FBD HOLDINGS PLC
28 August 2012

FBD HOLDINGS PLC

Half Yearly Report
For the Six Months Ended 30 June 2012

FINANCIAL HIGHLIGHTS

	2012 €000s	Restated * 2011 €000s
• Gross written premium	**174,729**	177,486
• Net earned premium	**150,856**	149,780
• Operating profit	**28,660**	28,038
• Profit before taxation	**22,185**	21,837
	Cent	Cent
• Operating earnings per share	**75**	74
• Diluted earnings per share	**58**	58
• Ordinary dividend per share	**12.25**	11.25
• Net assets per share	**666**	582

OPERATIONAL HIGHLIGHTS

- Very strong performance with half year profit before taxation of €22.2m.
- Underwriting performance, driven by an improved loss ratio, was the primary contributor.
- Improvement in combined operating ratio from 92.8% to 92.2%.
- Operating earnings per share of 75 cent (2011: 74 cent).
- Interim dividend increased 8.9% to 12.25 cent.
- Capital base further strengthened with solvency level of 63.3%, up from 60.4% at 30 June 2011.
- Increase in net asset value per share to €6.66.
- Full year operating earnings per share guidance re-affirmed at 145 – 155 cent per share.

Commenting on the results, Andrew Langford, Group Chief Executive, said: "These are excellent results in difficult economic conditions. We believe that gross written premium is well ahead of a contracting market and that FBD's market share has again increased. A further fall in domestic demand is expected to limit premium income growth in the second half. The Group's market position continues to be strengthened through our multi-channel distribution strategy. Prudent management of risk and reserving is being maintained. In the current unpredictable investment environment, FBD's investment allocation prioritises capital protection. The Board is confident that FBD will continue to outperform its peers in delivering superior returns to shareholders".

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

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A presentation will be made to analysts at 10am today, a copy of which will be available on our Group website, www.fbdgroup.com from that time.

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

FBD HOLDINGS PLC

Half Yearly Report
For the Six Months Ended 30 June 2012

INTERIM MANAGEMENT REPORT

OVERVIEW

FBD delivered a profit before taxation of €22.2m, repeating the excellent performance delivered in the first half of 2011. In a continuing difficult economic and investment climate, the Group continued to demonstrate its capability to deliver superior returns for shareholders.

Underwriting

The underwriting result, at €11.7m, represents an 8.9% improvement on the same period of last year, a very strong performance given that 2011 benefited from a benign claims environment. After allowing for a lower long-term rate of investment return, underwriting operating profit before taxation amounted to €26.1m, marginally lower than the €26.5m achieved in the first half of 2011.

Gross written premium in the first half of 2012 was €174.7m, 1.6% lower than the corresponding period of the previous year. The Board believes that this performance is well ahead of the market, which contracted further. As a result, the Group's market share is likely to have risen further in the first half of 2012.

The difficult economic environment in Ireland has led to reducing insurable values and risk in the market. Prices in the market for certain insurance products have also moved lower due to competitive pressures and to reflect the lower risk. For example, FBD has reduced prices for its car insurance customers where there has been a genuine reduction in the associated risk. The direction of future claims expense and market rates are likely to be determined by economic factors such as vehicle usage as well as safety measures and driver behaviour.

FBD continued to successfully develop its multi-channel distribution strategy in response to customer needs. The sales office network has made further progress in developing farming insurance, winning over 1,000 additional farm insurance customers in the first six months of the year. FBD.ie and NoNonsense.ie continue to attract a growing number of customers from their respective target markets, particularly urban areas. The initiative to enter into partnerships with insurance brokers to increase our penetration of the business insurance market is progressing positively and accounted for 47% of business insurance new business premium income in the first six months of 2012.

Net earned premium increased 0.7% to €150.9m, as FBD's growth came in areas where more risk is retained and because of the Group's decision in 2011 to increase the proportion of our property insurance book that is retained.

Net claims incurred amounted to €100.9m (2011: €103.2m). The net loss ratio further improved from an excellent 68.9% in the first half of 2011 to 66.9% in the first half of 2012. Continued improvement in risk selection and claims management, together with improvements in the operating environment, further reduced the cost of attritional claims. The very favourable large claims experience in 2011 was not repeated in the period. The increase in large claims was partially offset by the favourable weather experience in the period. Although a flood event in the month of June cost the industry an estimated €50m, the cost to FBD was only €3m gross of reinsurance, €2m net of reinsurance.

