8 March 2011

FBD HOLDINGS PLC
PRELIMINARY ANNOUNCEMENT
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

FINANCIAL HIGHLIGHTS	**2010**	**2009**
	€000s	**€000s**
▪ Gross premium written	**358,385**	**357,244**
▪ Operating profit	**40,666**	**28,880**
▪ Loss before taxation	**(3,083)**	**(34,644)**
	Cent	**Cent**
▪ Operating earnings per share	**106**	**75**
▪ Ordinary dividend per 60c ordinary share	**31.5**	**30**
▪ Net assets per 60c ordinary share	**547**	**576**

OPERATIONAL HIGHLIGHTS

- Strong operational performance with operating profit up 41% to €40.7m
- Operating profit and cash flow generation in all divisions
- Gross premium written 0.3% higher, the first increase since 2007
- Market share grows to 11.8% (2009: 11.5%), market share has increased in nine of the last ten years
- Market rates hardened in 2010 and weather events will necessitate further rate increases
- Improvement in loss ratio from 83.8% to 77.4%
- Implementation of claims initiatives and cost improvements continued
- Operating EPS increased 41% to 106 cent despite severe weather conditions
- Reductions in asset values of €50.0m lead to pre-tax loss of €3.1m
- Following impairments, the potential for further downside is limited
- Proposed final dividend of 21 cent per share
- Strong capital base and prudent reserving brings solvency level in FBD Insurance to 61% of net earned premium, from 52% in 2009

Commenting on the results, Andrew Langford, Group Chief Executive said;

"FBD delivered another strong operational performance and made significant progress in advancing its strategic priorities in 2010, a challenging year for Ireland's economy and the insurance sector. The severe weather conditions in January and December partially masked the benefit of rate increases, underwriting discipline and proactive management of claims and expenses. We have grown market share for nine of the last ten years reaching 11.8% in 2010. The Group has a strong capital base and balance sheet and a prudent reserving strategy and is well positioned to outperform its peers in delivering superior returns to shareholders".

Ends.

A presentation will be made to analysts at 10am today, a copy of which will be available on our Group website, www.fbdgroup.com from that time.

About FBD Holdings plc
FBD is one of Ireland's largest non-life insurers looking after the insurance needs of private individuals, farmers and business owners. The Group has developed complementary financial service businesses and has hotel and leisure property interests that include four hotels in Ireland and two resorts in southern Spain. The Group was established in the 1960s and is quoted on the Irish and London stock exchanges.

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.

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Review of Operations

Overview

FBD delivered another strong operational performance and made significant progress in advancing its strategic priorities in 2010, a challenging year for Ireland's economy and the insurance sector. However, the benefit of rate increases, underwriting discipline and proactive management of claims and expenses were partially masked by the impact of the severe weather conditions in both January and December 2010. In a second consecutive year of abnormal weather related claims, FBD's underwriting discipline and prudent reinsurance policy protected the Group's trading results, its capital base and solvency.

At €40.7m, operating profit was up by 41% on 2009. Operating profit in our primary underwriting business increased 61% to €36.1m (2009: €22.4m) as a €14.5m turnaround in the underwriting result was offset by a reduction in investment returns.

Gross written premium of €358.4m is up 0.3% on 2009, the first increase since 2007, in a market that declined by a further 2.6% in 2010. FBD has continued its growth in market share, now standing at 11.8%, with market share gains in nine of the last ten years. At the same time as gaining market share, FBD's insurance risk exposure reduced during 2010.

Net claims incurred in 2010 reduced by 11.1% relative to 2009 due to a combination of (i) lower insurance exposure, (ii) better 2010 large claims experience, (iii) decrease in non-weather related property claims frequency, (iv) FBD's decision not to grow volume in certain segments at uneconomic rates and (v) the benefit of claims management initiatives. Recent industry weather claims experience has contributed to a hardening of insurance rates across the Irish market in 2010.

Gross underwriting management expenses reduced by 0.7% in 2010 (2009: 20.3%) as the benefits of cost containment exercises began to crystallise. The net expense ratio has risen to 22.0% (2009: 20.3%) because of the impact of a rise in the cost of reinsurance and lower net premium earned.

In challenging market conditions, FBD's non-underwriting operations have delivered an operating profit of €4.6m (2009: €6.5m). The Group's property and leisure businesses delivered operating profits and positive cash flows again in 2010. The key challenge facing the business in Ireland is oversupply in the market. This is further exacerbated by a reduction in the number of foreign visitors. New marketing and sales initiatives and operational cost efficiencies continue to be identified and implemented to achieve targets.

FBD's financial services businesses continued to deliver a positive performance in difficult market environments. FBD Brokers won additional new business during 2010 and FBD Financial Solutions achieved strong growth in profitability, significantly outperforming the industry. These businesses have proactively managed their cost structures to reflect the economic circumstances.

