

11 April 2018

The Manager
Company Announcements
Australia Securities Exchange Limited
Level 4, Bridge Street
SYDNEY NSW 2000

Presentation to the Morgan Stanley Australia Healthcare & Insurance Private Health Forum – April 2018

Attached presentation delivered by nib at the Morgan Stanley Australia Healthcare & Insurance Private Health Forum (11 April 2018).

Yours sincerely,



Roslyn Toms
Company Secretary

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Morgan Stanley

Australia Healthcare & Insurance
Private Health Forum

Mark Fitzgibbon
Managing Director & Chief Executive Officer

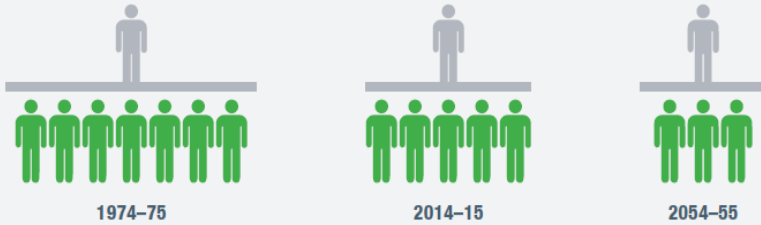
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We're spending more and more on our healthcare.

We'll rely more on private financing.

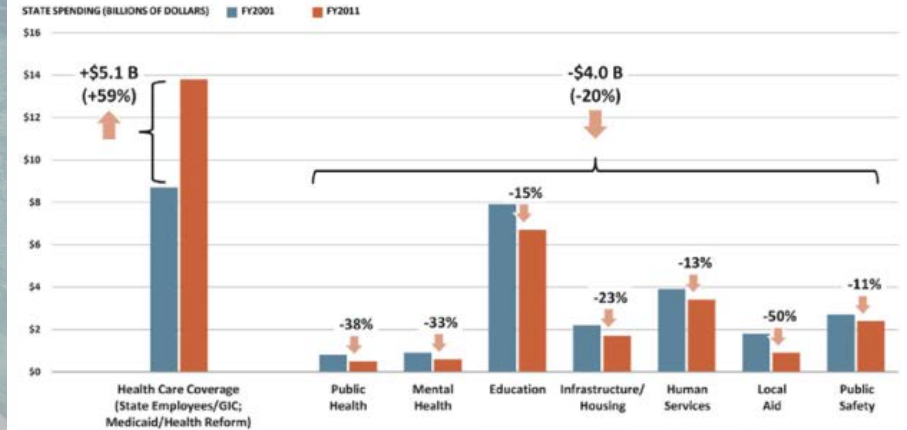
EVER INCREASING DEPENDENCY RATIO

An ageing population



Source: 2015 Intergenerational report.

