

FBD Holdings plc

2024 Half Year Results

9th August 2024



Forward looking statements

This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.





2024 HALF YEAR RESULTS

Overview

→ Tomás Ó Midheach, CEO

STANDS FOR SUPPORT.

Half Year 2024 At a Glance



+10%

Gross Written
Premium Growth



€32m

Profit
Before Tax



+4,500

Policies in
Farmer sector



100c

Special Dividend
Approved

Strategy Delivering

Delivering consistent returns with predictable yields



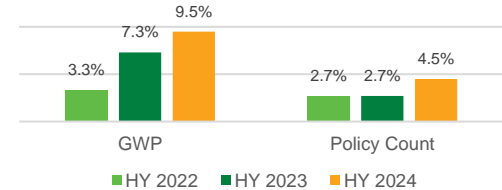
Robust Franchise

- Providing our customers with a valued proposition
- Market Leader in Farmers' insurance
- Replicating relationship strategy to grow Business sector
- Direct model advantage evidenced by strong retention
- Retail sector growing through FBD Direct & Partnerships
- Creating value for all stakeholders



Growing

GWP & Policy Count Growth %

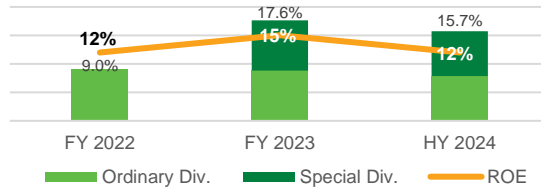


Policy count growth excludes legacy scheme runoff



Return

Dividend Yield & ROE

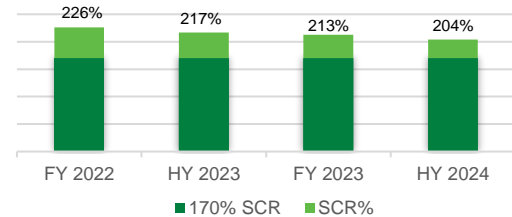


€4m share buyback completed in H1 2024



Well Capitalised

SCR%



Key Highlights

Half year profit of

€32m

before tax



- Underwriting Result €26m (HY 2023: €37m)
- Income Statement investment return of €15m (HY 2023: €8m)
- €8m reduction in Past Service best estimate
- ESG advocacy initiative: €1.5m towards UCD FBD Agricultural Science Centre

Reported COR

87.7%



- Undiscounted COR 91.9% (HY 2023: 84.2%)
- Current service COR 99.5% (HY 2023: 95.9%)
- Positive Motor Injury claims trends, more than offset by higher Motor Damage & Property claims costs
- Weather losses to date were substantially higher than the first half of 2023

GWP of

€226m



- Gross Written Premium up 9.5%
- Increased level of insurance coverage accounts for almost two thirds of the 8.3% average premium increase
- Private Motor average premium up 5.6% driven by increased costs of repairs, frequency and advanced technology
- Insurance Revenue €213m includes Gross Earned Premium and Income on instalment premium

Profit supported by growth, underwriting discipline and increasing investment returns

Key Highlights

Investments



- Income Statement return €15m (HY 2023: €8m), €7.5m generated by risk assets, mainly driven by equities
- Increased income from bond portfolio as maturities reinvested at higher yields
- OCI return -€4m (HY 2023: €9m)
- Credit quality corporate bond portfolio A-

Capital



- Special Dividend of 100c approved
- Net Asset Value 1,293c after ordinary dividend paid in 2024 (FY 2023: 1,330c)
- Capital ratio (unreviewed) after approved dividend of 204% (FY 2023: 213%)
- Return on Equity of 12%
- Return on Targeted Equity of 16%

Customer Focus



- Customer focused Strategy delivering – Policy count growth of 4.5% across our Farmer, Business & Retail sectors
- Farmer Policy count growing – 4,500 up on H1 2023
- Continued growth in Business sector
- Retail Policy count growth of 8%. FBD Direct, Bank of Ireland and An Post Insurance partnerships contributing

Capital position remains strong allowing for business growth and distributions



2024 HALF YEAR RESULTS

Financial Performance



SUPPORT.
IT'S WHAT WE DO.

→ Kate Tobin, CFO

2024 Half Year Results

	2024	2023
GWP	€226m	€206m
Underwriting Result	€26m	€37m
Investment Income	€15m	€8m
Profit before tax	€32m	€39m
EPS	79c	91c
NAV	1,293c	1,274c
ROE (annualised)	12%	15%
ROTE (annualised)	16%	21%
	2024	2023
Loss ratio	60.0%	54.0%
Expense ratio	27.7%	27.1%
Combined Operating Ratio	87.7%	81.1%
Total investment return	1.0%	1.5%
• Income statement	1.3%	0.7%
• OCI	(0.3%)	0.8%



87.7%
Combined Operating
Ratio



12%
ROE

2024 Half Year Results

Income Statement	2024 €'000s	2023 €'000s
Insurance revenue	212,597	194,540
Insurance service expenses	(129,124)	(91,957)
Net expense from reinsurance contracts held	(35,534)	(37,180)
Insurance service result	47,939	65,403
Total investment return	14,971	8,389
Net insurance finance expenses	(3,797)	(2,104)
Net insurance and investment result	59,113	71,688
Non-attributable expenses	(18,810)	(16,165)
Finance costs, other provisions	(8,044)	(16,046)
Profit before taxation	32,259	39,477



