



FIRST GULF BANK

Q4/FY'13 EARNINGS PRESENTATION

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Q4/FY'13 PERFORMANCE KEY HIGHLIGHTS

- ▶ Record 2013 Net Profits at AED 4,774Mn (+15% YoY);
Q4'13 bottom line at AED 1,372Mn (+15% QoQ; +19% YoY)
- ▶ 2013 Revenues up 16% YoY to AED 8,421Mn driven by effective balance sheet management, sustained NIMs, and continued revenue diversification
- ▶ Healthy credit quality metrics (NPL ratio: 3.3%; provision coverage: 91.1%)
Superior cost efficiency (cost-to-income ratio: 21.0%)
Comfortable liquidity and capital ratios (L/D ratio: 92.0%; total CAR: 17.5%)
- ▶ Successful consolidation of Dubai First in Q4'13
- ▶ RoAE and RoAA improved to 15.8% and 2.6% respectively (from 14.8% and 2.5% in 2012)
- ▶ Suggesting 100% cash dividends and 30% bonus shares for FY'13, subject to UAE Central Bank & AGM approvals

SUMMARY FINANCIALS

INCOME STATEMENT (AED MN)	FY'13	FY'12	△ YoY	Q4'13	Q3'13	△ QoQ	Q4'12	△ YoY
Net Interest and Islamic Financing Income	5,994	5,520	9%	1,619	1,525	6%	1,470	10%
Other Operating Income	2,427	1,750	39%	856	527	63%	537	60%
Operating Income	8,421	7,270	16%	2,475	2,052	21%	2,006	23%
G & A expenses	(1,766)	(1,426)	24%	(533)	(431)	24%	(401)	33%
Provisions/ Impairments	(1,820)	(1,653)	10%	(546)	(423)	29%	(428)	28%
Taxes	(33)	(20)	64%	(9)	(5)	71%	(12)	-26%
Minority Interest	(28)	(17)	67%	(16)	(4)	288%	(17)	-6%
Net Income	4,774	4,154	15%	1,372	1,190	15%	1,149	19%
Earnings Per Share (AED)	1.54	1.30	18%					

BALANCE SHEET (AED BN)	DEC'13	DEC'12	△ YoY	SEP'13	△ QoQ
Net Loans & Advances	126.9	114.6	11%	126.9	0%
Customer Deposits	138.0	119.3	16%	132.6	4%
Total Assets	195.0	175.0	11%	189.6	3%
Shareholders' Equity	31.2	29.3	6%	29.8	5%

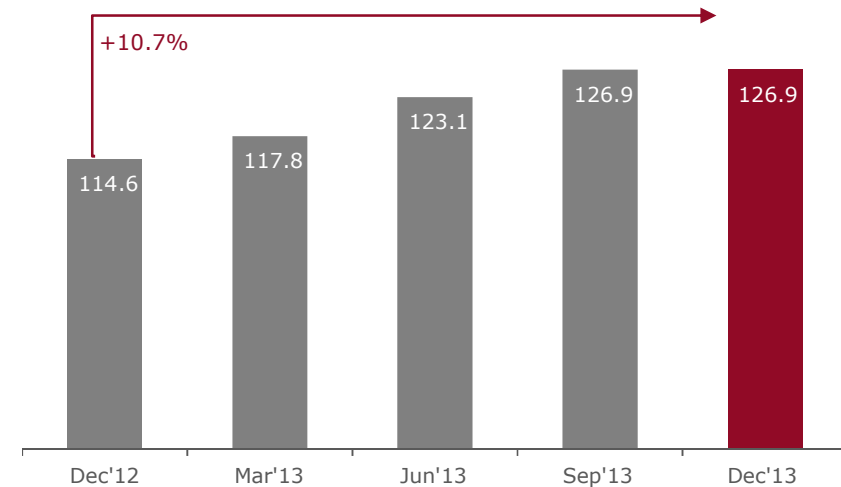
KEY RATIOS (%)	FY'13	FY'12	△ YoY
Net Interest Margin	3.7	3.7	-1bps
Cost-to-Income Ratio	21.0	19.6	136bps
Non-Performing Loan ratio	3.3	3.3	-2bps
Provision Coverage	91.1	96.1	-500bps
Loan-to-Deposit Ratio	92.0	96.1	-408bps
Return on Average Equity	15.8	14.8	93bps
Return on Average Assets	2.6	2.5	8bps
Capital Adequacy Ratio (Basel II)	17.5	21.1	-356bps

ASSET MIX AND LENDING ACTIVITY

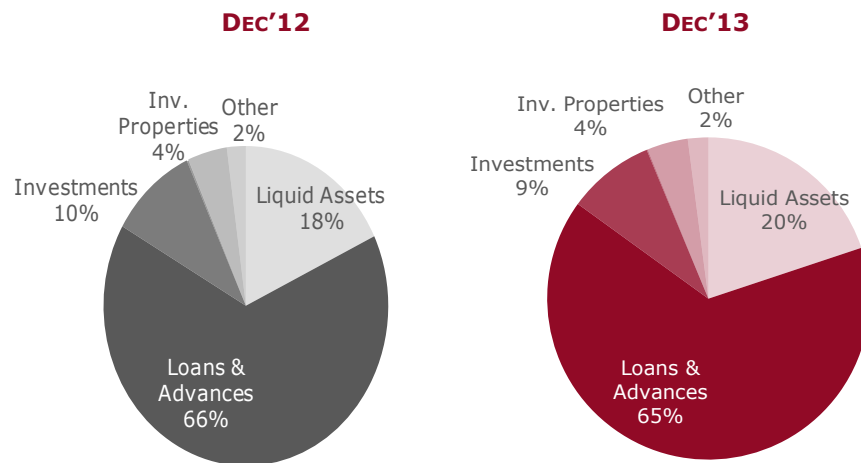
HIGHLIGHTS

- Loan book added AED 12.3Bn YoY (or +10.7%) to AED 126.9Bn as of December-end 2013. This growth mainly originated from the retail and services business sectors.
- Dec'13 loan book includes Aseel Finance and Dubai First portfolio of AED 1.2Bn and AED 0.7Bn respectively
- Liquid Assets Ratio went up to 19.9% from 17.8% in 2012

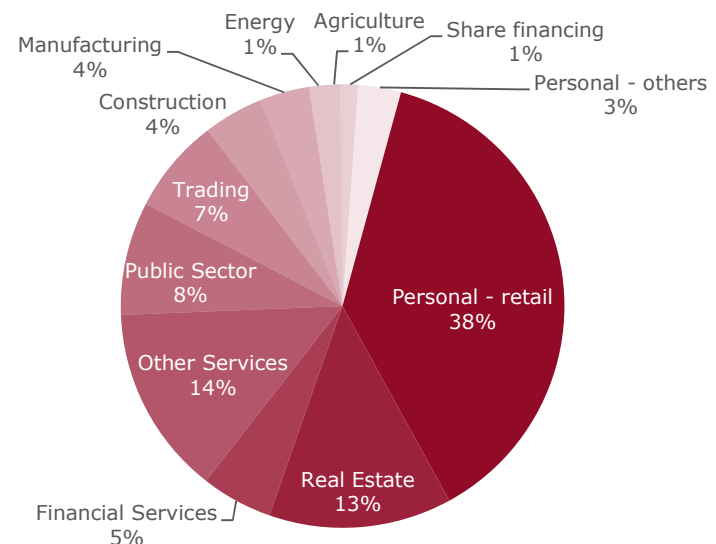
LOAN BOOK TREND (AED Bn)



