Investor Report

Full year ended 31 December 2015

Genworth Mortgage Insurance Australia Limited
ABN 72 154 890 730

5 February 2016

Corporate information

This report contains general information in summary form which is current as at 31 December 2015. It presents financial information on both a statutory basis (prepared in accordance with Australian accounting standards which comply with International Financial Reporting Standards (IFRS) and non-IFRS basis. The Pro forma financial information in this report is prepared on the same basis as disclosed in the **Genworth Mortgage Insurance Australia Limited (GMA or the Company)** prospectus lodged by the Company with the Australian Securities and Investments Commission on 23 April 2014 (Prospectus), which reflected the post reorganisation structure. Refer to Section 7.1 and 7.2 of the Prospectus for detailed information (these two sections have been included in Appendix D for your reference). As the prior year IFRS financial result of **GMA and its subsidiaries (collectively, the Group)**, prepared on a statutory basis, only represents the period from 19 May 2014 to 31 December 2014, a comprehensive review and analysis of the non-IFRS Pro forma financial information throughout this report has been prepared as it may provide users with a better understanding of the financial performance of the business. This report is not a recommendation or advice in relation to GMA or any product or service offered by the Group. It is not intended to be relied upon as advice to investors or potential investors and does not contain all information relevant or necessary for an investment decision.

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Local currencies have been used where possible. Prevailing current exchange rates have been used to convert foreign currency amounts into Australian dollars, where appropriate.

All references starting with "FY" refer to the financial year ended 31 December. For example, "FY15" refers to the year ended 31 December 2015. All references starting with "1H" refer to the financial half year ended 30 June. For example, "1H15" refers to the half year ended 30 June 2015. All references starting with "2H" refer to the financial half year ended 31 December. For example, "2H15" refers to the half year ended 31 December 2015.

Corporate information

Following completion of the allocation of 650 million ordinary shares under an IPO in May 2014, the shares in Genworth Mortgage Insurance Australia Limited successfully listed on the Australian Securities Exchange (ASX) under the code GMA on 20 May 2014, at an issue price of $2.65 per share. Under the allocation of the ordinary shares, 220 million shares, or 33.85% of the issued capital, were allocated to retail and institutional shareholders raising $583 million gross, which, net of underwriting costs, was repatriated to the ultimate major shareholder of GMA, Genworth Financial, Inc. which owned the remaining 66.15% of the issued shares.

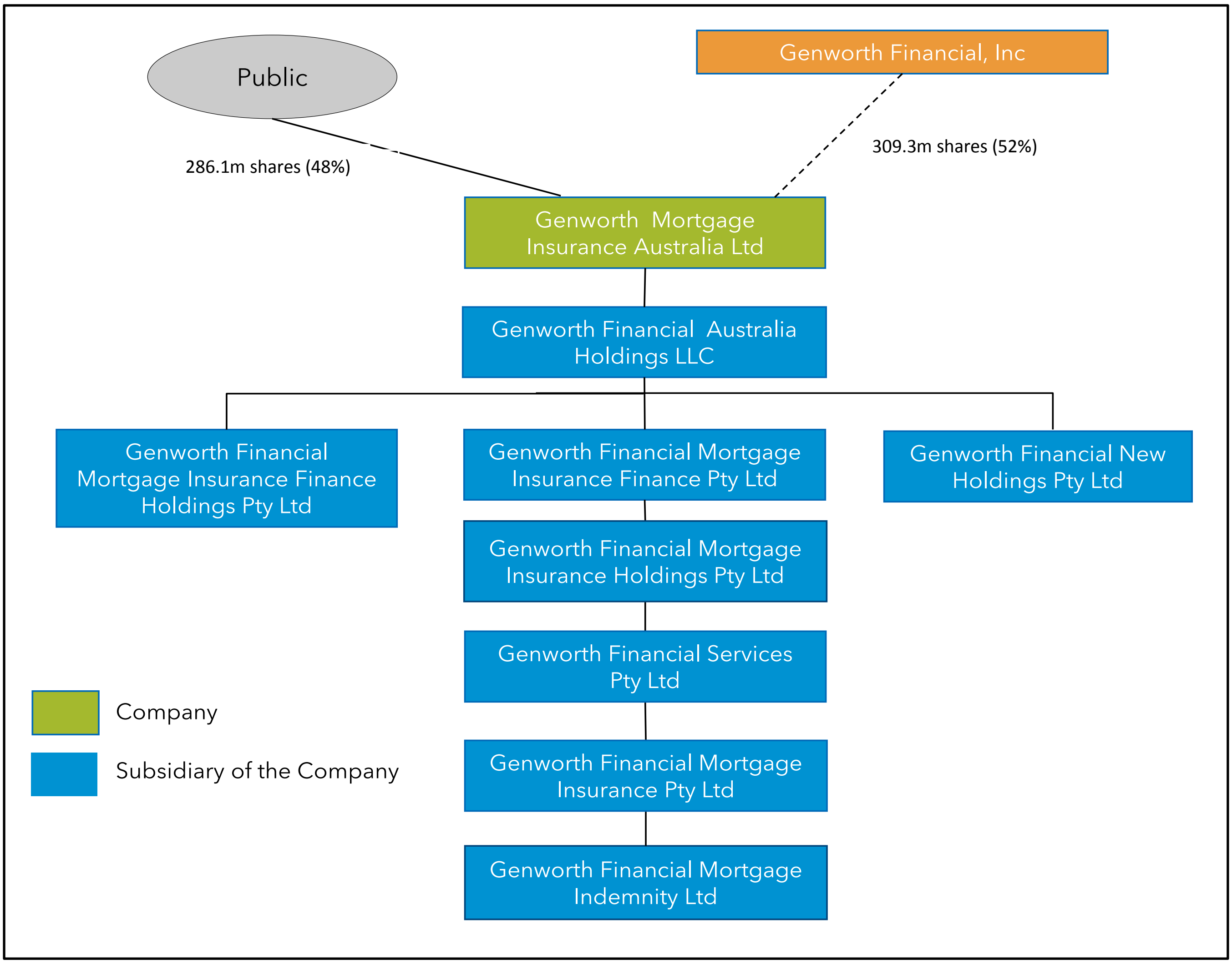
Immediately prior to completion of the IPO, GMA became the new holding company of the Group with 100% control of the Australian subsidiaries through the implementation of a reorganisation plan. The Group is represented by GMA and its subsidiaries.

On 15 May 2015, Genworth Financial, Inc. sold 92.3 million shares in GMA, reducing its ownership in GMA to approximately 52%.

As at 8 December 2015, the Group completed an on-market share buy-back program. 54.6 million shares were purchased and subsequently cancelled for a total consideration of $150 million. Genworth Financial, Inc. participated in on-market sale transactions during the buy-back program to maintain its approximately 52% stake in the Group. As at 10 December 2015, the number of GMA shares on issue was 595.4 million.

The Group has the following corporate structure:

Figure 1: GMA Corporate Structure as at 31 December 2015



Corporate information

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Section 1

Executive summary

1 Executive Summary

1.1 Overview of the full year 2015 financial results

GMA reported statutory net profit after tax (NPAT) of $228.0 million for 2015 financial year. After adjusting for the after-tax mark-to-market movement in the investment portfolio of $36.7 million, underlying NPAT was $264.7 million.

Table 1: Group financial performance measures

(A$ in millions)	FY14 (Pro forma)	FY15	Change FY14 vs FY15
Gross written premium	634.2	507.6	(20.0%)
Gross earned premium	520.7	549.6	5.6%
Net earned premium	445.8	469.9	5.4%
Reported NPAT	324.1	228.0	(29.7%)
Underlying NPAT	279.4	264.6	(5.3%)
Loss Ratio	19.0%	24.0%	5.0%
Delinquency rate	0.33%	0.38%	0.05%
Expense Ratio	26.5%	26.2%	(0.3%)
Combined Ratio	45.5%	50.2%	4.7%
Insurance Margin	65.8%	58.1%	(7.7%)
Investment Return	4.0%	3.7%	(0.3%)
ROE	13.8%	9.7%	(4.1%)
Underlying ROE	12.2%	11.6%	(0.6%)

The FY15 results reflect:

(a) Lower sales (Gross Written Premium):

i. GWP declined 20.0% consistent with the broader industry trend of a reduction in the proportion of mortgage originations above 90% LVR. The result also reflects changes in the customer portfolio during the year.

(b) Higher revenue (Net Earned Premium):

i. Net Earned Premium increased 5.4% reflecting the pattern of revenue recognition from a period of higher volumes and premium rate increases in prior book years. An actuarial adjustment also contributed to the increase.

(c) Higher net claims incurred:

i. A $17.6 million adjustment to the Incurred But Not Reported (IBNR) component of the outstanding claims reserve following an actuarial review of the risk emergence in the portfolio.

ii. The prior period was positively impacted by a high number of borrower sales and low number of loan arrears converting to claim.

1.2 Summary of financial and capital position

Table 2: Group financial position/capital measures

(A$ in millions), as at	31 Dec 14	31 Dec 15
Cash, accrued interest and investments	4,200.5	3,960.5
Total assets	4,449.3	4,232.0
Unearned premium reserve	1,362.6	1,320.6
Net assets	2,500.5	2,218.7
Net tangible assets	2,488.6	2,208.6
Regulatory capital base	2,854.1	2,600.8
Level 2 PCA coverage	1.59x	1.59x
CET1 coverage	1.53x	1.44x
Gearing (debt / debt plus equity)	5.3%	9.9%

The Group's capital position was strong as at 31 December 2015, reflected by the Group's regulatory capital solvency level of 1.59 times PCA and a CET1 ratio of 1.44 times. The regulatory solvency position is above the Board's targeted range of 1.32‐1.44 times PCA and above the regulatory requirement of CET1 of 0.60 times PCA.

1.3 Economic and Regulatory Environment

1.3.1 Economic environment

Australian economic conditions were generally favourable in 2015. Increased dwelling investment and household consumption supported growth at a time of lower business investment. The labour market improved over the year against the backdrop of low inflation and accommodative monetary policy.

At the December 2015 RBA Board meeting, the RBA Governor, Glenn Stevens, noted "that moderate expansion in the economy continues in the face of a large decline in capital spending in the mining sector. While GDP growth has been somewhat below longer-term averages for some time, business surveys suggest a gradual improvement in conditions in non-mining sectors over the past year. This has been accompanied by stronger growth in employment and a steady rate of unemployment. Inflation is low and should remain so, with the economy likely to have a degree of spare capacity for some time yet. Inflation is forecast to be consistent with the target over the next one to two years.

"In such circumstances, monetary policy needs to be accommodative. Low interest rates are acting to support borrowing and spending. While the recent changes to some lending rates for housing will reduce this support slightly, overall conditions are still quite accommodative. Growth in lending to investors in the housing market has eased. Supervisory measures are helping to contain risks that may arise from the housing market. The pace of growth in dwelling prices has moderated in Melbourne and Sydney over recent months and has remained mostly subdued in other cities."

Business confidence, as measured by the NAB Business Confidence Index, remained positive in December 2015, despite concerns over the global economic outlook. Consumer confidence remains subdued, with the Westpac-Melbourne Institute Index of Consumer Confidence falling in January 2016 in response to weaker global equity markets.

The unemployment rate has remained generally stable at 5.8% in December 2015, down 0.3% from a year ago. At the state level, lower unemployment rates in the eastern states continues to offset increases in WA and SA.

The housing market remains generally strong with dwelling values up 7.8% on year ago levels, across the combined capital cities[1]. The Sydney and Melbourne housing markets have been exceptionally strong with annual house and dwelling price appreciation of 11.5% and 11.2% respectively. Limited housing supply, strong demand, especially from investors, and the low interest rate environment were key supportive factors of the housing market. Looking ahead, GMA expects house price appreciation to moderate in 2016.

1.3.2 Regulatory environment

The Group remains engaged with regulators, rating agencies and other industry participants to promote legislative and regulatory policies that support increased levels of home ownership and continued responsible credit growth.

In 2015, there was significant regulatory involvement focused on upholding sound lending standards and maintaining appropriate capital requirements in the Australian residential mortgage industry. The Group continued to work with policy makers and regulators about the importance of LMI to the Australian mortgage market and the stability of the wider financial system.

In particular, the Group advocates LMI as part of the broader solution necessary to meet the Financial System Inquiry's recommendations regarding financial stability and competition, including demonstrating the value of LMI as a "second set of eyes" in managing mortgage default risk.

In July 2015, APRA foreshadowed increased capital requirements and a change in risk weighting for the Advanced Internally Rated Banks (AIRBs). The Basel Committee on Banking Supervision is due to release further consultation papers on these issues in the future. The Group will continue to work with regulators, key customers and other stakeholders to demonstrate the value proposition of LMI to all lenders. This work will continue through the ongoing Basel consultation process in 2016.

1.4 Customer Relationships

GMA has commercial relationships with over 100 lender customers across Australia and has Supply and Service Contracts with 10 of its key customers. The top three customers accounted for approximately 72 per cent of GMA's total NIW and 65 per cent of GWP in FY15. The largest customer accounted for 34 per cent of total NIW and 44 per cent of GWP in FY15. The Group estimates that it had approximately 39 per cent of the Australian LMI market by NIW in 2015.

On 17 February 2015, GMA announced that Westpac Banking Corporation had provided 90 days written notice to terminate the agreement for the provision of LMI with Genworth Financial Mortgage Insurance Pty Limited. The LMI business underwritten under this agreement accounted for 9.5% of GMA's NIW and 14.0% of GWP in 2014.

On 4 June 2015, GMA announced that it had renewed its contract with National Australia Bank for the provision of LMI for NAB Broker business. The term of the new contract is for two years to 20 November 2017.

GMA's largest lender customer has the right to reduce the percentage of LMI business it writes by a specified amount with effect from 1 January 2015. As of the date of this report, that customer had provided no formal indication to GMA of its intention to exercise this right.

