

Genworth Australia announces on-market share buy-back

(SYDNEY) 30 October 2015 – Genworth Mortgage Insurance Australia Limited (ASX: GMA) today announced its intention to commence, with effect from 16 November 2015, an on-market share buy-back program for shares up to a maximum aggregate amount of \$150 million.

Based on GMA's closing share price of \$2.65 on 29 October 2015, this would represent 8.7 per cent of GMA's issued share capital or around 56.6 million ordinary shares. The total number of shares to be purchased by GMA under the program will depend on business and market conditions, the prevailing share price, market volumes and other considerations.

The proposed on-market share buy-back program is a continuation of the capital management actions that are designed to bring GMA's solvency ratio more in line with the Board's target capital range of 1.32 to 1.44 times the Prescribed Capital Amount (PCA) on a Level 2 basis. GMA has received the necessary regulatory approvals and consent from its majority shareholder, Genworth Financial, Inc. (Genworth Financial), under the arrangements entered into as part of GMA's IPO, to commence the on-market share buy-back.

Genworth Australia's Acting CEO, Georgette Nicholas, said, "The on-market buy-back is consistent with Genworth Australia's stated strategy of pursuing capital management initiatives that ensure an efficient capital structure and help us deliver improved returns to shareholders. GMA will consider implementing the program where opportunities exist to buy-back securities at a discount to book value per share. Buy-back acquisitions would therefore be accretive to earnings and net assets per share of the Group."

Genworth Financial has communicated to GMA that it is supportive of the buy-back. Genworth Financial has also indicated that it presently intends to engage in on-market sale transactions during the buy-back in order to maintain its approximately 52 per cent stake in GMA, subject to matters including the prevailing market price of GMA's shares during the buy-back, market trading volumes and applicable legal constraints.

An Appendix 3C in respect of the on-market share buy-back is attached. GMA reserves the right to vary, suspend or terminate the buy-back at any time and there is no guarantee that GMA will purchase any or all of the shares referred to above.

Goldman Sachs has been appointed as transaction broker in relation to the on-market buy-back.

For more information:

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About Genworth Australia

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

Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
Genworth Mortgage Insurance Australia Limited	72 154 890 730

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On-market
2	+Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Ordinary shares
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the +class on issue	650,000,000
6	Whether shareholder/unitholder approval is required for buy-back	No
7	Reason for buy-back	Ongoing capital management

+ See chapter 19 for defined terms.

8	Any other information material to a shareholder's/unitholder's decision whether to accept the offer (<i>eg, details of any proposed takeover bid</i>)	Nil
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On-market buy-back

9	Name of broker who will act on the company's behalf	Goldman Sachs Australia Pty Ltd
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10	Deleted 30/9/2001.	Not applicable
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11	<p>If the company/trust intends to buy back a maximum number of shares - that number</p> <p><small>Note: This requires a figure to be included, not a percentage.</small></p>	<p>That number of shares having an aggregate value of up to \$150,000,000</p> <p>The Company reserves the right to vary, suspend or terminate the buy-back at any time</p>
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12	<p>If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention</p>	<p>Buy-back to commence on 16 November 2015 and continue until 15 April 2016. Prior to 15 April 2016, GMA will assess the buy-back and may seek to extend the buy-back period subject to any regulatory or other approvals required</p> <p>The Company reserves the right to vary, suspend or terminate the buy-back at any time</p>
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13	<p>If the company/trust intends to buy back shares/units if conditions are met - those conditions</p>	Not applicable
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Questions 14 to 22 are not applicable

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:


.....Jonathan Downes.....
(Director/Company secretary)

Date: 30 October 2015

Print name: Jonathan Downes

⁺ See chapter 19 for defined terms.