



Health Cover for the
CommBank Family



2026 Annual Report





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Acknowledgement of Country

CBHS acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today. Our registered office is located on the lands of the Dharug people.

Your
CBHS



A Members
Health Fund

Our
purpose

TO BE A GREAT HEALTH
FUND, TRUSTED BY OUR
MEMBERS AND COMMBANK

Our
vision

CONNECTING CARE
AND VALUE, FOR
HEALTHIER LIVES

Our 'North Star' goal is centred around exceptional member satisfaction. It sets the standard for everything we do here at CBHS.



Celebrating

75
YEARS of care
in 2026

For three quarters of a century, CBHS has been helping CommBank employees and their families navigate their health journey with care, value and support. We're proud of our heritage, longevity and enduring connection with CommBank, and look forward to caring for members for generations to come.

We have one of the
highest member
retention rates
in the industry at

91.1%¹



An award-winning health fund for the CommBank Family

Recognised by WeMoney in 2026 as the Best Industry Health Fund, Best for Gold Hospital Cover and Finalist for Best Preventative Health & Wellness Programs.[#]

Our
values



Customer first
A daptive
R espect
E xcellence

¹CBHS Health is rated 4th of 29 health funds. Data relates to the total gain or loss of members over the last two years, which takes into account consumers who take up Hospital membership and leave within that two-year period. Sourced from Page 15 of Private Health Insurance Ombudsman State of the Health Funds Report 2024-25.

[#] WeMoney Award logos used under licence from WeMoney Pty Ltd. Awards based on WeMoney criteria for the relevant period, apply only to the specific services evaluated and do not imply ongoing endorsement.



Message from the Group Chair

**Nicolette Rubinsztein AM
Chair**

In our 75th anniversary year, I am pleased to present the 2026 Annual Report on behalf of the Board.

This milestone year has given us pause to reflect on the countless families – including my own – we’ve been privileged to care for since our inception. I am honoured to serve as a custodian of our member-owned fund, even for a relatively short chapter in its long history, and it is a responsibility I deeply cherish.

This year has been focused on working on our foundations so that we are well positioned to deliver significant enhancements to services in the years ahead. At the same time, we were delighted to be awarded ‘Best Industry Health Fund’ this year, reflecting the great value we offer our members¹.

The past year has highlighted how important it is to keep affordability, value and long-term sustainability in careful balance, particularly in today’s complex healthcare environment.

Against this backdrop, our focus has remained clear: ensuring members receive exceptional value while maintaining the financial strength and resilience needed to support them into the future.

As Chair, I see the Board’s role as ensuring CBHS remains true to its purpose as a not-for-profit health fund. Every decision we make is guided by what is in our members’ best interests. Throughout FY26, the Board remained focused on keeping premiums as affordable as possible, delivering strong benefits when members need care and ensuring we remain sustainable for future generations.

Putting value for members first

Australians continue to look closely at every household expense, and private health insurance is no exception. We are ever mindful of balancing the cost-of-living pressures our members are facing with the persistent inflation in health care costs.

One statistic that I am very proud of is that we paid back 88 cents in every dollar received in premiums, which remains above the industry average, reflecting our ongoing commitment to ensuring members receive the greatest possible value from their cover.

It’s a tough decision to have to raise premiums, but also a necessary one to continue to deliver access to quality healthcare options. CBHS delivered an average premium increase of 3.25% during the year, which was below the industry average of 4.41%² for the second consecutive year.

At the same time, we continued returning value directly to members through our COVID claims cashback program, paying out a final \$20 million during the year. Furthermore, I’m pleased to report that CBHS has been among the most generous funds across all COVID giveback programs, ranking 6th out of all 29 health funds, with givebacks paid at 122% of claims savings³.

Financial strength that supports member value

As at 30 June 2026, CBHS insured 261,658 people, across 127,551 policies.

Pleasingly, CBHS remains in a strong financial position. Total premium revenue for the year increased by 2.5% to \$627 million, driven by CBHS’s net member growth of 1%⁴. Net claims increased by 4.4% to \$544 million, reflecting higher hospital costs and a moderate increase in service utilisation. Despite these pressures, CBHS maintained a strong claims payout ratio of 88%. Our capital position also remains

robust, with total assets of \$590 million and net assets of \$453 million, providing ongoing security and stability for our members.

Rounding out the year’s results, investment returns remained positive, contributing \$40 million during the year despite ongoing geopolitical uncertainty and market volatility. The value of our investment portfolio increased to \$546 million as at 30 June 2026, up from \$522 million at the same time last year.

Managing a changing healthcare landscape

Australia’s healthcare system continues to face significant challenges.

Claims costs are going up, which reflects increased hospital utilisation, medical device costs, and the wonderful advances in modern healthcare. In particular, there was a 7% increase in large claims related to inpatient mental health treatment across the industry⁵, as private health funds continue to fund the majority of Australia’s mental health admissions⁶. This demonstrates the important role health insurance plays in supporting access to treatment that might otherwise be financially out-of-reach.

We know many Australians are delaying or avoiding healthcare due to cost pressures. This is a concern for the broader health system, as conditions can become more complex and require greater intervention when care is delayed. Again, this reinforces the responsibility on our industry to ensure private health insurance remains accessible, affordable and sustainable.

We welcome efforts by government and industry to improve affordability, transparency and efficiency across healthcare and will continue to advocate for reforms that support better outcomes for consumers.

Strategic progress: A stronger and more resilient organisation

The Board also oversaw a number of important strategic initiatives during the year aimed at strengthening CBHS for the future. This included simplifying CBHS Group’s operating model, new features for our members and continuing to invest in organisational capability.

“We brought CBHS International and CBHS Corporate together under CBHS Health and ceased new sales of international student and visitor health cover products, allowing us to focus our resources more effectively and reduce organisational complexity.”

During the year, the Board also continued to strengthen CBHS’s governance and risk management framework, with

a particular focus on operational resilience, service provider oversight and information security. The implementation and embedding of APRA’s Prudential Standard CPS 230 has enhanced our approach to identifying, managing and monitoring operational risk, while further clarifying accountability and strengthening business continuity capabilities across the organisation.

Information security remains a key strategic and operational priority. Throughout the year, the Board and management maintained a strong focus on cyber resilience, technology risk management and the ongoing maturity of security controls. This oversight supports informed decision-making and helps ensure CBHS continues to operate in a manner consistent with the expectations of our members, regulators and CommBank.

Together, these initiatives reinforce CBHS’s commitment to prudent governance, sound risk management and the long-term resilience of the organisation for the benefit of our members.

Looking ahead

As we look ahead to FY27, we do so with confidence and a clear sense of purpose. We will continue to focus on delivering value for members, supporting affordability, strengthening the member experience and investing in the future, so CBHS can continue to grow as a strong, thriving health fund.

Importantly, we’re doing so from a position of financial strength, supported by a trusted brand, a highly capable leadership team and a deep connection to the CommBank community.

On behalf of the Board, I deeply thank our members for their ongoing loyalty and trust. I also extend my thanks to my fellow Directors, Helen Troup and the Executive Leadership Team, and all CBHS employees whose dedication and care continue to make a real difference in the lives of our members.

I would particularly like to thank Adrian Hondros and Jay MacGregor, who recently completed their maximum terms on the Board. I am grateful for their dedicated service and excellent contributions to CBHS.

**Nicolette Rubinsztein AM
Chair**

3 September 2026

¹Recognised by WeMoney in 2026 as the Best Industry Health Fund, Best for Gold Hospital Cover and Finalist for Best Preventative Health & Wellness Programs. | ²Average annual price changes in private health insurance premiums, Australian Government Department of Health, Disability and Ageing. | ³Department of Health, Disability and Ageing, Private Health Insurer pandemic commitment monitoring – December 2025. | ⁴Excludes merger of CBHS Corporate into CBHS Health. | ⁵PHA Annual Hospital High Claims Report 2025. | ⁶Private Healthcare Australia, Private health by the numbers.



Message from the Group CEO

Helen Troup
Group Chief Executive Officer

For three quarters of a century, we have existed for a single purpose: supporting the health and wellbeing of our members.

While healthcare, technology and member expectations have evolved considerably over that time, our purpose and focus have not changed. We're here to deliver outstanding value, and genuine care whenever our members need us.

This year has been one of meaningful progress, providing care and value for our members. We simplified parts of our business, invested in improving services for members, delivered a range of health programs, and deepened our connection with the CommBank community. Through it all, our people have remained committed to helping members live healthier lives.

Delivering care and value

How members experience CBHS is our most important measure of success.

During FY26, member satisfaction improved, with CBHS positioned significantly above the category benchmark overall¹. Members rated us particularly highly for the benefits we offer and the ease and speed of claims.

These results reflect the genuine care our people bring to every interaction and the work underway to continuously improve the service you receive and ensure we meet your evolving needs.

We were especially proud to be recognised in the 2026 WeMoney Health Insurance Awards, with CBHS named **Winner – Best Industry Health Fund and Winner – Best for Gold Hospital Cover, as well as a Finalist for Best Preventative Health & Wellness Programs.**

“This achievement is an exciting endorsement of the care and value we provide for members as we celebrate 75 years.”

Making health cover simpler for our members and people

Members increasingly expect simple, connected and convenient interactions with their health fund, and we've continued to respond to those expectations.

Throughout the year, we improved how members engage with us and removed friction from key service moments. These included:

- introducing digital membership cards to make claiming more convenient
- creating a streamlined approach to the student dependant process, making it easier for families to keep their adult children covered
- delivering training to leaders and employees to enhance the quality of their everyday conversations, building the skills and confidence to deliver more consistent, personal and member-centric services.

Together, these initiatives reflect a broader drive to create easier, faster and more intuitive touchpoints with CBHS.

Supporting healthier lives

Beyond quality health insurance, we invested in programs that promote wellbeing and healthier communities. We supported members to recover and access hospital-level care and treatment in the comfort of their home, including chemotherapy, infusions, complex wound care and alcohol detox services.

In an ongoing era of affordability concerns, we understand how integral Extras cover can be in taking pressure off household budgets when health needs arise. Our Specsavers partnership, which includes a market-leading offer, has generated a significant increase in optical Choice Network usage, meaning more members than ever have accessed no-gap optical benefits.

"The reintroduction of selected natural therapies, including Pilates and yoga, from April 2026, is an example of how we're committed to unlocking new benefits for you."

Our Health Hubs and wellbeing initiatives continue to generate strong engagement across the CommBank workforce. We're seeing increasing numbers of participants progress from health screening activities into 1:1 consultations, creating positive behaviour change and helping individuals take proactive steps towards better health. Personalised advice has been a defining feature of this year's programs. Through tailored guidance, participants report making small, sustainable changes that are creating meaningful long-term outcomes. Real results we're seeing include weight loss, healthier eating habits, improved sleep, greater confidence with exercise and the adoption of regular strength training.

“CommBank staff consistently tell us this support has empowered them to make lasting improvements to their health and wellbeing.”

A unique partnership with CommBank

Our close connection with CommBank provides a unique source of insight into the needs of those we serve and is a critical differentiator for CBHS.

We have high levels of engagement from the CommBank community, with a growing number of employees choosing to protect their families with CBHS. This reflects the appeal of our proposition and the role we play in supporting and improving the health and wellbeing of Australia's largest banking workforce.

A connected, inclusive and thriving culture

Exceptional member experiences begin with positive employee experiences.

We are very proud of our CBHS culture, which is underpinned by our CARE Values of Customer First, Adaptive, Respect and Excellence. Our people bring care, empathy and professionalism to everything they do and their dedication is one of CBHS's greatest strengths.

Our people tell us that they value CBHS's caring, flexible and inclusive environment, together with the shared purpose of putting members first. This helps them do their best work and translates into warm, high-quality service to our members.

During FY26, we invested in leadership capability, employee development, and diversity and inclusion initiatives that build connection across CBHS. This strengthens our foundations for a thriving CBHS in the years ahead.

Looking forward

As we start the next exciting chapter in CBHS's history, we remain focused on becoming an even stronger partner in our members' health and wellbeing.

We will invest in services and innovations that make health cover simpler and more valuable, create healthier lives through wellbeing initiatives, and build on our position as a trusted organisation committed to delivering long-term value and care when it matters most.

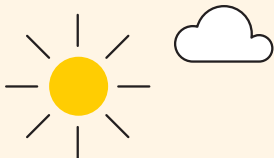
To our members, thank you for your enduring loyalty and support. To our Board, leadership team and employees, thank you for your hard work and passion throughout another successful year.

Together, we are building on 75 years of care while shaping a positive future for the generations to come.

Helen Troup
Group Chief Executive Officer
3 September 2026

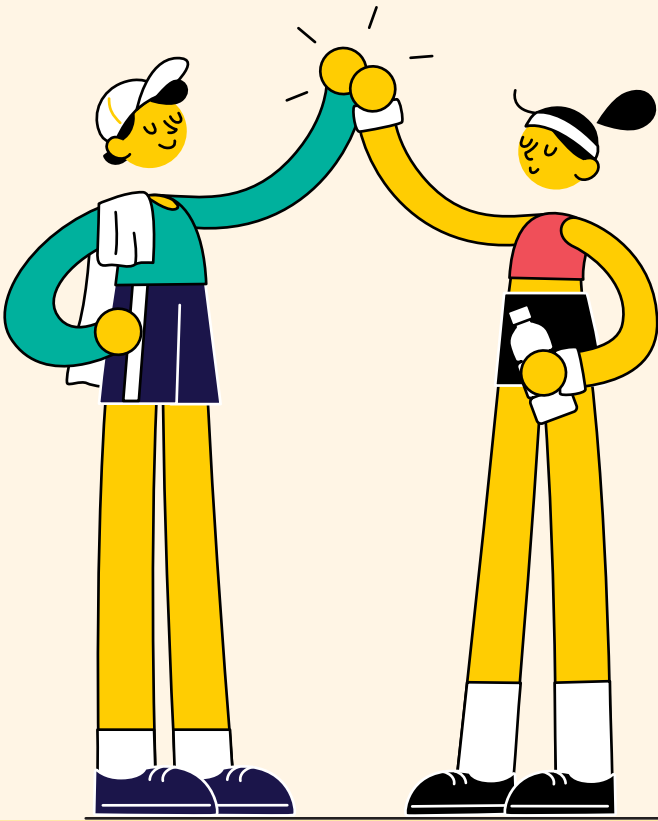
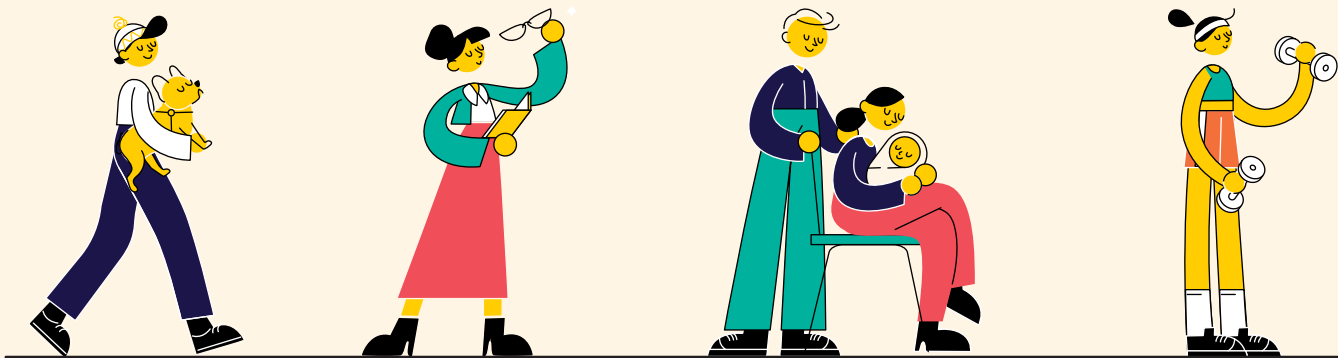
¹IPSOS | CBHS 2025 Member Satisfaction Full Report.