ASSET MIX



LOAN BOOK BREAKDOWN BY SECTOR – DEC'13

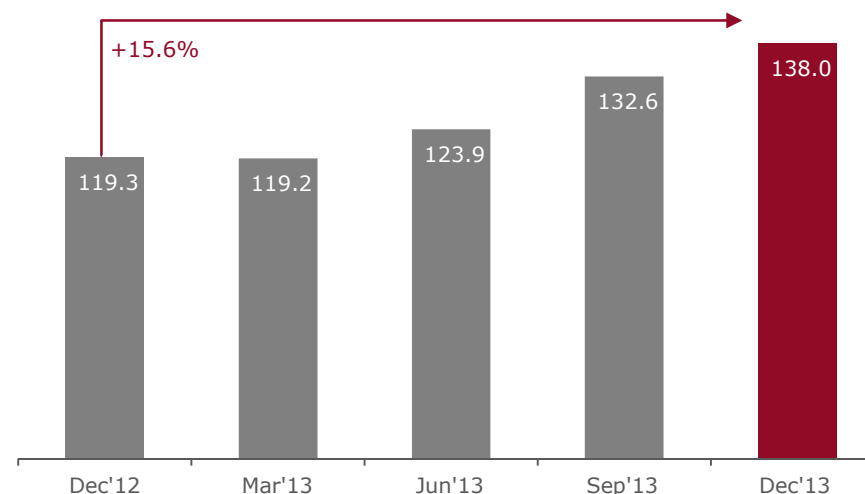


LIQUIDITY

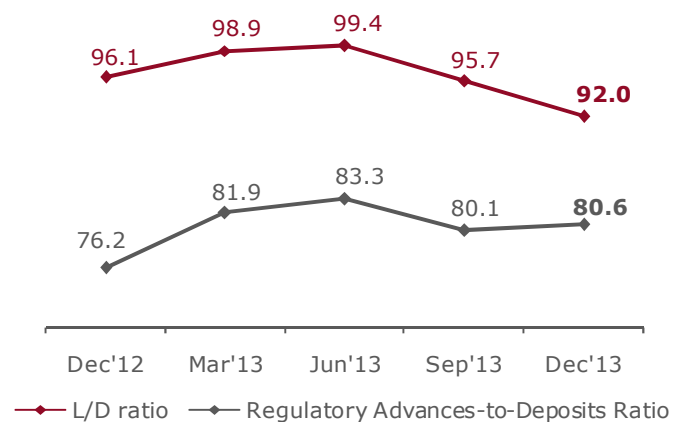
HIGHLIGHTS

- Customer Deposits added AED 18.6Bn during 2013 (+15.6%) to AED 138.0Bn, reflecting the ample liquidity available in the UAE banking sector
- Loan-to-deposit ratio stood at 92.0%; regulatory Advances-to-Deposits ratio at 80.6% remained well below CB cap of 100%
- CASA deposits increased their share in total deposits to 20% from 13% in 2012

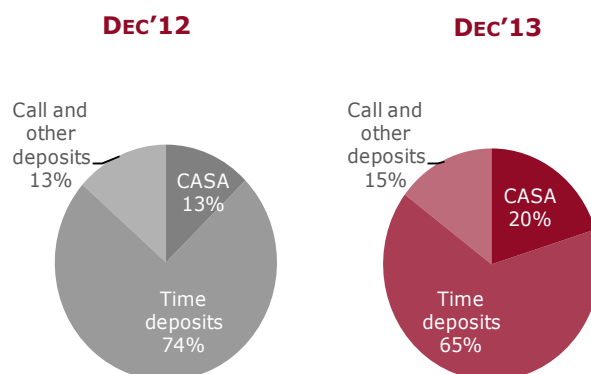
CUSTOMER DEPOSITS TREND (AED Bn)



LIQUIDITY RATIOS (%)

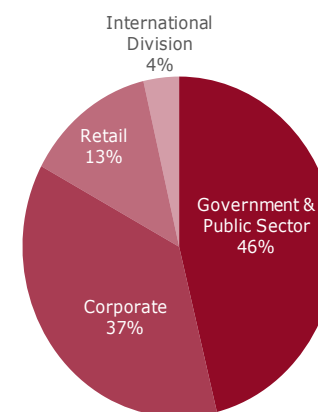


DEPOSITS BY TYPE



Note: CASA refer to current accounts and savings accounts

DEPOSITS BY SECTOR – Dec'13



FUNDING MIX

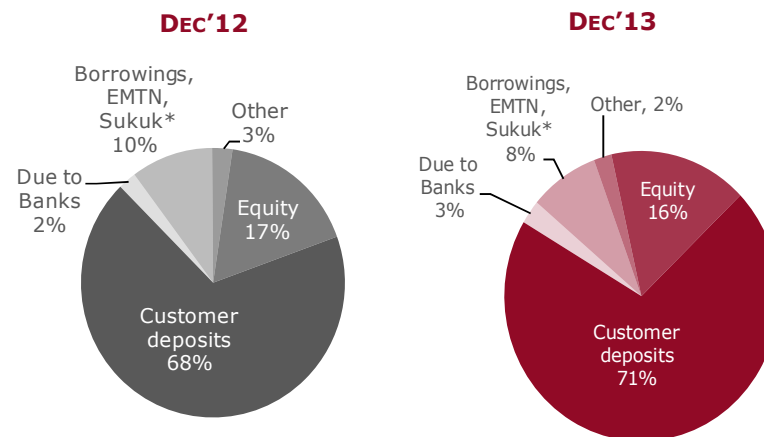
HIGHLIGHTS

- FGB issuances in Q4'13 were made under its USD 3.5Bn Euro Medium Term Note (EMTN) program and included the following :
 - In November, USD 500Mn long 5-year Bonds with a coupon @ 3.25%
 - In December, USD 25Mn 3-year Bonds with a coupon equal to 3M USD LIBOR plus a margin of 1.23%

WHOLESALE FUNDING (AED Mn)

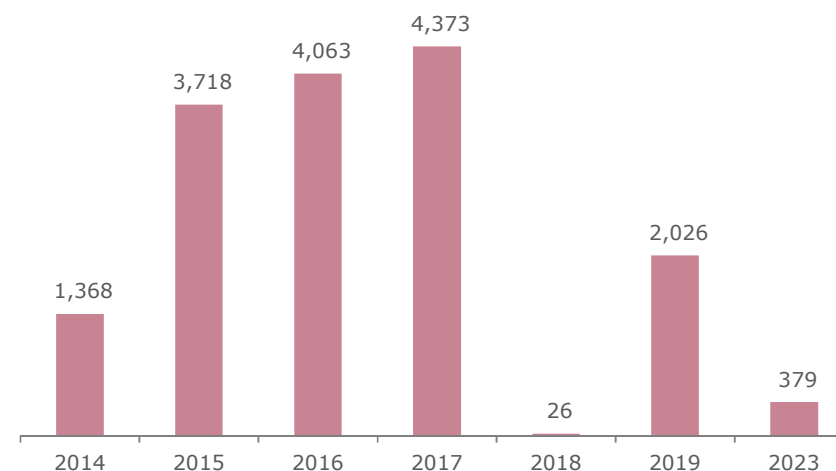
	DEC'13
Syndicated loan	3,306
Bank loans	1,469
EMTN	2,943
Medium term bonds	1,627
Repurchase agreements	459
Sukuk	6,149
Total	15,953

LIABILITY MIX



*Includes Tier 2 MoF deposits (repaid in full in March 2013)

MATURITIES (AED Mn)

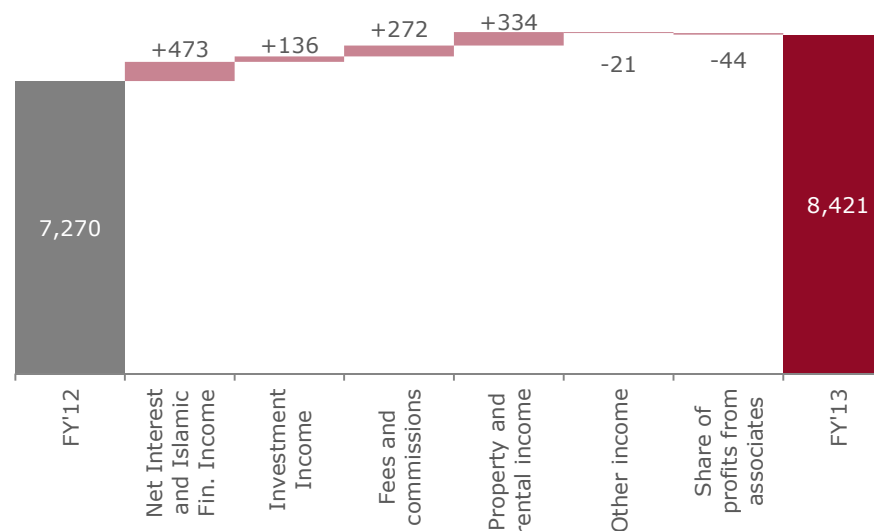


REVENUES AND COST EFFICIENCY

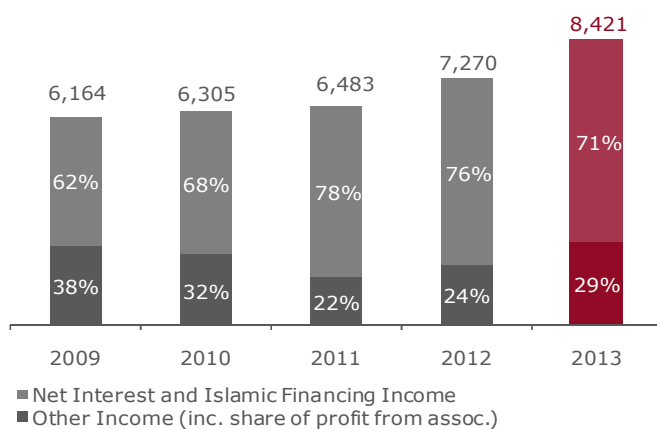
HIGHLIGHTS

- 2013 revenues were generated at AED 8,421Mn, up 16.1% YoY
- Revenue growth during 2013 was mainly driven by:
 - AED 473Mn addition in Net Interest and Islamic Financing income driven by higher volumes and sustained NIMs at 3.7%
 - Solid increase in property income by AED 334Mn and in fees and commissions by AED 272Mn
- FY'13 cost-to-income ratio remained highly competitive and within guidance at 21.0%, despite continued investments in people and technology, and consolidation of Aseel Finance and Dubai First

