

2016 Annual General Meeting

Chairman's Address

(SYDNEY) 5 May 2016 – At Genworth, our mission is to help Australians get into their home sooner and assist them to stay there. We do this by working with our lender customers, regulators and policy leaders to promote a stronger and more sustainable housing market in Australia. In 2015 alone we helped over 92,000 Australians purchase a residential property.

Ms Georgette Nicholas was appointed Chief Executive Officer in February 2016 following an extensive global search, after the retirement of Ms Ellie Comerford in October 2015. The Board would like to thank Ellie for her leadership and contribution during her five years at Genworth which included the successful completion of the IPO. We appreciated Ellie's dedication and commitment to our shareholders, customers and employees and wish her well for the future.

Prior to being appointed as CEO, Ms Nicholas was previously the Acting CEO and, before that, was the Chief Financial Officer of Genworth. My fellow Directors and I believe that Ms Nicholas brings significant leadership capability and experience to the role. She has already taken action to focus the organisation on its strategy as well as simplifying business processes and strengthening important external and commercial relationships.

There is also a change to the composition of the Board of Directors to update you about today. Mr Samuel Marsico will retire as a Non-Executive Director from the Board of Genworth at the conclusion of the AGM today. Mr Marsico was appointed as a Genworth Financial Inc. designee to the Board in March 2012 and has been a member of the Risk Committee since that time. He has made a significant contribution as a Director of the Company, bringing professional expertise in the areas of risk management and mortgage insurance specifically. On behalf of my fellow Directors and executive management I thank Mr Marsico for his service, his commitment and his insights to both the Board and the Risk Committee.

With Mr Marsico's retirement, the Company is finalising a global search for a new Director who will be a GFI designee. An announcement regarding this new appointment to the Board will be made in due course.

Diversity is important to Genworth. The Workplace Gender Equality Agency and the Australian Institute of Company Directors also highlight the importance of this topic. The Board has resolved to adopt best practice regarding Board diversity by setting a target of having 30% female representation on the Board by the end of 2018. Currently we have 13% women on our Board. In addition, management has set a goal of maintaining female representation of at least 33% on the Senior Leadership Team and in striving for diverse slates for all leadership roles. As of today, 40% of the Senior Leadership Team are women.

Genworth remains focused on its strategic priorities that we believe are delivering and will continue to deliver a sustainable return on equity for shareholders. In light of our financial results and capital management last year, we were able to reward our shareholders with special dividends on top of the ordinary dividends. Total dividends declared for the full year 2015 were 50.3 cents per share, which included special dividends of 23.8 cents per share. The ordinary dividends paid for the year represent 62% of the underlying net profit after tax, which is just above the mid-point of our target dividend payout ratio range of between 50% and 70% for 2015.

The Company continues to be managed with a strong capital position and conservative balance sheet. At the end of 2015, we maintained a regulatory capital base of \$2.6 billion and a coverage ratio of 1.59 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 to 1.44 times the PCA. As such, the Company has announced that it proposes to undertake a capital management initiative for shareholders, comprising:

- A reduction of approximately \$202 million of share capital, to be effected by the Company paying each shareholder 34 cents per share;
- An equal and proportionate share consolidation, relating to the capital reduction, through the conversion of each share into 0.8555 shares; and
- Subject to required approvals and having regard to the extent to which other capital management initiatives are implemented, a possible on-market share buy-back.

The proposed capital reduction and share consolidation demonstrates the Company's commitment to prudent capital management and its focus on optimising shareholder value. I believe Genworth's business model is resilient and capable of performing well in a dynamic economic environment and mortgage market.

I would like to close by thanking our CEO, Georgette Nicholas, her executive team and all those who work at Genworth for what has been a successful year. I would also like to thank my fellow Directors for their ongoing commitment to the Company. Finally, I thank you, our shareholders, for your continued support.

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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 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.