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25 February 2025

Companies Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Helia Group Limited (ASX:HLI)
2024 Annual Report

We attach a copy of the Annual Report for Helia Group Limited and its controlled entities for the year ended 31 December 2024.

The release of this announcement was authorised by the Board.

Yours faithfully

Brady Weissel
General Counsel and Company Secretary

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Helia

Creating a brighter future for more home buyers.

Annual Report 2024

As Australia's leading lenders mortgage insurance provider, we harness the power of almost 60 years' experience to help home buyers achieve home ownership.

Since 2010, we have helped almost 1.2 million Australians achieve home ownership.

Acknowledgement of Country

Helia acknowledges the Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures and to Elders past and present.

Our registered office is located on the lands of the Cammeraygal people.

Helia Group Limited ABN 72 154 890 730

Creating a brighter future for more home buyers.

Helping home buyers Mitch and Amelia

Mitch and Amelia had always dreamed of buying their own home. Like many home buyers they faced the challenge of saving a 20% deposit for a home that would fit their growing family's needs.

After numerous attempts at auctions and being ineligible for government schemes, they decided to consult a mortgage broker. That's when they discovered Lenders Mortgage Insurance (LMI), which made home ownership possible with a smaller deposit.

With renewed hope, it wasn't long before Mitch and Amelia finally secured their dream home using a 10% deposit. What once seemed out of reach or years away was made possible, thanks to LMI.

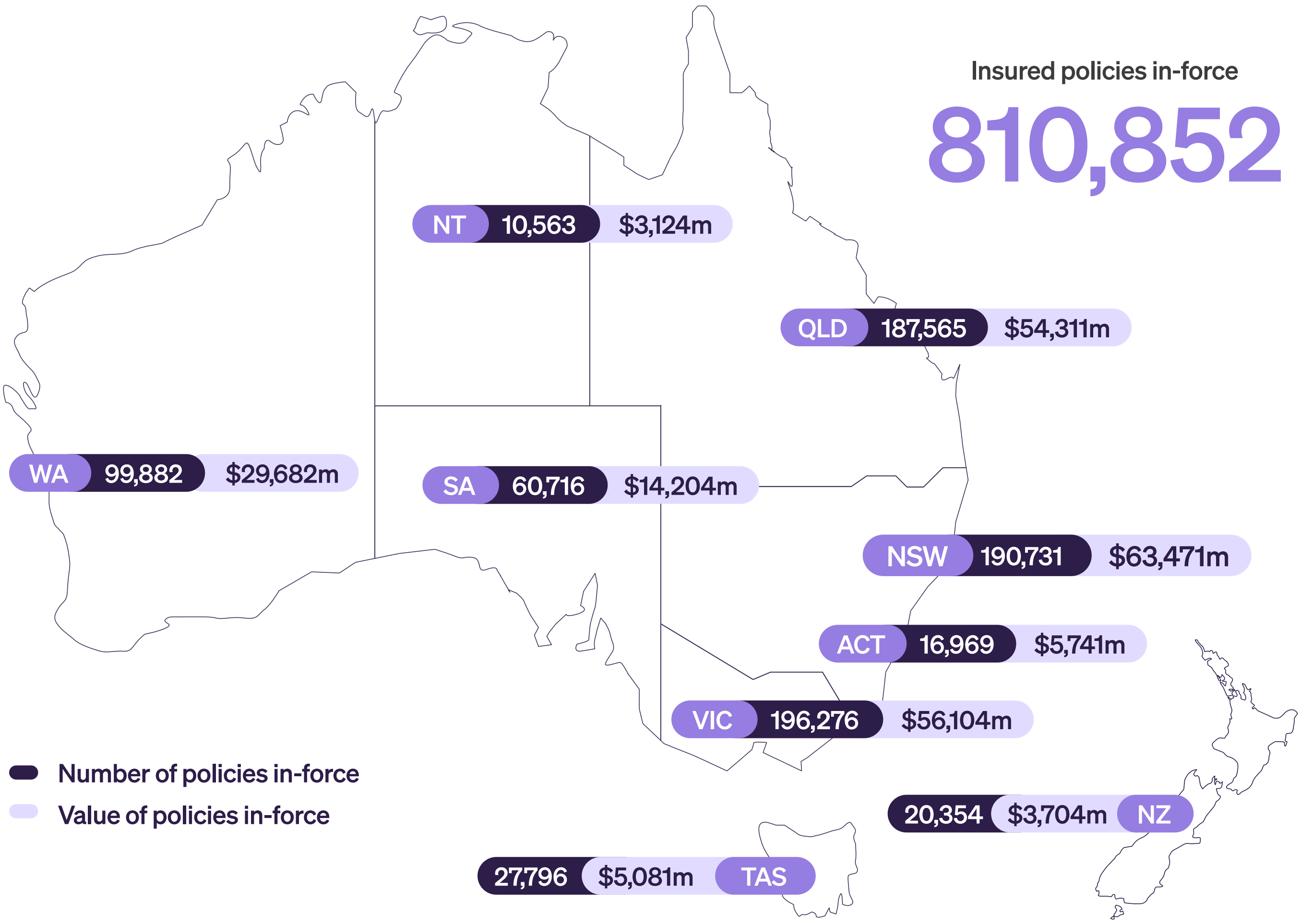
Refer to page 13 for our disclaimer.

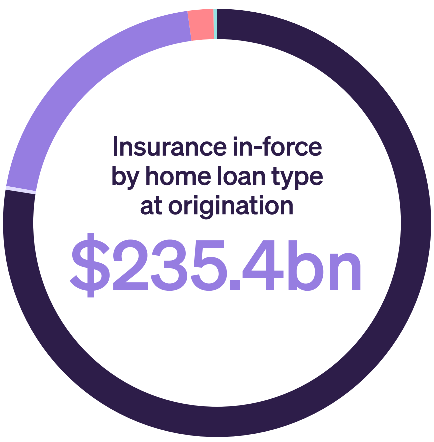
FY24 highlights

Our insured home loans portfolio

Insured policies in-force

810,852





We have a geographically diversified portfolio weighted towards less risky principal and interest loans

- Owner occupier + principal and interest: $182.8 (77.6%)
- Investor + principal and interest: $46.9bn (19.9%)
- Other: $0.3bn (0.1%)
- Owner occupier + interest only: $0.9bn (0.4%)
- Investor + interest only: $4.5bn (1.9%)

Figures at 31 December 2024 or for FY24 unless otherwise stated. Figures may not add due to rounding.

Key financial measures

Statutory NPAT
$231.5m
FY23: $275.1m

Underlying NPAT
$220.9m
FY23: $247.7m

Gross written premium
$195.6m
▲ 5.6% on FY23

Insurance revenue
$389.2m
▼ 8.9% on FY23

Ordinary dividend per share
31cps

Special dividend per share
53cps

Insurance service result
$291.9m
FY23: $358.4m

Total incurred claims ratio
(9.5)%
FY23: (15.7)%

Net tangible assets per share
$3.93

Underlying return on equity
19.9%

Net investment return per annum
4.9%

PCA coverage ratio
2.10x

Chair's message

In another challenging year for aspiring and recent home owners, Helia worked closely with our customers to support more Australians to accelerate financial wellbeing through home ownership.

With LMI families can purchase a home on average

5.5 years earlier

Capital returned via dividends

$231.1 million

In 2024, the opportunity to save a deposit, buy a home and accelerate financial wellbeing became even harder for many Australians to achieve. Ongoing cost of living pressures, no interest rate relief and further house price appreciation, increased the challenge for home buyers to enter the property market, and for those who have bought a home, to manage the increasing demands on household budgets.

Against this backdrop, Helia's Lenders Mortgage Insurance (LMI) continued to perform an important role in supporting the home lending ecosystem and enabling more Australians to achieve the dream of home ownership.

Over the year Helia worked closely with existing and new customers, and their mortgage broker networks, to facilitate high loan to value ratio (HLVR) home loans to over 31,000 home buyers. These families were able to buy a home on average 5.5 years earlier than they would have without Helia's LMI support, with even greater time savings experienced in New South Wales (9 years) and Victoria (8.5 years).

At the end of the year, Helia held over 810,000 policies in-force and insurance in-force of $235 billion. In addition, alongside our customers, we helped over 11,000 Australians experiencing hardship in 2024, through loan deferrals and restructures, helping them to remain in their homes.

Capital management initiatives

Our company remains well capitalised with a strong balance sheet to ensure we can support our customers and home owners, now and over the long term. Our capital management philosophy remains unchanged, with a commitment to deploy capital at attractive returns for shareholders and target a stable ordinary dividend. Where we have excess capital, we have demonstrated a commitment to returning it in the most efficient and effective manner, typically through a combination of on-market share buy-backs and special dividends.

For the 2024 financial year, we will have returned $231.1 million to shareholders via an increased fully franked dividend of 31 cents per share, and a fully franked special dividend of 53 cents per share.

Helia also completed $113.4 million of on-market share buy-backs, reducing the share count by 9.4%. As announced on 25 February 2025, Helia announced an increase in the current $100 million on-market share buy-back to $200 million, $120.8 million of which remains outstanding.

The payment of dividends and completion of the $200 million on-market share buy-back would reduce the prescribed capital amount (PCA) coverage ratio from 2.10 times at 31 December 2024, to a proforma PCA coverage ratio of 1.73 times. We remain focused on attaining the Board's target capital range of 1.40 to 1.60 times PCA over time and delivering attractive returns to our shareholders.

Maintaining an effective risk culture

Helia has robust risk management systems and processes in place to identify, manage and mitigate enterprise risks associated with our business activities. The Board works collaboratively with management in relation to all material risk areas, and to ensure that risk management practice adapts as the regulatory, industry and technology landscape changes.

In this regard, Helia is well progressed to ensure compliance from 1 July 2025 with APRA's new Prudential Standard CPS 230 and is continuing to invest in technology and improved processes to help safeguard our assets and build resilience across a broad range of potential disruptive events.

In 2024, we were pleased to see a Risk Culture score of 79% reported in Helia's 2024 Employee Engagement and Culture Survey. This reflects the organisation's capabilities and embedded culture of developing and implementing effective control systems and risk treatment plans across all areas of the business operations.

Our commitment to sustainability

Over the year, Helia continued to deliver on our environment, sustainability and governance (ESG) commitments, with the goal of enhancing resilience so that together with our customers, we can support more people into home ownership, and create long-term value for our shareholders.

These commitments are structured around five material themes of housing accessibility; employee culture and wellbeing; climate risk and resilience; data privacy and security; and legal and regulatory compliance.

Climate risk and resilience presents a growing challenge to the provision of finance and insurance in the housing sector. In 2024, we enhanced our modelling capabilities to enable a more granular identification of high-risk property locations, allowing us to better manage our portfolio exposure and support our customers.

Helia is also playing its part by minimising our carbon footprint. For scope 1 and 2 we are maintaining net zero emissions through 100% renewable sources for purchased electricity. While we are yet to determine a baseline for scope 3 emissions, we are building our understanding and approach to measurement.

Our housing accessibility commitment extends beyond the important support provided by Helia's LMI. Our long-standing philanthropic partnerships with St Vincent de Paul Society, Youth Off The Streets, and Habitat for Humanity continued to make meaningful impact over the year, by helping address barriers to home ownership and aiding vulnerable members of our community to access housing support and other services.

Increasing our voice to government and regulators

Housing affordability remains a major issue for Australia, and we believe that there is an opportunity for the LMI industry, lenders, governments, and regulators to work more effectively together and improve housing market accessibility for Australians.

Over the past 12 months in this increasingly challenging housing market, Helia has continued to reinforce the importance of a strong LMI industry to government and regulators. While government housing support programs such as the Federal Government Home Guarantee Scheme can play an important role in helping Australians into homes, we believe it is inefficient to deliver policy initiatives that overlap with readily available products in the market. To this end, we are encouraging policymakers to focus government resources on helping those for whom home ownership would not be possible without government intervention and support.

Corporate governance and Board renewal

During the year, Helia continued its program of Board renewal, ensuring the Board continues to comprise diverse skillsets and remains well-equipped to address the challenges and opportunities ahead.

The most notable update was the retirement in May 2024 of Helia Chair, Ian MacDonald, who had served in the role for eight years, successfully supporting the management team to navigate economic and property cycles and a change in majority ownership. Ian leaves Helia in a strong position, and on behalf of my fellow Board members, I thank him for his leadership and vision throughout his tenure.

I would also like to acknowledge the valuable contributions of Gai McGrath and Gerd Schenkel who retired from the Board in July and April 2024 respectively. Gai served on Helia's Board for eight years and Gerd for three years and I thank them for their service.

I am pleased to welcome JoAnne Stephenson and Andrew Moore who joined the Board in July as independent, non-executive directors. Their significant and varied experience will provide valuable insights and perspectives to the Board in the periods ahead.

Thank you

In closing, I would like to thank our CEO Pauline Blight-Johnston, the senior leadership team, and all of our people, for their dedication to customers and commitment to helping more Australians into homes. I would also like to thank our lender customers and you our shareholders, for your ongoing support.

I am delighted to have the opportunity and responsibility of chairing Helia and look forward to the year ahead.

L Murphy

Leona Murphy
Chair

CEO's message

Helia delivered a strong financial and operational performance in 2024, reflecting the resilience of the Australian economy, our market leadership and customer relationships, and a robust capital position. In a year when housing affordability continued to deteriorate, we are proud to have worked closely with our customers to help over 31,000 more home buyers into home ownership, and more than 11,000 to manage challenging circumstances and remain in their homes.

Helia's purpose of accelerating financial wellbeing through home ownership, now and for the future, has become increasingly critical as many Australians are finding the goal of home ownership to be even further out of reach. During the past year, we continued to work closely with our customers to support more aspiring home owners. We also intensified our strategic focus on growing the LMI market and our market share, so that more Australians can experience the benefits of home ownership.

Financial performance

Helia delivered a strong FY24 statutory net profit after tax (NPAT) of $231.5 million and underlying NPAT was $220.9 million, reflecting another year of strong operational execution and unusually benign claims experience. New business volumes improved with Gross Written Premium (GWP) increasing 6% to $195.6 million, reflecting a slight recovery in industry high loan to value ratio (HLVR) lending, and an increased Helia LMI market share, but new business volumes remain subdued due to the ongoing negative impact of the Federal Government Home Guarantee Scheme.

Total incurred claims were negative $37.2 million, with claims experience remaining unusually low in FY24. Whilst during the year, households experienced higher cost of living pressures and ongoing high interest rates, low unemployment, positive real wage growth and an increase in hours worked enabled home owners to largely manage changing circumstances. Helia also continued to work closely with our lenders to monitor the portfolio and implement hardship solutions where required.

Importantly for our shareholders, the underlying return on equity for the period was 19.9% and net tangible assets per share rose 5% to $3.93. Helia's PCA coverage ratio increased to a very strong 2.10 times. This reflected the strong profitability in FY24, and a reduced regulatory capital requirement as capital released from in-force seasoning and run-off exceeded the capital required for new business.

Strategic focus

In 2024 we made important progress across our strategic activities to deliver our purpose and create sustainable long-term value for our shareholders.

Grow and defend market share

Over the past year, we strengthened our position of market leadership, by continuing to deliver a differentiated customer service proposition, and deepening our engagement with existing and prospective customers. We continue to work with our customers to help home buyers understand the options available to them, and have also improved our technology and connectivity to simplify the mortgage origination process.

Helia retained 100% of 2024 customer contract renewals, reflecting the strength of our relationships and the quality of the service delivery that we provide to our customers. The trust and satisfaction of our customers was again demonstrated by our strong Net Promoter Score (NPS) of +83, up 4 points on 2023.

Helia was recognised at the MFAA Excellence Awards, winning the national 'Support Service Provider Award – Large Company' award. The award recognises excellence across customer service, growth and innovation.

In addition, we continued to innovate with our market leading technology to enhance our ability to attract more new customers. An important initiative delivered in the period is the industry-first new digital onboarding system that can reduce the transition time for new customers from months to only weeks, positioning us well as we engage with prospective customers to grow our footprint over the coming years.

Grow the market for LMI

In recognition of the important role mortgage brokers play in home lending, in 2024 we launched our inaugural mortgage Broker LMI Sentiment Index, to better understand the perceptions and insights of mortgage brokers of LMI. Using the findings from this survey we are partnering with mortgage brokers to better integrate and position LMI as they assist home buyers to understand their options.

This survey complements Helia's annual Home Buyer Sentiment Report which provides valuable insights into home ownership, the buying journey, and awareness and sentiment towards LMI. The 2024 survey indicated that 77% of first home buyers are likely to use LMI, a significant increase on the 59% result from the previous year.

In addition to these initiatives, we continued to work with various government stakeholders to help them understand the importance of a vibrant LMI industry to support home ownership in Australia and the health of the home loan sector more generally.

The Federal Government Home Guarantee Scheme is having a material impact on the LMI industry and now represents 38% of total lending that is either insured or government guaranteed.

Supported more than

31,000

home buyers

77%

of first home buyers are likely to use LMI

Helia is continuing to encourage policy makers to focus government support packages for home ownership to those who really need assistance, that are unable to obtain the support they need through existing private sector solutions, to achieve the greatest impact for government spend.

Helia's work in raising the awareness of LMI was recognised with two awards. The Australian Mortgage Award - Best Industry Marketing Campaign, and the Brandie Award – Best Industry Marketing Campaign: Insurance category for our 'Better, Sooner, Brighter' video campaign.

Drive operational agility and risk maturity

We are committed to maintaining our superior customer experience by strategically investing in technology to optimise our operations and leverage automation to elevate our service delivery.

This year we successfully delivered six new customer software integrations to our modern Application Program Interfaces (APIs) and completed five new re-usable APIs with industry platforms used by lenders, enabling an 'out of the box' integration offer for our existing and prospective customers.

Our investments in technology and innovation were recognised externally with two industry awards. The first was a 5-Star Mortgage Innovator Award from Australian Broker for our digital integrations that make it easier for customers to add LMI into their loan processes.

The second, was an Informatica Innovation Award in the Risk & Compliance category, which recognised our data governance programs for enhancing data as a trusted business asset, ensuring it is both high-quality and secure.

Deliver results through world-class performance

Helia's strong financial performance in the past year is a testament to the skills, experience and dedication of our people to delivering exceptional outcomes in all areas of our business.

In 2024 we were delighted to be recognised as a Top Insurance Employer by Insurance Business, a recognition that reflects our ongoing commitment to creating a fair, inclusive, and empowering workplace for all our people.

We are proud of the continued success of our culture and engagement initiatives. This year, we achieved an all-time high for employee participation in our engagement survey and an engagement score of 78%, placing us in the top quartile of financial services companies in Australia compared to the Culture Amp Finance Australia July 2024 benchmark for the second consecutive year.

Our commitment to diversity, equity, and inclusion remains a cornerstone of our culture. We are especially proud of our ability to maintain gender pay equity and are one of a small number of financial services businesses in Australia to achieve this milestone. 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 ahead, Helia will continue to focus on developing and implementing strategic initiatives to support our customers, retain and grow our market leadership and support more Australians to achieve the goal of home ownership.

During 2024, the Commonwealth Bank of Australia (CBA) invited us to participate in a request for proposal for their LMI requirements. At 25 February 2025, we continue to engage in this process, and our existing contract with CBA remains in place until 31 December 2025.

Our strong capital position means that we are well placed to support our customers, and aspiring and new home owners, through future economic conditions as they ebb and flow over time. The capital strength also provides us with the ability to both invest in our business and reward our shareholders.

In closing, I would like to express my sincere gratitude to our dedicated employees, whose commitment and passion drive the success of our business and our Board who give generously of themselves and their time, sharing their experience and expertise to support the Helia business. I also extend my thanks to our customers, shareholders, and partners for your continued trust and support, without which we would not be able to realise our purpose of accelerating financial wellbeing through home ownership.

Pauline Blight-Johnston

Chief Executive Officer
& Managing Director

About us

Our purpose

To accelerate financial wellbeing through home ownership, now and for the future.

Our vision

To be the unparalleled leader in LMI.

Purpose in action

For many, owning a home is more than just a goal — it's a path toward financial stability and personal fulfillment.

In an environment that's more difficult than ever for aspiring home owners, our mission is to make home ownership more accessible. We support home buyers throughout each stage of their home ownership journey, whether they're stepping into their first home, upgrading, refinancing or investing.

With nearly 60 years of experience in Australia, we draw on our expertise, strategic partnerships and resources to help more home buyers fast-track their financial progress. We enable lenders to support home buyers to purchase a home with as little as 5% deposit plus additional upfront costs such as stamp duty (subject to satisfying lender's eligibility criteria).

Our strategy

Our multi-year strategy reflects our ambition to be the unparalleled leader of LMI solutions. We are focused on being a contemporary partner, clearly demonstrating the value we add to our customers as an integral part of the home ownership journey. We aim to be recognised as the LMI provider that makes it easier and faster to achieve home ownership.

Our strategic objectives

Grow and defend our LMI market share

Through our market-leading service proposition, we maintain strong relationships and deliver innovative technology solutions.

Grow the market for LMI

We are broadening the customers that use and value LMI, increasing the awareness and understanding of home buyers, mortgage brokers and other stakeholders.

Drive operational agility and risk maturity

We ensure our foundations enable our growth through efficient, agile delivery and we harness business-wide risk capabilities to foster a strong risk and compliance environment.

Deliver result through world-class performance

We continue to help our people thrive. We have an employee value proposition that enables us to develop, attract and retain the best people to deliver our strategy.

Key achievements in 2024

Grow and defend our LMI market share

- Achieved 100% success with customer contract renewals maintaining 14 customers in top 25 lenders with signed contracts, but no new lenders.
- Reducing transition time for new customers from months to weeks through our new digital onboarding system.
- Won Australian Broker Mortgage Innovator Award for digital Application Programming Interfaces (API) and National Service Provider – Large Company by Mortgage and Finance Association of Australia.
- Delivered six new customer integrations to our modern APIs.
- Completed five new re-usable APIs with industry platforms used by lenders, enabling an 'out of the box' integration offer.

Grow the market for LMI

- First home buyers likely to use LMI increased from 59% in 2023 to 77% in 2024[1].
- Established a first in market Broker LMI Sentiment index which increased from 57 to 58[2].
- Provided over 130 hours of training and development to mortgage brokers and lending specialists.
- Continued to develop strong and trusted relationships with government, regulators and industry bodies.
- Won Brandie Award – Best Brand Campaign: Insurance category and Australian Mortgage Award - Best Industry Marketing Campaign for our 'Better, Sooner, Brighter' campaign.

Drive operational agility and risk maturity

- Maintained a strong risk culture score achieving 79%[3].
- Continued to increase data maturity and data management capability with strengthened data governance.
- Continued automation of operations including documentation and claims processing.
- Implemented Buzzbot, our internal Generative AI tool, enabling productivity improvements.

Deliver result through world-class performance

- Employee engagement score of 78% in the top 25% of financial services companies in Australia[3].
- Launched a new future-fit capability framework, reflecting our commitment to continuous learning, growth and innovation.
- Won Top Insurance Employer Award from Insurance Business.
- Helia's Innovate Reconciliation Action Plan formally endorsed by Reconciliation Australia.
- Achieved gender pay parity for a second year, and awarded Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality for the tenth consecutive year.

WGEA Employer of Choice for Gender Equality

1. Helia Home Buyer Sentiment Report, September 2024.
2. Helia LMI Broker Sentiment Index May and November 2024.
3. Helia 2024 Employee Engagement and Culture Survey compared to Culture Amp Finance Australia Top 25%, July 2024 benchmark.

The value we create

Customers

We have strong, long-standing partnerships with our customers who include major banks, non-major banks, customer-owned banks and non-banks.

Our innovative LMI solutions, combined with our robust research, comprehensive education programs and modern technology, have been pivotal to our success with our customers. This is reflected in our 100% retention rate in 2024 customer contract renewals and a strong Net Promoter Score (NPS) of +83, an increase from +79 in 2023.

We are committed to supporting our customers, mortgage brokers and home buyers. We provide education, resources and tools that simplify the home buying process and ensure all potential home buyers fully understand the benefits and considerations of LMI, empowering them to make informed decisions.

Our customer-first approach extends to our support of home owners facing financial hardship. In 2024, we approved over 11,000 hardship requests and waived $4.6 million in debt to help keep vulnerable home owners in their homes during tough times.

Home buyers supported
over 31,000

Hardship requests approved
11,039

Number of claims paid
166

Customer NPS
+83 (up 4)

Customer contract renewals
100%

Community

Helia supports the financial wellbeing of communities across Australia by focusing on educating home buyers and initiatives that assist those experiencing or at risk of homelessness, through delivering our community investment programs.

In 2024, we continued to support Habitat for Humanity Australia, St Vincent de Paul Society and Youth Off The Streets with funding and employee volunteering. We are addressing barriers to home ownership and aiding vulnerable members of our community through these programs. Together, we're making a meaningful impact, providing homelessness outreach, support for vulnerable youth and crisis accommodation.

We also have an employee fundraising and dollar-matching program, which supports a range of causes that matter to our people, including Cancer Council, Dress for Success and The Smith Family.

Number of partnerships
3

Donations more than
$430,000

Volunteer hours
220

LMI education hours
130

Green power for purchased electricity
100%

Figures at 31 December 2024 or for FY24 unless otherwise stated.

Our people

Maintaining a diverse, inclusive and supportive environment for our people is critical to the performance of our business. Our employee engagement score of 78% places us in the top 25% of financial services companies in Australia[1].

We are very proud to have achieved gender pay parity for a second year in a row, which is a significant milestone in the financial services industry where the gender pay gap is +29.3%[2].

Helia also received the WGEA Employer of Choice for Gender Equality Citation (2023-2025) for the tenth consecutive year. This outcome has been achieved through the continued focus on our Diversity, Equity and Inclusion strategy. For detail on our strategy, see our 2025 Corporate Governance Statement.

Our future-fit capability framework defines the core capabilities needed for success in all roles, enabling Helia to achieve its strategy and purpose. A core part of our employee value proposition continues to be our learning and leadership curriculum, which offers targeted development opportunities for professional growth, while flexible, hybrid working arrangements support work-life balance.

Employees[3]
204

Engagement score
78%

Women in management
38%

Gender pay gap
median base salary -0.3%[4]

Average number of training hours per employee
20

Shareholders

Helia aims to create long-term value for shareholders by delivering sustainable returns above our cost of capital.

Given Helia's strong capital position, the Board's preference is for a stable ordinary dividend with a preference for this to be fully franked.

The Board has a target range of 1.4 times to 1.6 times APRA's Prescribed Capital Amount. Where capital is above the Board targeted range and is in excess to our requirements, the Board will seek to return capital in the most efficient and effective manner, through a mixture of special dividends and on-market share buy-backs, subject to regulatory approval.

In 2024, Helia delivered a strong financial result which included an underlying return on equity of 19.9%, highlighting the value created for our shareholders. Our financial strength enabled Helia to declare a total fully franked ordinary dividend of 31 cents per share, a fully franked special dividend of 53 cents per share and an on-market share buy-back of $113.4 million, resulting in a total capital return to shareholders of $344.5 million.

Market capitalisation
$1,218m

Total dividends per share
84cps

On-market share buy-back
$113.4m

1 yr total shareholder return
18.0%

PCA coverage ratio
2.10x

1. Helia 2024 Employee Engagement and Culture Survey compared to Culture Amp Finance Australia Top 25%, July 2024 benchmark.
2. Mid-point of employer gender pay gaps from general insurance industry comparison group sourced from Helia's 2024 WGEA Industry Benchmark Report.
3. Full-time and part-time employees measured on a full-time equivalent basis.
4. WGEA 2023-24 Gender Equality Reporting.

Products, services, innovation

Products

Lenders Mortgage Insurance

LMI accelerates the path to home ownership, by helping home buyers with as little as a 5% deposit buy a home sooner.

Helia supports our customers to meet the needs of a range of home buyers including first home buyers, upgraders, refinancers and investors.

Lenders purchase LMI for risk transfer and capital management purposes. LMI protects a lender if a home owner defaults on a home loan and the lender is unable to recover the outstanding loan amount from the sale of the secured property. Lenders also benefit from lower capital requirements for loans covered by LMI.

Helia provides a range of flexible premium payment options, allowing home buyers to:

- pay the LMI fee upfront at the time the home loan is settled
- add the LMI fee to the loan amount
- pay an LMI fee monthly during the loan term, until the loan has been paid down to below a LVR determined by the lender or until the loan is discharged.

Additionally, we have a Family Assistance product which provides a 15% premium reduction if the LMI fee is paid by family members at time of settlement.

Helia also provides flexibility for customers in insuring portfolios of home loans. Coverage and terms can be tailored to meet specific customer risk management needs.

Services

We provide a range of services to our customers and continuously strive to evolve our service offering to meet their changing needs, setting us apart from our competitors.

Insights

- **Customer analytics & insights –** help customers write high loan-to-value ratio (HLVR) loans they wouldn't have otherwise and broaden their risk settings.
- **Quality assurance reviews –** to provide insights and opportunities for our customers.
- **Education –** bespoke programs and resources for our customers, mortgage brokers and information activities to assist home buyers.

Delivery

- **Delegated underwriting authority –** allowing in-house processing by our customers, providing a faster speed to 'yes' for their customers.
- **Auto-decisioning capability –** allowing for auto-approvals of LMI proposals.
- **Digitalisation and integration –** API connectivity and access to our eLMI portal for quotations, policy searches, proposal submissions, hardships and claim submissions.
- **Review and investigation –** identification of potentially fraudulent activities.
- **Delegated hardships –** allowing for in-house processing by our customers.
- **Streamlined claims –** quicker claim payments.
- **Industry third-party data providers –** leveraging third-party data suppliers to enhance our service offerings to customers and improve risk management.

Solutions

- **Borrower sale program –** targeted assistance for borrowers experiencing financial hardship.
- **Hardship programs –** support for customers in a variety of circumstances including vulnerable customers.
- **Property sale expertise –** real estate and valuer expertise.

Innovation

Helia's strong commitment to technology and innovation has created solutions to continuously enhance our services for customers and drive operational efficiencies.

In 2024, our modern digital integration capabilities received the 5-Star Mortgage Innovator Award from Australian Broker and our uplift to data governance and management received the Innovation Award for Risk and Compliance by Informatica.

Strategic investments

During 2024, our strategic minority investments in 60+ equity release mortgage provider, Household Capital and lending origination and automation platform, Tiimely helped more home owners to accelerate their financial wellbeing through home ownership.

Household Capital successfully completed its first rated mortgage securitisation raise of $263 million, which has enabled them to expand their retirement funding solution to more customers, while their 60+ Optional Retirement Interest-Only products have proved popular through their growing broker channel.

Tiimely has further expanded the reach of its platform through partnerships with banks and major Australian brands, enabling more than 10,000 customers to access home loans (totalling $3.3 billion in settlements) in 2024, via their white-label home loan solution.

Helping home buyers

Sharona and her partner were ready to take the first step on their property journey with the purchase of an investment property while they continued renting where they lived.

They began looking for a property that would offer the greatest growth potential. For them, this looked like a freestanding home that included a granny flat, in a high growth area.

But with growing property prices and interest rates, Sharona and her partner knew that saving a 20% deposit would be difficult. After allowing for payment of stamp duty, conveyancing fees and other upfront costs, the couple had enough money saved for a 12% deposit. Their mortgage broker explained that they could purchase a property priced at $1.2 million with their 12% deposit, if the lender obtained LMI.

After speaking with their tax accountant and weighing up the benefits and risks of buying an investment property, Sharona and her partner decided that it was the right decision for them.

The case studies included in this Annual Report provide general information only and do not constitute legal, tax, credit or financial advice. Home buyers should consider their own circumstances and seek advice from their professional advisers before making any decisions that may impact their financial situation.

Helia is not a 'credit provider' as that term is defined in the National Consumer Credit Protection 2009 (Cth) in respect to its provision of LMI. LMI is insurance that protects credit providers, not home buyers and is not able to be provided to home buyers. The information provided in the case studies does not refer to a particular credit contract with a particular credit provider.

Our operating environment and outlook

In FY24, household budgets faced persistent inflation and rising cost of living pressures, but the employment market stayed strong and dwelling values rose.

The economy

Consumers faced sustained cost of living pressures resulting from inflation, and mortgage interest rates considerably higher than a few years ago. The Reserve Bank of Australia remained committed to returning inflation to target and maintained the cash rate target at 4.35% over the year[1].

The ABS unemployment rate ended the year unchanged from the prior year at 4.0% and the participation rate remained around all-time highs[2]. Hours worked increased and positive real wage growth assisted loan serviceability.

National dwelling values reported a change of 4.9% over the year reaching record levels in October 2024 before stabilising in the fourth quarter of 2024[3]. Western Australia and Queensland recorded strong increases in annual dwelling values, while Melbourne values fell[3].

The ongoing strength in house prices, along with higher mortgage rates has contributed to a deterioration in housing affordability. The median dwelling value to income ratio for houses reached 8.6 times in September 2024[4].

The mortgage market

The economic environment continued to present headwinds for new lending, particularly in the low deposit market segment in which Helia operates. The Federal Government Home Guarantee Scheme has also continued to have a significant negative impact on the level of new business across the LMI industry. Overall industry LMI volumes were down 15.2% on the pcp[5].

Given the tougher financial conditions, industry home loan arrears increased moderately. However, the strong employment market and high levels of positive equity embedded in property values has resulted in very low levels of claims.

The outlook

We remain confident in our ability to navigate the evolving economic landscape and to support our customers. While inflation is moderating and interest rates are expected to reduce, a softening in the labour market is anticipated to cause an increase in arrears. However, claims will continue to benefit from a high level of positive equity in Helia's portfolio.

