Introduction

An Independent Actuary's Report ("Report") dated 30 May 2020 has been prepared in order that the Irish High Court, the Central Bank of Ireland ("CBI"), the policyholders and other affected parties may properly assess the impact of the proposed transfer of the International Portfolio Bond ("IPB") policy liabilities and associated assets from Zurich Life Assurance PLC ("ZLAP") into Monument Life Insurance Designated Activity Company ("MLIDAC") via a Portfolio Transfer (the "Scheme"). ZLAP and MLIDAC are referred to collectively herein as the "Scheme Companies". The Scheme arises as ZLAP has decided to transfer its IPB business in line with its strategy (and the strategy of its Group) to dispose of non-core and legacy insurance business and to concentrate on the Irish market. MLIDAC is a closed-book consolidator and the acquisition of the IPB book aligns with MLIDAC's strategic plans to grow and develop its unit-linked offering and capability and to continue to service UK business post-Brexit.

This Summary Report describes the Scheme and considers the potential impact and benefits on affected policyholders (of the Scheme Companies), including on the security of their policies. This Summary Report is a summary of the full Independent Actuary's Report. The full Report is available on request from the offices of ZLAP, MLIDAC, MLIDAC's legal advisors (Matheson), on the ZLAP website: www.zurich.ie/existing-customers/zurich-life/international-portfolio-bond-policies and the MLIDAC website: https://www.monumentregroup.com/about-monument-re/about-ie/monument-life-insurance-dac/.

The proposed transfer of insurance business from one Irish insurer to another must be approved by the Irish High Court. In addition, the CBI, as the regulator of both of the Scheme Companies, will be consulted. The terms covering the proposed Scheme are set out in the Scheme document that will be presented to the Irish High Court. I refer to that document as the "Scheme of Transfer". It is anticipated that the Scheme of Transfer will be presented to the Irish High Court under Section 13 of the Assurance Companies Act 1909, Section 36 of the Insurance Act 1989 (as amended) and SI No. 485/2015 – European Union (Insurance and Reinsurance) Regulations 2015 in July 2020, at which time the directions of the Irish High Court will be sought. It is intended that the Sanctions Hearing will take place in November 2020, when final approval of the Scheme of Transfer will be sought with a proposed effective date of 30 November 2020 (the "Effective Date").

About the Independent Actuary

I am a partner in KPMG Ireland. I am a Fellow of the Society of Actuaries in Ireland with more than 25 years of experience of working in the insurance industry. I have previously conducted similar Independent Actuary roles with respect to businesses in Ireland. My full biography is included in the Report.

Use and Limitations

This Summary Report covers the main conclusions of the full Report. However, this Summary Report must be considered in conjunction with that Report and reliance must not be placed solely on this Summary Report. Both this Summary Report and the full Report must be considered in their entirety. Individual sections, if considered in isolation, may be misleading. This Summary Report is subject to the same limitations on its use as are set out in the full Report. In the event of any real or perceived conflict between this Summary Report and the full Report, my Report contains the definitive description.

Neither the full Report, nor any extract from it, may be published without my specific written consent having been given, save that copies of the Report may be made available for inspection by policyholders and shareholders of the Scheme Companies and copies may be provided to any person requesting the same in accordance with legal requirements or any order of the Court. In the event such consent is provided, the full Report must be provided in its entirety. A summary of my Report is set out below.

Background to ZLAP

Zurich Life Assurance Plc ("ZLAP") was established in March 1977 and is one of the largest life insurers in Ireland. ZLAP is authorised to conduct life insurance business in Classes I, II, III, IV, VI and VII. Investment, protection, pensions and annuities are its core business lines in Ireland. ZLAP has a branch in Italy through which it writes life insurance business on a freedom of establishment basis. ZLAP has also written life insurance business in Germany, Sweden, Spain, the United Kingdom and Italy on a freedom of services basis. Business written in these jurisdictions on a freedom of services basis is, with the exception of Germany, closed to new business. As at year-end 2019, ZLAP had total assets under management in excess of €24 billion.

The IPB products being transferred are single-premium unit-linked investment bonds that were issued by ZLAP to UK based-customers. My full report contains a summary of the products offered by the Scheme Companies, focusing in particular on the characteristics of the IPB policies. I have not reproduced the detail in this Summary Report as my full Report is available on request from the Scheme Companies.

