



2012 HALF YEAR RESULTS

INVESTOR PRESENTATION

Monday 20 February 2012

nib holdings



MARK FITZGIBBON

CEO & MANAGING DIRECTOR

nib holdings

GROUP HIGHLIGHTS

	1H12	1H11		%
Premium revenue	\$554.4m	\$495.0m	↑	12.0
Total policyholders	457,768	430,582	↑	6.3
Net underwriting profit	\$42.7m	\$40.9m	↑	4.5
Net investment income	\$12.4m	\$18.6m	↓	(33.2)
Net profit after tax	\$38.3m	\$39.0	↓	(1.9)
Earnings per share	8.2 cps	8.0 cps	↑	2.5
ROE ¹	18.0%	14.8%	↑	3.2
Interim dividend	4.25 cps	4.0 cps	↑	6.3
Operating cash flow	\$34.9m	\$27.1m	↑	28.8

¹ Using average shareholders' equity over rolling 12 month period.

PREMIUM REVENUE GROWTH

	1H12	1H11		%
HIB	\$540.9m	\$489.8m	↑	10.4
IWB	\$12.3m	\$5.1m [#]	↑	138.9
ISB	\$1.2m	\$0.05m	↑	NA
Total	\$554.4m	\$495.0m	↑	12.0

- Total premium revenue up 12.0%, primarily due to policyholder growth (\$29.6m), price increases (\$35.0m) offset by product mix (\$10.3m)
- HIB
 - Net HIB policyholder growth rate of 2.2% (1H11: 2.7%) versus industry growth rate of 1.5% (1H11: 1.4%)
 - nib accounted for 10.9% (1H11: 13.7%) of total industry national growth and 19.0% (1H11: 21.3%) in target 20-39 segment
- IWB net policyholder growth of 7.6%
- ISB net policyholder growth of 46.7%

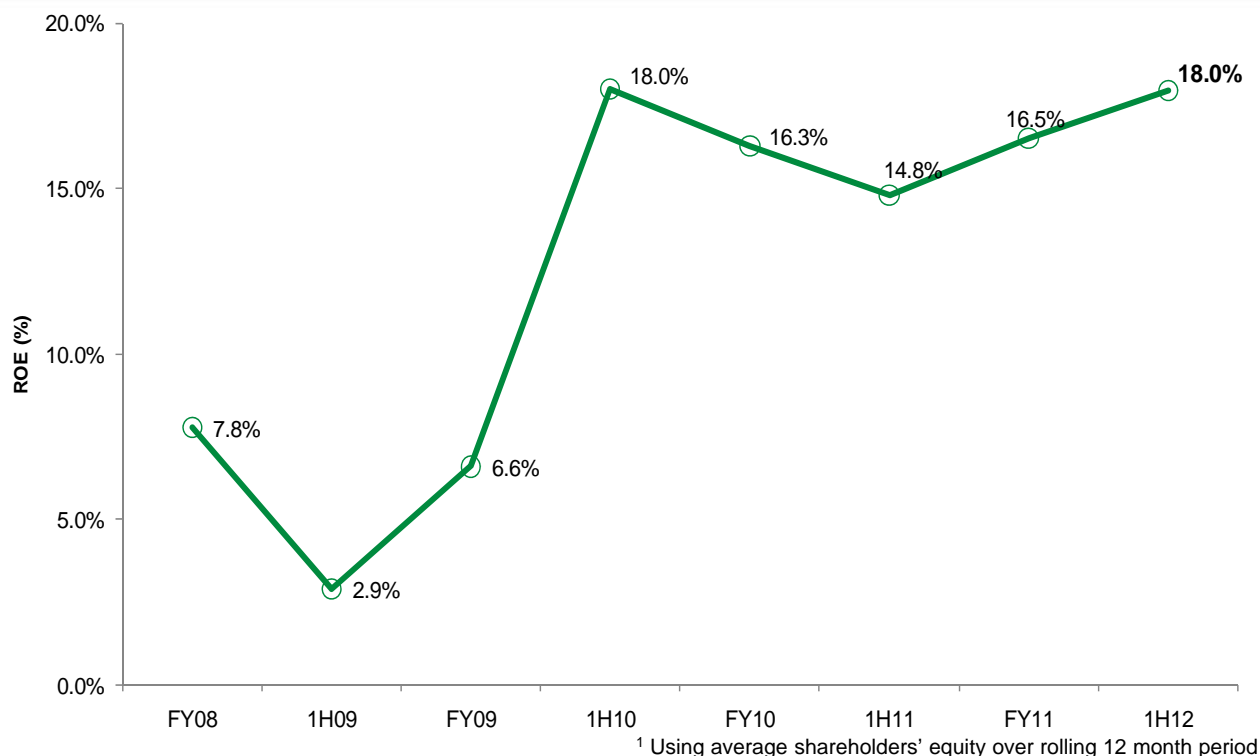
Source: Policyholder figures sourced from nib and PHIAC data as at December 2011
 # 1H11 was a 3 month result with IMAN business acquired October 2010

HIB = Health Insurance Business, ISB = International Students Business, IWB = International Workers Business

OTHER OBSERVATIONS

- We are experiencing some margin pressures in HIB
 - 1H12: 7.4% v 1H11: 8.2%
- Margins in IWB business are strong as anticipated
 - 1H12: 29.0% v 1H11: 14.7%
- Weaker investment performance reflects lower capital and yields

