

PRELIMINARY ANNOUNCEMENT
For the year ended 31 December 2015

STRATEGIC DEVELOPMENTS

- FBD has stabilised during the second half of 2015
- Key second half goals have been achieved:
 - Sale of FBD Hotels completed
 - Capital strengthening effected through bond issuance
 - Major pension changes made
 - Cost reduction target achieved
- Continued corrective pricing and risk selection actions reflecting current trading environment
- Significant governance changes announced separately today – the amalgamation of the Holdings and Insurance plc Boards will lead to new appointments, four Directors will not go forward for re-election at 2016 AGM and the Chairman will retire at 2017 AGM
- Clear strategy articulated - FBD continues to strengthen its customer base in the Irish agricultural and small business sectors and pursue a single brand consumer strategy
- Path to full year profitability by 2017

FINANCIAL RESULTS

	2015	2014*
	€000s	€000s
Gross premium written	363,263	363,735
Net premium earned	313,154	303,444
Net loss before taxation	(84,789)	(3,007)
	Cent	Cent
Diluted loss per share	(213)	(7)
Net asset value per share	623	786

* The Group benefited by €32m following a change in the basis of estimate in providing for the Group's share of the Motor Insurance Bureau of Ireland "MIBI" outstanding claims (see note 6 following) and the 2014 comparatives have been restated accordingly.

- Gross premium written stable at €363m for the full year
- Full year average premium rate increases of 9%, offset by an 9% decline in policy volumes
- The full year net loss before tax of €85m is driven largely by prior year claims development of €96m (of which €88m was reported in H1)
- Full year investment return of 2.2% is a strong result in the ongoing low-return environment
- Net loss before tax includes a restructuring charge of €11m in 2015. Ongoing cost savings of €8m identified with the savings realised from Quarter 1 2016 onwards
- NAV per share at 31 December 2015 is 623c compared to 786c for prior year and 512c at 30 June 2015
- The NAV increase in the second half of the year is largely driven by one-off pension scheme IAS 19 accounting benefits of €28m (81c) and the accounting treatment of the convertible bond, a component of which is taken directly to equity €18m (52c)
- Capital levels within target range of 110-130% of SCR

Fiona Muldoon, Group Chief Executive, said:

"After an exceptionally difficult year FBD has stabilised. We have delivered on the commitments made to our shareholders last summer. Our corrective pricing and risk selection actions are building momentum towards restoring profitability.

The cost of claims and all of the ancillary costs associated are affecting everyone in Ireland. Court award levels are at an all-time high. We will work with the industry and the government to tackle the cost of claims for the benefit of all our customers. We urge the next government to make dealing with this a priority.

We have separately announced today significant board reorganisation and governance changes centred on the amalgamation of the FBD Holdings and FBD Insurance Boards. These changes reflect FBD's focus on our general insurance company and our life and pensions intermediary."

A presentation will be made to analysts at 9am today, a copy of which will be available on our Group website www.fbdgroup.com.

Enquiries

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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, consumers and business owners. Established in the 1960s by farmers for farmers, FBD has built on those roots in agriculture to become a leading general insurer serving the needs of its direct agricultural, small business and consumer customers throughout Ireland. It has a network of 33 branches nationwide.

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

OVERVIEW

During the second half of 2015 the Group delivered on the important capital and strategic initiatives previously announced. There remains further work to return the business to profitability and we have set our business firmly on that path. Following the strengthening of prior year reserves as reported in the Group's 2015 half yearly report, substantial progress has been made in improving price adequacy and in strengthening the Group's capital position. The Group is focused on what it does best, servicing the insurance needs of FBD's agricultural and small business customers as well as a single brand consumer strategy for motorists and home owners. Important actions to reduce expenditure in line with this simplified strategy were successfully effected during the second half of the financial year.

Significant progress has been made by the Group during the second half of 2015:

- Focused on serving the insurance needs of core agricultural and small business customers. FBD will continue to invest in strengthening its customer relationships in the Irish agricultural and business sector.
- Implementation of the single brand consumer strategy has begun; FBD will service the needs of consumer car and home customers exclusively through the FBD brand.
- FBD has implemented decisive rating and pricing actions to restore profitability. This will continue as necessary in 2016.
- The Group has identified and implemented cost savings of €8m, as targeted in the 2015 half yearly report. A voluntary redundancy program was completed in the second half of 2015. The majority of savings will be realised from the end of the first quarter of 2016.

Before exceptional items, the Group made a loss before tax of €5.3m in the second half of 2015 following the loss of €96.4m in the first half of the year. After exceptional items the Group made a profit of €11.6m in the second half of 2015.

In August 2015, the Group outlined a number of measures to strengthen its capital position; divesting its stake in FBD Property & Leisure Limited, overhauling the legacy staff pension scheme, and exploring options for raising regulatory capital in debt capital markets.

