



medibank

2021 full year results

Investor presentation

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25 August 2021

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Highlights

David Koczkar
Chief Executive Officer

FY21 highlights


Our ongoing focus on customers has led to improved advocacy and retention, driving financial performance

Experience



c. **37.1** (+5.3) Medibank
c. **43.0** (+1.8) ahm
record levels of **customer advocacy**
(average service NPS)

c. **38%**
of Medibank **customer service interactions** were through self-serve channels in June 2021
(June 2020: c. **30%**)


c. **1.3m** 
customers registered for **My Medibank app**, with c. **40%** growth in claims made through the app

Value



c. **\$300m**
total COVID-19 financial support package to date
including c. **\$103m** customer give back

Lowest premium increase
 in **20 years**

c. **1.8m** 
customers using **Members' Choice Advantage**
\$20.5m out-of-pocket savings

Health



c. **760k** (+51%)
Live Better Rewards and Activities interactions

c. **133k** (+51%) 
customers engaged with a **Member Health Service**

c. **7,650** (+32%)
customers used **Medibank at Home**

FY21 financial results summary

Our financial performance reflects customer growth, ongoing cost discipline and positive investment market returns

Customer outcomes



+82.5k (+4.6%)

reported net resident policyholder growth

+3.5% adjusted for net suspensions due to COVID-19

+6.8k

FY22 reported net resident policyholder growth as at 14 August 2021

27.3%

+37bps (12 months) market share

Key financial metrics



7.9% (-40bps)

Health Insurance management expense ratio

\$538.6m (+14.4%)

Health Insurance operating profit

\$31.4m (+12.9%)

Medibank Health segment profit

\$120.0m

(up from \$2.4m in FY20)
net investment income

\$441.2m (+39.8%)

NPAT

6.9cps (+9.5%)

final ordinary dividend fully franked

12.7cps (+5.8%)

FY21 ordinary dividend fully franked

Industry snapshot

Our national priority is to achieve high levels of COVID-19 vaccination rates among all Australians

Australia's health needs are evolving



Increasing incidence of **chronic disease** – almost **1 in 2 Australians** live with a chronic condition¹



Australia's population is ageing, with **1 in 7 Australians** aged over 65²



Increasing demand for **mental health** support

COVID-19 accelerating changing consumer trends



Renewed focus on **health and wellbeing**



Rapid adoption of **telehealth, virtual** and **in-home** care



Customers are valuing the **choice** and **peace of mind** provided by private health insurance

Private health playing a greater role in broader healthcare



Mix of **public/private** health system delivers flexible and high-quality outcomes for patients



Increase in **public hospital wait times** and constrained government budget



PHI hospital lives covered in the **under 50s** grew 122k in FY21 – the largest 12-month increase since June 2014³

These trends support the focus areas of our future strategy

¹ Australian Institute of Health and Welfare - Chronic disease. Updated May 2021.

² Australian Institute of Health and Welfare - Older Australia at a glance. Updated September 2018.

³ APRA Quarterly private health insurance statistics. Updated August 2021.

Our strategy

Building a strong and connected business to drive broader system change and sustainability

Focus on our customers and people



Deliver leading customer experiences

Empower our people

Be a partner of choice

Grow our core business



Further differentiate our customer offerings

Deliver more value

Maintain cost discipline

Transform into a health company



Invest in prevention, choice and better care

Build successful standalone businesses

Bring benefits back to our core business

Better Health for Better Lives

FY21 achievements

- Record high level of customer advocacy
- Integration of Live Better with My Medibank app
- Partner of choice in health e.g. Calvary, Myhealth, Velocity and East Sydney Private Hospital
- Upskilled retail team, allowing them to adapt and work flexibly across customer support channels and introduced new ways of working across Medibank
- Recognised as a leader in diversity and inclusion:
 - Ranked in the top 20 global companies for gender diversity¹
 - #2 on Australian Network on Disability's Access and Inclusion Index²
- #3 in Australia & New Zealand's Best Places to Work in the Banking, Superannuation and Financial Services industry³

1 Top 100 of Equileap's 2021 Gender Equality Global Report & Ranking

2 Australian Network on Disability's Access and Inclusion Index 2020-21

3 Australia and New Zealand's Best Places to Work List published by The Australian Financial Review and Boss Magazine

4 Benchmark reflects sustaining service levels while continuing to digitise the service delivery model

5 FY22 benchmarks are based on the global average adjusted for Australian healthcare and financial insurance industry context

Future focus

- Digitisation of health offerings and personalisation of the experience. For example:
 - Seamless digital claiming experience with the addition of Apple Wallet
 - End-to-end digital mental health support tools
 - Building programs around important health journeys (e.g. Planning, Pregnancy and Parenting)
- Continue frontline team evolution to provide exceptional customer experiences and broader health conversations
- Further advance data and analytics to better support our customers' health needs
- Continue to evolve our health partnerships to deliver value and choice for our customers
- Update Accessibility and Inclusion Plan and Reconciliation Action Plan
- Continue improvement in our ESG performance and ratings in key global indices

Milestones

New milestones for FY22

Customer advocacy: Service NPS (average)

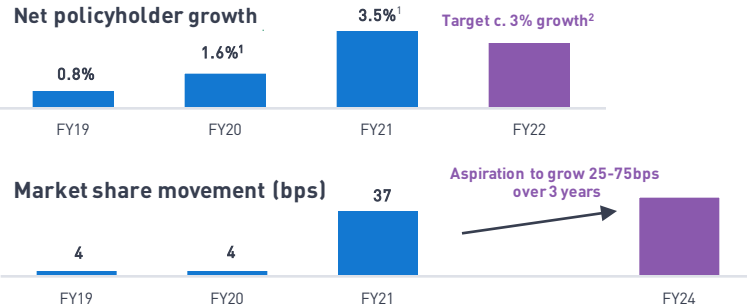
	FY21	FY22 benchmark ⁴
Medibank	37.1	>35
ahm	43.0	>35

Employee advocacy: eNPS

	FY21	FY22 benchmark ⁵
Place to work	+30	≥24
Products and services	+26	≥19

FY21 achievements

- Market share up 37bps – the strongest increase over a 12-month period in more than 10 years
- Dual brand strategy is working:
 - First Medibank brand growth since FY13
 - Two brands appeal to distinct market segments, with new to industry share of joins moderately higher in FY21
- Growth in digital channels responding to shifting customer preferences (FY21: c. 33% of sales, FY20: c. 24%)
- 130bps improvement in retention



1 Adjusted for suspensions and reactivations occurring as the result of COVID-19
 2 Assumes slowing industry participation growth in FY22 relative to FY21

Future focus

- Our differentiated customer offerings will support acquisition and retention, specifically:
 - Leverage our dual brand strategy to offer more choice and value
 - Target growth in corporate, overseas and regional markets
 - Innovate Extras products to improve value, flexibility and buying experience
 - Broaden and deepen customer relationships through our health offerings and diversified products
 - Continue to proactively engage with customers about their cover through our Right Cover program