The value of the Group's property assets has reduced in line with market values in Ireland and Spain, although the pace of the market decline has slowed considerably. Asset impairments of €50.0m (2009: €57.8m) have been charged to the consolidated income statement. Members of the Group's defined benefit pension scheme agreed to a restructuring of pension benefits and the introduction of pension contributions. As a result the Group's obligations for retirement benefits reduced by €11.1m. After charging finance costs of €3.2m (2009: €3.4m), the Group recorded a loss before tax of €3.1m (2009: €34.6m).

Operating earnings per ordinary share increased from 75 cent to 106 cent. The Group continues to have a strong capital base and balance sheet. FBD Insurance had a solvency level of 61% of net premium earned at 31 December 2010, up from 52% at 31 December 2009.

Business Review

Underwriting

Premium income

The Irish insurance market contracted by 2.6% during 2010 as the benefit of hardening rates was offset by the continuing reduction in insurable risk and values, in line with economic activity in Ireland. FBD's gross premium written increased by 0.3% to €358.4m (2009: €357.2m) as improved retention rates and higher conversion rates combined with rate increases led to growth for the first time since 2007. Net premium earned reduced to €302.5m from €314.6m because 2009 benefited from the higher level of gross premium written in 2008. Premium rates continued to harden in the Irish insurance market, particularly for home and business insurance, while motor insurance rates have been slower to increase. The flood and freeze conditions over the 2009 and 2010 winters accelerated the implementation of necessary rate increases in the property account.

A key feature of 2010 has been the reductions in insurance risk and values reflecting the decline in economic activity in Ireland. Despite rate increases, average policy premiums have not increased significantly. The market for large insurance risks has become more competitive and FBD has chosen not to compete for business at unsustainable rates.

Claims

Net claims incurred amounted to €234.3m, an 11.1% reduction on 2009 because of a combination of lower exposure and an improved loss ratio. The loss ratio (claims incurred, net of reinsurance as a percentage of earned premiums net of reinsurance) for 2010 was 77.4% (2009: 83.8%).

FBD experienced an improvement in non-weather related property claims, particularly towards the end of the financial year. Ireland continued to experience a reduction in the number of road deaths and large claim experience improved considerably. The frequency of both (non-weather related) property claims and motor injury claims has reduced. The improvement in the loss ratio is also attributable to rate increases and underwriting and claims management initiatives.

Not unlike the previous year, 2010 was adversely affected by severe weather events with abnormal freezes in both January and December, the latter being the coldest December on record. Adding the severe flooding in November 2009 and the prolonged freezing conditions in December 2009 means that, in a fourteen month period, FBD made good the weather related losses of 14,000 of our customers amounting to over €90m.

Ultimately, an insurance company's promise to its customers is that it will meet their expectations in their time of need and this objective was achieved over the fourteen month period. The Directors wish to express gratitude to the staff and suppliers who responded by providing customers with outstanding and professional service in difficult conditions.

During the fourteen month period, the cost to FBD was €39m, net of reinsurance. FBD's risk management policy determines the Group's appetite for risk and limits the exposure that FBD is prepared to accept from any event or series of events. In respect of weather related events, the objective is to limit the Group's exposure so as to protect profitability, solvency and shareholders' capital. This objective was achieved in both 2009 and 2010.

Claims reserves provided a positive run off again in 2010 demonstrating the strength of the Group's reserving position. FBD has benefited from a positive run off since 2003.

Expenses

Gross underwriting management expenses reduced by 0.7% in 2010 to €77.5m (2009: €78.0m) as the benefits of cost containment exercises began to crystallise. In the last year, the Group has negotiated a comprehensive programme of changes with its employees which includes changes in pay ranges, hours of work and other productivity measures designed to underpin the Group's competitive cost advantage and provide it with the flexibility to grow premium income in a difficult economic environment. The changes agreed include a combination of salary reductions and freezes, the restructuring of employment and pension conditions and the introduction of pension contributions.

The Directors acknowledge the co-operation of staff to accept these progressive changes so as to ensure the Group's future prosperity.

A rise in the cost of reinsurance and the impact of reducing net premium earned have contributed to an increase in the net expense ratio (other underwriting expenses as a percentage of earned premium, net of reinsurance) for 2010 to 22.0% (2009: 20.3%). The Group remains committed to maintaining its cost competitiveness.

The Group's combined operating ratio for 2010 was 99.4% (2009: 104.1%) resulting in an underwriting profit of €1.6m (2009: loss of €12.9m).

Investment Return

Longer term investment return at €34.5m was lower than the €35.3m in 2009 as a result of the slight reduction in assets available for investment and because the average asset mix through the year was more conservative. In line with insurers worldwide, FBD's investment mix has become more conservative in recent years in recognition of the volatility of investment markets and the imperative to protect the Group's solvency and asset base. The consequent reduction in investment returns discourages irrational underwriting in the market.

