprehensive suite of financial solutions, including asset management, brokerage, market making, investment banking, advisory, custody, fund administration, and treasury. These services are supported by a high-caliber research team that provides regional insight and analysis of more than 90% of the region's major equities.

Bahrain

Bahrain serves as the core of our strategic operations. The Kingdom offers a sophisticated financial landscape and a mature regulatory framework that encourages both stability and progress. This ecosystem allows SICO to act as a bridge for regional investment, leveraging Bahrain's position as a dedicated hub for financial services innovation across the regional markets.

KSA

The financial sector in Saudi Arabia has been going through a significant transformation as part of the Kingdom's Vision 2030 strategic objectives. This shift has created a wealth of new opportunities in both public and private capital markets. SICO is applying its regional expertise and strong on-the-ground execution capabilities to navigate the Kingdom's evolving economic landscape and contributing to its long-term development goals through SICO Capital in the Kingdom.



United Arab Emirates

The UAE remains a focal point for financial innovation and a primary driver of growth in the region. Our presence through SICO Invest allows us to tap into this high-energy market and a deep talent pool. SICO intends to build on its momentum and strengthen its service offerings in one of the world's most competitive financial environments by utilizing the flexibility provided by the UAE's offshore financial centers.



Charting the Course

From Bold Vision to Profitable Growth

Vision 2025: Laying the Foundation for Regional Leadership

Our journey has never been just about numbers—it has been about resilience, innovation, and a relentless pursuit of excellence. Over the past four years, **Vision 2025** evolved from a strategic plan into a commitment to transform SICO into a leading regional player, ready to scale beyond borders and deliver sustainable value to stakeholders. Through this strategy, we focused on **building organizational capabilities, expanding into new geographies, growing sustainable, fee-based business streams, and enhancing client experience through technology and operational excellence.**



As we move forward, our focus remains unwavering: to transform ambition into enduring value, leveraging innovation, discipline, and collaboration to be the region’s partner of choice for innovative and reliable investment solutions.

Volatile markets and operational challenges pushed our resilience, but our results tell a story of discipline, focus, and unwavering momentum:



AUM surged to USD 8.2 billion, marking a five-year CAGR of 28% and 25% over the last decade.



Core income more than doubled, rising from BHD 8.2 million in 2020 to BHD 16.5 million in 2025.



Strengthened our regional presence by expanding into the Kingdom of Saudi Arabia, enhanced our ECM / DCM capabilities, and forged strategic partnerships to enhance market reach.



Our digital transformation journey began in earnest, laying the foundation for a future-ready client experience. We launched a global market trading system and ventured into a state-of-the-art digital platform, reinforcing our commitment to delivering client-centric solutions.

Amid continued investments, volatile markets, and expansion initiatives, we achieved stable profitability and strengthened our market position, rising to 17th in Forbes’ Top 40 Middle East Asset Managers of 2025, up from 21st in 2021.

Execution of Vision 2025 propelled SICO into a new era of growth, expanding regional footprint, doubling core income, and driving AUM despite market headwinds, strengthening our position as a trusted investment partner.

Turning Vision into Value: Profitable Growth

Building on the milestones and lessons of Vision 2025, we now turn the page to a new chapter – one shaped by prudent and profitable growth. The progress and discipline demonstrated over the past four years have strengthened our foundations and reinforced our strategic direction.

Our strategy for 2026 – 2028 is rooted in this momentum, with a commitment to creating sustainable value for our stakeholders. Anchored on four strategic pillars—regional growth & consolidation, client experience, operational excellence, and prudent inorganic expansion—we aim to strengthen our leadership position and deliver sustainable performance.

01

Regional Growth & Consolidation

Driving scale and profitability in Saudi Arabia and building a strong wealth and asset management platform in the UAE are two core regional growth areas, while strengthening Bahrain as our center of excellence.

02

Client Experience & Positioning

Aims to deliver a seamless, omnichannel experience powered by AI-driven personalization, offering tailored research insights, seamless investment journeys and real-time engagement.

03

Internal Optimization

As SICO expands its geographic footprint across the region, we will drive efficiency through internal optimization to ensure every expansion is supported by robust governance, technology, and talent.

04

Inorganic Growth

Selective acquisitions that complement our organic efforts and enable us to broaden product offerings, enter new markets, and unlock recurring revenue streams will be explored.

SICO at 30: A Track Record of Key Strategic Milestones

Establishment & Momentum

**Established in
the Kingdom of
Bahrain**
as a securities brokerage.

Investment Banking

License obtained

★ **Lead roles** in landmark Bahrain IPOs, including:

- Arab Insurance Group (USD 290mn)
- Bahrain Duty Free (Bahrain's first privatization IPO)

Asset management launched

(first local equity fund)

Custody & administration launched

 **Lead Manager** —
on Bahrain's first rights issue

1997

2006 -07

Lead Manager

on Al Salam Bank and Seef Properties IPOs



SICO launches **flagship equity funds**

Khaleej Equity Fund
and Gulf Equity Fund

AUM reaches **USD 500 mn**

2004
-06



**Listed on
Bahrain Bourse**
(closed company)

**Co-Manager &
Co-Underwriter on
Alba**

USD 200 mn bond

2003

2008

SICO
strengthens its
capital base
through an oversubscribed
rights issue, **increasing**
capital to BD 42.35 mn

Wholesale banking license

granted by the Central Bank
of Bahrain

Expands regional footprint

through acquiring a
brokerage firm in Abu Dhabi
now known as SICO Invest

SICO Fixed Income Fund launched

2013 2012 2011

Scale, Diversification & Landmark Execution



Note From Our Chairman



Abdulla Kamal
Chairman of the Board



Our numbers this year tell a compelling story beyond financial performance, one of the discipline, expertise, and a relentless drive that fuel our success.

The past twelve months have reaffirmed that our success is the direct outcome of a disciplined, multi-year strategy that has fundamentally reshaped our organization, and not merely the result of favorable market cycles. As we proudly mark our 30th anniversary this year, it is befitting that we have successfully concluded a transformative strategy cycle that has redefined our operational capabilities, propelling us into a new phase of regional leadership. As a result of our collective efforts, the SICO of today is a vastly more resilient, diversified, and influential regional institution than ever before.

Our journey over the past few years has been driven by a commitment to institutionalizing our growth and expanding our footprint across the GCC's most

dynamic markets. The strategy we set in motion was to build a scalable regional platform capable of navigating volatile market conditions while capturing local and regional opportunities. As a result, we have moved beyond being a premier Bahraini institution to a major regional asset manager with our continued investments in regional markets.

We increased the capital of our subsidiary in Saudi Arabia to SAR 100 million, underscoring our commitment to the Kingdom, strengthening our presence in the UAE by launching a new wealth and asset management entity, and are modernizing our digital infrastructure. The foundation we have laid during this strategic cycle in expanding our regional presence has created the infrastructure necessary for the ambitious multi-market expansion we are now executing in the new strategy cycle.

Our 2025 financial results are a clear validation of this direction. The numbers that we have achieved are indicative of the scale of the transformation that we have undergone over the past few years. We have transitioned from managing USD 2–3 billion in assets five years ago to over USD 8 billion today. This growth is a testament to the trust our institutional and private clients place in our expertise, ranking the Group among the top 20 asset managers in the MENA region and the top 10 in Saudi Arabia.

Parallel to our growth in AUM, our core income has more than doubled over the past five years. These numbers reflect the successful execution of a fee-based, capital-light business model that prioritizes sustainable, high-quality earnings, supported by our end-to-end capital markets services. Backed by a robust capital base and

5.5^{BD / MN}
Net profit in 2025

conservative risk management, we maintain the healthy liquidity levels required to remain the leading choice for our clients' investments.

What truly differentiates SICO from our competitors is our diversified AUM base. While many of our peers remain concentrated on specific geographies or asset classes, SICO has built a multi-asset, multi-market portfolio that provides us with a unique level of resilience and competitive advantage.

We also achieved landmark milestones across our business lines in the past year. Our Investment Banking division continued its streak of excellence, being recognized by multiple leading international financial publications as the "Best Investment Bank in Bahrain." These achievements underscore our ability to deliver complex advisory and execution capabilities that contribute to the development of regional capital markets.

In Asset Management, we continue to broaden our offerings with innovative solutions, reinforcing our position as a leading regional asset manager. Meanwhile, our Brokerage division remains the undisputed leader in Bahrain, a position it has maintained consistently for over 27 years,

Our expansion is equally visible in our human capital. We have grown from a tight-knit team of less than 100 employees



The foundation we have laid during this strategic cycle in expanding our regional presence has created the infrastructure necessary for the ambitious multi-market expansion we are now executing.

to a diverse workforce of nearly 180 professionals across Bahrain, Saudi Arabia, and the UAE. This investment in talent has allowed us to deepen our capabilities across business lines and provide the sophisticated investment and advisory services that our clients demand.

The excellent results achieved this year continue to be driven by SICO's greatest asset: our people. This success would not have been possible without the strategic foresight of our leadership team and the tireless efforts of every individual who ensures our daily operations remain efficient, innovative, and profitable. Your unwavering commitment to excellence and client-centric service is the heartbeat of this institution. I extend my sincere gratitude to my colleagues on the Board and the entire Management Team for their stewardship and dedication to our shared vision.

Looking ahead, we are not resting on these accolades. The regional platform we have built is meant for driving future growth. Our increased focus on digital transformation will continue to enhance and expand retail access to investment products across our operating markets. We enter 2026 with a clear objective to leverage our regional platform to connect potential investors with Middle Eastern opportunities.

Furthermore, we offer our deepest thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness the Crown Prince and Prime Minister, Prince Salman bin Hamad Al Khalifa. Their visionary leadership and commitment to fostering a progressive, digital business ecosystem continue to provide the bedrock upon which the financial sector thrives. We also remain profoundly grateful to our clients and partners for their enduring trust, and to our regulators across the GCC—particularly the Ministry of Finance and National Economy, the Central Bank of Bahrain (CBB), the Bahrain Bourse (BHB), the Saudi Capital Market Authority, and the UAE Securities and Commodities Authority (SCA) — for their invaluable guidance and ongoing support.

Abdulla Kamal
Chairman of the Board

SICO Executives’ Remuneration in BD’000

Executive management	Total paid salaries and allowances	Total paid remunerations (Bonus)	Any other cash/in kind remuneration	Aggregate Amount
Top six remunerations for executives, including CEO and CFO	1,106	394	159	1,659

Details of SICO’s Board Remuneration in BD

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount	Expenses Allowance
	Remunerations of the Chairman and the BOD	Total allowance for attending Board & committee meetings	Salaries	Others	Total	Remunerations of the Chairman and the BOD	Bonus	Incentive plans	Others	Total			
Independent Directors:													
Tala Fakhro	20,000	5,000	-	-	25,000	-	-	-	-	-	-	25,000	-
Khalid Al Jasim	20,000	5,000	-	-	25,000	-	-	-	-	-	-	25,000	-
Naseema Haider	20,000	4,000	-	-	24,000	-	-	-	-	-	-	24,000	-
Executive Directors:													
Usman Ahmed ³													
Hisham Al Kurdi ^{1,3}	20,000	2,500	-	-	22,500	-	-	-	-	-	-	22,500	-
Shaikh Waleed Al Hashar ¹	20,000	3,500	-	-	23,500	-	-	-	-	-	-	23,500	-
Non-Executive Directors:													
Fadi AlQutub ²	20,000	4,000	-	-	24,000	-	-	-	-	-	-	24,000	-
Abdulla Kamal ²	40,000	6,000	-	-	46,000	-	-	-	-	-	-	46,000	-
Mohammed Abdulla Isa ¹	20,000	4,000	-	-	24,000	-	-	-	-	-	-	24,000	-
Elham Almajed ²	20,000	4,000	-	-	24,000	-	-	-	-	-	-	24,000	-
Dana Raees ²	20,000	4,000	-	-	24,000	-	-	-	-	-	-	24,000	-
Total	220,000	42,000	-	-	262,000	-	-	-	-	-	-	262,000	-

1 Remuneration amount and meeting attendance allowances are paid to the account of the shareholder being represented by the respective Director.

2 Remuneration amount is paid to the account of the shareholder being represented by the respective Director.

3 Usman Ahmed was appointed as a replacement of Hisham Al Kurdi and approved by the CBB on 11 Nov 2025.

Abdulla Kamal
Chairman of the Board

Note From Our Group CEO



Najla M. Al Shirawi
Group Chief Executive Officer



This 30-year milestone is a driver for the next chapter of our growth, guided by the same core values that have defined us since 1995.

Three Decades of Growth

The year 2025 marks a momentous milestone for SICO—our 30th anniversary. Three decades ago, SICO was established with a limited mandate, and today, as we celebrate this pearl anniversary, we stand as a testament to what can be achieved through unwavering discipline, deep-rooted expertise, and a relentless drive for excellence. Our journey from a local brokerage in Bahrain to a diversified, multi-jurisdictional regional financial institution is a story of resilience, and it is this legacy that provides the bedrock for our future ambitions.

Our performance this year reflects the continued maturity of our business and the strength of our diversified model. It also reflects our ability to navigate complex and often volatile market conditions while maintaining a disciplined and long-term approach to growth. In an

era defined by rapid technological shifts and evolving regulatory landscapes, SICO has remained a constant—a trusted partner for our clients, a leader in our industry, and a force for positive change in the markets we serve. This 30-year milestone is a driver for the next chapter of our growth, guided by the same core values that have defined us since 1995.

The global economic environment in 2025 continued to present a mosaic of challenges and opportunities. While markets grappled with the lingering effects of shifting fiscal and monetary policies and the complexities of global trade dynamics, the GCC region once again proved its mettle. At SICO, we have always believed that uncertainty is the fertile ground from which the best opportunities grow, provided one has the insight to identify them and the agility to act. This philosophy has been the cornerstone of our success for thirty years, and it has never been more relevant than it is today.

Financial Performance

SICO delivered solid financial performance in 2025, supported by the strength of its diversified business model. Growth during the year was driven in part by the continued expansion of our fee-based businesses.

Revenue from asset management, investment banking and securities services continued to provide a stable and recurring income stream, supporting the resilience of our earnings despite market volatility.

Assets under management reached USD 8.2 billion during the year, supported by new client inflows across our regional platforms rather than market appreciation alone.

SICO maintained its leading position in brokerage on the Bahrain Bourse, underpinned by industry-leading research.

8.2^{USD / BN}
AUM in 2025

Regional Presence

While Bahrain continues to serve as our headquarters and the core of our operations, we are strengthening our presence across key markets in the region. Serving clients effectively requires a physical presence in the region's most active economies.

During the year, we expanded our presence in Saudi Arabia and the United Arab Emirates, positioning SICO to participate in the continued development of these markets. In Saudi Arabia, SICO Capital continues to align its activities with the Kingdom's broader economic transformation under Vision 2030, contributing to the development of the capital markets while offering investment opportunities to regional and international clients.

In the United Arab Emirates, SICO Invest continues to operate as a market maker and liquidity provider on both the Abu Dhabi Securities Exchange (ADX) and the Dubai Financial Market (DFM), supported by close collaboration with our Bahrain headquarters.

Establishment of SICO Wealth

A key step in our expansion this year was receiving the in-principle regulatory approval (IPA) to establish SICO Wealth as a dedicated wealth and asset management subsidiary under the Abu Dhabi Global Market (ADGM). By working towards securing a license to offer wealth management services in a world-class offshore jurisdiction, we will soon be uniquely positioned to offer a comprehensive range of

conventional and Shariah-compliant products to high-net-worth individuals and family offices across the region.

Product and Digital Developments

We continue to enhance our digital and operational capabilities to enhance the customer experience and expand access to services through self-service solutions. The introduction of fractional bond trading has further broadened investor access to fixed-income instruments by lowering minimum investment thresholds, enabling a wider segment of investors to participate.

Our product development initiatives also progressed during the year, with the launch of new funds designed to address evolving investor needs. These include liquidity-focused strategies that support market depth, as well as specialized equity mandates aligned with regional growth themes.

ESG

At SICO, Environmental, Social, and Governance (ESG) considerations are integrated into the way we manage our business and support long-term sustainable growth. During the year, we continued to embed ESG considerations across the organization through strengthened governance structures, enhanced Board oversight, and the integration of responsible investment practices where applicable.

Our efforts included further developing our approach to climate-related risk, supporting initiatives that promote equal opportunity and inclusion, and reinforcing transparency and accountability in line with regulatory expectations and international best practice. As ESG frameworks continue to evolve, we remain focused on practical implementation and continuous improvement in support of sustainable long-term growth.

People and Leadership

Our people remain central to SICO's continued development. SICO's progress over the past three decades has been supported by a team of professionals with deep market expertise and a strong commitment to serving our clients.

During the year, we continued to strengthen our leadership structure, ensuring clear accountability and the experience required to support the Group's next phase of growth.

We also remain focused on investing in our employees through training, professional development, and initiatives that support long-term career growth. The dedication and professionalism of our team continue to play an important role in maintaining the quality of service and discipline that our clients expect from SICO.

Looking Ahead

As we close the chapter on 2025 and look toward 2026 and beyond, we do so with a sense of caution and hope. The unsettling geopolitical climate that we are operating within will require that we maintain a vigilant and agile approach. Our Vision 2025 strategy has provided a clear roadmap for our recent successes, and we are already looking toward our next strategic horizon. Our goals are clear: to continue deepening our market presence, to accelerate our digital transformation, and to remain the most trusted partner for investors in the GCC.

The road ahead will undoubtedly bring new challenges, but SICO is uniquely prepared to meet them. We have the right strategy, the right talent, and most importantly, the right values. We will continue to innovate, to lead with purpose, and to set new benchmarks for excellence in financial services.

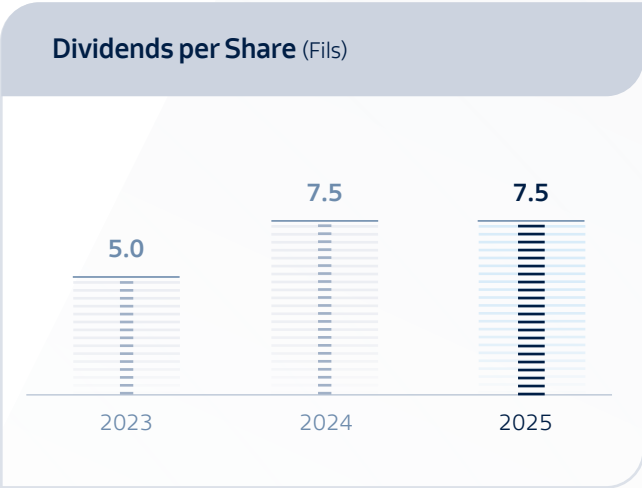
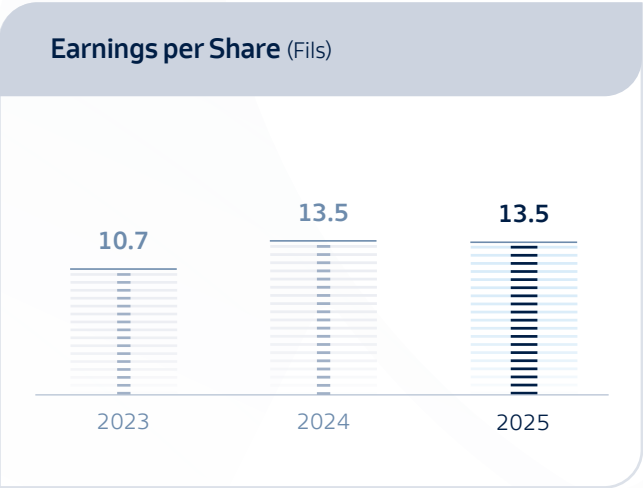
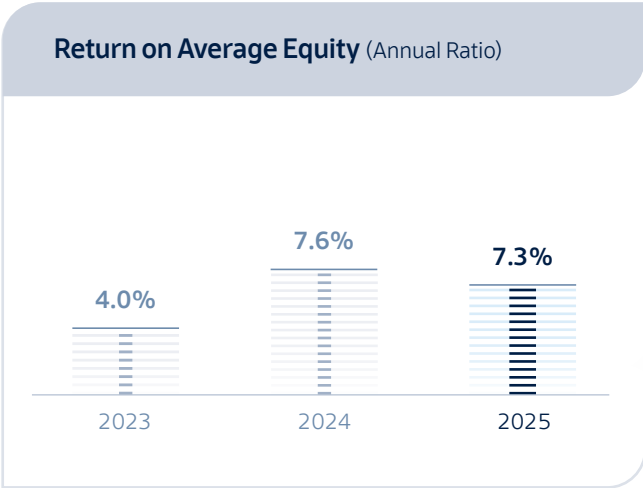
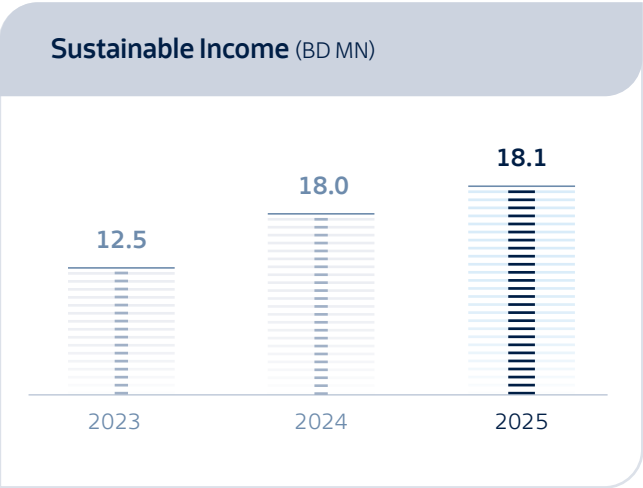
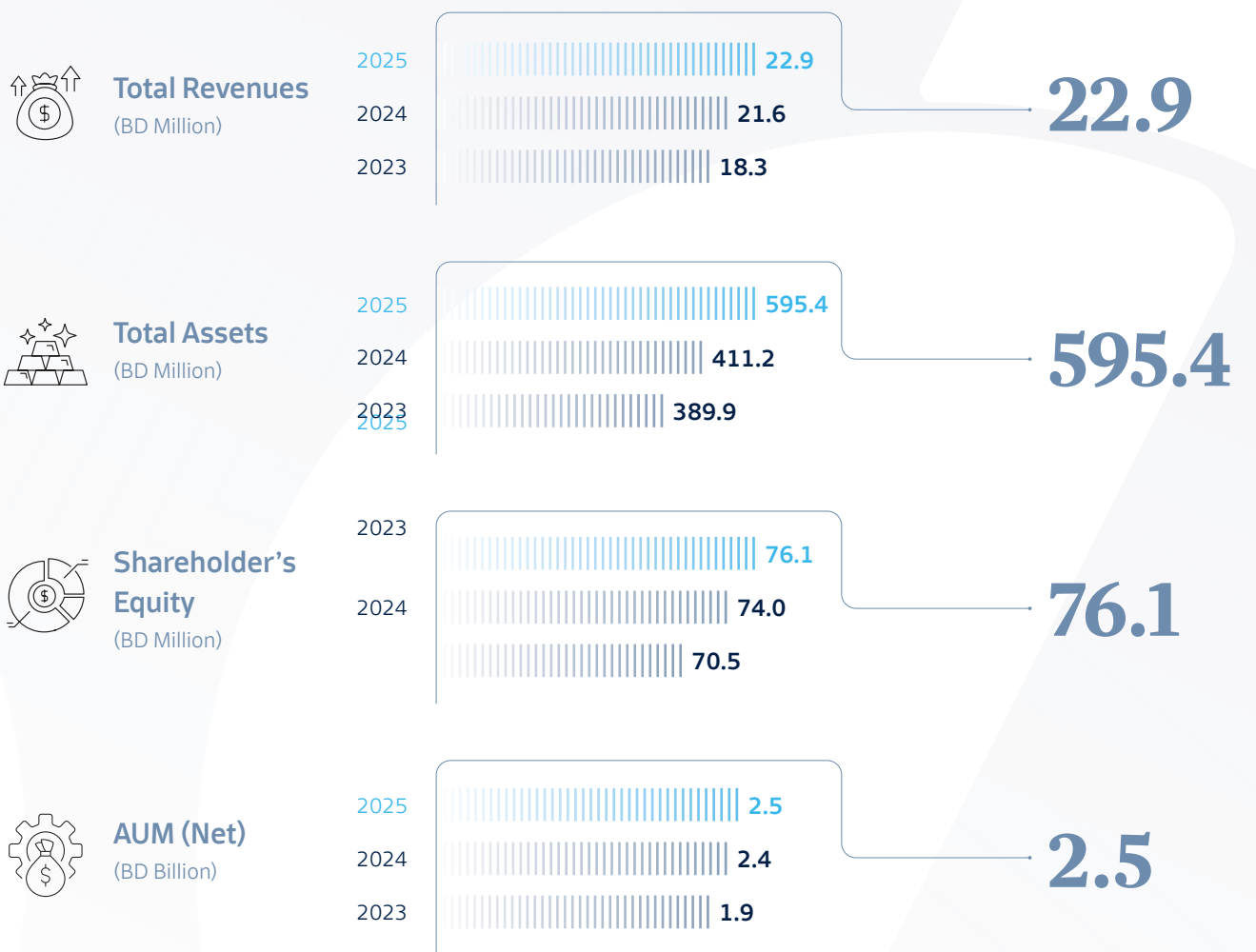
I would like to extend my sincere appreciation to our employees across the Group, whose dedication, professionalism, and commitment continue to drive our progress and success. To our shareholders and partners, thank you for your unwavering trust in our vision. And to our clients, it is your success that defines ours; we look forward to continuing this journey with you.

Najla M. Al Shirawi
Group Chief Executive Officer

02

2025: A Year of Financial & Operational Excellence

2025 Financial Highlights



Operational Highlights

8.2^{USD BN}

Assets under Management reach USD 8.2 billion

1^{USD BN}

Execution Agent for **Ma'aden** and SIIC's USD 1 billion ALBA share transaction

500^{USD MN}

USD 500 million in new investment products and transactions at **Gateway Gulf 2025**

Türkiye-Focused

Launch of first “**Türkiye-Focused**” Sukuk Fund in Bahrain with Albaraka Türk Participation Bank

10^{USD MN}

Financial Advisor and Lead Manager on USD 10 million securitization sukuk issuance for **FLOOSS**

12^{USD MN}

Lead manager and receiving bank for BD 12 million capital raise for **Solidarity Bahrain**, the Kingdom's first-ever issuance of Shariah-compliant Tier 1 preference shares

AAAID

Letter of Intent with **The Arab Authority for Agricultural Investment and Development (AAAID)**

100^{SAR MN}

SICO Capital secures CMA approval to increase paid-up capital to SAR 100 million

ADGM

In principle approval for SICO Wealth in the Abu Dhabi Global Market

Awards



Best Investment Bank in Bahrain

Global Finance World



Best Investment Bank in Bahrain

Euromoney Awards for Excellence



Best MENA Fixed Income Strategy over 1 Year

Global Banking & Markets Middle East Awards



Best M&A house in Bahrain

EMEA Finance Middle East Banking Awards 2025



Best Bank for Diversity and Inclusion in Bahrain

Euromoney Awards for Excellence



Best Broker in Bahrain

Euromoney Capital Markets Awards 2025



Best Broker in Bahrain

EMEA Finance Middle East Banking Awards 2025



Best asset manager in Bahrain

EMEA Finance Middle East Banking Awards 2025



Best Investment Bank in Bahrain

MENA Banking Excellence Awards
2025 by MEED



Best Discretionary Portfolio Management in MENA

MENA Wealth and Private Banking Awards
2025 by MEED



Najla Al Shirawi Named Among Middle east's 100 Most Powerful Business Women 2025

by Forbes



Najla Al Shirawi named Among the Middle East's Top 40 Asset Managers 2025

by Forbes

Management Discussion & Analysis

SICO recorded consolidated net profit attributable to shareholders of BD 5.5 million (USD 14.6 million) for the full year 2025, broadly in line with 2024 figures. The results reflect a diversified revenue stream where growth in net investment income helped strengthen and solidify SICO. Total operating income rose to BD 22.9 million (USD 60.7 million), a 6% increase from BD 21.6 million (USD 57.2 million) in 2024. The expansion of assets under management (AUM) further bolstered sustainable fee income, specifically through management, custody, and fund administration fees. Additionally, an increase in advisory fees from investment banking and additional asset management mandates supported the overall growth in total income. Earnings per share recorded 13.5 Bahraini fils in 2025, unchanged from 2024. SICO's total comprehensive income attributable to shareholders stood at BD 5.4 million (USD 14.2 million) in 2025, against BD 5.7 million (USD 15.1 million) in 2024, representing a 6% decrease.

Appropriations

SICO's Board of Directors has recommended a dividend of 7.5% of the eligible share capital, aggregating to BD 3.2 million (USD 8.5 million), subject to the approval of the Central Bank of Bahrain (CBB) and the General Assembly.

Asset Management

SICO's total gross Assets Under Management (AUMs) continued to grow year-on-year, rising 11% to BD 3.1 billion (USD 8.2 billion) in 2025 compared to BD 2.8 billion (USD 7.4 billion) in 2024. This growth was supported by the expansion of the firm's product range and service capabilities, alongside a broader client base and additional inflow from existing clients across asset classes.

The SICO Gulf Equity Fund (SGEF) finished the year as the #1 ranked GCC/MENA fund, while SICO Capital's Kingdom Equity Fund and MENA Equity Fund also placed among the top performers in their respective asset classes.

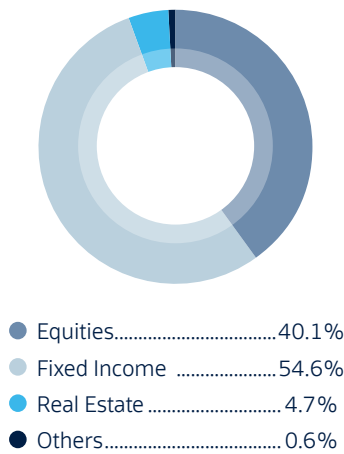
SICO's experienced team of fund managers successfully leveraged the growth opportunities in regional markets throughout the year, with the #1-ranked SICO Gulf Equity Fund delivering a 13.1% return, substantially outperforming the S&P GCC Index, which returned 2.2% for the same period. The SICO Capital MENA Equity Fund also delivered a positive return of 2.3% for 2025, significantly outperforming the S&P GCC Shariah Index, which declined by 3.5% over the same period.