Helia is in a strong position to respond to the changing economic environment. We are well reserved and we will work with our customers to ensure that underwriting risk settings are appropriate for the prevailing environment. Most importantly we remain committed to delivering on our purpose to accelerate financial wellbeing through home ownership.

1. RBA Cash Rate Target and Media Statement 10 December 2024.
2. Australian Bureau of Statistics Labour Force Australia, December 2024.
3. Reported in CoreLogic's Hedonic Home Value Index January 2025.
4. ANZ Core Logic Housing Affordability Report, November 2024.
5. APRA quarterly LMI & Industry Statistics September 2004.

Material risks

Helia's risk management framework and strategy applies a disciplined approach to identifying and managing risks in alignment with our risk appetite settings. This ensures that each risk is addressed within the Board-approved thresholds.

Our strategy for managing material risk

This section details material identified risks and the strategic approaches we are taking to balance resilience and long-term value creation.

Financial

Economic risk
Leveraging forward-looking economic data, modelling and stress testing to enable our business to be well positioned for a wide range of economic outcomes.

Capital financing risk
Actively managing and optimising our capital to support our strategic growth objectives.

Underwriting risk
Sustaining strong underwriting discipline and controls while proactively responding to underwriting risks and new opportunities.

Market, credit and liquidity risk
Proactively managing investment and counterparty risk within risk appetite to maximise returns.

Climate risk
Aligning our strategy and framework to effectively manage the risks of climate change (for more information see pages 20 to 24).

Non-financial

Operational risk
Enhancing our operational resilience by uplifting core operating systems and processes through digital transformation. Maintaining appropriate governance and change management controls across our business.

Compliance risk
Continual enhancement of our governance risk and compliance system to manage regulatory obligations more effectively.

Cyber risk
Strengthening our resilience to the growing sophistication of cybercrime and embedding a culture of cybersecurity vigilance.

Conduct and reputational risk
Maintaining an ongoing commitment to integrity by reinforcing controls and processes to safeguard our customers and brand.

People risk
Living our employee value proposition in everything we do to attract and retain talented people, foster a safe to speak up culture and build future ready capabilities by developing our staff.

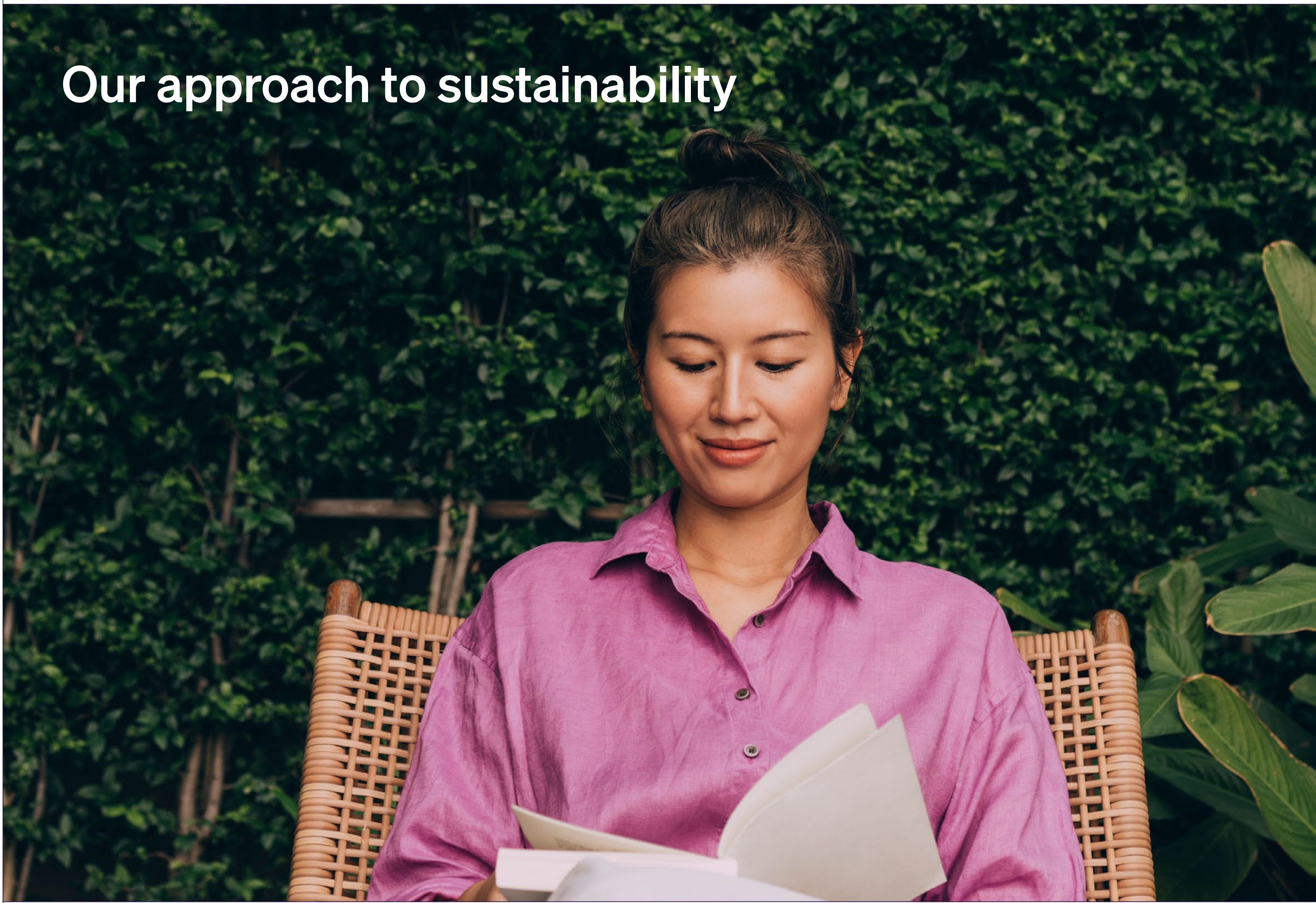
Data risk
Accelerating data governance maturity with a multi-year investment in technology and processes to uphold the high governance standards our stakeholders expect.

Strategic

Revenue concentration risk
Maintaining our leadership in mortgage insurance by attracting and retaining customers through excellent customer experience, strong risk expertise and innovative products and services offerings.

Product risk
Building new capabilities, products and services to grow the market for LMI, with strong engagement with customers and other distribution channel stakeholders. Maintaining strong government and regulatory relations to remain a key enabler of home ownership.

Our approach to sustainability



Helia is committed to sustainability and is continuing to embed ESG into our strategy and operations as we seek to make a positive impact on our stakeholders, society and the environment.

Governance and strategy

Helia's Board has responsibility and oversight of sustainability strategy, including climate risks and opportunities and all our material disclosures.

Our management team provides regular updates to the Board on our progress and delivery against our sustainability priorities. Sustainability topics covered in 2024 included: insight sessions on climate trends, regulations and disclosures, current and emerging environmental, social and governance (ESG) risks and opportunities, climate change scenario analysis and updates on AI and emerging technology.

Helia's Investment Committee is the management committee responsible for overseeing the governance of the investment portfolio, working closely with our investment managers.

This Committee is continuing to evolve its sustainable investments strategy and governance including building our systems to measure and establish any future scope 3 emission targets or investment opportunities. Our investment mandates do not allow investing in companies with revenue from the manufacture of Controversial Weapons, and to not knowingly invest in companies involved in modern slavery or human trafficking.

This year we have undertaken a sustainability governance and strategy refresh. We have reviewed our governance approach as we work to increasingly integrate sustainability within our business strategy, policies, risk management framework and systems, and embed ESG considerations in our organisation.

The delivery of our sustainability framework is supported by cross-functional working groups and Committees to harness and align dedicated expertise and resources for key priorities and initiatives.

For more information, see our 2025 Corporate Governance Statement and our Helia policies.

Our sustainability governance framework

Board

Helia's Board has responsibility for setting our ESG strategy and risk appetite, including climate-related risks.

Audit Committee

Oversees reporting disclosures including annual sustainability reporting and climate disclosures.

Risk Committee

Overseas ESG risks and opportunities (including climate risks).

People & Remuneration Committee

Sets and monitors people and remuneration related policy targets including diversity targets.

The Board delegates day-to-day management and administration of all aspects of sustainability to the CEO and Managing Director who is assisted by management.

Senior Leadership Team

Helia's senior leadership team (SLT) is accountable for developing sustainability strategy and allocating resources to deliver on our ESG commitments, including climate-related opportunities.

Chief Risk Officer

The Chief Risk Officer (CRO) is accountable for the development and implementation of ESG risk and opportunity management strategies and frameworks, including Helia's strategic response to climate change and transition to a low carbon economy.

- **Sustainability function**

Management committees and working groups

Helia has established executive led committees and cross-functional working groups to drive progress, visibility and alignment on ESG risks, opportunities and focus areas. These groups meet periodically and refer matters of importance to the SLT or CEO.

- **Enterprise Risk Management Committee**
  Chair: Chief Risk Officer
- **Investment Committee** Chair: Chief Financial Officer
- **Diversity, Equity & Inclusion Committee**
  Chair: Chief Commercial Officer
- **Modern Slavery working group**
  Cross-functional contribution from Sustainability, Procurement, Legal and People & Culture
- **Reconciliation Action Plan working group**
  Cross-functional contribution from representatives across Helia

Note: The governance framework explains how Helia governs sustainability. Refer to Helia's 2025 Corporate Governance Statement for its full governance framework.

Our approach to sustainability (continued)

Aligning our approach to sustainability

Helia acknowledges the role we can play in making a positive contribution to sustainable outcomes.

We are committed to:

- Supporting Australia's decarbonisation commitments, aligned to the Paris Agreement, by minimising our environmental impact.
- Transparent sustainability reporting, with reference to relevant frameworks such as:
  - Global Reporting Index (GRI)
  - Taskforce on Climate-related Financial Disclosures (TCFD)
  - Australian Sustainability Reporting Standards (ASRS) S2 as it emerges.
- Aligning strategic focus areas to United Nations Sustainable Development Goals most relevant to where we can help to make impact. For Helia, these include:

Identifying our material themes

In 2024, we conducted a materiality assessment to identify and prioritise ESG factors that are most relevant to Helia's operations and stakeholders.

While we plan to conduct a formal materiality assessment at least once every three years, ongoing engagement with stakeholders helps us continuously monitor and respond to material issues impacting our business. For more information on stakeholder engagement, see our FY24 ESG databook.

In 2024, our material ESG themes remain largely consistent with our 2022 review.

Our top five material themes are:

- housing accessibility
- employee culture and wellbeing
- climate risk and resilience
- data privacy and security
- legal and regulatory compliance.

Climate continues to be a focus for our customers, employees and regulators with the upcoming ASRS disclosure requirements. Housing accessibility remains a key area where Helia can make social impact through our products, education and policy advocacy.

Our sustainability framework

Our sustainability framework guides Helia's efforts to create long-term ESG value for our business, customers and the community. It reflects our material themes, aligned to relevant sustainability frameworks, goals and regulatory requirements, and focuses on the areas where Helia can have the biggest impact.

Helia's purpose: Accelerate financial wellbeing through home ownership, now and for the future.

Our sustainability approach: We consider our impacts on people and the planet, and strive to deliver social, economic and environmental value through what we do and how we operate.

Driving social wellbeing			Enhancing climate resilience		
Focus areas					
Accessible housing	**Employee culture and wellbeing**	**Supporting communities**	**Climate risk management**	**Reducing our footprint**	**Positive impact opportunities**
Through our LMI products and solutions, and mortgage broker and customer education programs.	Through a supportive and inclusive culture and respectful reconciliation with First Nations peoples.	Through financial hardship relief, advocacy and public policy and community investment.	Through understanding and responding to climate risk and sharing insights.	Through carbon management planning and minimising emissions and waste.	Through exploring product development, technology and sustainable investments.

Enabled by responsible corporate governance

- Data privacy and security
- Financial systems and reporting
- Managing modern slavery risk
- Regulatory compliance
- Ethical conduct
- Anti-corruption

Social impact

Helia's commitment to social impact is at the core of how we operate. We understand how important safe and accessible housing is for the wellbeing of individuals and families. We are committed to enabling home ownership through our products, and to partnering with our customers and charity partners to support vulnerable members of our community overcome barriers to housing.

For our people, we are committed to driving innovation, strengthening our culture and developing skills and capabilities to support individual growth and success. Championed by our Diversity, Equity and Inclusion Committee, we are focused on equal opportunities for our people and building teams that reflect the diverse communities in which we operate. For more information on how we create social impact, see page 10.

Sustainability progress

	2024 activities
Social	• Supported more than 31,000 home buyers into home ownership. • Provided over 130 hours of training and development to mortgage brokers and lending specialists. • Achieved employee engagement score of 78%. • Achieved gender pay parity for second consecutive year. • Partnered with CoreData on First Nations housing accessibility research.
Environment	• Maintained net zero for scope 1 and 2 emissions. • Continued to develop measurement of scope 3 emissions. • Climate risk enhanced to property level.
Governance	• Governance review and update of charters and policies. • Target of 40% female representation of women on the board, on the SLT and in other management positions. Target exceeded at board level with 50% female representation, women on SLT was 38% and women in other management roles was 38%. • Achieved employee risk culture score of 79%.

Climate

Governance

We are focused on integrating climate-related risks and opportunities through our corporate governance and risk management frameworks, policies, business strategy and operations.

Helia's Board has responsibility for setting our sustainability strategy and risk appetite, including climate-related risks. Climate-related disclosure responsibilities are delegated to the Board Audit Committee and the Board Risk Committee oversees our response to climate risks and opportunities.

In 2024, climate updates were presented to Directors via Board or Committee meetings on at least a quarterly basis.

Management is accountable for developing strategy and allocating resources to deliver on our climate-related commitments. Our CRO provides executive ownership of our sustainability function, including managing Helia's strategic response to climate change.

See page 17 for our sustainability governance structure and our 2025 Corporate Governance Statement for more information.

Reporting

We are committed to transparent reporting and are continuing to enhance Helia's disclosures on climate risk, with reference to APRA's Prudential Practice Guide CPG 229 Climate Change Financial Risks and TCFD.

In 2024, we continued to prepare Helia for ASRS S2 disclosure requirements through a targeted uplift in our approach to climate reporting.

Strategy

Helia is committed to addressing climate-related risks and opportunities, as part of our broader environmental commitments, to enable sustainable outcomes for our business, customers and the community.

Enhancing climate resilience

Minimise our impact

To protect the environment in which we operate and support Australia's decarbonisation commitments.

- Maintain net zero for scope 1 and scope 2 emissions.
- Build understanding and measurement of scope 3 emissions.
- Develop targets and reduction strategies.

Build climate resilience

To protect our business against the medium and long-term impact of transition and physical climate risk.

- Enhance climate risk scenario modelling and analysis.
- Integrate climate considerations across our business.
- Enhance the capabilities of our people.

Explore impact opportunities

To help our business benefit from emerging climate-related opportunities.

- Support customers with climate insights.
- Explore potential investment opportunities.
- Technology solutions to support carbon transition commitments.

Minimising our impact

Helia's approach to managing our environmental impact is focused on understanding our emission sources, enhancing our data accuracy, and setting targets and reduction strategies to minimise our overall carbon footprint. For scope 1 and 2 we are maintaining net zero emissions through 100% green power for purchased electricity. We are actively building out our scope 3 emissions inventory, following which we intend to establish a baseline and targets.

Our approach to carbon management is focused on the following key activities in the short to medium term:

- Maintaining net zero for scope 1 and 2 through green power electricity sources
- Measuring and reducing electricity, waste and water consumption
- Enhancing understanding of operational scope 3 emission measurement and data quality
- Building out investment portfolio measurement and reporting capabilities
- Increasing external assurance on emissions reporting
- Exploring impact investment opportunities
- Establishing a baseline measure and strategy for scope 3 emission reduction targets.

Heila's approach to carbon management is continuing to evolve as we better understand the nature and impact of emissions across our value chain. We will adjust our approach and activities as needed to enable an appropriate response to carbon management, whilst continuing to maintain our commitment to minimising our environmental impact.

Climate (continued)

Risk management

Understanding climate risk

Australia is particularly vulnerable to extreme weather events such as bushfires, floods, heatwaves and cyclones. Helia recognises that understanding and addressing climate risks and opportunities is key to building a sustainable business for the future.

More frequent and severe weather events are impacting home owners and communities, and could result in increased financial loss for Helia from indirect claims or impairments to financial assets vulnerable to climate change. Some locations are already experiencing the effects of climate change (both physical and transition risks) impacting local economies and house and land values, which could ultimately result in higher underwriting risk for Helia.

Additionally, increasing focus from key stakeholders particularly regulatory scrutiny and external investor and stakeholder demands, raises commercial, reputational and regulatory risks of non-compliance with best practices that fail to meet community expectations.

Climate risk has been identified as a material risk in Helia's risk management framework and strategy, which is reviewed and approved annually by management and the Board.

Our focus on understanding how climate risks are evolving is helping us to develop our response and mitigations needed to manage potential impacts now, and for the future.

Climate-related risks and opportunities

	Potential impact on Helia	Our response	Time horizon
Physical risk	• Increased frequency and intensity of acute and chronic weather events and climate change. • Increased insurance premiums and reduced demand for property. • Decline in property values.	• Climate scenario analysis on underwriting portfolio. • Managing exposures via risk tolerances and underwriting policies for high-risk locations. • Enhance internal capabilities and expertise on emerging climate trends, data and analysis.	**Medium to long term**
Transition risk	• Mining and coal location transition may drive higher unemployment and decline in property values. • Net zero transition and emission reduction targets.	• Climate scenario analysis on underwriting and investment portfolios. • Managing exposures via risk tolerances and underwriting policies for high-risk locations. • Monitor carbon footprint and allocations of investment portfolio.	**Medium to long term**
Regulatory and reputational	• New regulatory disclosure requirements. • National net zero commitments. • Evolving customer expectations.	• Monitor emerging regulatory frameworks and policies. • Preparation underway for ASRS S2 climate reporting. • Support customers with climate insights.	**Short to medium term**

Short term – 0-1 year Medium term – 1-3 years Long term - 3 years onwards

Note Helia's climate risk horizons are aligned with our financial definitions.

Helia is at varying stages of execution and the delivery of our response to identified climate risks.

In response to the climate-related physical and transition risks relevant to Helia, we are continuing to enhance our scenario analysis and assessment capabilities.

Understanding climate-related risks

Helia has continued to build the climate resilience of our business by enhancing scenario analysis capabilities for physical climate risk. In 2024, we refined our physical climate risk analysis to assign a risk rating to almost all Australian properties. The insights gained from our risk analysis informs our risk appetite, underwriting policies and strategic approach to managing climate risk within our business.

Physical climate risk scenario analysis

In 2024, we assigned a risk rating to 100% of our underwriting portfolio, aligned to a representative concentration pathway 8.5 (RCP8.5) climate scenario. This scenario, which assumes high greenhouse gas emissions and significant global warming, is used to assess the potential impacts of extreme climate change. Using Helia, third-party data and government flood and peril maps, we have assessed the impact of flood, tropical cyclone and bushfire across a 30-year time horizon. As a result, an estimated 3.5% of our portfolio is considered to have a high climate risk.

Transition risk

Helia has continued to assess and monitor climate-related transition risk for single-industry coal-mining towns across our underwriting portfolio by modelling house price and unemployment across a 30-year time horizon. Our approach is based on an assessment of the structural risks of each location and historical performance data. We will continue to expand our assessment of climate-related transition risk over the coming period.

Limitations

We note that while scenario analysis provides valuable insights, our approach is still evolving. Our approach and findings are based on a range of assumptions and third-party data, and there remains inherent uncertainties due to the unpredictability of future climate conditions, policy developments, and technological advancement.

Helia's approach to climate models has been validated by our internal technical committee.

Managing climate risk

In response to our climate analysis, Helia has incorporated climate risk factors in decision-making, policies and processes.

Maximum tolerance thresholds within our risk appetite statement have been set for our exposure to coal mining and high physical climate risk locations. These thresholds are managed through our risk management framework and underwriting guidelines. We regularly monitor and review these risk settings and overall climate resilience of our business.

Climate (continued)

Targets and metrics

Helia measures and reports on our greenhouse emissions aligned to the Greenhouse Gas Protocol and on an operational control basis. For more information on our 2024 emissions boundaries, methodology and preparation, refer to the FY24 ESG databook.

Scope 1 and 2 emissions

Helia has maintained net zero for location-based scope 1 and 2 emissions through the ongoing use of 100% green power for purchased electricity. Our scope 1 potential for refrigerants remains immaterial for the reporting period.

Scope 3 emissions

In 2024, we have continued to build on our understanding, identification, and measurement of our upstream scope 3 emissions. Additionally, we have commenced the measurement and tracking of our investment portfolio emissions, representing a step forward in our efforts to capture our total carbon footprint. We are continuing to refine the measurement of Helia's investment portfolio internally and will commence external reporting as we become comfortable with data accuracy and completeness.

Accessing consistent, accurate and complete emissions data from third parties across our value chain remains a challenging area of our carbon management activity. As industry standards for transparent reporting improve and reliable data becomes more readily available, we will continue to develop our GHG emissions inventory.

See our FY24 ESG databook for emissions data.

Scope 1 and 2 emissions

Total emissions (tCO2e)	2024	2023	Change %
Scope 1 emissions	—	—	—
Scope 2 emissions (location based[1])	92.7	93.7	(1%)

1. Location based emissions refers to gross emissions, all scope 2 emissions are sourced from green power sources.

Board of Directors

Leona Murphy

Chair, Independent

Leona was appointed to the Board on 1 November 2022 and was appointed as Chair of the Board on 9 May 2024.

Qualifications and Experience: Leona is an experienced non-executive director of ASX-listed, member-based and not-for-profit organisations. She is currently a non-executive Director of Liberty Financial Group Limited, Chair and President of Royal Automobile Club of Queensland Limited and other RACQ Group related entities.

Leona holds a Bachelor of Commerce (Accounting and Law) from Griffith University.

Special responsibilities (including committee memberships): Board – Chair and Nominations Committee – Chair.

Directorships of other ASX listed companies and period of appointment (1 January 2022 – 31 December 2024): Liberty Financial Group Limited (since 28 September 2016) and Liberty Fiduciary Ltd in its capacity as responsible entity for the Liberty Financial Group Trust (since 8 October 2020).

Pauline Blight-Johnston

Chief Executive Officer and Managing Director

Pauline joined Helia as Chief Executive Officer and Managing Director on 2 March 2020.

Qualifications and experience: Pauline has over 30 years' experience in wealth management, financial services and insurance in Australia, New Zealand and globally.

Prior to joining Helia, Pauline held senior leadership and strategic roles in Challenger, AMP and RGA Reinsurance Company. She also served as Chief Financial Officer and Appointed Actuary of Asteron Life, and consulted to the insurance and wealth management industry at KPMG and Tillinghast-Towers Perrin.

An active industry participant, Pauline has served on the boards of the Institute of Actuaries, the Financial Services Council and the Australian Institute of Insurance and Finance.

Pauline is a Fellow of each of the Institute of Actuaries of Australia, the New Zealand Society of Actuaries, the Actuarial Society of South Africa, the Australia and New Zealand Institute of Insurance & Finance (ANZIIF) and the Australian Institute of Company Directors and a Senior Fellow of FINSIA. She holds a Master of Economics degree from Macquarie University.

Special responsibilities (including committee memberships): Managing Director.

Directorships of other ASX listed companies and period of appointment (1 January 2022 – 31 December 2024): None.

Andrew Moore

Director, Independent

Andrew was appointed to the Board on 15 July 2024.

Qualifications and experience: Andrew is a financial services executive, with more than 30 years' experience, including as Managing Director of GE Capital Home Lending (Aust & NZ) and General Manager of St. George Retail Bank. He is currently a non-executive director of RACQ Limited and other RACQ Group entities, and CEO of Spaceship Capital.

Andrew has been instrumental in driving digital transformation and disruption, particularly through his work as CEO of Spaceship, a business focused on delivering an innovative and engaging investment and superannuation products to young Australians.

Andrew holds a Bachelor of Economics/ Bachelor of Science from the Australian National University and a Masters of Business Administration from INSEAD.

Special responsibilities (including committee memberships): Risk Committee – Member; Audit Committee – Member; People and Remuneration Committee – Member and Nominations Committee – Member.

Directorships of other ASX listed companies and period of appointment (1 January 2022 – 31 December 2024): None.

Alistair Muir

Director, Independent

Alistair was appointed to the Board on 1 December 2021.

Qualifications and experience: Alistair is an experienced digital executive and entrepreneur.

Alistair has worked with a broad range of ASX and Fortune 500 companies to launch new digital products and ventures and advised government departments on Artificial Intelligence and innovation including the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Alistair holds a first class honours degree in computer science from the Dublin Institute of Technology and attended both Harvard Business School and Massachusetts Institute of Technology as part of an executive education focusing on disruptive strategy, innovation and the business applications of Artificial Intelligence.

Alistair is currently a non-executive Director of Bendigo and Adelaide Bank Limited and a member of the ASIC Consultative Panel.

Special responsibilities (including committee memberships): Risk Committee – Member; Audit Committee – Member; People and Remuneration Committee – Member and Nominations Committee - Member.

Directorships of other ASX listed companies and period of appointment (1 January 2022 – 31 December 2024): Bendigo and Adelaide Bank Limited (since 12 September 2022) and Humm Group Limited (31 March 2021 – 22 June 2022).

JoAnne Stephenson

Director, Independent

JoAnne was appointed to the Board on 15 July 2024.

Qualifications and experience:
JoAnne is an experienced non-executive director across private and listed entities. She is currently a non-executive Director of Qualitas Limited, Lifestyle Communities Limited, Challenger Limited and Estia Investments Pty Ltd.

JoAnne has extensive experience spanning over 25 years across a range of industries. JoAnne was previously a senior partner in the Advisory division at KPMG and has key strengths in finance, accounting, risk management and governance.

JoAnne holds a Bachelor of Commerce and Bachelor of Laws (Honours) from the University of Queensland and is a Member of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

Special responsibilities (including committee memberships):
Risk Committee – Chair; Audit Committee – Member; People and Remuneration Committee – Member and Nominations Committee – Member.

Directorships of other ASX listed companies and period of appointment (1 January 2022 – 31 December 2024):
Qualitas Limited (since 2021), Challenger Limited (since 2012), Lifestyle Communities Limited (since 1 July 2024), Myer Holdings Limited (2016-2023).

Andrea Waters

Director, Independent

Andrea was appointed to the Board on 16 March 2020.

Qualifications and experience:
Andrea has over 40 years' experience in financial services as an auditor, accountant and non-executive director. She is a former partner of KPMG, specialising in financial services audit and has a deep experience in risk management and in implementing audit and governance structures.

Andrea is a Fellow of Chartered Accountants Australia & New Zealand and a member and accredited facilitator of the Australian Institute of Company Directors.

Andrea holds a Bachelor of Commerce, from the University of Melbourne.

Andrea is currently a Director of MyState Limited, Grant Thornton Australia Limited and Chairman of the Colonial Foundation.

Special responsibilities (including committee memberships):
Audit Committee – Chair; Risk Committee – Member; People and Remuneration Committee – Member and Nominations Committee - Member.

Directorships of other ASX listed companies and period of appointment (1 January 2022 – 31 December 2024):
MyState Limited (since 19 October 2017).

Duncan West

Director, Independent

Duncan was appointed to the Board on 1 September 2018.

Qualifications and experience:
Duncan has more than 30 years of insurance industry experience having held senior executive positions at Royal Sun Alliance Group PLC, Promina Group Limited, CGU Limited and MLC Limited.

He is currently Chairman of Challenger Limited, Avant Insurance Group Limited and Habitat for Humanity Australia and a Director of Suncorp Group Limited.

Duncan is a graduate of the Australian Institute of Company Directors, a Fellow of the Chartered Insurance Institute. He holds a Bachelor of Science (Economics) from the University of Hull, UK.

Special responsibilities (including committee memberships):
People and Remuneration Committee – Chair; Audit Committee – Member; Risk Committee – Member and Nominations Committee - Member.

Directorships of other ASX listed companies and period of appointment (1 January 2022 – 31 December 2024):
Challenger Limited (since 10 September 2018), Suncorp Group Limited (since 23 September 2021).

Senior leadership team




Pauline Blight-Johnston

Chief Executive Officer and Managing Director

Pauline joined Helia as Chief Executive Officer and Managing Director on 2 March 2020.

Pauline has over 30 years' experience in senior management, and strategy in wealth management, financial services, and insurance in Australia, New Zealand and globally.

Prior to joining Helia, Pauline held senior leadership and strategic roles in Challenger, AMP and RGA Reinsurance Company. She also served as Chief Financial Officer and Appointed Actuary of Asteron Life, and consulted to the insurance and wealth management industry at KPMG and Tillinghast-Towers Perrin.

An active industry participant, Pauline has served on the boards of the Institute of Actuaries, the Financial Services Council and the Australian Institute of Insurance and Finance, as well as been a member of and chaired numerous committees of these bodies.

Pauline is a Senior Fellow of Finsia and a Fellow of each of the Institute of Actuaries of Australia, the New Zealand Society of Actuaries, the Actuarial Society of South Africa, the Australian and New Zealand Institute of Insurance & Finance and the Australian Institute of Company Directors. She holds a Master of Economics degree from Macquarie University.

Michael Cant

Chief Financial Officer

Michael joined Helia as Chief Financial Officer (CFO) in September 2021.

Michael has over 30 years' experience in the Australian financial services industry across insurance, wealth management and retail and business banking.

Prior to joining Helia, Michael held a range of senior leadership roles at the Commonwealth Bank of Australia (CBA), including heading the Retail Banking product function, leading CBAs Corporate Banking business, CFO for the Wealth Management and Insurance division, and General Manager of distribution for Colonial First State. Michael has also worked at specialist life insurer Australian Casualty & Life, where he held the roles of Managing Director and CFO.

Michael Cant is a Fellow of the Institute of Actuaries of Australia, holds an Economics degree from Macquarie University and is a graduate of the Advanced Management Program at Harvard University.

Andrew Cormack

Chief Risk Officer

Andy joined Helia as Chief Risk Officer (CRO) in October 2015. Andy brings more than 25 years of executive experience to his role, holding the position of CRO in Australia and previously London over the past 15 years. He is passionate about delivering market leading risk practices and developing highly engaged teams to deliver Helia's key strategic objectives and outcomes.

Before joining Helia, Andy worked in London for the leading Mortgage Insurance company in Europe, where he held several executive roles including most recently the CRO role and prior to this Senior Vice President (SVP) Commercial, SVP Product Development & Marketing and CFO.

Earlier in his career, Andy spent 10 years in accounting roles in London including working with JP Morgan leading a team on emerging market fixed income derivatives and prior to this working in public accounting as a specialist auditor responsible for the London and Lloyds Insurance Markets.

Andy has a BA (Hons) in Accounting and Finance from Lancaster University (UK) and is a qualified Chartered Accountant (ACA)-(ICAEW).

Jeremy Francis

Chief Operating Officer

Jeremy joined Helia as Chief Operating Officer in April 2021.

Jeremy has over 20 years' experience in technology, banking and finance. He is passionate about delivering digital business strategies to create new opportunities for customers, drive new business growth, and deliver cultural, technology and operational change.

Prior to joining Helia, Jeremy was Chief Information Officer at Pepper Money where he was responsible for the digital transformation of Pepper's mortgage, asset finance and servicing businesses.

Jeremy has previously held senior leadership roles in financial services at Westpac, Lloyds Banking Group and Capital Finance across business and commercial banking, asset finance and consumer lending.

Jeremy holds a Bachelor of Information Technology from the University of Technology Sydney.

Lisa Griffin

Chief Strategic Development Officer

Lisa joined Helia as Chief Commercial Officer, New Ventures in March 2021 and became Chief Strategic Development Officer in May 2024.

Lisa has over 25 years' of senior management, financial, customer and strategy experience in insurance, wealth management and banking in Australia.

Prior to joining Helia, Lisa held senior roles in IAG, AMP and Suncorp leading some of the largest transformation programs in financial services and insurance. She has a track record for combining financial and strategic discipline with innovation and creativity to take businesses in new directions.

Lisa holds a Bachelor of Business (Economics) from LaTrobe University, a Masters of Business Administration (MBA) from the Australian Graduate School of Management and is a graduate of the Australian Institute of Company Directors.

Nicole Lang

Chief People and Culture Officer

Nicole joined Helia in January 2021 as Chief People and Culture Officer. She is a global HR executive with over 25 years' experience in Human Resources, Organisational Development, Talent and Learning across Banking, Insurance and Telecommunications.

She has a proven track record in leading and executing on strategic and operational initiatives across multiple geographies including business transformation, culture change, mergers and acquisitions, divestitures and establishing new entities in both mature and emerging markets.

Prior to joining Helia, Nicole held a number of senior positions across Commonwealth Bank of Australia (CBA), most recently leading the Human Resources function for the CBA's International Financial Services Business (based in Hong Kong), and was Company Director for a number of its offshore entities.

Nicole has a Master of Business (International Human Resources), Graduate Diploma in Education and a Bachelor of Science from the University of NSW. Nicole is a graduate of the Australian Institute of Company Directors.

Greg McAweeney

Chief Commercial Officer

Greg joined Helia as Chief Commercial Officer (CCO) in August 2022. Greg has over 20 years' experience in digital strategy, customer experience, strategic marketing, brand building and business-to-consumer and business-to-business sales leadership across financial services, telecommunications and insurance.