The Group has completed each of these steps successfully:

- On 24 August 2015, the Group announced that it had reached agreement with Farmer Business Developments plc to divest its half of the Property & Leisure joint venture for €48.5m. This was approved by shareholders on 22 October 2015, and closed immediately afterwards.
- On 16 September 2015, the Group announced that it had reached an agreement with Fairfax Financial Holdings Limited ("Fairfax"), whereby Fairfax invested €70m in FBD Insurance plc by private placement of a convertible bond instrument. This convertible bond (convertible into equity of FBD Holdings plc) was approved by shareholders on 30 December 2015.
- The Group reached agreement with its staff in relation to the future of its defined benefit pension scheme. 95% of the active members in the scheme chose to leave the scheme in exchange for an enhanced transfer value to a defined contribution arrangement. The impact of the change in benefits coupled with the reduced number of members in the scheme has resulted in the elimination of the deficit of €54.3m as reported at 31 December 2014. A surplus of €9.1m was recorded at year end. The change in scheme benefits, net of the payment of enhanced transfer values has resulted in a credit to the income statement of €28.3m.

BUSINESS REVIEW

The Group recorded a loss before tax from continuing and discontinued operations of €84.8m in 2015 (2014: €3.0m). This is after an exceptional charge of €11.4m relating to restructuring costs and an exceptional gain of €28.3m relating to the restructure of the defined benefit pension scheme. Excluding these exceptional items, the Group made a loss of €101.7m in 2015, with €96.4m of this loss recorded in the first half of the financial year and €5.3m in the second half of the financial year.

Underwriting

Premium income

FBD has continued to prioritise profitability over volume and while policy volumes have declined by 8.9% in 2015, this has been offset by average rate increases of 8.9%. The net result is that gross written premium levels remained stable at €363.3m. FBD continues to maintain its focus on the insurance needs of its agricultural, small business and consumer customers and this delivered growth in premium during the period. Net earned premium was €313.2m, an increase of 3.2% on 2014, reflecting the earning through of the rate increases implemented throughout 2014 and 2015.

Claims

Net claims incurred increased to €341.3m (2014: €252.1m). Included in this was a full year charge of €95.8m relating to the strengthening of prior year reserves and an increase in the margin for uncertainty.

Adverse claims development

As set out in the Group's half yearly report, an adverse claims development pattern, first evident in the second half of 2014, was significantly more pronounced in 2015. It was driven by a number of structural changes in the claims environment. These changes included:

- A new Court of Appeal was established on 28 October 2014 with 9 judges who previously sat in the High Court. The positions left by these departures were backfilled mainly from existing judges in the Circuit Court which in turn created new vacancies in the Circuit Court. In all over 20 new judicial appointments were made between the Circuit and High Courts. Many of these new appointments were made in 2015.
- In February 2014 the District Court jurisdiction over claims increased from €6,400 to €15,000 whilst the Circuit Court limit increased from €38,000 to €60,000 for personal injury claims and €75,000 for property damage. This was widely flagged in the media and by the Minister for Justice at the time as a cost saving measure. This increased jurisdiction applied to all new proceedings issued after that date and as such very few cases were seen for trial in 2014 under the new jurisdiction limits. It was during the course of 2015 that the volume of cases began to be heard in the Circuit Court and trends began to emerge in relation to higher Court awards.

In addition, from August 2014 the introduction of the Recovery of Benefit and Assistance Scheme enables the Department of Social Protection to recover some welfare payments from personal injury awards directly from the insurer. Very significantly, the discount rate used in valuing personal injury awards was reduced from the previous 3% to between 1% and 1.5% following the Russell vs HSE case in December 2014 also.

Taken together during the course of 2015, FBD began to see strong trends emerging in relation to the level of damages being awarded. Volatility in court awards has led claimants' expectations to increase as court awards, in turn, influence out of court settlement levels.

In addition, in 2015:

- The Heads of Bill for Periodic Payment Orders (PPOs) were published. Submissions were invited before 31 July 2015. The finalised bill has not been published. The proposed introduction of PPOs will bring about the effective annuitisation of lump sum awards.
- The Injuries Board is collating data on personal injury awards and settlements from the Insurance Industry, and it is likely a revised Book of Quantum will be published over the next 12 months.
- The Group experienced a significant increase in motor injury claims frequency in 2014 and also began to see a shift in the claimant culture with more claimants likely to make an injury claim arising out of rear end motor collisions and reporting a greater degree of injury than in the past.

The combination of the above factors suggested that significant claims inflation was underway in the Irish market and at 30 June 2015 led FBD to increase prior year reserves by €88m.

