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Introduction

The EU-wide Solvency II Directive came into force with effect from 1 January 2016. This document is the third Solvency and Financial Condition Report (SFCR) published under this directive for FBD Holdings plc ('FBD' or the 'Group') which also includes information relating to FBD Insurance plc (the 'Company').

The SFCR provides narrative information in quantitative and qualitative form including quantitative reporting templates (QRTs).

The report covers the Business and Performance of the Group, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management.

Business and Performance

FBD is one of Ireland's largest property and casualty insurers looking after the insurance needs of farmers, private individuals and business owners through its principal subsidiary, FBD Insurance plc. The Group also has financial services operations including a successful life and pensions intermediary. The Group is a holding company incorporated in Ireland.

The Business and Performance section highlights the profitability of FBD Holdings plc as the Group recorded a profit before tax from continuing operations of €50.1m in 2018 (2017: €49.7m). The Group delivered an underwriting profit of €63m, compared to the underwriting profit of €45m in 2017.

Net claims incurred amounted to €183.4m (2017: €203.1m). There were positive prior year reserve releases of €26.9m, mainly from the 2015 to 2017 accident years, which showed sustained improvements relative to previous expectations. There was a further release from prior year reserves of €1.8m as the timing of the introduction of the 2% Motor Insurance Insolvency Compensation Fund (MIICF) levy on insurers was delayed.

The Group's expense ratio was 24.9% (2017: 23.3%). Other underwriting expenses were €84.1m, an increase of €8.1m. €4.6m of the increase relates to changes in the reinsurance arrangements and the balance reflects additional IT spend in respect of work for the introduction of GDPR, wage inflation and increased regulatory costs.

FBD's total investment return for 2018 was -0.5% (2017: 1.2%). 0.2% (2017: 0.9%) is recognised in the Consolidated Income Statement and -0.7% (2017: 0.3%) recognised in the Consolidated Statement of Other Comprehensive Income (OCI). The returns are a reflection of the challenging investment conditions experienced during 2018 especially Q4. The negative returns in OCI were driven by credit spread widening on the corporate bond portfolio and spread widening on some Eurozone sovereign bonds, particularly Italy.

System of Governance

The Board of FBD Holdings plc is responsible for the long-term success of the Group. The primary role of the Board is to provide leadership and strategic direction while maintaining effective control over the activities of the Group. The Board is assisted by the Executive Management Team and key roles and functions within the business.

The Board has approved a Corporate Governance Framework setting out its role and responsibilities. This is reviewed annually as part of the Board's evaluation of its performance and governance arrangements.

At 31 December 2018 the Board comprised two executive Directors and eight non-executive Directors, including the Chairman. The Board deemed it appropriate that it should have between 8 and 12 members and that this size is appropriate, being of sufficient breadth and diversity to ensure that there is healthy debate and input on the main business to be dealt with by it.

Risk Profile

An annual review is completed by the Risk Committee of all major risks to ensure all risks are identified and evaluated. Each risk is assessed by considering the potential impact and the probability of the event occurring. Impact assessments are made against financial, operational, regulatory and reputational criteria.

The Risk Profile details the Underwriting, Market, Credit, Liquidity, Operational and Other material risks relating to FBD Insurance plc. For each of the risks, FBD has undertaken stress testing as part of its Own Risk and Solvency Assessment (ORSA). The outcome of the stress and scenario tests was that in each case FBD would have sufficient available capital to continue to meet the Solvency Capital Requirement (SCR).

Valuation for Solvency Purposes

The Valuation for Solvency Purposes outlines the difference between the Solvency II Valuation and the Financial Statements for the Group and FBD Insurance plc. FBD Holdings plc Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS). The FBD Insurance plc Financial Statements are prepared on Financial Reporting Standard basis 102 and 103 (FRS 102 & 103). There are no significant measurement differences between the two bases.

Capital Management

The Capital Management section outlines the SCR and Minimum Capital Requirement (MCR) for the Group and the insurance entity. FBD measures and calculates capital using the Standard Formula. The solvency position is monitored on a regular basis to ensure compliance with the SCR and MCR.

At 31 December 2018 the Group Solvency Capital Ratio was 165% including the foreseeable dividend of €17.6m. The FBD Insurance plc ratio was 162%.

A. Business and Performance

A1. The Business

A1.1 The Undertaking

FBD Holdings plc is incorporated in Ireland. The only insurance entity in the Group is FBD Insurance plc, an insurer licensed in Ireland. The address of the Registered Office and Head Office is;

FBD Holdings plc
FBD House
Bluebell
Dublin 12
D12 YOHE
Ireland

A1.2 Supervisory Authority

FBD Holdings plc and FBD Insurance plc are domiciled in Ireland and the supervisory authority responsible for financial supervision of the undertakings is:

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3

A1.3 Independent Auditors

FBD's independent auditors are:

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
North Wall
Dublin 1
D01 X9R7
Ireland

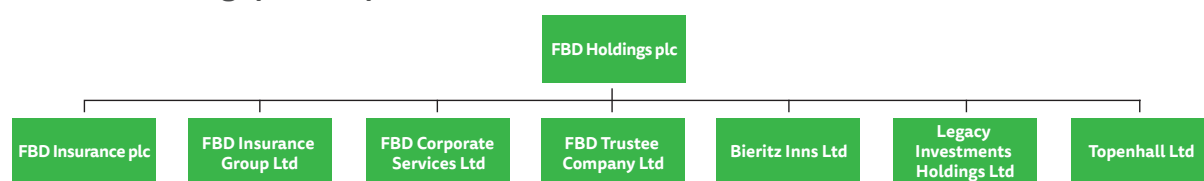
A1.4 FBD shareholders with qualifying holdings:

The shareholders below have interests above 10% in the Group.

Farmer Business Developments plc	No. of Shares	% of Class	% of Voting Rights
Ordinary shares of €0.60 each	8,531,948	25%	22%
8% Non-Cumulative Preference Shares	1,470,292	42%	4%
14% Non-Cumulative Preference Shares	1,340,000	100%	3%
Total % Voting Rights			29%

FBD Trust Company Limited	No. of Shares	% of Class	% of Voting Rights
Ordinary shares of €0.60 each	2,984,737	9%	8%
8% Non-Cumulative Preference Shares	2,062,000	58%	5%
Total % Voting Rights			13%

A1.5 FBD Holdings plc Group Structure:



FBD Holdings plc ('FBD' or the 'Group')	Ireland A holding company which is parent to the other Group companies
FBD Insurance plc ('the Company')	Ireland A regulated insurance company which underwrites motor, property, liability and other smaller insurance lines
FBD Insurance Group Ltd t/a FBD insurance	Ireland FBD Insurance Group Ltd is an intermediary company. Direct general insurance sales activity is transacted through FBD Insurance Group Ltd which is then underwritten by FBD Insurance plc. The company also deals with life, pensions and investment broking.
FBD Corporate Services Limited	Ireland This company employs all staff working for the Group from 1 January 2018
FBD Trustee Company Limited	Ireland The principle activity of this company is to act as Trustee to FBD Insurance plc pension schemes
Non-Principal Subsidiaries (represents less than 1% of FBD Holdings Net Asset Value)	
Bieritz Inns Limited	Ireland The company activities are property investment and development
Legacy Investments Holdings Limited	Ireland A company used for investment purposes
Topenhall Limited	Isle of Man The principal activity is the holding of land in Warwickshire

A1.6 Relevant operations transactions within the Group

FBD Holdings paid a dividend of €8.6m to shareholders in 2018. A dividend of €10m was paid by FBD Insurance plc to FBD Holdings plc in 2018.

All employees of the Group are employed by FBD Corporate Services Ltd which recharges the costs of the employees to the Group companies being FBD Holdings plc, FBD Insurance plc and FBD Insurance Group Ltd.

All direct general insurance premium for the Group is generated through the intermediary FBD Insurance Group Ltd which is paid commission by FBD Insurance plc for the revenue and incurs expenses related to the sales operations.

Inter-group loans are in place and inter-company transactions arise between the Group companies in the normal course of business.

A1.7 Material lines of business and geographical areas

FBD Insurance plc underwrites insurance in Commercial, Agri and Consumer segments covering farm, business, home and motor insurance in Ireland.

For Solvency II purposes the company reports under the following lines of business:

- 1) Motor Vehicle Liability Insurance;
- 2) Other Motor Insurance;
- 3) Fire and other damage to property insurance;
- 4) General Liability Insurance;
- 5) Income Protection insurance; and
- 6) Marine, aviation and transport insurance.

Lines of business 5) Income Protection and 6) Marine are combined under 'Other Insurance' for the tables in this report.

A1.8 Significant Business or Events during the reporting period

On 1 October 2018 FBD Holdings plc announced that its subsidiary FBD Insurance plc had entered into an agreement to purchase and cancel the €70,000,000 7% Convertible Notes which were in issue for €86,059,000.

On 2 October 2018 FBD Insurance plc successfully agreed to issue €50,000,000 of new Callable Dated Deferrable Subordinated Notes due 2028. The agreed coupon for the notes was 5%. Interest costs associated with the subordinated notes totalling €589,000 were incurred and recognised during the financial year.

From 30th April 2018, sales, renewal and marketing activity for direct operations were transacted through FBD Insurance Group Ltd trading as FBD Insurance (formerly called FBD Life and Pensions). All customers will deal with one company for all their insurance needs.

A2. Underwriting Performance

A2.1 The Undertaking

The Group's underwriting income and expenses by Solvency II material lines of business for 2018 and 2017 are set out in the tables below.

	Motor vehicle liability insurance 2018 €000s	Other motor insurance 2018 €000s	Fire and other damage to property insurance 2018 €000s	General liability insurance 2018 €000s	Other Insurance 2018 €000s	Total 2018 €000s
Gross Written Premium	123,243	58,615	110,859	73,200	5,587	371,504
Net Earned Premium	108,181	58,927	99,448	66,521	4,827	337,903
Net Claims Incurred including MIBI	(61,995)	(25,112)	(39,182)	(51,256)	(3,838)	(181,383)
Expenses including CHE	(31,838)	(11,676)	(29,509)	(18,864)	(1,214)	(93,102)
Underwriting Profit/Loss	14,348	22,139	30,756	(3,599)	(226)	63,418

	Motor vehicle liability insurance 2017 €000s	Other motor insurance 2017 €000s	Fire and other damage to property insurance 2017 €000s	General liability insurance 2017 €000s	Other Insurance 2017 €000s	Total 2017 €000s
Gross Written Premium	123,176	57,965	113,333	72,239	5,746	372,459
Net Earned Premium	105,680	56,666	93,521	65,121	4,944	325,931
Net Claims Incurred including MIBI	(66,556)	(27,879)	(43,710)	(54,651)	(2,695)	(195,491)
Expenses including CHE	(28,173)	(11,115)	(27,288)	(17,710)	(1,211)	(85,497)
Underwriting Profit/Loss	10,952	17,672	22,522	(7,241)	1,038	44,943

A2.2 Gross Written Premium

The Company's underwriting activities are conducted in Ireland.

Strong competition in all customer segments has resulted in a decrease in gross written premium of €1m to €371.5m (2017: €372.5m). Increases in Commercial business were offset by reductions in Agri and Consumer as we maintained our underwriting discipline in the face of strong competition. The underlying loss performance is improving with minimal rate increases carried across the book. New business volumes grew by 11% primarily in Personal Lines. Retention rates generally held up with the aid of sustained efforts and customer initiatives.

A2.3 Claims

Net claims incurred amounted to €181.4m (2017: €195.5m). There was positive prior year reserve releases of €26.9m mainly from the 2015 to 2017 accident years which showed sustained improvements relative to previous expectations. There was a further release from prior year reserves of €1.8m as the timing of the introduction of the 2% Motor Insurance Insolvency Compensation Fund (MIICF) levy on insurers was delayed.

The Group incurred a net charge of €7.1m (2017: €1.9m) relating to its MIBI levy and related obligation, which is calculated based on the Group's expected share of the motor market for 2018. The 2017 charge includes the MIBI levy reserve release of €5.6m for the "Setanta" case.

A2.4 Claims Environment

More moderate inflation is evident across the claims environment though the cost of claims continues to remain high. The level of increases in the average cost of smaller injury claims has slowed, though we have also observed a significant increase in the average cost of motor damage and property claims over the course of the year.

We continue to await the enactment by the Government of the PIAB (Amendment) Bill to tackle the non-cooperation of claimants and their legal representatives with the Injuries Board. This legislation is necessary to reduce the rate at which claimants are rejecting compensation offers by the Injuries Board and to ultimately lower the cost of claims. The Judicial Council is expected to rewrite the Book of Quantum although no bill has yet been drafted. Overall we are very disappointed with the pace of reform, given that the key recommendations of the Cost of Insurance Working Group were published two years ago.

We are hopeful claims awards will reduce following the Court of Appeal case "Byrne v Ardenhealth Company Ltd" where a unanimous judgement confirmed that the occupier had not breached their statutory duty to take reasonable care and can assume visitors will take reasonable care of their own safety, overturning the earlier High Court damages award.

We continue to vigorously contest suspect claims. We welcome the amendment to the Civil Liability and Courts Act where a judge can dismiss a claim if a claimant gives false evidence having provided a sworn affidavit. This change may act as a deterrent for dishonest or false claims.

The Personal Injuries Commission report published in September 2018 highlighted inconsistencies between Irish and international awards that must be tackled if we are to reduce insurance costs for Irish businesses, farmers and consumers alike.

A2.5 Weather, Claims Frequency and Large Claims

In March 2018 Storm Emma was a combination of snow and strong winds which created blizzard like conditions impacting the whole of Ireland, particularly the south. FBD received over 1,200 claims costing €6.6m net of reinsurance and reinstatement premia.

Stabilisation in motor injury frequency continued following reductions in 2016 and 2017.

The projected gross cost of large injury claims (greater than €0.5m) in 2018 is approximately in line with the five year average. While there has been a significant decrease in the number of personal motor large injury claims this year, this has been replaced by a significant increase in the number of employers liability claims, in particular large farm claims. We have also observed an improvement in the development of large claims from 2016 and 2017 relative to previous expectations.

A2.6 Expenses

The Group's expense ratio was 24.9% (excluding Claims handling expenses (CHE) of 2.7%) (2017: 23.3%, CHE 2.9%). Other underwriting expenses were €84.1m (excluding Claims handling expenses of €9m), an increase of €8.1m. €4.6m of the increase relates to changes in the reinsurance arrangements and the balance reflects additional IT spend in respect of work for the introduction of GDPR, wage inflation and increased regulatory costs.

A3. Investment Performance

A3.1 Investment Return

FBD's total investment return for 2018 was -€5.4m (-0.5% as a percentage of average assets under management for the year). This compares with €12.2m for the full year 2017 (1.2%).

The table below shows the investment income of the Group by asset class:

	2018	2017
	€000s	€000s
Actual return		
Corporate bonds	(2,386)	4,646
Government bonds	373	3,030
Deposits and cash	81	(129)
Investment property	905	2,147
Equities	(3,212)	2,239
Other risk assets	(1,124)	233
Total investment income	(5,363)	12,167

The returns are a reflection of the challenging investment conditions experienced during 2018 especially Q4.

