



FBD Holdings plc

2012 Interim Results

August 2012

Our Policy is You

Forward Looking Statements

This presentation contains certain forward-looking statements.

Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.

Unless otherwise stated, all financial data is presented on the basis of continuing operations.

Comparative figures have been restated to exclude operations that were sold during 2011.

2012 Interim Results - Highlights



Financial

- Last year's excellent performance repeated, PBT increased 1.6% to €22.2m
- Operating profit increased 2.2% to €28.7m
- NAV increased by 14.4% yoy to 666c
- Solvency strengthened to 63.3% of NEP (2011: 60.4%)
- Interim dividend of 12.25c, up 8.9%

Operational

- Performance well ahead of a contracting market - GWP of €174.7m
- NEP of €150.9m up 0.7%
- Underwriting profit up 8.9% to €11.7m
- Market leading COR improved to 92.2% from 92.8% driven by excellent loss ratio 66.9% (2011: 68.9%)

| | 2012 | 2011 | Change |
|------------------|---------|---------|--------|
| GWP | €174.7m | €177.5m | -1.6% |
| NEP | €150.9m | €149.7m | 0.7% |
| Operating profit | €28.7m | €28.0m | 2.2% |
| PBT | €22.2m | €21.8m | 1.6% |
| Operating EPS | 75c | 74c | 1.4% |
| NAV | 666c | 582c | 14.4% |

Strategic Developments

- Multi-channel distribution strategy strengthens market position:
 - Continues to develop core farming base
 - Expands access to business insurance market through relationship with brokers
 - Reaches urban customer through NoNonsense.ie and FBD.ie

Repeated excellent performance delivered in 2011

2012 Interim Results – Performance in market context

Economy

| | GNP | Domestic Demand |
|----------|-------|-----------------|
| 2008 | -2.8% | -4.6% |
| 2009 | -9.8% | -11.4% |
| 2010 | -0.6% | -5.8% |
| 2011 | -2.5% | -4.3% |
| 2012 (f) | -0.6% | -1.9% |

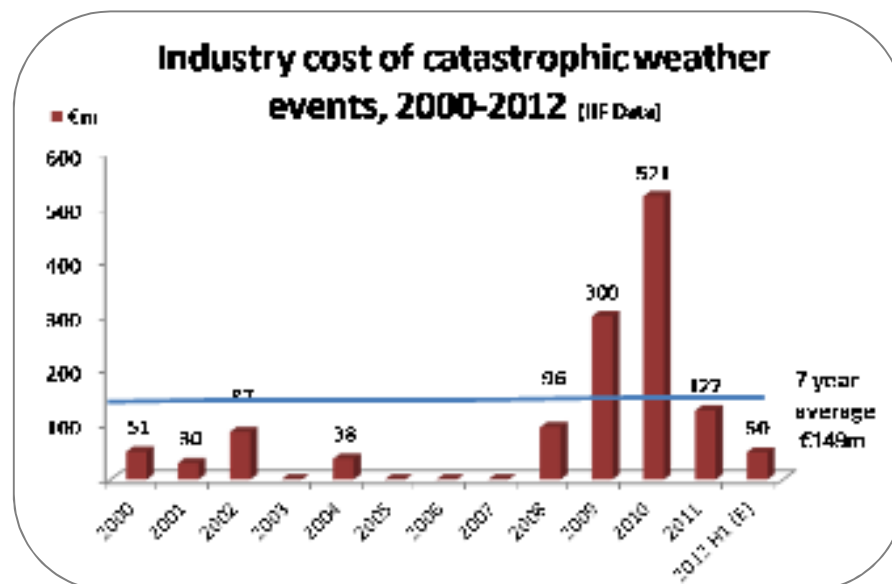
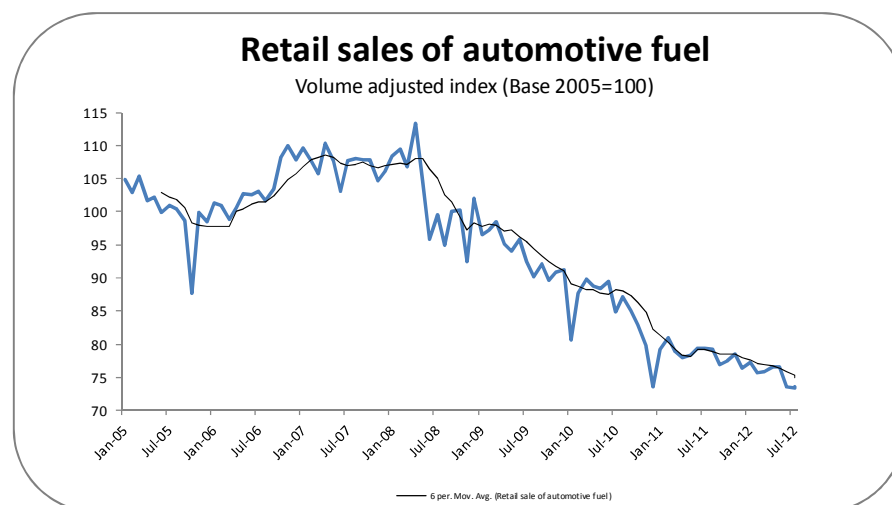
- Domestic demand is likely to decline further, albeit at a slower pace

