



Health Cover for the
CommBank Family

A photograph of a young couple smiling and embracing. The woman is wearing a yellow raincoat and the man is wearing a blue raincoat and glasses. They are both smiling broadly. The photo is framed by a large yellow circle. The background is a blurred outdoor scene with trees and a blue sky.

2025 Annual Report



Contents

Acknowledgement of Country	4
Your CBHS	5
Message from the Group Chair	6
Message from the Group CEO	8
More For Our Members	10
Financial Snapshot	16
Corporate Governance Statement	18
Directors' Report	25
Auditor's Independence Declaration	32
Consolidated Statement of Comprehensive Income	34
Consolidated Balance Sheet	35
Consolidated Statement of Changes in Equity	36
Consolidated Statement of Cash Flows	37
Notes to the Financial Statements	38
Consolidated Entity Disclosure Statement	58
Capital Management Statement	59
Directors' Declaration	61
Independent Auditor's Report	62

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 Darug people.

Your CBHS

Our vision

MORE THAN GREAT HEALTH INSURANCE
Building healthier and happier communities



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

91.4%¹

70+ years

of partnering with CommBank employees and their families



Our values



Customer first
Active
Respect
Excellence

Our purpose

OUR MEMBER COMMUNITY IS AT THE HEART OF EVERYTHING WE DO

271,126

TOTAL INSURED MEMBERS WHO BELONG TO MORE WITH CBHS GROUP ACROSS

138,158

TOTAL MEMBERSHIPS



7 physical Health Hubs



A Members Health Fund

¹CBHS Health is rated 5th 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 Pages 14-15 of Private Health Insurance Ombudsman State of the Health Funds Report 2024.



Message from the Group Chair

Nicolette Rubinsztein AM
Chair

Hospital product suite is designed to provide quality options that can fit different household budgets, with better ability to flex as life changes. When it comes to price, these products are exceptionally competitive.

We are equally focused on delivering great value to our members beyond products. CBHS delivered one of the lowest average premium increases across all health funds this year — 2.84% compared to the industry average of 3.73%.²

In addition, we continued returning COVID claims savings to our members. In December 2024, we provided a \$15 million cashback, and in June 2025 we announced a further \$20 million cashback to be paid to eligible members by December 2025. This will take our total COVID support package to almost \$100 million returned to members.

Financial results

As at 30 June 2025, the CBHS Group insured 271,126 people — 239,130 through CBHS Health and 31,996 with CBHS Corporate.

Financially, CBHS remains strong. Total premium revenue for the year was \$612 million, representing 5.3% growth from FY24. Net claims increased to \$521 million - a 3.8% rise on the previous year - with CBHS Health maintaining a strong benefit payout ratio of 86.7% (including the \$20 million cashback). Our capital position remains strong, with total assets of \$565 million and net assets of \$406 million, providing continued security and stability for our members.

Rounding out the year's results, our investment returns were strong and in line with expectations, despite ongoing market volatility. The value of our investment portfolio increased to \$522 million as of 30 June 2025, up from \$463 million at the same time last year.

In my first year as Chair of the CBHS Group, I'm pleased to present the 2025 Annual Report on behalf of the Board.

As a CBHS member for more than 20 years, and a Board member for the past seven, I know firsthand the difference this fund makes in people's lives. My long history with the fund, coupled with my own health journey, overcoming breast cancer, has only deepened my passion for our vision and purpose — to deliver more value and more care for our members.

I'm pleased to report that it has been a year of solid performance and I'm proud of what we've achieved together. CBHS remains in a strong financial and operational position, and that strength allows us to keep investing in the wellbeing of our members. The member satisfaction and loyalty our members continue to show inspires us every day to do more — to go further in ensuring that CBHS is not just your health fund, but your partner in living happier and healthier lives.

More value for members when it mattered most

Australians are relying more than ever on private health insurance. There were more than 5 million episodes of care claimed in the year to June 2025 — one of the highest on record.¹ It's clear that people continue to value fast access to treatment and their choice of doctor.

At the same time, we know that cost-of-living pressures remain a concern for many. That's why we've continued to work hard to keep CBHS cover both accessible and affordable. Our

What this means for you

- Affordable cover: low premium increases that keep quality health insurance within reach
- Great value: benefit payout ratio of 86.7% including the \$20 million cashback
- More money back: almost \$100 million in COVID cashbacks returned directly to eligible members
- Confidence your claims will be paid: a strong capital base ensures security and reliability
- Continued stability: prudent financial management makes CBHS resilient.

Strategic progress

Our strong ongoing connection with CommBank has created exciting opportunities to deliver more benefits for their employees and for CBHS. This year we worked together to launch Fitness Passport during CommBank's annual Wellness Week. The program makes it easier and more affordable for staff to stay active, with an additional subsidy for those who hold CBHS Hospital cover. The response to this initiative was fantastic and delivered our highest month of new memberships in five years. We are confident it will continue to support membership growth and help more people prioritise their health and wellbeing.

We have also been focused on maintaining a resilient and sustainable fund. During the year, we successfully implemented two important new regulatory requirements. Both involved comprehensive reviews of our operations and close collaboration across the business to ensure we are well placed to support our members into the future:

1. The new APRA prudential standard for Operational Risk Management (CPS 230) which ensures we can continue to serve members effectively through disruptions and manage the risks associated with service providers.
2. The Financial Accountability Regime (FAR), which strengthens governance by making responsibilities and accountabilities clearer across the organisation.

Looking ahead to FY26

In FY26, we are focused on making your experience with CBHS even better. We are enhancing our claims process and digital platforms to make it easier and more seamless to engage with us. Just as importantly, we are continuing to invest in the warm, caring service we're so proud of. Through new initiatives, we're strengthening a culture of excellence across all our member-facing teams.

“We'll also continue to find new ways to proactively support the health and wellbeing of our members and CommBank staff – and to better care for them when they need our support most.”

What you can expect

- Faster claims turnaround times, so you can access your benefits sooner
- Simpler and more intuitive digital platforms, making it easier to manage your membership and claims online
- More personalised support, with our teams focused on understanding your needs and providing clear, caring guidance
- Consistently excellent service, with every member interaction underpinned by our culture of care.

Thanks and acknowledgements

I'd like to thank my fellow Directors for their support and the diverse expertise they bring to the Board. I am proud of the collaboration and perspective this brings to our decision-making.

Over the past year, I have also enjoyed the opportunity to work closely with our strong leadership team and staff, who remain focussed on delivering value to our members while navigating an evolving healthcare landscape. On behalf of the Board, I express our sincere thanks.

I'd also like to acknowledge and thank our former Chair, Peter MacCuspie, for his steady leadership and guidance. Peter's contributions over nine years have immensely strengthened CBHS, and his legacy of care, commitment and member focus will continue to shape the fund into the future.

Finally, thank you to our members for your trust and loyalty which makes CBHS what it is today. I look forward with confidence and a shared commitment to ensuring CBHS continues to be a fund that cares deeply, delivers value and supports healthier, happier lives.

Nicolette Rubinsztein AM
Chair
10 September 2025

¹APRA Quarterly Private Health Insurance Benefits Trends - June 2025

²PHI 20/25 Private Health Insurance Premium Round announcement, Minister for Health and Aged Care, the Hon Mark Butler MP.



Message from the Group CEO

Helen Troup
Group Chief Executive Officer

Presenting our Annual Report for FY25 offers an opportunity to reflect on a year shaped by our purpose, progress, and the enduring trust of our members.

At the heart of everything we do is a deep commitment to our members. As your not-for-profit health fund, we are more than an insurer. We're defined by the care we bring to every interaction. Whether it's in moments of need or everyday admin, our people provide genuine compassion and connection. It's this human touch that defines us.

We pair this care with compelling value, ensuring our members feel supported, while receiving meaningful benefits and access to quality health and wellbeing offerings. In a challenging and competitive environment, we've delivered greater choice and flexibility, enhanced services, and tangible advantages to our members.

“This unique combination of care and value is what sets us apart, and drives us forward.”

In the year ahead—and beyond—care and value will continue to shape the ethos our teams live by. As our vision and purpose evolve, our focus remains unchanged: we continue to exist solely for you, as a partner in your health and wellbeing.

Our new Hospital products, driving growth

“Our members continued to benefit from great value at affordable prices – which is evident through our impressive member loyalty.”

In last year's Annual Report, we shared the launch of our new range of Hospital products. We designed the range to offer greater flexibility throughout life's stages, in response to member feedback. It's now even easier for members to adjust their cover as their needs evolve, with options to upgrade or downgrade easily.

The new Hospital product suite has been embraced by members and has played a meaningful role in our FY25 success. It's supporting growth through attracting new members, while also providing existing members with more tailored options—often helping them save on premiums. In today's cost-of-living environment, that flexibility is proving both timely and significant.

This success reflects our approach of listening, adapting, and delivering solutions that combine value and choice, helping our members navigate health cover with greater confidence and ease.

Five stars for value!

CBHS International has been awarded the 2025 Canstar Outstanding Value Award for Overseas Student Health Cover. This is our second time receiving this honour, and it further reinforces our position as a trusted, high-value health insurer.

