

# 3<sup>rd</sup> QUARTER 2008 FINANCIAL HIGHLIGHTS



**NET PROFIT 86.0 MILLION**  
**EARNINGS PER SHARE OF 70 FILS**

## Gulf Bank Q3 Profit Follows Industry Trends

Returns are strong even as temporary events drag on earnings

Gulf Bank announced its third quarter earnings and confirmed that 2008 continues to be a year of challenges. The results, which were announced by Gulf Bank's Chairman and Managing Director, Bassam Alghanim, reflect the recent downturn in global financial markets and its wide-reaching effects which have been felt by Banks worldwide.

Mr. Alghanim commented, "Our fundamentals are strong and our core businesses are performing to our expectations. We are expecting the investment environment to improve with the coordinated effort of the world's central banks to stabilize the global banking system".

"Our return on assets of 2.24% and return on equity of 26.5% demonstrate clearly that Gulf Bank can provide good returns to its shareholders in all market conditions". He added, "This is a tribute to the strength of our management and our strategy".

Many events that have occurred since the beginning of the year have left a resounding impact on the financial markets. Financial institutions in general have been impacted by global economic pressures and the effect of growing inflation across the region."

The results showed 26.3 cents per share on the reported net profit of \$322.8m.

Gulf Bank CEO Louis Myers said, " Our earnings have been affected by two primary factors. Our credit portfolio is performing well with the exception of a single local contractor, which we discussed in the first half of the year and have provisioned for. Also, our investment portfolio, which has returned 97% since inception, well ahead of the 17% for comparable indices, is not contributing to earnings in 2008. When adjusting for these items, the Bank's core earnings would be on par with 2007, quite an accomplishment for these challenging times".

Gulf Bank continues to retain a robust capital base and operate from a strong financial position. The Bank's cornerstones include compelling retail banking solutions and increased human capital investment which has resulted in a highly qualified and dedicated staff of banking experts providing client support. This has enabled Gulf Bank to maintain its position as one of the leading financial institutions in Kuwait.

It is certain that the market presents challenges but more importantly, opportunities which Gulf Bank is ideally positioned to capture. As a leading banking institution in Kuwait, Gulf Bank is continuing to innovate and deliver the highest quality financial services to all of its clients. The organization's talented and experienced management team builds on the Bank's strong foundation to respond to the fast changing banking environment.

### Major Highlights (3<sup>rd</sup> Quarter-2008)

	<b>2008</b> KD Millions	<b>2007</b> KD Millions
Operating Income	127.2	144.2
Operating Profit	100.8	119.7
Net Profit	86.0	105.1
Total Assets	5,187	4,901
Loans & Advances	3,516	3,043
Deposits from Customers & OFIs	4,373	3,900



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