

Operational Review

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

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

Asset Management

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

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

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

11%

year-on-year growth in
Gross AUMs

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

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

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

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

Securities Brokerage

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

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

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

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

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

85%

Growth in assets under
custody

20x

Growth in fractional trading portfolio size

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

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

Investment Banking

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

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

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

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



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

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

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

Market Making

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

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

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

Securities Services

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

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

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

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



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

Research

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

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

14%

Top-20 portfolio fund returns in 2025

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

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

Wealth Management

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



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