An increase in the cost of reinsurance resulted in a fall of €0.9m in reinsurance commission receivable in the first half 2012. This accounted for 60 basis points of the increase in the net expense ratio from 23.9% to 25.3%. The Group increased its ongoing investment in marketing to maintain its "share of voice" in a very competitive market.

FBD's combined operating ratio for the first half of 2012 was 92.2%, an improvement on the 92.8% achieved in the first half of 2011. Long-term investment return at €14.4m was lower than the €15.7m booked in the first half of 2011 as the average asset mix in the period was more conservative than the previous year, due to the continuing uncertain market outlook.

Financial Services
The Group's financial services operations, which includes premium instalment services and life, pension and investment broking (FBD Financial Solutions) less holding company costs, generated an operating profit of €2.6m (2011: €1.6m). This is a strong performance in difficult market conditions.

Joint Venture
The Group's share of the loss of the property and leisure joint venture was €0.7m. This is a seasonal business with most of the profits generated in the summer months, which predominately fall in the second half of the year. Trading performance of the joint venture has improved compared to 2011, with growth in occupancy, rate and revenue per room, particularly in the Irish market. Sales of units in La Cala continue to be strong and the joint venture was cash generative in the period. The joint venture finalised refinancing of its debt facility, a significant achievement in the current credit market.

Profit before taxation
The excellent operating result was somewhat offset by adverse investment return fluctuations of €2.4m (2011: €5.6m), which arise primarily because current rates of return on bank deposits are lower than longer term expectations. After writing off €2.6m, being the Group's investment as a limited partner in Bloxham Stockbrokers and charging restructuring costs of €0.7m, the Group recorded a profit before tax of €22.2m (2011: €21.8m).

Dividends
The Board is committed to ensuring that the Group's capital position continues to be robust and its balance sheet well managed. This reflects the Board's view that it is in the long-term interests of all shareholders to maintain strong solvency and liquidity margins. The Board is also committed to a progressive dividend policy and efficient capital management.

The Board has approved a 2012 interim dividend of 12.25 cent per ordinary share (2011: 11.25 cent). This will be paid on 2 October 2012 to the holders of shares on the register on 7 September 2012. The interim dividend is subject to dividend 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.

Earnings per share
Operating earnings per share based on long-term investment return amounted to 75 cent per ordinary share, compared to 74 cent in the first half of 2011. The fully diluted earnings per share was 58 cent (2011: 58 cent) per ordinary share.

STATEMENT OF FINANCIAL POSITION

The Group's financial position has further strengthened during the period. Ordinary shareholders' funds have grown to €221.8m (December 2011: €209.9m). Net assets per ordinary share have increased to 666 cent up from 630 cent at December 2011.

The investment and other assets at the beginning and end of the six month period are set out in the following table:

Asset allocation

	30 June 2012		31 Dec 2011	
	€m	%	€m	%
Underwriting investment assets				
Cash deposits	466	56%	345	42%
Government bonds	230	28%	406	49%
Corporate bonds	46	6%	3	0%
Equities	33	4%	25	3%
Secured loans	24	3%	22	3%
Own land and buildings	17	2%	17	2%
Investment property	8	1%	9	1%
Underwriting investment assets	**824**	**100%**	**827**	**100%**
Trade and other receivables and DAC	112		103	
Reinsurers' share of technical provisions	59		64	
Joint venture	45		46	
Plant and equipment	15		16	
Total Group assets	**1,055**		**1,056**	

International financial market volatility continued throughout the first half of 2012. In such an unpredictable environment, FBD's investment philosophy, like its peers globally, remains focussed on capital preservation. As a result, the Group has maintained a short-term, low-risk investment allocation and will continue to do so until the sovereign debt crisis abates and investment volatility normalises.

At 30 June 2012, 90% of the underwriting investment assets were invested in bank deposits, government bonds and corporate bonds. The average term of these assets is far shorter than the corresponding liabilities thereby reducing the risk of investment volatility.

During the first half of 2012, nearly half of the sovereign bonds held by FBD for the last five years reached their maturity dates. Reflecting the Group's low-risk investment policy, the proceeds from these maturities were invested in a portfolio of short-dated investment-grade corporate bonds and a diversified mix of bank deposits.

FBD Group has a strong capital base and its balance sheet has further strengthened in the period. The Group has no debt. FBD Insurance has a solvency level of 63.3% of net earned premium at the end of June 2012, compared with 60.4% at June 2011. FBD has a prudent reserving policy that has delivered positive runoffs in each year since 2003. Reserving at 30 June 2012 was maintained at the same robust level as at the previous year end. The reserving ratio (net technical provisions divided by net earned premium) remains strong at 232%.