Ambition and customer focus

In response to changing customer behaviour, FBD's multi-channel distribution strategy has continued to develop with progress during 2010 within all channels. The Group's sales office network has been particularly successful in further developing farming and business insurance during 2010, a key strategic priority. The agricultural sector has performed very strongly during Ireland's economic decline and FBD's commitment to this sector has led to an increase in premium from agriculture and connected business.

FBD's progress in Dublin and other large urban centres has continued with 14% of total premium income now coming from Dublin and market share of over 5%. The initiative to increase business insurance in Dublin, via intermediaries, has proved successful and further brokers have been added to our panel. As planned, NoNonsense.ie and FBD.ie (our on-line offerings) continue to attract a higher proportion of customers from Dublin and other urban centres.

Non-underwriting
Market conditions for the non-underwriting businesses in Ireland and Spain continue to be challenging. However, in this environment, non-underwriting operations generated an operating profit of €4.5m (2009: €6.5m).

The Group's leisure and property interests include La Cala and Sunset Beach Resorts in Spain and FBD Hotels in Ireland. In the difficult trading conditions these businesses delivered a solid result generating an operating profit of €1.3m (2009: €2.8m) and cash flow from operations of €1.2m. The operating profit was lower than the previous year principally because the hotels located in Ireland were impacted by market oversupply. Oversupply in the marketplace is the key challenge facing the hotel business in Ireland and market capacity needs to be reduced to match falling customer demand. Overseas visitors to Ireland reduced from 7.7m arrivals in 2007 to 5.6m in 2010, while revenue generated from the domestic leisure market has reduced due to the economic downturn. Sunset Beach Resort continued to perform strongly and 46 properties in La Cala were sold generating cash of €13.9m, significantly ahead of both last year and expectations.

Financial services/other, includes the contributions from general insurance broking (FBD Brokers), life assurance/pension, broking/investment advice (FBD Financial Solutions), instalment finance and holding company costs. Operating profits of €3.2m were generated (2009: €3.7m). Both FBD Brokers and FBD Financial Solutions had a strong 2010, growing profitability despite Ireland's economic decline through focus on customer service and cost efficiency.

Pre-tax result
The result before tax was adversely impacted by a negative fluctuation in investment return amounting to €30.1m (2009: €28.8m) and impairment of property, plant and equipment of €19.9m (2009: €29.0m) reflecting reducing property prices.

During 2010, as stated above, the Group agreed a variety of changes in pay and conditions with its employees. Some of these changes had an impact on the defined benefit retirement obligations recorded as a liability in the Group's statement of financial position. The reduction in the Group's liability for retirement benefits as a result of the changes agreed by management and staff is reflected as a credit of €11.1m in the consolidated income statement. In addition, the salary reductions agreed by senior management reduced the Group's retirement benefit obligations by a further €2.6m, which is credited to the consolidated statement of comprehensive income.

After charging finance costs of €3.2m (2009: €3.4m), the Group recorded a loss before tax of €3.1m (2009: €34.6m).

Earnings per share
Operating earnings per 60 cent ordinary share based on longer term investment return amounted to 106 cent compared to 75 cent the previous year. The diluted loss per 60 cent ordinary share was 8 cent (2009: 91 cent).

Dividends
The Board is committed to ensuring that the Group's capital position continues to be robust and its balance sheet well managed. This reflects the Board's view that it is in the long-term interest of all shareholders to maintain strong solvency and liquidity margins. The Group is committed to a progressive dividend policy and efficient capital management.

The Board is recommending a 2010 final dividend payout of 21.0 cent per 60 cent ordinary share (2009: 20.0 cent) bringing the full 2010 dividend to 31.5 cent (2009: 30.0 cent), an increase of 5% over 2009. Subject to the approval of shareholders at the Annual General Meeting to be held on 29 April 2011, this final dividend for 2010 will be paid on 5 May 2011 to the holders of shares on the register on 18 March 2011.

The dividend is subject to a withholding tax ("DWT") except for shareholders who are exempt from DWT and who have furnished a properly completed declaration of exemption to the Company's Registrar from whom further details may be obtained.

Statement of Financial Position
The Group's financial position remains very strong. Ordinary shareholders' funds amounted to €182.1m (2009: €191.5m) and net assets per ordinary share were 547 cent (2009: 576 cent).

FBD Insurance maintains a low risk investment strategy with 88% of its total investment portfolio invested in government gilts and cash assets at year end. Table 1 shows how the assets of the underwriting business were invested at the beginning and end of the year.