RETURN ON EQUITY IS GROWING

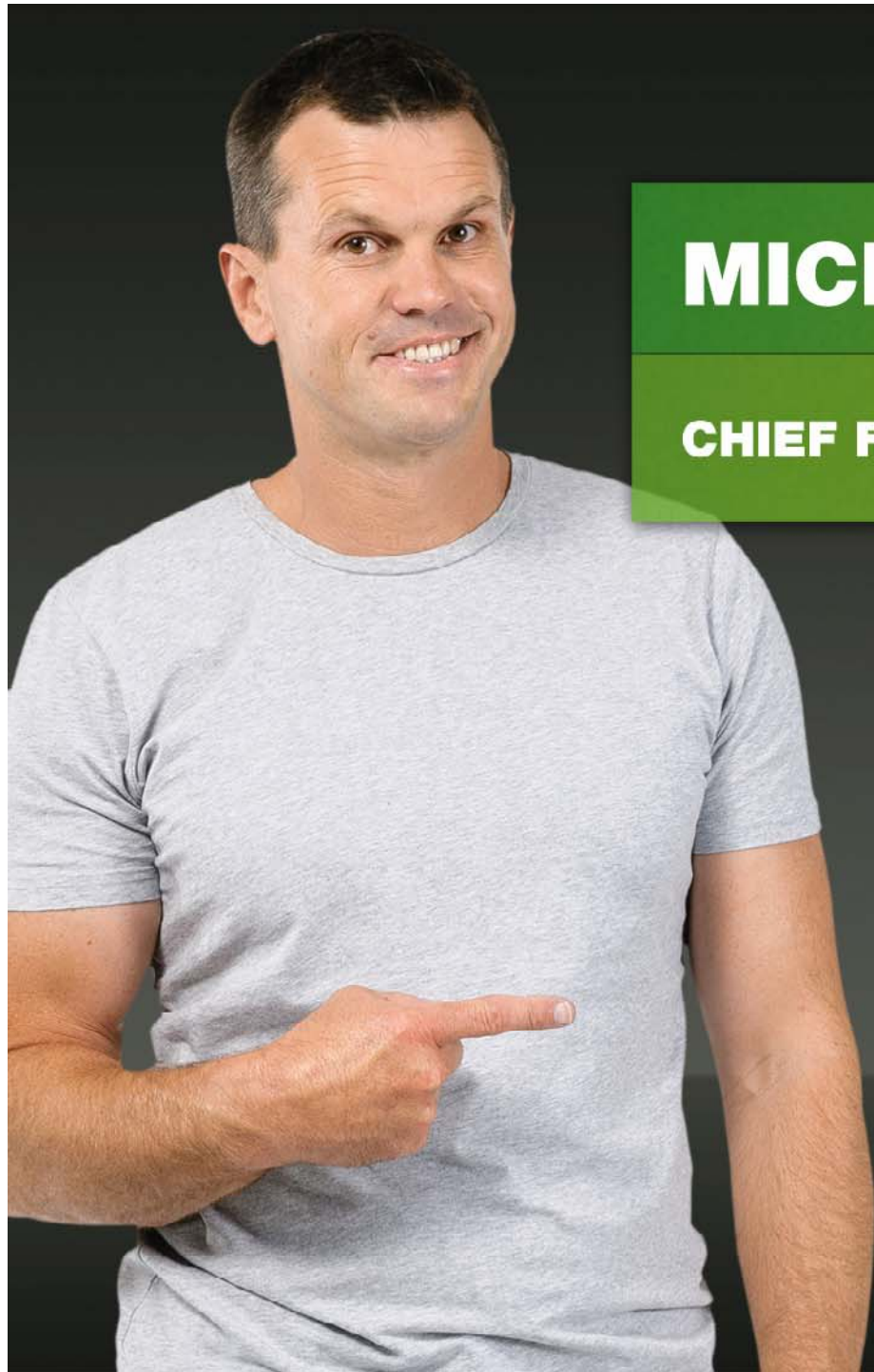


- Underlying earnings growth combined with capital management have further improved ROE, including:
 - \$75 million capital return (distributed in July 2011)
 - Payment of special dividends (FY11 full year special dividend: \$23.3m)
- Ongoing capital management to take the form of on-market buy back, special dividends and potential capital returns
- On market buy back – 230k shares cancelled in January 2012

DIVIDEND

cps	FY08			FY09			FY10			FY11			FY12
	Interim	Final	Total	Interim	Final	Total	Interim	Final	Total	Interim	Final	Total	Interim
Ordinary	0.0	2.1	2.1	1.0	1.4	2.4	2.0	5.0	7.0	4.0	4.0	8.0	4.25
Special	0.0	0.0	0.0	2.0	3.0	5.0	0.0	0.0	0.0	0.0	5.0	5.0	0.0
Total	0.0	2.1	2.1	3.0	4.4	7.4	2.0	5.0	7.0	4.0	9.0	13.0	4.25

- Interim ordinary dividend of 4.25 cps fully franked (\$19.8m)
- Ordinary dividend policy will continue to reflect a payout of fully franked dividends between 50% - 60% of full year NPAT
- Anticipate payment of special dividend with full year results to the extent franking credits permit



MICHELLE MCPHERSON

CHIEF FINANCIAL OFFICER & DEPUTY CEO

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HIB KEY METRICS

	1H12	1H11		%
Total policyholders	440,707	417,776	↑	5.5
- Net policyholder growth (%)	2.2	2.7	↓	(0.5)
Net new policyholders	9,534	10,847	↓	(12.1)
Total sales	28,864	27,661	↑	4.3
- Sales rate (%)	6.7	6.8	↓	(0.1)
- Sales new to category (%)	68.3	67.5	↑	0.8
- Sales under 40 years of age (%)	74.5	76.8	↓	(2.3)
- Sales online (%)	36.0	35.5	↑	0.5
- Sales outside NSW/ACT (%)	43.8	43.0	↑	0.8
Total lapses	19,330	16,814	↑	14.6
- Lapse rate (%)	4.5	4.1	↑	0.4

- Increasing competitor and uncertain economic conditions resulted in 2.2% net policyholder growth, down from 2.7% in 1H11, even with increased investment of \$2.1m in marketing
- Unfavourable lapse experience remains a key focus with further innovations and initiatives planned for 2012 calendar year to address negative trend
- Key sales metrics in line with expectations

HIB RESULTS

(\$m)	1H12	1H11		%
Premium revenue	540.9	489.8	↑	10.4
- % of total GWP	97.6%	98.9%	↓	(1.3)
Claims (excluding Risk Equalisation)	(376.3)	(348.4)	↑	8.0
Risk Equalisation	(76.7)	(60.9)	↑	25.8
Gross underwriting result	87.9	80.5	↑	9.2
- Gross margin (%)	16.3%	16.4%	↓	(0.1)
Management expenses	(48.1)	(40.1)	↑	20.0
- MER (%)	8.9%	8.2%	↑	0.7
Net underwriting profit	39.8	40.4	↓	(1.4)
- Net margin (%)	7.4%	8.2%	↓	(0.8)

- Premium revenue up 10.4% due to policyholder growth (\$27.1m), 6.19% rate increase effective 1 April 2011 (\$33.4m) offset by product mix (\$9.2m)
- 1H12 includes \$1.9m benefit from reduction of outstanding claims provision (OSC) at 30 June 2011, down from \$4.3m in 1H11
- Risk equalisation up 25.8% (\$15.8m) reflecting claims inflation of \$8.0m (net of industry and nib), policyholder growth (\$4.8m), product mix (\$1.5m) and margins included in the OSC (\$1.5m)
- Management expenses up \$8.0m, due to no revaluation benefit in 1H12 (1H11: \$2.2m), \$2.1m higher marketing expenditure to support organic growth and \$2.6m increase in employment costs
- Net margin with OSC impact removed of 1H12: 7.0% v 1H11: 7.4%

HIB = Health Insurance Business

IWB RESULTS

(\$m)	1H12	1H11 3 month result		%
Premium revenue	12.3	5.1	↑	138.9
- % of total GWP	2.2%	1.0%	↑	1.2
Claims	(5.1)	(2.5)	↑	95.9
Gross underwriting result	7.2	2.6	↑	182.1
- Gross margin (%)	58.9%	49.9%	↑	9.0
Management expenses	(3.7)	(1.8)	↑	103.0
- MER (%)	29.9%	35.2%	↓	(5.3)
Net underwriting profit	3.6	0.8	↑	371.0
- Net margin (%)	29.0%	14.7%	↑	13.3

- 1H11 IWB only 3 month result following IMAN acquisition 1 October 2010
- Premium revenue on a normalised basis up 17% on 1H11 (\$1.8m), due to policyholder growth (\$2.2m), price increase (\$1.5m) offset by product mix (\$1.8m)
- MER of 29.9% (1H11: 35.2%) with integration of IMAN health insurance administration and claims processing activities into head office centralised functions (effective November 2011) realising cost synergies
- Net margin of 29.0% (1H11: 14.7%) viewed as sustainable

