

24 February 2020

MEMBER GROWTH DELIVERS HEALTHY RESULT FOR nib NEW ZEALAND

nib New Zealand today announced a strong operating performance for the six months to 31 December 2019 growing both revenue and earnings. The underwriting result¹ for the period lifted 10% to NZ\$12.6 million.

nib New Zealand Chief Executive Officer, Mr Rob Hennin, said underpinning the result was very good policyholder growth of 5.7%.

"We're supporting the better health of more people than ever with 225,536 people currently covered compared to just under 170,000 when we first started in late 2012," Mr Hennin said.

"This is a great reflection of the growing value we've been able to deliver to our members to ensure we're not only providing financial protection and security but also helping them to navigate the healthcare system and make better healthcare decisions," he said.

In its annual results statement issued to the Australian Securities Exchange (ASX) this morning, nib Group (ASX: NHF) today announced all business segments grew membership and premium revenue in the six months to 31 December 2019 (1H20) lifting Group underlying revenue by 6.4% to AU\$1.3 billion compared to the corresponding period (1H19).

Higher claims inflation across nib's insurance businesses² as well as timing in the receipt and payment of claims impacted nib's "unpaid claims" reserves and resulted in a reported Group Underlying Operating (UOP) profit of \$83.2 million, a 27.2% decline compared to 1H19, with nib's Managing Director singling out its New Zealand operations as a stand-out performance.

Mr Hennin said cost containment and reducing the amount members pay when they require treatment or hospitalisation remained a key focus.

"Our First Choice network which guarantees zero out-of-pockets for our members remains a key tool in managing service cost inflation with approximately 95% of claims volume now through a First Choice provider," Mr Hennin said.

"Not only is the network removing unexpected costs for our members but it's also helping us to keep premiums affordable, with more than NZ\$1.6 million saved in claims costs during the period," he added.

nib New Zealand Chairman, Mr Tony Ryall, said the business continued to strive to be at the vanguard of delivering better health for its members.

"Our partnership with Ngāti Whātua Ōrākei is a great example of how we are transforming to become more about people's better health rather than just responding to sickness," Mr Ryall said.

"Working together we're aiming to create better health interventions, improve health outcomes and tackle existing barriers that Māori experience when accessing healthcare through the public health system. Applying learnings from this experience we're now looking to expand this program to other communities and populations both in New Zealand and Australia," he added.

Dividends

nib declared an interim FY20 fully franked dividend of 10.0 cents per share (1H19: 10.0 cents per share). The interim dividend has an ex-dividend date and record date of 5 March and 6 March 2020 respectively, with payment to be made to shareholders on 7 April 2020.

The Board also confirmed the Dividend Reinvestment Plan (DRP) will be available for the interim dividend for eligible nib shareholders. Further information can be found by visiting nib.com.au/shareholders

MEDIA ENQUIRIES

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¹ nib New Zealand Underlying Operating Profit (UOP) for the six months to 31 December 2019 was NZ\$11.7 million (AU\$11.1 million).

² Includes arhi, iihi, nib New Zealand and excludes travel insurance.