



26 August 2009

**FBD HOLDINGS PLC
HALF YEARLY REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

FINANCIAL HIGHLIGHTS	2009 €000s	2008 €000s
▪ Gross written premiums	180,722	198,335
▪ Operating profit	12,960	41,466
▪ Loss before taxation	(21,768)	(5,214)
	Cent	Cent
▪ Operating earnings per share	34.95	105.43
▪ Ordinary dividend per share	10.00	30.25
▪ Net assets per ordinary share	640.22	707.60 (Dec 08)

KEY POINTS

- Continued solid trading in a difficult market, with operating profit of €13.0m
- Second largest property and casualty insurance company in Ireland in 2008
- Growth in market share for eighth successive year in 2008 to 11.6%
- Profitable operating contribution from both underwriting and non-underwriting businesses
- Revaluation of our property portfolio in light of decreasing global values leads to a loss before tax of €21.8m
- Strong capital base, with solvency levels at 50% of Net Earned Premium and a defensive balance sheet in our underwriting business
- Premium rates continue to harden across the market
- Continued focus on cost improvement – office network realignment process close to completion
- Further penetration of the Dublin market – 10% growth in Dublin customer numbers
- New corporate logo and brand identity launched in May
- Actions on rates and continuing implementation of claims initiatives result in an improving underlying loss ratio

Commenting on the results, Andrew Langford, Chief Executive, said:

“Recently published 2008 figures from the Irish Insurance Industry confirmed combined ratios of 137% for home and 105% for car insurance. This clearly demonstrates the need for the rate increases being applied throughout the industry in the year to date. FBD took early action and applied single digit increases at the start of 2008 and again earlier this year, benefiting our underlying combined ratio. As a result, any further FBD increases will be less severe than likely increases elsewhere.

FBD Group has a strong capital base and balance sheet and a prudent reserving strategy. Despite the current difficult financial environment, FBD is confident that it will continue to outperform its peers in delivering higher returns for shareholders, particularly in an environment where premium rates are hardening.”

ABOUT FBD HOLDINGS PLC

FBD is Ireland's second largest property and casualty insurer looking after the insurance needs of private individuals, farmers and business owners. The Group has developed complementary financial service businesses and has hotel and leisure property interests that include four hotels in Ireland and two resorts in southern Spain. The Group was established in the 1960s and is quoted on the Irish and London stock exchanges.

For Reference

Telephone

FBD

Andrew Langford, Group Chief Executive
Cathal O’Caoimh, Group Finance Director

01 4093208
01 4093208

Murray Consultants

Joe Murray

01 4980300

Note: These results will be presented to analysts at 10.30a.m., today, 26 August 2009. A copy of the presentation will be posted on the Group’s website, www.fbdgroup.com, at that time.

FBD HOLDINGS PLC
HALF YEARLY REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2009

INTERIM MANAGEMENT REPORT

PERFORMANCE OVERVIEW

In a very challenging trading and economic environment, FBD has delivered a robust performance and generated operating profits from both its underwriting and non-underwriting businesses.

Underwriting

At €10.1m, (2008: €35.9m) operating profit from underwriting is lower than last year principally because of reduced premium income, an increase in claims costs and a lower longer term investment return.

Gross premium written in the first half of 2009 amounted to €180.7m, down 8.9%. The decline is reflective of the trend in the market as a whole – insurable risk varies directly with economic activity and consumer spending – and also the Group's decision to continue to prioritise underwriting discipline over volume growth, pending an improved pricing environment. While the Consumer Price Index shows a trend of increases in car and home insurance rates, it does not take into consideration lower levels of risk, for example reducing car values. Likewise, in the commercial insurance market, premiums are declining because of business closures and reductions in turnover and payroll costs across the economy.

The Irish Insurance Federation recently reported a combined ratio of 98.1% for the insurance industry in the year ended 31 December 2008. The 2009 combined ratio for the industry as a whole is likely to have deteriorated further as a result of continuing competition in the second half of 2008, further adverse weather conditions and a worsening claims experience. The industry must operate at premium levels that provide an adequate return on capital. FBD will maintain its underwriting discipline to ensure that point is reached. Market rates did begin to harden late in 2008 and this has continued through the first half of 2009.

Recently published industry data shows that FBD continued to perform ahead of the market in 2008. FBD increased its market share for the eighth consecutive year and is now the second largest property and casualty insurer in Ireland, with a market share of 11.6%.

FBD's progress in Dublin and other large urban centres continues, with growth of 10% in customer numbers in the first half of 2009. The initiative launched in April 2008 to increase commercial lines business in Dublin, via intermediaries, has proven successful and further brokers have been added to our panel. Our direct sales force in Dublin has also grown its commercial book. NoNonsense.ie and fbd.ie (our online offerings) continue to attract a higher proportion of customers from Dublin and other urban centres. Following the realignment of our office network, local office staff are focussed on providing an enhanced level of service to our farming and commercial customers.