In November 2015 a Court of Appeal judgement was delivered following the appeal of the Russell vs HSE ruling on the discount rate applied to settlement awards. The outcome of the appeal was to broaden the judged application, with the lower discount rate now applicable to a broader range of claims than envisaged

in the original judgement. This has resulted in an increase in FBD's prior year reserves of €8m in the second half of the year. While the Group had provided for this within the margin for uncertainty at 30 June 2015, given the level of uncertainty still prevalent in the claims environment, the Group has decided not to release this element from the margin for uncertainty at 31 December 2015. As a result prior year reserves have been increased by a further €8m in the second half of 2015, bringing the total prior year reserve and margin for uncertainty charge in 2015 to €95.8m. Other than the impact of this discount rate judgement the prior year development since 30 June 2015 has been negligible. The clarity provided by the November 2015 Court of Appeal judgement has led to some early indications of an emerging willingness by claimants to settle since that date.

The Group is engaged with policy makers, through the Government Working Group and Insurance Ireland to investigate ways of improving the claims environment, to ensure that Government policy and the legal system is effective at working to reduce the cost of insurance and of insurance legal costs for all customers and policyholders.

Movement in reserves

	H1 2015	Full year 2015
	€m	€m
Opening Reserves (restated)	716.3	716.3
Prior Year Strengthening	87.9	95.8
Current Year Claims	123.2	245.4
Payments	(96.6)	(210.6)
Increase/(decrease) in UPR	4.4	(0.4)
Closing Reserves (<i>insurance contract liabilities less reinsurance assets</i>)	835.2	846.6

Weather, Claims Frequency and Large Claims

Ireland was hit by a number of storms during November and December 2015. Individually, none of the storms were of sufficient size to breach the Group's catastrophe reinsurance retention limit of €5m. The total net cost of these weather events in the last quarter was €11.4m.

Motor injury frequency declined as the underwriting and risk selection actions taken by the Group since the second half of 2014 started to prove effective.

While large claims (greater than €1m) were in line with average historic norms in the first half of 2015, the experience in the second half of 2015 was less favourable. The net cost of large claims for 2015 was €6.8m higher than the average over the previous three years.

Expenses

The Group's expense ratio was 27.4% (2014: 27.0%). Net expenses increased by €3.9m to €85.7m (2014: €81.8m).

Much of this was driven by the movement in deferred acquisition costs arising from the earn through of higher levels of broker channel business in 2015 compared to 2014. Net earned premium increased by 3.2%.

General

FBD's combined operating ratio, excluding prior year reserve strengthening and the increase in the margin for uncertainty, was 105.8% for 2015.

The Group's charge for the Motor Insurers Bureau of Ireland ("MIBI") was €11.6m (2014: €7.3m). This charge was previously included within claims incurred, however, following the adoption of new Irish GAAP by FBD Insurance plc, this is no longer included as a technical provision but is instead included in other provisions. The Group now provides for its share of the estimated levy call for the following year. Previously the Group provided for its share of the total outstanding claims of MIBI. Prior year comparatives have been restated to reflect this change in accounting policy.

Investment return

FBD's actual investment return for 2015 was 2.2% or €20.3m (2014: €26.1m). This better than expected performance reflected a number of one off gains from the sale of investment property in the UK, revaluation of Irish commercial property and equity gains. The outlook for investment income remains very challenging, as world-wide monetary policy keeps interest rates low. As long as quantitative easing persists as the cornerstone of the European Central Bank's monetary policy, a prolonged period of low investment returns appears likely. Therefore, the investment income outlook continues to be poor and the returns the Group expects to deliver in the near term are likely to be below the returns achieved over the last 5 years.

The Group recognised a loss of €1.8m (2014: profit of €1.0m) within the statement of other comprehensive income relating to mark to market movements on available for sale investments, in accordance with its accounting policy. This reflects net investment returns of €18.5m in 2015 (2014: €27.1m).

Financial Services

The Group's financial services operations include premium instalment services and life, pension and investment broking (FBD Financial Solutions) less holding company costs. These generated a solid performance in a tough environment, delivering a profit of €3.9m (2014: €5.2m) before exceptional items.

Property and Leisure Joint Venture

On 24 August 2015, the Group announced that it had reached an agreement with Farmer Business Developments plc to sell its 50% share of the Property and Leisure joint venture for €48.5m, representing fair value of the Group's share of the joint venture's net assets. The proceeds of the sale were invested in equity in FBD Insurance plc, in order to fulfil its capital requirement on transition to Solvency II on 1 January 2016.

Loss per share

FBD is no longer reporting an operating EPS based on the longer term rate of investment return. This brings FBD in line with practice in most general insurers.

The diluted loss per share was 213 cent per ordinary share, compared to a loss of 7 cent (restated) per ordinary share in 2014.

