

2023 Financial Highlights

4.4^{BD/MN}

Net Profit

2022: 3.6 BD/MN

4.44^{BD/MN}

Net Investment Income

2022: 1.04 BD/MN

3.59^{BD/MN}

Net Interest Income

2022: 2.63 BD/MN

1.64^{BD/MN}

Brokerage Income

2022: 1.46 BD/MN

7.71^{BD/MN}

Asset Management & Other Fee Income

2022: 8.44 BD/MN

0.42^{BD/MN}

Investment Banking Income

2022: 0.28 BD/MN

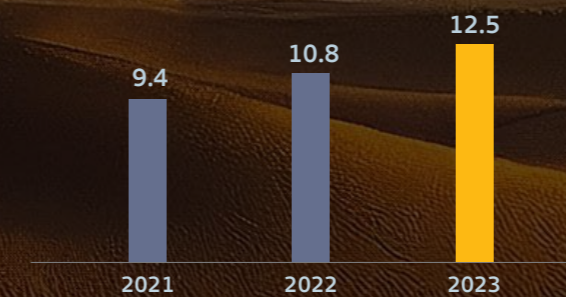
0.49^{BD/MN}

Other Income

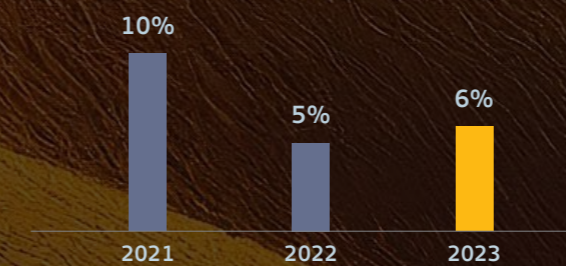
2022: 0.59 BD/MN

Our robust balance sheet, enhanced risk management framework, focus on organic growth across business lines, and balanced approach to digitization were all catalysts that led to a positive financial performance.

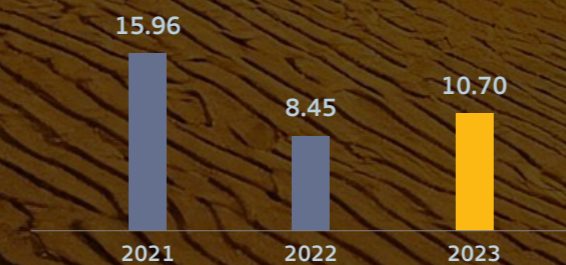
Sustainable Income (BD Million)



Return on Average Equity - Annual Ratio



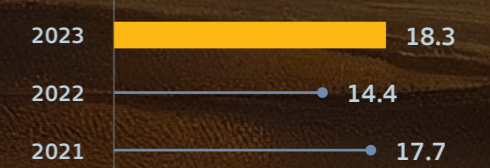
Earnings per Share - Fils



Dividends per Share - Fils



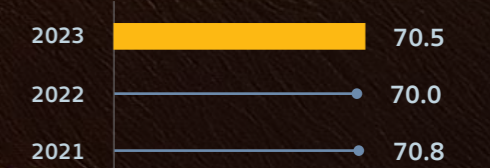
Total Revenues (BD Million)



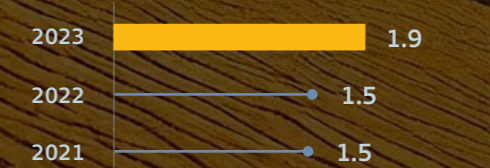
Total Assets (BD Million)



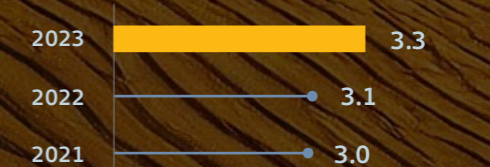
Shareholder's Equity (BD Million)



Net Assets Under Management (BD Billion)



Assets Under Custody (BD Billion)



Management Discussion & Analysis

For the full year 2023, SICO reported BD 4.4 million (USD 11.6 million) in consolidated net profit attributable to shareholders, representing a 23% increase from the BD 3.6 million (USD 9.4 million) recorded for the year ended 31 December 2022. Net profit growth was primarily driven by an impressive expansion in net investment income for the year, on the back of strong results posted in the second half of 2023. Growth was further bolstered by both a robust increase in net interest income coupled with solid brokerage and net fee income for the year. Earnings per share recorded 10.7 Bahraini fils in 2023, up from 8.45 Bahraini fils in 2022. SICO's comprehensive income attributable to shareholders stood at BD 4.6 million (USD 12.2 million) in 2023, compared to BD 3.2 million (USD 8.7 million) in 2022, representing a 40% increase.