Insurance industry

- Prices for certain products have moved lower to reflect risk and competitive pressure
- Direction of market rates likely to be determined by economic factors, safety measures and driver behaviour
- 'Noisy' advertising market

Claims environment

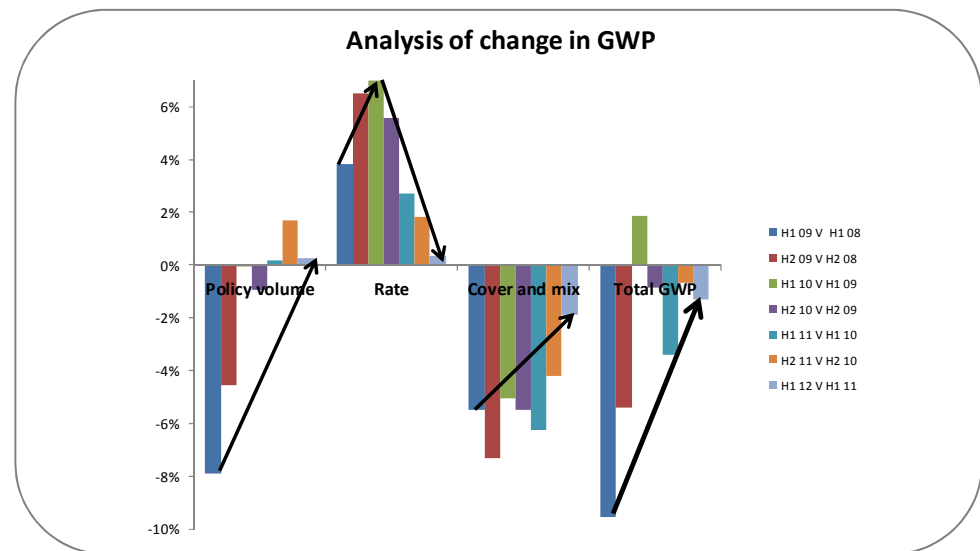
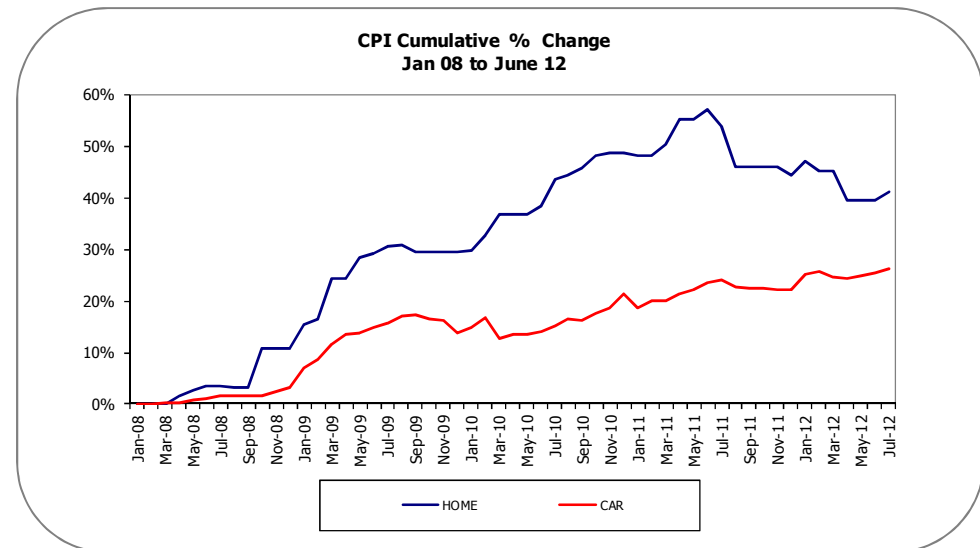
- Activity levels and road safety measures result in positive claims environment despite challenging economy
- Industry benefits from favourable weather experience