In May, FBD launched a new logo and brand identity, backed by a major marketing campaign. The logo is the first redesign in twenty years. It retains the green and blue which are FBD's legacy colours, but presents them in a much more modern style and typeface. The campaign is currently running across television, print, radio, outdoor and online media.

The Group's loss ratio increased to 84.3% (2008: 75.1%) in the first half of 2009. Property claims frequency across the Irish market continued to rise, primarily attributable to weather related claims in the month of January and an increase in claims associated with the economic downturn. In addition, FBD's large claims experience was higher than normal partly attributable to a deterioration in a small number of prior year claims. Frequency of motor claims has reduced as fewer accidents and deaths reflect the fall in the number of cars on the road and miles driven. The Group continues to successfully implement a number of initiatives to reduce the cost of claims. When the impact of the severe weather and abnormal level of large claims experienced in the first half are excluded, the claims initiatives together with our timely actions on rates are improving the underlying loss ratio.

Operating expenses increased 1.8% to €39.4m (2008: €38.7m). The benefit of the office network realignment process will be realised in the second half. A rise in the cost of reinsurance and the impact of reducing net earned premium have contributed to an increase in the net expense ratio for the first six

months to 20.9% (2008: 17.5%). Given FBD's relatively fixed cost base, the Group will benefit from positive operating leverage as prices rise. Recently published industry data shows that the industry net expense ratio for the year 2008 was 27.8% compared to FBD's 17.0%, providing the Group with a maintainable competitive advantage.

The Group's combined operating ratio for the six months to 30 June 2009 was 105.2% (2008: 92.6%) resulting in an underwriting loss of €8.3m (2008: underwriting profit of €12.8m).

Longer term investment return at €18.4m was lower than the €23.1m in the same period last year because fewer assets are held for investment following distributions to shareholders. The rate of return on these assets reduced and the asset mix was more conservative.

Non-underwriting

Market conditions for the non-underwriting businesses in Ireland and Spain continued to be very challenging. The Group's leisure and property interests include the La Cala and Sunset Beach resorts in Spain and FBD Hotels in Ireland.

In the difficult trading conditions, these businesses delivered a solid result, breaking even in the period (2008: profit of €3.9m). Operating profit was lower than the previous year because fewer properties were sold in La Cala and performance in the hotels located in Dublin was impacted by market oversupply. Sunset Beach Resort and the hotel and golf operations in La Cala performed strongly. The Irish hotels within the Group's property and leisure business were re-branded as FBD Hotels during the first half of 2009.

Financial services – other includes the contributions from general insurance broking (FBD Brokers), life assurance/pension broking/investment advice (FBD Financial Solutions), instalment finance and costs incurred in the holding company. The combined contribution of €2.8m (2008: €2.5m) was higher than last year, principally because 2008 included the costs incurred by the holding company following the unsolicited approach from Eureka B.V.

FBD Brokers delivered a solid result in the first half. In a difficult investment climate, FBD Financial Solutions concentrated on sales of pension products as the market for retail investment products remained weak. The business unit has been pro-active in managing its cost structure, with headcount down by 10%. During the period the business re-branded from FBD Life to FBD Financial Solutions to more appropriately reflect the services it provides to customers.

Pre-tax result

The loss before tax was adversely affected by negative fluctuations in investment returns amounting to €19.9m (2008: €44.2m) and write downs of non-underwriting land and buildings amounting to €11.1m (2008: nil).

Restructuring costs of €2.0m have been charged to the Condensed Consolidated Income Statement in the first half of 2009 in respect of the finalisation of the office network realignment process, which brings the total cost of the restructuring process to €9.6m. This will deliver a two percentage point reduction in the Group's expense ratio in a full year, a payback period of 16 months. The process is close to a successful conclusion and will allow FBD serve the changing needs of customers, cost effectively. Group headcount (full time equivalents) has reduced from 1,741 at 31 December 2008 to 1,605 at 30 June 2009.

After charging finance costs of €1.8m (2008: €1.8m), the Group recorded a loss before tax of €21.8m (2008: €5.2m).

La Cala Tranche II

Subsequent to the failure of the relevant local authorities to complete the planning process relating to the Tranche II lands at La Cala before the deadline stipulated in conditional sale agreement, the Group succeeded in having legal title to the land transferred back in compliance with the terms of the agreement.

Dividends

The Board is committed to ensuring that the Group's capital position continues to be robust and its balance sheet well-managed. Consequently, in view of the continuing uncertain outlook for asset values in the short term, the Board has concluded that it should remain prudent at this time. The Group is, however, committed to a progressive dividend policy and efficient capital management and this is evidenced by the repatriation of €546m of funds to shareholders since 2005 (excluding ordinary dividends).