[1] Core Logic Home Price Index data to December 2015.

1.5 Ratings

The controlled entities maintain their capital strength by reference to a target financial strength rating from an independent ratings agency. The ratings help to reflect the financial strength of these entities and demonstrate to stakeholders their ability to pay claims.

Standard & Poor's

On 30 November 2015, Standard & Poor's Ratings Services (S&P) affirmed the Genworth Financial Mortgage Insurance Pty Limited financial strength and issuer credit rating at 'A+' and outlook 'stable'. On 1 December 2015, S&P withdrew the financial strength and credit ratings on Genworth Financial Mortgage Indemnity Ltd at Genworth Australia's request following Genworth Australia's review of the benefits of continuing to having this run-off entity rated.

Moody's

On 20 February 2015, Moody's reaffirmed the insurance financial strength rating of both Genworth Financial Mortgage Insurance Pty Limited and Genworth Financial Mortgage Indemnity Ltd at 'A3' with a revised outlook of 'Negative' from 'Stable'. On 16 December 2015, Moody's issued a credit opinion which maintained this insurance financial strength rating and outlook.

Fitch Ratings

On 29 January 2016, Fitch Ratings (Fitch) affirmed its insurer financial strength rating of Genworth Financial Mortgage Insurance Pty Limited, assigning an 'A+' rating with outlook 'Stable'.

1.6 Business Strategy

The Group continues to pursue the strategic objective of delivering long-term returns to shareholders, reflected in an attractive, sustainable ROE.

The table below highlights the key achievements in FY15 against each of the key strategic priorities.

Priority	Strategic Priority	FY15 Achievements
#1 **Strengthen market leadership position**	• Seek to strengthen and grow our customer relationships and product value proposition by: - Focusing on understanding and meeting the strategic needs of its customers; - Influencing the changing regulatory environment; - Addressing potential ratings and/or counterparty challenges; - Enhancing its service offerings with a focus on risk management and technology; and - Maintaining a high level of service with a continued focus on customer satisfaction.	• Renewed contract with NAB for two years to 20 November 2017 • New agreement signed with existing customer for <80% LVR business • Ongoing engagement with existing and potential customers • Stable credit ratings
#2 **Enhance profitability**	• Intention to maintain appropriate, risk adjusted returns by: - Pricing NIW to achieve low-to-mid teens ROEs over the long-term and enhancing our understanding of the profitability of portfolio cohorts; - Continue to manage underwriting and pricing to grow share of attractive market segments as they emerge; - Investing in loss mitigation tools and process to enhance management of delinquencies and claims; - Investing in underwriting systems to deliver productivity benefits while maintaining strong risk management disciplines and enhancing customer experience; and - Optimising interest income from its investment portfolio within acceptable risk standards.	• Implemented cost optimisation initiatives to align the cost base with revenues • Continued development of Loss Management mitigation techniques across the portfolio • Product price increases announced in December 2015, effective March 2016
#3 **Optimise capital position and enhance ROE**	• Complement strategy to enhance profitability, through maintaining a strong balance sheet and financial position while managing its capital relative to its risk exposure, targeted ratings and regulatory requirements. • In additional to equity, qualifying capital instruments and reinsurance form part of the Group's capital management strategy. To continue to assess opportunities to optimize its capital base to enhance returns. • To the extent the Group has capital above its internal and regulatory capital requirements the Board will consider a range of options and currently has a preference to return excess capital to shareholders, subject to regulatory approvals and market conditions.	• $200 million Tier 2 subordinated notes issued and redemption of $90 million of existing $140 million non-compliant Tier 2 notes • Fully franked ordinary and special dividends declared and paid • $150 million on-market share buy-back completed • Level of qualifying reinsurance increased to $950 million as at 1 January 2016

Priority	Strategic Priority	FY15 Achievements
#4 **Maintain strong risk management discipline**	• Continue to strengthen the risk culture across the business. • Enhance data received from customers and third parties to support granular and effective risk decision-making. • Continue to invest in modelling and analytical capabilities to deliver more granular performance measures, along with improved loss forecasting, balance sheet management and stress-testing. • Continue to advance the risk management framework and practices by working with regulators, lender customers and other market participants to adapt to changing market conditions.	• Focus on maintaining lending standards (i.e. serviceability, investment loans) • Detailed review of Group risk appetite • Continued roll out of Risk Culture framework across the organisation • Enhanced credit and geography risk analysis
#5 **Continue to work with regulators, rating agencies and other industry participants**	• Continue to work with regulators, rating agencies and other industry participants to promote legislative and regulatory policies that support increased levels of home ownership, continue responsible credit growth for lender customers, and the purchase of LMI by lender customers so as to continue to enable lender customers to provide borrowers with affordable residential mortgage loans.	• Public policy recommendations included submissions to Treasury (Financial System Inquiry) and contributions to Insurance Council of Australia's submissions to government inquiries. • Continued engagement with regulators • Ongoing campaigns to promote industry partnership (e.g. MFAA and Genworth's Broker Day) and industry thought leadership (e.g. *Streets Ahead* and the launch of the First Homebuyer magazine "*It's My Home"*)

Section 2

Group financial results

2 Group Financial Results

2.1 Statement of comprehensive income

Table 3: Group statement of comprehensive income

(A$ millions)	FY 14 (Pro forma)	FY 15	Change FY15 vs FY14
Gross written premium	634.2	507.6	(20.0%)
Movement in unearned premium	(113.5)	42.0	(137.0%)
Gross earned premium	**520.7**	**549.6**	**5.6%**
Outwards reinsurance expense	(75.0)	(79.7)	6.3%
Net earned premium	**445.8**	**469.9**	**5.4%**
Net claims incurred	(84.5)	(112.7)	33.4%
Acquisition costs	(49.0)	(54.5)	11.2%
Other underwriting expenses	(69.0)	(68.5)	(0.7%)
Underwriting result	**243.3**	**234.2**	**(3.7%)**
Investment income on technical reserves	49.9	39.0	(21.8%)
Insurance profit	**293.2**	**273.2**	**(6.8%)**
Investment income on shareholders' funds	177.0	68.9	(61.1%)
Financing costs	(11.3)	(16.5)	46.0%
Profit before income tax	**458.9**	**325.6**	**(29.0%)**
Income tax expense	(134.9)	(97.6)	(27.7%)
NPAT	**324.1**	**228.0**	**(29.7%)**
Underlying NPAT	**279.4**	**264.7**	**(5.3%)**

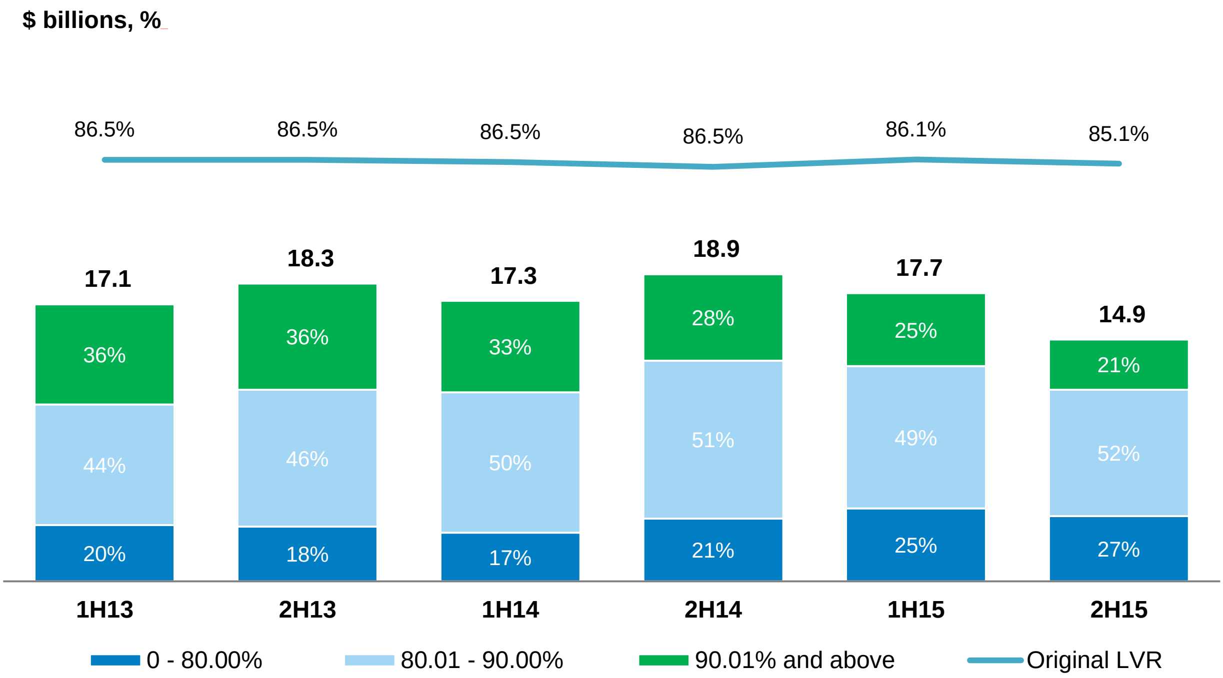
2.2 Management discussion and analysis

2.2.1 New Insurance Written (NIW)

NIW decreased 9.9% to $32.6 billion in FY15 from $36.2 billion in FY14. NIW in the greater than 90% LVR segment decreased 31% while NIW in the less than 80% LVR segment increased 5% reflecting reduced lender risk appetite and focused regulatory oversight in the Australian mortgage market.

NIW from portfolio transactions increased from $1.1 billion in FY14 to $2.2 billion in FY15 for customers seeking risk mitigation on previously uninsured mortgage portfolios.

Figure 2: Flow and Portfolio NIW by Original LVR band (excludes capitalised premium)



2.2.2 Gross Written Premium (GWP)

GWP decreased 20.0% from $634.2 million in FY14 to $507.6 million in FY15. The decline in GWP is consistent with the broader industry trend of a reduction in the proportion of mortgage originations above 90 per cent LVR. The result also reflects changes in the customer portfolio during the year.

Average price for Flow (GWP/NIW) decreased from 1.82% in FY14 to 1.63% in FY15 reflecting a lower proportion of 90-95% LVR mix of business.

The average original LVR of new flow business written in FY15 was 85.8%, down from 87.0% in 2014.

Figure 3: GWP ($ millions) and average price of flow business

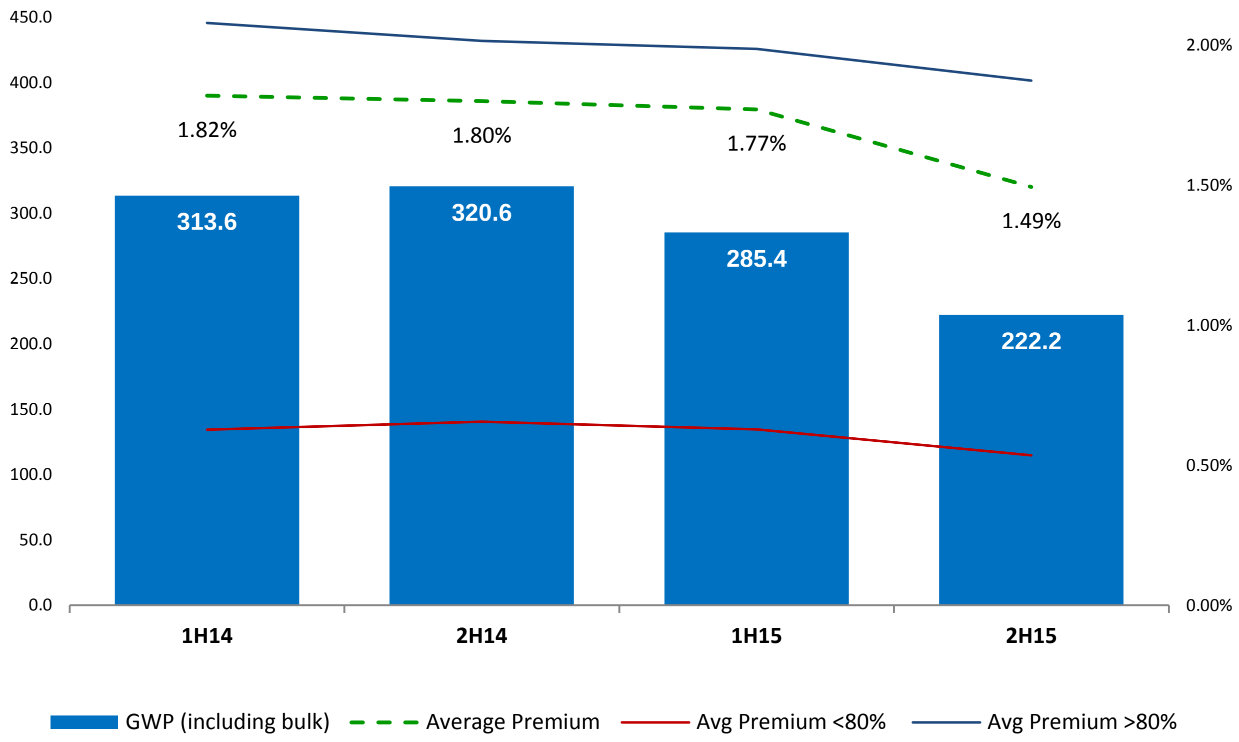
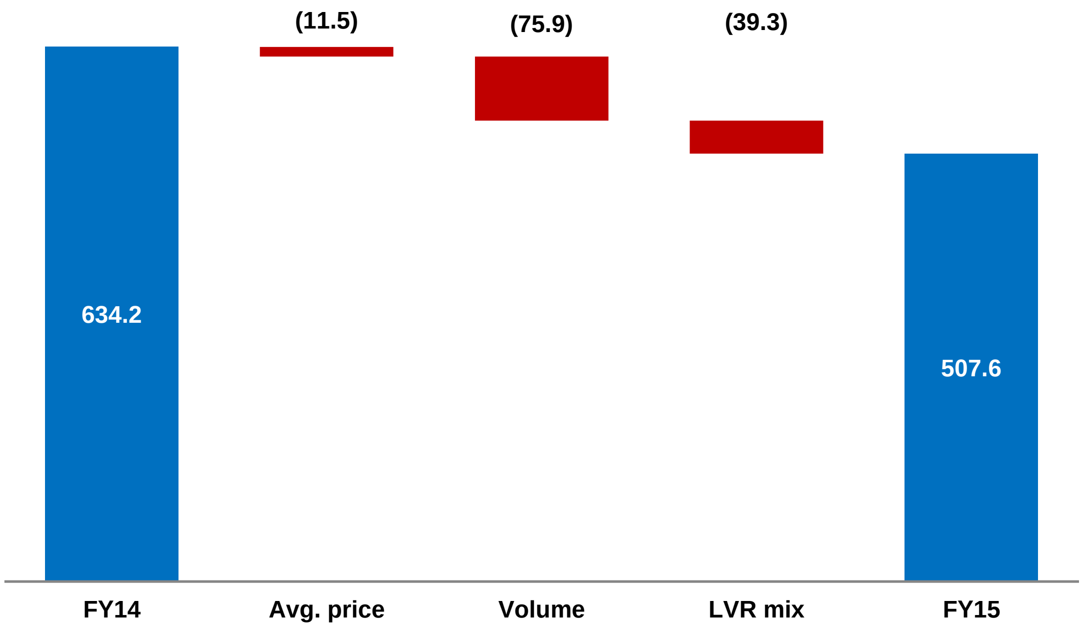


Figure 4: Movement of GWP FY14 to FY15 ($ millions)



2.2.3 Gross Earned Premium (GEP)

GEP increased 5.6% from $520.7 million in FY14 to $549.6 million in FY15 reflecting the seasoning of the recent larger book years. The FY15 result also included an $18.6 million benefit from an actuarial revision to the premium earnings pattern.