Meanwhile, despite all 47 funds in the Saudi Peer Comparison reporting negative returns, with some declining by as much as 30%, SICO Capital's SC Kingdom Equity

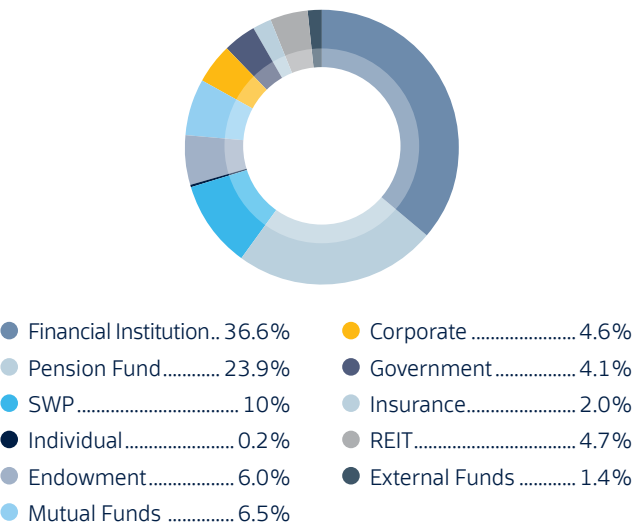
Fund demonstrated significant resilience, finishing the year as the #4 ranked fund.

Similarly, the SICO Fixed Income Fund also maintained its strong performance generating a net return of 9.3% in 2025, retaining its top ranking versus regional peers on a 3-year and 5 year basis based on official Bloomberg data. The SICO Elzaad Sukuk Fund was also on top in terms of performance versus all regional sukuk managers since it was launched in December 2023 generating a total of 13.3% over the last two years. The Fixed Income division launched a new Turkish Wealth Fund that focuses on Shari'ah-compliant fixed income investments in Turkey. The fund includes foreign exchange and mainly liquid investments. Since its launch in September 2025, it has generated a net return of 2.2% in the first three months of operations, demonstrating SICO's commitment to delivering value to its investors.

AUM by Asset Class

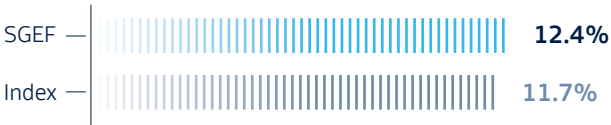


Composition of Net AUMs



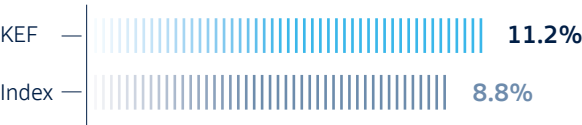
SICO Gulf Equity Fund

5-Year Annualised Gross Return



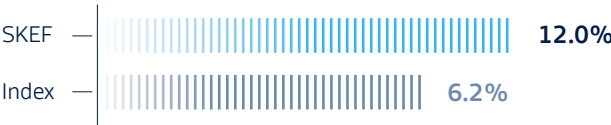
Khaleej Equity Fund

5-Year Annualised Gross Return



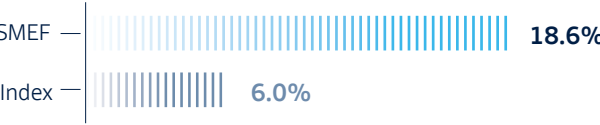
SICO Kingdom Equity Fund

5-Year Annualised Gross Return



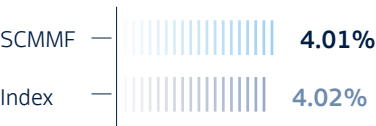
SICO Capital MENA Equity Fund

5-Year Annualised Gross Return



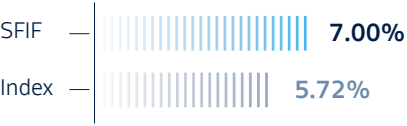
SICO Capital Money Market Fund

5-Year Annualised Net Return



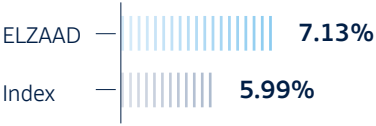
SICO Fixed Income Fund

3-Year Annualised Gross Return



Elzaad Sukuk Fund

2-Year Annualised Gross Return



Securities Brokerage

Against a backdrop of shifting dynamics, SICO’s Brokerage division maintained its market-leading position, with brokerage income standing at BD 2.2 million (USD 5.8 million) for the year, a 5% decline from the BD 2.3 million (USD 6.0 million) recorded in 2024. Despite this decrease, the division remains a core contributor to the Bank’s integrated financial services offering, providing essential market access and execution capabilities to a diverse client base. SICO Brokerage continued to rank #1 on the Bahrain Bourse for the 27th consecutive year, holding an 82% market share in 2025.

Investment Banking

SICO’s Investment Banking arm recorded BD 1.2 million (USD 3.3 million) in income in 2025, up by 33% from BD 0.9 million (USD 2.5 million) recorded in 2024. Known for managing complex transactions with high accuracy, the division has further established itself as a cornerstone of Bahrain’s financial sector. Investment banking’s team of seasoned investment professionals is able to successfully guide clients through initial public offerings, mergers and acquisitions, and strategic advisory mandates across multiple industries, serving both the public and private sectors.

Proprietary Investments

SICO’s proprietary investments generated net investment income of BD 4.2 million in 2025, surging 40% from BD 3.0 million the previous year. Investments are classed under three components: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI), and amortized cost (AC).

Treasury

SICO’s Treasury division booked net interest income of BD 4.2 million (USD 11.1 million) in 2025, an increase of 6% from the BD 3.9 million (USD 10.5 million) booked in 2024. The division focused on efficient liquidity management and capitalizing on yield opportunities within a dynamic interest rate environment. While interest income grew, FX income saw a contraction, contributing BD 0.9 million (USD 2.4 million) to the top line, a decrease of 31% compared to BD 1.3 million (USD 3.4 million) the previous year. The strength of SICO’s balance sheet remains robust, supported by a solid capital base and prudent asset-liability management.

Market Making

SICO’s Market Making division continued to generate positive results in 2025, with income of BD 0.153 million (USD 405 thousand), an increase of 24% compared to BD 0.123 million (USD 326 thousand) in 2024. This activity emphasizes SICO’s role as a primary liquidity provider and its commitment to deepening the local capital markets.

Securities Services

The Custody and Fund Administration division delivered strong growth in assets, with Assets Under Custody (AUC) surging to USD 11.1 billion (BD 4.2 billion) in 2025, a significant increase of 23% from USD 9.1 billion (BD 3.4 billion) in 2024. The expansion was driven by an expanded client base, reflecting the division’s success in attracting new mandates and expanding its service footprint across the region.

GCC Market Snapshot

GCC equity markets diverged significantly in 2025, as investors moved away from basing their investment decisions primarily on oil price movement and instead focused on a range of other drivers, including sovereign policy, global macro indicators, and liquidity conditions. Oman (+38%), Kuwait (+25%), and Dubai (+24%) posted standout gains, while the region's heavyweight market, Saudi Arabia, suffered its steepest decline in more than a decade, falling 10%.

Kuwaiti equities were supported by renewed optimism after the dissolution of Parliament, which accelerated

government-backed project execution and progress on the mortgage law. The Omani market, meanwhile, benefited from a sovereign credit rating upgrade and speculation around potential inclusion in Emerging Market indices. In Dubai, favorable macroeconomic conditions and a strong real estate sector continued to underpin performance, delivering robust returns for the third consecutive year. By contrast, the Saudi market encountered notable headwinds, as tighter liquidity and the scaling back of certain projects weighed on investor sentiment.

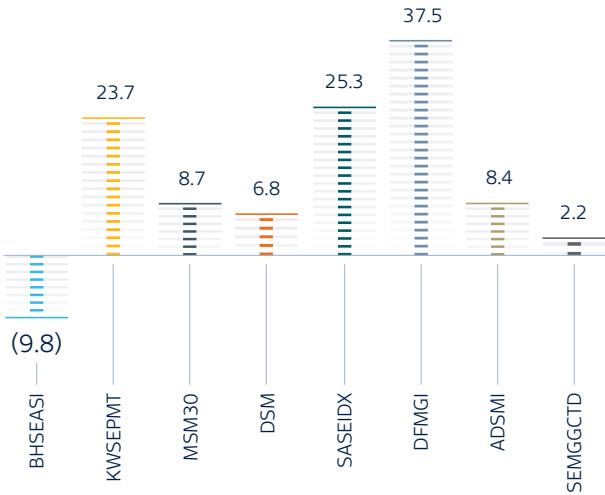
Average oil prices in 2025 traded 17% lower than in 2024, reflecting weaker global demand, especially from China and production easing back by OPEC+. However, the impact on GCC equity markets was limited, as budgeted oil prices across GCC countries remained below prevailing levels, reducing concerns around project execution.

IPO issuances almost halved in 2025 to USD 5 billion compared to the previous year, driven by lower activity in Oman and the UAE. We expect a moderate pickup in IPO activity

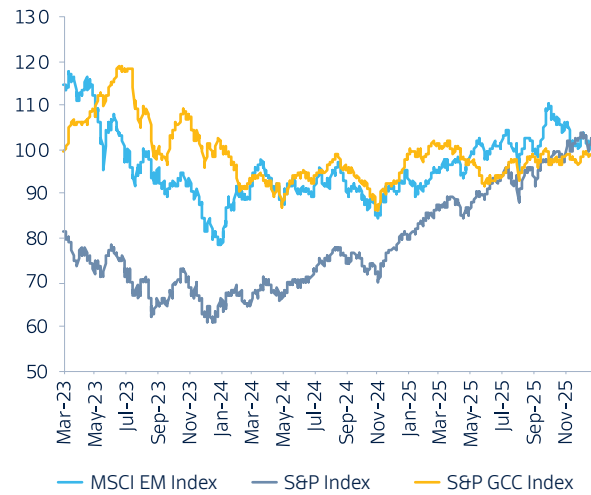
in 2026 as liquidity conditions ease amid lower benchmark rates. Bahrain has already concluded the IPO of Silah Gulf this year, for which SICO acted as the lead manager.

We expect investors to keenly follow developments related to a few broader themes in 2026, including Oman's inclusion in the EM index, Saudi Arabia raising its foreign ownership limit, the implementation of the mortgage law in Kuwait, the sustainability of the real estate market in the UAE, and a potential tourism boost in the region from the unified GCC visa.

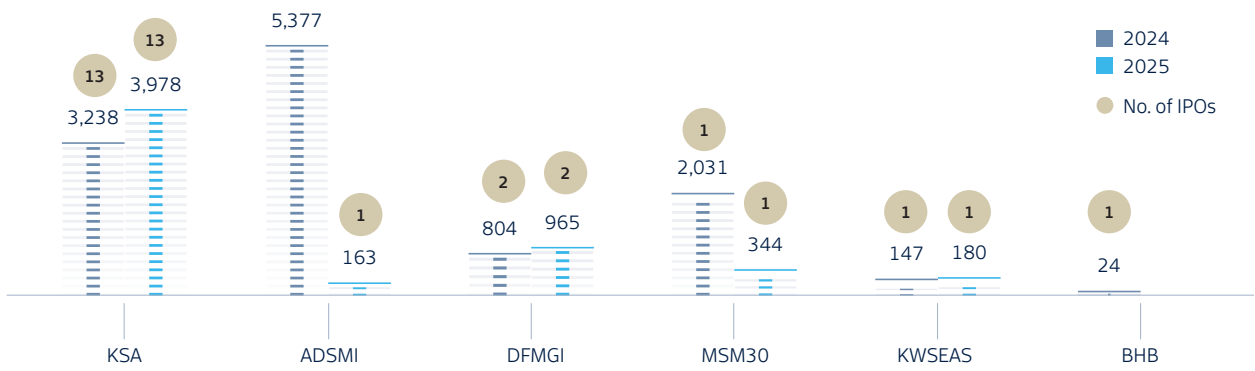
Index Returns - 2025 (%)



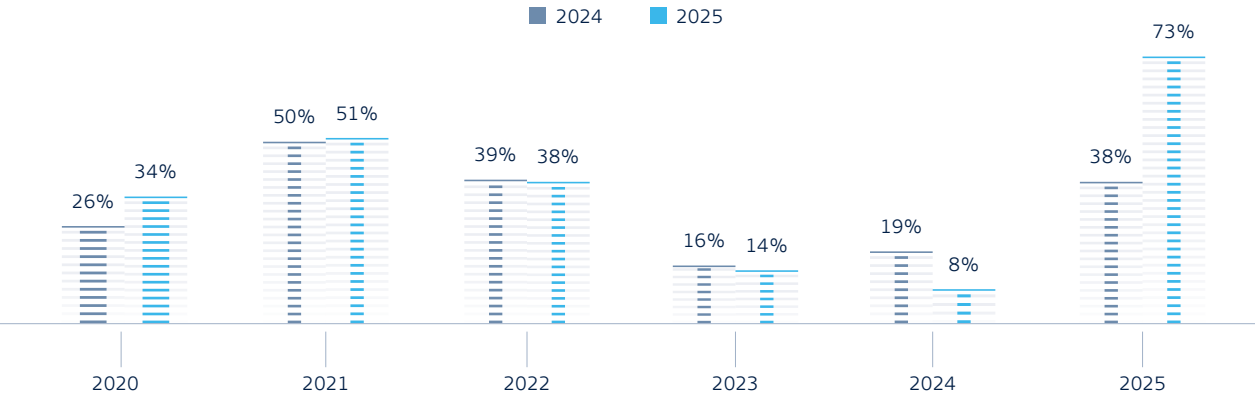
Key Index Performance (normalized to 100)



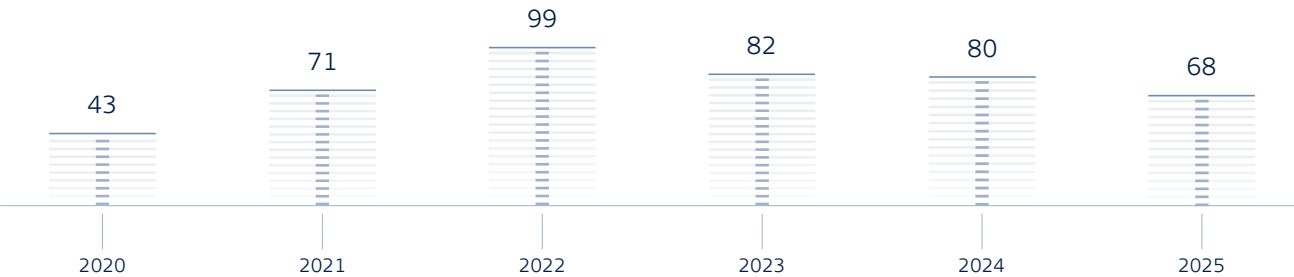
Amount raised via IPO (USD MN)

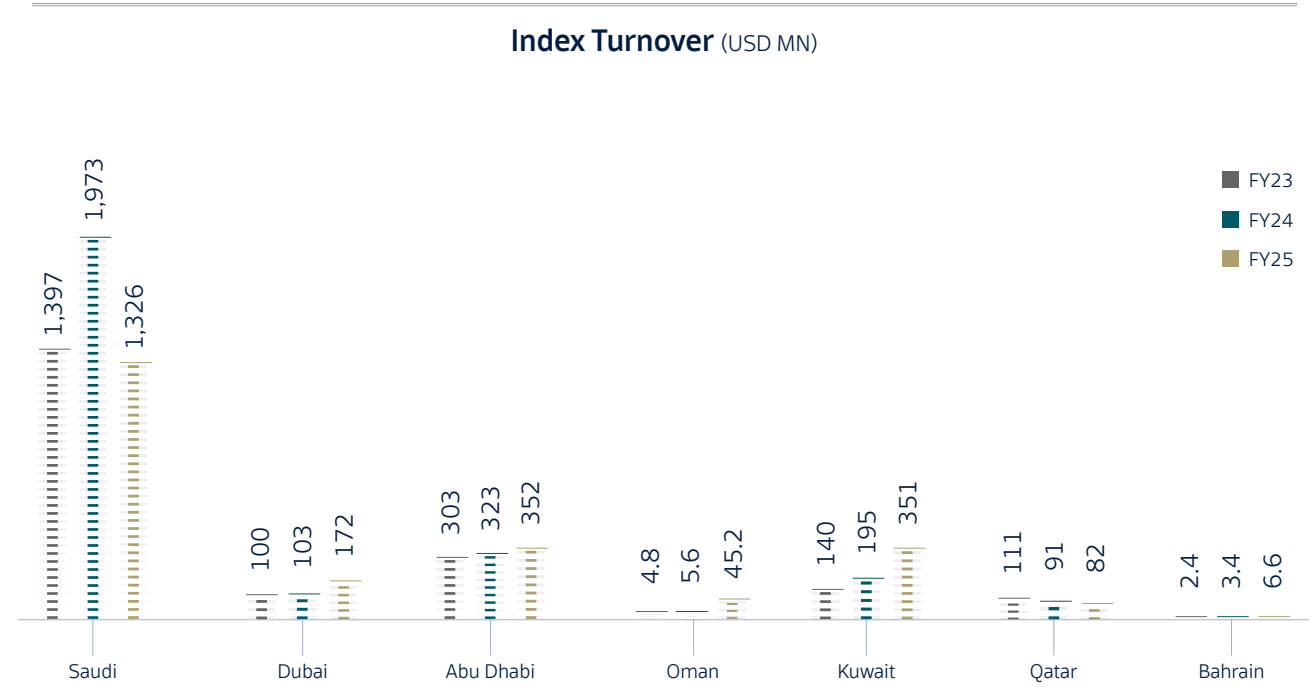


Foreigners % of total traded value



Average Daily Brent Price (USD/bbl)





GCC equity markets diverged significantly in 2025, as investors moved away from basing their investment decisions primarily on oil price movement and instead focused on a range of other drivers.

03

Operational Review

Operational Review

In 2025, SICO not only captured an unprecedented 82% brokerage market share in Bahrain but executed a record year of Investment Banking, pioneering unique financial structures and advising on the region’s largest cross-border deals.

SICO demonstrated resilience and adaptability in navigating the challenging global financial landscape across all lines of business. Focusing on strategic expansion, innovation, and delivering superior value, the Group achieved record AUM growth and reinforced its leadership across its key business lines: Asset Management, Investment Banking, Brokerage, Wealth Management, Securities Services, and Research.

Asset Management

SICO Asset Management is a leading regional asset manager with a consistent track record of outperformance on its GCC and MENA strategies, encompassing Shariah-compliant and conventional mandates, including mutual funds. The team offers its clients access to a broad range of conventional and Shariah-compliant equities, fixed income, and money market securities, as well as real estate investment trusts (REITs) and private real estate funds with on-the-ground investment professionals in Bahrain and KSA. The team also manages various external funds on behalf of leading regional financial institutions.

In 2025, the division displayed robust growth, with Fixed Income Asset Management acting as the key driver of this operational success. The segment benefitted from a strong fixed income rally in the latter half of the year, supported by Federal Reserve rate cuts and increased inflows into fixed income as investors sought to lock in higher yields.

SICO won the prestigious “Best MENA Fixed Income Strategy” award earlier in the year, which, combined with new fixed income products and attractive investment structures and yields, collectively drove growth. Additionally, fixed income delivered the best returns over the last five years, with SICO’s conventional fixed income fund and the SICO Sukuk Fund reporting strong returns during the year.

11%
year-on-year growth in
Gross AUMs

The Saudi-domiciled SICO MENA Equity Fund (SMEF) and SICO Capital Kingdom Equity Fund (SKEF) produced strong returns versus their respective benchmarks and achieved top decile rankings for 2025. The SICO Gulf Equity Fund (SGEF), SICO’s Bahrain domiciled GCC/MENA Fund, was the top performing GCC fund, delivering double-digit returns in 2025.

Innovation and cross-border expansion were central to the strategy. SICO strategically introduced products outside the traditional MENA focus by partnering with Albaraka Portfolio Management Company to establish the Albaraka Türk Value & Wealth Türkiye Sukuk Fund, a first-of-its-kind Türkiye-focused Sukuk fund in Bahrain. The Group also announced a commitment of USD 450 million in new asset management products, including two new quantitative equity funds and specialized mandates for a Türkiye Fund, a Gold investment instrument, and an SME Fund Mandate.

Regionally, SICO Capital in Saudi Arabia successfully launched new private funds focused on the real estate sector. SICO is capitalizing on the new, simplified fund passporting regulations, which enabled the shifting of the majority of equity funds to Saudi Arabia with feeder funds in Bahrain. A significant new mandate in equities and fixed income from Kuwait Finance House (KFH) for their private banking clients was also secured. SICO intends to replicate this strategic product regionally.

Looking ahead, Asset Management remains focused on sustaining its growth trajectory through continued product innovation and investments in technology, while expanding its regional client base and strengthening its position as a leading regional asset manager..

Securities Brokerage

Entering into its 27th consecutive year as Bahrain’s number one broker and working toward its goal of becoming one of the top three brokers in the region, SICO Brokerage is backed by a highly experienced team of advisors, top-notch in-house research capabilities, and an online trading platform, SICO LIVE. SICO Brokerage offers both regional and international equities and fixed income securities.

SICO’s Brokerage division continues to strategically advance its digital platform and product diversification, providing access to equities, fixed income securities, and T-bills to a wide range of high-profile institutional and individual clients across the region.

The key growth driver for brokerage volumes in 2025 was an exceptional performance in the Bahrain market, which saw the division’s year-to-date market share soar to 82%, a substantial increase over the prior peak of 66%. Organic growth was also evident through the SICO LIVE platform.

The Group continued to invest in its digitalization strategy during the year, focusing on enhancing its trading infrastructure and expanding access to investment opportunities for clients across its operating markets.

In the Global Markets segment, performance continued to be driven by Fixed Income assets, capitalizing on the higher interest rate environment. This segment saw an 85% growth in assets under custody. While the volume traded remained consistent with previous years at USD 2

85%
Growth in assets under
custody

20x
Growth in fractional trading portfolio size

billion, the growth in custody assets and product innovation was significant. SICO’s commitment to broadening its client base was demonstrated by the strong performance of its Fractional Trading product, which experienced a 20x increase in portfolio size after lowering the entry barrier, resulting in USD 20 million in fractional securities. Furthermore, the global equity platform saw robust growth, with assets under custody tripling to USD 1.3 billion.

Looking ahead, the division plans to continue enhancing its technology infrastructure and expanding its product and adviosry offering in order to strengthen its position as a leading brokerage platform in the region.

Investment Banking

SICO Investment Banking is a well-established market leader in Bahrain with an on-the-ground presence in KSA. The Investment Banking team’s unparalleled expertise in the Bahraini market and ability to deliver a comprehensive suite of tailored financial services for both large corporates and mid-sized players have made

SICO the trusted partner of choice for both private and public sector clients. Over the span of two decades, SICO has successfully executed complex deals and managed initial public offerings, secondary offerings, M&A deals, debt and preference share issuances, and advisory services across a wide spectrum of sectors, including construction, tourism, hospitality, food and beverage, real estate, telecoms, banking, insurance, consumer finance, logistics, services, and education. From arranging primary and secondary offerings to deal structuring, M&A advisory, fund establishment, valuations, and corporate and family business advisory services, SICO Investment Banking offers in-depth insights, textbook execution, and a flexible platform that provides innovative and fit-for-purpose solutions.

SICO's Investment Banking division delivered a record year of revenue and transactions in 2025, solidifying its reputation as a trusted advisor and innovator in the regional capital markets. The division's sophisticated execution capabilities were highlighted by its involvement in strategic, cross-border deals. The signature transaction for the year was Ma'aden's strategic acquisition of SABIC's 20.62% stake in Aluminium Bahrain (ALBA). As the Execution Agent and Broker for both Saudi entities, Ma'aden and SABIC Industrial Investment Company (SIIC), SICO played a critical role in the cross-border transaction valued at approximately USD 1 billion.

SICO also acted as the Lead Manager and Receiving Bank for the perpetual preference share issuance of Solidarity Bahrain. This was a landmark transaction, being the first-ever Shariah-compliant Tier 1 preference share

issuance in Bahrain, aimed at strengthening the company's capital base and highlighting SICO's prowess in complex Equity Capital Market solutions.

The team also successfully executed the share swap between Bahrain Family Leisure and various F&B assets owned by Dividend Gate Capital. SICO acted as the Financial Advisor and Receiving Agent for the voluntary conditional exit offer for Nass Corporation, efficiently managing the capital markets transaction through its specially tailored e-IPO platform. The division successfully structured and launched the Al Baraka Türk Values and Wealth Türkiye Sukuk Fund, in partnership with Al Baraka Asset Management based in Turkey. This structure introduces GCC investors to the Turkish Shariah-compliant investment universe through a Bahraini-based fund vehicle.

The strong momentum established in 2025 has resulted in a robust pipeline for the coming year. While the commodities sector drove the most deal volume in 2025, the Group's strategic focus for 2026 is shifting to aggressively target mandates within the financial institutions and customer experience service sectors. The team will capitalize on the growing regional trend of entities seeking alternative financing by targeting the significant number of capital raising opportunities and the government's initiative to increase the number of IPOs in Bahrain, where SICO is actively engaged in several upcoming mandates.

Market Making

With an eye on creating liquidity that builds the foundation for investor confidence, enhancing volumes, increasing valuations, and improving performance in the market, SICO has been a pioneer liquidity provider for a number of largescale listed entities on the Bahrain Bourse (BHB). With a robust 30-year track record, SICO's Market Making division actively participates in bid and ask sides, narrows down price spreads, and creates a market for selected stocks, post-IPO listings, cross listings, and mature listings.

SICO is the first non-UAE based entity to be granted a license to operate as a market maker and liquidity provider in the UAE on both Abu Dhabi Securities Exchange (ADX) and Dubai Financial Market (DFM). Despite the

market challenges of the past few years, SICO was able to maintain its position as the leading liquidity provider on the Bahrain Bourse. In 2025, SICO has successfully renewed the Market Making mandates for Beyon, ALBA, and NBB on the Bahrain Bourse.

Securities Services

SICO's Securities Services is a well-established and trusted fund services provider with a strong track record of delivering high-quality custody and fund administration solutions to clients in Bahrain and in the GCC. Renowned for its client-centric philosophy and proactive use of advanced technology, tools, and operational processes, SICO has earned a reputation as one of the GCC's most successful and respected fund service providers.

Building on its success in Bahrain, SICO offers a comprehensive suite of integrated securities and fund administration services across both Bahrain and the Kingdom of Saudi Arabia. These offerings provide a holistic and seamless set of solutions for asset managers, investment funds, and portfolio managers—covering a wide spectrum of asset classes. By outsourcing their administrative functions to SICO, investment managers can streamline operations, enhance efficiency, and concentrate on their core investment activities.

SICO's customized middle- and back-office solutions are designed to address the evolving requirements of a diverse client base, spanning both emerging and developed market participants regionally and globally. In addition to traditional pre- and post-trade execution services, SICO has introduced a suite of value-added offerings for asset managers, including middle-office and performance analytics for public and private funds across all asset classes. These enhancements encompass unitholder dealing, investment manager factsheets, and tailored front office reporting tools.

Reaffirming its commitment to innovation and service excellence, SICO is actively investing in the enhancement of its client delivery channels through the development of a next-generation digital portal. The firm is also exploring the integration of new asset classes such as



SICO Investment Banking offers in-depth insights, textbook execution, and a flexible platform that provides innovative and fit-for-purpose solutions.

digital assets into its service framework and is strategically expanding its capabilities to support international funds, reinforcing its position as a forward-looking and regionally leading securities services provider.

Research

SICO Research is a pioneer of sell-side research in the GCC, with a team that delivers in-depth products and insights that are utilised by a broad spectrum of clients within the GCC region and beyond. The division's team comprises eight expert analysts, many of whom are CFA charter holders, all focused on producing high-quality research that covers over 85 companies across 13 key regional sectors. Through its offerings, the division also provides clients with valuable and timely advice that assists in strategic decision-making processes.

During the year, the SICO Research team continued to deliver its objective research reports, company analyses, newsletters, and periodicals, through which the division's analysts conveyed their insightful observations, revisions, and prudent viewpoints. SICO Research's highly regarded Top-20 Portfolio, an equally weighted portfolio which comprises 20 diversified GCC stocks, continued its outperformance in 2025, with the fund returning 14%, implying an outperformance of its benchmark, the S&P GCC Index by 11.8%. Despite the overall market volatility, the notable portfolio achieved impressive outperformance. The strategy behind the portfolio is supported by robust fundamental research on each listed company. Simultaneously, it aims to address the necessity of judiciously diversifying stock ideas across sectors and countries within the GCC region.



While the commodities sector drove the most deal volume in 2025, the Group's strategic focus for 2026 is shifting to aggressively target mandates within the financial institutions and customer experience service sectors.

14%

Top-20 portfolio fund
returns in 2025

As part of its commitment to producing original and decision-relevant insights, SICO Research also published its fifth annual Investor Return Expectations in the GCC survey in 2025. The survey provides proprietary insights into investor sentiment, expected returns, and macro-economic outlook across regional markets.

Over time, the survey has become a flagship thought-leadership initiative for SICO, supporting client advisory discussions, informing portfolio construction decisions, and reinforcing the firm's role as a trusted source of independent market intelligence across the GCC.

Wealth Management

In 2025, SICO formalized and expanded its wealth management offering, a key strategic initiative aligned with the Group's goal of expanding non-cyclical, fee-based revenue streams. SICO secured principal approval for the licensing of 'SICO Wealth LTD' in the Abu Dhabi Global Market (ADGM), which has put in place the critical regulatory groundwork for a dedicated entity.



SICO Research covers over 85 companies
across 13 key regional sectors

This new division is focused on catering to the evolving needs of its retail and wealth management clientele across the GCC and beyond. The new entity will leverage SICO's established regional presence to offer tailored, multi-asset class solutions. SICO Wealth is designed to provide clients with a comprehensive suite of services, from personalized investment advice and bespoke portfolio creation to seamless access to a wide array of regional and international products. This strategic expansion is poised to capture the increasing demand for sophisticated, cross-border wealth solutions.

