



FBD Holdings plc

2014 Shore Insurance Conference

November 2014

Forward Looking Statement

This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.

Our Policy is You

- FBD is the second largest property & casualty insurance underwriter in Ireland with a 13.6% market share
- Established by farmers for farmers in 1969
- Over 80% of farm insurance market
- Large rural and low urban presence
- Market share growth in 12 of last 13 years
- Multi channel distribution model

- Higher ROE than peers
- Lower cost structure than competitors
- Benefit of stronger customer relationships

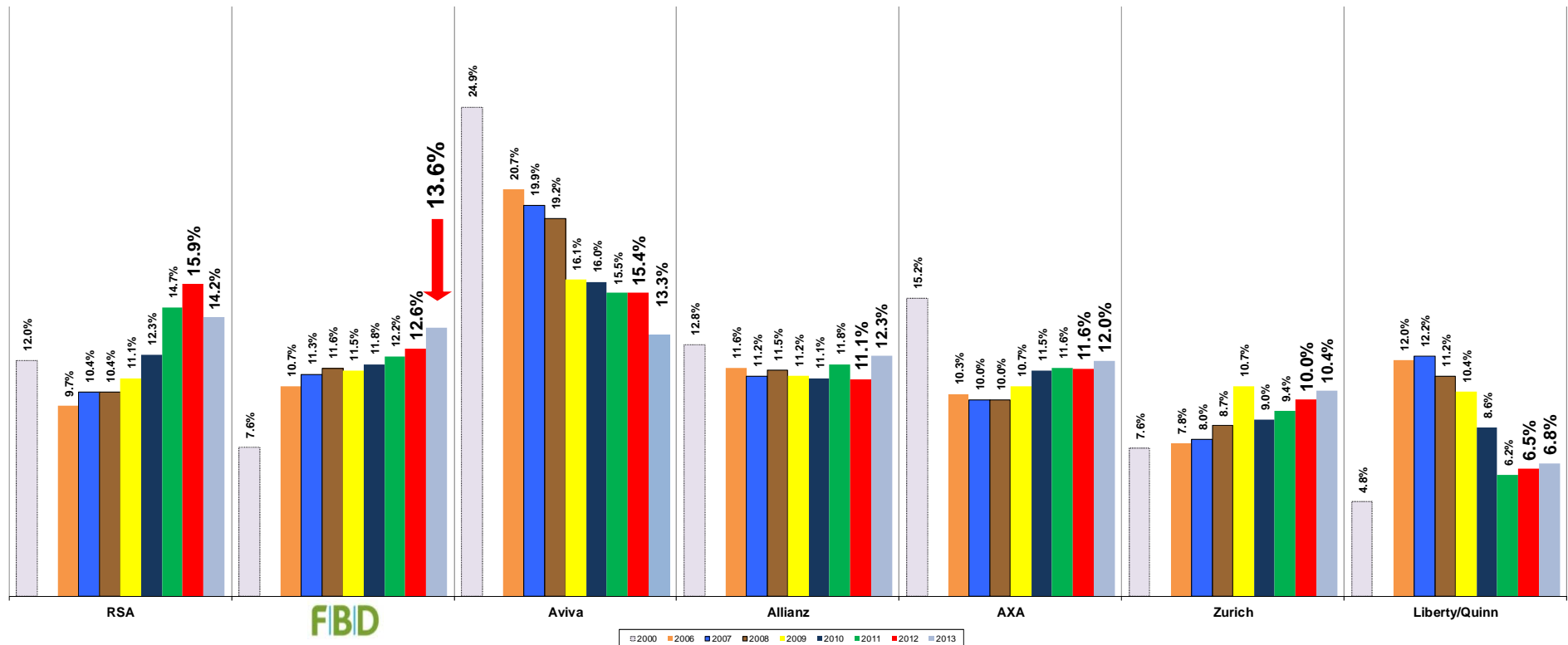
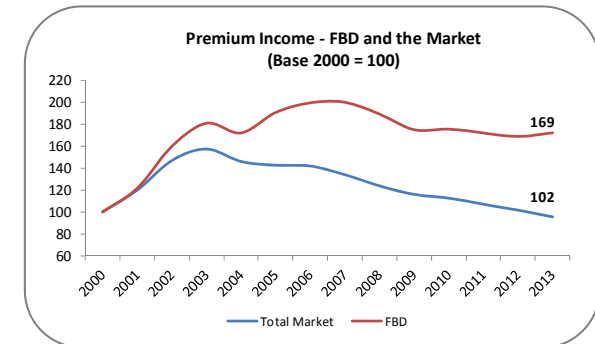
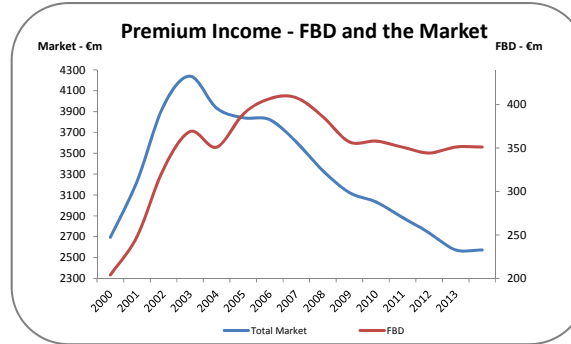
- Significant growth opportunities
- Strong solvency, prudent reserving and low-risk balance sheet
- Prudent risk appetite