More For Our Members



Your partner in health and wellbeing

While no one can predict what's around the corner, what we can do is be there when the unexpected happens. From paying our largest claim of \$342,000 for complex bowel surgery – which included 41 days in ICU – through to ensuring members can access no-gap dental check-ups.... We're with you all the way.



\$10m
in benefits paid for physio appointments helped members move better



Easing the pain:
\$10.1m
in chiro and osteo benefits paid



\$2m
paid towards hearing aids for **2,188** members

90,422 hospital admissions covered. We're there for our members on their best days and their worst...



We welcomed
1,231
new babies!



\$1.4m in benefits for health management programs helped
603 members live better



487 members recovered in the comfort of home, through Hospital-in-the-Home services

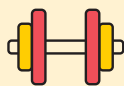


3,038 knees, hips and shoulders replaced



\$18.26m in benefits for mental health inpatient stays – helping **787** members when they needed care

While supporting everyday health too...



\$495k in benefits paid for Keep Fit initiatives



133,991 sets of teeth kept healthy through dental check-ups



195,571 claims for Choice Network optical and dental services, helped **110,129** members reduce or remove the gap



7,841 spots checked through SkinVision digital skin health checks^
3 potentially-deadly melanomas uncovered^



114,664 sets of glasses



50,247 members enjoyed **240,185** massages, worth **\$7.7m** in benefits!

^Includes CBHS members and CommBank staff during FY26 SkinVision promotion.

Not-for-profit means value for you

As a not-for-profit, member-owned health fund, our focus is delivering more value and care to you. Here are just some of the ways we're helping our members.



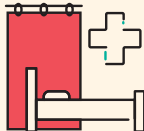
6 new natural therapies added to Extras covers



Up to **75% off** the CSIRO Total Wellbeing Diet[^]



97% of medical services paid with no gap or a known gap for members[#]



On average, **89%** of each hospital stay was covered[~]



100% back on two pairs of Specsavers glasses^{*}



A further **\$20 million** cashback for eligible members in November 2025, brought the total cashback support amount since COVID to nearly **\$100 million**

[^] Savings are calculated on the standard 1-month plan. Terms and conditions apply. Visit cbhs.com.au for details.
[#] The Private Health Insurance Ombudsman State of the Health Funds Report 2025, page 22.
[~] The Private Health Insurance Ombudsman State of the Health Funds Report 2025, page 18. Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits (after any excesses and copayments are deducted).
^{*} Visit cbhs.com.au/specsavers for details.

CBHS & CommBank: Partnering for a healthier community

We're committed to championing health and wellbeing within the CommBank community. Some highlights from the year include...



In FY26, we were proud to be the CommBank Can4Cancer Diamond sponsor, supporting:



5x 21km & 10km walks



3-day NSW ride



4km swim



3x 50km runs

More Can4Cancer support, by numbers:

116 CBHS staff ran, walked, swam, rode or volunteered

18 walking group sessions hosted by the Health Hubs

4 bespoke training plans created for walks (21 & 10km), run & swim

970+ massages

230 recovery compression boot sessions

20 litres of sunscreen

Amount raised by CBHS staff for Can4Cancer:	
2025	2017-2025
\$24,503	\$253,413

Our Health Hubs

The Health Hub team increased its focus on 1:1 consultations, health testing and personalised support, to help drive lasting behaviour change and improve wellbeing outcomes. As a result, 1:1 interactions increased 70%.

To complement this personalised approach, CommBank staff could join targeted wellbeing challenges aligned to the four pillars of health: diet, movement, sleep and stress. Programs included the *Body Transformation Challenge*, *Digital Detox*, *Pilates Balance & Align*, and *Sleep Rise Repeat*.

- 195,919** total interactions (+1% increase on FY25)
- 12,450** individual consults
- 7** physical Health Hub locations
- 99%** satisfaction score
- 1,757** health checks triggered a GP referral
- 8,380** SiSU health checks
- Hub2U visited **88** locations across Australia
- 2,174** kgs lost

When our people thrive, our members benefit

Our employees tell us they are highly engaged, proud to work at CBHS and clear on how they can support our members and deliver on our strategy. They are supported by their leaders who create an environment of care, support and flexibility.

We have also continued to strengthen our risk culture, with our people confident in reflecting our commitment to quality, accountability and continuous improvement.



Overall engagement score of **72%** (higher than the Australian benchmark of 69%)



82% said: "I am proud to work at CBHS"



83% recommend CBHS as a great place to work



Our people have clarity on how they can deliver for our members:

91% understand our company goals, objectives and business strategy

93% know how their work contributes to the goals of CBHS

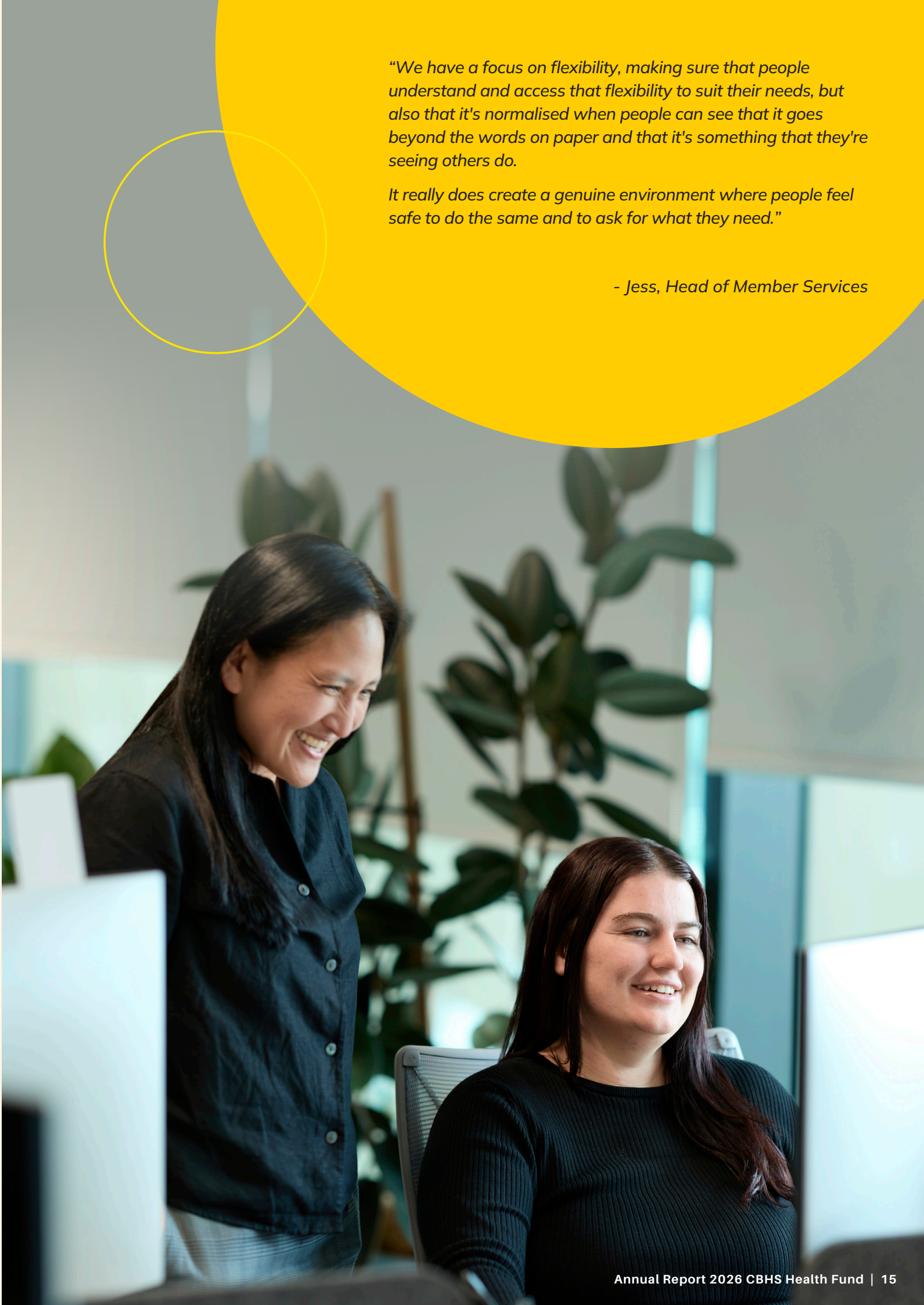
89% of our team have a good understanding of the risk management requirements of their role

87% of our people say "We're genuinely supported if we choose to make use of flexible working arrangements"

"We have a focus on flexibility, making sure that people understand and access that flexibility to suit their needs, but also that it's normalised when people can see that it goes beyond the words on paper and that it's something that they're seeing others do.

It really does create a genuine environment where people feel safe to do the same and to ask for what they need."

- Jess, Head of Member Services

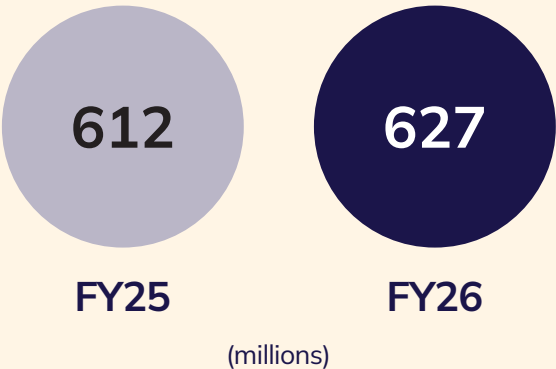


Financial Snapshot

CBHS Group

2.5% increase in premium revenue

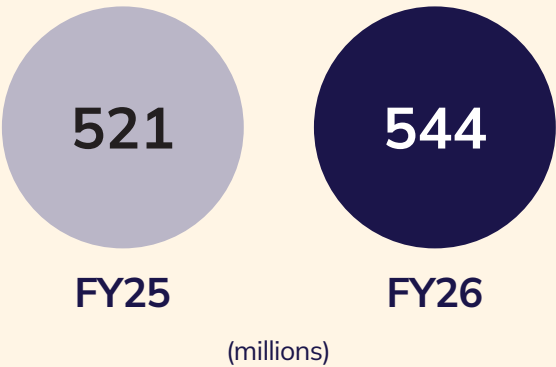
Increase in premium revenue driven by CBHS Health member growth and premium increases



4.4% increase in benefits paid¹

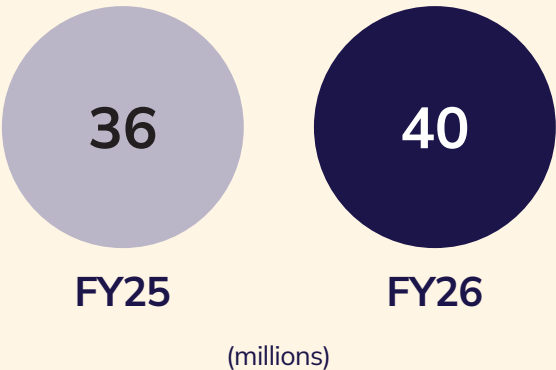
Benefits paid does not include a cashback in FY26. In FY25, CBHS paid \$20m in cashbacks

¹ Benefits paid includes related payments and excludes movement in onerous contracts liability – Refer Note 3 of accounts for explanation of onerous contracts



Investment income has remained strong

In FY26, investment income has continued to perform strongly, driven by favourable equity markets and higher interest rates

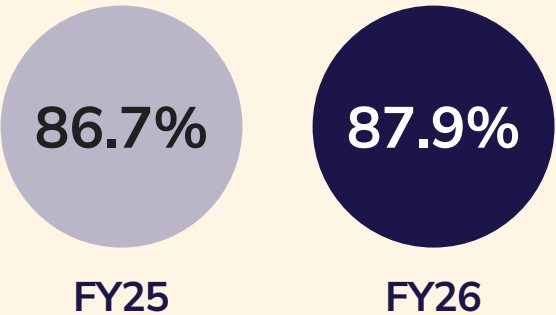


CBHS Health

Benefit payout remains above historical industry averages²

CBHS Health payout ratio includes related payments and excludes movement in onerous contract liability

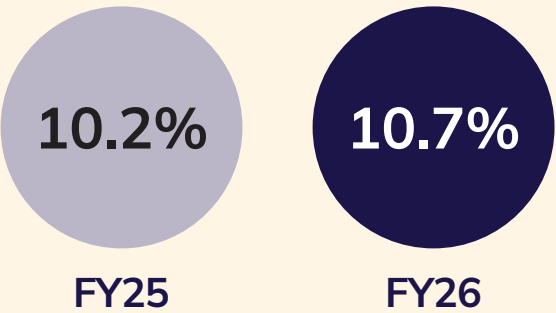
² Average industry benefit ratio over the 10 years from 2016-2025 averaged 84.9%. Sourced from APRA statistics. Private Health Insurance Operations Report 2016-2025. Benefit payout ratio relates only to APRA defined Health Insurance Business (HIB).



Management expense ratio³

CBHS Health's expense ratio increased slightly from FY25, mainly due to the merger of CBHS Corporate into CBHS Health

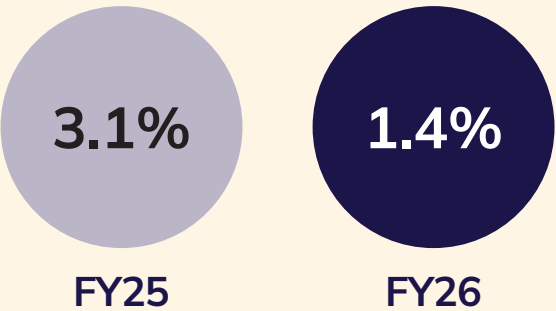
³ Management expense ratio relates only to APRA defined Health Insurance Business (HIB).



Operating margins⁴

Margins remain below historical industry average and demonstrate our commitment to give more back to members

⁴ Operating margins are pre investment income and exclude movement in onerous contracts liability



Corporate Governance Statement

This statement outlines the key aspects of the corporate governance framework of CBHS Health Fund Limited for the year ended 30 June 2026 and explains how the Board oversees CBHS in the interests of members and policyholders. CBHS Group refers to CBHS Health Fund Limited (CBHS) and CBHS Corporate Health Pty Ltd (CBHS Corporate).

Although CBHS is not listed on the Australian Securities Exchange, the CBHS Board (Board) has regard to the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council as a benchmark for contemporary Australian governance practice, to the extent relevant and appropriate to CBHS as an unlisted, not-for-profit public company limited by guarantee and mutual private health insurer.

CBHS is also subject to the Australian Prudential Regulation Authority’s (APRA) prudential governance requirements, including Prudential Standard *CPS 510 Governance*. The Board is responsible for overseeing the sound and prudent management of CBHS and for ensuring that its governance arrangements remain appropriate to CBHS’s size, complexity, mutual ownership structure and risk profile.

CBHS is registered under the *Private Health Insurance (Prudential Supervision) Act 2015* and is a restricted not-for-profit private health insurer. It is exempt from income tax. As a mutual organisation, CBHS is governed for the benefit of its members and policyholders rather than external shareholders.

The Board is committed to maintaining a governance framework that supports sound and prudent management, protects the interests of members and policyholders, promotes ethical and accountable decision-making, and supports the long-term sustainability, financial strength and operational resilience of CBHS.

As a registered private health insurer and separate corporate entity, CBHS Corporate has its own governance framework and Board which, as relevant and appropriate, is aligned with the governance framework of CBHS.