The Board has approved a 2009 interim dividend of 10 cent per ordinary share (2008: 30.25 cent). This will be paid on 2 October 2009 to the holders of shares on the register on 4 September 2009. The interim 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.

BALANCE SHEET

The Group balance sheet remains very strong. Ordinary shareholders' funds amounted to €213.0m (December 2008: €235.4m) and net assets per share were 640.22 cent (December 2008: 707.60 cent).

The Group believes it is still appropriate to adopt a prudent balance sheet position and since the second quarter of 2007, it has reduced its equity and corporate bonds holdings from €348m to €40m at the balance sheet date. In the period, FBD Insurance has invested a further €115m in government gilts. The following table shows how the assets of the underwriting business are invested at 1 January and 30 June 2009.

Table 1: Underwriting Business – Asset Allocation

	30 June 2009		1 January 2009	
	€m	%	€m	%
Government gilts	581	57%	466	45%
Trade and other debtors and DAC	102	10%	102	10%
Deposits and cash	92	9%	207	20%
Reinsurers' share of technical provisions	69	7%	58	6%
Secured loans	48	5%	58	6%
Investment properties	46	5%	53	5%
Own land and buildings, fixtures and fittings	39	4%	40	4%
Equities and corporate bonds	35	3%	44	4%
	<u>1,012</u>	<u>100%</u>	<u>1,028</u>	<u>100%</u>

In the Group as a whole, short term fluctuations and valuation adjustments amounted to a charge of €34.3m, including a €12.0m provision against secured loans and €10.9m relating to the revaluation of hotel and golf resort property assets. In addition, the Group's investment properties, principally those located in Dublin, have been revalued downwards by €6.3m.

Under mark-to-market accounting principles, as set out in table 2 below, the Group booked €19.9m of investment fluctuations through the Condensed Consolidated Income Statement and recognised a further €14.4m write down of non-underwriting land and building values. Of this, €11.1m was charged to the Condensed Consolidated Income Statement and the balance of €3.3m went directly to reserves.

Table 2: Group Assets

	30 June 2009	31 Dec 2008	Short term Fluctuations and Valuation Adjustments
	€m	€m	€m
Government gilts	581	466	-
Hotel & golf resort assets	156	167	(10.9)
Trade and other debtors and DAC	116	103	-
Deposits and cash	111	219	-
Reinsurers' share of technical provisions	69	58	-
Inventory	59	63	(2.5)
Secured loans	48	58	(12.0)
Investment properties	46	53	(6.3)
Own land and buildings, fixtures & fittings	41	42	(1.0)
Equities and corporate bonds	40	49	(1.6)
	<u>1,267</u>	<u>1,278</u>	<u>(34.3)</u>

The Group's portfolio of prime property assets, held for the long term, has been independently valued by professional external valuers at 30 June 2009. The Group believes that the valuations incorporated in the balance sheet are prudent taking into consideration the quality of the underlying assets.

Assets available to cover the solvency requirements of FBD Insurance at 30 June 2009 stood at 50% of net earned premium, the same level as at 31 December 2008. With total assets of €1,012m and a prudent reserving policy, the underwriting business has a strong capital base and considerable balance sheet strength.

OUTLOOK

Underwriting

Ireland is experiencing a period of unprecedented economic decline, the severity and duration of which remain uncertain. The Group's underwriting business, by its defensive nature, will be cushioned from the worst effects of the current economic cycle.

Margins currently being achieved and lower investment returns in the Irish insurance industry necessitate further hardening of insurance rates to deliver an acceptable return on capital. In the absence of further severe weather or large claims incidence, the Group's focus on appropriate rating, managing claims costs and expense containment will deliver an improved combined ratio in the second half of the year. Now that the realignment of the office network is close to conclusion, further opportunities to maximise efficiency will be identified and implemented.

FBD Insurance will focus on profitable growth, maintaining underwriting discipline and constantly evolving its business to reflect customers' needs. The Group will continue to implement its plans to increase penetration of key urban markets, in particular Dublin.

Non-underwriting

The property and leisure markets in Ireland and Spain are expected to remain difficult throughout 2009 and beyond. Over-supply in the marketplace is the key challenge facing the property and leisure businesses, both in Ireland and in Spain and market capacity should reduce in the medium term. The Group will continue to outperform competitors by focussing on initiatives that will enhance revenues and/or reduce costs so as to maintain profitable and cash generative businesses through the recessionary period. In the peak July/August season, trading was strong and the Group expects to report operating profits for these businesses in the full year.

