

1 July 2020

Medibank's response to APRA's application of the capital framework for COVID-19

In response to APRA's application of the capital framework for COVID-19, Medibank today confirmed that it has already put in place a COVID-19 claims liability. APRA's framework applies to all private health insurers and reflects the impacts of COVID-19 on the industry's claims risk.

Medibank retains a strong capital position with an unallocated surplus above our target fund capital ratio of 13.0% of forecast premium and is significantly higher than the minimum regulatory capital. APRA's guidance is not expected to have any impact on the FY20 outlook (including dividends) or require any capital action.

APRA's letter to all private health insurers can be read at: <https://www.apra.gov.au/application-of-capital-framework-for-covid-19-related-disruptions>

This document has been authorised for release by the Board.

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