Prior to joining Helia, Greg held a range of senior leadership roles including CCO at HCF where he was responsible for brand and marketing, consumer and business sales distribution channels, digital and corporate affairs. Greg held the position of General Manager Digital and Customer Experience at Vodafone where he was responsible for leading the digital ecommerce sales and service strategy. He spent 14 years with Rabobank where he started up and scaled digital banks in Ireland, Australia and New Zealand.

Greg holds a Bachelor of Commerce and a Master of Business Administration (MBA) from University College Dublin and is a graduate of the Australian Institute of Company Directors.

Brady Weissel

General Counsel and Company Secretary

Brady was appointed as General Counsel and Company Secretary in July 2023.

Brady joined Helia as a Corporate Counsel in July 2014 and was appointed Assistant Company Secretary in March 2016. Brady has over 14 years' experience in corporate and commercial law, corporate governance, legal risk management and strategy, including through secondments to the Global Mortgage Insurance division of Genworth Financial, Inc. in 2018 and to the role of Strategy and Growth Leader at Helia in 2021-2022.

Prior to joining Helia, Brady was a lawyer at Ashurst acting on a range of corporate and commercial matters including private and public mergers and acquisitions, schemes of arrangement and takeovers, initial public offerings, equity raisings and joint ventures.

Brady holds a Bachelor of Commerce and Bachelor of Laws from the University of Sydney and is a graduate of the Australian Institute of Company Directors.

Operating and financial review

The Group's key financial measures are summarised in the table below.

Financial performance measures

FY24 highlights	FY24	FY23
Statutory net profit after tax (NPAT) ($m)	231.5	275.1
Statutory diluted earnings per share (cps)	79.7	84.7
Underlying net profit after tax ($m)	220.9	247.7
Underlying diluted earnings per share (cps)	76.1	76.3
Ordinary dividend per share (cps)	31.0	29.0
Special dividend per share (cps)	53.0	30.0
Net tangible assets per share ($)	3.93	3.76
Underlying return on equity (ROE) (%)	19.9	21.1

FY24 key financial measures	FY24	FY23
New insurance written ($bn)	13.2	13.0
Gross written premium (GWP) ($m)	195.6	185.2
Insurance revenue ($m)	389.2	427.3
Total incurred claims ratio (%)	(9.5)	(15.7)
Insurance services result ($m)	291.9	358.4
Net investment income ($m)	141.0	170.8
Contractual service margin balance (CSM) ($m)	642.7	669.2
Closing delinquencies (#)	5,083	4,532
Delinquency rate (%)	0.63	0.52

Non-IFRS information

The Group uses certain measures to manage and report on its business that are not in accordance with Australian Accounting Standards and International Financial Reporting Standards (IFRS). These measures are collectively referred to as non-IFRS financial measures.

The directors believe that these measures enable the Group to more fully explain to users the performance of the entity.

Underlying NPAT excludes the after-tax impacts of impairments of equity-accounted investees, unrealised gains/(losses) on shareholder funds and foreign exchange exposures on Helia's investment portfolio. The bulk of the foreign exchange exposures are hedged. The Group believes this is a useful measure as it removes the impact of volatility of investment markets and one-off adjustments.

A reconciliation between statutory and underlying NPAT for the years ended 31 December 2024 and 2023 is noted in the table below:

Underlying NPAT reconciliation ($m)	FY24	FY23
Statutory NPAT	231.5	275.1
Unrealised gains on shareholder funds and foreign exchange	(15.1)	(44.2)
Impairment of equity-accounted investees	—	3.6
Adjustments for tax credits	4.5	13.3
Underlying NPAT	220.9	247.7

Operating and financial review

Underlying diluted earnings per share and underlying return on equity are calculated the same way as the statutory equivalents but underlying NPAT replaces statutory NPAT within the formulas.

In FY24, the Group delivered a strong financial performance and robust capital position. While new business volumes were subdued, we benefited from a low claims environment and sound investment returns. Underlying NPAT was strong and represented an underlying ROE of 19.9%, however it was lower than the very strong prior corresponding period (pcp) primarily due to a lower benefit from negative total incurred claims. The performance in FY24 reflects the following factors:

- Insurance revenue was 8.9% down on the pcp from the impact of lower new premiums in recent years resulting in reduced in-force volumes.
- Total incurred claims were negative $37.2 million. Home equity from strong house prices, along with increasing but favourable delinquency experience, were the main drivers of this outcome. Incurred claims for the year also benefitted from some changes in the reserving basis in response to the continuing good experience.
- Total expenses (inclusive of the amortisation of acquisition costs) grew by 3.6% during the year.
- Net investment revenue was positive with a net investment return of 4.9%.

Review of financial condition

	FY24	FY23
Total assets ($m)	2,932.6	3,203.2
Total liabilities ($m)	1,852.2	2,061.9
Net assets ($m)	1,080.4	1,141.4
Book value per share ($)	3.97	3.79
Net tangible assets (NTA) per share ($)	3.93	3.76

Total assets as at 31 December 2024 of $2,932.6 million down on the prior period, primarily due to lower financial assets following the payment of dividends ($178.1 million) and the execution of on-market share buy-backs ($113.4 million). Total liabilities of $1,852.2 million were down on the prior period, primarily due to lower insurance contract liabilities reflecting:

- Lower liability for remaining coverage (LRC) from the run-off of the back book exceeding new business.
- Lower liability for incurred claims (LIC) due to ongoing good claims experience, plus a release of reserves from a change in reserving assumptions.

The equity of the Group as at 31 December 2024 of $1,080.4 million decreased by $61.0 million and incorporated a statutory NPAT of $231.5 million, less the payment of dividends and on-market share buy-backs referred to above. NTA per share increased from $3.76 to $3.93.

Capital mix

The Group measures its capital mix on a net tangible equity basis, ie, after deduction of goodwill and intangibles, providing strong alignment with regulatory and rating agency models. At 31 December 2024, the Group's capital mix was:

- net tangible equity 85.0%, and
- debt 15.0%.

Operating and financial review

Capital management

The Group remains strongly capitalised with a regulatory capital base of $1,755.2 million at 31 December 2024 (2023: $1,781.5 million). The Group has solvency of 2.10 times (2023: 1.86 times) the APRA prescribed capital amount (PCA), which continues to be above the Board's target solvency range of 1.40 to 1.60 times on a level 2 basis. The table below illustrates the capital position as at 31 December 2024 compared with 31 December 2023.

($m), as at	31-Dec-24	31-Dec-23
Net assets	1,080.4	1,141.4
Regulatory adjustments	(9.4)	(11.4)
Net surplus relating to insurance liability	494.2	461.5
Common equity tier 1 capital	**1,565.2**	**1,591.5**
Tier 2 capital	190.0	190.0
Regulatory capital base	**1,755.2**	**1,781.5**
Probable maximum loss	1,011.1	1,206.7
Net premiums liability deduction	(209.0)	(269.4)
Capital credit for reinsurance	(274.5)	(330.7)
Insurance concentration risk charge	**527.6**	**606.6**
Asset risk charge	221.3	208.5
Insurance risk charge	156.2	202.2
Operational risk charge	20.0	28.0
Aggregation benefit	(87.9)	(86.6)
Total PCA	**837.2**	**958.7**
PCA coverage	2.10x	1.86x

Note: Totals may not sum due to rounding.

The PCA coverage remains very strong with the increase in 2024 reflecting:

- Lower regulatory capital requirement (PCA) being driven by a decreasing PML from subdued new business volumes, high levels of cancellations and the seasoning of business written in prior years.
- A modest drop in net assets due to dividends paid and to fund on-market share buy-backs.
- The surplus relating to the insurance liabilities was relatively steady, and reflected the expected profit margin within the in-force book.

Operating and financial review

Dividends

Details of the dividends paid or determined to be paid by the Group and the accounting policy employed by the Group are set out in the dividends note 2.1 within the financial statements.

Environmental regulations

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Market capitalisation

The market capitalisation of the Company as at 31 December 2024 was $1,218.0 million based on the closing share price of $4.47.

Events subsequent to reporting date

Detail of matters subsequent to the end of the financial year is set out below and, in the events, subsequent to reporting date note 7.8 within the financial statements. On 25 February 2025, the Directors declared a 16.0 cents per ordinary share fully franked final dividend and 53.0 cents per ordinary share fully franked special dividend totalling approximately $43.6 million and $144.4 million respectively for the year ended 31 December 2024.

On 25 February 2025, the Company announced an increase in the on-market share buy-back from a maximum aggregate value of $100.0 million to a maximum aggregate value of $200.0 million of which the Company had acquired 19.3 million shares for a total consideration of $79.2 million by 31 December 2024.

There are no other events that have arisen since 31 December 2024 to the date of this report that, in the opinion of the directors, have significantly affected or may significantly affect the operations of the Group or the state of affairs of the Group in future years.

Likely developments

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 the directors believe it would be likely to result in unreasonable prejudice to the Group.

Economic overview and outlook

The economic overview and outlook is contained in 'Our operating environment and outlook' on page 14.

Further information on the Group's strategy, outlook and material business risks is provided in the Chair's message (pages 4 and 5), the CEO's message (pages 6 and 7), Our strategy (page 9), and our Material Risk section (page 15).

Directors' report

The Directors of the Company at any time during, or since the end of, the financial year up to the date of this report are: Ian MacDonald, Leona Murphy, Pauline Blight-Johnston, Gai McGrath, Andrew Moore, Alistair Muir, Gerd Schenkel, JoAnne Stephenson, Andrea Waters and Duncan West.

Company secretary

Brady Weissel

Brady Weissel was appointed as General Counsel and Company Secretary effective 3 July 2023. Brady joined Helia as a Corporate Counsel in July 2014 and was appointed Assistant Company Secretary on 10 March 2016. Brady has more than 14 years' experience in corporate and commercial law, corporate governance, legal risk management and strategy. Prior to joining, Brady was a lawyer at Ashurst with experience acting on a range of corporate and commercial matters including private and public mergers and acquisitions, schemes of arrangement and takeovers, initial public offerings, equity raisings and joint ventures. Brady holds a Bachelor of Commerce and Bachelor of Laws from the University of Sydney and is a graduate of the Australian Institute of Company Directors.

Assistant company secretary

Mark Stavert

Mark Stavert was appointed Assistant Company Secretary on 28 March 2024. Mark joined Helia as a Senior Corporate Counsel in November 2023. Prior to joining, Mark was an Associate Director (Lawyer) at Macquarie Group and advised on a range of corporate, commercial and governance matters. Mark holds a Bachelor of Laws (Hons), a Bachelor of Computer Science, a Graduate Diploma of Applied Finance and is a graduate of the Australian Institute of Company Directors.

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are set out below:

	Board													
	Scheduled Meetings		Unscheduled Meetings		Sub-committee Meetings		Audit Committee		Risk Committee		People and Remuneration Committee		Nominations Committee[8]	
	A	H	A	H	A	H	A	H	A	H	A	H	A	H
Ian MacDonald[1]	4	4	1	1	—	—	—	—	—	—	—	—	—	—
Pauline Blight-Johnston	8	8	6	6	2	2	—	—	—	—	—	—	—	—
Gai McGrath[2]	6	6	3	3	—	—	2	2	3	3	3	3	—	—
Andrew Moore[3]	4	4	3	3	—	—	4	4	3	3	3	3	1	1
Alistair Muir	8	8	5	6	—	—	7	7	5	5	3	3	1	1
Leona Murphy[4]	8	8	6	6	—	—	3	3	2	2	2	2	1	1
Gerd Schenkel[5]	3	3	1	1	—	—	1	1	—	—	2	2	—	—
JoAnne Stephenson[6]	4	4	2	3	—	—	4	4	3	3	2	3	1	1
Andrea Waters	8	8	6	6	2	2	7	7	3	3	5	5	1	1
Duncan West[7]	7	8	5	6	—	—	3	3	4	5	3	3	—	1

Note: 'A' represents the number of meetings attended, and 'H' represents the number of meetings held during the period that the director held office.

1. Ian MacDonald retired as Chair, from 9 May 2024.
2. Gai McGrath retired as a Director, from 16 August 2024.
3. Andrew Moore appointed a Director, from 15 July 2024.
4. Leona Murphy appointed Chair of the Board from 9 May 2024.
5. Gerd Schenkel retired as a Director, from 30 April 2024.
6. JoAnne Stephenson appointed Director, from 15 July 2024.
7. Duncan West appointed as Chair and member of the People & Remuneration Committee from 9 May 2024.
8. The Remuneration & Nominations Committee was split into a People & Remuneration Committee and a Nominations Committee, from 9 May.

Directors' report

Indemnification and insurance of officers and directors

During the financial year, a controlled entity paid premiums to insure Directors and certain Officers of the Company for the year ended 31 December 2024 and, since the end of the financial year, the controlled entity has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2025. Such insurance contracts insure against liability (subject to certain exclusions) persons who are or have been Directors or Officers of the Group. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contracts. The Group has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an auditor of the Group.

Directors' interests and benefits

Other than the aggregate remuneration paid or receivable by Directors included in the financial report, and remuneration as an executive paid or payable by the related body corporate, no Director has received or become entitled to receive any benefit because of a contract made by the Group or a related body corporate with a Director or with a firm of which a Director is a member or with an entity in which the Director has a substantial interest.

Rounding off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and amounts in the Directors' Report have been rounded off to the nearest $100,000 and presented in the form of a whole number of millions of dollars and one place of decimals, in accordance with this instrument, unless otherwise stated.

Non-audit services

The auditor provided non-audit services during the year of $117,366 excluding GST (2023: $149,435). The Directors are satisfied that the provision of non-audit services during 2024 by the auditor were compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and in accordance with Helia's Auditor Independence Policy, noting that:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence set out in the Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms, for audit and non-audit services are provided in note 7.2 within the financial statements.

Officers of the Company who are former partners of KPMG

Each of the following persons was an Officer of the Company during 2024, and was a partner of KPMG at a time when KPMG undertook an audit of the Company:

- Ms Andrea Waters, Director since 16 March 2020, was a partner of KPMG from 1996 – 2012
- Ms Pauline Blight-Johnston, Chief Executive Officer and Managing Director since 2 March 2020, was a partner of KPMG from 2019 – 2020
- Ms JoAnne Stephenson, Director since 15 July 2024, was partner at KPMG from 1994 – 1998 and 2001 – 2011.

Remuneration report

Dear Shareholder,

On behalf of your Board, I am pleased to present the 2024 Remuneration report.

In 2024, Helia delivered another strong financial performance and robust capital outcome. While new business remains subdued, profit was very strong as we continue to benefit from a low claims environment. This strong profitability and underlying capital strength has enabled us to continue delivering attractive returns for our shareholders. Our five-year Total Shareholder Return (TSR) to 31 December 2024 of 101% surpassed the ASX 200 Financial Services Index return of 77%.

Helia can only deliver these impressive results and strong shareholder returns by attracting, retaining and developing talent necessary to support the sound management and growth of the company. We are proud of the people initiatives we have to promote a diverse and inclusive culture. We will continue to focus on ensuring our business has a positive impact on our people, customers shareholders and the community.

2024 performance and remuneration outcomes

Financial performance

Performance net profit after tax (NPAT) of $219.2 million, was strong and above the stretch target set for management. Gross written premium (GWP) of $195.6 million, was below the target set for management, slightly above threshold.

Capital management activities delivered $231.1 million in dividends for the FY24 year and on-market share buy backs of $113.4 million or 9.4% of shares on issue, resulting in a rating between target and stretch.

Strategic performance

Helia's sustainable performance outcomes demonstrate disciplined execution of our strategic priorities. During the year, we achieved 100% success with customer contract renewals and continued to work with lenders on opportunities to expand their risk appetite to increase opportunities for lending. Progress was made to improve LMI sentiment among home buyers, brokers and lenders. We continue to engage with the government and regulators to reinforce the importance of LMI.

We continued to deliver operational efficiencies through new Application Programming Interfaces (APIs) with our customers. We made significant progress in strengthening our data governance and building resilience to a range of disruptive events, including cyber risk incidents.

We achieved our stretch goal of maintaining employee engagement in the top 25% of financial services in Australia[1]. Our culture score, although high, fell short of the top 25% stretch goal. This year's survey achieved our highest participation rate of 92%, reflecting the strong commitment of Helia employees.

Lastly, Helia is particularly proud of the success of our people initiatives which have been reflected in:

- Meeting gender pay parity for the second year in a row. This is defined by the WGEA as a gender pay gap between -5% and 5%. This is significantly ahead of our comparison group across the insurance industry where the pay gap of 29.3% exists in favour of males.
- Helia's Innovate RAP was formally endorsed by Reconciliation Australia. In this plan, we aim to enact change and realise Helia's vision for reconciliation in line with our own mission, including working on equitable information access and pathways to home ownership for Aboriginal and Torres Strait Islander peoples.

Executive remuneration

Based on the performance above, the Board has approved:

Total Fixed Remuneration (TFR)[2]	Short-Term Incentive (STI) See section 4.6.1	Long-Term Incentive (LTI) See section 4.6.4
Increase in CEO TFR for 2024 **3.0%**	2024 STI Scorecard **108.8%** of Target	2021 LTI awards vesting in 2024 **100%** of Maximum
Average increase in other executive KMP TFR for 2024 **4.5%**	CEO 2024 STI outcome **120%** of Target	Underlying ROE (25% of 2021 LTI) **100%** of Maximum
	Other executive KMP 2024 STI outcome **95% - 120%** of Target	Relative TSR (75% of 2021 LTI) **100%** of Maximum

Continuously strengthening our risk performance is a priority for Helia to meet increasing expectations of the industry and regulators. The 2024 STI and 2021 LTI were awarded with no Board adjustment for risk matters.

1. Helia 2024 Employee Engagement and Culture Survey compared to Culture Amp Finance Australia Top 25%, July 2024 benchmark.
2. The Board approved a 3.0% increase in TFR for the CEO in 2025 and average increase of 4.1% in TFR for other executive KMP in 2025.

Remuneration report

Non-Executive Director remuneration

Throughout 2024, Helia changed its Board composition by welcoming two new Non-Executive Directors (NEDs) along with the retirement of three NEDs. All NEDs now sit on all committees which further integrates risk and other Board matters into remuneration decisions.

To support this change, Helia NEDs now receive a single composite Board and committee member fee and do not receive any additional fees for being a committee member. NEDs who serve as a chair of a Committee receive a higher composite fee to reflect the additional responsibilities of a chair. This change reflected Helia's desire for simplicity and is appropriate as each NED has similar time commitments and involvement across the various Committees.

The overall annual NED fee spend was reduced by 11% as a result of these changes. There are no changes to the Directors' fee pool.

Further details provided in section 6.1.

2025 approach to remuneration

During 2024, Helia refined its vision to be the unparalleled leader in LMI. This vision can be only achieved through a highly engaged and capable workforce. Helia remains committed to ensuring our remuneration framework continues to attract, motivate and retain high calibre employees, incentivising sustained high performance and managing our risks.

The Board takes seriously its responsibility to ensure that the remuneration framework meets the expectations of shareholders while serving to attract and retain a talented leadership team. During the year, the Board received feedback from one proxy adviser firm outlining concerns regarding Helia's practice of providing shares in lieu of dividends foregone on vested shares.

The Board engaged with proxy advisors to understand key concerns around the provision of notional dividends on vested LTI rights. After careful consideration, the Board determined the current approach remains fit for purpose as it:

- Meets our remuneration principle to align executives with shareholders. Notional dividends provide a one-to-one alignment with actual dividends paid, and it is difficult to replicate this through other approaches.
- Incentivises management to explore all options to return excess capital through special dividends and share buy-backs. This is an important expectation of the Board and shareholders given Helia's excess capital.
- Is the simplest and most transparent – with notional dividends provided as equity rather than cash reflecting better practice and avoiding any discounting methodologies which lacks transparency.
- Negates the difficulty in forecasting special dividends which are discretionary and vary from time to time.
- Lastly, it is not uncommon market practice, with a number of ASX listed organisations providing notional dividends delivered as equity.

The following are key remuneration initiatives for 2025:

- The Board has approved the use of Underlying NPAT instead of Performance NPAT for the 2025 STI Group Scorecard. Underlying NPAT deducts unrealised gains/losses on the shareholder investment portfolio and foreign exchange from Statutory NPAT, while Performance NPAT deducts both unrealised and realised gains and losses. Using Underlying NPAT provides a simplified and transparent approach by aligning the reward to the same measure of company performance highlighted to shareholders. Further details provided in section 4.2.2.
- For the Deferred STI 24 grant onwards, Deferred STI amounts will be delivered in Restricted Shares, rather than Deferred Rights. Restricted Shares are fully paid shares that will be purchased on market at grant and allocated to executives. It is anticipated that this change will deliver efficiencies in how Helia budgets and allocates Deferred STI awards and will allow the grant date to be harmonised across the CEO and executive team. It also ensures greater alignment to our shareholders by granting shares, rather than rights, and obviates the need to award additional shares on vesting in lieu of dividends. Further details provided in section 4.2.
- The Helia minimum shareholding requirements (MSR) for NEDs was updated to be consistent with our executive MSR calculations and market practice. Further details provided in section 6.3.

Additionally, Helia successfully completed its third issue under the Employee Share Scheme (ESS) in 2024. There was significant engagement in this plan, with 92% of participants choosing to opt-in and share in the value we continue to create at Helia. The ESS will be offered again in 2025.

Lastly, as foreshadowed in the 2023 Remuneration Report, Helia began early adoption of APRA's remuneration disclosure requirements, as part of CPS 511. We continue to comply with further enhancements to this annual remuneration report for the year ended 31 December 2024. Helia is also making significant progress on the Financial Accountability Regime (FAR) Act 2023 (Cth) and is well-positioned to meet the compliance requirements by March 2025. Further details provided in section 2.5.

The Board continues to monitor our remuneration strategy to ensure it remains fit for purpose, motivates and engages our talent, and aligns with shareholder priorities. I invite you to read the Remuneration report and welcome your feedback.

Duncan West

Duncan West
Chair – People and Remuneration Committee

Remuneration report

1. Key Management Personnel (KMP) covered by this report

Throughout this report, KMP refers to those responsible for planning, directing and controlling the activities of the company, made up of NEDs, the CEO and nominated executives.

Name	Position	Term as KMP
Non-Executive Directors		
Leona Murphy[1]	Independent Chair	Full year
Andrew Moore[2]	Independent Non-Executive Director	15 July – 31 December
Alistair Muir	Independent Non-Executive Director	Full year
JoAnne Stephenson[2]	Independent Non-Executive Director	15 July – 31 December
Andrea Waters	Independent Non-Executive Director	Full year
Duncan West	Independent Non-Executive Director	Full year
Former Non-Executive Directors		
Ian MacDonald[3]	Independent Chair	1 January – 9 May
Gai McGrath[4]	Independent Non-Executive Director	1 January – 16 August
Gerd Schenkel[5]	Independent Non-Executive Director	1 January – 30 April
Executive KMP		
Pauline Blight-Johnston	Managing Director and Chief Executive Officer (CEO)	Full year
Michael Cant	Chief Financial Officer (CFO)	Full year
Andrew Cormack	Chief Risk Officer (CRO)	Full year
Jeremy Francis	Chief Operating Officer (COO)	Full year
Greg McAweeney	Chief Commercial Officer (CCO)	Full year

1. The Board elected Leona Murphy to be Chair of the Board following the Annual General Meeting (AGM) on 9 May 2024.
2. Andrew Moore and JoAnne Stephenson joined the Helia Board as a Non-Executive Director from 15 July 2024.
3. Ian MacDonald retired from the Board at the conclusion of the AGM on 9 May 2024.
4. Gai McGrath retired from the Board effective 16 August 2024.
5. Gerd Schenkel retired from the Board effective 30 April 2024.

Remuneration report

2. Remuneration framework

2.1 Alignment between remuneration and Helia's purpose, vision and strategy

Purpose
To accelerate financial wellbeing through home ownership, now and for the future

Vision
Be the unparalleled leader in LMI

Business strategy

- Grow and defend our LMI market share
- Grow the market for LMI
- Drive operational agility and risk maturity
- Deliver results through world-class performance

People strategy

Growth
Build future fit capabilities to drive our growth strategy and develop our current and future leaders to engage and grow their people while accelerating execution.

Culture
Create an inclusive, innovative risk aware and high performing culture which can respond quickly and effectively to opportunities.

Employee experience
Enhance the employee experience to optimise the way we work and live through our Employee Value Proposition.

Remuneration principles

- Align management and shareholders.
- Link remuneration outcomes with sustainable company and individual performance.
- Encourage behaviour that aligns with Helia's expected behaviours, performance and risk management frameworks.
- Ensure remuneration is competitive and flexible to attract and retain quality talent.
- Meet regulatory requirements and support strong governance and accountability.

Executive remuneration framework

TFR	STI	LTI
Objective Attract skills and experience required. Benchmarked against the market median.	**Objective** Motivate and reward employees for company performance, individual performance and risk management.	**Objective** Motivate and reward executives for longer term sustainable company performance, shareholder value and risk management.
Description Base salary, superannuation and other benefits.	**Description** Based on annual company performance (60% financial and 40% strategic), individual performance and risk assessment.	**Description** Based on performance against company performance (75% relative TSR, 25% Underlying ROE) and risk assessment over four years.
Delivery Cash and superannuation Paid over the year	**Delivery**[1] 50% cash: Performance 25% shares: Year 1 25% shares: Year 2	**Delivery** 100% performance rights Year 4

Minimum shareholding requirement
Executives are required to accumulate and hold shares and service-based equity awards over a five-year accumulation period. The MSR is 200% of TFR for the CEO and 100% of TFR for other executive Key Management Personnel (KMP).

1. The Board approved Deferred STI to be delivered via Restricted Shares, rather than Share Rights. This will apply for Deferred STI granted in 2025 (for deferral of 2024 STI plan) and onwards. No changes will apply to equity grants on-foot.

Remuneration report

2 Remuneration framework (continued)

2.2 Our remuneration and risk governance framework

Board

The Board retains ultimate responsibility for managing Helia's remuneration practices in a sound and prudent manner so that they align with organisational and shareholder objectives and support sustainable outcomes. This includes approving the Remuneration policy, Consequence Management Framework, executive remuneration outcomes and monitoring the effectiveness of remuneration practices. The Board retains discretion to adjust variable remuneration outcomes to provide consistency with the remuneration principles, any relevant legal and regulatory requirements or for any reason the Board believes is appropriate.

Remuneration policy

Helia's Remuneration policy outlines our framework and strategy on how we seek to attract, retain and motivate talent, in line with the long-term interests of the organisation, our shareholders, customers and key stakeholders.

Consequence Management Framework

Helia's Consequence Management Framework outlines the approach to applying positive or negative consequences for risk management or conduct to ensure outcomes are achieved in line with our Code of Conduct and expected behaviours.

People and Remuneration Committee (the Committee)

Assists the Board to provide effective oversight of:

- Remuneration policy, strategy and outcomes (including CEO outcomes) taking into account recommendations from the Risk Committee; and
- Diversity and inclusion, talent and succession planning.

Risk Committee

Provides recommendations to the People and Remuneration Committee for remuneration adjustments due to risk management.

Adjustments can be applied to the company-wide STI funding pool as well as prior to vesting of deferred STI and LTI, on a collective or individual basis.

Independent advisors

Independent advisors are engaged to assist the Committee with external benchmarking for executive remuneration and NED remuneration. No remuneration recommendations were sought or received from external advisors during 2024.

Other stakeholders

Feedback from shareholders is considered in developing our remuneration framework and determining remuneration outcomes.

Our remuneration framework is an important lever to deliver on our strategy, while promoting the right outcomes for people, and the interests of the company, our shareholders, customers and key stakeholders. To achieve this vision, Helia continuously reviews its remuneration framework to ensure it is fit for purpose and fit for the future.

Management

The CEO assesses and provides remuneration recommendations for all executives (excluding the CEO) to the Committee and Board for approval.

Independent risk assessment

As part of the remuneration outcomes process, the Chief Risk Officer (CRO) provides to the Risk Committee:

- An overall assessment of organisational risk culture via the Risk Culture Dashboard.
- An individual assessment of performance against specific risk measures for each executive (excluding the CRO).
- A recommendation on whether/how the risk modifier should be applied for risk outcomes.

The CEO provides an individual assessment of performance of the CRO against specific risk measures.

Remuneration report

2 Remuneration framework (continued)

2.3 Alignment of risk and remuneration

Key to our remuneration strategy and sustainability of Helia, is ensuring remuneration outcomes are aligned to appropriate management of both financial and non-financial risk. This intent is reflected throughout Helia's remuneration and risk governance framework and incentive structures.

2.3.1 How risk and conduct are integrated in our remuneration framework

Features	Description
Policies and frameworks	› Helia's Remuneration policy along with frameworks and practices are designed to support the desired risk culture, with respect to financial and non-financial risk, and align to our Risk Management Framework and Risk Appetite Statement. › Helia's Consequence Management Framework outlines the approach to applying positive and negative consequences for risk management or conduct to ensure outcomes are achieved in line with our Code of Conduct and expected behaviours. › Remuneration policy and Consequence Management Framework are Board approved.
Scope	› Policies and frameworks apply to all employees including the CEO. › All employees and contractors are required to comply with Helia's Code of Conduct. › Permanent employees are eligible to participate in the company-wide STI plan and have a mandatory risk goal with a minimum weighting in their annual performance goals. › Executives are eligible to participate in the LTI plan.
Mechanisms	› STI and LTI outcomes are subject to Board discretion. › In-year STI: – The company-wide STI funding pool may be adjusted based on recommendations of the Risk Committee after considering a range of factors including the Risk Culture Dashboard outcomes and assessments by the CRO. – Individual outcomes are subject to a risk modifier informed by the Risk Culture Dashboard assessment or individual risk assessments. In the case of executives, the Risk Committee will make recommendations based on a range of factors including an assessment by the CRO (or assessment by the CEO in the case of the CRO). – Risk adjustments can be applied upwards up to +25% (in cases of positive risk management and considering affordability) or downwards to nil outcome (in cases of poor risk management). – STI outcome and any adjustments are approved by the Board. › Deferred STI and LTI: – Prior to vesting, the Committee and Board determines whether adjustments are required in light of any material risk events that occurred during the vesting period. – The Risk Committee recommends any risk adjustments based on a range of factors including individual risk assessments by the CRO (or assessment by the CEO in the case of the CRO). – The CRO review is tabled at the Risk Committee for its consideration and recommendation to the Committee, which is then reviewed by the Committee before a vesting recommendation is made to the Board for approval. – Vesting outcomes and any adjustments are approved by the Board. › STIs and LTIs are subject to malus and clawback. Clawback can be applied within two years of payment/vesting.

Remuneration report

2 Remuneration framework (continued)

Features	Description
Assessment	› **Quarterly:** Employee risk and conduct incidents are managed as they occur and included in regular quarterly reviews by the CRO and Chief People and Culture Officer (CPCO) with recommendations for CEO consideration and approval. › **Semi-annually:** Risk performance is assessed by managers against risk specific goals and accountabilities in the mid-year and year-end performance development reviews. The CRO presents the Risk Culture Dashboard to the Risk Committee, which provides insights on the organisation's risk behaviours and risk architecture to support strong risk management practices. › **Annually:** The CRO provides an assessment of the overall risk performance and health of the business to the Risk Committee including any risk modifier considerations within the Consequence Management Framework. This includes an assessment at a company, collective and an individual executive level based on risk performance against goals and overall contribution to organisational risk culture. Any risk modifiers recommended by the CRO are independently considered by the Risk Committee before it makes a recommendation to the Committee and Board for approval. Any material risk and conduct incidents involving employees below executive level are reported to the Risk Committee for awareness.
Consequences and remuneration adjustments	› STIs and LTIs are subject to financial consequences including in-year adjustments, malus and clawback. › Any employee (including temporary employees who are not eligible for STIs or LTIs) may receive non-financial consequences including any combination of formal warning, counselling, mandatory training or development, increased supervision and termination of employment. › A comprehensive review is undertaken at the end of the year to calibrate and ensure consequences are consistent. › Remuneration adjustments for risk management are raised to the Committee for awareness, then approved by the Board for executives, or approved by the CEO for employees below the executive level. › The Board approves remuneration for executives on an individual basis and approves remuneration for Risk and Financial Control Personnel (RFCP) on a cohort basis.

2.3.2 Board discretion and remuneration

The Board retains discretion to adjust variable remuneration outcomes to provide consistency with Helia's remuneration principles, any relevant legal and regulatory requirements or for any reason the Board believes is appropriate. Inputs to support Board discretionary assessment may include performance over the relevant period, people and risk indicators and any unforeseen events that have materialised.

Variable remuneration may be adjusted downwards if the Board believes it is appropriate in the circumstances to do so, including if those adjustments are necessary to:

- protect the financial soundness of the company
- respond to material misconduct, and whether this has led to adverse outcomes
- reflect failure of financial and/or non-financial risk management or non-compliance with Helia's Risk Management Framework (RMF)
- respond to a significant failure or breach of accountability, fitness and propriety, or compliance obligations
- respond to a significant error or a significant misstatement of criteria on which the variable remuneration determination was based
- respond to significant adverse outcomes for customers or other stakeholders
- respond to reputational risk issues
- respond to significant unexpected or unintended consequences that were not foreseen by the Risk Committee or the Board, or
- respond to an Accountable Person failing to comply with their FAR Accountability Obligations.

