medibank

Annual Report 2025

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This report and the Corporate Governance Statement is part of our suite of reporting for the 2025 financial year.
You can find more information about our performance in our Full Year Results Investor Presentation and Sustainability Summary.

Our cover features Cath and her family playing The Family Roast – a card game we developed to encourage more meaningful conversations as part of our commitment to improve mental health in Australia.

Unless otherwise stated, references to a year are to the financial year ending 30 June in that year. References to COVID are to COVID-19. References to Net Zero and Net Zero pathway are based on business-as-usual operations of Medibank Private Limited and its wholly owned subsidiaries in 2021, and do not include Myhealth or any future partnership and investment activity or its investment portfolio. Employee data referenced in pages 2 to 24 only relates to employees of Medibank Private Limited or its wholly owned subsidiaries.

Medibank Group – our story

As one of Australia's leading health companies, we want people to experience their best health and wellbeing, so they can live better lives.

We support more than 4.2 million customers with health cover through our Medibank and ahm brands, and our Amplar Health network delivers care to millions of people across the country through prevention programs and primary care, virtual health, home and community-based care. Our focus is on giving people greater choice, easier access, and better value from the health system. That's why we're working closely with health providers and governments to reimagine how care is delivered and investing to develop more personalised models of care. We're accelerating the health transition in Australia, so that all of us can continue to access the care we need.

Purpose

Better Health for Better Lives

Vision

The best health and wellbeing for Australia

Values

- Customer obsessed
- Show heart
- Brilliance together
- Break boundaries

Our businesses

medibank Live Better

Supports the health and wellbeing of customers with a range of personalised health programs, services and products in addition to health cover

ahm You're good.

Offers straightforward health cover and multi-category insurance options, focused on cutting out the complexity and making things simple and affordable

Amplar Health Making Health Personal

Delivers innovative healthcare at scale across Australia through virtual health, primary care, hospital and homecare

Incorporates:
Amplar Health Home Hospital
Pinnacle Health Group
Medinet Australia

Other insurance – Travel, pet, life, home and car insurance that deliver more value for our customers and support their quality of life

Our health investments

Primary care

Myhealth Medical Group

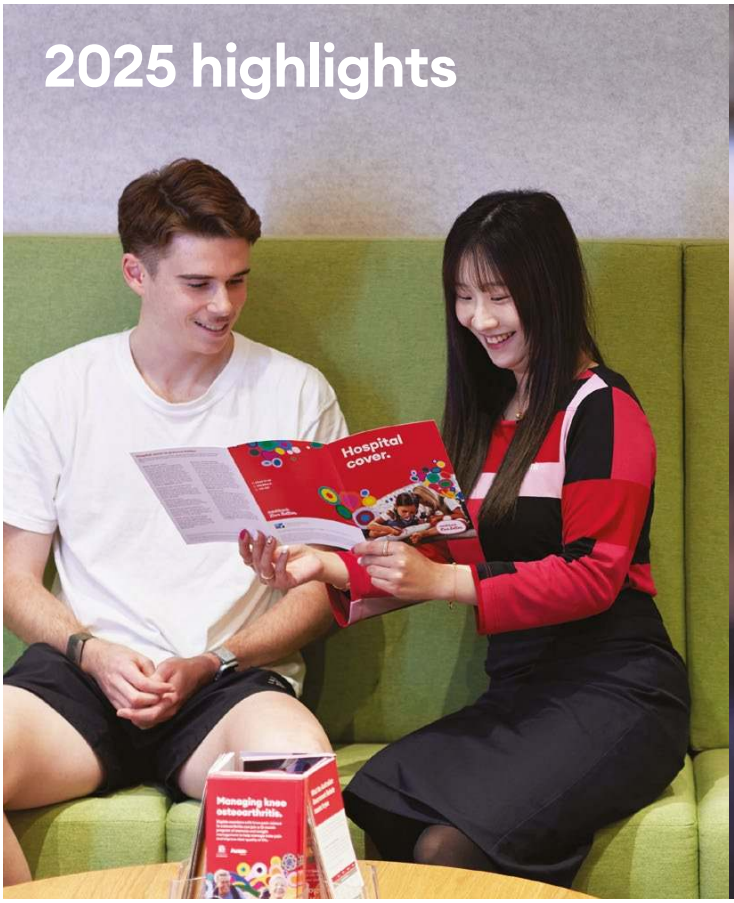
Short stay hospitals and no gap hospitals

Adeney Private Hospital (Vic)
The Orthopaedic Institute at Macquarie University Hospital (NSW)
East Sydney Private Hospital (NSW)
Integrated Mental Health (iMH) hospitals – Sydney, Canberra, Brisbane
Western Hospital (SA)

Sustainability focus areas

- Customer health
- Employee health
- Sustainable health system
- Environmental health
- Ethical and responsible business and leadership in health

2025 highlights



Customer

4.2m
total health insurance customers

$1.71b
total COVID financial support since 2020

$6.6b
total claims paid

Medibank journey NPS
12.9 (+2.3)
average
customer advocacy

ahm service NPS
48.0 (+2.0)
average

+27.9k (+1.4%)
net resident policyholder growth

+10.5k (+3.1%)
net non-resident policy unit growth

Healthcare

52%
of Medibank policyholders engaged with health and wellbeing services

931k (+13%)
Live Better rewards participants

$50m
investment in mental health over next 5 years

177k
hospital bed days saved through homecare programs delivered by Amplar Health

4.3m
health interactions delivered by Amplar Health network

People & community

8.1/10
employee engagement

$2.8m
community investment

Place to work
+38

Products and services
+39

employee advocacy (eNPS)

3,956 **employees** including **964** **health professionals**

Financial

$618.7m (+8.5%)
Group underlying net profit after tax

10.2 cps
final ordinary dividend
fully franked

26.5%
resident policyholder market share

$76.7m (+27.0%)
Medibank Health segment profit

$741.5m (+7.1%)
Health Insurance operating profit

c. $10m
in productivity savings

$207.8m (+14.1%)
net investment income

All data is presented on a statutory basis as at 30 June 2025. Some figures are subject to rounding.

Medibank's commitment to our customers has been demonstrated in the strength of our performance this year. Importantly, Medibank's leadership in further driving Australia's health transition is supporting system change while positioning the company for sustainable long-term growth.

The Australian health insurance market remained buoyant with customer numbers at record levels despite the ongoing impact of cost-of-living pressures on many households. We saw continued growth in both the resident and non-resident health insurance businesses with Medibank's Health Insurance operating profit up 7.1% to $741.5 million. In Medibank Health, segment profit was up 27% to $76.7 million. The increasing contribution of this business, now at around 10% of earnings, is delivering benefits for both our customers and the community, as well as further diversifying our business for the long-term benefit of our shareholders.

Medibank remains a resilient business with a strong capital position and the Board determined shareholders would receive a fully franked final ordinary dividend of 10.2 cents per share, bringing the total FY25 fully franked ordinary dividend to 18.0 cents per share, up 8.4% on FY24.

The Board continued to play an active role in the oversight of the Medibank Group. Throughout the year we maintained our focus on performance, working alongside the executive team on the company's strategy and its 2030 vision. A feature of our strategy is our growing focus on wellbeing and on primary care, which also centres on system change as we look to support GPs, nurses and allied health professionals within multidisciplinary teams to deliver proactive and coordinated care in the community, and also to champion a focus on prevention.

We are proud of Medibank's growing role in driving change across the health system – not only for the benefit of our customers and patients, but also for the wider community. The Board has seen personalised care models in action, with on-site tours of the Amplar Health Home Hospital service in Adelaide and Adeney Private Hospital in Melbourne. As well, directors continued to participate in regular customer connection sessions and visits to retail stores.

At the same time, we have deepened our relationships with industry stakeholders and community partners. This includes providing targeted funding and collaborative support to help our hospital partners innovate and drive lasting change across the health system.

During the year the Board supervised key risk and regulatory initiatives designed to enhance Medibank's resilience. This included adopting the Australian Prudential Regulation Authority's new operational risk management standard, implementing the Financial Accountability Regime and overseeing an update to our risk culture framework.

Board succession planning and capability development are essential for leadership continuity, strong governance and the ability to take on future opportunities and challenges. To support this focus, the Board participated in a wide-ranging program of professional development and business immersion activities throughout the year.

"We are proud of Medibank's growing role in driving change across the health system – not only for the benefit of our customers and patients, but also for the wider community."

We remain committed to advancing diversity and inclusion across the business. We aim to maintain at least 40% female representation in the Group and senior executive population and on our Board. While we narrowly missed our objective for the Board in FY25, we exceeded the target across the Group and senior executive team.

At our Annual General Meeting in November, we will farewell long standing directors, Linda Nicholls AO and David Fagan, who will retire at the conclusion of that meeting. The Board is recommending shareholders vote for the election of Jacqueline Hey and Dr Lisa McIntyre, two highly credentialed and experienced directors who bring a wealth of experience across the financial services, technology and health sectors.

We continue to address our environmental, social and governance commitments, including preparing for new sustainability reporting requirements next year. In FY25 we achieved the target for net zero emissions for our Scope 1 and 2 operations that we set in FY21. Given the changes in our business since this target was set, we have now developed an updated baseline for greenhouse gas emissions and are reassessing our targets and pathway to account for this.

The 2025 financial year was another successful year for Medibank. I extend my sincere thanks to my fellow directors for their contribution during the year, and on behalf of the Board, acknowledge the leadership of David Koczkar and the executive team. Most importantly, I thank the entire Medibank team for their steadfast commitment to our shared purpose of Better Health for Better Lives.

"The Board continued to play an active role in the oversight of the Medibank Group."

We are delivering where it counts most for our customers – improving value, supporting more of their health needs and driving the health transition our country needs.

Over the past few years, we have invested in our people, our products and services and continued to strengthen our foundations. And we are seeing the results of this, in the growth of our business and the progress we have made towards our vision to deliver the best health and wellbeing for Australia.

We have made substantial changes to the way we work to make a greater impact for our customers and patients. Through our work. Reinvented program we have focused on empowering our people with greater autonomy and flexibility to support better decisions and our people remain highly engaged and energised by the contributions they are making. While still a work in progress, our teams have reshaped their work as they look to create points of difference in both big and small ways.

We've delivered more choice, more value and more health support to our customers, further setting ourselves apart from our competitors.

We made a commitment this year to be a leader in mental health, announcing our investment of $50 million over the next 5 years to improve access, innovation and prevention for our customers and the community. With demand for our 24/7 support service almost tripling over the past year, we know the need for accessible care has never been greater. We've started with launching a national awareness campaign to prompt meaningful conversations – The Family Roast, increasing the benefits we pay for psychology consultations and being the first to fund a world-leading psychotherapy program for eligible customers – with much more ahead.

More than half of Medibank policyholders are engaging with our health and wellbeing services – whether that be enrolling in one of our prevention programs, receiving homecare after surgery, having a virtual psychology consultation in the comfort of their home or taking part in a Live Better health challenge.

While there has been some recent cost-of-living relief, we know these pressures remain top-of-mind for many households. We've made everyday wellbeing more manageable for our customers.

Last month we announced our final COVID cash give back to customers would increase to $228 million, honouring our promise not to profit from COVID. Our total COVID financial support will stand at $1.71 billion – the largest of any health insurer in Australia.

Our Members' Choice Advantage and no gap networks have saved our customers more than $28 million in out-of-pocket costs while Live Better rewards members earned almost $33 million in rewards points this year.

And we're delivering care where and how our customers want it to be. We doubled enrolments in our prevention programs and expanded our primary care and virtual health services, while collaborating with our health partners to deliver more personalised models of care like short stay, virtual and homecare that reflect the changes people want in healthcare.

Through our Amplar Health network, we are delivering local care at scale nationally, providing a growing range of health services for the community in the public sector as well as for our health insurance customers.

"We have invested in our people, our products and services and continued to strengthen our foundations. And we are seeing the results of this"

This year we partnered in the launch of Australia's first no gap private hospital, delivered an out-of-hospital transition care service at a hotel for SA Health and expanded our iMH mental health partnership to Brisbane. And in July 2025 we began piloting a new virtual nursing model in residential aged care, on behalf of the Australian Government.

In doing this we are accelerating the health transition in Australia that our system desperately needs to ensure it remains affordable and accessible for everyone. This year alone, Amplar Health's homecare programs saved around 177,000 hospital bed days – the equivalent of nearly 3 private hospitals' bed days. We have also continued to support private hospitals through this transition, doubling our investment in hospital partnerships to $36.6 million this year to fund strategic initiatives to support reform and innovation, in addition to providing $87 million in one-off support in recent years.

We are a leading health company and we take our role seriously to support the needs of our customers and the community, now and into the future. Our focus is clear – making healthcare more accessible, more affordable and more personalised. And it is what continues to inspire us for the work that lies ahead.

I'd like to thank Mike Wilkins and the Board for their support this year and express my gratitude to our amazing team. Their dedication to our purpose and determination to shape the future of health enables us to keep building a stronger, more sustainable health system for Australia. Together, we're not just adapting to change – we're driving it. And that's something we can all be proud of.

FY26 outlook

Resident health insurance

Industry growth: anticipate moderating industry growth relative to FY25

Policyholder growth: aim to grow market share in a disciplined way, including further volume growth in the Medibank brand

Claims: expect claims per policy unit growth of 2.6%-2.9%

Non-resident health insurance

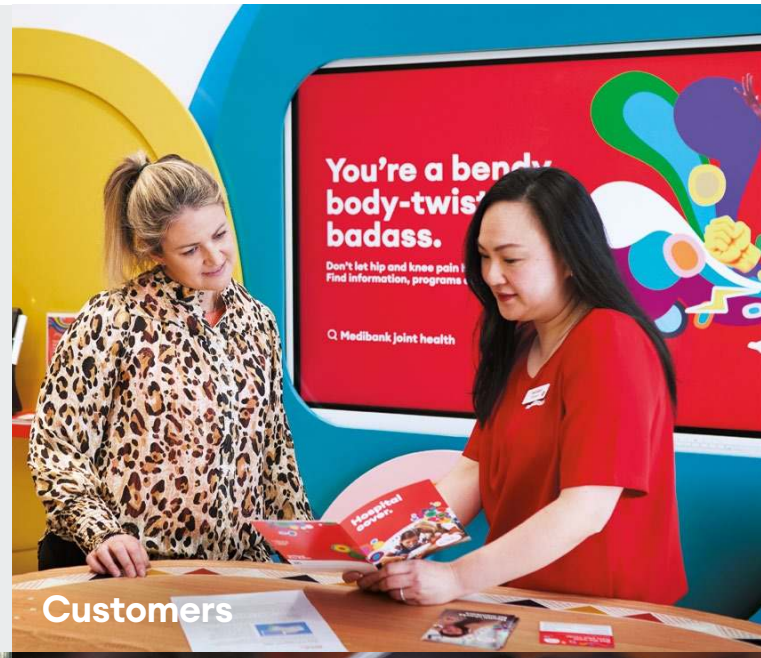
Gross profit: aim to maintain solid gross profit growth

Medibank Health

Medibank Health: expect low double-digit organic operating profit growth

M&A: based on the strong asset pipeline, we aim to invest towards the top end of the $150m-$250m FY24-FY26 M&A target where this creates long-term value

Our stakeholders



Customers

Employees

Shareholders

Health providers and patients

Community

Delivering value to stakeholders through our strategy

The material issues they care most about

Affordable, innovative and personalised health and wellbeing programs and services

Meet our 2030 vision of the healthiest workplace through our work. Reinvented program

Support healthy communities

Work together to build a stronger and more sustainable health system

Responsible decision making centred on customers and patients

Environmental health and climate change

Responsible use and protection of customer data

Our strategy – growing as a health company

Deliver leading experiences

Create personalised and connected customer experiences

Empower our people and reinvent work

Collaborate with our communities and partners to make a difference

Continue to strengthen trust and reputation

Differentiate our insurance business

Deliver more value, choice, and control for customers

Provide holistic health solutions to customers including resident, non-resident and corporate customers

Strengthen our dual brands and provider networks

Lead change with partners to deliver affordable healthcare

Expand in health

Accelerate growth in prevention, primary and virtual care and personalised care models

Scale and connect our existing health businesses

Deliver more health services to Medibank and ahm customers

Accelerate Australia's health transition

Continue to strengthen our foundations

Embed a purpose-led risk culture and approach to risk management focused on customer centricity and health

Support business growth by continuing to modernise our technology platforms, leveraging cloud, AI and automation to deliver scalability, efficiency and agility

How we're delivering value

Deepening relationships with customers

- Deliver exceptional customer experience
- Personalised service via community hubs
- Technology and AI enablement
- Strong risk management and governance

Delivering more value, choice and control

- Differentiated products and services
- Empower customers to manage their health
- Greater options for when and where customers receive care

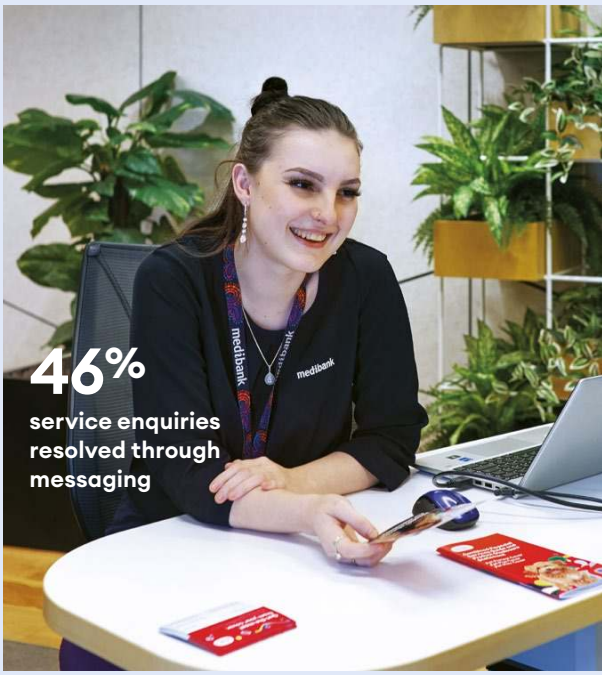
Supporting whole of health needs

- Proactive and personalised
- Platform connecting consumer needs with health services
- Tailored across the customer lifecycle

Driving change in the health system

- Focus on better ways of providing care
- Investments catalyse change
- Partnerships foster innovation and drive wide uptake
- Advocate for reform to sustain the system

4.2m
total health insurance customers
as at 30 June 2025



46%
service enquiries resolved through messaging

Deliver leading experiences

We're enabling our people to do more of what matters for our customers and help make a difference to our community

Our strategy

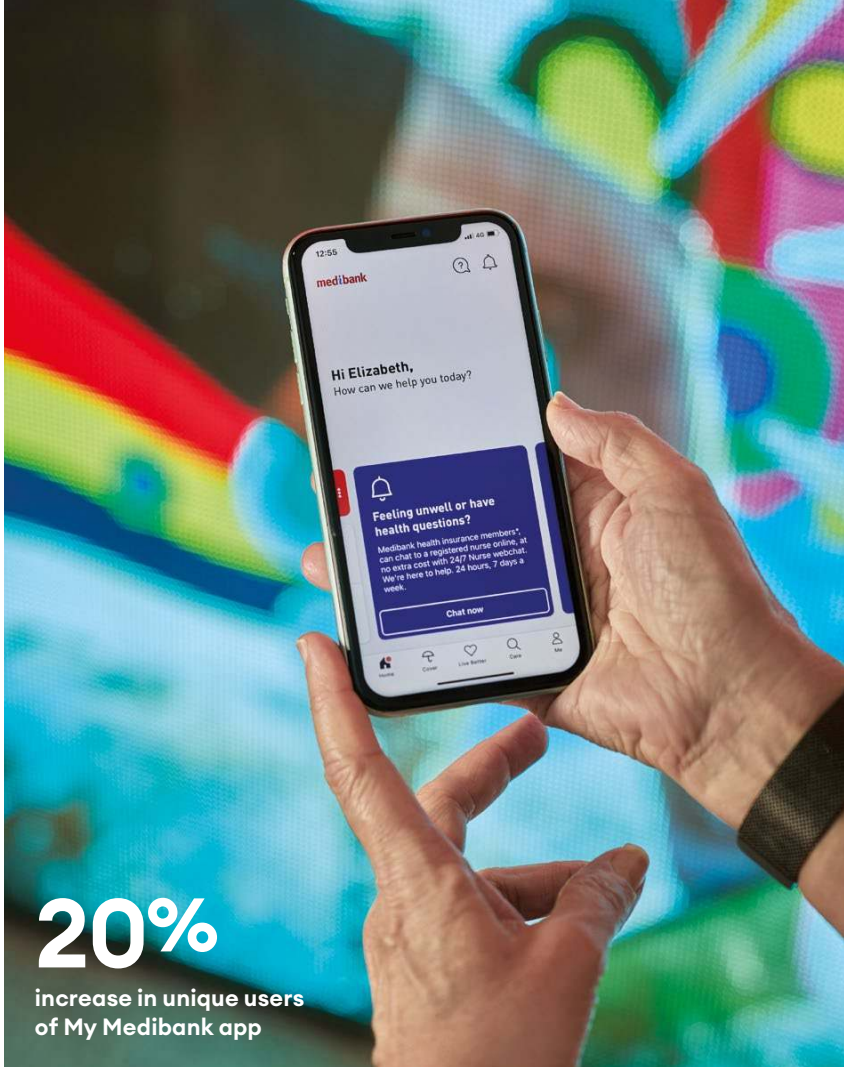
- Create personalised and connected customer experiences
- Empower our people and reinvent work
- Collaborate with our communities to make a difference
- Continue to strengthen trust and reputation

10k+
people received help through our Live Better vans

111
regional towns visited

Need to know

- Customer advocacy is at a 3-year high as we established more autonomous teams
- Experimented with new ways of working including expanding our 4-day work week trial to 500 employees after participants were shown to be happier, healthier and more efficient
- Supported community-led initiatives including parkrun Australia and 36 Months



20%
increase in unique users of My Medibank app

Transforming customer support with a local touch

We want every customer and patient to have a brilliant experience when they contact us. So, we're transforming how we work to deliver more personalised experiences, backed by local knowledge, simple processes and intelligent tools. Customer advocacy increased significantly across both Medibank and ahm this year and the Group is now at a 3-year high.

Following a successful pilot, this year we reorganised our customer support teams across Medibank and our Amplar Home Health teams into geographically located hubs so that customers are supported by team members who live and work locally. ahm also simplified its customer service approach so team members could better resolve queries themselves and take ownership of any follow-up required. Not only do customers love these new approaches, but our employee engagement score was one of the highest we've seen, and our attrition rate has halved. This customer-first approach has transformed how teams work and how customer support is delivered.

To further embed a customer-first mindset throughout our business, we trained more than 65 senior leaders across Medibank and ahm to support customers directly in our messaging and phone channels. This creates a strong connection with both the customer support teams and the customer experience, enabling our leaders to identify and champion areas for continuous improvement.

With more customers using our digital channels, we improved functionality and removed friction points making it easier for customers to self-serve with confidence. This included adding new search functionality to our My Medibank app and website, a new hospital eligibility check feature and reinventing our retail product comparison experience. Additionally, ahm introduced its first digital proactive personalised cover review program to help customers have the health cover best suited to their needs.

Unlocking potential by rethinking how we work

At the heart of our ambition to create the healthiest workplace in Australia is giving our people the flexibility and autonomy to change their ways of working to be more engaged in delivering for our customers and our patients, while enjoying greater health and wellbeing.

It's why we are empowering our people to challenge traditional work practices to support better decision making through our work. Reinvented program.

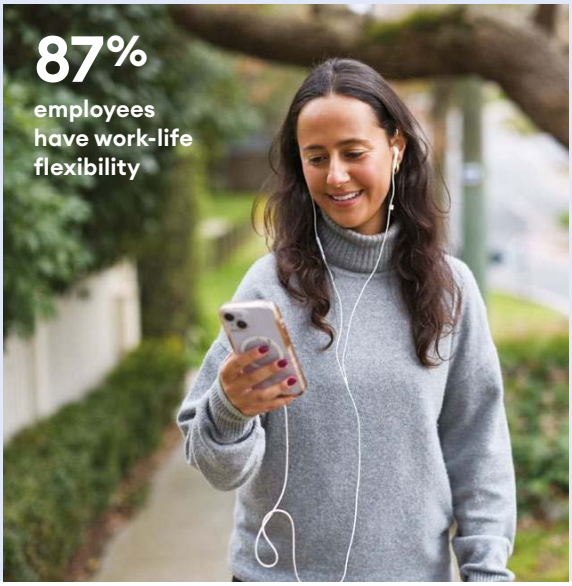
Our data tells us that flexibility and autonomy drives improved health and wellbeing, which is the strongest driver of both engagement and performance. Across the business, we've strengthened our leaders' capabilities to deliver this transformation and focused on cutting red tape and enabling teams to unlock new ways of working, to deliver greater impact for our customers every day.

Trialling a 4-day work week

This year we doubled the number of people participating in our 4-day work week experiment to 500; after analysis by Macquarie University researchers at the 6-month mark found significant and sustained improvements in employee engagement, job satisfaction, and the health and wellbeing of participants, while maintaining business performance and customer outcomes.

Each team has been finding its own way to reduce time spent on unproductive and low-value work and invest in more efficient processes. This is creating capacity to access time on the fifth day, while maintaining performance outcomes.

The trial is based on the 100:80:100 model, where employees maintain 100% of their pay, reduce their working hours to 80% and maintain 100% productivity.



To further support our people's health and wellbeing, we expanded access to our free Amplar Health online doctor service for employees to weekends and extended it to their dependents aged under 18. We also introduced free skin checks and a new program providing personalised perimenopause and menopause support for employees.

We believe our team should reflect the community we serve and remain deeply committed to diversity and inclusion. We're focused on promoting equality and creating a more inclusive and accessible environment for our people, customers and community.

We maintained strong female representation across our leadership and continued to address the drivers of the gender pay gap through transparent reporting aligned with Workplace Gender Equality Agency (WGEA) methodology, regular pay equity reviews, and targeted initiatives to improve gender balance in key roles.

We were recognised as a Gold Tier Employer at the 2025 Australian Workplace Equality Index Awards – the national benchmark for LGBTQI+ workplace inclusion. We also renewed our Disability Confident Recruiter accreditation to ensure candidates living with disability have inclusive hiring experiences. We developed a more inclusive customer experience by introducing Easy English guides, implementing accessible membership card design and improving retail accessibility. And we continued enhancing support for Aboriginal and Torres Strait Islander employees through tailored policies and resources while also achieving our target spend with Aboriginal and Torres Strait Islander businesses this year. Having concluded our most recent Accessibility and Inclusion Plan and Reconciliation Action Plan, we are developing our next plans.

Supporting healthier communities

Our 2030 vision is to deliver the best health and wellbeing for Australia, which is why we're working to play a meaningful role in the health and wellbeing of our local communities.

Enhancing social connection and wellbeing remains a key focus of our 10-year commitment to helping address loneliness. Our latest Loneliness Population Index revealed social media and cost-of-living pressures are driving loneliness across the country. To help, we launched the 3rd season of our We Are Lonely podcast, highlighting personal stories and strategies to manage loneliness, and extended our support of Ending Loneliness Together. We also supported 36 Months, a social change initiative that successfully campaigned to raise the minimum age for teenagers to sign up to social media platforms to 16 and partnered with Flying Fox to improve social connection for young people living with disability.

We continued our support of parkrun Australia as a presenting partner and became an official health partner of the AFL Women's (AFLW). As well, ahm became an official sponsor of the National Pickleball League Australia.

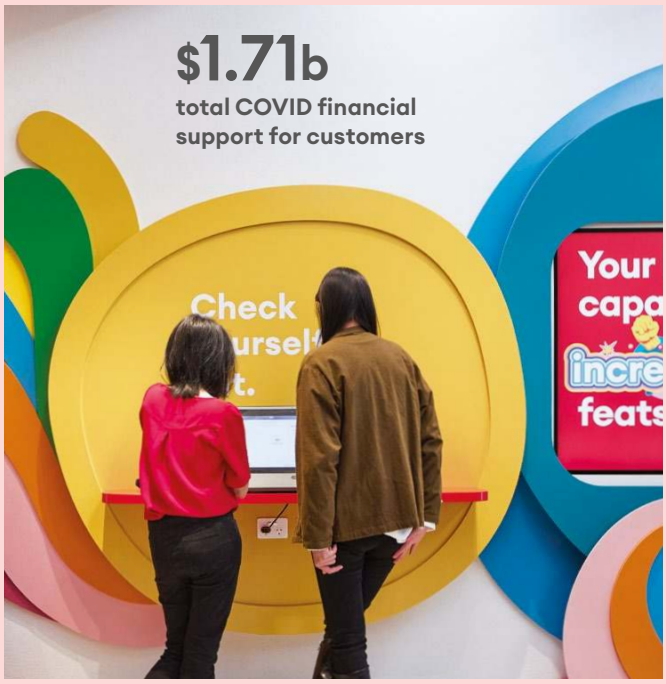
We invested almost $1 million in health research through the Medibank Better Health Research Hub (formerly known as the Medibank Better Health Foundation). This year, we supported 24 research projects, working with 16 organisations and partnered with the Royal Australian College of General Practitioners to fund a new $250,000 research grant for GPs.

To support community causes important to our people, we continued to offer to match their workplace giving and fundraising donations dollar for dollar up to $1,000 for each employee's charity of choice.

As part of our Net Zero journey, as at 30 June this year we met our Net Zero target for our Scope 1 and 2 emissions which we set in FY21, aligned to our business at the time. To reach this target, we matched 100% of our electricity consumption with renewable energy through GreenPower. In the four years since establishing our previous baseline, our business has changed. We've now re-baselined our greenhouse gas emissions to reflect these changes, and our next step will be to reassess our targets and our decarbonisation pathway to account for this.

100%

electricity procured through renewable sources
as at 30 June 2025



Differentiate our insurance business

Delivering great value is about more than price. It's about giving people more of what matters

Our strategy

- Deliver more value, choice and control for customers
- Strengthen our dual brands and provider networks
- Provide holistic health solutions to customers, including resident, non-resident and corporate customers
- Lead change with partners to deliver affordable healthcare

Need to know

- Returned $257 million to Medibank customers as part of our COVID support package this year
- 52% of Medibank policyholders are engaging with us on health and wellbeing services
- Saved customers $28 million+ in out-of-pocket costs through our Members' Choice Advantage and no gap networks
- Announced our $50 million investment over the next 5 years to improve mental health for our customers and the community

Enhancing value for our customers

We understand the importance of delivering great value. That's why we are doing more to support the health and wellbeing of our customers. This is resonating strongly, with resident policyholder growth double that of last year alongside ongoing strong growth in the non-resident market.

We continued to uphold our commitment to Medibank customers by returning $257 million in cash back and Live Better points to them as part of our COVID financial support package. This brings our total COVID financial support package to over $1.71 billion – the largest of any health fund in Australia.

We also extended our offer for ahm customers with extras cover to roll over unused extras into the following year for the 4th year running.

Our Live Better rewards members redeemed around $33 million in rewards points this year, through our program which challenges them to take daily actions to eat, move and feel better. Customers can earn up to $400 in rewards points each year that can be redeemed for lower premiums, or products or services from our health and wellbeing partners.

To help ease the burden of last year's natural disasters, we made financial and hardship support available to customers affected by Cyclone Alfred and flooding in New South Wales and Queensland.

Our average premium increase this year was well below our major competitors, despite healthcare costs outpacing general inflation. We also remained focused on managing our own costs, delivering around $10 million in productivity savings this year.

Our commitment to customers was recognised with Medibank receiving Canstar's Outstanding Health Insurance award for the 17th year running and named Risk and Life Insurer of the Year 2024 in the Roy Morgan Customer Satisfaction Awards. ahm won top honours in 3 categories of the 2025 Finder Health Insurance awards: Best Medium Extras, Best Comprehensive Extras and Best Health Insurance – Dental.

Products and services offering more

We're playing a greater role in the health of more of our customers with care personalised to their needs.

We extended our Amplar Health Virtual Psychology Clinic to Medibank customers, making it faster and cheaper for them to talk to a registered psychologist and access the support they need.

ahm introduced new ambulance cover and bronze hospital insurance policies to give customers looking for straightforward, basic health cover more choice.

Following the closure of the only private maternity service in the Northern Territory, we announced a new private maternity program for eligible Medibank and ahm customers, giving them access to private services at home, in a hotel or in hospital, if clinically required.

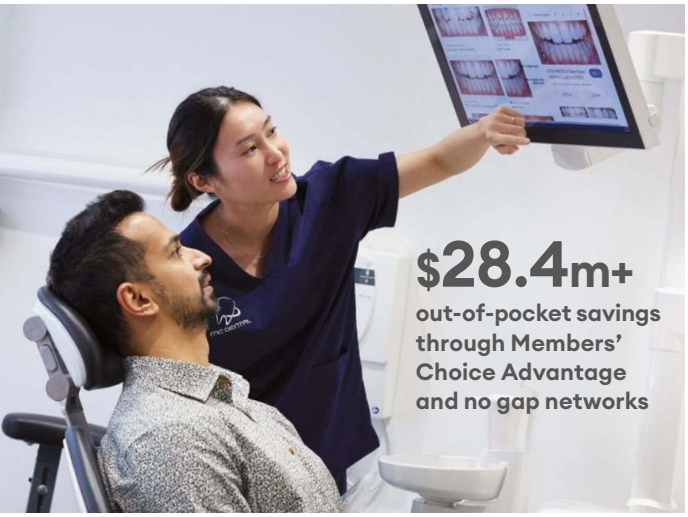
We further strengthened our other insurance offerings to give customers greater peace of mind, such as introducing 24/7 live video vet consultations with our pet insurance and self-service options for travel insurance. We also added product review scores to our ahm website, to make it easier to evaluate our car and home insurance products, as well as introducing payment options.

Embracing our responsibility to be a leader in mental health

As one of Australia's largest health companies, we're committed to playing a meaningful role in improving mental health across the country. In March we announced we were investing $50 million in mental health over the next 5 years to improve access, innovation and prevention for our customers and the community. Contacts to our 24/7 mental health line and chat more than doubled the following month.

Our investment includes:

- Launching **The Family Roast** – a national awareness campaign designed to prompt more meaningful conversations and strengthen relationships among families of all kinds through a conversation-starter card game, developed in collaboration with mental health experts
- Funding a world-leading **psychotherapy program** for eligible customers with acute mental health conditions such as post-traumatic stress disorder, collaborating with the Australian National University
- Launching the **Can We Talk?** campaign with News Corp to help break down the stigma around mental health and get people talking about it
- Paying **benefits for pharmacogenetic testing**, which can help determine how a patient may respond to mental health medications
- Increasing the benefit amount we pay for **psychology consultations**
- Enhancing customer **access to mental health professionals** by recognising more than 3,000 mental health social workers around the country and paying benefits towards those consultations
- Collaborating with **mental health organisations** including batyr, Black Dog Institute and Orygen as well as social health organisation Flying Fox so we can work together to find solutions



Partnering to bring customers more value

Strong relationships with hospitals, health providers and Live Better rewards partners are helping us deliver more value, choice and control to our customers.

To date, more than 10,000 Medibank customers have gone through our no gap program, saving them more than $7 million in out-of-pocket costs. The network has now grown to 41 sites nationally.

Our Members' Choice Advantage network enables us to offer better value and more cost transparency for customers. This year, we renewed our Members' Choice partnership with Specsavers for another 5 years, expanding it to include a no gap option for multifocal lenses, further reducing out-of-pocket costs for eligible customers. As well we grew the number of no gap inpatient diagnostic agreements, keeping an extra $400,000 in Medibank customers' pockets each month.

We also grew our network of homecare providers for specialist chemotherapy, infusions, palliative care and dialysis homecare programs. This allows us to offer customers better access to these personalised care models.

+10.5k (+3.1%)
net non-resident policy unit growth

13.8%
growth in the number of corporate partners using health services

Collaborating to drive healthcare change

We continued to work closely with private hospitals to accelerate the development of innovative models of care through our partnership-based funding.

These agreements enable high-quality, personalised and flexible care for our customers, while supporting the sector's affordability and sustainability. We now have these in place with all our major hospital group partners, and 81% of customer visits to contracted hospitals are covered by these agreements. In addition, we gave private hospitals $36.6 million for partnership initiatives supporting Australia's health transition.

In FY25, a significant focus for us has been redesigning mental health funding to better support the continuation of care at home and in community settings. By working with groups like Ramsay Health Care, we're encouraging personalised care models in mental health, such as homecare and virtual services.

Our ongoing commitment to improving mental health in Australia also led us to establish a Mental Health Reference Group of highly regarded multidisciplinary professionals. The group provides expert guidance to Medibank decision makers working on improving mental health services, products and programs.

Providing support for international and corporate customers

We helped more than 360 organisations create healthier working environments for their employees this year. To support this work, we acquired corporate health and wellbeing provider Pinnacle Health Group and delivered almost 135,000 health and wellbeing interactions, including 14,400 skin checks and health checks.

To help our corporate clients embed health and wellbeing across their workforce, we designed and launched a new digital tool for employees to assess their health, explore evidence-based resources, and access wellbeing programs. We also introduced a new suite of corporate health cover products designed to give employees greater choice and value, regardless of their life stage or budget.

We continued enriching our health and wellbeing support for overseas students. Use of our 24/7 Online Doctor Service in our Overseas Student Health Cover app more than doubled, increasing 112%. This service offers convenient care, including prescriptions, referrals and medical certificates, helping students access timely support. More students engaged with our 24/7 Student Health Support Line – up by 15%, while our Student Rewards Plus platform saw a 36% increase in rewards redeemed.

Through our partnerships with 19 universities, we co-designed and delivered programs helping students build social connections, understand how to access care, and feel more confident seeking support when they need it.