Milestones

New milestones for FY22 plus longer-term aspirations

Net policyholder growth

FY21 ¹	FY22 target ²
+3.5%/+64.3k	c. 3%, including continued growth in the Medibank brand

Market share

FY21	FY24 aspiration
27.3%	up 25-75bps

Health Insurance productivity delivered

FY21	FY22 – FY24 target
c. \$20m	\$40m including \$15m in FY22

Transform into a health company

Drive engagement in health and wellbeing, and preventative programs at scale

FY21 achievements

Health and wellbeing

- Ongoing personalised health engagement program had 4.7m interactions with increased interactions during COVID-19
- c. 760k Live Better Rewards and Activities interactions (+51%)
- Improved retention amongst customers engaged with Live Better

Preventative programs

- 8 preventative health programs available nationally
- 7k+ new customers enrolled in a preventative health program (+23%)
- Average customer advocacy at 70+ NPS for preventative health programs



Future focus

- Launch new Live Better partnerships and rewards, and expand into broader health and wellbeing market
- Continue to connect our programs and tools to streamline the experience of our customers according to their health needs
- Scale-up, embed and digitise preventative programs to improve reach and address key customer health needs

Milestones

New health and wellbeing milestone

	FY21	FY22 target
Customers engaged with Live Better ¹	c. 366k	c. 480k

¹ Includes total customers who have engaged with our preventative health offering, including Live Better Rewards, Live Better Activities, preventative health programs and any new offerings developed

Transform into a health company

Deliver a new customer focused approach to healthcare that's accessible and sustainable

FY21 achievements

Primary care and navigation

- Myhealth grew to 95 clinics
- c. 2.5m telehealth interactions across triage, mental health and health concierge services
- c. 20% of Medibank customers admitted to hospital were supported by our Health Concierge program

Clinical homecare

- Medibank at Home cared for c. 7,650 customers this year (up c. 32%)
- 900+ public admissions through My Home Hospital since its launch in Jan 2021

Short-stay, no-gap program

- Halved the number of bed days per episode for no-gap joint replacement procedures
- Contracted with 7 hospitals for no-gap joint replacements
- FY21 minority investments include East Sydney Private Hospital and new private hospital in Melbourne that will provide short-stay surgical procedures

Future focus

- Assist Myhealth to strengthen its digital capability to support more proactive, predictive and preventative care in the community
- Invest in technology platforms to digitise the telehealth offering with integration into the health system, including for corporate and overseas customers
- Increase support for Medibank customers through the health system
- Embed and grow My Home Hospital platform and consider opportunities in other markets
- Expand short-stay, no-gap to additional sites and modalities including general surgery

Milestones

Milestone broadly tracking in line on an underlying basis, with some temporary COVID-19 financial impacts in FY21

Medibank Health operating profit (excluding Myhealth and other investments)

FY21	FY22 target
\$32.2m	Organically replace the reported FY18 \$30m operating profit of Garrison by FY22 (tracking broadly in line on an underlying basis)



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Financial results

Mark Rogers
Group Executive – CFO
& Group Strategy

Group financial summary

Financial year ended 30 June (\$m)	2020	2021	Change
Group revenue from external customers¹	6,769.6	6,910.4	2.1%
Health Insurance operating profit	470.6	538.6	14.4%
Medibank Health segment profit ¹	27.8	31.4	12.9%
Segment operating profit	498.4	570.0	14.4%
Corporate overheads	(37.4)	(41.7)	11.5%
Group operating profit – continuing operations	461.0	528.3	14.6%
Net investment income	2.4	120.0	n.m.
Amortisation of intangibles	(9.0)	(4.6)	(48.9%)
AASB 16 Leases transition adjustment	3.3	-	n.m.
Other income/(expenses)	(7.5)	(11.4)	52.0%
Profit before tax	450.2	632.3	40.4%
Income tax expense	(134.6)	(191.1)	42.0%
NPAT – continuing operations	315.6	441.2	39.8%
Effective tax rate ²	29.9%	30.2%	30bps
EPS (cents) ²	11.4	16.0	39.8%
Underlying NPAT³	367.3	398.7	8.5%
Underlying EPS (cents) ³	13.3	14.5	8.5%
Dividend per share (cents)	12.0	12.7	5.8%
Dividend payout ratio ³	90.1%	87.7%	(2.7%)

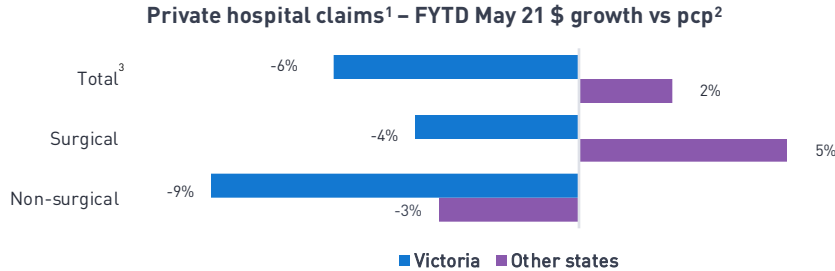
- Corporate overheads:
 - Inflation and a \$3.8m increase in D&O insurance expense
 - FY22 D&O insurance cost to be in line with FY21
- Investment income of \$120m following COVID-19 impacted markets in prior period
- Increase in other income / (expenses) largely due to \$4.2m increase in M&A costs
- Amortisation charge reduced as some intangibles balances fully amortised
- Tax rate:
 - Effective tax rate of 30.2% reflects \$9m of one-off non-deductible expenditure
 - Expect FY22 tax rate to be marginally below corporate tax rate of 30%

1 Excludes discontinued operations

2 Calculated on total operations

3 See glossary for definition of Underlying NPAT, and slide 31 for a reconciliation of NPAT – continuing operations to Underlying NPAT. Dividend payout ratio based on Underlying NPAT from total operations

Private hospital claims¹



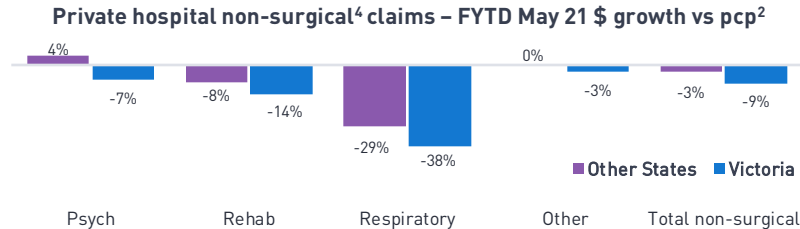
Total:

- Victorian claims -6% due to Jul – Oct lockdown (FYTD Nov 2020: -15%)
- Other states claims +2% (FYTD Nov 2020: +2%)
- Gap between non-surgical and surgical claims growth closing
- In recent months, Victorian claims more in line with claims growth in other states

Surgical:

- Victorian claims -4% (FYTD Nov 2020: -11%)
- Other states claims +5% (FYTD Nov 2020: +6%) reflecting recovery of deferred surgical activity

