2022 Full Year Results
Investor Presentation

24 February 2023

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Helia Group Limited ABN 72 154 890 730 (**Helia**).

Agenda

Overview

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Pauline Blight-Johnston

Chief Executive Officer and Managing Director

FY22 highlights

Strong profitability

Underlying NPAT[1]
$288m

Statutory NPAT
$187m

Underwriting result
$362m

Strong earned premium and low claims

NEP
$428m

Net claims incurred[2]
($35m)

Investment running yield
4.3%

Strategic momentum

Investment in Household Capital

Two new exclusive contracts

GFI separation and rebranding completed

Capital strength & shareholder returns

Pro forma PCA coverage ratio 1.93x[3]

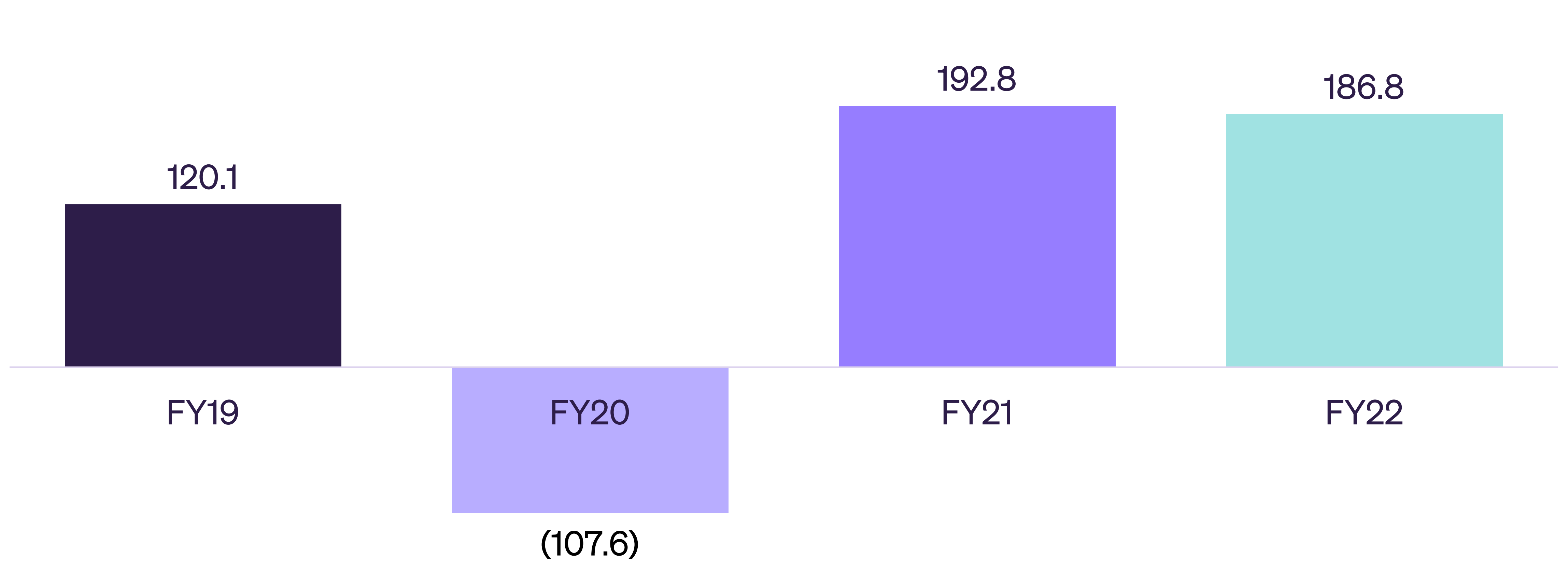
Total FY22 dividend 53cps fully franked

$181m buy-back completed

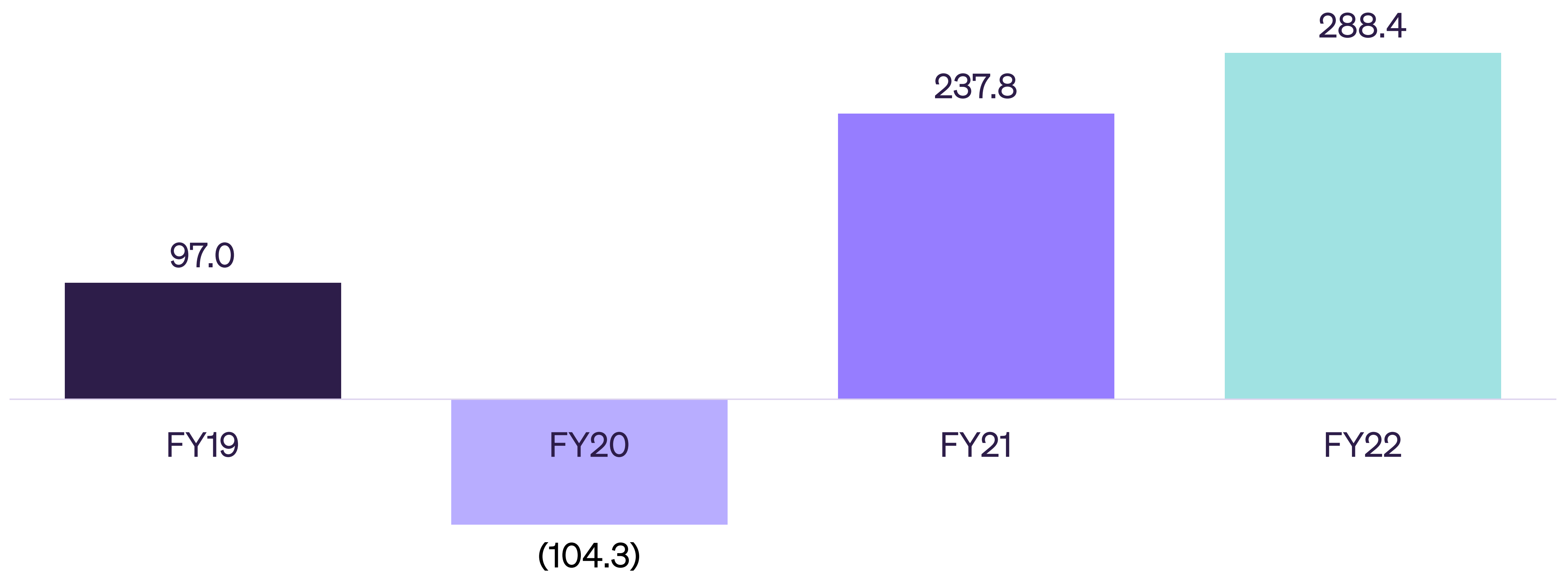
1. Underlying NPAT excludes after-tax impact of unrealised gains/(losses) on the investment portfolio, the impact of foreign exchange rates on Helia's investment portfolio (the bulk of these foreign exchange exposures are hedged) and the separation costs.
2. Net claims incurred for FY22 were negative, driven by a release of reserves.
3. Pro forma assuming completion of announced capital management actions (on a level 2 basis).

Key performance measures

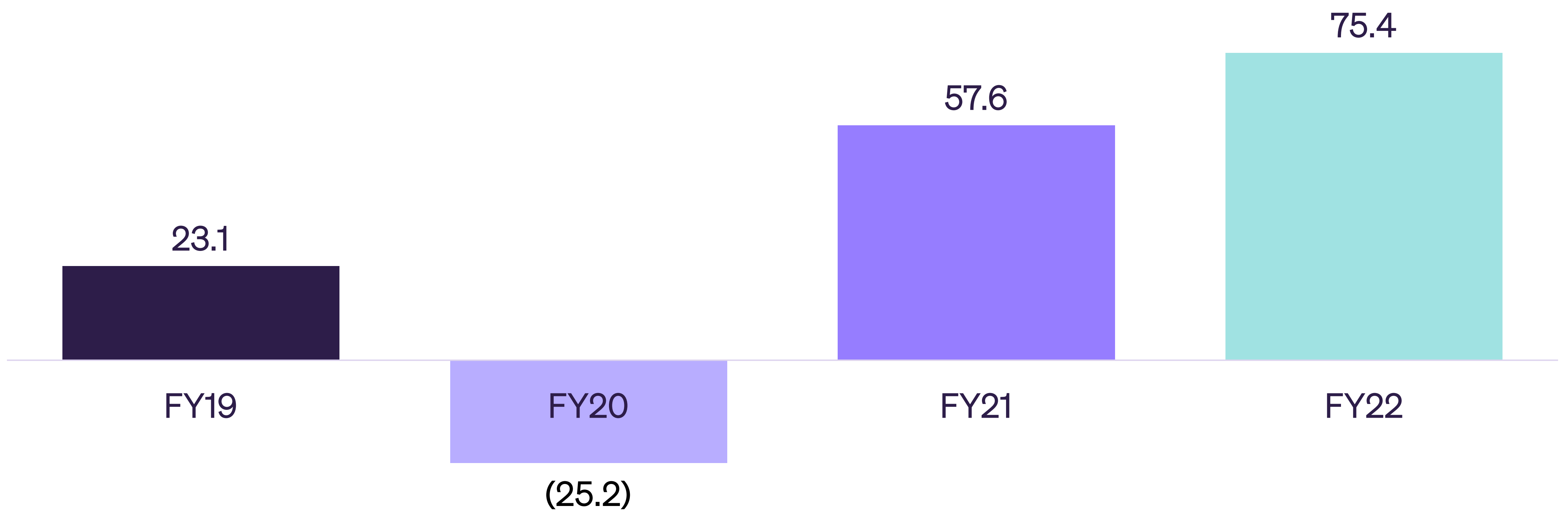
Statutory NPAT ($ millions)



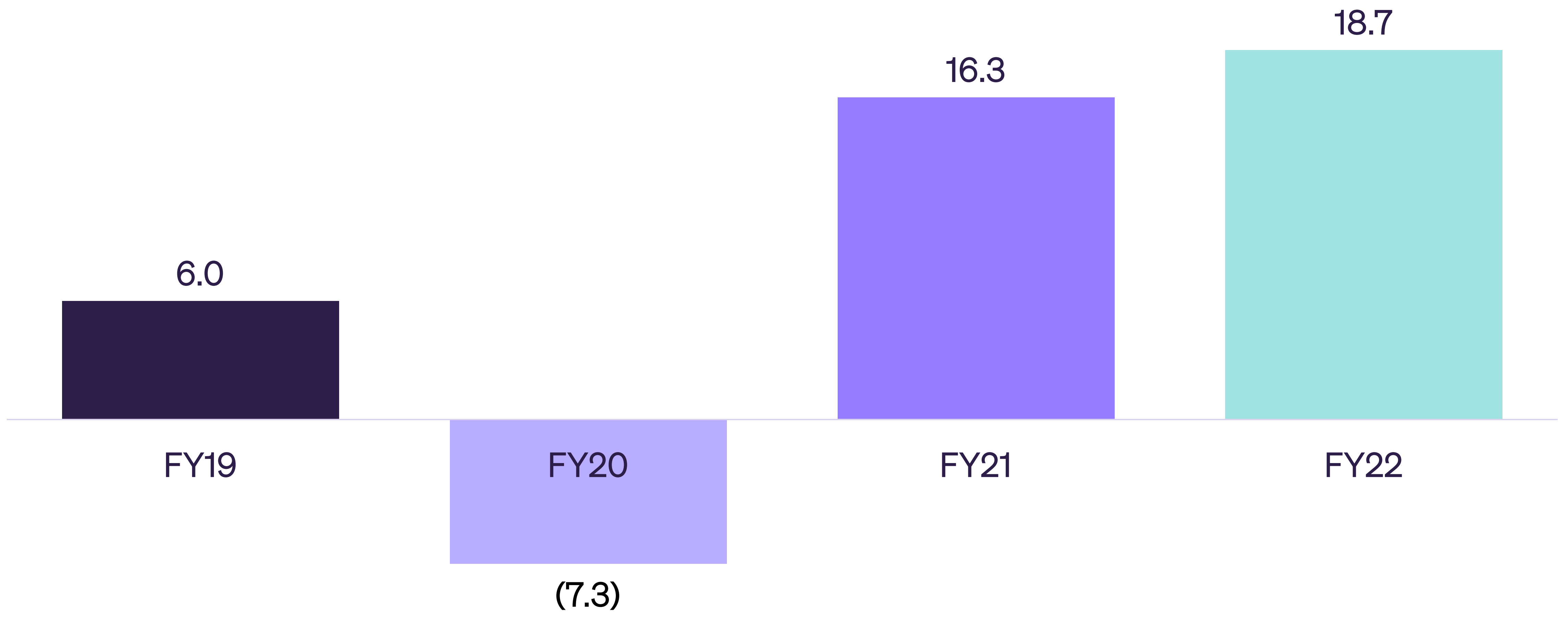
Underlying NPAT ($ millions)



Underlying diluted EPS (cps)

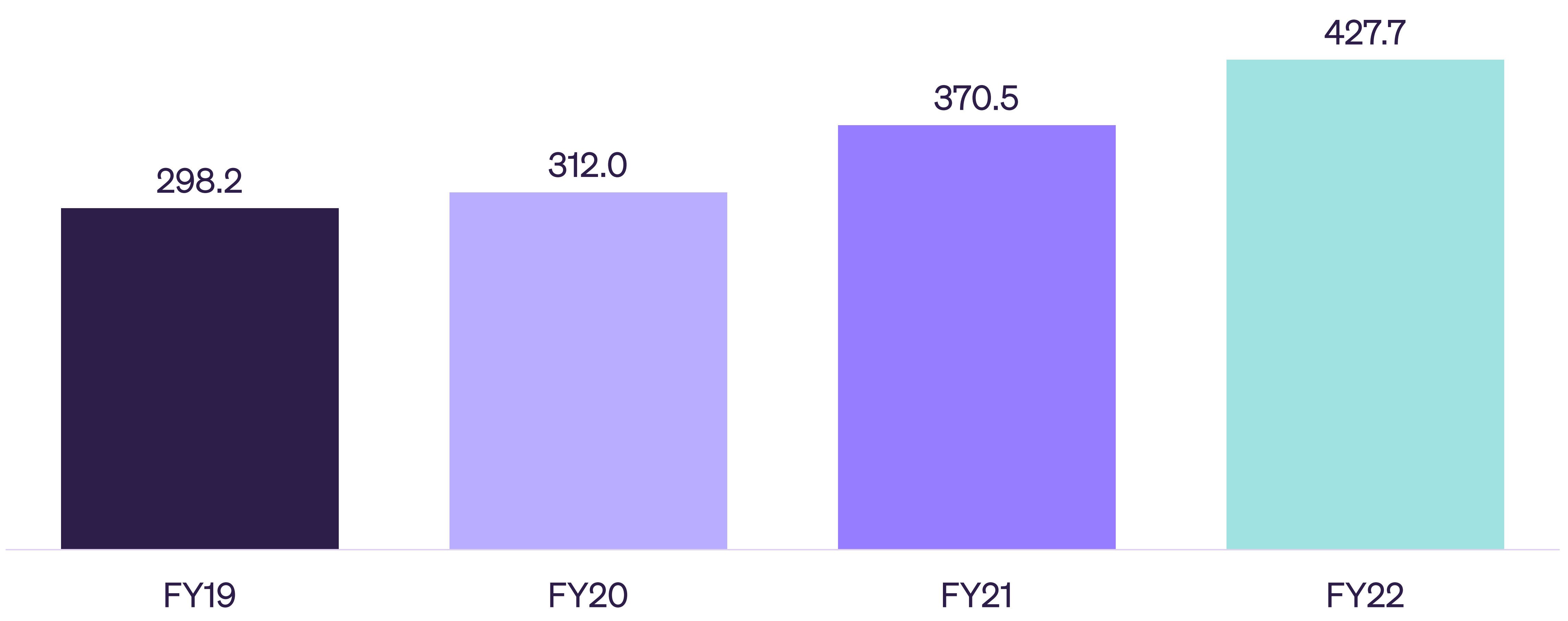


Underlying ROE (%)

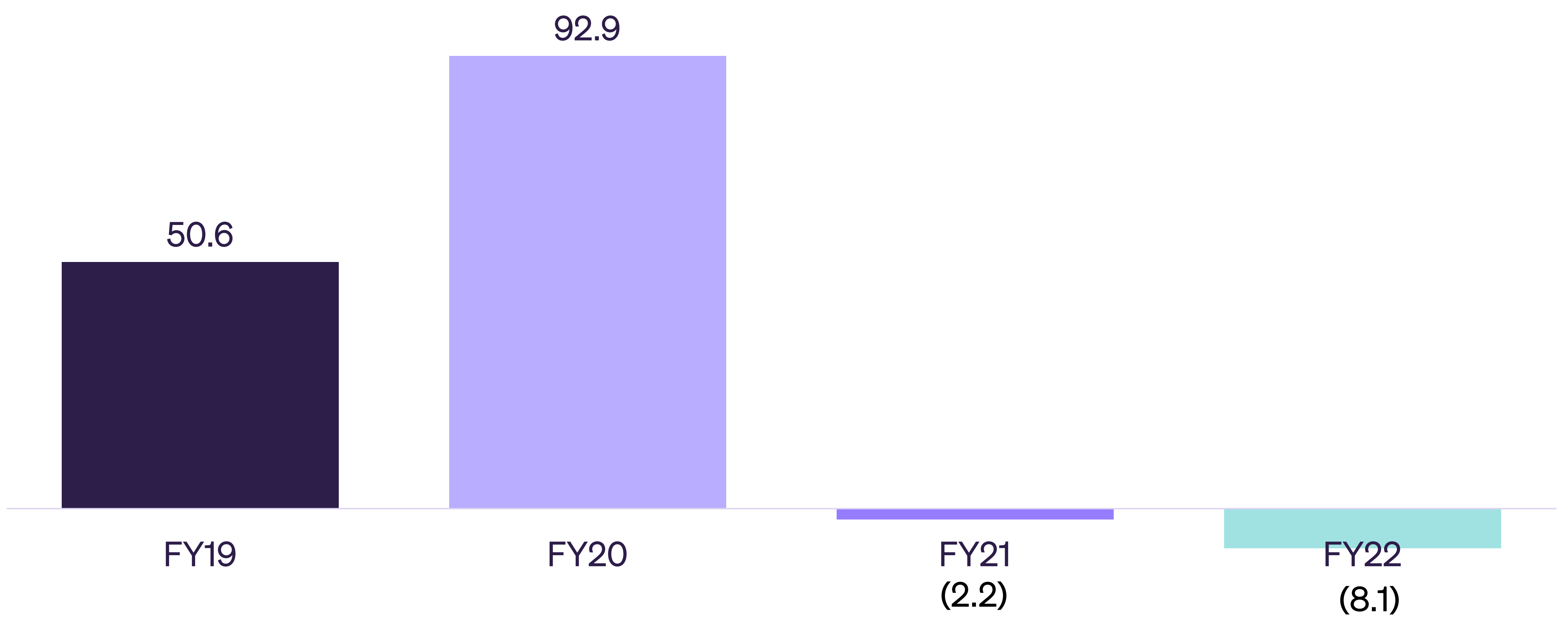


Key performance measures

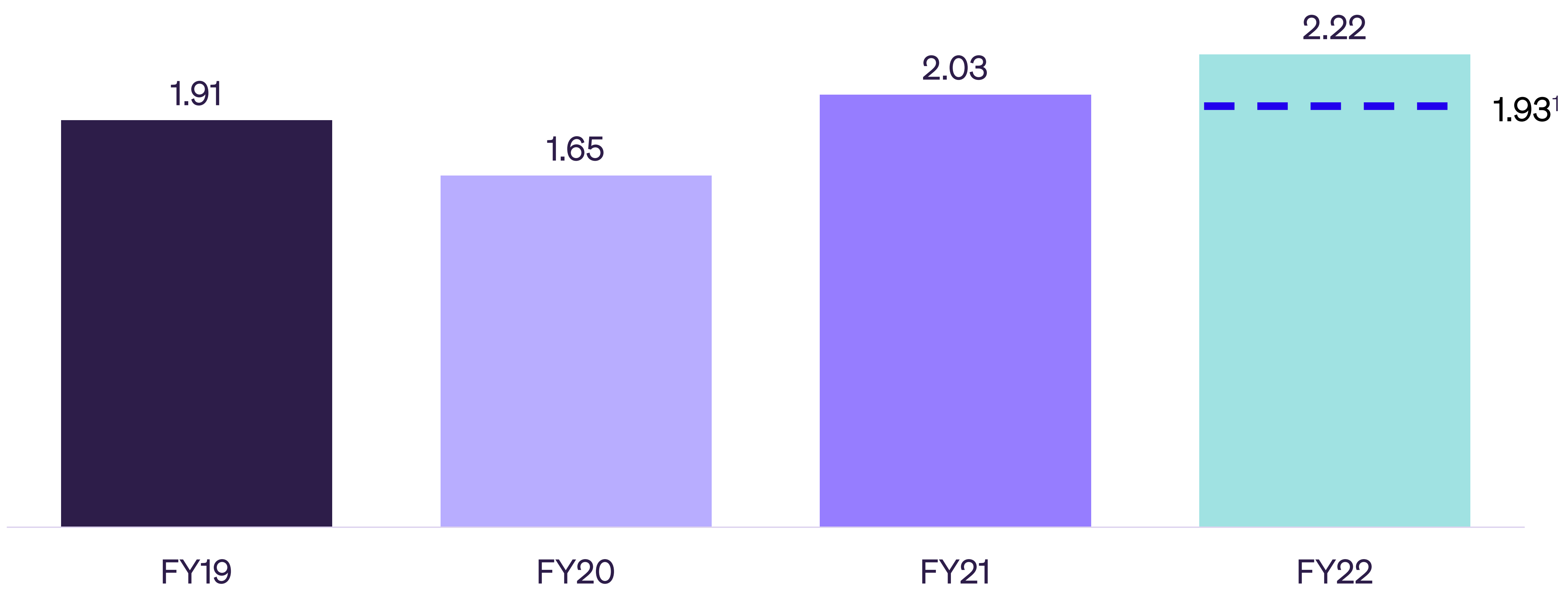
Net earned premium ($ millions)



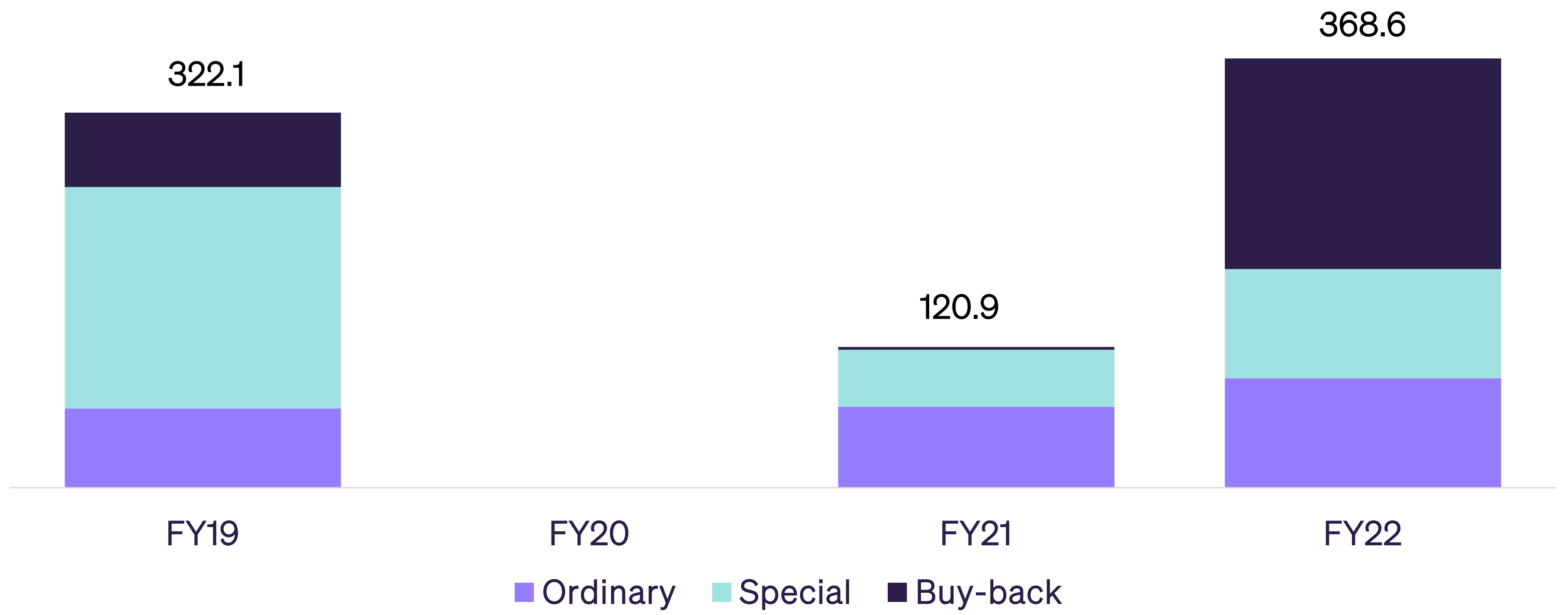
Loss ratio (%)



PCA coverage ratio (x)



Capital management ($ millions)



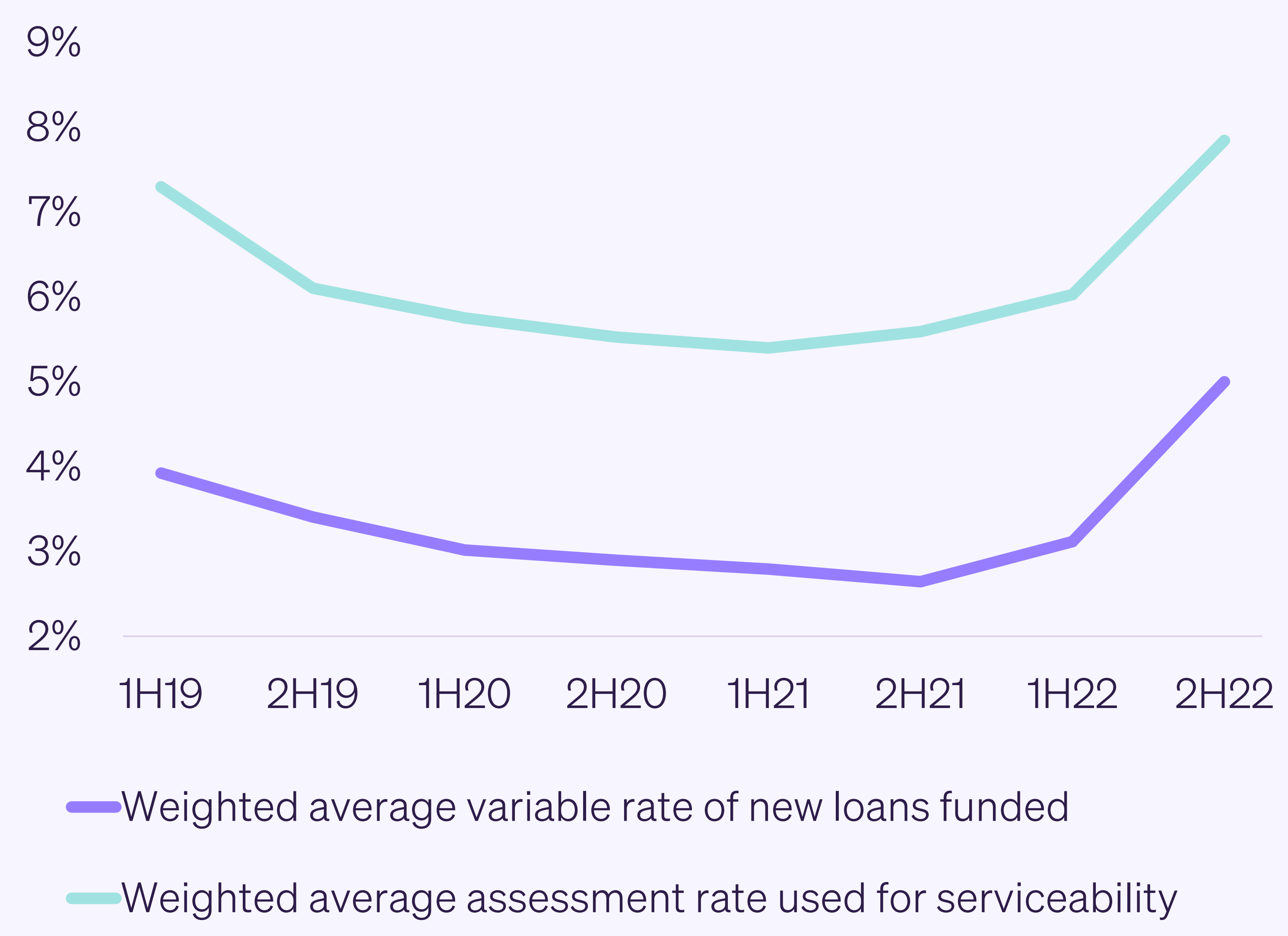
Note: dividends declared in respect of the relevant period and buy-backs executed in the relevant period.