Cover that comes with real care

As your health fund, our focus centres on supporting your wellbeing through expanded healthcare options, access to tailored programs, and warm, responsive service.

Thousands of members have joined our health and wellbeing challenges, making positive lifestyle changes. We're further supporting proactive health services by continuing to make the SkinVision app available and partnering with Specsavers to deliver a new 'best-in-market' offer.

Members affected by extreme weather events on the East Coast were able to access premium relief, part of our promise to be there in times of need.

This deep commitment to service saw CBHS Health member satisfaction rise in FY25. Among all participating health funds, we were one of only three to achieve an increase in member satisfaction survey¹ results — reflecting the impact of our member-first approach.

Better service experience through improved tools

We know that making it easier to interact with CBHS is important to members, and we've delivered enhancements in this space.

Our major telephony system replacement in June marked a leap forward in creating a seamless connection experience for members. It's now faster to reach the right team, there are more self-service options, and improved responsiveness for members and our teams.

Technology projects of this scale always carry risk, and we are proud that the implementation went smoothly with no disruptions or outages for our members.

Deepening our connection with the CommBank community

For many years, bank staff have asked for access to Fitness Passport. A major highlight of FY25 was working closely with CommBank to provide access to a wide network of fitness facilities under the tailored CBHS/CommBank Fitness Passport program. This initiative aligns with what drives us – promoting enhanced wellbeing within the CommBank community.

“Our seven Health Hubs continue to see strong engagement. During another record year, staff interacted with the physical Hubs or virtual programs available nationwide, a total of 193,716 times.”

We were also delighted to support Can4Cancer as a Diamond Sponsor and Wellbeing Partner. Our involvement spanned the national program of 21km and 10km walks, the flagship NSW cycle, and the inaugural 4km swim event in Sydney.

A diverse, inclusive and thriving culture

At CBHS, we're committed to investing in our people and creating a culture where everyone can be their authentic self at work. We know that engaged teams deliver exceptional service. Our inclusive, supportive and values-led culture enables our people to thrive and that's reflected in the way we care for our members.

In FY25 we improved our Employee Benefits, boosting support for our people through greater flexibility, opportunities to give back to the community, and cost-of-living relief. New benefits include an extra week of annual leave, volunteer and reproductive health leave, and an increased health cover subsidy.

Our people tell us that a diverse and inclusive workforce is one of our strengths and we'll continue to ensure that our team reflects the communities we serve.

Final reflections and thank you

This year also brought challenges, from contract negotiations with some hospital partners to headlines questioning whether private health funds return enough value to members. These claims don't reflect the values we stand for or the outcomes we deliver. As a not-for-profit fund, we're proud to consistently deliver above-average benefit payout ratios. You can feel confident we're here for you.

Our achievements this year were only possible thanks to the extraordinary spirit, resilience and care of our people. Whether providing exceptional service, transforming our systems, or supporting one another, the strength of Team CBHS continues to shine.

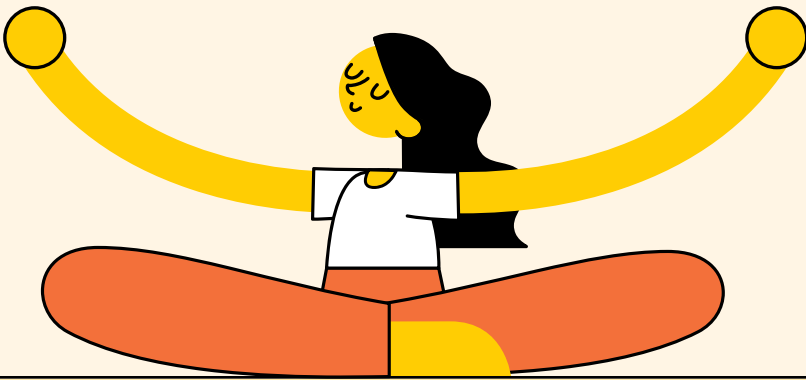
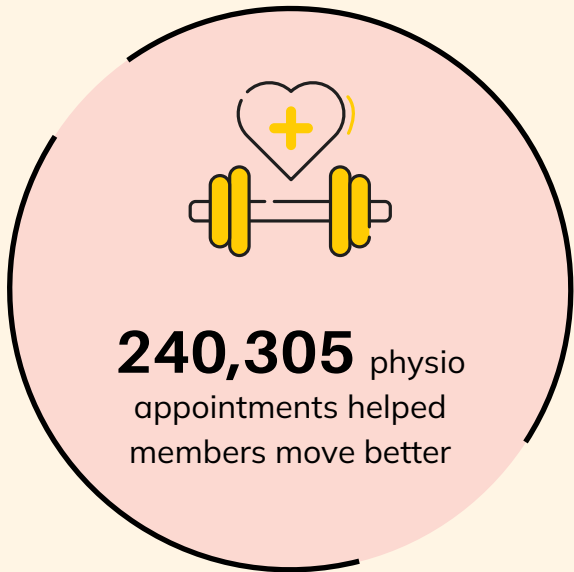
To our member community, thank you for your support and loyalty. As we look ahead, we're focused on being a great health fund for you — one that delivers care and value that you can trust.

Helen Troup
Group Chief Executive Officer
10 September 2025

More For Our Members

Your partner in health and wellbeing

From covering a simple dental check, right up to supporting a **\$274,623** benefit for a major hernia repair, we're caring for our members and their health and wellbeing needs – big or small.



90,615 hospital admissions covered. We're there for our members on their best days, and their worst...

 We welcomed **1,601** new babies!

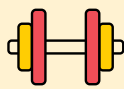
 **\$340k** in benefits for health management programs helped members live better with chronic illness

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

 **1,189** new knees

 **\$17.6m** in benefits for mental health inpatient stays – helping **729** members navigate a time of crisis

While supporting everyday health too...

 **\$538,461** benefits paid for Keep Fit initiatives

 **139,226** sets of teeth kept healthy through dental check-ups

 **157,533** claims for Choice Network optical and dental services, helped **81,000** members reduce or remove the gap

 **8,268** spots checked through SkinVision digital skin health checks^
2 potentially-deadly melanomas uncovered^

 **79,000** sets of glasses

 **50,159** members enjoyed **239,732** massages, worth **\$7.6m** in benefits!

^Includes CBHS members and CommBank staff during FY25 SkinVision promotion.

Not-for-profit means value for you

We've got a long history of giving back. In fact, every year for the last 10 years, we have paid more back to our members than the industry average.¹



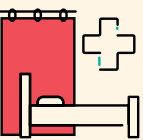
\$15m cashback paid to eligible members in December 2024



A further **\$20m** cashback, announced in June 2025, brings our total COVID support for members to nearly **\$100m**



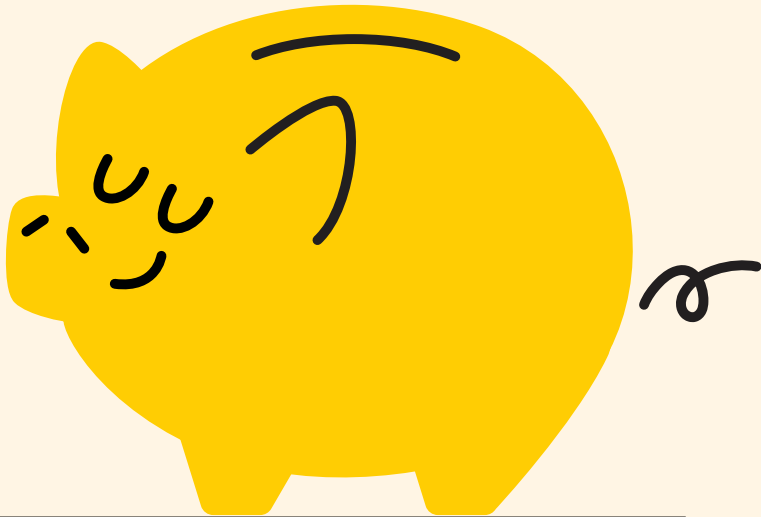
Value not only means giving more back to members, but also peace-of-mind that you can have the treatment you need, when you need it...



On average, **90%** of each hospital stay was covered.²



97% of medical services paid with no gap or a known gap for members³



A close connection to CommBank

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



100 Team CBHS walkers and volunteers took part in Can4Cancer events

Announced **9th** year of support for Can4Cancer

Partnered with CommBank to launch **Fitness Passport** to employees

Our Health Hubs

Our 7 Health Hubs and team of Wellness Consultants offer a year-round health and wellbeing program of virtual and in-person activities, including meditation, nutrition, fitness and health checks. A milestone moment this year was opening the Health Hub Studio wellness space in Sydney, where staff can join live lunchtime fitness classes.

193,716 total interactions (3.1% increase on FY24)	2,913 individual consults	Engaged with 59% of CommBank staff
99% satisfaction score	1,222 health checks triggered a GP referral	9,037 SiSU health checks (26% increase on FY24)
Hub2U visited 45 locations across Australia	615.4 net kgs lost	

¹APRA annual private health insurance statistics. Released 13 December 2024
²The Private Health Insurance Ombudsman State of the Health Funds Report 2024, page 20. Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits (after any excesses and co-payments are deducted).
³The Private Health Insurance Ombudsman State of the Health Funds Report 2024, page 20.

