

**Genworth**



# Financial summary

(A\$ millions)	2014	2015	Chg %	1Q15	1Q16	Chg %
Gross written premium	634.2	507.6	(20.0%)	127.7	85.0	(33.4%)
Net earned premium	445.8	469.9	5.4%	110.8	113.5	2.4%
Reported net profit after tax	324.1	228.0	(29.7%)	89.5	67.3	(24.8%)
Underlying net profit after tax	279.4	264.7	(5.3%)	69.7	61.7	(11.5%)

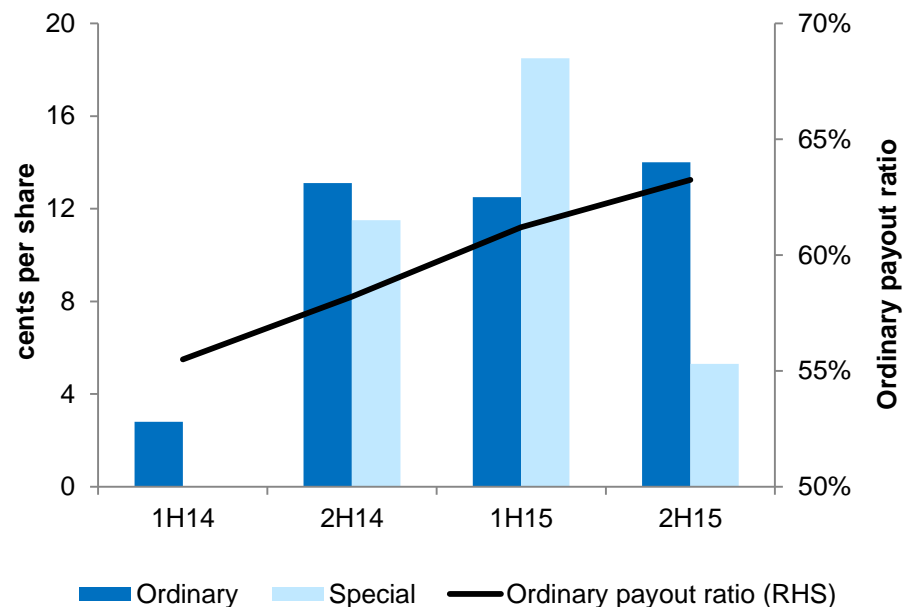
Key financial measure	2016 Guidance	1Q16 Actual	
NEP growth	Down as much as 5%	2.4%	✓
Full year loss ratio	25% - 35%	27.0%	✓
Ordinary dividend payout ratio	50% - 80%	N/A	

# Capital management initiatives

## Recent actions

- Since listing, Genworth has paid out all after-tax profits by way of ordinary and special dividends to shareholders.
- Reinsurance program increased to \$950 million as at 1 January 2016. The restructure of the program offers more favourable terms and price.
- \$200 million Tier 2 notes issued in July 2015.
- \$150 million on-market share buy-back completed in December 2015.

## Genworth dividends



## Capital management initiatives for shareholder approval at the 2016 AGM

- The distribution of 34 cents per share to shareholders.
- A possible on-market share buy-back.

# Genworth's strategy underpins creation of shareholder value

Target: Deliver a sustainable ROE above the cost of capital by:

## 1. Strengthening and growing our customer relationships and product value proposition

- Leading market position
- Focused on meeting the strategic needs of our customers

## 2. Targeting appropriate, risk-adjusted returns and enhance profitability

- Pricing NIW to achieve low-to-mid teens ROE over the long term
- Investment in loss mitigation processes
- Ongoing cost optimisation initiatives

## 3. Optimising the capital structure

- Maintain strong balance sheet and stable credit ratings
- Preference to return excess capital to shareholders where appropriate

## 4. Maintaining strong risk management discipline

- Effective risk decision-making
- Invest in modelling and analytical capabilities


## 5. Continue to work on LMI recognition

- Continued engagement with regulators
- Public policy recommendations and submissions

**Generating strong earnings and dividend flows**



*In the Community*

— 2023 —  
Genworth 

# 2016 outlook

Dynamic mortgage market continuing to impact new business volumes

- Outlook for the Australian residential mortgage market is supported by sound fundamentals, especially stable unemployment rates and accommodative monetary policy setting.
- House price appreciation in 2016 expected to moderate.
- The high LVR market continues to be constrained in 2016.
- Evaluation of capital management actions designed to bring GMA's solvency ratio more in line with the Board's target capital range.

