



RECORD HALF YEAR RESULTS

ALWAYS DELIVERING MORE

Net profit up 39.9% to KD 70.4 million.
Earnings per share of 66.1 fils.

Major Highlights (Half year 2007)	H1 2007 KD Millions	H1 2006 KD Millions	Growth %
Operating Income	97.3	73.8	31.8
Operating Profit	80.7	60.3	33.9
Net Profit	70.4	50.3	39.9
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Total Assets	4,662	3,261	42.9
Customer Loans	2,860	2,085	37.1
Customer Deposits	3,019	2,289	31.9
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Earnings Per Share (Fils)	66.1	47.0	40.6
Return on Assets (%)	3.25	3.46	-6.1
Return on Equity (%)	37.1	31.5	17.8



THE ASIAN BANKER
2007

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Gulf Bank Posts Profit of USD 244.3m for First Half of 2007

Net profit up 40% on corresponding period in 2007

Gulf Bank today announced a record net profit of USD 244.3 million for the first half of 2007, an increase of 40% over the corresponding period in 2006.

Gulf Bank Chairman & Managing Director, Mr. Bassam Y. Alghanim, said Gulf Bank had delivered another strong performance with solid earnings growth and a 37.1 per cent return on shareholders' equity.

"The first half of 2007 has seen stable growth in Gulf Bank's retail banking business and strong growth in corporate lending and deposits", Mr. Alghanim commented. "Contributions to earnings and profit growth were made across all business divisions, including treasury, international and investment banking, underscoring the Bank's sustained and diversified income streams".

"Gulf Bank has successfully grown earnings and profitability while maintaining an excellent asset quality and keeping costs under tight control. The Bank's operating efficiency ratio is exceptional, by both international and GCC standards".

Gulf Bank CEO & Chief General Manager, Mr. Louis J. Myers, said the record half-yearly result had been achieved amid favourable operating conditions. "The Kuwait economy is buoyant, underpinned by strong GDP growth and a rebound in equities markets", Mr. Myers said. "Gulf Bank expects this positive economic climate will continue throughout 2007".

Gulf Bank passed a significant milestone in the first half of 2007 with the opening of its 40th branch in Kuwait. New branches in Shuaiba and Khaldiya have further extended Gulf Bank's presence and customer accessibility. Gulf Bank now boasts Kuwait's largest ATM network, including new cash and cheque deposit machines. Gulf Bank's ATMs have also been upgraded with industry-leading NCR APTRA software enabling personalized customer interaction.

"Our network expansion has enhanced Gulf Bank's already strong franchise in the Kuwait market and brought us even closer to our customers", Mr. Alghanim said. "We have also responded to the rapidly growing demand for online banking with a new website homepage and one of the most advanced online personal banking services in the region. We believe this will be an important foundation for continued growth into the future".

"Gulf Bank's customer proposition is differentiated by a single-minded focus on innovation and superior service. Our success has been recognised in a string of accolades that have made Gulf Bank the region's most awarded retail bank".

"Gulf Bank has won an unprecedented third consecutive award for 'Best Retail Bank in the Middle East' by Banker Middle East, 'Best Bank in Kuwait in 2007' by Global Finance magazine, and 'Best Retail Bank in Kuwait' in The Asian Banker Excellence in Retail Financial Services 2007 Awards", Mr. Alghanim continued. "The Asian Banker also rated Gulf Bank as #1 in the GCC region for sales capabilities and people's skills. With its investment in staff training and development,

and its commitment to Kuwaitization, Gulf Bank is an employer of choice in Kuwait's banking and financial services industry".

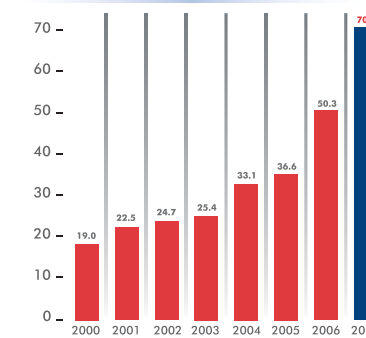
Gulf Bank is one of the highest rated banks in the region. It holds an 'Aa3' long-term foreign currency deposit rating from Moody's Investors Service and enjoys strong ratings from Fitch Rating and Capital Intelligence ('A') and Standard & Poor's ('A-').

In its May 2007 Credit Opinion, Moody's noted that "Gulf Bank consistently generates strong levels of profitability, driven by a combination of solid net interest margins, excellent fee-generating capacity and very strict cost control, which results in efficiency ratios that place the Bank among the best in any market. Moreover, Gulf Bank remains well-capitalised".

Mr. Alghanim said Gulf Bank is on track to record its eighth successive year of record earnings and profitability.

"With total assets more than doubling in the past five years to USD 16.2 billion, Gulf Bank is acknowledged as one of the region's strongest and fastest-growing commercial banks", Mr. Alghanim concluded. "Gulf Bank is delivering outstanding returns on its shareholders' investment".

NET PROFIT (KD MILLION)



EARNINGS PER SHARE (FILS)