2012 Interim Results – Premium trends



- FBD performance well ahead of the market, which has contracted further
- Market share is likely to have risen further in H1
- GWP contracts 1.6%, but NEP increased 0.7% as
 - Growth in areas where more risk retained
 - Group’s decision in 2011 to increase retention
- Policy volume increases for third consecutive six month period
- Rates continued to increase in property but moved lower in motor to reflect reduced risk
- Cover and mix continues to reduce but at a slower pace
- Increased policy volumes and rates offset by cover and mix impact



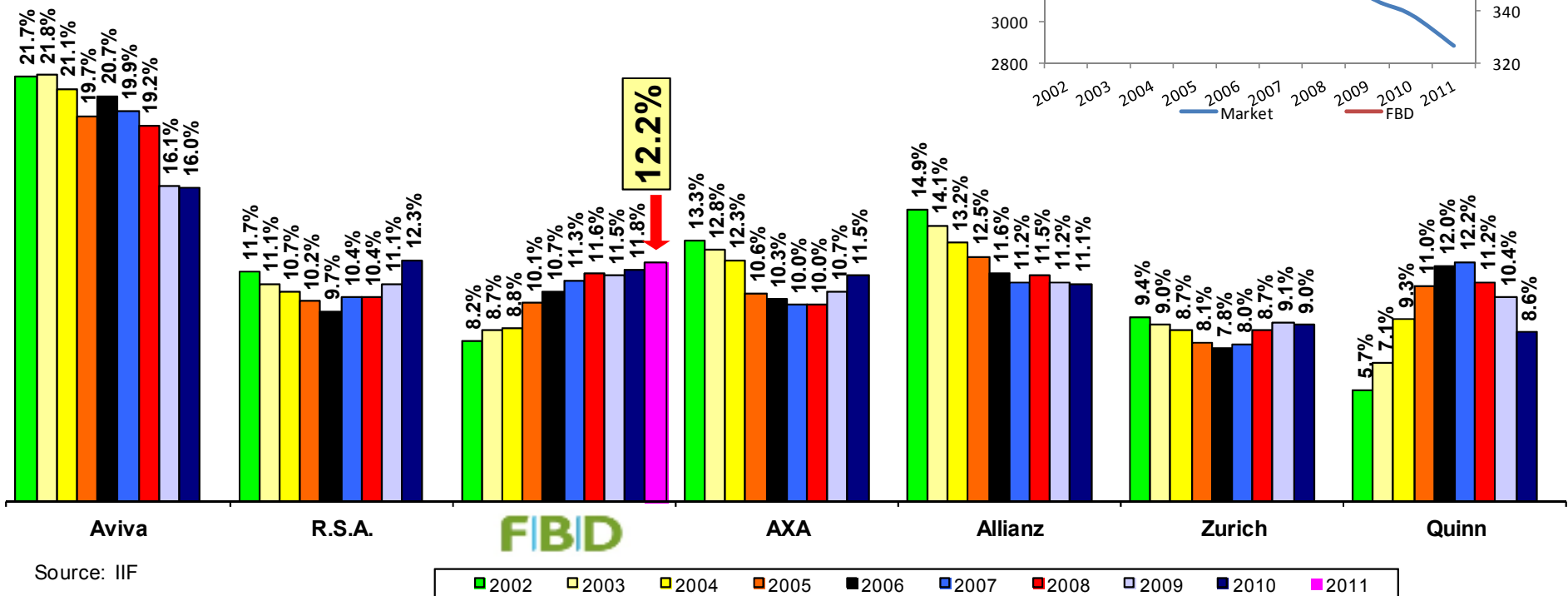
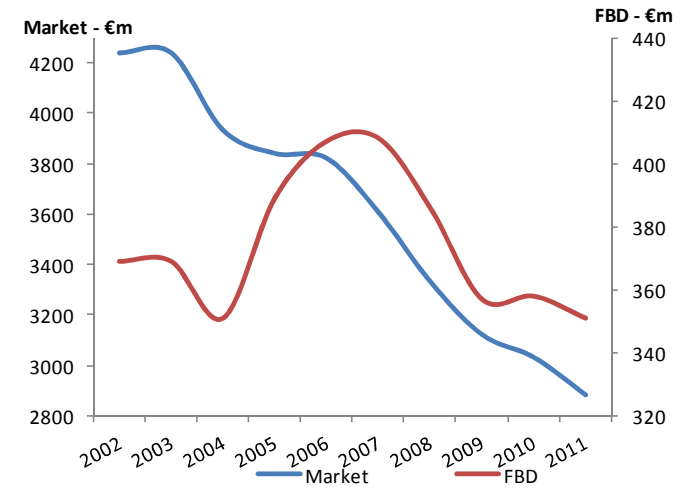
FBD continues to outperform market