This Corporate Governance Statement is current as of 3 September 2026 and has been approved by the Board.

Lay solid foundations for oversight of management

The Board and Management

The Board provides leadership, oversight and constructive challenge in relation to CBHS’s strategy, performance, risk profile, financial soundness, member outcomes, culture and long-term resilience. It is accountable to members for the performance and governance of CBHS and for effective oversight of management, including the continuity, resilience and long-term viability of the business.

The Executive Leadership Team is responsible for implementing the Board-approved strategy and performance objectives within the risk appetite set by the Board, and for carrying out the day-to-day management and operations of CBHS.

The Board seeks to ensure that decisions are made with integrity, appropriate challenge, regard to legal and prudential obligations, and a clear focus on the interests of members and policyholders.

Board Charter

The roles and responsibilities of the Board are set out in the Board Charter, Delegations of Authority Policy and Constitution.

The responsibilities of the Board include, but are not limited to:

- Approving and overseeing the implementation of CBHS’s strategy.
- Overseeing the Group Chief Executive Officer (Group CEO) and Executive Leadership Team, including regular monitoring and assessment of performance against Board-approved strategies, budgets and key performance indicators.
- Overseeing financial performance, capital management and reporting requirements, including regular monitoring of CBHS’s financial results, condition and forecasts.
- Approving and overseeing CBHS’s Risk Management Framework which assesses, monitors and manages CBHS’s key financial and non-financial risks, including operational risk, compliance risk, information security risk, cyber risk, conduct risk and work health and safety risk, and ensuring that it operates effectively.
- Establishing four standing committees to assist the Board in performing its responsibilities. These committees examine issues in detail and make recommendations to the Board.
- Supporting effective communication with members and other key stakeholders.

Delegations of Authority

The Board has delegated responsibility for the day-to-day management of CBHS to the Group CEO and, through the Group CEO, to the Executive Leadership Team. The Group CEO may authorise the Executive Leadership Team to further delegate authority to their direct reports in accordance with the Delegations of Authority Policy, which defines decision-making responsibilities and expenditure limits at various levels of the organisation. The Group CEO remains accountable to the Board for all delegated authorities.

Director and Executive Leadership Team fit and proper reviews

CBHS has developed and implemented a Fit and Proper Policy to ensure CBHS complies with the requirements of APRA Prudential Standard *CPS 520 Fit and Proper*. This standard sets out the minimum requirements for determining the fitness and propriety of individuals to hold positions of responsibility, both prior to appointment and on an annual basis. These individuals must have the appropriate skills, experience and knowledge to perform the role and act with the requisite character, diligence, honesty, integrity and judgement.

Fit and proper checks are conducted in accordance with the CBHS Fit and Proper Policy.

Director and Executive Leadership Team agreements

Written appointment documents and agreements set out the terms of appointment for Directors and the employment arrangements for members of the Executive Leadership Team.

Company Secretary

The Company Secretary is accountable directly to the Board through the Chair and advises the Board on all matters relating to the proper functioning of the Board and Committees. All Directors have direct and unfettered access to the advice and services of the Company Secretary on all governance matters.

Nicole Nott was appointed to the role of Company Secretary of CBHS Group on 23 August 2018. Ms Nott holds the dual role of Chief Legal Officer and Company Secretary and is a qualified lawyer with 25 years’ experience both in-house and in private practice. Ms Nott has been admitted to the Supreme Court of NSW and High Court of Australia and is responsible for managing the legal and governance functions across the CBHS Group. Ms Nott is a member of the Law Society of NSW and is a Fellow of the Governance Institute of Australia.

Performance of the Board, its committees and individual Directors

In accordance with the Governance Standard and the CBHS Board Performance and Evaluation Policy, a formal Board performance evaluation is conducted on an annual basis and provides for an assessment of individual Directors, Committees and the Board collectively against a pre-agreed set of objectives.

The Company Secretary formally discusses the results of the performance reviews and professional development needs with the Chair, the outcomes of which are then reported to the Board. The Board also annually reviews the performance of existing Directors who, having retired and being eligible for re-election, submitted a nomination to the Board as part of the Board election process.

Board performance reviews are also facilitated externally at least once every three years. An externally facilitated review of the Board and individual Director performance was conducted in 2025 and included one-on-one interviews with Directors and selected members of the Executive Leadership Team. Following the review, the Board discussed and implemented relevant action items. The outcomes of Board performance reviews inform Board and Committee priorities, Director development, succession planning, Board education and continuous improvement of governance practices.

Performance of Executive Leadership Team

The performance of the Executive Leadership Team is reviewed by the Group CEO on an annual basis against the agreed performance metrics and considers feedback received from key business stakeholders. During the annual review, the Group CEO presents the performance results of the Executive Leadership Team to the People and Remuneration Committee.

Deed of Access, Insurance and Indemnity for Directors and Officers

A Deed of Access, Insurance and Indemnity is put in place in respect of each Director and Officer and clarifies the rights and obligations of a Director and Officer with respect to access to documents and records, confidentiality, notification and conduct claims, advances of legal costs until the finalisation of a claim and insurance against claims.

Structure and composition of the Board

The CBHS Constitution provides that there must be at least five Directors and not more than seven Directors, excluding the Group CEO as an Executive Director, and permits a maximum of three Directors who are not members of CBHS. The composition of the Board must include such number of Independent Directors as required by APRA’s Prudential Standard *CPS 510 Governance* which CBHS complies with.

The Board may appoint the Group CEO as an Executive Director either for a specified term (but not for life) or without specifying a term. An Executive Director is not counted for the purposes of determining the minimum or maximum number of Directors under rule 5.1(a) or 5.1(b) of the CBHS Constitution. The Group CEO was appointed as an Executive Director on 3 September 2021. An Executive Director is not subject to the requirement to automatically retire nor are they required to retire and participate in a Director election at an Annual General Meeting.

In addition to the Group CEO as an Executive Director, the Board currently comprises six Independent Non-Executive Directors. A Director is considered independent if they are a Non-Executive Director who is not a member of management and are free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgement or could reasonably be perceived to do so.

The respective roles of the Chair and the Group CEO are not exercised by the same individual.

The Board met eight times during the financial year in accordance with its annual meeting schedule. The scheduled meetings consider, amongst other matters, business operations, the Executive Leadership Team’s implementation of strategic initiatives, financial performance, capital management and risk and compliance oversight. These meetings are supplemented by special purpose meetings, workshops or education sessions where required.

Details of Board and Committee meetings, including individual attendance, are provided in the Directors’ Report on page 30. In addition to Board meetings, the Board held its annual Strategy Day on 30 April 2026.

The People and Remuneration Committee assists in the provision of nomination recommendations, advice and research as instructed by the Board.

Tenure and retirement of Directors

The CBHS Constitution specifies that a Director must retire from office at the third Annual General Meeting after the Director was elected or last re-elected. If no election of Directors is scheduled to occur at an Annual General Meeting, then at least two Directors must retire from office at the Annual General Meeting and are eligible for re-election, subject to the maximum aggregate term. A Director, excluding the Executive Director and/or Chair if the Board resolves that a further term is necessary to meet the needs of CBHS or to facilitate Chair transition, is eligible to hold office as a Director for a maximum aggregate term of nine years.

The Board recognises the importance of renewal in maintaining independence, supporting effective oversight and ensuring that Board capability remains aligned with CBHS's strategy, risk profile and future needs. Board renewal is supported through constitutional retirement and re-election requirements, maximum tenure provisions, succession planning, fit and proper assessments, skills assessment, Board performance evaluation and Director development.

The current Directors who nominated for election at the 2026 Annual General Meeting are:

- David Lane, having been first appointed as a Director on 1 February 2026 to fill a casual vacancy; and
- Dianne Everett, having been first appointed as a Director on 27 May 2026 to fill a casual vacancy.

An additional nomination was received from a member during the nomination period. Following consideration of the nomination in accordance with rule 5.5(ea) of the Constitution, the Board determined that the nomination would not proceed to election.

As the number of candidates for election is equal to the number of vacancies on the Board, the Returning Officer will declare David Lane and Dianne Everett elected at the 2026 Annual General Meeting.

Each of the above Directors seeking election has the Board's endorsement.

Details of the period of office held by each Director during FY26 and the year of their last election at an Annual General Meeting (AGM) are as follows:

Director	Appointed	Last elected at an AGM
Jay MacGregor*	2017	2023
Adrian Hondros#	2017	2024
Nicolette Rubinsztein	2018	2023
Stuart Rodger	2022	2024
Sarv Girn	2023	2023
Gael Filippini	2024	2024
David Lane	2026	N/A
Dianne Everett	2026	N/A
Helen Troup®	2021	N/A

* Ceased to be a Director after completing an aggregate term of nine years in May 2026. |# Ceased to be a Director after completing an aggregate term of nine years in June 2026. |® Pursuant to rule 9.5 of the CBHS Constitution an Executive Director is not required to retire.

Board skills matrix

The Board has developed a Board skills matrix which sets out the collective skills and experience that the Board has identified as relevant to the performance of its role and the success of the organisation. The skills matrix is closely linked to the achievement of CBHS's long-term strategy and is used to support Board renewal, succession planning, Director recruitment, professional development and annual Board evaluations.

The skills matrix is periodically reviewed, and Directors assessed against it. It is used when reviewing the current mix of skills on the Board and to identify gaps having regard to the agreed criteria, skills, knowledge and experience required by the Board. It is also used when assessing new Director candidates, including Directors who have retired and are eligible for re-election. The Board considers capabilities in private health insurance, strategy, member experience, financial and capital management, investment, risk and compliance, governance, cyber security, information security, technology, data, people and culture, and sustainability to be relevant to effective oversight of CBHS.

Information on the Directors' relevant qualifications and experience are set out on pages 26-28.

Director induction and education

Newly appointed Directors participate in a structured induction program designed to provide an understanding of CBHS's business, strategy, governance framework, financial position, operations and key risks.

The Board participates in ongoing education and professional development activities to support effective oversight of emerging regulatory, strategic, governance and industry issues. A Director education program is periodically reviewed by the People and Remuneration Committee to ensure it meets the needs of Directors.

In addition, individual Directors are encouraged to complete training and professional development programs which are relevant to their role including maintaining a membership with the Australian Institute of Company Directors.

Committees

To assist the Board in carrying out its responsibilities, the Board has established four Committees:

- Audit Committee;
- Risk Committee;
- Asset and Liability Committee; and
- People and Remuneration Committee.

Each Committee is governed by and operates under a Charter, which is reviewed and approved by the Board every three years. Each Charter sets out the Committee's role, responsibilities, membership, governance arrangements and delegated authorities. Committee Charters are also reviewed out of cycle where required to reflect material regulatory, organisational or governance changes.

The Chair of each Committee provides a report to the Board at the following Board meeting and the minutes of the Committee meetings are provided to all Directors.

Details of the number of times the Committees met throughout the year and the individual attendances of the members at those meetings are contained on page 30.

Audit Committee

The purpose of the Audit Committee is to assist the Board in fulfilling its accounting, auditing and financial reporting responsibilities by providing objective and independent non-executive oversight of the effectiveness of CBHS's internal controls, financial reporting, actuarial function, assurance arrangements and risk management framework. The Audit Committee also assists the Board in overseeing compliance with APRA's Prudential Standard *HPS 310 Audit and Related Matters*.

The Audit Committee is made up of three Non-Executive Independent Directors with diverse backgrounds and experience and who also have accounting or financial expertise and a sufficient understanding of the health insurance industry.

The Chair of the Committee is not the Chair of the Board.

The Committee's members are:

Stuart Rodger, Chair
Sarv Girn
Gael Filippini

Internal Audit

CBHS has an in-house internal auditor.

The Head of Internal Audit provides the Board and Audit Committee with independent and objective assurance over the effectiveness of governance, risk management and internal controls, and on management's achievement of operational objectives in line with organisational and legislative requirements. In doing so, the Internal Audit function forms part of CBHS's governance framework and provides an integral contribution to governance, risk management and control within CBHS.

The Head of Internal Audit reports functionally to the Chair of the Audit Committee and administratively to the Group CEO. This reporting structure supports the independence and objectivity of the Internal Audit function while enabling effective operational management.

The Head of Internal Audit reports to each Audit Committee meeting on progress against the Committee approved annual Internal Audit Plan, audit findings and recommendations and status of management actions. The Head of Internal Audit has unfettered access to the Board and the Audit Committee and meets with Audit Committee members on a regular basis without any of the Executive Leadership Team being present.

External Audit

CBHS has appointed Jessica Lane of PricewaterhouseCoopers (PwC) as its external Appointed Auditor to audit the records and financial statements of CBHS in the current year and to perform various regulatory and compliance audits.

The external Appointed Auditor provides independent assurance regarding the financial statements and other regulatory reporting obligations of CBHS.

The external Appointed Auditor has unfettered access to the Board and the Audit Committee and is invited to attend each Audit Committee meeting and meets with Audit Committee members on a regular basis without any of the Executive Leadership Team being present.

Risk Committee

The purpose of the Risk Committee is to assist the Board in fulfilling its responsibilities by providing objective and independent non-executive oversight of the implementation and operation of CBHS's risk management framework, compliance with APRA's Prudential Standard *CPS 220 Risk Management*, monitoring risk culture, and ensuring that financial and non-financial risks are clearly identified, assessed, tested, monitored and managed within the Board-approved risk appetite. The Risk Committee also supports the Board's oversight of operational risk, operational resilience, business continuity, information security, cyber risk, compliance, conduct risk, material service provider risk and management's remediation of significant control weaknesses.

CBHS has a Chief Risk Officer who has unfettered access to the Board and the Risk Committee. The external Appointed Auditor and Internal Auditor are invited to attend each Risk Committee meeting.

The Risk Committee has three members who are Independent Non-Executive Directors with diverse backgrounds and experience.

The Chair of the Committee is not the Chair of the Board.

The Committee's members are:

Sarv Girn, Chair
Stuart Rodger
Gael Filippini

Asset and Liability Committee

The purpose of the Asset and Liability Committee is to assist and make recommendations to the Board on management of capital, the development of investment objectives, the implementation of appropriate strategies for the investment of assets, and regular monitoring of capital and liquidity adequacy requirements. The Committee supports the Board in overseeing capital strength, investment governance and financial resilience in the interests of members and policyholders.

The Asset and Liability Committee has three members who are Independent Non-Executive Directors and one Non-Director Committee member.

The Committee's members are:

David Lane, Chair
Nicolette Rubinsztein
Stuart Rodger
Gerard Parlevliet, Non-Director Committee member

People and Remuneration Committee

The purpose of the People and Remuneration Committee is to assist and make recommendations to the Board on remuneration strategy and policy, frameworks and practices, and people and culture strategies including employee engagement and health, safety and wellbeing. The Committee is also responsible for reviewing and monitoring the effectiveness of CBHS’s strategies for executive succession planning, talent management and diversity. The Committee supports the Board in ensuring that remuneration and people practices align with CBHS’s strategy, values, risk appetite, long-term financial soundness and member interests.

The People and Remuneration Committee has three members who are Independent Non-Executive Directors with diverse backgrounds and experience.

The Committee’s members are:

David Lane, Chair
Sarv Girn
Nicolette Rubinsztein

Act ethically and responsibly

The Board recognises that culture, conduct and ethical decision-making are critical components of effective governance, prudent risk management and sustainable organisational performance.

CBHS seeks to foster a culture that reflects its CARE Values and promotes integrity, accountability, openness, respect, inclusion and responsible decision-making.

Conflict of interests

Directors are required to comply with the requirements of section 191 of the *Corporations Act 2001* concerning the disclosure and appropriate management of transactions involving a material personal interest in a matter that relates to the affairs of the relevant CBHS Group entity.

