

2024 Annual Report



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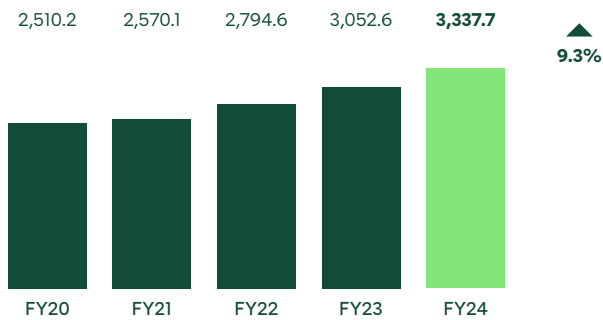
Acknowledgement of Indigenous peoples

nib operates and supports employees, members, travellers and participants from all corners of the world.

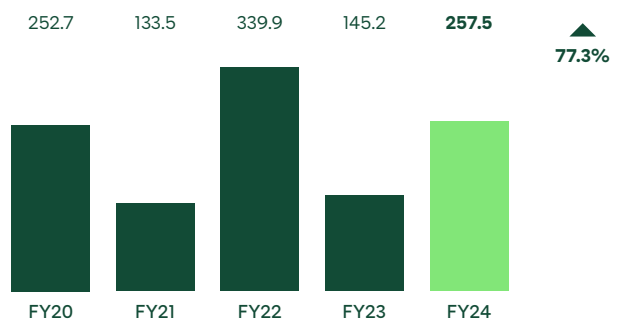
Our organisation acknowledges and respects the custodianship that Indigenous and First Nations peoples have on their lands and waterways. nib acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and pays respect to Elders past and present across all the lands on which we operate.

Group performance highlights

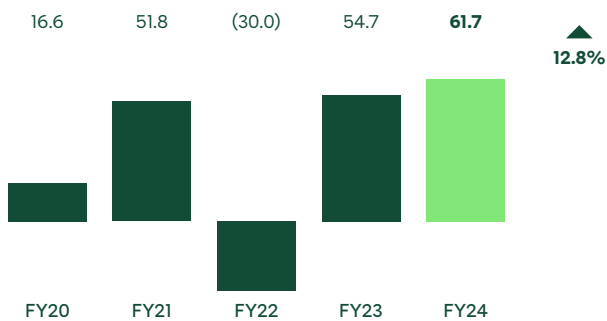
Total revenue¹ \$m



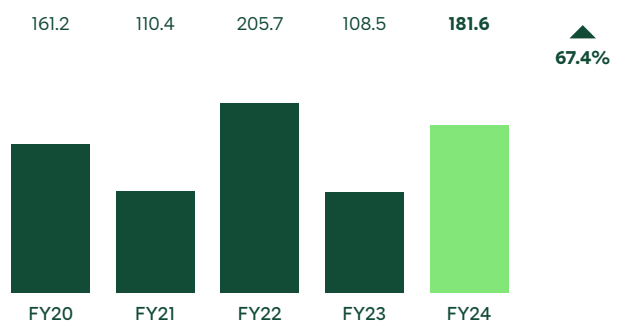
Underlying operating profit \$m



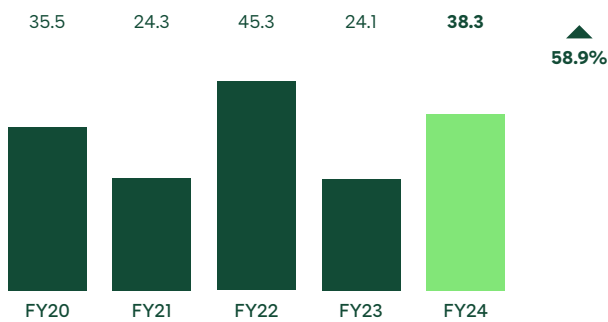
Net investment income \$m



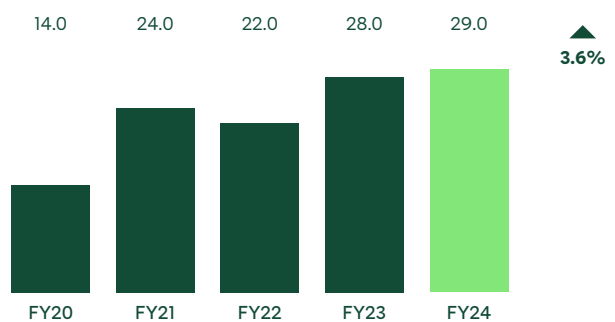
Net profit after tax \$m



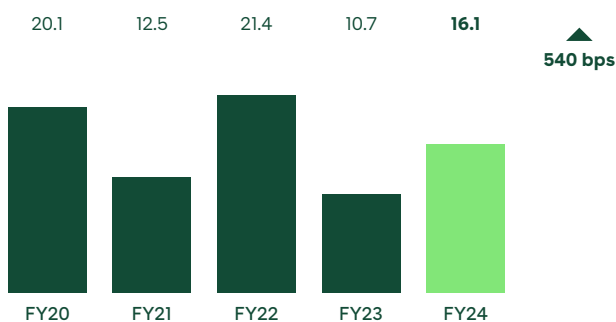
Statutory EPS² cps



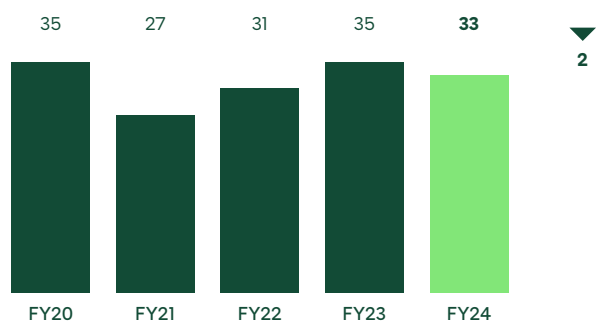
Dividends cps



Return on invested capital³ %



Group NPS



1. Total Group revenue includes insurance revenue net of reinsurance expense, other underwriting revenue and other income.

2. Statutory earnings per share includes losses from discontinued operations and calculated over a 12-month period.

3. ROIC calculated using average shareholders' equity attributable to owners of nib holdings limited and average interest-bearing debt over a rolling 12-month period. Under AASB 17, the volatility of earnings increased as there was no DCL.

Our purpose:

Your better health and wellbeing

Deliver deep insight and guidance about how to best achieve personal health and wellbeing goals and manage risk.

Connect with a wide ecosystem of relevant and high quality products, services programs and providers.

Render it all accessible and affordable with insurance and other related financial protection and supports.

Vision

nib is widely recognised and acknowledged as a company concerned with the health and wellbeing of its members, travellers, people with disability (including NDIS participants), our people and “everyday health” customers. They choose nib because they believe we will help them maintain good health and improve health and related personal goals and outcomes, and that nib backs it up with highly relevant and effective insurance and financial support.

People’s confidence in nib draws upon our demonstrated capability in applying advanced data science and predictive analytics to better understand how individual health and wellbeing goals can be achieved. The idea of “personalising” health and wellbeing differentiates nib in the market; we eschew a “one size fits all” approach.

We guide and connect people with a wide network of healthcare, travel and disability services products and

providers, as well as help them meet their everyday health needs. Connection may be physical, virtual/digital or at home depending upon personal needs, preferences and circumstances. We assist “informed choice” of providers and services through transparent quality and price data.

Deep insight into disease risk and disability solutions also supports providers in meeting the needs of their patients and clients as well as their own business objectives. Our technology especially makes for a more comprehensive, integrated and continuous approach to management and care. It also allows providers to monitor, diagnose, treat and support patients and participants within more appropriate and efficient settings of care including their homes.

Managing health and wellbeing as well as accessing providers is made more possible and affordable through health, travel and disability insurance as well as other complementary financial products. Private health insurance

remains a core economic engine of the Company and people are able to better customise cover.

People have options in how they contact and engage with nib. Service quality as it relates to timeliness, effectiveness and satisfaction is high. nib is especially widely acknowledged as a leader in digital and online service and engagement. Automation, artificial intelligence and “Life at nib” make for constant productivity improvement and operational excellence.

Our commitment to the health and wellbeing of entire communities and success in improving access to healthcare, disability support and outcomes highlights our efforts in ensuring the communities in which we operate are sustainable and us meeting our “social contract”.

Business strategy

We apply data science and predictive analytics in developing deep insight into the health and wellbeing risk of individuals and how it may be best managed. Similar analytics assist participants and travellers in how they might achieve their health and wellbeing goals. We then connect them with a wide range of products and services relevant to their risk profile and goals (**Personalisation**).

This insight and engagement becomes our core capability and competitive advantage. With that, we are able to:

arhi expansion

Expand our value proposition and differentiate nib in the Australian Residents Health Insurance (arhi) market by making membership as much about supporting good health and wellbeing as it is the treatment of sickness and injury.

We grow the PHI market and our share.

Adjacent markets

Succeed in other private health insurance (PHI) and related markets in respect of which we have core capabilities.

- New Zealand
- International workers and students
- Travel insurance
- Disability “navigation”.
- “Everyday health”
- Living benefits

We create significant enterprise value beyond our traditional core business.

Value, cost containment and affordability

Better contain healthcare treatment and claims cost inflation through more precise and effective disease prevention and management. Pursue productivity improvement through automation and artificial intelligence.

Cost reduction allows us to improve product offerings and price competitiveness as well as protect operating margins.

Honeysuckle and Midnight Health

Develop a portfolio of disease prevention/management and “everyday healthcare” products and services to meet market demand.

We capture revenue and economic value from additional segments of the healthcare system.

Government and 3rd party programs

Aspire to manage healthcare and improve outcomes within discrete communities on behalf of Government and other healthcare payers.

We capture revenue and economic value and give further emphasis to our role in improving population health and wellbeing.

In pursuit of these goals, we continue to develop our “Life at nib” proposition, progress our sustainability goals and build advanced technological capability across the Group (Organisational Capability). We approach our social, economic and environmental responsibilities with sincerity, conviction and effectiveness.

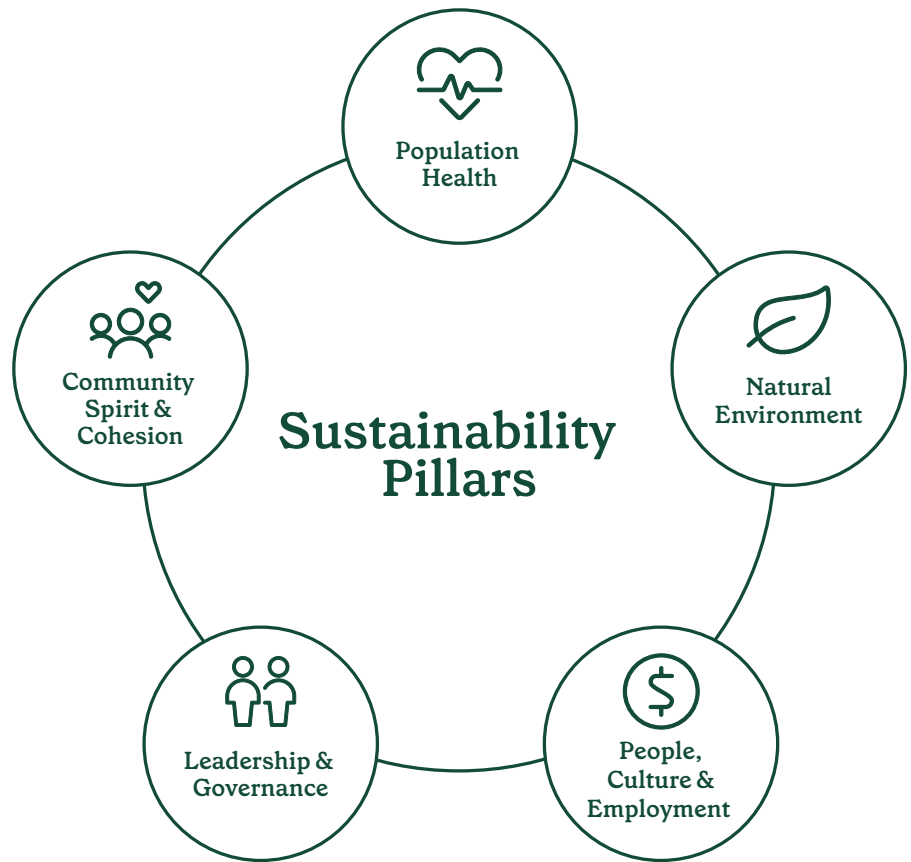
Sustainability

Our purpose and vision

Our purpose is the better health and wellbeing of our members, travellers and participants, as well as the communities we serve.

Our vision is to play a meaningful role in maintaining good health and improving health and related outcomes for people and their communities, especially in reducing gaps in access to care and outcomes within discrete communities.

We also recognise the influence of a wide range of social, economic and environmental factors and the role we can play, however modest, in aligning these with our purpose. They include a sense of acceptance and inclusion, meaningful employment and economic security, and a clean and sustainable natural environment.



Our FY24 highlights include:



More than 78,000 health assessments or screens undertaken by nib members (annual target 28,000).



Participated in three career pathway programs for people to join nib early in their career.



Around 22,000 members enrolled in health management programs (annual target 20,000).



More than 430,000 people reached through our nib foundation prevention partnerships (annual target 250,000).



Over 90,000 members participating in a general health interaction across the Group (annual target 42,000).



Our people volunteered 1,554 hours.



Maintained our carbon neutral certification with Climate Active through the purchase of 100% Australian Carbon Credit Units¹.



Developed targeted response plan for international students and workers suppliers that have high inherent modern slavery risk.



100% of FY24 Diversity, Equity and Inclusion Plan and Reconciliation Action Plan deliverables achieved.



Re-certified our Information Security Management System to meet ISO/IEC 27001:2022 with zero non-conformance findings.

1. Climate Active certification available at nib.com.au/docs/2024-climate-active-carbon-neutral-certificate

Operating and Financial Review

for the year ended 30 June 2024

Chairman's Report

The 2024 financial year, and particularly the second half, has been a difficult period - for our economies, for the healthcare sector, and for our members and customers. Whilst nib was not immune from those difficulties, I'm pleased to report that we have continued to grow our core private health insurance businesses, and our developing businesses in health management services, everyday healthcare products and services, and disability management.

Turning first to our private health insurance (PHI) businesses, the dominant theme has been high claims inflation across Australia and New Zealand. This reflects both increasing input costs and changes in healthcare usage, particularly post-COVID, with private hospitals coming under significant pressure. In response, we have sharpened our focus on our own productivity to ensure we can continue to deliver value to members and appropriate returns to shareholders.

Our international inbound workers and students private health insurance businesses have continued to grow with policyholder numbers at an historic high. We remain enthusiastic about the future, notwithstanding some pressure on immigration policy.

In a first for an Australian private health company, nib launched a symptom checker, driven by artificial intelligence, to help those newly arrived navigate Australia's health sector. Our dual aim is to help members find the right care and help ease the pressure on hospital emergency departments.

nib Travel, our travel insurance business, returned to profitability last year. This year, profits were below our expectations, following the loss of a key contract and softer market conditions.

Turning now to our developing businesses, Honeysuckle Health, Midnight Health and nib Thrive. These newer areas of activity reflect our "Payer to Partner" growth strategy as we move nib into being a broader health management company. This allows us to bring our expertise, our technology and data insights to improve the health and wellbeing of a much larger number of Australians and New Zealanders.

Honeysuckle Health, our joint venture with Cigna, has helped nib better manage members' health risks, with 13,130 enrolments in health management programs supporting members manage serious conditions, including diabetes and cardiovascular disease. We have particularly succeeded in reducing the incidence of unplanned hospital readmissions.

Our everyday healthcare business, Midnight Health, continued its strong growth, particularly in obesity management. There has been a paradigm shift in the approach to obesity globally. While it's early days, nib believes GLP-1 agonists, drugs like Ozempic, Mounjaro and Wegovy, will have a significant impact on the health of millions of people, not just in rich, western nations.

Early trials are beginning to show that obesity and other health issues can be treated with drugs and services that support better life choices. Currently, nib is the only health fund in Australia to offer a wrap-around service for qualifying members attempting to lose weight and keep it off, through our very new MedJourney program delivered through Honeysuckle Health.

We have also continued our growth in providing management assistance in Australia's National Disability Insurance Scheme (NDIS). nib Thrive now helps almost 40,000 participants navigate the sector's complexities. Our aim is to assist in the management of better services to people with disability, so that they can live better lives.

nib commissioned two very significant pieces of market research during the year. One looked closely at the future state of the NDIS and made recommendations to the federal Government on the way 'navigators' might operate. The navigator model was a central recommendation of the Independent Review of the NDIS, completed during the year, and aligns well with nib's vision for people with disability.

The second report sought the opinions of participants, their families and carers, and found a large number want personalised help to manage budgets, find supports, and weed out those who operate at the very edges of the scheme. Participants and government want the same thing: a comity that preserves what's crucial to making life better. nib Thrive will be part of the solution.

Finally, nib's agenda sits upon the foundation of solid sustainability pillars, which we extended through FY24: population health; community spirit and cohesion; strong leadership and governance; people culture and employment; and the natural environment. Without these pillars, nib's mission falters. Pleasingly, in New Zealand, our Toi Ora program, designed to work with iwi to identify and treat risks in health and wellness in the community, gained greater traction; our work in Bourke in NSW continued, and the nib foundation, 15-years old this year, supported programs to reduce health risks such as vaping, poor sleep habits, risky drinking, and poor diet.

In his report, Mark outlines further highlights of FY24. Our underlying operating profit for FY24 was \$257.5 million, net profit after tax was \$181.6 million, and nib Group's revenue rose to \$3.3 billion¹. Comparisons with the previous financial year are a little difficult due to the introduction of a new accounting standard (AASB17). However, against the previous standard (AASB1023), underlying operating profit grew 5.9% and after-tax earnings by 2.8%.

The Board determined a final dividend of 14.0 cents per share, bringing the full year dividend to 29.0 cents per share, fully franked. The full year dividend represents an earnings payout ratio of 75.7%.

1. Group revenue includes insurance revenue net of reinsurance expense, other underwriting revenue and other income.

This year will also record another milestone at nib. Managing Director and CEO, Mark Fitzgibbon, has announced his retirement, to take effect later in calendar 2024. Under Mark's stewardship, nib has achieved more than two decades of long-term, above-system growth, and outstanding shareholder returns. He has also built a team of the highest quality, working to achieve a purpose of better health outcomes for Australians and New Zealanders.

When Mark arrived in 2002, nib was a modest regional health fund, built by a small number of Newcastle steelworkers. In 2007, nib demutualised, and now in 2024, it is an ASX100 listed company.

Mark has led nib with a commitment to constant disruption. He has been an advocate for new ways of thinking and doing; he has formed alliances and joint ventures that use data to underpin action and deliver better health equity; and he has driven innovation in healthcare for members, international students and workers, those in Australia's disability sector, and travellers.

Mark's purpose has been better health and wellbeing, which emanates from his drive for sustainability, profitability, and better community outcomes. For over 20 years he has brought his intellect, his enduring energy and sense of humour to nib, and enabled the business to achieve success for all stakeholders.

It has been a great pleasure to work with Mark and, on behalf of the nib Board and the entire nib team, I thank him sincerely for his leadership and wish him well in his post-executive life.

I'd also like to welcome our incoming Managing Director and Chief Executive Officer, Ed Close, who was Group Executive of nib's core Australian residents health insurance business, the engine room of nib's growth. Ed shares Mark's intellect, passion and long-term vision for nib. Together with the nib Board, I look forward to working with Ed.

Thanks to my fellow Board members, nib's Executive Management team, and the wider nib group, who serve our members, travellers, NDIS participants and our growing number of everyday healthcare customers.

David Gordon

Operating and Financial Review

for the year ended 30 June 2024 continued

Managing Director's Report

Last year I wrote about our solid financial and operational performance notwithstanding the profound disruption of a global pandemic. Thankfully, the calamity is now largely behind us, and healthcare systems and marketplaces are normalising. So, for example, for the FY24 financial year - in keeping with our purpose - we funded over 445,000 hospital admissions up 6.9% on the previous year. Dental, optical and other ancillary visits grew by 4.8% to over 4.2 million. Total private health insurance (PHI) claims of \$2.5 billion increased 6.7% on the previous year.

Nevertheless, we continue to deal with COVID-19 related consequences. Claims expense is now growing powerfully from an artificially low base of healthcare activity during the pandemic. At the same time, private hospitals are seeking to repair their profitability and balance sheets, severely damaged by low activity throughout the pandemic, with elevated pricing demands. Both factors place pressure on premium pricing and health funds maintaining operating margins. To boot, market conditions and consumer sentiment are weaker with pandemic inspired government outlays having retreated and surplus household savings largely evaporated.

None of that is to suggest the company isn't in very good shape and claims inflation will moderate as the healthcare system reverts to a new normal. The circumstances didn't prevent us posting revenue growth of 9.3% to \$3.3 billion¹, a 77.3% improvement in our underlying operating profit to \$257.5 million, which is more like 5.9% under the previous accounting standard (AASB1023), and a 4.2% lift in operating cashflow.

Our flagship business, Australian Resident's Health Insurance (arhi) added 17,609 members at a growth rate of 2.5%, which although slightly disappointing by our lofty standards, still eclipsed anticipated industry growth of 1.9%.

Earnings per share of 38.3 cps was up 58.9% on FY23, or flat on an AASB1023 basis, and the full year dividend was at the top end of our long-standing payout ratio of 60-70% (adjusted for impact of AASB 17).

David has already explained our vision for the company to become as much a health management company as we have been, for almost 75 years, a private health insurance company. We imagine someday into the future, people are quite surprised to learn we were once upon a time, purely a health fund because in addition to that security, we offer so much more.

We call it our Payer to Partner (P2P) transformation. We're making terrific progress in using technology to help people garner deep personalised insight into risks to their health and towards nib becoming a front-door for people meeting their entire healthcare needs. It doesn't mean we manufacture every element of the healthcare ecosystem. Rather we orchestrate improved choice and connectivity to a wider range of physical, home-based and digital healthcare products and services. We make it all easier for people and their healthcare providers.

P2P is already having an impact for our almost 2 million PHI members, travel insurance customers, everyday healthcare customers and NDIS participants. Today as a member, on my nib app I can virtually consult a GP, access various men's, women's, and non-binary healthcare products, fill a prescription and check my symptoms for guidance and next best actions. That all complements nib's industry-leading health insurance functionality, such as making a claim or finding a dentist or doctor.

There were far too many other highlights in the FY24 report for me to cover here in any detail. Nevertheless, it's worth emphasising just how important our efforts are in managing health risk within our insured populations. As is the nature of insurance, roughly 4% of PHI membership accounts for 80% of hospital claims. It means the more we can play a role in improving the health and wellbeing of these particular members, the more we are able to keep premiums affordable for all and buttress our competitiveness.

For example, and as David mentioned, during FY24 we supported over 8,300 members with nurse-led case management designed to mitigate the risk of an unplanned hospital readmission. Just over 1,830 arhi members enrolled in our weight management program with the promise of even greater effect with our conviction around GLP-1 agonists. There's a future in which nib facilitating access to these weight loss drugs and actively supporting other positive behaviours is a significant part of our business.

I also want to give special mention to our burgeoning role in Australia's National Disability Insurance Scheme (NDIS). We have a clear vision for a more seamless and holistic experience for the near 40,000 participants we now support. We want to assist them and indeed anyone with a disability, design their plans, procure supports and administer their providers, all in one place and make it all easier, with technologies best suited to their personal abilities. Not only will it make for a better participant experience, but it will help ensure the sustainability of such a crucial component of Australia's social capital. Done well, the vision can readily extend to New Zealand.

We have a philosophy that success relies upon constant experimentation and innovation both within existing business operations and in finding new opportunities. That is mission critical. As best we can, we identify and understand emerging trends relevant to our purpose as a company. We believe the only form of long-term competitive advantage is constant short-term advantage. Yes, we've had the odd failure but overall, it's worked well for the company, the people we serve, shareholders, employees, and many stakeholders.

1. Group revenue includes insurance revenue net of reinsurance expense, other underwriting revenue and other income.

Recently I indicated to the Board my intention to retire late in 2024 so this will be my final contribution to the annual report. Leading nib for past 22 years has been such a fantastic professional and personal experience. I have been given so much latitude, support and trust to build the company to where it is today, and I'll be eternally grateful. There are way too many people to acknowledge and thank. Past and present colleagues, Non-Executive Directors, Chairmen and of course, my family have all been instrumental in what modest success the company and I have achieved. nib enjoys a culture of curiosity, determination, openness and most importantly, respect.

I'll be succeeded by Ed Close, a dynamic leader with a great track record at nib having led arhi for the past five years. nib is a company with exciting prospects yet to grow both traditional and new businesses in an ever-changing marketplace and society. When I arrived in 2002, I benefited from the strong foundations built by my predecessors. I'm confident Ed begins his tenure with similar underpinnings and will share my experience, in taking the company to another level.

Mark Fitzgibbon

Operating and Financial Review

for the year ended 30 June 2024 continued

The Review of Operations provides commentary on financial performance for the 12 months to 30 June 2024 (FY24) compared to the 12 months to 30 June 2023 (FY23) unless otherwise stated. Policyholder growth figures are for the 12 months to 30 June 2024.

nib Group



\$3.3b
total Group revenue
up 9.3%



\$181.6m
NPAT
up 67.4%



\$257.5m
Group UOP
up 77.3%



38.3cps
statutory EPS
up 58.9%



\$61.7m
net investment income
up 12.8%



29.0cps
full year dividend
up 3.6%

FY24 is the first year nib has adopted AASB17 – Insurance Contracts, and restated FY23 accordingly. Under AASB17, recognition of the Deferred Claims Liability is no longer permitted which is having the effect of increasing claims in FY23 and decreasing underlying operating profit (UOP) and net profit after tax (NPAT). Given the impact of the change in the accounting standard, in some cases, we have also provided comparative metrics under AASB1023 however these have not been audited.

nib Group reported an UOP of \$257.5 million (FY23: \$145.2 million), an increase of 77.3% or 5.9% on an AASB1023 basis. Statutory operating profit of \$221.5 million (FY23: \$125.6 million) was up 76.4% or down 0.4% under AASB1023. Group revenue of \$3.3 billion¹ (FY23: \$3.1 billion) increased 9.3% and benefited from policyholder growth across the Australian residents, international inbound and New Zealand businesses.

Group incurred claims increased by 6.7% or 12.2% under AASB1023 with the industry and nib facing pressure on utilisation and hospital indexation during the year, as claims inflation normalises from the low COVID-19 trend during FY22 and FY23.

Non-marketing expenses decreased by 4.2%, or a 1.3% increase after normalising for prior year asset write-offs. This reflects a focus on managing operational efficiencies, while continuing to invest in technology to deliver member enhancements. Group net promoter score (NPS) reduced from +35 to +33, despite two price increases in FY24.

One-off transactions, M&A and integration costs increased year on year mainly due to nib Thrive acquisitions. Improved investment returns drove net investment income to \$61.7 million (FY23: \$54.7 million), up 12.8%. NPAT was \$181.6 million (FY23 \$108.5 million), an increase of 67.4% or 2.8% under AASB1023.

Statutory earnings per share (EPS) was 38.3 cents per share (FY23: 24.1 cps) up 58.9% due to higher Group UOP and investment income. Under AASB1023, EPS growth was flat given the slight reduction in statutory operating profit.

Our Australian Residents Health Insurance (arhi) business recorded policyholder growth of 2.5%, with market conditions becoming more competitive in the second half.

The International Inbound Health Insurance (iihi) business delivered strong policyholder growth of 14.1%, as did the New Zealand business with 3.1% resident PHI policyholder growth.

The nib Travel business also increased Gross profit after acquisition costs (GPAC) by 7.8%.

nib Thrive contributed \$15.3 million to Group UOP (FY23: \$3.1 million), an increase of \$12.2 million, and now provides services to almost 40,000 National Disability Insurance Scheme (NDIS) participants. nib Thrive is well positioned to transition to the 'navigator' role highlighted in the Independent Review of the NDIS, with the acquisition of six plan managers, a support coordination business and a digital marketplace platform.

Midnight Health and Honeysuckle Health continue to play an important role in our Payer to Partner (P2P) strategy with over 31,000 nib members using Midnight Health services in FY24. While Midnight Health and nib's share of Honeysuckle Health reported losses of \$16.3 million and \$3.8 million respectively, both businesses are growing strongly and run rate losses are reducing.

We continue to make progress in our pursuit to improve the health and wellbeing of our members through our P2P strategy and are focused on integrating our telehealth and digital offerings into the member experience, facilitating over 176,000 telehealth consultations in FY24.

nib also continued to provide value and support to members in FY24 with a deferral of the April 2023 premium increase to 1 October 2023. This premium increase deferral was part of nib's COVID-19 member support package following lower claims volumes throughout the pandemic.

nib Group is in a strong capital position and continues to meet required capital levels under stressed conditions. In September 2022, APRA released a new private health insurance capital framework, which come into effect from 1 July 2023. At 30 June 2024, under the revised standards, nib health funds held a capital base of \$532.6 million, which is \$257.7 million above the prescribed capital amount (PCA), with a PCA ratio of 1.94x.

The Board declared a final dividend of 14.0 cents per share fully franked, resulting in a full year dividend of 29.0 cents per share (FY23: 28.0 cps). The full year dividend represents a payout ratio of 75.7% of FY24 NPAT. The final dividend has a record date of 6 September 2024 and will be paid to shareholders on 8 October 2024. The Dividend Reinvestment Plan is available to eligible shareholders.

1. Group revenue includes insurance revenue net of reinsurance expense, other underwriting revenue and other income.

Australian Residents Health Insurance (arhi)



\$2.6b

insurance revenue
up 8.5%



\$220.1m

UOP
up 100.6%



2.5%

net policyholder growth



+33

net promoter score
down 1

nib's arhi business reported a net policyholder growth rate of 2.5% with market conditions becoming more competitive in the second half.

UOP rose to \$220.1 million (FY23: \$109.7 million) an increase of 100.6% under AASB17, or 8.2% under AASB1023.

Insurance revenue was \$2,640.3 million (FY23: \$2,433.8 million) up 8.5%, which includes the impact of the April 2023 premium increase deferral. nib's deferral of the 2023 premium increase to 1 October 2023 was part of nib's COVID-19 member support package. The 1 October price increase of 2.72% was our second lowest in 20 years. This was followed by a further in-cycle price increase of 4.10% on 1 April 2024.

arhi added 17,609 policyholders to its membership base in FY24. Our diversified approach to product distribution continues to serve us well, with sales in our Whitelabel, Direct-to-Consumer (DTC) and Broker channels all increasing over FY24. Approximately half of all sales were new to private health, with net growth also benefiting from switching activity.

Incurred claims increased 4.9% on the prior year, or 10.9% under AASB1023, driven by hospital indexation and increased utilisation.

Other insurance services expenses decreased 1.7% due to cost containment measures and streamlining of our member service functions. Our investment in marketing grew \$7.5 million to support the ongoing focus on growth.

Reported net margin of 8.2% reflects the strength in the fundamentals of the arhi business and we did see 2H24 net margin move to within our target range of 6-7%.

arhi's NPS decreased to +33 (FY23: +34) reflecting member responses to two successive price increases, offset by improved sentiment for customer service and digital enhancements.

We continue to make progress in our pursuit to improve the health and wellbeing of our arhi members through our Payer to Partner strategy. During the year we launched new health management programs including the introduction of the Medjourney program in partnership with Honeysuckle Health, supporting members using weight loss medications to identify and manage side effects and promote overall good health.

Operating and Financial Review

for the year ended 30 June 2024 continued

International Inbound Health Insurance (iihi)



\$192.8m
insurance revenue
up 19.0%



\$24.8m
UOP
up 11.2%



14.1%
net policyholder
growth



+57 | +51
NPS iwhi | ishi
up 6 | up 4

The iihi business reported a UOP of \$24.8 million (FY23: \$22.3 million) up 11.2%. This performance was driven by insurance revenue of \$192.8 million (FY23: \$162.0 million), an increase of 19.0%. Policyholders grew 14.1% to a historical high of 216,684¹ with strong student growth lifting total policies.

Gross margin improved in 2H24 to 41.2% from 38.4% in 1H24. Incurred claims of \$115.4 million (FY23: \$91.9 million) increased 25.6% due to the increase in policyholders, change in portfolio mix and claims inflation. Increases to other insurance services expenses were driven by marketing investment to support policyholder growth, with increased scale and effective cost management driving a reduction in Other Management Expense Ratio (MER) to 19.4% (FY23: 22.8%).

High engagement in digital channels throughout the year delivered an NPS of +57 for international workers (iwhi) and +51 for international students (ishi) (FY23 iwhi: +51, ishi: +47).

1. Policyholder numbers and growth % includes underwritten policies only.

There was strong engagement from iihi members with nib's P2P offerings, with high take-up of in-app consultations, access to everyday healthcare products and the launch of the Symptom Checker tool guiding members to the right care at the right time. In FY24, iihi members participated in more than 21,600 in-app telehealth consultations and there were over 3,800 assessments through the Symptom Checker tool since its launch in February 2024 to 30 June 2024.

nib's continued investment in technology was rewarded with an increase in self-service, automated claiming and digital interactions with international students and workers. Our ongoing investment in data, technology and the member experience has led to more accurate responses and assistance tailored to international members.

New Zealand



\$371.2m
insurance revenue
up 10.2%



\$19.3m
UOP
down 35.9%



3.1%
residents PHI
policyholder growth



+27
net promoter score
down 8

nib New Zealand (nib NZ) delivered a UOP of \$19.3 million (FY23: \$30.1 million), down 35.9%.

