



## Update on CBA Supply and Service contract

**24 March 2025:** Helia Group Limited (Helia or the Company) (ASX:HLI) provides the following update in relation to its Supply and Service contract with the Commonwealth Bank of Australia (CBA).

In June 2024, CBA issued a Request for Proposal (RFP) relating to its external Lenders Mortgage Insurance (LMI) requirements. Helia has now been informed by CBA that as part of this process it has entered into exclusive negotiations with an alternative provider for the provision of LMI services to the CBA group. If those negotiations are successful Helia anticipates that Helia's current Supply and Service contract with CBA will not be renewed beyond the current expiry on 31 December 2025.

Ms Pauline Blight-Johnston, Chief Executive Officer and Managing Director of Helia, said "Together, CBA and Helia have helped hundreds of thousands of Australians to buy homes over the last 50 years. Given our longstanding and successful relationship with CBA, we are disappointed in this development. We would have welcomed the opportunity to continue our partnership.

"Helia presented CBA with a strong offer that balanced the strategic importance of its relationship with CBA with the need to maintain adequate returns on equity for our shareholders. We will continue to work closely with CBA to ensure that we are supporting both CBA and its borrowers by maintaining our high service standards through to December 2025 and beyond."

Helia will continue to generate Gross Written Premium (GWP) from CBA until the end of FY25 and will recognise revenue associated with inforce policies over the next 15 years, in accordance with the AASB 17 timing of insurance revenue recognition. Accordingly, the financial impact of ceasing to write new business from CBA from FY26 will emerge gradually over time. The LMI business underwritten under this contract represented approximately 44 per cent of GWP in FY24. Helia's previously issued guidance remains unchanged.

Helia maintains its commitment to deliver market-leading LMI services and continues to see attractive partnership opportunities with new and existing lender customers. Plans for Helia to adapt to the expected reduction in the level of future GWP will be progressively implemented, positioning Helia to continue to support Australia's home buyers and lenders into the future.

The absence of new business from CBA from FY26 will likely increase the level of organic capital generation and scope for further capital management activity. The Board's intention remains to return to and then operate within the Board target range of 1.40 – 1.60x PCA.

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

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The release of this announcement was authorised by the Board.