Our people are the lifeforce behind CBHS

Through a happy and engaged staff community, we can better serve you, our members. Our people told us they love our culture, flexibility, their colleagues and our environment where they feel respected, valued, cared for and supported.

 Overall engagement score of **78%** (higher than the Australian norm of 74%)

 **84%** said: "I am proud to work at CBHS"

 **90%** said: "My company has created an environment where people of diverse backgrounds can succeed"



To reward and help retain our people, we've refreshed our range of Employee Benefits, offering more flexibility, more connection, and more support for our teams' health and financial wellbeing. Our refreshed benefits include:

Subsidised Fitness Passport

No waiting period for Parental Leave

5 weeks Annual Leave

Increased subsidy on CBHS health cover

Volunteer Leave +
Reproductive Health Leave

Enhanced Years of Service
Recognition Program



"We have been with CBHS for over two decades. My husband loves telling the story that after having surgery, whilst recovering at home he received a phone call from CBHS wanting to know how he was and if there was anything more they could do for him."

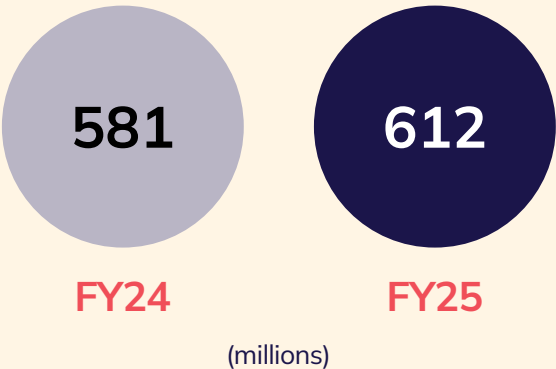
- Sandra C

Financial Snapshot

CBHS Group

5.3% increase in premium revenue

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

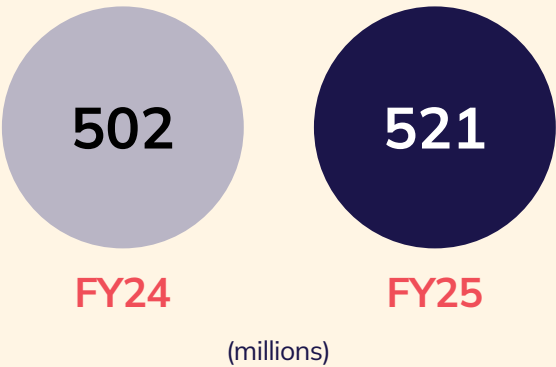


3.8% increase in benefits paid¹

Benefits paid includes \$20m cashback to members in FY25² and \$15m in FY24

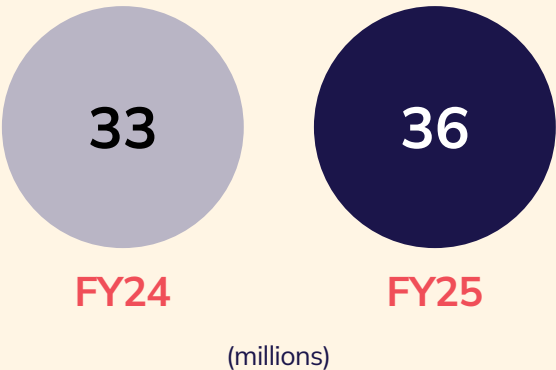
¹ Benefits paid includes related payments and excludes movement in onerous contracts liability – Refer Note 3 of accounts for explanation of onerous contracts

²\$20m cashback will be paid to eligible members by December 2025



Investment income has remained strong

In FY25, investment income has continued to perform strongly driven by strong equity markets and higher interest rates

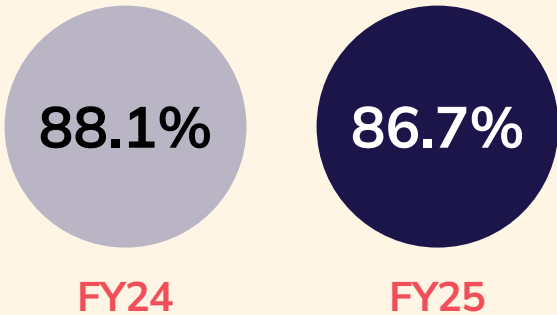


CBHS Health

Benefits payout remained above historic industry averages³

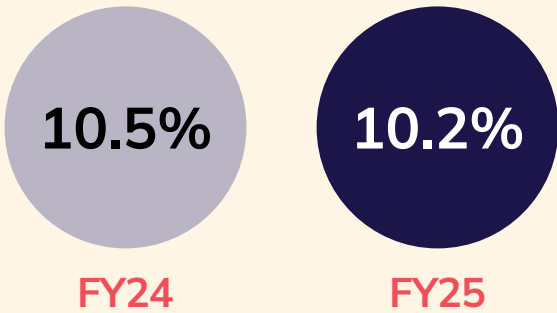
CBHS Health Payout Ratio includes related payments and excludes movement in onerous contract liability

³ Average industry benefit ratio over the 10 years from 2015-2024 averaged 85.2%. Sourced from APRA statistics. Private Health Insurance Operations Report 2015-2024



Management expense ratio

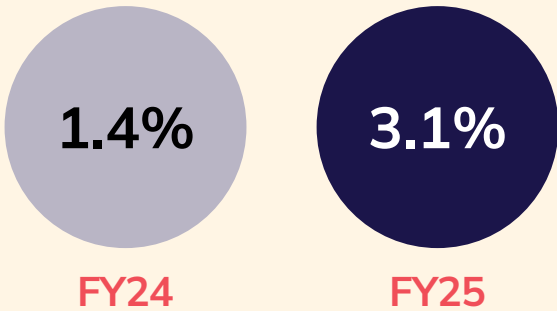
CBHS Health' expense ratio has marginally improved on last year



Operating margins⁴

Margins remain below historic industry average which demonstrates our commitment to give more back to members

⁴ Operating margins are pre investment income and excludes 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 2025. CBHS Group refers to CBHS Health Fund Limited (CBHS) and CBHS Corporate Health Pty Ltd (CBHS Corporate).

The CBHS Board (Board) has in place policies and practices which comply with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council as far as they are relevant and applicable to CBHS as an unlisted, not-for-profit public company limited by guarantee.

CBHS also complies with the *CPS 510 Governance Standard* issued by the Australian Prudential Regulation Authority (APRA). The Governance Standard was developed to ensure private health insurers are managed soundly and prudently by a competent Board and have access to appropriate independent expertise and that the Board includes Directors who have suitable competencies and experience to understand the relevant business issues and risks they are likely to encounter.

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 registered private health insurer and separate corporate entity, CBHS Corporate has its own governance framework and Board, which, as relevant and appropriate, replicates that of CBHS.

This Corporate Governance Statement is current as of 4 September 2025 and has been approved by the Board.

Lay solid foundations for oversight of management

The Board and Management

The Board provides overall strategic guidance for CBHS. It is accountable to its members for the performance and governance of CBHS and effective oversight of management which includes ensuring the continuity of its business and long-term viability.

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.

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:

- Monitoring the performance of the business against implementation of CBHS' strategy.
- Oversight of the Executive Leadership Team including regular monitoring and assessment of the Group Chief Executive Officer (Group CEO) and Executive Leadership Team in achieving Board approved strategies, budgets and key performance indicators.
- Oversight of financial, capital management and reporting requirements including regular monitoring of CBHS' financial results, condition and forecasts.
- The establishment of a Risk Management Framework which assesses, monitors and manages CBHS' key financial and non-financial risks including work health and safety and ensure it operates effectively.
- The establishment of four standing committees to assist in performing its responsibilities. These committees examine issues in detail and make recommendations to the Board.
- Ensuring effective communication with members and other key stakeholders.

Delegations of Authority

The Board has delegated to the Group CEO and in turn the Executive Leadership Team the responsibility for running the day-to-day business of CBHS. The Group CEO may authorise the Executive Leadership Team to further delegate to their direct reports in accordance with the Delegations of Authority Policy which defines the decision making and expenditure limits at various levels. The Group CEO remains accountable 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)*. *CPS 520* 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 ongoing 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 Group Fit & Proper Policy.

Director and Executive Leadership Team agreements

Written agreements set out the terms of employment that are in place for each Director and 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 to do with the proper functioning of the Boards 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 over 20 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 which is then shared with the Board as a whole.

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 will be conducted in the latter part of 2025 and will include one on one interviews with Directors and selected members of the Executive Leadership Team. Following the review, the Board will discuss and implement any relevant action items.

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 revised Deed of Access, Insurance and Indemnity was put in place in respect of each Director and Officer in 2025 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 the *Governance Standard CPS 510* 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 seven times during the financial year according to a schedule determined towards the end of each calendar year. 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 the number of times the Board and its Committees met including the individual attendances throughout FY25 are provided in the Directors Meeting section on page 30. In addition to Board meetings, the Board held its annual Strategy Day on 8 May 2025.

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.