STATEMENT OF FINANCIAL POSITION

Capital Position

Ordinary shareholders' funds at 31 December 2015 amounted to €215.9m (2014: €270.6m restated). The reduction in shareholders' funds for the full year is mainly attributable to the losses in the period of €74.2m and the payment of the final 2014 dividend of €11.8m offset by both other comprehensive income of €12.9m and the accounting treatment of a portion of the convertible bond recognised in equity of €18.2m. Net assets per ordinary share are 623 cent, compared to 786 cent per share (restated) at December 2014. In the second half of the year the NAV per share increased from 512c to 623c, an increase of 111c per share.

The Group's net asset value has benefited by €32m following a change in accounting policy for the Group's share of the MIBI outstanding claims. This follows a change in accounting standards framework applicable to the Group's principal subsidiary, FBD Insurance plc. Previously FBD Insurance plc provided for its market share of the total outstanding claims of MIBI. Under new accounting standards applicable from 1 January 2015, FBD Insurance plc may only provide for its share of the following year's MIBI levy. This change increased the net asset value per share by 93c.

As announced on 16 September 2015, the Group reached an agreement with Fairfax Financial Holdings Limited ("Fairfax"), whereby Fairfax would invest €70m in FBD by private placement of a convertible bond instrument in FBD Insurance plc. This was approved by shareholders on 30 December 2015.

The Convertible Bond is a 10 year Solvency II compliant instrument and carries a coupon of 7.0% per annum which is payable semi-annually. The conversion price has been set at €8.50, a 37% premium over the closing share price on 15 September 2015. Unless previously redeemed, the Convertible Bond is exercisable from year 3 to year 10 and, in the event that the 30 day volume weighted average share price exceeds the conversion price for a period of 180 days, the Convertible Bond will automatically convert into ordinary shares in FBD Holdings plc at the conversion price. It has been accounted for in accordance with IFRS, whereby it is split into a liability component and an equity component. The fair value of the liability component has been determined with reference to the fair value of a similar liability without an equity conversion option. The equity component is recognised initially as the difference between the fair value of the convertible note as a whole and the fair value of the liability component. This investment is a significant vote of confidence in the Group from a very well established global insurance investor.

Solvency

Solvency I:

FBD Insurance plc had a Solvency I level of 46.9% of net premium earned at 31 December 2015, which represents 209% (2014: 366%) of the Solvency I minimum solvency margin, and had a reserving ratio of 270% (2014: 240%).

Solvency II:

The solvency capital requirement ("SCR") is the amount of capital which the company needs to hold to withstand a 1 in 200 year event or series of events. This is a risk based calculation which stresses the main risks faced by a general insurance company, namely underwriting and reserving risk, catastrophe risk, market risk, operational risk and default risk. The solvency capital ratio is the ratio of the capital available to the capital requirement. A solvency capital ratio of over 100% means that FBD has sufficient capital within the business to withstand a 1 in 200 year event as described by Solvency II.

Solvency II became effective from 1 January 2016 and is a higher capital standard and one which creates more volatility in the solvency calculation. The capital actions taken by the Group over the past number of months, which included the issue of the €70m Solvency II compliant convertible bond, the divestment of its share in the property and leisure joint venture for €48.5m and the subsequent investment of the proceeds as equity in FBD Insurance plc, and the restructuring of the Group's defined benefit pension scheme, have led to a substantial increase in the Group's economic capital over the course of the second half of 2015. The Group's economic capital is within its long term target range of 110-130% of SCR.

Investment Allocation

This table shows the assets of the Group.

	31 December 2015		31 December 2014	
	€m	%	€m	%
Underwriting investment assets				
Deposits and cash	398	39%	511	58%
Corporate bonds	432	43%	224	25%
Government bonds	101	10%	46	5%
Equities	24	2%	41	5%
Unit trusts	25	2%	25	3%
Own land & buildings	16	2%	16	2%
Investment property	15	2%	20	2%
Underwriting investment assets	<u>1,011</u>	<u>100%</u>	<u>883</u>	<u>100%</u>
Working capital & other assets	117		118	
Reinsurers' share of provisions	80		57	
Investment in joint venture	-		47	
Plant and equipment	56		47	
Total assets	<u>1,264</u>		<u>1,152</u>	

Investment Background

The introduction of quantitative easing by the ECB and continuing low interest rates for the Euro area present challenging investment yield conditions. The divergence in monetary policy between Europe and the US brings market volatility. This divergence, when coupled with uneven global growth and elevated geopolitical risks, justifies our cautious strategy that seeks to minimise volatility in our investment portfolio.