1. Pro forma PCA coverage ratio.

Economic environment changing

Interest rates rising

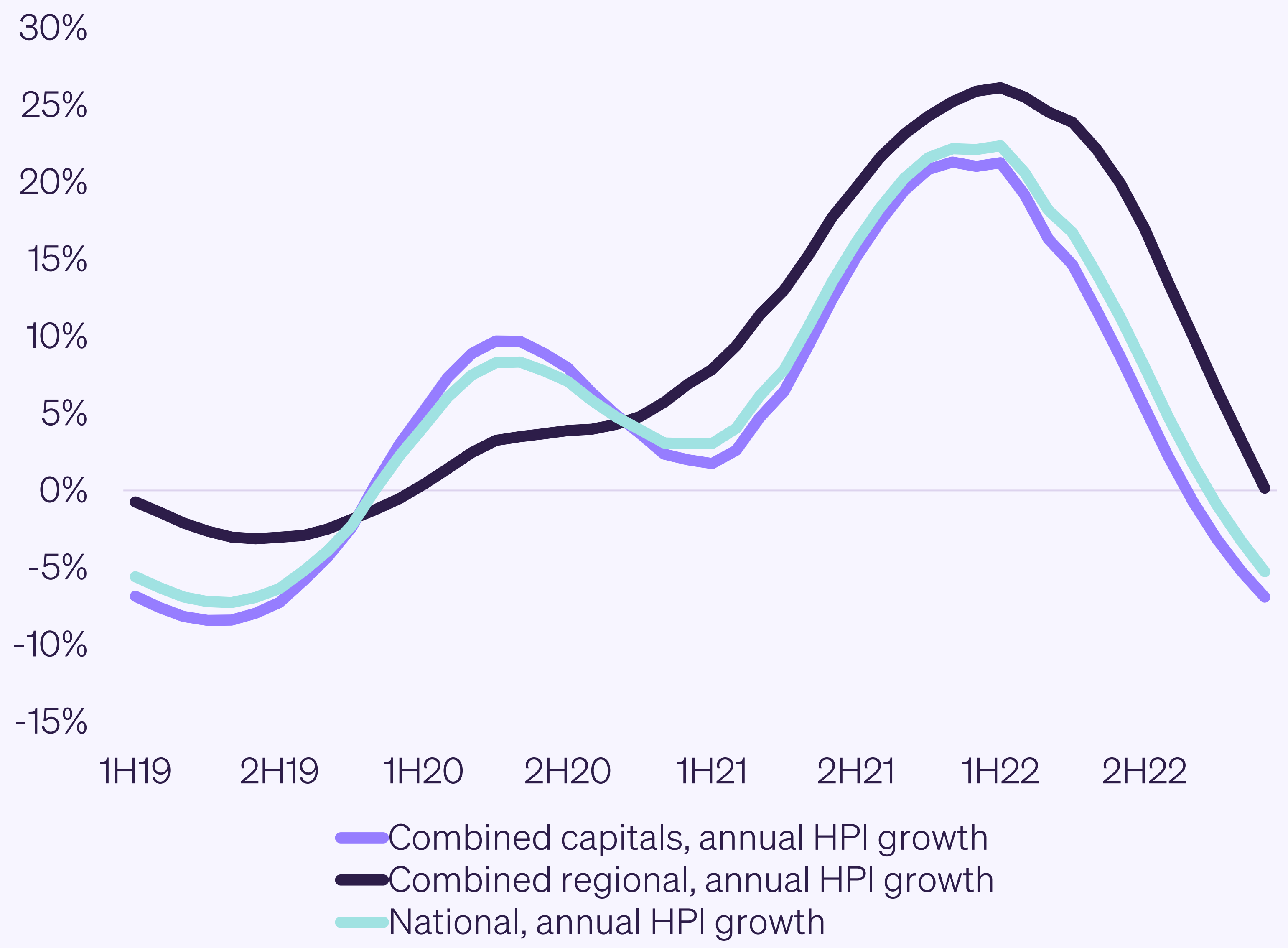
Average variable rates approaching previous serviceability assessment floors



Source: APRA, RBA.

Dwelling values declining

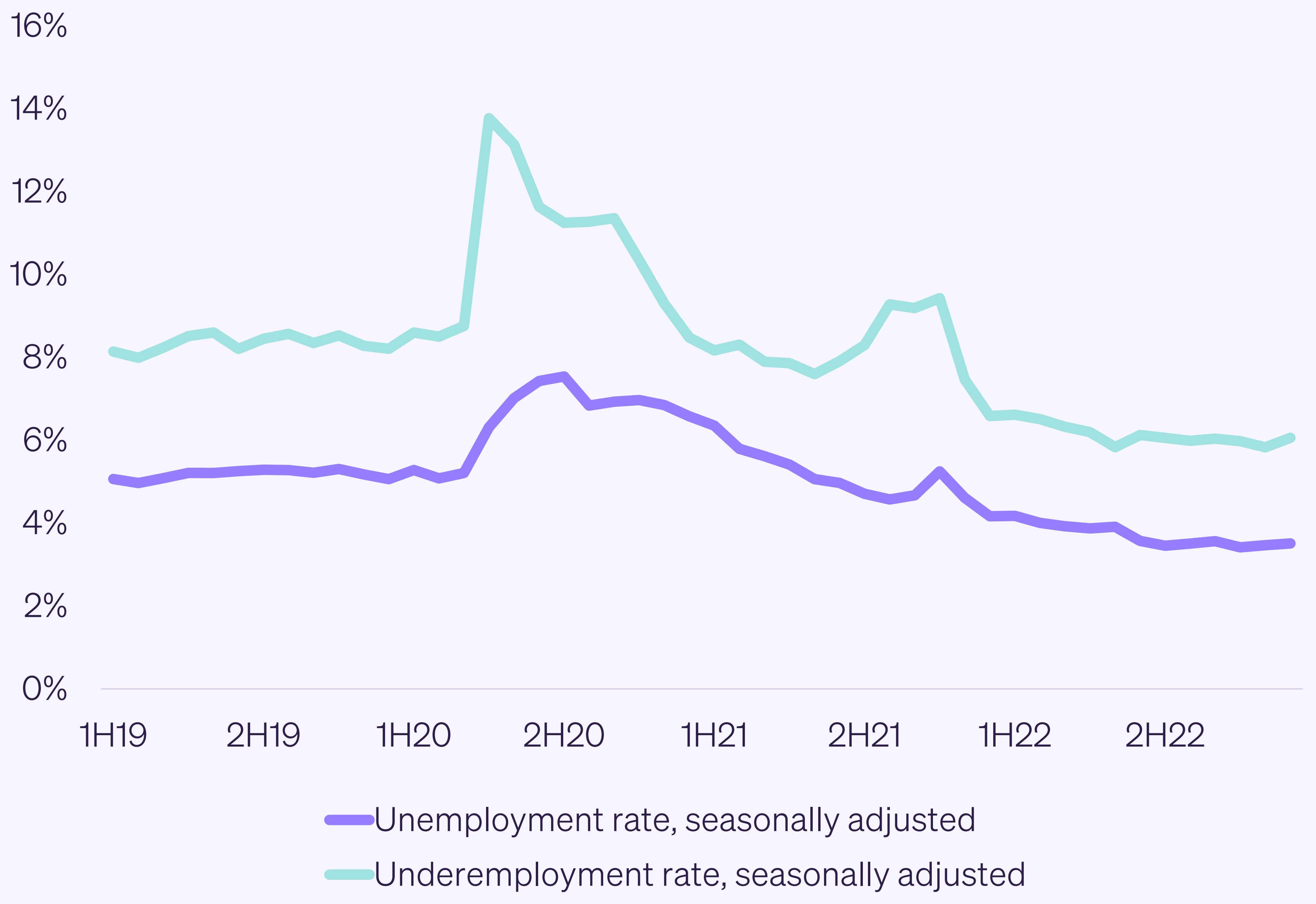
2022 National Home Dwelling values down 5.3% with combined capitals and regionals -8.6% and -6.6% from respective peaks



Source: CoreLogic's Hedonic Home Value Index as at Dec 22.

Labor force resilient

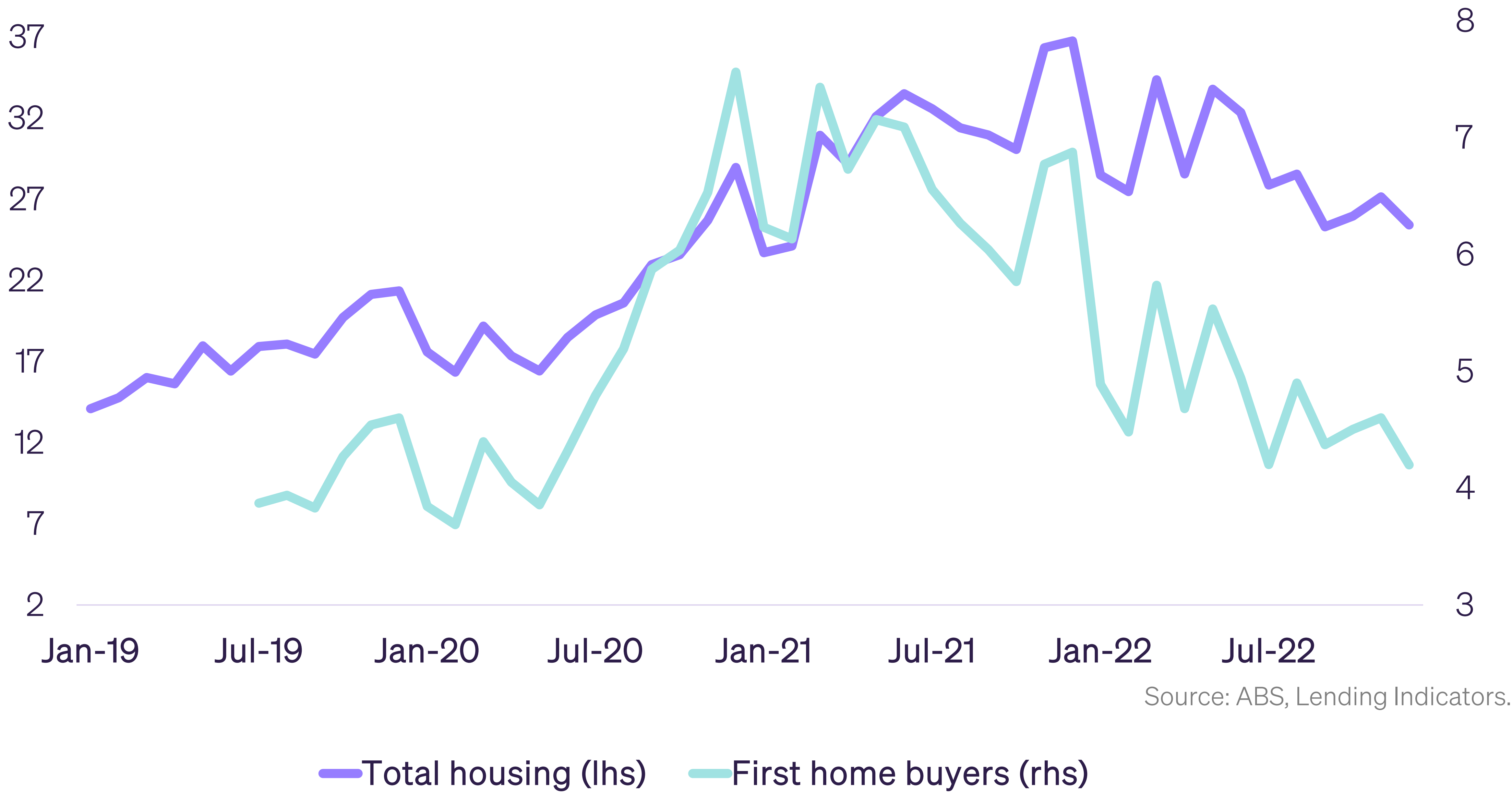
3.5% unemployment rate as at 31 December 2022, lowest since August 1974 and annual wage growth increased to 3.3%



Source: ABS. Labour Force Australia seasonally adjusted estimates for Dec 2022 and ABS Wage Price Index as at Dec 2022.

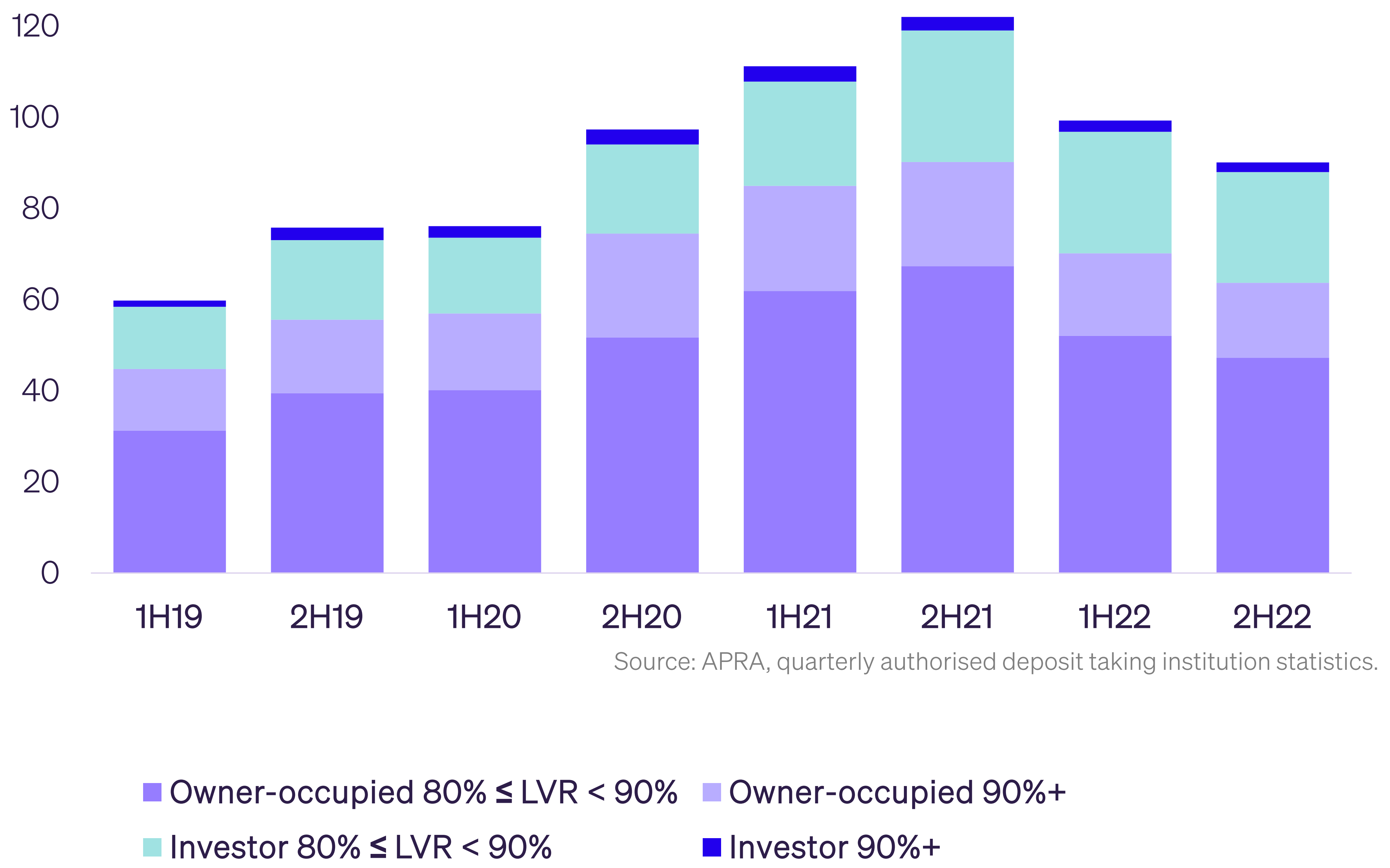
Residential mortgage market growth has slowed

Industry new housing loan commitments ($ billions)[1]



Source: ABS, Lending Indicators.

HLVR ADI new housing loans funded ($ billions)[2]



Source: APRA, quarterly authorised deposit taking institution statistics.

FY22 commentary:

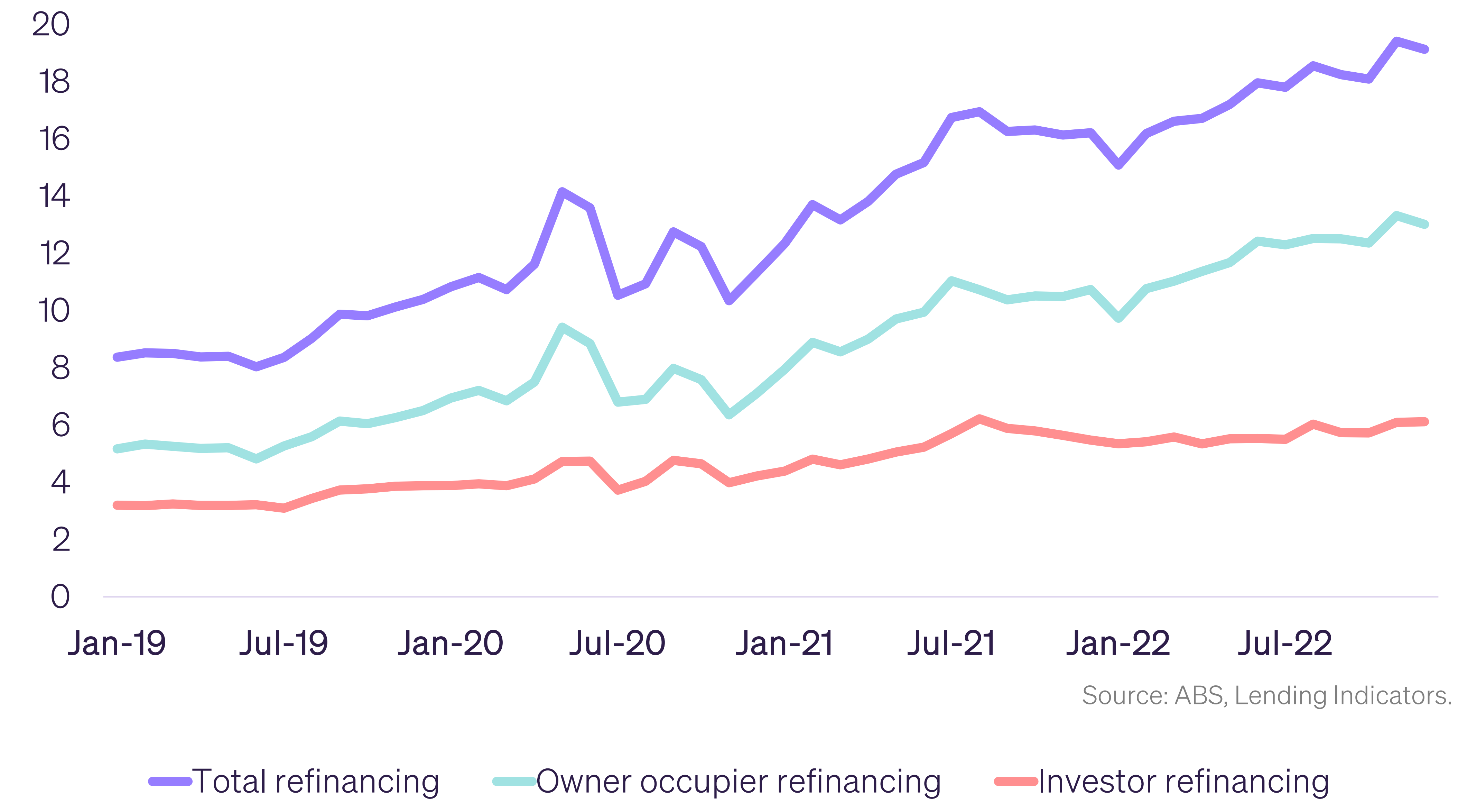
- New residential loan commitments were down 7.1% in FY22 and down 19.1% in 2H22 compared to pcp
- First home buyers reduced participation in mid 2021 as house prices increased
- Above 80% LVR new housing loans were down 18.8% in FY22 and down 26.2% in 2H22 compared to pcp

Helia

1. Monthly; excluding refinancing.
2. September quarter data actual; December quarter estimated

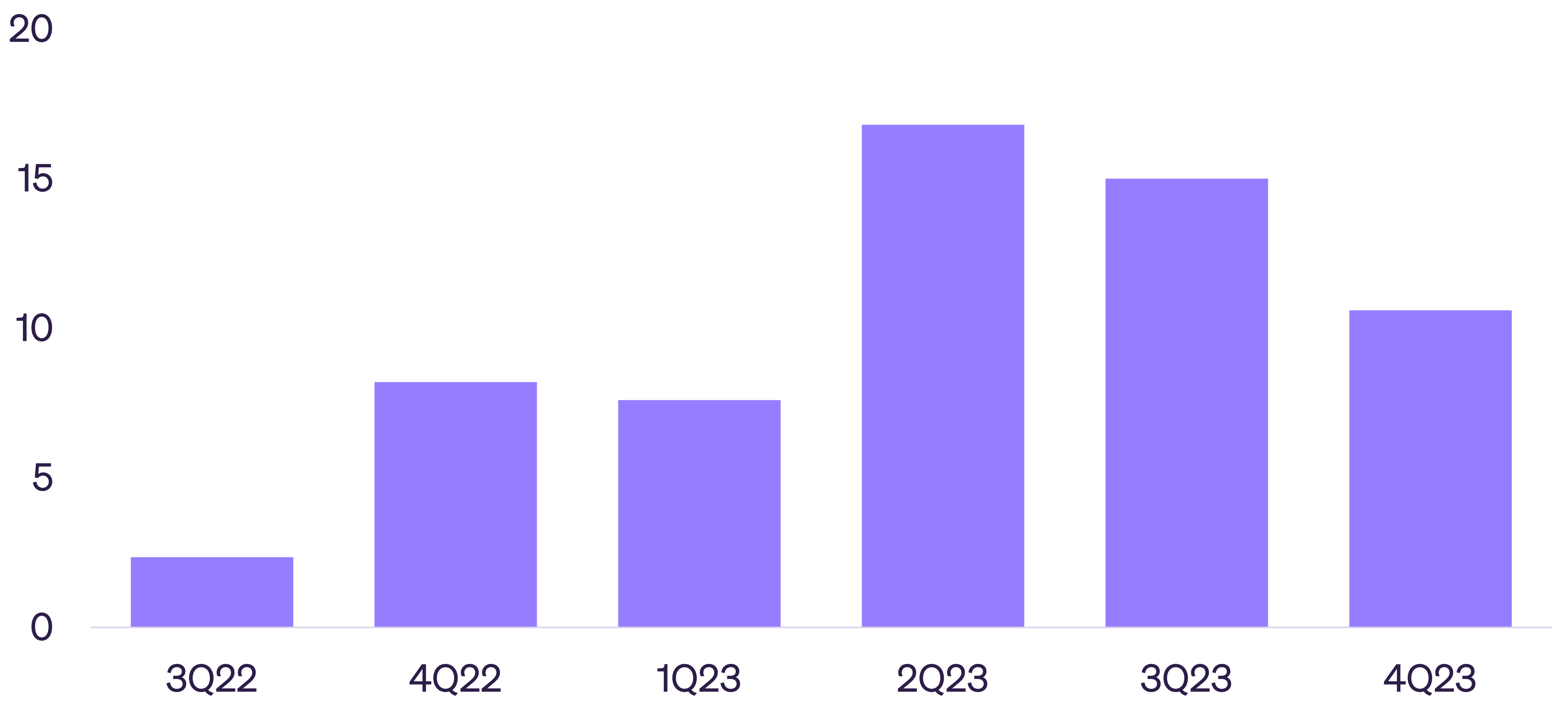
Mortgage refinancing driving higher NEP due to cancellations

External refinancing, seasonally adjusted ($ billions)



Source: ABS, Lending Indicators.

Projected expiration of fixed-rate loans (%)



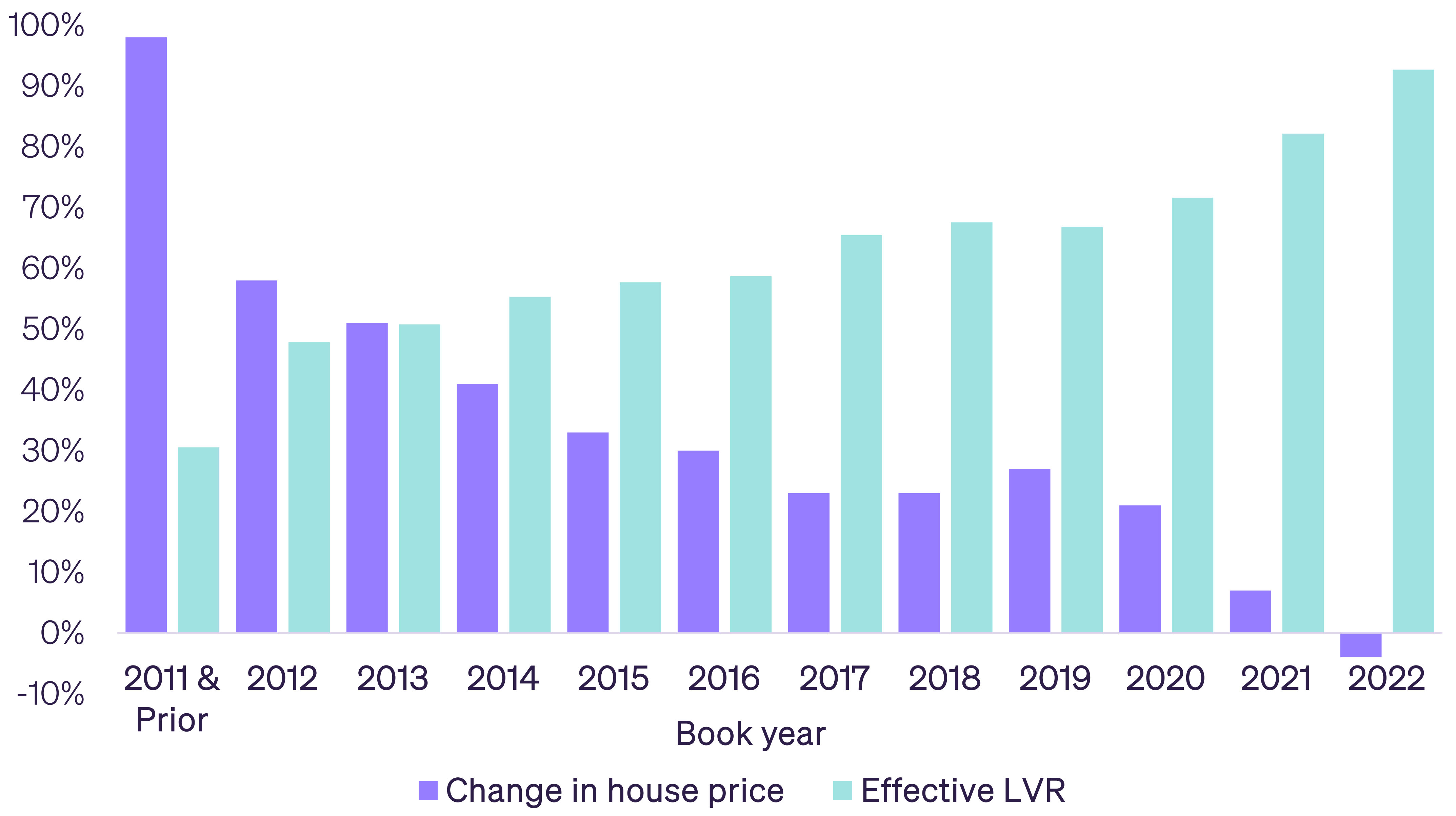
Source: RBA, Financial Stability Review August 2022.

