ASX release

13 September 2024

Medibank Private Limited (MPL) – Annual Report and Notice of Annual General Meeting documents

In accordance with the Listing Rules, Medibank releases the following documents to the market:

(a) Annual Report 2024;

(b) Appendix 4G – Key Disclosures – Corporate Governance Council Principles and Recommendations;

(c) Notice of Annual General Meeting 2024; and

(d) Proxy Form 2024.

These documents have been authorised for release by the Board.

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medibank

Annual Report 2024

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This report is part of our suite of reporting for the 2024 financial year. You can find more information about our performance in our Full Year Results Investor Presentation and Sustainability Report.

Our cover features Daryl and Janye. Our Geelong team have been sponsoring the City of Geelong Bowls Club this year as part of their commitment towards supporting health and wellbeing activities within their local community.

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, Net Zero strategy and Net Zero pathway are based on business-as-usual operations of Medibank Private Limited and its wholly owned subsidiaries in 2022, and do not include Myhealth Medical Group or our investment portfolio. Employee data referenced in pages 3 to 22 only relates to employees of Medibank Private Limited or its wholly owned subsidiaries

We're committed to delivering the best health and wellbeing experience for Australia. From our beginnings as a health insurer, we've grown to a health company supporting around 4.2 million customers and delivering more than 4 million health interactions this year.

We're focused on helping people live better, healthier lives by giving everyone greater choice, better access and more value from the health system. We're working with innovators in health, including health professionals, hospitals and governments to develop innovative approaches to care, to expand health prevention programs and personalise health products and services. We're accelerating the health transition Australia needs to ensure quality healthcare remains accessible and affordable for everyone.

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 insurance

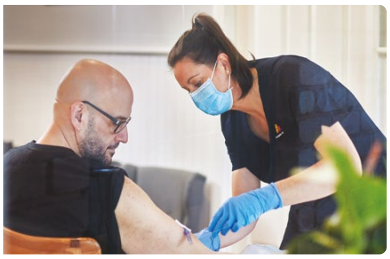
ahm You're good.

Offers straightforward health insurance, 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 homecare, virtual health, hospital and primary care

Diversified 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

Medinet Australia

Short stay hospitals and no gap hospitals

The Orthopaedic Institute at Macquarie University Hospital

East Sydney Private Hospital

Integrated Mental Health (iMH) hospitals – Sydney & Canberra, Brisbane (opens late 2024)

Adeney Private Hospital (under construction)

Homecare

Calvary Amplar Health Joint Venture

Sustainability focus areas

- Customer health
- Employee health
- Community health
- Environmental health
- Governance

Accelerating the health transition

“We know our customers and the broader community want healthcare done differently”

David Koczkar, CEO

2024 highlights

Customer

4.2m
total health insurance customers

$1.46b
total COVID financial support

Medibank
46.0 (+5.9)

ahm
46.4 (+3.7)

customer advocacy
(average Service NPS)

+14.4k (+0.7%)
net resident policyholder growth

+69.0k (+25.1%)
net non-resident policy unit growth

$6.3b
total claims paid

Healthcare

823k (+18%)
Live Better rewards participants

46%
Medibank policyholders engaged with our health and wellbeing services

193k
hospital bed days saved through prevention and homecare programs

4m+
primary care health interactions through Amplar Health and Myhealth

$52m
further investment in Myhealth Medical Group

People and community

7.9/10
employee engagement

$3.3m+
community investment

Place to work
+26

Products and service
+30

employee advocacy
(eNPS)

3,568
employees

including
849
health professionals

Financial

$570.4m
(+14.1%)
Group underlying net profit after tax

9.4 cps
final ordinary dividend
fully franked

$692.3m (+6.3%)
Health Insurance operating profit

$60.4m (+36.7%)
Medibank Health segment profit

$182.2m (+31.5%)
net investment income

26.7%
resident policyholder market share

$10m
in productivity savings

All data is presented on a statutory basis as at 30 June 2024. Some figures are subject to rounding.

Building a more sustainable healthcare system

Mike Wilkins AO

Medibank's performance this year reflects our ongoing focus on our customers, our investment in the health transition and our disciplined approach to growth. We also continue to make substantial progress towards our vision to deliver the best health and wellbeing for Australia.

While the industry and Medibank both grew during the year, we remained deliberate in our response to the competitive environment and commitment to managing the business for the long term. This helped drive a 6.3% increase in Health Insurance operating profit and a strong result in the Medibank Health business, with segment profit up 36.7%, including the contribution of our increased investment in Myhealth.

Our strong capital position continues to provide stability as well as flexibility for future growth and the Board determined a fully franked final ordinary dividend of 9.4 cents per share. This brings the total FY24 fully franked ordinary dividend to 16.6 cents per share, representing an 80.1% payout ratio of underlying NPAT.

There is much for the team to be proud of this year. They have worked to deliver more value for customers at a time when inflation has persisted, and household budgets continued to feel the pressure of the increasing costs-of-living. They have continued building customer trust by further strengthening the foundations and making the business more resilient. As well, they have looked toward the longer-term needs of customers and taken important steps to accelerate the health transition needed to ensure the future sustainability of the health system.

A key role of the Board is oversight of the strategic direction of Medibank and this year we undertook a number of opportunities to assess the implications and opportunities of current and emerging healthcare trends. We met with a diverse range of organisations leading change in areas including large-scale digital prevention programs, care models for the future and the use of generative artificial intelligence in healthcare delivery.

We have also continued to connect with teams across the business. This includes seeing firsthand the virtual hospital capabilities of My Home Hospital in South Australia, delivered by our Calvary Amplar Health Joint Venture for SA Health, meeting with the ahm customer support team about their new way of working designed to better support customer needs; as well as with our ventures team that is working on accelerating our digital health offering.

The Board also undertook a visit to Medibank's retail store in the Victorian city of Geelong, which is our first store to trial a new local service approach where customers calling or messaging us are supported by team members who live locally and know the health needs and providers within the community. Following the success of this trial for our customers and teams alike, this approach is rolling out nationally.

We have worked hard to deliver on our environmental, social and governance commitments. We further accelerated our Net Zero pathway, commencing the shift of our mobile Amplar Health team from petrol to hybrid cars. As we look to transition to 100% renewable energy across our operations by 2025, 64% of our electricity was procured from renewable sources.

"The business has remained resilient, with the team's experience at navigating changing economic and market dynamics showing through"

We have continued embracing diversity and inclusion in our workplace. To support our Aboriginal and Torres Strait Islander employees, we enhanced our Cultural leave and Sorry Business leave, in consultation with our Aboriginal Employee Network. We were proud to be recognised as a Top 5 Performer in the Australian Disability Network's Access and Inclusion Index 2023.

We also continued to champion gender diversity across the business. Since 2018 we have published gender pay gap data, and this year we published our first Gender Pay Gap Reporting Employer Statement along with 5,000 other companies. While this report showed our median gender pay gap is pleasingly below the industry average, it also highlights opportunities to drive further action and change to reduce the gap. A Board member change earlier this year meant for the first time in 15 years, we did miss our stated objective of 40% women representation on the Board, while achieving 46% representation among Group and senior executive roles but we remain committed to the target.

The business has remained resilient, with the team's experience at navigating changing economic and market dynamics showing through. They remain focused on strengthening relationships with government, industry stakeholders and our healthcare partners, while evolving the way we are working to create a healthier and more engaged workplace that enables our people to deliver for our customers, our community and our shareholders.

I would like to thank my fellow directors for their contribution this year and on behalf of the Board, recognise the work of David Koczkar and the executive team. I extend this appreciation to everyone at Medibank for their unwavering commitment to our vision to deliver the best health and wellbeing for Australia.

"We are working to make a meaningful impact on the health and wellbeing of our community and our planet"

Delivering greater value for our customers

David Koczkar

As many customers felt the pressure of rising cost-of-living on their household budgets, we remained focused on providing our customers with more value and greater support in their health and wellbeing.

We worked hard to keep our premium increases as low as we could, with this year's average increase below inflation and wage growth.

Our customers saved over $23 million using our Members' Choice Advantage network and our Live Better rewards program delivered more than $25 million in rewards – including $8 million in cover rewards like premium top ups.

We made it easier for people to get health advice by extending access to our 24/7 nurse and mental health support lines to an additional 700,000 customers. In response to customers' increased concerns about out-of-pocket costs, we expanded the procedures covered by our no gap program which is now available at 35 hospitals. We've seen a 38% increase in the number of customers going through the program this year and will be adding new services to this program in FY25.

We stuck by our promise to not profit from the pandemic. In May we announced an additional $305 million in COVID give back to our customers, bringing our total customer support to a record $1.46 billion. We also continued to manage our own costs and delivered around $10 million in productivity savings this year, which is important given the economic environment.

This year we took a big step as a health company. We increased our investment in the Myhealth Medical Group, bringing it together with our existing Amplar Health services to establish what is now one of Australia's largest multi-disciplinary primary care networks. This network delivered more than 4 million health interactions to people across the country – in clinics, virtually and in homes.

Almost half of our Medibank policyholders are now engaging with our health and wellbeing services and this year we introduced new self-paced digital prevention programs to our Live Better rewards program. We entered a new partnership with leading healthcare technology provider Amwell to develop prevention programs that can reach a much larger number of people and are planning to launch the first of these – a lifestyle management program to promote wellness and prevent chronic disease – later this year.

We know our customers and the broader community want healthcare done differently and we have continued to invest in prevention and primary care, virtual health and homecare to deliver greater value, choice and control.

This is helping accelerate the health transition underway in Australia – a shift from overnight stays in expensive acute care hospitals to virtual, short stay and homecare, from treatment to prevention, and from generalised care to personalised health.

Our health system needs this innovation. If we don't act, the government will need to spend nearly 50% more on health as a proportion of GDP in 40 years' time, with hospital spending the fastest growing part.

The past few years have been challenging for all parts of the health sector, including hospitals. In recent times, inflation has been driving up costs for hospitals and COVID waves have impacted staffing and operational levels of hospitals.

“This year we took a big step as a health company”

We want the private hospital sector to be strong. And we recognise the important role hospitals play in supporting our customers – which is why we continue to support our hospital partners and fund them through the health transition. Over the last 2 years our one-off financial support for hospitals has reached a substantial $63 million – in addition to higher indexation in our hospital agreements and additional incentives to accelerate the health transition.

We have been changing the way we work too, to better support our people to lead through this health transition. We continued to simplify our processes and build more autonomous teams, while enabling our people to be at their best, both personally and professionally.

All of this work is designed to create better experiences for our customers and this year we achieved our best advocacy scores in the last 4 years for both Medibank and ahm.

Change in health is never easy. But we are at the forefront of this transition, working alongside doctors and health professionals and investing in care models for the future. I’d like to thank Mike Wilkins and the Board for their support during the year and recognise the work of our incredible team of people – who are strongly committed to our vision and to driving the change needed to keep Australia’s health system one of the best in the world.

Outlook

Customer value

Customer promise: any permanent net claims savings due to COVID-19 will be returned to customers

Customer give back program: expect the finalisation of our customer give back program to be announced in FY25

Resident health insurance

Industry growth: anticipate moderating industry growth in FY25 relative to FY24

Customer growth: we will remain disciplined as we aim to grow in line with market during FY25 (including volume growth in the Medibank brand), and aim to grow market share in FY26

Claims: expected claims per policy unit growth of around 2.7% in FY25

Management expenses: targeting $10m of productivity savings in FY25

Non-resident health insurance

Customer growth: expect solid policy unit growth to continue in FY25

Medibank Health

Organic growth: targeting average organic profit growth ≥15% per annum between FY24 and FY26 plus a 12-month contribution from Myhealth in FY25

Inorganic growth: aim to invest between $150m to $250m through further M&A between FY24 and FY26

Delivering value to stakeholders through our strategy

Our stakeholders

Customers	Employees	Community	Shareholders	Health providers and patients

The material issues they care most about

- **Customers:** Affordable, innovative and personalised healthcare
- **Employees:** Engaged, purpose-led culture, attract and retain talent; Diverse and inclusive workforce
- **Community:** Support healthy communities
- **Shareholders:** Ethical and sustainable business
- **Health providers and patients:** Work together to build a stronger and more sustainable health system

Environmental health and climate change

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 other care models for the future

Scale and connect our existing health businesses

Deliver more health services to Medibank and ahm customers

Accelerate Australia's health transition

Better Health for Better Lives

How we're delivering value through our strategy

We're supporting our customers' health and wellbeing, offering greater healthcare value, choice and control and creating a more connected experience

We're empowering our people to achieve their best through flexible working, health and wellbeing support, with a culture that celebrates diversity and inclusion

We're addressing some of Australia's biggest health and community challenges such as loneliness, mental health, reconciliation, climate change, and diversity and inclusion

We're delivering sustainable returns to our shareholders while meeting the expectations of our customers and community by embedding environmental, social and governance (ESG) practices in our strategy

We're accelerating the health transition needed to make our health system more equitable, affordable and accessible, investing in prevention and health services, and working with health professionals, hospitals and governments

Growing as a health company

"We have looked toward the longer-term needs of our customers"

Mike Wilkins, Chair

Service made easy

We simplified how customers can manage their health and wellbeing, giving our people more control of how they work to deliver better customer experiences, and strengthening our partnerships to build healthier communities.

c. 4.2m

total health insurance customers

as at 30 June 2024

Deliver leading experiences

FY23-FY25 milestone achievements – page 30

Our goals

- 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

Medibank **46.0** (+5.9) **ahm** **46.4** (+3.7)
customer advocacy
(average Service NPS)

60%
of complaints resolved within first contact
(up from 30% in FY23)

50%
of support calls from customers assisted with AI

5,000
people helped by our Medibank vans

Personalised customer experiences

We strive to create brilliant experiences for our customers – whether they visit us in store or at one of our mobile vans, or call or message us online. And we're proud to see this reflected by increasing customer advocacy – achieving our best Service NPS result over the last 4 years for both Medibank and ahm.

Our customers are experiencing the benefits as we reinvent the way we work – like getting to the right expert faster, resolving queries through self-service or connecting with local team members who know their area. We're being smart in how our teams are using artificial intelligence (AI) to help our customers – it's now assisting in almost 50% of support calls from our customers.

We've given our people more power to deliver personal and localised services and health support. This year, we continued a trial for our Medibank customers in South Australia and the Geelong and Gold Coast regions. Our customers in those locations are served by team members who live locally and know the health needs and local health providers for those communities, and can access our health experts in store. This is leading to a better customer experience, and our people are more engaged, with a national rollout of the program to be completed in FY25.

We also tapped into feedback from our people to inform store redesigns. The layout and state-of-the-art technology in these stores are helping to create a unique experience for customers aligned to our 2030 vision to deliver the best health and wellbeing for Australia. The new designs have increased the number of complimentary health checks and health conversations offered in store.

Our fleet of mobile stores on wheels – GalliVANt, SulliVAN and VANgo – continued to play an important role in supporting regional and rural communities.

The vans are equipped with machines which enable complimentary health checks and use of these machines doubled year on year to 2,500. We're continuing to offer these checks to more communities across the country in FY25 so more people can access information about their health.

A more seamless digital experience

As part of enhancing our digital channels and self-service functionality, we redesigned the ahm app to create a more straightforward, intuitive, and easy to use experience. Introducing a friendly chat bot and in-app messaging has made it easier for customers to get the information they need, when they need it.

The number of customers using the My Medibank app continued to grow and the integration of Live Better rewards within the app supported increased engagement and participation in the program.

With over 40% of all service enquiries now being resolved through messaging, it is clear customers value the convenience offered by this channel. Following the launch of in-app messaging and live chat via our website for Medibank and ahm Overseas Student Health Cover (OSHC) customers, we have supported up to 2,000 conversations a week on these channels.

To continue to help protect our customers' data, we enhanced security features across our Medibank, ahm and OSHC apps including added authentication requirements when people message us or call our contact centres. We updated our Privacy Policy including making improvements to the user experience and to give customers more clarity about how we collect, store and use their data and launched a new customer security and privacy hub. We also enhanced protections for vulnerable Medibank and ahm customers with the launch of a proactive speech analytics system.

Creating the healthiest workplace in Australia

In line with our purpose of Better Health for Better Lives, we're working to create the healthiest workplace in Australia.

This starts with reinventing the way we work, enabling our people to do things differently so they can focus on what really matters to our customers, patients and community. We're evolving our work practices to drive highly aligned and autonomous teams and supporting our people as individuals, empowered to do their best through our robust diversity and inclusion strategies. And we know it's working, with our employee engagement scores among our highest ever.

Pleasingly, our 2023 employer statement for gender pay gap reporting disclosed our median gender pay gap is below our industry average for both Medibank and Amplar Health.

We were recognised as a Top 5 Performer in the Australian Disability Network's Access and Inclusion Index 2023 and awarded Best in Class Employee Experience. As well, we achieved Disability Confident Recruiter status for 2024.

We enhanced our Cultural leave and Sorry Business leave policies to support Aboriginal and Torres Strait Islander employees in consultation with our Aboriginal Employee Network. We also introduced gender affirmation leave to provide support for trans and gender-diverse employees and continue to offer unlimited paid leave to our people who are experiencing domestic family and sexual violence.

We partnered with Macquarie University to develop a 4-day work week trial, based on the 100:80:100 model. The 250 team members who have participated in the 6-month experiment maintain 100% of their pay, reduce their working hours to 80%, while maintaining 100% productivity. The mid-point results are promising; participant health and wellbeing, performance and productivity have remained stable, engagement has increased and turnover and absenteeism reduced in frontline teams.

To better support the health of our people, we introduced free virtual GP consultations for all our teams – more than 500 of which have been conducted since the program launched in March. We also offered free access to our new Healthy Living Extras product, and our employee health and wellbeing hub gives our people a range of tools to manage their physical, mental and financial health.

By enabling our people to be at their best, personally and professionally, we're better positioning our organisation to make a real difference to our health system for our customers and community, helping to accelerate the health transition Australia needs.

Read more about our work.reinvented program

Sustainability Report 2024– page 29

46%
of senior leadership roles held by women

7.9/10
employee engagement

18th worldwide
7th in Australia
Equileap Global Gender Equality Index

85%
employees have work/life flexibility

388k (+29%)
people took part in parkrun Australia in FY24

$970k
invested in 15 active health research projects

$4.4m
spent with Aboriginal and Torres Strait Islander businesses in FY24

$3.3m+
community investment

Building healthier communities

We want everyone to live their best life, so we're focused on making a positive contribution in our community.

We've partnered with parkrun Australia since 2016 to bring local communities together to get active on a Saturday morning. This year Australia became the second country globally to mark 1 million parkrun participants, and we integrated parkrun into our Live Better rewards program so customers can now earn points for taking part.

Through the Medibank Better Health Foundation we continued prioritising research in areas of high health need in Australia. This year we partnered with 11 organisations to support 15 active projects in areas including care models for the future, women's health, Indigenous health equity and prevention.

As part of our 10-year commitment to helping address loneliness, we undertook our 4th Loneliness Index survey to track the prevalence and impact of loneliness across Australia. We also worked on our 3rd series of the We Are Lonely podcast to raise awareness of young people's experiences of loneliness and strategies to address it.

Read more about our commitment to address loneliness

Sustainability Report 2024– page 56

64%
electricity procured through renewable sources as at 30 June 2024

We have continued listening and learning from Aboriginal and Torres Strait Islander individuals, communities and organisations on matters that concern their communities. The referendum result has not stopped us from doing this or changed our commitment to reconciliation and we remain focused on supporting the health and wellbeing of First Nations people and the wider Australian community. During the year we worked with the Australian Indigenous Doctors' Association to pilot a cultural safety in health workshop for our Amplar Health clinical leaders and supported them to take a group of Indigenous medical students back on Country in the Torres Strait.

As part of our Net Zero pathway, our mobile Amplar Health team is transitioning from petrol to hybrid vehicles and as of the end of this financial year, 64% of our electricity is being procured from renewable sources. We moved into our new Melbourne office in July 2024. The 6 Star GreenStar building is designed to maximise accessibility and has improved efficiencies for electricity and refrigerants, with a commitment to achieving a specific NABERS energy rating through formal certification.

We also commissioned external researchers to undertake a Life Cycle Analysis of telehealth and in-hospital treatment pathways for our Better Knee, Better Me program in both rural and urban settings. The findings show delivery of this program via virtual health had lower environmental impacts compared to the traditional in-hospital delivery, and will help inform our future developments of health programs.

Read more about our Net Zero approach

Sustainability Report 2024– page 70

Value that delivers

Customers are increasingly seeking more value and shopping around to get it, which is why we've been finding more ways to deliver more everyday value through our Medibank and ahm brands.

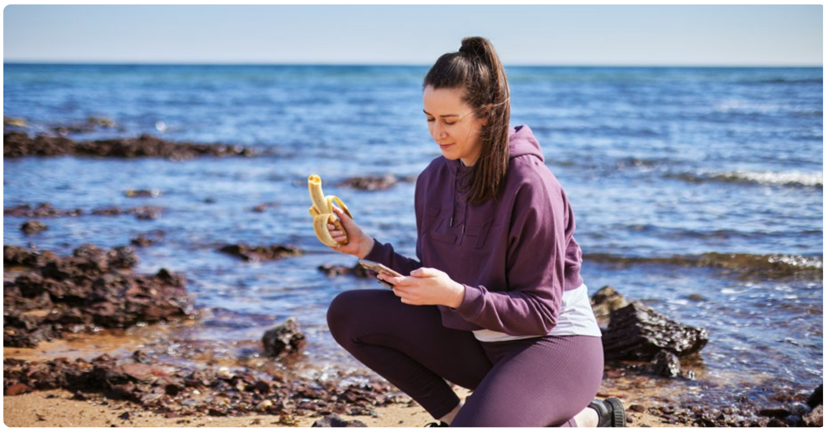
$23m+

out-of-pockets saved through Members' Choice Advantage

FY23-FY25 milestone achievements – page 30

Our goals

- 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



$305m
in FY24 COVID financial support

c. $1.46b
total COVID financial support

$6.3b
total claims paid

More value for customers

We know cost-of-living pressures continue impacting household budgets. Many of our customers are making deliberate spending cuts, but health cover remains high on their priority list. So we've worked to enhance our products and services, grown our provider and partner network, and given our customer service teams more ways and greater autonomy to support each customer's health needs.

Value starts with premiums, which is why we worked hard to keep premium increases as low as we could despite rising health costs in the private system. Our FY24 give back commitment of $305 million, comprising a customer cash give back and ahm extras limit rollover, brings our total COVID financial support package to a record $1.46 billion.

This package, which is part of our commitment to not profit from the pandemic, is the largest of any health insurer in Australia to date.

We remained focused on our own costs, delivering around $10 million in productivity savings this year – with a further $10 million targeted for FY25.

Products and services that offer more

We strive to deliver value for customers at every stage of life and whatever their circumstances.

For younger people looking for their own health cover for the first time, Medibank launched Healthy Living Extras. This product starts at $3.45 a week and covers 1 annual dental check-up and clean, flu vaccination, unlimited emergency ambulance and access to our 24/7 mental health and nurse support services.

We extended access to our 24/7 nurse and mental health support services to all Medibank health insurance customers. Around 700,000 additional customers, including those with extras and ambulance cover, now have this support any time of the day or night. In addition, we made the 24/7 Nurse service available via chat through the My Medibank app with many younger customers choosing this option.

Medibank delivered more health prevention and savings through its latest range of silver and gold hospital cover products, including no excess for no gap surgeries (saving our customers an average $492 per procedure), and payments and benefits for private emergency department admissions. These are one of the only products on the market that ensure customers going to hospital for a no gap procedure have no out-of-pocket costs, saving these customers who undergo joint surgery around $2,400 on average.

As well, ahm redesigned its product range to shift some high-cost treatments like pain management with devices and insulin pumps to higher-level products. Customers can make the best choice for their health and wellbeing and only pay for what they are likely to need, ensuring our entry and mid-level products remain affordable.

We encouraged preventative dental care and helped our customers with cost-of-living pressures by offering Medibank customers with extras cover $50 towards out-of-pocket costs at Members' Choice Advantage dental practices as a Live Better reward.

We continued to support customers with insurance options beyond their health cover, including travel, life, car, home and pet insurance, with a record number of Medibank and ahm customers taking up additional insurance options this year. With affordability in focus, we launched new life insurance and income protection products with increased annual limits and benefits. We also enhanced our pet insurance range and upgraded the cover of all existing customers.

Services supported

1.2m+ hospital admissions

28.1m+ extras services

583k+ surgical procedures

Stronger partnerships driving greater value

We're delivering more for our customers thanks to our strong relationships with hospitals, health providers and Live Better rewards partners. As we champion contemporary models of care that align with international best practice, we are providing more of what our customers want and reshaping healthcare in Australia.

We have the largest no gap network in Australia, as we've expanded the procedures covered as well as the network of acute and day hospitals where it is available. We've saved more than 7,000 customers over $3 million to date. A highlight this year was introducing ACL (anterior cruciate ligament) surgeries to the program with significant out-of-pocket savings for customers of around $1,700.

Our Members' Choice Advantage network delivered more than $23 million in savings to customers seeking dental, physiotherapy, optical, chiropractic, podiatry, acupuncture and remedial massage services and this year, we worked to grow our network of regional providers.

We continued to invest in our customers' health and wellbeing through our Live Better rewards program, with customers able to earn up to $400 in rewards points each year by taking simple healthy actions and participating in challenges. Our Live Better members have redeemed over $25 million in value including more than $8 million of health cover rewards such as savings on premiums or limit top ups. We also extended the program to our younger customers this year so 16 and 17-year-olds can earn their own points to put towards redeeming rewards.

We work closely with our private hospital network to provide choice, value and control for our customers and to support the ongoing sustainability of private healthcare. Our new partnership approach better aligns incentives, encourages innovation in patient care and experience, and supports care models for the future to reduce unnecessary costs. These new arrangements now cover 75% of the private hospital episodes experienced by our customers.

Find out how our health partnerships deliver more value for our customers

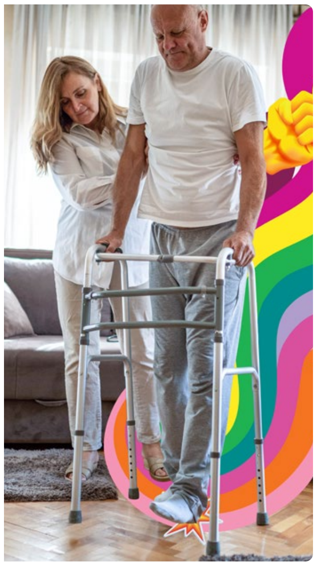
Sustainability Report 2024 – page 21

No gap joint replacement program

35 hospitals

$1,900 average out-of-pocket cost savings

38% growth in procedures



Supporting our international and corporate customers

Despite the reduction in visa grants this year, more international students joined us, attracted by the affordability, value and enhanced health and wellbeing support we offer through our products and services and we continued to win more corporate accounts.

We doubled the number of virtual GP consultations for international and corporate customers, while demand for our 24/7 Student Health Support Line increased by 60%. We opened our Live Better rewards program to corporates this year who can earn up to $700 in rewards and saw a 66% increase in the number of overseas students accessing our Student Rewards program. We continued to build upon our university partnerships, working together on health research projects and professional development opportunities.

Helping build a more equitable health system

We are working to drive change in areas of the health system and in health policy where there is an opportunity to improve value, choice and control for people and build a more sustainable health system for the future.

We continued to advocate for reforms and engage with key medical and health associations on how to improve the health system. Medical device funding reform remains a high priority as Australians keep paying some of the highest prices in the world for these devices.

Primary care is the foundation of the health system and GPs are essential to the health of our community, and this year we strengthened our commitment to health prevention, increasing our investment in the Myhealth GP network.