Insurance revenue of \$371.2 million (FY23: \$336.7 million) grew 10.2%, driven by PHI policyholder growth of 3.1% and price adjustments. Incurred claims increased 16.9% as a result of policyholder growth and cost pressures experienced across the industry.

nib NZ's NPS decreased to +27 (FY23: +35). This was driven by repricing to manage higher claims cost.

Our investment in strategic projects and digital first initiatives are improving operational efficiencies, with Other MER improved by 130bps to 15.3%.

nib's Toi Ora program, focused on improving the health and wellbeing outcomes of the Auckland hapū (Māori sub-tribe), grew in FY24 with the addition of three new rōpū (groups). The program now provides tailored private health insurance coverage for over 6,400 lives and continues to evolve bespoke health management programs aimed at supporting a holistic approach to wellbeing.

This year we delivered phase one of Tohu Toi Ora, a first of its kind in NZ private health insurance. Co-created with Ngāti Whātua Ōrākei, Tohu Toi Ora is an accreditation for health providers who provide a culturally responsive experience for Māori.

nib Travel



\$54.2m

GPAC
up 7.8%



\$8.1m

UOP
down 42.1%



(3.2%)

sales excl. Qantas



+55

net promoter score
up 10

nib Travel reported a UOP of \$8.1 million (FY23: \$14.0 million). Gross profit after acquisition costs (GPAC) of \$54.2 million (FY23: \$50.3 million) increased 7.8% despite the impact of the Qantas contract loss and headwinds in the travel insurance market.

Gross written premium (GWP) was \$167.9 million (FY23: \$224.1 million) down 25.1% as expected, resulting in operating income reducing 23.1% to \$87.0 million (FY23: \$113.2 million). Acquisition costs decreased 45.4% leading to the overall GPAC improvement.

Operating expenses (excluding commissions and marketing) increased 24.3%, reflecting higher claims resourcing following strong sales in FY23 and investment in NPS improvement. Investment in digital servicing and claims automation has commenced and will lead to greater efficiency.

NPS of +55 (FY23: +45) was achieved reflecting a high standard of customer service, investment in digitisation, self-service and enhanced product offerings during the year.

nib Thrive



\$51.3m

NDIS fee income
up \$36.7m



\$15.3m

UOP
up \$12.2m



38,880

participants
up 42.0%



3

additional acquisitions
completed

nib Thrive reported UOP of \$15.3 million (FY23: \$3.1 million), an increase of \$12.2 million, comprising income of \$51.3 million and operating expenses of \$36.0 million.

In FY24, nib completed the acquisition of its fifth and sixth plan management businesses, adding approximately 9,000 participants. As at 30 June 2024, nib managed the plans of almost 40,000 NDIS participants.

During the year, nib also acquired NDIS marketplace platform Kynd, a purpose-built digital platform which enables people who use the NDIS, their carers and support coordinators to search, compare and book a range of support services.

nib Thrive's vision aligns with that of the Independent Review of the NDIS, and the logic for more seamless, integrated and technology-enabled support for participants. Reshaping the business to align with the Independent Review of the NDIS vision for 'navigators' has begun and, in June 2024, nib entered into agreement to purchase its first support coordination business. Support coordinators assist NDIS participants navigate the scheme by providing up to date information and impartial advice. They help people find services to best match their needs, circumstances and lifestyle.

nib Thrive's focus is on technology integration, alignment with the navigator model and organisational structure optimisation to deliver operational efficiencies.

Operating and Financial Review

for the year ended 30 June 2024 continued

Five Year Summary

*nib	2024 \$m	Restated 2023 ¹ \$m	Restated 2022 ¹ \$m	Restated 2021 ¹ \$m	Restated 2020 ¹ \$m
Consolidated Income Statement					
Insurance revenue	3,211.6	2,939.3	2,753.9	2,574.1	2,479.8
Insurance service costs - incurred claims	(2,487.2)	(2,330.5)	(2,000.3)	(2,065.8)	(1,851.8)
Insurance service costs - other service expenses	(451.4)	(440.6)	(386.1)	(337.8)	(331.4)
Net reinsurance costs	(16.6)	(14.9)	(10.5)	(16.1)	(17.1)
Underwriting result	256.4	153.3	357.0	154.4	279.5
Other underwriting revenue	4.7	4.8	5.2	3.9	3.8
Underwriting result	261.1	158.1	362.2	158.3	283.3
Other income	153.0	137.5	51.5	24.1	60.1
Other expenses	(152.8)	(146.0)	(68.2)	(44.1)	(86.7)
Share of net profit/(loss) of associates and joint ventures	(3.8)	(4.4)	(5.6)	(4.8)	(4.0)
Underlying operating profit	257.5	145.2	339.9	133.5	252.7
Amortisation and impairment of acquired intangibles	(14.3)	(10.7)	(7.7)	(16.8)	(18.4)
One-off transactions, merger, acquisition and new business implementation costs	(21.7)	(8.9)	(0.1)	(2.1)	(13.6)
Statutory operating profit from continuing operations	221.5	125.6	332.1	114.6	220.7
Finance income and costs	(17.4)	(13.8)	(6.7)	(6.8)	(9.7)
Net investment income	61.7	54.7	(30.0)	51.8	16.6
Profit before tax	265.8	166.5	295.4	159.6	227.6
Tax	(83.2)	(57.4)	(88.5)	(49.2)	(66.4)
NPAT from continuing operations	182.6	109.1	206.9	110.4	161.2
Profit/(loss) from discontinued operations	(1.0)	(0.6)	(1.2)	-	-
NPAT	181.6	108.5	205.7	110.4	161.2
Consolidated Balance Sheet					
Total assets	2,114.6	2,012.7	1,753.4	1,702.8	1,677.8
Equity	1,043.8	996.8	829.9	706.2	603.1
Debt	264.6	245.9	260.9	232.3	232.9
Share Performance					
Number of shares	m	485.1	483.4	459.1	456.8
Weighted average number of shares - basic	m	484.2	475.6	458.4	456.1
Weighted average number of shares - diluted	m	484.2	475.6	458.4	456.1
Basic earnings per share ²	cps	38.3	24.1	45.3	24.3
Diluted earnings per share ²	cps	38.3	24.1	45.3	24.3
Share price at year end	\$	7.35	8.45	7.38	6.51
Dividend per share - ordinary	cps	29.00	28.00	22.00	24.00
Dividend payout ratio - ordinary	%	75.7	68.7	74.4	68.2
Other financial data					
ROIC ³	%	16.1	10.7	21.4	12.5
Group underlying operating revenue	\$m	3,337.2	3,051.0	2,788.6	2,570.1
Operating cash flow	\$m	257.1	246.7	337.6	108.7

* The above Five Year Summary is unaudited.

1. The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the prior periods.

2. Earnings per share includes losses from discontinued operations.

3. ROIC calculated using average shareholders' equity attributable to owners of nib holdings limited and average interest-bearing debt over a rolling 12 month period.

Managing material risks and uncertainties

nib has established policies and systems for the oversight and management of material business risks. Our Risk Management Framework enables us to navigate the changing landscape, and ensure we make informed risk decisions within our risk appetite and tolerances.

nib's Risk Management Framework is made up of both "formal" parts, like our Risk Management Strategy, Risk Appetite Statement (RAS) and the defined responsibilities for the Board and Employees, and more "informal" parts, like our values and risk culture. The framework is applied as part of the usual decision-making processes in nib's day-to-day operations, when undertaking strategic planning, implementing strategic initiatives, managing our capital, establishing our investment strategy, reviewing our product design or launching a new business.

Enterprise Risk Management Framework



Further information regarding how nib recognises and manages risk is detailed in our Corporate Governance Statement, which is available on our website at nib.com.au

Operating and Financial Review

for the year ended 30 June 2024 continued

Managing material risks and uncertainties continued

nib continues to closely monitor the impacts of emerging uncertainties on its risk profile. nib will carry on making enhancements to its control systems in order to optimise outcomes related to both financial and non-financial risks.

The material risks and uncertainties that could affect nib's operations, strategies and overall performance are listed in the table below.

Insurance risks	
Risk description	Risk appetite and management strategies
<p>Claims inflation and affordability</p> <p>The risk of rapidly inflated claims costs derived from health service providers (including hospitals, ancillary providers and medical specialists). Impacts could include lower affordability of health insurance products, weaker financial margins and profitability.</p>	<p>nib maintains structured management systems for monitoring claims behaviours and experience, including processes to validate timely and accurate payment of claims in accordance with policy conditions. A high priority is placed upon the negotiation, establishment and renewal of key provider contracts, to ensure acceptable terms, service utilisation rates and claiming processes are in place.</p> <p>nib recognises the importance of improving product value and affordability for members, resulting in ongoing strategic investments in initiatives including: development of provider networks to improve price certainty and value, tools to assist members in making informed financial decisions and a Payer to Partner (P2P) strategy to target chronic conditions through Health Management Programs. A strong focus also exists on premium affordability through the annual pricing submission process. Further details on claims inflation risk are included in Notes to the Consolidated Financial Statements 23(a).</p>
<p>Government policies and regulations</p> <p>Risks relating to potentially significant and/or unexpected changes to the regulatory policy settings and incentives for private health insurance, e.g. risk equalisation arrangements supporting the community rating principle, PHI Rebates and Life Time Health Cover Loading. Financial impacts resulting from this risk could be either positive or negative.</p>	<p>nib actively monitors early developments in PHI policy via industry, media and government circulars, channels and forums. nib is an active contributor to PHI reforms consultation processes conducted by regulators including Australian Prudential Regulation Authority (APRA) and the Department of Health and Aged Care, in order to help shape improved outcomes for nib members. nib's risk analysis processes include impact assessment of potential changes arising from government policy and resulting changes to products e.g. sustainable premium pricing. nib is represented within industry forums including Private Healthcare Australia (PHA) and seeks to work collaboratively with other industry stakeholders to present practical solutions. As reforms go-live, nib maintains appropriate resources for external communications (members, strategic partners, media, investor relations) to ensure effective communication and understanding of changes to targeted audiences. nib invests in rapid implementation of initiatives to improve customer value and lower costs. Further details on risk equalisation are included in Notes to the Consolidated Financial Statements 23(a).</p>
<p>Pricing risk</p> <p>A risk of forecasting errors may lead to pricing errors, caused by key control failures. This may result in a range of negative outcomes including: impacts on achievement of nib's strategic goals, material financial impact, regulatory issues and/or impacts on annual pricing approvals.</p>	<p>nib has a low appetite for process errors relating to pricing. Operational controls in place to mitigate risks associated with pricing and forecasting involving process, people and systems. In particular, actuarial models are utilised that are based on historical claims cost and forecasting of claims inflation. Review of pricing recommendations is undertaken by nib's Appointed Actuary. Further details on pricing risk are included in Notes to the Consolidated Financial Statements 23(a).</p>

Financial risks	
Risk description	Risk appetite and management strategies
<p>Investment and capital management</p> <p>Risks related to the performance of nib's investment portfolio, impacting profitability, financial position and ensuring stakeholder expectations are fulfilled.</p>	<p>nib has a low risk appetite for having insufficient capital to act as a buffer against the financial impacts of severe but plausible stress events. nib's Audit Committee provides oversight of this risk. The Committee considers the investment strategy and investment risk management practices, investment performance in order to meet Return on Investment (ROI) objectives and outlook, and compliance with the investment component of nib's Capital Management Plan.</p>
<p>General economic conditions</p> <p>The environment in which nib operates may experience challenging conditions as a result of general uncertainty about future Australian and international economic conditions.</p>	<p>nib recognises that its performance is impacted by the broader Australian economic conditions such as inflation, interest rates, exchange rates, credit markets, consumer and business spending and employment rates which are outside nib's control. nib monitors economic conditions and completes regular stress testing of key variables to validate capital management planning processes.</p>
Strategic risks	
Risk description	Risk appetite and management strategies
<p>Performance of adjacent (non-Australian Residents Health Insurance) businesses</p> <p>nib has diversified its business outside the core arhi business including International (Inbound) Health Insurance, a health, life and international visitors insurance business in New Zealand, nib Travel insurance, nib Thrive, plus investments including Honeysuckle Health and Midnight Health. The performance of these adjacent businesses impacts on nib's overall operating result and profits.</p>	<p>The key risk mitigation strategies for this diversification strategy involve detailed financial analysis, monitoring and leveraging from establishing capital management capabilities. Furthermore, compliance with Board and regulatory capital management requirements within individual businesses provides mitigation against contagion risks i.e. in the event of prolonged periods of financial stress impacting the adjacent businesses. In terms of the latest strategic initiatives, nib is pursuing aligned transformation opportunities including P2P, digitisation, integration of nib's NDIS business and enhanced organisation capability. These risks are controlled by strategic planning and prioritisation processes that are overseen and approved by the Board. Adjacent business opportunities involve detailed analysis on risk opportunities - considering potential upside and downside.</p>
Operational risks	
Risk description	Risk appetite and management strategies
<p>Business continuity</p> <p>Risks of events such as natural disasters or a major failure or inadequacy in information technology systems may have an adverse impact on nib's earnings, assets and reputation.</p>	<p>nib has a low risk appetite for major business disruption events and therefore invests in highly resilient practices, systems, providers and people. A business continuity management framework is in place and overseen by Senior Management and the Board Risk and Reputation Committee. The COVID-19 pandemic was an example of a significant business continuity event that required nib to activate its mitigation strategies to ensure effective continuity of service. nib continues to invest in operational resilience type enhancements e.g. a program of work is underway in preparation for incoming prudential standard (CPS 230 Operational risk).</p> <p>Similarly, for other notable types of operational risks such as data management, outsourcing, fraud, people, and health and safety risks, nib oversees these risks via management, divisional risk committees, the Management Risk and Sustainability Committee and the Board Risk and Reputation Committee.</p>
<p>Cyber security</p> <p>This risk involves a failure to mitigate/ manage a cyber attack or major security incident. Such an issue could result in adverse impacts to nib's members, disruption to business continuity, non-compliance with regulations and data standards and negative reputational effects.</p>	<p>As part of nib's increased investment and reliance on technology to conduct an efficient and cost effective business, nib has similarly invested in a proportionate cyber security control systems and framework.</p> <p>nib's approaches and governance practices for cyber security risks have been developed in accordance with relevant international security frameworks, taking into consideration of applicable industry and regulatory standards e.g. during FY24, nib obtained recertification for ISO 27001:2022 Information Security. Oversight is provided by the Management Risk and Sustainability Committee and the Board Risk and Reputation Committee.</p>

Operating and Financial Review

for the year ended 30 June 2024 continued

Managing material risks and uncertainties continued

Operational risks *continued*

Risk description	Risk appetite and management strategies
Regulatory compliance and legal risks Risks relating to failure to comply with specific regulations as part of conducting insurance businesses and meeting listing requirements of the ASX. Non-compliance with regulatory requirements can lead to a range of impacts including financial penalties, cancellation of authorisations and/or negative reputational impacts. Legal risk could involve civil proceedings in courts of various jurisdictions. nib may also be exposed to litigation in the future over claims.	nib will always endeavour to comply with all legal, regulatory and contractual requirements applicable to us. In doing so, we will apply sensible and generally accepted interpretation of the requirements and ensure that our compliance activities meet the expectations of our regulators. nib has a structured approach to risk management which includes a compliance management framework incorporating: compliance strategies and culture and governance practices. nib's framework includes systems and processes for identifying compliance obligations as well as monitoring and measuring compliance performance. Oversight is provided by the Management Risk and Sustainability Committee and the Board Risk and Reputation Committee.

Emerging Risk

Environmental, social and governance risks

Risk description	Risk appetite and management strategies
Climate change risks Risks of erroneous decisions in relation to strategies to manage climate change risks impacting nib. The risks are potentially transmitted directly through physical environmental drivers as well as indirectly through transitional drivers related to policy and litigation, technology, markets and reputation.	<p>nib's FY24 Group Climate-Related Disclosure report outlines our approach to climate-related governance, strategy, risk management, metrics and targets across the nib Group in alignment with the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The Group Climate-Related Disclosure report covers all entities in the Group and is available from our website nib.com.au/sustainability.</p> <p>At nib, climate change risks are managed in accordance with the nib Group risk management framework (RMF) in order to ensure appropriate ongoing oversight and management. To better comprehend nib's risk profile and potential opportunities that climate change presents, nib conducted a climate change scenario analysis in FY23 in accordance with the TCFD framework. The analysis identified a number of transition and physical risks for nib Group, as noted in the report.</p> <p>We are continuing to mature our approach to climate risk management and reporting. In October this year, our subsidiary, nib NZ limited, will publish its first disclosure under the External Reporting Board (XRB)'s Aotearoa New Zealand Climate Standards (NZ CS) as it is a climate reporting entity.</p> <p>nib holdings limited is also a reporting entity under the proposed Australian Sustainability Reporting Standards (ASRS) published by the Australian Accounting Standards Board (ASSB). We will begin reporting in line with the ASRS from FY26 as a Group 1 climate reporting entity.</p> <p>Due to analysis of relatedness and time horizon, climate change risk is not currently determined to be a material financial risk for nib's business in the short term.</p>

Operational risks

Risk description	Risk appetite and management strategies
Emerging Technologies including Artificial Intelligence (AI) Adoption of dynamic technologies including AI can present various opportunities and risks within a business context. Risks relating to failed deployment could lead to impacts including reduced service levels, member impacts and financial costs amongst others.	<p>nib maintains a significant focus and investment on emerging technologies.</p> <p>In the case of AI, an internal AI framework has been adopted and is used to assess opportunities, risks and to determine deployments of such technology. Opportunities are managed and assessed across domains including: customer, operations, risk, health and clinical, finance, actuarial and productivity.</p> <p>The Board maintains oversight of AI activities via regular reporting on nib's Group AI Framework. This includes updates on AI delivery and incorporation of an external perspective to AI opportunities. Additionally, the Board Risk and Reputation Committee maintains oversight of any impacts of AI on the existing organisation risk profile, via existing enterprise risk reporting.</p>

Directors' Report

for the year ended 30 June 2024

The Directors of nib holdings limited (Company) present their report on the consolidated entity (Group) consisting of nib holdings limited and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of nib holdings limited during the whole of the financial year and up to the date of this report unless otherwise indicated:

David Gordon Mark Fitzgibbon

Jacqueline Chow Peter Harmer

Anne Loveridge Donal O'Dwyer

Jill Watts and Brad Welsh were appointed as Directors on 27 July 2023.

Principal activities

The principal activities of the nib Group during the financial year were as a private health insurer in Australia and New Zealand, whereby it underwrites and distributes private health insurance to Australian and New Zealand residents as well as international students and visitors to Australia and New Zealand. Through its nib Travel business, it also specialises in the sale and distribution of travel insurance policies globally. Through nib Thrive the Group operates as a National Disability Insurance Scheme (NDIS) plan manager. The Group also underwrites and distributes life and living insurance in New Zealand.

As part of our Payer to Partner (P2P) strategy, the Group undertakes specialist health care data science services through Honeysuckle Health, and digital health services through Midnight Health.

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Operating and Financial Review on pages 4 to 16 of this Annual Report.

Significant changes in the state of affairs

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

Likely developments and expected results from operations

Additional comments on expected results on operations of the Group are included in this Annual Report under Operating and Financial Review on pages 4 to 16.

Further information on likely developments in the operations of the Group have not been included in this Annual Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Dividends

Dividends paid to shareholders during the financial year were as follows:

	2024 \$m	2023 \$m
Final dividend for the year ended 30 June 2023 of 15.0 cents (2022 - 11.0 cents) per fully paid share paid on 3 October 2023	72.5	50.5
Interim dividend for the year ended 30 June 2024 of 15.0 cents (2023 - 13.0 cents) per fully paid share paid on 10 April 2024	72.6	62.7
	145.1	113.2

In addition to these dividends, since the end of the financial year the Directors have recommended the payment of a fully franked final dividend of \$67.9 million (14.0 cents per fully paid ordinary share) to be paid on 8 October 2024 out of retained profits at 30 June 2024.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years; or
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Environmental regulation

The Group is not subject to any specific environmental regulation and has not breached any legislation regarding environmental matters.

Directors' Report

for the year ended 30 June 2024 continued

Information on Directors

Details of the qualifications, experience, special responsibilities and interests in shares and performance rights of the Directors are as follows:



David Gordon - Chair

LLB (University of NSW),
BCom (University of NSW), MAICD

Age: 63

Independent Non-Executive Director

David was appointed to the Board of nib holdings limited in May 2020 and Chair since 29 July 2021. He is also the Chair of the Nomination Committee.

He is also a Director of nib health funds limited.

Industry experience

David has over 30 years' of experience as a director of both public and private companies and in corporate advisory roles to Australian and international organisations. He brings extensive knowledge of strategy development, mergers and acquisitions, as well as capital raisings, IPOs and joint ventures.

David also has a proven track record in guiding businesses to grow and harness their digital capability to successfully explore and develop new products and markets.

Other business and market experience

David has held a number of senior roles with Freehills (Partner) and boutique investment bank Wentworth Associates. In addition, he founded independent corporate advisory and investment firm, Lexicon Partners in 2001.

Directorships of listed entities

David is currently Chair of Accent Group Limited.

Former directorships of listed entities in the past three years

None.

Other commitments

David is Chair of General Homecare Holdings Pty Ltd, Shippit Pty Ltd, Genesis Capital Manager I Pty Ltd and Genesis Capital Manager II Pty Ltd (the management entities of the Genesis Capital Fund I and Genesis Capital Fund II healthcare investment funds, respectively).

He is also a Non-Executive Director of international not-for-profit organisation, High Resolves.

Interests in shares and performance rights

Direct: 50,000 shares in nib holdings limited.



Mark Fitzgibbon - Chief Executive Officer and Managing Director

MBA (University of Technology Sydney), MA (Macquarie University), ALCA (Charles Sturt University), FAICD

Age: 64

Executive Director

Mark joined nib in October 2002 as Chief Executive Officer. In 2007 as Managing Director, he led nib through its demutualisation and listing on the Australian Securities Exchange (ASX) being admitted to the S&P/ASX100 in 2019.

Mark is a Director of nib health funds limited, as well as many other nib holdings limited's subsidiaries. He is also a member of nib holdings' Nomination Committee.

Industry experience

Mark has held executive positions at a number of large Australian organisations, including local government councils and peak industry bodies.

Leading nib for the past 20 years, Mark has transformed the business from a regionally based (Newcastle, NSW) private health fund into one of Australia's fastest growing and innovative health management companies.

As Managing Director, Mark's strategic focus has been to grow and diversify nib's business and with that, earnings by leveraging nib's capability, systems and people. This has seen nib grow significantly in recent years organically and inorganically, both in existing and new markets.

Other business and market experience

Mark has previously served as CEO of both the national and NSW peak industry bodies for licensed clubs, as well as holding several General Manager positions in local government.

Directorships of listed entities

None.

Former directorships of listed entities in the past three years

None.

Other commitments

None.

Interests in shares and performance rights

Direct: 1,792,822 ordinary shares in nib holdings limited.

Indirect: 946,621 ordinary shares in nib holdings limited held by Fitzzy (NSW) Pty Ltd.

- 314,792 performance rights under FY21-FY24 Long Term Incentive Plan which may vest from 1 September 2024.
- 220,251 performance rights under FY22-FY25 Long Term Incentive Plan which may vest from 1 September 2025.
- 189,748 performance rights under FY23-FY26 Long Term Incentive Plan which may vest from 1 September 2026.
- 195,046 performance rights under FY24-FY27 Long Term Incentive Plan which may vest from 1 September 2027.



Jacqueline Chow
MBA (Northwestern University, Chicago), BSc (Hons) (University of NSW), FAICD

Age: 52
Independent Non-Executive Director

Jacqueline was appointed to the Board of nib holdings limited in April 2018. She is Chair of the People and Remuneration Committee, and a member of the Nomination Committee, and the Audit Committee.

She is also a Director of nib health funds limited.

Industry experience

Jacqueline has more than 20 years' experience working with global blue-chip consumer product multinationals in a range of executive and non-executive positions in general management, strategy, marketing as well as technology and innovation. Her early career concentrated on business analytics, brand equity and marketing.

With a reputation for driving growth and performance in global businesses, she is passionate about unlocking value through the entire value chain by growing consumer demand through disruptive technologies, innovation and digital platforms.

She has also led company-wide business transformation by driving productivity and efficiencies at every level, as well as embedding leadership behaviours and change.

Jacqueline actively contributes toward ensuring the long-term sustainability of the organisations she serves in the areas of climate scenario impacts, human rights and supply chain resilience.

Other business and market experience

Jacqueline has significant global experience driving strategic growth and innovation across customer and consumer brands for the likes of Fonterra, Campbell Arnott's and the Kellogg Company.

She was previously Deputy Chair of Global Dairy Platform and a Director of Fisher & Paykel Appliances in New Zealand, Dairy Partners Americas, the Riddet Institute (Massey University NZ) and The Arnott's Foundation.

Jacqueline is a senior advisor with McKinsey & Company's Transformation Practice where she advises clients across resources, retail, financial services, telecommunications and consumer sectors on organisational change and high performance culture.

Directorships of listed entities

Jacqueline is currently a Non-Executive Director of Coles Group Limited and Charter Hall Group.

Former directorships of listed entities in the past three years

Independent Non-Executive Director of Boral Limited.

Other commitments

Jacqueline is a Non-Executive Director of the Australia-Israel Chamber of Commerce and a member of Chief Executive Women.

Interests in shares and performance rights

Direct: 25,000 shares in nib holdings limited.



Peter Harmer
Harvard Advanced Management Program

Age: 63
Independent Non-Executive Director

Peter was appointed to the Board of nib holdings limited in July 2021. He is the Chair of the Risk and Reputation Committee and a member of the Nomination Committee and the People and Remuneration Committee.

He is also a Director of nib health funds limited.

Industry experience

Peter has over 40 years' experience in the Australian and international insurance and financial sectors, including over 30 years in a senior executive capacity.

He has a deep understanding of the global insurance and reinsurance markets and has driven the improvement of business and customer experiences through digital innovation. During his career, Peter accelerated digital engagement through re-examining customer journeys to understand pain points and introduced the right tools and technology to help improve the overall customer experience.

In addition, he has been focused on the development and design of agile working methodologies combined with Human Centred Design thinking to ensure best practice in employee productivity, performance, health and wellbeing.

Other business and market experience

Peter was formerly Chief Executive Officer of Insurance Australia Group (IAG), CGU Insurance, Aon Limited UK, Aon Risk Services Australia Pacific and Aon Re Australia and has successfully led business' growth agendas, major acquisitions, and industry roll-ups.

Prior to his role as Chief Executive Officer at IAG, he took up a secondment role as Chief Digital Officer to help drive IAG's digital strategy. This included building a centralised capability to improve the customer experience through the utilisation of new technology and data insights.

Directorships of listed entities

Peter is currently a Non-Executive Director of Commonwealth Bank of Australia, AUB Group Limited, and Tysers Insurance Broker Ltd, which is based in London, UK and is 100% owned by AUB Group Limited.

Former directorships of listed entities in the past three years

None.

Other commitments

Peter is the Chair of Lawcover Insurance Pty Ltd. He is also a member of the Advisory Council for Bain & Company, and Chair of the Asia/Pacific Advisory Council for EXL Services Limited.

Interests in shares and performance rights

Direct: 19,278 shares in nib holdings limited.

Directors' Report

for the year ended 30 June 2024 continued

Information on Directors continued



Anne Loveridge AM
BA (Hons) (University of Reading),
FCA, GAICD

Age: 62
**Independent Non-Executive
Director**

Anne was appointed to the Board of nib holdings limited in February 2017. She is the Chair of the Audit Committee and a member of the Nomination Committee and the Risk and Reputation Committee.

In addition, Anne is a Director of nib health funds limited, nib nz limited, nib nz holdings limited and nib nz insurance limited. She is also Chair of the Audit, Risk and Compliance Committee of nib nz holdings limited.

Industry experience

Anne has over 35 years of experience in the highly regulated financial services sector, including health insurance.

She has extensive knowledge of financial and regulatory reporting, risk management and compliance frameworks. She also has over eight years' experience as a Non-Executive Director for ASX-listed entities in the financial services sector.

Through senior leadership roles, Anne also has championed the role of leadership, performance and culture in successfully driving change.

Formally trained as a Chartered Accountant, Anne has a breadth of experience in financial reporting, auditing, risk, ethics and regulatory affairs following her 31 years with PwC in the UK and Australia, where she was a Senior Audit Partner and Deputy Chair of the Australian Firm until 2015.

In 2023, Anne was awarded as a Member of the Order of Australia for her significant contribution to the theatre administration and to business.

Anne is entitled to receive a retirement benefit from PwC as part of her retirement plan. The amount of the payment was determined at the time of retirement, in 2015, based on role and tenure with the firm. The benefit is not impacted by or related to the financial performance of PwC. Anne has declared her previous relationship with PwC to the nib Board and the Board is satisfied that it does not affect her independence as Non-Executive Director and does not constitute a conflict of interest. The nib Board has in place mechanisms to manage conflicts of interest where they arise.

Directorships of listed entities

Anne is a Non-Executive Director of National Australia Bank Limited, Platinum Asset Management and Accent Group Limited.

Former directorships of listed entities in the past three years

None.

Other commitments

Anne is a Non-Executive Director of Destination NSW. She is also a member of Chief Executive Women.

Interests in shares and performance rights

Direct: 35,000 shares in nib holdings limited.



Donal O'Dwyer
MBA (Manchester Business School),
BE (University College, Dublin)

Age: 71
**Independent Non-Executive
Director**

Donal was appointed to the Board of nib holdings limited in March 2016. He is a member of the Audit Committee, People and Remuneration Committee and the Nomination Committee.

He is also a Director of nib health funds limited.

Industry experience

Donal has a deep knowledge of the health industry globally, after more than 35 years in senior executive and Non-Executive Director roles within the healthcare products and medical device sectors.

Starting his career as a qualified civil engineer, he went on to gain experience in business, science, engineering, manufacturing and management. During his tenure with Baxter Healthcare, he rose through the ranks from plant manager to President of the Cardiovascular Group Europe, gaining a sound understanding of the inner workings of business strategy and fiscal management, from the floor of the factory through to the boardroom. He then worked for Cordis (the cardiovascular device franchise of Johnson & Johnson) - initially as European President and later, when he located to the US, he served as Worldwide President.

Donal has a strong interest in environmental, social and governance factors and how these performance indicators can help promote long term financial success.

Directorships of listed entities

None.

Former directorships of listed entities in the past three years

Non-Executive Director of Fisher & Paykel Healthcare Corporation Ltd and Mesoblast Ltd.

Other commitments

None.

Interests in shares and performance rights

Indirect: 43,985 ordinary shares in nib holdings limited held by Dundrum Investments Pty Ltd.

**Jill Watts**

MBA (Griffith University),
Wharton Leadership Program
(University of Pennsylvania),
Grad Dip Health Admin and Info Sys
(University of Central Queensland)

Age: 65

Independent Non-Executive Director

Jill was appointed to the Board of nib holdings limited in July 2023. She is a member of the Audit Committee, the Risk and Reputation Committee and the Nomination Committee.

She is also a Director of nib health funds limited.

Industry experience

Jill has more than 40 years' experience leading global businesses. She has worked across the private sector, with governments affecting public policy change, and private research institutes. She has gained significant experience working with companies with operations in Australia, the UK, France, and South Africa.

Prior to returning to Australia in 2017, Jill was the Group CEO of the UK's largest private hospital group, BMI Healthcare, responsible for 60 facilities across the UK. Jill was also Group CEO of Ramsay Healthcare, UK. In 2010, Jill was voted the most influential leader in UK Private Health Care.

She has joined the Boards of a range of global companies since returning to Australia.

Directorships of listed entities

Jill is currently a Non-Executive Director of IHH Healthcare Berhad, which is dual listed in Singapore and Malaysia.

Former directorships of listed entities in the past three years

None.

Other business and market experience

Jill is a prior Director of the Australian Chamber of Commerce, UK; The Royal Australian Flying Doctor Service, UK; Netcare Hospital Group, South Africa; Ramsay Générale de Santé, France; and Healthcare Logic Global Group.

Other commitments

Jill is currently a Non-Executive Director at St Vincent's Healthcare and she is a Non-Executive Director at Icon Cancer Group. She is also a Board member at Keyton, a retirement villages business, formerly known as Lendlease Retirement Living.

Interests in shares and performance rights

Indirect: 7,337 ordinary shares in nib holdings limited held by Watts Super Fund a/c.

**Brad Welsh**

MMinEng (UNSW Sydney), LLB (UNSW Sydney), BCommWet (WSU), Grad Dip Legal Practice (NSW College of Law), GAICD

Age: 43

Independent Non-Executive Director

Brad was appointed to the Board of nib holdings limited in July 2023. He is a member of the Risk and Reputation Committee, People and Remuneration Committee and the Nomination Committee.

Brad is also a Director of nib health funds limited.

Industry experience

Brad has spent more than a decade leading and advising global resource companies, including Energy Resources of Australia and Rio Tinto, bringing both public sector and commercial skills to his role on nib's Board.

He is currently Chief Executive Officer and Managing Director at Energy Resources of Australia, an ASX-listed mining company, where he is responsible for one of the world's largest and most complex mine-site rehabilitation processes. Through his senior leadership roles in mining and energy, Brad has focused on operational efficiency, safety and building long-term relationships of trust with key stakeholders, including traditional landowners.

Through media and senior advisory roles in the Office of the NSW Premier, the Minister for Planning, and the Prime Minister of Australia, he has acquired a deep understanding of the public sector.