2.2.4 Outward Reinsurance Expense

Outward reinsurance expense increased by $4.7 million from $75.0 million in FY14 to $79.7 million in FY15, reflecting an increased coverage of $100 million in external reinsurance contracts in FY15.

2.2.5 Net Claims incurred and changes to reserves

Net claims incurred increased $28.2 million from $84.5 million in FY14 to $112.7 million in FY15, primarily driven by a $17.6 million increase in the IBNR component of the outstanding claims reserve to better reflect the risk emergence in the portfolio. There was an increase in reported delinquencies relative to a year ago, in particular in Queensland and Western Australia, which also contributed to the increase in reserving.

The number of paid claims in FY15 declined mainly driven by steady borrower sales activity as well as a relatively favourable reduction in the rate at which late stage delinquencies transitioned into Mortgagee In Possession (MIP). The average paid claim amount declined in FY15.

Table 4: Composition of net claims incurred

($ millions) unless otherwise stated	1H14	2H14	1H15	2H15	FY14	FY15
Number of Paid Claims (#)	881	664	568	616	1,545	1,184
Average Paid Claim ($'000)	62.9	54.4	49.1	63.5	59.2	56.6
Claims Paid	**55.4**	**36.1**	**27.9**	**39.1**	**91.5**	**67.0**
Movement in Reserves	(12.6)	5.6	22.0	23.7	(7.0)	45.7
Net Claims Incurred	**42.8**	**41.7**	**49.9**	**62.8**	**84.5**	**112.7**

The average reserve per delinquency increased from $46,600 in FY14 to $49,900 in FY15, primarily driven by a strengthening of reserves following a review of risk emergence in the portfolio.

Table 5: Movement in delinquencies

	1H14	2H14	1H15	2H15	FY14	FY15
Opening Delinquencies	4,980	5,405	4,953	5,900	4,980	4,953
New Delinquencies (net of cures)	1,306	212	1,515	268	1,518	1,783
Claims Paid	(881)	(664)	(568)	(616)	(1,545)	(1,184)
Closing Delinquencies	**5,405**	**4,953**	**5,900**	**5,552**	**4,953**	**5,552**
Total Policies Outstanding	1,481,201	1,496,616	1,481,755	1,478,434	1,496,616	1,478,434
Delinquency Rate	**0.36%**	**0.33%**	**0.40%**	**0.38%**	**0.33%**	**0.38%**

An increase in new delinquencies, particularly in Queensland and Western Australia, lifted the portfolio delinquency rate. Cures were steady in line with ongoing borrower sales activity. Claims paid trended down to the lowest level since 2006 reflecting strong housing market conditions.

2.2.6 Acquisition costs and other underwriting expenses

Acquisition costs increased $5.5 million from $49.0 million in FY14 to $54.5 million in FY15, due to higher amortisation following a revision to the premium earning pattern. Other underwriting expenses decreased $0.5

million from $69.0 million in FY14 to $68.5 million in FY15 reflecting lower employee and lower operating expenses. The total expense ratio has decreased from 26.5 % in FY14 to 26.2% in FY15.

2.2.7 Financial income

Financial income, comprising interest income and realised and unrealised gains/losses, fell $119.0 million from $226.9 million in FY14 to $107.9 million in FY15. The unrealised losses on the market value of the portfolio of interest bearing securities of $52.4 million recognised in FY15 compared to a pre-tax unrealised gain of $63.8 million in FY14. The yield on the investment portfolio dropped from 4.03% in FY14 to 3.69% in FY15.

2.2.8 Income tax expense

Income tax expense decreased $37.3 million (27.7%) from $134.9 million in FY14 to $97.6 million in FY15. The effective tax rate increased from 29.4% in FY14 to 30.0% in FY15.

2.2.9 Net Profit After Tax

Reported NPAT fell 29.7% to $228.0 million in FY15. The decline largely reflects unfavorable mark-to-market movements in the investment portfolio. Underlying NPAT, excluding mark-to-market movements, declined by 5.3% reflecting higher claims expense.

2.3 Analysis of underwriting performance

The underwriting performance in FY15 reflects the following key factors:

(a) GWP fell 20.0% due to a lower average LVR mix of business and changes in the customer portfolio;
(b) The loss ratio for FY15 was 24.0% compared to 19.0 % in FY14 due to an increase in delinquencies and a reserve strengthening;
(c) The expense ratio for FY15 of 26.2% was slightly lower than 26.5% in FY14; and
(d) The insurance margin decreased to 58.1% compared with 65.8% for FY14 driven by an unfavorable mark-to-market movement, lower net earned premium and higher net claims incurred.

Table 6: Key underwriting metrics

	1H14	2H14	1H15	2H15	FY14	FY15
New Insurance Written ($ billions)	17.3	18.9	17.7	14.9	36.2	32.6
Gross Written Premium ($ millions)	313.6	320.6	285.4	222.2	634.2	507.6
Net Earned Premium ($ millions)	218.4	227.4	225.7	244.2	445.8	469.9
Claims Paid ($ millions)	55.4	36.1	27.9	39.1	91.5	67.0
Expense Ratio	26.6%	26.3%	26.7%	25.7%	26.5%	26.2%
Loss Ratio	19.6%	18.4%	22.1%	25.7%	19.0%	24.0%
Combined Ratio	46.2%	44.7%	48.8%	51.4%	45.5%	50.2%
Insurance Margin	66.2%	65.4%	57.2%	59.0%	65.8%	58.1%
Delinquency Rate	0.36%	0.33%	0.40%	0.38%	0.33%	0.38%

Section 3
Portfolio performance

3 Portfolio Performance

3.1 Insurance portfolio

3.1.1 In-force portfolio as at 31 December 2015

GMA had an in-force portfolio of approximately $320 billion as at 31 December 2015. The Group's Standard LMI product comprises the largest part of the overall in-force portfolio at 90%, and Low Doc product represents only 5% of the total in-force portfolio. The following charts display the segmentation of the Group's in-force portfolio.

Figure 5: Insurance in-force by book year

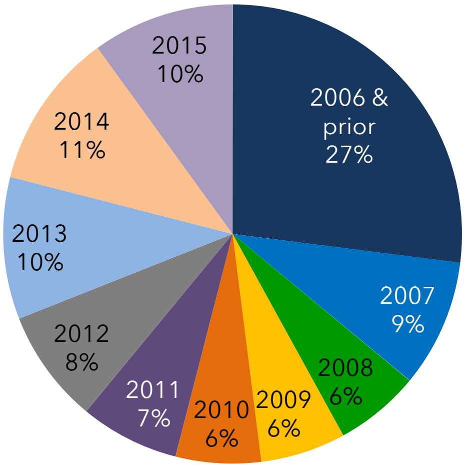


Figure 6: Insurance in-force by original LVR

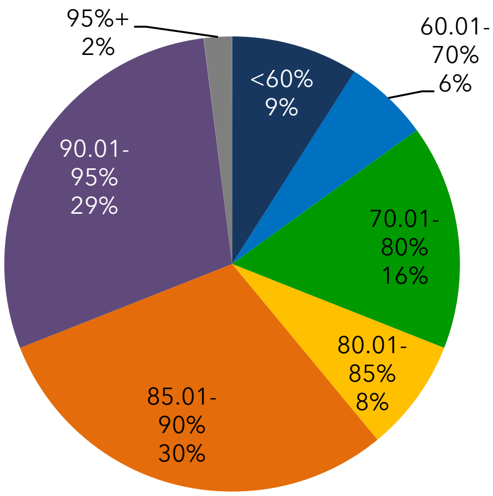


Figure 7: Insurance in-force by product

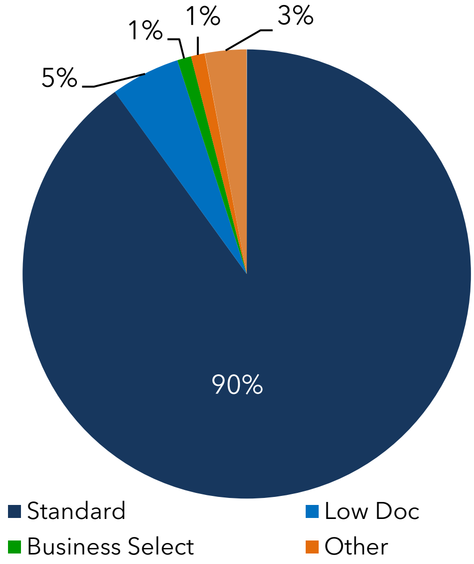
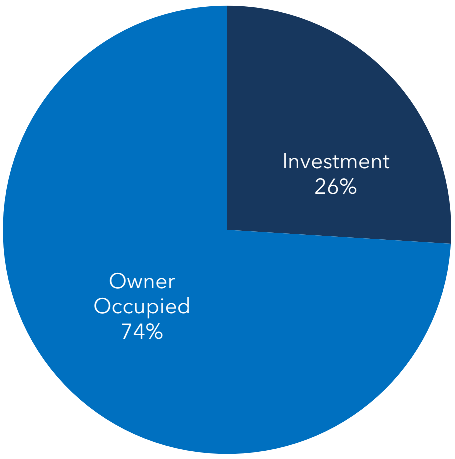


Figure 8: Insurance in-force by loan type



3.1.2 Effective LVR

The table below shows the effective LVR of the portfolio as at 31 December 2015. GMA calculates the estimated house price-adjusted effective LVR, using the Core Logic Home Price Index that provides detail of house price movements across different geographic regions, and assumes 30-year principal and interest amortising loans, with the mortgage rate remaining unchanged through the period. Effective LVR is not adjusted for prepayments, redraws or non-amortising residential mortgage loans insured.

