

First Gulf Bank (FGB.UH) Company Brief



Quick Brief:

First Gulf Bank is one of the largest equity based banks in the UAE and is considered currently one of the fastest growing banks in the region with its head office in Abu Dhabi. It was established in 1979 in Ajman in which it provides financial services in various business and industrial areas with a wide network of branches across the UAE.

Key Highlights

First Gulf Bank reported remarkable results during the first quarter of 2014, witnessing a growth of 27.14 percent in net income in Q1 2014 to reach AED 1.34 billion compared to AED 1.05 billion same period last year. While Interest income went up 9 percent to reach AED 2.07 million in the first three months of 2014. Although the bank's credit facilities and deposits dropped 2 percent and 6 percent respectively since 2013, the management looks optimistic on the bank's core operation, eyeing a 10 percent loan growth for 2014.

Stock Highlights

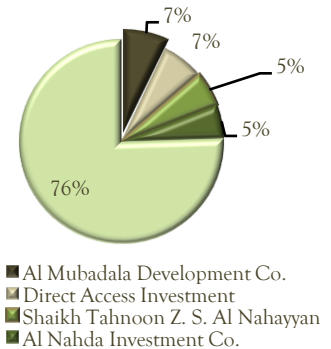
FGB is considered a top pick for analysts and is thought of as foreigner's favourite. FGB's stock price has been on an uptrend and has been outperforming the ADSMI index for the last two years. Analysts remain optimistic on the stock's price as the average analyst recommendations (Bloomberg) stand at AED 19.52, 13 percent above current market price. On the other hand, the bank looks likely to be on the MSCI's provisional list for inclusion in its emerging markets index when it upgrades the UAE markets, which will be announced later tonight.

	FY 2011	FY 2012	FY 2013	Q1 2013	Q1 2014
	(AED Bn)	(AED Bn)	(AED Bn)	(AED Bn)	(AED Bn)
Assets	157.48	175.03	195.03	172.96	192.89
Shareholders Equity	26.77	29.86	31.77	28.25	30.13
Credit Facilities	104.72	114.64	126.94	117.80	123.41
Deposits	103.47	119.30	137.95	119.15	129.65
Loans to Deposits	101%	96%	92%	99%	95%
Interest Income	7.07	7.64	7.87	1.90	2.07
Gross Profit	5.08	5.52	5.99	1.37	1.60
Net Income	3.71	4.17	4.80	1.05	1.34
ROE	13.84%	13.97%	15.11%	15.87%	17.64%
ROA	2.35%	2.38%	2.46%	2.56%	2.76%
GPM %	71.80%	72.21%	76.17%	72.52%	77.42%
NPM %	52.39%	54.56%	61.03%	55.42%	64.60%

Source: Bloomberg, Argaam.com

May 14th, 2014

Key Shareholders



Source: Argaam.com

Stock Data

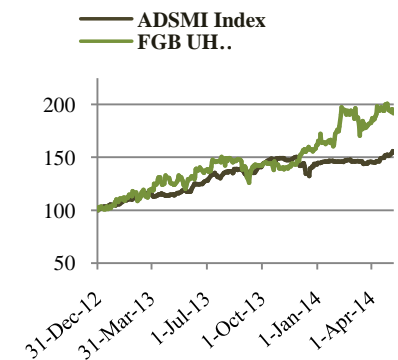
Price*	17.15
ANR**	19.52
Market Cap. (AED Bn)	66.89
52 Week High	17.90
52 Week Low	8.92
Avg. Daily Volume	2,314,731
Free Float %	76%
P/E	13.22
P/BV	2.26
Dividend Yield %	4.49%

* Prices as of 14th May, 2014

** Average analyst recommendation (Bloomberg)

*** Source: Bloomberg

Stock Performance



Prices as of 14th May, 2014

Source: Bloomberg



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