Find more about our Myhealth GP pilot program

Sustainability Report 2024 – page 58

+69.0k (+25.1%)
non-resident policy unit growth

870k
employees from corporate partnerships engaged in health and wellbeing

100%
increase in virtual GP corporate consultations

Healthcare made easy

Whether our customers want to be better, or they need to get better, we are there to support their health and wellbeing.

823k (+18%)

Live Better rewards participants

Expand in health

FY23-FY25 milestone achievements – page 30

Our goals

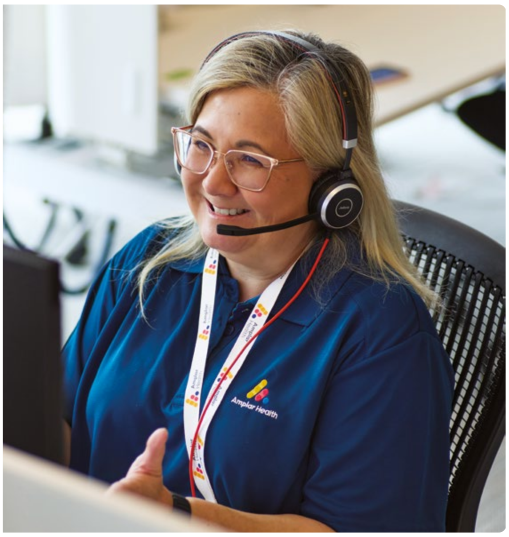
- Accelerate growth in prevention, primary and virtual care and other care models for the future
- Scale and connect our existing health businesses
- Deliver more health services to Medibank and ahm customers
- Accelerate Australia's health transition

46%
of Medibank policyholders engaging with our health and wellbeing services

1+ in 4
Medibank customers going to hospital supported by Health Concierge

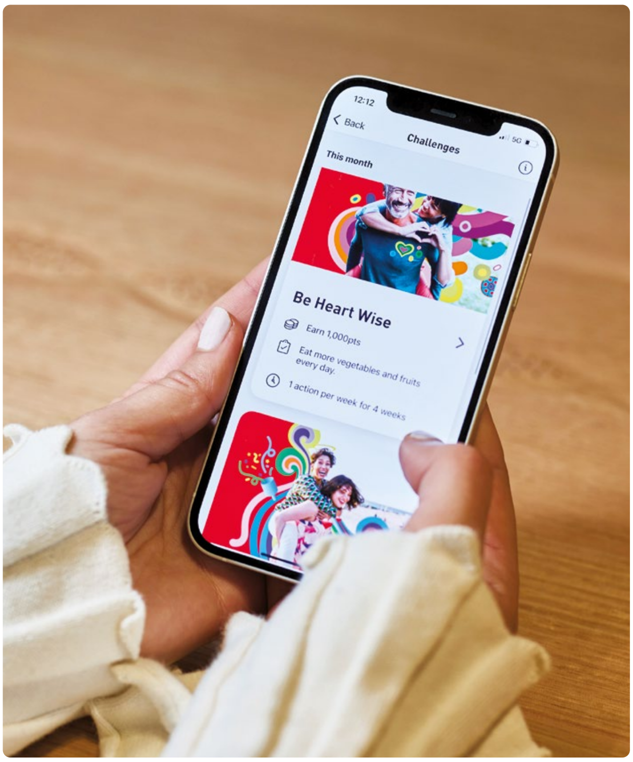
132k
enrolments in clinician-led prevention programs and Live Better digital prevention programs

303k
virtual health Medibank customer interactions delivered by Amplar Health and partners



Helping customers be better

More than 8 out of 10 of our customers want us to support their health and wellbeing, so we're investing more in preventative health to help our customers live their best lives and to take pressure off the health system.



In addition to our suite of clinician-led prevention programs, this year we introduced 2 self-paced digital prevention programs to Live Better rewards, with around 132,000 enrolments across all of these programs. Not only are these programs helping people to manage their health conditions, they're also helping them feel more confident about looking after their own health and wellbeing.

Our new partnership with leading healthcare technology company, Amwell, enables us to connect a significantly larger number of people in Australia with chronic disease digital prevention programs. These programs can have a positive impact on the broader health system, and we expect to launch our Medibank Healthy Lifestyle program later this year.

To support people transitioning back into their home after a hospital stay, we launched an After Hospital Home Care pilot program in May. We also offered personalised health support to more than 1 in 4 Medibank customers preparing for or recovering from a hospital stay or treatment through our Health Concierge program.

We supported more of our corporate customers with health and wellbeing services, delivering almost 600 customised programs this year. We partnered with more than 250 organisations to embed wellbeing programs with focuses such as menopause and loneliness, and conducted large-scale health events which connected more than 870,000 people with services such as health checks, skin checks and flu vaccinations.

Better healthcare options for customers and the community

We are working with a range of partners to accelerate the take up of care models for the future with our investments in homecare, short stay hospitals, virtual health and primary care supporting greater access, value and control for our customers as well as others in the community.

Our Amplar Health team is delivering around 1,000 homecare visits a day to people across Australia – providing home hospital, nursing and physiotherapy services. In July 2024, we opened the Amplar Health Adelaide Hub – headquarters for the team's extensive national network of nurses and allied health practitioners – which is designed to optimise the delivery of care to patients in their homes.

The team also supported around 1 million virtual health interactions with our customers and the broader community, including triage and health support, mental health services and preventative health programs. Our Myhealth GP network provided more than 3 million patient consultations across their 106 clinics.

Mental health support remained a key focus. We opened our second hospital offering an innovative approach to mental health care with in-hospital, community and home care through our iMH (Integrated Mental Health) joint venture with Aurora Healthcare. A third hospital will open in Brisbane in late 2024. And in August 2024, we extended our virtual psychology clinic developed with Myhealth to all Medibank customers, so they can access timely and affordable support from registered psychologists.

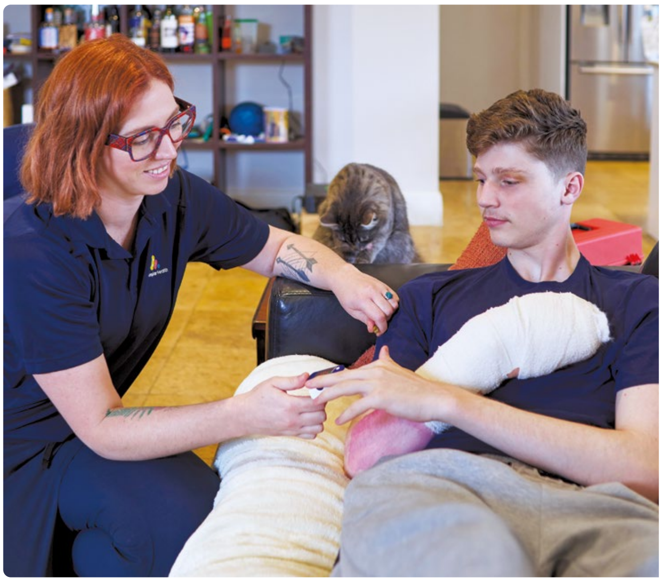
We have continued supporting Australians with mental health triage and mental health support services. This service is also actively used by NSW Ambulance in the field to triage patients and avoid unnecessary emergency department presentations.

Read more on our mental health support approach

Sustainability Report 2024 – page 19

In February, The Orthopaedic Institute at Macquarie University Hospital opened its doors, and East Sydney Private Hospital expanded, adding 2 state-of-the-art theatres and 14 new beds. Construction continues on Adeney Private Hospital in Melbourne – a doctor-led joint venture that will add 4 operating theatres, a procedure room, 30 beds, radiology services and a chemotherapy infusion clinic to the health system in early 2025. Our investments in each of these hospitals support the short stay model of care.

In South Australia, My Home Hospital provided hospital level care to 7,000 public patients in their homes, delivered by our Calvary Amplar Health Joint Venture for SA Health. Our Amplar Health team also continued to deliver community care and aged care support.



193k hospital bed days saved through prevention and homecare programs

210k+ homecare visits supporting **18k** patients

40% of Medibank no gap joint replacement patients are having rehab at home

19% increase in calls to 24/7 Nurse Phone Service

4m+
health interactions through Amplar Health and Myhealth

c. $52m
further investment in Myhealth Medical Group

Accelerating the health transition our country needs

The challenges facing our health system can be seen in the decade-high waiting lists in public hospitals, ongoing ambulance ramping, delays to see a GP or a specialist, and a stretched health workforce. This is why we're investing in the health transition Australia needs, driving change by building a more connected healthcare experience and innovating with care models for the future that bring together the benefits of homecare, virtual care and hospital care.

With our increased investment in the Myhealth GP network, we've created one of Australia's largest multi-disciplinary primary care networks. From GPs to nurses, psychologists to physiotherapists and other allied health specialists, we are delivering care in clinics, in homes and virtually. This is enabling us to better support the health of millions of people in Australia and grow our health offerings for our Medibank and ahm customers.

To improve the health experiences of patients with chronic conditions such as diabetes and cardiovascular disease, we're investing up to $3 million over 3 years to enable Myhealth GPs to pilot a new program for primary care for all Australians.

More than 600 patients have already been through this GP-led program which brings together a multi-disciplinary team to steer higher risk patients away from typical chronic disease outcomes, and aligns with recommendations from the Government's Strengthening Medicare Taskforce report.

Sustainability at Medibank

We take a big picture view of how we impact society and how we can contribute to a positive future that is in line with our stakeholders' expectations.

In support of our Better Health for Better Lives purpose, our Sustainability Report 2024 details how we are creating healthy and inclusive communities and accelerating the health transition Australia needs to support accessible and affordable care, while we reduce our environmental impact, create the healthiest workplace and embed ethical decision-making in all our work.

Our sustainability focus areas

Customer health

Better support our customers to improve their health and wellbeing through personalised advice and by delivering greater value, access, choice and control

Employee health

Build an engaged, inclusive workforce that is customer obsessed, values and purpose driven and focused on health and wellbeing

Community health

Make a difference in our community, by accelerating the health transition Australia needs to ensure the sustainability of our health system, building partnerships and investing in preventative health and research

Environmental health

Entrench environmental sustainability into our decision-making

Governance

Embed ethical and responsible business practices throughout Medibank and our supply chain

Material topics

- Customer health: **Affordable, innovative and personalised healthcare**
- Employee health: **Engaged, purpose-led culture, attract and retain talent**; **Diverse and inclusive workforce**
- Community health: **Support healthy communities**; **Work together to build a stronger and more sustainable health system**
- Environmental health: **Environmental health and climate change**
- Governance: **Ethical and sustainable business**

FY24 focus areas

Customer health
- Short stay and no gap networks
- Virtual healthcare and homecare
- Integrated care models
- Van visits to regional and rural areas
- Live Better and preventative health programs
- Partnerships with providers

Employee health
- work.reinvented
- Autonomous and empowered frontline teams
- Inclusive recruitment
- On-demand learning
- Health, safety and wellbeing
- Gender pay gap

Community health
- Loneliness
- Medibank Better Health Foundation research
- parkrun Australia
- Health equity and inclusion
- Healthcare investments
- Myhealth GP network
- Public health system support

Environmental health
- Life Cycle Analysis of Better Knee, Better Me program
- Preparing for Australian Sustainability Reporting Standards
- Progressing Net Zero commitment
- Environmental sustainability embedded into new Melbourne office
- Greenhouse gas emission measurement for Myhealth GP network

Governance
- Corporate and clinical governance
- Data Protect program
- IT security uplift program
- Addressing modern slavery risks
- Aboriginal and Torres Strait Islander procurement

1. About Medibank

Medibank Private Limited (Medibank) is a health company providing health insurance to around 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 our core Medibank and ahm customers and the broader community and Myhealth provides integrated primary care services with a patient-centred approach. Our Live Better 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 flexibility 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 2024, we had 3,220 full-time equivalent (FTE) employees, including 658 health professionals (excluding employees in associates and joint ventures).

2. Financial and operating performance

References to “2023”, “2024”, “2025” and “2026” are to the financial years ended on 30 June 2023, 30 June 2024, 30 June 2025 and 30 June 2026 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)	2024	2023 (restated)[1]	Change
Group revenue from external customers	**8,175.8**	**7,807.0**	**4.7%**
Health Insurance operating profit[2]	692.3	651.3	6.3%
Medibank Health segment profit	60.4	44.2	36.7%
Segment operating profit	**752.7**	**695.5**	**8.2%**
Corporate overheads	(52.9)	(47.1)	12.3%
Group operating profit	**699.8**	**648.4**	**7.9%**
Net investment income	182.2	138.6	31.5%
Other income/(expenses)	(19.7)	(12.6)	56.3%
Cybercrime costs	(39.8)	(46.4)	(14.2%)
Profit before tax, before movement in COVID-19 reserve	**822.5**	**728.0**	**13.0%**
Movement in COVID-19 reserve (excl. tax)	(110.8)	(290.1)	(61.8%)
Profit before tax	**711.7**	**437.9**	**62.5%**
Income tax expense	(215.3)	(129.3)	66.5%
Non-controlling interests	(3.9)	-	n.m.
NPAT attributable to Medibank shareholders	**492.5**	**308.6**	**59.6%**
Effective tax rate	30.3%	29.5%	80bps
Earnings per share (EPS) (cents)	17.9	11.2	59.6%
Normalisation for investment returns	0.3	(11.5)	(102.6%)
Normalisation for COVID-19 reserve movements	77.6	203.0	(61.8%)
Underlying NPAT[3]	**570.4**	**500.1**	**14.1%**
Underlying EPS (cents)[3]	20.7	18.2	14.1%
Dividend per share (cents)	**16.6**	**14.6**	**13.7%**
Dividend payout ratio[3]	80.1%	80.5%	(40bps)

1. The Group has adopted AASB 17 *Insurance Contracts* and has restated the comparative period. The impacts of adoption are detailed in Note 20 of the 2024 financial statements.
2. Health Insurance operating profit excludes the impacts of COVID-19.
3. 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.

Medibank has adopted AASB 17 *Insurance Contracts* (AASB 17) from 1 July 2023 and has applied it retrospectively, resulting in the restatement of the financial results for the comparative period. The impacts of AASB 17 are detailed in Note 20 of the 2024 financial statements.

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.

Medibank is subject to certain litigation and regulatory proceedings in connection with the cybercrime event identified in October 2022. Refer to Note 12(a) of the 2024 financial statements for further detail.

Group

Medibank's 2024 financial results reflect the continued resilience of our resident Health Insurance business, demonstrates the important contribution of our non-resident insurance business to overall fund growth, and highlights both the organic and inorganic growth potential in Medibank Health.

Group operating profit was up 7.9% to $699.8 million, with a 6.3% increase in Health Insurance operating profit and strong growth in Medibank Health segment profit of 36.7%, including the benefit of our increased investment in Myhealth.

Net investment income increased by $43.6 million to $182.2 million. This was partially offset by $39.8 million of non-recurring costs for IT security uplift, and legal and other costs related to regulatory investigations and litigation associated with the 2022 cybercrime event. We expect similar costs for these matters in 2025, including investment associated with uplifting business resilience and customer trust (excludes the impacts of any potential findings or outcomes from regulatory investigations or litigation).

Reported net profit after tax (NPAT) attributable to Medibank shareholders increased from $308.6 million to $492.5 million. However, this has been significantly impacted by the adoption of AASB 17, which decreased 2024 statutory NPAT by $77.6 million due to the timing and value of COVID-19 claims savings and give backs. This compares to a $203.0 million reduction in NPAT in the prior period. Underlying NPAT, which adjusts for movement in the COVID-19 equity reserve and normalisation of investment returns, increased 14.1% to $570.4 million.

Reported earnings per share (EPS) was 59.6% higher at 17.9 cents per share, while underlying EPS was up 14.1% to 20.7 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)	2024	2023 (restated)[1]	Change
Premium revenue	7,903.0	7,600.4	4.0%
Net claims expense (including risk equalisation)	(6,595.8)	(6,380.5)	3.4%
Gross profit	1,307.2	1,219.9	7.2%
Management expenses	(614.9)	(568.6)	8.1%
Operating profit	692.3	651.3	6.3%
Gross margin	16.5%	16.1%	40bps
Management expense ratio	7.8%	7.5%	30bps
Operating margin	8.8%	8.6%	20bps

1. The Group has adopted AASB 17 *Insurance Contracts* and has restated the comparative period. The impacts of adoption are detailed in Note 20 of the 2024 financial statements.

Our resident health insurance business has remained resilient with solid earnings growth, while there was strong momentum in our non-resident portfolio.

Gross profit was up 7.2%, with favourable age claiming patterns benefiting risk equalisation and positive benefits emerging from our disciplined approach to growth.

Despite higher operating expenses driven by inflation and increased sales commissions, we saw lower claims in extras as customers seek to reduce expenditure, resulting in a largely offsetting impact on our gross margin and management expense ratios.

Industry and customer growth

The resident health insurance market has remained buoyant with policyholder growth in 2024[1] expected to be similar to the 1.9% growth in 2023. The market has continued to be competitive with customers seeking to offset cost-of-living pressures. This has resulted in a modest increase in the number of customers both lapsing and switching funds, and a higher cost of acquisition, including from a higher percentage of sales through aggregators.

Our reported resident policyholders increased by 14,400 or 0.7% with a modest 0.2% decline in the Medibank brand and 3.4% growth in ahm. The resident acquisition rate increased 50 basis points to 11.0%, with Medibank's acquisition rate of

1. Industry average, resident policyholders, APRA quarterly private health insurance statistics to March 24 with estimate for June 24 quarter.

8.9% returning to pre-2022 cybercrime levels. While the ahm acquisition rate increased 100 basis points to 18.1%, the cost of acquisition rose as a result of higher aggregator sales, reflecting both the current economic and competitive environments.

Our resident lapse rate was 40 basis points higher at 10.3%, reflecting higher levels of switching in the market. The overall lapse increase was below the industry average[2], driven by performance in the Medibank brand. ahm experienced a higher lapse impact, reflecting that customers are more price sensitive, particularly when acquired through aggregator platforms.

Aided by further benefit from Adult Dependant Reform (ADR), growth in hospital lives of 0.9% to approximately 3 million was 20 basis points above resident policyholder growth and skewed towards younger customers under the age of 30.

Looking forward, we will remain disciplined as we aim to grow in line with market during 2025, including volume growth in the Medibank brand, by further capitalising on our dual brand strategy, increasing focus on our priority segments including the growing corporate market, and supporting retention, including through adding additional product benefits and future customer give backs.

In the non-resident business, we saw momentum continue with policy units increasing by 25.1% to 343,900 with particularly strong growth in the student and workers segments. We have continued to see policy unit growth in the new financial year and expect solid policy unit and market share growth in the student and workers segments to continue in 2025, notwithstanding the potential for lower visa numbers.

Revenue

Health insurance revenue increased 4.0% to $7,903.0 million reflecting a 3.2% increase in resident revenue to $7,636.6 million and an increase in non-resident revenue of 34.9% to $266.4 million.

Claims

Total resident gross claims increased by 2.8% to $6,384.1 million and net claims, which includes risk equalisation, increased by 2.7% to $6,420.6 million.

Resident claims growth per policy unit decreased 20 basis points to 2.2%, with a 100 basis point decrease in extras claims growth, partially offset by a 10 basis point increase in hospital claims growth. The increase in hospital claims growth was driven by higher private hospital indexation, which was largely offset by an improved risk equalisation outcome and lower utilisation growth particularly in non-surgical claims. While non-surgical claims remain soft, private surgical claims have been broadly in line with expectations since January. The decrease in extras claims growth reflects both the impact of the economic environment on consumer spending across all services except dental, and the investment in additional benefits in the prior period.

In 2025 we expect claims growth per policy unit of around 2.7%, with economic conditions continuing to impact extras claims growth, higher hospital indexation partially offset by a higher proportion of same day or short stay admissions, continued softness in non-surgical claims growth, and also includes the impact of investment in product benefits.

Non-resident net claims expense increased by 33.6% to $175.2 million in line with continued strong policy unit growth.

Gross profit

Total gross profit increased 7.2% to $1,307.2 million, with gross margin improving 40 basis points to 16.5%.

Resident gross margin increased 30 basis points to 15.9% with revenue growth per policy unit remaining above claims growth per policy unit. The growth in revenue per policy unit remained stable at 2.6% and despite the economic environment, downgrading remained unchanged at 50 basis points. From 1 April 2024, an average premium increase of 3.31% was applied. While we expect the economic environment, including higher spend on offers, will impact downgrading in 2025, we expect this to be largely offset by ongoing portfolio management and sales mix activities.

In our non-resident portfolio, we have continued to see strong growth particularly in the student and working visa segments, driving an uplift in policy units and revenue of 25.1% and 34.9% respectively. Non-resident gross profit increased 37.3% to $91.2 million, with gross margin up 60 basis points to 34.2% reflecting stable tenure and mix.

We will continue to invest in differentiation through product value and expand our health offering, while increasing our focus in the worker and visitor segments to support non-resident portfolio growth in the medium term.

Operating costs

Management expenses increased 8.1% to $614.9 million, with higher sales commissions and inflationary impacts, partially offset by savings from our productivity program.

The major driver of expense growth was increased sales commissions, particularly in 1H24, with total sales commissions up $15.6 million this year. Strong non-resident customer growth continued, while resident sales commissions were higher in line with increased ahm sales through aggregator platforms this period.

Operating expenses were up 6.7%, driven by cost inflation of approximately 5.0%, alongside a $5 million uplift in IT security costs, statutory charges (including Victorian payroll tax) of $3 million and volume impacts, particularly in non-resident. These increases were partially offset by approximately $10 million of productivity savings stemming from increased use of digital channels, operational process improvements and technology support costs.

The major drivers of expense growth in 2025 will be cost inflation, although we expect this will have peaked in 2024, and a more modest increase in sales commissions, partially offset by a further $10 million of productivity savings, including the benefit from relocating to the new Melbourne head office.

2. APRA quarterly private health insurance statistics to Mar-24.

While the management expense ratio (MER) was 30 basis points higher at 7.8%, we will continue to leverage our productivity program and benefits of scale to target a stable to modestly improving ratio, noting the challenges this higher inflationary environment presents to achieving this aspiration.

Medibank Health financial performance

Medibank Health's segment profit increased by 36.7% to $60.4 million, driven by strong organic growth and a significant uplift in the contribution from Myhealth. This was partially offset by a $4.8 million loss from our growing portfolio of strategically important short stay hospital investments, including expected initial losses from two hospitals which opened in 2H24.

The following section outlines Medibank Health's financial performance excluding the increased investment in Myhealth, which is detailed separately.

Medibank Health (excluding Myhealth)

Revenue increased 4.8% to $290.4 million, with strong growth in health and wellbeing and diversified insurance, and an uplift in homecare revenue in line with hospital industry activity.

Gross profit was up 18.9% to $156.7 million with a 630 basis point improvement in gross margin to 53.9%. This was due to strong growth in higher margin businesses, improved efficiency in homecare and a higher telehealth margin following business optimisation in 2023.

Management expenses were $16.5 million higher, reflecting business mix, inflation and investment in future growth. Whilst the management expense ratio increased, operating margin was up 210 basis points to 18.1%.

Myhealth

We increased our investment in Myhealth Medical Group from 49.0% to 90.1% in January 2024. The Myhealth business continues to track well, with increasing consult numbers, improved billing mix and better operating efficiency. Consolidated operating profit in 2025 will reflect a full 12-month contribution from Myhealth.

Net investment income

Medibank's investment portfolio was $3.7 billion as at 30 June 2024. This investment portfolio, which includes $2.8 billion relating to the health fund and short-term operational cash (STOC) of $0.6 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 20% and 80% respectively, which is being revised to 18% growth and 82% defensive assets from 2025.

Net investment income increased by $43.6 million to $182.2 million, largely driven by a $43.5 million increase in our defensive portfolio income which was partially offset by a $6.3 million decrease in our growth portfolio income.

The increased income in our defensive portfolio reflects a $27.4 million benefit from the higher RBA cash rate and a $9.6 million benefit from narrowing credit spreads during the period, alongside improved but still below expected return on international fixed interest holdings. The $6.3 million decrease in our growth portfolio investment income was largely due to lower returns across all asset classes other than property.

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, net investment income was up $60.5 million from $122.2 million in 2023 to $182.7 million. The $60.5 million increase in underlying net investment income includes a $33.1 million benefit from the higher RBA cash rate and improved manager performance in property, which resulted in underlying investment return increasing 188 basis points to 5.77%. This is a 150 basis point spread to the average RBA cash rate. While higher than 2023, it is at the bottom end of our target range of 150 to 200 basis points, noting that this target is more difficult to achieve in a higher interest rate environment.

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

Medibank's net asset position increased by $61.4 million or 2.7% to $2,305.1 million as at 30 June 2024. Some of the major movements in the consolidated statement of financial position include:

- An increase in insurance contract liabilities due to the customer give back provision relating to the return of permanent net claims savings due to COVID-19 to customers.
- An increase in cash and cash equivalents and financial assets at fair value to fund our customer give back programs.

2.3 Capital management and dividends

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.

- On 1 July 2023, accounting standard AASB 17 *Insurance Contracts* and the new APRA capital standards became effective. As previously advised, the introduction of these new standards, increased our eligible capital position by $167.0 million.
- 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.

- Health Insurance required capital was $1,161.6 million at 30 June 2024 and 1.8 times[3] the prescribed capital amount (PCA), with unallocated capital of $186.2 million at 30 June 2024.
- The target health insurance capital ratio is between 10% and 12% of premium revenue, however, the current ratio of 14.1% sits above this range to offset the $250 million temporary APRA supervisory adjustment.
- The $121.8 million increase in other capital employed to $447.6 million includes the $52.0 million further investment in Myhealth and $25.0 million relating to the fit-out cost for our new Melbourne head office. Other effects include funding growth in Medibank Health, investments in non-controlled entities, and higher regulatory capital adjustments.

With a strong level of unallocated capital, we are well placed to fund our $150 million to $250 million investment aspiration and have the ability to raise Tier 2 debt if attractive opportunities become available.

The table below sets out Medibank's annual disclosure of its APRA regulatory capital position at 30 June 2024.

- 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 2024.
- The prescribed capital amount (PCA) for the health benefits fund of $761.4m is consistent with the Medibank reported basis, and includes the $250m temporary APRA supervisory adjustment in operational risk.
- The PCA coverage ratio for the health benefits fund is 1.9x on the regulatory basis, which is higher than the Medibank reported basis (1.8x).

Year ended 30 June 2024 ($m)	Health Benefits Fund	General Fund	Total Insurer
Net Assets	1,756.8	423.7	2,180.5
Regulatory Adjustments	(286.4)	(172.4)	(458.8)
Common Equity Tier 1 Capital	1,470.4	251.3	1,721.7
Additional Tier 1 & 2 Capital	-	-	-
Capital Base	1,470.4	251.3	1,721.7
Insurance Risk Charge	221.2	-	221.2
Asset Risk Charge	234.8	55.4	290.2
Operational Risk Charge	408.1	-	408.1
Aggregation Benefit	(102.7)	-	(102.7)
Prescribed Capital Amount (PCA)	761.4	55.4	816.8
PCA Coverage Ratio	1.9x	4.5x	2.1x

Dividends paid or payable in respect of profits from the financial year totalled 16.6 cents per share fully franked, amounting to $457.2 million comprising:

- An interim ordinary dividend of 7.2 cents per share fully franked, amounting to $198.3 million paid on 20 March 2024 in respect of the 6-month period ended 31 December 2023.
- A final ordinary dividend of 9.4 cents per share fully franked, amounting to $258.9 million to be paid on 26 September 2024 in respect of the 6-month period ended 30 June 2024.
- The full year 2024 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.

2.4 Management changes

In July 2023, we announced a number of changes to the executive leadership team as part of our continued focus on delivering our strategy and 2030 vision.