Private hospital non-surgical⁴ claims



- Victorian claims -9% (FYTD Nov 2020: -21%) and Other states -3% (FYTD Nov 2020: -14%)
- Rehab annual spend c. 23% of non-surgical claims nationally and down on average 12% relative to surgical claims volumes

COVID-19 impacts

- Total Hospital deferral assumption of 59% (1H21: 85%):
 - Surgical claims assumption remains at 85%
 - Slower than expected recovery in rehab claims supports reduction in non-surgical claims deferral assumption to 50% (1H21: 85%)
- Deferred claims liability:
 - \$224m at 30 June 2021 from \$297m at 30 June 2020
 - Closely monitoring activity during current lockdowns
- Net FY21 cost of \$3m (1H21 net cost of \$10m):
 - \$226m of customer support measures
 - \$223m permanent claim savings

¹ Private hospital services incurred by Medibank Group excluding prostheses and medical
² pcp includes FYTD February 2020 plus FY19 March - May claims (adjusted for inflation and exposure days) due to COVID -19 impact

³ Total growth includes a portion of other claims not yet categorized
⁴ Based off industry standard Diagnosis Related Groups (DRGs). Surgical categorisation involves the use of an operating room

Health Insurance result

Operating performance reflects policyholder growth and benefits from our productivity agenda

Financial year ended 30 June (\$m)	2020	2021	Change	COVID-19 impact	COVID-19 Adj. ¹
Premium revenue	6,545.6	6,680.3	2.1%	226.0	6,906.3
Claims expense	(5,539.5)	(5,586.2)	0.8%		
Risk equalisation	7.9	(24.6)	n.m.		
Net claims expense	(5,531.6)	(5,610.8)	1.4%	(223.0)	(5,833.8)
Gross profit	1,014.0	1,069.5	5.5%	3.0	1,072.5
Management expenses	(543.4)	(530.9)	(2.3%)		
Operating profit	470.6	538.6	14.4%	3.0	541.6
Gross margin	15.5%	16.0%	50bps		
MER	8.3%	7.9%	(40bps)		
Operating margin	7.2%	8.1%	90bps		

Underlying performance

Financial year ended 30 June (\$m)	2020	2021	Change
Underlying revenue	6,625.6	6,906.3	4.2%
Reported gross profit	1,014.0	1,069.5	5.5%
FY20 under provision on central estimate	22.3	-	n.m.
FY21 over provision on central estimate	2.2	-	n.m.
COVID-19 impact	13.0	3.0	n.m.
Underlying gross profit	1,051.5	1,072.5	2.0%
Underlying gross margin	15.9%	15.5%	(40bps)
Underlying operating margin	7.7%	7.8%	10bps

Reported performance

- Reported gross profit up 5.5%:
 - Revenue up 2.1%
 - Net claims expense up 1.4%
- Includes:
 - Prior period provision impacts of \$24.5m
 - COVID-19 impacts (FY20: \$13m / FY21: \$3m)

Underlying performance

- Gross profit up 2.0%:
 - Reflects strong policyholder growth
- Gross margin down 40bps to 15.5%:
 - Stable resident margin
 - Overseas mix and claims trend impacts
- Operating profit up 6.6% to \$541.6m:
 - Gross profit growth
 - Reduction in management expenses
- Operating margin up 10bps to 7.8%:
 - Improving MER offsets lower gross margin
 - Benefits of productivity and increasing scale

¹ FY21 COVID-19 adjustment of \$226.0m to revenue includes waiver of the 1 April 2020 premium increase and customer suspensions relating to Australian resident portfolio only.
Permanent claims savings -\$223.0m as a result of COVID-19

Health Insurance – policyholders

Stronger underlying resident policyholder growth of 3.5% in the last 12 months

Financial year ended 30 June (\$m)	2020	2021	Change	COVID-19 Adjusted ²	
				2021	Change vs 2020
Policyholders¹ (thousand):					
Opening balance	1,796.0	1,806.6	0.6%	1,824.8	1.6%
Acquisitions	195.8	221.2	13.0%		
Lapses	(167.0)	(147.4)	(11.7%)		
Net suspensions/reactivations	(18.2)	8.7	n.m.	-	-
Closing balance	1,806.6	1,889.1	4.6%	1,889.1	3.5%
- Medibank	1,388.2	1,417.8	2.1%	1,417.8	1.3%
- ahm	418.4	471.3	12.6%	471.3	10.9%
Acquisition rate³	10.9%	12.0%	110bps		
- Medibank	8.0%	9.0%	100bps		
- ahm	23.1%	23.0%	(10bps)		
Lapse rate³	9.3%	8.0%	(130bps)		
- Medibank	8.4%	7.3%	(110bps)		
- ahm	14.4%	12.0%	(240bps)		
Policyholder growth	0.6%	4.6%	400bps	3.5%	190bps
Total policy units^{1,4} (thousand)					
Closing balance	4,677.1	4,811.5	2.9%	4,811.5	1.9%
Average balance	4,697.6	4,763.1	1.4%	4,784.1	1.6%
Average revenue per policy unit^{1,4} (\$)	1,393.4	1,402.5	0.7%	1,443.6	2.6%

- PHI market remains buoyant:
 - Industry hospital participation up 95bps to 44.5%
 - Hospital lives cover up 245k
- Suspended policies:
 - Now in line with pre-COVID-19 levels
 - COVID-19-related suspensions largely reactivated
- COVID-19-adjusted policyholder growth of 3.5%
- Medibank brand up 1.3%:
 - Reflecting strong new to industry growth
 - Temporary closure of retail stores in Victoria in June
- ahm brand up 10.9%:
 - Significant improvement in retention
 - Q4 reduction in aggregator sales as we look to increase direct sales
 - Continues to attract younger customers

¹ Consistent with reported industry data, policyholder numbers only include the resident portfolio whereas total policy units include both resident and overseas portfolios

² Adjusted for suspensions and reactivations occurring as a result of COVID-19

³ Transfers of policyholders between ahm and Medibank are excluded in consolidated lapse and acquisition rates but included at brand levels.

Lapse and acquisition rates are based on the average of the opening and closing balances for the period

⁴ Refer to glossary for definition of policy units. Policy units include both resident and overseas. Based on an average of the month-end balances over the reporting period

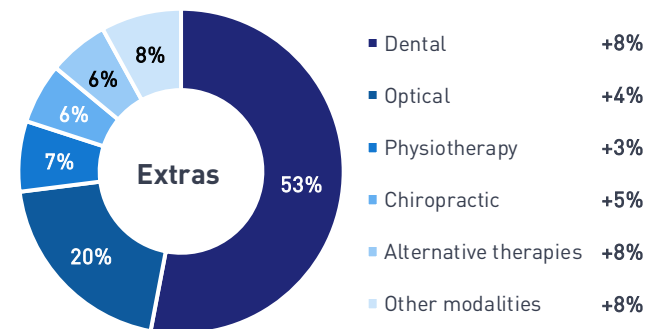
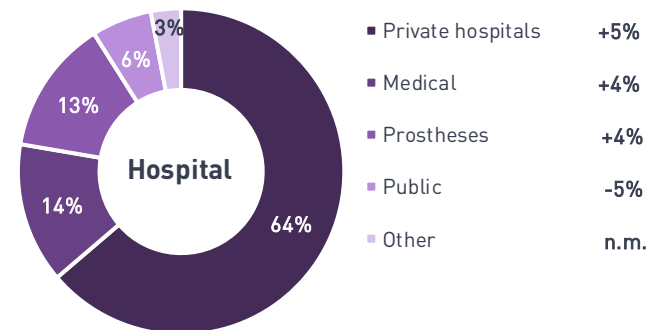
Health Insurance – underlying resident claims