€213m

Insurance Revenue



€32m

Profit before tax

Analysis of Combined Operating Ratio

	2024 %	2023 %
Current Service Combined Operating Ratio	99.5%	95.9%
Past Service Combined Operating Ratio	-11.8%	-14.8%
Reported Combined Operating Ratio	87.7%	81.1%
Undiscounted Combined Operating Ratio	91.9%	84.2%



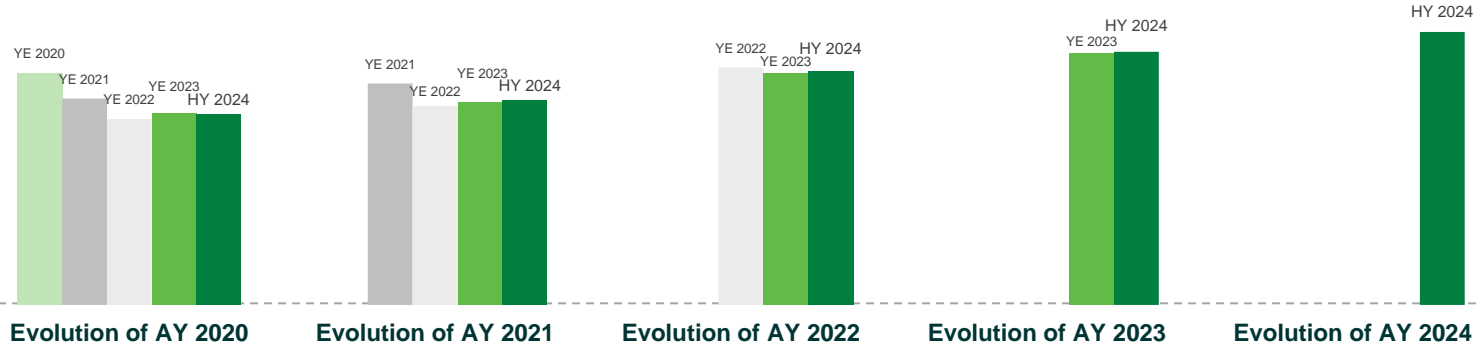
€8m

Past Service Best Estimate Release (H1 2023: €25m)



€4m of Past Service Release related to BI in 2024 vs €15m in H1 2023

Best Estimate Claims Reserve Development



- **Net positive** prior year reserve development during 2024
- Smaller injury claims showing positive impact from the introduction of the **Personal Injuries Guidelines**
- Current year **injury frequency** decreased from 2023 for most lines of business
- Expectations for future **injury claims inflation** have been allowed for within the reserves
- **Significant inflation** continues to be observed on the **Motor Damage** claims

Note: The above graphs include EL, PL and Motor Accident Years ("AY") only

Income Statement returns increasing

Income Statement return

1.3%



Cash, Fixed Income and Risk Assets:

- Positive yielding cash and deposits contribute €2.5m
- Income from bond portfolios continues to increase as maturities reinvested at higher book yields
- Cash & bond income increased to €8.2m from €4.9m
- Equities major driver of €7.5m risk asset return

OCI return

-0.3%



Corporate and Sovereign Bonds:

- Risk-free rates increased as 2023 rate cut projections were over optimistic
- ECB rate cut, 'pull-to-par' effect and narrowing credit spreads offset impact of higher rates
- €43m unrealised loss on the bond portfolios will unwind over the remaining life as they are held to maturity

Investment Income Analysis vs Prior Year

The following table compares the Income Statement returns for H1 2024 vs H1 2023

	2024	2023
Group Investment Assets	€000	€000
Corporate Bond Income ¹	4,685	3,498
Corporate Bond realised losses ²	(108)	(1,095)
Government Bond Income ¹	1,123	1,063
Deposits and Cash ³	2,455	1,450
Risk Assets ⁴	7,576	5,063
Investment Property	(85)	(834)
Expenses	(675)	(756)
Total	14,971	8,389

1. Corporate bond income increased in H1 2024 as maturities are re-invested at higher interest rates.
2. Low level of realised bond losses in H1 2024; Realised losses in H1 2023 includes €0.95m realised loss due to sale of downgraded bond
3. Return on Deposits and Cash has increased on higher current rates
4. Equities major driver of Risk Asset Returns



ECB cut deposit rate to 3.75% in June



9% of Corporate Bond portfolio maturing during 2024 resulting in increased income



€20m in Government Bonds maturing in H2 2024

Investment Allocation

The following table illustrates the changes to investment allocation over the year:

Group Investment Assets	30-Jun-24		31-Dec-23	
	€m	%	€m	%
Corporate Bonds	594	51%	575	49%
Government Bonds	263	23%	281	24%
Deposits and Cash	134	12%	145	12%
Risk Assets	149	13%	161	14%
Investment Property	12	1%	12	1%
Total	1,152	100%	1,174	100%

- Corporate bond increase includes €15m reallocation from Government bond portfolio
- Credit quality stable. While the overall allocation to BBB rated corporate bonds is stable at 38%, our BBB- allocation has decreased to 3.3% vs 5.0% at year end
- Corporate Bond duration stable at 3.5 years due to relatively low level of maturities in H1 2024
- Government Bond duration reduced from 3.5 to 3.0 years as no maturities in H1 2024



€20m divested from
Risk Assets



Lower allocation to
cash due to dividend
payments



2024 HALF YEAR RESULTS

Conclusion



Tomás Ó Midheach, CEO

Summary



- Profit before tax of €32m with Reported COR 87.7%



- Solvency Capital Ratio (**SCR**) of **204%** (unreviewed) after special dividend. SCR Risk Appetite 150%-170%
- Focus remains on annual dividend sustainability while maintaining a strong capital position