Background to MLIDAC

MLIDAC is a designated activity company regulated in Ireland and it is authorised by the CBI to write Class I, III and IV life insurance business and Class 1, 2 and 16 non-life insurance business. As part of its authorisation it is entitled to write business on a freedom of services basis into the UK. The business of MLIDAC is in run-off which means that MLIDAC is not selling any new insurance policies. MLIDAC commenced writing business in September 2000 under the name of CitiLife Financial Limited, a subsidiary of Citigroup Insurance Holdings Corporation. In March 2011, MLIDAC was sold by Citigroup Insurance Holdings Corporation to Enstar and was subsequently sold by Enstar to Monument Re Limited ("Monument Re"), on 29 August 2017. Monument Re is MLIDAC's ultimate parent.

MLIDAC's original portfolio consisted of regular and single premium, level and decreasing term assurance business. MLIDAC has acted as the consolidation vehicle for various books of life assurance business and has acquired a number of portfolios including one from Ethias S.A in Belgium and another from MetLife Europe DAC in Ireland. In 2019, MLIDAC also acquired Inora Life DAC from Société Générale S.A. Over 2020, MLIDAC also intends to acquire a portfolio of annuity contracts from Rothesay Life Plc in the UK. I also note that Monument Re intends to streamline its Irish operations and to facilitate this, it is intended that the insurance policies in Monument Re's other Irish entities (Monument Insurance Designated Activity Company ("MIDAC") and Monument Assurance Designated Activity Company ("MADAC")) are transferred to MLIDAC. All of these transfers are anticipated to take place in advance of the Scheme. More detailed consideration of these transactions is set out in my full Report.

To facilitate the transfer of the IPB business, MLIDAC has applied to the CBI for a Class VI (Capital Redemption Operations) life insurance licence.

Details of the Scheme

The Scheme proposed is one for the transfer of IPB insurance policies of ZLAP by order of the Irish High Court. The Scheme provides for the transfer of the IPB policies, incorporating the underlying insurance contracts, together with the associated liabilities and assets as at the Effective Date to MLIDAC, such that ZLAP has no further liabilities to policyholders.

The Scheme proposes on the Effective Date:

- To transfer the IPB policyholder liabilities from ZLAP to MLIDAC, with the IPB policies being the sole policies in scope of the transfer.
- That MLIDAC will establish regulatory technical provisions in respect of the transferring liabilities and associated capital requirements under the Solvency II regulatory basis and methodology.
- That the portfolio transfer will be made on an arm's length basis and will include the transfer of assets to support the maintenance of the portfolios post the portfolio transfer.
- To maintain policyholder terms and conditions, i.e. there will be no changes to policyholders' terms and conditions across any of the entities.
- To allocate the same type, number and overall value of units in the MLIDAC unit-linked funds as held by ZLAP in their unit-linked funds for the policies transferring as part of the Scheme, though I note that the range of funds offered post-transfer will not coincide exactly with those available pre-transfer. This is described in more detail below and in my full Report.
- To maintain the operation of the insurance contracts, i.e. the operation of the policies will not change and all supporting contractual arrangements such as scheme administration should remain unchanged. However, I note that MLIDAC is considering a change to the administration arrangements post-transfer and I have considered and commented upon this point in further detail below.

The Effective Date of the Scheme is expected to be 30 November 2020.

Independent Actuary's Approach

My approach to assessing the likely effects of the Scheme on policyholders is to:

- Understand the businesses of the companies affected by the Scheme; and
- Understand the effect of the Scheme on the assets, liabilities and regulatory capital of the companies involved.

Having identified the effects of the Scheme on the various companies, I then:

- Identify the groups of policyholders directly affected;
- Consider the impact of the Scheme on the security of each group of policyholders;
- Consider the impact of the Scheme on the benefit expectations of each group of policyholders; and
- Consider other aspects of the impact of the Scheme (for example, policyholder service).

Policyholder impacts

The Assumptions underpinning my analysis are set out in Section 2.1 in my Report, with their impacts being assessed in Section 7.5 of my Report. The assumptions underlie the analysis and conclusions in my Report and, at this stage, these assumptions correctly represent the current intentions of the Scheme Companies. If any of these assumptions were to change, my opinion may also change. Whilst my full Report captures all of the detail, below I have summarised some of the more significant assumptions:

- To facilitate the acceptance of the IPB policies, MLIDAC is applying to the CBI for a Class VI (Capital Redemption Operations) life insurance licence and I have assumed that this licence application is successful.
- After the Scheme completes, by virtue of MLIDAC's approach to maintaining a UK presence post-Brexit and the transfer of the IPB policies to MLIDAC, the IPB policies will still be covered under the UK's Financial Services Compensation Scheme ("FSCS").
- Where the current funds offered by ZLAP to IPB policyholders will be unavailable to IPB policyholders after the Scheme, funds will be transferred to replacement funds that have been agreed in principle between ZLAP and MLIDAC, which provide the same or similar investment mandates, performance and costs in line with policyholder reasonable expectations and policy terms and conditions.