FBD's Investment Allocation

In early 2015 the Group reduced allocation to equities due to our perception of stretched valuations and the poor macro-economic outlook. The Group also divested some development land. Both actions reduced risk assets from 9% to 6%. The Group believes this is an appropriate strategy at this time. The Group holds 92% of its underwriting assets in cash and short dated bonds at 31 December 2015. This large liquid position creates flexibility to act as conditions change and as investment opportunities present themselves. The interest rate environment and the introduction of Solvency II in 2016 provides an opportunity to further develop our strategic asset allocation and reposition the portfolio to deliver sustainable returns over the medium term. The sell-off in financial markets in Q4 allowed the Group to reposition its allocation to corporate bonds at modestly improved book yields.

Dividends

As noted in the half yearly report published in August 2015, the Board has decided that no final dividend will be recommended for 2015.

OUTLOOK

Economic indicators continue to point to an expanding domestic economy. This improved outlook for Ireland will be positive for FBD in the medium term. The Irish insurance market continued to grow in 2015, as insurers increased rates following market losses. There was increasing evidence of claims inflation coupled with the higher increased level of frequency experienced in a recovering economy. Insurance rates have hardened considerably in 2015 for both motor insurance and business insurance. The Group expects this trend to continue into 2016.

Despite rate hardening, industry profitability continues to be challenging, and the Group believes that the industry will continue to be loss making for 2016, as the market has not yet increased rates sufficiently to compensate for the significant deterioration in the claims environment. The Group's weather loss experience since the start of 2016 was not severe.

A lot of progress has been made in delivering the key intermediate objectives outlined in 2015. There is still considerable work to be undertaken to return the Group to profitability. The Group's focus on a more simplified strategy will enable it to achieve its goals. FBD will dedicate its resources primarily to its direct agricultural, small business and consumer customers, and will concentrate on those markets where it has developed a significant competitive advantage. The Group will also focus on a single FBD brand strategy. This strategy will deliver sustainable efficiencies and better returns. FBD's business model remains sound, and it has the customers, infrastructure and underwriting experience to return to profitability.

The Group is committed to taking whatever action is required to return the business to profitability. The Group intends to maintain underwriting discipline and to deliver sustainable shareholder value through growth in book value.

The Group restates its ambition to achieve a sub-100% combined operating ratio by Q4 2016, and a full year's underwriting profitability in 2017. The expectation for 2016 is that for the full financial year the business will make a modest loss after tax. Previously FBD had targeted Return on Equity (ROE) of 18% through the underwriting cycle. The advent of Solvency II brings higher capital levels. Combined with a prolonged low interest rate environment this means a ROE target of 10-12% is more appropriate in the medium term.

FBD has a proud track record of profitable business and excellent customer relationships with its farming, small business and consumer customers. Although 2015 has been a very challenging year and market conditions remain difficult in an inherently cyclical industry, the Board is confident that FBD is on the right path to recovery.

PRELIMINARY ANNOUNCEMENT
For the year ended 31 December 2015

FBD Holdings plc
Consolidated Income Statement
For the year ended 31 December 2015

Continuing Operations	2015 €000s	Restated 2014 €000s
Revenue	403,532	406,263
Income		
Gross premium written	363,263	363,735
Reinsurance premiums	(50,497)	(52,312)
Net premium written	312,766	311,423
Change in provision for unearned premiums	388	(7,979)
Net premium earned	313,154	303,444
Net investment return	20,260	26,068
Financial services income	14,277	15,380
Total income	347,691	344,892
Expenses		
Net claims and benefits	(341,260)	(252,091)
Other underwriting expenses	(85,725)	(81,786)
Other charges	(11,581)	(7,259)
Financial services expenses	(10,325)	(10,173)
Revaluation of property, plant and equipment	175	1,480
Restructuring and other costs	(11,415)	-
Finance costs	(1,357)	-
Pension curtailment	28,340	-
Result before taxation from continuing operations	(85,457)	(4,937)
Income taxation credit	11,222	1,013
Result for the financial year from continuing operations	(74,235)	(3,924)
Discontinued operations		
Result for the financial year from discontinued operations, including loss from sale	668	1,930
Result for the financial year	(73,567)	(1,994)

Attributable to:		
Equity holders of the parent	(73,685)	(2,089)
Non-controlling interests	118	95
	<hr/>	<hr/>
	(73,567)	(1,994)
	<hr/>	<hr/>
Loss per share	2015	Restated 2014
From continuing operations	Cent	Cent
Basic	<hr/> (215)	<hr/> (13)
Diluted	<hr/> (215)	<hr/> (13)
	<hr/>	<hr/>
From continuing and discontinued operations		
Basic	<hr/> (213)	<hr/> (7)
Diluted	<hr/> (213)	<hr/> (7)