ESG: Environmental, Social, and Governance

Making an Impact

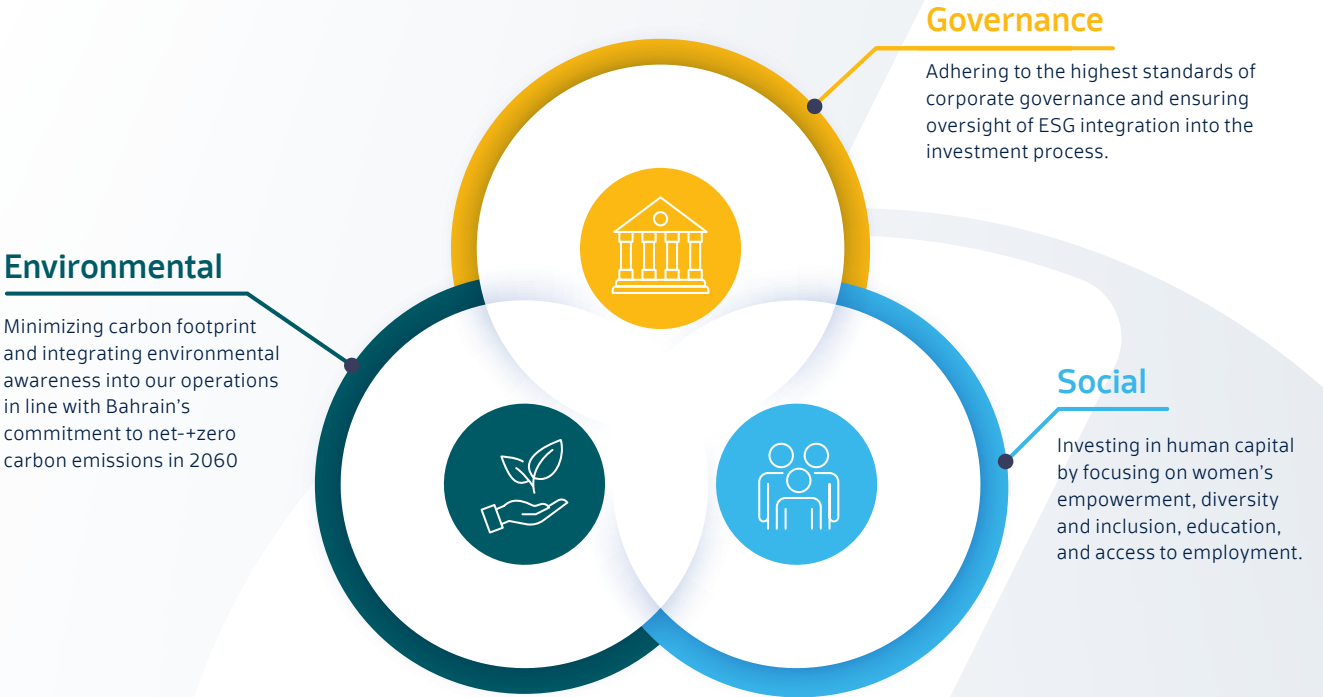
We take a structured approach to ESG, first by operating as a responsible business and second by embedding ESG considerations into our investment processes to drive sustainable and ethical investing.

As a leading regional group, SICO is committed to maintaining its position at the forefront by aligning its ESG policies with globally recognized 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

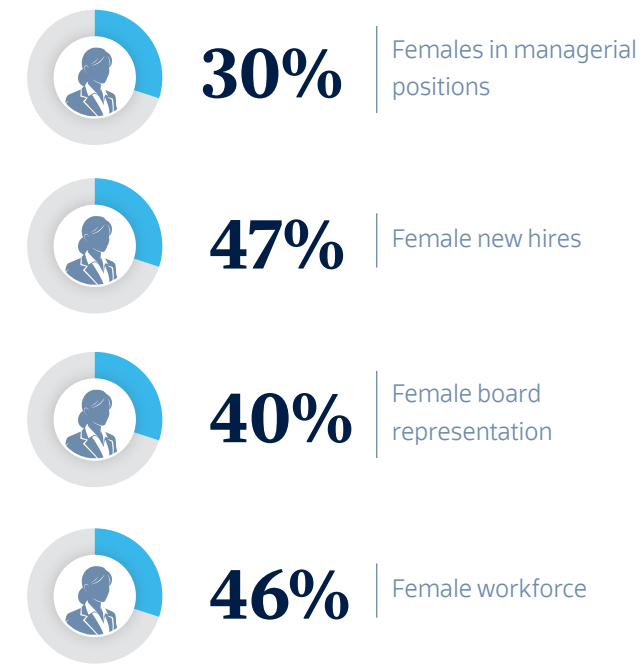
Diversity and Inclusion

SICO takes pride in its commitment to being an equal opportunity employer, fostering a diverse workforce, and cultivating a culture that emphasizes the empowerment of women. Since 2014, SICO has been led by its first female CEO, Najla Al-Shirawi, with 29% of managerial positions currently held by women. The Group is proud to have the highest female representation in Bahrain on its Board of Directors at 40%. Overall, 46% 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. To promote ethical conduct and inclusive decision-making, SICO implemented unconscious bias, diversity, and business ethics training for employees. As of end of 2025, over 80% of employees had completed the programme, with full completion at management level.

SICO maintains a zero-tolerance approach to discrimination, harassment, and forced or child labor, with no incidents reported during the year. To support this framework, SICO

introduced anti-discrimination and harassment training, which was completed by 113 employees as at year-end, and we are proud to report zero incidents of discrimination, harassment, or compulsory labor in 2025.





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.

In 2025, SICO launched its Women's Empowerment Initiative, a structured development programme designed to support female career progression, leadership confidence, and sustainable performance. Developed following an internal employee survey, the programme focuses on key themes including confidence building, influence and visibility, leadership presence, and work-life balance. Delivered through facilitated sessions by experienced leadership coaches, the initiative reflects SICO's investment in nurturing female talent and strengthening leadership capability across the organization.

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 recognizes 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 Labor 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 2025, 61% of WFH hours in Bahrain, 84% in the UAE, and 46% in KSA were granted to women, with a total of 703 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 2025, 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.

To promote health equity and early detection of diseases, SICO provided free, comprehensive preventive health check-ups to female employees above the age of 35 and male employees above the age of 40 throughout the year, recognizing the importance of inclusive wellbeing support across different life stages.

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.



Employee Training Hours

Training and development	2022	2023	2024	2025
Total number of training hours (#)	3,103	2,931	3,354	10,595
Training hours by gender				
Male (#)	1,848	1,307	1,785	6,439
Female (#)	1,255	1,624	1,569	4,156

As part of our commitment to human capital development, SICO continues to invest in professional growth through diverse training programs. In 2025, employees collectively completed over 10,595 training hours, strengthening their expertise across key areas.

A total of 156 employees have successfully completed information security training and 111 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 ringfenced according to best international practices. The ESS was designed in consultation with multinational insurance company, Aon. In 2025, 81% of employees participated in the ESS; excluding KSA, where implementation is still underway.

Addressing Climate Challenge

SICO is dedicated to addressing greenhouse gas (GHG) emissions through robust policies, governance frameworks, and targeted sustainability initiatives. We are committed to monitoring our GHG emissions and climate impact to demonstrate our commitment to responsible operations on a year-on-year basis. We calculated GHG emissions across our value chain including scopes 1 and 2 and select scope 3 categories for the period from 1 January to 31 December, 2025. Total emissions were broadly consistent with the previous year as operational activities, the emissions boundary, and the number of employees remained largely unchanged compared to 2024.

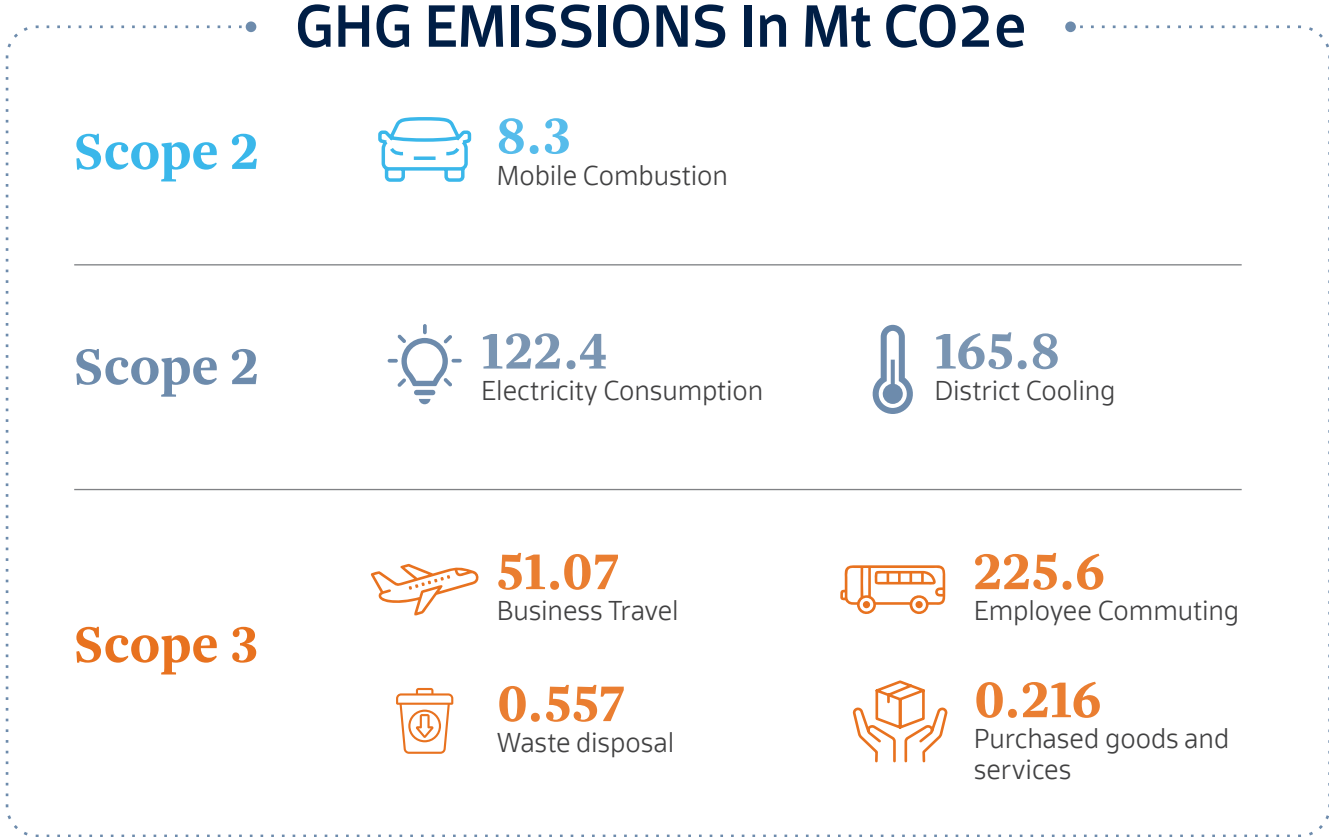


Recognizing the critical need to identify and manage climate-related risks, we continue to refine our sustainability strategies. A key example of this commitment is our ongoing partnership with The National Initiative for Agricultural Development (NIAD)'s Forever Green campaign, held under the patronage of Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa. In 2025, we successfully completed our sixth tree-planting initiative, bringing the total number of trees planted to 2,700 trees planted. Based on a mixed landscaping profile of approximately 2,700 trees and plants and applying conservative sequestration assumptions of 12–15 kg of CO₂ per tree per year and 2–3 kg of CO₂ per shrub per year, the initiative is estimated to have sequestered approximately 48-72 tonnes of CO₂ to date.

Beyond carbon sequestration, the initiative contributes to improved air quality, enhanced urban biodiversity, and soil stability. Expanding urban green spaces reflects SICO's commitment to supporting Bahrain's broader environmental priorities.

In 2025, SICO conducted a structured climate risk identification and assessment of its proprietary investment portfolio in alignment with the Central Bank of Bahrain (CBB) ESG Reporting Guidelines and international standards, including the International Financial Reporting Standards Sustainability Disclosure Standard S2 (IFRS S2). The assessment applied a three-step methodology to identify sector-level physical and transition risks, analyze portfolio exposure across Global Industry Classification Standard (GICS) sectors and geographies, and assess relative climate risk under three Network for Greening the Financial System (NGFS) climate scenarios. The results indicate that overall portfolio-weighted climate risk scores remain relatively low, reflecting SICO's exposure profile, while sovereign, multi-sector funds, and real estate represent comparatively higher areas of indirect transition and physical risk sensitivity. Key transition risks relate to

GHG EMISSIONS In Mt CO2e



policy shifts and carbon pricing mechanisms, while physical risks are primarily associated with rising temperatures and flood exposure in relevant markets. The assessment established a baseline for enhanced monitoring, governance integration, and progressive strengthening of climate risk management practices.

Refer to SICO's 2025 ESG Report for further details.

During 2025, SICO conducted its first financed emissions assessment in alignment with the Partnership for Carbon Accounting Financials (PCAF) Global Standard. The assessment established an internal baseline for understanding the carbon footprint associated with the Bank's investment portfolio and supports the integration of climate considerations into investment monitoring and risk management processes. As data availability and methodologies continue to evolve, SICO will progressively enhance coverage across asset classes and strengthen transparency around portfolio climate metrics in future disclosures.

Developing Our Communities

SICO is committed to creating sustainable value through impactful community initiatives, employee engagement, and responsible partnerships. In 2025, we invested 1.45% 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 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 Stock Trak Websites. Teams are provided with mentors and evaluated based on presentation and the financial performance of their portfolio.

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 20 years. The CPISP, which celebrated its 25th 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 220 scholars in pursuing higher education degrees at some of the world's leading educational institutions.

SICO renewed its sponsorship of the 12th 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.

To develop the next generation of financial leaders, SICO has launched two specialized 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



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

SICO LIVE Global Trading Game



3
Weeks



37
Participants



+1,400
Trades

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 2025. Over the course of three weeks, 37 participants executed more than 1,400 trades using virtual funds and real market data, gaining hands-on experience in fundamental and technical analysis, order types, and risk management. The simulation resulted in a total profit exceeding USD 45 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.

In 2025, SICO launched its Financial Literacy Programme, aimed at improving economic inclusion by equipping school students across Bahrain with essential financial knowledge and life skills. Delivered through interactive sessions led by SICO volunteers from the Global Markets team, the programme focuses on saving, investing, and responsible financial decision-making, reinforcing SICO's belief that early access to financial education is a key driver of social mobility and long-term inclusion.

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

Beyond education, we actively contribute to cultural and social initiatives. In 2025, 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.

As part of its ongoing commitment to social responsibility and sustainable development, SICO supports initiatives that address food security while contributing to environmental sustainability. During the year, this



800
Hours of volunteering by employees

included supporting a licensed national organization focused on the recovery and safe redistribution of surplus edible food.

Through this initiative, surplus food is redirected to families in need while reducing organic waste sent to landfills. To date, more than 3 million meals have been distributed, benefiting over 3,000 families, with operations conducted in accordance with recognized health and safety standards.

This support aligns with Bahrain Vision 2030 and the United Nations Sustainable Development Goals, particularly SDG 12: Responsible Consumption and Production, reinforcing SICO's ESG and community-investment objectives.

SICO's impact extends beyond philanthropy. In 2025, 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 recognizes 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 prioritizes 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. Emphasizing 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 Financial Literacy programs with schools, 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.

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 2025, the Bank had issued 441,342,373 ordinary shares of Bahraini fils 100 each. The last Annual General Meeting was held on 24 March 2025.

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 rest 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, as timely and fast decision-making is crucial to the Bank. 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 2025, 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 years. 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 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 are to 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 2025, four Board meetings were held in Bahrain.

Directors’ Attendance – January to December 2025

Board of Directors Meetings

Board Members	25-Feb-25	13-May-25	12-Aug-25	10-Nov-25
Abdulla Kamal (Chairman)	✓	✓	✓	✓
Hisham AlKurdi (Vice Chairman until 17 August)	✓	✓	Absent	N/A
Dana Raees	✓	✓	✓	✓
Elham Al Majed	✓	✓	✓	✓
Fadi Al Qutub	✓	✓	✓	✓
Khalid AlJassim	✓	✓	✓	✓
Mohammed Abdulla Isa	✓	✓	✓	✓
Naseema Haider	✓	✓	✓	✓
Tala Fakhro	✓	✓	✓	✓
Sh. Waleed Al Hashar	✓	✓	✓	✓

Board Investment Committee Meetings

Board Members	10-Feb-25	11-May-25	10-Aug-25	5-Nov-25
Abdulla Kamal (Chairman)	✓	✓	✓	✓
Hisham AlKurdi (Vice Chairman until 17 August)	✓	✓	✓	N/A
Elham Al Majed	✓	✓	✓	✓
Sh. Waleed Al Hashar	✓	✓	✓	Absent

Board Audit, Risk and Compliance Committee Meetings

Board Members	17-Feb-25	12-May-25	11-Aug-25	9-Nov-25
Tala Fakhro (Chairperson)	✓	✓	✓	✓
Naseema Haider (Vice Chairperson)	✓	✓	✓	✓
Mohammed Abdulla Isa	✓	✓	✓	✓

Board Nomination, Remuneration, and Corporate Governance Committee Meetings

Board Members	9-Feb-25	3-Mar-25	14-Jul-25	29-Sep-25
Khalid AlJassim (Chairman)	✓	✓	✓	✓
Dana Raees (Vice Chairperson)	✓	✓	✓	✓
Fadi Al Qutub	✓	✓	✓	✓

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 Group Chief Executive Officer, who is supported by a qualified senior management team and five management committees: Asset Management Committee; Assets, Liabilities, and Investments Committee (ALIC); Governance, Risk, and Compliance Committee (GRCC), ESG Committee, and Digital Transformation Committee.

Management Committees*

Managers	Asset Management Committee	Assets, Liabilities, and Investment Committee	Governance, Risk, and Compliance Committee	ESG Committee	Digital Transformation Committee
Group Chief Executive Officer	Chairperson	Chairperson		Chairperson	Chairperson
Group Deputy Chief Executive Officer					
Group Chief Capital Markets Officer**					
Group Chief Operating Officer	Chairperson				
Group Chief Financial Officer					
Group Head of Equities Asset Management					
Group Head of Fixed Income Asset Management					
Head of Proprietary Investments		x			
Group Chief Internal Audit Officer	x	x		x	
Group Chief Risk Officer	x	x			
Head of Fixed Income Middle Office	x				
Head of Equities Middle Office	x				
Group Chief Compliance Officer	x	x			
Head of Treasury		x			
Group Chief Strategy Officer		x			
Group General Counsel					
Group Head of Information Technology					
Group Chief Impact Officer					
Chief Operating Officer – SICO Capital					
Head of Client Relations					
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
*Committees are based on the previous org chart and charters aligned therewith
** retired December 2025

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.

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 of the Bahrain Economic development Board (EDB), board member of the Supreme Council for Women, Bahrain, Chairperson of SICO Invest, United Arab Emirates, and 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.

Ali Marshad
Group Deputy CEO

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 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.

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 Shariah-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 General Counsel

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. He is currently a member of the Board at SICO Capital, KSA. 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.

Manuel AlMutawa
Group Head of Fixed Income Asset Management

Manuel AlMutawa brings around 15 years of industry experience to his new leadership position. A seasoned professional, he has been with SICO as a Senior Portfolio Manager in the Fixed Income department, where he has been instrumental in covering the MENA fixed income market. His responsibilities have included portfolio management, structuring, and trading, leveraging a strong background in multi-asset classes from his previous proprietary desk experience. Manuel holds an MSc in Investment Management from the University of Reading, ICMA Centre. He is also a CFA Charter holder and holds the International Fixed Income and Derivatives Certificate, highlighting his commitment to professional excellence and continuous learning.

Ayman Gad-Allah
Head of Investment Banking

Ayman Gad-Allah brings over 18 years of experience in the investment banking industry across the MENA and GCC regions. He has a proven track record in executing high-profile IPOs and M&A transactions in his previous role as a Director of Investment Banking at SICO, successfully advising on mandates across a wide range of sectors, including telecommunications, real estate, education, hospitality, financial services, food & beverage, logistics, and manufacturing. Prior to joining SICO in 2014, he held senior roles at regional financial institutions. Ayman holds an Executive MBA from Bayes Business School, City St George's, University of London.

Jithesh K. Gopi
Group Chief Strategy Officer

Jithesh Gopi has over 30 years of experience in investment management, research, and analytics. 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. 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. 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 Charter holder, 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 and is currently a member of the Board at SICO Invest, UAE. 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 56 Annual Report 2025 Annual Report 2025 57 ESG: Environmental, Social, and Governance / Corporate Governance 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
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.

Chiro Ghosh
Group Head of Research

Chiro Ghosh has 17 years of sell-side research experience, focusing on financial institutions of emerging markets. Prior to joining SICO in 2012, he worked with HSBC in the Financial Institutional Group (Banks, Insurance, and Real Estate) in a similar role. He also spent two years as a financial consultant in the real estate sector. In addition to equity research, Chiro has been involved in various Merger and Acquisition deals in the GCC. He holds a bachelor's degree from the prestigious Indian Institute of Technology, before completing his post-graduation in management with a specialisation in Finance. Chiro is also a CFA Charter holder.

Nadeen Oweis
Group Chief Impact Officer

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.

Fatima Mansoor
Head of Client Relations

With more than 19 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.

Haifa Ajlan
Group Chief Human Capital Officer

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 (CISSP), 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
Group Chief Compliance Officer

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 Chief Internal Audit Officer

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.

Wissam Haddad
Chief Executive Officer of SICO Capital

Wissam brings over 23 years of experience in investment banking, private equity, real estate, and corporate finance across the GCC. He was appointed CEO of SICO Capital following 11 successful years as Group Head of Investment Banking at SICO BSC. Earlier in his career, Wissam held senior roles at Gate Capital in Dubai, Najd Investments, Unicorn Capital, NBD Sana Capital (Emirates NBD), NCB Capital, and Eastgate Capital. He currently serves as a board member of Al Abraaj Restaurants Group in Bahrain, and as Chairman for Flow Mena Residential Real Estate Fund 1. Wissam holds a Bachelor of Commerce degree from Concordia University, Canada.

Tariq Shyyab
Chief Executive Officer of SICO Invest

With over 18 years of experience in the UAE financial sector, Tariq Shyyab currently serves as Chief Executive Officer of SICO Invest LLC since December 2025. He has been with the firm prior to assuming the CEO role and brings deep expertise across financial brokerage, capital markets operations, and regulatory compliance. In his capacity as CEO, Tariq leads the company's strategic and operational agenda, with a strong focus on corporate governance and the delivery of advisory services in full alignment with the regulations of the SCA, ADX, DFM, and Nasdaq Dubai. He holds a bachelor's degree in accounting, in addition to multiple professional certifications in securities, information security, cyber risk, and anti-money laundering.

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 behaviour. 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 related party transactions during 2025, 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 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

In light of current market volatility, Risk Management serves as an essential safeguard that protects individuals, businesses, and organizations from potential pitfalls. This strategic discipline involves anticipating, analysing, and mitigating the impact of adverse events.

As the external risk environment becomes increasingly complex, the Risk Management function has become a fundamental part of SICO's resilience, helping the Bank achieve its goals and create value for its stakeholders. SICO's Risk Management Department (RMD) is tasked with establishing the risk management framework and appropriate risk guidelines necessary to help the Bank achieve its strategic and business objectives. The department provides leadership, direction, and coordination in implementing the risk management framework across the entire group. This involves a structured process to identify, assess, and mitigate the primary business risks facing SICO by setting up stringent controls and maintaining thorough monitoring and reporting. SICO has established this function to be independent of its risk-taking business units and reports directly to the Board Audit, Risk, and Compliance Committee (BARCC). Risk Management continued to play a pivotal role within the Group in 2025. 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 their financial health and stability. SICO manages these external risk factors through continuous monitoring, stress testing various scenarios, and implementing appropriate mitigation strategies.

Cybersecurity Risk

The modern financial landscape faces a persistent struggle against increasingly sophisticated cybersecurity threats, particularly as AI-powered tools increase the complexity of social engineering attacks such as phishing. Cybersecurity has become a critical concern for operational resilience across various industries. Consequently, 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 committed to safeguarding our digital assets and client and stakeholder information. In alignment with industry best practices, SICO actively participated in initiatives organised by the CBB, including internal and external 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 systems.

In 2025, SICO significantly improved its cybersecurity stance as part of its ongoing commitment to strengthening its cyber security risk management efforts. Key initiatives include the ongoing automation of patch management processes across IT systems and infrastructure and acquisition of a state-of-the-art cybersecurity platform to monitor SICO Group's cybersecurity posture, alongside continued efforts to ensure alignment with National Cyber Security Centre (NCSC) controls.

In parallel, SICO is enhancing its third-party risk management capabilities through the development of a Vendor Risk Register, vendor risk categorisation, and the implementation of structured Third-Party Risk Management controls. Cybersecurity resilience is further supported

through the remediation and validation of vulnerability assessment and penetration testing (VAPT) findings.

Cybersecurity risk management is further reinforced through ongoing staff and user awareness initiatives, supporting secure behaviours and reducing exposure to social engineering and phishing-related threats. These initiatives collectively support improved operational resilience, reduced technology and third-party risk exposure, and continued compliance with regulatory and industry expectations.

Geopolitical Risk

Current geopolitical risks are largely shaped by US political instability, the ongoing Ukraine-Russia conflict, and turmoil in the Middle East. This combination of factors creates a complex landscape that could significantly impact global stability. Regional and political instability continue to influence interest rates and financial markets, requiring banks to utilise 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

The US Federal Reserve upheld restrictive interest rates for most of the year, maintaining a tight policy stance to combat inflation, while economic data continued to show resilience. Toward the end of the year, the Fed began gradual and cautious rate cuts in line with market expectations, while still signaling a tight bias due to sticky inflation. The effects of elevated living costs and tightening global financial conditions continue to weigh on worldwide growth.

SICO routinely monitors market updates and risks 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)

With ESG becoming increasingly important in business strategy, organizations are now making sustainability a central and thoughtfully integrated part of their operations. This growing attention on ESG is a key focus of SICO and of the CBB. The Bank has conducted 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.

Climate-related risks are recognized as emerging risk drivers that may influence credit, market, and macroeconomic conditions over the medium to long term. During 2025, SICO performed an initial climate risk assessment of its proprietary investment portfolio and is progressively integrating climate considerations into its broader risk management frameworks, including ongoing monitoring, governance oversight, and alignment with regulatory guidance.

Internal Risk Priorities

SICO is exposed to the following major risk types:

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

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

Subsidiary Oversight

SICO continued to prioritise robust oversight of its subsidiaries in 2025 to ensure they align 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

The dynamic business environment at SICO presents a set of challenges, but the Risk Management department acts as an active partner to the business model to ensure that these developments and enhancements are delivered seamlessly without compromising the quality of the client experience or the resilience of operational processes. Fiduciary responsibilities and the best interests of our clients remain the top priorities. The department also carries out updates of all the relevant risk management frameworks in the light of the changes in business and 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, mitigating 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 resilience to potential external threats and volatile market conditions, bolstering client and stakeholder confidence.

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 2025, 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.

Group Internal Audit

SICO has a well-established independent Group Internal Audit function that reports directly to the parent Board Audit, Risk, and Compliance Committee (and Board Audit

Committee of relevant subsidiaries) 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 parent Board Audit, Risk & Compliance Committee (BARCC') (and Board Audit Committee of relevant subsidiaries). During 2025, the department met quarterly with the BARCC and the Board Audit Committees of subsidiaries (where relevant) and presented the results of internal audits performed in line with the Board-approved, risk-based internal audit plans. As outlined by the relevant Board approved internal audit plans, certain operational, business, and management processes and divisions for SICO and its subsidiaries — SICO Capital CJS, in Riyadh, KSA and SICO Invest LLC in the UAE — were audited and 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 and relevant subsidiary Board Audit Committee.

In 2025, the department continued its focus on internal audits of SICO's KSA Subsidiary, SICO Capital CJS, and carried out multiple internal audits of certain critical

functions and business divisions in SICO Capital. The department continues to support SICO Capital CJS, 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. Simultaneously, the department continued to keep adequate safeguards in place in line with IIA standards. The department also worked on updating its Group Internal Audit Strategy in line with Global Internal Audit Standards issued by the Institute of Internal Auditors (USA).

Financial Control

The Financial Control Department oversees all accounting, financial reporting, VAT, and internal control functions across SICO, ensuring the integrity, accuracy, and compliance of the Bank's financial operations.

The department is responsible for maintaining robust financial records and ensuring full adherence to applicable financial reporting standards and regulatory requirements. It plays a key role in strengthening internal control frameworks across finance processes and safeguarding sound governance practices.

During 2025, Financial Control delivered comprehensive management information system (MIS) and regulatory reporting and prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Strong payment processing frameworks remain in place, supported by appropriate authorization controls and seamless integration with counterparties,

including banks and brokers. All routine and ad hoc regulatory requirements of the Central Bank of Bahrain (CBB), National Bureau for Revenue (NBR), Ministry of Industry and Commerce (MOICT), and Bahrain Bourse (BHB) were fulfilled without exception.

The department continues to ensure full compliance with VAT regulations in the Kingdom of Bahrain, including the timely issuance of tax invoices, accurate and punctual submission of VAT returns, and periodic settlement of VAT liabilities. Regulatory updates are proactively monitored and implemented. In addition, Financial Control manages corporate taxation assessments and related compliance requirements, ensuring all statutory obligations are met efficiently and on time.



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.

05

Leadership

Board of Directors



Abdulla Kamal
Chairman Non-Executive since 2023, representing **Social Insurance Organization – Bahrain**

- Chairman of SICO Board Investment Committee
- Chief Executive Officer, Osool Asset Management BSC (c)
- Chairman: Amlak Real Estate Company; Osool Pension Fund
- Board member: Beyon; Bahrain Marina Development Company
- Professional experience: 21 years
- Education: Bachelor of Science in Accounting, University of Bahrain, Associate Chartered Certified Accountant (ACCA), Associate Professional Risk Manager (APRM), and Certified Internal Auditor (CIA).