To ensure compliance and ongoing disclosure, Directors consider the Standing Notice of Interest Register at each Board meeting. Directors also consider if there is an interest to declare at the beginning of each Committee meeting.

Where necessary, the Board will evaluate whether a Director should participate in situations (including discussions and decisions at Board and Committee meetings) where the interests of the Directors might affect, or appear or be perceived to affect, decision making by the Board.

To provide an opportunity for independent discussion, the Non-Executive Directors meet without management present at the commencement of each Board and Committee meeting.

Diversity and inclusion

CBHS is committed to diversity, inclusion and belonging and recognises that diversity of background, experience, skills and perspectives supports better decision-making, innovation and organisational performance. CBHS has a Fair Workplace Policy, which states that CBHS is committed to ensuring that all employees receive equal employment opportunities. CBHS also has a Recruitment and Selection Policy, which states that CBHS offers all employees the opportunity to advance their career and seeks to ensure that recruitment methods are fair, equitable and inclusive.

During hiring and promotion processes, CBHS seeks to promote equality, diversity and inclusion, including on the Board, to successfully navigate the increasingly complex and dynamic business environment and support the needs of members.

CBHS has a Diversity, Inclusion and Belonging Plan which supports a workplace culture that values differences, fosters collaboration and innovation, and supports employees to serve CBHS’s diverse member base. The four key strategic pillars are Gender, Flexibility, Mental Health and Disability and Neurodiversity.

CBHS reports annually under the *Workplace Gender Equality Act 2012* and continues to monitor and support gender equality outcomes across the organisation.

Code of Conduct Policy

CBHS has a Code of Conduct Policy which establishes expectations for openness, trust, integrity and ethical conduct in business practices. This policy applies to Directors, the Executive Leadership Team, employees and contractors and outlines the principles and behavioural standards expected in day-to-day activities. The Code of Conduct supports compliance with legal, regulatory and policy requirements and provides a foundation for lawful, ethical and responsible behaviour across CBHS.

CBHS is committed to the prevention and early identification of breaches of law, regulation, codes or standards relevant to CBHS. For this purpose, CBHS has a Whistleblower Protection Policy which supports the operation of the Code of Conduct Policy. The Whistleblower Protection Policy encourages and provides a framework for employees and others to report corrupt or improper conduct, or genuine matters of concern, where they have reasonable grounds to believe there has been a contravention of CBHS policies or the law. Material conduct matters are escalated through established governance channels as appropriate.

Work Health & Safety Policy

CBHS has a Work Health & Safety Policy which establishes principles which assist CBHS to fulfil its duty of care in supporting the health, safety, and welfare of all employees.

Underpinned by CBHS's CARE Values, CBHS is committed to providing a safe working environment and to undertaking reasonable steps to protect employees and others from injury or harm when carrying out work for or on behalf of CBHS.

Reporting under the Modern Slavery Act

CBHS is committed to identifying, assessing and managing modern slavery risks in its operations and supply chain and reports annually in accordance with the *Modern Slavery Act 2018* (Cth).

CBHS periodically reviews the effectiveness of steps taken to address modern slavery risks in its own operations and supply chains and aims to continually monitor and, where necessary, improve policies, procedures, processes and systems to address modern slavery.

Safeguard the integrity of corporate reports

Annual financial statements

Prior to the financial statements being approved by the Board, the Executive Leadership Team provides certifications

and representations regarding the internal control framework that ensures the accuracy of financial and operational reporting to the Board.

Additionally, the Board receives a joint declaration made by the Group CEO and Chief Financial Officer stating that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with required Accounting Standards and give a true and fair view of the financial position and performance of the entity. Further, that the opinion has been formed based on a sound system of risk management, compliance and internal controls which is operating effectively.

The external Appointed Auditor attends each Annual General Meeting and is available to answer questions from members in relation to the financial statements and the preparation and conduct of the audit.

Respect the rights of members

As a restricted, not-for-profit private health insurer, CBHS is governed in the interests of its members and policyholders.

The Board seeks to ensure that member interests are appropriately considered when setting strategy, approving risk appetite, overseeing service delivery, monitoring performance and assessing the long-term sustainability of the organisation.

CBHS's governance framework supports member outcomes through effective risk management, financial soundness, compliance with legislative and prudential obligations, oversight of member service standards, privacy and information management arrangements, complaints and dispute resolution processes, and compliance with the Private Health Insurance Code of Conduct.

Private Health Insurance Code of Conduct

CBHS is a signatory to the Private Health Insurance Code of Conduct (Code), which supports clear information and transparency in health funds’ relationships with consumers. The Code applies to matters including staff training, product information and documentation, member notifications, dispute resolution processes and privacy obligations.

Each year, CBHS undertakes an internal review of compliance with the Code and, on a triennial basis, conducts a more detailed self-audit. The results are presented to the Board for annual certification by the Group CEO and Chair and lodged with the PHA Code Compliance Committee.

Recognise and manage risk

Risk Management Strategy

CBHS maintains a risk management framework designed to support sound and prudent decision-making, protect members, maintain financial soundness and enable management to take appropriate risks within the Board-approved risk appetite in pursuit of CBHS's strategic objectives. CBHS also ensures that the Board and APRA are kept apprised of the ongoing effectiveness of the risk management framework in accordance with Prudential Standard *CPS 220 Risk Management*.

The purpose of the Risk Management Strategy (RMS) is to enable the Board and Executive Leadership Team to manage risks relating to the operations of CBHS in the interests of members and to support the achievement of business objectives.

The RMS documents the structures, processes and systems to assist the Board and the Executive Leadership Team to manage the business and its risks and comply with the requirements in *CPS 220 Risk Management*.

The risk management framework is implemented through the three lines of defence model and its effectiveness is assessed by the internal audit function on an annual basis with a full comprehensive review on a three-yearly basis to ensure the appropriateness, effectiveness and adequacy of CBHS's risk management framework with these reports being provided to and reviewed by the Audit Committee.

Operational resilience and service provider oversight

CBHS recognises that operational resilience is central to protecting members and maintaining sound and prudent operations. The Board oversees management's approach to identifying and managing operational risks, maintaining critical operations during disruptions and managing risks associated with material service providers.

This oversight includes consideration of business continuity arrangements, disruption preparedness, service provider governance, incident management and remediation of control weaknesses. These arrangements support CBHS's approach to meeting APRA's expectations under *CPS 230 Operational Risk Management* in a manner proportionate to CBHS's size, business mix and complexity.

Cyber security, information security, data and technology governance

The Board recognises that technology, data and information security are critical to CBHS's operations, member experience and protection of member information. The Board oversees CBHS's information security and cyber resilience through its risk governance framework.

CBHS maintains policies, controls and incident management arrangements to support the confidentiality, integrity and availability of information assets, including information assets managed by service providers. The Board and Risk Committee receive reporting to support oversight of material information security risks, cyber resilience, control effectiveness and remediation activity.

The Board also recognises that data and emerging technologies, including artificial intelligence, are increasingly important to CBHS's strategy, operations, member experience and risk profile. CBHS is continuing to strengthen its governance arrangements for technology, data and artificial intelligence, including oversight, risk assessment, accountability, assurance and appropriate controls for material use cases.

Sustainability

As part of CBHS's ongoing commitment to good governance, the CBHS Board Charter includes Board oversight and responsibility regarding the implementation and operation of CBHS's Sustainability Framework. Board-level sustainability training, including training on climate-related disclosure developments, is conducted from time to time to support proportionate oversight of sustainability and climate-related risks and opportunities relevant to CBHS.

The Board receives periodic reporting on sustainability-related risks and opportunities relevant to CBHS, including emerging climate-related regulatory development.

Remunerate fairly and responsibly

People and Remuneration Committee

The People and Remuneration Committee supports the Board on all remuneration matters. The Committee also assists and makes recommendations to the Board on CBHS’s remuneration strategy and policy, frameworks and practices. The Committee aims to encourage employee behaviours that support long-term financial soundness, prudent risk-taking, CBHS’s values and member interests. The Board seeks to ensure that remuneration arrangements support CBHS’s strategy, risk appetite, culture, conduct expectations and long-term sustainability.

Non-Executive Director remuneration

The aggregate remuneration of Independent Non-Executive Directors is determined by CBHS members at a general meeting, as specified in the Constitution. The Board’s aim when recommending an aggregate amount to members, is to recommend an amount which provides CBHS with the necessary degree of flexibility to enable it to retain the services of appropriately competent and experienced Directors.

Member approval was last received at the Annual General Meeting held on 26 November 2025, where members approved an aggregate remuneration of \$800,000 per annum. The aggregate sum is divided between the Independent Non-Executive Directors as agreed by the Board.

Details of Directors’ remuneration are set out in Note 19.

Group Chief Executive Officer remuneration

The Board, pursuant to the Constitution, sets the remuneration of the Group CEO as part of the terms and conditions of appointment. Remuneration is reviewed on an annual basis by the Board. The Group CEO’s remuneration includes an appropriate level of “at risk” remuneration in the form of a performance payment. The payment, where it is payable, relates to CBHS’s performance as a whole across a range of key result areas.

Executive Leadership Team remuneration

CBHS’s policy in respect of the Executive Leadership Team incorporates remuneration that is competitively set so that CBHS can attract, motivate and retain high calibre executive leaders and promote a high-performance culture. The policy contains variable pay for performance elements which link reward with the strategic goals and performance of CBHS as a whole as well as individual performance.

Following inputs from the Risk Committee, the People and Remuneration Committee reviews remuneration annually through a process that also considers relevant comparative remuneration in the market including an appropriate level of “at risk” remuneration in the form of a performance payment.

Directors’ Report

The Directors submit their report, together with the consolidated financial statements of the CBHS Group consisting of CBHS Health Fund Limited (CBHS) and CBHS Corporate Health Pty Ltd (CBHS Corporate) for the year ended 30 June 2026. Throughout the report the consolidated entity is referred to as CBHS Group.

Board of Directors

The Board comprises Directors with diverse skills, experience and backgrounds across private health insurance, financial services, risk management, investments, technology, governance, customer strategy, people and culture and organisational transformation.

During FY26, the Board continued to focus on supporting delivery of CBHS’s strategy, maintaining financial strength, overseeing risk management and operational resilience, and ensuring the organisation remains well positioned to meet changing member, regulatory and industry expectations.

The following persons held office as Directors of CBHS during FY26 and up to the date of this report:

- Nicolette Rubinsztein, Chair
- Jay MacGregor, Deputy Chair (retired effective 26 May 2026)*
- Adrian Hondros (retired effective 16 June 2026)
- Stuart Rodger
- Sarv Girn
- Gael Filippini
- David Lane (appointed effective 1 February 2026)
- Dianne Everett (appointed effective 27 May 2026)
- Helen Troup

** The Deputy Chair role was not filled following Mr MacGregor’s retirement on 26 May 2026.*

The Board continued its planned renewal program during FY26. The appointment of David Lane and Dianne Everett strengthened Board capability in investment oversight, customer strategy, marketing, digital transformation and member engagement, while maintaining continuity of governance and prudential oversight.

Information on Directors



Nicolette Rubinsztein AM, Chair

Nicolette Rubinsztein was appointed to the Board in March 2018. She was appointed as Board Chair on 30 November 2024 and is a member of the People and Remuneration and Asset and Liability Committees.

Ms Rubinsztein is currently a Non-Executive Director at Zurich Insurance Group and CBHS Corporate. Ms Rubinsztein is Chair of the Greenpeace Australia Pacific Limited Board. She has previously held Board roles at Unisuper, ASFA, Class Ltd and SuperED and held senior positions at the Commonwealth Bank of Australia (CBA)/Colonial First

State, BT Funds Management and Towers Perrin and was President of the Actuaries Institute in 2019.

Ms Rubinsztein is a qualified actuary, holds an executive MBA from the Australian Graduate School of Management and is a Graduate of the Australian Institute of Company Directors.

In 2024, Ms Rubinsztein was made a Member of the Order of Australia (AM) for her significant service to business, particularly the finance and commerce sectors.



Stuart Rodger, Independent Non-Executive Director

Stuart Rodger was appointed to the Board in May 2022. He is Chair of the Audit Committee and is a member of the Risk Committee and Asset and Liability Committee.

Mr Rodger was previously on the Board of a UK life insurer for five years, the International Actuarial Association Health Section for eight years and is currently a Non-Executive Director of the San Foundation and CBHS Corporate.

Mr Rodger is deeply experienced in the health industry and earlier in his career, the financial services industry. He was a

partner at Deloitte and prior to that was a senior executive in life insurance and investment companies. As a Deloitte partner, he regularly advised health industry Boards on matters including risk, capital, product, strategy and M&A.

Mr Rodger holds a Bachelor of Arts (Actuarial Studies) from Macquarie University, is a Graduate (Order of Merit) of the Australian Institute of Company Directors, a Fellow of the Institute of Actuaries of Australia and an alumnus of INSEAD's Strategic Management Program.



Sarv Girn, Independent Non-Executive Director

Sarv Girn was appointed to the Board in August 2023. He is Chair of the Risk Committee and is a member of the Audit Committee and People and Remuneration Committee.

Dr Girn was a senior executive with more than 30 years' experience in the financial services sector across Australia, the UK and Asia.

Most recently, he served as Chief Information Officer at the I-MED Radiology Network. Prior to that, he was the Chief Information Officer of the Reserve Bank of Australia between 2012 and 2018. He has also held senior strategic and transformational roles with Cuscal Payments, MLC Life Insurance, Westpac and the Commonwealth Bank.

Dr Girn is currently a Non-Executive Director of CBHS Corporate, Police Bank Ltd, au Domain Administration Limited (auDA) and Liberty IT Consulting Group Pty Ltd. He was previously a Non-Executive Director of Reserve Bank Health Society.

Dr Girn holds a Doctorate in Board Cybersecurity Governance from the University of Technology Sydney and a Bachelor of Computer Science (Hons) from the University of London. He is also a Fellow of the Australian Institute of Company Directors.

Dr Girn brings deep expertise in cyber security governance, technology risk, data management and digital transformation, supporting the Board's oversight of technology and operational resilience.



Gael Filippini, Independent Non-Executive Director

Gael Filippini was appointed to the Board on 23 August 2024 and is a member of the Audit and Risk Committees.

Ms Filippini is currently a Group CEO and an Executive Director of the Junior Adventures Group. Over more than 20 years she has held leadership roles across multiple consumer sectors including Bupa Health Insurance (Australia) and Telstra. She is also a Non-Executive Director of CBHS Corporate.

She has significant experience leading transformational growth and turnaround programs in large-scale, high-volume customer-focused operations, through distributed network businesses in sectors including telecommunications, healthcare, and care delivery business for both the aged and children.

Ms Filippini has a Diploma of Applied Science from RMIT, attended the Telstra MBA program at the AGSM and is a graduate member of the Australian Institute of Company Directors.



David Lane, Independent Non-Executive Director

David Lane was appointed to the Board in February 2026 and is Chair of the Asset and Liability Committee and People and Remuneration Committees.

Mr Lane is currently a Trustee and Chairs the Investment Committee of the Colonial First State Super Board, Avanteos Investments Limited. He is also a Non-Executive Director and chairs the Investment Committee of Equality Australia and is an Industry Fellow at the University of Technology Sydney where he lectures on asset management. He is also a Non-Executive Director of CBHS Corporate.

Previously Mr Lane was the Chief Executive, Americas for Perpetual Limited where he also served as the Group Executive M&A & International Asset Management as well as Group

Executive, Perpetual Investments. Prior to joining Perpetual, Mr Lane was the Chief Executive Officer of Count Financial.

