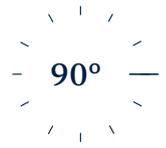


# RADIUS



SICO Newsletter Issue No.2



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## Re-Energizing Bahrain's Capital Markets

With APM Terminals Bahrain's share price up 51% in the first 3 months post-IPO, the landmark offering on the Bahrain Bourse has performed remarkably well and contributed to an overall re-energizing of the capital markets and investor sentiment in the Kingdom

The fourth quarter of 2018 was positive for GCC equity markets in general, with a total five IPOs generating total proceeds of USD 1.03 billion from issuers across all six GCC countries. While Bahrain, the smallest economy in the GCC, accounts for the smallest share of that figure, the IPO of one of its most important national infrastructure assets, APM Terminals Bahrain (APMTB), was nonetheless an important milestone for the Kingdom.

The landmark IPO was a chance for Bahrain to get the broader business community and the private sector involved in APMTB, the exclusive manager and operator of Khalifa Bin Salman Port. As the only commercial port in the country, APMTB is the key player in Bahrain's logistics and supply chain sector. The quality infrastructure asset which typically enjoys stable earnings, high dividend payouts and earnings visibility, has a 15-year exclusivity agreement at the Port for operations of both container

and general cargo which further enhances its earnings visibility.

Investors knew a solid play when they saw one. The IPO was met with huge market demand from both institutional and retail clients from Bahrain and the broader region. This was also the first IPO in Bahrain to allow investor subscriptions to be processed by equity brokers and online, in addition to the normal local practice of receiving subscriptions through a dedicated retail bank.

The offering generated a total demand of 97.4 million shares or BHD 64.3 million, resulting in an oversubscription from funded applications of 5.4 times the offer size. At the close of the IPO in November 2018, the transaction comprised an offering of 18,000,000 shares, 70% of which were allocated to institutional investors and 30% of which were allocated to retail investors. Following the completion of the November IPO, APM Terminals Bahrain was listed on

the Bahrain Bourse on 9 December 2018 under the trading symbol APMTB bringing the the total number of listed companies at Bahrain Bourse up to 44 companies.

SICO proudly acted as lead manager, underwriter, market maker, and participating broker for the BHD 11.990 million IPO.

Commenting on the success of the IPO and its implications for future capital markets transactions in Bahrain, SICO CEO Najla Al-Shirawi said, "SICO's role in the offering falls in line with our goal of contributing to the growth and development of Bahrain's capital markets and the Kingdom's diversification away from oil. APMTB is a key player in Bahrain's logistics and supply chain industry and its a proxy to the Kingdom's economy and its growth prospects."

"The results of the IPO and the share price performance post listing, are testament to the confidence that can

return to the market when solid opportunities are presented. We are particularly pleased to have been part of this landmark transaction and we look forward to more opportunities like this coming to market in the future," said Wissam Haddad, Head of Investment Banking at SICO.

It is also notable that, in the first few months following the company's IPO, APMTB declared and paid a 109 fils divided equal to 16.5%.

According to recent announcements from the government of Bahrain there may be more opportunities on the horizon with plans to list 3 additional logistics sector companies over the next two years namely Bahrain Airport Services, the operator of Bahrain International Airport, Bahrain Duty Free, and the US\$ 1.1 billion new airport terminal. The government holds majority stakes in all of these companies and will be looking to float approximately 20% in public offerings by 2022.



## A Gradual Return to Confidence

As a leading GCC asset manager and investment bank, SICO has over 20 years of active experience in tracking the investment landscape across the region. While the GCC is still recovering from the collapse of oil prices in 2014-2015, there are now pockets of opportunity that if leveraged properly can lead to a gradual return in confidence for the region as a whole



**“Inclusion in EM indices, stable oil prices, relative immunity from trade wars and high credit quality are all reasons to consider the GCC a better value than the rest of emerging markets”**

**Ms. Najla M. Al Shirawi,  
Chief Executive Officer of SICO**

Over the past decade GCC markets and investment opportunities have attracted deserved attention. As economic weight continues to shift southwards and eastwards, emerging markets have become increasingly important trading partners and investment destinations. Investors facing headwinds and uncertainties in established markets have looked to EMs to bolster growth and diversify exposure, while at the same time others have watched, nervously waiting for signals that growth is collapsing.

The GCC contains some of the world's most compelling economies, with UAE, Qatar, and Saudi Arabia ranked 17, 25, and 30 out of 137 countries on the World Bank's global competitive index, and for decades the story has been growth underpinned by energy advantages and strong demographics. But GCC countries, in addition to being oil and gas exporters, are investment destinations with major infrastructure projects, booming tourism, and financial services sectors, and with governmental reforms, they are increasingly securing the region's role as an economic and trading hub. Last year all GCC economies showed positive growth, reversing a 0.4% contraction in real GDP for the region in 2017. The IMF expects this recovery to continue, and while 2019 earnings growth for GCC countries will reach mid to high single digits at best, specific markets will be more vibrant. Let's dig in.