FY22 commentary:

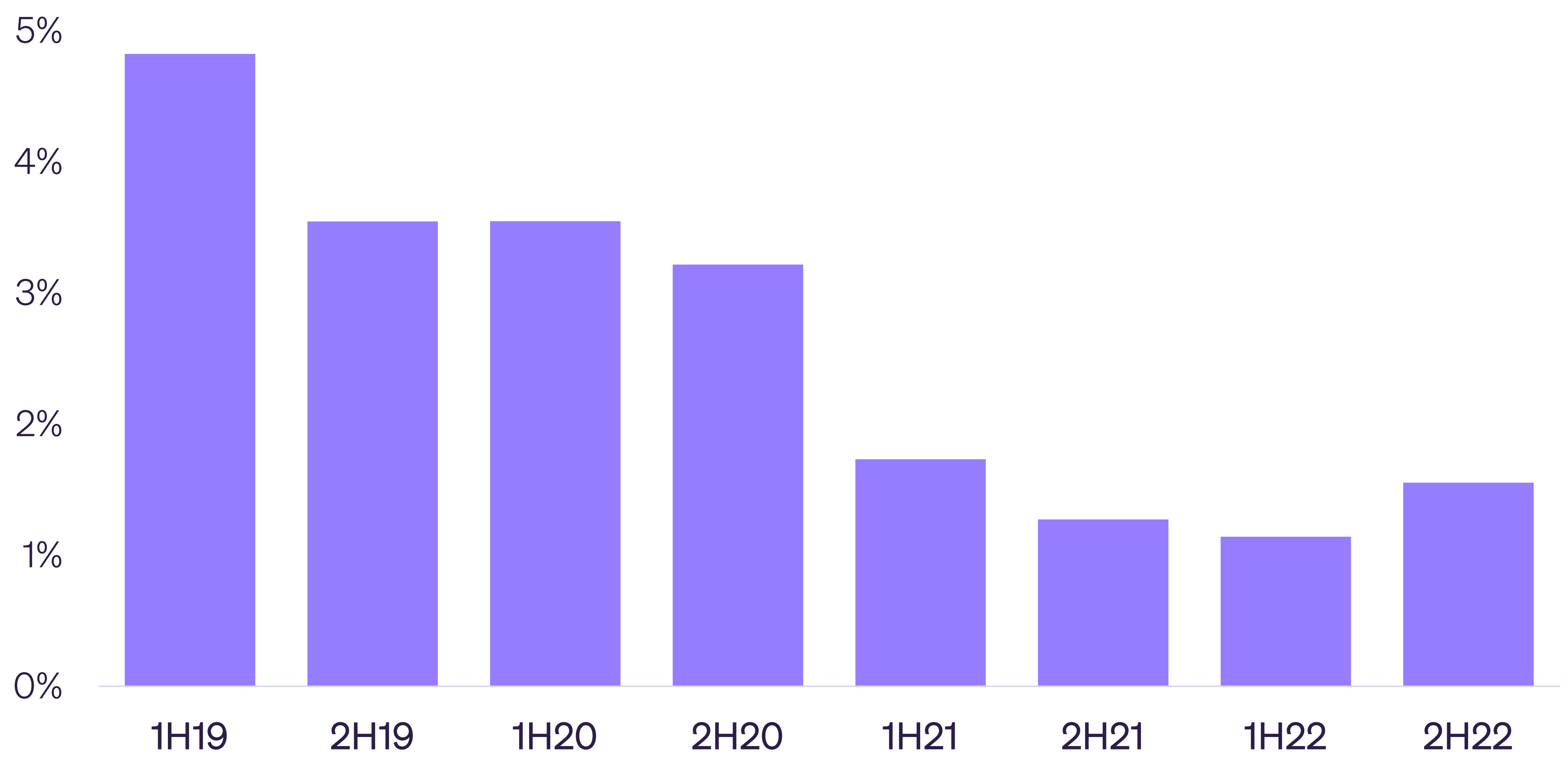
- Cancellations a positive for LMI profitability – short term Income Statement and ultimate economics
- 2022 industry refinancing up 16.2% on 2021 levels and 50.5% on 2020 levels
- Changing interest rates, expiry of fixed rate loans and effective LVRs are the key drivers of industry refinancing levels

Despite recent falls in dwelling values, portfolio LVRs remain good

Effective LVR by book year[1]



% policies in negative equity[2]



FY22 commentary:

- 2021 and prior book years continue to have positive cumulative change in house price
- 2022 book year is 7% of the in-force portfolio and has 4% HPD with average effective LVR of ~93%
- Share of portfolio in negative equity bottomed in 1H22 and remains historically low at 1.6%

1. Excludes inward reinsurance, excess of loss insurance, NZ and Helia Indemnity Limited. Calculated on an estimated house price adjusted effective LVR, using the CoreLogic Hedonic Home Price Index and assumes 30-year principal and interest amortising loan, with the mortgage rate remaining unchanged through the period. Effective LVR is not adjusted for prepayments, redraws or non-amortising residential mortgage loans insured. Original LVR excludes capitalised premium.
2. Calculated on an estimated house price adjusted effective LVR, using the CoreLogic Hedonic Home Price Index and assumes 30-year principal and interest amortising loan, with the mortgage rate remaining unchanged through the period. Effective LVR is not adjusted for prepayments, redraws or non-amortising residential mortgage loans insured.

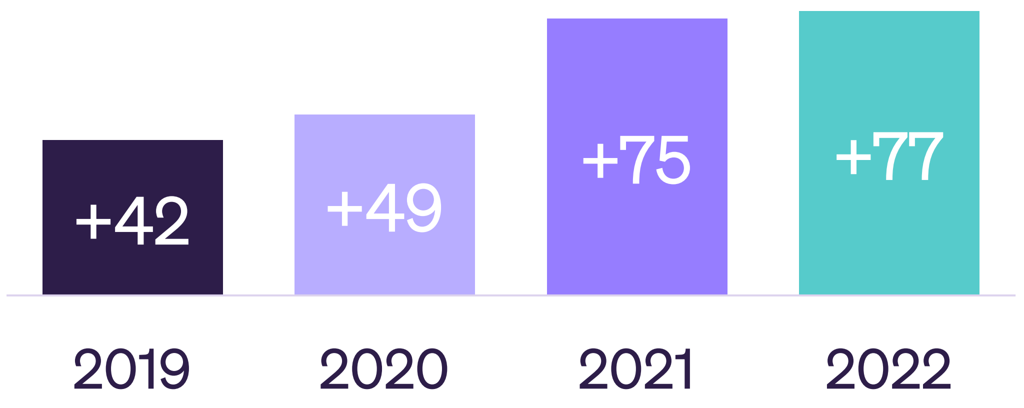
Positive strategic momentum

Enhance

Top 10 Home Lenders[1]		
1.	CBA	Helia
2.	WBC	Peer 2
3.	NAB	Peer 1
4.	ANZ	Captive
5.	MQG	Captive
6.	BOQ	Helia[2]
7.	BEN	Helia[2]
8.	ING	Helia
9.	SUN	Peer 1
10.	HSBC	Peer 1

Customer wins and renewals by GWP

Net promoter score (NPS)[3]



Evolve

New offerings
- Monthly premium
- Family assistance
- SMSF

IT & Infrastructure

Lender interface
- APIs
- Onboarding

IT architecture
- GFI separation
- Underwriting system
- Loss management system

Extend

tic:toc

Tic:Toc: 3.0% shareholding

OSQO

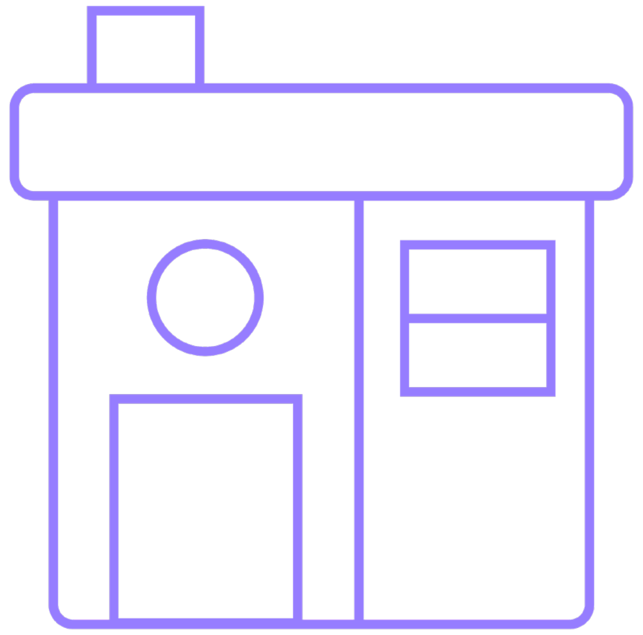
OSQO: 25.1% shareholding

Household Capital

Household Capital: 26.2% shareholding

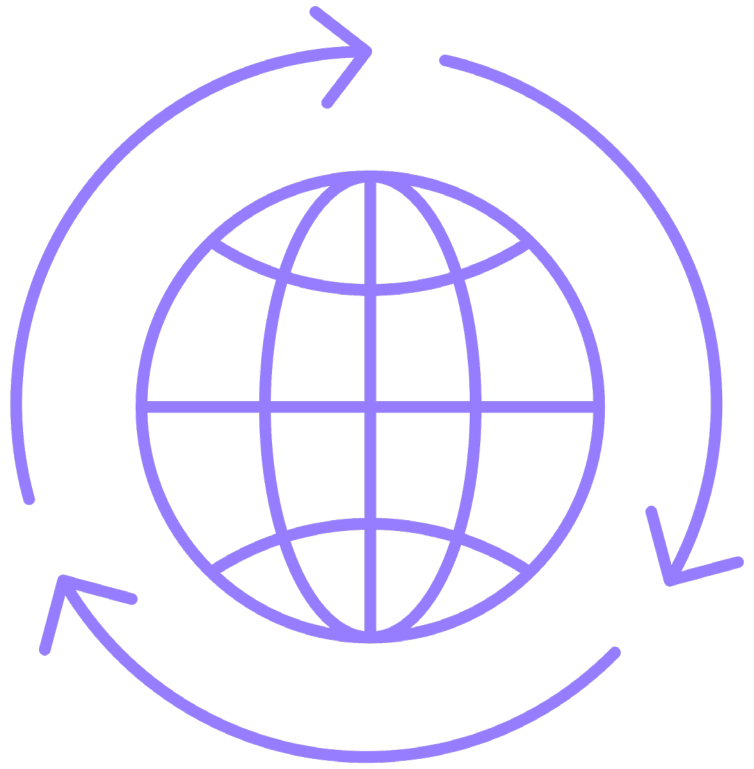
1. APRA, quarterly authorised deposit taking institution statistics as at Dec 2022.
2. New exclusive customers.
3. Annual customer survey, Nov 2022.

Our approach to sustainability



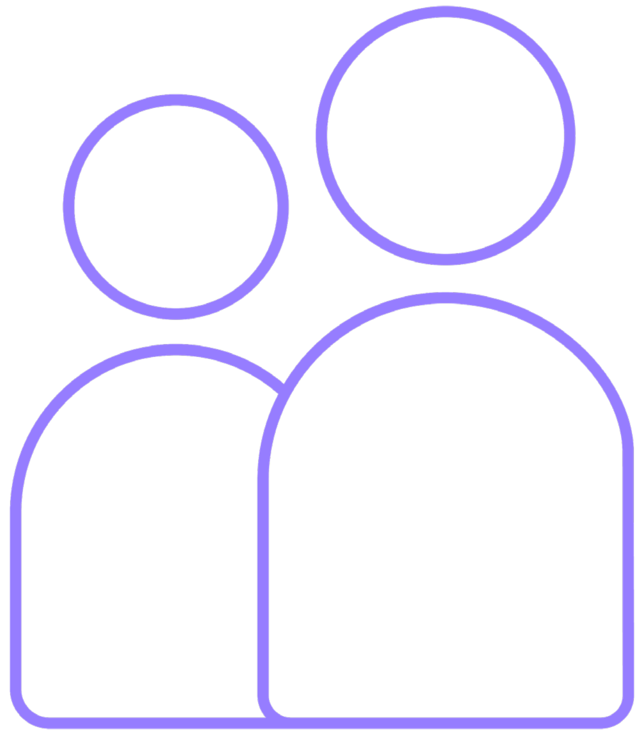
Driving Financial Wellbeing & Housing Accessibility

- Helping to elevate the level of home ownership
- Providing home buyer and broker education
- Supporting our most vulnerable customers and communities



Enhancing Climate Resilience

- Understanding and responding to climate risk
- Sharing our physical climate risk insights with customers
- Minimising our environmental impact



Demonstrating Good Corporate Citizenship

- Integrating ESG considerations into our investment approach
- Advocating for more access to affordable and resilient housing
- Championing diversity and inclusivity

Ongoing capital management

FY22

- Completed $181m on-market share buy-back (15.6% of shares on issue)
- Total FY22 ordinary and special dividends of 53.cps fully franked
- Pro forma PCA coverage ratio of 1.93x, above board targeted range of 1.4 – 1.6x

FY23

- New $100m on-market share buy-back commencing March 2023
- Sustainable annual ordinary dividend of 26cps with some scope for growth over time
- PCA coverage ratio currently expected to return to target range by the end of 2024[1]

1. Following the payment of declared dividends.

FY22 Financial results

Michael Cant

Chief Financial Officer

2

FY22 Income Statement

Income Statement

($ millions)	1H21	2H21	FY21	1H22	2H22	FY22	FY21 v FY22 (%)
Gross written premium	289.7	259.9	549.6	188.6	131.3	319.9	(41.8%)
Movement in unearned premium	(84.6)	(26.0)	(110.6)	59.7	108.6	168.3	N.M.[1]
Gross earned premium	**205.1**	**233.9**	**439.0**	**248.3**	**240.0**	**488.3**	**11.2%**
Outwards reinsurance expense	(34.2)	(34.2)	(68.5)	(31.8)	(28.8)	(60.6)	11.5%
Net earned premium	**170.9**	**199.6**	**370.5**	**216.5**	**211.2**	**427.7**	**15.4%**
Net claims (incurred)/ written back	(49.3)	57.6	8.3	3.0	31.7	34.7	N.M.
Acquisition costs	(3.5)	(7.3)	(10.8)	(10.9)	(13.9)	(24.8)	N.M.
Other underwriting expenses[2]	(29.5)	(34.3)	(63.8)	(33.4)	(37.3)	(70.7)	(10.8%)
Separation costs	(0.8)	(7.6)	(8.4)	(2.7)	(2.1)	(4.8)	42.9%
Underwriting result	**87.7**	**208.0**	**295.8**	**172.5**	**189.6**	**362.1**	**22.4%**
Investment income on technical funds[3]	(16.2)	(17.8)	(34.0)	(93.0)	8.4	(84.6)	N.M.
Insurance profit	**71.5**	**190.2**	**261.8**	**79.5**	**198.0**	**277.5**	**6.0%**
Net investment income on shareholder funds[3]	17.3	6.2	23.4	(49.2)	49.3	0.1	(99.6%)
Share of profit/(loss) of equity-accounted investees, net of tax	-	-	-	-	(1.1)	(1.1)	N.M.
Financing costs	(5.1)	(5.2)	(10.3)	(5.1)	(7.3)	(12.4)	(20.4%)
Profit before income tax	**83.7**	**191.3**	**274.9**	**25.2**	**238.8**	**264.0**	**(4.0%)**
Income tax expense	(24.3)	(57.8)	(82.1)	(6.3)	(71.0)	(77.3)	5.8%
Statutory net profit after tax	**59.4**	**133.5**	**192.8**	**18.9**	**167.9**	**186.8**	**(3.1%)**
Underlying net profit after tax[4]	**76.4**	**161.4**	**237.8**	**134.3**	**154.1**	**288.4**	**21.3%**
Underlying diluted earnings per share	18.5 cps	39.1 cps	57.6 cps	33.6 cps	42.1 cps	75.4 cps	30.8%

FY22 commentary:

- Very strong underlying NPAT, with statutory NPAT impacted by negative full year investment income
- GWP fall reflects lower industry high LVR loans
- NEP rise due to higher GWP in 2020 and 2021 book years and high cancellations
- Other underwriting expenses increased due to IT investment, New Ventures and AASB 17 implementation
- Net claims incurred negative due to reserve releases from low delinquency levels
- FY22 investment losses due to 1H22 but 2H22 investment income benefitted from higher running yields

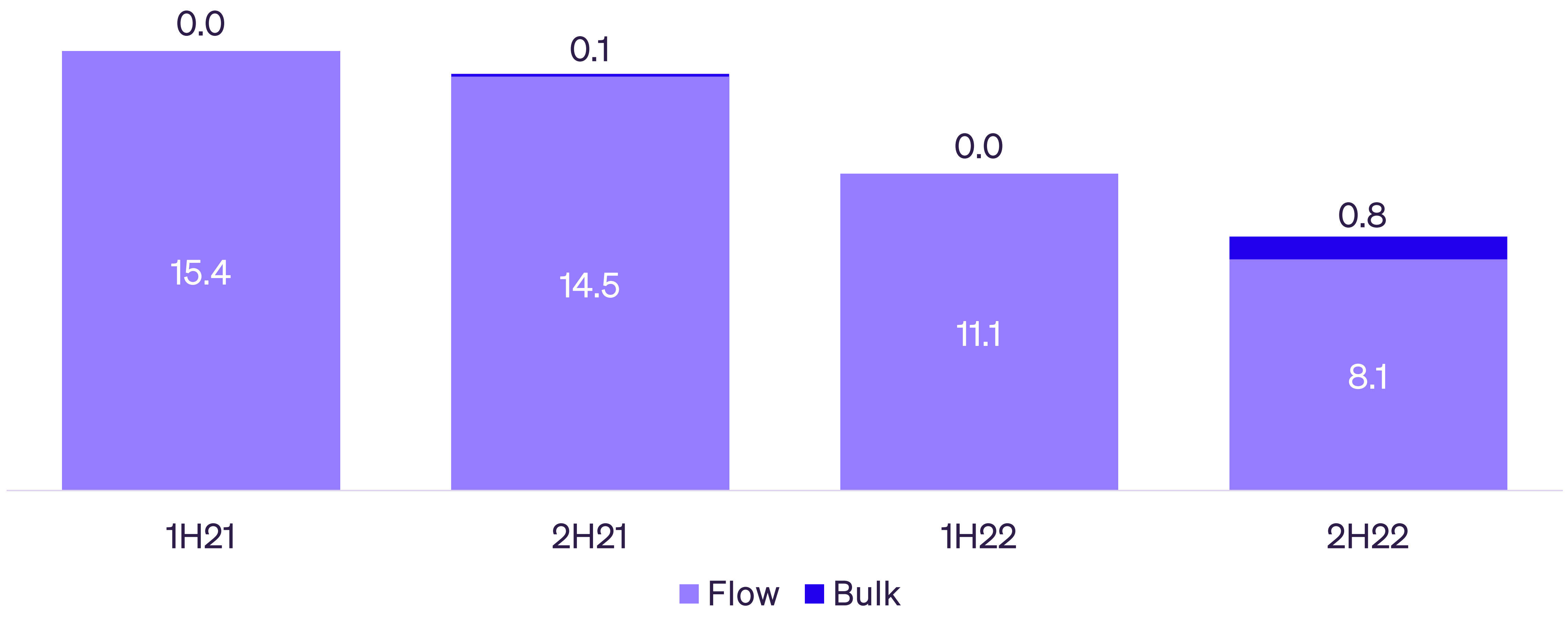
Note: Totals may not sum due to rounding.
1. N.M. Not Meaningful (increases or decreases greater than 100%).
2. Net of ceding commissions.
3. Investment income on technical funds and shareholder funds include the before-tax effect of realised and unrealised gains/(losses) on the investment portfolio.
4. Underlying NPAT excludes after-tax impact of unrealised gains/(losses) on the investment portfolio, the impact of foreign exchange rates on Helia's investment portfolio (the bulk of these foreign exchange exposures are hedged) and the separation costs.

GWP down reflecting industry, but NEP up due to cancellations

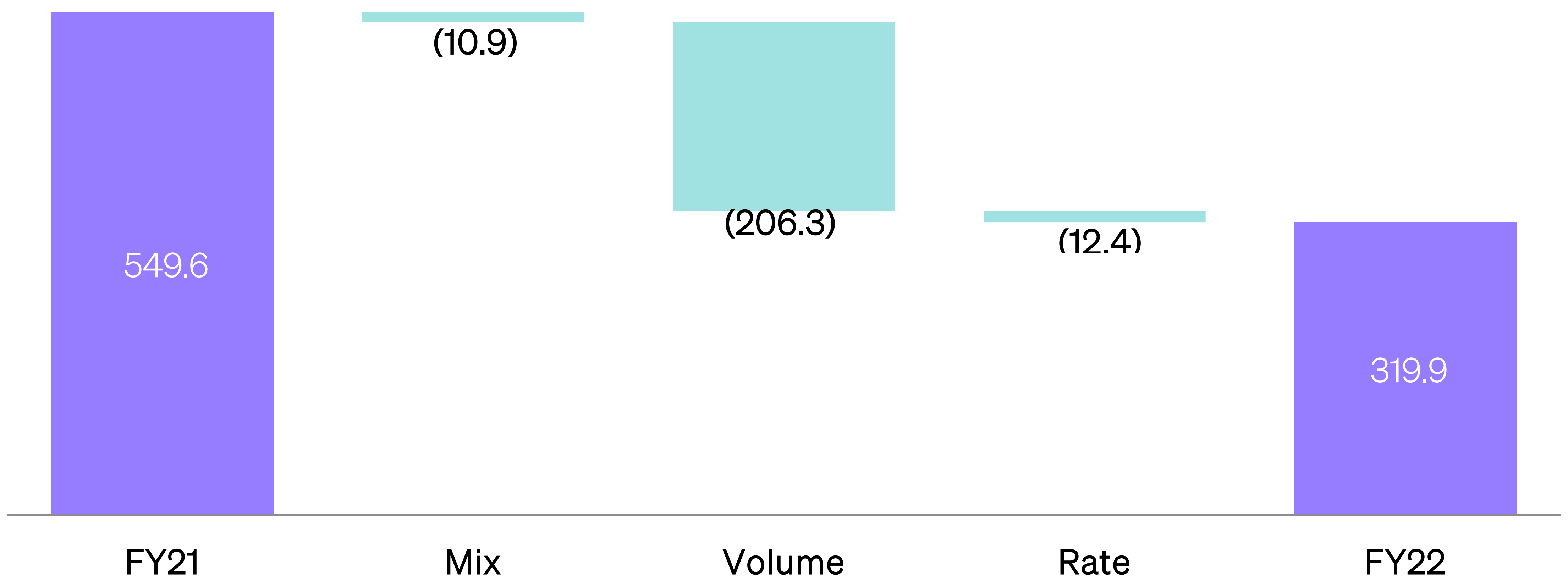
FY22 commentary:

- NIW fell as new industry loan commitments fell, a lower proportion of >80% LVR loans were written, and impact of expanded Federal Government First Home Guarantee Scheme
- GWP fall reflects the volume and mix impact from NIW and lower rates on some customer renewals
- NEP benefited from previous book year GWP and high levels of policy cancellations

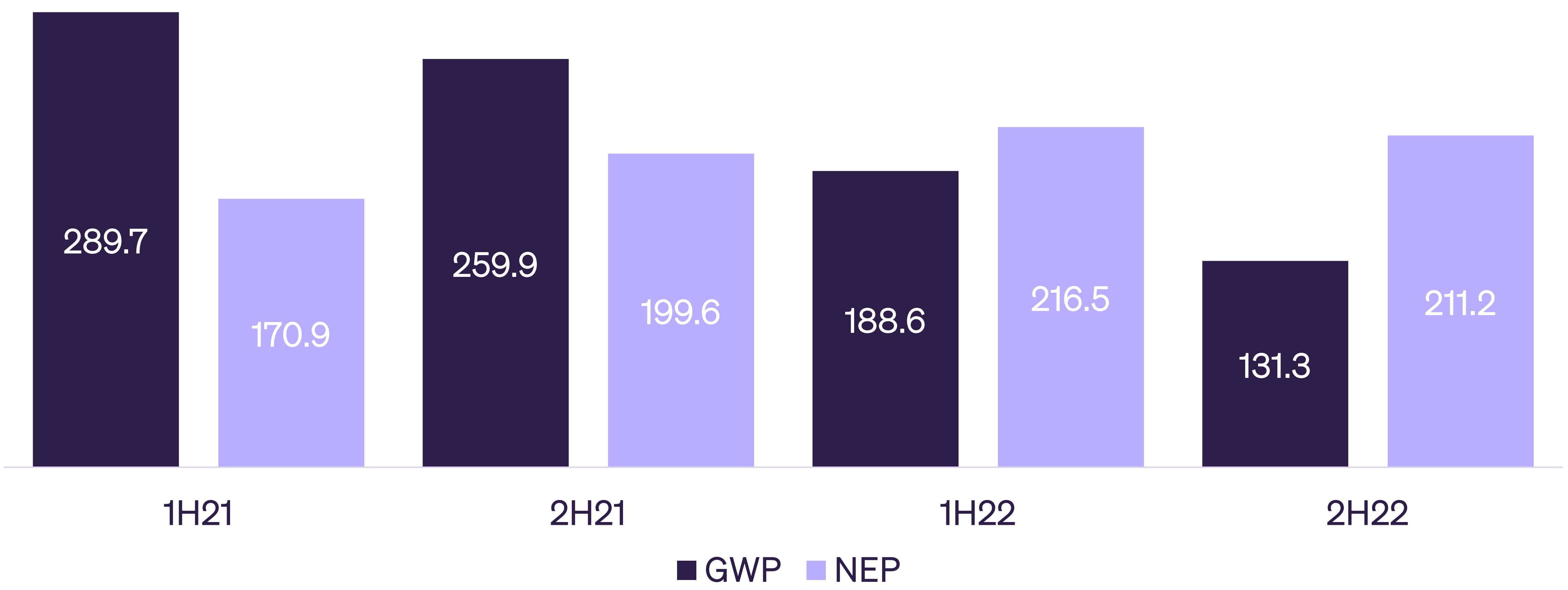
New Insurance Written ($ billions)



Gross Written Premium ($ millions)



Gross Written Premium and Net Earned Premium ($ millions)

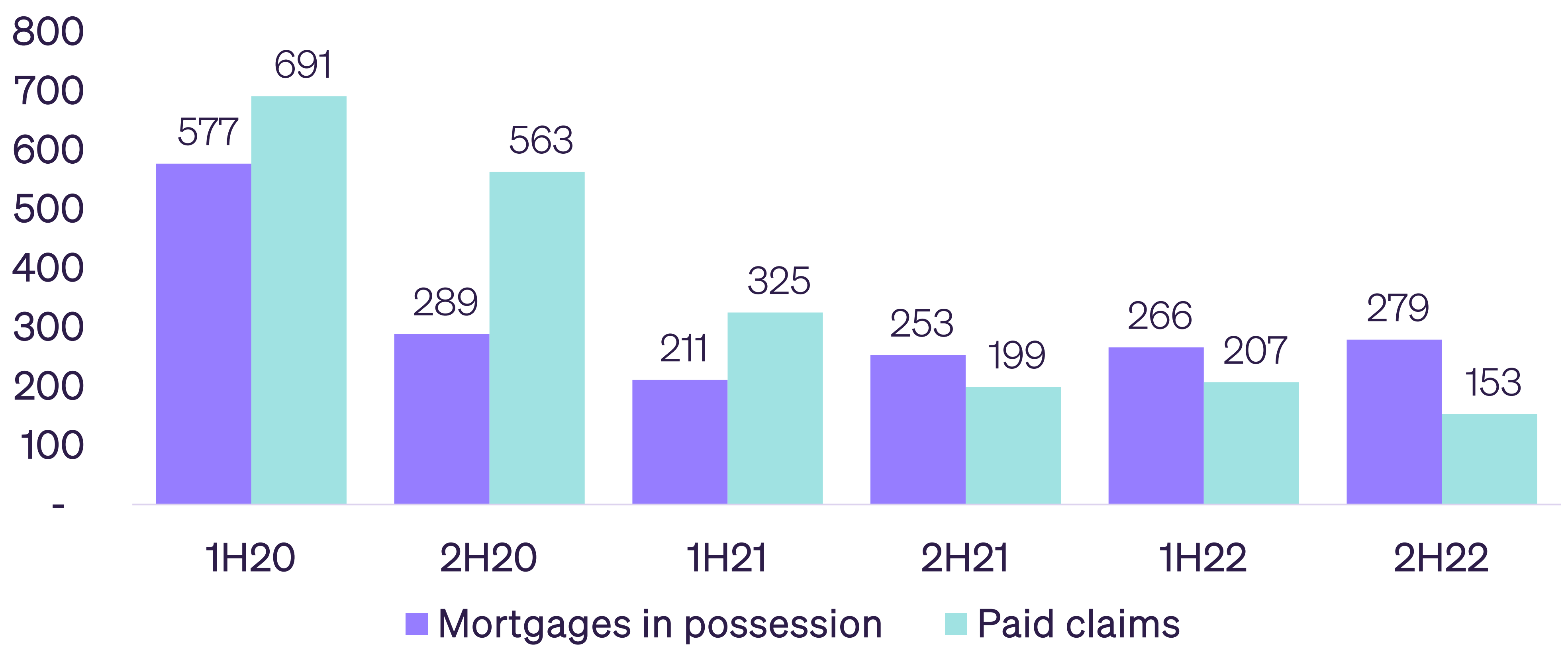


Claims paid remain very low

FY22 commentary:

- Mortgages in possession (MIP) increased but remain low relative to history, benefiting from property sales prior to MIP without a claim
- The number of paid claims fell and remained extremely low
- Claims paid were flat half-on-half and the average paid claim rose to levels more in line with historical experience

Mortgages in possession and paid claims (number of)



Claims paid and net claims incurred

($ millions unless otherwise stated)	1H20	2H20	FY20	1H21	2H21	FY21	1H22	2H22	FY22
Number of paid claims	691	563	1,254	325	199	524	207	153	360
Number of MIPs	577	289	289	211	253	253	266	279	279
Average paid claim[1] ($'000)	94.9	98.0	96.3	74.7	79.8	76.7	57.8	106.5	78.6
Claims paid	65.6	55.2	120.8	24.3	15.9	40.2	12.0	16.3	28.3
Movement in reserves	35.5	133.6	169.1	25.0	(73.5)	(48.4)	(15.0)	(48.0)	(63.0)
Net claims incurred / (written back)	101.1	188.8	289.8	49.3	(57.6)	(8.3)	(3.0)	(31.7)	(34.7)
Loss ratio (%)	67.0	117.1	92.9	28.9	(28.8)	(2.2)	207	153	360

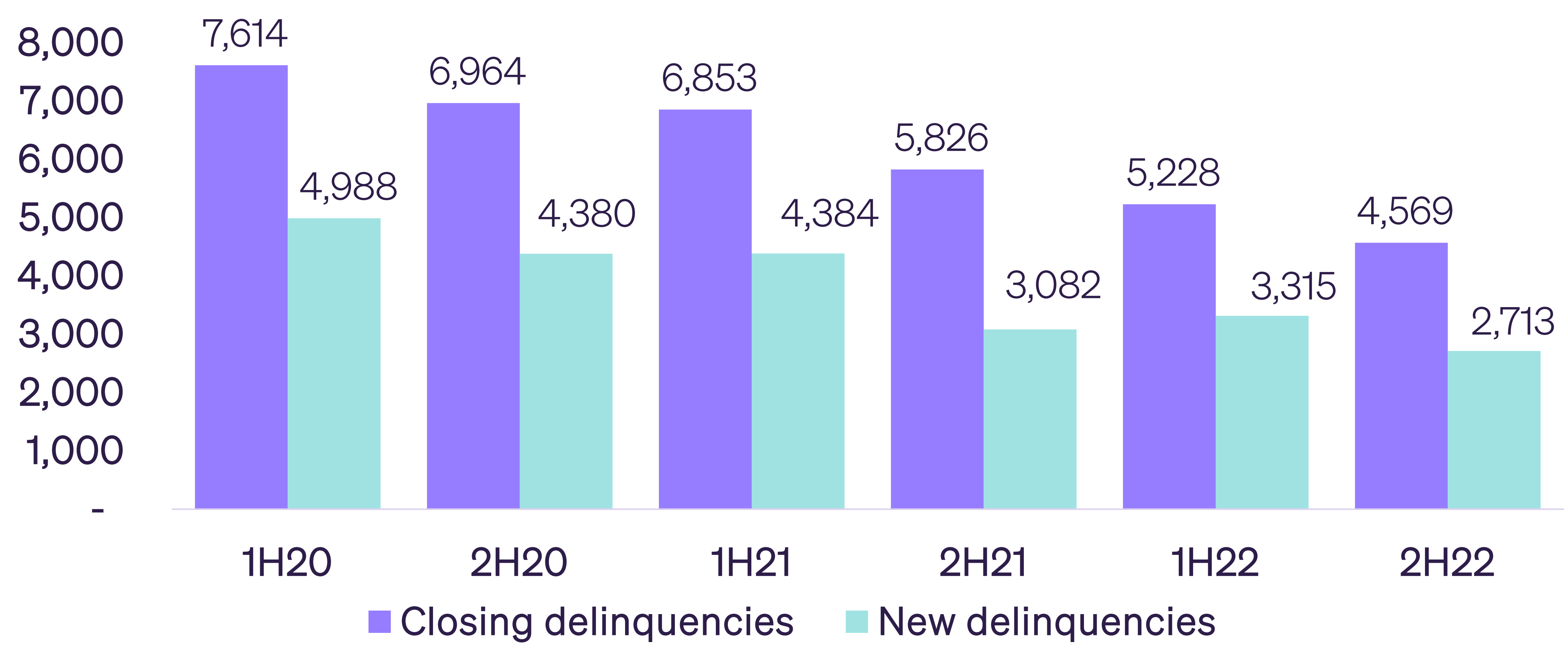
Note: Totals may not sum due to rounding and excludes excess of loss insurance.
1. Movement in non-reinsurance recoveries is excluded from average paid claim calculation and claims paid.