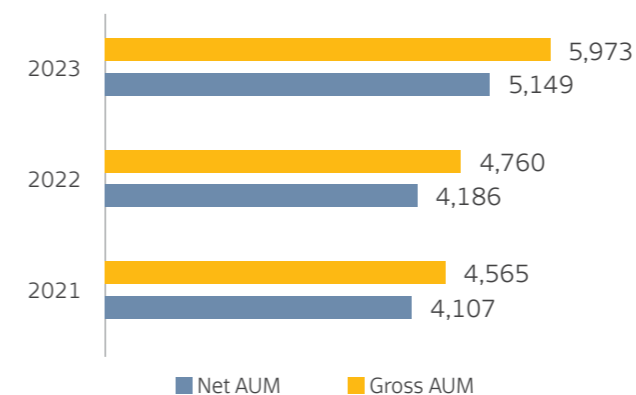
I. Appropriations

SICO's Board of Directors has recommended a dividend of 5% of the share capital, aggregating to BD 2.1 million (USD 5.7 million), subject to the approval of the Central Bank of Bahrain (CBB) and the General Assembly.

II. Asset Management

SICO's total Assets Under Management (AUMs) witnessed growth during the year on the back of new offerings and services expansions. On a gross basis (including leverage), SICO's assets under management (AUMs) rose 25% to BD 2.3 billion (USD 6.0 billion) in 2023 from BD 1.8 billion (USD 4.8 billion) in 2022. On a net basis (excluding leverage), AUMs rose 23%, reaching BD 1.9 billion (USD 5.1 billion) compared to BD 1.6 billion (USD 4.2 billion) at year-end 2022.

Gross and Net AUM Growth - USD mn

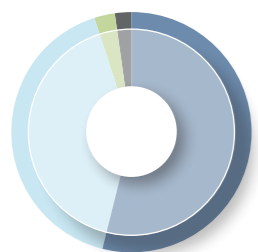


the Khaleej Equity Fund had yielded a five-year gross return of 17.5%, outperforming the benchmark by 7.9%. Meanwhile, SICO's Kingdom Equity Fund, which invests in Saudi-listed equities, generated a return of 23.3% for the year, markedly outperforming the wider market. The Kingdom Equity fund has achieved a five-year annualized gross return of 18.0%, significantly exceeding the annualized benchmark return of 11.3% for the period. SICO's Gulf Equity Fund, which invests in all GCC equity markets excluding Saudi Arabia, achieved gross returns of 4% in 2023, and five-year annualized returns of 11.3%.

The SICO Fixed Income Fund recorded an increase of 6.4% in 2023, an outperformance of 0.3% compared to its benchmark. This environment saw the Bloomberg GCC Bond Index return 6.1% in 2023. However, the SICO Fixed Income Fund booked a solid performance.

SICO's flagship Khaleej Equity Fund recorded returns of 17.3% for 2023, maintaining its place as one of the best-performing MENA focused funds. By year-end 2023,

AUM by Asset Class



Equity	54%
Fixed Income	41%
Real Estate	3%
Others	2%

Composition of Net AUMs



Financial Institution	25%
Pension Fund	25%
Sovereign Wealth Fund	14%
Individual	10%
Endowment	6%
Corporate	4%
Mutual Funds	5%
Government	4%
Insurance	4%
REIT	3%

Composition of Gross AUMs

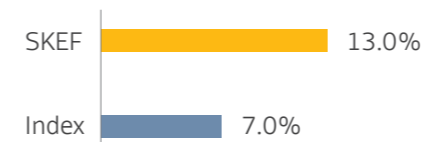


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REIT	3%

Note: The terms Gross and Net AUM as used throughout this annual report indicate the following: "Gross" AUM or gross assets under management (AUM) signifies the total assets being managed before the netting of discretionary leverage, and "Net" AUM signifies total assets being managed net of discretionary leverage.