Details of the period of office held by each Director during FY25 and the year of their last election at an Annual General Meeting (AGM) are as follows:

Director	Appointed	Last elected at an AGM
Peter MacCuspie	2015	2021*
Adrian Hondros	2017	2024
Jay MacGregor	2017	2023
Nicolette Rubinsztein	2018	2023
Stuart Rodger	2022	2024
Sarv Girn	2023	2023
Gael Filippini	2024	2024
Helen Troup	2021	N/A**

* Ceased to be a Director as completed an aggregate term of nine years in November 2024

**Pursuant to rule 9.5 of the CBHS Constitution an Executive Director is not required to retire

Current Directors, Nicolette Rubinsztein and Sarv Girn, were last elected to the Board in 2023. Pursuant to the CBHS Constitution, and notwithstanding both Directors will not have reached their maximum three-year term, they are required to retire and seek re-election to the Board in 2025.

The current Directors who nominated to be re-elected at the 2025 Annual General Meeting are:

- Nicolette Rubinsztein; and
- Sarv Girn.

Having received no other nominations during the nomination period and given that the number of candidates for election was less than the number of vacancies on the Board, the current Directors seeking re-election will be declared elected at the 2025 Annual General Meeting by the Returning Officer, Nicole Nott.

Each of the above Directors seeking re-election has the Board’s endorsement.

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’ long-term strategies.

The skills matrix is reviewed, and Directors assessed against it, every two years, with the last review and assessment taking place in February 2024. The skills matrix is used when reviewing the current mix of skills on the Board and to identify gaps (if any) having regard to the agreed criteria, skills, knowledge and experience required by the Board. It is also used when assessing new Director candidates, including those Directors who have retired and are eligible for re-election.

Information on the Directors’ relevant qualifications and experience are set out on pages 25 - 28.

Director induction and education

Newly appointed Directors participate in an induction program which involves sessions with the Group CEO, Company Secretary, Executive Leadership Team, external Appointed Actuary, external Appointed Auditor and key stakeholders to assist in understanding the business, strategy, financial position and operations of CBHS.

The Board participates in internal and external education sessions specific to the private health insurance industry and other topics of relevance (such as new legislation and/ or Accounting/APRA Prudential Standards) which may affect CBHS and its members. A Director education program is periodically reviewed by the People and Remuneration Committee to ensure it meets the needs of the 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 Committees role, responsibilities, membership, governance and delegated authorities.

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 is 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 an objective and independent non-executive review of the effectiveness of CBHS’ internal controls, financial reporting, actuarial function and risk management framework and 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 responsibility of the Head of Internal Audit is to provide the Board and Audit Committee with independent assurance on the performance of management achieving its operational objectives in line with organisational and legislative requirements and ensuring the highest standards of probity and accountability are met. In doing so, the Internal Audit function forms part of CBHS’ governance framework – providing an integral contribution to governance, risk management and control within CBHS.

The Head of Internal Audit also utilises co-sourcing arrangements for the provision of additional and specialised internal audit services.

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 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 objective of an external audit of the financial statements is to determine and provide assurance as to whether, in the auditor’s opinion, the statements present fairly in all material respects - that is, they show a true and fair view in all material respects of CBHS Group’s financial position, results of operations, and cash flows, in conformity with generally accepted accounting principles.

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 an objective and independent non-executive oversight of the implementation and operation of CBHS’ risk management framework, compliance with APRA’s Prudential Standard *CPS 220 Risk Management*, monitor risk culture and to ensure that

financial and non-financial risks are clearly identified, tested, monitored and well managed within the Board approved risk appetite which is approved on an annual basis.

CBHS has an in-house 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 relevant Boards of the CBHS Group on management of capital, the development of investment objectives, the implementation of appropriate strategies for the investment of assets (known as strategic asset allocation) and regular monitoring of capital and liquidity adequacy requirements.

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

The Committee’s members are:

Adrian Hondros, Chair
Jay MacGregor
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 relevant Boards of the CBHS Group on remuneration strategy and policy, frameworks and practices, people and culture strategies including employee engagement and health, safety and wellbeing. The Committee is also responsible for reviewing and monitoring the effectiveness of the CBHS Group’s strategies for executive succession planning, talent management and diversity.

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

The Committee’s members are:

Jay MacGregor, Chair
Adrian Hondros
Nicolette Rubinsztein



“Over the years, life became busy and before I knew it, it had been over a decade since my last dental check-up.

When I joined CBHS, dental cover was just one of those Extras I didn't think much about at the time. But seeing how easy it was to claim, reading some of the info they sent me, and knowing I was covered, got me thinking. Suddenly, going to the dentist became front-of-mind for me. And I went. For the first time in years.

A bit of a clean, a bit of advice, and that was it. No major dramas. But the key thing was that I felt relieved. I'd finally ticked off something that had been sitting in the back of my mind for ages. Without the support and simplicity of being with the fund, I honestly don't think I would've taken that step. I'm grateful for the gentle push, and even more grateful that I now see my health (and my smile!) a little differently.”

- Anthony B

Act ethically and responsibly

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 which involves a material personal interest in a matter that relates to the affairs of the CBHS Group.

To ensure compliance and continuous 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 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 as well as ensure that its recruitment methods are fair, equitable and inclusive.

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

In June 2025, CBHS introduced its Diversity, Inclusion and Belonging plan, strengthening a workplace culture that values differences, fosters collaboration and innovation, and supports our employees to serve our diverse member base. The four key strategic pillars include Gender, Flexibility, Mental Health and Disability & Neurodiversity.

CBHS has also completed the reporting of its gender equality indicators in its Workplace Gender Equality Agency (WGEA) report during the year. A copy of the Public WGEA Report 2023-24 is available on the Corporate Governance section of the CBHS website or can be accessed at wgea.gov.au.

Code of Conduct Policy

CBHS has a Code of Conduct Policy which establishes a culture of openness, trust and integrity in business practices. This policy outlines acceptable principles to be applied to Directors, the Executive Leadership Team, all employees and contractors. The Policy provides a set of guiding principles that outlines ethical and behavioural standards that all employees are expected to apply in their day-to-day activities and seeks to ensure compliance with a range of legislative requirements and regulations.

CBHS is committed to the prevention and early identification of breaches of law, regulations, 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 all CBHS employees (and others) to report any corrupt or improper conduct or genuine matters of behaviours that they have reasonable grounds to believe contravene CBHS policies or the law.

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' CARE Values, CBHS is committed towards 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

In November 2024, the CBHS Group published its fifth Modern Slavery Statement (MSS) under the *Modern Slavery Act 2018 (Cth)*. A copy of the CBHS Group's MSS is available on the Corporate Governance section of the CBHS website or at modernslaveryregister.gov.au.

The CBHS Group will periodically review the effectiveness of steps taken to address the risks of modern slavery practices in its own operations and supply chains and aims to continually monitor and where necessary, improve any 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 Group 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

Private Health Insurance Code of Conduct

CBHS is a signatory to the Private Health Insurance Code of Conduct (Code). The purpose of the Code is to help consumers by providing clear information and transparency in their relationship with health funds. It applies to staff training, product information and documentation, notifications to members, dispute resolution processes and privacy obligations. The Code is based on a voluntary accreditation that is administered by Private Healthcare Australia (PHA).

Each year CBHS undertakes an internal review to ensure it remains compliant with the Code and on a triennial basis conducts a more thorough internal self-audit process. The results are then presented to the Board for annual certification which is required to be completed by the Group CEO and the Chair and is then lodged with the PHA Code Compliance Committee.

Recognise and manage risk

Risk Management Strategy

CBHS maintains a risk management framework that not only protects the business from unnecessary risks or losses but also assists the Board and management to take appropriate levels of risk within the Board approved risk appetite to achieve CBHS' objectives. CBHS also ensures that the Board and APRA are kept apprised as to the ongoing effectiveness of the risk management framework in accordance with Prudential Standard CPS 220 Risk Management (CPS 220).

The purpose of the Risk Management Strategy (RMS) is to enable the Board and the Executive Leadership Team to manage risks relating to the operations of CBHS, in the interests of all members and to meet 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.

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' risk management framework with these reports being provided to and reviewed by the Audit Committee.

Sustainability

As part of CBHS' ongoing commitment to good governance, the CBHS Board Charter was updated to include Board oversight and responsibility regarding the implementation and operation of CBHS' Sustainability Framework in 2024. In addition to the establishment of cross-functional Environmental, Social and Governance (ESG) and Climate Reporting working groups, Board level sustainability training (including on proposed mandatory climate disclosure reporting) is being conducted from time to time to ensure we meet the needs of our members and a changing environment.

Remunerate fairly and responsibly

People and Remuneration Committee

The People and Remuneration Committee supports the relevant Boards on all remuneration matters. The Committee also assists and makes recommendations to the Board on CBHS Group's remuneration strategy and policy, frameworks and practices. The Committee aims to encourage employee behaviours that support long-term financial soundness and prudent risk taking.

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 10 November 2022, where members approved an aggregate remuneration of \$600,000 per annum and a proposed increase to the aggregate will be considered at the AGM on 26 November 2025. 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' performance as a whole across a range of key result areas.