Mohammed Abdulla Isa
Non-Executive Director since 2009, representing **BBK BSC – Bahrain**

- Member of SICO Board Audit, Risk and Compliance Committee
- Group Chief Financial Officer, BBK BSC
- Board member: Bahrain Credit Facilities Company
- Professional experience: 34 years
- Education: Certified Public Accountant, American Institute of Certified Public Accountants, Delaware State Board of Accountancy, USA
- Board Member of The Deposit and Unrestricted Investment Accounts Protection Scheme, The Central Bank of Bahrain, Bahrain.



Usman Ahmed
Executive Director since 2025, representing **National Bank of Bahrain BSC – Bahrain**

- Member of SICO Board Investment Committee
- Group Chief Executive of National Bank of Bahrain, B.S.C.
- Vice Chairman & Board Member, Bahrain Islamic Bank
- Board Member: GCC Board of Directors Institute, Bahrain Association of Banks, INJAZ Bahrain
- Professional experience: 30+ years
- Education: MBA in Finance & Marketing



Tala Fakhro
Independent Director since 2020

- Chairperson of SICO Board Audit, Risk, and Compliance Committee
- Board member: Bahrain Insitute of Banking and Finance; Reboot Coding Institute
- Professional experience: 34 years
- Education: Juris Doctor, Georgetown University Law Center, Washington, and a Bachelor of Arts in Economics, Smith College in Northampton



Dana Raees
Non-Executive Director since 2020, representing
Social Insurance Organization – Bahrain

- Member of SICO Board Nomination, Remuneration, and Corporate Governance Committee
- Chief Legal Officer, Osool Asset Management BSC (c)
- Board member: BBK BSC (Deputy Chairperson of the Nomination, Remuneration and Governance Committee)
- Professional experience: 21 years
- Education: Bachelor of Laws (LLB) from the University of Warwick, UK, and LPC from the University of Law, London



Khalid Al-Jassim
Independent Director since 2020

- Chairman of SICO Board Nomination, Remuneration, and Corporate Governance Committee
- Chairman and Managing Director, Afkar Holding Limited
- Board member: SICO Capital (Chairman of Nomination and Remuneration Committee); Bahrain Islamic Bank (Chairman of Audit Committee); Coffee Burger Restaurant WLL; Furas Consulatancy WLL; Durrat Resort Management.
- Professional experience: 34 years
- Education: Bachelor of Science in Computer Science and Mathematics from California State University, Long Beach, as well as an Executive MBA from Pepperdine University



Naseema Haider
Independent Director since 2024

- Member of SICO Board Audit, Risk, and Compliance Committee
- Regional Head of Private Banking, KFH
- Board member: Ministry of Social Development - Social Labour
- Professional experience: 27 years
- Education: Bachelor of Science in Accounting, University of Bahrain, Master’s in Fintech Strategy from Strathclyde University in Scotland



Shaikh Waleed Al Hashar
Executive Director since January 2022, representing
Bank Muscat – Oman

- Member of SICO Board Investment Committee
- Chief Executive Officer: Bank Muscat SAOG
- Board member: Oman Banks Association; College of Baking and Financial Studies; BM Innovate Ltd; Royal Academy of Management; BM SIP Ltd
- Professional experience: 33 years
- Education: postgraduate diploma in General Management, Harvard Business School; Bachelor of Science and Master’s Degree in Business Administration, California State University, Sacramento, USA



Elham Adel Al Majed

Non-Executive Director since 2023, representing
Social Insurance Organization – Bahrain

- Member of SICO Board Investment Committee
- Director - Investments: Osool Asset Management BSC (c)
- Board member: Hawar Holding Company, Amber Holdings Limited
- Professional experience: 14 years
- Education: Bachelor’s degree in Banking and Finance from University of Bahrain; Chartered Financial Analyst (CFA Institute)



Fadi Al Qutub

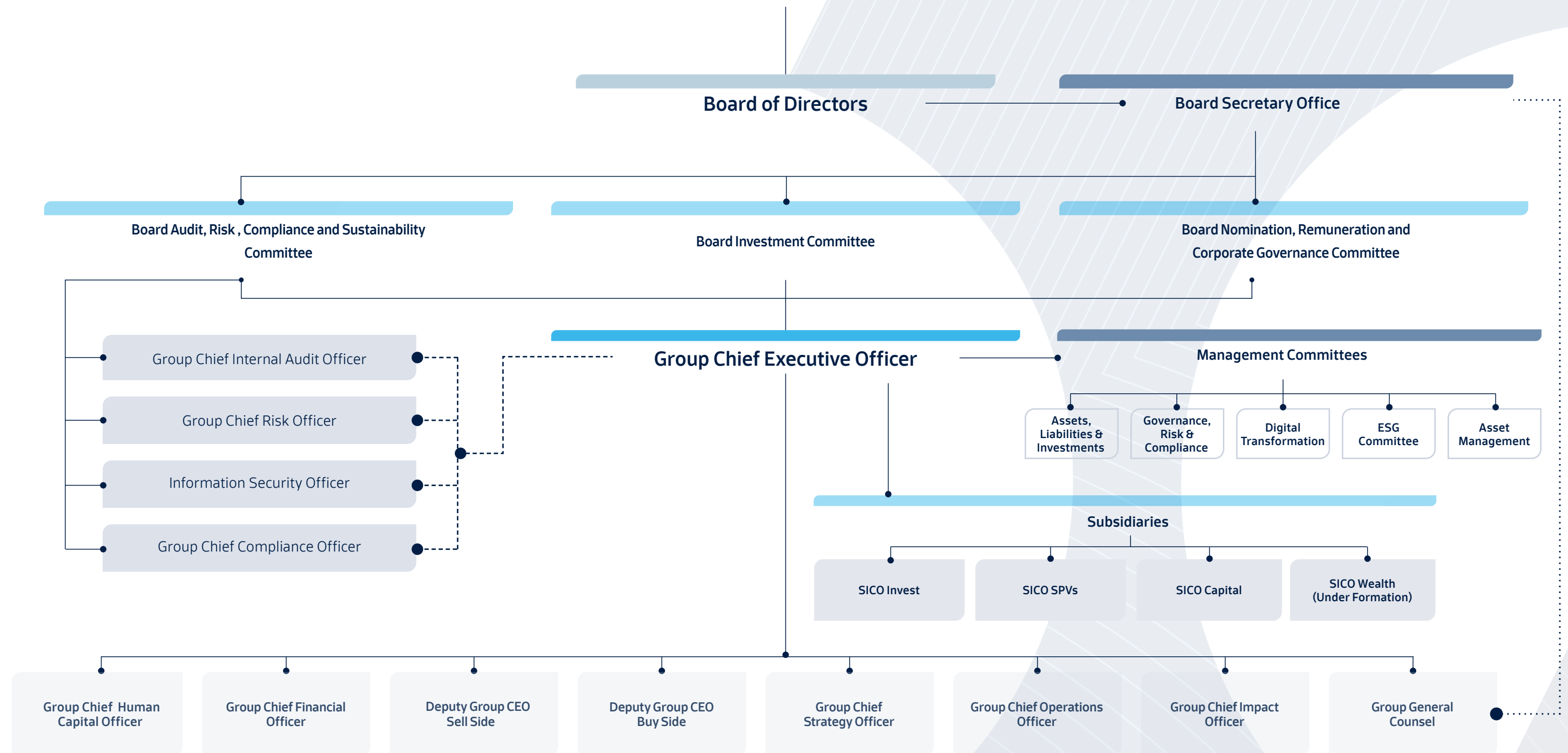
Non-Executive Director since 2024, representing
Social Insurance Organization – Bahrain

- Member of SICO Board Nomination, Remuneration, and Corporate Governance Committee
- Chief Investment Officer: Saudi Reinsurance Co.
- Founder and Managing Director: Al Wojha Consulting
- Professional experience: 27 years
- Education: Certified Financial Advisor, Certified Portfolio Manager and a Certified Wealth Manager; Bachelor’s degree, Business Management, University of Bahrain

Organization Structure



Shareholders



Financial Statements

GENERAL INFORMATION

As at 31 December 2025

Commercial registration	33469
Board of Directors	Abdulla Kamal Chairman of the Board and the Board Investment Committee
	Usman Ahmed Member of the Board and the Board Investment Committee
	Waleed Al-Hashar Member of the Board and the Board Investment Committee
	Elham AlMajed Member of the Board and the Board Investment Committee
	Khalid Al Jasim Member of the Board and Chairman of the Nominations, Remuneration and Corporate Governance Committee
	Dana Raees Member of the Board and Vice Chairperson of the Nominations, Remuneration and Corporate Governance Committee
	Mohammed Abdulla Member of the Board and the Audit, Risk and Compliance Committee
	Tala Fakhro Member of the Board and Chairperson of the Audit, Risk and Compliance Committee
	Naseema Haider Member of the Board and Vice Chairperson of the Audit, Risk and Compliance Committee
	Fadi AlQutub Member of the Board and the Nominations, Remuneration and Corporate Governance Committee
Group Chief Executive Officer	Najla M. Al Shirawi
Office	Bahrain World Trade Center Isa Al Kabeer Avenue 365, Block 316, Kingdom of Bahrain Telephone 17515000, Fax 17514000
Principal Banker	Bank of Bahrain and Kuwait B.S.C.
Auditors	Ernst and Young - Middle East



Ernst & Young - Middle East
140 P O Box
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Kingdom of Bahrain
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1-29977 .C.R. No

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF SICO BSC (C)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SICO BSC (c) (the “Bank”) and its subsidiaries (together “the Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Report on the Audit of the Consolidated Financial Statements (continued)
Key audit matters (continued)

Recognition of net fee income

Key audit matter	How the key audit matter was addressed in the audit
For the year ended 31 December 2025, the Group reported net fee income of BD 10,960 thousand, which constitutes 48% of the operating income. Accordingly, the audit of net fee income is a key area of focus.	We obtained an understanding, evaluated the design, and tested the operating effectiveness of key controls relevant to the fee income calculations, reporting of assets under management, set up of contractual terms and associated data entry processes.
The net fee income primarily consists of asset management fees, investment banking fees, security services fees, performance fees, and real estate income and other fees, reflecting various business operations conducted by the Group.	Due to the significant automation in calculation and recognition of management fees, we evaluated the integrity of the general Information Technology (IT) control environment and tested the operating effectiveness of key IT application controls.
While the calculations pertaining to asset management fees are predominantly automated, computation of performance fees involves manual intervention including manual input of key contractual terms, as well as the identification and valuation of relevant assets under management, interpretation of underlying agreements and comparisons of performance against relevant benchmarks which may result in inaccurate recognition.	On a sample basis, we: • compared key inputs into the systems against contracts and performed manual recalculations for management fee recognition; • reviewed the calculations performed by management used to recognise income pertaining to advisory, underwriting, administration and custody fees; and • recomputed performance fee to check the accuracy of computation, comparing the data against the underlying systems and analysing the basis of calculation with contractual terms.
The investment banking and security services fees, and real estate income are recognised based on respective contractual agreements entered into by the Group and its customers.	
Refer to the material accounting policy information and disclosure of revenue in notes 3 and 22 to the accompanying consolidated financial statements.	Furthermore, we assessed the appropriateness of the Group's revenue recognition accounting policies and the adequacy of disclosures in the consolidated financial statements in accordance with IFRS Accounting Standards.

Other information included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. Prior to the date of this auditor's report, we obtained the Chairman's report, which forms part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor’s responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board Audit, Risk & Compliance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board Audit, Risk & Compliance Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board Audit, Risk & Compliance Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Bahrain Commercial Companies Law and Volume 1 of the Central Bank of Bahrain Rule Book, we report that:

- a) the Bank has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
- b) the financial information contained in the Chairman’s report is consistent with the consolidated financial statements;
- c) we are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain and Financial Institutions Law, the Central Bank of Bahrain (CBB) Rule Book (Volume 1 and applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or the terms of the Bank’s memorandum and articles of association during the year ended 31 December 2025 that might have had a material adverse effect on the business of the Bank or on its consolidated financial position; and
- d) satisfactory explanations and information have been provided to us by Management in response to all our requests.

The partner in charge of the audit resulting in this independent auditor’s report is Nader Rahimi.



Partner’s registration no. 115
23 February 2026
Manama, Kingdom of Bahrain

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

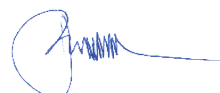
		Bahraini Dinars '000	
	Note	2025	2024
Assets			
Cash and bank balances	7	51,527	52,414
Treasury bills	7	20,639	14,505
Securities bought under repurchase agreements	8	443,142	272,366
Investments at fair value through profit or loss	9	25,613	26,488
Investments at fair value through other			
Comprehensive income	9	16,147	13,858
Investments at amortised cost	9	16,266	13,800
Fee receivables	10	4,043	3,405
Other assets	11	15,813	11,576
Property and equipment		754	1,249
Intangible assets	12	1,505	1,489
Total assets		595,449	411,150
Liabilities and equity			
Liabilities			
Short-term bank borrowings	13	11,310	7,540
Deposits	14	1,936	-
Securities sold under repurchase agreements	15	451,916	279,033
Customers' accounts	16	40,086	38,100
Other liabilities	17	12,625	11,271
Payable to other unit holders in consolidated funds	6	1,510	1,223
Total liabilities		519,383	337,167
Equity			
Share capital	18	44,134	44,134
Shares under employee share incentive scheme	18	(2,263)	(2,263)
Treasury shares	18	(1,913)	(1,913)
Statutory reserve	19	10,387	10,331
General reserve	20	3,091	3,217
Investments fair value reserve		821	860
Retained earnings		21,809	19,617
Total equity		76,066	73,983
Total liabilities and equity		595,449	411,150

The attached notes 1 to 36 form part of these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on 23 February 2026 and signed on its behalf by:



Abdulla Kamal
Chairman



Tala Fakhro
Director



Najla M. Al Shirawi
Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

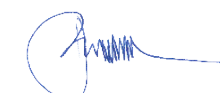
For the year ended 31 December 2025

		Bahraini Dinars '000	
	Note	2025	2024
Net investment income	21	4,214	3,004
Net fee income	22	10,960	10,843
Brokerage and other income	23	3,536	3,771
Net interest income	24	4,185	3,940
Operating income		22,895	21,558
Staff cost	25	(10,837)	(10,622)
Other operating expenses	26	(6,417)	(5,406)
Operating expenses		(17,254)	(16,028)
Share of profit of non-controlling unit holders in consolidated funds	6	(133)	(27)
Net profit for the year		5,508	5,503
Basic and diluted earnings per share (fils)	33	13.5	13.5

The attached notes 1 to 36 form part of these consolidated financial statements.



Abdulla Kamal
Chairman



Tala Fakhro
Director



Najla M. Al Shirawi
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Bahraini Dinars '000	
	2025	2024
Profit for the year	5,508	5,503
Other comprehensive (loss) / income		
Items that are or may be reclassified to profit or loss in subsequent periods:		
Net changes in fair value of debt instruments at fair value through other comprehensive income	156	(15)
Items that will not be reclassified to profit or loss in subsequent periods:		
Net changes in fair value of equity instruments at fair value through other comprehensive income	(328)	209
Remeasurements of defined benefit plan	26	-
Other comprehensive (loss) / income for the year	(146)	194
Total comprehensive income for the year	5,362	5,697

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	000' Bahraini Dinars						
	Share capital	Shares under employee share incentive scheme	Treasury Shares	Statutory reserve	General reserve	Investments fair value reserve	Total Retained earnings equity
Balance at 1 January 2025	44,134	(2,263)	(1,913)	10,331	3,217	860	19,617
Profit for the year	-	-	-	-	-	-	5,508
Other comprehensive loss	-	-	-	-	-	(146)	-
Total comprehensive (loss) / income for the year	-	-	-	-	-	(146)	5,508
Amount transferred to retained earnings on sale of equity instruments at fair value through other comprehensive income	-	-	-	-	-	107	(107)
Transfer to charitable donation reserve	-	-	-	-	-	-	(60)
Transfer resulting from subsidiary under liquidation	-	-	-	(495)	(126)	-	621
Transaction with owners recognised directly in equity:							
Transfer to statutory reserve	-	-	-	551	-	-	(551)
Cash dividend paid for 2024 (note 18)	-	-	-	-	-	-	(3,219)
Balance at 31 December 2025	44,134	(2,263)	(1,913)	10,387	3,091	821	21,809
							76,066

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2025

	000' Bahraini Dinars				
	Shares under		Investments		Total equity
	Share capital	employee share incentive scheme	Treasury Shares	General reserve	
	44,134	(2,263)	(1,913)	3,217	618
Balance at 1 January 2024					70,482
Profit for the year	-	-	-	-	5,503
Other comprehensive income	-	-	-	-	194
Total comprehensive income for the year	-	-	-	-	5,697
Amount transferred to retained earnings on sale of equity instruments at fair value through other comprehensive income	-	-	-	-	48
Transfer to charitable donation reserve	-	-	-	-	(50)
Transaction with owners recognised directly in equity:					
Transfer to statutory reserve	-	-	-	550	(550)
Cash dividend paid for 2023 (note 18)	-	-	-	-	(2,146)
Balance at 31 December 2024	44,134	(2,263)	(1,913)	3,217	73,983

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

		Bahraini Dinars '000	
	Note	2025	2024
Operating activities			
Profit for the year		5,508	5,503
Adjustments for:			
Depreciation and amortisation	26	700	710
Provision for employees' leaving indemnities	17	304	320
Allowance for expected credit losses	26	359	13
Unrealised fair value gain	21	(877)	(344)
Operating profit before changes in operating assets and liabilities		5,994	6,202
Changes in operating assets and liabilities			
Securities bought under repurchase agreements		(170,776)	(19,483)
Treasury bills with original maturity of 90 days or more		(9,875)	1,692
Investments at fair value through profit or loss		1,752	(992)
Investments at fair value through other comprehensive income		(2,435)	(1,167)
Investments at amortised cost		(2,466)	3,572
Fee receivables		(638)	(685)
Other assets		(4,596)	(1,947)
Securities sold under repurchase agreements		172,883	19,642
Customers' accounts		1,986	2,294
Other liabilities		1,320	(225)
Payable to other unit holders in consolidated funds		287	(1,927)
Employees' leaving indemnities paid	17	(330)	(89)
Net cash (used in) / generated from operating activities		(6,894)	6,887
Investing activities			
Capital expenditure on property, equipment and intangibles		(221)	(368)
Cash used in investing activities		(221)	(368)
Financing activities			
Short-term bank borrowings		3,770	1,885
Deposits		1,936	(4,234)
Dividend paid		(3,219)	(2,146)
Net cash generated from / (used in) financing activities		2,487	(4,495)
Net movement in cash and cash equivalents		(4,628)	2,024
Cash and cash equivalents at the beginning of the year		64,586	62,562
Cash and cash equivalents at the end of the year		59,958	64,586
Represented by:			
Cash and bank balances	7	51,527	52,414
Treasury bills with original maturity of less than 90 days		8,431	12,172
Cash and cash equivalents		59,958	64,586

The attached notes 1 to 36 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Bahraini Dinars ‘000)

1. Reporting Entity

SICO BSC (c) (the “Bank”) is a closed joint stock company registered in Bahrain with Ministry of Industry and Commerce under commercial registration number 33469 on 11 February 1995 and operates under a wholesale banking license from the Central Bank of Bahrain. On 7 May 2003, the Bank was listed on the Bahrain Bourse as a closed company.

The primary objectives of the Bank are:

- to act as a market maker at the Bahrain Bourse;
- to assist in the development of the securities market in Bahrain by researching and promoting financial instruments and other investment vehicles;
- to arrange the issuance of bonds for developmental and investment purposes;
- to act as investment agents, trustees and intermediaries;
- to establish and manage investment and financial funds and portfolios; and
- to offer financial advisory and underwriting services, such as advising corporations and family businesses on going public and structuring transactions for privatisation programs, mergers and acquisitions.

The consolidated financial statements include the results of the Bank and its subsidiaries (collectively, “the Group”).

2. Basis Of Preparation

(a). Statement of compliance

The consolidated financial information of the Group has been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), the requirements of the Commercial Companies Law and the Central Bank of Bahrain and Financial Institutions Law 2006.

Certain corresponding figures have been reclassified in order to conform to the presentation of the consolidated financial statements for the current year. Such reclassifications did not affect previously reported net profit, total assets, total liabilities or total equity of the Group.

(b). Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments at fair value through profit or loss and other comprehensive income.

(c). Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 3(d).

(d). New accounting standards, amendments and interpretations effective from 1 January 2025

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the previous year, except for certain new and amended accounting standards and interpretations which became effective as of 1 January 2025. The Group has not early adopted any new and amended accounting standards and interpretations that has been issued but is not yet effective.

The adoption of these accounting standards and amendments did not have any effect on the consolidated financial statements of the Group.

- Lack of exchangeability (Amendments to IAS 21)

(e). New accounting standards, amendments and interpretations not yet effective

A number of new accounting standards, amendments and interpretations are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new standards, amendments and interpretations to standards that are relevant to the Group are not expected to have a significant impact on the Group’s consolidated financial statements:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 - The amendments are effective for annual reporting periods starting on or after 1 January 2026.
- Amendments to the Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 - The amendments are effective for annual reporting periods starting on or after 1 January 2026.
- IFRS 18 Presentation and Disclosure in Financial Statements - IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces new requirements for: presentation within the statement of profit or loss, including specified totals and subtotals; disclosure of management-defined performance measures; and aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.
- IFRS 19: Subsidiaries without Public Accountability: Disclosures - IFRS 19, which allows eligible subsidiaries to elect to provide reduced disclosures when they apply the recognition, measurement and presentation requirements in other IFRS accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and can be early adopted. Teams should be aware that only eligible subsidiaries can make this election.
- Annual Improvements to IFRS Accounting Standards - Volume 11 - The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows. The amendments will be effective for reporting periods beginning on or after 1 January 2026.

3 Material Accounting Policy Information

The material accounting policies set out below have been applied consistently by the Group to all periods presented in the consolidated financial statements.

(a). Consolidation

(i). Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

(ii). Non-Controlling Interests (“NCI”)

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at the acquisition date. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. NCI of consolidated funds are recognised as liabilities.

(iii). Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv). Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b). Functional and presentation currency

Items included in the financial statements of the Bank and its subsidiaries are measured based on the currency of the primary environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Bahraini Dinars, representing the Bank’s functional and presentation currency. Some of the subsidiaries’ functional currencies are either in US Dollars or denominated in currencies which are effectively pegged to the US Dollars, hence, the translation of financial statements of the Group companies that have a functional currency different from the presentation currency of the Bank do not result in any significant exchange differences.

(c). Foreign currencies

Transactions in foreign currencies are converted to Bahraini Dinars at rates of exchange prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Bahraini Dinars at the market rates of exchange prevailing at the reporting date. Realised and unrealised foreign exchange profits and losses are included in profit or loss.

(d). Critical accounting estimates and judgments in applying accounting policies

(i). Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Going concern

The Group’s management has made an assessment of the Group’s ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Fair value of financial instruments

Estimates are also made in determining the fair values of financial assets and derivatives that are not quoted in an active market. Such estimates are necessarily based on assumptions about several factors involving varying degrees of uncertainty and actual results may differ resulting in future changes in such estimates.

Measurement of Expected Credit Loss (ECL)

The Group measures expected credit loss on financial assets carried at amortised cost using simplified approach as allowed under IFRS 9 to determine impairment of financial assets. The Group also adjusts for the historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is an area of estimation. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. Accordingly, the historical credit loss experience and forecast of economic conditions may not be representative of actual default in the future.

Useful life

The useful lives of property and equipment are determined based on the expected usage of the asset, the physical wear and tear, technological changes, and other factors that may affect the asset’s economic life. Management reviews the useful lives at each financial year-end.

End of service

Costs relating to end of service benefits are generally accrued in accordance with prevailing regulations applicable in each location in which the entity within the Group operates.

Lease rates

Lease rates are determined based on the terms and conditions of the lease agreements, prevailing market rates, and the specific characteristics of the leased asset. Management reviews lease rates at the inception of the lease and reassesses them periodically to ensure they reflect current market conditions and any changes in the terms of the lease agreements.

Impairment assessment of intangibles

The Group reviews its intangibles on an annual basis to determine whether an impairment loss should be recorded in the statement of profit or loss, where assumptions and judgements are made in computing the recoverable value. Further details on impairment of non-financial assets are included in note 3(i).

3 Material Accounting Policy Information (continued)

(d) Critical accounting estimates and judgments in applying accounting policies (continued)

(ii). Judgments

In the process of applying the Bank's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of investments

In the process of applying the Group's accounting policies, management decides on acquisition of an investment whether it should be classified as amortised cost, Fair Value Through Profit or Loss ("FVTPL"), or Fair Value Through Other Comprehensive Income ("FVOCI"). The classification of each investment reflects the objective of the Group's business model in relation to each investment and is subject to different accounting treatments based on such classification.

Determination of control over investees – Investment funds

The Group acts as fund manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the fund (comprising any carried interests and expected management fees) and the investors' rights to remove the fund manager.

(e). Investment securities

(i). Classification

Investments at FVTPL comprise trading securities and investments designated at initial recognition as investments at FVTPL. Trading securities are investments which the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term or holds as part of a portfolio that is managed together for short-term profit or position.

Investments at amortised cost are the assets where the Group's model objective is to hold assets in order to collect contractual cash flows, and the contractual cash flows of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal. Investments at FVOCI are non-derivative investments that represent debt instruments under business model both to collect contractual cash flows and to sell. Equity investments that are not held for trading and for which the Group has elected to present fair value changes in other comprehensive income.

(ii). Recognition and de-recognition

Investment securities are recognised when the Group becomes a party to the contractual provisions of the instrument. Investment securities are derecognised if the Group's contractual rights to the cash flows from the financial assets expire, or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. This is normally deemed to occur on settlement date i.e., when the Group receives or delivers an asset.

(iii). Measurement

Investments at FVTPL are initially recognised at fair value, with transaction costs recognised directly in the statement of profit or loss. They are subsequently remeasured to fair value at each reporting date with any resultant gain or loss recognised in the statement of profit or loss.

Investments at FVOCI are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition. Unrealised gains and losses arising from changes in the fair values of FVOCI investments are recognised in the statement of other comprehensive income. In the event of sale, disposal or collection of debt securities classified as FVOCI, the cumulative gains and losses recognised in other comprehensive income are transferred to the profit or loss. In the event of sale, disposal or collection of equity securities classified as FVOCI, the cumulative gains and losses recognised in other comprehensive income are transferred to the retained earnings.

(iv). Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures fair value of an instrument using quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of the relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

(f). Recognition and de-recognition of financial liabilities

The Group recognises and measures financial liability initially at fair value plus/minus transaction cost. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(g). Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances, call deposits, placements with banks and treasury bills that have an original maturity of three months or less when acquired and which are subject to insignificant risk of changes in their fair value. Placement with original maturity over three months are presented under placement with banks. Loss allowance for bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12-month ECL.

(h). Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The calculation of the effective interest rate includes all fees paid or received that are an integral part of the effective interest rate.

(i). Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

(j). Property, equipment and intangibles

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

3 Material Accounting Policy Information (continued)

(j). Property, equipment and intangibles (continued)

Depreciation is provided on cost using the straight-line method, which is intended to write-off the cost of the assets over their expected useful life as follows:

Furniture and equipment	3-5 years
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Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software	5-10 years
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(k). Leases

At the inception of the contract, it is assessed whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, it is assessed whether:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Bank has the right to direct the use of the asset if either:
 - the Bank has the right to operate the asset; or
 - the Bank designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Bank has elected not to separate non-lease components and to account for the lease and non-lease components as a single lease component.

(i). Measurement

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payment made at or before the commencement date, less any lease incentives received;
- any initial direct cost incurred by the lessee; and
- estimated cost to dismantle and to remove the underlying asset, or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liability is measured as the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted based on the incremental borrowing rate. Lease liability comprises the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantees;
- the exercise price of a purchase option if the Bank is reasonably certain to exercise that option;
- lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank’s estimate of the amount expected to be payable under a residual value guarantee, or if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this manner, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii). Short-term leases

The Bank may elect not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Bank recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term in profit or loss.

(l). Borrowings

Borrowings are initially measured at fair value less transaction costs, and subsequently measured at their amortised cost using the effective interest method.

(m). Deposits

These financial liabilities are carried at amortised cost, less amounts repaid.

(n). Repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) are not derecognised. As the Bank retains all or substantially all the risks and rewards of the transferred assets, amounts received under these agreements are treated as liabilities and the difference between the sales and repurchase price is treated as interest expense using the effective interest method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the statement of financial position. Amounts paid under these agreements are treated as assets and the difference between the purchase and resale price is treated as interest income using the effective interest method.

3 Material Accounting Policy Information (continued)

(o). Customers' accounts

These are initially measured at fair value minus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method.

(p). Employee benefits

(i). Bahraini employees

Pensions and other social benefits for Bahraini employees are covered by the General Organisation for Social Insurance Scheme, to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's share of contributions to this scheme, which is a defined contribution scheme under International Accounting Standard ("IAS") 19 – Employee Benefits are charged to income in the year to which they relate.

(ii). Expatriate employees

Expatriate employees are entitled to a leaving indemnity under the Bahrain Labor Law for the Private Sector – Law no. (36) of 2012 based on length of service and final salary and other allowances paid. Provision for this unfunded commitment, which represents a defined benefit plan under IAS 19 – Employee Benefits, has been made by calculating the notional liability had all employees left at the reporting date.

Remeasurements of the defined benefit obligation, including actuarial gains and losses, are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(iii). Employee share incentive scheme

The Bank operates a discretionary share-based plan, which is designed to provide competitive long-term incentives and is a cash-settled share-based payment scheme. The total amount is expensed over the vesting period and is determined by reference to the fair value of the shares at the grant date and re-measured at every year end over the vesting period.

(iv). Employee savings scheme

The Bank operates an employee savings scheme, with the objective to encourage systematic savings by the employees and contributions by the Bank up to a certain limit. These funds are managed by investing in multiple funds according to the risk appetite of the employees. Detailed rules are in place with respect to the scheme. The employer's contribution to the scheme is expensed in the period to which it relates.

(q). Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(r). Fiduciary activities

The Group act as administrator and manager for assets held in funds and other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements, except when the Group controls such an entity.

(s). Settlement date accounting

All "regular way" purchases and sales of financial assets, except for derivatives, are recognised on the settlement date i.e., the date the Group receives or delivers the asset. Regular way purchases or sale are purchases or sale of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(t). Offsetting

Financial assets and liabilities are set off and the net amount is reported in the consolidated statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and intends to settle either on a net basis, or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as, in the Group's trading activity.