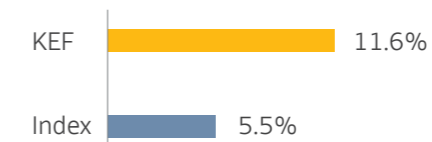
SICO Kingdom Equity Fund

10-Year Annualized Gross Return



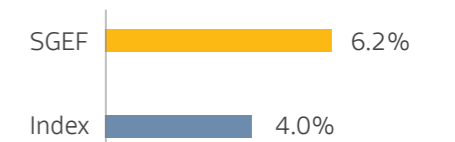
Khaleej Equity Fund

10-Year Annualized Gross Return



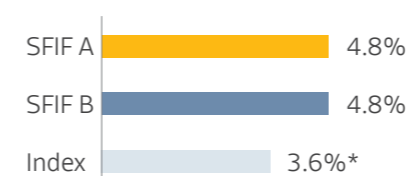
SICO Gulf Equity Fund

10-Year Annualized Gross Return



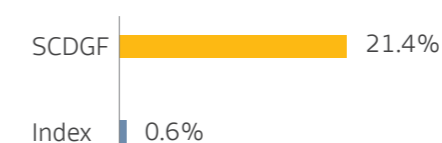
SICO Fixed Income Fund

10-Year Annualized Gross Return



SICO Capital Dividend Growth Fund

2-Year Annualized Gross Return



SICO Capital Money Market Fund

5-Year Annualized Net Return



4.4^{BD}_{MN}

Net investment income

51%

Increase in Investment Banking income

III. Securities Brokerage

SICO's Brokerage division continued to expand its product portfolio and widen its client base, despite challenging global market conditions characterized by aggressive monetary tightening and inflationary pressures, further cementing its leading position in the Bahraini capital markets space. SICO Brokerage maintained its 1st place ranking on the BHB for the 25th consecutive year, securing a market share of 47.16% in traded value for 2023. Additionally, the division's income rose to BD 1.6 million in 2023 compared to BD 1.5 million recorded in the previous year

IV. Investment Banking and Real Estate

SICO's Investment Banking division has solidified its standing as a top player in Bahrain's capital markets and a leading advisor capable of executing transactions across diverse fronts. With a team of exceptional investment professionals, the division has successfully managed initial public offerings, secondary offerings, mergers and acquisitions, and advisory services spanning various industries, serving both private and public entities. The division closed the year with BD 416 thousand in total income versus BD 275 thousand in the previous year.

V. Proprietary Investments

SICO's proprietary investment division follows an absolute return strategy aimed at ensuring stable returns for the Bank through prudent deployment of capital, while ensuring capital preservation and availability of the same for core business and strategic purposes. Proprietary investments generated a net investment income

of BD 4.4 million in 2023 compared to BD 1.0 million in 2022, benefiting from both strategic asset allocation and timely tactical changes.

VI. Treasury

SICO's Treasury benefited from the favorable rate environment and based on efficient liquidity management, earned net interest income on interbank placements and borrowings of BD 2.3 million in 2023, an increase of 70% from the BD 1.4 million booked one year previously. FX income contributed BD 305 thousand to overall Treasury income for the year. The strength and liquidity of SICO's balance sheet was evident in the Bank's capital adequacy ratio of 74% booked at year-end 2023.

VII. Market Making

SICO's Market Making division recorded total market making income of BD 309 thousand in 2023, down from 349 thousand in 2022. BLF transactions contributed 28.4% of the total ADTV on the BHB in 2023, compared to 36% in the previous year. The BLF generated returns of 3.1% in 2023, compared to 1.98% in 2022.

VIII. Custody and Fund Administration

The division performed well during the year, as assets under administration increased to USD 3.2 billion in 2023 from USD 2.5 billion in the previous year, while assets under custody remained flat at USD 8.8 billion in 2023. By asset type, assets under custody in 2023 stood at USD 6 billion for equity, USD 2.6 billion for fixed income, and USD 112 million for private equity.

Investment Banking has solidified its leadership position in Bahrain's capital markets as a leading advisor capable of executing diverse transactions.