



FBD HOLDINGS PLC
3 March 2014

FBD HOLDINGS PLC
PRELIMINARY ANNOUNCEMENT
For the year ended 31 December 2013

FINANCIAL HIGHLIGHTS

	2013	Restated *
	2012	2012
	€000s	€000s
• Gross premium written	351,195	344,255
• Net premium earned	296,387	300,625
• Operating profit before taxation	52,673	65,354
• Profit before taxation	51,455	52,249
	Cent	Cent
• Operating earnings per share	136	170
• Diluted earnings per share	131	131
• Net asset value per share	823	721
• Ordinary dividend per share	49.00	42.25

HIGHLIGHTS

- Excellent performance with profit before taxation of €51.5m and a return on equity of 17.3%
- New market initiatives delivered higher customer numbers leading to the first increase in premium written since 2010
- Market share increased to approximately 13.4%, FBD's highest ever share of the Irish Insurance market
- As expected, profit before taxation is marginally lower than the excellent result in 2012 as the very strong investment performance was offset by a small number of very large accident and liability injury claims
- FBD Insurance's capital base further strengthened with solvency level of 78.1%, up from 73.8%
- Increase of 14.1% in net asset value per share to €8.23
- Final dividend increased 10.8% to 33.25 cent, delivering full year dividend growth of 16.0%

Commenting on the results, Andrew Langford, Group Chief Executive, today said

"These are excellent results with a profit before taxation of €51.5m and growth in premium, customer numbers and market share in an insurance market that continued to contract. Our strong position and continuing investment in the Irish market, leaves us well placed to progress our strategic plans and to take advantage of market opportunities that arise as the economy recovers. The Board is confident that FBD will continue to outperform its peers in delivering superior returns to shareholders".

** Comparative figures have been restated to reflect changes to IAS 19, "Employee Benefits" and are for continuing operations only. Operating profit is calculated with reference to a longer term rate of investment return.*

A presentation will be made to analysts at 11am today, a copy of which will be available on our Group website, www.fbdgroup.com.

About FBD Holdings plc ("FBD")

The 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

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FBD Holdings plc

Review of operations

Overview

FBD delivered another excellent performance in 2013, with profit before taxation of €51.5m. Gross premium written was up 2%, the first increase since 2010. While initial signs of economic recovery in Ireland were evident in the second half of 2013, industry premium and profitability remain challenging. The Group again demonstrated its ability to deliver superior returns to shareholders by outperforming peers.

Gross premium written increased by 2% to €351.2m (2012: €344.3m) while the market declined by approximately 4%-5%. By continuing to develop solutions that meet the needs of existing and new customers, the Group increased market share to approximately 13.4% (2012: 12.6%), its highest ever share while at the same time maintaining underwriting discipline within the Group's risk appetite. FBD has grown market share in 12 of the last 13 years whilst also delivering market leading combined operating ratios over the same period.

Diluted earnings per share was 131 cent (2012: 131 cent). The Group further strengthened its capital base and balance sheet with net asset value per share increasing by 14.1% to 823 cent. FBD Insurance had a solvency level of 78.1% of net premium earned at the end of 2013 (2012: 73.8%). From this position of strength, the Board has decided to increase the full-year dividend by 16% to 49 cent (2012: 42.25 cent).

Business Review

Underwriting

Premium Income

The Irish property and casualty insurance market contracted by approximately 4%-5% in 2013, as insurable risk and values reduced further, while rates continued to decline. The market combined operating ratio ("COR") in 2012 was 109%. Pressure on market rates suggests further deterioration in industry profitability in 2013. There were some early signs of industry rate increases in the final quarter of 2013, particularly in car insurance.

FBD's gross premium written increased by 2.0% to €351.2m (2012: €344.3m), increasing FBD's market share from 12.6% to approximately 13.4%. Policy volume grew by 2.6% for the full year. Average rates were 0.7% lower with a reduction in the first six months offset by an improvement during the second half of the year. Policy volume and premium income were also stronger in the second half of the year. The stabilisation in the economy in 2013 led to a marginal increase in FBD customers' insurable values, which had declined 15% since 2008.