Table 1 – Underwriting Business Asset Allocation

	31 December 2010		31 December 2009	
	€m	%	€m	%
Government gilts	497	61%	581	70%
Deposits & cash	217	27%	110	13%
Investment property	42	5%	43	5%
Equities & corporate bonds	22	3%	36	4%
Secured loans	21	2%	37	5%
Own land & buildings	18	2%	22	3%
	817	100%	829	100%
Reinsurers' share of technical provisions	96		93	
Trade, other debtors and DAC	91		101	
Plant and equipment	17		17	
	1,021		1,040	

In 2010, the Group as a whole booked €49.9m (2009: €57.8m) of reductions in asset values through the consolidated income statement. These adjustments are set out in Table 2 below.

Table 2 – Group Assets/Asset Value Reductions

	Assets 31 December 2010 €m	Assets 31 December 2009 €m	Asset Value Reductions 2010 €m
Government gilts	497	581	(8)
Deposits & cash	231	120	-
Hotel & golf resort assets	120	136	(17)
Trade, other debtors and DAC	112	107	-
Reinsurers' share of technical provisions	96	93	-
Inventories	46	59	-
Investment property	42	43	(1)
Equities & corporate bonds	25	40	(2)
Secured loans	21	37	(19)
Own land & buildings	18	22	(3)
Plant & equipment	18	18	-
	1,226	1,256	(50)

The Group's portfolio of prime property assets was valued at fair value which was determined either by independent professional valuers or at a lower amount if, in the opinion of the Directors, a lower amount more accurately reflected fair value. The most significant asset write down in 2010 was in respect of the secured loans as the Directors believed that it was appropriate to eliminate any uncertainty about valuations by writing the secured loans down to the value of the underlying security on a current use market value basis. On this basis, the underlying assets are, in some cases, valued as agricultural land or car parks. As a result, additional provisions of €19.1m have been made in respect of secured loans bringing cumulative provisions to 72% of the 2007 year end value.

Investment properties are incorporated in the balance sheet at particularly high yields, with the property located in Dublin delivering an 11.4% yield at its current valuation. Subsequent to the year end, two of the Group's four investment properties located in the UK were sold and a third is in the course of being sold. Combined, the three sales will generate €20.6m in cash and a profit of €0.5m over the 2010 valuation.

The cumulative reductions in asset values over the three years 2008-2010 are summarised in the following table:

Table 3 - Cumulative asset value reductions as a percentage of December 2007 values

	% Decrease
Hotel & golf resort assets	
- Sunset Beach resort	0%
- La Cala Hotel and golf resort	43%
- FBD Hotels	45%
Own land and buildings	45%
Investment property	48%
Secured loans	72%

The Directors believe that as a result of the impairment provisions recognised over the last three years and the de-risking of the investment book, the potential for further downside from the Group's investments is limited. Within the underwriting business, such downside is negligible.

La Cala development land is included within inventories at the lower of cost and net realisable value. The independent external valuation conducted at 31 December 2010 reported a value which exceeded this by €24m. Government gilts held to maturity are included in the statement of financial position at amortised cost. If these gilts were recognised on a mark-to-market basis, a surplus of €20.8m would arise.

After asset value reductions, gearing in the property and leisure operations at end 2010 was 73% (2009: 64%). Interest is covered by operating cash flows generated by the business 4.4 times in 2010 (2009: 1.4 times).

FBD Group has a strong capital base and balance sheet. FBD Insurance had a solvency level of 61% of net premium earned at the end of 2010, up from 52% at the end of 2009.

FBD also has a prudent reserving strategy and in the same period, its reserving ratio (net technical provisions divided by net premium earned) strengthened three percentage points to 243%. This is supported by a positive run-off of prior year claims reserves of €48.6m in 2010. The Group has a long history of recording positive run off on its claims reserves.

In line with all European Insurers, the Group's underwriting business, FBD Insurance, is preparing for the introduction of the new Solvency II regulations which are to come into effect from 1 January 2013. During 2010, FBD Insurance conducted a Quantitative Impact Study (QIS 5) designed to test the adequacy of its reserves at the end of 2009 compared to QIS 5 capital requirements from 2013. The results showed that FBD Insurance met the required standard and had excess capital over the QIS 5 requirement. FBD Insurance expects to be in a position to meet all of Solvency II requirements in advance of their introduction on 1 January 2013.

Outlook

Underwriting

Economic uncertainty has reduced but Irish domestic demand (the best indicator of insurance market exposure) is still likely to decline further, albeit at a diminishing rate. It is likely that austerity measures will influence economic activity and underlying insurance values. On the other hand, rate increases will positively impact market premiums. Market size will depend on whether the benefit of rate increases will exceed the contraction in volume and cover. As a result, the opportunity for FBD premium income growth in 2011 will be limited. However, the Directors are confident that underwriting disciplines and cost containment will deliver improved profitability in 2011. The Group's underwriting business is, by its nature, defensive and its spread of business is not overly exposed to any one sector.

