

Genworth Mortgage Insurance Australia

Full Year 2015 Financial Results Presentation

5 February 2016



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Overview

Georgette Nicholas, Chief Executive Officer

Agenda

1. **Overview** – Georgette Nicholas, Chief Executive Officer
2. **FY15 Financials** – Luke Oxenham, Chief Financial Officer
3. **Outlook** – Georgette Nicholas
4. **Q&A**

FY15 financial results summary

Resilient earnings performance in FY15

(A\$ millions)	FY14	FY15	Change %
Gross written premium	634.2	507.6	(20.0%)
Net earned premium	445.8	469.9	5.4%
Reported net profit after tax	324.1	228.0	(29.7%)
Underlying net profit after tax	279.4	264.7	(5.3%)
Ordinary Dividends per share (cps)	15.9	26.5	66.7%

Key financial measure	2015 Guidance	2015 Actual	
Net earned premium growth	Up to 5%	5.4%	✓
Full year loss ratio	25% - 30%	24.0%	✓
Dividend payout ratio	50% - 70%	62.2%	✓

FY15 guidance exceeded

- NEP growth slightly ahead.
- Loss performance ahead of expectations.
- Dividend payout ratio progression.

Resilient earnings performance

- Net earned premium growth.
- Reported NPAT includes mark-to-market loss on investment portfolio.
- Underlying NPAT solid.