Brad brings to the nib Board commercial acumen combined with a purpose that aligns with nib's values.

Directorships of listed entities

Chief Executive Officer and Managing Director at Energy Resources of Australia Limited.

Former directorships of listed entities in the past three years

None.

Other business and market experience

Brad has been admitted as a solicitor to the NSW Supreme Court.

Other commitments

None.

Interests in shares and performance rights

Indirect: 13,087 ordinary shares in nib holdings limited held by Turril Pty Ltd.

Directors' Report

for the year ended 30 June 2024 continued

Company Secretary

Ms Roslyn Toms LLB (UNSW), BA Comms (Hons) (UCAN/UTS), GAICD was appointed Company Secretary on 29 April 2013. Ms Toms is also Group Executive - Legal and Chief Risk Officer and is responsible for managing legal, risk, compliance, governance, clinical, community and sustainability across the nib group businesses in Australia and its global operations. Ms Toms is a member of the Law Society of NSW and the Governance Institute. She is also director of the nib foundation and is a graduate of the Australian Institute of Company Directors (GAICD).

Meetings of Directors

The number of meetings of nib holdings limited's Board of Directors and of each Board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each Director are noted below. All directors may attend Committee meetings even if they are not a member of a Committee. The table below excludes the attendance of Directors at Committee meetings where they were not a Committee member.

Name	Board		Audit Committee		Risk and Reputation Committee		People and Remuneration Committee		Nomination Committee	
	Held ¹	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
D Gordon	11	11	-	-	-	-	-	-	1	1
M Fitzgibbon	11	11	-	-	-	-	-	-	1	1
J Chow	11	11	6	6	-	-	6	6	1	1
P Harmer	11	10	-	-	6	6	6	5	1	1
A Loveridge	11	11	6	6	6	6	-	-	1	1
D O'Dwyer	11	11	6	6	-	-	6	6	1	1
J Watts ²	10	10	6	6	6	6	-	-	1	0
B Welsh ³	10	10	-	-	6	6	6	6	1	0

1. Includes one unscheduled board meeting called at short notice.

2. J Watts was appointed as a Director on 27 July 2023. The stated number of meetings held for Ms. Watts are those convened during financial year after the commencement of her directorship.

3. B Welsh was appointed as a Director on 27 July 2023. The stated number of meetings held for Mr. Welsh are those convened during financial year after the commencement of his directorship.

Remuneration report

The Remuneration Report is set out on pages 25 to 48 of the Annual Report and forms part of this Report.

Shares under performance rights

Unissued ordinary shares of nib holdings limited under performance rights at the date of this report are as follows:

Date performance rights granted	Expiry date	Issue price of shares	Number under performance right
27 November 2020	1 September 2024	nil	692,014
26 November 2021	1 September 2025	nil	518,003
2 December 2022	1 September 2026	nil	464,803
1 December 2023	1 September 2027	nil	541,984

Shares may be issued or acquired on-market at the election of the Company. It is anticipated that the performance rights will be satisfied through on-market share purchases administered by the nib Holdings Ltd Share Ownership Plan Trust.

No performance right holder has any right under the performance rights to participate in any other share issue of the Company or any other entity.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services during the year are disclosed in Note 26 - Remuneration of Auditors.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 26, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure that they did not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

Insurance of Officers

During the financial year, the Group paid a premium in respect of a contract insuring the Directors and Officers of the Group against liability incurred as such a Director or Officer, other than conduct involving wilful breach of duty in relation to the Group, to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24.

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off to the nearest hundred thousand dollars in accordance with that Instrument.

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

On behalf of the Board



David Gordon
Director



Anne Loveridge AM
Director

Newcastle, NSW
23 August 2024

Auditor's Independence Declaration

for the year ended 30 June 2024



Auditor's Independence Declaration

As lead auditor for the audit of nib holdings 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 nib holdings limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'SK Fergusson'.

SK Fergusson
Partner
PricewaterhouseCoopers

Newcastle
23 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757
Level 3, 45 Watt Street, PO Box 798, NEWCASTLE NSW 2300
T: +61 2 4925 1100, F: +61 2 4925 1199, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Remuneration Report

for the year ended 30 June 2024

Message from the people and remuneration committee chair

Dear Shareholders

On behalf of the Board, I am pleased to present nib Group's FY24 Remuneration Report.

As the Chairman and Managing Director and CEO (MD/CEO) have highlighted in their reports, FY24 saw nib continue to play a greater role in supporting better health and wellbeing outcomes for our members, travellers and participants, consistent with our 'payer to partner' (P2P) strategy. Despite challenging economic conditions, nib achieved a Group underlying operating profit (UOP) of \$257.5 million.

FY24 has seen us experience several headwinds, particularly in the form of high claims inflation across our private health insurance (PHI) businesses. This is being driven by increasing healthcare costs and utilisation post-COVID and continues to place pressure on premium pricing and operating margins. Softer market conditions have also seen us achieve lower than expected profits for our nib Travel business.

In our other adjacencies, our international students and workers businesses continue their historic policyholder growth and in New Zealand, our Toi Ora program continues to gain traction in supporting iwi to identify and treat health risk in the community. We have also made significant progress in our ambitions to play a leading role in the disability sector. Through nib Thrive, we now provide support for almost 40,000 NDIS participants and have ambitions to assist more people living with disability in designing their plans, procuring support and administering providers for a better experience and improved wellbeing outcomes.

Mark Fitzgibbon's retirement announcement marks a significant milestone in the history of nib. In his 22 years leading nib, Mark has been instrumental in the growth and diversification of nib and his contributions to the company and his commitment to the better health and wellbeing of our members and the broader community is profound. Congratulations Mark.

I am also pleased to join the Chairman, David Gordon, and my fellow Board members in welcoming Ed Close as nib's incoming MD/CEO. Ed has led our core Australian residents health insurance business since 2020 and continues to spearhead the progression of our P2P transformation. Ed has shared an inspiring long-term vision for nib and I look forward to working with him in the years to come.

People, Culture & Employment

Our approach to our employee experience and culture 'Life at nib' is built upon four key pillars – health and wellbeing; flexibility; growth and belonging. Our hybrid working model continues to remain a significant differentiator in the market and a unique cornerstone of our employee value proposition (EVP).

In FY24, we pro-actively developed a set of productivity measures to optimise business performance and we will further enhance and refine these measures in FY25. We will also continue to review our approach to technology and how it can enable us to improve operational efficiencies and drive greater member and employee experiences.

We launched our Diversity, Equity and Inclusion (DEI) Action Plan FY24-26 and reviewed our DEI Policy. This is our second DEI Action Plan, reflecting our ongoing commitment to inclusion. Our pursuit of equity in the workplace remains a key area of focus for us, one that we are steadfastly committed to. In recognition of our commitment to our nib Thrive participants and the broader disability community, we have also established an inaugural Disability Inclusion Action Plan (DIAP) outlining how we will drive meaningful change in this space.

This year, we also launched our nibWell FY24-26 Strategy to inform how we are improving employee health and wellbeing and bringing our purpose to life for our people. We conducted our first psychosocial risk assessment and refreshed our Health, Safety and Wellbeing Statement reaffirming our commitment to high standards of organisational health and safety. Our efforts are further demonstrated through our achievement of a Lost Time Injury Frequency Rate (LTIFR) of 0.61. In our 2024 Employee Experience Survey, 96% of our people told us they feel safe at work (12% above the global benchmark). Further information on our efforts in this space can be found in nib's 2024 Sustainability Report and in the 2024 Corporate Governance Statement.

Risk Culture & Accountability

We believe that by delivering on our purpose of 'your better health and wellbeing' we will drive greater health benefits to the communities that we serve. The Board firmly believes that non-financial measures are critical in sustainable long-term performance, and these measures have formed part of our remuneration framework for a number of years. Our remuneration framework has been implemented to meet the requirements of the Australian Prudential Regulatory Authority (APRA) Standard CPS 511 which came into effect in January 2024. The incoming Financial Accountability Regime (FAR) in 2025 will further strengthen our governance and accountability practices and enhance our risk culture.

Risk management is a central component in our approach to measuring performance outcomes and we continue to embed and enhance these elements of our remuneration framework, including consequence management for when performance outcomes are not aligned to expectations.

Pleasingly, FY24 resulted in no downward adjustments to the variable remuneration outcomes for our Executive team. This reflects the positive impact of our programs of work in building risk management capability across all levels of the organisation, which has been a key focus following learnings from FY23.

Remuneration Report

for the year ended 30 June 2024 continued

Message from the people and remuneration committee chair continued

FY24 Remuneration Outcomes

When setting executive remuneration, the Board has carefully considered a range of factors including remuneration benchmarking data, the external operating environment, shareholder views and performance of the Company. Following assessment of our FY24 results, the MD/CEO's Short-Term Incentive (STI) outcome was 94.6% of their target, reflecting the Group's performance with strong profits and progressive results against our P2P strategy, partially offset by some non-financial performance measures. STI outcomes for Group Executives ranged between 75.2-93.6% of target, with an average of 87.7%.

The 2021 Long-Term Incentive (LTI) Plan reached the end of its four-year performance period on 30 June 2024, resulting in a vesting outcome of 95.93%. This reflected partial vesting for the relative Total Shareholder Return (TSR) hurdle and full vesting for the Earnings Per Share (EPS) hurdle, indicating strong return for our shareholders.

The MD/CEO's fixed remuneration for FY24 increased by 3.5%, with Group Executives receiving fixed remuneration increases between 5.9-18.4% to ensure that remuneration levels remain competitive and appropriately reflect the responsibilities of each Executive. Non-Executive Director fees increased by 3.5%-3.95%, with the exception of the New Zealand Director fees which increased by 24% to better reflect target positioning in the New Zealand market.

Looking Ahead

In considering executive remuneration for the year ahead, the Board remains committed to our remuneration philosophy in recognising diverse skills and experience and ensuring retention of key talent, while also balancing the expectations of our stakeholders and recognising the current challenging external climate. Further detail on FY25 remuneration is provided on pages 33-36 of this report.

As we embark on this exciting new chapter in nib's history, we look forward to continuing to deliver on our purpose of 'your better health and wellbeing'.

I want to extend a sincere thank you to all nib employees whose efforts and dedication continue to deliver outstanding outcomes for members, travellers, NDIS participants and shareholders.

On behalf of the Board, I invite you to review our FY24 Remuneration Report, which will be presented for adoption at nib's Annual General Meeting in November. As always, we welcome your feedback.

Jacqueline Chow

Chair

People and Remuneration Committee

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Key terms used in this report

FY23	Financial year ended 30 June 2023
FY24	Financial year ended 30 June 2024
FY25	Financial year ended 30 June 2025
AGM	Annual General Meeting
EPS	Earnings Per Share
FR	Fixed Remuneration
Group	nib holdings limited consolidated entity
KMP	Key Management Personnel (those Directors and Executives who have responsibility for planning, directing and controlling the activities of nib, either directly or indirectly)
KPI	Key Performance Indicator
LTI	Long-Term Incentive
LTIP	Long-Term Incentive Plan
NPAT	Net Profit After Tax
PARCO	People and Remuneration Committee
STI	Short-Term Incentive
TFR	Total Fixed Remuneration
TSR	Total Shareholder Return

Remuneration Report

for the year ended 30 June 2024 continued







Key Management Personnel

This Report presents the remuneration arrangements for nib's Key Management Personnel during the financial year ended 30 June 2024.

Name	Position	Term as KMP
Chairman		
David Gordon	Chairman Chair, Nomination Committee	Full year
Current Non-Executive Directors		
Jacqueline Chow	Chair, People and Remuneration Committee Member, Risk and Reputation Committee (until 27 July 2023) Member, Audit Committee Member, Nomination Committee Director, New Zealand subsidiaries (until 27 October 2023)	Full year
Peter Harmer	Chair, Risk and Reputation Committee Member, People and Remuneration Committee Member, Nomination Committee	Full year
Anne Loveridge	Chair, Audit Committee Member, Risk and Reputation Committee Member, Nomination Committee Chair, New Zealand Board Audit, Risk and Compliance Committee Director, New Zealand subsidiaries	Full year
Donal O'Dwyer	Member, People and Remuneration Committee Member, Audit Committee Member, Nomination Committee	Full year
Brad Welsh	Member, People and Remuneration Committee Member, Risk and Reputation Committee Member, Nomination Committee	From 27 July 2023
Jill Watts	Member, Audit Committee Member, Risk and Reputation Committee Member, Nomination Committee	From 27 July 2023
Managing Director and CEO		
Mark Fitzgibbon	Managing Director/Chief Executive Officer (MD/CEO) Member, Nomination Committee	Full year
Current Executives		
Martin Adlington	Chief Executive, nib Thrive (CE Thrive)	Full Year
James Barr	Chief Executive, International Visitors (CE IV)	Full year
Edward Close	Chief Executive, Australian Residents Health Insurance (CE ARHI)	Full year
Lauren Daniels	Group Chief People Officer (GCPO)	Full year
Nick Freeman	Group Chief Financial Officer (GCFO)	Full year
Rob Hennin	Chief Executive Officer, nib New Zealand & Travel (CEO NZ & Travel)	Full year
Brendan Mills	Group Chief Information Officer (GCIO)	Full year
Roslyn Toms	Group Executive, Legal and Chief Risk Officer (GELCRO)	Full year

Executive remuneration overview

Our Remuneration Principles

 Simple and transparent	 Market competitive	 Fair and equitable
 Aligned to customer and shareholder interests	 Rewards sustainable performance	 Promotes accountability, effective risk management and conduct

	Fixed Remuneration (FR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Rationale	Provides market competitive remuneration to attract and retain high calibre talent. Reflects role size and accountability.	Rewards Executives for achievement against predetermined financial and non-financial performance measures.	Rewards Executives for creating sustainable, long-term shareholder value.
Structure	Base salary and superannuation (or KiwiSaver for the CEO NZ & Travel).	50% paid in cash 25% deferred into shares, restricted 1 year 25% deferred into shares, restricted 2 years.	Rights to shares with no dividend equivalent payments. Vesting is subject to performance over a four-year period, with 50% of the award held in escrow for a further 2 years.
Approach	<p>Reviewed annually against relevant comparator group remuneration benchmarks.</p> <p>For Australia-based Executives the comparator groups are:</p> <ul style="list-style-type: none"> ASX listed companies with a market capitalisation 50-200% of nib ASX listed companies within the financial services and healthcare sectors with a market capitalisation 33-300% of nib <p>For the CEO NZ & Travel, the primary comparator group is a select group of listed and unlisted companies within the financial services sector in NZ.</p>	<p>Quantum</p> <ul style="list-style-type: none"> Target opportunity of 90% of FR for the CEO (between 60% and 75% for other Executives in FY24) Maximum opportunity is 150% of Target for all Executives. <p>Performance Measures</p> <ul style="list-style-type: none"> Group performance is assessed on achievement of financial and non-financial measures linked to the Group's strategic priorities (Group Scorecard) Individual performance is assessed against a tailored scorecard comprised of financial and non-financial measures that reflect the responsibilities of each Executive's role (Individual Scorecards) <p>See page 34 for further information on the STI Plan and Group Scorecard measures.</p>	<p>Quantum</p> <ul style="list-style-type: none"> Maximum face value allocation of 125% of FR for the CEO (60% for other Executives). <p>Performance Measures:</p> <ul style="list-style-type: none"> Relative TSR (50%) Statutory EPS (50%) <p>See page 35 for further information on the LTI Plan.</p>
		Subject to in-year adjustments, malus and clawback.	Subject to malus and clawback.

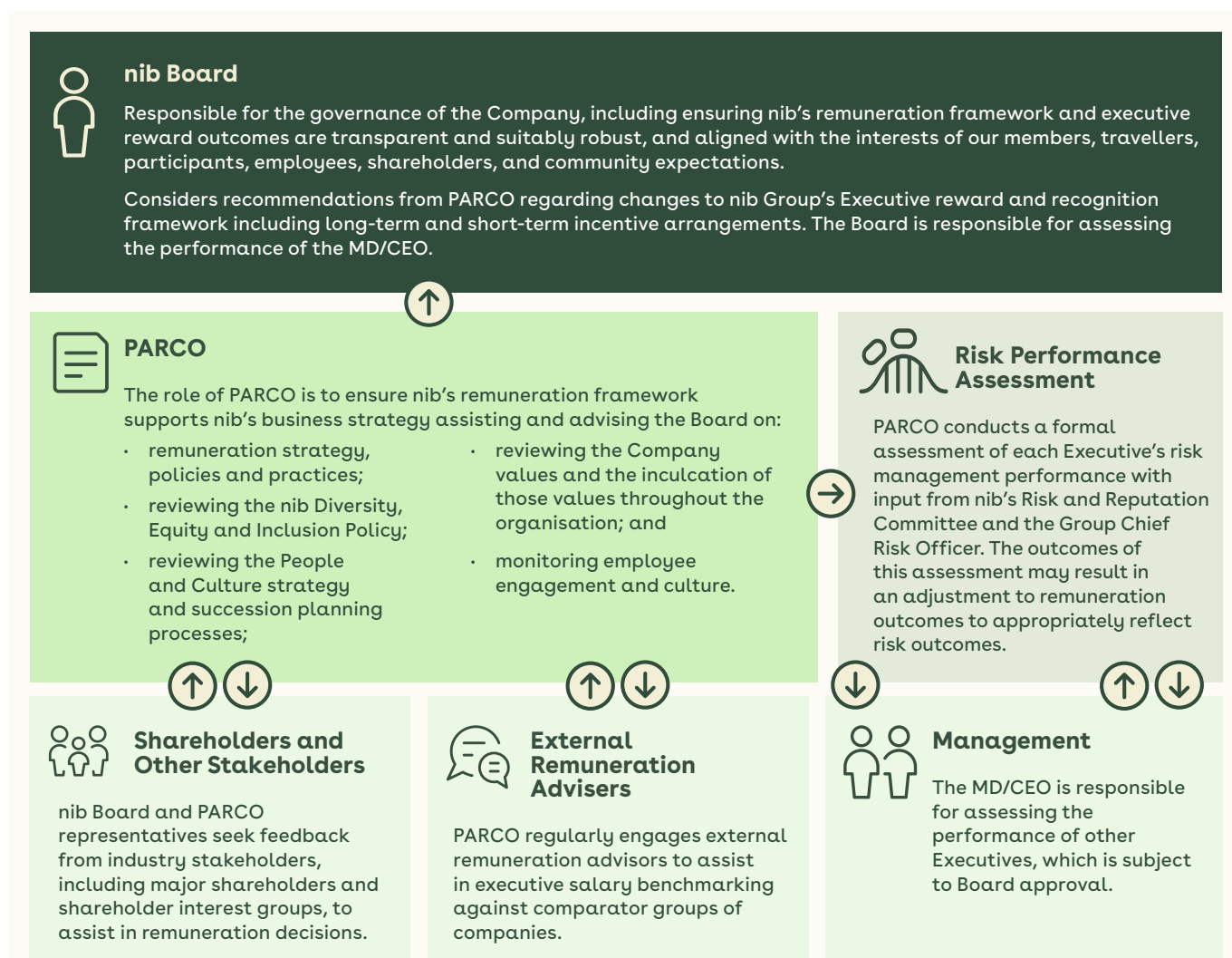
Executive remuneration outcomes – FY24 snapshot

	MD/CEO	Other Executives
Fixed Remuneration Increase	3.5%	5.9 – 18.4% (average 13.85%)
STI awarded (% of target)	94.6%	75.2 – 93.6% (average 87.7%)
LTI which reached the end of its performance period on 30 June 2024	95.93% of the award vested, being: <ul style="list-style-type: none"> 91.86% vesting for the Relative TSR hurdle 100% vesting for the Statutory EPS hurdle 	

Remuneration Report

for the year ended 30 June 2024 continued

Our remuneration governance



The role of our People and Remuneration Committee (Committee) is to ensure alignment of nib’s remuneration framework and executive reward strategy against the short and long-term performance of the nib Group, assessed through a combination of financial and non-financial measures. The Committee also has an ongoing role to assess remuneration and performance to ensure it is consistent with shareholder and community expectations.

As part of this process, the Committee seeks advice and feedback from a range of external stakeholders, including remuneration consultants, proxy advisers and major shareholders.

When assessing our remuneration framework strategy, the Committee ensures there is a clear link to nib’s culture and values as well as risk management and business strategy. Guiding this process is an intent to create a workplace and environment that attracts, retains, develops and appropriately rewards our people. External factors such as the operating environment, governance and regulatory expectations also feed into this process.

The People and Remuneration Committee as at 30 June 2024 are:

Jacqueline Chow (Chair)

Peter Harmer

Donal O’Dwyer

Brad Welsh

Shareholders can view the Committee Charter on the nib website (nib.com.au/shareholders).

Executive remuneration structure

Executive remuneration is based on nib's performance assessed using a combination of metrics and timeframes, ensuring reward is linked to decision-making and performance, aligned to our values and culture, is sustainable, consistent with our long-term business strategy and shareholder value creation.

The structure of our executive remuneration arrangements are set against a comparator group of listed organisations or peers, which nib determines in consultation with external remuneration advisors. The aim is to position the total target remuneration of our Executive Management team between the 50th and 75th percentile of benchmarked companies. The Committee also considers shareholder views when setting the remuneration of our MD/CEO and Executive Management team, with feedback shared by the Committee.

nib's remuneration framework and executive reward strategy provides a mix of fixed and variable remuneration assessed against short and long-term performance. There are three components to total remuneration:

- fixed remuneration, comprising a base remuneration package, superannuation (or KiwiSaver) and insurance cover;
- short-term incentives based on pre-determined Group and individual targets established by the Board; and
- long-term incentives based on pre-determined Total Shareholder Return (TSR) and Statutory Earnings Per Share (EPS) performance hurdles, established by the Board.

A significant portion of remuneration for our Executives is performance-based or "at risk" through Short-Term Incentives (STI) and Long-Term Incentives (LTI). All Executives' performance-based incentives (STI and LTI) include malus and clawback provisions.

If the Board becomes aware of a material misstatement of our financial accounts or statements or any other pertinent event under the plan rules, and nib has awarded an Executive an incentive payment or award, short or long-term, having regard to the event, the Board may (at its absolute discretion), require the Executive to:

- repay the Company any short or long-term incentive received; or
- forfeit or cancel any short or long-term award (vested or unvested).

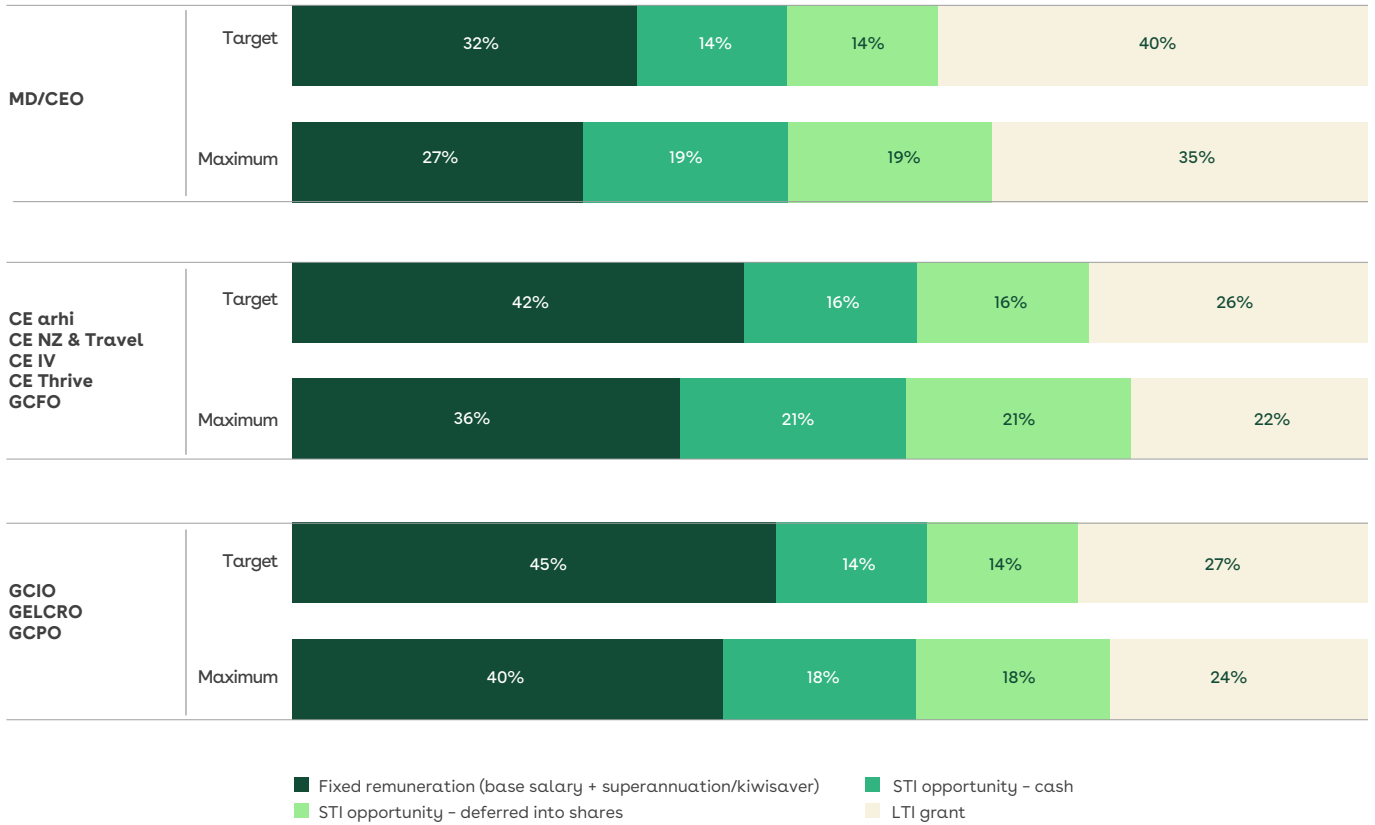
When granting a variable remuneration component for each Executive relating to the performance period, such as STI and LTI Awards, the Board also ensures any governance, adverse risk reputation and conduct outcomes, or audit issues are factored into the quantum of payments to each Executive. To support this, a formal risk and conduct modifier is incorporated into our STI Plan design where our People and Remuneration Committee assess each Executive's risk performance, in consultation with the Chief Risk Officer and our Risk and Reputation Committee, to determine any applicable adjustments to remuneration outcomes.

Remuneration Report

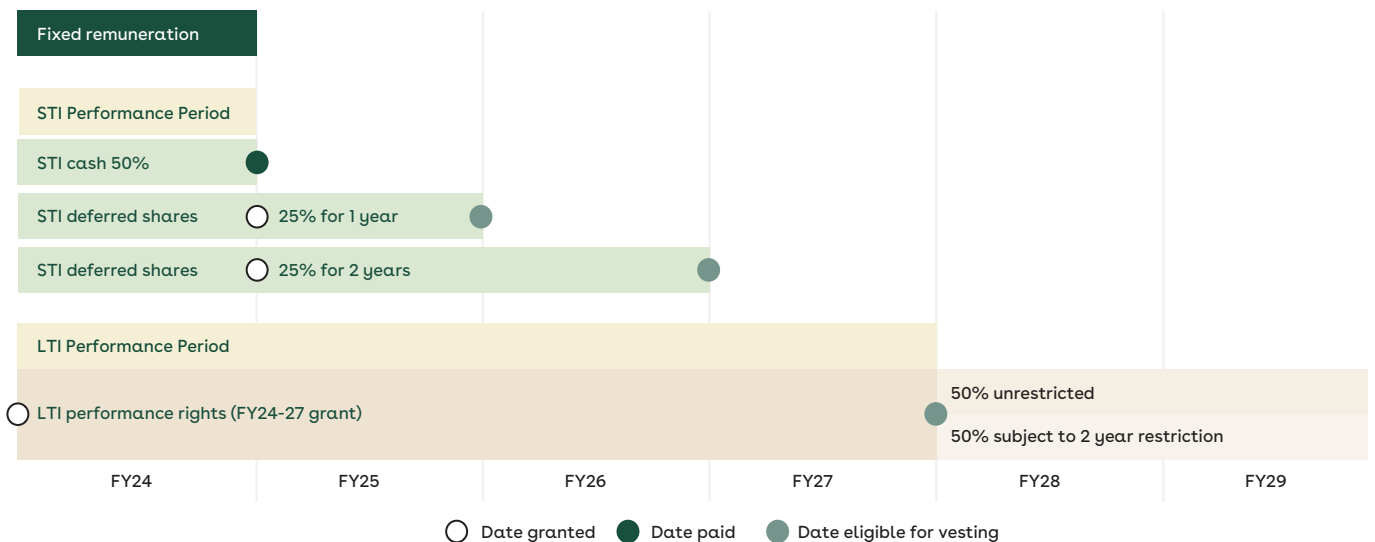
for the year ended 30 June 2024 continued

Executive remuneration mix

The graph below illustrates the FY24 remuneration mix for our Executives at target and maximum opportunity. A large portion of executive remuneration is "at risk" and subject to meeting performance hurdles as set out through the STI and LTI for each Executive.



The following diagram provides an illustrative indication of how FY24 financial year remuneration will be delivered to Executives:



Executive remuneration mix – fixed remuneration

Fixed remuneration for Executives reflects their core responsibilities and duties, which is determined with reference to a benchmarking process, external market factors, competition to attract and retain talent, as well as consideration of the expertise of the individual in the role. Fixed remuneration is generally positioned between the 50th and 75th percentile of benchmarked companies, with consideration to adjust based on the size and specialty of the role, as well as the skills and experience of the Executive.

Fixed remuneration includes cash salary and superannuation (or KiwiSaver), plus insurance cover. Fixed remuneration may be salary packaged at no additional cost to the Group. Adjustments to an Executive's remuneration are generally only made where their remuneration is below benchmarked companies or there is a material change in the Executive's responsibilities.

nib typically seeks guidance from external remuneration consultants every two years. In May 2023, nib engaged Ernst & Young (EY) to provide remuneration benchmarking data which the Committee considered along with a range of other factors in determining both the FY24 and FY25 remuneration reviews. The information provided by EY did not constitute a remuneration recommendation in relation to KMP as defined by Division 1 of part 1.2 of Chapter 1 of the *Corporations Act 2001*.

The companies that make up our peer group for assessing benchmark remuneration data include the following sectors and industries:

- Australian market capitalisation comparator group (all roles except the CEO NZ & Travel): this includes ASX200 companies within 50-200% of nib's market capitalisation;
- Australian industry-based comparator group (all roles except the CEO NZ & Travel): this includes selected ASX200 financial services and healthcare companies within 33-300% of nib's market capitalisation;
- New Zealand industry-based comparator group (CEO NZ & Travel only): both listed and unlisted financial services companies in New Zealand.

In setting executive remuneration for FY25, the Board carefully considered the remuneration benchmarking data, along with a range of other factors, including the performance of the Company, the external competitive market and shareholders' views. Taking these factors into account, the Board determined increases to fixed remuneration for FY25 of 3.5% (rounded up to the next \$500) for all Executives (excluding the MD/CEO) to ensure remuneration levels remain competitive and aligned to market rates. Considering the MD/CEO transition occurring in FY25, the Board has determined there will be no fixed remuneration increase for the incumbent MD/CEO in FY25.

Details of FY24 and FY25 fixed remuneration arrangements for all Executives are provided below:

Executives	Total fixed remuneration ¹	
	FY24	FY25
Mark Fitzgibbon ²	1,250,000	1,250,000
Edward Close ³	-	1,050,000
Edward Close ⁴	700,000	724,500
Martin Adlington	480,000	497,000
James Barr	480,000	497,000
Lauren Daniels	450,000	466,000
Nick Freeman	750,000	776,500
Rob Hennin ⁵	NZD 730,000	NZD 756,000
Brendan Mills	550,000	569,500
Roslyn Toms	550,000	569,500

1. Includes base salary and superannuation/KiwiSaver.

2. Incumbent MD/CEO has provided 12 months' notice of retirement, with their notice period to commence on 1 September 2024. Part of their contractual notice period will be served in-role in FY25 with the balance of notice served on leave.

3. Fixed remuneration for MD/CEO role. Will be pro-rated in FY25 to reflect time in role.

4. Fixed remuneration for CE ARHI role. Will be pro-rated in FY25 to reflect time in role.

5. Includes base salary and employer contributions to KiwiSaver, reflected in New Zealand dollars.

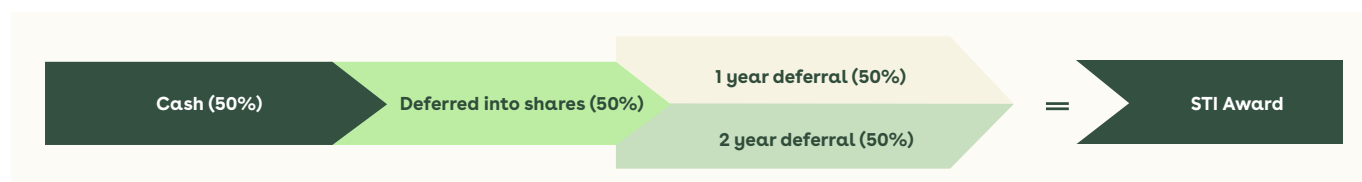
Remuneration Report

for the year ended 30 June 2024 continued

Executive remuneration mix – variable remuneration

Short-term incentives (STI)

nib's short-term incentive (STI) plan for each Executive is structured as follows.



The Board is responsible for assessing the performance of the MD/CEO and the MD/CEO is responsible for assessing the performance of other Executives. The performance assessment is overlaid with a formal review of each Executive's risk performance, which the Committee carries out in consultation with the Risk and Reputation Committee and nib's Chief Risk Officer.