FBD Holdings plc
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

	2015 €000s	Restated 2014 €000s
Result for the financial year	(73,567)	(1,994)
<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	(1,762)	1,028
Taxation credit/(charge) relating to items that will or may be reclassified to profit or loss in subsequent periods	698	(257)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>		
Actuarial gain/(loss) on retirement benefit obligations	15,914	(25,058)
Taxation (charge)/credit relating to items not to be reclassified in subsequent periods	(1,989)	3,214
Other comprehensive income/(expense) after taxation	12,861	(21,073)
Total comprehensive expense for the financial year	(60,706)	(23,067)
Attributable to:		
Equity holders of the parent	(60,824)	(23,162)
Non-controlling interests	118	95
	(60,706)	(23,067)

FBD Holdings plc
Consolidated Statement of Financial Position
At 31 December 2015

ASSETS	2015 €000s	Restated 2014 €000s
Property, plant and equipment	72,617	62,625
Investment property	14,550	19,959
Investment in joint venture	-	47,167
Loans	832	971
Deferred taxation asset	13,139	5,572
Financial assets		
Available for sale investments	489,837	224,977
Investments held for trading	94,375	116,428
Deposits with banks	371,333	494,909
	955,545	836,314
Reinsurance assets		
Provision for unearned premiums	15,332	16,010
Claims outstanding	64,751	41,300
	80,083	57,310
Retirement Benefit Asset	9,110	-
Current taxation asset	8,813	8,742
Deferred acquisition costs	27,545	28,427
Other receivables	59,506	58,951
Cash and cash equivalents	22,244	26,190
Total assets	1,263,984	1,152,228

FBD Holdings plc
Consolidated Statement of Financial Position (continued)
At 31 December 2015

EQUITY AND LIABILITIES	2015	Restated
	€000s	2014
		€000s
Equity		
Called up share capital presented as equity	21,409	21,409
Capital reserves	18,553	18,756
Retained earnings	157,670	230,444
Other reserves	18,232	-
	<hr/>	<hr/>
Shareholders' funds - equity interests	215,864	270,609
Preference share capital	2,923	2,923
	<hr/>	<hr/>
Equity attributable to equity holders of the parent	218,787	273,532
Non-controlling interests	451	483
	<hr/>	<hr/>
Total equity	219,238	274,015
	<hr/>	<hr/>
Liabilities		
Insurance contract liabilities		
Provision for unearned premiums	178,584	179,650
Claims outstanding	748,144	593,983
	<hr/>	<hr/>
	926,728	773,633
Other provisions	10,938	7,920
Convertible debt	50,036	-
Retirement benefit obligation	-	54,254
Deferred taxation liability	2,990	5,266
Payables	54,054	37,140
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Total liabilities	1,044,746	878,213
	<hr/>	<hr/>
Total equity and liabilities	1,263,984	1,152,228
	<hr/>	<hr/>

FBD Holdings plc
Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	2015	Restated
	€000s	2014
		€000s
Cash flows from operating activities		
Loss before taxation	(84,789)	(3,007)
Adjustments for:		
Gain on investments held for trading	(535)	(3,709)
Loss on investments held to maturity	-	288
Loss on investments available for sale	5,493	2,284
Interest and dividend income	(13,123)	(13,352)
Depreciation of property, plant and equipment	8,392	8,197
Share-based payment (credit)/expense	(203)	944
Revaluation of investment property	(3,450)	(9,261)
Revaluation of property, plant and equipment	(175)	(1,480)
Profit on the sale of investment property	(8,915)	(324)
Increase in insurance contract liabilities	130,320	63,523
Movement in other provisions	3,018	(920)
Effect of foreign exchange rate changes	(485)	(160)
Profit on disposal of property, plant and equipment	-	(19)
Joint venture trading result	(1,461)	(1,930)
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Operating cash flows before movement in working capital	34,087	41,074
Decrease in receivables and deferred acquisition costs	1,004	3,900
Decrease in payables	(30,408)	(3,229)
	<hr/>	<hr/>
Cash generated from operations	4,683	41,745
Interest and dividend income received	12,339	16,795
Income taxes refunded /(paid)	126	(2,684)
	<hr/>	<hr/>
Net cash from operating activities	17,148	55,856
Cash flows from investing activities		
Purchase of investments held for trading	(32,561)	(45,545)
Sale of investments held for trading	55,149	143,057
Realisation of investments held to maturity	-	30,000
Purchase of available for sale investments	(408,318)	(129,453)
Sale of available for sale investments	136,202	45,117
Purchase of property, plant and equipment	(18,209)	(24,094)
Sale of property, plant and equipment	-	339
Sale of investment property	18,259	1,353
Decrease in loans and advances	139	65
Decrease/(increase) in deposits invested with banks	123,577	(56,932)
Net cash inflow from sale of joint venture	48,500	-
	<hr/>	<hr/>
Net cash used in investing activities	(77,262)	(36,093)
Cash flows from financing activities		
Ordinary and preference dividends paid	(11,950)	(17,505)
Dividends paid to non-controlling interests	(150)	(75)
Proceeds from issue of convertible bond	68,268	-
Proceeds of re-issue of ordinary shares	-	2,421
	<hr/>	<hr/>
Net cash used in financing activities	56,168	(15,159)
Net (decrease)/increase in cash and cash equivalents	(3,946)	4,604
Cash and cash equivalents at the beginning of the year	26,190	21,586
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	22,244	26,190

