FBD HOLDINGS PLC
Half yearly Report
For the Six Months ended 30 June 2020

KEY HIGHLIGHTS

- Tomás O'Midheach will join the Group on 1 February 2021 as Chief Executive Officer
- Gross Written Premium (GWP) of €176m down 7% on 2019 (down 1% excluding €11m of the Covid-19 pandemic related premium rebates included in Half Year)
- Loss Before Tax of €9m compared to profit before tax of €39m in 2019
- On-going uncertainty surrounding the Covid-19 pandemic related business interruption claims, which are subject to legal proceedings, with best estimate costs of €30m included taking into account the most up to date information in assessing the expected costs and probability of occurrence of potential outcomes
- Combined Operating Ratio of 103% impacted by the business interruption claims costs and benefiting from positive prior year claims development of €8m
- Investment portfolio down 1% at Half Year (annualised equivalent: -2%), equating to negative investment returns of €10.5m
- Our capital position remains strong with a Solvency Capital Ratio of 186% (unaudited) – we continue to deduct the 2019 proposed dividend of €35m, however the timing and amount of distribution of capital is uncertain
- Average premiums down 3.4% across the portfolio, Private Motor down 7.6%, Farm down 3%, Home down 2.3% and Business up 1.5%
- Disciplined underwriting maintained despite competitive and economic challenges
- Increase of 6,500 policy holders since the beginning of 2020
- Broader relationship with Bank of Ireland being finalised to become a panel member for Home and Motor insurance with expected launch in 2021
- Investment in customer first strategy continuing despite the challenging economic environment
    - New Van product launched in April 2020
    - Post Insurance partnership continuing to grow
    - New business Farm offer recently launched in the market
    - Web sales up as customers shift to on-line purchases
    - Brand awareness increased to top 3

FINANCIAL SUMMARY

	30 Jun 2020 €000s	30 Jun 2019 €000s
Gross written premium	176,216	189,716
Underwriting (loss)/profit	(4,676)	29,214
(Loss)/Profit before taxation	(9,349)	38,661
Loss ratio	74.6%	56.4%
Expense ratio	28.4%	26.1%
Combined operating ratio	103.0%	82.5%
	Cent	Cent
Basic (loss)/earnings per share	(24)	97
Net asset value per share	1,035	896

- GWP of €176m (2019: €190m). New business increased 15%, with continuing strong level of customer retention
- Underwriting loss of €5m (2019: profit of €29m), impacted by the business interruption costs and reduced premium income offset by frequency reductions during the lockdown period and positive prior year reserve development of €8m – this equates to a H1 COR of 103% (2019: 83%)
- Negative investment returns of -€3m through the Income Statement (2019: +€9m) and a further -€7m through Other Comprehensive Income (2019: +€14m) reflecting the impact on investment markets of the Covid-19 pandemic
- Expense ratio of 28.4% (2019: 26.1%), with the impact of the Covid-19 pandemic premium rebates increasing the ratio by two percentage points
- Net Asset Value per share 1,035 cent (2019: 896 cent) with 100 cent of increase being due to non-payment of dividend in respect of 2019 financial year

Commenting on these results Paul D'Alton, Interim Group Chief Executive, said:

"These are a robust set of results in very difficult circumstances for our customers and employees. Our profitability excluding the business interruption costs and capital position remain strong and we continue to invest in our business for the future.

We have introduced a number of measures to assist our customers through the Covid-19 pandemic including premium rebates, suspension of cover reductions and payment flexibility where required. We have also assisted customers with a wide range of supports reflecting the changed environment for individuals and businesses. We are grateful to our loyal customers for their continued support.

From an operational perspective our business continuity plans continue to work very well. Service to customers has been maintained and in FBD it has been business as usual. The vast majority of our employees have worked remotely since late March and we are now commencing a slow process of returning to the office. As part of this process our branches reopened to customers on 29th June.

We have experienced a lot of publicity in recent months regarding business interruption claims by customers. We acknowledge the disappointment and frustration of affected businesses that their Business Interruption insurance does not respond to cover pandemics. However, we are unable to provide cover for what we believe to be, and are advised is, an uninsured risk not covered by our policies. We have a duty to all of our customers to settle claims consistently with the coverage provided so that we can continue to offer products at affordable pricing levels and pay valid claims. Proceedings will be brought, by way of test case, which is now scheduled for hearing in the Commercial Court in October 2020. We believe that this is the quickest and most efficient way of achieving clarity for our customers.

Until clarity emerges in relation to Business Interruption Insurance we expect a period of uncertainty for FBD. However, we remain confident in the underlying profitability, future growth prospects, capital strength of the business and in our ability to continue to provide excellent service to our customers."

A presentation will be available on our Group website www.fbdgroup.com from 9.00 am today.

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About FBD Holdings plc ("FBD")

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

Forward Looking Statements

Some statements in this announcement are forward-looking. They represent expectations for the Group's business, and involve risks and uncertainties. These forward-looking statements are based on current expectations and projections about future events. The Group believes that current expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Group's control, actual results or performance may differ materially from those expressed or implied by such forward-looking statements.

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

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

OVERVIEW

The Group reported a loss before tax of €9.3m (2019 profit: €38.7m), reduced by Covid-19 pandemic related business interruption best estimate costs of €30.0m and premium rebates to customers of €11.1m to date offset by positive prior year reserve releases of €8.0m, claim frequency reductions during Quarter 2 and benign weather. Negative investment returns of €3.3m through the Income Statement are reported reflecting the challenging market conditions as a result of the Covid-19 pandemic albeit mitigated by our conservative investment portfolio.

The Group reported an underwriting loss of €4.7m (2019 profit: €29.2m) and a GWP decrease of 7% to €176.2m (2019: €189.7m). GWP reduced by 1% compared to the first half of 2019 when the Covid-19 pandemic related premium rebates are excluded.

The Covid-19 pandemic has introduced greater levels of uncertainty to FBD and its customers including the outcome of the test cases on business interruption cover. The Group remains well positioned to support our customers through web sales, our Mullingar support centre and branch network which are fully operational and following government guidelines.

UNDERWRITING

Premium income

Gross written premium trends were strong in the first quarter of 2020 while the second quarter was impacted by the pandemic as economic activity reduced. GWP decreased to €176.2m (2019: €189.7m). €11.1m of the €13.5m decrease relates to Motor and Commercial customer rebates included to date. Motor customers with policies in place at 31 March 2020 received a €35 One4All voucher as many cars were off the road in H1 while restrictions were in place with corresponding claims frequency reductions. Commercial customers' rebates reflected the reduced exposure to Employers Liability, Public Liability and Business Interruption while businesses were closed in H1. Commercial rebates paid in H1 amounted to €0.6m and the balance of the rebates will be paid as businesses re-open. Additional commercial rebates will be made in H2 for closure periods beyond the end of June.

Customer policies increased by 6,500 compared to 2019, with new business volumes increasing year on year by 15%. Retention remains high as we provide flexibility, where possible, to our customers in these challenging times.

Average premiums reduced by 3.4% across the book. Average premium for Private Motor reduced by 7.6% due to competitive pressure and discounting, as well as a change in mix. Average Farm premium reduced by 3% while providing an improved product offering and increased covers. Home average premium reduced 2.3% due to rate reductions and discounting. Average premiums for Business increased 5.7% reflecting mix change rather than rate increases.

Reinsurance

The 2020 reinsurance programme remains largely unchanged from 2019. This programme limits our exposure to large claims, weather events and other aggregations of claims. FBD's continued strong underwriting performance resulted in modest reductions in rates.

Claims

Net claims incurred increased by €22.7m to €117.0m (2019: €94.3m) and includes business interruption claims costs. Positive prior year reserve releases of €8.0m (2019: €8.8m) are coming from frequency being better than expected (in particular for the 2019 accident year) and better than expected settlements of some larger claims.

FBD is taking a test case, now scheduled in the Commercial Court for October 2020 to resolve publicans' business interruption claims as a consequence of the Covid-19 pandemic public health measures. FBD remains strongly of the view that our business insurance policies do not provide cover for a pandemic of this nature. However, a probability weighted best estimate of claims costs has been booked on the basis that uncertainty exists surrounding the test case outcome. Further detail surrounding these claims is included in the Risks and Uncertainties section below.

Motor damage and injury claims frequency reduced over the period primarily due to the government lockdown restricting movement. Property claims frequency increased as business interruption claims were notified and there were also more claims for smaller weather events. No significant weather events occurred in the first half of the year although attritional weather claims experience is higher than 2019, which was an exceptionally benign year.