Corporate Bonds

The negative returns on corporate bonds were driven by significant credit spread widening during 2018. This led to increasing yields which reduced the market value of the portfolio and offset the income received in coupons.

Government Bonds

Governments bonds achieved positive returns but were also impacted by spreads widening, in particular for Italian government debt.

Deposits and cash

Returns on deposits and cash remain low due to the low interest rate environment.

Investment Property

There was a small increase in the valuation of Investment Property in 2018 (€0.3m) compared with an increase of €1.6m in 2017. The remaining return is accounted for by rental income from the property.

Equities

Equity markets experienced a big sell off during Q4 2018 and this led to the negative performance above. This was in contrast to 2017 in which equity markets performed relatively well.

Other risk assets

Emerging Market Debt was the main contributor to the negative performance in this category of assets in 2018.

This following table shows the allocation of underwriting investment assets across the Group.

	31 December 2018		31 December 2017	
	€m	%	€m	%
Corporate bonds	498	48%	499	47%
Government bonds	297	29%	259	25%
Deposits and cash	146	14%	230	22%
Equities	24	2%	22	2%
Investment property	18	2%	18	2%
Other risk assets	55	5%	24	2%
	1,038	100%	1,052	100%

The Group adopts a conservative investment policy where it ensures that its technical reserves are well matched by cash and fixed interest securities of similar nature and duration. FBD has increased its allocation to Government bonds and risk assets during the year in line with the company's current Strategic Asset Allocation framework. Deposits and Cash of €36.1m were used in the cancellation and repayment of the Fairfax convertible bond.

Other risk assets at 31 December 2018 consisted of Emerging Market Debt and Absolute Return Fixed Income assets.

A3.2 Investments in Securitisation

The Group has no investments in securitisation.

A4. Other material income and expenses

On 1 October 2018 FBD Holdings plc announced that its subsidiary FBD Insurance plc had entered into an agreement to purchase and cancel the €70,000,000 7% Convertible Notes which were in issue for €86,059,000.

Interest costs associated with the Notes totalling €4,864,000 (2017: €6,298,000) were incurred and recognised during the financial year up to the date of derecognition of the Notes.

Further to the loss on the debt portion of the bond of €11,477,000 in the Consolidated Income Statement, redemption costs of €359,000 were incurred in the period. The total exceptional loss included in the Consolidated Income Statement is €11,836,000.

On 2 October 2018 FBD Insurance plc successfully agreed to issue €50,000,000 of new Callable Dated Deferrable Subordinated Notes due 2028. The agreed coupon for the notes was 5%. Interest costs associated with the subordinated notes totalling €589,000 were incurred and recognised during the financial year.

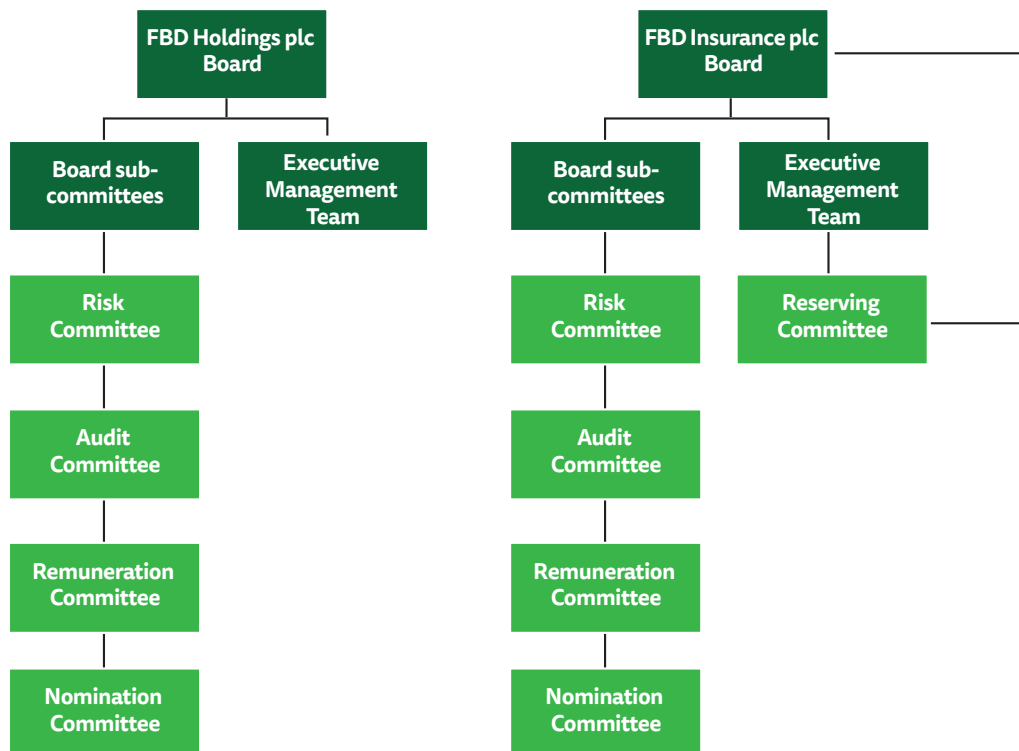
A5. Other material information

The Board of FBD Holdings plc proposes to pay a dividend of 50c per share for the 2018 financial year. This is equivalent to a pay-out ratio of approximately 40% in respect of 2018 profits.

B. System of Governance

B1. General Information

B1.1 The Board and Committees Structure



The Board

The primary role of the Board is to provide leadership and strategic direction while maintaining effective control over the activities of the Group.

The Board has approved a Corporate Governance Framework setting out its role and responsibilities. This is reviewed annually as part of the Board's evaluation of its performance and governance arrangements. The Framework includes a formal schedule of matters reserved to the Board for its consideration and decision, which includes:

- The approval of the Group's objectives and strategy;
- Approval of the annual budget including capital expenditure and the review of the Group's systems of internal control;
- Maintenance of the appropriate level of capital, the allocation thereof and decisions as to the recommendation or payment of dividends;
- Approval of Financial Statements; and
- The appointment of Directors and the Company Secretary.

This schedule ensures that the skills, expertise and experience of the Directors are harnessed to best effect and ensures that any major opportunities or challenges for the Group come before the Board for consideration and decision.

Other specific responsibilities of the Board are delegated to Board appointed Committees, details of which are given below.

Risk Committee

The Committee is the forum for risk governance within FBD. It is responsible for providing oversight and advice to the Board in relation to current and potential future risk exposures of the Group and future risk strategy. This advice includes recommending a risk management framework incorporating strategies, policies, risk appetites and risk indicators to the Board for approval. The Risk Committee oversees the risk management function, which is managed by the Chief Risk Officer (CRO).

The key responsibilities delegated to the Committee are to:

- Promote a risk awareness culture within the Group;
- Ensure that the material risks facing the Group have been identified and that appropriate arrangements are in place to manage and mitigate those risks effectively;
- Advise the Board on the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, the amounts, types and distribution of capital adequate to cover the risks of the Group;
- Review and challenge risk information received by the Chief Risk Officer from the business departments to ensure that the Group is not exceeding the risk limits set by the Board;
- Present a profile of the Group's key risks, risk management framework, risk appetite and tolerance and risk policies at least annually together with a summary of the Committee's business to the Board.

Audit Committee

The objective of the Committee is to assist the Board in fulfilling its oversight responsibilities for such matters as financial reporting, the system of internal control and management of financial risks, the audit process and the Group's process for monitoring compliance with laws and regulations.

The key responsibilities delegated to the Committee include:

- Reviewing the Group's financial results announcements and Financial Statements;
- Reviewing the Solvency II returns;
- Overseeing the relationship with the external auditors including reviewing their terms of engagement, independence and fees;
- Reviewing the scope, resources, results and effectiveness of the Group's internal audit function; and
- Performing detailed reviews of specific areas of financial reporting as required by the Board or the Committee.

The Committee members have been selected to ensure that the Committee has available to it the range of skills and experience necessary to discharge its responsibilities.

Remuneration Committee

The objective of the Committee is to assist the Board in ensuring that the level of remuneration in the Group is sufficient to attract, retain and motivate executive Directors and senior management of the quality required to run the Group in a manner which is fair and in line with market norms, while not exposing the Group to unnecessary levels of risk.

The key responsibilities delegated to the Committee include:

- Determining the broad policy for the remuneration of the Group's executive Directors, Company Secretary and other senior executives;
- Determining the total remuneration packages for the foregoing individuals, including salaries, variable remuneration, pension and other benefit provision and any compensation on termination of office;
- Ensuring that the Group operates to recognised good governance standards in relation to remuneration;
- Making awards of shares under the Group's approved long term incentive plan; and
- Preparation of the detailed Report on Directors' Remuneration.

Nomination Committee

The objective of the committee is to ensure that the Board and its Committees are made up of individuals with the necessary skills, knowledge and experience to ensure that the Board is effective in discharging its responsibilities.

The key responsibilities delegated to the Committee include:

- Reviewing the structure, size and composition of the Board and making recommendations to the Board for any appointments or other changes;
- Recommending changes to the Board's committees; and
- Advising the Board in relation to succession planning both for the Board and the senior executives in the Group.

Reserving Committee

The Executive Management Team established a Reserving Committee for the Company with independent Non-Executive Directors as members, with formal terms of reference and with responsibility, *inter alia*, for the following:

- On a quarterly basis to review the adequacy of reserves and to recommend to the Board the level of Best Estimate for inclusion in the financial statements;
- The review of the adequacy of Solvency II Technical Provisions and recommend for inclusion in regulatory returns;
- The review of all reports of the Head of Actuarial Function as to the adequacy of reserves and reporting to the Board of Directors thereon;
- The review of all reports of the Peer Review Actuary and any reports made available by the external auditors; and
- Agreement of the risk appetite for reserving risk and the recommendation of said agreement to the Board Risk Committee and the Board.

The Committee has full access to the Group's Head of Actuarial Function and any other person as deemed necessary by the Committee to effectively carry out its functions.

B1.2 Key Roles

The Chairman

The role of the Chairman is set out in writing in the Corporate Governance Framework. He is responsible, *inter alia*, for:

- The effective running of the Board, setting its agenda and ensuring that it receives accurate, timely and clear information;
- Ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives; and
- Ensuring that the views of shareholders are communicated to the Board.

The Group Chief Executive

The role of the Group Chief Executive is set out in writing in the Corporate Governance Framework. She is responsible, *inter alia*, for:

- Running the Group's business;
- Proposing and developing the Group's strategy and overall objectives in close consultation with the Chairman and the Board; and
- Implementing the decisions of the Board and its Committees.

The Executive Management Team

The Group Chief Executive has established an Executive Management Team (“EMT”) comprising senior Group executives to assist her in the discharge of her responsibilities for the Group’s performance, operations and compliance.

The composition of this team is a matter for the decision of the Group Chief Executive and its role and responsibilities include:

- Managing the day to day running of the Group’s business;
- Formulating the Group’s strategic plans for the approval of the Board;
- Communicating the standards of performance, strategy and goals of the Group to meet the objectives approved by the Board;
- Leading the implementation of the agreed programme of priority development initiatives;
- Reviewing and communicating progress against the goals, providing direction to the Group’s employees, removing barriers to achieving the goals and allocating the Group’s resources to the areas of greatest importance;
- Advising the Board, through the Group Chief Executive, on all matters concerning organisational strategy and performance.

B1.3 Authority and independence of key functions

The control functions report regularly to the Board on the effectiveness of the System of Governance including the Internal Control System. The control functions are defined as the Risk Function, Compliance Function, Internal Audit Function, and Actuarial Function.

The Group uses a ‘three lines of defence’ framework in the delineation of accountabilities for internal control.

- Primary responsibility for risk management rests with line management;
- Line management is supported by the second line Risk, Actuarial and Compliance Functions;
- The third and final line of defence is the Internal Audit function, which provides independent assurance to the Audit Committee of the Board on risk taking activities.

The 2nd and 3rd Line of defence functions have defined Terms of Reference (ToR) reviewed at least annually by the appropriate committee.

Risk Function

The Board has established a Risk Function, headed by an appointed Chief Risk Officer. The Risk Function has independent oversight of the Group risk management activities with specific responsibility for ensuring that the Group’s risk management framework is documented and implemented and that its risk management procedures are carried out effectively. The Risk Function acts as a second line of defence in the FBD’s Risk Management Framework.

The Risk Function’s terms of reference states that the function shall have full, unrestricted access to all information, explanations, records, and personnel necessary for the purposes of the identification, assessment, monitoring and reporting of risk to the Board Risk Committee and the Board.

Compliance Function

The Board has established a Compliance Function, headed by an appointed Head of Compliance. The Compliance Function acts in an advisory, oversight and assurance role to ensure that the Group has the necessary systems and controls in place to ensure adherence, on an on-going basis, to its legal and regulatory requirements. The Compliance Function acts as a second line of defence in the FBD’s Risk Management Framework.

The Compliance Function's Terms of Reference states that the function shall have full unrestricted access to all information, explanations, records, and personnel necessary for the purposes of the identification, assessment, monitoring and reporting of compliance to Senior Management and the Board.

Actuarial Function

The Board has established an Actuarial Function, headed by an appointed Head of Actuarial Function. The Actuarial Function co-ordinates the calculation of Technical Provisions and provides an Opinion and accompanying report on the Technical Provisions to the Board and the Central Bank of Ireland.

In addition, the Actuarial Function prepares an Opinion on the Underwriting Policy, Reinsurance arrangements and the ORSA. The Actuarial Function acts as a second line of defence in FBD's Risk Management Framework.

Internal Audit Function

The Board has established an Internal Audit Function, headed by an appointed Head of Internal Audit. Internal Audit is an independent function reporting to the Board through the Audit Committee. Internal Audit acts as the third line of defence in the FBD Risk Management Framework and examines and evaluates the functioning of the internal controls and all other elements of the system of governance, as well as the compliance of activities with internal strategies, policies, processes and reporting procedures.

B1.4 Material changes during the period

There were no changes to the Board in 2018. The table below sets out the Directors who served during 2018:

Liam Herlihy	Chairman
Walter Bogaerts	Independent Non-Executive Director
Mary Brennan	Independent Non-Executive Director
Dermot Browne	Senior Independent Non-Executive Director
Joe Healy	Independent Non-Executive Director
Orlagh Hunt	Independent Non-Executive Director
Fiona Muldoon	Group Chief Executive
David O'Connor	Independent Non-Executive Director
John O'Grady	Group Chief Financial Officer
Padraig Walshe	Non-Executive Director

Ms. Orlagh Hunt and Mr. Dermot Browne have announced their intention not to stand for re-election at the AGM. The Board is in the process of replacing the retiring independent non-executive directors.

B1.5 Remuneration policy and practices

The Group's Remuneration Policy is determined by the Board of FBD Holdings plc through the Remuneration Committee.