283k
enrolments in clinician-led prevention programs and Live Better digital programs

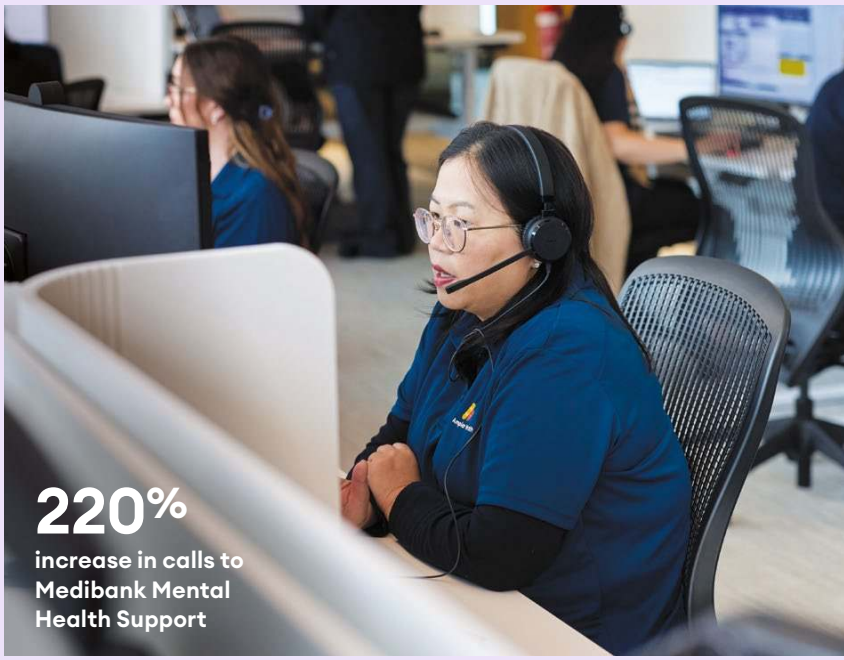
Expand in health

Our customers' demand for healthcare done differently has accelerated our expansion in prevention and primary care, virtual health and homecare to better support their health and wellbeing

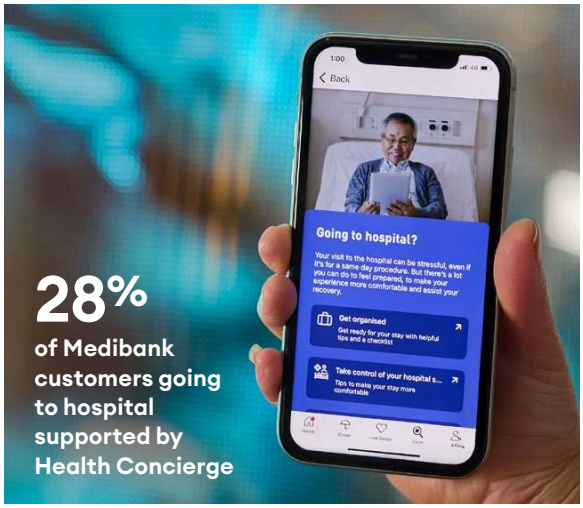
Our strategy

- Accelerate growth in prevention, primary and virtual care and personalised care models
- Scale and connect our existing health businesses
- Deliver more health services to Medibank and ahm customers
- Accelerate Australia's health transition

177k
hospital bed days saved through homecare programs



220%
increase in calls to Medibank Mental Health Support



28%
of Medibank customers going to hospital supported by Health Concierge

3.2m
Myhealth patient consultations

Need to know

- More than doubled the enrolments in our preventative health programs
- Opened Australia's first no gap private hospital – Adeney Private Hospital
- Actively drove the health transition by saving over 177,000 hospital bed days through prevention and homecare programs
- Awarded a 2-year federal government contract to pilot a new virtual nursing model to support face-to-face clinical care in aged care homes from July 2025

Enhancing our health services for greater impact

People are more invested in their health and wellbeing and want proactive support to help them be better, personalised to their needs. But prevention has long been under-prioritised in Australia, where almost half of us now live with a chronic condition – something we are working to change.

We supported more of our customers to take greater ownership of their health and wellbeing through our range of prevention programs and support. We made some changes to our Better Knee, Better Me, Heart Health at Home and Medibank Type 2 Diabetes programs to provide even more customers the opportunity to participate in these programs and saw a 25% increase in enrolments this year. We also introduced additional Live Better digital prevention programs – Sleep Well and Stress Buster – and doubled enrolments in our clinician-led preventative programs and Live Better digital prevention programs this year.

As part of our mental health commitment, we were the first health insurer in Australia to fund access to world-leading innovative psychotherapy treatment for Post Traumatic Stress Disorder (PTSD), and began paying benefits towards pharmacogenetic testing, which can help determine how a patient may respond to a range of medicines. We refreshed our mental health online site to make it easier for people to take steps to improve their mental health and access care. We expanded our 24/7 Mental Health Support to webchat and have seen contacts to the service almost triple over the past 12 months, with more people aged under 30 choosing the webchat service.

Healthcare designed the way people want it

We're focused on building a more connected healthcare experience that delivers care where and how customers want it. We're investing to expand the role of homecare, virtual health and short stay hospital models to deliver more choice, convenience and flexibility for patients.

Our Amplar Health network is supporting the health of millions of people across the country. This network of GPs, nurses, psychologists, physiotherapists and other allied health professionals is one of Australia's largest. Over the year it delivered more than 254,000 homecare visits and 1.4 million virtual health interactions, including triage and health support, virtual GP consults, mental health services and preventative health programs with Myhealth GPs providing 3.2 million face-to-face and virtual patient consultations across 105 clinics.

We continued collaborating with leading organisations and governments through our Amplar Health team to deliver innovative approaches to delivering healthcare across the community.

We launched an innovative Transition Care Service in Adelaide for SA Health, which sees patients who no longer require acute care in hospital moved to the Pullman Adelaide hotel where they are cared for by our team. This frees up much needed hospital beds.

Transforming wound care with artificial intelligence

Our Amplar Home Health nurses are using AI to improve the wound care they provide to patients in their homes.

Using their phones they take a photo of the wound and the innovative Net Health Tissue Analytics app uses artificial intelligence to calculate the dimensions and colour composition. This helps the nurses track healing progress more precisely by reducing measurement variance and enhancing accuracy, streamlining homecare wound management.

Early results are promising, with nurses reporting high levels of satisfaction with the app, and increased confidence in managing wounds. Our nurses made more than 50,000 home visits for wound care this year, with patients with chronic or complex wounds often requiring multidisciplinary approaches.

More than 22,000 patients have now gone through the My Home Hospital service which we have provided on behalf of SA Health since 2021. The service has delivered almost 29,000 hospital bed days this year and is a leading example of how virtual care models, coupled with homecare delivery, can support health system sustainability. This was highlighted in a KPMG report we commissioned that showed expanding these types of models of care could save up to $1 billion in healthcare costs in 2030.

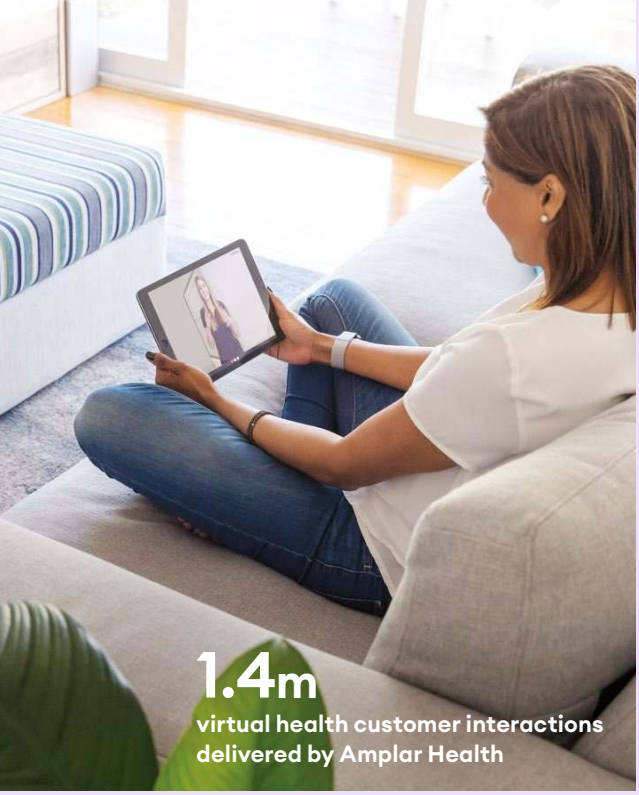
On behalf of the Federal Government, we are delivering a virtual nursing pilot to complement face-to-face healthcare delivery in aged care homes. This 2-year pilot will explore ways to improve older Australians' access to timely care where and when they need it, enhance care delivery in rural and remote areas and provide better support for on-site carers. The program will expand to 30 homes nationwide in partnership with the Department of Health, Disability and Ageing Care.

In February we opened Australia's first no gap private hospital, Adeney Private Hospital, in collaboration with a group of medical professionals. The hospital offers no out-of-pocket expenses for services including surgery, anaesthesia, imaging, pathology, infusions and PBS medicines covered by the policies of eligible patients.

We launched our third iMH private mental hospital as part of our joint venture with Aurora Healthcare. Nundah Private in Queensland offers an innovative approach to mental health care combining hospital, home and community support. We also partnered with a doctor-led group in South Australia to transform Western Hospital in Henley Beach into a short stay surgical centre for private and public patients.

30%

of Medibank no gap joint replacement patients are having rehab at home



Driving health change

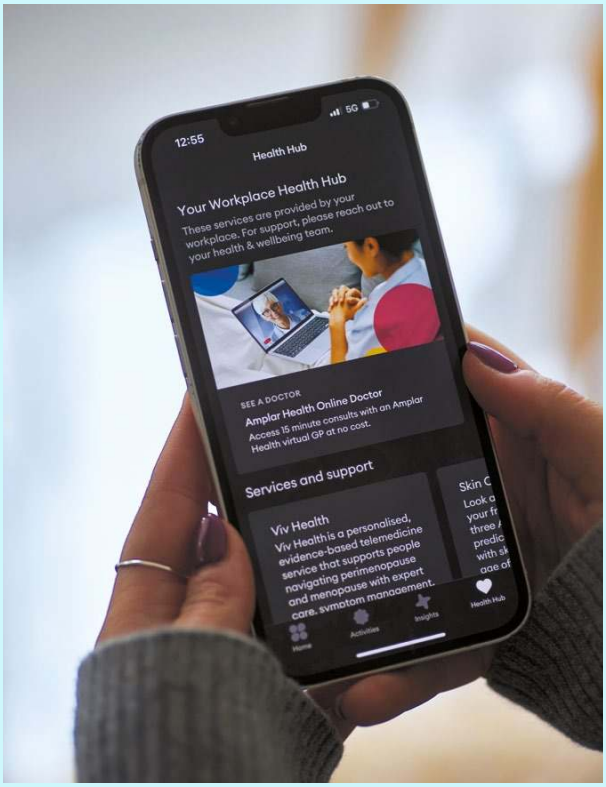
Australia has one of the best health systems in the world, but it is under intense pressure. This is why we continue to drive the health transition crucial to preserving and strengthening our system for our generation and those to come.

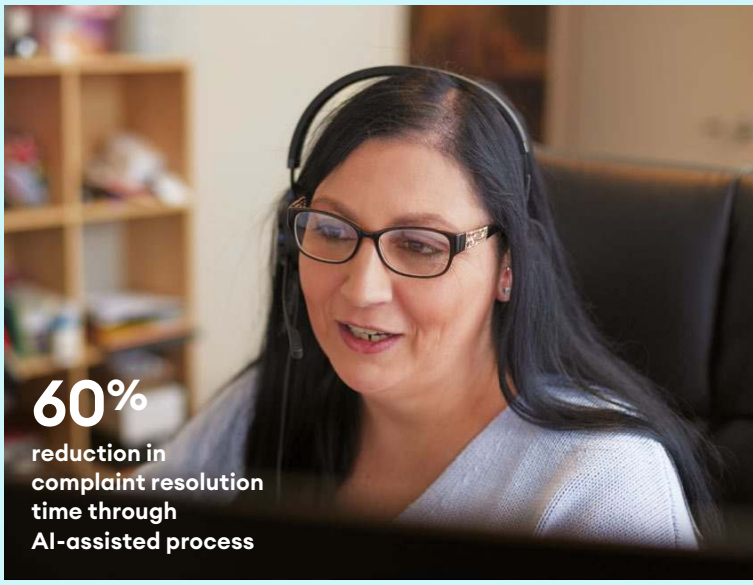
This year we held our inaugural Medibank Better Health Research Hub Symposium, which brought together policy and primary health leaders to explore new policy solutions to support primary care system sustainability. A paper summarising the proposed ideas and solutions was then presented to government.

We've also been working with Myhealth GPs on a trial to redesign primary care to improve the health experiences of patients with chronic conditions. One year in and we've seen a decrease in the risk of hospitalisation for 30% of patients, and a significant increase in preventative health activities including health screening and vaccinations. Participating GPs have reported feeling more supported, safe and confident in delivering patient care, and we believe this innovative approach may also support better GP retention and attraction. Myhealth also established a training academy for GPs and primary care clinicians offering professional development courses, which is also having a positive impact on recruitment to the Myhealth network.

We continued actively advocating for meaningful change in the health sector, delivering a health policy reform paper to the government. It outlined key reforms to private healthcare, prevention, innovative care models and consumer transparency.

Change comes slowly to health, but working together across the industry will help to maintain the world-leading health outcomes we enjoy in this country.



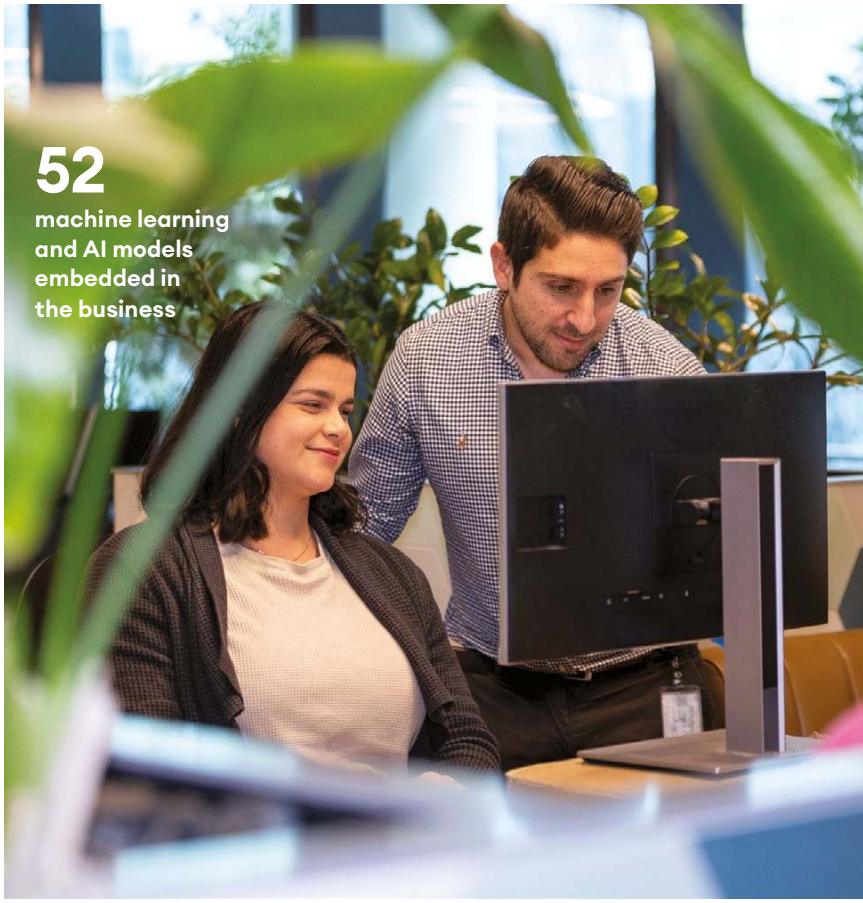


Continue to strengthen our foundations

We've continued investing to make our business stronger and more resilient, supporting us to expand in health and grow our business

Our strategy

- Embed a purpose-led risk culture and approach to risk management, focused on customer centricity and health
- Support business growth by continuing to modernise our technology platforms, leveraging cloud, artificial intelligence (AI) and automation to deliver scalability, efficiency and agility



Need to know

- Refreshed our risk culture framework
- Continued integrating AI across the business to simplify processes for customers and support our people
- Continued modernising some of our large technology platforms, improving system adaptability and flexibility and reducing maintenance time

Improving our resilience and growing as a health company

Our ongoing focus on governance, risk culture and accountability is integral to our commitment to doing what is right for our customers, our patients and our community.

We further strengthened and automated our information security controls and governance frameworks and enhanced our security capabilities, consistent with our proactive and multi-layered approach to our management of risk. We continued investing in our Security Operations Centre, network security, vulnerability management and identity and access management.

A big focus for this year was enhancing risk culture across the business and giving our people a greater understanding of risks to make them more confident in identifying, assessing and managing risk in their roles. As part of this we updated our risk culture framework and gave people greater clarity around decision making and accountability.

We enhanced our information security awareness and training strategy to further promote a security-first culture across the business and equip our people with further skills and knowledge to continue to safeguard our data and manage security risks. This facilitates consistency across our information security practices and management, supported by clear governance and timely, meaningful reporting to drive intervention and remediation if and when required.

These investments in maturing the controls, capabilities and governance around our data and systems not only continue to strengthen our foundations and enhance our business resilience now, they are supporting the acceleration of our strategy and growth as a health company in the future.

More detail is in our risk management section from page 41.

Building for better

We enhanced our technology platforms to deliver better experiences for our customers, our patients and our people.

We began modularising some of our large systems into self-contained components to make them more adaptive and flexible, while improving the time required for development and system maintenance. And we changed our ways of working to unlock automation benefits, supported by a focus on improving capabilities across teams.

We also built the capability to release updates to our My Medibank mobile app on a weekly basis, which is better for our customers and aligns with industry best practice for engineering performance.

We're using AI to help us simplify health journeys, expand access to services and create more personalised experiences for our customers – from implementing generative AI–powered support to connect customers to the right information or people they need faster; to leveraging AI-powered agents in ahm's messaging channel to help support more customers; assisting Myhealth GPs with clinical notetaking and launching Copilot across the business so our people could engage with and learn about AI. We also partnered with leading global provider, League, incorporating its AI and data-driven platform to build digital health assessments and personalised next best health actions into the My Medibank app.

To ensure our use of AI aligns with our commitment to our people, customers and community, we launched our AI Governance Policy incorporating ethical AI principles, privacy, security and risk management principles, and established a Responsible Use of Customer Data Committee.

Sustainability at Medibank

Our approach to sustainability is integral to our vision to deliver the best health and wellbeing for Australia.

This year we undertook a formal review of our existing material topics that help us identify the sustainability issues that our customers, people, community, shareholders and regulators believe are the most important for us to address. After assessing these against the growth of our health operations and evolving sustainability expectations, some topics were refined to better reflect our work and the influence we have in addressing sustainability.

Material focus area	Material topics
Customer health Supporting our customers to improve their health and wellbeing	**Affordable, innovative and personalised health and wellbeing programs and services**
Employee health Build an engaged, inclusive workforce focused on customers, and the health, wellbeing and autonomy of our people	**Meet our 2030 vision of the healthiest workplace through our work. Reinvented program**
Sustainable health system Support a sustainable health system by making a difference in our community, building partnerships and investing in preventative health and research to address some of Australia's biggest health concerns	**Work together to build a stronger and more sustainable health system** **Support healthy communities**
Environmental health Embed environmental sustainability into our decision making	**Environmental health and climate change**
Ethical and responsible business and leadership in health Embed ethical and responsible business practices including demonstrating our role as a leader in health	**Responsible decision making centred on customers and patients** **Responsible use and protection of customer data**

Find out more about our sustainability approach in our Sustainability Summary and ESG databook

1. About Medibank

Medibank Private Limited (Medibank) is a health company providing health insurance to more than 4.2 million people in Australia, as well as health services. Our core business is Health Insurance, where we underwrite and distribute private health insurance policies under the Medibank and ahm brands for resident and non-resident customers. Medibank Health complements our Health Insurance business by providing a number of services. Amplar Health supports the healthcare needs of both the public and private systems. Amplar Health supports our core Medibank and ahm customers and the broader community with prevention, primary care and homecare, alongside investments in short stay surgical and mental health facilities. Our Live Better rewards program supports customers and the community to make better choices for their health and wellbeing. We also offer a range of diversified insurance products such as travel, life, home and pet insurance and have a number of non-controlled investments supporting our strategy to provide greater access, choice and control in healthcare.

Additionally, as we maintain assets to satisfy our regulatory reserves, we generate investment income from our portfolio of investment assets.

Medibank was founded in 1976 as a private health insurer owned and operated by the Australian Government. We have operated on a for-profit basis since 2009. On 25 November 2014, Medibank was sold by the Australian Government by way of an initial public offering (IPO) and listed on the Australian Securities Exchange. As at 30 June 2025, we had 3,604 full-time equivalent (FTE) employees, including 746 health professionals (excluding employees in associates and joint ventures).

2. Financial and operating performance

References to "2024", "2025", "2026" and "2027" are to the financial years ended on 30 June 2024, 30 June 2025, 30 June 2026 and 30 June 2027 respectively, unless otherwise stated. The "Group" refers to the consolidated entity, consisting of Medibank and its subsidiaries.

2.1 Group summary income statement

Year ended 30 June ($m)	2025	2024	Change
Group revenue from external customers	**8,604.0**	**8,175.8**	**5.2%**
Health Insurance operating profit[1]	741.5	692.3	7.1%
Medibank Health segment profit	76.7	60.4	27.0%
Segment operating profit	**818.2**	**752.7**	**8.7%**
Corporate overheads	(55.8)	(52.9)	5.5%
Group operating profit	**762.4**	**699.8**	**8.9%**
Net investment income	207.8	182.2	14.1%
Other income/(expenses)	(18.9)	(19.7)	(4.1%)
Cybercrime costs	(39.7)	(39.8)	(0.3%)
Profit before tax, before movement in COVID-19 reserve	**911.6**	**822.5**	**10.8%**
Movement in COVID-19 reserve (excl. tax)	(182.8)	(110.8)	65.0%
Profit before tax	**728.8**	**711.7**	**2.4%**
Income tax expense	(219.5)	(215.3)	2.0%
Non-controlling interests	(8.5)	(3.9)	117.9%
NPAT attributable to Medibank shareholders	**500.8**	**492.5**	**1.7%**
Effective tax rate	30.1%	30.3%	(20bps)
Earnings per share (EPS) (cents)	18.2	17.9	1.7%
Normalisation for investment returns	(10.1)	0.3	n.m.
Normalisation for COVID-19 reserve movements	128.0	77.6	64.9%
Underlying NPAT[2]	**618.7**	**570.4**	**8.5%**
Underlying EPS (cents)[2]	22.5	20.7	8.5%
Dividend per share (cents)	**18.0**	**16.6**	**8.4%**
Dividend payout ratio[2]	80.1%	80.1%	-

1. Health Insurance operating profit excludes the impacts of COVID-19.
2. Underlying NPAT is statutory NPAT normalised for growth asset returns to historical long-term expectations, credit spread movements, movement in COVID-19 reserve and one-off items. Dividend payout ratio based on underlying NPAT.

Unless otherwise stated, discussion of performance in this section of the report is on a management basis, which is consistent with how performance is assessed internally. This includes reporting the impacts of COVID-19 outside of Group operating profit.

Group

Medibank's financial results for the 12 months ended 30 June 2025 demonstrates our disciplined approach to managing the business, highlights the benefit of continuing revenue diversification and includes investment for future growth.

Group operating profit was up 8.9% to $762.4 million, with solid growth in resident Health Insurance, an important contribution from non-resident Health Insurance and continued strong momentum in Medibank Health. Profit before tax and COVID-19 impacts increased 10.8% to $911.6 million with a $25.6 million increase in net investment income to $207.8 million and cybercrime costs and other income and expenses broadly in line with last year. The non-recurring cybercrime costs of $39.7 million include further IT security uplift costs of approximately $24 million and legal and other costs related to regulatory investigations and litigation associated with the 2022 cybercrime event. In 2026, we expect these costs to be around $35 million (excludes the impact of any potential findings or outcomes from regulatory investigations or litigation) and the IT security uplift program to be largely embedded. In 2027, costs are expected to be largely related to ongoing regulatory investigations and litigation.

Reported net profit after tax (NPAT) attributable to Medibank shareholders increased $8.3 million to $500.8 million. However, this has been significantly impacted by the adoption of AASB 17 *Insurance Contracts* (AASB 17), which decreased statutory NPAT by $128.0 million and $77.6 million in 2025 and 2024 respectively, due to the timing and value of COVID-19 claims savings and customer give backs. Underlying NPAT, which adjusts statutory NPAT for movement in the COVID-19 equity reserve and the normalisation of investment returns, increased 8.5% to $618.7 million.

Reported earnings per share (EPS) was 1.7% higher at 18.2 cents per share, while underlying EPS was up 8.5% to 22.5 cents per share.

The key reasons for the movements in the Health Insurance and Medibank Health results, as well as net investment income, are outlined in this report.

Health Insurance financial performance

Year ended 30 June ($m)	2025	2024	Change
Premium revenue	8,211.0	7,903.0	3.9%
Net claims expense (including risk equalisation)	(6,814.6)	(6,595.8)	3.3%
Gross profit	1,396.4	1,307.2	6.8%
Management expenses	(654.9)	(614.9)	6.5%
Operating profit[1]	741.5	692.3	7.1%
Gross margin	17.0%	16.5%	50bps
Management expense ratio	8.0%	7.8%	20bps
Operating margin	9.0%	8.8%	20bps

1. Health Insurance operating profit excludes the impacts of COVID-19.

Our Health Insurance business has remained resilient despite a challenging economic environment, with continued benefits arising from our disciplined approach to growth and claims management during COVID-19.

Gross margin of 17.0% was 50 basis points higher with a significantly improved risk equalisation outcome compared to 2024, as well as a 20 basis point benefit from the strong growth in higher margin non-resident policies.

We have continued to balance disciplined cost management as we invest in growth resulting in our management expense ratio increasing 20 basis points to 8.0%, with a 20 basis point increase in operating margin to 9.0% and operating profit up 7.1% to $741.5 million.

Industry and customer growth

The resident health insurance market has remained buoyant with policyholder growth[1] in the 12 months to 30 June 2025 expected to be only modestly lower than the 2.3% growth in the 12 months to 31 March 2025, with ongoing strong growth in the 25 to 30-year-old cohort. However, cost-of-living pressures continue to impact the industry with switching rates increasing and a higher share of industry joins through aggregator platforms.

Our reported resident policyholders increased by 27,900 or 1.4% which is double the growth rate of the prior 12-month period. The Medibank and ahm brands grew 0.3% and 4.3% respectively, with momentum improving in the second half of 2025.

1. Industry average, resident policyholders, APRA quarterly private health insurance statistics to Mar 25 with estimate for Jun 25 quarter.

The resident acquisition rate increased 50 basis points to 11.5%, with the Medibank brand improving 40 basis points to 9.3% and the ahm brand up 50 basis points to 18.6%. The improvement in the Medibank brand includes the benefit from investing in our differentiation strategy and additional marketing spend during the second half of 2025. The ahm brand proposition continues to resonate with consumers with the percentage of sales through direct channels remaining stable despite the increasing role of aggregators in the industry.

Retention improved by 20 basis points to 10.1% with a 30 basis point improvement across both brands despite higher industry switching rates. This was supported by additional investment in product benefits and Live Better rewards program in the Medibank brand and ahm's enhanced customer experience.

Our key areas of focus for policyholder growth in 2026 include further improving retention, particularly in ahm through further personalisation and integrated customer propositions, increasing focus on acquisition in priority segments, particularly the growing corporate market, and deepening our brand differentiation by investing in new products and services.

Growth in the non-resident business has continued with average policy units of 11.6%, with positive acquisition momentum in the worker segment, partially offset by lower visa approvals which impacted student acquisition.

Revenue

During the period, Health Insurance revenue increased 3.9% to $8,211.0 million reflecting a 3.6% increase in resident revenue to $7,908.8 million and a 13.4% increase in non-resident revenue to $302.2 million.

Claims

Total gross claims increased 4.0% to $6,821.4 million while net claims, which includes risk equalisation, increased by 3.3% to $6,814.6 million.

Resident gross claims increased 3.9% to $6,630.8 million, while net claims expense was up 3.2% to $6,624.0 million. Risk equalisation provided a 70 basis point benefit to net claims growth this period compared to a 10 basis point benefit in 2024.

The average resident claims growth per policy unit of 2.2% was in line with 2024, with an 80 basis point increase in hospital claims growth offset by a 270 basis point decrease in extras claims growth. The increase in hospital claims growth was largely driven by higher private hospital indexation and an increase in the New South Wales private room rate charges effective from 1 January 2025. This was partially offset by an improved risk equalisation outcome and the benefit from customer growth being skewed towards lower product tiers. Consistent with the trend in the first half of 2025, hospital claims were $31.2 million below expectations in the second half of 2025, with lower utilisation in some non-surgical specialties. The decrease in extras claims growth reflects $51.8 million of prior period claims favourability due to COVID-19 impacts and economic conditions impacting the utilisation of some services.

Claims growth in 2026 is expected to be impacted by the cost of private hospital agreements renegotiated during 2025 and higher extras utilisation. However, we expect that this will be partially offset by negative utilisation growth in hospital claims as we exit the COVID-19 regime, lower MBS and public hospital price increases, and more procedures being performed outside of traditional higher cost settings. We will also maintain a proactive approach to claims management by broadening our partnership approach to hospital contracting, increasing the number of Medibank customers supported by personalised models of care, and expanding the use of artificial intelligence in our payment integrity program.

Non-resident net claims expense increased by 8.8% to $190.6 million reflecting the mix and tenure of the portfolio.

Gross profit

Total gross profit increased 6.8% to $1,396.4 million with 3.9% premium revenue growth and a significantly improved risk equalisation outcome compared to 2024, including a $7.8 million recovery in the second half of 2025. The 50 basis point increase in gross margin to 17.0% includes a 20 basis point benefit from the strong growth in higher margin non-resident policies and remains below the pre-COVID-19 margin of 17.1%.

Resident gross margin increased 30 basis points to 16.2% reflecting our disciplined approach to growth, with revenue growth per policy unit of 2.6% remaining above claims growth per policy unit of 2.2%. The 2.6% revenue growth per policy unit was in line with last year with the higher average premium increase offset by higher downgrading. The increase in downgrading reflects increased investment in our Live Better rewards program, customer growth skewed towards lower tier products and other portfolio management impacts. Based on this trend, we expect downgrading in 2026 to be modestly higher than 2025.

In the non-resident business, gross profit increased 22.4% to $111.6 million and gross margin was 270 basis points higher at 36.9%, with improved visitor and worker margins partially offset by modest tenure impacts on the student margin.

Non-resident remains an attractive market. In 2026 we will further differentiate our offering, invest to grow market share particularly in the worker and visitor segments, and increase our focus on customer lifecycle management.

Operating costs

Management expenses increased 6.5% to $654.9 million, largely driven by higher operating expenses and an increase in depreciation and amortisation costs in line with our increasing investment in digital assets, which was partially offset by lower sales commissions.

Operating expenses were up 8.2% with cost inflation of approximately 4.0% partially offset by $10 million of productivity savings, as well as modest volume impacts and additional investment to support both resident and non-resident policyholder growth into 2026.

The additional investment includes a $10 million uplift in digital and other technology delivery capability, a $6 million increase in marketing investment in the second half of 2025 in the resident portfolio and investment in product and lifecycle management for non-resident.

Sales commissions were $3.5 million lower with non-resident commissions impacted by lower student acquisition, while resident commissions were higher in line with higher ahm acquisition.

The major drivers of expense growth in 2026 are expected to include cost inflation which we expect to be lower than 2025, an increase in commissions in line with higher policyholder acquisition and a modest further investment in growth. The increase in expenses will be partially offset by a further $10 million of productivity savings in 2026.

Despite the management expense ratio increasing 20 basis points to 8.0% this period, we continue to target a stable to modestly improving ratio by leveraging our investment in analytics, digitisation and next horizon of productivity initiatives to improve efficiency and utilise our direct distribution strength to manage the cost of acquisition. While we will maintain our disciplined approach to cost management, we will balance this with investing in further growth where this makes commercial sense.

Medibank Health financial performance

Medibank Health segment profit increased 27.0% to $76.7 million with a 31.2% increase in operating profit to $84.2 million. This was partially offset by a $7.5 million loss from our portfolio of joint venture short stay hospital investments this period, including initial losses from three recently opened hospitals. These hospitals continue to make an important contribution to the health transition and we expect performance to improve next year as the portfolio matures.

There was a 12-month operating profit contribution from Myhealth of $19.5 million following our acquisition of a controlling shareholding in January 2024. The business continues to perform well with increasing consultation numbers and a higher average fee. Myhealth operating margin was 13.3%, which was impacted by a $6 million incremental investment in a new virtual health platform and service launch, which was partially offset by improved clinic operating efficiency. The virtual health platform investment enables more patients and Medibank customers to have virtual health consultations in the future. We expect that the recently announced changes to bulk billing incentives will favourably impact performance in 2026.

Excluding the contribution from Myhealth, revenue increased 16.8% to $339.1 million reflecting strong growth in health and wellbeing and diversified insurances, improving growth in health services and a 6-month contribution from Amplar Health Home Hospital after moving to 100% ownership in the second half of 2025. The 110 basis point reduction in gross margin reflects additional investment in the Live Better rewards proposition and an improvement in health services.

The reduction in gross margin was more than offset by a 200 basis point improvement in the management expense ratio reflecting improved efficiency and growing scale, resulting in a 23.0% increase in organic operating profit to $64.7 million and a 100 basis point increase in operating margin to 19.1%.

We continue to see strong organic growth potential with 2026 focus areas including further performance uplift in health services, meeting the needs of more of our health insurance customers and scaling existing services with a broader set of payors. We aim to augment this organic growth with further M&A that adds scale, capability or expands geographic coverage. Our near-term focus is on expanding our primary and virtual care footprint and broadening our participation in the fast-growing corporate health and wellbeing sector.

Net investment income

Medibank's investment portfolio was $3.6 billion as at 30 June 2025. This investment portfolio, which includes $3.0 billion relating to the health fund and short-term operational cash (STOC) of $0.4 billion, provides liquidity to cover insurance liabilities related to the Health Insurance business and satisfies our obligation to maintain regulatory reserves to meet health claims and to fund ongoing operations. The STOC balance consists largely of cash assets to fund claims deferred due to COVID-19 and customer give back programs. It sits outside our target allocation of growth and defensive assets of 18% and 82%, respectively.

Net investment income increased $25.6 million or 14.1% to $207.8 million, with a $17.9 million and $10.4 million increase in our growth and defensive portfolio income, respectively.

The increase in our growth portfolio income reflects higher income from all asset classes with particularly strong performance in Australian and international equities. The $10.4 million increase in our defensive portfolio income includes a 9.1% increase in average asset balances and an improved return on international holdings. This was partially offset by a $1.3 million cost from the lower average RBA cash rate and the tightening credit spread benefit in 2024 not recurring ($0.9 million cost in 2025 compared to a $9.6 million benefit in 2024).

Consistent with previous practice, we have adjusted net investment income for the impact of short-term market returns that are expected to normalise over the medium to longer term in our underlying NPAT. After normalisation[2], net investment income was up $10.7 million from $182.7 million in 2024 to $193.4 million this period. The $10.7 million increase in underlying net investment income resulted in a 9 basis point increase in the underlying net investment income return to 5.86%, which is a 166 basis point spread to the average RBA cash rate and within our full year target of 150 to 200 basis points.

In 2026 we expect underlying net investment income to be impacted by the lower RBA cash rate and will consider options such as adjusting the target asset allocation and

2. The adjustment normalises growth asset returns to long term market expectations and defensive asset returns for credit spread movements. Normalisation of returns for 2025 benchmark performance decreased net investment income by $14.4 million (2024: increased $0.5 million).

defensive asset settings including credit, duration and liquidity to help offset this impact.

Our investment portfolio is subject to, and compliant with, our Responsible Investment Policy. Domestic and international equity investment portfolios remain aligned with socially responsible investment principles.

2.2 Group financial position

The Group's net asset position increased by $31.0 million or 1.3% to $2,336.1 million as at 30 June 2025. The key movement in the consolidated statement of financial position is the customer give back liability relating to the return of permanent net claims savings due to COVID-19 to customers.

2.3 Capital management and dividend

Medibank's capital management objective is to maintain a strong financial risk profile and capacity to pay all eligible customer benefits, invest in the growth of our business to provide a return to shareholders and to meet financial commitments.

- In June 2023 APRA announced an additional capital adequacy requirement of $250 million for Medibank, with effect from 1 July 2023, following a review of the 2022 cybercrime event. As a result, we have temporarily increased Health Insurance business related capital to offset this supervisory adjustment. At 30 June 2025 this requirement remains in place.
- At 30 June 2025, Health Insurance required capital was $1,195.8 million and 1.8 times[3] the prescribed capital amount (PCA), with unallocated capital of $251.9 million.
- The target health insurance capital ratio is between 10% and 12% of premium revenue, however, the current ratio of 14.0% sits above this range to offset the $250 million temporary APRA supervisory adjustment.
- The $23.5 million increase in other capital employed to $471.1 million includes increased investment to acquire a 100% shareholding in Medinet and Amplar Health Home Hospital and funding growth in Medibank Health.

As a business we continue to have strong capital generation and are well placed to fund our existing M&A aspiration with the capacity to increase this aspiration given our level of unallocated capital and ability to raise Tier 2 debt. We will consider capital management actions if suitable M&A opportunities do not eventuate in a reasonable timeframe.

The following table sets out Medibank's annual disclosure of its APRA regulatory capital position at 30 June 2025.

- The APRA capital base definition is higher than the Medibank reported eligible capital due to Medibank specific adjustments including deducting the dividend accrual at 30 June 2025.
- The prescribed capital amount (PCA) for the health benefits fund of $764.6m is consistent with the Medibank reported basis and includes the $250 million temporary APRA supervisory adjustment in operational risk.
- The PCA coverage ratio for the health benefits fund is 2.0x on the regulatory basis, which is higher than the Medibank reported basis (1.8x).

Year ended 30 June 2025 ($m)	Health Benefits Fund	General Fund	Total Insurer
Net Assets	**1,694.4**	**505.0**	**2,199.4**
Regulatory Adjustments	(153.8)	(195.8)	(349.6)
Common Equity Tier 1 Capital	**1,540.6**	**309.2**	**1,849.8**
Additional Tier 1 & 2 Capital	-	-	-
Capital Base	**1,540.6**	**309.2**	**1,849.8**
Insurance Risk Charge	203.6	-	203.6
Asset Risk Charge	247.3	52.2	299.5
Operational Risk Charge	414.2	-	414.2
Aggregation Benefit	(100.5)	-	(100.5)
Prescribed Capital Amount (PCA)	**764.6**	**52.2**	**816.8**
PCA Coverage Ratio	**2.0x**	**5.9x**	**2.3x**

Dividends paid or payable in respect of profits from the financial year totalled 18.0 cents per share fully franked, amounting to $495.7 million comprising:

- An interim ordinary dividend of 7.8 cents per share fully franked, amounting to $214.8 million paid on 26 March 2025 in respect of the 6-month period ended 31 December 2024.
- A final ordinary dividend of 10.2 cents per share fully franked, amounting to $280.9 million to be paid on 9 October 2025 in respect of the 6-month period ended 30 June 2025.

The full year 2025 ordinary dividend represents an 80.1% payout ratio of underlying NPAT, which is within our dividend target payout ratio range of between 75% and 85% of underlying NPAT.

3. Calculated as Required Health Insurance capital less APRA supervisory adjustment, divided by Fund PCA less APRA adjustment.

2.4 Management changes

In July 2025, Rob Deeming, Group Lead – Digital & Ventures and member of the executive leadership team decided to leave Medibank. The innovative approaches and capabilities developed within the Ventures team will be embedded across the organisation, supporting accelerated business growth and enabling new, more agile ways of working.

3. Strategy and future prospects

Medibank's purpose is Better Health for Better Lives. Our vision is to create the best health and wellbeing for Australia. Our strategy puts our customers and people at the centre of everything we do. We connect people to a better quality of life in every moment. By working to create access, choice and control for Australia, we seek to sustainably build our customer base and grow shareholder value.

We continued to make progress on our strategy as we delivered leading experiences, leveraged our dual brands to create a differentiated insurance proposition and expanded our role as a health company. Recognising the importance of further strengthening our core capabilities, we have introduced a fourth strategic pillar which focuses on embedding a purpose-led culture, enhancing delivery speed through platform upgrades, unlocking data driven value and aligning risk settings to support strategic execution and future flexibility.