During an executive career of more than 30 years, he has held various other roles including General Manager - Strategy for the Commonwealth Bank's Wealth Management Division, Chief Operating Officer of Neuberger Berman's global hedge fund business and has significant investment banking experience. Mr Lane is a graduate, with honours, from the Wharton School at the University of Pennsylvania. Mr Lane contributes significant capital markets, investment and asset management expertise, supporting Board oversight of investment strategy and capital management.



Dianne Everett, Independent Non-Executive Director

Dianne Everett was appointed to the Board in May 2026. She is also a Non-Executive Director of CBHS Corporate.

Ms Everett is a senior marketing and customer strategy executive, holding the role of General Manager, Brand, Partnerships, Creative & Content at Commonwealth Bank, where she leads brand strategy, customer value proposition development and large-scale digital and marketing transformation initiatives.

Over the past 20 years, she has held senior leadership roles within ASX-listed and multinational organisations including Optus and Coca-Cola and has a strong track record in leading customer-centric strategy and digital transformation initiatives that drive

growth. Ms Everett's expertise spans customer insights, brand portfolio strategy, reputation management, strategic partnerships, digital channels and the development of high-performing teams.

Ms Everett was previously in a Board Advisory role with the NSW Government Women in Sport program. She holds a Bachelor of Commerce from UNSW and has completed executive leadership programs with McKinsey and Korn Ferry and is a graduate member of the Australian Institute of Company Directors. Ms Everett brings extensive experience in customer strategy, brand, digital engagement and transformation, contributing to the Board's oversight of member outcomes and customer experience.



Helen Troup, Group Chief Executive Officer and Executive Director

Helen Troup was appointed to the role of Group CEO and Executive Director in September 2021. She is also an Executive Director of CBHS Corporate.

Ms Troup has been a successful CEO for almost 20 years, leading businesses in the Australian and New Zealand financial services industries. She has over 25 years' experience in insurance, superannuation, and funds management.

Previously Ms Troup was the Managing Director of CommInsure, the life insurance and general insurance companies owned by the Commonwealth Bank. Prior to this,

she was the Head of Life and Health (Australia and New Zealand) for global reinsurer Swiss Re and CEO of ING New Zealand, which was a market leading provider of insurance, funds management, asset management and property management solutions. Ms Troup holds a Bachelor of Economics, majoring in Actuarial Studies from Macquarie University. She is a current member of Chief Executive Women, and a Non-Executive Director of Private Healthcare Australia Limited, Munich Holdings of Australasia Pty Ltd and Munich Reinsurance Company of Australasia Limited.



Jay MacGregor, Deputy Chair

Jay MacGregor was appointed to the Board in May 2017 and held the role of Deputy Chair. He was most recently Chair of the People and Remuneration Committee and a member of the

Asset and Liability Committee until his retirement from the Board on 26 May 2026, having completed the maximum aggregate Board term of nine years permitted under the CBHS Constitution.



Adrian Hondros, Independent Non-Executive Director

Adrian Hondros was appointed to the Board in June 2017 and most recently held the role of Chair of the Asset and Liability Committee and a member of the People and Remuneration

Committee until his retirement from the Board on 16 June 2026, having completed the maximum aggregate Board term of nine years permitted under the CBHS Constitution.

Information on Non-Director Committee Member

Gerard Parlevliet

Gerard Parlevliet was appointed to the Asset and Liability Committee in December 2015.

Mr Parlevliet was the Chief Investment Officer of Commonwealth Bank Group Super, the \$10 billion staff fund for employees of the Commonwealth Bank, before he retired in April 2017. He was also a Company Secretary of the Trustee Company for Group Super and a Responsible Officer for the purposes of the Trustee's AFS license and APRA license.

Mr Parlevliet has been involved in the Australian superannuation industry for over 28 years, including 23 years in senior executive management roles within

Group Super. In 2013, Mr Parlevliet was awarded a National Achievement Award as Chief Investment Officer of the Year.

Since his retirement, Mr Parlevliet has become an independent Director on the Board of Prime Super and La Trobe Financial.

Mr Parlevliet holds a Bachelor of Business, Diploma of Superannuation Management and Diploma of Financial Planning and is a Certified Practising Accountant and a Trustee Fellow of the Association of Superannuation Funds of Australia (ASFA).

"I recently lodged a claim for my Invisalign treatment and was genuinely impressed by the percentage CBHS covered. That level of support made it easy and comfortable for me to go ahead with the treatment, knowing I wouldn't be left carrying the full cost on my own.

For years, my teeth were crooked and out of shape, and over time I lost confidence in my smile. It affected how I felt about myself and how I interacted with others. Now, just three months into treatment, my smile is wide, bright, and something I'm proud of again.

Your support has made a real difference in my life. Thank you, CBHS."

- Sandra Z



Director meetings

Attendance figures may include attendance by invitation, as an observer or attendance in another governance capacity in addition to formal Committee membership. Relevant notes are set out below.

The number of CBHS Director meetings (including Committee meetings) and the number of meetings attended by each of the CBHS Directors and Committee Members during FY26 were:

	Board		Audit Committee	
Directors/ Committee members	No. of meetings eligible to attend	No. of meetings attended	No. of meetings eligible to attend	No. of meetings attended
Nicolette Rubinsztein ¹	8	8	-	2
Adrian Hondros ²	7	7	-	-
Jay MacGregor ³	7	7	-	1
Stuart Rodger	8	8	4	4
Sarv Girn	8	8	4	4
Gael Filippini	8	7	4	3
David Lane ⁴	3	3	-	-
Dianne Everett ⁵	1	-	-	-
Helen Troup	8	8	-	4

	Risk Committee		Asset and Liability Committee		People and Remuneration Committee	
Directors/Committee members	No. of meetings eligible to attend	No. of meetings attended	No. of meetings eligible to attend	No. of meetings attended	No. of meetings eligible to attend	No. of meetings attended
Nicolette Rubinsztein ¹	-	5	-	2	4	3
Adrian Hondros ²	-	-	4	4	4	4
Jay MacGregor ³	-	2	4	4	4	4
Stuart Rodger ⁶	7	7	-	1	-	-
Sarv Girn ⁷	7	7	-	-	-	1
Gael Filippini	7	6	-	-	-	-
David Lane ⁴	-	-	1	2	2	2
Dianne Everett ⁵	-	-	-	-	-	-
Helen Troup	-	7	-	-	-	4
Gerard Parlevliet ⁸	-	-	4	4	-	-

In addition, the Directors attended special purpose meetings, education sessions and workshops, including in relation to WHS Director duties and other matters.

Notes:

1. Attended Audit, Risk and Asset and Liability Committee meetings in capacity as CBHS and CBHS Corporate Chair. Appointed to be a member of the Asset and Liability Committee effective 27 May 2026.
2. Retired effective 16 June 2026.
3. Attended the Audit Committee meeting on 4 September 2025 and Risk Committee meetings on 5 August 2025 and 4 September 2025 in the capacity as an Observer. Retired effective 26 May 2026.
4. Appointed to the Board effective 1 February 2026 and as a member of the Asset and Liability and People and Remuneration Committees effective 20 February 2026. Attended the Asset and Liability meeting on 17 February 2026 as an Observer. Appointed Chair of the Asset and Liability and People and Remuneration Committees effective 27 May 2026.
5. Appointed to the Board effective 27 May 2026.
6. Appointed as a member of the Asset and Liability Committee effective 27 May 2026. Attended the ALCo meeting on 20 May 2026 as an Observer.
7. Attended the People and Remuneration Committee meeting on 15 May 2026 as an Observer. Appointed as a member of the People and Remuneration Committee effective 27 May 2026.
8. Non-Director member of the Asset and Liability Committee only.

Indemnification of Directors and Officers

During or since the financial year, CBHS maintained an insurance policy for the benefit of past and present Directors, Company Secretaries and Executive Officers of the CBHS Group against any liability incurred as a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premiums.

Member’s liability

CBHS is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. The Constitution states that if the Company is wound up each member undertakes to contribute to the assets of the Company up to an amount not exceeding \$10 for payment of the debts and liabilities of the Company including the costs of the winding up. As at 30 June 2026, the collective liability of members is \$1,094,240 (2025: \$1,076,770).

Principal activities

The principal activities of the CBHS Group during the financial year were the provision of health insurance and related wellbeing services to its members and policyholders.

Following approval by the Boards of CBHS and CBHS Corporate to merge their respective health benefits funds, APRA approved the transfer of the CBHS Corporate health benefits fund to CBHS on 26 March 2026 pursuant to section 33 of the *Private Health Insurance (Prudential Supervision) Act 2015*. As part of the merger process, the CBHS Group ceased writing new Overseas Student Health Cover (OSHC) and Overseas Visitors Health Cover (OVHC) business, with the existing OSHC and OVHC portfolios in run-off. CBHS Corporate ceased trading on 31 May 2026. The merger was completed on 1 June 2026, with total net assets of \$26,359,090 transferred to CBHS.

Dividends

The Constitution of CBHS prohibits the payment of dividends.

Review of operations

The profit after tax for the financial year was \$47,398,000 (2025: \$54,471,000). CBHS is exempt under section 50-30 of the *Income Tax Assessment Act 1997* from paying income tax.

Changes in state of affairs

Other than the matters disclosed in the Principal activities, there were no significant changes in the affairs of CBHS Group during the financial year.

Subsequent events

There have been no events after the balance sheet date which have significantly affected or may significantly affect the CBHS Group, the results of its operations or the state of affairs of the CBHS Group.

Non-audit services

The CBHS Group may decide to employ the external appointed auditor on assignments additional to its statutory audit duties where the auditor’s expertise and experience with the CBHS Group, are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are provided in Note 18 to the financial statements.

The Board 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 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 they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants* (including Independence Standards).

Auditor’s independence declaration

A copy of the auditor’s independence declaration given by PricewaterhouseCoopers in relation to its compliance with independence requirements as required under section 307C of the *Corporations Act 2001* is set out on page 32.

Future developments

CBHS remains focused on the continued execution of its strategic priorities, investment in member experience, operational resilience and sustainable long-term performance. Further information regarding likely developments in the operations of CBHS in future financial years and the expected results of those operations has not been disclosed because the Directors believe such disclosure would be likely to result in unreasonable prejudice to CBHS. Accordingly, this information has not been disclosed in this report.

Rounding of amounts

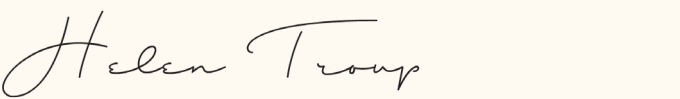
CBHS is an entity to which the relief available pursuant to ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2026/183, relating to the rounding of amounts in Financial/Directors’ reports is available. Amounts in the Directors’ Report and Financial Report have been rounded off to the nearest thousand (\$1,000) dollars (where rounding is applicable) and where noted (\$000) under the option available to CBHS in accordance with the instrument.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors



Nicolette Rubinsztein
Chair



Helen Troup
Group Chief Executive Officer and Executive Director

Dated 3 September 2026
Parramatta, NSW

Auditor's Independence Declaration

As lead auditor of CBHS Health Fund Limited's financial report for the year ended 30 June 2026, 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 of the financial report; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.

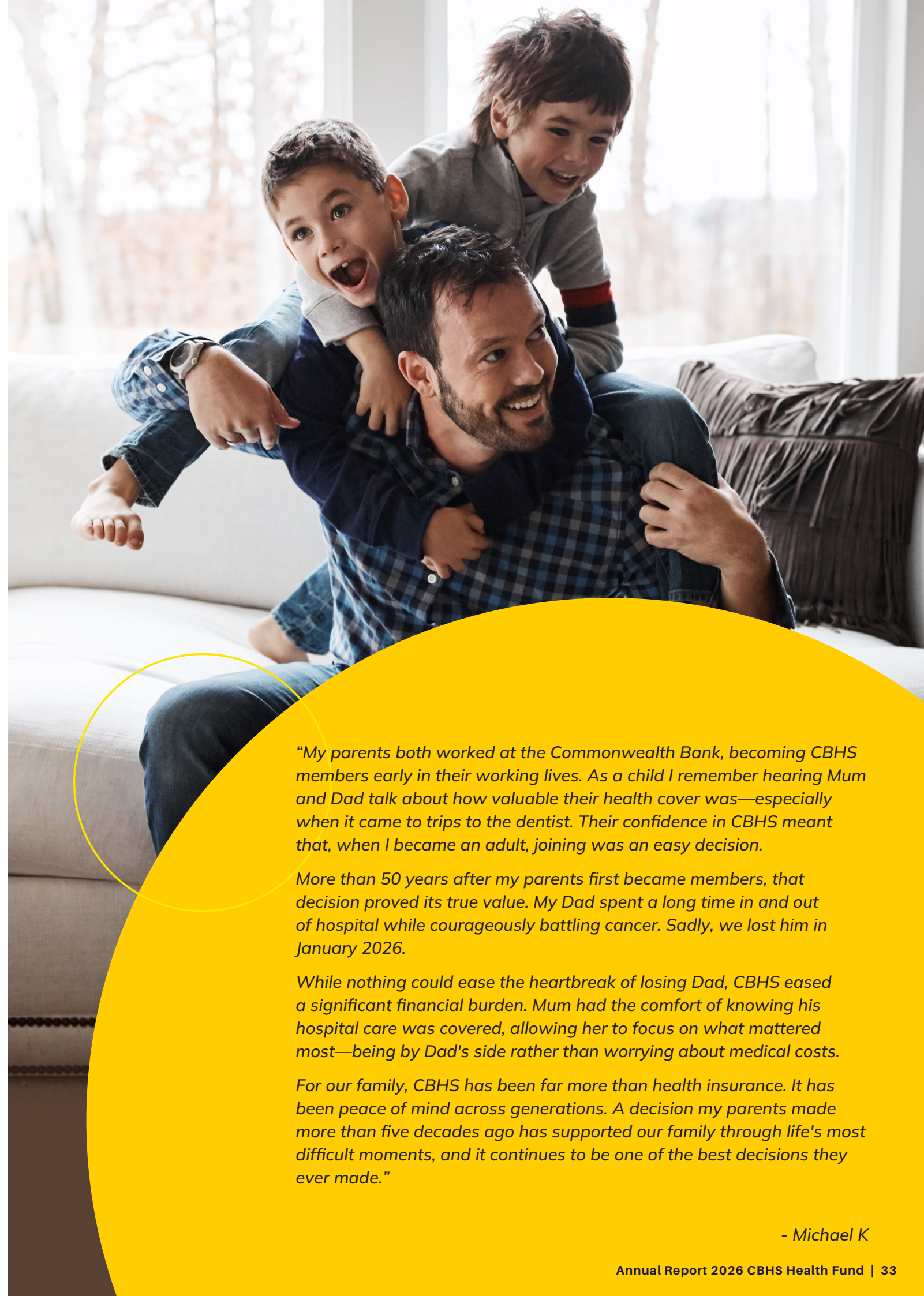
J Lane

Jessica Lane
Partner
PricewaterhouseCoopers

Sydney
3 September 2026

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000,
GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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"My parents both worked at the Commonwealth Bank, becoming CBHS members early in their working lives. As a child I remember hearing Mum and Dad talk about how valuable their health cover was—especially when it came to trips to the dentist. Their confidence in CBHS meant that, when I became an adult, joining was an easy decision.

More than 50 years after my parents first became members, that decision proved its true value. My Dad spent a long time in and out of hospital while courageously battling cancer. Sadly, we lost him in January 2026.

While nothing could ease the heartbreak of losing Dad, CBHS eased a significant financial burden. Mum had the comfort of knowing his hospital care was covered, allowing her to focus on what mattered most—being by Dad's side rather than worrying about medical costs.

For our family, CBHS has been far more than health insurance. It has been peace of mind across generations. A decision my parents made more than five decades ago has supported our family through life's most difficult moments, and it continues to be one of the best decisions they ever made."