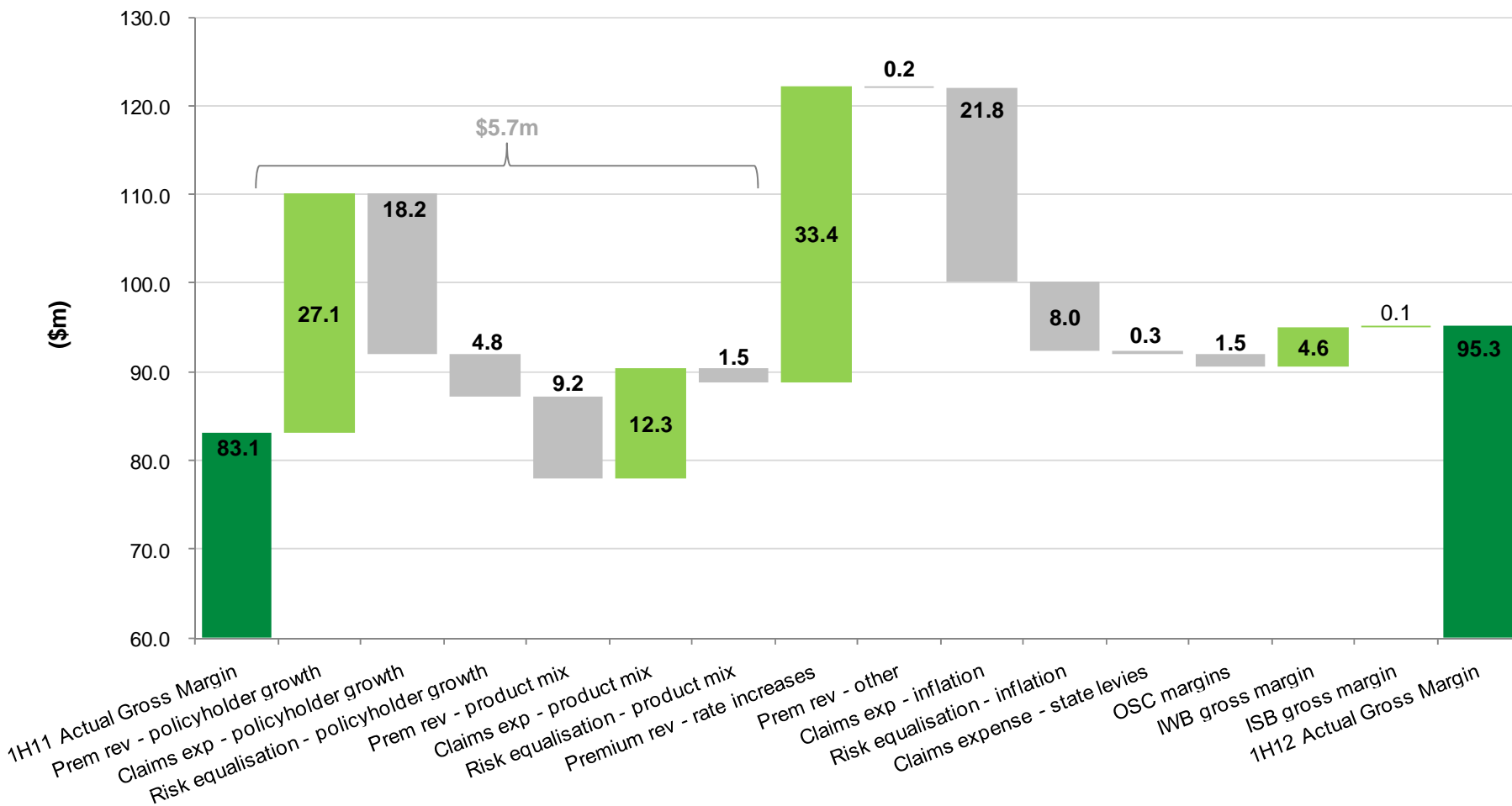
IWB = International Workers Business

ISB RESULTS

(\$'000)	1H12	1H11		%
Premium revenue	1,194	52	↑	NA
- % of total GWP	0.2%	0.01%	↑	0.2
Claims	(1,056)	(32)	↑	NA
Gross underwriting result	138	20	↑	590.0
- Gross margin (%)	11.6%	38.5%	↓	(26.9)
Management expenses	(806)	(301)	↑	167.8
- MER (%)	67.5%	578.8%	↓	(511.3)
Net underwriting profit/(loss)	(668)	(281)	↓	(137.7)
- Net margin (%)	(55.9)	(540.4)	↓	(484.5)

- Growth slower than previously anticipated, but some success in targeting alternative distribution channels
- Poor claims experience has lead to revised pricing approach and some amendments to product design
- Management expenses of \$0.8m largely comprise upfront broker commissions of \$0.3m and employment costs of \$0.4m
- Full year net underwriting loss expected to be similar to prior year

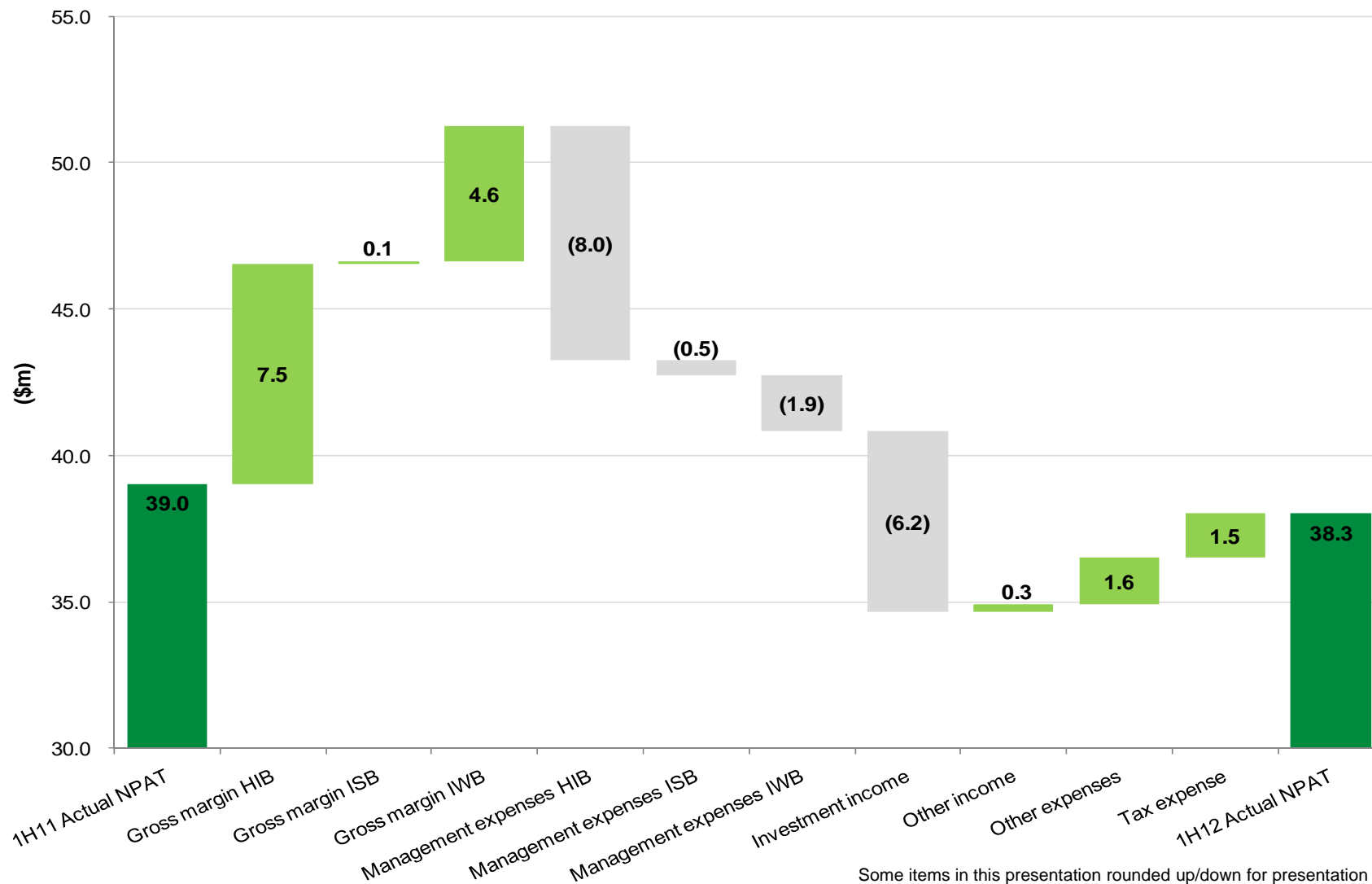
GROSS PROFIT DRIVERS (1H12 V 1H11)