Our strategy – growing as a health company

Deliver leading experiences

Create personalised and connected customer experiences

Empower our people and reinvent work

Collaborate with our communities and partners to make a difference

Continue to strengthen trust and reputation

Differentiate our insurance business

Deliver more value, choice, and control for customers

Provide holistic health solutions to customers including resident, non-resident and corporate customers

Strengthen our dual brands and provider networks

Lead change with partners to deliver affordable healthcare

Expand in health

Accelerate growth in prevention, primary and virtual care and personalised care models

Scale and connect our existing health businesses

Deliver more health services to Medibank and ahm customers

Accelerate Australia's health transition

Continue to strengthen our foundations

Embed a purpose-led risk culture and approach to risk management focused on customer centricity and health

Support business growth by continuing to modernise our technology platforms, leveraging cloud, AI and automation to deliver scalability, efficiency and agility

Better Health for Better Lives

medibank Live Better | ahm You're good. | Amplar Health Making Health Personal

Delivering leading experiences

With customers at the heart of what we do, we have continued to create personalised and connected customer experiences while empowering our people to drive greater impact for our customers, patients and the community.

Following a successful pilot, our customer support teams across Medibank and Amplar Home Health have been reorganised into geographically located hubs, enabling our people to deliver more personalised services and health support to our customers. Meanwhile in ahm, we have transformed our customer-first approach by building autonomous teams to provide better end to end customer support. These initiatives have seen strong performance across both customer service and employee satisfaction metrics.

Customer engagement with our digital channels continues to grow, reflected in a rise in the number of My Medibank registered users and a 20% year on year increase in active users on the My Medibank app. This year, we continued to strengthen the digital experience for our customers by enhancing the functionality of the My Medibank app, including the addition of a hospital eligibility check feature and redesigned our online retail product comparison tool. In ahm, we introduced a proactive and personalised cover review program to help customers find the health cover that best suits their needs.

We aspire to become Australia's healthiest workplace by fostering a healthier, more engaged and resilient workforce. We are driving greater autonomy in the work place through our work. Reinvented program.

This year, we doubled the number of participants in the four-day work week experiment after interim results showed significant and sustained improvements in employee engagement, job satisfaction and health and wellbeing. By reinventing the way we work, we aim to empower our people to focus on what has the greatest impact.

Our ongoing focus on providing exceptional customer experiences is reflected in both Medibank's journey NPS and ahm's service NPS exceeding 2025 targets.

Differentiate our insurance business

During the year we have strived to deliver better value, more cost transparency and a wider range of services to our customers through our expanding networks and initiatives as we lead change with partners to deliver affordable healthcare.

This year we have committed to returning $257.6 million to Medibank customers through cash give backs and Live Better rewards points, delivering on our promise to not profit from the COVID-19 pandemic. We have now finalised our COVID-19 support package and give back program with the final give back in September 2025 amounting to a record $1.71 billion returned to customers – the largest financial give back of any Australian health insurer.

We have continued to reinvest in value for our ahm customers. For the fourth consecutive year, eligible ahm customers with extras cover received a limit rollover to extend most unused annual limits for another year.

We have remained focused on keeping premiums affordable for our customers while managing rising healthcare costs. Our 3.99% average premium increase effective from 1 April 2025 was the lowest increase among the four largest health funds in Australia and remains below the industry's premium-weighted average of 4.38%.

Our expansive Members' Choice Advantage network continues to offer more value and cost transparency, saving our customers over $25.0 million in out-of-pocket costs this year. We also renewed our Members' Choice optical partnership with Specsavers for a further five years, expanding benefits to include no gap options for multifocal lenses. This collaboration is a key part of our strategy to improve affordability and access to essential health services across Australia.

More customers are engaging with our health and wellbeing offerings. Approximately 52% of Medibank policyholders have engaged with a health and wellbeing service, up from 48% in 2024, while the number of customers enrolling in preventative health programs has more than doubled this year. Meanwhile, our Live Better rewards program continues to scale with over 931,000 participants and $32.8 million of rewards redeemed in 2025.

We continue to invest in our products and services, delivering more value, choice and health solutions for our customers. This year we expanded our Virtual Psychology Clinic operated by Amplar Health to Medibank customers, introduced new ambulance cover and bronze hospital insurance policies in ahm and announced a new private maternity program for eligible Medibank and ahm customers in the Northern Territory.

We also launched an upgraded Online Doctor program in February, providing customers with Overseas Student Health Cover access to 24/7 GP services. The program, which is now delivered by Amplar Health, has seen more than double the number of consultations in 2025, with demand increasing in the four months since the transition.

In March, we announced a $50 million investment in mental health over the next five years, recognising the growing mental health challenges faced by many people in Australia. The investment aims to increase access to innovative models of care, give customers more choice around mental health providers and unlock a range of new mental fitness prevention initiatives to keep customers well.

Furthermore, Medibank is the first major health insurer in Australia to fund an innovative psychotherapy program, giving eligible Medibank customers access to world leading psychotherapy treatment. We have also focused on redesigning our mental health funding to better support the continuation of care in the home and community settings, aiming to accelerate innovative care models and expand patient choice in mental health.

We are continuing to support the delivery of innovative, personalised and flexible care options for our customers, while contributing to the long-term sustainability of the health system. We have now implemented partnership-based funding agreements with all major hospital group partners. This year, 81% of our customers' private hospital episodes at contracted hospitals were covered under these agreements and we also provided over $36.6 million in partnership support to drive the health transition. We continued to accelerate the expansion of our no gap network by adding 8 additional sites in 2025, taking our national footprint to 41 sites. Over 10,000 customers have saved more than $7.0 million in out-of-pocket costs since the launch of our no gap program in 2019, with a c. 42% increase in customers accessing the program this year.

Expand in health

Medibank is committed to creating the best health and wellbeing for Australia. Our strategy to grow as a health company is enabling us to differentiate our health insurance offering by investing and innovating across our key focus areas including in the health and wellbeing, primary care and specialist and acute care segments.

This year we delivered over 4 million health interactions through our Amplar Health network[4] of GPs, nurses, psychologists, physiotherapists and other allied health professionals. This includes around 254,000 homecare visits and 1.4 million virtual health interactions. We have also saved 177,000 hospital bed days through our homecare programs in 2025.

4. GP consultations through Myhealth and services provided by Amplar Health including primary care, virtual health and prevention.

Momentum has continued across our primary care network with over 3.2 million consultations delivered across our 105 Myhealth clinics in 2025. In 2024, we began a Myhealth GP-led trial to improve the health experiences of patients with chronic diseases. Initial results have been positive, with 30% of patients having a reduced risk of hospitalisation. Participating GPs also reported feeling more empowered which we believe will support stronger GP retention and engagement.

We also completed the acquisition of shares we did not already own in health technology company Medinet to support the growing role of virtual health in Australia and provide more connected health experiences.

We are increasingly collaborating with government to deliver innovative healthcare solutions that improve access, efficiency and outcomes across the system. We have recently partnered with the Federal Government to better support the residents of 30 aged care homes through virtual nursing services. We also partnered with SA Health to deliver a new Transition Care Service to patients in South Australia who no longer require acute care in hospital. The service became operational in February 2025 and following initial success, will double in capacity to 48 beds in September 2025. This is alongside My Home Hospital, a SA Health Service which has provided care to over 22,000 patients since commencing in January 2021. Amplar Health Home Hospital became the sole deliverer of My Home Hospital on behalf of the government in December 2024.

We launched our third iMH private mental hospital as part of our joint venture with Aurora Healthcare, expanding access to integrated mental health care models. Nundah Private Hospital in Brisbane opened in March 2025, offering flexible models of mental health care through both hospital and community-based services. This innovative model aims to reduce hospital readmission rates, improve patient experience and ease pressure on the broader health system.

Our doctor-led partnerships are also supporting more affordable and innovative models of care. In February 2025 Adeney Private Hospital in Kew became the first private hospital in Australia to offer eligible customers no gap for included treatments and services, providing more flexible care options while helping to reduce unnecessary hospital time and out-of-pocket costs. We also partnered with doctors to acquire Western Hospital in South Australia. The hospital, which serves both public and private patients, is being upgraded to deliver short stay procedures across a range of clinical modalities.

Continue to strengthen our foundations

In FY25, we continued to build a stronger, more resilient organisation by enhancing our core capabilities. We introduced a new risk management framework to uplift our enterprise risk maturity and better support strategic execution, improving our ability to respond to an evolving risk landscape. Our investments in more flexible and scalable technology platforms have accelerated, shifting our technology maturity from value protection to value creation and enabling faster, more agile delivery. We also continued to strengthen our IT security posture through further investment in scalable and resilient security capabilities, supporting the long-term protection of our systems, data and customer trust.

Future prospects

The health insurance industry remains buoyant with Medibank well positioned to meet the evolving needs of consumers.

Our dual brand strategy, combined with our growing capabilities in health, are enabling us to deliver a differentiated proposition for our customers. In 2026, we will accelerate our mental health strategy, enhance our corporate health and wellbeing proposition, expand ahm's multicategory proposition, and scale our autonomous frontline teams across Medibank and ahm.

In the near term, our focus will remain on sustainably growing our insurance business by targeting key customer segments including families, corporate, new-to-industry, mid-tier segments and non-resident. By further strengthening our differentiated proposition and customer relationships, we aim to grow market share in a disciplined way in 2026, including further volume growth in the Medibank brand. We anticipate moderating industry growth in 2026 relative to 2025.

In our non-resident business, we will provide an integrated health proposition and leverage our technology platforms to meet evolving customer needs. We will focus on retaining and growing key university partnerships while expanding our virtual GP offering to workers and visitors. In 2026 we are targeting market share gains, particularly in the worker and visitor segments, and aim to maintain solid gross profit growth.

We are committed to the ongoing affordability of private health. Looking ahead, we will continue to expand our provider partnerships to support affordability and innovation, particularly in mental health, with a focus on mutually-beneficial outcomes for customers, providers and our business. We will also strengthen our payment integrity capabilities and increasingly leverage artificial intelligence to proactively detect and prevent claims leakage. In 2026, we expect resident claims growth per policy unit to be between 2.6% and 2.9% and increasingly believe our proactive claims management strategy will differentiate us from the industry. We will also continue to monitor our management expenses. Since 2018, we have made around $122 million in productivity savings, with another $10 million targeted in 2026.

We also have an opportunity to influence the private health industry reform agenda to address systemic inefficiencies, improve affordability and transparency, and strengthen the sector's ability to support high quality care. By driving greater alignment between insurers, providers and patients, this reform represents a critical opportunity to future-proof the system and deliver better outcomes for all stakeholders.

We recognise that we play an important role in supporting the health transition and are partnering to support value, choice and control. Our focus remains on investing in prevention and mental health, including the launch of new digitally-enabled prevention programs. We will also support proactive early intervention through innovative care models, such as low-intensity cognitive behavioural therapy.

We will expand our primary care network and scale our clinician-led, multidisciplinary model which integrates care across diverse settings. By FY2030, we aspire to have 10 million primary care consultations per year. To further improve access, we will expand virtual services and remote monitoring capabilities, enabling care delivery beyond traditional settings to align with evolving patient needs.

Reflecting this, we expect Medibank Health organic operating profit growth to be low double digit in 2026 and based on the strong asset pipeline, we aim to invest towards the top end of our $150 million - $250 million 2024 to 2026 M&A target where this creates long-term value.

We have made progress against our strategy, which we will continue to build upon during 2026. In the year ahead, we will continue to strengthen the foundations of our business and accelerate Australia's health transition to support the sustainability of the health system. Our strategic priorities remain unchanged.

Milestones

Pillars | Milestones

Deliver leading experiences

Customer advocacy: Service NPS and Journey NPS (average)

		FY25	FY25 benchmark
Medibank	Average jNPS	12.9	>10
ahm	Average jNPS	4.8	>35
Medibank Group	Blended NPS	19.9	>15

Employee advocacy: eNPS (average)

	FY25	FY25 benchmark[1]
Place to work	38	≥24
Products and services	39	≥26

Differentiate our insurance business

Resident policyholder market share

FY24	March FY25	FY27 aspiration
26.70%	26.46%[2]	up 25 bps – 75 bps on FY24

Health Insurance productivity

FY24	FY25 target
c. $10m	$10m

Expand in health

Medibank Health

		FY24–FY26 target
Organic profit[3]	$64.7m in FY25	Targeting average organic profit growth ≥ 15% per annum (FY23: $44.2m)
Investment	c. $59m in FY24 and FY25	Aim to invest $150m – $250m in total to grow Medibank Health inorganically as suitable opportunities arise

Health and wellbeing

	FY25	FY25 target
Live Better rewards participants	931k	900k
Preventative program enrolments[4]	283k	>190k

1. FY25 benchmarks are based on the global average adjusted for Australian healthcare and financial insurance industry context.
2. Source: APRA, quarterly private health insurance statistics to Mar 25.
3. Medibank Health organic profit target is in addition to 12 month contribution from Myhealth.
4. Total enrolments in Medibank clinician-led preventative health programs (e.g. Better Knee, Better Me, Better Hip), and Live Better self-paced digital prevention programs (e.g Back Smart, Heart Wise) and any new offerings developed.

4. Material business risks

Please refer to pages 44 to 45 of the risk management section for an overview of our material business risks.

Directors

11%* were born overseas

100%* identify primarily as Australian (non-Aboriginal and Torres Strait Islander)

33%* are women

*As at 28 August 2025, including CEO

Mike Wilkins AO Age: 68
Chair and Independent Non-executive Director
BCom, MBA, FAICD, FCA
Chair: Member:

Mike was appointed a director in May 2017 and Chair effective 1 October 2020. He has more than 30 years of experience in financial services, predominantly in Australia and Asia.

Relevant other directorships: *Chair* – QBE Insurance Group Limited (since Mar 2020) and *director* (since Nov 2016); *director* – Scentre Group Limited (since April 2020)

Relevant former directorships/executive roles: *Managing Director and Chief Executive Officer* (Nov 2007 to Nov 2015) – Insurance Australia Group; *Managing Director and Chief Executive Officer* – Promina Group Limited; *Managing director* – Tyndall Australia Limited; *Acting Chief Executive Officer* (Apr 2018 to Dec 2018); *Executive Chair* (Apr 2018 to June 2018) and *director* (Sept 2016 to Feb 2020) – AMP Limited; *director* – Maple-Brown Abbott Limited; Alinta Limited; The Geneva Association; The Australian Business and Community Network

David Koczkar Age: 52
Chief Executive Officer
BCom, PG Dip Finance, MAICD

Chief Executive Officer since May 2021. David has over 25 years of strategy, customer, commercial and operational experience across Australia, Asia and the UK, including previous work in the consulting and financial services industries.

David joined Medibank in 2014 as Chief Operating Officer and then Group Executive – Chief Customer Officer from Sept 2016, responsible for the Medibank and ahm Health Insurance and Diversified financial portfolios. He was appointed Acting Chief Executive Officer between Apr 2016 and June 2016.

Relevant other directorships: *member* – Council of Management for the International Federation of Health Plans

Relevant former directorships/executive roles: *Group Chief Commercial Officer* (2008 – 2014) – Jetstar; *director* – Jetstar Pacific (Vietnam); Jetstar Hong Kong; NewStar airline group (Singapore); *Non-executive Director* – Luxury Escapes (2017 – 2020)

Dr Tracey Batten Age: 59
Independent Non-executive Director
MBBS, MHA, MBA (Harvard), FAICD, FRACMA
Chair: Member:

Tracey was appointed a director in August 2017. She has extensive experience in the health services sector, with strong commercial, strategy and change leadership skills.

Relevant other directorships: *director* – EBOS Group Limited (since July 2021); Nanosonics Limited (since Sept 2023)

Relevant former directorships/executive roles: *Chair* – Accident Compensation Corporation; *director* – Abano Healthcare Group; National Institute of Water and Atmospheric Research, NZ. Executive roles: *Chief Executive* – Imperial College Healthcare NHS Trust UK; *Chief Executive* – St Vincent's Health Australia; *CEO* – of a number of other healthcare groups in Australia

Audit Committee | Risk Management Committee | Investment and Capital Committee | People and Remuneration Committee | Nomination Committee

Gerard Dalbosco Age: 62
Independent Non-executive Director
M.AppFin, B.Comm, FCA, FFIN, GAICD
Chair: Member:

Gerard was appointed a director in May 2021. A partner of EY until September 2020, Gerard held number of senior leadership roles including Oceania Managing Partner and CEO; Asia Pacific Joint Deputy CEO and Managing Partner-Markets; Oceania Managing Partner-Transaction Advisory Services; and Melbourne Managing Partner. Prior to these roles Gerard advised organisations across a range of sectors in respect of merger and acquisitions advice, valuations, and strategic, commercial and financial due diligence.

Relevant other directorships: *Chair* – Melbourne Archdiocese Catholic Schools; Gillespie Family Council & Gillespie Family Foundation; *director* – Nanosonics Limited (since Jan 2025); Melbourne Prize Trust

Relevant former directorships: *director and Chair* (Finance & Audit Committee) – Mercy Health & Aged Care; *director and member* of the Finance Committee – Berry Street Victoria; *director and Co-Deputy Chair* – Committee for Melbourne

Peter Everingham Age: 56
Independent Non-executive Director
BEc, MBA, GAICD
Member:

Peter was appointed a director in March 2022. He has over 25 years of corporate experience and is highly respected in the digital sector, having held senior executive roles in that sector for 18 years. His senior leadership experience includes key roles at companies with a strong consumer and technology focus.

Relevant other directorships: *director* – Super Retail Group Limited (since Dec 2017); *governor*– WWF Australia

Relevant former directorships/executive roles: *director* – iCar Asia Limited (July 2017 to May 2022); *Managing Director international division* (and concurrently *Chair* of Seek's subsidiary, Zhaopin) – Seek Limited; *director* – ME Bank; IDP Education Ltd. Executive roles: *senior executive* – Yahoo! Australia and Southeast Asia

David Fagan Age: 68
Independent Non-executive Director
LLB, LLM, GAICD
Chair: Member:

David was appointed a director in March 2014. He practised as a commercial lawyer for over 40 years. During that time, he held a variety of leadership positions at Clayton Utz culminating in the role of Chief Executive Partner for 9 years. In this role, David had responsibility and accountability for leadership and transformation, strategy, finance, stakeholder engagement, and governance, including risk management. During David's tenure as Chief Executive Partner, Clayton Utz entrenched itself as a first-class top tier commercial law firm. David also chaired the Medibank Privatisation Committee which operated during 2014 in preparation for the privatisation process.

Relevant other directorships: *Chair* – BDO Australia Limited and Chair of its Nomination Committee and member of its Risk Management Committee

Relevant former directorships: *director* – The Global Foundation and *Chair* of the Audit Committee; PayGroup Limited (Nov 2017 to Nov 2022); Grocon Funds Management Group; the Hilco Group; UBS Grocon Real Estate Investment Management Australia Pty Limited; *advisory board member* – Chase Corporate Advisory

Kathryn Fagg AC Age: 64
Independent Non-executive Director
FTSE, BE (Hons), MCom (Hons), Hon.DBus, Hon.DChemEng, FAICD
Member:

Kathryn was appointed a director in March 2022. She is a highly respected director and Chair with significant, wide-ranging senior commercial and operational experience.

Relevant other directorships: *Chair* – Watertrust Australia Ltd; Breast Cancer Network Australia. *director* – National Australia Bank Ltd (since Dec 2019); Djerriwarrh Investments Ltd (since May 2014); The Myer Foundation, Grattan Institute and the Champions of Change Coalition

Relevant former directorships/executive roles: *Chair* – CSIRO (October 2021 to February 2025) and *director* (August 2018 to October 2021; *Chair* – Boral Limited (July 2018 to July 2021) and *director* (Sept 2014 to July 2021); *Chair* – Parks Victoria; Melbourne Recital Centre; *President* – Chief Executive Women (CEW); *director* – Incitec Pivot Limited (Apr 2014 to Dec 2019); *Board member* – Reserve Bank of Australia (2013 to 2018); Australian Centre for Innovation

Linda Nicholls AO Age: 77
Independent Non-executive Director
BA, MBA (Harvard), FAICD
Chair: Member:

Linda was appointed a director in March 2014. She has more than 30 years of experience as a senior executive and director in banking, insurance and funds management in Australia, New Zealand and the United States.

Relevant other directorships: *Chair* – Royal Melbourne Hospital; *director* – Inghams Group Limited (since Nov 2016); Museums Victoria Board

Relevant former directorships: *Chair* – Japara Healthcare Ltd (Mar 2014 to Nov 2021); *Chair* – Healthscope Ltd (2008 to 2010) and *director* (2002 to 2008); *director* – Fairfax Media Limited; Sigma Pharmaceuticals Limited

Jay Weatherill AO Age: 61
Independent Non-executive Director
LLB, BEc, GDLP, GAICD
Member:

Jay was appointed a director in March 2024. He has had a distinguished career in public office with expertise across a wide range of public policy areas including reform of social services.

Premier of South Australia for more than 6 years. Jay was elected to Parliament in 2002, serving 16 years in a diverse range of portfolios including treasury, state development, education, Aboriginal affairs and the environment. Prior to this, he practised law, specialising in employment law. Jay leads a democracy initiative within the McKinnon Foundation. He is also an ambassador for Reggio Children.

Relevant other directorships: *Chair* – Leeuwin Ocean Adventure Foundation *director* – Coaxial Foundation; McKinnon Foundation. *member* – Council of the National Gallery of Australia

Company Secretary

Mei Ramsay
Group Lead – Trust, Legal & Company Secretariat and Company Secretary
BA, LLB, LLM

Mei is responsible for leading the customer trust, legal and governance functions including regulatory affairs. Mei also holds the positions of Group General Counsel and Company Secretary. She has been a member of the executive leadership team since 2016.

Mei has more than 25 years of experience as a senior in-house legal adviser for multinational and international companies as well as private practice. Prior to joining Medibank, she was the General Counsel and Company Secretary for the Asia Pacific region at Cummins Inc. and also held senior legal positions at Coles Myer Ltd and Southcorp Limited. Mei started her legal career at Arnold Bloch Leibler and also worked as a Senior Associate at Minter Ellison.

Relevant former directorships/executive roles: *director and President* (immediate past) – Association of Corporate Counsel (ACC) Australia; *Chair (former)* – ACC GC100; *member* – Chief Executive Women

Audit Committee | Risk Management Committee | Investment and Capital Committee | People and Remuneration Committee | Nomination Committee

Executive leadership team

11%* were born overseas

100%* identify primarily as Australian (non-Aboriginal and Torres Strait Islander)

44%* are women

*As at 28 August 2025, including CEO

David Koczkar
Chief Executive Officer

Mei Ramsay
Group Lead – Trust, Legal & Company Secretariat and Company Secretary

Please refer to page 34 to 36 for bios.

Kylie Bishop
Group Lead – People, Spaces & Sustainability

Kylie is a registered psychologist, specialising in organisational psychology and has been a member of the executive leadership team since 2013. Kylie is responsible for leading key people functions, including culture, capability, performance, payroll, reward, diversity & inclusion, talent engagement, health, safety & wellbeing and workplace relations. She also leads the sustainability agenda across the group, as well as community and spaces.

Kylie has extensive experience in cultural change and transformation and began her career in consulting and banking before joining Medibank in 2010.

Relevant directorships: *Non-executive director* – Royal Melbourne Hospital and Basketball Victoria; *director (previous)* – Rugby Victoria

Tom Exton
Group Lead – Chief Risk & Compliance Officer

Tom is responsible for risk and compliance across Medibank. He has been a member of the executive leadership team since July 2024.

Since joining Medibank in 2006, Tom has held a range of finance roles and worked closely with the financial operations side of the Health Insurance business. Tom also oversaw the establishment of the Medibank Uplift Program in 2023, focusing on managing our approach to information security risk.

Prior to Medibank, Tom spent 11 years at Deloitte, working for five years with private business clients and six years in management consulting across a number of industries including health insurance.

Milosh Milisavljevic
Group Lead – Chief Customer Officer

Milosh is responsible for the Medibank and ahm brands including marketing, customer channels, customer portfolios, member health programs, Live Better, provider partnerships and diversified insurance. He has been a member of the executive leadership team since June 2021.

Milosh joined Medibank in 2016 and has held a number of roles leading customer strategy, commercial transformation, product innovation and portfolio management, strategic partnerships and AI.

Milosh has extensive experience leading customer focused and data driven transformations across health, media and telecommunications industries, including proposition innovation and new business growth. Prior to joining Medibank, Milosh held senior roles at SEEK and McKinsey & Company.

Relevant directorships: *director* – Private Healthcare Australia Limited

Rob Read
Group Lead – Amplar Health

Rob leads Medibank's growing role as a healthcare provider through Amplar Health which is driving the health transition to more planned and preventative care. He is responsible for the services we deliver to both public and private sectors which include prevention and primary care, virtual health and homecare. It also includes our Amplar Health Home Hospital which delivers acute hospital care in the home in partnership with the public sector, as well as our short stay hospital investments. He has been a member of the executive leadership team since November 2023.

Rob joined Medibank in 2022 and has been a member of the ELT since November 2023.

Prior to joining Medibank, Rob held senior roles in private equity and at leading pharmaceutical company, GSK PLC. Most recently Rob was CEO and Managing Director at MedAdvisor Ltd, an ASX listed technology-led medication adherence company operating in Australia, US and the UK.

Relevant directorships: *director* – Adeney Private Hospital; *Chair* – Myhealth Medical Group

Mark Rogers
Group Lead – Chief Financial Officer & Group Strategy

Mark is responsible for the finance, actuarial, treasury, internal audit, investor relations and procurement functions across Medibank as well as group strategy and M&A. He has been a member of the executive leadership team since January 2017.

Mark has more than 25 years of global experience across the financial services, healthcare, pharmaceuticals and logistics sectors. Before joining Medibank, Mark held senior financial and group development roles at NAB and prior to that he was responsible for strategy, M&A and investor relations for the former ASX listed healthcare, pharmaceuticals and logistics company Mayne Group.

Relevant directorships: *director* – Myhealth Medical Group, Integrated Mental Health, East Sydney Private Hospital and Royal Children's Hospital Melbourne

Meaghan Telford
Group Lead – Policy, Advocacy & Reputation

Meaghan is responsible for government and industry relations, health stakeholders, health policy, reputation and external communications. Meaghan joined Medibank in 2016 leading the External Affairs function and previously held the role of Senior Executive – Policy, Advocacy and Reputation. She has been a member of the executive leadership team since July 2023.

Meaghan is a corporate affairs professional with a career spanning more than 20 years in sport, politics and ASX listed entities. In these roles, she has been responsible for driving the external agenda for organisations through media management, government relations, campaign and stakeholder management, employee engagement and public affairs research.

Felicia Trewin
Group Lead – Data & Technology

Felicia leads the Data & Technology team, responsible for our technology, information security, data, digital and core platforms.

She joined Medibank in February 2024 from AMP, where as Chief Technology Officer she played a pivotal role in developing their technology strategy and accelerating the adoption of digital and data technology across the group.

Felicia has more than 28 years of experience in technology and transformation, including leading the technology function at AustralianSuper, and establishing ANZ's Digital Labs to prototype and test emerging technologies. She has also held senior roles at Microsoft, Deloitte, and Accenture.

The Medibank Private Limited (Medibank) Board is committed to supporting people to experience their best health and wellbeing, so they can live better lives. In line with this, the Board seeks to ensure that Medibank is properly managed to protect and enhance shareholder interests, and that Medibank, its directors, officers and employees operate in an appropriate environment of corporate governance.

Medibank's Corporate Governance Statement can be found at: medibank.com.au/about/company/governance.

Key areas of focus for the Board in 2025

Key areas of governance, strategy and oversight that the Board, with assistance from its Board Committees, have focused on include:

Strategy and growth: Throughout the year the Board regularly discussed and reviewed Medibank's strategic priorities and programs. The Board participated in an annual strategy day which provided an opportunity for focus and collaboration with management on our strategy and 2030 vision.

Financial oversight: The Board continued its oversight of Medibank's capital management policies and level of capital and its oversight of investments, partnerships and organic growth initiatives to support execution of Medibank's strategy.

Risk culture and management: Throughout the year there was ongoing and detailed focus from the Risk Management Committee and Board on establishing and embedding our new Risk Culture Framework. We continued to focus on the design, implementation and embedment phases of several elements of our regulatory uplift programs, as well as the implementation of CPS 230 and the Financial Accountability Regime (FAR).

Customer: The Board remained focused on Medibank's customers – in FY25 the Board oversaw the approval and finalisation of the customer give back program of COVID-19 permanent net claims savings.

Technology: The Board maintained its focus on maturing our cybersecurity approach to better enable Medibank to respond to the rapidly evolving cyber threat landscape. As part of this work, the Board approved a refreshed Information Security Vision & Strategy for the company. The Board through the Medibank Uplift Program Oversight Committee continues to oversee an ongoing program of enhancements to information security.

Litigation: The Board continued its oversight of the litigation and regulatory proceedings relating to the 2022 cybercrime event.

Board succession planning and capability development: During the year the Board was actively engaged in Board succession planning. The Board participated in a wide-ranging program of professional development and business immersion activities throughout the year, investing in ongoing development of the Board's skills and ways of working.

ESG and sustainability: The Board remained focused on embedding our environmental, social and governance (ESG) strategy, including preparation for reporting against the Australian Sustainability Reporting Standards in 2026.

Tone from the top: The Board continued to work closely with the CEO and the Executive Leadership Team to set the direction and tone of Medibank's culture. The Board prioritised regular engagement with Medibank employees, including in the office environment and by visiting retail stores and clinical facilities.

Spotlights

Risk management

In July 2024 Medibank announced the appointment of its Chief Risk and Compliance Officer as a member of the Executive Leadership Team reporting to the CEO.

During FY25 the Board approved the risk management strategy and Risk Culture Framework.

In addition to its ongoing work overseeing risk management, the Board participated in a dedicated risk workshop centred around material and strategic risks.

Customer

To strengthen the connection between the Board and our customers and patients, directors participated in a number of immersion sessions to better understand people's experiences of the services Medibank provides. These included visits to retail stores and the Amplar Health Home Hospital service in Adelaide, as well as to Adeney Private Hospital in Melbourne. Directors continued to listen in on live customer calls and chats throughout the year.

Growth

The role of primary care in the delivery of our 2030 vision was a key focus for the Board, following the increase in ownership of Myhealth Medical Group in January 2024.

The Board worked closely with the Executive Leadership Team to progress our primary care strategy which aims to improve healthcare delivery through new models of care and drive sustainable system change.

Board skills matrix

Skills and experience	Collective strength[1]
Strategy Experience in developing and implementing organisational strategies, and appropriately challenging management on delivery of strategic objectives	Moderate / Strong / Very Strong
Financial acumen and capital management Strong financial acumen and proficiency in corporate finance and internal financial controls and/or experience in overseeing corporate funding, capital management and investments	Moderate / Strong / Very Strong
Corporate transactions and major projects Experience in overseeing complex business transactions and major projects, including mergers and acquisitions (and integration of those acquisitions)	Moderate / Strong / Very Strong
Risk and compliance management Experience in establishing risk and compliance management frameworks, setting the risk appetite, and overseeing organisational risk culture	Moderate / Strong / Very Strong
Governance Experience in establishing and overseeing operations in a complex regulated environment, and demonstrated commitment to the highest governance standards	Moderate / Strong / Very Strong
Insurance and healthcare industry experience Experience in the insurance and/or healthcare industry	Moderate / Strong / Very Strong
Customer Experience in developing product and/or customer management strategies, marketing and/or digitised customer initiatives	Moderate / Strong / Very Strong
People and culture Understanding the link between strategy, culture, performance, long-term shareholder value creation and remuneration outcomes	Moderate / Strong / Very Strong
Government relations and public policy Interacting with government and/or regulators and/or involvement in public policy decisions	Moderate / Strong / Very Strong
Technology, data and digital innovation Understanding technology and innovation, including data management, data privacy and information security practices. Experience with businesses that have developed and implemented technology based initiatives to enhance productivity and/or customer experiences	Moderate / Strong / Very Strong
Environment and social Understanding and identifying potential risks and opportunities from an environment (including climate change) and social perspective	Moderate / Strong / Very Strong

1. This represents the collective strength of the Board including David Koczkar, CEO.

Our approach to risk management reflects our commitment to ethical and responsible business practices and guides the work we are doing to deliver on our 2030 vision of the best health and wellbeing for Australia.

Our risk management approach is defined within our risk management strategy and underpinned by our enterprise risk management framework, which encompasses the systems, structures, policies, processes and people that manage risks across the business. These align with the Australian Prudential Regulation Authority's (APRA) Consolidated Prudential Standard 220 Risk Management (CPS 220) requirements.

We undertake an annual strategic planning process to establish and agree upon our strategic objectives with the Board and develop our risk appetite statement, corporate plan and capital management plan.

Strengthening our foundations

We continue to monitor and respond to the ongoing risk of cybercrime. Our strategic approach and roadmap of uplift activities are designed to continue maturing our cybersecurity approach and better enable us to respond to the cyber threat landscape, which is evolving rapidly. It encompasses technology and IT security, risk culture and capability and is focused around 4 key areas;

- Further strengthening our core cybersecurity services
- Continuing to mature our risk management culture and practices
- Assessing our capability maturity pursuant to the National Institute of Standards and Technology's (NIST) cyber security framework
- Ongoing enhancement of our security detection and response capabilities

We kept strengthening our information security controls and governance frameworks, further aligning these with the latest cybersecurity framework (CSF 2.0) from the National Institute of Standards and Technology (NIST), to enhance our cyber resilience.

We continued to invest in our Security Operations Centre, network security, vulnerability management and identity and access management, to enhance our resources and capabilities.

We also further enhanced our security capabilities across both our first and second lines of defence, ensuring a proactive and layered approach to risk management and threat mitigation. The Board also approved our latest 3-year security strategy and vision and accompanying roadmap.

We are tracking our achievements against a range of measures for the program and are now transitioning many of the initiatives that we have completed into business-as-usual processes, integrating them into our ways of working across the enterprise, to enhance our resilience against the escalating threats of cybercrime.

Find more information about our approach to data security and privacy in our Sustainability Summary 2025 on our website.

Risk governance

The Board has overall responsibility for Medibank's risk management framework including setting the risk appetite for Medibank. The Board reviews the risk management strategy and risk appetite statements on an annual basis and satisfies itself that management has developed and implemented a sound system of risk management and internal control to effectively manage risk across the business in line with regulatory and statutory requirements.

The Risk Management Committee assists the Board in overseeing the implementation of the risk management framework. Committee members are appointed based on their qualifications and experience to ensure that the committee can adequately discharge its duties. More information about the committee and its members can be found in the corporate governance statement on our website.

Risk management plays an important role in remuneration outcomes. For an incentive award to be made to any employee, a risk, compliance and behaviour gateway must be met. As well all employees have risk-related key performance measures incorporated into their performance scorecard under the company-wide 'I Perform Better' performance framework. More information on the relationship between risk and remuneration can be found in the remuneration report on page 57.

The Board is also assisted by the Investment and Capital Committee, Audit Committee and People and Remuneration Committee. These committees oversee the implementation and monitoring of the investment strategy and ICAAP Summary Statement Policy (including monitoring the effectiveness of the investment process which aims to achieve optimum return relative to Medibank's risk appetite), the annual audit plan and tracking and closure of actions that arise, and operational health and safety, people and remuneration risk, respectively.

The Executive Risk Committee and divisional risk committees are management committees that assist the CEO with the oversight of risk management activities across the business to ensure material risks are managed in line with the approach defined in the risk management strategy and the risk appetite set by the Board. There are six divisional risk committees covering key business units – Amplar Health, Customer, Data & Technology, Finance & Strategy, Trust, Legal & Company Secretariat and People, Spaces & Sustainability.

Medibank has adopted a three lines of defence approach to define risk management roles, responsibilities and accountability:

- **First line**: Management is accountable for identifying, assessing, monitoring and managing material risks in the business. They are responsible for decision making and the execution of business activities, whilst managing risk to ensure it is in line with the Board's risk appetite and strategy.
- **Second line**: The Group risk and compliance functions provide objective advice and challenge to the first line on risk and control activities and provide assurance and guidance on the design and implementation of appropriate risk management activities.
- **Third line**: The internal audit function provides independent assurance to the Audit Committee and the Board on the adequacy and effectiveness of the risk management framework, financial reporting processes and internal control and compliance systems operating in the first and second line.

We implemented the practices required under the government's new Financial Accountability Regime (FAR) including filing all required documents with APRA. The FAR regulation introduces a strengthened responsibility and accountability framework for accountable persons – a company's most senior and influential directors and executives. Designed to improve risk and governance culture in financial institutions, it came into effect for the insurance and superannuation industries in March 2025.

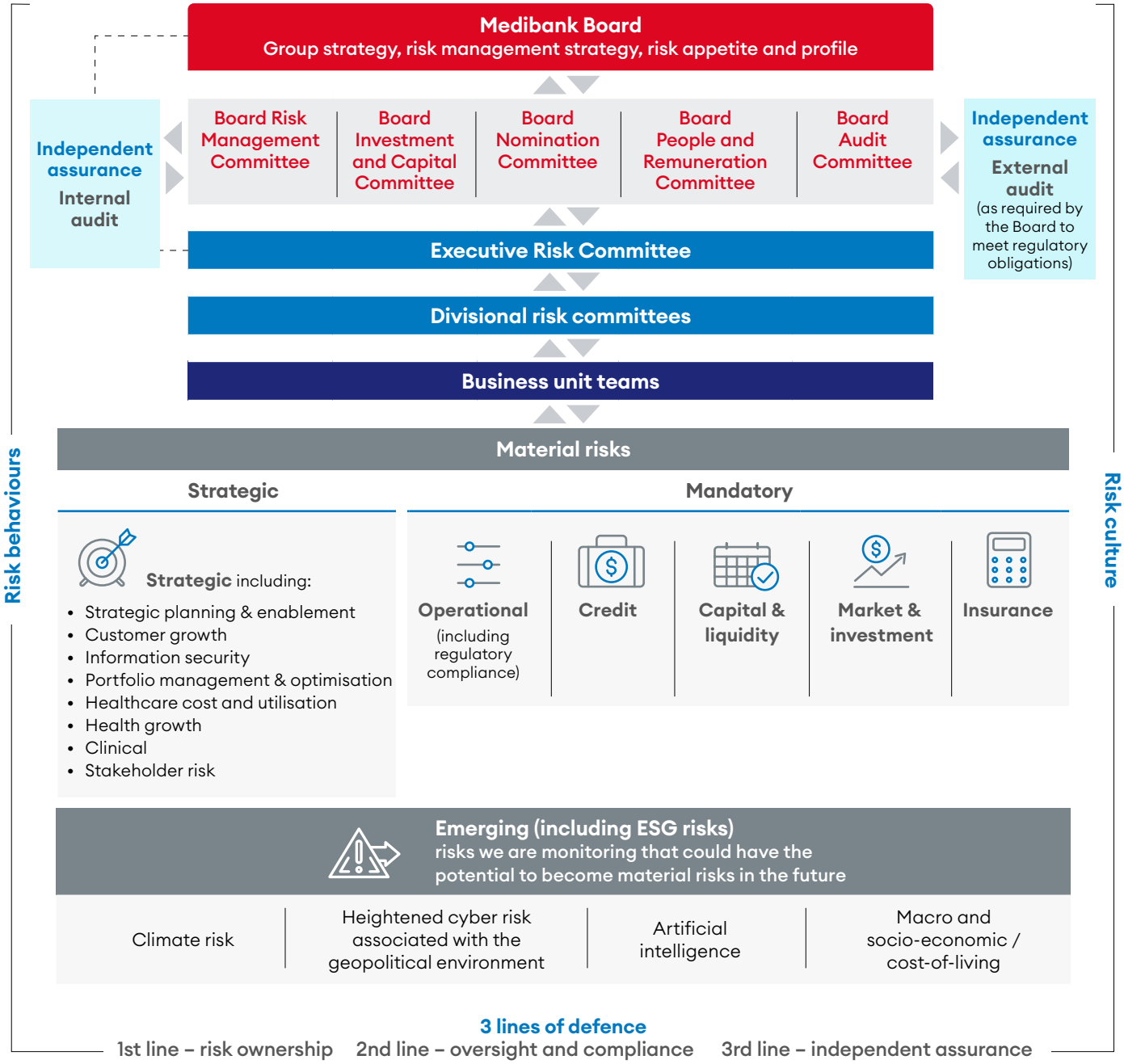
Risk management framework

Our risk management framework guides risk management activities across the business to effectively identify, assess, manage, monitor and report risks. The framework is implemented through the three lines of defence model and its effectiveness is assessed by the internal audit function on an annual basis with a full comprehensive review conducted on a three yearly basis in accordance with the Risk Management Committee Charter and APRA Prudential Standard CPS 220.

