

## Helia Group Limited 2025 Annual General Meeting Chair's Address

**7 May 2025:** I am pleased to welcome shareholders to our 2025 Annual General Meeting. It is a privilege to address you for the first time as Chair of Helia.

Helia's Lenders Mortgage Insurance or LMI, performs a crucial role in supporting the home lending ecosystem and enables more Australians to realise their dream of home ownership.

Since 2010, we have helped nearly 1.2 million Australians buy a home, accelerating their financial and emotional wellbeing.

2024 was another good year for Helia, in which we saw continued strong profitability, customer satisfaction and growth in new business, as a result of improved industry volumes and an increase in Helia's market share.

This positive momentum has been tempered in the early months of 2025, with the news of the likely loss of the CBA contract from the end of this year, as well as a possible expansion of the Federal Government's Home Guarantee Scheme.

In recent weeks, I have met with a range of shareholders, listening to their positive feedback as well as their concerns. I've appreciated the time these investors have given, and the constructive interest and support that has been shown by them in Helia.

Your Board acknowledges the votes that have been lodged against the Remuneration Report and that these votes will most likely result in a strike. We also acknowledge the concerns that lay behind these votes.

I can assure all Helia shareholders that your Board is intently focused on navigating the challenges we face, as well as taking advantage of the opportunities before us.

We will continue to work with management and focus on delivering great outcomes for our people, customers and shareholders.

### **Supporting customers and home buyers**

Now, turning to the focus of today's meeting - Helia's 2024 performance.

During 2024, Helia worked with our customers and their mortgage broker networks, to facilitate loans to more than 31,000 home buyers. With Helia's support, these home buyers purchased a home on average five and a half years sooner than they otherwise would have.

At the end of 2024, Helia held over 810,000 policies in-force and had insurance in-force of \$235 billion. During the year, we also helped over 11,000 Australians experiencing hardship remain in their homes, through loan deferrals and restructures.

In these difficult times with many families struggling to manage daily expenses, let alone to buy a home for themselves, we are proud of the difference we are making in so many lives.

### **Effective capital management**

Moving on to capital management, Helia remains well capitalised with a strong balance sheet. This enables us to support our customers and homeowners now and over the long term, whilst also delivering attractive returns to our shareholders.

For the 2024 financial year, our capital management activities returned \$345 million to shareholders through:

- Fully franked ordinary and special dividends totalling 84 cents per share; and
- On-market share buy-backs of \$113 million, which reduced the shares on issue by 9.4%.

The payment of these dividends and completion of the remaining on-market share buy-back would reduce our capital ratio to a pro forma of 1.73 times APRA's minimum prescribed capital amount, or PCA.

In 2024 Helia's total shareholder return was 18%, outperforming the ASX 200 by more than 6% and as at 31 December 2024, Helia had significantly outperformed the index over 3 years and since its listing more than 10 years ago.

The Board will continue to focus on activities to bring the PCA multiple in line with our target range of 1.4 to 1.6 times, through a mixture of on-market share buy-backs and special dividends.

The expected absence of new business from CBA from January 2026, will likely increase the level of organic capital generation and the potential scope for further capital management activity.

### **Our sustainability commitments**

In 2024, we continued to embed environmental, social, and governance commitments into our strategy and operations.

We are pleased to have maintained net zero for both Scope 1 and Scope 2 carbon emissions and, as we deepen our understanding of Scope 3 emissions measurement, we will refine our strategies to minimise our carbon footprint.

The Company continues to examine ways to respond to the challenges presented by climate risk and resilience. During the period, we strengthened our modelling capabilities to precisely identify high-risk property locations, enabling us to improve our portfolio exposure and support for our customers.

Our dedication to helping Australians achieve homeownership extends beyond the vital assistance provided by Helia's LMI. We continued to support St Vincent de Paul Society, Youth off the Streets and Habitat for Humanity through funding and volunteering.

These organisations work tirelessly to address barriers to home ownership and aid vulnerable members of our community to access housing support and other services.

### **Risk management and governance**

Our commitment to continuous improvement and the maintenance of a strong risk culture is core to the trust that you place in Helia.

Maintaining an effective risk culture and positive behaviours that support our long-term goals remains a priority for the Board and management. The Board has been pleased to see Helia's risk culture mature and strengthen over recent years.

Notwithstanding, the Board is aware there has been some commentary relating to employee share trading. Helia takes all of its legal, regulatory and listing obligations very seriously, as well as its commitment to meet high standards of community expectation.

Accordingly, the Board has engaged an independent advisor to conduct a review of the circumstances surrounding employee share trading during the authorised share trading window that preceded the CBA announcement.

This review includes a review of Helia's governance policies, processes and procedures. While the review is ongoing, based on the review work now conducted, the Board believes there is no indication of any breach of law or company policy by Helia or any of its people in relation to these matters.