- **Special Dividend of 100c** per share has been approved in line with our intention to move toward target capital based on risk appetite



- FBD is a **robust** and **growing** business, that is delivering for all **stakeholders**





2024 HALF YEAR RESULTS

Appendix



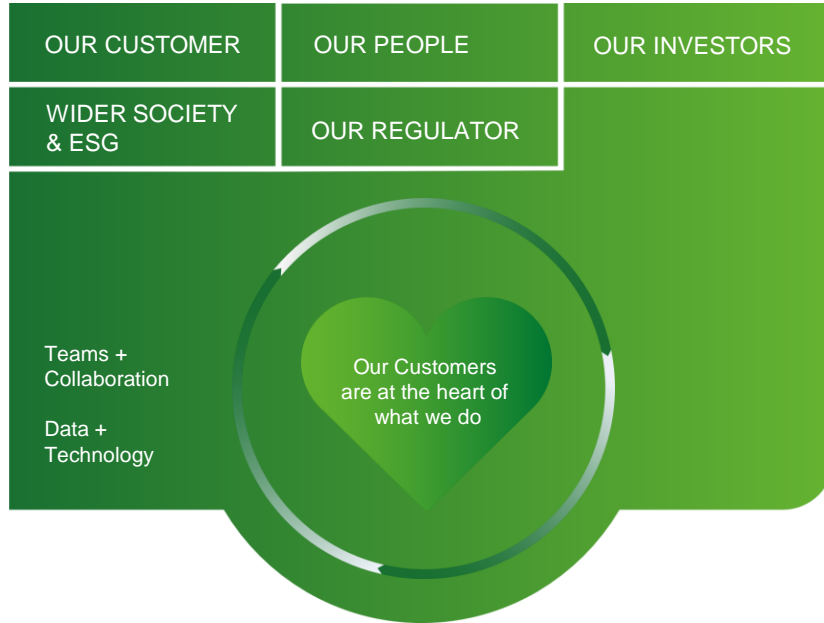
SUPPORT.
IT'S WHAT WE DO.



#FBDsupport

FBD of 2028

A digitally enabled, data enriched organisation which delivers an excellent customer and employee experience, while also delivering for our stakeholders.



STRATEGIC AMBITION

OUR CUSTOMER

We have a complete picture of them, understand them and deliver a proposition they value.

WIDER SOCIETY & ESG

We are recognised as the local insurer, supporting and sustaining our local communities. Delivering on our sustainability commitments and supporting our customers in theirs.

OUR PEOPLE

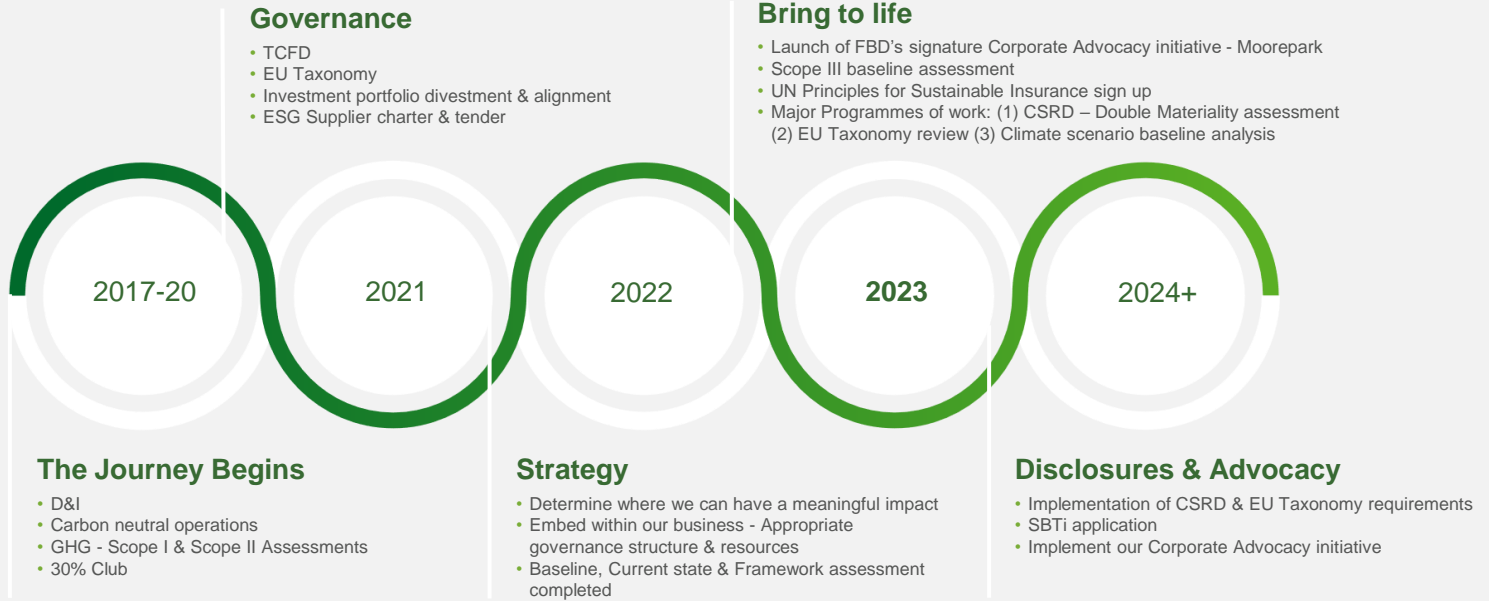
Foster individual and organisational effectiveness.