(u). Earnings per share

The Group presents Earnings Per Share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Since the Bank does not have any dilutive instruments, basic and diluted EPS are same.

(v). Interest income and expense

Interest income and expense is recognised in the consolidated statement of profit or loss as it accrues, using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. The effective rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

(w). Fee and commission

Fee and commission income comprises custody fee, investment management fee, advisory fee, performance fee and investment banking fees earned by the Group. Custody and investment management fees are recognised at a point in time as the related services are performed, and the Group becomes entitled to the fee and the customer obtains control of the benefits from the services. Variable consideration in such fees are estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of fee recognised, will not occur when the associated uncertainty is resolved.

Performance fee is recognised in accordance with investment management agreements where the Group is entitled to receive a share of the profits of the investment funds once a certain hurdle is reached on a high-water mark basis. In accordance with the terms and conditions of the investment management agreements, the performance fee due to the Group is calculated at each reporting date, taking into account each performance condition and distribution arrangements of the Funds as a whole.

Fee and commission expense relates mainly to custody fee which is expensed as the service is provided.

(x). Net investment income

Net investment income includes all realised and unrealised fair value changes on investment at FVTPL and realised portion on the debt investment at FVOCI and the related dividend. This also includes interest income from fixed income investments.

(y). Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are presented in net investment income.

(z). Brokerage and other income

Brokerage and other income consist of brokerage income, other income and foreign exchange income. This income is recognised at a point in time when the related services are performed and the customer obtains control of the benefits of the services rendered.

3 **Material Accounting Policy Information** (continued)

(aa). **Segment reporting**

IFRS 8 “Operating Segments” prescribes the “management approach” to segment reporting, which requires the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Group’s senior management in order to assess each segment’s performance and to allocate resources to them. The Group’s lines of business are brokerage, asset management, investment banking, real estate, investments, market making and custody business. At present, the Group’s revenue is reviewed by lines of business. However, the expenses and results are reviewed at a Group level.

(ab). **Statutory reserve**

In accordance with the Commercial Companies Law, 10% of the net profit is appropriated to a statutory reserve, until it reaches 50% of the paid-up share capital. This reserve is normally not distributable except on liquidation.

(ac). **General reserve**

General reserve is appropriated from retained earnings and available for distribution.

(ad). **Treasury shares**

When share capital of the Bank is repurchased, the amount of consideration paid is recognised as a change in equity. Repurchased shares classified as treasury shares are carried at cost and are presented as a deduction from equity. Gains / losses on disposal of treasury shares are also recognised in equity.

(ae). **Domestic minimum top-up tax**

The OECD Global Anti-Base Erosion Pillar Two Model Rules (‘GloBE rules’) apply to multinational enterprise (MNE) groups with total annual revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted decree Law No. (11) of 2024 (‘Bahrain DMTT law’) on 1 September 2024 introducing a domestic minimum top-up tax (“DMTT”) of up to 15% on the taxable income of the Bahrain resident entities of the Group for fiscal years commencing on or after 1 January 2025.

As per the Group’s assessment, it was concluded that it is not in scope for the Bahrain law or the GloBE rules as it does not have total annual revenue exceeding EUR 750 million in at least two of the four preceding fiscal years. Accordingly, the Company does not expect to be subject to the Bahrain DMTT law and GloBE rules.

4. **Financial Risk Management**

The Group has exposure to the following major risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies, and processes for measuring and managing risk and the Group’s management of capital.

(a). **Risk management framework**

The Board of Directors (the “Board”) has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Board is assisted in this function by the Board Audit, Risk and Compliance Committee.

The Board has set up an independent Risk Management Unit that provides leadership, direction and coordination of efforts in managing the risks. It provides a holistic, integrated, future-focused and process-oriented approach to enable the Group to balance its key business risks and opportunities with the intent of maximising returns and shareholder value. Moreover, the Bank has established a dedicated Governance, Risk and Compliance Committee that oversees the internal control functions carried out by various departments.

The Audit, Risk and Compliance Committee of the Board is responsible for monitoring compliance with the Bank’s policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit, Risk and Compliance Committee is assisted in these functions by the Internal Audit Function, which undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit, Risk and Compliance Committee.

(b). **Credit risk**

Credit risk is the risk that a customer or counterparty to a financial asset fails to meet its contractual obligations and causes the Group to incur a financial loss. The credit risk for the Group arises principally from its brokerage activities, issuer price risk in proprietary portfolios. Counterparty credit risk consists of two categories of risks: pre-settlement and settlement risks. In the brokerage business, counterparty credit risk arises vis-a-vis trading counterparties and counterparty brokers. In asset management, treasury and proprietary investments, deals routed through counterparty brokers gives rise to counterparty credit risk.

(i). **Investments in debt securities**

The Group’s investments in debt securities are spread among geographical areas and various credit grades. The Group has an established investment policy under which investments are analysed individually for classification based on the established business model. Hence, debt investments may be purchased for trading purposes as well as for liquidity management purposes. Each investment is evaluated by the proprietary investments department based on the business model and various external factors including but not limited to external rating, issuer rating, coupon rates, country risk, etc.

Expected loss is assessed based on a variety of data that are determined to be predictive of the risk of loss (including external credit ratings, financial statements and available external information) and applying experienced credit judgment. The historic loss experience is adjusted to reflect differences between economic conditions during the period over which historic data has been collected, current conditions and the Group’s view of economic conditions over the remaining life-time tenor of the securities. Management believes there is no further credit risk provision required in excess of the usual impairment on debt securities.

4 Financial Risk Management (continued)

(b). Credit risk (continued)

(ii). Management of credit risk

The Group limits its credit risk by applying well-defined credit policies and procedures laid down by the Board and the Board Audit, Risk and Compliance Committee.

The Group manages the counterparty risks for brokerage clients by conducting a credit evaluation of the clients and counterparty brokers of the Gulf Cooperation Council (“GCC”) and other exchanges using financial and other non- financial parameters.

The risks in proprietary investment portfolios are monitored and controlled by means of asset allocation guidelines and exposure limits approved in accordance with well-defined investment policies and procedures. These are reviewed on management level by the Asset Liability Investment Committee (“ALIC”), and on a Board level by the Board Investment Committee. The risks in the repurchase agreements are monitored and controlled by limits approved by the management and the Board and daily margining is applicable. Additionally, the Group strictly adheres to the large exposure norms prescribed by the CBB.

Regular audits of business units and Group credit processes are undertaken by the Bank’s Internal Audit function.

(iii). Maximum exposure to credit risk

The Group’s maximum exposure to credit risk, after ECL, is as follows:

	2025	2024
Bank balances	51,527	52,414
Treasury bills	20,639	14,505
Securities bought under repurchase agreements	443,142	272,366
Investments at FVTPL	5,080	6,921
Investments at FVOCI	9,783	7,759
Investments at amortised cost	16,266	13,800
Fee receivables	4,043	3,405
Other assets	15,078	10,967
	565,558	382,137

Currently, the margin trading lending on the regional stock exchanges and repurchase transactions are subject to formal collateral arrangement. The margin scheme is undertaken in accordance with the related regulation issued by the Central Bank of Bahrain (CBB). Further, the margin lending on the UAE Stock Exchanges are undertaken in accordance with the regulations issued by the Emirates Securities and Commodities Authority (ESCA). The margin lending on the Saudi Stock Exchange is undertaken in accordance with the regulations issued by the Capital Market Authority (CMA). The shares in the Margin Trading Portfolio are held as collateral against the amount lent to the customer. Such shares are marked-to-market on a daily basis. If there is any deficit in the minimum equity ratio, then a maintenance margin call is issued. Additionally, brokerage client agreements include a clause ensuring that the Group has a right to liquidate the client’s shares under its custody, if such client fails to honor its obligations.

Reverse repurchase transactions are short-term in nature and generally backed by liquid high-quality collateral (mainly Government and Quasi-Government bonds along with other investment grade securities) and with substantial haircuts. The lending is subject to daily margin management and monitoring within the realms of the Group’s internal risk management framework.

The Group writes-off a customer / investment balance when the Group determines that carrying amounts are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the customer / issuer’s financial position such that the customer / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. There were no derecognitions of financial assets due to write-offs during the years ended 31 December 2025 and 2024.

(iv). Risk exposure concentration

Risk concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group’s performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group’s policies and procedures include guidelines to focus on maintaining a diversified portfolio. In line with regulatory requirements, there exists a Group-wide Large Exposure Policy which details the Bank’s approach in managing concentration risk to sectors, asset classes, single obligors and countries, including defining specific limits approved by the Board. Concentration of risks is managed by counterparty, by geographical region and by industry sector.

The maximum credit exposure to any client, counterparty or group of closely related counterparties as of 31 December 2025 was BD 209,633 (2024: BD 145,518), relating to placement, securities brought under repurchase agreements and fee receivables.

4 Financial Risk Management (continued)**(b). Credit risk** (continued)**(v). Geographical distribution**

Geographical concentration of all assets and liabilities of the Group are as follows:

2025	Middle East and Asia	North America	Europe	Total
Assets				
Cash and bank balances	45,946	1,513	4,068	51,527
Treasury bills	20,639	-	-	20,639
Securities bought under repurchase agreements	438,393	-	4,749	443,142
Investments at FVTPL	18,097	7,516	-	25,613
Investments at FVOCI	15,952	195	-	16,147
Investments at amortised cost	16,266	-	-	16,266
Fee receivables	3,949	64	30	4,043
Other assets	15,726	5	82	15,813
Property and equipment	754	-	-	754
Intangible assets	1,505	-	-	1,505
Total assets	577,227	9,293	8,929	595,449
Liabilities				
Short-term bank borrowings	11,310	-	-	11,310
Deposits	1,936	-	-	1,936
Securities sold under repurchase agreements	302,222	-	149,694	451,916
Customers' accounts	34,829	4,981	276	40,086
Other liabilities	11,634	-	991	12,625
Payable to other unit holders in consolidated funds	1,510	-	-	1,510
Total liabilities	363,441	4,981	150,961	519,383

2024	Middle East and Asia	North America	Europe	Total
Assets				
Cash and bank balances	48,781	98	3,535	52,414
Treasury bills	14,505	-	-	14,505
Securities bought under repurchase agreements	267,445	-	4,921	272,366
Investments at FVTPL	20,749	5,739	-	26,488
Investments at FVOCI	13,738	120	-	13,858
Investments at amortised cost	13,800	-	-	13,800
Fee receivables	3,374	2	29	3,405
Other assets	9,596	4	1,976	11,576
Property and equipment	1,249	-	-	1,249
Intangible assets	1,489	-	-	1,489
Total assets	394,726	5,963	10,461	411,150
Liabilities				
Short-term bank borrowings	7,540	-	-	7,540
Securities sold under repurchase agreements	157,351	-	121,682	279,033
Customers' accounts	31,739	6,101	260	38,100
Other liabilities	10,702	-	569	11,271
Payable to other unit holders in consolidated funds	1,223	-	-	1,223
Total liabilities	208,555	6,101	122,511	337,167

(vi). Industry distribution

The distribution of assets and liabilities by industry sector is as follows:

2025	Financial services	Others	Total
Total assets	506,165	89,284	595,449
Total liabilities	480,513	38,870	519,383

2024	Financial services	Others	Total
Total assets	331,536	79,614	411,150
Total liabilities	296,374	40,793	337,167

4 Financial Risk Management (continued)

(b). Credit risk (continued)

(vii). Credit quality

The gross carrying amount of financial instruments and the associated loss allowance is as follows:

Particulars	2025			2024		
	Gross exposure	ECL	Net exposure	Gross exposure	ECL	Net exposure
Bank balances	51,529	2	51,527	52,417	3	52,414
Treasury bills	20,639	-	20,639	14,505	-	14,505
Securities bought under repurchase agreements	443,207	65	443,142	272,397	31	272,366
Investments at FVOCI (debt)	9,789	6	9,783	7,765	6	7,759
Investments at amortised cost	16,266	-	16,266	13,800	-	13,800
Fee receivables	4,385	342	4,043	3,418	13	3,405
Other assets (margin lending)	2,140	29	2,111	3,386	32	3,354
Total	547,955	444	547,511	367,688	85	367,603

Investments in non sovereign debt securities classified as FVOCI are entirely in investment grade debt instruments and the ECL on the same has been adjusted through the consolidated statement of profit or loss.

(c). Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counter party to honor its obligations to deliver cash, securities or other assets as contractually agreed.

SICO mitigates the risk through the establishment of limits that are regularly reviewed by the Risk Management Department (RMD) and approved according to the authority limits set by the Board of Directors. Additionally, the settlement exposure is collateralised and in case of failure by the client(s) to repay, SICO can force sell the securities after obtaining the necessary approvals to cover the exposure.

(d). Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk is managed for all the three risk originating departments - Asset Management, Brokerage and Proprietary Investments.

It also originates from the mismatches in the maturity pattern of assets and liabilities or other defaults that could result in its funding and credit lines drying up. Measuring and managing liquidity needs are considered vital for effective operation of the Group.

The Group faces two types of liquidity risks as follows:

- Funding Risk – the risk that the bank will not be able to meet efficiently the expected and unexpected cash flow and collateral needs without affecting either daily operations or the financial condition of the Bank.
- Market Liquidity Risk – the risk that a bank cannot easily offset or terminate a position at the market price because of inadequate market depth or market disruption.

Liquidity risk is currently managed by the Treasury Unit monitoring the cash flow and funding requirements on a daily basis. Credit lines have been established with a few financial institutions to be drawn upon in case needed. The Bank has set up the ALIC to closely supervise the Bank's liquidity management and associated risks. Additionally, the Bank has developed and implemented an Internal Liquidity Adequacy Assessment Process ("ILAAP"), which is conducted annually to further compute and monitor a comprehensive range of liquidity assessments, positions, metrics across the Group.

The remaining contractual maturity of financial liabilities is as follows:

	2025		
	Less than 1 year	Gross outflow	Carrying value
Short-term bank borrowings	11,388	11,388	11,310
Deposits	1,939	1,939	1,936
Securities sold under repurchase agreements	455,049	455,049	451,916
Customers' accounts	40,086	40,086	40,086
Other liabilities	12,625	12,625	12,625
Payable to other unit holders in consolidated funds	1,510	1,510	1,510
	522,597	522,597	519,383

	2024		
	Less than 1 year	Gross outflow	Carrying value
Short-term bank borrowings	7,574	7,574	7,540
Securities sold under repurchase agreements	280,669	280,669	279,033
Customers' accounts	38,100	38,100	38,100
Other liabilities	11,271	11,271	11,271
Payable to other unit holders in consolidated funds	1,223	1,223	1,223
	338,837	338,837	337,167

Liquidity risk is also managed through ensuring compliance with regulatory liquidity requirements. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are the ratios which the Bank computes as per the CBB requirements.

	2025	2024
Liquidity Coverage Ratio	459%	735%
Net Stable Funding Ratio	158%	174%

The daily average of LCR for the year ended 31 December 2025 was 300% (31 December 2024: 521%).

4 Financial Risk Management (continued)

(e). Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Bank, as part of its normal operations, is exposed to market risk with regard to its investments in FVTPL securities and FVOCI securities. However, this risk is controlled by appropriate management review and monitoring through the Investment Portfolio Guidelines set by the Board Investment Committee (“BIC”) and the Group’s management. Market risk management involves the management of equity price risk, interest rate risk and foreign exchange risk.

(i). Equity price risk

Equity investment activities have a significant impact on earnings and business relationships in the Bank. Only the equities and equity based funds are considered by the Bank for the purpose of market risk management and market risk capital computation.

Active management of investments is a well-known method of risk management in equities. Portfolio diversification on the basis of industry, sector, geographic, and market factors enables the Bank to diversify its risks. There are well defined Investment Policies and Procedures approved by the Board that govern the FVTPL as well as FVOCI portfolios.

Formal valuation policies that specify appropriate and sound portfolio valuation methodologies have been established for investments in listed companies and indirect fund investments. Marking the equity portfolio to market on a daily basis ensures that the unrealised gains and losses are accounted for on a daily basis. Externally managed funds and portfolios are valued at Net Asset Value provided by the external investment managers and administrators on a periodic basis.

Portfolio-valuation methodologies conform to accepted accounting principles and are based on sound, empirically acceptable approaches that are clearly articulated, well documented, and applied consistently across similar investments over time.

All of the Group’s listed equity investments are listed on recognised regional and global stock exchanges. For such investments classified at FVOCI, a 1% increase in the fair value at the reporting date would have increased equity by BD 64 (2024: an increase of BD 61); an equal change in the opposite direction would have decreased equity by BD 64 (2024: a decrease of BD 61). For such investments classified as at FVTPL, the impact of a 1% increase in the index at the reporting date on profit or loss would have been an increase of BD 9 (2024: an increase of BD 21). An equal change in the opposite direction would have decreased profit or loss by BD 9 (2024: a decrease of BD 21).

(ii). Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The investments in debt instruments, placements, borrowings and call deposits are subject to interest rate risk. The Treasury Unit carefully monitors these exposures in order to mitigate this risk. The Bank minimises its exposure to interest rate risk by careful monitoring of exposures. Placements and call deposits with banks are at fixed interest rates and mature within three months. The liabilities of the Bank include customer advances for purchase of investments on their behalf. The Bank maintains cash balances with various banks in different currencies to meet liquidity requirements for equity share deals settlement in these currencies. These arise due to the need for timely payment of settlement amounts by clients as well as proprietary trades. The Bank has exposures to debt instruments issued by GCC institutions in its proprietary investment portfolios. Investments in debt instruments are approved only based on structured analysis of the proposed investment and the issuer. Some debt instruments are unrated.

The Bank follows the standardised methodology for managing interest rate risk, where the risk exposures in fixed income securities are measured using a two-pronged approach – measuring the issuer risk and general market risk. The duration gap approach methodology is used for this purpose. See interest rate re-pricing profile below:

	Effective interest rate % p.a.	Within 1 year BD	Over 1 year BD	Non-interest sensitive BD	Total BD
2025					
Bank balances		-	-	34,575	34,575
Call deposits	4.25%	732	-	-	732
Short-term placements with banks	4.52%	16,220	-	-	16,220
Treasury bills	5.06%	20,639	-	-	20,639
Securities bought under repurchase agreements	4.68%	443,142	-	-	443,142
Investments at FVTPL	6.71%	-	5,080	20,533	25,613
Investments at FVOCI	6.37%	-	9,783	6,364	16,147
Investments at amortised cost	6.08%	4,261	12,005	-	16,266
Fee receivables		-	-	4,043	4,043
Other assets		-	-	15,813	15,813
Property and equipment		-	-	754	754
Intangible assets		-	-	1,505	1,505
Total assets		484,994	26,868	83,587	595,449
Short-term bank borrowings	4.60%	11,310	-	-	11,310
Deposits	4.04%	1,936	-	-	1,936
Securities sold under repurchase agreements	4.40%	451,916	-	-	451,916
Customers' accounts		-	-	40,086	40,086
Other liabilities		-	-	12,625	12,625
Payable to other unit holders in consolidated funds		-	-	1,510	1,510
Total liabilities		465,162	-	54,221	519,383
Equity		-	-	76,066	76,066
Total liabilities and equity		465,162	-	130,287	595,449
Interest rate sensitivity gap		19,832	26,868	(46,700)	-
Cumulative interest rate sensitivity gap		19,832	46,700	-	-

4 Financial Risk Management (continued)

(e). Market risk (continued)

(ii) Interest rate risk (continued)

2024	Effective interest rate % p.a.	Within 1 year BD	Over 1 year BD	Non-interest sensitive BD	Total BD
Bank balances	-	-	-	32,405	32,405
Call deposits	4.65%	816	-	-	816
Short-term placements with banks	5.33%	19,193	-	-	19,193
Treasury bills	5.85%	14,505	-	-	14,505
Securities bought under repurchase agreements	5.39%	272,366	-	-	272,366
Investments at FVTPL	6.14%	1,185	5,736	19,567	26,488
Investments at FVOCI	6.55%	-	7,758	6,100	13,858
Investments at amortised cost	6.60%	1,583	12,217	-	13,800
Fee receivables	-	-	-	3,405	3,405
Other assets	-	-	-	11,576	11,576
Property and equipment	-	-	-	1,249	1,249
Intangible assets	-	-	-	1,489	1,489
Total assets		309,648	25,711	75,791	411,150
Short-term bank borrowings	5.30%	7,540	-	-	7,540
Securities sold under repurchase agreements	5.01%	279,033	-	-	279,033
Customers' accounts	-	-	-	38,100	38,100
Other liabilities	-	-	-	11,271	11,271
Payable to other unit holders in consolidated funds	-	-	-	1,223	1,223
Total liabilities		286,573	-	50,594	337,167
Equity		-	-	73,983	73,983
Total liabilities and equity		286,573	-	124,577	411,150
Interest rate sensitivity gap		23,075	25,711	(48,786)	-
Cumulative interest rate sensitivity gap		23,075	48,786	-	-

At 31 December 2025, the effective interest rate on Bahraini Dinar call deposits is 4.25% (2024: 4.65%) and on USD call deposits is 3.75% (2024: 4.35%).

(iii). Foreign exchange risk

Foreign exchange rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. Most of the Group's foreign currency exposures are in GCC currencies and US Dollar. Such exposures include short-term fixed deposits, investments in securities and due from / to customers. Since the Bahraini Dinar and all GCC currencies, except for Kuwaiti Dinar, are effectively pegged to the US Dollar, currency risk is considered minimal.

(f). Operational risk

Operational risk is the risk of loss due to inadequate or failed internal processes, systems and people or external events. Unlike market or credit risks, which are systemic in nature, operational risk is bank-specific and is inherent in the day-to-day operations of any bank. It includes a very broad spectrum of risks that could arise from a variety of reasons including, but not limited to, deficient transaction processing, business practices, employment practices and systems failures, and damage to physical assets. It also includes the risk of internal and external fraud.

The Bank follows conservative, conscious control and adopts a number of mechanisms to manage operational risk. These include a well-defined organisational structure, policies and procedures guidelines, segregation of duties, approval authorities, reconciliations, and tolerance limits for exposures. The Internal Audit function and Regulatory Compliance Unit provide support in this control activity as well.

Regular custodial position reconciliations and bank reconciliations provide key strengths to mitigate operational risks. There is also a professional indemnity and Cyber Security insurance cover in place.

Another endeavor of the Bank's operational risk management is to usher in straight through processing to enable seamless processing and reduce operational errors and optimise productivity.

Assets under management activity have a range of controls to support the quality of the investment process and are supervised by an Asset Management Committee ("AMC"). These are supported by strict operational controls to safeguard clients' assets, and there are regular reviews of investment management performance.

Investment Banking and Real Estate activities are exposed to legal and reputational risk. Obtaining the necessary legal and regulatory approvals mitigates this risk. Advisory and underwriting matters are monitored and controlled by the management.

Regulatory compliance, including the anti-money laundering compliance program, also form a key component of risk management. Board and management attach high importance to these matters of strategic relevance. There are well laid out policies and procedures to achieve compliance with regulatory matters.

(g). Capital management

The CBB sets and monitors capital requirements for the Bank as a whole. In implementing current capital requirements CBB requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank remained in compliance with all regulatory capital requirements throughout the year. The Bank ensures that the capital adequacy requirements are met on a consolidated basis and also with local regulator's requirements, if any, in countries in which the Bank has subsidiaries. The Bank has complied with regulatory capital requirements throughout the year.

4. Financial Risk Management (continued)
(g). Capital management (continued)

The Bank’s regulatory capital position at 31 December was as follows:

	2025	2024
Risk weighted exposure		
Credit risk	60,819	56,746
Market risk	7,272	9,449
Operational risk	33,928	31,524
Total risk weighted assets	102,019	97,719
Common Equity (CET 1)	74,561	72,494
Tier 2	96	79
Total regulatory capital	74,657	72,573
Capital adequacy ratio	73.18%	74.27%

The capital adequacy ratio has been calculated in accordance with CBB’s guidelines incorporating credit risk, operational risk and market risk. The Bank uses the standardised approach for computing credit risk. Operational risk is computed using the basic indicator approach. Market risk is computed using the standardised method. Moreover, the Bank has implemented a comprehensive Internal Capital Adequacy Assessment Process (“ICAAP”), which is conducted annually to further compute and monitor capital positions, considering the additional impact of Pillar II risks and stressed conditions.

The allocation of capital between specific operations and activities is primarily driven by regulatory requirements. The Bank’s capital management policy seeks to maximise return on risk adjusted basis while satisfying all the regulatory requirements. The Bank’s policy on capital allocation is subject to regular review by the Board.

5. Group Subsidiaries And Consolidated Funds

Set out below are the Group’s principal subsidiaries at 31 December 2025 and 2024. Other than the consolidated funds, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by the Group. The investment in consolidated funds comprises subscription to the units issued by the fund to the unit holders and the proportion of ownership interests held comprises the percentage of the units held by the Group to the total units issued by the fund.

The country of incorporation or registration is also their principal place of business:

	Subsidiary	Percentage ownership		Incorporation		Principal activity
		2025	2024	Year	Country	
1	SICO Funds Company BSC (c)	100%	100%	1998	Bahrain	Umbrella company for mutual funds
2	SICO Funds Services Company BSC (c) (Under liquidation) *	100%	100%	2004	Bahrain	Custody and administration services
3	SICO Funds Company III BSC (c)	100%	100%	2006	Bahrain	Umbrella company for mutual funds
4	SICO Funds Company IV BSC (c)	100%	100%	2009	Bahrain	Umbrella company for mutual funds
5	SICO Funds Company VI BSC (c)	100%	100%	2009	Bahrain	Umbrella company for mutual funds
6	SICO Funds Company VIII BSC (c)	100%	100%	2016	Bahrain	Umbrella company for mutual funds
7	SICO Ventures Company SPC	100%	100%	2010	Bahrain	To own the nominal shares in all other subsidiaries of SICO
8	SICO Funds Company IX BSC (c)	100%	100%	2022	Bahrain	Umbrella company for mutual funds
9	SICO Invest	100%	100%	2011	UAE	Brokerage services
10	SICO Fixed Income Fund	64%	73%	2013	Bahrain	Investment in listed debt securities, comprising bonds and Sukuk
11	SICO Capital Company	100%	100%	2008	Saudi Arabia	Brokerage services, investment banking, asset management and custodial services
12	SICO Funds Company X BSC (c)	100%	100%	2024	Bahrain	Umbrella company for mutual funds
13	SICO Funds Company XI BSC (c)	100%	-	2025	Bahrain	Umbrella company for mutual funds

* The operations and business of SICO Funds Services Company BSC (c) (“SFS”), which is under liquidation, was merged with the Company effective 1 October 2024, after obtaining the regulatory approval. Accordingly, the results of SFS were consolidated for the first nine months of 2024, until the effective date of the merger.

6. Payable To Other Unit Holders In Consolidated Funds

The following table summarises the information relating to the consolidated funds and the amount payable to the unit holders other than the Group. Since there is a contractual obligation to deliver cash to the other unit holders, the amount payable to other unit holders is considered as a liability of the Group.

	2025	2024
Payables to other unit holders in the consolidated funds:		
SICO Fixed Income Fund	1,510	1,223
	1,510	1,223
Share of profit of non-controlling unit holders in consolidated funds		
SICO Fixed Income Fund	133	27
	133	27

SICO Fixed Income Fund	2025	2024
Other unit holders' share	36%	27%
Cash and cash equivalents	379	284
Investment at fair value through profit or loss	4,089	4,560
Other assets	61	63
Securities sold under repurchase agreements	(306)	(362)
Other liabilities	(20)	(21)
Net assets	4,203	4,524
Carrying amount of payable to other unit holders	1,510	1,223
Investment income	425	172
Net interest income / (expense)	4	(17)
Profit and total comprehensive income	369	99
Profit allocated to other unit holders	133	27
Cash flows generated from / (used in) operating activities	785	(582)
Cash flows (used in) / generated from financing activities	(690)	382
Net increase / (decrease) in cash and cash equivalents	95	(200)

7. Cash And Bank Balances And Treasury Bills

	2025	2024
Cash and bank balances	34,575	32,405
Call deposits	732	816
Short-term placements with banks	16,222	19,196
Total cash and bank balances	51,529	52,417
Expected credit losses	(2)	(3)
Total cash and bank balances	51,527	52,414
Treasury bills	20,639	14,505
Total	72,166	66,919

8. Securities Bought Under Repurchase Agreements

Reverse repurchase agreements have been entered into with clients amounting to BD 443,142 (2024: BD 272,366) for which client owned securities of BD 562,588 (2024: BD 361,588) are pledged as collateral with the Bank.

The following represents the movement in securities bought under repurchase agreements during the year:

	2025	2024
At 1 January	272,366	252,883
Additions during the year	202,267	70,326
Settled during the year	(31,457)	(50,830)
Expected credit loss	(34)	(13)
At 31 December	443,142	272,366

9. Investments

	2025	2024
Carried at FVTPL:		
Quoted equity securities		
- Parent	900	2,075
Funds		
Quoted	13,901	12,213
Unquoted	5,732	5,279
Quoted debt securities		
Parent	397	1,767
Consolidated funds	4,089	4,560
Unquoted debt securities		
- Parent	594	594
	25,613	26,488
Carried at FVOCI:		
Equity securities		
Quoted	5,987	5,722
Unquoted	377	377
Debt securities		
- Quoted	9,783	7,759
	16,147	13,858

At amortised cost:

Investments at amortised cost include investments in sovereign and bank issuances which are held to maturity. As at the balance sheet date, the market values of these investments was BD 17,026 (31 December 2024: BD 14,128).

10. Fee Receivables

Fee receivables represent management, custody and performance fees owed to the Group by its Discretionary Portfolio Management Account (“DPMA”) clients and managed funds.

	2025	2024
Asset management fees	2,050	1,854
Real estate income and other fees	1,224	1,152
Security services fees	538	304
Investment banking fees	135	62
Performance fees	96	33
	4,043	3,405

At 31 December 2025, the ECL carried over fee receivables was BD 342 (2024: BD 13). The movement during the year represents a net remeasurement of ECL following a credit risk assessment of outstanding fee receivables, including the identification of a Stage 3 exposure amounting to BD 1,024 (2024: Nil). All other fee receivables were classified under Stage 1 (2024: same). No write-offs were made during the years ended 31 December 2025 and 2024.