FBD delivered this growth by meeting the needs of existing and new customers through the following market initiatives;

- A key strategic priority for FBD is to deliver on all the insurance needs of farming customers. In 2013, FBD further increased the number of farms it insured and the number of policies per farming customer. FBD now protects more farming customers than at any time in its history;
- The initiative to enter into partnerships with insurance brokers to increase penetration of the business insurance market progressed positively. Business written through Brokers increased by 30.2% over 2012. The increase in broker business more than offset the decline in business insurance written directly, as the economic challenges facing Ireland have had a significant impact on small, rural consumer facing businesses.
- The Group's online offerings, FBD.ie and No Nonsense.ie, continued their managed growth, increasing FBD's share of urban personal lines in 2013. No Nonsense's 'readymade' motor insurance packages have been particularly successful in attracting the cost-conscious consumer while its telematics product 'SmartDriver', aimed at drivers under the age of 30, also helped deliver growth. During 2013, the 'TopDriver' app was launched to allow prospective policyholders gauge their driving behaviours prior to taking out a telematics product with No Nonsense. This has the added benefit of encouraging positive selection where drivers with good habits and safe driving styles are more likely to take out a policy.

FBD Holdings plc

Review of operations (continued)

- In the second half of 2013, the Group launched a car insurance product for the broker market under the 'Clan Insurance' brand. This initiative provides the Group with access to a large customer segment that was previously out of reach, and will enable the Group to increase its share of the Irish car insurance market in a controlled and sustainable manner.

These initiatives provide the Group with a sustainable platform for growth. The gains in premium arising from the above were somewhat offset by a decline in the numbers of homes insured by FBD. In 2013, market pricing for home insurance was insufficient to generate an acceptable return and, as a result, FBD maintained its underwriting discipline rather than compete with uneconomic rates in the market.

Although gross premium written increased by 2% in 2013, net premium earned, which is determined not only by the gross premium written in 2013 but also by the lower gross premium written in 2012, decreased by 1.4% to €296.4m.

Claims

Net claims incurred were €201.2m, an increase of 4.9% on 2012, bringing the loss ratio from 63.8% to 67.9%.

While the weather was benign for most of 2013, storm and flood claims in the last weeks of 2013 cost €4.5m, net of reinsurance. The Group also experienced a small number of very large accident and liability claims (costing more than €1m each) in 2013. The combined cost of severe weather and large claims, which will fluctuate from year to year, was 18.7% of net earned premium, significantly higher than the 13.1% cost in 2012 and two percentage points higher than the seven year average cost of 16.7%. Ultimately, FBD provides its customers with certainty when such events arise, and therefore an element of variability in the loss ratio is to be expected. The Group mitigates this variability through reinsurance and its decisions are made based on longer term trends rather than short term variations.

The Group's attritional loss ratio, which measures the cost of routine claims and excludes the combined cost of severe weather and large claims, improved again in 2013 to 49.2% (2012: 50.7%), the fifth consecutive year of improvement for this key performance indicator.

Further savings were made in reducing those elements of claims costs that are within the Group's control, including risk selection, rating, claims management initiatives and underwriting improvements. While the weather events experienced in Ireland in late 2013 and early 2014 have been severe, the Group's use of risk selection tools have curtailed the impact of flood related damage.

The 17% increase in road deaths in Ireland in 2013 is disappointing, albeit this was from a historic low base recorded in 2012. While an element of this may relate to growth in economic activity, every fatality is a cause for concern. A concerted plan needs to be put in place to ensure that progress made in previous years does not continue to reverse.

Expenses

Net underwriting expenses were €77.6m compared to €76.8m in 2012. The net expense ratio was 26.2% in 2013 compared to 25.5% in 2012, with the increase primarily attributable to the lower level of net premium earned in 2013. The Group has maintained its competitive cost advantage while at the same time investing in a platform for growth.

The Group's combined operating ratio for 2013 was 94.1% (2012: 89.4%) resulting in an underwriting profit of €17.6m, compared to €32.0m achieved in 2012.

Investment return

The Group maintained its tactical position of a low allocation to long-dated bonds to protect shareholders and customers from the risk of rising bond yields. Actual investment return for 2013 was €29.4m compared to €25.0m in 2012, representing a 3.6% return on underwriting investments. This excellent return was delivered despite the low interest rates prevalent in the market and was aided by the Group's decision not to invest in long-dated bonds and the strong return on the 8% (2012: 7%) of underwriting investment assets invested in equities.

The longer term rate of return was €28.7m, up from €27.8m in 2012 resulting in an operating profit for the Group's underwriting business of €46.3m (2012: €59.7m).

FBD Holdings plc

Review of operations (continued)

Financial services

FBD's financial services businesses generated an operating profit of €6.4m, an improvement over €5.6m in 2012 despite challenging economic conditions.