Table 7: Effective LVR as at 31 December 2015

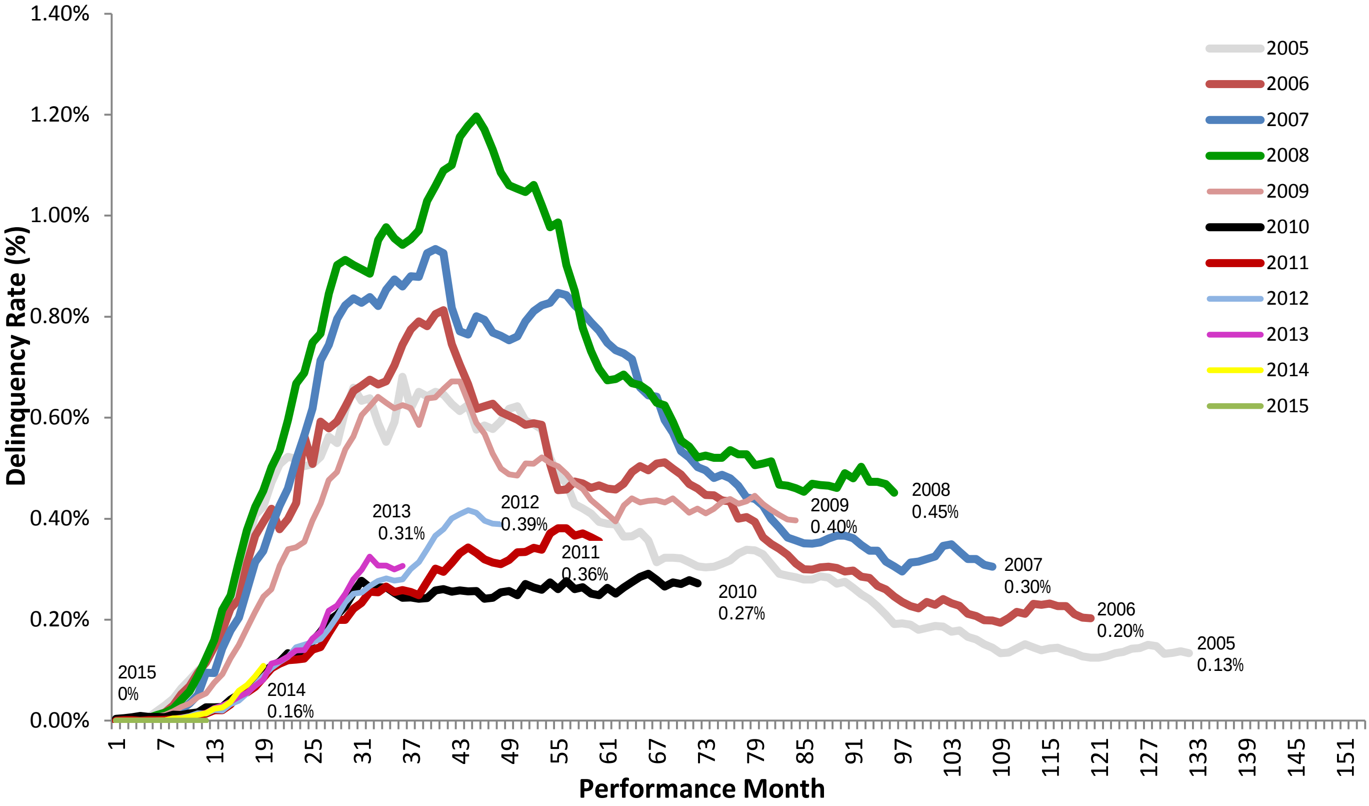
	Insurance in-force		LVR		Portfolio
Book year	$ billion	%	Original	Effective	Change in house prices %
2002 & prior	13.7	5%	78.4%	18.9%	172%
2003	7.1	2%	73.5%	29.1%	91%
2004	7.7	3%	71.6%	32.8%	75%
2005	11.5	4%	75.6%	38.0%	69%
2006	15.5	5%	78.0%	44.3%	57%
2007	19.1	7%	79.7%	53.0%	41%
2008	18.2	6%	82.2%	59.8%	33%
2009	20.9	7%	84.9%	61.2%	30%
2010	16.5	6%	81.5%	65.8%	18%
2011	17.9	6%	83.9%	67.5%	21%
2012	25.3	9%	86.3%	68.6%	24%
2013	29.3	10%	87.1%	72.5%	19%
2014	32.4	11%	87.0%	79.5%	10%
2015	30.0	10%	85.8%	83.9%	3%
Total Flow	**265.0**	**92%**	**82.0%**	**57.6%**	**45%**
Portfolio	22.0	8%	54.9%	25.1%	87%
Total / Weighted Avg.	**287.0**	**100%**	**79.4%**	**54.5%**	**49%**

Note: Table 7 excludes Inward Reinsurance, New Zealand and Genworth Financial Mortgage Indemnity as the Group does not have comparative data available for these lines of business.

3.2 Delinquency rate by Book Year

The figure below shows the evolution of GMA's 3 month+ delinquencies (Flow only) by residential mortgage loan book year from the point of policy issuance.

Figure 9: Delinquency development by book year



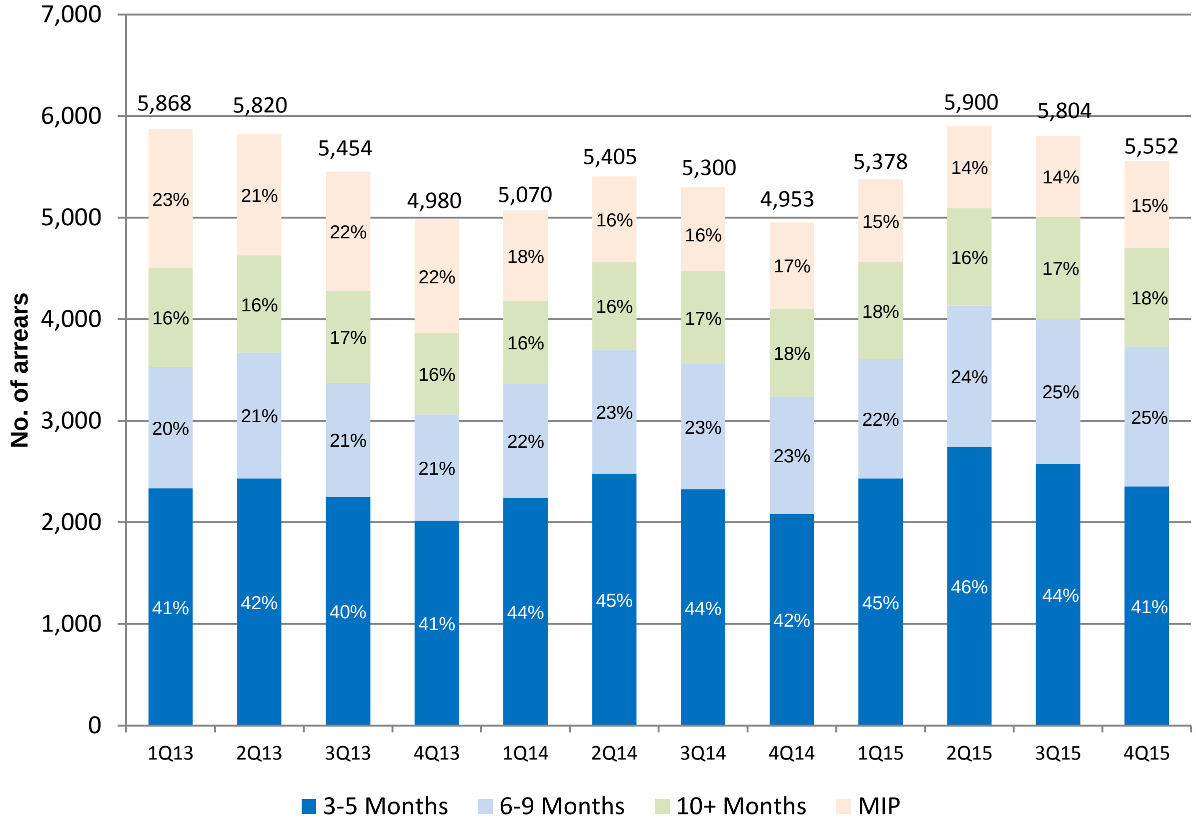
Each line illustrates the level of 3 month+ delinquencies relative to the number of months an LMI policy has been in-force for policies issued within a specific year.

The 2008 Book Year was affected by the economic downturn experienced across Australia and heightened stress experienced among self-employed borrowers, particularly in Queensland, which was exacerbated by the floods in 2011.

The 2010 to 2015 Book Years are performing favourably relative to the previous five years (2005-2009). The recent increase in the 2012 and 2013 book years is due to increased delinquencies, mainly in parts of Queensland and Western Australia.

3.3 Delinquency population by months in arrears bucket

Figure 10: Delinquency population by MIA aged bucket



The above chart illustrates the delinquency population by mortgage in arrears (MIA) aged bucket at the end of each reporting period. Over the past two years, the MIP percentage as a proportion of the total delinquency population has been trending down. This reflects strong housing market conditions and low interest rate environment in which a MIP generally progresses faster to a claim, or sold with no claim situation, which in turn leads to a relatively lower claims pipeline. The 3-5 months MIA bucket, shows a seasonal uptick in the second quarter of each year, consistent with historical observed experience.

Section 4

Balance sheet and investments

4 Balance Sheet and Investments

4.1 Statement of financial position

This section contains the consolidated statements of financial position for the Group as at 31 December 2015.

Table 8: Consolidated statement of financial position

(A$ in millions), as at	31 Dec 14	31 Dec 15
Cash and cash equivalents	88.6	78.1
Accrued investment income	40.9	34.6
Investments	4,071.0	3,847.8
Trade and other receivables	3.7	2.8
Prepayments	2.2	2.2
Deferred reinsurance expense	80.6	71.0
Non-reinsurance recoveries	16.4	28.8
Deferred acquisition costs	124.5	145.1
Property, plant and equipment	1.3	0.8
Deferred tax assets	8.2	10.6
Intangibles	2.8	1.0
Goodwill	9.1	9.1
Total Assets	**4,449.3**	**4,232.0**
Payables	115.4	77.6
Reinsurance payable	93.9	86.8
Outstanding claims	230.9	277.0
Unearned premiums	1,362.6	1,320.6
Employee benefit provision	7.4	6.8
Interest bearing liabilities	138.6	244.4
Total Liabilities	**1,948.8**	**2,013.2**
Net Assets	**2,500.5**	**2,218.7**
Share capital	1,706.5	1,556.5
Other equity	794.0	662.2
Total Equity	**2,500.5**	**2,218.7**

Note: Totals may not sum due to rounding.

4.2 Total assets

Total assets of the Group as at 31 December 2015 were $4,232.0 million compared to $4,449.3 million at 31 December 2014. The movement mainly reflects a $223.3 million decrease in investments due to cash outflows from the $150.0 million on-market share buy-back program and a $52.4 million unfavorable mark-to-market unrealised loss in FY15.

4.3 Investments

4.3.1 Investment strategy

As at 31 December 2015, the Group had a $3,925.9 million cash and investments portfolio, invested 96% in Australian denominated cash, cash equivalents and fixed income securities rated A- or higher. The primary investment objective is to manage the portfolio of securities to help achieve return and income targets, whilst minimising volatility of total returns and providing liquidity to pay claims. This asset allocation and asset management strategy represents the previous long-standing approach taken by the Group to investment management.

In 2015, the Group used derivative financial instruments in the form of interest rate swaptions to mitigate interest rate risk arising from fixed interest securities. The risk management processes over these derivative financial instruments include close senior management scrutiny and Board oversight. Derivatives are used only for approved purposes and are subject to delegated authority levels provided to management. The level of derivative exposure is reviewed on an ongoing basis. Appropriate segregation of duties exists with respect to derivative use and compliance with policy, limits and other requirements is closely monitored.

4.3.2 Group investment assets

The Group's investments totalled $3,925.9 million as at 31 December 2015 with $1,354.1 million allocated to the Technical Funds to support premium liabilities and outstanding claims reserves. The duration to maturity of the total investment portfolio is estimated at 2.5 years.

4.3.3 Investment portfolio characteristics as at 31 December 2015

Figure 11: Investment assets by term to maturity

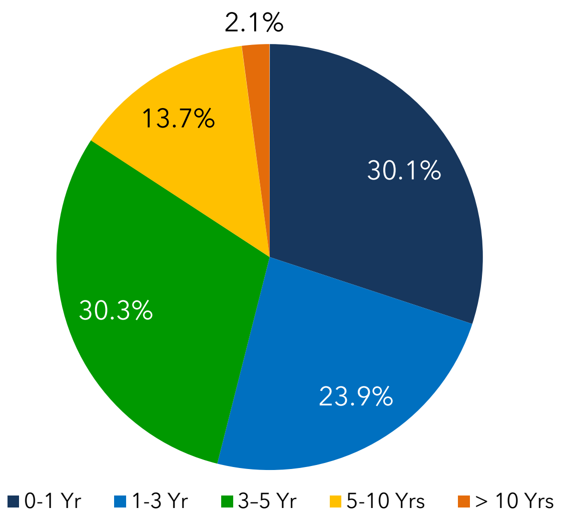


Figure 12: Investment assets by source

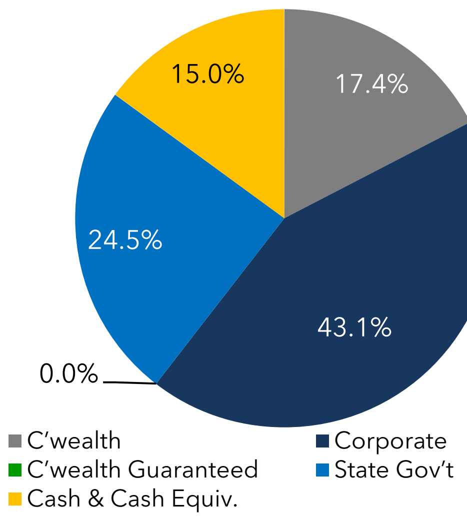


Figure 13: Investment assets by credit rating

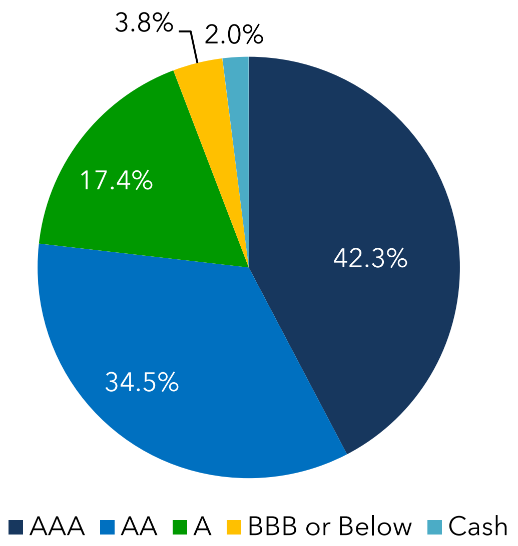
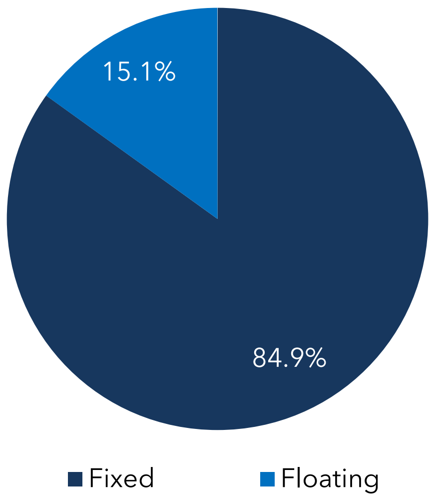


Figure 14: Investment assets by type



4.3.4 Investment Performance

The recent decline in the investment return is primarily driven by the low interest rate environment. Fixed interest securities purchased at higher yields have gradually matured with the funds reinvested predominantly in shorter duration assets at lower yields.

A summary of the investment income and the investment returns (excluding unrealised gains and losses) generated from the investment portfolio is set out in the following table.