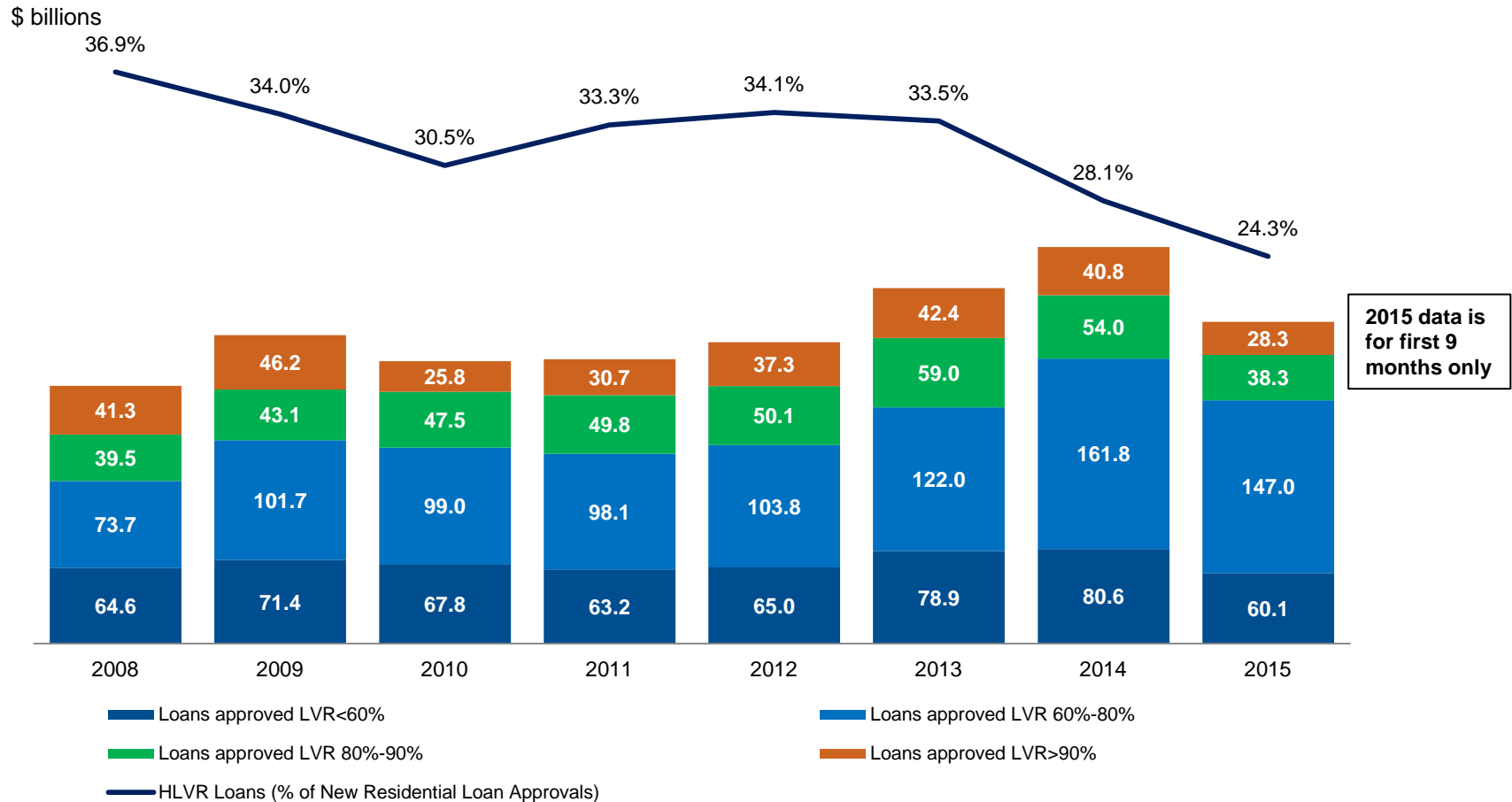
Market conditions pressuring GWP

- Lower LVR mix impacting price and GWP.
- High-LVR segment impacted by reduced lender risk appetite and increased investor loans.
- Maintaining risk discipline.

Residential mortgage lending market

Reduced high LVR lending in 2015

HLVR Penetration



Sources: APRA Quarterly ADI property exposures statistics (ADI's new housing loan approvals), September 2015. Statistics only show ADI's mortgage portfolios above \$1 billion, thereby excluding small lenders and non-banks;

* 2015 data is for 9 months to 30 September only

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

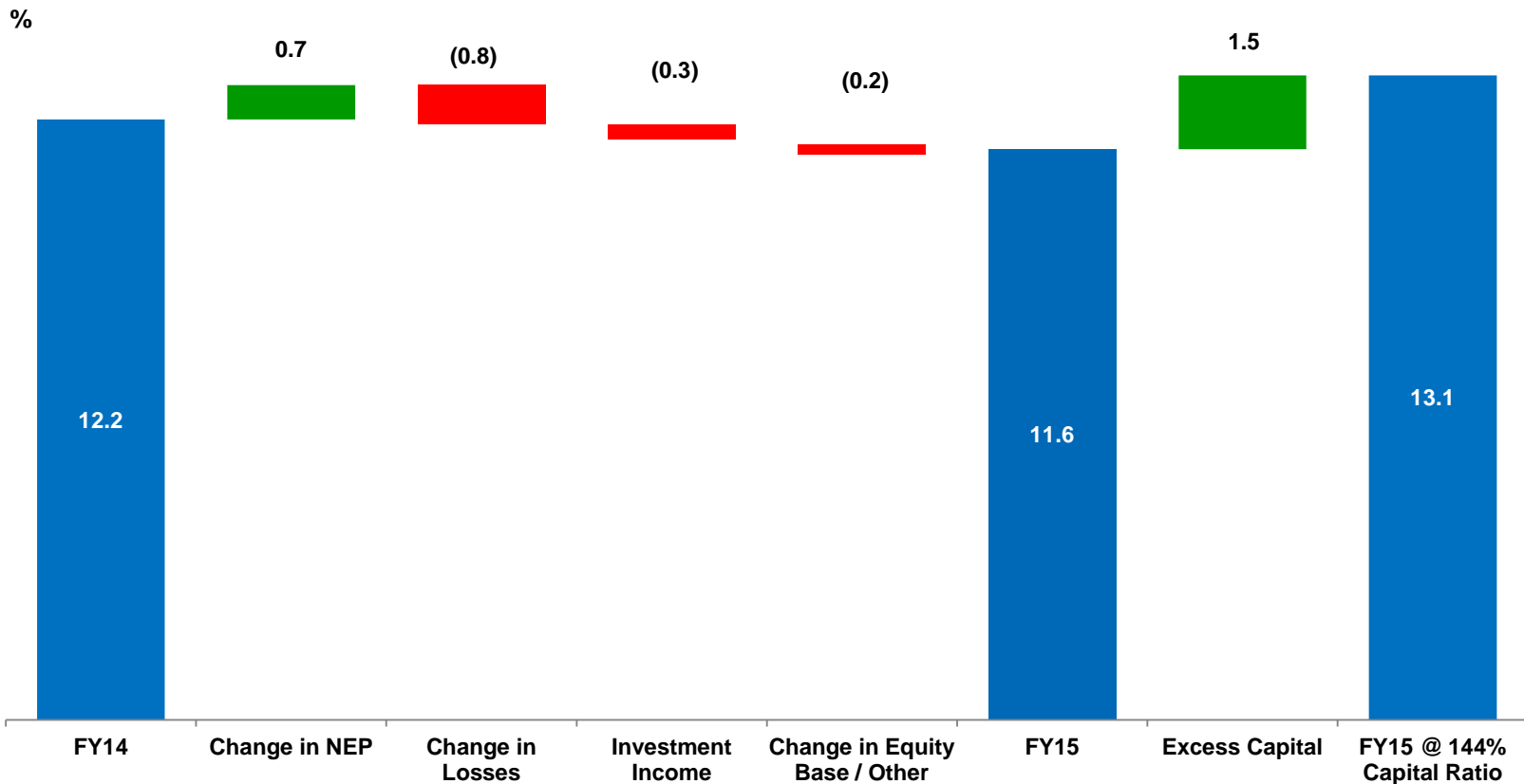
- Continued engagement with regulators
- Public policy recommendations and submissions