A key component of our risk management framework is the definition of Medibank's risk appetite by the Board which informs management's decision-making process.

The annual review, and the comprehensive review (every three years) of the framework consider whether the framework is sound, and Medibank is operating with due regard to the risk appetite set by the Board. The Risk Management Committee reviews the risk management framework at least yearly and regularly monitors the framework's effectiveness. The three yearly comprehensive review was completed in late 2024. Medibank continues to operate and strengthen enterprise risk management practices in alignment with the requirements outlined in the APRA Prudential Standard CPS 220 – Risk Management.

Risk management framework



Material business risks

Material business risks are those risks deemed to have a significant impact on Medibank's operations, financial prospects and business objectives. Emerging risks are those we are monitoring that could have the potential to become material risks in the future.

Material business risk	Mitigations	Material sustainability categories
Strategic The risk that we are unable to identify and execute the right strategic initiatives and projects on target and on time that deliver measurable and agreed outcomes to support our goals	Medibank's strategic risks are identified and assessed as part of our annual strategic planning process and endorsed by the Board. Key strategic risks identified include loss of private health insurance customers, healthcare costs and utilisation and execution of non-private health insurance growth. These risks influence the prioritisation of investments and resources in the Corporate Plan, which is approved by the Board. To effectively understand and assess some key strategic risks that are broad in nature (e.g. customer risks), we undertake detailed analysis on threats or opportunities that specific scenarios may pose to our business.	
Operational (including regulatory compliance) The risk of financial loss, reputational and/or customer impacts resulting from inadequate or failed internal processes, people and systems or from external events	We have established risk management policies and procedures for identifying, assessing, monitoring and reporting operational risks and controls. This includes the important areas of information security, technology, business continuity, third party, fraud, people, regulatory compliance and health and safety risks. Management of operational risk is overseen by divisional risk committees, the Executive Risk Committee and the Board's Risk Management Committee. A program to enable more meaningful and timely insights into the management of specific operational risks in underway as part of our ongoing work to further improve operational risk maturity, particularly in relation to achieving customer and patient outcomes	
Credit The risk of financial loss due to counterparties failing to meet all or part of their contractual obligations	Exposure to this risk is primarily through Medibank's investment portfolio. This risk is managed through the application of the Investment Management Policy. The effective implementation of this policy is overseen by the Board's Investment and Capital Committee to ensure that credit risk is managed in line with the risk appetite set by the Board.	
Capital & liquidity The risk of not being able to meet financial commitments as and when they are due or that capital contingency levels fall below the minimum regulatory requirements.	Medibank has Board-approved policies for capital management (ICAAP) and liquidity management designed to ensure it meets or exceeds regulatory capital requirements at all times and is able to fund all payments as and when they fall due, as well as under adverse stress scenarios. Liquidity risk is managed by our treasury function through daily cash management of cash flows and liquid asset positions and projected future cash flows under current and adverse scenarios. The ICAAP (Internal Capital Adequacy Assessment Process) also includes actions that can be taken to support Medibank's capital position under various stress scenarios.	
Market & investment The risk of adverse financial impact resulting from changes in market factors e.g. foreign exchange rates, interest rates and equity prices. Exposure to this risk is primarily through the investment portfolio.	We have a Board-approved Investment Management Policy. The Board's Investment and Capital Committee oversees the investment process and compliance with investment mandates, performance against benchmarks and asset allocation. Our strategic asset allocation is weighted largely towards defensive assets and with limits applied to illiquid assets.	

Material business risk	Mitigations	Material sustainability categories
Insurance The risk of misestimation of incurred and expected costs, frequency and severity of insured events	The Board approves the Pricing Policy, which includes pricing and profitability objectives and forms a key part of the Capital Management Plan. Our objective is to support customer growth through balancing the offer of competitive value to all customers with profitability objectives and the need to meet capital management and regulatory requirements. Insurance risk is a key part of regular portfolio monitoring and treatment plans are formulated and implemented in response to any potential for deviation from target measures.	
Clinical The risk of unexpected adverse clinical outcomes arising from and attributable to a health service provided by Medibank, or a third party acting on behalf of Medibank	Clinical risk arises from clinical services that Medibank provides and procures, the provision of health-related information, and customer health initiatives. We have a clinical governance and quality management framework that defines the principles, structures and processes that underpin service quality, continuous improvement and patient safety. Our Group Chief Medical Officer, supported by a clinical governance team, provides oversight and assurance. The Risk Management Committee and Board receive regular reporting on the performance of clinical risk management.	

Emerging risk (including ESG risks)	Emerging risks	Material sustainability categories
	• Climate risk • Heightened cyber risk associated with the geo-political environment • Artificial Intelligence (uses and enterprise-wide application) • Macro and socio-economic / cost-of-living	

Customer health | **Employee health** | **Sustainable health system** | **Environmental health** | **Ethical and responsible business and leadership in health**

Environmental, social and governance risks

Medibank's risk management framework also applies to the environment, social and governance (ESG) risks (including climate risk). Medibank commissioned an independent external review in 2021 to assess our exposures to climate change risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The review did not identify material exposures at this time for Medibank; however, the outcomes of the review, and Medibank's response, have been reported on page 12 of the Sustainability Summary 2025. Further detail on our approach to sustainability and ESG issues can also be found in the Sustainability Summary and ESG databook.

APRA CPS 230 Operational Risk Management

We implemented requirements for APRA's new prudential standard CPS 230 Operational Risk Management which came into effect on 1 July 2025, designed to enhance resilience to operational risks and disruptions.

As per the standard, Medibank has identified its critical operations, the resilience tolerances for these operations and its material service providers as required by the standard.

Risk culture

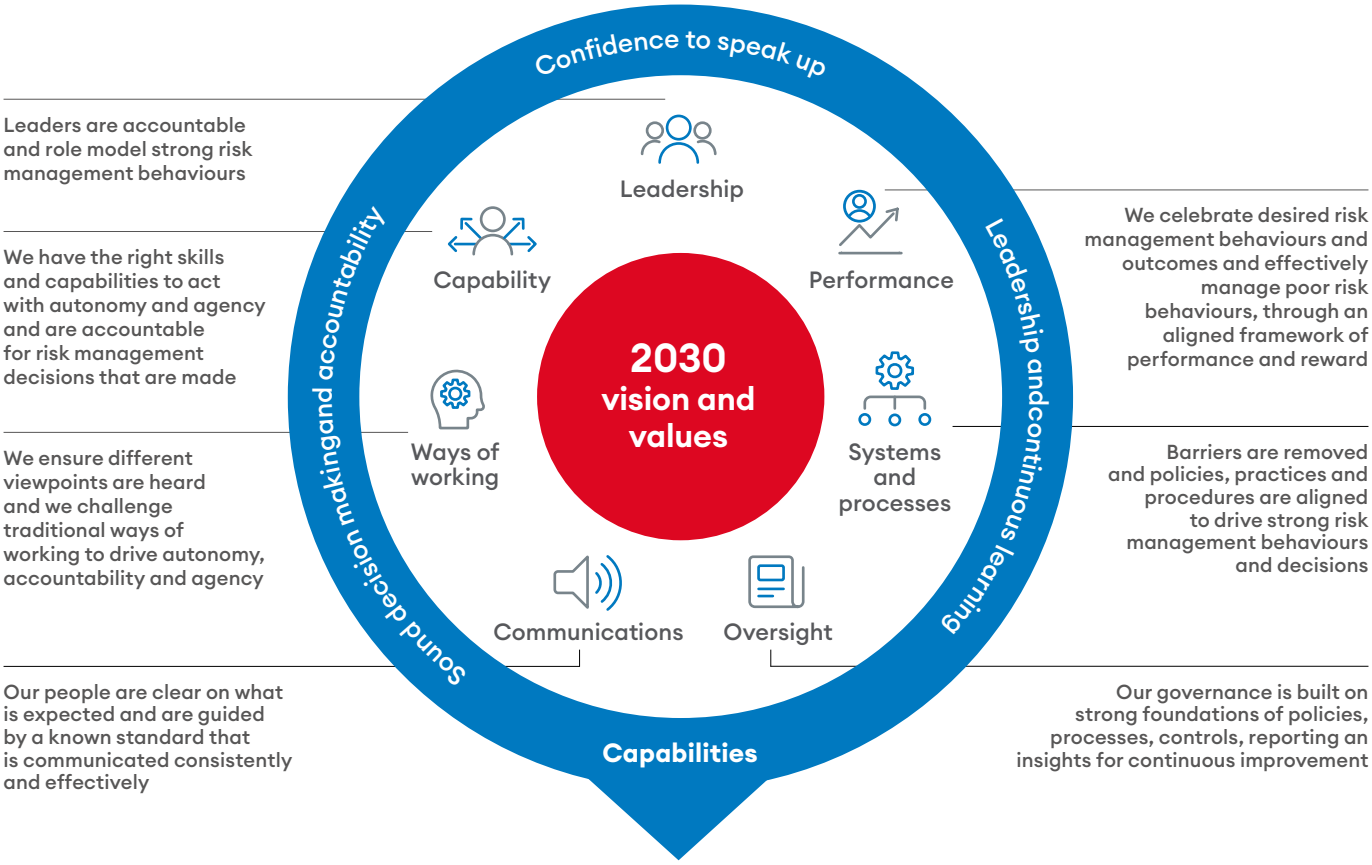
Medibank is committed to continually strengthening our risk culture as a key part of our organisational culture. In support of this commitment, we launched a refreshed Risk Culture framework in early 2025.

The framework is anchored to our purpose, vision, strategy and values and describes the risk behaviours and practices we expect from our people. We believe that accountability and continuous learning are at the heart of good risk management behaviour, and that we are all accountable for the decisions we make, regardless of whether the decision turns out to be the right one or not. By being accountable, our people can regularly reflect and learn from the decisions they make and share these learnings with others to ensure we continue to strengthen our risk culture.

Medibank risk culture framework

Our Risk Culture framework consists of seven key elements that help us better understand how risk culture is shaped across our organisation. These pillars are critical in continuing to strengthen risk culture in Medibank, supported by three key capabilities, which help to bring the framework elements to life and drive stronger risk management practices and behaviours. Our people know that they have the right level of capability when they're demonstrating these behaviours in their day-to-day roles.

We regularly assess the state of our risk culture to help identify areas of strength and areas for enhancement and make these assessments available to our people and to the Board. If the Board or Executive Leadership Team identify more focus is required in one of the areas, this is monitored and tracked throughout the period.



Sound decision making and accountability

- I understand my role and what my accountabilities are
- I put myself in the 'shoes' of our customers/patients/people to make the best decision possible
- I ensure I know the governance requirements in my role
- I use all the information available to me to ensure I make a balanced decision that could impact our customers, patients, people, or organisation
- I am accountable for my decisions even when something goes wrong

Confidence to speak up

- I'm not afraid to ask questions to help me make better decisions in my role.
- I create a safe environment for people to speak up
- I encourage discussion and debate to ensure all views are heard
- I talk openly about risks and encourage others to do the same
- I stay in conversations even when they are hard

Leadership and continuous learning

- I make the time to discuss things with others to enhance my decision making
- I know my risks, am comfortable discussing them with others, and am willing to help others navigate their risks as we make the best decisions for our customers, patients, and people
- I am committed to constantly improving my capability in subject matter areas critical to my role, such as privacy, information security, and data governance
- I escalate issues in a timely manner as I know it is an important opportunity for us to learn and improve

The directors of Medibank Private Limited (Medibank) present their report on the consolidated entity consisting of Medibank and its subsidiaries (collectively referred to as the Group) for the year ended 30 June 2025.

References to 2024 and 2025 are to the financial years ended on 30 June 2024 and 30 June 2025 respectively unless otherwise stated.

Directors

The names of directors in office during the year and up to the date of this directors' report, unless stated otherwise, are as follows:

Mike Wilkins AO – Chair

David Koczkar – Chief Executive Officer

Dr Tracey Batten

Gerard Dalbosco

Peter Everingham

David Fagan

Kathryn Fagg AC

Linda Nicholls AO

Jay Weatherill AO

Principal activities

The principal activities of the Group during the financial year were as a private health insurer, underwriting and distributing private health insurance policies under its two brands, Medibank and ahm. The Group also provides a range of virtual health, home care, preventative health and primary care services through its Amplar Health division, which includes the Myhealth medical clinics. These services capitalise on Medibank's experience and expertise, and support the Health Insurance business. The Group also has investments in other entities and joint ventures engaged in the provision of short stay hospital care.

There were no other significant changes in the nature of those activities during the year.

Operating and financial review

Details of the operating and financial review of the Group including a review of operations during the year and results of those operations are included in the operating and financial review on pages 25 to 33.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the year.

Events since end of financial year

No matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect, the Group's operations, or the results of those operations, or the Group's state of affairs in future financial years.

Future developments

Details of developments in the Group's operations in future financial years and the expected results of those operations are included in the operating and financial review on pages 25 to 33.

Dividends

Dividends paid or determined by Medibank during and since the end of the year are set out in Note 5 to the financial statements and further set out below:

- A fully franked final ordinary dividend of 9.40 cents per share was determined in respect of the six-month period ended 30 June 2024, paid on 26 September 2024 to shareholders registered on 5 September 2024.
- A fully franked interim ordinary dividend of 7.80 cents per share was determined in respect of the six-month period ended 31 December 2024, paid on 26 March 2025 to shareholders registered on 7 March 2025.
- A fully franked final ordinary dividend of 10.2 cents per share has been determined in respect of the six-month period ended 30 June 2025, payable on 9 October 2025 to shareholders registered on 11 September 2025.

Directors' qualifications, experience and special responsibilities

Details of the qualifications, experience and special responsibilities of each director and company secretary in office as at the date of this report are set out on pages 34 to 36 and form part of the directors' report.

Directors' attendance at meetings

The table below shows the number of Board and committee meetings held and the number of meetings attended by directors during the year. All directors may attend committee meetings even if they are not a member of the relevant committee. The table below does not include the attendance of directors at committee meetings where they were not a committee member.

Director	Board (scheduled)		Board (additional)		Audit Committee		Risk Management Committee		Investment and Capital Committee		People and Remuneration Committee		Nomination Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Mike Wilkins	10	10	2	2	-	-	-	-	4	4	5	5	3	3
Dr Tracey Batten	10	10	2	2	-	-	4	4	-	-	5	5	3	3
Gerard Dalbosco	10	10	2	2	4	4	4	4	-	-	-	-	3	3
Peter Everingham	10	10	2	2	-	-	-	-	4	4	5	5	-	-
David Fagan	10	10	2	2	4	4	4	4	-	-	-	-	3	3
Kathryn Fagg	10	10	2	2	4	4	-	-	-	-	5	5	-	-
David Koczkar	10	10	2	2	-	-	-	-	-	-	-	-	-	-
Linda Nicholls	10	10	2	2	-	-	4	4	4	4	-	-	3	3
Jay Weatherill	10	10	2	2	4	4	4	4	-	-	-	-	-	-

A. Indicates the number of meetings held during the time the director held office or was a member of the committee during the year.
B. Indicates the number of meetings attended during the time the director held office or was a member of the committee during the year.

The directors also attended Board strategy sessions and special purpose committee meetings.

Options and performance rights

During the financial year, 4,389,410 performance rights were issued to senior executives pursuant to Medibank's Performance Rights Plan. No performance rights have been issued since the end of the financial year up to the date of this directors' report.

During the financial year, 1,647,591 performance rights vested and were exercised.

Further information regarding performance rights is included in the remuneration report from page 50.

Directors' interests in securities

The relevant interests of directors in Medibank securities at the date of this directors' report were:

Director	Ordinary shares	Performance rights
Mike Wilkins	200,000	-
David Koczkar	1,884,671	2,314,729
Dr Tracey Batten	50,000	-
Gerard Dalbosco	72,832	-
Peter Everingham	40,000	-
David Fagan	47,016	-
Kathryn Fagg	65,500	-
Linda Nicholls	50,400	-
Jay Weatherill	16,700	-

Environmental regulation

The Group's operations are not subject to any particular and significant environmental regulation under either Commonwealth or State law.

Indemnification and insurance of directors and officers

The Medibank Constitution permits Medibank to indemnify, to the maximum extent permitted by law, every person who is or has been a director, secretary, officer or senior manager of the Group. The indemnity applies to liabilities incurred by a person in the relevant capacity (except liability for legal costs). The indemnity may however also apply to certain legal costs incurred in obtaining advice or defending legal proceedings. Further, the Medibank Constitution permits Medibank to maintain and pay insurance premiums for a director and officer liability insurance covering every person who is or has been a director, secretary, officer or senior manager of the Group, to the extent permitted by law.

Consistent with the provisions in Medibank's Constitution, Medibank has entered into deeds of indemnity, insurance and access with current and former directors and secretaries of Medibank and current Medibank appointed directors and secretaries of Medibank's subsidiaries. Under these deeds, Medibank:

- Indemnifies the relevant current and/or former directors and secretaries against liabilities incurred as a director or secretary, as the case may be, to the maximum extent permitted by law;
- Maintains a directors' and officers' insurance policy covering current and former directors and secretaries against liabilities incurred in their capacity as directors or secretaries, as the case may be. Disclosure of the insurance premium and the nature of the liabilities covered by the insurance are prohibited by the contract of insurance; and
- Grants current and /or former directors and secretaries access to Medibank's records for the purpose of defending any relevant action.

Auditor's independence declaration

A copy of the auditor's independence declaration given by PricewaterhouseCoopers (PwC) in relation to its compliance with independence requirements of section 307C of the *Corporations Act* is set out on page 113.

Non-audit services

The Group may decide to employ its external auditor, PwC, on assignments additional to its statutory audit duties, where the auditor's expertise and experience with the Group are important. PwC will only be engaged to provide a permissible non-audit service where there is a compelling reason for it to do so, and will not be engaged to perform any service that may impair or be perceived to impair its judgement or independence.

PwC did not provide any non-audit services to the Group during the year.

Remuneration report

The remuneration report on pages 50 to 71 forms part of the directors' report.

Rounding of amounts

The amounts contained in this directors' report and in the financial report have been rounded to the nearest hundred thousand dollars (where rounding is applicable) unless specifically stated otherwise under the relief available pursuant to *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*. Medibank is an entity to which that relief applies.

Dear shareholder,

On behalf of the Board, I am pleased to present Medibank's remuneration report for 2025, which describes how non-executive directors and Executive Key Management Personnel (Executive KMP) are paid. Included in this report are the fixed and variable remuneration outcomes for Executive KMP, which were determined after considering the Group's results and their individual performance.

Our result this year reflects our resilience, discipline and strategic focus. It is a good result that demonstrates our greater role in the health of customers, continued strong growth momentum and our disciplined approach to running the business for the long term. At the centre of our performance were our customers and our 2030 vision to create the best health and wellbeing for Australia.

Value for our customers continued to be front and centre. We worked hard to keep our average premium increase below our major competitors this year, while also seeking new ways to help our customers save money. In this year alone, our customers saved more than $28 million in out-of-pocket costs. We also announced our final COVID-19 give back, taking our financial support program to a record $1.71 billion.

Our customer focus is driving us to meet more of their health needs across the areas of wellbeing and primary, specialist and acute care. More than half of Medibank policyholders are now engaging with us on their health and wellbeing beyond simply their health insurance. Our Live Better rewards program continues to grow and our Amplar Health team is delivering local care at a national scale across clinics, homes and virtual channels.

This health and wellbeing focus extends to mental health. We are investing $50 million over the next 5 years to help improve mental health for our customers and the community, with a particular focus on improving access, innovation and prevention.

In delivering better value, choice and control for our customers, we are leading the health transition to support the long-term sustainability of Australia's health system. To drive this important shift, we are partnering with hospitals and doctors to support greater access to personalised care options. Our no gap network continues to grow expanding by 8 sites to 41 sites. In February 2025 we joined a group of doctors to open a new hospital in the Melbourne suburb of Kew, the first private hospital in Australia to offer no gap on included treatments and services for eligible customers.

Our remuneration strategy has been developed to recognise our people for responsibly executing Medibank's strategy, role-modelling behaviours and achieving business objectives that increase value for our customers, shareholders, and meet community expectations. Supporting this strategy, our remuneration framework reinforces our risk management framework, linking individual performance and behaviours with achieving business objectives that support Medibank's long-term financial success.

Short-term incentives

Medibank delivered good financial and operational results in 2025. Customer satisfaction exceeded stretch expectations and group operating profit exceeded target, however insurance revenue growth landed just below threshold.

These performance outcomes resulted in short-term incentive (STI) awards for Executive KMP that averaged 58% of their maximum opportunity. It is the Board's view that incentive awards reflect an appropriate outcome based on overall company performance in 2025.

Long-term incentives

Medibank's 2023 long-term incentive (LTI) was tested following the completion of the performance period on 30 June 2025 with the following outcomes:

- 100% vesting against the earnings per share compound annual growth rate (EPS CAGR) measure with a result of 12.5% over the performance period.
- 96% vesting against the total shareholder return (TSR) measure with a performance rank at the 73rd percentile against our comparator group.
- It is likely there will be no vesting against the private health insurance market share growth measure, however this will be confirmed once APRA releases the June Quarterly private health insurance statistics.

Executive KMP remuneration and non-executive director fees

Following a review of fixed remuneration levels of Executive KMP members against the median of Medibank's market comparator group, the fixed remuneration of Executive KMP was increased by an average of 3.5%, effective 1 July 2025. This includes a remuneration increase for the Chief Executive Officer (CEO), David Koczkar, of 3.5%. Fixed remuneration increases are inclusive of the superannuation guarantee increase of 0.5% effective 1 July 2025 and are in line with the increases planned for Medibank's salaried population.

Board and committee fees were also reviewed against the median of Medibank's market comparator group with a 3.5% increase in Board and committee fees agreed. The aggregate fee spend for non-executive directors remains below the total fee pool of $3,000,000 approved by shareholders at the annual general meeting in November 2024.

Remuneration Framework

Changes to Medibank's remuneration framework were introduced in 2024 to address the requirements of APRA's Prudential Standard CPS 511 (CPS 511) and we completed the first annual review of our compliance with the Standard. A further review was done to ensure compliance with the Financial Accountability Regime (FAR) which came into effect for private health insurers in March 2025. This review led to policy refinements with no further changes being introduced to the remuneration framework.

The Board has decided to reduce the STI deferral component from 40% to 30%, effective from 2026. We believe this results in an appropriate remuneration mix and strikes the right balance between increased focus on long term performance while continuing to motivate Executive KMP. At the reduced deferred STI level, we will continue to exceed deferral requirements under CPS 511 and FAR.

To provide more transparency around business performance and the link to remuneration and in response to feedback from shareholders, we have also enhanced the disclosure of outcomes against targets in this report.

Shareholders are encouraged to vote to adopt the report at our annual general meeting in November.

Yours sincerely,

Dr Tracey Batten
Chair, People and Remuneration Committee

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1. Key management personnel overview

Medibank's key management personnel (KMP) includes all non-executive directors and executives who have authority and responsibility for planning, directing and controlling the activities of Medibank. In 2025, KMP were as follows:

Key Management Personnel	Position	Term as KMP
David Koczkar	Chief Executive Officer (CEO)	Full-year
Milosh Milisavljevic	Group Lead – Chief Customer Officer	Full-year
Robert Read	Group Lead – Amplar Health	Full-year
Mark Rogers	Group Lead – Chief Financial Officer & Group Strategy	Full-year
Non-executive directors		
Mike Wilkins	Chair	Full-year
Tracey Batten	Non-executive Director	Full-year
Gerard Dalbosco	Non-executive Director	Full-year
Peter Everingham	Non-executive Director	Full-year
David Fagan	Non-executive Director	Full-year
Kathryn Fagg	Non-executive Director	Full-year
Linda Bardo Nicholls	Non-executive Director	Full-year
Jay Weatherill	Non-executive Director	Full-year

2. Summary of remuneration outcomes

Key remuneration outcomes for Executive KMP and non-executive directors during the year are summarised below, with more detailed information contained throughout the report.

Executive key management personnel

Fixed remuneration	• Fixed remuneration for Executive KMP including the CEO increased by an average of 3.5% effective 1 July 2025. • Fixed remuneration of the CEO, David Koczkar, was increased by 3.5% to $1,672,450 effective 1 July 2025.
Short-term incentive (STI)	• STI awards for Executive KMP reflected customer satisfaction exceeding stretch expectations, group operating profit exceeding target and insurance revenue growth landing just below threshold. • STI outcomes for Executive KMP in line with terms of the plan and at an average of 58% of their maximum opportunity. • 40% of STI awards for Executive KMP delivered in the form of performance rights which are subject to deferral of up to five years for the CEO and four years for other Executive KMP members. • STI target percentages for Executive KMP members, including the CEO, have been maintained at current levels.
Long-term incentive (LTI)	• Medibank's 2023 LTI was tested following the completion of the performance period on 30 June 2025 and resulted in a vesting of 68.6% in line with the terms of the grant. • This outcome reflects 100% vesting against EPS CAGR measure with a result of 12.5% and partial vesting against the TSR measure with a performance rank at the 73rd percentile against our comparator group. • It is likely there will be no vesting against the private health insurance market share growth measure, however this will be confirmed once APRA releases the June Quarterly private health insurance statistics. • 2026 LTI opportunity percentages for Executive KMP members, including the CEO, have been maintained at the 2025 levels.

Non-executive directors

Non-executive director fees	• The annual base fee for the Chair was increased by 3.5% to $494,700, and the annual base fee for other non-executive directors was increased by 3.5% to $183,450, both effective 1 July 2025. • Committee chair fees and committee membership fees were increased by 3.5% effective 1 July 2025 to $44,450 and $22,200 respectively. • The aggregate non-executive director fee spend remains below the approved total fee pool of $3,000,000.

3. Medibank's remuneration strategy

At Medibank, we believe that remuneration has a key influence on behaviour and is valuable in reinforcing our culture. Our people are guided by our purpose and values which are anchored to the core pillars of our culture – health & wellbeing, customers & patients, and autonomy, accountability & agency.

Our remuneration strategy has been developed to reward our people for responsibly executing Medibank's strategy, role-modelling behaviours that strengthen our purpose and values-based culture and achieving business objectives that increase value for our customers and shareholders. Supporting this strategy, our remuneration framework is designed to link reward to business outcomes, individual performance and behaviour, support Medibank's long-term financial success and risk management framework, and comply with CPS 511 and FAR.

The diagram following illustrates the relationship between Medibank's remuneration strategy, reward framework and the timeline of when 2025 remuneration is delivered.

Medibank's remuneration strategy

Focus employees on responsibly executing Group strategy to increase customer and shareholder value with behaviours aligned to Medibank's values and purpose

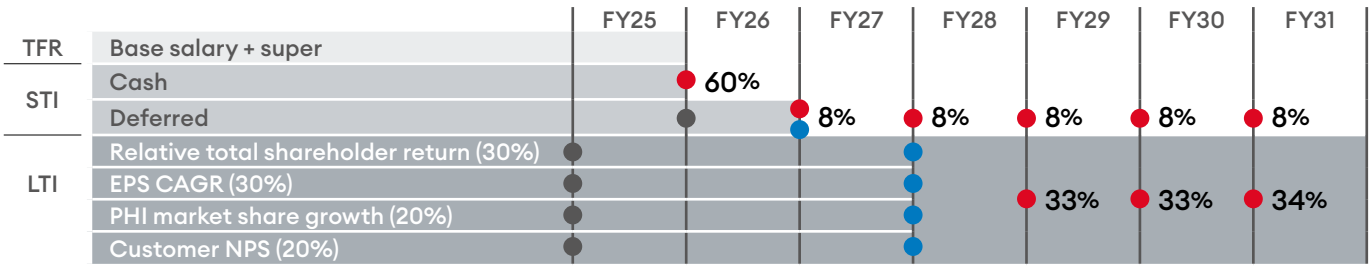
Attract and **retain** key talent through competitive and fair fixed remuneration	**Incentivise** high performance through variable, at-risk payments	**Reward** employees for the achievement of business outcomes aligned with Medibank's culture	**Align** the interests of executives with increasing long-term customer and shareholder value

Medibank's total target reward framework

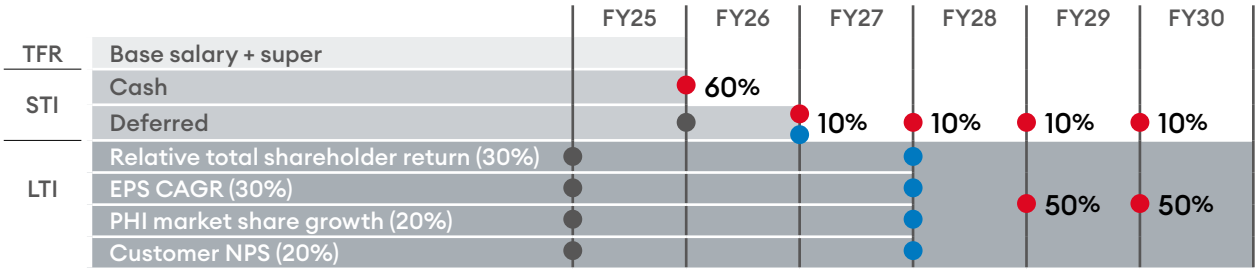
Total fixed remuneration (TFR)	• Determined with reference to capability, experience, the complexity of the role, as well as median pay levels of Medibank's comparator group • Paid on a fortnightly basis in base salary and superannuation	
	Performance measures	**Delivery**
Short-term incentive (STI)	For an STI to be awarded: • Individuals must pass a risk, compliance, and behaviour gateway; and • Medibank must achieve a baseline Group operating profit target Performance measures: • Group operating profit • Health insurance revenue growth • Customer satisfaction • Role-specific metrics	CEO and other Executive KMP: • 60% cash • 40% performance rights deferred for up to 5 years for the CEO and up to 4 years for other Executive KMP subject to a one year service condition
Long-term incentive (LTI)	• Earnings per share compound annual growth rate • Relative total shareholder return • Growth of Medibank's private health insurance market share • Brand sentiment – Customer Net Promoter Score (cNPS)	Performance rights with a 3-year performance period and deferral after vesting of: • 3 years for the CEO • 2 years for other Executive KMP

Supported by Medibank's Consequence Management Policy and the Malus & Clawback policy. The P&RC and Risk Committee may apply discretion to ensure appropriate alignment of remuneration outcomes to Medibank's risk framework and Code of Conduct.

CEO – 2025 remuneration timeline



Other Executive KMP – 2025 remuneration timeline



● date earned/vested ● date granted ● eligible for payment or exercise

4. Remuneration governance

Medibank has a robust governance framework in place to ensure that our remuneration and performance practices are fair, reasonable and aligned with the requirements outlined in our risk management framework. Our governance framework also considers regulatory compliance, customer outcomes, community expectations and the delivery of sustainable shareholder value.

4.1 The role of the Board in remuneration

The People and Remuneration Committee (P&RC) is a committee of the Board. The diagram below outlines the role of the P&RC in assisting and advising the Board on people and culture policies and practices, including remuneration.

While there are four permanent members of the P&RC, a standing invitation exists to all non-executive directors to attend meetings. The Chief Executive Officer (CEO) and Group Lead - People, Spaces & Sustainability are also invited to attend P&RC meetings, except where matters associated with their own performance or remuneration are considered. Specific governance activities with respect to the P&RC include regular reviews of the P&RC Charter to ensure consideration of changing regulations, guidelines and best practice and an annual audit of committee minutes against the P&RC Charter. For P&RC meeting attendance information, refer to the table on page 48 of the directors' report.

4.2 Executive remuneration policies

4.2.1 Performance evaluation of Executive KMP members

At the outset of each performance year, the Board determines the measures against which Executive KMP will be assessed. The measures are a combination of Medibank and role-specific performance measures that are aligned to the achievement of Medibank's customer and financial milestones set out in the annual report. Aligned with Medibank's Group-wide performance framework 'Impact Bigger', the role-specific measures for Executive KMP are known as 'Impact Goals'. Impact Goals are designed to be ambitious, aspirational and shift expectations from delivering at a base level against core job requirements to driving strong, impactful performance. The Impact Goals adopted by each Executive KMP then form the basis for the Impact Goals adopted by their leadership team members and respective teams to ensure all employees across the Group are working towards a shared and consistent strategy.

At the completion of the performance year, Executive KMP are individually assessed against the risk, compliance and behaviour gateway which is outlined in section 6.3. Executive KMP are then attributed an individual performance outcome against a 5-point rating scale (with a minimum rating of 3 required to receive a short-term incentive (STI) award) that assesses Executive KMP performance and behaviours against business outcomes and achievement of role-specific performance measures. The individual performance ratings of Executive KMP are then combined with performance against Company measures to determine STI outcomes.

Independent remuneration consultant

- Ernst & Young provides information to assist the P&RC in making remuneration decisions and recommendations to the Board
- The work undertaken by Ernst & Young in 2025 did not constitute a remuneration recommendation

With respect to fixed remuneration adjustments, consideration is given to role-specific performance, experience, the complexity of the role and Medibank's market comparator group. Additional detail on STI performance measures is included in sections 6 and 7 of this report and further information on fixed remuneration levels for Executive KMP is outlined in section 6.2.

The CEO provides his performance assessment of each Executive KMP, and other executive leadership team (ELT) members, to the Board for consideration. The Chair, in consultation with the Board, assesses the performance, behaviour and conduct of the CEO. The Board has ultimate discretion over final individual performance outcomes for all ELT members to ensure alignment with Medibank's performance, customer outcomes, community and shareholder expectations.

4.2.2 Malus and clawback of executive performance-based remuneration

During 2025 the Board updated and strengthened Medibank's Malus and Clawback Policy to ensure it remains fit for purpose. The policy provides the Board with discretion to reduce, cancel, or clawback the variable remuneration of a recipient in certain circumstances and subject to applicable laws, including the following:

- **Fraud or misconduct**: Any fraudulent activity or misconduct that benefits an individual financially or otherwise or that results in significant adverse outcomes.
- **Risk management failures**: significant failures in managing financial or non-financial risks.
- **Accountability and compliance breaches**: Significant failures in accountability, fitness, propriety, or compliance obligations, including failure to comply with obligations under FAR.
- **Errors and misstatements**: Major errors or misstatements affecting variable remuneration outcomes.
- **Significant adverse outcomes**: actions for which the recipient is accountable leading to major negative consequences for customers, beneficiaries, counterparties or the community.
- Any other event as determined by the Board.

The Malus and Clawback Policy provides that if any of these events occur, the Board may, in its absolute discretion, determine if malus and/or clawback will apply. Malus provisions allow Medibank to reduce or cancel variable remuneration before it has been paid (or share awards vested) or make it subject to additional or amended conditions, while clawback provisions allow Medibank to, subject to applicable laws, recover some or all of the variable remuneration after it has been paid (or share awards vested).

4.2.3 Executive shareholding requirements

Executive KMP are subject to a Minimum Shareholding Policy that is designed to strengthen their alignment with customers and shareholders by requiring them to hold Medibank shares with a value equivalent to 100% of their annual fixed remuneration within five years of appointment to the ELT. The policy does not require a person to purchase shares, however they are restricted from selling their vested employee equity holdings (other than to satisfy income tax obligations) until they meet the minimum shareholding requirement.

All Medibank shares and unvested performance rights that are subject to a tenure-based hurdle held by, or on behalf of, the person (for example within a family trust or self-managed superannuation fund where they are the beneficial owner) will count towards satisfaction of the minimum shareholding requirement.

As at 30 June 2025, progress towards the minimum shareholding requirement for each Executive KMP is provided below:

Executive KMP	Minimum shareholding requirement $[1]	Value of eligible shareholdings as at 30 June 2025 $[2]	Minimum shareholding requirement timeline
David Koczkar	1,615,900	9,517,589	Requirement satisfied
Milosh Milisavljevic	930,000	1,085,922	Requirement satisfied
Robert Read	750,000	-	13 November 2028
Mark Rogers	1,105,000	3,858,846	Requirement satisfied

1. Minimum shareholding requirement based on each person's total fixed remuneration (TFR) as at 30 June 2025.
2. Holding value is calculated with reference to the total number of eligible shares or performance rights held by each person, multiplied by the closing price of Medibank's shares on 30 June 2025 ($5.05).

4.2.4 Share Trading Policy

We have a Share Trading Policy to ensure that non-executive directors and all employees understand their obligations in relation to dealing in Medibank shares. The Share Trading Policy describes restrictions on buying and selling Medibank shares.

In addition, non-executive directors, all senior executives, and employees with potential access to inside information are deemed to be 'Restricted Employees.' They are required to seek approval before dealing in Medibank shares and are subject to share trading blackouts prior to financial result announcements and other times, as required. The policy also prohibits employees from entering transactions relating to Medibank shares which limit their economic risks, including in relation to the LTI Plan and equity-based component of the STI Plan.

Medibank's Share Trading Policy can be found within the corporate governance section on our website.

4.2.5 Termination provisions in Executive KMP contracts

All current Executive KMP are employed under ongoing contracts with notice periods set at 3 months (employee) and 6 months (employer), or in the case of the CEO, 6 months (both employee and employer). Termination provisions included in Executive KMP contracts are limited to 6 months payment of fixed remuneration, in lieu of notice.

If an Executive KMP is assessed by the Board as a 'good leaver' (meaning they cease employment by reason of death, serious disability, permanent incapacity, retirement, redundancy or with Board approval), the cash STI award in respect of the performance year in which they leave would be paid on a pro rata basis at the end of the STI performance period. The deferred component of the STI award will be paid in cash (rather than performance rights) on a pro rata basis with payment deferred on the same terms outlined in the STI plan rules. Any previously deferred STI remains restricted until the applicable exercise date, unless determined otherwise by the Board. Performance rights issued as LTI are retained on a pro rata basis by a 'good leaver'. Retained performance rights remain unvested and subject to the same vesting conditions that will be assessed at the end of the performance period. Further details of the termination provisions that relate to the STI and LTI plans are detailed in section 6 of this report.