2014 IMS – Market share (GWP)



Latest available market data (II)

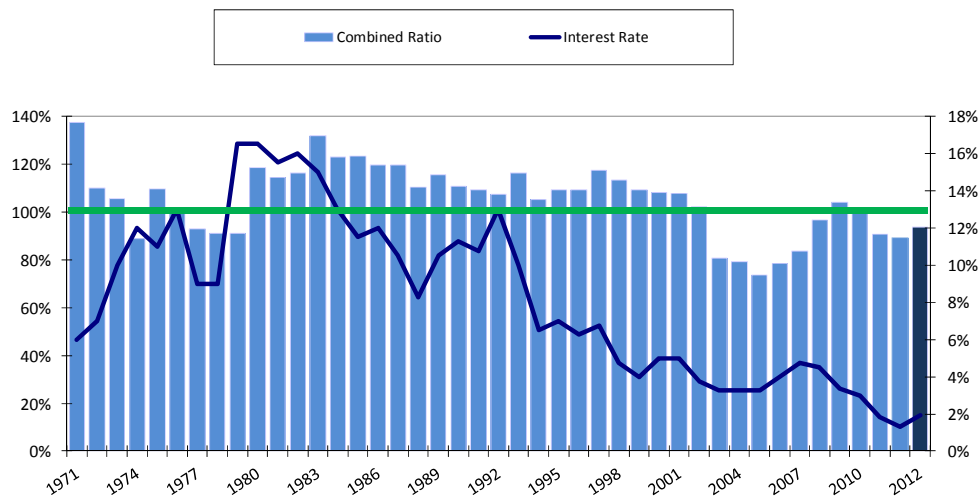


Market share growth in 12 of the last 13 years

FBD Holdings - Two levers to deliver ROE



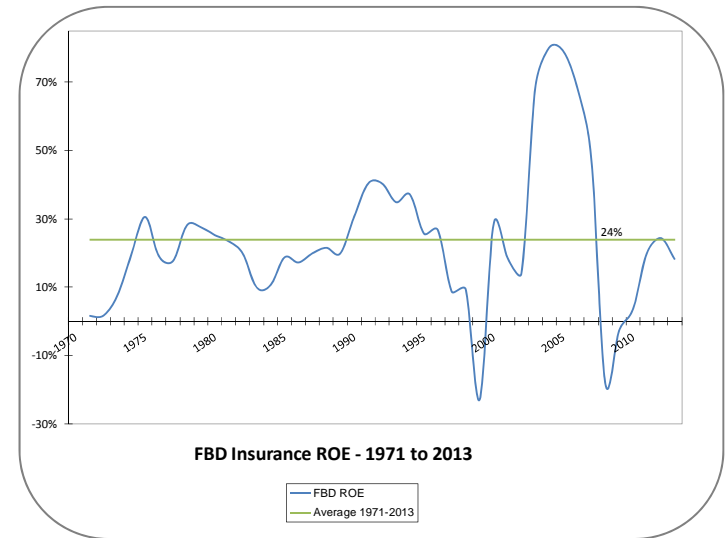
FBD Insurance COR % and Interest Rates - 1971 to 2013



