

**FBD Holdings plc
Trading Statement
20 June 2014**

FBD Holdings plc ("FBD" or the "Group") is issuing the following trading statement covering the period up to today's date.

Premium

Premium levels in the Irish insurance market have begun to benefit from the recent growth in economic activity. While the market has continued to be competitive, rates have hardened for both car insurance and business insurance.

FBD's gross premium written to the date of this statement is ahead of the previous year by over 4%, primarily through growth in car and commercial insurance. Over 60% of the increase in premium is attributable to average premium and the remainder to policy volume. Overall, the Group expects that its share of the insurance market is likely to have increased further in the year to date.

Claims

As indicated in previous announcements, increased economic activity leads to higher claims frequency with more vehicles driving more miles on increasingly congested roads. Retail sales of automotive fuel, a proxy for miles driven and motor insurance risk, is up 6% year on year, exceeding growth in economic activity and our expectation. This has had an impact on frequency of attritional motor claims which has risen sharply in recent months. The increase is not restricted to any one segment of our motor book. It applies equally across all customer profiles.

Although FBD has taken appropriate rating action in response to this development, we continue to win policy volume and market share. This suggests that most of our competitors have also been adjusting their rates similarly.

The Group will continue to monitor claims to ensure that risks are adequately priced and take further action, if necessary. Growth in economic activity will have a positive effect on FBD in the medium term, particularly given the Group's track record of outperforming the market. However, it will have a higher than expected impact on profitability in 2014 and the first half of 2015.

The Group's estimate of the cost of the unprecedented persistent bad weather over the winter has increased by €4 million, net of reinsurance. The total cost of weather claims last winter for FBD customers, gross of reinsurance, now stands at €44 million.

Large claims frequency during 2014 to date is in line with expectations, reverting to norm following the unusually high levels experienced in 2013.

Other

The Group is pleased to record that the actual investment return in the year to date is ahead of budget and the Group's share of the results of the property and leisure joint venture is ahead of both budget and the previous year.

Revised Guidance

FBD has a track record of delivering superior returns to shareholders. The nature of the insurance business is that earnings will be influenced from time to time by random weather events and the fact that the industry is inherently cyclical. The Board is confident that FBD is well positioned to outperform the market and deliver strong returns for shareholders. As a result, the Board remains committed to its progressive dividend policy.

The Board expects that the combined impact of the increase in claims frequency and the weather related claims will be €16 million in 2014. As a result, the Group is now guiding full-year 2014 operating earnings per share of between 70 and 80 cent, excluding any further exceptional events that may arise.

ENDS

About FBD Holdings plc ("FBD")

The Group was established in the 1960s and is one of Ireland's largest property and casualty insurers looking after the insurance needs of farmers, private individuals and business owners.

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

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