Negative claims incurred driven by low delinquencies

FY22 commentary:

- Low delinquency experience due to strong employment and savings buffers for borrowers, with interest rate rises yet to have a major impact
- Net ageing (cures less ageing) was again very favourable with benefit of $53m (similar to 1H22)
- Claims reserving assumptions saw a modest release in 2H22 reflecting positive experience which reduced allowances for IBNR claims

Delinquencies (number of)



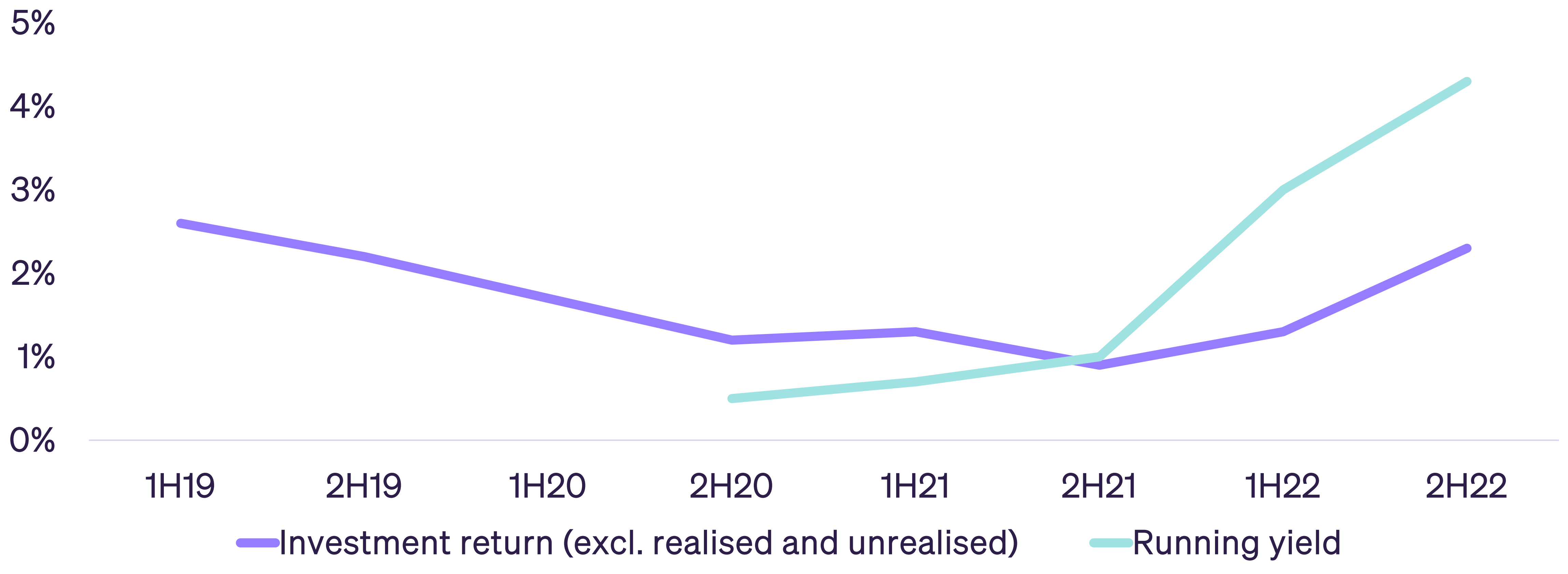
Net claims incurred

($ millions)	1H20	2H20	FY20	1H21	2H21	FY21	1H22	2H22	FY22
New delinquencies	78.9	58.7	137.4	69.5	33.1	102.7	42.5	39.9	82.4
Cures	(69.1)	(81.5)	(150.7)	(84.5)	(71.2)	(155.8)	(71.0)	(67.1)	(138.1)
Ageing[1]	54.1	27.1	81.3	34.6	16.2	50.8	15.9	13.8	29.7
Paid claims gap	(0.6)	(0.6)	(1.2)	(0.2)	1.2	1.1	(1.7)	2.4	0.7
Other adjustments[2]	37.9	185.0	223.0	29.8	(36.9)	(7.0)	11.2	(20.7)	(9.5)
Net claims incurred / (written back)	101.1	188.8	289.8	49.3	(57.6)	(8.3)	(3.0)	(31.7)	(34.7)

Note: Totals may not sum due to rounding and excludes excess of loss insurance.
1. Ageing relates to reserve movements on delinquencies that remain delinquent from prior periods.
2. Includes actuarial adjustments relating to policies affected by moratoriums, IBNR for policy deferrals, an increase to the risk margin and an increase for the allowance of cured policies re-entering arrears.

Bond prices stabilising in 2H22 with higher reinvestment yields

Annual return on total investments



FY22 commentary:

- Investment income negative due to rising bond rates causing mark to market losses
- Net interest and dividend income rose as the portfolio running yield increased to 4.3%
- Low realised gains / losses as technical fund investments are generally held to maturity
- Bond prices were more stable in 2H22 leading to a small unrealised gain

Investment income

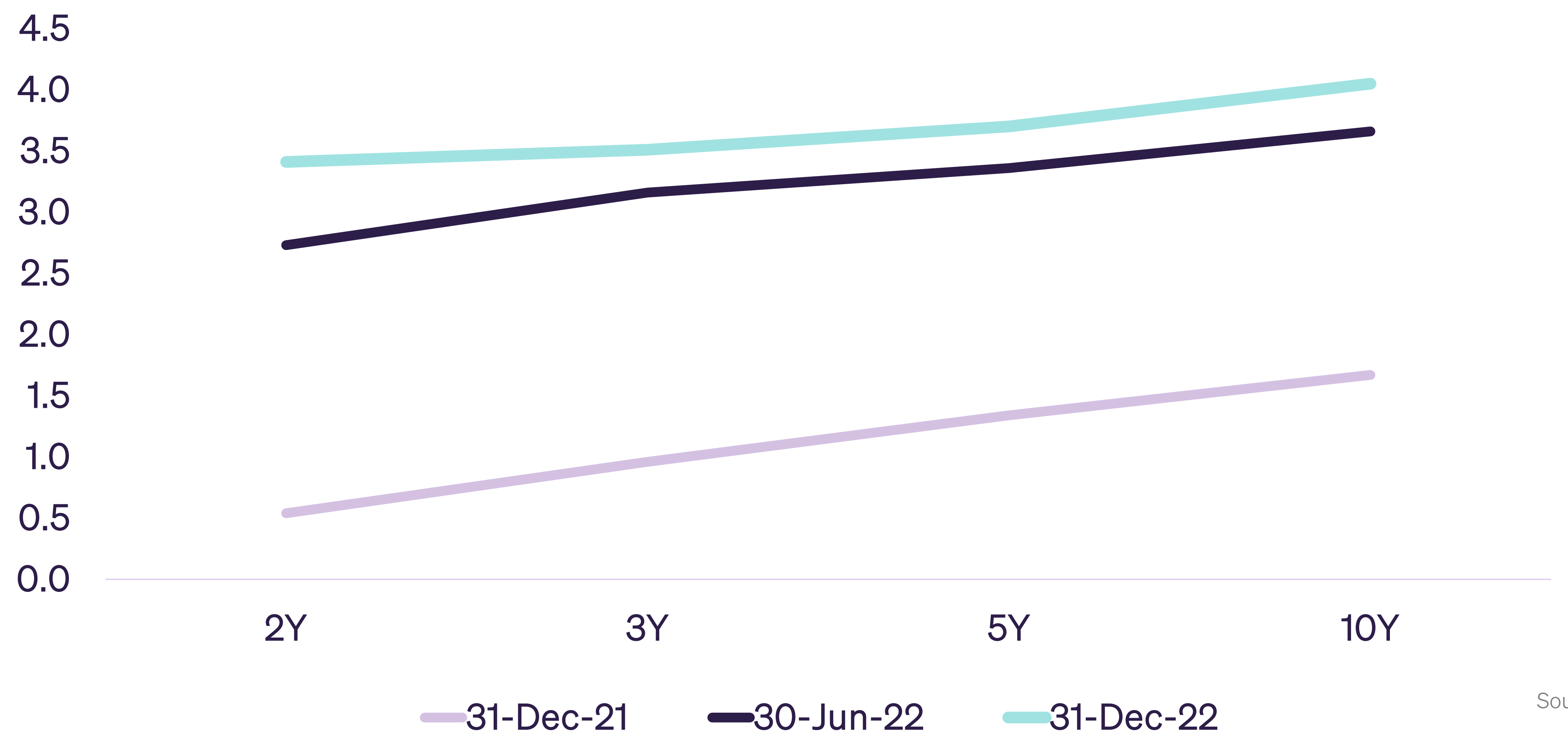
($ millions)	1H21	2H21	FY21	1H22	2H22	FY22
Net interest income and dividend income	22.6	16.9	39.6	22.9	38.3	61.2
Realised gains on investments	2.0	3.7	5.7	(3.0)	(2.4)	(5.4)
Unrealised gains / (losses) and net FX on investments	(23.5)	(32.3)	(55.8)	(162.1)	21.8	(140.3)
Total investment income	**1.1**	**(11.6)**	**(10.6)**	**(142.2)**	**57.7**	**(84.5)**
Investment return per annum	**0.1%**	**(0.6%)**	**(0.3%)**	**(8.0%)**	**3.5%**	**(2.4%)**
Investment income on technical funds	(16.2)	(17.8)	(34.0)	(93.0)	8.4	(84.6)
Net investment income on shareholder funds	17.3	6.2	23.4	(49.2)	49.3	0.1
Total investment income	**1.1**	**(11.6)**	**(10.6)**	**(142.2)**	**57.7**	**(84.5)**
Running yield	**0.7%**	**1.0%**	**1.0%**	**3.0%**	**4.3%**	**4.3%**

Helia

Note: Totals may not sum due to rounding.

FY22 impact of interest rate changes

Government bond rates (%)



Source: RBA

Impact of investment movements on FY22 (pre-tax) [1]

($ millions)	Impact on profit	Impact on capital
Equities and infrastructure	0.2	0.2
Cash and bonds	(145.9)	(145.9)
Liabilities	-	94.0
Total	(145.7)	(51.7)

FY22 commentary:

- Bond rates up ~300 basis points over FY22, nearly all in 1H22
- Technical liabilities are closely matched by fixed interest assets
- AASB 1023 accounting treatment does not reflect the underlying economic matching
- Matching impact is seen in the calculation of the liability in the capital base

1. Realised and unrealised gains/(loses) and net FX on investments and change in discount rates on FY22.

Balance Sheet

Balance Sheet as at 31 December 2022

($ millions)	31 Dec 21	30 Jun 22	31 Dec 22
Assets			
Cash	76.7	19.0	23.8
Accrued investment income	16.8	21.4	21.8
Investments	3,627.1	3,357.6	3,240.0
Deferred reinsurance expense	8.7	28.9	-
Recoveries receivable	21.6	20.7	20.3
Deferred acquisition costs	88.5	104.0	115.3
Equity-accounted investees	-	5.0	27.4
Deferred tax assets	41.0	32.6	32.4
Goodwill and intangibles	13.8	12.9	12.1
Other assets[1]	19.1	30.2	28.0
Total assets	**3,913.3**	**3,632.4**	**3,521.1**
Liabilities			
Payables[2]	108.4	78.9	84.9
Outstanding claims	480.3	464.3	415.8
Unearned premium	1,571.8	1,512.1	1,403.5
Interest bearing liabilities	188.2	188.5	188.7
Employee benefit provision	7.3	7.1	7.1
Total liabilities	**2,356.0**	**2,250.8**	**2,099.9**
Net assets	**1,557.3**	**1,381.6**	**1,421.1**

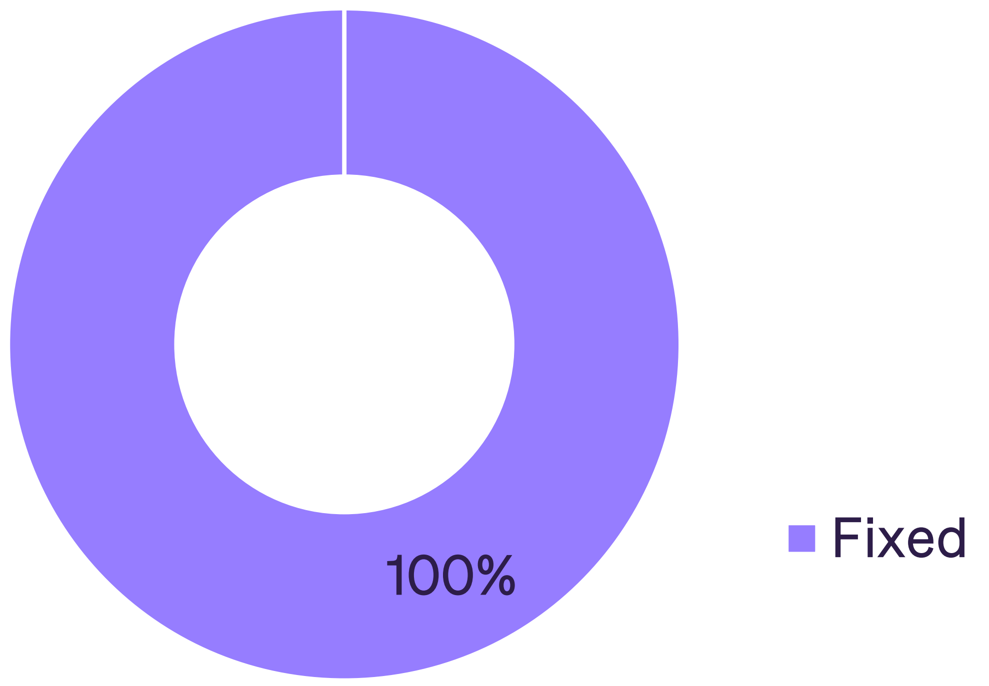
Note: Totals may not sum due to rounding.
1. Includes trade receivables, prepayments, plant and equipment and leased assets.
2. Includes reinsurance payables, lease liabilities and other payables.

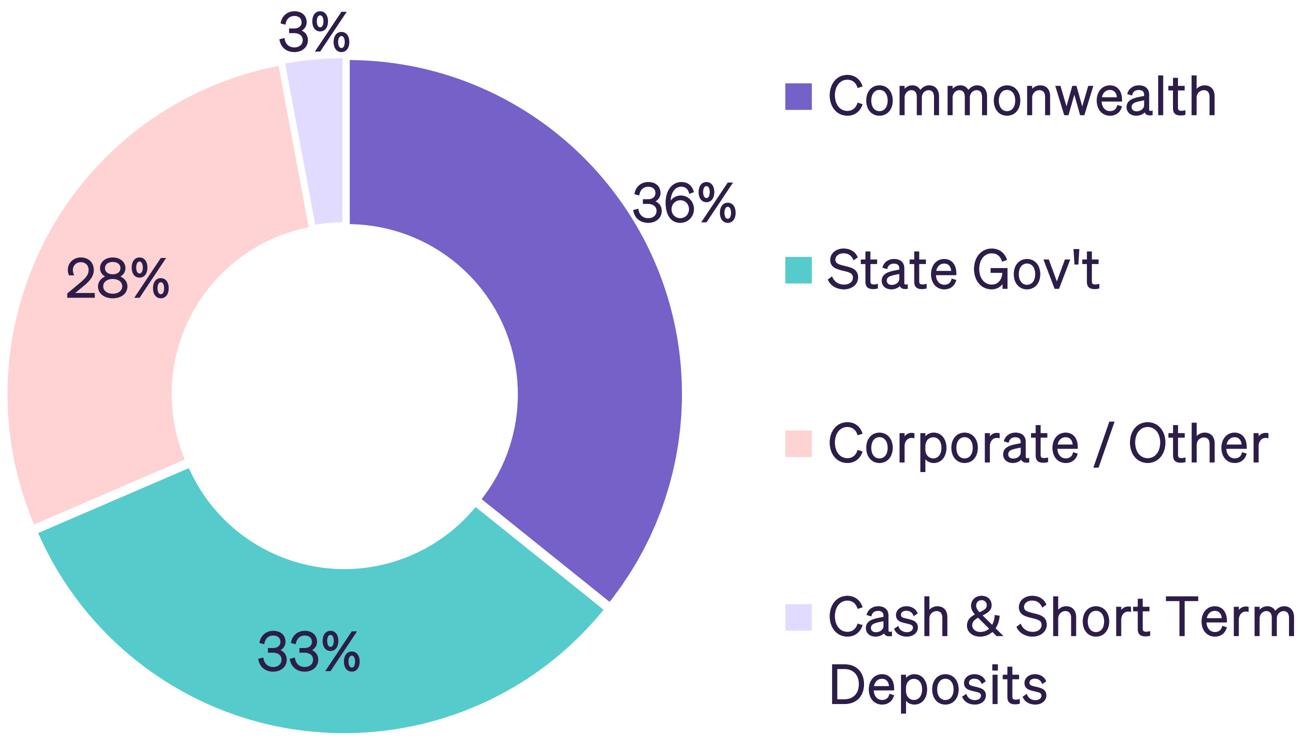
FY22 commentary:

- Investments fall primarily reflects unrealised investment losses, dividends and share buy-backs
- Deferred reinsurance expense reflects the expiry of a portfolio-specific excess of loss contact
- Deferred acquisition costs increase reflects rebuild following FY20 write down
- Equity-accounted investees include OSQO and Household Capital
- Outstanding claims movement driven by lower delinquencies
- Unearned premium down due to high cancellations and lower GWP
- Interest bearing liabilities $190m 10 non-call 5-year floating rate Tier 2 notes paying 3 month BBSW +5.0% p.a. maturing 3 July 2030

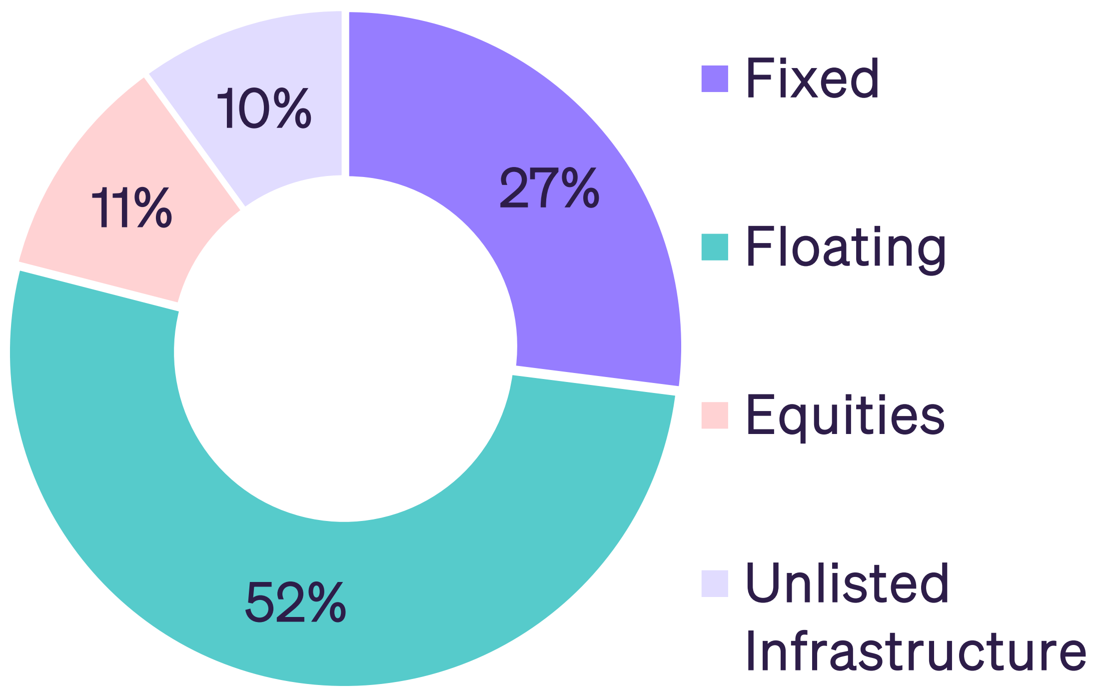
$3.3bn cash and investment portfolio mix largely unchanged

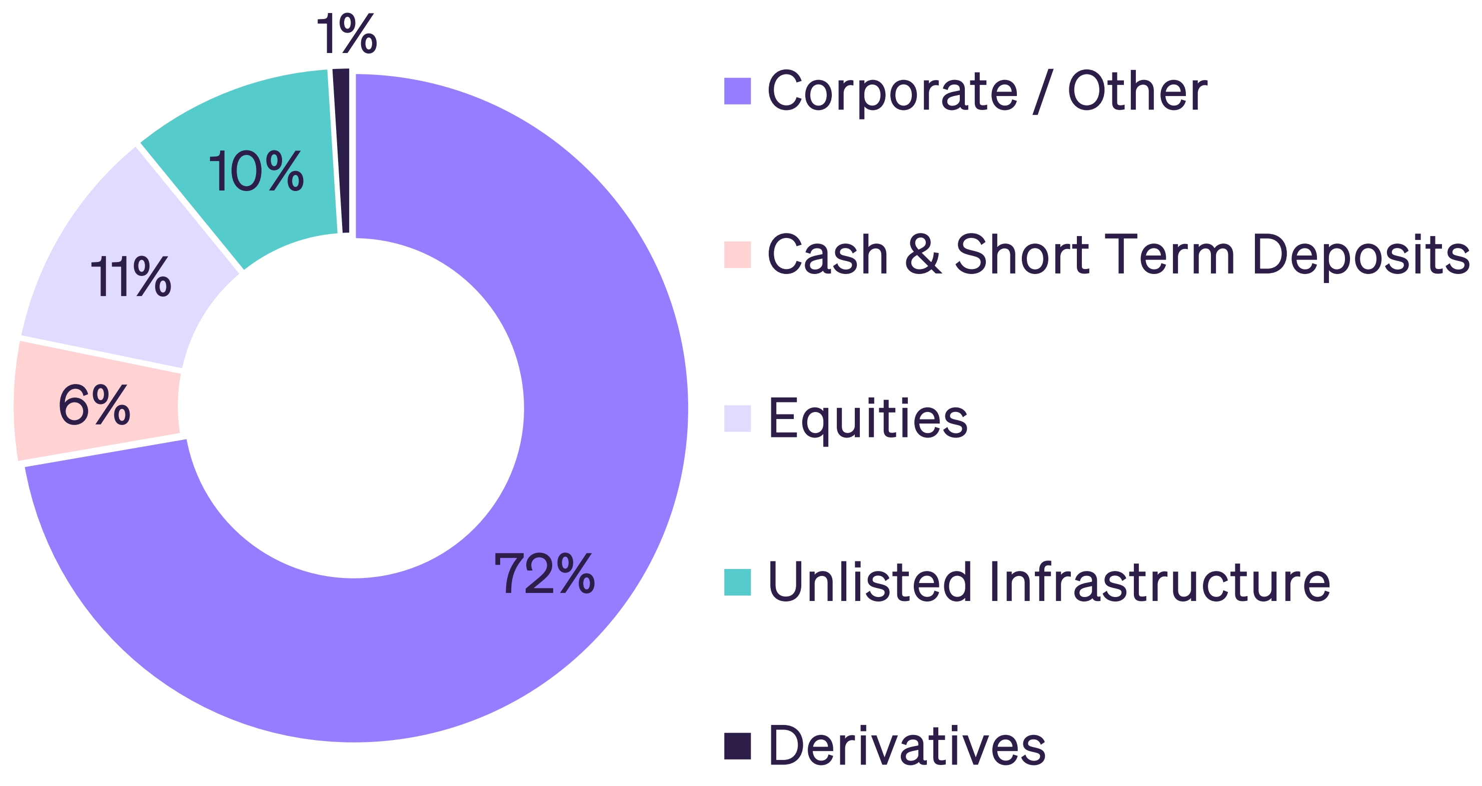
Technical funds





Shareholder funds





FY22 commentary:

Technical funds

- Average duration 3.1 years[1]
- 100% fixed interest
- Duration match with expected claims profile

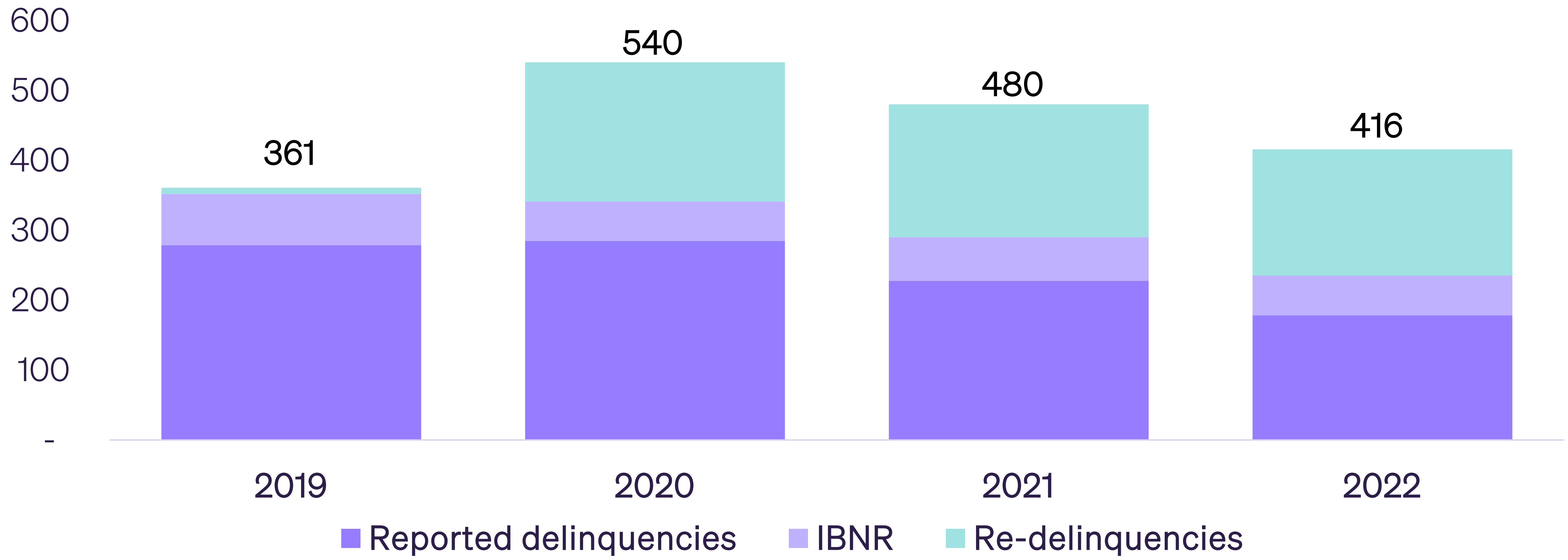
Shareholder funds

- Average duration 0.7 years[1]
- Higher risk / return profile compared to technical funds
- $180m unlisted infrastructure investment now fully invested

1. Duration and maturity excludes equities, unlisted infrastructure and FX derivatives.

Outstanding claims down due to lower delinquencies

Outstanding claims reserve ($millions)[1]



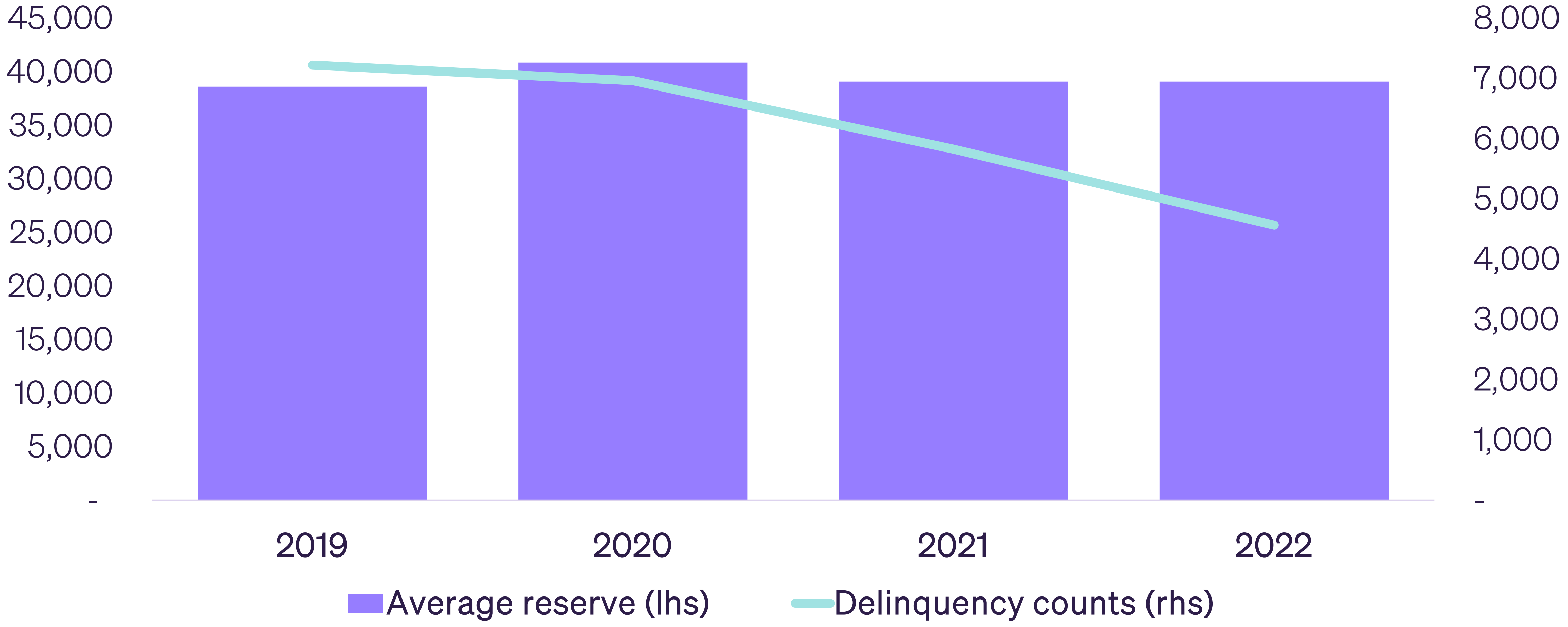
Outstanding claims

($ millions)	1H21	2H21	FY21	1H22	2H22	FY22
Opening balance	540.4	567.2	540.4	480.3	464.3	480.3
Net claims incurred / (written back)	49.3	(57.6)	(8.3)	(3.0)	(31.7)	(34.7)
Other movements[2]	1.7	(13.4)	(11.6)	(1.0)	(0.5)	(1.5)
Claims paid	(24.3)	(15.9)	(40.2)	(12.0)	(16.3)	(28.3)
Closing balance	567.2	480.3	480.3	464.3	415.8	415.8

FY22 commentary:

- Reserve reduction primarily driven by lower level of delinquencies
- Reserves include allowance for a further ~10% fall in house prices
- Average reported delinquency reserve broadly stable
- IBNR also reduced reflecting lower loss experience
- Risk margin has been maintained at 18%

Average reported delinquency reserve



Note: Totals may not sum due to rounding.
1. Change in actuarial methodology for reserving of re-delinquencies at 31/12/2020 increased liability by $109M
2. Includes non-reinsurance recoveries.

