

RECORD 1ST QUARTER RESULTS

ALWAYS DELIVERING MORE

NET PROFIT UP 25.9% TO KD 30.1 MILLION.

EARNINGS PER SHARE OF 28.3 FILS.

Major Highlights (1st Quarter 2007)	Q1 2007 KD Millions	Q1 2006 KD Millions	Growth %
Operating Income	42.2	35.1	20.3
Operating Profit	34.3	28.7	19.2
Net Profit	30.1	23.9	25.9
Total Assets	4,183	2,791	49.9
Customer Loans	2,599	1,727	50.5
Customer Deposits	2,896	1,956	48.1
Earnings Per Share (Fils)	28.3	22.2	27.5
Return on Assets (%)	2.96	3.59	- 17.5
Return on Equity (%)	33.84	30.99	9.2



بنك الخليج
GULF BANK
805805 • e-gulfbank.com

Gulf Bank Posts Profit of KD30.1m for First Quarter of 2007

Net profit up 25.9 % on corresponding period in 2006

Kuwait, April 16, 2007: Gulf Bank, Kuwait's second largest commercial bank, has reported a record net profit of KD30.1million for the first three months of 2007, an increase of 25.9% over the corresponding period last year. Operating income rose by 20.3% to KD42.2 million while total assets grew by 49.9% to KD4.2 billion.

"Gulf Bank has made an impressive beginning to the year," commented Mr. Bassam Y. Alghanim, Gulf Bank's Chairman & Managing Director. "All business divisions made a solid contribution to revenue growth and Gulf Bank has maintained its track record as one of the region's fastest growing banks.

"The Retail Banking Group has reported an exceptional three months, with strong growth in revenue and customer acquisition," Mr. Alghanim continued. "Gulf Bank's innovative Al Danah KD Millionaire and Salary for Life programs have reinforced the Bank's distinctive customer proposition. Gulf Bank has also become the first bank in Kuwait to offer co-branded American Express Cards under a new partnership agreement with American Express.

"At the same time, Gulf Bank has continued to focus on asset quality and operating efficiency, maintaining its industry-leading cost-to-income ratio as a key strategic strength.

"The results reaffirm the success of Gulf Bank's strategy of focusing on the needs of Kuwait's banking customers, delivering outstanding service and building our reputation as Kuwait's best local bank," Mr. Alghanim said.

Last month, Gulf Bank announced the appointment of Mr. Louis Myers as Chief General Manager and CEO. "Mr. Myers has more than two decades of banking experience in banking in the Middle East and the United States and will make an important contribution to Gulf Bank's future success," Mr. Alghanim said.

Acting Chief General Manager, Mrs. Sana Jumah, received international recognition as the recipient of a prestigious Stevie Award for Women in Business. Mrs. Juma was named Best Executive in Europe, Middle East & Africa.

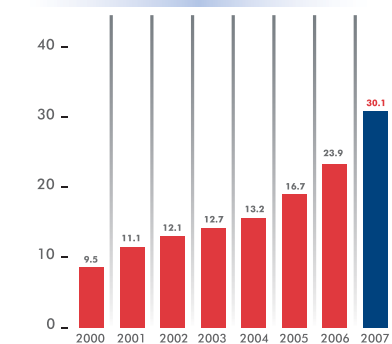
Gulf Bank's earnings per share increased 27.5% to 28.3 fils in the first

three months of 2007. Return on assets dropped by 17.5% and return on shareholders' equity grew 9.2% to 33.84%.

Gulf Bank is one of the highest rated banks in the region. It is one of only seven banks in the GCC assigned an 'Aa3' long-term foreign currency deposit rating from Moody's Investors Service and enjoys strong ratings from Fitch Rating and Capital Intelligence ('A') and Standard & Poor's ('A-'). "These ratings reflect the strength of our financial performance, our asset quality and retail deposit funding, and the success of our business strategy," Mr. Alghanim said.

"With positive economic indicators for Kuwait in the year ahead, Gulf Bank is well positioned to deliver outstanding results for its shareholders," Mr. Alghanim concluded.

NET PROFIT (KD MILLION)



EARNINGS PER SHARE (FILS)