FBD Holdings plc
Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

	Called up share capital presented as equity	Capital reserves	Retained earnings	Other Reserves	Attributable to ordinary shareholders	Preference share capital	Non-controlling interests	Total equity
	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s
Balance at 1 January 2014 - restated	21,409	17,812	268,690	-	307,911	2,923	463	311,297
Loss after taxation - restated	-	-	(2,089)	-	(2,089)	-	95	(1,994)
Other comprehensive expense	-	-	(21,073)	-	(21,073)	-	-	(21,073)
	21,409	17,812	245,528	-	284,749	2,923	558	288,230
Dividends paid and approved on ordinary and preference shares	-	-	(17,505)	-	(17,505)	-	-	(17,505)
Reissue of ordinary shares	-	-	2,421	-	2,421	-	-	2,421
Recognition of share based payments	-	944	-	-	944	-	-	944
Dividend paid to non-controlling interests	-	-	-	-	-	-	(75)	(75)
Balance at 31 December 2014 - restated	21,409	18,756	230,444	-	270,609	2,923	483	274,015
Loss after taxation	-	-	(73,685)	-	(73,685)	-	118	(73,567)
Other comprehensive income	-	-	12,861	-	12,861	-	-	12,861
	21,409	18,756	169,620	-	209,785	2,923	601	213,309
Issue of convertible bond	-	-	-	18,232	18,232	-	-	18,232
Dividends paid and approved on ordinary and preference shares	-	-	(11,950)	-	(11,950)	-	-	(11,950)
Recognition of share based payments	-	(203)	-	-	(203)	-	-	(203)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(150)	(150)
Balance at 31 December 2015	21,409	18,553	157,670	18,232	215,864	2,923	451	219,238

FBD Holdings plc
Supplementary Information
For the year ended 31 December 2015

Note 1 UNDERWRITING LOSS

	2015 €000s	Restated 2014 €000s
Gross premium written	<u>363,263</u>	<u>363,735</u>
Net premium earned	313,154	303,444
Net claims incurred	(341,260)	(252,091)
Net underwriting expenses	<u>(85,725)</u>	<u>(81,786)</u>
Underwriting loss	<u>(113,831)</u>	<u>(30,433)</u>
	2015 €000s	2014 €000s
Net underwriting expenses		
Management expenses	92,307	91,089
Deferred acquisition costs	<u>882</u>	<u>(1,998)</u>
Gross underwriting expenses	93,189	89,091
Reinsurance commissions receivable	(12,799)	(13,121)
Broker commission payable	<u>5,335</u>	<u>5,816</u>
Net underwriting expenses	<u>85,725</u>	<u>81,786</u>

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2015

Note 2 LOSS 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:

	2015	Restated
	€000s	2014
		€000s
Earnings		
Loss for the year	(73,567)	(1,994)
Non-controlling interests	(118)	(95)
Preference dividends	(169)	(282)
	<hr/>	<hr/>
Loss for the purpose of basic and diluted earnings per share	(73,854)	(2,371)
Adjustments to exclude profit for the year from discontinued operations	(668)	(1,930)
	<hr/>	<hr/>
Earnings from continued operations for the purpose of basic and diluted earnings per share excluding discontinued operations	(74,522)	(4,301)
	<hr/>	<hr/>
Number of shares	2015	2014
Weighted average number of ordinary shares for the purpose of basic earnings per share (excludes treasury shares)	34,648,122	34,414,709
	<hr/>	<hr/>
From continuing operations	Cent	Cent
Basic earnings per share	(215)	(13)
Diluted earnings per share	(215)	(13)
	<hr/>	<hr/>
From discontinued operations	Cent	Cent
Basic earnings per share	2	6
Diluted earnings per share	2	6
	<hr/>	<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 2015

Note 3 DIVIDENDS

	2015	2014
	€000s	€000s
Paid during year:		
2014 final dividend of 34.0 cent (2013: 33.25 cent) per share on ordinary shares of €0.60 each	11,781	11,333
2015 interim dividend of nil cent (2014: 17.00 cent) per share on ordinary shares of €0.60 each	-	5,890
Dividend of 4.8 cent (2014: 4.8 cent) per share on 8% non-cumulative preference shares of €0.60 each	169	169
Dividend of nil cent (2014: 8.4 cent) per share on 14% non-cumulative preference shares of €0.60 each	-	113
	<hr/>	<hr/>
Total dividends paid	11,950	17,505
	<hr/>	<hr/>
Proposed:		
Dividend of nil cent (2014: 4.8 cent) per share on 8% non-cumulative preference shares of €0.60 each	-	169
Final dividend of nil cent (2014: 33.25 cent) per share on ordinary shares of €0.60 each	-	11,780
	<hr/>	<hr/>
Total dividends proposed	-	11,949
	<hr/>	<hr/>

