Date:                        8th September 2015

On behalf of:           B.P. Marsh & Partners Plc

Embargoed until:  0700hrs

**B.P. Marsh & Partners Plc**

**(“B.P. Marsh”, the “Company” or the “Group”)**

**Trading Update**

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B.P. Marsh, the niche venture capital provider to early stage financial services businesses, is pleased to provide the market with an update on trading for the six month period to 31st July 2015.

**Investment Activity**

**New Investments**

**Property and Liability Underwriting Managers (PTY) Ltd ("PLUM")**

On 1st July 2015 the Group acquired a 20% Cumulative Preferred Ordinary shareholding in PLUM, a Managing General Agent based in Johannesburg, South Africa. This investment represents a joint venture alongside the Group’s existing partners in South Africa.

The Group acquired this stake in PLUM from existing shareholders for an initial consideration of £0.3m. The total consideration could increase to £0.6m subject to PLUM achieving EBITDA of ZAR 8,300,000 (c. £410,000) over the first year of the Group's investment.

PLUM specialises in large corporate property insurance risks in South Africa. The underwriting team within PLUM has over 40 years' experience in the insurance sector in South Africa, with the lead underwriter having held senior positions in the reinsurance and insurance sector there over a 20 year period.

PLUM is supported by both domestic South African insurance capacity and A-rated international reinsurance capacity.

**Additional Investments**

**Nexus Underwriting Management Limited (“Nexus”)**

On 17th June 2015 the Group subscribed for a further investment in Nexus for a total cash consideration of £1,554,000. B.P. Marsh acquired new Preferred Ordinary shares representing 5% of the enlarged share capital of Nexus, and the acquisition took the Company’s holding in Nexus to 9.8%, for an aggregate consideration of £3,108,000.

The Group acquired an initial shareholding in Nexus of 5% in August 2014 and it was always the intention to increase this shareholding over time to support the growth aspirations of Nexus.

Therefore, the Group was pleased to note that on 10th August 2015 Nexus announced that it had completed the acquisition of EBA Insurance Services Limited (“EBA”), utilising the funds provided by B.P. Marsh.

EBA, founded in 1999, is a Managing General Agency (“MGA”) with offices in the UK, France and Italy offering clients a wide range of insurance products, including Architects & Engineers Professional Indemnity, Fine Art & Specie and Event Cancellation Insurance.

This transaction cements Nexus as one of the largest independent specialty MGAs in the London Market with a forecast Annualised Premium Income of c. £85m (c. $135m), operating across all the major insurance sectors.

**Portfolio news**

**Besso Insurance Group Limited (“Besso”)**

Besso, the independent top 20 Lloyd’s broker, has continued to perform well in the current market place and has had strong results in the first half of the current financial year.

Besso has endeavoured to expand its international footprint, and in May 2015 announced that it was in the process of obtaining permissions to establish a Reinsurance Broker and Managing General Agency in Dubai.

This new entity will offer a wide range of insurance product offerings to the market in Dubai, including accident and health, property and liability, marine hull and cargo, engineering, professional indemnity and specie.

Once established, the office in Dubai, led by Shaun Brook, will be part of Besso International, which also includes offices in Turkey, Brazil and Hong Kong.

Roddy Caxton-Spencer, Besso Deputy Chairman, said: *“Besso has grown its portfolio of business in the Middle East and believe that now is the right time to have a local presence in Dubai. The opening of a new entity in Dubai is part of our continued strategy to expand into developing markets.*

*Shaun has an impeccable reputation and has immense experience in the region and will be invaluable as we seek to grow our business in Dubai.”*

**LEBC Holdings Limited (“LEBC”)**

The independent financial adviser firm, which has 14 branches across the United Kingdom, continues to perform well in the post Retail Distribution Review environment.

Its trading subsidiary LEBC Group Limited continues to perform ahead of Budget in 2015, being significantly ahead of 2014. In the last six months LEBC has worked successfully with organisations such as Smith & Nephew, Philips, Taylor Wimpey and the Go Ahead Group.

In June 2015, LEBC won Best Retirement Adviser at the Money Marketing Awards. This award has now been won by LEBC for 3 consecutive years, as well as winning the award in 2011.

**Nexus Underwriting Management Limited (“Nexus”)**

In April 2015 Nexus appointed Stuart Rouse as Chief Operating Officer and Chief Financial Officer. Stuart Rouse has previously worked at Fusion Insurance, Towergate Underwriting, Towergate Financial, Aspen and HW Wood.

In September 2015, Nexus announced that current Chief Executive Officer, Colin Thompson, was assuming the new position of Executive Chairman, with immediate effect. Concurrently, Nexus announced that it had appointed Tim Coles as Chief Executive Officer, with these management changes being introduced to boost Nexus’ growth plans.

Tim Coles was previously CEO of Howden Broking Group, which expanded and developed from a niche Lloyds Broker to an international trading company over his tenure. Prior to Howden, he spent 13 years in the British Army, serving with the Parachute Regiment and Special Forces.