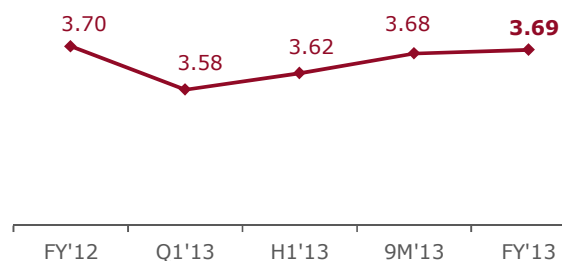
KEY MOVEMENTS IN OPERATING INCOME (AED Mn)



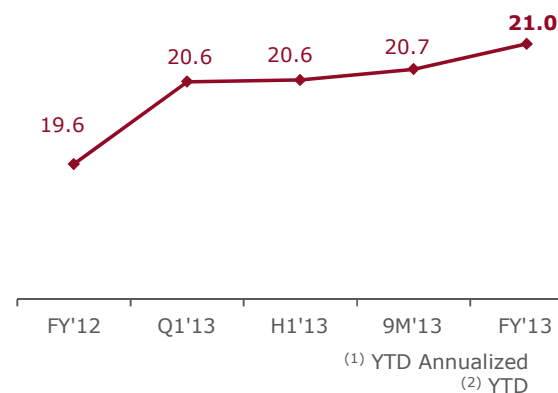
OPERATING INCOME YOY TREND (AED Mn)



NET INTEREST MARGINS (%)⁽¹⁾



COST-TO-INCOME RATIO (%)⁽²⁾

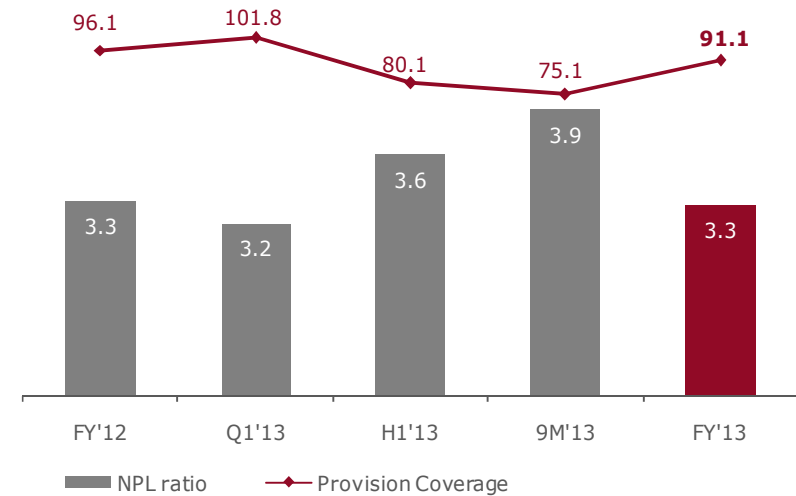


CREDIT QUALITY

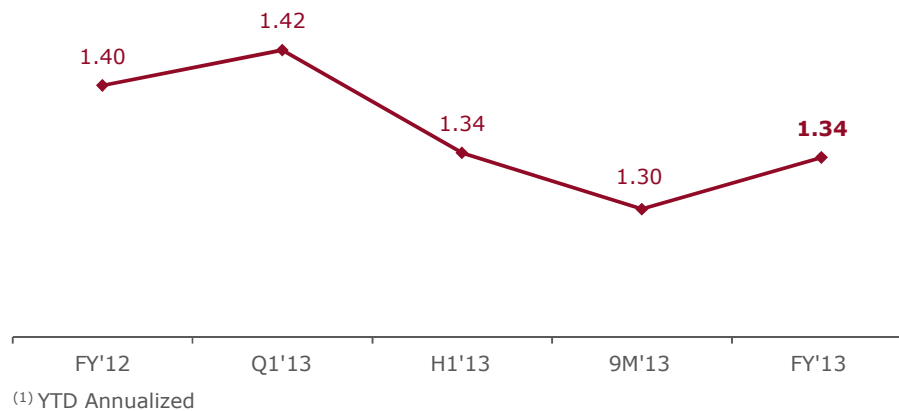
HIGHLIGHTS

- Credit quality metrics substantially improved in Q4'13 with NPL ratio down to 3.3% and provision coverage up to 91.1% sequentially
- Provision charge was in line with guidance at AED 1.8Bn, that is a net cost of risk of 1.3% for the full year
- General Provisions represent 1.1% of total CRWA as of December-end 2013

NPL RATIO AND PROVISION COVERAGE (%)



COST OF RISK ⁽¹⁾ (%)



NPLS AND PROVISIONS (AED Mn)

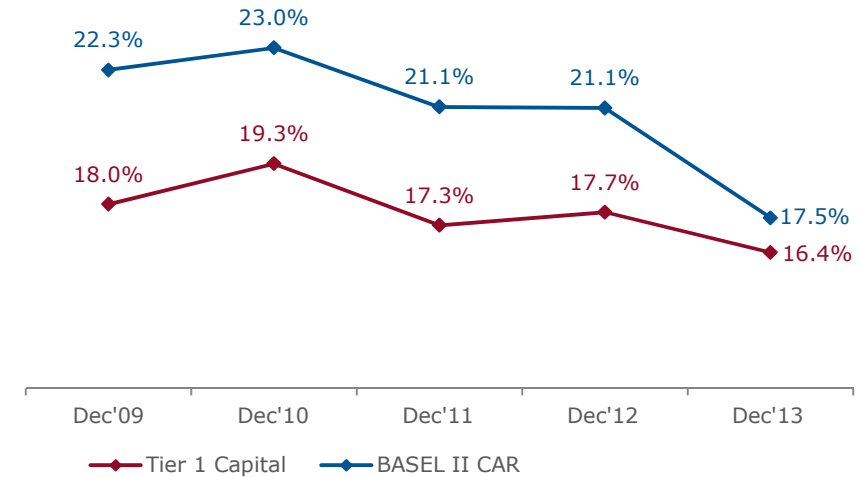
	DEC'13	DEC'12	△ YoY	SEP'13	△QoQ
NPLs	4,287	3,905	9.8%	5,109	-16.1%
Provisions	3,905	3,752	4.1%	3,837	1.8%
Specific	2,151	2,231	-3.6%	2,170	-0.9%
General	1,754	1,521	15.4%	1,667	5.2%

CAPITAL STRENGTH (AS PER BASEL II)

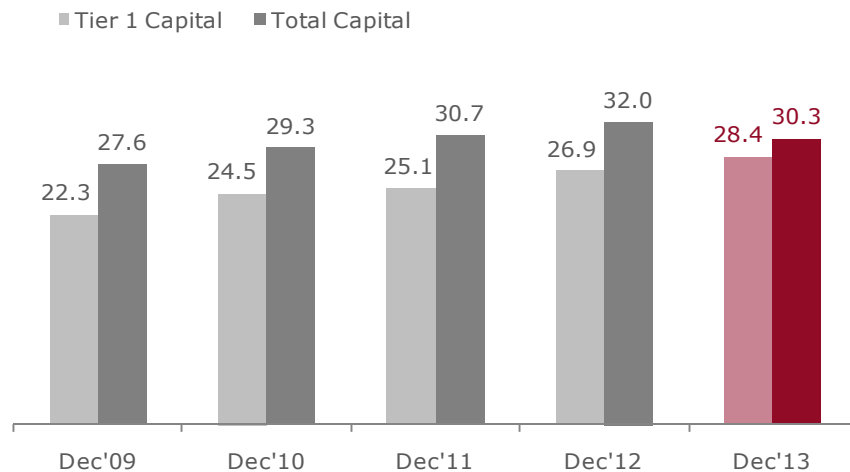
HIGHLIGHTS

- FGB enjoys a strong capital buffer providing it with ample room for future growth: as of Dec'13, total and Tier 1 capital ratios respectively stand at 17.5% and 16.4% after 2013 dividend distribution
- Government loan of AED 4.5Bn was fully repaid in March 2013
- Medium-term Tier 1 capital ratio is seen at 15%