2012 Interim Results – Market share

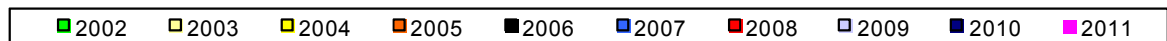


Latest available market data

Premium Income - FBD and the Market



Source: IIF



Market share growth – in 10 of the last 11 years

Protect and grow farm insurance

- Agri sector remains robust
- Sales offices add over 1,000 additional farms in H1

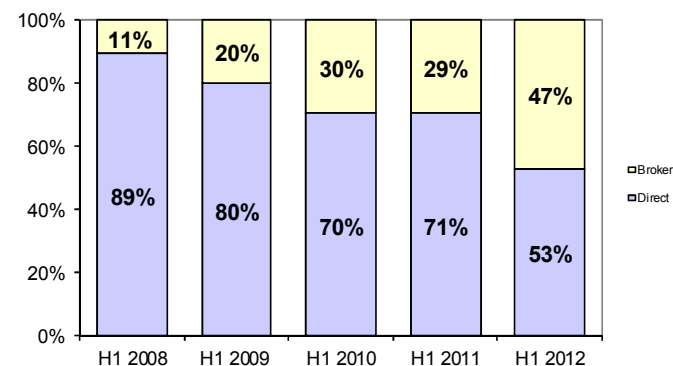
Business insurance

- Strong growth through broker channel
- Brokers accounted for 47% of new business
- Business insurance market has declined in line with economic activity

Personal lines insurance

- Competitive market place, increased investment in marketing
- FBD.ie and NoNonsense.ie grow customers in target markets, particularly urban
- NoNonsense policy count in excess of 23,000

Business Insurance - New Business Premium



Development of broker channel

| | Dec 2010 | Dec 2011 | June 2012 |
|----------------|----------|----------|-----------|
| Number | 19 | 42 | 61 |
| Outlets | 30 | 81 | 132 |

2012 Interim Results – Claims costs

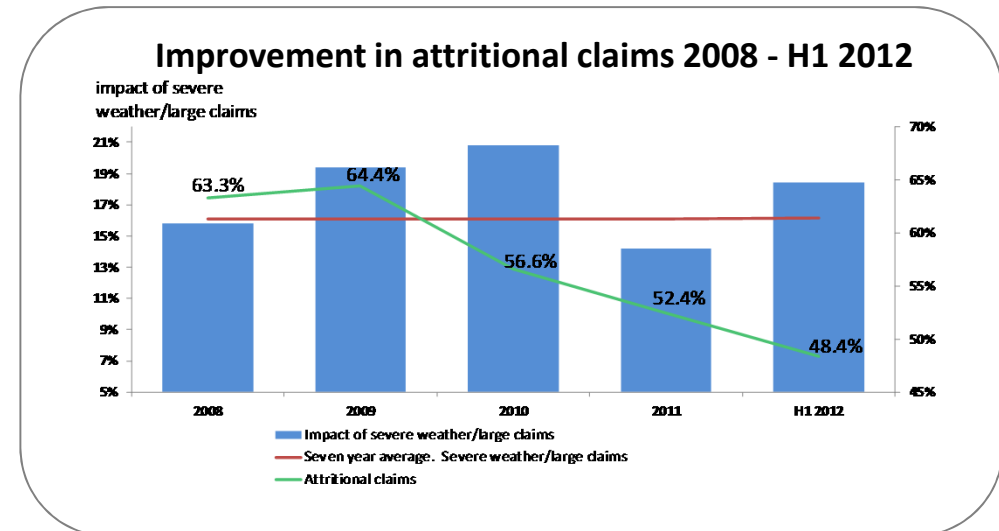
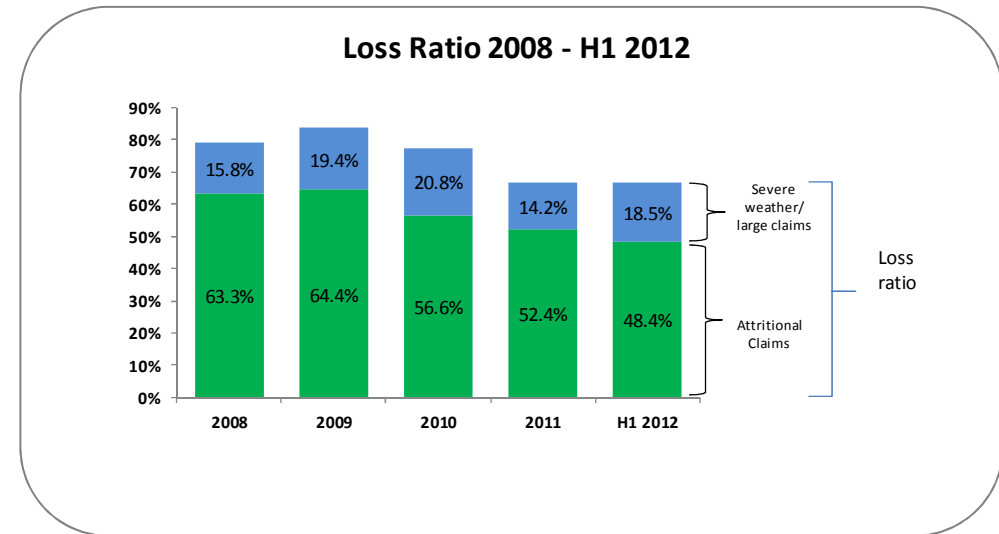
Loss ratio improved from 68.9% to 66.9%