DELIVERING MEASURED PROFITABLE GROWTH

Through a sharp focus on Value, Growth & Innovation.

FBD's ESG Direction of Travel

ESG Scaling up in FBD



FBD – A local insurer, supporting & sustaining local communities

ESG Advocacy Initiative

UCD FBD Agricultural Science Centre

- FBD Holdings plc has pledged a contribution of €1.5m
- Investment underscores our commitment to supporting Ireland's farming communities, agriculture as a whole and the food industry

The centre will:

- Enhance UCD's ability to deliver both teaching and research to the highest international standards
- Provide a hub where researchers and students can collaborate on projects addressing the most pressing farming challenges
- Facilitate new education programmes in the areas of animal science & health, crop science and sustainable food production
- Construction of the new centre is due to commence in 2025



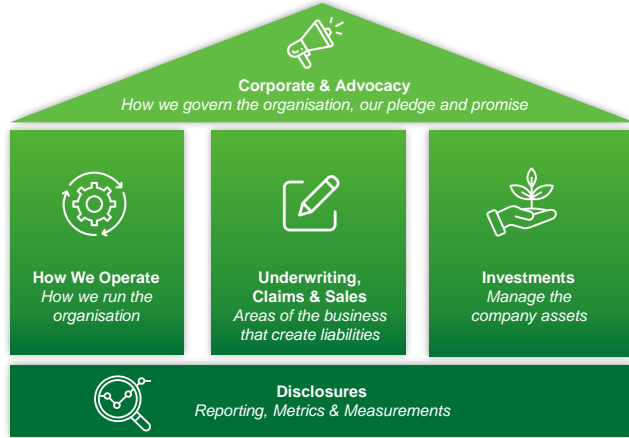
UCD FBD Agricultural Science Centre



We are delighted to join forces with UCD in this important initiative that will foster innovation research and education in the agricultural sector. Together with UCD we are dedicated to be nurturing the next generation of agricultural scientists who are poised to make a lasting impact on a sustainable future.

ESG Progress so far in 2024

The pillars of our ESG strategy



Corporate & Advocacy

- €1.5m contribution for agricultural research and education facilities at UCD, following our €2.5 million contribution for sustainable animal and grassland research facility in 2023

How We Operate

- FBD awarded the Gold Accreditation for Investors in Diversity
- Strategic projects underway supporting paper reduction objective
- Several Energy Saving projects (Climate Control; Solar; Insulation) were completed in H1 with more to follow in H2 and 2025.

Underwriting, Claims & Sales

- Community sponsorship initiatives and charity partners - FBD Semples Stadium, Rás Tailteann and Student/Young Farmer of the year awards
- Further integration of ESG into Underwriting policies, product oversight and governance

Investments

- ESG Strategy being reviewed in the context of CSRD
- Formalised exclusions within the investment portfolio, and implemented climate transition risk rating limits

Disclosures

- Tracking well towards our CSRD reporting requirements in 2025
- The first annual disclosure outlining progress made in implementing the UN Principles for Sustainable Insurance will be issued shortly
- Climate scenario modelling and projections underway to meet regulatory reporting requirements

Underwriting Environment

Legislative focus in 2024

Road Traffic and Roads Act 2023:

- Irish Motor Insurance Database (IMID): ANPR details being provided to An Garda Síochána daily. Working towards meeting the requirements for Driving Licence Numbers for all Policyholders in line with due dates

Proposed Legislative developments

We continue to monitor each of these as they progress through the legislative process to assess portfolio impacts:

- Flood Insurance Bill
- Consumer Insurance Contracts (Amendment) Bill 2023
- Consumer Protection Code Review

Previous Legislative Developments



We continue to monitor developments following these legislative changes for any portfolio impacts:

- Judicial Council Act 2019 and Personal Injuries Guidelines
- Civil Liability Act 1961 (Periodic Payment Orders)
- Amendments to the Occupier's Liability Act
- Representative Actions for the Protection of the Collective Interests of Consumers Act 2023
- 6th Motor Insurance Directive
- RTA legislation - use of scramblers / quads and e-bikes / e-scooters



Claims Environment and Emerging Trends

Property & Motor Damage



- Storm claims driving Property notifications – up materially on H1 2023
- Average claims cost increased due to a change in mix of claims and inflation, with double digit increases in Escape of Water
- Motor Damage notifications up slightly on last year but materially up on 2020 – Increased costs associated with labour, paint, parts & materials and vehicle complexity
- Settlement rates for Property and Motor Damage are ahead of H1 2023

Injury



- Certainty brought by Supreme Court ruling relating to Personal Injuries Guidelines (Delaney v Injuries Resolution Board) – reaffirms assumptions regarding the reducing cost of Injury claims
- Injury settlement rate increased in H1 2024
- Plaintiff legal costs in both the High Court and Circuit Court are continuing to increase as a proportion of overall settlement costs
- Personal Injuries Guidelines
 - Consistent reductions of c.40% versus Book of Quantum.
 - We continue to see Court awards in excess of Injuries Resolution Board awards
 - FBD supports the work of the Government and the insurance reform agenda
- Discount Rate and Periodic Payment Order
 - Recommendations accepted by the Minister for Justice – reduces uncertainty

Claims Trends



Motor Damage and Property average Claims costs have **increased by 10% and 34%** respectively in the year to June 2024, and are now up **40% and 85%** on 2020, due to disrupted supply lines, skills shortages, materials & parts inflation and business interruption settlements