OUTLOOK

In the second half of 2012, Irish domestic demand is likely to decline further, albeit at a slower pace than in recent years. As a result, the opportunity for FBD's business to grow premium income in the remainder of 2012 is expected to be limited. Nonetheless, FBD is committed to achieving profitable growth by constantly evolving its business to reflect customers' needs. The Group will continue to implement its plan to increase penetration of key urban markets, in particular Dublin, and the business insurance market. The Board believes that the opportunities provided by NoNonsense.ie and the expansion of the broker channel will provide the Group with the ability to outperform the market again in 2012. At the same time, the Group continues to devote considerable resources to developing its core farming base, a key strategic priority.

The Group will continue to deliver improvements in those aspects of claims costs that it can control and, barring exceptional claims, expects the loss ratio in the second half of the year to be similar to that of the first half.

As financial markets continue to be volatile, insurance companies should remain conservative in their investment mix and become more reliant on positive underwriting results to achieve an adequate return on investment. FBD will continue to prioritise capital protection over investment return. Low returns on deposits and bonds will lead to negative investment fluctuations in the short term.

FBD has a strong capital base and balance sheet, a low-risk investment allocation and a prudent reserving strategy. The Group is in a very strong position to progress its strategic plans and the Board is confident that FBD will continue to outperform its peers in delivering superior returns to shareholders. FBD has demonstrated its capacity to deliver returns in difficult market conditions and is well positioned to deliver long-term profitable growth.

The Group re-affirms its previous guidance, subject to exceptional events arising, for full year 2012 operating earnings per share of between 145 and 155 cent.

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 Group has a risk management policy which provides a systematic, effective and efficient way for managing risk in the organisation and ensures it is consistent with the overall business strategy and the risk appetite of the Group.

Risk appetite is a measure of the amount and type of risks the Group is willing to accept or not accept over a defined period of time in the pursuit of its objectives. The Group's risk appetite seeks to encourage measured and appropriate risk taking to ensure that risks are aligned to business strategy and objectives.

The risk appetite in the Group's underwriting subsidiary is driven by an overarching desire to protect the solvency of the Company at all times. Through the proactive management of risk the Company ensures that it does not have or will not take on an individual risk or combination of risks that could threaten the solvency of the Company. This ensures that the Company has and will have in the future sufficient capital to pay its policyholders and all other creditors in full as liabilities fall due.

The Board considers that the risks and uncertainties disclosed in the Annual Report for the year ended 31 December 2011 continue to reflect the principal risks and uncertainties of the Group over the remainder of the financial year. In the Annual Report 2011 risk is categorised as general insurance risk, capital management risk, operational risk, liquidity risk, market risk, credit risk, concentration risk and macro-economic risk.

Further information on these risks is included in pages 116 to 125 of the Annual Report 2011, which quantifies the sensitivity of parameters such as loss ratio, equity and property values and exchange and interest rates. 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 affected the financial position or performance of the Group.

AUDIT REVIEW

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

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED INCOME STATEMENT
For the half year ended 30 June 2012

	Notes	**Half year ended 30/06/12 (unaudited) €000s**	Restated half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Revenue	4	**198,860**	203,669	402,535
Income				
Gross premium written		**174,729**	177,486	351,111
Reinsurance premiums		**(24,006)**	(23,267)	(46,955)
Net premium written		**150,723**	154,219	304,156
Gross change in provision for unearned premiums		**5**	(2,565)	2,117
Reinsurers' share of change in provision for unearned premiums		**128**	(1,874)	(4,321)
Net premium earned		**150,856**	149,780	301,952
Net investment return	3	**11,956**	10,171	25,450
Financial services income		**6,644**	5,297	13,276
Total income		**169,456**	165,248	340,678
Expenses				
Net claims and benefits		**(100,941)**	(103,207)	(201,123)
Other underwriting expenses		**(38,212)**	(35,826)	(73,002)
Financial services expenses		**(4,079)**	(3,743)	(9,106)
Impairment of property, plant and equipment		**-**	(635)	(975)
Impairment of financial asset		**(2,582)**	-	-
Restructuring costs		**(739)**	-	(3,725)
Share of results of joint venture		**(718)**	-	(467)
Profit before tax		**22,185**	21,837	52,280
Income tax charge		**(2,773)**	(2,580)	(8,615)
Profit for the period from continuing operations		**19,412**	19,257	43,665
Discontinued operations				
(Loss)/profit for the period from discontinued operations, including profit from sale		**-**	(1,480)	7,362
Profit for the period		**19,412**	17,777	51,027
Attributable to:				
Equity holders of the parent		**19,362**	17,827	51,096
Non-controlling interests – continuing operations		**50**	30	38
Non-controlling interests – discontinued operations		**-**	(80)	(107)
		19,412	17,777	51,027