Remuneration report

2 Remuneration framework (continued)

Helia's remuneration framework also provides an avenue for a positive adjustment on an individual or collective basis. An assessment of positive risk behaviour considers:

- the individual behaviour contributing to managing the risk profile or strengthening the risk culture of the team, division, or Helia as a whole, or
- the impact of the behaviour on Helia's long-term soundness, reputation and delivery for stakeholders.

Any upwards adjustment will be assessed by how an individual has performed on their risk measure as part of their performance goals. Any upward risk adjustments will be subject to STI pool funding and affordability considerations and individual maximum STI opportunity.

2.4 Remuneration for specified roles

The CEO and the CEO's direct reports (collectively 'Senior Leadership Team' or 'SLT') are defined as Senior Managers under CPS 511. All SLT employees are eligible for executive remuneration arrangements detailed in section 3.

Helia does not have any roles identified as Material Risk Takers under CPS 511.

RFCP constitute those whose primary role is in risk management, compliance, internal audit, financial control or actuarial control. Permanent RFCP are eligible for the company-wide STI plan. Independence of these roles is maintained by ensuring:

- they do not report into managers of the business areas they are responsible for overseeing and challenging other than the CEO, or report directly to the relevant Committee Chair
- performance measures are tailored to reflect their role in the company
- financial measures are linked to company-wide performance, but not related to the business area they are overseeing or challenging
- pay mix (ratio of fixed remuneration versus variable remuneration) is appropriate for the role, which will often mean that it is not highly leveraged towards variable remuneration.

2.5 Remuneration for Accountable Persons

Helia has reviewed remuneration arrangements for all Accountable Persons to ensure compliance with the FAR Act remuneration obligations and will embed any changes in remuneration arrangements for 2025.

The Remuneration policy and Consequence Management Framework was updated to ensure variable remuneration is reduced proportionally for Accountable Persons for non-compliance with their Accountability Obligations. If it is discovered that an Accountable Person is likely to have breached their Accountability Obligations during the deferral period, then the deferral period will be extended until the completion of the breach investigation.

Remuneration report

3. Executive remuneration

3.1 Executive remuneration summary

Helia's executive remuneration programs are designed to align executive and shareholder interests by:

- using appropriate pay mix and delivery vehicles (e.g. cash, equity and non-monetary benefits)
- measuring performance and delivering remuneration outcomes that are aligned over an appropriate time frame, including deferral of a portion of SLT short-term variable remuneration and LTI which focuses effort on long-term company performance
- linking fixed remuneration increases to individual performance and market benchmarks (eg, median of relevant comparator group)
- ensuring variable remuneration outcomes balance prudent financial and non-financial risk taking with achievement of company objectives, and minimise potential adverse stakeholder outcomes, and
- operating within Helia's Risk Management Framework and relevant regulatory requirements (in particular, APRA Prudential Standard CPS 510 Governance, CPS 511 Remuneration and the FAR Act).

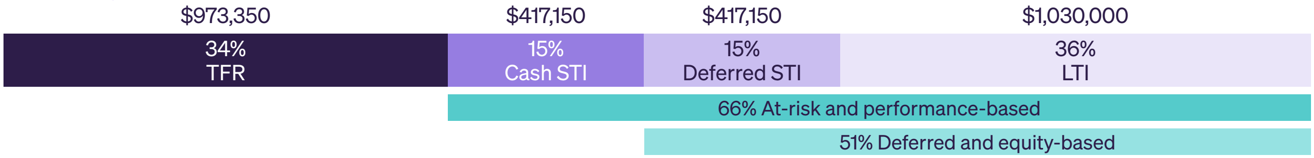
3.1.1 2024 remuneration mix

Helia's total remuneration opportunity is defined as the sum of TFR, target STI opportunity, and maximum LTI opportunity.

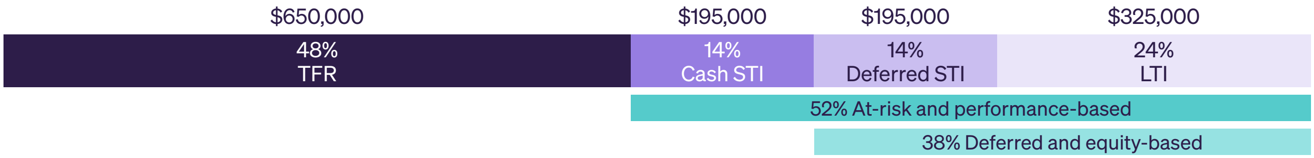
The figures below show the total remuneration mix, ie, the relative weight of each component as a proportion of total remuneration opportunity as at 31 December 2024.

The actual mix of pay delivered in any year is based on an assessment of individual and company performance, risk assessments, applicable regulations and plan rules and, as such, may differ from the targeted mix of pay.

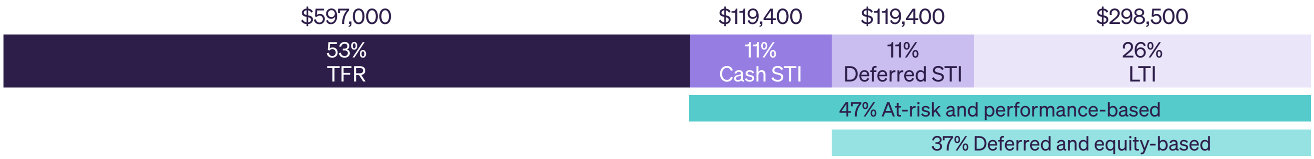
Pauline Blight-Johnston – CEO



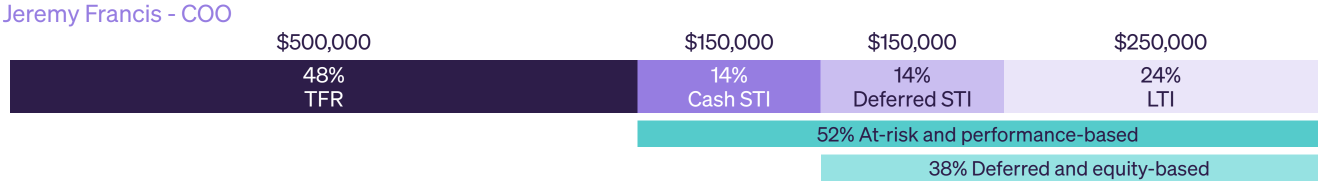
Michael Cant - CFO



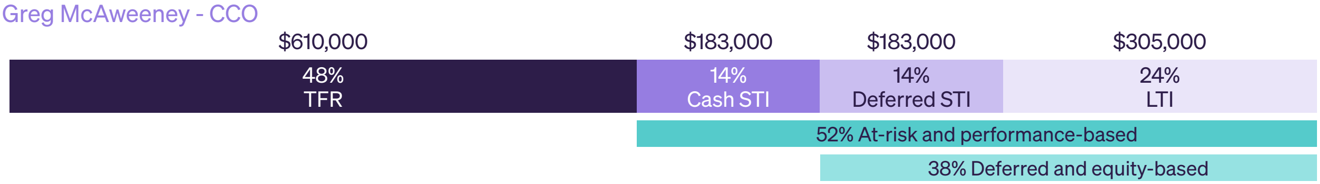
Andrew Cormack - CRO[1]



Jeremy Francis - COO



Greg McAweeney - CCO



1. Numbers do not sum to 100% due to rounding.

Remuneration report

3 Executive remuneration (continued)

3.1.2 Executive KMP realised actual remuneration

The table below provides a summary of the remuneration received by executive KMP for the year ended 31 December 2024. This table is for general information and is supplementary to the statutory requirements contained in section 5. It is not prepared in accordance with accounting standards, as it includes actual remuneration received over the financial year and excludes leave accruals, fringe benefit tax attributed to insurances and other non-monetary benefits.

			At risk and performance-based						
Name and position		**Actual TFR received**	**Current year non-deferred STI**	**Prior year deferred STI vested**	**LTI vested**	**Total cash received**	**Total equity vested**	**Total remuneration received**	**Previous years' awards forfeited**
		a	b	c	d	e = a + b	f = c + d	g = e + f	h
Pauline Blight-Johnston	**2024**	**$969,666**	**$499,245**	**$476,092**	**$1,430,648**	**$1,468,911**	**$1,906,740**	**$3,375,651**	**—**
CEO	2023	$937,500	$463,320	$667,528	$172,056	$1,400,820	$839,584	$2,240,404	$516,173
Michael Cant	**2024**	**$645,883**	**$233,376**	**$217,114**	**—**	**$879,259**	**$217,114**	**$1,096,373**	**—**
CFO	2023	$619,167	$204,750	$52,709	—	$823,917	$52,709	$876,626	—
Andrew Cormack	**2024**	**$592,833**	**$113,019**	**$89,949**	**$417,178**	**$705,853**	**$507,127**	**$1,212,979**	**—**
CRO	2023	$568,333	$124,925	$143,067	$217,004	$693,258	$360,071	$1,053,330	$218,242
Jeremy Francis	**2024**	**$495,050**	**$151,776**	**$110,396**	**$283,766**	**$646,826**	**$394,162**	**$1,040,987**	**—**
COO	2023	$466,667	$161,304	$148,935	—	$627,971	$148,935	$776,906	—
Greg McAweeney	**2024**	**$606,716**	**$203,086**	**$53,757**	**—**	**$809,802**	**$53,757**	**$863,560**	**—**
CCO	2023	$588,333	$156,468	—	—	$744,801	—	$744,801	—

Basis of preparation

Fixed remuneration	a) Base salary plus superannuation paid and salary sacrifice arrangements. Actual TFR received may be different to contractual TFR due to increases as part of the annual remuneration review effective 1 March.
Cash STI	b) The non-deferred cash component of STI. For each year, this is 50% of the total STI relating to performance over 12 months to 31 December and paid in March in the following year.
Value of equity vested or forfeited for deferred STI and LTI	The value is based on the 10-trading day volume weighted average price (VWAP) to 31 December in the year. For 2024, the VWAP was $4.4527. For 2023, the VWAP was $4.2832.
Prior year deferred STI equity vested	c) The value of deferred STI equity awards that vested during the period as KMP. For 2024, this is 2022 deferred STI rights which vested on 1 March 2024, plus notional dividends on vested rights. For 2023, this is 2021 deferred STI rights which vested on 1 March 2023, plus notional dividends on vested rights.
LTI equity vested	d) The value of deferred LTI equity awards that vested during the period as KMP. For 2024, this is 2021 LTI rights which vested on 31 December 2024, plus notional dividends on vested 2020 LTI rights. For 2023, this is 2020 LTI rights which vested on 31 December 2023, plus notional dividends on vested 2019 LTI rights.
Previous awards forfeited	h) The value of deferred STI and LTI equity awards that lapsed during the period as KMP. For 2024, there were nil lapsing of 2022 deferred STI rights or 2021 LTI rights. For 2023, this is 2020 LTI rights which lapsed on 31 December 2023.

Remuneration report

4. Executive remuneration in detail

4.1 TFR

TFR is the sum of base salary and guaranteed employee benefits such as superannuation and car parking.

TFR for executive roles is reviewed annually and approved by the Board with reference to a number of factors including, but not limited to:

- the size and scope of the role
- the performance of the individual, and
- appropriate benchmark data.

Benchmark data for each executive role is individually sourced from a peer group of equivalent roles in comparable organisations within Financial Services which constitutes a potential pool for executive talent.

The benchmark median TFR is used as the primary reference point for comparative purposes, and median Total Annual Remuneration (TFR plus Target STI) and Total Reward (Total Annual Remuneration plus Maximum LTI) are used as secondary reference points.

4.2 STI

STIs seek to motivate and retain employees by providing awards that align to Helia's short and medium-term objectives, reflected in a combination of individual and organisation performance.

STI outcomes are funded from an organisation-wide pool, determined by a Board assessment of organisational performance against financial and strategic metrics and any relevant adjustments for risk events or business performance based on the Risk Culture Dashboard and individual performance against risk goals.

In determining individual STI outcomes, the CEO provides recommendations to the Committee in respect of the CEO's direct reports, while the Board Chair provides recommendations to the Committee in respect of the CEO's STI outcome.

Recommendations take into account:

- the STI pool funding percentage
- the performance of the executive against individual and business performance goals, and
- the behaviour demonstrated by the executive in their role to ensure consistency with Helia's expected behaviours.

Individual executive goals align to the financial and strategic objectives used to determine STI pool funding.

In 2024, the Board approved Deferred STI to be delivered via Restricted Shares, rather than Share Rights. This will apply for Deferred STI granted in 2025 (for deferral of 2024 STI plan) and onwards. No changes will apply to equity grants on-foot.

4.2.1 2024 STI key characteristics

Features	Detail		
STI (% of TFR) by role	**Executive KMP**	**Target (% of TFR)**	**Maximum (% of TFR)**
	CEO	86%	171%
	CFO, COO and CCO	60%	120%
	CRO	40%	80%
Performance objectives	**Financial objectives (60%)**	**Strategic objectives (40%)**	
	Performance NPAT (30%)	LMI market share (10%)	
	Capital management (15%)	Strategic LMI market development (10%)	
	GWP (15%)	Operational and risk excellence (10%)	
		People and culture (10%)[1]	
Performance period	1 January 2024 – 31 December 2024.		

1. Outcome weighted 1/3 each to engagement, culture and risk culture outcomes.

Remuneration report

4. Executive remuneration in detail (continued)

Features	Detail
Outcome determination	Combination of STI pool funding, risk assessment, and individual performance and behaviour. **Target STI opportunity:** TFR \$ x Target STI opportunity % of TFR = Target STI opportunity \$ **STI outcome:** Target STI opportunity \$ x Company scorecard x Individual performance and behaviour x Risk modifier = Individual STI outcome 0% to 200% of target Individual performance and behaviour is assessed on 'what' was achieved as well as 'how' it was achieved. The risk modifier can be applied on a company-wide, collective or individual basis based on the assessment by the Risk Committee. Outcomes are determined via Board and Committee review, recommendation and approval process. The Board has authority and discretion to adjust STI funding and individual outcomes (including to zero if appropriate).
Payment vehicles and deferral period	50% cash to be paid on or around 15 March 2025. 25% restricted shares vesting March 2026 (12 months from grant date). 25% restricted shares vesting March 2027 (24 months from grant date).
Deferred STI restricted shares grant calculation	The number of Deferred STI shares is determined by dividing the Deferred STI dollar value by the 10-trading day VWAP as at 31 December 2024. **Deferred STI outcome:** Individual STI outcome \$ x Deferred STI proportion 50% = STI Restricted Shares grant \$ **Deferred STI grant:** STI Restricted Shares grant \$ ÷ 10-trading day VWAP face value x STI Restricted Shares granted # The Committee believes using a VWAP (instead of the share price at a single point in time or a discounted fair value methodology) reduces the impact daily volatility may have on the number granted and provides greater transparency around the value of restricted shares granted.
Deferred STI vesting conditions	Continuous active employment for 12 months and 24 months respectively. Board and Committee satisfaction that adverse outcomes have not arisen that were not apparent when performance was assessed and satisfaction that there was not excessive risk taking in achievement of results.
Dividends	Restricted shares have rights to dividends paid during the deferral period.
Treatment upon vesting	Vested shares entitle the holder to ordinary shares in the company for nil consideration. The company retains discretion to settle vested shares as cash or via the issuance of new shares or on-market purchase.

Remuneration report

4. Executive remuneration in detail (continued)

Features	Detail
Treatment on termination	Eligibility for an STI award is contingent on active, continuous employment throughout the performance and deferral period. In the event of resignation or termination (with the exception of those leaving with good leaver status), the executive is ineligible for an STI award, and unvested restricted shares lapse. In the event of termination with good leaver status (retirement, redundancy, death, permanent disability, mutual separation, or as determined by the Board), deferred STI awards may be retained or converted to cash subject to the original vesting schedule, at the Board and Committee's discretion.
Board discretion, malus and clawback	See section 2.3.2 Board discretion and remuneration.
Change of control	Board has discretion.

4.2.2 2025 STI performance objectives and weightings

The Board has approved the use of Underlying NPAT instead of Performance NPAT for the 2025 STI Group Scorecard. This provides a simplified and transparent approach by aligning the reward to the same measure of company performance highlighted to shareholders.

STI performance

Objective and weighting	Rationale
Underlying NPAT (30%)	Underlying NPAT is a measure of performance of the in-force portfolio. Deducts unrealised gains/losses on the shareholder investment portfolio and foreign exchange from Statutory NPAT.
Capital Management (15%)	Prudent and efficient management of capital. Reflects proactive management of our capital structure to incentivise returns for shareholders.
GWP (15%)	GWP target is intended to incentivise generation of new business within the current performance period and is subject to achievement of new business pricing return in excess of the weighted average cost of capital (WACC).
Strategic objectives (40%)	2025 strategic objectives include revenue expansion via market expansion, customer retention and acquisition, embedding system enhancements and efficiencies, and continued focus on engagement, culture and risk culture.

4.3 LTI

LTIs seek to motivate and retain executives by providing awards that align to longer-term company performance and reflect their ability to influence Helia's performance and operate within Helia's Risk Management Framework.

The Board remains committed to ensuring hurdles retain an appropriate level of stretch and that the LTI plan is designed based on the same fundamental principle of motivating and retaining employees by:

- providing awards that align with longer-term organisational performance
- reflecting the ability of each role to influence Helia's performance, and
- ensuring executives operate within Helia's Risk Management Framework.

Further details of Helia's 2024 and 2025 LTI plan are on page 49.

Remuneration report

4. Executive remuneration in detail (continued)

4.3.1 2024 LTI key characteristics

Features	Detail	
LTI (% of TFR) by role	**Executive KMP**	**Maximum grant (% of TFR)**
	CEO	106%
	Other KMP	50%
Performance metrics	**Relative TSR (75%)**	**Underlying ROE (25%)**
	Calculated as the total return to shareholders (share price movement plus value of dividends) over the performance period, expressed as a percentage of the starting share price. Dividends are notionally reinvested on the ex-dividend date closing price and franking credits are excluded. The comparator group is ASX 200 Financial Services companies excluding Real Estate Investment Trusts (REITs) at the start of the performance period.	Calculated as the average of four-year Underlying NPAT divided by four-year average equity (excluding mark-to-market value of investments) measured against regulatory capital (based on the lesser of actual capital or the upper end of the Board's target range being 1.60 times PCA ratio). Equity is adjusted by a deduction of the cumulative underlying gains/losses of investments, tax effected, as well as a deduction of the surplus capital. Underlying NPAT is adjusted for a deduction of the estimated financial income earned on that surplus capital.
Vesting scales	Vesting occurs on a straight-line basis between the summary points below.	

Vesting	0%	50%	60%	70%	80%	90%	100%
Underlying ROE	<11.0%	11.0%	11.7%	12.4%	13.1%	13.8%	14.5%
Relative TSR	<50th	50th	55th	60th	65th	70th	75th

Features	Detail
Vesting and performance period	1 January 2024 – 31 December 2027
Vesting conditions and outcome determination	Continuous active employment for four years. Board and Committee satisfaction that adverse outcomes have not arisen that were not apparent when performance was assessed, and satisfaction that there was not excessive risk taking in achievement of results. At the end of the performance period, final vesting percentages are determined via a Board and Committee review, recommendation and approval process. A risk modifier may be applied on a company-wide, collective or individual basis depending on the assessment by the Risk Committee. There is no retesting of grants. The Board and the Committee have authority and discretion to adjust LTI vesting % and individual outcomes (including to 0% of grant if appropriate).
Performance rights grant calculation	The number of LTI performance rights is determined by dividing the LTI grant dollar value by the 10-trading day VWAP as at 31 December 2024. **Maximum LTI opportunity:** TFR $ x Maximum LTI opportunity % = LTI grant $ **LTI grant:** LTI grant $ ÷ 10-trading day VWAP face value x LTI Performance Rights granted # The Committee believes using a VWAP (instead of the share price at a single point in time or a discounted fair value methodology) reduces the impact daily volatility may have on the number granted and provides greater transparency around the value of share rights granted.

Remuneration report

4. Executive remuneration in detail (continued)

Features	Detail
Dividends	Dividends, or the value of any dividends, are not received on unvested share rights. Notional dividend equivalents on vested LTI are delivered through an adjustment to the number of vested share rights at the end of the vesting period. This is calculated by taking the value of dividends distributed during the vesting period and dividing by the 10-trading day VWAP as at the vesting date, in whole share rights.
Treatment upon vesting	Vested share rights entitle the holder to ordinary shares in the company for nil consideration. The company retains discretion to settle vested share rights as cash or via the issuance of new shares or on-market purchase.
Treatment on termination	Eligibility for an LTI award is contingent on active, continuous employment throughout the performance period. In the event of resignation or termination (with the exception of those leaving with good leaver status), the executive is ineligible for an LTI award and unvested share rights lapse. In the event of termination with good leaver status (retirement, redundancy, death, permanent disability, mutual separation, or as determined by the Board), a pro-rated portion of LTI based on performance period elapsed may be retained or converted to cash subject to the original vesting schedule, at the Board and Committee's discretion.
Board discretion, malus and clawback	See section 2.3.2 Board discretion and remuneration.
Change of control	Board has discretion.

4.3.2 2025 LTI key characteristics

LTI 2025 features	Detail
Performance measures	**Underlying ROE:** 25% of the 2025 LTI grant. Calculated as the average of four-year Underlying NPAT divided by the four-year average equity (excluding mark-to-market value of investments) measured against regulatory capital (based on the lesser of actual capital or the upper end of the Board's targeted range being 1.60 times PCA ratio). Underlying ROE is a strategically important internal measure of financial performance for Helia. It captures the company's ability to convert equity into returns (profit) and supports a number of Helia's strategic priorities. **Relative TSR:** 75% of the 2025 LTI grant. Calculated as the total return to shareholders (share price movement plus value of dividends) over the performance period, expressed as a percentage of the starting share price. Dividends are notionally reinvested on the ex-dividend date closing price and franking credits are excluded.
Relative TSR comparator group	ASX 200 Financial Services companies excluding REITs at the start of the performance period.

Vesting scale

Vesting	0%	50%	60%	70%	80%	90%	100%
Underlying ROE	<11.0%	11.0%	11.7%	12.4%	13.1%	13.8%	14.5%
Relative TSR	<50th	50th	55th	60th	65th	70th	75th

Remuneration report

4. Executive remuneration in detail (continued)

4.4 Summary of contractual arrangements

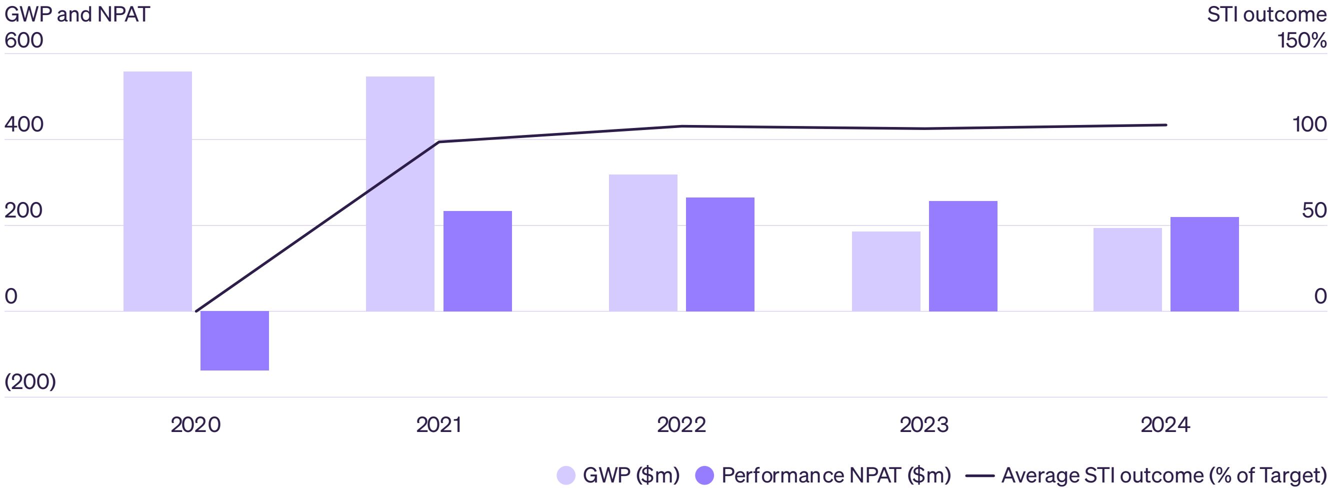
Executive KMP	Term of agreement	Notice period	Termination payments	Competition
CEO	Ongoing	Six months' either party. No notice if terminated for cause ie, serious misconduct.	Six months' notice and six months' fixed remuneration termination payment, plus statutory entitlements. If terminated for cause, no notice period and no termination payment, but statutory entitlements will be owed.	All executive KMP are subject to a non-solicitation undertaking and non-compete restraint for a 12-month period after ceasing employment.
Other executive KMP	Ongoing	Three months' either party. No notice if terminated for cause ie, serious misconduct.	Three months' notice and six months' fixed remuneration termination payment, plus statutory entitlements. If terminated for cause, no notice period and no termination payment, but statutory entitlements will be owed.	

4.5 2024 performance

4.5.1 Financial performance and remuneration

The STI scorecard includes 60% financial measures (profit, growth and capital management). The Helia LTI plan comprises of 25% Underlying ROE and 75% Relative TSR measures.

The figure below shows our STI outcomes are aligned to financial performance over the last five years.



4.5.2 Five-year summary of Helia's financial performance

Financial results	2020	2021	2022[1]	2023	2024
GWP ($m)	$561.7	$549.6	$319.9	$185.2	$195.6
Underlying NPAT ($m)	($104.3)	$237.8	$232.6	$247.7	$220.9
Underlying ROE[2]	(7.3%)	16.3%	18.4%	21.1%	19.9%
Dividends paid[3]	$0.00	$0.29	$0.53	$0.59	$0.84
Share price – start	$3.65	$2.39	$2.32	$2.75	$4.35
Share price – end	$2.39	$2.32	$2.75	$4.35	$4.47

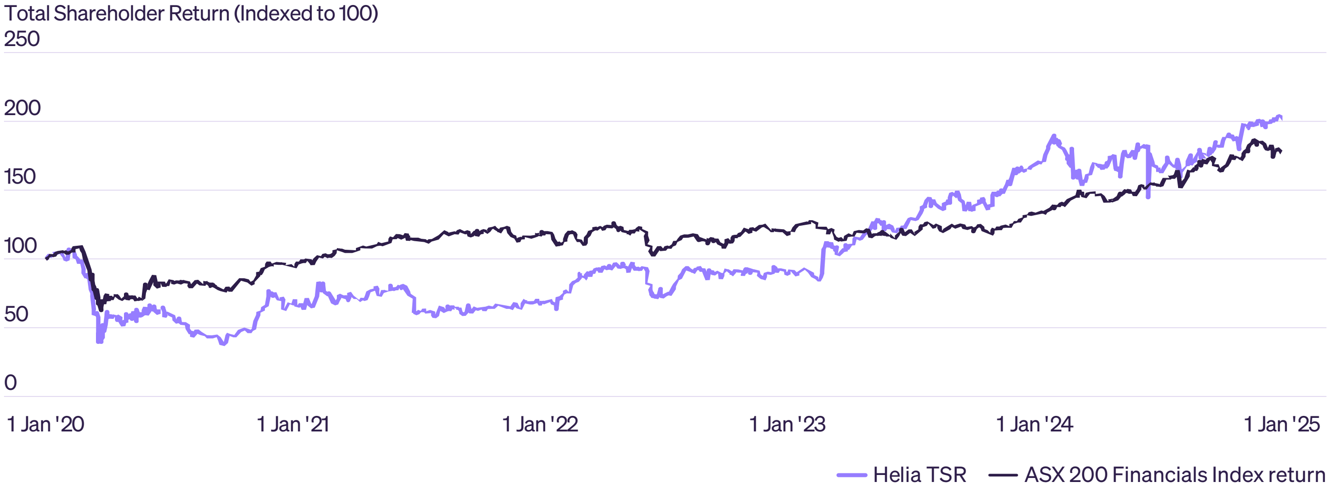
1. 2022 figures have been re-stated under AASB 17 for comparative purposes.
2. Underlying ROE is calculated by dividing Underlying NPAT by the average of the opening and closing underlying equity balance for a financial period.
3. Reflects dividends (including special dividends) related to the performance year paid or subsequently declared.

Remuneration report

4. Executive remuneration in detail (continued)

4.5.3 Helia's TSR compared to financial services index

The graph below shows Helia's TSR compared to the ASX 200 Financial Services Index return for the period of 1 January 2020 to 31 December 2024.



4.5.4 Strategic performance and remuneration

The STI scorecard comprises of 40% strategic measures and individual performance is assessed based on 'what' was achieved as well as 'how' it was achieved.

The table below summarises our key people related strategic results over the last four years.

Strategic results	2021	2022	2023	2024
People engagement score	62%	70%	80%	78%
Culture score	79%	82%	85%	81%
Risk culture score	71%	75%	83%	79%

4.5.5 Five-year summary of Helia's executive KMP remuneration outcomes

Executive KMP remuneration outcomes	2020	2021	2022	2023	2024
Average TFR increase % for next year	0.0%	3.2%	4.2%	4.2%	3.9%
Average STI outcome in year (% of target)	0%	99%	108%	107%	109%
LTI performance tested in the year (% of maximum)	75%	73%	25%	100%	—[1]

1. No LTI performance was tested in the year. The LTI performance period had increased from three years to four years in 2022. The 2022 LTI will be tested in 2025.

4.6 2024 remuneration outcomes

4.6.1 Performance and STI outcomes

This section summarises an assessment of Helia's performance in 2024 against the STI scorecard measures, including an assessment of the overall risk performance health of the business to the Risk Committee with any risk modifier considerations within the Consequence Management Framework.

This year, a funding pool of 108.8% has been achieved. No Risk Modifier or Board discretion was applied in 2024.

The Board sets rigorous, challenging and quantitative hurdles for financial and strategic measures in the STI scorecard. The company aims to provide transparency to shareholders while maintaining commercially sensitive information. Further detail on the measures, weightings, targets, and the Board's assessment of Helia's performance is on page 53.

Remuneration report

4. Executive remuneration in detail (continued)

4.6.2 2024 STI performance objectives and Board assessment of performance

STI performance objective & weighting	Rationale	Scorecard result: Threshold (50%) / Target (100%) / Maximum (150%)	Assessment of 2024 performance
Performance NPAT (30%)	As the headline figure of the various components that make up overall company performance, an annual profit measure is a key performance objective.	At Stretch	The Performance Net Profit After Tax (NPAT) target was $133 million. Actual Performance NPAT was $219.2 million and above stretch.
Capital management (15%)	Prudent and efficient management of capital. Reflects proactive management of our capital structure to optimise returns for shareholders.	Between Target and Stretch	The capital management target (which is based on actual NPAT) was $328 million. Capital management initiatives resulted in successful return of $344.5 million to shareholders over the course of 2024. This comprised on-market share buy backs of a significant value of $113.4 million, and total dividends of $231.1 million. This resulted in an outcome between target and stretch.
Gross written premium (15%)	GWP target is intended to incentivise generation of new business within the current performance period.	Above Threshold	The GWP target was $243 million. Actual GWP remained subdued at $195.6 million. This resulted in an outcome slightly above threshold.
LMI market share (10%)	Increase number of top lenders with exclusive and shared contracts.	At Threshold	In 2024, we achieved 100% success with customer contract renewals maintaining 14 customers in the top 25 lenders with signed contracts, but no new lenders. This resulted in an outcome at threshold.
Strategic LMI market development (10%)	Influence structural growth of the LMI market through engagement with brokers, home buyers, policy makers and lenders.	Between Threshold and Target	The target was achieving a Broker LMI Sentiment index score of 59, which is a measure of LMI sentiment among mortgage brokers. The outcome was a Broker LMI Sentiment index score of 58. This resulted in an outcome between threshold and target.
Operational and risk excellence (10%)	Implementation of system enhancements and efficiencies, and increased data quality and management.	Between Target and Stretch	Our 2024 outcomes include: › Further expanded our integration into the lending ecosystem with new API connections across customers, brokers and industry platforms. › Further strengthened our assumed breach and insider threat cyber defences. › Continued to increase data maturity and data management capability with strengthened data governance. Taken in aggregate, this resulted in an outcome between target and stretch.

Remuneration report

4. Executive remuneration in detail (continued)

STI performance objective & weighting	Rationale	Scorecard result			Assessment of 2024 performance
		Threshold (50%)	Target (100%)	Maximum (150%)	
People and culture (10%)	Continued improvements in engagement, culture and risk culture scores	Threshold	Target	Stretch Between Target and Stretch	The stretch hurdles were based on maintaining scores in the top 25% of financial services in Australia. › People engagement score of 78% was above stretch hurdle of 77%. › Culture score of 81% was on target and below stretch hurdle of 84%. › Risk culture score of 79% was equal to stretch hurdle of 79%. Taken in aggregate, this resulted in an outcome between target and stretch.
Risk modifier	Risk adjustment based on the organisation's risk mindset				No Board adjustments for risk matters were applied.
Board discretion					No Board discretion was applied.