Financial services include premium instalment services and life, pension and investment broking (FBD Financial Solutions), net of the costs of the holding company. The proportion of insurance customers availing of premium instalment facilities continued to increase.

Joint Venture

The trading performance of the property and leisure joint venture improved again in 2013, driven by growth in occupancy and rates, particularly in the Irish market, where revenue per room increased by 9%. The remaining units in La Cala in Spain were sold in 2013. The Group's share of the joint venture's results was a profit of €1.3m (2012: loss of €1.7m) of which €0.6m related to an increase in property valuations (2012: €1.7m write-down). Encouragingly, the market for Irish hotel assets has strengthened during 2013, with improving operational performance and higher multiples in completed transactions increasing property valuations.

Profit before taxation

Actual investment return was €0.7m higher (2012: €2.8m lower) than the longer term rate of return, although this was offset by a property downward revaluation charge of €1.1m (2012: €1.0m) and restructuring and other costs of €2.1m (2012: €7.7m).

Profit before taxation for continuing operations amounted to €51.5m (2012: €52.2m). After a taxation charge of €6.6m (2012: €7.5m), the profit after taxation was €44.9m (2012: €44.7m).

Earnings per share

Operating earnings per share based on longer-term investment return amounted to 136 cent (2012: 170 cent). Diluted earnings per share was 131 cent (2012: 131 cent).

Return on equity in 2013 was 17.3% (2012: 21.5%), an excellent outcome in a low interest rate environment.

Dividend

The Board believes that it is in the long-term interest of all stakeholders to maintain strong solvency and liquidity margins and it is determined to ensure that the Group's capital position continues to be robust and its financial position well managed. The Group is committed to a progressive dividend policy and efficient management of capital.

The Board is recommending a final dividend payment of 33.25 cent per share (2012: 30.00 cent), an increase of 10.8%, bringing the full 2013 dividend to 49.00 cent (2012: 42.25 cent), an increase of 16.0%. This represents a dividend payout ratio of 36.0% based on operating earnings and 37.4% based on diluted earnings per share. This increase in dividend continues the Group's move towards its desired pay-out ratio of 40% to 50% of operating profit, while maintaining a high dividend cover and providing the potential for a progressive dividend in future years.

Subject to the approval of shareholders at the Annual General Meeting to be held on 29 April 2014, this final dividend for 2013 will be paid on 7 May 2014 to the holders of shares on the register on 14 March 2014.

The dividend is subject to withholding tax ("DWT") except for shareholders who are exempt from DWT and who have furnished a properly completed declaration of exemption to the Company's Registrar from whom further details may be obtained.

FBD Holdings plc
Review of operations (continued)

Statement of financial position

The Group's financial position further strengthened in 2013. Ordinary shareholders' funds grew to €277.2m (2012: €241.3m). Net assets per share increased to 823c (2012: 721c) increasing by over 14% for the second year in a row. The increase in shareholders' funds is mainly attributable to profit after taxation of €44.9m, a reduction in the liability for retirement benefit obligations of €2.2m less dividends of €15.7m.

Table 1 shows how the assets of the Group were invested at the beginning and end of the year.

Table 1 - Asset allocation

	31-Dec-13		31-Dec-12	
	€m	%	€m	%
Underwriting investment assets				
Deposits and cash	454	53%	499	59%
Corporate bonds	144	17%	152	18%
Government bonds	134	16%	110	13%
Equities	73	8%	60	7%
Unit trusts	24	3%	0	0%
Own land & buildings	15	2%	16	2%
Investment property	12	1%	11	1%
	<hr/>		<hr/>	
Underwriting investment assets	856	100%	848	100%
Working capital & other assets	116		100	
Investment in joint venture	45		44	
Reinsurers' share of technical provisions	44		55	
Plant and equipment	31		20	
	<hr/>		<hr/>	
Total assets	1,092		1,067	

The Group continues to be encouraged by the improvement in confidence in the global economy and by policymakers' actions to address the dislocation in the international monetary system. As a result, the Group reduced the proportion of underwriting assets invested in cash and bonds from 90% to 86% during 2013. The average term of these assets remains shorter than the Group's technical reserves, with more term deposits and less fixed interest securities than the Group's strategic investment allocation. This tactical asset allocation demonstrates the Group's desire to preserve capital, particularly as the reward available on longer dated assets does not justify the additional risk. This protects customers and shareholders and positions the Group well for a rising yield environment.