FBD Brokers, which is ideally placed to benefit from premium rate increases, is developing new market segments, while providing enhanced customer value. FBD Financial Solutions will continue to provide professional advice to customers and to concentrate on the sales of pension and protection products. We anticipate that the market for retail investment products will remain weak.

Group

FBD Group has a strong capital base and balance sheet and a prudent reserving strategy. Despite the current difficult environment, the Board is confident that FBD will continue to outperform its peers in delivering higher returns for shareholders – FBD has the people, plans, infrastructure and financial strength to continue to deliver long-term profitable growth, particularly in an environment where premium rates are hardening.

PRINCIPAL RISKS AND UNCERTAINTIES

Under the Transparency (Directive 2004/109/EC) Regulations 2007 the Group is required to give a description of the principal risks and uncertainties it faces.

The Board considers that the risks and uncertainties disclosed in the Annual Report for the year ended 31 December 2008 continue to reflect the principal risks and uncertainties of the Group over the remainder of the financial year. In the Annual Report 2008 risk is categorised as general insurance risk, capital risk, operational risk, liquidity risk, market risk and credit risk.

Further information on these risks is included in pages 78 to 82 of the Annual Report 2008, which quantifies the sensitivity of parameters such as loss ratio, equity and property values and exchange and interest rates. There were significant market movements in property values over the six months under review and the impact has been reflected in the financial statements. The risks and uncertainties have not altered and further movement in the parameters described above may be experienced in future periods.

RELATED PARTY TRANSACTIONS

There were no related party transactions in the half year that have materially effected the financial position or performance of the Group in the period.

AUDIT REVIEW

This half yearly financial report has not been audited or reviewed by the auditors of the Group.

FORWARD LOOKING STATEMENTS

Some statements in this announcement are forward-looking. They represent expectations for the Group's business, and involve risks and uncertainties. These forward-looking statements are based on current expectations and projections about future events. The Group believes that current expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Group's control, actual results or performance may differ materially from those expressed or implied by such forward-looking statements.

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED INCOME STATEMENT
For half year ended 30 June 2009

	Notes	Half Year Ended 30/06/09 (Unaudited) €000's	Half Year Ended 30/06/08 (Unaudited) €000's	Year Ended 31/12/08 (Audited) €000's
Total revenue		239,669	271,242	521,571
Income				
Gross premium earned		186,142	200,379	399,065
Gross claims incurred		(162,303)	(155,183)	(316,848)
Gross result		23,839	45,196	82,217
Net premiums earned		160,314	173,853	343,075
Non underwriting operating income	3	2,881	4,844	8,453
Investment return	2	(1,424)	(21,094)	(48,377)
		161,771	157,603	303,151
Expenses				
Changes in insurance liabilities net of reinsurance		(7,214)	(2,994)	(8,281)
Claims paid, net of recoveries from reinsurers		(127,874)	(127,592)	(262,924)
Other operating expenses		(33,575)	(29,726)	(58,470)
Restructuring costs		(2,033)	(725)	(7,609)
Revaluation of land and buildings		(11,077)	-	-
Finance costs		(1,766)	(1,780)	(4,474)
Loss before taxation		(21,768)	(5,214)	(38,607)
Income tax credit/(expense)		977	(1,334)	5,607
Loss for the period – all continuing operations		(20,791)	(6,548)	(33,000)
Attributable to:				
Equity holders of the parent		(20,558)	(6,659)	(33,270)
Minority interest		(233)	111	270
		(20,791)	(6,548)	(33,000)
		Cent	Cent	Cent
Basic earnings per 60c ordinary share	7	(61.79)	(20.26)	(100.94)
Diluted earnings per 60c ordinary share	7	(61.40)	(20.10)	(100.59)

FBD HOLDINGS PLC

PRO FORMA RECONCILIATION OF CONSOLIDATED OPERATING PROFIT TO LOSS BEFORE TAX
For half year ended 30 June 2009

	Notes	Half Year Ended 30/06/09 (Unaudited) €000's	Half Year Ended 30/06/08 (Unaudited) €000's	Year Ended 31/12/08 (Audited) €000's
Operating profit before tax:				
Underwriting	4	10,079	35,897	57,330
Non-underwriting	3	<u>2,881</u>	<u>5,569</u>	<u>8,453</u>
Operating profit before tax		12,960	41,466	65,783
Short-term fluctuations in investment returns	2	(19,852)	(44,175)	(92,307)
Revaluation of land and buildings		(11,077)	-	-
Restructuring costs		(2,033)	(725)	(7,609)
Finance costs		(1,766)	(1,780)	(4,474)
		<hr/>	<hr/>	<hr/>
Loss before tax		<u>(21,768)</u>	<u>(5,214)</u>	<u>(38,607)</u>
		Cent	Cent	Cent
Operating earnings per 60c ordinary share	7	<u>34.95</u>	<u>105.43</u>	<u>171.50</u>