4.6.3 2024 STI outcomes

Name and position	2024 STI opportunity			2024 STI outcome							
	Target (% of 2024 TFR)	Target $	Maximum $	Cash awarded $	Deferred awarded $	Deferred shares[1] (# Shares)	Total awarded $	Actual awarded (% of 2024 TFR)	Actual awarded (% of Target)	Actual awarded (% of Max)	Not awarded (% of Max)
P Blight-Johnston CEO	86%	$834,300	$1,668,600	$499,245	$499,245	112,121	$998,490	103%	120%	60%	40%
M Cant CFO	60%	$390,000	$780,000	$233,376	$233,376	52,412	$466,752	72%	120%	60%	40%
A Cormack CRO	40%	$238,800	$477,600	$113,019	$113,019	25,382	$226,039	38%	95%	47%	53%
J Francis COO	60%	$300,000	$600,000	$151,776	$151,776	34,086	$303,552	61%	101%	51%	49%
G McAweeney CCO	60%	$366,000	$732,000	$203,086	$203,086	45,609	$406,172	67%	111%	55%	45%

1. Deferred STI shares have been calculated using the 10-trading day VWAP of $4.4527 as at 31 December 2024.

Remuneration report

4. Executive remuneration in detail (continued)

4.6.4 Performance and LTI outcomes

4.6.4.1 2021 LTI grant vesting 31 December 2024

In December 2024, participants in the 2021 LTI grant received shares in line with performance against underlying ROE and relative TSR measured over 1 January 2021 to 31 December 2023 and subject to a further one-year deferral period ending December 2024.

Actual underlying ROE for this plan was 25.0% which was above the maximum hurdle of 11.0%. This resulted in full vesting for the underlying ROE tranche with 25% weighting. Helia's TSR was at the 100th percentile compared to the ASX 200 Financial Services companies excluding REITs and was above the maximum hurdle of 75th percentile. This resulted in full vesting for the relative TSR tranche with 75% weighting. The total vesting outcome was 100% of the overall 2021 LTI grant.

Prior to vesting, all outcomes were subject to an assessment by the Risk Committee (based on a range of factors including an independent risk assessment by the CRO) to determine whether any risk events had materialised over the performance and vesting period. The Risk Committee recommends any adjustments to vesting outcomes to the Board. The Board determined there were no material risk events that required an adjustment and approved final vesting outcomes.

4.6.4.2 2022 LTI grant vesting 31 December 2025

In 2022, executives were provided with a grant of share rights which vest subject to company performance against underlying ROE and relative TSR over the 4-year period from 1 January 2022 to 31 December 2025. The performance and vesting outcomes of the 2022 LTI grant will be reported in the 2025 Remuneration report.

5. Executive KMP statutory remuneration disclosures

5.1 Executive KMP statutory remuneration

		Short-term employee benefits			Post-employment benefits	Long-term employee benefits		Share-based Payments		Other		
Name and position		Cash salary[1] $	Other benefits[2] $	Cash STI awarded[3] $	Super benefits $	Annual leave[4] $	Long service leave[4] $	Deferred STI $	LTI[5] $	Termination benefits $	Total $	Performance related[6] %
Pauline Blight-Johnston	**2024**	**$932,229**	**$20,785**	**$499,245**	**$28,666**	**($56,808)**	**$46,667**	**$478,554**	**$872,689**	**—**	**$2,822,026**	**66%**
CEO	2023	$902,132	$17,690	$463,320	$26,346	$14,403	$35,177	$412,186	$998,658	—	$2,869,912	65%
Michael Cant	**2024**	**$610,539**	**$15,549**	**$233,376**	**$28,666**	**($46,997)**	**$20,133**	**$217,912**	**$245,892**	**—**	**$1,325,069**	**53%**
CFO	2023	$586,353	$17,925	$204,750	$26,346	$34,878	$12,426	$175,858	$158,526	—	$1,217,063	44%
Andrew Cormack	**2024**	**$564,168**	**$7,949**	**$113,019**	**$28,666**	**($24,167)**	**$14,003**	**$112,213**	**$255,922**	**—**	**$1,071,773**	**45%**
CRO	2023	$541,988	$5,762	$124,925	$26,346	($5,449)	$17,195	$93,054	$318,966	—	$1,122,785	48%
Jeremy Francis	**2024**	**$459,705**	**$13,136**	**$151,776**	**$28,666**	**$8,879**	**$17,918**	**$145,901**	**$208,114**	**—**	**$1,034,094**	**49%**
COO	2023	$433,853	$12,515	$161,304	$26,346	($19,339)	$11,129	$116,293	$182,899	—	$924,999	50%
Greg McAweeney	**2024**	**$571,372**	**$14,554**	**$203,086**	**$28,666**	**$25,093**	**$12,424**	**$151,539**	**$122,420**	**—**	**$1,129,153**	**42%**
CCO	2023	$557,125	$11,485	$156,468	$26,346	($10,063)	$5,624	$84,157	$47,804	—	$878,946	33%

1. Cash salary consists of base salary, leave taken during the year and cash in lieu of superannuation.
2. Other benefits include reimbursements including annual health reimbursement offered to all employees, insurance premiums, executive health benefits, other non-cash benefits (such as car parking) and related Fringe Benefits Tax (FBT).
3. Cash STI awarded is the actual STI cash payment relating to the respective performance year, inclusive of super, accrued for during the performance year. Actual payment made in March of the following year.
4. Annual leave and long service leave represent the movement in the accrued leave balances for the year, being the current year's leave entitlement of the KMP less leave taken during the year, adjusted for any changes in fixed salary.
5. The fair value of equity instruments calculated at the date of grant using the Black Scholes and Monte Carlo methods and allocated to each reporting period over the period from grant date to vesting date.
6. Performance related remuneration comprises short-term and long-term variable payments presented as a percentage of total remuneration.

Remuneration report

5. Executive KMP statutory remuneration disclosures (continued)

5.2 Executive KMP minimum shareholding requirement

To strengthen the alignment between executives and shareholders, executives are required to accumulate and maintain a minimum value of Helia equity instruments.

Features	Detail	
Minimum shareholding (% of TFR) by role	**Executive KMP**	**Minimum shareholding (% of TFR)**
	CEO	200%
	Other executive KMP	100%
Definition of TFR	TFR is at the more recent of Helia's listing date or appointment date to the role.	
Time to meet	Executive KMP must meet the minimum shareholding within five years of appointment to their role.	
Testing and compliance	Share ownership is tested twice a year and reviewed by the Committee annually. Until the MSR is met, 25% of unrestricted shares allocated via equity plans as an SLT member must be retained.	
Number of instruments to be held	The MSR dollar value is calculated using the TFR multiplied by the MSR (% of TFR). The number of instruments to be held is calculated using the MSR dollar value divided by the greater of the 10-trading day VWAP immediately preceding the relevant testing date, and retail price at listing.	
Eligible instruments	Shares and unvested equity awards with service-based hurdles (eg deferred STI shares/rights and LTI rights that are in a holding lock that have passed all performance hurdles) count towards the minimum shareholding. Performance-based equity awards (eg LTI rights that are still subject to performance hurdles) do not count.	

5.3 Executive KMP shareholdings

Name and position	Balance at 31 Dec 23[1]	Received via vesting/ exercising[2]	Other changes[3]	Balance at 31 Dec 24[1]
P Blight-Johnston – CEO	126,418	428,221	(69,787)	484,852
M Cant – CFO	12,306	48,760	(61,066)	—
A Cormack – CRO	203,572	113,892	(50,000)	267,464
J Francis – COO	34,772	88,522	(22,030)	101,264
G McAweeney – CCO	—	12,073	(12,073)	—

1. Held, whether directly, indirectly or beneficially, by each key management person, or by a close member of the family of that person, or an entity over which the person or the family member has, either directly or indirectly, control, joint control or significant influence.
2. Received on exercise of vested deferred STI rights and LTI rights, plus notional dividend equivalents on vested rights.
3. Acquisition or sale of shares on market.

Remuneration report

5. Executive KMP statutory remuneration disclosures (continued)

5.4 Executive KMP share right holdings

Name and position	Plan	Grant date[1]	Issue price[2]	Vesting date	Held 31 Dec 23	Movement during the year: Granted	Forfeited	Vested	Exercised	Held 31 Dec 24
P Blight -Johnston CEO[3]	Deferred STI '22	11 May '23	$2.80	1 Mar '25	190,013	11,916[4]	—	106,922	106,922	95,007
	Deferred STI '23	9 May '24	$4.28	1 Mar '25/26	—	108,171	—	—	—	108,171
	LTI '20	7 May '20	$3.73	31 Dec '23	—	9,706[4]	—	9,706	9,706	—
	LTI '21	6 May '21	$2.31	31 Dec '24	311,593	—	—	311,593	311,593	—
	LTI '22	19 May '22	$2.37	31 Dec '25	361,140	—	—	—	—	361,140
	LTI '23	11 May '23	$2.80	31 Dec '26	357,244	—	—	—	—	357,244
	LTI '24	9 May '24	$4.28	31 Dec '27	—	240,474	—	—	—	240,474
M Cant CFO	Deferred STI '22	1 Mar '23	$2.80	1 Mar '25	86,653	5,434[4]	—	48,760	48,760	43,327
	Deferred STI '23	1 Mar '24	$4.28	1 Mar '25/26	—	47,803	—	—	—	47,803
	LTI '22	1 Mar '22	$2.37	31 Dec '25	122,492	—	—	—	—	122,492
	LTI '23	1 Mar '23	$2.80	31 Dec '26	111,639	—	—	—	—	111,639
	LTI '24	1 Mar '24	$4.28	31 Dec '27	—	75,877	—	—	—	75,877
A Cormack CRO	Deferred STI '22	1 Mar '23	$2.80	1 Mar '25	35,901	2,251[4]	—	20,201	20,201	17,951
	Deferred STI '23	1 Mar '24	$4.28	1 Mar '25/26	—	29,166	—	—	—	29,166
	LTI '20	1 Mar '20	$3.73	31 Dec '23	—	4,104[4]	—	4,104	4,104	—
	LTI '21	1 Mar '21	$2.31	31 Dec '24	89,587	—	—	89,587	89,587	—
	LTI '22	1 Mar '22	$2.37	31 Dec '25	109,297	—	—	—	—	109,297
	LTI '23	1 Mar '23	$2.80	31 Dec '26	102,172	—	—	—	—	102,172
	LTI '24	1 Mar '24	$4.28	31 Dec '27	—	69,690	—	—	—	69,690
J Francis COO	Deferred STI '22	1 Mar '23	$2.80	1 Mar '25	44,061	2,763[4]	—	24,793	24,793	22,031
	Deferred STI '23	1 Mar '24	$4.28	1 Mar '25/26	—	37,659	—	—	—	37,659
	LTI '21	1 Mar '21	$2.31	31 Dec '24	63,729	—	—	63,729	63,729	—
	LTI '22	1 Mar '22	$2.37	31 Dec '25	90,813	—	—	—	—	90,813
	LTI '23	1 Mar '23	$2.80	31 Dec '26	83,952	—	—	—	—	83,952
	LTI '24	1 Mar '24	$4.28	31 Dec '27	—	58,367	—	—	—	58,367
G McAweeney CCO	Deferred STI '22	1 Mar '23	$2.80	1 Mar '25	21,456	1,345[4]	—	12,073	12,073	10,728
	Deferred STI '23	1 Mar '24	$4.28	1 Mar '25/26	—	36,530	—	—	—	36,530
	LTI '23	1 Mar '23	$2.80	31 Dec '26	105,387	—	—	—	—	105,387
	LTI '24	1 Mar '24	$4.28	31 Dec '27	—	71,208	—	—	—	71,208

1. For Ms Blight-Johnston, grant date represents the date her grants received shareholder approval at the Annual General Meeting.
2. Issue price is 10-trading day VWAP to 31 December immediately prior to grant date.
3. Approval for the issue of Deferred STI '23 and LTI '24 share rights to Ms Blight-Johnston was obtained under ASX Listing Rule 10.14.
4. Notional dividend equivalents on vested share rights delivered through an adjustment to the number of vested share rights.

Remuneration report

6. Non-Executive Director remuneration

6.1 NED remuneration structure

NEDs are entitled to such remuneration as determined by the Board, provided the aggregate maximum annual amount (referred to as the aggregate fee cap) approved by shareholders is not exceeded. NED fees are reviewed annually and may be adjusted in line with market standards within the aggregate fee cap.

As the focus of NEDs is principally the stewardship, strategic direction and medium to long-term performance of Helia, remuneration plans for NEDs are neither performance based or at risk.

Throughout 2024, Helia changed its Board composition by welcoming two new directors following the retirement of three directors. All NEDs now sit on all committees which further integrates risk and other Board matters into remuneration decisions.

To support this change, Helia NEDs now receive a single composite Board and committee member fee and do not receive any additional fees for being a committee member. NEDs who serve as a chair of a committee receive a higher composite fee to reflect the additional responsibilities of a chair. This change reflected Helia's desire for simplicity and is appropriate as each NED has similar time commitments and involvement across the various committees. The overall annual NED fee spend was reduced by 11% as a result of these changes.

The Board Chair fee was maintained and not increased. The aggregate fee cap remained unchanged at $1.75 million.

The table below sets out the policy NED fees for 2024.

	January 2024 to July 2024	
	Chair	Member
Board	$265,000[1]	$120,750
Audit Committee	$30,000	$15,000
People and Remuneration Committee	$30,000	$15,000
Risk Committee	$30,000	$15,000
Nominations Committee	$0	$0

1. The Board Chair does not receive any Committee fees.

	July 2024 to December 2024
Board Chair	$265,000
Board Member and Chair of Committee	$171,750
Board Member and Member of Committee	$150,750

Remuneration report

6. Non-Executive Director remuneration (continued)

6.2 NED statutory remuneration

Non-Executive Director	Year	Fees	Other short-term benefits	Non-monetary benefits	Superannuation benefits	Total
L Murphy[1] Chair	**2024**	**$210,978**	**—**	**—**	**$23,802**	**$234,780**
	2023	$142,875	—	—	$15,375	$158,250
A Moore[2] Director	**2024**	**$62,702**	**—**	**—**	**$7,211**	**$69,913**
	2023	—	—	—	—	—
A Muir Director	**2024**	**$150,750**	**—**	**—**	**—**	**$150,750**
	2023	$150,750	—	—	—	$150,750
J Stephenson[2] Director	**2024**	**$69,694**	**—**	**—**	**$8,015**	**$77,709**
	2023	—	—	—	—	—
A Waters Director	**2024**	**$171,196**	**—**	**—**	**—**	**$171,196**
	2023	$165,750	—	—	—	$165,750
D West Director	**2024**	**$157,772**	**—**	**—**	**—**	**$157,772**
	2023	$158,250	—	—	—	$158,250
Former Non-Executive Directors						
I MacDonald[3] Chair	**2024**	**$85,635**	**—**	**—**	**$9,420**	**$95,054**
	2023	$239,279	—	—	$25,721	$265,000
G McGrath[4] Director	**2024**	**$96,564**	**-**	**-**	**$8,213**	**$104,777**
	2023	$149,662	—	—	$16,088	$165,750
G Schenkel[5] Director	**2024**	**$53,242**	**—**	**—**	**—**	**$53,242**
	2023	$150,750	—	—	—	$150,750
Total	**2024**	**$1,058,532**	**—**	**—**	**$56,660**	**$1,115,192**
	2023	$1,157,316	—	—	$57,184	$1,214,500

1. The Board elected Leona Murphy to be Chair of the Board following the AGM on 9 May 2024.
2. Andrew Moore and JoAnne Stephenson joined the Helia Board as Non-Executive Directors from 15 July 2024.
3. Ian MacDonald retired from the Board at the conclusion of the AGM on 9 May 2024.
4. Gai McGrath retired from the Board effective 16 August 2024.
5. Gerd Schenkel retired from the Board effective 30 April 2024.

Remuneration report

6. Non-Executive Director remuneration (continued)

6.3 NED minimum shareholding requirement

To strengthen the alignment between NEDs and shareholders, independent NEDs are required to accumulate and maintain a minimum value of Helia shares equal to one times their annual base fees. Under the new NED fee structure, the value reflects their composite fee, excluding any separately identified committee-specific fees (if applicable).

The value of shares held is determined by the greater of the 10-trading day VWAP immediately preceding the relevant testing date and the purchase price of shares.

NEDs must meet the share ownership requirements within five years of appointment to their role.

6.4 NED shareholdings

Name and position	Balance at 31 Dec 23[1]	Received via vesting/ exercising	Other changes[2]	Balance at 31 Dec 24[1]
L Murphy - Chair	22,140	—	11,070	33,210
A Moore – Director	—	—	10,000	10,000
A Muir – Director	—	—	—	—
J Stephenson – Director	—	—	—	—
A Waters – Director	60,000	—	—	60,000
D West – Director	60,318	—	—	60,318
Former Non-Executive Directors				
I MacDonald – Chair	131,823	—	—	131,823
G McGrath – Director	71,150	—	—	71,150
G Schenkel – Director	6,300	—	(6,300)	—

1. Held, whether directly, indirectly or beneficially, by each key management person, or by a close member of the family of that person, or an entity over which the person or the family member has, either directly or indirectly, control, joint control or significant influence. For the former non-executive directors, the amounts represent their holdings at the date they ceased to be KMP.
2. Acquisition or sale of shares on market as KMP.

Directors' report

The lead auditor's independence declaration is set out on the following page and forms part of the Directors' Report.
Signed in accordance with a resolution of the directors:

Leona Murphy
Chair
Dated: 25 February 2025

Lead auditor's independence declaration

KPMG

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

To the Directors of Helia Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Helia Group Limited for the financial year ended 31 December 2024 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

Leann Yuen

Leann Yuen
Partner
Sydney
25 February 2025

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Financial report

Consolidated financial statements

Notes to the financial statements

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Insurance revenue	3.1	389,171	427,253
Insurance service expense	3.2	(72,882)	(27,545)
Net expense from reinsurance contracts		(24,392)	(41,318)
Insurance service result		**291,897**	**358,390**
Investment revenue	3.3(a)	143,503	173,445
Investment expense		(2,456)	(2,661)
Net finance expense from insurance contracts	3.3(b)	(65,792)	(89,902)
Net finance income from reinsurance contracts		328	639
Net financial result		**75,583**	**81,521**
Other operating expenses	2.4	(15,609)	(18,953)
Financing costs	5.3	(18,830)	(17,583)
Share of loss of equity-accounted investees, net of tax	7.6	(3,255)	(4,894)
Impairment loss on equity-accounted investee	7.6	—	(3,594)
Profit before income tax		**329,786**	**394,887**
Income tax expense	2.5(a)	(98,244)	(119,823)
Profit for the year		**231,542**	**275,064**
Total comprehensive income for the year		**231,542**	**275,064**
Earnings per share			
Basic earnings per share (cents per share)	2.2	80.2	85.0
Diluted earnings per share (cents per share)	2.2	79.7	84.7

The consolidated statement of comprehensive income is to be read in conjunction with notes to the financial statements.

Consolidated statement of financial position

as at 31 December 2024

	Note	2024 $'000	2023 $'000
Assets			
Cash and cash equivalents	6.1	112,380	57,049
Investment income receivable		24,630	26,704
Investments	4.2(d)	2,720,221	2,897,188
Derivative financial instruments	4.2(b)	1,016	10,458
Trade and other receivables	6.2	17,534	18,175
Prepayments		4,679	4,800
Equity-accounted investees	7.6	15,706	18,961
Plant and equipment		1,562	2,708
Lease assets	6.3	6,437	8,052
Deferred tax assets	2.5(b)	19,291	148,541
Intangibles		—	1,452
Goodwill	6.4	9,123	9,123
Total assets		**2,932,579**	**3,203,211**
Liabilities			
Derivative financial instruments	4.2(c)	11,404	1,821
Trade payables and other liabilities	6.5	25,854	37,365
Current tax liabilities	6.5	52,322	75,754
Lease liabilities	6.3	6,792	8,089
Insurance contract liabilities	3.4	1,551,959	1,731,805
Reinsurance contract liabilities	3.4	6,135	10,269
Employee benefits provision	6.6	7,999	7,557
Interest bearing financial liabilities	5.3	189,726	189,200
Total liabilities		**1,852,191**	**2,061,860**
Net assets		**1,080,388**	**1,141,351**
Equity			
Share capital	5.4(a)	637,282	750,718
Share-based payment reserve	5.4(b)	8,169	5,178
Other reserves	5.6	(476,559)	(476,559)
Retained earnings		911,496	862,014
Total equity		**1,080,388**	**1,141,351**

The consolidated statement of financial position is to be read in conjunction with notes to the financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Share capital $'000	Other reserves $'000	Retained earnings $'000	Share-based payment reserve $'000	Total $'000
Balance at 1 January 2023	**906,892**	**(476,559)**	**773,545**	**1,838**	**1,205,716**
Profit after taxation	—	—	275,064	—	275,064
Dividend declared and paid	—	—	(186,687)	—	(186,687)
Buy-back of shares, including transaction costs	(156,174)	—	—	—	(156,174)
Share-based payment expense recognised	—	—	—	4,833	4,833
Share-based payment settled	—	—	92	(1,493)	(1,401)
Balance at 31 December 2023	**750,718**	**(476,559)**	**862,014**	**5,178**	**1,141,351**
Balance at 1 January 2024	**750,718**	**(476,559)**	**862,014**	**5,178**	**1,141,351**
Profit after taxation	—	—	231,542	—	231,542
Dividend declared and paid	—	—	(178,088)	—	(178,088)
Buy-back of shares, including transaction costs	(113,436)	—	—	—	(113,436)
Share-based payment expense recognised	—	—	(3,972)	8,321	4,349
Share-based payment settled	—	—	—	(5,330)	(5,330)
Balance at 31 December 2024	**637,282**	**(476,559)**	**911,496**	**8,169**	**1,080,388**

The consolidated statement of changes in equity is to be read in conjunction with notes to the financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Premiums received		214,981	206,702
Interest and other income		116,144	96,170
Claims paid		(17,460)	(25,667)
Outwards reinsurance premium expense paid		(28,197)	(41,373)
Interest paid		(18,709)	(17,331)
Cash payments in the course of operations		(139,897)	(130,230)
Income tax received/(paid)		7,563	(106,301)
Net cash provided by/(used in) operating activities	2.3	**134,425**	**(18,030)**
Cash flows from investing activities			
Payments for plant and equipment and intangibles		(91)	(243)
Payments for the purchase of investments		(1,281,655)	(1,706,385)
Proceeds from sale of investments		1,495,581	2,102,507
Proceeds from sub-lease of property		—	1,217
Net cash generated by investing activities		**213,835**	**397,096**
Cash flows from financing activities			
Dividends paid		(178,088)	(186,687)
Payments for the on-market share buy-backs		(113,436)	(156,174)
Payment of lease liabilities		(1,407)	(3,040)
Net cash used in financing activities		**(292,931)**	**(345,901)**
Net increase in cash and cash equivalents held		**55,329**	**33,165**
Effects of exchange rate changes on balances of cash and cash equivalents held in foreign currencies		2	43
Cash and cash equivalents at the beginning of the financial year		**57,049**	**23,841**
Cash and cash equivalents at the end of the financial year	6.1	**112,380**	**57,049**

The consolidated statement of cash flows is to be read in conjunction with notes to the financial statements.

Notes to the financial statements

1 Basis of preparation

1.1 Reporting entity

This general purpose financial report is for the year ended 31 December 2024 and comprises the consolidated financial statements of Helia Group Limited (the Company) and its controlled entities (together referred to as the Group). The Company is a for-profit entity domiciled in Australia and its shares are publicly traded on the Australian Securities Exchange (ASX). The Group operates in one business and operating segment consisting of a lenders mortgage insurance business in Australia, therefore no segment information is presented.

The annual financial report was authorised for issue by the Board of Directors on 25 February 2025.

1.2 Material accounting policies

a) Statement of compliance

This report has been prepared in accordance with the *Corporations Act* 2001, Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the ASX listing rules. International Financial Reporting Standards (IFRS) form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS. The financial report also complies with IFRS, and interpretations adopted by the International Accounting Standards Board (IASB).

Selected explanatory notes are included to explain events and transactions that are material to an understanding of the changes in financial position and performance of the Group.

b) Basis of preparation of the financial report

The consolidated financial report is presented in Australian dollars.

The consolidated statement of financial position has been prepared using the liquidity format of presentation, in which the assets and liabilities are presented broadly in order of liquidity.

The assets and liabilities comprise both current amounts (expected to be recovered or settled within 12 months after the reporting date) and non-current amounts (expected to be recovered or settled more than 12 months after the reporting date). For those assets and liabilities that comprise both current and non-current amounts, information regarding the respective current and non-current amounts is disclosed in the relevant notes to the financial statements.

The consolidated financial report is prepared on historical cost basis except for investments, derivative financial instruments, equity accounted investees and leases being stated at fair value, and insurance and reinsurance contracts in line with AASB 17 *Insurance Contracts*.

c) Accounting policies adopted

The accounting policies adopted in the preparation of this financial report have been applied consistently by the Group and are the same as those applied for the previous reporting year. The material accounting policies adopted in the preparation of this financial report are set out within the relevant notes to the financial statements.

Notes to the financial statements

1 Basis of preparation (continued)

i) New and amended standards adopted by the Group

There are additional new accounting standards and interpretations, effective on or after 1 January 2024 (refer to the table below) which were adopted by the Group. There have been no amendments to existing accounting standards that have had a material impact on the Group's financial statements.

New standards, amendments and interpretations		Operative date
AASB 2020-1 / AASB 2022-6 / AASB 2023-3	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2024
AASB 2022-5	Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024
AASB 2023-10 / AASB 2024-1	Amendments to Australian Accounting Standards – Supplier Finance Arrangements	1 January 2024

ii) New accounting standards and amendments issued but not yet effective

There are various new accounting standards, amendments and interpretations noted below which are effective for annual periods beginning on or after 1 January 2025 and have not been applied in preparing these consolidated financial statements. An initial assessment of the financial impact of these standards and amendments has been undertaken and they are not expected to have a material impact on the Group's financial statements.

New standards, amendments and interpretations		Operative date
AASB 2014-10 / AASB 2021-7c	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
AASB 2023-5	Lack of Exchangeability	1 January 2025
AASB 2024-2	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026
AASB 2024-3	Amendments to Australian Accounting Standards – Annual Improvements	1 January 2026
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2027

d) Rounding off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and amounts in the consolidated financial statements have been rounded off to the nearest thousand dollars, in accordance with this instrument, unless otherwise stated.

Notes to the financial statements

1 Basis of preparation (continued)

e) Critical accounting estimates and judgements

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

These estimates and underlying assumptions are reviewed on an ongoing basis and actual results may vary from estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment are discussed below and for the valuation of the liability for remaining coverage and liability for incurred claims, further discussed in note 3.10.

The approach to key estimates and judgements for this reporting period is consistent with the requirements of AASB 17 *Insurance Contracts*.

To the extent estimation uncertainty exists, the Group has considered the forecasts of economic conditions which will reflect the expectations and assumptions as at 31 December 2024 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions may be different from those forecasts since anticipated events may not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates particularly impacted by these associated uncertainties are predominantly related to the valuation of the liability for remaining coverage and liability for incurred claims, recoverable amount assessments of non-financial assets, eg goodwill and intangible assets, and fair value measurement of investments.

The Group relies upon the policy data provided by customers. In particular, the Group relies on lenders to advise when a policy is cancelled or has made a top-up, and when a policy is delinquent. Controls exist over this data, however there is the risk that the Group has not been provided with all the correct data. Judgements are applied in consideration of potential data issues.

i) Income tax

Amendments to the Income Tax Assessment Act 1997 were passed by both Houses of Parliament on 25 June 2024 aligning the tax and accounting treatment under AASB 17 *Insurance Contracts*. The deferred tax asset related to the transition from AASB 1023 *General Insurance Contracts* to AASB 17 *Insurance Contracts* of $121,153,000 and the full write-off of deferred acquisition costs amounting to $11,391,000 from 31 December 2023 have been reversed and a deduction was taken through the statement of taxable income as required by the new legislation. There was a corresponding one-off reduction to the current tax liability during the year, resulting in an immaterial impact on the income tax expense for the year ended 31 December 2024.

At 31 December 2024, the Group has a remaining deferred tax asset of $19,291,000 which largely relates to timing differences on the loss component for onerous contracts, indirect claims handling expenses and employee benefits.

ii) Goodwill and intangible asset impairment

The assumptions underpinning the value-in-use calculations used to evaluate the recoverability of goodwill and intangible assets reflect the risks associated with the estimated cash flows. Whilst there is no impairment in relation to the cash-generating unit at 31 December 2024, there is a level of uncertainty related to key assumptions.

iii) Fair value measurement of investments

The Group's investments are designated at fair value through profit or loss (FVTPL) and for the majority of investments, the fair value is determined based on observable market data. The investments which are subject to valuation using unobservable inputs are disclosed in the Group's fair value hierarchy. Refer to note 4.2 for further details on investments.

f) Principles of consolidation

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. In assessing control, the Group considers the purpose and design of each entity in order to identify the relevant activities, how decisions about the relevant activities are made, who has the ability to direct those activities and who receives the returns from those activities. 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 incorporates the assets and liabilities of the Company and all subsidiaries as at the reporting date and the results for the financial year then ended.

i) Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

Notes to the financial statements

2 Results for the year

2.1 Dividends

Accounting policy

A provision for dividends is made in respect of ordinary shares when dividends have been declared and approved on or before the reporting date but have not yet been distributed at that date.

a) Restrictions that may limit the payment of dividends

There are currently no restrictions on the payment of dividends by the Company other than:

- the provisions of Section 254T of the *Corporations Act* 2001 and the Company's constitution.
- the payment of dividends is generally limited to profits subject to ongoing solvency and other regulatory obligations noting that, under the APRA Level 2 Group supervision requirements, the Company is required to obtain approval from APRA before payment of dividends on ordinary shares that exceeds the Group's after-tax earnings as defined by APRA.

	2024		2023	
	Cents per share	$'000	Cents per share	$'000
2023 (2022) final dividend paid on 22 March 2024 (24 March 2023) fully franked[1]	15.0	44,995	14.0	48,643
2023 (2022) special dividend paid on 22 March 2024 unfranked (24 March 2023 fully franked)[1]	30.0	89,990	27.0	93,811
2024 (2023) interim dividend paid on 19 September 2024 (20 September 2023) fully franked	15.0	43,103	14.0	44,233
Total	**60.0**	**178,088**	**55.0**	**186,687**

b) Dividends not recognised at reporting date

In addition to the above dividends, the Board determined to pay the following dividend after the reporting date but before the finalisation of the relevant financial report and therefore it has not been recognised in the financial report.

	2024		2023	
	Cents per share	$'000	Cents per share	$'000
2024 (2023) final dividend to be paid on 3 April 2025 (22 March 2024) fully franked	16.0	43,596	15.0	44,995
2024 (2023) special dividend to be paid on 3 April 2025 fully franked (22 March 2024 unfranked[1])	53.0	144,412	30.0	89,990
Total	**69.0**	**188,008**	**45.0**	**134,985**

1. The 2023 final and special dividend paid differs from the 2023 proposed dividend as the number of shares on issue were reduced at payment date due to on-market share buy-backs.

Notes to the financial statements

2 Results for the year (continued)

c) Dividend franking account

The balance of the franking account arises from:

- franked dividends received at the reporting date
- income tax paid or received, and
- franking debits from payment of dividends paid at the reporting date.

	2024 $'000	2023 $'000
Franking account surplus balance – tax paid basis	21,368	64,677

In accordance with the tax legislation, the Company as the head entity in the tax consolidated group has assumed the benefit of available franking credits. The Company actively manages the franking account to ensure the balance remains positive at each reporting date, in accordance with the tax legislation.

2.2 Earnings per share

Accounting policies

Basic earnings per share is calculated by dividing the profit after tax by the weighted average number of shares on issue during the reporting period.

Diluted earnings per share is calculated by dividing the profit after tax adjusted for any costs associated with dilutive potential ordinary shares by the weighted average number of ordinary shares and dilutive potential ordinary shares.

Basic and diluted earnings per share have been calculated using the weighted average and dilutive number of shares outstanding during the year of 288,869,000 (2023: 323,680,000) and 290,496,000 (2023: 324,670,000) respectively. The difference between basic and diluted earnings per share is caused by the granting of potentially dilutive securities such as share rights.

	2024	2023
Basic earnings per share (cents per share)	80.2	85.0
Diluted earnings per share (cents per share)	79.7	84.7

a) Reconciliation of earnings used in calculating earnings per share

	2024 $'000	2023 $'000
Net profit used in calculating basic and diluted earnings per share	231,542	275,064

b) Reconciliation of weighted average number of ordinary shares used in calculating earnings per share

	2024 '000	2023 '000
Weighted average number of shares used in the calculation of basic earnings per share	288,869	323,680
Weighted average number of dilutive potential ordinary shares		
Bonus element of shares	1,627	990
Weighted average number of shares used in the calculation of diluted earnings per share	**290,496**	**324,670**

Notes to the financial statements

2 Results for the year (continued)

2.3 Net cash provided by operating activities

This note reconciles the operating profit to the cash provided by operating activities per the consolidated statement of cash flows.

	2024 $'000	2023 $'000
Profit after income tax	231,542	275,064
Less items classified as investing/financing activities:		
› Loss/(gain) on sale of investments and derivative financial instruments	2,380	(9,949)
› Loss on equity accounted investments	3,255	4,894
› Impairment loss on equity-accounted investee	—	3,594
› Unrealised gain on investments including derivative financial instruments	(29,052)	(59,744)
Add non-cash items:		
› Share-based payment reserve movements	(982)	3,431
› Depreciation and amortisation	4,457	4,010
› Interest income from leases	—	(14)
Net cash provided by operating activities before change in assets and liabilities	**211,600**	**221,286**
Change in assets and liabilities during the financial year:		
Decrease/(increase) in receivables	11,311	(20,733)
Decrease in insurance and reinsurance contracts	(183,979)	(244,498)
(Decrease)/increase in payables and borrowings	(34,198)	49,259
Increase in provision for employee entitlements	442	500
Decrease/(increase) in deferred tax asset balances	129,249	(23,844)
Net cash provided by/(used in) operating activities	**134,425**	**(18,030)**

Notes to the financial statements

2 Results for the year (continued)

2.4 Expenses

Accounting policy

Expenses are recognised when incurred, except for expenses that are required to be capitalised in accordance with other AASB standards.