FBD Insurance had a solvency level of 78.1% of net premium earned at the end of 2013, up from 73.8% at the end of 2012 which represents 387% (2012: 367%) of the minimum solvency margin, and a reserving ratio of 235% (2012: 232%). FBD had a healthy surplus over best estimate and a €46.5m positive run-off of prior-year claims reserves in 2013, continuing the Group's long history of recording positive run-offs on its claims reserves.

In line with all European insurers, FBD Insurance is preparing for the introduction of the new Solvency II regulations which are to come into effect on 1 January 2016. FBD Insurance has calculated its solvency capital requirement on the basis that Solvency II, as currently proposed, was effective at 31 December 2013. The results showed that FBD Insurance had excess capital over the expected requirement.

FBD Holdings plc
Review of operations (continued)

Outlook

There are initial signs of a recovery in the Irish economy, and domestic demand, the best indicator of the trend in insurable risk available in the market, turned positive in the second half of 2013 and is forecast to grow, albeit marginally, in 2014. Economic activity turned around faster than anticipated by the insurance market and the resulting growth will be very positive for FBD in terms of premium income, particularly given the Group's opportunity to continue to outperform the market. Increased economic activity leads to higher claims frequency and there is invariably a time lag before this is reflected in market premiums. This will have a short term impact on profitability in 2014 and the early part of 2015.

Market rates should rise given the profitability challenges already facing the industry, the extent of recent weather losses and any impact of increased frequency arising from economic activity. Market size in 2014 will depend on the speed and extent to which the market chooses to adjust rates to deliver an acceptable return.

During 2013, the combined cost of severe weather and large claims were above historic norms. The Group expects that these claims costs will revert to normal levels in 2014 and that the initiatives on those aspects of claims costs that are within the Group's control will continue to have a positive impact on the loss ratio.

The wind storm that hit Ireland in the middle of February 2014 is likely to cost the industry up to €130m. The Group budgets for catastrophic weather events, net of reinsurance, and the February wind storm will not exceed that budget. However, the persistent bad weather over the preceding month, whilst not amounting to a catastrophic event, will lead to an increase in the cost of 2014 claims.

FBD is committed to achieving profitable growth by constantly focussing its business on the needs of customers. The Group intends to continue delivering products and services that matter to its farming and direct business customers. In 2014, FBD expects to increase penetration of key urban markets, in particular Dublin, and of the business insurance market, in partnership with brokers. The Board is confident that these initiatives, along with personal lines business written through FBD, No Nonsense and the Clan Insurance brands, will enable the Group to outperform the market again in 2014 and deliver superior returns to shareholders.

Subject to no exceptional events arising, the Group is guiding full year 2014 operating earnings per share of between 120 and 130 cent.

FBD Holdings plc
Consolidated Income Statement
For the year ended 31 December 2013

Continuing Operations	2013	Restated
	€000s	2012
		€000s
Revenue	396,290	389,810
Income		
Gross premium written	351,195	344,255
Reinsurance premiums	(49,109)	(47,646)
Net premium written	302,086	296,609
Change in provision for unearned premiums	(5,699)	4,016
Net premium earned	296,387	300,625
Net investment return	29,359	24,979
Financial services income	15,289	14,693
Total income	341,035	340,297
Expenses		
Net claims and benefits	(201,222)	(191,873)
Other underwriting expenses	(77,565)	(76,785)
Financial services expenses	(8,893)	(9,058)
Revaluation of property, plant and equipment	(1,121)	(996)
Restructuring and other costs	(2,050)	(5,095)
Write-off of investment	-	(2,586)
Share of results of joint venture	1,271	(1,655)
Profit before taxation	51,455	52,249
Income taxation charge	(6,563)	(7,545)
Profit for the year from continuing operations	44,892	44,704
Discontinued operations		
Profit for the year from discontinued operations, including profit on sale	-	3,748
Profit for the year	44,892	48,452
Attributable to:		
Equity holders of the parent	44,786	48,353
Non-controlling interests	106	99
	44,892	48,452
Earnings per share	2013	Restated
	Cent	2012
		Cent
From continuing operations		
Basic	132	133
Diluted	131	131
From continuing and discontinued operations		
Basic	132	144
Diluted	131	142

