

2017 Annual General Meeting Chairman's Address

(SYDNEY) 11 May 2017 – The subject of homeownership and housing affordability is very topical right now. It is sometimes forgotten that for more than 50 years Genworth, and its predecessor companies, has provided a way for borrowers to enter the property market and has supported the dream of homeownership. I am pleased to say that in 2016 alone we helped over 77,000 Australians purchase a residential property.

We work very hard with our customers, regulators and policy leaders to promote a stronger and more sustainable housing market in Australia. At the core of this is our commitment to being a strong risk management and capital partner.

In the past year, the Company announced a number of appointments to the Board that I believe will help guide the Company's strategy in the future. In 2016 we welcomed to the Board, Gai McGrath and David Foster as Non-Executive Directors. This follows the retirement of Richard Grellman as Chairman and member of the Board of Directors and Samuel Marsico as Non-Executive Director. Georgette Nicholas, the Chief Executive Officer, was also appointed as Managing Director in May 2016 following her appointment as CEO in February 2016.

I would particularly like to recognise Richard's leadership of the Company since 2012. He was instrumental in establishing an independent Board, preparing the Company for listing on the ASX and managing the transition to the requirements of a listed company. On behalf of my fellow Directors I would like to thank him for his commitment, guidance and contributions to the Company during his tenure.

I look forward to working with Georgette, Gai and David in the future and I believe their appointments further enhance the Board's capability and experience.

At Genworth, we champion diversity in the workplace. The Workplace Gender Equality Agency (WGEA) recognises our work in this area and awarded us the WGEA Employer of Choice for Gender Equality citation for the second consecutive year.

Management has set a goal of maintaining female representation of at least 33 per cent on the Senior Leadership Team and in striving for diverse slates for all leadership roles. As of today, 43 per cent of the Senior Leadership Team are women.

The Board has resolved to adopt best practice regarding Board diversity by setting a target of having 30 per cent female representation on the Board by the end of 2018. I am pleased to say that we have met that target with 33 per cent women on the Board currently.

The Board is also seeking shareholder approval of Resolution 3 at this AGM to increase the Non-Executive Director fee pool. The Board considers it is reasonable and appropriate to seek an increase in the fee pool at this time given the fee pool has not been increased since 2014 and that the proposed increase will provide additional flexibility in ensuring the Company has the ability to attract and retain

high calibre Non-Executive Directors. Given the current fee pool utilisation is nearly 75 per cent and two Non-Executive Directors who are executives of Genworth Financial, Inc. are paid by GFI in the ordinary course of their duties and are not currently paid fees by the Company, the Board believes the proposed increase to the fee pool provides additional and reasonable flexibility.

Over the course of 2016, the Board led and guided management in a program of work to deliver a refined strategic plan that will ensure we are achieving sustainable long term shareholder returns.

As Georgette will discuss shortly, we are focused on addressing the strategic needs of our customers through product innovation, being a strong risk management partner, providing insights across the mortgage market given our data and information and using technology to be efficient and agile in our operations. In meeting the strategic needs of our customers, our focus will also be on delivering a sustainable return on equity for our shareholders.

The Company actively manages its capital position as part of its strategy to deliver sustainable long-term shareholder returns. In 2016, I am pleased that we were able to reward shareholders with a total of 74.5 cents per share (equivalent to \$403.6 million) of capital management initiatives. Since the IPO in May 2014, the Company has returned more than \$1 billion of excess capital to shareholders.

The Company's financial position remains strong. At the end of 2016, we maintained a regulatory capital base of \$2.2 billion and a coverage ratio of 1.57 times the Prescribed Capital Amount (PCA) on a Group (Level 2) basis. This is in excess of the Board's targeted range of 1.32 – 1.44 times the PCA.

As such, the Company has announced that it is seeking shareholder approval for a possible on-market share buy-back of up to 125 million shares, which is Resolution 4 being voted on today. If shareholders approve the Resolution and the Board of the Company decides to buy back shares, then the Company would seek APRA approval before undertaking the buy-back. There is also no guarantee that the Company will buy back the full number of shares and the Company reserves the right to suspend or terminate the buy-back at any time, and to buy back fewer than 125 million of ordinary shares, or no shares at all.

In summary, our vision is to be a leading provider of customer-focused capital and risk management solutions. We have a strong value proposition to customers. We provide capital support, reduce risk exposures and deliver underwriting and loss mitigation services that help lenders maintain quality residential lending standards.

Current market conditions are challenging with reduced high loan-to-value lending and areas of pressure as the economy continues to transition away from the mining investment boom. In this environment, our focus is on our risk management discipline and on finding new and innovative ways to address the strategic needs of our customers.

In closing I would like to thank our CEO, Ms Georgette Nicholas, her Senior Leadership Team and all those who work at Genworth Australia for their hard work throughout the year. I also extend my thanks to my fellow Directors for their continued commitment to the Company. Finally, to our shareholders, I thank you for your ongoing support.

I will now ask Georgette to provide some further detail about our performance, our strategy and the people and values of the Company.

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About Genworth

Genworth Mortgage Insurance Australia Limited (Genworth), through its subsidiary companies Genworth Financial Mortgage Insurance Pty Ltd and Genworth Financial Mortgage Indemnity Ltd (together, the Genworth Group or the Group), is the leading provider of Lenders Mortgage Insurance (LMI) in the Australian residential mortgage lending market. The Genworth Group has been part of the Australian residential mortgage lending market for over 50 years since the Housing Loans Insurance Corporation was founded by the Australian Government in 1965 to provide LMI in Australia. Genworth is currently a subsidiary of Genworth Financial, Inc. and part of the Genworth Financial, Inc. group of companies. The Genworth Financial, Inc. group of companies' current ownership interest in Genworth is approximately 52% of the issued shares in Genworth.