Annual Report 2025-26

GMHBA

Acknowledgement of Country

GMHBA acknowledges the Wadawurrung, Dja Dja Wurrung and Gunditjmara Peoples as the Traditional Owners and Custodians of the lands on which we live and work. We pay our respects to Elders past and present, and extend that respect to all First Nations Peoples, including the emerging leaders of tomorrow.

This year, we were proud to launch GMHBA's inaugural Reflect Reconciliation Action Plan (RAP), an important milestone in our commitment to reconciliation. Developed through reflection, consultation and collaboration with our people, stakeholders and the Traditional Owners of Wadawurrung Country, the RAP provides a strong foundation for building respectful relationships, deepening understanding and creating meaningful opportunities to work alongside First Nations peoples and communities.

We recognise that reconciliation is an ongoing journey. GMHBA remains committed to fostering a culture of belonging where all people feel valued, respected and connected, and to continuing to listen, learn and take meaningful action together.

Artwork by Wadawurrung Traditional Owner and Aboriginal artist Jenna Oldaker.

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About GMHBA

GMHBA takes pride in its long history as an Australian not-for-profit health insurance and healthcare company that truly values its members. For more than 90 years, we've been dedicated to serving the community and as a result have become Australia's leading regionally based not-for-profit private health insurer.

We provide coverage to 337,720 Australians through our two distinct brands: GMHBA Health Insurance and Frank Health Insurance, as well as through our network of 11 healthcare locations. Our members are at the heart of every decision we make, ensuring their wellbeing is always our top priority.

Our commitment goes beyond simply providing health insurance; we strive to enhance the health and wellbeing of our members, patients and the communities we serve. Our health services portfolio includes eye care, dental care, primary care, physiotherapy and other allied health services, allowing us to play a more significant role in our members' health journeys.

At the core of our approach is a belief that health is a collaborative experience. In addition to our specialised healthcare offerings, we actively engage with the broader community through a range of health promotion programs and events.

We know health can be challenging when faced alone, but together, we can achieve healthier and happier lives.

94%

growth in new membership policies.

1.98%

average premium increase, the lowest of all health insurers and lower than industry average for the fourth year in a row.

SmartCare Extras

launched in 2025 allowing members to choose a flexible limit that suits their needs while bundling popular services.

Employer of Choice

2025 Geelong Business Excellence Awards.

Our purpose and values

Our purpose

To support and empower our communities to live healthier lives.

Our values

- Be people focused
- Be purposeful
- Be worthy of trust
- Be remarkable

Awards

GMHBA

Geelong Business Excellence Awards 2025

Employer of Choice

WeMoney
2026 Health Insurance Awards

Best for *Silver Hospital Cover*

WeMoney
2026 Health Insurance Awards

Best for *Flexibility*

Canstar
2025 Insurance Awards

Outstanding Value
Hospital Insurance: Australia

Canstar
2025 Insurance Awards

Outstanding Value
Hospital & Extras Insurance (NSW, QLD, SA, WA, VIC)

Finder
2026 Customer Satisfaction Awards

Most Recommended Health Insurance

Finder
2026 Customer Satisfaction Awards

Easy to Claim

Finder
2026 Customer Satisfaction Awards

Top Value Health Insurance

Brandie
Awards 2025

"Caring Since 1934"
secured a Best Brand Campaign award.

Frank Health Insurance

WeMoney
2026 Health Insurance Awards

Best for *Basic Hospital Cover*

Finder Health Insurance
2025 Customer Satisfaction Awards

High Commendation:
Overseas Visitor Health Cover (OVHC) category

Highlights

Membership

337,720	Australians covered
175,160	Total memberships
8.1/10	GMHBA customer satisfaction
6.9/10	Frank customer satisfaction
51 years	Longest tenured member
105 years old	Oldest Australian covered

Caring for members

130,636	Reported hospital admissions
70,999	Surgeries funded
$425m	Hospital and medical claims paid
$119m	Ancillary claims paid
$670k	Largest episode of care funded
532	Babies born

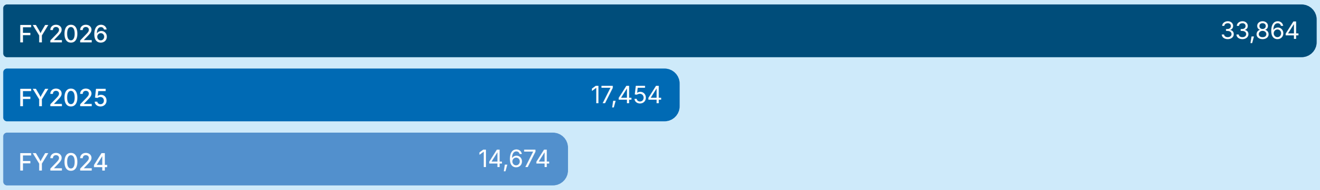
Occasions of Care

53,651	Eye care customer interactions
59,652	General Practice appointments
11,151	Dental consultations
6,935	Physiotherapy consultations
1,348	Care Co-ordination Services and Health Program referrals

Highlights

Finance

New Memberships



Contribution Income ($m)*

Incurred Claims ($m)

Health Services Revenue ($m)

Net Assets ($m)

FY 2024 (2023-24) FY 2025 (2024-25) FY 2026 (2025-26)

*Includes impacts of deferring the April 2023 premium increase until October 2023.

Chair and CEO's Report

The 2025–26 financial year saw GMHBA build on its strong foundations and make further progress across key areas of our business.

Over recent years, we have undertaken a significant transformation program to strengthen our organisation, sharpen our strategic focus and position GMHBA for long-term success. The results of that transformation are now evident.

As the financial year came to a close, GMHBA was the fastest-growing health fund in Australia; a remarkable achievement. This growth reflects the trust our members place in us, the strength of our value proposition and the dedication of our people. Most importantly, it demonstrates that our commitment to putting members first continues to resonate in an increasingly competitive and complex healthcare environment.

While growth is an important measure of success, it is not the reason we exist. At GMHBA, we believe sustainable growth is the outcome of delivering genuine value to members through affordable products, quality healthcare, exceptional service and personalised support that improves health outcomes and everyday experiences.

Our not-for-profit model supports a long-term approach to decision-making, enabling us to focus on creating sustainable value for members.

The Board remains focused on member outcomes, whilst we balance growth with disciplined stewardship. Throughout the year, we continued to invest in the capabilities that will support our future success. These investments are aimed at creating a stronger, more agile organisation that is better equipped to respond to changing member expectations and the rapidly evolving healthcare landscape.

In 2025/26, GMHBA achieved its strongest market share growth on record, with total memberships increasing by 7%.

In recent years, we have made significant investment in product ideation and development, including substantial enhancements to our Hospital products to strengthen design features, points of difference and competitive pricing.

This financial year, we launched new Extras propositions for both brands: GMHBA SmartCare and Frank Bundables. These differentiated and award-winning products have been a key driver of GMHBA's outperformance in private health insurance membership growth, demonstrating the value of continued investment in products that respond to the changing needs of our members and customers.

We also continued to expand and enhance our healthcare services, strengthening our ability to provide connected and accessible care. Combined with ongoing investments in preventative health, personalised support and service excellence through our Care Co-ordination Service, these initiatives reflect our ambition to play a broader role in improving health outcomes beyond the provision of private health insurance.

Chair and CEO's Report

Our commitment to community also remains central to who we are. As an organisation founded in regional Victoria and serving members across Australia, we are investing in partnerships and initiatives that strengthen health and wellbeing within our communities, such as the expansion of our commitment to fund The Resilience Project in an additional 7 schools.

The year also reinforced the importance of resilience in an increasingly complex operating environment. Continued investment in cyber security, risk management and organisational capability ensures GMHBA remains well positioned to protect member information, respond to emerging challenges and maintain the confidence our members place in us.

None of the achievements of the past year would have been possible without the extraordinary contribution of our people. Across our health services locations, branches, and corporate teams, our employees have embraced change, supported one another and remained steadfast in their commitment to delivering exceptional experiences for members and patients. We extend our sincere thanks to every member of the GMHBA team for their professionalism, resilience and dedication.

We also thank the Directors for their strong governance, strategic oversight and commitment to ensuring GMHBA continues to create sustainable value for members, now and into the future.

Most importantly, we thank our members. Your continued trust and loyalty have made this year's achievements possible. Every decision we make is guided by our commitment to improving your health, wellbeing and experience with GMHBA.

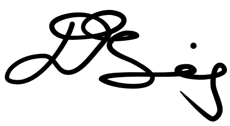
This year also saw an important leadership transition. The Board acknowledges and thanks outgoing Chief Executive Officer David Greig for his significant contribution to GMHBA's transformation journey and the strong position in which the organisation now stands. David expressed it had been a privilege to lead and work with such a highly credentialed Board and a talented, committed team across the organisation. We welcome Jarrod Coysh as Chief Executive Officer. Supported by a talented executive team and dedicated employees, he will lead the next chapter of GMHBA's growth and continued focus on member value.

Health insurance and health care is changing rapidly, driven by evolving consumer expectations, technological advancement and increasing demand for more personalised and connected models of care.

GMHBA is well positioned to build on the momentum we have created through responsible growth, deeper member relationships and continued investment in technology, digital capability, and products, delivering outstanding value and care for members for many years to come.

Claire Higgins
Chair
GMHBA Limited

David Greig
CEO
GMHBA Limited



CEO Transition

In June 2026, GMHBA announced the appointment of Jarrod Coysh as its next Chief Executive Officer. Jarrod will commence in September 2026, following the decision of David Greig to step down.

Jarrod joins GMHBA from REI Super, where he has served as CEO since 2019. He brings extensive experience across financial services, including roles in banking, strategy and consulting, with earlier experience at Boston Consulting Group. His leadership style combines strong strategic capability with a deep understanding of member-based organisations.

Chair Claire Higgins said the Board was pleased to appoint Jarrod following a rigorous selection process:

"Jarrod brings a compelling combination of strategic capability, financial expertise and values-driven leadership. He is well placed to lead GMHBA in a complex, highly regulated environment and to guide the organisation through its next phase of growth."

GMHBA enters this transition from a position of strength. Over the past 12 months, the organisation has been recognised nationally for affordability, flexibility and customer satisfaction, while continuing to support members through cost-of-living pressures, including delivering the industry's lowest average premium increase of 1.98% in 2026.

Jarrod said he was honoured to join GMHBA and build on its strong legacy:

"For more than 90 years, GMHBA has been one of Australia's most trusted not-for-profit health insurers, grounded in community and focused on its members. I look forward to working with the team to build on these strong foundations."

The Board recognised the significant contribution of outgoing CEO David Greig, who has led GMHBA for the past five years:

"David has guided GMHBA through unprecedented challenges, including the COVID-19 pandemic, with resilience, care and clarity. Under his leadership, the organisation has been transformed, strengthening its foundations, embracing innovation and delivering sustained growth while staying true to its not-for-profit purpose."

Community Outcomes

Through strategic partnerships, community investment and employee volunteering, we continued to support initiatives that improve health, wellbeing and social connection across the regions we serve.

Building resilience in young people

Our partnership with The Resilience Project continued to grow in 2026, expanding to support 11 schools across Geelong and Colac and providing more than 4,000 students with access to evidence-based wellbeing education.

Four schools from the original partnership cohort continued with the program for a third consecutive year, demonstrating the long-term commitment required to embed positive wellbeing practices within school communities.

The program also supported 501 teachers through access to The Resilience Project's online learning hub and resources, helping educators build resilience alongside their students.

Our support for the Read the Play program also continued, with 2,750 young people participating in mental health education and wellbeing programs, while 56 community sporting clubs were supported by trained Player Wellbeing Officers (PWOs). Sports and community clubs with PWOs now span Australian Rules football, netball, soccer, hockey, cricket, basketball, golf, futsal, basketball and Scouts.

Creating opportunities for community connection

At the start of 2026 we began supporting the GMHBA Community Bay, helping to make Geelong Cats home games more accessible for local community organisations, families and individuals who may not otherwise have the opportunity to attend. In the first six months of 2026, 973 guests from 18 community organisations, experienced AFL football through the program, helping strengthen community connection and create lasting memories.