For FY24, the MD/CEO's Target STI was 90% of fixed remuneration with other Executives between 60%-75% of fixed remuneration. The maximum STI for all Executives (including the MD/CEO) is 150% of Target. A condition of acceptance for each Executive in the STIP is the requirement that 50% of the STI be deferred into shares, with 50% having a one-year deferral and the remaining 50% deferred for two years. These shares are subject to a risk of forfeiture during the deferral period under malus and clawback conditions.

Actual STI outcomes are determined based on assessment of performance against the following components:

- 1) **Group Scorecard** which comprises a mix of financial and non-financial measures for which shared accountability or significant collaboration is critical to success. The Group scorecard acts as a multiplier when calculating STI outcomes for all nib Group employees, including Executives. Further detail on the Group Scorecard is included on page 38.
- 2) **Individual Scorecards** comprising financial and non-financial measures which vary based on each Executive's scope of accountability and influence. All individual scorecards include a component that is weighted to 'strategy delivery' goals which is designed to incentivise and reward progress against key milestones and initiatives that contribute to achievement of the Group's strategic plan. The MD/CEO provides a detailed assessment of each Executive's progress and achievements in relation to their individual scorecard which the Board considers, to determine the individual scorecard result for each Executive.

For the MD/CEO, the Board determines an individual performance score based on an assessment that considers the following factors:

- Leadership
- Strategic planning
- Shareholder return
- Customer satisfaction
- Operations and people
- Financial management
- Board relations
- Public image and professional development

nib does not disclose individual performance hurdles and metrics if they are commercially or strategically sensitive.

The table on page 38 details the remuneration outcomes for the MD/CEO against performance criteria for the FY24 STI award. The table on page 39 shows the STI award for each Executive for FY24.

The table below outlines the Target STI opportunity applicable to each Executive in FY24 which are unchanged in FY25.

Executives	Target STI (% of fixed remuneration)	
	FY24	FY25
Mark Fitzgibbon ¹	90%	90%
Edward Close ²	-	90%
Edward Close ³	75%	75%
Martin Adlington	75%	75%
James Barr	75%	75%
Lauren Daniels	60%	60%
Nick Freeman	75%	75%
Rob Hennin	75%	75%
Brendan Mills	60%	60%
Roslyn Toms	60%	60%

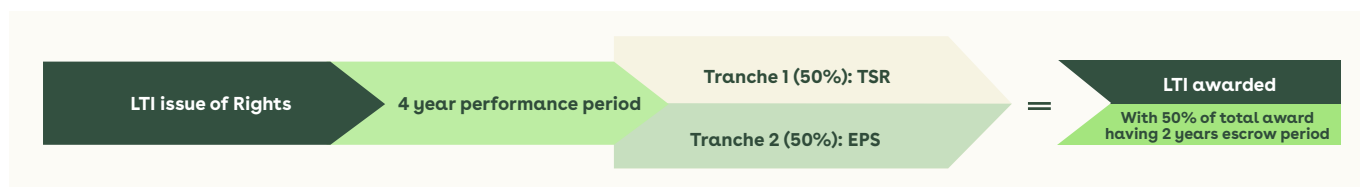
1. Incumbent MD/CEO will be eligible for an FY25 STI subject to the Board's assessment of the relevant performance conditions, in the ordinary course.

2. Target STI for MD/CEO role.

3. Target STI for CE ARHI role.

Long-term incentives (LTI)

nib's long-term incentive plan (LTIP) for each Executive is structured as follows:



The purpose of the LTI is to balance short-term performance objectives with the creation of long-term shareholder value by focusing overall Group performance over a multi-year period.

The nib LTI is an incentive provided to eligible Executives if specific measures are met over a four-year period. LTI targets are set in the interests of creating long-term shareholder value and to assist nib to attract, reward, motivate and retain executives.

LTI participants are granted performance rights that enable the Executive to acquire shares in nib for nil consideration if performance conditions are met and the Executive is still employed by nib at the end of the vesting period. No dividends are received on unvested rights.

Participation in the LTIP is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The performance hurdles for the nib LTI are Total Shareholder Return (TSR) relative to the S&P/ASX200 over four years and Statutory EPS growth over the performance period. The LTI is allocated in two equal tranches; 50% for TSR and 50% for Statutory EPS. The Board's view is that our current LTI performance hurdles being EPS and TSR relative to S&P/ASX200 group of companies remain appropriate and aligned with our remuneration philosophy. We continue to assess the appropriateness of these performance hurdles each year and consult with shareholders, proxy advisors and other shareholder representative groups regarding any future amendments to ensure they are aligned to shareholders' interests and regulatory requirements.

A condition of acceptance for each Executive in the LTIP is the requirement for 50% of the LTI to have a two-year escrow period. This escrow period extends beyond employment at nib ceasing, including termination.

If vesting conditions are met, the performance rights will vest following the end of the performance period. On the vesting date, Executives who hold vested performance rights will be either issued or transferred shares in nib for each vested performance right. There is no re-testing of performance.

Remuneration Report

for the year ended 30 June 2024 continued

Executive remuneration mix – variable remuneration continued

Long-term incentives (LTI) continued

The vesting date may be accelerated at the Board’s discretion in the following circumstances:

- If an Executive is employed or engaged by a member of the Group, if there is a winding up of the Company, a delisting of the Company, a change of control, reconstruction or amalgamation of the Company, or a cessation of employment as a result of redundancy or retirement of the Executive, or the death, serious incapacity, serious disability or serious illness of the Executive or their spouse, partner or dependent child;
- When an Executive ceases to be employed or engaged by a member of the Group, in the event of death, serious incapacity, serious disability or serious illness of the Executive, or only as many performance rights as are required to enable the Executive to comply with all taxation obligations arising from the acceleration of any performance rights at cessation of employment or engagement; or
- Whilst an Executive remains a holder of unvested performance rights following cessation of employment or engagement, if there is a winding up of the Company, a delisting of the Company, a change of control, reconstruction or amalgamation of the Company, or death of the Executive, provided that the treatment of these unvested performance rights is the same as the treatment of unvested performance rights held by an Executive who remains employed or engaged by a member of the Group.

The table below outlines the LTI opportunity applicable to each Executive in FY24 which are unchanged in FY25.

Executives	LTI opportunity (% of fixed remuneration)	
	FY24	FY25
Mark Fitzgibbon ¹	125%	–
Edward Close ²	–	125%
Edward Close ³	60%	60%
Martin Adlington	60%	60%
James Barr	60%	60%
Lauren Daniels	60%	60%
Nick Freeman	60%	60%
Rob Hennin	60%	60%
Brendan Mills	60%	60%
Roslyn Toms	60%	60%

1. Incumbent MD/CEO is not eligible for an FY25 LTI grant. All performance rights currently on foot will continue to vest on the dates, and subject to the performance conditions, set out in the Terms of Conditions for each award of Performance Rights.

2. LTI Opportunity for MD/CEO role.

3. LTI Opportunity for CE ARHI role.

Executive remuneration for the financial year ended 30 June 2024

Actual remuneration received

Actual remuneration for each Executive in FY24 included a fixed component, as well as a variable or at-risk component, made up of an STI payment and LTI award.

The table below details remuneration received by Executives during the financial year, including:

- fixed pay and other benefits paid during the financial year;
- the value of STI awards (cash and shares held in escrow) received during the financial year; and
- the value of prior years' deferred LTI awards that vested during the financial year.

Statutory remuneration disclosures prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards differ to the numbers presented below, as they include expensing for equity grants that are yet to realise or may never be realised. Statutory remuneration table is presented on page 44.

Actual remuneration received (non-statutory)	STI applicable to the FY23 year paid in Sept 2023 (FY24) ²			LTI vested in FY24 ³	Total reward (received or available)
	Total fixed remuneration ¹	Cash	Shares held in escrow		
	\$	\$	\$	\$	\$
Mark Fitzgibbon	1,250,000	706,397	706,397	1,134,831	3,797,625
Martin Adlington	480,000	140,581	140,581	-	761,162
James Barr	479,606	144,908	144,908	-	769,422
Edward Close	700,000	276,483	276,483	113,475	1,366,441
Lauren Daniels	450,000	89,956	84,109	-	624,065
Nick Freeman	750,000	334,173	334,173	-	1,418,346
Rob Hennin	710,795	255,368	255,368	218,593	1,440,124
Brendan Mills	550,000	167,713	167,713	161,547	1,046,973
Roslyn Toms	550,000	171,961	171,961	158,444	1,052,366
	5,920,401	2,287,540	2,281,693	1,786,890	12,276,524

1. Total fixed remuneration comprises cash salaries and fees, superannuation and leave entitlements paid on termination.

2. FY23 STI paid in the FY24 year.

3. Value of shares issued during the year on exercise of performance rights.

Remuneration Report

for the year ended 30 June 2024 continued

Executive remuneration for the financial year ended 30 June 2024 continued

Short-term incentives for the financial year ended 30 June 2024

Measure	Weight	Target	Performance outcome (% of Target)					% of Target awarded	FY24 Achievement
			Below threshold (0% award)	Threshold to Target (50-100% award)	At Target (100% award)	Above Target (100-124% award)	Stretch (125% award)		
Financial (50%)									
Group underlying revenue ¹	20%	\$3,368.3m		●				93.8%	Group underlying revenue was below target at \$3,357.8m (up 9.3% from FY23) driven by lower growth in developed adjacencies.
Group underlying operating profit ²	20%	\$245.0m					●	112.9%	The Group delivered a UOP of \$257.5m, 5.1% above target (up 77.3% on FY23).
Group earnings per share (adjusted for M&A costs)	10%	41.2 cps					●	105.9%	Adjusted EPS was 42.2 cps (with M&A costs accounting for a 3.9 cent variance to the Statutory EPS).
Customer (15%)									
Group NPS ³	15%	+37	●					0%	The FY24 Group NPS result was +33, down 2 points from FY23. Whilst results for ishi, iwih and travel were favourable to the prior year, arhi and NZ were down on FY23 results.
People, Leadership & Culture (15%)									
Group employee engagement	10%	79%		●				66.7%	The FY24 employee engagement score was 77%, down 4 bps from 81% in FY23. Whilst below target, this result remains above the global benchmark of 73%.
Group Diversity, Equity & Inclusion	5%	Board assessment against FY24 Targets			●			100%	The Board assessed performance against nib's diversity measurable objectives, our FY24-26 Diversity & Inclusion Action Plan, and Group Inclusion Score. The Board assessed DEI performance in FY24 as on target.
Strategy Delivery (20%)									
Group Sustainability Results	5%	Board assessment against FY24 Targets			●			100%	Performance was assessed based on achievement against nib's FY24 Sustainability Targets (as disclosed in nib's FY23 Sustainability Report). Of the 20 targets, the Board assessed 16 as being fully achieved and 2 as partly achieved. Refer to nib's FY24 Sustainability Report for further detail.
Group Payer to Partner (P2P) Strategy Milestones	15%	Board assessment against FY24 Targets					●	115%	At the beginning of FY24, the Board set a range of ambitious targets focused on accelerating nib's P2P transformation. Targets included metrics such as healthcare networks growth, member engagement in health programs and healthcare product and service development. The Board assessed P2P performance as above target.
Group Scorecard Result							86.0%		
CEO Performance Assessment							x		
The Board assessed the CEO's performance against the criteria outlined on page 34 and awarded 110% of target, reflecting exceptional FY24 performance.							110%		
Risk & Conduct Modifier							N/A	No adjustment	
CEO STI Award (% of Target)							94.6%		

1. Net premium revenue, other underwriting revenue and other income from non-underwriting businesses, excluding one-off transactions. Includes gross revenue for midnight health.
2. Underwriting result, other income and expenses including non-underwriting businesses. It excludes amortisation of acquired intangibles, one-off transactions (integration of acquired business, establishment of business costs as well as extraordinary legal fees), merger and acquisition costs, finance costs, net investment income and income tax.
3. Group NPS is calculated using a weighted average result by segment underlying revenue for arhi, iwih, nz and nib travel.

Actual STI Awards for each Executive (as a percentage of target and maximum) are set out below.

Executives	FY24		FY23	
	% of Target	% of Maximum	% of Target	% of Maximum
Mark Fitzgibbon	94.6%	63.1%	130.0%	86.7%
Edward Close	88.1%	58.7%	119.8%	79.9%
Martin Adlington	89.7%	59.8%	121.1%	80.8%
James Barr	86.0%	57.3%	124.9%	83.2%
Lauren Daniels	92.5%	61.7%	120.9%	80.6%
Nick Freeman	93.6%	62.4%	125.9%	83.9%
Rob Hennin	75.2%	50.1%	114.2%	76.2%
Brendan Mills	85.9%	57.3%	117.6%	78.4%
Roslyn Toms	90.5%	60.3%	120.5%	80.4%

Long-term incentives for the financial year ended 30 June 2024

nib LTI performance rights vest in accordance with the achievement of the following vesting conditions:

Vesting Condition 1	Vesting Condition 2
50% of the performance rights (Tranche 1)	50% of the performance rights (Tranche 2)
Total shareholder return targets (TSR Hurdle) for the relevant performance period are met	Earnings per share growth targets (EPS Hurdle) for the relevant performance period are met

TSR Hurdle (Tranche 1)

For the four-year performance period ended 30 June 2024, nib's TSR was ranked at the 71st percentile to our peer group (S&P/ASX 200). As per the TSR vesting conditions for the FY21-24 LTI (as set out below) this translates to a 91.86% vesting of the performance rights for Tranche 1.

nib's TSR performance compared to the relevant peer group	Performance of Tranche 1 performance rights vesting
>= 75th percentile	100%
>= 50th percentile to 74th percentile	Pro-rata straight line vesting between 50% and 74%
< 50th percentile	0%

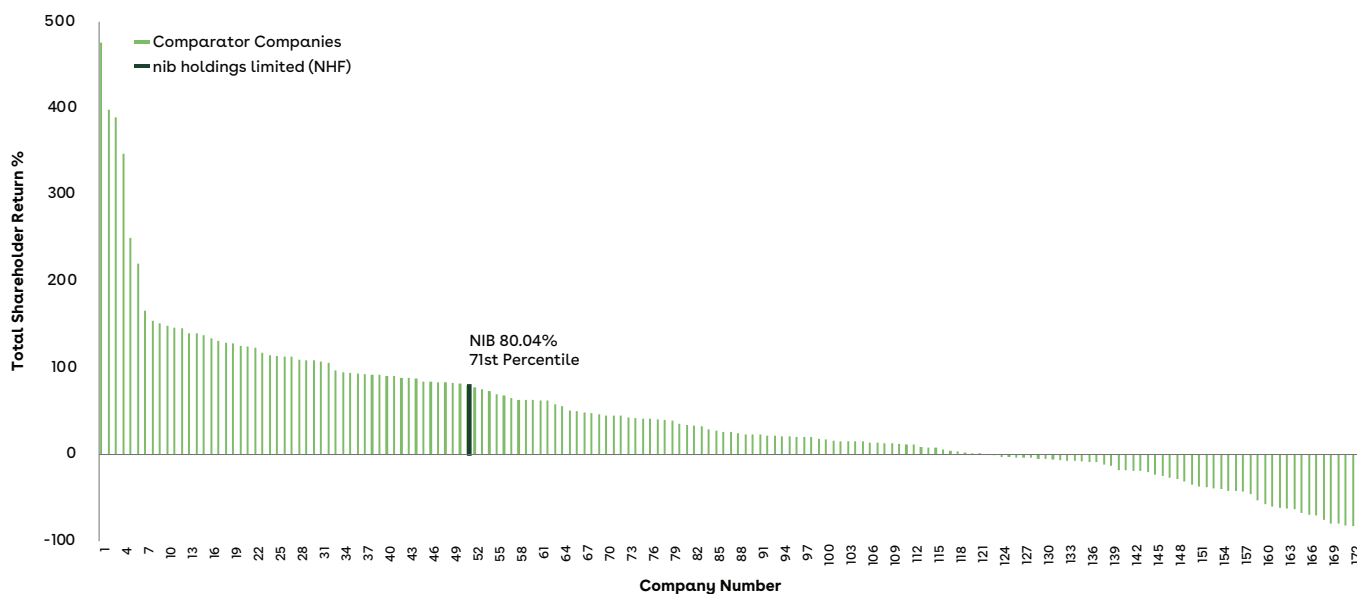
Remuneration Report

for the year ended 30 June 2024 continued

Executive remuneration for the financial year ended 30 June 2024 continued

Long-term incentives for the financial year ended 30 June 2024 continued

Relative TSR Performance
(1 July 2020 – 30 June 2024)



Source: Orient Capital (as at 30 June 2024). In accordance with the terms of the LTI Grant, ranking excludes companies that were delisted from the ASX during the performance period.

Statutory EPS Hurdle (Tranche 2)

For the 12 months to 30 June 2024 nib's Statutory EPS was 38.3 cps. As per the Statutory EPS vesting conditions for the FY21-24 LTI (as set out below) this translates to Statutory EPS CAGR of 17.9% from the base Statutory EPS of 19.8 cps and 100% vesting of the performance rights for Tranche 2.

Percentage of performance rights vesting	FY21-FY24 LTIP
100%	33.4cps
75%	31.2cps
50%	29.0cps
25%	26.9cps
0%	nil

For the purpose of the calculation, 25% to 50% will be discrete thresholds, with performance above the 50% entitlement calculated on a pro rata basis to a maximum entitlement of 100%.

Linking remuneration with performance

The components of remuneration that are linked to performance are the STI and LTI plans. Refer table on page 38 for summary of performance versus target against each FY24 STI component for the MD/CEO. The Five-Year Summary on page 12 details the Group's financial performance and KPI results for the last five years.

Executive employment conditions

Executive contracts summarise employment terms and conditions, including remuneration arrangements and compensation.

A significant portion of remuneration for our Executives is performance based through STI and LTI arrangements. Executives have claw-back arrangements and a malus condition in place for performance-based remuneration such as STI and LTI received.

The table below provides a summary of the agreements which were last reviewed in FY23:

	Service agreement effective	Termination provisions	
		Notice by nib	Notice by employee
MD/CEO	Permanent	12 months	12 months
Other Executives	Permanent	6 months ¹	6 months

1. Existing executive service agreements (prior to FY23 review) that included a notice period greater than 6 months will be grandfathered. This applies to B Mills (12 months) and R Hennin (9 months).

Termination payments

Where notice is given by nib, the Group may make a payment in lieu of all or part of the notice period.

The Executive may also receive the following benefits upon termination:

- a pro-rata STI payment based on the period of the financial year during which the Executive was employed and the Board's assessment of the Executive's performance against the key performance indicators as at the date of termination; and/or
- the Board has discretion to determine that all or a portion of unvested performance rights of a participant of the LTIP are to be vested upon termination (in circumstances allowed by the LTI Plan Rules).

At the 2011 Annual General Meeting nib received shareholder approval for both current and future Key Management Personnel for the payment of termination benefits that may exceed the 12-month salary limit on termination benefits under the *Corporations Act 2001*. In 2012, in response to shareholder feedback, the Board determined that this approval will only be relied upon for Key Management Personnel who were Key Management Personnel at the date of shareholder approval.

Minimum shareholding requirements

While nib does not set minimum shareholding requirements on our Executives, the Board's view is that the deferral arrangements under the STI and LTI means all Executives have an appropriate minimum equity holding.

Remuneration Report

for the year ended 30 June 2024 continued

Non-Executive Director remuneration

Fees and payments to Non-Executive Directors (NEDs) reflect the Board role, market fee levels, and the objective of the Group to attract highly skilled and experienced non-executive directors.

Non-Executive Director fees

Our NEDs are paid a base fee and an additional fee for being members of other nib Board Committees. Non-Executive Director fees are reviewed annually by the Committee and approved by the Board.

nib typically seeks guidance from external remuneration consultants every two years. In May 2023, we engaged EY to conduct benchmarking and market remuneration analysis, which the Committee used together with a range of other factors and supplementary data to inform our FY24 and FY25 analysis. The information provided by EY did not constitute a remuneration recommendation in relation to KMP as defined by Division 1 of part 1.2 of Chapter 1 of the *Corporations Act 2001*. For FY25, the Board approved a 3.5% increase to NEDs fees (rounded up to the next \$100).

Fees for NEDs of nib holdings limited are determined within the \$1.9 million aggregate fee pool limit set at the AGM in November 2017. The pool includes all fees payable to NEDs for service on the nib holdings limited Board and subsidiary boards, where applicable. Directors' fees and superannuation are paid out of this pool. Travel allowances, non-monetary benefits and retirement benefits are not included in this pool.

The following table shows the fees (inclusive of superannuation) for nib's Australian Boards and Committees:

	2024 \$	2023 \$
Base fees		
Chairman	350,000	336,700
Other Non-Executive Directors	144,500	139,600
Additional fees¹		
Audit committee		
Chairman	36,000	34,700
Member	15,200	14,600
Risk and Reputation committee		
Chairman	36,000	34,700
Member	15,200	14,600
People and Remuneration committee		
Chairman	36,000	34,700
Member	15,200	14,600
Nomination committee		
Chairman	-	-
Member	-	-

1. The Chairman of the Board does not receive additional fees for involvement in Committees.

The following fees (inclusive of superannuation) for the New Zealand Boards and Committees have applied:

	2024 \$	2023 \$
NZ Base fees¹		
Chairman ²	106,301	82,498
Member (AU domiciled) ³	55,000	44,300
Member (NZ domiciled)	54,075	41,891
NZ Board, Audit, Risk and Compliance committee¹		
Chairman (AU domiciled) ³	12,100	11,000
Member	-	-

1. All amounts are converted to AUD.

2. The Chairman and NZ domiciled Directors of the NZ Board are not members of the nib holdings limited Board.

3. AU domiciled Director is Anne Loveridge who is also a Director of nib holdings limited. Anne Loveridge is the Chairman of the NZ Board Audit, Risk and Compliance committee.

nib's Corporate Governance Statement (which is available at www.nib.com.au/shareholders/company-profile/corporate-governance) includes the committee membership of each Non-Executive Director of nib holdings limited.

Minimum shareholding requirements (MSR)

All Non-Executive Directors (nib holdings limited only) are required to hold a minimum of 100% of the annual base Director's fee in shares, which is to be accumulated within four years of appointment.

Compliance with the MSR is tested annually using the relevant base fee (Chairman or Director fee) and the higher of:

- a) the market value at 30 June each year, calculated using the volume-weighted average price for the 30 days up to and including 30 June; or
- b) the market value on the date the shares were acquired.

All current Non-Executive Directors (nib holdings limited) comply with this requirement as at 30 June 2024, or are within the four-year accumulation period.

Remuneration Report

for the year ended 30 June 2024 continued

Detailed disclosure of Executive remuneration

The following table shows details of the remuneration expense recognised for the Group's Key Management Personnel (KMP). The remuneration is measured in accordance with the requirements of the accounting standards with additional information provided for performance rights vested during the year.

Executives	Short-term employee benefits		Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments				Total \$
	Cash salary and fees ¹ \$	Cash bonus \$	Non-monetary benefits ² \$	Super-annuation \$	Long service leave \$	Termination benefits \$	Bonus ³ \$	Performance rights expense \$	Performance rights additional value at vesting ⁴ \$	
2024										
Mark Fitzgibbon	1,222,676	531,875	19,925	27,399	(46,459)	-	531,875	894,547	548,688	3,730,526
Martin Adlington	430,458	161,520	7,515	27,399	8,002	-	161,520	87,381	-	883,795
James Barr	443,389	154,800	7,515	27,399	7,996	-	154,800	87,381	-	883,280
Edward Close	659,206	231,350	10,979	27,399	11,692	-	231,350	201,775	78,191	1,451,942
Lauren Daniels	422,601	124,875	7,239	27,399	7,516	-	124,875	47,634	-	762,139
Nick Freeman	719,721	263,250	12,033	27,399	-	-	263,250	246,208	-	1,531,861
Rob Hennin	637,855	192,419	25,340	56,281	-	-	192,419	203,617	105,683	1,413,614
Brendan Mills	501,503	141,625	12,238	27,399	9,178	-	141,625	164,794	78,103	1,076,465
Roslyn Toms	531,103	149,325	7,917	27,399	(16,216)	-	149,325	162,058	76,601	1,087,512
	5,568,512	1,951,039	110,701	275,473	(18,291)	-	1,951,039	2,095,395	887,266	12,821,134
2023										
Mark Fitzgibbon	1,167,328	706,397	34,785	28,543	(3,096)	-	706,397	971,873	671,429	4,283,656
Martin Adlington	404,097	140,581	8,738	25,292	7,028	-	140,581	49,776	-	776,093
James Barr	406,089	144,908	6,497	25,292	7,033	-	144,908	49,776	-	784,503
Edward Close	604,214	276,483	7,417	25,292	64,781	-	276,483	164,673	-	1,419,343
Lauren Daniels	343,080	89,956	5,710	25,292	32,541	-	84,109	12,519	-	593,207
Nick Freeman	696,160	334,173	13,421	28,242	-	-	334,173	187,001	-	1,593,170
Anna Gladman	273,268	21,245	5,110	18,969	-	289,403	21,245	36,142	-	665,382
Rob Hennin	560,523	247,921	25,350	49,135	-	-	241,674	205,105	125,368	1,455,076
Brendan Mills	484,034	167,713	6,748	25,292	7,925	-	167,713	161,739	95,598	1,116,762
Matt Paterson	310,277	41,065	4,886	18,969	-	323,355	41,065	66,980	-	806,597
Roslyn Toms	442,091	171,961	8,655	25,292	(10,365)	-	171,961	158,213	91,741	1,059,549
	5,691,161	2,342,403	127,317	295,610	105,847	612,758	2,330,309	2,063,797	984,136	14,553,338

1. Includes cash salary and fees and short-term compensated absences, such as annual leave entitlements accrued during the year.

2. Non-monetary benefits includes insurance cover and cost of benefits and associated Fringe Benefits Tax.

3. Includes bonus share rights. Refer to Share-based payments.

4. The Performance rights additional value at vesting represents the difference between fair value at grant date and the value at vesting date which is not included in statutory remuneration.

Detailed disclosure of Non-Executive remuneration

Details of the remuneration of the Directors of the nib holdings group are set out in the following tables.

Non-Executive Directors	Short-term employee benefits		Post-employment benefits	Total \$
	Cash salary and fees \$	Non-monetary benefits ¹ \$	Superannuation \$	
2024				
David Gordon	322,601	-	27,399	350,000
Jacqueline Chow	208,438	-	6,325	214,763
Peter Harmer	176,306	-	19,394	195,700
Anne Loveridge	262,800	-	-	262,800
Donal O'Dywer	157,568	-	17,332	174,900
Jill Watts	146,313	-	16,094	162,407
Brad Welsh	146,313	-	16,094	162,407
	1,420,339	-	102,638	1,522,977
2023				
David Gordon	311,408	-	25,292	336,700
Lee Ausburn	66,049	6,062	6,935	79,046
Jacqueline Chow	247,800	-	-	247,800
Peter Harmer	172,447	-	18,107	190,554
Anne Loveridge	253,544	-	-	253,544
Donal O'Dywer	167,172	-	17,553	184,725
	1,218,420	6,062	67,887	1,292,369

1. Non-monetary benefits includes a retirement gift and associated fringe benefits tax.

Remuneration Report

for the year ended 30 June 2024 continued

Equity instruments held by Key Management Personnel

Reconciliation of performance rights held by KMP

The numbers of performance rights over ordinary shares in the Company held during the financial year by each Executive of nib holdings limited are set out below.

Name and grant dates	Balance at the start of the year unvested	Granted as compensation	Vested and exercised		Lapsed		Other changes	Balance at the end of the year		
			Number	%	Number	%		Vested and exercisable	Unvested	
Mark Fitzgibbon										
11 Dec 2019 (FY20 – FY23 LTIP)	200,632	-	139,730	70%	60,902	30%	-	-	-	
27 Nov 2020 (FY21 – FY24 LTIP)	314,792	-	-	-	-	-	-	-	314,792	
26 Nov 2021 (FY22 – FY25 LTIP)	220,251	-	-	-	-	-	-	-	220,251	
2 Dec 2022 (FY23 – FY26 LTIP)	189,748	-	-	-	-	-	-	-	189,748	
1 Dec 2023 (FY24 – FY27 LTIP)	-	195,046	-	-	-	-	-	-	195,046	
Martin Adlington										
27 Nov 2020 (FY21 – FY24 LTIP)	12,247	-	-	-	-	-	-	-	12,247	
26 Nov 2021 (FY22 – FY25 LTIP)	17,612	-	-	-	-	-	-	-	17,612	
2 Dec 2022 (FY23 – FY26 LTIP)	21,220	-	-	-	-	-	-	-	21,220	
1 Dec 2023 (FY24 – FY27 LTIP)	-	35,951	-	-	-	-	-	-	35,951	
James Barr										
27 Nov 2020 (FY21 – FY24 LTIP)	12,247	-	-	-	-	-	-	-	12,247	
26 Nov 2021 (FY22 – FY25 LTIP)	17,612	-	-	-	-	-	-	-	17,612	
2 Dec 2022 (FY23 – FY26 LTIP)	21,220	-	-	-	-	-	-	-	21,220	
1 Dec 2023 (FY24 – FY27 LTIP)	-	35,951	-	-	-	-	-	-	35,951	
Edward Close										
28 Feb 2020 (FY20 – FY23 LTIP)	20,063	-	13,972	70%	6,091	30%	-	-	-	
27 Nov 2020 (FY21 – FY24 LTIP)	63,305	-	-	-	-	-	-	-	63,305	
26 Nov 2021 (FY22 – FY25 LTIP)	46,681	-	-	-	-	-	-	-	46,681	
2 Dec 2022 (FY23 – FY26 LTIP)	43,446	-	-	-	-	-	-	-	43,446	
23 Jun 2023 (FY23 – FY26 LTIP)	2,973	-	-	-	-	-	-	-	2,973	
1 Dec 2023 (FY24 – FY27 LTIP)	-	52,428	-	-	-	-	-	-	52,428	
Lauren Daniels										
2 Dec 2022 (FY23 – FY26 LTIP)	13,716	-	-	-	-	-	-	-	13,716	
1 Dec 2023 (FY24 – FY27 LTIP)	-	33,704	-	-	-	-	-	-	33,704	
Nick Freeman										
27 Nov 2020 (FY21 – FY24 LTIP)	88,548	-	-	-	-	-	-	-	88,548	
26 Nov 2021 (FY22 – FY25 LTIP)	61,970	-	-	-	-	-	-	-	61,970	
2 Dec 2022 (FY23 – FY26 LTIP)	53,403	-	-	-	-	-	-	-	53,403	
1 Dec 2023 (FY24 – FY27 LTIP)	-	56,173	-	-	-	-	-	-	56,173	

Name and grant dates	Balance at the start of the year unvested	Granted as compensation	Vested and exercised		Lapsed		Other changes	Balance at the end of the year		
			Number	%	Number	%		Vested and exercisable	Unvested	
Rob Hennin										
11 Dec 2019 (FY20 – FY23 LTIP)	38,648	-	26,915	70%	11,733	30%	-	-	-	
27 Nov 2020 (FY21 – FY24 LTIP)	64,197	-	-	-	-	-	-	-	64,197	
26 Nov 2021 (FY22 – FY25 LTIP)	49,551	-	-	-	-	-	-	-	49,551	
2 Dec 2022 (FY23 – FY26 LTIP)	41,094	-	-	-	-	-	-	-	41,094	
23 Jun 2023 (FY23 – FY26 LTIP)	2,355	-	-	-	-	-	-	-	2,355	
1 Dec 2023 (FY24 – FY27 LTIP)	-	50,345	-	-	-	-	-	-	50,345	
Brendan Mills										
11 Dec 2019 (FY20 – FY23 LTIP)	28,562	-	19,891	70%	8,671	30%	-	-	-	
27 Nov 2020 (FY21 – FY24 LTIP)	49,560	-	-	-	-	-	-	-	49,560	
26 Nov 2021 (FY22 – FY25 LTIP)	41,629	-	-	-	-	-	-	-	41,629	
2 Dec 2022 (FY23 – FY26 LTIP)	35,866	-	-	-	-	-	-	-	35,866	
1 Dec 2023 (FY24 – FY27 LTIP)	-	41,193	-	-	-	-	-	-	41,193	
Roslyn Toms										
11 Dec 2019 (FY20 – FY23 LTIP)	28,014	-	19,509	70%	8,505	30%	-	-	-	
27 Nov 2020 (FY21 – FY24 LTIP)	43,954	-	-	-	-	-	-	-	43,954	
8 Apr 2021 (FY21 – FY24 LTIP)	2,134	-	-	-	-	-	-	-	2,134	
26 Nov 2021 (FY22 – FY25 LTIP)	41,629	-	-	-	-	-	-	-	41,629	
2 Dec 2022 (FY23 – FY26 LTIP)	35,866	-	-	-	-	-	-	-	35,866	
1 Dec 2023 (FY24 – FY27 LTIP)	-	41,193	-	-	-	-	-	-	41,193	

To date nib's practice has been to source equity for remuneration awards from shares purchased on market. Accordingly, there was no dilution from Executive new issue equity awards in FY24.