- Policyholder growth and changing product mix contributed \$5.7m of a total \$7.5m increase in HIB gross margin

HIB = Health Insurance Business, ISB = International Students Business, IWB = International Workers Business

NPAT SUMMARY



Some items in this presentation rounded up/down for presentation purposes

HIB = Health Insurance Business, ISB = International Students Business, IWB = International Workers Business



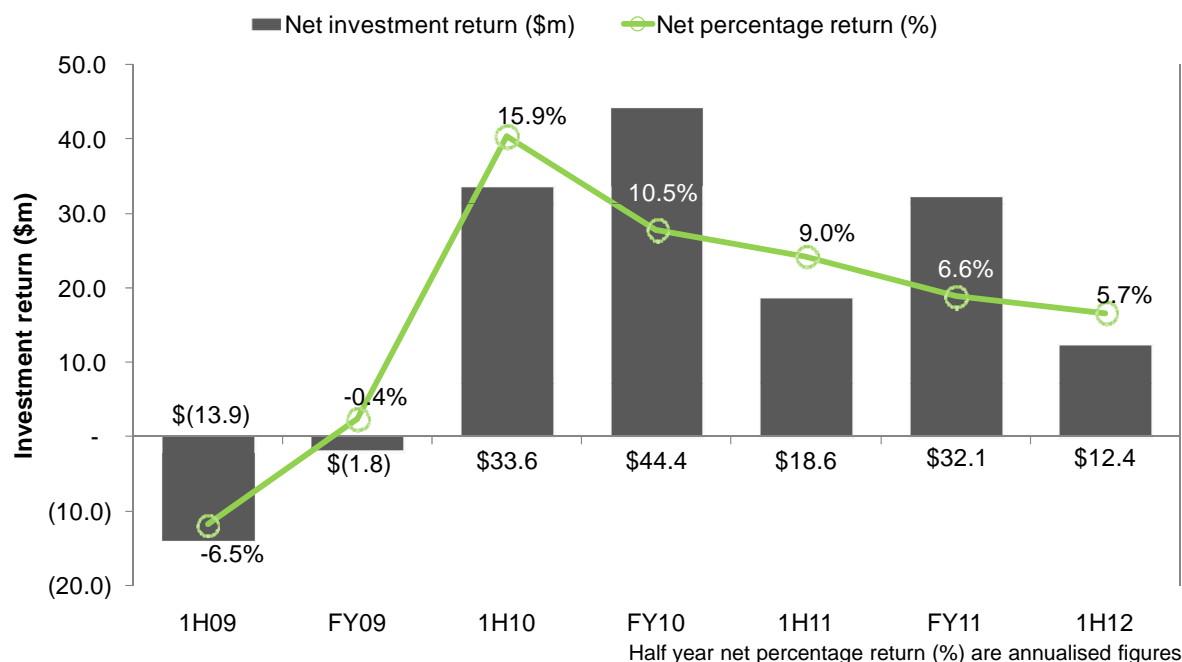
MANAGEMENT EXPENSES

(\$m)	Employment	Marketing (Direct)	Marketing (Commissions)	IT	Occupancy	Other	1 H12 Total	1H11 Total	Change (1H12 – 1H11)	1H12 MER (%)	1H11 MER (%)
HIB	22.3	8.3	4.0	3.8	3.1	6.6	48.1	40.1	↑ 8.0	8.9	8.2
IWB	1.9	0.2	-	0.6	0.1	0.9	3.7	1.8	↑ 1.9	29.9	35.2
ISB	0.4	-	0.3	-	-	0.1	0.8	0.3	↑ 0.5	67.5	578.8
Total	24.6	8.5	4.3	4.4	3.2	7.6	52.6	42.2	↑ 10.4	9.5	8.5

- HIB management expenses up \$8.0m to \$48.1m (1H11: \$40.1m) due to:
 - Employment costs up **\$2.6m** due to normal wages inflation (\$0.8m), investment in remote agent call centre workforce (\$0.4m), investment in IT (\$0.4m) and expansion of operations in WA (\$0.4m)
 - Marketing costs up **\$0.3m** due to targeted seniors campaign in 1H12 (\$0.2m)
 - Marketing (Commissions) up **\$1.8m** reflects organic growth through broker arrangements
 - IT costs up **\$0.7m** primarily due to increased maintenance costs (\$0.4m) and network, infrastructure and system development (\$0.3m)
 - Occupancy costs up **\$2.4m** due to benefit in 1H11 for reversal of HOB property impairment charge (\$2.2m)
- 2H12 HIB marketing (direct and commissions) will be approximately \$7m higher than 1H12 reflecting approximately 60%-65% of FY spend, in line with expected split of policyholder growth
- IWB management expenses up \$1.9m reflecting six month (1H12) v 3 month result (1H11)
- ISB management expenses up \$0.5m reflects continued investment to build business capability (employment costs up \$0.2m) and upfront (multi year) broker commissions (\$0.3m)

HIB = Health Insurance Business, ISB = International Students Business, IWB = International Workers Business

INVESTMENTS



- Ongoing stability in investment result relative to historic performance due to transition in 1H11 to revised asset allocation
- Lower net investment return of \$12.4m (1H11: \$18.6m) as a result of reduction in investment assets associated with capital management initiatives (\$75m capital return and payment of special dividends)
- Consolidated defensive/growth split of 82%/18% (1H11: 78%/22%) reflects 80%/20% defensive/growth for investments required to support internal prudential target(1.3x) and 100% defensive for balance of capital
- Actual net return for the first six weeks of CY12 was 1.1%