Regulatory capital

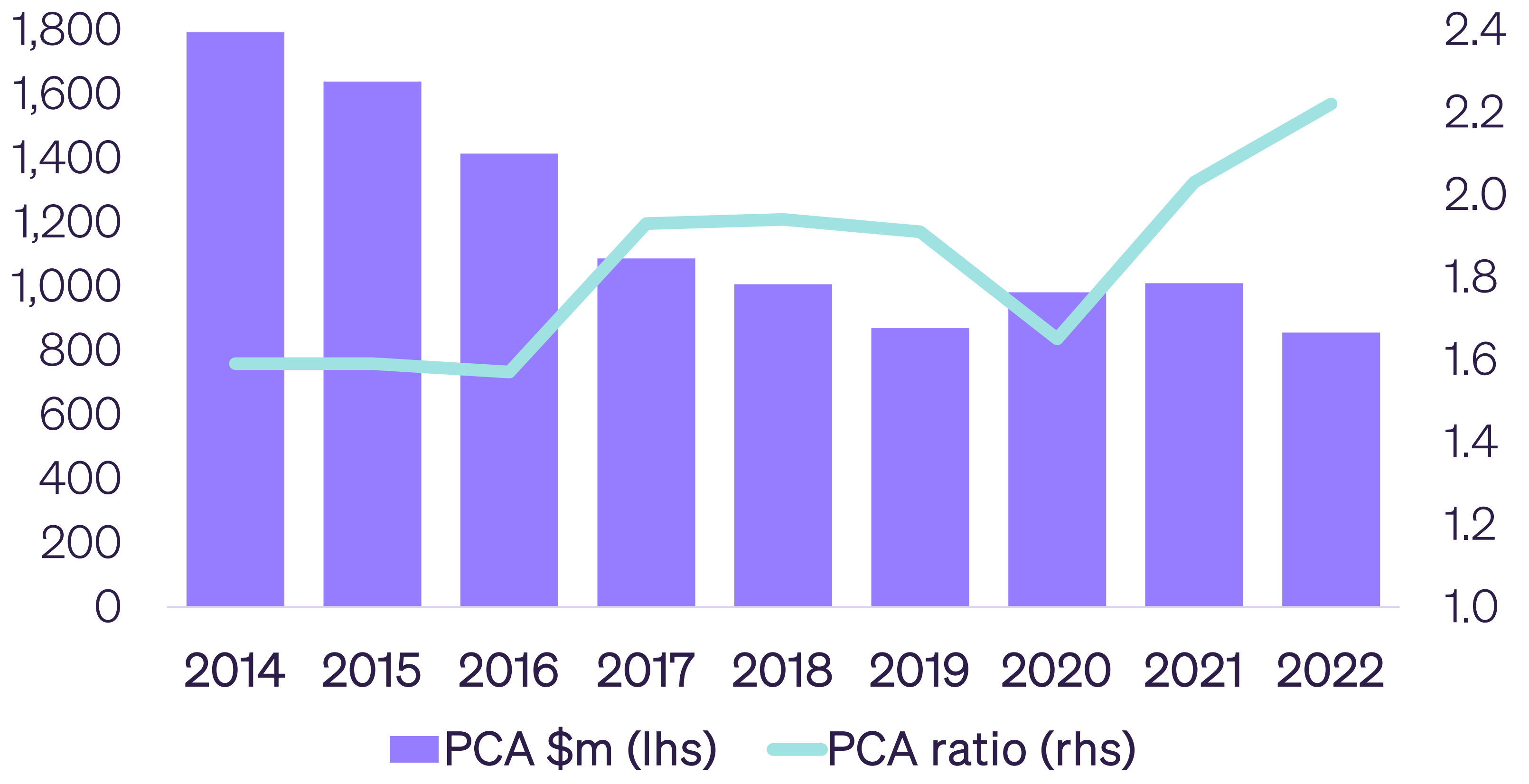
Regulatory capital

($ millions)	31 Dec 21	30 Jun 22	31 Dec 22
Capital base			
Common equity Tier 1 capital – net assets	1,557.3	1,381.6	1,421.1
Ineligible assets (APRA)	(15.5)	(14.5)	(13.4)
Net surplus relating to insurance liabilities	322.6	301.4	297.9
Tier 2 capital	190.0	190.0	190.0
Regulatory capital base	2,054.4	1,858.5	1,895.7
Capital requirement			
Probable maximum loss (PML)	1,726.3	1,611.5	1,485.1
Net premiums liability deduction	(347.4)	(331.3)	(312.5)
Capital credit for reinsurance	(800.2)	(800.1)	(729.6)
Insurance concentration risk charge (ICRC)	578.7	480.2	442.9
Asset risk charge	203.5	179.5	233.7
Insurance risk charge	277.6	262.0	236.8
Operational risk charge	35.6	35.3	33.7
Aggregation benefit	(85.7)	(75.4)	(91.5)
Prescribed capital amount (PCA)	1,009.7	881.7	855.5
PCA coverage ratio (x)	2.03x	2.11x	2.22x

FY22 commentary:

- Net assets reduction driven by dividends and on-market share buy-backs
- PCA requirement fell, driven by a fall in PML due to lower GWP, high cancellations and portfolio seasoning
- Reinsurance capital credit down in absolute terms, but up as a proportion of PML

PCA



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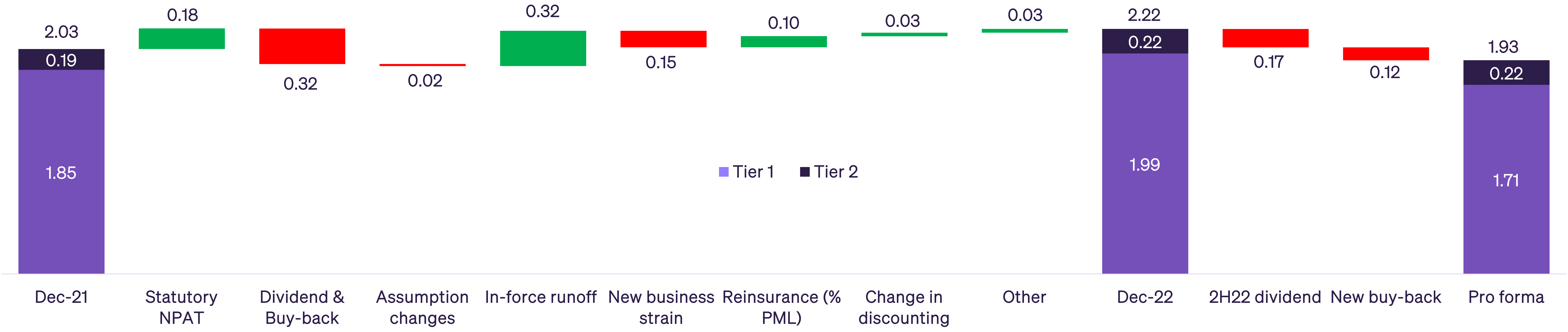
Significant organic capital generation

PCA coverage ratio walk (x)[1]



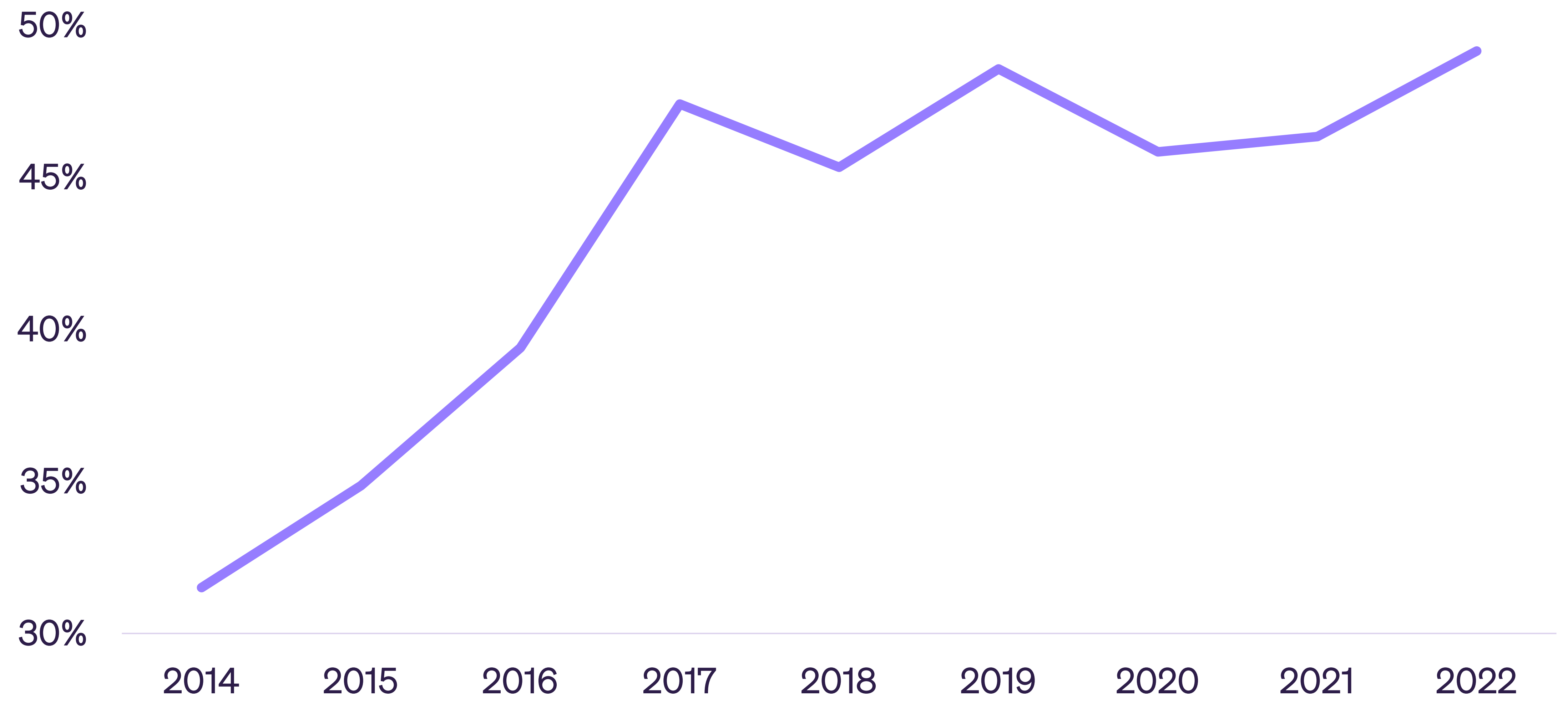
FY22 commentary:

- Dividends and buy-back (~20% of net assets) exceeded NPAT
- Substantial capital release from in-force as runoff was elevated reflecting high cancellations
- New business strain saw less capital consumed due to lower GWP
- Pro forma PCA coverage ratio of 1.93x remains $284m above top of board targeted range of 1.4x to 1.6x

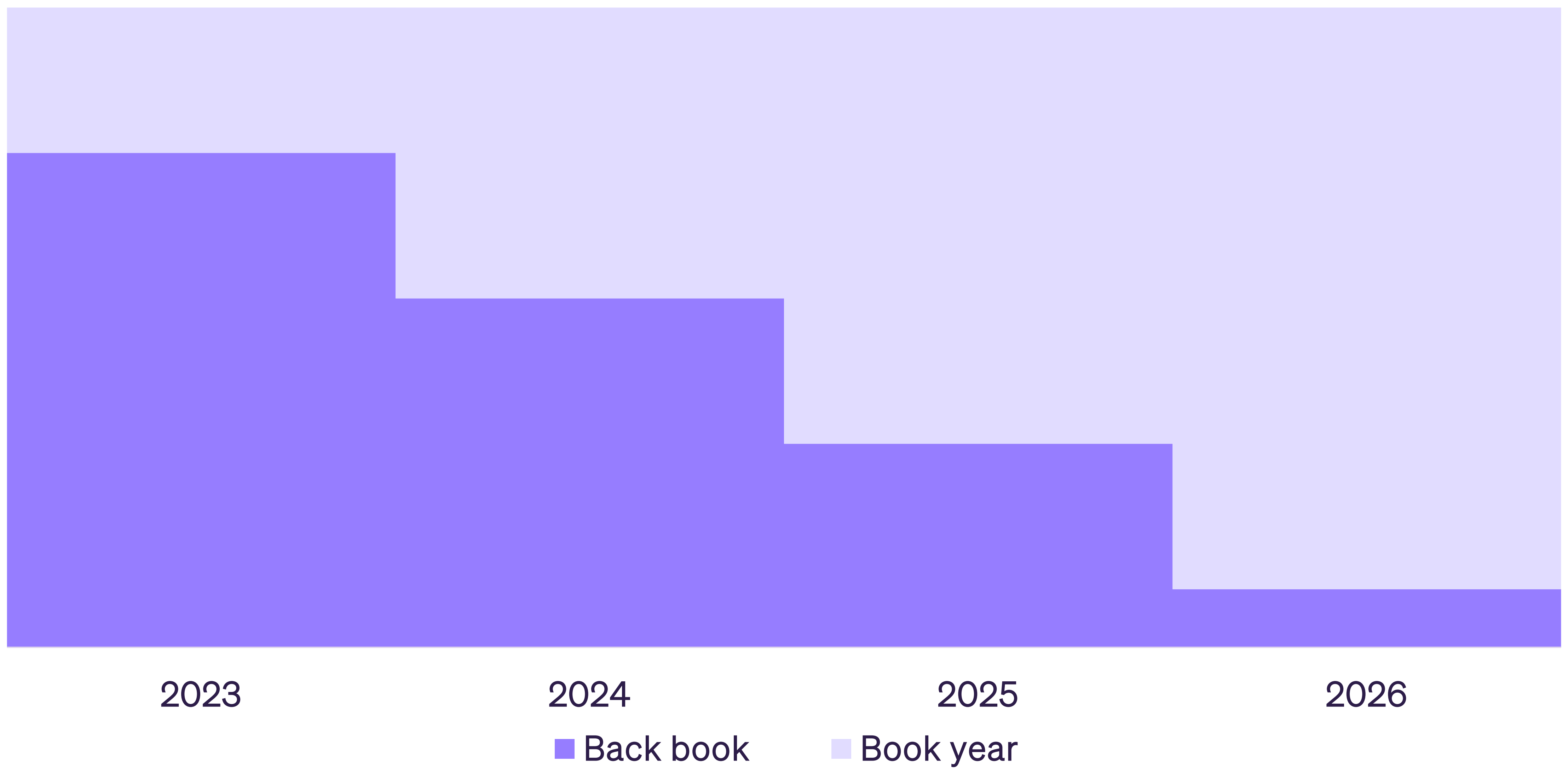
Note: Totals may not sum due to rounding.
1. Allowable reinsurance is assumed to move in proportion to the Probable Maximum Loss (dropping to $688m). 'Allowable reinsurance' (% PML) reflects it at the FY22 allowance of $730m.

Reinsurance programme moving to book year coverage from 2023

Reinsurance capital credit as a % of PML



Book year transition[1]

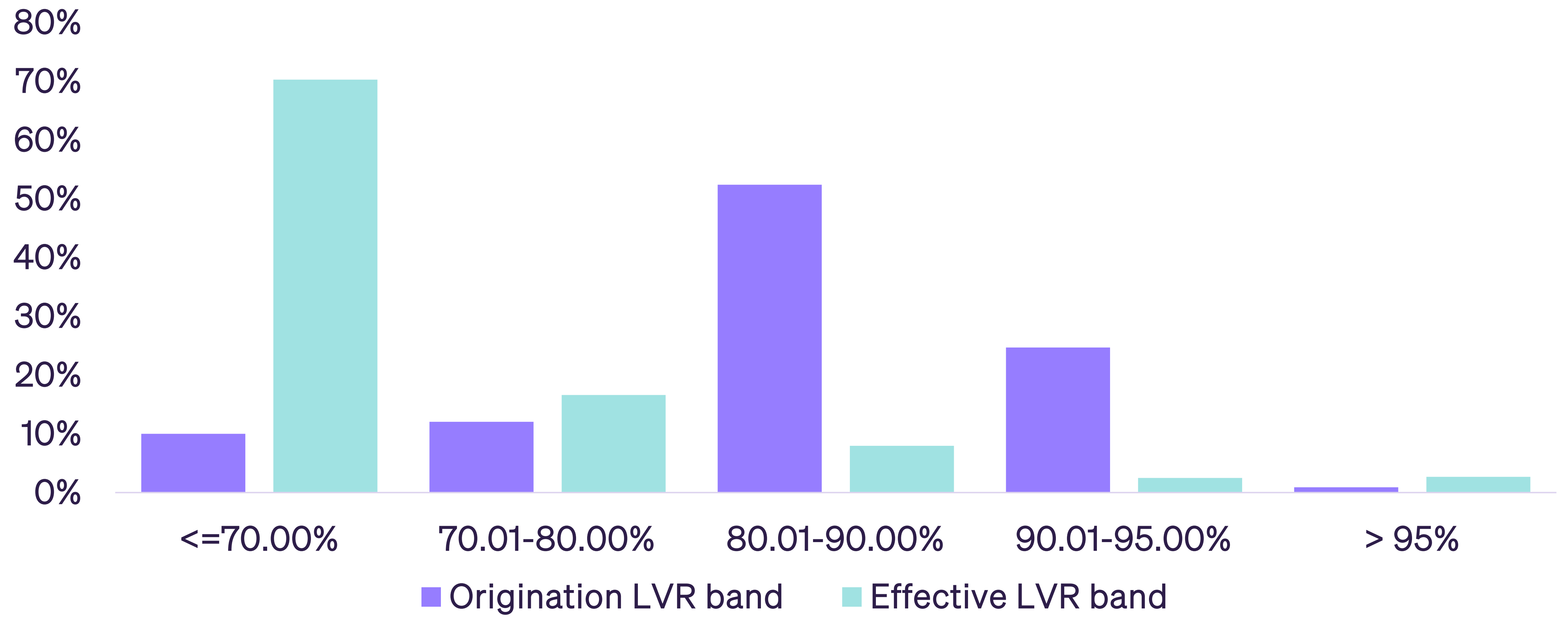


- Reinsurance programme drives efficient capital credit and allows for risk management in severe stress scenarios
- Back book programme covers 2022 and earlier periods while the new book year programme will cover 2023 and future periods
- Book year programme is expected to build over time and the back book programme is expected to be cancelled and re-written each year with reduced coverage
- In addition to the existing reinsurance programme benefits, the book year programme mitigates renewal risk and has reduced cost
- Reinsurance has risen as a proportion of PML, which lifts PCA coverage ratio

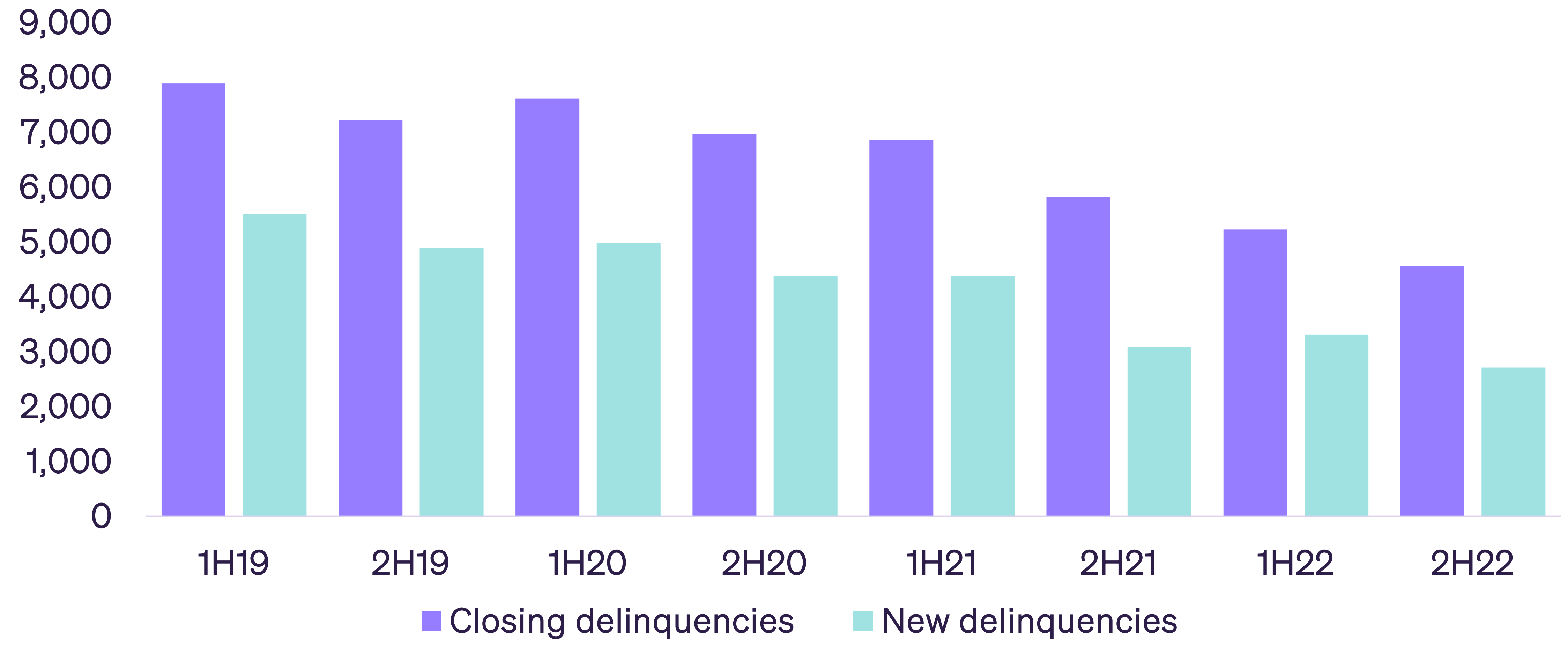
1. Graphic is illustrative only. Reduction of back book and growth of book year programs are dependent on new business volumes and capital position.

Delinquencies expected to increase in 2023, portfolio well positioned

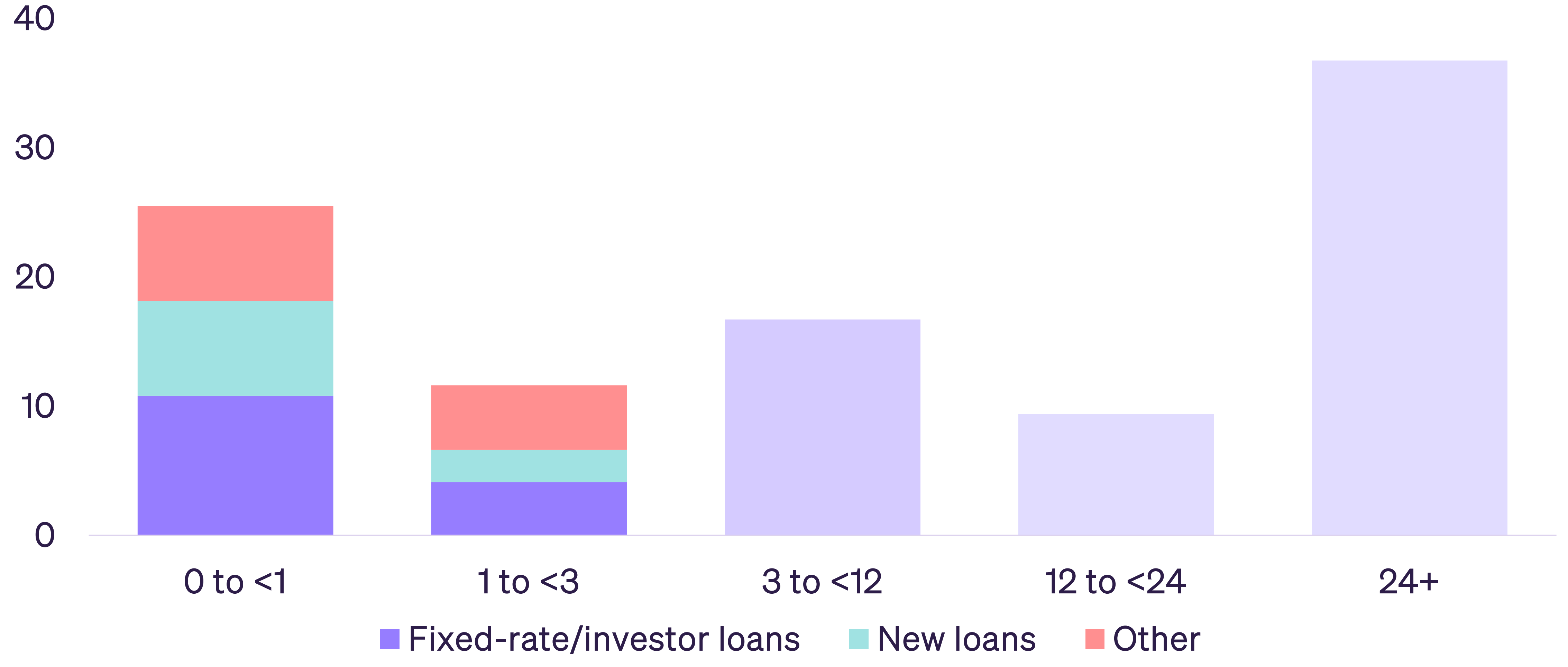
Insurance in-force distribution



Delinquencies (number of)



Household mortgage prepayments (%)



Source: RBA Financial Stability Review August 2022.