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are:

LTIP	Grant date	Date vested and exercisable	Expiry date	Exercise price	Value per performance right at grant date	Performance achieved	% Vested
FY20-FY23	11 December 2019	1 September 2023	1 September 2023	nil	\$6.0675	70.0%	70.0%
FY20-FY23	28 February 2020	1 September 2023	1 September 2023	nil	\$4.0758	70.0%	70.0%
FY21-FY24	27 November 2020	1 September 2024	1 September 2024	nil	\$4.4760	96.0%	96.0%
FY21-FY24	8 April 2021	1 September 2024	1 September 2024	nil	\$4.4760	96.0%	96.0%
FY22-FY25	26 November 2021	1 September 2025	1 September 2025	nil	\$5.9205	to be determined	n/a
FY23-FY26	2 December 2022	1 September 2026	1 September 2026	nil	\$5.8174	to be determined	n/a
FY23-FY26	23 June 2023	1 September 2026	1 September 2026	nil	\$7.2368	to be determined	n/a
FY24-FY27	1 December 2023	1 September 2027	1 September 2027	nil	\$6.4536	to be determined	n/a

Remuneration Report

for the year ended 30 June 2024 continued

Equity instruments held by Key Management Personnel continued

Share holdings

The number of shares in the Company held during the financial year by each Director of nib holdings limited and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2024	Balance at the start of the year	Granted during the year as compensation	Shares purchased	Shares sold	Other changes during the year	Balance at the end of the year
Ordinary shares						
Directors of nib group						
David Gordon	50,000	-	-	-	-	50,000
Jacqueline Chow	25,000	-	-	-	-	25,000
Peter Harmer	19,278	-	-	-	-	19,278
Anne Loveridge	35,000	-	-	-	-	35,000
Donal O'Dwyer	43,985	-	-	-	-	43,985
Jill Watts	-	-	7,337	-	-	7,337
Brad Welsh	-	-	-	-	13,087	13,087
Other key management personnel of the Group						
Mark Fitzgibbon	2,617,736	226,707	-	(105,000)	-	2,739,443
Martin Adlington	36,533	17,309	-	-	-	53,842
James Barr	21,882	17,842	-	(6,000)	-	33,724
Edward Close	67,875	48,014	-	-	-	115,889
Lauren Daniels	8,062	10,356	-	-	-	18,418
Nick Freeman	78,584	41,146	-	-	-	119,730
Rob Hennin	359,859	58,196	-	-	-	418,055
Brendan Mills	186,342	40,541	-	-	-	226,883
Roslyn Toms	89,702	40,682	-	(30,001)	-	100,383

Other transactions with KMP

There were no transactions with other related parties during the year.

Corporate Governance Statement

for the year ended 30 June 2024

The nib Board and management are committed to achieving and demonstrating the highest standards of corporate governance and ensuring compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition).

The Board is dedicated to, and responsible for, actively promoting ethical and responsible decision making and practices at nib to ensure that practices are in place to maintain confidence in nib's integrity.

The 2024 Corporate Governance Statement is dated as at 30 June 2024 and reflects the corporate governance practices in place throughout the 2024 financial year. The Corporate Governance Statement was approved by the Board on 24 July 2024. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.nib.com.au/shareholders/company-profile/corporate-governance.

Financial Report

for the year ended 30 June 2024

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Consolidated Income Statement

for the year ended 30 June 2024

	Notes	2024 \$m	Restated ¹ 2023 \$m
Insurance revenue		3,211.6	2,939.3
Insurance service costs - incurred claims		(2,487.2)	(2,330.5)
Insurance service costs - other insurance service expenses		(455.4)	(445.8)
Reinsurance expense		(32.1)	(30.6)
Reinsurance income		15.5	15.7
Insurance service result		252.4	148.1
Other underwriting revenue		4.7	4.8
Insurance operating result		257.1	152.9
Other income	5	153.5	139.1
Other expenses	6	(185.3)	(162.0)
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method		(3.8)	(4.4)
Operating profit		221.5	125.6
Finance income		0.2	0.2
Finance costs	6	(17.6)	(14.0)
Investment income	10	64.3	57.3
Investment expenses	6	(2.6)	(2.6)
Profit before income tax		265.8	166.5
Income tax expense	7	(83.2)	(57.4)
Profit from continuing operations		182.6	109.1
Profit/(loss) from discontinued operation (attributable to equity holders of the company)	28	(1.0)	(0.6)
Profit for the year		181.6	108.5
Profit/(loss) for the year is attributable to:			
Owners of nib holdings limited		185.6	114.4
Non-controlling interests		(4.0)	(5.4)
Charitable foundation		-	(0.5)
		181.6	108.5
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company			
Basic earnings per share	21	38.5	24.2
Diluted earnings per share	21	38.5	24.2
Earnings per share for profit attributable to the ordinary equity holders of the company			
Basic earnings per share	21	38.3	24.1
Diluted earnings per share	21	38.3	24.1

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$m	Restated 2023 ¹ \$m
Profit for the year		181.6	108.5
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	19	(1.1)	2.2
Income tax related to these items	7	0.1	(0.4)
<i>Items that will not be reclassified to profit or loss</i>			
Transactions with non-controlling interest	19	(2.0)	(4.1)
Other comprehensive income for the year, net of tax		(3.0)	(2.3)
Total comprehensive income for the year		178.6	106.2
Total comprehensive income/(loss) for the year is attributable to:			
Owners of nib holdings limited		182.6	112.1
Non-controlling interests		(4.0)	(5.4)
Charitable foundation	28	-	(0.5)
		178.6	106.2
Total comprehensive income/(loss) for the year attributable to owners of nib holdings limited:			
Continuing operations		183.6	112.7
Discontinued operations	28	(1.0)	(0.6)
		182.6	112.1

1. The Group adopted AASB 17 Insurance Contracts from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2024

	Notes	2024 \$m	Restated 2023 ¹ \$m	Restated 1 July 22 ¹ \$
ASSETS				
Current assets				
Cash and cash equivalents	8	275.3	243.0	206.9
Receivables	9	42.8	41.2	40.4
Financial assets at amortised cost	10	6.0	6.5	8.2
Financial assets at fair value through profit or loss	10	1,084.9	1,070.4	1,010.1
Insurance contracts assets	4	13.1	10.9	7.2
Reinsurance contracts assets	4	1.8	3.8	2.4
Current tax assets		-	8.4	-
Finance lease receivable	14	2.5	2.4	2.6
Total current assets		1,426.4	1,386.6	1,277.8
Non-current assets				
Investments accounted for using the equity method	28	2.6	16.0	19.2
Insurance contracts assets	4	109.1	101.7	85.7
Property, plant and equipment	12	11.1	12.0	6.9
Intangible assets	13	541.0	469.8	330.5
Right-of-use assets	14	19.1	18.8	23.1
Finance lease receivable	14	5.3	7.8	10.2
Total non-current assets		688.2	626.1	475.6
Total assets		2,114.6	2,012.7	1,753.4
LIABILITIES				
Current liabilities				
Payables	15	115.8	118.4	90.9
Borrowings	16	-	1.1	2.1
Insurance contracts liabilities	4	539.5	527.5	432.4
Lease liabilities	14	8.3	7.5	7.0
Provisions and employee entitlements	17	8.7	8.3	6.4
Current tax liabilities		7.6	4.3	33.1
Total current liabilities		679.9	667.1	571.9
Non-current liabilities				
Payables	15	-	-	1.2
Borrowings	16	264.6	244.8	258.8
Insurance contracts liabilities	4	57.4	47.2	31.4
Lease liabilities	14	33.9	38.4	43.8
Provision for employee entitlements	17	4.3	3.7	3.2
Deferred tax liabilities	7	30.7	14.7	13.2
Total non-current liabilities		390.9	348.8	351.6
Total liabilities		1,070.8	1,015.9	923.5
Net assets		1,043.8	996.8	829.9
EQUITY				
Contributed equity	18	314.1	302.5	138.2
Retained profits		726.4	685.9	684.7
Reserves	19	(11.4)	(8.3)	(7.2)
Capital and reserves attributable to owners of nib holdings limited		1,029.1	980.1	815.7
Charitable foundation	28	13.7	13.7	14.2
Non-controlling interests	28	1.0	3.0	-
Total equity		1,043.8	996.8	829.9

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

		Attributable to owners of nib holdings limited						
	Notes	Contributed equity \$m	Retained profits \$m	Reserves \$m	Total \$m	Non-controlling interests \$m	Charitable foundation \$m	Total equity \$m
Balance at 30 June 2022 as originally presented		138.2	589.1	(7.2)	720.1	-	14.2	734.3
Adjustment on adoption of AASB 17, net of tax	1	-	95.6	-	95.6	-	-	95.6
Balance at 1 July 2022 (restated)		138.2	684.7	(7.2)	815.7	-	14.2	829.9
Profit/(loss) for the year		-	114.4	-	114.4	(5.4)	(0.5)	108.5
Movement in foreign currency translation, net of tax	19	-	-	1.8	1.8	-	-	1.8
Transactions with non-controlling interest	19	-	-	(4.1)	(4.1)	-	-	(4.1)
Total comprehensive income/(loss) for the year		-	114.4	(2.3)	112.1	(5.4)	(0.5)	106.2
Transactions with owners in their capacity as owners:								
Ordinary shares issued	18	165.7	-	-	165.7	-	-	165.7
Share capital in non-controlling interests		-	-	-	-	8.4	-	8.4
Shares acquired by the nib Holdings Ltd Share Ownership Plan Trust	18	(3.8)	-	-	(3.8)	-	-	(3.8)
Issue of shares held by nib Holdings Ltd Share Ownership Plan Trust to employees	18	2.4	-	(1.1)	1.3	-	-	1.3
Employee performance rights - value of employee services	19	-	-	2.3	2.3	-	-	2.3
Dividends paid	20	-	(113.2)	-	(113.2)	-	-	(113.2)
		164.3	(113.2)	1.2	52.3	8.4	-	60.7
Balance at 30 June 2023 (restated)		302.5	685.9	(8.3)	980.1	3.0	13.7	996.8
Balance at 30 June 2023 as originally presented		302.5	672.9	(8.2)	967.2	3.0	13.7	983.9
Adjustment on adoption of AASB 17, net of tax	1	-	13.0	(0.1)	12.9	-	-	12.9
Balance at 30 June 2023 (restated)		302.5	685.9	(8.3)	980.1	3.0	13.7	996.8
Balance at 1 July 2023		302.5	685.9	(8.3)	980.1	3.0	13.7	996.8
Profit/(loss) for the year		-	185.6	-	185.6	(4.0)	-	181.6
Movement in foreign currency translation, net of tax	19	-	-	(1.0)	(1.0)	-	-	(1.0)
Transactions with non-controlling interest	19	-	-	(2.0)	(2.0)	-	-	(2.0)
Total comprehensive income/(loss) for the year		-	185.6	(3.0)	182.6	(4.0)	-	178.6
Transactions with owners in their capacity as owners:								
Ordinary shares issued	18	12.7	-	-	12.7	-	-	12.7
Contributions of equity net of transaction costs and tax		-	-	-	-	-	-	-
Share capital in non-controlling interests		-	-	-	-	2.0	-	2.0
Shares acquired by the nib Holdings Ltd Share Ownership Plan Trust	18	(5.5)	-	-	(5.5)	-	-	(5.5)
Issue of shares held by nib Holdings Ltd Share Ownership Plan Trust to employees	18	4.4	-	(2.2)	2.2	-	-	2.2
Employee performance rights - value of employee services	19	-	-	2.1	2.1	-	-	2.1
Dividends paid	20	-	(145.1)	-	(145.1)	-	-	(145.1)
		11.6	(145.1)	(0.1)	(133.6)	2.0	-	(131.6)
Balance at 30 June 2024		314.1	726.4	(11.4)	1,029.1	1.0	13.7	1,043.8

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Notes	2024 \$m	2023 \$m
Cash flows from operating activities			
Receipts from policyholders and customers (inclusive of goods and services tax)		3,525.5	3,217.2
Payments to policyholders and customers		(2,527.6)	(2,276.2)
Receipts from outwards reinsurance contracts		16.1	14.2
Payments for outwards reinsurance contracts		(30.7)	(30.5)
Payments to suppliers and employees (inclusive of goods and services tax)		(689.6)	(620.6)
		293.7	304.1
Dividends received		0.1	0.2
Interest received		16.5	12.0
Distributions received		37.3	44.6
Transaction costs relating to acquisition of business	27	(7.6)	(6.7)
Interest paid		(13.9)	(12.1)
Income taxes paid		(69.0)	(95.4)
Net cash inflow/(outflow) from operating activities	8	257.1	246.7
Cash flows from investing activities			
Proceeds from disposal of financial assets at fair value through profit or loss		361.4	258.9
Payments for financial assets at fair value through profit or loss		(368.1)	(317.7)
Payments for property, plant and equipment and intangibles	12,13	(48.6)	(52.3)
Payment for acquisition of business combination, net of cash acquired	27	(46.3)	(120.9)
Proceeds from disposal of investments in associates and joint ventures		3.5	-
Payments for investments in associates and joint ventures		-	(4.5)
Net cash inflow/(outflow) from investing activities		(98.1)	(236.5)
Cash flows from financing activities			
Proceeds from issue of shares	18	12.7	167.9
Proceeds from borrowings	16	20.0	15.0
Repayment of borrowings	16	-	(30.0)
Principal elements of lease payments		(7.3)	(6.8)
Shares acquired by the nib Holdings Ltd Share Ownership Plan Trust		(5.5)	(3.8)
Share issue transaction costs		-	(3.1)
Dividends paid to the company's shareholders	20	(145.1)	(113.2)
Net cash inflow/(outflow) from financing activities		(125.2)	26.0
Net increase/(decrease) in cash and cash equivalents		33.8	36.2
Cash and cash equivalents at beginning of the year		241.9	204.8
Effects of exchange rate changes on cash and cash equivalents		(0.4)	0.9
Cash and cash equivalents at the end of the year		275.3	241.9
Reconciliation to Consolidated Balance Sheet			
Cash and cash equivalents	8	275.3	243.0
Borrowings - overdraft	16	-	(1.1)
		275.3	241.9

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024

1. Summary of material accounting policies

The financial statements are for the consolidated entity consisting of nib holdings limited and its subsidiaries. nib holdings limited is a company limited by shares, incorporated and domiciled in Australia.

The Financial Report was authorised for issue by the Directors on 23 August 2024. The company has the power to amend and reissue the Financial Report.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Material and other accounting policies that summarise the measurement basis used and are relevant to the understanding of financial statements are provided throughout the notes to the financial statements.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (and interpretations issued by the Australian Accounting Standards Board) and the *Corporations Act 2001*. nib holdings limited is a for-profit entity for the purpose of preparing the financial statements.

i) Compliance with IFRS

The consolidated financial statements of nib holdings limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of claims liabilities and financial assets and liabilities at fair value through profit or loss.

iii) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current year.

iv) Rounding of amounts

The company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.

b) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Australian dollars, which is nib holdings limited's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

c) New and amended standards and interpretations adopted by the Group

The Group has adopted the following new standard and amendment for the current reporting period commencing 1 July 2023. Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

- AASB 2023-2 Amendments to Australian Accounting Standards – Definition of Accounting Estimates International Tax Reform – Pillar Two Model Rules (AASB 112).
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates (AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2).

The amendments above did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

AASB 17 Insurance Contracts

The AASB 17 *Insurance Contracts* (AASB 17) establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The new standard brought significant changes to the accounting for insurance and reinsurance contract. The Group has adopted AASB 17 in the financial statements on a retrospective basis. As a result, the Group has restated certain comparative amounts in the financial statements.

Significant judgements on implementation of AASB 17

On implementation of AASB 17, significant judgements made by the Group are set out below, which include the application of premium allocation approach (PAA), the level of aggregation, and the determination of which expenses are directly attributable to insurance contracts and the identification of onerous contracts.

i) Insurance contracts measurement model

The standard AASB 17 introduces a General Measurement Model (GMM) for the recognition and measurement of insurance contracts. The GMM involves estimating future cash flows and risks from existing policies and taking profit to account over the policy period, adjusting the profit over the life of the contract when actual experience varies from expected.

AASB 17 permits the use of the simplified Premium Allocation Approach (PAA) where either:

- the contract boundary of each contract within the portfolio is one year or less; or
- the measurement of the liability for remaining coverage at inception of a contract is not materially different than if applying GMM.

The majority of the Group's insurance contracts have a coverage period of less than one year. The Group has assessed the eligibility of contracts within the portfolio with one year or less to apply the simplified approach. The Group also has International Students Health Insurance contracts with a coverage period of greater than one year. The Group has assessed that the liability for remaining coverage at inception for these contracts is not materially different between the PAA and GMM.

The Group has taken the option to apply the PAA to all insurance contracts.

ii) Liability for incurred claims and liability for remaining coverage

The liability for incurred claims (LIC) is made up of the best estimate outstanding claims provision, expenses already incurred but not yet paid in relation to claims, risk adjustment for non-financial risk, the RESA Levy, and the cost of handling incurred claims at the reporting date.

The risk adjustment in the LIC is an estimate of the compensation required for bearing the uncertainty about the amount and timing of the insurance contract cash flows arising from non-financial risk. The Group estimates the risk adjustment using a confidence level technique.

The liability for remaining coverage (LRC) under the PAA is valued at initial recognition based on premium received, less any directly attributable acquisition costs deferred. Subsequent to initial recognition, the LRC is amortised to recognise the revenue and insurance expenses (insurance acquisition cash flows) on a passage of time basis over the coverage period.

For the contracts that apply the simplified approach and have a coverage period of one year or less, the Group has the option to expense directly attributable acquisition costs as incurred, as opposed to deferring and amortising directly attributable acquisition costs over the coverage period of the insurance. The Group has elected to defer and amortise over the coverage period insurance acquisition cash flows that are directly attributable to acquiring insurance contracts. Deferred insurance acquisition cash flows attributable to groups of insurance contracts that are yet to incept are recognised as insurance contract assets. Insurance acquisition contract assets are derecognised to liability for remaining coverage upon each subsequent contract renewal.

Insurance contract liabilities are not discounted as the effect of accounting for the time value of money on amounts expected to be paid or received one year or more from the date of claims being incurred is immaterial.

iii) Level of aggregation

AASB 17 defines a portfolio of insurance contracts as 'Insurance contracts subject to similar risks and managed together'. nib have identified the following portfolios:

- Australian health insurance
- New Zealand health insurance
- New Zealand life and living benefits insurance
- Travel insurance

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

1. Summary of material accounting policies continued

c) New and amended standards and interpretations adopted by the Group continued

Under the PAA, a portfolio is the level at which policyholder assets and liabilities are presented in the statement of financial position. Further segmentation is required into groups of contracts for the identification of onerous contracts, including annual cohorts of contracts that are either onerous, no significant possibility of being onerous and other. There is a presumption under the PAA that no contracts are onerous unless there are clear facts and circumstances that indicate otherwise.

In contemplating the facts and circumstances, the Group has considered information reported to the Board of Directors. Where facts and circumstances are identified that may indicate an onerous contract exists, detailed testing is performed, and any loss component is valued using the estimated fulfilment cashflows for the group of insurance contracts, using the building blocks approach from the GMM, including an assessment of the risk adjustment determined for the LRC.

The Group has not identified any material onerous contracts.

iv) Restatements

The standard introduces substantial changes to the presentation and disclosure of insurance line items in the financial statements, introducing new line items on the balance sheet and statement of comprehensive income and increased disclosure requirements compared with existing reporting requirements.

AASB 17 was applied retrospectively to all of the Group's insurance contracts.

The Group's Total Equity at transition on 1 July 2022 increased by \$95.6 million. The primary adjustments impacting Total Equity were the derecognition of both the provision for deferred claims liabilities and the portion of the unearned premium liabilities that relates to the deferral of premium rate increases. The concept of a deferred claims liability is not compatible with incurred claims under AASB 17 and the timing of recognising the effect of the price rise deferral is different under AASB 17 when compared to AASB 1023.

Balance at 1 July 2022	\$m
Net assets under AASB 1023	734.3
Derecognition of deferred claims liabilities	110.2
Price deferral adjustment	29.6
Other adjustments	
Derecognition of ishi unearned premium discounting	(1.5)
NZ health waiver of premium adjustment	1.0
Life insurance reserving adjustment	(2.7)
Income tax impact of above	(41.0)
Net assets under AASB 17	829.9

Balance at 1 July 2022	Reported under AASB 1023/1038	Reclassification						Measurement			Restated under AASB 17
	\$m	DAC \$m	UPL \$m	PPB and Policy liabilities \$m	OSC \$m	Insurance Receivables and Payables \$m	Reinsurance \$m	Price Deferral adjustment \$m	Deferred Claims Liability \$m	Other adjust- ments \$m	\$m
Receivables	101.5	-	-	-	-	(57.5)	(3.6)	-	-	-	40.4
Deferred acquisition costs	123.6	(123.6)	-	-	-	-	-	-	-	-	-
Customer contracts	28.2	(9.8)	-	-	-	-	-	-	-	-	18.4
Insurance contracts assets											
<i>Assets for remaining coverage</i>	-	92.9	-	-	-	-	-	-	-	-	92.9
Reinsurance contracts assets	-	-	-	-	-	-	2.4	-	-	-	2.4
Payables (current)	(215.7)	-	-	-	-	123.6	1.2	-	-	-	(90.9)
Provisions (current)	(6.7)	-	-	-	-	-	-	0.3	-	-	(6.4)
Claims liabilities	(300.4)	-	-	-	188.6	-	-	-	110.2	1.6	-
Unearned premium liability	(271.0)	-	243.8	-	-	-	-	29.3	-	(2.1)	-
Premium payback liability	(10.4)	-	-	10.4	-	-	-	-	-	-	-
Policy liabilities - life insurance	7.3	-	-	(4.9)	-	-	-	-	-	(2.4)	-
Insurance contracts liabilities											
<i>Liability for remaining coverage</i>	-	40.5	(241.5)	4.9	-	56.0	-	-	-	(0.3)	(140.4)
<i>Liability for incurred claims</i>	-	-	(2.3)	(10.4)	(188.6)	(122.1)	-	-	-	-	(323.4)
Deferred tax assets/ (liabilities)	27.8	-	-	-	-	-	-	(8.9)	(33.1)	1.0	(13.2)
Other assets/ liabilities not impacted by AASB 17	1,250.1	-	-	-	-	-	-	-	-	-	1,250.1
Net assets	734.3	-	-	-	-	-	-	20.7	77.1	(2.2)	829.9

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

1. Summary of material accounting policies continued

c) New and amended standards and interpretations adopted by the Group continued

iv) Restatements continued

The comparatives in the Consolidated Income Statement for the year ended 30 June 2023 and Consolidated Balance Sheet as at 30 June 2023 have also been amended to comply with the adoption of AASB 17. The impact on profit for the period and net assets are detailed in the tables below.

30 June 2023	\$m
Profit for the year under AASB 1023	191.1
Derecognition of deferred claims liabilities	(110.2)
Price deferral adjustment	(3.0)
Other adjustments	
Derecognition of ishi unearned premium discounting	(1.5)
NZ health waiver of premium adjustment	(1.9)
Life insurance reserving adjustment	(1.4)
Income tax impact of above	35.4
Profit for the year under AASB 17	108.5

Balance at 30 June 2023	\$m
Net assets under AASB 1023	983.9
Price deferral adjustment	26.6
Other adjustments	
Derecognition of ishi unearned premium discounting	(3.0)
NZ health waiver of premium adjustment	(0.9)
Life insurance reserving adjustment	(4.1)
Income tax impact of above	(5.7)
Net assets under AASB 17	996.8

Balance at 30 June 2023	Reported under AASB 1023/1038	Reclassification						Measurement		Restated under AASB 17
	\$m	DAC \$m	UPL \$m	PPB and Policy liabilities \$m	OSC \$m	Insurance Receivables and Payables \$m	Reinsurance \$m	Price Deferral adjustment \$m	Other adjustments \$m	\$m
Receivables	109.3	-	-	-	-	(63.0) ¹	(5.1)	-	-	41.2
Deferred acquisition costs	151.8	(151.8)	-	-	-	-	-	-	-	-
Customer contracts	27.0	(13.8)	-	-	-	-	-	-	-	13.2
Insurance contracts assets										
<i>Assets for remaining coverage</i>	-	126.4	-	-	-	-	-	-	-	126.4
Reinsurance contracts assets	-	-	-	-	-	-	3.8	-	-	3.8
Payables	(253.7)	-	-	-	-	134.0 ²	1.3	-	-	(118.4)
Provisions (current)	(8.5)	-	-	-	-	-	-	0.2	-	(8.3)
Claims liabilities	(268.3)	-	-	-	268.5	-	-	-	(0.2)	-
Unearned premium liability	(305.9)	-	283.2	-	-	-	-	26.4	(3.7)	-
Premium payback liability	(9.3)	-	-	9.3	-	-	-	-	-	-
Policy liabilities – life insurance	8.4	-	-	(4.7)	-	-	-	-	(3.7)	-
Insurance contracts liabilities										
<i>Liability for remaining coverage</i>	-	39.2	(280.9)	4.7	-	59.5	-	-	(0.4)	(177.9)
<i>Liability for incurred claims</i>	-	-	(2.3)	(9.3)	(268.5)	(130.5)	-	-	-	(410.6)
Deferred tax liabilities	(9.0)	-	-	-	-	-	-	(8.0)	2.3	(14.7)
Other assets/liabilities not impacted by AASB 17	1,542.1	-	-	-	-	-	-	-	-	1,542.1
Net assets	983.9	-	-	-	-	-	-	18.6	(5.7)	996.8

1. Under AASB 1023, Receivables included Private Health Insurance Premiums Reduction Scheme receivable of \$48.0 million and other Insurance contract receivables of \$15.0 million, totalling \$63.0 million which have been reclassified to Insurance Contracts Liabilities.

2. Under AASB 1023, Payables included Claims payables of \$71.0 million, RESA payable of \$55.2 million and other Insurance contract liabilities of \$7.8 million, totalling \$134.0 million which have been reclassified to Insurance Contracts Liabilities.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

2. Critical accounting judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

The Group makes estimates and assumptions in respect of certain key assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key areas in which critical estimates are applied are:

Note 4	Insurance and reinsurance contracts assets and liabilities
Note 13	Goodwill and indefinite life intangibles impairment and useful life of brand names and trademarks

3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Executive management. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director/Chief Executive Officer (MD/CEO).

The MD/CEO assesses the performance of the operating segments based on underlying operating profit. This measurement basis excludes from the operating segments the effects of income and expenditure such as integration costs, merger and acquisition costs, new business implementation costs, amortisation of acquired intangibles and impairment of intangibles and discontinued operations.

No information regarding assets, liabilities and income tax is provided for individual Australian Residents Health Insurance and International (Inbound) Health Insurance segments to the MD/CEO. Furthermore, investment income and expenditure for Australia is not allocated to individual Australian segments as this type of activity is driven by the central treasury function, which manages the cash position of the Australian companies.

Management has determined the operating segments based on the reports reviewed by the MD/CEO that are used to make strategic decisions.

The MD/CEO considers the business from both a geographic and product perspective and has identified five reportable segments:	
Australian Residents Health Insurance	nib's core product offering within the Australian private health insurance industry, including Australian Payer to Partner (P2P) product offering and commission from other insurance products
International (Inbound) Health Insurance	nib's offering of health insurance products for international students and workers, and commission from other insurance products
New Zealand Insurance	nib's product offerings within the New Zealand private health and life insurance industry
nib Travel	nib's distribution of travel insurance products
nib Thrive	nib's offering as a Plan Manager and Digital Marketplace Platform under the National Disability Insurance Scheme (NDIS)

"Unallocated to segments" includes Midnight Health, corporate expenses, share of profit/(loss) from joint ventures, and the charitable foundation as they do not meet the quantitative requirements for reportable segments.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

3. Segment reporting continued

	For the year ending 30 June 2024						
	Australian Residents Health Insurance \$m	International (Inbound) Health Insurance \$m	New Zealand Insurance \$m	nib Travel \$m	nib Thrive \$m	Unallocated to segments \$m	Total \$m
Insurance revenue	2,640.3	192.8	371.2	7.3	-	-	3,211.6
Insurance service costs - incurred claims	(2,130.2)	(115.4)	(239.1)	(2.5)	-	-	(2,487.2)
Insurance service costs - other insurance service expenses	(289.2)	(49.6)	(109.7)	(2.9)	-	-	(451.4)
Reinsurance expense	(10.6)	(12.6)	(4.8)	(4.1)	-	-	(32.1)
Reinsurance income	4.5	7.0	1.5	2.5	-	-	15.5
Underlying insurance service result	214.8	22.2	19.1	0.3	-	-	256.4
Other underwriting revenue	3.0	1.7	-	-	-	-	4.7
Underlying insurance operating result	217.8	23.9	19.1	0.3	-	-	261.1
Other income	2.3	3.7	0.4	87.0	51.3	8.3	153.0
Other expenses	-	(2.8)	(0.2)	(79.2)	(36.0)	(34.6)	(152.8)
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	-	-	-	-	-	(3.8)	(3.8)
Underlying operating profit/(loss)	220.1	24.8	19.3	8.1	15.3	(30.1)	257.5
Items not included in underlying operating profit							
Amortisation of acquired intangibles	(1.5)	(1.1)	(1.9)	(0.7)	(7.4)	-	(12.6)
Amortisation of acquired intangibles - relating to prior periods following finalisation of purchase price allocation	-	-	-	-	(1.7)	-	(1.7)
One-off transactions, merger, acquisition and new business implementation costs	-	-	-	-	-	(21.7)	(21.7)
Finance income						0.2	0.2
Finance costs						(17.6)	(17.6)
Investment income						64.3	64.3
Investment expenses						(2.6)	(2.6)
Profit before income tax from continuing operations							265.8
Inter-segment other income ¹	-	-	-	-	-	-	-
Depreciation and amortisation	1.9	0.7	2.4	0.7	9.1	26.4	41.2
Total assets		1,439.2	291.8	127.8	188.5	67.3	2,114.6
Total liabilities		672.1	52.9	14.7	21.8	309.3	1,070.8

1. Inter-segment other income is eliminated on consolidation and not included in operating profit.

Restated for the year ending 30 June 2023²

	Australian Residents Health Insurance \$m	International (Inbound) Health Insurance \$m	New Zealand Insurance \$m	nib Travel \$m	nib Thrive \$m	Unallocated to segments \$m	Total \$m
Insurance revenue	2,433.8	162.0	336.7	6.8	-	-	2,939.3
Insurance service costs - incurred claims	(2,030.4)	(91.9)	(204.6)	(3.6)	-	-	(2,330.5)
Insurance service costs - other insurance service expenses	(294.3)	(44.0)	(99.4)	(2.9)	-	-	(440.6)
Reinsurance expense	(10.1)	(10.6)	(6.2)	(3.7)	-	-	(30.6)
Reinsurance income	4.6	4.4	3.1	3.6	-	-	15.7
Underlying insurance service result	103.6	19.9	29.6	0.2	-	-	153.3
Other underwriting revenue	3.3	1.4	0.1	-	-	-	4.8
Underlying insurance operating result	106.9	21.3	29.7	0.2	-	-	158.1
Other income	2.8	2.0	0.9	113.2	14.6	4.0	137.5
Other expenses	-	(1.0)	(0.5)	(99.4)	(11.5)	(33.6)	(146.0)
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	-	-	-	-	-	(4.4)	(4.4)
Underlying operating profit/(loss)	109.7	22.3	30.1	14.0	3.1	(34.0)	145.2
Items not included in underlying operating profit							
Amortisation and impairment of acquired intangibles	(4.6)	(2.1)	(2.5)	(1.5)	-	-	(10.7)
One-off transactions, merger, acquisition and new business implementation costs	-	-	-	-	-	(8.9)	(8.9)
Finance income						0.2	0.2
Finance costs						(14.0)	(14.0)
Investment income						57.3	57.3
Investment expenses						(2.6)	(2.6)
Profit before income tax from continuing operations							166.5
Inter-segment other income ¹	-	-	-	-	-	-	-
Depreciation and amortisation	2.5	1.0	2.7	1.5	-	21.8	29.5
Total assets		1,355.0	286.3	136.0	133.7	101.7	2,012.7
Total liabilities		661.2	53.2	19.3	10.0	272.2	1,015.9

1. Inter-segment other income is eliminated on consolidation and not included in operating profit.

2. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

4. Insurance contracts

Under AASB 17 *Insurance Contracts* (AASB 17) standard, the Group has taken the option to apply the Premium Allocation Approach (PAA) to all insurance contracts on the basis that all of its insurance and reinsurance contracts meet the eligibility requirements.

a) Insurance and reinsurance contracts balance sheet composition

i) Insurance contracts

Insurance contracts issued	2024 \$m	2023 \$m
Total		
Insurance contracts assets	122.2	112.6
Insurance contracts liabilities	(596.9)	(574.7)
Net insurance contracts assets/(liabilities)	(474.7)	(462.1)
Made up of:		
Insurance contracts assets		
- assets for remaining coverage (acquisition cash flows assets - pre coverage period)	122.2	112.6
Insurance contracts assets	122.2	112.6
Insurance contracts liabilities		
- liability for remaining coverage (LRC)		
- unearned premium cash flows	(303.6)	(270.6)
- acquisition cash flows assets relating to coverage period	64.0	58.5
- private health insurance premiums reduction scheme receivable	47.7	48.0
	(191.9)	(164.1)
- liability for incurred claims (LIC)		
- outstanding claims (IBNR)	(253.9)	(272.9)
- premium payback and waiver of premium liability	(11.8)	(11.5)
- claims processed not yet paid and RESA payable	(139.3)	(126.2)
	(405.0)	(410.6)
Insurance contracts liabilities	(596.9)	(574.7)
Net insurance contracts assets/(liabilities)	(474.7)	(462.1)

ii) Reinsurance contracts

Reinsurance contracts issued	2024 \$m	2023 \$m
Current		
Reinsurance contracts assets	1.8	3.8
Net reinsurance contracts assets	1.8	3.8

b) Insurance contract reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024				2023			
	LRC and IACF ¹		LIC		LRC and IACF ¹		LIC	
	Excluding loss component \$m	Present value of future cash flow \$m	Risk adjustment for non-financial risk \$m	Total \$m	Excluding loss component \$m	Present value of future cash flow \$m	Risk adjustment for non-financial risk \$m	Total \$m
Insurance contracts issued								
Opening insurance contracts assets	112.6	-	-	112.6	92.9	-	-	92.9
Opening insurance contracts liabilities	(164.1)	(377.8)	(32.8)	(574.7)	(140.4)	(305.3)	(18.1)	(463.8)
Net insurance assets/(liabilities) as at 1 July	(51.5)	(377.8)	(32.8)	(462.1)	(47.5)	(305.3)	(18.1)	(370.9)
Insurance service result								
Insurance revenue	3,211.6	-	-	3,211.6	2,939.3	-	-	2,939.3
Incurred claims and other directly attributable expenses								
Incurred claims	-	(2,489.8)	2.6	(2,487.2)	-	(2,315.8)	(14.7)	(2,330.5)
Other insurance service expenses	-	(376.4)	-	(376.4)	-	(373.3)	-	(373.3)
Insurance acquisition amortisation	(76.7)	-	-	(76.7)	(63.5)	-	-	(63.5)
Insurance service result	3,134.9	(2,866.2)	2.6	271.3	2,875.8	(2,689.1)	(14.7)	172.0
Other changes - exchange differences	(0.3)	(0.1)	-	(0.4)	0.6	-	-	0.6
Cash flows								
Premiums received	(3,244.9)	-	-	(3,244.9)	(2,974.9)	-	-	(2,974.9)
Claims and other directly attributable expenses paid	-	2,869.3	-	2,869.3	-	2,616.6	-	2,616.6
Insurance acquisition cash flows	92.1	-	-	92.1	94.5	-	-	94.5
Total cash flows	(3,152.8)	2,869.3	-	(283.5)	(2,880.4)	2,616.6	-	(263.8)
Net insurance assets/(liabilities) as at end of the period	(69.7)	(374.8)	(30.2)	(474.7)	(51.5)	(377.8)	(32.8)	(462.1)
Closing insurance contracts assets	122.2	-	-	122.2	112.6	-	-	112.6
Closing insurance contracts liabilities	(191.9)	(374.8)	(30.2)	(596.9)	(164.1)	(377.8)	(32.8)	(574.7)
Net insurance assets/(liabilities) as at end of the period	(69.7)	(374.8)	(30.2)	(474.7)	(51.5)	(377.8)	(32.8)	(462.1)

1. Liability for remaining coverage for the year ended 30 June 2024 (2023) included a derecognition from insurance acquisition cash flows (IACF) assets of \$82.5 million (\$74.8 million) to insurance contracts liabilities. No loss components exist for insurance contracts.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

4. Insurance contracts continued

c) Reinsurance contract reconciliation of the liability for remaining coverage and the liability for incurred claims

	2024				2023			
	Remaining coverage \$m	Present value of future cash flow \$m	Risk adjustment for non-financial risk \$m	Total \$m	Remaining coverage \$m	Present value of future cash flow \$m	Risk adjustment for non-financial risk \$m	Total \$m
Reinsurance contracts issued								
Opening reinsurance contracts assets	(1.3)	5.1	-	3.8	(1.2)	3.6	-	2.4
Net reinsurance assets as at 1 July	(1.3)	5.1	-	3.8	(1.2)	3.6	-	2.4
Insurance service result								
Reinsurance expenses	(32.1)	-	-	(32.1)	(30.6)	-	-	(30.6)
Claims recovered	-	15.5	-	15.5	-	15.7	-	15.7
Net income (expenses) from reinsurance contracts held	(32.1)	15.5	-	(16.6)	(30.6)	15.7	-	(14.9)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	30.7	-	-	30.7	30.5	-	-	30.5
Recoveries from reinsurance	-	(16.1)	-	(16.1)	-	(14.2)	-	(14.2)
Total cash flows	30.7	(16.1)	-	14.6	30.5	(14.2)	-	16.3
Net reinsurance assets as at end of the period	(2.7)	4.5	-	1.8	(1.3)	5.1	-	3.8
Closing reinsurance contracts assets	(2.7)	4.5	-	1.8	(1.3)	5.1	-	3.8
Net reinsurance assets as at end of the period	(2.7)	4.5	-	1.8	(1.3)	5.1	-	3.8

d) Accounting policy

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts.

