



1Q24 APRA lodgement and trading update

2 May 2024: Helia Group Limited (Helia or the Company) (ASX:HLI) provides the following updates in relation to its 1Q24 Australian Prudential Regulation Authority (APRA) lodgement and 1Q24 trading.

1Q24 APRA lodgement

Helia notes that it finalised the submission of data in relation to the three months ended 31 March 2024 to APRA on 1 May 2024 (APRA lodgement).

The APRA lodgement includes data on two licensed general insurance entities which are both 100% owned subsidiaries of Helia; being Helia Insurance Pty Limited, the Company's main operating entity and Helia Indemnity Limited which is in run-off.

The APRA lodgement does not provide a consolidated view of Helia or its subsidiaries, has not been externally reviewed or audited, and does not embrace a full review of claims reserving nor any associated adjustments to the profile of insurance revenue recognition.

The 1Q24 data submitted to APRA for Helia Insurance Pty Limited included the following:

(\$m)	1Q23 ¹	1Q24
Gross written premium (GWP)	51.0	38.4
Insurance revenue	114.7	93.5
Total incurred claims ²	-25.7	-0.0
Insurance service result	98.5	63.3
Net investment revenue	75.0	41.9
Net financial result ³	24.2	21.7
Statutory net profit after tax (NPAT)	80.3	53.0
Prescribed Capital Amount coverage ratio (PCA) (x)	1.73	1.86

¹ 1Q23 data submitted to APRA was in accordance with AASB 1023 General Insurance Contracts. Prior corresponding period measures have been restated in accordance with AASB 17 Insurance Contracts except for GWP and the PCA ratio.

² Total incurred claims is negative, caused by low levels of paid claims and a reduction in reserves.

³ The Net financial result represents net investment revenue/loss less an insurance finance expense/benefit which incorporates the impact of interest accretion and interest rate movements on the value of insurance contract liabilities.

1Q24 trading update

GWP is lower than the prior corresponding period (pcp) reflecting the impact of the Federal Government Home Guarantee Scheme and a lower insured proportion of high LVR loans from the Commonwealth Bank of Australia (CBA).

Insurance revenue reflects the pattern of recognition over the life of a policy, whereby revenue in any period is a function of GWP volumes over a longer timeframe. Insurance revenue was down on pcp, reflecting lower GWP in recent book years. The FY24 guidance range of \$360 million to \$440 million remains unchanged.

Total incurred claims were close to zero as incurred claims for the current period were offset by changes to liabilities for prior incurred claims. Claims paid remain low and the Liability for incurred claims (LIC) has remained steady as new delinquencies have been broadly offset by cures. Helia continues to expect the total incurred claims ratio⁴ to increase towards ~30% which is representative of Helia's expectations through the cycle.

Net investment revenue benefitted from higher running yields on the bond portfolio and strong returns from equities and infrastructure investments in Shareholder funds. Bond yields were largely unchanged during the period and as such, there was limited impact on investment income or the corresponding offset in insurance finance expense.

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

⁴ Total incurred claims / insurance revenue.