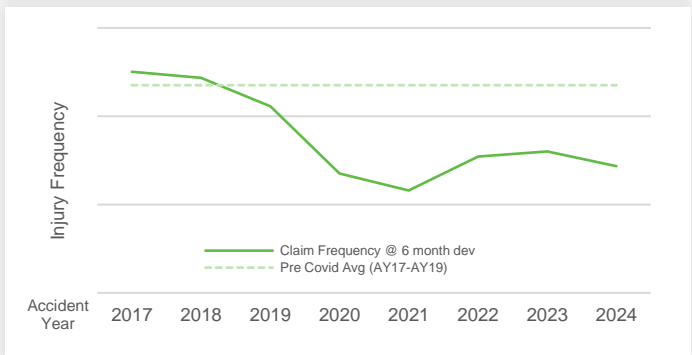
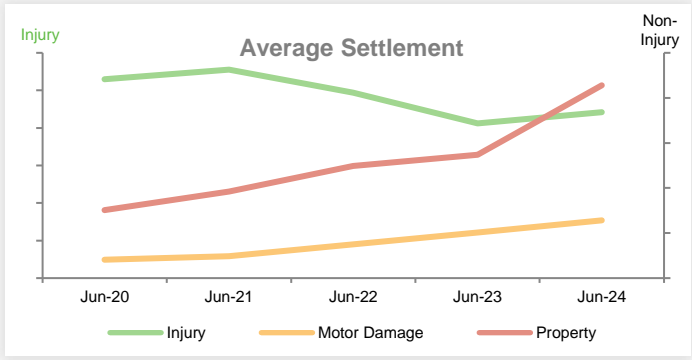
While average **Injury** Claims costs are **up 2%** in the year to June 2024, they are **down 6%** on 2020, signalling a generally **positive trend** since the introduction of the Personal Injury Guidelines in 2021. FBD's Injuries Resolution Board acceptance rates are approaching pre-Guidelines levels



Injury **settlement activity** is **up 8%** on June 2023 driven by the closure of historical cases, however, settlement activity remains **down 21%** on 2020



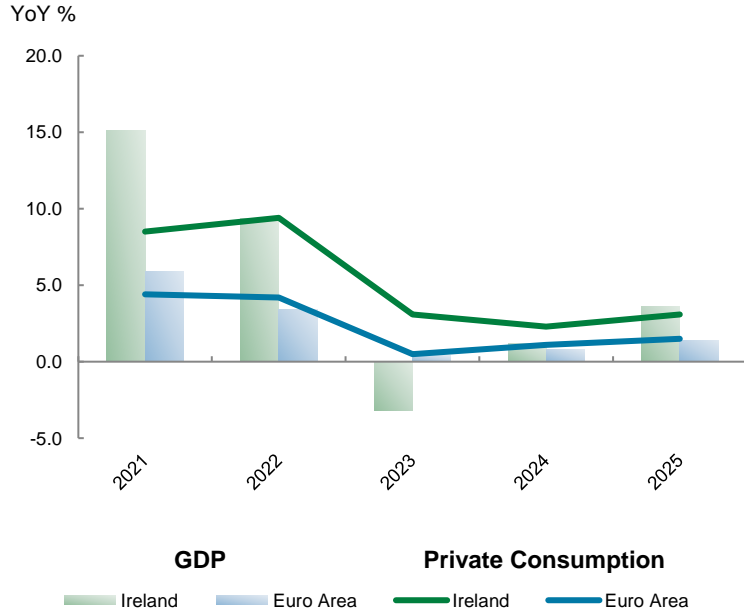
Private Motor Injury Frequency remains below pre-Covid levels however increases continue to be observed in **Motor Damage** Loss Ratios & Frequency in 2024, with similar trends seen in Commercial & Agri Motor



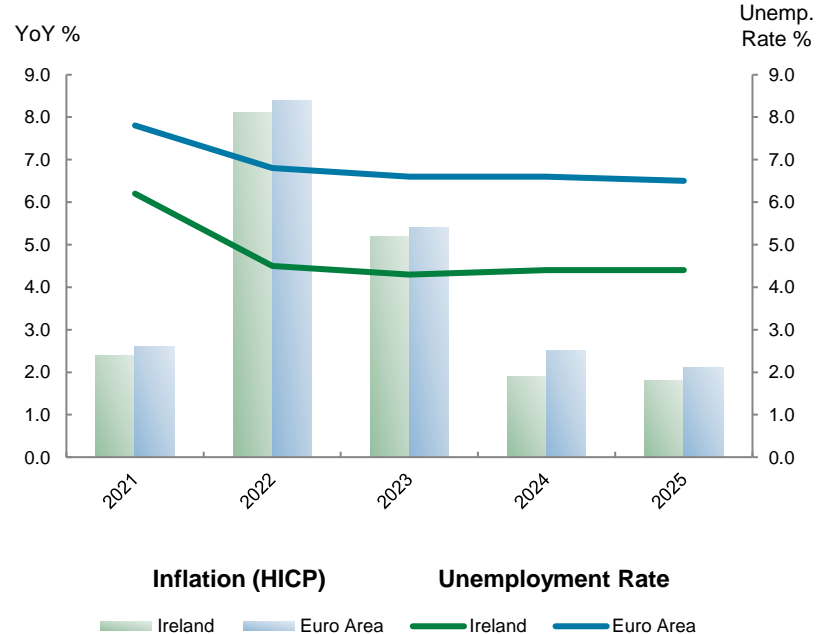
* Claimants with settlement payments up to and including €250,000 are included