Plus FBD's market share went from 0% to 13.6%

COR required to achieve an 18% ROE if duration of liabilities is 3 years

Investment Return	COR Required
1%	91%
2%	94%
3%	96%
4%	99%



Average ROE since incorporation was 24%.
Excluding the period of supernormal profits (2004-06) it was 20%

Superb track record in delivering ROE to shareholders

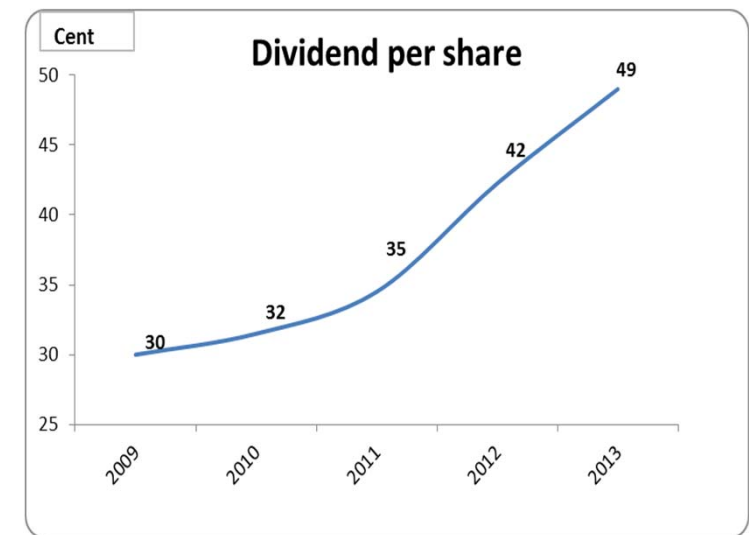
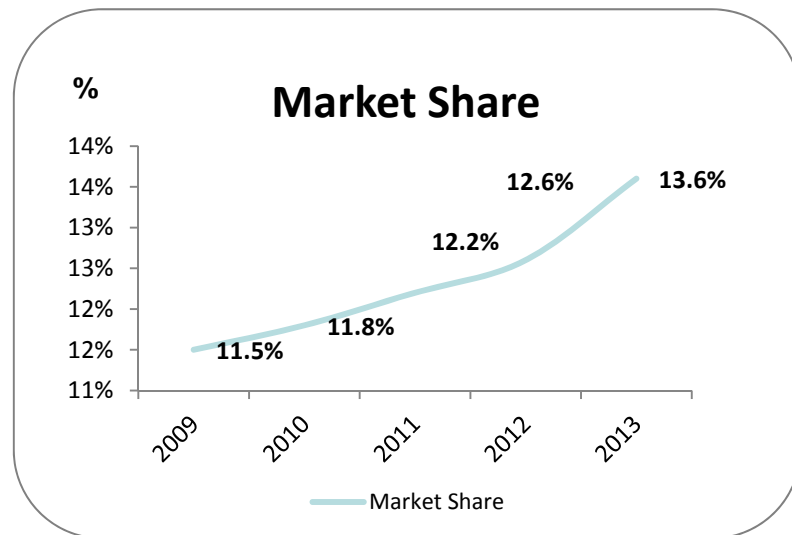
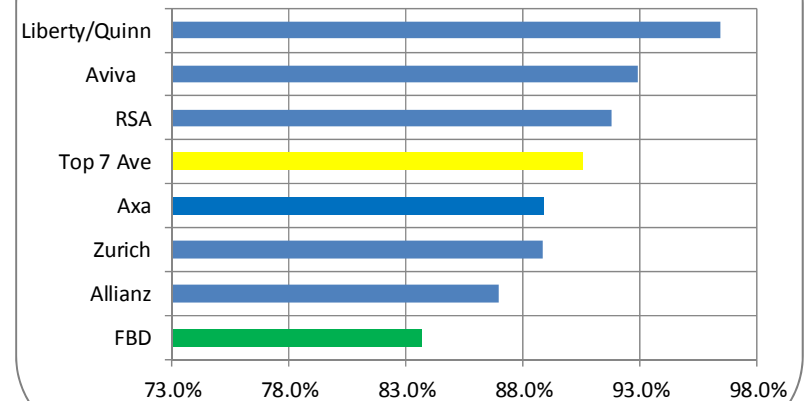
Track record



