

Recent Market Activity

Presented by
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Agenda

- **Doom**
- **Gloom**
- **Some good news**

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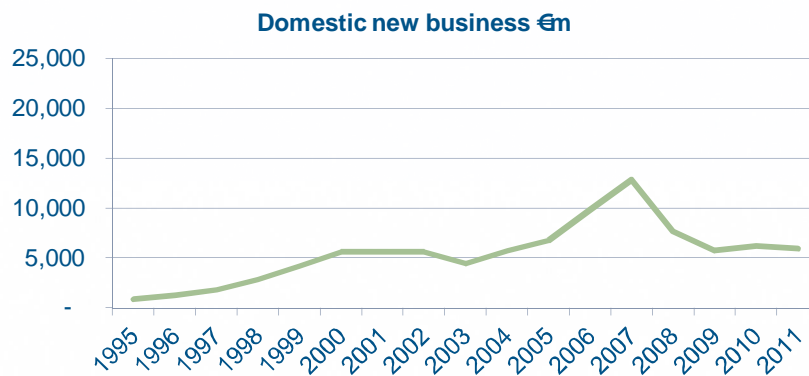
Crisis Bingo

Falling Sales	Stock market turmoil	Declining Persistency
Euro Crisis	"More intrusive" regulation	Issues at parent
Solvency II continued uncertainty	Tax changes (Pensions)	Insurance & Pensions Levies

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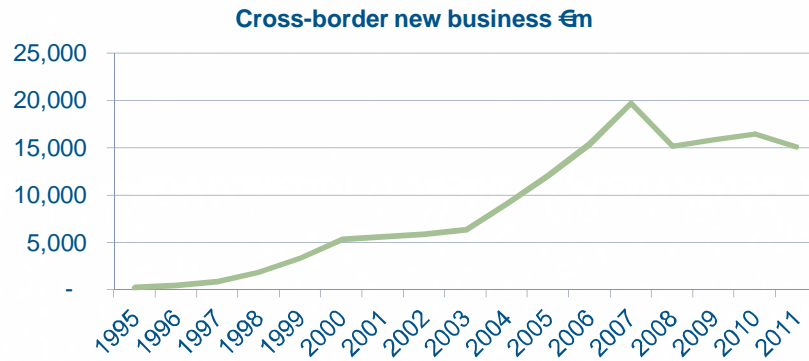
New business sales – domestic market



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New business sales – cross border market



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Milliman

Equity markets – last 10 years



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Milliman

Persistency - domestic market

Company	2006	2010
Irish Life	8.80%	15.10%
Zurich	8.70%	10.60%
Aviva	15.90%	13.80%
New Ireland	11.30%	13.00%

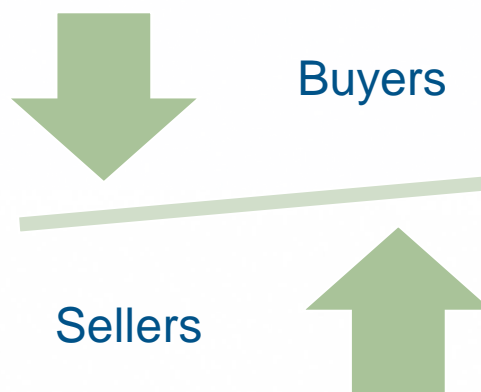
Source: Milliman analysis of regulatory returns

- Almost all companies experiencing worsening persistency in recent years
- Table shows claims paid as a % of total assets under management

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Change leading to Corporate Activity



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Drivers of M&A and other corporate activity

- Banking crisis
- Internal restructuring and capital management
- Falling sales and margins
- Consolidators?

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Domestics



Closure to new business



Ownership?



Restructuring?



Quiet Life

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Cross-border

M&A

Alico /
Metlife

SEB / Irish
Life
International

Laguna Life
/ CitiLife

CLACE /
Augura

New Entrants

W&W

Santander

Pipeline

Closures

Oney
Life

Hartford

Pipeline

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Not all bad news

- MetLife and Zurich investing in Irish development
- Potential balance sheet restructuring
- Investment in IT and shared services
- Ireland as pan-European insurance base



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Portfolio transfers

- Key element of many restructuring / M&A deals
- “Live” or recent transfers include:
 - Quinn Life
 - Canada Life
 - Oney Life
 - GRE Life
 - ... and there is a pipeline