

FBD Holdings plc
FBD Insurance plc

24th June 2020

FBD Trading Update and AGM Notification

FBD Holdings plc (“FBD or the Group”) announces a trading update in addition to updating the market on its Annual General Meeting (AGM) and the postponement of the proposed dividend for the 2019 Financial Year.

AGM and Dividend

FBD announces that its Board has decided to reschedule its AGM to 31st July 2020. It was originally scheduled to take place on 8th May 2020 but was postponed in light of the developing situation surrounding the impact of Covid-19, recommendations from regulatory and public authorities, and consideration of the health and safety of shareholders, other attendees and employees. Formal notice of the AGM with details of all business to be conducted will be issued to shareholders shortly. The format and attendance at the AGM will be determined in accordance with the latest public health advice.

On 27th February 2020, the Board proposed a final dividend for the 2019 Financial Year of 100 cent per share. It was intended that this dividend proposal be brought forward for approval at the AGM. However, taking into account the statement issued in April by the European Insurance and Occupational Pensions Authority (EIOPA) urging the suspension of all discretionary dividend distributions, the heightened uncertainty resulting from Covid 19 and the importance of maintaining capital in the business, FBD has decided not to proceed at this time with the proposed dividend payment for the 2019 Financial Year. The Board will keep the timing of the distribution of capital to shareholders under continuing review and is confident that capital can be returned when the uncertainty from Covid 19 has receded and the impact is more fully understood. The solvency of the Group remains robust and is currently estimated at 178% even while continuing to deduct the 2019 dividend, treating it as foreseeable.

Business Interruption Claims

On 25th May 2020 FBD announced an update in respect of business interruption claims received, in particular with regard to those sold to publicans, and our approach to seek a test case to have the issues resolved as quickly as possible to achieve clarity and minimise costs for all parties. We confirmed that litigation between FBD and a number of publican customers claiming cover for business interruption as a consequence of Covid-19 public health measures, has been scheduled for hearing in the Commercial Court in October 2020.

FBD remains strongly of the view that our business insurance policies do not provide cover for a pandemic of this nature. However, a precautionary reserve of €22m has been made to cover costs that may be incurred and will be included in claims costs in the Half Year financial results to 30th June 2020.

General Business Trends and Outlook

Gross Written Premium (GWP) trends were strong in the early part of 2020 but are now being impacted by the deterioration in the economy due to the Covid 19 pandemic. In the five months to 31st May 2020 GWP is 3% lower than the same period in 2019. This is before accounting for Covid 19 related premium refunds to customers. Policy numbers have increased in the year to date by 1% and there has been strong retention of existing customers. This has been offset by reduced average premium due to competitive pressures and a reduction in sums insured driven by the deterioration in the economic environment.

In addition, FBD is in the process of refunding motor customers as a result of the reduced car usage during the Covid 19 lockdown. These motor refunds will cost FBD approximately €7m. Refunds are also being offered to commercial customers whose businesses have been closed for the Employers Liability/Public Liability/Business Interruption elements of their cover for the closure period. We expect commercial refunds to be an additional €7m approximately.

The impact of these premium refunds on profits are offset by a reduction in the frequency of motor injury, damage and liability claims experienced from mid-March to date.

Overall motor, liability and property claims experience has been benign and no significant weather events have occurred.

Investment markets have been severely impacted by Covid 19. Our portfolio has been impacted primarily by falls in risk assets and increasing credit spreads and the return on the portfolio year to date has been approximately -1%.

Overall, current claims experience will help mitigate the impact on profitability of refunds and business interruption costs. We remain confident in the underlying profitability, future growth prospects, capital strength of the business and in our ability to continue to provide excellent service to our customers.

This announcement includes inside information.

Enquiries

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About FBD Holdings plc

FBD is one of Ireland's largest property and casualty insurers, looking after the insurance needs of farmers, consumers and business owners. Established in the 1960s by farmers for farmers, FBD has built on those roots in agriculture to become a leading general insurer serving the needs of its direct agricultural, small business and consumer customers throughout Ireland. It has a network of 34 branches nationwide.

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

Listing	Euronext Dublin	UK Listing Authority
Listing Category	Premium	Premium (Equity)
Trading Venue	Euronext Dublin	London Stock Exchange
Market	Main Securities Market	Main Market
ISIN	IE0003290289	IE0003290289
Ticker	FBD.I or EG7.IR	FBH.L

FBD Holdings plc, FBD House, Bluebell, Dublin 12
Registered in Dublin, Ireland Registered Number 135882