

2 November 2016

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

nib holdings limited 2016 Annual General Meeting (AGM) Presentation

nib's 2016 AGM Presentation is attached.

Yours sincerely,



Michelle McPherson
**Chief Financial Officer &
Company Secretary**

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ANNUAL GENERAL MEETING
2 NOVEMBER 2016

STEVE CRANE
CHAIRMAN



nib's BOARD AND EXECUTIVES

Steve Crane	Independent Non-Executive Director
Lee Ausburn	Independent Non-Executive Director
Harold Bentley	Independent Non-Executive Director
Philip Gardner	Independent Non-Executive Director
Christine McLoughlin	Independent Non-Executive Director
Donal O'Dwyer	Independent Non-Executive Director
Mark Fitzgibbon	Managing Director and Chief Executive Officer

Michelle McPherson	Chief Financial Officer, Deputy CEO and Company Secretary
Rhod McKensey	Group Executive Australian Residents Health Insurance
Rob Hennin	Chief Executive Officer, nib New Zealand
Brendan Mills	Chief Information Officer
Justin Vaughan	Group Executive Benefits and Provider Relations
David Kan	Group Executive International and New Business

MEETING AGENDA



STEVE CRANE
CHAIRMAN



MARK FITZGIBBON
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

ITEM 1

Consideration
of Reports

ITEM 2

Remuneration
Report

ITEM 3

Re-election of
Steve Crane

ITEM 4

Election of
Donal O'Dwyer

ITEM 5

Approval of
participation in
Long-Term
Incentive Plan

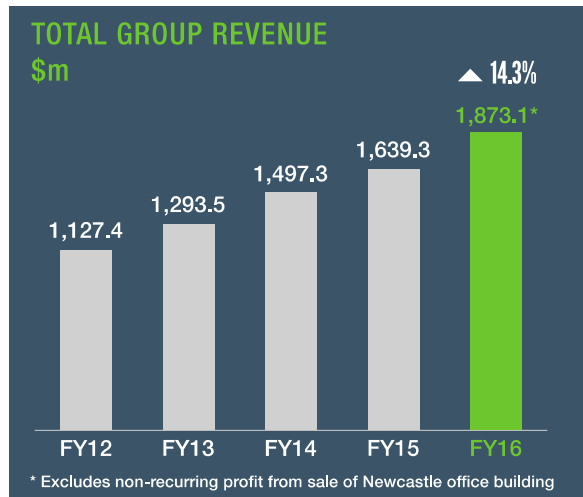
CHAIRMAN'S PRESENTATION



STEVE CRANE
CHAIRMAN

FY16 GROUP RESULTS

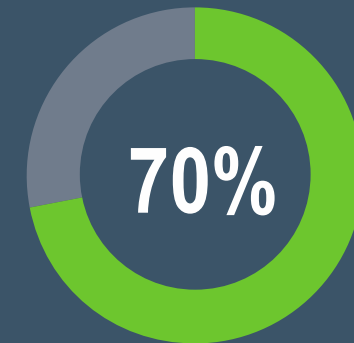
FY16 produced impressive revenue and earnings growth



FULL YEAR DIVIDEND
(FULLY FRANKED)

14.75 cps

FULL YEAR DIVIDEND PAYOUT RATIO
OF NPAT



arhi RESULTS

GROUP UNDERLYING OPERATING PROFIT (UOP) CONTRIBUTIONS

28% ADJACENT BUSINESS



72% arhi

In FY16, arhi contributed \$94.5 million or 72% to Group Underlying Operating Profit.

Goal is to grow policyholder volumes by 4-5% per annum with net underwriting margin of 5.0–6.0%.

Continue to invest in brand and look for additional sales channels.