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED INCOME STATEMENT
For the half year ended 30 June 2012

Earnings per share	**Cent**	**Cent**	**Cent**
From continuing operations			
Basic	**58**	58	130
Diluted	**58**	58	130
From continuing and discontinued operations			
Basic	**58**	54	153
Diluted	**58**	53	152

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2012

	Half year ended 30/06/12 (unaudited) €000s	Half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Profit for the period	**19,412**	17,777	51,027
Actuarial loss on retirement benefit obligations	**-**	-	(14,323)
Exchange differences on translation of foreign operations	**-**	289	-
Other comprehensive income/(expense) before tax	**-**	289	(14,323)
Tax charge relating to other comprehensive income/(expense)	**-**	-	1,354
Other comprehensive income/(expense) after tax	**-**	289	(12,969)
Total comprehensive income for the period	**19,412**	18,066	38,058
Attributable to:			
Equity holders of the parent	**19,362**	18,116	38,127
Non-controlling interests – continuing operations	**50**	30	38
Non-controlling interests – discontinued operations	**-**	(80)	(107)
	19,412	18,066	38,058

FBD HOLDINGS PLC

PRO FORMA RECONCILIATION OF CONSOLIDATED OPERATING PROFIT TO PROFIT AFTER TAX
For the half year ended 30 June 2012

	Notes	**Half year ended 30/06/12 (unaudited) €000s**	Restated half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Continuing operations				
Operating profit				
Underwriting	**5**	**26,095**	26,484	58,337
Financial services	**4**	**2,565**	1,554	4,170
Operating profit before tax		**28,660**	28,038	62,507
Investment return – fluctuations	**3**	**(2,436)**	(5,566)	(5,060)
Impairment of property, plant and equipment		**-**	(635)	(975)
Restructuring costs and impairment		**(3,321)**	-	(3,725)
Share of results of joint venture		**(718)**	-	(467)
Profit before tax		**22,185**	21,837	52,280
Income tax charge		**(2,773)**	(2,580)	(8,615)
Profit after tax on continuing operations		**19,412**	19,257	43,665
Discontinued operations (Loss)/profit for the period from discontinued operations, including profit from sale		-	(1,480)	7,362
Profit for the period		**19,412**	17,777	51,027
		Cent	**Cent**	**Cent**
Operating earnings per share				
From continuing operations		**75**	74	164
From continuing and discontinued operations		**75**	76	170

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2012

ASSETS	30/06/12 (unaudited) €000s	30/06/11 (unaudited) €000s	31/12/11 (audited) €000s
Property, plant and equipment	**32,346**	155,260	33,797
Investment property	**8,300**	20,360	8,818
Investment in joint venture	**44,903**	-	45,621
Loans	**23,838**	23,559	23,086
Deferred tax asset	**8,478**	6,571	8,348
Financial assets			
Investments held to maturity	**230,125**	496,398	405,848
Available for sale investments	**46,218**	7,282	6,282
Investments held for trading	**32,946**	33,962	34,608
Deposits with banks	**450,563**	176,615	305,321
	759,852	714,257	752,059
Reinsurance assets			
Provision for unearned premiums	**20,514**	22,832	20,385
Claims outstanding	**38,858**	51,597	43,606
	59,372	74,429	63,991
Inventories	**-**	40,911	-
Current tax asset	**914**	7,041	2,134
Deferred acquisition costs	**22,349**	20,694	22,199
Other receivables	**70,755**	79,618	60,827
Cash and cash equivalents	**23,410**	41,912	35,658
Total assets	**1,054,517**	1,184,612	1,056,538