FBD Holdings plc
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2013

	2013 €000s	Restated 2012 €000s
Profit for the year	44,892	48,452
<i>Items that will or may be reclassified to profit or loss in subsequent periods:</i>		
Net (loss)/gain on available for sale financial assets during the year	(654)	1,122
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>		
Actuarial gain/(loss) on retirement benefit obligations	2,851	(8,693)
Taxation (charge)/credit relating to items not to be reclassified in subsequent periods	(278)	1,052
Other comprehensive income/(expense) after taxation	1,919	(6,519)
Total comprehensive income for the year	46,811	41,933
Attributable to:		
Equity holders of the parent	46,705	41,834
Non-controlling interests	106	99
	46,811	41,933

FBD Holdings plc
Pro Forma Reconciliation of Consolidated Operating Profit to Profit after Taxation
For the year ended 31 December 2013

	2013 €000s	Restated 2012 €000s
Continuing Operations		
Operating profit		
Underwriting	46,277	59,719
Financial services	6,396	5,635
Operating profit before taxation	52,673	65,354
Investment return – fluctuations	682	(2,773)
Revaluation of property, plant and equipment	(1,121)	(996)
Restructuring and other costs	(2,050)	(7,681)
Share of results of joint venture	1,271	(1,655)
Profit before taxation	51,455	52,249
Income taxation charge	(6,563)	(7,545)
Profit after taxation on continuing operations	44,892	44,704
Discontinued operations		
Profit for the year from discontinued operations including profit on sale	-	3,748
	44,892	48,452
	Cent	Restated Cent
Operating earnings per share – continuing operations	136	170
Diluted earnings per share – continuing operations	131	131

FBD Holdings plc
Consolidated Statement of Financial Position
At 31 December 2013

ASSETS

	2013	2012
	€000s	€000s
Property, plant and equipment	45,568	35,821
Investment property	11,567	10,686
Investment in joint venture	45,237	43,966
Loans	1,037	1,096
Deferred taxation asset	3,255	4,798
Financial assets		
Investments held to maturity	30,288	30,850
Available for sale investments	141,897	148,885
Investments held for trading	210,231	142,958
Deposits with banks	437,977	473,874
	820,393	796,567
Reinsurance assets		
Provision for unearned premiums	19,720	20,282
Claims outstanding	24,550	35,095
	44,270	55,377
Current taxation asset	4,174	4,705
Deferred acquisition costs	26,429	24,652
Other receivables	68,284	63,726
Cash and cash equivalents	21,586	25,711
Total assets	1,091,800	1,067,105

FBD Holdings plc
Consolidated Statement of Financial Position (continued)
At 31 December 2013

EQUITY AND LIABILITIES	2013 €000s	2012 €000s
Equity		
Ordinary share capital	21,409	21,409
Capital reserves	17,812	16,835
Retained earnings	237,993	203,015
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Shareholders' funds - equity interests	277,214	241,259
Preference share capital	2,923	2,923
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Equity attributable to equity holders of the parent	280,137	244,182
Non-controlling interests	463	477
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Total equity	280,600	244,659
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Liabilities		
Insurance contract liabilities		
Provision for unearned premiums	175,380	170,243
Claims outstanding	565,611	581,132
	<hr/>	<hr/>
	740,991	751,375
Retirement benefit obligation	28,538	30,766
Deferred taxation liability	691	691
Payables	40,980	39,614
	<hr/>	<hr/>
Total liabilities	811,200	822,446
	<hr/>	<hr/>
Total equity and liabilities	1,091,800	1,067,105
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FBD Holdings plc
Consolidated Statement of Cash Flows
For the year ended 31 December 2013