Global oil consumption in 2019, largely from China, the U.S., and India, is expected to outpace supply by 29% allowing continued improvements in the current account balance of GCC countries. Saudi Arabia's deficit, which has been narrowing since 2016, is expected to reach 1.7% in 2019, offering headroom for a slightly

more expansionary fiscal policy. Bahrain will also benefit from fiscal stimulus in the form of project spending and assistance from the GCC development fund. Airport modernization, the BAPCO refinery expansion, Alba's Line 6 expansion project, and other big-ticket projects will ensure private-sector growth and drive earnings. In the UAE real-estate sector, most of the negatives from a recent slowdown appear to have been priced in, and from a yield perspective, select names will be able to deliver real value. Overall, real GDP for GCC economies is forecasted to grow by 3% in 2019, with Kuwait's five-year development plan and public investment projects in Qatar (for the 2022 FIFA World Cup) and in UAE (for Expo 2020) acting as drivers.

In capital markets, international fund flows and their impact on the Saudi Stock Exchange (Tadawul) will be a key theme that will play in the largest GCC stock market. Tadawul's inclusion into the FTSE Russell Emerging Markets index began in March and will continue in five tranches over the coming year. Additionally, Tadawul debuted on the S&P Dow Jones EM index in March and the MSCI's index in late May. The resulting increased confidence in Saudi stocks, on top of passive investment by index-tracking funds, is certain to heighten demand. In fact, global and GCC-based investors bought Tadawul equities at record levels in January. Kuwait has also experienced similar sentiment on the back of a potential upgrade to EM status by MSCI later in the year.

In debt markets, J. P. Morgan has included Saudi Arabia, UAE, Bahrain, Kuwait and Qatar sovereign bonds in its Emerging Market Bond Index (EMBI). Over the last

three years, GCC countries have issued a quarter of all new debt sold by emerging markets and they account for 14% of total outstanding EM debt stock. Investor demand in 2018 also drove increases in sovereign issuances, and as governments push expansionary budgets in 2019, more can be expected. The inclusion of GCC sovereign bonds in EMBI will add USD 150 billion to the index, widen the investor base, and lead to increased liquidity of GCC bonds and Sukuk. As a result, sovereign spreads relative to international benchmarks should decline, bringing lower financing costs that could generate stronger private investment and more broad-based economic growth.

In the last couple of years, GCC countries have experienced a surge in M&As with 7 between listed GCC companies in 2018, and for 2019, consolidation remains a key theme, especially in the banking sector. Arab banks are already some of the most efficient financial institutions in the world and they will continue to seek cost efficiencies and synergies in the face of pressures on profitability. A new round of mergers and acquisitions in the GCC's banking sector, particularly in UAE, may offer an important source of value addition.

Tailwinds from the inclusion in EM indices, stable oil prices, relative immunity from trade wars and high credit quality are all reasons to consider the GCC a better value than the rest of emerging markets, and while a rally is good in the near term, earnings will eventually need to pick up to avoid a correction in 2020. SICO will continue to watch these markets carefully, as we believe markets to not be just one way trending which makes a case for generating alpha through active investing stronger than a mere passive approach.

## SICO Kingdom Equity Fund Ends 2018 as the Best Performing Saudi Fund in the Region

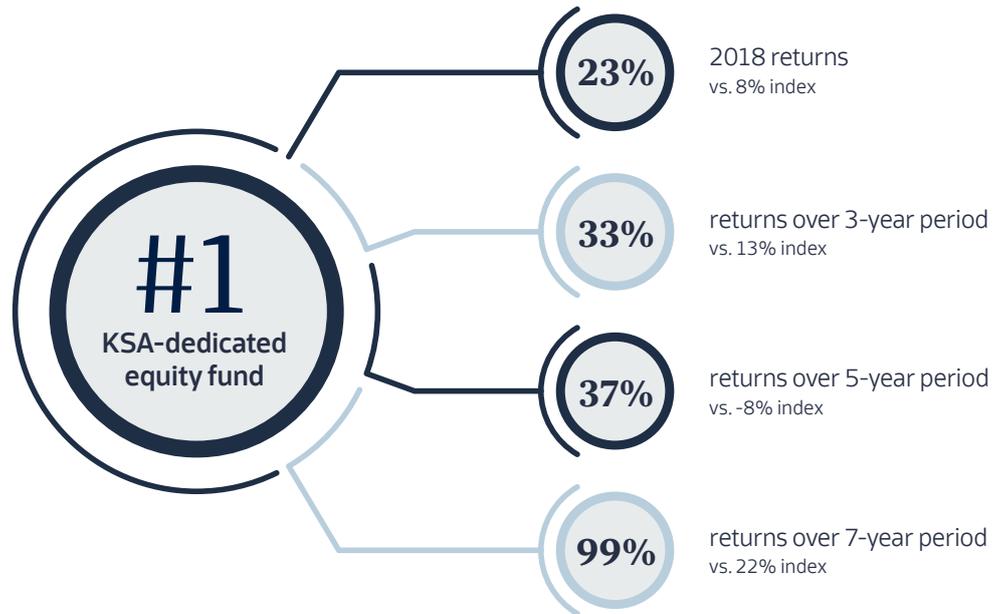
The SICO Kingdom Equity Fund closed 2018 with an annual return of 23% compared to an index return of 8.3%. Established in xx year, the fund focuses on securities listed in Saudi Arabia, enabling investors to benefit from the Kingdom's growing equity market. Its primary goal is to achieve long-term capital appreciation using a bottom-up investment approach backed by a research-intensive investment process, and it has doubled in value since its inception. That the fund outperformed its benchmark by a healthy margin of c. 15% in 2018 is a testament to our asset management teams' effective selection of stocks from various segments of the market.

