

FBD Holdings plc ('FBD' or the 'Group') issues the following Interim Management Statement covering the period from 1 July 2012 to date, in accordance with the reporting requirements of the EU Transparency Directive.

Overview

FBD has continued to perform strongly, building on its first half to deliver strong earnings and profit after taxation in the second half of 2012 to date. The Group has performed ahead of market guidance, primarily due to the continuation of the first half claims performance in the underwriting business.

Underwriting

Gross premiums written are marginally lower than the previous year but well ahead of the market, which contracted by 6.3% in the first six months of the year. Year to date, net earned premium is marginally ahead of last year. The Group's market share is estimated to have risen further, continuing the progress achieved in eleven of the last twelve years.

In the second half of 2012 to date, policy volumes have declined marginally. Prices in the market for certain insurance products have continued to move lower. In some cases, this is attributable to reducing risk as economic activity declines. In other cases, this does not fully explain the reduction in premium and, in these cases, FBD has maintained its underwriting discipline.

FBD continued to develop its multi-channel distribution strategy in response to customer needs. The sales office network has made further progress in developing farming insurance, winning additional farm customers in the second half of 2012 to date. Our online channels, FBD.ie and NoNonsense.ie, are attracting growing numbers of customers from their respective target markets and the initiative to enter into partnerships with insurance brokers to increase our penetration of the business insurance market is progressing positively.

Three factors have combined to provide a better than expected loss ratio for the second half of 2012 to date. Firstly, the continued implementation of sustainable risk selection and claims management initiatives, which together with a positive operating environment, mean that the favourable trend in the cost of attritional claims continued into the second half of the year. Secondly, whereas large claims increased in the first half of the year, they have been better than anticipated in the second half to date. Finally, weather related claims in this period have been lower than expected.

The Group continues to focus on efficiency and productivity improvements to maintain FBD's competitive cost structure.

Financial Services

FBD's financial services businesses continued to deliver solid performances in difficult market conditions and have proactively managed their cost structures to reflect the economic environment. Year to date, their profit contribution is ahead of both last year and expectations.

Joint Venture

Trading performance in the property and leisure joint venture continued to improve over the peak summer period with growth in occupancy, rates and revenue per room, particularly in the Irish market. Year to date, the trading performance is ahead of both last year and expectations. Sales of units in La Cala continued to exceed expectations and the joint venture continued to be strongly cash generative.

Profit after Taxation

The Group disposed of land underlying a secured loan at a profit of €4.4m over its book value at 30 June 2012, thereby reducing the remaining balance sheet value of secured loans to €5.2m. This gain coupled with a positive performance on equity investments has resulted in positive short term investment fluctuations year to date. Profit after taxation is ahead of expectations and last year.

Financial Position

The Group continues to have a strong capital base and balance sheet and a prudent reserving strategy. The robust reserving position has been maintained and the solvency ratio has been further strengthened. Given the uncertainty of global investment markets, FBD continues to view a low-risk investment allocation, prioritising capital preservation over rate of return, as the best strategy for protecting the interests of customers and shareholders. The Board is committed to maintaining strong solvency and liquidity margins while at the same time continuing to focus on efficient use of capital and delivering a superior return on equity.

Guidance

FBD Insurance will focus on profitable and sustainable growth, maintaining underwriting discipline and constantly evolving its business to reflect customers' needs. Further opportunities to maintain FBD's cost competitiveness will be identified and implemented. The Group is well positioned to deliver profitable growth and superior returns to shareholders in the future.

The Group is confident that, due to the excellent performance of the core underwriting business, subject to exceptional events arising, it will deliver full year 2012 operating earnings per share of 155 to 165 cent, an increase of 10 cent on previous guidance.

*Operating earnings per share is based on longer term rates of return.

For Reference

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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, private individuals and business owners.

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

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

Forward Looking Statements

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

FBD Holdings plc, FBD House, Bluebell, Dublin 12
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