

## **FBD Holdings plc Interim Management Statement 15 May 2013**

FBD Holdings plc ("FBD" or the "Group") is issuing the following interim management statement covering the first quarter of 2013 and the period up to the date of this statement. The Interim Management Statement will be presented to Shareholders at the Annual General Meeting of the Company being held in Dublin, Ireland, at 12 noon today.

### **Highlights**

- Further market share gains and marginal growth in premium income.
- Large claims experience ahead of historic norm but likely to revert to norm in full year.
- Profit before tax in line with market expectation, aided by strong investment performance.
- Previous operating earnings per share guidance re-affirmed.

### **Underwriting**

The Irish insurance market continued to be very competitive in the first quarter of 2013. This was evidenced by the level of marketing activity and the pricing of home insurance risks, although there have been some indications that business insurance rates are hardening. We believe that the Irish insurance market continued to contract in the first quarter of 2013.

Despite the difficult market environment, FBD gross premium written to the date of this statement is marginally ahead of the previous year. Policy volume is marginally higher while average revenue per policy was maintained at the same level as the previous year. The increase in policy volume comes from No Nonsense and growth in business insurance with customers choosing to purchase through brokers. No Nonsense has shown strong growth, particularly since the introduction of "ready-made" and telematics late last year. FBD continues to demonstrate discipline by only increasing volume where returns are adequate.

The Group made further progress in managing claims costs, particularly in those areas within its control including risk selection, claims management initiatives and underwriting improvements. While an improved attritional loss ratio and the absence of severe weather events to the date of this statement are positives, large accident claims experience is ahead of prior year and historic norm. As a result, the loss ratio is higher than both market expectation and the level achieved in 2012. The frequency of large claims is inherently volatile and in any short period variation in the number of claims is to be expected.

Underwriting expenses and longer-term investment return were both in line with expectations.

### **Non Underwriting**

The Group's financial services businesses continued to perform in line with expectation. The Group's share of the trading result of the property and leisure joint venture was ahead of 2012.

## Profit before taxation

Profit before tax is in line with market expectation, aided by strong investment performance.

## Balance Sheet

The positive trading performance year to date further bolstered the Group's strong capital base. Fixed interest securities and bank deposits represent 87% of underwriting investment assets. In the current uncertain investment market, FBD's short-term conservative investment position continues to be appropriate.

## Outlook

Irish domestic demand has stabilised but is unlikely to show significant return to growth in the short-term. It is unlikely that the Irish Insurance market will show any growth in 2013. However, we are confident that FBD's continued focus on agri customers, the opportunities provided by No Nonsense and the development of business insurance with customers choosing to purchase through brokers will provide FBD with the potential to again outperform the market in 2013. It is likely that full-year large claims experience will revert to historic norms.

The Group is re-affirming its previous guidance – full-year 2013 operating earnings per share of between 145 and 155 cent, excluding any exceptional events that may arise.

## For Reference

### FBD Holdings plc

Andrew Langford, Group Chief Executive  
Cathal O'Caoimh, Group Finance Director  
Peter Jackson, Head of Investor Relations

### Telephone

+353 1 409 3208

### Murray Consultants

Joe Heron

+353 1 498 0300

### About FBD Holdings plc ("FBD")

FBD is one of Ireland's largest property and casualty insurers looking after the insurance needs of farmers, private individuals and business owners. The Group, which was established in the 1960s, has developed complementary financial services businesses.

The following details relate to FBD's ordinary shares of €0.60 each which are publicly traded:

<b>Listing</b>	Irish Stock Exchange	UK Listing Authority
<b>Listing Category</b>	Premium	Premium (Equity)
<b>Trading Venue</b>	Irish Stock Exchange	London Stock Exchange
<b>Market</b>	Main Securities Market	Main Market
<b>ISIN</b>	IE0003290289	IE0003290289
<b>Ticker</b>	FBD.I	FBH.L

**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 FBD House, Bluebell, Dublin 12  
Registered in Dublin, Ireland Registered Number 135882

ENDS