

## Completion of Capital Reduction and Share Consolidation

**(SYDNEY) 1 June 2016** – Genworth Mortgage Insurance Australia Limited (Genworth or the Company) (ASX: GMA) today completed its capital management initiative as announced to the market on 31 March 2016, and approved by shareholders at the Annual General Meeting on 5 May 2016.

Payment of the capital reduction is being made today – by EFT or cheque depending on individual shareholder payment elections. Cheques will be delivered by Australia Post in accordance with their delivery timetables. EFT processing may take up to 3 business days to reach shareholder bank accounts.

A total of \$202.4 million capital is being returned to shareholders with each shareholder being paid 34 cents per share held pre-consolidation as at the record date of 25 May 2016.

The Genworth share register was today updated to implement the consolidation of shares whereby each ordinary share on the register on the record date of 25 May 2016 was converted to 0.8555 of a share (with fractional entitlements rounded to the nearest whole number). Following completion of the consolidation the total number of Genworth shares on issue (post consolidation) is 509,365,050 ordinary shares.

Genworth is continuing to engage with the Australian Taxation Office (ATO) regarding the Capital Reduction. As an ATO Class Ruling has not yet been received, and given the uncertainty about the treatment for Australian taxation purposes of the Capital Reduction, at the time the payments are made they will be treated as if they are unfranked dividends for Australian taxation purposes. As such, payments to shareholders will, in some cases, have an amount deducted for taxes withheld to reflect this.

The tax implications for each shareholder will depend on the circumstances of the particular shareholder. All shareholders are encouraged to seek independent professional advice in relation to their tax position. Neither the Company nor any of its officers, employees or advisers assumes any liability or responsibility for advising shareholders about the tax consequences of the Capital Reduction and/or Share Consolidation.

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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.