Since then, Felicia Trewin was appointed to Group Lead – Data & Technology, with accountability for technology, security, data management and our core platforms.

Robert Read was appointed to Group Lead – Amplar Health following Dr Andrew Wilson's decision to step back from the executive leadership team and take on the role of Group Chief Medical Officer. Robert is responsible for the Amplar Health business, which contributes to Medibank's growing role as a health services provider. This includes responsibility for the health services we deliver on behalf of our private health insurance business and external customers in the private and public sector, including telehealth, in-home care, and our healthcare investments.

Tom Exton was appointed to the new role of Group Lead – Chief Risk and Compliance Officer in July 2024. Tom has accountability for Medibank's Risk and Compliance function which includes the successful delivery of the outcomes of the Medibank Uplift Program and CPS 230 programs.

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

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.

Medibank's strategy remained largely unchanged in 2024 as we continued to deliver leading experiences, leverage our dual brands to create differentiated value, and expand our role as a health company. Delivering on initiatives that increase value, choice and control for customers has been a key focus. Our strategy to grow as a health company is enabling us to differentiate our health insurance offering and improve the health and wellbeing of our customers, our people and the community, and is focused on proactively understanding and addressing the health and wellbeing needs of our customers.

Our strategy – growing as a health company

Deliver leading experiences	Differentiate our insurance business	Expand in health
Create personalised and connected customer experiences	Deliver more value, choice and control for customers	Accelerate growth in prevention, primary and virtual care and other care models for the future
Empower our people and reinvent work	Provide holistic health solutions to customers including resident, non-resident and corporate customers	Scale and connect our existing health businesses
Collaborate with our communities and partners to make a difference	Strengthen our dual brands and provider networks	Deliver more health services to Medibank and ahm customers
Continue to strengthen trust and reputation	Lead change with partners to deliver affordable healthcare	Accelerate Australia's health transition

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. This year we continued trialling a new initiative to connect customers with team members local to their area, leading to a better customer experience and increased engagement from our people. We plan to rollout this program nationally in 2025, giving our people more power to deliver personal and localised services and health support to our customers.

We also supported more than one in four customers admitted to hospital through our Health Concierge program and piloted a new After Hospital Home Care service which provides additional support for customers transitioning home after a hospital stay to reduce avoidable readmissions.

We have remained focused on providing leading customer experiences, including in the digital space. In line with this, we have enhanced the capability and functionality of the My Medibank app which now allows customers to claim for all types of services. We have also redesigned the ahm app to create a more straightforward, intuitive, and easy to use experience. Artificial intelligence is now assisting with almost 50% of support calls from our customers.

We recognise that our people are our most valuable asset. This year we continued to foster a healthier, more engaged and resilient workforce.

We have differentiated ourselves as an employer through our approach to flexibility and health and wellbeing, with promising interim results from our four-day work week experiment. By reinventing the way we work, we aim to empower our people to focus on what has the greatest impact on our customers, patients and the community.

We have achieved our best Service NPS result over the last four years for both ahm and Medibank, reflecting our ongoing focus on our customers' experience.

We continue to strengthen our foundations to build further business resilience and customer trust.

Differentiate our insurance business

During the year we have focused on delivering greater value, better experiences and increased health and wellbeing support for our customers.

Affordability remains a key issue for our customers, particularly with cost-of-living pressures rising. We announced an average 3.31% premium increase applicable from 1 April 2024, which was lower than both inflation and wage growth and remains below the 10-year historical industry average of 3.8%. We continue to deliver on our commitment to not profit from the pandemic, announcing an additional $305 million in permanent net claims savings which will be returned to customers.

This brings our total COVID-19 financial support package to a record $1.46 billion to date. We expect the finalisation of our customer give back program to be announced in 2025.

Further demonstrating our commitment to keep healthcare affordable and provide greater value, we launched a range of innovative products during the year, including Healthy Living Extras which provides a low-cost private health option for young adults. We have also introduced a range of new silver and gold products that include no excess for patients accessing our no gap program and provide payments and benefits for private emergency department admissions.

Medibank also extended our 24/7 nurse and mental health support line to all health insurance customers, giving an additional 700,000 customers access to round the clock health support services. In addition, the 24/7 nurse support service is now available via chat through the My Medibank app.

We have continued to deliver better value, more cost transparency and a wider range of services to our customers through our expanding networks and initiatives. Our no gap program, which covers out-of-pocket fees for various specialist services, now covers five clinical modalities and is within 25km of 68% of customers. Since its inception in 2019 over 7,000 customers have saved more than $3 million in out-of-pocket costs, with a 38% increase in customers accessing the program this year. Meanwhile, our expansive Members' Choice Advantage network continues to deliver more value, saving customers over $23 million in out-of-pocket costs this year.

Our health and wellbeing program Live Better continues to scale with 823,000 participants and more than $25 million of rewards redeemed in 2024. Customers can now earn points through new partners including Calm, Youfoodz, Good & Fugly, Everlast and parkrun. We also extended the program to corporates and our younger customers aged 16 to 17 and integrated key Live Better experiences into the My Medibank app, making it easier for our customers to access, interact and get rewarded through Live Better.

We have further invested in our growing suite of preventative healthcare programs, designed to support our customers to stay healthy and avoid unnecessary treatments. In addition to our suite of clinician-led prevention programs, we have introduced 2 self-paced digital prevention programs to Live Better rewards, with around 132,000 enrolments across all of these programs.

Expand in health

We have continued to be at the forefront of the health transition by making targeted investments and working with a range of partners across the primary, specialist and acute care sectors.

Our growth as a health company is a key differentiator. This year we delivered over 4 million health interactions through our Amplar Health network, which includes GP, nursing, outpatient and mental health services.

We have also delivered more choice and control for customers through our homecare programs, including rehabilitation, wound care, and chemotherapy, which has been accessed by more than 8,000 customers and saved over 100,000 hospital bed days.

As part of our ongoing commitment to primary care, we have increased our investment in Myhealth Medical Group from 49.0% to 90.1%. We recognise the critical role GPs play in prevention, early detection and ongoing care, which has a positive impact on avoidable hospitalisation and contributes to a more sustainable health system. This investment will allow further integration with other Medibank Health services for the benefit of patients. For example, we have begun to pilot GP-led programs in Myhealth clinics to improve the health experiences of patients with chronic conditions.

Through our partnership with Aurora Healthcare and delivered through iMH, we have continued to support our commitment to integrated mental health care models. iMH opened its second mental health facility in New South Wales in January 2024, while a third mental health hospital is set to open in Brisbane in late 1H25. The expansion solidifies iMH’s commitment to providing an integrated model of mental health care that aims to reduce readmission and give patients more choice, value and control in their care. Incorporating in-patient, day attendance, community-based and in-home treatment, it provides greater choice for psychiatrists and patients.

We continue to support care models for the future through various doctor-led partnerships. The world-class Orthopaedic Institute at Macquarie University Hospital opened in February 2024, with a model of care that may assist patients to return home sooner where clinically appropriate. Meanwhile, Adeney Private Hospital in Kew is set to open in late 1H25, expanding our no gap program and reducing out-of-pocket costs for eligible patients. East Sydney Private Hospital also recently expanded their facilities to meet the growing demand for short stay surgical options. In addition to supporting private patients, around 15% of the hospital’s activity this year was public surgery to help reduce waiting lists in the public system.

Future prospects

The health insurance industry has remained buoyant with consumers continuing to prioritise health, despite the economic environment and competitive landscape intensifying. Our goal is to generate sustainable growth in our insurance business. In the short-term, this means being disciplined. In 2025, we are targeting key customer segments including corporate, new-to-industry, families, and non-resident, whilst managing our channel mix to minimise acquisition costs. We will continue to strengthen our relationship with customers by scaling propositions such as prevention programs and Live Better. These offerings, combined with our dual-brands, places Medibank in a strong position as the market rebalances. We anticipate moderating industry growth in 2025 relative to 2024. We will remain disciplined as we aim to grow in line with market during 2025, which includes volume growth in the Medibank brand, and aim to grow market share in 2026.

We're committed to keeping the private health industry affordable. Here, we aim to expand the breadth and depth of our partnership approach with providers. Going forward, we will continue to strengthen initiatives that provide mutually beneficial outcomes to our customers, providers, and Medibank. This includes further scaling our prevention, no gap and short stay programs. However, we recognise that we also play an important role in supporting the sustainability of the system. Reflecting this, we will continue to monitor our management expenses. Since 2018, we've made around $112 million in productivity savings, with another $10 million targeted in 2025.

We are working to give people greater access, choice and control of their healthcare, so they can access the care they need in the way they want. This health transition can improve the outcomes and affordability of healthcare across Australia while enabling us to grow as a business. Medibank is accelerating this transition through our investments and partnerships, with a focus on prevention, primary care, virtual health, homecare and other models of care in partnership with clinicians and health providers. Reflecting this, we continue to target average organic profit growth of at least 15% per annum between 2024 and 2026 in Medibank Health. Further, we aim to invest between $150 million to $250 million in total to grow Medibank Health inorganically over 2024 to 2026.

We have made progress against our strategy, which we will continue to build upon during 2025. While our strategic pillars remain unchanged, we have updated some of our priorities for 2025. 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.

Aligned with our updated priorities and reflecting on our progress, we have revised several of our milestones for 2025. We are evolving the way we measure customer advocacy to better understand our customers' experience, creating a greater connection between our frontline teams and our customers. In line with this, we will begin transitioning from Service NPS to Journey NPS for Medibank in 2025, while ahm is expected to move to Journey NPS in 2026. We have also adjusted our prevention milestone to reflect the expanded range of prevention initiatives we offer, which include self-paced digital prevention programs as well as our clinician-led health prevention programs. Our updated milestones are outlined below.

Milestones

Pillars | Milestones

Deliver leading experiences

Customer advocacy: Service NPS and Journey NPS (average)

	FY24	FY24 benchmark	FY25 benchmark (updated)[1]
Medibank	46.0	>35	>10 (jNPS)
ahm	46.4	>35	>35 (sNPS)

Employee advocacy: eNPS (average)

	FY24	FY25 benchmark[2]
Place to work	26	≥24
Products and services	30	≥26

Differentiate our insurance business

Resident policyholder market share

FY23	March FY24	FY27 aspiration
27.08%	26.75%[3]	up 25 bps – 75 bps on FY24

Health Insurance productivity

FY24	FY24-FY25 target
c. $10m	$20m productivity savings including $10m in FY24

Expand in health

Medibank Health

	FY24	FY24–FY26 target
Organic profit[4]	$52.6 m	Targeting average organic profit growth ≥ 15% per annum (FY23: $44.2m)
Investment	c. $52 m[5]	Aim to invest $150m – $250m in total to grow Medibank Health inorganically as suitable opportunities arise

Health and wellbeing

	FY24	FY25 target
Live Better rewards participants	823k	900k
Preventative program enrolments[6]	132k	>190k

1. In 2025, Medibank will transition to Journey NPS for private health insurance customer journeys, while ahm is expected to move to Journey NPS in 2026.
2. FY25 benchmarks are based on the global average adjusted for Australian healthcare and financial insurance industry context.
3. Resident policyholders, APRA quarterly private health insurance statistics (Mar 24).
4. Medibank Health organic profit target is in addition to 12 month contribution from Myhealth.
5. Increased investment in Myhealth Medical Group. Effective 5 January 2024.
6. Total enrolments in 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 49 to 50 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 22 August 2024, including CEO

Mike Wilkins AO

Age: 67

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 Chairman* (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: 51

Chief Executive Officer

BCom, PG Dip Finance, MAICD

Chief Executive Officer since May 2021. David has more than 25 years of strategy, innovation, 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 of the 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).

Dr Tracey Batten

Age: 58

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, business and change leadership skills.

Relevant other directorships: *Chair* – Accident Compensation Corporation; *director* – EBOS Group Limited (since July 2021); Nanosonics Limited (since Sept 2023).

Relevant former directorships/executive roles: *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: 61

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 a 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* – Melbourne Prize Trust.

Relevant former directorships/executive roles: *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: 55

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* and *director* – 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: 67

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 Group Holdings Limited and member of its Risk Management Committee.

Relevant former directorships/executive roles: *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 AO
Age: 63

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* – CSIRO; 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* – 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 Bardo Nicholls AO Age: 76
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/executive roles: *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: 60
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 the Thrive by Five campaign delivering the Minderoo Foundation's early childhood agenda. He is also an Industry Professor at the University of South Australia and an ambassador for Reggio Children.

Relevant other directorships: *Chair* – Leeuwin Ocean Adventure Foundation *director* – Keystart WA; Infrastructure WA; Coaxial Foundation.

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: *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

20%* were born overseas

90%* identify primarily as Australian (non-Aboriginal and Torres Strait Islander)

40%* are women

*As at 22 August 2024, including CEO

Kylie Bishop
Group Lead – People, Spaces & Sustainability

Kylie is responsible for leading key people functions including culture, talent and capability, performance and rewards, shared services, diversity and inclusion, recruitment, workplace relations, health, safety and wellbeing, employee experience and community as well as sustainability and spaces. She has been a member of the executive leadership team since 2013.

Kylie is a registered psychologist specialising in organisational psychology. She began her career in people and culture consulting and prior to joining Medibank in 2010, held senior positions with NAB.

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

Rob Deeming
Group Lead – Digital & Ventures

Rob is responsible for accelerating our growth in health through the development of digitally-led health products and services for our customers and the community. Rob also leads the digital team supporting our insurance and health businesses. He has been a member of the executive leadership team since June 2021.

Rob was previously accountable for growing and sustaining the Medibank and ahm insurance businesses, including oversight for our operational and customer-facing teams. Prior to that he led the ahm business.

Rob has extensive experience in entrepreneurial leadership, as well as high-growth consumer brands. Before joining Medibank, Rob was the CEO of multi award-winning hardware/software business, Billy. He has also held commercial leadership roles at Jetstar and Qantas, and was the CEO of the travel booking engine, Jetsetter, which he sold to Tripadvisor.

Relevant directorships: *Chair* – Medinet Australia Pty Ltd

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.

Relevant directorships: *director* – Medinet Australia Pty Ltd

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 data science.

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

David Koczkar
Chief Executive Officer

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

Please refer to page 31 and 33 for bios.

Rob Read
Group Lead – Amplar Health

Rob oversees Medibank's growing role as a health services provider. He is responsible for the health services we deliver on behalf of our health insurance business as well as to customers in the private and public sector. These include prevention programs, telehealth, in-home care, and our healthcare investments across short stay hospitals and primary care. He has been a member of the executive leadership team since November 2023.

Rob joined Medibank in 2022 as Amplar Health's Chief Commercial Officer, responsible for evolving its health services strategy including our focus on virtual health and growing our prevention services.

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, a 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.

Prior to Medibank, Meaghan led Group Corporate Communications for NAB, responsible for communications on mergers and acquisitions, customer pricing strategy, financial reporting and issues management.

Felicia Trewin
Group Lead – Data & Technology

Felicia leads the Data & Technology team, responsible for our technology, security, data management 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 25 years of experience in technology and transformation, including leading the technology services function at Australian Super, and establishing ANZ's Digital Labs to prototype and test emerging technologies. She has also held senior roles at Microsoft, Deloitte, and Accenture.

Medibank was founded in 1976 as a private health insurer and was operated by the Australian Government. In 1998, Medibank Private Limited became the operating entity with the Commonwealth of Australia as the sole shareholder. In 2014 the Australian Government sold Medibank by way of an initial public offering, and divested all its shares in Medibank. Medibank listed on the Australian Securities Exchange (ASX) on 25 November 2014.

The Medibank Board is committed to improving our customers' experience and providing them with greater value. 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.

Governance structure

The Board has a framework in place for governing Medibank. This includes adopting internal controls, risk management processes and corporate governance policies and practices, designed to promote responsible management and ethical conduct.

During the year, Medibank had in place policies and practices which comply with the recommendations in the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (CGPRs), 4th edition. As a registered private health insurer, Medibank also complies with the CPS 510 governance standard issued by the Australian Prudential Regulation Authority (APRA). The key corporate governance practices applied at Medibank are described in this statement and the key corporate governance policies are available on the corporate governance section of our website at medibank.com.au.

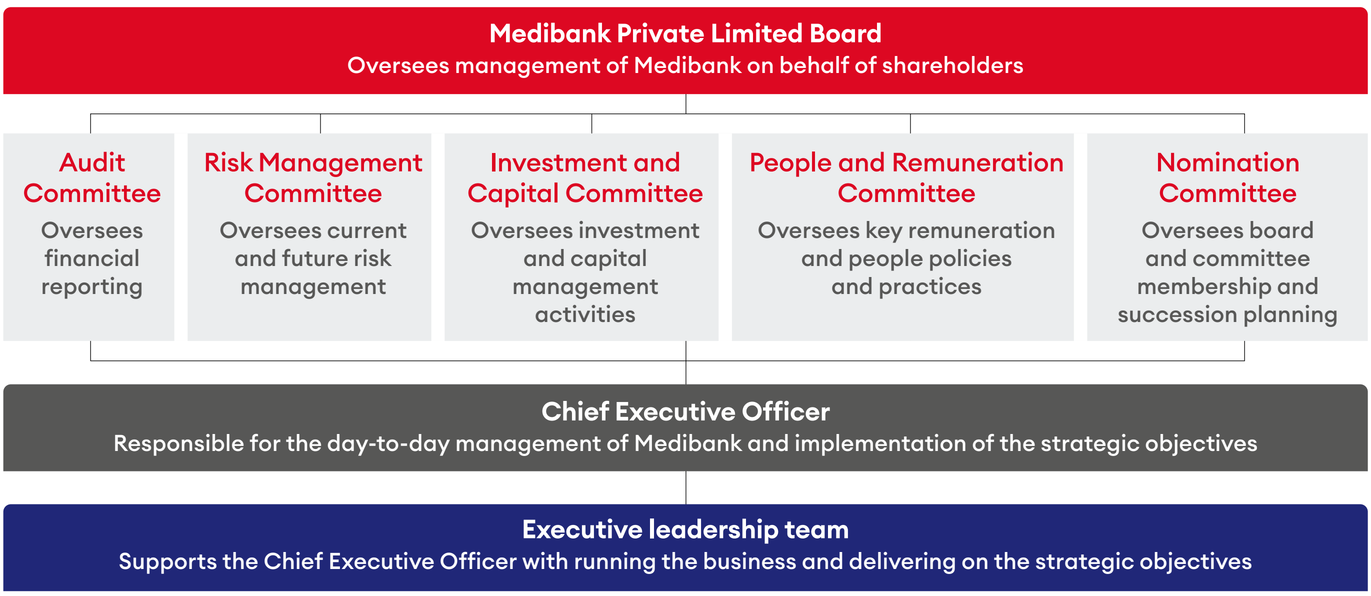
The governance and performance of Medibank is overseen by the Board elected by the shareholders.

Roles and responsibilities of the Board and management

The Board provides overall strategic guidance for Medibank and effective oversight of management. Responsibility for the governance of Medibank, including establishing and monitoring key performance goals, rests with the Board. The Board monitors the operational performance and financial position of Medibank, as well as overseeing the business strategy and approving strategic goals. In performing its role, the Board is committed to ensuring sound corporate governance practices.

The Board Charter, which is available on our website, articulates the Board's roles and responsibilities, its membership and operation, and which responsibilities may be delegated to committees or to management. Specific responsibilities have been reserved by the Board in key areas of: strategy (including approval and monitoring of the corporate strategy and performance objectives); governance (including disclosure); appointment, performance evaluation and remuneration of the Chief Executive Officer (CEO) and other senior executives, including the Company Secretary; approving the Code of Conduct and overseeing Medibank's purpose, culture and values; financial approvals and reporting; risk management, compliance and workplace health and safety; and culture (including diversity and inclusion). The Board has established standing committees to assist in performing its responsibilities. These committees examine particular issues in detail and make recommendations to the Board. A description of these committees can be found on pages 40 to 41.

The CEO has responsibility for managing the day-to-day affairs of Medibank. The CEO, with the support of the executive leadership team (ELT), manages Medibank in accordance with the Board-approved Corporate Plan, the corporate strategy and Medibank's policies within the risk appetite set by the Board. A detailed delegation of authority framework defines the decision making and expenditure limits that apply at various levels of management.



Key areas of focus for the Board in 2024

Corporate governance

- Oversight of COVID-19 impacts and response, including ensuring we don't profit from COVID-19 by returning any permanent net claims savings to customers.
- Continuing to embed and strengthen our enterprise risk and compliance management framework and risk and compliance culture, including the implementation of CPS 230 and the Financial Accountability Regime.
- Oversight of the implementation of the new insurance accounting standard, *AASB 17 Insurance Contracts* which was effective from 1 July 2023.
- Continue maturing our cybersecurity approach to better enable Medibank to respond to the cyber threat landscape, which continues to evolve rapidly.
- Continuing to embed our environmental, social and governance (ESG) strategy, including accelerating our pathway to Net Zero emissions by 2040 and preparing for the forthcoming Australian Sustainability Reporting Standards.
- Continuing to pursue enhanced Board performance, and challenge the executive leadership team on the progress and pace of agreed strategy execution.
- Oversight of the litigation and regulatory proceedings relating to the 2022 cybercrime event.
- Oversight of Medibank's capital management policies and level of capital.

Strategy and execution

- Review of strategy, including how we grow as a health company and evaluation of opportunities to execute on our strategic pillars and key objectives.
- Oversight of investments, partnerships and organic growth initiatives to support execution of the strategy.
- Review and approval of the Corporate Plan, budget and performance targets and oversight of business performance against these targets.
- Monitoring the impacts of economic conditions and cost-of-living pressures and overseeing Medibank's response.

People, remuneration and culture

- Oversight of Medibank's 2030 Vision, values and culture.
- Oversight of the appointment of a new Group Lead – Data & Technology and Group Lead – Amplar Health.
- Review of Board composition, including consideration of succession planning and its continuing education.
- Oversight of our people frameworks, ensuring we provide a safe environment for our people focused on health and wellbeing and diversity and inclusion.
- Oversight of talent attraction, development and retention, including succession planning for the executive leadership team.
- Continued review of our remuneration framework and reward governance practices following implementation of APRA Prudential Standard CPS 511.
- Continued review of our consequence management processes on variable remuneration outcomes.

Structure and composition of the Board

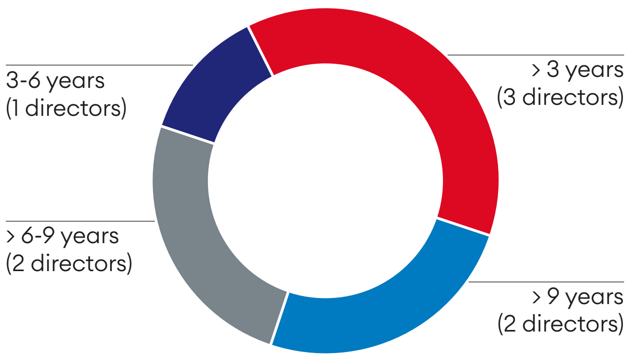
The Board comprises nine directors in total – eight non-executive directors, including a non-executive Chair, and the CEO.

The Chair of the Board is responsible for providing leadership to the Board and Medibank as a whole. The Chair's other key responsibilities are outlined in the Board Charter.

The current Chair is Mike Wilkins AO, an independent non-executive director who has served as Chair since October 2020 and on the Board since May 2017. The current CEO is David Koczkar, who commenced in the role in May 2021.

Biographies of the directors, including their skills, experience and year of appointment, are set out on pages 31 to 33. Details of directors' attendance at Board and committee meetings during the year ended 30 June 2024 are on page 53. The non-executive directors' tenure profile is shown below. The length of service of the non-executive directors ranges from six months to ten years and six months.

Non-executive director tenure profile



Independence

Directors are expected to bring an independent judgement to bear on all Board decisions. A director is considered independent if they are a non-executive director who is not a member of management and are free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgement or could reasonably be perceived to do so.

Each director provides periodic updates of their interests, positions, associations and relationships, and all directors must keep the Board advised on an ongoing basis of any interest that could potentially conflict with those of Medibank.

Directors will be required to abstain from participating in discussions or voting on any matters in which they have, or may be perceived to have, a material personal interest.

The Board regularly assesses the independence of each director in light of the interests disclosed. The Board has assessed the interests, positions, associations and relationships of each director. It has determined that all non-executive directors are independent in accordance with the principles outlined by the ASX Corporate Governance Council and APRA and as set out in Medibank's Board Charter.

To provide an opportunity for independent discussion, the non-executive directors meet without management present at the commencement of each Board meeting.

Appointment and re-election of directors

Medibank's Constitution provides that a director may be appointed by the Board, and if so, is subject to election by shareholders at the annual general meeting (AGM) following their appointment if they wish to remain a director (other than the CEO). Shareholders may also nominate individuals to stand for election as a director at the AGM. The Constitution requires an election of directors at each AGM, and a director must retire and may stand for re-election by the third AGM following the director's election. Gerard Dalbosco and Jay Weatherill AO will retire and offer themselves for re-election and election, respectively, at the upcoming AGM on 13 November 2024. Further information about these directors is set out on pages 31 to 33, and in the notice of annual general meeting.

Before appointing a person as a director, the Board undertakes checks as to that person's character, experience and background, including criminal and bankruptcy checks. Medibank has a Fit and Proper Policy that complies with APRA's Fit and Proper Prudential Standard. This standard requires that a person in a position of responsibility, including a director, be assessed prior to appointment (or in some cases, as soon as possible after appointment) and on an ongoing basis as to whether the person meets the fit and proper requirements. The person must have the appropriate skills, experience and knowledge to perform the role and act with the requisite character, diligence, honesty, integrity and judgement.

Upon appointment, each non-executive director enters into a service agreement setting out the terms of their appointment. This includes the requirement to build a shareholding in Medibank in order to align the interests of non-executive directors with those of shareholders. With effect from 1 July 2024, the Minimum Shareholding Policy requires non-executive directors to acquire shares equal in value to at least one year's pre-tax base fee (excluding committee fees) over a period of five years.

As part of the appointment process, Medibank enters into a deed of indemnity, insurance and access with each director.

Each director is indemnified against liability in connection with their role as a director and Medibank is required to maintain a directors' and officers' insurance policy. The deed also confirms and extends the director's general law rights of access to Board papers and other records of Medibank.

Director induction, continuing education and access to information

The Board is committed to enhancing the capabilities of each director and the performance of the Board generally. Upon joining the Board, all new non-executive directors undertake a tailored induction program. This includes meetings with the Chair, CEO, ELT and senior leaders on Medibank's business, strategy and operation.

The Board is provided with ongoing professional development opportunities during the year to maintain the skills and knowledge needed to effectively perform their role. This involves formal briefing sessions on a range of subjects by key stakeholders, including regulators and industry experts, to provide deeper insights on industry context and trends. Subjects covered during the year included generative AI, digital assets and crypto market updates and the changing political environment. The program also includes visits to Medibank's retail stores, customer engagement, conference attendance, and participation in the management-led Executive Risk Committee and Divisional Risk Committees. During the year, members of the Board together with senior management also visited a number of overseas companies in the health and life science sectors to better understand potential growth opportunities flowing from emerging health trends and patient care models and to learn how Medibank might be able to strengthen its operating model. The professional development program is periodically reviewed by the Nomination Committee to ensure it meets the needs of the directors.

The directors have complete and open access to the CEO, executive leadership team and senior management following consultation with the CEO. A director may, following consultation with and consent from the Chair, seek independent professional advice at Medibank's expense in respect of any matter connected with the discharge of the director's responsibilities. Directors also have direct access to the advice and services of the Company Secretary, who is directly accountable to the Board through the Chair and advises the Board and the Chair on all governance matters.