11. Other Assets

	Note	2025	2024
Receivable from clients	11.1	6,660	4,191
Interest receivable		3,966	2,318
Margin loans receivables, net of ECL	11.2	2,111	3,354
Prepaid expenses		735	609
Guarantee deposits		1,671	603
Others		670	501
		15,813	11,576

11.1. Receivable from clients

These balances are short-term in nature and do not carry any ECL due to their short-term settlement pattern.

11.2. ECL on margin loan receivables

The movement in ECL is as follows:

	2025 Stage 1	2024 Stage 1
At 1 January	32	40
Net remeasurement during the year	(3)	(8)
At 31 December	29	32

12. Intangible assets

	2025	2024
Software	1,005	989
License	500	500
	1,505	1,489

During 2021, intangibles of BD 800 were recorded on the acquisition of SICO Capital . The intangibles of BD 500 were assigned to the expected benefits arising from the license to conduct business in Saudi Arabia and BD 300 was assigned to customer relationship with a useful life of three years, which has been fully amortised. No impairment was recognised during the year ended 31 December 2025 and 2024.

The recoverable amount of intangibles is based on value-in-use, calculated by discounting cash flow projections which are based on financial forecasts to arrive at the terminal value. A growth rate at a minimum of 5% (2024: 5%) and discount rate of 6.5% (2024: 6.5%) have been applied to the estimated cash flows. A sensitivity analysis was conducted by increasing the discount rate by 2% and reducing earnings by 10% to assess the impact on the recoverable amount as compared to the carrying value of the Cash Generating Unit (“CGU”). The carrying value of intangibles with indefinite life is lower than the reduced recoverable amount in the sensitivity analysis, conforming no indications of any impairment as of the reporting date.

13. Short-Term Bank Borrowings

The following represents the movement in short-term bank borrowings:

	2025	2024
At 1 January	7,540	5,655
Additions during the year	5,655	9,425
Settled during the year	(1,885)	(7,540)
At 31 December	11,310	7,540

As at 31 December 2025, these borrowings carry interest rate ranging between 4.55% - 4.65% (2024: 5.10% - 5.40%) and maturing within 2 months (2024: 3 months).

14. Deposits

The following represents the movement in deposits:

	2025	2024
At 1 January	-	4,234
Additions during the year	116,591	53,966
Matured during the year	(114,655)	(58,200)
At 31 December	1,936	-

15 Securities Sold Under Repurchase Agreements

The following represents the movement in securities sold under repurchase agreements during the year:

	2025	2024
At 1 January	279,033	259,391
Additions during the year	228,862	73,366
Settled during the year	(55,979)	(53,724)
At 31 December	451,916	279,033

Repurchase agreements have been entered into on behalf of clients for which client owned securities of BD 562,266 (2024: BD 339,011) are pledged as collateral with counter parties.

The carrying value of the investments at amortised cost pledged as collateral amounted to BD 10,311 (2024: BD 7,576).

16. Customers' Accounts

These include settlement amounts payable to customers for completed trades and amounts received from customers to fund their respective trading activities.

17. Other Liabilities

	2025	2024
Accrued expenses	3,628	3,552
Interest payable	3,214	1,670
Employee share incentive scheme liability (note 29)	2,723	2,565
Provision for employees' leaving indemnities *	1,452	1,504
Other payables	1,608	1,980
	12,625	11,271

* The movement in the provision for employees' leaving indemnities is as follows:

	2025	2024
At 1 January	1,504	1,273
Add: Charge for the year (note 25)	304	320
Less: Remeasurements of defined benefit plan	(26)	-
Less: Payments made during the year to employees	(257)	(67)
Less: Payments made during the year to SIO	(73)	(22)
At 31 December	1,452	1,504

Effective 1 March 2024, pursuant to an Edict number 109 of 2023 issued by His Royal Highness the Prime Minister of the Kingdom of Bahrain, certain portion of the end of service benefits' liability has been transferred to the Social Insurance Organization (SIO), representing the amounts paid by the Company to SIO on a monthly basis starting March 2024. Such portion of liability would be settled directly by the SIO when the relevant employees leave the Company.

Remeasurements of the defined benefit obligation are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

18. Share Capital

	2025	2024
Authorised share capital		
1,000,000,000 shares of 100 fils each	100,000	100,000
Issued and fully paid		
441,342,373 ordinary shares of 100 fils each	44,134	44,134

Proposed appropriations

The Board of Directors proposed the following appropriations subject to shareholders and regulatory approvals:

	2025	2024
Cash dividend @ 7.5% (2024: 7.5%)	3,219	3,219

Shareholder structure

Shareholders	Country	2025		2024	
		No. of Shares	% holding	No. of Shares	% holding
Social Insurance Organisation	Bahrain	222,360,761	50.38	222,360,761	50.38
National Bank of Bahrain	Bahrain	93,005,716	21.08	93,005,716	21.08
Bank Muscat	Oman	57,996,449	13.14	57,996,449	13.14
Bank of Bahrain and Kuwait	Bahrain	34,913,024	7.91	34,913,024	7.91
Employee Stock Ownership Plan	Bahrain	20,880,797	4.73	20,880,797	4.73
SICO BSC (c) - Treasury Shares	Bahrain	12,185,626	2.76	12,185,626	2.76
		441,342,373	100.00	441,342,373	100.00

18. Share Capital (continued)**Treasury shares**

Treasury shares represents the Bank's purchase of its own shares. At the end of the year, the Bank held 12,185,626 (2024: 12,185,626) of its own shares.

	2025		2024	
	No. of Shares	Amount	No. of Shares	Amount
SICO BSC (c)	12,185,626	1,913	12,185,626	1,913
	12,185,626	1,913	12,185,626	1,913

Shares under employee share incentive scheme

	2025		2024	
	No. of Shares	Amount	No. of Shares	Amount
Employee share incentive scheme (refer to note 29)	20,880,797	2,263	20,880,797	2,263
	20,880,797	2,263	20,880,797	2,263

19. Statutory Reserve

In accordance with the Bahrain Commercial Companies Law, 10 percent of net profit is appropriated to a statutory reserve, which is not normally distributable except in accordance with Article 224 of the law. Such appropriations may cease when the reserve reaches 50 percent of paid up share capital. The transfer for the year ended 31 December 2025 amounted to BD 551 (2024: BD 550).

20. General Reserve

In accordance with the Bank's Articles of Association and on the recommendation of the Board of Directors, specific amount is appropriated from profits for the year and transferred to a general reserve. The reserve carries no restriction in its distribution. The appropriations are subject to the approval of the shareholders at the Annual General Meeting. No appropriations to this reserve were made during the years ended 31 December 2025 and 2024.

21. Net Investment Income

	2025	2024
Interest income from debt instruments	2,131	2,045
Net gain on investments at FVTPL*	1,207	280
Dividend income	861	675
Realised gain on sale of treasury bills	15	4
	4,214	3,004

* Net gain on investments carried at FVTPL comprise the following:

	2025	2024
Realised gain / (loss) on sale	329	(64)
Unrealised fair value gain	878	344
	1,207	280

22. Net Fee Income

	2025	2024
Asset management fees	7,286	7,094
Security services fees	1,499	1,125
Investment banking fees	1,237	929
Real estate income and other fees	803	1,280
Performance fees	135	415
	10,960	10,843

23. Brokerage And Other Income

	2025	2024
Brokerage income	2,184	2,291
Foreign exchange gain	888	1,285
Other income	464	195
	3,536	3,771

24. Net Interest Income

	2025	2024
Interest income		
Placements, call deposits and reverse repos	23,077	20,195
Margin lending	306	347
	23,383	20,542
Interest expense		
Bank borrowings, deposits and repos	(19,198)	(16,602)
Net interest income	4,185	3,940

25. Staff Cost

	2025	2024
Salaries, allowances and bonus	9,052	8,798
Social security costs	556	493
Post-employment benefit (note 17)	304	320
Share based payments	210	260
Other employee related expenses	715	751
	10,837	10,622

As at 31 December 2025, the Group employed 96 (2024: 93) locals and 72 (2024: 80) expatriates.

26. Other Operating Expenses

	2025	2024
Technology related expenses	2,985	2,395
Depreciation and amortisation	700	710
Legal and professional fees*	581	541
Marketing expenses	524	502
Allowance for expected credit losses	359	13
Occupancy expenses	216	261
Communication expenses	41	41
Other operating expenses	1,011	943
	6,417	5,406

* This includes assurance services expense of BD 87 (2024 BD 107) and non-assurance services expense of BD 46 (2024: BD 25).

27. Related Party Transactions

The following are the related party transactions during the year. All these transactions are in the ordinary course of business and on normal commercial terms.

Transactions with/relating to funds owned by the subsidiary companies

Transactions with funds owned by the subsidiary companies namely SICO Funds Company BSC (c), SICO Funds Company III BSC (c), SICO Funds Company IV BSC (c), SICO Funds Company VI BSC (c), SICO Funds Company VIII BSC (c), SICO Funds Company IX BSC (c), SICO Funds Company X BSC (c), SICO Funds Company XI BSC (c), SICO Ventures Company WLL, SICO Kingdom Equity Fund, SICO Capital GCC Dividend Growth Fund, SICO Capital Money Market Fund, Al Qasr Real Estate Fund, Riyadh Real Estate Fund, SICO Saudi REIT Fund, SICO VC Fund, SICO Capital Khairat Fund, Mena Residential RE Fund and Najd Real Estate Fund, SICO Capital's AlShatee Fund, SICO Capital's La Pearl Fund are as follows:

	2025	2024
Fee income	1,905	2,205
Dividend income	137	57
Other operating expenses	329	13
Fee receivables	1,535	1,403
Other receivables	-	69
Investments	12,505	12,231
Funds under management	224,620	180,480
Securities bought under repurchase agreements	3,550	1,031

The details of the own funds under management are provided in note 31.

Transactions and balances with shareholders

The Group obtained short-term borrowings from its shareholders for a total of BD 7,540 (2024: BD 3,770). During the year, the Group entered into repurchase agreements with its shareholders and as of 31 December 2025, the Group had no repurchase agreements with them (2024: BD 4,367). The Group has banking relationships, makes deposits and placements, obtains short-term borrowings and has unutilised credit facilities with certain of its shareholders that are local banks. All such transactions are in the ordinary course of business and on commercial terms.

The Group also provides discretionary portfolio management account services to two of its shareholders in the ordinary course of business. These services are provided on commercial terms and conditions and the related funds are held by the Group in a fiduciary capacity. The excess funds are placed with the other banks as deposits on commercial terms.

	2025	2024
Fee income	274	328
Dividend income	12	11
Fee receivables	32	77
Fee payables	60	53
Investments	1,347	1,343
Funds under management	85,472	78,159
Securities sold under repurchase agreements	-	4,367
Placements	2,885	4,692
Short-term bank borrowings	7,540	3,770

Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The key management personnel comprise members of the Board of Directors, Chief Executive Officer, Chief Capital Markets Officer, Chief Operating Officer, Chief Financial Officer and heads of departments.

Compensation to key management personnel is as follows:

	2025	2024
Salaries and short-term benefits	4,198	4,442
Post-employment benefits	586	594
Equity compensation benefits	315	316
	5,099	5,352

Attendance fees and remuneration to Board members and other related expenses amounted to BD 262 (2024: BD 271) for the Bank and BD 127 (2024: BD 82) for its subsidiaries.

28. Segment Information

The Group's lines of business are asset management, investments and treasury, brokerage, investment banking, securities services, market making and others. At present, the Group's revenue is reviewed by lines of business. However, the expenses and results are reviewed at a Group level therefore, complete set of operating segment and geographic segment disclosure are not provided in these consolidated financial statements. The disclosures prepared for segment information are as below:

Disaggregation of revenue by line of business

	2025	2024
Asset management	9,136	9,396
Investments and treasury	8,122	7,170
Brokerage	2,495	2,620
Investment banking	1,237	929
Security services	1,499	1,125
Market making and others	406	318
	22,895	21,558

Geographic information

The Group operates in two geographic markets: Domestic (Bahrain) and International (other markets). The distribution of the Group's income by geographical segments, allocated based on the countries where the Group entities are located is as follows:

	2025	2024
Domestic	19,265	17,368
International	3,630	4,190
	22,895	21,558

Major customers

No single customer accounted for more than 10% of the total revenue during the years ended 31 December 2025 and 2024.

29. Employee Share Ownership Plan

The Group has established an employee share incentive scheme (the “Scheme”) which is operated through a Trustee. The Trust has been set up by the transfer of shares of the Bank allotted to the employees under the Scheme.

Under the Scheme, employees are entitled to receive shares as part of their bonus in ratios determined by the Board of Directors. The value of the shares is to be determined based on the fair value of the Group's net assets as at the reporting date. This Scheme is treated as a cash-settled share based payment transaction due to the restrictions imposed under the Scheme, whereby the employees have to sell back the shares to the Group on resignation / retirement based on the vesting conditions mentioned in the Scheme.

The liability under the Scheme has different vesting conditions based on the nature of incentive, which is based on the period of service with the Group. The liability vests pro-rata from the date of grant over a period of five years. 50% of the liability can be settled after five years at the option of the employee, while the remaining liability is settled after the employee is separated. The settlement is based on the last net assets value as per the most recent audited annual financial statements of the Group.

Upon issuance of shares under the Scheme, the share capital is increased with a corresponding increase in employee share incentive scheme account classified under equity.

As at 31 December 2025, the Group has recognised an employee liability of BD 2,723 (2024: BD 2,565) on the shares granted until the reporting date. This liability has been determined on the value of the Group's net assets as at 31 December 2025, in accordance with the rules of the Scheme. This is considered under Level 1 valuation of the fair value hierarchy.

No movement in the shares under the Scheme during the years ended 31 December 2025 and 2024. As at 31 December 2025, total number of shares issued under the scheme is 20,880,797 (2024: 20,880,797).

30. Involvement In Unconsolidated Structured Entities

Type of structured entity	Nature and purpose	Interest held by the Group
Investment funds	To generate fees from managing assets on behalf of third-party investors.	Investment in units issued by the fund
	These vehicles are financed through issuance of units to investors.	Management fee Performance fee None
Employee share incentive scheme trust	To hold the shares in trust under employee share incentive scheme.	None

The table below sets out carrying amounts of interests held by the Group in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held and outstanding management and performance fee.

	2025	2024
Investments in funds		
SICO-Capital Money Market Fund	2,450	1,478
Flow Mena RE Fund	2,012	2,008
Elzad Sukuk Fund	2,000	1,947
SICO Gulf Equity Fund	1,648	787
SICO GCC Dividend Growth Fund	1,578	1,533
SICO-Capital Kingdom Equity Fund	1,041	1,069
Bahrain Liquidity Fund Company	968	1,459
SICO Kingdom Equity Fund	808	896
Riyadh Real Estate Fund	-	5
SICO Khaleej Equity Fund	-	1,049
	12,505	12,231

31. Contingencies, Commitments And Memorandum Accounts

Investment commitment

As at 31 December 2025, the Group has no other investment commitments (2024: BD 333) and margin lending draw-down commitments of BD 4,617 (2024: BD 4,572).

Assets under management (NAV)

	2025	2024
Flow Mena RE Fund	39,793	32,075
La Perle Real Estate Fund	33,853	17,022
SICO Khaleej Equity Fund	27,648	30,518
Shattee Real Estate Fund	24,931	-
Elzad Sukuk Fund	19,370	18,194
Bahrain Liquidity Fund	16,592	25,007
Al Qasr Real Estate Fund	15,073	13,457
Dilmun Compounders Fund	13,089	3,795
Albaraka Turk Values & Wealth Türkiye Sukuk Fund	11,502	-
SICO GCC Dividend Growth Fund	8,324	5,301
SICO-Capital Kingdom Equity Fund	4,485	2,471
SICO Fixed Income Fund	4,203	4,524
SICO Kingdom Equity Fund	2,637	3,010
SICO-Capital Money Market Fund	2,568	3,361
Najd Real Estate Fund	2,124	1,176
SICO Gulf Equity Fund	2,097	4,187
SICO Capital Venture Fund	535	-
SICO-Capital Khairat Fund	-	11
Al Masha'ar REIT Fund	-	24,455
Riyadh Real Estate Fund	-	235
Discretionary portfolio management accounts	2,264,491	2,198,593
Total Net Asset Value *	2,493,315	2,387,392

The funds under discretionary portfolio management accounts were held in trust or in a fiduciary capacity and are not treated as assets of the Group. Accordingly, these have not been included the consolidated statement of financial position.

* On a gross basis, including leverage of BD 582,714 (2024: BD 388,734), SICO's total AUMs stands at BD 3,076,029 (2024: BD 2,776,126).

Assets under custody

	2025	2024
Assets under custody	4,189,242	3,417,095

The Group provides custodianship and nominee services in respect of securities and cash. At 31 December 2025, assets amounting to BD 4,189,242 (2024: BD 3,417,095) were held by the Group as custodian under brokerage and custodianship contracts, out of which securities amounting to BD 519,188 (2024: BD 1,837,347) were registered in the name of the Bank.

Contingencies

The Group has letters of guarantee of BD 1,540 (31 December 2024: BD 3,593) in favor of Abu Dhabi Securities Exchange (ADX) and Dubai Financial Market (DFM) in accordance with the requirements issued by the Securities and Commodities Authority.

32. Net Open Foreign Currency Positions

	2025	2024
United States Dollar	29,584	15,765
Saudi Riyal	15,388	11,400
United Arab Emirates Dirham	5,203	7,141
Omani Riyal	695	949
Qatari Riyal	153	1,617
Kuwaiti Dinar	30	511
Jordanian Dinar	22	13
Pound Sterling	1	1
Euro	1	13
Egyptian Pound	1	2

33. Earnings Per Share

	2025	2024
Profit attributable to shareholders of the Bank (in BD '000s)	5,508	5,503
Weighted average number of equity shares (in '000s)	429,157	429,157
Less: Employee share incentive scheme shares (in '000s)	(20,881)	(20,881)
Weighted average number of shares as at 31 December (in '000s)	408,276	408,276
Basic and diluted earnings per share (in fils)	13.5	13.5

34. Maturity Profile Of Assets And Liabilities

The table below shows the maturity profile of the Group's assets and liabilities on the basis of their contractual maturity. Where such contractual maturity is not available, the Group has considered expected realisation / settlement profile for assets and liabilities respectively.

31 December 2025	Less than 1 year	1 to 5 years	Above 5 years	Total
Assets				
Cash and bank balances	51,527	-	-	51,527
Treasury bills	20,639	-	-	20,639
Securities bought under repurchase agreements	443,142	-	-	443,142
Investments at FVTPL	3,383	2,952	19,278	25,613
Investments at FVOCI	-	6,056	10,091	16,147
Investments at amortised cost	4,261	5,881	6,124	16,266
Fee receivables	4,043	-	-	4,043
Other assets	15,813	-	-	15,813
Property and equipment	150	604	-	754
Intangible assets	45	159	1,301	1,505
Total assets	543,003	15,652	36,794	595,449
Liabilities				
Short-term bank borrowings	11,310	-	-	11,310
Deposits	1,936	-	-	1,936
Securities sold under repurchase agreements	451,916	-	-	451,916
Customers' accounts	40,086	-	-	40,086
Other liabilities	12,625	-	-	12,625
Payable to other unit holders in consolidated funds	1,510	-	-	1,510
Total liabilities	519,383	-	-	519,383
Liquidity gap	23,620	15,652	36,794	76,066
Cumulative liquidity gap	23,620	39,272	76,066	-

31 December 2024	Less than 1 year	1 to 5 years	Above 5 years	Total
Assets				
Cash and bank balances	52,414	-	-	52,414
Treasury bills	14,505	-	-	14,505
Securities bought under repurchase agreements	272,366	-	-	272,366
Investments at FVTPL	4,778	3,842	17,868	26,488
Investments at FVOCI	-	4,040	9,818	13,858
Investments at amortised cost	1,583	9,167	3,050	13,800
Fee receivables	3,405	-	-	3,405
Other assets	11,576	-	-	11,576
Property and equipment	266	983	-	1,249
Intangible assets	421	200	868	1,489
Total assets	361,314	18,232	31,604	411,150
Liabilities				
Short-term bank borrowings	7,540	-	-	7,540
Securities sold under repurchase agreements	279,033	-	-	279,033
Customers' accounts	38,100	-	-	38,100
Other liabilities	11,271	-	-	11,271
Payable to other unit holders in consolidated funds	1,223	-	-	1,223
Total liabilities	337,167	-	-	337,167
Liquidity gap	24,147	18,232	31,604	73,983
Cumulative liquidity gap	24,147	42,379	73,983	-

35. Accounting Classification And Fair Values

(i) Classification of each class of financial assets and financial liabilities

			Liabilities	Amortised	Total
	FVTPL	FVOCI	at fair value	cost	carrying value
31 December 2025					
Cash and bank balances	-	-	-	51,527	51,527
Treasury bills	-	-	-	20,639	20,639
Securities bought under repurchase agreements	-	-	-	443,142	443,142
Investments at fair value through profit or loss	25,613	-	-	-	25,613
Investments at fair value through other comprehensive income	-	16,147	-	-	16,147
Investments at amortised cost	-	-	-	16,266	16,266
Fee receivables	-	-	-	4,043	4,043
Other assets	-	-	-	15,813	15,813
	25,613	16,147	-	551,430	593,190
Short-term bank borrowings	-	-	-	11,310	11,310
Deposits	-	-	-	1,936	1,936
Securities sold under repurchase agreements	-	-	-	451,916	451,916
Customers' accounts	-	-	-	40,086	40,086
Other liabilities	-	-	-	12,625	12,625
Payable to other unit holders in consolidated funds	-	-	1,510	-	1,510
	-	-	1,510	517,873	519,383
31 December 2024					
Cash and bank balances	-	-	-	52,414	52,414
Treasury bills	-	-	-	14,505	14,505
Securities bought under repurchase agreements	-	-	-	272,366	272,366
Investments at fair value through profit or loss	26,488	-	-	-	26,488
Investments at fair value through other comprehensive income	-	13,858	-	-	13,858
Investments at amortised cost	-	-	-	13,800	13,800
Fee receivables	-	-	-	3,405	3,405
Other assets	-	-	-	10,967	10,967
	26,488	13,858	-	367,457	407,803
Short-term bank borrowings	-	-	-	7,540	7,540
Securities sold under repurchase agreements	-	-	-	279,033	279,033
Customers' accounts	-	-	-	38,100	38,100
Other liabilities	-	-	-	11,271	11,271
Payable to other unit holders in consolidated funds	-	-	1,223	-	1,223
	-	-	1,223	335,944	337,167

The carrying amount of assets and liabilities carried at amortised cost approximates the fair value in view of the short-term nature of such assets and liabilities.

(ii) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes instruments where the valuation technique includes inputs not based on market observable data.

The table below analyses the fair value of financial assets and liabilities, by the level in the fair value hierarchy into which the fair value measurement is categorised.

31 December 2025	Level 1	Level 2	Level 3	Total
Assets				
At FVOCI:				
-Equities	5,987	377	-	6,364
-Debt securities	9,783	-	-	9,783
At FVTPL:				
-Equities	900	-	-	900
-Debt securities	4,486	594	-	5,080
-Funds	12,983	917	5,733	19,633
	34,139	1,888	5,733	41,760

31 December 2024	Level 1	Level 2	Level 3	Total
Assets				
At FVOCI:				
-Equities	5,722	377	-	6,099
-Debt securities	7,759	-	-	7,759
At FVTPL:				
-Equities	2,075	-	-	2,075
-Debt securities	6,327	594	-	6,921
-Funds	11,830	383	5,279	17,492
	33,713	1,354	5,279	40,346

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

35. Accounting Classification And Fair Values (continued)

(ii). Fair value hierarchy (continued)

The following table details the movement in Level 3 financial assets during the year:

	2025	2024
At 1 January	5,279	2,470
Loss recognised in the consolidated statement of profit or loss	(102)	(361)
Purchases	832	3,257
Settlements	(276)	(87)
At 31 December	5,733	5,279

Sensitivity analysis of the movement in fair value of the financial instruments in the Level 3 category, which relates to fair value through other comprehensive income financial assets is assessed as not significant to the other comprehensive income and total equity.

(iii). Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level 2			
Debt instruments	Market comparison technique: The valuation is based on observable market multiples derived from quoted prices of comparable debt instruments.	Not applicable	Not applicable
Level 3			
Private equity funds	Discounted cash flow, adjusted net assets value	Net assets of the funds and discount and growth rates	The estimated fair value would increase (decrease) if there are any changes in the net assets of the funds based on the performance of the underlying investments.

36. Net Stable Funding Ratio

In August 2018, the CBB issued its regulations on Liquidity Risk Management (Module LM). The main objective of the NSFR is to promote the resilience of the banking system by improving the funding profile of banks by ensuring they have sufficient level of stable funding in relation to their assets and commitments. The NSFR thus promotes banks to rely on funding from stable sources and long-term borrowing in order to reduce the risks of disruptions which might impact the bank’s liquidity position.

As per the CBB’s Module LM, banks are required to meet the minimum NSFR of at least 100% on a continuous basis.

	Unweighted values (before applying factors)				
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
31 December 2025					
Available stable funding (ASF):					
Capital:					
Regulatory capital	76,093	-	-	79	76,172
Retail deposits and deposits from small business customers:					
Less stable deposits	-	19,730	-	-	17,757
Other liabilities:					
All other liabilities not included in above categories	-	492,643	-	5,116	8,294
Total ASF					102,223
Required stable funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	471,846	-	-	-	24,450
Performing loans and securities:					
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	32,606	-	-	16,303
Other assets:					
All other assets not included in the above categories	13,613	66,909	-	-	23,649
Off-balance sheet items	6,157	-	-	-	308
Total RSF					64,710
NSFR %					158%

36. Net Stable Funding Ratio (continued)

	Unweighted values (before applying factors)				Total weighted value
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
31 December 2024					
Available stable funding (ASF):					
Capital:					
Regulatory capital	73,841	-	-	66	73,907
Retail deposits and deposits from small business customers:					
Less stable deposits	-	16,221	-	-	14,599
Other liabilities:					
All other liabilities not included in above categories	-	291,826	28,660	5,598	22,666
Total ASF					111,172
Required stable funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	308,372	-	25,488	-	30,489
Performing loans and securities:					
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	33,016	-	-	16,508
Other assets:					
All other assets not included in the above categories	8,862	50,766	-	-	16,477
Off-balance sheet items	8,498	-	-	-	425
Total RSF					63,899
NSFR %					174%

SICO REMUNERATION POLICY & RELATED DISCLOSURES

The Bank's total compensation approach, which includes the variable remuneration policy, sets out the Bank's policy on remuneration for Directors and senior management, and the key factors that are taken into account in setting the policy.

The current policy framework and incentive components were approved by the shareholders in the Annual General Meeting held on March 30, 2015. The policy is effective from the year 2014 annual performance incentives onwards. The key features of the approved remuneration framework are summarised below.

Remuneration strategy

It is the Bank's basic compensation philosophy to provide a competitive level of total compensation to attract and retain qualified and competent employees. The Bank's variable remuneration policy will be driven primarily by a performance-based culture that aligns employee interests with those of the shareholders of the Bank. These elements support the achievement of our objectives through balancing rewards for both short-term results and long-term sustainable performance. Our strategy is designed to share our success, and to align employees' incentives with our risk framework and risk outcomes.

The quality and long-term commitment of all of our employees is fundamental to our success. We therefore aim to attract, retain and motivate the very best people who are committed to maintaining a career with the Bank, and who will perform their role in the long-term interests of our shareholders. The Bank's reward package comprises the following key elements:

- 1. Fixed pay
- 2. Benefits
- 3. Annual performance bonus

A robust and effective governance framework ensures that the Bank operates within clear parameters of its compensation strategy and policy. All compensation matters, and overall compliance with regulatory requirements, are overseen by the Nomination, Remuneration and Corporate Governance Committee of the Board of Directors (NRCGC).

The Bank's remuneration policy in particular considers the role of each employee, and has set guidance on whether an employee is a Material Risk Taker and/or an Approved Person in a business line, control or support function. An Approved Person is an employee whose appointment requires prior regulatory approval because of the significance of the role within the Bank; and an employee is considered a Material Risk Taker if he/she is the Head of a significant business line, or any individuals within their control who have a material impact on the Bank's risk profile.

In order to ensure alignment between what we pay our people and our business strategy, we assess individual performance against annual and long-term financial and non-financial objectives summarised in our performance management system. This assessment also takes into account adherence to the Bank's values, risks and compliance measures and above all integrity. Altogether, performance is therefore judged not only on what is achieved over the short- and long-term, but also importantly on how it is achieved as the NRCGC believes the latter contributes to the long-term sustainability of the business.

NRCGC role and focus

The NRCGC has oversight of all reward policies for the Bank's employees. The NRCGC is the supervisory and governing body for compensation policy, practices and plans. It is responsible for determining, reviewing and proposing variable remuneration policy for approval by the Board. It is responsible for setting the principles and governance framework for all compensation decisions. The NRCGC ensures that all persons must be remunerated fairly and responsibly. The remuneration policy is reviewed on a periodic basis to reflect changes in market practices, the business plan and risk profile of the Bank.

The responsibilities of the NRCGC with regards to the Bank's variable remuneration policy, as stated in its mandate, include but are not limited to, the following:

- Approve, monitor and review the remuneration system to ensure the system operates as intended.
- Approve the remuneration policy and amounts for Approved Persons and Material Risk-Takers, as well as total variable remuneration to be distributed, taking account of total remuneration including salaries, fees, expenses, bonuses and other employee benefits.
- Ensure remuneration is adjusted for all types of risks, and that the remuneration system takes into consideration employees who earn the same short-run profit, but take different amounts of risk on behalf of the Bank.
- Ensure that for Material Risk Takers, variable remuneration forms a substantial part of their total remuneration.
- Review the stress testing and back testing results before approving the total variable remuneration to be distributed, including salaries, fees, expenses, bonuses and other employee benefits.
- Carefully evaluate practices by which remuneration is paid for potential future revenues whose timing and likelihood remain uncertain. The NRCGC will question payouts for income that cannot be realised or whose likelihood of realisation remains uncertain at the time of payment.
- Ensure that for Approved Persons in risk management, internal audit, operations, financial control and compliance functions, the mix of fixed and variable remuneration is weighted in favour of fixed remuneration.
- Recommend Board members' remuneration based on their attendance and performance, and in compliance with Article 188 of the Bahrain Commercial Companies Law.
- Ensure appropriate compliance mechanisms are in place to ensure that employees commit themselves not to use personal hedging strategies or remuneration-and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

As outlined in the Corporate Governance section, the Board is satisfied that all non-executive Directors are independent. The NRCGC comprises of the following members:

NRCGC Members	No of meetings
Khalid Al Jassim (Chairman of NRCG)	4
Dana Raees	4
Fadi Al Qutub	4

The total amount of NRCG siting fees for 2025 is BD 7,000 [2024: BD 7,000]

External consultants

The NRCGC did not appoint any external consultants during the year.

