

Standard & Poor's affirm Genworth Australia Ratings¹

SYDNEY, 19 February, 2015 - Genworth Mortgage Insurance Australia Limited (GMA) notes that today Standard & Poor's Ratings Services (S&P) has affirmed its financial strength and issuer credit ratings on Genworth Financial Mortgage Insurance Pty Limited (Genworth Australia) at 'A+' and has altered the outlook to 'developing' from negative. S&P also affirmed the 'A-' financial strength and issuer credit ratings on Genworth Financial Mortgage Indemnity Ltd. (Genworth Indemnity) also with a revised outlook of 'developing'.

This S&P rating affirmation follows today's revision of the insurer financial strength ratings on Genworth Life Insurance Co, Genworth Life & Annuity Insurance Co and Genworth Life Insurance Co of New York to "BBB-" from "BBB+" and the revision of its issuer credit and senior unsecured debt ratings on Genworth Financial Inc. to "BB-" from "BB+". The outlook on these ratings is negative.

In contrast to the ratings action of November 2014, S&P have not elected to adjust the Genworth Australia rating in line with that of the core Genworth life companies. S&P noted that "The affirmation reflects our updated stand-alone assessment, which incorporates our view that the current ratings sufficiently capture any adverse brand, reputational, or financial influence related to developments at Genworth's U.S. operations".

S&P added "we have not de-linked the ratings on Genworth's ongoing Australian and Canadian entities from the ratings on the core Genworth life companies. Rather, we have allowed greater notching due to our updated assessment about insulation".

In revising the outlook to developing, S&P said "The change in outlook reflects (Genworth US) management's public statements about evaluating its strategic options with regards to its operations in Australia".

Genworth Australia remains strongly capitalised with a Level 2 solvency ratio of 159.3 per cent as at 31 December and following the IPO in 2014 has significant additional capital flexibility. The company has a strong, stable balance sheet with \$2.5 billion of net assets, highly rated \$4.2 billion cash and fixed interest investment portfolio, and a \$1.36 billion Unearned Premium Reserve that provides significant revenue visibility.

¹ Any financial strength or credit ratings provided in this release are determined by ratings agencies. They do not, and are not intended to, constitute the provision of financial product advice by any member of the GMA group of companies (GMA Group) in relation to any financial product including, without limitation, any securities of, or other financial products issued by, any member of the Group. The ratings are subject to change from time to time. You should seek your own professional advice before relying on any ratings referred to in this release.

The company also recently reported full year pro forma Underlying Net Profit After Tax (NPAT)² of \$279.4 million for the 12 months ended 31 December 2014, and has affirmed its guidance (subject to business conditions and unforeseen economic events) of Net Earned Premium growth of up to 5 per cent, and a full year loss ratio between 25.0 and 30.0 per cent.

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About Genworth Australia

GMA, through its subsidiary companies Genworth Financial Mortgage Insurance Pty Ltd and Genworth Financial Mortgage Indemnity Ltd ("Genworth Australia"), is the leading provider of LMI in the Australian residential mortgage market. Genworth Australia has been part of the Australian residential mortgage lending market for 50 years since Housing Loans Insurance Corporation was founded by the Australian Government in 1965 to provide LMI in Australia. Genworth Australia is currently a subsidiary of Genworth Financial, Inc. and part of the Genworth Financial Group. The Genworth Financial Group's current ownership interest in GMA is 66.2% of the issued shares in GMA.

² The financial result of GMA and its subsidiary companies prepared under statutory basis (prepared in accordance with Australian accounting standards which comply with International Financial Reporting Standards (IFRS)) represent the financial result for the period of 19 May 2014 to 31 December 2014. The pro forma results represent the financial performance from 1 January 2014 to 31 December 2014 have been prepared on the same basis as the financial information (including financial forecasts) disclosed in the prospectus lodged by GMA with the Australian Securities and Investments Commission on 23 April 2014 (Prospectus), which reflected the post re-organisation structure of May 2014. Underlying NPAT excludes the after tax impact of unrealised gains/ (losses) on the investment portfolio.