Executive Leadership Team Remuneration

CBHS' 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 2025. Throughout the report the consolidated entity is referred to as CBHS Group.

Board of Directors

The following persons held office as Directors of CBHS during FY25 and up to the date of this report:

- Nicolette Rubinsztein, Chair
 - Jay MacGregor, Deputy Chair
 - Adrian Hondros
 - Stuart Rodger
 - Sarv Girm
- Gael Filippini (appointed 23 August 2024)
 - Helen Troup
 - Peter MacCuspie, former Chair (retired effective 29 November 2024)

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 Committee.

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 and a member of the Greenpeace Australia Audit Committee. 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 UNSW Alumni Leader and a member of Macquarie University's Faculty of Business and Economics Industry Advisory Board.

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

In June 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.



Jay MacGregor, Deputy Chair

Jay MacGregor was appointed to the Board in May 2017 and holds the role of Deputy Chair. He is Chair of the People and Remuneration Committee and is a member of the Asset and Liability Committee.

Mr MacGregor has over 25 years' experience in financial markets in Australia and London including as the former Managing Director, Institutional Equities for the Institutional Banking & Markets division of the Commonwealth Bank where he was responsible for

the Bank's Equity Capital Markets, wholesale equities and equity trading activities. Prior to this, Mr MacGregor held senior roles at UBS Investment Bank and Citi Global Markets Australia. Mr MacGregor is currently a Director of Renew Power Group Pty Ltd, Renew Power Investments Pty Limited and CBHS Corporate.

Mr MacGregor holds Bachelor Degrees in Law and Commerce and a Masters degree in Finance from the University of NSW.



Adrian Hondros, Non-Executive Independent Director

Adrian Hondros was appointed to the Board in June 2017 and is Chair of the Asset and Liability Committee and a member of the People and Remuneration Committee.

Mr Hondros has over 30 years' experience in the financial services industry. Mr Hondros is currently the Managing Director of Hondros Consulting, was previously the CEO of Porter Davis, Executive General Manager of Commonwealth Private Bank, CEO of St Andrew's Australia and Executive General Manager of NAB Private Bank.

Mr Hondros is also a Non-Executive Director of Hark Angel Foundation Ltd, Esfam Biotech Pty Ltd, CBHS Corporate and is the Chair of Hewison

& Associates Pty Ltd. He has been a Director of several financial services organisations, including a Director of Commonwealth Private Limited, Chairman of Commonwealth Private Limited, Trustee Director of Commonwealth Bank's Group Super Board and Chair of its Investment Committee. He has also been a Non-Executive Director of Count Financial and Affinia Financial Advisers Limited.

Mr Hondros holds a Bachelor of Commerce, Graduate Diploma in Professional Accounting, Graduate Diploma in Applied Finance, Diploma in Life Insurance and is an alumnus of INSEAD's Advanced Management Program.



Stuart Rodger, Non-Executive Independent 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.

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, Non-Executive Independent 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.

Dr Girn is a senior executive and Non-Executive Director with a career spanning more than 30 years in the financial services sector in Australia, the UK and Asia.

He is currently the Chief Information Officer at the I-MED Radiology Network, where he leads the technology platforms that enable a clinic network spanning metropolitan and regional Australia, and a growing footprint of international radiology services.

Previously, he was the Chief Information Officer of the Reserve Bank of Australia

between 2012 and 2018; and has also undertaken senior strategic and transformational roles at Cuscal Payments, MLC Life Insurance, Westpac and the Commonwealth Bank.

Dr Girn is currently a Non-Executive Director of CBHS Corporate and Police Bank Ltd. He was previously a Non-Executive Director of Reserve Bank Health Society Board.

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.



Gael Filippini, Non-Executive Independent 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.



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 member of Private Healthcare Australia's Audit Committee, a current member of Chief Executive Women, and a Non-Executive Director of Munich Holdings of Australasia Pty Ltd and Munich Reinsurance Company of Australasia Limited.



Peter MacCusprie, Former Chair

Peter MacCusprie was appointed to the Board in November 2015. He was elected as Board Chair on 22 March 2018 and remained as Chair

and a member of the People and Remuneration Committee until his retirement from the Board on 29 November 2024.

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 respectively.

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



"I've been a proud CBHS member for nearly 25 years. I never imagined needing support for cancer treatment—until I was diagnosed with Non-Hodgkin's Lymphoma.

Knowing I had a health fund focused on my overall wellbeing was incredibly reassuring. Regular dental check-ups, massages, optometry, and dietitian access all played a role in supporting me through 18 months of chemotherapy.

CBHS proactively reached out during my treatment, connecting me with Valion Health services like a dietitian, exercise physiologist, and counselling —which was crucial for managing the emotional toll of cancer.

Thankfully, I responded well to treatment and returned to work with renewed confidence, supported by ongoing access to CBHS Health Hub programs like meditation, cooking classes, and laughter therapy. These helped me rebuild not just physically, but mentally and emotionally too."

- Allison B

Directors meetings

The number of CBHS Directors meetings (including Committee meetings) and the number of meetings attended by each of the CBHS Directors and Committee Members during FY25 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
Peter MacCuspie ¹	5	5	-	1
Nicolette Rubinsztein ²	7	7	2	4
Adrian Hondros	7	6	-	-
Jay MacGregor ³	7	7	-	1
Stuart Rodger	7	7	4	4
Sarv Girn	7	7	4	4
Gael Filippini ⁴	6	5	2	2
Helen Troup	7	7	-	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
Peter MacCuspie ¹	-	1	-	-	2	2
Nicolette Rubinsztein ²	3	5	-	2	2	2
Adrian Hondros ⁵	-	1	6	6	4	4
Jay MacGregor ³	-	3	6	5	4	4
Stuart Rodger	5	5	-	-	-	-
Sarv Girn ⁶	5	5	-	-	-	1
Gael Filippini ⁴	2	3	-	-	-	-
Helen Troup	-	5	-	-	-	4
Gerard Parlevliet ⁷	-	-	6	6	-	-

In addition, the Directors attended special purpose meetings, education sessions and workshops, including in relation to CPS 230 Operational Risk Management and other matters.

Notes:

1. Attended the Audit and Risk Committee meetings on 5 September 2024 in capacity as CBHS and CBHS Corporate Chair. Retired from the Board on 29 November 2024.
2. Ceased to be a member of the Audit and Risk Committees effective 30 November 2024 and appointed to be a member of the People and Remuneration Committee effective the same date. Attended Audit and Risk Committee and Asset and Liability Committee meetings after 30 November 2024 in capacity as CBHS and CBHS Corporate Chair.
3. Attended the Audit and Risk Committee meetings as Observer.
4. Appointed to the Board effective 23 August 2024 and as a member of the Audit and Risk Committees effective 30 November 2024.
5. Attended the Risk Committee meeting on 5 September 2024 as Observer.
6. Attended the People and Remuneration Committee meeting on 13 February 2025 as Observer.
7. 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 2025, the collective liability of members is \$1,076,770 (2024: \$1,070,740).

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.

Dividends

The Constitution of CBHS prohibits the payment of dividends.

Review of operations

The profit after tax for the financial year was \$54,471,000 (2024: \$50,216,000). CBHS is exempt under section 50-30 of the *Income Tax Assessment Act 1997* from paying income tax.

Changes in state of affairs

During the financial year there was no significant change in the affairs of CBHS.

Subsequent events

Subsequent to 30 June 2025, the Boards of CBHS and CBHS Corporate approved the cessation of CBHS Corporate new policy sales, during financial year 2026. This does not have a material impact to the CBHS Group or the financial statements as presented in this report.

There have been no other events after the balance sheet date, other than those disclosed, 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 independences 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

Disclosure of information regarding likely developments in the operations of the CBHS Group in future financial years and the expected results of those operations would result in unreasonable prejudice to the CBHS Group. Accordingly, this information has not been disclosed in this report.

Rounding of amounts

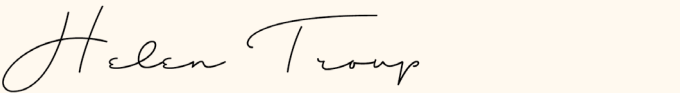
The Company is an entity to which the relief available pursuant to ASIC Corporations Instrument 2016/191, relating to rounding in Financial/Directors' reports is available. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand (\$1,000) dollars (where rounding is applicable) and where noted (\$000) under the option available to CBHS Group 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 4 September 2025

Parramatta, NSW

Auditor's Independence Declaration

As lead auditor for the audit of CBHS Health Fund Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CBHS Health Fund Limited and the entities it controlled during the period.



Jessica Lane
Partner
PricewaterhouseCoopers

Sydney
4 September 2025

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
Level 11, 1PSQ, 169 Macquarie Street, PARRAMATTA NSW 2150,
PO Box 1155 PARRAMATTA NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



"I have endured three ACL reconstructions throughout my 20s and early 30s, the most active years of my life. I wouldn't be in the position I am now without the support of CBHS, allowing me to have surgery quickly with minimal gap, as opposed to waiting years on a wait list. I am now nearing my 40s and am still able to play sports confidently knowing I'm covered and well looked after, should I need to go through it again!"

