

Date 14 July 2010

Subject nib appoints MLC as investment asset consultant

nib holdings limited (nib) today confirmed the appointment of MLC as its preferred supplier of investment asset consultancy services. MLC will provide an implemented consulting service and was selected following a strategic review of nib's investment asset consultant requirements.

The change to MLC will be effective from 19 July 2010.

The role of MLC is to assist nib in managing its investment portfolio in accordance with the Board approved Investment Policy, which is summarised as follows:

- Capital above nib's internal prudential target of 1.4x capital adequacy requirement will be held in highly liquid defensive assets
- Capital held to support nib's internal prudential target of 1.4x capital adequacy will target a defensive/growth split of 80%/20%
- For the purposes of determining the asset allocation, nib's head office building which is classified as property, plant and equipment for accounting purposes is considered to form part of the growth asset allocation. The allocation for the head office building is a fixed dollar allocation with movements only as a result of revaluations.

As part of the transition to MLC products nib will move (over a 3 month period) to the target investment asset allocation of a defensive/growth split of 80%/20% (68%/32% at 31 May 2010) for investments required to maintain nib's internal prudential target (1.4X), and 100% defensive for capital above nib's internal prudential target.

The following tables detail the target asset allocation (fully effective 15 October 2010) and provide a comparison to the position as at 31 May 2010.

nib holdings limited consolidated group

Investments covering internal prudential capital target of 1.4X		
	Target allocation	Allocation at 31 May 2010
Cash	15%	12%
Australian fixed interest	-	27%
Overseas fixed interest	-	21%
Direct property	-	8%
All maturity debt	4%	-
Short maturity debt	61%	-
Defensive	80%	68%
Australian shares	6%	10%
Global shares – hedged	2%	8%
Global shares – unhedged	2%	Nil
Listed infrastructure	-	4%
Unlisted security	-	0.4%**
Property trusts	-	0.2%**
nib's head office building	10%*	9.4%
Growth	20%	32%
Total	100%	100%
Surplus Capital		
Cash	100%	100%

* This allocation will be a fixed dollar amount with movements only as a result of revaluations **The amount of these investments is considered to not be material to the target asset allocation. The nil target is not an indication that the current investments in these categories will be disposed of.

MEDIA AND INVESTOR RELATIONS

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