Supporting local communities

We continued our partnership with Give Where You Live Foundation as a major supporter of the annual *Conversations That Matter* event.

Held at GMHBA Stadium, this year's event featured endurance athlete and fundraiser Nedd Brockmann, who shared his perspective on homelessness in Australia and the importance of sustained community action.

We also invested $15,000 to support local mental health and wellbeing initiatives in Ballarat, Portland and Warrnambool through three new community partnerships, with programs to be delivered over the coming year.

Giving back through volunteering

Our people contributed more than 433 hours of volunteering across 11 organised volunteer sessions during the year, with 87 employees giving their time to support local community organisations.

Much of this effort focused on addressing food insecurity and environmental sustainability, with Geelong Foodshare and Bellarine Catchment Network accounting for two-thirds of all volunteer participation. Teams also supported families through Our Village (formerly Geelong Mums) and contributed to a more inclusive community by participating in genU's Workplace Big Day Out.

Helping save lives

GMHBA employees continued to support Australian Red Cross Lifeblood through regular blood donations. During the year, our people donated 29 whole blood donations, 23 plasma donations and one platelet donation, contributing 53 donations with the potential to help save up to 159 lives.

Creating social impact through procurement

We invested almost $44,000 in social procurement during the year, with all spending directed to social enterprises providing fresh food and catering services.

This included extending our partnership with Fruit2Work, which supplies fresh fruit and milk to our Geelong locations while creating employment opportunities for people rebuilding their lives after involvement with the justice system. By supporting businesses that deliver both commercial and social outcomes, we continue to generate positive impact beyond our own operations.

Workplace giving

Staff continued to give generously through regular payroll giving. This year over $20,000 was contributed to Give Where You Live Foundation to help them with activities tackling social inequalities and food accessibility.

Highlights

Community Investment

The value of GMHBA's community investment was **$470,152** which includes the time, expertise, partnerships and resources we contribute to create positive outcomes for our communities.

The Resilience Project

4,065 students, **11** schools

The program also provided direct support to **501 teachers** across through resources on the TRP online hub.

Read the Play Programs

2,750 young people participated; training for **56** Player Wellbeing Officers funded by GMHBA.

Staff Volunteering Program

433.5 hours contributed.

Donations to LifeBlood Australia

GMHBA staff contributed **29** whole blood donations, **23** plasma donations and **1** platelet donation. These **53** donations have the potential to save **159** lives.

Social Procurement

$43,968 invested.

Workplace Giving

77 employees contributed **$20,044.**

Our people

Our people are at the heart of everything we do. Throughout 2025-26, we continued to invest in creating an environment where people feel supported, valued and able to do their best work for our members, patients and communities.

This commitment was recognised when GMHBA was named Employer of Choice at the 2026 Geelong Business Excellence Awards. It reflects the kind of workplace we are building together: inclusive, flexible and grounded in our values, with a strong focus on wellbeing, development and connection to purpose.

During the year, we successfully implemented a new Enterprise Agreement, launched a Health and Wellbeing Subsidy, and continued to strengthen flexible work practices. Employee feedback remained central to our approach, with insights from our annual engagement survey informing actions to improve communication, leadership effectiveness and the overall employee experience.

A major milestone was the introduction of Workday for our people and payroll systems. Workday has simplified everyday tasks by providing a single platform for managing employee information, leave, learning and timesheets, while also improving workforce insights and organisational reporting. We also enhanced leadership and succession planning practices, helping to build capability and strengthen future workforce readiness across key roles.

GMHBA provided the following health benefits to staff this financial year:

216 Flu Vaccinations Administered

31 Subsidised Skin Checks

151 Health Checks

35,000 pieces of fruit provided

3 Staff completed Mental Health First Aid

We delivered our first Reconciliation Action Plan, taking practical steps to deepen understanding, strengthen relationships and support meaningful engagement with First Nations peoples and communities. Throughout the year, our people came together to recognise National Reconciliation Week and NAIDOC Week, and we introduced a First Nations learning module to support ongoing learning and cultural awareness.

Supporting wellbeing remained a priority. We partnered with banking providers to host financial wellbeing sessions, offering practical guidance and one-on-one support, and continued to strengthen health and safety capability through first aid and Health and Safety Representative training.

Together, these initiatives are helping to build a culture where people feel safe, supported and equipped to perform at their best, ensuring we can continue delivering for our members, patients and communities.

Health and Branch Network

This year reflects continued progress in the performance of GMHBA's health services, with a focus on sustainable growth, stronger integration and improved member and patient outcomes across the network.

Our Health Services business delivered year-on-year revenue growth, with total Health Services revenue reaching $12.6m. This performance was underpinned by disciplined strategy execution, a continued focus on high-quality care and increasing member engagement, with Geelong region member utilisation of our services increasing.

The August 2025 launch of our Internal Referrals program represented a key milestone in the delivery of our Health Services Strategy. Designed to better support patients to navigate their care pathways, the program has strengthened service integration while improving utilisation across our practices. Throughout the year, it has generated increased awareness of our different services, resulting in almost 4,000 patient conversations and over 740 appointments.

We have also expanded access to care across our network, introducing physiotherapy services at Lara Medical Centre and dietitian services at both Lara and Belmont Hub. These additions improve convenience for our patients and members and support more holistic, coordinated care delivery.

Patient experience continues to be a standout strength, with consistently high satisfaction across all services. Over 1,600 responses were received this year, with an average Net Promoter Score of 9.5 and all locations maintaining scores of at least 9.1, reinforcing the quality and consistency of care provided across our network.

Our Eye Care business was a key contributor to overall performance, delivering a strong improvement in net profit. This year, we also developed and commenced implementation of a refreshed Eye Care Strategy, focused on strengthening performance through targeted promotional activity and improved inventory management.

Strong employee engagement remains critical to our success. Our continued focus on culture, wellbeing and employee experience is helping to foster a positive and high-performing environment across the Health and Branch Network, supported by initiatives that recognise and celebrate the contributions of our people.

Together, these achievements demonstrate the continued evolution of GMHBA's integrated health and branch network, with an ambition of delivering strong financial outcomes, high-quality care and improved access for members, while maintaining a clear focus on long-term sustainability.

Corporate Information

Claire Higgins

B.Com, FCPA, FAICD

Appointed September 2019

Member Audit & Investment Committee

Member People & Culture Committee

Director - GMHBA Land Co Pty Ltd

Chancellor, Deakin University

Director - Margin Clear Pty Ltd

Director - Futurity Investment Group Ltd

Professor Marie Bismark (retired September 2025)

MD, LLB, MBHL, MPH, FAFPHM, FAICD, MPsych

Appointed March 2013

Member People & Culture Committee

Member Risk & Compliance Committee

Director - Summerset Group Holdings Ltd

Director - Royal Women's Hospital

Council Member AICD, Victorian Branch

AICD National Legal and Regulatory Committee

Medical Council of New Zealand

Professor, University of Melbourne

Mike Hirst

B.Com, SF Fin, FAICD

Appointed July 2018

Chair Audit & Investment Committee

Chair AMP Limited

Director - Adelaide Airport Ltd

Director - AMCIL Ltd

Chair - Villawood Foundation

Honorary Member – Business Council of Australia

Dee McGrath

GAICD

Appointed February 2025

Member People & Culture Committee

Member Risk & Compliance Committee

Director - ASX Limited

Director - Revolut Payments Australia Pty Ltd

Sandy Morrison

BHA, MBA, MAICD

Appointed April 2021

Chair Risk & Compliance Committee

Director - GMHBA Land Co Pty Ltd

Chair - Quintessential Equity 042 Pty Ltd (as trustee for QE 042 Trust)

Dr Denis Napthine

BV Sc. MVS, MBA, MAICD, AO

Appointed August 2016

Chair People & Culture Committee

Member Audit & Investment Committee

Director – National Disability insurance Agency

Ambassador – Myeloma Australia

State Premier of Victoria 2013 - 2014

Michael Sammells

BBus, FCPA, GAICD

Appointed October 2023

Member Audit & Investment Committee

Member Risk & Compliance Committee

Director - AMP Ltd

Chair - Sigma Healthcare Ltd

Dr Rachel Swift

BSc(Mol Biol), BSc(Hons), BA, DPhil (Oxon), FRSPH, FCHSM, GAICD, CHE

Appointed February 2025

Member People & Culture Committee

Member Risk & Compliance Committee

Director – GPEx Ltd

Australian Advisory Board on Competitiveness

Melbourne University School of Medicine, Dentistry and Health Science, Innovation and Enterprise

Director – Swift Outcomes Pty Ltd

Executive Director, Future Secure AI

Chief Executive:
David Greig BSc (Hons), MBA (Melb), GAICD

Company Secretary:
Elizabeth Melville-Jones LLB, BA, MBA (Melb), MAICD

Auditors:
KPMG
Tower Two, Collins Square
727 Collins Street
Docklands Victoria 3008

Bankers:
National Australia Bank Limited

Appointed Actuary:
Andrew Matthews, FIAA

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising GMHBA Limited (the Company) and its subsidiaries (the Group) for the financial year ended 30 June 2026 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Claire Higgins
Marie Bismark*
Mike Hirst
Dee McGrath
Sandy Morrison
Denis Napthine
Michael Sammells
Rachel Swift

* Marie Bismark retired as a director on 18 September 2025

The qualifications, expertise and special responsibilities of Directors are set out on pages 16 to 17 of the Annual Report.

Company members

Except for Marie Bismark, the members of the Company at the date of this report are the same as the Directors of the Company, as listed above.

Principal activities

The principal activities of the Group during the financial year were the provision of benefits against claims by Fund members relating to hospital, medical and ancillary services.

The Company, being not for profit, does not earn taxable income and is therefore not subject to income taxation, however certain subsidiaries within the Group are taxable entities (Refer Note 1.4). Total comprehensive income attributable to the members of the company for the year was $27.6 million (2025: $59.7 million).

Review of operations

A review of the operations and results of the Group during the financial year are set out in the report from the Chair and CEO on pages 9 to 10.

Significant changes in the state of affairs

There were no significant changes in the state of affairs for the Group during or since the end of the financial year up until the date of this report.

Matters subsequent to the end of the financial year

On 28th of August 2026, GMHBA entered into a Business Sale Deed (BSD) in relation to the proposed acquisition of certain assets and liabilities associated with the private health insurance business conducted by Reserve Bank Health Society Limited. Completion of the transaction remains subject to regulatory approvals and the satisfaction of other conditions precedent contained within the BSD.

Management has assessed the proposed transaction as an acquisition of assets and liabilities and not a business combination for the purposes of Australian Accounting Standards. The transaction is therefore expected to be accounted for as an asset acquisition upon completion.

At 30 June 2026, no assets or liabilities relating to the transaction have been recognised in these financial statements. The transaction represents a non-adjusting event occurring after the reporting date.

The financial effect of the transaction cannot presently be reliably estimated as the transaction has not completed and the final assets, liabilities and related obligations to be transferred remain subject to confirmation and regulatory approval.

No other matter or circumstance has occurred since the end of the reporting period that may materially affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Environmental regulations

The Group is not subject to any significant environmental regulation.

Information on Directors

All Directors are members of the Company. No Director has received any benefit since the end of the previous financial year, by reason of any contract with the Company or with a firm of which he or she is a member or with a company in which the Director has a substantial interest, with the exception of the Director benefits that may be deemed to have arisen in relation to their position as Fund members of the health fund conducted by the Company.

Directors	Board E	Board A	Audit and Investment Committee E	Audit and Investment Committee A	Risk and Compliance Committee E	Risk and Compliance Committee A	People and Culture Committee E	People and Culture Committee A
Claire Higgins	11	11	5	4	-	4 **G**	3	1
Marie Bismark	1	-	-	-	1	1	1	1
Mike Hirst	11	11	5	5	-	-	-	-
Dee McGrath	11	11	-	-	4	4	3	3
Sandy Morrison	11	11	-	-	4	4	-	-
Denis Napthine	11	10	5	5	-	-	3	3
Michael Sammells	11	11	5	5	2	2	-	-
Rachel Swift	11	10	-	-	4	4	3	3

E = number of meetings eligible to attend **A** = number of meetings attended **G** = guest
Marie Bismark retired as a director on 18 September 2025
Michael Sammells rejoined the Risk & Compliance Committee on 1 January 2026

Likely developments

Other than those matters raised in the Chair and CEO report, further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Meetings of Directors

The table above sets out the number of Board and Committee meetings held during 2026 and the number of meetings attended by each Director.