As insurance companies become more conservative in their investment mix and as international investment returns remain low, insurers become more reliant on positive underwriting results to achieve an adequate return on investment. This dependence on underwriting results and the impact of severe weather events in 2009 and 2010 are likely to lead to further rate increases in the market.

FBD Insurance will focus on profitable growth, constantly evolving its business to reflect customers' needs. The Group will continue to implement its plan to increase penetration of key urban markets, in particular Dublin, and the commercial insurance market. At the same time, the Group continues to devote considerable resources to developing its core farming account, a key strategic priority.

Non-underwriting

The environment for the non-underwriting businesses is expected to remain difficult in 2011. Oversupply in the market place is the key challenge facing the property and leisure businesses, particularly in Ireland and recovery will be dependent on a reduction in market capacity. No significant change to the oversupply is anticipated in 2011 and concerted action is required to increase the number of tourists visiting Ireland. Despite that, as a result of actions taken, we anticipate an improved contribution from FBD Hotels in 2011. Sales of properties in La Cala are expected to continue in 2011.

FBD Brokers is developing new market segments while providing enhanced customer value, and is well positioned to benefit from the buoyancy of the agri business sector. FBD Financial Solutions will continue to focus on customer needs and cost efficiency to deliver growth in profitability in 2011.

The Group will continue to outperform competitors by focusing on initiatives that will enhance revenue and/or reduce costs, so as to maintain profitable and cash generative businesses through the recessionary period.

Group

FBD Group has a strong capital base and balance sheet and a prudent reserving strategy. The Board is satisfied that as a result of the impairment provisions recognised and the de-risking of the investment book, the potential for further downside from the Group's investment portfolio is limited. The Board is confident that FBD will continue to outperform its peers in delivering superior returns to shareholders. FBD has demonstrated its capacity to deliver operating profits in difficult market conditions and is well positioned to deliver long-term profitable growth.

Unless exceptional claims events arise during 2011, the Board is confident that as underwriting performance continues to improve, the Group will deliver full year 2011 operating earnings per share of 130 cent to 140 cent.

FBD Holdings plc
Consolidated Income Statement
For the Year Ended 31 December 2010

	2010 €000s	2009 €000s
Revenue	**478,566**	476,159
Income		
Gross premium written	**358,385**	357,244
Reinsurance premiums	**(55,172)**	(54,107)
Net premium written	**303,213**	303,137
Change in provision for unearned premiums	**(673)**	11,467
Net premium earned	**302,540**	314,604
Net investment return	**4,421**	6,515
Non-underwriting income	**79,014**	72,774
Total income	**385,975**	393,893
Expenses		
Net claims and benefits	**(234,268)**	(263,492)
Other underwriting expenses	**(66,653)**	(64,020)
Non-underwriting expenses	**(74,481)**	(66,285)
Impairment of property, plant and equipment	**(19,868)**	(29,048)
Retirement benefit-past service gain	**11,063**	-
Restructuring and other costs	**(1,615)**	(2,315)
Finance costs	**(3,236)**	(3,377)
Loss before tax	**(3,083)**	(34,644)
Income tax (charge)/credit	**(152)**	3,714
Loss for the year	**(3,235)**	(30,930)
Attributable to:		
Equity holders of the parent	**(2,408)**	(30,190)
Non-controlling interest	**(827)**	(740)
	(3,235)	(30,930)

	2010 Cent	2009 Cent
Basic loss per 60 cent ordinary share	**(8.08)**	(91.59)
Diluted loss per 60 cent ordinary share	**(8.08)**	(91.59)

FBD Holdings plc
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2010

	2010 €000s	2009 €000s
Loss for the year	**(3,235)**	(30,930)
Loss on available for sale financial assets	**-**	(1,554)
Revaluation of property, plant and equipment	**-**	(5,241)
Actuarial gain/(loss) on retirement benefit obligations	**4,131**	(8,556)
Exchange differences on translation of foreign operations	**(164)**	747
Other comprehensive income (expense) before tax	**3,967**	(14,604)
Tax (charge)/credit relating to other comprehensive expense	**(1,531)**	6,884
Other comprehensive income (expense) after tax	**2,436**	(7,720)
Total comprehensive expense for the year	**(799)**	(38,650)
Attributable to:		
Equity holders of the parent	**28**	(37,664)
Non-controlling interests	**(827)**	(986)
	(799)	(38,650)

FBD Holdings plc
Pro Forma Reconciliation of Consolidated Operating Profit to Loss before Tax
For the Year Ended 31 December 2010

	2010 €000s	**2009 €000s**
Underwriting	**36,133**	22,391
Non-underwriting	**4,533**	6,489
Operating profit before tax	**40,666**	28,880
Investment return - fluctuations	**(30,093)**	(28,784)
Impairment of property, plant and equipment	**(19,868)**	(29,048)
Retirement benefit–past service gain	**11,063**	-
Restructuring and other costs	**(1,615)**	(2,315)
Finance costs	**(3,236)**	(3,377)
Loss before tax	**(3,083)**	(34,644)