It is the policy of the Group to provide all employees of FBD with appropriate remuneration and incentives to encourage high performance and to ensure that they are, in a fair and responsible manner, rewarded for their individual contributions which are aligned to the success of FBD while also ensuring that the principles of sound, prudent risk management are fully reflected and that excessive risk taking is neither encouraged nor rewarded.

The remuneration of the non-executive Directors of the Group is determined by the Board. The individual remuneration packages of Senior Executives are determined by the Remuneration Committee who report to the Board.

B1.5.1 Components of Remuneration

Fixed Remuneration

The core element of the remuneration package for all employees is fixed remuneration comprising basic salary and membership of a pension scheme.

Basic salary is reviewed annually having regard to personal performance, Group performance and competitive market practice.

Variable Remuneration

Variable remuneration, which is based on individual and Group performance, is available to be awarded to all eligible permanent employees and varies by amount and structure depending on role but in all cases is designed to encourage and reward enhanced performance, whilst promoting sound risk management.

1. Short Term Incentives

Bonus – Head Office Employees and Management

Short Term Incentives comprise annual bonuses.

For the majority of employees, the attainment of Group financial targets determines the amount of annual bonus which may be available to any employee. These targets encourage enhanced performance in the best interests of the Group and its Shareholders and are approved by the Remuneration Committee. After the financial targets have been measured, the individual performance of the employee will be assessed against agreed performance objectives. This will determine the amount of annual bonus available to be paid.

The Remuneration Committee approves the annual bonus payable to each of the Senior Executives.

Sales Incentives

Sales employees' bonus arrangements are based on the achievement of KPIs which are agreed annually including targets for such matters as gross written premium, retention levels, discretionary discounts ceded, compliance standards and business quality. Any bonus or variable pay proposals are in compliance with Central Bank of Ireland "Guidelines for Variable Remuneration Arrangements for Sales Staff".

2. Long Term Incentives

Under the Long Term Incentive Plan (LTIP), conditional awards of shares in FBD Holdings plc are made at the sole discretion of the Remuneration Committee of FBD Holdings plc to any FBD Group executive or employee so designated by it. The awards are made within the terms of the shareholder approved scheme.

The period over which the performance conditions applying to a conditional LTIP award are measured is currently over three years.

These conditions are designed to ensure alignment between the interests of the employees and those of FBD Holdings plc's shareholders, to incentivise retention of key individuals and to encourage appropriate focus on long-term sustainable business performance.

The Chief Risk Officer of the Group is consulted prior to any proposed conditional award by the Remuneration Committee to Executives or employees of the Group to ensure that the conditions attaching to any award do not encourage excessive taking of risk.

B1.5.2 Components of Remuneration

The remuneration of persons who exercise a significant influence on the undertaking and with members of the administrative, management or supervisory body (which comprises the Board of Directors and Company Secretary of FBD Insurance plc and the members of the Executive Management Team) is as follows:

	2018 €000s	2017 €000s
Short term employee benefits ¹	3,545	3,590
Post-employment benefits	297	269
Share based payments	316	440
Charge to the Consolidated Income Statement	4,158	4,299

1 Short term benefits include fees to non-executive Directors, salaries and other short-term benefits to all personnel that exercise significant influence.

B1.5.3 Special Arrangements for Risk, Compliance and Internal Audit Roles

There is no linkage between annual bonus and Group performance targets for employees who hold roles in the Risk, Compliance and Internal Audit functions. Annual bonuses will be awarded conditional only on the attainment of individual performance objectives. This ensures the independence of these role holders and their ability to perform their second and third line of defence roles, without compromise.

B1.6 Supplementary Pension

FBD operates a Defined Contribution pension arrangement for its employees, where both the employee and employer contribute to the retirement fund. FBD also operates a legacy Defined Benefit arrangement, which is closed to future accrual.

B1.7 Material Transactions

There are no material transactions to note.

B2. Fitness and Probity Requirements

B2.1 Board requirements

The Central Bank of Ireland published its Regulations and Standards of Fitness and Probity. The Board has approved a Corporate Governance Framework setting out its role and responsibilities (see section B1.1 for more detail).

Other specific responsibilities of the Board are delegated to Board appointed Committees, details of which are given later in this report.

B2.2 Fit and proper policy

The Central Bank of Ireland published its Regulations and Standards of Fitness and Probity (the F&P Standards), issued under Part 3 of the Central Bank Reform Act 2010 ('the 2010 Act'), on 1 September 2011. These statutory standards came into effect on 1 December 2011. The 2010 Act provides for a fitness and probity regime for the periodic assessment of individuals performing 'Controlled Functions' and 'Pre-Approval Controlled Functions', including Directors, senior management and those employees whose activities have a material impact on the business.

As a regulated entity, FBD is subject to the F&P Standards. There are rigorous and continuous processes in operation within FBD to determine which roles fall under the F&P Standards and to collect and collate information to evidence compliance with the F&P Standards.

FBD considers itself to be in compliance with the F&P Standards.

B2.3 Selection due diligence

The Company operates robust HR recruitment and selection controls which ensure that we select only candidates that meet the F&P Standards. These controls include appropriate screening of candidates and the completion of the Central Bank's Individual Questionnaire by all PCF preferred candidates prior to their engagement. This includes screening for amongst other things; educational qualification and work experience; bankruptcy and debt judgments and regulatory sanctions.

In addition, our employment contract terms require continuing adherence to all regulatory standards including, amongst others, the F&P Standards and Minimum Competency Code (MCC) obligations.

B2.4 Continuous due diligence

The Group operates a continuous due diligence programme which covers all Directors, senior executives and employees across the Group. Under this programme, training and a questionnaire are completed annually by Controlled Function and Pre-Approval Controlled Function role holders.

Validation and assessment of completed Individual Questionnaires is independently undertaken by HR in consultation with Compliance. Where this review causes the Chief HR Officer and the Head of Compliance to form the opinion that there is reason to believe or suspect a person's fitness and probity to perform the relevant function, a formal process may be conducted which may result in the person being removed from carrying out the regulated function. Such circumstance may include, but is not limited to, material or undeclared judgements; criminal or civil convictions or regulatory censure. In assessing the impact of these circumstances, FBD takes into consideration all relevant matters including the circumstances surrounding the issue; the length of time since the issue; the explanation given; the proposed role and its impact.

B3. Risk Management System

B3.1 Risk Management Framework

FBD has adopted an Enterprise Risk Management Framework which comprises of strategies, policies, processes and reporting procedures necessary to identify, assess, monitor, manage and report, on a continuous basis the risks, at an individual and at an aggregated level, to which the Group could be exposed. The key elements of the Enterprise Risk Management framework are governance, process and people. FBD has established procedures to monitor and report on the system of controls and it follows the three lines of defence model outlined previously.

Key components of monitoring and reporting of the system of control include:

- Business Unit Quality Assurance;
- Business Unit Management Information;
- Risk Control Self-Assessment;
- Error Reporting;
- First Line Reviews;
- Second Line Reviews;
- Third Line Internal Audits; and
- Board/Executive Committee Reporting.

B3.2 Risk Implementation and Integration

All staff are expected to demonstrate appropriate standards of behaviour in the development of strategy and the pursuit of objectives. This philosophy is supported by the following guiding principles. Management and employees shall:

- Consider all forms of risk in decision-making;
- Create and evaluate business-unit level and Group-level risk profile to consider what's best for their individual business unit and department and what's best for the Group as a whole;
- Support executive management's creation of a Group-level portfolio view of risk;
- Retain ownership and accountability for risk and risk management at the business unit or other point of influence level;
- Strive to achieve best practices in enterprise risk management;
- Monitor compliance with policies and procedures and the state of enterprise risk management;
- Leverage existing risk management practices, wherever they exist within the Group;
- Document and report all significant risks and enterprise risk management deficiencies; and
- Accept that enterprise risk management is mandatory, not optional.

Roles and Responsibilities

While the Board has ultimate responsibility for all risk-taking activity within the Group, it has delegated some risk governance tasks to a number of committees or key officers. The Group uses a 'three lines of defence' framework in the delineation of accountabilities for risk governance as outlined in B 1.3.

The Risk Management Function maintains a Corporate Risk Register with each risk assigned to a Risk Owner and a Risk Champion in the Business.

Line Management/Risk Owner

The first line of defence within each business and support unit is Line Management. Line management has primary responsibility for ensuring that the business complies with their specific obligations. In addition, the first line of defence is responsible for working with the Risk Management Function to identify, assess, monitor and report risk. Line management is also responsible for ensuring that all staff members receive appropriate training.

Risk Champion

Risk Champions report to their departmental manager with a dotted line to the Chief Risk Officer. These individuals are well placed in FBD Insurance to ensure the continuous monitoring and reporting of their risk and control environment.

Risk Appetite Framework

Risk appetite is a measure of the amount and type of risks FBD is willing to accept or not accept over a defined period of time in pursuit of its objectives. The Risk Appetite Framework defines FBD's appetite for each main risk category describing at a high level the type of risk we are willing to take.

The Group's appetite is to maintain sustainable profit and a strong capital position while acting in the best interests of consumers. The risk appetite in FBD is driven by an overarching desire to protect the solvency of the Group at all times. Through the proactive management of risk, FBD ensures that it does not currently have or will not take on an individual risk or combination of risks that could threaten the solvency of the Group. This ensures that FBD has and will have in the future sufficient capital to pay its policyholders and all other creditors in full as these liabilities fall due.

The management of risks are outlined further in Section C of this report. The Risk Appetite Framework is reviewed and approved at least annually by the Board and is monitored and reported by the Risk Function in order to support and embed risk in the decision making process of the Group.

Risk Policies

The Group has developed a number of risk management policies which clearly set out the following:

- Definition of risk;
- Objective;
- Roles and Responsibilities;
- Processes; and
- Reporting procedures to be applied.

The risk policies are reviewed at least annually by the Board or more frequently if the system, or area concerned, undergoes significant change.

B4. The Own Risk and Solvency Assessment (ORSA) Process

B4.1 ORSA Process Overview

An ORSA policy has been documented and is approved by the Board annually.

The ORSA report is prepared annually and reviewed by the Board.

The Group has in place processes for managing its overall solvency needs and regulatory capital requirements and integrating the strategic development process with the management of all material risks to which it is exposed.

The Board is made aware of the implications that strategic decisions have on the risk profile, regulatory capital requirements and overall solvency needs of the Group and to consider whether these effects are desirable, affordable and feasible given the quantity and quality of its capital. The output from the ORSA assists the Board in making strategic decisions including in relation to:

- Capital Management Policy;
- Adequacy of Risk Appetite; and
- Business planning.

Following the output from the ORSA, where necessary, management actions are developed.

Any strategic or other major decisions that may materially affect the risk and/or capital position of the Group need to be considered through the ORSA process before such a decision is taken. This does not require a full performance of the ORSA. The Group consider how the output of the last assessment of the overall solvency needs changes if certain decisions are taken and how these decisions affect the regulatory capital requirements.

The ORSA provides a comprehensive view and understanding of the risks the Group is exposed to or could face in the future and how they translate into capital requirements or alternatively require mitigation actions. The ORSA process and output is communicated to the Board and Executive Management via the Internal Report on ORSA.

The Internal Report on ORSA is prepared by the Chief Risk Officer and presented to the Board Risk Committee and Board for approval. The information communicated is sufficiently detailed to ensure that the Board Risk Committee and Board is able to use it in its strategic decision-making process and that other employees can ensure that any necessary follow-up action on foot of the report is taken.

The Board is responsible for challenging and approving the results of the ORSA.

B4.2 ORSA Approval by the Administrative, Management or Supervisory Body (AMSB)

The ORSA is a top down process owned by the Board. It is an ongoing process which ensures that the business is managed soundly and prudently by identifying, assessing and monitoring current and future solvency needs in light of all the risks faced. FBD must submit at least one ORSA Report to the Central Bank of Ireland each year.

The ORSA is a very important process for the Board as it provides it with a comprehensive view and understanding of the risks to which the Group is exposed or could face in the future and how they translate into capital needs or alternatively require mitigating actions.

To aid in the assessment of the overall solvency needs and business and capital planning process, the Group will carry out a number of stress tests, reverse stress tests and scenario analyses.

The nature and number of stress and scenario tests is initially developed by the Risk Function with input from key stakeholders. The stress and scenarios chosen take into account the material risks facing the Group, external environment and likelihood of occurring based on historical analysis. These are presented to the Board Risk Committee for review and challenge and to the Board for review, challenge and approval.

The following are documented as part of the stress testing:

- Source of data used;
- Stress test assumptions used;
- Method of stress testing used; and
- Conclusion and action plan if necessary.

The ORSA Supervisory Report is prepared by the Chief Risk Officer and is subject to Board Risk Committee and Board approval prior to submission to the Central Bank. The ORSA Supervisory Report is the same as the internal report unless otherwise determined by the Board.

B4.3 Overall Solvency Needs

FBD's overall solvency needs are assessed at least annually as part of the ORSA process. The assessment takes into account the specific risk profile, approved risk tolerance limits and the business strategy of the Group.

A key part of this assessment is to review the significance of any deviation between the risk profile of FBD and the assumptions underlying the Standard Formula SCR calculation.

Our approach to this assessment of the appropriateness of the Standard Formula is as follows:

- Assess, from a qualitative perspective, if key assumptions for each module and sub-module in the Standard Formula are appropriate for capturing the risks specific to the Company.
- For any key assumption assessed as potentially inappropriate to the Company, a further qualitative assessment is carried out to determine if any deviation is likely to materially impact the overall SCR.
- Where a key assumption is assessed as both potentially inappropriate and also likely to have a material impact on the overall SCR a quantitative assessment is carried out to better capture the risk exposure for the Company.
- On completion of the quantitative assessment the overall appropriateness of SCR is determined for the Company.

As part of the overall solvency needs assessment the Company's Strategy and Business Plan is considered. Base case financial projections covering the FBD planning cycle period are developed. Based on these financials the Company's capital position is projected over a three year period. This capital projection is then subjected to a number of stress tests, reverse stress tests and scenario analyses. Based on the outputs of these tests the Company reviews the appropriateness of their Capital Risk Appetite.

B5. Internal Control System

B5.1 Internal Control Environment

FBD has in place an internal control system that encompasses the policies, processes, tasks, behaviours and other aspects of the Group that, taken together:

- Facilitate its effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the Group's objectives. This includes the safeguarding of assets from inappropriate use or from loss and fraud, and ensuring that liabilities are identified and managed;
- Help ensure the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the organisation; and
- Help ensure compliance with applicable laws and regulations, and also internal policies with respect to the conduct of business.

The Group's system of internal control comprises:

- Internal control framework;
- Identification and evaluation of risks and control objectives;
- Control activities;
- Information and communication;
- Monitoring and reporting of controls;
- Processes for reviewing the effectiveness of the internal control system.

The Internal Control Framework is the mechanism under which internal controls are developed, implemented, and monitored. It consists of the processes and arrangements that ensure internal and external risks to which FBD is exposed are identified; appropriate and effective internal controls are developed and implemented to soundly and prudently manage these risks; and reliable and comprehensive systems are put in place to appropriately monitor the effectiveness of these controls. FBD has in place an appropriate and effective internal control environment to ensure that the Group is managed and controlled in a sound and prudent manner. The Control Framework is the foundation for all the principles of the Internal Control Policy which provides the discipline, process and structure.