FY22 commentary:

- 5.2% of the portfolio has an effective LVR above 90%
- Delinquencies currently at very low levels
- Good level of prepayment buffers
- Sizeable volume of loans to roll off low fixed rates in 2023 likely to see increased delinquencies, but these loans have good HPA since inception.

Sensitivity of losses to economic conditions

Economic forecasts[1]

Property price

HPD of ~10% over 2023 (16% peak-to-trough)

Mortgage rates

RBA cash rate to be ~3.85% by mid 2023

Unemployment rates

Increase to ~4.5% by end 2023

Financial sensitivity[2,3]

($ millions)	Cumulative net claims incurred (2023-25)	Outstanding claims + premium liabilities[4,5]
HPA +5%	(35)	(35)
HPD -5%	50	60
Interest rates +1%	25	(15)
Interest rates -1%	(20)	10
Unemployment rate +1%	65	60
Unemployment rate -1%	(45)	(35)

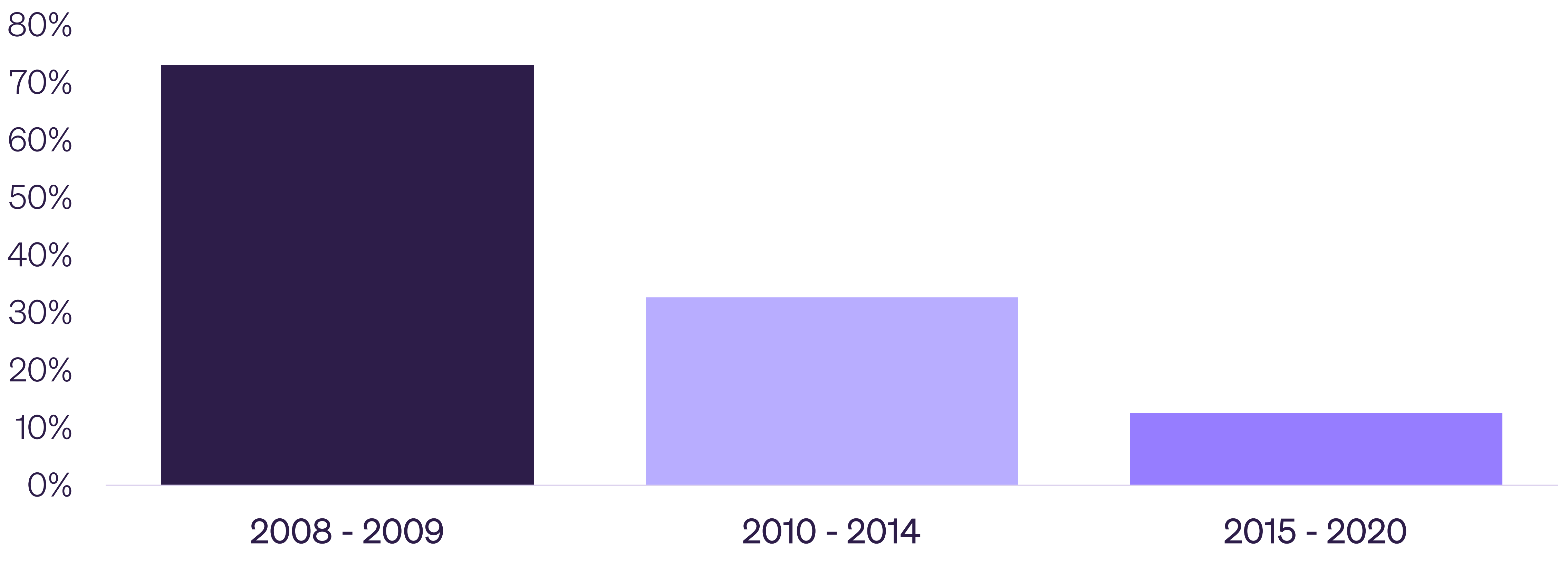
- The base economic scenario incorporates forecasts for property prices, interest rates and unemployment rates
- House price declines combined with increasing unemployment generally result in higher net claims incurred
- Net claims incurred for FY23 are expected to increase toward long term average levels
- Given HPD over the last 12 months there is increased downside sensitivity to further falls

Helia

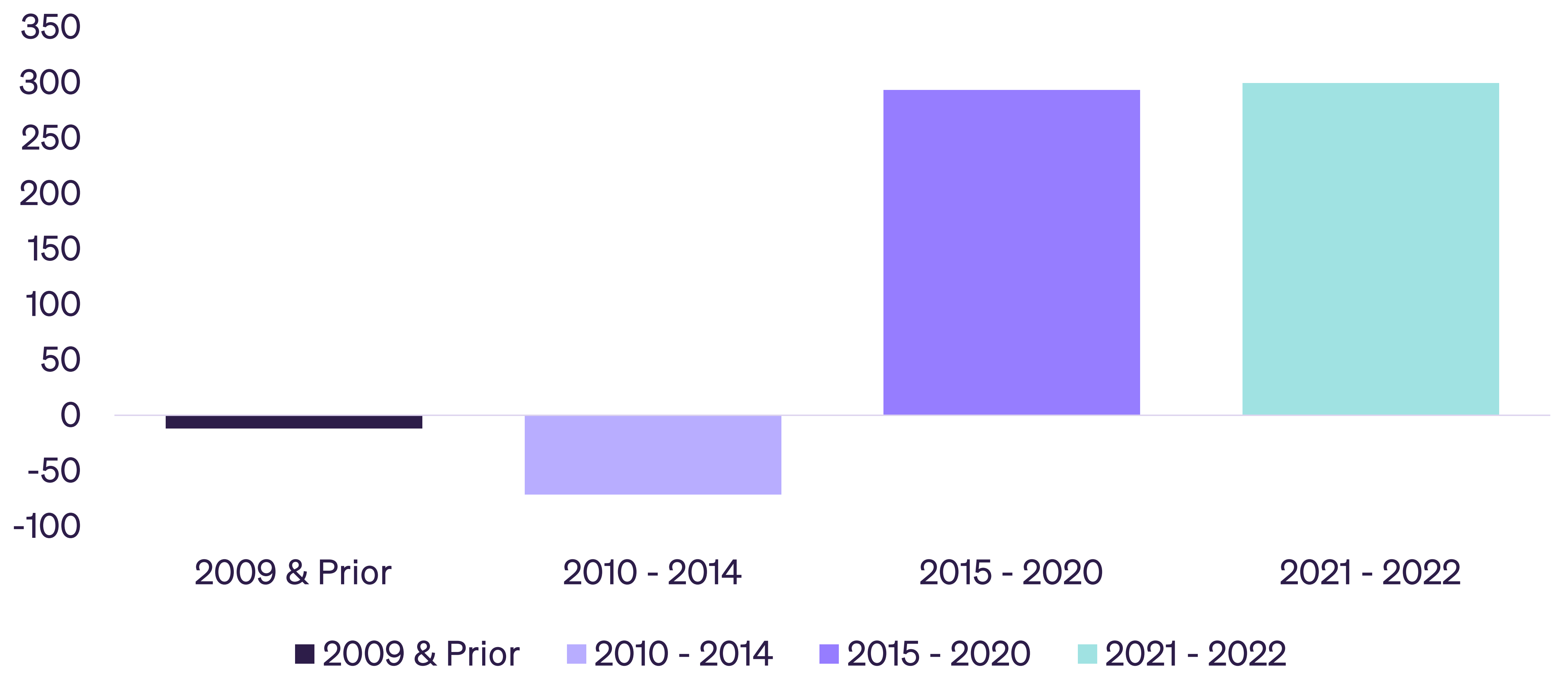
1. Based on a mean view of external economic forecasts.
2. Based on a 3-year change before reversion to base case.
3. All numbers are indicative sensitivity outcomes and rounded to the nearest $5m.
4. Excludes risk margin.
5. Interest rate sensitivity includes the effect on mortgage rates and hence delinquency and claims progression, as well as the effect on discounting of premium liabilities.

Book years since 2015 are meeting targeted returns

Loss ratio to date by underwriting year



Future embedded profit by book year ($ millions)



- Loss ratios have benefitted from improved industry pricing and underwriting standards
- Post 2014 book years have strong embedded profits though 2021-2022 cohorts are yet to season
- Negligible UEP on book years prior to 2014 but some claims still expected
- Sustainable ROE trajectory is benefitting from runoff of older book years

Summary of AASB 17 impacts and timeline

Balance Sheet

- Liability for Remaining Coverage (LRC) replaces Unearned Premium Liability (UPL)
- LRC includes an explicit allowance for future unearned profit on existing policies, the contractual service margin (CSM)
- LRC expected to be higher than UPL due to inclusion of the CSM
- Net assets expected to reduce by $210m to $270m[1] on transition

Income Statement

- Insurance revenue recognition includes CSM release and is later
- Cancellations impact revenue over time
- Incurred claims expense similar to current treatment
- Reduced volatility from movements in interest rates
- AASB 17 profit expected to be of a similar magnitude to AASB 1023, but less volatile

Regulatory Capital

- APRA updating regulatory capital requirements to align with AASB 17
- Draft rules effectively introduce a new requirement that 120% of net assets plus Tier 2 capital must exceed the PCA
- No change to aggregate capital base or capital requirements expected on transition
- PCA coverage ratio unchanged as split between net assets and technical surplus changes

1 January 2023	24 February 2023	2Q23	August 2023
AASB 17 comes into effect	FY22 results on current, AASB 1023 basis	Pro forma AASB 17 Income Statement and Balance Sheet for FY22	1H23 results on AASB 17 basis

Helia

1. Final net asset impact on transition is also subject to finalisation of the Group's AASB 17 accounting policies.

Closing comments

Pauline Blight-Johnston

Chief Executive Officer and Managing Director

3

Outlook and FY23 guidance

GWP & NEP

- GWP growth is expected to remain subdued, reflecting soft industry new loan commitments and the impact of the Federal Government First Home Guarantee Scheme
- NEP will be driven by previous book year GWP as well as the level of cancellations, which remain elevated

Net claims incurred

- Net claims incurred for FY23 are expected to increase toward long term average levels in response to higher interest rates, falling dwelling values, and expected modest increases in unemployment

Investment income

- Net interest and dividend income is expected to continue to benefit from higher reinvestment rates
- Running yield of 4.3% on the cash and investment portfolio as at 31 December 2022

Capital and dividends

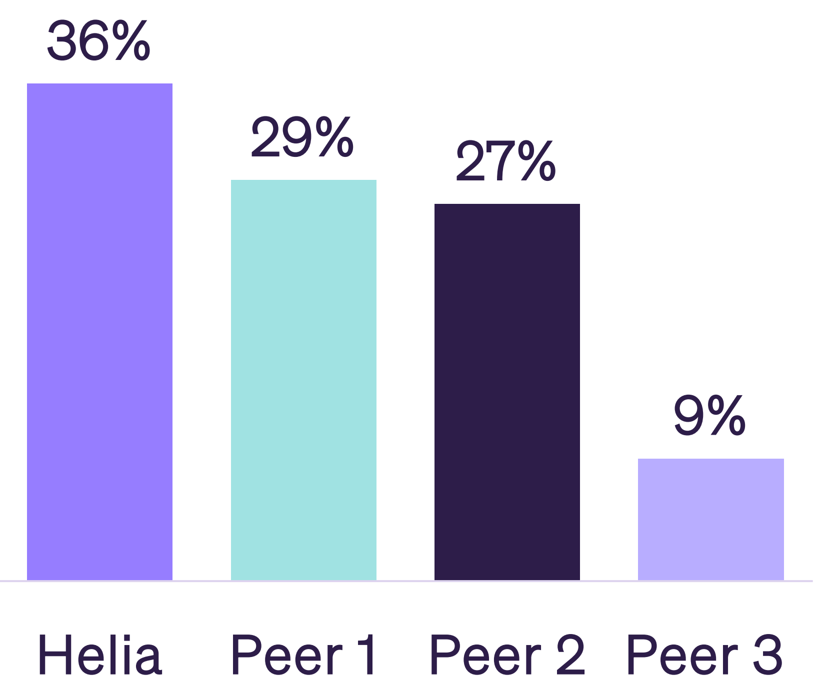
- New $100m on-market share buy-back commencing March 2023
- Sustainable annual ordinary dividend of 26cps with some scope for growth over time
- PCA coverage ratio currently expected to return to target range by the end of 2024[1]

1. Following the payment of declared dividends.

Accelerating financial wellbeing through homeownership

Australia's leading LMI provider

LMI market share[1]



Large and growing addressable market

Industry new housing loan commitments of

$345b[2]

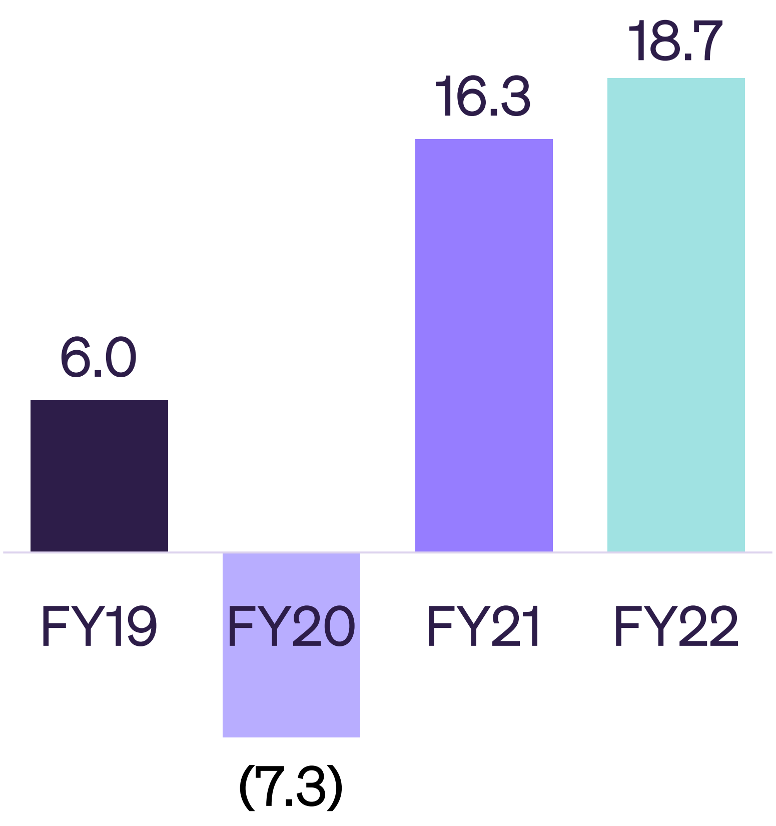
with a

4.8%[2] CAGR

since 2014

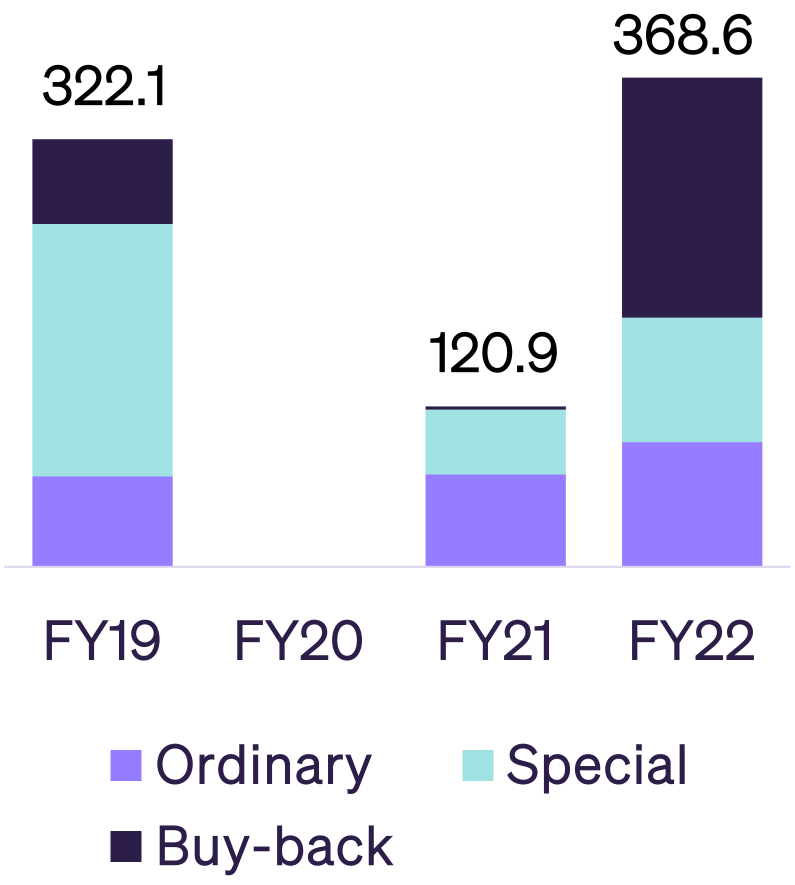
Positioned for profitable growth

Underlying ROE (%)



Ongoing capital management

($ millions)



Note: dividends declared in respect of the relevant period and buy-backs executed in the relevant period.

Delivering strong TSR

124.2%[3]

TSR since listing

#2 performance vs industry peers

1. APRA, quarterly LMI & Industry Statistics as at Sept 2022 (12-month rolling).
2. ABS, Lending Indicators.
3. FactSet data from 21/05/2014 – 22/02/2023.

Supplementary information

4

Australian key economic indicators

Change in dwelling values	3 months	6 months	12 months
Sydney	(4.03%)	(9.91%)	(12.14%)
Melbourne	(2.86%)	(6.48%)	(8.05%)
Brisbane	(5.35%)	(9.43%)	(1.10%)
Perth	(0.01%)	(0.38%)	3.63%
Adelaide	(0.99%)	(0.92%)	10.12%
Hobart	(4.90%)	(9.17%)	(6.87%)
Canberra	(3.35%)	(7.62%)	(3.32%)
Darwin	(1.15%)	0.24%	4.28%
Regional NSW	(4.49%)	(8.76%)	(2.68%)
Regional VIC	(2.89%)	(5.89%)	(1.26%)
Regional QLD	(2.99%)	(6.34%)	1.94%
Regional WA	1.34%	1.29%	5.68%
Regional SA	1.82%	3.62%	17.10%
Regional TAS	(1.14%)	(5.08%)	2.44%
Combined capitals	(3.34%)	(7.53%)	(6.92%)
Combined regionals	(3.20%)	(6.64%)	0.14%
Australia	(3.31%)	(7.31%)	(5.27%)

Source: CoreLogic's Hedonic Home Value Index at Dec 22.

Rental vacancies	Dec 21	Jun 22	Dec 22
Sydney	2.6%	1.6%	1.8%
Melbourne	3.2%	1.7%	1.7%
Brisbane	1.3%	0.6%	1.1%
Perth	0.6%	0.6%	0.5%
Adelaide	0.5%	0.4%	0.6%
Hobart	0.3%	0.6%	0.6%
Canberra	1.0%	0.8%	1.9%
Darwin	1.2%	0.5%	1.5%
National	1.6%	1.0%	1.3%

Data sourced from https://sqmresearch.com.au/ as at Dec 22.

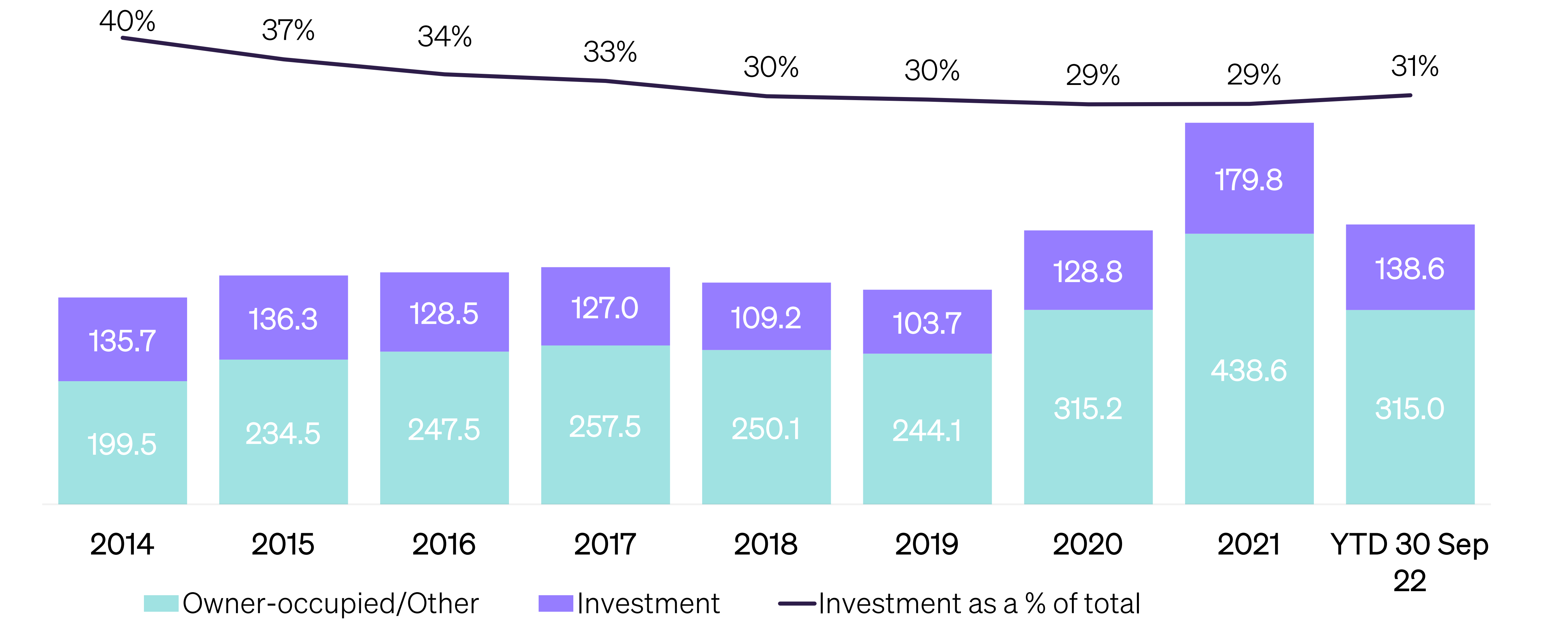
Unemployment by state	Dec 21	Jun 22	Dec 22
New South Wales	4.0%	3.3%	3.1%
Victoria	4.2%	3.2%	3.5%
Queensland	4.7%	4.0%	3.8%
Western Australia	3.4%	3.4%	3.5%
South Australia	3.9%	4.3%	3.9%
Tasmania	3.9%	4.3%	3.6%
Australian Capital Territory	4.5%	3.1%	2.8%
Northern Territory	4.2%	3.7%	4.0%
National	4.2%	3.5%	3.5%

Data sourced from The Australian Bureau of Statistics at Dec 22.

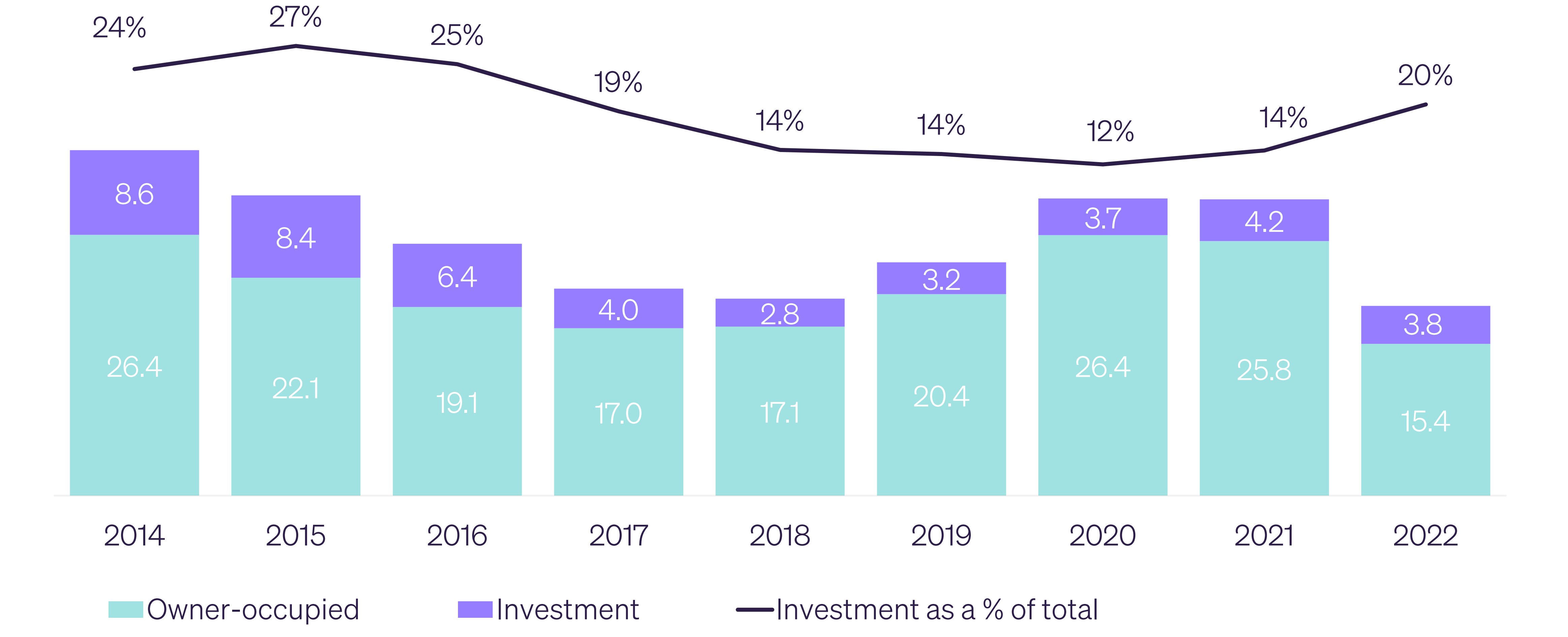
Residential mortgage lending market

Originations and HLVR penetration[1]

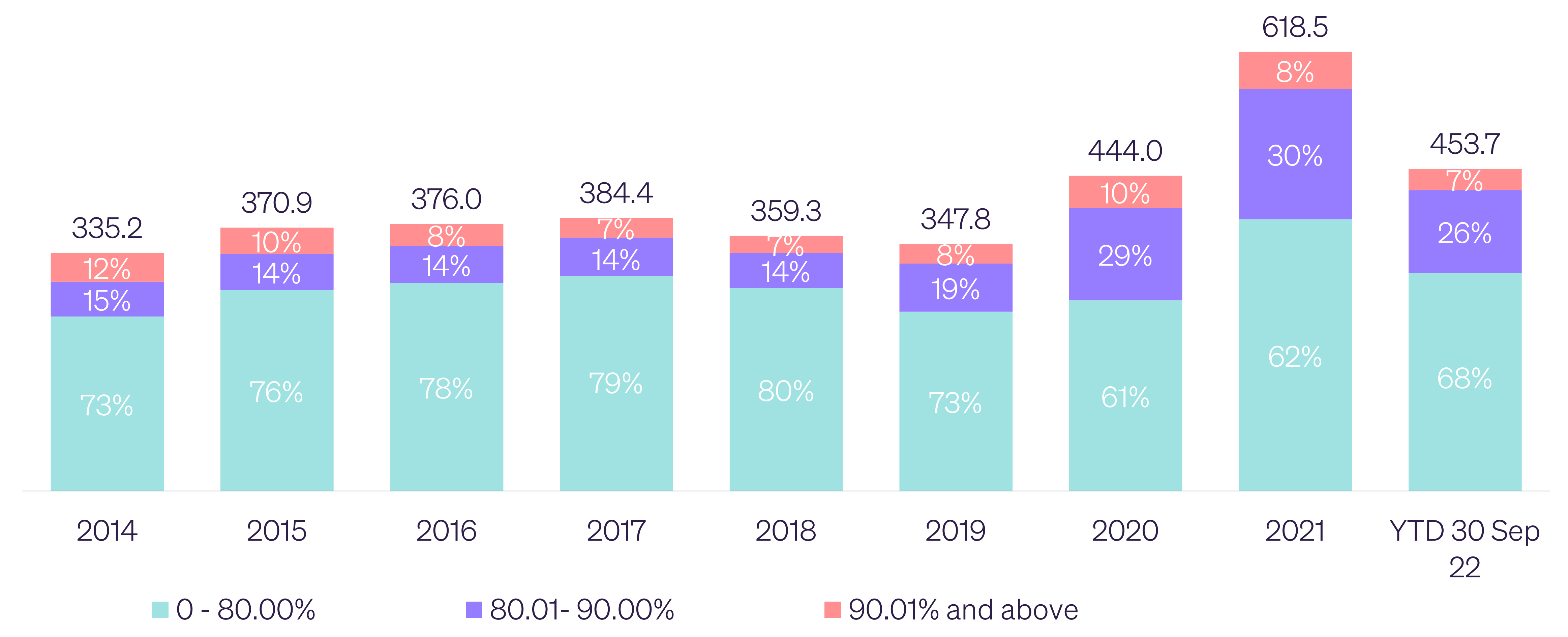
Industry loan approvals: Investment vs. owner occupied ($ billions, %)



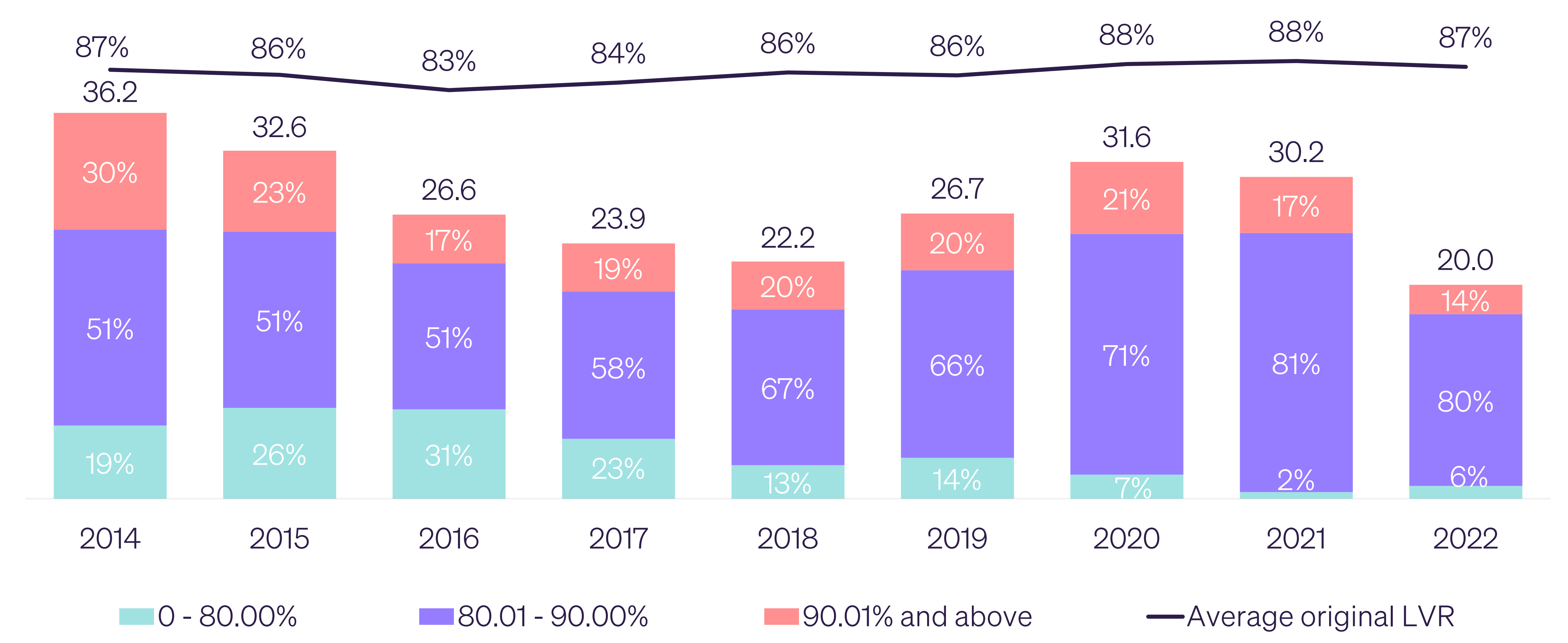
Helia NIW: Investment vs. owner occupied ($ billions, %)[2]



Industry loan approvals by LVR band ($ billions, %)



Helia NIW[3] by original LVR4[4] band ($ billions, %)



1. Prior periods have been restated in line with market updates.
2. Flow NIW only.
3. NIW includes capitalised premium. NIW excludes excess of loss insurance (excess of loss insurance includes the Bermudian entity transaction).
4. Average original LVR excludes capitalised premium and excess of loss insurance.