SURPLUS CAPITAL POSITION

	1H12 (\$m)	1H11 (\$m)
Opening surplus capital position above 1.3x (Capital/Risk Multiple of 2.00x)	138.0	144.5
Board's revision to capital adequacy target from 1.4x at 30 June 2010 to 1.3x at 31 December 2010	-	29.3
On-market share buy back	-	(2.0)
Capital Return	(75.4)	-
Allowance for ordinary interim dividend	(19.8)	(18.7)
Acquisition of IMAN business	-	(26.0)
Changes in forecast, liabilities and capital adequacy reserve	(23.7)	(20.7)
Profit after tax	38.3	39.0
Closing surplus capital position above 1.3x (Capital/Risk Multiple of 2.00x)	57.4	145.4



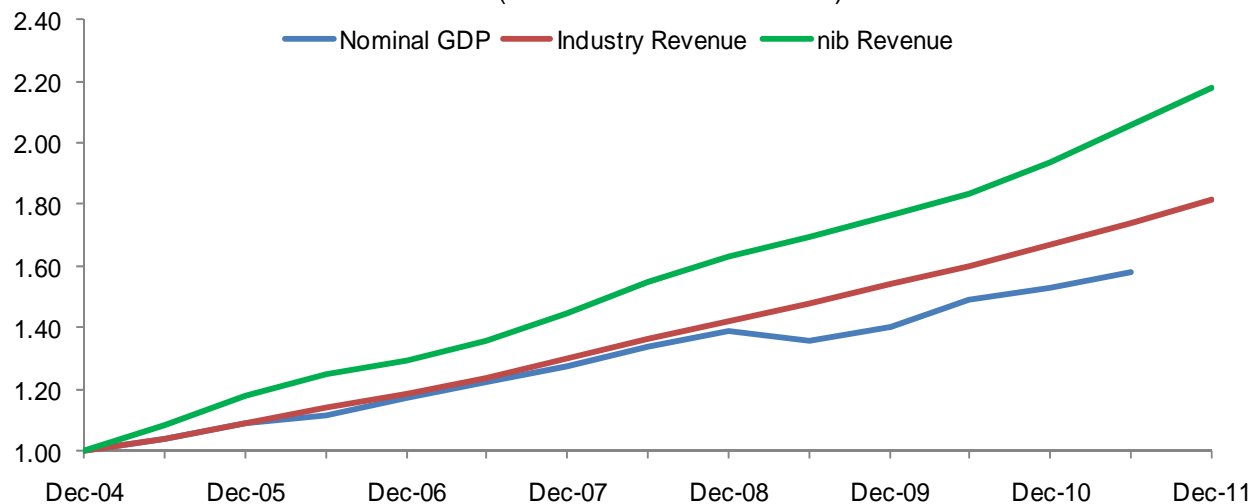
MARK FITZGIBBON

CEO & MANAGING DIRECTOR

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MARKET CONDITIONS & OUTLOOK

Cumulative nominal GDP, annual industry and nib revenue growth
(indexed to December 2004)



Source: PHIAC and the ABS

GDP data for December 2011 quarter not currently available

- Continued steady HIB system growth no change to previous view of likely modest 30% rebate customer loss:
 - nib's analysis continues to indicate 4,700 nib customers (0.6% of nib customers) dropping their nib cover beyond normal lapse rates in FY13; and
 - approximately 19,600 nib customers (2.3% of nib customers) could downgrade their cover beyond normal levels following the policy change in FY13
- Increased certainty in Government policy
- Accelerating foreign worker migration

HIB = Health Insurance Business

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KEY ISSUES

- HIB organic growth and return on investment
- Improved policyholder retention and service excellence (TLC)
- Claims inflation especially risk equalisation
- Pricing and regulatory risk
- Growing IWB and ISB business
- Ongoing capital management

GUIDANCE

- Net HIB policyholder growth of 6%
- Consolidated pre-tax net underwriting profit of \$65m - \$70m, with the additional investment in organic growth likely to see the result at the lower end of this range
- Investment return in line with
 - Regulatory capital (80/20 defensive/growth) - target for portfolio UBS bank bill index plus 1%
 - Surplus capital (100% defensive) - UBS bank bill index



Q&A

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APPENDIX

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nib POLICYHOLDER & OTHER DATA

nib	1H10	FY10	1H11	FY11	1H12
Total policyholders	375,130	407,007	430,582	446,504	457,768
- Total policyholders (HIB)	375,130	406,929	417,776	431,173	440,707
- Total policyholders (ISB)	-	78	433	1,432	2,101
- Total policyholders (IWB)	-	-	12,373*	13,899	14,960
Retail Centres (across Australia) ¹		18	19	20	20
Employees (FTEs)	448	470	527 [#]	572 [#]	576[#]
HIB					
Net policyholder growth	2.4%	5.9%	2.7%	6.0%	2.2%
Market share	7.2%	7.3%	7.4%	7.5%	7.6%
Persons covered	776,626	797,144	817,583	839,282	859,331
Average age of hospital persons covered (yrs)	36.1	36.1	36.0	35.9	35.9
Total policyholders "under 40"	184,119	193,261	199,354	208,082	212,157
- Growth in "under 40" segment	2.8%	8.0%	3.2%	7.7%	2.0%
Total hospital persons "20-39"	237,693	246,316	254,438	262,981	269,504
- Growth in hospital persons "20-39"	2.8%	6.6%	3.3%	6.8%	2.5%
- Market share	10.1%	10.2%	10.4%	10.6%	10.7%

¹ Includes nib Retail and Sales Centres, excludes mobile sales kiosks

* Previously incorrectly reported as 13,151 policyholders. This error had no impact on gross margin for FY11.

[#] Increase in FTEs includes international students and workers businesses

Source: nib /PHIAC data as at December 2011

HIB = Health Insurance Business, ISB = International Students Business, IWB = International Workers Business

PHI INDUSTRY POLICYHOLDER DATA

By financial year intervals

	FY06	FY07	FY08	FY09	FY10	FY11
Total policyholders	4,806,754	5,008,329	5,219,567	5,390,739	5,549,338	5,727,566
- Policyholder growth	2.1%	4.2%	4.2%	3.3%	2.9%	3.2%
Persons Covered	10,189,552	10,561,848	10,942,616	11,257,885	11,561,299	11,901,915
Average age of hospital persons (yrs)	39.8	39.9	39.8	40.0	40.1	40.2
Total hospital persons "20-39"	2,047,020	2,159,587	2,309,302	2,359,022	2,407,852	2,477,256
- Growth in hospital persons "20-39"	2.5%	5.5%	6.9%	2.2%	2.1%	2.9%

By half year intervals

	1H07	1H08	1H09	1H10	1H11	1H12
Total policyholders	4,883,236	5,111,415	5,302,576	5,455,611	5,628,419	5,815,019
- Policyholder growth	1.6%	2.1%	1.6%	1.2%	1.4%	1.5%
Persons covered	10,358,174	10,771,639	11,117,461	11,404,872	11,733,719	12,090,453
Average age of hospital persons (yrs)	39.8	39.8	39.9	40.1	40.2	40.2
Total hospital persons "20-39"	2,109,533	2,257,637	2,344,085	2,386,989	2,445,899	2,511,625
- Growth in hospital persons "20-39"	3.1%	4.5%	1.5%	1.2%	1.6%	1.4%