Insurance of Officers

During the financial year, the Company paid to insure the Directors and Officers of the Company for any liability that may be brought against them while acting in their respective capacities for the Company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance contract, as such disclosure is prohibited under the terms of the contract.

Rounding of amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and amounts have been rounded off in accordance with that Instrument. All amounts shown in the financial statements are expressed to the nearest thousand dollars, unless otherwise stated.

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 26.

For and on behalf of the Board of Directors,

Claire Higgins

Chair
GMHBA Limited

Mike Hirst

Director
GMHBA Limited

Geelong, 2 September 2026

Corporate Governance Statement

For the year ended 30 June 2026

Legal and governance structure

GMHBA Ltd is an Australian public company limited by guarantee, subject to the *Corporations Act 2001 (Cth)* and the *Private Health Insurance Act 200 (Cth)*. As a regulated entity GMHBA must also comply with applicable prudential standards of the Australian Prudential Regulation Authority (APRA). GMHBA's corporate governance framework incorporates its Board Governance Framework, Risk Management Strategy and Risk Management Framework which together support the Board to responsibly and effectively discharge its duties for the benefit of its members, customers and the community.

There are two other entities in GMHBA's corporate structure. GMHBA Land Co Pty Ltd is a fully owned subsidiary and holding company for a single parcel of undeveloped land. QE042 Pty Ltd is the investment company for GMHBA's majority ownership of the building at 60 Moorabool Street.

GMHBA's not-for-profit status, long standing culture, and embedded values continue to underpin decision making. In addition, the Board is focused on continuous improvement in its own performance and in preparation for the future.

This Statement provides an overview of the main corporate governance structures and practices that were in place throughout the year and details the additional Board oversight required during 2026 to achieve compliance with new regulatory obligations. There was also a particular focus during 2026 on CEO succession.

Board and Committee Framework

GMHBA documents and regularly reviews its Board Governance Framework, which includes the Board Charter and sets out among other things:

- the expectations and roles and responsibilities of the Board, individual directors and the Board Chair
- Board composition and renewal
- the relationship between directors and management

To assist it in carrying out its duties the Board has three Committees which focus on the specific areas described on page 21. The Charter for each Committee is regularly reviewed and all are available on GMHBA's website. Additional Committees and working groups are formed from time to time as necessary. Committee Chairs report to the Board after each Committee meeting with a summary of the main items considered. A suite of internal policies further supports the governance framework and compliance with legislative and regulatory obligations.

Board Role and Responsibility

The Board is responsible for overseeing the overall strategic direction of GMHBA and for ensuring its business is undertaken in a way that protects members' interests and has regard to the interests of other stakeholders including employees, the community and regulators. The Board reviews, approves and oversees a range of matters including development and execution of strategy, a three year Business Plan, business performance, organisational culture including risk culture, capital management and investment activities, and risk and compliance frameworks.

The Board delegates to the CEO the authority to manage GMHBA's operations in accordance with formal Delegations of Authority. The Company Secretary is accountable to the Board, through the Chair, for all matters relating to the proper functioning of the Board.

GMHBA Board

Audit and Investment Committee

Audit

Provide independent review of the integrity of the financial statements and accounts. Agree on the application of accounting policies.

Maintain a control framework to monitor the effectiveness of the audit and actuarial functions.

Oversee the development and execution of an effective annual internal audit plan.

Review the performance, independence and remuneration of the external auditor and internal auditor.

Review the performance of the Appointed Actuary.

Investment

Oversee strategic asset allocation to achieve investment returns within risk tolerances.

Oversee the application of ICAAP and associated capital management activities.

Review the performance of the Investment Manager.

Risk and Compliance Committee

Risk

Oversee GMHBA's enterprise risk management framework and risk profile relative to Board approved risk appetite and tolerance.

Promotion of a risk aware culture, particularly around information security risk and clinical risk.

Monitor implementation of the Risk Management Strategy, Risk Appetite Statement and oversee management of key operational risk areas.

Oversee the Business Continuity and Disaster Recovery Framework.

Compliance

Monitor the effectiveness of GMHBA's approach to achieving compliance with laws, regulations, industry codes and Group policies.

Review any significant changes to legislative or regulatory requirements that impact compliance frameworks or systems.

People and Culture Committee

Oversee the implementation and effectiveness of the People and Culture Strategy.

Oversee the provision of a safe working environment.

Champion organisational culture, including through review of Alignment and Engagement Survey results and actions. Monitor employee wellbeing.

Approve the Remuneration Framework including the Remuneration Policy. Oversight of the Remuneration Framework as it applies to senior executives.

CEO performance, remuneration and succession.

Review and monitor Board and executive capability, performance and succession, including compensation arrangements for directors.

Oversee the Enterprise Bargaining Agreement process.

Oversee compliance with the Financial Accountability Regime (FAR).

Committee membership and details of Board and Committee meetings and attendance are included in the Directors' Report on page 19 of this Annual Report.

Corporate Governance Statement

For the year ended 30 June 2026

Initiatives during 2026

During 2026 the Board applied particular focus and oversight to the following areas:

- Strategy alignment and future state design workshops for directors and executives
- Oversight of governance and approval of progressive business cases for Program Jupiter, supporting GMHBA's ongoing technology transformation
- Oversight and discussion of AI governance and use
- Achievement of compliance with CPS234 (Information Security), CSP230 (Operational Risk Management)
- Development of an ICAAP Summary Statement
- Introduction of a comprehensive Procurement Framework
- Oversight of information security risks, governance and preparedness

A significant item for the People & Culture Committee and Board during 2026 was CEO succession. An executive search firm was engaged in January to conduct an extensive and thorough process which took place over several months. The successful candidate was appointed to commence in September 2026.

Prudential Standards and regulatory interaction

Heightened regulatory obligations from CPS230 required material investment and Board oversight to achieve compliance by 1 July 2026. An internal audit was conducted during 2026 to provide assurance of compliance, including with the business continuity and scenario analysis elements of the Standard.

The second Tripartite independent assurance review for compliance with CPS234 was also conducted during 2026 by GMHBA's external auditor KPMG. After a multi year work program management assurances were provided to the Board, and a declaration made by the Board to APRA, of material compliance with the Standard.

GMHBA, together with a number of other representative funds, was required to participate in a further APRA review during 2026. The Thematic Review of Technology and Operational Resilience was a substantial undertaking and acknowledged the strength of GMHBA's operational risk, technology and cyber capabilities. The improvement suggestions from the review will be progressed during 2027.

EY also continued to provide support for regulatory interactions by participating in the Thematic Review.

Risk management

The Audit & Investment Committee and the Risk & Compliance Committee support the Board in its oversight of risk management. They oversee the status of material risks through the Risk Management Framework which assists the business to identify and assess risks and establish effective controls and mitigations. The risk management model is structured around the Three Lines of Defence which together enable effective risk management across the organisation and support the annual Risk Management Declaration by the Board. The 2026 Declaration contained an appropriate qualification for elements of CPS234.

During 2026 management reporting to the Risk & Compliance Committee and Board was uplifted to separate Enterprise and Operational risks and Key Risk Indicators, and to increase the focus on emerging risks. A review and refresh of GMHBA's organisational risk matrix was also undertaken, including benchmarking against other not-for-profit health insurers. The updated matrix will be progressively embedded into risk management practices.

The Business Continuity Policy was updated during 2026 for compliance with CPS230. Regular simulation exercises are conducted and disaster recovery testing is conducted and reported. Cyber security remains an area of constant focus and investment. Compulsory workforce training is provided and regularly tested through phishing campaigns. An extensive program of vulnerability management and control testing is continuously applied using the NIST Framework and internal Information Security Standards.

An extensive insurance program provides protection against residual risk exposures.

During 2026 GMHBA continued to embed and uplift the output from its integrated risk management system including enterprise level reporting and first line control testing, and managing internal audit requirements.

Risk culture continues to be an area of active interest for the Board, with regular updates provided and Risk Champions appointed within all business units. The Risk & Compliance Committee Chair joins in-person discussions with the Risk Champions. Results from the Risk Culture survey conducted during 2026 are reported and discussed with the Risk & Compliance Committee and the Board.

Compliance and audit

GMHBA has a proactive approach to compliance at all levels within the organisation. A comprehensive framework of controls, monitoring and reporting helps to satisfy legislative and regulatory obligations. Compliance management continues to be consolidated within the Integrated Risk Management System.

KPMG as GMHBA's external auditor provides independent review and assurance in relation to GMHBA's financial reporting and statements, including the appropriateness of accounting policies and disclosures.

The internal audit service provided by EY provides objective assurance and oversight of the Group's control framework. The Board is responsible for approving the program of internal audits to be conducted each year and for the scope of the work to be performed. The FY27 internal audit plan approved by the Board was materially increased from previous year to permit even greater coverage across the organisation.

Risks or control weaknesses identified through audits are incorporated into the organisational Risk Management Framework. Internal Audit reports organisationally to the Company Secretary, and directly to the Audit & Investment Committee. The Audit & Investment Committee Chair meets regularly with the internal auditor without management.

Both auditors meet regularly with the Audit & Investment Committee Chair in the absence of management.

GMHBA maintains a Fit and Proper Policy to manage the fitness and propriety of its Responsible Persons as required by APRA Prudential Standard CPS510. All Responsible Persons undertook Fit and Proper checking during 2026 with no concerns raised. Accountability Statements exist as required by FAR.

Corporate Governance Statement

For the year ended 30 June 2026

Board and Committee composition and skills

Professor Marie Bismark retired from the Board in September 2025. Based on the director skills matrix which was refreshed in 2024, and with the appointment in February 2025 of two new directors Dee McGrath and Dr Rachel Swift, the Board considered that no new appointments were required during 2026.

Michael Sammell recommenced membership of the Risk & Compliance Committee during 2026. There were no other changes to Committee membership.

The director skills matrix is below.

Member focus

Understanding of operating within a member focused organisation, and experience in establishing strategies that enhance member outcomes.

Leadership

Experience as a director, executive or senior leader of a large and complex business.

People and culture

- Understanding of the link between well-being, engagement and cultural alignment as drivers of organisational performance.
- Understanding of remuneration frameworks, senior leadership development and succession planning.
- Promotion of diversity and inclusion, regional familiarity and awareness.

Strategy and innovation

Experience in developing and overseeing the implementation of organisational strategy, including involvement in transformation, continuous improvement and innovative projects.

Industry experience

- Understanding of the private health insurance, general insurance or financial services industries.
- Experience in the healthcare industry, a health-related field or health services management.
- Clinical experience in the health sector, clinical governance. Experience in the use of population health data and information to inform initiatives and strategy.

Risk and compliance management

Experience in assessing the effectiveness of risk and compliance management frameworks, identification and assessment of material risks, oversight of systems and procedures for compliance, and setting and monitoring risk appetite and risk culture.

Financial acumen and capital management

Proficiency in:

- Accounting and reporting
- Corporate finance
- Audit and financial controls
- Investment governance and management
- Complex transactions and major projects

Governance

- Demonstrated commitment to the highest level of governance standards.
- Understanding of and experience in a regulated environment.
- Understanding of legal and regulatory frameworks.
- Expertise in clinical and health service governance.