During the slowdown in the fourth quarter of 2018, our asset management team continued to execute on its strategy and core investment thesis by identifying companies and sectors that are resilient to market forces. This move preserved the Fund's strong returns despite challenging market conditions.

Commenting on the Fund's prospects for 2019, Head of Equities Asset Management at SICO Shakeel Sarwar said, "We intend to maintain a similar investment strategy and are bullish on the prospects of the Saudi banking sector. We expect

earnings growth of around 10% that would primarily stem from an anticipated recovery in loan growth and full year impact of the margin improvement owing to the global rise in interest rates. Additionally, the increase in dividends, which on

an overall basis have essentially doubled from 2016 levels, will attract additional investors to the sector. Progress on the recently announced mergers in the banking sector will also be a key theme for the year."



## SICO Financial Brokerage Welcomes Nasdaq Dubai's Move to Offer Saudi Futures

As part of its push to increase the appeal of regional markets to international investors, the Nasdaq Dubai began offering futures trading on 12 major Saudi stocks. As of January 2019 investors can gain exposure to compelling new opportunities in Saudi Arabia by trading futures on the exchange for some of the most prominent Saudi companies in industries including petrochemicals, real estate, banking, and transport.

Commenting on the new development, Bassam Khoury, General Manager of SICO Financial Brokerage, SICO's subsidiary in the UAE said, "As members of Nasdaq Dubai's equity derivatives market, we welcome the opportunity to offer clients new investment tools and the opportunity to gain exposure to new markets. GCC markets need to develop and this is one way of

increasing sophistication into the product offering." He added that, "Saudi is likely to be very similar to UAE at the early stage, but I do expect the derivatives space to develop in the region as there is an ever-increasing need to hedge or play market-neutral strategies."

The UAE launched its first round of futures trading stocks in September 2016 and increased the number of stocks again in February 2018. Volumes have remained thin, partially due to a lack of activity on the main UAE stock markets, but they have largely been comparable to those of other leading futures markets during the launch phase. As the Saudi market is larger and currently more active than the UAE's main exchanges, the inclusion of Saudi stocks is expected to spur further activity in the country.



## SICO Fixed Income Fund Ends 2018 as Best Performing GCC Bond Fund

Despite market conditions that made 2018 the most challenging year for fixed income funds in emerging markets in over a decade, the SICO Fixed Income Fund delivered positive returns of 1.9%. This strong performance is consistent with the fund's past performance, as it is up 23.3% since its establishment in 2013 compared to 19.1% by the index.

The Fund's ability to deliver in the face of adversity is a testament to the strength of SICO's strategy and the ability of our asset managers to preempt market volatility. In anticipation of rate hikes, in early 2018 the Fund's managers developed a strategy to capitalize on higher LIBOR rates. This strategy focused on short durations and

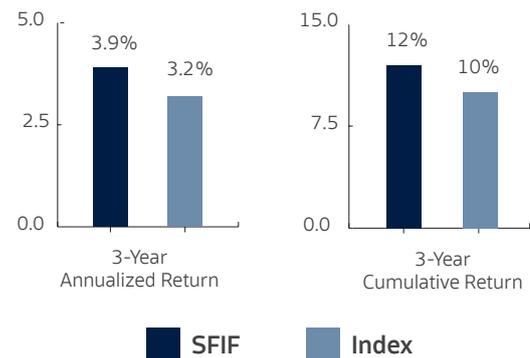
issuers with good balance sheets that fell within the special high-yield category. Additionally, the fund's managers focused on the undersupplied sukuk space in Bahrain, a decision that paid off when the announcement of the GCC economic support package in the latter half of the year led Bahrain to become the best performing bond market in the GCC.