- Continued improvement in attritional (day to day) claims in H1:
 - risk selection
 - claims management initiatives
 - direct settlement
 - fraud management
 - rating
 - positive operating environment

- 2011's exceptional severe weather/large claims experience not repeated in H1

- Increase in large claims partially offset by favourable weather

- Flood event in June cost industry €50m, the cost to FBD was €3m gross, €2m net of reinsurance



Further improvement in attritional claims

Financial services

- Includes:
 - premium instalment services
 - life, pension and investment broking
 - less holding company costs
- Improved operating profit to €2.6m (2011: €1.6m)
- FBD Financial Solutions delivered a strong performance in H1 2012 in difficult market conditions

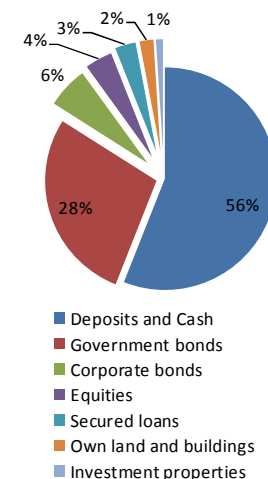
Joint venture (JV)

- JV established in 2011 owns and manages the Group's former property and leisure operations in Ireland and Spain
- The Group's share of JV losses in H1 2012 was €0.7m. This is a seasonal business with most of profits generated in summer months
- Trading performance has improved over 2011, with growth in occupancy, rate and revenue per room, particularly in the Irish market
- Sales of units in La Cala continue to be strong and JV is cash generative
- JV refinanced its debt facilities
- JV included in balance sheet at €45m

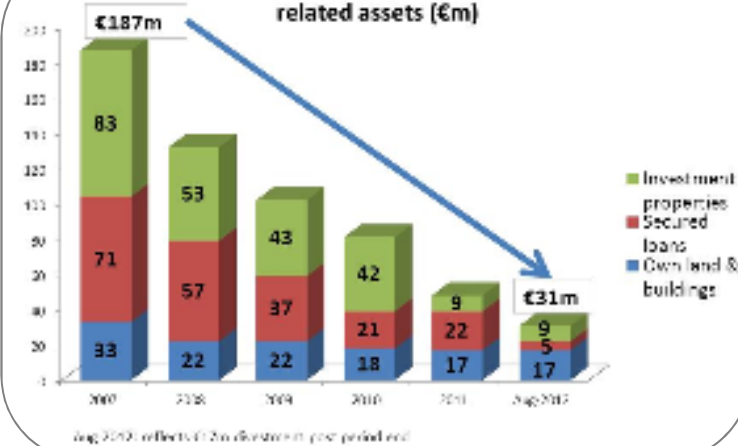
2012 Interim Results – Asset allocation

| | 30-Jun-12 | | 31-Dec-11 | |
|---------------------------------------|--------------|-------------|--------------|-------------|
| | €m | % | €m | % |
| Underwriting investment assets | | | | |
| Deposits and cash | 466 | 56% | 345 | 42% |
| Government bonds | 230 | 28% | 406 | 49% |
| Corporate bonds | 46 | 6% | 3 | 0% |
| Equities | 33 | 4% | 25 | 3% |
| Secured loans | 24 | 3% | 22 | 3% |
| Own land & buildings | 17 | 2% | 17 | 2% |
| Investment properties | 8 | 1% | 9 | 1% |
| Underwriting investment assets | 824 | 100% | 827 | 100% |
| Trade receivables and DAC | 112 | | 103 | |
| Reinsurers' share of provisions | 59 | | 64 | |
| Joint venture | 45 | | 46 | |
| Plant & equipment | 15 | | 16 | |
| Total Group assets | 1,055 | | 1,056 | |