Insurance in-force

As at 31 December 2021

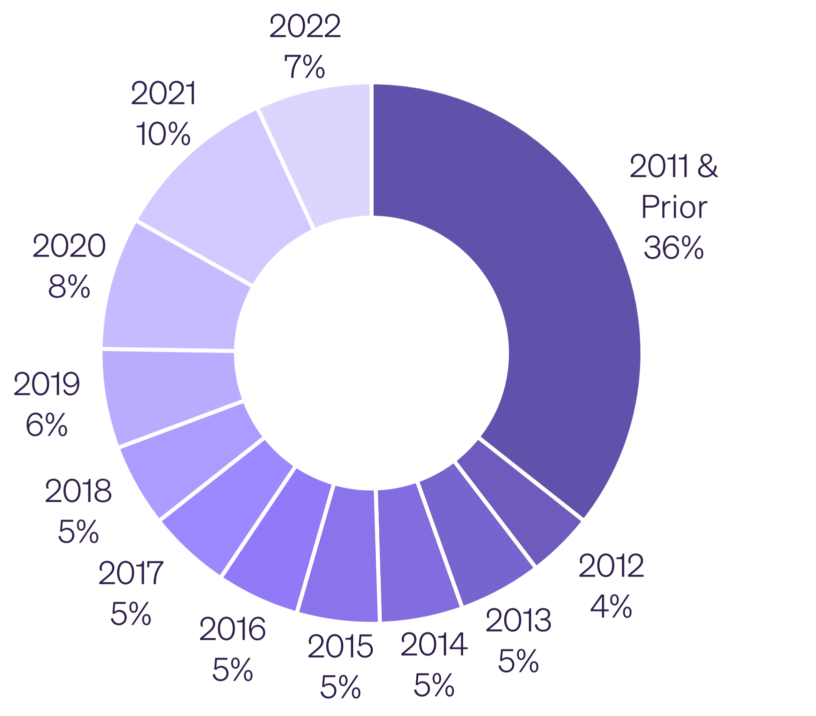
Book year	$ billions	%	Original LVR	Effective LVR	Change in house price %
2010 & Prior	80.1	28	80.1	28.9	113
2011	9.2	3	84.1	45.8	63
2012	13.1	4	86.5	48.7	64
2013	14.8	5	87.1	52.8	55
2014	16.0	6	87.2	57.7	43
2015	15.5	5	85.7	60.1	34
2016	14.7	5	83.8	60.4	31
2017	13.8	5	86.8	66.7	24
2018	14.7	5	87.8	68.2	24
2019	19.2	7	88.1	66.9	29
2020	27.8	10	88.3	71.5	23
2021	31.3	11	87.9	80.3	11
Total Flow	270.1	93	84.1	49.2	66
Portfolio	20.5	7	56.3	18.7	122
Total/ Weighted Avg.	290.7	100	81.6	46.5	71

As at 31 December 2022

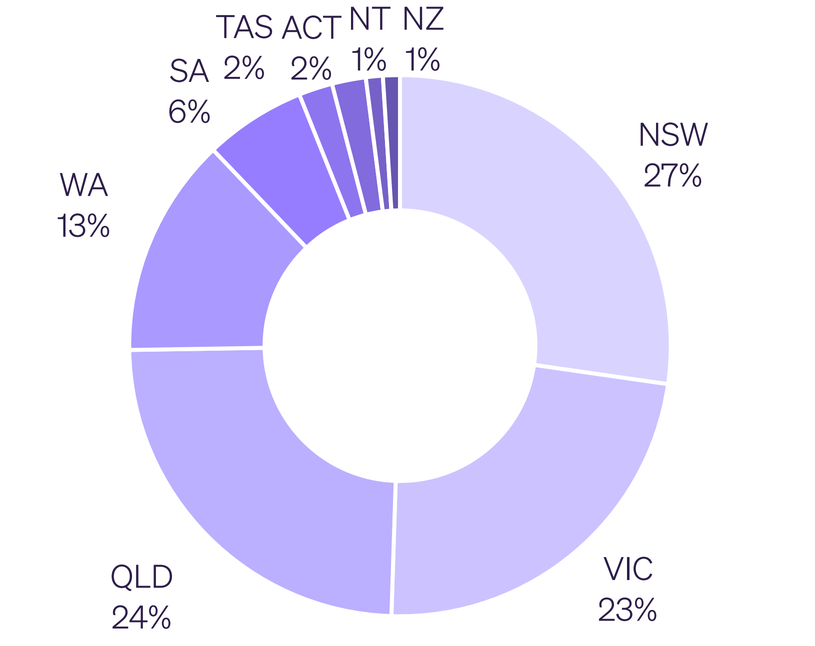
Book year	$ billions	%	Original LVR	Effective LVR	Change in house price %
2011 & Prior	75.8	29	82.0	30.6	98
2012	10.5	4	86.9	47.8	58
2013	12.7	5	86.9	50.8	51
2014	13.6	5	86.9	55.3	41
2015	13.3	5	85.5	57.7	33
2016	12.6	5	83.6	58.7	30
2017	11.4	4	86.6	65.5	23
2018	11.8	4	87.6	67.5	23
2019	15.1	6	87.9	66.8	27
2020	22.0	8	88.2	71.6	21
2021	27.1	10	87.9	82.2	7
2022	18.9	7	87.5	92.7	-4
Total Flow	244.7	93	84.9	50.5	57
Portfolio	17.8	7	56.3	19.5	101
Total/ Weighted Avg.	262.5	100	82.5	47.8	61

Note: Excludes inward reinsurance, excess of loss insurance, NZ and Helia Indemnity Limited. Calculated on an estimated house price adjusted effective LVR, using the CoreLogic Hedonic Home Price Index and assumes 30-year principal and interest amortising loan, with the mortgage rate remaining unchanged through the period. Effective LVR is not adjusted for prepayments, redraws or non-amortising residential mortgage loans insured. Original LVR excludes capitalised premium.

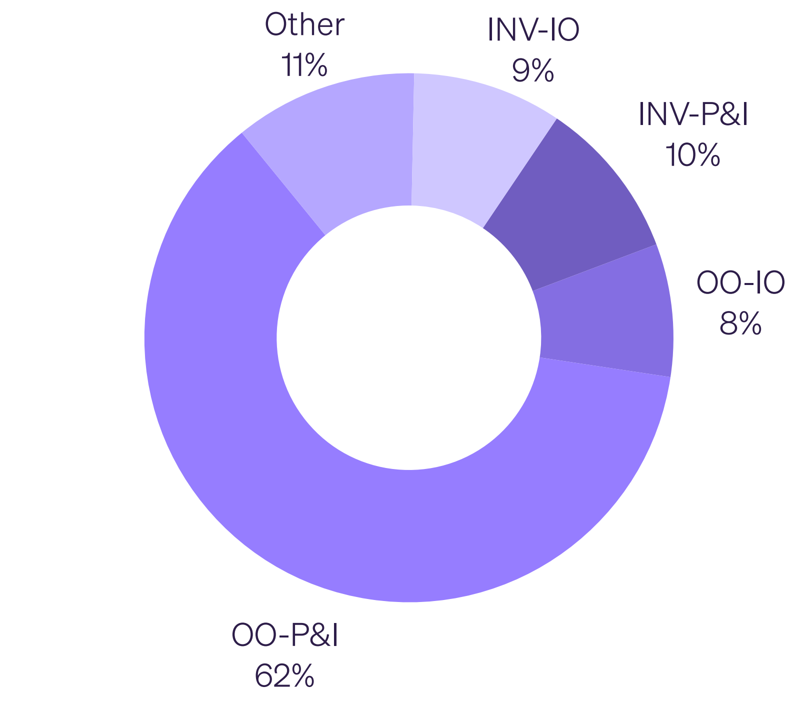
Book year



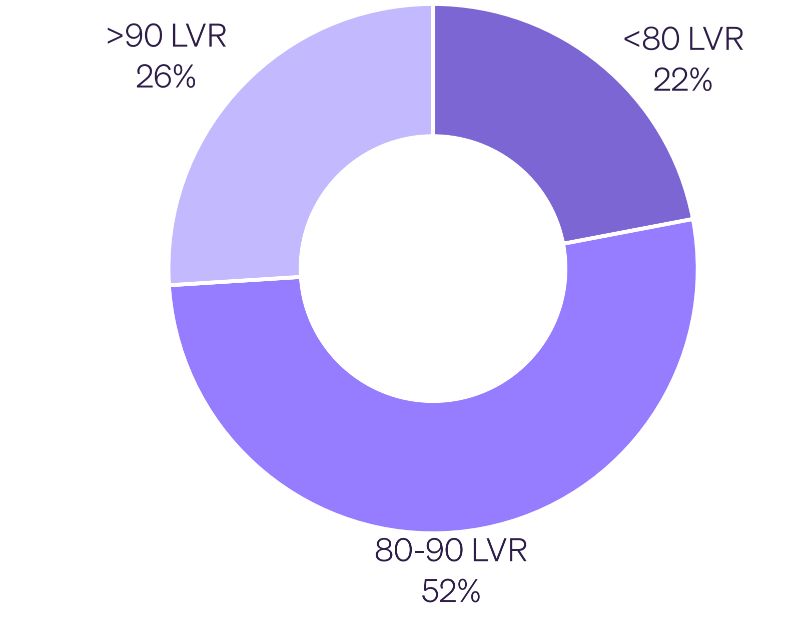
State



Loan type at origination



LVR at origination



Primary Insurance	1H20	FY20	1H21	FY21	1H22	FY22
Insured loans in-force (#)	1,236,657	1,195,907	1,141,490	1,118,328	1,026,374	**976,137**
Insurance in-force ($m)	304,693	305,668	307,318	304,529	287,777	**276,835**

Delinquency trends

Delinquency roll	1H20	2H20	FY20	1H21	2H21	FY21	1H22	2H22	FY22
Opening balance	7,221	7,614	7,221	6,964	6,853	6,964	5,826	5,228	5,826
New delinquencies	4,988	4,380	9,368	4,384	3,082	7,466	3,315	2,713	6,028
Cures	(3,904)	(4,467)	(8,371)	(4,170)	(3,910)	(8,080)	(3,706)	(3,219)	(6,925)
Paid claims	(691)	(563)	(1,254)	(325)	(199)	(524)	(207)	(153)	(360)
Closing delinquencies	7,614	6,964	6,964	6,853	5,826	5,826	5,228	4,569	4,569
Average total reserves per delinquency ($'000)	52.4	77.6		82.8	82.4		88.8	91.0	
Delinquency rate[1]	0.62%	0.58%		0.60%	0.52%		0.51%	0.47%	
Cure rate[2]	54.1%	58.7%		59.9%	57.1%		63.6%	61.6%	

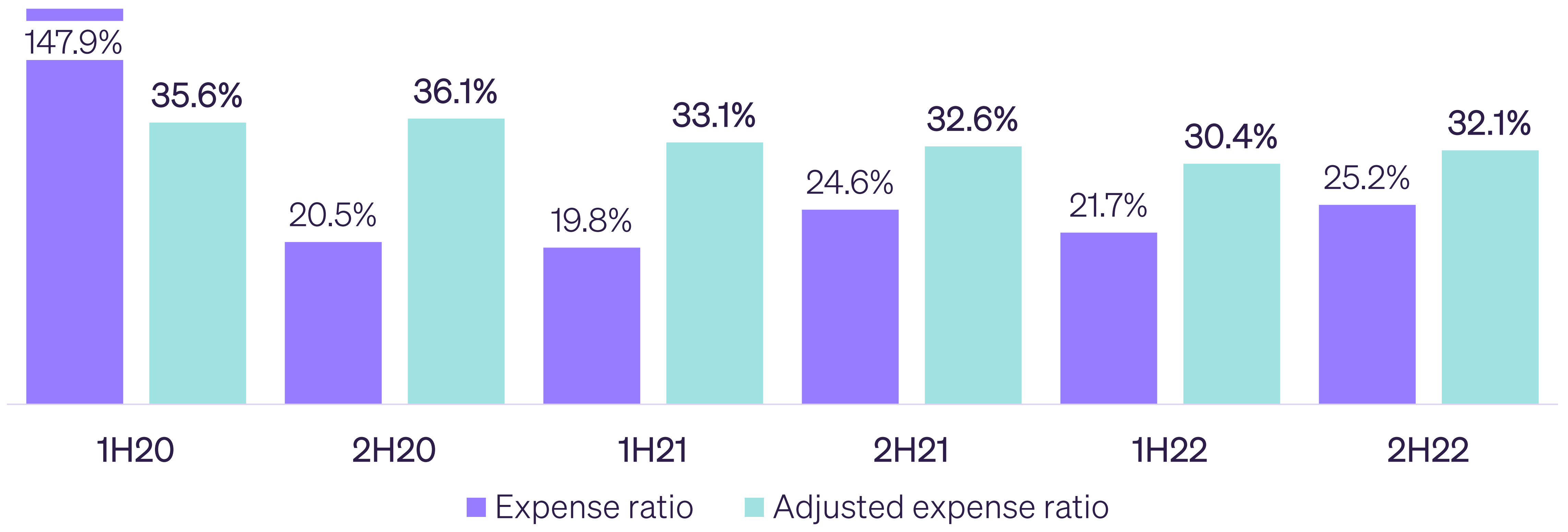
Delinquencies by book year[3]	Dec 21	%	Jun 22	%	Dec 22	%
2011 and prior	3,003	0.51%	2,693	0.52%	2,303	0.47%
2012	386	0.79%	325	0.77%	287	0.75%
2013	439	0.85%	402	0.86%	327	0.75%
2014	503	0.89%	407	0.82%	371	0.80%
2015	388	0.78%	327	0.73%	289	0.69%
2016	270	0.60%	216	0.53%	178	0.47%
2017	268	0.63%	239	0.61%	188	0.52%
2018	277	0.63%	238	0.62%	190	0.55%
2019	168	0.34%	188	0.40%	154	0.37%
2020	114	0.16%	137	0.22%	160	0.29%
2021	10	0.01%	54	0.08%	108	0.17%
2022	0	0.00%	2	0.01%	14	0.03%
TOTAL	5,826	0.52%	5,228	0.51%	4,569	0.47%

Delinquencies by geography	Dec 21	%	Jun 22	%	Dec 22	%
New South Wales	1,173	0.44%	1,043	0.43%	927	0.40%
Victoria	1,185	0.44%	1,071	0.44%	940	0.41%
Queensland	1,554	0.60%	1,433	0.59%	1,246	0.54%
Western Australia	1,123	0.81%	980	0.76%	822	0.67%
South Australia	533	0.63%	459	0.59%	400	0.54%
Australian Capital Territory	69	0.26%	61	0.27%	64	0.31%
Tasmania	84	0.21%	77	0.22%	86	0.27%
Northern Territory	91	0.69%	89	0.72%	67	0.56%
New Zealand	14	0.07%	15	0.07%	17	0.08%
TOTAL	5,826	0.52%	5,228	0.51%	4,569	0.47%

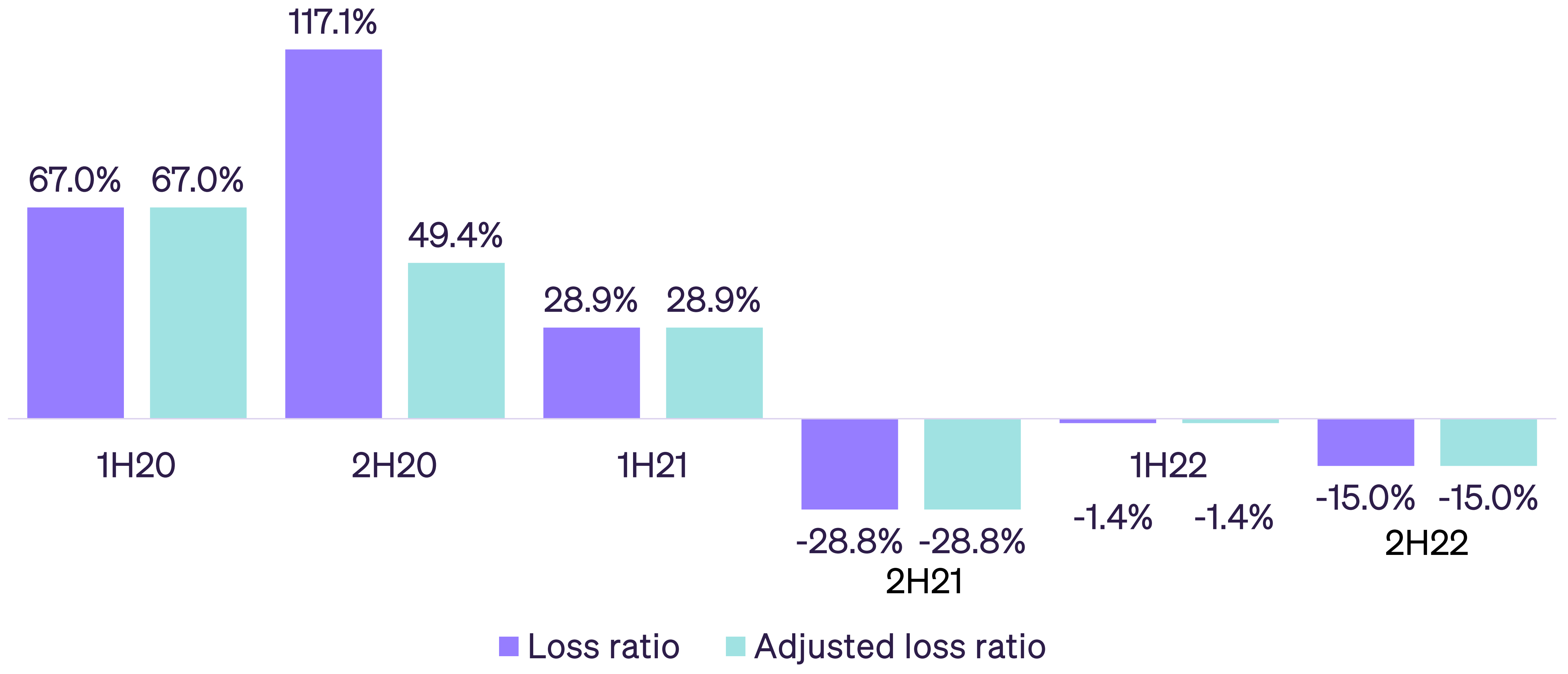
1. The delinquency rate is calculated by dividing the number of reported delinquent loans insured by the number of in-force policies (excluding excess of loss insurance).
2. The cure rate is calculated by dividing the number of cures in a period by the number of delinquencies at the beginning of that period.
3. Shows the number of delinquencies and the portfolio delinquency rate, calculated by dividing the number of delinquencies by the number of loans in-force (~1.0m).

Insurance ratio analysis

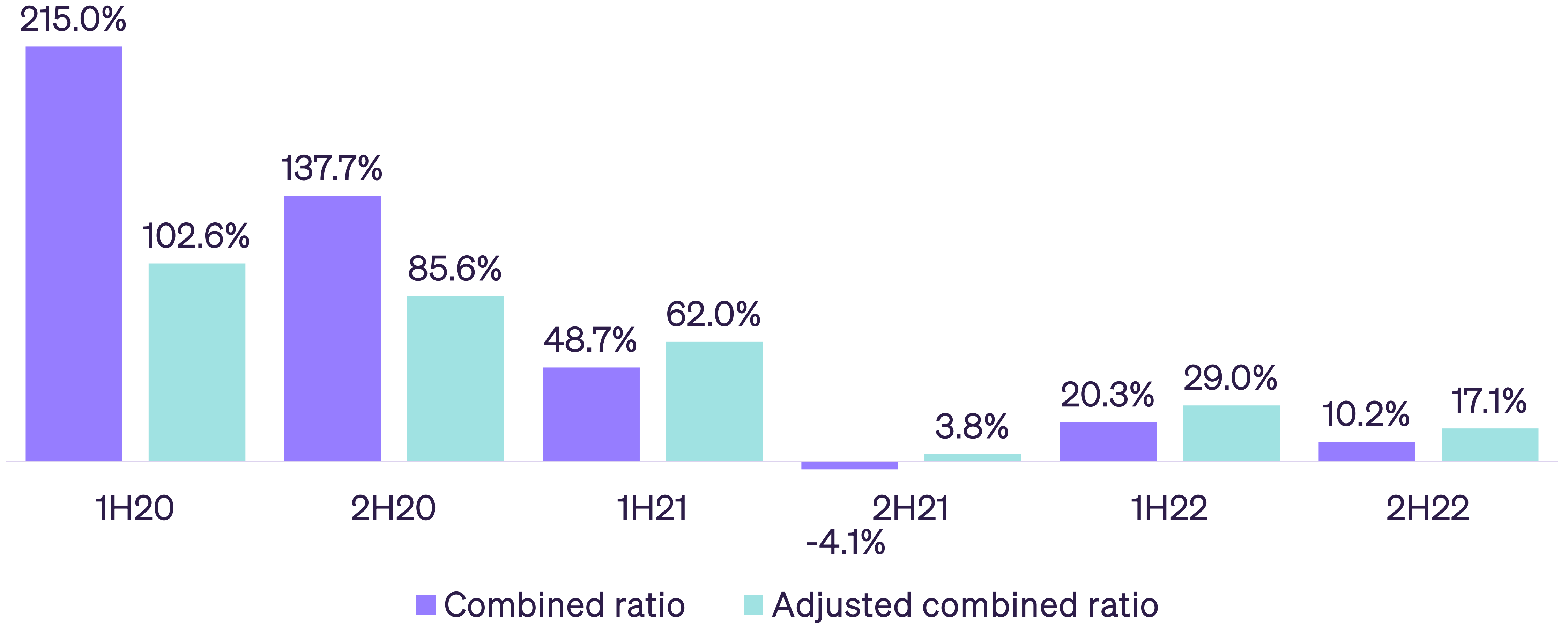
Expense ratio[1]



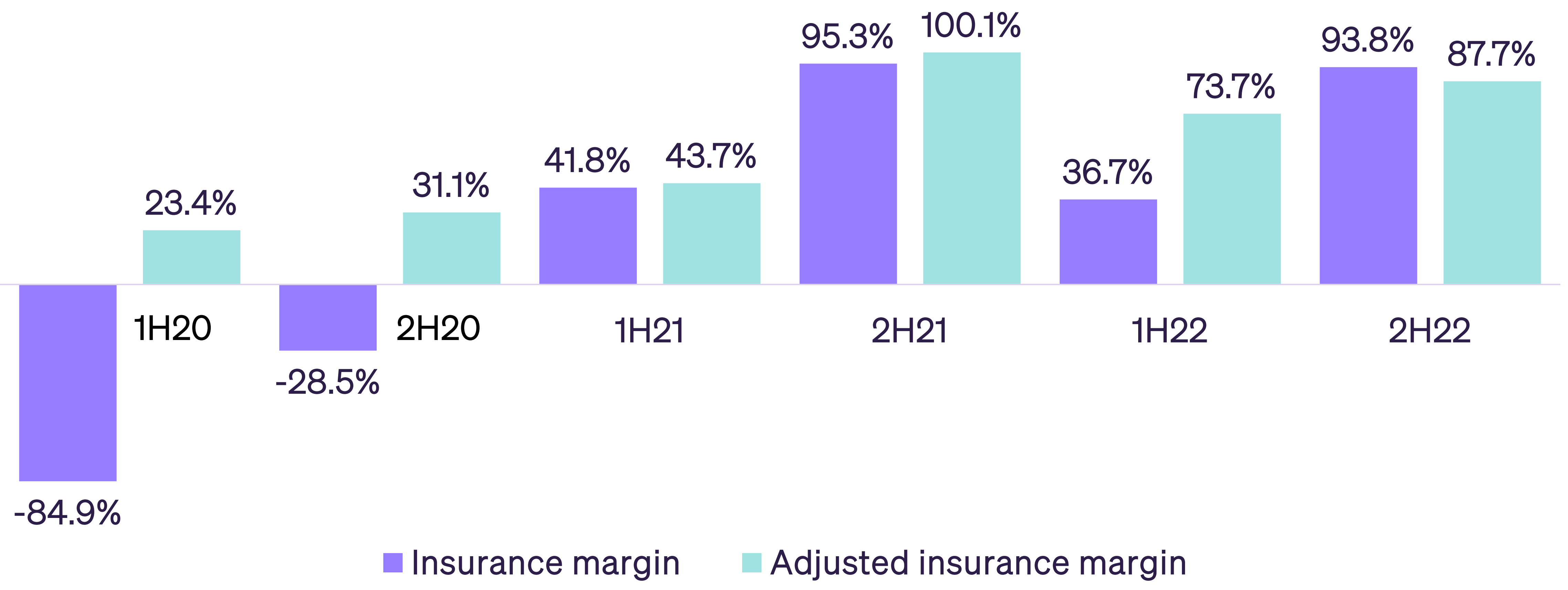
Loss ratio[2]



Combined ratio[1,2]



Insurance margin[3]



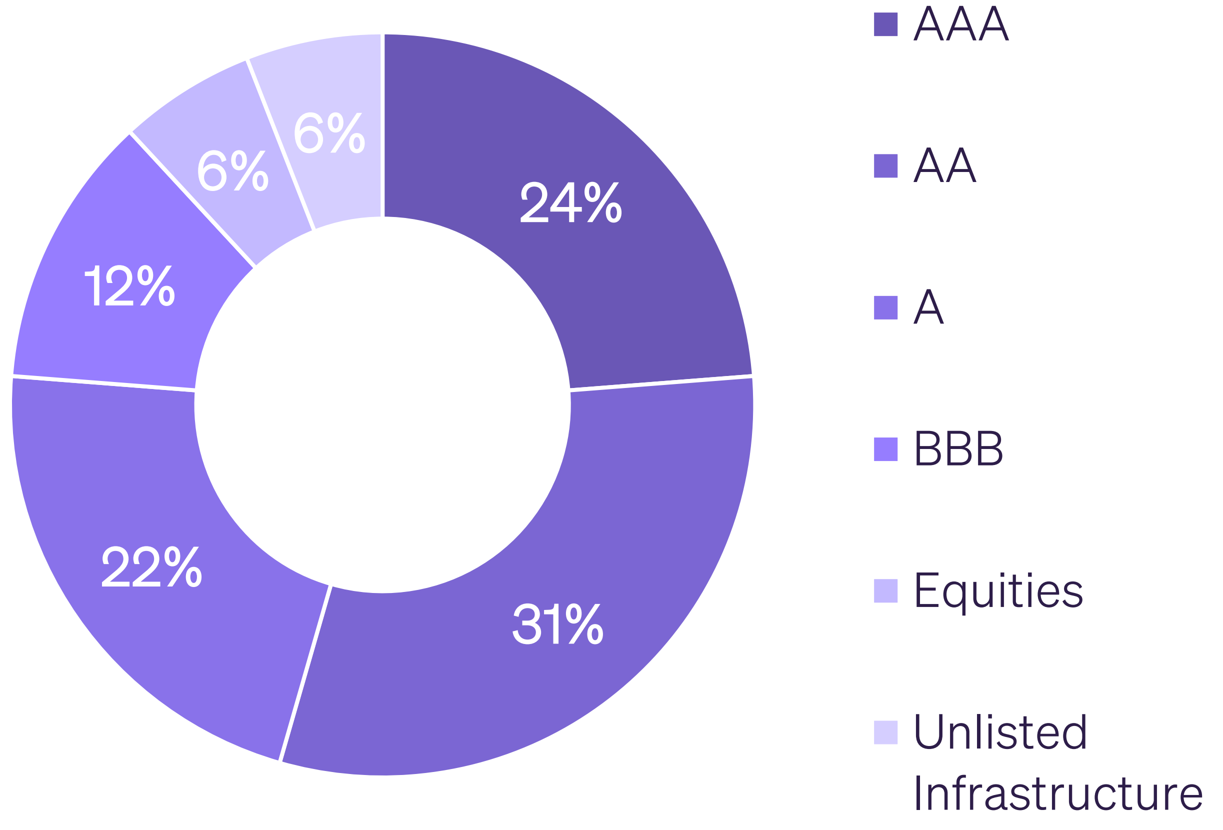
1. Adjusted ratio excludes $181.8m DAC write-down in 1H20, less associated DAC amortisation benefit of $12.3m in 1H20, $25.1m in 2H20, $23.5m in 1H21, $23.5m in 2H21, $21.5m in 1H22 and $16.6m in 2H22, less GFI separation costs of $0.8m in 1H21, $7.6m in 2H21, $2.7m in 1H22 and $2.1m in 2H22.
2. Adjusted ratio excludes $109.1m 2H20 increase in IBNR as a result of the reserving methodology review.
3. Adjusted ratio excludes $181.8m DAC write-down in 1H20, less associated DAC amortisation benefit of $12.3m in 1H20, $25.1m in 2H20, $23.5m in 1H21, $23.5m in 2H21, $21.5m in 1H22 and $16.6m in 2H22, $109.1m 2H20 increase in IBNR as a result of the reserving methodology review, unrealised (gains) / losses and FX and GFI separation costs of $0.8m in 1H21, $7.6m in 2H21, $2.7m in 1H22 and $2.1m in 2H22.

