

# State Loans Push Bahrain Bank Lending to BD13.5bn

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A surge in government borrowing pushed bank lending in Bahrain to a record BD13.543 billion by the end of June, with state loans jumping 71 pc in a year and accounting for roughly two thirds of the rise.

Total loans and credit facilities issued by retail banks to the government, businesses and individuals climbed 8.5 pc from BD12.478bn in June 2025, adding just over BD1.065bn, according to the latest Central Bank of Bahrain figures.

| Indicator                                                                                                          | Figure     |
|--------------------------------------------------------------------------------------------------------------------|------------|
|  Total loans & credit facilities | BD13.543bn |
|  Annual growth                   | 8.5%       |
|  Government loans                | BD1.727bn  |
|  Government loan growth          | 71%        |
|  Personal loans                  | BD6.336bn  |
|  Business loans                  | BD5.480bn  |
|  Mortgage loans                  | BD3.278bn  |
|  Local deposits                  | BD17.587bn |
|  Loans/deposits ratio            | 58.9%      |
|  Personal loan rate              | 5%         |
|  Business loan rate              | 4.57%      |

Government borrowing rose by BD716.7 million over the year, from BD1.011bn to BD1.727bn. That alone made up about 67.2 pc of the yearly increase in



lending.

The government's share of all bank loans also grew sharply, rising by 4.7 percentage points to 12.8 pc.

Overall lending increased by another BD127.6m in June, up 1 pc from May. Since the end of December, banks have added BD569.3m to their loan books.

Individuals remained the biggest borrowers, owing BD6.336bn, or 46.8 pc of the total. Businesses and commercial activities accounted for BD5.480bn, or 40.5 pc.

Strip out government borrowing and the rise was far smaller. Loans to business-

es and individuals together stood at BD11.816bn, against BD11.467bn a year earlier, an increase of BD349.2m, or 3 pc.

Personal borrowing rose 3.8 pc over the year, adding BD232.6m, and edged up 0.6 pc in June.

Mortgages continued to dominate household debt. They rose 5.9 pc to BD3.278bn and made up 51.7 pc of all personal loans.

Salary-linked loans stood at BD1.764bn, down 2.8 pc from a year earlier. Vehicle loans fell 6.8 pc to BD90.6m, while outstanding credit card balances dropped 3 pc to BD122.8m.

Business lending grew at a slower annual rate of 2.2 pc to BD5.480bn, an increase of BD116.7m. But growth since January was stronger, at 7.3 pc, with firms taking on another BD371.3m in the first six months

of the year.

Manufacturing drew the largest share of business credit, with loans of BD1.302bn, equal to 23.8 pc of the total. Other service activities followed at BD827.7m, property at BD758.3m and construction at BD717.7m.

Manufacturing also saw the biggest rise since the start of the year, adding BD176.7m in loans. Lending to electricity and gas companies increased by BD68.3m, while construction finance rose by BD37.5m.

Wholesale and retail trade moved the other way, with loans falling 9.4 pc to BD546m.

Credit to small and medium-sized firms also declined. Loans stood at BD448.6m, down from BD467.3m in January, while their share of business lending fell from 9.1 pc to 8.2 pc.

Deposits, meanwhile, grew faster than lending. Local deposits rose 11.4 pc to BD17.587bn, while total funds held by individuals, companies and other bodies climbed 16 pc to BD23.008bn.

That pushed loans as a share of deposits down from 62.9 pc in June 2025 to 58.9 pc a year later. The average interest rate on personal loans at conventional banks stood at 5 pc. For business loans, the average rate fell sharply from 6.60 pc in June 2025 to 4.57 pc in June this year.

## Wall Street prepares to put a price on AI computing power

The rapid expansion of artificial intelligence is creating huge demand for computing power, but investors still have limited ways to measure what that computing capacity is actually worth.

Nvidia is at the centre of the boom.

The chipmaker expects strong revenue growth as demand for its AI processors continues to outpace supply. The company is also expanding beyond chip sales by helping customers finance AI infrastructure and participating in computing rental revenues.

Now, Wall Street is preparing to create a market that could provide a new measure of AI demand.

CME Group plans to introduce futures linked to the hourly rental prices of Nvidia's H100 and B200 GPUs, subject to regulatory approval. The contracts would track benchmarks showing how much businesses are paying to rent the processors.

The idea is similar to trading commodities. However, pricing computing power is more complicated because rental costs can vary depending on the provider, location, contract terms, networking and availability.



The proposed market also faces a major challenge: standardisation. Previous attempts to create futures markets for technologies such as DRAM chips and bandwidth struggled because there was no widely accepted standard.

If the GPU market succeeds, it could give investors a new way to monitor the AI boom. Instead of looking only at Nvidia's revenue or technology companies' spending plans, GPU rental prices could provide an indication of actual demand for computing capacity.

A sustained decline in rental prices, despite continued investment in AI infrastructure, could potentially signal that computing capacity is growing faster than demand.

For now, however, the biggest question remains whether enough real buyers and sellers will participate to make the new market a reliable indicator of the AI economy.

## Saudi Arabia leads GCC debt maturities through 2030



Saudi Arabia is set to face the largest volume of bond and sukuk maturities in the GCC over the next five years, with around \$167.4 billion of debt due between 2026 and 2030, according to an analysis by Kamco Invest based on Bloomberg data.

The figure places Saudi Arabia ahead of the UAE at \$157.4 billion and Qatar at \$89 billion. Kuwait, Bahrain and Oman are expected to have significantly smaller maturities of \$31.5 billion, \$23.7 billion and \$22.3 billion respectively.

Saudi Arabia's upcoming maturities are driven largely by government and corporate borrowing undertaken to finance economic diversification, infrastructure and development projects.

Of the Kingdom's total, around \$31.5 billion relates to government and sovereign issuers, with the remainder linked mainly to companies

and other borrowers.

The broader GCC is also facing a substantial refinancing cycle. Regional bond and sukuk maturities are expected to remain elevated from 2027 through 2031, reflecting the large number of shorter-term instruments issued by governments and companies in recent years.

Around 64.5% of GCC maturities are denominated in US dollars, while conventional bonds account for about \$308.4 billion and sukuk for \$183 billion.

Despite the scale of the maturities, analysts say strong credit profiles and substantial sovereign financial buffers across the Gulf should provide flexibility to refinance upcoming obligations. Saudi Arabia also remains one of the region's biggest debt-market issuers, raising \$49.34 billion through 58 bond and sukuk issuances in the first half of 2026.