Underwriting Investment allocation



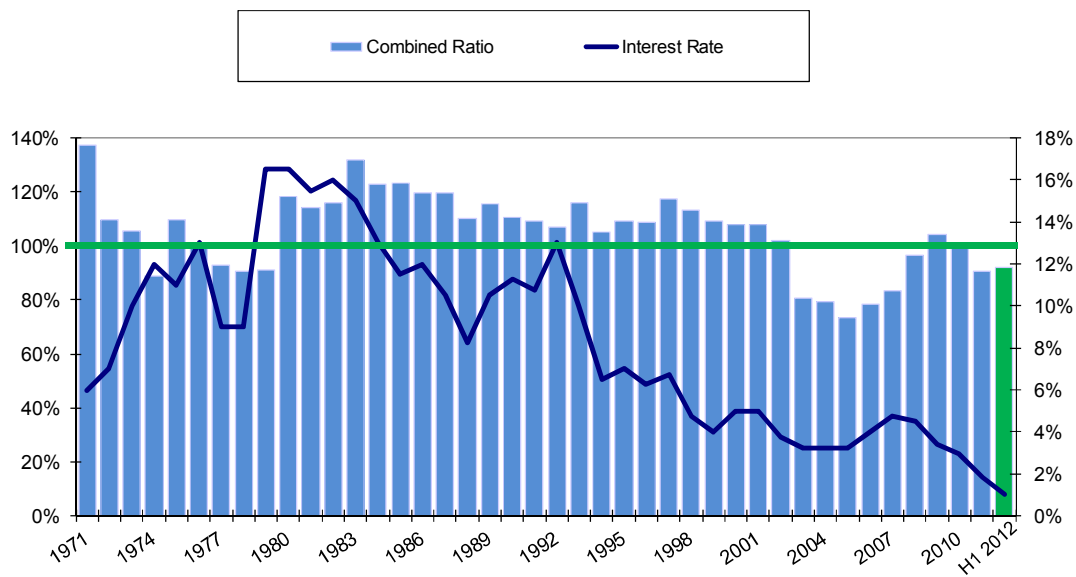
2007 - 2012: Reduction in underwriting property related assets (€m)