Scope of application of the remuneration policy

The principles of this remuneration policy apply on a Group-wide basis. However, application of deferral requirements and issue of non-cash instruments for each subsidiary of the Bank will be determined by applicable local regulations and market norms.

Board remuneration

The Bank's Board remuneration is determined in line with the provisions of Article 188 of the Bahrain Commercial Companies Law, 2001. The Board of Directors' remuneration will be capped so that total remuneration (excluding sitting fees) does not exceed 10% of the Bank's net profit after all required deductions as outlined in Article 188 of the Companies law, in any financial year. Board remuneration is subject to approval of the shareholders in the Annual General Meeting. Remuneration of non-executive Directors does not include performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses or pension benefits.

Variable remuneration for staff

Variable remuneration is performance related and consists primarily of the annual performance bonus award. As a part of our staff's variable remuneration, the annual bonus rewards delivery of operational and financial targets set each year, the individual performance of the employees in achieving those targets, and their contribution to delivering the Bank's strategic objectives.

The Bank has adopted a Board-approved framework to develop a transparent link between variable remuneration and performance. The framework is designed on the basis of meeting both satisfactory financial performance and the achievement of other non-financial factors, that will, all other things being equal, deliver a target bonus pool for employees, prior to consideration of any allocation to business lines and employees individually. In the framework adopted for determining the variable remuneration pool, the NRCGC aims to balance the distribution of the Bank's profits between shareholders and employees.

Key performance metrics at the Bank level include a combination of short-term and long-term measures, and include profitability, solvency, liquidity, risk diversification, strategy implementation and growth indicators. The performance management process ensures that all goals are appropriately cascaded down to respective business units and employees.

In determining the amount of variable remuneration, the Bank starts from setting specific targets and other qualitative performance measures that would result in a target top-down bonus pool. The bonus pool is then adjusted to take account of risk via the use of risk-adjusted measures (including forward-looking considerations).

The NRCGC carefully evaluates practices by which remuneration is paid for potential future revenues whose timing and likelihood remain uncertain. The NRCGC demonstrates that its decisions are consistent with an assessment of the Bank's financial condition and future prospects.

The Bank uses a formalised and transparent process to adjust the bonus pool for quality of earnings. It is the Bank's objective to pay bonuses out of realised and sustainable profits. If the quality of earnings is not strong, the profit base could be adjusted based on the discretion of the NRCGC.

For the overall Bank to have any funding for distribution of a bonus pool, threshold financial targets have to be achieved. The performance measures ensure that total variable remuneration is generally considerably contracted where subdued or negative financial performance of the Bank occurs. Furthermore, the target bonus pool as determined above is subject to risk adjustments in line with the risk assessment and linkage framework.

Remuneration of control functions

The remuneration level of staff in the control and support functions allows the Bank to employ qualified and experienced personnel in these functions. The Bank ensures that the mix of fixed and variable remuneration for control and support function personnel should be weighted in favour of fixed remuneration. The variable remuneration of control functions is to be based on function-specific objectives, and is not to be determined by the financial performance of the business areas they monitor.

The Bank's performance management system plays a major role in deciding the performance of the support and control units on the basis of the objectives set for them. Such objectives are more focused on non-financial targets that include risk, control, compliance and ethical considerations, as well as the market and regulatory environment, apart from value-adding tasks which are specific to each unit.

Variable compensation for business units

The variable remuneration of the business units is primarily determined by key performance objectives set through the performance management system of the Bank. Such objectives contain financial and non-financial targets, including risk control, compliance and ethical considerations, as well as market and regulatory requirements. The consideration of risk assessments in the performance evaluation of individuals ensures that any two employees who generate the same short-run profits, but take different amounts of risk on behalf of the bank, are treated differently by the remuneration system.

Risk assessment framework

The purpose of risk linkages is to align variable remuneration to the risk profile of the Bank. In its endeavour to do so, the Bank considers both quantitative measures and qualitative measures in the risk assessment process. Both quantitative measures and human judgement play a role in determining any risk adjustments. The risk assessment process encompasses the need to ensure that the remuneration policy as designed reduces employees' incentives to take excessive and undue risks, is symmetrical with risk outcomes, and delivers an appropriate mix of remuneration that is risk aligned.

The Bank's NRCGC considers whether the variable remuneration policy is in line with the SICO's risk profile, and ensures that through the Bank's ex-ante and ex-post risk assessment framework and processes, remuneration practices where potential future revenues' timing and likelihood remain uncertain, are carefully evaluated.

Risk adjustments take into account all types of risk, including intangible and other risks such as reputation risk, liquidity risk and the strategic measures. The Bank undertakes risk assessments to review financial and operational performance against business strategy and risk performance prior to distribution of the annual bonus. The Bank ensures that total variable remuneration does not limit its ability to strengthen its capital base. The extent to which capital needs to be built up is a function of the Bank's current capital position and its ICAAP.

Risk assessment framework (continued)

The bonus pool takes into account the performance of the Bank which is considered within the context of the Bank’s risk management framework. This ensures that the variable pay pool is shaped by risk considerations and Bank-wide notable events.

The size of the variable remuneration pool and its allocation within the Bank takes into account the full range of current and potential risks, including:

- The cost and quantity of capital required to support the risks taken;
- The cost and quantity of the liquidity risk assumed in the conduct of business; and
- Consistency with the timing and likelihood of potential future revenues incorporated into current earnings.

The NRCGC keeps itself abreast of the Bank’s performance against the risk management framework. The NRCGC will use this information when considering remuneration to ensure returns, risks and remuneration are aligned.

Risk adjustments

The Bank has an ex-post risk assessment framework which is a qualitative assessment to back-test actual performance against prior risk assumptions.

In years where the Bank suffers material losses in its financial performance, the risk adjustment framework will work as follows:

- There will be considerable contraction of the Bank’s total variable remuneration
- At an individual level, poor performance by the Bank will mean individual KPIs are not met, and hence employee performance ratings will be lower
- Reduction in the value of deferred shares or awards
- Possible changes in vesting periods and additional deferral applied to unvested rewards
- Lastly, if the qualitative and quantitative impact of a loss incident is considered significant, a malus or clawback of previous variable awards may be considered

The NRCGC, with the Board’s approval, can rationalise and make the following discretionary decisions:

- Increase/reduce the ex-post adjustment
- Consider additional deferrals or increase in the quantum of non-cash awards
- Recovery through malus and clawback arrangements

Malus and clawback framework

The Bank’s malus and clawback provisions allow the Bank’s Board of Directors to determine that, if appropriate, unvested elements under the deferred bonus plan can be forfeited/adjusted, or the delivered variable remuneration recovered in certain situations. The intention is to allow the Bank to respond appropriately if the performance factors on which reward decisions were based turn out not to reflect the corresponding performance in the longer-term. All deferred compensation awards contain provisions that enable the Bank to reduce or cancel the awards of employees whose individual behaviour has had a materially detrimental impact on the Bank during the concerned performance year.

Any decision to take back an individual’s awards can only be taken by the Bank’s NRCGC. The NRCGC takes into account the advice of the CEO, and Risk, Finance and HR Departments as appropriate.

The Bank’s malus and clawback provisions allow the Bank’s Board to determine that, if appropriate, vested/unvested elements under the deferred bonus plan can be adjusted/cancelled in certain situations. These events include the following:

- Reasonable evidence of misbehaviour or material error by the employee causing harm to the Bank’s reputation or where his/her actions have amounted to misconduct, incompetence or negligence
- The employee’s business unit suffers a material downturn in its financial performance or a material restatement of the financial statements of the Bank
- The employee’s business unit suffers a material risk management failure
- An employee deliberately misleading the market and/or shareholders in relation to the financial performance of the Bank
- A significant deterioration in the financial health of the Bank
- If the Bank and/or relevant line of business is incurring losses in any year during the vesting period, any unvested portions will be subject to malus

Components of variable remuneration

Variable remuneration has following main components:

Upfront cash	The portion of the variable compensation that is awarded and paid out in cash on conclusion of the performance evaluation process for each year.	
Deferred share linked awards	The portion of compensation that is awarded and paid in the form of share linked instruments. The conditions for granting and vesting of shares vary in accordance with the Banks ESOP policy. These awards are granted in following categories:	
	Salary based awards	Provides for up to 5% of annual salary in the form of share awards which are settled at the end of employment.
	Bonus based awards	Granted to employees as a percentage of annual variable compensation in the form of deferred share awards which rateably vests based on completion of predefined service conditions.

All deferred awards are subject to malus provisions. The number of equity share awards is linked to the Bank’s share price as per the rules of the Bank’s ESOP Scheme. Any dividend on these shares is released to the employee as and when it is declared.

Components of variable remuneration (continued)**Deferred compensation**

All employees above a defined grade shall be subject to deferral of variable remuneration as follows:

Element of variable remuneration	CEO, her deputies and other 5 most highly -paid business line employees	Deferral period	Retention	Malus	Clawback
Upfront cash	40%-80%	Immediate	-	-	Yes
Deferred share awards	20%-100%	Minimum 3 years and up to end of employment	Minimum 6 months and up to end of employment	Yes	Yes

The NRCGC, based on its assessment of role profile and risk taken by an employee, could increase the coverage of employees that will be subject to deferral arrangements.

Details of remuneration paid**(a) Board of Directors**

BD 000'	Y2025	Y2024
• Sitting Fees	42	51
• Remuneration	220	220

(b) Employee remuneration

2025	Total Fixed Remuneration			Variable Remuneration		Total Remuneration
	No.	Cash	Shares	Upfront Cash	Deferred Shares	
Approved persons in business lines	13	1,370,002	50,490	527,080	131,770	2,079,342
Approved persons in control functions	17	1,304,485	45,330	246,760	80,440	1,677,015
Other material risk takers	33	1,120,569	30,915	185,230	42,220	1,378,934
Other Employees	65	1,578,349	49,356	239,094	49,561	1,916,360
Subsidiaries						
Business Line	34	1,371,821	12,335	172,579	16,662	1,573,396
Other Employees	44	1,440,274	6,699	106,110	4,466	1,557,549
Total	206	8,185,500	195,125	1,476,852	325,119	10,182,596

	Total Fixed remuneration			Variable remuneration		Total Remuneration
2024	No.	Cash	Shares	Upfront Cash	Deferred Shares	
Approved persons in business lines	12	1,287,600	46,575	523,340	139,585	1,997,100
Approved persons in control func- tions	18	1,043,147	37,500	266,480	64,120	1,411,247
Other material risk takers	35	1,216,218	37,680	286,400	59,575	1,599,873
Other employees	61	1,188,372	42,513	244,591	49,604	1,525,080
Subsidiaries						
Business Line	31	1,633,500	11,084	157,841	9,074	1,811,499
Other employees	51	1,388,201	6,324	101,682	6,796	1,503,004
Total	208	7,757,039	181,676	1,580,335	328,754	9,847,803

Notes:

The amounts reported above represent actual awards for 2025 and 2024 rather than accruals and changes in value of prior period awards. Accordingly, the numbers and amounts above may not necessarily agree with numbers/ amounts reported in the financial statements.

(c) Deferred awards

2025	Shares	Amount
Opening Balance	17,838,932	3,121,813
Awarded during the period	2,890,241	520,243
Paid out / released during the period	(2,419,998)	(405,350)
Service, performance and risk adjustment	-	-
Changes in Value of unvested opening awards	-	(58,945)
Closing balance	18,309,175	3,295,652

2024	Shares	Amount
Opening Balance	18,693,934	3,103,193
Awarded during the period	2,916,739	510,429
Paid out / released during the period	(3,771,741)	(607,250)
Service, performance and risk adjustment	-	-
Changes in Value of unvested opening awards	-	(115,441)
Closing balance	17,838,932	3,121,813

Notes :

- The above table summarises the movement in all categories of share awards (i.e. fixed and variable remuneration) issued by the Bank to its employees.
- The amounts and number of shares reported above include the gross value of awards and are not based on the proportion based charge recognized in the financial statements over the vesting period of awards.

RISK AND CAPITAL MANAGEMENT DISCLOSURES

For the Year Ended 31 December 2025

Executive Summary

This Risk and Capital Management Disclosures encompass the qualitative and quantitative disclosures required by the Central Bank of Bahrain (CBB) in compliance with Basel III guidelines.

The financial information presented herein pertains to SICO BSC (c) consolidated with its subsidiaries (together termed as “SICO” or the “Bank”).

The report contains a description of the Bank’s risk management and capital adequacy practices, including detailed information on the capital adequacy process.

The disclosures have been prepared in accordance with the Public Disclosure Module (“PD”) of the CBB Rule Book, Volume I for Conventional Banks. These disclosures should be read in conjunction with the Notes, in particular the Significant Accounting Policies and Financial Risk Management, in the Bank’s Consolidated Financial Statements for the same period.

These disclosures have been reviewed by the Bank’s external auditors, Ernst & Young – Middle East (E&Y), based on agreed upon procedures as required under Para PD-A.2.4 of the PD Module.

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1. Overview And Structure Of Risk Management

Risk management is the systematic process of identifying, assessing and mitigating the risks to which SICO is exposed. Risk management is essential to the Bank’s success, as risk is inherent in its activities, and risks are mitigated by establishing appropriate controls and ensuring that effective monitoring and reporting processes are in place.

The major risk types to which SICO is exposed are:

- Credit risk
- Operational risk
- Market risk
- Liquidity risk
- Concentration risk
- Fiduciary risk
- Compliance risk
- Reputational risk
- Legal risk
- Regulatory risk
- Business continuity

The Bank maintains a strong focus on its risk management framework, capital management and risk governance structure and adopts a structured, consistent and disciplined methodology to align business strategy, processes, people, technology and knowledge to evaluate and manage its risks.

The stages in the risk management process are as follows:



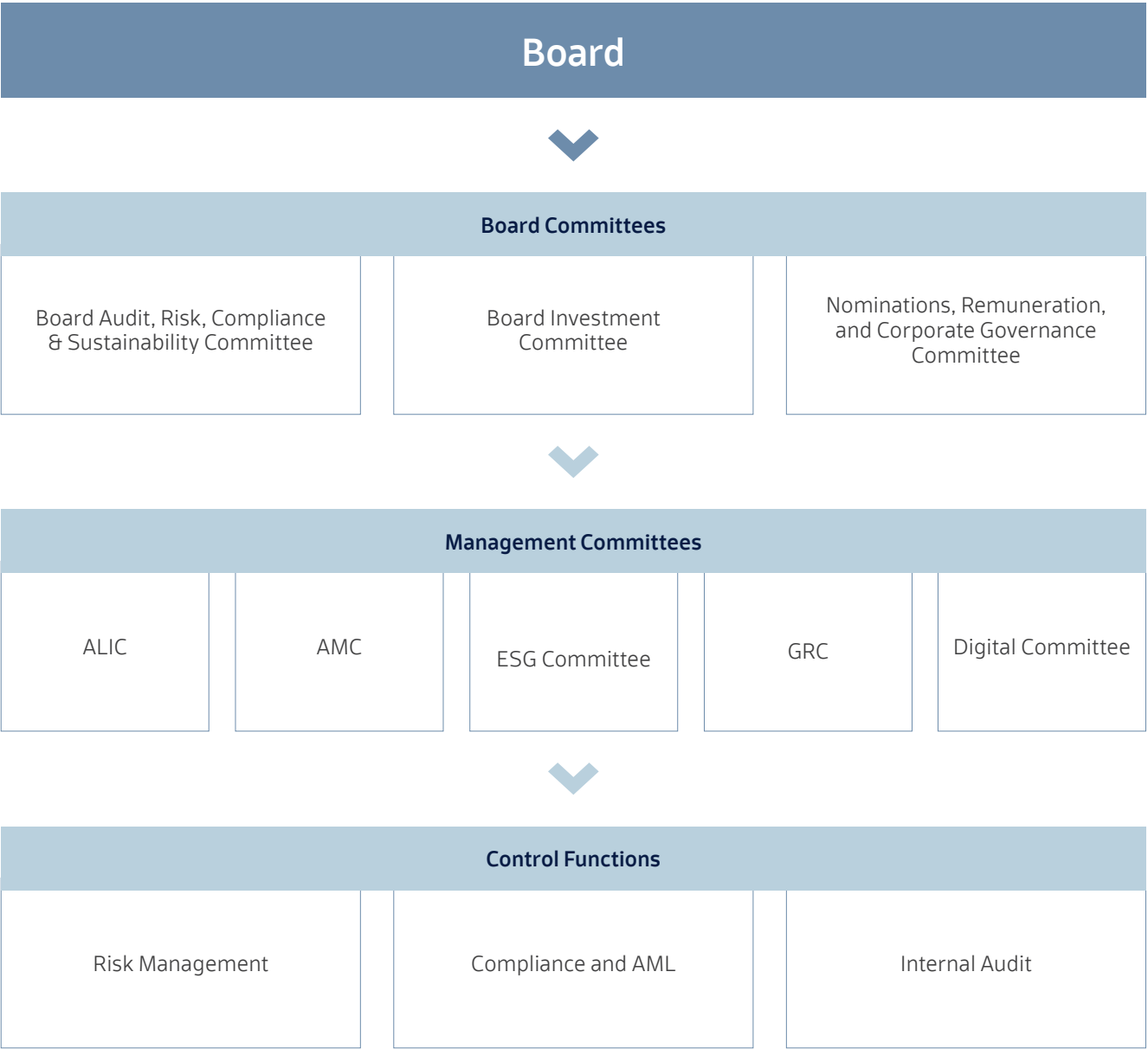
- **Risk identification:** Identification of the risks that impact SICO's various business activities.
- **Quantification of risks and capital coverage:** This step involves quantifying the risks identified in the risk identification process. It creates the objective basis for decision-making and enables the Board and Senior Management to make decisions regarding SICO's risk-bearing capacity within this framework.
- **Aggregation:** Once risks have been identified and quantified, individual risks are aggregated to determine SICO's risk exposure and impact.
- **Ex ante control:** SICO has established various tolerance limits based on the overall risk strategy of the Bank. These limits are revised periodically, taking into account the changing market and economic conditions. SICO has established a comprehensive limit framework to monitor its exposure to all significant risks.
- **Risk monitoring and ex post control:** The risk monitoring process ensures that SICO's risk profile remains in line with its risk tolerance. In this context, there is a standardised procedure for dealing with increasing levels of limit utilisation and limit breaches.

The Bank also applies a rigorous framework of limits to control risk across multiple transactions, products, businesses and markets. This includes setting credit and market risk limits at a variety of levels and monitoring these limits on a daily basis. Limits are typically set at levels that may be periodically exceeded, rather than at levels that reflect the Bank's maximum risk appetite.

2. Risk Governance Structure

SICO has established a strong organisational structure including disciplined control functions to support the Bank's business strategy and risk management.

SICO's Board and Senior Management are responsible for understanding the nature and level of risks faced by the Bank and for ensuring that the risk management process chosen is appropriate considering SICO's risk profile. Senior Management are responsible for ensuring that there is a process to relate the business risk to an adequate level of capital, setting the tolerance for various risks and putting in place the framework and process for measuring and monitoring compliance.



- **Board of Directors (BOD):** The BOD is primarily responsible for approving the Bank's risk strategy, risk appetite and risk policies to manage risks that arise from SICO's business activities. These policies are consistent with the Bank's broader business strategies, capital strength, management expertise and ability to control risk.
- **Board Audit, Risk, Compliance & Sustainability Committee (BARCC):** The BARCC is responsible for reviewing the Bank's accounting and financial practices to ensure integrity of the Bank's consolidated financial statements and adequacy of risk management, compliance and internal control frameworks. The committee also oversees the Internal Audit function. The committee provides active oversight on the risk management framework, approves risk policies and limits and ensures adequacy of risk controls.
- **Board Investment Committee (BIC):** The BIC is the second stage where decision making surrounding SICO's investment and credit activities is considered. This committee approves investments within its discretionary powers as delegated by the BOD, and in some cases the BIC recommends proposals to the BOD for approval.
- **Nominations, Remuneration and Corporate Governance Committee (NRCGC):** The NRCGC contributes to the control framework by nominating qualified Board Members and key management positions. It also approves the remunerations that factor in the risk taken by the business and oversees corporate governance-related issues.
- **Assets, Liabilities, and Investment Committee (ALIC):** ALIC acts as the principal policy-making body at the management level which is 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 sector allocations. The committee is specifically responsible for managing the balance sheet risk, capital and dividend planning, forecasting and monitoring interest rate risk positions, liquidity and fund management. The committee is also responsible for formulating and reviewing the Bank's investment policies (subject to approval by the BOD), strategies and performance measurement and assessment.
- **Assets Management Committee (AMC):** AMC is a management committee that oversees the fiduciary responsibilities carried out by the Asset Management unit in managing clients' discretionary portfolios as well as the funds operated and managed by SICO. It also reviews the investment strategy of the Bank's funds and portfolios and reviews asset allocations, subscriptions, redemptions and adherence to client guidelines.
- **Environmental, Social, and Governance (ESG) Committee:** The ESG committee assists the different departments (asset management departments and the Proprietary Investment Department) with the oversight of their responsible investment philosophy and investment process, including RI investing key at the national, regional, and international levels, ESG management, policies, and guidelines, review of investment performance linked to ESG performance criteria and oversight of investment risks and opportunities management exposure to ESG consideration, as well as specific training requirements for the teams involved in the research and performance assessment activities around ESG. The committee might also: review any amendment/change proposed by the heads of the departments on the investment policies and procedures with regard to RI considerations; review and approve any ESG-related guidelines breaches and create and update the Model Portfolio.

- **Governance & Risk Committee (GRC):** The GRC is a management committee that oversees the internal control functions carried out by SICO's various departments. The purpose of the GRC is to strengthen the internal control culture throughout the company and to ensure adequacy of controls in the various processes followed in the Bank. Subcommittees under the GRC include the Cyber, Crisis Management, and Business Continue Plan committees.
- **Digital Committee:** The Digital Committee align the bank's business strategy with technological initiatives to drive digital transformation. It oversees the implementation of fintech solutions, enhances client 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.
- **Risk Management Department (RMD):** RMD is responsible for establishing a sound risk management framework to assist the Bank in the realisation of its business objectives. It also provides oversight of risk management and risk controls across the organisation by coordinating and communicating with each business unit to manage the risks that arise for its business activities. It also ensures that the principles and requirements of managing risk are consistently adopted throughout the Bank. The RMD has an independent reporting line directly to the BARCC through the Group Chief Risk Officer.
- **Compliance and AML Unit:** The unit is responsible for internal compliance, regulatory compliance and KYC and Anti Money Laundering functions. It ensures compliance with internal and external rules and regulations and is responsible for implementing the compliance framework across the entire Bank.
- **Internal Audit Unit:** The unit provides an additional line of defence within the Bank's risk management and control framework. Internal Audit is primarily responsible for providing independent and objective assurance that the process for identifying, evaluating, and managing significant risks faced by the Bank is appropriate and effectively applied by the business units, control functions and Senior Management.

3. CBB And Basel Guidelines

CBB Rulebook

This disclosure document has been prepared in accordance with the CBB requirements outlined in the Public Disclosure Module ("PD"), which falls under Volume 1 (Conventional Banks) of the CBB Rulebook. This quantitative disclosure document follows the requirements of Basel III - Pillar 3.

BASEL III Framework

Basel III is a comprehensive set of reform measures, developed by the Basel Committee on Banking Supervision, to strengthen the regulation, supervision and risk management of the banking sector.

Basel III measures aim to:

- Improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source
- Improve risk management and governance
- Strengthen banks' transparency and disclosures

The Basel III guidelines are based on a three-pillar framework as follows:

- Pillar 1 - Describes the minimum capital requirements by applying a risk-based methodology in the calculation of risk weighted assets (RWAs) and capital requirements for major asset classes to obtain the capital adequacy ratio (CAR).
- Pillar 2 - Describes the supervisory review processes, which includes the Internal Capital Adequacy Assessment Process (ICAAP).
- Pillar 3 – Describes market discipline, which includes disclosure of the risk management process, and capital adequacy requirements and guidelines.

BASEL III		
Pillar 1	Pillar 2	Pillar 3
Minimum Capital Requirements	Supervisory Review Process	Market Discipline
Risk-based capital requirements for: • Credit risk • Market risk • Operational risk	Regulatory framework for banks: Internal Capital Adequacy Assessment Process (ICAAP) Supervisory framework: Supervisory Review and Evaluation Process	Disclosure requirement for banks: • Specific quantitative and qualitative disclosures • Transparency for market participants concerning the bank’s risk position (scope of application, risk management etc.) • Enhanced comparability between banks

Pillar 1

Pillar 1 lays the basis for calculating the regulatory Capital Adequacy Ratio (CAR). It sets out the definition and calculations for RWAs and the derivation of the regulatory capital base. The capital adequacy ratio is calculated by dividing the regulatory capital base by total RWAs.

Below are the approaches used for deriving the CAR:

Approaches for determining regulatory capital requirements		
Credit Risk	Market Risk	Operational Risk
Standardised Approach	Standardised Approach	Basic Indicator Approach
Foundation IRB Approach (Internal Ratings Based)	Internal Models Approach (IMA)	Standardised Approach
Advanced IRB Approach (Internal Ratings Based)		Advanced Measurement Approach (AMA)

SICO has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk to determine its capital requirements.

Pillar 2

This pillar sets out the supervisory review and evaluation process of an institution’s risk management framework as well as its capital adequacy assessment through ICAAP framework.

The supervisory review and evaluation process represents the CBB’s review of the Bank’s capital management and an assessment of internal controls and corporate governance. The process is designed to ensure that institutions identify their material risks, allocate adequate capital, and employ sufficient resources to support such risks. The process also encourages institutions to develop and apply enhanced risk management techniques for the measurement and monitoring of risks, in addition to the credit, market and operational risks addressed in the core Pillar 1 framework.

Other risk types not covered by the minimum capital requirements in Pillar 1 include liquidity risk, interest rate risk in the banking book, concentration risk, reputational risk, and other risks. These are covered either by capital or risk management and mitigation processes under Pillar 2.

Pillar 2 also comprises ICAAP, which incorporates a review and evaluation of capital requirements relative to the risks to which the Bank is exposed. The ICAAP addresses all components of the Bank’s risk management, from the daily management of more material risks to the strategic capital management of the Bank. The ICAAP is based on the Bank’s capital management framework, which is designed to ensure that SICO has sufficient capital resources available to meet regulatory and internal capital requirements, even during periods of economic or financial stress.

Pillar 3

This pillar describes the level of qualitative and quantitative information that should be disclosed about an institution’s risk management and capital adequacy practices.

Scope of Application

SICO is a conventional wholesale bank incorporated in Bahrain and regulated by the CBB. SICO provides investment banking services on a regional basis, with a principal focus on the GCC. There is a regulatory requirement to calculate and maintain minimum regulatory capital ratios on both standalone as well as consolidated basis.

The principal subsidiaries that are fully consolidated in SICO’s financial statements are SICO Invest L.L.C., incorporated in Abu Dhabi and providing brokerage services in the UAE; and SICO Capital, a full service investment banking firm based in Riyadh, Saudi Arabia that offers a comprehensive range of financial services to individual, institutional and corporate clients across Asset Management, Investment Banking and Brokerage lines of business.

The Bank has a controlling interest in the SICO Fixed Income Fund (“SFIF”) and, therefore, consolidates SFIF financials under the requirements of IFRS 10.

4. Capital Structure And Capital Adequacy

For the purpose of computing the regulatory capital adequacy ratio, the Bank applies the methodology and rules as defined in the CA Module of the CBB’s Rule Book. The following also need to be considered:

- a. The Bank's paid-up capital consists only of ordinary shares that have proportionate voting rights, and the Bank does not have any other type of capital instruments.
- b. The Bank’s Tier 1 capital, which consists of Common Equity Tier 1, comprises share capital, share premium, reserves, retained earnings, eligible reserves and unrealised losses arising from fair valuing investment securities classified under fair value through other comprehensive income.
- c. The Bank does not maintain any additional Tier 1 (AT1).
- d. The Bank’s Tier 2 capital comprises of general provisions recognized under IFRS 9 Expected Credit Losses.
- e. The Bank has prepared its capital structure in accordance with the CBB's Basel III capital adequacy framework.
- f. The Bank has no subsidiaries and/or investments that are required to be deducted from capital.
- g. The Bank has no restrictions on the transfer of funds or regulatory capital within the Group, other than restrictions over transfers to ensure minimum regulatory capital requirements are met for subsidiary companies.