Massachusetts State Budget - FY01 versus FY11



Source: Massachusetts Budget and Policy Centre Budget Browser

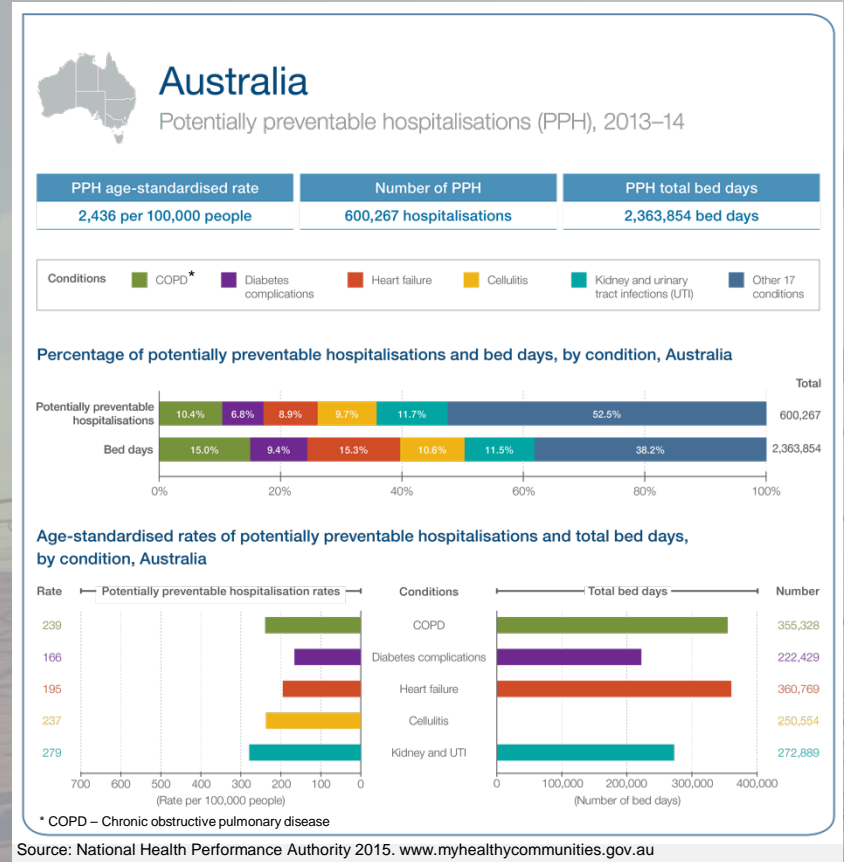
BUT WE HAVE SERIOUS CHALLENGES

Many people, especially millennials, don't see the value in PHI:

- Rising premiums
- Limited regulated medical coverage
- Frequent out-of-pocket costs (OOP)
- “Free” Medicare alternative

There is way too much evidence of healthcare system inefficiency:

- Treatment which could have been prevented or avoided (allocative inefficiency)
- Treatment that could have been more cost effective (technical inefficiency)



Reframe and embellish how we deliver “financial protection” to reduce OOP and mitigate moral hazard.

Enhance the value proposition and reduce cost/premium pressure via:

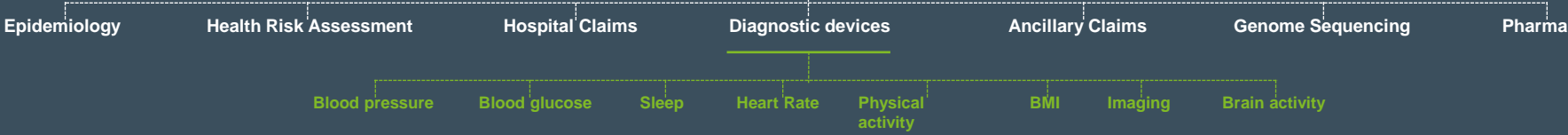
1. Connectivity with products, services and facilities that help predict/prevent, manage or treat illness/injury with greater convenience and cost effectiveness.
2. Empowering people to make more informed decisions and generally transact with healthcare systems.

Make it all the more “personal” through having a much deeper insight into an individual’s health profile drawing upon data science, Artificial Intelligence (AI) and The Internet of Things (IOT).





Personalised Health Platform
Understanding individual needs for the purpose of financial protection, health risk management and treatment via data analytics, AI and IOT





Prices

- Narrower networks/Whitecoat
- Prosthetics
- Distributed settings of care



Utilisation

- Incentives for younger population
- Disease prevention and management (preventable hospitalisation)
- Low value treatment
- Health literacy
- Risk equalisation (has to be prospective)
- End of life care



Business operating costs

- Automation (incl. payments)
- Economies of scale/consolidation

Constraints on financial protection

Reputation "What have the Romans ever done for us"?

Political popularism and regulation

FAANGs*

TECHNOLOGY

Apple's Pact with 13 Health Care Systems Might Actually Disrupt the Industry

by David Blumenthal and Aneesh Chopra

MARCH 23, 2018

SUMMARY SAVE SHARE COMMENT 3 HH TEXT SIZE PRINT \$8.95 BUY COPIES

Source: Harvard Business Review, 23 March 2018.

* FAANG is an acronym for the five most popular and best performing tech stocks in the market, namely Facebook, Apple, Amazon, Netflix and Google.

The background of the slide is a photograph of children playing in the ocean. A young child in the foreground is wearing blue goggles and looking towards the camera. To the right, another child is splashing water, with their hand raised. The water is bright blue and filled with white foam from the waves. The overall scene is bright and sunny.

Rising spending and constraints on public financing

Technology led shift from healthcare payer to personalisation and healthcare partner

Public/private partnerships and population health management

The background of the slide is a photograph of three children playing in a field of tall grass and dandelions. The children are in the center and right-center of the frame, with their arms raised as if blowing on dandelion seeds. The scene is bathed in warm, golden light, suggesting late afternoon or early morning. The dandelion seeds are captured in mid-air, creating a sense of movement and joy. The overall mood is bright and positive.

Questions?