Average cost of all capped injury claims and settlements marginally decreased over the last 12 months. However settlement activity was impacted by court closures and the inability to engage in pre-trial negotiations as a result of the Covid-19 pandemic restrictions. The average cost of property claims has reduced over the last 12 months although the Covid-19 pandemic health and social distancing guidelines are likely to have an inflationary impact on domestic building costs. Motor damage claims increased as parts and paint costs were higher, as well as average labour hours per repair.

The Motor Insurers Bureau of Ireland (MIBI) levy and Motor Insurers Insolvency Compensation Fund (MIICF) contribution combined were €6.2m (2019: €6.2m).

<u>Claims Environment</u>
There has been limited changes to the claims environment in recent months given the pandemic restrictions which affected the ability of courts to operate. The delay in forming a government after the election also has meant limited legislative changes.

Claims reform needs to be progressed by the new government as reducing costs for customers should remain a priority. The underlying issue of personal injury (and in particular, soft tissue) award levels must be tackled to reduce claims pay-outs and ultimately premiums for customers.

FBD welcomes the establishment of The Personal Injuries Guidelines Committee last April with guidelines due in October 2020. The guidelines when agreed by the Committee will replace the Book of Quantum, and judges will be required to provide reasons for any departure from the new guidelines in assessing damages in personal injury cases. This Committee has the chance to reduce personal injuries awards addressing the anomaly where Ireland pay awards at more than four times the UK, and provide more consistency in the assessment of damages for personal injury claims in the future. We are hopeful we will continue to see consistency with the Byrne v Ardenhealth case with responsibility placed on individuals to exercise reasonable care for their own personal safety. This should assist businesses who are being held to unreasonably high standards in personal injury cases.

Early indications are positive in respect of the PIAB (Amendment) Act enactment, addressing the non-co-operation of claimants and their legal representatives, although until claims settlements and the courts return to more normal operation the real impact is unknown.

No obvious impact is noticeable from The Civil Liability & Courts Act amendment to reduce the timeframe of notification of a claim to a defendant from two months to one month.

The new government will in time decide if the second amendment to the Civil Liability & Courts Act will be passed that would allow a claim to be dismissed if a claimant's affidavit is false or misleading. The claimant could also be referred to the DPP at the judge's discretion.

The Court of Appeal has appointed four new judges, increasing the number of sitting judges to sixteen, with three new appointments made to the High Court. Justice Mary Irvine was appointed as President of the High Court in June 2020. The impact of these recent changes will be seen over time.

The change in the Court Taxation System and adjudication of legal bills is resulting in more formal bills being presented by legal cost accountants rather than solicitor firms, and appears to be increasing legal costs and will be kept under close review.

There is a growing possibility the personal injury discount rate in Ireland will decrease, which would augment future claims liabilities. We await the outcome of the June 2020 consultation launched by the Minster for Justice and Equality to address two key issues. Firstly to determine if the judiciary should decide on the appropriate discount rate on a case by case basis, or if the Minister for Justice and Equality should be allowed to determine the discount rate and review at intervals (legislative change required to 2004 Civil Liability and Courts Act). The second issue (as has happened in the UK) is to agree if there is a need to update the investment strategy that a plaintiff is assumed to take in determining the discount rate.

We welcome an update on the Law Reform Commission review of capping of general damages on personal injury claims, to understand which model is being proposed and if the decision on the cap will lie with the Oireachtas or the judiciary.

Action is still required on many areas to see meaningful reform such as:

- Speeding up litigation and reducing legal costs;
- Creating pre-action protocol to fast-track rejected Injuries Board awards;
- Making gross exaggeration an offence; and
- Establishing and resourcing a Garda fraud investigation unit.

Claims costs may increase further as:

- The Consumer Contracts Bill was passed by the Oireachtas but has not yet been enacted. The proposed changes will make it more difficult for insurers to repudiate exaggerated claims;
- Motor and property damage repair claims may be hit by Brexit supply chain issues; and
- Property costs continue to increase as demand increases and labour supply shortages continue.

<u>Weather, Claims Frequency and Large Claims</u>
No significant weather events of note occurred in the period which is consistent with the experience in 2019. January and February brought a return to the more normal level of attritional weather claims and June experienced a number of Lightening claims, with overall attritional weather claims costs almost double 2019.

As a result of the Covid-19 pandemic and the restrictions put in place by the government there has been a significant reduction in Motor and Liability claims in the first half of the year. This was particularly evident in the second half of March and all of April with frequency increasing again in May and further in June. The frequency of claims relating to Farm activities remained relatively stable throughout the period.

A much lower than normal number of large claims, defined as a value greater than €250k, have been reported to FBD at 30 June. However, this metric is unreliable given that hospital priorities have been directed toward the Covid-19 pandemic and there has been very little ability in the last few months to get access to medical information in order to place a reliable estimate on injuries being reported. This uncertainty has been allowed for in arriving at our best estimate of claims liabilities.

<u>Expenses</u>
The Group's expense ratio was 28.4% (2019: 26.1%). Other underwriting expenses were €44.6m which increased by €0.9m due to increasing regulatory costs and IT costs, some of which were Covid-19 pandemic related to allow for home working by the Group's staff. The ratio is impacted by the decrease in earned premium as a result of the Covid-19 pandemic rebates to customers. Excluding this impact would reduce the expense ratio to 26.5%.

GENERAL

FBD's Combined Operating Ratio ("COR") was 103.0% (2019: €82.5%) generating an underwriting loss of €4.7m (2019 profit: €29.2m).

Investment Return
FBD's total annualised investment return for the first six months of 2020 was -1.9% (2019: 4.3%). This is broken down between annualised investment income of -0.6% (2019: 1.6%) through the Income Statement and annualised mark to market movements of -1.3% (2019: 2.7%) in Other Comprehensive Income (OCI). The negative returns reflect the impact on FBD's portfolio from the downturn in investment markets as a result of the Covid-19 pandemic. Markets have rallied from the worst days of the pandemic in March and all asset classes posted positive returns in Quarter 2 as a result of unprecedented fiscal and monetary support coming from central banks and governments worldwide, however earlier losses suffered were not fully recovered at the reporting date. Whilst in general markets have been very positive and appear to be pricing in a V-shaped recovery the emerging consensus among economists including the IMF, Federal Reserve and ECB is for a much longer drawn out recovery. It remains to be seen what type of recovery comes to fruition and in the meantime we can expect elevated volatility in investment markets.

The pension surplus increased during the period due to positive investment returns from sovereign bonds in which over 80% of the scheme's assets are invested and a reduction in the inflation assumption, while the discount rate remained unchanged. The assets and liabilities are reasonably well matched as a result of the structural changes made to the pension scheme in 2015 and 2016.

Financial Services
The Group's financial services operations returned a profit before tax of €0.7m for the period (2019: €2.1m). Revenue increased by €0.2m, costs increased from €2.7m to €4.2m primarily due to legal and other expenses in FBD Holdings plc.

Loss per share
The diluted loss per share was 23 cent per ordinary share, compared to a profit of 95 cent per ordinary share in 2019.

Dividend
The Board rescheduled the Annual General Meeting (AGM) to 31 July 2020 as a result of the Covid-19 pandemic, regulatory and public authority recommendations and in the interest of health and safety. The proposed dividend of 100 cent per share detailed in the 2019 Annual Report will not be brought forward for approval at the AGM as a result of the statement issued in April by the European Insurance and Occupational Pension Authority (EIOPA) urging the suspension of all discretionary dividend distributions, the heightened uncertainty resulting from the Covid-19 pandemic and the importance of maintaining capital in the business. The Board will keep the timing and amount of distributions of capital to shareholders under continuing review. The solvency of the Group remains robust and is currently at 186% (unaudited), including continuing to deduct the 2019 proposed dividend of €35m.

The Group dividend policy continues to target an annual pay-out range of 20% to 50% of full year after tax profits when appropriate given the inherent cyclicality of all insurance businesses.

STATEMENT OF FINANCIAL POSITION

Capital position
Ordinary shareholders' funds at 30 June 2020 amounted to €362.8m (December 2019: €372.2m). The decrease in shareholders' funds is driven by the following:

- An increase in the defined benefit pension scheme surplus of €4.0m after tax;
- An increase of €1.1m due to share based payments; and
- Loss after tax for the half year of €8.2m;
- Mark to market losses on Available for Sale investments of €6.3m after tax.

Net assets per ordinary share are 1,035 cent, compared to 1,068 cent per share at 31 December 2019.