5. Risk and remuneration

A key focus for Medibank's Board and the P&RC is ensuring our remuneration policies and practices are consistent with our risk management framework, aligned with prudent risk taking and support the effective management of financial and non-financial risks.

5.1 Risk culture

An engaged culture is contingent on alignment between purpose, values, behaviours and strategic direction. With a focus on ensuring we do the right thing for our people, customers and community, Medibank's purpose and values provide guidance for the behaviours we expect of our employees. The Risk Culture Framework, articulates the key elements that influence and shape our risk culture in terms of behaviours and practices. Our current suite of measurements (behavioural metrics and survey responses) fully aligns with the framework elements and risk behaviours to ensure they provide the right insights and conditions for positive action.

Our Risk Culture Framework builds on Medibank's Code of Conduct which sets out the way we work at Medibank via the establishment of standards of behaviour and conduct expected from all employees. The Code not only emphasises the importance of compliance with legal obligations, it also clearly outlines our responsibility toward our employees, our customers, and the wider community. In adhering to these principles, we strive to create a culture that goes beyond mere compliance, to one that fosters a genuine commitment to ethical decision-making and responsible practices. The capabilities and behaviours that support our risk culture include:

- **Sound decision making and accountability**: Employees understand their role and responsibilities and make well-informed decisions that consider the impact on our customers, patients, people and the organisation. They take ownership of their actions and consistently uphold governance standards, ensuring transparency and integrity in all aspects of their work.
- **Confidence to speak up**: Risk issues are openly communicated and debated across the organisation, supported by an environment where people feel safe to ask questions and speak up.
- **Leadership and continuous learning**: Risks are discussed with others to make the best decisions for our customers, patients and people. Employees consistently improve their skills, escalate issues promptly, and use data and feedback for ongoing improvement.

The Board, CEO and the ELT continue to emphasise the importance of the capabilities and behaviours referred to above by setting a strong and consistent tone from the top.

More details on our risk culture framework can be found on page 46 of the risk management section.

5.2 Alignment of remuneration with prudent risk taking

We believe that the effective alignment of remuneration with the risk appetite set by the Board is critical to our remuneration strategy and framework. Under Medibank's Group-wide performance framework 'Impact Bigger', at the end of each financial year all employees are assessed against their personal scorecard, which is a combination of financial and non-financial measures, including performance against their risk, compliance and behaviour obligations. Through the performance assessment process, both positive and negative risk, compliance and behaviour outcomes are considered as part of a holistic performance assessment. Employees are then attributed an outcome against a five-point rating scale (with a minimum rating of three required to receive an STI award) that assesses Executive KMP performance and behaviours against business outcomes and achievement of role-specific performance measures. This then informs remuneration and performance-based incentive outcomes for the period.

The management of financial and non-financial risks by senior executives is jointly reviewed by the Risk Management Committee (RMC) and People and Remuneration Committee (P&RC). As part of this review the RMC and P&RC consider the effective operation of divisional risk committees, incident identification, audit findings, remediation actions, health and safety, and feedback on risk culture from employees. In addition, the Group Lead – Chief Risk & Compliance Officer and Group Lead – People, Spaces & Sustainability are specifically tasked with notifying the Board of any relevant risk and compliance outcomes and/or conduct which may impact performance and remuneration outcomes for Executive KMP (including the CEO) and other senior executives.

Further, as outlined throughout this report, Medibank's executive reward framework includes long-term deferral across both our STI Plan and LTI Plan to ensure risk outcomes are considered over extended periods.

5.3 Consequence management

A well understood and consistently applied consequence management process is a key part of our risk culture and ensures risk, compliance and behaviour outcomes are aligned with remuneration outcomes. Our Consequence Management Policy provides guidelines in the application of consequences to ensure they are fair, reasonable and proportionate to the incident or breach. Consequences of employees breaching Medibank's Code of Conduct or Risk Culture Framework are clearly articulated and may include an employee attending further training or counselling, a formal written warning being applied, or in certain circumstances, termination of employment. The issue of a final written warning automatically results in the employee being given a maximum of 'needs improvement' performance rating for the relevant performance period, meaning the individual is ineligible for any performance-based reward outcome or fixed remuneration increase. Medibank's STI plan rules also clearly articulate that failure to meet the risk, compliance and behaviour gateway in any given performance period will lead to ineligibility for a STI award for the performance period.

In 2025, 11 employees were issued with final written warnings following a breach of Medibank's Code of Conduct, or another Medibank Group policy. In all cases, each employee received a performance rating of 'unsatisfactory' and was ineligible for any applicable performance-based incentive or fixed remuneration increase. A further 8 individuals in 2025 had their employment terminated following an incident of misconduct. Further details on consequence management can be found in our ESG databook 2025.

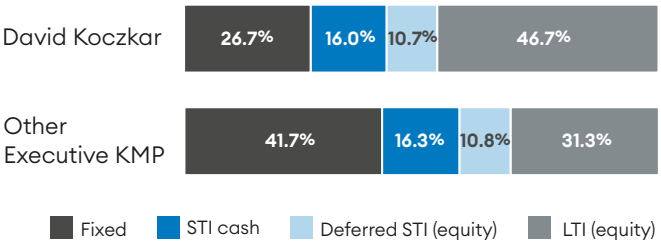
6. Executive KMP remuneration components

Target remuneration for Executive KMP is designed to reward sustained business performance with behaviours aligned with Medibank's values and purpose that increases value for both customers and shareholders. The Board aims to find a balance between:

- Fixed and at-risk remuneration.
- Short-term and long-term remuneration.
- Remuneration delivered in cash and deferred equity.

6.1 2025 target remuneration mix

The 2025 target remuneration mix for Medibank's Executive KMP is shown below.



6.2 Total fixed remuneration (TFR)

Total fixed remuneration (TFR) is the fixed portion of remuneration and includes base salary and employer superannuation contributions. Fixed remuneration is determined with reference to the executive's capabilities, experience, the complexity of the role, as well as median pay levels for similar roles at companies in the ASX 11-100 (excluding mining and energy companies). This ensures that fixed remuneration is set at competitive levels and enables Medibank to attract and retain high quality executives. Further details of Medibank's comparator group of companies is outlined in section 14 of this report. The table below outlines the current TFR settings for Executive KMP.

6.2.1 Total fixed remuneration

Executive KMP	30 June 2025 $	1 July 2025 $
David Koczkar	1,615,900	1,672,450
Milosh Milisavljevic	930,000	978,000
Robert Read	750,000	760,000
Mark Rogers	1,105,000	1,144,000

6.3 Short-term incentive (STI)

STI is an at-risk element of remuneration, which is designed to reward executives for the creation of customer and shareholder value during the financial year. Executives must pass two separate gateways to participate in the plan. Once both gateways are achieved, executives have the opportunity to earn a percentage of their fixed remuneration as an incentive, based on the Group's and their individual performance.

6.3.1 STI gateways

For an STI award to be made to an executive, the following gateways must be achieved:

Risk, compliance and behaviour gateway

Individually assessed, the risk, compliance and behaviour gateway requires executives to:

- Adhere to Medibank's Code of Conduct which covers standards of behaviour and conduct which includes anti-harassment, anti-discrimination and anti-bribery and corruption obligations. Our Code of Conduct requires all employees to not only comply with our legal obligations, but also to act ethically and responsibly in relation to our customers, colleagues and the community.
- Complete all mandatory compliance training which includes privacy, cyber-security, health and safety, bullying and harassment, bribery and corruption and meeting our legal, ethical and governance requirements.
- Ensure that the risks in respect of their position are well managed. Multiple factors are considered when assessing risk management (including environment, social and corporate governance and climate risks where relevant), which differ based on an executive's role. Common elements include the effective operation of divisional risk committees, incident identification, audit findings, remediation actions, health and safety, and feedback on risk culture from employees.

Assessment of the risk, compliance and behaviour gateway is also subject to feedback provided by the Group Lead – Chief Risk & Compliance Officer and Group Lead – People, Spaces & Sustainability as outlined in section 5.2.

Financial gateway

Assessed at the Group level, Medibank must achieve a baseline group operating profit target for an STI to be awarded.

6.3.2 STI performance measurement

The Board determines challenging levels of performance for each Medibank and role-specific STI performance measure. When setting performance expectations, the Board considers numerous factors, including Medibank's strategic objectives, prior year performance, the external environment, customer outcomes and shareholder expectations. The Board also ensures that performance levels are set for the current year in the context of achieving longer term customer and financial strategic goals. Further detail on each performance measure is outlined in section 7.1.

At the completion of the performance year, an assessment is first made on the achievement of the STI gateways. If achieved, STI outcomes are determined based on company and individual performance. Performance against the Group's measures determines the company component of the STI while the individual rating from the annual performance assessment process determines the individual component. There is a threshold, target and stretch level of performance for each company measure as set by the Board and employees need to achieve a minimum rating of 3 – Achieving for an STI award to be paid.

6.3.3 Key features of the STI plan

Over what period is performance assessed?	The STI performance period is the financial year 1 July to 30 June.
How are STI payments delivered?	60% of STI awarded to Executive KMP is paid as cash, with the remaining 40% provided in the form of deferred performance rights that are subject to a one year service condition.
When are STI payments made?	The cash component of STI is paid following the release of audited financial results, with performance rights for the deferred STI component granted shortly thereafter.
What is the deferral period for the deferred STI component?	Performance rights are deferred for: • up to five years for the CEO, with 20% of the deferred amount released each year following the conclusion of the service period; and • up to four years for other KMP, with 25% of the deferred amount released each year following the conclusion of the service period. The exercise of each tranche is subject to the assessment by the Board of the application of Medibank's Malus and Clawback policy to the relevant tranche and after the relevant annual results are announced to the ASX.
What method is used to determine the number of performance rights granted to each participant as part of the deferred STI?	Performance rights under the STI plan are granted at face value. The deferred STI value for each Executive KMP is divided by the volume weighted average share price (VWAP) of Medibank shares over the 10 trading days up to and including the payment date of the cash STI to determine the number of units granted.
Are deferred STI performance rights entitled to receive a dividend payment?	Deferred STI performance rights do not attract dividends during the deferral period. To align participant outcomes with shareholders, on exercise of these performance rights additional Medibank shares are granted to ensure each participant receives a benefit equivalent to any dividends paid during the deferral period on the rights being exercised.
What gateways apply to the STI plan?	For an STI award to be made to Executive KMP, both the risk, compliance and behaviour gateway, and the financial gateway must be achieved. Further detail on these gateways is outlined in section 6.3.1.
What are the performance measures under the STI plan?	Performance measures under the STI plan are determined by the Board at the commencement of each performance period. For 2025, the performance measures were: • Group operating profit (excluding investment income). • Health Insurance premium revenue growth. • Customer satisfaction. • Role-specific metrics. Section 7.1 of this report provides a detailed description of Medibank's STI performance measures and a description of how Medibank has performed against each measure in 2025. Actual target values are not disclosed as this is considered commercially sensitive information.
Does Medibank have a malus and clawback policy that applies to the STI plan?	Medibank has a Malus and Clawback Policy that provides discretion to the Board to reduce, cancel, or recover (clawback) any award made under the STI plan to employees in certain circumstances subject to applicable laws. Further detail on this policy is outlined in section 4.2.2.
What happens to STI entitlements if an executive leaves Medibank?	If an executive is a 'good leaver' (meaning they cease employment by reason of death, serious disability, permanent incapacity, retirement, redundancy, or with Board approval), pro rata payment of STI applies. Section 4.2.5 provides additional information on the treatment of STI for people deemed as 'good leavers' by the Board. Other than in the case of dismissal, an executive who ceases employment after meeting the service period will retain the deferred STI performance rights which will remain subject to malus and clawback and will be released as per the deferral schedule.
In what circumstances are STI entitlements forfeited?	In the event an executive is not considered a 'good leaver' (meaning they cease employment for any reason other than death, serious disability, permanent incapacity, retirement, redundancy or with Board approval), the executive will forfeit any payment under the STI plan, including any unvested deferred STI grants, unless otherwise determined by the Board.

6.3.4 Annual STI opportunity

The target and maximum annual STI opportunity as a percentage of total fixed remuneration for each Executive KMP is outlined in the table below.

	2025 & 2026	
Executive KMP	Target	Maximum
David Koczkar	100%	150%
Milosh Milisavljevic	65%	120%
Robert Read	65%	120%
Mark Rogers	65%	120%

6.4 Long-term incentive (LTI)

LTI is an at-risk element of remuneration designed to reward executives for delivering sustainable business performance over the long term. Given the nature of the private health insurance industry and the fact that it is highly regulated, the Board considers it appropriate to measure long term performance over a three-year period with deferral conditions applying to vested awards. A three-year performance period with the additional deferral conditions, strikes a balance between providing a reasonable period to align reward with shareholder return and the LTI acting as a vehicle for executive motivation and retention. Each year executives are eligible to receive an LTI which is calculated as a percentage of their fixed remuneration. This incentive is subject to performance hurdles that will be tested at the end of the three-year performance period. Based on performance against these hurdles a percentage of the incentive will be retained by the executive with the remainder being forfeited. Vested performance rights are subject to a deferral period of up to three years for the CEO and up to 2 years for other Executive KMP.

6.4.1 Key features of the LTI plan

What is the aim of the LTI plan?	The Medibank LTI plan is designed to: • Align the interests of executives more closely with the interests of customers and shareholders, by providing an opportunity for those executives to receive an equity interest in Medibank through the granting of performance rights. • Assist in the motivation, retention and reward of executives over the performance and deferral periods.
What are performance rights?	Performance rights issued to executives under the LTI plan are conditional rights for the participant to receive fully paid ordinary shares in Medibank. Each performance right entitles the executive to subscribe for one ordinary share if the performance hurdles are met at the conclusion of the performance period. No amount is payable by the participant upon the grant or exercise of the performance rights once they have vested.
What method is used to determine the number of performance rights granted to each participant?	Performance rights under the LTI plan are granted at face value. Each participant receives a percentage of their fixed remuneration in LTI (refer to section 6.4.2 for details). This amount is then divided by the face value of Medibank shares. For the 2025 LTI plan, the number of performance rights granted to each participant was determined using the volume weighted average price of Medibank shares on the ASX during the 10 trading days up to and including, 30 June 2024. This average price was $3.73.
What is the performance period for 2025 LTI plan?	The performance period for the 2025 LTI plan is three financial years which commenced on 1 July 2024.
When is the LTI delivered?	Following the three-year performance period any performance rights that meet the performance hurdles vest and are then subject to a deferral period of up to three years for the CEO and up to 2 years for other Executive KMP.
What is the deferral period for LTI?	Vested performance rights are deferred for: • Up to three years for the CEO, with one third being exercised each year starting at the beginning of the year following the end of the performance period. • Up to two years for other KMP, with half being exercised at the beginning of the year following the end of the performance period, and the remaining amount being exercised in the following year. The exercise of each tranche is subject to the assessment by the Board of the application of Medibank's Malus and Clawback policy to the relevant tranche and after the relevant annual results are announced to the ASX.

What are the performance hurdles under the 2025 LTI plan?	Performance rights issued under the 2025 LTI plan are subject to four separate performance hurdles, providing for an appropriate balance of financial and non-financial performance: • 30% of the performance rights are subject to a performance hurdle based on Medibank's earnings per share compound annual growth rate (EPS CAGR) over the performance period. The starting point for EPS will be calculated using Medibank's underlying profit as at 30 June 2024 and the performance period for the EPS performance hurdle will run for 3 years from 1 July 2024 through to 30 June 2027. Further detail on the profit measure used in the calculation of EPS is provided in section 6.4.3. • 30% of the performance rights are subject to a relative total shareholder return (TSR) performance hurdle, measured over the performance period. Medibank's relative TSR will be compared to a comparator group comprising companies with a market capitalisation positioned within the ASX 11-100 (excluding mining and energy companies). • 20% of the performance rights are subject to a performance hurdle based on the growth of Medibank's private health insurance market share (as reported by APRA) over the performance period. • 20% of the performance rights are subject to a performance hurdle based on brand sentiment, measured as the change in Medibank's customer Net Promoter Score over the performance period. These performance hurdles were chosen by the Board as they are aligned with the interests of our customers and shareholders and represent well understood and transparent mechanisms to measure performance and provide a strong link between executive reward, customer outcomes, and shareholder wealth creation. The performance hurdles under the 2025 LTI plan have threshold levels which need to be achieved before vesting commences. Details of these thresholds are outlined in the vesting schedule in section 6.4.3.
When do the performance rights vest?	Performance hurdles are assessed as soon as practicable after the completion of the relevant performance period. The number of performance rights that vest (if any) will be relative to the achievement against the performance hurdles. See section 6.4.3 for the vesting schedule associated with each performance hurdle.
Are the performance hurdles re-tested?	No. Performance hurdles are only tested once at the end of the performance period. Any performance rights that remain unvested at the end of the performance period are immediately forfeited.
Are LTI performance rights entitled to receive a dividend payment?	LTI performance rights do not attract a dividend during the performance period, as they are still subject to performance hurdles that will determine the number of rights that convert to ordinary Medibank shares. Vested performance rights do not attract dividends during the deferral period. However, on exercise of the vested performance rights, additional Medibank shares are granted to ensure each participant receives a benefit equivalent to any dividends paid during the deferral period on the rights being exercised.
Does Medibank have a malus and clawback policy that applies to the LTI plan?	Medibank has a Malus and Clawback Policy that provides discretion to the Board to reduce, cancel, or recover (clawback) any award made under the LTI Plan to an employee in certain circumstances subject to applicable laws. Further detail on this policy is outlined in section 4.2.2.
What happens to LTI entitlements if a participant leaves Medibank?	If a participant is a 'good leaver' (meaning they cease employment by reason of death, serious disability, permanent incapacity, retirement, redundancy, or with Board approval), a portion of the performance rights held (granted, but not vested) by that participant on cessation of employment will be forfeited on a pro rata basis according to a formula which takes into account the length of time the participant has held the performance rights relative to the performance period for the grant. The retained performance rights will remain unvested and will be tested at the end of the performance period against the existing performance hurdles. Vested performance rights remain subject to deferral conditions.
In what circumstances are LTI entitlements forfeited?	LTI entitlements are forfeited if performance hurdles are not met. In the event a participant is not considered a 'good leaver' (meaning they cease employment for any reason other than death, serious disability, permanent incapacity, retirement, redundancy or with Board approval), the performance rights held (granted, but not vested) by that participant on cessation of employment will be automatically forfeited.

The annual LTI allocation value as a percentage of TFR for each Executive KMP is outlined in the table below.

6.4.2 Annual LTI allocation

	2025 & 2026
Executive KMP	LTI allocation value as % of TFR
David Koczkar	175%
Milosh Milisavljevic	75%
Robert Read	75%
Mark Rogers	75%

6.4.3 LTI hurdles explained

Each year, the Board reviews the LTI targets and vesting conditions in the context of Medibank's operating environment. The Board is committed to setting targets which are appropriately challenging for management to meet while not being unattainable and which ultimately support the delivery of strong outcomes for our customers and shareholders. Except for brand sentiment, the vesting schedules for the 2025 LTI allocation are consistent with the schedules applied to the 2024 LTI offer.

2025 EPS performance rights (30% of award)

The Board approved maintaining a threshold EPS CAGR target of 3% for the 2025 LTI grant. Details of the vesting schedule are outlined in the table below:

Medibank's EPS CAGR over the performance period	Percentage of EPS performance rights that vest
Less than 3% EPS CAGR	Nil
Between 3% and 7% EPS CAGR	Straight-line pro rata vesting between 50% and 100%
Above 7% EPS CAGR	100%

Medibank's performance against the EPS hurdle is calculated based on the compound annual growth rate (CAGR) of Medibank's EPS over the performance period. EPS is based on underlying profit, which adjusts statutory net profit after tax (NPAT) where appropriate, for short-term outcomes that are expected to normalise over the medium to longer term, most notably in relation to the level of gains or losses from investments, due to the limited control that management has over these outcomes.

2025 TSR performance rights (30% of award)

The Board approved maintaining the vesting schedule for the TSR hurdle. Medibank's TSR will be compared against companies within the ASX 11-100 (excluding mining and energy companies), which is the same comparator group used for executive and non-executive remuneration benchmarking. For any of the 2025 TSR performance rights to vest, Medibank must achieve the threshold TSR ranking over the performance period. The percentage of the 2025 TSR performance rights that vest, if any, will be based on Medibank's TSR ranking at the end of the performance period, as set out in the following vesting schedule:

Medibank's TSR rank in the 2025 comparator group	Percentage of TSR performance rights that vest
Less than 50th percentile	Nil
Between the 50th and 75th percentile	Straight-line pro rata vesting between 50% and 100%
Above 75th percentile	100%

The TSR of Medibank and other companies within the comparator group, expressed as a compound annual rate of return, will be comprised of:

a) The change in share price of each company over the performance period. The change in share price is calculated using the volume weighted average price (VWAP) of each entity over the 20 trading days leading up to and including the performance period start and end dates. The VWAP at the end of the performance period will be adjusted for any stock splits that occur during the performance period.

b) The value of all dividends and other shareholder benefits paid by each company during the performance period assuming that:

   i. The dividends and shareholder benefits are reinvested in the relevant company at the closing price of the securities on the date the dividend or shareholder benefit was paid.

   ii. Franking credits are disregarded.

The entities comprising the 2025 comparator group are determined at the commencement of the performance period. If the ordinary shares or stock of a member of the 2025 comparator group is not quoted on the ASX at the end of the performance period (for example if the member has been delisted for any reason), then it will be excluded from calculations of the TSR calculation, unless the Board, acting in good faith and in its absolute discretion, determine otherwise. In exercising its discretion, the Board may have regard to such matters it deems relevant including (but not limited to) the length of time that the member was quoted on the ASX during the performance period.

2025 market share performance rights (20% of award)

The Board approved maintaining a threshold private health insurance (PHI) market share growth target of 25 basis points. Details of the vesting schedule are set out below:

Medibank's PHI market share growth	Percentage of market share performance rights that vest
Less than 25 basis points	Nil
Between 25 basis points and 75 basis points	Straight-line pro rata vesting between 50% and 100%
Above 75 basis points	100%

2025 brand sentiment performance rights (20% of award)

Brand sentiment is assessed as the change in Medibank's Customer Net Promoter Score over the performance period. Customer Net Promoter Score is a key customer advocacy metric that measures the likelihood of people recommending Medibank or ahm to their families and friends.

The percentage of brand sentiment performance rights that vest, if any, will be based on Medibank's performance against the brand sentiment hurdle over the performance period, as set out in the following vesting schedule.

The threshold level of performance has been increased compared to the vesting schedule for the 2024 LTI to consider Net Promoter Score movements during FY24.

Medibank's brand sentiment (Customer Net Promoter Score)	Percentage of brand sentiment performance rights that vest
Less than 5.3	Nil
Between 5.3 and 10.6	Straight-line pro rata vesting between 50% and 100%
Above 10.6	100%

7. Linking remuneration and performance in 2025

7.1 2025 short-term incentive (STI) performance scorecard

Gateways

Both the Financial Gateway and the Risk, Compliance & Behaviour Gateway (in respect of each of the Executive KMP's roles) were met. The following table details the 2025 STI performance scorecard measures, weightings, and assessment.

Measure	Description	Weighting		Targets and performance outcomes	Actual outcome	
		CEO	Executive KMP		CEO	Executive KMP
Group operating profit	Group operating profit represents the core financial measure for the annual STI Plan and reflects the Board's belief that it is the best measure of underlying business performance and value created for customers and shareholders over the performance period. Group operating profit for the purposes of the 2025 STI is inclusive of cybercrime event related expenses.	45%	35%	Threshold Target Stretch	50%	42%
Health Insurance premium revenue growth	Measured alongside the core metric of group operating profit, the focus of this measure is sustainable and profitable revenue growth to ensure optimal value creation for customers and shareholders.	20%	25%	Threshold Target Stretch	0.0%	0.0%
Customer satisfaction	Measured by a combination of Journey Net Promoter Score (jNPS) for Medibank and Service NPS for ahm.	20%	20%	Threshold Target Stretch	30%	37%
Role-specific big goals	Aligned to one or more of the following milestones: **1. Deliver leading experiences** – Continue to achieve a high level of customer and employee advocacy by creating personalised and connected customer experiences, empowering our people and reinventing work, collaborating with our communities and partners to make a difference, and continuing to strengthen trust and reputation. **2. Differentiate our insurance business** – We aim to increase resident policyholder market share and to deliver $20m productivity savings in FY24-FY25. **3. Expand in health** – We aim to achieve at least 15% p.a. organic profit growth and to invest $150m - $250m in total to grow Medibank Health inorganically between FY24 and FY26 as suitable opportunities arise by focusing growth on prevention and integrated care models, scaling and connecting our health business and bringing benefits back to our core. **4. Strengthen our foundations** – Empower a culture of accountability and risk awareness, where leaders and teams confidently challenge, ensure compliance, and enhance customer outcomes.	15%	20%	Needs improvement Achieving Exceeding Outstanding Individual performance ranging between achieving and exceeding	19%	20% to 28%
	Total	100%	100%		99%	99% to 107%

7.2 Medibank's 2025 financial performance

Medibank's 2025 annual financial performance is provided in the table below in addition to the average 2025 STI award achieved by Executive KMP, as a percentage of maximum opportunity. This table illustrates the relationship between the key indicators of shareholder wealth creation and STI outcomes for Executive KMP.

Measure	2025	2024	2023[1]	2022	2021
Health Insurance premium revenue growth	3.9%	4.0%	4.2%	2.7%	2.1%
Group operating profit[1]	$762.4m	$699.8m	$648.4m	$594.1m	$528.3m
Group net profit after tax (NPAT)	$500.8m	$492.5m	$308.6m	$393.9m	$441.3m
Dividend	18.0 cents p/s	16.6 cents p/s	14.6 cents p/s	13.4 cents p/s	12.7 cents p/s
Share price as at 1 July	$3.73	$3.52	$3.25	$3.16	$2.99
Share price as at 30 June	$5.05	$3.73	$3.52	$3.25	$3.16
Average Executive KMP STI as a percentage of maximum opportunity	58%	61%	0%	72%	70%

1. The 2023 group operating profit and NPAT have been restated to reflect the application of AASB 17 *Insurance Contracts*. Remuneration outcomes were not revised.

7.3 2025 STI awards

The table below provides a summary of STI awards for the 2025 performance year.

Executive KMP	Target STI $	Total STI achieved $	STI cash (60%) $	STI deferred (40%) $	Total STI achieved as % of target	Total STI achieved as % of max opportunity
David Koczkar	1,615,900	1,599,386	959,632	639,754	99%	66%
Milosh Milisavljevic	604,500	648,422	389,053	259,369	107%	58%
Robert Read	487,500	481,672	289,003	192,669	99%	54%
Mark Rogers	718,250	709,662	425,797	283,865	99%	54%

7.4 2023 Long-term incentive plan outcomes

Medibank's 2023 LTI was tested following the completion of the performance period on 30 June 2025. The Board determined it was appropriate to allow the LTI to vest in line with the terms of its grant, with a vesting outcome of 68.6%. The table below outlines the outcomes against the EPS CAGR and Relative TSR performance hurdles. It is likely there will be no vesting against the market share growth measure, however this will be confirmed once APRA releases the June Quarterly private health insurance statistics.

Performance hurdle	Weighting	Outcome	Vesting percentage
EPS CAGR	35%	12.5%	100%
Relative TSR	35%	73rd Percentile	96%
Market Share	30%	TBC	TBC
Total 2023 LTI vesting percentage			68.6%

The performance rights granted under the 2023 LTI Plan that do not vest because of the performance hurdle outcomes not being met will lapse immediately.

The performance rights granted under the 2024 and 2025 LTI plans remain in restriction and will be assessed against their performance hurdles at the completion of the 2026 and 2027 financial years respectively.

8. 2025 actual remuneration (Non-IFRS disclosure)

The table below represents the 2025 'actual' remuneration for Executive KMP and includes all cash payments made in relation to 2025, in addition to deferred short-term incentive (STI) and long-term incentive (LTI) awards that vested in 2025.

Statutory remuneration disclosures prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards differ to the numbers presented below, as they include (among other benefits) expensing for equity grants that are yet to realise or may never be realised. The statutory remuneration table for Executive KMP is presented in section 9.

Executive KMP	Base salary and superannuation $	Cash STI for performance to 30 June 2025 $	Total cash payments in relation to 2025 $	Deferred equity awards that vested in 2025[1] $	Total 2025 actual remuneration $	Equity awards that lapsed in 2025[2] $
David Koczkar	1,613,365	959,632	2,572,997	1,767,521	4,340,518	1,007,236
Milosh Milisavljevic	928,846	389,053	1,317,899	398,283	1,716,182	226,960
Robert Read	748,077	289,003	1,037,080	0	1,037,080	0
Mark Rogers	1,103,654	425,797	1,529,451	510,616	2,040,067	290,978

1. Deferred equity awards that vested in 2025 relate to the 2022 LTI performance rights that vested during the year. The value of vested awards is calculated using the closing share price on the vesting date.
2. Equity awards that lapsed in 2025 relate to the portion of the 2022 LTI performance rights that lapsed following the testing of the performance hurdles in July 2024. The value of lapsed awards is calculated using the closing share price on the vesting/lapse date.

9. Statutory remuneration tables

9.1 Statutory remuneration table

The following table has been prepared in accordance with Section 300A of the *Corporations Act 2001* and details the statutory accounting expense of all remuneration-related items for Executive KMP. In contrast to the table in section 8 that details 2025 actual remuneration, the table below includes accrual amounts for equity awards being expensed throughout 2025 that are yet to, and may never, be realised.

		Short-term benefits				Post-employment benefits	Long-term benefits		Equity-based benefits	Other	
Executive KMP	Financial year	Salary $[1]	Short-term incentive (STI) $	Other $	Non-monetary benefits $[2]	Superannuation $	Leave $[3]	Deferred STI $	Performance rights $[4]	Termination benefits $	Total remuneration $
David Koczkar	2025	1,602,285	959,632	-	20,527	30,000	68,095	-	2,035,814	-	4,716,353
	2024	1,551,381	966,804	-	17,655	27,500	51,485	-	1,841,679	-	4,456,504
Milosh Milisavljevic	2025	903,366	389,053	-	15,151	30,000	37,538	-	608,065	-	1,983,173
	2024	872,912	397,454	-	17,498	27,500	120,780	-	496,071	-	1,932,215
Robert Read[5]	2025	709,368	289,003	-	15,079	30,000	20,548	-	440,694	-	1,504,692
	2024	416,942	181,520	-	9,388	40,994	10,070	-	158,294	-	817,208
Mark Rogers	2025	1,079,035	425,797	-	16,174	30,000	64,559	-	711,319	-	2,326,884
	2024	1,042,713	472,529	-	18,888	27,480	124,875	-	496,608	-	2,183,093
Former Executive KMP											
Andrew Wilson[6]	2024	488,348	189,623	-	11,072	12,726	1,084	-	127,421	-	830,274
Total Executive KMP	2025	4,294,054	2,063,485	-	66,931	120,000	190,740	-	3,795,892	-	10,531,102
	2024	4,372,296	2,207,930	-	74,501	136,200	308,294	-	3,120,073	-	10,219,294

1. Salary includes annual base salary paid on a fortnightly basis and annual leave entitlements accrued, but not taken, during the year which are expected to be taken in the next 12 months.
2. Non-monetary benefits may include death, total and permanent disablement insurance, salary continuance insurance, subsidised Medibank health insurance and fringe benefits that are on the same terms and conditions that are available to all employees of the Group.
3. Long-term leave comprises an accrual for long service leave and annual leave entitlements accrued, but not taken, during the year which are not expected to be taken in the next 12 months.
4. Performance rights include equity-based remuneration incurred during the relevant financial year. The values are based on the grant date fair value amortised on a straight-line basis over the performance period and any reversals required by AASB 2 Share-based Payments.
5. The values for Robert Read for 2024 correspond to the period from 13 November 2023 when he became an Executive KMP.
6. The values for Andrew Wilson for 2024 correspond to the period between 1 July 2023 and 18 December 2023 while he was an Executive KMP.

9.2 Performance-related remuneration statutory table

The following table provides an analysis of the non-performance-related (fixed remuneration) and performance-related (short-term incentive (STI) and long-term incentive (LTI)) components of the 2025 remuneration mix for Medibank's Executive KMP as detailed in the 'statutory remuneration table'.

	Non-performance-related	Performance-related			
Executive KMP	Fixed remuneration[1]	Cash STI	Deferred STI[2]	LTI[3]	Total performance-related remuneration
David Koczkar	36.5%	20.3%	13.6%	29.6%	63.5%
Milosh Milisavljevic	49.7%	19.6%	13.2%	17.5%	50.3%
Robert Read	51.5%	19.2%	10.4%	18.9%	48.5%
Mark Rogers	51.1%	18.3%	12.9%	17.7%	48.9%

1. Fixed remuneration includes the accounting expense from all columns of the 'statutory remuneration table' other than 'cash STI', 'performance rights' and 'deferred STI'.
2. Deferred STI includes the 2025 accounting expense of the 2025 deferred STI component within the 'performance rights' column of the 'statutory remuneration table'.
3. LTI includes the 2025 accounting expense of the 2023, 2024 and 2025 LTI component within the 'performance rights' column of the 'statutory remuneration table'.

10. Executive KMP equity awards

10.1 Executive KMP equity award transactions

Details of 2025 Executive KMP equity award transactions and outstanding holdings granted in previous years are set out below.

			Acquired during 2025[2]		Vested during 2025[3]		Lapsed during 2025[4]		Other changes	Balance 30 June 2025[5]	
Executive KMP	Award type[1]	Balance 1 July 2024	Units	Value	Units	Value	Units	Value		Units	Value
David Koczkar	Long-term incentive	2,100,777	758,130	2,236,484	457,907	1,767,521	260,942	1,007,236	-	2,140,058	5,581,989
	Short-term incentive	-	174,671	644,536	-	-	-	-	-	174,671	644,536
	Ordinary shares	1,426,764	-	-	457,907	1,767,521	-	-	-	1,884,671	9,517,589
Milosh Milisavljevic	Long-term incentive	494,407	186,996	551,638	103,182	398,283	58,798	226,960	-	519,423	1,360,916
	Short-term incentive	-	71,807	264,968	-	-	-	-	-	71,807	264,968
	Ordinary shares	155,905	-	-	103,182	398,283	-	-	-44,053	215,034	1,085,922
Robert Read	Long-term incentive	179,767	150,804	444,872	-	-	-	-	-	330,571	906,809
	Short-term incentive	-	51,676	190,684	-	-	-	-	-	51,676	190,684
	Ordinary shares	-	-	-	-	-	-	-	-	-	-
Mark Rogers	Long-term incentive	613,924	222,184	655,443	132,284	510,616	75,383	290,978	-	628,441	1,641,052
	Short-term incentive	-	85,371	315,019	-	-	-	-	-	85,371	315,019
	Ordinary shares	804,128	-	-	132,284	510,616	-	-	-172,284	764,128	3,858,846

1. Long-term incentive corresponds to performance rights awarded under the LTI plan that are subject to performance hurdles. Short-term incentive represents performance rights awarded under the STI plan. Ordinary shares include all Medibank shares held by the executive or related parties.
2. Represents the maximum number of equity awards that may vest to each executive in respect to their time as KMP during 2025. The minimum potential outcome for the equity awards is 0. The values are calculated using the fair value as at grant date. The fair value at grant has been based on a valuation by independent external consultants in accordance with accounting standard AASB 2 Share Based Payments. The fair values for the 2023, 2024 and 2025 long-term incentive (LTI) grants are used for accounting purposes only as all LTI grants are made using the face value, as outlined in section 6.4. Unit prices have been rounded to the nearest cent.
3. Awards that vested in 2025 relate to the 63.7% vesting of 2022 LTI awards (granted 3 December 2021) following the assessment of performance hurdles. Performance rights that vested were automatically exercised and no payment was required from participants. Executives received one ordinary share for each performance right that vested during the financial year. The value of vested awards is calculated using the closing share price on the vesting date.
4. Awards that lapsed in 2025 relate to the 36.3% of the 2022 LTI awards that did not meet the performance hurdle and subsequently lapsed. The value of lapsed awards is calculated using the closing share price on the vesting/lapse date.
5. The value of unvested STI is determined by the number of units at 30 June 2025 multiplied by the unit price at grant. The value of unvested LTI is determined by the number of units at 30 June 2025 multiplied by the fair value at grant. The value of ordinary shares is determined by multiplying the number of ordinary shares at 30 June 2025 by the closing price of Medibank shares on the same date.

10.2 Overview of unvested equity awards and fair value assumptions

All awards are subject to continued employment, malus and clawback provisions.

Award	Award type	Performance start date	Performance end date[1]	Grant date	Performance measure	Weighting	Unit price at grant	Fair value at grant[2]
2025 LTI performance rights	LTI	1/07/2024	30/06/2027	9/12/2024	EPS	30%	3.73	3.48
					Market share	20%	3.73	3.48
					TSR	30%	3.73	1.71
					Brand sentiment	20%	3.73	3.48
2024 deferred STI performance rights	STI	1/07/2024	15/08/2025	9/12/2024	Service	100%	3.69	3.69
2024 LTI performance rights	LTI	1/07/2023	30/06/2026	11/12/2023	EPS	30%	3.56	3.16
					Market share	20%	3.56	3.16
					TSR	30%	3.56	1.78
					Brand sentiment	20%	3.56	3.16
2023 LTI performance rights	LTI	1/07/2022	30/06/2025	6/12/2022	EPS	35%	3.19	2.63
					Market share	30%	3.19	2.63
					TSR	35%	3.19	1.19
2022 deferred STI performance rights	STI	1/07/2022	15/09/2023	6/12/2022	Service	100%	3.58	3.58
2022 LTI performance rights	LTI	1/07/2021	30/06/2024	3/12/2021	EPS	35%	3.13	2.72
					Market share	30%	3.13	2.72
					TSR	35%	3.13	1.62

1. The performance end date represents the earliest possible date the performance rights may vest, being the end of the performance period. The actual vesting and exercise date will be at a time and manner determined by the Board, with Medibank to notify the holder at that time.
   - FY23 LTI: Performance rights that vest are automatically exercised and no payment is required from participants. Any performance rights that don't vest at this point will immediately expire.
   - FY24 and FY25 LTI: Following the three-year performance period any performance rights that meet the performance hurdles vest and are then subject to a deferral period of up to three years for the CEO and up to two years for other Executive KMP. Any performance rights that don't vest will immediately expire. Performance rights that meet the deferral conditions are automatically exercised and no payment is required from participants.
   - FY22 Deferred STI: Deferred STI provided in the form of 12-month deferred performance rights.
   - FY24 Deferred STI: performance rights are deferred for up to 5 years for the CEO with 20% of the deferred amount released each year following the conclusion of the service period and up to 4 years for other Executive KMP with 25% of the deferred amount released each year following the conclusion of the one year service period. Performance rights that meet the deferral conditions are automatically exercised and no payment is required from participants.
2. Fair value of LTI performance rights has been calculated as at the start of the performance period.

11. Non-executive director remuneration and framework

Non-executive director fees are determined by the Board and reflect the role, market benchmarks and Medibank's objective to attract highly skilled and experienced independent non-executive directors. All non-executive directors are required to hold a minimum number of shares in Medibank to align with shareholder interests.