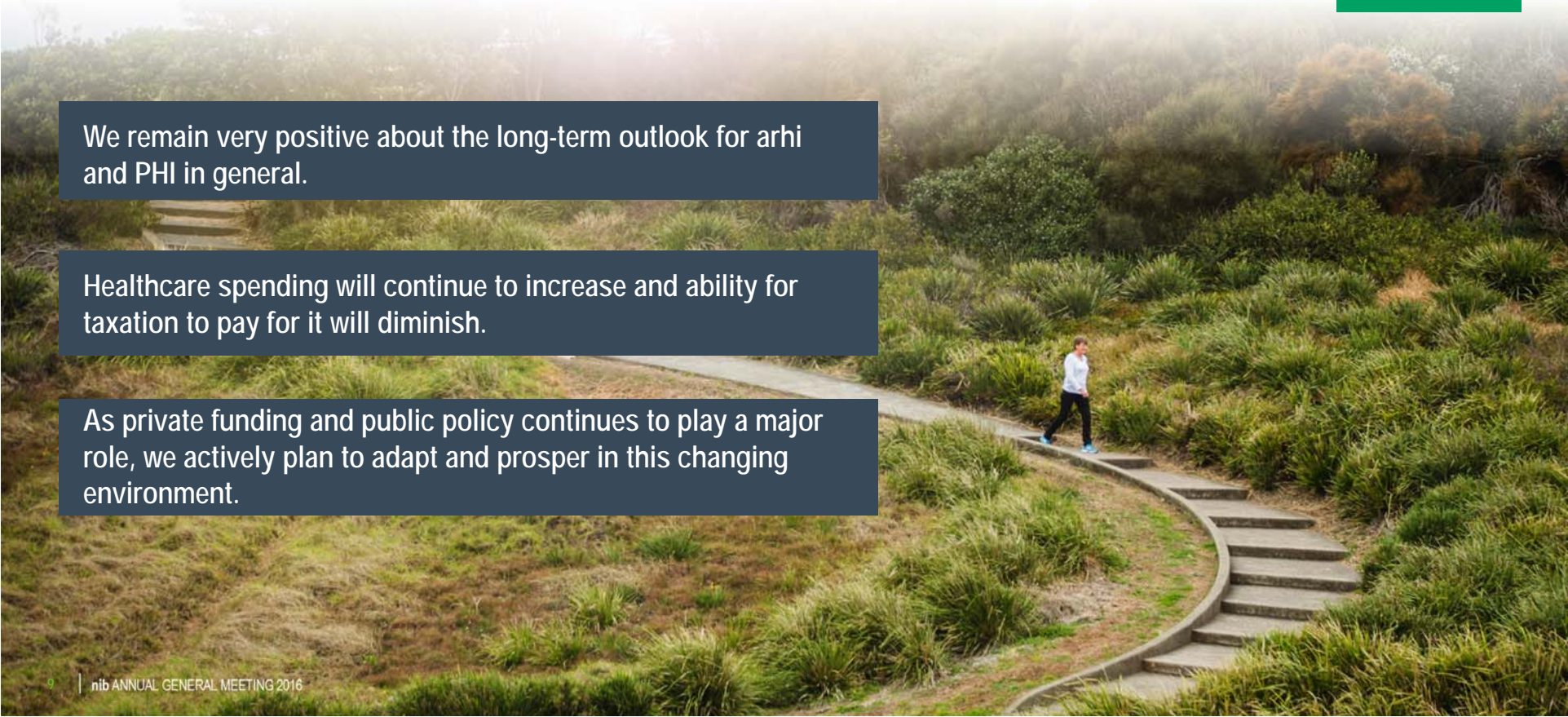
NEW BUSINESS SUCCESS

nib



New ventures align with our Group strategy and investment framework, and are performing well against expectations.

BRIGHT FUTURE AHEAD

The nib logo consists of the lowercase letters 'nib' in a white, sans-serif font, centered within a solid green square.A person in a white shirt and dark pants is walking up a curved stone staircase on a grassy hillside. The background is a misty, sunlit forest.

We remain very positive about the long-term outlook for arhi and PHI in general.

Healthcare spending will continue to increase and ability for taxation to pay for it will diminish.

As private funding and public policy continues to play a major role, we actively plan to adapt and prosper in this changing environment.

CONTINUED PUSH INTO NEW MARKETS

The nib logo consists of the lowercase letters 'nib' in a white, bold, sans-serif font, centered within a solid green square.

Our move into new markets is now a significant contributor to Group earnings.

Preference for growth markets that allow us to leverage our brand, distribution and specialist healthcare capabilities.

As we have done in the past, we will continue to do our homework on new business ventures.