4.1 Capital Structure

Common Equity Tier 1 (CET1)	
Issued and fully paid ordinary shares	44,134
Less: Employee stock incentive program funded by the bank (outstanding)	(2,263)
Less: Treasury Shares	(1,913)
General Reserve	3,091
Legal / Statutory reserves	9,626
Share Premium	761
Retained Earnings Brought forward	16,301
Current interim cumulative net income / losses	5,508
Securitization exposures subject to deduction	-
Accumulated other comprehensive income and losses	821
Total minority interest in banking subsidiaries given recognition in CET1 capital	-
Less:Investment in financial entities where ownership is < 10% of issued common share capital (amount above 10% CET1a)	-
Less: Goodwill	-
Less: Intangibles other than mortgage servicing rights	(1,505)
Total Common Equity Tier 1 Capital (A)	74,561
Other Capital (AT1 & Tier 2)	
Instruments issued by parent company	-
Instruments issued by banking subsidiaries to third parties	-
Share premium	-
Assets revaluation reserve - property, plant, and equipment	-
General loan loss provisions	-
Expected Credit Losses (ECL) Stages 1 & 2	96
Total AT1 & Tier 2 (B)	96
Total Available Capital (C) = (A) + (B)	74,657
Credit risk weighted exposures	60,819
Market risk weighted exposures	7,272
Operational risk weighted exposures	33,928
Total Risk weighted exposures (D)	102,019
CET1 Capital Ratio (A) / (D)	73.09%
Total Capital Adequacy Ratio (C) / (D)	73.18%

4.2. Capital Adequacy Ratio

As of 31st December 2025, SICO's Consolidated Capital ratio stood at a healthy ratio of 73.18% and continued to stand well over regulatory requirement (12.5%). The Bank’s T1 capital adequacy ratios also stood comfortably at 73.09%. A summary of SICO’s consolidated and key subsidiaries’ capital position is disclosed in the following table:

Consolidated, and subsidiaries above 5% of Group capital

Subsidiaries	Total capital adequacy ratio	Tier 1 capital ratio
SICO consolidated (Group)*	73.18%	73.09%
SICO Invest LLC**	12.90	8.23
SICO Capital***	27.45%	27.45%

** SICO Consolidated CAR has been computed by using the Capital Adequacy Model provided by Central Bank of Bahrain*
*** SICO Invest LLC (UAE) CAR has been computed using the capital charges as outlined in Emirates Securities and Commodities Authority (ESCA) regulations, wherein the minimum required ratio is 1.0 with anything above 1.25 considered healthy.*
**** SICO Capital CAR has been computed by using the Capital Adequacy Model provided by Saudi’s Capital Market Authority, wherein the minimum required ratio is 8%.*

4.3. Leverage Ratio

In November 2018, CBB issued its final Leverage Regulation, with an effective date of 30th June 2019. The leverage ratio is a simple ratio that serves as a supplementary measure to the risk-based capital requirements. It aims to constrain the build-up of leverage in the financial sector, reinforce the risk-based requirements with a simple non-risk based “backstop” measure, and serve as a broad measure of both the on and off-balance sheet sources of bank leverage. The leverage ratio is measured as Tier 1 Capital divided by Total Exposures. Total Exposures consist of on-balance sheet, off-balance sheet, derivatives and securities financing transactions exposures.

As per CBB regulations, Bahraini banks must meet a 3% leverage ratio minimum requirement at all times. As of 31st December 2025, the leverage ratio for SICO Bank stood at 12.44% on a consolidated level.

4.4. Internal Capital Adequacy Assessment Process

The Bank’s capital management framework is intended to ensure that there is sufficient capital to support the underlying risks of the Bank’s business activities and to maintain a well-capitalised status under regulatory requirements. The Bank has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) that includes Board and senior management oversight, monitoring, reporting and internal control reviews, to identify and measure the various risks that are not covered under Pillar 1 risks and to regularly assess the overall capital adequacy considering the risks and the Bank’s planned business strategies. The non-Pillar 1 risks covered under the ICAAP process include liquidity risk, interest rate risk in the banking book, concentration risk, reputational risk and other risks. The ICAAP also keeps in perspective the Bank’s strategic plans, growth expectations, future sources and uses of funds, dividend policy and the impact of all these on maintaining adequate capital levels. In addition, the ICAAP process also includes stress testing on the Bank’s capital adequacy to determine capital requirement and planning to ensure that the Bank is adequately capitalised in line with the overall risk profile. The Bank has complied with regulatory capital requirements throughout the year.

4.5. Regulatory Capital Disclosures

The capital reconciliation approach shows the link between the balance sheet in the published financial statements and the numbers that are used in the composition of capital disclosure.

For the three-step approach for reconciliation of regulatory capital, please refer to the relevant appendix as follows:

Appendix 1	Step 1: Balance sheet under the regulatory scope of consolidation
Appendix 2	Step 2: Reconciliation of published financial balance sheet to regulatory reporting
Appendix 3	Step 3: Composition of Capital Common Template (transition)
Appendix 4	Disclosure template for main features of regulatory capital instruments

5. Credit Risk

Credit risk represents the potential for financial loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations. The Bank’s exposure to credit risk comes mostly from:

- Cash placed with banks and financial institutions
- Proprietary investments in fixed income instruments
- Overdrafts to brokerage clients
- Settlement risks with delivery versus payment (DVP) customers, counterparty brokers and custodians
- Secured financing transactions (i.e., REPO and reverse REPO)
- Margin trading facilities

Risk Management works in coordination with business units in identifying and aggregating credit exposures. Credit risk also encompasses the following risks to which SICO is exposed and are being effectively managed as a part of the Credit Risk Management strategy:

- **Counterparty Risk:** SICO deals with different counterparties for its money market placements, brokerage and REPO activities. To measure counterparty risk, SICO performs a detailed assessment of the counterparty risk using both qualitative and quantitative factors.
- **Settlement Risk:** SICO is exposed to settlement risk through its brokerage services on unfunded deals where exposure remains until settlement of the trade or transaction. SICO applies several assessments on its clients during the screening and on a subsequent periodic basis to minimise settlement risk.
- **Default Risk:** As part of SICO’s margin trading facilities and reverse REPO, it is exposed to the risk of default wherein individuals and corporates may be unable to make the required payments on their obligations. SICO accepts only liquid securities as collateral and applies haircuts to the collateral value, which acts as a margin of safety in case it is to offset collateral against outstanding obligations. Moreover, SICO employs margin calls to ensure collateral coverage does not drop below the agreed parameters.

To measure the aforementioned credit risk components, SICO employs several methodologies for mitigating credit risk. SICO also uses ratings issued by major external credit assessment institutions (ECAIs) such as Moody’s, S&P, Capital Intelligence, and Fitch, to derive the risk weightings under the CBB’s Basel III capital adequacy framework. These ratings are used mainly for banks and financial institutions, but also, where applicable, for other exposures such as debt instruments. Where ratings vary between rating agencies, the more conservative rating is adopted.

Credit risk is monitored and controlled by policies and procedures that are put in place by RMD and that have been approved by the Board. The policy framework establishes approval authorities, concentration limits, risk-rating methodologies and guidelines for managing exposures. For lending exposures such as margin trading and reverse REPO, financial securities obtained as collateral are liquid in nature, and appropriate haircuts are also applied to them. The lending exposures are closely monitored along with their collaterals, which are marked to market on a daily basis, and margin calls are enforced where collateral coverage drops below the required level. The Bank also adheres strictly to the large exposure norms as prescribed by the CBB under the Credit Risk Management Module.

The Bank maintains collective impairment provisions in line with the requirements under IFRS 9. The collective Impairment provision is a forward-looking calculation and is established based on various factors. These factors include credit risk ratings of the counterparty, historical default rates adjusted considering multiple scenarios of the future macroeconomic outlook, loss ratios given an event of default, and rating migrations.

5.1. Gross Credit Exposures

As of 31st December 2025	Gross credit exposure	Eligible CRM	Credit exposure after CRM	Average Risk Weight	Credit Risk Weighted Assets	Capital requirement @ 12.5%
Claims on sovereigns	70,753	-	70,753	-	-	-
Claims on Bahraini PSE	500	-	500	-	-	-
Claims on banks	394,120	335,684	58,436	26%	15,280	1,910
Claims on corporates	90,272	87,167	3,105	75%	2,328	291
Regulatory retail portfolios	1,036	-	1,036	75%	777	97
Investments in securities	22,358	-	22,358	123%	27,515	3,439
Holdings in real estate	4,617	-	4,617	200%	9,234	1,154
Other assets	7,107	1,422	5,685	100%	5,685	711
Total Funded	590,762	424,273	166,490	37%	60,819	7,602
Off Balance Sheet exposures	3,848	-	3,848	100%	3,848	481

The on-balance sheet and off-balance sheet gross exposures have been risk weighted using the applicable risk weights and credit conversion factors (CCF). The balances above are representative of the position during the period. Hence, the average balances for the year are not separately disclosed.

Exposures to past due receivables with related staging and ECL are disclosed in note 10 to the consolidated audited financial statements for the year ended 31 December 2025.

5.2. Maturity profile

As of 31 December 2025	Less than 1 year	Over 1 year to 5 years	5-10 year	10-20 years	Above 20 years	Total
Cash and bank balances	51,527	-	-	-	-	51,527
Treasury bills	20,639	-	-	-	-	20,639
Securities bought under repurchase agreements	443,142	-	-	-	-	443,142
Investments at fair value through profit or loss	3,383	2,952	17,249	279	1,749	25,613
Investments at fair value through other comprehensive income	-	6,056	5,964	-	4,127	16,147
Investments at amortised cost	4,261	5,881	2,262	2,262	1,600	16,266
Fee receivables	4,043	-	-	-	-	4,043
Other assets	15,813	-	-	-	-	15,813
Property and equipment	150	604	-	-	-	754
Intangible assets	45	159	1,301	-	-	1,505
Total gross credit exposures	543,003	15,652	26,776	2,541	7,477	595,449
Other commitments	4,617					4,617
Guarantees	1,540					1,540

Note: Other Commitments and Guarantees mentioned above do not have a defined maturity and hence conservatively considered less than 1 year.

5.3. Sectoral distribution

As of 31 December 2025	Financial	Sovereign	Diversified Funds	Real Estate	Others	Total
Cash and bank balances	51,013	514	-	-	-	51,527
Treasury bills	-	20,639	-	-	-	20,639
Securities bought under repurchase agreements	415,814	23,932	-	-	3,395	443,142
Investments at fair value through profit or loss	18,045	2,472	1,849	2,561	686	25,613
Investments at fair value through other comprehensive income	3,981	8,095	-	1,130	2,942	16,147
Investments at amortised cost	805	15,461	-	-	-	16,266
Fee receivables	1,627	980	96	1,029	311	4,043
Other assets	5,776	369	-	-	9,668	15,813
Property and equipment	-	-	-	-	754	754
Intangible assets	-	-	-	-	1,505	1,505
Total assets	497,061	72,463	1,945	4,720	19,260	595,449

Note: The above is based on a risk categorization of sectors.

5.4. Geographical distribution

As of 31 December 2025	Middle East and Asia	North America	Europe	Total
Cash and bank balances	45,946	1,513	4,068	51,527
Treasury bills	20,639	-	-	20,639
Securities bought under repurchase agreements	438,393	-	4,749	443,142
Investments at fair value through profit or loss	18,097	7,516	-	25,613
Investments at fair value through other comprehensive income	15,952	195	-	16,147
Investments at amortised cost	16,266	-	-	16,266
Fee receivables	3,949	64	30	4,043
Other assets	15,726	5	82	15,813
Property and equipment	754	-	-	754
Intangible assets	1,505	-	-	1,505
Total assets	577,227	9,293	8,929	595,449

5.5 Large exposure limits

The following exposures were in excess of the 15% large exposure limit as defined in the Credit Risk Management Module of the CBB's rule book. However, these exposures qualified to be considered as exempt from the large exposure limits of CBB, on account of their short-term tenor (of less than 3 months), lending collateralized by GCC Government securities and inter-bank nature. These exposures are reported to the CBB on a quarterly basis in accordance with the requirements of rule CM-2.6.1 of the Credit Risk Management module of the Rulebook.

Counterparty	Country	Amount (BHD'000)	Exposure as a % to eligible capital base
Miqyas	Bahrain	209,633	280.8%
GFH Financial Group	Bahrain	138,209	185.1%
Passerelle Investments SPC	Bahrain	70,589	94.6%
Central Bank of Bahrain	Bahrain	36,825	49.3%
MASHREQ BANK	Bahrain	14,318	19.2%

5.6. Related party transactions

Exposures to related parties are disclosed in note 27 to the consolidated audited financial statements for the year ended 31 December 2025.

6. Market risk

Market risk is the risk of loss in the value of any financial instrument due to an adverse fluctuation in equity prices, interest rates and foreign exchange rates, whether arising out of factors affecting specific instruments or the market in general.

The Bank's exposure to market risk primarily comes from its investment and trading activities that are conducted by its Proprietary Investments Unit. The Bank invests and trades across different products, such as equities and fixed income, and through different types of funds in regional and international markets.

Market risk is controlled and mitigated primarily through a series of different layers of limits and maintaining a dynamic investment allocation. These limits reflect the Bank's risk appetite in the context of the market environment and business strategy. In setting limits, the Bank takes into consideration many factors, including market volatility, product liquidity and risk appetite.

These limits are adhered by the Proprietary Investments Unit and are also monitored independently by RMD. Market risk is monitored and also controlled by policies and procedures that are put in place and followed across the Bank. The policy framework establishes and clearly defines the approval authorities and portfolio review parameters.

Market risk encompasses the following risks to which SICO is exposed and are being effectively managed as a part of the Market Risk Management strategy:

- Equity price risk
- Interest rate risk
- Currency risk

The market risk weighted assets and the capital requirement is computed as follows:

	Market Risk Weighted Assets		As at 31-Dec-2025	Capital Requirement @ 12.5%
	During the Year-to-date period Minimum	Maximum		
Interest Rate Position Risk	360	433	433	54
Equities Position Risk	144	421	144	18
Foreign Exchange Risk	5	45	5	1
Total min capital required for market risk			582	73
Multiplier			12.5	12.5
Total			7,272	909

6.1. Equity price risk

A significant portion of the Bank's proprietary investments portfolio comprises equity instruments that are affected by equity price risk. Uncertain conditions in equity markets are carefully considered by rebalancing asset allocations to minimise risk exposures. This risk is also mitigated by managing the portfolio within duly approved investment guidelines and other investment limits. These are closely monitored by RMD and regularly reviewed by ALIC.

SICO's risk management approach continues to be forward-looking, proactive, and highly effective in rebalancing its investment portfolio in line with the Bank's investment strategy to ensure capital preservation, quality and liquidity.

Equity Positions in the Banking Book

	Gross Exposure	Risk Weighted Assets	Capital Requirement @ 12.5%
Equity investments			
- Listed	4066	4066	508
- Unlisted	-	-	-
Investment in rated funds	-	-	-
Investment in unrated funds - Listed/Unlisted	18,292	23,449	2,931
- Listed	7,979	7,979	997
- Unlisted	10,313	15,470	1,934
Total	22,358	27,515	3,439

6.2. Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Bank's financial condition. Investments in debt instruments, lending to counterparties through repos, and bank placements, as well as bank borrowings and repo borrowings give rise to interest rate risk. The Treasury Unit monitors and manages these exposures to mitigate this risk.

A reasonable spread is maintained between money market placements and deposit interest rates. Treasury assets and liabilities are maintained in closely matching maturity buckets in highly liquid, short-term money market vehicles to avoid any material mismatch. Moreover, SICO does not trade speculatively in derivatives.

Bank placements are mostly short term (less than three months) with a fixed interest rate and are subject to re-pricing risk at rollover. Investments in bonds are subject to interest rate risk, and the Bank controls the same by managing the portfolio's overall duration.

6.2.(a). Interest rate risk sensitive assets and liabilities

As of 31st Dec 2025	Effective Interest rate% p.a.	Within 1 year	Over 1 year	Non- interest sensitive	Total
Cash and bank balances	-	-	-	34,575	34,575
Call deposits	4.25%	732	-	-	732
Treasury bills	5.06%	20,639	-	-	20,639
Short-term placements with banks	4.52%	16,220	-	-	16,220
Securities bought under repurchase agreements	4.68%	443,142	-	-	443,142
Investments at FVTPL	6.71%	-	5,080	20,533	25,613
Investments at FVOCI	6.37%	-	9,783	6,364	16,147
Investments at amortized cost	6.08%	4,261	12,005	-	16,266
Fee receivables	-	-	-	4,043	4,043
Other assets	-	-	-	15,813	15,813
Property and equipment	-	-	-	754	754
Intangible assets	-	-	-	1,505	1,505
Total Assets		484,994	26,868	83,587	595,449
Short-term bank borrowings	4.60%	11,310	-	-	11,310
Deposits from institutions	4.04%	1,936	-	-	1,936
Securities sold under repurchase agreements	4.40%	451,916	-	-	451,916
Customer accounts	-	-	-	40,086	40,086
Other liabilities	-	-	-	12,625	12,625
Payable to unit holders in consolidated funds	-	-	-	1,510	1,510
Total Liabilities	-	465,162	-	54,221	519,383
Total Equity	-			76,066	76,066
Total Liability and Equity	-	465,162	-	130,287	595,449
Interest rate sensitivity gap	-	19,832	26,868	(46,700)	-
Cumulative Interest rate sensitivity gap	-	19,832	46,700	-	-

The Bank also applies stress testing to monitor interest rate shocks on its banking book on a periodic basis. The result is presented to the CBB on a semi-annual basis.

6.2.(b). Interest rate risk in the banking book

A 50 bps, 100 bps and 200 bps increase/decrease in market interest rates would negatively/positively affect the value of the fixed rate debt instruments in the banking book as follows:

Amounts in BD '000					
50 bps increase	100 bps increase	200 bps increase	50 bps decrease	100 bps decrease	200 bps decrease
(471)	(943)	(1,885)	471	943	1,885

The interest rate risk on the Bank's placements, reverse-repo loans and short-term borrowings is considered minimal, and hence no sensitivity analysis has been presented. Moreover, on the liabilities side, the customer liabilities are not interest rate sensitive. The short-term borrowings are at fixed rates wherein the interest rate risk is considered minimal and therefore, no sensitivity analysis has been presented.

6.3. Currency risk

A substantial portion of SICO's business is transacted in Bahraini Dinar, GCC currencies and United States Dollar. The Bank's exposure to foreign currencies is minimal and hence the foreign exchange risk is low. Foreign exchange rate risk is managed by applying appropriate limits that are set in accordance with the Bank's strategic plans and risk tolerance, determined by ALIC and approved by the BOD. Treasury manages these positions on an ongoing basis, hedging such exposures as appropriate, while RMD along with ALIC regularly reviews such positions.

There has been no currency sensitivity analysis since the Bank mainly invests in securities in USD and/or USD-pegged currencies only.

7. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems or human factors, or from external events. Unlike market or credit risks, which are systemic in nature, operational risk is institution-specific and is inherent in the day-to-day operations of the Bank. This risk could arise from a broad spectrum of causes such as deficient transaction processing, business practices, workplace practices, system failures, human errors, business interruptions and damage to physical assets. Operational risk also includes internal and external fraud.

As per the guidelines of the CBB (PD-1.3.21, PD-1.3.33), the Bank has in place sound internal control measures, consisting of operating policies and procedures framework, compliance initiatives and adequate and skilled personnel, which are the key to successful operational risk management. The Bank has a very conservative control philosophy and adopts a number of mechanisms to manage this risk. These include a well-defined organisational structure, approved policies and procedures guidelines, segregation of duties, approval authorities, periodical reconciliations and various limits. Compliance and Internal Audit functions support this activity. The Bank has in place a Risk and Controls Self-Assessment (RCSA) framework to review and manage its operating risks as well as an incident monitoring and escalation process. The operational risk-weighted assets are computed as per the guidelines of the CBB, which are as follows:

Average gross income for the past three years (excluding extraordinary and exceptional income)

	2022	2023	2024
Gross income	14,441	18,286	21,558
Average gross income (A)			18,095
Alpha (B)			15%
(C) = (A) * (B)			2,714
Risk weighted exposures (D) = (C) * 12.5)			33,928
Capital requirement @ 12.5% of (D)			4,241

8. Other risks

8.1. Concentration risk

Concentration risk arises when the Bank’s exposure is concentrated with one or more related counterparties, assets classes, sectors or geographies. Weakness in the counterparty or assets, sector or country may place SICO under considerable risk and potential loss.

The Bank complies strictly with the large exposure norms prescribed by the CBB in the Credit Risk Management Module of the CBB’s rule book. The Bank continues its efforts to maintain an acceptable level of concentration by adhering to the limits set by the investment guidelines.

8.2. Liquidity risk

Liquidity risk is the inability to meet contractual and contingent financial obligations, on- or off-balance sheet, as they are due as a result of the potential inability to liquidate financial assets at the required time and price to cope with a pay out of liabilities or investment obligations in assets. Such risks may arise from a depletion of cash and cash equivalents, investments turning illiquid and mismatches in the maturity pattern of assets and liabilities.

The Bank’s Treasury Unit manages this risk by monitoring settlement obligations and maintaining sufficient liquid assets, including call deposits and short-term placements. The Bank’s liquidity position is monitored on a daily basis, and maturity mismatches of its maturity profile are also monitored and reported to the ALIC and Board.

Moreover, the bank’s investment book which is also majorly invested in liquid assets provides support to the Bank’s liquidity profile. Liquidity risk is also managed through ensuring compliance with regulatory liquidity requirements. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are the ratios which the Bank follows as per CBB requirements. The ratios as of 31st Dec 2025, are as follows:

Liquidity Ratios	As of 31st December 2025
Liquidity Coverage Ratio	459%
Net Stable Funding Ratio	158%

8.3. Fiduciary risks

Fiduciary risk is defined as the risk that funds entrusted to a financial institution through investments or trusts or agency accounts are (i) not properly managed, (ii) not used for the intended purposes, (iii) not properly recorded and accounted for and (iv) do not achieve value-for-money objectives.

The RMD carries out risk assessment on the various fiduciary activities of the Bank by working alongside the Bank’s relevant lines of business and committees to ensure SICO fulfils its fiduciary duties to asset management, fund administration and custody clients, wherein it adopts the appropriate standards relative to the fiduciary relationship with a client. Below are the various activities carried out by SICO and its subsidiaries that can give rise to the following fiduciary risks:

Asset Management: The Bank has a range of controls to support the quality of the investment process, supervised by the Asset Management Committee (AMC). There are operating policies and procedures, and Investment Guidelines, coupled with dedicated buy-side research and other guidelines, to support this activity. There are also strict operational controls to protect clients’ assets, a staff code of conduct, and ethical walls to avoid any conflicts of interest.

RMD and Compliance regularly monitor the activities of the Asset Management division, and report their findings and observations to the AMC as well as in the periodic compliance reports sent to clients.

Securities Services: The Bank has a dedicated team handling custody and fund administration which has put in place a number of operating controls, including the monitoring and reporting of securities position reconciliations.

Investment Banking: This activity is subject to legal and reputation risk. Such risks are mitigated by obtaining the necessary legal and regulatory approvals. Advisory and underwriting matters are monitored and controlled by Senior Management.

8.4. Business continuity

SICO has in place business continuity plans (BCPs) to ensure the Bank’s business operations and functions are carried out in case of any disturbance or unexpected events affecting business operations. The BCP provides each business line with the necessary guidelines and procedures in case of an emergency or disaster.

The Bank has established a business continuity centre at a different location within the Kingdom of Bahrain, which maintains a fully operational status and is capable of carrying out the majority of the Bank’s operational activities. The effectiveness of the business continuity plan has been tested by conducting the actual business using our systems in the BCP data centre as stipulated by CBB regulations.

8.5. Compliance and regulatory risks

Compliance and regulatory risks are the risks to current and prospective earnings or capital arising from the violation of or non-compliance with laws, regulations, rules, prescribed practices, contractual agreements or ethical standards. Compliance risk can lead to diminished reputation, limited business opportunities, reduced expansion potential and even to the cessation of operations. The Bank ensures adherence to all applicable regulations provided by various regulatory authorities, including regulations by the CBB and Bahrain Bourse. In addition, the Bank’s internal policies ensure that its practices are in line with best market practices. During the period ended 31st December 2025, SICO incurred a financial penalty of BD 11,000 imposed by the Central Bank of Bahrain (CBB) due to non-compliance with record-keeping requirements, as stipulated under the CBB’s regulatory framework.

8.6. Legal risk

Legal risk is risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of contracts, laws, or regulations. As of 31st December 2025, there are no on-going lawsuits that warrant any provisions to be made. Legal risk in SICO is managed by the Group's legal department in coordination with the appointed external legal counsel.

8.7. Reputational risk

Reputational risk is the risk arising from negative perception on the part of stakeholders, such as clients, counterparties, shareholders, investors, debt-holders, market analysts, other relevant parties or regulators that can adversely affect the Bank's ability to maintain existing, or establish new business relationships and continued access to sources of funding. The Bank manages its reputational risk through diligent corporate governance, skilled and sincere resources, a dedicated reputational risk management framework, and adequate management of reputational events.

APPENDIX 1

Step 1: Balance sheet under the regulatory scope of consolidation.

This step is not applicable to the Bank since the scope of regulatory consolidation and accounting consolidation is identical.

Appendix 2

Step 2: Reconciliation of Published Financial Balance Sheet to Regulatory Reporting as at 31 December 2025

	Published financial statements	Consolidated PIR data*	Reference
	31-DEC-2025	31-DEC-2025	
	BD <000	BD <000	
Assets			
Cash and cash equivalents	51,527	51,529	
of which Cash and balances at central banks	35,307	35,307	
of which Placements with banks and financial institutions	16,220	16,222	
Treasury bills	20,639	20,639	
Securities bought under repurchase agreement	443,142	443,207	
Investments at fair value through profit and loss	25,613	25,613	
Investments at fair value through other comprehensive income	16,147	16,147	
Investments at amortized cost	16,266	16,266	
Fees receivables	4,043	4,043	
Other assets	15,813	15,842	
of which loans and advances (margin receivables)	2,111	2,140	
of which interest receivable	3,966	3,966	
Of which other assets	9,736	9,736	
Property and equipment	754	754	
Intangible assets	1,505	1,505	
Total assets	595,449	595,545	

	Published financial statements	Consolidated PIR data*	Reference
	31-DEC-2025	31-DEC-2025	
	BD <000	BD <000	
Liabilities			
Short-term bank borrowings	11,310	11,310	
Deposits from institutions	1,936	1,936	
Securities sold under repurchase agreement	451,916	451,916	
Customer Accounts	40,086	40,086	
Other liabilities	12,625	12,625	
of which Interest payable	3,214	3,214	
of which other liabilities	9,411	9,411	
Payable to other unit holders (Other liabilities)	1,510	1,510	
Total liabilities	519,383	519,383	
Shareholders' Equity			
Share Capital - eligible for CET1	44,134	44,134	A
Shares under employee share incentive scheme	(2,263)	(2,263)	A
Treasury shares	(1,913)	(1,913)	A
Statutory reserve	10,387	10,387	B
of which share premium	761	761	
of which legal reserve	9,626	9,626	
General reserve	3,091	3,091	C
Investments fair value reserve	821	821	D
of which unrealized gains from fair valuing equities	404	404	
of which unrealized gains from other financial instruments	417	417	
Retained earnings	21,809	21,809	E
of which retained earnings brought forward from previous year	16,301	16,301	
of which net profits for the current period	5,508	5,508	
Expected Credit Losses (Stages 1 & 2)	-	96	F
Total shareholder' equity	76,066	76,162	
Total liabilities and equity	595,449	595,545	

*The figures are gross of expected credit loss

Appendix 3

Step 3: Composition of Capital Common Disclosure Template as at 31st December 2025

Composition of Capital and mapping to regulatory reports		Component of regulatory capital (BD '000s)	Source based on reference no. of the balance sheet under the regulatory scope of consolidation from step 2
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	39,958	A
2	Retained earnings	21,809	E
3	Accumulated other comprehensive income (and other reserves)	14,299	B + C + D
4	Not Applicable	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	76,066	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	1,505	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitization gain on sale (as set out in paragraph 562 of Basel II framework)	-	
14	Investment in CET1 of subsidiaries	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	

Source based on reference no. of the balance sheet under the regulatory scope of consolidation from step 2

Composition of Capital and mapping to regulatory reports		Component of regulatory capital (BD '000s)	Source based on reference no. of the balance sheet under the regulatory scope of consolidation from step 2
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financials	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments	-	
	Regulatory Adjustments Applied To Common Equity Tier 1 in Respect of Amounts Subject to Pre-2015 Treatment		
	Investment in financial entities where ownership is < 10% of issued common share capital	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	-	
29	Common Equity Tier 1 capital (CET1)	74,561	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	-	
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	National specific regulatory adjustments	-	
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	-	
	OF WHICH: N/A	-	
	OF WHICH: N/A	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	

Composition of Capital and mapping to regulatory reports		Component of regulatory capital (BD '000s)	Source based on reference no. of the balance sheet under the regulatory scope of consolidation from step 2
45	Tier 1 capital (T1 = CET1 + AT1)	74,561	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	-	
	Expected Credit Losses (Stage 1 & 2)	96	F
51	Tier 2 capital before regulatory adjustments	-	
	Tier 2 capital: regulatory adjustments	-	
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments	-	
57	Total regulatory adjustments to Tier 2 capital	96	
58	Tier 2 capital (T2)	96	
59	Total capital (TC = T1 + T2)	74,657	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	-	
	OF WHICH: Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible	-	
60	Total risk weighted assets	102,019	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	73.09%	
62	Tier 1 (as a percentage of risk weighted assets)	73.09%	
63	Total capital (as a percentage of risk weighted assets)	73.18%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement expressed as a percentage of risk weighted assets)	9%	
65	of which: capital conservation buffer requirement	2.5%	

Composition of Capital and mapping to regulatory reports		Component of regulatory capital (BD '000s)	Source based on reference no. of the balance sheet under the regulatory scope of consolidation from step 2
66	of which: bank specific countercyclical buffer requirement (N/A)	0%	
67	of which: D-SIB buffer requirement (N/A)	0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	73.09%	
National minima including CCB (if different from Basel 3)			
69	CBB Common Equity Tier 1 minimum ratio	9%	
70	CBB Tier 1 minimum ratio	10.5%	
71	CBB total capital minimum ratio	12.5%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financials	-	
73	Significant investments in the common stock of financials	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	96	F
77	Cap on inclusion of provisions in Tier 2 under standardized approach (1.25% of Credit Risk weighted Assets)	-	
78	NA	-	
79	NA	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2020 and 1 Jan 2024)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

APPENDIX 4

Step 4: Disclosure template for main feature of regulatory capital instruments

1	Issuer	SICO BSC (c)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	SICO BI EQUITY (BLOOMBERG ID)
3	Governing law(s) of the instrument	Commercial Companies Law, Bahrain
Regulatory treatment		
4	Transitional CBB rules	NA
5	Post-transitional CBB rules	NA
6	Eligible at solo/group/group & solo	Yes
7	Instrument type (types to be specified by each jurisdiction)	Common shares
8	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	BD 39.96 million
9	Par value of instrument	100 fils per share
10	Accounting classification	Shareholders' equity
11	Original date of issuance	1995
12	Perpetual or dated	NA
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
Coupons / dividends		
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA

1	Issuer	SICO BSC (c)
Coupons / dividends		
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA