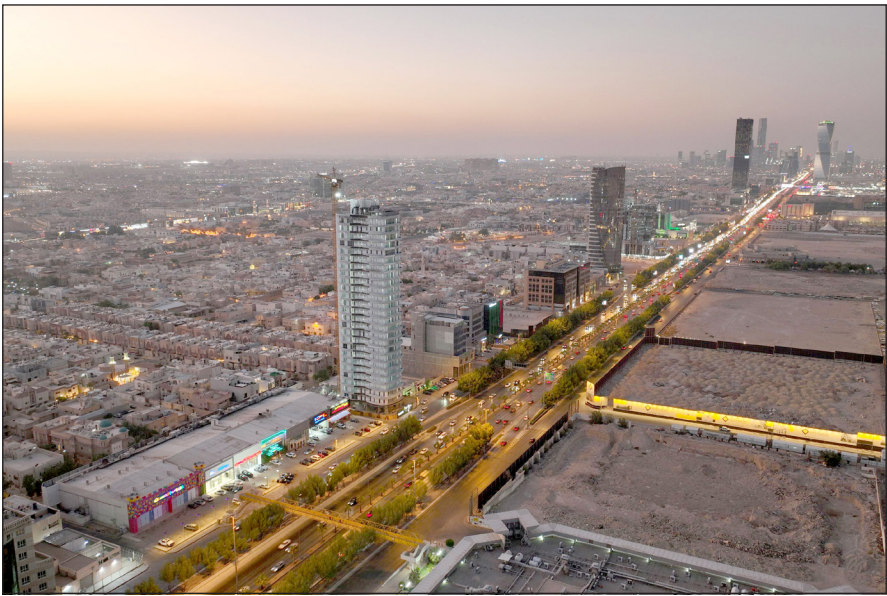


Saudi producer prices rise 8.5pc in June on manufacturing gains

SAUDI Arabia’s Producer Price Index increased 8.5 per cent year on year in June, driven by higher prices in the manufacturing sector, official data showed, reports the *Arab News*. Manufacturing prices rose 9pc, while prices in the electricity, gas, steam, and air-conditioning supply sector increased 2.4pc, according to a report by the General Authority for Statistics (GASTAT). The report added that prices for water supply, sewerage, waste management, and remediation activities rose 7.9pc in June compared with the same month a year earlier. The producer price data comes as Saudi Arabia’s broader inflation environment remains relatively stable compared with other Gulf economies. Consumer prices in the kingdom rose 1.8pc year on year in July.

In the latest report, GASTAT stated: “Manufacturing prices increased by 9pc, driven by higher prices for manufacture of refined petroleum products 13.2pc, the manufacture of chemicals and chemical products 14.4pc, the manufacture of food products 4.6pc, the manufacture of basic metals 8.4pc, and the manufacture of wearing apparel 14.3pc.” Conversely, prices of manufactured fabricated metal products, excluding machinery and equipment, fell 3.5pc, the manufacture of other non-metallic mineral products dropped 2.1pc, and other economic activities decreased 3.5pc. On a monthly basis, the kingdom’s PPI rose 0.6pc in June from May. Manufacturing prices increased 0.6pc, supported by higher prices for refined petroleum products, which rose 1.8pc; food products,

up 1.3pc; other economic activities, up 2.2pc; and fabricated metal products, excluding machinery and equipment, up 0.1pc. Offsetting some of the monthly gains, prices for chemicals and chemical products fell 1pc, while basic metals declined 0.5pc. Prices in the electricity, gas, steam, and air-conditioning supply sector edged down 0.1pc month on month in June, while prices for water supply, sewerage, waste management, and remediation activities remained unchanged. PPI, which is classified according to the Saudi Standard Industrial Classification, measures relative changes in domestic product prices. It is compiled from the Producer Price Survey of industrial establishments in manufacturing, electricity, gas, steam, and air-conditioning supply, and water supply, sewerage, and waste management activities.



■ A drone view shows cityscape in Riyadh

Interim Consolidated Statement of Financial Position			
As at 30 June 2026 (Reviewed)			
	Reviewed 30 June 2026 US\$ 000	Audited 31 December 2025 US\$ 000	Reviewed 30 June 2025 US\$ 000
ASSETS			
Demand and call deposits with banks	96,473	70,211	96,434
Treasury bills	74,809	48,031	9,875
Placements with banks	92,411	92,172	91,539
Investments carried at fair value through profit or loss	118,022	114,514	109,427
Investments carried at fair value through other comprehensive income	183,070	141,503	141,890
Loans and receivables	66,241	31,113	6,055
Other assets	49,471	52,807	58,192
Investment in associates	76,312	77,037	76,374
Investment properties	133,512	133,503	133,899
Property and equipment	17,189	17,858	18,448
Goodwill and other intangible assets	59,599	60,009	59,822
TOTAL ASSETS	967,109	838,758	801,955
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	242,287	137,395	88,291
Deposits from customers	22,932	24,590	34,827
Term loans	245,843	201,235	201,925
Other liabilities	62,874	73,540	72,881
TOTAL LIABILITIES	573,936	436,750	397,924
EQUITY			
Share capital	196,132	196,132	196,132
Share premium	5,687	5,687	5,687
Statutory reserve	54,982	54,982	54,034
General reserve	4,713	4,713	3,765
Fair value reserve	19,188	20,695	25,247
Foreign currency translation reserve	(5,385)	(6,177)	(3,971)
(Accumulated deficit) / retained earnings	(1,846)	3,440	1,995
Equity attributable to shareholders of the Parent	273,471	279,472	282,889
Non-controlling interests	119,702	122,536	121,142
TOTAL EQUITY	393,173	402,008	404,031
TOTAL LIABILITIES AND EQUITY	967,109	838,758	801,955

Interim Consolidated Statement of Income			
For the six-month period ended 30 June 2026 (Reviewed)			
	Three-month period ended 30 June		Six-month period ended 30 June
	2026 US\$ 000	2025 US\$ 000	2026 US\$ 000
Interest income	3,455	1,721	6,194
Investment income - net	8,287	24,484	5,719
Fees and commission income - net	11,742	26,205	11,913
Foreign exchange (loss) / gain	17,485	14,352	29,080
Share of results of associates	(164)	(2,680)	25
Total income	31,716	42,675	40,212
Interest expense	(5,253)	(4,641)	(9,745)
Operating income before expenses and expected credit losses	26,463	38,034	30,467
Salaries and benefits	(10,051)	(13,282)	(22,109)
General and administrative expenses	(7,164)	(10,574)	(13,215)
Operating income / (loss) before ECL	9,248	14,178	(4,857)
(Allowance for) / reversal of expected credit losses - net	(597)	20	(941)
Profit / (loss) before tax	8,651	14,198	(5,798)
Tax expense	-	(961)	-
Net profit / (loss) for the period	8,651	13,237	(5,798)
Net profit / (loss) attributable to non-controlling interests	4,181	6,298	(618)
Net profit / (loss) attributable to shareholders of the Parent	4,470	6,939	(5,180)

Interim Consolidated Statement of Comprehensive Income			
For the six-month period ended 30 June 2026 (Reviewed)			
	Three-month period ended 30 June		Six-month period ended 30 June
	2026 US\$ 000	2025 US\$ 000	2026 US\$ 000
Net profit / (loss) for the period	8,651	13,237	(5,798)
Other comprehensive income (OCI)			
Items that may be reclassified to profit or loss in subsequent periods			
Foreign currency translation changes	1,048	94	1,495
Net change in cashflow hedges	3	(56)	11
Fair value changes of debt investments carried at fair value through other comprehensive income	1,174	-	(1,545)
Items that will not be reclassified to profit or loss in subsequent periods			
Fair value changes of equity investments carried at fair value through other comprehensive income	4,405	3,622	(469)
Share of other comprehensive loss of associates	-	(6)	-
Other comprehensive income / (loss) for the period	6,630	3,654	(508)
Total comprehensive income / (loss) for the period	15,281	16,891	(6,306)
Total comprehensive income / (loss) attributable to:			
- Shareholders of the Parent	10,454	11,054	(6,001)
- Non-controlling interests	4,827	5,837	(305)
	15,281	16,891	(6,306)