- Michael K

Consolidated Statement of Comprehensive Income

For the year ended 30 June

	Notes	2026 \$'000	2025 \$'000
Insurance revenue	3	627,252	611,631
Incurred claims and other related expenses	3,4	(545,575)	(522,512)
Other insurance service expenses	3,4	(62,929)	(59,255)
Total insurance service expenses		(608,504)	(581,767)
Insurance service result		18,748	29,864
Other income		1,000	693
Other expenses	4	(11,447)	(12,017)
Profit before finance costs, investment income and income tax		8,301	18,540
Finance costs		(249)	(295)
Investment income	5	39,900	35,929
Profit before income tax		47,952	54,174
Income tax (expense) / benefit	6	(554)	297
Profit after income tax		47,398	54,471
Total comprehensive income for the year		47,398	54,471

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June

	Notes	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	7	16,803	19,757
Other receivables	8	12,917	6,008
Financial assets at fair value	9	481,147	460,520
Total current assets		510,867	486,285
Non-current assets			
Financial assets at fair value	9	64,820	61,777
Fixtures, fittings and equipment	10	3,451	3,514
Intangible assets	11	7,000	8,005
Right-of-use assets	12	3,773	4,463
Deferred tax assets	6	-	554
Total non-current assets		79,044	78,313
Total assets		589,911	564,598
Current liabilities			
Insurance contract liabilities	3	118,598	140,712
Other payables	13	1,983	1,301
Lease liabilities	12	820	996
Provisions	14	6,146	6,037
Total current liabilities		127,547	149,046
Non-current liabilities			
Lease liabilities	12	4,589	5,276
Provisions	14	4,400	4,299
Total non-current liabilities		8,989	9,575
Total liabilities		136,536	158,621
Net assets		453,375	405,977
Reserves			
Retained earnings		453,375	405,977
Total reserves		453,375	405,977

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

	Notes	Total reserves \$'000
Balance at 1 July 2024		351,506
Profit for the year		54,471
Balance at 30 June 2025		405,977
Balance at 1 July 2025		405,977
Profit for the year		47,398
Balance at 30 June 2026		453,375

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

	Notes	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Premiums received	3	615,112	604,037
Payments of claims and other insurance service expenses	3	(617,781)	(583,014)
Insurance acquisition cash flows	3	(697)	(1,819)
Other expenses		(6,497)	(5,007)
Net cash (outflow) / inflow from operating activities	7	(9,863)	14,197
Cash flows from investing activities			
Payments for fixture, fittings and equipment and intangible assets	10,11	(1,718)	(2,474)
Interest and other investment income		5,967	7,582
Net receipts / (payments) for financial assets at fair value		3,929	(31,507)
Net cash inflow / (outflow) from investing activities		8,178	(26,399)
Cash flows from financing activities			
Payments relating to principal elements of lease liabilities		(1,269)	(1,418)
Net cash outflow from financing activities		(1,269)	(1,418)
Decrease in cash and cash equivalents		(2,954)	(13,620)
Cash and cash equivalents at the beginning of year		19,757	33,377
Cash and cash equivalents at the end of year	7	16,803	19,757

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Basis of preparation

CBHS Health Fund Limited (CBHS) is a not-for-profit public company, limited by guarantee, incorporated and domiciled in Australia. The registered office is Level 16, 6 Hassall Street, Parramatta NSW 2150.

The financial statements were authorised for issue by the Directors on 3 September 2026. The Directors have the power to amend and reissue the financial statements.

a. Basis of preparation

These financial statements are for the consolidated entity, being the CBHS Group and consisting of CBHS and its subsidiary as disclosed in Note 1(g).

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*.

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

All amounts are presented in Australian Dollars being the functional and presentation currency of CBHS Group.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183, relating to the rounding of amounts in the Financial/Directors' reports. Amounts have been rounded off in the financial report to the nearest thousand dollars or, in certain circumstances, to the nearest dollar in accordance with that instrument.

b. Historical cost convention

The financial statements have been prepared on the basis of historical cost, as modified by certain exceptions, the most significant of which is the measurement of financial assets at fair value and the measurement of the insurance contract liabilities at present value.

c. New accounting standards and amendments adopted by the CBHS Group

CBHS Group has not adopted any new or amended accounting standards from 1 July 2025.

d. New standards and interpretations not yet adopted by the CBHS Group

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the CBHS Group;

Title	Operative date
Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements – Volume 11	1 January 2026
IFRS 18 – Presentation and disclosure in financial statements	1 January 2027

The CBHS Group currently plans to adopt the standards and amendments detailed above in the reporting periods beginning on their respective operative dates. An assessment of the financial impact is in progress but not expected to be material.

e. Merger of health benefits funds

Following approval by the Boards of CBHS and CBHS Corporate to merge their respective health benefits funds, APRA approved the transfer of the CBHS Corporate health benefits fund to CBHS on 26 March 2026 pursuant to section 33 of the *Private Health Insurance (Prudential Supervision) Act 2015*. As part of the merger process, the CBHS Group ceased writing new Overseas Student Health Cover (OSHC) and Overseas Visitors Health Cover (OVHC) business, with the existing OSHC and OVHC portfolios in run-off. CBHS Corporate ceased trading on 31 May 2026. The merger was completed on 1 June 2026, with total net assets of \$26,359,090 transferred to CBHS.

f. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of CBHS as at 30 June 2026 and the profit and loss of all subsidiaries for the year ended. Subsidiaries are all entities over which CBHS has control.

Intercompany transactions, balances and unrealised gains on transactions between CBHS 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 CBHS Group.

g. Material subsidiaries

CBHS's principal subsidiary as at 30 June 2026 is set out below. Unless otherwise stated, it has share capital consisting solely of ordinary shares that are held directly by CBHS, and the proportion of ownership interests held equals the voting rights held by CBHS. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / country of incorporation	Ownership interest held by CBHS (%)		Principal activities
		2026	2025	
CBHS Corporate Health Pty Ltd	Australia	100	100	Private health insurance

h. Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amounts of GST incurred are not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expenses; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows. Under the *A New Tax System (Goods and Services Tax Act) 1999* subsection 38-55, the majority of CBHS Group's income is GST free.

i. Critical accounting judgements and estimates

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

- Note 3: Insurance contract liabilities
- Note 14: Provisions

2. Segment information

CBHS Group operates in one business and geographical segment, which is providing private health insurance and related wellbeing services in Australia.

3. Insurance contract liabilities

a. Recognition and measurement

Recognition

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

Level of aggregation

AASB 17 *Insurance Contracts* requires aggregation of insurance contracts into portfolios of contracts that have "similar risks and are managed together". Portfolios are further divided into groups of contracts for the identification of onerous contracts. These groups

represent the level of aggregation at which insurance contracts are initially recognised and measured. These groups are not subsequently reconsidered.

Prior to the merger with CBHS Corporate on 1 June 2026, CBHS had identified a single portfolio of insurance contracts comprising domestic health insurance contracts, as these contracts are subject to similar health-related risks and are managed together. Following the merger, two portfolios of insurance contracts were identified: (i) a short-coverage portfolio comprising domestic health insurance and OVHC contracts, and (ii) a long-coverage portfolio comprising OSHC contracts. The separate OSHC portfolio reflects the distinct contractual terms and renewability characteristics of these contracts relative to the domestic health insurance and OVHC products.

Measurement

The majority of CBHS Group's contracts have a coverage period of one year or less and are eligible to apply the simplified premium allocation approach (PAA). For those contracts with a coverage period of greater than one year, which relate only to OSHC products, CBHS Group has developed a model to assess their eligibility to apply PAA, which includes modelling the outcome under a range of reasonably expected scenarios. This testing was performed on the adoption of AASB 17, and it was concluded that the measurement of the liability for remaining coverage determined under PAA would not differ materially from one that would be produced when applying the general measurement model (GMM). On this basis, the CBHS Group has applied PAA to all insurance contracts. There have been no changes to the insurance contracts issued during the year which would change the previous conclusion reached.

Insurance contract liabilities are comprised of a liability for remaining coverage (LFRC) and a liability for incurred claims (LFIC).

The LFRC represents CBHS Group's obligation to provide future services in relation to insurance contracts recognised at the reporting date. Under PAA, the LFRC is measured as premiums received less amounts recognised as insurance revenue for coverage that has already been provided. Insurance revenue is released on a passage of time basis over the coverage period except for OSHC products, where revenue is released based on the expected timing of incurred claims due to the nature of these contracts.

The LFIC represents the present value of estimated future payments arising from claims incurred at the end of each reporting period for insurance contracts issued as well as other directly attributable expenses such as the cost of claims management and handling. The LFIC is based on an actuarial assessment that considers historical patterns of claim incidence and processing in the hospital, ancillary and overseas claim categories. It also includes a risk adjustment that reflects the compensation CBHS Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as CBHS Group fulfils insurance contracts.

Insurance contract liabilities are not discounted as the effect of accounting for the time value of money on

3. Insurance contract liabilities

amounts expected to be paid one year or more from the date of claims being incurred is immaterial.

Acquisition costs

CBHS Group has elected to expense the majority of insurance acquisition costs as incurred. For OSHC products, insurance acquisition costs will be amortised over the coverage period in line with the expected timing of incurred claims (consistent with the insurance revenue recognition pattern).

Onerous contracts

Under PAA, insurance contracts are presumed not to be onerous unless facts and circumstances indicate otherwise. CBHS Group has established a framework to identify indicators of possible onerous contracts, aligned to the level at which profitability risks are priced, monitored and managed. Where facts and circumstances are identified that may indicate an

onerous contract exists, detailed testing is performed with any onerous contract losses recognised in the LFRC and consolidated statement of comprehensive income. There were \$4,211,000 of onerous contract losses recognised at 30 June 2026 (2025: \$2,492,000).

Risk adjustment

For CBHS Group, the risk adjustment required on the LFIC equates to a confidence level of 75% which is consistent with the margin of prudence required by APRA in accordance with Prudential Standards. For the LFRC, a risk adjustment is only required where insurance contracts indicate that they may be onerous. In these instances, the risk adjustment is aligned with the long-term net margin target set out in the Pricing Philosophy and reflected in the Board approved Internal Capital Adequacy Assessment Process (ICAAP).

b. Reconciliation of movement in insurance contract liabilities

The following reconciliation shows how the insurance contract liabilities balance changed during the year as a result of cash flows and amounts recognised in the consolidated statement of comprehensive income.

	Liability for remaining coverage (LFRC)		Liability for incurred claims (LFIC)		Total insurance contract liabilities \$'000
	Excluding loss component \$'000	Loss component \$'000	Present value of future cash flows \$'000	Risk adjustment \$'000	
Insurance contract liabilities at 1 July 2025	53,220	2,492	82,141	2,859	140,712
Insurance revenue	(627,252)	-	-	-	(627,252)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	508,179	-	508,179
Changes to liability for incurred claims relating to past service	-	-	1,942	-	1,942
Amortisation of insurance acquisition cash flows	2,980	-	-	-	2,980
Risk equalisation expenses	-	-	26,248	-	26,248
State levies	-	-	7,358	-	7,358
Other insurance service expenses	-	-	59,949	-	59,949
Movement in risk adjustment for non-financial risk	-	-	-	129	129
Losses on onerous contracts and (reversals) of those losses	-	1,719	-	-	1,719
Total insurance service expenses	2,980	1,719	603,676	129	608,504
Insurance service result	(624,272)	1,719	603,676	129	(18,748)
Statement of comprehensive income					
Premiums received	615,112	-	-	-	615,112
Payment of claims and other expenses	-	-	(617,781)	-	(617,781)
Insurance acquisition cash flows	(697)	-	-	-	(697)
Total cash flows	614,415	-	(617,781)	-	(3,366)
Insurance contract liabilities at 30 June 2026	43,363	4,211	68,036	2,988	118,598

	Liability for remaining coverage (LFRC)		Liability for incurred claims (LFIC)		Total insurance contract liabilities \$'000
	Excluding loss component \$'000	Loss component \$'000	Present value of future cash flows \$'000	Risk adjustment \$'000	
Insurance contract liabilities at 1 July 2024	59,070	1,221	87,786	3,295	151,372
Insurance revenue	(611,631)	-	-	-	(611,631)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	494,450	-	494,450
Changes to liability for incurred claims relating to past service	-	-	(8,178)	-	(8,178)
Amortisation of insurance acquisition cash flows	3,563	-	-	-	3,563
Risk equalisation expenses	-	-	28,419	-	28,419
State levies	-	-	6,986	-	6,986
Other insurance service expenses	-	-	55,692	-	55,692
Movement in risk adjustment for non-financial risk	-	-	-	(436)	(436)
Losses on onerous contracts and (reversals) of those losses	-	1,271	-	-	1,271
Total insurance service expenses	3,563	1,271	577,369	(436)	581,767
Insurance service result	(608,068)	1,271	577,369	(436)	(29,864)
Statement of comprehensive income					
Premiums received	604,037	-	-	-	604,037
Payment of claims and other expenses	-	-	(583,014)	-	(583,014)
Insurance acquisition cash flows	(1,819)	-	-	-	(1,819)
Total cash flows	602,218	-	(583,014)	-	19,204
Insurance contract liabilities at 30 June 2025	53,220	2,492	82,141	2,859	140,712

3. Insurance contract liabilities

c. Actuarial assumptions

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

Variable	CBHS		CBHS Corporate*	
	2026	2025	2026	2025
Estimate of incurred claims for June (\$'000)	\$44,858	\$37,685	-	\$903
Claims handling expense – Hospital	2.5%	2.5%	-	2.5%
Claims handling expense – Medical	5.0%	5.0%	-	2.5%
Claims handling expense – Ancillary	5.0%	5.0%	-	5.0%
Risk equalisation rate	8.0%	10.0%	-	49.5%
Risk adjustment	5.0%	5.0%	-	13.0%

* CBHS Corporate ceased trading on 31 May 2026 ahead of the merger of its health benefits fund with CBHS on 1 June 2026.

Process used to determine assumptions

Incurred claims cost for June

This is determined by projecting the total paid claims for each month incurred at the balance date using seasonal factors and historic reporting patterns.

Claims handling expense rate

Claims handling expenses were calculated by reference to past experience of claims handling costs as a percentage of past claims.

Risk equalisation rate

Under legislation, all private health insurers must participate in the Risk Equalisation Special Account in which all private

health insurers share the cost of the eligible claims of policyholders aged 55 years and over, and claims meeting the high cost claim criteria. The Australian Prudential Regulation Authority (APRA) determines the amount payable to or receivable from the Risk Equalisation Special Account after the end of each quarter. Provisions for estimated amounts payable or receivable are provided for periods where determinations have not yet been made. This is determined by applying the projected relationship between net risk equalisation claims and paid claims to the hospital and medical incurred claims.

Risk adjustment

The risk adjustment is estimated using a confidence level approach at the 75th percentile.

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

	Sensitivity %	CBHS		CBHS Corporate*	
		2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Incurring claims for June	+10	4,901	4,164	-	85
	-10	(4,901)	(4,164)	-	(85)
Claims handling expense	+10	158	134	-	5
	-10	(158)	(134)	-	(5)
Risk equalisation rate	+10	405	424	-	13
	-10	(405)	(424)	-	(13)

* CBHS Corporate ceased trading on 31 May 2026 ahead of the merger of its health benefits fund with CBHS on 1 June 2026.

d. Maturity profile of insurance contract liabilities

The following table summarises the expected maturity profile of the present value of future cash flows of CBHS Group's liability for incurred claims.