Investment Allocation

The Group has a conservative investment strategy that ensures that its technical reserves are matched by cash and fixed interest securities of similar nature and duration. There has been no material changes to investment allocation since year end. The changes below reflect the impact on valuations of those asset classes impacted by the Covid-19 pandemic. There has been an increase in the overall cash held by the business.

The allocation of the Group's underwriting investment assets is as follows:

	30 June 2020		31 December 2019	
	€m	**%**	**€m**	**%**
Corporate bonds	495	45%	509	46%
Government bonds	304	27%	302	27%
Deposits and cash	185	17%	168	15%
Other risk assets	64	6%	65	6%
Equities	42	3%	46	4%
Investment property	19	2%	19	2%
	1,109	100%	1,109	100%

Solvency

The half year Solvency Capital Ratio (SCR) was 186% (unaudited) and continues to deduct the 2019 proposed ordinary dividend of €35m. The audited Solvency Capital Ratio (SCR) at 31 December 2019 was 193%. There is more than normal uncertainty surrounding the calculation of the Solvency Capital Ratio pending the outcome of the test cases relating to the Covid-19 pandemic related business interruption claims and movements in investment markets.

RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Group are outlined on pages 18-24 of the Group's Annual Report for the year ended 31 December 2019. The Covid-19 pandemic and the measures taken to mitigate its impact are having a significant effect on economic activity and give rise to additional specific risks and uncertainties for the Group.

We have experienced a reduction in claims volumes as a result of the restrictions put in place to tackle the spread of the virus. However it is feasible that shortages in parts and/or other supplies and a possible increased propensity to claim by financially stressed customers will result in increased claims costs. Court closures and difficulties in obtaining medical reports are impacting our ability to settle claims. We are continuously monitoring claims patterns as the situation unfolds.

FBD anticipates an impact on revenue as some customers reconsider their coverage amidst changing needs and financial strain causes some businesses not to re-open or individuals not to renew.

Future financial market movements and their impact on balance sheet valuations, pension surplus and investment income are unknown.

FBD has modelled a number of possible scenarios on the potential impact of the Covid-19 pandemic to its business plans. The scenario modelling included assumptions on the potential impact of the pandemic on revenue, expenses, claims frequency, claims severity, investment market recovery and in turn solvency. The output of the modelling demonstrates that the Group is likely to be profitable and remain in a strong capital position. However, the situation cannot be accurately predicted and unforeseen difficulties and events could arise.

In May and June 2020 FBD issued market updates in respect of business interruption claims received, in particular with regard to those sold to publicans, and our approach to seek a test case to have the issues resolved as quickly as possible to achieve clarity and minimise costs for all parties. We confirmed that litigation between FBD and a number of publican customers claiming cover for business interruption as a consequence of the Covid-19 pandemic public health measures has been scheduled for hearing in the Commercial Court in October 2020. FBD remains strongly of the view, and our legal advice is, that our business insurance policies do not provide cover for a pandemic of this nature. However, a probability weighted best estimate of claims costs has been booked in the half year financial results on the basis that uncertainty exists surrounding the test case outcome.

In arriving at the business interruption best estimate of €30m, FBD have assessed all available and up to date information which may impact on ultimate costs. The estimated cost of a number of different scenarios have been modelled including the degree of application of reinsurance cover. Based on legal advice received by the Group, probabilities have been assigned to each scenario and the probability weighted expected cost recognised in respect of business interruption claims received which are subject to the test case judgement. There are scenarios which could result in a significantly more adverse outcome for the Group than this but our assessment is that these have a lower probability of occurrence. It is acknowledged that there is a high degree of uncertainty in arriving at the best estimate of likely costs and in addition the Group holds a margin for uncertainty over the best estimate of claims liabilities.

In the meantime the solvency of the Group remains robust and is currently at 186% (unaudited) (31 December 2019: 192%) even while continuing to deduct the proposed 2019 dividend. As noted above, there is more than normal uncertainty surrounding the calculation of the Solvency Capital Ratio pending the outcome of the test cases relating to the Covid-19 pandemic related business interruption claims and movements in investment markets.

Economic downturn threatens increased credit exposure and concentration risk. The Group's Investment Policy, which defines investment limits and rules and ensures there is an optimum spread and duration of investments, is being monitored as the situation progresses. Regular review of the Group's reinsurers' credit ratings, term deposits and outstanding debtor balances is in place. All of the Group's current reinsurers have a credit rating of A- or better. All of the Group's fixed term deposits are with financial institutions which have a minimum A- rating. An increase in customer defaults is possible and we are actively working with customers to ensure continuation of cover where possible. As at the reporting date there was no obvious increase in distressed customers but will be subject to on-going monitoring.

The Group continues to manage liquidity risk through ongoing monitoring of forecast and actual cashflows 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 Group's asset allocation is outlined on page 8 with a less than 15% allocation to risk assets.

Monitoring of overall business strategy adopted is required to determine continuing relevance considering the potential impacts of the pandemic on customer needs and the way in which we operate.

The restrictions put in place to fight the Covid-19 pandemic resulted in the need for current business processes and distribution models to be re-imagined by all. FBD itself has been able to adapt to the changing environment with substantially all employees working from home at the height of the restrictions. The majority of functions were largely able to maintain business as usual. We have not implemented job reduction programmes or received any government support.

From a third party risk management perspective, alternative processes were put in place with many providers to ensure continuity of service while under restricted movement. Unfortunately, due to government guidelines, our vehicle repairers and windscreen providers were only able to support emergency repairs for essential workers.

As the country re-opens, FBD has developed its own transition plan. Pre-planned actions aim to ensure operational resilience and the safety of staff and customers through extra health and security measures. Our nationwide network of 34 branches is now open to the public. We are following all government and HSE public health guidelines and ensuring that the appropriate social distancing measures are in place.

There is an inherent increased risk of regulatory action and reputational damage associated with how well a business is perceived to respond to the crisis. At FBD the safety of our staff, customers and the community within which we operate is a priority as we navigate through these difficult times. We understand the extraordinary and unprecedented challenges our customers are experiencing as a result of the actions taken to reduce the spread of Covid-19. FBD Insurance is taking several measures to support our customers through these challenging times including rebates to business customers for temporary closures and rebates to motor customers covering periods of restricted travel. From our support of the Irish Olympic Team to our sponsorship of the many other national and local initiatives, FBD Insurance is committed to continue supporting the local communities in which we operate and in which our customers live and work. We acknowledge the disappointment and frustration of affected businesses that their business interruption insurance does not respond to cover pandemics. However, we are unable to provide cover for what we believe to be, and are advised is, an uninsured risk not covered by our policies.

Since 31 December there has been minimal updates to Brexit associated risks and uncertainties as the UK and the EU continue to negotiate and agree details of their future trade relationship. The EU has formally accepted that the UK will not seek an extension to the Brexit transition period, which expires at the end of December 2020.

OUTLOOK

The half year results for 2020 reflect economic and legal challenges faced by the business as a result of the Covid-19 pandemic resulting business interruption claims costs, negative investment returns and lower premium income. There are also positive impacts in the result as the weather was relatively benign with some positive prior year releases and continued underwriting discipline in a highly competitive environment. New business has grown although overall premium levels are decreasing as discounting and mix changes feed through.

The Group is following a clear strategy that is expected to deliver sustainable growth in book value through a customer centred approach, underwriting discipline and careful risk selection. Continuing underwriting discipline and careful risk selection is critical, particularly in a softening market, to ensure FBD maintains its capital strength and secure its future ability to service customers and pay claims.

The determination of the Commercial Court in the test cases relating to the Covid-19 pandemic business interruption claims will bring clarity to FBD and customers and we await the outcome in due course. In addition we will be monitoring the progress of the FCA test case on business interruption policy wordings in the UK and will consider developments here carefully.

The Covid-19 pandemic and Brexit are both major challenges that face all businesses for the foreseeable future. The Covid-19 pandemic has changed the way we live and work and as a business we are following all government guidelines and regulations to ensure safe interactions for our employees and customers alike. Despite government support there will be economic casualties as people lose jobs and businesses close and we as a business have to adapt to the changing environment as it evolves. The business is planning for all possible Brexit scenarios to ensure our customers can be fully supported no matter the outcome.

FBD will continue to advocate for moderation of injury awards and personal accountability to reduce claims costs as these changes will have a positive impact on premium levels for all. The Personal Injuries Guidelines Committee has an opportunity to reset the dial for personal injury awards in Ireland, reducing claims payouts and tackling the compensation culture that permeates Irish society.

We remain confident in the capital strength and underlying profitability of the business, strategic opportunities that exist for growth and in our ability to continue to provide excellent service to our customers.