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2009

ASSETS	30/06/09 (Unaudited) €000's	30/06/08 (Unaudited) €000's	31/12/08 (Audited) €000's
Property and equipment			
Land and buildings	179,104	226,074	191,423
Fixtures and fittings	17,895	17,071	17,236
	196,999	243,145	208,659
Intangible assets			
Deferred acquisition costs	17,923	16,022	17,733
Investments			
Investment property	46,238	69,150	52,538
Investments held for trading	14,904	107,118	24,112
Investments held to maturity	595,288	479,731	479,626
Deposits with banks	66,928	117,360	183,143
Available for sale investments	11,038	10,555	11,051
	734,396	783,914	750,470
Inventories	59,063	62,925	62,383
Loans and receivables	140,311	162,934	139,028
Current Tax	6,193	(6,479)	4,820
Reinsurers' share of technical provisions			
Provision for unearned premiums	25,752	23,994	25,450
Claims outstanding	42,257	30,354	33,544
	68,009	54,348	58,994
Cash and cash equivalents	43,767	35,562	35,713
Total assets	1,266,661	1,352,371	1,277,800

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2009 - CONTINUED

	Notes	As at 30/06/09 (Unaudited) €000's	As at 30/06/08 (Unaudited) €000's	As at 31/12/08 (Audited) €000's
EQUITY				
Ordinary share capital	6	21,409	21,277	21,409
Capital reserves		13,863	13,095	13,599
Revaluation reserves		3,822	29,986	3,295
Translation reserves		(1)	(89)	(681)
Retained earnings		173,903	295,065	197,788
Shareholders' funds – equity interests		212,996	359,334	235,410
Preference share capital		2,923	2,923	2,923
Total shareholders' funds		215,919	362,257	238,333
Minority interest		3,918	5,620	4,151
Total equity		219,837	367,877	242,484
LIABILITIES				
Technical provisions				
Provision for unearned premiums		184,503	198,071	188,017
Claims outstanding		642,114	618,136	626,188
		826,617	816,207	814,205
Bank and other loans		120,706	60,729	110,968
Payables		72,978	79,192	78,969
Deferred tax		11,410	22,124	15,062
Retirement benefit obligation		15,113	6,242	16,112
Total liabilities		1,046,824	984,494	1,035,316
Total equity and liabilities		1,266,661	1,352,371	1,277,800

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For half year ended 30 June 2009

	Half Year Ended 30/06/09 (Unaudited)	Half Year Ended 30/06/08 (Unaudited)	Year Ended 31/12/08 (Audited) (Restated)
	€000's	€000's	€000's
Cash flows from operating activities			
Loss before taxation for the period	(21,768)	(5,214)	(38,607)
Adjustments for:			
Losses on investments held for trading and held to maturity	194	31,517	47,095
Depreciation of property, plant and equipment	4,114	2,561	5,432
Share-based payment expense	264	139	442
Increase/(decrease) in technical provisions	3,397	416	(6,233)
Decrease in fair value of land and buildings and inventory	11,077	-	-
Decrease in fair value of investment property, loans and receivables	16,300	13,869	30,481
Loss on disposal of fixed assets	-	-	246
Operating cash flows before movement in working capital	13,578	43,288	38,856
Increase in receivables	(11,473)	(21,459)	(1,187)
(Decrease)/increase in payables	(6,992)	4,515	4,677
Cash generated from operations	(4,887)	26,344	42,346
Income taxes paid	(271)	(14,578)	(20,119)
Net cash from operating activities	(5,158)	11,766	22,227
Cash flows from investing activities			
Investments held for trading	9,240	45,506	113,039
Investments available for sale	(115,888)	(1,013)	(1,310)
Investments held to maturity	13	-	-
Sale of lands, buildings & inventory	172	1,954	4,347
Purchase of fixtures & fittings	(3,633)	(1,443)	(6,144)
Loans and advances	-	4,912	6,214
Increase/(decrease) in deposits invested with financial institutions	116,215	(44,326)	(110,109)
Net cash generated from investing activities	6,119	5,590	6,037
Cash flows from financing activities			
Ordinary and preference dividends paid	(3,327)	(17,277)	(27,623)
Special dividend on ordinary shares	-	-	(416)
Special dividend on 'A' ordinary shares	-	-	(19,622)
Buyback of 'A' ordinary shares	-	-	(30,150)
Proceeds of re-issue of ordinary shares	-	20	180
Increase in bank loans	9,738	323	50,532
Net cash used in financing activities	6,411	(16,934)	(27,099)
Net increase in cash and cash equivalents	7,372	422	1,165
Cash and cash equivalents at the beginning of the period	35,713	35,618	35,618
Effect of foreign exchange rate changes	682	(478)	(1,070)
Cash and cash equivalents at the end of the period	43,767	35,562	35,713

Note: Comparative figures for year ended 31 December 2008 have been restated to provide additional or reclassified information.