	2013	Restated
	€000s	2012
		€000s
Cash flows from operating activities		
Profit before taxation	51,455	56,061
Adjustments for:		
Profit on disposal of investments held for trading	(16,165)	(4,963)
Loss on investments held to maturity	562	998
Loss on investments available for sale	4,797	3,646
Interest and dividend income	(17,265)	(24,793)
Interest expense	-	4
Profit on loan realisation	-	(4,969)
Depreciation of property, plant and equipment	7,675	7,006
Share-based payment expense	977	908
Revaluation of investment property	(588)	1,318
Revaluation of property, plant and equipment	1,121	996
Write-off of available for sale assets, net of provisions	-	2,586
Decrease/(increase) in insurance contract liabilities	723	(17,563)
Effect of foreign exchange rate changes	(293)	569
Loss on disposal of property, plant and equipment	-	121
Gain on sale of subsidiaries	-	(4,113)
Joint venture trading result	(1,271)	1,655
	<hr/>	<hr/>
Operating cash flows before movement in working capital	31,728	19,467
Increase in receivables and deferred acquisition costs	(5,738)	(6,834)
Increase in payables	1,950	7,557
	<hr/>	<hr/>
Cash generated from operations	27,940	20,190
Interest and dividend income received	16,659	25,004
Interest paid	-	(4)
Income taxes paid	(4,719)	(5,606)
	<hr/>	<hr/>
Net cash from operating activities	39,880	39,584
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Cash flows from investing activities		
Purchase of investments held for trading	(174,962)	(217,562)
Sale of investments held for trading	123,854	114,175
Realisation of investments held to maturity	-	374,000
Purchase of available for sale investments	(103,554)	(158,707)
Sale of available for sale investments	105,091	10,703
Purchase of property, plant and equipment	(18,574)	(10,187)
Sale of property, plant and equipment	31	40
Investment property acquired on exercise of loan security	-	(3,186)
Decrease in loans and advances	59	26,391
Decrease/(increase) in deposits invested with banks	35,897	(168,553)
Net cash outflow from sale of subsidiaries	-	(4,981)
	<hr/>	<hr/>
Net cash used in investing activities	(32,158)	(37,867)
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Cash flows from financing activities		
Ordinary and preference dividends paid	(15,663)	(12,273)
Dividends paid to non-controlling interests	(120)	(80)

FBD Holdings plc
Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2013

	2013 €000s	Restated 2012 €000s
Proceeds from re-issue of ordinary shares	<u>3,936</u>	<u>689</u>
Net cash used in financing activities	<u>(11,847)</u>	<u>(11,664)</u>
Net decrease in cash and cash equivalents	(4,125)	(9,947)
Cash and cash equivalents at the beginning of the year	<u>25,711</u>	<u>35,658</u>
Cash and cash equivalents at the end of the year	<u>21,586</u>	<u>25,711</u>

FBD Holdings plc
Consolidated Statement of Changes in Equity
For the year ended 31 December 2013

	Ordinary share capital	Capital reserves	Retained earnings	Attributable to ordinary shareholders	Preference share capital	Non-controlling interests	Total equity
	€000s	€000s	€000s	€000s	€000s	€000s	€000s
Balance at 1 January 2012	21,409	15,927	172,596	209,932	2,923	458	213,313
Profit after taxation from continuing operations – restated	-	-	44,605	44,605	-	99	44,704
Profit after taxation from discontinued operations	-	-	3,748	3,748	-	-	3,748
Other comprehensive expense - restated	-	-	(6,519)	(6,519)	-	-	(6,519)
	21,409	15,927	214,430	251,766	2,923	557	255,246
Dividends paid and approved on ordinary and preference shares	-	-	(12,104)	(12,104)	-	-	(12,104)
Reissue of ordinary shares	-	-	689	689	-	-	689
Recognition of share based payments	-	908	-	908	-	-	908
Dividend paid to non-controlling interests	-	-	-	-	-	(80)	(80)
Balance at 31 December 2012	21,409	16,835	203,015	241,259	2,923	477	244,659
Profit after taxation	-	-	44,786	44,786	-	106	44,892
Other comprehensive income	-	-	1,919	1,919	-	-	1,919
	21,409	16,835	249,720	287,964	2,923	583	291,470
Dividends paid and approved on ordinary and preference shares	-	-	(15,663)	(15,663)	-	-	(15,663)
Reissue of ordinary shares	-	-	3,936	3,936	-	-	3,936
Recognition of share based payments	-	977	-	977	-	-	977
Dividend paid to non-controlling interests	-	-	-	-	-	(120)	(120)
Balance at 31 December 2013	21,409	17,812	237,993	277,214	2,923	463	280,600

FBD Holdings plc
Supplementary Information
For the year ended 31 December 2013

Note 1 OPERATING PROFIT BY ACTIVITY

	2013 €000s	Restated 2012 €000s
Underwriting	46,277	59,719
Financial services	6,396	5,635
	<u>52,673</u>	<u>65,354</u>

Note 2 UNDERWRITING OPERATING PROFIT

	2013 €000s	Restated 2012 €000s
Gross written premiums	<u>351,195</u>	<u>344,255</u>
Net premium earned	296,387	300,625
Net claims incurred	(201,222)	(191,873)
Net underwriting expenses	<u>(77,565)</u>	<u>(76,785)</u>
Underwriting profit	17,600	31,967
Longer term investment return	<u>28,677</u>	<u>27,752</u>
Underwriting operating profit	<u>46,277</u>	<u>59,719</u>