FBD HOLDINGS PLC
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED INCOME STATEMENT
For the half year ended 30 June 2020

	Notes	Half year ended 30/06/20 (unaudited) €000s	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
Revenue	**3**	**187,614**	202,062	394,639
Income				
Gross premium written		**176,216**	189,716	370,063
Reinsurance premiums		**(14,797)**	(16,104)	(31,836)
Net premium written		**161,419**	173,612	338,227
Change in provision for unearned premiums		**(4,626)**	(6,405)	(674)
Net premium earned		**156,793**	167,207	337,553
Net investment return		**(3,274)**	8,627	17,892
Financial services income – Revenue from contracts with customers		**2,129**	1,905	4,268
– Other financial services income		**2,827**	2,873	5,557
Total income		**158,475**	180,612	365,270
Expenses				
Net claims and benefits		**(110,821)**	(88,139)	(148,679)
Other underwriting expenses	**4**	**(44,451)**	(43,699)	(87,259)
Movement in other provisions		**(6,197)**	(6,155)	(7,946)
Financial services and other costs		**(4,241)**	(2,673)	(6,081)
Impairment of property, plant and equipment		**(842)**	-	(246)
Finance costs		**(1,272)**	(1,285)	(2,579)
(Loss)/Profit before taxation		**(9,349)**	38,661	112,480
Income taxation credit/(charge)	**10**	**1,135**	(4,860)	(14,255)
(Loss)/Profit for the period		**(8,214)**	33,801	98,225
Attributable to:				
Equity holders of the parent		**(8,214)**	33,801	98,225

FBD HOLDINGS PLC
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED INCOME STATEMENT
For the half year ended 30 June 2020

	Notes	Half year ended 30/06/20 (unaudited)	Half year ended 30/06/19 (unaudited)	Year ended 31/12/19 (audited)
Earnings per share		**Cent**	Cent	Cent
Basic	**7**	**(24)**	97	281
Diluted	**7**	**(23)**[1]	95[1]	276[1]

[1] Diluted earnings per share reflects the potential vesting of share based payments.

FBD HOLDINGS PLC
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2020

	Half year ended 30/06/20 (unaudited) €000s	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
(Loss)/Profit for the period	**(8,214)**	33,801	98,225
Items that will or may be reclassified to profit or loss in subsequent periods:			
Net (loss)/gain on available for sale assets	**(7,207)**	14,190	11,356
Gains transferred to the Consolidated Income Statement on disposal during the period	**(32)**	(183)	(432)
Taxation credit/(charge) relating to items that will or may be reclassified to profit or loss in subsequent periods	**905**	(1,751)	(1,366)
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial gain/(loss) on retirement benefit obligations	**4,577**	(1,544)	(4,236)
Taxation (charge)/credit (relating to items not to be reclassified in subsequent periods)	**(572)**	193	530
Other comprehensive (expense)/income after taxation	**(2,329)**	10,905	5,852
Total comprehensive (expense)/income for the period	**(10,543)**	44,706	104,077
Attributable to:			
Equity holders of the parent	**(10,543)**	44,706	104,077

FBD HOLDINGS PLC
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2020

ASSETS	**Notes**	**30/06/20 (unaudited) €000s**	30/06/19 (unaudited) €000s	31/12/19 (audited) €000s
Property, plant and equipment		**27,148**	27,845	28,114
Policy administration system		**37,704**	39,452	38,603
Intangible assets		**3,356**	1,159	2,155
Investment property		**18,554**	17,500	18,693
Right of use asset		**6,045**	6,500	6,115
Loans		**624**	598	611
Deferred taxation asset		**1,193**	1,224	1,222
Financial assets				
Available for sale investments		**799,617**	811,807	811,986
Investments held for trading		**105,615**	89,079	111,399
Deposits with banks		**50,000**	50,000	60,000
		955,232	950,886	983,385
Reinsurance assets				
Provision for unearned premiums		**172**	2	1
Claims outstanding		**73,046**	78,432	66,349
		73,218	78,434	66,350
Retirement benefit surplus		**13,300**	11,400	8,723
Current taxation asset	**10**	**12,326**	3,949	3,949
Deferred acquisition costs		**33,032**	32,356	33,182
Other receivables		**75,717**	74,058	63,866
Cash and cash equivalents		**127,605**	106,195	94,982
Total assets		**1,385,054**	1,351,556	1,349,950

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
At 30 June 2020

EQUITY AND LIABILITIES	Notes	30/06/20 (unaudited) €000s	30/06/19 (unaudited) €000s	31/12/19 (audited) €000s
Equity				
Called up share capital presented as equity	6	**21,409**	21,409	21,409
Capital reserves		**23,967**	21,608	22,811
Retained earnings		**317,465**	268,638	328,008
Equity attributable to ordinary equity holders of the parent		**362,841**	311,655	372,228
Preference share capital		**2,923**	2,923	2,923
Total Equity		**365,764**	314,578	375,151
Liabilities				
Insurance contract liabilities				
Provision for unearned premiums		**188,341**	189,276	183,545
Claims outstanding		**720,970**	731,442	683,332
		909,311	920,718	866,877
Other provisions	11	**13,813**	11,945	8,417
Subordinated debt		**49,514**	49,455	49,485
Lease liability		**6,204**	6,558	6,222
Deferred taxation liability		**4,649**	5,138	4,905
Current taxation liability	10	**30**	6,895	3,128
Payables		**35,769**	36,269	35,765
Total liabilities		**1,019,290**	1,036,978	974,799
Total equity and liabilities		**1,385,054**	1,351,556	1,349,950

FBD HOLDINGS PLC
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2020

	Half year ended 30/06/20 (unaudited) €000s	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
Cash flows from operating activities			
(Loss)/Profit before taxation	**(9,349)**	38,661	112,480
Adjustments for:			
Loss/(Profit) on investments held for trading	**5,785**	(5,942)	(10,741)
Loss on investments available for sale	**1,860**	2,153	4,025
Interest and dividend income	**(4,139)**	(4,165)	(11,102)
Depreciation/amortisation	**5,049**	4,955	10,503
Depreciation of right of use asset	**410**	386	771
Share-based payment expense	**1,156**	1,177	2,381
Revaluation of investment property	**139**	810	(290)
Impairment of property, plant and equipment	**842**	-	246
Operating cash flows before movement in working capital	**1,753**	38,035	108,273
Increase/(decrease) in insurance contract liabilities	**35,568**	2,309	(39,448)
Increase in other provisions	**5,396**	4,207	679
(Increase) in receivables and deferred acquisition costs	**(12,837)**	(13,382)	(2,839)
Decrease in payables	**1,351**	4,316	5,082
Interest on lease liabilities	**131**	143	278
Purchase of investments held for trading	**-**	(6,416)	(29,689)
Sale of investments held for trading	**-**	2,057	7,807
Cash generated from operations	**31,362**	31,269	50,143
Interest and dividend income received	**5,275**	5,956	11,717
Income taxes paid	**(10,304)**	(1,450)	(14,129)
Net cash generated from operating activities	**26,333**	35,775	47,731
Cash flows from investing activities			
Purchase of available for sale investments	**(91,072)**	(95,748)	(152,656)
Sale of available for sale investments	**94,341**	91,512	143,289
Purchase of property, plant and equipment	**(1,615)**	(1,579)	(4,518)
Purchase of intangible assets	**(1,368)**	(855)	(1,935)
Purchase of policy administration system	**(2,243)**	(2,130)	(4,414)
(Increase)/decrease in loans and advances	**(13)**	17	4
Decrease in deposits invested with banks	**10,000**	20,998	10,998
Net cash generated from/(used in) investing activities	**8,030**	12,215	(9,232)
Cash flows from financing activities			
Ordinary and preference dividends paid	**-**	(17,713)	(17,714)
Interest payments on subordinated debt	**(1,250)**	(1,250)	(2,500)
Principal elements of lease payments	**(490)**	(471)	(942)
Net cash used in financing activities	**(1,740)**	(19,434)	(21,156)
Net increase in cash and cash equivalents	**32,623**	28,556	17,343
Cash and cash equivalents at the beginning of the period	**94,982**	77,639	77,639
Cash and cash equivalents at the end of the period	**127,605**	106,195	94,982

FBD HOLDINGS PLC
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the half year ended 30 June 2020