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
At 30 June 2012

EQUITY AND LIABILITIES	**Notes**	**30/06/12 (unaudited) €000s**	30/06/11 (unaudited) €000s	31/12/11 (audited) €000s
Equity				
Ordinary share capital	**7**	**21,409**	21,409	21,409
Capital reserves		**16,169**	15,615	15,927
Revaluation reserves		**-**	742	-
Translation reserves		**-**	191	-
Retained earnings		**184,241**	155,597	172,596
Shareholders' funds - equity interests		**221,819**	193,554	209,932
Preference share capital		**2,923**	2,923	2,923
Equity attributable to equity holders of the parent		**224,742**	196,477	212,855
Non-controlling interests		**428**	2,003	458
Total equity		**225,170**	198,480	213,313
Liabilities				
Insurance contract liabilities				
Provision for unearned premiums		**174,552**	179,045	174,362
Claims outstanding		**589,048**	619,128	603,190
		763,600	798,173	777,552
Borrowings		**-**	117,068	-
Retirement benefit obligation		**21,692**	10,859	21,692
Deferred tax liability		**9,643**	11,751	9,643
Payables		**34,412**	48,281	34,338
Total liabilities		**829,347**	986,132	843,225
Total equity and liabilities		**1,054,517**	1,184,612	1,056,538

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2012

	Half year ended 30/06/12 (unaudited) €000s	Half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Cash flows from operating activities			
Profit before tax	**22,185**	20,549	59,718
Adjustments for:			
Loss on investments held for trading	**99**	870	4,050
Loss on investments held to maturity	**738**	454	971
Loss on investments available for sale	**2,944**	-	1,000
Interest and dividend income	**(12,026)**	(13,491)	(25,979)
Interest expense	**225**	2,174	3,774
Provision for loans & advances	**-**	950	(1,374)
Depreciation of property, plant and equipment	**3,561**	3,285	6,451
Share-based payment expense	**242**	302	614
Impairment of investment property	**518**	1,741	2,182
Profit on sale of investment property	**-**	(148)	(5,200)
Impairment of property, plant and equipment	**-**	635	975
Decrease in insurance contract liabilities	**(9,333)**	(14,769)	(24,952)
Effect of foreign exchange rate changes	**-**	329	(98)
Loss on disposal of property, plant and equipment	**-**	-	1
Profit on sale of subsidiaries	**-**	-	(8,374)
Joint venture trading result before tax	**718**	-	467
Operating cash flows before movement in working capital	**9,871**	2,881	14,226
(Increase)/decrease in receivables and deferred acquisition costs	**(4,677)**	(1,847)	1,311
Decrease in payables	**(56)**	(15,324)	(10,057)
Decrease in inventories	**-**	5,134	6,375
Cash generated from /(used by) operations	**5,138**	(9,156)	11,855
Interest and dividend income received	**6,625**	6,836	27,040
Interest paid	**(225)**	(2,510)	(3,448)
Income taxes paid	**(1,553)**	(1,134)	(2,701)
Net cash from/(used in) operating activities	**9,985**	(5,964)	32,746
Cash flows from investing activities			
Purchase of investments held for trading	**(14,757)**	(21,079)	(32,995)
Sale of investments held for trading	**16,320**	4,106	12,188
Purchase of investments held to maturity	**-**	-	(69,967)
Realisation of investments held to maturity	**174,985**	-	160,000
Purchase of available for sale investments	**(79,036)**	-	-
Sale of available for sale investments	**36,156**	-	-
Purchase of property, plant and equipment	**(2,110)**	(3,259)	(5,409)
Sale of property, plant and equipment	**-**	38	55
Sale of investment property	**-**	20,415	36,568
(Increase)/decrease in loans and advances	**(752)**	109	347
(Increase)/decrease in deposits invested with banks	**(145,242)**	18,557	(110,150)
Net cash outflow from sale of subsidiaries	**-**	-	(12,396)
Net cash (used in)/generated from investing activities	**(14,436)**	18,887	(21,759)

Cash flows from financing activities			
Ordinary and preference dividends paid	**(7,742)**	(6,987)	(11,012)
Dividends paid to non-controlling interests	**(80)**	-	-
Proceeds of re-issue of ordinary shares	**25**	-	80
Decrease in borrowings	**-**	(698)	(1,111)
Net cash used in financing activities	**(7,797)**	(7,685)	(12,043)
Net (decrease)/increase in cash and cash equivalents	**(12,248)**	5,238	(1,056)
Cash and cash equivalents at the beginning of the period	**35,658**	36,714	36,714
Effect of foreign exchange rate changes	**-**	(40)	-
Cash and cash equivalents at the end of the period	**23,410**	41,912	35,658

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the half year ended 30 June 2012