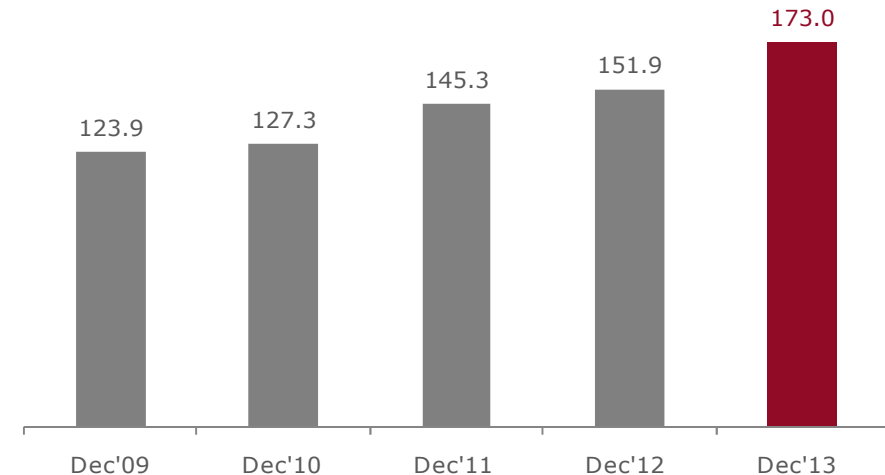
CAPITAL ADEQUACY RATIO (%)



CAPITAL BASE (AED Bn)



RISK WEIGHTED ASSETS (AED Bn)

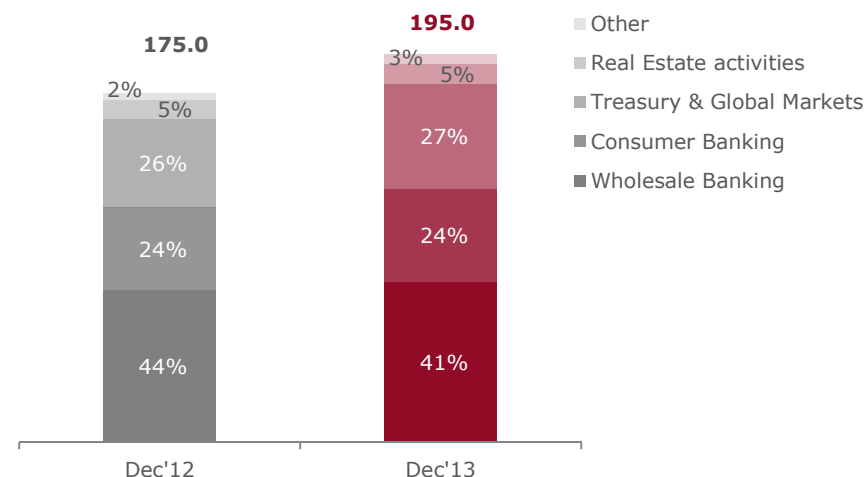


BUSINESS SEGMENT CONTRIBUTIONS

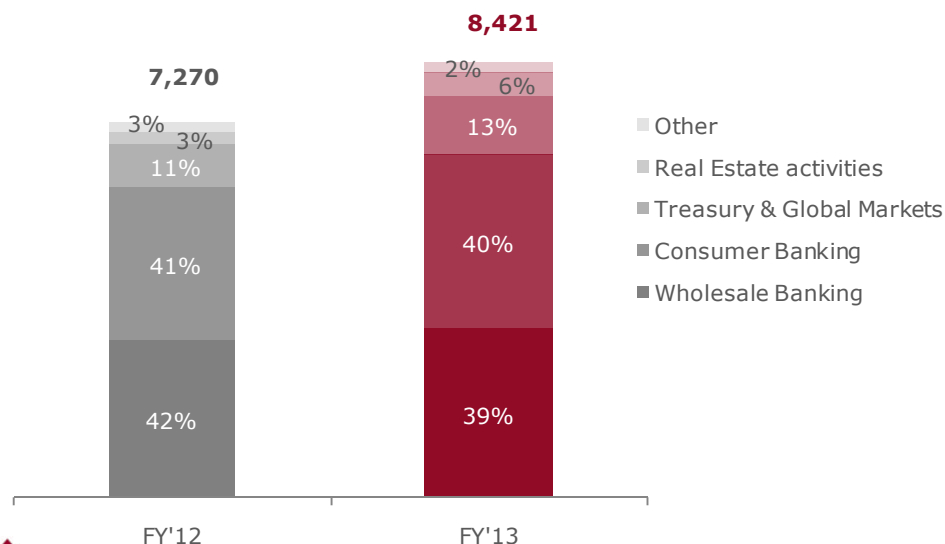
HIGHLIGHTS

- Wholesale and Consumer Banking represent 41% and 24% of total assets respectively; generating a combined 79% of revenues and 84% of net profit at group level
- Treasury & Investments' contributions to operating income and net profit stand at 13% and 21% respectively
- International operations generated 5.6% of the group revenues (4.2% in 2012) and 5.7% of net profits (4.4% in 2012)

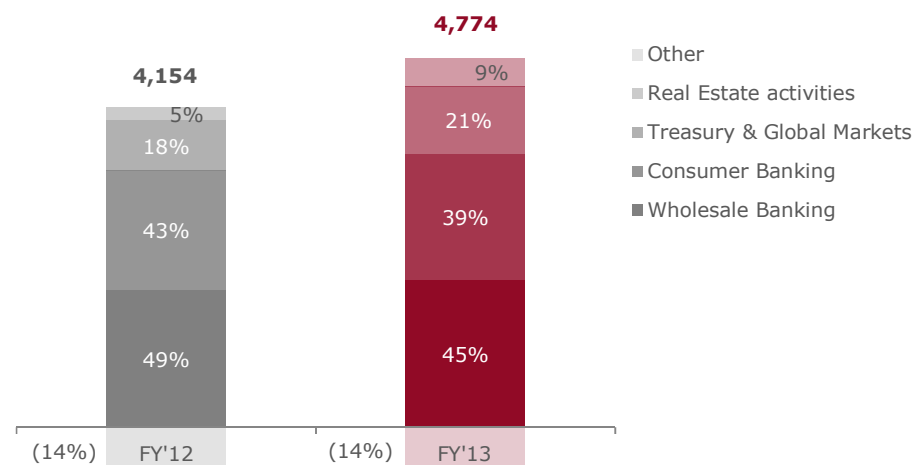
TOTAL ASSETS (AED Bn)



OPERATING INCOME (AED Mn)



NET PROFIT (AED Mn)

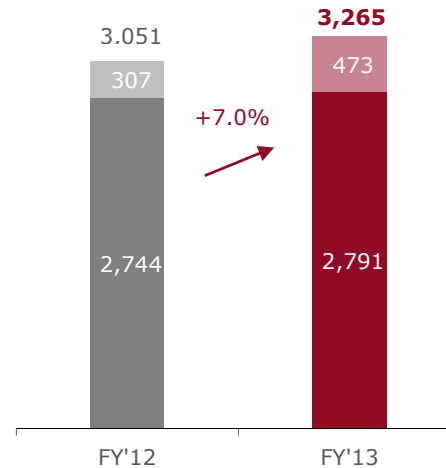


WHOLESALE BANKING GROUP - WBG

HIGHLIGHTS

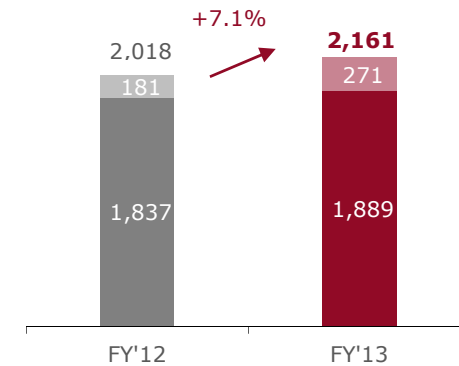
- WBG FY'13 revenues grew 7.0% YoY to AED 3,265Mn, including a 54.3% rise in revenues from international operations
- Net profits went up 7.1% to AED 2,161Mn
- Abu Dhabi public and private sectors represent a combined share of 59% of WBG's Dec'13 Gross Loan Portfolio

OPERATING INCOME (AED Mn)



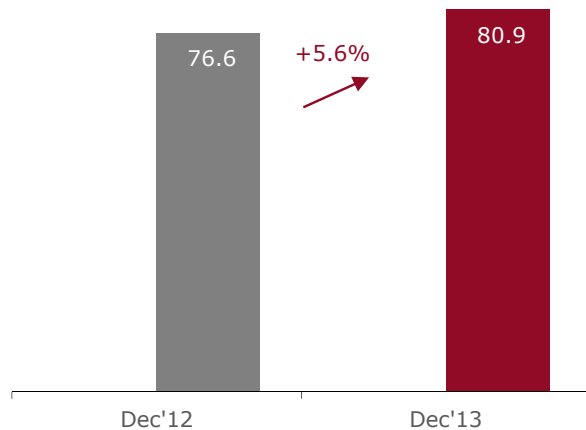
■ UAE operations ■ International Operations

NET PROFITS (AED Mn)