FBD has a track record of:

- Outperforming its peers
- Delivering returns in difficult market conditions

10 Year COR % 2003-2012

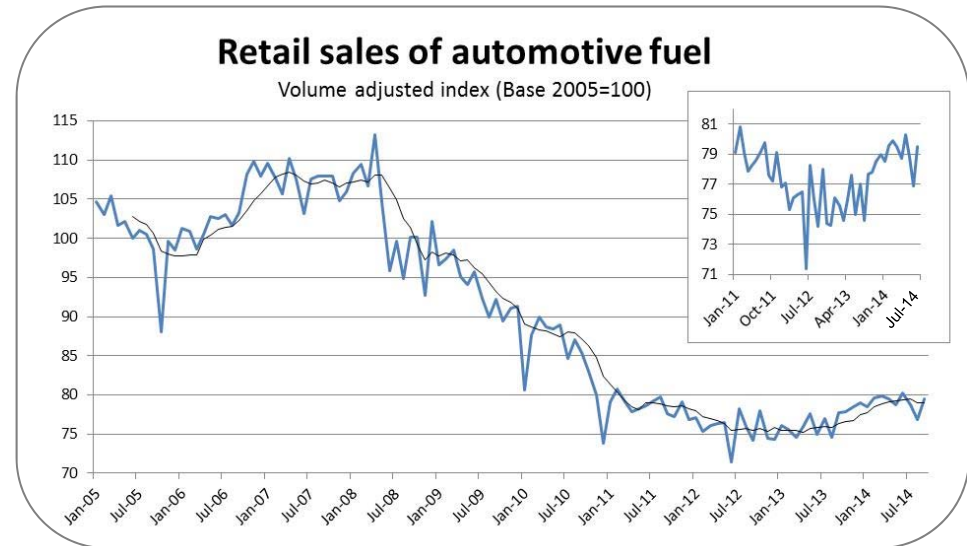
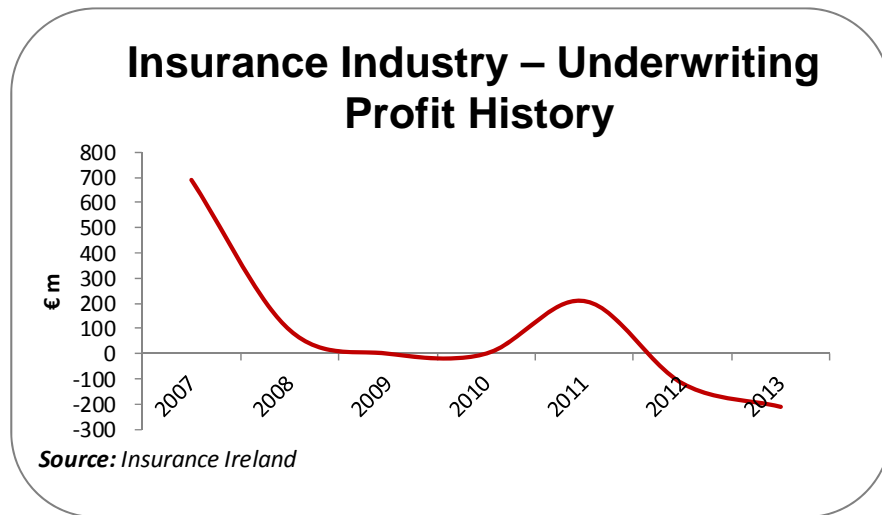
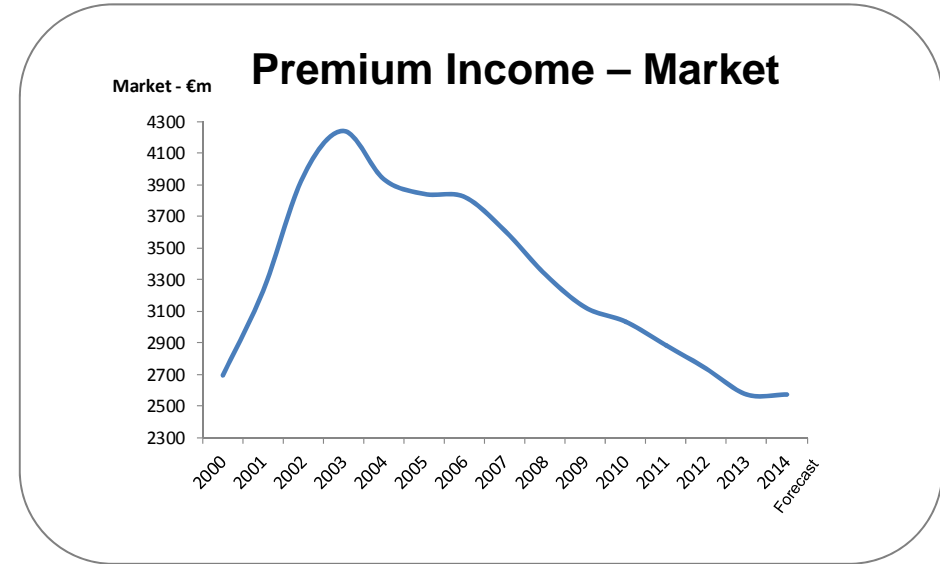