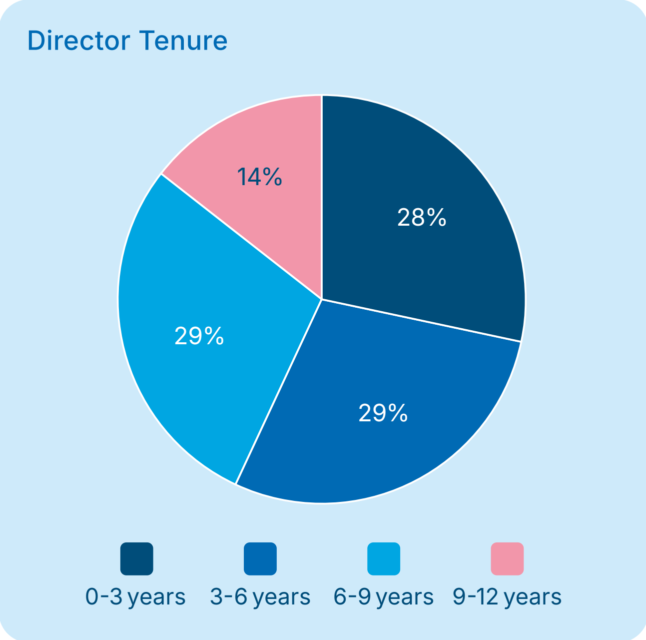
Marketing, customer focus and brand

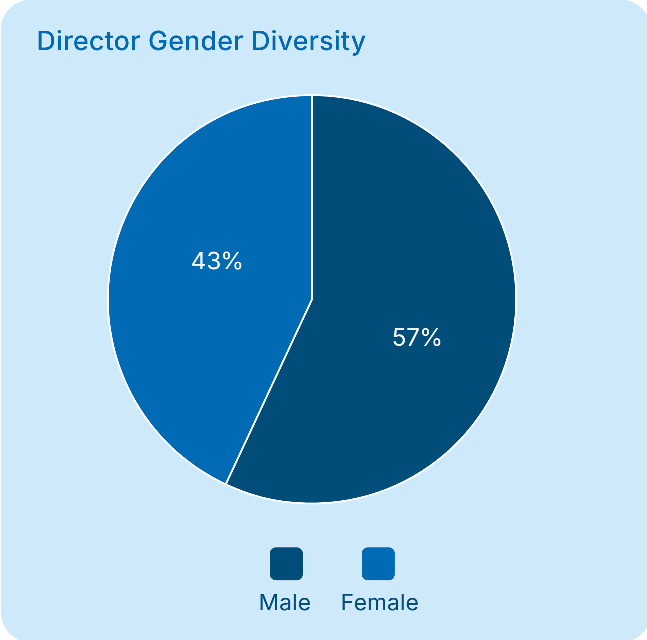
Experience and/or qualifications in retail, marketing, branding, distribution, customer management and retention strategies.

Digital and emerging technologies

Proficiency in the areas of technology, data, cyber security and AI and experience in the use of technology including major technology investments to drive innovation and business growth.

At 30 June 2026 there were seven directors on the Board with an average tenure of five years. From a gender diversity perspective there are four male and three female directors. Further details of each director are provided on pages 16 to 17 of this Annual Report.





Board performance

During 2026 the review of Board and Committee performance was conducted internally, through interviews by the Board Chair with each director, and reference to the 2024 external review and the workplan developed from the 2025 internal review. The 2027 review will be conducted externally.

Directors are encouraged to continue their responsibility for continuing education and development to support their individual performance and the performance of the Board as a whole. During 2026 GMHBA provided opportunities to directors through internal presentations and workshops on relevant issues and reforms and particularly through AICD materials and events. Specific training for directors was provided on psychosocial health obligations and developments in the cyber security threat landscape.

Independence and management of conflicts of interest

During 2026 all directors were non-executive and were judged by the Board to be independent and free of relationships or material interests that might influence their ability to act in the best interests of the Group and its members. A Register of Directors' Interests is maintained and regularly reviewed, and an annual independence assessment is conducted to ensure this position remains current. The Board manages its meetings and proceedings to manage any instances of actual or perceived conflict of interest.

Conduct and Ethics

GMHBA's Employee Code of Conduct sets out the high standard of ethical and professional conduct necessary to meet the expectations of members and other stakeholders. The Code applies to all GMHBA directors, executives and other employees who are all required to observe these standards.

GMHBA is also a signatory to the Private Health Insurance Code of Conduct, a self-regulatory code designed to maintain and enhance high standards of regulatory and compliance behaviour across the private health insurance industry.

GMHBA's Whistleblower regime is designed to support and encourage the disclosure of any concerns relating to possible fraud, breaches of law or regulations, or inappropriate behaviour. The Group Whistleblower Policy is publicly available and employees can raise concerns with their managers, or any of the eligible recipients listed in the Policy, or through FairCall the external operator of the whistleblower hotline service.

GMHBA publishes a Modern Slavery Statement as required under the *Modern Slavery Act*, outlining the steps we take to identify, assess and address the risks that modern slavery may be occurring in our operations or supply chains. No material risk was identified in 2026.

Lead Auditor's Independence Declaration

Under Section 307C of the *Corporations Act 2001*

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of GMHBA Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of GMHBA Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Chris Wooden
Partner
Melbourne
2 September 2026

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Note	2026 ($'000)	2025 ($'000)
Revenue			
Insurance revenue	2.1	668,143	649,415
Insurance services expenses	2.1	(667,833)	(607,293)
Insurance service result		**310**	**42,122**
Other income	2.4	19,034	16,751
Other expenses	2.5	(43,800)	(33,670)
Net other expenses		**(24,766)**	**(16,919)**
Investment income			
Interest income		19,993	21,461
Dividends		2,886	2,255
Unrealised investment gains/(losses)		9,457	(1,304)
Realised investment gains/(losses)		21,002	16,735
Total investment income		**53,338**	**39,147**
Finance and investment expenses	3.5	(3,528)	(3,693)
Net finance and investment income		**49,810**	**35,454**
Net operating surplus for the year		**25,354**	**60,657**
Net profit		**25,354**	**60,657**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation of property, plant & equipment		2,678	(901)
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedge – effective portion of changes in fair value	3.2	613	(134)
Total comprehensive income for the year		**28,645**	**59,622**
Attributable to:			
Members of the Company		27,565	59,742
Non-controlling interests		1,080	(120)
		28,645	**59,622**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

At 30 June 2026

	Note	2026 ($'000)	2025 ($'000)
Current assets			
Cash and cash equivalents	5.2	29,940	29,400
Receivables	4.1	6,304	8,397
Financial assets	3.1	85,165	142,256
Assets held for sale	4.5	4,461	-
Other assets	4.2	378	411
Total current assets		**126,248**	**180,464**
Non-current assets			
Receivables	4.1	610	595
Financial assets	3.1	487,482	399,124
Other assets	4.2	14	3,132
Property, plant and equipment	4.3	58,780	62,257
Investment property	4.3	54,198	50,876
Intangible assets	4.4	2,875	4,306
Right of use assets	4.8	3,917	4,675
Total non-current assets		**607,876**	**524,965**
TOTAL ASSETS		**734,124**	**705,429**
Current liabilities			
Payables	4.6	10,359	9,278
Financial liabilities	3.2	-	134
Insurance contract liabilities	2.2	125,852	125,360
Lease liabilities	4.8	663	735
Employee benefits	4.7	5,523	5,477
Total current liabilities		**142,397**	**140,984**
Non-current liabilities			
Financial liabilities	3.2	45,873	45,814
Lease liabilities	4.8	3,703	4,667
Employee benefits	4.7	655	513
Total non-current liabilities		**50,231**	**50,994**
Total liabilities		**192,628**	**191,978**
Net assets		**541,496**	**513,451**
Equity			
Retained earnings		524,494	499,595
Reserves		5,871	3,205
Total equity attributable to members		**530,365**	**502,800**
Non-controlling interests		11,131	10,651
Total equity		**541,496**	**513,451**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2026

	Retained earnings ($'000)	Asset revaluation reserve ($'000)	Hedging reserve ($'000)	Total ($'000)	Non-controlling interests ($'000)	Total ($'000)
Balance at 1 July 2024	**439,378**	**4,240**	**-**	**443,618**	**10,771**	**454,389**
Profit/(loss) for the year	60,777	-	-	60,777	(120)	60,657
Other comprehensive income	-	(901)	(134)	(1,035)	-	(1,035)
Total comprehensive income	60,777	(901)	(134)	59,742	(120)	59,622
Distributions to unitholders	(560)	-	-	(560)	-	(560)
Balance at 30 June 2025	**499,595**	**3,339**	**(134)**	**502,800**	**10,651**	**513,451**
Profit/(loss) for the year	24,899	-	-	24,899	454	25,354
Other comprehensive income	-	2,170	496	2,666	625	3,291
Total comprehensive income	24,899	2,170	496	27,565	1,080	28,645
Distributions to unitholders	-	-	-	-	(600)	(600)
Balance at 30 June 2026	**524,494**	**5,509**	**362**	**530,365**	**11,131**	**541,496**

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 2026

	Note	2026 ($'000)	2025 ($'000)
Cash flows from operating activities			
Insurance premiums received		668,344	653,906
Payments for incurred claims and directly attributable expenses		(667,541)	(606,437)
Payments to other suppliers and employees		(38,954)	(92,342)
Other income received		19,034	15,071
Net cash from/(used in) operating activities	**5.2**	**(19,117)**	**(29,802)**
Cash flows from investing activities			
Purchase of financial assets		(246,100)	(305,651)
Purchase of property, plant and equipment		(756)	(7,211)
Dividends received		2,886	1,060
Interest received		21,599	21,672
Proceeds from sale of financial assets		245,745	309,803
Net cash from/(used in) investing activities		**23,374**	**19,673**
Cash flows from financing activities			
Drawdown of borrowings		-	46,000
Repayment of borrowings		(948)	(45,819)
Distributions paid to external unitholders		(600)	(560)
Interest paid on financial liabilities		(2,169)	(2,622)
Net cash from/(used in) financing activities		**(3,717)**	**(3,001)**
Net increase/(decrease) in cash and cash equivalents		540	(13,130)
Cash and cash equivalents at 1 July		29,400	42,530
Cash and cash equivalents at 30 June	**5.2**	**29,940**	**29,400**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2026

Section 1: Basis of preparation

The section outlines the basis on which the financial statements are prepared. Specific accounting policies are described in the note to which they relate.

1.1 Corporate information

GMHBA Limited is a not-for-profit company, incorporated and domiciled in Australia. Its registered office is Level 3, 60 Moorabool Street Geelong VIC 3220.

1.2 Basis of preparation

These financial statements are general purpose financial statements which:

- Are for the consolidated entity ("the Group") consisting of GMHBA Limited ("the Company") and its subsidiaries.
- Have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*.
- Have been prepared in accordance with the historical cost convention, except for certain classes of financial assets, land and buildings and investment property measured at fair value.
- Are presented in Australian dollars, which is GMHBA's functional and presentation currency.
- Have been rounded in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 to the nearest thousand dollars, unless otherwise stated.
- Adopt all new and amended accounting standards that are mandatory for 30 June 2026 reporting periods, but do not apply any pronouncements before their operative date.
- Eliminate intra-group balances and transaction and unrealised and expenses arising from intra-group transactions.
- Were authorised for issue by the Board of Directors 2 September 2026.

1.3 Critical accounting estimates and judgements

The preparation of financial statements requires certain critical accounting estimates. It also requires management to exercise judgement in the application of Group's accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis and actual results may differ from these. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about material areas of estimation uncertainty and critical judgements that have the most material effect on the on the financial statements are described in the following notes:

- Note 2.2: Insurance contracts assets and liabilities
- Note 4.3: Property, plant and equipment
- Note 4.3: Investment property

Going concern basis

At balance date, the Group had a net current asset deficiency of $16.1m primarily due to reallocation of investment portfolio weightings from term deposits to bonds with maturities beyond one year.

Notwithstanding their non-current presentation in the Statement of Financial Position, these bonds are instruments that are highly liquid exchange traded instruments. Consequently, the liquidity of the Group's portfolio remains materially unaltered. The liquidity profile of these financial assets are disclosed in Note 3.3.

Based on these considerations, the directors have a reasonable expectation that the Group has adequate resources to continue as a going concern and consequently, the directors have adopted the going concern basis of accounting in preparing the annual financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

1.4 Income tax

GMHBA is exempt from income tax by virtue of Section 50-30 item 6.3 of the *Income Tax Assessment Act*. Subsidiaries of the GMHBA are for profit entities and subject to income tax.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. No deferred tax assets have been recognised at 30 June 2026.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

	2026 **($'000)**	**2025** **($'000)**
Profit for the year	**25,354**	**60,657**
Tax at the statutory rate of 30%	7,606	18,197
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
GMHBA Ltd tax exempt status	(7,526)	(17,886)
QE042 property trust distributions	902	(190)
Intra-group transactions	(998)	(136)
Unrecognised losses	16	15
Total income tax expense	-	-

1.5 Fair value measurement

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods disclosed in the notes specific to that asset or liability.