The review is highlighting opportunities to uplift Helia's governance, including our policies and processes. The Board will continue to consider and work through the final outcomes of the review. In line with our remuneration framework, the Board will be considering the expected loss of the CBA contract and the outcomes of the review in determining 2025 remuneration outcomes.

### **Board changes**

During the year Helia continued to work on Board renewal to ensure we continue to have a diverse set of skills and experience to address the challenges and opportunities ahead.

Last May, former Helia Chair Ian MacDonald retired after eight years of service as Chair. On behalf of my fellow Board members, I express our sincere thanks to Ian for his leadership and vision throughout his tenure.

I also wish to recognise the contributions of Gai McGrath and Gerd Schenkel who retired during the year and thank them for their service.

In July, we were pleased to welcome two new Board members, JoAnne Stephenson and Andrew Moore. Both are standing for election today along with Alastair Muir who is standing for re-election to the Board.

Shareholders will have the opportunity to hear from JoAnne, Andrew and Alastair shortly when they speak as part of their respective resolutions. They all have the full support of your Board.

## Proposed expansion of the Home Guarantee Scheme

Before closing, it would be remiss of me not to talk in more detail about the recent announcements proposing an expansion of the Home Guarantee Scheme and the impact on home ownership.

If implemented in the form proposed, changes to existing income caps, property price limits and an uncapped number of places are likely to significantly expand the existing program for eligible First Home Buyers.

It's important to highlight that the extent of Australia's housing crisis necessitates a coordinated response from the public and private sectors, working closely together to tackle housing supply, affordability and accessibility.

Home buyers who meet bank serviceability requirements can also generally afford a home using LMI without government assistance. Stimulating demand by providing assistance to home buyers who generally do not need it, may push house prices further out of reach for Australians who need help to buy a home.

With this in mind, Helia plans to proactively engage with the Federal Government as it finalises the Scheme's revised policy parameters, so that collectively we can deliver more support for more Australians to achieve home ownership.

## Closing remarks

In closing, I would like to again thank shareholders for your ongoing support over the past year.

I also express my thanks to our CEO & Managing Director, Pauline Blight-Johnston, the senior leadership team and all our people, for their hard work and dedication to our customers, and commitment to helping more Australians into homes.

Before we move to the formal business of today's meeting, I now invite Pauline to address shareholders.

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For more information, analysts, investors and other interested parties should contact:

**Investors and Analysts:**

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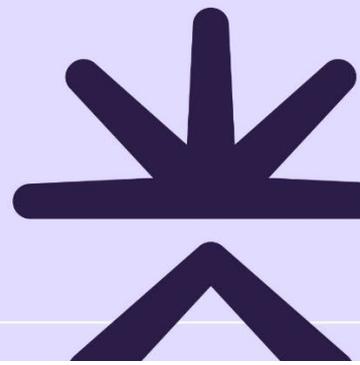
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The release of this announcement was authorised by the Disclosure Committee.

# ASX Announcement

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## Helia Group Limited 2025 Annual General Meeting CEO's Address

**7 May 2025:** Thank you, Leona. Good morning everyone – welcome, and thank you for joining us.

I am Pauline Blight-Johnston, Helia's Chief Executive Officer and Managing Director. I'm delighted to be here with you once again today to discuss Helia's 2024 performance, as well as our recent results and outlook for the business.

### Delivering on our purpose

Helia's purpose of accelerating financial wellbeing through home ownership has become increasingly critical over the last 12 months. Ongoing house price increases and a shortage in housing stock are making the goal of home ownership even harder to achieve for a growing number of Australians.

Over the past year, we continued to work closely with our customers to support more aspiring home owners, delivering on our multi-year strategy to innovate our business, improve customer experiences and deepen borrower and broker understanding of the value that LMI can create for them.

### Strong financial performance

In 2024, Helia again delivered a strong financial performance, demonstrating its resilience in spite of a challenging environment. We reported a full year statutory net profit after tax (NPAT) of \$232 million and underlying NPAT of \$221 million, reflecting another year of focused operational execution and benign claims experience.

New business volumes improved with Gross Written Premium (GWP) increasing 6% to \$196 million, as we witnessed some recovery in high loan-to-value-ratio lending, as well as the benefits of client wins in recent years increasing Helia's market share. However, industry new business volumes remained subdued due to the ongoing impact of the Federal Government's Home Guarantee Scheme, as Leona has discussed.

During the year, households continued to experience cost of living pressures and ongoing high interest rates. However, continued labour market strength has enabled most homeowners to continue to meet their mortgage obligations, despite the increasingly challenging circumstances.

Total incurred claims were again negative at minus \$37 million. As I have said previously, a negative claims outcome is a very unusual occurrence, resulting from extraordinarily benign claims experience again in 2024, and not something we would expect to continue in the medium term.