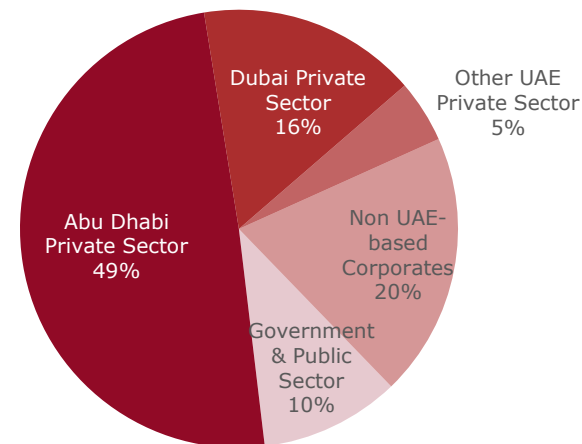


■ UAE operations ■ International Operations

TOTAL ASSETS (AED Bn)



WHOLESALE GROSS LOAN PORTFOLIO (Dec'13)

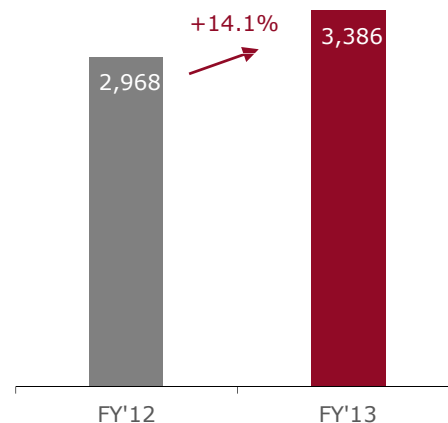


CONSUMER BANKING GROUP - CBG

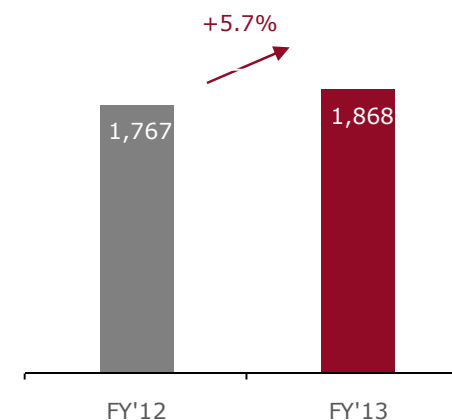
HIGHLIGHTS

- CBG FY'13 operating income grew 14.1% YoY to AED 3,386Mn; net profits at AED 1,868Mn were 5.7% higher than last year
- Wealth Management and SME loans increased their share in CBG gross loan portfolio to 6% and 5% respectively (from 2% and 4% in 2012)

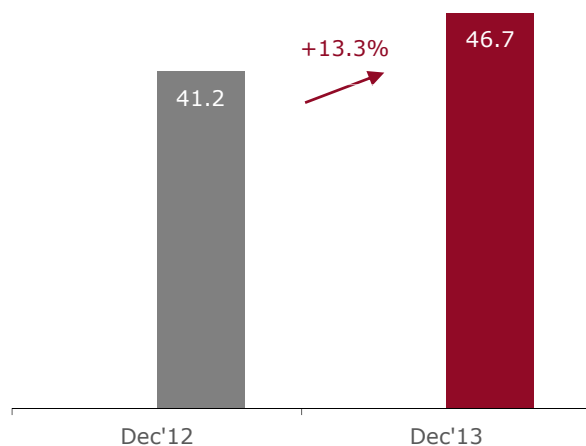
OPERATING INCOME (AED Mn)



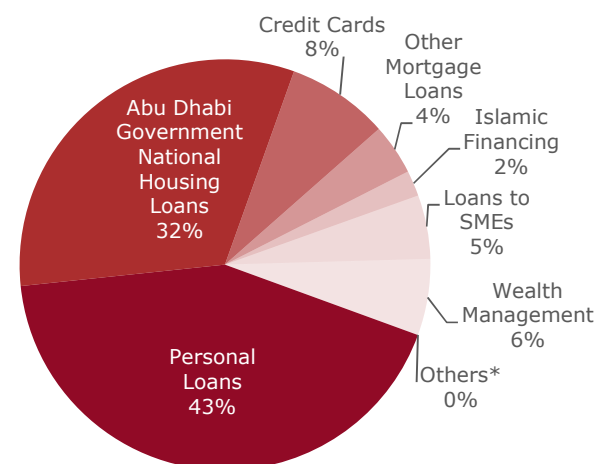
NET PROFIT (AED Mn)



TOTAL ASSETS (AED Bn)



CONSUMER GROSS LOAN PORTFOLIO (DEC'13)



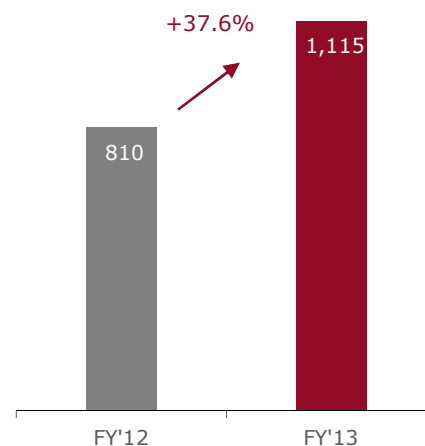
*Others include overdrafts and auto loans

TREASURY & GLOBAL MARKETS – T&GM

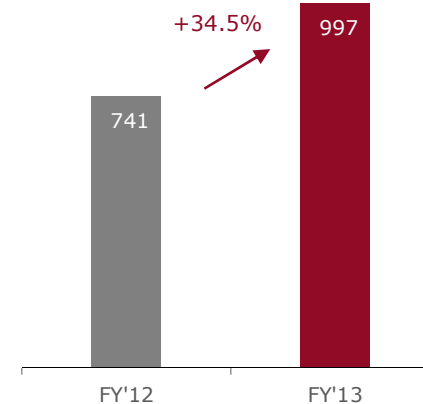
HIGHLIGHTS

- T&GM operating income climbed 37.6% YoY to AED 1,115Mn; net profit grew 34.5% YoY to AED 997Mn
- Total assets expanded 17.1% YoY to AED 52.4Bn as of Dec'13

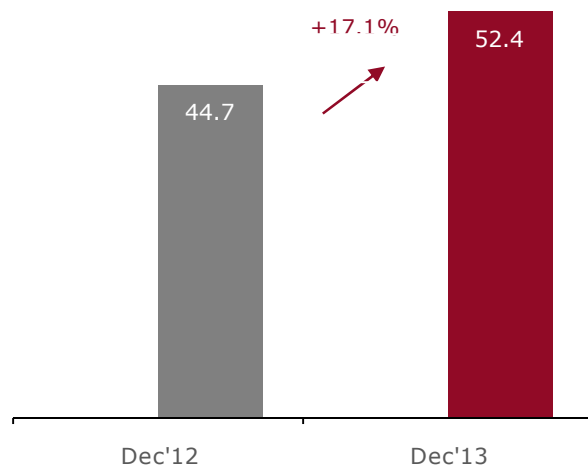
OPERATING INCOME (AED Mn)



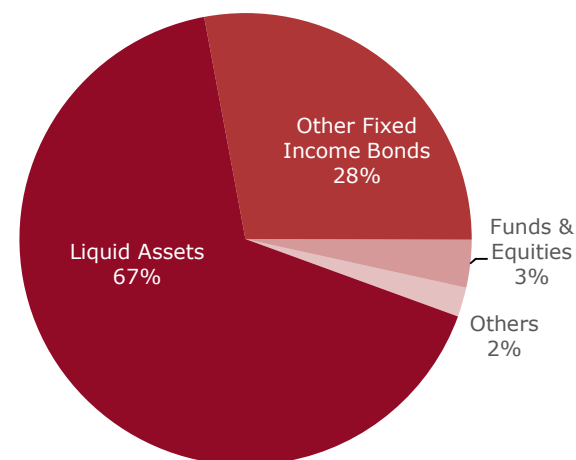
NET PROFIT (AED Mn)



TOTAL ASSETS (AED Bn)



TREASURY & GLOBAL MARKETS PORTFOLIO (Dec'13)

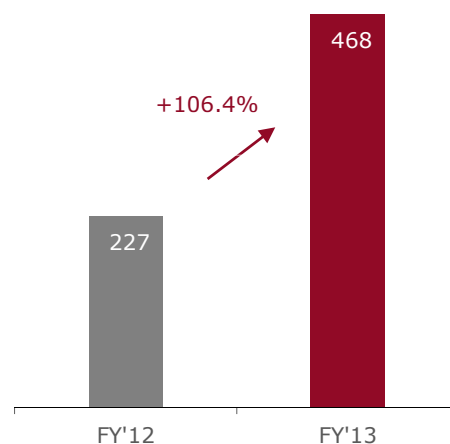


REAL ESTATE ACTIVITIES

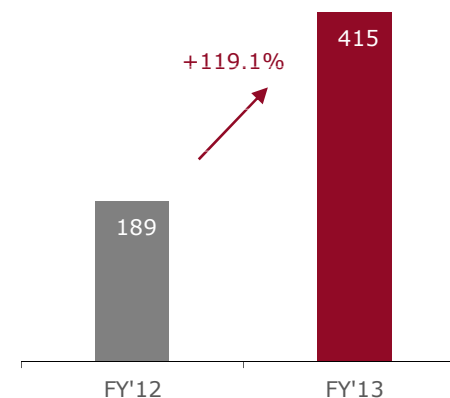
HIGHLIGHTS

- FY'13 operating income grew 106% YoY to AED 468Mn, boosted by MTM gains booked during the period
- Net profit improved to AED 415Mn from AED 189Mn in 2012