The factors which together comprise the control environment are:

- A Board of Directors that is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that FBD is appropriately and effectively managed and controlled;
- A management that actively manages and operates FBD in a sound and prudent manner;
- The Board and all FBD employees demonstrate a commitment to integrity and values;
- Organisational and procedural controls supported by an effective management information system to soundly and prudently manage FBD's exposure to risk; and
- The utilisation of a 'three lines of defence' framework in the delineation of accountabilities for internal control as outlined in B1.3, which incorporates an independent audit mechanism to monitor the effectiveness of the organisational and procedural controls.

B5.2 Compliance Function Implementation

Compliance Framework

The Compliance Function operates in the second line of defence and through the Head of Compliance develops and implements the Board approved Compliance Framework. The Compliance Framework sets out how regulatory risk is managed in FBD under the headings of governance, process and people. The framework outlines the various compliance related activities which are undertaken and provides a structure and clarity over compliance activities.

The key elements of the Compliance Framework are illustrated below:



The Annual Compliance Plan is developed by the Head of Compliance and approved by the Board.

B6. Internal Audit Implementation

B6.1 How the Internal Audit Function is implemented

The Internal Audit function is the third line of defence within the “three lines of defence” model operated by the Group. Internal Audit provides independent assurance to the Board through the Audit Committee on risk-taking activities. The Internal Audit function is formally established through its Charter, which is reviewed and approved by the Audit Committee annually. The Internal Audit Charter states that Internal Audit is to operate in compliance with the International Standards for the Practice of Internal Auditing issued by the Institute of Internal Auditors (“IIA”). Internal Audit is expected to comply with the IIA’s Code of Ethics.

B6.2 Maintaining independence and objectivity

The Head of Internal Audit (HIA) has a direct reporting line to, with direct and unlimited access to, the Chair of the Board Audit Committee. The Board Audit Committee is responsible for the appointment and removal of the HIA. The Internal Audit Charter notes that Internal Audit is specifically prohibited from performing management activities, including:

- Performing Operational duties;
- Initiating or approving accounting transactions; and
- Undertaking consulting engagements where the primary aim includes process improvement, implementation of systems, or advising on operating practices.

The Charter also notes that in order to minimise the risk of conflicts of interest the HIA will, where possible taking into account the size of the audit team, rotate members of audit team assigned to audits that they have participated in previously. Lastly, the Internal Audit Manual states: “To maintain independence Internal Audit staff are required to refrain from assessing operations for which they were responsible within the preceding 12 months and specific operations where there is a personal conflict of interest”.

B7. Actuarial Function Implementation

B7.1 Description

The Actuarial Function is part of the second line of defence within the “three lines of defence” model operated by the Group. The Actuarial Function is responsible for calculating the Best Estimate Technical Provisions and expressing an Opinion on the Technical Provisions, the underwriting policy, the adequacy of reinsurance arrangements and the ORSA.

The Actuarial Function annual activities are prescribed within a Terms of Reference that is reviewed by the Reserving Committee annually. The Actuarial Function shall have full, unrestricted access to all information, explanations, records, and personnel necessary for the completion of those activities.

B7.2 Reporting

The Head of Actuarial Function reports directly to the Chief Financial Officer. Also, the Head of Actuarial Function has access to the independent Non-Executive Directors of the Reserving Committee.

The Head of Actuarial Function presents all Opinions to the necessary Board Committee’s and the Board on an annual basis. In addition, results from quarterly reserving analyses and other material analyses are reported to the Reserving Committee and the Board.

B8. Outsourcing Policy

FBD Holdings plc (FBD) outsources a number of processes, services or activities to service providers to assist in achieving its strategic objectives and delivering a high level of service to its customers. The purpose of the Outsourcing Policy is to provide guidance governing the definition of outsourcing and material outsourcing:

- Policy principles;
- Roles and responsibilities;
- Business Case;
- Due Diligence;
- Business Continuity;
- Contract Agreements;
- Relationship Management Framework;
- Management of Outsourced Activity; and
- Outsourcing records.

The outsourcing arrangements in place for the Group are reviewed annually in line with the policy and the Board approve all “Material Outsourcing” arrangements.

Service Provided	Jurisdiction
Co-location of the data centre, Managed Services including System Monitoring, Data Backup/ Restores, Web Hosting for ecommerce and Security	Ireland
Management of the Corporate Bond Portfolio	UK*
Management of the Sovereign Bond Portfolio	UK**
Management of the Collective Investment Undertakings	Ireland
Claims Registration/Investigation/Handling/Payment processes for property claims	Ireland

* The Corporate Bond Portfolio is currently managed by a UK legal entity but the manager has its headquarters in an EU27 country. FBD has confirmed it will not experience any disruption of service in the event of a no-deal Brexit.

** Our Sovereign Bond Portfolio is currently managed by a UK legal entity which has approval to transfer its domicile to Ireland if required.

B9. Adequacy of System of Governance

The Systems of Governance is considered to be appropriate for FBD, taking into account the nature, scale and complexity of the risks inherent in the business.

B10. Other Material Information

No other material information to be disclosed.

C. Risk Profile

In accordance with Group policy, business unit management has primary responsibility for the effective identification, management, monitoring and reporting of risks. There is an annual review by the Risk Committee of all major risks to ensure all risks are identified and evaluated. Each risk is assessed by considering the potential impact and the probability of the event occurring. Impact assessments are made against financial, operational, regulatory and reputational criteria.

C1. Underwriting risk

Underwriting

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks written and, within each of the types of cover, to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. The principal insurance covers provided by the Group include, motor, employers' and public liability and property.

The Group manages these risks through its underwriting strategy, proactive claims handling and its reinsurance arrangements. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks written and to reduce the variability of the expected outcome by each risk category. The only significant concentration of insurance risk is that all of the Group's underwriting business is conducted in Ireland. Within Ireland there is no significant concentration risk in any one area.

The Group's underwriting strategy is incorporated in the overall corporate strategy which is approved by the Board of Directors and includes the employment of appropriately qualified underwriting personnel; the targeting of certain types of business that conform with the Group's risk appetite and reinsurance treaties; constant review of the Group's pricing policy using up-to-date statistical analysis and claims experience; and the surveying of risks carried out by experienced personnel. All risks underwritten are within the Company's underwriting policies.

Reserving

While the Group's underwriting risk appetite is constantly reviewed and managed, there is no certainty that the cost of claims will not rise due to abnormal weather events, increased claims frequency, increased severity, changes in regulatory environment, change in economic activity or any other reason. Such an increase could have a material impact on the results and financial condition of the Group.

The Group establishes provisions for unpaid claims, legal costs and related expenses to cover its ultimate liability in respect of both reported claims and incurred but not reported (IBNR) claims. These provisions take into account both the Group's and the industry's experience of similar business, historical trends in reserving patterns, loss payments and pending levels of unpaid claims and awards, as well as any potential changes in historic rates arising from market or economic conditions. The provision estimates are subject to rigorous review and challenge by senior management, the Reserving Committee and the Board.

The estimation and measurement of claims provisions is a major determining factor in the Group's results and financial position. The Group uses statistical and actuarial methods to calculate the quantum of claims provisions and uses independent actuaries to review its liabilities to ensure that the carrying amount of the liabilities is adequate. Where the liabilities, net of any related deferred acquisition costs, are deemed to be inadequate, the deficiency is recognised immediately in the Consolidated Income Statement. There is no certainty that the amount provided is sufficient – further claims could arise or settlement costs could increase as a result of claims inflation, periodic payments or the size of court awards. Such an increase could have a material impact on the results and financial condition of the Group.

Catastrophe Risk

The Group purchases reinsurance protection to limit its exposure to single large claims and the aggregation of claims from catastrophic events. The Group's reinsurance is approved by the Board of Directors on an annual basis.

FBD has purchased a reinsurance programme which has been developed to meet the local domestic risk profile and tailored to FBD's risk appetite. The programme protects, Motor, Liability, Property and other classes against both individual large loss and events.

C1.1 Concentration risk

Concentration risk is the risk of loss due to overdependence on a single entity or category of business. While all of the Group's underwriting business is conducted in Ireland, with a significant focus on the Agri sector, it is spread over a wide geographical area with no concentration in any one county or region. The resultant concentration risk from adverse weather events, i.e. floods, storms or freezes in Ireland, are mitigated by a flood mapping solution and an appropriate reinsurance strategy.

C1.2 Risk sensitivity for underwriting risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material underwriting risks. For the 2018 ORSA, the solvency position at 30 September 2018 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

The outcome of the stress and scenario tests is that in each case FBD would have sufficient available capital to continue to meet the SCR.

C2. Market risk

The Group has invested in term deposits, listed debt securities, investment property and Collective Investment Undertakings (CIUs). These investments are subject to market risk, whereby the value of the investments may fluctuate as a result of changes in market prices, changes in market interest rates or changes in the foreign exchange rates of the currency in which the investments are denominated. The extent of the exposure to market risk is managed by the formulation of, and adherence to, an Investment Policy incorporating clearly defined investment limits and rules, as approved annually by the Board of Directors and employment of appropriately qualified and experienced personnel and external investment management specialists to manage the Group's investment portfolio. The overriding philosophy of the Investment Policy is to protect and safeguard the Group's assets and to ensure its capacity to underwrite is not put at risk.

The Group will only invest in assets the risks of which can be properly identified, measured, monitored, managed and controlled. In this regard the approach adopted by the Group is to ensure funds are allocated primarily in Euro denominated Corporate/Government bonds and deposits. This is in line with the Prudent Person Principle.

The Group monitors its allocation to the various asset classes and has a long term Strategic Asset Allocation target.

C2.1 Interest rate and spread risk

Interest rate and spread risk arises primarily from the Group's investments in listed debt securities and deposits. The level of exposure to interest rate risk from trading is reviewed regularly to ensure it is appropriate. Factors taken into consideration are yield, volatility and historical returns.

At 31 December 2018, the Group held the following deposits and quoted debt securities:

	2018		2017	
	Market Value €000s	Weighted average interest rate %	Market Value €000s	Weighted average interest rate %
Time to maturity				
In one year or less	135,517	1.13%	221,975	0.41%
In more than one year, but not more than two years	182,949	2.19%	100,813	1.26%
In more than two years, but not more than three years	133,480	1.03%	190,386	2.09%
In more than three years, but not more than four years	181,957	1.25%	142,723	1.01%
In more than four years, but not more than five years	129,182	1.17%	164,798	1.19%
More than five years	103,006	1.57%	133,135	1.54%
Total	866,091		953,830	

C2.2 Equity price risk

The Group is subject to equity price risk due to daily changes in the market values of its holdings of quoted shares. Equity price risk is actively managed using the framework set out in the Group's Investment Policy which is approved annually by the Board of Directors.

The Group is subject to equity price risk due to its holding in CIUs which invest in equities.

C2.3 Risk sensitivity for market risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material market risks. For the 2018 ORSA, the solvency position at 30 September 2018 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

The outcome of the stress and scenario tests is that in each case FBD would have sufficient available capital to continue to meet the SCR.

C3. Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations.

Credit risk is measured separately for:

- Reinsurance assets;
- Other receivables (policyholders, agents and intermediaries);
- Cash and Cash equivalents; and
- Listed debt securities.

The Group purchases reinsurance protection to limit its exposure to single claims and the aggregation of claims from catastrophic events. The Group only places reinsurance with companies that it believes are strong financially and operationally. Credit exposures to these companies are closely monitored by senior management. All of the Group's current reinsurers have either a credit rating of A- or better. The Group has assessed these credit ratings and security as being satisfactory in diminishing the Group's exposure to the credit risk of its reinsurance receivables.

Financial assets are graded according to current credit ratings issued. AAA is the highest possible rating. Investment grade financial assets are classified within the range of AAA to BBB- ratings. Financial assets which fall outside this range are classified as speculative grade. All of the Group's bank deposits are with financial institutions which have a minimum A- rating. The Group (through FBD Insurance plc) holds the following listed Government bonds and listed Corporate bonds, with the following credit profile:

FBD Holdings plc	2018		2017	
	Market Value €000s	Weighted Average Duration	Market Value €000s	Weighted Average Duration
Government Bonds				
AAA	55,181	2.1	55,217	2.9
AA+	21,067	4.6	-	-
AA	41,023	3.2	14,634	1.3
A+	41,288	3.2	44,098	4.1
BBB+	42,039	7.2	29,532	7.6
BBB	-	-	45,978	6.1
BBB-	96,786	3.5	-	-
BB+	-	-	69,347	3.5
Total	297,384	3.8	258,806	4.1
Corporate Bonds				
AAA	2,252	1.6	2,331	2.7
AA	12,584	2.5	9,574	3.0
AA-	34,710	2.3	35,667	2.7
A+	62,939	2.6	71,267	2.6
A	73,793	2.4	77,041	3.1
A-	91,648	2.7	93,902	2.9
BBB+	115,365	2.8	119,250	3.2
BBB	78,759	2.8	73,888	3.1
BBB-	25,659	2.5	16,118	4.2
Total	497,709	2.6	499,038	3.0

The extent of the exposure to credit risk is managed by the formulation of, and adherence to, an Investment Policy incorporating clearly defined investment limits and rules, as approved annually by the Board of Directors. The Group employ appropriately qualified, experienced personnel and external investment management specialists to manage the investment portfolio. The overriding philosophy of the Investment Policy is to protect and safeguard the Group's assets and to ensure its capacity to underwrite is not put at risk.

C3.1 Concentration risk

Concentration risk is the risk of loss due to overdependence on a singular investment or category of business.

The main concentration risks to which the Group is exposed are as follows:

- Exposure to a single country, counterparty or security as part of its sovereign or corporate bond portfolio. The Group mitigates this risk by placing limits on these exposures with its investment managers which are continuously monitored.

- Exposure to a single counterparty as part of its cash and deposit holdings. The Group mitigates this risk by placing limits on its total exposures to banking counterparties as set out in the Group's Investment Policy, which is approved annually by the Board of Directors.

Receivables arising out of direct insurance operations and other receivables have no significant concentration of risk.

C3.2 Risk sensitivity for credit risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material credit risks. For the 2018 ORSA, the solvency position at 30 September 2018 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses.

The outcome of the stress and scenario tests is that in each case FBD would have sufficient available capital to continue to meet the SCR.

C4. Liquidity risk

The Group is exposed to daily calls on its cash resources, mainly for claims payments. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring that the maturity profile of its financial assets is shorter than or equal to the maturity profile of its liabilities and maintaining a minimum amount available on term deposit at all times.

The following tables provide an analysis of assets and liabilities into their relevant maturity groups based on the remaining period to contractual maturity/expected settlement. The contracted value below is the undiscounted cash flow.

