



Shaikh Abdulla bin Khalifa Al Khalifa

Ms. Najla M. Al Shirawi

SICO POSTS 41% INCREASE IN PROFITS TO BD3.3 MILLION

Manama, Kingdom of Bahrain – 25 February 2018: Securities & Investment Company (SICO), licensed by the Central Bank of Bahrain as a conventional wholesale bank, today announced a net consolidated profit of BD 3.3 million for 2017, a 41 percent increase compared to the BD 2.3 million posted last year. Net operating income was higher by 19 percent from BD 7.8 million in 2016 to BD 9.3 million, while total operating expenses, including staff overheads, general administration and other expenses, were up from BD 5.3 million in 2016 to BD 5.8 million. Earnings per share in 2017 rose to 8.01 fils compared to 5.69 fils in the previous year. The growth in profits was attributed to an improvement in revenues across all income lines.

For the fourth quarter of 2017, the net consolidated profit was BD 409 thousand, compared with BD 1.5 million for the last quarter of the previous year, while the net operating income was BD 1.9 million versus BD 3.0 million for the corresponding period in 2016. Operating expenses amounted to BD 1.5 million (4Q16: BD 1.3 million).

As at 31 December 2017, total balance sheet footings stood at BD 131.3 million compared with BD 147.1 million at the end of 2016. SICO continued to maintain a strong capital base, ending the year with a shareholders' equity of BD 59.8 million and a consolidated capital adequacy ratio of 59.1 per cent. Investments at fair value through profit or loss was BD 29.5 million (end-2016: BD 28 million).

Assets under management increased to BD 465 million (USD 1.23 billion) from BD 396 million (USD 1.05 billion) at the end of the previous year. Assets under custody with the Bank's wholly-owned subsidiary, SICO Funds Services Company (SFS) grew from BD 1.9 billion (USD 5 billion) as at 2016 to BD 2.2 billion (USD 5.7 billion) at the end of 2017.

Chairman of the Board, Shaikh Abdulla bin Khalifa Al Khalifa said: "We are happy to report that SICO delivered strong growth in 2017 and that all of our core businesses posted significant growth in revenues despite a difficult operating environment. Our assets under management had another strong year, increasing by more than 17 percent year-on-year, reflecting our proven Asset Management capabilities and clients' trust in our performance. Our equity funds have all outperformed their respective indices, our brokerage arm in the UAE continues to expand its market share and move up in the rankings. In addition, we continue to maintain a highly-liquid and transparent balance sheet."

He added: "Looking ahead, the Board has every confidence in the Bank's prospects and in its ability to seize growth opportunities, despite the challenges that lie ahead."

Chief Executive Officer, Ms. Najla Al Shirawi said: "SICO maintains its market leading position as the number one broker on the Bahrain Bourse for the nineteenth consecutive year. Our growth is attributable to our ability to tap into new markets and attract new clients, a trend expected to continue into 2018 as we build on the success of our new MENA-wide online brokerage trading service, SICOLIVE and our Abu Dhabi-based subsidiary's recent membership in Nasdaq Dubai."

She also noted the market making contributions of SICO to the Bahrain Bourse through its management of the Bahrain Liquidity Fund (BLF), which was launched during 2016. "The BLF was the largest liquidity fund to be introduced in Bahrain and one of the most successful in the region. As a result, Bahrain was one of the only two GCC markets that improved turnover in 2017, with Bahrain ranking second after Kuwait. We take deep pride in the fact that BLF played a hand in boosting investor confidence," she said.

Ms. Al Shirawi explained that SICO continued to focus on its strategy to create new organic growth drivers: "In 2017 we further expanded and diversified our product offerings to include real estate asset management, beginning with our role as sub-investment manager and market maker for the first publicly traded Eskin Bank Real Estate Investment Trust (REIT). SICO also acted as financial advisor and escrow agent for the mandatory offer by Bahrain Kuwait Insurance Company for Takaful International's shares, and as the escrow agent for the mandatory offer made for the shares of Bahrain Middle East Bank, as well as taking on other private advisory mandates."

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