	Ordinary share capital	Capital reserves	Revaluation and other reserves	Translation reserve	Retained earnings	Attributable to ordinary shareholders	Preference share capital	Non-controlling interests	Total equity
	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s
Balance at 1 January 2011	21,409	15,313	742	(98)	144,757	**182,123**	2,923	2,053	**187,099**
Profit after taxation	-	-	-	-	17,827	**17,827**	-	(50)	**17,777**
Other comprehensive income	-	-	-	289	-	**289**	-	-	**289**
Total comprehensive income for the period	21,409	15,313	742	191	162,584	**200,239**	2,923	2,003	**205,165**
Recognition of share based payments	-	302	-	-	-	**302**	-	-	**302**
Dividends paid on ordinary shares	-	-	-	-	(6,987)	**(6,987)**	-	-	**(6,987)**
Balance at 30 June 2011	**21,409**	**15,615**	**742**	**191**	**155,597**	**193,554**	**2,923**	**2,003**	**198,480**
Balance at 1 January 2012	21,409	15,927	-	-	172,596	**209,932**	2,923	458	**213,313**
Profit after taxation	-	-	-	-	19,362	**19,362**	-	50	**19,412**
Total comprehensive income for the period	21,409	15,927	-	-	191,958	**229,294**	2,923	508	**232,725**
Recognition of share based payments	-	242	-	-	-	**242**	-	-	**242**
Re-issue of ordinary shares	-	-	-	-	25	**25**	-	-	**25**
Dividends paid on ordinary shares	-	-	-	-	(7,742)	**(7,742)**	-	-	**(7,742)**
Dividends paid to non-controlling interests	-	-	-	-	-	**-**	-	(80)	**(80)**
Balance at 30 June 2012	**21,409**	**16,169**	**-**	**-**	**184,241**	**221,819**	**2,923**	**428**	**225,170**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2012

Note 1 – General information

The information for the year ended 31 December 2011 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.

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

Note 2 – Accounting policies

Basis of preparation
The annual financial statements of FBD Holdings plc are prepared in accordance with International Financial Reporting Standards ("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 IAS 34 'Interim Financial Reporting', as adopted by the European Union.

Comparative figures for the half year ended 30 June 2011 in the Condensed Consolidated Income Statement and relevant notes as indicated have been restated to exclude operations that were sold during 2011.

Going concern
The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consistency of accounting policy
The accounting policies and methods of computation used by the Group to prepare the interim financial statements for the six month period ended 30 June 2012 are the same as those used to prepare the Group Annual Report for the year ended 31 December 2011 except as described below.

The following new and revised Standards and Interpretations have been adopted in these financial statements in the current period:

Amendments to IFRS 7: *Disclosures – Transfers of Financial Assets*
Amendments to IAS 12: *Deferred Tax: Recovery of Underlying Assets*

The adoption of these standards has not had any significant impact on the amounts reported in this interim report.

Critical accounting estimates and judgements in applying accounting policies.
The critical accounting estimates and judgements used by the Group in applying accounting policies are the same as those used to prepare the Group Annual Report for the year ended 31 December 2011. While there have been some changes in estimates of amounts in the current financial period, these changes do not have a significant impact in the results for the period.

Note 3 – Longer term investment return

	Half year ended 30/06/12 (unaudited) €000s	Half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Longer term investment return	**14,392**	15,737	30,510
Investment return fluctuations	**(2,436)**	(5,566)	(5,060)
Actual investment return	**11,956**	10,171	25,450

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 investment returns.

	Half year ended 30/06/12 (unaudited) %	Half year ended 30/06/11 (unaudited) %	Year ended 31/12/11 (audited) %
Government bonds – available for sale	**3.00**	4.00	4.00
Government bonds – held to maturity	**Actual rates**	Actual rates	Actual rates
Listed corporate bonds – available for sale	**4.00**	-	-
Quoted shares	**6.75**	6.75	6.75
Deposits with banks	**3.00**	3.00	3.00
Investment properties	**6.25**	6.25	6.25

Note 4 – Segmental information

(a) Operating segments

For management purposes in both 2011 and 2012, the Group is organised in two operating segments - underwriting and financial services. These two segments are the basis upon which information is reported to the chief operating decision maker, the Group Chief Executive, for the purpose of resource allocation and assessment of segmental performance. Discrete financial information is prepared and reviewed on a regular basis for these two segments.

