

Gulf Bank Posts Profit of USD 376.3m for Third Quarter of 2007

Net profit up 38% on corresponding period in 2007

Gulf Bank reported continued strong growth in the first nine months of 2007 with revenue increases reflecting another excellent financial performance across all business divisions.

Net profit to 30 September 2007 reached a record USD 376.3 million, an increase of 38% over the corresponding period in 2006. Gulf Bank also reported a 3.14% return on assets and a 34.4% return on shareholder's equity, consolidating Gulf Bank's position as one of the region's most profitable commercial banks.

Commenting on the results, Gulf Bank Chairman and Managing Director Mr. Bassam Y. Alghanim stated, "The first three quarters of 2007 has seen sustained growth all round in our business banking groups. These results are testament to Gulf Bank's aggressive strategy for domestic growth that has been its consistent focus in recent years"

"By focusing on a stable, high-yielding retail base of Kuwaiti customers, Gulf Bank has minimized credit risk and maintained superior asset quality," Mr. Alghanim said. "Furthermore, by keeping a rigorous control on costs and avoiding the expense of international branch networks, Gulf Bank has maintained one of the lowest cost-to-income ratios of any bank in the GCC region."

Solid results were also delivered across the bank's corporate, treasury, international and investment banking businesses in the first nine months of 2007. "Gulf Bank is the only Kuwaiti bank to offer a dedicated service division for small to medium enterprises (SMEs) and this will be an important focus for our Corporate Banking Group going into the final quarter of the year," Mr. Alghanim said.

"We expect the favourable operating environment in the Kuwait market to continue into the foreseeable future," Mr. Alghanim continued. "Kuwait's economy is underpinned by high oil prices and, in 2007, we have witnessed a surge in real estate, strong credit growth and a sustained stock market rally. Against this backdrop and with our own momentum for growth, we believe Gulf Bank is on track to record its eighth successive year of record earnings and profitability."

Gulf Bank has also cemented its position as the leading Kuwaiti employer in the private sector, winning the coveted GCC Localization Award for two consecutive years with a local employment ratio of 59%. "We are immensely proud to have this prestigious award," Mr. Alghanim said. "Our success in providing training and career opportunities for young Kuwaitis is a key platform of our commitment to corporate responsibility and it will deliver real benefits for the development of Kuwait's human capital." He added.

In 2007, Gulf Bank hired its entire intake of 150 graduate interns as full-time employees. We look forward to these talented recruits playing a vital role in the bank's continued growth and prosperity.

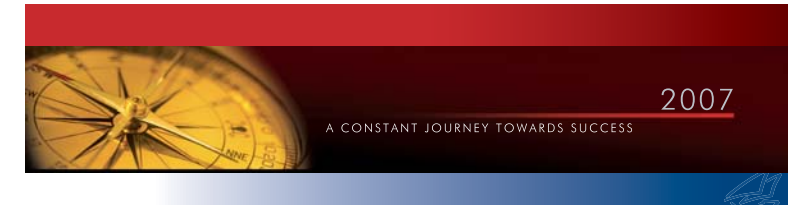
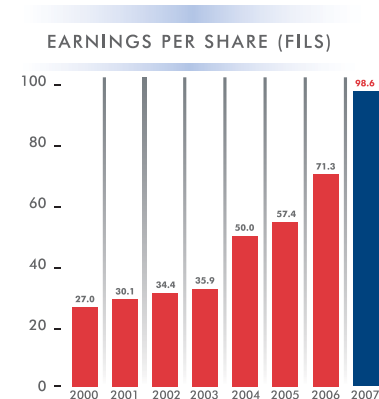
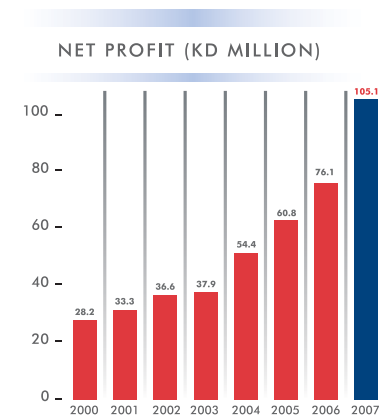
Along with the GCC Localization Award, Gulf Bank has scooped a record number of highly respected banking industry awards. In 2007,

Gulf Bank was named 'Best Retail Bank in the Middle East' for the third year in a row by Banker Middle East, 'Best Bank in Kuwait' and 'Best Consumer Internet Bank in Kuwait' by Global Finance, and 'Best Retail Bank in Kuwait' by The Asian Banker.

"Gulf Bank's customer proposition is focused on innovation and superior service," said Mr. Louis J. Myers, Gulf Bank CEO & Chief General Manager. "We are investing in creating the best products in the market, delivered through a large network of branches and ATMs, supported by the most comprehensive homepage and online banking service in the region.

"We continuously work to improve our service experience to meet the needs of our customers and we are enhancing our ability to cross-sell a full range of banking solutions," Mr. Myers added.

Gulf Bank is one of the highest rated banks in the region. It holds 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-').



RECORD 3rd QUARTER RESULTS

ALWAYS DELIVERING MORE

Net profit up 38% to KD 105.1 million.
Earnings per share of 98.6 fils.

Major Highlights (3rd Quarter 2007)	Q3 2007 KD Millions	Q3 2006 KD Millions	Growth %
Operating Income	144.2	112.4	28.3
Operating Profit	119.7	91.2	31.3
Net Profit	105.1	76.1	38.0
Total Assets	4,900.8	3,569.4	37.3
Customer Loans	3,011.3	2,309.7	30.4
Customer Deposits	3,167.6	2,677.6	18.3
Earnings Per Share (Fils)	98.6	71.3	38.2
Return on Assets (%)	3.14	3.30	-4.8
Return on Equity (%)	34.4	30.8	11.7