FBD Holdings plc Assets – 2018	Carrying value total €000s	Contracted Value €000s	Cash flow within 1 year €000s	Cash flow 1-5 years €000s	Cash flow after 5 years €000s
Financial assets	866,091	888,704	144,927	640,873	102,904
Reinsurance assets	80,925	80,925	25,262	49,119	6,544
Loans and receivables	63,483	63,483	63,483	-	-
Cash and cash equivalents	77,639	77,639	77,639	-	-
Total	1,088,138	1,110,751	311,311	689,992	109,448

Liabilities – 2018	€000s	€000s	€000s	€000s	€000s
Insurance contract liabilities	920,900	920,900	300,983	510,677	109,240
Payables	33,234	33,234	33,234	-	-
Other provision	7,738	7,738	7,738	-	-
Subordinated bond	49,426	75,000	2,500	10,000	62,500
Total	1,011,298	1,036,872	344,455	520,677	171,740

FBD Holdings plc Assets – 2017	Carrying value total €000s	Contracted Value €000s	Cash flow within 1 year €000s	Cash flow 1-5 years €000s	Cash flow after 5 years €000s
Financial assets	953,830	1,001,725	220,630	631,242	149,853
Reinsurance assets	90,565	90,565	25,331	45,856	19,378
Loans and receivables	66,314	66,314	66,314	-	-
Cash and cash equivalents	27,176	27,176	27,176	-	-
Total	1,137,885	1,185,780	339,451	677,098	169,231

Liabilities – 2017	€000s	€000s	€000s	€000s	€000s
Insurance contract liabilities	951,020	951,020	298,575	512,850	139,595
Payables	32,279	32,279	32,279	-	-
Other provision	6,647	6,647	6,647	-	-
Convertible Debt	52,525	109,200	4,900	19,600	84,700
Total	1,042,471	1,099,146	342,401	532,450	224,295

FBD Insurance plc Assets - 2018	Carrying value total €000s	Contracted Value €000s	Cash flow within 1 year €000s	Cash flow 1-5 years €000s	Cash flow after 5 years €000s
Financial assets	940,955	963,568	219,791	640,873	102,904
Reinsurance assets	80,925	80,925	25,262	49,119	6,544
Current tax asset	3,949	3,949	3,949	-	-
Loans and debtors	55,585	55,585	55,585	-	-
Total	1,081,414	1,104,027	304,587	689,992	109,448

Liabilities – 2018	€000s	€000s	€000s	€000s	€000s
Insurance contract liabilities	920,900	920,900	300,983	510,677	109,240
Other Provisions	7,740	7,740	7,740	-	-
Payables	30,401	30,401	30,401	-	-
Financial liabilities at amortised cost	49,429	75,000	2,500	10,000	62,500
Total	1,008,470	1,034,041	341,624	520,677	171,740

FBD Insurance plc Assets - 2017	Carrying value total €000s	Contracted Value €000s	Cash flow within 1 year €000s	Cash flow 1-5 years €000s	Cash flow after 5 years €000s
Financial assets	987,890	1,035,875	254,780	631,242	149,853
Reinsurance assets	90,566	90,566	25,331	45,856	19,379
Current tax asset	3,949	3,949	3,949	-	-
Loans and debtors	58,038	58,038	58,038	-	-
Total	1,140,533	1,188,428	342,098	677,098	169,232

Liabilities - 2017	€000s	€000s	€000s	€000s	€000s
Insurance contract liabilities	951,016	951,016	298,571	512,850	139,595
Other Provisions	6,851	6,851	6,851	-	-
Payables	37,563	37,563	37,563	-	-
Convertible Debt	52,525	109,200	4,900	19,600	84,700
Total	1,047,955	1,104,630	347,885	532,450	224,295

C4.1 Expected Profit included in Future Premium

The expected profit included in future premiums (EPIFP) is €14.4m.

C4.2 Risk sensitivity for liquidity risks

Given that liquidity is not a material risk for FBD, no specific risk sensitivity is provided.

C5. Operational Risk

Operational risk could arise as a result of inadequately controlled internal processes or systems, human error or from external events. Operational risks are regularly assessed against financial, operational, regulatory and reputational criteria.

This definition is intended to include all risks to which the Group is exposed and that are not considered elsewhere. Hence, operational risks include for example, information technology, information security, human resources, project management, outsourcing, taxation, legal, fraud and regulatory risks. Business Unit Management has primary responsibility for the effective identification, management, monitoring and reporting of operational risks which are overseen by the second and third line functions.

FBD Insurance plc is regulated by the Central Bank of Ireland and must ensure that it conducts its business in accordance with regulatory requirements at all times. FBD Insurance plc has no appetite for confirmed and quantified breaches of compliance with regulatory requirements and has an embedded Compliance Framework with regular reporting to the Board which provide assurance that compliance controls are operating effectively in the Group.

The Group is dependent upon the quality, ability and commitment of key personnel in order to sustain, develop and grow its business. There can be no assurance that the Group will be able to retain all of its key employees. The success of the Group will depend upon its ability to retain, attract, motivate and develop key personnel.

The Group relies significantly on information technology to support the business and as such may be susceptible to risks associated with information security, be that through security breaches, cyber-attacks or other failures or malfunctions. Rigorous information technology controls are in place across the Group, including a dedicated IT security team with overall responsibility for managing information technology security standards, which together with on-going employee training and regular cyber-risk reviews are used to mitigate such information technology risks.

In addition, the Group has taken significant steps to minimise the impact of business interruption that could result from a major external event. A formal disaster recovery plan is in place for both workspace recovery and retrieval of communications, IT systems and data. If a major event occurs, these procedures will enable the Group to move the affected operations to alternative facilities within very short periods of time. The disaster recovery plan is tested regularly and includes disaster simulation tests.

C5.1 Risk sensitivity for operational risks

FBD carries out stress and scenario testing as part of the ORSA process which includes stress testing for the material operational risks. For the 2018 ORSA, the solvency position at 30 September 2018 and the projected solvency position over the business planning period were re-calculated following high impact low likelihood adverse stresses. The stress and scenarios chosen has taken into account the material operational risks facing the Group including cyber and IT risk.

The outcome of the stress and scenario tests is that in each case FBD would have sufficient available capital to continue to meet the SCR.

C6. Other Material Risks

One key aspect of the Risk Management Framework is to identify and if necessary take appropriate action in response to future risks which could impact the Group. We have a defined process in place for the identification of Emerging Risks, which is informed through the use of subject matter experts, workshops and consulting a range of external documentation. Key Emerging Risks include:

- Technological advances changing the shape of the insurance industry and competitive environment.
- The risk that an interruption or failure of information systems, whether caused by security breaches, cyber-attacks or other failures or malfunctions, may result in a significant loss of business, assets or competitive position.
- Global deterioration in economic conditions and particularly in Ireland may lead to a reduction in revenue and profits.
- Global socio-political uncertainty that may cause an adverse impact on profitability.
- The impact of climate change may result in increasingly volatile weather patterns and more frequent severe weather events.
- Regulatory legislative landscape and its associated cost to ensure continued compliance.
- A hard "Brexit" introduces business and trading uncertainty for all indigenous Irish businesses, including FBD and the Group's core customers in farming and other small businesses. It appears likely that Britain departing the EU will have negative effects for business and business confidence in Ireland, particularly in the medium term and FBD believes this will continue to be a significant headwind to otherwise strong Irish economic prospects.

C6.1 Off balance sheet positions

The Group does not have any risk exposure arising from Off Balance Sheet positions.

C6.2 Special Purpose Vehicles

The Group does not have any risk exposure arising from Special Purpose Vehicles.

D. Valuation for Solvency Purposes

This section contains information regarding the valuation of the Balance Sheet items. For each material asset class the bases, methods and main assumptions used for valuation for solvency purposes are described. Each material class of asset includes a quantitative and qualitative explanation of any material difference between the valuation for solvency purposes and the valuation in the Financial Statements. There are some small rounding differences as the figures are agreed to the Quantitative Reporting Templates (QRTs) prepared at a more granular level.

FBD Holdings plc	Solvency II value December 31 2018 €000s	IFRS December 31 2018 €000s
Balance Sheet		
Deferred acquisition costs	-	31,956
Intangible Assets	-	355
Deferred tax assets	-	1,081
Pension benefit surplus	-	12,944
Property, plant & equipment held for own use	66,246	68,492
Property (other than for own use)	18,310	18,310
Financial Assets - Equities	885	885
Financial Assets - Government Bonds	302,443	297,384
Financial Assets - Corporate Bonds	498,717	497,710
Financial Assets - Collective Investments Undertakings	78,514	78,516
Deposits (including cash and cash equivalents)	148,791	148,637
Loans and mortgages	615	615
Reinsurance recoverables	68,527	80,925
Receivables (trade, not insurance)	10,016	10,016
Any other assets, not elsewhere shown	13,931	56,801
Total assets	1,206,996	1,304,627
Liabilities		
	Solvency II value December 31 2018 €000s	IFRS December 31 2018 €000s
Technical provisions - non-life	781,797	920,900
Provisions other than technical provisions	7,751	7,738
Deferred tax liabilities	8,147	3,610
Debts owed to credit institutions	94	-
Payables (trade, not insurance)	31,502	31,502
Subordinated liabilities	50,000	49,426
Any other liabilities, not elsewhere shown	2,549	5,044
Total liabilities	881,840	1,018,220
Excess of assets over liabilities	325,156	286,408

FBD Insurance plc	Solvency II value December 31 2018 €000s	Local GAAP December 31 2018 €000s
Balance Sheet		
Deferred acquisition costs	-	31,956
Intangible assets	-	355
Deferred tax assets	-	-
Pension benefit surplus	-	8,111
Property, plant & equipment held for own use	58,415	60,659
Property (other than for own use)	23,811	23,811
Financial Assets - Equities	885	885
Financial Assets - Government Bonds	302,443	297,384
Financial Assets - Corporate Bonds	498,717	497,710
Financial Assets - Collective Investments Undertakings	78,514	78,514
Deposits (including cash and cash equivalents)	145,920	145,862
Loans and mortgages	581	581
Reinsurance recoverables	68,527	80,925
Receivables (trade, not insurance)	8,865	8,865
Any other assets, not elsewhere shown	14,748	57,618
Total assets	1,201,427	1,293,236

	Solvency II value December 31 2018 €000s	Local GAAP December 31 2018 €000s
Technical provisions - non-life	781,797	920,900
Provisions other than technical provisions	7,751	7,738
Deferred tax liabilities	9,171	2,950
Debts owed to credit institutions	94	94
Payables (trade, not insurance)	28,031	28,031
Subordinated liabilities	50,000	49,426
Any other liabilities, not elsewhere shown	2,549	5,044
Total liabilities	879,394	1,014,183
Excess of assets over liabilities	322,033	279,054

D1. Assets

Solvency II Valuation for each material class of asset is listed below. The FBD Holdings plc (Group) Financial Statements are prepared in line with IFRS and FBD Insurance plc (Company) Financial Statements are prepared in line with FRS 102 & 103. The difference in the Financial Statement valuations to Solvency II is detailed below.

D1.1 Deferred Acquisition Costs (DAC)

The Group and the Company respectively recognise an asset relating to deferred acquisition costs (DAC). DAC is not recognised in the Solvency II framework and is therefore removed under Solvency II.

D1.2 Deferred Tax Asset/Liability

The Group has recognised a deferred tax asset in the Financial Statements however a deferred tax liability is recognised under Solvency II. This difference is due to the revaluation of the Technical Provisions under Solvency II and the non-recognition of deferred acquisition costs and the pension surplus under Solvency II.

D1.3 Pension Benefit Surplus

The pension surplus is not recognised in the Solvency II framework and was removed.

D1.4 Property, plant and equipment

D1.4.1 Property

In the Group, Property (other than for own use) comprises of an investment property held for rental in Ireland. In the Company there are additional properties occupied by Group companies recognised as Property (other than for own use).

Properties were valued at fair value at 31 December 2018 by independent external professional valuers, CB Richard Ellis, Valuation Surveyors. The valuations were prepared in accordance with the RICS Valuation – Professional Standards global January 2014 (Red Book).

The valuations report received from the external professional valuers states that the valuations have been prepared on the basis of "Market Value". The properties have been valued individually and no account taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously either as lots or as a whole.

D1.4.2 Plant and equipment

Plant and equipment is stated in the IFRS and FRS 102 & 103 financial statements at cost less accumulated depreciation and accumulated revaluation profits/(losses). Plant and equipment is stated at fair value under Solvency II as assessed by the Board on an annual basis. FBD Holdings plc has higher Property, plant and equipment held for own use than the Company as it includes the properties occupied by the Group companies.

Depreciation is provided in respect of all plant and equipment and is calculated to write off the cost or valuation of the assets over their expected useful lives. The useful life of plant and equipment is estimated to be three to ten years dependent on the asset. Depreciation on assets in development commences when the assets are ready for their intended use.

D1.5 Financial Assets

Financial assets are quoted investments in active markets which are stated at fair value. They are recognised on a trade date basis at fair value and are revalued at subsequent reporting dates at fair value, using the closing bid price. Closing bid prices are obtained from a number of external providers in order to confirm their accuracy.

The Group assumes that the quoted closing bid price for these assets is the price that would be achievable had the assets been sold at the time of valuation.

The total value of the financial assets in the Financial Statements is the same as the Solvency II valuation, however there are some classification differences in the reporting of the assets. Certain corporate bonds in the Financial Statements are classified as government bonds for Solvency II. Equity funds are shown as equities in the Financial Statements but are classified as collective investments undertakings in the Solvency II valuation.

Accrued income on bonds is reflected on the bond line for Solvency II but is shown in other assets in the Financial Statements.

D1.6 Deposits, cash and cash equivalents

Deposits, cash and cash equivalents are valued at amortised cost using the effective interest rate method. The Directors believe that this represents fair value and that the above values are the recoverable amounts. Accrued interest on deposits and accrued interest in cash and cash equivalents are reflected on the deposits and cash and cash equivalent lines for Solvency II but are shown in other assets in the Group and Company Financial Statements.

D1.7 Trade receivables

Trade receivables are valued at amortised cost using the effective interest rate method. The Directors believe that this represents fair value and that the above values are the recoverable amounts. There are no differences between the IFRS and FRS 102 & 103 valuation and the Solvency II valuation.

D1.8 Any other assets, not elsewhere shown

As described in above sections, accrued income and accrued interest is included in Any Other Assets for IFRS and FRS 102 & 103 but for the Solvency II valuation accrued income and accrued interest is reflected on the Bond lines and Cash/Deposit lines respectively. Under Solvency II 'Any other assets, not elsewhere shown' also includes the Company's policyholder and intermediary debtors adjusted to remove direct debit premium receivable but not yet due. This is consistent with the valuation principles for Technical Provisions under Solvency II which require that such balances are deducted from Technical Provisions.

D1.9 Reinsurance recoverables

Reinsurance recoverables are stated at a discounted best estimate value in line with Solvency II rules. Reinsurance recoverables are not discounted for the IFRS and FRS 102 & 103 valuation.

D2. Technical Provisions

D2.1 Technical Provision by material line of business

The table below shows the Technical Provisions as at 31 December 2018 by line of business. FBD Holdings plc (prepared under IFRS) and FBD Insurance plc (prepared under FRS 102 & 103) have the same Technical Provisions listed below.