Generating strong earnings and dividend flows

Composition of Underlying ROE changes

Continue to evaluate opportunities to enhance ROE

Underlying ROE Walk from FY14 to FY15



Detailed financial performance

Luke Oxenham, Chief Financial Officer

2H 2015 income statement

Resilient earnings performance in FY15

(A\$ millions)	1H14	2H14	FY14	1H15	2H15	FY15	Change FY14 vs FY15
Gross written premium	313.6	320.6	634.2	285.4	222.2	507.6	(20.0%)
Movement in unearned premium	(57.5)	(56.0)	(113.5)	(19.7)	61.7	42.0	N/A
Gross earned premium	256.1	264.6	520.7	265.7	283.9	549.6	5.6%
Outwards reinsurance expense	(37.7)	(37.2)	(75.0)	(40.0)	(39.7)	(79.7)	6.3%
Net earned premium	218.4	227.4	445.8	225.7	244.2	469.9	5.4%
Net claims incurred	(42.8)	(41.7)	(84.5)	(49.9)	(62.8)	(112.7)	33.4%
Acquisition costs	(24.1)	(24.9)	(49.0)	(25.8)	(28.7)	(54.5)	11.2%
Other underwriting expenses	(34.1)	(34.9)	(69.0)	(34.4)	(34.1)	(68.5)	(0.7%)
Underwriting result	117.4	125.9	243.3	115.6	118.6	234.2	(3.7%)
Investment income on technical funds ¹	27.1	22.8	49.9	13.5	25.5	39.0	(21.8%)
Insurance profit	144.5	148.7	293.2	129.1	144.1	273.2	(6.8%)
Investment income on shareholder funds ¹	76.9	100.1	177.0	37.6	31.3	68.9	(61.1%)
Financing costs	(5.6)	(5.7)	(11.3)	(5.5)	(11.0)	(16.5)	46.0%
Profit before income tax	215.9	243.1	458.9	161.2	164.4	325.6	(29.0%)
Income tax expense	(64.5)	(70.4)	(134.9)	(48.2)	(49.4)	(97.6)	(27.7%)
Net profit after tax	151.4	172.7	324.1	113.0	115.0	228.0	(29.7%)
Underlying net profit after tax	133.1	146.3	279.4	132.9	131.8	264.7	(5.3%)

1. Investment income on Technical Funds and Shareholder Funds include the before-tax effect of realised and unrealised gains/(losses) on the investment portfolio.