	1 year or less \$'000	Total \$'000
2026	71,024	71,024
2025	85,001	85,001

4. Other insurance service expenses / other expenses

a. Recognition and measurement

Insurance services expenses relate to costs incurred in the fulfilment of insurance contracts. These costs are expensed as they are incurred. Insurance acquisition cash flows, which relate to the costs of selling, underwriting and starting a group of contracts, are expensed as they are incurred for all contracts except for OSHC products, where these are amortised over the coverage period in line with the expected timing of incurred claims.

Other expenses relate to costs which are not directly attributable to the fulfilment of insurance contracts and have been determined using management judgement. These costs are expensed as they are incurred. Other expenses include health hubs, strategy, branding and product development.

	2026 \$'000	2025 \$'000
Direct and other claim expenses ¹	510,250	485,836
Risk equalisation expenses	26,248	28,419
State levies	7,358	6,986
Losses on onerous contracts and reversals of those losses	1,719	1,271
Total incurred claims and other related expenses	545,575	522,512

¹ There was no COVID giveback provisioned during the year (2025: \$20,000,000).

	2026 \$'000	2025 \$'000
Employee benefits expense	47,230	43,565
Information technology expense	6,454	6,273
Marketing and commissions expense	6,105	5,601
Consultants, actuarial, audit and legal expenses	4,256	4,687
Other expenses	3,859	4,609
Depreciation and amortisation expense	3,632	3,810
Subscriptions for industry and purchasing associations	1,583	1,541
Electronic claims processing expenses	1,257	1,186
Total other insurance service expenses / other expenses	74,376	71,272
Other expenses	(11,447)	(12,017)
Other insurance service expenses	62,929	59,255

5. Investment income

a. Recognition and measurement

Investment income consists of interest income, distribution and other income and changes in the fair value of unit prices of investments held. Interest income is recognised when cash is received or earned. Distribution and other income is recognised in the period when the right to receive payment is established.

	2026 \$'000	2025 \$'000
Interest income	3,626	5,730
Distributions and other income	24,151	16,830
Net gain on fair value movements in financial assets	12,123	13,369
Total investment income	39,900	35,929

6. Income tax expense

a. Recognition and measurement

CBHS as a not-for-profit private health insurer is exempt from income tax and capital gains tax under section 50-30 of the *Income Tax Assessment Act 1997*.

CBHS Corporate as a for-profit private health insurer is a tax paying entity and required to pay tax when profits are generated. On 31 May 2026, CBHS Corporate ceased trading ahead of the merger of its health benefits fund with CBHS on 1 June 2026. As a consequence, previously recognised deferred tax assets were derecognised, and remaining unused tax losses will not be utilised.

b. Reconciliation of income tax expense

	2026 \$'000	2025 \$'000
Current tax		
Current tax on (loss) / profit for the year	(305)	1,045
Tax losses not recognised	305	(1,045)
Total current tax expense	-	-
Deferred income tax		
(Decrease) / increase in deferred tax assets	(554)	297
Total deferred tax (expense) / benefit	(554)	297
Total income tax (expense) / benefit		
	(554)	297

c. Numerical reconciliation of income tax expense to prima facie tax payable

	2026 \$'000	2025 \$'000
Profit / (loss) from continuing operations before income tax	47,952	54,174
Less: Profit from CBHS Health (exempt from income tax)	(47,124)	(51,677)
Profit / (loss) from continuing operations subject to income tax	828	2,497
Tax at the Australian tax rate of 30% (2025: 30%)	(248)	(749)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax losses not recognised	(305)	1,045
Total income tax (expense) / benefit	(554)	297

d. Deferred tax balances

	2026 \$'000	2025 \$'000
Provisions	-	246
Onerous contracts	-	194
Indirect settlement costs	-	16
Accrued audit fees	-	18
Accrued expenses	-	80
Total deferred tax	-	554
Movements		
Balance at 30 June 2025		554
- to profit or loss		(554)
Balance at 30 June 2026		-

e. Unused tax losses which no deferred tax asset has been recognised (tax effected)

	\$'000
Tax losses from prior year	2,075
Tax losses from current year	305
Total unused tax losses	2,380

7. Cash and cash equivalents

a. Recognition and measurement

Cash comprises cash on hand, cash in bank and “24 hour” money at call. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value.

	2026 \$'000	2025 \$'000
Cash at bank	16,803	19,757
Total cash and cash equivalents	16,803	19,757

b. Reconciliation of operating profit to net cash flows from operating activities

	2026 \$'000	2025 \$'000
Operating profit	47,398	54,471
Interest and distribution income	(27,776)	(22,560)
Depreciation and amortisation	3,632	3,810
Interest on lease payments	249	295
Intangible assets write-off	-	834
Net fair value gain on financial assets	(12,123)	(13,369)
(Increase) / Decrease in other receivables	(575)	91
Decrease / (Increase) in deferred tax assets	554	(298)
Increase in other payables	682	94
Decrease in insurance contract liabilities	(22,114)	(10,660)
Increase in provisions	210	1,489
Net cash (outflow) / inflow from operating activities	(9,863)	14,197

8. Other receivables

a. Recognition and measurement

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less any expected credit losses. CBHS Group applies the simplified approach to measuring expected credit losses (ECL) under AASB 9 *Financial Instruments* which uses a lifetime expected loss allowance for all other receivables. The lifetime ECL calculation is based on an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. No ECL has been identified at 30 June 2026 (2025: nil).

	2026 \$'000	2025 \$'000
Investment income receivable	11,037	4,703
Prepayments	507	407
GST recoverable	367	223
Sundry debtors	1,006	675
Total other receivables	12,917	6,008

9. Financial assets at fair value

a. Recognition and measurement

CBHS Group recognises financial assets on the date it becomes party to the contractual agreement (trade date). Financial assets are derecognised when the right to receive cash flows from the asset has expired or CBHS Group has transferred substantially all of the risks and rewards of ownership.

At initial recognition, CBHS Group measures financial assets at fair value, as CBHS Group applies the fair value option to eliminate an accounting mismatch with liabilities recognised. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive income. Gains and losses arising from changes in the fair value of the financial assets are recognised within investment income in the consolidated statement of comprehensive income.

	2026 \$'000	2025 \$'000
Term deposits	50,000	81,600
Managed premium cash enhanced fund	59,456	79,535
Managed multi assets funds	90,701	83,457
Managed fixed interest funds	149,391	113,448
Managed share funds	131,599	102,480
Total current assets	481,147	460,520

Term deposits	-	5,000
Managed property funds	40,404	33,657
Managed infrastructure funds	24,416	23,120
Total non-current assets	64,820	61,777
Total financial assets at fair value	545,967	522,297

b. Fair value hierarchy

- CBHS Group's financial assets are categorised according to the following fair value measurement hierarchy:
- Level 1: Quoted prices (unadjusted current bid price) in active markets for identical assets and liabilities.
 - Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
 - Level 3: Inputs for the asset or liability that are not based on observable market data.

The following tables present CBHS Group's financial assets measured and recognised at fair value:

2026	Level 1: \$'000	Level 2: \$'000	Level 3: \$'000	Total \$'000
Term deposits	50,000	-	-	50,000
Managed premium cash enhanced fund	-	59,456	-	59,456
Managed multi asset fund	-	90,701	-	90,701
Managed fixed interest funds	-	149,391	-	149,391
Managed share funds	-	131,599	-	131,599
Managed property funds	-	-	40,404	40,404
Managed infrastructure fund	-	-	24,416	24,416
Total financial assets at fair value	50,000	431,147	64,820	545,967

2025	Level 1: \$'000	Level 2: \$'000	Level 3: \$'000	Total \$'000
Term deposits	86,600	-	-	86,600
Managed premium cash enhanced fund	-	79,535	-	79,535
Managed multi asset fund	-	83,457	-	83,457
Managed fixed interest funds	-	113,448	-	113,448
Managed share funds	-	102,480	-	102,480
Managed property funds	-	-	33,657	33,657
Managed infrastructure fund	-	-	23,120	23,120
Total financial assets at fair value	86,600	378,920	56,777	522,297

9. Financial assets at fair value

c. Fair value measurements

CBHS Group's investments in property and infrastructure funds are classified within level 3 of the fair value hierarchy. These investments are held through unlisted unit trusts and are valued using current unit prices provided by external fund managers. The valuations incorporate significant unobservable inputs and are therefore categorised as level 3. The Group's reliance on valuations provided by external fund managers is supported by due diligence performed during manager selection and ongoing oversight through its investment governance processes.

The following table presents the changes in level 3 financial assets during the year:

	2026 \$'000	2025 \$'000
Balance at 1 July	56,777	30,014
Purchases	5,850	26,100
Net gain on fair value movements ¹	2,193	663
Balance at 30 June	64,820	56,777

¹Includes net unrealised gains of \$2,416,000 at 30 June 2026 (2025: \$565,000).

d. Undrawn investment commitments

At 30 June 2026, the CBHS Group had undrawn commitments to externally managed funds of \$1,500,000 (2025: \$6,400,000).

10. Fixtures, fittings and equipment

a. Recognition and measurement

Fixture, fittings and equipment is recorded at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period with the effect of any changes recognised on a prospective basis. Useful lives for fixture, fittings and equipment ranges between 3-7 years.

Fixture, fittings and equipment are assessed for indicators of impairment at each balance sheet date. Where such indicators exist, the recoverable amount of the asset is estimated. Recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive income.

	2026 \$'000	2025 \$'000
At cost		
Balance as at 1 July	8,357	7,603
Additions	815	754
Disposals	-	-
Balance as at 30 June	9,172	8,357
Accumulated depreciation		
Balance as at 1 July	4,843	4,104
Disposals	-	-
Depreciation expense	878	739
Balance as at 30 June	5,721	4,843
Net book value at 30 June	3,451	3,514

11. Intangible assets

a. Recognition and measurement

Costs incurred in developing products or systems that will contribute to future economic 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 projects.

Software is recorded at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives. The estimated useful lives, residual values and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Useful lives for software ranges between 3-7 years.

Intangible assets are assessed for indicators of impairment at each balance sheet date. Where such indicators exist, the recoverable amount of the asset is estimated. Recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive income.

	2026 \$'000	2025 \$'000
At cost		
Balance as at 1 July	27,354	26,469
Additions	904	1,719
Write-off	-	(834)
Balance at 30 June	28,258	27,354
Accumulated amortisation		
Balance as at 1 July	19,349	17,269
Amortisation expense	1,909	2,080
Balance at 30 June	21,258	19,349
Net book value at 30 June	7,000	8,005

12. Right-of-use assets and lease liabilities

a. Recognition and measurement

CBHS leases various offices and equipment, with contracts for fixed periods of 1-5 years and extension options (where applicable).

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 payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by CBHS under residual value guarantees; and
- lease payments to be made under reasonable certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, which is generally the case for leases in CBHS, the lessee's incremental borrowing rate is used, being the rate that the individual 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. The incremental borrowing rate is approximately 4.9% (2025: 4.3%).

CBHS 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 liability is reassessed and adjusted against the right-of-use asset.

12. Right-of-use assets and lease liabilities

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
- any restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term using a straight-line method.

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

b. Carrying value of right-of-use assets

	2026			2025		
	Buildings	Computer equipment	Total	Buildings	Computer equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	6,087	1,213	7,300	5,979	1,164	7,143
Accumulated depreciation	(2,349)	(1,178)	(3,526)	(1,741)	(939)	(2,680)
Balance as at 30 June	3,738	35	3,773	4,238	225	4,463

c. Carrying value of lease liabilities

	2026 \$'000	2025 \$'000
Current	820	996
Non-current	4,589	5,276
Total lease liabilities	5,409	6,272

d. Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts related to leases:

	2026 \$'000	2025 \$'000
Depreciation charge on right-of-use assets	846	990
Interest on lease liabilities	249	295
Total amounts recognised	1,095	1,285

13. Other payables

a. Recognition and measurement

Other payables are recognised when CBHS Group becomes obliged to make future payments resulting from the purchase of goods and services.

	2026 \$'000	2025 \$'000
Accruals	317	316
Other	1,666	985
Total other payables	1,983	1,301

14. Provisions

a. Recognition and measurement

Provisions are recognised when CBHS Group has a present obligation (legal or constructive) as a result of a past event, it is probable that CBHS Group will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits cover performance payments, annual leave and long service leave. Sick leave is non-vesting and is accounted for as incurred.

The liability for performance payments, annual leave and any other employee entitlements expected to be settled within 12 months of the reporting date, are calculated at current remuneration rates which are expected to be paid when the liability is settled.

The liability for long service leave entitlements represents the present value of the estimated future cash outflows to be made. In determining future cash outflows, consideration has been given to future increases in salary rates, and the probability that employees will remain with CBHS for the period of time necessary to qualify for long service leave. The calculation includes related on-costs. In calculating the present value, the estimates of future cash outflows are discounted using the rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability.

Employee entitlement expenses and contributions made to superannuation funds by CBHS are recognised in the consolidated statement of comprehensive income when due.

	2026 \$'000	2025 \$'000
Employee benefits	2,529	2,175
Employee performance payments	3,407	2,652
Other	210	1,210
Total current provisions	6,146	6,037
Employee benefits	2,587	2,255
Employee performance payments	1,813	2,044
Total non-current provisions	4,400	4,299
Total provisions	10,546	10,336

14. Provisions

b. Movement in provisions

Current	Employee benefits \$'000	Performance payments \$'000	Other \$'000	Total \$'000
Balance at 1 July 2025	2,175	2,652	1,210	6,037
Used during the year	(2,966)	(3,104)	(1,000)	(7,070)
Unused amounts reversed	(113)	-	-	(113)
Additional amounts recognised	3,433	3,859	-	7,292
Balance at 30 June 2026	2,529	3,407	210	6,146

Non-current	Long service leave \$'000	Performance payments \$'000	Total \$'000
Balance at 1 July 2025	2,255	2,044	4,299
Used during the year	(178)	(460)	(638)
Unused amounts reversed	(30)	-	(30)
Additional amounts recognised	540	229	769
Balance at 30 June 2026	2,587	1,813	4,400

15. Contingent liabilities

CBHS Group is exposed to contingent risks and liabilities arising from the conduct of its business. Any potential liability to CBHS Group, in addition to the provisions already recognised in Note 14, will be contingent upon investigations undertaken on possible risks. As at 30 June 2026, management was not aware of any material contingent liabilities that may affect the financial position of CBHS Group (2025: nil).

16. Parent entity financial information

a. Recognition and measurement

The financial information for the parent entity, CBHS, has been prepared on the same basis as the consolidated financial statements, except as set out below:

- Investments in subsidiaries are accounted for at cost less accumulated impairment losses.

b. Summary financial information

The summarised financial information for the parent entity is shown below:

	2026 \$'000	2025 \$'000
Balance sheet		
Assets		
Current assets	510,867	441,945
Total assets	589,911	543,117
Liabilities		
Current liabilities	127,547	125,434
Total liabilities	136,536	136,004
Net assets	453,375	407,113
Equity		
Retained earnings	453,375	407,113
Total equity	453,375	407,113
Profit for the year	46,262	44,253
Total comprehensive income for the year	46,262	44,253

c. Carrying value of investment in subsidiaries

CBHS Corporate ceased trading on 31 May 2026 ahead of the merger of its health benefits fund with CBHS on 1 June 2026. Prior to the merger, the estimated recoverable amount of the investment was determined by reference to CBHS Corporate's net assets, adjusted to fair value (or present value, where applicable). As the carrying amount of the investment exceeded its estimated recoverable amount, an impairment loss of \$914,000 was recognised. The carrying value of the investment after impairment was \$26,086,000. A subsequent capital reduction by CBHS Corporate on 30 June 2026 reduced the balance to nil.

d. Guarantees entered into by parent entity

The parent entity continued to hold guarantees of \$615,000 at 30 June 2026 (2025: \$615,000).

e. Contractual commitments for the acquisition of fixtures, fittings and equipment

The parent entity did not enter into any commitments for the acquisition of fixtures, fittings and equipment during the year (2025: nil).

f. Undrawn investment commitments

At 30 June 2026, the parent entity had undrawn commitments to externally managed funds of \$1,500,000 (2025: \$6,400,000).