Term deposits

Term deposits at carried at amortised cost, which approximate their fair value.

Equity securities and funds

The fair value of listed equity securities is determined by reference to their quoted closing price at the reporting date. International equity securities are valued based on their quoted closing prices, translated using the prevailing foreign exchange rates at the reporting date. Unlisted Funds are marked to their published net asset value effective at the reporting date.

Bonds

The fair value of bonds is evaluated using market accepted formulae such as those set out in the Prospectuses for Australian Government Bonds, Indexed Bonds, and Treasury Bills. Valuation is derived via any one of 3 methods; direct sourcing from market participants, average spread over benchmark bonds or swap curve, or matrix yield curves, and are quoted to 3 decimal places.

Land and buildings and investment property

The Group uses independent valuers to determine the fair value of its land and buildings. Fair value is determined directly by reference to market-based evidence, which is the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

A full valuation of land and buildings is performed at intervals not greater than three years. The building at 60 Moorabool Street was last revalued at 30 April 2026.

Increments/(decrements) from the revaluation of the Group's land and buildings are reflected in the asset revaluation reserve. Increments/(decrements) from the revaluation of the Group's Investment Property are reflected in investment income within profit and loss.

Fair value hierarchy

Fair values are based on a hierarchy that reflects the significance of the inputs used in the determination of fair value, as follows: The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities are used.
- **Level 2:** Observable inputs other than Level 1 quoted prices for the asset or liability indirectly (i.e., derived from prices) are used.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data are used.

No transfers between fair value hierarchy levels have occurred during the period. Where the determination of fair value for an instrument involves inputs from more than one category, the level within which the instrument is categorised in its entirety is determined on the basis of the highest-level input that is material to the fair value measurement in its entirety. This table does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

1.5 Fair value measurement (continued)

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
2026				
Cash and cash equivalents	29,940	-	-	**29,940**
Term deposits	41,124	-	-	**41,124**
Equity securities	141,413	4,601	-	**146,014**
Funds	32,831	12,329	-	**45,160**
Bonds	334,034	5,836	-	**339,870**
Land and buildings	-	-	43,802	**43,802**
Investment property	-	-	54,198	**54,198**
	579,342	**22,766**	**98,000**	**700,108**
2025				
Cash and cash equivalents	29,400	-	-	**29,400**
Term deposits	101,574	-	-	**101,574**
Equity securities	118,342	-	-	**118,342**
Unlisted funds	-	38,087	-	**38,087**
Bonds	-	283,377	-	**283,377**
Land and buildings	-	-	44,917	**44,917**
Investment property	-	-	50,876	**50,876**
	249,316	**321,464**	**95,793**	**666,573**

Valuation technique and unobservable inputs for level 3

Type	Valuation technique	Key unobservable inputs	Relationship between inputs and fair value measurement
Land and buildings and Investment Property (Level 3)	*Income capitalisation method and market approach:* The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The income approach uses the assessed net face market income as at the date of the valuation, which is capitalised at an appropriate market yield to establish the property's market value fully leased. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.	• Recent sales of comparable land in a comparable geographical region • General market and economic conditions	The estimated fair value would increase/(decrease) if: • expected market rental growth were higher/(lower); • void periods were shorter/ (longer); • the occupancy rate were higher/(lower); • the rent-free periods were shorter/(longer); or • the capitalisation rate were lower/(higher).

1.6 Reclassification of comparatives

The presentation of certain comparative amounts have been reclassified to conform with the current year's presentation. Specifically certain items previously presented on a net basis with other income and other expenses have been reclassified and presented on a gross basis. The following comparative amounts were reclassified:

- Note 2.4 - Leasing income (60 Moorabool Street) increased by $1.6 million.
- Note 2.5 - Non-insurance operating expenses increased by $1.6 million.
- Note 5.2 - Cash flow information reclassification adjustments between operating activities.

These reclassifications had no effect on profit, total assets, total liabilities, total equity or net cash flows.

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

Section 2: Operating performance

The section outlines explains the operating performance of the Group for the year, by providing insights into the following key areas.

- Insurance service result
- Insurance contracts
- Management of insurance risks
- Other income
- Other operating expenses

2.1 Insurance service result

The insurance service result comprises insurance revenue and insurance service expenses. The insurance service result comprises all revenue and expenses that can be directly attributed to a group of insurance contracts. Investment components are not included in insurance revenue and insurance service expenses.

	2026 ($'000)	**2025 ($'000)**
Insurance revenue	668,143	649,415
Insurance service expenses		
Incurred claims	571,294	530,932
Other insurance service expenses	96,539	76,361
Total insurance service expenses	**667,833**	**607,293**
Total Insurance service result	**310**	**42,122**

2.2 Insurance contracts

The Group has applied Premium Allocation Approach (PAA) to all insurance contracts. For presentation in the statement of financial position, the Group presents separately insurance contract portfolios that are in an asset position and portfolios that are in a liability position.

The Group has determined its health insurance book forms one portfolio, as its cash flows are generally expected to respond similarly in direction and timing to changes in assumptions and the Group manages the insurance business as one. Insurance contracts are defined as those containing material insurance risk at the inception of the contract or those where at the inception of the contract there is a scenario with commercial substance where the level of insurance risk may be material over time. The materiality of insurance risk is dependent on both the probability of an insurance event and the magnitude of its potential effect.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces materially during this period. The Group has determined that all current contracts with policyholders are insurance contracts.

Insurance contracts composition	**2026 ($'000)**	**2025 ($'000)**
Total insurance contract liabilities	125,852	125,360
Net insurance contract liabilities	125,852	125,360
Comprising:		
Liability for Remaining Coverage (LRC)		
Unearned premium cashflows	47,231	45,933
Private health insurance premium reduction scheme receivable	3,582	4,679
	50,813	**50,612**
Liability for Incurred Claims (LIC)		
Outstanding claims	66,712	68,045
Claims processed not yet paid and RESA payable	8,221	6,617
Ambulance levies payable	107	86
	75,040	**74,748**

	Liability for remaining coverage ($'000)	Liability for incurred claims ($'000)	Total ($'000)
Insurance contract liability reconciliation			
Insurance contract liabilities at 1 July 2025	50,612	74,748	125,360
Insurance revenue	(668,143)	-	(668,143)
Incurred claims and directly attributable expenses	-	669,608	669,608
Changes relating to past service	-	(1,775)	(1,775)
Insurance service result	**(668,143)**	**667,833**	**(310)**
Total recognised in profit or loss	**(668,143)**	**667,833**	**(310)**
Cash flows			
Premiums received	668,344	-	668,344
Claims and expenses paid	-	(667,541)	(667,541)
	668,344	**(667,541)**	**802**
Insurance contract liabilities at 30 June 2026	**50,813**	**75,040**	**125,852**

	Liability for remaining coverage ($'000)	Liability for incurred claims ($'000)	Total ($'000)
Insurance contract liabilities at 1 July 2024	46,121	73,918	120,039
Insurance revenue	(649,415)	-	(649,415)
Incurred claims and directly attributable expenses	-	612,707	612,707
Changes relating to past service	-	(5,441)	(5,441)
Insurance service result	**(649,415)**	**607,266**	**(42,149)**
Total recognised in profit or loss	**(649,415)**	**607,266**	**(42,149)**
Cash flows			
Premiums received	653,906	-	653,906
Claims and expenses paid	-	(606,437)	(606,437)
	653,906	**(606,437)**	**47,469**
Insurance contract liabilities at 30 June 2025	**50,612**	**74,748**	**125,359**

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group that it expects to collect from premiums and pay out for claims, benefits and expenses. After consideration, the Group has set the contract boundary at 90 days.

Underwriting insurance contracts expose the Company to liquidity risk through payment obligations of unknown amounts on unknown dates. Liquidity risk is the risk of having insufficient cash resources to meet payment obligations. The assets held to back insurance liabilities consist largely of money market securities, fixed interest investments and other highly liquid assets. Asset management is designed to provide consistency between forecasted claims payment obligation and asset maturity profiles.

Management of liquidity risk is incorporated into GMHBA's risk management strategy, liquidity management plan and investment framework.

Onerous contract testing

Despite the Group recognising a single portfolio, further segmentation is required into groups of contracts for the identification of onerous contracts, including annual cohorts of contracts that are either onerous, no material possibility of being onerous and other. There is a presumption under the PAA that no contracts are onerous unless there are clear facts and circumstances that indicate otherwise. In contemplating the facts and circumstances, the Group has considered information reported to the Board of Directors. Where facts and circumstances are identified that may indicate an onerous contract exists, detailed testing is performed, and any loss component is valued using the estimated fulfilment cashflows for the group of insurance contracts, using the building blocks approach from the General Measurement Model (GMM), including allowing for the risk adjustment adopted for the liability for remaining coverage.

2.3 Insurance risk management

The risk management framework offers a level of assurance that the Group's risks are administered thoroughly and astutely. The risk management plan addresses the operational risks of the Group. The framework is inclusive of a risk management plan, which is the process of planning, organising, directing, and controlling the resources and activities of an organisation to minimise the adverse effects of accidental losses to the organisation. It is recognised as an integral part of good management practice, which involves a process consisting of steps which when undertaken in sequence, enable continual improvement in decision-making. Risk management is as much about identifying opportunities as avoiding or mitigating losses.

The risk management plan defines management responsibilities and the processes involved in mitigating identified qualitative and quantitative risks through a set of developed guidelines. The risk management plan is subject to a formal review process to ensure continued effectiveness.

Liability for remaining coverage

The liability for remaining coverage (LRC) under the PAA is valued at initial recognition based on premium received, less any directly attributable acquisition costs deferred. Subsequent to initial recognition, the LRC is amortised to recognise the revenue and insurance expenses (insurance acquisition cash flows) on a passage of time basis over the coverage period. For the contracts that apply the simplified approach and have a coverage period of one year or less, the Group has the option to expense directly attributable acquisition costs as incurred, as opposed to deferring and amortising directly attributable acquisition costs over the coverage period of the insurance contract. The Group has elected to expense directly attributable acquisition costs as incurred.

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 less from the date of claims being incurred is considered immaterial.

The risk adjustment on the LRC has been set consistent with the target net margin set out in the Group's Pricing Philosophy

The premium receivable as at 30 June 2026 consists of:

- Unclosed premium earned – this represents premiums in arrears measured up to 30 June 2026; and
- Unclosed premium unearned – forecast premiums receivable from policyholders at 30 June 2026.

Federal government rebate receivable represents premiums receivable from the Federal Government at the end of the period, relating to the Health Insurance Rebate portion of member contributions.

Insurance revenue

Insurance revenue for the period comprises the amount of expected premium receipts (excluding any investment component) allocated over the coverage period of the group of insurance contracts based on the passage of time. Insurance revenue is recognised in the consolidated statement of profit or loss and other comprehensive income from the date of attachment of insurance risk, as soon as there is a basis on which it can be reliably measured. Revenue is recognised in accordance with the pattern of the incidence of risk expected over the term of the contract.

The proportion of premium received, or receivable not earned in the consolidated statement of profit or loss and other comprehensive income at the reporting date is recognised in the consolidated statement of financial position as unearned premium liability. Forecast premiums receivable from policyholders at 30 June 2026 are recognised as unclosed business premiums.

Liability for incurred claims

The liability for incurred claims (LIC) is made up of the best estimate outstanding claims provision, expenses already incurred but not yet paid in relation to claims, the RESA Levy, and the cost of handling incurred claims at the reporting date. The risk adjustment in the LIC is an estimate of the compensation required for bearing the uncertainty about the amount and timing of the insurance contract cash flows arising from non-financial risk. The Group estimates the risk adjustment using a confidence level approach (i.e. a probability of adequacy of at least 75%). The level is set based on the historic accuracy of initial estimation to ultimate claims to mitigate the degree of uncertainty attached to the underlying liability to an appropriate degree of confidence.

The risk adjustment adopted is 4.5% (2025: 5.5%).