Board skills, experience and diversity

The Nomination Committee regularly reviews the balance of skills, experience, independence, knowledge and diversity of the Board, and is committed to ensuring that the directors collectively have the appropriate skills mix. The evolution of the mix of skills and diversity of the Board is a long-term process and must reflect the current and emerging challenges for the organisation.

The Nomination Committee takes into account the organisation's strategic areas of focus, customer needs and external environment, including stakeholder sentiment, and assesses these various factors to ensure that an appropriate balance of skills and diversity is achieved on the Board.

The skills and expertise that the Board has identified as relevant to the performance of its role and the success of the organisation, along with the collective strength of the Board for each skill, are summarised in the Board skills matrix.

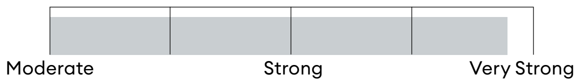
The very nature of diversity means that not all members of the Board have all the skills listed below to the same degree. However, the Board believes the current mix of expertise and experience of members of the Board creates a diverse range of views and perspectives, and results in the Board providing effective governance, oversight and strategic leadership for Medibank.

During the reporting period, the Nomination Committee considered the mix of skills on the Board in the light of the above considerations, and appointed Jay Weatherill AO to the Board effective 18 March 2024. Jay has significant experience and strengthens the Board's collective skills and expertise.

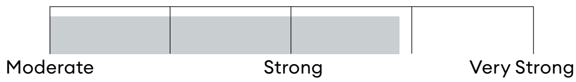
Board skills matrix

Skills and experience — **Collective strength[1]**

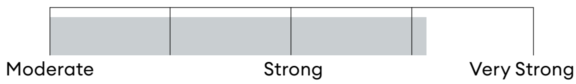
Strategy
Experience in developing and implementing organisational strategies, and appropriately challenging management on delivery of strategic objectives



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



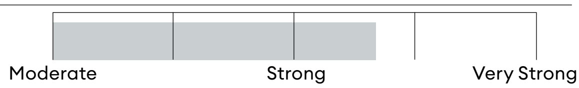
Corporate transactions and major projects
Experience in overseeing complex business transactions and major projects, including mergers and acquisitions (and integration of those acquisitions)



Risk and compliance management
Experience in establishing risk and compliance management frameworks, setting the risk appetite, and overseeing organisational risk culture

Governance
Experience in establishing and overseeing operations in a complex regulated environment, and demonstrated commitment to the highest governance standards

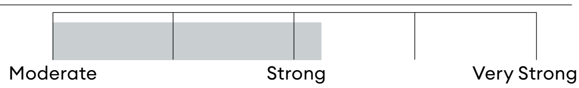
Insurance and healthcare industry experience
Experience in the insurance and/or healthcare industry



Customer
Experience in developing product and/or customer management strategies, marketing and/or digitised customer initiatives

People and culture
Understanding the link between strategy, culture, performance, long-term shareholder value creation and remuneration outcomes

Government relations and public policy
Interacting with government and/or regulators and/or involvement in public policy decisions



Skills and experience	Collective strength[1]
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.	
Environment and social Understanding and identifying potential risks and opportunities from an environment (including climate change) and social perspective.	

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

Board performance evaluation

The Nomination Committee is responsible for reporting on the evaluation of the performance of the Chair, Board, committees and individual directors to the Board. The evaluation is conducted annually either through an internal review process or an external process. In 2024, the Board implemented an independent external review of the performance of the Board, committees and non-executive directors (including the Chair). The evaluation was primarily conducted through a questionnaire and in-depth one-on-one interviews with the directors and selected ELT members. The Board discussed the external consultancy's report and recommendations and identified a number of opportunities to enhance its efficiency and effectiveness, including further opportunities to improve the Board's operating rhythm and continuing to focus on Board renewal and diversity as part of director succession planning.

The Chair continues to be responsible for the assessment of each individual non-executive director's performance and contribution. The Chair met with each of the non-executive directors in 2024 to review their performance and professional development needs.

Committees of the Board

The Board has established five standing committees to assist in the execution of its responsibilities – the Audit Committee, Risk Management Committee, Investment and Capital Committee, People and Remuneration Committee and Nomination Committee. Each committee is governed by a charter setting out the committee's role, responsibilities, membership and processes. The membership, roles and responsibilities of each committee are summarised in the table below. The charters can be accessed on our website.

In addition, the directors attended Board strategy sessions and special purpose committees, including in relation to financial reporting, the 2022 cybercrime event, Medibank Uplift Program and other matters.

The relevant qualifications and experience of the members of each standing committee can be found in the director biographies on pages 31 to 33. The number of meetings of each committee, and the individual attendance of their members, are provided on page 53.

Committee membership as at 22 August 2024	Composition	Key roles and responsibilities
Audit Committee • Gerard Dalbosco (Chair) • David Fagan • Kathryn Fagg • Jay Weatherill	• At least three members, all of whom are non-executive directors, a majority of whom are independent directors and at least one of whom is a member of the Risk Management Committee. • Structured so that members are all financially literate, and between them have accounting and financial expertise and experience and an understanding of Medibank's industries. • The chair must be an independent non-executive director and must not be the chair of the Board (but the chair of the Board may sit on the committee).	• Overseeing and reviewing the integrity of external financial reporting and financial statements. • Endorsing and recommending the appointment and removal of, and reviewing the terms of engagement, performance and independence of external auditors. • Reviewing management processes for compliance with relevant laws, regulations and other accounting, tax and external reporting requirements. • Overseeing and reviewing internal and external audit processes and internal control framework.

Committee membership as at 22 August 2024	Composition	Key roles and responsibilities
Risk Management Committee • David Fagan (Chair) • Tracey Batten • Gerard Dalbosco • Linda Bardo Nicholls • Jay Weatherill	• At least three members, all of whom are non-executive directors, a majority of whom are independent directors and at least one of whom is a member of the Audit Committee. • Structured to have the necessary knowledge and a sufficient understanding of Medibank's industries. • The chair must be an independent non-executive director appointed by the Board and must not be the chair of the Board (but the chair of the Board may sit on the committee).	• Approving and recommending to the Board the adoption of policies and procedures on risk oversight and management to ensure effective risk management systems are in place. • Ensuring that Medibank has in place a robust risk management framework and procedure to support the effective identification and management of risks. • Evaluating the adequacy and effectiveness of the management and reporting and control systems associated with material risks. • Establishment and monitoring of Medibank's overall risk appetite. • Monitoring and review of Medibank's risk culture. • Oversight of, and monitoring progress against, Medibank's sustainability strategy. • Oversight and prior endorsement of the appointment and replacement of the Chief Risk Officer and reviewing their performance and setting their objectives.
Investment and Capital Committee • Linda Bardo Nicholls (Chair) • Mike Wilkins • Peter Everingham	• At least three members, all of whom are non-executive directors. • The chair must be an independent non-executive director, appointed by the Board.	• Assisting and advising the Board on capital and investment related matters. • Overseeing and monitoring the effectiveness of the investment strategy and Capital Management Policy. • Monitoring and reviewing the effectiveness of the investment process. • Authorising delegated investment decisions.
People and Remuneration Committee • Tracey Batten (Chair) • Peter Everingham • Kathryn Fagg • Mike Wilkins	• At least three members, all of whom are non-executive directors, a majority of whom are independent directors and at least one of whom is a member of the Risk Management Committee. • The chair must be an independent non-executive director, appointed by the Board.	• Reviewing and overseeing key people and organisational culture strategies, including employee engagement, values and behaviours. • Reviewing and making recommendations to the Board on the remuneration framework, policy and arrangements for the non-executive directors, CEO, ELT and certain nominated personnel. • Reviewing executive succession planning, talent management, industrial relations and diversity strategies. • Reviewing and overseeing key incentive schemes and equity incentive plans. • Recommending to the Board the measurable objectives for diversity. • Reviewing and monitoring Medibank's health, safety and wellbeing strategy and performance.
Nomination Committee • Mike Wilkins (Chair) • Tracey Batten • Gerard Dalbosco • David Fagan • Linda Bardo Nicholls	• At least three members, comprising the chair of the Board and the chair of each standing Board committee (unless the Board resolves otherwise). • All members of the committee must be independent directors. • The chair of the Board will be the chair of the committee.	• Director selection and appointment. • Director induction and professional development. • Board composition. • Board succession planning and renewal. • Performance evaluation of the Board, committees and individual directors.

Executive leadership team

The CEO, supported by the executive leadership team (ELT), is responsible for the day-to-day management and performance of Medibank. ELT members have a clear understanding of their roles and responsibilities through position descriptions and a structured performance management system. Profiles and accountabilities for ELT members are set out on pages 34 to 35 . Each ELT member has entered into a service agreement with Medibank which sets out the terms of their employment. Remuneration policies and practices applying to the ELT are detailed in the remuneration report from page 55.

The remuneration report from page 55 contains the performance measures applied to Executive KMP members and the process for the annual evaluation of their performance.

The same process is also undertaken for the annual performance of each other ELT member. A performance evaluation was undertaken during 2024 in accordance with that process for each ELT member in that role at 30 June 2024.

Values and ethical standards

Central to the Board's governance framework is a culture of integrity and ethical behaviour based on Medibank's key values: Customer Obsessed; Show Heart; Brilliance Together; and Break Boundaries. These values are intended to guide the way employees work together and engage with customers, business partners, governments and the wider community, and are supported by a range of policies and procedures. Our values are further articulated on our website and in the Sustainability Report 2024.

Key policies

Details of key policies supporting our commitment to integrity and ethical behaviour are set out below. Copies of each policy can be found on our website.

	Purpose	Key provisions	Breaches and reporting
Code of Conduct[1]	Medibank employees are required to conduct their activities ethically and with integrity. The Code of Conduct sets out the ethical standards that are expected of all directors, people leaders, employees and contractors in their dealings with customers, suppliers and each other.	Requires directors, people leaders, employees and contractors to behave with high standards of personal integrity, and in a manner that: • complies with applicable laws, standards and internal policies; • promotes health, safety and wellbeing; • fosters relationships of trust, accountability and transparency; • avoids conflicts of interest (including not offering or accepting inducements, secret commissions or bribes); and • respects privacy and protects confidential information.	Sets out different approaches to dealing with breaches of the Code, depending on the circumstances – including raising concerns with immediate or senior managers, the People, Spaces & Sustainability team, the CEO, or via the Whistleblower Policy. Breaches of the Code of Conduct are reported to the People and Remuneration Committee.
Whistle-blower Policy[1]	Medibank is committed to a culture where our people are encouraged to speak up if something doesn't look right, and to support them when they do. The Whistleblower Policy establishes what is reportable conduct, how to contact Medibank Alert, and the protections available to whistleblowers.	Sets out the types of conduct that can be disclosed, who may make a disclosure under the policy and what to include in a report. Sets out support and protection available to whistleblowers, and the processes for managing whistleblower complaints (including key roles and responsibilities).	Provides details of the Medibank Alert whistleblower service, which is available through an external provider, enabling whistleblowers to report anonymously or limit who is informed of their identity. Material incidents reported under the policy are reported to the Risk Management Committee.

	Purpose	Key provisions	Breaches and reporting
Anti-Bribery and Corruption Policy[1]	Medibank has zero tolerance for bribery and corruption. The Anti-Bribery and Corruption Policy describes conduct that is prohibited for directors, employees and contractors when conducting business on behalf of Medibank, and how breaches can be reported.	Requires that employees and contractors: • not offer, pay or accept inducements, bribes, kickbacks, secret commissions or improper payments, or engage in corrupt business practices; • not accept gifts, hospitality or anything of value which may have obligations attached; • not offer or give anything of value, or solicit any inducement, that may conflict with their work or duties to Medibank; and • ensure approved grants and donations are appropriately recorded.	Requires requests for bribes or facilitation payments to be reported to the Chief Risk Officer. Requires other breaches or potential breaches to be reported to the Chief Risk Officer or the Whistleblower Hotline. Breaches of the policy are reported to the Risk Management Committee.
Share Trading Policy	The Share Trading Policy describes restrictions on buying and selling Medibank shares for the Board, the ELT, senior executives and other Medibank employees.	Prohibits directors, executives, employees and their associates from dealing in Medibank or other securities if they possess inside information. Prohibits directors, executives, certain restricted employees and their associates from: • dealing in Medibank securities during blackout periods, which apply in the lead-up to the release of financial results and at other times as required; and • entering into transactions which could have the effect of limiting their exposure to the economic risks relating to their participation (if any) in Medibank's equity-based remuneration schemes.	Details the penalties for breaches of insider trading laws and the consequences as a director or employee for a breach of law and the policy.

1. This code or policy applies to Medibank Private Limited and its wholly owned subsidiaries.

Ethical conduct is also supported by a range of other corporate policies, including in the areas of health, safety and wellbeing and modern slavery. Copies of these policies are also available on our website.

The Health, Safety and Wellbeing Policy underpins our objective of preventing injury and illness and inspiring our people to eat, move and feel good in a way that works for them. Medibank has a health and safety management system in place to ensure it meets legislative requirements and proactively addresses its key risks in health and safety.

Diversity and inclusion

We're committed to creating an inclusive culture that acknowledges and embraces difference in all its forms and ensures that every voice is heard. We value the differences each of our employees bring to our business and the benefits this delivers to our customers, employees, shareholders and the community.

The Board has adopted a Diversity and Inclusion Policy that facilitates an inclusive culture and supports us to deliver an inclusive health and wellbeing experience for our community.

It outlines the role of the People and Remuneration Committee in recommending to the Board measurable objectives for diversity and annually assessing progress against these. The policy is reviewed annually and is available on our website. A Diversity and Inclusion Strategy supports the policy and sets out the measurable objectives established by the Board.

The Board emphasises the importance of having a gender diverse leadership team and aims to maintain 40% women representation in the Group and senior executive population and on our Board. As at 30 June 2024, the actual representation across the Group and senior executive population was 46%. A Board member change in March 2024 meant for the first time in many years, our representation of women directors fell to 33%.

In May 2024, we reported our gender equality indicators under the *Workplace Gender Equality Act 2012* (Cth) and also published an employer statement in response to the public disclosure of WGEA pay gaps. The reports can be accessed on our website.

As at 30 June 2024, the respective proportions of men and women on the Board, in senior executive positions and across Medibank were as follows:

Position[1]	Women	Men	Other	% Women
Board (including CEO)	3	6	0	33%
Group Leads (including CEO)[2]	4	5	0	44%
Senior executives[3]	26	30	0	46%
Group and senior executive total	30	35	0	46%
Senior managers	107	120	1	47%
Other managers	454	372	3	55%
Non-managers	1,870	562	6	77%
Overall (including Board)	**2,464**	**1,094**	**10**	**69%**

1. This table only applies to positions in Medibank Private Limited and its wholly owned subsidiaries.
2. Group Leads refer to the CEO and the executive leadership team (ELT) as at 30 June 2024. All of the ELT report directly to the CEO.
3. Senior executive positions include all roles classified as hub leads as part of Medibank's broad based banding framework.

Last year the Board set measurable objectives for achieving diversity at Medibank, including gender diversity, and committed to reporting progress against these in the 2024 corporate governance statement.

The table[1] below shows our progress against these 2024 objectives and our objectives for 2025 that have now been set by the Board.

FY24 measurable objective	Progress towards achievement	FY25 measurable objective
Medibank will remain committed to ensuring a representation of at least 40% women across our executive leadership and senior leadership populations, and at least 40% women on the Medibank Board.	As at 30 June 2024, women represented: • 46% of Group and senior executive roles (compared to 48% in FY23) • 33% of the Medibank Board, including the CEO (compared to 44% in FY23).	Aim to maintain representation of: • 40% women across our executive leadership and senior leadership populations • 40% of women on the Medibank Board.
Medibank will aim to improve the gender balance across our manager and non-manager population by maintaining at least 40% women across our manager workforce and improving the representation of men in our non-manager workforce.	As at 30 June 2024 women represented: • 53% of all manager roles, excluding Group and senior executives (compared to 53% in FY23) • 77% of non-manager positions (compared to 79% in FY23).	Aim to maintain representation of: • 40% women across our manager workforce • 40% women across our non-manager workforce.
Medibank will continue to focus on increasing the representation and engagement of Aboriginal and Torres Strait Islander employees with a target set of at least 49 employees (approx. 1.8% of survey respondents) as self-reported in our annual engagement survey.	As at 30 June 2024: • 33 employees (1.2% of survey respondents[2]) identified as Aboriginal and Torres Strait Islander compared to 25 people in FY23 (0.9% of survey respondents[3]) • Engagement for this cohort was 7.8 (compared to 8.1 in FY23 and the Medibank average of 7.9).	Aim to increase the representation and engagement of Aboriginal and Torres Strait Islander employees to 49 employees (approx. 1.8% of survey respondents) as self-reported in our annual engagement survey.
Medibank will continue to focus on increasing the representation and engagement of employees with disability with a target set of at least 192 employees (approx. 7% of survey respondents) as self -reported in our annual engagement survey.	As at 30 June 2024: • 175 employees (6.6% of survey respondents[2]) identified as having a disability compared to 163 people in FY23 (5.9% of survey respondents[3]) • Engagement for this cohort was 7.9 (compared to 7.7 in FY23 and the Medibank average of 7.9).	Aim to increase the representation and engagement of employees with disability to 192 employees (approx. 7% of survey respondents) as self-reported in our annual engagement survey.

1. The measurable objectives and progress towards achievement only relate to Medibank Private Limited and its wholly owned subsidiaries.
2. Based on employee engagement survey response rate of 79% from 3,371 employees invited to participate.
3. Based on FY23 employee engagement survey response rate of 80% from 3,452 employees invited to participate.

Market and shareholder communication

Market disclosure

We promote investor confidence and the rights of shareholders by ensuring the immediate disclosure of market sensitive information regarding Medibank. The measures to further these commitments are detailed in the Disclosure and Communication Policy approved by the Board, which is available on our website.

This policy is designed to facilitate compliance with Medibank's obligations under the ASX Listing Rules and the *Corporations Act 2001* (Cth) by assigning authorisation processes for market announcements and reserving certain matters for approval by the Board. The policy also requires the Board to receive copies of all material market announcements promptly after they have been made. Processes for engagement with analysts and investors are detailed in the policy as well as the assignment of spokespersons for market and media communications. Awareness and compliance is promoted by compulsory periodic online employee training and additional information sessions for those likely to become aware of potentially market sensitive information.

The Board is supported by a management Disclosure Committee responsible for considering potentially market sensitive information and monitoring Medibank's disclosure processes and reporting framework. The Disclosure Committee Charter is available within the Disclosure and Communication Policy.

Medibank's full year financial reports are audited, and our half year financial reports reviewed, by our external auditor. For other periodic Medibank corporate reports, such as the annual report and sustainability report, relevant subject matter experts confirm the factual accuracy of relevant statements; final reports are also reviewed by senior executives who have the knowledge and skills to verify the accuracy of the information. Periodic corporate reports are reviewed and where appropriate, approved by the Board prior to publication.

Information about Medibank and its governance

Our website provides information about Medibank and its corporate governance, and an investor centre that provides information specifically for prospective and existing Medibank shareholders which links to our results, investor presentations, annual reports, sustainability reports, share price, ASX announcements and AGM materials. We also maintain a shareholder calendar of upcoming events within the investor centre, along with information to assist investors in managing their shareholdings. Medibank's share register is managed by Computershare Investor Services Pty Limited (Computershare) which provides an accessible online platform for shareholders to access and manage their shareholdings.

We encourage shareholders to receive communications securely by email for reasons of speed, security, environmental friendliness and cost reductions.

Unless a shareholder elects to receive information by post, Medibank and through its share registry, Computershare, communicate with shareholders via email and other electronic channels, including providing notices of meetings and facilitating online voting on the AGM resolutions.

Investor engagement

We conduct briefings, meetings, telephone calls and webcasts for institutional and retail investors, analysts and proxy advisors to provide a greater understanding of the business, our strategy and results, providing a forum for two-way communications between Medibank and the investment community. During the year, we participated in the Macquarie Australia Conference in May 2024.

We generally communicate with the investment community through the CEO, the Group Lead – CFO & Group Strategy (CFO), other members of the ELT and the Hub Lead – Investor Relations. We also communicate through the Chair for governance issues, and the Chair of the People and Remuneration Committee for remuneration issues and the Company Secretary and Group Lead – People, Spaces & Sustainability for environmental, social and governance issues. Feedback from engagement with the investor community is communicated to the Board at each Board meeting.

In all communications with investors, analysts and media, only publicly available information and information that is not market sensitive is discussed. In order to ensure that all shareholders have equal and timely access to material information concerning Medibank, advance notification of investor and analyst financial results briefings is announced via the ASX. The briefing materials are released first via the ASX and then on the investor centre section of our website, together with a recording of the half and full year results briefing. We also release the materials for new and substantive investor and analyst presentations to the ASX before the presentation starts.

Shareholder meetings

The Board encourages shareholders to attend the AGM and to take the opportunity to ask questions. In 2024, investors will be able to attend the meeting in person at an accessible venue in Melbourne, or virtually, with the ability to vote and ask questions at the venue or online; the meeting will also be webcast live and made available on our website. All substantive resolutions at the meeting are decided by a poll and not by a show of hands.

The external auditor attends the AGM and is available at the meeting to answer questions relevant to the auditor's report.

We provide shareholders with a clear and concise notice of meeting, setting out the business to be considered, including all material information relevant to the election or re-election of directors. These materials, together with the presentations at the AGM and the voting results, are released to the ASX and then made available on our website.

Integrity of financial reporting

The Board has a strong commitment to the integrity and quality of its financial reporting and its systems for risk management, compliance and internal control.

The role of the Audit Committee is to provide an objective, non-executive review of the effectiveness of Medibank's internal control, financial reporting and risk management framework, to assist the Board in carrying out its accounting, auditing, and financial reporting responsibilities. Details of the composition and key roles and responsibilities of the Audit Committee are set out on page 40. In addition to the members of the Audit Committee, any director may attend Audit Committee meetings. Representatives of management and the Hub Lead – Internal Audit may attend Audit Committee meetings by standing invitation, and the Chief Actuary and external auditors are invited as required.

Financial reporting assurances

The preparation of the full year and half year financial statements is subject to a detailed process of review and approval by the Board supported by the Audit Committee.

As required under section 295A of the *Corporations Act 2001* (Cth), the Board receives a declaration from the CEO and the CFO that, in their opionion, the financial records of the company have been properly maintained and that the financial statements and notes comply with accounting standards and give a true and fair view of the consolidated entity's financial position and performance for the financial period. This includes a written declaration that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

This declaration was received by the Board prior to approving the financial statements for the half year ended 31 December 2023 and the full year ended 30 June 2024.

Internal audit

Medibank has an internal audit function that provides the Board and Audit Committee with an independent evaluation of the adequacy and the effectiveness of Medibank's financial and risk management framework. The Internal Audit Plan, which is approved by the Audit Committee, is developed using a risk-based approach and is driven by Medibank's strategy, risk profile and assurance priorities.

The Internal Audit Charter provides the internal audit team unrestricted access to review all activities of the business. The internal audit function is supplemented by the engagement of external subject matter experts when required.

The head of the internal audit function is the Hub Lead–Internal Audit. To ensure the independence of the internal audit function, the role reports directly to the Audit Committee Chair, with a direct communication line to the CEO and administrative reporting line to the CFO. The Hub Lead–Internal Audit (in addition to their standing invitation to attend Audit Committee meetings) reports to each Audit Committee meeting on progress against the Internal Audit Plan, audit findings and recommendations, business insights and the status of management actions.

Risk management

Information about Medibank's risk governance (page 47), risk management framework (page 48) and material business risks, including environmental, social and governance risks and emerging risks (page 49), can be found in the following risk management section.

This corporate governance statement is accurate and up to date as at 22 August 2024 and has been approved by the Board.

Risk management

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 requirements of the Australian Prudential Regulation Authority's (APRA) Consolidated Prudential Standard 220 Risk Management (CPS 220).

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.

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 page 41.

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 62.

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 seven divisional risk committees covering key business units – Amplar Health, Customer, Digital & Ventures, 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.

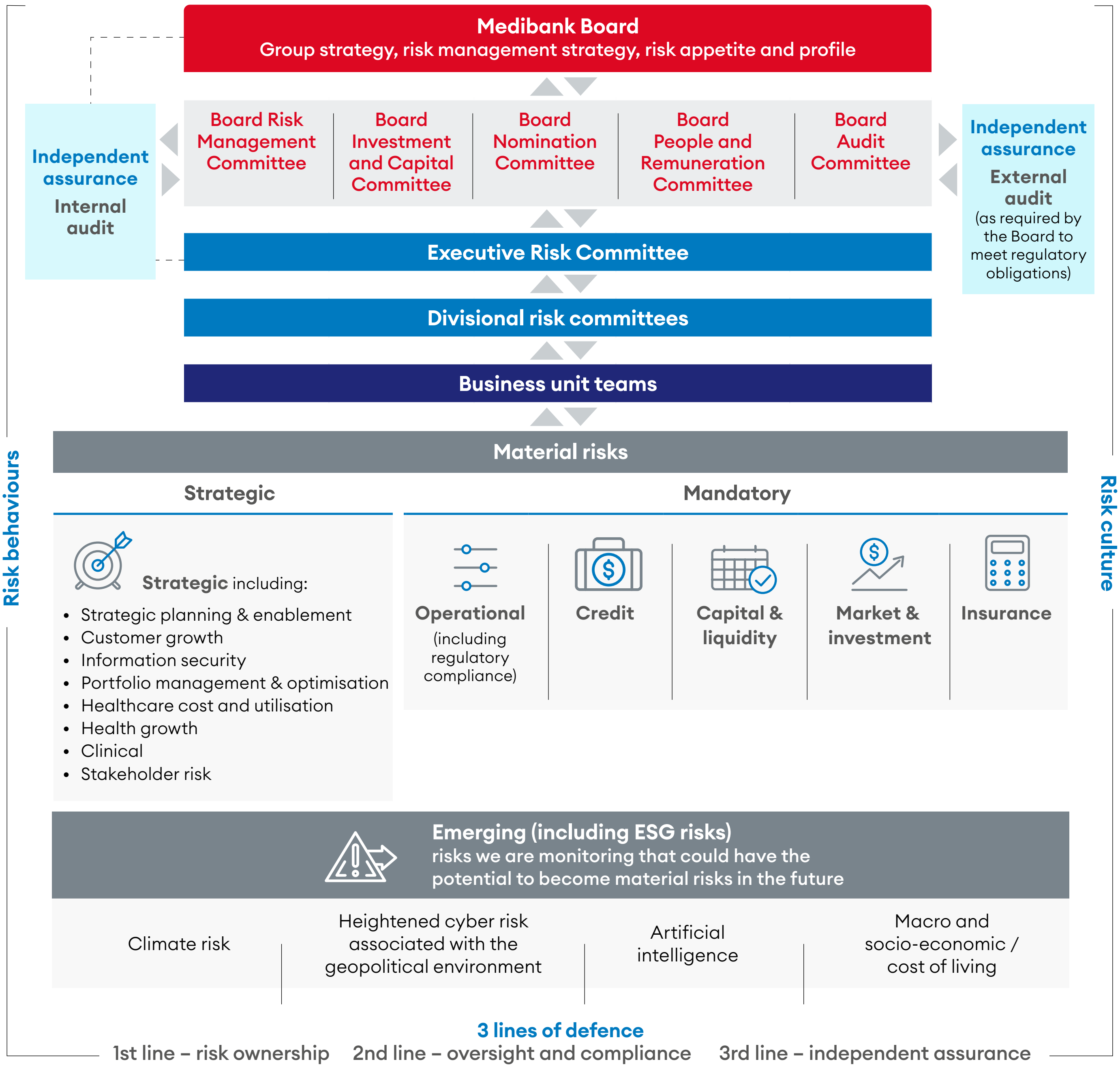
In July 2024, we announced the role of Chief Risk & Compliance Officer would join our senior leadership team and report directly to the CEO. We also brought together our current risk and compliance teams as well as the Medibank Uplift Program, to form a new Risk and Compliance business group. This function will also manage our financial accountability regime and CPS 230 programs and has accountability for our risk management relationship with APRA.