All figures excludes International Workers Business and International Students Business, unless otherwise stated

Source: PHIAC data as at December 2011

FINANCIAL RESULTS (UNDERLYING RESULTS)

Underlying results split out investment income between:

- Normalised investment income for 1H12– calculated on the basis of a 4.3%* (1H11: 5.2%*) assumed return over average investment assets for the period
- Investment experience – difference between actual and underlying investment income

Normalised earnings (\$m)	1H12	1H11	Change (%)
Premium revenue	554.4	495.0	12.0
Claims expense	(370.7)	(339.6)	9.2
Risk Equalisation Levy	(76.7)	(60.9)	25.8
State levies	(11.7)	(11.4)	3.2
Net claims incurred	(459.1)	(411.9)	11.4
Gross underwriting result	95.3	83.1	14.7
Management expenses	(52.6)	(42.2)	24.6
Net underwriting result	42.7	40.9	4.5
Normalised investment income ¹	9.6	12.5	(23.2)
Other income	1.3	1.0	30.0
Other expenses	(2.4)	(4.0)	(40.0)
Underlying profit before tax	51.2	50.4	1.8
Tax	(14.9)	(15.3)	(2.0)
Underlying profit after tax	36.3	35.1	3.4
Inv experience (after tax)	2.0	3.9	(48.7)
Profit after tax	38.3	39.0	(1.9)

Performance indicators – normalised (%)	1H12	1H11
Gross margin	17.2	16.8
Management expense ratio	9.5	8.5
Net margin	7.7	8.3
Underlying investment return	4.3	5.2
EPS (cps)	8.2	8.0
EPS – underlying (cps)	7.8	7.2
ROE ⁽²⁾	18.0	14.8
ROE – underlying ⁽²⁾	17.5	13.4

(1) Net of fees. (2) Rolling 12 months, using average shareholder equity

* 10 year Government bond rate

DETAILED INCOME STATEMENT

(\$m)	1H10	2H10	FY10	1H11	2H11	FY11	1H12	1H12 v 1H11 (%)
Premium revenue	446.1	455.3	901.4	495.0	512.8	1,007.8	554.4	12.0
- Premium revenue (HIB)	-	-	-	489.8	501.5	991.3	540.9	10.4
- Premium revenue (ISB)	-	-	-	0.1	0.4	0.5	1.2	NA
- Premium revenue (IWB)	-	-	-	5.1	10.9	16.0	12.3	138.9
Claims expense	(310.7)	(325.3)	(636.0)	(339.6)	(353.5)	(693.1)	(370.7)	9.2
- Hospital benefits paid	(215.5)	(213.0)	(428.5)	(234.9)	(226.7)	(461.6)	(253.7)	8.0
- Ancillary benefits paid	(96.8)	(107.5)	(204.3)	(104.3)	(117.9)	(222.2)	(114.6)	9.8
- OSC provision movement (HIB)	1.6	(4.8)	(3.2)	2.2	(3.7)	(1.5)	3.8	68.8
- ISB claims expense	-	-	-	(0.1)	(0.1)	(0.2)	(1.1)	NA
- IWB claims expense	-	-	-	(2.5)	(5.1)	(7.6)	(5.1)	95.9
Risk equalisation levy	(53.3)	(56.6)	(109.9)	(60.9)	(71.8)	(132.7)	(76.7)	25.8
- OSC risk equalisation margin	(2.1)	(0.8)	(2.9)	0.7	(1.4)	(0.7)	(0.8)	(219.6)
- Gross deficit	74.2	73.7	147.9	81.1	79.2	160.3	89.1	9.9
- Calculated deficit	(125.4)	(129.5)	(254.9)	(142.7)	(149.6)	(292.3)	(165.0)	15.6
State levies	(10.9)	(11.1)	(22.0)	(11.4)	(11.5)	(22.9)	(11.7)	3.2
Net claims incurred	(374.9)	(393.0)	(767.9)	(411.9)	(436.8)	(848.7)	(459.1)	11.4
Gross underwriting result	71.2	62.3	133.5	83.1	76.0	159.1	95.3	14.7
- Gross underwriting result (HIB)	71.2	62.3	133.5	80.5	69.9	150.4	88.0	9.2
- Gross underwriting result (ISB)	-	-	-	0.0	0.3	0.3	0.1	590.0
- Gross underwriting result (IWB)	-	-	-	2.6	5.8	8.4	7.2	182.1
Management expenses	(40.7)	(45.7)	(86.4)	(42.2)	(55.4)	(97.6)	(52.6)	24.6
- Management expenses (HIB)	(40.7)	(45.7)	(86.4)	(40.1)	(50.5)	(90.6)	(48.1)	20.0
- Management expenses (ISB)	-	-	-	(0.3)	(1.1)	(1.4)	(0.8)	167.8
- Management expenses (IWB)	-	-	-	(1.8)	(3.8)	(5.6)	(3.7)	103.0
Net underwriting result	30.5	16.6	47.1	40.9	20.6	61.5	42.7	4.5
- Net underwriting result (HIB)	30.5	16.6	47.1	40.4	19.4	59.8	39.9	(1.4)
- Net underwriting result (ISB)	-	-	-	(0.3)	(0.8)	(1.1)	(0.7)	137.7
- Net underwriting result (IWB)	-	-	-	0.8	2.0	2.8	3.5	371.0

HIB = Health Insurance Business, ISB = International Students Business, IWB = International Workers Business