Outstanding claims

The liability for outstanding claims provides for claims received but not assessed and claims incurred but not received. The liability is based on an actuarial assessment considering historical patterns of claim incidence and processing (chain ladder method). Changes in claims estimates are recognised in profit or loss in the reporting period in which the estimates are changed. Outstanding claims are not discounted as they are usually settled within six months of the reporting date. The liability also allows for an estimate of claims handling costs which include internal and external costs incurred in connection with the negotiation and settlement of the claims and any part of the general administrative costs directly attributable to the claims function. The allowance for the claims handling cost at 30 June 2026 was 1.6% (2025: 1.4%) of the claim's liability.

Risk Equalisation Special Account

Under the provisions of the Private Health Insurance Act 2007, all eligible registered health insurers must participate in the RESA. The quarterly risk equalisation scheme transfers risk between private health insurers within each Risk Equalisation jurisdiction (State or Territory). Private health insurers that have paid 'eligible benefits' at a rate per single equivalent unit (SEU) less than average, pay into the RESA for that jurisdiction, while private health insurers that have paid 'eligible benefits' at a rate per SEU more than the average paid in the Risk Equalisation jurisdiction receive from the RESA.

The amounts payable to and receivable from the RESA are determined by APRA after the end of each quarter. Estimated provisions for amounts payable and income receivable are recognised on an accrual basis. Historically, the Company has paid eligible benefits below the average and therefore had a RESA liability for an amount payable

Health insurance activities

The Group is predominantly involved in the underwriting of private health insurance risks and the management of related claims.

Concentration of health insurance risk

The Group writes individual health insurance contracts for two classes of health insurance businesses, hospital and ancillary. Whilst the Group has a higher concentration of policies in the Geelong region, the types of business written are not expected to create significant exposure or concentrations of risk because contracts written cover a large volume of policyholders across several states.

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

Risk management objectives and policies for mitigating insurance risk

The Group has an objective to manage insurance risk while ensuring that products are offered at an affordable price to its members and maintaining capital at appropriate levels. In addition to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, underwriting profits from a private health insurance business are significantly impacted by industry factors, in particular, the regulatory environment in which it operates.

Key aspects of the processes established to mitigate risks include:

- Monitoring monthly financial and operational results, including portfolio profitability and prudential capital requirements;
- Claims management, to ensure correct payment of claims in accordance with policy conditions and provider contracts;
- Actuarial models, using past experience and statistical methods to monitor claims patterns and to determine appropriate pricing for premiums; and
- Hospital claim cost management through commercial negotiations with hospital service providers, and claims cost management through monitoring and amending benefit structures.

Terms and conditions of insurance business

The *Private Health Insurance (Prudential Supervision) Act 2015* (Cth) governs the regulations of private health insurance operations in Australia. The Act imposes many requirements which effectively limit the range of products that may be offered, define categories of membership and insurance coverage, waiting periods, price controls and ensure that all contracts issued by private health insurers are subject to the principles of community rating whereby health insurers must charge the same premium for everyone regardless of individual risk associated with age, gender, health status or claims history.

Insurance risk impact of changes in key variables

The key variables in the measurement of the liability for incurred claims include the claims central estimate (including risk equalisation), claims handling expenses and risk adjustment. The sensitivity of the liability to these variables is as follows:

	2026 ($'000)	2025 ($'000)
10% change in claims central estimate	6,700	6,600
1% change in risk adjustment	400	400

2.4 Other Income

	2026 ($'000)	2025 ($'000)
Health business operations	14,572	12,613
Leasing income (60 Moorabool Street)	4,462	4,138
Total other income	**19,034**	**16,751**

Leasing arrangements

The Group leases office space at 60 Moorabool Street Geelong (60M), both to external tenants and entities within the group. Rental income from external tenants is recorded as leasing income.

The lessor manages risks in relation to its ownership interest in 60M via commercial lease agreements and appropriate insurances.

Minimum non-cancellable lease payments receivable on leasing of tenancies in 60M are as follows:

	2026 ($'000)	2025 ($'000)
Year 1	3,518	3,339
Year 2	3,197	3,211
Year 3	1,968	2,771
Year 4	1,932	1,575
Year 5	1,966	1,537
Later than 5 years	5,067	5,954
Total	**17,648**	**18,387**

2.5 Expenses by nature

2026 $'000	Directly attributable insurance expenses	Non-insurance operating expenses	Total
Cost of sales	-	6,783	6,783
Employee benefits	41,703	14,827	56,530
Depreciation	1,323	984	2,307
Amortisation	1,418	13	1,431
Impairment	-	2,520	2,520
Loss on disposal of assets	-	143	143
Property	-	3,554	3,554
Marketing	13,873	423	14,296
Professional fees	3,635	10,124	13,759
IT and communications	12,683	1,989	14,672
Commissions	16,931	-	16,931
Other expenses	4,973	2,440	7,413
Total expenses	**96,539**	**43,800**	**140,339**

2025 $'000	Directly attributable insurance expenses	Non-insurance operating expenses	Total
Cost of sales	-	6,418	6,418
Employee benefits[2]	36,675	12,188	48,863
Depreciation	1,188	1,049	2,237
Amortisation	1,501	8	1,509
Property[1]	-	3,376	3,376
Marketing	13,007	561	13,568
Professional fees[2]	3,624	8,651	12,275
IT and communications[2]	9,025	815	9,840
Commissions	5,587	-	5,587
Other expenses	5,754	604	6,358
Total expenses	**76,361**	**33,670**	**110,031**

1. Includes $1.6m of direct operating expenses for investment properties that generated rent during the period (60 Moorabool Street) and $51k of direct operating expenses for land and buildings that did not generate rent during the period (Armstrong Creek Unit Trust).
2. Includes Program Jupiter transformational costs: $3.8m of employee benefits, $8.0m of Professional fees and $0.7m of IT and communications.

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

Section 3: Capital and investment portfolio

The section outlines explains how the Group is exposed to market and financial risks and how these are managed, covering:

- Financial assets
- Financial liabilities
- Management of financial risks
- Capital management
- Finance and investment expenses

3.1 Financial assets

	2026 ($'000)	2025 ($'000)
Current		
Term deposits	41,124	101,574
Bonds	43,562	40,682
Fair value of interest rate hedge	479	-
	85,165	**142,256**
Non-current		
Equity securities	146,014	118,342
Bonds	296,308	242,695
Funds	45,160	38,087
	487,482	**399,124**

Financial assets are investments held to back insurance contract liabilities. All investments are managed and monitored on a fair value basis for both external and internal reporting purposes in accordance with GMHBA's investment management strategy.

Financial assets are recorded at the cost of acquisition. Except for Term Deposits, financial assets are subsequently remeasured to fair value at each reporting date. Changes in the fair value are recognised as investment gains or losses in profit or loss. Purchases and sales of investments are recognised on a trade date basis, being the date on which a commitment is made to purchase or sell the asset.

Transaction costs are expensed through profit or loss and other comprehensive income as investment expenses on assets backing insurance liabilities. Investments are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and substantially all the risks and rewards of ownership have transferred.

Investment revenues, comprising interest and dividends are brought to account on an accrual basis when the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Exposure to interest rate risk and a sensitivity analysis for financial assets are disclosed in Note 3.3. Further detail regarding fair value measurement is disclosed in Note 1.5.

3.2 Financial liabilities

	2026 ($'000)	2025 ($'000)
Current		
Fair value of interest rate hedge	-	134
	-	**134**
Non-current		
Secured bank loan	45,873	45,814
Total financial liabilities	**45,873**	**45,948**

Bank loan

The Group has a floating rate investment loan secured against 60 Moorabool Street with a facility expiry in November 2027 and a variable interest rate. The loan had a facility limit of $46.25m, drawn to $46.0m at balance date. There have been no breaches of covenant ratios during the year. The Group expects to remain in compliance with these covenants for the next 12 months.

Interest rate hedge

The loan interest rate is hedged with an interest rate swap for a fixed rate maturing in April 2027. The swap is designated as a cash flow hedge, with the effective portion of changes in fair value recognised through other comprehensive income. Should there be an ineffective portion this will be recognised immediately in profit or loss. The swap is market to market with the resulting fair value movement is recognised in the balance sheet as a derivative asset or liability.

3.3 Management of financial risks

The Group is exposed to the following financial risks in the normal course of business; (a) Market Risk, (b) Credit Risk, and (c) Liquidity Risk.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: currency risk (due to fluctuations in foreign exchange rates), interest rate risk (due to fluctuations in market interest rates) and price risk (due to fluctuations in market prices). The following policies and procedures are in place to mitigate the Group's exposure to market risk.

A Risk Management Plan and Investment Policy setting out the assessment and determination of what constitutes market risk for the Group.

The Audit and Investment Committee is responsible for compliance with the Investment Policy which it monitors for any exposures or breaches. It is also the role of the Audit and Investment Committee to determine action plans in mitigation of market risk.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to currency risk via its investments in international equities that are denominated in a currency other than the respective functional currency of the Group, the Australian dollar (AUD). The currencies in which these transactions primarily are denominated are Euro, Japanese Yen (JPY), US Dollar (USD), and Great British Pound (GBP) with the investment carried at fair value with gains and losses through profit or loss. The Group carries a small amount of cash in foreign currency for the purpose of settling trades of international equities.

The summary quantitative data about the Group's exposure to currency risk is as follows:

2026 **($'000)**	**USD**	**Euro**	**GBP**	**JPY**	**Other**
Equities	53,521	6,174	2,649	2,722	-
Cash	13	2	2	12	-
Net financial position exposure	**53,534**	**6,176**	**2,651**	**2,734**	**-**

2025 **($'000)**	**USD**	**Euro**	**GBP**	**JPY**	**Other**
Equities	43,867	6,971	1,962	2,344	-
Cash	**395**	**179**	**42**	**-**	**6**
Net financial position exposure	**44,262**	**7,150**	**2,004**	**2,344**	**6**

As at 30 June 2026, had currency exchange rates moved, as illustrated in the table below, with all other variables held constant, other comprehensive income would have (increased)/decreased as follows:

	2026		**2025**	
	+10%	-10%	+10%	-10%
USD to AUD	5,353	(5,353)	4,918	(4,024)
Euro to AUD	618	(618)	794	(650)
GBP to AUD	265	(265)	223	(182)
JPY to AUD	273	(273)	260	(213)
Other to AUD	-	-	1	(1)

3.3 Management of financial risks (continued)

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group invests primarily in financial instruments with fixed and floating interest rates which expose the Group to fair value interest rate risk.

			Fixed interest maturing in:				
2026	**Note**	**Variable rate ($'000)**	**1 year or less ($'000)**	**Over 1-5 years ($'000)**	**Over 5 years ($'000)**	**Non-interest bearing ($'000)**	**Total ($'000)**
Financial assets							
Cash and equivalents		29,193	-	-	-	747	29,940
Receivables		-	-	-	-	6,914	6,914
Term deposits		-	41,124	-	-	-	41,124
Equity securities		-	-	-	-	146,014	146,014
Bonds		325,620	1,990	12,260	-	-	339,870
Funds		-	-	-	-	45,160	45,160
Interest rate hedge*		-	479	-	-	-	479
Total financial assets		**354,813**	**43,593**	**12,260**	**-**	**198,835**	**609,501**
Financial liabilities:							
Other payables		-	-	-	-	10,359	10,359
Loans*		45,873	-	-	-	-	45,873
Total financial liabilities		**45,873**	**-**	**-**	**-**	**10,359**	**56,232**
Net exposure		**308,940**	**43,593**	**12,260**	**-**	**188,476**	**553,269**

* Both loans and related hedging instrument have notional value of $46.0m (2025: $46.0m).