New Insurance Written

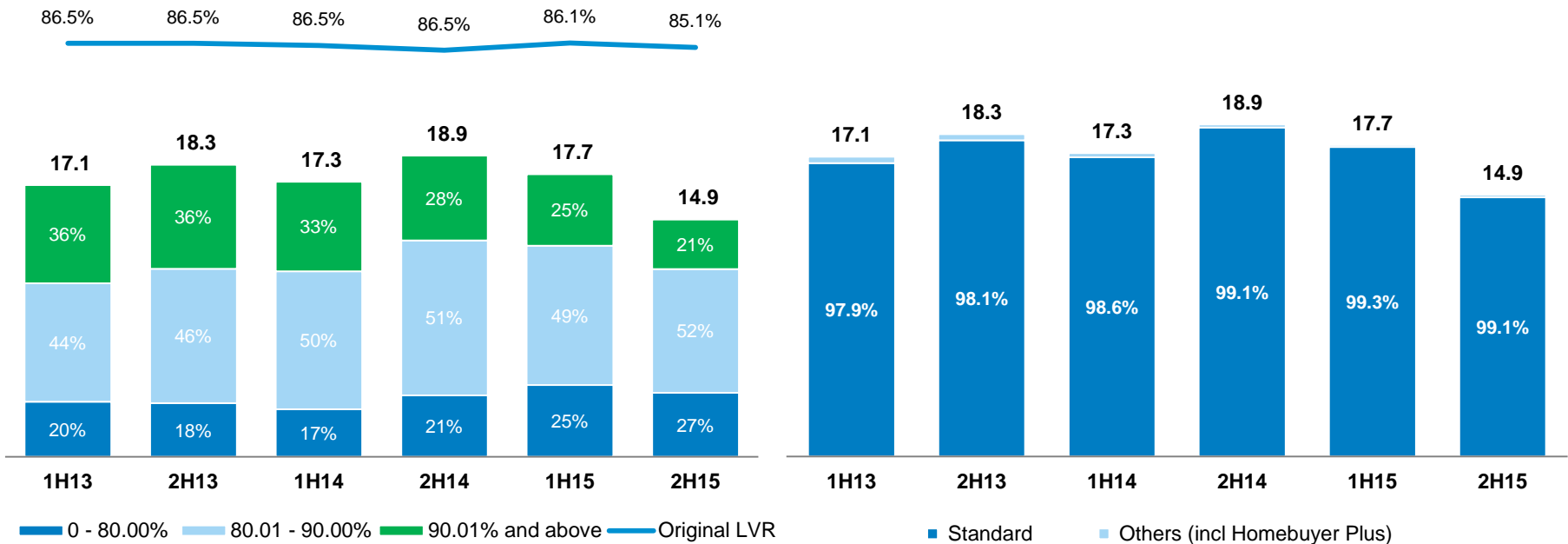
New business written reflecting policy changes since 2009