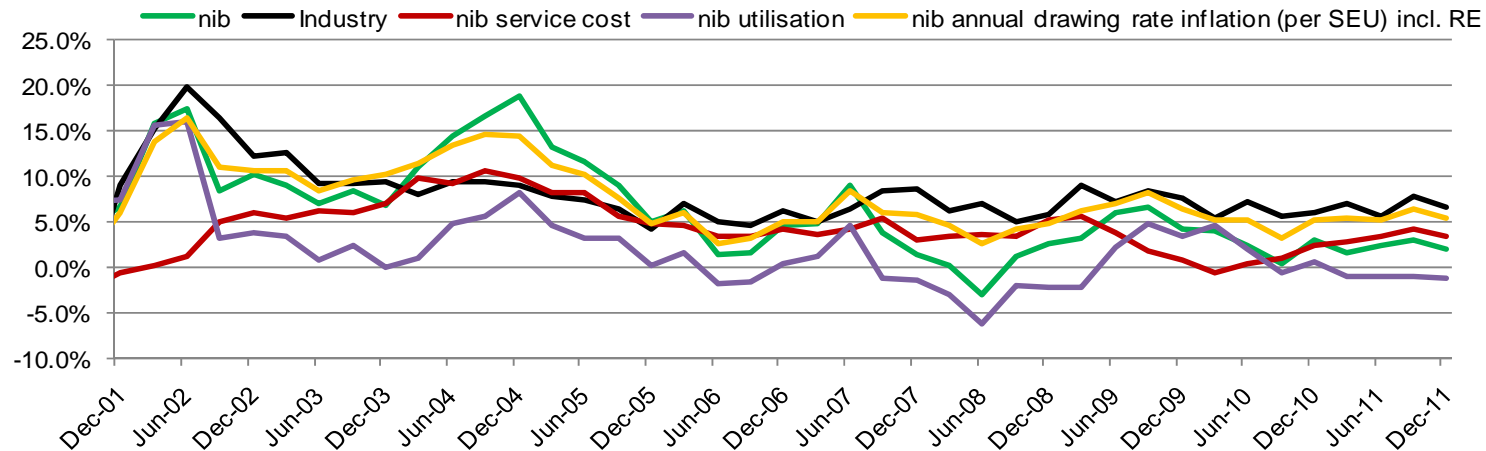
DETAILED MANAGEMENT EXPENSES

(\$m)	Employment	Marketing (Direct)	Marketing (Commissions)	IT	Occupancy	Other	Total Management Expenses	Total MER (%)
HIB								
1H09	18.4	8.5	0.9	3.0	5.5	6.5	42.8	10.4
2H09	17.3	8.7	1.2	2.7	3.2	5.9	39.0	9.3
FY09	35.7	17.2	2.1	5.7	8.7	12.4	81.8	9.9
1H10	18.1	7.7	1.6	2.9	4.5	5.9	40.7	9.1
2H10	18.9	11.7	2.2	3.3	3.2	6.4	45.7	10.0
FY10	37.0	19.4	3.7	6.2	7.7	12.4	86.4	9.6
1H11	19.6	8.0	2.2	3.1	0.7	6.5	40.1	8.2
2H11	20.7	13.0	3.1	3.4	3.1	7.1	50.4	10.0
FY11	40.3	21.0	5.3	6.5	3.9	13.6	90.6	9.1
1H12	22.3	8.3	4.0	3.8	3.1	6.6	48.1	8.9
IWB								
1H11	1.0	0.1	-	0.2	0.1	0.4	1.8	35.3
2H11	1.7	0.2	-	0.5	0.1	1.3	3.9	35.8
FY11	2.7	0.2	-	0.8	0.2	1.7	5.6	35.0
1H12	1.9	0.2	-	0.6	0.1	0.9	3.7	29.9
ISB								
1H11	0.2	0.1	-	-	-	-	0.3	300.0
2H11	0.7	-	0.2	-	-	0.2	1.1	275.0
FY11	0.9	0.1	0.2	-	-	0.2	1.4	280.0
1H12	0.4	0.0	0.3	-	-	0.1	0.8	67.5

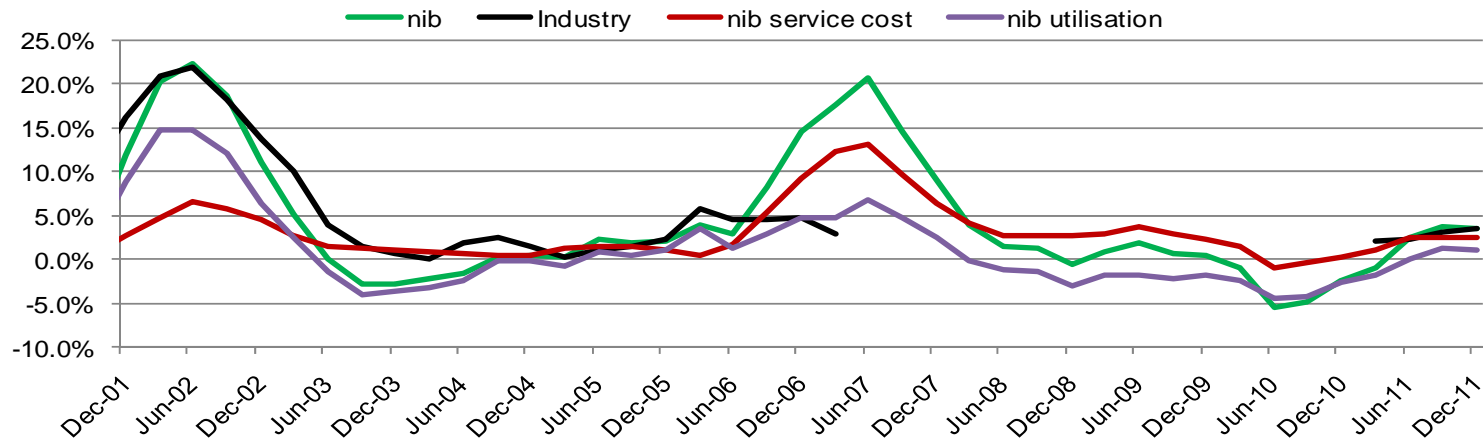
HIB = Health Insurance Business, ISB = International Students Business, IWB = International Workers Business

CLAIMS EXPENSE

Hospital claims inflation



Ancillary claims inflation



Note: industry data from 1 April 2007 is not comparable due to change in the way ancillary products are determined by PHIAC Source: PHIAC

All figures excludes International Workers Business and International Students Business, unless otherwise stated



OTHER INCOME & EXPENSES

(\$m)	1H12	1H11		\$m Fav/(Unfav)	% Fav/(Unfav)
Other income					
Life & funeral insurance commission	0.5	0.2	↑	0.3	150.0
Travel and other commission	0.2	0.2	-	-	-
Rental income	0.4	0.2	↑	0.2	100.0
Other	0.2	0.4	↓	(0.2)	(50.0)
Total other income	1.3	1.0	↑	0.3	39.0
Other expenses					
Share registry – ongoing	0.6	0.7	↓	(0.1)	(14.0)
Share registry – one off	0.3	0.2	↑	0.1	50.0
M&A - other	0.0	0.7	↓	(0.7)	(100.0)
IMAN acquisition costs - one off	-	0.9	↓	(0.9)	-
Other	1.5	1.5	-	-	-
Total other expenses	2.4	4.0	↓	(1.6)	(41.6)

INVESTMENTS

- All surplus capital above internal prudential requirements (1.3x) is held in 100% cash