Technical Provisions 2018	Motor vehicle liability insurance €000s	Other motor insurance €000s	Fire and other damage to property insurance €000s	General liability insurance €000s	Other insurance €000s	Total €000s
Gross Best Estimate Liab.	371,349	9,502	50,117	305,260	5,606	741,834
Risk margin	15,821	2,325	4,172	17,168	477	39,963
Gross Technical Provisions	387,170	11,827	54,289	322,428	6,083	781,797
Recoverables	(57,741)	-	285	(10,965)	(106)	(68,527)
Net Technical Provisions	329,430	11,827	54,574	311,463	5,977	713,270

Technical Provisions 2017	Motor vehicle liability insurance €000s	Other motor insurance €000s	Fire and other damage to property insurance €000s	General liability insurance €000s	Other insurance €000s	Total €000s
Gross Best Estimate Liab.	397,241	10,207	61,292	299,745	5,847	774,332
Risk margin	17,577	2,238	4,678	18,201	475	43,170
Gross Technical Provisions	414,818	12,445	65,971	317,946	6,322	817,501
Recoverables	66,220	-	7,249	9,288	197	82,955
Net Technical Provisions	348,598	12,445	58,721	308,658	6,124	734,546

D2.2 Methodology

The Company values Technical Provisions using the methodology prescribed by the Solvency II Directive and the regulations made under the Directive.

The Company uses homogeneous risk groups in the calculation of Technical Provisions. The groupings are based on type of business giving rise to the claim (Line of Business) and the size of the claim. When determining groupings, the credibility of data is balanced against homogeneity. The modelling approach for each group is similar, though assumptions may vary.

Gross claims for earned premium are projected to ultimate using standard actuarial techniques including Bornhuetter-Ferguson and Chain Ladder methods. The key assumptions made include the initial expected loss ratios for each accident year and the projected incurred and paid development patterns. Ultimate gross claims for earned premium are converted to net of reinsurance utilising reinsurance treaty information.

At the valuation date 31 December 2018, the Company had both incepted unearned business and business that was bound but not incepted. The ultimate gross claims, expenses and reinsurance recoveries for the unearned business are taken from the Company's premium reserve model. This is a deterministic model that calculates ultimate loss and expense ratios on a gross and net basis.

Reserves are added to liabilities in respect of earned and unearned business to account for events that may occur but have not been seen historically. A binary modelling approach using frequency and severity expectations around each event is used to determine reserves.

Best estimate of the claims, premiums and expense cash flows are discounted to give best estimate liabilities. A risk margin is added to best estimate liabilities to arrive at Technical Provisions.

D2.3 Key areas of uncertainty

D2.3.1 Estimation of outstanding loss reserves ("OSLR")

While information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty.

D2.3.2 Estimation of losses relating to claims

Estimation of the losses relating to claims which have been incurred but not reported ("IBNR") is generally subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of reserving.

D2.3.3 Unexpired Risks

Estimation of claims arising on business which has not yet expired ("unexpired risks") is uncertain as the claims have not yet been incurred, but are expected to be incurred on the business which the Company has written.

D2.3.4 Market environment

Changes in the market environment increase the inherent uncertainty affecting the business. In particular, claims inflation, publishing of updated Book of Quantum, discount legislation and recent introduction of Periodic Payment Orders (PPO) legislation have impacted the market environment in recent years or may impact the market environment in the coming years.

D2.3.5 Events not in data ('ENID loading')

Estimating a provision for events not in data is subject to considerable uncertainty as the events being considered have not been observed.

D2.3.6 Run-off expenses

The estimation of the change in expense base for run-off of the Company is inherently uncertain due to the estimations around the period of the run-off, base costs and inflation.

D2.3.7 Risk Margin

The Risk Margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the same uncertainties of the run-off expenses provision considered at D.2.3.6, as well as the inherent uncertainties around forecasting future solvency capital requirements.

D2.4 Risk Management

The Company manages the risks around these uncertainties via the following actions:

- On-going monitoring of claims, including regular reviews of claims handling functions;
- Maintaining a number of reinsurance arrangements to limit the impact of adverse claims development;
- Internal controls through the Reserving Committee and Actuarial Function which monitor claims development and reinsurance arrangements; and
- Regular external actuarial reviews.

D2.5 Transition from FRS to Solvency II

The changes required to transition from FRS accounts to Technical Provisions for solvency purposes are consistent for all lines of business, and are noted below.

D2.5.1 Claims provisions

The Company has made no adjustments to the projected claims provisions used in its FRS accounts in recording the claims provisions for solvency purposes. Gross claims provisions as at 31 December 2018 are €658.1m.

D2.5.2 Reinsurance share of claims provisions

The Company has made no adjustments other than Reinstatement premia to the reinsurance recoveries in its FRS accounts in recording the reinsurance share of claims provisions for solvency purposes. The reinsurance share of claims provisions as at 31 December 2018 is €70.9m.

D2.5.3 Unexpired risks

The Company has estimated the claims which will be payable on unexpired risks, termed "premium provisions", based on the ultimate loss and expense ratios from the claims provisions and premium rate adjustments related to the unearned book of business. Gross premium provisions as at 31 December 2018 are €83.7m.

D2.5.4 Risk Margin

The Risk Margin has been considered to ensure that the value of the Technical Provisions is equivalent to the amount that would be expected to have to be paid to a third party insurance group in order to take over and meet the insurance obligations of the Company. The Risk Margin has been calculated based on the estimated capital requirements to run-off the Company's obligations, and applying a cost of capital of 6%.

The Risk Margin is calculated using a simplified method allowed under Article 58 of Commission Delegated Regulation 2015/35. The capital required to run-off the portfolio is based on the future estimated SCRs, taking account of underwriting risk, reinsurance counterparty risk and operational risk. The Group approximates the whole SCR for each future year by using a ratio of the best estimate liabilities at each future year to the best estimate liabilities at the valuation date. This results in a Risk Margin of €40.0m.

D2.5.5 Other

The Company has made adjustments for events not in data, reinsurance amounts recoverable on unexpired risks, policyholder receivables, reinsurance payable, counterparty default, expenses that will be incurred in servicing insurance obligations and discounting.

D2.6 Adjustments not applied

The Company has not applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating its Technical Provisions.

D2.7 Changes in Assumptions

There were no material changes in the relevant assumptions made in the calculation of Technical Provisions compared to the previous reporting period.

D2.8 Special Purpose Vehicles

The Company does not have any Special Purpose Vehicles.

D3. Other Liabilities

D3.1 Deferred Tax Liabilities

The Group and the Company have recognised a deferred tax liability under Solvency II and IFRS. The variance is due to the revaluation of the Technical Provisions and the non-recognition of deferred acquisition costs and the pension surplus under Solvency II.

D3.2 Provision other than Technical Provisions

Provisions other than Technical Provisions include a provision for Motor Insurers' Bureau of Ireland ("MIBI"). The provision is included under IFRS and FRS 102 & 103 at fair value and is not discounted. The provision is discounted for the Solvency II valuation.

D3.3 Reinsurance payables

Reinsurance payables (excluding Reinstatement premia) not past due are included in any other liabilities. Reinsurance payables are calculated in accordance with reinsurance agreements. Reinstatement premia is included in the Technical Provisions under Solvency II.

D3.4 Payables (trade, not insurance); Debts owed to credit institutions

There are no valuation differences between the IFRS and FRS 102 & 103 accounts and the Solvency II valuation for payables (trade, not insurance) and debts owed to credit institutions as they are held at fair value.

D3.5 Subordinated liabilities

On 1 October 2018 FBD Holdings plc announced that its subsidiary FBD Insurance plc had entered into an agreement to purchase and cancel the €70,000,000 7% Convertible Notes which were in issue for €86,059,000. The below table shows the loss recognised as a result of the purchase and cancellation of the Notes.

	2018	2017
	€000s	€000s
Purchase and cancellation of the Convertible Notes		
Balance at 1 January	52,525	51,136
Amortised during the year	1,062	1,389
Derecognition of convertible debt upon purchase and cancellation	(53,587)	-
Balance at 31 December	-	52,525
Carrying value of bond on date of settlement (as per above table)	53,587	-
Carrying value of equity on date of settlement	18,232	-
Total carrying value of convertible debt on date of settlement	71,819	-
Consideration paid for convertible bond	(86,059)	-
Loss on purchase and cancellation of the Convertible	(14,240)	-
<i>Loss on purchase and cancellation of the bond attributable to:</i>		
A) Statement of Changes in Equity:		
- Loss on equity portion	2,763	-
B) Consolidated Income Statement:		
- Loss on debt portion	11,477	-
	-	-

Interest costs associated with the Notes totalling €4,864,000 (2017: €6,298,000) were incurred and recognised during the financial year up to the date of derecognition of the Notes.

Further to the loss on the debt portion of the bond of €11,477,000 in the Consolidated Income Statement, redemption costs of €359,000 were incurred in the period. The total exceptional loss included in the Consolidated Income Statement is €11,836,000.

On 2 October 2018 FBD Insurance plc successfully agreed to issue €50,000,000 of new Callable Dated Deferrable Subordinated Notes due 2028. The agreed coupon for the notes was 5%. Interest costs associated with the subordinated notes totalling €589,000 were incurred and recognised during the financial year.

D3.6 Reconciliation of Total Liabilities to Solvency II Balance Sheet

The following are the material movements for the Group;

- Technical Provisions, Deferred tax liabilities and Subordinated Liabilities are revalued for the Solvency II valuation as explained above.
- Debt owed to credit institutions is a reclassification for the Solvency II valuation.

The following are the material movements for FBD Insurance plc;

- Technical Provisions, Deferred tax liabilities and Subordinated Liabilities are revalued for the Solvency II valuation as explained above.
- Provisions other than Technical Provisions include a Solvency II reclassification and are also subject to discounting for the Solvency II valuation.

D4. Alternative methods of valuation

The Group does not use any alternative valuation methods.

E. Capital Management

E1. Own Funds

E1.1 Objectives, policies and processes for managing own funds

The solvency objective is to ensure that the Group has and will have in the future sufficient capital to pay its policyholders and all other creditors in full as these liabilities fall due. This means the Group must hold an appropriate amount and quality of capital to meet regulatory requirements as well as a buffer relevant to the specific capital needs given its risk profile, financial condition, business model and strategies, overall complexity, sensitivity to changing conditions and other factors that may arise from time to time. The Group believes that maintaining a strong capital position is imperative to being able to continue to operate through periods of severe stress.

FBD measures and calculates capital using the Standard Formula. The Solvency Capital Requirement (SCR) measures the amount of capital which is required to be held to cover a 1/200 year event over a 1 year horizon and reflects the risk profile of the Group. The MCR, lower than the SCR, is the minimum level of regulatory capital required.

The Medium-Term Capital Management Plan is updated at least annually in accordance with the most up to date SCR calculations and monitored quarterly with regard to performance and emerging trends. Any issues arising are highlighted to the Executive Management Team (EMT) and the Board as appropriate. As part of the overall strategy the Company prepares financial forecasts over the Business Planning period. These financial forecasts include projected Solvency Capital Ratios and are presented to both the EMT and the Board.

The ORSA contains a three year projection of requirements which also assists in managing own funds.

E1.2 Information on the structure, amount and quality of own funds

FBD Holdings plc	Tier 1 €'000s	Tier 2 €'000s	Tier 3 €'000s	Total €'000s
1 January 2018	293,320	72,923	-	366,243
Movement during year	11,297	(20,000)	-	(8,703)
31 December 2018	304,618	52,923	-	357,541 ¹
Eligible amount to cover the SCR	304,618	52,923	-	357,541
Eligible amount to cover the MCR	304,618	18,848	-	323,466
1 January 2017	225,104	72,923	5,473	303,500
Movement during year	68,216	-	(5,473)	62,743
31 December 2017	293,320	72,923	-	366,243 ²
Eligible amount to cover the SCR	293,320	72,923	-	366,243
Eligible amount to cover the MCR	293,320	19,161	-	312,481

1 Own funds available to cover SCR has been reduced by the Foreseeable Dividend of €17.6m.

2 Own funds available to cover SCR has not been reduced by the 2017 Dividend of €8.6m paid in 2018.

FBD Insurance plc	Tier 1 €'000s	Tier 2 €'000s	Tier 3 €'000s	Total €'000s
1 January 2018	295,556	70,635	-	366,191
Movement during year	4,432	(20,000)	-	(15,568)
31 December 2018	299,988	50,635	-	350,623 ¹
Eligible amount to cover the SCR	299,988	50,635	-	350,623
Eligible amount to cover the MCR	299,988	18,848	-	318,836
1 January 2017	227,962	70,635	4,886	303,483
Movement during year	67,594	-	(4,886)	62,708
31 December 2017	295,556	70,635	-	366,191 ²
Eligible amount to cover the SCR	295,556	70,635	-	366,191
Eligible amount to cover the MCR	295,556	19,156	-	314,712

1 Own funds available to cover SCR has been reduced by the Foreseeable Dividend of €21.4m.

2 Own funds available to cover SCR has not been reduced by the 2017 Dividend of €10.1m paid in 2018.

E.1.2.1 Ordinary share capital

FBD Holdings plc has fully paid up ordinary share capital of €21.4m (2017: €21.4m). FBD Insurance plc has fully paid up ordinary share capital of €74m (2017: €74m). This is available to fully absorb losses, and in the case of winding up, ranks behind all other obligations. This share capital satisfies all the requirements of Tier 1 own funds as set out in article 71 of the Commission Delegated Regulations (EU) 2015.

E.1.2.2 Reconciliation reserve

The reconciliation reserve is equal to the total excess assets over liabilities reduced by the other basic own fund items. The reconciliation reserve is fully available to absorb losses.

FBD Holdings plc	2018 €'000s	2017 €'000s
Excess of assets over liabilities	325,156	296,243
Foreseeable dividends, distributions and charges	(17,615)	-
Other basic own fund items	(24,332)	(24,332)
Reconciliation reserve	283,209	271,911

FBD Insurance plc	2018 €'000s	2017 €'000s
Excess of assets over liabilities	322,033	296,191
Foreseeable dividends, distributions and charges	(21,410)	-
Other basic own fund items	(74,822)	(74,822)
Reconciliation reserve	225,801	221,369

E1.2.3 Preference share capital

FBD Holdings plc has fully paid up preference share capital of €2.9m (2017: €2.9m). FBD Insurance plc has fully paid up preference share capital of €0.6m (2017: €0.6m). It is available to fully absorb losses, and in the case of winding up, ranks behind all other obligations with the exception of ordinary share capital. It satisfies all the requirements of Tier 2 own funds as set out in article 73 of the Commission Delegated Regulations (EU) 2015. It does not fully meet the requirements to be classified as Tier 1 capital, as they do not comply with article 71, part 4(d), whereby there is an obligation to make a distribution on the preference share capital if a distribution has been made on the ordinary share capital of the company.