17. Related parties

During the year eight Directors were members of CBHS. Membership was on terms and conditions no more favourable than those adopted when dealing with an unrelated individual in an arm's length transaction (2025: five directors).

Related party transactions

During the financial year, CBHS provided management services to CBHS Corporate as set out in a Management Service Agreement. The value of services provided to CBHS Corporate for the financial year to 31 May 2026, the date the company ceased trading, was \$4,744,000 (2025: \$7,105,000).

Related party balances outstanding at the end of the year

At 30 June 2026, no amounts were due from or payable to CBHS Corporate (2025: \$833,719 receivable).

18. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor of CBHS Group:

	2026 \$	2025 \$
Audit of financial statements	360,628	399,537
Audit and review of regulatory returns	191,745	167,066
Total remuneration for audit and assurance services	552,373	566,603
Taxation services	26,214	25,500
Total remuneration for taxation services	26,214	25,500
Other services	-	65,000
Total remuneration for other services	-	65,000
Total remuneration of PricewaterhouseCoopers Australia	578,587	657,103

19. Remuneration of Directors and other key management personnel

During the year, the following fees were paid or payable to Directors and other key management personnel of CBHS Group:

	2026 \$	2025 \$
Directors' remuneration		
Short-term employment benefits	564,629	490,850
Post-employment benefits (statutory superannuation guarantee) (2026: 12.0%; 2025: 11.5%)	67,755	56,448
Total Directors' remuneration	632,384	547,298
Other key management personnel remuneration		
Short-term employment benefits	4,353,341	3,827,338
Post-employment benefits (statutory superannuation guarantee) (2026: 12.0%; 2025: 11.5%)	240,000	239,458
Total key management personnel remuneration	4,593,341	4,066,796
Total Directors' and other key management personnel remuneration	5,225,725	4,614,094

20. Risk management

The financial condition and operation of CBHS Group is affected by a number of key risks including Capital and Solvency, Compliance/Governance, Financial and Liquidity, Insurance, Investment and Credit, Operational, People and Culture and Strategy.

The Board of Directors of CBHS Group determines the entity's risk appetite and approves the risk management strategies, policies and practices to ensure that risks are identified and managed within the context of this appetite.

Some of the key features of CBHS Group's risk management framework include:

- The Audit Committee and Risk Committee assist the Board in fulfilling its statutory and fiduciary duties relating to the financial reports, the risk management framework, the independence of the auditors and regulatory compliance.
- The Asset and Liability Committee's responsibility is to monitor investment-related activities and capital management.
- Board annual endorsement of a) Risk Management Strategy and b) Risk Appetite Statement which sets out the ways in which CBHS Group will mitigate strategic and operational risks.
- Management of risk and compliance through the utilisation of risk management software.
- Various internal policies and procedures designed to identify and manage risk.
- Management's regular assessment and reporting on compliance and key risks to the Board and relevant Committees.
- The Internal Audit function which provides management and the Board independent assurance of the internal control environment.

- Annual Management Certification and Representation Attestation provided to the Board to certify the accuracy of the representation of financial data and the effectiveness of internal controls.
- Annual Risk Management Declaration, attested by the Chairs of the Risk Committee and Board.
- Monitoring and review of compliance with Solvency and Capital Adequacy standards as required by the *Private Health Insurance (Prudential Supervision) Act 2015*, and the strategic benchmarks set by the Board.

Compliance risk

In operating a health fund, CBHS and CBHS Corporate are required to comply with the requirements set out in the *Private Health Insurance Act 2007*.

CBHS Group has established internal controls to ensure that it meets its compliance requirements under the Act. These measures include:

- Monitoring and management of compliance obligations through the utilisation of risk management software.
- Implementation of a compliance framework including dedicated compliance reviews of operational practices to ensure CBHS Group complies with all legislative and regulatory requirements and conduct.
- Regular documented internal control reviews of changes to regulations.
- Completion of the annual Management Certification and Representation process by senior managers.
- Internal audit assessments of compliance arrangements.

Capital risk

Capital is governed under a range of capital guidance and standards including APRA Prudential Practice Guide CPG 110 ICAAP and Supervisory Review and Prudential Standard HPS 110 *Capital Adequacy*.

Capital is managed in accordance with the ICAAP Summary Statement. It provides a framework for the management and monitoring of capital in line with the Board's risk appetite. This document is underpinned by the:

- Risk Appetite Statement which articulates the risk capacity of CBHS and CBHS Corporate as a whole, appetite for different types of risk and expresses the risk tolerance for each material risk.
- Investment Policy which defines the Board's investment beliefs, strategic asset allocation and specific rules around investments as well as defines liquidity targets and responsibilities.

The Board has monitored compliance with the requirements of ICAAP throughout the year.

Insurance risk

The provision of private health insurance in Australia is governed by the *Private Health Insurance Act 2007*. The regulatory factors which impact CBHS Group insurance risk include:

- Principle of community rating which precludes health insurers from discriminating against people based on factors which include medical condition, gender, race, religious belief or age.
- Risk Equalisation scheme which, in effect, re-allocates some of the risk of private health insurers that relates to the age profiles of their health funds.
- Review and approval by the Federal Minister for Health, Disability and Ageing of all health insurance premium increases.

Concentration risk

CBHS is a not-for-profit private health insurer, exclusively for current and former employees of CBA, divested CBA businesses as well as their family members. Following the merger of CBHS and CBHS Corporate, the Overseas Student Health Cover (OSHC) and Overseas Visitors Health Cover (OVHC) policies were transferred to CBHS, expanding its membership beyond its traditional restricted-access member base.

Credit risk

Credit risk is the potential for loss arising from failure of a debtor or counterparty (in relation to loans to counterparty), to meet their contractual obligations.

CBHS Group is exposed to credit risk through the operation of its business and management of its financial assets. CBHS Group's investments are with Board approved financial institutions and managed investment schemes. For investments held directly, these instruments are subject to Board approved counterparty limits.

In terms of other financial assets, credit risk relates to the Services Australia rebate receivable (a government organisation administering the Private Health Insurance Government rebate scheme) and premium receivable from policyholders. Premiums in arrears are continuously monitored. No claims are paid on policies whereby members fall into arrears, unless the policies fall under premium relief programs.

Credit exposure by credit rating*

	2026 \$'000	2025 \$'000
Cash and cash equivalents		
A series rating	16,803	19,757
	16,803	19,757
Financial assets at fair value		
A series rating	50,000	86,600
B series rating	-	-
Unrated**	495,967	435,697
	545,967	522,297

**As defined by Standard & Poor's credit ratings.*
***Note the funds invested are not rated however the fund invests in entities that may be rated.*

Interest rate risk

CBHS Group is exposed to interest rate risk on its investment portfolio and bank deposits. The investment portfolio comprises both fixed and variable interest rate investments. The risk is managed by maintaining a high proportion in fixed interest rate investments.

20. Risk management

CBHS Group’s exposures to interest rates on financial assets are detailed below:

	Weighted average effective interest rate %	2026 \$’000	2025 \$’000
Cash at bank	4.1	16,803	19,757
Term deposits	4.7	50,000	86,600
Managed premium cash enhanced fund	4.1	59,456	79,535
		126,259	185,892

Interest rate sensitivity analysis

The sensitivity analyses below have been determined on the exposure to interest rate movements on the investment portfolio at reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point (2025: 50 basis point) increase or decrease is used when reporting interest risk internally and represents management’s assessment of the possible change in interest rates.

At reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit after tax would have been affected as follows.

	2026 \$’000 at 50 basis points per annum	2025 \$’000 at 50 basis points per annum
Profit higher from increase in basis points	250	433
Profit lower from decrease in basis points	(250)	(433)

Price risk

CBHS Group is exposed to price risks arising from its investments in shares, fixed interest, multi asset and property managed funds. These investments are held for strategic, rather than trading purposes. CBHS Group mitigates its price risk with an investment policy weighted to defensive assets.

Price risk sensitivity analysis - managed funds

The sensitivity analyses below have been determined based on the exposure to unit price risks at the reporting date. If the unit prices of the managed funds had moved as illustrated in the table below, with all other variables held constant, profit after tax would have been affected as follows:

	2026 \$’000 at 10% per annum	2025 \$’000 at 10% per annum
Profit higher from increase in percentage	49,597	43,570
Profit lower from decrease in percentage	(49,597)	(43,570)

Liquidity risk

Liquidity risk arises from the possibility that CBHS Group may be unable to settle a transaction on the due date. The ultimate responsibility for liquidity risk management rests with the Group Chief Executive Officer and Chief Financial Officer. CBHS Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. CBHS Group continues to review its ICAAP and Investment Policy to assist in managing CBHS Group’s medium and long-term funding and liquidity requirements.

The following table details CBHS Group’s remaining contractual maturity for its financial liabilities. The table outlines the undiscounted cash flows of financial liabilities based on the earliest date on which CBHS Group can be required to pay.

	Less than 1 month \$’000	1-3 months \$’000	3 months to 1 year \$’000	1-5 years \$’000	5+ years \$’000	Total \$’000
2026						
Other payables	544	233	1,206	-	-	1,983
Lease liabilities	89	267	711	5,181	-	6,248
2025						
Other payables	908	243	150	-	-	1,301
Lease liabilities	117	350	778	5,052	926	7,223

21. Events occurring after the reporting period

There have been no events after the balance sheet date which have significantly affected or may significantly affect the CBHS Group, the results of its operations or the state of affairs of the CBHS Group.

Consolidated Entity Disclosure Statement

The table below includes the consolidated entity information required under section 295 of the *Corporations Act 2001*:

Name of entity	Type of entity	Percentage of share capital held (%)	Country of incorporation	Australian resident	Foreign jurisdiction
CBHS Health Fund Limited	Body Corporate	N/A	Australia	Yes	N/A
CBHS Corporate Health Pty Ltd	Body Corporate	100	Australia	Yes	N/A
Australian Healthcover Pty Ltd	Body Corporate	100	Australia	Yes	N/A

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 (3B)(a) of the *Corporations 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 current legislation and judicial precedent, including having regards to the Tax Commissioner’s public guidance in Tax Ruling TR 2018/5.

Capital Management Statement

The CBHS Group consists of two entities, being CBHS Health Fund Limited (CBHS) and CBHS Corporate Health Pty Ltd (CBHS Corporate). CBHS Corporate is a 100% owned subsidiary of CBHS. The CBHS Group’s primary source of capital is past and future annual operating surpluses. These surpluses comprise both underwriting returns and investment returns.

Following approval by the Boards of CBHS and CBHS Corporate to merge their respective health benefits funds, CBHS Corporate ceased trading on 31 May 2026 ahead of the merger of its health benefits fund with CBHS on 1 June 2026.

The CBHS Group focuses on delivering value to its member community by addressing affordability and minimising out-of-pocket expenses and providing the best service it can to build advocacy within its member community to drive membership growth and retention.

The capital management of the CBHS Group is governed under Board-approved Internal Capital Adequacy Assessment Process (ICAAP) Summary Statements.

The CBHS Group manages its capital to ensure ongoing commercial sustainability of CBHS and CBHS Corporate by:

- providing sufficient liquidity to meet operational requirements and manage unforeseen events;
- funding ongoing returns to members via growth in

health benefits and moderating the volatility in the required premium increases;

- providing capital to accommodate membership growth, to sustain increases in claim costs or expenses and to withstand significant changes in operations or investments;
- earning competitive investment returns within the boundaries of Board-agreed risk tolerances and avoiding sustained erosion of capital due to loss of market value and inflation; and
- maintaining capital levels at a prudent margin above the capital adequacy requirements set by APRA.

The CBHS Group’s ICAAP operates in conjunction with the entities’ Investment Policies (which include liquidity management), risk appetites, strategies and business plans. The integration of these policies helps the entities to maintain adequate levels of capital to support their strategic objectives while managing risks in a prudent and disciplined manner.

The main measures to be monitored are the capital ratios, which are the entities’ capital bases (as defined in the capital standards HPS 110 *Capital Adequacy*), compared to the minimum APRA requirements. The surplus over prescribed capital amount for CBHS and CBHS Corporate based on the APRA capital standards at 30 June 2026 and 30 June 2025 are as follows:

	CBHS		CBHS Corporate	
	2026 \$’000	2025 \$’000	2026* \$’000	2025 \$’000
Capital Base				
Accounting Net Assets	453,375	407,113	-	26,084
Regulatory adjustments applied in the calculation of Common Equity Tier 1 Capital	(890)	(10,525)	-	3,139
Common Equity Tier 1 Capital	452,485	396,588	-	29,223
Additional Tier 1 Capital	-	-	-	-
Regulatory Adjustments to Additional Tier 1 Capital	-	-	-	-
Tier 2 Capital	-	-	-	-
Regulatory adjustments applied in the calculation of Common Equity Tier 2 Capital	-	-	-	-
Total Capital Base	452,485	396,588	-	29,223
Prescribed Capital Amount				
Insurance Risk Charge	82,833	60,526	-	5,231
Asset Risk Charge	93,284	89,451	-	1,845
Asset Concentration Risk Charge	-	-	-	-
Operational Risk Charge	12,114	11,708	-	522
Less: Aggregation Benefit	(39,537)	(32,374)	-	(1,191)
Tax Benefits	-	-	-	-
Total Prescribed Capital Amount	148,694	129,311	-	6,406
Capital Surplus	303,791	267,277	-	22,817
Capital Adequacy Multiple (Total Capital Base divided by Total Prescribed Capital Amount)	3.04	3.07	-	4.56

* CBHS Corporate ceased trading on 31 May 2026 ahead of the merger of its health benefits fund with CBHS on 1 June 2026.



"I had booked carpal tunnel surgery with a visiting surgeon at their clinic and was required to pay \$4,800 in advance. I rang CBHS and was advised to look instead for a participating provider who carries out the procedure in an affiliated hospital rather than a clinic.

I was able to find a new surgeon and had the procedure at my preferred hospital.

I am grateful to CBHS and the helpful, knowledgeable staff for saving me \$3,800.

I'm now looking forward to an interstate holiday with the savings, and highly recommend CBHS and having the best cover you can afford."

- Alison T

Directors' Declaration

Directors' declaration for the year ended 30 June 2026

In the Directors' opinion:

- a. the consolidated financial statements and notes set out on pages 34 to 57 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the CBHS Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date,
- b. the consolidated entity disclosure statement on page 58 is true and correct; and
- c. there are reasonable grounds to believe that the Company will be able to pay its debts as, and when, they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Nicolette Rubinsztein
Chair

Helen Troup
Group Chief Executive Officer and Executive Director

Dated 3 September 2026

Parramatta, NSW



Independent auditor’s report

To the members of CBHS Health Fund Limited

Our opinion

In our opinion, the accompanying financial report of CBHS Health Fund 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 2026 and of its financial performance for the year then ended; and
- 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 2026;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 30 June 2026; and
- 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.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000,
GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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pwc.com.au



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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 2026, but does not include the financial report and our auditor’s report thereon. Prior to the date of this auditor’s report, the other information we obtained included the Directors’ report.

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.

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://auasb.gov.au/media/apzlwnoy/ar3_2024.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers
PricewaterhouseCoopers

Jlane
Jessica Lane
Partner

Sydney
3 September 2026





CBHS Group
Level 16, 6 Hassall Street
Parramatta NSW 2150

1300 654 123
cbhs.com.au