	Note	2024 $'000	2023 $'000
Claims and benefits paid[1]		12,373	18,224
Reversals of onerous insurance contracts		(9,071)	(16,319)
Changes to liabilities for incurred claims		(54,292)	(92,381)
		(50,990)	**(90,476)**
Employee expenses		59,721	57,786
Depreciation expense		1,242	735
IT expenses		11,997	11,994
Other expenses		57,279	55,658
		130,239	**126,173**
Amounts attributed to insurance acquisition cash flows incurred during the year		(51,089)	(51,076)
Amortisation of insurance acquisition cash flows		60,331	61,877
		88,491	**46,498**
Represented by:			
Insurance service expense	3.2	72,882	27,545
Other operating expenses		15,609	18,953
		88,491	**46,498**

1. Claims handling expenses of $4,757,000 (2023: $6,960,000) are included in employee expenses, IT expenses and other expenses.

2.5 Income taxes

Accounting policy

Income tax for the year ended 31 December 2024 comprises both current and deferred tax. Income tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the consolidated statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group's entities constitute a tax consolidated group of which the Company is the head entity. Under the tax consolidation system, the head entity is liable for the current income tax liabilities of that group. Entities are jointly and severally liable for the current income tax liabilities of the Group where the head entity defaults, subject to the terms of a valid tax sharing agreement between the entities in the Group. Assets and liabilities arising from the Company under the tax funding arrangement are recognised as amounts receivable from or payable to other entities in the Group.

Notes to the financial statements

2 Results for the year (continued)

a) Income tax expense

	2024 $'000	2023 $'000
Current tax	96,768	143,540
Deferred tax	1,477	(23,808)
Under/(over) provision in prior year		
Current tax	(127,775)	127
Deferred tax	127,774	(36)
Income tax expense	**98,244**	**119,823**

Note: Income tax expense excludes the Group's share of the tax expense/(benefit) of equity accounted investees, which has been included in 'Share of loss of equity-accounted investees, net of tax' of $3,255,000 (2023: $4,894,000).

i) Reconciliation of income tax expense to prima facie tax payable

	2024 $'000	2023 $'000
Profit before tax	329,786	394,887
Prima facie income tax expense calculated at 30% of profit	98,936	118,466
Increase/(decrease) in income tax expense due to:		
(Over)/under provision in prior year	(1)	91
Non-deductible items	1,112	2,677
Franking tax credit	(1,803)	(1,411)
Income tax expense	**98,244**	**119,823**

ii) Current tax liabilities

The Group's liability reflects current income tax liabilities of all members of the tax consolidated group. Refer to note 6.5 for further details.

b) Deferred tax assets

	2024 $'000	2023 $'000
Deferred tax asset balance comprises temporary differences attributable to:		
Leases	107	11
Employee benefits	4,464	4,383
Share-based payments and accrued expenses	3,037	1,067
Deferred acquisition costs (amortisation)	—	11,391
Loss component on onerous contracts	1,895	—
Indirect claims handling costs	5,045	6,813
AASB 17 *Insurance Contracts* liabilities	—	121,153
Other	4,743	3,723
Net deferred tax asset	**19,291**	**148,541**
Balance as at 1 January	148,541	124,696
(Debited)/credited to the statement of comprehensive income	(1,476)	23,809
(Under)/over provision of prior year tax	(127,774)	36
Balance as at 31 December	**19,291**	**148,541**

Notes to the financial statements

3 Insurance contracts

AASB 17 *Insurance Contracts* measures groups of insurance contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

Contract boundary

For the Group's direct insurance business, the insurance contract is at the borrower level (as opposed to the lender policyholder) as the Group has the ability to accept or reject policy applications. For the Group's inwards reinsurance business, the insurance contract is at the lender policyholder level. The Group is including direct contracts issued and inward reinsurance contracts issued in different groups.

Level of aggregation

The Group's single portfolio of insurance contracts is disaggregated by underwriting years and in some instances by state, with a further breakdown for contracts considered onerous (unprofitable).

Fulfilment cash flows

All future fulfilment cash flows relating to in-force insurance contracts are estimated and recognised within the liability for incurred claims and the liability for remaining coverage.

CSM

For each group of insurance contracts, a component of the expected future profit, CSM, is included within the liability for remaining coverage. The CSM is released to insurance revenue over the coverage period as the insurance service is provided by the Group. The provision of insurance service (coverage units), which underpins the recognition of the CSM, is based on several factors including the expected insurance in-force and estimated average claim severity. This is estimated by adjusting the outstanding loan balance for in-force policies by claim severity factors, informed by past experience. These assumptions are reviewed on a regular basis. CSM is discounted using the discount factors prevailing at the time the group of contracts is incepted.

Risk adjustment

The insurance liability also includes a risk adjustment for non-financial risk under AASB 17 *Insurance Contracts* to reflect the compensation that the entity requires for bearing uncertainty about the amount and timing of the cash flows. The risk adjustment is determined using a confidence level approach.

Discounting

The fulfilment cash flows within the insurance contract liability are discounted using discount rates that are based on market rates and illiquidity premium policies at the valuation date. The Group recognises the insurance finance expense (effect of unwinding the discounting impact and the changes in discount rates) fully in profit or loss, as opposed to disaggregating it between profit or loss and other comprehensive income. This ensures the most effective matching with the investment portfolio which is measured at fair value through profit or loss in accordance with AASB 9 *Financial Instruments*.

Notes to the financial statements

3 Insurance contracts (continued)

3.1 Insurance revenue

Accounting policy

Insurance revenue is recognised as performance obligations for the group of insurance contracts are satisfied. The insurance revenue relating to services provided for the year represents the total of the changes in the liability for remaining coverage that relates to services that have been rendered during the period.

	2024 $'000	2023 $'000
Amounts relating to changes in liability for remaining coverage:		
Expected insurance service expenses incurred in the period	149,389	164,067
Risk adjustment recognised in revenue for non-financial risk	39,597	49,064
Premium experience variations	(10,259)	13,399
Amount of CSM recognised in profit or loss	150,113	138,846
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	60,331	61,877
Total insurance revenue	**389,171**	**427,253**

3.2 Insurance service expense

Accounting policy

Insurance service expenses arising from insurance contracts are recognised in profit or loss as they are incurred.

	2024 $'000	2023 $'000
Incurred claims from current period	52,792	64,625
Decrease in liabilities for incurred claims from prior periods	(89,953)	(131,826)
Insurance expenses	58,783	49,188
Amortisation of insurance acquisition cash flows	60,331	61,877
Losses on onerous contracts and (reversals) of those losses	(9,071)	(16,319)
Insurance service expense	**72,882**	**27,545**

3.3 Net financial result

a) Investment revenue

Accounting policy

Interest revenue

Interest revenue is recognised as it accrues, considering the coupon rate on investments, and interest rates on cash.

Dividend/distribution revenue

Dividends/distributions are recognised on the date equity securities/unit trusts go ex-dividend/ex-distribution. Dividends and unit trust distributions are recognised net of franking credits and gross of withholding tax.

Refer to note 4.2(d) accounting policies for further details on fair value measurements of financial assets through profit or loss.

	2024 $'000	2023 $'000
Interest revenue	94,901	89,725
Dividend/distribution revenue	21,930	14,027
Unrealised gains (including derivative financial instruments) measured at FVTPL	29,052	59,744
Realised (losses)/gains (including derivative financial instruments) measured at FVTPL	(2,380)	9,949
Total investment revenue	**143,503**	**173,445**

Notes to the financial statements

3 Insurance contracts (continued)

b) Net finance expense from insurance contracts

Accounting policy

Insurance finance expenses comprise changes in the carrying amounts of groups of insurance contracts arising from the effects of the time value of money, financial risk and changes in assumptions.

	2024 $'000	2023 $'000
Interest accreted to insurance contracts using current financial Assumptions at start of period	(49,801)	(48,683)
Interest accreted to insurance contracts using locked-in rate	(14,565)	(12,559)
Impact of changes in interest rates and other financial assumptions	(1,426)	(28,660)
Total insurance finance expense from insurance contracts	**(65,792)**	**(89,902)**

3.4 Insurance and reinsurance contracts

	2024 $'000	2023 $'000
Insurance contract liabilities:		
› Liability for remaining coverage (LRC)		
- Present value of future cashflows	522,149	608,713
- Risk adjustment	125,334	153,039
- CSM	642,690	669,240
Sub-total	**1,290,173**	**1,430,992**
› Liability for incurred claims (LIC)		
- Present value of future cashflows	229,366	264,940
- Risk adjustment	37,420	42,923
Sub-total	**266,786**	**307,863**
Total of LRC and LIC	**1,556,959**	**1,738,855**
› Assets for insurance acquisition cash flows	(5,000)	(7,050)
	1,551,959	**1,731,805**
Reinsurance contract liabilities:		
Liability for remaining coverage (LRC)	6,135	10,269

3.5 Assets for insurance acquisition cash flows

Assets for insurance acquisition cash flows (AIACF) relate to upfront payments to lenders in respect of future mortgage insurance contracts. This asset is reduced as the related future contracts are incepted and the related cash flows allocated to those insurance contracts are then included within the contract boundary as insurance acquisition cash flows. The value of AIACF is $5,000,000 (2023: $7,050,000).

Notes to the financial statements

3 Insurance contracts (continued)

3.6 Movement in insurance contract balances

The following reconciliations show how the gross carrying amounts of insurance contracts changed during the period as a result of cash flows and amounts recognised in the consolidated statement of comprehensive income.

The Group presents a table that separately analyses movements in the liability for remaining coverage and movements in the liability for incurred claims and reconciles these movements to the line items in the consolidated statement of comprehensive income.

A second reconciliation analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

a) Analysis by remaining coverage and incurred claims

		2024			
		Liability for remaining coverage			
	Note	Excluding loss component $'000	Loss Component $'000	Liability for Incurred claims $'000	Total $'000
Opening balance at 1 January 2024		**1,416,448**	**14,544**	**307,863**	**1,738,855**
Changes in the statement of comprehensive income					
Insurance revenue	3.1	**(389,171)**	**—**	**—**	**(389,171)**
Insurance service expenses	3.2				
› Incurred claims from current period		—	—	52,792	52,792
› Decrease in liability for incurred claims from prior periods		—	—	(89,953)	(89,953)
› Insurance expenses		—	—	58,783	58,783
› Amortisation of insurance acquisition cash flows		60,331	—	—	60,331
› Losses on onerous contracts and (reversals) of those losses		—	(9,071)	—	(9,071)
Insurance service result (gross of reinsurance)[1]		**(328,840)**	**(9,071)**	**21,622**	**(316,289)**
Net finance expense from insurance contracts	3.3(b)	51,869	708	13,215	65,792
Total changes in statement of comprehensive income		**(276,971)**	**(8,363)**	**34,837**	**(250,497)**
Insurance cash flows (net of GST)					
Premiums received		222,500	—	—	222,500
Net premium credits		(23,495)	—	—	(23,495)
Refunds		(3,542)	141	—	(3,401)
Claims paid[2]		—	—	(17,131)	(17,131)
Insurance expenses (non-acquisition)		—	—	(58,783)	(58,783)
Insurance acquisition expenses		(51,089)	—	—	(51,089)
Total insurance cash flows		**144,374**	**141**	**(75,914)**	**68,601**
Closing balance at 31 December 2024		**1,283,851**	**6,322**	**266,786**	**1,556,959**

1. This excludes net expense from reinsurance contracts of $24,392,000 (2023: $41,318,000).
2. Claims handling expenses of $4,757,000 (2023: $6,960,000) are included in claims paid.

Notes to the financial statements

3 Insurance contracts (continued)

		2023			
		Liability for remaining coverage			
	Note	Excluding loss component $'000	Loss Component $'000	Liability for Incurred claims $'000	Total $'000
Opening balance at 1 January 2023		**1,570,264**	**29,264**	**386,672**	**1,986,200**
Changes in the statement of comprehensive income					
Insurance revenue	3.1	**(427,253)**	**—**	**—**	**(427,253)**
Insurance service expenses	3.2				
› Incurred claims from current period		—	—	64,625	64,625
› Decrease in liability for incurred claims from prior periods		—	—	(131,826)	(131,826)
› Insurance expenses		—	—	49,188	49,188
› Amortisation of insurance acquisition cash flows		61,877	—	—	61,877
› Losses on onerous contracts and (reversals) of those losses		—	(16,319)	—	(16,319)
Insurance service result (gross of reinsurance)		**(365,376)**	**(16,319)**	**(18,013)**	**(399,708)**
Net finance expense from insurance contracts	3.3(b)	74,730	1,599	13,573	89,902
Total changes in statement of comprehensive income		**(290,646)**	**(14,720)**	**(4,440)**	**(309,806)**
Insurance cash flows (net of GST)					
Premiums received		222,565	—	—	222,565
Net premium credits		(29,479)	—	—	(29,479)
Refunds		(5,180)	—	—	(5,180)
Claims paid		—	—	(25,181)	(25,181)
Insurance expenses (non-acquisition)		—	—	(49,188)	(49,188)
Insurance acquisition expenses		(51,076)	—	—	(51,076)
Total insurance cash flows		**136,830**	**—**	**(74,369)**	**62,461**
Closing balance at 31 December 2023		**1,416,448**	**14,544**	**307,863**	**1,738,855**

Notes to the financial statements

3 Insurance contracts (continued)

b) Analysis by measurement component

	Note	2024 Estimates for present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Contractual Service Margin (CSM) $'000	Total $'000
Opening balance at 1 January 2024		**873,653**	**195,962**	**669,240**	**1,738,855**
Changes in the statement of comprehensive income					
Changes that relate to current services:					
› CSM recognised for services provided		—	—	(150,113)	(150,113)
› Change in risk adjustment for risk expired		—	(33,856)	—	(33,856)
› Experience variations		(40,448)	—	—	(40,448)
Changes that relate to future services:					
› Contracts initially recognised in the period		(65,317)	20,281	45,036	—
› Changes in estimates that adjust the CSM		(49,432)	(14,529)	63,961	—
› Changes in estimates that result in losses and reversal of onerous contracts		(1,911)	(8)	—	(1,919)
Changes that relate to past services:					
› Adjustments to liability for incurred claims		(75,359)	(14,594)	—	(89,953)
Insurance service result (gross of reinsurance)[1]		**(232,467)**	**(42,706)**	**(41,116)**	**(316,289)**
Net finance expense from insurance contracts	3.3(b)	41,728	9,498	14,566	65,792
Total change in statement of comprehensive income		**(190,739)**	**(33,208)**	**(26,550)**	**(250,497)**
Total insurance cash flows	3.6(a)	**68,601**	**—**	**—**	**68,601**
Closing balance at 31 December 2024		**751,515**	**162,754**	**642,690**	**1,556,959**

1. This excludes net expense from reinsurance contracts of $24,392,000 (2023: $41,318,000).

Notes to the financial statements

3 Insurance contracts (continued)

	Note	2023 Estimates for present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	Contractual Service Margin (CSM) $'000	Total $'000
Opening balance at 1 January 2023		**1,085,909**	**234,394**	**665,897**	**1,986,200**
Changes in the statement of comprehensive income					
Changes that relate to current services:					
› CSM recognised for services provided		—	—	(138,846)	(138,846)
› Change in risk adjustment for risk expired		—	(44,641)	—	(44,641)
› Experience variations		(86,207)	—	—	(86,207)
Changes that relate to future services:					
› Contracts initially recognised in the period		(55,917)	24,243	31,674	—
› Changes in estimates that adjust the CSM		(91,979)	(5,976)	97,955	—
› Changes in estimates that result in losses and reversal of onerous contracts		1,707	106	—	1,813
Changes that relate to past services:					
› Adjustments to liability for incurred claims		(108,157)	(23,670)	—	(131,827)
Insurance service result (gross of reinsurance)		**(340,553)**	**(49,938)**	**(9,217)**	**(399,708)**
Net finance expense from insurance contracts	3.3(b)	65,836	11,506	12,560	89,902
Total change in statement of comprehensive income		**(274,717)**	**(38,432)**	**3,343**	**(309,806)**
Total insurance cash flows	3.6(a)	**62,461**	**—**	**—**	**62,461**
Closing balance at 31 December 2023		**873,653**	**195,962**	**669,240**	**1,738,855**

3.7 Contracts initially recognised

Effects of insurance contracts initially recognised in the period

	2024 $'000	2023 $'000
Claims and other insurance service expenses payable	(105,419)	(112,734)
Insurance acquisition cash flows	(51,239)	(50,284)
Estimates of present value of cash outflows	**(156,658)**	**(163,018)**
Estimates of present value of cash inflows	221,975	218,935
Risk adjustment for non-financial risk	(20,281)	(24,243)
CSM	(45,036)	(31,674)
Losses recognised on initial recognition	**—**	**—**

Notes to the financial statements

3 Insurance contracts (continued)

3.8 Contractual service margin (CSM)

The following table sets out when the Group expects to recognise the remaining CSM of insurance contracts in profit or loss after the reporting date.

	2024 $'000	2023 $'000
Less than one year	141,785	132,989
One to two years	125,276	123,716
Two to three years	104,112	108,313
Three to four years	82,366	88,587
Four to five years	62,494	68,411
More than five years	126,657	147,224
Total	**642,690**	**669,240**

3.9 Claims development

The table below illustrates how estimates of cumulative claims for the Group have developed over time on a net of non-reinsurance recoveries basis and reconciles the cumulative claims to the amount included in the consolidated statement of financial position. Balances have been translated at the exchange rates prevailing at the reporting date.

Accident years	Prior years $'000	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	Total $'000
Estimate of Net Undiscounted Cumulative Claims												
At end of year of accident		115,666	157,084	148,567	142,254	172,999	138,808	92,803	81,686	70,182	57,336	
One year later		167,074	201,820	194,181	169,317	150,029	109,030	59,364	36,944	43,324	—	
Two years later		132,451	171,721	160,172	166,876	129,810	99,723	29,512	29,259	—	—	
Three years later		125,164	160,302	174,609	149,678	119,364	75,859	24,847	—	—	—	
Four years later		121,854	195,763	164,329	139,929	114,780	66,789	—	—	—	—	
Five years later		155,202	186,551	154,628	137,370	106,420	—	—	—	—	—	
Six years later		148,134	179,206	156,193	129,306	—	—	—	—	—	—	
Seven years later		146,161	178,969	149,550	—	—	—	—	—	—	—	
Eight years later		141,632	173,709	—	—	—	—	—	—	—	—	
Nine years later[1]		138,574	—	—	—	—	—	—	—	—	—	919,114
Cumulative net claims paid		**(127,553)**	**(158,020)**	**(133,774)**	**(109,265)**	**(83,933)**	**(27,183)**	**(9,236)**	**(8,427)**	**(3,579)**	**(184)**	**(661,154)**
Net liabilities	38,089	11,021	15,689	15,776	20,041	22,487	39,606	15,611	20,832	39,745	57,152	296,049
Effect of discounting												(29,263)
Net liabilities for incurred claims included in the consolidated statement of financial position												**266,786**

1. $919,114,000 represents the total ultimate undiscounted claim costs for last ten accident years.

Notes to the financial statements

3 Insurance contracts (continued)

3.10 Actuarial assumptions and methods

The Group makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas of critical accounting estimates and judgements applied are noted below.

a) Liability for incurred claims (LIC)

A liability for incurred claims is recognised for the estimated claim cost of delinquencies at the reporting date, including the cost of delinquencies incurred but not yet reported to the Group. The estimated liability includes expenses to be incurred in settling claims gross of expected third party recoveries and is calculated net of any recoveries from lenders, borrowers and property valuers.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing a liability for incurred claims, it is likely that the final outcome will prove to be different from the original liability established.

Actuarial valuation approach

The Group internally values the liability for incurred claims at the reporting date. The valuation approach is consistent with that recommended by the Appointed Actuary.

The valuation methods used are based on the underlying attributes of the delinquency portfolio. The Group establishes provisions for LIC for the following components:

- Delinquent policies advised to the Group by some lenders as being greater than 1 month delinquent at the valuation date.
- Policies in-force at the reporting date which were previously reported by lenders as being greater than 1 month delinquent, but are not reported as such at 31 December 2024 (re-delinquency reserve).
- Incurred but not reported (IBNR), being the liability for future claims from policies which are 1 month delinquent and are not currently reported by lenders as being such.

For all components apart from IBNR, the estimate is calculated as a "statistical case estimate" based on past delinquency progression to claim given the reported characteristics of the loan, security, and delinquency, including months in arrears, reported loan and arrears amount, estimated value of the property held as security and geographic area. This estimate is augmented by higher-level adjustments relating to future expected economic trends and the operating environment, which are used to adjust the statistical estimates for expected future conditions. For example, the impact on delinquencies from interest rate increases over the last 3 years, which have exceeded the historic norm for the interest rate cycle, resulted in an upward adjustment in 2024.

Re-delinquency

The propensity for previously reported delinquencies to re-report depends on many explanatory factors (incorporated in the Appointed Actuary's statistical case estimates) including the time since the previous delinquency episode completed (cured). A previously delinquent policy is more likely to become delinquent again than a policy that has never been delinquent. Typically, the frequency varies by LVR (loan to value ratio) band, the number of payments in arrears, and time since cure. Unlike the other components of the LIC, it is more long-term in nature and therefore more sensitive to economic uncertainties.

Liability for incurred claims not yet reported

The liability for incurred claims not yet reported is estimated by analysing the historical pattern of reported delinquencies for policies reported by lenders as being between 1 month (or equivalent) and 3 months delinquent. Analysis is conducted based on the date a policy is estimated to have first become 1 month (or equivalent) in arrears. Past history is accumulated by month of first missed payment and developed to ultimate expected reported number. Frequency and average claim size are applied to expected future reported delinquencies.

Claims handling expenses

Claims handling expenses are estimated after considering historical actual expenses and management's projected costs of handling claims over the expected period of run-off of the LIC losses.

b) Liability for remaining coverage (LRC)

A liability for remaining coverage is recognised for the estimated cost of provision of insurance service for policies which remain in-force at the reporting date. These comprise policies which are in-force but have not been previously reported as 1 month or more delinquent by lenders, or which are not estimated as being 1 month or more delinquent at the reporting date (IBNR). The estimated liability includes future claims, expenses, refunds and premium credits associated with top-up of existing policies.

Notes to the financial statements

3 Insurance contracts (continued)

Claims
Claims arising from future coverage relate to future claims from policies that have never previously been reported by lenders as 1 month (or equivalent) delinquent. Liability for remaining coverage is calculated net of any recoveries from lenders, borrowers and property valuers.

The Group internally values the liability for remaining coverage at the reporting date. The valuation approach is consistent with that recommended by the Appointed Actuary and includes an estimation of future expected claim incidence.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its policy exposure. However, it is dependent on data provided by the customers.

Given the uncertainty in future policy exposure, delinquency and claim progression, it is likely that the final outcome will prove to be different from the original liability established. In addition, as these policies can remain in-force for many years, the liability for remaining coverage is long-term and particularly uncertain. It is sensitive to future economic conditions, in particular to employment trends, interest rates and house prices.

Expenses
The liability for remaining coverage includes allowances for expenses directly attributable to providing the insurance service over the period of coverage associated with each group of insurance contracts. These expenses include:

- Policy administration expense (PAE): costs associated with administering or operating the policy over the remaining coverage period, including direct and indirect costs, the latter, including a component for central overhead and system expenses.
- Ongoing maintenance expense (OME): expenses which are directly attributable to providing the insurance service, principally relating to the operational costs of centralised functions of the business.
- Claims handling expense (CHE): costs associated with managing current or future delinquent policies, settling claims and loss recoveries, including both direct and indirect costs, including a component for central overhead and system expenses.

Expenses under each heading are allocated to groups of insurance contracts based on measures of activity including insurance in-force and numbers of active and delinquent policies, combined with the use of judgement.

The Group allocates expenses to these categories and further to individual groups of insurance contracts, as required by the standard, according to an annual expense study. These allocations require some judgment to be applied, particularly for centralised overhead expenses, in relation to the category of expense and its allocation to groups of insurance contracts.

Refunds
Refunds are provided where the contractual arrangements for lender policyholders provide for refunds (typically for cancellations within two years of origination), and for other refunds agreed with policyholders in special circumstances – for example, where a policy is taken out in error. The liability for remaining coverage for future policy refunds is estimated by reference to past rates of policy refunds by lender policyholders.

Premium credits
When a loan is topped-up, the policy is subject to re-underwriting and pricing is based on the new characteristics of the loan. Any additional premium is reflective of these factors.

Where a policy is subject to a top-up, it is treated as a transfer from one group of insurance contracts into newer group. It is then treated as new business in the year the top-up occurs in the liability for remaining coverage. The Group includes a provision for the premium credits expected to be incurred (transferred) in relation to future top-ups.

The Appointed Actuary calculates this provision by estimating the future incidence of topped-up policies and the present value of the premium credits provided. The incidence of top-ups varies according to market conditions and rates of loan re-finance, and the liability established is therefore uncertain.

Notes to the financial statements

3 Insurance contracts (continued)

c) Risk adjustment

A risk adjustment for non-financial risks is added to the present value of the fulfilment cash flows relating to the insurance services for each group of insurance contracts. The risk adjustment for insurance contracts is to cover the uncertainty relating to the timing and amount of the cashflows that arises from non-financial risk in fulfilling insurance contracts for both the LIC and LRC.

The Group uses the confidence level approach to estimate the underlying distribution of outcomes for the relevant cash flows and to derive a risk adjustment, which is consistent with approach used to establish APRA risk margins for regulatory returns. The risk adjustment is estimated based on the advice of the Appointed Actuary and adopted by the Group, considering the uncertainty in the Group insurance cash flows, industry trends and the Group's risk appetite and the confidence level corresponding with that appetite.

The Appointed Actuary reviews the factors impacting the portfolio to establish a recommended risk adjustment at the confidence level required by the Group. Factors considered include:

- variability of claims and other experience of the portfolio
- quality of historical data
- uncertainty due to future economic conditions
- diversification within the portfolio and between liability types, and
- any change in uncertainty due to the external environment, eg future legislative changes.

The risk adjustment differs by type of cash flow but overall, for LIC is 16% (2023: 16%) of net central estimate and for LRC is 24% (2023: 25%) of the present value of net cash flows and is estimated to provide a confidence level of approximately 76% (2023: 76%) probability of adequacy.

d) Discounting

Liabilities are calculated after adjusting future undiscounted cash flows for the time value of money and the liquidity characteristics related to the underlying insurance contracts. The discount rates adopted reflect the characteristics in terms of timing, liquidity, and currency of the insurance and reinsurance contracts. Discount rates are consistent with observable market prices for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts. The CSM is discounted using the discount factors prevailing at the time the group of contracts incepted.

The Group adopts the 'bottom up' approach to determine discount rates to be applied. Discount rates are forward rates consistent with those underlying the market price of Commonwealth Government Securities at the reporting date, adjusted for the liquidity characteristics of the lenders mortgage insurance product by the addition of an illiquidity premium. This is calculated by reference to the average historic differential between spread to swap and the spread to Commonwealth Government Securities for non-financial corporate A-rated bonds.

The table below sets out the rates used to discount cash flows of insurance contracts:

Discount rate at tenor	2024	2023
Six months	4.3%	4.7%
One year	4.2%	4.5%
Three years	4.0%	4.2%
Five years	4.1%	4.2%
Ten years	4.6%	4.5%
Fifteen years	4.7%	4.6%

These rates include an illiquidity premium of 16bps (2023: 55bps).

e) Significant assumptions requiring judgement

The valuation of future claims liabilities for both past and future insurance services incorporate a range of factors that involve interactions with economic indicators, statistical modelling and observed historical claims development. Certain variables are expected to impact these liabilities more than others and consequently a greater degree of sensitivity to these variables is expected. Future economic conditions and, in particular, house prices, interest rates and unemployment impact delinquency and re-delinquency rates, claim frequency and, to a lesser extent, severity.

Liabilities for expenses and refunds are less uncertain than claims. Future premium credits depend on future volumes of loan origination which depend on supply and demand factors within the housing sector including availability of finance and the economic wellbeing of households.

Notes to the financial statements

3 Insurance contracts (continued)

f) Sensitivity analysis

The valuation of liability for incurred claims and the liability for remaining coverage incorporates a range of interactions with economic indicators, statistical modelling and observed historical claims development, as well as future assumptions. Certain factors and assumptions are expected to impact liabilities more than others and consequently a greater degree of sensitivity to these variables is expected.

LIC is also impacted by shorter-term volatility, for example by changes in delinquency reporting and in arrears progression. These affect the carrying value of liability for prior years and for new incurred liabilities for the current year.

LIC and LRC are discounted to present values and are therefore also impacted by changes in expectations of future interest rates (ie, by movements in Commonwealth Government bond yields and the illiquidity premium).

Changes in LIC, and changes in LRC for groups of contracts that are estimated to be onerous, are reflected in the insurance service result (where changes relate to fulfilment cash flows) or the insurance finance expense (where changes relate to discount rates or the impact of discounting). For groups of contracts that are not considered to be onerous, changes in estimates of cash flows for remaining coverage adjust the balance of CSM and do not affect the total LRC including CSM. However, the CSM recognised in current and future accounting periods will be correspondingly changed, impacting current and future insurance revenue.

The impact on the profit or loss before income tax to changes in key actuarial assumptions is set out in the table below. The sensitivity is shown separately for liability for incurred claims and liability for remaining coverage.

	2024			
		Change in LRC		
Sensitivity change $'000	**Change in LIC**	**Excluding CSM**	**CSM**	**Total (incl. CSM)**
Insurance contract liabilities	**266,786**	**647,483**	**642,690**	**1,290,173**
Upside sensitivity				
Unemployment rate -1%	(5,390)	(19,291)	18,768	(523)
House prices +5%	(10,016)	(13,281)	12,702	(579)
Mortgage rate -1%	(4,587)	(9,924)	9,776	(148)
Downside sensitivity				
Unemployment rate +1%	6,209	23,487	(22,795)	692
House prices -5%	15,176	18,826	(18,230)	596
Mortgage rate +1%	15,059	20,020	(19,511)	509

	2023			
		Change in LRC		
Sensitivity change $'000	**Change in LIC**	**Excluding CSM**	**CSM**	**Total (incl. CSM)**
Insurance contract liabilities	**307,863**	**761,752**	**669,240**	**1,430,992**
Upside sensitivity				
Unemployment rate -1%	(6,629)	(21,276)	20,647	(629)
House prices +5%	(13,609)	(17,840)	17,316	(524)
Mortgage rate -1%	(9,119)	(11,264)	10,989	(275)
Downside sensitivity				
Unemployment rate +1%	7,445	33,940	(33,158)	782
House prices -5%	15,518	20,602	(19,886)	716
Mortgage rate +1%	9,375	14,874	(14,296)	578

The LRC excluding CSM comprises the present value of expected cash flows plus the risk adjustment.

The impact of applying the sensitivities is moderately asymmetric around the central estimate due to the assumed asymmetry of the distribution of outcomes of the net liabilities. Scenarios involving a combination of factors, or levels of sensitivity which are multiples of those shown, are broadly multiplicative in nature.

Notes to the financial statements

4 Risk management

This note presents information about the Group's objectives, policies and processes for measuring and managing risk.

4.1 Risk management framework

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established a Risk Committee and an Audit Committee.

The Risk Committee is responsible for overseeing and monitoring the Group's risk management policies and reports regularly to the Board on its activities. Furthermore, the Risk Committee assists the Board in providing an objective non-executive review and oversight of the implementation and ongoing operation of the Group's risk management framework. The Risk Committee works closely with other Board committees that have oversight of some material risks to ensure that all risks are identified and adequately managed.

The Audit Committee assists the Board in providing an objective non-executive review of the effectiveness of the risk management framework, in relation to the management of material financial risks.

As part of the Group's approach to risk management, these risks are evaluated, monitored and actively managed. Risk is managed primarily through appropriate pricing, product design, risk selection, investment strategies, financial strength ratings and reinsurance.

The Group has exposure to risk from insurance contracts, which is impacted by economic risk, underwriting risk and expense risk. The Group is also exposed to operational risk from its own loss management process and those of its customers and has financial risk arising from its investment portfolio, discussed in note 4.2, Financial risk management.

The Group has mature risk management policies to identify and assess the risks faced, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group, through its management policies and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Key elements of the risk management policies are monitoring of economic and loss experience trends, actuarial and risk modelling including stress-testing, risk tolerances and limits on insurance exposure, and capital and reinsurance management controls.

Insurance risk

For most of the Group's contracts, exposure continues for the effective life of the loan, until cancellation or claim occurrence. The Group incurs liability for claims arising from shortfalls in security sale proceeds to meet outstanding loan commitments, interest, and allowable expenses. This is subject to unexpected development due to economic factors influencing borrowers' ability to meet home loan commitments and the value of the underlying security. These risks are greater for contracts with longer effective life.

In addition to economic factors, there are other insurance risks which influence borrowers' ability or willingness to repay. These include accidental injury, death, divorce, changing preferences in dwelling types or geographic areas etc and do not tend to be very material in aggregate. There is also material geolocation risk associated with underperformance of regional economies and/or concentration risk associated with single-industry locations. Reinsurance is used to help mitigate the risk of a large volume of claims arising from major economic events.