CUSTOMERS ALWAYS COMES FIRST

Customer service and continuous improvement crucial to future success.

Enhancing customer value proposition and operating efficiency grows enterprise and shareholder value.

The nib logo consists of the lowercase letters 'nib' in a white, sans-serif font, centered within a solid green square.

nib foundation

nib

Established in 2008 with a clear vision to improve the health and wellbeing of individuals and communities across Australia.

nib foundation FUNDING SINCE 2008



\$15m

nib foundation PARTNERSHIPS WITH

95

CHARITIES

SUCCESSION PLANNING



Succession planning for both Executives and Non-Executive Directors is a priority for the Board.

We must prepare for a range of future circumstances and market conditions.



WELCOME DONAL O'DWYER



Highly-experienced company director.

Extensive executive-level experience in the global sales and marketing of healthcare products and services.

FAREWELL AND THANK YOU, DR ANNETTE CARRUTHERS



Retired in September 2016 following 13 years of service to nib Board.

Has overseen the transition of nib from a mutual to an ASX-listed entity, the significant growth across Australia and expansion into new markets both domestic and international.

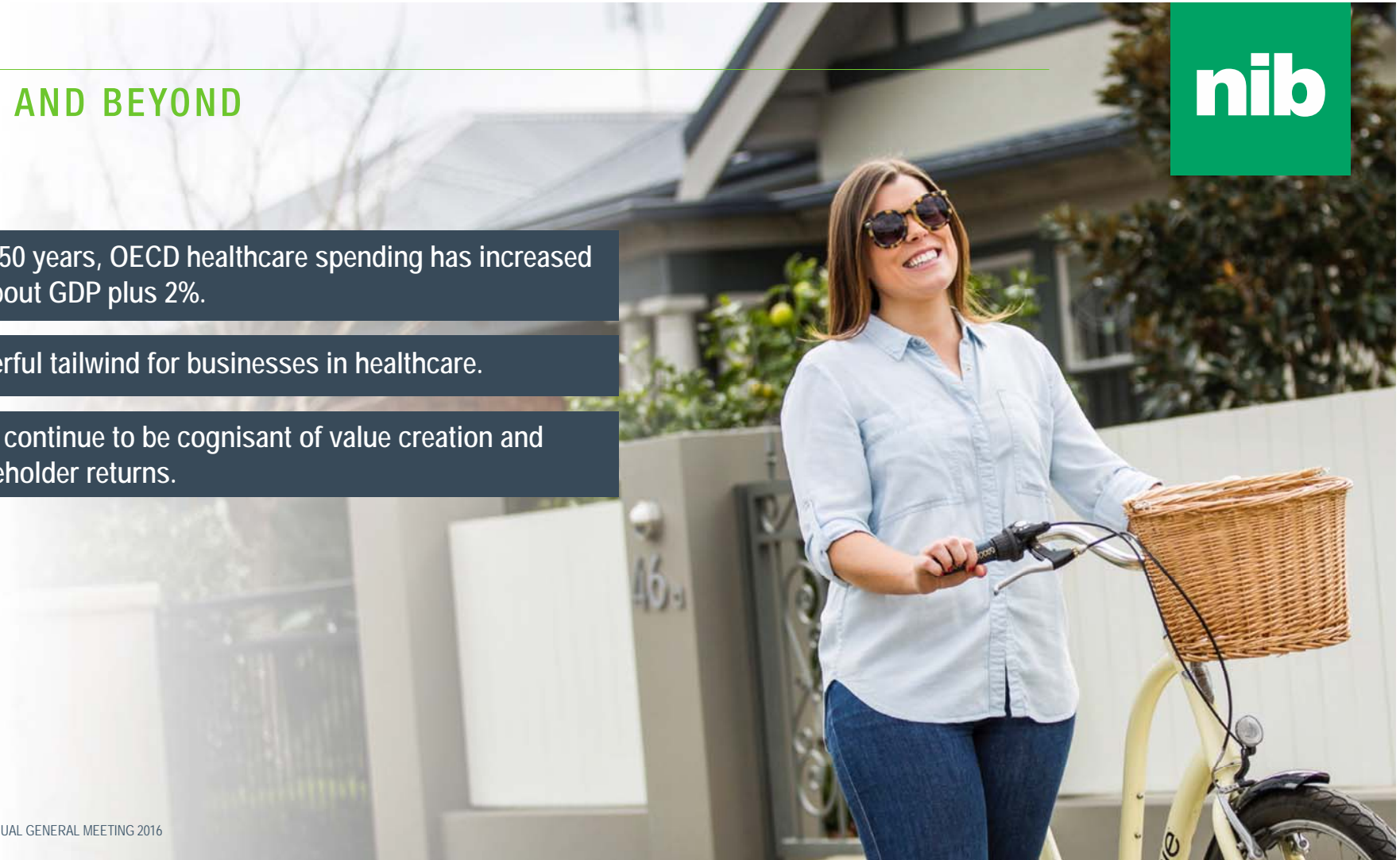
FY17 AND BEYOND

The nib logo is a green square with the lowercase letters 'nib' in white, sans-serif font.

Past 50 years, OECD healthcare spending has increased by about GDP plus 2%.

Powerful tailwind for businesses in healthcare.

We'll continue to be cognisant of value creation and shareholder returns.



THANK YOU

MANAGING DIRECTOR'S REPORT

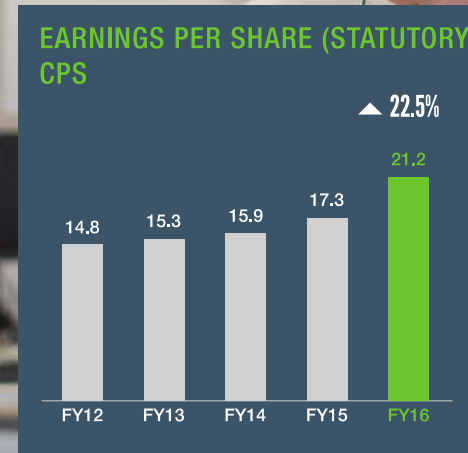
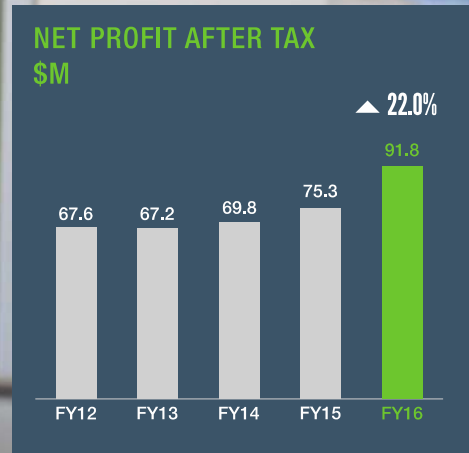
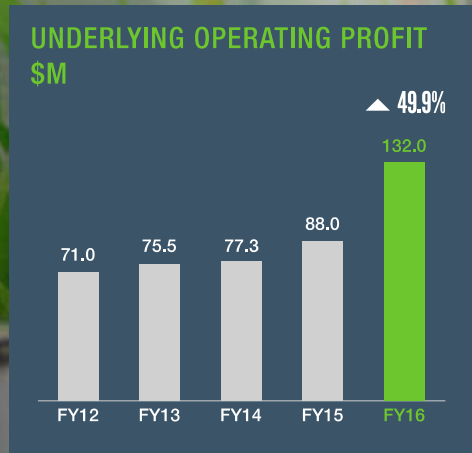