Ireland & Euro Area Economic Environment

GDP & Private Consumption

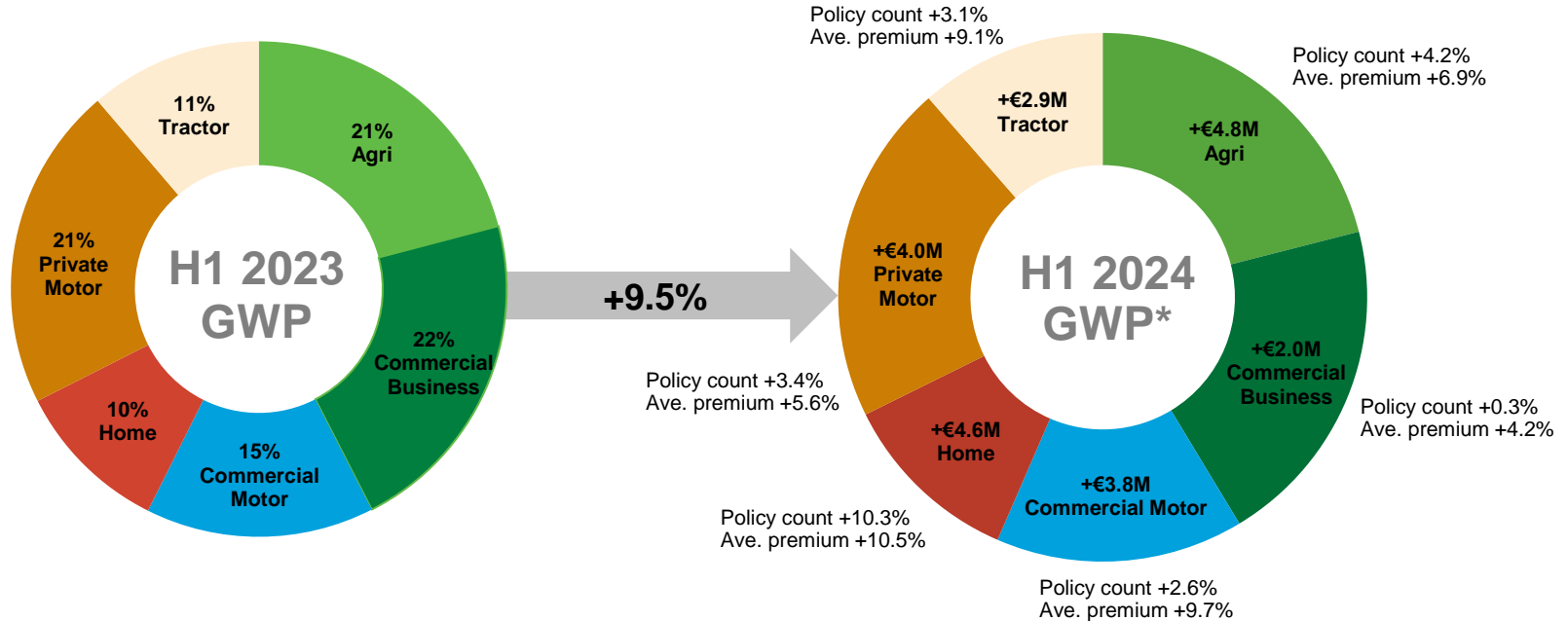


Inflation (HICP) & Unemployment Rate



Source: European Commission Spring Economic Forecast

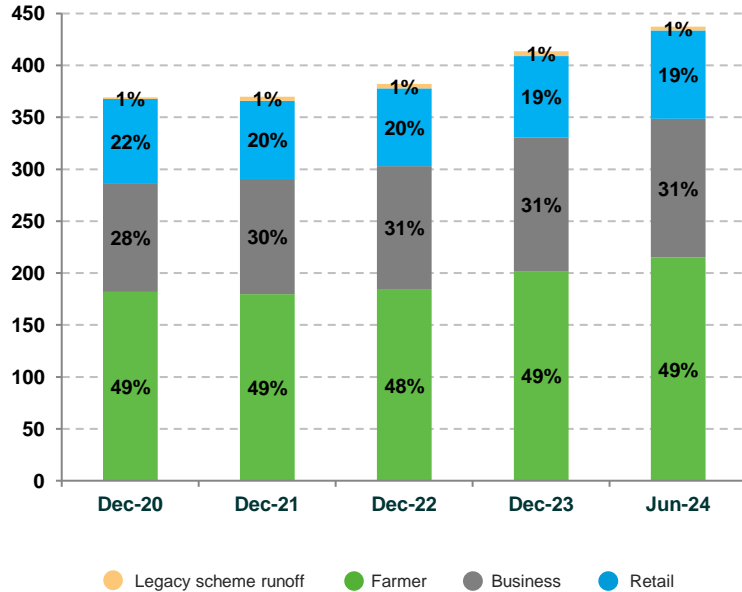
GWP Performance by Product



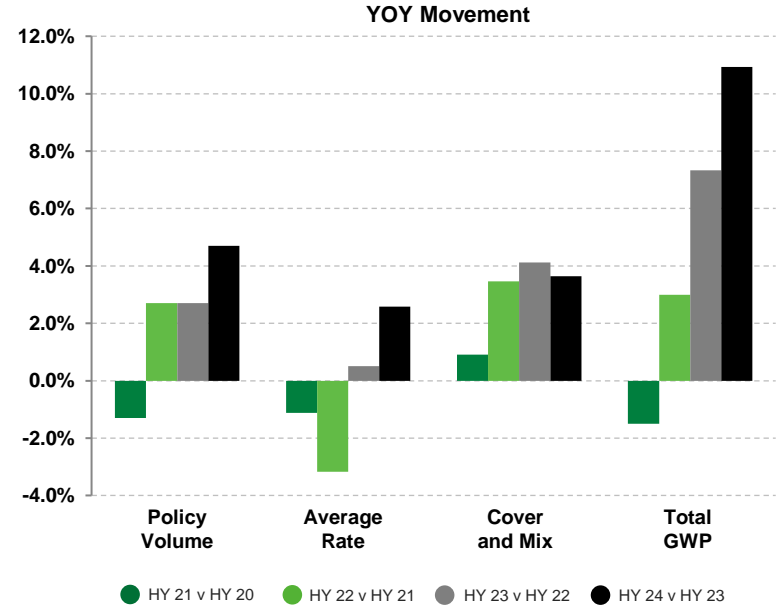
* Excluding legacy scheme runoff -€2.5m

Premium Analysis

Active Premium by Customer Sector



Change in GWP *



* Excluding legacy scheme runoff

Customer Sectors



Farmer

- Increased new business in Agri products supported by our unique service proposition
- Net policy growth evident again in 2024 (+4,500 policies) – building on 2023 progress
- Retention rates remain very strong
- Average premium increases in multiperil reflect increased levels of coverage



Business

- GWP up on last year across both Broker & Direct channels
- Growth in GWP from both new and renewed business
- New business growth in an increasingly competitive market environment

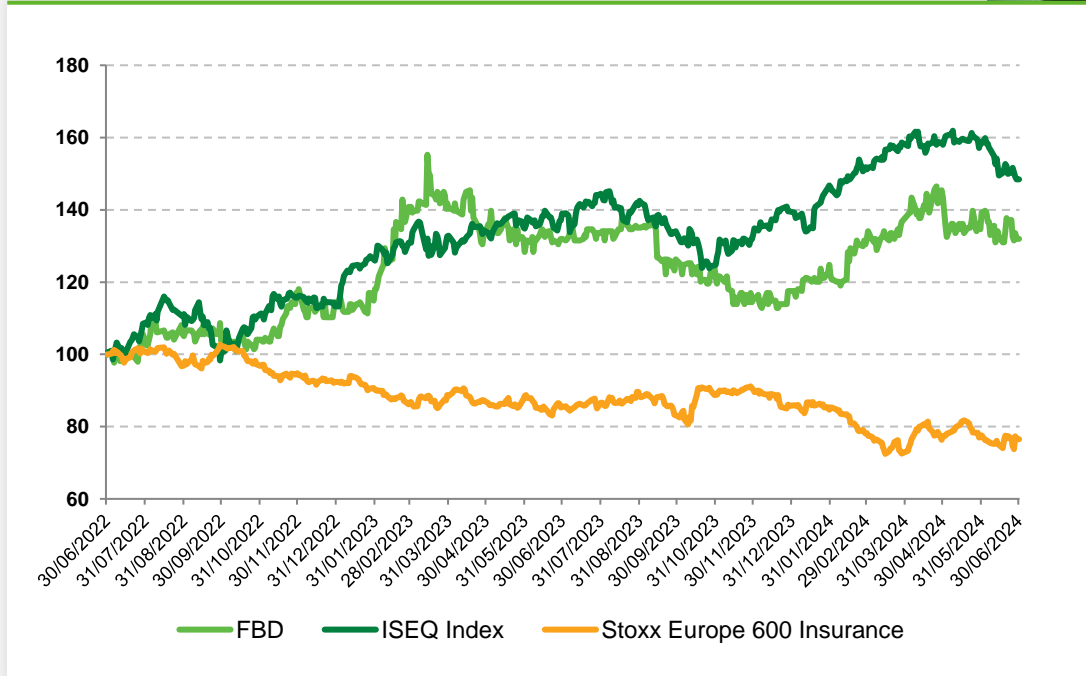


Retail

- Growth in premium and policy count in what continues to be a competitive market
- Private Motor & Home retention rates remain strong
- Premium and policy growth achieved across FBD Direct, An Post & Bank of Ireland



FBD Share Price Performance



Glossary

Acquisition	The total of net commission and operating expenses incurred in the generation of net earned premium and often expressed as a percentage of net earned premium. The operating expenses are after the transfer of direct costs for claims settlement expenses which are included in net incurred claims expense.
Best Estimate	The actuary's expectation of future cost to settle all outstanding claims net of any margin for uncertainty, representing a 50% probability that the reserves are adequate to settle all future claims.
Casualty Insurance	Insurance that is primarily concerned with the losses resulting from injuries to third persons or their property (i.e. not the policyholder) and the resulting legal liability imposed on the insured. It includes, but is not limited to, general liability, employers' liability, workers' compensation, professional liability, public liability and motor liability insurance.
Catastrophe Reinsurance	A reinsurance contract (often in the form of excess of loss reinsurance) that, subject to specified limits and retention, compensates the ceding insurer for losses in related to an accumulation of claims resulting from a catastrophe event or series of events.
Claim	The amount payable under a contract of insurance or reinsurance arising from a loss relating to an insured event.
Claims Handling Expense (CHE)	Costs incurred in the investigation, assessment and settlement of a claim.
Claims Incurred	The aggregate of all claims paid during an accounting period adjusted by the change in the claims provision for that accounting period.