Commenting on SICO's fixed income strategy for 2019, Head of Asset Management Fixed Income Ali Marshad said, "We plan to maintain our existing strategies with minor deviations to take advantage of this year's inclusion in the JP Morgan EMBI Index. Overall, we are a bit more dovish going into the new year, but

increasingly tight spreads and inverted yield curves are forcing us to maintain our low duration and high yield strategy. There will,

however, be pockets of opportunities, and whoever gets these calls right will win this year."

SICO Fixed Income Fund Growth



## SICO Expands Regional Reach with New Market Making Accreditation on DFM and ADX

In August and September of 2018, SICO received accreditation to act as a market maker and liquidity provider on the Abu Dhabi Exchange (ADX) and Dubai Financial Market (DFM) respectively. In this role, SICO will help to create more dynamic, two-way markets that will enhance the liquidity of the companies listed on the exchanges and provide benefits for both investors and the stocks of listed companies. This step is part of the UAE's strategy to enhance investment infrastructure and support sustainable economic growth by opening the exchanges to a wider range of international and domestic investors who can benefit from the country's competitive but enabling business environment.

SICO is the first non-UAE bank to be licensed as a market maker on the ADX and the fifth registered market maker on the exchange. We are already a major participant in UAE markets through our Abu Dhabi-based subsidiary SICO Financial Brokerage, and our accreditation as a market maker further cements our status as a pioneer and key player in GCC financial markets. Going

forward, SICO will make bids and offers for shares available, identify the volumes required for buying and selling, and find the balance price for securities on both exchanges.

Following SICO's approval as a market maker on these key UAE financial markets, in February 2019, leading Bahrain-based financial investment firm GFH Group announced that it has appointed SICO to act as liquidity provider for its shares on the DFM. GFH Group recorded USD 115 million in profits in 2018, an 11.4% year-on-year increase. The firm also recently signed a USD 100 million agreement with a special purpose vehicle agreement owned by Terra Real Estate Investments.

Commenting on the bank's pioneering role in GCC markets SICO CEO Najla Al Shirawi said, "Over the past two decades, SICO has stayed ahead of the curve by offering sophisticated financial solutions and continually updating its offerings. As the first approved market maker on the Bahrain Bourse, SICO has made a significant impression on market liquidity and boosted



the bourse's average daily traded value. The Bahrain Liquidity Fund, which was co-seeded by SICO in June 2016, has contributed to the increase of the bourse's turnover since its inception by 150%."

In both markets, SICO was accredited according to the guidelines established by the Securities and Commodities Authority (SAC), the

country's main financial regulatory body. These guidelines stipulate that a liquidity provider's ownership cannot exceed 5% of a company's listed shares and that issuers have the right to assign multiple liquidity providers.

## SICO Wins Two New Market Making Mandates for BATELCO and Bank ABC

SICO was recently appointed to act as market maker for two of the most prominent companies listed on the Bahrain Bourse: Batelco Group and Bank ABC. Both companies have designated SICO as market maker for their ordinary shares on the Bahrain Bourse in 2019 with the aim of creating a more dynamic two-way market, enhancing the liquidity of the companies' shares for market participants, and reflecting the true value of their shares. Both appointments were approved by the Central Bank of Bahrain (CBB) as well as the boards of the respective companies in late 2018.

Batelco Group is an innovative digital communications solutions provider operating across 14 markets; the company has played an instrumental role in establishing Bahrain as a major regional communications hub. Today it has a market cap of approximately US 1.2 billion and a 6.2% weightage on the Bahrain Bourse All Share Benchmark Index. SICO's market maker agreement with the Group took effect in January 2019 and will remain in place until June 2019 with the option to extend subject to approval from the CBB. During this period, SICO will be

subject to holding no more than 3% of Batelco's total issued shares.

Reflecting on the potential impact of the new mandates, Shaikha Kamal, Head of the Market Making Division at SICO said, "We are certain that an increase in the liquidity of Batelco's shares will enhance investor interest in a stock that trades at a PE of c.7.6x (annualised), which offers better value relative to other GCC telecoms and at the same time extends a high dividend yield of c.9%. Accordingly, the active market making purpose will be to reduce such a valuation discount."

Bank ABC is a leader in the regional banking sector providing innovative wholesale financial products and services including retail and corporate banking, trade finance, project and structured finance syndications, treasury products, and Islamic banking. For the duration of the market making program, SICO will have sole discretion to buy and sell Bank ABC shares not exceeding 1% of the total issued share capital on the bank's behalf. The program will be in effect for an initial 12-month period with the potential for an extension pending approval by the bank's Board of Directors



## BLF Continues to Boost Liquidity on the Bahrain Bourse

Established in 2016 to improve the daily average trading volume (ADTV) on the Bahrain Bourse, the BHD 42.5 million Bahrain Liquidity Fund generated a general annual return of 64.4% in 2018. Over the past three years, the fund has contributed to a meaningful and sustainable increase in the Bahrain Bourse's ADTV, which reached BHD 1.1 million in 2018, a 30% year-on-year increase. The decline in the fund's annual share of ADTV from 39% in 2017 to 22% in 2018 is an indication that it is fulfilling its purpose of generating more interest in the exchange among investors and traders.