Underlying resident claims growth per policy unit declined to 2.5%

Financial year ended 30 June (\$m) ¹	2020	2021	Change
Claims expense	(5,477.8)	(5,706.2)	4.2%
Risk equalisation	7.9	(24.6)	n.m.
Net resident claims expense	(5,469.9)	(5,730.8)	4.8%
- Hospital	(4,079.8)	(4,247.2)	4.1%
- Extras	(1,390.1)	(1,483.6)	6.7%
Average claims expense per policy unit² (\$)	(1,218.7)	(1,249.3)	2.5%
Hospital claims per policy unit growth	2.6%	2.5%	(10bps)
Extras claims per policy unit growth	3.8%	3.9%	10bps
Resident hospital utilisation growth ³	(0.1%)	(0.2%)	(10bps)
Resident extras utilisation growth ³	2.2%	2.2%	-

- Gross claims expense up 4.2% and net claims expense up 4.8%
- Risk equalisation a \$24.6m payable vs \$7.9m receipt in FY20:
 - Lower payable in 2H21 as COVID-19 claims impacts unwind (1H21: \$17.8m / 2H21: \$6.8m)
 - Reflects lower than industry claims growth
 - Expect to be a modest net payor going forward
- Total underlying claims per policy unit growth of 2.5%, down 20bps:
 - Lower hospital claims growth due to reduced claims in public hospitals
 - 2H21 lower than 1H21 reflecting improved risk equalisation outcome
 - Stable extras claims per policy unit growth
 - Variance in growth across Extras modalities reflects extent of COVID-19 impacts and subsequent rebound

Indicative composition & movement in dollar value¹ vs. FY20



¹ All numbers are in respect of the resident portfolio and on an underlying basis. See slide 30 for reconciliation of reported to underlying claims and COVID-19 impacts

² Refer to glossary for definition of policy units. Based on an average of the month-end balances over the reporting period

³ Estimated hospital utilisation is defined as the number of hospital admissions per hospital policy unit and includes a provision for IBNR and COVID-19. Actual hospital utilisation for FY20 was (0.1%) compared to the reported estimate of 0.2% as at 30 June 2020. Actual extras utilisation for FY20 was 2.2% compared to the reported estimate of 1.8% as at 30 June 2020. Estimated utilisation differs from actual utilisation largely as a result of the claims provision impacts.

Health Insurance – underlying portfolio performance

Strong underlying gross margin performance driven by resident portfolio

Financial year ended 30 June (\$m) ¹	Resident			Overseas			Total		
	2020	2021	Change	2020	2021	Change	2020	2021	Change
Premium revenue	6,457.2	6,754.8	4.6%	168.4	151.5	(10.0%)	6,625.6	6,906.3	4.2%
Net hospital claims	(4,079.8)	(4,247.2)	4.1%	(104.2)	(103.0)	(1.2%)	(4,184.0)	(4,350.2)	4.0%
Extras claims	(1,390.1)	(1,483.6)	6.7%				(1,390.1)	(1,483.6)	6.7%
Net claims expense	(5,469.9)	(5,730.8)	4.8%	(104.2)	(103.0)	(1.2%)	(5,574.1)	(5,833.8)	4.7%
Gross profit	987.3	1,024.0	3.7%	64.2	48.5	(24.5%)	1,051.5	1,072.5	2.0%
Gross margin	15.3%	15.2%	(10bps)	38.1%	32.0%	(610bps)	15.9%	15.5%	(40bps)
Resident premium increase	3.29%	3.27%	(2bps)				3.29%	3.27%	(2bps)
Downgrading	(1.4%)	(0.9%)	50bps				(1.4%)	(0.6%)	80bps
Revenue per policy unit growth rate	1.9%	2.4%	50bps	3.2%	1.5%	(170bps)	1.9%	2.6%	70bps
Claims per policy unit growth rate	2.7%	2.5%	(20bps)	5.8%	11.6%	580bps	2.6% ²	3.1%	50bps
Policy units (thousand)									
Closing balance	4,507.6	4,630.9	2.7%	212.1	180.6	(14.9%)	4,719.7	4,811.5	1.9%
Average balance	4,488.5	4,587.3	2.2%	222.0	196.8	(11.4%)	4,710.5	4,784.1	1.6%

Underlying resident performance

- Gross profit increase in line with resident policyholder growth
- Downgrading down 50bps to 90bps:
 - Benefit of improving Medibank policyholder trajectory and portfolio management initiatives
 - Target at or below 100bps
- FY22 underlying claims per policy unit growth expected to be in line with 2H21:
 - Prostheses reform could provide upside with the benefit to be passed to customers through lower premium increases
 - Watching rehab referral trends for signs of permanent change

Underlying overseas performance

- Underlying gross profit down \$15.7m with 2H particularly impacted by lower than normal student intake in January:
 - Revenue down in line with lower policies due to border closures
 - Underlying claims per policy unit up 11.6% with increased usage of services
 - Partially offset by \$5.4m of lower sales commissions
- Higher claims growth reflects:
 - Increased usage of services
 - Impact of lower new student intake who are typically lower claiming
- Expect similar decline in policy units and claims growth per policy unit to remain elevated in FY22

¹ All numbers are on underlying basis. See slide 30 for reconciliation of reported to underlying claims and COVID-19 impacts

² The total underlying claims per policy unit growth rate in FY20 was reported to be 3.0%. This has been restated to reflect hindsight claims movements and an adjustment for suspended policies

Health Insurance – management expenses

Benefits of our productivity agenda and scale delivered a 40bps reduction in MER to 7.9%

Financial year ended 30 June (\$m)	2020	2021	Change
Premium revenue	6,545.6	6,680.3	2.1%
Management expenses	(543.4)	(530.9)	(2.3%)
- Depreciation and amortisation	(45.7)	(43.7)	(4.4%)
- DAC amortisation	(38.1)	(39.3)	3.1%
- Overseas sales commissions	(13.1)	(7.7)	(41.2%)
- Operating expenses ¹	(446.5)	(440.2)	(1.4%)
MER	8.3%	7.9%	(40bps)
Underlying MER	8.2%	7.7%	(50bps)