NIW¹ by original LVR² band

NIW¹ by product type

\$ billions, %

\$ billions, %

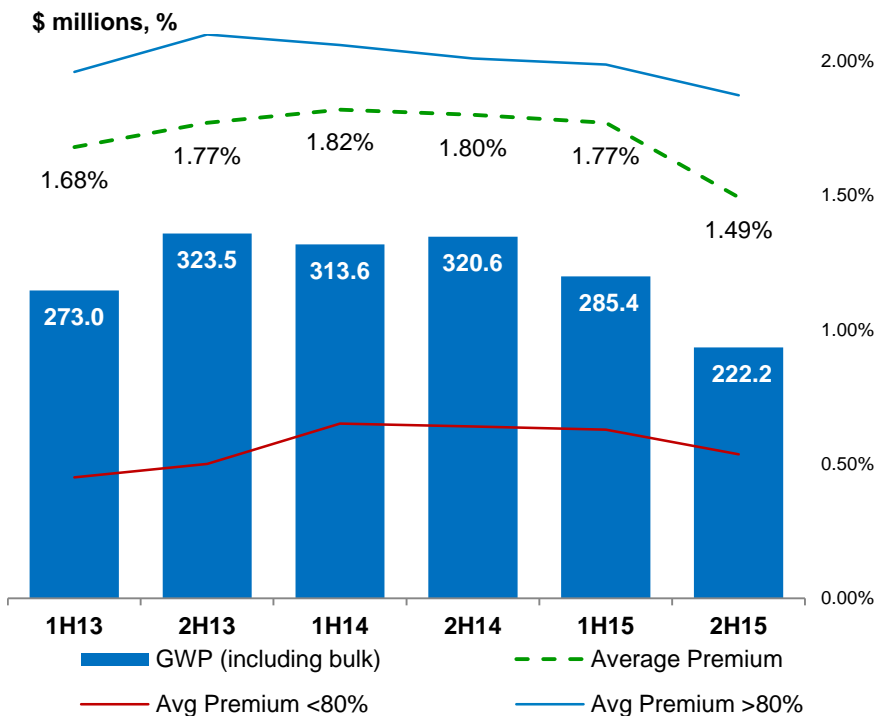


1. NIW includes capitalised premium
2. Original LVR excludes capitalised premium

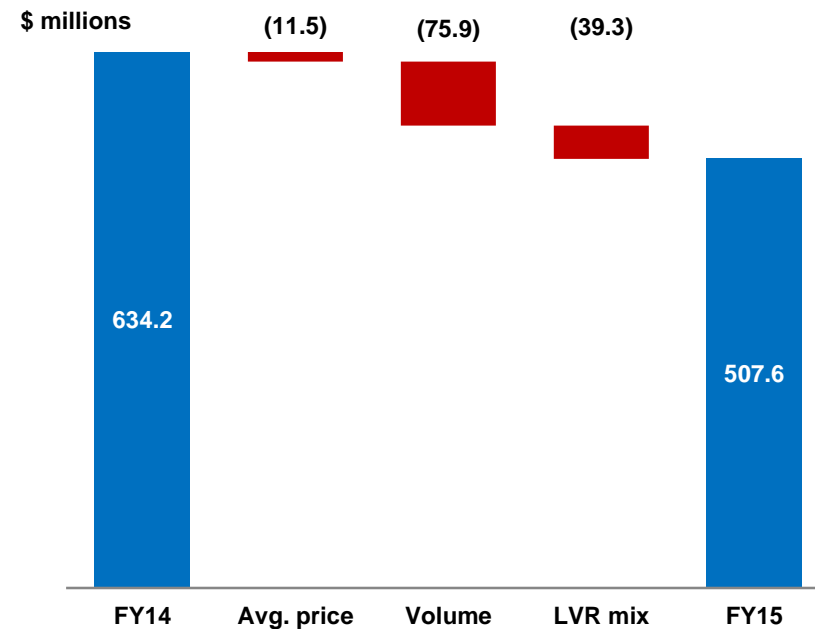
Gross Written Premium

Average price of 1.63% in FY15

GWP and average price of flow business (GWP/NIW¹)