- Sarah H

Consolidated Statement of Comprehensive Income

For the year ended 30 June

	Notes	2025 \$'000	2024 \$'000
Insurance revenue	3	611,631	581,015
Incurred claims and other related expenses	3,4	(522,512)	(496,214)
Other insurance service expenses	3,4	(59,255)	(56,976)
Total insurance service expenses		(581,767)	(553,190)
Insurance service result		29,864	27,825
Other income		693	1,479
Other expenses	4	(12,017)	(11,695)
Profit before finance costs, investment income and income tax		18,540	17,609
Finance costs		(295)	(280)
Investment income	5	35,929	33,332
Profit before income tax		54,174	50,661
Income tax benefit / (expense)	6	297	(445)
Profit after income tax		54,471	50,216
Total comprehensive income for the year		54,471	50,216

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

Consolidated Balance Sheet

As at 30 June

	Notes	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	7	19,757	33,377
Other receivables	8	6,008	5,556
Financial assets at fair value	9	460,520	417,971
Total current assets		486,285	456,904
Non-current assets			
Financial assets at fair value	9	61,777	45,014
Fixtures, fittings and equipment	10	3,514	3,499
Intangible assets	11	8,005	9,200
Right-of-use assets	12	4,463	5,226
Deferred tax assets	6	554	257
Total non-current assets		78,313	63,196
Total assets		564,598	520,100
Current liabilities			
Insurance contract liabilities	3	140,712	151,372
Other payables	13	1,301	1,208
Lease liabilities	12	996	1,137
Provisions	14	6,037	5,482
Total current liabilities		149,046	159,199
Non-current liabilities			
Lease liabilities	12	5,276	6,030
Provisions	14	4,299	3,365
Total non-current liabilities		9,575	9,395
Total liabilities		158,621	168,594
Net assets		405,977	351,506
Reserves			
Retained earnings		405,977	351,506
Total reserves		405,977	351,506

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 2023		301,290
Profit for the year		50,216
Balance at 30 June 2024		351,506
Balance at 1 July 2024		351,506
Profit for the year		54,471
Balance at 30 June 2025		405,977

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	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Premiums received	3	604,037	583,193
Payments of claims and other insurance service expenses	3	(583,014)	(555,966)
Insurance acquisition cash flows	3	(1,819)	(3,044)
Other expenses		(5,007)	(3,745)
Net cash inflow provided by operating activities	7	14,197	20,438
Cash flows from investing activities			
Payments for fixture, fittings and equipment and intangibles assets	10,11	(2,474)	(3,219)
Interest and other investment income		7,582	7,007
Net payments for financial assets at fair value		(31,507)	(13,235)
Net cash outflow from investing activities		(26,399)	(9,447)
Cash flows from financing activities			
Payments relating to principal elements of lease liabilities		(1,418)	(1,370)
Net cash outflow from financing activities		(1,418)	(1,370)
(Decrease)/ increase in cash and cash equivalents		(13,620)	9,621
Cash and cash equivalents at the beginning of year		33,377	23,756
Cash and cash equivalents at the end of year	7	19,757	33,377

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 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 4 September 2025. 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 subsidiaries as disclosed in Note 1 (f).

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 Standard 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 *Corporation (Rounding in Financial/Directors’ Reports) Instrument 2016/191*, relating to the ‘rounding off’ of amounts in the financial statements. 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 2024.

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 2025 reporting periods and have not been early adopted by the CBHS Group;

Title	Operative date
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

e. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of CBHS as at 30 June 2025 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.

f. Material subsidiaries

CBHS’s principal subsidiaries as at 30 June 2025 are set out below. Unless otherwise stated, they have 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
		2025	2024	
CBHS Corporate Health Pty Ltd	Australia	100	100	Private health insurance

g. 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 *Goods and Services Tax Act 1999* subsection 38-55, the majority of CBHS Group’s income is GST free.

h. 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
- Note 16: Parent entity financial information - Carrying value of investment in subsidiaries

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 received, or when CBHS Group determines that a group of contracts becomes onerous.

Level of aggregation

AASB 17 requires aggregation of insurance contracts into portfolios of contracts that have “similar risks and are managed together”. Portfolios are further divided into groups of contracts for the identification of onerous contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. These groups are not subsequently reconsidered.

For CBHS Health, given the insurance contracts provided are subject to similar health-related risks and managed together, a single portfolio of insurance contracts has been identified. For CBHS Corporate, two separate portfolios of insurance contracts have been identified for overseas students and the remainder of policyholders due to contractual terms and the nature of renewability varying substantially for overseas students.

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 overseas student policies, 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 only carried out during the implementation 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 general measurement model (GMM). On this basis, CBHS Group has applied PAA to all of its insurance contracts. There have been no changes to the insurance contracts issued during the period 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 overseas student policies, 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. CBHS Group has estimated the risk adjustment using a confidence level approach at the 75th percentile (2024: 75th percentile).

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

Acquisition costs

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

3. Insurance contract liabilities

Onerous contracts

Under PAA, insurance contracts are assumed not to be onerous unless facts and circumstances indicate otherwise. CBHS Group has developed a framework to identify indicators of possible onerous contracts which includes the consideration of information provided to senior management to monitor financial performance. 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 \$2,492,000 of onerous contract losses recognised at 30 June 2025 (2024: \$1,221,000).

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 each group members' Pricing Philosophy and is incorporated 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 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 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

	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 2023	56,007	7,044	88,732	3,231	155,014
Insurance revenue	(581,015)	-	-	-	(581,015)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	467,243	-	467,243
Changes to liability for incurred claims relating to past service	-	-	(2,544)	-	(2,544)
Amortisation of insurance acquisition cash flows	3,929	-	-	-	3,929
Risk equalisation expenses	-	-	30,494	-	30,494
State levies	-	-	6,780	-	6,780
Other insurance service expenses	-	-	53,047	-	53,047
Movement in risk adjustment for non-financial risk	-	-	-	64	64
Losses on onerous contracts and (reversals) of those losses	-	(5,823)	-	-	(5,823)
Total insurance service expenses	3,929	(5,823)	555,020	64	553,190
Insurance service result	(577,086)	(5,823)	555,020	64	(27,825)
Statement of comprehensive income					
Premiums received	583,193	-	-	-	583,193
Payment of claims and other expenses	-	-	(555,966)	-	(555,966)
Insurance acquisition cash flows	(3,044)	-	-	-	(3,044)
Total cash flows	580,149	-	(555,966)	-	24,183
Insurance contract liabilities at 30 June 2024	59,070	1,221	87,786	3,295	151,372

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	
	2025	2024	2025	2024
Estimate of incurred claims for June (\$'000)	\$37,685	\$36,981	\$903	\$961
Claims handling expense – Hospital	2.5%	2.5%	2.5%	2.5%
Claims handling expense – Medical	5.0%	5.0%	2.5%	2.5%
Claims handling expense – Ancillary	5.0%	5.0%	5.0%	5.0%
Risk equalisation rate	10.0%	11.0%	49.5%	46.8%
Risk adjustment	5.0%	5.0%	13.0%	13.0%

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	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Incurring claims for June	+10	4,164	4,114	85	97
	-10	(4,164)	(4,114)	(85)	(97)
Claims handling expense	+10	134	149	5	6
	-10	(134)	(149)	(5)	(6)
Risk equalisation rate	+10	424	540	13	16
	-10	(424)	(540)	(13)	(16)

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
2025	85,001	85,001
2024	91,081	91,081

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 overseas student policies, 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.

Incurred claims and other related expenses	2025 \$'000	2024 \$'000
Direct and other claim expenses ¹	485,836	464,763
Risk equalisation expenses	28,419	30,494
State levies	6,986	6,780
Losses on onerous contracts and reversals of those losses	1,271	(5,823)
Total incurred claims and other related expenses	522,512	496,214

¹ This includes a COVID giveback of \$20,000,000 (2024: \$15,000,000).

Other insurance service expenses / Other expenses	2025 \$'000	2024 \$'000
Employee benefits expense	43,565	40,083
Information technology expense	6,273	7,077
Marketing and commissions expense	5,601	5,069
Consultants, actuarial, audit and legal expenses	4,687	5,104
Other expenses	4,609	4,699
Depreciation and amortisation expense	3,810	4,022
Subscriptions for industry and purchasing associations	1,541	1,420
Electronic claims processing expenses	1,186	1,197
Total other insurance service expenses / other expenses	71,272	68,671
Other expenses	(12,017)	(11,695)
Other insurance service expenses	59,255	56,976

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.

	2025 \$'000	2024 \$'000
Interest income	5,730	6,213
Distributions and other income	16,830	11,246
Net gain / (loss) on fair value movements in financial assets	13,369	15,873
Total investment income	35,929	33,332

6. Income tax expense

a. Recognition and measurement

CBHS Health Fund Limited is a Private Health Insurer registered under the *Private Health Insurance Act 2007* and is exempt from income tax and capital gains tax under section 50-30 of the *Income Tax Assessment Act 1997*.

CBHS Corporate Health Pty Ltd is a tax paying entity and is required to pay tax when it generates profits. The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the applicable income tax rate adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and tax losses. Deferred tax assets are recognised if it is probable that future taxable amounts will be available to utilise these temporary differences and losses. No deferred tax assets for unused tax losses have been recognised.