Unit of account

AASB 17 defines a portfolio of insurance contracts as 'Insurance contracts subject to similar risks and managed together'. nib have identified the following portfolios:

- Australian health insurance
- New Zealand health insurance
- New Zealand life and living benefits insurance
- Travel insurance

Under the PAA, a portfolio is the level at which policyholder assets and liabilities are presented in the statement of financial position. Further segmentation is required into groups of contracts for the identification of onerous contracts, including annual cohorts of contracts that are either onerous, no significant possibility of being onerous and other. There is a presumption under the PAA that no contracts are onerous unless there are clear facts and circumstances that indicate otherwise.

In contemplating the facts and circumstances, the Group has considered information reported to the Board of Directors. Where facts and circumstances are identified that may indicate an onerous contract exists, detailed testing is performed, and any loss component is valued using the estimated fulfilment cash flows for the group of insurance contracts, using the building blocks approach from the GMM, including an assessment of the risk adjustment determined for the LRC.

The Group has not identified any material onerous contracts.

Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

A group of insurance contracts or reinsurance contracts are derecognised when all rights and obligations are extinguished or a contract modification occurs.

Measurement

Contract boundary

The fulfilment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and payment for claims and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services.

Cash flows are outside of the contract boundary when the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

4. Insurance contracts continued

e) Actuarial methods and critical accounting judgements and estimates

Liabilities for incurred claims

The liability for incurred claims comprises two components:

- 1) Estimates of future cash flows to investigate and pay claims that have incurred under private health insurance contracts issued by nib Group; and
- 2) A risk adjustment for non-financial risk

The expected future cash flows comprise claims that have been reported but not yet paid, as well as claims incurred but not yet reported. These cash flows are not adjusted for the time value of money as claims for health funds are expected to be settled within one year.

The expected future cash flows are unbiased estimates and include allowances for Risk Equalisation Special Account (RESA) consequences and claims handling expenses. While nib Group takes all reasonable steps to ensure that it has appropriate information at hand when estimating these cash flows, actual cash flows may differ to expectations due to future uncertainty.

The risk adjustment for non-financial risk reflects the compensation that nib Group requires for bearing the uncertainty about the amount and timing of the expected cash flows as it fulfils its insurance contracts. A confidence level technique was used for determining the risk adjustment, comparing historical claims cash flow volatility with the required compensation for non-financial risk. The central estimates are calculated gross of any recoveries. A separate estimate and risk adjustment is made of the amounts that will be recoverable based upon the gross provision.

In calculating the estimated cost of future cash flows, the Group uses estimation techniques based upon statistical analysis of historical experience. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics being analysed compared to their values in previous periods. The main statistics being analysed are the cost of settled claims, claim reporting and claim settlement delays and claim backlogs, which are influenced by changes in the economy, hospital contracting and Group claim handling processes.

The liability for incurred claims estimate for Australian business segments is derived based on three valuation classes, namely hospital and prostheses services combined, medical services, and general treatment. For the New Zealand segment the liability for incurred claims estimate is comprised of five valuation classes; surgical, medical, students and workers, premium payback and waiver of premium. This analysis is supplemented by more granular analysis within classes as appropriate.

Insurance acquisition cash flows assets

i) Australian Residents Health Insurance

Insurance acquisition cash flows are deferred and amortised on a straight line basis over a period of 5 years (2023: 5 years), in accordance with the expected pattern of the incidence of risk under the open ended insurance contracts to which they relate, which includes expectations of customers remaining insured.

The Group pays an upfront commission to retail brokers on signing up new members to the business. These upfront commissions will give rise to future premium revenue beyond the current period and are able to be measured and directly associated with a particular insurance contract. The Group does not capitalise the indirect administration costs associated with acquiring new members due to the difficulty in identifying and associating those indirect costs with acquiring particular insurance contracts. The Group considers the duration of a health insurance contract to be an open ended agreement as the Group stands ready to continue to insure its customers under continuing policies. The Group uses average retention rates to determine the appropriate customer contract life and related amortisation period for customers who purchase insurance through these broker channels. The analysis included extrapolating historical lapse rates for broker acquired customers but truncating the data at 10 years in order to allow for the inherent distortion created by extrapolating historical data. This analysis and management's expectations of future lapse supports the amortisation period of 5 years. The Group re-performs this analysis at least every six months for reassessment. A decrease (increase) in the expected contract periods of one year would increase (decrease) amortisation expense by \$15.7 million (\$10.3 million) for 30 June 2024.

ii) nib New Zealand

The Group incurs upfront commission costs that will give rise to future premium revenue and are able to be directly associated with a particular insurance contract. These costs are deferred and amortised over the life of the insurance contract. Deferred insurance acquisition cash flows are amortised systematically based on the present value of net cash flows over 30 years for the life and living benefits business. The Group does not capitalise the indirect administration costs associated with acquiring new members due to the difficulty in identifying and associating those indirect costs with acquiring particular insurance contracts.

The nz health business incurs upfront commission costs that will give rise to future premium revenue and can be directly attributed to an insurance contract. These costs are deferred and amortised over the expected duration of the insurance contract, with IACF assets amortised systematically over 15 years. This requires two key assumptions relating to the period over which the assets are amortised and the pattern of amortisation:

- the period of the insurance contract is assumed to be the average length of insurance for nib nz limited policyholders who are the subject of an upfront commission; and
- the average length of insurance for nib nz limited policyholders who are the subject of an upfront commission is calculated by extrapolating historical lapse rates for that group of policyholders.

f) Actuarial assumptions

i) Liability for incurred claims

The following significant assumptions have been made in determining the liability for incurred claims:

	2024		2023	
	nib health funds	nib NZ	nib health funds	nib NZ
Expense rate	1.2%	2.4%	1.1%	2.6%
Risk adjustment	12.8%	22.7%	13.0%	28.0%
Risk equalisation rate	18.0%	n/a	18.6%	n/a
Risk adjustment for risk equalisation	12.8%	n/a	13.0%	n/a

The risk adjustment for non-financial risk in the liability for incurred claims has been determined using the confidence level approach. The confidence level used to determine the risk adjustment is 98% for nib health funds and 95% for nib NZ (June 2023: 95% for nib health funds and nib NZ).

The table below describes how a change in each assumption will affect the profit after tax.

Variable	Movement in variable	2024	2023
		Profit after tax \$m	Profit after tax \$m
Chain ladder development factors	+0.5%	(16.4)	(15.3)
	-0.5%	16.4	15.3
Expense rate	+1.0%	(1.5)	(1.6)
	-1.0%	1.5	1.6
Risk equalisation allowance	+2.5%	(2.7)	(3.1)
	-2.5%	2.7	3.1
Risk adjustment	+1.0%	(1.5)	(1.6)
	-1.0%	1.5	1.6

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

5. Other income

	2024 \$m	2023 \$m
Travel insurance commission	87.0	113.2
NDIS fee income	51.3	14.6
Package fee income - Midnight Health ¹	6.4	2.4
Commission on other insurance products	6.1	4.8
Insurance recoveries	0.6	-
Sundry income	2.1	4.1
Other income	153.5	139.1

1. Comparatives have been restated, previously \$9.9 million.

a) Accounting policy

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into account the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

i) Income from travel insurance commission	Income in the form of commissions is recognised when the sale of an insurance policy to a customer occurs. Income is also generated on travel services activities and recognised as the service is performed.
ii) NDIS fee income	Income in the form of NDIS plan management fees is recognised as the plan management service is performed.
iii) Package fee income	Income in the form of Package Fee income is recognised as an agent as the service is performed.

6. Expenses

	Notes	2024 \$m	Restated 2023 ¹ \$m
Expenses by function			
Insurance service costs - other insurance service expenses		455.4	445.8
Other expenses		185.3	162.0
Finance costs		17.6	14.0
Investment expenses		2.6	2.6
Total expenses (excluding direct claims expenses)		660.9	624.4
Expenses by nature			
Amortisation and impairment of acquired intangibles		12.6	10.7
Amortisation of acquired intangibles - relating to prior periods following finalisation of purchase price allocation		1.7	-
Bank charges		6.7	7.0
Communications, postage and telephone expenses		3.6	3.3
Depreciation and amortisation		26.9	22.8
Depreciation of right-of-use assets	14	3.7	3.6
Impairment of right-of-use-assets	14	-	2.9
Employee costs		242.1	208.2
Finance costs		15.5	11.7
Finance costs - interest on lease liabilities	14	2.1	2.3
Information technology expenses		41.1	36.4
Investment expenses		2.6	2.6
Marketing expenses - excluding commissions		68.3	63.9
Marketing expenses - commissions		167.8	174.9
Merger, acquisition and new business implementation costs		7.6	7.0
Professional fees		39.4	34.9
Write-down of property, plant and equipment and intangibles		-	9.5
Other expenses ²		19.2	22.7
Total expenses (excluding direct claims expenses)		660.9	624.4

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

2. Comparatives have been restated, previously \$29.4 million.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

7. Taxation

a) Income tax

	2024 \$m	Restated 2023 ¹ \$m
i) Income tax expense		
Recognised in the income statement		
Current tax expense	81.3	57.1
Deferred tax expense	3.0	(0.6)
Under (over) provided in prior years	(0.7)	0.6
Total income tax expense	83.6	57.1
Income tax expense is attributable to:		
Profit from continuing operations	83.2	57.4
Profit/(loss) from discontinued operations	0.4	(0.3)
Aggregate income tax expense	83.6	57.1
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	265.8	166.5
Profit/(loss) from discontinued operations before income tax expense	(0.6)	(0.9)
Profit from continuing operations before income tax expense	265.2	165.6
Tax at the Australian tax rate of 30% (2023: 30%)	79.6	49.7
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry items	2.3	3.2
Net assessable trust distributions	0.3	0.3
Imputation credits and foreign tax credits	(1.0)	(1.1)
Adjustment for current tax of prior periods	(0.7)	0.6
Unrecognised tax losses and deferred tax assets	4.9	4.5
Differences in foreign tax rates	0.2	(0.1)
Carried forward capital gains tax losses	(2.0)	-
Total income tax expense	83.6	57.1
ii) Deferred income tax expense (revenue) comprises movements in deferred tax assets and liabilities:		
Insurance contracts - incurred claims	0.1	0.2
Insurance contracts - remaining coverage	3.5	7.7
Investment in associates and joint ventures	0.9	(1.6)
Property, plant and equipment	1.4	(0.3)
Employee benefits	(1.0)	(1.3)
Unrealised losses on investments	4.3	(1.4)
Brands, trademarks and customer contracts and relationships	(3.5)	(3.1)
Lease assets and liabilities	0.5	(0.6)
Other assets and liabilities	(3.2)	(0.2)
Total deferred tax expense	3.0	(0.6)
iii) Tax expense relating to items of other comprehensive income		
Foreign currency translations	(0.1)	0.4
Total tax expense/(benefit) relating to other comprehensive income	(0.1)	0.4
iv) Amounts recognised directly to equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Share issue costs	-	0.9
	-	0.9
v) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	31.2	14.9
Potential tax benefit at 30%	9.4	4.5

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

b) Deferred tax assets/(liabilities)

The balance comprises temporary differences attributable to:

	2024 \$m	Restated 2023 ¹ \$m
Insurance contracts - incurred claims	4.7	4.8
Investment in associates and joint ventures	5.5	6.4
Property, plant and equipment	0.5	1.7
Lease liabilities	12.3	13.4
Employee benefits	9.0	8.1
Unrealised losses on investments	9.1	13.4
Other assets and liabilities	8.3	6.2
Set-off of deferred tax liabilities pursuant to set-off provisions	(49.4)	(54.0)
Total deferred tax assets	-	-
Insurance contracts - remaining coverage	(53.8)	(51.8)
Brands, trademarks and customer contracts and relationships	(18.8)	(8.6)
Right-of-use assets	(7.3)	(7.9)
Other assets and liabilities	(0.2)	(0.4)
Set-off of deferred tax assets pursuant to set-off provisions	49.4	54.0
Total deferred tax liabilities	(30.7)	(14.7)
Net deferred tax assets/(liabilities)	(30.7)	(14.7)
Recovery of total deferred tax assets/(liabilities):		
Deferred tax assets/(liabilities) to be recovered within 12 months	(0.5)	2.1
Deferred tax assets/(liabilities) to be recovered after more than 12 months	(30.2)	(16.8)
	(30.7)	(14.7)

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

c) Accounting policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised 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 the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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. 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.

nib holdings limited and its wholly-owned Australian controlled entities are a tax consolidated group. As a consequence, the entities within each group are taxed as a single entity and the deferred tax assets and liabilities of these entities are set-off in the consolidated financial statements. Details of the tax consolidated group are detailed in Note 31(a)(ii).

Current and deferred tax is recognised in 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.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

7. Taxation continued

d) OECD Pillar Two model rules

The Group continues to monitor and evaluate the domestic implementation by relevant countries of the Organisation for Economic Co-operation and Development's (OECD) Pillar Two which seeks to apply a 15% global minimum tax. Pillar Two legislation has not yet been enacted in Australia. Relevant legislation was substantially enacted in New Zealand, Ireland, the United Kingdom and Canada by 30 June 2024, with application to future income years. As Pillar Two legislation was not operative at the reporting date, the Group has no related current tax exposure.

The Group has adopted the guidance contained in Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules (AASB 112) released on 27 June 2023, which provides a temporary exemption from deferred tax accounting for Pillar Two. The Group estimates that the exposure to additional taxation for the year ending 30 June 2025 under Pillar Two is immaterial.

8. Cash and cash equivalents

	2024 \$m	2023 \$m
Cash at bank and cash on hand	271.2	226.6
Short term deposits and deposits at call	4.1	16.4
	275.3	243.0

a) Accounting policy

Cash and cash equivalents, and bank overdrafts, are carried at face value of the amounts deposited or drawn. For the purpose of the presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

b) Risk exposure

The Group's exposure to interest rate risk is discussed in Note 23(b). The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

c) Reconciliation of profit after income tax to net cash inflow from operating activities

	2024 \$m	Restated 2023 ¹ \$m
Profit for the year	181.6	108.5
Net (gain)/loss on write-down of property, plant and equipment	0.3	9.6
Fair value (gain)/loss on other financial assets through profit or loss	(7.9)	2.0
Share of net (profit)/loss of associates and joint ventures	4.4	5.3
Non-cash employee (benefits)/expense - share-based payments	2.1	2.3
Depreciation and amortisation	41.2	29.5
Depreciation of right-of-use assets and interest on leases	5.8	5.7
Impairment of right-of-use assets	-	2.9
Impairment of intangibles	-	4.0
Net exchange differences	0.3	(0.7)
Change in operating assets and liabilities, net of effect from purchase of controlled entity		
Decrease (increase) in receivables	3.5	(6.0)
Decrease (increase) in insurance assets	(17.4)	(28.2)
Increase (decrease) in trade payables	(2.5)	29.2
Increase (decrease) in insurance liabilities	30.2	150.5
Increase (decrease) in current tax liabilities	13.3	(37.8)
Increase (decrease) in deferred tax liabilities	3.0	(0.3)
Increase (decrease) in provisions	1.0	(29.8)
Increase (decrease) in other liabilities	(1.8)	-
Net cash flow from operating activities	257.1	246.7

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

d) Off-balance sheet arrangements

nib Travel Pty Limited (nib Travel), a wholly-owned subsidiary of nib holdings limited, operates bank accounts held in its name on behalf of its underwriters in accordance with contractual terms governing the arrangements. These accounts are not considered part of the cash and cash equivalents of nib Travel. At 30 June 2024 this amounted to \$9,076,494 (2023: \$23,588,626).

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

9. Receivables

	2024 \$m	Restated 2023 ¹ \$m
Current		
Receivables	21.6	26.9
Provision for loss allowance	(1.0)	(0.6)
Prepayments	22.2	14.9
	42.8	41.2

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

As at 30 June 2024, current receivables of the Group with a nominal value of \$1.0 million (2023: \$0.6 million) were impaired.

The loss allowance as at 30 June 2024 and 2023 was determined as follows:

Group at 30 June 2024		Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	%	1%	0%	0%	53%	
Gross carrying amount - receivables	\$m	19.1	0.5	0.3	1.7	21.6
Loss allowance	\$m	0.1	-	-	0.9	1.0

Group at 30 June 2023 ¹		Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	%	1%	0%	0%	11%	
Gross carrying amount - receivables	\$m	19.9	2.3	0.2	4.5	26.9
Loss allowance	\$m	0.1	-	-	0.5	0.6

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

The closing loss allowances as at 30 June 2024 and 2023 reconcile to the opening loss allowances as follows:

	Receivables \$m	Total \$m
1 July 2022	0.7	0.7
Receivables written off during the year as uncollectible	(0.1)	(0.1)
At 30 June 2023¹	0.6	0.6
Increase/(decrease) in loss allowance recognised in profit or loss during the year	0.4	0.4
At 30 June 2024	1.0	1.0

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

a) Accounting policy

i) Receivables	<p>Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Receivables are generally due for settlement within 30 days.</p> <p>The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, other receivables have been grouped based on shared risk characteristics.</p> <p>The amount of expected credit losses is recognised in the Consolidated Income Statement.</p> <p>When a receivable becomes uncollectible it is written off against the expected credit loss account.</p> <p>Subsequent recoveries of amounts previously written off are credited against other expenses in the Consolidated Income Statement.</p>
ii) Impairment of financial assets	<p>The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.</p> <p>Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.</p> <p>Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.</p> <p>For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in the Consolidated Income Statement.</p>
iii) Interest rate risk	<p>Information about the Group's exposure to interest rate risk in relation to other receivables is provided in Note 23.</p>
iv) Fair value and credit risk	<p>Due to the short-term nature of current receivables, their carrying amount is assumed to approximate their fair value.</p> <p>The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.</p>
v) Risk exposure	<p>The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. Refer to Note 23 for more information on the risk management policy of the Group and the credit quality of the Group's receivables.</p>

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

10. Financial assets

a) Financial assets at amortised cost

	2024 \$m	2023 \$m
Short term deposits	6.0	6.5
	6.0	6.5

b) Financial assets at fair value through profit or loss

	2024 \$m	2023 \$m
Equity securities	184.5	177.1
Interest-bearing securities	880.8	873.2
Property trusts	19.6	20.1
	1,084.9	1,070.4

The financial assets at fair value through profit or loss are held in unit trusts.

The redemption terms for investments in certain managed trusts can be varied by their responsible entities in response to market conditions. For those investments which cannot be redeemed entirely within one year from reporting date, the amounts have been allocated between current and non-current in accordance with the maximum percentage redeemable within one year as per the most recent advice from the manager at the end of the reporting period.

c) Investment income

	2024 \$m	2023 \$m
Interest	16.5	12.0
Net realised gain (loss) on financial assets at fair value through profit or loss	30.1	47.5
Net unrealised gain (loss) on financial assets at fair value through profit or loss	17.6	(2.4)
Dividends	0.1	0.2
Investment income	64.3	57.3

Investment income in net fair value gains or losses on financial assets classified as at fair value through profit or loss are recognised in the period. Interest income is recognised using the effective interest method.

d) Accounting policy

i) Classification	<p>The Group classifies its financial assets into the following measurement categories:</p> <ul style="list-style-type: none">• those to be measured at fair value (either through other comprehensive income, or through profit or loss), and• those to be measured at amortised cost. <p>The classification depends on the Group's business model for managing the financial assets and the contractual terms of the relevant cash flows.</p> <p>The Group has determined that financial assets held by entities in the Group that are health and life insurers are classified as fair value through profit or loss as they are held to back insurance liabilities. These assets are managed in accordance with agreed investment mandate agreements on a fair value basis and are reported to the Board on this basis.</p> <p>A financial asset is measured at amortised cost only if both of the following conditions are met:</p> <ul style="list-style-type: none">• it is held within a business model which objective is to hold assets in order to collect contractual cash flows, and• the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.
ii) Recognition and derecognition	<p>Purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.</p>
iii) Measurement	<p>Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.</p> <p>Subsequent to the initial recognition, for financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held as described below.</p> <p>Reclassification of debt investments is done when and only when its business model for managing those assets changes. For investments in equity instruments, the fair value will be recorded in profit or loss, unless the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).</p> <p>Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.</p>
iv) Equity instruments	<p>The Group subsequently measures all investments in equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.</p> <p>Changes in the fair value of financial assets at fair value through profit or loss are recognised in investment gains/(losses) in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.</p>
v) Impairment	<p>The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The recognition of impairment depends on whether there has been a significant increase in credit risk.</p> <p>Debt investments at amortised cost are considered to be low credit risk, and thus the impairment provision is determined as 12 months ECL.</p>
vi) Assets backing insurance liabilities	<p>As part of the investment strategy, the Group actively manages its investment portfolio to ensure that a portion of its investments mature in accordance with the expected pattern of future cash flows arising from private health and life insurance liabilities.</p> <p>The Group has determined that all financial assets of nib health funds limited, nib nz limited are held to back private health liabilities, and financial assets of nib nz insurance limited are held to back the life insurance liabilities. Financial assets that are not held to back private health insurance and life insurance liabilities are designated as financial assets at amortised cost.</p>
vii) Risk exposure	<p>Information about the Group's exposure to price risk and interest rate risk is provided in Note 23.</p>

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

11. Fair value measurement

a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below the table.

The following tables present the Group's assets and liabilities measured and recognised at fair value at 30 June 2024 and 30 June 2023:

Group at 30 June 2024	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Assets				
Receivables	-	0.5	-	0.5
Financial assets at fair value through profit or loss				
Equity securities	184.5	-	-	184.5
Interest-bearing securities ¹	443.1	434.3	3.4	880.8
Property trusts	-	19.6	-	19.6
Finance lease receivable	-	7.8	-	7.8
Total assets	627.6	462.2	3.4	1,093.2

1. Level 2 Interest-bearing securities comprise cash and term deposits invested in unit trusts, which are valued based on quoted market prices.

Group at 30 June 2023 ¹	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Assets				
Receivables	-	1.0	-	1.0
Financial assets at fair value through profit or loss				
Equity securities	177.1	-	-	177.1
Interest-bearing securities	407.6	463.9	1.7	873.2
Property trusts	-	20.1	-	20.1
Finance lease receivable	-	10.2	-	10.2
Total assets	584.7	495.2	1.7	1,081.6

1. Restated Level 1 investment in Interest-bearing securities to Level 2 investment in Interest-bearing securities.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values due to their short-term nature.

There were no transfers between level 1, 2 and 3 during the year.

The Group's policy is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period.

Level 1	The fair value of financial instruments traded in active markets (such as financial assets at fair value through profit or loss) is based on quoted market prices at the reporting date.
Level 2	The fair value of financial instruments that are not traded in active markets (for example some interest bearing securities) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.
Level 3	One or more of the significant inputs is not based on observable market data.

b) Valuation techniques used to determine fair values

The investments traded in active markets are valued at their quoted market prices, these instruments are included in Level 1.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates for financial instruments are included in level 2.

In the circumstances where a valuation technique for financial instruments is based on significant unobservable inputs, those instruments are included in level 3.

c) Fair value measurements using significant unobservable inputs (level 3)

The Group's level 3 investments comprise units in interest bearing securities which are infrequently traded. The following table presents the changes in level 3 instruments for the year ended 30 June 2024 and 30 June 2023:

	2024 \$m	2023 \$m
Fair value measurement as at 1 July	1.7	3.1
Purchased	2.8	0.6
Sales	(0.2)	(1.8)
Change in fair value	(0.9)	(0.2)
Fair value measurement at end of period	3.4	1.7

- **Transfers between levels 2 and 3** There were no transfers between the levels of the fair value hierarchy during the year. There were also no changes during the year to any of the valuation techniques applied as of 30 June 2023.
- **Valuation process** The valuation of interest bearing securities is based on unit prices provided by investment managers.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value		Relationship of unobservable inputs to fair value
	\$m	Unobservable inputs	
At 30 June 2024			
Interest-bearing securities	3.4	Redemption price	Higher/(lower) redemption price (+/- 10%) would increase/(decrease) fair value by \$0.3m
At 30 June 2023			
Interest-bearing securities	1.7	Redemption price	Higher/(lower) redemption price (+/- 10%) would increase/(decrease) fair value by \$0.2m

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

12. Property, plant and equipment

	Plant and Equipment \$m	Leasehold Improvements \$m	Total \$m
At 1 July 2022			
Cost	19.9	11.7	31.6
Accumulated depreciation and impairment	(17.1)	(7.6)	(24.7)
Net book amount	2.8	4.1	6.9
Year ended 30 June 2023			
Opening net book amount	2.8	4.1	6.9
Additions	3.9	4.2	8.1
Acquisition of subsidiary	0.2	0.1	0.3
Disposals	(0.1)	(0.4)	(0.5)
Depreciation charge for the year	(1.8)	(1.0)	(2.8)
Closing net book amount	5.0	7.0	12.0
At 30 June 2023			
Cost	23.8	13.3	37.1
Accumulated depreciation and impairment	(18.8)	(6.3)	(25.1)
Net book amount	5.0	7.0	12.0
Year ended 30 June 2024			
Opening net book amount	5.0	7.0	12.0
Additions	1.7	0.8	2.5
Disposals	(0.2)	-	(0.2)
Depreciation charge for the year	(2.1)	(1.1)	(3.2)
Closing net book amount	4.4	6.7	11.1
At 30 June 2024			
Cost	24.5	14.1	38.6
Accumulated amortisation and impairment	(20.1)	(7.4)	(27.5)
Net book amount	4.4	6.7	11.1

a) Accounting policy

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Plant and equipment 3 to 10 years
- Leasehold improvements 3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 13).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

13. Intangible assets

	Notes	Goodwill \$m	Software \$m	Brands, trademarks and other rights \$m	Customer contracts and relationships \$m	Total \$m
At 1 July 2022						
Cost		236.3	178.0	32.4	61.9	508.6
Accumulated amortisation and impairment		-	(117.4)	(17.2)	(43.5)	(178.1)
Net book amount		236.3	60.6	15.2	18.4	330.5
Year ended 30 June 2023						
Opening net book amount		236.3	60.6	15.2	18.4	330.5
Additions		-	44.0	0.2	-	44.2
Acquisition of subsidiary		127.5	0.7	0.6	3.6	132.4
Disposals		-	(9.0)	-	-	(9.0)
Amortisation charge for the year		-	(20.0)	(0.6)	(8.7)	(29.3)
Exchange differences		1.0	0.1	-	(0.1)	1.0
Closing net book amount		364.8	76.4	15.4	13.2	469.8
At 30 June 2023						
Cost		364.8	201.7	33.2	65.8	665.5
Accumulated amortisation and impairment		-	(125.3)	(17.8)	(52.6)	(195.7)
Net book amount		364.8	76.4	15.4	13.2	469.8
Year ended 30 June 2024						
Opening net book amount		364.8	76.4	15.4	13.2	469.8
Additions		-	46.1	-	-	46.1
Acquisition of business	27	6.6	11.8	-	43.5	61.9
Disposals		-	(0.2)	-	-	(0.2)
Amortisation charge for the year		-	(26.3)	(0.6)	(9.4)	(36.3)
Exchange differences		(0.3)	(0.1)	-	0.1	(0.3)
Closing net book amount		371.1	107.7	14.8	47.4	541.0
At 30 June 2024						
Cost		371.1	257.9	33.0	106.4	768.4
Accumulated amortisation and impairment		-	(150.2)	(18.2)	(59.0)	(227.4)
Net book amount		371.1	107.7	14.8	47.4	541.0

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

13. Intangible assets continued

a) Accounting policy

i) Goodwill	Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, and is carried at cost less accumulated impairment losses.
ii) Software	<p>Costs incurred in developing products or systems and costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods ranging from two and a half years to ten years.</p> <p>The Group had adopted the treatment set out in the IFRS Interpretations Committee agenda decision, to recognise the costs as intangible assets only if the implementation activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the Software as a Service (SaaS) arrangement to significantly customise the cloud-based software for the Group, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement.</p>
iii) Brands and trademarks	<p>Brands and trademarks acquired as part of a business combination are carried at fair value at the date of acquisition less accumulated amortisation. Amortisation is calculated on the asset's estimated useful life which is five years for IMAN Australian Health Plans Pty Ltd and 10 years for Grand United Corporate Health Limited.</p> <p>Brands and trademarks acquired with World Nomads Group in July 2015 have an indefinite useful life and are carried at fair value at the date of acquisition, less impairment losses.</p>
iv) Customer contracts and relationships	Customer contracts and relationships acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives ranging from 5 years to 10 years.
v) Impairment	<p>Goodwill and intangible assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.</p> <p>For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.</p>

b) Impairment tests for goodwill and intangibles

Goodwill and intangibles are allocated to a cash-generating unit (CGU).

An asset is considered impaired when its balance sheet carrying amount exceeds its estimated recoverable amount, which is defined as the higher of its fair value less cost of disposal and its value in use.

The value-in-use calculation uses cash flow projections based on financial budgets and forecast forward projections approved by the Directors covering a four-year period. The estimates used in calculating value-in-use are highly sensitive, and depend on assumptions specific to the nature of the Group's activities. Actual cash flows and values could vary significantly from forecasted future cash flows and related values derived from discounting techniques.

c) Key assumptions used for value-in-use calculations

The assumptions used for the cash flow projections for the first four years are in line with the current forecast forward projections. Key assumptions include policyholder growth, claims ratio and the discount factor.

