

## **Genworth agrees to issue new \$43 million Tier 2 subordinated notes**

**(SYDNEY) 25 June 2020:** Genworth Mortgage Insurance Australia Limited (Genworth or the Company) (ASX:GMA) advises that its wholly owned subsidiary, Genworth Financial Mortgage Insurance Pty Limited (the Issuer), has agreed to issue A\$43,425,000 of new Floating Rate Subordinated Notes due in July 2030 (New Notes).

The settlement of issue of the New Notes is scheduled to occur on 3 July 2020.

The New Notes will qualify as Tier 2 Capital under the Australian Prudential Regulation Authority's (APRA) capital adequacy framework and include the following terms:

- A term of 10 years (maturing 3 July 2030);
- The New Notes will pay investors interest quarterly at a floating rate equal to the three-month bank bill swap reference rate (BBSW) plus a margin of 5.0% per annum;
- The Issuer has an option to redeem the New Notes at face value on 3 July 2025 and every interest payment date thereafter up to and excluding the maturity date, and for certain tax and regulatory events (in each case subject to APRA's prior written approval);
- If APRA determines Genworth or the Issuer to be non-viable, the New Notes will be written off. There is no provision for conversion to ordinary shares;
- The Issuer is not required to make any payment in respect of New Notes if it would not be solvent both at the time that payment is due and immediately after making the payment (non-payment will not constitute an event of default).

Settlement of the notes is scheduled for 3 July 2020. This transaction is in addition to the exchange of notes announced on 24 June 2020. Following settlement, Genworth will have A\$190,000,000 2020 notes and A\$53,425,000 2015 notes on issue.

Genworth's Chief Executive Officer and Managing Director, Ms. Pauline Blight-Johnston, said, "The successful new issue of A\$43 million, in addition to the recent A\$147 million exchange from our 2015 notes, reflects the strong investor interest in Genworth."

Following settlement of this transaction, the Company's regulatory solvency ratio will increase from 1.78 times to 1.83 times the Prescribed Capital Amount (PCA) on a group (Level 2) pro-forma basis as at 31 March 2020. This is comfortably above the top end of the Board's target capital range of 1.32 to 1.44 times.

### **ENDS**

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

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

**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.