

**First Gulf Bank**



**بنك الخليج الأول**

## First Gulf Bank Achieves Another Strong Performance AED920 Million Q1 Net Profit

**21 April 2010, Abu Dhabi, U.A.E.:** First Gulf Bank (FGB) announced its financial results for the first quarter of 2010, reporting a Net Profit of AED920 million. This represents an increase of 23% over its financial results for the same quarter of last year, and is 8% higher than the fourth quarter of 2009.

“FGB is starting the year 2010 with a solid financial performance. We are right on our planned targets and these results portray the Bank’s sustained positive performance quarter after quarter,” said André Sayegh, Chief Executive Officer, FGB.

“The Bank’s results for the first quarter reflect FGB’s board guidance and management primary focus to continue to deliver high-quality returns to all our stakeholders,” Sayegh added.

“This financial strength will allow us to continue fulfilling our strategic objectives for 2010 and beyond.” concluded Sayegh.

Total Revenue at AED1,659 million is 26% higher than the first quarter of 2009. 88% of the total revenue was generated by Core Banking businesses of the Bank; Corporate, Financial Institutions, Retail, Treasury, Investments, Islamic Banking and International Divisions.

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The Net Interest and Islamic Financing income represent 63% of the total revenue of the Group at AED1,037 million, which is 19% higher than the AED875 million achieved during the first quarter of 2009. The Net Interest Margin for the first quarter of 2010 at 3.63% was slightly higher than the 3.59% achieved during the first quarter of 2009.

The Corporate and Retail fees and commissions at AED347 million are 9% higher than the AED318 million reported during the same quarter of last year.

The Treasury and Investment Divisions' income including foreign exchange, derivatives and Investment income at AED76 million is 14% lower than the same quarter of last year.

The Bank continued to efficiently manage its expenses with total expenses for the quarter at AED246 million, which is 16% lower than the first quarter of 2009 and 13% lower than the fourth quarter of the same year. The Cost to Income Ratio at 15% is by far the lowest in the banking industry.

The Earning Per Share (EPS) for the first three months of 2010 is AED0.59 compared to AED0.47 at March 2009, representing a 25% increase.

At the end of the first quarter of 2010, the balance sheet showed solid and healthy indicators. Total Assets at AED133 billion are 6% higher than December 2009 and are 21% higher than March 2009. During the quarter, Loans increased to AED93.3 billion, a 3.2% increase over December 2009, and an 11.5% increase over March 2009.

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-3-

Deposits at AED89.4 billion are 3.5% higher than December 2009 and 18.1% higher than March 2009. The growth of Deposits vs Loans led to the improvement in the Loan To Deposit Ratio from 110% in March 2009, to 105% in December 2009 and to 104% in March 2010.

Liquidity is at very comfortable levels and the Central Bank Advance to Stable Deposits Ratio is at 86% against a maximum allowed of 100%.

With total Shareholders' Equity in excess of AED22 billion, and Capital Adequacy Ratio at 22.6%, the Bank is very well positioned to cope with future business growth requirements.

The quality of the loan book is in line with the international standards during weak economic cycles. The Non Performing Loans to Gross Loans Ratio stood at 2.0%. During the quarter, the Bank assessed all the risks pertaining to its loan book and booked provisions in accordance with conservative and prudent rules. The Provision Coverage Ratio was maintained at a comfortable level of 158%.

Commenting on the strong financial results, Abdulhamid Saeed, FGB's Managing Director, said "We continue to build a solid foundation and we will maintain our strong financial position and deliver outstanding results."

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### Main Highlights

#### Income Statement Indicators

AED Mn	Q1'2010	Q1'2009	Variance
Revenue	1,659.1	1,318.6	+26%
Expense	245.8	292.7	-16%
Provision	492.4	275.0	+79%
Minority Interest & Taxes	1.2	0.6	+100%
Net Profit	919.7	750.3	+23%

#### Balance Sheet Indicators

AED Mn	March 2010	December 2009	Variance (%)
Loans & Advances	93,257	90,386	+3.2%
Total Assets	132,772	125,473	+5.8%
Customers' Deposits	89,432	86,422	+3.5%
Shareholders' Equity	22,459	22,518	-0.3%

#### Key Ratios

	March 2010	December 2009
Loan to Deposit	104%	105%
Capital Adequacy	22.6%	22.6%
Net Interest Margin	3.63%	3.67%
Cost To Income	14.8%	17.5%
NPL's to Gross Loans	2.0%	1.6%
Provision Coverage	158%	174%

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