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For half year ended 30 June 2009

	Half year Ended 30/06/09 (Unaudited) €000's	Half year Ended 30/06/08 (Unaudited) €000's	Year Ended 31/12/08 (Audited) (Restated) €000's
Income recognised directly in equity			
Gain on available for sale investments	-	-	199
Revaluation of owner occupied property	(3,248)	-	(34,166)
Actuarial loss	-	-	(10,174)
Taxation on income/expense recognised directly in equity	3,775	-	5,815
Exchange differences on translation of foreign operations	680	(478)	(1,070)
Recognition of share based payments	264	139	442
Dividends paid to minority interests	-	(180)	(347)
Net income recognised directly in equity	1,471	(519)	(39,301)
Loss after taxation	(20,791)	(6,548)	(33,000)
Total recognised income and expense	(19,320)	(7,067)	(72,301)
Attributable to:			
Equity holders of the parent	(19,087)	(7,178)	(72,571)
Minority interest	(233)	111	270
	(19,320)	(7,067)	(72,301)

Note: Comparative figures for year ended 31 December 2008 have been restated to provide additional information.

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For half year ended 30 June 2009

	Share Capital €000's	Capital Reserves €000's	Revaluation and Other Reserves €000's	Translation Reserve €000's	Retained Earnings €000's	Attributable to Ordinary Shareholders €000's	Preference Share Capital €000's	Minority Interest €000's	Total €000's
Balance at 1 January 2008	21,277	12,956	29,986	389	318,981	383,589	2,923	5,689	392,201
Loss after taxation	-	-	-	-	(6,659)	(6,659)	-	111	(6,548)
Recognition of share based payments	-	139	-	-	-	139	-	-	139
Ordinary dividends paid	-	-	-	-	(17,277)	(17,277)	-	-	(17,277)
Reissue of ordinary shares	-	-	-	-	20	20	-	-	20
Dividends paid to minorities	-	-	-	-	-	-	-	(180)	(180)
Exchange translation adjustment	-	-	-	(478)	-	(478)	-	-	(478)
Balance at 30 June 2008	21,277	13,095	29,986	(89)	295,065	359,334	2,923	5,620	367,877

	Share Capital €000's	Capital Reserves €000's	Revaluation and Other Reserves €000's	Translation Reserve €000's	Retained Earnings €000's	Attributable to Ordinary Shareholders €000's	Preference Share Capital €000's	Minority Interest €000's	Total €000's
Balance at 1 January 2009	21,409	13,599	3,295	(681)	197,788	235,410	2,923	4,151	242,484
Loss after taxation	-	-	-	-	(20,558)	(20,558)	-	(233)	(20,791)
Recognition of share based payments	-	264	-	-	-	264	-	-	264
Ordinary dividends paid	-	-	-	-	(3,327)	(3,327)	-	-	(3,327)
Revaluation of land and buildings	-	-	527	-	-	527	-	-	527
Exchange translation adjustment	-	-	-	680	-	680	-	-	680
Balance at 30 June 2009	21,409	13,863	3,822	(1)	173,903	212,996	2,923	3,918	219,837

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30 June 2009

Note 1 – Accounting policies

The annual financial statements of FBD Holdings plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standards 34 'Interim Financial Reporting', as adopted by the European Union.

The accounting policies used by the Group to prepare the interim financial statements for the six month period ended 30 June 2009 are the same as those used to prepare the Group Annual Report for the year ended 31 December 2008 (which is available at www.fbdgroup.com), except for brokerage revenue recognition mentioned immediately below and the impact of the adoption of the Standards and Interpretations described hereafter.

In the 2008 Annual Report the revenue recognition accounting policy stated that "brokerage revenue is recognised on a cash receipts basis". In practice the treatment would more accurately be described as follows: Insurance agency commissions, for which no further services are required are recognised as revenue on the effective commencement or renewal date. If further services are to be rendered the commission, or part of it, is deferred and recognised over the period during which the policy is in force.

IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009).

Adoption of IFRS 8 has not resulted any change in the Group's reportable segments (see note 3) and has no impact on the reported results or financial position of the Group.

IAS 1 (revised 2007) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009).

The revised Standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised Standard has had no impact on the reported results or financial position of the Group.

The information for the year ended 31 December 2008 does not constitute statutory accounts as defined in Section 19 of the Companies (Amendment) Act 1986. A copy of the statutory accounts for that year has been delivered to the Register of Companies. The auditors' report on those accounts was not qualified and did not contain any matters to which attention was drawn by way of emphasis.