Security of benefits at portfolio transfer date

I have considered the relative capital strength of MLIDAC and ZLAP prior to and post the transfer and in respect of all groups of policyholders. I have based my analysis on the most recent audited financial information as at 31 December 2019, including regulatory returns to the CBI, projected financial information and interim results prepared by the Scheme Companies over 2020 thus far.

The IPB policies represent a very small proportion of ZLAP's overall book of business. As a result, the Scheme does not have a material impact upon ZLAP's capital strength at the Effective Date. Hence, I have not commented further on the impacts, at the Effective Date, of the Scheme upon the remaining (i.e. non-IPB) policyholders of ZLAP within this Summary Report.

The projected capital and solvency position of MLIDAC pre- and post-transfer is set out in Table 1 below, based on pro-forma results as at 31 December 2019. In addition, for comparison purposes, the solvency position of ZLAP is provided:

Table 1: ZLAP and MLIDAC Illustrative Solvency Position - €m

	ZLAP 31 December 2019	MLIDAC Pre-Transfer 31 December 2019	MLIDAC Post-Transfer 31 December 2019
Own Funds	762.9	29.8	35.8
Solvency Capital Requirement	591.9	16.1	23.0
Excess of Own Funds over Solvency Capital Requirement	171.0	13.7	12.9
Solvency Coverage Ratio	129%	185%	156%

Note: MLIDAC results are pro-forma results prepared by MLIDAC management. Prior to the Scheme, it is expected that MLIDAC will acquire the annuity portfolio of Rothesay Life plc and that the business of MIDAC and MADAC will transfer to MLIDAC; the above table assumes that these transactions are approved and hence they are reflected in the above pre-transfer results. My full Report includes detail on these transfers – whilst I have not reproduced the detail in the table above, the potential impacts have been factored into my considerations. The MLIDAC pro forma figures also ignore the impacts of the volatility adjustment, a €5.5m dividend paid by MLIDAC's subsidiary Inora Life dac to MLIDAC over Q1 2020 and the non-payment of a planned Q1 2020 dividend of €1.5m from MLIDAC to its parent. Taken together these factors would increase MLIDAC's post-transfer solvency coverage above 156% and, in particular, above MLIDAC's target coverage level.

I have considered below the effects of the Scheme on the security of the transferring IPB policyholders and the existing MLIDAC policyholders.

IPB Policyholders

For the IPB policyholders, I note the following impacts of the Scheme based on the analysis above:

- The IPB policyholders, pre-transfer, are part of ZLAP, which is a well-capitalised, diverse insurer.
- Post-transfer, the IPB policyholders are part of MLIDAC, with Own Funds post-transfer of €35.8m and solvency coverage of 156%. Therefore, the IPB policyholders become part of a company with a lower level of Own Funds (and a lower excess of Own Funds over the regulatory capital requirements) than they enjoyed prior to the transfer, with a lower overall capital requirement. Although the level of Own Funds is lower than ZLAP's, the level of solvency coverage is higher and is well in excess of the regulatory minimum levels. As noted in the footnote to the table above, once the volatility adjustment and actual dividends over 2020 are allowed for, MLIDAC's solvency coverage is also anticipated to be in excess of its internal regulatory capital target.

Existing MLIDAC Policyholders

For existing MLIDAC policyholders, I note the following impacts of the Scheme based on the analysis above:

- Both before and after the transfer, the existing MLIDAC policyholders have a regulatory capital position which is in excess of target capital levels set by MLIDAC (including the enhanced level of target cover to allow for the impact of obtaining separate reinsurance cover) and well in excess of the regulatory minimum levels.
- Pre-transfer, the MLIDAC policyholders have Own Funds of €29.8m, a Solvency Capital Requirement of €16.1m and a solvency ratio of 185%. Post the transfer, the Own Funds increase to €35.8m and the Solvency Capital Requirement increases to €23.0m as a result of the increased market risk exposure introduced by the IPB portfolio. The solvency ratio reduces to 156%. MLIDAC policyholders remain part of a company which will, post-transfer, have a higher level of Own Funds, but a higher regulatory capital requirement due to the inclusion of the IPB business. Overall the solvency coverage which they enjoy has decreased but it remains well in excess of the regulatory minimum levels. As noted above, once the volatility adjustment and actual dividend payments over 2020 are allowed for, MLIDAC's solvency coverage is also anticipated to be in excess of its internal regulatory capital target.