Notes to the financial statements

4 Risk management (continued)

4.2 Financial risk management

The Group has exposure to market, credit and liquidity risks relating to its use of cash, investments and insurance liabilities.

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 prices. Market risk comprises three types of risk: currency risk, interest rate risk, and equity price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on its cash and investments, receivables and payables, insurance liabilities denominated in a currency other than Australian dollars and the net investment in foreign operations. The main currencies giving rise to the risk are New Zealand dollars, United States dollars and Euro (2023: New Zealand dollars, United States dollars and Euro).

The Group uses forward foreign exchange contracts to mitigate currency risk arising from cash and investments denominated in currencies other than Australian dollars. The risk management processes require both Board and regulatory approvals. Transactions are subject to close senior management scrutiny in addition to the regular risk management and monitoring processes. Derivative financial instruments are used only for approved purposes and are subject to delegated authority levels provided to management. The level of derivative exposure is reviewed on an ongoing basis. Appropriate segregation of duties exists with respect to derivative use and compliance with policy, limits and other requirements are closely monitored.

The potential impact on the Group's profit or loss before tax resulting from 10% depreciation or appreciation of the Australian dollar (AUD) compared with selected currencies, net of related derivative financial instruments at the reporting date, assuming all other variables remain constant, is shown below:

	2024		2023	
	+10% $'000	-10% $'000	+10% $'000	-10% $'000
New Zealand dollar	(16)	16	(16)	16
United States dollar	17	(17)	(100)	100
Euro	27	(27)	41	(41)

Notes to the financial statements

4 Risk management (continued)

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk primarily arising from interest bearing assets and liabilities, derivative financial instruments and insurance contract liabilities. Assets with floating interest rates expose the Group to cash flow interest rate risk. Fixed interest rate assets expose the Group to fair value interest rate risk. Changes in interest rates affect the carrying value of insurance liabilities in the consolidated statement of financial position. The Group's investment mandate permits the use of interest rate swaps and bond futures to adjust interest rate risk.

The Group's strategy is to invest predominantly in high quality, liquid debt securities and cash and to actively manage the duration, taking into account the duration of the expected liabilities.

The financial instruments are actively managed to achieve a balance between cash flow interest rate risk and fair value interest rate risk bearing in mind the need to meet the liquidity requirements of the insurance business and taking into account the duration of the expected liabilities.

The Group also has exposure to interest rate risk on its term subordinated notes. The interest rate on these notes is reset quarterly.

The potential impact of movements in interest rates on the Group's profit or loss before tax resulting from 100bps (2023: 100bps) increase or decrease in interest rates at the reporting date, assuming all other variables remain constant, is shown below:

	2024		2023	
	+100bps $'000	-100bps $'000	+100bps $'000	-100bps $'000
Interest bearing assets and derivative financial instruments	(71,193)	71,193	(76,568)	76,568
Insurance contract liabilities	37,644	(39,475)	46,304	(44,012)

iii) Equity price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). These price movements may be caused by factors specific to the individual financial asset or its issuer, or factors affecting all similar financial assets traded on the market. The Group has exposure to equity price risk through investments in equity and infrastructure unit trusts, and unlisted equities.

The potential impact of movements in price risk on the Group's profit or loss before tax resulting from a 10% increase or decrease in the value of equity securities at the reporting date are shown below:

	2024		2023	
	+10% $'000	-10% $'000	+10% $'000	-10% $'000
Unlisted unit trusts – equities	16,750	(16,750)	17,928	(17,928)
Unlisted unit trusts – infrastructure	20,999	(20,999)	19,705	(19,705)
Unlisted unit trusts – other	45	(45)	54	(54)
Unlisted equities	767	(767)	767	(767)

Notes to the financial statements

4 Risk management (continued)

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk arises predominantly from investment activities and the amounts are as indicated by the carrying amounts of the financial assets. The Group's investment mandate permits the use of credit default swaps to adjust credit risk.

The Group does not expect any financial asset counterparties to fail to meet their obligations given their strong credit ratings.

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. As at reporting date there were no assets past due.

The ratings in the following table are the lower equivalent ratings of either Standard & Poor's or Moody's using the methodology set out in APRA's prudential standard GPS 001.

	2024 $'000	2023 $'000
Cash at bank		
AA	112,126	56,671
A	254	378
	112,380	**57,049**
Investments (excluding equity securities)		
AAA	485,297	573,220
AA	819,254	675,168
A	467,553	630,245
BBB	562,494	627,355
BB	—	6,648
	2,334,598	**2,512,636**
Derivative financial instruments		
AA	1,016	10,458
Investment income receivable (excluding equity securities)		
AAA	2,418	2,990
AA	6,003	5,665
A	3,613	3,912
BBB	5,468	5,635
BB	—	74
	17,502	**18,276**
Trade and other receivables		
Margin accounts		
AAA	15,066	1,480
AA	695	26
A	831	—
Outstanding investment settlements (excluding equity securities)		
AAA	—	15,456
AA	97	287
A	14	—
BBB	191	40
Not rated	—	55
Other receivables		
Not rated	430	567
	17,324	**17,911**

Notes to the financial statements

4 Risk management (continued)

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Management of liquidity risk includes asset and liability management strategies. The assets held to back insurance liabilities consist predominantly of highly rated fixed income securities which can generally be readily sold or exchanged for cash. The assets are managed to approximately match the coupon and maturity profile to the expected pattern of claims payments.

i) Financial liabilities

	Less than 1 year $'000	1 – 5 years $'000	Total $'000
2024			
Trade and other payables	25,854	—	25,854
Current tax liabilities	52,322	—	52,322
Derivative financial instruments	11,404	—	11,404
Lease liabilities	1,674	5,118	6,792
	91,254	**5,118**	**96,372**
2023			
Trade and other payables	37,365	—	37,365
Current tax liabilities	75,754	—	75,754
Derivative financial instruments	1,821	—	1,821
Lease liabilities	1,423	6,666	8,089
	116,363	**6,666**	**123,029**

Interest bearing liabilities which are classified as financial liabilities are separately disclosed in note 5.3.

ii) Insurance contract liabilities

Underwriting insurance contracts exposes the Group to liquidity risk through the obligation to make payment for claims of unknown amounts on unknown dates. Maturity analysis of the Group's insurance contract liabilities, excluding CSM, is provided below. The table has been drawn up based on the present value of the future cash flows.

Maturity analysis	2024 $'000	2023 $'000
Within 1 year or less	122,510	119,346
Within 1 to 2 years	154,091	186,686
Within 2 to 3 years	145,665	179,441
Within 3 to 4 years	119,879	150,971
Within 4 to 5 years	94,340	119,140
Over 5 years	277,784	314,031
Total	**914,269**	**1,069,615**

d) Fair value measurements

The Group's investments are designated at fair value through profit or loss and for the majority of investments, the fair value is determined based on observable market data. Investments which are subject to valuation using unobservable inputs are disclosed in the Group's fair value hierarchy.

Notes to the financial statements

4 Risk management (continued)

Financial assets

Under AASB 9 *Financial Instruments*, on initial recognition, financial assets need to be classified into one of the three measurement categories:

(a) amortised cost
(b) fair value through other comprehensive income (FVOCI), or
(c) fair value through profit or loss (FVTPL).

This classification depends on the following elements:

› contractual cash flow characteristics test (at instrument level), and
› business model assessment in which investment assets are managed.

Financial assets – FVTPL

AASB 9 *Financial Instruments* requires investments to be measured at FVTPL if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

This applies to the Group's business model where the investments are all managed on a fair value basis. The investments are managed with the objective of realising cash flows through the sale of the assets. Decisions are made based on the assets' fair values and the assets are managed to realise those fair values, resulting in active buying and selling.

Equity securities and unit trusts - FVTPL

Equity securities are measured at FVTPL as required under AASB 9 *Financial Instruments*.

The following table presents investments and derivative financial instruments that are measured and recognised at fair value:

Investments and derivative financial instruments	2024 $'000	2023 $'000
Fixed interest rate		
Australian government and state-government bonds	641,500	765,211
Corporate bonds and others	1,412,838	1,317,972
	2,054,338	**2,083,183**
Floating interest rate		
Corporate bonds and others	280,260	429,453
Equity securities		
Unlisted equities	7,674	7,674
Unlisted unit trusts		
Equities	167,503	179,285
Infrastructure	209,993	197,051
Other	453	542
	377,949	**376,878**
Derivative financial instruments	1,016	10,458
Total investments and derivative financial instruments	**2,721,237**	**2,907,646**
Comprising:		
Current	593,594	549,092
Non-current	1,742,020	1,974,002
Equity securities	385,623	384,552
	2,721,237	**2,907,646**

Notes to the financial statements

4 Risk management (continued)

Fair value hierarchy

The Group's investments carried at fair value have been classified under the three levels of the AASB 13 *Fair Value Measurement* as follows:

- **Level 1** - fair value investments which are quoted in active and known markets. The quoted prices are those at which transactions have regularly and recently taken place within such markets.
- **Level 2** - fair value investments using inputs other than quoted prices within Level 1 that are observable either directly or indirectly. Australian government and state-government bonds, and corporate bonds and others, are all valued based on the quoted prices provided from external data provider. The unlisted units are valued based on the Group's share of the net asset value of the unlisted trusts, as advised by the external investment manager, using valuation techniques where significant inputs are based on observable market data adjusted for illiquidity factors. All derivative assets and derivative liabilities are classified as level 2.
- **Level 3** - fair value investments using valuation techniques that include inputs that are not based on observable market data. The unlisted units are valued based on the Group's share of the net asset value of the unlisted trusts, as advised by the external investment manager, using valuation techniques where significant inputs are based on unobservable market data. The unlisted equities are valued based on the most recent capital raising price of the investment.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Investments measured at FVTPL				
Australian government and state-government bonds	—	641,500	—	641,500
Corporate bonds and others	228,296	1,464,802	—	1,693,098
Unlisted unit trusts – equities	—	167,503	—	167,503
Unlisted unit trusts – infrastructure	—	—	209,993	209,993
Unlisted unit trusts – other	—	—	453	453
Unlisted equities	—	—	7,674	7,674
Total	**228,296**	**2,273,805**	**218,120**	**2,720,221**
2023				
Investments mandatorily measured at FVTPL				
Australian government and state-government bonds	—	765,211	—	765,211
Corporate bonds and others	80,177	1,667,248	—	1,747,425
Investments elected measurement at FVTPL				
Unlisted unit trusts – equities	—	179,285	—	179,285
Unlisted unit trusts – infrastructure	—	—	197,051	197,051
Unlisted unit trusts – other	—	—	542	542
Unlisted equities	—	—	7,674	7,674
Total	**80,177**	**2,611,744**	**205,267**	**2,897,188**

There have not been any transfers between levels during the current and prior years. Level 1 includes short term deposits and negotiable certificates of deposit (NCD).

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy is set out in the table below:

	Balance at 1 Jan 2024 $'000	Purchases $'000	Disposals $'000	Movement in fair value $'000	Balance at 31 Dec 2024 $'000
Investments					
Unlisted unit trusts – infrastructure	197,051	—	—	12,942	209,993
Unlisted unit trusts – other	542	—	—	(89)	453
Unlisted equities	7,674	—	—	—	7,674
Total	**205,267**	**—**	**—**	**12,853**	**218,120**

Notes to the financial statements

4 Risk management (continued)

	Balance at 1 Jan 2023 $'000	Purchases $'000	Disposals $'000	Movement in fair value $'000	Balance at 31 Dec 2023 $'000
Investments					
Unlisted unit trusts – infrastructure	191,373	—	—	5,678	197,051
Unlisted unit trusts – other	—	542	—	—	542
Unlisted equities	7,674	—	—	—	7,674
Total	**199,047**	**542**	**—**	**5,678**	**205,267**

e) Derivative financial instruments

The Group uses forward foreign exchange contracts to hedge currency exposures arising from interest bearing securities denominated in currencies other than Australian dollars, with both the foreign exchange and derivatives impact reported through profit or loss.

The Group uses bond futures, interest rate swaps and credit default swaps to manage risk exposure and to alter the risk profile of the investments. Any impact from the derivative financial instruments is reported through profit or loss.

Derivative financial instruments are used only for approved purposes and are subject to Board-approved risk appetites and delegated authority levels provided to management. The level of derivative exposure is reviewed on an ongoing basis. Appropriate segregation of duties exists with respect to derivative use, and compliance with policy, limits and other requirements is closely monitored.

Derivative financial instruments are initially recognised at trade date at fair value and attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value through profit or loss. For derivative financial instruments the fair values are determined using observable inputs (level 2 in the fair value hierarchy).

The notional amount and fair value of derivative financial instruments at reporting date is set out in the table below:

	2024			2023		
	Notional $'000	Fair value asset $'000	Fair value liability $'000	Notional $'000	Fair value asset $'000	Fair value liability $'000
Forward foreign exchange contracts	328,167	1,016	11,155	414,276	10,458	1,821
Credit default swaps	16,151	—	249	—	—	—
Short bond futures	87,095	1,262	—	72,639	—	2,080
Long bond futures	729,034	—	4,116	719,858	7,716	—

All derivative contracts are expected to be settled within 12 months.

The Group may also have exposure to derivatives through investments in unit trusts. Those derivative exposures are not included in the table above.

4.3 Offsetting financial assets and liabilities

The Group has a net liability of $2,854,000 (31 December 2023: asset of $5,635,000) on bond futures receivable from and payable to various counterparties. A liability of $2,878,000 (2023: nil) is presented under trade payables and other liabilities (note 6.5) and an asset of $24,000 (2023: $5,635,000) is presented under trade and other receivables (note 6.2) on the consolidated statement of financial position in accordance with Australian Accounting Standards, on the basis that the Group intends to settle these on a net basis with each counterparty and has a legally enforceable right to do so.

Notes to the financial statements

5 Capital management and financing

5.1 Capital management

The capital management strategy plays a central role in managing risk to create shareholder value, whilst meeting the crucial and equally important objective of providing an appropriate level of capital to protect policyholders' interests and satisfy regulatory requirements. Capital also provides support in the face of adverse outcomes from insurance and other activities and investments' performance.

The determination of the capital amount and mix is built around two core considerations:

a) Regulatory capital

The regulated controlled entities incorporated in Australia are subject to APRA's prudential standards, which set out the basis for calculating the Prudential Capital Requirements (PCR), the minimum level of capital that the regulator deems must be held to meet policyholders' obligations. The capital base is expected to be adequate for the size, business mix, complexity and risk profile of the business and, as such, the PCR utilises a risk-based approach to capital adequacy. The PCR is the sum of the capital charges for insurance, investments and other assets, asset concentration, operational and catastrophe concentration risk plus any supervisory adjustment imposed by APRA.

It is the Group's policy to hold regulatory capital levels in excess of the PCR. The Group maintains sufficient capital to support the PCR, which is APRA's derivation of the required capital to meet a 1 in 200-year risk of absolute ruin event and has at all times during the current and prior financial year complied with the externally imposed capital requirements to which it is subject.

Capital calculations for regulatory purposes are based on a premium liabilities model which is different from the deferral and matching model which underpins the measurement of assets and liabilities in the financial statements. The premium liabilities model estimates future expected claim payments arising from future events insured under existing policies. This differs from the measurement of the liabilities for incurred claims on the consolidated statement of financial position, which considers claims relating to events that have occurred up to and including the reporting date.

b) Ratings capital

The main operating entity, Helia Insurance Pty Limited maintains capital strength by reference to a targeted financial strength rating from two independent rating agencies. The ratings help reflect the financial strength of the entity and demonstrate to stakeholders its ability to pay claims.

In March 2024, Fitch affirmed the insurer financial strength (IFS) rating of Helia Insurance Pty Limited as 'A' (strong) with the outlook 'stable'. In May 2024, Standard & Poor's affirmed the IFS rating as 'A', with the outlook 'stable'. Both agencies acknowledged the capital strength and strong competitive position of Helia Insurance Pty Limited.

Internal capital adequacy assessment process (ICAAP) management

The Company has implemented an ICAAP as part of its compliance with the APRA prudential standards. The purpose of the ICAAP is to assist the Company in making a proactive internal assessment of its capital requirements considering the current strategy, business plan and associated risks inherent in that business plan. The ICAAP recognises the capital required for regulatory and ratings agency purposes and identifies planned and potential sources of capital required to meet these objectives. The ICAAP is also designed to further augment the current corporate governance practices undertaken by the Board of Directors in respect of the ongoing assessment of the Company's risk profile, risk appetite, strategic plan and capital adequacy.

The ICAAP summary statement is designed to summarise the major components of the ICAAP, which are:

i) Risk management framework

ii) Risk management strategy

iii) Risk appetite statement

iv) Capital management and planning
- The identification of the amount of capital required to be held against the risks of the business.
- The strategy for ensuring adequate capital is maintained over time, including the identification of specific capital targets.
- The plans for how target levels of capital are to be met and the means available for sourcing additional capital if and when required.

v) Capital monitoring
- The actions and procedures for monitoring the Company's compliance with its regulatory capital requirements and capital targets including the triggers to alert management to, and specified actions to avert and rectify, potential breaches of these requirements.
- The processes for reporting on the ICAAP and its outcomes to the Board and senior management.

vi) Stress testing and scenario analysis relating to potential risk exposures and available capital resources.

vii) ICAAP integration - ensuring that the ICAAP is taken into account in making business decisions.

Notes to the financial statements

5 Capital management and financing (continued)

5.2 Capital adequacy

APRA's Prudential Standard GPS 110 Capital Adequacy requires additional disclosure in the annual financial statements to improve policyholder and market understanding of the capital adequacy of the companies in the Group.

The following companies comprise the APRA Level 2 Group as at 31 December 2024:

- Helia Group Limited
- Helia Insurance Pty Limited, and
- Helia Indemnity Limited.

The calculation of the Prescribed Capital Amount (PCA) provided below is based on the APRA Level 2 Group requirements.

	2024 $'000	2023 $'000
Net assets	1,080,388	1,141,351
Regulatory adjustments for goodwill/intangibles[1]	(9,397)	(11,375)
Net surplus relating to insurance liabilities[1]	494,182	461,480
Common equity Tier 1 capital	**1,565,173**	**1,591,456**
Tier 2 capital	190,000	190,000
Regulatory capital base	**1,755,173**	**1,781,456**
Probable maximum loss	1,011,080	1,206,727
Net premium liability deduction	(209,027)	(269,439)
Capital credit for reinsurance	(274,496)	(330,666)
Insurance concentration risk charge	**527,557**	**606,622**
Asset risk charge	221,273	208,548
Insurance risk charge	156,151	202,246
Operational risk charge	20,047	28,014
Aggregation benefit	(87,849)	(86,584)
Total PCA	**837,179**	**958,846**
PCA coverage	**2.10x**	**1.86x**

1. Includes impact of amounts payable on reinsurance contracts held and regulatory adjustments to Common Equity Tier 1 capital for accounts receivables and payables. Prior year is represented to conform with the current year presentation.

Notes to the financial statements

5 Capital management and financing (continued)

5.3 Interest bearing financial liabilities

Accounting policies

Interest bearing financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the transaction. After initial recognition, the financial liabilities are carried at amortised cost using the effective interest rate method.

Finance related costs include interest, which is accrued at the contracted rate and included in payables, and amortisation of transaction costs which are capitalised, presented together with borrowings, and amortised over the life of the borrowings.

	2024 $'000	2023 $'000
Subordinated notes	190,000	190,000
Less: capitalised transaction costs	(274)	(800)
	189,726	**189,200**

Key terms and conditions are:

- Interest is payable quarterly in arrears, with the rate each calendar quarter being the average of the 90-day bank bill swap rate at the end of the prior quarter plus a margin equivalent to 5.0% per annum.
- The notes mature on 3 July 2030 (non-callable for the first five years) with the issuer having the option to redeem at par from 3 July 2025. Redemption at maturity, or any earlier date provided for in the terms and conditions of issue, is subject to prior approval by APRA.

Finance costs presented in the consolidated statement of comprehensive income include interest and amortised transaction costs related to subordinated notes amounting to $17,899,000 (2023: $17,342,000).

5.4 Equity

a) Share capital

	2024 Number of shares '000	2024 $'000	2023 Number of shares '000	2023 $'000
Issued fully paid capital				
Balance as at 1 January	300,805	750,718	347,447	906,892
Buy-back of shares, including transaction costs	(28,330)	(113,436)	(46,642)	(156,174)
Balance as at 31 December	**272,475**	**637,282**	**300,805**	**750,718**

The Company's issued shares do not have a par value. All ordinary shares are fully paid. Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Notes to the financial statements

5 Capital management and financing (continued)

On-market share buy-back

On 22 August 2023, the Company announced its intention to commence, with effect from 8 September 2023, an on-market share buy-back program for shares up to a maximum value of $100,000,000. When the Company ceased this on-market share buy-back on 30 April 2024, the Company had acquired 24,231,000 shares for a total consideration of $90,412,000, of which 9,084,000 shares were acquired for a total consideration of $34,232,000 during the year ended 31 December 2024.

On 10 May 2024, the Company announced its intention to commence, with effect from 13 May 2024, a further on-market share buy-back for shares up to a maximum aggregate value of $100,000,000. On 25 February 2025, the Company announced an increase in this on-market share buy-back from a maximum aggregate value of $100,000,000 to a maximum aggregate value of $200,000,000. As at 31 December 2024, the Company had acquired 19,246,000 shares for a total consideration of $79,204,000.

The shares acquired by the Company as part of the on-market share buy-back programs have been cancelled and removed from the share register.

b) Share-based payment reserve

	2024 $'000	2023 $'000
Balance as at 1 January	5,178	1,838
Share-based payment expense	8,321	4,833
Share-based payment settled	(5,330)	(1,493)
Balance as at 31 December	**8,169**	**5,178**

Refer to note 7.7.

5.5 Capital commitments and contingencies

Capital commitments

There were no capital commitments as at 31 December 2024 (31 December 2023: nil).

Contingencies

There were no contingent liabilities as at 31 December 2024 (31 December 2023: nil).

5.6 Other reserves

	2024 $'000	2023 $'000
Other reserves	(476,559)	(476,559)

The balance in the other reserves resulted from a corporate reorganisation which occurred in 2014 which was undertaken to reorganise the intragroup debt and equity funding arrangements and to facilitate the repayment of funding arrangements within the Group. As this was a combination of entities under common control, this is not required to be accounted as a business combination under AASB 3 *Business Combinations*. The standard allows for any difference in these transactions to be recognised directly in equity as other reserves until the control is lost.

Notes to the financial statements

6 Operating assets and liabilities

6.1 Cash and cash equivalents

Accounting policies

Cash and cash equivalents include cash and deposits held at call with financial institutions and other short-term and highly liquid investments with maturity from date of acquisition of three months or less that are readily convertible to known amount of cash, that are subject to an insignificant risk of changes in value, and which are used to meet short-term cash commitments. Cash and cash equivalents are measured at fair value, being the principal amount.

The consolidated statement of cash flows includes premiums received and claims paid which are gross of GST but net of stamp duty. Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

	2024 $'000	2023 $'000
Cash and cash equivalents	112,380	57,049

6.2 Trade and other receivables

Accounting policies

The collectability of receivables is assessed at reporting date and an impairment loss is made for any doubtful accounts. The amounts are discounted where the time value of money effect is material.

All receivables set out in the table below are due within the current year.

	2024 $'000	2023 $'000
Margin accounts	16,592	1,506
Outstanding investment settlements	512	16,102
Other receivables	430	567
	17,534	**18,175**

Carrying amounts of receivables reasonably approximate fair value at the reporting date. None of the receivables are impaired or past due at 31 December 2024 and 31 December 2023.

Notes to the financial statements

6 Operating assets and liabilities (continued)

6.3 Leases

Accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The right-of-use-asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease assets (right-of-use assets)

	2024 $'000	2023 $'000
Balance as at 1 January	8,052	1,133
Additions	—	8,784
Depreciation charge for the year	(1,767)	(1,780)
Modification of leases	152	(85)
Balance as at 31 December	**6,437**	**8,052**

Lease liabilities

	2024 $'000	2023 $'000
Balance as at 1 January	8,089	2,360
Additions	—	8,784
Payments made	(1,854)	(3,285)
Interest expense	405	230
Modification of leases	152	—
Balance as at 31 December	**6,792**	**8,089**
Comprising:		
Current	1,674	1,423
Non-current	5,118	6,666
	6,792	**8,089**

Notes to the financial statements

6 Operating assets and liabilities (continued)

Maturity analysis – contractual undiscounted cash flows

	2024 $'000	2023 $'000
Future payments to be made arising from lease contracts:		
Within one year	1,674	1,423
One year or later and no later than five years	5,273	6,811
Total undiscounted lease liabilities as at 31 December	**6,947**	**8,234**

Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Depreciation charge for the period	(1,767)	(1,780)
Interest expense on lease liabilities	(405)	(230)
Income from subleasing right-of-use assets	—	14

The interest expense on lease liabilities and the income from subleasing the right-of-use assets are presented as financing costs in the consolidated statement of comprehensive income.

6.4 Goodwill

Accounting policies

Business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill has an indefinite useful life and is therefore not subject to amortisation, but is tested for impairment annually, or more often if there is an indication of impairment. Goodwill is stated at deemed cost less any accumulated impairment losses.

	2024 $'000	2023 $'000
Goodwill - at deemed cost	9,123	9,123

For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU). At 31 December 2024, the Group comprises a single CGU (Mortgage Insurance Australia), which reflects the level at which goodwill is monitored for impairment by management.

The impairment test involves the use of accounting estimates and assumptions. The recoverable amount of the CGU is determined on the basis of value-in-use calculation. The present value of future cash flow projections is based on the most recent management approved budgets.

Notes to the financial statements

6 Operating assets and liabilities (continued)

In 2024, the Group transitioned from a discounted cash flow model which relied on Earnings Before Interest and Tax (EBIT) to a model that relies on future cash flows that are expected to be available for distribution to shareholders, (Dividend Discount technique - DD) to calculate the value-in-use. Both methods result in a materially similar value-in-use, and neither approach results in an impairment loss in either the current year or prior year.

The following describes the key assumptions and inputs on which management based its cash flow projections when conducting the impairment testing:

- The latest five-year business plan approved by management. This business plan is based on a combination of historical performance and management's expectations of future performance based on prevailing and anticipated market factors.
- Terminal growth calculated using a perpetuity growth formula applied to the cash flows projected for the last year of the forecast period. The terminal growth rate used by management for its impairment assessment as at 31 December 2024 is 3.00% (2023: 2.94%).
- Discount rate reflects the post tax cost of equity. The post-tax discount rate used at 31 December 2024 is 11.5% (2023: pre-tax weighted average cost of capital 14.4%).
- Valuation is based on a cashflow forecast that is post tax and accordingly uses a post-tax discount rate.

This is demonstrated in the sensitivity analysis below.

Sensitivity analysis

Under each of the stressed assumption scenarios used below (all other assumptions remaining constant), the Group's goodwill is not impaired based on both DD and EBIT approaches:

- reduction of the net cash flow projection by 15%
- terminal growth rate of 0%, and
- increase of the discount rate by 200bps.

6.5 Trade payables and other liabilities

Accounting policies

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30-60 days. The carrying amount of accounts payable approximates fair value.

All payables set out in the table below are due within one year.

	2024 $'000	2023 $'000
Accrued expenses	13,473	16,205
Outstanding investments settlements	3,890	11,043
Trade creditors and other payables	3,559	3,200
Provision for premium credit refunds[1]	4,932	6,917
	25,854	**37,365**
Current tax liabilities	52,322	75,754
	78,176	**113,119**

1. Provision for estimated premium credit refunds due to customers, where customers did not identify top-up loan applications back to the relevant original loan accounts.

Notes to the financial statements

6 Operating assets and liabilities (continued)

6.6 Employee benefits provision

Accounting policies
The carrying amount of provisions for employee entitlements approximates fair value.

Wages, salaries and annual leave
The accruals for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on wage and salary rates that the entity expects to pay as at reporting date including related on-costs.

Long service leave
The Group's net obligation in respect of long-term benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. A liability for long service leave is recognised as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The estimated future cash outflows are discounted using corporate bond yields which have terms to maturity that match, as closely as possible, the estimated future cash outflows. Factors which affect the estimated future cash outflows such as expected future salary increases including related on-costs and expected settlement dates are incorporated in the measurement.

Superannuation commitments
Contributions to superannuation funds are in accordance with Australian Superannuation Guarantee legislation and are recognised as an expense in the consolidated statement of comprehensive income as they are incurred. The Group does not hold or pay into any defined benefit superannuation schemes on behalf of employees.

	2024 $'000	2023 $'000
Annual leave	2,343	2,550
Long service leave	5,656	5,007
	7,999	**7,557**
Comprising:		
Current	6,800	6,503
Non-current	1,199	1,054
	7,999	**7,557**

As at reporting date there were 204 (2023: 233) employees both full-time and part-time measured on a full-time equivalent basis.

Notes to the financial statements

7 Other disclosures

7.1 Parent entity disclosures

	2024 $'000	2023 $'000
Results of the parent entity		
Profit for the year	197,681	27,123
Total comprehensive income for the year	**197,681**	**27,123**
Financial position of parent entity		
Current assets	152,290	60,418
Total assets	1,496,672	1,591,444
Net assets	**1,496,672**	**1,591,444**
Total equity of the parent entity comprising of:		
Share capital	637,282	750,718
Retained earnings	416,546	400,835
Share-based payments	8,169	5,216
Other reserves	434,675	434,675
Total equity	**1,496,672**	**1,591,444**

The accounting policies of the parent entity are consistent to the Group's policies.

During the year, the parent entity recognised an impairment of $185,000,000 (2023: $284,000,000) in the carrying value of Helia Insurance Pty Limited being the deficit between recoverable amount and carrying value. This impairment is largely as a result of lower carrying value due to the large dividends and capital returns in excess of net profit after tax in recent years.

7.2 Remuneration of auditors

	2024 $	2023 $
Audit and review of financial statements[1]	1,232,588	1,513,551
Regulatory audit services	102,412	98,949
Other assurance services	40,000	149,435
Non assurance services	77, 366	—
	1,452,366	**1,761,935**

1. Includes audit and review of financial statements for the Group of $541,568 (2023: $406,200) and controlled entities of $771,020 (2023: $1,107,351).

Notes to the financial statements

7 Other disclosures (continued)

7.3 Key management personnel disclosures

The following were key management personnel of the Group at any time during the reporting period, and unless otherwise indicated, were key management personnel (KMP) for the entire period.

Directors of the Company

Pauline Blight-Johnston
Ian MacDonald (resigned, including as Chair, on 9 May 2024)
Gai McGrath (resigned on 16 August 2024)
Andrew Moore (appointed on 15 July 2024)
Alistair Muir
Leona Murphy (appointed as Chair on 9 May 2024, director for the full year)
Gerd Schenkel (resigned on 30 April 2024)
JoAnne Stephenson (appointed on 15 July 2024)
Andrea Waters
Duncan West

Executive KMP

Pauline Blight-Johnston
Michael Cant
Andrew Cormack
Jeremy Francis
Greg McAweeney

The key management personnel compensation is:

	2024 $'000	2023 $'000
Short-term employee benefits	5,375	5,422
Termination and post-employment benefits	311	270
Equity compensation benefits	2,811	2,588
	8,497	**8,280**

7.4 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities.

			Equity holding (%)	
Name of entity	**Country of incorporation**	**Class of shares**	**2024**	**2023**
Helia Insurance Pty Limited	Australia	Ordinary	100	100
Helia Indemnity Limited	Australia	Ordinary	100	100
Balmoral Insurance Company Limited	Bermuda	Ordinary	0	100

On 31 January 2024, the Group placed Balmoral Insurance Company Limited into liquidation and the process was completed on 8 March 2024.

Notes to the financial statements

7 Other disclosures (continued)

7.5 Related party disclosure

Transactions with related parties are undertaken on normal commercial terms and conditions.

7.6 Equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Accounting policy

The interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence ceases. They are continually assessed for objective evidence of impairment throughout the year. This may be as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

The Group currently holds equity interests in OSQO Capital Australia Pty Ltd (OSQO) and Household Capital Pty Limited (HHC). OSQO remains in administration at the reporting date and the Group retains its ownership interest of 25.1%. The equity interests in associates stands at:

	2024	2023
Percentage ownership interest – OSQO	25.1%	25.1%
Percentage ownership interest – HHC	26.1%	26.1%

The following table analyses, in aggregate, the carrying amount and share of profit/(loss) of the associate investments:

	2024 $'000	2023 $'000
Opening balance	18,961	27,449
Share of loss from continuing operations	(3,255)	(4,894)
Impairment loss on equity-accounted investee	—	(3,594)
Carrying amount of interests in associates	**15,706**	**18,961**

7.7 Share-based payments

Accounting policies

Share-based remuneration is provided in various forms to eligible employees and executive directors of the Group in compensation for services provided to the Group.

The fair value at the grant date, being the date, both the employee and the employer agree to the arrangement, is determined using a valuation model based on the share price at grant date and the vesting conditions. The fair value used for the valuation does not change over the life of the instrument. At each reporting period during the vesting period and upon final vesting or expiry of the equity instruments, the total accumulated expense is revised based on the likelihood of meeting performance hurdles on the ROE component, and the latest estimate of the number of equity instruments that are expected to vest based on the vesting conditions and taking into account the expired portion of the vesting period. Where a market condition for a share-based payment is not met and the plan does not ultimately vest, expenses are not reversed.

To satisfy obligations under the various share-based remuneration plans, shares are generally expected to be equity settled.