Economy

- Irish economy has shifted from contraction to expansion

Insurance industry

- Irish insurance market premium income stabilises after 11 years of decline
- Industry COR for 2011-2013 of 102% (Car 112%)
- Market remains competitive, particularly in home insurance and for higher value business risks

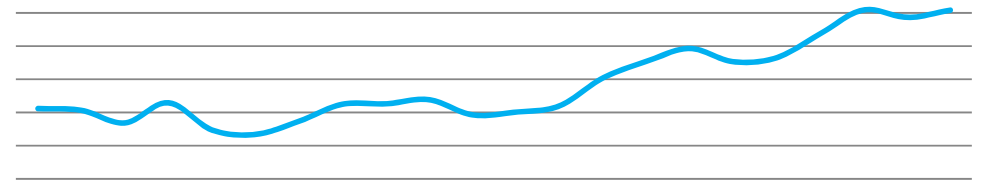


	€m
2014 Operating profit forecast August 2014	28.0
Large claims worse than forecast	(7.0)
Prior year claims development	(8.0)
Increase in development reserve	(5.0) (13.0)
Q4 forecast	(10.0)
2014 Operating profit forecast November 2014	(2.0)

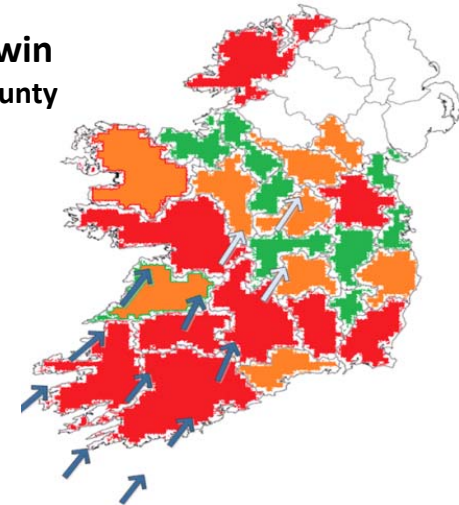
Claims environment

- Improvement in economy led to higher claims frequency
- Severe and persistent weather experience
- Cost of €44.3m gross or €15.3m net