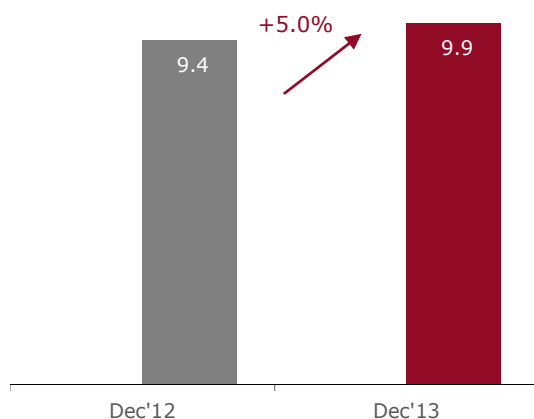
OPERATING INCOME (AED Mn)



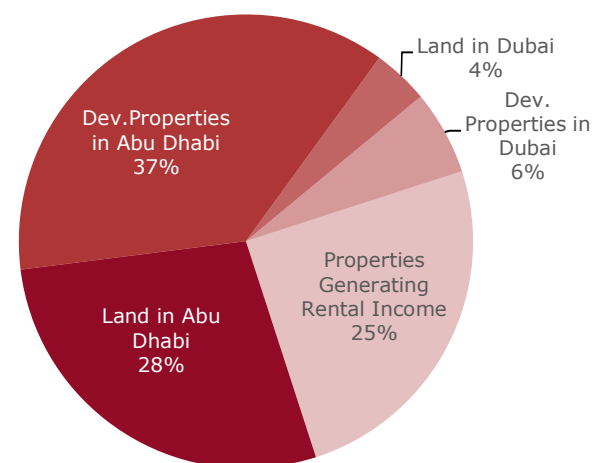
NE PROFIT (AED Mn)



TOTAL ASSETS (AED Bn)



INVESTMENT PROPERTIES PORTFOLIO (Dec'13) ⁽¹⁾



⁽¹⁾ Investment properties totaled AED 8.0Bn as of Dec'13

DIVIDEND HISTORY

	2009	2010	2011	2012	2013 PROPOSED
NET PROFIT (AED MN)	3,310	3,420	3,707	4,154	4,774
CASH DIVIDEND (% OF CAPITAL)	50%	60%	100%	83%	100%
BONUS SHARES (% OF CAPITAL)	-	-	100%	-	30%
OTHER DISTRIBUTION SHARES BOUGHT BACK (% OF CAPITAL)	-	5%	-	-	-
DIVIDEND PAYOUT RATIO (% OF NET PROFIT)	20%	26%	40%	60%	63%
CASH DIVIDEND DISTRIBUTED (AED MN)	677	900	1,500	2,500	3,000
BASEL II CAPITAL ADEQUACY AFTER DISTRIBUTION (INCLUDING MOF TIER 2 LOAN)	22%	23%	21%	21%	18%
BASEL II CAPITAL ADEQUACY AFTER DISTRIBUTION (EXCLUDING MOF TIER 2 LOAN)	19%	20%	18%	19%	18%

DELIVERY ON FY'13 GUIDANCE

	FY'13 GUIDANCE	FY'13 RESULTS
LOAN GROWTH	>12%	11%
L/D RATIO	~100%	92%
REVENUE GROWTH	Low Double-Digit	16%
NIMs	3.5%-3.7%	3.7%
ASSET QUALITY	NPL Ratio 3.5%-4.0% Prov. Coverage >80%	NPL Ratio 3.3% Prov. Coverage 91%
COST/INCOME RATIO	20%-22%	21%
NET PROFIT GROWTH	Low Double-Digit	15%

2014 OUTLOOK

MACRO



Positive medium-term economic outlook underpinned by increased government spending and a strengthening non-oil economy

GROWTH



Low double-digit balance sheet and revenues growth

NIMs



Expected pressure anticipated (~20bps YoY)

ASSET QUALITY



NPL ratio 3.0%-3.5%
Provision Coverage >90%

PROFITABILITY



Medium Term RoAE target of 18%



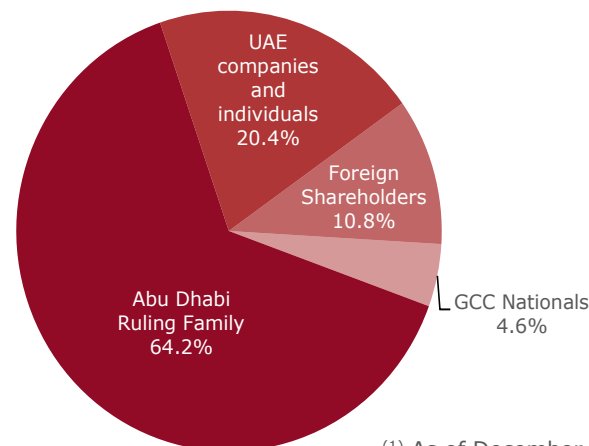
APPENDIX

FIRST GULF BANK OVERVIEW

A LEADING UAE FRANCHISE

- Incorporated in 1979 and headquartered in Abu Dhabi
- 64.2% owned by Abu Dhabi's ruling family
- Wide range of financial products and services offered through a network of 22 branches in the UAE; global presence in Libya, Qatar, India, Singapore and Hong-Kong
- 1,452 employees
- Listed in 2002; Market cap. of AED 56.4Bn (USD 15.4Bn) as of Dec. 31st, 2013

OWNERSHIP STRUCTURE⁽¹⁾



⁽¹⁾ As of December-end 2013

CREDIT RATINGS



LONG TERM RATING

A2
(Since 2007)

OUTLOOK

Stable



A+
(Since 2007)

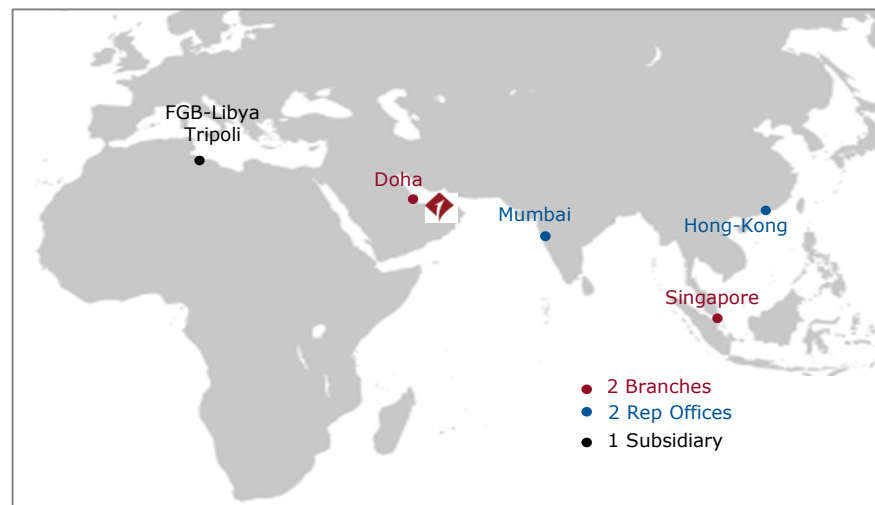
Stable



A+

Stable

GLOBAL FOOTPRINT



BOARD OF DIRECTORS

FGB Board Members are prominent stakeholders of the Abu Dhabi Business Community

H.H. SHEIKH TAHNOON BIN ZAYED AL NAHYAN – CHAIRMAN

CHAIRMAN OF AMIRI FLIGHT
CHAIRMAN OF ROYAL GROUP

AHMED ALI AL SAYEGH

VICE CHAIRMAN

CHAIRMAN OF ABU DHABI
GLOBAL MARKET
CEO OF DOLPHIN ENERGY

Board Member of:
Mubadala Development
Company
Abu Dhabi Water &
Electricity Authority
Etihaad Airways

ABDULHAMID MOHAMMED SAEED

BOARD MEMBER

FGB MANAGING DIRECTOR

Board Member of:
Emirates Investment
Authority
Abu Dhabi Securities
Exchange
Emirates Integrated
Telecom Co (DU)
Mubadala Development
Company

KHALDOON KHALIFA AL MUBARAK

BOARD MEMBER

CEO OF MUBADALA
DEVELOPMENT COMPANY

Member of:
Abu Dhabi Executive
Council
Abu Dhabi Council for
Economic Development
Abu Dhabi Executive Affairs
Authority (Chairman)