Commenting on the fund's performance, SICO's Chief Capital Markets Officer Fadhel Makhloq said, "We are extremely proud of these results which are a reflection of SICO's capabilities as a market maker, a concept that we pioneered two decades ago. Since its launch in 2016, the BLF has made a hugely positive impact on investor sentiment, market volumes, valuations, and performance."

He went on to add that "Looking ahead, in terms of fundamentals, the Bahraini market offers one of the highest yields in the GCC, and in 2019 we also see triggers in many major listed companies on the index that will likely improve turnover even further."

## SICO Research Expands Coverage

SICO Research continued to expand its coverage universe to include eight new companies across the consumer, banking, insurance, industrial and building materials sectors, with more than 1,000 reports published during the year, including periodicals. During the year SICO Research also added insurance as a new sector under coverage in addition to launching a

new monthly newsletter — SICO Top 20 — that lists the top 20 stock picks across the GCC region and benchmarks their performance against the broader S&P GCC Composite Index. SICO's Top 20 List performed broadly in line with the overall S&P GCC Index in 2018 returning more than 12% total return for the year.

## New Automated Daily Market Report

SICO takes pride in being a technology-led institution and as such it is continuously working to provide both internal and external clients with reliable solutions and real time market data to facilitate their investment decisions. In April 2019, SICO launched "MarketPulse" an automatically generated daily market report that appears Al Ayaam, a leading daily Arabic newspaper in Bahrain. The report covers market data for both

GCC and global markets and indices as well as tracking on commodities, currencies and Brent Futures.

# SICO Reports a 12% Increase in Full-Year Consolidated Net Profit to BD 3.7 MN and a 50% Increase in AUM Y-O-Y to US\$ 1.9 BN in 2018



**Abdulla bin Khalifa Al Khalifa,**  
SICO Chairman of the Board

In 2018, a year that presented significantly challenging market conditions, SICO was able to deliver a strong financial performance. SICO reported a full-year consolidated net profit of BD 3.7 million for the year, up 12% compared to the BD 3.3 million recorded in 2017, while total comprehensive income remained unchanged at BD 3.8 million.

Net profit growth for the year was driven by higher revenues and

improved operational performance across all of SICO's business lines. Net operating income was up 16% to BD 10.7 million in 2018 compared to the BD 9.3 million recorded in 2017, while total operating expenses recorded BD 6.7 million in 2018, up 14% over 2017 figure of BD 5.8 million. SICO's earnings per share (EPS) for 2018 stood at 10.01 Bahraini fils compared to 8.01 Bahraini fils in the previous year.

"We continue to prove our ability to outperform the market despite mixed performances on regional exchanges and operational headwinds. SICO's ability to consistently deliver strong performances despite the region-wide fiscal and monetary challenges that we experienced throughout 2018, is an achievement that we can all take pride in. At the core of our success is a forward-looking strategy that