Third Party Injury Frequency
FBD Car 2012-14



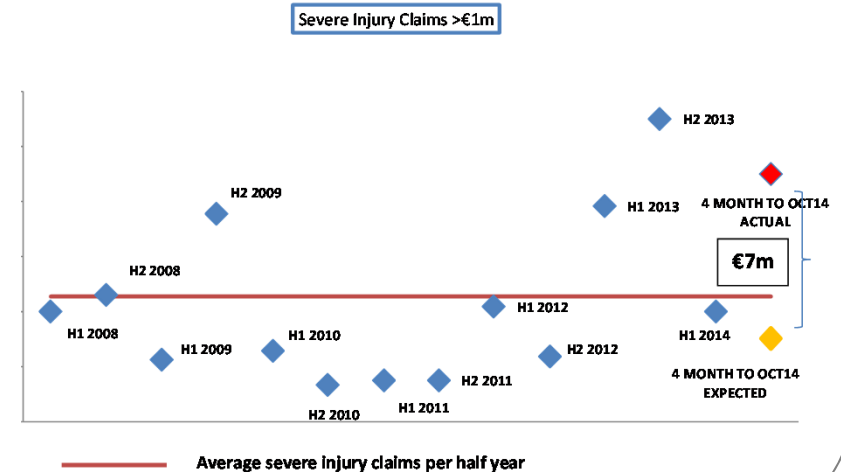
Impact of storm Darwin
- FBD risk exposure per county



Large claims (€7m)

- Increase in large claims due to a very small number of very large accident and liability claims
- Large claims, which were in line with expectations in the first half, cost €7m more than expected, large claims expected to revert to norm over a period

Net cost of accident and liability claims (> €1m) 2008 - 2014



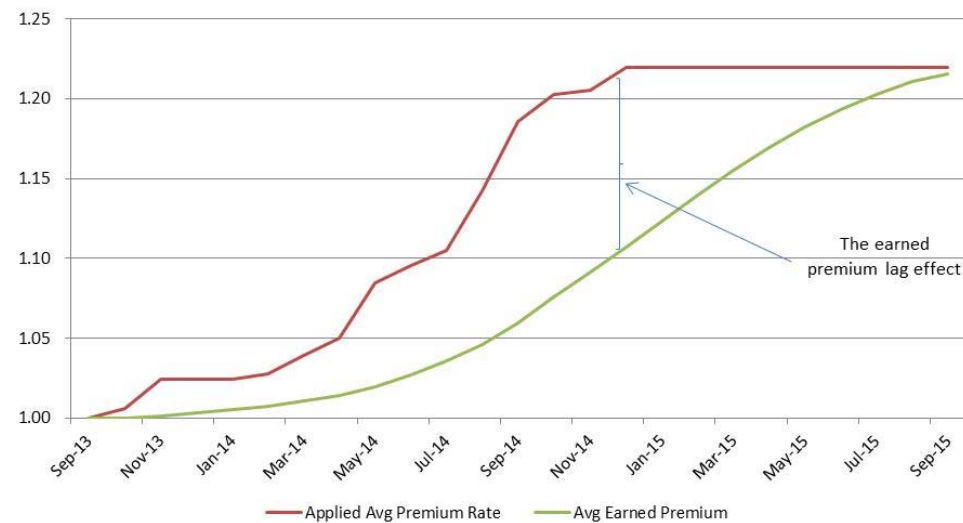
Prior year claims development (€13m)

- Development pattern on a small number of prior year medium sized injury claims (€0.2m-€1m) has been significantly higher than normally expected
- Adverse development related to accidents that occurred in 2011 and 2012
- Due to deterioration in claimants' medical conditions or an increase in probability of liability
- Following detailed review, no reason to believe systemic or that experience will recur
- FBD has updated its reserving and rating models and taken a charge to current earnings to ensure consistent level in reserves

2014 IMS – Progress on addressing frequency **F|B|D**

Year	Volume Change	Average Premium Change	Total
2011	0.9%	(2.9%)	(2.0%)
2012	(0.6%)	(1.4%)	(2.0%)
2013	2.6%	(0.6%)	2.0%
2014 H1	2.0%	3.1%	5.1%
2014 H2 to Oct	(4.7%)	6.9%	2.1%

FBD Car Written & Earned Premium
(Indexed from Sep 2013)



Balance Sheet and Reserve Strength Maintained

- Strong capital base with solvency level of 69% of NEP (or 348% of minimum solvency margin)
- Excess capital over Solvency II requirement
- Reserving ratio 248% (June 2014: 241%)

Dividend Policy

- Progressive dividend policy remains unchanged