			Fixed interest maturing in:				
2025	**Note**	**Variable rate ($'000)**	**1 year or less ($'000)**	**Over 1-5 years ($'000)**	**Over 5 years ($'000)**	**Non-interest bearing ($'000)**	**Total ($'000)**
Financial assets							
Cash and equivalents		28,090	-	-	-	1,310	29,400
Receivables		-	-	-	-	9,178	9,178
Term deposits		-	101,574	-	-	-	101,574
Equity securities		-	-	-	-	118,342	118,342
Bonds		264,696	3,511	7,173	7,997	-	283,377
Unlisted funds		-	-	-	-	38,087	38,087
Total financial assets		**292,786**	**105,085**	**7,173**	**7,997**	**166,917**	**579,958**
Financial liabilities:							
Other payables		-	-	-	-	9,278	9,278
Interest rate hedge		-	-	134	-	-	134
Loans		46,000	-	-	-	-	46,000
Total financial liabilities		**46,000**	**-**	**134**	**-**	**9,278**	**55,412**
Net exposure		**246,786**	**105,085**	**7,039**	**7,997**	**157,639**	**524,546**

The Group is exposed to interest rate risk as it places funds in term deposits and bonds. The Group has adopted an investment strategy that delivers a diversified portfolio with a greater weighting to defensive assets versus growth assets. The Group achieves a balance mitigating the exposure to interest rate risk while optimising the return by allowing some flexibility to the external investment advisor. Interest rate risk on borrowings is mitigated by hedging the interest rate on the borrowing secured over 60 Moorabool Street. See note 3.2 for details of the cash flow hedge.

The following table illustrates the sensitivity on net profit for the year ended 30 June 2026 to a reasonably possible change in interest rates of +/-2% (2025: +/- 2%). These changes are reasonably possible based on observation of current market conditions. The calculations are based on the Group's financial instruments held at balance sheet date, with all other variables held constant.

	2026 ($'000)		**2025 ($'000)**	
Net result	-2%	+2%	-2%	+2%
Fair value risk				
Fixed rate instruments				
Term deposits	(145)	145	(817)	841
Bonds	(834)	834	(1,185)	1,185
Interest rate hedge	653	(672)	1,356	(1,783)
Cash flow risk				
Variable rate instruments				
Cash and cash equivalents	6,797	(6,797)	5,668	(5,668)
Bonds	6,644	(6,285)	5,267	(5,267)
Bank loan	-	-	-	-

The Group actively manages its investments in high-quality liquid fixed interest securities and cash for the duration of the fixed interest period. This should be taken into consideration when considering the impact of the above movement.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded on the market. At 30 June 2026 the Group's investments are composed of term deposits, bonds, equities and unlisted real estate trusts. The Group holds its term deposits to maturity and does not trade these investments.

The Group is exposed to listed and unlisted equity securities price risk due to equity investments that are classified as fair value through profit and loss. The Group is indirectly exposed to commodity risk through its investments in listed equities. The Group manages the price risk arising from investments in equity securities, through the diversification of its investment portfolio. Diversification of the portfolio is performed by the Group's investment advisor in accordance with the mandates set by the Group.

A 10% decrease in the price of listed and unlisted equities within the equity portfolio would result in a loss of $19.1m (2025: 15.6m). A 10% increase in the price of listed and unlisted equities within the equity portfolio would result in a gain of $19.1m (2025: $15.6m). The unrealised gain or loss would be recognised as a fair value movement and disclosed in the Consolidated statement of profit or loss and other comprehensive income.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to meet its contracting obligations and arises principally from the Group's receivables and investments. The carrying amount of financial assets represents the maximum exposure.

Credit risk in relation to receivables is considered extremely low with the balance largely comprising prepayments and accrued interest on investment-grade assets and with premiums earned having a history of low credit risk. Measurement is based on unbiased support and considering past experience. The Group minimises concentrations of credit risk by undertaking transactions with many customers/contributors. The Group is not materially exposed to any individual customer, however, is exposed to credit risk through insurance, risk equalisation and investments.

Credit risk in respect of insurance and risk equalisation receivables is actively monitored through the risk management policy which includes analysis of claiming patterns. The Group developed and adopted an investment policy to manage the return of the investment portfolio within defined risk categories. The Group minimises concentrations of investment risk by undertaking direct investment transactions with a wide variety of suitably rated financial institutions, and through the appointment of a reputable and appropriate investment advisor.

3.3 Management of financial risks (continued)

Term Deposit Bonds Comparison

The Standard & Poor's (S&P's) credit rating as at 30 June 2026 for the term deposits of $41.1m, bonds of $339.9m and cash of $29.9m, which represents its maximum credit exposure on these assets as a percentage of the total portfolio, is as follows:

Term deposits			**Bonds**			**Cash**		
S&P credit rating	**2026 %**	**2025 %**	**S&P credit rating**	**2026 %**	**2025 %**	**S&P credit rating**	**2026 %**	**2025 %**
A-1+	82%	74%	AA	1%	2%	A-1+	100%	100%
A-2	18%	26%	AA-	19%	22%			
			A+	6%	8%			
			A	16%	13%			
			A-	31%	23%			
			BBB+	21%	22%			
			BBB	5%	9%			
			Unrated	1%	1%			

The table above details the percentage of the Group's term deposits, bonds and cash investment portfolio, based on the number of deposits held and the S&P credit rating as at 30 June 2026. The fair value of the equity securities has been determined by reference to quoted stock exchanges. The Group has assessed whether any of the financial assets are impaired. Based on the risk management measures undertaken by the Group, there is no objective evidence that any financial assets are impaired below the fair market value as stated.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as required by the Liquidity Management Plan, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and holds a strategic investment allocation to highly liquid exchange traded securities.

Financial liabilities comprise other payables, an interest rate hedge and a loan facility at the reporting date. The balance of other payables of $10.4m (2025: $9.3m) is gross and undiscounted and has committed cash flows of 6 months or less and exclude the impact of netting agreements. Detail about the loan balance of $45.9m (2025: $46.0m) and the interest rate hedge balance of $0.5m (2025: $0.1m) are outlined in note 3.2. Details about the lease liability of $4.4m (2025: $5.4m) is outlined in note 4.8.

3.4 Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and continue to provide benefits for stakeholders by protecting members' funds.

The Group's health benefits fund maintains sufficient capital to meet minimum capital requirements under stressed conditions with a low probability of having insufficient capital to act as a buffer against the financial impacts of a severe but plausible stress event. Capital is monitored against minimum capital requirements to comply with APRA's capital adequacy standards. The standard requires private health insurers to have, and comply with, a Board approved Internal Capital Adequacy Assessment Process (ICAAP).

Health benefits funds are required to comply with the standard on a continuous basis and report results to APRA quarterly. The Group's health benefits fund has followed the standard throughout the year.

The ICAAP establishes a target for capital held in excess of the regulatory requirement. The aim is to keep a sufficient buffer in line with the Board's attitude to and tolerance for risk. The internal capital target ensures GMHBA has a minimum level of capital given certain stressed capital scenarios.

The Liquidity Management Plan sets minimum liquidity requirements of the health benefits fund and describes the actions the fund will perform to maintain liquidity.

Unaudited	**2026 ($'000)**	**2025 ($'000)**
Capital Base		
Accounting Net Assets (Note 5.6)	515,217	490,132
Regulatory adjustments applied to Common Equity Tier 1 Capital	4,097	(377)
Common Equity Tier 1 Capital	**519,314**	**489,755**
Additional Tier 1 Capital	-	-
Regulatory adjustments applied to Additional Tier 1 Capital	-	-
Tier 2 Capital	-	-
Regulatory adjustments applied to Additional Tier 2 Capital	-	-
Total Capital Base	**519,314**	**489,755**
Prescribed Capital Amount		
Insurance Risk Charge	123,817	99,141
Asset Risk Charge	115,682	100,631
Asset Concentration Risk Charge	-	-
Operational Risk Charge	13,342	12,988
Less: Aggregation Benefit	(53,913)	(45,026)
Tax benefits	-	-
Total Prescribed Capital Amount	**198,928**	**167,734**
Capital surplus	**320,386**	**322,021**
Capital adequacy multiple	**2.61**	**2.92**

3.5 Finance and investment expenses

	2026 ($'000)	**2025 ($'000)**
Lease liability interest expense	287	277
Loan interest and other borrowing costs	2,169	2,622
Investment management fees	1,072	794
Total finance and investment expenses	**3,528**	**3,693**

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

Section 4: Other assets and liabilities

The section outlines explains how the Group uses its other operating assets and incurs liabilities to generate the Group's operating result, including:

- Receivables
- Other assets
- Property, plant and equipment
- Intangible assets
- Assets held for sale
- Payables
- Employee benefits
- Leases

4.1 Receivables

	2026 ($'000)	2025 ($'000)
Current		
Accrued investment income	618	2,223
Prepayments	3,646	4,423
Other debtors	2,040	1,751
	6,304	**8,397**
Non-current		
Prepayments	610	595
Total receivables	**6,914**	**8,992**

The carrying amounts of receivables approximate their fair value due to the short-term maturities of these assets.

Receivables are initially recognised at fair value and subsequently measured at amortised cost less any allowance for impairment.

4.2 Other assets

	2026 ($'000)	2025 ($'000)
Current		
Inventory	378	411
Non-current		
Lease incentive asset	14	3,132
Total other assets	**392**	**3,543**

4.3 Property, plant and equipment

Land and buildings

Land and buildings are recorded at fair value (buildings are subsequently subject to depreciation) through other comprehensive income.

Plant and equipment are recorded in the financial statements at cost less accumulated depreciation and accumulated impairment losses.

The portion of the fair value of land and buildings at 60 Moorabool Street used for administrative purposes is classified as property, plant & equipment.

Investment property

Investment property is recorded at fair value through profit or loss.

The portion of the fair value of land and buildings at 60 Moorabool Street held for capital appreciation and rental income are classified as Investment property.

During the year, the ground floor tenancies were taken up by the Group for the Geelong Health Hub. This change resulted in a reassessment of the portion of the asset used for administrative purposes. The assessed percentage at 30 June 2026 is 44.7% (2025: 44.7%).

Recoverable amount of non-current assets

Non-current assets, except for investments in land and buildings are recorded in the financial statements at cost less accumulated depreciation. The carrying values of all non-current assets are reviewed by management at regular intervals to ensure that they are not stated at amounts more than their recoverable amounts.

Depreciation

Property, plant and equipment, other than land, is depreciated using the straight-line method over the period during which benefits are expected to be derived from the asset. Profits and losses on disposal of property, plant and equipment are considered in determining the profit for the year and recorded in other revenue/other expenses in the statement of profit or loss and other comprehensive income. The financial disclosure section outlines the depreciation rates applied to each asset class.

Reconciliation of carrying amount

	Investment property ($'000)	Land & buildings ($'000)	Furniture & fittings ($'000)	Office equipment ($'000)	Motor vehicles ($'000)	Capital WIP ($'000)	Total ($'000)
Depreciation rate	0%	0%	5%-10%	15%-40%	12.5%	0%	
Cost at 1 July 2024	58,750	39,043	11,177	7,807	24	2,606	119,407
Accumulated depreciation	-	-	(3,620)	(5,220)	(5)	-	(8,845)
Carrying amount at 1 July 2024	**58,750**	**39,043**	**7,557**	**2,587**	**19**	**2,606**	**110,562**
Additions	-	15	6,287	726	-	54	7,082
Disposals	-	-	(4)	(28)	-	-	(32)
Depreciation	-	-	(1,107)	(1,127)	(3)	-	(2,237)
Revaluation	(1,114)	(901)	-	-	-	-	(2,015)
Transfers	(6,760)	6,760	1,223	488	-	(1,938)	(227)
Cost at 30 June 2025	50,876	44,917	17,923	8,761	24	722	123,223
Accumulated depreciation	-	-	(3,967)	(6,115)	(8)	-	(10,090)
Carrying amount at 30 June 2025	**50,876**	**44,917**	**13,956**	**2,646**	**16**	**722**	**113,133**
Additions	-	-	52	465	-	239	756
Disposals	-	-	(7)	1	-	-	(6)
Depreciation	-	-	(1,189)	(1,251)	(3)	-	(2,443)
Reclassified to assets held for sale	-	(4,461)	-	-	-	-	(4,461)
Revaluation	3,322	2,678	-	-	-	-	6,000
Transfers	-	668	35	19	-	(722)	-
Cost at 30 June 2026	54,198	43,802	17,845	9,186	24	239	125,294
Accumulated depreciation	-	-	(4,998)	(7,307)	(11)	-	(12,316)
Carrying amount at 30 June 2026	**54,198**	**43,802**	**12,847**	**1,879**	**13**	**239**	**112,978**

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

4.4 Intangible assets

Customer list

Upon acquisition, an intangible asset was recognised for the customer list of health.com.au. This asset, representing the then present value of the expected future incremental cash flows from the acquired book of members is subsequently measured at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over the useful life of the asset and recognised through profit or loss.