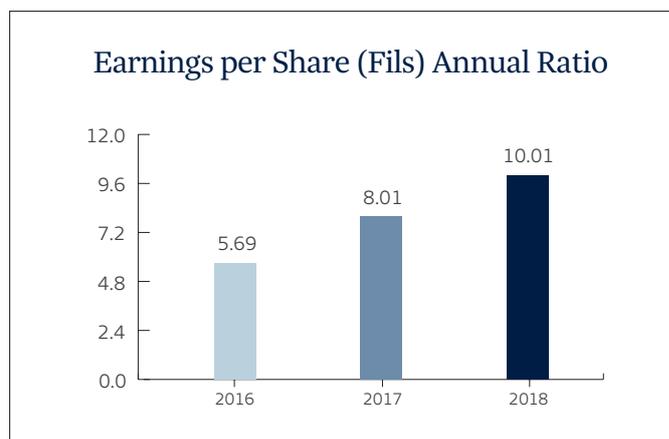
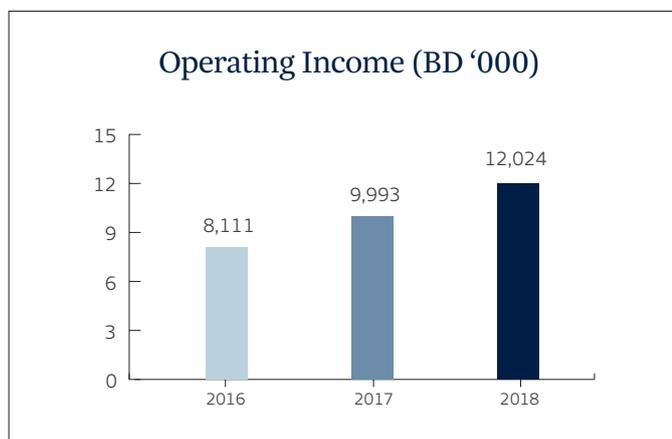
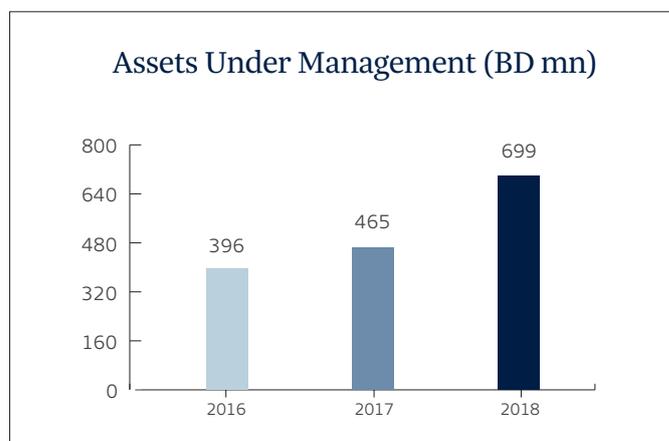
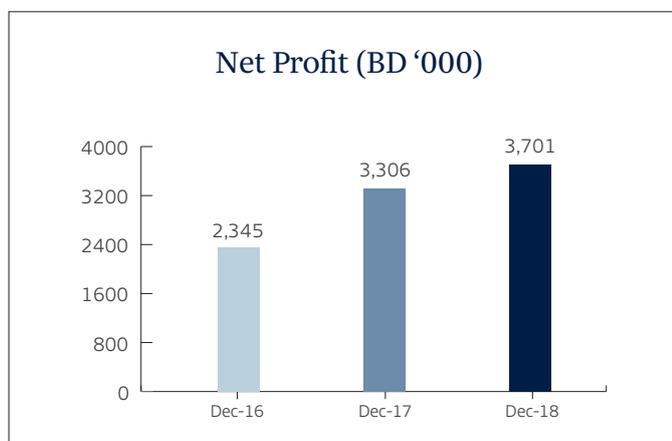
allows us to grow our core business and capture new opportunities across all our business lines," said SICO Chairman of the Board, Abdulla bin Khalifa Al Khalifa.

Total assets under management (AUM) grew by 50% y-o-y to BD 699.1 million (US\$ 1.9 billion) up from BD 465.3 million (US\$ 1.2 billion) at year end 2017, with all of SICO's funds topping the league tables and distributing dividends during 2018. Assets under custody with the Bank's wholly-owned subsidiary, SICO Funds Services Company (SFS) grew by 8.4% from BD 2.2 billion (US\$ 5.7 billion) in 2017 to BD 2.3 billion (US\$ 6.2 billion) as at December 2018.

SICO's total balance sheet footings as at 31 December 2018 were BD 135.3 million, up 3% compared to the BD 131.3 million reported as at

31 December 2017. SICO maintained a strong financial position with a robust capital base, reporting total shareholders' equity as at 31 December 2018 of BD 55.7 million (2017: BD 59.8 million), of which retained earnings accounted for BD 9.6 million (2017: BD 8.0 million). Consolidated capital adequacy ratio stood at 63.97% at the close of 2018 compared to 59.1% at year-end 2017. It is worth noting that the lower capital base as at 31 December 2018 compared to year-end 2017 follows SICO's acquisition of 10% of its shares as treasury stock (BD 5.9 million) during the year.

During the first quarter of 2019 SICO's Board of Directors approved a proposed dividend distribution of BD 3.085 million in cash for the financial year ended 31 December 2018.



# Q&A with SICO Head of Market Making Shaikha Mohammed Kamal



Shaikha Mohammed Kamal,  
Head of Market Making\*

**You've held several positions during your 14-year career at SICO. Can you tell us a little bit about the experience that you gained?**

I joined SICO in 2004 as a Senior Dealer with the Treasury Department, where I was exposed to multiple functions within the department, such as liquidity management, proprietary investments and market making. During that time, I had successfully obtained a Series 7 Investment Representative Certificate which was required to become a licensed trader on the Bahrain Bourse. I've specialized in various asset classes and recommended investments in GCC equity and fixed income markets. In 2011 I was appointed as Portfolio Manager, where I was responsible for the proprietary investment within Treasury. My responsibilities included setting the annual budget and overall asset allocation of the proprietary book as well as monitoring its performance and presenting to the investment committee on a quarterly basis.

**How has your previous experience prepared you for your current role as Head of Market Making?**

SICO's culture focuses on preparing younger generations to take leadership positions within the organization. I joined at an early age and had the privilege of working with highly qualified and experienced managers. My previous experience, from a dealer to a portfolio manager, have helped me to understand the equity market,

evaluate investment opportunities, take investment decisions, and improve my trading skills. Having that experience gave me insight into how to price and trade the market, and how to negotiate the terms of each agreement with the authorized regulators and the clients. In my current role as Head of Market Making, I survey the market for illiquid and/or undervalued stocks that would benefit from having a market maker.