- Management expenses down 2.3% to \$530.9m:
 - Operating expenses down 1.4%
 - Non-cash costs broadly flat
 - Overseas sales commissions down 41.2% due to impact of border closures on new customer sales
- Operating expenses declined \$6.3m to \$440.2m:
 - Underlying cost inflation and volume impacts of c. 2.0%
 - Offset by c. \$20m of productivity savings
- Productivity agenda:
 - \$40m additional savings between FY22-24, including \$15m in FY22
 - Savings to come from process improvement, increasing use of digital channels and lower corporate property costs
- FY22 operating expenses:
 - FY22 cost inflation expected to be broadly in line with FY21
 - c. \$2m impact of changes to superannuation guarantee from 1 July 2021 and Victorian payroll tax from 1 January 2022
- MER:
 - Down 40bps to 7.9%
 - Further improvement through productivity and scale benefits

¹ Includes right-of-use depreciation of \$21.8m in FY21 and \$21.4m in FY20

Medibank Health result

Strong earnings growth despite short-term travel insurance headwind

Financial year ended 30 June (\$m)	2020	2021	Change
Revenue	270.0	283.8	5.1%
Gross profit	111.2	117.0	5.2%
Management expenses	(83.4)	(84.8)	1.7%
Operating profit	27.8	32.2	15.8%
Share of profit/(loss) from Myhealth	-	0.7	n.m.
Share of profit/(loss) from other investments ¹	-	(1.5)	n.m.
Medibank Health segment profit	27.8	31.4	12.9%
Gross margin	41.2%	41.2%	-
MER	30.9%	29.9%	(100bps)
Operating margin	10.3%	11.3%	100bps

COVID-19 impacts

- Higher earnings from telehealth in 1H21 largely offset by lower travel insurance
- Net COVID-19 operating profit impact in 2H21 of c. \$2m:
 - Telehealth revenue significantly lower in 2H21
 - Ongoing border closures impact to travel insurance of c. \$2m (\$4m in FY21)

- Segment profit up by 12.9% to \$31.4m:
 - Operating profit up 15.8% to \$32.2m
 - 2H21 Operating profit down versus 1H21 largely due to COVID-19 impacts and modest seasonality
- Revenue growth of 5.1%:
 - Strong growth in-home care and telehealth divisions
 - Partly offset by significantly lower travel insurance sales
- MER down 100bps to 29.9%:
 - Increase in management expenses due to inflation
 - Leveraging largely fixed cost base
- \$800k after tax losses from Myhealth and other investments:
 - 3 month 700k contribution from 33.4% economic interest in Myhealth (\$2.6m FY21 pro-forma impact)²
 - Losses from other investments expected to unwind in FY22
- Underlying trajectory broadly in line with FY22 milestone:
 - Temporary travel insurance earnings impact of c. \$4m in FY22 given ongoing border closures
 - Expect to be largely offset by contribution from Myhealth and other investments
 - Mindful of balancing short-term operating performance and investment in future growth

¹ Includes interest income from loan to associates of \$0.2m

² Medibank's 49% holding of the ordinary shares of Myhealth Medical Holdings Pty Ltd represents a 33.4% economic interest in the Myhealth Medical Group, taking into account management and local GP shareholdings in Myhealth Medical Holdings Pty Ltd and its subsidiaries

Investment portfolio and investment income

Strong investment returns driven by post COVID-19 recovery in equity and credit markets

Financial year ended 30 June (\$m)	2020	2021	Change
Net investment income:			
Growth	(26.6)	85.9	n.m.
Defensive ¹	33.6	38.8	15.5%
Investment expenses	(4.6)	(4.7)	2.2%
Total net investment income^{1,2}	2.4	120.0	n.m.
Total net investment income – underlying ^{2,3}	76.3	59.3	(22.3%)
RBA cash rate (average)			
Underlying spread to RBA cash rate			
Closing balance:			
Growth	466.8	488.5	4.6%
Defensive	2,374.9	2,464.9	3.8%
Total balance	2,841.7	2,953.4	3.9%
Average monthly balance:			
Growth	463.9	465.4	0.3%
Defensive	2,086.8	2,355.4	12.9%
Total average monthly balance	2,550.7	2,820.8	10.6%

- Growth portfolio investment income performance driven primarily by stronger equity market returns
- Defensive portfolio investment income increased as credit spreads tightened, offsetting the impact of the lower RBA cash rate

Investment returns		
2020	2021	Change
(5.74%)	18.46%	n.m.
1.61%	1.65%	4bps
-	-	-
0.09%	4.25%	416bps
2.99%	2.10%	(89bps)
0.65%	0.15%	(50bps)
2.34%	1.95%	(39bps)

- Asset allocation:
 - Retained 20% growth and 80% defensive allocation
 - Additional \$326.8m set aside to meet deferred claims liability and customer give back
- RBA cash rate impacts:
 - Reduced FY21 interest income by c. \$10m
 - At current level c. \$1m further impact expected in FY22
- Underlying investment income down \$17m:
 - Normalisation adjustment of \$60.7m pre-tax
 - Lower RBA cash rate and flattening of the yield curve
 - Spread to RBA cash rate of 1.95% within target (150 – 200bps)

¹ Includes interest income from non health fund investments, short-term operational cash sub portfolio and operational cash
² Reported and underlying returns are calculated using total average monthly balances

³ Adjusted to normalise all growth asset returns to long-term expectations and defensive asset returns for credit spread movements

Capital and dividend

Our capital position reflects strong capital generation and disciplined capital management

Financial year ended 30 June (\$m)	2020	2021
Total equity¹	1,797.8	1,906.1
Less: Intangible and illiquid assets ¹	(460.4)	(445.3)
Total tangible and liquid assets	1,337.4	1,460.8
Determined but unpaid ordinary dividend	(173.5)	(190.0)
Cost of product bonus additions ²	(10.5)	(10.5)
Total tangible eligible capital	1,153.4	1,260.3
Required capital		
- Health Insurance	873.2	942.0
- Other	91.8	147.6
Unallocated capital	188.4	170.7
Health insurance capital (%)³	13.2%	13.0%
Dividend	FY20	FY21
Final ordinary dividend per share (cents)	6.3	6.9
Full year ordinary dividend per share (cents)	12.0	12.7
Full year dividend payout ratio⁴	90.1%	87.7%

- Health Insurance capital:
 - Ratio at the top end of 11% to 13% target range³
 - Increase supports premium revenue growth
- Other required capital increased following the \$63m investment in Myhealth
- Unallocated capital of \$170.7m:
 - Investment in Myhealth offset by strong investment income and lower inadmissible assets
 - Strong capital position provides ability to fund inorganic growth and consider capital management
- Very well placed to implement new PHI capital standard:
 - Draft standard expected in late CY21 and aim to provide an update on impact in early CY22
 - Expected to allow for the issuance of sub-debt
- Final ordinary dividend of 6.9cps, fully franked:
 - Total FY21 ordinary dividend of 12.7cps, fully franked
 - 87.7% payout ratio of Underlying NPAT (target range 75% - 85%) reflects strong capital position
 - Payment Date for final ordinary dividend: 30 September 2021 (Ex-dividend Date 8 September 2021, Record Date 9 September 2021)

1 2020 updated to reflect change in accounting policy for software intangible assets. Refer Note 20(a) of the consolidated financial statements