Cash and investment portfolio

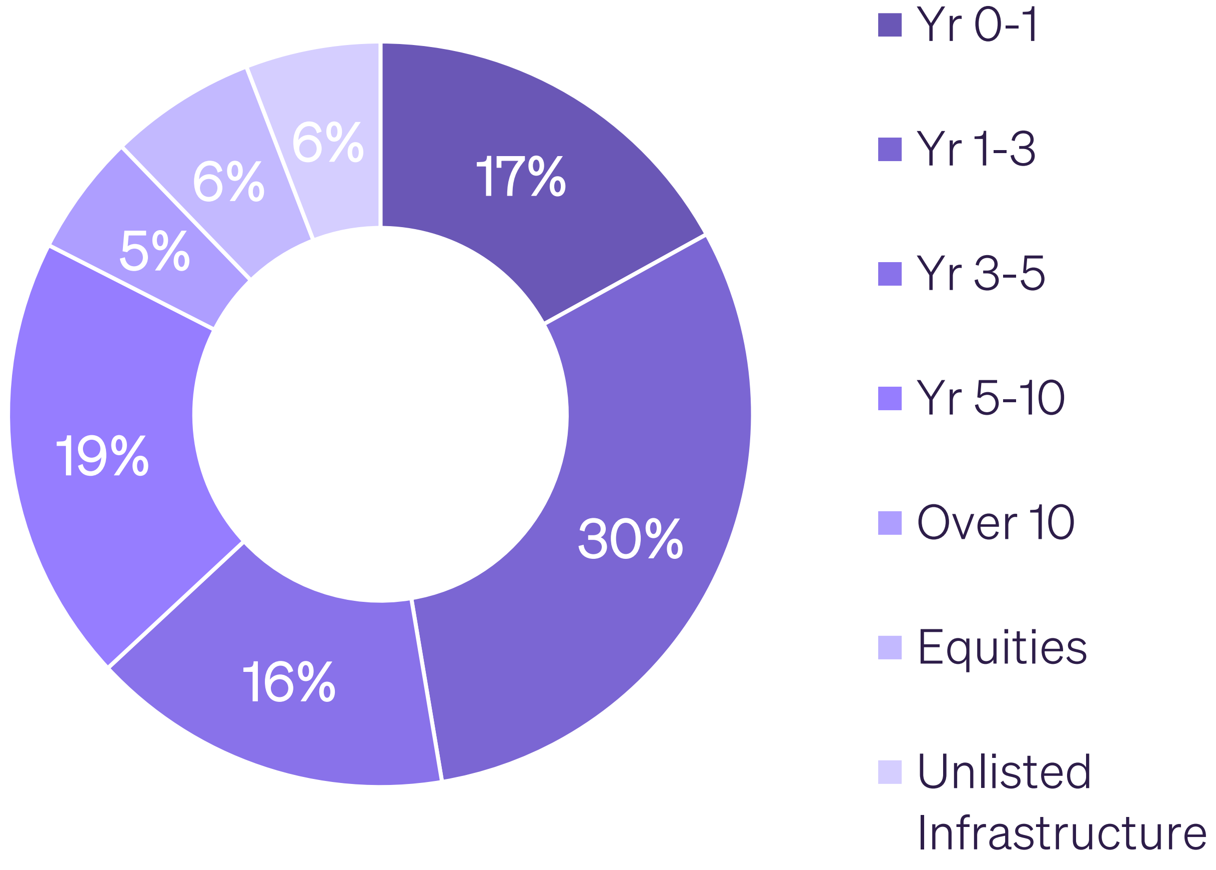
Portfolio positioned for a rising yield environment

Cash and investment portfolio[1] ($m)	31 Dec 21	%	30 Jun 22	%	31 Dec 22	%
Commonwealth[2]	532.8	34.5%	480.2	36.8%	476.1	35.8%
State Gov't	514.6	33.4%	460.7	35.3%	436.0	32.8%
Corporate / Other	430.2	27.9%	348.9	26.7%	379.9	28.5%
Cash & Short Term Deposits	65.2	4.2%	15.6	1.2%	39.0	2.9%
Technical funds	1,542.8	100.0%	1,305.3	100.0%	1,331.2	100.0%
Commonwealth	16.4	0.8%	14.9	0.7%	-	-
Corporate / Other	1,642.3	76.0%	1,605.6	77.5%	1,404.0	72.6%
Cash & Short Term Deposits	301.0	13.9%	195.2	9.4%	120.0	6.2%
Equities	201.3	9.3%	202.0	9.7%	208.1	10.8%
Unlisted Infrastructure	-	-	53.6	2.6%	191.4	9.9%
Derivatives	-	-	0.1	0.0%	9.1	0.5%
Shareholder funds	2,161.0	100.0%	2,071.3	100.0%	1,932.7	100.0%
Total Investment Assets	3,703.8	100.0%	3,376.7	100.0%	3,263.8	100.0%

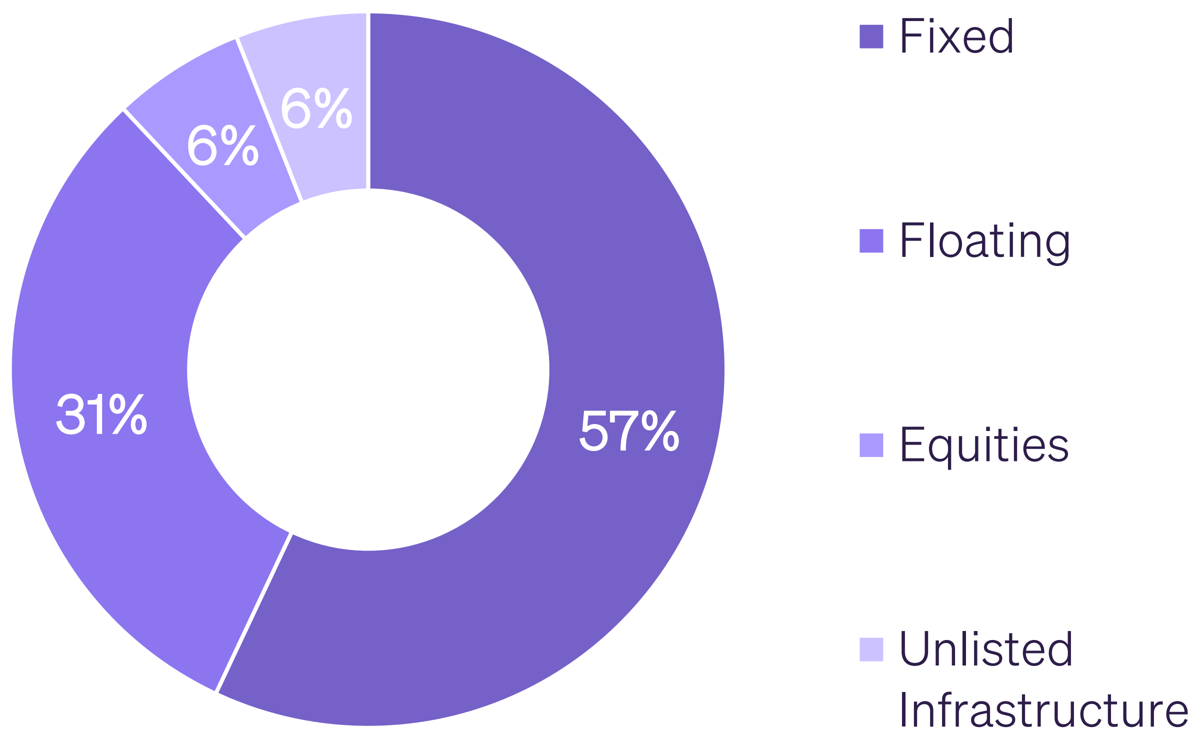
Portfolio by rating[3]



Portfolio by maturity



Portfolio by type

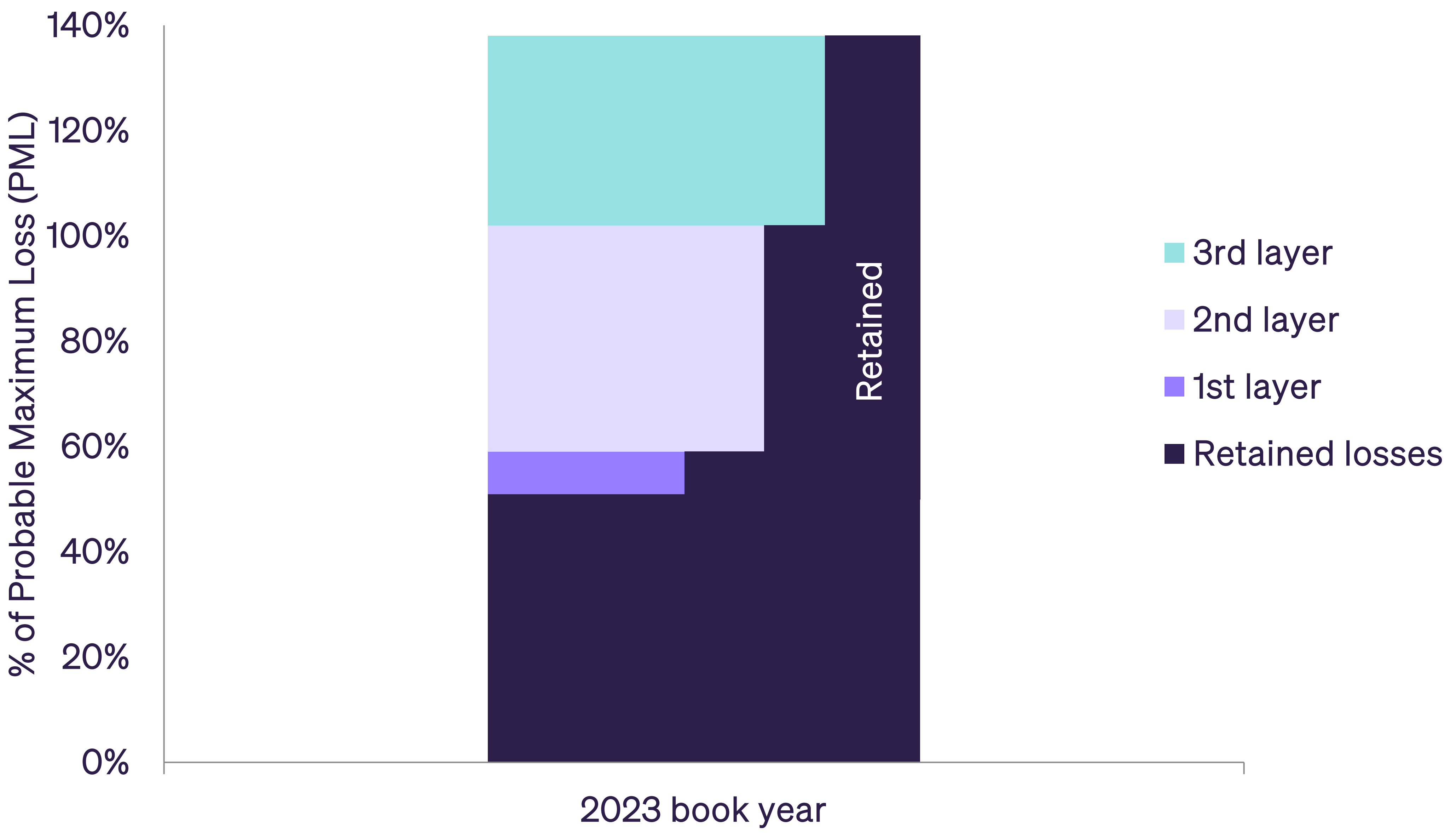


Helia

1. Maturity of 3.7 years (duration 1.8 years) excludes equities and derivatives. Note: Derivatives contracts are with AA rated counterparties and have a maturity of less than 1 year.
2. Includes bonds with an explicit guarantee from the Commonwealth.
3. The ratings in the following chart are the lower equivalent rating of either Standard & Poor's or Moody's using the methodology set out in APRA's prudential standard GPS 001.

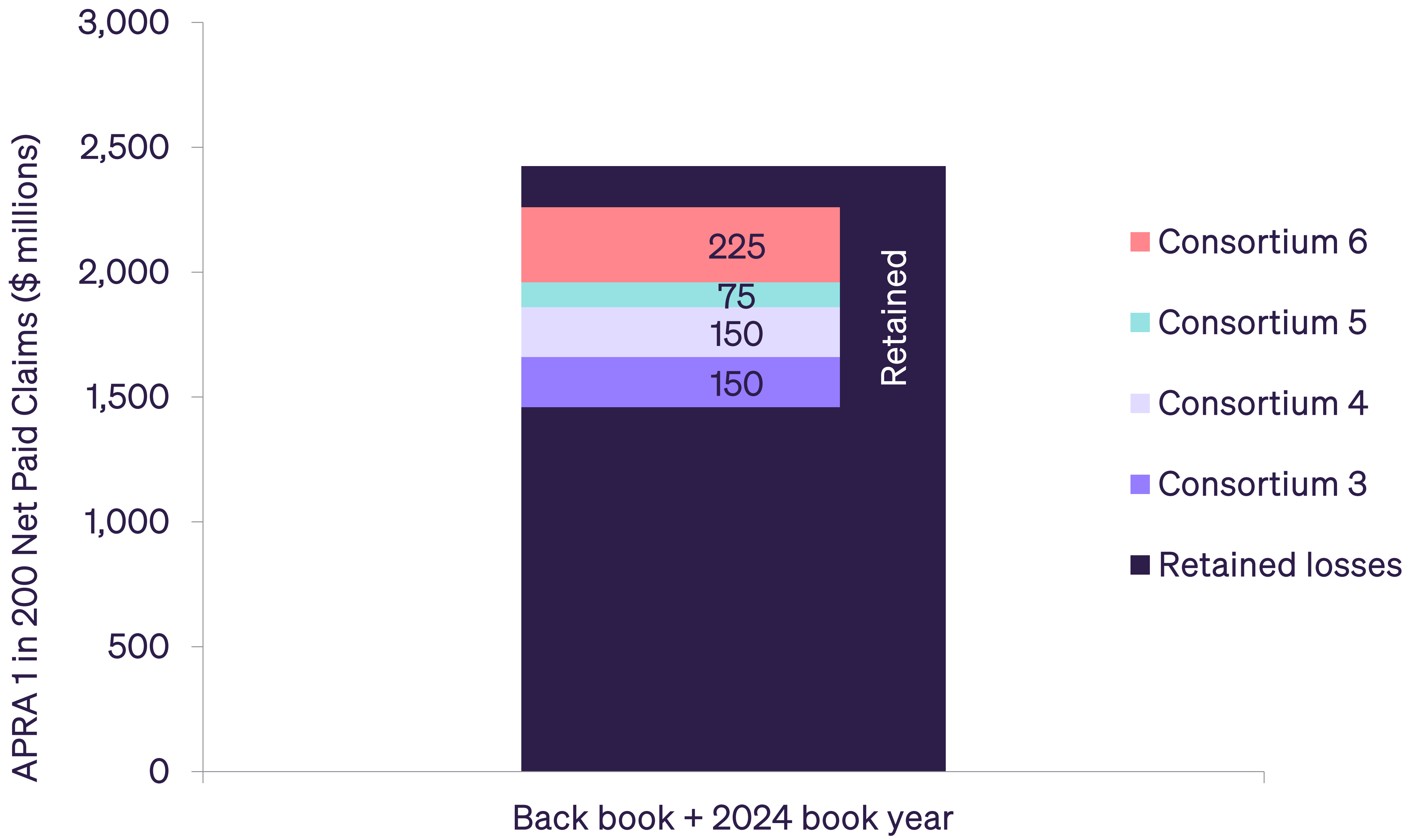
Reinsurance programme from 1 January 2023

2023 book year coverage by layer (% of PML)[1]



- Over 20 different reinsurers participating across the programme with a minimum rating of A-
- Placement in 2023 is set as a % of PML, driven by new business mix and volumes
- Duration is up to 10 years from 31 December 2023 with a call option after seven years. From 31 December 2023 the attachment point locks and the detachment (and coverage) amortises in line with APRA's 1 in 200 Net Paid Claims requirement

Back book coverage by layer



- Over 20 different reinsurers participating across the programme with a minimum rating of A-
- Helia retains the first $1.46b of paid claims after which excess of loss reinsurance cover of $600m is in place
- Cover is for one year, with an option to extend to a full term (varying between 7-10 years depending on the layer)

1. Coverage figures are estimates based on new business mix and volumes and are subject to change.

Reconciliations

Statutory NPAT to underlying NPAT

($ millions)	1H21	2H21	FY21	1H22	2H22	FY22
Statutory net profit after tax	59.4	133.5	192.8	18.9	167.9	186.8
Unrealised (gains) / losses and FX	23.5	32.3	55.8	162.1	(21.8)	140.3
Separation costs	0.8	7.6	8.4	2.7	2.1	4.8
Adjustment for tax (expense) / credits	(7.3)	(12.0)	(19.3)	(49.4)	5.9	(43.6)
Underlying net profit / (loss) after tax	**76.4**	**161.4**	**237.8**	**134.3**	**154.1**	**288.4**

Trailing 12-month underlying ROE

($ millions)	Jun 21	Dec 21	Jun 22	Dec 22
Underlying NPAT	57.7	237.8	295.7	288.4
Average underlying equity[2]	1,402.2	1,459.4	1,465.9	1,544.7
Underlying ROE (%)	**4.1%**	**16.3%**	**20.2%**	**18.7%**

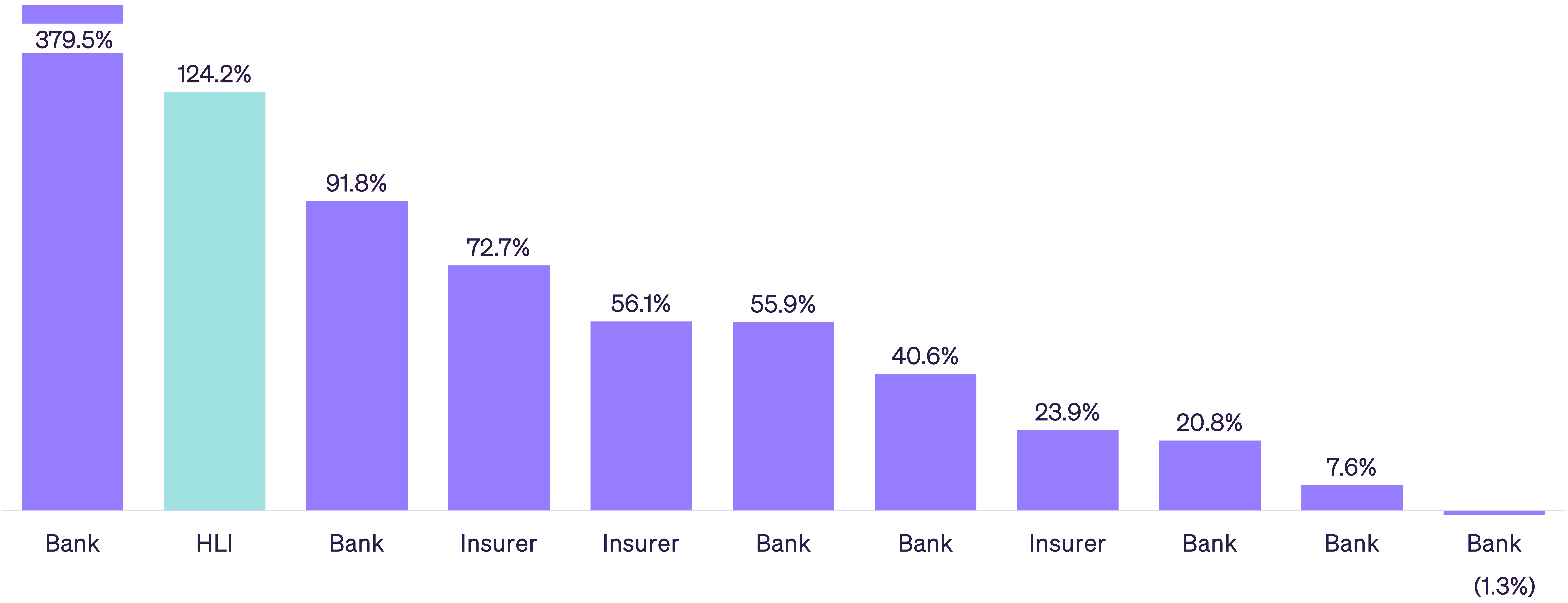
Total equity and underlying equity

($ millions), as at	1H21	2H21	FY21	1H22	2H22	FY22
Total equity	1,446.7	1,557.3	1,557.3	1,381.6	1,421.1	1,421.1
Adjustment for life to date unrealised (gains) / losses and FX	(23.2)	9.1	9.1	171.0	149.4	149.4
Adjustment for tax on life to date unrealised (gains) / losses and FX	7.0	(2.7)	(2.7)	(51.3)	(44.8)	(44.8)
Underlying equity[1]	**1,430.5**	**1,563.6**	**1,563.6**	**1,501.3**	**1,525.7**	**1,525.7**

1. Underlying Equity, which is a non-IFRS financial measure, is calculated by adjusting total equity to exclude any after-tax impacts of unrealised gains or losses on securities held in the Company's investment portfolio, and FX movement.
2. For the purposes of calculating Underlying ROE, Underlying Equity is defined as the average Underlying Equity between the start and end of the relevant 12-month period.
Note: Totals may not sum due to rounding.

History of strong Total Shareholder Return (TSR) delivery[1]

TSR May 2014 to 22 February 2023



1. FactSet.

Glossary

5

Glossary

As at 31 December 2022

Term	Definition
Ageing	Movement in reserves on any insurance policy that remains in a delinquent state (3+ months of missed payments or Mortgage In Possession)
API	Application programming interface
APRA	The Australian Prudential Regulation Authority
BBSW	Bank Bill Swap Rate
Book year	The calendar year an LMI policy is originated
CAGR	Compound annual growth rate
Cancellations	The termination of policies before their expiration, typically by the insured
Capitalised premium	The cost of the LMI premium and related costs added to the loan balance(s) covered by the policy
Combined ratio	The combined ratio is the sum of the loss ratio and the expense ratio
Common equity tier 1 or CET1	Consists of total accounting equity, adjustments for certain reserves and adjustments for certain other items, such as intangible assets, which are excluded from the capital base
CPS	Cents Per Share
Cures	A policy that either clears arrears to below 3 months of missed payments, or sells the underlying securities with enough equity in the property to clear the arrears
DAC	Deferred acquisition costs - Costs associated with obtaining and recording mortgage insurance contracts which are capitalised when they relate to the acquisition of new business or renewals
Delinquency	Any insured loan which is reported as three or more months of repayments in arrears
Excess of loss	A type of insurance in which the insurer indemnifies the insured for losses that exceed a specified limit
Expense ratio	The expense ratio is calculated by dividing the sum of the acquisition costs and the other underwriting expenses by the net earned premium
Flow	Policies written by Helia on a loan by loan basis at the time of origination by the lender customer
Gross earned premium	The earned premium for a given period prior to any outward reinsurance premium expense
GFI	Genworth Financial, Inc. (NYSE: GNW)
GWP	Gross written premium
HPA / HPD / HPI	House price appreciation / depreciation / index
IBNR	Incurred but not reported - Delinquent loans that have been incurred but not reported, policies which have missed 1 or 2 monthly repayments (or equivalent)

Term	Definition
IFRS	International Financial Reporting Standards
Insurance in-force	The original principal balance of all mortgage loans currently insured (excludes excess of loss insurance)
Insurance margin	Calculated by dividing the profit from underwriting and interest income on technical funds (including realised and unrealised gains or losses) by the net earned premium
Insurance profit	Profit from underwriting and interest income on technical funds (including realised and unrealised gains or losses)
INV	Investment loans
Investment return	Total investment income divided by the average balance of the opening and closing cash and investments balance for the period, annualised
IO	Interest Only loans
Level 2	A term defined by APRA under GPS 001 referring to a consolidated insurance group
LMI	Lenders mortgage insurance
Loss ratio	The loss ratio is calculated by dividing the net claims incurred by the net earned premium
LVR / HLVR	Loan to value ratio High LVR – This LVR benchmark is commonly 80% Original LVR - Calculated using the base LVR at the time of settlement Effective LVR – Calculated using the (estimated current balance)/(approximate house price) of the loan
MIP	Mortgage in possession
NEP	Net earned premium - The earned premium for a given period less any outward reinsurance expense
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
NPV	Net Present Value
PCA	Prescribed capital amount is an APRA formula (set out in Prudential Standard GPS 110) designed to ensure an insurer has adequate capital against risk
PCA coverage ratio	The PCA coverage is calculated by dividing the regulatory capital base by the prescribed capital amount
PML	Probable maximum loss - 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
Premium liabilities	Reflects the present value of (a) expected cash flows associated with anticipated future claims from policies that never missed one or more repayments based on the net central estimate; and (b) risk margin; plus future policy administration expenses, premium refunds and reinsurance costs related to these policies

Glossary

As at 31 December 2022

Term	Definition
RBA	Reserve Bank of Australia
Regulatory capital base	The regulatory capital base is the sum of Tier 1 Capital and Tier 2 Capital
Risk margin	An additional amount that is added to the central estimate loss forecast and reserves to reflect the inherent uncertainty in forecasting loss outcomes
ROE	Return on equity – ROE is NPAT divided by the average of the opening and closing equity balance for a financial period
Running yield	For bonds the annualised return anticipated if the security is held until the earlier of maturity or the expected call date. For equities the trailing 12 month dividends divided by the current price. For infrastructure the trailing 12 month operating income return. All net of investment fees and hedging costs
Shareholder funds	The cash and investments in excess of the Technical funds
Statutory NPAT	Net profit after tax
Technical funds	The investments held to support premium liabilities and outstanding claims reserves
Tier 1 Capital	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
Tier 2 Capital	As defined by APRA GPS 112, Tier 2 Capital comprises other components of capital that to varying degrees, 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 equity	Underlying equity is defined as total equity excluding the after-tax impact of unrealised gains/(losses) on the investment portfolio and the impact of unhedged movements in foreign exchange rates on Helia's non-AUD exposures

Term	Definition
Underlying NPAT	Underlying NPAT excludes the after-tax impact of unrealised gains/(losses) on the investment portfolio, the impact of foreign exchange rates on Helia's investment portfolio and separation costs
Underlying ROE	The Underlying ROE is calculated by dividing Underlying NPAT by the average of the opening and closing Underlying Equity balance for a financial period
YTD	Year to date

Investor materials can be found at:

Helia.com.au

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E: investorrelations@helia.com.au

The release of this announcement was authorised by the Board.

24 February 2022