Notes to the financial statements

7 Other disclosures (continued)

a) Deferred short-term incentive

Plan	Eligibility	Nature of award	Vesting conditions
Short-Term Incentive (STI) Deferral Plan	Executives and any employee with an annual STI award >$50,000	**2024 and 2023 Plan:** › **For executives:** half of the dollar value of the annual STI is converted to a grant of deferred share rights, with half of the deferred share rights to vest after 12 months and the remaining after 24 months. To ensure nominal award amounts are not subject to deferral, a minimum $10,000 balance is required prior to deferral being applied to the incentive award. › **For non-executive employees:** for any annual STI payment greater than $50,000, one-third of the amount greater than $50,000 is converted to a grant of deferred share rights and delivered 12 months following the payment of the original award amount. To ensure nominal award amounts are not subject to deferral, a minimum $10,000 balance is required prior to deferral being applied to the incentive award. › **For eligible participants:** notional dividend equivalents accrue during the vesting period and are delivered through an adjustment to the number of vested share rights at the end of the deferral period.	› **For executives:** continuous active employment for 12 months from grant date for the first tranche and for 24 months for the second tranche. › **For non-executive employees:** Continuous active employment for 12 months from grant date. › **For eligible participants:** Board and Committee satisfaction that adverse outcomes have not arisen that were not apparent when performance was assessed, and satisfaction that there was not excessive risk taking in achievement of results.

Details of the number of employee share rights granted, exercised and forfeited or cancelled for the short-term incentive during the year were as follows:

Grant date	Balance at 1 Jan 2024 Number	Granted in the year Number	Exercised in the year Number	Cancelled/ forfeited in the year Number	Balance at 31 Dec 2024 Number	Vested and exercisable at end of the year Number
2024						
1 March 2023[1]	600,853	73,532	(382,713)	—	291,672	—
1 March 2024[2]	—	417,390	—	—	417,390	—
Total	**600,853**	**490,922**	**(382,713)**	**—**	**709,062**	**—**

Grant date	Balance at 1 Jan 2023 Number	Granted in the year Number	Exercised in the year Number	Cancelled/ forfeited in the year Number	Balance at 31 Dec 2023 Number	Vested and exercisable at end of the year Number
2023						
1 March 2022[3]	428,847	50,642	(479,489)	—	—	—
1 March 2023[4]	—	631,737	—	(30,884)	600,853	—
Total	**428,847**	**682,379**	**(479,489)**	**(30,884)**	**600,853**	**—**

1. The number of share rights granted in the period representing the deferred short-term incentive component under the 2022 remuneration program.
2. The number of share rights granted in the period representing the deferred short-term incentive component under the 2023 remuneration program.
3. The number of share rights granted in the period representing the deferred short-term incentive component under the 2021 remuneration program.
4. The number of share rights granted in the period representing the deferred short-term incentive component under the 2022 remuneration program.

Notes to the financial statements

7 Other disclosures (continued)

b) Long-term incentive plan

The Group implemented a long-term incentive (LTI) plan for executive KMP which is performance oriented and reflects local market practice.

The vesting conditions for each of the LTI plan granted include:

- continuous active employment for four years until 31 December 2028, and
- performance conditions.

Vesting of awards is subject to Board and Committee satisfaction that adverse outcomes have not arisen that were not apparent when performance was assessed, and satisfaction that there was not excessive risk taking in achievement of results.

On 1 March 2024, under the 2024 LTI plan, share rights were granted to the senior management team.

Key terms and conditions for the 2024 LTI plan

- The rights are granted for nil consideration.
- Holders are entitled to receive notional dividend equivalents during the vesting period but do not have voting rights.
- Each allocation is split into two portions which are subject to different performance hurdles. The first vesting condition is not market related and requires continuous active employment for four years until 31 December 2028. The second set of vesting conditions are as follows:
  - 25% is subject to underlying return on equity (ROE) performance condition. The average of the Group's annual underlying ROE measured against regulatory capital (based on the upper end of the Board's target range above the prescribed capital amount) is tested against target underlying ROEs over a four-year period, calculated on a quarterly basis and equally weighted for each year during the performance period.
  - 75% is subject to relative total shareholder return (TSR) performance condition. The Group's TSR is tested against comparator group, the ASX 200 financial services excluding Real Estate Investment Trusts (REITs) over a four-year period.
- The number of share rights offered is determined by dividing the grant value of the 2024 long-term incentive plan by $4.2832, being the 10-day volume weighted average price (VWAP) of the Company share price as at 31 December 2023, rounded down to the nearest whole share right. Each share right is a right granted to acquire a fully paid ordinary share of the Company.
- Notional dividend equivalents accrue during the vesting period and are delivered through an adjustment to the number of vested share rights at the end of the deferral period.
- The fair value for ROE is the share price as at the grant date. Fair value for the TSR hurdle is estimated through a Monte Carlo simulation-based valuation methodology as at the grant date.

The fair value of the share rights for LTI linked to relative TSR performance hurdles is calculated as at the grant date using Monte Carlo simulation. The factors and assumptions used for the valuation are summarised in the below table:

	2024	2023	2022	2021
Grant date	1 March 2024	1 March 2023	1 March 2022	1 March 2021
Share price on grant date ($)	$4.19	$3.42	$3.11	$2.42
Dividend yield (%)	0%[1]	0%[1]	0%[1]	0%[1]
Volatility (%)	41.42%	51.53%	50.66%	48.23%
Correlation	A correlation matrix for the ASX 200 financial services (excluding REITs) has been used			
Risk free rate (%)	3.74%	3.55%	1.67%	0.40%
Vesting date	31 December 2027	31 December 2026	31 December 2025	31 December 2024

1. Consistent with the requirements set out in AASB 2 *Share-based Payment*, given participants in the LTI plan are entitled to dividend equivalents on the underlying shares, the input for expected dividend yield has been set to zero. For the purposes of relative TSR fair value calculations, the expected dividend yield of the comparator group has also been set to zero.

Notes to the financial statements

7 Other disclosures (continued)

Details of the number of employee share rights granted, exercised and forfeited or cancelled for the long-term incentive plan during the year were as follows:

Grant date	Balance at 1 Jan 2024 Number	Granted in the period Number	Exercised in the period Number	Cancelled/ forfeited in the period Number	Balance at 31 Dec 2024 Number	Vested and exercisable at end of the period Number
2024						
1 March 2020[1]	—	19,340	(19,340)	—	—	—
1 March 2021	788,369	12,310	(800,679)	—	—	—
1 March 2022	961,885	—	—	—	961,885	—
1 March 2023	996,785	—	—	—	996,785	—
1 March 2024	—	697,177	—	—	697,177	—
Total	**2,747,039**	**728,827**	**(820,019)**	**—**	**2,655,847**	**—**

1. Represents the notional dividends awarded as share rights associated with the 2020 LTI plan share rights that had previously vested/been exercised on/by 31 December 2023

Grant date	Balance at 1 Jan 2023 Number	Granted in the period Number	Exercised in the period Number	Cancelled/ forfeited in the period Number	Balance at 31 Dec 2023 Number	Vested and exercisable at end of the period Number
2023						
1 March 2019[1]	—	128,879	(128,879)	—	—	—
1 March 2020	323,808	—	(80,051)	(243,757)	—	—
1 March 2021	808,622	—	—	(20,253)	788,369	—
1 March 2022	995,605	—	—	(33,720)	961,885	—
1 March 2023	—	1,039,079	—	(42,294)	996,785	—
Total	**2,128,035**	**1,167,958**	**(208,930)**	**(340,024)**	**2,747,039**	**—**

1. Represents notional dividends awarded as share rights associated with 2018 LTI plan share rights that had previously vested/been exercised on/by 31 December 2022.

c) Employee Share Scheme

The Group successfully completed its third issue under the Employee Share Scheme (ESS) in 2024. There was significant engagement in this plan, with 92% of participants choosing to opt-in. The ESS will be offered again in 2025.

7.8 Events subsequent to reporting date

On 25 February 2025, the Directors declared a 16 cent per ordinary share fully franked final dividend and 53 cent per ordinary share fully franked special dividend totalling approximately $43,596,000 and $144,412,000 respectively for the year ended 31 December 2024.

On 25 February 2025, the Company announced an increase in the on-market buy-back from a maximum aggregate value of $100,000,000 to a maximum aggregate value of $200,000,000, of which the Company had acquired 19,246,000 shares for a total consideration of $79,204,000 during the year ended 31 December 2024.

There are no other events that have arisen since 31 December 2024 to the date of this report that, in the opinion of the Directors, have significantly affected or may significantly affect the operations of the Group or the state of affairs of the Group in future years.

Consolidated entity disclosure statement

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% of issued share capital held directly or indirectly by the parent**	**Australian or foreign**	**Foreign jurisdiction**
Parent					
Helia Group Limited	Body Corporate	Australia		Australian	N/A
Australian operations					
Helia Insurance Pty Limited	Body Corporate	Australia	100	Australian	N/A
Helia Indemnity Limited	Body Corporate	Australia	100	Australian	N/A
New Zealand operations					
Helia Insurance Pty Limited New Zealand Branch	Body Corporate	New Zealand	100	Foreign	New Zealand

Consolidated entity disclosure statement – basis of preparation

a) Basis of preparation

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act* 2001 and includes the information required for each entity that was part of the consolidated entity as at the end of the financial year. The list of entities in the consolidated entity disclosure statement is in accordance with AASB 10 *Consolidated Financial Statements*.

b) Determination of tax residency

The CEDS must specify whether, at the end of the financial year, each entity that was part of the consolidated entity was an Australian resident or a foreign resident (within the meaning of the *Income Tax Assessment Act* 1997). The entities of the Group maintain tax residency in a single jurisdiction, which is either Australia or New Zealand. The determination is consistent with the tax legislation in those jurisdictions.

In determining tax residency, the Group has applied the following:

- **Australian tax residency** – the Group 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 Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Directors' declaration

In the opinion of the Directors of Helia Group Limited (the Company):

a) the consolidated financial statements and notes set out on pages 63 to 110 are in accordance with the *Corporations Act* 2001, including:

   i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and

   ii) complying with Australian Accounting Standards in Australia and the *Corporations Regulations* 2001; and

b) the consolidated entity disclosure statement as at 31 December 2024, set out on page 111 is true and correct;

c) the Directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards; and

there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable. The Directors have been provided with the declarations required by section 295A of the *Corporations Act* 2001 from the Chief Executive Officer and Chief Financial Officer for the year ended 31 December 2024.

Signed in accordance with a resolution of the Directors.

Leona Murphy
Chair
Dated: 25 February 2025

Independent auditor's report

Independent Auditor's Report

To the shareholders of Helia Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Helia Group 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 31 December 2024 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 of:

- Consolidated statement of financial position as at 31 December 2024;
- Consolidated statement of 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 31 December 2024;
- Notes, including material accounting policies; and
- 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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Independent auditor's report

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of the Liability for Incurred Claims (LIC)
- Valuation of the Liability for Remaining Coverage (LfRC)

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the Liability for Incurred Claims (A$266.8m)

Refer to Note 3.4 *Insurance and reinsurance contracts and* Note 3.10 *Actuarial assumptions and methods* to the Financial Report.

The key audit matter	How the matter was addressed in our audit
The valuation of the Liability for Incurred Claims is a key audit matter as it is highly judgemental and requires assumptions to be made with inherent estimation uncertainty. These assumptions can have significant impacts on the valuation. This complexity requires us to exercise judgement when evaluating the methodology and assumptions adopted by the Group. The Group's insurance policies are similar in nature. As a result, our audit focused on the Group's consistent identification and application of common characteristics to segment the stages of claim emergence when applying frequency and severity (size) factors to determine the Liability for Incurred Claims. These common characteristics include region, loan originator, outstanding loan size, and loan-to-value ratio. As a result of these factors, the estimation of the liability is highly dependent on the integrity of the underlying data. The Liability for Incurred Claims reflects the Groups' internal actuarial experts' assessment of future expected outcomes. These outcomes are influenced by a number of factors, including macroeconomic assumptions, which are subject to a wide range of views and interpretations. The valuation methodology requires the Group to make assumptions in respect of these factors including: • the uncertainty in the timing of claim	We tested the key controls designed and operated by the Group over the valuation of the Liability for Incurred Claims. Along with our IT specialists, we assessed the key controls for significant data inputs used by the Group to determine the Liability for Incurred Claims. Our assessment included testing specific reconciliation controls and interfaces from key IT systems that provide data used in the actuarial valuation processes underlying the Liability for Incurred Claims. We focused on the assumptions and valuation methodology used by the Group in estimating the Liability for Incurred Claims. In doing so, we challenged the methodology and the assumptions used in the valuation, including the Group's approach to segmenting the portfolio using common characteristics, against the criteria of the accounting standards. We were assisted by our actuarial specialists in this and in our consideration of the work and findings of the Group's internal actuarial experts, including assessment of their competency, objectivity, and scope of work. We considered the Group's valuation methodology and assumptions for consistency between reporting periods, as well as for indicators of possible bias. Our challenge focused on the assumptions applied to delinquencies and claims data. We did this by: • evaluating underlying documentation. For example, we considered actual versus expected claims experience in relation to the number of delinquencies and the severity

Independent auditor's report

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payments and recoveries;
• the frequency at which claims emerge, and the subsequent severity of those claims. Frequency and severity are likely to be influenced by changes in macroeconomic factors such as interest rates, inflation, unemployment, property prices, and performance of industry and geographic segments;
• the timing of receipt of information from lenders indicating a delinquency or claim has occurred;
• past claims experience being an appropriate predictor of future experience; and
• uncertainty relating to the timing and amount of the cashflows that arises from non-financial risk in fulfilling insurance contracts (risk adjustment).

The assumptions adopted have a significant impact on the financial performance of the Group, and therefore, are a focus of our audit attention. As a result, we involved senior audit team members, including specialists, who collectively understand the valuation methodology, the Group's business, its industry and the economic and regulatory environment it operates in.
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assumptions, together with the timing of claims payments and recoveries using historical data;
• considering external information available (e.g. macroeconomic assumptions such as forecast interest rates, inflation rates, unemployment rate, property prices) and investigating significant variances. Specifically, we have considered the impact of recent trends in property prices and the impacts of the recent rise in interest and inflation rates on the claims experience and the selected assumptions;
• identifying and analysing key changes in frequency and severity assumptions by comparing selected assumptions to experience exhibited to date;
• assessing the consistency of information, such as claims experience and trends across the Group's operations;
• developing an independent expectation of the claim costs for comparison to the Group's estimate; and
• benchmarking the risk adjustment adopted by the Group with that of peers and consistency with the risk adjustment adopted at the previous year end.
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<tr><td colspan="2">Valuation of Liability for Remaining Coverage (A$1,290.2m)</td></tr>
<tr><td colspan="2">Refer to Note 3.4 Insurance and reinsurance contracts and Note 3.10 Actuarial assumptions and methods to the Financial Report.</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>
AASB 17 Insurance Contracts requires that a Liability for Remaining Coverage is recognised for the estimated cost of provision of insurance service for policies which remain in-force.

The Valuation of the Liability for Remaining Coverage is a key audit matter due to the complexity of the actuarial methodology and assumptions used to model separate components of the liability, which result in inherent estimation uncertainty.

These factors necessitate a significant level of judgement applied by us in assessing the methods and assumptions. The valuation methodology requires the Group to make
</td><td>
We tested the key controls designed and operated by the Group for the Liability for Remaining Coverage.

Along with our IT specialists, we assessed the key controls for significant data inputs. This included testing specific reconciliation controls, including those over the reliability of data used in the actuarial modelling processes and interfaces from key IT systems used in the valuation of the Liability for Remaining Coverage.

With the assistance of our Actuarial specialists, we focused on the assumptions and valuation methodology used by the Group in estimating the Liability for Remaining Coverage. In so doing we challenged the methodology and the assumptions
</td></tr>
</table>

Independent auditor's report

assumptions in respect of these factors including: • expected incurred claims arising from future coverage; • allowance for expenses directly attributable to providing the insurance service over the period of coverage; • expected refunds to provide under the contractual arrangements; • policy top ups expected to be incurred in the future; • Illiquidity premium representing the liquidity characteristics of cash flows; • a coverage unit pattern reflecting the provision of insurance service; and • uncertainty relating to the timing and amount of the cashflows that arises from non-financial risk in fulfilling insurance contracts (risk adjustment). The assumptions adopted have a significant impact on the financial performance of the Group. As a result, we involved senior audit team members, including specialists, who collectively understand the valuation methodology, the Group's business and the economic and regulatory environment it operates in.	used in the valuation, including the Group's approach to segmenting the portfolio using common characteristics, against the criteria of the accounting standards. We were assisted by our actuarial specialists in this and in our consideration of the work and findings of the Group's internal actuarial experts, including their competency, objectivity, and scope of work. We considered the Group's valuation methodology and assumptions for consistency between reporting periods, as well as for indicators of possible bias. We checked the integrity of the valuation model including formulas and links embedded within the model. Our challenge focused on the assumptions applied to future cashflows and included: • assessing of the coverage unit pattern adopted to compare to the pattern of the provision of insurance service, measured by adjusting the outstanding loan balance for in-force policies by claim severity factors; • consideration of the impact of more recent experience on expected cashflows, including impacts from the current economic environment such as increasing interest rates and inflation; • developing an independent expectation of the claim costs for comparison to the Group's estimate; and • benchmarking the risk adjustment adopted by the Group with that of peers and consistency with the risk adjustment adopted at the previous year end.

Other Information

Other Information is financial and non-financial information in Helia Group 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, with the exception of the *Remuneration Report* and our related assurance opinion.

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.

Independent auditor's report

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; and
- 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/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

Independent auditor's report

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Helia Group Limited for the year ended 31 December 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in 36 to 60 of the Directors' report for the year ended 31 December 2024.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Leann Yuen

Leann Yuen

Partner

Sydney

25 February 2025

Shareholder Information

Unless otherwise stated, the information in this section is current as at 14 January 2025.

Annual general meeting

The 2024 Annual General Meeting (AGM) of Helia Group Limited will be held on Wednesday, 7 May 2025.

The AGM will be webcast live on the internet at investor.helia.com.au and an archive version will be placed on the website to enable the AGM to be viewed at a later time. Further details will be set out in the Notice of 2025 AGM to be released on ASX in due course.

Helia Group Limited is listed on ASX and its ordinary shares are quoted under the ASX code 'HLI'.

Annual report

The default option for receiving annual reports is in electronic format via Helia's website at helia.com.au. To request a copy of the Annual Report, please contact the Share Registry. Share Registry contact information can be found in the Corporate Directory of this report.

Online voting

Shareholders can lodge voting instructions electronically either as a direct vote or by appointing a proxy for the 2025 AGM at au.investorcentre.mpms.mufg.com. The information required to log on and use online voting is shown on the voting form distributed to shareholders with the Notice of AGM.

Voting rights

At a general meeting, a shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll has one vote for each fully paid share held. A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Voting at any meeting of shareholders is by a show of hands unless a poll is demanded in the manner described in the Company's Constitution. If there are two or more joint holders of a share and more than one of them is present at a general meeting, in person or by proxy, attorney or representative, and tenders a vote in respect of the share, the Company will count only the vote cast by, or on behalf of, the shareholder by the joint holder whose name appears first in the Company's register of shareholders.

The quorum required for a meeting of members is two shareholders. If the votes are equal on a proposed resolution, the matter is decided in the negative.

Shareholder questions

Shareholders can submit a written question to the Company or the Company's auditor in relation to the AGM or any of the proposed resolutions to be considered at the AGM, using the form supplied with the Notice of AGM distributed to shareholders.

Shareholders may submit questions after completing online voting instructions online at au.investorcentre.mpms.mufg.com.

Questions can also be submitted by completing the form supplied with the Notice of AGM and returning it to the Company's Share Registry in the pre-addressed envelope provided or by fax to +61 2 9287 0309.

Questions for the Company's auditor must be received by 5pm on Wednesday, 30 April 2025. Members will also be given a reasonable opportunity to ask questions of the Company and the auditor at the AGM.

Manage your holding

Questions regarding shareholdings can be directed to the Company's Share Registry. Your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) will be required to verify your identity.

Shareholders that are broker (CHESS) sponsored should direct queries relating to incorrect registrations, name changes and address changes to their broker.

Shareholder Information

Information about Helia

Information about Helia Group Limited, including company announcements, presentations and reports can be accessed at investor.helia.com.au.

Shareholders can register to receive an email alert advising of new media releases, financial announcements or presentations. Registration for email alerts is available on Helia's website at investor.helia.com.au under 'Email Alerts'.

If information is not directly available on Helia's website, shareholders may contact the Company directly at investorrelations@helia.com.au.

Important dates[1]

Company financial year end	31 December 2024
Full year results announced	25 February 2025
Annual Report and Notice of AGM mail out to commence around	24 March 2025
AGM	7 May 2025

Ordinary shares and share rights

As at 14 January 2025, the Company had on issue the following equity securities:

- 272,474,910 Shares
- 3,364,909 Share Rights

Ordinary share information

Substantial holders of ordinary shares

Name	Number of shares	Voting power (%)	Date of notice
Mitsubishi UFJ Financial Group, Inc and its related bodies corporate	23,171,440	6.67	10 March 2023
First Sentier Investors Holdings Pty Limited and its related bodies corporate	23,171,440	6.67	9 March 2023
Dimensional Fund Advisors LP and its related entities	23,467,155	8.101	29 August 2024
The Vanguard Group Inc and its controlled entities	17,421,009	6.103	23 September 2024
State Street Corporation and its subsidiaries	19,235,029	6.53	15 April 2024
Australian Retirement Trust Pty LTD ATF Australian Retirement Trust	14,988,769	5.085	3 April 2024
Blackrock Group (Blackrock Inc and its subsidiaries)	14,617,136	5.31	23 December 2024

1. Some dates may be subject to change.

Shareholder Information

Twenty largest holders of ordinary shares

Rank	Name	14 Jan 2025	%IC
1	HSBC Custody Nominees (Australia) Limited	100,237,507	36.79
2	Citicorp Nominees Pty Limited	53,620,885	19.68
3	J P Morgan Nominees Australia Pty Limited	38,339,465	14.07
4	Brazil Farming Pty Ltd	4,801,631	1.76
5	Argo Investments Limited	3,107,676	1.14
6	BNP Paribas Noms Pty Ltd	2,470,883	0.91
7	Solium Nominees (Australia) Pty Ltd <VSA A/C>	2,120,598	0.78
8	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	2,084,804	0.77
9	National Nominees Limited	1,924,095	0.71
10	Mr Guthrie John Williamson	1,860,905	0.68
11	HSBC Custody Nominees (Australia) Limited - GSCO ECA	1,179,296	0.43
12	Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	1,075,918	0.39
13	VU Father & Sons Enterprises Pty Ltd <Vu Father & Sons S/FUND A/C>	980,000	0.36
14	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	897,034	0.33
15	BNP Paribas Nominees Pty Ltd <Agency Lending Collateral>	888,000	0.33
16	Mr Hieu Vu Van & Mrs Chau Hue On <Vu Father & Sons S/FUND A/C>	880,000	0.32
17	Mr David Moore <D & S Moore Family A/C>	870,000	0.32
18	Girt by Sea Investments P/L <Mort Bay S/F A/C>	830,078	0.30
19	Amity Management Pty Ltd	710,851	0.26
20	Small Future Fund Pty Ltd <Small Future Fund A/C>	655,000	0.24
Total for top 20		**219,534,626**	**80.57**

Distribution schedule of holders of ordinary shares

Range	Number of holders	Number of share rights	% of issued shares
1 – 1,000	2,753	1110,330	0.41
1,001 – 5,000	2,069	5,669,593	0.2
5,001 – 10,000	849	6,593,890	2.42
10,001 – 100,000	906	23,852,597	8.75
100,001 and over	91	235,248,500	86.34
Total	**6,668**	**272,474,910**	**100**

Note: Totals may not sum due to rounding.
Note: There were no security investors holding less than a marketable parcel of 111 securities ($4.51 on 14 January 2025). The ASX Listing Rules define an 'unmarketable parcel' as one with a market value of less than $500.

1. Dividend declared 25 February 2025.

Shareholder Information

Dividend details

Share class	Dividend	Franking	Amount per share	Payment date
Ordinary shares	Final (FY23)	Fully franked	15.0 cents	22 March 2024
Ordinary shares	Special	Unfranked	30.0 cents	22 March 2024
Ordinary shares	Interim	Fully franked	15.0 cents	19 September 2024
Ordinary shares	Final (FY24)	Fully franked	16.0 cents	3 April 2025
Ordinary shares	Special	Fully franked	53.0 cents	3 April 2025

Share rights information

Distribution schedule of holders of share rights

Range	Number of holders	Number of share rights	% of total share rights
1 – 1,000	0	0	0.0
1,001 – 5,000	2	7,684	0.2
5,001 – 10,000	7	47,526	1.4
10,001 – 100,000	2	87,578	2.6
100,001 and over	8	3,222,121	95.8
Total	**19**	**3,364,909**	**100**

Voting rights

Share Rights do not carry any voting rights. Ordinary shares issued or transferred to participants on the vesting of Share Rights carry the same rights and entitlements as other issued shares.

Shares purchased on-market for the purposes of the Rights Plan

1,202,732 shares were purchased on-market for the purposes of the Rights Plan during the period from 1 January 2024 to 31 December 2024 at an average price of $4.43 per share.

On-market share buy-back

There is a current on-market share buy-back. For further details, see Appendix 3C lodged with ASX on 23 December 2024.

Glossary

ASX 200 financials services index	A Standard & Poor's index that measures the performance of the 200 largest and most liquid stocks listed on the ASX by float-adjusted market capitalisation. The financial services index contains companies in the index that are classified as a member of the GICS Financials sector.
Central estimate	The value of insurance liabilities which represents the average (ie. statistical mean) of the estimated distribution of outcomes.
Common equity Tier 1 or CET1	As defined by APRA GPS 112, Tier 1 Capital comprises the highest quality components of capital that fully satisfy all of the following essential characteristics: (a) Provide a permanent and unrestricted commitment of funds; (b) Are freely available to absorb losses; (c) Do not impose any unavoidable servicing charge against earnings; and (d) Rank behind claims of policyholders and creditors in the event of winding up.
Company	Helia Group Limited ABN 72 154 890 730.
CPS	Cents per share.
Contractual Service Margin (CSM)	The contractual service margin at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss because it relates to the future service to be provided under the contracts in the group.
Delinquency	Any insured loan which is reported as three or more months of repayments in arrears.
Delinquency rate	The delinquency rate is calculated by dividing the number of reported delinquent loans insured by the number of in-force policies (excluding excess of loss insurance).
Deferred tax assets	A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.
Diluted earnings per share	Profit after tax adjusted for any costs associated with dilutive potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.
Expected insurance service expenses incurred	The insurer's prospective view of the cost of claims and expenses that are expected to be incurred in the reporting period.
Experience variations	The difference between expected premium credits/refunds/claims/expenses to be incurred and actual premium credits/refunds/claims/expenses.
Gender pay parity	Defined by the Workplace Gender Equality Agency (WGEA) as a gender pay gap between -5% and +5%. This is calculated by dividing the female total remuneration median by male total remuneration median.
GHG emissions	Covers the accounting and reporting of the six greenhouse gases (GHGs) covered by the UNFCCC/Kyoto Protocol — currently carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.
Gross written premium (GWP)	Represents the total direct and expected premium received from contracts issued in the period, before deducting ceded reinsurance premiums.
High loan-to-value ratio (HLVR)	Generally, a residential mortgage loan with an LVR in excess of 80% is referred to as an HLVR loan.
Insurance in-force	The original principal balance of all mortgage loans currently insured (excludes excess of loss insurance).
Insurance contract liabilities	The sum of the LRC and LIC.

Glossary

Insurance revenue	The amount of revenue depicted in profit or loss to reflect the provision of coverage and other services arising from a group of insurance contracts that reflects the consideration to which the entity expects to be entitled in exchange for those services.
Insurance service expense	Claims and expenses (including amortisation of insurance acquisition cash flows) incurred in the period as well as losses and reversals of losses on onerous contracts.
Insurance service result	Insurance revenue less insurance service expense less net expenses from reinsurance contracts.
Insured loans in-force	The number of policies currently insured (excludes excess of loss insurance).
Investment return	Total investment income divided by the average balance of the opening and closing cash and investments (including derivatives) balance for the period, annualised where required.
IPCC RCP8.5 scenario	Intergovernmental Panel on Climate Change's representative concentration pathway 8.5 describes the development of concentrated greenhouse gas emissions in the atmosphere under the assumption that no further efforts to reduce emissions will be made. It portrays a worst-case emissions scenario.
Lenders	Those with whom Helia has a direct relationship, such as traditional lenders and funding programmes. Excludes mortgage managers and originators who generate loans though a funding program.
Level 2 and Level 2 Group	Level 2 insurance group as defined by APRA under Prudential Standard GPS 001, referring to a consolidated insurance group.
LIC	Liabilities for incurred claims - Insurer's obligation to pay amounts related to services provided.
LRC	Liabilities for remaining coverage - Insurer's obligation to provide insurance contract services after the reporting date and includes CSM.
LMI market	The market for LMI provided by external LMI providers but excluding the retention of risk by lenders and other forms of risk mitigation or risk transfer by lenders in relation to the credit risk of residential mortgage loans.
LMI provider	A provider of LMI.
Loan-to-value ratio (LVR)	This percentage is calculated by dividing the gross amount of a loan (excluding capitalisation of LMI premium) by the value of the property securing the loan. The value is based on the lower of the valuation of the underlying property accepted or externally obtained by the lender at origination or the price paid.
Mark-to-market	Unrealised gains/losses (exclusive of foreign exchange).
Net promoter score (NPS)	NPS refers to the likelihood the respondent will recommend Helia to others using a scale from 0–10 (where 0 is 'Not at all likely' and 10 is 'Extremely likely'). NPS is calculated by subtracting the percentage of Detractors (scores 0–6) from the percentage of Promoters (scores 9–10).
Net zero	A state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere.
NIW	New insurance written reflects the total loan amount that is insured in the relevant period. NIW for Helia reporting purposes excludes excess of loss business written.
NPAT or Statutory NPAT	Net profit/loss after tax.
Onerous contracts	If a group of contracts has exhausted its CSM (because movements in the value of future claims, expenses and risk adjustment exceeds the remaining CSM), that group becomes onerous and the shortfall (or reversal of any previous shortfall) is immediately recognised in the Income Statement.

Performance NPAT	Underlying NPAT excluding the after-tax impact of realised gains/(losses) on the shareholder funds.
Policies in-force (PIF)	Policies written and recorded by an insurance company which are unexpired at a given date.
Probable maximum loss (PML)	The largest cumulative loss due to a concentration of policies, determined by applying a formula specified by APRA for LMI with specific factors for probability of default and loss given default and other components.
Regulatory capital base	The sum of Tier 1 Capital and Tier 2 Capital.
Risk adjustment	The compensation an entity requires for bearing the uncertainty about the amount and timing of future cash flows arising from non-financial risk as the entity fulfils insurance contracts.
Risk adjustment recognition proportion	Risk adjustment recognised as revenue / average LRC risk adjustment balance, annualised.
ROE	Return on equity. Calculated by dividing NPAT by the average of the opening and closing equity balance for a financial period, annualised where required.
Scope 1 emissions	Emissions released to the atmosphere from operations that are owned or controlled by an organisation.
Scope 2 emissions	Emissions released to the atmosphere from the indirect consumption of an energy commodity by an organisation.
Scope 3 emissions	Indirect emissions other than scope 2 emissions that are generated in the value chain of an organisation.
Single-industry coal mining town	Definition applies when the proportion of SA2 population employed in the mining sector is >18% and the Australian Bureau of Statistic remoteness score >=2 (see ABS Remoteness Areas for further information).
Shareholder funds	The cash and investments and derivative assets in excess of the Technical funds.
Technical funds	The cash and investments and derivative assets held to support insurance contract liabilities.
Tier 2 capital	As defined by GPS 112, Tier 2 Capital comprises components of capital that fall short of the quality of Tier 1 Capital but nonetheless contribute to the overall strength of a regulated institution and its capacity to absorb losses.
Total shareholder return (TSR)	Calculated as the total return to shareholders (share price movement including value of dividends) over the performance period, expressed as a percentage of the starting share price.
Underlying diluted earnings per share	Underlying NPAT divided by the weighted average number of shares outstanding for the period, adjusted for the effects of all dilutive potential ordinary shares.
Underlying NPAT	NPAT excluding the after-tax impact of unrealised gains/(losses) on the shareholder funds, the impact of foreign exchange rates on Helia's investment portfolio and impairment of equity-accounted investees.
Underlying ROE	The underlying ROE is calculated by dividing Underlying NPAT by the average of the opening and closing equity balance for a financial period, annualised.
Women in management	The percentage of roles with direct managerial responsibility for an employee held by women.

Corporate directory

Registered office

Helia Group Limited

Level 26
101 Miller Street
North Sydney NSW 2060
Telephone: +61 1300 655 422
Website: helia.com.au

Company Secretary

Mr Brady Weissel, General Counsel and Company Secretary

Assistant Company Secretary

Mr Mark Stavert, Senior Corporate Counsel and Assistant Company Secretary

Share registry

MUFG Corporate Markets a division of MUFG Pension and Market Services

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Australian Securities Exchange

Helia Group Limited is listed under the ASX code "HLI"

Annual Report

To request a copy of the Annual Report, please contact the Share Registry

Electronic versions of the Annual Report are available at investor.helia.com.au

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