



Kuwait – 13 May 2009: Gulf Bank reported a net profit of KD 10.6 million for the first quarter of 2009, marking a new phase for the Bank, with a restored profit and confidence. However, Gulf Bank made further extra precautionary provisions of KD 9 million, resulting in a stated net profit of KD 1.6 million. These results demonstrate a milestone achievement for the Bank, indicating a return to profitability following the losses incurred in the last quarter of 2008.

Although this level of profit represents a notable decline compared to the corresponding period of 2008, it also reflects the general economic conditions that continued to prevail during the first quarter of 2009, which necessitated the increase of certain provisions to meet the various risks.

This drop is also attributable to the reduction in the Bank's investment activities, which had accounted for a tangible portion of the Bank's profit in the prior period.

The Bank recovered its usual capital resources by the end of January 2009, when subscription to the capital increase took place, which had an impact on the interest income.

Despite the substantial losses realized at the end of 2008, and although the global financial crisis weighed heavily on the various business sectors in Kuwait, including the banking industry, Gulf Bank withstood the losses by adopting numerous

measures to regain its leading position in the market. In addition to the Bank's re-capitalization in January 2009 through subscription, the Bank's shareholders elected a new Board of Directors on 11 April 2009, which will execute the Bank's business development plan, and enhance the control and guidance rules in the Bank.

Gulf Bank has a solid foundation to meet the challenges and opportunities ahead. The Bank's performance demonstrates that the Bank is now positioned for continued future success. The Bank is committed to maximize shareholders' returns and to provide our customers with world-class standards in customer satisfaction, product innovation and competitive value.

Commenting on this turning point in Gulf Bank's performance during the first quarter of 2009, the Chairman, Mr. Ali Al-Rashaid Al-Bader said, "No one can deny that the past few months have been challenging but, with the help of our shareholders, who supported us with confidence and combined with the exceptional loyalty of our customers and staff, we have succeeded in strengthening the Bank, and this has resulted in us moving forward at a sustainable pace. The Bank will ensure that this trust is well placed".

"The success of the Bank's restructuring has been clearly demonstrated through these results and we aim to continue this trend. We will focus on developing our human capital to meet top professional standards and best practices, enabling the Bank to serve its customers and reward its shareholders with consistently good returns at all times", Al-Bader added.

"I am confident that Gulf Bank will, once again, rise to its rightful place as a world-class banking institution. Gulf Bank will navigate into the future with confidence thanks to the continued support and loyalty of its shareholders, customers and staff", concluded Al Bader.

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