2012 Interim Results – Two levers to deliver ROE

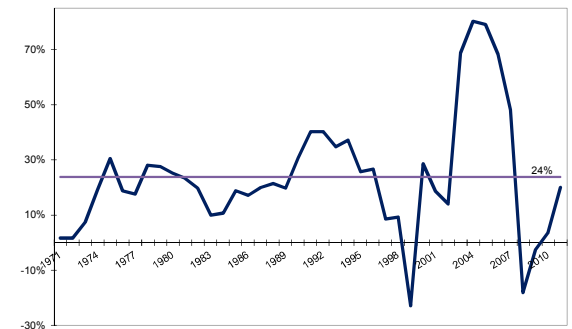


FBD Insurance COR% and Interest Rates - 1971 to 2012



COR required to achieve an 18% ROE if duration of liabilities is 3 years

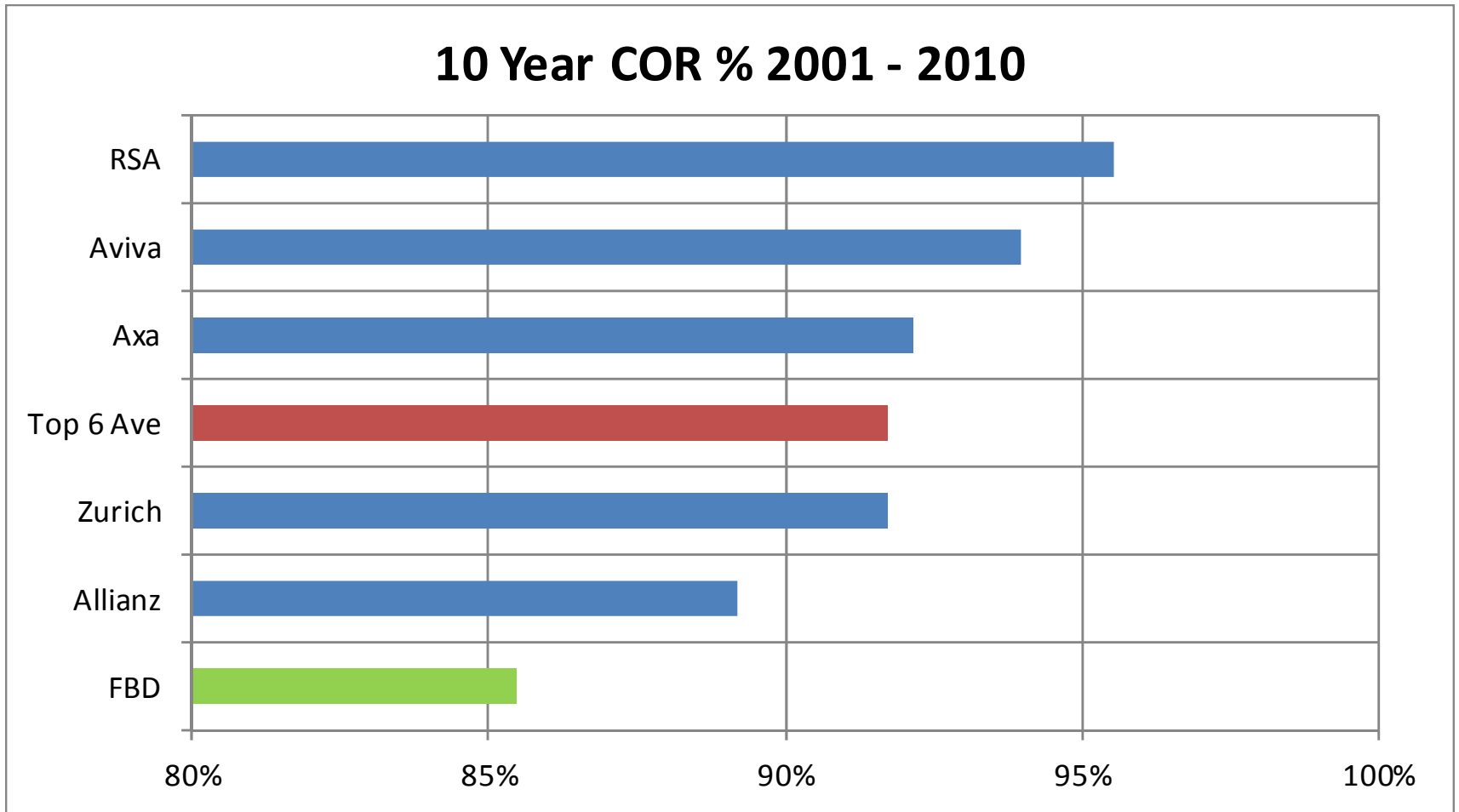
| Investment Return | COR Required |
|-------------------|--------------|
| 1% | 91% |
| 2% | 94% |
| 3% | 96% |
| 4% | 99% |



FBD Insurance ROE - 1971 to 2011

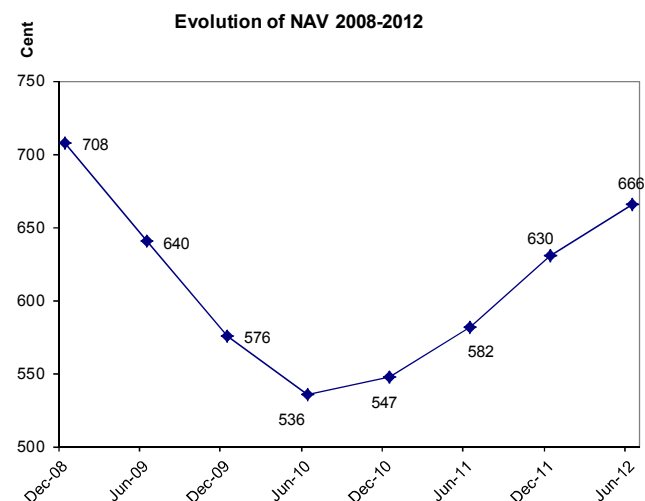
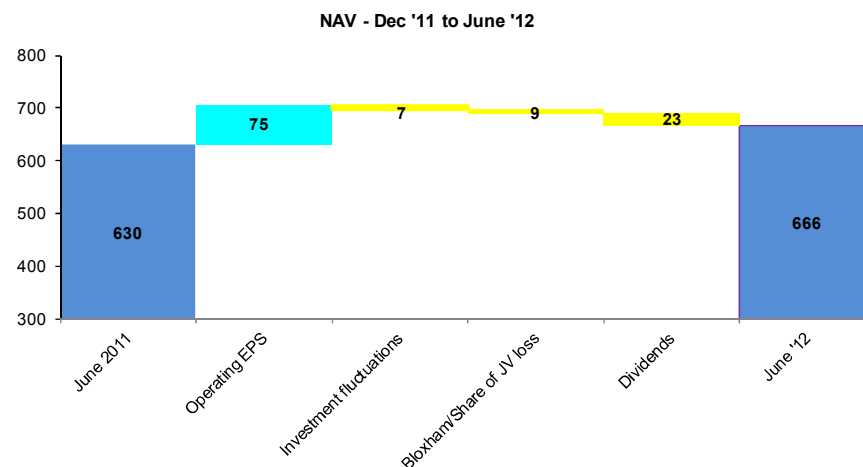
— FBD ROE
— Average 1971-2011

