



Shaikh Abdulla bin Khalifa Al Khalifa
Chairman

Najla Al Shirawi
Chief Executive officer

SICO REPORTS BD 1.42 MILLION NET PROFIT FOR FIRST QUARTER 2018

Manama, Kingdom of Bahrain – 9 May 2018: SICO BSC (c), a leading regional asset manager, brokerage, and investment bank (licensed as a conventional wholesale bank by the CBB), announced today that its net profit for the first quarter of 2018 increased by 8 % to BD 1.42 million from BD 1.32 million for the corresponding period of last year. With higher revenues being generated by all business lines, operating income grew by 16 % to BD 3.20 million from BD 2.70 million a year earlier. Total operating expenses, which include staff overheads, general administration and other expenses, increased to BD 1.78 million from BD 1.43 million. Earnings per share increased to Bahraini fils 3.85 compared to 3.19 fils for the first quarter of 2017.

Commenting on these results, Chairman of the Board, Shaikh Abdulla bin Khalifa Al Khalifa, said: “SICO has shown continued good performance in the

first quarter of the year, reflecting clients' confidence in the Bank to deliver results. Our core business lines posted significant growth in revenues and increased their respective contributions to the performance. SICO continues to utilise its market insight and regional knowledge to seek business expansion opportunities in high-growth markets in line with its strategic plans and we look forward to another successful year."

The results reflect an increase in net investment income, which closed the period at BD 1.42 million (1Q17: BD 1.22 million). Brokerage and other income stood at BD 716 thousand (1Q17: BD 541 thousand), net fee income reached at BD 828 thousand (1Q17: BD 718 thousand), and interest income marginally grown to BD 440 thousand (1Q17: BD 424 thousand).

As of 31 March 2018, total balance sheet stood at BD 126.9 million compared to BD 131.3 million at the end of 2017. Assets under management have grown significantly to BD 658.28 million (US\$ 1.75 billion) from BD 465.37 million (US\$ 1.23 billion), representing 41.5% growth in comparison to 2017 year-end balance. . Assets under custody with the Bank's wholly-owned subsidiary SICO Funds Services Company (SFS) grew to BD 2.27 billion (US\$ 6.02 billion) from BD 2.15 billion (US\$ 5.70 billion) as of December 2017.

SICO continued maintaining a comfortable capital base well above regulatory requirements , ending the period with a shareholders' equity of BD 53.43 million (December 2017: BD 59.76 million). The lower capital base compared to December 2017 is primarily due to SICO acquiring back 10% of its shares as treasury stock , amounting to BD 5.9 million, during the first quarter of 2018 . Dividends' amounting

to BD 1.93 million were also distributed during the first quarter of 2018. Accordingly the consolidated capital adequacy ratio stood at 54.85%.

Putting SICO's first quarter results into context, Chief Executive Officer, Ms. Najla Al Shirawi, noted: "Despite a mixed performance across the GCC markets and low turnover, SICO's business lines enjoyed an active first quarter. The Bank reinforced its leading position in Asset Management with Assets Under Management "AUM" continuing to grow quarter on quarter, reflecting clients' enduring trust in SICO's ability to outperform in different and complex market conditions. Brokerage and Investment Banking maintained their leading market dominance, with brokerage arranging and executing significant transactions in the first quarter, and Investment Banking winning new private and public mandates which we expect to close later in the year. SICO continues to expand its client base for market making services with Bank ABC appointing SICO as the designated market maker with respect to Bank ABC's ordinary shares listed on the Bahrain Bourse. This market making arrangement aims to inject more market liquidity, thereby assisting any shareholders who want to buy or sell Bank ABC shares to do so.

She added: "During this period, SICO rolled out its new name and brand identity, which reflect both our heritage and our new reality as a progressive, forward-thinking organisation. We are confident that SICO's new corporate identity will amplify and broaden our appeal in the marketplace, which will support the Bank's future growth as we expand to offer a wider client base a progressive suite of products and services that cater to their specific and evolving investment needs."

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About SICO

SICO is a leading regional asset manager, broker, and investment bank, with more than USD 1.2bn in assets under management (AUM). Today SICO operates under a wholesale banking licence from the Central Bank of Bahrain and also oversees two wholly owned subsidiaries: an Abu Dhabi-based brokerage firm, SICO Financial Brokerage and a specialised regional custody house, SICO Fund Services Company (SFS).

Headquartered in the Kingdom of Bahrain with a growing regional and international presence, SICO has a well-established track record as a trusted regional bank offering a comprehensive suite of financial solutions, including asset management, brokerage, investment banking, and market making, backed by a robust and experienced research team that provides regional insight and analysis of more than 90 percent of the region's major equities.

Since inception in 1995, SICO has consistently outperformed the market and developed a solid base of institutional clients. Going forward, the bank's continued growth will be guided by its commitments to strong corporate governance and developing trusting relationships with its clients. The bank will also continue to invest in its information technology capabilities and the human capital of its 100 exceptional employees.

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