



This announcement applies to policies held in respect of the following Nordben contracts:

Nordben Annuity Plan
 Nordben Level Plan
 Claims in Payment and Pensions in Payment accepted by Nordben before 1 January 2016

As advised in its last announcement of 22 October 2018, Nordben closed to new business and stopped issuing new policies from 2015. As a result, Nordben’s With-Profits Policyholders’ Funds (the “Funds” held to meet the benefits payable to Nordben’s Policyholders) are closed. In the announcement of 22 October 2018, Nordben’s Policyholders were advised that future announcements regarding the impact of closure on the Funds would be published via www.nordben.com.

UPDATE TO THE LEVEL PLAN AND ANNUITY PLAN POLICYHOLDERS’ FUNDS (“THE FUNDS”)

Nordben is obligated to meet the pension and claims liabilities due from its Annuity Plan and Level Plan contracts. These pension and claim liabilities are known as guaranteed liabilities and cannot be removed.

The Level Plan and Annuity Plan policies are administered in six different sub-funds (of the Funds) and the assets of these sub-funds are held in various currencies or currency hedges may be used to eliminate exchange rate risk. The sub-funds that contain Annuity Plan and Level Plan liabilities which are affected by this announcement are given in the table below:

Currency	CHF	EUR	GBP	NOK	SEK	USD
Contracts in the Sub-fund	Flex, Triple C, Level and Annuity	Level and Annuity	Triple C, Level and Annuity	Level and Annuity	Level and Annuity	Triple C, Level and Annuity

CURRENT INVESTMENT APPROACH

The above Level Plan and Annuity Plan sub-funds are currently invested as follows:

- The sub-funds hold highly-rated bonds (predominately government bonds) to back the guaranteed liabilities.
- A portion of any surplus assets (above the guaranteed liabilities) may be invested in equities. This is to provide the potential for upside from good returns on equities, whilst recognising that there is a downside risk associated with investing in equities.

Under the above approach as the bonuses are applied to policies the guaranteed liabilities would increase and equities would be sold, i.e. the equity content of the above funds would naturally decline over time.



UPDATED INVESTMENT APPROACH

With effect from week commencing 9 December 2019, Nordben is no longer investing any surplus assets of the sub-funds in equities and the proceeds from the sale of all existing equities will be used to buy duration matching highly-rated government bonds.

IMPLICATIONS OF THIS CHANGE

- Policyholders will no longer receive an increased bonus if returns on equities are good.
- Conversely, it will also mean that future bonuses will not drop if returns on equities are poor.

The change has been made following consultation with Nordben's Appointed Actuary and approved by Nordben's Board of Directors.

A further announcement will be published on www.nordben.com during Quarter 1, 2020 in respect of an Amendment to the Bonus Regulations. The above described change and the impending future Amendment to the Bonus Regulations have **no impact** on any policy terms and any contractual guarantees Nordben has with its Policyholders.

For all enquiries, please visit <https://www.nordben.com/contact/>