Bupa 2025 External capital adequacy disclosure

This document has been prepared for the purpose of satisfying the disclosure requirements set out in APRA's Prudential Standard HPS 110 'Capital Adequacy'.

Why capital adequacy is important to us?

As a regulated health insurer, Bupa HI Pty Ltd (**BHI**) is required by its regulator, the Australian Prudential Regulation Authority (**APRA**), to hold additional capital on top of its existing liabilities. This regulatory capital acts as a financial buffer to cover potential future claims and expenses that may arise under extreme or unexpected financial conditions. Our ability to provide benefits to our customers when they need us is at the very core of what we do.

BHI's financial position

BHI remains well capitalised to meet APRA's regulatory capital requirements and is committed to holding additional capital, in excess of the regulatory minimum, to meet internal capital targets reflecting the Board's risk appetite. As of 30 June 2025, BHI holds a regulatory capital base of $1,495.5m. This represents 180.2% of what is prescribed by the regulator. This capital base is comprised of the highest quality ("Common Equity Tier 1") capital. This demonstrates that BHI has the financial strength and resilience required to fulfil its purpose of helping people live longer healthier happier lives and making a better world.

Bupa HI Pty Ltd As at 30 June 2025	Health Benefits Fund $M	General Fund $M	Total BHI $M
Capital Base			
Net assets	1,653.8	9.9	1,663.7
Regulatory adjustments*	(168.2)	-	(168.2)
Common Equity Tier 1 Capital	**1,485.6**	**9.9**	**1,495.5**
Additional Tier 1 Capital	-	-	-
Tier 2 Capital	-	-	-
Total capital base of BHI [A]	**1,485.6**	**9.9**	**1,495.5**
APRA prescribed capital amount			
Insurance Risk Charge	626.7	-	626.7
Asset Risk Charge	105.7	0.1	105.8
Asset Concentration Risk Charge	-	-	-
Operational Risk Charge	173.9	-	173.9
Aggregation benefit	(76.4)	-	(76.4)
Tax benefit	-	-	-
Total APRA prescribed capital amount [B]	**829.9**	**0.1**	**830.0**
BHI's capital adequacy multiple, expressed as a percentage [A/B]%	**179.0%**	**16,555.6%**	**180.2%**

**All regulatory adjustments relate to the calculation of Common Equity Tier 1 Capital. These include the elimination of any intangible assets, prepayments and deferred tax assets; and the revaluation of the insurance contract liabilities to align with APRA requirements.*