Superb track record in delivering ROE to shareholders



Reserving & solvency strength

- Prudent reserving
- Positive run off each year since 2003
- Reserving maintained at same robust level as at the previous year end
- Reserving ratio of 232% (2011: 238%)
- Strong capital base with solvency level of 63.3%, up from 60.4% (H1 2011)
- Net asset value per share progressed 14% yoy to 666c

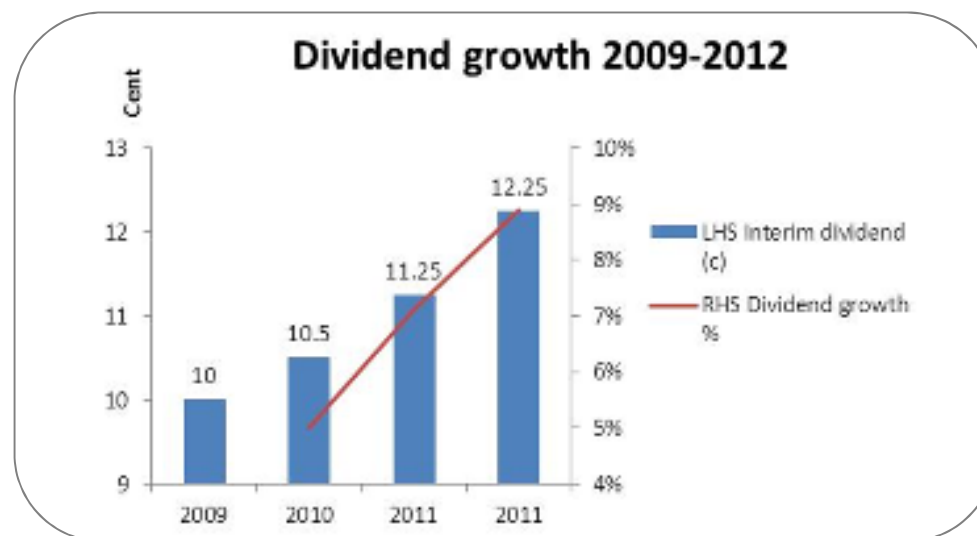


Policy

- It is in long term interest of all shareholders to maintain strong solvency and liquidity margins
- FBD remain committed to progressive dividend policy and efficient capital management
- Target dividend pay-out ratio remains at 40% - 50%

2012 Dividend

- Interim dividend of 12.25c
- Up 8.9% on 2011
- Currently at the lower end of the pay-out range
- Further potential for sustainable growth



Outlook

- In second half 2012, Irish domestic demand is still likely to decline further, albeit at a slower pace
- The opportunity for FBD to grow premium income in the remainder of 2012 will be limited
- FBD is committed to achieving profitable growth by constantly evolving its business to reflect customers' needs
- The Group continues to devote considerable resources to developing its core farming base, a key strategic priority
- The opportunities provided by NoNonsense.ie and the expansion of the broker channel will provide the Group with the ability to outperform the market again in H2 2012
- Barring exceptional claims, the Group expects the loss ratio in second half of the year to be similar to that of the first half
- The Group re-affirms its previous guidance for full-year 2012 operating EPS in the range of 145c – 155c (this is subject to no exceptional events arising in H2)

FBD has a track record of:

- Increasing market share, profitability
- Delivering superior underwriting returns
- Rewarding shareholders

The insurance market is:

- Reliant on underwriting returns
- Benefiting from a positive claims environment
- Facing a challenging economic backdrop

The Group has:

- A robust underwriting business with a strong core franchise
- Multi-channel distribution
- Appropriate plans, people and infrastructure to benefit from market opportunities
- A strong capital base and balance sheet
- A prudent reserving strategy
- A low-risk investment allocation



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