11.1 Non-executive director remuneration

Component	Delivered	Description
Base fee	Cash and superannuation	The base fee represents remuneration for service on the Medibank Board. The base fee for the Chair represents the entire remuneration for that role.
Committee fees	Cash and superannuation	Committee fees represent remuneration for chairing, or membership of, Board committees.

11.1.1 Non-executive director fee cap

Under Medibank's Constitution, the total fees paid in any financial year to all non-executive directors for their services (excluding, for these purposes, the salary of any executive director) must not exceed, in aggregate, the amount fixed at Medibank's annual general meeting in 2024 at $3,000,000 per annum (fee cap).

11.1.2 Non-executive director remuneration

Under Medibank's Constitution, the Board is responsible for determining the total amount paid to each non-executive director as remuneration for their services. In making this determination, the Board has taken into account the level of work required for the role and has regard to the median remuneration paid to non-executive directors of companies positioned within the ASX 11-100 (excluding mining and energy companies).

Following the annual benchmarking exercise and the position of non-executive directors against the median of the benchmark group, non-executive director base and committee fees have been increased by 3.5% for 2026.

Based on the composition of the Board, non-executive director fee spend for 2026 will be $2,178,650 against the approved cap of $3,000,000.

Non-executive director fees applicable throughout 2025 and 2026 are set out in the table below:

Position	2025 $	2026 $
Chair	478,000	494,700
Non-executive directors	177,250	183,450
Committee chair fees		
Audit Committee	42,950	44,450
Risk Management Committee	42,950	44,450
People and Remuneration Committee	42,950	44,450
Investment and Capital Committee	42,950	44,450
Committee membership fees		
Audit Committee	21,450	22,200
Risk Management Committee	21,450	22,200
People and Remuneration Committee	21,450	22,200
Investment and Capital Committee	21,450	22,200

11.2 Non-executive director superannuation

Medibank meets its obligations under the Superannuation Guarantee legislation by paying superannuation contributions in respect of non-executive directors to their nominated complying superannuation funds up to the concessional contribution limits. Superannuation contributions for non-executive directors are drawn from the overall fees paid to non-executive directors.

As permitted under the Superannuation Guarantee legislation, people with multiple employers can elect to be exempt from the superannuation guarantee where contributions are likely to take them over the annual concessional contribution cap. If a non-executive director applies and receives an exemption from superannuation guarantee payments, Medibank will make those payments in cash.

11.3 Shareholding policy for non-executive directors

Medibank's Minimum Shareholding Policy was updated in 2024 and effective 1 July 2024, non-executive directors are required to have a shareholding in the company equal in value to at least one year of their pre-tax base fee. Non-executive directors have five years from the effective date of this change to attain the new required shareholding level.

Non-executive directors do not participate in, or receive, any performance-based remuneration as part of their role and do not participate in any equity plans that operate within Medibank.

As at 30 June 2025, all non-executive directors except one have met the minimum shareholding requirement. Further details of current non-executive director shareholdings are provided in section 13.

12. 2025 non-executive director remuneration statutory table

		Short-term benefits		Post-employment benefits	
Non-executive director	Financial year	Cash salary and fees $	Non-monetary[1] $	Superannuation $	Total $
Mike Wilkins	2025	478,000	6,738	-	484,738
	2024	458,500	5,087	-	463,587
Tracey Batten	2025	217,524	3,108	25,053	245,685
	2024	208,793	3,039	23,008	234,840
Gerard Dalbosco	2025	236,755	3,371	6,671	246,797
	2024	231,800	3,254	-	235,054
Peter Everingham	2025	198,171	3,625	22,826	224,622
	2024	191,665	3,533	21,120	216,318
David Fagan	2025	217,524	5,578	25,055	248,157
	2024	208,793	3,610	23,008	235,411
Kathryn Fagg	2025	198,171	147	22,826	221,144
	2024	190,237	155	20,963	211,355
Linda Bardo Nicholls	2025	242,579	3,365	-	245,944
	2024	231,800	3,255	-	235,055
Jay Weatherill[2]	2025	198,171	206	22,826	221,203
	2024	54,886	-	6,037	60,923
Former non-executive directors					
Anna Bligh[3]	2024	75,343	5,647	8,325	89,315
Total non-executive director remuneration	2025	1,986,895	26,138	125,257	2,138,290
	2024	1,851,817	27,580	102,461	1,981,858

1. Non-monetary benefits may include death, total and permanent disablement insurance, salary continuance insurance, subsidised Medibank health insurance and fringe benefits that are on the same terms and conditions that are available to all Medibank employees.
2. Jay Weatherill's 2024 remuneration reflects his commencement date as non-executive director of 18 March 2024.
3. Anna Bligh's 2024 remuneration reflects her retirement date from the Medibank Board of 22 November 2023.

13. Non-executive director ordinary shareholdings

Non-executive director	Balance 30 June 2024	Acquired during the year	Other changes	Balance 30 June 2025	Minimum shareholding requirement $[1]	Shareholding value at 30 June 2025 $[2]	Minimum shareholding requirement timeline
Mike Wilkins	100,000	100,000	-	200,000	478,000	1,010,000	Requirement satisfied
Tracey Batten	50,000	-	-	50,000	177,250	252,500	Requirement satisfied
Gerard Dalbosco	72,832	-	-	72,832	177,250	367,802	Requirement satisfied
Peter Everingham	40,000	-	-	40,000	177,250	202,000	Requirement satisfied
David Fagan	47,016	-	-	47,016	177,250	237,431	Requirement satisfied
Kathryn Fagg	32,750	32,750	-	65,500	177,250	330,775	Requirement satisfied
Linda Bardo Nicholls	50,400	-	-	50,400	177,250	254,520	Requirement satisfied
Jay Weatherill	11,600	5,100	-	16,700	177,250	84,335	1 July 2029

1. Minimum shareholding requirement based on annual non-executive director base fees for 2025. Effective 1 July 2024, minimum shareholding requirement increased from 50% to 100% of their pre-tax base fee.
2. Value has been calculated with reference to the total number of eligible shares held by each non-executive director, multiplied by the closing price of Medibank's shares on 30 June 2025 ($5.05).

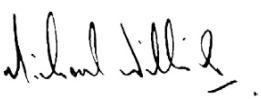
14. Medibank's comparator group

As outlined throughout this report, Medibank uses a comparator group for the purposes of benchmarking executive and non-executive director remuneration and for the assessment of Medibank's relative total shareholder return (TSR) performance under its long-term incentive (LTI) plan. Medibank's comparator group is the ASX 11-100, excluding mining and energy companies. In any given year, there may be changes in the mining and energy companies excluded from Medibank's comparator group due to companies either falling outside the ASX 11-100 or companies no longer being considered exclusively as a mining or energy company.

15. Loans and other transactions with KMP

During 2024 and 2025 there were no loans to KMP or any of their related parties. Certain key management personnel hold director positions in other entities, some of which transacted with the Group during the current and prior reporting periods. All transactions that occurred were in the normal course of business on terms and conditions no more favourable than those available on an arm's length basis.

This report is made in accordance with a resolution of the directors.



Mike Wilkins AO
Chair

David Koczkar
Chief Executive Officer

28 August 2025
Melbourne

Financial report

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Consolidated statement of comprehensive income

For the financial year ended 30 June 2025

	Note	2025 $m	2024 $m
Insurance revenue	2(b) 4(a)	**8,011.7**	**7,623.1**
Insurance service expenses			
Incurred claims	4(a)	(6,654.7)	(6,289.3)
Other insurance service expenses	3	(656.6)	(619.5)
		(7,311.3)	**(6,908.8)**
Insurance service result		**700.4**	**714.3**
Other operating revenue	2(b)	334.7	222.8
Other expenses	3	(503.1)	(400.5)
Share of net profit/(loss) from equity accounted investments	16(c)	(11.0)	(7.1)
Profit before net investment income and income tax		**521.0**	**529.5**
Net investment income	6(a)	207.8	182.2
Profit for the year before income tax		**728.8**	**711.7**
Income tax expense	15(a)	(219.5)	(215.3)
Profit for the year		**509.3**	**496.4**
Total comprehensive income for the year, net of tax		**509.3**	**496.4**
Profit and total comprehensive income for the year attributable to:			
Equity holders of the parent entity		500.8	492.5
Non-controlling interests		8.5	3.9
		509.3	**496.4**

	Note	cents	cents
Earnings per share attributable to ordinary equity holders of the parent entity – basic and diluted	5(b)	**18.2**	**17.9**

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2025

	Note	2025 $m	2024 $m
Current assets			
Cash and cash equivalents	6	648.6	691.0
Trade and other receivables		66.4	39.5
Financial assets at fair value	6(b)	3,062.5	3,048.2
Other assets		34.1	27.6
Total current assets		**3,811.6**	**3,806.3**
Non-current assets			
Property, plant and equipment	9	194.2	205.0
Intangible assets	10	499.9	467.0
Deferred tax assets	15(c)	146.5	142.1
Equity accounted investments	16(c)	39.0	58.7
Other assets		9.1	6.3
Total non-current assets		**888.7**	**879.1**
Total assets		**4,700.3**	**4,685.4**
Current liabilities			
Trade and other payables		170.5	145.4
Lease liabilities	13(a)	29.2	31.7
Borrowings	7(c)	35.0	34.9
Insurance contract liabilities	4(a)	1,606.1	1,636.1
Tax liability		34.4	48.7
Provisions and employee entitlements	11	128.6	118.0
Total current liabilities		**2,003.8**	**2,014.8**
Non-current liabilities			
Trade and other payables		35.4	18.4
Lease liabilities	13(a)	144.8	151.7
Insurance contract liabilities	4(a)	147.8	165.8
Provisions and employee entitlements	11	32.4	29.6
Total non-current liabilities		**360.4**	**365.5**
Total liabilities		**2,364.2**	**2,380.3**
Net assets		**2,336.1**	**2,305.1**
Equity			
Contributed equity	8(a)	85.0	85.0
Reserves	8(b)	27.4	152.3
Retained earnings		2,223.5	2,068.4
Total equity (attributable to equity holders of the parent entity)		**2,335.9**	**2,305.7**
Non-controlling interests		0.2	(0.6)
Total equity		**2,336.1**	**2,305.1**

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the financial year ended 30 June 2025

	Note	Total equity (attributable to equity holders of the parent entity)				Non-controlling interests $m	Total equity $m
		Contributed equity $m	Reserves $m	Retained earnings $m	Total $m		
Balance at 1 July 2023		85.0	233.5	1,925.2	2,243.7	-	2,243.7
Profit for the year		-	-	492.5	492.5	3.9	496.4
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	492.5	492.5	3.9	496.4
Dividends paid	5(a)(i)	-	-	(426.9)	(426.9)	(2.9)	(429.8)
Movement in COVID-19 reserve, net of tax	8(b)(i)	-	(77.6)	77.6	-	-	-
Non-controlling interest from acquisition of subsidiary		-	-	-	-	(1.3)	(1.3)
Other movements in non-controlling interests		-	-	-	-	(0.3)	(0.3)
Acquisition and settlement of share-based payment, net of tax		-	(6.9)	-	(6.9)	-	(6.9)
Share-based payment transactions		-	3.3	-	3.3	-	3.3
Balance at 30 June 2024		85.0	152.3	2,068.4	2,305.7	(0.6)	2,305.1
Profit for the year		-	-	500.8	500.8	8.5	509.3
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	500.8	500.8	8.5	509.3
Dividends paid	5(a)(i)	-	-	(473.7)	(473.7)	(6.9)	(480.6)
Movement in COVID-19 reserve, net of tax	8(b)(i)	-	(128.0)	128.0	-	-	-
Other movements in non-controlling interests		-	-	-	-	(0.8)	(0.8)
Acquisition and settlement of share-based payment, net of tax		-	(5.4)	-	(5.4)	-	(5.4)
Share-based payment transactions		-	8.5	-	8.5	-	8.5
Balance at 30 June 2025		85.0	27.4	2,223.5	2,335.9	0.2	2,336.1

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the financial year ended 30 June 2025

	Note	2025 $m	2024 $m
Cash flows from operating activities			
Premium receipts		8,004.4	7,910.3
Medibank Health receipts		357.5	246.5
Payments for claims and levies		(6,660.6)	(6,271.0)
Payments to suppliers and employees		(1,079.6)	(885.1)
Income taxes paid		(240.8)	(132.2)
Net cash inflow from operating activities	14	**380.9**	**868.5**
Cash flows from investing activities			
Interest received		133.2	119.9
Trust distributions received		12.3	11.6
Investment management expenses		(5.7)	(4.8)
Net sales/(purchases) of financial assets		50.4	(127.2)
Purchase of equity accounted investments	16(c)	(7.0)	(15.5)
Payments for the purchase of businesses, net of cash acquired	16(b)	1.6	(37.2)
Loans to equity accounted investments	17(a)	(4.5)	-
Purchase of plant and equipment		(11.2)	(7.0)
Purchase of intangible assets		(58.6)	(50.6)
Net cash inflow/(outflow) from investing activities		**110.5**	**(110.8)**
Cash flows from financing activities			
Purchase of shares to settle share-based payment		(6.4)	(7.5)
Lease principal and interest payments	13	(46.8)	(48.7)
Borrowings repayments	7(c)	-	(1.3)
Dividends paid to non-controlling interests		(6.9)	(2.9)
Dividends paid to equity holders of the parent entity	5(a)(i)	(473.7)	(426.9)
Net cash outflow from financing activities		**(533.8)**	**(487.3)**
Net increase/(decrease) in cash and cash equivalents		**(42.4)**	**270.4**
Cash and cash equivalents at beginning of the year		691.0	420.6
Cash and cash equivalents at end of the year		**648.6**	**691.0**

The above statement should be read in conjunction with the accompanying notes.

Section 1: Basis of preparation

Note 1. Basis of preparation

Overview

This section outlines the basis on which the Group's financial statements are prepared. Specific accounting policies are described in the note to which they relate.

(a) Corporate information

Medibank Private Limited ("Medibank") is a for-profit company incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

The financial statements of Medibank for the financial year ended 30 June 2025 were authorised for issue in accordance with a resolution of the directors on 28 August 2025. The directors have the power to amend and reissue the financial statements.

(b) Basis of preparation

The financial statements are general purpose financial statements which:

- Are for the consolidated entity ("the Group") consisting of Medibank ("parent entity") and its subsidiaries.
- Have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the *Corporations Act 2001*.
- Have been prepared under the historical cost convention, with the exception of financial assets measured at fair value.
- Are presented in Australian dollars, which is Medibank's functional and presentation currency.
- Have been rounded in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* to the nearest hundred thousand dollars unless otherwise stated.
- Adopt all new and amended accounting standards that are mandatory for 30 June 2025 reporting periods, but do not apply any pronouncements before their operative date. Refer to Note 20 for further information.
- Include, where necessary, updates to comparative financial information for changes in classification of amounts in the current reporting period.

(c) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Medibank as at 30 June 2025 and the results for the financial year then ended. In preparing the consolidated financial statements, all transactions between controlled entities are eliminated in full. When control of an entity commences or ceases during a financial year, the results are included for that part of the year during which control existed. Refer to Note 16(b) for further information on acquisitions during the period and Note 16 for the summary group structure.

(d) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

- Note 4: Insurance contracts.
- Note 10: Intangible assets.
- Note 12: Contingent liabilities.

Section 2: Operating performance

Overview

This section explains the operating results of the Group for the year, and provides insights into the Group's result by reference to key areas, including:

- Results by operating segment
- Other operating expenses
- Insurance service result
- Shareholder returns

Note 2. Segment information

Segment reporting accounting policy
Operating segments are identified based on the separate financial information that is regularly reviewed by the Chief Operating Decision Maker (CODM). The term CODM refers to the function performed by the Chief Executive Officer (CEO) in assessing performance and determining the allocation of resources across the Group.

(a) Description of segments

Segment information is reported on the same basis as the Group's internal management reporting structure at the reporting date. Transactions between segments are carried out on an arm's length basis and are eliminated on consolidation. The Group is not reliant on any one major customer.

For the financial year ended 30 June 2025, the Group was organised for internal management reporting purposes into two reportable segments, Health Insurance and Medibank Health.

Health Insurance

Offers private health insurance products including hospital cover and ancillary cover, as stand-alone products or packaged products that combine the two. Hospital cover provides members with health cover for hospital treatments, whereas ancillary cover provides members with health cover for healthcare services such as dental, optical and physiotherapy. The segment also offers health insurance products to overseas visitors and overseas students.

Health insurance revenue recognition accounting policy
Insurance revenue is the amount of expected premium receipts allocated over the coverage period. For contracts of one year or less the allocation is based on the passage of time. For other contracts, the allocation reflects the expected pattern of risk. Adjustments made to past premiums are recognised as a reduction in insurance revenue.

Medibank Health

Derives its revenue from a range of activities including contracting with government and corporate customers to provide health management and in-home care services, as well as providing a range of telehealth and primary care services in Australia. In addition, the Group distributes travel, life and pet insurance products on behalf of other insurers as part of a broader strategy to retain members and leverage its distribution network.

Medibank Health revenue recognition accounting policy
Medibank Health revenue is reported within Other operating revenue and is recognised when services are provided to the customer and at an amount the Group will be entitled to receive in relation to providing the services. A contract liability is recognised within trade and other payables in the consolidated statement of financial position when the Group has an obligation to transfer services to a customer for which it has already received consideration from the customer (or an amount of consideration is receivable). Contract liabilities are recognised as revenue when the services are provided.

(b) Segment information provided to the CEO

The CEO measures the performance of the Group's reportable segments based on the operating profit of the segments. The segment information provided to the CEO for the year ended 30 June 2025 is as follows.

2025	Health Insurance $m	Medibank Health $m	Total $m
Revenue			
Total segment revenue[1]	8,211.0	485.2	8,696.2
Inter-segment revenue	-	(92.2)	(92.2)
Revenue from external customers	8,211.0	393.0	8,604.0
Incurred claims[2]	(6,814.6)	-	(6,814.6)
Management expenses			
Depreciation and amortisation	(62.7)	(31.2)	(93.9)
Sales commissions	(79.9)	-	(79.9)
Operating expenses[3]	(512.3)	(285.1)	(797.4)
Total management expenses	(654.9)	(316.3)	(971.2)
Operating profit	741.5	76.7	818.2

2024	Health Insurance $m	Medibank Health $m	Total $m
Revenue			
Total segment revenue[1]	7,903.0	360.1	8,263.1
Inter-segment revenue	-	(87.3)	(87.3)
Revenue from external customers	7,903.0	272.8	8,175.8
Incurred claims[2]	(6,595.8)	-	(6,595.8)
Management expenses			
Depreciation and amortisation	(64.3)	(21.2)	(85.5)
Sales commissions	(83.4)	-	(83.4)
Operating expenses[3]	(467.2)	(191.2)	(658.4)
Total management expenses	(614.9)	(212.4)	(827.3)
Operating profit	692.3	60.4	752.7

1. Segment health insurance revenue is after $58.3 million (2024: $50.0 million) of transfers between the Group's other operating segments in relation to the loyalty program and excludes insurance revenue related movements in the COVID-19 reserve which comprise the cash give back cost of$228.3 million and non-cash give back (Live Better give back) cost of $29.3 million (2024: premium deferral cost of $39.9 million and cash give back cost of $290.0 million).
2. Claims incurred include transactions with the Group's other operating segments of $83.4 million (2024: $82.8 million).
3. Medibank Health operating expenses include $0.5 million of interest income from loans to equity accounted investments (2024: $0.3 million) and $(8.0) million in relation to the share of net profit/(loss) from equity accounted investments (2024: $(4.1) million).

(c) Other segment information

(i) Segment operating profit or loss

A reconciliation of segment operating profit to the profit for the year before income tax of the Group is as follows:

	Note	2025 $m	2024 $m
Total segment operating profit		818.2	752.7
Unallocated to operating segments:			
Corporate operating expenses		(55.8)	(52.9)
Group operating profit		762.4	699.8
Net investment income	6(a)	207.8	182.2
Cybercrime expenses[1]		(39.7)	(39.8)
Other income/(expenses)[2]		(18.9)	(19.7)
Movement in COVID-19 reserve[3]		(182.8)	(110.8)
Profit for the year before income tax		728.8	711.7

1. Cybercrime expenses of $39.7 million (2024: $39.8 million) incurred in relation to IT security uplift and legal and other costs associated with the Group's cybercrime event. Refer to Note 12 for further information.
2. Other income/(expenses) of $18.9 million (2024: $19.7 million) is primarily comprised of mergers and acquisition expenses, net sublease rent, acquisition intangible amortisation and non-cash adjustments on step-acquisitions. It also includes interest expense on lease liabilities of $8.9 million (2024: $3.8 million) relating to the Group's lease agreements for corporate and retail properties and medical clinics.
3. Movement in the COVID-19 reserve is not included within Segment operating profit. Refer to Note 8(b) for further details.

(ii) Segment assets and segment liabilities

No information regarding segment assets and segment liabilities has been disclosed, as these amounts are not reported to the CEO for the purpose of making strategic decisions.

(iii) Geographic information

Segment revenue based on the geographical location of customers has not been disclosed, as the Group derives all of its revenues from its Australian operations.

Note 3: Other operating expenses

The table below provides an analysis of other operating expenses incurred by the Group. Other operating expenses excludes incurred claims, share of profit/(loss) from equity accounted investments, net investment income and income tax expense.

	Note	2025 $m	2024 $m
Medical services expense		(55.4)	(38.0)
Employee benefits expense[1]		(600.5)	(508.0)
Office and administration expense		(124.6)	(123.3)
Marketing and commissions expense		(175.5)	(172.2)
Information technology expense		(98.8)	(85.3)
Depreciation and amortisation expense		(96.0)	(89.4)
Finance expense	13(a)	(8.9)	(3.8)
Other expenses		**(1,159.7)**	**(1,020.0)**

1. Includes superannuation expense of $47.7 million (2024: $38.1 million).

Note 4: Insurance contracts

This note provides information on the Group's insurance contracts, including the Group's insurance service result and insurance contract liabilities.

Insurance contracts accounting policy

An insurance contract arises when the Group accepts significant insurance risk from another party by agreeing to compensate them from the adverse effects of a specified uncertain future event. The significance of insurance risk depends on both the probability and magnitude of an insurance event.

Once insurance cover has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk significantly reduces during the period. With the exception of travel, life and pet insurance, for which the Group does not act as an underwriter, all other types of insurance cover are insurance contracts.

The Group applies the premium allocation approach (PAA) for the measurement of its insurance contracts. The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage (LFRC) and the liability for incurred claims (LFIC).

The LFRC represents the Group's obligation to provide future insurance services in relation to contracts recognised at the reporting date. Under the PAA, the LFRC is measured as premiums received less amounts recognised as insurance revenue for coverage that has already been provided.

The LFIC represents the present value of the estimated future payments arising from claims incurred at the end of each reporting period under insurance cover issued by the Medibank health insurance fund and other incurred insurance service expenses.

The Group has announced various customer give backs as part of its commitment to return permanent net COVID-19 savings to policyholders. The treatment of these differs depending on the mechanism used to provide the give back to policyholders.

Premium deferral: Where a premium deferral has been provided, the reduced premium received from policyholders is recognised in the consolidated statement of comprehensive income on a passage of time basis over the policy coverage period.

One-time cash payments: recognised within the LFIC when the Group formally announces the give back, with a corresponding reduction to insurance revenue in the consolidated statement of comprehensive income. The provision is utilised as amounts are returned to policyholders. A provision of $228.3 million (2024: $293.0 million) has been recognised in the LFIC in relation to customer give backs.

Non-cash give back of loyalty program rewards points (Live Better give back): recognised as a $29.3 million (2024: nil) reduction to insurance revenue in the consolidated statement of comprehensive income when the Group formally announces the give back. The obligation is recognised within the deferred revenue liability in trade and other payables in the consolidated statement of financial position and is utilised upon redemption of rewards points. Refer to Note 7(c) for further information.

(a) Insurance service result

The insurance service result includes insurance revenue, offset by directly attributable insurance service expenses. Insurance revenue reflects the consideration the Group expects to be entitled to in exchange for providing insurance contract services. Insurance service expenses include expenses that are directly attributable to fulfilling a group of insurance contract and include claims incurred, other directly attributable insurance service expenses and changes to past service. Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit and loss.

	Note	2025 $m	2024 $m
Insurance revenue		8,011.7	7,623.1
Insurance service expenses			
Claims incurred	(i)	(6,655.4)	(6,251.3)
Changes relating to past service		36.8	46.5
Movement in risk adjustment for non-financial risk		(4.3)	2.6
Net Risk Equalisation Special Account payments/(rebates)		13.1	(29.3)
State levies		(46.6)	(62.4)
Incurred claims, excluding claims handing costs		(6,656.4)	(6,293.9)
Movement in claims handling costs for incurred claims		1.7	4.6
Incurred claims	(ii)	(6,654.7)	(6,289.3)
Other insurance service expenses		(656.6)	(619.5)
Total insurance service expenses		(7,311.3)	(6,908.8)
Insurance service result		700.4	714.3

(i) Claims incurred are after the elimination of transactions with the Group's other operating segments of $83.4 million (2024: $82.8 million).

(ii) Incurred claims consist of amounts paid and payable to hospital, medical and ancillary providers which consists of claims paid and payable, changes in claims liabilities, change in amounts receivable from and payable to the Risk Equalisation Special Account, applicable state levies and costs incurred in health management services. Incurred claims comprise actual claims and is not adjusted for movements in COVID-19 reserve.

Health insurance revenue recognition accounting policy

Insurance revenue is the amount of expected premium receipts allocated over the coverage period. For contracts of one year or less the allocation is based on the passage of time. For other contracts, the allocation reflects the expected pattern of risk. Adjustments made to past premiums are recognised as a reduction in insurance revenue.

The Australian Government contributes a rebate towards eligible policyholders' premium and pays this directly to the Group. This rebate is recognised within insurance revenue in the consolidated statement of comprehensive income.

Net Risk Equalisation Special Account levies and rebates accounting policy

Under legislation, all private health insurers must participate in the Risk Equalisation Special Account in which all private health insurers share the cost of the eligible claims of members aged 55 years and over, and claims meeting the high cost claim criteria.

The Australian Prudential Regulation Authority (APRA) determines the amount payable to or receivable from the Risk Equalisation Special Account after the end of each quarter. Estimates of amounts payable or receivable are provided in the LFIC for periods where determinations have not yet been made. This includes an estimate of risk equalisation for unpresented and outstanding claims.

(b) Reconciliation of movement in insurance contract liabilities

The table below provides an analysis of the movement in the net carrying amounts of insurance contract liabilities.

		2025				2024			
			Liability for incurred claims				Liability for incurred claims		
	Note	Liability for remaining coverage $m	Present value of future cash flows $m	Risk adjustment for non-financial risk $m	Total insurance contract liabilities $m	Liability for remaining coverage $m	Present value of future cash flows $m	Risk adjustment for non-financial risk $m	Total insurance contract liabilities $m
Insurance contract liabilities at 1 July		811.1	937.7	53.1	1,801.9	690.7	759.6	55.7	1,506.0
Insurance revenue		(8,011.7)	-	-	(8,011.7)	(7,623.1)	-	-	(7,623.1)
Insurance service expenses									
Claims incurred	4(a)(i)	-	6,655.4	4.3	6,659.7	-	6,251.3	(2.6)	6,248.7
Changes relating to past service		-	(36.8)	-	(36.8)	-	(46.5)	-	(46.5)
Net Risk Equalisation Special Account payments/(rebates)		-	(13.1)	-	(13.1)	-	29.3	-	29.3
State levies		-	46.6	-	46.6	-	62.4	-	62.4
Incurred claims, excluding claims handing costs		-	6,652.1	4.3	6,656.4	-	6,296.5	(2.6)	6,293.9
Movement in claims handling costs for incurred claims		-	(1.7)	-	(1.7)	-	(4.6)	-	(4.6)
Incurred claims	4(a)(ii)	-	6,650.4	4.3	6,654.7	-	6,291.9	(2.6)	6,289.3
Other insurance service expenses		-	656.6	-	656.6	-	619.5	-	619.5
Total insurance service expenses		-	7,307.0	4.3	7,311.3	-	6,911.4	(2.6)	6,908.8
Insurance service result		(8,011.7)	7,307.0	4.3	(700.4)	(7,623.1)	6,911.4	(2.6)	(714.3)
Other movements	(i)	30.8	(65.6)	-	(34.8)	(166.8)	157.2	-	(9.6)
Cash flows									
Premium receipts		8,004.4	-	-	8,004.4	7,910.3	-	-	7,910.3
Payments for claims and other expenses		-	(7,317.2)	-	(7,317.2)	-	(6,890.5)	-	(6,890.5)
Total cash flows		8,004.4	(7,317.2)	-	687.2	7,910.3	(6,890.5)	-	1,019.8
Insurance contract liabilities at 30 June		834.6	861.9	57.4	1,753.9	811.1	937.7	53.1	1,801.9

(i) Includes the movement between LFRC and LFIC in relation to the customer give back provision of $64.7 million (2024: $(156.9) million), as well as movements in balances that do not form part of insurance contract liabilities, including the Live Better give back that is recognised within trade and other payables.

Of the LFIC balance, $917.7 million (2024: $989.6 million) has an expected maturity (based on the present value of future cash flows) of up to one year and $1.6 million (2024: $1.2 million) has an expected maturity of between 13 to 24 months.

Liability for incurred claims (LFIC) accounting policy

The LFIC provides for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported. It is measured as the present value of the estimated future payments arising from claims incurred at the end of each reporting period under insurance cover issued by the Medibank health insurance fund and other incurred insurance service expenses.

The liability also allows for an estimate of claims handling costs, which comprises all direct expenses of the claims department and general administrative costs directly attributable to the claims function. These include internal and external costs incurred from the negotiation and settlement of claims. The allowance for claims handling costs at 30 June 2025 is 1.0% of the outstanding claims liability (2024: 1.5%).

Key estimate
The LFIC includes the expected claims payments and expenses required to settle any insurance contract obligations. The LFIC estimate with respect to claims is based on an actuarial assessment of the hospital, ancillary and overseas claim categories.

Hospital and overseas	Calculated using statistical methods adopted for all service months but with service levels for the most recent service month (hospital) or two service months (overseas) being based on the latest forecast adjusted for any observed changes in payment patterns.
Ancillary	Calculated using statistical methods adopted for all service months.

The critical assumption is the extent to which claim incidence and development patterns are consistent with past experience. Adjustments are then applied to reflect any unusual or abnormal events that may affect the estimate of claims levels such as major variability to claims processing volumes.

The process for establishing the LFIC involves consultation with internal actuaries (including the Chief Actuary), claims managers and other senior management. The process includes monthly internal claims review meetings attended by senior management.

Key estimate
The risk adjustment reflects the compensation required for bearing uncertainty about the amount and timing of cash flows that arises from non-financial risk. The risk adjustment applied to the Group's outstanding claims central estimate within the LFIC at 30 June 2025 is 12.2% (2024: 12.2%). The risk adjustment is based on an analysis of past experience, including comparing the volatility of past payments to the adopted outstanding claims estimate. The risk adjustment has been estimated to equate to the Group's objective of achieving a probability of adequacy of at least 98% (2024: 98%).

Liability for remaining coverage (LFRC) accounting policy
The LFRC is measured as premiums received less amounts recognised as insurance revenue for coverage that has been provided. The LFRC is not adjusted for the effect of financial risk and it is not adjusted to reflect the time value of money, as the Group expects that the time of providing the services is close to the related premium due date.

Insurance acquisition costs are expensed as incurred and are included within profit or loss.

Onerous contracts accounting policy
Insurance contracts are onerous when the LFRC is insufficient to pay future claims and other insurance service expenses attributable to the contracts. The Group's contracts are assumed not to be onerous unless facts and circumstances indicate otherwise. If there are facts and circumstances that indicate contracts may be onerous, a loss component is recognised in profit or loss if the carrying amount of the LFRC is less than the estimated fulfilment cash flows. No onerous contracts have been identified in the current or prior reporting periods.

(c) Impact of changes in key variables on the LFIC

The key variables in the measurement of the LFIC include the claims central estimate, risk margin and weighted average term to settlement. A 10% increase/decrease in the claims central estimate would result in a $33.4 million decrease/increase to profit after tax and equity (2024: $30.1 million). A 1% movement in other key variables, including risk margin and weighted average term to settlement, would result in an insignificant decrease/increase to profit after tax and equity.

(d) Insurance risk management

The Group provides private health insurance products including hospital cover and ancillary cover, as stand-alone products or packaged products that combine the two, for Australian residents, overseas students studying in Australia and overseas visitors to Australia. These services are categorised as two types of contracts: hospital and/or ancillary cover.

The table below sets out the key variables upon which the cash flows of the insurance contracts are dependent.

Type of contract	Detail of contract workings	Nature of claims	Key variables that affect the timing and uncertainty of future cash flows
Hospital cover	Defined benefits paid for hospital treatment, including accommodation, medical and prostheses costs.	Hospital benefits defined by the insurance contract or relevant deed.	Claims incidence and claims inflation.
Ancillary cover	Defined benefits paid for ancillarytreatment, such as dental, optical and physiotherapy services.	Ancillary benefits defined by the insurance contract or relevant deed.	Claims incidence and claims inflation.

Insurance risks and the holding of capital in excess of prudential requirements are managed through the use of claims management procedures, close monitoring of experience, the ability to vary premium rates, and risk equalisation.

Mechanisms to manage risk

Claims management	Strict claims management ensures the timely and correct payment of claims in accordance with policy conditions and provider contracts. Claims are monitored monthly to track the experience of the portfolios.
Experience monitoring	Monthly financial and operational results, including portfolio profitability and prudential capital requirements, are reported to management committees and the Board. Results are also monitored against industry for insurance risks and experience trends as published by the regulator, APRA.
Prudential capital requirements	All private health insurers must comply with prudential capital requirements to maintain adequate capital against the risks associated with its activities. The Private Health Insurance Capital Framework includes the HPS 110 Capital Adequacy standard, and requires private health insurers to have a Board-approved Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP involves an integrated approach to risk and capital management, based around assessing the level of, and appetite for, risk in the business and ensuring that the level and quality of capital is appropriate for that risk profile. Medibank's ICAAP Summary Statement Policy (ICAAPSS policy) defines our approach to capital management and sets out the target level of capital and the processes and framework to achieve this outcome, including the triggers and actions to follow in the case of an adverse stress event. Medibank's capital management objective is to maintain a strong financial risk profile and capacity to pay all eligible customer benefits, invest in the growth of our business to provide a return to shareholders and to meet financial commitments. Capital is managed against the ICAAPSS policy and performance is reported to the Board on a monthly basis. The Board has a target level of capital which is in excess of the minimum regulatory prescribed capital requirements. The level of capital must also comply with the requirements in Medibank's Liquidity Management Policy, to ensure sufficient liquidity is available to fund all payments as and when they fall due. Following a review of the 2022 cybercrime event, APRA announced a $250 million increase in Medibank's capital adequacy requirement, effective from 1 July 2023. To meet this supervisory adjustment, capital allocated to the Health Insurance business has been temporarily increased.
Ability to vary premium rates	The Group can vary future premium rates subject to the approval of the Minister for Health.
Risk equalisation	Private health insurance legislation requires resident private health insurance contracts to meet community rating requirements. This prohibits discrimination between people on the basis of their health status, gender, race, sexual orientation, religious belief, age (except as allowed under Lifetime Health Cover provisions), increased need for treatment or claims history. To support these restrictions, all private health insurers are required to participate in the Risk Equalisation Special Account.
Concentration of health risk	The Group has health insurance contracts covering hospital and ancillary cover, and private health insurance for overseas students and visitors to Australia. There is no significant exposure to concentrations of risk because contracts cover a large volume of people across Australia.
COVID-19 reserve	The COVID-19 reserve was created on transition to AASB 17 *Insurance Contracts* to support COVID-19-related accounting and provide transparency around the Group's commitment to return any permanent net claims savings due to COVID-19 to policyholders. It represents the expected future payments required due to the COVID-19 pandemic impacting availability and accessibility to surgeries and other health services and therefore is deducted from capital. With the finalisation of the COVID-19 support package and give back program, the associated accounting has concluded as at 30 June 2025, and the COVID-19 reserve balance has reduced to nil. The Group also created a sub-portfolio within the Health Fund Investment Portfolio to fund claims deferred due to COVID-19 and customer give backs. The sub-portfolio also supports the amount held for the APRA supervisory adjustment.

Note 5: Shareholder returns

(a) Dividends

(i) Dividends paid or payable

	Cents per fully paid share	$m	Payment date
2025			
2024 final fully franked dividend	9.40	258.9	26 September 2024
2025 interim fully franked dividend	7.80	214.8	26 March 2025
2024			
2023 final fully franked dividend	8.30	228.6	5 October 2023
2024 interim fully franked dividend	7.20	198.3	20 March 2024

(ii) Dividends not recognised at the end of the reporting period

On 28 August 2025, the directors determined a final fully franked ordinary dividend for the six months ended 30 June 2025 of 10.20 cents per share. The dividend is expected to be paid on 9 October 2025 and has not been provided for as at 30 June 2025.

(iii) Franking account

Franking credits available at 30 June 2025 for subsequent reporting periods based on a tax rate of 30% are $514.7 million (2024: $483.7 million).

(iv) Calculation of dividend paid

Medibank's target dividend payout ratio for the 2025 financial year is 75-85% (2024: 75-85%) of full year normalised net profit after tax (underlying NPAT). Normalised net profit after tax is calculated based on statutory net profit after tax attributable to equity holders of the parent entity, adjusted for short-term outcomes that are expected to normalise over the medium to longer term, most notably in relation to the level of gains or losses from investments and movement in credit spreads, and for one-off items, especially those that are non-cash, such as impairments. Underlying NPAT is also adjusted for the net movement in the COVID-19 reserve.

	2025 $m	2024 $m
Profit for the year – after tax, attributable to equity holders of the parent	**500.8**	**492.5**
Normalisation for growth asset returns	(10.7)	7.0
Normalisation for defensive asset returns – credit spread movement	0.6	(6.7)
Normalisation for movement in COVID-19 reserve	128.0	77.6
Underlying NPAT	**618.7**	**570.4**

Dividends accounting policy

A liability is recorded for any dividends determined on or before the reporting date, but that have not been distributed at that date.

(b) Earnings per share (EPS)

	2025	2024
Basic and diluted earnings per share attributable to ordinary equity holders of the parent entity (cents)	18.2	17.9
Profit for the year attributable to ordinary equity holders of the parent entity ($m)	500.8	492.5
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	2,754,003,240	2,754,003,240

EPS accounting policy

Basic EPS is calculated by dividing the profit attributable to equity holders of Medibank by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted EPS adjusts the EPS for the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Section 3: Investment portfolio and capital

Overview

This section provides insights into the Group's exposure to market and financial risks and outlines how these risks are managed. This section also describes how the Group's capital is managed.

Note 6: Investment portfolios

This note provides information on the net investment income and the carrying amounts of the financial assets residing in the two investment portfolios: the Health Fund Investment Portfolio (including the sub-portfolio) and the Non-Health Fund Investment Portfolio.