E1.2.4 Subordinated Liabilities

Included within Tier 2 of both FBD Holdings plc and FBD Insurance plc €50,000,000 of new Callable Dated Deferrable Subordinate Notes due 2028. The agreed coupon for the notes is 5%. This subordinated bond satisfies all the requirements of Tier 2 own funds as set out in article 73 of the Commission Delegated Regulations (EU) 2015.

E1.2.5 Ancillary own funds

The Group has no ancillary own funds.

E1.2.6 Analysis of material changes in each Tier

FBD Holdings plc reflects a €11m increase in the 2018 Tier 1 Own Funds. The increase is due to an increase in the Reconciliation Reserve primarily driven by the increase in Underwriting Profit in 2018, offset by the proposed dividend of €17.6m.

FBD Insurance plc reflects a €4m increase in the 2018 Tier 1 Own Funds. The increase is due to an increase in the Reconciliation Reserve primarily driven by the increase in Underwriting Profit in 2018, offset by the proposed dividend of €21.4m.

There is a decrease of €20m in Tier 2 Own Funds. On 1 October 2018 FBD Insurance plc had entered into an agreement to purchase and cancel the €70,000,000 7% Convertible Notes, On 2 October 2018 FBD Insurance plc successfully agreed to issue €50,000,000 of new Callable Dated Deferrable Subordinated Notes due 2028. The agreed coupon for the notes was 5%.

There is no change in the Tier 3 Own Funds for both FBD Holdings plc and FBD Insurance plc.

E1.2.7 Difference between Equity shown in the financial statements and the Solvency II value of excess assets over liabilities

FBD Holdings plc	2018 €'000s	2017 €'000s
Equity Per Financial Statements		
Ordinary Share Capital	21,409	21,409
Retained Earnings	262,074	250,217
Preference Share Capital	2,923	2,923
Financial Liabilities at amortised Cost	49,426	52,525
Total Equity (including Tier II debt)	335,832	327,074
Adjustments for Solvency II		
Difference in technical provisions net of reinsurance	89,961	85,465
Deferred acquisition costs not recognised	(31,366)	(31,366)
DB Pension asset not recognised	(12,944)	(9,774)
Deferred tax	(4,537)	(5,596)
Provisions other than technical provisions	(1,790)	440
Solvency II value of excess assets over liabilities (Including Tier II Debt)	375,156	366,243

FBD Insurance plc	2018	2017
	€'000s	€'000s
Equity Per Financial Statements		
Ordinary Share Capital	74,187	74,187
Retained Earnings	204,232	197,934
Preference Share Capital	635	635
Financial Liabilities at amortised Cost	49,426	52,525
Total Equity (including Tier II debt)	328,480	325,281
Adjustments for Solvency II		
Difference in technical provisions net of reinsurance	89,961	85,461
Deferred acquisition costs not recognised	(31,956)	(31,366)
DB Pension asset not recognised	(8,111)	(7,329)
Deferred tax	(6,222)	(5,845)
Provisions other than technical provisions	(118)	(11)
Solvency II value of excess assets over liabilities (Including Tier II Debt)	372,033	366,191

E1.2.8 Transitional Arrangements

There are no own funds items subject to transitional arrangements.

E2. Solvency Capital Requirement and Minimum Capital Requirements

E2.1 Solvency Capital Requirement (SCR) Net

The Group solvency ratio stood at 165% (FBD Insurance plc ratio 162%) as at 31 December 2018 and is based on the Standard Formula. These solvency ratio figures include an allowance for the proposed dividend payable in May 2019.

The Directive prescribes two methods for the calculation of the group solvency:

- Method 1 – standard method based on the consolidation of financial statements
- Method 2 – alternative method based on deduction and aggregation

FBD Holdings plc applies method 1 for the determination of the Group solvency.

The table below shows the inputs into the Solvency Capital Requirement (SCR) calculation as at 31 December 2018.

Solvency Capital Requirement	2018	2017
	Net SCR	Net SCR
FBD Holdings plc	€000s	€000s
Non-Life Underwriting Risk	192,970	195,657
Health Underwriting Risk	3,128	3,007
Market Risk	63,205	63,766
Counterparty Default Risk	7,467	11,212
Undiversified BSCR	266,770	273,641
Diversification Credit	(44,996)	(46,960)
Basic SCR	221,774	226,681
Operational Risk	22,255	23,230
Loss absorbing capacity of technical provisions and deferred tax	(26,752)	(26,752)
Solvency Capital Requirement	217,277	223,160

Solvency Capital Requirement	2018 Net SCR €000s	2017 Net SCR €000s
FBD Insurance plc		
Non-Life Underwriting Risk	192,970	195,702
Health Underwriting Risk	3,128	3,007
Market Risk	61,753	63,110
Counterparty Default Risk	7,073	10,845
Undiversified BSCR	264,924	272,664
Diversification Credit	(44,108)	(46,478)
Basic SCR	220,817	226,186
Operational Risk	22,255	23,230
Loss absorbing capacity of technical provisions and deferred tax	(26,752)	(26,752)
Solvency Capital Requirement	216,320	222,665

E2.2 Minimum Capital Requirement

The table below shows the inputs into the Minimum Capital Requirement (MCR) calculation as at 31 December 2018.

Minimum Capital Requirement FBD Holdings plc	2018 €000s	2017 €000s
Linear MCR	94,240	95,807
SCR	217,277	223,160
Combined MCR	94,240	95,807
Minimum Capital Requirement	94,240	95,807

Minimum Capital Requirement FBD Insurance plc	2018 €000s	2017 €000s
Linear MCR	94,240	95,807
SCR	216,320	222,665
Combined MCR	94,240	95,807
Minimum Capital Requirement	94,240	95,807

E2.3 Simplified calculations

The Group does not use simplified calculations for risk modules and sub-modules of the Standard Formula.

E2.4 Compliance with the MCR and the SCR

The solvency position is monitored on a regular basis to ensure compliance. The Group was compliant with both the MCR and SCR throughout 2018.

E2.5 Material changes in MCR & SCR during the year

There have been no material changes to the MCR during 2018. The SCR has reduced in the year from €223m to €216m for FBD Insurance plc and from €223m to €217m for FBD Holdings plc.

These reductions are primarily due to the following:

- Reduced reserves,
- Lower equity charge,
- Lower cash holdings and debtor exposures.

F. Appendices

FBD Holdings plc Quantitative Reporting Templates

S.02.01.02 – Balance Sheet

S.05.01.02 – Premiums, claims and expenses by line of business

S.05.02.01 – Premiums, claims and expenses by country

S.23.01.22 – Own Funds

S.25.01.22 – Solvency Capital Requirement – for Groups on Standard Formula

S.32.01.22 – Undertakings in the scope of the Group

FBD Insurance plc Quantitative Reporting Templates

S.02.01.02 – Balance Sheet

S.05.01.02 – Premiums, claims and expenses by line of business

S.05.02.01 – Premiums, claims and expenses by country

S.17.01.02 – Non-Life Technical Provisions

S.19.01.21 – Non-Life Insurance Claims

S.23.01.01 – Own Funds

S.25.01.21 – Solvency Capital Requirement – for Undertakings on Standard Formula

S.28.01.01 – Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

FBD HOLDINGS PLC

General information

Participating undertaking name	FBD HOLDINGS PLC
Group identification code	635400HNBZBITDHQJG48
Type of code of group	LEI
Country of the group supervisor	IE
Language of reporting	en
Reporting reference date	31 December 2018
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.23.01.22 - Own Funds
- S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula
- S.32.01.22 - Undertakings in the scope of the group

FBD HOLDINGS PLC

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Assets	
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	66,246
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,002,926
R0080	<i>Property (other than for own use)</i>	18,310
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	Equities	885
R0110	Equities - listed	262
R0120	Equities - unlisted	623
R0130	Bonds	801,161
R0140	Government Bonds	302,443
R0150	Corporate Bonds	498,717
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	78,514
R0190	Derivatives	
R0200	Deposits other than cash equivalents	104,056
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	615
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	615
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	68,527
R0280	Non-life and health similar to non-life	68,527
R0290	Non-life excluding health	68,505
R0300	Health similar to non-life	22
R0310	Life and health similar to life, excluding index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	10,016
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	44,735
R0420	Any other assets, not elsewhere shown	13,931
R0500	Total assets	1,206,996

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	781,797
R0520	<i>Technical provisions - non-life (excluding health)</i>	775,852
R0530	<i>TP calculated as a whole</i>	
R0540	<i>Best Estimate</i>	736,343
R0550	<i>Risk margin</i>	39,508
R0560	<i>Technical provisions - health (similar to non-life)</i>	5,945
R0570	<i>TP calculated as a whole</i>	
R0580	<i>Best Estimate</i>	5,491
R0590	<i>Risk margin</i>	455
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	7,751
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	8,147
R0790	Derivatives	
R0800	Debts owed to credit institutions	94
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	31,502
R0850	Subordinated liabilities	50,000
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	50,000
R0880	Any other liabilities, not elsewhere shown	2,549
R0900	Total liabilities	881,840
R1000	Excess of assets over liabilities	325,156

FBD HOLDINGS PLC

S.05.01.02

Premiums, claims and expenses by line of business

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					Total
	Income protection insurance C0020	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	
Non-life						C0200
Premiums written						
R0110 Gross - Direct Business	5,559	123,243	58,615	28	110,859	73,200
R0120 Gross - Proportional reinsurance accepted						
R0130 Gross - Non-proportional reinsurance accepted						
R0140 Reinsurers' share	465	16,054	0	344	13,787	6,085
R0200 Net	5,094	107,189	58,615	-316	97,072	67,115
Premiums earned						
R0210 Gross - Direct Business	5,596	124,235	58,927	38	113,235	72,606
R0220 Gross - Proportional reinsurance accepted						
R0230 Gross - Non-proportional reinsurance accepted						
R0240 Reinsurers' share	465	16,054	0	342	13,787	6,085
R0300 Net	5,131	108,181	58,927	-304	99,448	66,521
Claims incurred						
R0310 Gross - Direct Business	3,878	56,355	25,112	-103	43,252	55,377
R0320 Gross - Proportional reinsurance accepted						
R0330 Gross - Non-proportional reinsurance accepted						
R0340 Reinsurers' share	-22	-5,640	0	-41	4,070	4,121
R0400 Net	3,900	61,995	25,112	-62	39,182	51,256
Changes in other technical provisions						
R0410 Gross - Direct Business						
R0420 Gross - Proportional reinsurance accepted						
R0430 Gross - Non-proportional reinsurance accepted						
R0440 Reinsurers' share	0	0	0	0	0	0
R0500 Net						
Expenses incurred						
R0550 Gross - Direct Business	1,204	32,417	11,688	19	29,568	19,428
R1200 Other expenses						
R1300 Total expenses						94,324

FBD HOLDINGS PLC

S.05.02.01

Premiums, claims and expenses by country

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations			Total Top 5 and home country
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Non-life							
Premiums written							
R0010 Gross - Direct Business	371,504						371,504
R0120 Gross - Proportional reinsurance accepted							0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share	36,735						36,735
R0200 Net	334,769	0	0	0	0	0	334,769
Premiums earned							
R0210 Gross - Direct Business	374,637						374,637
R0220 Gross - Proportional reinsurance accepted							0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share	36,734						36,734
R0300 Net	337,903	0	0	0	0	0	337,903
Claims incurred							
R0310 Gross - Direct Business	183,870						183,870
R0320 Gross - Proportional reinsurance accepted							0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share	2,487						2,487
R0400 Net	181,383	0	0	0	0	0	181,383
Changes in other technical provisions							
R0410 Gross - Direct Business							0
R0420 Gross - Proportional reinsurance accepted							0
R0430 Gross - Non-proportional reinsurance accepted							0
R0440 Reinsurers' share							0
R0500 Net	0	0	0	0	0	0	0
Expenses incurred							
R0550	94,324						94,324
Other expenses							
Total expenses							94,324

FBD HOLDINGS PLC

S.23.01.22

Own Funds

Basic own funds before deduction for participations in other financial sector

	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010 Ordinary share capital (gross of own shares)	21,408	21,408		0	
R0020 <i>Non-available called but not paid in ordinary share capital at group level</i>	0				
R0030 Share premium account related to ordinary share capital	0	0		0	
R0040 Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050 Subordinated mutual member accounts	0		0	0	0
R0060 <i>Non-available subordinated mutual member accounts at group level</i>	0				
R0070 Surplus funds	0	0			
R0080 <i>Non-available surplus funds at group level</i>	0	0			
R0090 Preference shares	2,923		0	2,923	0
R0100 <i>Non-available preference shares at group level</i>	0				
R0110 Share premium account related to preference shares	0		0	0	0
R0120 <i>Non-available share premium account related to preference shares at group level</i>	0				
R0130 Reconciliation reserve	283,209	283,209			
R0140 Subordinated liabilities	50,000		0	50,000	0
R0150 <i>Non-available subordinated liabilities at group level</i>	0				
R0160 An amount equal to the value of net deferred tax assets	0				0
R0170 <i>The amount equal to the value of net deferred tax assets not available at the group level</i>	0				0
R0180 Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190 <i>Non available own funds related to other own funds items approved by supervisory authority</i>	0				
R0200 Minority interests (if not reported as part of a specific own fund item)	0				
R0210 <i>Non-available minority interests at group level</i>	0				

R0220 **Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**

R0230 **Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities**

R0240 *whereof deducted according to art 228 of the Directive 2009/138/EC*

0					
0					

Basic own funds before deduction for participations in other financial sector

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
0				
0				
0	0	0	0	0
0	0	0	0	0
357,541	304,617	0	52,923	0

R0250 Deductions for participations where there is non-availability of information (Article 229)
R0260 Deduction for participations included by using D&A when a combination of methods is used

R0270 Total of non-available own fund items
R0280 Total deductions

R0290 Total basic own funds after deductions

Ancillary own funds

R0300 Unpaid and uncalled ordinary share capital callable on demand
R0310 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320 Unpaid and uncalled preference shares callable on demand
R0330 A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0380 Non available ancillary own funds at group level
R0390 Other ancillary own funds
R0400 Total ancillary own funds

Own funds of other financial sectors

R0410 Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies
R0420 Institutions for occupational retirement provision
R0430 Non regulated entities carrying out financial activities
R0440 Total own funds of other financial sectors

Basic own funds before deduction for participations in other financial sector

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
0				
0				

Own funds when using the D&A, exclusively or in combination of method 1

- R0450 Own funds aggregated when using the D&A and combination of method
R0460 Own funds aggregated when using the D&A and combination of method net of IG

- R0520 Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)
R0530 Total available own funds to meet the minimum consolidated group SCR
R0560 Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)
R0570 Total eligible own funds to meet the minimum consolidated group SCR (group)

357,541	304,617	0	52,923	0
357,541	304,617	0	52,923	
357,541	304,617	0	52,923	0
323,465	304,617	0	18,848	

R0610 Minimum consolidated Group SCR

94,240
343.24%

R0650 Ratio of Eligible own funds to Minimum Consolidated Group SCR

- R0660 **Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**

357,541	304,617	0	52,923	0
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R0680 Group SCR