The principal activities of the Group are underwriting of general insurance business and financial services. The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

Half Year ended 30/06/2012	Underwriting €000s	Financial Services €000s	Total €000s
Revenue	193,139	5,721	198,860
Operating profit	26,095	2,565	28,660
Investment return - fluctuations	(2,436)	-	(2,436)
Restructuring and other costs	(739)	(2,582)	(3,321)
Share of results of joint venture	-	(718)	(718)
Profit/(loss) before tax	22,920	(735)	22,185
Income tax (charge)/credit	(2,865)	92	(2,773)
Profit/(loss) after tax	20,055	(643)	19,412

Half Year ended 30/06/2011	Underwriting €000s	Restated Financial Services €000s	Total €000s
Revenue	198,390	5,279	203,669
Operating profit	26,484	1,554	28,038
Investment return - fluctuations	(5,566)	-	(5,566)
Impairment of property	(635)	-	(635)
Profit before tax	20,283	1,554	21,837
Income tax (charge)/credit	(2,583)	3	(2,580)
Profit after tax	17,700	1,557	19,257

Year ended 31/12/2011	Underwriting €000s	Financial Services €000s	Total €000s
Revenue	391,913	10,622	402,535
Operating profit	58,337	4,170	62,507
Investment return - fluctuations	(5,060)	-	(5,060)
Impairment of property	(975)	-	(975)
Restructuring and other costs	(2,656)	(1,069)	(3,725)
Share of results of joint venture	-	(467)	(467)
Profit before tax	49,646	2,634	52,280
Income tax charge	(7,868)	(747)	(8,615)
Profit after tax	41,778	1,887	43,665

The accounting policies of the reportable segments are the same as the Group accounting policies. Segment profit represents the profit earned by each segment. Central administration costs and Directors' salaries are allocated based on actual activity. Restructuring costs and income tax are direct costs of each segment. Segment profit is the measure reported to the chief operating decision maker, the Group Chief Executive, for the purposes of resource allocation and assessment of segmental reporting.

There has been no material change to the assets by reportable segment from the disclosure in the 2011 Annual Report.

(b) Geographical segments

The Group's operations are located in Ireland and the rest of the European Union. The Group's underwriting operation is located in Ireland while its financial services operations are located in Ireland and the rest of the European Union. The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the services.

Revenue	**Half year ended 30/06/12 (unaudited) €000s**	Restated half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Ireland	**198,665**	203,669	401,503
European Union other than Ireland	**195**	-	1,032
Total revenue	**198,860**	203,669	402,535

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2012

Note 5 – Underwriting result

	Half year ended 30/06/12 (unaudited) €000s	Half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Gross premium written	**174,729**	177,486	351,111
Net premium earned	**150,856**	149,780	301,952
Net claims incurred	**(100,941)**	(103,207)	(201,123)
	49,915	46,573	100,829
Gross management expenses	**(41,203)**	(39,722)	(82,593)
Deferred acquisition costs	**150**	164	1,668
Reinsurers share of expenses	**4,497**	5,256	10,631
Broker commissions payable	**(1,656)**	(1,524)	(2,708)
Net operating expenses	**(38,212)**	(35,826)	(73,002)
Underwriting result	**11,703**	10,747	27,827
Longer-term investment return	**14,392**	15,737	30,510
Operating profit before tax	**26,095**	26,484	58,337

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

Note 6 – Dividends

	Half year ended 30/06/12 (unaudited) €000s	Half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Paid in Period:			
2011 Interim dividend of 11.25 cent per share on ordinary shares of €0.60 each	**-**	-	3,743
2011 Final dividend of 23.25 cent (2010: 21.0 cent) per share on ordinary shares of €0.60 each	**7,742**	6,987	6,987
Dividend of 8.4 cent per share on 14% non-cumulative Preference shares of €0.60 each	**-**	113	113
Dividend of 4.8 cent per share on 8% non-cumulative preference shares of €0.60 each	**-**	169	169
	7,742	7,269	11,012

	Half year ended 30/06/12 (unaudited) €000s	Half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Approved but not paid:			
2010 Dividend of 4.8 cent per share on 8% non-cumulative preference shares of €0.60 each	**169**	-	169
2011 Dividend at 8.4 cent per share on 14% non-cumulative preference shares of €0.60 each	**113**	-	113
	282	-	282
Proposed:			
2011 Dividend of 4.8 cent per share on 8% non-cumulative preference shares of €0.60 each	**169**	169	169
2011 Final dividend of 23.25 cent per share on ordinary shares of €0.60 each	**-**	-	7,742
2012 Interim dividend of 12.25 cent (2011: 11.25 cent) per share on ordinary shares of €0.60 each	**4,080**	3,743	-
	4,249	3,912	7,911