Table 9: Investment income and investment return

($ millions), as at	30 Jun 14	31 Dec 14	30 Jun 15	31 Dec 15
Cash	77.7	88.6	300.0	78.1
Accrued investment income	35.5	40.9	37.9	34.6
Investments	3,833.7	4,071.0	3,805.8	3,847.8
Total Cash and Investments	**3,946.9**	**4,200.5**	**4,143.7**	**3,960.5**

($ millions)	1H14	2H14	1H15	2H15	FY14	FY15
Interest income	78.0	81.7	77.6	72.9	159.7	150.5
Investment return	**4.06%**	**4.01%**	**3.72%**	**3.60%**	**4.03%**	**3.69%**

Note: investment return excludes unrealised gains and losses on the investment portfolio

4.4 Total liabilities

The total liabilities of the Group as at 31 December 2015 were $2,013.2 million compared to $1,948.8 million at 31 December 2014. Notable movements contributing to the $64.4 million increase over the period include:

- $37.7 million decrease in other trade and other payables, mainly related to higher income tax payments made in FY15;
- $46.1 million increase in outstanding claims reserve driven by a strengthening of the IBNR component to reflect better the risk emergence in the portfolio, as well as reflecting a rise in reported delinquencies compared with the prior year;
- $42.0 million decrease in unearned premium reflecting the lower level of new premium written in FY15; and
- $105.8 million increase in interesting bearing liabilities, mainly related to the issuance of $200.0 million subordinated notes in FY15 and redemption of $90.4 million of the existing $140.0 million subordinated notes.

4.4.1 Unearned Premium Reserve (UPR)

Table 10: Movement in unearned premium balance by book year

Book Year	As at 31 December 2014 ($ millions)	Gross written premium ($ millions)	Gross earned premium ($ millions)	As at 31 December 2015 ($ millions)
2007	3.5	-	(3.5)	-
2008	16.5	-	(14.3)	2.2
2009	48.8	-	(32.4)	16.4
2010	71.4	-	(39.3)	32.1
2011	109.9	-	(50.9)	59.0
2012	225.2	-	(87.0)	138.2
2013	358.6	-	(122.4)	236.2
2014	528.7	-	(140.6)	388.1
2015	-	507.6	(59.2)	448.4
Total	**1,362.6**	**507.6**	**(549.6)**	**1,320.6**

4.5 Equity

The Group's equity decreased by $281.8 million over the period, with current year earnings offset by dividends paid in FY15 and the on-market share buy-back program.

The following tables present a measure of Underlying Equity that is used for calculating the Underlying ROE.

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 Group's investment portfolio.

Table 11: Reconciliation of Statutory NPAT and Underlying NPAT

($ millions)	1H14	2H14	1H15	2H15
Statutory NPAT	151.4	172.7	113.0	115.0
Adjustment for change in unrealised (gains)/losses	(26.1)	(37.7)	28.4	24.0
Adjustment for tax on change in unrealised (gains)/losses	7.8	11.3	(8.5)	(7.2)
Underlying NPAT	**133.1**	**146.3**	**132.9**	**131.8**

Table 12: Reconciliation of Total Equity and Underlying Equity

($ millions), as at	30 Jun 14	31 Dec 14	30 Jun 15	31 Dec 15
Total equity	2,344.8	2,500.5	2,454.1	2,218.7
Adjustment for life to date unrealised (gains)/losses	(99.8)	(137.6)	(109.0)	(86.0)
Adjustment for tax on life to date unrealised (gains)/losses	29.9	41.3	32.7	25.8
Underlying Equity	**2,274.9**	**2,404.2**	**2,377.8**	**2,158.5**

Table 13: Underlying ROE

(%)	12 months to Jun 14	12 months to Dec 14	12 months to Jun 15	12 months to Dec 15
Underlying NPAT ($ million)	259.5	279.4	279.2	264.7
Underlying Equity ($ million)[1]	2,166.0	2,281.8	2,326.4	2,281.4
Underlying ROE (%)	**12.0%**	**12.2%**	**12.0%**	**11.6%**

[1]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

Section 5

Capital and dividends

5 Capital and Dividends

5.1 Regulatory capital position

The capital management strategy of the Group is to optimise shareholder value by managing the level, mix and use of capital resources. The primary objective is to ensure there are sufficient capital resources to maintain and grow the business, in accordance with risk appetite. The Group's Internal Capital Adequacy Assessment Process (ICAAP) provides the framework to ensure that the Group as a whole, and each regulated entity, are independently capitalised to meet internal and external requirements.

The Group's capital position was strong as at 31 December 2015 with a regulatory capital solvency level of 1.59 times the Prescribed Capital Amount (PCA) on a Level 2 basis and a CET1 ratio of 1.44 times PCA.

The regulatory solvency position is above the Board's targeted range of 1.32 – 1.44 times the PCA and above the regulatory CET1 requirement of 0.60 times PCA.

Table 14: PCA coverage ratio (Level 2)

(A$ in millions), as at	31 Dec 14	31 Dec 15
Capital Base		
Common Equity Tier 1 Capital (incl. excess technical provisions)	2,742.1	2,351.2
Tier 2 Capital	112.0	249.6
Regulatory Capital Base	2,854.1	2,600.8
Capital Requirement		
Probable Maximum Loss (PML)	2,586.5	2,509.7
Net premiums liability deduction	(272.4)	(290.0)
Allowable reinsurance	(815.6)	(875.5)
LMI Concentration Risk Charge (LMICRC)	**1,498.5**	**1,344.2**
Asset risk charge	128.0	76.9
Asset concentration risk charge	-	-
Insurance risk charge	202.1	226.6
Operational risk charge	24.1	27.7
Aggregation benefit	(60.6)	(37.1)
Prescribed Capital Amount (PCA)	**1,792.1**	**1,638.3**
PCA Coverage ratio (times)	**1.59 x**	**1.59 x**

The decrease in CET1 capital in FY15 mainly reflects the $361.4 million dividends paid in FY15, the $150.0 million on-market share buy-back program and a $108.4 million decrease in the excess technical provisions, offset by $228.0 million reported NPAT. Tier 2 capital increased following the issuance of $200.0 million of subordinated notes and the redemption of $90.4 million of the existing $140.0 million notes. In FY14, there was a 20% capital reduction for the $140.0 million notes due to the transitional agreement approved by APRA. The decrease in the PCA in FY15 is mainly due to a decrease in Probable Maximum Loss and increase in deduction of Allowable Reinsurance.

Figure 15: Genworth Australia's capital base progression as at 31 December (A$ billion)

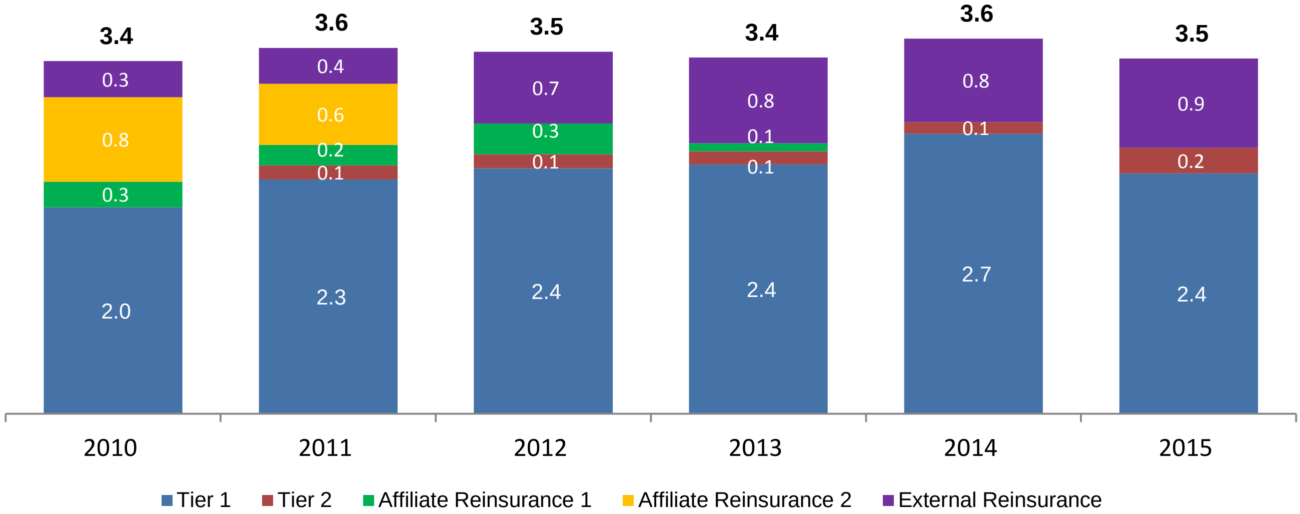


Figure 15 shows the mix of the three key components of the capital base, including common equity (Tier 1 Capital), other qualifying capital instruments (Tier 2 Capital) and APRA allowable reinsurance. Since 2010, GMA has implemented a strategy that has:

- Broadened the range of reinsurers in order to reduce concentration risk;
- Transitioned from affiliate reinsurance arrangements, the last of which was cancelled effective 1 January 2014; and
- Introduced qualifying subordinated debt, or Tier 2 Capital, in 2011.

5.2 Reinsurance

GMA restructured and increased the Excess of Loss (XOL) reinsurance treaties by $75 million as at 1 January 2016, increasing its level of qualifying reinsurance from $875 million at 31 December 2015 to $950 million on 1 January 2016. The increase in reinsurance coverage is part of GMA's ongoing optimisation of its capital base over the medium term.

Figure 16: Reinsurance Program 31 Dec 2015

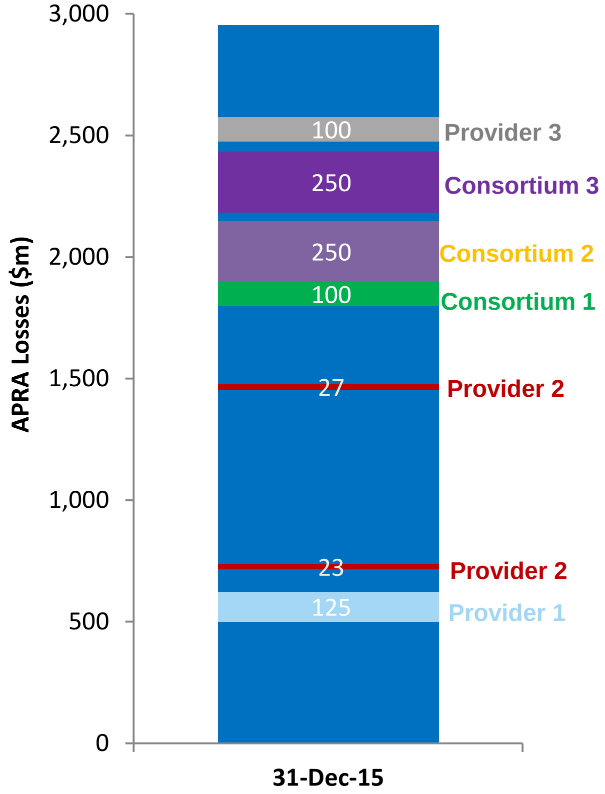
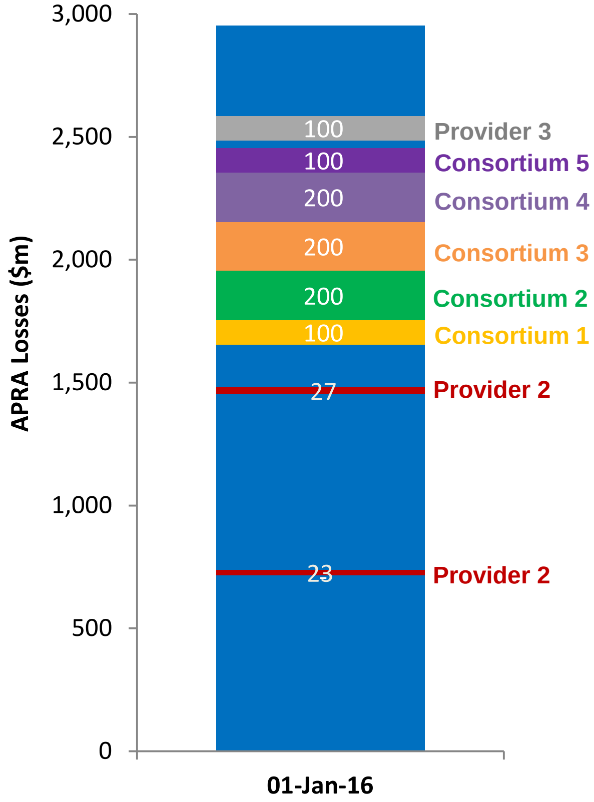


Figure 17: Reinsurance Program 1 Jan 2016



5.3 Dividend

The Board has determined a medium-term ordinary dividend payout ratio of 50-80% of Underlying NPAT.

The Board declared a fully franked final ordinary dividend of 14.0 cents per share and a fully franked special dividend of 5.3 cents per share both payable on 4 March 2016 to shareholders registered on 19 February 2016.

Table 15: Calculation of Underlying NPAT for FY14 and FY15

(A$ in millions)	FY14	FY15
Reported NPAT	215.2	228.0
Adjustment for change in unrealised gains/(losses)	(49.2)	52.4
Adjustment for tax on change in unrealised gains/(losses)	14.7	(15.7)
Underlying NPAT	179.1[1]	264.7

1) An adjustment of $1.6 million was made to FY14 NPAT of $180.7 million to reflect two days difference between 19 May 2014, the starting date of the reported period and 21 May 2014, the date of completion of IPO.

Table 16: Reconciliation of dividend payout ratio[2]

	FY14	FY15
Dividend (cents per share)	15.9	26.5
Dividend ($ millions)	103.4	164.6
Underlying NPAT	179.1	264.7
Dividend Payout Ratio	57.7%	62.2%

2) The dividends noted above are calculated for the reported period and paid subsequent to the end of that period.