SULTAN KHALFAN AL KETBI

BOARD MEMBER

Board Member of Al Ain
International Group
(Vice Chairman)

MOHAMMED SAIF AL SUWAIDI

BOARD MEMBER

DIRECTOR GENERAL OF ABU
DHABI FUND FOR
DEVELOPMENT

Vice Chairman of the board of
the Arab Bank for
investment
Chairman of Al Ain Farms for
Livestock production
Board member of the center
of food security of Abu Dhabi

BUSINESS SEGMENTS

Core Banking Revenue Drivers

Wholesale Banking

- Original core business of the Bank
- Customer base includes large corporate & multi-national clients and financial institutions
- Services include debt markets (advisory, bilateral, & syndicated loans, project and structured finance) and transaction banking (cash, trade, liabilities) supported by treasury sales (hedging, FX, rates, commodities)
- Organized geographically across UAE and international locations (Singapore, Libya, Hong-Kong, Qatar, India)

Consumer Banking

- Focus on key customer segments: Emirati, Mass, SME, Wealth
- Leverage product innovation, analytics, and alliances to create differentiation
- Investing for the future and enhancing customer experience through technology and process improvements
- Positioning as Bank of Choice for UAE Nationals
- Manage National Housing Loan program for Abu Dhabi government

Incremental Revenue Streams

Treasury & Global Markets

- Manages FGB's wholesale funding activities and liquidity, interest rate and foreign exchange risk, and proprietary investment portfolio
- Provides bespoke risk management solutions to the Bank's clients across FX, Interest Rate, Credit and Commodity asset classes
- Also provides client investment solutions via structured products, asset management, equity brokerage and margin trading
- Strong growth opportunities providing an access point to the global markets by leveraging on strong correspondent banking relationships

Other

- Subsidiaries: First Gulf Libyan Bank, First Gulf Properties, Aseel Finance⁽¹⁾, Dubai First⁽²⁾, Mismak Properties, First Merchant International, Radman Properties
- Associate companies: First Gulf Financial Services, Green Emirates Properties
- Head Office support units: Audit, Financial Control, HR, Operations, Strategy and Planning, PMO, Admin, IT, Legal, Risk Management, Corporate Communications

⁽¹⁾Aseel Finance is a fully-owned subsidiary of FGB effective Q3'13

⁽²⁾ Dubai First consolidation effective in Q4'13

THREE-PILLAR STRATEGY

1

ORGANIC GROWTH OF CORE BANKING ACTIVITIES



- Build deeper client relationships, providing solutions and high quality service
- Continue to target large creditworthy UAE-based customers
- Develop and strengthen a customer-centric approach emphasizing on bespoke service quality and product range

2

SELECTIVE REGIONAL AND INTERNATIONAL EXPANSION



- Geographic diversification through expansion of existing operations and penetration in key markets
- Focus on trade and financial flows through the UAE into target international locations
- Sourcing and distribution of trade and financing opportunities across the FGB network

3

SYNERGIES WITH SUBSIDIARIES AND ASSOCIATES



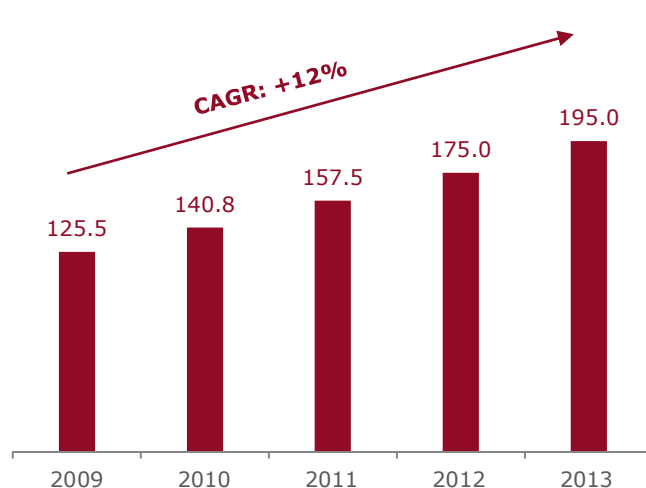
- Aseel Finance to provide innovative Islamic products to a broad base of customers and businesses
- Enhance fee income business through property management and equity brokerage services
- Specialized subsidiaries for property development and Private Equity

OUR VISION:

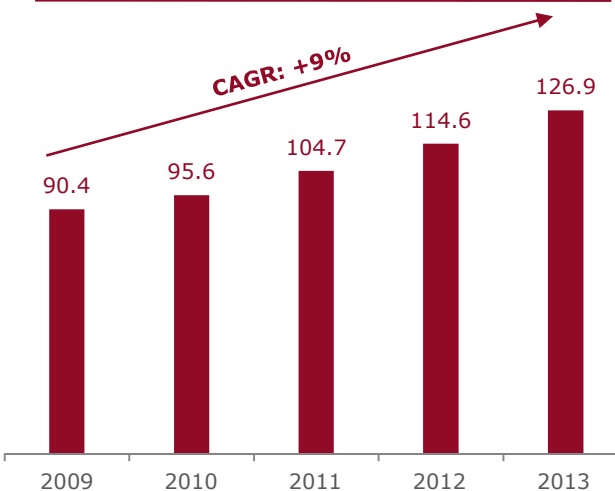
TO BE A WORLD CLASS ORGANIZATION MAXIMIZING VALUE FOR ALL STAKEHOLDERS

KEY ACHIEVEMENTS

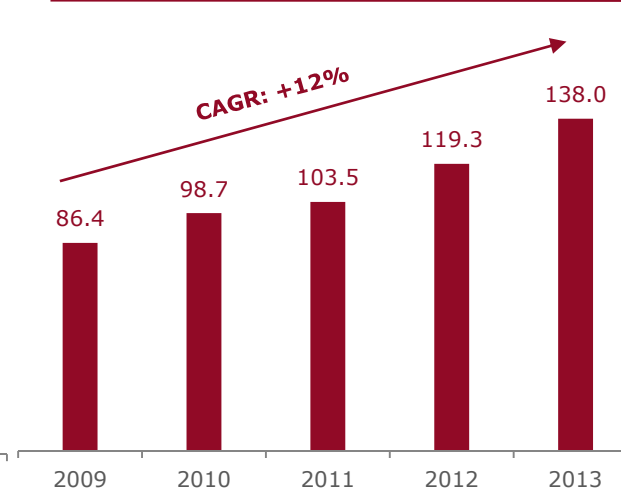
TOTAL ASSETS (AED Bn)



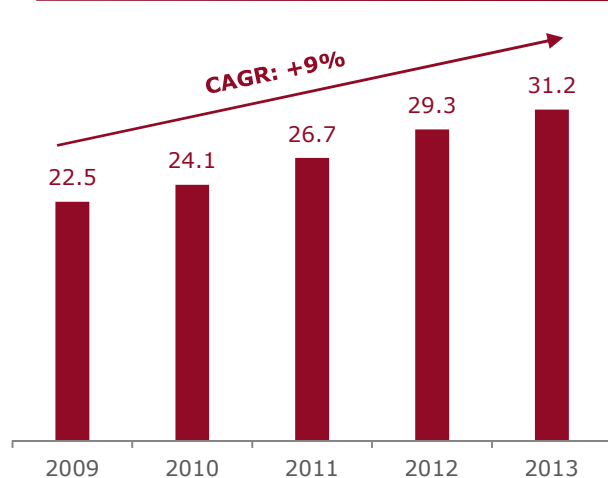
LOANS & ADVANCES (AED Bn)



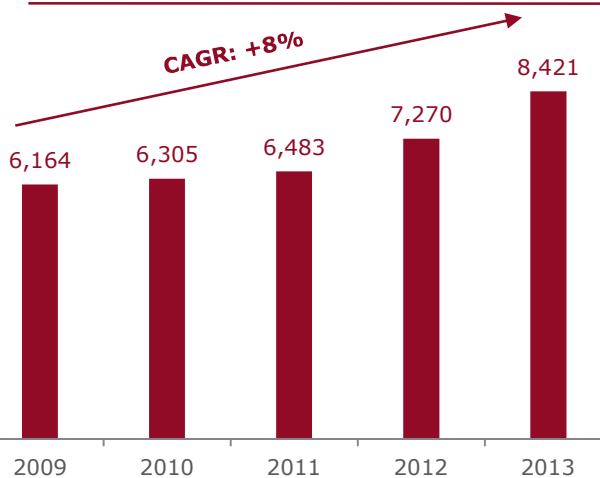
CUSTOMER DEPOSITS (AED Bn)