I note that MLIDAC intend to put reinsurance in place for some of the key risks for the IPB portfolio post-transfer. It is MLIDAC's intention that this reinsurance would be structured and operate in a similar manner to the reinsurance that is already in place for its existing policyholders. The detail is reflected within the full Report, but I note here that if the planned cover is allowed for in the above results, then the result is a smaller increase in both Own Funds and regulatory capital requirements which improves slightly MLIDAC's overall solvency coverage. From the perspective of the IPB policyholders, it does not materially change their outlook. This is useful to note as the planned reinsurance structure is similar in nature to the existing reinsurance structures already in place.

I also note that, in preparing my Report, I primarily considered the results made available to me as at 31 December 2019. However, over the first quarter of 2020, financial markets and western economies experienced significant disruption as a result of the COVID-19 pandemic. Consequently, I have also supplemented my analysis by considering the 31 March 2020 results for both entities:

- In ZLAP's case, I note that the available Own Funds reduced from €762.9m to €664.5m, whilst the regulatory capital requirement fell from €591.9m to €543.6m. Therefore, ZLAP's coverage of the regulatory capital requirement fell from 129% to 122%.
- In MLIDAC's case, I note that the available Solvency II Own Funds reduced from €28.2m to €27.9m, whilst the regulatory capital requirement fell from €10.0m to €8.8m. Therefore, MLIDAC's coverage of the regulatory capital requirement increased from 282% to 317%, reflecting the actual dividends paid versus those allowed for in the year-end position and the impact of the volatility adjustment which was approved by the CBI in the period. MLIDAC have also provided pro-forma results which reflect the impacts of the Scheme itself. Based on the data as at 31 March, after allowing for the internal restructure and the Rothesay transaction, MLIDAC is anticipated to have solvency coverage of 186%. The Scheme is anticipated to see this decrease to 178%, still well in excess of the regulatory requirement and in excess of its internal regulatory capital target.
- Overall, the latest results do not indicate any material deterioration in the solvency position for ZLAP or MLIDAC as a result of recent market volatility.

Security of benefits on projected basis

I have been provided with the projected solvency positions over the next 5 years for ZLAP and MLIDAC, with these projections prepared as part of the Own Risk and Solvency Assessment processes in each of the Scheme Companies. These projections illustrate how the solvency positions of ZLAP and MLIDAC are anticipated to evolve over this time horizon, in a number of both benign and adverse stressed cases. These projections also reflected the anticipated impacts of the Scheme.

As noted above, the IPB policies represent a very small proportion of ZLAP's overall book of business and the Scheme does not have a material impact on ZLAP's projected solvency position going forward. As a result, I have not commented further on the impacts of the Scheme upon ZLAP's projected solvency position within this Summary Report.

In the case of MLIDAC, the financial analysis provided demonstrates profitability and a strong projected solvency position in a base case and across a wide range of adverse scenarios covering market, insurance, economic, strategic and group risks that could impact the entity. No material issues arise from my assessment of the projected solvency position both pre- and post- the transfer for the transferring IPB and existing MLIDAC policyholders.

Therefore, based on the financial analysis provided I do not believe that the implementation of the Scheme will have a material adverse effect on the security of the ZLAP policyholders, the transferring IPB policyholders or existing MLIDAC policyholders.

Risk profile analysis

The primary differences here arise due to the mix of business of the two Scheme Companies and I have considered the impacts for the relevant policyholder groups below.

Remaining ZLAP Policyholders

There are no material issues to consider for ZLAP. As the IPB portfolio is relatively immaterial in the context of ZLAP's broader book, the transfer has no impact on ZLAP's risk profile, hence remaining policyholders are not adversely affected.

Transferring IPB Policyholders

After the transfer of the MIDAC and MADAC business to MLIDAC, MLIDAC will have both life and non-life risks sitting on its local balance sheet. ZLAP itself solely issues life insurance business. Hence, for the IPB policyholders, there is a slight change in risk profile as the IPB policyholders will become exposed to the risks associated with non-life contracts. However, whilst new risks are introduced, MLIDAC does have expertise in managing these. In addition, the non-life portfolio of MLIDAC is expected to run-off quickly, as the risks are short-term in nature.