| DAMANA<br>MIG                                                                                                                                                                                                                                                                                                 |                                                                      |                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| Saudi Arabian Insurance Company B.S.C. (c)                                                                                                                                                                                                                                                                    |                                                                      |                                                                      |
| Condensed Interim Financial Information                                                                                                                                                                                                                                                                       |                                                                      |                                                                      |
| For the period ended 30 June 2026                                                                                                                                                                                                                                                                             |                                                                      |                                                                      |
| CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME                                                                                                                                                                                                                                                           |                                                                      |                                                                      |
|                                                                                                                                                                                                                                                                                                               | (Reviewed)<br>Period from<br>1 January 2026 to<br>30 June 2026<br>BD | (Reviewed)<br>Period from<br>1 January 2025 to<br>30 June 2025<br>BD |
| Insurance revenue                                                                                                                                                                                                                                                                                             | 14,215,571                                                           | 13,377,914                                                           |
| Insurance service expenses                                                                                                                                                                                                                                                                                    | (15,085,546)                                                         | (12,708,996)                                                         |
| Insurance service result before reinsurance contracts held                                                                                                                                                                                                                                                    | (869,975)                                                            | 668,918                                                              |
| Allocation of reinsurance premiums                                                                                                                                                                                                                                                                            | (3,107,766)                                                          | (3,323,835)                                                          |
| Amount recoverable from reinsurers for incurred claims                                                                                                                                                                                                                                                        | 2,205,455                                                            | 1,720,086                                                            |
| Net expense from reinsurance contracts held                                                                                                                                                                                                                                                                   | (902,311)                                                            | (1,603,749)                                                          |
| Insurance service result                                                                                                                                                                                                                                                                                      | (1,772,286)                                                          | (934,831)                                                            |
| Insurance finance expenses for insurance contracts issued                                                                                                                                                                                                                                                     | (397,997)                                                            | (509,847)                                                            |
| Reinsurance finance income for reinsurance contracts held                                                                                                                                                                                                                                                     | 154,756                                                              | 312,567                                                              |
| Net insurance finance expenses                                                                                                                                                                                                                                                                                | (243,241)                                                            | (197,280)                                                            |
| Net financial results from insurance operations                                                                                                                                                                                                                                                               | (2,015,527)                                                          | (1,132,111)                                                          |
| Dividend income                                                                                                                                                                                                                                                                                               | 6,719                                                                | 6,485                                                                |
| Share of profit from associate                                                                                                                                                                                                                                                                                | 481,067                                                              | 834,198                                                              |
| Interest income                                                                                                                                                                                                                                                                                               | 1,121,388                                                            | 1,283,267                                                            |
| Rental income                                                                                                                                                                                                                                                                                                 | 85,502                                                               | 85,502                                                               |
| Income from investments                                                                                                                                                                                                                                                                                       | 1,694,676                                                            | 2,209,452                                                            |
| General and administrative expenses                                                                                                                                                                                                                                                                           | (870,551)                                                            | (870,766)                                                            |
| Other income                                                                                                                                                                                                                                                                                                  | 210,005                                                              | 48,957                                                               |
| (Loss) / profit before tax for the period                                                                                                                                                                                                                                                                     | (981,397)                                                            | 255,532                                                              |
| Taxation                                                                                                                                                                                                                                                                                                      | (66,792)                                                             | (21,800)                                                             |
| Net (loss) / profit for the period                                                                                                                                                                                                                                                                            | (1,048,189)                                                          | 233,732                                                              |
| Other comprehensive income: Items that will not be reclassified subsequently to profit or loss                                                                                                                                                                                                                |                                                                      |                                                                      |
| Unrealised fair value gain of financial assets at FVOCI                                                                                                                                                                                                                                                       | 27,472                                                               | 78,409                                                               |
| Other comprehensive income for the period                                                                                                                                                                                                                                                                     | 27,472                                                               | 78,409                                                               |
| Total comprehensive (loss) / income for the period                                                                                                                                                                                                                                                            | (1,020,717)                                                          | 312,141                                                              |
| CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION                                                                                                                                                                                                                                                             |                                                                      |                                                                      |
|                                                                                                                                                                                                                                                                                                               | (Reviewed)<br>30 June<br>2026<br>BD                                  | (Audited)<br>31 December<br>2025<br>BD                               |
| Assets                                                                                                                                                                                                                                                                                                        |                                                                      |                                                                      |
| Property and equipment                                                                                                                                                                                                                                                                                        | 196,447                                                              | 220,458                                                              |
| Right-of-use assets                                                                                                                                                                                                                                                                                           | 766,437                                                              | 893,525                                                              |
| Investment properties                                                                                                                                                                                                                                                                                         | 4,519,827                                                            | 4,526,523                                                            |
| Investment in associates                                                                                                                                                                                                                                                                                      | 13,278,598                                                           | 12,797,531                                                           |
| Financial assets at FVOCI                                                                                                                                                                                                                                                                                     | 139,377                                                              | 744,808                                                              |
| Guarantee deposits                                                                                                                                                                                                                                                                                            | 4,808,412                                                            | 4,811,201                                                            |
| Other receivables and prepayments                                                                                                                                                                                                                                                                             | 1,547,293                                                            | 1,486,947                                                            |
| Insurance contract assets                                                                                                                                                                                                                                                                                     | 306,328                                                              | 332,060                                                              |
| Reinsurance contract assets                                                                                                                                                                                                                                                                                   | 6,216,824                                                            | 6,146,802                                                            |
| Amounts due from related parties                                                                                                                                                                                                                                                                              | 207,340                                                              | 1,333                                                                |
| Cash and bank balances                                                                                                                                                                                                                                                                                        | 47,180,938                                                           | 48,072,228                                                           |
| Total assets                                                                                                                                                                                                                                                                                                  | 79,167,821                                                           | 80,033,416                                                           |
| Equity and liabilities                                                                                                                                                                                                                                                                                        |                                                                      |                                                                      |
| Equity                                                                                                                                                                                                                                                                                                        |                                                                      |                                                                      |
| Share capital                                                                                                                                                                                                                                                                                                 | 20,000,000                                                           | 20,000,000                                                           |
| Statutory reserve                                                                                                                                                                                                                                                                                             | 5,554,637                                                            | 5,554,637                                                            |
| Fair value reserve                                                                                                                                                                                                                                                                                            | 61,208                                                               | 646,700                                                              |
| Share in fair value reserve of associate                                                                                                                                                                                                                                                                      | 2,300,369                                                            | 2,300,369                                                            |
| Reinsurance reserve                                                                                                                                                                                                                                                                                           | 55,106                                                               | 55,106                                                               |
| Retained earnings                                                                                                                                                                                                                                                                                             | 20,398,506                                                           | 20,833,728                                                           |
|                                                                                                                                                                                                                                                                                                               | 48,369,826                                                           | 49,390,540                                                           |
| Liabilities                                                                                                                                                                                                                                                                                                   |                                                                      |                                                                      |
| Employees' terminal benefits                                                                                                                                                                                                                                                                                  | 896,335                                                              | 912,753                                                              |
| Accounts and other payables                                                                                                                                                                                                                                                                                   | 1,725,132                                                            | 1,615,430                                                            |
| Amounts due to related parties                                                                                                                                                                                                                                                                                | 512,703                                                              | 266,138                                                              |
| Zakat and income tax payable                                                                                                                                                                                                                                                                                  | 7,076                                                                | 22,466                                                               |
| Insurance contract liabilities                                                                                                                                                                                                                                                                                | 25,423,875                                                           | 25,425,374                                                           |
| Reinsurance contract liabilities                                                                                                                                                                                                                                                                              | 1,448,051                                                            | 1,485,933                                                            |
| Lease liabilities                                                                                                                                                                                                                                                                                             | 784,823                                                              | 914,782                                                              |
| Total liabilities                                                                                                                                                                                                                                                                                             | 30,797,995                                                           | 30,642,876                                                           |
| Total equity and liabilities                                                                                                                                                                                                                                                                                  | 79,167,821                                                           | 80,033,416                                                           |
| The condensed interim financial information has been reviewed by M/s Grant Thornton Abdulla. A copy of the review report and condensed financial information will be available at the registered office of the Company. These condensed interim financial statements were approved by the Board of Directors. |                                                                      |                                                                      |