

3Q22 APRA GIILS lodgement and market update

1 November 2022: Genworth Mortgage Insurance Australia Limited (Genworth or the Company) (ASX: GMA) provides the following updates in relation to the APRA General Insurance Institutional Level Statistics (GIILS), FY22 year to date trading and guidance, and strategic progress.

3Q22 APRA GIILS lodgement

Genworth notes that it finalised the submission of data in relation to the three months ended 30 September 2022 to the Australian Prudential Regulation Authority (APRA) on 31 October 2022.

The data submitted to APRA is expected to be included in the General Insurance Institution-Level Statistics (GIILS) for the September quarter and is currently scheduled to be published by APRA on 24 November 2022.

The GIILS include data on two licensed general insurance entities which are both 100% owned subsidiaries of Genworth, being Genworth Financial Mortgage Insurance Pty Limited and Genworth Financial Mortgage Indemnity Limited which is in run-off.

The GIILS do not provide a consolidated view of Genworth or its subsidiaries, have not been externally reviewed or audited, and do not embrace a full review of claims reserving nor any associated adjustments to the earnings curve.

The data submitted to APRA for Genworth Financial Mortgage Insurance Pty Limited included the following:

	3Q22	Year to Date 30 Sep 22
Gross written premium (GWP) (\$m)	68.5	257.1
Net earned premium (NEP) (\$m)	99.6	315.8
Net claims incurred (\$m) ¹	-9.0	-12.0
Underwriting result (\$m)	84.0	258.5
Insurance profit (\$m)	80.9	162.3
Net profit/(loss) after tax (NPAT) (\$m)	54.8	76.4
Prescribed capital amount coverage ratio (x)	2.04	2.04

¹ Net claims incurred is negative caused by a reduction in reserves due to lower levels of delinquencies.

FY22 financial update and update to guidance

GWP is lower than the previous corresponding period (pcp) in 3Q21, reflecting lower industry volumes of new high loan to value ratio (LVR) lending. NEP remains high, due to the recognition of 2020 and 2021 GWP and high levels of mortgage industry re-financing driving policy cancellations. Genworth expects FY22 NEP to be towards the top of the guidance range of \$375 million to \$435 million provided at 1H22.

Whilst net claims incurred are expected to increase, it may take some time for changes in the economy to flow through to delinquencies and claims paid. 3Q22 delinquencies and claims incurred continue to be very low. Genworth expects FY22 net claims incurred to be within a range of -\$25 million to +\$25 million, compared to the previous guidance range of \$0 million to \$50 million provided at 1H22. The Company continues to work closely with lenders to understand their portfolio trends and remains well positioned for a changing economy.

YTD investment income has been primarily impacted by movements in bond rates which has adversely impacted statutory net profit after tax. Most of this impact occurred in 1H22. Higher bond rates are expected to benefit interest income and are positive for future profitability.

Strategic update

Genworth is pleased to announce that it has recently entered a strategic partnership with Household Capital, a leading Australian provider of home equity retirement funding. This minority investment demonstrates a significant step toward achieving our purpose of accelerating financial wellbeing through home ownership.

A General Meeting will be held on Tuesday 15 November 2022 at 11:00am (Sydney time) for shareholders to consider and approve, as a special resolution, changing the Company's name to Helia Group Limited. Details can be found in the Notice of Meeting dated 13 October 2022.

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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.