2 Policies that include a product bonus receive an entitlement every 1 January to spend on otherwise uncovered expenses. The allowance is booked on 1 January each year

3 Calculated as required Health Insurance related capital post dividends divided by the last 12 months' Health Insurance premium revenue inflated by the growth rate in Health Insurance premium revenue over the same 12 month period

4 Dividend payout ratio is based on Underlying NPAT from total operations. See glossary for definition of Underlying NPAT

Key areas of focus for FY22



Investment in core enablers –
technology, digitisation and people



Claims management capabilities:

- Payment integrity innovation
 - Investment in preventative health and new care settings
-



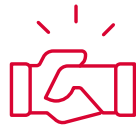
Focus on top line growth and
managing downgrading in PHI



Increasing scale and productivity
allows capacity to invest in growth
and improve MER



Continued organic and inorganic growth
in Medibank Health



Leverage our strong balance sheet
and capital generation



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Conclusion

David Koczkar
Chief Executive Officer

The role of reform

Aligning prostheses prices with the public sector and overseas

- The price of medical devices in Australia is **c. 30%** higher than in New Zealand, France and the UK¹
- Prostheses reform consultation underway with potential to save the industry \$500m¹ over four years, supporting continued low premium increases

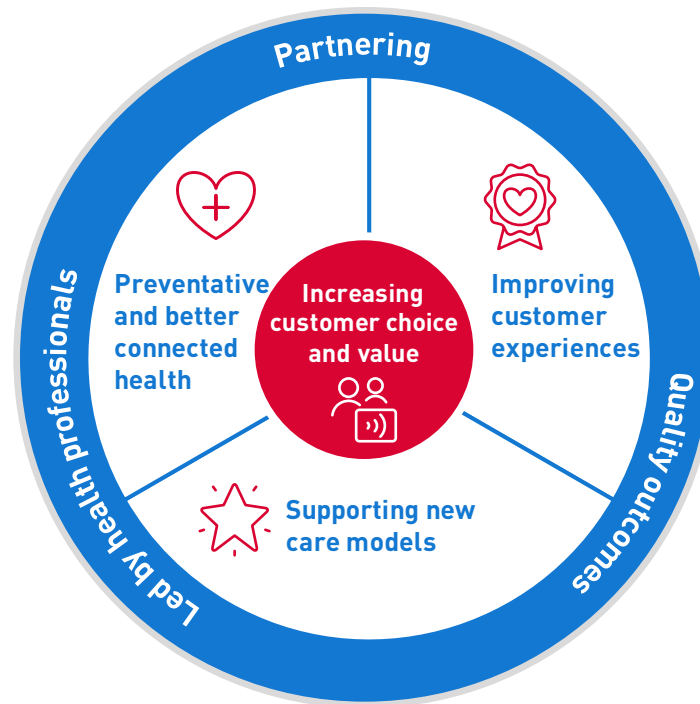
Improving quality and reducing waste

- Ongoing clinical led review of Medicare Benefits Schedule
- Supporting preventative healthcare to improve how resources across the system are effectively utilised
- Expanding funding for care outside of acute settings

Encouraging participation

- **c. 330k** Australians paid the Medicare Levy Surcharge in FY19²
- There is a need to continue encouraging greater participation among young adults

Our focus on innovation



Better Health for Better Lives

¹ Private Healthcare Australia

² Australian Taxation Office: Taxation statistics 2018 -19



Our strategy has evolved but our **customers and people** remain at the centre of everything



We will continue to expand our **customer and provider relationships**, offer broader support in **health and wellbeing**, and focus on **prevention, innovation and value**



Supported by our differentiated offering and focus on key markets, our **growth ambitions in PHI** stretch beyond FY22



We will continue to invest and partner to evolve **new models of care** in Australia, accessible to patients in both private and public systems



Transforming to a health company means investing in prevention, choice and better care, building successful standalone businesses and bringing benefits back to our core



Customer relief

We continue to assess claims activity and any permanent net claims savings due to COVID-19 will be given back to customers through additional support in the future



Policyholder growth

Aiming to achieve c. 3% policyholder growth¹ in FY22, including continued growth in the Medibank brand



Claims

Underlying average net claims expense per policy unit is forecast to be in line with 2H21 (2.4%) among resident policyholders



Productivity

FY22 productivity target of \$15m in Health Insurance management expenses



Growth

Targeted inorganic growth for Medibank Health and Health Insurance remain areas of focus

¹ Assumes slowing industry participation growth in FY22 relative to FY21



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Appendix

FY21 milestone scorecard

Objectives¹

FY21 outcomes

1. Customer and employee advocacy Continue to achieve a high level of advocacy by delivering exceptional experiences for our customers and employees	Customer advocacy: Service NPS (average)			Employee advocacy			
		FY20	FY21	FY21 target		FY21	FY21 target
	Medibank	31.8	37.1	>30	Engagement	83%	≥85%
	ahm	41.2	43.0	>40	eNPS	+26	≥+19
2. Health and wellbeing differentiation Double the uptake of Medibank's Live Better and Health Assist programs by FY22 while ensuring every customer ² has at least one personalised health interaction through the year				FY20	FY21	FY22 target	
	Education: Health engagement interactions			c. 2m	c. 4.7m	>2m	
	Prevention: Live Better interactions ³			c. 500k	c. 760k	>1m	
	Support: Health Assist interactions ⁴			74k	165k	>150k	
3. Health insurance growth We aim to increase market share and achieve total policyholder growth between 3.5%-4%, including an expectation of growing the Medibank brand by between 1.2%-1.4% during FY21 ⁵	Policyholder growth⁵			By brand⁵		Market share	
	1 July 20 – 30 June 21			Medibank	+1.3% / +18.1k	1H21	2H21
	+3.5% / +64.3k			ahm	+10.9% / +46.2k	up 28bps	up 9bps
4. In-home care Virtual hospital beds more than 300 by end of FY22	Total			Medibank customers			
	30 June 20	30 June 21		30 June 2021			
	259 beds	347 beds		c. 7,650 Medibank customers serviced by 291 beds			
5. Medibank Health By FY22 organically replace the reported FY18 \$30m operating profit of Garrison	Medibank Health operating profit						
	FY18 (baseline)⁶	FY20	FY21				
	\$47.3m	\$27.8m	\$32.2m (excluding Myhealth & other investments)				
6. Productivity FY21 productivity target of \$20m and additional \$30m during FY22-FY23	Productivity delivered						
	FY20	FY21					
	c. \$20m	c. \$20m					

¹ Milestones as presented in FY21. All new and continuing FY22 - FY24 milestones are detailed throughout the remainder of the presentation.