## Key financial measures - FY16 Guidance

Net earned premium growth	Down as much as 5%
Full year loss ratio	25% - 35%
Ordinary dividend payout ratio	50% - 80%

Full year outlook is subject to market conditions and unforeseen circumstances or economic events

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# Consideration of Reports

To receive and consider the Company's annual financial report, directors' report and auditor's report for the financial year ended 31 December 2015.

There is no requirement for shareholders to approve these reports.



# Resolution 1 – Remuneration Report

“That the Company’s remuneration report for the financial year ended 31 December 2015 be adopted”

# Resolution 1 – Remuneration Report

<b>For</b>	<b>Against</b>	<b>Open</b>
504,195,949	1,383,186	1,590,982
99.41%	0.27%	0.31%

## **Resolution 2 – Grant of 364,119 Share Rights to Georgette Nicholas, Genworth Australia Chief Executive Officer**

“That approval is given, for all purposes, including for the purpose of ASX Listing Rule 10.14, for the grant to Genworth Australia’s Chief Executive Officer, Georgette Nicholas, of 364,119 Share Rights under the Company’s Share Rights Plan, in accordance with the Share Rights Plan Rules, and as described in the Explanatory Notes accompanying the Notice of 2016 Annual General Meeting”

# Resolution 2 – Grant of Share Rights to Georgette Nicholas

<b>For</b>	<b>Against</b>	<b>Open</b>
505,169,658	595,895	1,591,566
99.57%	0.12%	0.31%

## Resolution 3 – Capital Reduction

“That, conditional on the passing of the resolution proposed in Resolution 4 (Share Consolidation), approval is given for the share capital of the Company to be reduced by approximately \$202 million, to be effected by the Company paying each shareholder the amount of 34 cents for each share held as at 7.00pm (Sydney time) on 25 May 2016”

## Resolution 3 – Capital Reduction

<b>For</b>	<b>Against</b>	<b>Open</b>
501,451,695	141,146	1,568,398
99.66%	0.03%	0.31%

## Resolution 4 – Share Consolidation

“That, conditional on the passing of the resolution proposed in Resolution 3 (Capital Reduction), with effect from 26 May 2016, the share capital of the Company will be consolidated through the conversion of each share into 0.8555 shares, and that any resulting fractions of a share held by a shareholder be rounded to the nearest whole number of shares”

## Resolution 4 – Share Consolidation

<b>For</b>	<b>Against</b>	<b>Open</b>
501,426,141	167,455	1,568,398
99.66%	0.03%	0.31%



## Resolution 5 – Possible On-Market Share Buy-Back

“That, for the purposes of section 257C of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to conduct an on-market share buy-back of up to 150 million of the Company’s issued ordinary shares, over a period of up to 12 months from the date of the 2016 Annual General Meeting”

## Resolution 5 – Possible On-Market Share Buy-Back

<b>For</b>	<b>Against</b>	<b>Open</b>
494,622,135	7,416,822	1,568,398
98.22%	1.47%	0.31%

## Resolution 6 – Renewal of Proportional Takeover Provisions in the Company’s Constitution

“That the proportional takeover provisions in the form set out in Clause 38 of the Company’s constitution, a copy of which is tabled at the Annual General Meeting, are renewed for a period of three years commencing on the date of the AGM pursuant to section 648G of the Corporations Act 2001 (Cth)”

# Resolution 6 – Renewal of Proportional Takeover Provisions in the Company’s Constitution

<b>For</b>	<b>Against</b>	<b>Open</b>
503,263,802	60,127	1,568,398
99.68%	0.01%	0.31%

## Resolution 7 – Re-election of Director Stuart Take

“That Stuart Take be re-elected as a Director of the Company”

## Resolution 7 – Re-election of Director Stuart Take

<b>For</b>	<b>Against</b>	<b>Open</b>
500,246,622	5,813,196	1,786,228
98.50%	1.14%	0.35%

## Resolution 8 – Re-election of Director Jerome Upton

“That Jerome Upton be re-elected as a Director of the Company”

## Resolution 8 – Re-election of Director Jerome Upton

<b>For</b>	<b>Against</b>	<b>Open</b>
492,817,077	13,242,741	1,786,228
97.04%	2.61%	0.35%



## Resolution 9 – Re-election of Director Tony Gill

“That Tony Gill be re-elected as a Director of the Company”

## Resolution 9 – Re-election of Director Tony Gill

<b>For</b>	<b>Against</b>	<b>Open</b>
502,128,827	3,762,807	1,794,413
98.91%	0.74%	0.35%

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