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 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 annual review of the framework was completed during FY24 and the three yearly comprehensive review will be 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.



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 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, outsourcing, fraud, people, and health and safety risks. We have established compliance management policies and procedures for identifying and managing regulatory obligations and incidents that may arise. Management of operational risk is overseen by divisional risk committees, the Executive Risk Committee and the Board's Risk Management Committee.	
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 and in complying with APRA's prudential standards	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 market factors e.g. foreign exchange rates, interest rates and equity prices	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.	

Customer health | Employee health | Community health | Environmental health | Governance

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 from 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 implemented a clinical governance and quality management framework that defines the principles, structures and processes that underpin service quality, continuous improvement and patient safety. Our 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 • Macro and socio-economic / cost-of-living	

Customer health

Employee health

Community health

Environmental health

Governance

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 pages 63 to 73 of the Sustainability Report 2024. Further detail on our approach to sustainability and ESG issues can also be found in the Sustainability Report 2024.

The evolving cyber threat landscape

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

- Ongoing enhancement of our security detection and response capabilities
- 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

Find more information about our approach to data security and privacy in our Sustainability Report 2024.

APRA CPS 230 Operational Risk Management

Medibank is implementing the requirements for APRA's new prudential standard CPS 230 Operational Risk Management. The standard aims to ensure resilience to operational risks and disruptions and comes into effect from 1 July 2025. It defines requirements for operational risk and absorbs existing standards for business continuity (CPS 231) and outsourcing (CPS 232).

Risk culture

Medibank is committed to maintaining a strong risk culture. Our values are integral to the way we consider risk in the pursuit of our strategic objectives and customer-focused outcomes. We acknowledge and recognise the importance of doing the right thing for our customers, our people, and the community, and this commitment is reflected in our purpose and values.

Our risk culture framework is an integral part of our approach to risk management and brings together the key elements that influence and shape our risk culture in terms of behaviours and practices. It clearly highlights the behaviours we expect of our people and the practical application of the framework.

The framework builds upon the foundation of our Code of Conduct, which sets out the way we work at Medibank via the establishment of standards of behaviour and conduct expected from all directors, employees and contractors.

The Code of Conduct 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.

When it comes to risk culture, we aim to:

- Role model our organisational values and support others to do the same. This includes positive behaviours around managing risk to deliver the right outcomes for our shareholders, employees, customers and the community.
- Encourage transparency and speaking up to provide opportunities to understand where we can improve, especially for our customers.
- Foster a culture of continuous improvement in managing risks. Make it part of our DNA to strive for great outcomes, especially for our customers.

Medibank risk culture framework

The following highlights the behaviours we expect of our people and the practical application of the framework:

Leaders at all levels championing risk management, setting a clear tone and role modelling appropriate risk behaviours (tone from the top and tone from the middle)

Business and strategic decisions align with the risk appetite statement

Openness to consider diverse viewpoints and to provide constructive challenge and feedback across the organisation

There is effective oversight of risk and risk culture, and risk management is supported by appropriate frameworks, policies, controls and reporting

Risk issues are openly communicated across the organisation and supported by an environment where people feel safe to speak up

Responsibility and accountabilities of risk are clearly defined, understood and discharged across the organisation (particularly the three lines of defence)

Level of skills and training, processes, systems and data across the three lines of defence to support effective risk management practices and behaviours

Good risk management behaviour is encouraged and rewarded, and poor risk behaviour has proportionate consequences

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 2024.

References to 2023 and 2024 are to the financial years ended on 30 June 2023 and 30 June 2024 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:

Current

Mike Wilkins AO – Chair

David Koczkar – Chief Executive Officer

Dr Tracey Batten

Gerard Dalbosco

Peter Everingham

David Fagan

Kathryn Fagg AO

Linda Bardo Nicholls AO

Jay Weatherill AO (appointed effective 18 March 2024)

Former

Anna Bligh AC (retired effective 22 November 2023)

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, homecare, 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 homecare services and short stay hospital care.

In January 2024, the Group increased its shareholding in Myhealth Medical Group from 49% to 90%.

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 23 to 30.

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 29 to 30.

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 8.30 cents per share was determined in respect of the six-month period ended 30 June 2023, paid on 5 October 2023 to shareholders registered on 14 September 2023.
- A fully franked interim ordinary dividend of 7.20 cents per share was determined in respect of the six-month period ended 31 December 2023, paid on 20 March 2024 to shareholders registered on 1 March 2024.
- A fully franked final ordinary dividend of 9.40 cents per share has been determined in respect of the six-month period ended 30 June 2024, payable on 26 September 2024 to shareholders registered on 5 September 2024.

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 31 to 33 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	7	7	-	-	-	-	4	4	4	4	3	3
Dr Tracey Batten	10	10	7	7	-	-	6	6	-	-	4	4	3	2
Anna Bligh[1]	5	4	2	2	-	-	3	3	2	2	-	-	-	-
Gerard Dalbosco	10	10	7	6	4	4	6	6	-	-	-	-	3	3
Peter Everingham[2]	10	10	7	7	3	3	-	-	2	2	4	4	-	-
David Fagan	10	10	7	7	4	4	6	6	-	-	-	-	3	3
Kathryn Fagg	10	10	7	6	4	4	-	-	-	-	4	4	-	-
David Koczkar	10	10	7	6	-	-	-	-	-	-	-	-	-	-
Linda Bardo Nicholls	10	10	7	7	-	-	6	6	4	3	-	-	3	3
Jay Weatherill[3]	3	3	2	2	1	1	1	1	-	-	-	-	-	-

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.
1. Anna Bligh retired as a director effective 22 November 2023.
2. Peter Everingham was appointed as a member of the Investment and Capital Committee effective 19 February 2024 and retired as a member of the Audit Committee effective from 18 March 2024.
3. Jay Weatherill was appointed as a director and a member of the Audit Committee and Risk Management Committee effective 18 March 2024.

In addition, the directors attended special purpose committees, including in relation to financial reporting, the 2022 cybercrime event, Medibank Uplift Program and other matters.

Options and performance rights

During the financial year, 3,296,240 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, 2,001,656 performance rights vested and were exercised.

Further information regarding performance rights is included in the remuneration report from page 55.

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	100,000	-
David Koczkar	1,426,764	2,100,777
Dr Tracey Batten	50,000	-
Anna Bligh[1]	44,623	-
Gerard Dalbosco	72,832	-
Peter Everingham	40,000	-
David Fagan	47,016	-
Kathryn Fagg	32,750	-
Linda Bardo Nicholls	50,400	-
Jay Weatherill	11,600	-

1. Anna Bligh retired as a director effective 22 November 2023 and her ordinary shareholding information is as at that date.

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.
- 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 121.

Non-audit services

During the year, PwC, the Group's external auditor, performed certain other services to the Group in addition to its statutory responsibilities as auditor. Details of the amounts paid or payable to PwC for non-audit services provided by it during the year are set out in Note 19 Auditor's remuneration.

Based on advice provided by the Audit Committee, the directors are satisfied that the provision of non-audit services during the year by PwC is compatible with the general standard of independence for auditors imposed by the *Corporations Act*, and that the provision of the non-audit services did not compromise the auditor independence requirements of the *Corporations Act*, for the following reasons:

- All non-audit services provided were approved in accordance with the process set out in Medibank's policies, including being reviewed by the Audit Committee to ensure that provision of the services did not impact the integrity and objectivity of the auditor.
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

Remuneration report

The remuneration report on pages 55 to 75 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 2024 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 company's results and their individual performance.

We are pleased to deliver another solid result this year, reflecting our focus on customers and ongoing growth as a health company. Importantly, we have also continued to invest in the health transition. This investment in new care models, prevention and primary care is providing greater choice, better access and more value to our own customers while driving broader change needed to support the long-term sustainability of Australia's health system.

In a year where cost-of-living pressure has continued to impact households, we have remained focused on providing our customers with more value. Our average 3.31% premium increase from 1 April 2024 is lower than both inflation and wage growth and remains below the 10-year industry average of 3.8%. At the same time, we have continued to invest in new products, services, and programs to support our customers' health and wellbeing. We have also stuck by our promise to not profit from COVID with our customer support standing at $1.46 billion – the largest of any health insurer in Australia to date.

Our 2024 financial performance demonstrates the ongoing resilience of the resident Health Insurance business. While both the industry and Medibank continue to grow, we have been deliberate in our response to the ongoing competitive environment and remain disciplined in how we manage the business for the long term. This result also reflects strong growth in Medibank Health including the contribution of our increased investment in Myhealth. Our ongoing strong capital position continues to place us well to fund our future growth.

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, and 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.

Changes to Key Management Personnel

During October 2023 Medibank announced that Andrew Wilson would be stepping down from the role of Group Lead – Chief Executive Amplar Health after being a member of the executive leadership team for 13 years to take on the role of Group Chief Medical Officer on a part-time basis.

Following that move, Robert Read was appointed to the role of Group Lead – Amplar Health. Rob has broad experience in health including delivering customer led strategies, driving business growth and operational management.

Changes to the Board

During September 2023 Medibank announced that non-executive director Anna Bligh AC would not stand for re-election and would retire from the Board at the conclusion of the Medibank annual general meeting on 22 November 2023. Anna joined the Board prior to Medibank's public listing in 2014 and played a critical role in Medibank's transformation over the past ten years into a health company.

Following the retirement of Anna, Medibank announced the appointment of Jay Weatherill AO as a non-executive director effective 18 March 2024. Jay has had a distinguished career in public office and brings expertise across a wide range of public policy areas including reform of social services.

Changes to Medibank's executive remuneration framework

During the year the Board approved several changes to the executive remuneration framework to address the requirements of APRA's Prudential Standard CPS 511 Remuneration (CPS 511) and further enhance the focus on our customers in our remuneration structures. Key changes for 2024 include:

- The introduction of customer service satisfaction in the short-term incentive (STI) plan and the addition of a new brand sentiment performance hurdle in the long-term incentive (LTI) plan to give material weight to non-financial measures.
- To satisfy deferral requirements, the STI deferral period increased from one year to a maximum of five years for the CEO and four years for other Executive KMP, while the percentage of STI deferred decreased from 50% to 40%.
- LTI is now deferred over a period of six years for the CEO and five years for other Executive KMP, starting from the beginning of the performance period, with pro-rata release after year four.

Short-term incentives

Medibank delivered solid operational and financial performance in 2024 with behaviours aligned to our values and purpose of 'Better Health for Better Lives'. Group operating profit and Health Insurance revenue growth outcomes were between threshold and target levels of performance, while Service Net Promoter Score (sNPS) exceeded stretch expectations.

These performance outcomes resulted in STI awards for Executive KMP that averaged 61% of their maximum opportunity. In the Board's view, incentive awards reflect an appropriate outcome based on overall company performance in 2024.

Long-term incentives

Medibank's 2022 LTI was tested following the completion of the performance period on 30 June 2024 with the following outcomes:

- Full vesting against the earnings per share compound annual growth rate (EPS CAGR) measure with a result of 12.6% over the performance period.
- Partial vesting against the TSR measure with a performance rank at the 66th percentile against our comparator group.
- It is likely that 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.

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 4.3%, effective 1 July 2024. This includes a 4.25% increase for the Chief Executive Officer (CEO), David Koczkar, his first since July 2022. Fixed remuneration increases are inclusive of the superannuation guarantee increase effective 1 July 2024 and are in line with the increases planned for the broader salaried population.

Long-term incentive opportunity has been increased from 65% to 75% of fixed remuneration for Executive KMP and from 150% to 175% of fixed remuneration for the CEO to align with market practice and increase focus on delivering sustainable business performance over the long term.

Board and committee fees were also reviewed against the median of Medibank's market comparator group with a 4.25% increase in Board and Committee fees agreed. These changes are the first in two years, and the aggregate fee spend for non-executive directors remains below the total fee pool of $2,300,000 approved by shareholders in the annual general meeting in 2018.

To align Medibank's non-executive director fee cap with our market comparator group and to provide sufficient headroom and flexibility to manage Board succession planning and future changes to Board and Committee structures, shareholder approval will be sought at the annual general meeting (AGM) in November 2024 to increase the annual non-executive director fee cap by $700,000 to $3,000,000. If approved, this will represent the first increase in the fee cap in six years.

To further align interests of non-executive directors with those of shareholders, effective 1 July 2024, non-executive directors will be 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 will have five years from the effective date of this change to attain the new required shareholding level.

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 2024, 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	From 13 November 2023
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	From 18 March 2024
Former KMP		
Andrew Wilson	Group Lead – Chief Executive Amplar Health	Ceased as KMP on 18 December 2023
Former Non-executive director		
Anna Bligh	Non-executive Director	Retired 22 November 2023

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 4.3% effective 1 July 2024. • Fixed remuneration of the CEO, David Koczkar, was increased by 4.25% to $1,615,900, effective 1 July 2024.
Short-term incentive (STI)	• STI awards for Executive KMP reflected performance of Group operating profit and Health Insurance revenue growth were between threshold and target levels of performance, while Service Net Promoter Score (sNPS) exceeded stretch expectations. • Short-term incentive (STI) outcomes for Executive KMP in line with terms of the plan and at an average of 61% 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 2022 LTI was tested following the completion of the performance period on 30 June 2024 and resulted in a vesting outcome of 63.7% in line with the terms of the grant. • This outcome reflects full vesting against the EPS CAGR measure with a result of 12.6% which includes costs associated with the cybercrime event and partial vesting against the TSR measure with a performance rank at the 66th percentile against our comparator group. It is likely that 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. • 2025 LTI opportunity for the CEO has been increased from 150% to 175% of fixed remuneration. • 2025 LTI opportunity percentages for Executive KMP other than the CEO have been increased from 65% to 75% of fixed remuneration.

Non-executive directors

Non-executive director fees	• The annual base fee for the Chair was increased by 4.25% to $478,000, and the annual base fee for other non-executive directors was increased by 4.25% to $177,250, both effective 1 July 2024. • Committee chair fees and committee membership fees were increased by an average of 4.2% effective 1 July 2024 to $42,950 and $21,450 respectively. • The aggregate non-executive director fee spend remains below the approved total fee pool of $2,300,000. • Medibank will seek shareholder approval to increase the annual non-executive director fee cap by $700,000 to $3,000,000 at the Annual General Meeting (AGM) in November 2024.

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 and wellbeing, our people and customers, and our performance.

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 APRA's CPS 511.

The following diagram illustrates the relationship between Medibank's remuneration strategy, reward framework and the timeline of when 2024 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

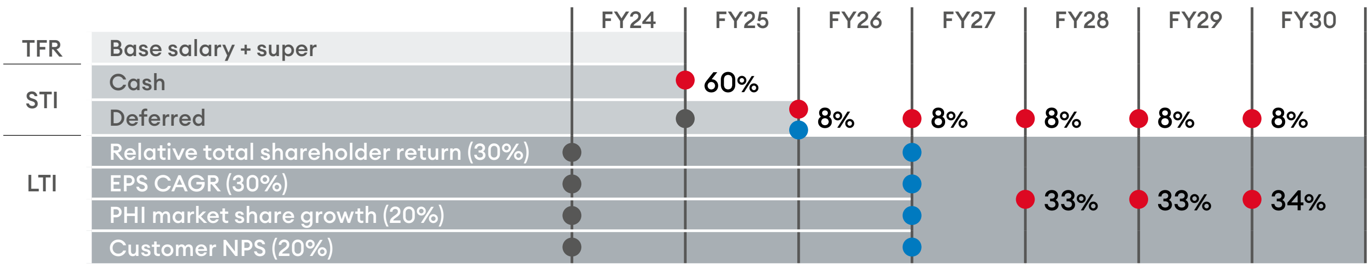
Attract and **retain** key talent through competitive and fair fixed remuneration	**Incentivise** high performance through variable, at-risk payments	**Reward** employees for the achievement of business outcomes aligned with Medibank's culture	**Align** the interests of executives with increasing long-term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

Medibank's total target reward framework

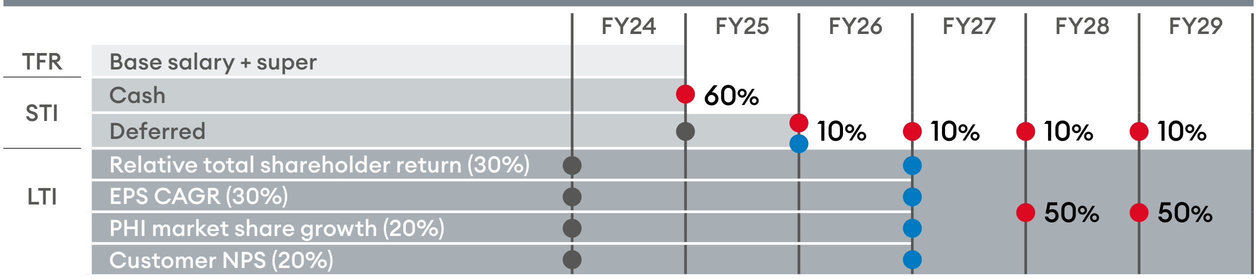
	Performance measures	Delivery
Total fixed remuneration (TFR)	• Determined with reference to capability, experience, the complexity of the role, as well as median pay levels of Medibank's comparator group • Paid on a fortnightly basis in base salary and superannuation	
Short-term incentive (STI)	For an STI to be awarded: • Individuals must pass a risk, compliance, and behaviour gateway; and • Medibank must achieve a baseline Group operating target Performance measures: • Group operating profit • Health Insurance revenue growth • Service Net Promoter Score (sNPS) • 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
Long-term incentive (LTI)	• Earnings per share compound annual growth rate • Relative total shareholder return • Growth of Medibank's private health insurance market share • 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 – 2024 remuneration timeline



Other Executive KMP – 2024 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 53 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 (Company) 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 2024 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 are 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 performance, customer outcomes, community and shareholder expectations.

4.2.2 Malus and clawback of executive performance-based remuneration

Medibank's Malus and Clawback Policy provides the Board with discretion to reduce, cancel, or recover performance-based awards made to employees in certain circumstances and subject to applicable laws, including the following:

- Serious misconduct, fraud or dishonesty by the employee.
- Any behaviour, act or omission by the employee that impacts on the Group's reputation or long-term financial soundness.
- A material misstatement of the Group's financial statements.
- The Board becomes aware of any other action or behaviour that it determines (acting in good faith) has resulted in the employee receiving an inappropriate benefit.

The Malus and Clawback Policy provides that if any of these events occur the Board may, in its absolute discretion, withhold an employee's performance-based payments, require the repayment of all, or part of, previous performance-based awards, lapse previously deferred and unvested performance-based rewards, or otherwise alter an employee's remuneration subject to applicable laws.

Malus provisions allow Medibank to reduce or cancel the award before it has been paid, while clawback provisions allow an organisation to, subject to applicable laws, recover a performance-based award 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 executive leadership team. 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 2024, progress towards the minimum shareholding requirement for each Executive KMP is provided below:

Executive KMP[3]	Minimum shareholding requirement $[1]	Value of eligible shareholdings as at 30 June 2024 $[2]	Minimum shareholding requirement timeline
David Koczkar	1,550,000	5,321,830	Requirement satisfied
Milosh Milisavljevic	900,000	581,526	22 June 2026
Robert Read	700,000	-	13 November 2028
Mark Rogers	1,070,000	2,999,397	Requirement satisfied

1. Minimum shareholding requirement based on each persons' total fixed remuneration (TFR) as at 30 June 2024.
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 2024 ($3.73).
3. Andrew Wilson ceased to be an Executive KMP on 18 December 2023 and was not subject to this policy as at 30 June 2024.

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 long-term incentive (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, outlined below, 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 behaviours that support our risk culture include:

- Leaders at all levels championing risk management, setting a clear tone and role modelling appropriate risk behaviours.
- Openness to consider diverse viewpoints and to provide constructive challenge and feedback across the organisation.
- Risk issues are openly communicated across the organisation and supported by an environment where people feel safe to speak up.
- Level of skills and training, processes, systems and data across the 3 Lines of Defence to support effective risk management practices and behaviours.

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 reviewed by the Risk Management Committee (RMC). As part of this review the RMC considers 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 Hub Lead – Group Risk & Chief Risk Officer, Group Lead – People, Spaces & Sustainability and Group Lead – Trust, Legal & Compliance 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 long-term incentive (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. Consequences of employees breaching Medibank's Code of Conduct 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 an 'unsatisfactory' 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 2024, eight 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 nine individuals in 2024 had their employment terminated following an incident of misconduct. Further details on consequence management can be found in our Sustainability Report 2024.

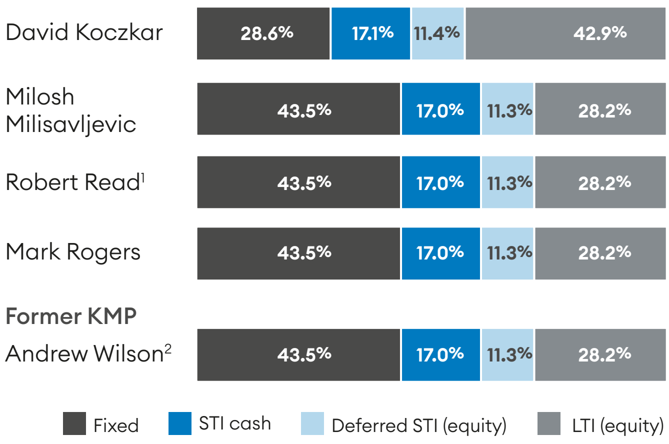
6. Executive KMP remuneration components

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 2024 target remuneration mix

The 2024 target remuneration mix for Medibank's Executive KMP is shown below.



1. Robert Read's remuneration mix reflects his Group Lead – Amplar Health position applicable from 13 November 2023.
2. Andrew Wilson's remuneration mix reflects his prior role as Group Lead – Chief Executive Amplar Health.

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 2024 $	1 July 2024 $
David Koczkar	1,550,000	1,615,900
Milosh Milisavljevic	900,000	930,000
Robert Read[1]	700,000	750,000
Mark Rogers	1,070,000	1,105,000
Former Executive KMP		
Andrew Wilson[2]	1,020,000	Not applicable

1. This represents Robert Read's TFR as at 30 June 2024 following his appointment as Group Lead – Amplar Health.
2. This represents Andrew Wilson's TFR as at 18 December 2023, being the date he ceased to be Executive KMP.

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 company and 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 Hub Lead – Group Risk & Chief Risk Officer, Group Lead – People, Spaces & Sustainability and Group Lead – Trust, Legal & Compliance 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, executives are then assessed against the company and role-specific performance measures to determine STI award outcomes. There is a threshold level of performance for each Medibank and role-specific measure as set by the Board that needs to be achieved for an STI award to be paid (for that element of the award). For an executive to achieve a target STI award, performance against Medibank and role-specific measures must be at the target level of performance as set by the Board (for that element of the award) and delivered with behaviours aligned with Medibank's purpose and values.

For an executive to achieve a stretch STI award, performance against all Medibank and role-specific measures must be at or above stretch performance as set by the Board (for that element of the award) and delivered with behaviours aligned with Medibank's values and purpose. This would represent exceptional performance, well above that of Medibank's strategic plan.

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 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 2024, the performance measures were: • Group operating profit (excluding investment income). • Health Insurance premium revenue growth. • Customer service 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 the organisation has performed against each measure in 2024. 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.

	2024 & 2025	
Executive KMP	Target	Maximum
David Koczkar	100%	150%
Milosh Milisavljevic	65%	120%
Robert Read[1]	65%	120%
Mark Rogers	65%	120%
Former Executive KMP		
Andrew Wilson[2]	65%	120%

1. Robert Read's target and maximum STI opportunity reflect his new position of Group Lead – Amplar Health.
2. Andrew Wilson's STI opportunity refers only to 2024 and is based on his previous role as an Executive KMP.

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 two 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 subscribe for 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 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 2024 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 2023. This average price was $3.56.
What is the performance period for 2024 LTI plan?	The performance period for the 2024 LTI plan is three financial years commencing 1 July 2023.
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 two years for other 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 2024 LTI plan?	Performance rights issued under the 2024 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 2023 and the performance period for the EPS performance hurdle will run for three years from 1 July 2023 through to 30 June 2026. 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 Promotor 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 2024 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

	2024	2025
Executive KMP	LTI allocation value as % of TFR	LTI allocation value as % of TFR
David Koczkar	150%	175%
Milosh Milisavljevic	65%	75%
Robert Read[1]	65%	75%
Mark Rogers	65%	75%
Former Executive KMP		
Andrew Wilson[2]	65%	Not applicable

1. Robert Read's 2024 LTI opportunity reflects his new position of Group Lead – Amplar Health.
2. Andrew Wilson's 2024 LTI opportunity reflects his prior role as Group Lead – Chief Executive Amplar Health.

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. In addition to the FY23 LTI measures of EPS CAGR, Relative TSR and Medibank's private health insurance (PHI) market share growth, brand sentiment has been added as a new hurdle from FY24 to improve the balance between financial and non-financial measures. 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. The vesting schedules for EPS CAGR, Relative TSR and PHI market share growth for FY24 remain consistent with the schedules applied to the FY23 LTI offer.

2024 EPS performance rights (30% of award)

The Board approved maintaining a threshold EPS CAGR target of 3% for the 2024 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.

2024 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 2024 TSR performance rights to vest, Medibank must achieve the threshold TSR ranking over the performance period. The percentage of the 2024 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 2024 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 2024 comparator group are determined at the commencement of the performance period. If the ordinary shares or stock of a member of the 2024 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.

2024 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 75 basis points	Straight-line pro rata vesting between 50% and 100%
Above 75 basis points	100%

2024 brand sentiment performance rights (20% of award)

In response to CPS 511 requirements, the Board introduced brand sentiment as a new performance hurdle in the LTI. 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.

Medibank's brand sentiment (Customer Net Promotor Score)	Percentage of brand sentiment performance rights that vest
Less than 4.6	Nil
Between 4.6 and 10.6	Straight-line pro rata vesting between 50% and 100%
Above 10.6	100%

7. Linking remuneration and performance in 2024

7.1 2024 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 2024 STI performance scorecard measures, weightings, and assessment.

Measure	Description	CEO	Executive KMP[1]	2024 Outcomes
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 2024 STI is inclusive of cybercrime event related expenses.	45%	35%	Above threshold
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%	Above threshold
Customer service satisfaction	Measured by Service NPS which is a key customer advocacy metric that measures the likelihood of customers who have had an interaction with the organisation, recommending Medibank or ahm to their families and friends.	20%	20%	Stretch
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 collaborating with our communities to make a difference. **2. Differentiate our insurance business** – We aim to achieve market share and net policyholder growth (including growth in the Medibank brand) and to deliver $20m productivity savings in FY24-FY25 including $10m in FY24. **3. Expand in health** – We aim to achieve at least 15% p.a. organic segment profit growth and to invest $150m to $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.	15%	20%	Ranging between above threshold to above target

1. The weighting of performance measures for Andrew Wilson was Group Operating Profit 22.5%, Health Insurance premium revenue growth 15%, customer service satisfaction 12.5% and role specific goals 50% during his time as an Executive KMP in FY24.