217,277
164.56%

- R0690 **Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**

Reconciliation reserve

C0060
325,156

- R0700 Excess of assets over liabilities
R0710 Own shares (held directly and indirectly)
R0720 Forseeable dividends, distributions and charges
R0730 Other basic own fund items
R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

17,615
24,332
0

- R0750 Other non available own funds

R0760 Reconciliation reserve

283,209

Expected profits

- R0770 Expected profits included in future premiums (EPIFP) - Life business
R0780 Expected profits included in future premiums (EPIFP) - Non- life business
R0790 **Total Expected profits included in future premiums (EPIFP)**

14,390
14,390

FBD HOLDINGS PLC

S.32.01.22

Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority		
Row	C0010	C0020	C0040	C0050	C0060	C0070	C0080		
1	IE	635400HQZXKXB5YCS61	C0030	LEI	FBD INSURANCE PLC	Non life insurance undertaking	Incorporated companies limited by shares or by guarantee or unlimited	Non-mutual	THE CENTRAL BANK OF IRELAND
2	IE	140134	Specific code	FBD INSURANCE GROUP	Credit institution, investment firm and financial institution	Other	Other	Non-mutual	THE CENTRAL BANK OF IRELAND
3	IE	155113	Specific code	BIERITZ INNS LIMITED	Other	Other	Other	Non-mutual	
4	IE	51715	Specific code	LEGACY INVESTMENT HOLDINGS LIMITED	Other	Other	Other	Non-mutual	
5	GB	7010V	Specific code	TOPENHALL LIMITED	Other	Other	Other	Non-mutual	
6	IE	635400HNBZBITDHQJG48	LEI	FBD HOLDINGS PLC	Other	Other	Other	Non-mutual	
7	IE	614936	Specific code	FBD CORPORATE SERVICE LIMITED	Other	Other	Other	Non-mutual	
8	IE	510146	Specific code	FBD TRUSTEE COMPANY LTD	Institution for occupational retirement provision			Non-mutual	THE PENSIONS AUTHORITY

FBD HOLDINGS PLC

S.32.01.22

Undertakings in the scope of the group

Row	Criteria of influence							Inclusion in the scope of Group supervision		Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied		
	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	
1	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation	
2	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation	
3	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
4	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
5	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
6	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
7	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	
8	100.00%	100.00%	100.00%		Dominant	100.00%	Not included in the scope (art. 214 b)		Method 1: Full consolidation	

FBD INSURANCE PLC

General information

Undertaking name	FBD INSURANCE PLC
Undertaking identification code	635400HQZXKIXB5YCS61
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	IE
Language of reporting	en
Reporting reference date	31 December 2018
Currency used for reporting	EUR
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

FBD INSURANCE PLC

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Assets	
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	58,415
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,008,427
R0080	<i>Property (other than for own use)</i>	23,811
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	Equities	885
R0110	Equities - listed	262
R0120	Equities - unlisted	623
R0130	Bonds	801,161
R0140	Government Bonds	302,443
R0150	Corporate Bonds	498,717
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	78,514
R0190	Derivatives	
R0200	Deposits other than cash equivalents	104,056
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	581
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	581
R0260	Other loans and mortgages	
R0270	Reinsurance recoverables from:	68,527
R0280	Non-life and health similar to non-life	68,527
R0290	Non-life excluding health	68,505
R0300	Health similar to non-life	22
R0310	Life and health similar to life, excluding index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	8,865
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	41,864
R0420	Any other assets, not elsewhere shown	14,748
R0500	Total assets	1,201,427

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	781,797
R0520	<i>Technical provisions - non-life (excluding health)</i>	775,852
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	736,343
R0550	<i>Risk margin</i>	39,508
R0560	<i>Technical provisions - health (similar to non-life)</i>	5,945
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	5,491
R0590	<i>Risk margin</i>	455
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	TP calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	7,751
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	9,171
R0790	Derivatives	
R0800	Debts owed to credit institutions	94
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	28,031
R0850	Subordinated liabilities	50,000
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	50,000
R0880	Any other liabilities, not elsewhere shown	2,549
R0900	Total liabilities	879,394
R1000	Excess of assets over liabilities	322,033

FBD INSURANCE PLC

S.05.01.02

Premiums, claims and expenses by line of business

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						Total
	Income protection insurance C0020	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	
Non-life							C0200
Premiums written							C0080
R0110 Gross - Direct Business	5,559	123,243	58,615	28	110,859	73,200	371,504
R0120 Gross - Proportional reinsurance accepted							0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share	465	16,054	0	344	13,787	6,085	36,735
R0200 Net	5,094	107,189	58,615	-316	97,072	67,115	334,769
Premiums earned							
R0210 Gross - Direct Business	5,596	124,235	58,927	38	113,235	72,606	374,637
R0220 Gross - Proportional reinsurance accepted							0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share	465	16,054	0	342	13,787	6,085	36,734
R0300 Net	5,131	108,181	58,927	-304	99,448	66,521	337,903
Claims incurred							
R0310 Gross - Direct Business	3,878	56,355	25,112	-103	43,252	55,377	183,870
R0320 Gross - Proportional reinsurance accepted							0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share	-22	-5,640	0	-41	4,070	4,121	2,487
R0400 Net	3,900	61,995	25,112	-62	39,182	51,256	181,383
Changes in other technical provisions							
R0410 Gross - Direct Business							0
R0420 Gross - Proportional reinsurance accepted							0
R0430 Gross - Non-proportional reinsurance accepted							0
R0440 Reinsurers' share							0
R0500 Net	0	0	0	0	0	0	0
Expenses incurred							
R0550 Gross - Direct Business	1,195	32,192	11,606	19	29,359	19,307	93,678
R1200 Other expenses							
R1300 Total expenses							93,678

FBD INSURANCE PLC

S.05.02.01

Premiums, claims and expenses by country

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations						Total Top 5 and home country
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Non-life	Top 5 countries (by amount of gross premiums written) - non-life obligations						
R0010							
Premiums written							
R0110	371,504						371,504
R0120							0
R0130							0
R0140	36,735						36,735
R0200	334,769	0	0	0	0	0	334,769
Premiums earned							
R0210	374,637						374,637
R0220							0
R0230							0
R0240	36,734						36,734
R0300	337,903	0	0	0	0	0	337,903
Claims incurred							
R0310	183,870						183,870
R0320							0
R0330							0
R0340	2,487						2,487
R0400	181,383	0	0	0	0	0	181,383
Changes in other technical provisions							
R0410							0
R0420							0
R0430							0
R0440							0
R0500	0	0	0	0	0	0	0
Expenses incurred							
R0550	93,678						93,678
R1200							
R1300							93,678

FBD INSURANCE PLC

S.17.01.02

Non-Life Technical Provisions

Direct business and accepted proportional reinsurance							Total Non-Life obligation
Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance		
C0030	C0050	C0060	C0070	C0080	C0090	C0180	
0	0	0	0	0	0	0	0

R0010 Technical provisions calculated as a whole

R0050 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole

Technical provisions calculated as a sum of BE and RM Best estimate

Premium provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Premium Provisions

1,662	35,865	6,394	1	19,721	20,106	83,749
-0	485		-0	-797	-1,989	-2,302
1,662	35,380	6,394	1	20,519	22,095	86,051

Claims provisions

Gross

Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default

Net Best Estimate of Claims Provisions

3,829	335,484	3,108	115	30,396	285,153	658,085
23	57,255		84	512	12,954	70,829
3,806	278,229	3,108	31	29,883	272,199	587,256

R0260 Total best estimate - gross

R0270 Total best estimate - net

5,491	371,349	9,502	116	50,117	305,260	741,834
5,468	313,609	9,502	32	50,402	294,295	673,307

R0280 Risk margin

455	15,821	2,325	22	4,172	17,168	39,963
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Direct business and accepted proportional reinsurance							Total Non-Life obligation
Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance		
C0030	C0050	C0060	C0070	C0080	C0090	C0180	

Amount of the transitional on Technical Provisions

R0290 Technical Provisions calculated as a whole
R0300 Best estimate
R0310 Risk margin

0
0
0

Technical provisions - total

R0320 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total

R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

5,945	387,170	11,827	138	54,289	322,428	781,797
22	57,741	0	84	-285	10,965	68,527
5,923	329,430	11,827	54	54,574	311,463	713,270

FBD INSURANCE PLC

S.19.01.21

Non-Life insurance claims Total Non-life business

Z0020 Accident year / underwriting year **Accident Year**

Year	Development year										In Current year	Sum of years (cumulative)	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100			C0110
	0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior										1,444	1,444	1,444
R0160	2009	130,096	77,337	27,387	23,133	22,402	10,058	8,636	6,322	1,044		1,044	309,947
R0170	2010	107,859	89,338	25,488	23,896	16,878	14,575	6,801	5,791	2,269		2,269	292,896
R0180	2011	78,838	44,687	21,492	19,118	19,669	19,648	5,000	4,115			4,115	212,567
R0190	2012	75,441	42,780	20,112	19,920	22,111	16,361	9,146				9,146	205,873
R0200	2013	72,834	44,410	26,478	24,152	20,529	22,266					22,266	210,668
R0210	2014	108,442	53,113	34,130	35,163	19,641						19,641	250,488
R0220	2015	71,898	51,877	27,103	19,448							19,448	170,326
R0230	2016	64,393	34,644	19,270								19,270	118,307
R0240	2017	59,730	38,037									38,037	97,766
R0250	2018	67,648										67,648	67,648
R0260	Total											204,327	1,937,931

Gross Undiscounted Best Estimate Claims Provisions														C0360										
(absolute amount)																								
Year	Development year										10 & +	Year end (discounted data)												
	0	1	2	3	4	5	6	7	8	9			C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	
R0100	Prior																							10,560
R0160	2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,907	5,244	4,152			4,143
R0170	2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14,366	13,783				13,757
R0180	2011	0	0	0	0	0	0	0	0	0	0	0	0	0	23,034	16,816	10,818							10,798
R0190	2012	0	0	0	0	0	0	0	0	51,116	33,179	21,145												21,094
R0200	2013	0	0	0	0	0	89,535	66,317	32,115															32,049
R0210	2014	0	0	0	0	139,635	96,299	67,427																67,287
R0220	2015	0	167,912	161,153	132,607																			132,359
R0230	2016	163,399	122,928	90,673																				90,481
R0240	2017	156,049	111,452																					111,231
R0250	2018	164,638																						164,325
R0260	Total																							658,085

FBD INSURANCE PLC

S.23.01.01

Own Funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

R0010	Ordinary share capital (gross of own shares)					
R0030	Share premium account related to ordinary share capital					
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings					
R0050	Subordinated mutual member accounts					
R0070	Surplus funds					
R0090	Preference shares	635			635	0
R0110	Share premium account related to preference shares	0			0	0
R0130	Reconciliation reserve	225,801				
R0140	Subordinated liabilities	50,000			50,000	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0			0	0

R0220 **Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**

0

R0230 **Deductions for participations in financial and credit institutions**

0			
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R0290 **Total basic own funds after deductions**

350,623	299,988	0	50,635	0
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Ancillary own funds

R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0390	0				
R0400	0			0	0

Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

Total available own funds to meet the SCR

Total available own funds to meet the MCR

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

R0500	350,623	299,988	0	50,635	0
R0510	350,623	299,988	0	50,635	
R0540	350,623	299,988	0	50,635	0
R0550	318,836	299,988	0	18,848	

R0580 **SCR**

R0600 **MCR**

R0620 **Ratio of Eligible own funds to SCR**

R0640 **Ratio of Eligible own funds to MCR**

	216,320
	94,240
	162.09%
	338.32%

Reconciliation reserve

R0700 Excess of assets over liabilities

R0710 Own shares (held directly and indirectly)

R0720 Foreseeable dividends, distributions and charges

R0730 Other basic own fund items

R0740 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

R0760 **Reconciliation reserve**

	C0060
	322,033
	0
	21,410
	74,822
	0
	225,801

Expected profits

R0770 Expected profits included in future premiums (EPIFP) - Life business

R0780 Expected profits included in future premiums (EPIFP) - Non- life business

R0790 **Total Expected profits included in future premiums (EPIFP)**

	14,390
	14,390

FBD INSURANCE PLC

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
61,753		
7,073		
0		
3,128		
192,970		
-44,108		

USP Key

For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

0
220,817

C0100

For health underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 2 - Standard deviation for NSLT health premium risk
- 3 - Standard deviation for NSLT health gross premium risk
- 4 - Adjustment factor for non-proportional reinsurance
- 5 - Standard deviation for NSLT health reserve risk
- 9 - None

22,255
0
-26,752
0
216,320
0
216,320

For non-life underwriting risk:

- 4 - Adjustment factor for non-proportional reinsurance
- 6 - Standard deviation for non-life premium risk
- 7 - Standard deviation for non-life gross premium risk
- 8 - Standard deviation for non-life reserve risk
- 9 - None

0
0
0
0
0

Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency Capital Requirement excluding capital add-on

Capital add-ons already set

Solvency capital requirement

Other information on SCR

R0400 Capital requirement for duration-based equity risk sub-module

R0410 Total amount of Notional Solvency Capital Requirements for remaining part

R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds

R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios

R0440 Diversification effects due to RFF nSCR aggregation for article 304

FBD INSURANCE PLC

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
R0010	MCRNL Result	94,240		
			C0020	C0030
R0020	Medical expense insurance and proportional reinsurance		0	
R0030	Income protection insurance and proportional reinsurance		5,468	5,094
R0040	Workers' compensation insurance and proportional reinsurance		0	
R0050	Motor vehicle liability insurance and proportional reinsurance		313,609	112,363
R0060	Other motor insurance and proportional reinsurance		9,502	53,440
R0070	Marine, aviation and transport insurance and proportional reinsurance		32	-316
R0080	Fire and other damage to property insurance and proportional reinsurance		50,402	97,997
R0090	General liability insurance and proportional reinsurance		294,295	67,115
R0100	Credit and suretyship insurance and proportional reinsurance		0	
R0110	Legal expenses insurance and proportional reinsurance		0	
R0120	Assistance and proportional reinsurance		0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance		0	
R0140	Non-proportional health reinsurance		0	
R0150	Non-proportional casualty reinsurance		0	
R0160	Non-proportional marine, aviation and transport reinsurance		0	
R0170	Non-proportional property reinsurance		0	

Linear formula component for life insurance and reinsurance obligations

R0200 MCRL Result

C0040

0

Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
C0050	C0060

C0050

C0060

- R0210 Obligations with profit participation - guaranteed benefits
- R0220 Obligations with profit participation - future discretionary benefits
- R0230 Index-linked and unit-linked insurance obligations
- R0240 Other life (re)insurance and health (re)insurance obligations
- R0250 Total capital at risk for all life (re)insurance obligations

Overall MCR calculation

C0070

Linear MCR	94,240
SCR	216,320
MCR cap	97,344
MCR floor	54,080
Combined MCR	94,240
Absolute floor of the MCR	2,500

- R0300 Linear MCR
- R0310 SCR
- R0320 MCR cap
- R0330 MCR floor
- R0340 Combined MCR
- R0350 Absolute floor of the MCR

Minimum Capital Requirement

94,240