Health Fund Investment Portfolio

The Health Fund Investment Portfolio is managed in accordance with the requirements of the Board approved Capital Management Policy, APRA regulatory requirements and the overall objective of achieving a capital base that is both stable and liquid. Consequently, the asset allocation of the Health Fund Investment Portfolio is skewed towards defensive assets (less risky and generally lower returning) rather than growth assets (riskier but potentially higher returning). The Board approved short-term target asset allocation for the Health Fund Investment Portfolio is 18%/82% for growth and defensive assets (2024: 20%/80%), and the long-term Strategic Asset Allocation (SAA) is 25%/75% for growth and defensive assets.

The Short-term Operational Cash (STOC) sub-portfolio is in place to fund claims deferred due to COVID-19 and customer give backs. It also includes $167.0 million (2024: $167.0 million) to support the amount held for the APRA supervisory adjustment. Given the sub-portfolio's short-term nature, it is managed separately from the target asset allocation framework. This sub-portfolio is permitted to invest in bank deposits, short-term domestic money market securities with a minimum credit rating of A-1+ and Fixed Income assets with a minimum credit rating of AA-.

Non-Health Fund Investment Portfolio

The Non-Health Fund Investment Portfolio is designed to provide the Group with additional liquidity and financial flexibility. The portfolio resides outside of the health fund and is not subject to the same regulatory requirements as the Health Fund Investment Portfolio. The Chief Financial Officer has delegation from the Investment and Capital Committee to manage the portfolio in accordance with the Board approved Non-Health Fund Investment Management Policy and investment strategy. The Non-Health Fund Investment Portfolio is permitted to invest in bank deposits, short-term domestic money market securities with a minimum credit rating of A-1+ and Fixed Income assets with a minimum credit rating of AA-.

Portfolio composition

	2025 $m	2024 $m	2025 %	2024 %	Target asset allocation
Growth					
Australian equities	101.7	127.0	3.4%	4.5%	3.0%
International equities	123.6	109.9	4.2%	3.9%	4.0%
Property	141.0	151.9	4.7%	5.4%	5.0%
Infrastructure	163.8	98.3	5.5%	3.5%	6.0%
Total Growth	530.1	487.1	17.8%	17.3%	18.0%
Defensive					
Fixed income	1,836.5	1,670.7	61.9%	59.5%	62.0%
Cash[1]	604.6	651.6	20.3%	23.2%	20.0%
Total Defensive	2,441.1	2,322.3	82.2%	82.7%	82.0%
Total Health Insurance Fund	2,971.2	2,809.4	100.0%	100.0%	100.0%
Short-term operational cash portfolio (STOC)	424.6	642.9			
Non-Health Fund Investment portfolio	246.2	234.5			
Total investment portfolio	3,642.0	3,686.8			
Operational cash	69.1	52.4			
Total cash and cash equivalents and financial assets at fair value	3,711.1	3,739.2			

1. For investment portfolio purposes, cash comprises cash and cash equivalents of $648.6 million (2024: $691.0 million), plus deposits with longer maturities of $363.4 million (2024: $484.2 million), less Non-Health Fund Investment portfolio cash of $38.6 million (2024: $12.9 million), less short-term operational cash of 291.5 million (2024: $410.9 million), less cash allocated to the fixed income portfolio of $8.2 million (2024: $47.4 million), less operational cash of $69.1 million (2024: $52.4 million).

Financial assets at fair value accounting policy

Health Fund Investment Portfolio

Investments in listed and unlisted equity securities held by the Health Fund Investment Portfolio are accounted for at fair value through profit or loss (FVTPL). Fixed income investments held by the Health Fund Investment Portfolio are also accounted for at FVTPL, as the Group applies the fair value option to eliminate an accounting mismatch. Transaction costs relating to these financial assets are expensed in the consolidated statement of comprehensive income. These assets are subsequently carried at fair value, with gains and losses recognised within net investment income in the consolidated statement of comprehensive income.

Non-Health Fund Investment Portfolio

Fixed income assets held by the Non-Health Fund Investment Portfolio are accounted for at fair value through other comprehensive income (FVOCI). These assets are measured at fair value, with changes in fair value recognised within other comprehensive income (OCI). Upon derecognition, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss. Interest income is recognised within net investment income in the consolidated statement of comprehensive income using the effective interest method. Impairment losses are recognised in profit or loss.

Key judgement and estimate

Fair value measurement may be subjective, and investments are categorised into a hierarchy depending on the level of subjectivity involved in the valuation techniques used to measure fair value. The hierarchy is described in Note 6(b).

The fair value of level 2 financial instruments is determined using a variety of valuation techniques, which make assumptions based on market conditions existing at the end of each reporting period. Valuation methods include quoted market prices or dealer quotes for similar instruments, yield curve calculations using the mid yield, vendor or independent developed models.

The fair value of level 3 financial instruments is determined using inputs that are not based on observable market data.

(a) Net investment income

Net investment income is presented net of investment management fees in the consolidated statement of comprehensive income.

	2025 $m	2024 $m
Interest income[1]	144.4	131.4
Trust distributions	37.4	37.5
Net gain/(loss) on fair value movements on financial assets	23.5	8.1
Net gain/(loss) on disposal of financial assets	10.3	11.4
Investment management expenses	(5.7)	(4.6)
Interest expense	(2.1)	(1.6)
Net investment income	**207.8**	**182.2**

1. Includes interest income of $11.8 million (2024: $11.4 million) relating to financial assets at fair value through other comprehensive income (Non-Health Fund Investments).

Net investment income accounting policy

Net investment income includes:

- Interest income on financial assets and interest expense on borrowings, which is recognised using the effective interest method.
- Trust distribution income derived from financial assets at FVTPL, which is recognised when the Group's right to receive payments is established.
- Gains or losses arising from changes in the fair value of financial assets measured at FVTPL.
- Investment management expenses.

(b) Fair value hierarchy

The Group's financial instruments are categorised according to the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted current bid price) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The following tables present the Group's financial assets measured and recognised at fair value on a recurring basis.

30 June 2025	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets at fair value through profit or loss				
Australian equities[1]	-	101.7	-	101.7
International equities[1]	-	123.6	-	123.6
Property[1]	-	-	141.0	141.0
Infrastructure[1]	-	-	163.8	163.8
Fixed income	64.2	2,223.2	-	2,287.4
Financial assets at fair value through other comprehensive income – Fixed income	-	245.0	-	245.0
Balance at 30 June 2025	64.2	2,693.5	304.8	3,062.5

30 June 2024	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets at fair value through profit or loss				
Australian equities[1]	-	127.0	-	127.0
International equities[1]	-	109.9	-	109.9
Property[1]	-	-	151.9	151.9
Infrastructure[1]	-	-	98.3	98.3
Fixed income	65.1	2,274.4	-	2,339.5
Financial assets at fair value through other comprehensive income – Fixed income	-	221.6	-	221.6
Balance at 30 June 2024	65.1	2,732.9	250.2	3,048.2

1. Australian equities, international equities, property and infrastructure are indirectly held through unit trusts.

The Group's other financial instruments, being trade and other receivables and trade and other payables, are not measured at fair value. The fair value of these instruments has not been disclosed, as due to their short-term nature, their carrying amounts are assumed to approximate their fair values.

Transfers between fair value hierarchy levels are recognised from the date of effect of the transfer. There were no transfers between the fair value hierarchy levels during the year.

Fair value measurements using significant unobservable market data (level 3)

The Group's investments in infrastructure and property financial assets are classified within level 3 of the fair value hierarchy. These assets are held in unlisted unit trusts and are valued at the redemption value per unit as reported by the managers of such funds. They are classified within level 3 of the fair value hierarchy as their fair values are not based on observable market data due to the infrequent trading of these investments which results in limited price transparency.

The following table presents the changes in level 3 financial assets during the period.

	Infrastructure $m	Property $m	Total $m
Balance at 1 July 2024	98.3	151.9	250.2
Net acquisitions/(disposals)	60.0	(10.5)	49.5
Net unrealised gain/(loss) on fair value movements	5.5	(0.4)	5.1
Balance at 30 June 2025	163.8	141.0	304.8

A 10% increase/decrease in the redemption price would decrease/increase the fair value of the level 3 financial assets by $30.5 million (2024: $25.0 million).

Note 7: Financial risk management

This note reflects risk management policies and procedures associated with financial instruments. The Group's principal financial instruments comprise cash and cash equivalents (short-term money market instruments), fixed income assets (floating rate notes, asset-backed securities, syndicated loans, fixed income absolute return funds and hybrid investments), property assets, infrastructure assets, Australian equities and international equities.

A strategic asset allocation is set and reviewed at least annually by the Board and establishes the target and maximum and minimum exposures in each investment class. Transacting in individual investments is subject to the delegation of authorities and approval process that is established and reviewed by the Investment and Capital Committee (ICC). Trading of derivative instruments for purposes other than risk management cannot be undertaken, unless explicitly approved by the ICC. The Group was in compliance with this policy during the current and prior reporting periods.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. Primary responsibility for the consideration and control of financial risks rests with the ICC under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified, including the setting of limits for trading in derivatives, foreign currency contracts and other instruments. Limits are also set for credit exposure and interest rate risk.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

Description	The risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.
Exposure	The Group has exposure to Australian variable and global fixed interest rate risk in respect of its cash and cash equivalents (2025: $648.6 million, 2024: $691.0 million) and fixed income assets (2025: $2,532.4 million, 2024: $2,561.1 million). Both classes of financial assets have variable interest rates and are therefore exposed to cash flow movements if these interest rates change. The Group regularly analyses its interest rate exposure and resets interest rates on longer-term investments every 90 days on average. At balance date, the Group's fixed income assets had a modified duration of 0.3 years (2024: 0.2 years). The Group also has exposure to variable interest rate risk in respect of its borrowings (2025: $35.0 million, 2024: $34.9 million).
Sensitivity	A 50bps increase/decrease in interest rates for the entire reporting period, with all other variables remaining constant, would have resulted in a $8.0 million increase/decrease to profit after tax and equity (2024: $8.2 million). The sensitivity analysis has been conducted using assumptions from published economic data.

(ii) Foreign currency risk

Description	The risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates.
Exposure	All of the Group's financial assets with a non-AUD currency exposure are fully economically hedged, except for International equities which are unhedged. At balance date, international equities financial assets (2025: $123.6 million, 2024: $109.9 million) had net exposure to foreign currency movements.
Sensitivity	A 10% increase/decrease in foreign exchange rates, with all other variables remaining constant, would have resulted in a $9.6 million decrease/increase to profit after tax and equity (2024: $8.5 million) in the AUD valuation of international equities financial assets. Balance date risk exposures represent the risk exposure inherent in the financial instruments.

(iii) Price risk

Description	The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
Exposure	The Group is exposed to price risk in respect of its fixed income assets primarily due to movements in credit spreads. This risk is managed through active management of credit exposures and credit spread duration. The Group's equity price risk arises from investments in property, infrastructure, Australian equities and international equities. It is managed by setting and monitoring objectives and constraints on investments, diversification plans and limits on investments in each country, sector and market.
Sensitivity	These investments are exposed to short-term fluctuations in price with their fair value movements being recorded in the consolidated statement of comprehensive income. Price risk is managed by taking a longer-term view of the investment portfolio. The following sensitivity analysis is based on the equity price risk exposures on the average monthly balances during the period and shows the impact on profit after tax and equity if market prices had moved, with all other variables held constant.

	2025 $m		2024 $m	
	+10.0%	-10.0%	+10.0%	-10.0%
Australian equities	7.5	(7.5)	9.0	(9.0)
International equities	8.5	(8.5)	7.4	(7.4)
Property	9.9	(9.9)	11.5	(11.5)
Infrastructure	8.7	(8.7)	6.8	(6.8)

In relation to fixed income assets, a 25bps increase/decrease in credit spreads, with all other variables remaining constant, would have resulted in a $9.0 million decrease/increase to profit after tax and equity (2024: $7.2 million). Balance date risk exposures represent the risk exposure inherent in the financial instruments.

(b) Credit risk

(i) Cash and cash equivalents and financial assets at fair value

Description	The risk of potential default of a counterparty, with a maximum exposure equal to the carrying amount of these instruments.
Exposure	Credit risk exposure is measured by reference to exposures by ratings bands, country, industry and instrument type. The Investment Management Policy limits the majority of internally managed credit exposure to A- or higher rated categories for long-term investments, and A2 or higher for short-term investments (as measured by external rating agencies such as Standard & Poor's). Departures from this policy and the appointment of external managers require Board approval. The Group does not have any financial instruments to mitigate credit risk and all investments are unsecured (except for covered bonds, asset-backed securities and mortgage-backed securities). However, the impact of counterparty default is managed through the use of Board approved limits by counterparty and rating and diversification of counterparties.
Sensitivity	The Group's cash and fixed income portfolios are subject to counterparty exposure limits. These limits specify that no more than 50% (2024: 50%) of the cash portfolio can be invested in any one counterparty bank and no more than 10% (2024: 10%) in any one counterparty corporate entity. In the Group's fixed income portfolio, the maximum amounts that can be invested in any one counterparty bank and any one counterparty corporate entity are 50% (2024: 50%) and 15% (2024: 15%) of the portfolio respectively. As at 30 June 2025 and 2024, the counterparty exposure of the Group was within these limits.

(ii) Trade and other receivables and insurance related receivables

Description	Due to the nature of the industry and value of individual policies, the Group does not request any collateral nor is it the policy to secure its trade and other receivables and insurance related receivables. The Group regularly monitors its trade and other receivables and insurance related receivables, with the result that exposure to bad debts is not significant. The credit risk in respect to insurance related receivables, incurred on non-payment of premiums, will only persist during the grace period of two months as specified in the Fund Rules, after which the policy may be terminated. The Group is not exposed to claims whilst a membership is in arrears, although a customer can settle their arrears up to the two month grace period and a claim for that arrears period will then be paid. Trade and other receivables are monitored regularly and escalated when they fall outside of terms. The use of debt collection agencies may be used to obtain settlement.
Exposure	There are no significant concentrations of credit risk on trade and other receivables within the Group.

Trade and other receivables accounting policy

Trade and other receivables are non-interest bearing and generally due for settlement within 7 - 30 days. These receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method, less a loss allowance for expected credit losses. The carrying value of trade and other receivables is considered to approximate fair value, due to the short-term nature of the receivables. Collectability of trade receivables is reviewed on an ongoing basis. The Group applies the simplified impairment approach, and any impairment loss is recognised within other expenses in the consolidated statement of comprehensive income.

(iii) Counterparty credit risk ratings

The following tables provide information regarding the Group's credit risk exposure at balance date in respect of the major classes of financial assets. Amounts are classified according to the short-term and equivalent long-term credit ratings (as per published Standard & Poor's correlations) of the counterparties. Assets that fall outside the range AAA to BBB are classified as non-investment grade. The Group's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets in the consolidated statement of financial position.

Short-term rating Long-term rating 2025	A-1+ AAA $m	A-1+ AA $m	A-1 A $m	A-2 BBB $m	B & below BB & below $m	Not rated $m	Total $m
Cash and cash equivalents	-	648.6	-	-	-	-	648.6
Financial assets at fair value							
Australian equities	-	-	-	-	-	101.7	101.7
International equities	-	-	-	-	-	123.6	123.6
Property	-	-	-	-	-	141.0	141.0
Infrastructure	-	-	-	-	-	163.8	163.8
Fixed income	108.0	842.2	842.2	228.7	-	266.3	2,287.4
Financial assets at fair value through other comprehensive income	-	245.0	-	-	-	-	245.0
Total	108.0	1,735.8	842.2	228.7	-	796.4	3,711.1
2024							
Cash and cash equivalents	-	691.0	-	-	-	-	691.0
Financial assets at fair value							
Australian equities	-	-	-	-	-	127.0	127.0
International equities	-	-	-	-	-	109.9	109.9
Property	-	-	-	-	-	151.9	151.9
Infrastructure	-	-	-	-	-	98.3	98.3
Fixed income	364.3	721.6	749.9	197.6	7.6	298.5	2,339.5
Financial assets at fair value through other comprehensive income	-	221.6	-	-	-	-	221.6
Total	364.3	1,634.2	749.9	197.6	7.6	785.6	3,739.2

The not rated fixed income assets relate to investments in unrated unit trusts. The majority of the underlying securities held by these unit trusts are investment grade assets and Senior Loans.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments. It may result from either the inability to sell financial assets quickly at their fair values; or a counterparty failing on repayment of a contractual obligation; or insurance liability falling due for payment earlier than expected; or inability to generate cash inflows as anticipated.

In order to maintain appropriate levels of liquidity, the Health Fund Investment Portfolio's target asset allocation is to hold 20% (2024: 20%) of its total investment assets in cash/bank deposits and highly liquid short-term money market instruments and fixed income securities. The Short-term Operational Cash (STOC) sub-portfolio invests cash/bank deposits and highly liquid short-term money market instruments and fixed income securities. The Non-Health Fund Investment Portfolio provides the Group with additional liquidity and financial flexibility over and above the Fund's target allocation.

Trade payables and other financial liabilities mainly originate from the financing of assets used in ongoing operations such as property, plant and equipment and investments in working capital. These assets are considered by the Group in the overall liquidity risk. To monitor existing financial liabilities as well as to enable an effective overall controlling of future risks, the Group has established comprehensive risk reporting that reflects expectations of management of expected settlement of financial liabilities.

The following table summarises the maturity profile of the Group's financial liabilities based on the remaining undiscounted contractual cash flow obligations. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 30 June 2025.

	Under 6 months $m	6 to 12 months $m	1 to 2 years $m	Over 2 years $m	Total contractual cash flows $m	Carrying amount $m
2025						
Trade and other payables[1]	159.4	11.1	12.0	23.4	205.9	205.9
Lease liabilities[2]	20.9	19.9	34.6	145.7	221.1	174.0
Borrowings[3]	35.0	-	-	-	35.0	35.0
2024						
Trade and other payables[1]	138.8	6.6	11.7	6.7	163.8	163.8
Lease liabilities[2]	23.6	19.0	34.3	148.6	225.5	183.4
Borrowings[3]	34.9	-	-	-	34.9	34.9

1. Includes the loyalty program deferred revenue liability of $68.0 million (2024: $30.5 million). Contractual cash flows greater than 6 months primarily relate to the loyalty program.
2. Refer to Note 13 for further information on lease liabilities.
3. The Myhealth Medical Group has $35.0 million (2024: $34.9 million) in secured borrowings at variable interest rates.

Trade and other payables accounting policy

Trade and other payables are non-interest bearing and are initially measured at fair value and subsequently at amortised cost using the effective interest method. The carrying value of trade and other payables is considered to approximate fair value, due to the short-term nature of the payables.

Loyalty program accounting policy

Where the amount of health insurance revenue includes a loyalty component, revenue is allocated to this component based on the relative estimated stand-alone selling price. The component of loyalty revenue is initially deferred as a liability on the consolidated statement of financial position, and subsequently recognised in the consolidated statement of comprehensive income upon redemption when Medibank is obliged to provide the specified goods or services itself.

Borrowings accounting policy

Borrowings are held by the Myhealth Medical Group and are initially recognised at fair value, less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Note 8: Equity

(a) Contributed equity

Contributed equity consists of 2,754,003,240 fully paid ordinary shares at $0.03 per share. Ordinary shares entitle their holder to one vote, either in person or by proxy on a poll, at a general meeting of Medibank, and in a reduction of capital, the right to repayment of the capital paid up on the shares.

Ordinary shares entitle their holders to receive dividends and, in the event of winding up Medibank, entitle their holders to participate in the distribution of the surplus assets of Medibank.

(b) Reserves

	Note	2025 $m	2024 $m
Equity reserve[1]		17.8	17.8
Share-based payments reserve[2]		9.6	6.5
COVID-19 reserve	(i)	-	128.0
Total		27.4	152.3

1. During the 2009 financial year, the parent entity entered into a restructure of administrative arrangements, which gave rise to an equity reserve representing the difference between the book value of the net assets acquired from Medibank Health Solutions Pty Ltd (formerly Health Services Australia Pty Ltd) and the total purchase consideration.
2. The share-based payments reserve is used to record the cumulative expense recognised in respect of performance rights issued to participating employees. Refer to Note 18 for further information.

(i) COVID-19 reserve

The COVID-19 reserve was created on transition to AASB 17 *Insurance Contracts* to support COVID-19-related accounting and provide transparency around the Group's commitment to return any permanent net claims savings due to COVID-19 to policyholders. It represents the expected future payments required due to the COVID-19 pandemic impacting availability and accessibility to surgeries and other health services.

The reserve is measured by comparing the difference between the actual and expected volume of insured surgical and non-surgical (prior period also included ancillary procedures). Where actual claims are below expected claims, the reserve is increased by the amount of claims savings. Where actual claims exceed expected claims, the reserve is decreased by the amount utilised. In addition, the reserve is further utilised for the cost of any premium deferrals, one-time cash give backs and Live Better give backs that are returned to eligible policyholders. Refer to Note 4 for further information.

With the finalisation of the COVID-19 support package and give-back program, the associated accounting has concluded as at 30 June 2025, and the COVID-19 reserve balance has reduced to nil.

The table below provides a reconciliation of the movement in the COVID-19 reserve during the period.

	2025 $m	2024 $m
Balance at beginning of period	128.0	205.6
Lower/(higher) than expected claims	74.8	219.1
Premium deferral cost	-	(39.9)
Cash give back cost	(228.3)	(290.0)
Live Better give back cost	(29.3)	-
Tax effect of movements	54.8	33.2
Balance at end of period	-	128.0

Key estimate

The determination of the level of expected claims is a key estimate which is based on statistical analysis of the estimated underlying claims growth per Single Equivalent Unit per policy (PSEU) that would have occurred if the COVID-19 pandemic did not eventuate. It has then been applied to the average actual number of PSEUs.

Section 4: Other assets and liabilities

Overview

This section provides insights into the operating assets used and liabilities incurred to generate the Group's operating result. Refer to Note 4 for further information on insurance contract liabilities.

Note 9: Property, plant and equipment

(a) Closing net carrying amount

	Note	2025 $m	2024 $m
Plant and equipment		13.9	12.2
Leasehold improvements		65.7	72.7
Assets under construction		4.7	3.3
Right-of-use assets	13	109.9	116.8
Total property, plant and equipment		194.2	205.0

(b) Reconciliation of the net carrying amount

	Plant and equipment $m	Leasehold improvements $m	Assets under construction $m	Total $m
2025				
Gross carrying amount	19.6	119.2	4.7	143.5
Accumulated depreciation and impairment	(5.7)	(53.5)	-	(59.2)
Net carrying amount	13.9	65.7	4.7	84.3
Net carrying amount at 1 July	12.2	72.7	3.3	88.2
Net additions	5.5	3.3	3.8	12.6
Transfers in/(out)	1.1	1.3	(2.4)	-
Depreciation expense	(4.9)	(11.6)	-	(16.5)
Net carrying amount at 30 June	13.9	65.7	4.7	84.3
2024				
Gross carrying amount	30.6	172.4	3.3	206.3
Accumulated depreciation and impairment	(18.4)	(99.7)	-	(118.1)
Net carrying amount	12.2	72.7	3.3	88.2
Net carrying amount at 1 July	11.4	10.5	5.7	27.6
Acquisition of business	2.6	13.1	-	15.7
Net additions	1.1	51.3	6.7	59.1
Transfers in/(out)	-	8.5	(9.1)	(0.6)
Depreciation expense	(2.9)	(10.7)	-	(13.6)
Net carrying amount at 30 June	12.2	72.7	3.3	88.2

(c) Property, plant and equipment capital expenditure commitments

	2025 $m	2024 $m
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	-	1.2

Property, Plant and Equipment Accounting Policy
Refer to Note 13 for the accounting policy for right-of-use assets.

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item and any subsequent expenditure eligible for capitalisation. Repairs and maintenance costs are recognised in the consolidated statement of comprehensive income during the period in which they are incurred.

Depreciation
Property, plant and equipment is depreciated using the straight-line method over the estimated useful life as follows:

Plant and equipment	2 - 15 years
Leasehold improvements	the lease term
Assets under construction	not depreciated until in use

Disposal
The gain or loss on disposal of property, plant and equipment (the difference between the carrying amount of the asset and the net proceeds on disposal) is recognised in the consolidated statement of comprehensive income.

Note 10: Intangible assets

	Note	Goodwill $m	Customer contracts, relationships and brand $m	Software $m	Assets under construction $m	Total $m
2025						
Gross carrying amount		420.8	98.4	585.3	67.8	1,172.3
Accumulated depreciation and impairment		(78.4)	(91.0)	(503.0)	-	(672.4)
Net carrying amount		**342.4**	**7.4**	**82.3**	**67.8**	**499.9**
Net carrying amount at 1 July		**323.7**	**8.7**	**90.2**	**44.4**	**467.0**
Acquisition of business	16(b)	13.3	.	-	-	13.3
Additions		5.4	-	2.3	57.1	64.8
Transfers in/(out)		-	-	33.7	(33.7)	-
Amortisation expense		-	(1.3)	(43.9)	-	(45.2)
Net carrying amount at 30 June		**342.4**	**7.4**	**82.3**	**67.8**	**499.9**
2024						
Gross carrying amount		402.1	98.4	549.3	44.4	1,094.2
Accumulated amortisation and impairment		(78.4)	(89.7)	(459.1)	-	(627.2)
Net carrying amount		**323.7**	**8.7**	**90.2**	**44.4**	**467.0**
Net carrying amount at 1 July		**204.5**	**0.3**	**89.6**	**33.7**	**328.1**
Acquisition of business		119.2	8.7	1.4	-	129.3
Additions		-	-	8.3	42.3	50.6
Transfers in/(out)		-	-	31.6	(31.6)	-
Amortisation expense		-	(0.3)	(40.7)	-	(41.0)
Net carrying amount at 30 June		**323.7**	**8.7**	**90.2**	**44.4**	**467.0**

Goodwill Accounting Policy
Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortised and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Key estimate
Refer to Note 10(a) for further information on the assumptions used in the recoverable amount calculations.

Software accounting policy

Software is carried at cost less accumulated amortisation and impairment losses. Costs capitalised include external direct costs of acquiring software, licences and service, and payroll related costs of employees' time spent on the project. Assets are capitalised where there is control of the underlying software asset and where they will contribute to future financial benefits, through revenue generation and/or cost reduction.

Amortisation is calculated on a straight-line basis over the expected useful lives of the software (1.5 to 10 years).

Customer contracts, relationships and brand accounting policy

Customer contracts and relationships and brands acquired as part of a business combination are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Amortisation is calculated on a straight-line basis over the expected useful lives (customer contracts and relationships: 5 to 12 years, brand: 10 years).

Customer contracts and relationships are assessed for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(a) Impairment tests for goodwill – key assumptions and judgements

Below is a summary of the Group's goodwill allocation to cash generating unit (CGU) and the key assumptions made in determining the recoverable amounts.

	2025			2024		
	Goodwill allocation $m	Growth rate %	Pre-tax discount rate %	Goodwill allocation $m	Growth rate %	Pre-tax discount rate %
Health Insurance	100.0	2.5	11.7	96.2	2.5	11.4
Medibank Health Telehealth	11.1	2.5	12.1	11.1	2.5	11.9
Medibank Health Home Care	97.2	2.5	12.1	97.2	2.5	11.9
Primary Care	134.1	2.5	11.8	119.2	n/a	n/a

Forecast future cash flows	The recoverable amounts of the CGUs are based on value in use (VIU) calculations, which use a three-year cash flow projection per the Group's Board approved Corporate Plan. A terminal value has been assumed in the VIU calculations.
Discount rates	Estimated future cash flows are discounted using post-tax discount rates which reflect risks specific to each CGU. The equivalent pre-tax discount rates are disclosed above.
Growth rates	The growth rates do not exceed the long-term average growth rates for the businesses in which the CGUs operate as per industry forecasts.
Other key assumptions	The key assumptions underpinning the cash flows are specific to each CGU and the industry in which it operates. The assumptions applied are based on management's past experience and knowledge in the market in which the CGU operates. They include the following: • Health Insurance CGU: Key assumptions include policyholder growth and future health insurance revenue rate rises, along with claims growth and claims inflation. • Medibank Health Telehealth CGU: The forecast cash flows contain key assumptions around customer contracts, including contract renewals, new wins and losses. • Medibank Health Home Care group of CGUs: Comprises acquired and internally developed in-home care businesses. Goodwill has been allocated to the Home Care CGUs as the Group derives strategic and operational synergies, and the Group monitors business performance at the combined Home Care level. The forecast cash flows contain key assumptions around volumes of services performed across geographic areas, expected contract renewals and new wins and losses. • Primary Care CGU: Comprises the Myhealth Medical Group and virtual health businesses and is the level at which business performance is monitored and strategic and operational synergies are derived. The forecast cash flows contain key assumptions around volumes of services performed across geographic areas and patient retention rates.

There are no reasonably possible changes in key assumptions that could have resulted in an impairment loss in the current or prior reporting periods.

Goodwill impairment accounting policy

Goodwill is allocated to CGUs, or groups of CGUs, at which the goodwill is monitored and where the synergies of the business combination are expected.

An impairment loss is recognised if the CGU's carrying amount exceeds its recoverable amount.

The recoverable amount of a CGU is the higher of its fair value less costs of disposal and VIU. In assessing VIU, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

(c) Intangible assets capital expenditure commitments

	2025 $m	2024 $m
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	1.7	0.3

Note 11: Provisions

	Note	2025 $m	2024 $m
Current			
Employee entitlements		100.2	85.1
Provisions	11(a)	28.4	32.9
Total current		**128.6**	**118.0**
Non-current			
Employee entitlements		17.7	16.4
Provisions	11(a)	14.7	13.2
Total non-current		**32.4**	**29.6**

(a) Movements in provisions

Movements in provisions, other than employee entitlements, are as follows:

	Commissions $m	Make good $m	Workers compensation $m	Corporate loyalty benefits $m	Other $m	Total $m
Balance at 1 July 2024	8.5	11.8	5.5	15.1	5.2	46.1
Additional provision	8.2	0.6	1.7	2.7	2.1	15.3
Amounts utilised during the year	(8.2)	(0.8)	(0.9)	(3.9)	(3.8)	(17.6)
Reversal of unused provision	-	(0.7)	-	-	-	(0.7)
Balance at 30 June 2025	8.5	10.9	6.3	13.9	3.5	43.1
Balance comprised of:						
Current	8.5	2.9	0.8	13.9	2.3	28.4
Non-current	-	8.0	5.5	-	1.2	14.7

(i) Commissions provision

This provision relates to estimated commissions payable to third parties in relation to the acquisition of health insurance contracts.

(ii) Make good provision

The Group recognises a provision for the estimated costs that may be incurred in restoring leased premises to their original condition at the end of their lease term. These costs are included in the cost of the right-of-use assets.

(iii) Workers compensation provision

The parent entity is self-insured for workers' compensation claims. Provisions are recognised based on claims reported and an estimate of claims incurred but not reported. These provisions are determined on a discounted basis, using an actuarial valuation performed at each reporting date. The parent entity has entered into $10.0 million (2024: $10.0 million) of bank guarantees in relation to its self-insured workers compensation obligations.

(iv) Corporate loyalty benefits provision

This provision relates to estimated incentives payable to third parties in relation to the acquisition of corporate health insurance contracts.

Provisions accounting policy

Provisions are recognised when:

- The Group has a present legal or constructive obligation as a result of past events.
- It is probable that an outflow of resources will be required to settle the obligation.
- The amount has been reliably estimated.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Employee entitlements accounting policy

This provision incorporates annual leave, long service leave, bonus plans and termination payments.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for bonuses are based on a formula that takes into consideration the performance of the employee against targeted and stretch objectives, the profit of the Group and other financial and non-financial key performance indicators. The Group recognises a provision when it is contractually obliged or where there is a past practice that has created a constructive obligation.

Other long-term employee benefit obligations

Liabilities for long service leave are measured at the present value of expected future payments using the projected unit credit method, taking into account expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using high quality corporate bond yields with terms that closely match the estimated future cash outflows. The obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

Note 12: Contingent liabilities

(a) Cybercrime event

The Group was subject to a cybercrime in October 2022 which resulted in a data breach. Specific contingent liabilities in relation to the cybercrime that may impact the Group as known at this reporting period are set out below. The outcome and any potential financial impacts of the matters below are currently unknown, and as such no provision has been recognised for these matters. The outcome of these matters could impact the financial results, cashflows and financial position of the Group.

It is not currently practicable to estimate the potential financial impact, if any, of these claims.

AIC civil penalty proceedings

On 5 June 2024, Medibank received notice of civil penalty proceedings filed in the Federal Court of Australia by the Australian Information Commissioner (AIC) in relation to the cybercrime. The proceedings relate to the AIC's own investigation into the cybercrime and allege that Medibank breached Australian Privacy Principle 11.1.

If Medibank is found to have breached Australian Privacy Principle 11.1, the AIC alleges that the interference with individuals' privacy was either serious and/or repeated within the meaning of section 13G(a) & (b) of the *Privacy Act 1988* (Cth), and the AIC seeks penalties of up to $2.2 million per contravention. The AIC alleges either one or two contraventions, or separate contraventions in respect of each individual whose personal information Medibank held during the relevant period (alleged to be 9.7 million individuals).

Medibank is defending the civil penalty proceedings.

OAIC representative complaint

Maurice Blackburn, in collaboration with Bannister Law and Centennial Lawyers, has lodged a representative complaint with the OAIC alleging Medibank has breached its privacy obligations and seeks compensation for loss and damage, including but not limited to distress and injury to feelings and humiliation. The representative complaint is under investigation by the OAIC.

Medibank is defending the representative complaint.

Consumer class actions

Medibank received notice of two separate consumer class actions filed in the Federal Court of Australia in relation to the cybercrime. On 1 August 2023 these proceedings were consolidated into a single consumer class action. The consolidated consumer class action is being brought by Baker & McKenzie on behalf of persons who were Medibank or ahm health insurance customers between 21 December 2001 and 12 October 2022, and persons who provided personal information to Medibank or ahm for the purpose of obtaining a quote for insurance but did not become a customer.

The consolidated statement of claim includes allegations of breach of contract, contraventions of the Australian Consumer Law, and breach of equitable obligations of confidence. The amount claimed is unspecified, however remedies sought include damages, declarations for contraventions of the Privacy Act, injunctive relief requiring Medibank to take reasonable steps to destroy or deidentify personal information which Medibank no longer needs to retain, interest and costs.

Medibank is defending this consolidated consumer class action proceeding.

Shareholder class actions

Medibank received notice of two separate shareholder class actions filed in the Supreme Court of Victoria. On 6 September 2023 these proceedings were consolidated into a single shareholder class action. The consolidated shareholder class action is being brought jointly by Quinn Emanuel and Phi Finney McDonald on behalf of persons who acquired an interest in Medibank shares or entered into equity swap confirmations of Medibank shares during the period 1 July 2019 to 25 October 2022.

The consolidated statement of claim includes allegations of misleading or deceptive conduct and that Medibank breached its continuous disclosure obligations under the *Corporations Act 2001* and ASX Listing Rules by not disclosing to the market information relating to alleged deficiencies in its cyber security systems. The amount claimed is unspecified, however remedies sought include damages, interest and costs.

Medibank is defending this consolidated shareholder class action proceeding.

(b) Other contingency matters (excluding cybercrime event)

The Group has issued $24.6 million (2024: $23.2 million) of bank guarantees to third parties for various operational and legal purposes, including $10.0 million (2024: $10.0 million) in relation to its self-insured workers compensation obligations (refer to Note 11(a)(iii)) and other guarantees relating to conditions set out in property agreements. It is not expected that these guarantees will be called upon.

In addition to the items noted above in relation to the cybercrime event, the Group is exposed from time to time to contingent liabilities which arise from the ordinary course of business, including:

- Losses which might arise from claims and litigation.
- Investigations from internal reviews and by regulatory bodies such as the ACCC, APRA, ATO, ASIC or other regulatory bodies into past conduct on either industry-wide or Group specific matters.

It is anticipated that the likelihood of any unprovided liabilities arising from these other contingency matters is not material or are not at a stage to support a reasonable evaluation of the likely outcome.

Key judgement and estimate

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Group's control, or present obligations that are not recognised because it is not probable that a settlement will be required or the value of such a payment cannot be reliably estimated.

Judgement is exercised to identify whether a present obligation exists and also in estimating the probability, timing, nature and quantum of the outflows that may arise from past events.

Note 13: Leases

(a) Group as a lessee

The Group has lease agreements for corporate and retail properties and medical clinics. Rental payments are generally fixed, with differing clauses to adjust the rental to reflect increases in market rates. These clauses include fixed incremental increases, market reviews and inflation escalation clauses during a lease on which contingent rentals are determined. No operating leases contain restrictions on financing or other leasing activities. Management have determined it is not reasonably certain that any of its leases will be extended or terminated.

The table below sets out the carrying amounts of the right-of-use asset and the movements during the year.

	2025 $m	2024 $m
Balance at 1 July	116.8	42.9
Acquisition of business	-	68.7
Net additions	27.4	40.0
Depreciation expense	(34.3)	(34.8)
Balance at 30 June	109.9	116.8

The table below sets out the carrying amounts of the lease liabilities and the movements during the year.

	2025 $m	2025 $m
Balance at 1 July	183.4	55.3
Acquisition of business	-	85.6
Net additions	28.5	87.4
Accretion of interest	8.9	3.8
Lease payments	(46.8)	(48.7)
Balance at 30 June	174.0	183.4
Balance comprised of:		
Current	29.2	31.7
Non-current	144.8	151.7

The maturity profile of the Group's lease liabilities based on contractual undiscounted payments is provided in Note 7(c).

Leases accounting policy

As a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease by determining whether it has the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use or the end of the lease term. In addition, the right-of-use is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. In determining the incremental borrowing rate, the following components are considered:

- Reference rate (incorporating currency, environment, term).
- Financing spread adjustment (incorporating term, indebtedness, entity, environment).
- Lease specific adjustment (incorporating asset type).

The interest expense recognised on the lease liability is measured at amortised cost using the effective interest method. The lease liability is remeasured when there is a change in future lease payments, with a corresponding adjustment made to the carrying amount of the right-of-use asset (or profit or loss if the carrying amount of the right-of-use asset has been reduced to zero).

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (leases with a term of 12 months or less) and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) Group as a Lessor

Finance lease receivables of $2.9 million have been recognised by the Group at 30 June 2025 (2024: $4.1 million). These are presented within other assets in the consolidated statement of financial position.

Leases accounting policy

As a lessor

The Group acts as an intermediate lessor for some leases of medical clinics. The Group's interest in the head lease and sublease are accounted for separately. At the sublease commencement, the Group determines whether it is a finance or operating lease by assessing whether the lease transfers substantially all of the risks and rewards of ownership to the lessee, with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Note 14: Reconciliation of profit after income tax to net cash flow from operating activities

	Note	2025 $m	2024 $m
Profit for the year		**509.3**	**496.4**
Non-cash items			
Depreciation and amortisation		96.0	89.4
Non-cash share-based payments expense		8.5	3.3
Share of (profit)/loss from equity accounted investments	16(c)	11.0	7.1
Other non-cash items		2.4	1.8
Investing and financing items			
Net realised loss/(gain) on financial assets		(10.3)	(11.4)
Net unrealised loss/(gain) on financial assets		(23.5)	(8.1)
Net interest income		(142.3)	(129.8)
Trust distributions		(37.4)	(37.5)
Investment management expenses		5.7	4.6
Interest paid – leases	13(a)	8.9	3.8
(Increase)/decrease in operating assets net of the effects of acquisitions of businesses			
Trade and other receivables		(20.8)	9.9
Other assets		(7.4)	2.7
Net deferred tax assets		(5.5)	(63.3)
Increase/(decrease) in operating liabilities			
Trade and other payables		38.1	35.7
Insurance contract liabilities		(48.0)	295.9
Income tax liability		(15.7)	146.3
Provisions and employee entitlements		11.9	21.7
Net cash inflow from operating activities		**380.9**	**868.5**

Cash and cash equivalents accounting policy

Cash and cash equivalents comprise short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant change in value. These investments have original maturities of three months or less and include cash on hand, short-term bank bills, term deposits and negotiable certificates of deposit.