MARK FITZGIBBON
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER



FY16 FINANCIAL SUMMARY STRONG PERFORMANCE ACROSS KEY PERFORMANCE AREAS

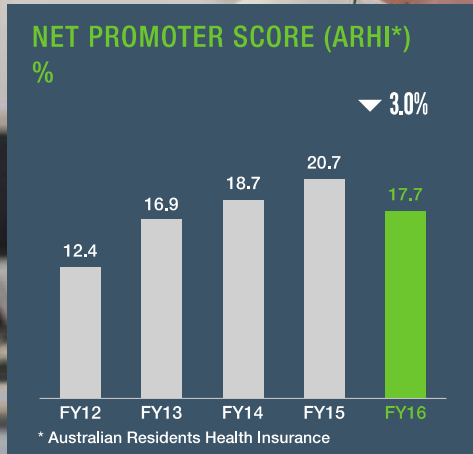
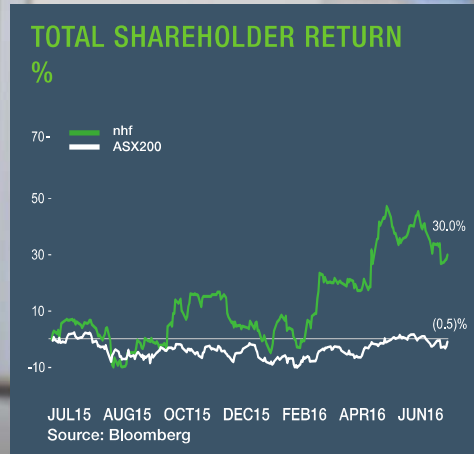
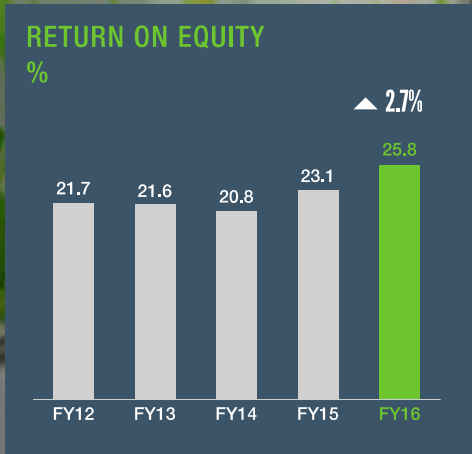
Pleasing result reflecting strong execution of our business strategy across the Group.





FY16 FINANCIAL SUMMARY

STRONG PERFORMANCE ACROSS KEY PERFORMANCE AREAS



HIGHLIGHTS FOR THE YEAR

Our strategy reflects ongoing diversification, innovation and disruption.

DISTRIBUTION PARTNERS

AUSTRALIA



NEW ZEALAND



M&A AND NEW BUSINESS DEVELOPMENT



SURPASSED 100,000
INTERNATIONAL STUDENTS

WHITECOAT



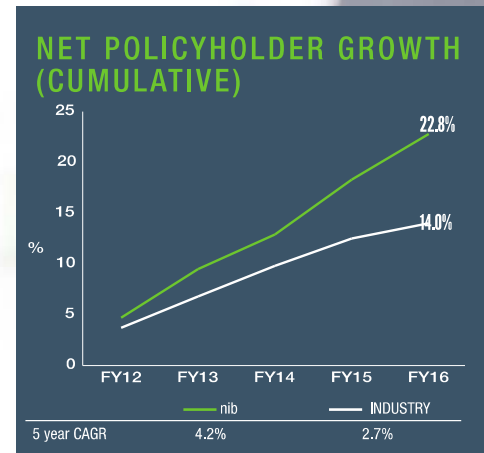
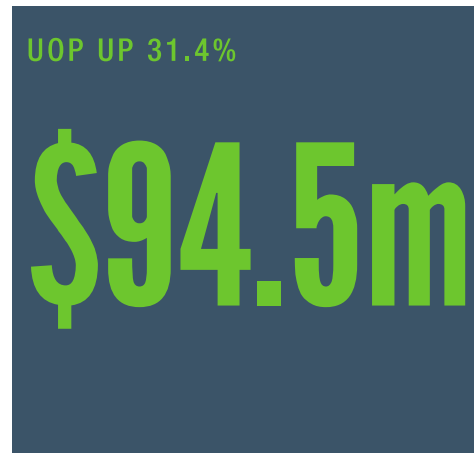
ANNOUNCED PLANS
FOR JV WITH:



AUSTRALIAN RESIDENTS HEALTH INSURANCE (arhi)



Our core arhi segment was a 'star' performer.



Source: nib and APRA.



nib NEW ZEALAND



Business continues to deliver on the targets set when we acquired the business.

For FY17 and beyond we expect profitability to further improve through organic growth and increased scale.