Policyholder growth is calculated by forecasting the number of sales each month based on budgeted advertising and promotions spend, less the number of expected lapses each month. Claims ratios are targeted that generate price increases that maintain price competitiveness, cover expected increases in claims costs, do not adversely affect the funds capital adequacy position and enable funding of future business growth.

Cash flows beyond the four-year period are extrapolated into perpetuity assuming a growth factor of 2.5% (3.0% for New Zealand Life and Living insurance). The Group has applied a post-tax discount rate to discount the forecast future attributable post tax cash flows.

These assumptions have been used for analysis of each CGU. Management determined policyholder growth and claims ratios based on past performance and its expectations for the future.

d) Significant estimate: Impact of possible changes in key assumptions

Based on the assumptions below, there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment write-down of intangibles in any CGU.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them.

Goodwill	Policyholder growth		Claims ratio		Long term growth rate		Pre-tax discount rate	
	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Australian Residents Health Insurance	4.6	3.5	82.2	81.9	2.5	2.5	13.4	12.6
International Workers Health Insurance	3.2	0.2	54.6	48.0	2.5	2.5	13.4	12.6
New Zealand Residents Health Insurance	7.7	10.7	66.3	64.6	2.5	2.5	12.6	12.3
New Zealand Life and Living Insurance	22.8	15.5	32.6	33.0	3.0	3.0	14.6	11.9

	Revenue growth rate		Long term growth rate		Pre-tax discount rate			
	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %		
nib travel			8.7	4.8	2.5	2.5	18.0	17.6
New Zealand International Visitors			9.6	na	2.5	na	12.6	na
nib thrive NDIS			15.8	na	2.5	na	18.2	na

Brandnames and trademarks	Revenue growth rate		Royalty rate		Long term growth rate		Pre-tax discount rate	
	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
WorldNomads.com	8.7	4.8	2.5	2.5	2.5	2.5	18.0	17.6

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

14. Lease assets and liabilities

a) Right-of-use assets

	2024 \$m	2023 \$m
Right-of-use assets - properties	19.1	18.8
	19.1	18.8

Additions to the right-of-use assets by acquisition of business during the financial year was \$3.6 million (2023: \$2.2 million).

b) Finance lease receivables

	2024 \$m	2023 \$m
Current	2.5	2.4
Non-current	5.3	7.8
	7.8	10.2

Minimum undiscounted lease payments receivable on the sublease are as follows:

	2024 \$m	2023 \$m
Within 1 year	2.6	2.6
Between 1 and 2 years	2.7	2.6
Between 2 and 3 years	2.5	2.7
Between 3 and 4 years	0.2	2.5
Between 4 and 5 years	-	0.2
	8.0	10.6

c) Lease liabilities

	2024 \$m	2023 \$m
Current	8.3	7.5
Non-current	33.9	38.4
	42.2	45.9

	2024 \$m	2023 \$m
Balance at beginning of the year	45.9	50.8
Lease payments	(9.7)	(9.8)
Interest expense on lease liabilities	2.1	2.3
New leases	3.6	2.5
Other adjustments	0.3	0.1
	42.2	45.9

d) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts related to leases.

	Notes	2024 \$m	2023 \$m
Finance income		0.2	0.2
Depreciation charge of right-of-use assets - properties	6	3.7	3.6
Impairment of right-of-use assets - properties	6	-	2.9
Finance costs - interest on lease liabilities	6	2.1	2.3
Expenses relating to short-term leases (included in other expenses)		0.5	0.2

The total cash outflow for leases in 2024 was \$7.3 million (2023: \$6.8 million).

e) Accounting policy

As a lessee

The Group leases various offices. Rental contracts are typically made for fixed periods of 3 to 15 years but may have extension options as described in (i) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

The Group is a sub-lessor (intermediate lessor) of the right-of-use assets. The Group classifies the sublease as a finance lease or an operating lease by assessing if the lease transfers substantially all the risks and rewards with reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

For subleases classified as a finance lease, the sub-lessor derecognises the right-of-use asset relating to the head lease that it transfers to the sublease and recognises the net investment in the sublease; any difference between the right-of-use assets and the net investment in the finance sublease is recognised in profit or loss. At the commencement date, net investment in the finance lease is measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The Group recognises finance income over the lease term, based on a pattern reflecting a constant period rate of return on the lessor's net investment in the lease.

i) Extension and termination options

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts.

The minimum non-discounted cash flows associated with the extensions that have not been recognised is \$21.6m.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

15. Payables

	2024 \$m	Restated 2023 ¹ \$m
Current		
Trade creditors	19.4	24.6
Other payables	79.4	78.5
Annual leave payable	17.0	15.2
	115.8	118.4

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

Annual leave payable is accrued annual leave. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months.

	2024 \$m	2023 \$m
Annual leave obligation expected to be settled after 12 months	2.3	2.2

16. Borrowings

	2024 \$m	2023 \$m
Current		
Bank overdraft	-	1.1
	-	1.1
Non-current		
Bank loans	264.6	244.8
	264.6	244.8

The bank overdraft comprises the closing positive balance of the bank account, adjusted for un-presented cheques and outstanding deposits.

The Group has a line-of-credit facility for corporate credit cards issued to nib employees for a total of \$2.0 million. Outstanding amounts as at 30 June 2024 are included in Current Liabilities - Payables under Trade Creditors.

Movements in the bank loans (secured) are as follows:

	2024 \$m	2023 \$m
Balance at beginning of period	244.8	258.8
Proceeds from borrowings	20.0	15.0
Repayment of borrowings	-	(30.0)
Exchange differences	(0.2)	1.0
Balance at end of period	264.6	244.8

a) Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as non-current liabilities if the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

b) Bank loans

During the year nib holdings limited refinanced its AUD \$80.5 million variable rate loan with NAB to extend its maturity date to 8 December 2026. It also has an AUD \$85.0 million variable rate loan with NAB with a maturity date of 16 December 2025 and an AUD \$50.0 million revolving credit facility with a maturity date of 8 December 2026, of which AUD \$20.0 million was drawn during the year. All loans are carried at amortised cost.

nib nz holdings limited, a wholly owned subsidiary of nib holdings limited, has a NZD \$70.0 million variable rate loan with NAB with a maturity date of 9 December 2026.

The above loans have the following financial covenants that must be met by the Group:

Financial Covenant	Ratio as at 30 June 2024
Group Gearing Ratio ¹ will not be more than 45%	20.5%
Group Interest Cover Ratio ¹ will not be less than 3:1	19:1

1. Excludes lease liabilities and associated interest.

nib holdings limited has provided a guarantee and indemnity to NAB on behalf of nib nz holdings limited in respect of the NZD \$70.0 million term loan facility.

c) Risk exposure

Information on the sensitivity of the Group's profit and equity to interest rate risk on borrowings is provided in Note 23.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

17. Provisions and employee entitlements

	2024 \$m	Restated ¹ 2023 \$m
Current		
Long service leave	6.7	6.0
Termination benefits	0.8	0.8
Provisions	1.2	1.5
	8.7	8.3
Non-current		
Long service leave	4.3	3.7
	4.3	3.7

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

Amounts not expected to be settled within the next 12 months

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of the provision or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	2024 \$m	2023 \$m
Long service leave obligation expected to be settled after 12 months	6.0	5.2

a) Accounting policy

i) Short-term obligations	Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The portion not expected to be settled within 12 months is discounted based on expected settlement dates. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rate paid or payable.
ii) Other long-term employee benefit obligations	The liability for long service leave is the amount of the future benefit that employees have earned in return for their service in the current and prior periods. The liability is calculated using expected future increases in wage and salary rates and expected settlement dates, and is discounted using G100 treasury discount rates at the balance sheet date which have the maturity dates approximating to the terms of nib's obligations.
iii) Bonus plans	<p>A liability for employee benefits in the form of bonus plans is recognised in other creditors when at least one of the following conditions is met:</p> <ul style="list-style-type: none"> • there are formal terms in the plan for determining the amount of the benefit, or • the amounts to be paid are determined before the time of completion of the financial report, or • past practice gives clear evidence of the amount of the obligation. <p>Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.</p>
iv) Termination benefits	Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised when a detailed plan for the terminations has been developed and a valid expectation has been raised with those employees effected that the terminations will be carried out without possibility of withdrawal. The liabilities for termination benefits are recognised as current provisions, as liabilities for termination benefits are expected to be settled within 12 months of reporting date.
v) Provisions	The Group is required to restore some leased premises to their original condition at the end of the respective lease terms. The make good provision has been recognised for the present value of the estimated cost required for restoration. These costs have been included in the Right of Use Asset.

18. Contributed equity

a) Share capital

	2024 \$m	2023 \$m
Ordinary shares		
Fully paid	319.5	306.8
Other equity securities		
Treasury shares	(5.4)	(4.3)
Total contributed equity	314.1	302.5

b) Movements in share capital

Date	Details	No. of shares	Price \$	\$m
1 Jul 2022	Balance	459,104,769		141.1
4 Oct 2022	Shares issued - Dividend reinvestment plan	582,102	7.76	4.5
18 Oct 2022	Capital raise - Institutional placement	19,565,218	6.90	135.0
	Capital raise cost - net of tax			(2.2)
14 Nov 2022	Capital raise - Share purchase plan	3,424,218	6.74	23.1
3 Apr 2023	Shares issued - Dividend reinvestment plan	758,798	7.03	5.3
30 Jun 2023	Balance	483,435,105		306.8
3 Oct 2023	Shares issued - Dividend reinvestment plan	841,650	7.67	6.5
10 Apr 2024	Shares issued - Dividend reinvestment plan	801,111	7.73	6.2
30 Jun 2024	Balance	485,077,866		319.5

c) Treasury shares

Treasury shares are shares in nib holdings limited that are held by the nib Holdings Ltd Share Ownership Plan Trust (Trust) for the purpose of issuing shares under the Group's Executive management Short-Term Incentive and Long-Term Incentive share plans. See Note 30 for more information.

Date	Details	No. of shares	\$m
30 Jun 2022	Balance	605,802	2.9
	Acquisition of shares by the Trust	496,250	3.8
	Employee share issue - LTIP	(211,040)	(1.1)
	Employee share issue - STI	(271,261)	(1.3)
30 Jun 2023	Balance	619,751	4.3
	Acquisition of shares by the Trust	716,668	5.5
	Employee share issue - LTIP	(285,749)	(2.2)
	Employee share issue - STI	(288,447)	(2.2)
30 Jun 2024	Balance	762,223	5.4

d) Accounting policy

i) Ordinary shares	Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental cost (net of income taxes) is recognised directly in equity. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.
ii) Employee share trust	The Group has formed a trust to administer the Group's Executive management Short-Term Incentive and Long Term-Incentive share plans. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Shares held by the nib Holdings Ltd Share Ownership Plan Trust are disclosed as treasury shares and deducted from contributed equity.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

19. Reserves

	2024 \$m	2023 \$m
Share-based payments	5.3	4.5
Share-based payments exercised	(11.9)	(11.0)
Foreign currency translation	1.3	2.3
Transactions with non-controlling interests	(6.1)	(4.1)
	(11.4)	(8.3)

Movements in reserves

	Notes	2024 \$m	2023 \$m
Share-based payments			
Balance at the beginning of the year		4.5	2.6
Performance right expense		2.1	2.3
Transfer to share-based payments exercised reserve on exercise of performance rights		(1.3)	(0.4)
Balance at the end of the financial year		5.3	4.5
Share-based payments exercised			
Balance at the beginning of the year		(11.0)	(10.3)
Transfer from share-based payments reserve on exercise of performance rights		1.3	0.4
Issue of shares held by nib Holdings Ltd Share Ownership Plan Trust to employees		(2.2)	(1.1)
Balance at the end of the financial year		(11.9)	(11.0)
Foreign currency translation			
Balance at the beginning of the year		2.3	0.5
Currency translation differences arising during the year - gross		(1.1)	2.2
Deferred tax	7	0.1	(0.4)
Balance at the end of the financial year		1.3	2.3
Transactions with non-controlling interests			
Balance at the beginning of the year		(4.1)	-
Transactions with non-controlling interests during the year		(2.0)	(4.1)
Balance at the end of the financial year		(6.1)	(4.1)

Nature and purpose of reserves

i) Share-based payments	The share-based payments reserve is used to recognise the fair value of performance rights and bonus share rights issued to employees but not exercised.
ii) Share-based payments exercised	The share-based payments exercised reserve is used to recognise the difference between fair value of performance rights and bonus share rights accumulated in the share-based payments reserve and cost of exercising the rights.
iii) Foreign currency translation	Exchange rate differences arising on translation of foreign controlled entities are recognised in other comprehensive income as described in Note 1(b) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.
iv) Transactions with non-controlling interests	The reserve is used to recognise when the proportion of the equity held by non-controlling interests changes, the carrying amounts of the controlling and non-controlling interests are adjusted in equity to reflect the changes in the Group's interests.

20. Dividends

a) Ordinary shares

	2024 \$m	2023 \$m
Final dividend for the year ended 30 June 2023 of 15.0 cents (2022: 11.0 cents) per fully paid share paid on 3 October 2023		
Fully franked based on tax paid at 30%	72.5	50.5
Interim dividend for the year ended 30 June 2024 of 15.0 cents (2023: 13.0 cents) per fully paid share paid on 10 April 2024		
Fully franked based on tax paid at 30%	72.6	62.7
Total dividends provided for or paid	145.1	113.2

b) Dividends not recognised at year end

	2024 \$m	2023 \$m
In addition to the above dividends, since the end of the year the Directors have recommended the payment of a final dividend of 14.0 cents (2023: 15.0 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 8 October 2024 out of retained profits at 30 June 2024, but not recognised as a liability at the end of the year, is:	67.9	72.5

c) Franked dividends

The franked portion of the final dividends recommended after 30 June 2024 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2024.

	2024 \$m	2023 \$m
Franking credits available for subsequent financial years to equity holders of parent entity based on a tax rate of 30%	189.4	174.4

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- Franking credits that will arise from the payment of the amount of the provision for income tax;
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

d) Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

21. Earnings per share

		2024	Restated 2023 ¹
Profit from continuing operations attributable to the ordinary equity holders of the company used in calculating basic/diluted EPS	\$m	186.6	115.0
Weighted average number of ordinary shares	#m	484.2	475.6
Basic/Diluted EPS	cents	38.5	24.2

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

		2024	Restated 2023 ¹
Profit attributable to the ordinary equity holders of the company used in calculating basic/diluted EPS	\$m	185.6	114.4
Weighted average number of ordinary shares	#m	484.2	475.6
Basic/Diluted EPS	cents	38.3	24.1

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

a) Accounting policy

i) Basic earnings per share	Basic earnings per share is calculated by dividing: <ul style="list-style-type: none"> the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares; by the weighted average number of ordinary shares outstanding during the financial year.
ii) Diluted earnings per share	Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account: <ul style="list-style-type: none"> the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

b) Information concerning the classification of shares

i) Performance rights	Performance rights granted to employees under the nib holdings Long-Term Incentive Plan are considered to be potential ordinary shares and are only included in the determination of diluted earnings per share to the extent to which they are dilutive. The performance rights have not been included in the determination of basic earnings per share. Details relating to the performance rights are set out in the Remuneration Report on page 35. The total 2,216,804 performance rights granted (2023: 2,085,127) are not included in the calculation of diluted earnings per share because they are contingently issuable ordinary shares and conditions were not satisfied at 30 June 2024. These performance rights could potentially dilute basic earnings per share in the future.
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22. Capital management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group will maintain sufficient capital to meet minimum capital requirements under stressed conditions with a low probability of having insufficient capital to act as a buffer against the financial impacts of a severe but plausible stress event.

The Group includes three substantial regulated entities. Capital is monitored separately for each of these entities against minimum capital requirements. In addition the Group monitors the following key performance indicators of capital adequacy.

- Equity
- Net tangible assets
- Gearing (debt/debt plus equity)
- Debt/EBITDA

In order to maintain or adjust the capital structure, the Group has a number of levers, including adjusting the amount of dividends paid to shareholders, returning capital to shareholders, issuing new shares, selling assets, raising or reducing debt or buying back shares.

nib holdings limited

Below are the key performance indicators of capital adequacy for the Group as at 30 June 2024 and 30 June 2023.

	2024 \$m	Restated 2023 ¹ \$m
Equity	1,043.8	996.8
Net tangible assets ²	301.9	339.2
Gearing (debt/debt plus equity)	20.5%	20.1%
Debt/EBITDA	0.8x	1.1x
Dividend recommended at balance date	67.9	72.5

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

2. Net tangible assets excludes intangible assets, insurance acquisition cash flows asset, charitable foundation and non-controlling interests.

nib health funds limited

nib health funds limited has a capital management plan which establishes a target for capital held in excess of the regulatory requirement. The aim is to keep a sufficient buffer in line with the Board's attitude to and tolerance for risk. The internal capital target ensures nib has a minimum level of capital given certain stressed capital scenarios.

The surplus assets over capital adequacy requirement based on current APRA capital standards at 30 June 2024 are as follows:

	2024 \$m
Net tangible assets ¹	451.9
Capital base	532.6
Prescribed Capital Amount	274.9
Excess capital over PCA	257.7
PCA multiple	1.94x

1. Net tangible assets excludes intangible assets and insurance acquisition cash flows asset.

The capital information above complies with the new private health insurance capital standards that became effective from 1 July 2023.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

22. Capital management continued

nib nz limited

nib nz limited, a controlled entity, is required to comply with the Interim Solvency Standard 2023 published by the Reserve Bank of New Zealand (RBNZ), previously the Solvency Standard for Non-Life Insurance Business (2014).

The solvency positions of nib nz limited determined under the requirements of the Solvency Standard at 30 June 2024 are set out below:

	2024
	\$m
Solvency Capital	531.6
Prescribed Capital Requirement	464.0
Solvency Margin	67.6
Solvency Ratio	115%

For underwriting risk, previously the Solvency Standard for Non-Life Insurance Business (2014) only allowed for potential short-term losses. The current Interim Solvency Standard 2023 now considers potential for longer term losses for contracts where there are expectations that the current contract will fund acquisition or insurance expenses under future renewals of the contract. Solvency capital is increased to reflect the standardised insurance items for these contracts, which includes the fulfilment cash-flows for long-term contracts determined using the general measurement model of NZ IFRS 17, and the prescribed capital requirement applies stresses to this amount.

nib nz insurance limited

nib nz insurance limited, a controlled entity, is required to comply with the Interim Solvency Standard 2023 published by the Reserve Bank of New Zealand (RBNZ), previously the Solvency Standard for Life Insurance Business (2014).

Based on actuarial advice, the Directors have determined that \$18.6 million is the Prescribed Capital Requirement. For the purposes of this calculation nib nz insurance limited is treated as having and being one statutory fund. The Solvency Capital determined under the standard is \$28.4 million. Therefore the Solvency Margin is \$9.8 million.

The solvency positions of nib nz insurance limited determined under the requirements of the Solvency Standard at 30 June 2024 are set out below:

	2024
	\$m
Solvency Capital	28.4
Prescribed Capital Requirement	18.6
Solvency Margin	9.8
Solvency Ratio	153%

Previously the Solvency Standard for Life Insurance Business (2014) already considered potential for longer term losses therefore there has been no material change to the solvency positions.

23. Risk management

The Board of nib is ultimately responsible for the Group's risk management framework and oversees the Group's operations by ensuring that management embed a sound risk culture and operate within the approved risk appetite statement. The Board approves the Group's overall risk management strategy, risk appetite and policies and practices to ensure that risks are identified and managed within the context of this appetite.

The Board's sub committees, including the Audit Committee, People and Remuneration Committee and the Risk and Reputation Committee assist the Board in the execution of its responsibilities. The responsibilities of these Committees are detailed in their respective Charters.

The Group's risk management framework is based on a three lines of defence model and provides defined risk ownership responsibilities with functionally independent oversight and assurance. The Group manages risks through:

- the governance structure established by the Board,
- implementation of the risk management framework by management,
- oversight of the risk management framework by the Risk function and the Management Risk and Sustainability Committee,
- the Group's internal policies and procedures designed to identify and mitigate risks,
- internal audit which provides independent assurance to the Board regarding the appropriateness, effectiveness and adequacy of controls over activities where risks are perceived to be high,
- regular risk and compliance reporting to the Board and relevant Board Committees,
- application of solvency and capital adequacy standards for nib health funds limited (regulated by APRA) and nib New Zealand (regulated by RBNZ).

The Group's objective is to manage the Group's risks in line with the Board approved risk appetite statement. Various procedures are in place to identify, mitigate and monitor the risks faced by the Group. Management are responsible for understanding and managing risks, including financial and non-financial risks. The Group's exposure to all high-rated and other key enterprise risks, is reported quarterly to the Board via the Risk and Reputation Committee.

During the year the Group continued to invest in and strengthen our risk management systems and practices to reflect our strong commitment to risk and compliance in alignment with APRA Prudential Standard CPS 220 – Risk Management.

The financial condition and operations of the Group are affected by a number of Material Risks and Uncertainties. High level descriptions of these risks are included in the Operating and Financial Review (see pages 13 to 16), including Insurance Risks, Financial Risks, Strategic Risks, Clinical Risks and Operational Risks as categorised in nib's Risk Management Strategy. Realisation of these risks can have both financial and/or non-financial impacts.

Further material is contained in the notes below on the exposures and mitigation of specific risks with discrete financial impacts.

Category	Risks
Insurance risks	Pricing
	Claims inflation
	Risk equalisation (Australia only)
Financial risks	Fair value interest rate risk
	Foreign exchange risk
	Price risk
	Credit risk
	Liquidity risk
	Capital management (see Note 22)

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

23. Risk management continued

a) Insurance risk

Insurance risk is the risk that inadequate or inappropriate underwriting, claims management, product design and pricing will expose the Group to financial loss from claims expenditure exceeding the amount implicit in premium income.

There are a number of sources of risk that require nib to closely review and monitor our control strategies. These risks have Board oversight. These sources include:

Description	Exposure	Mitigation
Pricing risk	Forecasting and pricing is a core capability within the Group. Without effective controls there is potential for poor quality forecasting. This could result in a range of negative outcomes, including: pricing decisions that do not align with nib strategic goals, material impact to nib financial performance, and failure to comply with ASX Listing Rule Continuous Disclosure obligations. Control failures could also impact annual pricing approval decisions by the Minister for Health. Amendments or rejections of price applications could have a negative impact on nib's operating and financial performance.	This risk is managed by establishing product premiums through the use of actuarial models based on historical claims costs and forecast claims inflation. Pricing recommendations are externally reviewed by the Appointed Actuary. The Group works collaboratively with Government, regulators and other stakeholders to improve health insurance premium affordability through industry reforms and health policy setting.
Claims inflation	The Group is subject to the risk of significant claims inflation which may not be adequately covered by premium price increases and/or product design changes. In Australia the principle of community rating prevents private health insurers from improperly discriminating between people who are or wish to be insured, on the basis of their health status, age, race, gender, religious beliefs, sexuality, frequency of need of health care, lifestyle or claims history.	Claims patterns are monitored and premiums calculated accordingly. Governance, contractual and control procedures are in place for key benefits and provider relationships. Maintenance of reserves in excess of minimum solvency and capital requirements allows the Group to withstand increased levels of claims inflation.
Risk equalisation special account arrangements	Risk equalisation arrangements apply to the registered health insurance industry in Australia. Under these arrangements all registered health insurers effectively provide reinsurance support so that the industry as a whole shares the hospital cost of high risk groups irrespective of the policyholder or private health fund related to the claim.	Risk equalisation provides some protection to high cost claims however exposes the Group to claims from other health insurers. Actuarial models are used to monitor past experience and predict future costs, premiums are calculated accordingly.

b) Fair value interest rate risk

Description	Exposure	Mitigation
Risk of fluctuations in interest rates impacting the Group's financial performance or the fair value of its financial instruments.	<p>The Group has interest rate risk arising from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk if the borrowings are carried at fair value. The Group's borrowings at variable rate were denominated in Australian and New Zealand Dollars.</p> <p>The Group's other interest rate risks arise from:</p> <ul style="list-style-type: none"> receivables; financial assets at amortised cost; financial assets at fair value through profit or loss; and cash and cash equivalents <p>All other receivables are non-interest bearing. There is an interest-bearing component of financial assets at fair value through profit or loss.</p>	<p>The Group mitigates interest rate risk on long term borrowings by maintaining an appropriate gearing ratio and monitoring and forecasting key indicators such as interest expense coverage.</p> <p>nib has a defined investment strategy and risk/return objectives, that is aligned to the strategic plan and capital management plans, overseen by the Audit Committee and assisted by asset management consultants.</p>

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	2024		2023	
	Weighted average interest rate %	Balance \$m	Weighted average interest rate %	Balance \$m
Bank loans	6.1%	264.6	4.6%	244.8
Net exposure to cash flow interest rate risk		264.6		244.8

The bank overdraft comprised of the closing positive balance of the bank account, adjusted for unpresented cheques and outstanding deposits is not included in bank loans.

An analysis by maturities is provided at 23(f). The table below summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk.

Interest rate risk	2024			2023 ¹		
	Carrying amount \$m	-100bps Profit after tax \$m	+100bps Profit after tax \$m	Carrying amount \$m	-100bps Profit after tax \$m	+100bps Profit after tax \$m
Financial assets						
Cash and cash equivalents	275.3	(1.9)	1.9	243.0	(1.7)	1.7
Receivables	21.6	(0.2)	0.2	26.9	(0.2)	0.2
Financial assets at amortised cost	6.0	-	-	6.5	-	-
Financial assets at fair value through profit or loss						
- Interest-bearing securities	880.8	8.7	(8.6)	873.2	8.2	(8.2)
Financial liabilities						
Bank loans	(264.6)	1.9	(1.9)	(244.8)	1.7	(1.7)

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

23. Risk management continued

c) Foreign exchange risk

Description	Exposure	Mitigation
Risk of fluctuations in foreign exchange rates impacting the Group's financial performance.	<p>The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency translation risk through its subsidiaries located in overseas jurisdictions.</p> <p>In accordance with the policy set out in Note 1(b), foreign exchange gains or losses arising on translation of the Group's foreign operations to the Group's Australian dollar presentation currency are recognised in equity through other comprehensive income. Foreign exchange gains or losses arising on assets and liabilities denominated in foreign currencies are recognised directly in profit and loss.</p>	The Group does not hedge this risk.

The table below summarises the sensitivity of the Group's equity to a 10% strengthening and weakening of the Australian dollar against the foreign currency, with all other variables held constant.

Foreign exchange risk	2024					2023 ¹				
	-10%		+10%			-10%		+10%		
	Exposure \$m	Profit after tax \$m	Equity \$m	Profit after tax \$m	Equity \$m	Exposure \$m	Profit after tax \$m	Equity \$m	Profit after tax \$m	Equity \$m
New Zealand dollar	158.8	-	(15.9)	-	15.9	153.0	-	(15.3)	-	15.3
Chinese Yuan	5.2	(0.4)	-	0.4	-	9.7	(0.7)	-	0.7	-
Other	(3.5)	(0.5)	1.1	0.5	(1.1)	0.3	(0.6)	0.7	0.6	(0.7)

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

d) Price risk

Description	Exposure	Mitigation
Risk of fluctuations in price of equity securities impacting the Group's fair value of its financial instruments.	The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet as at fair value through profit or loss. The Group is not exposed to commodity price risk.	To manage its price risk the Group has adopted an investment strategy which delivers a diversified portfolio with a heavier weighting to defensive assets versus growth assets. nib has a defined investment strategy and risk/return objectives, that is aligned to the strategic plan and capital management plans, overseen by the Audit Committee and assisted by asset management consultants.

Profit after tax for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. All the equity securities are held in unit trusts. The table below summarises the sensitivity of the Group's financial assets to price risk.

Other price risk	2024			2023		
	Carrying amount \$m	-10% unit price	+10% unit price	Carrying amount \$m	-10% unit price	+10% unit price
		Profit after tax \$m	Profit after tax \$m		Profit after tax \$m	Profit after tax \$m
Financial assets						
Financial assets at fair value through profit or loss						
- Equity securities	184.5	(12.9)	12.9	177.1	(12.5)	12.5
- Property trusts	19.6	(1.4)	1.4	20.1	(1.4)	1.4

Methods and assumptions used in preparing sensitivity analysis for fair value interest rate, foreign exchange and price risk

The after tax effect on profit and equity of movements in foreign exchange, interest rate and price have been calculated using 'reasonably possible' changes in the risk variables, based on recent interest rate and market movements.

An interest rate change of 100 basis points will directly affect interest received on cash and cash equivalents and other receivables. An interest rate change of 100 basis points will inversely affect the unit price of fixed interest investments. This change has been calculated by multiplying the average duration of underlying investments in each portfolio by the interest rate change. All other investments are not directly affected by interest rate changes but would be revalued through profit or loss as their unit price changes.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

23. Risk management continued

e) Credit risk

Description	Exposure	Mitigation
Risk that a counterparty will default on its contractual obligations, or the decline in the credit quality of a financial instrument, resulting in financial loss to the Group.	<p>Credit risk arises from:</p> <ul style="list-style-type: none"> cash and cash equivalents; financial assets and deposits with banks and financial institutions; and credit exposures to policyholders and the Department of Human Services (Private Health Insurance Premiums Reduction Scheme). <p>The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date is the carrying amount, net of any provisions for impairment loss, as disclosed in the balance sheet and notes to the financial statements. Apart from Services Australia the Group does not have any material credit risk to any other single debtor or group of debtors under financial instruments entered into.</p>	<p>Directly managed term deposits are held with institutions that have at least an A-2 credit rating.</p> <p>Term deposits held within portfolios managed by investment asset consultants are in accordance with the relevant investment policy statement.</p> <p>nib has a defined investment strategy and risk/return objectives, that is aligned to the strategic plan and capital management plans, overseen by the Audit Committee and assisted by asset management consultants.</p> <p>Credit risk for premium receivables are minimal due to the diversification of policyholders.</p> <p>The Private Health Insurance Premiums Reduction Scheme receivable is due from a government organisation under legislation.</p>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Receivables	2024 \$m	2023 ¹ \$m
Counterparties with external credit rating	1.0	1.7
Group 1 - new debtors (relationship less than 6 months)	0.7	-
Group 2 - existing debtors with no defaults in the past	18.6	23.6
Group 3 - existing debtors with some defaults in the past. All defaults were fully recovered	1.3	1.6
	21.6	26.9

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

Cash at bank and short-term bank deposits	2024 \$m	2023 \$m
A-1+	263.5	227.7
A-1	9.2	12.3
A-2	0.4	0.8
B*	2.2	2.2
	275.3	243.0

* Transactional bank account.

Financial assets at amortised cost	2024 \$m	2023 \$m
Short term deposits		
A-1+	6.0	6.5
	6.0	6.5

Financial assets at fair value through profit or loss	2024 \$m	2023 \$m
Interest-bearing securities ¹		
AAA	292.0	261.6
AA	489.0	551.2
A	80.9	53.6
BBB	18.2	6.8
Below BBB	0.7	-
	880.8	873.2

1. The financial assets at fair value through profit or loss with credit risk are held in unit trusts. The above table summarises the underlying investments of the unit trusts.

f) Liquidity risk

Description	Exposure	Mitigation
Risk that the Group will not be able to meet its financial obligations as they fall due, because of lack of liquid assets or access to funding on acceptable terms.	Liquidity risk arises from: <ul style="list-style-type: none"> • trade creditors; • other payables; • lease liabilities; and • borrowings 	The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and holding a high percentage of highly liquid investments. The bank overdraft within borrowings comprises the closing positive balances of the bank account, adjusted for unpresented cheques and outstanding deposits. There are no overdraft facilities.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Group at 30 June 2024	< 1 month \$m	1-3 months \$m	3-12 months \$m	1-5 years \$m	> 5 years \$m	Total contractual cash flows \$m	Carrying amount \$m
Financial Liabilities							
Trade creditors	19.4	-	-	-	-	19.4	19.4
Other payables	56.9	18.8	3.5	0.2	-	79.4	79.4
Lease liabilities	0.8	1.7	7.6	29.9	7.9	47.9	42.2
Borrowings	0.4	3.8	12.2	281.9	-	298.3	264.6
	77.5	24.3	23.3	312.0	7.9	445.0	405.6

Group at 30 June 2023 ¹	< 1 month \$m	1-3 months \$m	3-12 months \$m	1-5 years \$m	> 5 years \$m	Total contractual cash flows \$m	Carrying amount \$m
Financial Liabilities							
Trade creditors	24.3	0.3	-	-	-	24.6	24.6
Other payables	52.2	21.8	4.3	0.3	-	78.6	78.5
Lease liabilities	0.8	1.7	7.0	32.8	10.5	52.8	45.9
Borrowings	0.4	3.1	10.5	255.6	-	269.6	245.9
	77.7	26.9	21.8	288.7	10.5	425.6	394.9

1. The Group adopted AASB 17 *Insurance Contracts* from 1 July 2023 and has restated the comparative period. The impacts of adoption are detailed in note 1 (c).

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

24. Commitments and contingent liabilities

a) Capital expenditure commitments

At 30 June 2024 the Group's capital expenditure commitments payable not longer than one year is \$0.5 million (2023: \$3.3 million).

b) Guarantees and financial support

nib holdings limited has provided a guarantee and indemnity to NAB on behalf of nib nz holdings limited in respect of the NZD \$70.0 million term loan facility.

nib holdings limited has in place a commitment to fund advances up to NZD \$10.0 million to nib nz holdings limited upon written request.