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2015

Note 4 CALLED UP SHARE CAPITAL PRESENTED AS EQUITY

	Number	2015 €000s	2014 €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 end of the year (and the maximum number held during the year) was 813,084. This represented 2.3% of the shares of this class in issue and had a nominal value of €487,850. There were no ordinary shares of €0.60 each purchased by the Company during the year. No shares were re-issued from treasury during the year under the FBD Holdings plc Executive Share Option Scheme or the FBD Performance Share Plan.

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.

All issued shares have been fully paid.

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2015

Note 5 TRANSACTIONS WITH RELATED PARTIES

Farmer Business Developments plc has a substantial shareholding in the Group at 31 December 2015. Details of their shareholding and related party transactions are set out in the Annual Report.

Included in the Financial Statements at the year-end is € Nil (2014: €67,500) due from Farmer Business Developments plc. This balance is made up of recharges for services provided and recoverable costs. The amount due is repayable on demand.

Transactions with Farmer Business Developments plc	2015 €000s	2014 €000s
Opening balance	67	530
Management charges	75	67
Payments by related party	(142)	(530)
Closing balance	0	67

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

The remuneration of key management personnel ("KMP") during the year was as follows:

	2015 €000s	2014 €000s
Short term employee benefits ¹	2,594	2,476
Post-employment benefits	249	294
Share based payments	552	466
Charge to the Consolidated Income Statement	3,395	3,236

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

Full disclosure in relation to the 2015 and 2014 compensation entitlements and share options of the Board of Directors is provided 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 €56,280 (2014: €70,292).

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

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2015

Note 6 CHANGE IN BASIS OF MEASUREMENT

The basis of measurement of the provision for the Motor Insurers' Bureau of Ireland "MIBI" in the Group's largest subsidiary, FBD Insurance plc, has changed effective from 1 January 2015 and hence, 2014 comparatives have been restated. Previously, FBD Insurance plc, calculated this provision based on the estimated current market share of the Irish motor insurance market and the current outstanding claims of MIBI.

Under the revised market convention, insurance companies writing motor business will provide for their share of the MIBI levy for the following year only, based on their estimated market share in the current financial year at the balance sheet date. Therefore this change in measurement basis has also been reflected in the Group financial statements. The provision for MIBI levy has been disclosed separately as "other provisions" on the Consolidated Statement of Financial Position.

This change in the basis of measurement has resulted in the following adjustments to the opening reserves in the Consolidated Statement of Financial Position at 1 January 2014:

	01/01/14 as previously stated €000s	01/01/14 Impact of change €000s	01/01/14 Restated €000s
Consolidated Statement of Financial position at 1 January 2014			
Equity: Retained earnings	237,993	30,697	268,690
Liabilities: Claims outstanding	565,611	(43,922)	521,689
Liabilities: Other provisions	-	8,840	8,840
Liabilities: Deferred taxation liability	691	4,385	5,076

This change in the basis of measurement has resulted in the following adjustments to the December 2014 comparatives within the Group Consolidated Income Statement:

	31/12/14 as previously stated €000s	31/12/14 Impact of change €000s	31/12/14 Restated €000s
Consolidated Income Statement			
Expenses			
Net claims and benefits	(260,870)	8,779	(252,091)
Other provisions	-	(7,259)	(7,259)
Result before taxation	(4,527)	1,520	(3,007)
Income taxation credit/(charge)	1,203	(190)	1,013
Result for the period	(3,324)	1,330	(1,994)

(Loss)/earnings per share	Cent	Cent	Cent
Basic	(11)	4	(7)
Diluted	(11)	4	(7)
Operating (loss)/earnings per share	(13)	4	(9)

Consolidated Statement of Financial position at 31 December 2014			
Equity: Retained earnings	198,417	32,027	230,444
Liabilities: Claims outstanding	638,504	(44,521)	593,983
Liabilities: Other provisions	-	7,920	7,920
Liabilities: Deferred taxation liability	691	4,575	5,266

FBD Holdings plc
Supplementary Information (continued)
For the year ended 31 December 2015

Note 7 SUBSEQUENT EVENTS

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

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 2015 or 2014 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 2015 and 2014 Financial Statements have been audited and received unqualified audit reports. The 2015 Financial Statements were approved by the Board of Directors on 26 February 2016.

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.