PREMIUM REVENUE UP 15.4%

\$173.6m

UOP ALMOST DOUBLED

\$17.3m

SUCCESSFUL ACQUISITION OF MEDICAL INSURANCE BOOK



(DECEMBER 2015)

LAUNCHED WHITELABELLING DISTRIBUTION AGREEMENT WITH:



(NOVEMBER 2015)



(OCTOBER 2016)



MAJOR SPONSOR OF THE AUCKLAND BLUES

INTERNATIONAL (INBOUND) HEALTH INSURANCE

The nib logo consists of the lowercase letters 'nib' in white, set against a solid green square background.

INTERNATIONAL (INBOUND)
HEALTH INSURANCE UOP UP
41.2%

\$17.2m

Our international inbound health insurance business, consisting of international students and workers, continues to grow powerfully.

International students recently surpassed 100,000 customers.

WORLD NOMADS GROUP (WNG)

WNG INAUGURAL UOP
CONTRIBUTION

\$9.7m

WNG continues to operate in line with expectations, with growth plans being accelerated and supported to target new business opportunities.

Level of investment to impact FY17 UOP result.

PORTFOLIO OF BRANDS



REGULATORY REFORM

Changes announced last month by Health Minister to pricing for prostheses/medical devices is a positive with savings to flow through to premiums.

Price cuts to stall rise in health premiums

AN UNHEALTHY SYSTEM

SEAN PARNELL
** EDITOR

Bowles said the move would put "downward pressure" on premiums, which vary considerably, while deputy Andrew Stuart predicted "a lesser increase than there would otherwise have been" in April. Mr Bowles also revealed he had launched an internal review of allegations that a previous move to seek cabinet approval for price cuts to manufacturers, doubt over

chief executive Rachel David maintained that "consumers will be the big winners from this decision" as funds use the savings to deliver lower premium increases.

"Forcing health funds to pay a fixed, inflated benefit for medical devices causes upward pressure on premiums that has been compounding at 9-12 per cent per year," Dr David said.

Major insurers Medibank and Bupa also welcomed the move, as did the restricted membership funds, the Consumers Health

Health fund costs to slide

HEALTH fund members are expected to save about \$50 a year on premiums as a result of reforms the Federal Government is considering to the way hip, knee and other medical devices are priced.

However, the savings are lower than the potential that could have been achieved with a reference pricing system.

Ms Ley said the government was committed to reforming prostheses and work was continuing as a priority.

"However, the cost of premiums is what consumers are ultimately concerned about and they expect private health insurers to be doing everything possible to deliver better value for money," she said.

The hospitals get to pocket the difference between the prices they pay and health funds pay.

Ramsay Health Care, a large donor to the Liberal Party, described health funds' predictions of less

SUE DUNLEVY

rises. Health fund members have been paying twice as much as public hospitals and many times more than overseas patients for 9000 medical devices under a system where the government sets the price health funds have to pay.

"The *Herold Sun* understands the government is con-

OUTLOOK

Soft market conditions likely to continue into FY17 however nib expected to deliver organic volume growth within 4% – 5% target range.

Difficult to predict arhi claims inflation trajectory. Drawing rate inflation (per person) expected to be within range of 3% – 5% (FY16: 2.9%).

Net margin (arhi) target range broadened 5.0% – 6.0% reflecting more moderate and favourable claims environment.

NZ and international (inbound) insurance businesses and profitability will continue to grow.

Investment in growth and expansion of WNG will result in a subdued FY17 UOP.

Ongoing pursuit of new business opportunities and innovation to create enterprise value.

The nib logo consists of the lowercase letters 'nib' in a white, bold, sans-serif font, centered within a solid green square. The background of the slide features a photograph of two people, a man and a woman, smiling and looking at a whiteboard. The man is holding a green marker and the woman is holding a pink marker, suggesting a collaborative meeting or presentation.

FY17 GUIDANCE



Consolidated UOP of \$130m – \$140m (Statutory operating profit of \$122m – \$132m).

Investment returns to be in line with relevant internal benchmarks¹.

1. Internal Investment benchmarks
 - Australian Regulatory capital (79%/21% defensive/growth) – target for portfolio bank bill index plus 1%
 - New Zealand regulatory capital (100% defensive) (1) For core portfolio target is a 6 month bank bill index (2) For premium payback portfolio target is a 3.0 years interest rate swap index
 - Surplus capital (100% defensive) – bank bill index