7.2 Medibank's 2024 financial performance

Medibank's 2024 annual financial performance is provided in the table below in addition to the average 2024 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	2024	2023[1]	2022	2021	2020
Health Insurance premium revenue growth	4.0%	4.2%	2.7%	2.1%	1.3%
Group operating profit[1]	$699.8m	$648.4m	$594.1m	$528.3m	$461.0m
Group net profit after tax (NPAT)	$492.5m	$308.6m	$393.9m	$441.3m	$315.0m
Dividend	16.6 cents p/s	14.6 cents p/s	13.4 cents p/s	12.7 cents p/s	12.0 cents p/s
Share price as at 1 July	$3.52	$3.25	$3.16	$2.99	$3.49
Share price as at 30 June	$3.73	$3.52	$3.25	$3.16	$2.99
Average Executive KMP STI as a percentage of maximum opportunity	61%	0%	72%	70%	0%

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 2024 STI awards

The table below provides a summary of STI awards for the 2024 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	1,550,000	1,611,340	966,804	644,536	104%	69%
Milosh Milisavljevic	585,000	662,424	397,454	264,970	113%	61%
Robert Read[1]	288,750	302,533	181,520	121,013	105%	57%
Mark Rogers	695,500	787,548	472,529	315,019	113%	61%
Former Executive KMP						
Andrew Wilson[2]	306,000	316,038	189,623	126,415	103%	56%

1. The 2024 STI outcome for Robert Read corresponds to the period from 13 November 2023 when he became an Executive KMP.
2. The 2024 STI outcome for Andrew Wilson corresponds to the period between 1 July 2023 and 18 December 2023 when he ceased to be an Executive KMP.

7.4 2022 Long-term incentive plan outcomes

Medibank's 2022 LTI was tested following the completion of the performance period on 30 June 2024. 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 63.7% The table below outlines the outcomes against the EPS CAGR and Relative TSR performance hurdles. It is likely that 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%	12.6%	100%
Relative TSR	35%	66th Percentile	82%
Market Share	30%	TBC	TBC
Total 2022 LTI vesting percentage			**63.7%**

The performance rights under the 2022 LTI Plan that do not vest because of the performance hurdle outcomes not being met will lapse immediately.

The 2023 and 2024 LTI plans remain in restriction and will be assessed against their performance hurdles at the completion of the 2025 and 2026 financial years respectively.

8. 2024 actual remuneration (Non-IFRS disclosure)

The table below represents the 2024 'actual' remuneration for Executive KMP and includes all cash payments made in relation to 2024, in addition to deferred short-term incentive (STI) and long-term incentive (LTI) awards that vested in 2024.

Statutory remuneration disclosures prepared in accordance with the *Corporations Act 2001* (Cth) 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 2024 $	Total cash payments in relation to 2024 $	Deferred equity awards that vested in 2024[1] $	Total 2024 actual remuneration $	Equity awards that lapsed in 2024[2] $
David Koczkar	1,550,000	966,804	2,516,804	1,357,517	3,874,321	285,099
Milosh Milisavljevic	897,528	397,454	1,294,982	409,245	1,704,227	59,303
Robert Read[3]	417,308	181,520	598,828	-	598,828	-
Mark Rogers	1,068,846	472,529	1,541,375	888,325	2,429,700	274,701
Former Executive KMP						
Andrew Wilson[4]	510,000	189,623	699,623	867,335	1,566,958	285,099

1. Deferred equity awards that vested in 2024 relate to 2022 STI deferred performance rights (including shares allocated as dividend equivalent for the deferral period as per plan rules) and 2021 LTI performance rights that vested during the year.
2. Equity awards that lapsed in 2024 relate to the portion of the 2021 long-term incentive (LTI) performance rights that lapsed following the testing of the performance hurdles in July 2023.
3. The values for Robert Read correspond to the period from 13 November 2023 when he became an Executive KMP.
4. The values for Andrew Wilson correspond to the period between 1 July 2023 and 18 December 2023 while he was an Executive KMP.

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* (Cth) and details the statutory accounting expense of all remuneration-related items for Executive KMP. In contrast to the table in section 8 that details 2024 actual remuneration, the table below includes accrual amounts for equity awards being expensed throughout 2024 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	2024	1,551,381	966,804	-	17,655	27,500	51,485	-	1,841,679	-	4,456,504
	2023	1,536,560	-	-	18,082	27,500	59,869	-	1,616,992	-	3,259,003
Milosh Milisavljevic	2024	872,912	397,454	-	17,498	27,500	120,780	-	496,071	-	1,932,215
	2023	769,948	-	-	13,897	27,500	56,347	-	419,506	-	1,287,198
Robert Read[5]	2024	416,942	181,520	-	9,388	40,994	10,070	-	158,294	-	817,208
	2023	-	-	-	-	-	-	-	-	-	-
Mark Rogers	2024	1,042,713	472,529	-	18,888	27,480	124,875	-	496,608	-	2,183,093
	2023	1,013,573	-	-	15,891	25,408	110,493	-	634,380	-	1,799,745
Former Executive KMP											
Andrew Wilson[6]	2024	488,348	189,623	-	11,072	12,726	1,084	-	127,421	-	830,274
	2023	957,739	-	-	20,929	25,456	50,213	-	612,467	-	1,666,804
Total Executive KMP	2024	4,372,296	2,207,930	-	74,501	136,200	308,294	-	3,120,073	-	10,219,294
	2023	4,277,820	-	-	68,799	105,864	276,922	-	3,283,345	-	8,012,750

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 correspond to the period from 13 November 2023 when he became an Executive KMP.
6. The values for Andrew Wilson 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 2024 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	37.0%	21.7%	7.2%	34.1%	63.0%
Milosh Milisavljevic	53.8%	20.6%	6.9%	18.7%	46.2%
Robert Read	58.4%	22.2%	7.4%	12.0%	41.6%
Mark Rogers	55.6%	21.6%	7.2%	15.6%	44.4%
Former Executive KMP					
Andrew Wilson[4]	61.8%	22.8%	7.6%	7.8%	38.2%

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 2024 accounting expense of the 2024 deferred STI component within the 'performance rights' column of the 'statutory remuneration table'.
3. LTI includes the 2024 accounting expense of the 2022, 2023 and 2024 LTI component within the 'performance rights' column of the 'statutory remuneration table'.
4. The values for Andrew Wilson correspond to the period between 1 July 2023 and 18 December 2023 while he was an Executive KMP.

10. Executive KMP equity awards

10.1 Executive KMP equity award transactions

Details of 2024 Executive KMP equity award transactions and outstanding holdings granted in previous years are set out below.

			Acquired during 2024[2]		Vested during 2024[3]		Lapsed during 2024[4]		Other changes	Balance 30 June 2024[5]	
Executive KMP	Award type[1]	Balance 1 July 2023	Units	Value	Units	Value	Units	Value		Units	Value
David Koczkar	Long-term incentive	1,654,311	653,088	1,795,992	128,726	471,137	77,896	285,099	-	2,100,777	5,020,423
	Short-term incentive	240,566	14,875	51,616	255,441	886,380	-	-	-	-	-
	Ordinary shares	1,042,597	-	-	384,167	1,357,517	-	-	-	1,426,764	5,321,830
Milosh Milisavljevic	Long-term incentive	373,063	164,324	451,891	26,777	98,004	16,203	59,303	-	494,407	1,186,691
	Short-term incentive	84,472	5,223	18,124	89,695	311,242	-	-	-	-	-
	Ordinary shares	39,433	-	-	116,472	409,245	-	-	-	155,905	581,526
Robert Read[6]	Long-term incentive	-	127,808	351,472	-	-	-	-	51,959	179,767	461,937
	Short-term incentive	-	-	-	-	-	-	-	-	-	-
	Ordinary shares	-	-	-	-	-	-	-	-	-	-
Mark Rogers	Long-term incentive	617,648	195,364	537,251	124,033	453,961	75,055	274,701	-	613,924	1,469,473
	Short-term incentive	117,888	7,289	25,293	125,177	434,364	-	-	-	-	-
	Ordinary shares	554,918	-	-	249,210	888,325	-	-	-	804,128	2,999,397
Former Executive KMP											
Andrew Wilson[7]	Long-term incentive	622,125	186,234	512,144	128,726	471,137	77,896	285,099	(601,737)	-	-
	Short-term incentive	107,529	6,649	23,072	114,178	396,198	-	-	-	-	-
	Ordinary shares	1,168,960	-	-	242,904	867,335	-	-	(1,411,864)	-	-

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 2024. 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 2022, 2023 and 2024 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 2024 relate to the 100% vesting of 2022 Deferred STI award (including shares allocated as dividend equivalent for the deferral period as per plan rules) and the 62.3% vesting of 2021 LTI award (granted 26 November 2020) 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 vesting date.
4. Awards that lapsed in 2024 relate to the 37.7% of the 2021 LTI award that did not meet the performance hurdle and subsequently lapsed.
5. The value of unvested STI is determined by the number of units at 30 June 2024 multiplied by the unit price at grant. The value of unvested LTI is determined by the number of units at 30 June 2024 multiplied by the fair value at grant. The value of ordinary shares is determined by multiplying the number of ordinary shares at 30 June 2024 by the closing price of Medibank shares on the same date.
6. Robert Read's equity award acquired during 2024 corresponds to equity awards granted following his commencement as an Executive KMP on 13 November 2023. Other changes correspond to equity awards granted prior to becoming an Executive KMP.
7. Andrew Wilson ceased to be a KMP on 18 December 2023 and therefore Andrew's unvested balance as at 30 June 2024 has been adjusted to reflect no further holdings as an Executive KMP.

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]
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
2021 Deferred STI performance rights	STI	1/07/2021	15/09/2022	3/12/2021	Service	100%	3.55	3.55
2021 LTI performance rights	LTI	1/07/2020	30/06/2023	26/11/2020	EPS	35%	3.02	2.54
					Market Share	30%	3.02	2.54
					TSR	35%	3.02	1.58

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.
   - FY22 – 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 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 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.
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 2018 at $2,300,000 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 4.25% for 2025. Based on the composition of the Board, non-executive director fee spend for 2025 will be $2,105,050 against the approved cap of $2,300,000.

Non-executive director fees applicable throughout 2024 and 2025 are set out in the table below:

Position	2024 $	2025 $
Chair	458,500	478,000
Non-executive directors	170,000	177,250
Committee chair fees		
Audit Committee	41,200	42,950
Risk Management Committee	41,200	42,950
People and Remuneration Committee	41,200	42,950
Investment and Capital Committee	41,200	42,950
Committee membership fees		
Audit Committee	20,600	21,450
Risk Management Committee	20,600	21,450
People and Remuneration Committee	20,600	21,450
Investment and Capital Committee	20,600	21,450

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 has a Minimum Shareholding Policy that requires non-executive directors to acquire shares with a value equal to one year's base fee after tax over a period of five years. 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 2024, all non-executive directors have met the minimum shareholding requirement. Further details of current non-executive director shareholdings are provided in section 13.

To further align interests of non-executive directors with those of shareholders, effective 1 July 2024, non-executive directors will be 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 will have five years from the effective date of this change to attain the new required shareholding level.

12. 2024 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	2024	458,500	5,087	-	463,587
	2023	453,452	4,818	6,812	465,082
Tracey Batten	2024	208,793	3,039	23,008	234,840
	2023	210,549	2,792	22,143	235,484
Gerard Dalbosco	2024	231,800	3,254	-	235,054
	2023	209,840	2,747	22,851	235,438
Peter Everingham	2024	191,665	3,533	21,120	216,318
	2023	191,837	3,315	20,175	215,327
David Fagan	2024	208,793	3,610	23,008	235,411
	2023	210,548	3,118	22,143	235,809
Kathryn Fagg	2024	190,237	155	20,963	211,355
	2023	191,837	143	20,175	212,155
Linda Bardo Nicholls	2024	231,800	3,255	-	235,055
	2023	232,691	2,812	-	235,503
Jay Weatherill[2]	2024	54,886	-	6,037	60,923
	2023	-	-	-	-
Former non-executive directors					
Anna Bligh[3]	2024	75,343	5,647	8,325	89,315
	2023	191,837	3,343	20,175	215,355
Total non-executive director remuneration	2024	1,851,817	27,580	102,461	1,981,858
	2023	1,892,591	23,088	134,474	2,050,153

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 2023	Acquired during the year	Other changes	Balance 30 June 2024	Minimum shareholding requirement $[1]	Shareholding value at 30 June 2024 $[2]	Minimum shareholding requirement timeline
Mike Wilkins	100,000	-	-	100,000	229,250	373,000	Requirement satisfied
Tracey Batten	50,000	-	-	50,000	85,000	186,500	Requirement satisfied
Gerard Dalbosco	72,832	-	-	72,832	85,000	271,663	Requirement satisfied
Peter Everingham	40,000	-	-	40,000	85,000	149,200	Requirement satisfied
David Fagan	47,016	-	-	47,016	85,000	175,370	Requirement satisfied
Kathryn Fagg	32,750	-	-	32,750	85,000	122,158	Requirement satisfied
Linda Bardo Nicholls	45,000	5,400	-	50,400	85,000	187,992	Requirement satisfied
Jay Weatherill[3]	-	-	11,600	11,600	85,000	43,268	18 March 2029
Former non-executive director							
Anna Bligh[4]	44,623	-	(44,623)	-	-	-	Not applicable

1. Minimum shareholding requirement based on annual non-executive director base fees for 2024 and an assumed tax rate of 50%. Effective 1 July 2024, non-executive directors will be required to have a shareholding in the company equal in value to at least one year 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 2024 ($3.73).
3. Jay Weatherill commenced as a non-executive director on 18 March 2024, and therefore his balance at 30 June 2023 was zero. Other changes correspond to Medibank shares acquired prior to commencing as a non-executive director.
4. Anna Bligh ceased to be a KMP on 22 November 2023 and therefore her balance at 30 June 2024 has been adjusted to reflect no further holdings as a KMP.

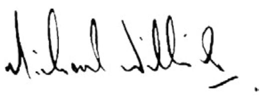
14. Medibank's comparator group

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 2023 and 2024 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

22 August 2024
Melbourne

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Consolidated statement of comprehensive income

For the financial year ended 30 June 2024

	Note	2024 $m	2023 (restated) $m
Insurance revenue	2(b) 4(a)	7,623.1	7,086.4
Insurance service expenses			
Incurred claims	4(a)	(6,289.3)	(6,057.1)
Other insurance service expenses	3	(619.5)	(566.6)
		(6,908.8)	(6,623.7)
Insurance service result		714.3	462.7
Other operating revenue	2(b)	222.8	173.3
Other expenses	3	(400.5)	(335.3)
Share of net profit/(loss) from equity accounted investments	16(b)	(7.1)	(1.4)
Profit before net investment income and income tax		529.5	299.3
Net investment income	6(a)	182.2	138.6
Profit for the year before income tax		711.7	437.9
Income tax expense	15(a)	(215.3)	(129.3)
Profit for the year		496.4	308.6
Total comprehensive income for the year, net of tax		496.4	308.6
Profit and total comprehensive income for the year attributable to:			
Equity holders of the parent entity		492.5	308.6
Non-controlling interests		3.9	-
		496.4	308.6

	Note	cents	cents
Earnings per share attributable to ordinary equity holders of the parent entity - basic and diluted	5(b)	17.9	11.2

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

The Group has adopted AASB 17 *Insurance Contracts* and has restated the comparative periods. The impacts of adoption are detailed in Note 20.

Consolidated statement of financial position

As at 30 June 2024

	Note	30 June 2024 $m	30 June 2023 (restated) $m	1 July 2022 (restated) $m
Current assets				
Cash and cash equivalents		691.0	420.6	596.7
Trade and other receivables		39.5	41.2	35.0
Financial assets at fair value	6(b)	3,048.2	2,866.8	2,854.5
Tax receivable		-	97.8	-
Other assets		27.6	25.9	19.3
Total current assets		3,806.3	3,452.3	3,505.5
Non-current assets				
Property, plant and equipment	9	205.0	70.5	88.4
Intangible assets	10	467.0	328.1	332.3
Deferred tax assets	15(c)	142.1	62.4	88.5
Equity accounted investments	16(b)	58.7	117.6	103.7
Other assets		6.3	3.5	6.0
Total non-current assets		879.1	582.1	618.9
Total assets		4,685.4	4,034.4	4,124.4
Current liabilities				
Trade and other payables		145.4	99.8	92.5
Lease liabilities	13(a)	31.7	30.9	30.2
Borrowings	7(c)	34.9	-	-
Insurance contract liabilities	4(a)	1,636.1	1,370.1	1,312.2
Tax liability		48.7	-	117.0
Provisions and employee entitlements	11	118.0	94.0	104.6
Total current liabilities		2,014.8	1,594.8	1,656.5
Non-current liabilities				
Trade and other payables		18.4	15.0	9.9
Lease liabilities	13(a)	151.7	24.4	46.7
Insurance contract liabilities	4(a)	165.8	135.9	80.8
Provisions and employee entitlements	11	29.6	20.6	23.1
Total non-current liabilities		365.5	195.9	160.5
Total liabilities		2,380.3	1,790.7	1,817.0
Net assets		2,305.1	2,243.7	2,307.4
Equity				
Contributed equity	8(a)	85.0	85.0	85.0
Reserves	8(b)	152.3	233.5	434.3
Retained earnings		2,068.4	1,925.2	1,788.1
Total equity (attributable to equity holders of the parent entity)		2,305.7	2,243.7	2,307.4
Non-controlling interests		(0.6)	-	-
Total equity		2,305.1	2,243.7	2,307.4

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

The Group has adopted AASB 17 *Insurance Contracts* and has restated the comparative periods. The impacts of adoption are detailed in Note 20.

Consolidated statement of changes in equity

For the financial year ended 30 June 2024

	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 2022 (as previously reported)		85.0	25.7	1,834.9	1,945.6	-	1,945.6
Adjustment on initial application of AASB 17, net of tax		-	408.6	(46.8)	361.8	-	361.8
Balance at 1 July 2022 (restated)		85.0	434.3	1,788.1	2,307.4	-	2,307.4
Profit for the year		-	-	308.6	308.6	-	308.6
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	308.6	308.6	-	308.6
Dividends paid	5(a)(i)	-	-	(374.5)	(374.5)	-	(374.5)
Movement in COVID-19 reserve, net of tax	8(b)(i)	-	(203.0)	203.0	-	-	-
Acquisition and settlement of share-based payment, net of tax		-	(4.5)	-	(4.5)	-	(4.5)
Share-based payment transactions		-	6.7	-	6.7	-	6.7
Balance at 30 June 2023 (restated)		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	16(b)(i)	-	-	-	-	(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

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

The Group has adopted AASB 17 *Insurance Contracts* and has restated the comparative periods. The impacts of adoption are detailed in Note 20.

Consolidated statement of cash flows

For the financial year ended 30 June 2024

	Note	2024 $m	2023 $m
Cash flows from operating activities			
Premium receipts		7,910.3	7,148.1
Medibank Health receipts		246.5	192.4
Other receipts		1.1	4.5
Payments for claims and levies		(6,271.0)	(5,996.4)
Payments to suppliers and employees		(886.2)	(846.5)
Income taxes paid		(132.2)	(317.6)
Net cash inflow from operating activities	14	**868.5**	**184.5**
Cash flows from investing activities			
Interest received		119.9	71.2
Investment management expenses		(4.8)	(5.0)
Proceeds from sale of financial assets		1,377.0	1,761.2
Purchase of financial assets		(1,492.6)	(1,703.6)
Purchase of equity accounted investments	16(b)	(15.5)	(25.9)
Payments for the purchase of businesses, net of cash acquired	16(b)	(37.2)	-
Dividends received from equity accounted investments	16(b)	-	2.5
Purchase of plant and equipment		(7.0)	(7.8)
Purchase of intangible assets		(50.6)	(34.1)
Net cash inflow/(outflow) from investing activities		**(110.8)**	**58.5**
Cash flows from financing activities			
Purchase of shares to settle share-based payment		(7.5)	(4.9)
Lease principal and interest payments	13	(48.7)	(39.7)
Borrowings repayments	7(c)	(1.3)	-
Dividends paid to non-controlling interests		(2.9)	-
Dividends paid to equity holders of the parent entity	5(a)(i)	(426.9)	(374.5)
Net cash outflow from financing activities		**(487.3)**	**(419.1)**
Net increase/(decrease) in cash and cash equivalents		**270.4**	**(176.1)**
Cash and cash equivalents at beginning of the year		420.6	596.7
Cash and cash equivalents at end of the year		**691.0**	**420.6**

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 2024 were authorised for issue in accordance with a resolution of the directors on 22 August 2024. 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 2024 reporting periods, but do not apply any pronouncements before their operative date. Refer to Note 20 for further information.

Where necessary, comparative financial information has been updated for changes in classification of amounts in the current reporting period, including to reflect the adoption of AASB 17 *Insurance Contracts*.

(c) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Medibank as at 30 June 2024 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 2024, 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 2024 is as follows:

2024	Note	Health Insurance $m	Medibank Health $m	Total $m
Revenue				
Total segment revenue	(i)	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
Operating profit		692.3	60.4	752.7
Items included in segment operating profit:				
Depreciation and amortisation		(64.3)	(21.2)	(85.5)
Interest income from loans to associates		-	0.3	0.3
Share of net profit/(loss) from equity accounted investments	16(b)	-	(4.1)	(4.1)

2023 (restated)	Note	Health Insurance $m	Medibank Health $m	Total $m
Revenue				
Total segment revenue	(i)	7,600.4	277.1	7,877.5
Inter-segment revenue		-	(70.5)	(70.5)
Revenue from external customers		7,600.4	206.6	7,807.0
Operating profit		651.3	44.2	695.5
Items included in segment operating profit:				
Depreciation and amortisation		(64.4)	(9.3)	(73.7)
Interest income from loans to associates		-	0.2	0.2
Share of net profit/(loss) from equity accounted investments	16(b)	-	(0.2)	(0.2)

(i) Segment health insurance revenue is after $50.0 million (2023: $33.3 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 premium deferral cost of $39.9 million (2023: $209.4 million) and cash give back cost of $290.0 million (2023: $337.9 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	2024 $m	2023 (restated) $m
Total segment operating profit		752.7	695.5
Unallocated to operating segments:			
Corporate operating expenses		(52.9)	(47.1)
Group operating profit		699.8	648.4
Net investment income	6(a)	182.2	138.6
Cybercrime expenses	(i)	(39.8)	(46.4)
Other income/(expenses)	(ii)	(19.7)	(12.6)
Movement in COVID-19 reserve	(iii)	(110.8)	(290.1)
Profit for the year before income tax		711.7	437.9

(i) Expenses incurred in relation to the Group's cybercrime event of $39.8 million (2023: $46.4 million). These costs include office and administration expense of $17.4 million (2023: $22.0 million), employee benefits expense of $13.4 million (2023: $15.6 million), information technology expense of $9.0 million (2023: $7.6 million) and nil marketing expense (2023: $1.2 million). Refer to Note 12 for further information.

(ii) Other income/(expenses) of $19.7 million (2023: $12.6 million) is comprised of mergers and acquisition expenses of $3.8 million (2023: $1.4 million), non-cash adjustment on step-acquisition of the Myhealth Medical Group of $(2.9) million (refer to Note 16(b) for further information), net sublease rent, acquisition intangible amortisation and interest on lease liabilities.

(iii) 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, net investment income and income tax expense.

	2024 $m	2023 (restated) $m
Medical services expense	(38.0)	(27.6)
Employee benefits expense[1]	(508.0)	(455.5)
Office and administration expense	(123.3)	(108.8)
Marketing and commissions expense	(172.2)	(150.6)
Information technology expense	(85.3)	(78.1)
Depreciation and amortisation expense	(89.4)	(79.5)
Finance expense	(3.8)	(1.8)
Other expenses	(1,020.0)	(901.9)

1. Includes superannuation expense of $38.1 million (2023: $33.0 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. Refer to Note 20 for details of the impact of adopting AASB 17.

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. This is the equivalent of unearned premium liability, net of any premiums receivable under the previously applicable AASB 1023 *General Insurance Contracts*. 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. This replaces the outstanding claims liability, including any claims payables, under the previously applicable AASB 1023 *General Insurance Contracts*.

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. 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. Customer give backs that are provided as one-time cash payments have been 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 $293.0 million (2023: $136.1 million) has been recognised in the LFIC at 30 June 2024 in relation to customer give backs.

(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	2024 $m	2023 (restated) $m
Insurance revenue		7,623.1	7,086.4
Insurance service expenses			
Claims incurred	(i)	(6,251.3)	(5,944.7)
Changes relating to past service		46.5	13.6
Movement in risk adjustment for non-financial risk		2.6	(20.2)
Net Risk Equalisation Special Account payments		(29.3)	(36.8)
State levies		(62.4)	(67.0)
Incurred claims, excluding claims handing costs		(6,293.9)	(6,055.1)
Movement in claims handling costs for incurred claims		4.6	(2.0)
Incurred claims	(ii)	(6,289.3)	(6,057.1)
Other insurance service expenses		(619.5)	(566.6)
Total insurance service expenses		(6,908.8)	(6,623.7)
Insurance service result		714.3	462.7

(i) Claims incurred are after the elimination of transactions with the Group's other operating segments of $82.8 million (2023: $68.2 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 policyholder's 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.

		2024				2023			
			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		690.7	759.6	55.7	1,506.0	587.7	769.8	35.5	1,393.0
Insurance revenue		(7,623.1)	-	-	(7,623.1)	(7,086.4)	-	-	(7,086.4)
Insurance service expenses									
Claims incurred	4(a)(i)	-	6,251.3	(2.6)	6,248.7	-	5,944.7	20.2	5,964.9
Changes relating to past service		-	(46.5)	-	(46.5)	-	(13.6)	-	(13.6)
Net Risk Equalisation Special Account payments		-	29.3	-	29.3	-	36.8	-	36.8
State levies		-	62.4	-	62.4	-	67.0	-	67.0
Incurred claims, excluding claims handing costs		-	6,296.5	(2.6)	6,293.9	-	6,034.9	20.2	6,055.1
Movement in claims handling costs for incurred claims		-	(4.6)	-	(4.6)	-	2.0	-	2.0
Incurred claims	4(a)(ii)	-	6,291.9	(2.6)	6,289.3	-	6,036.9	20.2	6,057.1
Other insurance service expenses		-	619.5	-	619.5	-	566.6	-	566.6
Total insurance service expenses		-	6,911.4	(2.6)	6,908.8	-	6,603.5	20.2	6,623.7
Insurance service result		(7,623.1)	6,911.4	(2.6)	(714.3)	(7,086.4)	6,603.5	20.2	(462.7)
Other movements	4(b)(i)	(166.8)	157.2	-	(9.6)	41.3	(50.7)	-	(9.4)
Cash flows									
Premium receipts		7,910.3	-	-	7,910.3	7,148.1	-	-	7,148.1
Payments for claims and other expenses		-	(6,890.5)	-	(6,890.5)	-	(6,563.0)	-	(6,563.0)
Total cash flows		7,910.3	(6,890.5)	-	1,019.8	7,148.1	(6,563.0)	-	585.1
Insurance contract liabilities at 30 June		811.1	937.7	53.1	1,801.9	690.7	759.6	55.7	1,506.0

(i) Includes the movement between LFRC and LFIC in relation to the recognition and subsequent utilisation of the customer give back provision of $(156.9) million (2023: $52.2 million), as well as movements in balances that do not form part of insurance contract liabilities.

Of the LFIC balance, $989.6 million (2023: $811.1 million) has an expected maturity (based on the present value of future cash flows) of one year or less and $1.2 million (2023: $4.2 million) has an expected maturity of 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 2024 is 1.5% of the outstanding claims liability (2023: 2.5%).