	Called up share capital presented as equity €000s	Capital Reserves €000s	Retained earnings €000s	Other Reserves €000s	Attributable to Ordinary shareholders €000s	Preference share capital €000s	Total equity €000s
Balance at 1 January 2020	21,409	22,811	328,008	-	**372,228**	2,923	**375,151**
Loss after taxation	-	-	(8,214)	-	**(8,214)**	-	**(8,214)**
Other comprehensive expense	-	-	(2,329)	-	**(2,329)**	-	**(2,329)**
	21,409	22,811	317,465	-	**361,685**	2,923	**364,608**
Recognition of share based payments	-	1,156	-	-	**1,156**	-	**1,156**
Balance at 30 June 2020	21,409	23,967	317,465	**-**	**362,841**	2,923	**365,764**
Balance at 1 January 2019	21,409	20,430	241,645	-	**283,484**	2,923	**286,407**
Profit after taxation	-	-	33,801	-	**33,801**	-	**33,801**
Other comprehensive income	-	-	10,905	-	**10,905**	-	**10,905**
	21,409	20,430	286,351	-	**328,190**	2,923	**331,113**
Dividends paid and approved on ordinary and preference shares	-	-	(17,713)	-	**(17,713)**	-	**(17,713)**
Recognition of share based payments	-	1,178	-	-	**1,178**	-	**1,178**
Balance at 30 June 2019	21,409	21,608	268,638	**-**	**311,655**	2,923	**314,578**

Note 1 - Statutory information

The half yearly financial information is considered non-statutory financial statements for the purposes of the Companies Act 2014 and in compliance with section 340(4) of that Act we state that:

- the financial information for the half year to 30 June 2020 does not constitute the statutory financial statements of the company;

- the statutory financial statements for the financial year ended 31 December 2019 have been annexed to the annual return and delivered to the Registrar;

- the statutory auditors of the company have made a report under section 391 Companies Act 2014 in respect of the statutory financial statements for year ended 31 December 2019; and

- the matters referred to in the statutory auditors' report were unqualified, and did not include a reference to any matters to which the statutory auditors drew attention by way of emphasis without qualifying the report.

This half yearly financial report has not been audited but has been reviewed by the auditors of the Company.

Note 2 – Accounting policies

Basis of preparation
The annual financial statements of FBD Holdings plc are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union.

Going concern
The Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than twelve months from the date of this report. In making this assessment the Directors considered the potential impact of the Covid-19 pandemic on the Group's business over the period of assessment. This included reviewing projections reflecting the Covid-19 pandemic potential impacts across base case, pessimistic and optimistic scenarios. The scenarios included a range of estimates based on the length of time the economy takes to recover as well as the outcome of the business interruption test cases. The economic recovery will impact on premiums including potential reductions in exposures, new business and retention levels. The timing of recovery will also impact on the claims frequency and severity as the economy rebounds as well. Expense assumptions changed depending on the level of premiums as discretionary spend and resources were adjusted. A positive and more adverse view of investment markets were assumed in arriving at assumptions for future investment returns. The scenarios are most sensitive to changes in business interruption claims costs. The pessimistic scenario assumes the loss of the business interruption test cases and indemnity being provided for the closure period under government advice in place at the date of this half yearly report. The Solvency Capital Requirement of the business was calculated for each of the scenarios run and the capital position was well in excess of the Group's preferred risk appetite.

We have implemented required health and safety changes to our branch offices, contact centre and head office to ensure the safe working conditions for all customers and employees. Many of our staff continue to work remotely. No structural changes are required by the business as a result of the Covid-19 pandemic and the capital investment and change projects undertaken by the business have continued.

Note 2 – Accounting policies (continued)

Going concern (continued)
The Own Risk and Solvency Assessment (ORSA) process monitors current and future solvency needs. A number of ORSA scenarios were run that included an extreme scenario of losing the business interruption test cases for the full indemnity period with no reinsurance cover. The Solvency Capital Requirement of the business remained within the risk appetite range of the Group and all scenarios included payment of the 2019 proposed dividend.

On the basis of the scenarios projected by the Group and the additional ORSA scenarios run, the Directors are satisfied that there is no material uncertainty that the Group will have sufficient capital to meet its Solvency Capital Requirements for the next twelve months and therefore continue to adopt the going concern basis of accounting in preparing the condensed financial statements.

Consistency of accounting policy
The accounting policies and methods of computation used by the Group to prepare the interim financial statements for the six month period ended 30 June 2020 are the same as those used to prepare the Group Annual Report for the year ended 31 December 2019 except as described below.

Premium Rebates
Premium rebates relate to elements of premium written returned to policyholders as a result of agreed reductions in risk exposure. In previous periods the earnings impact of premium rebates was recognised over the remaining term of the policy on a 365th of premium written basis in line with the above policy. To the extent that current period premium rebates relate to reduced exposure for a specific period within the term of impacted policies, the earning impact has been recognised directly in that period.

Standards adopted in the period
The impact of new standards, amendments to existing standards and interpretations issued and effective for annual periods beginning on or after 1 January 2020 has been assessed by the Directors and none have had or are expected to have a material effect for the Group.

Standards and interpretations not yet effective

IFRS 17	Insurance Contracts[1]
IFRS 9	Financial instruments[2]

[1] Effective for annual periods on or after 1 January 2023, with earlier application permitted.

[2] Effective for annual periods on or after 1 January 2023, with earlier application permitted.

<u>IFRS 17 Insurance Contracts</u>
IFRS 17 Insurance Contracts is effective for annual periods beginning on or after 1 January 2023.

IFRS 17 is expected to have a material impact on the Consolidated Financial Statements of the Group. There is a project team in place and training has been provided on the impact of the new standard. The Groups implementation programme is progressing in line with expectations.

IFRS 9 Financial Instruments in respect of the Consolidated Financial Statements is being considered as part of the project for the adoption of IFRS 17 Insurance Contracts.

Note 2 – Accounting policies (continued)

Critical accounting estimates and judgements in applying accounting policies

The accounting policies and methods of computation used by the Group to prepare the interim financial statements for the six month period ended 30 June 2020 are the same as those used to prepare the Group Annual Report for the year ended 31 December 2019 other than as noted above. In the application of these accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The key judgements and the key sources of estimation uncertainty are detailed below. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

The following are the key judgements and critical estimates that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Claims provisions

Claims provisions represent the estimation of the cost of claims outstanding under insurance contracts written. Actuarial techniques, based on statistical analysis of past experience, are used to calculate the estimated cost of claims outstanding at half year. Allowance is made for any changes or uncertainties that may cause the cost of unsettled claims to increase or reduce. In addition the Group holds a margin for uncertainty over the best estimate of claims liabilities. At each reporting date liability adequacy tests are performed to ensure the adequacy of the liabilities. Any deficiency is recognised in the Income Statement.

Litigation between FBD and a number of publican customers claiming cover for business interruption as a consequence of the Covid-19 pandemic public health measures has been scheduled for hearing in the Commercial Court in October 2020. FBD remains strongly of the view that our business policies do not provide cover for a pandemic of this nature, however claims liabilities include a provision to cover costs that may be incurred. The outcome of the litigation is uncertain and the provision made represents a mix of possible scenarios and assumptions around compensation and legal costs. Judgement has been applied in assigning probabilities to possible scenarios. As at the reporting date the claims provisions are most sensitive to the outcome of the business interruption test cases. The ultimate cost to the Group is unknown at 30 June 2020 and it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying value of the liabilities. The going concern assessment outlined on pages 18 to 19 of this report considered the potential impact of the Covid-19 pandemic on the Group's business including an extreme scenario of losing the business interruption test cases for the full indemnity period with no reinsurance cover.

Uncertainties in impairment testing

As at the reporting date it is noted that the market capitalisation, that is the quoted share price multiplied by the number of ordinary shares in issue, is lower than the Shareholders' Funds as per the Statement of Financial Position. There are a large number of factors driven by market conditions that can influence the market capitalisation of a company which includes but are not limited to, uncertainties such as Brexit and the Covid-19 pandemic or other factors such as shares being traded less frequently. The current economic conditions as a result of the global pandemic and the market capitalisation being below net assets are considered to be external indicators of impairment and create a necessity to make a formal estimate of recoverable amount to test whether any actual impairment exists. For tangible and intangible assets, the

Note 2 – Accounting policies (continued)

Critical accounting estimates and judgements in applying accounting policies (continued)
recoverable amount of an asset is the higher of its value in use or its fair value less costs to sell. In the case of the Property, Plant and Equipment, Policy Administration System, Intangible Assets and Right of Use Assets there is no reliable estimate of the price at which an orderly transaction to sell the assets would take place and there are no direct cash-flows expected from the individual assets. These assets are an integral part of the FBD General Insurance business, therefore, the smallest group of assets that can be classified as a cash generating unit is the FBD General Insurance business.