Other intangible assets

Other intangible assets acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method over their estimated useful lives, between 3 and 10 years.

	Customer list ($'000)	**License fee** ($'000)	**Software** ($'000)	**Domain names** ($'000)	**Total** ($'000)
Amortisation rate	7.7%	5.0%	10-30%	0.0%	
Cost at 30 June 2024					
Accumulated amortisation					
Carrying amount at 30 June 2024	**4,322**	**36**	**830**	**271**	**5,459**
Additions	-	-	129	-	129
Amortisation	(1,081)	(15)	(413)	-	(1,509)
Transfers	-	-	227	-	227
Impairments	-	-	-	-	-
Cost at 30 June 2025	13,882	312	6,484	271	20,949
Accumulated amortisation	(10,641)	(291)	(5,711)	-	(16,643)
Carrying amount at 30 June 2025	**3,241**	**21**	**773**	**271**	**4,306**
Additions	-	-	-	-	-
Amortisation	(1,081)	(16)	(335)	-	(1,432)
Transfers	-	-	-	-	-
Cost at 30 June 2026	13,882	312	6,484	271	20,949
Accumulated amortisation	(11,721)	(307)	(6,046)	-	(18,074)
Carrying amount at 30 June 2026	**2,161**	**5**	**438**	**271**	**2,875**

4.5 Assets held for sale

During the year, GMHBA classified the Armstrong Creek land asset as held for sale following the Board's 1 September 2025 resolution to commence a sale process. At the date of this report, this sale process is active and the asset is available for immediate sale in its present condition.

The land asset has been measured at its carrying amount of $4.5m (2025: $4.5m) being lower than its fair value less costs to sell. No impairment loss has been recognised on classification as held for sale.

4.6 Payables

	2026 ($'000)	2025 ($'000)
Creditors and accruals	10,359	9,278
	10,359	**9,278**

Liabilities are recognised for amounts payable in the future for goods and services received at balance date. The Group's payables are all considered short term.

4.7 Employee benefits

	2026 ($'000)	2025 ($'000)
Current		
Annual leave	2,844	2,794
Long service leave	2,679	2,683
	5,523	**5,477**
Non-current		
Long service leave	655	513
Total employee benefits	**6,178**	**5,990**

Annual leave

Liabilities for annual leave is recognised and are measured as the amount unpaid at the reporting date based on remuneration rates expected to apply when the obligation is settled, including on costs, in respect of employees' services up to that date.

Long service leave

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

4.8 Leases

The Group recognises right of use assets representing its right to use leased premises and lease liabilities representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. The Group recognises assets and liabilities for its operating leases of retail and office premises. The Group has recognised a depreciation charge for right-of-use assets and interest expense on lease liabilities. No onerous leases were identified at balance date.

In measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at the date of lease commencement or modification. The weighted average rate applied is 8.0% (2025: 6.09%).

	2026 ($'000)	2025 ($'000)
Lease liabilities maturity profile		
Less than one year	663	735
One to five years	3,703	4,667
	4,366	**5,402**
Right-of-use assets reconciliation		
Opening balance	4,675	3,670
Additions	1,629	1,896
Derecognition	(1,679)	(62)
Depreciation	(708)	(829)
Closing balance	**3,917**	**4,675**
Amounts recognised in profit or loss		
Depreciation of ROU assets	708	829
Interest on lease liabilities	287	277
	995	**1,106**
Cash outflows for leases		
Lease payments	948	1,024
Variable lease payments	-	89
	948	**1,113**

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

Section 5: Other disclosures

The section provides additional information that be disclosed to comply with Australian Accounting Standards, the *Corporations Act 2001* and the *Corporations Regulations*, covering:

- Members' guarantee
- Cash flow information
- Key management personnel remuneration
- Auditor's remuneration
- Related party transactions
- Parent entity financial information
- Controlled entities
- Subsequent events
- Contingent liability
- New accounting standards and interpretations not yet adopted

5.1 Members guarantee

GMHBA Limited is a public company limited by guarantee. The constitution states that if the Company is wound up each Company member or any person who has been a Company member within 12 months before winding up commenced is required to contribute a maximum of $20 towards meeting any outstanding obligations of the Company. At 30 June 2026 the number of Company members was 8 (2025: 8).

5.2 Cash flow information

Cash and cash equivalents are carried at cost which, due to their short-term nature, approximates fair value.

For the purposes of the cash flow statement, cash includes cash on hand and bank deposits at call within 90 days, net of any outstanding bank overdraft.

	2026 ($'000)	2025 ($'000)
Reconciliation of net cash flow from operating activities to profit:		
Profit/(loss) for the year	25,354	60,657
Adjustments for non-cash items:		
Investment (gains)/losses	(30,459)	(15,431)
Depreciation and amortisation	4,660	3,746
Interest and dividends received	(22,879)	(21,938)
Interest on loans and borrowings	2,169	2,488
Revaluation of investment property	(3,326)	1,114
(Increase)/decrease in operating assets		
Receivables	2,077	(1,640)
Other assets	3,319	(423)
(Increase)/decrease right of use assets	(758)	(1,005)
(Increase)/decrease in operating assets		
Payables	1,081	(63,547)
Insurance contract liabilities	492	5,321
Employee benefits	189	713
Lease liabilities	(1,036)	143
Net cash from/(used in) operating activities	**(19,117)**	**(29,802)**
Reconciliation of cash and cash equivalents		
Cash on hand	2	2
Cash at bank	29,938	29,398
	29,940	**29,400**

5.3 Key management personnel remuneration

Under AASB 124 "Related Party Disclosures" financial disclosures are required for the key management personnel. Under the standard Key Management Personnel are defined as: "Those people having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director whether (executive or otherwise) of that entity." From time to time, key management personnel may receive discounted private health insurance premiums on the same terms and conditions as those available to all employees of the Group.

Directors

Claire Higgins

Marie Bismark

Mike Hirst

Dee McGrath

Sandy Morrison

Denis Napthine

Michael Sammells

Rachel Swift

Compensation of Directors

	2026 ($)	2025 ($)
Short-term employee benefits	786,288	761,475
Post-employment benefits	92,708	76,947
	878,996	**838,422**

No long-term benefits or termination benefits were paid to Directors during the year. Post-employment benefits relate solely to superannuation contributions.

Compensation of key management personnel

	2026 ($)	2025 ($)
Short-term employee benefits	2,723,576	2,684,148
Post-employment benefits	332,226	321,383
Long-term benefits	13,593	71,778
	3,069,395	**3,077,309**

Management comprises the Chief Executive Officer, eight other Executive Managers and Senior decision makers.

No long-term benefits or termination benefits were paid to Management during the year. Post-employment benefits relate solely to superannuation contributions.

Notes to the consolidated financial statements

For the year ended 30 June 2026 (continued)

5.4 Auditor's remuneration

During the year the following fees were paid to or payable for services provided by the auditor of GMHBA:

	2026 ($)	2025 ($)
Assurance services		
Audit financial reports and regulatory returns	314,500	305,717
Non-assurance services		
Regulatory compliance review	145,590	-
Faircall whistleblower service	14,826	836
Total remuneration of KPMG Australia	**474,916**	**306,553**

5.5 Related party transactions

The Group has dealings with a related party of the QE 042 Trust. Payments made to this entity for the year ended 30 June 2026 were:

	2026 ($'000)	2025 ($'000)
Management fees paid	717	785
Outstanding payable at year end	9	4
Distributions to unitholders	3,158	2,950
Distributions to unitholders forming non-controlling interest	600	560

There were no other transactions with related parties of the Group during the year.

5.6 Parent entity financial information

Individual financial statements for the parent entity, GMHBA Limited, show the following aggregate amounts:

	2026 ($'000)	2025 ($'000)
Result of parent entity		
Net profit for the year	25,086	60,073
Total comprehensive income for the year	**25,086**	**60,073**
Financial position of parent entity at year end		
Current assets	120,620	184,698
Total assets	**716,524**	**691,726**
Current liabilities	143,071	141,522
Total liabilities	**201,307**	**201,594**
Total equity of parent entity comprising of:		
Retained earnings	498,226	473,141
Reserves	16,991	16,991
Total equity	**515,217**	**490,132**

5.7 Controlled entities

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group's subsidiaries are outlined in the Consolidated Entities Disclosure Statement. The Group's subsidiaries are outlined in the following table.

Name	Principal place of business	2026 Ownership %	2025 Ownership %
GMHBA Armstrong Creek Unit Trust	Victoria, Australia	100%	100%
GMHBA Land Co Pty Ltd	Victoria, Australia	100%	100%
QE042 Trust	Victoria, Australia	81%	81%

5.8 Subsequent events

On 28th of August 2026, GMHBA entered into a Business Sale Deed (BSD) in relation to the proposed acquisition of certain assets and liabilities associated with the private health insurance business conducted by Reserve Bank Health Society Limited. Completion of the transaction remains subject to regulatory approvals and the satisfaction of other conditions precedent contained within the BSD.

Management has assessed the proposed transaction as an acquisition of assets and liabilities and not a business combination for the purposes of Australian Accounting Standards. The transaction is therefore expected to be accounted for as an asset acquisition upon completion.

At 30 June 2026, no assets or liabilities relating to the transaction have been recognised in these financial statements. The transaction represents a non-adjusting event occurring after the reporting date.

The financial effect of the transaction cannot presently be reliably estimated as the transaction has not completed and the final assets, liabilities and related obligations to be transferred remain subject to confirmation and regulatory approval.

No other matter or circumstance has occurred since the end of the reporting period that may materially affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

5.9 Contingent liability

The Department of Health, Disability and Ageing has asserted that GMHBA may not have been entitled to claim certain Private Health Insurance rebates in connection with COVID related member returns. GMHBA disputes this position and considers that its treatment of the relevant rebates is appropriate. As the outcome of the matter remains uncertain and GMHBA does not consider that a present obligation exists at the reporting date, no provision has been recognised in respect of this matter. The matter remains subject to ongoing discussions with the Department.

5.10 New accounting standards and interpretations not yet adopted

The Group has not yet adopted any standards, interpretations or amendments that have been issued but are not yet effective. Except for AASB 18, These standards, interpretations and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Consolidated entities disclosure statement

For the year ended 30 June 2026

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the *Corporations Act 2001 (s.295(3A)(a))*.

Entity Name	Entity type	Body corporate country of incorporation	Ownership interest		Country of tax residence
			2026	2025	
GMHBA Limited*	Body corporate	Australia			Australia
GMHBA Armstrong Creek Unit Trust	Trust	Australia	100%	100%	Australia
GMHBA Land Co Pty Ltd	Body corporate	Australia	100%	100%	Australia
Quintessential Equity 042 Pty Ltd	Body corporate	Australia	81%	81%	Australia
QE042 Trust	Trust	Australia	81%	81%	Australia

*Parent entity

Key assumptions and judgments

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependant and there are currently several 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 the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary the consolidated entity has used independent tax advisors in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residency test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Directors' Declaration

For the year ended 30 June 2026

In accordance with a resolution of the Directors of GMHBA Limited, the Directors declare:

That the financial statements and notes set out on pages 27 to 55:

(a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(b) give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(c) The consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act* is true and correct.

This declaration is made in accordance with a resolution of the Directors.

Signed for and on behalf of the Board.

Claire Higgins

Chair
GMHBA Limited

Mike Hirst

Director
GMHBA Limited

Geelong
2 September 2026

Independent Auditor's Report

To the members of GMHBA Limited

Opinion

We have audited the ***Financial Report*** of GMHBA Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2026
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in GMHBA Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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://www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf. This description forms part of our Auditor's Report.

KPMG

Chris Wooden

Partner

Melbourne

2 September 2026

GMHBA is a registered
not-for-profit private health insurer

ABN 98 004 417 092

GMHBA Limited is a public
company limited by guarantee
and incorporated in Australia

Registered office and
principal place of business:
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60 Moorabool Street
Geelong Vic 3220

GMHBA Limited

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