Judgement is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. CBHS Corporate Health Pty Ltd estimates its tax liabilities based on its understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

b. Reconciliation of income tax expense

	2025 \$'000	2024 \$'000
Current tax		
Current tax on profit/(loss) for the year	1,045	1,128
Utilisation of previously unrecognised tax losses	(1,045)	(1,128)
Total current tax expense	-	-
Deferred income tax		
Increase / (decrease) in deferred tax assets	297	(445)
Total deferred tax benefit / (expense)	297	(445)
Total deferred tax benefit / (expense)	297	(445)

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

	2025 \$'000	2024 \$'000
Profit / (loss) from continuing operations before income tax	54,174	50,661
Less: Profit / (loss) from CBHS Health (exempt from income tax)	(51,677)	(45,419)
Profit / (loss) from continuing operations subject to income tax	2,497	5,242
Tax at the Australian tax rate of 30% (2024: 30%)	(749)	(1,573)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-temporary differences	-	-
Utilisation of previously unrecognised tax losses	1,045	1,128
Total income tax benefit / (expense)	297	(445)

d. Deferred tax balances

	2025 \$'000	2024 \$'000
Provisions	246	-
Onerous contracts	194	139
Indirect settlement costs	16	17
Accrued audit fees	18	22
Accrued expenses	80	76
Amortisation of software	-	3
Total deferred tax	554	257
Movements		\$'000
Balance at 30 June 2024		257
- to profit or loss		297
Balance at 30 June 2025		554

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	-
Total unused tax losses	2,075

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.

	2025 \$'000	2024 \$'000
Cash at bank	19,757	30,770
Cash at call	-	2,607
Total cash and cash equivalents	19,757	33,377

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

	2025 \$'000	2024 \$'000
Operating profit	54,471	50,216
Interest and distribution income	(22,560)	(16,885)
Depreciation and amortisation	3,810	4,022
Interest on lease payments	295	280
Intangible assets write-off	834	3,518
Fair value (gains) / losses on financial assets	(13,369)	(16,445)
Decrease / (increase) in other receivables	91	(104)
(Increase) / decrease in deferred tax assets	(298)	445
Increase / (decrease) in other payables	94	(54)
Decrease in insurance contract liabilities	(10,660)	(3,642)
Increase / (decrease) in provisions	1,489	(913)
Net cash inflow from operating activities	14,197	20,438

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 2025 (2024: nil).

	2025 \$'000	2024 \$'000
Investment income receivable	4,703	4,159
Prepayments	407	331
GST recoverable	223	159
Sundry debtors	675	907
Total other receivables	6,008	5,556

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.

	2025 \$'000	2024 \$'000
Term deposits	81,600	87,600
Managed premium cash enhanced fund	79,535	45,345
Managed multi assets funds	83,457	125,480
Managed fixed interest funds	113,448	71,056
Managed share funds	102,480	88,490
Total current assets	460,520	417,971

Term deposits	5,000	15,000
Managed property funds	33,657	30,014
Managed infrastructure funds	23,120	-
Total non-current assets	61,777	45,014
Total financial assets at fair value	522,297	462,985

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:

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 share funds	-	102,480	-	102,480
Managed fixed interest funds	-	113,448	-	113,448
Managed infrastructure fund	-	-	23,120	23,120
Managed property funds	-	-	33,657	33,657
Total financial assets at fair value	86,600	378,920	56,777	522,297

2024	Level 1: \$'000	Level 2: \$'000	Level 3: \$'000	Total \$'000
Term deposits	102,600	-	-	102,600
Managed premium cash enhanced fund	-	45,345	-	45,345
Managed multi asset fund	-	125,480	-	125,480
Managed share funds	-	88,490	-	88,490
Managed fixed interest funds	-	71,056	-	71,056
Managed property funds	-	-	30,014	30,014
Total financial assets at fair value	102,600	330,371	30,014	462,985

9. Financial assets at fair value

c. Fair value measurements

CBHS Group’s investment in property and infrastructure funds are classified within level 3 of the fair value hierarchy. These amounts are held in unlisted unit trusts and are valued at the redemption value per unit as reported by the managers of the funds. They are classified within level 3 of the fair value hierarchy as their fair values are not based on observable market data due to the infrequent trading of the underlying assets.

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

	2025 \$'000	2024 \$'000
Balance at 1 July	30,014	28,000
Purchases	26,100	5,742
Net gain / (loss) on fair value movements	663	(3,728)
Balance at 30 June	56,777	30,014

10. Fixtures, fittings and equipment

a. Recognition and measurement

Fixture, fittings and equipment are stated at cost less accumulated depreciation. 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 provided on fixtures, fittings and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value being zero. 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 range between 3-7 years.

Fixture, fittings and equipment are assessed for indicators of impairment at each balance sheet date. Such assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the assets. Fixture, fittings and equipment are carried at depreciated cost, the amount of the impairment is the difference between the asset’s carrying amount and recoverable amount (the current market value). The loss is recognised in the consolidated statement of comprehensive income.

	2025 \$'000	2024 \$'000
At cost		
Balance as at 1 July	7,603	7,071
Additions	754	532
Disposals	-	-
Balance as at 30 June	8,357	7,603
Accumulated depreciation		
Balance as at 1 July	4,104	3,381
Disposals	-	-
Depreciation expense	739	723
Balance as at 30 June	4,843	4,104
Net book value at 30 June	3,514	3,499

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 charged on a straight-line basis over the estimated useful life. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in the accounting estimate accounted for 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. Intangible assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition the estimated future cash flows of the intangible assets have been impacted. For intangible assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and recoverable amount (the present value of estimated future cash flows, discounted at the original effective interest rate). The loss is recognised in the consolidated statement of comprehensive income.

	2025 \$'000	2024 \$'000
At cost		
Balance as at 1 July	26,469	27,299
Additions	1,719	2,688
Write-off	(834)	(3,518)
Balance at 30 June	27,354	26,469
Accumulated amortisation		
Balance as at 1 July	17,269	14,925
Amortisation and impairment expense	2,080	2,344
Balance at 30 June	19,349	17,269
Net book value at 30 June	8,005	9,200

12. Right-of-use assets and lease liabilities

a. Recognition and measurement

CBHS Group leases an office and equipment and the rental contracts are for fixed periods of 1-5 years, but may have 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 Group 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 Group, 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 used is between 4.3% and 4.4% (2024: between 3.2% and 4.1%).

CBHS Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the 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 on a straight-line basis.

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

	2025			2024		
	Buildings	Computer equipment	Total	Buildings	Computer equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	5,979	1,164	7,143	5,752	1,164	6,916
Accumulated depreciation	(1,741)	(939)	(2,680)	(1,157)	(533)	(1,690)
Balance as at 30 June	4,238	225	4,463	4,595	631	5,226

c. Carrying value of lease liabilities

	2025 \$'000	2024 \$'000
Current	996	1,137
Non-current	5,276	6,030
Total lease liabilities	6,272	7,167

d. Amounts recognised in the consolidated statement of comprehensive income

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

	2025 \$'000	2024 \$'000
Depreciation charge on right-of-use assets	990	955
Interest on lease liabilities	295	280
Total amounts recognised	1,285	1,235

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.

	2025 \$'000	2024 \$'000
Accruals	316	349
Other	985	859
Total other payables	1,301	1,208

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, is 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 Group 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 Group are recognised in the consolidated statement of comprehensive income when due.

	2025 \$'000	2024 \$'000
Employee benefits	2,175	2,146
Employee performance payments	2,652	2,336
Other	1,210	1,000
Total current provisions	6,037	5,482

Employee benefits	2,255	1,940
Employee performance payments	2,044	1,425
Total non-current provisions	4,299	3,365
Total provisions	10,336	8,847

14. Provisions

b. Movement in provisions

Current	Employee benefits \$'000	Performance payments \$'000	Other \$'000	Total \$'000
Balance at 30 June 2024	2,146	2,336	1,000	5,482
Used during the year	(2,551)	(2,589)	-	(5,140)
Unused amounts reversed	-	(332)	-	(332)
Additional amounts recognised	2,580	3,237	210	6,027
Balance at 30 June 2025	2,175	2,652	1,210	6,037

Non-current	Long service leave \$'000	Performance payments \$'000	Total \$'000
Balance at 30 June 2024	1,940	1,425	3,365
Used during the year	(166)	(520)	(686)
Unused amounts reversed	-	-	-
Additional amounts recognised	481	1,139	1,620
Balance at 30 June 2025	2,255	2,044	4,299

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 2025, management was not aware of any material contingent liabilities that may affect the financial position of CBHS Group (2024: nil).

16. Parent entity financial information

a. Recognition and measurement

The financial information for the parent entity, CBHS Health Fund Limited, 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:

	2025 \$'000	2024 \$'000
Balance sheet		
Assets		
Current assets	441,945	405,065
Total assets	543,117	502,305
Liabilities		
Current liabilities	125,434	128,912
Total liabilities	136,004	139,444
Net assets	407,113	362,861
Equity		
Retained earnings	407,113	362,861
Total equity	407,113	362,861
Profit for the year	44,253	45,418
Total comprehensive income for the year	44,253	45,418

c. Carrying value of investment in subsidiaries

The investment in subsidiaries is reviewed annually for indicators of impairment. Should the investment's carrying amount exceed its estimated recoverable amount, the carrying amount of the investment would be impaired down to its recoverable amount.