The Value in Use of the cash generating unit has been determined by estimating the future cash inflows and outflows to be derived from continuing use of the group of assets, therefore the FBD General Insurance business, and applying a discount rate to those future cash flows. As with all projections there are assumptions made that will be different to actual experience however given the increased uncertainty surrounding the economic recovery from the pandemic these estimates are considered a critical accounting estimate as at the reporting date.

The Value in Use cash flow projections are based on business plans covering a three-year period. These plans represent management's best estimate of future underwriting profits and fee income for the FBD General Insurance business factoring in both past experience as well as expected future outcomes relative to market data and the strategy adopted by the Board. The underlying assumptions of these forecasts include average premiums, number of policies written, claims frequency, claims severity, weather experience, commission rates, fee income charges and expenses. The average growth rate used for the first three years is 1.9% while the later three-year period is extrapolated using a declining growth rate on average of -1.0%. Future cash flows are discounted using an estimated weighted average cost of capital of 9.4% in the discounted cash flow model which is adjusted through sensitivity analysis to approximate a market equivalent discount rate.

Sensitivity analysis was performed on the projections to allow for possible variations in the amount of the future cash flows and potential discount rate changes used to assess the impact on the headroom. Projections reflecting Covid-19 pandemic potential impacts across base case, pessimistic and optimistic scenarios were considered. These projections included a range of estimates based on the length of time the economy takes to recover as well as the outcome of the business interruption test cases.

The scenarios run resulted in headroom ranging from 1.1 to 2.3 times when comparing the Value in Use of the cash generating unit to the carrying value of the assets, indicating that there is no impairment of the assets.

<u>Accounting for the Defined Benefit Pension Obligations</u>
The valuation of the pension scheme is provided by the Group's consultant actuaries. The critical accounting estimates in recognising the defined benefit pension surplus is the measurement of the defined pension obligations.

The valuation of the defined benefit obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation and the discount rate used. Sensitivities regarding the principal assumptions used to measure the scheme liabilities are detailed in note 31 of the Group Annual Report for the year ended 31 December 2019.

Note 3 – Segmental information

(a) Operating segments

The principal activities of the Group are underwriting of general insurance business and financial services. For management purposes, the Group is organised in two operating segments - underwriting and financial services. The profit earned by each segment is reported to the chief operating decision maker, the Group Chief Executive, for the purpose of resource allocation and assessment of segmental performance. Central administration costs and Directors' salaries are allocated based on actual activity. Income taxation is a direct cost to each segment. Discrete financial information is prepared and reviewed on a regular basis for these two segments. The accounting policies of the reportable segments are the same as the Group accounting policies.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

Half year ended 30/06/2020	**Underwriting €000s**	**Financial Services €000s**	**Total €000s**
Revenue	182,659	4,955	**187,614**
Investment Return	(3,274)	-	**(3,274)**
Finance costs	(1,272)	-	**(1,272)**
(Loss)/Profit before taxation	(10,064)	715	**(9,349)**
Income taxation credit/(charge)	1,258	(123)	**1,135**
(Loss)/Profit after taxation	(8,806)	592	**(8,214)**
Other information			
Capital additions	4,454	-	**4,454**
Impairment of other assets	(842)	-	**(842)**
Depreciation/amortisation	(5,049)	-	**(5,049)**
Statement of Financial Position			
Segment Assets	1,366,153	18,901	**1,385,054**
Segment Liabilities	1,012,148	7,142	**1,019,290**

Note 3 – Segmental information (continued)

(a) Operating segments (continued)

Half year ended 30/06/2019	**Underwriting €000s**	**Financial Services €000s**	**Total €000s**
Revenue	197,284	4,778	**202,062**
Investment Return	8,627	-	8,627
Finance costs	(1,285)	-	(1,285)
Profit before taxation	36,556	2,105	**38,661**
Income taxation charge	(4,570)	(290)	**(4,860)**
Profit after taxation	31,986	1,815	**33,801**
Other information			
Capital additions	3,967	-	**3,967**
Depreciation/amortisation	(4,955)	-	**(4,955)**
Statement of Financial Position			
Segment Assets	1,334,754	16,802	**1,351,556**
Segment Liabilities	1,030,088	6,890	**1,036,978**

Year ended 31/12/2019	**Underwriting €000s**	**Financial Services €000s**	**Total €000s**
Revenue	384,814	9,825	394,639
Investment return	17,892	-	17,892
Finance costs	(2,579)	-	(2,579)
Profit before taxation	108,736	3,744	112,480
Income taxation charge	(13,592)	(663)	(14,255)
Profit after taxation	95,144	3,081	98,225
Other information			
Capital additions	9,385	-	9,385
(Impairment)/Revaluation of other assets	(1,908)	1,952	44
Depreciation/amortisation	(10,503)	-	(10,503)
Statement of Financial Position			
Segment Assets	1,335,431	14,519	1,349,950
Segment Liabilities	967,810	6,989	974,799

Note 3 – Segmental information (continued)

(b) Geographical segments

The Group's operations are located in Ireland.

Note 4 – Underwriting result

	Half year ended 30/06/20 (unaudited) €000s	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
Gross premium written	**176,216**	189,716	370,063
Net premium earned	**156,793**	167,207	337,553
Net claims incurred	**(110,821)**	(88,139)	(148,679)
Motor Insurers Bureau of Ireland Levy and related payments	**(6,197)**	(6,155)	(7,946)
	39,775	72,913	180,928
Gross management expenses	**(42,735)**	(43,129)	(86,499)
Deferred acquisition costs	**(150)**	400	1,226
Reinsurers' share of expense	**1,197**	1,227	2,479
Broker commissions payable	**(2,763)**	(2,197)	(4,465)
Net operating expenses	**(44,451)**	(43,699)	(87,259)
Underwriting result	**(4,676)**	29,214	93,669

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

Note 5 – Dividends

Paid:	**Half Year ended 30/06/20 (unaudited) €000s**	Half Year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
2019 dividend of 0 cent (2018: 8.4 cent) per share on 14% non-cumulative preference shares of €0.60 each	-	113	113
2019 dividend of 0 cent (2018: 4.8 cent) per share on 8% non-cumulative preference shares of €0.60 each	-	169	169
2019 final dividend of 0 cent (2018: 50.0 cent) per share on ordinary shares of €0.60 each	-	17,432	17,432
Total dividends paid	-	17,714	17,714

The FBD Board has decided not to proceed at this time with the proposed dividend payment for the 2019 Financial Year detailed in the 2019 Annual Report, taking into account the statement issued in April by the European Insurance and Occupational Pensions Authority (EIOPA) urging the suspension of all discretionary dividend distributions due to the heightened uncertainty resulting from the Covid-19 pandemic and the importance of maintaining capital in the business. The Board will keep the timing and amount of distributions of capital to shareholders under continuing review.

Note 6 – Ordinary share capital

	Number	Half year ended 30/06/20 (unaudited) €000s	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
(i) Ordinary shares of €0.60 each				
Authorised:				
At beginning and end of period	51,326,000	30,796	30,796	30,796
Issued and fully paid:				
At beginning and end of period	35,461,206	21,277	21,277	21,277
(ii) 'A' Ordinary shares of €0.01 each				
Authorised:				
At beginning and end of period	120,000,000	1,200	1,200	1,200
Issued and fully paid:				
At beginning and end of period	13,169,428	132	132	132
Total Ordinary Share Capital		21,409	21,409	21,409

The number of ordinary shares of €0.60 each held as treasury shares at 30 June 2020 was 408,744. At 31 December 2019 the number held was 598,742.

Note 7 – Earnings per €0.60 ordinary share

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

	Half year ended 30/06/20 (unaudited) €000s	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
Earnings			
Profit for the period for the purpose of basic earnings per share	**(8,214)**	33,801	97,943
Profit for the period for the purpose of diluted earnings per share	**(8,214)**	33,801	97,943
Number of shares	**No.**	No.	No.
Weighted average number of ordinary shares for the purpose of basic earnings per share (excludes treasury shares)	**34,932,408**	34,770,837	34,817,297
Weighted average number of ordinary shares for the purpose of diluted earnings per share (excludes treasury shares)	**35,634,096**	35,436,482	35,472,380
	Cent	Cent	Cent
Basic earnings per share	**(24)**	97	281
Diluted earnings per share	**(23)**[1]	95[1]	276[1]

[1] Diluted earnings per share reflects the potential vesting of share based payments.

The 'A' ordinary shares of €0.01 each that are in issue have no impact on the earnings per share calculation. The 'A' ordinary shares of €0.01 each are non-voting. They are non-transferable except only to the Company. Other than a right to a return of paid up capital of €0.01 per 'A' ordinary share in the event of a winding up, the 'A' ordinary shares have no right to participate in the capital or the profits of the Company.