The IPB book of business is a closed-book, with no new business being added. The policies are now being transferred to a closed-book consolidator, who specialises in acquiring and running-off such portfolios. As the overall book of business for MLIDAC declines, issues related to economies of scale can arise in areas such as expense and capital management, as overheads can be large relative to the size of the book. Such issues do not typically emerge in the short to medium term. I do not believe that the IPB policyholders are disadvantaged here as managing this risk is MLIDAC's specialty and forms a core part of its business plan going forward.

Existing MLIDAC Policyholders

The risk profile of the transferring business is very similar to business which MLIDAC previously acquired from MetLife. There are also similarities between the transferring business and that acquired through the purchase by MLIDAC of Inora. Therefore, no new risks are being introduced on MLIDAC's balance sheet and hence the existing MLIDAC policyholders are not disadvantaged as a result of the scheme.

Fair treatment of policyholders

I have also considered the effects of the Scheme on the fair treatment of the transferring IPB, remaining ZLAP and existing MLIDAC policyholders, including Policyholders Reasonable Expectations, focusing on the following aspects:

- Fund range: Some ZLAP internal funds are available to ZLAP policyholders only and will no longer be available to IPB policyholders after the Scheme completes. Agreement in principle has been reached between ZLAP and MLIDAC on how to address this, with suitable alternative funds having been identified and agreed in most cases. The proposed funds are well aligned in terms of asset allocation, performance and fees. In a small number of cases, suitable alternatives are unavailable and it is the intention to compensate the impacted policyholders. I expect to be provided with the final implementation plan associated with closing this issue. For the externally managed funds, I also note that it is MLIDAC's intention to maintain the breadth of offering currently provided by ZLAP. I also note that certain Property Funds which IPB policyholders are invested in are currently closed to pricing and there are no redemptions. These same funds will not be available post transfer. At this stage, solutions are being assessed to ensure policyholders are not negatively impacted. In my opinion, the implementation of the Scheme will not have an adverse effect on the fair treatment of policyholders in this regard.

- Entitlement to Benefits: Existing practices in respect of benefit payments in respect of surrender, maturity, transfer and death claims will remain in place in each of the Scheme Companies post-transfer.

Claims which are settled as part of the normal course of business will be dealt with in the same way post-transfer.

- Policy terms and conditions: There will be no change to policy terms and conditions of the transferring IPB policies, the remaining ZLAP or the existing MLIDAC policies.
- Servicing of policies: In the short-term, the existing arrangements for policy servicing will remain in place, so there will be no immediate impact upon service standards. In the longer-term, MLIDAC intend to migrate the administration of the IPB policies from the existing provider to one that MLIDAC has an existing relationship with. I note that MLIDAC have experience of managing such migrations and have committed to resourcing a project to manage the transition. In particular, the policies that transferred to MLIDAC following the MetLife transaction were previously administered by the same firm as is currently employed for the administration of the IPB policies. MLIDAC successfully transferred the administration of those policies to its current provider post-transfer. Given MLIDAC's plans, the existing relationships in place and MLIDAC's experience of such migrations, I have no issues to note.
- Expenses and charges: These will remain unchanged as a consequence of the Scheme for all policyholders, though I note that some IPB policyholders may see a reduction in fund management charges as a result of the fund switches necessitated as part of the transfer. I note that work is underway within ZLAP and MLIDAC so as to ensure that rebates applied to policyholders' funds are formalised with the fund managers and are maintained at that level post transfer. I expect this issue to be fully resolved pre-transfer and information provided to me has not indicated any cause for concern at this stage. Overall, with regard to expenses and charges, I have no issues to note.
- Costs of the Scheme: All costs associated with the Scheme will be borne by the shareholders ZLAP and MLIDAC. No costs will be borne by policyholders.
- Discretion: With regard to the management of the IPB policies, the levels of discretion available to management are limited, relating to the charges levied, the funds offered and the approach to unit-pricing. Insofar as possible, MLIDAC will endeavour to maintain the existing structures, so there are no issues emerging that I am aware of that can adversely impact upon policyholders.
- Complaints and redress: I note that the complaints handling procedures adopted by both entities at present are well aligned and that policyholders will continue to be able to escalate claims to the Financial Services and Pensions Ombudsman after the transfer. As a result, there will be no consequence of the Scheme for policyholders.