The recoverable amount of the investment is determined through measuring its value in use which is based on the following key assumptions:

- Cash flow forecasts based on the latest business plan. These forecasts are based on a combination of historical performance and management's expectations of future performance.
- Discount rates reflect a beta and market risk premium sourced from observable market information and a specific risk premium appropriate to reflect the nature of the business. The pre-tax discount rate is 17.0% (2024: 19.8%) and the post-tax discount rate is 15.0% (2024: 15.0%).

After recognising the impairment, both the recoverable amount and carrying amount of the investment is \$27,000,000 resulting in nil headroom (being the excess of recoverable amount over carrying amount) at the current balance date. Compared with headroom of \$14,118,000 at 30 June 2024. The valuation continues to be highly sensitive to a range of assumptions, in particular the gross underwriting margin and post-tax discount rate. The impact of changes in these key assumptions is shown in the table below and each change has been calculated in isolation from other changes. In practice, this is considered unlikely to occur due to interrelationships between assumptions.

Key assumption	Assumption %	Sensitivity %	Impact of sensitivity on carrying amount of investment \$'000
Gross underwriting margin	48%	+5	Headroom of \$1,382
		-5	Impairment of \$1,445
Post-tax discount rate	15.0% (2024: 15.0%)	+5	Impairment of \$1,066
		-5	Headroom of \$1,363

d. Guarantees entered into by parent entity

The parent entity continued to hold guarantees of \$615,000 at 30 June 2025 (2024: \$615,000).

e. Contingent liabilities of parent entity

Refer to Note 15 for details of the contingent liabilities of the Group. The parent entity also guarantees to commit \$3,000,000 capital to CBHS Corporate conditional upon certain circumstances. For the period ending 30 June 2025 there was no capital injection required for CBHS Corporate.

f. Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not enter into any commitments for the acquisition of property, plant or equipment during the year (2024: nil).

17. Related parties

During the year five Directors were members of CBHS Health Fund Limited. Membership was on terms and conditions no more favourable than those adopted when dealing with an unrelated individual in an arm's length transaction (2024: five directors).

Related party transactions

During the financial year, CBHS Health Fund Limited 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 was \$7,105,000 (2024: \$5,501,000).

Related party balances outstanding at the end of the year

At 30 June 2025, CBHS Health Fund Limited was due \$833,719 from CBHS Corporate (2024: nil).

18. Remuneration of auditors

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

	2025 \$	2024 \$
Audit of financial statements	399,537	395,159
Audit and review of regulatory returns	167,066	141,172
Total remuneration for audit and assurance services	566,603	536,331
Taxation services	25,500	24,270
Total remuneration for taxation services	25,500	24,270
Other services	65,000	-
Total remuneration for other services	65,000	-
Total remuneration of PricewaterhouseCoopers Australia	657,103	560,601

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:

	2025 \$	2024 \$
Directors' remuneration		
Short-term employment benefits	490,850	499,312
Post-employment benefits (statutory superannuation guarantee) (2025: 11.5%; 2024: 11.0%)	56,448	54,924
Total Directors' remuneration	547,298	554,236
Other key management personnel remuneration		
Short-term employment benefits	3,827,338	4,524,745
Post-employment benefits (statutory superannuation guarantee) (2025: 11.5%; 2024:11.0%)	239,458	242,778
Total key management personnel remuneration	4,066,796	4,767,523
Total Directors' and other key management personnel remuneration	4,614,094	5,321,759

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:

- Audit Committee and the Risk Committee's responsibility to assist the Board fulfil its statutory and fiduciary duties relating to the financial reports, the risk management framework, the independence of the auditors and regulatory compliance.

- Asset and Liability Committee's responsibility 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.
- 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 Chief Risk Officer for 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 Group is 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 Guide CPG110 ICAAP and Supervisory Review and Prudential Standard HPS110 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 Group 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 and Ageing of all health insurance premium increases.

Concentration risk

CBHS Health Fund Limited 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. CBHS Corporate is an open fund which focuses primarily on corporate partnerships, overseas workers and students.

Credit risk

Credit risk is the potential of 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 the Financial Assistance Package extended to members who experience financial hardship.

Credit exposure by credit rating*

	2025 \$'000	2024 \$'000
Cash and cash equivalents		
A series rating	19,757	33,377
	19,757	33,377
Financial assets at fair value		
A series rating	86,600	102,600
B series rating	-	-
Unrated**	435,697	360,385
	522,297	462,985

*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 %	2025 \$'000	2024 \$'000
Cash at bank	3.6	19,757	33,377
Term deposits	4.5	86,600	102,600
Managed premium cash enhanced fund	4.7	79,535	45,345
		185,892	181,322

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 (2024: 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:

	2025 \$'000 at 50 basis points per annum	2024 \$'000 at 50 basis points per annum
Profit higher from increase in basis points	433	513
Profit lower from decrease in basis points	(433)	(513)

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:

	2025 \$'000 at 10% per annum	2024 \$'000 at 10% per annum
Profit higher from increase in percentage	43,570	31,504
Profit lower from decrease in percentage	(43,570)	(31,504)

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 Group 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
2025						
Other payables	908	243	150	-	-	1,301
Lease liabilities	117	350	778	5,052	926	7,223
2024						
Other payables	675	336	197	-	-	1,208
Lease liabilities	115	345	917	4,985	1,821	8,183

21. Events occurring after the reporting period

Subsequent to 30 June 2025, the Boards of CBHS and CBHS Corporate approved the cessation of CBHS Corporate new policy sales, during financial year 2026. This does not have a material impact to the CBHS Group or the financial statements as presented in this report.

There have been no other events occurring after the reporting period which would have a material effect on CBHS Group’s financial statements at 30 June 2025.

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 *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied 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, namely CBHS and CBHS Corporate. CBHS Corporate is a 100% owned subsidiary of CBHS. The Group's primary source of capital is past and future annual operating surpluses. These surpluses comprise both underwriting returns and investment returns.

CBHS 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.

CBHS Corporate provides health insurance to members in line with its values of putting customers first.

The capital management of CBHS and CBHS Corporate are 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 ICAAP's operate 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 *HPS110*), 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 2025 and 30 June 2024 are as follows:

	CBHS		CBHS Corporate	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Capital Base				
Accounting Net Assets	407,113	362,861	26,084	22,945
Regulatory adjustments applied in the calculation of Common Equity Tier 1 Capital	(10,525)	(12,365)	3,139	(1,278)
Common Equity Tier 1 Capital	396,588	350,495	29,223	21,667
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	396,588	350,495	29,223	21,667
Prescribed Capital Amount				
Insurance Risk Charge	60,526	55,030	5,231	6,717
Asset Risk Charge	89,451	90,453	1,845	677
Asset Concentration Risk Charge	-	-	-	-
Operational Risk Charge	11,708	11,100	522	601
Less: Aggregation Benefit	(32,374)	(30,587)	(1,191)	(509)
Tax Benefits	-	-	-	-
Total Prescribed Capital Amount	129,311	125,996	6,406	7,485
Capital Surplus	267,277	224,499	22,817	14,181
Capital Adequacy Multiple (Total Capital Base divided by Total Prescribed Capital Amount)	3.07	2.78	4.56	2.89



"When I joined CBHS, I expected a health fund. What I got was a wellbeing partner. From the moment I received my welcome email from the CBHS Member Services team, I felt supported—not just as a policyholder, but as someone whose health genuinely mattered. The Health Hub became my go-to for fitness, nutrition, and mindfulness.

I've tuned into guided meditations, joined the sugar-free challenge, and even participated in strength and Pilates sessions led by CBHS professionals.

But the real impact came when my partner faced a sudden health scare... The InBody scans and virtual consultations helped us track recovery and stay motivated. We even saved on gym memberships through Fitness Passport, thanks to CBHS' corporate partnership.

CBHS didn't just help us through a tough time—it empowered us to live better every day.

That's not just health cover. That's heart."

- Scott M

Directors' Declaration

Directors' declaration for the year ended 30 June 2025

The Directors declare that in their opinion:

- a. the consolidated financial statements and notes, as set out on pages 34-57 are in accordance with the *Corporations Act 2001* and:
 - (i) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) give a true and fair view of the CBHS Group's financial position as at 30 June 2025 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 4 September 2025

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 2025 and of its financial performance for the year then ended
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated balance sheet as at 30 June 2025
- 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 2025
- the directors’ declaration.

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
Level 11, 1PSQ, 169 Macquarie Street, PARRAMATTA NSW 2150,
PO Box 1155 PARRAMATTA NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

pwc.com.au



Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 2025, 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

Jane

Jessica Lane
Partner

Sydney
4 September 2025





CBHS Group
Level 16, 6 Hassall Street
Parramatta NSW 2150

1300 654 123
cbhs.com.au