

FBD Holdings plc
Interim Management Statement
14 May 2015

FBD Holdings plc ("FBD" or the "Group") is issuing the following Interim Management Statement covering the first quarter of 2015 and the period up to the date of this statement in advance of its Annual General Meeting, which is being held in Dublin, Ireland, at 12 noon today.

Underwriting

Trading conditions in the Irish insurance market remain challenging in 2015. Market rates continue to harden for both car insurance and business insurance, while home insurance rates remain weak with increased competition for new business given a benign winter and the absence of significant weather events.

FBD's gross premium written to the end of the first quarter is marginally less than the comparable quarter in 2014 as firmer pricing substantially offset volume reductions. The Group continues to focus considerable resources on its farming and direct business customers, further consolidating its market leading position in these areas. FBD continues to demonstrate underwriting discipline by foregoing volume growth in those sectors of the market which have become unprofitable. Overall, the Group expects that its share of the insurance market is likely to have remained static in the year to date.

Economic growth will ultimately benefit FBD. However, the continuing significant uncertainty in the claims environment will impact the development of booked claims reserves and profitability in 2015 and FBD has taken appropriate underwriting and rating action to date. There are early indications that these actions are restoring the business written in 2015 to profitability.

Non-Underwriting

While the operating environment for the Group's pensions and investment consulting business remains challenging, FBD's financial services businesses are performing broadly in line with the prior year. The trading performance of the property and leisure joint venture is on target and its joint venture with Taylor Wimpey, the leading UK residential developer with operations in Spain, continues to perform well.

Balance Sheet

The Group's financial position is solid. Given the headwinds in the claims environment, the Board believes that the long term interests of the Group are best served by remaining prudent at this time. It has decided that no interim dividend will be declared in August. A decision on any final dividend will be made once the 2015 financial results are known.

Term deposits and fixed interest securities represent 91% of insurance company investment assets, higher than the 88% at year-end as the Group has reduced its equity position. The average term of investment assets remains shorter than that of the technical reserves, with more term deposits and less fixed interest securities than the Group's strategic investment allocation. The Group is satisfied that this short term tactical asset allocation remains appropriate in current market conditions.

Outlook

FBD is committed to returning to profitable growth by focusing on sustainable business and on meeting its customers evolving needs. For the remainder of 2015, FBD will seek to continue to restore profitability through risk selection improvements and rate increases where these are merited or required. The Board is confident that the rating actions already taken along with the exceptional service ethos of its employees will ensure that the Group continues to deliver for its customers and that it will ultimately revert to delivering superior returns to shareholders over the insurance cycle.

About FBD Holdings plc

The FBD Group was established in the 1960s and is one of Ireland's largest property and casualty insurers looking after the insurance needs of farmers, private individuals and business owners.

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.

The following details relate to FBD's ordinary shares of €0.60 each which are publicly traded:

Listing	Irish Stock Exchange	UK Listing Authority
Listing Category	Premium	Premium (Equity)
Trading Venue	Irish Stock Exchange	London Stock Exchange
Market	Main Securities Market	Main Market
ISIN	IE0003290289	IE0003290289
Ticker	FBD.I or EG7.IR	FBH.L

Enquiries

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