**SICO has achieved several important milestones with the new accreditations in the UAE and the two major mandates that you acquired last year (Bank ABC and BATELCO). To what do you attribute this success?**

These achievements required a lot of hard work, from dealing with the authorized regulators to negotiating terms with the client. At SICO we always work as a team, from the CEO to the dealer, we are all in sync and therefore I would attribute our success and the achievements to good management, effective teamwork and the dedication of each member of our team.

**You were also appointed as the post-IPO market maker for APM Terminals. What impact has that had on the share price thus far?**

APM Terminal was one of the most successful IPOs on Bahrain Bourse. Every market making mandate has three elements, the company, the market maker and the investor. In brief, the company, APMT, was transparent to the public and had attractive valuations. The market maker, SICO, created the liquidity needed on the Bourse on both sides of the market, buy and sell, which provided the stability of the share price. One of the main objectives with market making is to reflect the true value of the company's stock price. Once you achieve that, you can build investor confidence to invest and trade APMT shares. This particular mandate went through two phases; the stability period which was

over a month, and after that the market making period, which is running up till today. During that period, the share price appreciated by more than 30%.

**In your opinion, how important has the market making function in general been to creating more liquidity on the Bahrain Bourse and improving market sentiment?**

The Bahrain equity market is among the most attractive in the region in terms of valuations and investment opportunities, however it lacked liquidity, which caused investors shy away from the market. In general, a market maker is a trader that provides liquidity and adds depth to the market. They are essentially a counterparty for investors that are single directional in the market. Having a market maker gave investors the confidence to consider investing in Bahraini stocks, so we have managed to attract more investors and improving the liquidity of the market. As the market maker for Alba, we've managed over the past eight years to boost liquidity of the stock. This clearly shows the necessity of having a market maker, particularly in an illiquid market.

**SICO has 37% females on staff, a female CEO and both the Brokerage and Market Making Divisions are run by women, these are great statistics particularly given the fact that globally the financial sector suffers from an under-representation of women. Why do you think this is such a male dominated field and what can be done to encourage more women to pursue careers in finance?**

Yes, it is a male-dominated field. Finance is generally a profession that requires working longer and inflexible hours, where women may find it challenging given their other obligations outside work. However, you can see a cultural shift in the region even if the pace is slow. To encourage more women to build a career in finance, I believe, we should start, at an early age, to promote the field to younger generations of females through

education, skill developments, and by providing awareness of the opportunities that currently exist. We also need more successful women in the financial sector to act as role models and to reassure women that these senior positions are not just restricted to men. Women can and do compete with their male colleagues for senior roles.

**Why did you decide to study finance?**

I graduated with a degree in business information systems, which gave me background on how technology impacts corporate banking. During my early years in SICO, I was given the opportunity to work as a dealer in the treasury department where I was exposed to the capital markets. The markets are impacted by everything around us, from climate change to politics. Every day there's a new thing to learn and no two days are ever alike which I find very interesting. That's where I found my passion, in investment and portfolio management, and that's why I decided to pursue a career in that field. Getting my Masters of Science in finance not only helped my career, but also prepared me for tasks in my everyday life, from decision making to money management.

**What professional achievement are you most proud of?**

I am very proud of the new position that I hold, it took me almost 14 years to get there given that I came from an IT background. SICO has given me the opportunity to build my knowledge and expand my skills. I wake up every day with excitement knowing that I'm making a difference and adding value to Bahrain's financial sector. Introducing the market making concept and expanding its activities in the market have been very rewarding.

\*To be approved by the CBB.

## New Managers Appointed in Key Positions

As part of our ongoing effort to enhance our management team and incorporate fresh perspectives in our strategic decision making, we have made several new management appointments throughout 2018 and early 2019. Already these six highly talented individuals have made positive impacts within their divisions. Read more about their backgrounds and experience below



### Haitham Haji

Head of Distribution and Business Development

Haitham Haji has 20 years of experience within the fields of investment, private equity, treasury, research and business development. Previously, Haitham was CEO of Investrade Company BSC. Prior to that, he served as a full-time consultant with Gatehouse Bank in London. Prior to that, he was a Director and Senior

Relationship Manager for Credit Suisse AG in Bahrain, and prior to that, a Director with ARCAPITA Bank. Haitham began his career with BBK and held several managerial roles in operations, research & business development, and treasury & investments. Haitham holds a BA in Public Administration and Management from the University of Kent and an MBA from Durham Business School in the UK.



### Jithesh Gopi

Head of Proprietary Investments

Jithesh has over 24 years of experience in the investment industry spread across asset management, investment strategy, corporate and product development, research, and analytics. Since 2013, he worked with Al Rajhi Capital, Riyadh in various roles such as Head of Asset Management, Head of Research, and

more recently as Director of Corporate Development and Proprietary Investments. He previously worked with SICO as Head of Research until 2013 after joining as a Senior Analyst in 2006.