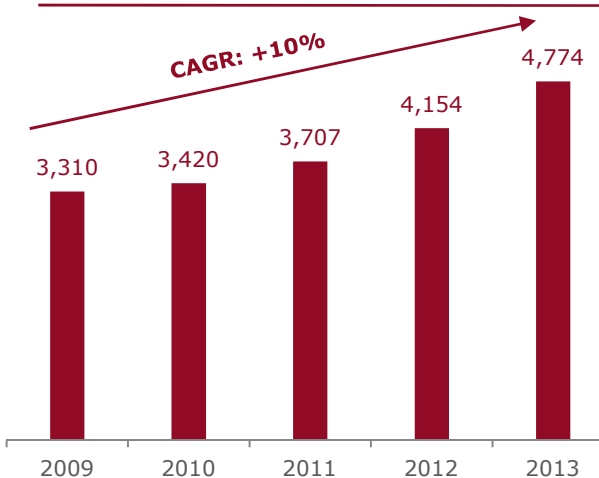
SHAREHOLDERS' EQUITY (AED Bn)



OPERATING INCOME (AED Mn)



NET PROFIT (AED Mn)

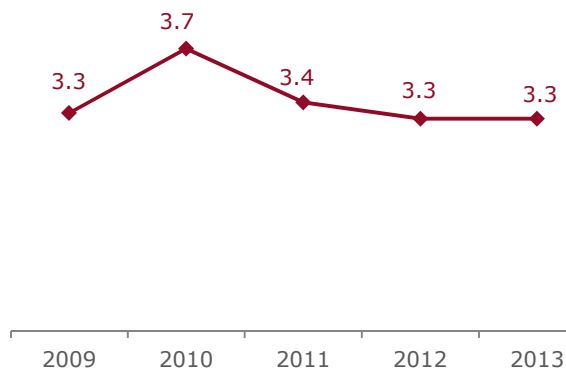


KEY ACHIEVEMENTS (CTD)

NET INTEREST MARGIN (%)



NPL RATIO (%)



PROVISION COVERAGE (%)



COST TO INCOME RATIO (%)



RoAE (%)

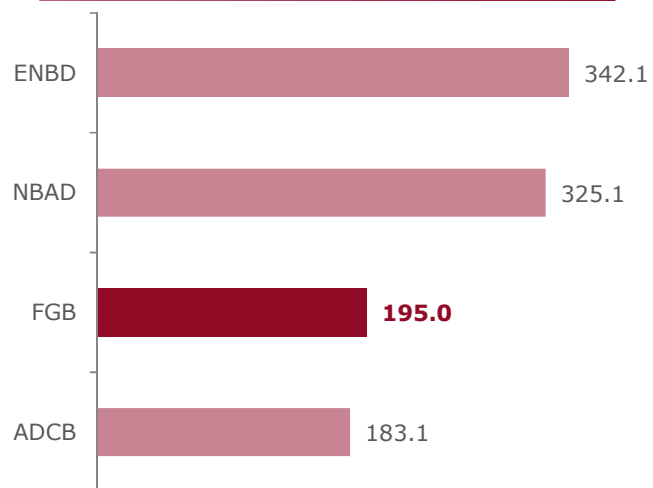


RoAA (%)

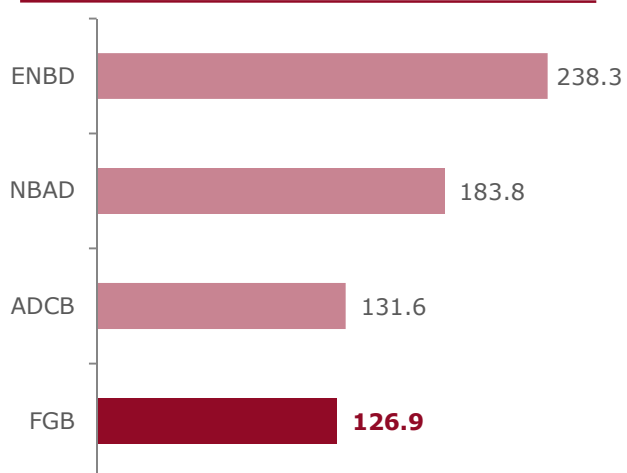


FGB VS. LARGE PEER GROUP AS OF DEC'13

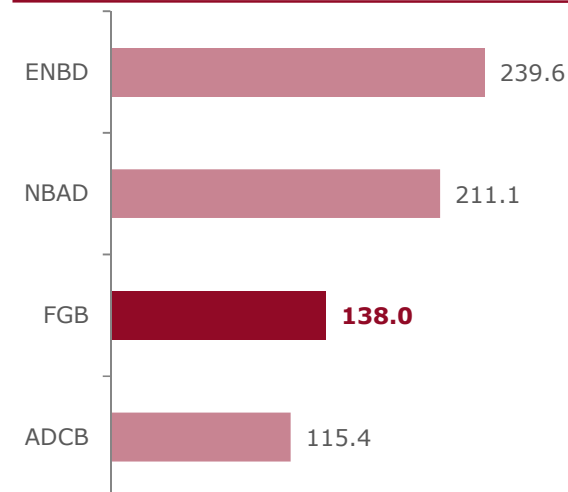
TOTAL ASSETS (AED Bn)



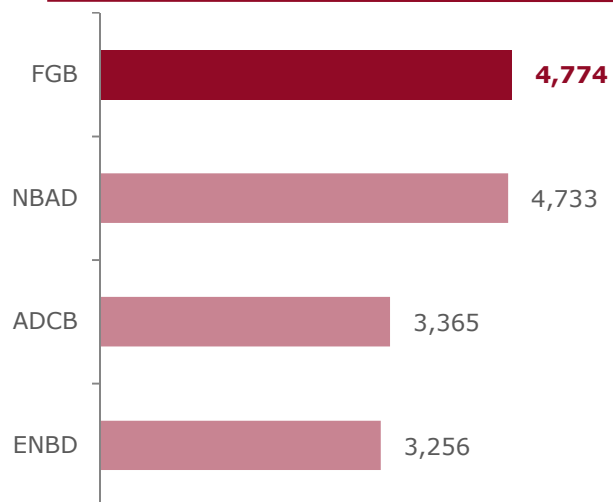
LOANS & ADVANCES (AED Bn)



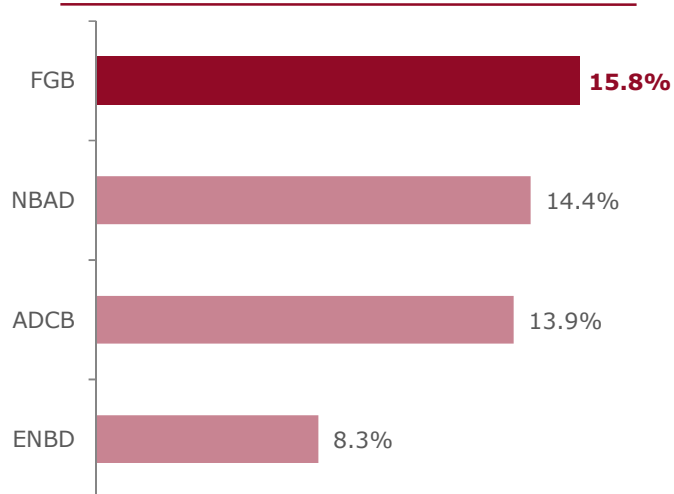
CUSTOMER DEPOSITS (AED Bn)



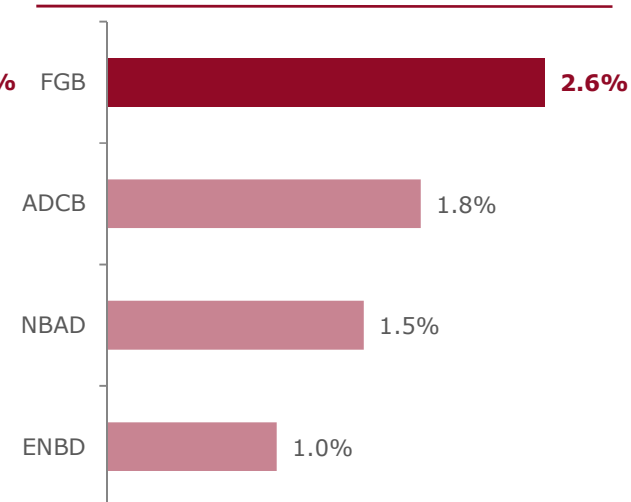
NET PROFIT (AED Mn)



RETURN ON AVERAGE EQUITY



RETURN ON AVERAGE ASSETS



FGB AWARDS IN 2013

The Banker

UAE Bank of The Year 2013



emeafinance
Europe • Middle East • Africa



Best Local Bank in the UAE



Best Bank in the UAE

Best Bancassurance in the UAE



Forbes
Middle East

3rd Most Powerful Company in the UAE

6th Leading Bank in Top 500 in the Arab World List





FOR MORE INFORMATION ABOUT FIRST GULF BANK, PLEASE VISIT OUR CORPORATE WEBSITE:
WWW.FGB.AE

OR CONTACT OUR INVESTOR RELATIONS DEPARTMENT:
IR@FGB.AE
+971 2 69 20 690