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 (i.e. the claims reserve within the LFIC) at 30 June 2024 is 12.2% (2023: 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% (2023: 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 $30.1 million decrease/increase to profit after tax and equity (2023: $31.1 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 ancillary treatment, 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 new Private Health Insurance Capital Framework came into effect on 1 July 2023, and included a revised HPS 110 Capital Adequacy standard. The new standard 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. 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.
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 must 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*. 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. The Group also created a sub-portfolio within the Health Fund Investment Portfolio with the express purpose of funding 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
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
2023			
2022 final fully franked dividend	7.30	201.0	29 September 2022
2023 interim fully franked dividend	6.30	173.5	22 March 2023

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

On 22 August 2024, the directors determined a final fully franked ordinary dividend for the six months ended 30 June 2024 of 9.40 cents per share. The dividend is expected to be paid on 26 September 2024 and has not been provided for as at 30 June 2024.

(iii) Franking account

Franking credits available at 30 June 2024 for subsequent reporting periods based on a tax rate of 30% are $483.7 million (2023: $533.6 million).

(iv) Calculation of dividend paid

Medibank's target dividend payout ratio for the 2024 financial year is 75-85% (2023: 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.

	2024 $m	2023 (restated) $m
Profit for the year - after tax, attributable to equity holders of the parent	492.5	308.6
Normalisation for growth asset returns	7.0	(4.7)
Normalisation for defensive asset returns – credit spread movement	(6.7)	(6.8)
Normalisation for movement in COVID-19 reserve	77.6	203.0
Underlying NPAT	570.4	500.1

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)

	2024	2023 (restated)
Basic and diluted earnings per share attributable to ordinary equity holders of the parent entity (cents)	17.9	11.2
Profit for the year attributable to ordinary equity holders of the parent entity ($m)	492.5	308.6
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	2,754,003,240	2,754,003,240

Basic 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 accounting policy
Diluted EPS is calculated as basic EPS with an adjustment to the figures used in the determination of basic EPS to take into account:

- The after income tax effect of any interest and other financing costs associated with dilutive potential ordinary shares.
- The weighted average number of additional 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 20%/80% for growth and defensive assets, and the long-term Strategic Asset Allocation (SAA) is 25%/75% for growth and defensive assets. The target asset allocation and SAA have been revised to 18% growth and 82% defensive assets from the 2025 financial year.

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 (2023: nil) 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 CFO 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

	2024 $m	2023 $m	2024 %	2023 %	Target asset allocation
Growth					
Australian equities	127.0	153.2	4.5%	5.7%	6.0%
International equities	109.9	121.3	3.9%	4.5%	5.0%
Property	151.9	174.4	5.4%	6.6%	7.0%
Infrastructure	98.3	94.7	3.5%	3.5%	2.0%
Total Growth[1]	**487.1**	**543.6**	**17.3%**	**20.3%**	**20.0%**
Defensive					
Fixed income	1,670.7	1,542.1	59.5%	57.7%	60.0%
Cash[2]	651.6	587.1	23.2%	22.0%	20.0%
Total Defensive	**2,322.3**	**2,129.2**	**82.7%**	**79.7%**	**80.0%**
Total Health Insurance Fund	**2,809.4**	**2,672.8**	**100.0%**	**100.0%**	**100.0%**
Short-term operational cash portfolio (STOC)	642.9	393.8			
Non-Health Fund Investment portfolio	234.5	211.2			
Total investment portfolio	**3,686.8**	**3,277.8**			
Operational cash	52.4	9.6			
Total cash and cash equivalents and financial assets at fair value	**3,739.2**	**3,287.4**			

1. The average allocation to growth assets over the 12 months ending 30 June 2024 was 19.1% (2023: 20.6%).
2. For investment portfolio purposes, cash comprises cash and cash equivalents of $691.0 million (2023: $420.6 million), plus cash with longer maturities of $484.2 million (2023: $342.0 million), less Non-Health Fund Investment portfolio cash of $12.9 million (2023: $1.5 million), less short-term operational cash of $410.9 million (2023: $159.6 million), less cash allocated to the fixed income portfolio of $47.4 million (2023: $4.8 million).

Financial assets at fair value accounting policy

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) as the objective of these assets is to collect contractual cash flows and to sell the assets if required, and the contractual cash flows are solely payments of principal and interest. These assets are measured at fair value, with unrealised gains and losses recognised within equity in other comprehensive income. When the assets are derecognised, the cumulative unrealised gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income is recognised within net investment income in the consolidated statement of comprehensive income using the effective interest method.

For financial assets measured at FVOCI, the Group applies the general impairment approach under AASB 9, which requires the recognition of a loss allowance based on either 12-month expected credit losses or lifetime expected credit losses depending on whether there has been a significant increase in credit risk since initial recognition. Expected credit losses do not reduce the carrying amount of the financial asset in the statement of financial position, which remains at fair value. Instead, a loss allowance is recognised in other comprehensive income as the accumulated impairment amount.

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.

	2024 $m	2023 $m
Interest income[1]	131.4	86.0
Trust distributions	37.5	27.2
Net gain/(loss) on fair value movements on financial assets	8.1	34.8
Net gain/(loss) on disposal of financial assets	11.4	(4.4)
Investment management expenses	(4.6)	(5.0)
Interest expense	(1.6)	-
Net investment income	**182.2**	**138.6**

1. Includes interest income of $11.4 million (2023: $6.7 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 fees.

(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 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

30 June 2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets at fair value through profit or loss				
Australian equities[1]	-	153.2	-	153.2
International equities[1]	-	121.3	-	121.3
Property[1]	-	-	174.4	174.4
Infrastructure[1]	-	-	94.7	94.7
Fixed income	58.7	2,054.8	-	2,113.5
Financial assets at fair value through other comprehensive income - Fixed income	-	209.7	-	209.7
Balance at 30 June 2023	58.7	2,539.0	269.1	2,866.8

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 2023	94.7	174.4	269.2
Disposals	-	(15.2)	(15.2)
Net unrealised gain/(loss) on fair value movements	3.6	(7.3)	(3.7)
Balance at 30 June 2024	98.3	151.9	250.3

A 10% increase/decrease in the redemption price would decrease/increase the fair value of the level 3 financial assets by $25.0 million (2023: $26.9 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 (2024: $691.0 million, 2023: $420.6 million) and fixed income assets (2024: $2,561.1 million, 2023: $2,323.2 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 0.2 years (2023: 0.5 years). The Group also has exposure to variable interest rate risk in respect of its borrowings (2024: $34.9 million, 2023: nil).
Sensitivity	A 50bps increase/decrease in interest rates for the entire reporting period, with all other variables remaining constant, would have resulted in a $8.2 million increase/decrease to profit after tax and equity (2023: $5.2 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 (2024: $109.9 million, 2023: $121.3 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 $8.5 million decrease/increase to profit after tax and equity (2023: $9.4 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.

	2024 $m		2023 $m	
	+10.0%	-10.0%	+10.0%	-10.0%
Australian equities	9.0	(9.0)	10.3	(10.3)
International equities	7.4	(7.4)	7.7	(7.7)
Property	11.5	(11.5)	12.8	(12.8)
Infrastructure	6.8	(6.8)	5.2	(5.2)

In relation to fixed income assets, a 25bps increase/decrease in credit spreads, with all other variables remaining constant, would have resulted in a $7.2 million decrease/increase to profit after tax and equity (2023: $7.4 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% (2023: 50%) of the cash portfolio can be invested in any one counterparty bank and no more than 10% (2023: 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% (2023: 50%) and 15% (2023: 15%) of the portfolio respectively. As at 30 June 2024 and 2023, the counterparty exposure of the Group was within these limits.

(ii) Trade and other 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 premiums in arrears and trade and other receivables. The Group regularly monitors its premiums in arrears and trade and other receivables, with the result that exposure to bad debts is not significant. The credit risk in respect to premiums in arrears, incurred on non-payment of premiums, will only persist during the grace period of 63 days 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 63 day 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, where expected lifetime losses are assessed based on historical bad and doubtful debt roll rates and adjusted for forward looking information where required. Any impairment loss on trade receivables 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 2024	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	-	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
2023							
Cash and cash equivalents	-	420.6	-	-	-	-	420.6
Financial assets at fair value							
Australian equities	-	-	-	-	-	153.2	153.2
International equities	-	-	-	-	-	121.3	121.3
Property	-	-	-	-	-	174.4	174.4
Infrastructure	-	-	-	-	-	94.7	94.7
Fixed income	326.1	649.2	400.0	338.2	7.7	392.3	2,113.5
Financial assets at fair value through other comprehensive income	-	209.7	-	-	-	-	209.7
Total	326.1	1,279.5	400.0	338.2	7.7	935.9	3,287.4

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% (2023: 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 2024.

	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
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	34.9	-	-	-	34.9	34.9
2023 (restated)						
Trade and other payables[1]	97.2	2.6	5.9	9.1	114.8	114.8
Lease liabilities[2]	18.4	17.6	14.9	10.6	61.5	55.3

1. 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 $34.9 million (2023: not applicable) of secured borrowings at variable interest rates. Refer to Note 16(b) for further information on the acquisition of the Myhealth Medical Group.

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	2024 $m	2023 (restated) $m
Equity reserve[1]		17.8	17.8
Share-based payments reserve[2]		6.5	10.1
COVID-19 reserve	(i)	128.0	205.6
Total		152.3	233.5

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* and represents the expected future payments required due to the COVID-19 pandemic impacting availability and accessibility to surgeries and other health services. Medibank has committed to return permanent net claims savings due to COVID-19 to policyholders. Accordingly, the balance of this reserve at the reporting date represents the claims savings to date that have not yet been utilised, net of tax.

The opening balance of the COVID-19 reserve at 1 July 2022 of $408.6 million arises from the derecognition of the $448.3 million deferred claims liability balance, which is unable to be recognised under AASB 17. It also includes $135.5 million in relation to the cost of the previously announced premium deferral give backs that are still to be expensed. Derecognised deferred tax assets of $175.2 million in relation to these items have also been recognised within the reserve.

Subsequently, the reserve is measured by comparing the difference between the actual and expected volume of insured surgical, non-surgical and 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 or one-time cash give backs that are returned to eligible policyholders.

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

	2024 $m	2023 (restated) $m
Balance at beginning of period	205.6	408.6
Lower/(higher) than expected claims	219.1	256.9
Premium deferral cost	(39.9)	(209.4)
Cash give back cost	(290.0)	(337.9)
COVID-19 impact	-	0.3
Tax effect of movements	33.2	87.1
Balance at end of period	128.0	205.6

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	2024 $m	2023 $m
Plant and equipment		12.2	11.4
Leasehold improvements		72.7	10.5
Assets under construction		3.3	5.7
Right-of-use assets	13	116.8	42.9
Total property, plant and equipment		**205.0**	**70.5**

(b) Reconciliation of the net carrying amount

	Plant and equipment $m	Leasehold improvements $m	Assets under construction $m	Total $m
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
Additions[1]	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
2023				
Gross carrying amount	26.9	99.5	5.7	132.1
Accumulated depreciation and impairment	(15.5)	(89.0)	-	(104.5)
Net carrying amount	11.4	10.5	5.7	27.6
Net carrying amount at 1 July	10.0	16.8	7.1	33.9
Additions	1.1	1.8	2.5	5.4
Transfers in/(out)	2.2	1.7	(3.9)	-
Depreciation expense	(1.9)	(9.8)	-	(11.7)
Net carrying amount at 30 June	11.4	10.5	5.7	27.6

1. Additions to leasehold improvements relate to the recognition of the new Melbourne corporate office lease. Refer to Note 13(a) for further information.

(c) Property, plant and equipment capital expenditure commitments

	2024 $m	2023 $m
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	1.2	1.7

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Disposal
The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs). These gains or losses are included 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
2024						
Gross carrying amount		402.1	98.4	549.3	44.4	1,094.2
Accumulated depreciation 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	16(b)	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
2023						
Gross carrying amount		282.9	89.7	508.0	33.7	914.3
Accumulated amortisation and impairment		(78.4)	(89.4)	(418.4)	-	(586.2)
Net carrying amount		204.5	0.3	89.6	33.7	328.1
Net carrying amount at 1 July		204.5	1.7	99.8	26.3	332.3
Additions		-	-	10.3	25.7	36.0
Transfers in/(out)		-	-	18.3	(18.3)	-
Amortisation expense		-	(1.4)	(38.8)	-	(40.2)
Net carrying amount at 30 June		204.5	0.3	89.6	33.7	328.1

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.

	2024			2023		
	Goodwill allocation $m	Growth rate %	Pre-tax discount rate %	Goodwill allocation $m	Growth rate %	Pre-tax discount rate %
Health Insurance	96.2	2.5	11.4	96.2	2.5	11.4
Medibank Health Telehealth	11.1	2.5	11.9	11.1	2.5	11.7
Medibank Health Home Care	97.2	2.5	11.9	97.2	2.5	11.7

On 5 January 2024, MH Solutions Investments Pty Ltd increased its shareholding in the Myhealth Medical Group (Myhealth) (refer to Note 16(b) for further details). The difference between the consideration paid and the identifiable assets and liabilities of Myhealth of $119.2 million, has been recorded as goodwill. This goodwill represents an increased focus on primary care and preventative care, and profitability of the acquired business. The goodwill is non-deductible for tax purposes and is expected to be allocated to the Myhealth cash-generating unit upon the finalisation of the acquisition accounting. No indicators or impairment exists for this goodwill.

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.

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

	2024 $m	2023 $m
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	0.3	-

Note 11: Provisions

	Note	2024 $m	2023 (restated) $m
Current			
Employee entitlements		85.1	65.3
Provisions	11(a)	32.9	28.7
Total current		118.0	94.0
Non-current			
Employee entitlements		16.4	14.4
Provisions	11(a)	13.2	6.2
Total non-current		29.6	20.6

(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 2023	7.8	4.0	4.3	16.8	2.0	34.9
Acquisition of business[1]	-	8.0	-	-	-	8.0
Additional provision	8.1	0.5	2.1	2.0	14.9	27.6
Amounts utilised during the year	(7.4)	(0.7)	(0.9)	(3.7)	(11.7)	(24.4)
Balance at 30 June 2024	8.5	11.8	5.5	15.1	5.2	46.1
Balance comprised of:						
Current	8.5	3.4	0.7	15.1	5.2	32.9
Non-current	-	8.4	4.8	-	-	13.2

1. Relates to the acquisition of the Myhealth Medical Group. Refer to Note 16(b) for further information.

(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 (2023: $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 $23.2 million of bank guarantees to third parties for various operational and legal purposes, including $10.0 million (2023: $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.

As at 30 June 2024, the Group has recognised the lease in relation to its new Melbourne corporate office. This has resulted in the recognition of a right-of-use asset and lease liability, and non-cash leasehold improvements additions of $48.7 million (refer to Note 9).

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

	2024 $m	2023 $m
Balance at 1 July	42.9	54.5
Acquisition of business[1]	68.7	-
Net additions	40.0	16.0
Depreciation expense	(34.8)	(27.6)
Balance at 30 June	116.8	42.9

1. Relates to the acquisition of the Myhealth Medical Group. Refer to Note 16(b) for further information.

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

	2024 $m	2023 $m
Balance at 1 July	55.3	76.9
Acquisition of business[1]	85.6	-
Net additions	87.4	16.3
Accretion of interest	3.8	1.8
Lease payments	(48.7)	(39.7)
Balance at 30 June	183.4	55.3
Balance comprised of:		
Current	31.7	30.9
Non-current	151.7	24.4

1. Relates to the acquisition of the Myhealth Medical Group. Refer to Note 16(b) for further information.

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 $4.1 million have been recognised by the Group at 30 June 2024 (2023: $0.6 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	2024 $m	2023 (restated) $m
Profit for the year		496.4	308.6
Non-cash items			
Depreciation and amortisation		89.4	79.5
Non-cash share-based payments expense		3.3	6.7
Share of (profit)/loss from equity accounted investments	16(b)	7.1	1.4
Other non-cash items		1.8	1.8
Investing and financing items			
Net realised loss/(gain) on financial assets		(11.4)	4.4
Net unrealised loss/(gain) on financial assets		(8.1)	(34.8)
Interest income		(129.8)	(86.0)
Trust distributions		(37.5)	(27.2)
Investment management expenses		4.6	5.0
Interest paid - leases	13	3.8	1.8
(Increase)/decrease in operating assets			
Trade and other receivables		9.9	(5.5)
Other assets		2.7	(4.1)
Income tax receivable/liability		146.3	(214.8)
Net deferred tax assets		(63.3)	26.5
Increase/(decrease) in operating liabilities			
Trade and other payables		35.7	13.2
Insurance contract liabilities		295.9	113.0
Provisions and employee entitlements		21.7	(5.0)
Net cash inflow from operating activities		868.5	184.5

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

	2024 $m	2023 (restated) $m
Current tax	277.0	98.6
Deferred tax	(62.0)	31.4
Adjustment for tax of prior period	0.3	(0.7)
Income tax expense	215.3	129.3

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2024 $m	2023 (restated) $m
Profit for the year before income tax expense	711.7	437.9
Tax at the Australian tax rate of 30%	213.5	131.4
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	0.2	0.8
Tax offset for franked dividends	(2.5)	(3.6)
Share of (profit)/loss from equity accounted investments	2.1	0.4
Other items	1.7	1.0
	215.0	130.0
Adjustment for tax of prior period	0.3	(0.7)
Income tax expense	215.3	129.3

(c) Deferred tax assets and liabilities

Deferred tax balances comprise temporary differences attributable to following items.

	2024 $m	2023 (restated) $m
Recognised in the income statement		
Trade and other receivables	1.4	1.1
Financial assets at fair value through profit or loss	(17.6)	(16.3)
Property, plant and equipment	(30.1)	(12.0)
Intangible assets	(2.8)	(6.3)
Trade and other payables	45.2	22.9
Employee entitlements	29.4	23.9
Insurance contract liabilities	91.4	35.3
Provisions	11.2	8.9
Business capital costs	0.6	0.2
Other (liabilities)/assets	13.0	4.3
	141.7	62.0
Recognised directly in other comprehensive income		
Actuarial loss on retirement benefit obligation	0.4	0.4
	0.4	0.4
Net deferred tax assets	142.1	62.4

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.

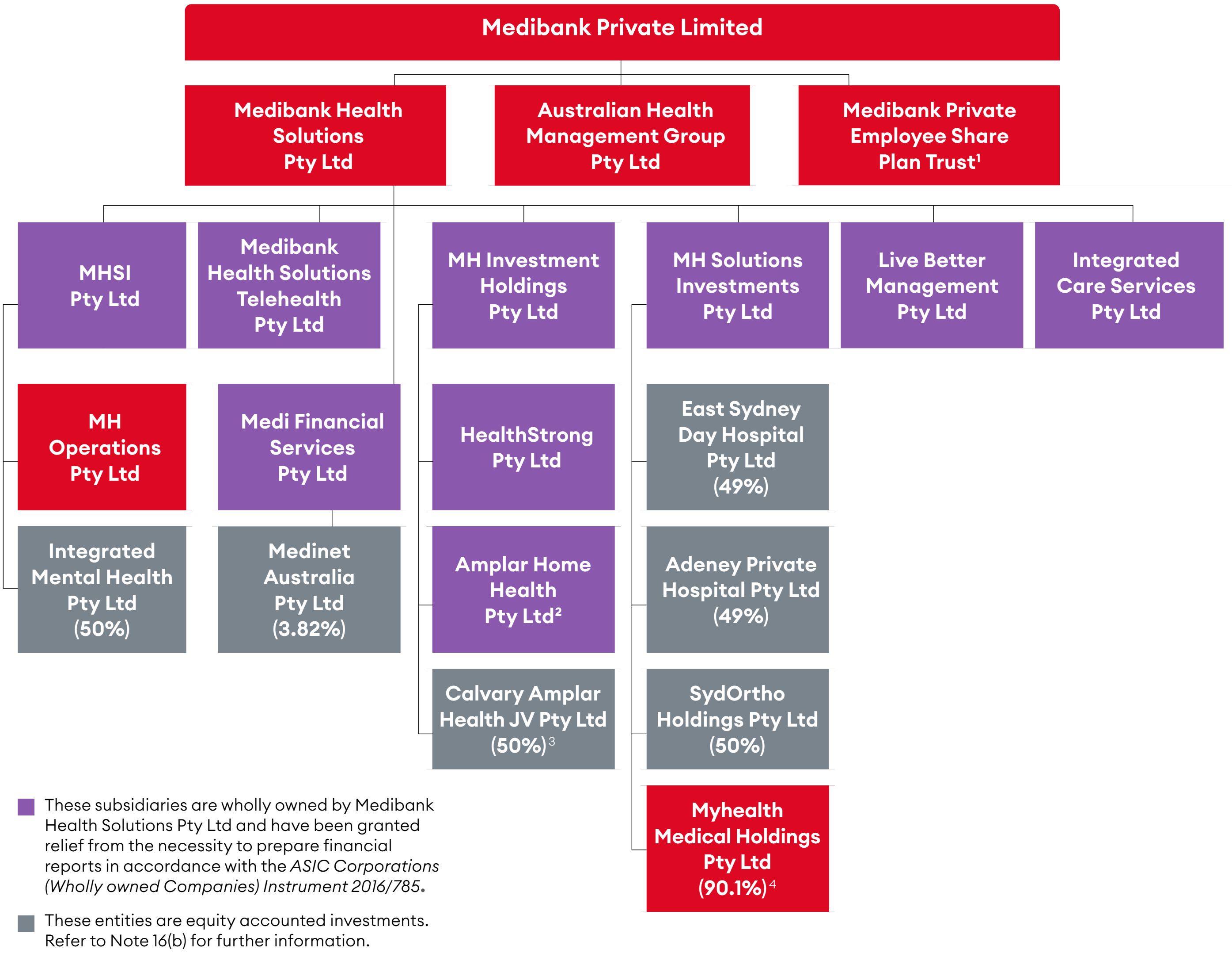
Offsetting balances

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.
2. Home Support Services Pty Ltd changed its name to Amplar Home Health Pty Ltd on 28 July 2023.
3. Calvary Medibank JV Pty Ltd changed its name to Calvary Amplar Health JV Pty Ltd on 26 October 2023.
4. On 5 January 2024, MH Solutions Investments Pty Ltd increased its shareholding in Myhealth Medical Holdings Pty Ltd from 49.0% to 90.1%. Refer to Note 16(b) for further information.

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.

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.

(b) Equity accounted investments

As at 30 June 2024 the Group held the following investments in associates and joint ventures:

				Ownership interest %	
Name of company	Principal activity	Place of incorporation	Type	2024	2023
East Sydney Day Hospital Pty Ltd	Short stay hospital	Australia	Associate	49.00%	49.00%
Calvary Amplar Health JV Pty Ltd	Medical services	Australia	Joint Venture	50.00%	50.00%
Myhealth Medical Holdings Pty Ltd	Medical services	Australia	Associate	(i)	49.00%
Adeney Private Hospital Pty Ltd	Short stay hospital	Australia	Associate	49.00%	49.00%
Medinet Australia Pty Ltd	Digital health services	Australia	Associate	3.82%	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%

The following table shows the Group's aggregated interests in equity accounted investments.

	2024 $m	2023 $m
Balance at 1 July	117.6	103.7
Additions	15.5	17.8
Disposals	(67.3)	-
Dividends received	-	(2.5)
Share of net profit/(loss) for the year	(7.1)	(1.4)
Balance at 30 June	58.7	117.6

(i) Myhealth Medical Holdings Pty Ltd

On 5 January 2024, MH Solutions Investments Pty Ltd increased its shareholding in the Myhealth Medical Group (Myhealth) from 49.0% to 90.1% for cash consideration of $50.8 million and contingent consideration of $1.0 million.

The transaction resulted in Medibank gaining control of Myhealth and accordingly has been accounted for as a step-acquisition with a non-cash adjustment of $(2.9) million being recognised in the statement of comprehensive income following the derecognition of the investment in association balance of $67.3 million.

The provisional fair values of net assets acquired include $119.2 million of goodwill, $8.7 million of brand intangible assets, $1.3 million non-controlling interests and $12.9 million of other net liabilities.

(ii) Other

During the period, Medibank subscribed for additional shares in SydOrtho Holdings Pty Ltd for $8.3 million, Adeney Private Hospital Pty Ltd for $2.8 million, East Sydney Day Hospital Pty Ltd for $1.0 million and Integrated Mental Health Pty Ltd for $3.4 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.

(c) Parent entity financial information

(i) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2024 $m	2023 (restated) $m
Statement of financial position		
Current assets	3,624.7	3,368.2
Total assets	4,317.4	3,942.8
Current liabilities	1,864.6	1,583.9
Total liabilities	2,136.9	1,817.3
Equity		
Contributed equity	85.0	85.0
Reserves		
Equity reserve	6.3	6.3
Share-based payment reserve	6.5	10.1
COVID-19 reserve	128.0	205.6
Retained earnings	1,954.7	1,818.5
Total equity	**2,180.5**	**2,125.5**
Profit for the year	**485.5**	**299.0**
Total comprehensive income	**485.5**	**299.0**

(ii) Guarantees entered into by parent entity

The parent entity has entered into $10.0 million (2023: $10.0 million) of bank guarantees in relation to its self-insured workers compensation obligations and $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

	2024 $m	2023 $m
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities		
Property, plant and equipment	1.2	1.7
Intangible assets	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

	2024 $m	2023 $m
Transactions with equity accounted investments		
Claims incurred	(5.3)	(3.8)
Services received	(1.1)	(0.6)
Services provided	3.5	6.6
Interest received	0.3	0.2
Outstanding balances with related parties		
Amounts payable	(0.3)	(0.1)
Amounts receivable	1.1	0.5
Loan receivable	2.9	2.9

The related party transactions include amounts for the reimbursement of costs incurred as well as the payment of policyholder claims and receipts in relation to services rendered, which are provided under normal commercial terms.

(b) Key management personnel remuneration

	2024 $	2023 $
Short-term benefits	8,534,124	6,262,298
Post-employment benefits	238,661	240,338
Long-term benefits	308,294	276,922
Share-based payments	3,120,073	3,283,345
Total key management personnel	12,201,152	10,062,903

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 2024.

(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 (2023: 35%) 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 (2023: 35%) 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 (2023: 30%) 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 (2023: nil) 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 2024 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 2023. This average price was $3.56.

(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 Payment 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	
	2024	2023
Outstanding at 1 July	8,745,148	7,670,453
Granted[1]	3,341,835	4,118,306
Forfeited[2]	(452,955)	(535,324)
Exercised[1,3]	(2,047,251)	(1,319,276)
Lapsed[4]	(765,002)	(1,189,011)
Outstanding at 30 June	8,821,775	8,745,148
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 2023 and 2024 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 and market share performance rights		Brand sentiment performance rights
	2024	2023	2024	2023	2024[1]
Grant date	11 December 2023	6 December 2022	11 December 2023	6 December 2022	11 December 2023
Date of commencement of service and performance period	1 July 2023	1 July 2022	1 July 2023	1 July 2022	1 July 2023
Expected vesting date	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026
Fair value	$1.78	$1.19	$3.16	$2.63	$3.16
Share price at grant date	$3.51	$2.93	$3.51	$2.93	$3.51
Dividend yield (per annum effective)	4.1%	4.2%	4.1%	4.2%	4.1%
Franking rate	100.0%	100.0%	100.0%	100.0%	100.0%
Risk free discount rate (per annum)	3.95%	3.06%	n/a	n/a	n/a
Volatility	18%	21%	n/a	n/a	n/a

1. New performance hurdle introduced in the 2024 LTI plan based on the change in Medibank's Customer Net Promoter Score.

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:

	2024 $	2023 $
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	2,172,799	1,883,676
Other assurance services in relation to the Company and any other entity within the Group:		
– Audit of regulatory compliance returns	556,468	325,200
– Accounting and other assurance services	242,775	180,208
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	3,233,392	2,389,084

1. Other non-audit services include regulatory reviews and consulting services.

Note 20: Other

(a) New and amended standards adopted

The Group applied AASB 17 *Insurance Contracts* for the first time in this reporting period. The nature and effect of the changes as a result of the adoption of AASB 17 are described below. There have not been any further changes from what was disclosed in the 31 December 2023 consolidated interim financial report.