Certain amounts in comparative periods have been reclassified or restated to conform with current period presentation or to provide additional information.

This half yearly financial report has not been audited or reviewed by the auditors of the Group.

Note 2 – Longer term investment return

	Half Year Ended 30/06/09 (Unaudited) €000	Half Year Ended 30/06/08 (Unaudited) €000	Year Ended 31/12/08 (Audited) €000
Long-term investment return	18,428	23,081	43,930
Short-term fluctuations in investment return	(19,852)	(44,175)	(92,307)
Total investment return	<u>(1,424)</u>	<u>(21,094)</u>	<u>(48,377)</u>

Note 2 – Longer term investment return (continued)

The rates of investment return underlying the calculation of the longer term investment return are set out below. These rates are reviewed annually and reflect both historical experience and the directors' current expectations for long term investment returns.

	Half Year Ended 30/06/09 (Unaudited) %	Half Year Ended 30/06/08 (Unaudited) %	Year Ended 31/12/08 (Audited) %
Government gilts - held for trading - held to maturity	4.00 Actual rates	4.00 Actual Rates	4.00 Actual Rates
Quoted shares	6.75	7.50	7.50
Deposits with banks	3.25	3.63	3.63
Investment properties held for rental	6.00	6.00	6.00

Note 3 – Total revenue and operating profit by activity

	Half Year Ended 30/06/09 (Unaudited) €000's	Half Year Ended 30/06/08 (Unaudited) €000's	Year Ended 31/12/08 (Audited) €000's
Total Revenue:			
Underwriting	206,645	230,929	441,368
Non-underwriting	33,024	40,313	80,203
	<u>239,669</u>	<u>271,242</u>	<u>521,571</u>
Operating profit:			
Underwriting	10,079	35,897	57,330
Non-underwriting	2,881	5,569	8,453
	<u>12,960</u>	<u>41,466</u>	<u>65,783</u>
Non-Underwriting profit is analysed as follows:			
Leisure and leisure property development	73	3,928	5,991
Financial Services/Other	2,808	2,510	3,329
Capital fund	-	(869)	(867)
	<u>2,881</u>	<u>5,569</u>	<u>8,453</u>

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30 June 2009 (continued)

Note 4 – Underwriting result

	Half Year Ended 30/06/09 (Unaudited) €000's	Half Year Ended 30/06/08 (Unaudited) €000's	Year Ended 31/12/08 (Audited) €000's
Gross written premiums	<u>180,722</u>	<u>198,335</u>	<u>385,638</u>
Net earned premiums	160,314	173,853	343,075
Net claims incurred	(135,088)	(130,586)	(271,205)
Net operating expenses	<u>(33,575)</u>	<u>(30,451)</u>	<u>(58,470)</u>
Underwriting result	(8,349)	12,816	13,400
Long term investment return	<u>18,428</u>	<u>23,081</u>	<u>43,930</u>
Operating profit before tax	<u>10,079</u>	<u>35,897</u>	<u>57,330</u>

The Group's half yearly results are not subject to any significant impact arising from the seasonality or cyclicality of operations.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30 June 2009 (continued)

Note 5 – Dividends

	Half year Ended 30/06/09 (Unaudited) €000's	Half year Ended 30/06/08 (Unaudited) €000's	Year Ended 31/12/08 (Audited) €000's
Paid in Period:			
2008 Interim dividend of 30.25c per share on ordinary shares of 60c each	-	-	10,064
2008 Final dividend of 10.0c (2007: 52.00c) per share on ordinary shares of 60c each	3,327	17,277	17,277
Dividend of 8.4c per share on 14% non-cumulative preference shares of 60c each	-	-	113
Dividend of 4.8c per share on 8% non-cumulative preference shares of 60c each	-	-	169
Special dividend of 1.25c per share on ordinary shares of 60c each	-	-	416
Special dividend of 149.00c on 'A' ordinary shares of 1c each	-	-	19,622
	<u>3,327</u>	<u>17,277</u>	<u>47,661</u>
Proposed:			
2008 Dividend of 4.8c per share on 8% non-cumulative preference shares of 60c each	-	169	169
2008 Final dividend of 10.00c per share on ordinary shares of 60c each	-	-	3,327
2009 Interim dividend of 10c (2008: 30.25c) per share on ordinary shares of 60c each	3,327	10,052	-
	<u>3,327</u>	<u>10,221</u>	<u>3,496</u>