GWP walk

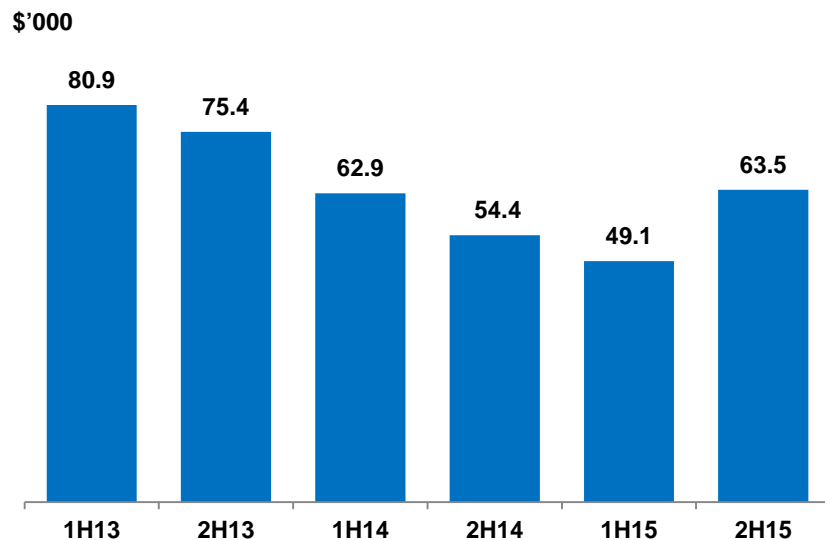


1. NIW includes capitalised premium

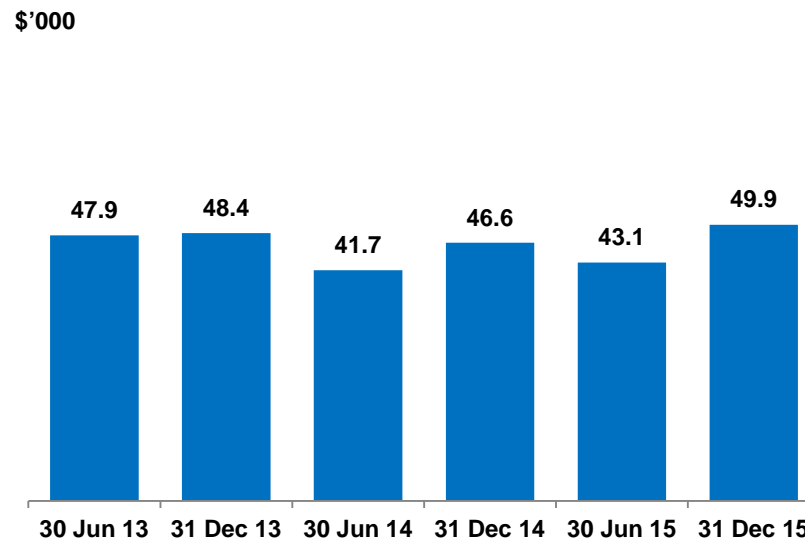
Net incurred claims

Average paid claim returning to historical averages

Average paid claim¹



Average reserve per delinquency²



Composition of net incurred claims (A\$ millions)	1H13	2H13	1H14	2H14	1H15	2H15
Number of paid claims (#)	1,271	1,091	881	664	568	616
Average paid claim (\$'000)	80.9	75.4	62.9	54.4	49.1	63.5
Claims paid	102.8	82.3	55.4	36.1	27.9	39.1
Movement in reserves	(21.6)	(35.7)	(12.6)	5.6	22.0	23.7
Net claims incurred	81.2	46.6	42.8	41.7	49.9	62.8

1. Calculated as claims handling expense and paid claims net of recoveries and divided by the number of claims paid for the relevant period.

2. Calculated under AIFRS, the outstanding claim provision is gross of non-reinsurance recoveries and divided by the number of delinquencies for the relevant period.

Balance sheet and unearned premium reserve

Strong stable balance sheet with over \$1.32bn in UPR

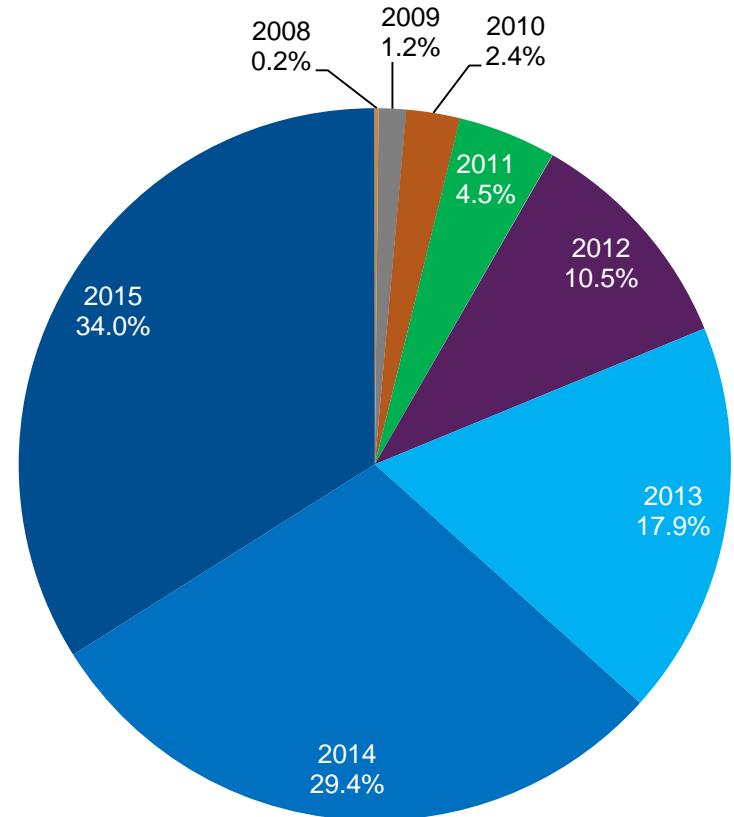
(A\$ in millions)	31 Dec 14	31 Dec 15
Assets		
Cash and cash equivalents	88.6	78.1
Investments ¹	4,112.0	3,882.4
Deferred reinsurance expense	80.6	71.0
Non-reinsurance recoveries	16.4	28.8
Deferred acquisition costs	124.5	145.1
Deferred tax assets	8.2	10.6
Goodwill & Intangibles	11.9	10.1
Other assets ²	7.1	5.8
Total assets	4,449.3	4,232.0
Liabilities		
Payables ³	209.3	164.4
Outstanding claims	230.9	277.0
Unearned premiums	1,362.6	1,320.6
Interest bearing liabilities	138.6	244.4
Employee provisions	7.4	6.8
Total liabilities	1,948.8	2,013.2
Net Assets	2,500.5	2,218.7