Overall, I am comfortable that transferring IPB policyholders, remaining ZLAP policyholders and existing MLIDAC policyholders will be treated fairly post-transfer and their reasonable expectations will not be adversely affected due to the transfer.

General aspects

I have also considered some more general aspects:

- Taxation: It is expected that policyholders will be unaffected by the Scheme in respect of taxation. With regard to policyholder tax, a key area of focus for me as Independent Actuary is whether the Scheme would trigger a "chargeable event" for IPB policyholders. Such events are defined in UK tax law and would see policyholders having to pay tax on some of their investment gains since policy inception (if such gains have arisen). Analysis shared with me by ZLAP indicates that this is not an issue - the portfolio transfer does not trigger a UK chargeable event as the policies continue uninterrupted post-transfer.

- Policyholder communications: I have reviewed the intended communications strategy and note that it is aligned to what I would reasonably expect.
- Legal risk: In considering any legal risks, I have relied on the fact that ZLAP and MLIDAC have followed the advice of their legal advisers and Counsel in finalising the legal agreements in relation to this transaction. Thus, in my opinion, all reasonable steps have been taken to reduce the legal risks arising from the Scheme to a minimum.
- Pending legal proceedings: I understand that there are no material legal proceedings pending or current against ZLAP and MLIDAC at the date of this Report.
- Brexit: Below, I have considered the approaches in place across ZLAP and MLIDAC to deal with Brexit.
  - MLIDAC have applied for inclusion into the Temporary Permissions Regime (“TPR”). The TPR was written into British legislation offering an alternative approach whereby EU regulated insurers carrying on business in the UK could opt into a simplified process, allowing the opportunity to carry on business in the UK for 3 years post Brexit before committing to submitting an application for authorisation of a third company branch in the UK to the UK regulatory authorities to maintain business in the UK post Brexit. However, it is noted that should a binding agreement be finalised between the European Union and UK Government, prior to 31 December 2020, that enables MLIDAC to continue to operate on a passporting basis, the TPR will not become effective or be required.
  - For ZLAP, participation in the UK market is no longer a strategic priority for the business. ZLAP have obtained legal advice that indicates that ZLAP will be able to service its existing UK policies post-Brexit, regardless of the type of relationship that is ultimately agreed between the EU and the UK. However, I note that, unlike MLIDAC, ZLAP have not and do not intend to put in place any additional legal or commercial structures in relation to Brexit and ZLAP’s approach has been described to policyholders in communications issued to them.
- Compensation scheme: At present, the IPB policyholders of ZLAP are covered under the FSCS in the UK. In the event of a hard-Brexit, my understanding is that, given the approach taken by ZLAP, the existing FSCS protection would no longer apply to ZLAP policyholders. MLIDAC’s proposed approach (making use of the TPR), combined with the Scheme, would mean that the FSCS would continue to apply for IPB policyholders once they become policyholders of MLIDAC. Hence, the protection provided under the FSCS would be maintained post-transfer, regardless of the outcome of the ongoing Brexit negotiations. This indicates that the IPB policyholders are unaffected by the Scheme as FSCS protection is either maintained during the transfer or reinstated for IPB policyholders once they become MLIDAC policyholders

Overall, I do not consider that these aspects will have a material adverse impact on policyholders’ entitlements.

Conclusions

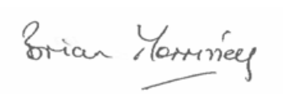
Having considered the impact of the Scheme on both the transferring policyholders of ZLAP and the existing policyholders of MLIDAC, it is my opinion that:

- The Scheme will not have a material adverse effect on the reasonable benefit expectations of any of the policyholders involved; and
- The risk to policyholder security is remote. Therefore, in my view, policyholders will not be materially adversely affected by the proposed Scheme.

My opinion in relation to ZLAP and MLIDAC policyholders is based on:

- My review of all the pertinent historic, current and projected information provided by ZLAP and MLIDAC;
- The investigations completed by the respective ZLAP and MLIDAC Heads of Actuarial Function and their respective conclusions based on those investigations, as set out in their actuarial assessments; and
- Discussions with the management of ZLAP and MLIDAC on what will happen post-transfer.

My assessments are made in the context of the Solvency II regulatory regime.



4 June 2020

Brian Morrissey, FSAI

Date

Independent Actuary, KPMG in Ireland