The other amendments and interpretations that became effective for the annual reporting period commencing on 1 July 2023 did not have a material impact on the Group's accounting policies or on the consolidated financial report. The Group has not adopted any standards, interpretations or amendments that have been issued but are not yet effective.

AASB 17 Insurance Contracts

AASB 17 replaces AASB 4 *Insurance Contracts,* AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*. The Group has adopted AASB 17 using the full retrospective approach, under which the reclassifications and adjustments arising from the new standard have been recognised in the opening consolidated statement of financial position at 1 July 2022. Significant changes to key estimates and judgements resulting from the application of AASB 17 are set out below and in Note 4. Disclosure of the new accounting policies is also included in the relevant notes as appropriate.

Recognition

The Group recognises groups of insurance contracts from the earliest of, the beginning of the coverage period, the date when the first payment from the policyholder is due or received, or when the Group determines that a group of contracts becomes onerous.

Level of aggregation

AASB 17 requires aggregation of insurance contracts into portfolios of contracts that have “similar risks and are managed together”. Portfolios are further divided into groups of contracts for the identification of onerous contracts. The Group provides only health insurance contracts which are managed together and are subject to similar health-related risks. Accordingly, one portfolio of health insurance contracts has been identified that is further disaggregated into profitable contracts and onerous contracts (if applicable). These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. These groups are not subsequently reconsidered.

Measurement

The standard introduces a new general measurement model (GMM) for accounting for insurance contracts. However, a simplified premium allocation approach (PAA), similar in nature to the previous measurement basis under AASB 1023 *General Insurance Contracts*, is permitted if the coverage period of the contracts is less than a year or provided there is not a material difference between the PAA and what would have been recognised under the GMM.

The majority of the Group’s contracts automatically qualify for the simplified PAA as the coverage period of each contract in the Group is one year or less. For those policies with a coverage period of greater than a year the Group has developed a model and methodology to assess their eligibility to apply the PAA, which includes modelling the outcome under a range of reasonably expected scenarios. The testing concluded that the measurement of the liability for remaining coverage (LFRC) determined under the PAA would not differ materially from the one that would be produced when applying the GMM. On this basis the Group has applied the PAA model to all of its insurance contracts.

Acquisition costs

For groups of contracts that apply the PAA and have a coverage period of one year or less, AASB 17 provides an option to recognise any insurance acquisition costs as expenses when incurred. The Group has elected to apply this option and expense acquisition costs as incurred. This is a change from the previous accounting treatment under AASB 1023 whereby acquisition costs were amortised over the average expected retention period.

COVID-19 accounting

The impact of COVID-19 on the Group saw the recognition of a deferred claims liability and give back provisions in prior periods, both of which have been impacted by the adoption of AASB 17.

The deferred claims liability represented claims that have been deferred as a result of COVID-19. Under AASB 17, insurance liabilities are only able to include claims that have occurred prior to the end of the reporting period. Therefore, claims that are expected to arise in the future but have not yet been incurred, such as the deferred claims liability, are unable to be recognised under AASB 17. Whilst not related to COVID-19, the provision for bonus entitlements is similar in that it represents the expected future utilisation of unused benefit entitlements and has also been derecognised under AASB 17.

The cost of the deferral of premium rate rise increases (premium deferrals) provided to policyholders has previously been recognised upfront as a provision for premium deferral. AASB 17 requires that any reduced premium received from policyholders is recognised on a passage of time basis over the coverage period of the related insurance contracts. Accordingly, the provision for premium deferral has been derecognised on transition and any reduced premiums received from customers, such as premium deferrals, are recognised in the consolidated statement of comprehensive income on a passage of time basis over the policy coverage period.

To maintain transparency in relation to the Group’s commitment to return any permanent net claims savings due to COVID-19 to policyholders, a newly created COVID-19 equity reserve has been recognised on adoption of AASB 17 and the adjustments arising on the deferred claims liability and premium deferral give backs have been recognised within that reserve (net of tax). Refer to Note 8(b) for further details.

Onerous contracts

AASB 17 requires the identification of ‘groups’ of onerous contracts. Contracts that are measured under the PAA are assumed not to be onerous unless facts and circumstances indicate otherwise.

The Group has developed a framework to identify indicators of possible onerous contracts which includes the consideration of information provided to senior management to monitor financial performance. If facts and circumstances are identified that indicate an onerous contract may exist, then detailed testing using the GMM is performed, and any onerous contract losses are required to be recognised in the consolidated statement of comprehensive income. There were no onerous contracts identified on transition, the restated comparative periods, or during the 12-month period to 30 June 2024.

Risk adjustment

AASB 17 requires a risk adjustment to be used in the measurement of insurance contract liabilities. AASB 17 requires an explicit risk adjustment for non-financial risk that represents the Group's compensation required for bearing the uncertainty about the amount and timing of the cash flows that arises from the insurance contracts it issues. The Group uses a confidence level technique to estimate the risk adjustment.

Financial impact on transition to AASB 17 at 1 July 2022

The Group’s net assets as at the transition date of 1 July 2022 were increased by $361.8 million.

This was comprised of the following adjustments:

1 July 2022	Net assets as at 1 July 2022 $m
As previously reported	**1,945.6**
Derecognition of the deferred claims liability	448.3
Adjustment to the premium deferral provision	135.5
Derecognition of deferred acquisition costs	(82.9)
Derecognition of the provision for bonus entitlements	16.0
Tax effects of the above adjustments	(155.1)
Restated	2,307.4

As noted above, the impacts for the deferred claims liability and the premium deferral provision have been separately recognised in a newly created COVID-19 equity reserve. Refer to Note 8(b) for further details. All other opening balance adjustments have been recognised within retained earnings.

The standard also introduces changes to the presentation and disclosure of insurance line items in the statement of comprehensive income and balance sheet. These are provided in the tables below (reclassification adjustments).

1 July 2022	Previously reported $m	Measurement adjustments $m	Reclassification adjustments $m	Restated $m
Current assets				
Cash and cash equivalents	596.7	-	-	596.7
Trade and other receivables	225.4	-	(190.4)	35.0
Financial assets at fair value	2,854.5	-	-	2,854.5
Deferred acquisition costs	35.4	(35.4)	-	-
Other assets	19.3	-	-	19.3
Total current assets	3,731.3	(35.4)	(190.4)	3,505.5
Non-current assets				
Property, plant and equipment	88.4	-	-	88.4
Intangible assets	332.3	-	-	332.3
Deferred acquisition costs	47.5	(47.5)	-	-
Deferred tax assets	243.6	(155.1)	-	88.5
Equity accounted investments	103.7	-	-	103.7
Other assets	6.0	-	-	6.0
Total non-current assets	821.5	(202.6)	-	618.9
Total assets	4,552.8	(238.0)	(190.4)	4,124.4
Current liabilities				
Trade and other payables	331.2	-	(238.7)	92.5
Lease liabilities	30.2	-	-	30.2
Claims liabilities	860.9	(457.6)	(403.3)	-
Insurance contract liabilities	-	-	1,312.2	1,312.2
Unearned premium liability	817.5	(145.2)	(672.3)	-
Tax liability	117.0	-	-	117.0
Customer give back provision	178.6	9.7	(188.3)	-
Provisions and employee entitlements	104.6	-	-	104.6
Total current liabilities	2,440.0	(593.1)	(190.4)	1,656.5
Non-current liabilities				
Trade and other payables	9.9	-	-	9.9
Lease liabilities	46.7	-	-	46.7
Claims liabilities	10.2	(6.7)	(3.5)	-
Insurance contract liabilities	-	-	80.8	80.8
Unearned premium liability	77.3	-	(77.3)	-
Provisions and employee entitlements	23.1	-	-	23.1
Total non-current liabilities	167.2	(6.7)	-	160.5
Total liabilities	2,607.2	(599.8)	(190.4)	1,817.0
Net assets	1,945.6	361.8	-	2,307.4

The 30 June 2023 comparative financial information has also been restated for the impact of applying AASB 17. The impact on profit for the period and net assets are set out in the following tables.

Financial impact of adoption of AASB 17 at 30 June 2023:

30 June 2023	Previously reported $m	Measurement adjustments $m	Reclassification adjustments $m	Restated $m
Current assets				
Cash and cash equivalents	420.6	-	-	420.6
Trade and other receivables	248.1	-	(206.9)	41.2
Financial assets at fair value	2,866.8	-	-	2,866.8
Deferred acquisition costs	34.8	(34.8)	-	-
Tax receivable	97.8	-	-	97.8
Other assets	25.9	-	-	25.9
Total current assets	3,694.0	(34.8)	(206.9)	3,452.3
Non-current assets				
Property, plant and equipment	70.5	-	-	70.5
Intangible assets	328.1	-	-	328.1
Deferred acquisition costs	44.3	(44.3)	-	-
Deferred tax assets	130.8	(68.4)	-	62.4
Equity accounted investments	117.6	-	-	117.6
Other assets	3.5	-	-	3.5
Total non-current assets	694.8	(112.7)	-	582.1
Total assets	4,388.8	(147.5)	(206.9)	4,034.4
Current liabilities				
Trade and other payables	297.6	-	(197.8)	99.8
Lease liabilities	30.9	-	-	30.9
Claims liabilities	767.3	(261.1)	(506.2)	-
Insurance contract liabilities	-	-	1,370.1	1,370.1
Unearned premium liability	776.8	(39.9)	(736.9)	-
Tax liability	-	-	-	-
Customer give back provision	136.1	-	(136.1)	-
Provisions and employee entitlements	94.0	-	-	94.0
Total current liabilities	2,102.7	(301.0)	(206.9)	1,594.8
Non-current liabilities				
Trade and other payables	15.0	-	-	15.0
Lease liabilities	24.4	-	-	24.4
Claims liabilities	10.0	(5.8)	(4.2)	-
Insurance contract liabilities	-	-	135.9	135.9
Unearned premium liability	131.7	-	(131.7)	-
Provisions and employee entitlements	20.6	-	-	20.6
Total non-current liabilities	201.7	(5.8)	-	195.9
Total liabilities	2,304.4	(306.8)	(206.9)	1,790.7
Net assets	2,084.4	159.3	-	2,243.7

	Profit after tax for 12 months ended 30 June 2023 $m	Net assets as at 30 June 2023 $m
Balance at 1 July	511.1	2,084.4
Derecognition of the deferred claims liability	(194.5)	253.8
Adjustment to the premium deferral provision	(95.6)	39.9
Derecognition of deferred acquisition costs	3.8	(79.1)
Derecognition of the provision for bonus entitlements	(2.9)	13.1
Tax effects of the above adjustments	86.7	(68.4)
Restated	308.6	2,243.7

b) New accounting standards and interpretations not yet adopted

There are no other standards, amendments or interpretations that are not yet effective and that would be 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 2024.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* (Cth) and includes each entity that was part of the consolidated Medibank Group in accordance with AASB 10 *Consolidated Financial Statements* as at 30 June 2024.

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 2024
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%
MH Investment Holdings Pty Ltd	100.0%
HealthStrong Pty Ltd	100.0%
Amplar Home Health Pty Ltd	100.0%
MH Solutions Investments Pty Ltd	100.0%
Myhealth Medical Holdings Pty Ltd[1]	90.1%
Myhealth Medical Group Pty Ltd[1]	90.1%
Myhealth Management Pty Ltd[1]	90.1%
Doctorbook Pty Ltd[1]	90.1%
Edensor Park Medical Centre Pty Ltd[1]	81.1%
Enfield MP Pty Ltd[1]	72.1%
Medical Academy Pty Ltd[1]	90.1%
Myhealth Airport West Pty Ltd[1]	54.1%
Myhealth Ashmore Pty Ltd[1]	54.1%
Myhealth Auburn Pty Ltd[1]	54.1%
Myhealth Barangaroo Pty Ltd[1]	90.1%
Myhealth Bayside Pty Ltd[1]	67.6%
Myhealth Benowa Pty Ltd[1]	72.1%
Myhealth Benowa Village Pty Ltd[1]	54.1%
Myhealth Blackburn Square Pty Ltd[1]	54.1%
Myhealth Blacktown West Point Pty Ltd[1]	54.1%
Myhealth Bondi Junction Pty Ltd[1]	90.1%
Myhealth Boronia Pty Ltd[1]	54.1%
Myhealth Box Hill Pty Ltd[1]	49.6%
Myhealth Brigadoon Pty Ltd[1]	54.1%
Myhealth Brisbane Showgrounds Pty Ltd[1]	54.1%
Myhealth Broadway Pty Ltd[1]	72.1%
Myhealth Browns Plains Pty Ltd[1]	54.1%
Myhealth Burleigh Waters Pty Ltd[1]	50.5%
Myhealth Burwood Pty Ltd[1]	54.1%
Myhealth Carlton Pty Ltd[1]	72.1%
Myhealth Castle Towers Pty Ltd[1]	54.1%
Myhealth Central Pty Ltd[1]	72.1%
Myhealth Chadstone Pty Ltd[1]	67.6%
Myhealth Chatswood Pty Ltd[1]	90.1%
Myhealth Chermside Pty Ltd[1]	85.6%
Myhealth Clyde North Pty Ltd[1]	81.1%
Myhealth Coolangatta Pty Ltd[1]	46.0%
Myhealth Coomera Pty Ltd[1]	90.1%
Myhealth Corio Pty Ltd[1]	54.1%
Myhealth Cranbourne Pty Ltd[1]	54.1%
Myhealth Cremorne Pty Ltd[1]	89.2%
Myhealth Dandenong Pty Ltd[1]	54.1%
Myhealth Darling Square Pty Ltd[1]	46.0%
Myhealth Diamond Creek Pty Ltd[1]	89.2%
Myhealth Doncaster East Pty Ltd[1]	63.1%
Myhealth Doncaster Pty Ltd[1]	72.1%
Myhealth East Yarrabilba Pty Ltd[1]	46.0%
Myhealth Eastland Pty Ltd[1]	54.1%
Myhealth Edens Landing Pty Ltd[1]	46.0%
Myhealth Edmondson Park Pty Ltd[1]	54.1%
Myhealth Engadine Pty Ltd[1]	90.1%
Myhealth Ermington Pty Ltd[1]	63.1%
Myhealth Fairfield Pty Ltd[1]	72.1%
Myhealth Forest Lake Pty Ltd[1]	54.1%
Myhealth Fortitude Valley Pty Ltd[1]	85.6%
Myhealth Fountain Gate Pty Ltd[1]	72.1%
Myhealth Foxwell Road Pty Ltd[1]	90.1%
Myhealth Garden City Pty Ltd[1]	54.1%
Myhealth Hamilton Pty Ltd[1]	81.1%
Myhealth Hampton Pty Ltd[1]	63.1%
Myhealth Helensvale Pty Ltd[1]	63.1%
Myhealth Highpoint Pty Ltd[1]	54.1%
Myhealth Holmview Pty Ltd[1]	64.0%
Myhealth Hurstville Pty Ltd[1]	54.1%
Myhealth IP Pty Ltd[1]	45.1%
Myhealth Ivanhoe Pty Ltd[1]	81.1%
Myhealth Kable Street Pty Ltd[1]	59.7%
Myhealth Kurrajong Village Pty Ltd[1]	46.0%
Myhealth Leichhardt Pty Ltd[1]	54.1%
Myhealth Lindfield Pty Ltd[1]	90.0%
Myhealth Liverpool Pty Ltd[1]	54.1%
Myhealth Logan Village Pty Ltd[1]	46.0%

	% of share capital 2024
Myhealth Macarthur Square Pty Ltd[1]	54.1%
Myhealth Macquarie Park Pty Ltd[1]	72.1%
Myhealth Marketplace Pty Ltd[1]	64.0%
Myhealth Maudsland Pty Ltd[1]	72.1%
Myhealth M-City Monash Pty Ltd[1]	54.1%
Myhealth Meadowbank Pty Ltd[1]	67.6%
Myhealth Medical Baulkham Hills Pty Ltd[1]	46.4%
Myhealth Medical Merrylands Pty Ltd[1]	72.1%
Myhealth Medical Newington Pty Ltd[1]	46.0%
Myhealth Medical Top Ryde Pty Ltd[1]	63.1%
Myhealth Mentone Pty Ltd[1]	63.1%
Myhealth Miranda Pty Ltd[1]	72.1%
Myhealth Moreland Pty Ltd[1]	63.1%
Myhealth Nerang Pty Ltd[1]	90.1%
Myhealth Newtown Pty Ltd[1]	54.1%
Myhealth North Eltham Pty Ltd[1]	46.0%
Myhealth North Richmond Pty Ltd[1]	54.1%
Myhealth Northmead Pty Ltd[1]	54.1%
Myhealth Oran Park Pty Ltd[1]	63.1%
Myhealth Pacific Fair Pty Ltd[1]	54.1%
Myhealth Palm Beach Pty Ltd[1]	49.6%
Myhealth Parramatta Pty Ltd[1]	54.1%
Myhealth Penrith Pty Ltd[1]	54.1%
Myhealth Pimpama Pty Ltd[1]	89.2%
Myhealth Pittwater Place Pty Ltd[1]	54.1%
Myhealth Point Cook Pty Ltd[1]	54.1%
Myhealth Potts Point Pty Ltd[1]	54.1%
Myhealth Qld Bne Pty Ltd[1]	90.1%
Myhealth Qld GC Pty Ltd[1]	90.1%
Myhealth Redfern Pty Ltd[1]	54.1%
Myhealth Regents Park Pty Ltd[1]	54.1%
Myhealth Rhodes Pty Ltd[1]	54.1%
Myhealth Ringwood Pty Ltd[1]	54.1%
Myhealth Robina Pty Ltd[1]	67.6%
Myhealth Rockdale Pty Ltd[1]	63.1%

	% of share capital 2024
Myhealth Roselands Pty Ltd[1]	90.1%
Myhealth Ryde Pty Ltd[1]	63.1%
Myhealth SB Pty Ltd[1]	85.6%
Myhealth Services Pty Ltd[1]	90.1%
Myhealth Smith Collective Pty Ltd[1]	54.1%
Myhealth South Eveleigh Pty Ltd[1]	54.1%
Myhealth Southland Pty Ltd[1]	54.1%
Myhealth Springwood Pty Ltd[1]	81.1%
Myhealth St Helena Pty Ltd[1]	54.1%
Myhealth Sydney CBD Pty Ltd[1]	36.9%
Myhealth Sydney Harbour Pty Ltd[1]	75.7%
Myhealth Sydney North Pty Ltd[1]	90.1%
Myhealth Sydney SE Pty Ltd[1]	90.1%
Myhealth Sydney West Pty Ltd[1]	90.1%
Myhealth Tamborine Village Pty Ltd[1]	89.2%
Myhealth The Glen Pty Ltd[1]	72.1%
Myhealth Toorak Pty Ltd[1]	90.1%
Myhealth Toowong Pty Ltd[1]	85.6%
Myhealth Treetops Pty Ltd[1]	46.0%
Myhealth Vic New Pty Ltd[1]	90.1%
Myhealth Vic South Pty Ltd[1]	90.1%
Myhealth Warringah Mall Pty Ltd[1]	54.1%
Myhealth Wellington Point Family Practice Pty Ltd[1]	89.2%
Myhealth Wellington Point Pty Ltd[1]	54.1%
Myhealth Wentworth Point Pty Ltd[1]	54.1%
Myhealth Werrington County Pty Ltd[1]	46.0%
Myhealth West Moreton Pty Ltd[1]	54.1%
Myhealth Wetherill Park Pty Ltd[1]	54.1%
Myhealth Woodridge Pty Ltd[1]	64.0%
Myhealth Yarrabilba Pty Ltd[1]	79.3%
Myhealth Zetland Pty Ltd Ltd[1]	72.1%
Mymobile Health Pty Ltd[1]	81.1%
Newton Health Pty Ltd[1]	90.1%
The Medical Agency Pty Ltd[1]	90.1%
Wellington Point General Practice Pty Ltd[1]	54.1%

1. These entities are a part of the Myhealth Medical Holdings Group and have been consolidated with the Medibank Group from 5 January 2024.

Directors' declaration

The directors declare that, in the opinion of the directors:

(a) the financial statements and notes set out on pages 76 to 119 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 2024 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 118 to 119 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 2024.

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

22 August 2024
Melbourne

Auditor's Independence Declaration

As lead auditor for the audit of Medibank Private Limited for the year ended 30 June 2024, 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.

M. Laithwaite

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Melbourne
22 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

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 2024 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 Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- 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 2024
- 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.

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.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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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	*Key audit matters*
Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: • Transition to AASB 17 *Insurance Contracts* • Estimation of Liability for Incurred Claims • Contingent liabilities • Reliance on automated processes and controls These are further described in the *Key audit matters* section of our report.

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.

Key audit matter	*How our audit addressed the key audit matter*
Transition to AASB 17 Insurance Contracts *(Refer to Note 20)* On 1 July 2023, the Group transitioned to reporting under the new accounting standard AASB 17 *Insurance Contracts* (AASB 17) which replaced AASB 1023 *General Insurance Contracts*. The Group has evaluated the requirements of AASB 17 and exercised judgement to develop accounting policies and determine appropriate methodologies to comply with AASB 17. In particular, the cashflows included within the contract boundary of the insurance contracts, the determination of risk adjustment and onerous	Our procedures included: • assessing the significant judgements used by the Group to determine whether the relevant accounting policies met the requirements of AASB 17 • evaluating the appropriateness of cashflows included within the contract boundary of the insurance contract • evaluating the Group's premium allocation approach eligibility analysis for insurance contracts with coverage periods greater than

Key audit matter	How our audit addressed the key audit matter
contract methodologies were deemed to be significant judgemental areas to the overall impact of transition. The new standard has also had a significant impact on the disclosures in the financial statements. Due to the significance of the changes introduced by the standard, we considered the transition to the new standard to be a key audit matter.	one year, including testing the relevant supporting data, the significant assumptions used and scenarios applied, and testing the accuracy of models used • evaluating the appropriateness of the methodology used to determine the risk adjustment, including assessing the model and significant assumptions • evaluating the onerous contract methodology used to identify any groups of onerous contracts on transition • testing the material transition adjustments at 1 July 2022, as AASB 17 was applied retrospectively. We also assessed the reasonableness of the new and restated disclosures in the financial report against the requirements of AASB 17.
Estimation of Liability for Incurred Claims *$990.8m (2023: $815.3m)* *(Refer to Note 4)*	

The Liability for Incurred Claims is recognised in the Insurance Contract Liabilities financial statement line item along with the Liability for Remaining Coverage.
 	
The Liability for Incurred Claims relates to claims received but not assessed and claims incurred but not received by the Group at year end.
 	
The Liability for Incurred Claims is estimated by the Group using actuarial models and is calculated as a central estimate, and a risk adjustment is applied by the Group to reflect the uncertainty in the estimate. The estimate and risk adjustment combined are intended to achieve an actuarially defined probability of adequacy (PoA) of 98% (2023: 98%).
 	
The estimation of the Liability for Incurred Claims involves complex and subjective judgements about future events, both internal and external to the business, including:
• service levels for recent service months
	Our procedures included:
	• evaluating the design of the Group's key controls relevant to the claims reserving process that determines the Group's central estimate (including claims data reconciliations and the Group's review of the estimate)
	• assessing, on a sample basis, whether the key controls relevant to our audit were operating effectively throughout the year
	• together with PwC actuarial experts our procedures included:
	  ○ evaluating the work of management's expert, being the Appointed Actuary, including his professional competence, capability and objectivity
	  ○ considering whether the Group's actuarial methodologies were consistent with actuarial practices and those used in the Private Health Insurance industry

Key audit matter	How our audit addressed the key audit matter
• claims processing delays and pre-admission hospital eligibility checks • historical patterns of claims incidence and processing. We considered this a key audit matter because of the significant judgement and complexity required by the Group in estimating claims liabilities, including the extent to which claims incidence and development patterns are consistent with past experience, and because a small change in assumptions can result in a material change in the estimated liability and corresponding charge to profit for the year.	○ assessing significant assumptions, and any changes to these assumptions, adopted by the Group in estimating the liability for incurred claims with reference to external and internal environmental factors ○ reperforming a selection of calculations over 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 claims models, our procedures included 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. We also assessed the reasonableness of the related disclosures in the financial report against the requirements of AASB 17.
Contingent liabilities *(Refer to Note 12)* 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.	Together with PwC legal experts, our procedures included: • developing an understanding of the Group's processes and key 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 claim, 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.

Key audit matter	How our audit addressed the key audit matter
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 • underlying IT controls over business processes are significant to the financial reporting process.	Together with PwC IT specialists, our procedures included developing an understanding of the Group's IT governance framework, as well as performing testing over the information technology controls designed to mitigate the risk of material errors in the Group's financial report. This included testing of a sample of controls in the following IT control areas: • program changes • access to programs and financial data • computer operations • key 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 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express 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.

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://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 2024.

In our opinion, the remuneration report of Medibank Private Limited for the year ended 30 June 2024 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.

PricewaterhouseCoopers

Marcus Laithwaite
Partner

Melbourne
22 August 2024

Shareholder information

The shareholder information below is current as at 22 August 2024.

Distribution of equity securities

Size of shareholding	Number of shareholders	Number of shares	% of issued shares
1 – 1,000	43,038	37,150,774	1.35
1,001 – 5,000	125,679	350,909,190	12.74
5,001 – 10,000	13,293	91,828,374	3.33
10,001 – 100,000	7,096	154,663,036	5.62
100,001 & over	186	2,119,451,866	76.96
Rounding			0.00
Total	189,292	2,754,003,240	100.00

Unmarketable parcels

There were 915 holdings of less than a marketable parcel ($500) of shares (131 shares based on a market price of $3.83 per share) and such holders held a total of 25,108 shares.

20 largest shareholdings

		Number of shares	% of issued capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	897,801,743	32.60
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	542,208,525	19.69
3	CITICORP NOMINEES PTY LIMITED	320,377,977	11.63
4	NATIONAL NOMINEES LIMITED	81,375,680	2.95
5	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	71,271,047	2.59
6	BNP PARIBAS NOMS PTY LTD	46,314,124	1.68
7	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	21,450,620	0.78
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	20,002,248	0.73
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	8,980,884	0.33
10	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	7,590,106	0.28
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,343,069	0.27
12	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	6,630,695	0.24
13	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	5,169,307	0.19
14	UBS NOMINEES PTY LTD	4,975,089	0.18
15	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	4,961,790	0.18
16	IOOF INVESTMENT SERVICES LIMITED <IISL NAL ISMA 2 A/C>	3,786,900	0.14
17	BOND STREET CUSTODIANS LIMITED <COCKEJ - F01832 A/C>	3,784,143	0.14
18	IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	3,745,418	0.14
19	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	3,279,571	0.12
20	SOLIUM NOMINEES (AUSTRALIA) PTY LTD <VSA A/C>	3,221,313	0.12
Total		2,064,270,249	74.96

Substantial shareholders

As at 22 August 2024 the following holders had provided a substantial shareholding notice:

Name of holder	Number of shares	% of issued capital
BlackRock Group	193,895,716	7.04%
State Street Corporation	172,722,617	6.27%
The Vanguard Group	137,868,557	5.006%

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 2024, 2,047,251 Medibank ordinary shares were purchased on market at an average price of $3.50 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	22 August 2024
Ex-dividend share trading commences	4 September 2024
Record date for final dividend	5 September 2024
Payment date for final dividend	26 September 2024
Annual general meeting	13 November 2024
Half year results announcement	February 2025
Payment date for interim dividend	March 2025

The above dates and payments are subject to confirmation.
Any change will be notified to the Australian Securities Exchange (ASX).

Corporate directory

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medibank

Medibank Private Limited
ABN 47 080 890 259