

**FBD Holdings plc**  
**Interim Management Statement**  
**30 April 2012**

FBD Holdings plc ("FBD" or the "Group") is issuing the following interim management statement covering the period from 1 January 2012 to 31 March 2012, which will be read by the Chairman at the Annual General Meeting of the Company being held in Dublin, Ireland at 12 noon today.

**Underwriting**

We believe that the Irish insurance market contracted further during the first quarter of 2012, in line with economic activity. The market continues to be very competitive as evidenced by the level of advertising spend and the pricing of business insurance risks. Against this background, FBD continues to demonstrate discipline by only increasing volume where returns are adequate.

Despite the difficult economic environment, the Group achieved premium levels in line with the previous year. Policy volume grew, driven primarily by the Group's development of its multi-channel distribution strategy. This was offset by a reduction in the average revenue per policy.

The Group made further progress in managing claims costs, particularly in those areas that are within its control including risk selection, claims management initiatives and underwriting improvements. Factors over which FBD has less influence, such as the benign weather experienced in the first quarter and reduction in miles driven by Irish motorists, also contributed positively and helped deliver an improved loss ratio, relative to the comparative period in 2011. Road fatalities in the first quarter of 2012 reduced by 21% on the first quarter of the previous year. There was an improvement in both the frequency and average cost of property related claims. However, the frequency of large claims reverted towards the norm from a particularly low level in the first quarter of last year and was in line with expectation.

Underwriting expenses and longer-term investment return are both in line with expectation. Operating profit in FBD's underwriting operations was ahead of the prior year and marginally ahead of expectation.

**Financial services**

The Group's financial services businesses continued to perform in line with expectation.

**Joint venture**

The Group's share of the trading result of the property and leisure joint venture was in line with expectation.

**Balance Sheet**

The positive trading performance in the quarter further strengthened the Group's strong capital base. Fixed interest securities and bank deposits represent 91% of underwriting investment assets at 31 March. In the current uncertain investment market, this short-term conservative investment position continues to be appropriate.

## Outlook

Irish domestic demand is likely to reduce further, albeit at a diminishing rate, and industry premium income can be expected to reflect this trend in the broader economy. However, our continued focus on a buoyant agri sector, the opportunities provided by NoNonsense.ie and the expansion of FBD's broker channel will together provide FBD with the potential to outperform the market again in 2012.

Unless exceptional events arise during the remainder of 2012, the Group is re-affirming its previous guidance – full-year 2012 operating earnings per share of between 145 and 155 cent.

## For Reference

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### About FBD Holdings plc ("FBD")

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

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

<b>Listing</b>	Irish Stock Exchange	UK Listing Authority
<b>Listing Category</b>	Premium	Premium (Equity)
<b>Trading Venue</b>	Irish Stock Exchange	London Stock Exchange
<b>Market</b>	Main Securities Market	Main Market
<b>ISIN</b>	IE0003290289	IE0003290289
<b>Ticker</b>	FBD.I	FBH.L

### 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.

FBD Holdings plc FBD House, Bluebell, Dublin 12  
Registered in Dublin, Ireland Registered Number 135882

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