Claims Provision	The estimate of the most likely cost of settling present and future claims and associated claims adjustment expenses plus a risk margin to cover possible fluctuation of the liability.
Combined Operating Ratio	The sum of the loss ratio and expense ratio. A combined operating ratio <100% indicates profitable insurance results. A combined operating ratio >100% indicates unprofitable results.
Deferred Acquisition Costs	Acquisition costs relating to the unexpired period of risk of contracts in force at the balance sheet date which are carried forward from one accounting period to subsequent accounting periods.
Directly Attributable Expenses	Cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs
Dividend Yield	Dividends paid per share ÷ Share Price at 31 Dec (FY); 30 Jun (HY)
Events Not in Data (ENID)	Insurers are required to allow for all possible events when setting their technical provisions, including those that may not have been historically realised. This is done by allowing for events not in data when calculating technical provisions.
Excess of Loss Reinsurance	A form of reinsurance in which, in return for a premium, the reinsurer accepts liability for claims settled by the original insurer in excess of an agreed amount, generally subject to an upper limit.
Expense Ratio	Insurance acquisition expenses and non-attributable expenses as a percentage of insurance revenue.

Glossary

Fair Value through Other Comprehensive Income (FVOCI)	Financial assets classified and measured at fair value through other comprehensive income.	Long-tail	Classes of insurance business involving coverage for risks where notice of a claim may not be received for many years and claims may be outstanding for more than one year before they are finally quantifiable and settled by the insurer.
General Insurance	Generally used to describe non-life insurance business including property and casualty insurance.	Loss Ratio	Claims incurred net of reinsurance result as a percentage of insurance revenue.
Gross Claims Incurred	The amount of claims incurred during an accounting period before deducting reinsurance recoveries.	Margin for Uncertainty	The margin held over and above the actuarial best estimate in order to provide greater certainty that claims reserves will be sufficient to settle all outstanding claims as they fall due.
Gross Earned Premium (GEP)	The total premium on insurance earned by an insurer or reinsurer during a specified period on premiums underwritten in the current and previous underwriting years.	Net Asset Value (NAV)	Net Asset Value is the net value of an entity's assets less its liabilities, divided by the number of shares outstanding
Gross Written Premium (GWP)	The total premium on insurance underwritten by an insurer or reinsurer during a specified period, before deduction of reinsurance premium.	Net Claims Incurred	The amount of claims incurred during an accounting period after deducting reinsurance recoveries.
Incurred but not Reported (IBNR)	Claims arising out of events that have occurred before the end of an accounting period but have not been reported to the insurer by that date.	Net Claims Ratio	Net claims incurred as a percentage of net earned premium.
Insurance Finance Income or Expenses (IFIE)	IFRS 17 permits an entity to choose to present insurance finance income or expenses either in profit or loss or disaggregated between profit or loss and OCI. This choice is made on a portfolio-by-portfolio basis	Net Earned Premium (NEP)	Net written premium adjusted by the change in net unearned premium for a year.
Insurance Service Result	Insurance revenue less Insurance service expenses less Net expenses from reinsurance contracts held	Net Investment Income	Gross investment income net of foreign exchange gains and losses and investment expenses.
Legacy Scheme Runoff	Broker scheme for Private Motor and Home which was terminated in 2024. H1 2023 GWP was €2.5m.	Net Written Premium (NWP)	The total premium on insurance underwritten by an insurer during a specified period after the deduction of premium applicable to reinsurance.
		Other Comprehensive Income (OCI)	Other comprehensive income consists of revenues, expenses, gains, and losses that, under IFRS standards, are excluded from net income on the income statement.

Glossary

Outstanding Claims Provision	The amount of provision established for claims and related claims expenses that have occurred but have not been paid.
Personal Lines	Insurance for individuals and families, such as private motor vehicle and homeowners insurance.
Policyholders' Funds	Those financial assets held to fund the insurance provisions of the Group.
Premium	Amount payable by the insured or reinsured in order to obtain insurance or reinsurance protection.
Premium Allocation Approach (PAA)	The Premium Allocation Approach is a simplification of the General Model for measuring insurance contract assets and liabilities during the coverage period. It is allowed as an optional measurement approach under IFRS 17, mainly intended for contracts of short duration.
Risk Adjustment (RA)	The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts
Short-tail	Classes of insurance business involving coverage for risks where claims are usually known and settled within 12 months.
Recoveries	The amount of claims recovered from reinsurance, third parties or salvage.
Reinsurance	An agreement to indemnify a primary insurer by a reinsurer in consideration of a premium with respect to agreed risks insured by the primary insurer. The enterprise accepting the risk is the reinsurer and is said to accept inward reinsurance. The enterprise ceding the risks is the cedant or ceding company and is said to place outward reinsurance.

Reinsurer	The insurer that assumes all or part of the insurance or reinsurance liability written by another insurer.
Retention	That amount of liability for which an insurance company will remain responsible after it has completed its reinsurance arrangements.
Return on Equity (ROE)	Profit after Tax as a percentage of average current year and prior year Equity attributable to ordinary equity holders of parent
Return on Targeted Equity (ROTE)	Profit after Tax as a percentage of IFRS Ordinary Shareholder Funds, at the SCR Risk Appetite
Underwriting	The process of reviewing applications submitted for insurance or reinsurance coverage, deciding whether to provide all or part of the coverage requested and determining the applicable premium.
Underwriting Expenses	The aggregate of policy acquisition costs, and administrative, general and other expenses attributable to underwriting operations.
Underwriting Result	Insurance service result less non-attributable expenses and movement in other provisions.
Underwriting Year	The year in which the contract of insurance commenced or was underwritten.
Unearned Premium	The portion of a premium representing the unexpired portion of the contract term as of a certain date.
Written Premium	Premiums written, whether or not earned, during a given period.