NZD \$2.1 million has been drawn down as at 30 June 2024. Any advances would be on the same terms as contained in current intercompany loans between nib holdings limited and nib nz holdings limited.

nib holdings limited has given an undertaking to extend financial support to a number of other subsidiaries within the Group, and Footprints Fundraising Inc. (Footprints) by subordinating repayment of debts owed by the entities to nib holdings limited, in favour of all other creditors. This undertaking has been provided as a result of each of these subsidiaries experiencing deficiencies of capital and reserves, and is intended to enable the entities to continue their operations and fulfil all financial obligations now and in the future. The undertaking for Footprints is valid until 31 December 2024.

c) Other contingencies

nib operates in a highly regulated industry where guidance is issued from a number of stakeholders including, ASIC, APRA and the Department of Health. From time to time nib will be required to modify practices and health fund rules as a result of new or clarified guidance, which exposes nib to risks and potential liabilities.

Management are not aware of any material financial consequences as a result of updated guidance or changes made to practices and fund rules during the year.

25. Events occurring after the balance sheet date

There have been no other matters or circumstances that have arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

26. Remuneration of auditors

	2024 \$	2023 \$
a) PricewaterhouseCoopers Australia		
Audit and review of financial reports	1,096,136	1,151,297
Other statutory assurance services	251,999	230,484
Other non-audit services		
Due diligence and transaction advisory services	-	589,050
Total remuneration of PricewaterhouseCoopers Australia	1,348,135	1,970,831
b) Network firms of PricewaterhouseCoopers		
Audit and review of financial reports	906,429	642,423
Other statutory assurance services	37,834	26,228
Other non-audit services		
Due diligence and transaction advisory services	470,615	291,964
Other	8,341	-
Total remuneration of network firms of PricewaterhouseCoopers	1,423,219	960,615
Total auditors' remuneration	2,771,354	2,931,446

27. Business combination

a) Current period

During the year, nib acquired Kynd Group Pty Ltd (on 3 July 2023), Developing Links Pty Ltd (on 28 August 2023), and the assets and liabilities of BudgetNet Pty Ltd (on 21 September 2023).

The acquisitions are part of nib's entry into the National Disability Insurance Scheme (NDIS) as a Plan Manager. nib sees close alignment between Plan Management and its traditional role in helping people choose health cover and connect with healthcare services.

Details of the provisional purchase consideration are as follows:

	\$m
Purchase consideration	
Cash	45.9
Payables	1.9
Total purchase consideration	47.8

The provisional fair values of the assets and liabilities recognised as a result of the acquisition are as follows:

	Provisional fair value
	\$m
Cash and cash equivalents	0.3
Trade and other receivables	0.1
Software	8.8
Intangible assets: Customer contracts	12.1
Payables	(0.5)
Current tax payable	(0.2)
Deferred tax liabilities	(3.6)
Provision for employee entitlements	(0.3)
Net identifiable assets acquired	16.7
Add: Goodwill	31.1
Net assets acquired	47.8

The goodwill is attributable to the future profitability of the acquired business. None of the goodwill is deductible for tax purposes.

Identification and assessment of acquired intangible assets is in progress and adjustments are expected as part of the final purchase price allocation in the next financial period.

i) Acquisition related costs

Total acquisition related costs of \$7.6 million are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

ii) Revenue and profit contribution

The acquired business contributed \$10.7 million to Group revenue and \$6.9 million to net profit after tax for the period since acquisition.

Provisional purchase consideration – cash outflow

	\$m
Outflow of cash to acquire business, net of cash acquired	
Cash consideration	45.9
Less: Cash balances acquired	(0.3)
Outflow of cash – investing activities	45.6

The Outflow of cash of \$45.6 million for current period acquisitions together with additional consideration of \$0.7 million on completion of Peak Plan Management Pty Limited being paid in this period agrees to the Statement of Cash Flows amount of \$46.3 million.

b) Prior year

The fair values of the acquisition for Maple Plan Pty Ltd, Peak Plan Management Pty Ltd, Connect Plan Management Pty Ltd, All Disability Plan Management Pty Ltd and OrbitProtect Limited were provisionally determined in the annual report for the year ended 30 June 2023.

During the year, the Group finalised the purchase price allocation. The aggregate provisional fair value of goodwill has been partially reclassified to software by \$3.0 million, customer contracts by \$31.3 million, and other liabilities by \$0.5 million with associated deferred tax liabilities of \$9.4 million.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

28. Interest in other entities

a) Subsidiaries and trusts

The consolidated financial statements incorporate the assets, liabilities and results of the controlled entities as listed in the Consolidated Entity Disclosure Statement on page 116 in accordance with the accounting policy described in Note 28(e).

b) Consolidation of nib foundation trust and nib foundation limited

The constitution of nib foundation limited (as trustee for the nib foundation trust) is to enable receipt of unclaimed dividends of the parent entity (nib holdings limited) to fund charitable donations to the community. The parent is required to consolidate the nib foundation trust. The assets of the nib foundation trust are shown as restricted in use and the retained earnings are shown as a restricted reserve of the Group given they can only be distributed for charitable purposes under the constitution of nib foundation trust and are not available to owners of nib holdings limited.

c) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 30 June 2024. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Carrying amount \$m	
		2024	2023			2024	2023
Honeysuckle Health Pty Ltd	Australia	50.0%	50.0%	Joint venture	Equity	2.6	6.4
Aohua Insurance Consulting Co. Ltd	China	0.0%	75.1%	Joint venture	Equity	-	6.0
Kangaroo Technologies Co. Ltd	China	0.0%	24.9%	Joint venture	Equity	-	3.6
Total equity accounting investments						2.6	16.0

Honeysuckle Health Pty Ltd is a specialist healthcare data science and services company. It is a strategic investment complementing the Group's health insurance business.

During the year the Group finalised the sale of the China joint venture entities Aohua Insurance Consulting Co. Ltd and Kangaroo Technologies Co. Ltd.

The financial information relating to these discontinued operations is set out below.

	2024 \$m	2023 \$m
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	(0.6)	(0.9)
Profit/(loss) before income tax	(0.6)	(0.9)
Income tax benefit/(expense)	(0.4)	0.3
Profit/(loss) from discontinued operations	(1.0)	(0.6)

i) Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Honeysuckle Health Pty Ltd		
Summarised balance sheet	2024 \$m	2023 \$m
Current assets		
Cash and cash equivalents	3.7	7.5
Other current assets	3.4	5.2
Total current assets	7.1	12.7
Non-current assets	7.1	8.2
Current liabilities		
Financial liabilities (excluding trade payables)	6.9	5.2
Other current liabilities	0.4	0.7
Total current liabilities	7.3	5.9
Total non-current liabilities	1.7	2.4
Net assets	5.2	12.6
Reconciliation to carrying amounts:		
Opening net assets	12.6	12.5
Investment	-	9.0
Profit/(loss) for the period	(7.4)	(8.9)
Closing net assets	5.2	12.6
Group's share in %	50.0%	50.0%
Group's share in \$	2.6	6.3
Carrying amount	2.6	6.3
Summarised statement of comprehensive income		
Revenue	19.4	17.1
Interest income	0.2	0.2
Depreciation and amortisation	(0.4)	(0.5)
Profit/(loss) from continuing operations	(7.4)	(8.9)
Profit/(loss) for the period	(7.4)	(8.9)
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss)	(7.4)	(8.9)
Dividends received from associates and joint venture entities	-	-

d) Non-controlling interests

Midnight Health Pty Ltd is a digital health company that provides telehealth platforms for online consultations, e-prescriptions and delivery of treatments. During the year, nib holdings limited invested a further \$9.0 million in Midnight Health Pty Ltd, resulting in an increased ownership percentage to 77.4% (2023: 74.4%). The Group consolidated the financial statements of Midnight Health Pty Ltd during the financial year.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

28. Interest in other entities continued

e) Accounting policy

i) Subsidiaries	<p>The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of nib holdings limited (“parent entity”) as at 30 June 2024 and the results of all subsidiaries for the year then ended. nib holdings limited and its subsidiaries together are referred to in this financial report as the Group.</p> <p>Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.</p> <p>The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.</p> <p>Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.</p>
ii) Associates	<p>Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights.</p> <p>Investments in associates are accounted for using the equity method of accounting (see (iii) Equity method), after initially being recognised at cost.</p>
iii) Equity method	<p>Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.</p> <p>When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.</p> <p>Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.</p>
iv) Non-controlling interests	<p>The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of nib holdings limited.</p> <p>Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.</p>

29. Related party transactions

a) Related party transactions with key management personnel

Key management personnel are entitled to insurance policies provided at a discount dependant on length of service; in all other respects the policies are on normal terms and conditions.

There were no other related party transactions with key management personnel during the year, as there were no transactions where either party had the presence of control, joint or significant influence to affect the financial and operating policies of the other entity.

b) Key management personnel compensation

	2024 \$	2023 \$
Short-term employee benefits	9,050,591	9,385,362
Post-employment benefits	378,111	363,498
Other long-term benefits	(18,291)	105,847
Termination benefits	-	612,758
Share-based payments	4,933,700	5,378,241
	14,344,111	15,845,706

Detailed remuneration disclosures are provided in the Remuneration Report on pages 25 to 48.

c) Transactions with other related parties

During the financial year, nib was charged \$14.6 million (2023: \$7.9 million) for the hospital contracting services Honeysuckle Health Pty Ltd provided, and there was no recharge by nib to Honeysuckle Health Pty Ltd (2023: \$17,276).

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

30. Share-based payments

a) Long-term incentive plan (LTIP)

Performance rights to acquire shares in nib holdings limited are granted to Executives under the Long Term Incentive Plan (LTIP). Information relating to the LTIP is included in the Remuneration Report on page 35. The nib Holdings Ltd Share Ownership Plan Trust administers the Group's Executive management Short-Term Incentive and Long-Term Incentive Share Plans. This Trust has been consolidated in accordance with Note 28(e).

Set out below is a summary of performance rights granted under the plan:

	2024 Number of rights	2023 Number of rights
Balance at the start of the year	2,085,127	2,108,179
Granted as compensation	541,984	517,993
Exercised	(285,749)	(211,040)
Other forfeitures	(124,558)	(330,005)
Balance at the end of the year	2,216,804	2,085,127
Vested and exercisable at the end of the year	-	-

The valuation methodology inputs for performance rights granted during the year ended 30 June 2024 included:

- Performance rights are granted for no consideration and vest subject to nib holdings limited EPS and TSR hurdles
- Exercise price: \$nil (2023: \$nil)
- Grant date: 1 December 2023 (2023: 2 December 2022)
- Expiry date: 1 September 2027 (2023: 1 September 2026)
- Share price at grant date: \$6.4536 (2023: \$5.8017)
- Expected dividend yield: Dividends are assumed based on the expected dividend payout ratio of 60% to 70% of normalised net profit after tax (with the potential for special dividends above this range)

b) Employee Share Acquisition (tax exempt) Plan (ESAP)

Eligible Australian employees were offered the opportunity to receive part of their salary in the form of shares. All permanent employees who were an employee at the date the offer was made were eligible to participate in the scheme. Employees may elect not to participate in the scheme.

ESAP is administered by the Board. Shares granted to the employees by the Board were acquired on-market via a third party trustee plan company.

Under the plan, participating employees were allocated an aggregate market value up to \$1,000 worth of fully paid ordinary shares in nib holdings limited. Subsequent offers under ESAP are at the Board's discretion.

Shares issued under the scheme may not be sold until the earlier of three years after issue or cessation of employment. In all other respects shares rank equally with other fully-paid ordinary shares on issue.

	2024	2023
Number of shares purchased on market under the plan to participating employees	53,578	40,117

The shares were allocated in two tranches. The first tranche of shares were allocated on 28 August 2023 following nib's FY23 full year results presentation at a volume weighted average price of \$8.04. The remaining tranche of shares were allocated on 4 March 2024 following nib's FY24 half year results presentation at a volume weighted average price of \$7.53.

c) nib NZ Employee Share Purchase Scheme (ESPS)

Eligible employees were offered the opportunity to receive part of their salary in the form of shares. Employees may elect not to participate in the scheme.

ESPS is administered by the Board. Shares granted to the employees by the Board were acquired on-market via a third party trustee plan company.

Under the scheme, participating employees were allocated an aggregate market value up to NZD \$1,000 worth of fully paid ordinary shares in nib holdings limited. Subsequent offers under ESPS are at the Board's discretion.

Shares issued under the scheme may not be sold until the earlier of three years after issue or cessation of employment. In all other respects shares rank equally with other fully-paid ordinary shares on issue.

	2024	2023
Number of shares purchased on market under the plan to participating employees	1,578	3,640

The shares were allocated in two tranches. The first tranche of shares were allocated on 28 August 2023 following nib's FY23 full year results presentation at a volume weighted average price of \$8.04. The remaining tranche of shares were allocated on 4 March 2024 following nib's FY24 half year results presentation at a volume weighted average price of \$7.53.

d) nib Salary Sacrifice Plan and Matching Plan

Business unit managers were offered the opportunity to receive part of their salary in the form of shares, with an additional amount of shares contributed by the Company. Employees may elect not to participate in the plan.

The plan is administered by the Board. Shares granted to the employees by the Board were acquired on-market via a third party trustee plan company.

Under the plan, participating employees were allocated an aggregate market value up to \$10,000 worth of fully paid ordinary shares in nib holdings limited, made up of \$5,000 salary sacrifice and \$5,000 matching company component. Subsequent offers under the plan are at the Board's discretion.

	2024	2023
Number of shares purchased on market under the plan to participating employees	50,550	42,314

Shares issued under the plan may not be sold until the earlier of three or seven years (as nominated by employee) after issue, or cessation of employment. In all other respects shares rank equally with other fully paid ordinary shares on issue.

e) Salary Sacrifice Plan (NZ) and Matching Plan (NZ)

New Zealand business unit managers were offered the opportunity to receive part of their salary in the form of shares, with an additional amount of shares contributed by the Company. Employees may elect not to participate in the plan.

The plan is administered by the Board. Shares granted to the employees by the Board were acquired on-market via a third party trustee plan company.

Under the plan, participating employees were allocated an aggregate market value up to NZD \$10,000 worth of fully paid ordinary shares in nib holdings limited, made up of NZD \$5,000 salary sacrifice and NZD \$5,000 matching company component. Subsequent offers under the plan are at the Board's discretion.

	2024	2023
Number of shares purchased on market under the plan to participating employees	5,571	3,932

Shares issued under the scheme may not be sold until the earlier of three or seven years (as nominated by employee) after issue, or cessation of employment. In all other respects shares rank equally with other fully paid ordinary shares on issue.

Notes to the Consolidated Financial Statement

for the year ended 30 June 2024 continued

30. Share-based payments continued

f) Short-Term Performance Incentive (STI)

All eligible employees have a STI opportunity. For the MD/CEO the target bonus opportunity is 135% of the base remuneration package. For the GCFO, CE ARHI, CEO NZT, CE IV and CE THRIVE the target bonus opportunity is 112.5% of the remuneration package. For the GCIO, GELCRO and GCPO the target bonus opportunity is 90% of the remuneration package.

The nib Holdings Ltd Share Ownership Plan Trust administers the Group's Executive management Short-Term Incentive and Long-Term Incentive Share Plans. This Trust has been consolidated in accordance with Note 28(e).

Shares issued by the Trust to the employees are acquired on-market prior to the issue. Shares held by the Trust and not yet issued to employees at the end of the reporting period are shown as treasury shares in financial statements, see Note 18(c).

Shares were purchased on market and brokerage fees are borne by nib health funds limited.

g) Expenses arising from share-based payments transactions

	2024 \$m	2023 \$m
Shares purchased on market under ESAP and ESPS	0.4	0.3
Shares purchased on market under nib salary sacrifice plan and matching plan and salary sacrifice (NZ) rules and matching plan (NZ)	0.4	0.3
Performance rights granted under LTIP	2.2	2.2
Shares purchased on market under STI	2.3	2.2
	5.3	5.0

h) Accounting policy

The fair value of performance rights granted under the nib holdings Long-Term Incentive Plan is recognised as an employee benefit 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 but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-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 vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimate of the number of performance rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The nib holdings Long-Term Incentive Plan is administered by the nib Holdings Ltd Share Ownership Plan Trust, see Note 18(d)(ii). When the performance rights are exercised, the trust transfers the appropriate amount of shares to the employee.

Under the Employee Share Acquisition (tax exempt) Plan, the nib Salary Sacrifice Plan and Matching Plan and the Short-Term Performance Incentive, shares are acquired on-market and expensed.

31. Parent entity financial information

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

	2024 \$m	2023 \$m
Balance Sheet		
ASSETS		
Current assets	191.3	102.3
Non-current assets	891.4	928.9
Total assets	1,082.7	1,031.2
LIABILITIES		
Current liabilities	13.6	-
Non-current liabilities	200.5	180.5
Total liabilities	214.1	180.5
NET ASSETS	868.6	850.7
EQUITY		
Share capital	588.6	575.9
Share-based payments	(6.7)	(6.6)
Retained profits	286.7	281.4
Total Equity	868.6	850.7
Profit for the year	150.5	147.3
Total comprehensive income for the year	150.5	147.3

Refer to Note 24 for contingent liabilities of parent entity.

a) Accounting policy

The financial information for the parent entity, nib holdings limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

i) Investments in subsidiaries, associates and entities	Investments in subsidiaries, associates and joint venture entities are accounted for at cost less any provision for impairment in the financial statements of nib holdings limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.
ii) Tax consolidation legislation	<p>nib holdings limited and its wholly-owned Australian controlled entities have implemented the tax consolidated legislation.</p> <p>The head entity, nib holdings limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.</p> <p>In addition to its own current and deferred tax amounts, nib holdings limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.</p> <p>The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate nib holdings limited for any current tax payable assumed and are compensated by nib holdings limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to nib holdings limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.</p> <p>The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.</p> <p>Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.</p> <p>Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.</p>

Consolidated Entity Disclosure Statement

As at 30 June 2024

The Consolidated Entity Disclosure Statement provides information about the subsidiaries included in the consolidated financial statements of nib holdings limited as at 30 June 2024.

	Type of entity	% of share capital	Country of incorporation	Australian resident or foreign resident	Countries of residence for tax purpose
nib holdings limited	Body corporate	100	Australia	Australia	Australia
nib health funds limited	Body corporate	100	Australia	Australia	Australia
nib servicing facilities pty limited	Body corporate	100	Australia	Australia	Australia
nib Life pty limited	Body corporate	100	Australia	Australia	Australia
IMAN Australian Health Plans Pty Limited	Body corporate	100	Australia	Australia	Australia
nib nz holdings limited	Body corporate	100	New Zealand	Foreign	New Zealand
nib nz limited	Body corporate	100	New Zealand	Foreign	New Zealand
nib nz insurance limited	Body corporate	100	New Zealand	Foreign	New Zealand
Orbitprotect Limited	Body corporate	100	New Zealand	Foreign	New Zealand
nib Options Pty Limited	Body corporate	100	Australia	Australia	Australia
Realself Pty Limited	Body corporate	100	Australia	Australia	Australia
Realsurgeons Pty Limited	Body corporate	100	Australia	Australia	Australia
nib Options (Thailand) Co Limited	Body corporate	100	Thailand	Foreign	Thailand
Digital Health Ventures Pty Limited	Body corporate	50	Australia	Australia	Australia
nib Philippines Pty Limited	Body corporate	100	Australia	Australia	Australia
nib Philippines Pty Limited (Branch)	Branch	100	Australia	Foreign	Philippines
nib Asia Pty Limited	Body corporate	100	Australia	Australia	Australia
Nuo Ban Business Information Consulting (Shanghai) Co. Ltd	Body corporate	100	China	Foreign	China
nib International Student Services Pty Ltd	Body corporate	100	Australia	Australia	Australia
Midnight Health Pty Ltd	Body corporate	77.4	Australia	Australia	Australia
Cantro Pty Ltd	Body corporate	100	Australia	Australia	Australia
Control Health Pty Ltd	Body corporate	100	Australia	Australia	Australia
Stagger Health Pty Ltd	Body corporate	100	Australia	Australia	Australia
Youly Pty Ltd	Body corporate	100	Australia	Australia	Australia
nib Thrive Pty Limited	Body corporate	100	Australia	Australia	Australia
nib Tempo Pty Limited	Body corporate	100	Australia	Australia	Australia
Peak Plan Management Pty Ltd	Body corporate	100	Australia	Australia	Australia
Connect Plan Management Pty Ltd	Body corporate	100	Australia	Australia	Australia
Developing Links Pty Ltd	Body corporate	100	Australia	Australia	Australia
nib Navigator Pty Limited	Body corporate	100	Australia	Australia	Australia
Kynd Group Pty Ltd	Body corporate	100	Australia	Australia	Australia
Kynd Pty Ltd	Body corporate	100	Australia	Australia	Australia
Kynd Tech Pty Ltd	Body corporate	100	Australia	Australia	Australia

	Type of entity	% of share capital	Country of incorporation	Australian resident or foreign resident	Countries of residence for tax purpose
nib Travel Pty Limited	Body corporate	100	Australia	Australia	Australia
WNG Services Pty Limited	Body corporate	100	Australia	Australia	Australia
nib International Assistance Pty Limited	Body corporate	100	Australia	Australia	Australia
Suresave Pty Limited	Body corporate	100	Australia	Australia	Australia
Sure-Save.net Pty Ltd	Body corporate	100	Australia	Australia	Australia
Travel Insurance Direct Holdings Pty Limited	Body corporate	100	Australia	Australia	Australia
Travel Insurance Direct Pty Ltd	Body corporate	100	Australia	Australia	Australia
Travel Insurance Direct (New Zealand) Ltd	Body corporate	100	New Zealand	Foreign	New Zealand
nib Travel Insurance Distribution Pty Limited	Body corporate	100	Australia	Australia	Australia
Surecan Technology Pty Ltd	Body corporate	100	Australia	Australia	Australia
The World Nomads Group Holdings Pty Ltd	Body corporate	100	Australia	Australia	Australia
World Nomads Pty Ltd	Body corporate	100	Australia	Australia	Australia
World Nomads Inc	Body corporate	100	United States of America	Foreign	United States of America
World Nomads Limited	Body corporate	100	United Kingdom	Foreign	United Kingdom
World Nomads (Canada) Ltd	Body corporate	100	Canada	Foreign	Canada
WorldNomads.com Pty Ltd	Body corporate	100	Australia	Australia	Australia
nib Travel Services (Australia) Pty Limited	Body corporate	100	Australia	Australia	Australia
Get Insurance Group Pty Limited	Body corporate	100	Australia	Australia	Australia
World Experiences International Holdings Pty Ltd	Body corporate	100	Australia	Australia	Australia
World Experiences Seguros De Viagem Brasil LTDA	Body corporate	100	Brazil	Foreign	Brazil
nib Travel Services Limited	Body corporate	100	Cayman Islands	Australia	Australia
Nomadic Insurance Benefits Holdings Limited	Body corporate	100	Ireland	Foreign	Ireland
nib Travel Services Europe Limited	Body corporate	100	Ireland	Foreign	Ireland
nib Travel Services Europe (UK Branch)	Branch	100	United Kingdom	Foreign	United Kingdom
nib Travel Services Ireland Limited	Body corporate	100	Ireland	Foreign	Ireland
nib Holdings Ltd Share Ownership Plan Trust	Trust	100	Australia	Australia	Australia
nib salary sacrifice plan and matching plan trust	Trust	100	Australia	Australia	Australia
nib Salary Sacrifice (NZ) and Matching Plan (NZ) Trust	Trust	100	Australia	Australia	Australia
nib holdings - nib nz Employee Share Purchase Scheme Trust	Trust	100	Australia	Australia	Australia
nib foundation trust	Trust	100	Australia	Australia	Australia
nib foundation limited (trustee for the nib foundation trust)	Body corporate	100	Australia	Australia	Australia

Consolidated Entity Disclosure Statement

As at 30 June 2024 continued

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

- Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

Directors' Declaration

for the year ended 30 June 2024

In the Directors' opinion:

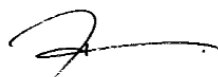
- a) the financial statements and notes set out on pages 50 to 115 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- b) there are reasonable grounds to believe that nib holdings limited will be able to pay its debts as and when they become due and payable.
- c) the information disclosed in the Consolidated Entity Disclosure Statement set out on pages 116 to 118 is true and correct.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given declarations by the Chief Executive Officer and Group Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



David Gordon
Director



Anne Loveridge AM
Director

Newcastle, NSW
23 August 2024

Independent Auditor's Report

for the year ended 30 June 2024



Independent auditor's report

To the members of nib holdings limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of nib holdings 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 financial report comprises:

- the Consolidated Balance Sheet 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 Consolidated Income Statement 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.

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Liability limited by a scheme approved under Professional Standards Legislation.



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

- The Group provides health and medical insurance to Australian and New Zealand residents, medical insurance to international inbound workers and students, life insurance to New Zealand customers, other health related services, as well as distributing travel insurance products both in Australia and internationally.
- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- PwC specialists in information technology, along with PwC valuations and actuarial experts have assisted during the audit.
- We decided the nature, timing and extent of work that needed to be performed by us as well as the component auditor of the New Zealand component, operating under our instruction. For the procedures carried out by the component auditor, we decided on the level of involvement required from us to be able to conclude whether sufficient appropriate audit evidence had been obtained. Our involvement included issuing written instructions, holding discussions, review of key workpapers, and review of reporting to us by the component auditor.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Independent Auditor's Report

for the year ended 30 June 2024 continued



Key audit matter

How our audit addressed the key audit matter

Valuation of insurance contract liabilities

(Refer to note 4)

As at 30 June 2024, the Group held \$596.9 million of insurance contract liabilities of which there are two components.

The first component relates to the liability for remaining coverage which comprises fulfilment cash flows related to future services to be provided under groups of insurance contracts.

The second component relates to the liability for incurred claims and comprises the present value of fulfilment cash flows related to past services provided under groups of insurance contracts which have not yet been paid, including claims that have been incurred but not yet reported (IBNR). This balance is also inclusive of a risk adjustment to estimate the compensation required by the Group for bearing non-financial risk associated with the fulfilment cash flows.

We considered the valuation of insurance contract liabilities to be a key audit matter due to the significant judgement required by the Group in estimating future cash flows, and in particular IBNR. These estimates are inherently uncertain and can be further impacted by a number of factors occurring close to year end where data is limited and as a result require greater reliance on expert judgement.

Estimating the risk adjustment is also a key area of judgement as it is determined using confidence level techniques.

Together with PwC actuarial experts, our procedures included:

- Developing an understanding of the control activities relevant to the Group's process for determining insurance contract liabilities, and assessing on a sample basis whether certain key controls were appropriately designed and operating effectively, throughout the year ended 30 June 2024.
- Developing an understanding of economic and other factors impacting the valuation and assessing the methodology and assumptions used by the Group and, where available, comparing the assumptions to historical experience of the Group, subsequent payment patterns, current industry trends and benchmarks, and other publicly available information.
- Evaluating the appropriateness and reliability of significant data used to estimate future cash flows associated with a sample of contracts, including agreeing a sample of claims to underlying information.
- Testing the onerous contract assessments, including evaluating the significant assumptions against relevant supporting information.
- Reperforming a selection of calculations over the mathematical accuracy of the Group's liability calculations.
- Evaluating the relevant underlying calculations used to derive the risk adjustment, including the significant assumptions.

We also assessed the reasonableness of the related disclosures in the financial report against the requirements of Australian Accounting Standards.



Key audit matter

How our audit addressed the key audit matter

Impairment testing of goodwill

(Refer to note 13)

As at 30 June 2024, the Group held \$371.1 million of goodwill.

An impairment assessment is performed annually by the Group, or more frequently if events or circumstances indicate that the carrying value of goodwill may be impaired.

Potential impairment is identified by comparing the value-in-use of the cash-generating unit (CGU) to its carrying value, including goodwill. The value in-use for each of the CGUs is estimated by the Group using a discounted cash flow model which includes significant judgements and assumptions relating to cash flow projections, investment returns, terminal growth rates and discount rates.

We considered the carrying value of goodwill a key audit matter due to the inherent estimation uncertainty and subjectivity in judgements in a number of the assumptions.

Our procedures included:

- Evaluating the determination and composition of the CGUs to which goodwill is allocated in the context of the Group's operations and reporting processes.
- Evaluating the appropriateness of the value-in-use methodology adopted against the requirements of Australian Accounting Standards.
- Developing an understanding of the process by which the cash flow projections were developed and comparing the cash flows included in the impairment assessment with the four-year forecasts presented to and approved by the Board.
- Evaluating the appropriateness of significant assumptions used to derive the cash flow projections by comparing to external market and industry data where available, and current and past performance of the CGUs.
- Together with PwC valuation experts, we:
 - Assessed the consistency of the terminal growth rates and investment returns with available external information.
 - Reperformed the calculation of the discount rates applied to cash flow projections, comparing key inputs (including risk-free rates, market premiums and unlevered betas) to industry and other benchmarks.
- Testing the mathematical accuracy of the models which were used to determine the value-in-use of the CGUs.

We also assessed the reasonableness of the related disclosures in the financial report against the requirements of Australian Accounting Standards.

Independent Auditor's Report

for the year ended 30 June 2024 continued



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 nib holdings 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.

A stylized, handwritten signature of the PricewaterhouseCoopers firm, written in black ink.

PricewaterhouseCoopers

A handwritten signature of SK Fergusson, written in black ink.

SK Fergusson
Partner

Newcastle
23 August 2024

Shareholder Information

The shareholder information set out below was applicable as at 31 August 2024.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Number of holders
1 - 1,000	56,805
1,001 - 5,000	62,342
5,001 - 10,000	8,871
10,001 - 100,000	1,000
100,001 and over	51
	129,069

There were 1,273 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

The 20 largest quoted equity security holders

The names of the 20 largest holders of quoted equity securities are listed below:

	Ordinary Shares	
	Number held	Percentage of issued shares %
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	84,055,571	17.33
CITICORP NOMINEES PTY LIMITED	45,714,866	9.42
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	45,330,919	9.35
NATIONAL NOMINEES LIMITED	12,236,316	2.52
BNP PARIBAS NOMS PTY LTD	9,065,360	1.87
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	8,366,495	1.72
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	4,630,626	0.95
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	3,653,458	0.75
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,198,007	0.66
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,343,730	0.28
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,273,590	0.26
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,124,068	0.23
MR MARK ANTHONY FITZGIBBON	1,084,491	0.22
CPU SHARE PLANS PTY LTD <NHF ESCROW TRUST MASTER A/C>	992,359	0.20
FITZY (NSW) PTY LTD <FITZ FAMILY FUND A/C>	946,621	0.20
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	863,579	0.18
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	858,109	0.18
BNP PARIBAS NOMS (NZ) LTD	781,166	0.16
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	649,592	0.13
WOODROSS NOMINEES PTY LTD	519,773	0.11
	226,688,696	46.73

Unquoted equity securities

	Number on issue	Number of holders
Performance rights issued under the nib holdings Long-term Incentive Plan	2,216,804	13

C. Substantial holders

State Street Corporation and subsidiaries became a substantial holder on 30 August 2024, with 24,435,643 ordinary shares, which represented 5.04% of nib's ordinary shares at this time. Mitsubishi UFJ Financial Group became a substantial holder on 22 March 2024, with 25,051,924 ordinary shares, which represented 5.17% of nib's ordinary shares at this time. Vanguard Group became a substantial holder on 17 April 2023, with 24,176,010 ordinary shares, which represented 5.001% of nib's ordinary shares at this time. There are currently no other substantial holders.

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance rights

No voting rights.

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Corporate Directory

DIRECTORS

Chairman and Non-Executive Director

David Gordon

Managing Director and Chief Executive Officer

Mark Fitzgibbon

Non-Executive Directors

Jacqueline Chow

Peter Harmer

Anne Loveridge AM

Donal O'Dwyer

Jill Watts

Brad Welsh

COMPANY SECRETARY

Roslyn Toms

EXECUTIVE MANAGEMENT

Managing Director and Chief Executive Officer

Mark Fitzgibbon

Chief Executive

- nib Thrive

Martin Adlington

Chief Executive

- International Visitors

James Barr

Chief Executive

- Australian Residents Health Insurance

Edward Close

Group Chief People Officer

Lauren Daniels

Group Chief Financial Officer

Nick Freeman

Chief Executive Officer

- nib New Zealand and nib Travel

Rob Hennin

Group Chief Information Officer

Brendan Mills

Group Executive

- Legal and Chief Risk Officer

Roslyn Toms

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of nib holdings limited will be held as a hybrid meeting where shareholders may attend in person at Newcastle City Hall, 290 King St, Newcastle or via an online platform available at nib.com.au/shareholders/agm. The AGM will be held on 7 November 2024, commencing at 11.00am (AEDT).

A formal Notice of the Meeting will be distributed with the Annual Report.

SHARE REGISTER

Computershare Investor Services Pty Limited
6 Hope Street
Ermington, NSW 2115
1300 664 316

STOCK EXCHANGE LISTING

nib holdings limited shares (NHF) are listed on the Australian Securities Exchange.

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

22 Honeysuckle Drive
Newcastle NSW 2300
13 14 63

AUDITOR

PricewaterhouseCoopers
PricewaterhouseCoopers Centre
Level 3, 45 Watt Street
Newcastle NSW 2300

LEGAL ADVISERS

Ashurst
Level 11
5 Martin Place
Sydney NSW 2000

BANKERS

National Australia Bank Limited
1 Old Castle Hill Road
Castle Hill NSW 2154

WEBSITE

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