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30 June 2009

Note 6 – Ordinary Share Capital

	Number	Half year Ended 30/06/09 (Unaudited) €000's	Half year Ended 30/06/08 (Unaudited) €000's	Year Ended 31/12/08 (Audited) €000's
(i) Ordinary Shares of €0.60 each				
Authorised:				
At beginning and end of period	<u>51,326,000</u>	<u>30,796</u>	<u>30,796</u>	<u>30,796</u>
Issued and fully paid:				
At beginning and end of period	<u>35,461,206</u>	<u>21,277</u>	<u>21,277</u>	<u>21,277</u>
(ii) 'A' Ordinary Shares of €0.01 each				
Authorised:				
At beginning and end of period	<u>120,000,000</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Issued and fully paid:				
At beginning of period	13,169,428	132	-	-
Issued during the period	-	-	-	333
Cancellation of shares	-	-	-	(201)
At end of period	<u>13,169,428</u>	<u>132</u>	<u>-</u>	<u>132</u>
Total Ordinary Share Capital		<u>21,409</u>	<u>21,277</u>	<u>21,409</u>

The number of ordinary shares of €0.60 each held as treasury shares at 30 June 2009 was 2,191,730.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30 June 2009 (continued)

Note 7 – Earnings per 60c ordinary share

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

Earnings	Half year ended 30/06/09 (Unaudited) €000s	Half year ended 30/06/08 (Unaudited) €000s	Year ended 31/12/08 (Audited) €000s
Loss for the period	(20,791)	(6,548)	(33,000)
Minority interest	233	(111)	(270)
Preference dividend	-	-	(282)
Earnings for the purpose of basic and diluted earnings per share	<u>(20,558)</u>	<u>(6,659)</u>	<u>(33,552)</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	33,269,000	32,876,000	33,241,000
Effect of dilutive potential of share options outstanding	<u>214,000</u>	<u>247,000</u>	<u>114,000</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>33,483,000</u>	<u>33,123,000</u>	<u>33,355,000</u>
	Cent	Cent	Cent
Basic earnings per 60c ordinary share	<u>(61.79)</u>	<u>(20.26)</u>	<u>(100.94)</u>
Diluted earnings per 60c ordinary share	<u>(61.40)</u>	<u>(20.10)</u>	<u>(100.59)</u>

b) The calculation of the operating earnings per share is based on the following data:

Earnings	Half year Ended 30/06/09 (Unaudited) €000s	Half year Ended 30/06/08 (Unaudited) €000s	Year Ended 31/12/08 (Audited) €000s
Operating profit after taxation	11,394	34,773	57,560
Minority interest	233	(111)	(270)
Preference dividend	-	-	(282)
Earnings for the purpose of operating earnings per share	<u>11,627</u>	<u>34,662</u>	<u>57,008</u>
Number of shares	<u>33,269,000</u>	<u>32,876,000</u>	<u>33,241,000</u>
	Cent	Cent	Cent
Operating earnings per 60c ordinary share	<u>34.95</u>	<u>105.43</u>	<u>171.50</u>

FBD HOLDINGS PLC

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30 June 2009**

Note 8 – Capital commitments

	Half year Ended 30/06/09 (Unaudited) €000s	Half year Ended 30/06/08 (Unaudited) €000s	Year ended 31/12/08 (Audited) €000s
Capital commitments at period end authorised by the Directors but not provided for in the Financial Statements:			
Contracted for	<u>1,500</u>	<u>76</u>	<u>172</u>
Not contracted for	<u>-</u>	<u>300</u>	<u>141</u>

Note 9 – Transactions with related parties

Farmer Business Developments plc has a 25.64% shareholding in the Group at 30 June 2009. Included in the financial statements at 30 June 2009 is €60,479,000 (2008: €nil) due by the Group to Farmer Business Developments plc. This amount is made up of a loan of €60,000,000 and interest outstanding at the half year end. Interest is charged on this balance at the market rate.

Included in the financial statements at 30 June 2009 is €132,969 (2008: €346,361) due from Farmer Business Developments plc. This balance is made up of recharges for services provided and recoverable costs. Interest is charged on this balance at the market rate. The amount due is repayable on demand. No guarantees have been provided for the amounts due to the Group.

Note 10 – Subsequent events

There have been no subsequent events which would have material impact on these condensed financial statements.

Note 11 – Approval of Half Yearly Report

The half yearly report was approved by the Board of Directors of FBD Holdings plc on 25 August 2009.

Note 12 – Information

This half yearly Financial Report along with the Annual Report for the year ended 31 December 2008 is available on the company's website at www.fbdgroup.com.

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34, Interim Financial Reporting as adopted by the European Union.

We confirm that to the best of our knowledge:

- a) the Group condensed set of interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union;
- b) the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of interim

financial statements and the principal risks and uncertainties for the remaining six months of the financial year;

- c) the interim management report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Michael Berkery
Chairman

Andrew Langford
Group Chief Executive

25 August 2009