Interim Condensed Consolidated Statement of Cash Flows		
For the six-month period ended 30 June 2026 (Reviewed)		
	Six-month period ended 30 June 2026 US\$ 000	2025 US\$ 000
Net cash flows generated from / (used in) operating activities	31,811	(28,022)
Net cash flows used in from investing activities	(1,075)	(2,987)
Net cash flows generated from financing activities	42,079	50,464
NET CHANGE IN CASH AND CASH EQUIVALENTS	72,815	19,455
Foreign currency translation adjustments	3,836	(236)
Cash and cash equivalents at 1 January	158,793	159,179
CASH AND CASH EQUIVALENTS AT 30 JUNE	235,443	178,398

Interim Consolidated Statement of Changes In Equity											
For the six-month period ended 30 June 2026 (Reviewed)											
	Attributable to shareholders of the Parent								Perpetual Additional Tier 1 Capital	Non-controlling interests	Total equity
	Share capital US\$ 000	Share premium US\$ 000	Statutory reserve US\$ 000	General reserve US\$ 000	Fair value reserve US\$ 000	Foreign currency translation reserve US\$ 000	Retained earnings / (Accumulated deficit) US\$ 000	Total US\$ 000	US\$ 000	US\$ 000	US\$ 000
Balance at 1 January 2026	196,132	5,687	54,982	4,713	20,695	(6,177)	3,440	279,472	-	122,536	402,008
Net loss for the period	-	-	-	-	-	-	(5,181)	(5,181)	-	(618)	(5,799)
Other comprehensive (loss) income	-	-	-	-	(1,507)	792	(105)	(820)	-	313	(507)
Total comprehensive (loss) income for the period	-	-	-	-	(1,507)	792	(5,286)	(6,001)	-	(305)	(6,306)
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,529)	(2,529)
Balance at 30 June 2026	196,132	5,687	54,982	4,713	19,188	(5,385)	(1,846)	273,471	-	119,702	393,173
Balance at 1 January 2025	116,132	5,687	54,034	3,765	21,286	(5,923)	(3,097)	191,884	33,000	115,460	340,344
Net profit for the period	-	-	-	-	-	-	6,519	6,519	-	6,967	13,486
Other comprehensive income	-	-	-	-	3,749	1,952	-	5,701	-	365	6,066
Total comprehensive income for the period	-	-	-	-	3,749	1,952	6,519	12,220	-	7,332	19,552
Capital increase	80,000	-	-	-	-	-	-	80,000	-	-	80,000
Interest payment on Tier 1 capital	-	-	-	-	-	-	(2,214)	(2,214)	-	-	(2,214)
Repayment of AT1 capital	-	-	-	-	-	-	-	-	-	-	-
Movements in associates	-	-	-	-	212	-	(212)	-	(33,000)	-	(33,000)
Additional acquisition in a subsidiary	-	-	-	-	-	-	999	999	-	(1,453)	(454)
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	(197)	(197)
Balance at 30 June 2025	196,132	5,687	54,034	3,765	25,247	(3,971)	1,995	282,889	-	121,142	404,031

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Consolidated Statement of Comprehensive Income, Interim Condensed Consolidated Statement of Cash Flows and Interim Consolidated Statement of Changes In Equity have been extracted from the Interim Condensed Consolidated Financial Statements of United Gulf Bank B.S.C.(c) for the six-month period ended 30 June 2026 which were approved by the Board of Directors on 13 August 2026 and was reviewed by Ernst & Young, Kingdom of Bahrain.

Sheikh Abdullah Nasser Al Sabah
Chairman

Antoine Jean Daher
Vice Chairman

Samer Alabed
Chief Executive Officer