Amounts in cash and cash equivalents are the same as those included in the consolidated statement of cash flows.

Section 5: Other

Overview

This section includes additional information that must be disclosed to comply with Australian Accounting Standards, the *Corporations Act 2001* and the Corporations Regulations.

Note 15: Income tax

Tax consolidation legislation

Medibank and its wholly owned Australian controlled entities are members of a tax consolidated group. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are offset in the consolidated financial statements.

The entities in the tax consolidated group entered into a tax sharing agreement which limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Medibank.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Medibank for any current tax payable and are compensated by Medibank for any current tax receivable.

Myhealth Medical Holdings Pty Ltd and its controlled subsidiaries are not part of the Medibank tax consolidated group.

(a) Income tax expense

	2025 $m	2024 $m
Current tax	216.8	277.0
Deferred tax	3.4	(62.0)
Adjustment for tax of prior period	(0.7)	0.3
Income tax expense	219.5	215.3

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2025 $m	2024 $m
Profit for the year before income tax expense	728.8	711.7
Tax at the Australian tax rate of 30%	218.6	213.5
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	1.3	0.2
Tax offset for franked dividends	(3.3)	(2.5)
Share of (profit)/loss from equity accounted investments	3.3	2.1
Other items	0.3	1.7
	220.2	215.0
Adjustment for tax of prior period	(0.7)	0.3
Income tax expense	219.5	215.3

(c) Deferred tax assets and liabilities

Deferred tax balances comprise temporary differences attributable to following items.

	2025 $m	2024 $m
Recognised in the income statement		
Trade and other receivables	0.2	0.1
Financial assets at fair value through profit or loss	(18.4)	(17.6)
Property, plant and equipment	(27.6)	(30.1)
Intangible assets	(0.9)	(2.8)
Trade and other payables	55.8	45.2
Employee entitlements	35.4	31.8
Insurance contract liabilities	73.6	92.7
Provisions	8.2	8.8
Business capital costs	0.5	0.6
Other (liabilities)/assets	19.4	13.0
	146.2	141.7
Recognised directly in other comprehensive income		
Actuarial gain on retirement benefit obligation	0.3	0.4
	0.3	0.4
Net deferred tax assets	146.5	142.1

Income tax accounting policy

Current taxes

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period and includes any adjustment to tax payable in respect of previous periods.

Deferred taxes

Deferred income tax is calculated using tax rates that are expected to apply when the related asset is realised, or the liability is settled. Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, other than for the following:

- Where they arise from the initial recognition of goodwill.
- Where they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
- For temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

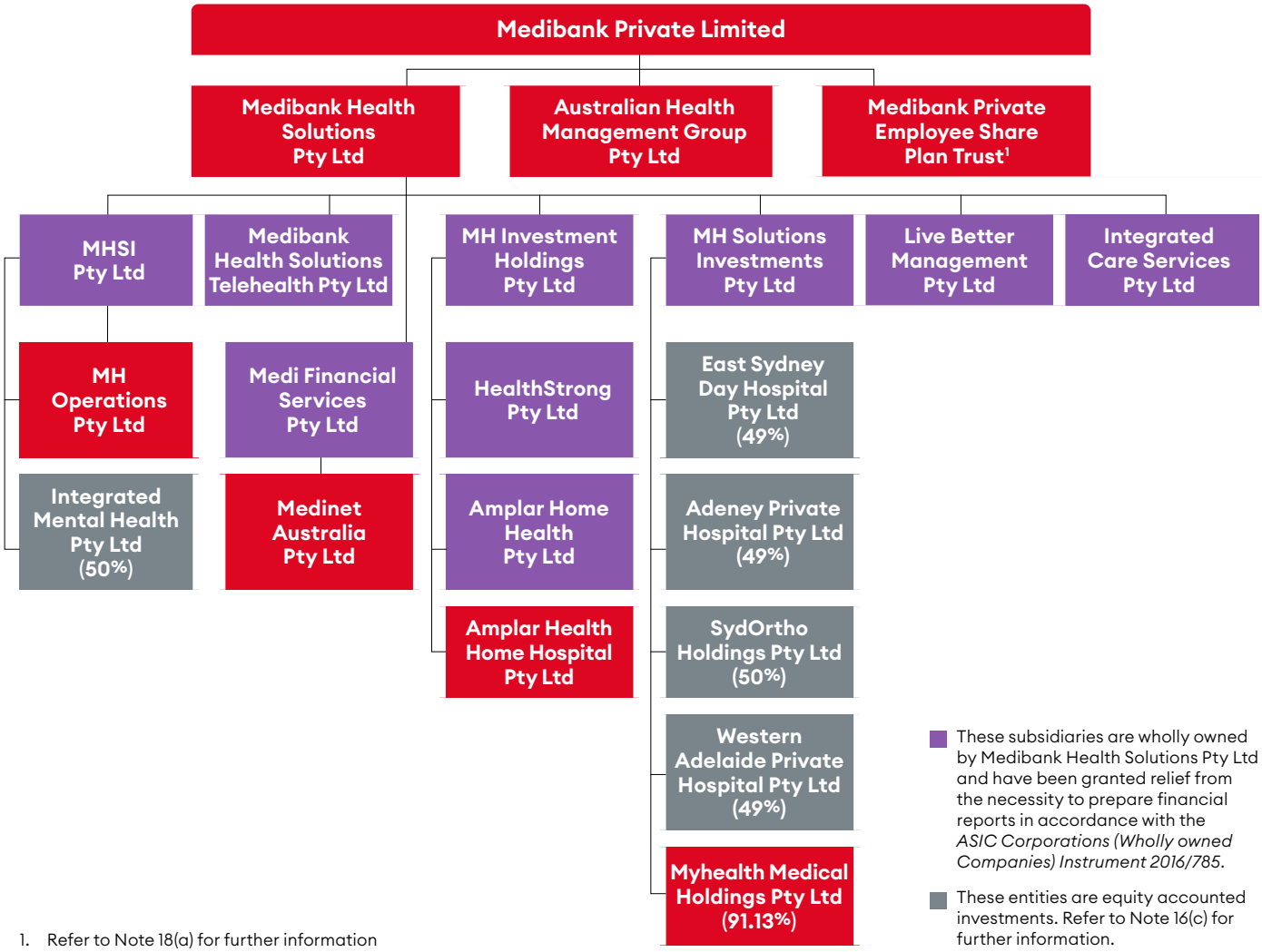
Offsetting balances

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Note 16: Group structure

(a) Group structure

The summary Medibank Group structure is shown below. All entities, unless otherwise stated, are 100% controlled.



1. Refer to Note 18(a) for further information on the Employee Share Plan Trust.

Controlled entities (subsidiaries)

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over it. Non-controlling interests in the results and equity of controlled entities are shown separately in the consolidated statement of comprehensive income, balance sheet and statement of changes in equity.

(b) Acquisitions

The Group completed the following acquisitions during the period:

- The Pinnacle Health Group business was acquired by Medibank Private Limited on 30 September 2024 for cash consideration of $1.4 million and contingent consideration of up to $2.1 million, resulting in $3.8 million goodwill being recognised.
- On 20 December 2024, MH Investment Holdings Pty Ltd increased its shareholding in Amplar Health Home Hospital Pty Ltd (previously named Calvary Amplar Health JV Pty Ltd) from 50.0% to 100.0% for cash consideration of $2.5 million. Refer to Note 16(c) for further information.
- On 28 February 2025, Medi Financial Services Pty Ltd increased its shareholding in Medinet Australia Pty Ltd to 100.0% from a previous shareholding of 3.82% for cash consideration of $4.7 million, resulting in $8.8 million of goodwill being recognised. Refer to Note 16(c) for further information.

During the period, the step-acquisition accounting of the Myhealth Medical Group (Myhealth) was finalised, and goodwill recognised on acquisition was $124.6 million (30 June 2024: $119.2 million). The Group also increased its shareholding in Myhealth during the period from 90.1% to 91.13% for cash consideration of $1.3 million.

Acquisition accounting policy

The acquisition method is used to account for the acquisition of subsidiaries. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred and the liabilities incurred. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired, is recorded as goodwill. On acquisition, any non-controlling interests in the acquiree are measured at either fair value or at the non-controlling interest's proportionate share of the net identifiable assets acquired.

(c) Equity accounted investments

As at 30 June 2025 the Group held the following investments in associates and joint ventures:

				Ownership interest %	
Name of company	Principal activity	Place of incorporation	Type	2025	2024
East Sydney Day Hospital Pty Ltd	Short stay hospital	Australia	Associate	49.00%	49.00%
Amplar Health Home Hospital Pty Ltd[1]	Medical services	Australia	Joint Venture	100.00%	50.00%
Adeney Private Hospital Pty Ltd	Short stay hospital	Australia	Associate	49.00%	49.00%
Medinet Australia Pty Ltd[1]	Digital health services	Australia	Associate	100.00%	3.82%
SydOrtho Holdings Pty Ltd	Short stay hospital	Australia	Joint Venture	50.00%	50.00%
Integrated Mental Health Pty Ltd	Short stay hospital	Australia	Joint Venture	50.00%	50.00%
Western Adelaide Private Hospital Pty Ltd[2]	Short stay hospital	Australia	Associate	49.00%	-

1. The increased shareholding in Amplar Health Home Hospital Pty Ltd (previously named Calvary Amplar Health JV Pty Ltd) and Medinet Australia Pty Ltd have been accounted for as step-acquisitions with a net non-cash adjustment of $(2.7) million being recognised in the statement of comprehensive income. The provisional fair values of net assets acquired include $8.8 million of goodwill, $12.9 million of cash and $1.5 million of other net liabilities. These entities have been fully consolidated from the date of control. Refer to Note 16(b) for further information.
2. On 1 November 2024, MH Solutions Investments Pty Ltd invested $1.9 million in Western Adelaide Private Hospital Pty Ltd to operate a short stay hospital.

The following table shows the Group's aggregated interests in equity accounted investments.

	2025 $m	2024 $m
Balance at 1 July	**58.7**	**117.6**
Additions[1]	7.0	15.5
Disposals	(15.7)	(67.3)
Share of net profit/(loss) for the year	(11.0)	(7.1)
Balance at 30 June	**39.0**	**58.7**

1. Current period additions comprise the initial investment in Western Adelaide Private Hospital Pty Ltd ($1.9 million) and additional shares subscribed in Adeney Private Hospital Pty Ltd ($0.3 million) and Integrated Mental Health Pty Ltd ($4.8 million).

Equity accounted investments accounting policy

The Group's associates and joint ventures, which are entities over which the Group has significant influence or joint control, are accounted for using the equity method. Under this method, the investment in associate or joint venture is initially recognised at cost and is increased or decreased to recognise the Group's share of profit or loss. Dividends received from an associate or joint venture reduce the carrying amount of the investment. Equity accounting of losses is restricted to the Group's interest in the associate or joint venture. The Group's share of profit or loss for the period is reflected in the consolidated statement of comprehensive income. Investments in associates and joint ventures are tested for impairment if an event occurs that has an impact on the estimated future cash flows from the net investment. Equity accounting is discontinued from the date when the investment ceases to be an associate or a joint venture.

(d) Parent entity financial information

(i) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2025 $m	2024 $m
Statement of financial position		
Current assets	3,617.2	3,624.7
Total assets	4,311.8	4,317.4
Current liabilities	1,860.9	1,864.6
Total liabilities	2,112.4	2,136.9
Equity		
Contributed equity	85.0	85.0
Reserves		
Equity reserve	6.3	6.3
Share-based payment reserve	9.6	6.5
COVID-19 reserve	-	128.0
Retained earnings	2,098.5	1,954.7
Total equity	**2,199.4**	**2,180.5**
Profit for the year	**489.5**	**485.5**
Total comprehensive income	**489.5**	**485.5**

(ii) Guarantees entered into by parent entity

The parent entity has entered into $10.0 million (2024: $10.0 million) of bank guarantees in relation to its self-insured workers compensation obligations and $1.0 million (2024: $1.0 million) of bank guarantees relating to conditions set out in property agreements. Refer to Note 11(a)(iii) for further information on the provision for workers compensation.

(iii) Contingent liabilities of the parent entity

Refer to Note 12 for details of the contingent liabilities of the parent entity.

(iv) Parent entity capital expenditure commitments

	2025 $m	2024 $m
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities		
Property, plant and equipment	-	1.2
Intangible assets	1.7	0.3

Parent entity financial information accounting policy

The financial information for the parent entity, Medibank, has been prepared on the same basis as the consolidated financial statements, except as set out below:

- Investments in subsidiaries are accounted for at cost less accumulated impairment losses.
- Assets or liabilities arising under tax funding arrangements with the tax consolidated entities are recognised as current assets or current liabilities.

Note 17: Related party transactions

(a) Transactions with equity accounted investments

	2025 $m	2024 $m
Transactions with equity accounted investments		
Claims incurred	(12.8)	(5.3)
Services received	(2.3)	(1.1)
Services provided	0.6	3.5
Interest received	0.5	0.3
Outstanding balances with equity accounted investments		
Amounts payable	(1.7)	(0.3)
Amounts receivable	0.1	1.1
Loan receivable[1]	7.4	2.9

1. During the period, an interest-bearing five-year loan of $3.5 million was advanced to East Sydney Day Hospital Pty Ltd and an interest-bearing one-year loan of $1.0 million was advanced to Integrated Mental Health Pty Ltd.

The related party transactions include amounts for the reimbursement of costs incurred, payment of policyholder claims, receipts in relation to services rendered and interest-bearing loans advanced, which are provided under normal commercial terms.

(b) Key management personnel remuneration

	2025 $	2024 $
Short-term benefits	8,437,503	8,534,124
Post-employment benefits	245,257	238,661
Long-term benefits	190,740	308,294
Share-based payments	3,795,892	3,120,073
Total key management personnel	**12,669,392**	**12,201,152**

Refer to the remuneration report for further details of the composition of the key management personnel.

(c) Transactions with other related parties

Certain key management personnel hold director positions in other entities, some of which transacted with the Group during the current and prior reporting periods. All transactions that occurred were in the normal course of business on terms and conditions no more favourable than those available on an arm's length basis.

Note 18: Share-based payments

(a) Share-based payments arrangements

Performance rights to acquire shares in Medibank are granted to members of the Executive Leadership Team (ELT), Senior Executive Group (SEG) and other selected senior employees as part of Medibank's short-term incentive (STI) and long-term incentive (LTI) plans. These plans are designed to:

- Align the interests of participating employees more closely with the interests of customers and shareholders by providing an opportunity for those employees to receive an equity interest in Medibank.
- Assist in the motivation, retention and reward of participating employees.

Performance rights granted do not carry any voting rights.

Medibank has an Employee Share Plan Trust to manage its share-based payments arrangements. Shares allocated by the Trust to the employees are acquired on-market prior to allocation. The Trust held nil shares at 30 June 2025.

(i) LTI offer

Under the LTI Plan, performance rights were granted to selected employees as part of their remuneration. Performance rights granted under the LTI Plan are subject to the following performance hurdles:

- 30% of the performance rights will be subject to a vesting condition based on Medibank's earnings per share compound annual growth rate (EPS CAGR) over the performance period.
- 30% of the performance rights will be subject to a relative total shareholder return (TSR) vesting condition, measured over the performance period against a comparator group of companies.
- 20% of the performance rights will be subject to a performance hurdle based on the growth of Medibank's private health insurance market share (as reported by APRA) over the performance period.
- 20% of the performance rights will be subject to a performance hurdle based on Brand Sentiment, measured as the change in Medibank's Customer Net Promoter Score over the performance period.

Each performance hurdle under the LTI Plan has a threshold level of performance which needs to be achieved before vesting commences. Details of these thresholds are outlined in the remuneration report. The vesting conditions for performance rights in grants will be tested over a three-year performance period commencing on 1 July of the relevant period.

Following the three-year performance period, any performance rights that meet the performance hurdles vest with deferral conditions applying to specific employees as follows:

- Up to 3 years for the CEO, with one third converting to shares each year starting at the beginning of the year following the end of the performance period.
- Up to 2 years for ELT members and other specified senior executives, with half converting to shares at the beginning of the year following the end of the performance period, and the remaining amount converting to shares in the following year.

Upon satisfaction of vesting conditions, and deferral conditions, each performance right will convert into a fully paid ordinary share on a one-for-one basis.

LTI performance rights do not attract a dividend during the performance period, as they are still subject to performance hurdles that will determine the number of rights that convert to ordinary Medibank shares. Vested performance rights subject to deferral conditions do not attract dividends during the deferral period. On exercise of deferred vested performance rights, additional Medibank shares are granted to ensure each participant receives a benefit equivalent to any dividends paid during the deferral period on the rights being exercised.

The number of rights granted in the 2025 grants were determined based on the monetary value of the LTI award, divided by the volume-weighted average share price of Medibank shares on the ASX during the 10 trading days up to and including 30 June 2024. This average price was $3.73.

(ii) Annual STI offer

Under the Group's STI Plan, 60% of STI awarded to ELT members and other specified senior executives is paid in cash after the announcement of financial results. The remaining 40% is provided in the form of performance rights granted under the Performance Rights Plan that are subject to a 1 year service condition. Performance rights are deferred for:

- Up to 5 years for the CEO with 20% of the deferred amount released each year following the conclusion of the service period.
- Up to 4 years for ELT members and other specified senior executives, with 25% of the deferred amount released each year following the conclusion of the service period.

Once deferral conditions are met, each performance right will convert into a share on a one-for-one basis, subject to any adjustment required to ensure that the participant receives a benefit equivalent to any dividends paid by Medibank during the deferral period on the rights being exercised.

The number of rights to be granted will be determined based on the monetary value of the STI award, divided by the volume-weighted average share price over the 10 trading days up to and including the payment date of cash STI.

Share-based payments accounting policy

The fair value of the performance rights is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the performance rights granted, which includes any market performance conditions and the impact of any non-vesting conditions, but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to vest.

The total expense is recognised over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At the end of each reporting period, the Group revises its estimates of the number of awards that are expected to vest based on the non-market vesting conditions. The impact of the revision to original estimates, if any, is recognised in profit or loss, with a corresponding adjustment to equity.

(b) Performance rights – Group

	Number of equity instruments	
	2025	2024
Outstanding at 1 July	**8,821,775**	**8,745,148**
Granted[1]	4,389,410	3,341,835
Forfeited[2]	(362,411)	(452,955)
Exercised[1,3]	(1,647,591)	(2,047,251)
Lapsed[4]	(938,856)	(765,002)
Outstanding at 30 June	**10,262,327**	**8,821,775**
Exercisable at 30 June	-	-

1. Instruments granted and exercised includes the additional Medibank shares received on the vesting of deferred STI performance rights as a benefit equivalent to any dividends paid during the deferral period.
2. Forfeited relates to instruments that lapsed on cessation of employment.
3. Performance rights are exercised as soon as they vest.
4. Lapsed relates to instruments that lapsed on failure to meet the performance hurdles.

(c) Fair value of performance rights granted

Below is a summary of the fair values of the 2024 and 2025 LTI plans and the key assumptions used in determining the valuation. The fair value was determined by an independent valuation expert and takes into account the terms and conditions upon which they were granted.

	TSR performance rights		EPS, market share and brand sentiment performance rights	
	2025	2024	2025	2024
Grant date	9 December 2024	11 December 2023	9 December 2024	11 December 2023
Date of commencement of service and performance period	1 July 2024	1 July 2023	1 July 2024	1 July 2023
Expected vesting date	30 June 2027	30 June 2026	30 June 2027	30 June 2026
Fair value	$1.71	$1.78	$3.48	$3.16
Share price at grant date	$3.87	$3.51	$3.87	$3.51
Dividend yield (per annum effective)	4.2%	4.1%	4.2%	4.1%
Franking rate	100.0%	100.0%	100.0%	100.0%
Risk free discount rate (per annum)	3.84%	3.95%	n/a	n/a
Volatility	18%	18%	n/a	n/a

Note 19: Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of Medibank, its related practices and non-related audit firms:

	2025 $	2024 $
PricewaterhouseCoopers Australia (PwC):		
Amounts received or due and receivable by the Company's auditor for:		
– An audit or review of the financial report of the Company and any other entity within the Group	1,982,297	2,172,799
Other assurance services in relation to the Company and any other entity within the Group:		
– Audit or review of regulatory compliance returns	322,011	556,468
– Accounting and other assurance services	147,053	242,775
Other services in relation to the Company and any other entity within the Group:		
– Other non-audit services[1]	-	261,350
Total remuneration of PwC	2,451,361	3,233,392

1. Other non-audit services in the prior period included regulatory reviews and consulting services

Note 20: Other

(a) New and amended standards adopted

The amendments and interpretations that became effective for the annual reporting period commencing on 1 July 2024 did not have a material impact on the Group's accounting policies or on the consolidated financial report.

(b) New accounting standards and interpretations not yet adopted

The Group has not adopted any standards, interpretations or amendments that have been issued but are not yet effective. These standards, interpretations and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(c) Events occurring after the reporting period

There have been no events occurring after the reporting period which would have a material effect on the Group's financial statements at 30 June 2025.

Consolidated entity disclosure statement

30 June 2025

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes each entity that was part of the consolidated Medibank Group in accordance with AASB 10 *Consolidated Financial Statements* as at 30 June 2025.

All controlled entities are Australian residents and Australian tax residents. Medibank Private Employee Share Plan Trust is a trust, and all other controlled entities are body corporate entities incorporated in Australia.

Consolidated entity disclosure statement

	% of share capital 2025
Medibank Private Limited	N/A
Australian Health Management Group Pty Ltd	100.0%
Medibank Private Employee Share Plan Trust	N/A
Medibank Health Solutions Pty Ltd	100.0%
Medibank Health Solutions Telehealth Pty Ltd	100.0%
Live Better Management Pty Ltd	100.0%
Integrated Care Services Pty Ltd	100.0%
MHSI Pty Ltd	100.0%
MH Operations Pty Ltd	100.0%
Medi Financial Services Pty Ltd	100.0%
Medinet Australia Pty Ltd	100.0%
Mypractice App Pty Ltd	100.0%
MH Investment Holdings Pty Ltd	100.0%
HealthStrong Pty Ltd	100.0%
Amplar Home Health Pty Ltd	100.0%
Amplar Health Home Hospital Pty Ltd	100.0%
MH Solutions Investments Pty Ltd	100.0%
Myhealth Medical Holdings Pty Ltd[1]	91.1%
Myhealth Medical Group Pty Ltd[1]	91.1%
Myhealth Management Pty Ltd[1]	91.1%
Doctorbook Pty Ltd[1]	91.1%
Edensor Park Medical Centre Pty Ltd[1]	82.0%
Enfield MP Pty Ltd[1]	72.9%
Medical Academy Pty Ltd[1]	91.1%
Myhealth Airport West Pty Ltd[1]	54.7%
Myhealth Ashmore Pty Ltd[1]	54.7%
Myhealth Auburn Pty Ltd[1]	54.7%
Myhealth Barangaroo Pty Ltd[1]	91.1%
Myhealth Bayside Pty Ltd[1]	68.3%
Myhealth Benowa Pty Ltd[1]	72.9%
Myhealth Benowa Village Pty Ltd[1]	54.7%
Myhealth Blackburn Square Pty Ltd[1]	54.7%
Myhealth Blacktown West Point Pty Ltd[1]	54.7%
Myhealth Bondi Junction Pty Ltd[1]	91.1%
Myhealth Boronia Pty Ltd[1]	54.7%
Myhealth Box Hill Pty Ltd[1]	50.1%
Myhealth Box Hill NSW Pty Ltd[1]	54.7%
Myhealth Brigadoon Pty Ltd[1]	54.7%
Myhealth Brisbane Showgrounds Pty Ltd[1]	54.7%
Myhealth Broadway Pty Ltd[1]	72.9%

	% of share capital 2025
Myhealth Browns Plains Pty Ltd[1]	54.7%
Myhealth Burleigh Waters Pty Ltd[1]	51.0%
Myhealth Burwood Pty Ltd[1]	54.7%
Myhealth Carlton Pty Ltd[1]	72.9%
Myhealth Castle Towers Pty Ltd[1]	54.7%
Myhealth Central Pty Ltd[1]	72.9%
Myhealth Chadstone Pty Ltd[1]	68.3%
Myhealth Chatswood Pty Ltd[1]	91.1%
Myhealth Chermside Pty Ltd[1]	86.6%
Myhealth Clyde North Pty Ltd[1]	54.7%
Myhealth Coolangatta Pty Ltd[1]	46.5%
Myhealth Coomera Pty Ltd[1]	91.1%
Myhealth Corio Pty Ltd[1]	54.7%
Myhealth Cranbourne Pty Ltd[1]	54.7%
Myhealth Cremorne Pty Ltd[1]	50.1%
Myhealth Dandenong Pty Ltd[1]	54.7%
Myhealth Darling Square Pty Ltd[1]	46.5%
Myhealth Doncaster East Pty Ltd[1]	63.8%
Myhealth Doncaster Pty Ltd[1]	72.9%
Myhealth East Yarrabilba Pty Ltd[1]	46.5%
Myhealth Eastland Pty Ltd[1]	54.7%
Myhealth Edens Landing Pty Ltd[1]	46.5%
Myhealth Edmondson Park Pty Ltd[1]	54.7%
Myhealth Engadine Pty Ltd[1]	91.1%
Myhealth Ermington Pty Ltd[1]	63.8%
Myhealth Fairfield Pty Ltd[1]	72.9%
Myhealth Forest Lake Pty Ltd[1]	54.7%
Myhealth Fortitude Valley Pty Ltd[1]	86.6%
Myhealth Fountain Gate Pty Ltd[1]	72.9%
Myhealth Foxwell Road Pty Ltd[1]	91.1%
Myhealth Garden City Pty Ltd[1]	54.7%
Myhealth Hamilton Pty Ltd[1]	82.0%
Myhealth Hampton Pty Ltd[1]	63.8%
Myhealth Helensvale Pty Ltd[1]	63.8%
Myhealth Highpoint Pty Ltd[1]	54.7%
Myhealth Holmview Pty Ltd[1]	64.7%
Myhealth Hurstville Pty Ltd[1]	54.7%
Myhealth IP Pty Ltd[1]	45.6%
Myhealth Kable Street Pty Ltd[1]	73.2%
Myhealth Kurrajong Village Pty Ltd[1]	46.5%

	% of share capital 2025
Myhealth Leichhardt Pty Ltd[1]	54.7%
Myhealth Lindfield Pty Ltd[1]	91.1%
Myhealth Liverpool Pty Ltd[1]	54.7%
Myhealth Logan Village Pty Ltd[1]	46.5%
Myhealth Macarthur Square Pty Ltd[1]	54.7%
Myhealth Macquarie Park Pty Ltd[1]	72.9%
Myhealth Marketplace Pty Ltd[1]	64.7%
Myhealth Maudsland Pty Ltd[1]	72.9%
Myhealth M-City Monash Pty Ltd[1]	54.7%
Myhealth Meadowbank Pty Ltd[1]	68.3%
Myhealth Medical Baulkham Hills Pty Ltd[1]	46.9%
Myhealth Medical Merrylands Pty Ltd[1]	72.9%
Myhealth Medical Newington Pty Ltd[1]	46.5%
Myhealth Medical Top Ryde Pty Ltd[1]	63.8%
Myhealth Mentone Pty Ltd[1]	63.8%
Myhealth Miranda Pty Ltd[1]	72.9%
Myhealth Moreland Pty Ltd[1]	63.8%
Myhealth Nerang Pty Ltd[1]	91.1%
Myhealth Newtown Pty Ltd[1]	54.7%
Myhealth North Eltham Pty Ltd[1]	46.5%
Myhealth North Richmond Pty Ltd[1]	54.7%
Myhealth Northmead Pty Ltd[1]	54.7%
Myhealth Oran Park Pty Ltd[1]	63.8%
Myhealth Pacific Fair Pty Ltd[1]	54.7%
Myhealth Palm Beach Pty Ltd[1]	50.1%
Myhealth Parramatta Pty Ltd[1]	54.7%
Myhealth Penrith Pty Ltd[1]	54.7%
Myhealth Pimpama Pty Ltd[1]	90.2%
Myhealth Pittwater Place Pty Ltd[1]	54.7%
Myhealth Point Cook Pty Ltd[1]	54.7%
Myhealth Potts Point Pty Ltd[1]	54.7%
Myhealth Redfern Pty Ltd[1]	54.7%
Myhealth Regents Park Pty Ltd[1]	54.7%
Myhealth Rhodes Pty Ltd[1]	54.7%
Myhealth Ringwood Pty Ltd[1]	54.7%
Myhealth Robina Pty Ltd[1]	68.3%

	% of share capital 2025
Myhealth Rockdale Pty Ltd[1]	63.8%
Myhealth Roselands Pty Ltd[1]	91.1%
Myhealth Rosehill Pty Ltd[1]	82.0%
Myhealth Ryde Pty Ltd[1]	63.8%
Myhealth SB Pty Ltd[1]	86.6%
Myhealth Services Pty Ltd[1]	91.1%
Myhealth Smith Collective Pty Ltd[1]	54.7%
Myhealth South Eveleigh Pty Ltd[1]	54.7%
Myhealth Southland Pty Ltd[1]	54.7%
Myhealth Springwood Pty Ltd[1]	82.0%
Myhealth St Helena Pty Ltd[1]	54.7%
Myhealth Sydney CBD Pty Ltd[1]	37.4%
Myhealth Sydney Harbour Pty Ltd[1]	76.5%
Myhealth Sydney North Pty Ltd[1]	91.1%
Myhealth Sydney SE Pty Ltd[1]	91.1%
Myhealth Sydney West Pty Ltd[1]	91.1%
Myhealth Tamborine Village Pty Ltd[1]	90.2%
Myhealth The Gables Pty Ltd[1]	82.0%
Myhealth The Glen Pty Ltd[1]	72.9%
Myhealth Toorak Pty Ltd[1]	91.1%
Myhealth Toowong Pty Ltd[1]	86.6%
Myhealth Treetops Pty Ltd[1]	46.5%
Myhealth Warringah Mall Pty Ltd[1]	54.7%
Myhealth Wellington Point Family Practice Pty Ltd[1]	90.2%
Myhealth Wellington Point Pty Ltd[1]	54.7%
Myhealth Wentworth Point Pty Ltd[1]	54.7%
Myhealth Werrington County Pty Ltd[1]	46.5%
Myhealth West Moreton Pty Ltd[1]	54.7%
Myhealth Wetherill Park Pty Ltd[1]	72.9%
Myhealth Woodridge Pty Ltd[1]	64.7%
Myhealth Yarrabilba Pty Ltd[1]	80.2%
Myhealth Zetland Pty Ltd[1]	72.9%
Mymobile Health Pty Ltd[1]	82.0%
The Medical Agency Pty Ltd[1]	91.1%
Wellington Point General Practice Pty Ltd[1]	54.7%

1. These entities are a part of the Myhealth Medical Holdings Group.

Directors' declaration

The directors declare that, in the opinion of the directors:

(a) the financial statements and notes set out on pages 72 to 109 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Company and the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

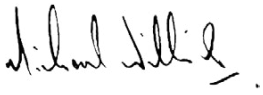
(c) the consolidated entity disclosure statement on pages 110 to 111 is true and correct.

Note 1(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2025.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board,



Mike Wilkins AO
Chair

David Koczkar
Chief Executive Officer

28 August 2025
Melbourne

Auditor's Independence Declaration

As lead auditor for the audit of Medibank Private Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Medibank Private Limited and the entities it controlled during the period.

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Melbourne
28 August 2025

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Independent auditor's report

To the members of Medibank Private Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Medibank Private Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the group auditor, or component auditors operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial report as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*

Estimation of liability for incurred claims
 	
(Refer to note 4)
 	
As at 30 June 2025, the Group recognised $1,753.9m of insurance contract liabilities. This is made up of two components being the liability for remaining coverage of $834.6m and the liability for incurred claims $919.3m.
 	
The liability for incurred claims comprises the central estimate of fulfilment cashflows related to past service provided under insurance contracts which have not been paid. This balance is also inclusive of a risk adjustment for non-financial risk and discounting.
 	
The estimation of the liability for incurred claims involves complex actuarial models and subjective judgements about future events, both internal and external to the business.
 	
We considered the valuation of the liability for incurred claims to be a key audit matter as the estimate is inherently uncertain, due to the significant judgement required.
	• We evaluated the design and implementation of the Group's controls relevant to the estimation process that determines the Group's liability for incurred claims.
	
	• We assessed, on a sample basis, whether certain key controls relevant to our audit of the liability for incurred claims were operating effectively throughout the year.
	
	• With the assistance of PwC actuarial experts our procedures included, amongst others:
	
	  ○ Evaluating the work of management's expert, being the Chief Actuary, including his professional competence, capability and objectivity
	
	  ○ Considering whether the Group's actuarial methodologies were consistent with generally accepted actuarial practices and those generally used in the private health insurance industry
	
	  ○ Assessing significant assumptions, and any significant changes to these assumptions, adopted by the Group in estimating the liability for incurred claims with reference to external and internal factors
	
	  ○ Testing a selection of calculations to evaluate the mathematical accuracy of the Group's actuarial models
	
	  ○ Evaluating the relevant underlying calculations used to derive the risk adjustment, including the significant assumptions
	
	  ○ For data used in the models, assessing on a sample basis, the relevance and reliability of significant data inputs used in the Group's modelling and measurement of the central estimate.

Key audit matter	*How our audit addressed the key audit matter*
	We also assessed the reasonableness of the related disclosures in the financial report against the requirements of Australian Accounting Standards.
Contingent liabilities (Refer to note 12(a)) Ongoing legal and regulatory matters, as a result of the 2022 cybercrime event, may result in costs associated with litigation, fines and penalties, compensation, and/or other regulatory enforceable actions. Such costs are uncertain and dependent on the outcome of legal and regulatory processes which remain ongoing. We considered this a key audit matter because of the significant judgement that is required by the Group to determine the appropriate recognition, measurement and disclosures of these matters.	Our procedures included, amongst others: • we evaluated the design and implementation of the Group's processes and controls for identifying and assessing the impact of relevant legal and regulatory matters • evaluating the nature and status of each of the legal and regulatory matters, including the current status of each matter, to determine whether a provision and/or contingent liability is required in accordance with Australian Accounting Standards • assessing the reasonableness of relevant disclosures in the financial report against the requirements of the Australian Accounting Standards.
Reliance on automated processes and controls The Group utilises a number of complex and interdependent Information Technology (IT) systems to capture, process and report a high volume of transactions. We considered this a key audit matter because the operations and financial reporting processes of the Group are heavily reliant on IT systems; and the underlying IT controls over business processes are significant to the financial reporting process.	Our procedures included, amongst others: • With the assistance of PwC IT specialists, developing an understanding of the Group's IT governance framework, as well as performing an assessment of operating effectiveness over certain information technology internal controls designed to mitigate the risk of material errors in the Group's financial report. This included testing of a selection of controls in the following IT control areas: program changes, access to programs and data, computer operations and certain automated controls and reports.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Operating and Financial Review and the Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Medibank Private Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Medibank Private Limited for the year ended 30 June 2025 included on Medibank Private Limited's web site. The directors of the Company are responsible for the integrity of Medibank Private Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

M. Laithwaite

Marcus Laithwaite
Partner

Melbourne
28 August 2025

The shareholder information below is current as at 28 August 2025.

Distribution of equity securities

Size of shareholding	Number of shareholders	Number of shares	% of issued shares
1 – 1,000	42,776	36,351,364	1.32
1,001 – 5,000	120,876	336,496,595	12.22
5,001 – 10,000	12,869	88,987,131	3.23
10,001 – 100,000	7,114	154,828,644	5.62
100,001 & over	183	2,137,339,506	77.61
Rounding			
Total	183,818	2,754,003,240	100.00

Unmarketable parcels

There were 816 holdings of less than a marketable parcel ($500) of shares (100 shares based on a market price of $5.02 per share) and such holders held a total of 13,620 shares.

20 largest shareholdings

		Number of shares	% of issued capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	892,959,467	32.42
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	691,193,311	25.10
3	CITICORP NOMINEES PTY LIMITED	279,602,750	10.15
4	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	53,403,629	1.94
5	BNP PARIBAS NOMS PTY LTD	52,018,924	1.89
6	NATIONAL NOMINEES LIMITED	23,212,018	0.84
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	19,787,507	0.72
8	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	10,400,458	0.38
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,900,707	0.36
10	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	9,459,352	0.34
11	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	8,145,967	0.30
12	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	5,472,803	0.20
13	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	4,651,005	0.17
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,251,765	0.15
15	BOND STREET CUSTODIANS LIMITED <COCKEJ - F01832 A/C>	3,645,606	0.13
16	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	3,474,013	0.13
17	SOLIUM NOMINEES (AUSTRALIA) PTY LTD <VSA A/C>	3,434,210	0.12
18	IOOF INVESTMENT SERVICES LIMITED <IISL NAL ISMA 2 A/C>	3,413,362	0.12
19	BNP PARIBAS NOMS (NZ) LTD	3,358,180	0.12
20	BUTTONWOOD NOMINEES PTY LTD	3,007,154	0.11
		2,084,792,188	75.70

Substantial shareholders

As at 28 August 2025 the following holders had provided a substantial shareholding notice:

Name of holder	Number of shares	% of issued capital
AustralianSuper Pty Ltd	214,144,438	7.78%
BlackRock Group	193,895,716	7.04%
State Street Corporation	201,490,011	7.32%
The Vanguard Group	165,447,082	6.008%

Voting rights

At a general meeting of the Company, every shareholder present (including virtually present) or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each share held.

On-market purchases of shares

During the financial year ended 30 June 2025, 1,647,591 Medibank ordinary shares were purchased on market at an average price of $3.86 for the purposes of Medibank's employee incentive schemes.

On-market share buy-back

There is no current on-market share buy-back.

Financial calendar

Key dates

Full year results announcement	28 August 2025
Ex-dividend share trading commences	10 September 2025
Record date for final dividend	11 September 2025
Payment date for final dividend	9 October 2025
Annual general meeting	19 November 2025
Half year results announcement	February 2026
Payment date for interim dividend	March 2026

The above dates and payments are subject to confirmation.
Any change will be notified to the Australian Securities Exchange (ASX).

Corporate directory

Company

Medibank Private Limited

Registered Office
Level 2, 695 Collins Street,
Docklands VIC 3008

GPO Box 9999
Melbourne VIC 3001

Telephone:
132 331 (within Australia)
+61 3 8622 5780 (outside Australia)

medibank.com.au

Share registry

Computershare Investor Services Pty Limited

GPO Box 2975
Melbourne VIC 3001

Telephone:
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+61 3 9415 4011 (outside Australia)

computershare.com.au

medibank

Medibank Private Limited
ABN 47 080 890 259