### Hussain Najati

Head of Treasury

Hussain Najati currently holds the post of Head of Treasury at SICO. He has over 13 years of experience in financial control, fixed income and foreign exchange trading. Hussain joined SICO in 2006 as a Financial Controller where he was responsible for accounting support for operational management. Since 2008, Hussain has been serving as a Senior

Dealer in the Investment and Treasury Department, where he is responsible for money market, FX, and fixed income management and monitoring investments across primary and secondary markets.



### Shaikha Mohammed Kamal

Head of Market Making\*

Shaikha Kamal has over 14 years of professional experience in Treasury at SICO, which she leverages in her current role as Head of Market Making. Shaikha joined SICO in 2004 as a Senior Dealer with the Treasury Department, where she was exposed to all functions within the department, such as liquidity management,

proprietary investments and market making, before being appointed as a Portfolio Manager in 2011. During that period, she was responsible for the proprietary investment within Treasury, where she specialized in various asset classes such as equities and fixed income.



### Simone Del Nevo

Head of Legal

Simone Del Nevo joined SICO as Head of Legal in July 2018 and has over 12 years of experience in managing legal affairs both as private practitioner in major international firms and as in-house counsel. Before joining SICO, Simone worked several years at the international law firm Baker McKenzie in Europe and Japan where he specialized in banking, finance and securities law.



### Mohammed Juma

Head of Compliance and MLRO

Mohammed Juma holds over 15 years of experience in compliance, investment and operations management. Mohammed joined SICO in 2016 as Head of Compliance and MLRO where he is responsible for monitoring SICO Group's operational adherence to the guidelines of regulatory authorities.

Previously, Mohammed was Head of Compliance and MLRO with the International Investment Bank and JS Bank Limited in Bahrain.

\*To be approved by the CBB.

## Go Green Initiative Launches



In line with our commitment to sustainable business practices, this year we launched an internal Go Green Initiative to raise awareness about ways every employee can work to reduce waste, minimize environmental impact, and adopt a sustainable lifestyle. Through this initiative, we provided employees with personalized reusable glass water

bottles to reduce the use of harmful plastics both inside and outside the workplace. We also took steps to reduce paper, electronic, and other waste by setting all company printers to automatically print in black and white on double-sided paper. Additionally, we are encouraging employees to save energy by turning off computer monitors, lights, and other electronic equipment when not in use

## Supporting Education in Bahrain

As part of our CSR strategy, SICO continued to support the country's flagship educational initiatives including the Al Mabarrah Al Khalifa Foundation, a non-profit helping Bahraini youth to unlock their full potential by developing targeted educational initiatives. We also continued our support of the Crown Prince's International Scholarship Program (CPISP), which awards 10 full university scholarships to Bahraini students from both public and private schools every year. To date, we have helped further the education of more than 160 students through our support of the CPISP.

## SICO Employee Blood Drive

As part of our efforts to promote the wellbeing and health of our community, this year we hosted a blood drive in partnership with King Hamad University Hospital's blood bank. Through this event, SICO employees donated blood to the hospital and gained awareness of the importance of donating regularly to help save lives.

## Using Simulations to Further Education

For the 10th consecutive year, SICO was a proud sponsor of the Bahrain Bourse's Trade Quest – The Trading Challenge. This year's event saw around 200 private and public university students come together in a competition that simulates financial markets to teach students how to analyze equities and manage a portfolio. We also sponsored the Bahrain Institute of Banking and Finance's (BIBF) Bank Management Simulation which equipped 12 students from University of Bahrain and Bahrain Polytechnic with practical knowledge on how to analyze stock market data and manage an equity and bond portfolio. Both simulations helped students to cultivate teamwork, presentation, conflict resolution, and time-management skills.

## SICO in the News

Click below to see our news coverage on both regional and international media platforms



[Pressure will continue on clinker stocks in Saudi Cement Companies](#)

[SICO cuts outlook for Saudi banks to neutral on lower hike expectations](#)

[Al Arabiya interview with Bassam El Khoury](#)

[Dubai property giant's trigger sentiment test](#)

[Emaar shares hit slump](#)

[Head of SICO Fixed Income Asset Management on CNBC](#)

## Encouraging Youth Sports

SICO was a proud sponsor of the 2018-19 King's Football Cup and the Prince Nasser Bin Hamad Premier League Football Tournament. This initiative is in line with our commitment to revitalizing sports and youth athletics in Bahrain as well as our CSR pillar focused on promoting sports and the general wellbeing of youth.

## SICO Publishes 2018 Annual Report

We are proud to have published our 2018 Annual Report, under the theme "Building Partnerships for Sustainable Growth." The report provides a complete overview of our operations and accomplishments throughout the past year. We invite you to view the document available on our website.



Trade Quest trading challenge simulation 2018 at the Bahrain Bourse