Helia's PCA coverage ratio increased to 2.1 times as at 31 December 2024. This reflected the strong profitability in 2024 and capital releases from in-force business exceeding capital requirements for new business.

Importantly for our shareholders, the underlying return on equity for the period was 19.9% and net tangible assets (NTA) per share rose 5% to \$3.93, with the sum of NTA and contractual service margin closing the year at \$5.58 per share.

As noted in last week's first quarter trading update, similar trends have continued so far into 2025, with benign claims experience driving strong profitability and new business growth continuing. This growth in the LMI industry, supported by Helia customer wins over recent years, should partially mitigate the reduction in new business from the expected loss of the CBA contract and expansion of the Home Guarantee Scheme.

### **Implementing strategic initiatives**

In 2024, we progressed a range of strategic initiatives under our multi-year business strategy to deliver our purpose and create sustainable long-term value for our shareholders.

We continued to innovate with our market-leading technology to strengthen our ability to service existing customers and enhance customer acquisition.

A key initiative delivered in the period is an industry-first digital onboarding system that can reduce the transition time for new lender customers from months to only weeks, positioning us well as we engage with prospective customers.

We invested further in technology to leverage automation, elevate our service delivery and improve efficiency. Over the year, we successfully delivered digital integrations for six customers and five industry platforms. These integrations make it easier and more efficient for LMI to be included as part of the loan origination process.

Our industry leading technology and customer service was recognised externally, with Helia winning:

- the Australian Broker 5-Star Mortgage Innovator Award
- the Informatica Innovation Award in the Risk and Compliance category, recognising the quality and security of our data governance programs; and
- the Mortgage & Finance Association of Australia Excellence Awards national 'Support Service Provider Award – Large Company' for excellence across customer service, growth and innovation.

### **Delivering customer service excellence**

In most instances, LMI is sold in Australia via exclusive supply agreements with lender customers, with terms typically between 3 to 5 years. Negotiation of these important contracts can take many months, and Helia is typically in discussions to retain existing customers and/or win new customers at any point in time. In 2024, Helia retained 100% of customer contract renewals and the trust and satisfaction of our customers was reflected in our strong Net Promoter Score of +83, which was up 4 points on 2023.

Against this backdrop of delivery, service excellence and market momentum, we were of course disappointed in March this year to hear news that CBA had entered into exclusive negotiations with an alternative provider for its LMI services, likely ending a 50-year relationship between CBA and Helia for new LMI business.

Helia will generate new business from CBA until the end of this year, and we will recognise revenue from in-force policies for the next 15 years.

We are confident that Helia retains a differentiated position in the Australian LMI market and will continue to pursue opportunities to retain and strengthen our relationships with existing customers, as well as build and extend our market footprint with new customers.

### **Growing the market for LMI**

Given the nation's ongoing housing affordability and cost of living challenges show no signs of abating, we continue to believe there is a need for LMI, despite the proposed increase in the government's First Home Guarantee Scheme. LMI remains an important tool for home upgraders and investors.

Key to unlocking this is improving the awareness and understanding of the benefits of LMI – for lenders, mortgage brokers and borrowers.

In recognition of the important role that brokers play in home lending, last year we launched our inaugural Mortgage Broker LMI Sentiment Index to better understand broker perceptions of LMI. This research is assisting us to educate and support brokers in the use of LMI as a tool to help customers achieve their financial goals, such as through our current LMI Lets Me In campaign.

### **Delivering results through world-class performance**

The Company's achievements in 2024 were only possible because of the hard work of our talented and dedicated people.

I am pleased that in 2024, we achieved an employee engagement score of 78%, placing us in the top quartile of financial services companies in Australia. Helia was also named a Top Insurance Employer by Insurance Business

Our commitment to diversity, equity, and inclusion remains a cornerstone of our culture. We are especially proud to have achieved and maintained gender pay equity and are one of a small number of financial services businesses in Australia have done so. We were also recognised as a Workplace Gender Equality Agency Employer of Choice for Gender Equality for the tenth consecutive year.

### **Looking ahead**

As we look forward, Helia is well-prepared and well-capitalised to adapt to the evolving environment, supporting Australians to achieve the goal of home ownership.

We continue to deliver our business strategy, including technology innovations to ensure the Company remains agile, adaptable and efficient. These efforts position us to respond effectively to future economic and market conditions, the needs of lenders and aspiring homeowners.

Our capital strength ensures we can continue to support our customers, invest in our business and reward our shareholders.

### **Closing remarks**

In closing, I express my thanks to Leona and the Board, the Helia leadership team and all Helia employees for your hard work. Thank you also to our customers and partners without whom it would not be possible for us to have the impact that we do.

I would also like to thank you, shareholders for your trust and support over the years. We are proud to have delivered strong returns for you and remain focussed on this continuing.

I will now hand back to Leona to conduct the formal business of the meeting.

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For more information, analysts, investors and other interested parties should contact:

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