Section 6

Appendices

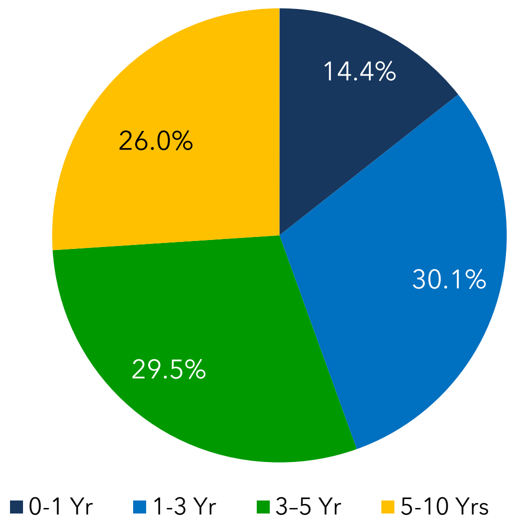
6 Appendices

Appendix A - Investment Portfolio

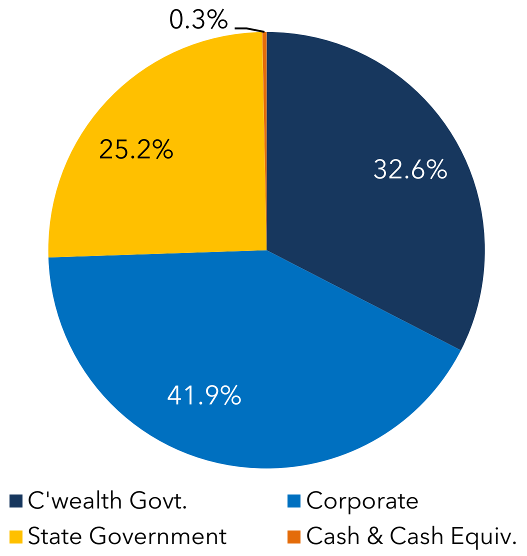
A.1 Investment assets backing technical liabilities

As at 31 December 2015, GMA's technical funds were $1.3 billion.

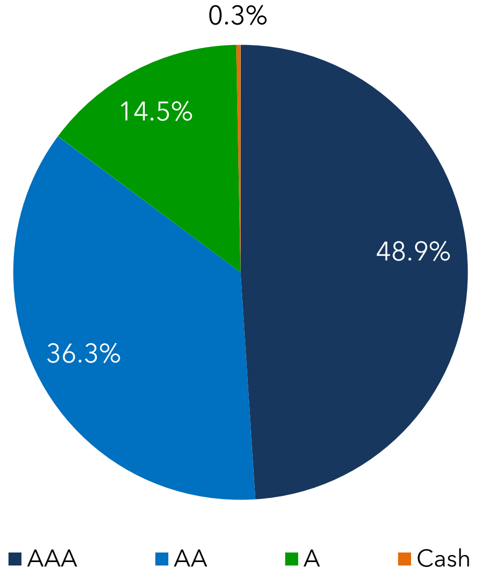
Investment assets by term to maturity



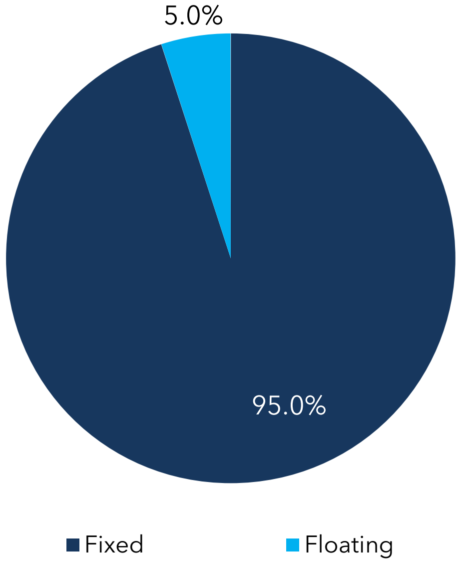
Investment assets by source



Investment asset by credit rating



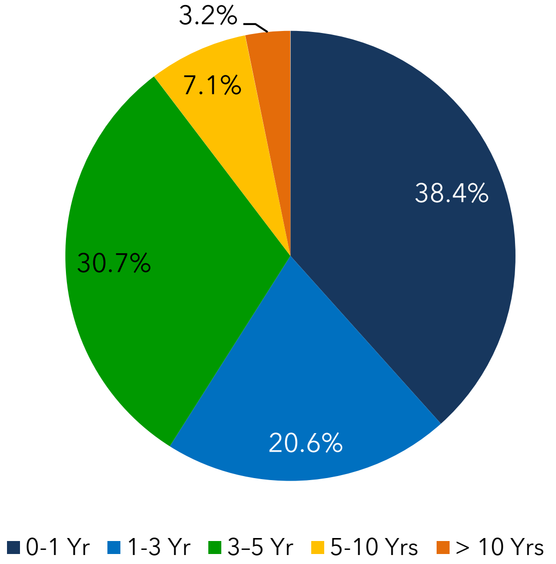
Investment assets by type



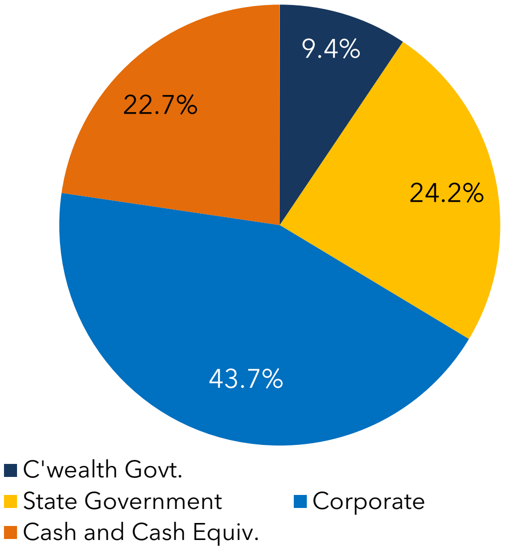
A.2 Shareholders' funds

As at 31 December 2015, GMA shareholders' funds were $2.6 billion.

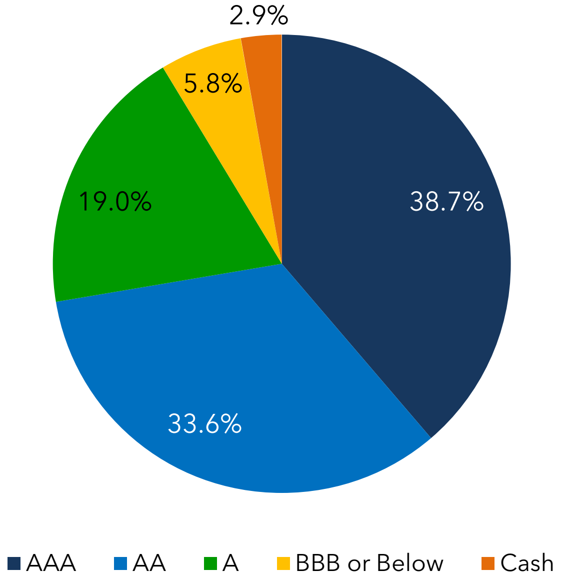
Investments assets by term to maturity



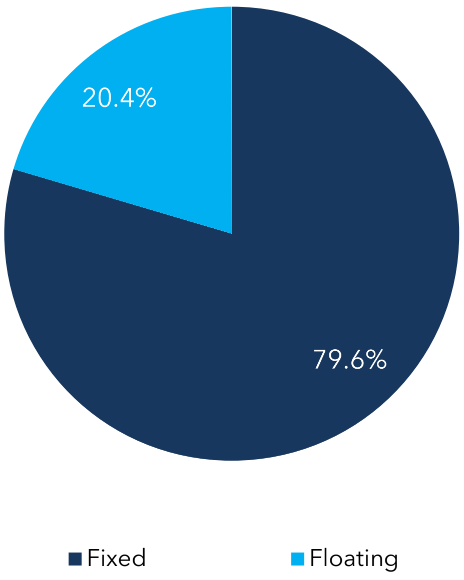
Investments assets by source



Investments assets by credit rating



Investments assets by type



Appendix B – AIFRS to USGAAP Reconciliation

The purpose of this Appendix to reconcile the USGAAP segment results to the AIFRS GMA Consolidated Income Statement for the period ended 31 December 2015.

Walk from US GAAP AUS Segment Results to AIFRS GMA Consolidated Income Statement for Year Ended 31 December 2015	USGAAP Aus Segment Results in USD	Add back: Non Controlling Interest (NCI)	USGAAP Aus Segment Results + NCI	USGAAP Aus Segment Results + NCI	Adjustments (a)	(b)	(c)	(d)	(e)	(f)	Total adjustments	GMA Group
in $m	U$m	U$m	U$m	A$m	A$m	A$m	A$m		A$m	A$m	A$m	A$m
Premiums	357	-	357	470	-	-	-		-	-	-	470
Interest income	114	-	114	149	2	-	-		-	-	2	151
Realised investment gains/ losses	6	-	6	9	-	-	1		-	-	1	10
Unrealised gains/ losses	-	-	-	-	-	-	(52)		-	-	(52)	(52)
Other income	(3)	-	(3)	(4)	6	-	-		-	(2)	4	-
Total Revenue	**474**	**-**	**474**	**624**	**8**	**-**	**(51)**		**-**	**(2)**	**(45)**	**579**
Net claims incurred	81	-	81	107	-	-	-		6	-	6	113
Other underwriting expenses	98	-	98	130	(18)	(39)	-	(3)	-	(2)	(62)	68
Amortization of Intangibles	2	-	2	2	-	-	-		-	-	-	2
Acquisition costs (DAC amortisation)	16	-	16	21	-	33	-		-	-	33	54
Interest Expense/Financing related costs	10	-	10	14	-	-	-	3	-	-	3	17
Total Expenses	**207**	**-**	**207**	**274**	**(18)**	**(6)**	**-**	**-**	**6**	**(2)**	**(20)**	**254**
Total Pre-tax Income	267	-	267	350	26	6	(51)	-	(6)	-	(25)	325
Total Tax Expense	80	-	80	105	7	2	(15)	-	(2)	-	(8)	97
Net income	**187**	**-**	**187**	**245**	**19**	**4**	**(36)**	**-**	**(4)**	**-**	**(17)**	**228**
Less: net income attributable to noncontrolling interests	84	(84)	-	-	-	-	-	-	-	-	-	-
Net income available to GNW common stockholders	**103**	**84**	**187**	**245**	**19**	**4**	**(36)**	**-**	**(4)**	**-**	**(17)**	**228**

a) Investment income and FX measurement adjustment for GFI entities outside GMA Australia Group but included as part of USGAAP Aus Segment results, Corporate overhead allocation and U.S. Shareholder tax impact

(b) Differing treatment of DAC, with AGAAP seeing a higher level of deferral and amortisation

(c) Under AGAAP unrealised gains/(losses) on investments are recognised in the income statement

(d) Under AGAAP redemption costs on Tier II debt is treated as financing related costs rather than other underwriting expenses under USGAAP

(e) AGAAP requires reserves to be held with a risk margin and an adjustment to the level of reserves for the non-reinsurance recoveries

(f) Additional local share based payments and other misc expense differences

Appendix C – Key Performance Measures

This section contains selected operating performance measures which are commonly used in the insurance industry as measures of operating performance. These operating performance measures enable the company to compare its operating performance across periods. All measures in this Appendix are presented in Australia dollars and prepared in accordance with Australia accounting standards which comply with IFRS and non-IFRS basis.

All figures are $AUD and AIFRS

	2014					2015				
	1Q	**2Q**	**3Q**	**4Q**	**Total**	**1Q**	**2Q**	**3Q**	**4Q**	**Total**
Net premium written ($M)[1]	141	135	139	145	559	108	138	105	78	428
Loss ratio[2]	16%	23%	21%	15%	19%	17%	27%	33%	18%	24%
GAAP basis expense ratio[3]	27%	27%	26%	27%	27%	27%	26%	26%	26%	26%
Adjusted expense ratio[4]	21%	22%	21%	21%	21%	28%	22%	30%	40%	29%

Sales: new insurance written (NIW) ($M)	2014					2015				
	1Q	**2Q**	**3Q**	**4Q**	**Total**	**1Q**	**2Q**	**3Q**	**4Q**	**Total**
Flow	8,698	8,569	8,641	9,111	35,019	7,212	8,337	8,505	6,392	30,446
Bulk	-	-	1,117	28	1,145	-	2,185	-	-	2,185
Total NIW	8,698	8,569	9,758	9,139	36,164	7,212	10,522	8,505	6,392	32,631

	2014				2015			
	1Q	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**
Primary insurance in force ($M)	303,100	305,952	309,810	313,689	315,982	316,306	319,464	320,468
Primary risk in force ($M)[5]								
Flow	98,303	99,490	100,647	102,160	103,120	102,683	103,944	104,228
Bulk	7,782	7,593	7,787	7,631	7,473	8,024	7,869	7,540
Total	106,085	107,083	108,434	109,791	110,594	110,707	111,812	111,768

1) Net premium written is calculated as gross written premium, less refunds and reinsurance. This metric differs to what is disclosed in 4Q 2015 GFI Financial Supplement ("GFI FS") under International MI Segment Australia as a reinsurance credit related to affiliate reinsurance arrangements for historical periods are eliminated under the US segment results.
2) The ratio of incurred losses and loss adjustment expense to net earned premiums. This metric differs to what is disclosed in 4Q 2015 GFI FS under International MI Segment Australia as outlined in 1) above. In addition, under AIFRS measurement, a risk margin is added to the outstanding claims provision and the non-reinsurance recoveries are grossed up and held as a separate asset on the balance sheet.
3) The ratio of an insurer's general expenses to net earned premiums. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortisation of DAC and intangibles. This metric differs to what is disclosed in Q4 2015 GFI FS under International MI segment Australia as outlined in point 1 and there is a portion of certain corporate overhead expenses allocated by GFI to Australia business for management reporting purpose, which are not included in GMA consolidated results.
4) The ratio of an insurer's general expenses to net premiums written. This metric differs to what is disclosed in Q4 2015 GFI FS under International MI segment Australia as outlined in point 3.
5) The majority of the loans the Group insures provide 100% coverage. For representing the risk in-force, the company has computed an "effective risk in-force" amount that recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor that represents the highest expected average per-claim payment for any one underwriting year over the life of the businesses. This factor was 35% for all periods presented. The Group has certain risk share arrangements where it provides pro-rata coverage of certain loans rather than 100% coverage. As a result, for loans with these risk share arrangements, the applicable pro-rata coverage amount provided is used when applying the factor.