In regard to these changes, Colin Thompson stated “*it is important that Nexus continue to look to the future and to build a management structure that will enable us to continue to grow and develop.*

*Going forward, the vision shared by myself and the rest of the Board is that, within 36 months, we can build Nexus into an MGA underwriting in excess of US$250 million of profitable specialty business. This will be achieved partly by organic growth and the recruitment of new teams but also via the acquisition of other MGAs”.*

**Walsingham Motor Insurance Limited (“Walsingham”)**

Walsingham, a niche UK Motor Managing General Agency which commenced trading in July 2013, continues to show strong growth. Over the next twelve months Walsingham is forecasted to write c. £35m of Gross Written Premium on various motor insurance products, including Courier, both private and public Taxis, Commercial Vehicles and Private Cars.

Walsingham’s business heartland is broadly a non-standard policy offering, with an average premium over £1,000 with distribution through a selected group of no more than forty regional brokers.

In April 2015, Walsingham launched a new fleet facility, with distribution through around half of its existing broker network and this is developing well since establishment. It is forecasted that a third of the Gross Written Premium written by Walsingham in the next twelve months will be fleet business.

Martin Gray, Walsingham’s Chairman, stated: “*Walsingham prides itself on its focus on risk management and its aim to constantly enhance the policyholders’ experience. This is evidenced by the way Walsingham interacts with our brokers and the application of the highest standards of claims management, which is deployed by our claims management partner, Gallagher Bassett.*

*Walsingham is committed to writing a profitable book of business for its Carrier partners, stakeholders and shareholders and constantly increasing the policyholder experience.”*

**Dividend**

When the Group successfully sold the majority of its shareholding in Hyperion Insurance Group Limited to General Atlantic in July 2013 the Group declared a dividend of 2.75p per share (£0.8m) payable in July 2014, alongside an intention to pay additional dividends of 2.75p per share (£0.8m) for the following two years.

The Group met this aim in the second year of the policy and a 2.75p per share dividend received shareholder approval at the Group’s Annual General Meeting held on 22nd July 2015 and was paid on 24th July 2015 to Shareholders registered at the close of business on 26th June 2015.

B.P. Marsh is pleased to announce that for the financial year ended 31st January 2016 the Board has now recommended increasing the proposed dividend to 3.42 pence per share. Additionally, it is the Board’s intention to maintain at least this level of dividend for the financial year ended 31st January 2017, subject to ongoing review and approval by the Board and the Shareholders.

The increase in the proposed dividend is in recognition of the steady growth of the Group's investment portfolio, whilst also demonstrating that the Group is an attractive capital and income investment to its diverse shareholder base.

The Management team remains positive about the Group's ability to generate long term returns from the existing investment portfolio, alongside an interesting pipeline of new investment opportunities.

**Cash Balance**

The net cash available for investment after provision for tax and commitments currently stands at £4.7m.

**Interim Results**

The Group expects to report its interim results for the period to 31st July 2015 on 20th October 2015.

**For further information:**

**B.P. Marsh & Partners Plc** [**www.bpmarsh.co.uk**](http://www.bpmarsh.co.uk)

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**Notes to Editors:**

**About B.P. Marsh & Partners Plc**

B.P. Marsh's current portfolio contains fourteen companies. More detailed descriptions of the portfolio can be found at [www.bpmarsh.co.uk](http://www.bpmarsh.co.uk/).

Since formation over 20 years ago, the Company has assembled a management team with considerable experience both in the financial services sector and in managing private equity investments. Many of the directors have worked with each other in previous roles, and all have worked with each other for at least five years.

Prior to Brian Marsh's involvement in the Company, he spent many years in insurance broking and underwriting in Lloyd's as well as the London and overseas market. He has over 30 years' experience in building, buying and selling financial services businesses, particularly in the insurance sector.

Jonathan Newman is a Chartered Management Accountant and is the Group Director of Finance and has over 17 years' experience in the financial services industry. Jonathan advises investee companies and has a number of non-executive appointments over three investee companies and evaluates new investment opportunities.

Daniel Topping is a Member of the Chartered Institute of Securities and Investment (MCSI) and an Associate of the Institute of Chartered Secretaries and Administrators (ACIS), having graduated from the University of Durham in 2005. Dan joined B.P. Marsh in February 2007 having started his career at an accountancy firm. In 2011 he was appointed as a director of B.P. Marsh and currently has a number of non-executive appointments over seven investee companies and evaluates new investment opportunities.

Camilla Kenyon was appointed as Head of Investor Relations at B.P. Marsh in February 2009, having four years' prior experience with the Company. Camilla has a number of non-executive appointments over two investee companies, is Chair of the New Business Committee and is a Member of the Investor Relations Society.

Alice Foulk joined B.P. Marsh in September 2011 having started her career at a leading Life Assurance company. In 2014 she took over as Executive Assistant to the Chairman, running the Chairman’s Office.