The below table reconciles the profit or loss attributable to the parent entity for the period to the amounts used as the numerators in calculating basic and diluted earnings per share for the period and the comparative period including the individual effect of each class of instruments that affects earnings per share:

	Half year ended 30/06/20 (unaudited) €000s	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
Profit or loss attributable to the parent entity for the period	**(8,214)**	33,801	98,225
2019 dividend of 0 cent (2018: 8.4 cent) per share on 14% non-cumulative preference shares of €0.60 each	-	-	(113)
2019 dividend of 0 cent (2018: 4.8 cent) per share on 8% non-cumulative preference shares of €0.60 each	-	-	(169)
Profit for the period for the purpose of calculating basic and diluted earnings	**(8,214)**	33,801	97,943

Note 7 – Earnings per €0.60 ordinary share (continued)

The below table reconciles the weighted average number of ordinary shares used as the denominator in calculating basic earnings per share to the weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share including the individual effect of each class of instruments that affects earnings per share:

	Half year ended 30/06/20 (unaudited) No.	Half year ended 30/06/19 (unaudited) No.	Year ended 31/12/19 (audited) No.
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**34,932,408**	34,770,837	34,817,297
Potential vesting of share based payments	701,688	665,645	655,083
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**35,634,096**	35,436,482	35,472,380

Note 8 – Retirement Benefit Surplus

The Group operates a funded defined benefit retirement scheme for qualifying employees that is closed to future accrual and new entrants. The retirement benefit surplus increased by €4,577,000 in the period mainly due to positive investment returns and a decrease in the inflation assumption from 1.3% to 1.0%, while the discount rate remained unchanged at 0.9%.

The amounts recognised in the Statement of Financial Position are as follows:

	30/06/20 (unaudited) €000s	30/06/19 (unaudited) €000s	31/12/19 (audited) €000s
Fair value of plan assets	**103,500**	103,400	102,681
Present value of defined benefit obligation	**(90,200)**	(92,000)	(93,958)
Net retirement benefit surplus	**13,300**	11,400	8,723

Note 9 – Financial Instruments and Fair Value Measurement

(a) Financial Instruments

	30/06/20 (unaudited) €000s	30/06/19 (unaudited) €000s	31/12/19 (audited) €000s
Financial Assets			
At amortised cost:			
Deposits with banks	**50,000**	50,000	60,000
Cash and cash equivalents	**127,605**	106,195	94,982
Other receivables	**75,717**	74,058	63,866
Loans	**624**	598	611
At fair value:			
Available for sale investments	**799,617**	811,807	811,986
Investments held for trading	**105,615**	89,079	111,399
Financial Liabilities			
At amortised cost:			
Payables	**35,769**	36,269	35,765
Subordinated debt	**49,514**	49,455	49,485
Lease liability	**6,204**	6,558	6,222

(b) Fair value measurement

The following table compares the fair value of financial instruments not held at fair value with the fair value of those assets and liabilities:

	30/06/20 (unaudited) Fair value €000s	**30/06/20 (unaudited) Carrying value €000s**	30/06/19 (unaudited) Fair value €000s	30/06/19 (unaudited) Carrying value €000s	31/12/19 (audited) Fair value €000s	31/12/19 (audited) Carrying value €000s
Assets						
Loans	**749**	**624**	717	598	733	611
Financial liabilities						
Subordinated debt	**52,095**	**49,514**	52,105	49,455	53,148	49,485

The carrying amount of the following assets and liabilities is considered a reasonable approximation of their fair value:

- Deposits with banks
- Cash and cash equivalents
- Other Receivables
- Payables
- Lease liability

Note 9 – Financial Instruments and Fair Value Measurement (continued)

(b) Fair value measurement (continued)

Certain assets and liabilities are measured in the Condensed Consolidated Statement of Financial Position at fair value using a fair value hierarchy of valuation inputs. The following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 Fair value measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Available for sale investments – quoted debt securities are fair valued using latest available closing bid price.
- Collective investment schemes, held for trading (Level 1) are valued using the latest available closing NAV of the fund.

Level 2 Fair value measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). There are no assets/liabilities deemed to be held at this level at 30 June 2020.

Level 3 Fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Among the valuation techniques used are cost, net asset or net book value or the net present value of future cash flows based on operating projections which are considered an approximation of fair value.

- Collective investment schemes held for trading (Infrastructure and Senior Private Debt funds) are valued using the most up-to-date valuations calculated by the fund administrator allowing for any additional investments made up until period end.
- AFS unquoted investments securities are mainly valued at cost
- Investment property and property held for own use were fair valued by independent external professional valuers at year end and a review of the continued appropriateness of those valuations is considered at interim period end (refer to note 13 and note 16 in the Group Annual Report for year ended 31 December 2019). Given the uncertainty in the market and the low number of observable transactions taking place during the period, the valuations have been reclassified to Level 3 from Level 2 at 31 December 2019.

Note 9 – Financial Instruments and Fair Value Measurement (continued)

(b) Fair value measurement (continued)

30 June 2020 (unaudited)	**Level 1 €000s**	**Level 2 €000s**	**Level 3 €000s**	**Total €000s**
Assets				
Investment property	-	-	18,554	**18,554**
Property held for own use	-	-	16,003	**16,003**
Financial assets				
Investments held for trading – collective investment schemes	100,336	-	5,279	**105,615**
AFS[1] investments - quoted debt securities	798,805	-	-	**798,805**
AFS[1] investments - unquoted investments	-	-	812	**812**
Total assets	**899,141**	**-**	**40,648**	**939,789**
Total liabilities	**-**	**-**	**-**	**-**

[1]Available for sale

30 June 2019 (unaudited)	**Level 1 €000s**	**Level 2 €000s**	**Level 3 €000s**	**Total €000s**
Assets				
Investment property	-	17,500	-	**17,500**
Property held for own use	-	17,184	-	**17,184**
Financial assets				
Investments held for trading – quoted shares	52	-	-	**52**
Investments held for trading – collective investment schemes	89,027	-	-	**89,027**
AFS[1] investments - quoted debt securities	811,184	-	-	**811,184**
AFS[1] investments - unquoted investments	-	-	623	**623**
Total assets	**900,263**	**34,684**	**623**	**935,570**
Total liabilities	**-**	**-**	**-**	**-**

[1]Available for sale

Note 9 – Financial Instruments and Fair Value Measurement (continued)

(b) Fair value measurement (continued)

31 December 2019 (audited)	**Level 1 €000s**	**Level 2 €000s**	**Level 3 €000s**	**Total €000s**
Assets				
Investment property	-	18,693	-	**18,693**
Property held for own use	-	16,846	-	**16,846**
Financial assets				
Investments held for trading – collective investment schemes	108,266	-	3,133	**111,399**
AFS[1] investments - quoted debt securities	811,174	-	-	**811,174**
AFS[1] investments - unquoted investments	-	-	812	**812**
Total assets	**919,440**	**35,539**	**3,945**	**958,924**
Total liabilities	**-**	**-**	**-**	**-**

[1]Available for sale

A reconciliation of Level 3 fair value measurement of financial assets is shown in the table below:

	30/06/20 (unaudited) €000s	30/06/19 (unaudited) €000s	31/12/19 (audited) €000s
Opening balance Level 3 financial assets	**3,945**	623	623
Transfers-in	**35,539**	-	-
Additions	**2,411**	-	3,436
Disposals	**-**	-	-
Impairment	**(842)**	-	-
Unrealised losses recognised in Consolidated Income Statement	**(405)**	-	(114)
Closing balance Level 3 financial assets	**40,648**	623	3,945

Available for sale investments grouped into Level 3 comprise unquoted securities consisting of a number of small investments as well as Investment property and property held for own use which transferred from the level 2 hierarchy during the period. It is the Groups policy to recognise transfers between levels of the fair value hierarchy in line with the date of the event or change in circumstances that caused the transfer.

The values attributable to the unquoted investments are derived from a number of valuation techniques including the net present value of future cash flows based on operating projections. A change in one or more of these inputs could have an impact on valuations.

Investment property and property held for own use were fair valued by independent external professional valuers at 31 December 2019 (refer to note 13 and note 16 in the Group Annual Report for year ended 31 December 2019). The valuations at 31 December 2019 were reviewed for impairment at the period end including informal discussions with external professional valuers and it was decided that the valuations for

Note 9 – Financial Instruments and Fair Value Measurement (continued)

(b) Fair value measurement (continued)

owner occupied property be written down by 5%. The valuations for owner occupied property are written down by 5% (€842,000) based on higher yield figures used in valuations for similar type properties.