All figures are $AUD and AIFRS

Primary Insurance	**Jun 30, 2013**	**Sep 30, 2013**	**Dec 31, 2013**	**Mar 31, 2014**	**Jun 30, 2014**	**Sep 30, 2014**	**Dec 31, 2014**	**Mar 31, 2015**	**Jun 30, 2015**	**Sep 30, 2015**	**Dec 31, 2015**
Insured loans in-force (#)	1,459,376	1,463,148	1,474,181	1,477,063	1,481,201	1,490,221	1,496,616	1,498,197	1,481,755	1,479,676	1,478,434
Insured delinquent loans (#)	5,820	5,454	4,980	5,070	5,405	5,300	4,953	5,378	5,900	5,804	5,552
Insured delinquency rate (%	0.40%	0.37%	0.34%	0.34%	0.36%	0.36%	0.33%	0.36%	0.40%	0.39%	0.38%
Flow loans in-force (#)	1,330,157	1,336,901	1,350,571	1,355,635	1,362,236	1,370,136	1,378,584	1,382,156	1,364,653	1,364,537	1,364,628
Flow delinquent loans (#)	5,513	5,192	4,760	4,813	5,125	5,031	4,714	5,112	5,623	5,545	5,317
Flow delinquency rate (%)	0.41%	0.39%	0.35%	0.36%	0.38%	0.37%	0.34%	0.37%	0.41%	0.41%	0.39%
Bulk loans in-force (#)	129,219	126,247	123,610	121,428	118,965	120,085	118,032	116,041	117,102	115,139	113,806
Bulk delinquent loans (#)	307	262	220	257	280	269	239	266	277	259	235
Bulk delinquency rate (%)	0.24%	0.21%	0.18%	0.21%	0.24%	0.22%	0.20%	0.23%	0.24%	0.22%	0.21%

Loss Metrics ($M)	**Jun 30, 2013**	**Sep 30, 2013**	**Dec 31, 2013**	**Mar 31, 2014**	**Jun 30, 2014**	**Sep 30, 2014**	**Dec 31, 2014**	**Mar 31, 2015**	**Jun 30, 2015**	**Sep 30, 2015**	**Dec 31, 2015**
Beginning Reserves[1]	**286**	**279**	**265**	**241**	**225**	**225**	**230**	**232**	**242**	**254**	**275**
Paid claims	(44)	(41)	(42)	(30)	(25)	(21)	(16)	(17)	(20)	(22)	(17)
Increase in reserves	37	27	18	14	25	26	18	28	32	43	19
Ending Reserves	**279**	**265**	**241**	**225**	**225**	**230**	**232**	**242**	**254**	**275**	**277**

	Mar 31, 2014		**Jun 30, 2014**		**Sep 30, 2014**		**Dec 31, 2014**		**Mar 31, 2015**		**Jun 30, 2015**		**Sep 30, 2015**		**Dec 31, 2015**	
	% of primary risk in force	**Primary delinquency rate**	**% of primary risk in force**	**Primary delinquency rate**	**% of primary risk in force**	**Primary delinquency rate**	**% of primary risk in force**	**Primary delinquency rate**	**% of primary risk in force**	**Primary delinquency rate**	**% of primary risk in force**	**Primary delinquency rate**	**% of primary risk in force**	**Primary delinquency rate**	**% of primary risk in force**	**Primary delinquency rate**
State and Territory																
New South Wales	29%	0.31%	29%	0.33%	29%	0.30%	29%	0.27%	29%	0.29%	28%	0.30%	28%	0.30%	28%	0.27%
Victoria	23%	0.31%	23%	0.34%	23%	0.32%	23%	0.30%	23%	0.32%	23%	0.34%	23%	0.35%	23%	0.33%
Queensland	23%	0.45%	23%	0.48%	23%	0.49%	23%	0.47%	23%	0.50%	23%	0.57%	23%	0.57%	23%	0.53%
Western Australia	11%	0.33%	11%	0.34%	11%	0.34%	11%	0.32%	11%	0.37%	12%	0.45%	12%	0.45%	12%	0.46%
South Australia	6%	0.42%	6%	0.43%	6%	0.43%	6%	0.44%	6%	0.48%	6%	0.52%	6%	0.50%	6%	0.51%
New Zealand	2%	0.34%	2%	0.34%	2%	0.26%	2%	0.28%	2%	0.27%	2%	0.27%	2%	0.23%	2%	0.17%
ACT	3%	0.11%	3%	0.13%	3%	0.13%	3%	0.16%	3%	0.13%	3%	0.14%	3%	0.15%	3%	0.17%
Tasmania	2%	0.29%	2%	0.30%	2%	0.31%	2%	0.25%	2%	0.28%	2%	0.35%	2%	0.31%	2%	0.32%
Northern Territory	1%	0.20%	1%	0.20%	1%	0.21%	1%	0.16%	1%	0.20%	1%	0.24%	1%	0.21%	1%	0.17%
Total	**100%**	**0.34%**	**100%**	**0.36%**	**100%**	**0.36%**	**100%**	**0.33%**	**100%**	**0.36%**	**100%**	**0.40%**	**100%**	**0.39%**	**100%**	**0.38%**
By Policy Year																
2006 and prior	34%	0.22%	33%	0.23%	32%	0.22%	32%	0.20%	31%	0.22%	30%	0.25%	28%	0.24%	27%	0.23%
2007	9%	0.69%	8%	0.72%	8%	0.68%	8%	0.63%	8%	0.68%	7%	0.78%	7%	0.74%	7%	0.72%
2008	8%	0.89%	8%	0.95%	8%	0.93%	7%	0.87%	7%	0.87%	7%	0.97%	7%	0.93%	7%	0.89%
2009	10%	0.64%	9%	0.66%	9%	0.70%	9%	0.66%	9%	0.70%	8%	0.73%	8%	0.75%	8%	0.71%
2010	7%	0.36%	7%	0.39%	7%	0.38%	6%	0.38%	6%	0.42%	6%	0.45%	6%	0.44%	6%	0.46%
2011	8%	0.34%	8%	0.39%	7%	0.41%	7%	0.40%	7%	0.42%	7%	0.46%	6%	0.46%	6%	0.46%
2012	10%	0.22%	10%	0.29%	10%	0.33%	9%	0.32%	9%	0.40%	9%	0.49%	9%	0.51%	8%	0.49%
2013	11%	0.05%	11%	0.10%	11%	0.15%	11%	0.18%	10%	0.26%	10%	0.32%	10%	0.37%	10%	0.37%
2014	3%	0.00%	6%	0.00%	8%	0.01%	11%	0.02%	11%	0.06%	11%	0.12%	11%	0.16%	11%	0.19%
2015	-	-	-	-	-	-	-	-	2%	0.00%	5%	0.01%	8%	0.01%	10%	0.02%
Total	**100%**	**0.34%**	**100%**	**0.36%**	**100%**	**0.36%**	**100%**	**0.33%**	**100%**	**0.36%**	**100%**	**0.40%**	**100%**	**0.39%**	**100%**	**0.38%**

1) Outstanding claims reserve under AIFR measurement includes a risk margin allowance and is grossed up for non-reinsurance recoveries, which are held as a separate asset on the balance sheet, which is different to what is disclosed in Q4 2015 GFI FS under International MI Segment Australia

All figures are $AUD and AIFRS

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Total 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Total 2015
Paid claims ($M), quarterly analysis										
Flow	30	25	20	15	90	7	20	21	17	66
Bulk	0	0	1	1	3	-	-	1	-	1
Total	30	25	21	16	92	7	20	22	17	67
Average paid claim ($ thousands)	65.1	60.5	58.6	49.5		62.5	69.3	67.4	59.4	
Average reserve per delinquency ($ thousands)[1]	44.4	41.7	43.3	46.4		45.0	43.1	47.4	49.9	

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015
Loan amount (%)								
Over $550K	12%	12%	13%	13%	13%	14%	14%	15%
$400K to $550K	18%	18%	18%	19%	19%	19%	19%	19%
$250K to $400K	37%	37%	37%	36%	36%	36%	36%	36%
$100K to $250K	27%	27%	26%	26%	26%	25%	25%	25%
$100K or Less	6%	6%	6%	6%	6%	5%	5%	5%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Average primary loan size (thousands)	205	207	208	210	211	213	216	217

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015
Average effective loan to value ratios by policy year [2,3]								
2006 and prior	40%	38%	36%	36%	36%	34%	32%	32%
2007	63%	61%	58%	53%	57%	55%	53%	53%
2008	70%	68%	66%	60%	65%	62%	60%	60%
2009	73%	70%	68%	61%	67%	64%	62%	61%
2010	78%	76%	73%	66%	72%	69%	66%	66%
2011	80%	77%	74%	68%	73%	70%	68%	68%
2012	80%	78%	75%	69%	74%	71%	69%	69%
2013	84%	82%	79%	73%	78%	75%	73%	73%
2014	0%	87%	86%	79%	85%	83%	80%	79%
2015	0%	0%	0%	0%	87%	87%	84%	84%
Total Flow	62%	61%	60%	58%	60%	59%	58%	58%
Total Bulk	30%	29%	28%	25%	27%	27%	25%	25%
Total	59%	58%	57%	53%	56%	56%	55%	54%

1) This metric differs to what is disclosed in Q4 2015 GFI FS USGAAP results under International MI segment Australia as a risk margin is added to the outstanding claim provision under AIFRS measurement and the non reinsurance recoveries are grossed up and held as a separate asset on the balance sheet. This number also differs to that disclosed in the Prospectus. See the Glossary for more information.

2) Loan amounts (including capitalised premiums) reflect interest rates at time of loan origination and estimated scheduled principal repayments since loan origination. Home price estimates based on regional home price appreciation/depreciation data from RP Data. All data used in the loan-to-value ratio calculation reflects conditions as of the end of the previous quarter. Effective loan-to-value ratios exclude New Zealand and inward reinsurance policies.

3) Beginning in the third quarter of 2013, data from RP Data extended back to 1999. Previously, the data extended back to 2002. Previous periods were not re-presented for this change.

All figures are $AUD and AIFRS

	Mar 31, 2014			Jun 30, 2014			Sep 30, 2014			Dec 31, 2014			Mar 31, 2015			Jun 30, 2015			Sep 30, 2015			Dec 31, 2015		
	Primary	Flow	Bulk	Primary	Flow	Bulk	Primary	Flow	Bulk	Primary	Flow	Bulk	Primary	Flow	Bulk	Primary	Flow	Bulk	Primary	Flow	Bulk	Primary	Flow	Bulk
Risk in force ($M) by loan to value ratio [1]																								
95.01% and above	20,344	20,343	1	20,615	20,614	1	20,799	20,798	1	21,008	21,008	1	21,105	21,104	1	21,097	21,096	0	20,954	20,954	0	20,654	20,654	0
90.01% to 95.00%	25,373	25,364	9	25,948	25,939	9	26,529	26,521	9	27,215	27,206	9	27,707	27,698	9	27,887	27,878	9	28,348	28,340	8	28,718	28,710	8
80.01% to 90.00%	27,481	27,382	99	27,837	27,741	96	28,236	28,143	94	28,777	28,684	94	29,136	29,043	92	28,802	28,712	90	29,258	29,170	88	29,510	29,422	88
80.00% and below	32,887	25,213	7,674	32,683	25,195	7,488	32,869	25,185	7,684	32,791	25,263	7,528	32,646	25,275	7,372	32,922	24,996	7,926	33,252	25,480	7,772	32,886	25,442	7,444
Total	106,085	98,302	7,783	107,083	99,489	7,594	####	100,647	7,788	109,791	102,161	7,632	110,594	103,120	7,473	110,707	102,683	8,024	111,812	103,944	7,869	111,768	104,228	7,540

1) Loan amount in loan-to-value ratio calculation includes capitalised premiums, where applicable.

PML, GEP and net claims incurred development by Book Year and financial year (A$ million)

PML (A$ million)	FY11	FY12	FY13	FY14	FY15
Pre-2007	194.8	164.9	158.8	84.6	84.6
2007	353.4	102.8	101.6	81.3	81.3
2008	351.2	310.6	103.1	81.5	81.5
2009	644.0	434.3	411.1	105.3	105.3
2010	388.3	366.0	255.9	67.0	67.0
2011	410.9	404.5	394.7	232.7	232.7
2012	-	567.1	577.4	350.6	350.6
2013	-	-	582.0	518.2	518.2
2014	-	-	-	548.4	548.4
2015					429.7
Total	**2,342.6**	**2,350.2**	**2,584.6**	**2,069.5**	**2,499.2**

GEP (A$ million)	FY11	FY12	FY13	FY14	FY15
Pre-2007	48.1	28.0	12.8	3.0	-
2007	38.8	37.6	22.6	13.5	3.5
2008	57.7	48.9	32.8	21.6	14.3
2009	121.5	79.6	57.0	43.0	32.4
2010	110.0	69.2	48.1	32.1	39.2
2011	69.5	95.2	73.9	54.3	51.0
2012	-	89.3	129.9	104.4	87.1
2013	-	-	99.7	143.2	122.4
2014	-	-	-	110.0	140.5
2015					64.2
Total	**445.6**	**447.8**	**476.8**	**525.1**	**554.6**

Net claims incurred (A$ million)	FY11	FY12	FY13	FY14	FY15
Pre-2007	(34.9)	(48.4)	(12.5)	40.1	40.1
2007	(50.1)	(61.2)	(29.5)	(10.2)	11.3
2008	(52.9)	(79.2)	(31.9)	(22.6)	(23.7)
2009	(36.8)	(47.6)	(24.4)	(16.6)	(40.8)
2010	(7.0)	(15.0)	(9.7)	(8.1)	(24.0)
2011	(1.0)	(6.7)	(11.0)	(10.0)	(15.9)
2012	0.0	(1.1)	(7.8)	(11.2)	(24.5)
2013	0.0	0.0	(1.0)	(6.8)	(20.9)
2014	0.0	0.0	0.0	(0.8)	(12.9)
2015					(1.4)
Total	**(182.7)**	**(259.2)**	**(127.8)**	**(46.2)**	**(112.7)**

Note: Excludes Genworth Financial Mortgage Indemnity and refunds.
The GEP amounts are gross of refunds and cancellations.