Note 7 – Ordinary share capital

	Number	**Half year ended 30/06/12 (unaudited) €000s**	Half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
(i) Ordinary shares of €0.60 each				
Authorised:				
At beginning and end of period	**51,326,000**	**30,796**	30,796	30,796
Issued and fully paid:				
At beginning and end of period	**35,461,206**	**21,277**	21,277	21,277
(ii) 'A' Ordinary shares of €0.01 each				
Authorised:				
At beginning and end of period	**120,000,000**	**1,200**	1,200	1,200
Issued and fully paid:				
At beginning and end of period	**13,169,428**	**132**	132	132
Total Ordinary share capital		**21,409**	21,409	21,409

The number of ordinary shares of €0.60 each held as treasury shares at 30 June 2012 was 2,154,312.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2012

Note 8 –Earnings per 60 cent ordinary share

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

	Half year ended 30/06/12 (unaudited) €000s	Restated half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Earnings			
Profit for the period	**19,412**	17,777	51,027
Non-controlling interests	**(50)**	50	69
Preference dividend	**-**	-	(282)
Profit for the purpose of basic and diluted earnings per share	**19,362**	17,827	50,814
Adjustments to exclude loss/(profit) for the period from discontinued operations	**-**	1,480	(7,362)
Adjustments to exclude non-controlling interests for the period from discontinued operations	**-**	(80)	(107)
Earnings from continuing operations for the purpose of basic and diluted earnings per share excluding discontinued operations	**19,362**	19,227	43,345
Number of shares	**30/06/12**	30/06/11	31/12/11
Weighted average number of ordinary shares for the purpose of basic earnings per share	**33,300,795**	33,269,476	33,296,894
Effect of dilutive potential of share options outstanding	**225,221**	162,474	148,206
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**33,526,016**	33,431,950	33,445,100
From continuing operations	**Cent**	Cent	Cent
Basic earnings per share	**58**	58	130
Diluted earnings per share	**58**	58	130
From continuing and discontinued operations			
Basic earnings per share	**58**	54	153
Diluted earnings per share	**58**	53	152

Note 8 –Earnings per 60 cent ordinary share (continued)

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

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

	Half year ended 30/06/12 (unaudited) €000s	Restated half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Earnings			
Operating profit after taxation*	**25,106**	25,139	56,852
Non-controlling interests	**(50)**	50	69
Preference dividend	**-**	-	(282)
	25,056	25,189	56,639
Adjustments to exclude operating profit and non-controlling interests for the period from discontinued operations	**-**	(657)	(2,203)
	25,056	24,532	54,436
	Cent	Cent	Cent
Operating earnings per share – continuing operations	**75**	74	164
Operating earnings per share – from continuing and discontinued operations	**75**	76	170

** Effective tax rate of 12.4%.*

Note 9 – Capital commitments

	Half year ended 30/06/12 (unaudited) €000s	Half year ended 30/06/11 (unaudited) €000s	Year ended 31/12/11 (audited) €000s
Capital commitments at period end authorised by the Directors but not provided for in the financial statements:			
Contracted for	**-**	-	-
Not contracted for	**19,000**	-	-

The capital commitments authorised by the Directors but not contracted for at 30 June 2012 relates to an investment in the underwriting policy administrative system to be undertaken over a three to four year period.

Note 10 – Retirement benefit obligation

A review of retirement benefit obligations concluded that no significant movements have occurred since 31 December 2011.

Note 11 – Transactions with related parties

Farmer Business Developments plc has a substantial shareholding in the Group at 30 June 2012.

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 2011 Annual Report. As part of the establishment of the joint venture, a loan of €7,500,000, guaranteed by FBD Holdings plc, was provided to the joint venture by Farmer Business Developments plc.

Included in the financial statements at the period end is €209,794 (2011: €41,230) due on demand from Farmer Business Developments plc. This balance is made up of recharges for services provided, and recoverable costs and interest. Interest on any overdue balance is charged at the market rate.

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 Group) comprises the Board of Directors. Full disclosure in relation to the 2011 compensation of the Board of Directors and details of Directors’ share options are provided in the Report on Directors’ Remuneration in the 2011 Annual Report.

Note 12 – Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at 30 June 2012, 30 June 2011 or 31 December 2011.

Note 13 – Approval of Half Yearly Report

The half yearly report was approved by the Board of Directors of FBD Holdings plc on 27 August 2012.

Note 14 – Information

This half yearly report along with the Annual Report for the year ended 31 December 2011 are 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.

On behalf of the Board

Michael Berkery	Andrew Langford
Chairman	Group Chief Executive

27 August 2012