

Making an Impact

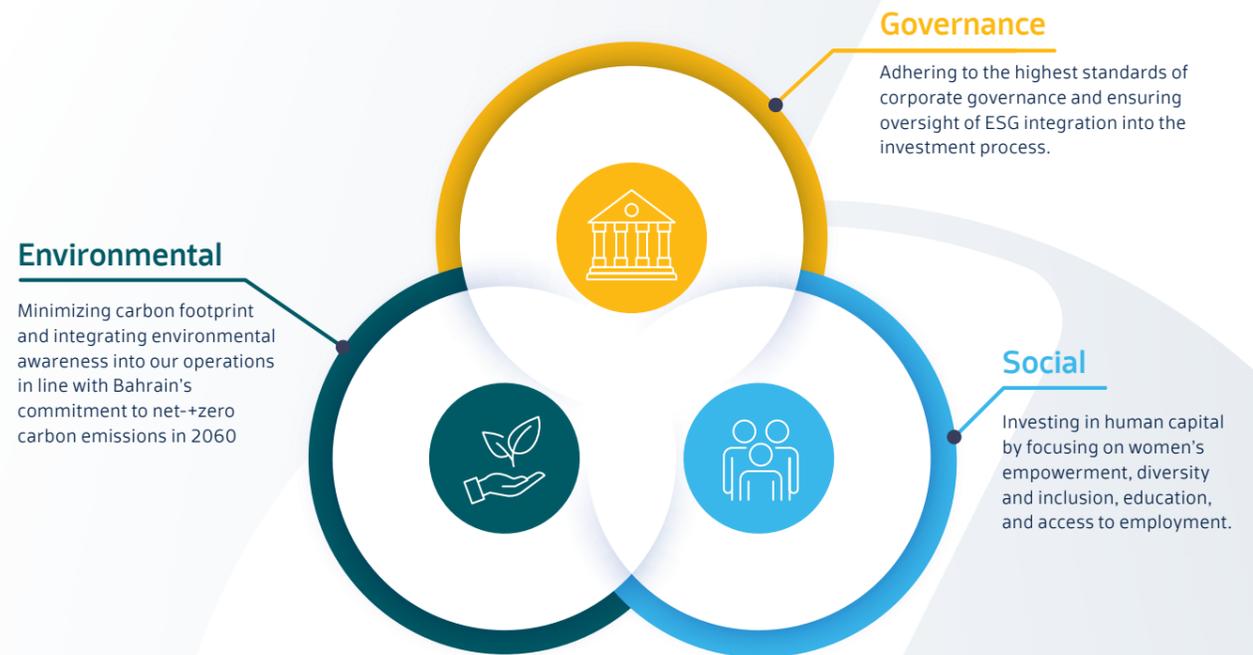
We take a structured approach to ESG, first by operating as a responsible business and second by embedding ESG considerations into our investment processes to drive sustainable and ethical investing.

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

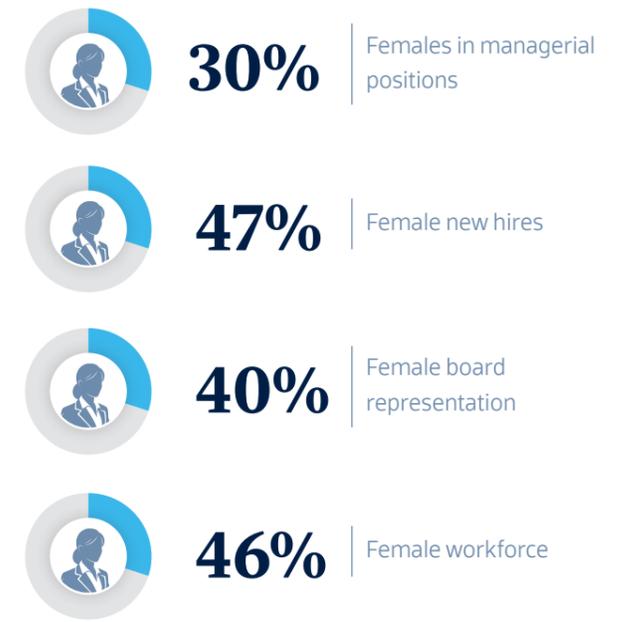
Diversity and Inclusion

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 (WEPEs), 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

Scope 2



Scope 2



Scope 3



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 CJSC, 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 CJSC, and carried out multiple internal audits of certain critical

functions and business divisions in SICO Capital. The department continues to support SICO Capital CJSC, 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.