

## Capital policy and capital management update

**12 May 2022:** Genworth Mortgage Insurance Australia Limited (Genworth or the Company) (ASX: GMA) today provided an update on its capital management approach, including a new Board approved target capital range.

Genworth previously managed its Regulatory Capital Base with reference to a Board target capital range of 1.32 times to 1.44 times the Australian Prudential Regulation Authority (APRA) Prescribed Capital Amount (PCA). The Board has revised the target range to 1.40 to 1.60 times APRA's PCA.

It is the Board's intention to operate within the new target range at most points in time, and Genworth intends to continue ongoing capital management activities to return capital levels to within the target range within the next two years.

Since listing in 2014, Genworth has paid \$2.57 per share through ordinary and special dividends and has bought back \$675 million of shares through on market buy-backs and capital reductions. Despite the quantum of capital returned to shareholders, the PCA ratio has generally been above the top end of the Board's previous target range.

The new target range reflects Genworth's intended medium term operating range, incorporating the Company's organic and strategic growth needs and its regulatory and rating agency requirements.

Genworth remains committed to returning excess capital to shareholders as quickly and efficiently as possible. The current \$100 million on market share buy-back is expected to be largely complete by June 30, with potential for further capital returns via on market buy-backs or special dividends.

In addition to the potential for capital returns, the expected medium term sustainable level of the ordinary dividend is approximately 24 cents per share, with some scope for growth over time.

All capital and dividend decisions remain subject to Board determination and required regulatory approvals based on circumstances at the time.

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The release of this announcement was authorised by the Disclosure Committee.

**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 over 50 years since the Housing Loans Insurance Corporation was founded by the Australian Government in 1965 to provide LMI in Australia.

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