FBD Holdings plc
Consolidated Statement of Financial Position
At 31 December 2010

ASSETS

	2010 €000s	2009 €000s
Property, plant and equipment	**155,959**	176,479
Investment property	**42,368**	43,267
Loans	**24,618**	43,863
Deferred tax asset	**9,247**	6,907
Financial assets		
Investments held to maturity	**496,852**	581,096
Available for sale investments	**7,282**	9,476
Investments held for trading	**17,859**	30,000
Deposits with banks	**195,172**	75,462
	717,165	696,034
Reinsurance assets		
Provision for unearned premiums	**24,706**	25,503
Claims outstanding	**70,916**	67,686
	95,622	93,189
Inventories	**46,045**	59,226
Current tax asset	**6,003**	175
Deferred acquisition costs	**20,531**	19,963
Other receivables	**71,279**	72,681
Cash and cash equivalents	**36,714**	44,036
Total assets	**1,225,551**	1,255,820

FBD Holdings plc
Consolidated Statement of Financial Position
At 31 December 2010

EQUITY AND LIABILITIES	**2010 €000s**	**2009 €000s**
Equity		
Ordinary share capital	**21,409**	21,409
Capital reserves	**15,313**	14,297
Revaluation reserves	**742**	742
Translation reserves	**(98)**	66
Retained earnings	**144,757**	154,994
Shareholders' funds - equity interests	**182,123**	191,508
Preference share capital	**2,923**	2,923
Equity attributable to equity holders of the parent	**185,046**	194,431
Non-controlling interests	**2,053**	3,030
Total equity	**187,099**	197,461
Liabilities		
Insurance contract liabilities		
Provision for unearned premiums	**176,479**	176,603
Claims outstanding	**657,656**	671,429
	834,135	848,032
Borrowings	**117,766**	120,051
Retirement benefit obligation	**10,859**	23,103
Deferred tax liability	**11,751**	10,507
Payables	**63,941**	56,666
Total liabilities	**1,038,452**	1,058,359
Total equity and liabilities	**1,225,551**	1,255,820

FBD Holdings plc
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2010

	2010 €000s	2009 €000s
Cash flows from operating activities		
Loss before tax	**(3,083)**	(34,644)
Adjustments for:		
Profit on investments held for trading	**(1,075)**	(4,925)
Loss on investments held to maturity	**7,901**	417
Loss on investments available for sale	**2,076**	-
Provision for loans & advances	**16,329**	21,000
Depreciation of property, plant and equipment	**6,476**	6,206
Share-based payment expense	**1,016**	698
Impairment of investment property	**899**	8,479
Impairment of property, plant and equipment	**19,868**	29,048
Retirement benefit – past service gain	**(11,063)**	-
(Decrease) in insurance contract liabilities	**(16,330)**	(368)
Effect of foreign exchange rate changes	**(148)**	-
(Profit)/loss on disposal of property, plant and equipment	**(83)**	25
Operating cash flows before movement in working capital	**22,783**	25,936
Decrease/(increase) in receivables and deferred acquisition costs	**817**	(5,552)
Increase/(decrease) in payables	**9,961**	(24,003)
Decrease in inventories	**13,181**	3,157
Cash generated/(used by) from operations	**46,742**	(462)
Income taxes (paid)/received	**(8,610)**	3,779
Net cash from operating activities	**38,132**	3,317
Cash flows from investing activities		
Investments held for trading	**13,216**	(963)
Investments held to maturity	**76,343**	(101,887)
Investments available for sale	**118**	21
Sale of property, plant and equipment	**678**	-
Purchase of property, plant and equipment	**(6,415)**	(8,474)
Sale of investment property	**-**	792
Repayment of loans	**2,916**	5,626
Deposits invested with banks	**(119,710)**	107,681
Net cash (used in)/generated from investing activities	**(32,854)**	2,796
Cash flows from financing activities		
Ordinary dividends paid	**(10,147)**	(6,936)
Dividends paid to non-controlling interests	**(150)**	-
Increase in borrowings	**-**	22,980
(Decrease) in borrowings	**(2,285)**	(13,897)
Net cash (used in)/generated from financing activities	**(12,582)**	2,147
Net (decrease)/increase in cash and cash equivalents	**(7,304)**	8,260
Cash and cash equivalents at the beginning of the year	**44,036**	35,713
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	**(18)**	63
Cash and cash equivalents at the end of the year	**36,714**	44,036

Included in the above statement is the following information:
interest and similar income received during the year was €31,403,000 (2009: €24,619,000).
Interest paid during the year was €2,898,000 (2009: €3,495,000).

