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**FBD Holdings plc**  
**Interim Management Statement**  
**30 April 2010**

FBD Holdings plc ("FBD" or the "Group") is issuing the following interim management statement covering the period from the year end to 31 March 2010, which will be read by the Chairman at the Annual General Meeting to be held in Dublin at 12 noon today.

**Performance and outlook for 2010**

**Underwriting:**

Premium rates have continued to harden in the Irish insurance market in the first quarter of 2010, particularly for home and business insurance. Motor rates have been slower to increase and are not yet at the point where it would be prudent to grow our volumes. Gross premium written increased in the first quarter, the first such increase since the first half of 2007. Although policy volume continued to decline, the rate of decline decreased significantly and was outweighed by the impact of rate increases.

After eight years of constantly falling premium income in the non-life insurance market in Ireland, industry revenue is likely to be static or show marginal growth in 2010. Despite understandable consumer sensitivity to increases in premium, rate increases are required to provide the industry with an adequate return on capital, particularly in light of the unprecedented severe weather claims as a result of the flooding and freezes over the winter months.

Although three months is a relatively short period, it is encouraging that the incidence of large claims was lower in the first quarter than in the corresponding period of the previous year. Non-weather related property claims frequencies have improved, partly attributable to the implementation of claims management initiatives. The cost to FBD of claims arising due to the freezing conditions in the month of January amounted to €12.0m, net of reinsurance.

In response to changing consumer behaviour, FBD continued to successfully develop its multi channel distribution strategy. Examples include the success of our local office network in protecting and developing farming and commercial business, the growth of No Nonsense and significant take up of the on-line renewal facility. FBD continues to increase its penetration in key urban areas, in particular Dublin.

The Group has continued to focus on efficiency and productivity improvements, implementing savings in both staff and non-staff costs and delivering initiatives to reduce the cost of claims.

**Non-Underwriting:**

The property and leisure markets in Ireland and Spain continue to be challenging and this will be compounded by the recent volcanic ash disruption and poor weather conditions, which have affected occupancy and pre-bookings. Excess supply exists in the hotel market,

particularly in Ireland and the timing of recovery is dependent on a reduction in industry capacity. Sales of units in La Cala have exceeded expectations, with a positive cash flow impact and a marginal profit benefit.

FBD Financial Services produced a solid result for the quarter, well ahead of the previous year in a weak market for retail investment and life assurance products. FBD Brokers continue to develop new market segments while providing enhanced customer value.

**Group:**

FBD Group has maintained a strong capital base and balance sheet and continues its strategy of prudent reserving. Given the Group's conservative portfolio of investment assets and the reduction in volatility in international markets, investment fluctuations were not significant in the quarter.

**Conclusion**

While economic uncertainty remains, volatility has reduced significantly in the Irish economy. Barring exceptional claims events, the Board believes that the Group will deliver 2010 operating earnings per share in line with the consensus of analysts' expectation.\*

The Board believes that FBD will continue to outperform its peers in delivering superior returns to shareholders. FBD has demonstrated its capacity to deliver operating profits in difficult market conditions and is well positioned to deliver long-term profitable growth, particularly in an environment where premium rates are hardening.

\* The consensus of analysts' expectations is operating earnings per share of 97 cent in the year to 31 December 2010.

**About FBD Holdings plc**

FBD is Ireland's second largest property and casualty insurer looking after the insurance needs of private individuals, farmers and business owners. The Group has developed complementary financial service businesses and has hotel and leisure property interests that include four hotels in Ireland and two resorts in southern Spain. The Group was established in the 1960s and is quoted on the Irish and London stock exchanges.

**Forward Looking Statements**

Some statements in this announcement are forward-looking. They represent expectations for the Group's business, and involve risks and uncertainties. These forward-looking statements are based on current expectations and projections about future events. The Group believes that current expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Group's control, actual results or performance, may differ materially from those expressed or implied by such forward-looking statements.

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