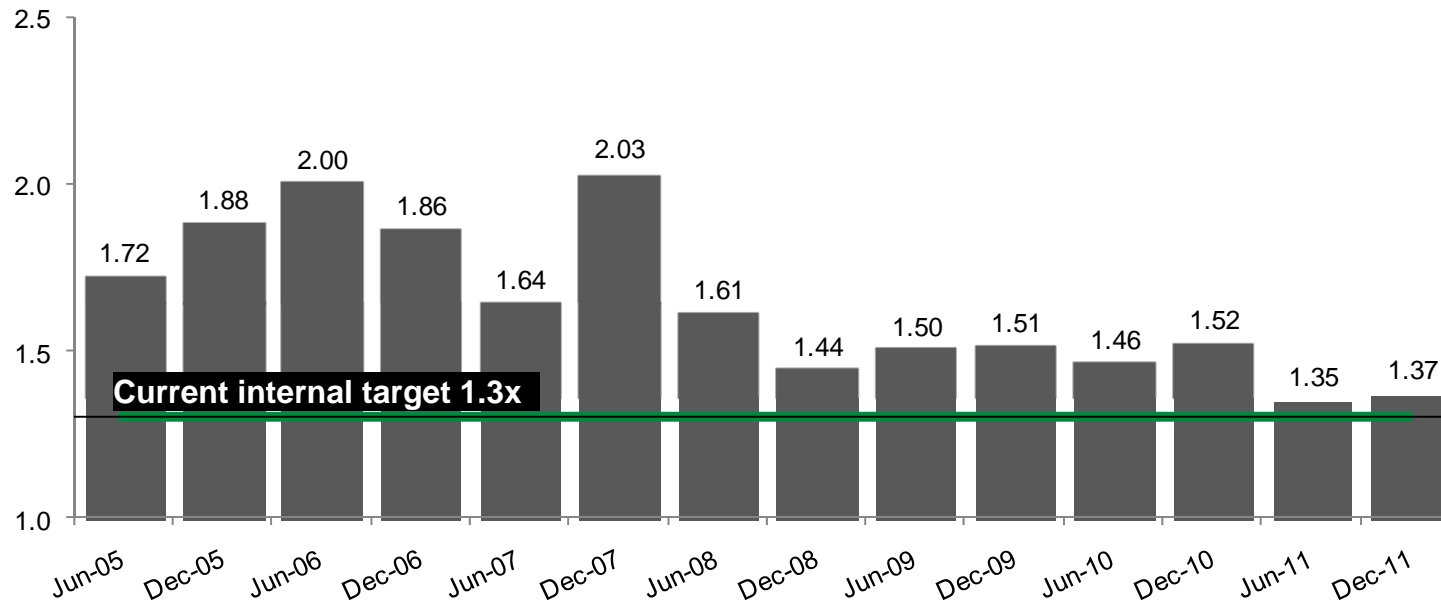
Total Investment Portfolio		
	Net return (\$m) six months to 31 December 2011	Allocation (%) at 31 December 2011
Cash	6.3	40
All maturity debt	0.9	4
Short maturity debt	7.2	34
Receivable	0.5	4
Total defensive	14.9	82
Australian shares	(1.9)	5
Global shares – hedged	-	-
Global shares – unhedged	(0.6)	4
Direct property	-	8
Property trusts	-	-
Unlisted security	-	1
Total growth	(2.5)	18
TOTAL	12.4	100

BALANCE SHEET

(\$m)	30 June 2011	31 December 2011		(\$m)	(%)
Current assets					
Cash and cash equivalents	240.8	191.9	↓	(48.9)	(20.3)
Financial assets at fair value through P&L	239.3	211.9	↓	(27.4)	(11.5)
Other current assets	49.5	48.3	↓	(1.1)	(2.3)
Total current assets	529.6	452.1	↓	(77.5)	(14.6)
Non-current assets					
Available-for-sale financial assets	2.2	2.2	-	-	-
Property, plant and equipment and intangibles	81.0	80.2	↓	(0.8)	(1.0)
Other non-current assets	26.5	15.2	↓	(11.3)	(42.6)
Total non-current assets	109.7	97.6	↓	(12.1)	(11.0)
Total assets	639.2	549.7	↓	(89.5)	(14.0)
Current liabilities					
Outstanding claims liability	65.9	63.0	↓	2.9	4.4
Unearned premium liability	65.2	58.9	↓	6.3	9.7
Other current liabilities	95.4	94.9	↓	0.5	0.4
Total current liabilities	226.5	216.8	↓	9.7	4.2
Non-current liabilities	1.0	1.1	↑	0.1	8.2
Total liabilities	227.5	217.9	↓	(9.6)	(4.2)
Net assets	411.8	331.8	↓	(80.0)	(19.4)

- Decrease in net assets reflects capital management initiatives including \$75m capital return and payment of dividends offset by strong profitability in the half year

CAPITAL ADEQUACY

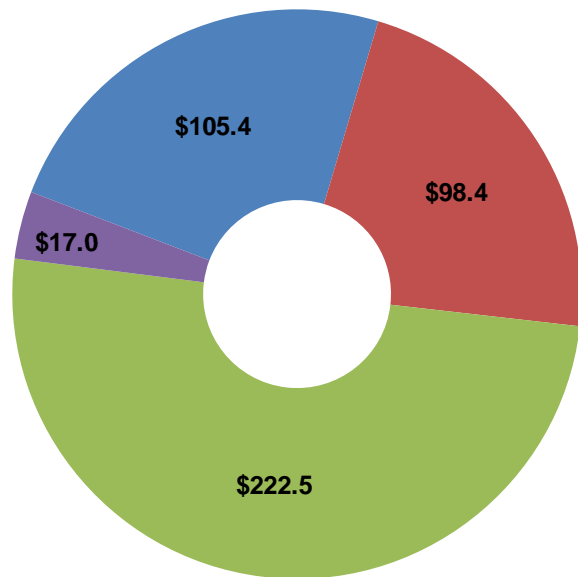


- nib Board revised capital adequacy target from 1.4x (or a Capital/Risk Multiple of 2.35x) at 30 June 2010 to 1.3x (or a Capital/Risk Multiple of 2.00x) at 31 December 2010

REGULATORY CAPITAL REQUIREMENTS

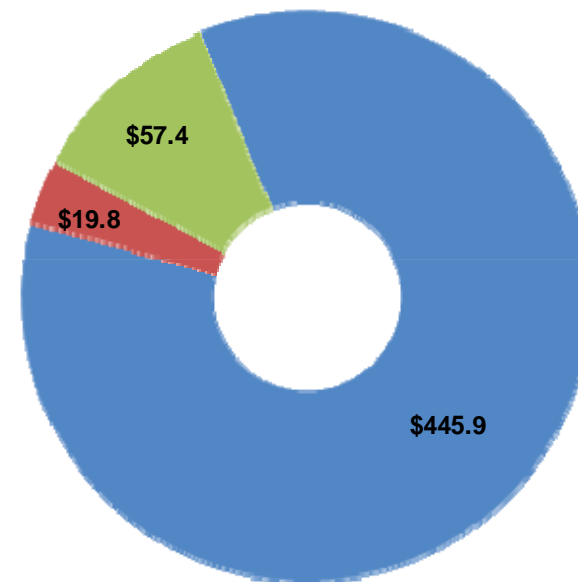
\$57.4m of surplus capital above internal target (1.3x) after allowing for interim dividend

Health fund capital
(at 31 December 2011)



- Cap ad reserve
- Health fund liabilities
- Capital to reach internal target
- Seasonal variance

Group capital allocation
(at 31 December 2011)



- Health fund capital required
- Holdings surplus capital
- Interim dividend

DISCLAIMER

The material in this presentation is a summary of the results of nib holdings limited (nib) for the six months ended 31 December 2011 and an update on nib's activities and is current at the date of preparation, 20 February 2012. Further details are provided in the Company's half year accounts and results announcement released on 20 February 2012.

No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in the presentation ("forward-looking statements"). Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of nib and its Directors) which may cause the actual results or performance of nib to be materially different from any future results or performance expressed or implied by such forward-looking statements.

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The financial information disclosed has been prepared on a statutory and pro forma basis, which is consistent with the financial information provided in the Listing Prospectus. Due care and consideration should be undertaken when considering and analysing nib's financial performance. All references to dollars are to Australian Dollars unless otherwise stated.

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2012 HALF YEAR RESULTS

INVESTOR PRESENTATION

Monday 20 February 2012

nib holdings