Appendix D – Prospectus Extract: Sections 7.1 & 7.2

7.1 Introduction

This Appendix contains a summary of the financial information for Genworth Australia, which includes:

- The pro forma historical financial information for Genworth Australia comprising:
  - The pro forma historical consolidated statement of comprehensive income for each of the years ended 31 December 2011, 2012 and 2013 ("FY11", "FY12" and "FY13") ("Pro Forma Historical Consolidated Statements of Comprehensive Income") (refer to Section 7.3);
  - The pro forma historical consolidated statement of financial position as at 31 December 2011, 2012 and 2013 ("Pro forma Historical Consolidated Statements of Financial Position") (refer to Section 7.4); and
  - The pro forma historical consolidated statement of cash flows for FY11, FY12 and FY13 ("Pro Forma Historical Consolidated Statements of Cash Flows") (refer to Section 7.5).

  (together, the "Pro Forma Historical Financial Information").

- The forecast financial information for Genworth Australia comprising:
  - The Directors' pro forma forecast consolidated statement of comprehensive income for the year ending 31 December 2014 ("FY14F") (the "Pro Forma Forecast Consolidated Statement of Comprehensive Income") (refer to Section 7.10.1); and
  - The Directors' statutory forecast profit before tax for FY14F (refer to Section 7.10.2).

  (together, the "Forecast Financial Information" and, together with the Pro Forma Historical Financial Information, the "Financial Information").

Also summarised in this Section are:

- The basis of preparation and presentation of the Financial Information (refer to Section 7.2);
- Pro forma adjustments to the Historical Financial Information (as defined in Section 7.2.2) and reconciliations between the Historical Financial Information and the Pro Forma Historical Financial Information (refer to Section 7.6 and Appendix A.5);
- Accounting policies (refer to Section 7.7);
- Key drivers of Genworth Australia's NPAT (refer to Section 7.8);
- Management discussion and analysis of the historical consolidated financial information of the GFMI Finance Group for the years ended 31 December 2011, 2012 and 2013 (refer to Section 7.9);
- The material assumptions and commentary underlying the Forecast Financial Information (refer to Section 7.11);
- Sensitivity analysis of the Forecast Financial Information to changes in key assumptions (refer to Section 7.12);
- Underlying NPAT (refer to Section 7.13); and
- Underlying Equity (refer to Section 7.14).

The Financial Information has been reviewed by KPMG Transaction Services, which has provided an Investigating Accountant's Report on the Pro Forma Historical Financial Information in Section 10 and an Investigating Accountant's Report on the Forecast Financial Information in Section 10.

The Investigating Accountant's Report on the Forecast Financial Information has been prepared solely in connection with the Retail Offer of Shares in Australia and has been intentionally omitted from the US Offering Memorandum being distributed in the US.

All amounts disclosed in this Section are presented in Australian dollars, and unless otherwise noted, are rounded to the nearest thousand dollars.

7.2 Basis of preparation and presentation of the Financial Information

7.2.1 Overview

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, although it is presented in an abbreviated form insofar as it does not include all the disclosures, statements and comparative information required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. Australian Accounting Standards are the same as International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Pro Forma Historical Financial Information and Forecast Financial Information presented in this Prospectus are unaudited. The Forecast Financial Information is based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information, to the extent relevant, is consistent with the basis of preparation and presentation of the Pro Forma Historical Financial Information.

Genworth Australia's accounting policies and selected notes relevant to the Historical Financial Information are included in Appendix C.

The information in this Section should also be read in conjunction with the management discussion and analysis of the Historical Financial Information in Section 7.9 and the material assumptions and commentary underlying the Forecast Financial Information in Section 7.11, in addition to the risk factors set out in Section 8 and the other information contained in this Prospectus.

7.2.2 Preparation of the Pro Forma Historical Financial Information

Under the existing (pre IPO) group structure, there is no single Australian company with 100% control of Genworth Financial's Australian subsidiaries. Prior to settlement, the Issuer will become the new holding company of the Group through the implementation of a reorganisation plan ("Reorganisation"). After the Reorganisation, the Group will consist of the Issuer and its Subsidiaries (as defined below). The Pro Forma Historical Financial Information has been derived from the historical consolidated financial statements of the GFMI Finance Group for FY11, FY12 and FY13 ("Historical Financial Information"), which have been audited in accordance with Australian Auditing Standards by KPMG.

The GFMI Finance Group's historical consolidated profit before tax for FY11, FY12 and FY13 and net assets as at 31 December 2011, 2012 and 2013 represent, in each case, approximately 99% of Genworth Australia's pro forma historical consolidated profit before tax and pro forma net assets for each of those periods. Additional information on the consolidated Historical Financial Information is presented in Appendix A. Pro forma adjustments have been made to the Historical Financial Information to reflect the impact of the Reorganisation and the Offer. Refer to Section 12.1.6 for further details on the Reorganisation and Section 7.6 for further details on the Pro Forma adjustments to the Historical Financial Information.

Genworth Australia has determined that the Reorganisation represents a business combination involving entities under "common control", and therefore Genworth Australia is not required to account for the Reorganisation as a business combination under Australian Accounting Standard AASB 3 Business Combinations. Genworth Australia has made an accounting policy election to consolidate the assets and liabilities of the Issuer and its Subsidiaries (as defined below) at their historical book values referred to in this Prospectus as a "pro forma consolidation". As a result, the Pro Forma Historical Financial Information incorporates the assets and liabilities of the Issuer and its Subsidiaries as if they had operated as a single consolidated group for FY11, FY12 and FY13.

Following the Reorganisation, the following entities will be consolidated to form Genworth Australia:

- Genworth Financial Mortgage Insurance Pty Limited, the primary LMI operating entity;
- Genworth Financial Mortgage Indemnity Limited, an LMI operating entity that has been in run-off since 2003;
- Genworth Financial Services Pty Limited, a non-operating holding company;
- Genworth Financial Mortgage Insurance Holdings Pty Limited, a non-operating holding company; and
- Genworth Financial Mortgage Insurance Finance Holdings Limited, a non-operating holding company;

(together, the "GFMI Finance Subsidiaries");

- Genworth Financial Mortgage Insurance Finance Pty Limited, the parent holding company within the GFMI Finance Group.

  (together, consolidated with the GFMI Finance Subsidiaries, the "GFMI Finance Group");
- Genworth Financial New Holdings Pty Ltd, a non-operating holding company; and
- Genworth Financial Australia Holdings LLC, a service company,

  (together, with the entities within the GFMI Finance Group, the "Subsidiaries"); and
- Genworth Mortgage Insurance Australia Limited, the Issuer and the parent company of the Genworth Australia group,

  (together, with the Subsidiaries, the "Group" or "Genworth Australia").

The historical financial statements for each of Genworth Australia's Subsidiaries for FY11, FY12 and FY13, with the exception of Genworth Financial Australia Holdings LLC, have been audited by KPMG in accordance with Australian Auditing Standards. Genworth Financial Australia Holdings LLC is an intragroup holding company and all of its transactions are with other group companies. KPMG has performed an audit in accordance with Australian Auditing Standards of Genworth Financial Australia Holdings LLC's trial balance as at 31 December 2011, 2012 and 2013.

Investors should note that past results are not an indication of future performance.

7.2.3 Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared by Genworth Australia based on an assessment of economic and operating conditions and a number of best estimate assumptions regarding future events as set out in Section 7.11. The Forecast Financial Information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will be realised.

The Directors believe that the Forecast Financial Information has been prepared with due care and attention, and consider all best estimate assumptions to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from what is assumed in preparing the Forecast Financial Information and that this may have a material negative effect on Genworth Australia's actual financial performance or financial position. In addition, the assumptions on which the Forecast Financial Information are based are by their nature subject to significant uncertainties and contingencies, many of which will be outside the control of Genworth Australia and the Directors and are not reliably predictable. Investors are advised to review the material assumptions set out in Section 7.11 in conjunction with the sensitivity analysis set out in Section 7.12, the risk factors set out in Section 8, the notes relevant to the Pro Forma Historical Financial Information included in Appendix C and all other information set out in this Prospectus. Accordingly, none of Genworth Australia, the Directors or any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise.

The forecast net profit before tax for FY14F has been presented on both a pro forma and statutory basis. The statutory forecast net profit before tax is the best estimate of the financial performance that the Directors expect to report in Genworth Australia's financial statements following Completion of the Offer, for the year ending 31 December 2014. Refer to Section 7.10.2 for a reconciliation between Genworth Australia's pro forma forecast net profit before tax and statutory forecast net profit before tax for FY14F.

7.2.4 Preparation of non-IFRS financial measures

The financial metrics presented in this Section, such as those in Section 7.11, 7.13 and 7.14, include non-IFRS financial measures, such as Underlying Equity, Underlying NPAT, Loss Ratio, Expense Ratio, Combined Ratio, ROE and Underlying ROE, which Genworth Australia believes provides information that is useful for investors in understanding its performance, facilitates the comparison of results from period to period, and presents widely used industry performance measures.

However, these non-IFRS financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards.

Although Genworth Australia believes these non-IFRS measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any of the non-IFRS financial measures presented, which have not been audited or reviewed.

Glossary

7 Glossary

Term	Definition
ASX	ASX Limited ABN 98 008 624 691 or Australian Securities Exchange
Average reserve per delinquency	Average reserve per delinquency is calculated by dividing the outstanding claims balance by the number of delinquencies. This calculation differs from the average reserve per delinquency quoted in the Prospectus which was calculated by dividing the central estimate of the outstanding claims balance, net of the non-reinsurance recoveries, by the number of delinquencies
Book Year	The calendar year an LMI policy is originated
Borrower Sale	Borrower Sale is a type of loss mitigation activity initiated by GMA by providing a dedicated team that includes a qualified real estate agent and working with borrowers and lenders on any borrower shortfall sale scenario with guidance and support. This activity is to help borrowers reduce any potential shortfall while reducing the claim size to which GMA is exposed
Business select	Providing Self-Employed Borrowers access to residential mortgage finance by providing limited evidence of income. The borrower self certifies an income that is used to establish serviceability
Combined ratio	The combined ratio is the sum of the loss ratio and the expense ratio
Common Equity Tier 1 or CET1	The highest quality and most loss absorbing form of capital. 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
Delinquency rate	The delinquency rate is calculated by dividing the number of reported delinquent loans insured by the number of in-force policies
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	On a loan by loan basis at the time of origination by the lender customer
Gearing	Gearing is calculated as debt divided by the sum of equity plus debt
Genworth Australia	Means GMA or the Group
HLVR	High loan to value ratio (excluding capitalisation of LMI premium). Generally, a residential mortgage loan with an LVR in excess of a specified benchmark is referred to as an HLVR loan. This LVR benchmark is commonly 80%
Insurance in-force	The original principal balance of all mortgage loans currently insured
Insurance margin	The insurance margin is 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
Investment return	The investment return is calculated as the interest income on technical funds plus the interest income on shareholder funds (excluding realised and unrealised gains/(losses)) divided by the average balance of the opening and closing cash and investments balance for each financial year
Lender Customer	A lender that is a customer of the Group
Level 2	A term defined by APRA under GPS 001 referring to a consolidated insurance group

Loss ratio	The loss ratio is calculated by dividing the net claims incurred by the net earned premium
Low Doc	Low doc loans (or low documentation loans) are generally used where a borrower does not have a verifiable income and generally require the borrower to complete a statutory declaration of financial income
LVR	Loan to value ratio
NAB	National Australia Bank Limited
NIW	New insurance written
NOHC	Non-operating holding company
NPAT	Net profit after tax. This has been calculated on a pro forma basis
PCA	Prescribed capital amount
PCA coverage	The PCA coverage is calculated by dividing the regulatory capital base by the prescribed capital amount
PCR	Prudential Capital Requirement comprising the PCA and any supervisory adjustment determined by APRA
Regulatory capital base	The regulatory capital base is the sum of Tier 1 Capital and Tier 2 Capital
Return on Equity (ROE)	The ROE is calculated by dividing NPAT by the average of the opening and closing equity balance for a financial period
Technical Funds	The investments held to support premium liabilities and outstanding claims reserves
Tier 1 Capital	As defined by GPS 112, Tier 1 Capital comprises the highest quality components of capital that fully satisfy all of the following essential characteristics: · Provide a permanent and unrestricted commitment of funds; · Are freely available to absorb losses; · Do not impose any unavoidable servicing charge against earnings; and · Rank behind claims of policyholders and creditors in the event of winding up
Underlying Equity	Underlying Equity is defined as total equity excluding the after-tax impact of unrealised gains (losses) on the investment portfolio. This has been calculated on a pro forma basis
Underlying NPAT	Underlying NPAT excludes the after-tax impact of unrealised gains/(losses) on the investment portfolio
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
UPR	Unearned premium reserve