FBD Holdings plc
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2010

	Ordinary share capital	Capital reserves	Revaluation and other reserves	Translation reserve	Retained earnings	Attributable to ordinary shareholders	Preference share capital	Non-controlling interest	Total equity
	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s
Balance at 1 January 2009	21,409	13,599	3,295	(681)	197,788	**235,410**	2,923	4,151	**242,484**
Loss after taxation	-	-	-	-	(30,190)	**(30,190)**	-	(740)	**(30,930)**
Other comprehensive expense	-	-	(2,553)	747	(5,668)	**(7,474)**	-	(246)	**(7,720)**
	21,409	13,599	742	66	161,930	**197,746**	2,923	3,165	**203,834**
Dividends paid on ordinary and preference shares	-	-	-	-	(6,936)	**(6,936)**	-	-	**(6,936)**
Dividend paid to minority interests	-	-	-	-	-	**-**	-	(135)	**(135)**
Recognition of share based payments	-	698	-	-	-	**698**	-	-	**698**
Balance at 31 December 2009	21,409	14,297	742	66	154,994	**191,508**	2,923	3,030	**197,461**
Loss after taxation	-	-	-	-	(2,408)	**(2,408)**	-	(827)	**(3,235)**
Other comprehensive income	-	-	-	(164)	2,600	**2,436**	-	-	**2,436**
	21,409	14,297	742	(98)	155,186	**191,536**	2,923	2,203	**196,662**
Dividends paid and approved on ordinary and preference shares	-	-	-	-	(10,429)	**(10,429)**	-	-	**(10,429)**
Dividend paid to minority interests	-	-	-	-	-	**-**	-	(150)	**(150)**
Recognition of share based payments	-	1,016	-	-	-	**1,016**	-	-	**1,016**
Balance at 31 December 2010	**21,409**	**15,313**	**742**	**(98)**	**144,757**	**182,123**	**2,923**	**2,053**	**187,099**

FBD Holdings plc
SUPPLEMENTARY INFORMATION
For the Year Ended 31 December 2010

Note 1 Operating Profit by Activity

	2010 €000s	2009 €000s
Underwriting	**36,133**	22,391
Non-underwriting	**4,533**	6,489
	40,666	28,880

Non-underwriting profit is analysed as follows:

	2010 €000s	2009 €000s
Leisure and leisure property development	**1,316**	2,786
Financial services/other	**3,217**	3,703
	4,533	6,489

Note 2 Underwriting Operating Profit

	2010 €000s	2009 €000s
Gross written premiums	**358,385**	357,244
Net premium earned	**302,540**	314,604
Adjusted net claims incurred	**(234,268)**	(263,492)
Net operating expenses	**(66,653)**	(64,020)
Underwriting profit/(loss)	**1,619**	(12,908)
Longer term investment return	**34,514**	35,299
Underwriting operating profit	**36,133**	22,391

Other underwriting expenses	2010 €000s	2009 €000s
Management expenses	**77,527**	78,091
Reinsurance commissions receivable	**(12,743)**	(13,943)
Deferred acquisition costs	**(568)**	(2,231)
Broker commission payable	**2,437**	2,103
	66,653	64,020

FBD Holdings plc
SUPPLEMENTARY INFORMATION
For the Year Ended 31 December 2010

Note 3 Dividends

Paid during year:	**2010 €000s**	**2009 €000s**
Dividend of Nil cent (2009: 4.8 cent) per share on 8% non-cumulative preference shares of 60 cent each	**-**	169
Dividend of Nil cent (2009: 8.4 cent) per share on 14% non-cumulative preference shares of 60 cent each	**-**	113
2009 Final dividend of 20.0 cent (2008: 10.0 cent) per share on ordinary shares of 60 cent each	**6,654**	3,327
2010 Interim dividend of 10.5 cent (2009: 10.0 cent) per share on ordinary shares of 60 cent each	**3,493**	3,327
	10,147	6,936

Approved but not paid:	**2010 €000s**	**2009 €000s**
Dividend of 4.8 cent (2009: Nil cent) per share on 8% non-cumulative preference shares of 60 cent each	**169**	-
Dividend of 8.4 cent (2009: Nil cent) per share on 14% non-cumulative preference shares of 60 cent each	**113**	-
	282	-

Proposed:	**2010 €000s**	**2009 €000s**
Dividend of 4.8 cent (2009: 4.8 cent) per share on 8% non-cumulative preference shares of 60 cent each	**169**	169
Final dividend of 21.0 cent (2009: 20.0 cent) per share on ordinary shares of 60 cent each	**6,987**	6,654
	7,156	6,823

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Note 4 Loss per 60 cent Ordinary Share

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

Earnings	**2010 €000s**	**2009 €000s**
Loss for the year	**(3,235)**	(30,930)
Non-controlling interest	**827**	740
Preference dividend	**(282)**	(282)
Loss for the purpose of basic and diluted loss per share	**(2,690)**	(30,472)

Number of shares	**2010**	**2009**
Weighted average number of ordinary shares for the purpose of basic loss per share	**33,269,000**	33,269,000
Effect of dilutive potential of share options outstanding	**150,000**	198,000
Weighted average number of ordinary shares for the purpose of diluted loss per share	**33,419,000**	33,467,000

The 'A' ordinary shares of 1 cent each that are in issue have no impact on the loss per share calculation.