	2013 €000s	Restated 2012 €000s
Net underwriting expenses		
Management expenses	86,298	84,838
Deferred acquisition costs	<u>(1,777)</u>	<u>(2,453)</u>
Gross underwriting expenses	84,521	82,385
Reinsurance commissions receivable	(11,326)	(8,692)
Broker commission payable	<u>4,370</u>	<u>3,092</u>
Net underwriting expenses	<u>77,565</u>	<u>76,785</u>

FBD Holdings plc
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For the year ended 31 December 2013

Note 3 EARNINGS PER €0.60 ORDINARY SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary shareholders is based on the following data:

	2013	Restated
	€000s	2012
Earnings		€000s
Profit for the year	44,892	48,452
Non-controlling interests	(106)	(99)
Preference dividend	(282)	(282)
	<hr/>	
Profit for the purpose of basic and diluted earnings per share	44,504	48,071
Adjustments to exclude discontinued operations including profit on sale	-	(3,748)
	<hr/>	
Profit from continuing operations for the purpose of basic and diluted earnings per share	44,504	44,323
	<hr/>	
Number of shares	2013	2012
Weighted average number of ordinary shares for the purpose of basic earnings per share (excludes treasury shares)	33,697,613	33,443,894
Effect of dilutive potential of share options outstanding	185,728	350,406
	<hr/>	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	33,883,341	33,794,300
	<hr/>	

The denominators above are used for both basic and diluted earnings per share from continuing and discontinued operations.

From continuing operations	Cent	Restated
		Cent
Basic earnings per share	132	133
	<hr/>	
Diluted earnings per share	131	131
	<hr/>	
From continuing and discontinued operations	Cent	Restated
		Cent
Basic earnings per share	132	144
	<hr/>	
Diluted earnings per share	131	142
	<hr/>	

The 'A' ordinary shares of €0.01 each that are in issue have no impact on the earnings per share calculation.

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2013

The calculation of the operating earnings per share, which is supplementary to the requirements of International Financial Reporting Standards, is based on the following:

Earnings	2013 €000s	Restated 2012 €000s
Operating profit after taxation*	46,142	57,090
Non-controlling interests	(106)	(99)
Preference dividend	(282)	(282)
	<hr/>	<hr/>
Operating profit for the purpose of operating earnings per share	45,754	56,709
Adjustments to exclude operating loss after taxation for the year from discontinued operations	-	160
	<hr/>	<hr/>
Operating profit from continuing operations for the purpose of operating earnings per share	45,754	56,869
	<hr/>	<hr/>
Operating earnings per share	Cent	Restated Cent
Continuing operations	136	170
	<hr/>	<hr/>
Continuing and discontinued operations	136	170
	<hr/>	<hr/>

*2013 effective taxation rate of 12.4% (2012: 12.4%).

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2013

Note 4 DIVIDENDS

	2013	2012
	€000s	€000s
Paid during year:		
2012 final dividend of 30.00 cent (2011: 23.25 cent) per share on ordinary shares of €0.60 each	10,058	7,742
2013 interim dividend of 15.75 cent (2012: 12.25 cent) per share on ordinary shares of €0.60 each	5,323	4,080
Dividend of 4.8 cent (2012: 4.8 cent) per share on 8% non-cumulative preference shares of €0.60 each	169	169
Dividend of 8.4 cent (2012: 8.4 cent) per share on 14% non-cumulative preference shares of €0.60 each	113	113
Dividend of nil cent (2011:4.8 cent) per share on 8% non-cumulative preference shares of €0.60 each	-	169
Total dividends paid	15,663	12,273
Proposed:	2013	2012
	€000s	€000s
Dividend of 4.8 cent (2012: 4.8 cent) per share on 8% non-cumulative preference shares of €0.60 each	169	169
Final dividend of 33.25 cent (2012: 30.00 cent) per share on ordinary shares of €0.60 each	11,331	10,033
Total dividends proposed	11,500	10,202

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in the Consolidated Statement of Financial Position.

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2013

Note 5 ORDINARY SHARE CAPITAL

	Number	2013 €000s	2012 €000s
(i) Ordinary shares of €0.60 each			
Authorised:			
At the beginning and the end of the year	51,326,000	30,796	30,796
Issued and fully paid:			
At the beginning and the end of the year	35,461,206	21,277	21,277
(ii) 'A' Ordinary shares of €0.01 each			
Authorised:			
At the beginning and the end of the year	120,000,000	1,200	1,200
Issued and fully paid:			
At the beginning and the end of the year	13,169,428	132	132
Total – issued and fully paid		21,409	21,409

The 'A' ordinary shares of €0.01 each are non-voting. They are non-transferable except only to the Company. Other than a right to a return of paid up capital of €0.01 per 'A' ordinary share in the event of a winding up, the 'A' ordinary shares have no right to participate in the capital or the profits of the Company.