² Based on number of policyholders that consent to contact for marketing purposes, some exclusions may apply. Excludes new joins and customer lapses over the period

³ Includes the number of customers who have downloaded Live Better and enrolled for rewards plus Live Better at Home interactions

⁴ Includes Health Concierge, 24/7 Support, CareComplete, Medibank at Home, Better Knee, Better Me, Heart Health at Home and other new program interactions

⁵ Excluding the impact of policyholder suspensions due to COVID-19 financial hardship

⁶ Includes the \$30m operating profit of Garrison

Reconciliation of reported to underlying claims and COVID-19 impacts

COVID-19 impacts – Health Insurance

Financial year ended 30 June (\$m)	2020	2021	Total
6mth waiver of April 2020 premium increase	65	96	161
Customer suspensions	15	27	42
Giveback	-	103	103
Total customer relief impact	80	226	306
Resident Hospital claims	-	(170)	(170)
Overseas claims		13	13
Resident Ancillary claims	(67)	(66)	(133)
COVID-19 claims expense impacts	(67)	(223)	(290)
Net COVID-19 Impacts	13	3	16

COVID-19 claims liability impacts

Financial year ended 30 June 2021 (\$m)	Hospital ¹	Ancillary	Total
30 June 2020 – COVID-19 claims liability	234.4	62.7	297.1
Hindsight provision movement	19.8	-	19.8
Hospital deferral rate assumption change	(73.1)		(73.1)
Net (utilisation) / deferral during the period	39.1	(59.1)	(20.0)
30 June 2021 – COVID-19 claims liability	220.2	3.6	223.8
(Lower) / Higher than expected claims	(142.8)	(6.9)	(149.7)
Change to Liability increase / (decrease)	(14.2)	(59.1)	(73.3)
COVID-19 claims expense impacts	(157.0)	(66.0)	(223.0)

¹ Hospital includes overseas

Reconciliation of reported to underlying claims

Financial year ended 30 June (\$m)	2020	2021	1H21
Total Reported Claims	(5,531.6)	(5,610.8)	(2,819.1)
FY20 Under provision on central estimate	22.3	-	-
FY21 Over provision on central estimate	2.2	-	-
COVID-19 claims expense impacts	(67.0)	(223.0)	(114.5)
Total Underlying Claims	(5,574.1)	(5,833.8)	(2,933.6)
Underlying Claims per policy unit growth	2.6%	3.1%	3.0%
Reported Resident Claims	(5,426.4)	(5,494.8)	(2,761.2)
FY20 Under provision on central estimate	19.3	-	-
FY21 Over provision on central estimate	4.2	-	-
COVID-19 claims expense impacts	(67.0)	(236.0)	(118.9)
Underlying Resident Claims	(5,469.9)	(5,730.8)	(2,880.1)
Underlying Claims per policy unit growth			
Total Resident	2.7%	2.5%	2.6%
Hospital	2.6%	2.5%	2.5%
Extras	3.8%	3.9%	3.8%
Reported Overseas Claims	(105.2)	(116.0)	(57.9)
FY20 Under provision on central estimate	3.0	-	-
FY21 Under provision on central estimate	(2.0)	-	-
COVID-19 claims expense impacts	-	13.0	4.4
Underlying Overseas Claims	(104.2)	(103.0)	(53.5)
Underlying Claims per policy unit growth	5.8%	11.6%	10.6%

Reconciliation of Group operating profit and Underlying NPAT

(\$m)	FY20	FY21	Change
Group operating profit – continuing operations	461.0	528.3	14.6%
Operating loss – discontinued operations	(0.8)	-	n.m.
Group operating profit – total operations	460.2	528.3	14.8%

Underlying NPAT

(\$m)	1H20	2H20	FY20	1H21	2H21	FY21
NPAT – total operations	177.9	137.1	315.0	226.4	214.8	441.2
NPAT – discontinued operations	(0.7)	0.1	(0.6)	-	-	-
NPAT – continuing operations	178.6	137.0	315.6	226.4	214.8	441.2
Normalisation of growth asset returns	1.2	42.0	43.2	(13.2)	(18.0)	(31.2)
Normalisation for defensive asset returns – credit spread movement	(0.4)	8.9	8.5	(9.8)	(1.5)	(11.3)
Underlying NPAT	179.4	187.9	367.3	203.4	195.3	398.7
Dividend payout ratio ¹	87.8%	92.3%	90.1%	78.5%	97.3%	87.7%

¹ Calculated on Underlying NPAT – total operations

Group financial summary – half by half

(\$m)	1H20	2H20	1H21	2H21	Change		
					2H21 v 2H20	2H21 v 1H21	1H21 v1H20
Group revenue from external customers¹	3,421.5	3,348.1	3,442.2	3,468.2	3.6%	0.8%	0.6%
Health Insurance operating profit	224.2	246.4	254.6	284.0	15.3%	11.5%	13.6%
Medibank Health segment profit ¹	13.3	14.5	18.8	12.6	(13.1%)	(33.0%)	41.4%
Segment operating profit	237.5	260.9	273.4	296.6	13.6%	8.4%	15.1%
Corporate overheads	(18.7)	(18.7)	(18.2)	(23.5)	25.7%	29.1%	(2.7%)
Group operating profit – continuing operations	218.8	242.2	255.2	273.1	12.8%	7.0%	16.6%
Net investment income	38.5	(36.1)	71.8	48.2	n.m.	(32.9%)	86.5%
Amortisation of intangibles	(4.5)	(4.5)	(3.4)	(1.2)	(73.3%)	(64.7%)	(24.4%)
AASB 16 Leases transition adjustment	3.3	-	-	-	n.m.	n.m.	n.m.
Other income/(expenses)	(1.5)	(6.0)	(1.7)	(9.7)	61.7%	n.m.	13.3%
Profit before tax	254.6	195.6	321.9	310.4	58.7%	(3.5%)	26.4%
Income tax expense	(76.0)	(58.6)	(95.5)	(95.6)	63.1%	0.1%	25.7%
NPAT – continuing operations	178.6	137.0	226.4	214.8	56.8%	(5.1%)	26.8%
EPS (cents) ²	6.5	5.0	8.2	7.8	56.8%	(5.1%)	26.8%
Underlying NPAT³	179.4	187.9	203.4	195.3	3.9%	(4.0%)	13.4%
Underlying EPS (cents) ³	6.5	6.8	7.4	7.1	3.9%	(4.0%)	13.4%
Dividend per share (cents)	5.70	6.30	5.80	6.90	9.5%	19.0%	1.8%
Dividend payout ratio ³	87.8%	92.3%	78.5%	97.3%	5.4%	23.9%	(10.6%)

1 Excludes discontinued operations

2 Calculated on total operations

3 See glossary for definition of Underlying NPAT, and slide 31 for a reconciliation of NPAT – continuing operations to Underlying NPAT. Dividend payout ratio based on Underlying NPAT from total operations