	Cent	Cent
Basic loss per share	**(8.08)**	(91.59)
Diluted loss per share	**(8.08)**	(91.59)

The calculation of the operating earnings per share, which is supplementary to the requirements of International Financial Reporting Standards, is based on the following data:

	2010 €000s	**2009 €000s**
Operating profit after taxation*	**35,623**	25,299
Non-controlling interest	**(125)**	(193)
Preference dividend	**(282)**	(282)
	35,216	24,824
	Cent	**Cent**
Operating earnings per share	**105.85**	74.61

*2010 effective tax rate of 12.4% (2009: 12.4%).

Note 5 Ordinary Share Capital

	Number (2010 only)	2010 €000s	2009 €000s
(i) Ordinary shares of 60 cent each			
Authorised:			
At the beginning and the end of the year	51,326,000	**30,796**	30,796
Issued and fully paid:			
At the beginning and the end of the year	35,461,206	**21,277**	21,277
(ii) 'A' Ordinary shares of 1 cent each			
Authorised:			
At the beginning and the end of the year	120,000,000	**1,200**	1,200
Issued and fully paid:			
At the beginning and the end of the year	**13,169,428**	**132**	132
		21,409	21,409

The 'A' ordinary shares of 1 cent 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 1 cent 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 holders of the two classes of non-cumulative preference shares rank ahead of the two classes of ordinary shares in the event of a winding up. Before any dividend can be declared on the ordinary shares of 60 cent each, the dividend on the non-cumulative preference shares must firstly be declared or paid.

The number of ordinary shares of 60 cent each held as treasury shares at the beginning and end of the year (and the maximum number held during the year) was 2,191,730. This represented 6.18% of the shares of this class in issue and had a nominal value of €1.315m. There were no movements during the year in the Company's holding of treasury shares.

The weighted average number of ordinary shares of 60 cent each in the earnings per share calculation has been reduced by the number of such shares held in treasury.

At 31 December 2010, the total number of ordinary shares of 60 cent each under option amounted to 1,161,864 (2009: 1,199,422). The related options had been granted under the FBD Holdings plc Executive Share Option Scheme ("ESOS") and the FBD Group Save as You Earn (SAYE) Scheme (the "SAYE Scheme"). 249,825 (2009: 249,825) of the options outstanding under the ESOS may be exercised prior to October 2013 at a subscription price of €2.50 per share. 875,000 (2009: 905,000) of the options outstanding under the ESOS may be exercised between August 2012 and September 2014 at a subscription price of €7.45 per share conditional on certain performance conditions being met. The 37,039 (2009: 44,597) options outstanding under the SAYE Scheme may be exercised after February 2011 at a subscription price of €18.46 per share.

All issued shares have been fully paid.

Note 6 Transactions with Related Parties

Farmer Business Developments plc has a substantial shareholding in the Group at 31 December 2010 details of which are set out in the Annual Report.

Included in the financial statements is an unsecured loan of €60,000,000 (2009: €60,000,000) from Farmer Business Developments plc to FBD Property and Leisure Limited, a 100% owned subsidiary of the Group. This loan is guaranteed by the Company. The loan is due to be repaid in full in July 2012. Interest is charged at market rate which is defined under the terms of the loan agreement as the 3 month Euribor rate plus a margin capped at 225 basis points.

Included in the financial statements at the year end is €671,227 (2009: €331,601) due from Farmer Business Developments plc. This balance is made up of recharges for services provided and recoverable costs. Interest is charged on this balance at the market rate. The amount due is repayable on demand.

Note 7 Subsequent Events

Subsequent to the year end, two of the Group's investment properties located in the UK were sold and a third is in the course of being sold. Combined, the three sales will generate €20,600,000 in cash and a profit of €500,000 over the December 2010 valuation.

Note 8 – General Information and Accounting Policies

The financial information set out in this document does not constitute full statutory financial statements for the years ended 31 December 2010 or 2009 but is derived from same. The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), applicable Irish law and Listing Rules of the Irish and London Stock Exchanges. The Group financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The 2010 and 2009 financial statements have been audited and received unqualified audit reports. The 2010 financial statements were approved by the Board of Directors on 7 March 2011.

The consolidated financial statements are prepared under the historical cost convention as modified by the revaluation of property, investments held for trading, available for sale investments and investment property which are measured at fair value.