The holders of the two classes of non-cumulative preference shares rank ahead of the two classes of ordinary shares in the event of a winding up. Before any dividend can be declared on the ordinary shares of €0.60 each, the dividend on the non-cumulative preference shares must firstly be declared or paid.

The number of ordinary shares of €0.60 each held as treasury shares at the beginning (and the maximum number held during the year) was 2,017,312. This represented 5.69% of the shares of this class in issue and had a nominal value of €1,210,387. There were no ordinary shares of €0.60 each purchased by the Company during the year. A total of 633,825 ordinary shares of €0.60 each were re-issued from treasury during the year under the FBD Holdings plc Executive Share Option Scheme. Proceeds of €3,936,000 were credited directly to distributable reserves. This left a balance of 1,383,487 ordinary shares of €0.60 each in treasury which had a nominal value of €830,092 and represented 3.9% of the ordinary shares of €0.60 each in issue.

The weighted average number of ordinary shares of €0.60 each in the earnings per share calculation has been reduced by the number of such shares held in treasury.

At 31 December 2013, the total number of ordinary shares of €0.60 each under option amounted to 325,000 (2012: 968,825). The related options had been granted under the FBD Holdings plc Executive Share Option Scheme ("ESOS"). 325,000 (2012: 821,582) of the options outstanding under the ESOS may be exercised prior to September 2014 at a subscription price of €7.45 per share.

All issued shares have been fully paid.

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2013

Note 6 TRANSACTIONS WITH RELATED PARTIES

Farmer Business Developments plc has a substantial shareholding in the Group at 31 December 2013, details of which are set out in the Annual Report.

Included in the Financial Statements at the year end is €529,895 (2012: €385,183) due from Farmer Business Developments plc. This balance is made up of recharges for services provided, recoverable costs and interest. Interest is charged on this balance at the market rate. The amount due is repayable on demand.

During 2011 a joint venture was formed between the Group and Farmer Business Developments plc to own and manage the hotel and golf assets previously 100% owned by the Group. Further details on this joint venture are disclosed in the Annual Report. As part of the establishment of the joint venture, a loan was provided to the joint venture in 2011 by Farmer Business Developments plc for €7,500,000.

For the purposes of the disclosure requirements of IAS 24, the term "*key management personnel*" (KMP) (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board of Directors (executive and non-executive) and Company Secretary of FBD Holdings plc and the Group's primary subsidiary, FBD Insurance plc and members of the Executive Management Team.

The remuneration of key management personnel during the year was as follows:

	2013	2012
	€000s	€000s
Short term employee benefits ¹	2,772	2,762
Post-employment benefits	290	306
Termination benefits ²	-	250
Share based payments	432	426
	<u>3,494</u>	<u>3,744</u>
Charge to the Consolidated Income Statement		

1 Short term benefits include fees to non-executive Directors, salaries and other short-term benefits to all members of the KMP.

2 One executive director retired on 5 November 2012 for health reasons. An award of €250,000 was approved by the remuneration committee in recognition of his substantial contribution to the Group over many years.

Full disclosure in relation to the 2013 and 2012 compensation entitlements of the Board of Directors is provided in the Annual Report.

Details of Directors' share options are also outlined in the Annual Report.

In common with all shareholders, Directors received payments/distributions related to their holdings of shares in the Company during the year, amounting in total to €36,856 (2012: €30,673).

Note 7 SUBSEQUENT EVENTS

There have been no subsequent events which would have a material impact on the Financial Statements.

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2013

Note 8 GENERAL INFORMATION AND ACCOUNTING POLICIES

The financial information set out in this document does not constitute full statutory Financial Statements for the years ended 31 December 2013 or 2012 but is derived from same. The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), applicable Irish law and the listing Rules of the Irish Stock Exchange and the Financial Conduct Authority. The Group Financial Statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The 2013 and 2012 Financial Statements have been audited and received unqualified audit reports. The 2013 Financial Statements were approved by the Board of Directors on 28 February 2014.

The Consolidated Financial Statements are prepared under the historical cost convention as modified by the revaluation of property, investments held for trading, available for sale investments and investment property which are measured at fair value.