No change to the investment property valuations was deemed necessary as the rent negotiations underway and completed are supportive of the fair value recognised. The sale of the land in the United Kingdom is still under price negotiation under the terms of an option agreement and the progress of these negotiations is supportive of the fair value recognised. It is likely the negotiations for the sale of the land in the United Kingdom will conclude before the end of 2020.

The maximum exposure the Group has in relation to Level 3 valued financial assets at 30 June 2020 is €40,648,000 (30 June 2019: €623,000; 31 December 2019: €3,945,000).

Note 10 - Taxation

The current taxation asset has increased by €8.4m compared to 31 December 2019 mainly as a result of preliminary tax paid for 2020, which was based on the 2019 corporation tax liability and the amount is considered recoverable on the basis that the Group has made a loss in the interim period to 30 June 2020. In addition, loss relief for actual losses suffered in the interim period is currently available for offset against 2019 profits.

The current taxation liability has reduced by €3.1m as a result of payments made in the period.

The effective tax rate for the period was 12.1% (2019: 12.6%) which is the best estimate of the weighted average annual income tax rate expected for the full year. The effective tax rate for the period was lower than the standard Irish corporation tax rate of 12.5% primarily due to disallowable expenses.

Note 11 – Other Provisions

	30/06/20 (unaudited) €000s	30/06/19 (unaudited) €000s	31/12/19 (audited) €000s
Balance at 1 January	**8,417**	7,738	7,738
Provision for MIBI levy and MIICF contribution	**6,197**	6,155	7,946
Provision for Commercial premium rebates	**4,493**	-	-
MIBI levy and MIICF contribution paid	**(5,294)**	(1,948)	(7,267)
Closing balance	**13,813**	11,945	8,417

MIBI Levy

The Group's share of the Motor Insurers' Bureau of Ireland "MIBI" levy for 2020 is based on its estimated market share in the current year at the reporting date.

Note 11 – Other Provisions (continued)

MIICF Levy
The Group's contribution to the Motor Insurers' Insolvency Compensation Fund "MIICF" for 2020 is based on 2% of its Motor Gross Written Premium.

Commercial Premium Rebates
FBD committed to rebating Commercial customers to reflect the changing claims environment and enforced restrictions as a result of the Covid-19 pandemic. The total amount of commercial rebates provided for in the period was €5.1m of which €0.6m was paid out to 30 June 2020. The remaining €4.5m provision represents a best estimate of the remaining rebates due in respect of this period. The amount is considered an estimate on the basis that exposure reductions in line with Covid-19 pandemic related restrictions will differ on a policy by policy basis and the administrative task of calculating the rebate amount is ongoing at the date of approval of the half yearly report.

Note 12 – Transactions with related parties

For the purposes of the disclosure requirements of IAS 24, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises the Board of Directors and Company Secretary of FBD Holdings plc and the members of the Executive Management Team. Full disclosure in relation to the compensation of the Board of Directors and details of Directors' share options are provided in the Report on Directors' Remuneration in the 2019 Annual Report. An analysis of share-based payments to key management personnel is also included in Note 39 of the 2019 Annual Report.

Note 13 – Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at 30 June 2020, 30 June 2019 or 31 December 2019.

Note 14 – Subsequent events

FBD has settled over €1.5m of Commercial premium rebates between the reporting date and the date of approval of the half yearly report. The Group expects to provide an additional €0.6m of Commercial rebates in the second half of the year on the basis of current government advised business re-opening dates. The final total of Commercial premium rebates remains uncertain at the date of approval of the half yearly report as uncertainty remains surrounding business re-opening dates and a return to normal business.

Note 15 – Information

This half yearly report and the Annual Report for the year ended 31 December 2019 are available on the Company's website at www.fbdgroup.com.

Note 16 – Approval of Half Yearly Report

The half yearly report was approved by the Board of Directors of FBD Holdings plc on 30 July 2020.

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Central Bank of Ireland and with IAS 34, Interim Financial Reporting as adopted by the European Union.

We confirm that to the best of our knowledge:

a) the Group condensed set of interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union;
b) the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of interim financial statements and the principal risks and uncertainties for the remaining six months of the financial year;
c) the interim management report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties’ transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board

Liam Herlihy	Paul D’Alton
Chairman	Interim Group Chief Executive

30 July 2020

FBD HOLDINGS PLC
APPENDIX
ALTERNATIVE PERFORMANCE MEASURES (APM's)

The Group uses the following alternative performance measures: Loss ratio, expense ratio, combined operating ratio, annualised investment return, net asset value per share, return on equity and gross written premium.

Loss ratio (LR), expense ratio (ER) and combined operating ratio (COR) are widely used as a performance measure by insurers, and give users of the financial statements an understanding of the underwriting performance of the entity. Investment return is used widely as a performance measure to give users of financial statements an understanding of the performance of an entities investment portfolio. Net asset value per share (NAV) is a widely used performance measure which provides the users of the financial statements the book value per share. Return on equity (ROE) is also a widely used profitability ratio that measures an entity's ability to generate profits from its shareholder investments. Gross written premium refers to the revenue of an insurance company and is widely used across the general insurance industry.

The calculation of the APM's is based on the following data:

	Half year ended 30/06/20 (unaudited) €000s	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
Loss ratio			
Net claims and benefits	**110,821**	88,139	148,679
Movement in other provisions	**6,197**	6,155	7,946
Total claims incurred	**117,018**	94,294	156,625
Net premium earned	**156,793**	167,207	337,553
Loss ratio (Total claims incurred/Net premium earned)	**74.6%**	56.4%	46.4%
Expense ratio			
Other underwriting expenses	**44,451**	43,699	87,259
Net premium earned	**156,793**	167,207	337,553
Expense ratio (Underwriting expenses/Net premium earned)	**28.4%**	26.1%	25.9%
Combined operating ratio	**%**	%	%
Loss ratio	**74.6%**	56.4%	46.4%
Expense ratio	**28.4%**	26.1%	25.9%
Combined operating ratio (Loss ratio + Expense ratio)	**103.0%**	82.5%	72.3%
Annualised investment return	€000s	€000s	€000s
Investment return recognised in consolidated income statement	**(3,274)**	8,627	17,892
Investment return recognised in statement of comprehensive income	**(7,239)**	14,007	10,924
Total investment return	**(10,513)**	22,634	28,816
Average investment assets	**1,095,839**	1,061,025	1,073,429
Investment return (Total investment return/Average underwriting investment assets)	**(1.9%)[1]**	4.3%[1]	2.7%

[1]*Annualised*

Net asset value per share (NAV per share)	**Half year ended 30/06/20 (unaudited) €000s**	Half year ended 30/06/19 (unaudited) €000s	Year ended 31/12/19 (audited) €000s
Shareholders' funds – equity interests	**362,841**	311,655	372,228
Number of shares			
Closing number of ordinary shares	**35,052,462**	34,770,837	34,862,464
	Cent	Cent	Cent
Net asset value per share (Shareholders funds /Closing number of ordinary shares)	**1,035**	896	1,068
Return on Equity	€000s	€000s	€000s
Weighted average equity attributable to ordinary equity holders of the parent	**367,535**	297,570	327,856
Result for the period	**(8,214)**	33,801	98,225
Return on equity (Result for the period/Weighted average equity attributable to ordinary equity holders of the parent)	**(4%)**[1]	23%[1]	30%

Gross premium written: The total premium on insurance underwritten by an insurer or reinsurer during a specified period, before deduction of reinsurance premium.

Expense ratio: Underwriting and administrative expenses as a percentage of net earned premium.

Loss ratio: Net claims incurred as a percentage of net earned premium.

Combined Operating Ratio: The sum of the loss ratio and expense ratio. A combined operating ratio below 100% indicates profitable underwriting results. A combined operating ratio over 100% indicates unprofitable results.

[1]*Annualised*

Independent review report to FBD Holdings plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed FBD Holdings plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-yearly report of FBD Holdings plc for the six month period ended 30 June 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland.

What we have reviewed

The interim financial statements, comprise:

- the condensed consolidated statement of financial position as at 30 June 2020;
- the condensed consolidated income statement for the period then ended;
- the condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of cash flows for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half yearly report have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half yearly report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half yearly report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland.
Our responsibility is to express a conclusion on the interim financial statements in the half yearly report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Auditing Practices Board for use in the United Kingdom and Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.
A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We have read the other information contained in the half yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers
Chartered Accountants
Dublin

30 July 2020

(a) The maintenance and integrity of the FBD Holdings plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.