Health Insurance policyholders – half by half

	1H20	2H20	1H21	2H21	Change		
					2H21 v 2H20	2H21 v 1H21	1H21 v1H20
Premium revenue (\$m)	3,315.5	3,230.1	3,324.5	3,355.8	3.9%	0.9%	0.3%
Policyholders¹ (thousand):							
Opening balance	1,796.0	1,807.7	1,806.6	1,855.6	2.6%	2.7%	0.6%
Acquisitions	98.3	97.5	102.6	118.6	21.6%	15.6%	4.4%
Lapses	(86.6)	(80.4)	(62.8)	(84.6)	5.2%	34.7%	(27.5%)
Net suspensions/reactivations	-	(18.2)	9.2	(0.5)	n.m.	n.m.	n.m.
Closing balance	1,807.7	1,806.6	1,855.6	1,889.1	4.6%	1.8%	2.6%
- Medibank	1,401.5	1,388.2	1,405.8	1,417.8	2.1%	0.9%	0.3%
- ahm	406.2	418.4	449.8	471.3	12.6%	4.8%	10.7%
Acquisition rate²	5.5%	5.4%	5.6%	6.3%	90bps	70bps	10bps
- Medibank	4.1%	3.8%	4.1%	4.9%	110bps	80bps	-
- ahm	11.3%	11.8%	11.3%	11.6%	(20bps)	30bps	-
Lapse rate²	4.8%	4.4%	3.4%	4.5%	10bps	110bps	(140bps)
- Medibank	4.5%	4.0%	3.3%	4.0%	-	70bps	(120bps)
- ahm	7.2%	7.2%	5.0%	6.9%	(30bps)	190bps	(220bps)
Policyholder growth	0.7%	(0.1%)	2.7%	1.8%	190bps	(90bps)	200bps
Total policy units^{1,3} (thousand):							
Closing balance	4,709.1	4,677.1	4,761.6	4,811.5	2.9%	1.0%	1.1%
Average balance	4,711.1	4,684.0	4,736.5	4,789.7	2.3%	1.1%	0.5%
Annualised average revenue per policy unit^{1,3} (\$)	1,407.5	1,379.2	1,403.8	1,401.3	1.6%	(0.2%)	(0.3%)

1 Consistent with reported industry data, policyholder numbers only include the resident portfolio whereas total policy units include both resident and overseas portfolios

2 Consolidated lapse and acquisition rates exclude transfers of policyholders between ahm and Medibank at a combined brand level. Figures at brand level include these transfers. Lapse and acquisition rates are based on the average of the opening and closing balances for the period

3 Refer to glossary for definition of policy units. Policy units include both resident and overseas portfolio. Based on an average of the month-end balances over the reporting period

Investment portfolio

As at 30 June 2021	Balance (\$m)	Portfolio composition	Target asset allocation
Australian equities	119.3	4.8%	5.0%
International equities	147.4	6.0%	6.0%
Property	169.3	6.9%	7.0%
Infrastructure	52.5	2.1%	2.0%
Growth	488.5	19.8%	20.0%
Fixed income ^{1,2}	1,421.9	57.8%	60.0% ⁶
Cash ³	552.1	22.4%	20.0% ⁶
Defensive	1,974.0	80.2%	80.0%
Total Fund (pre-STOC)	2,462.5	100.0%	100.0%
Short-term operational cash ⁴	326.8	-	-
Total Fund	2,789.3	100.0%	100.0%
Non health fund investments ⁵	164.1		
Total investment portfolio	2,953.4		

- 1 Target asset allocation comprises floating rate notes and asset-backed investments (33.0% vs 32.0% in 2020) and other fixed income (27.0% vs 20.0% in 2020). The Group's average credit duration is approximately 2.0 years, average interest rate duration is approximately 0.7 years, and the average credit rating is 'A'
- 2 For investment portfolio purposes, fixed income comprises fixed income securities (\$1,823.4m), less reclassified cash with maturities between 3-12 months (\$179.0m), less non health fund fixed income securities (\$111.2m), less short-term operational cash fixed income securities (\$148.6m), plus cash allocated to the Fixed income portfolio (\$37.3m).
- 3 For investment portfolio purposes, cash comprises cash and cash equivalents (\$671.7m) plus cash with maturities between 3-12 months (\$179.0m), less non health fund investments (\$52.9m), less short-term operational cash (\$178.3m), less operational cash (\$30.2m) less cash allocated to the Fixed income portfolio (\$37.3m).
- 4 Short-term operational cash ("STOC") sub-portfolio of the fund's investment portfolio consists of short dated defensive assets with the purpose of funding the COVID-19 claims liability and customer giveback. Given the short-term nature of this portfolio, it is not subject to the existing SAA, TAA framework
- 5 The fund's SAA does not apply to the non health fund investment portfolio
- 6 During the period, the target Fixed Income allocation increased to 60% (2020: 52%) and the target Cash allocation reduced to 20% (2020: 28%)

Term	Definition
1H	Six months ended/ending 31 December of the relevant financial year
2H	Six months ended/ending 30 June of the relevant financial year
APRA	Australian Prudential Regulation Authority
bps	Basis points (1.0% = 100 bps)
cps	Cents per share
CY	Calendar year
DAC	Deferred acquisition costs
Downgrading	The difference between the average premium rate rise and revenue growth per policy unit
eNPS	Employee Net Promoter Score. A measure of the likelihood of an employee to recommend the company's products and services and the company as a place to work
EPS	Earnings per share
FY	Financial year ended/ending 30 June
FYTD	Financial year to date
Health Insurance	Includes both resident and overseas
IBNR	Incurred but not reported
MER	Management expense ratio
n.m.	Not meaningful
NPAT	Net profit after tax
NTI	New to industry
pcp	Prior corresponding period
PHI	Private Health Insurance.
Overseas	Overseas students health cover (OSHC) and Overseas visitors cover (OVC)

Term	Definition
Policyholder	The primary person who is insured under a private health insurance policy (other than in relation to overseas students or visitors), who is not a dependent child, and who is responsible for paying the premium
PSEUs or policy units	Policy Single Equivalent Units are used by Medibank as a standard measure of income units. They take into account the number of adults on a policy, and whether they have Hospital Cover or Extras Cover or both. For example, a household with two parents and three children, all of which had both Hospital and Extras Cover, would represent four policy units (2 adults x 2 types of Cover = 4). This measure includes residents and overseas policies and only adult insureds are typically counted in the calculation of PSEUs
Resident	Hospital and/or extras cover for a compliant health insurance product
SAA	Strategic Asset Allocation. The long-term portfolio asset allocation that meets the expected risk and return objectives of the fund
Service NPS	A measure of the likelihood of an existing customer to recommend the brand immediately following a service interaction
TAA	Tactical Asset Allocation. The medium-term portfolio asset allocation that varies to the strategic asset allocation in order to help optimise risk-adjusted investment returns in light of the prevailing relative market pricing
Underlying NPAT	Underlying NPAT is calculated based on statutory NPAT adjusted for short-term outcomes that are expected to normalise over the medium to longer term, most notably in relation to the level of gains or losses from investments and movements in credit spreads, and for one-off items, especially those that are non-cash, such as asset impairments. Underlying NPAT is not adjusted for outstanding claims provision movements or COVID-19 impacts
Underlying	Underlying figures (excluding Underlying NPAT, Underlying EPS and Underlying investment income) are adjusted for outstanding claims provision movements and COVID-19 impacts
Virtual hospital beds	The number of people receiving hospital substitute treatments by Medibank Health which is calculated for a given period as total days of hospital substitute treatments service / number of days in the period
YoY	Year on year – as compared to the corresponding period in the prior year