Note : Totals may not sum due to rounding

1. Includes accrued investment income
2. Includes trade receivables, prepayments and plant and equipment
3. Includes reinsurance payables

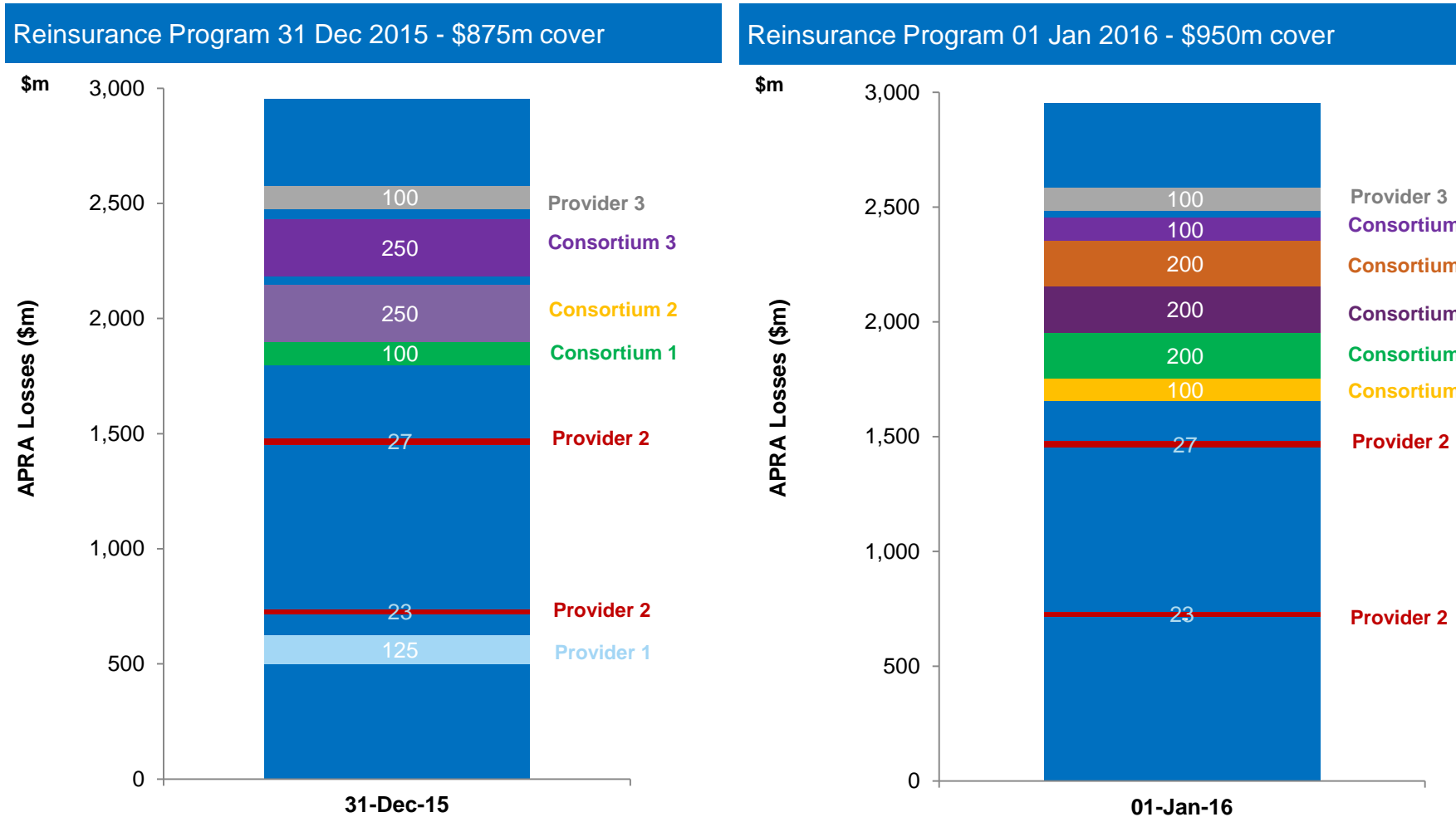
Unearned premium by book year as at 31 December 2015

Total UPR \$1.32bn



Expansion to reinsurance program

Reinsurance program supports returns and capital objectives



FY 2015 regulatory capital position

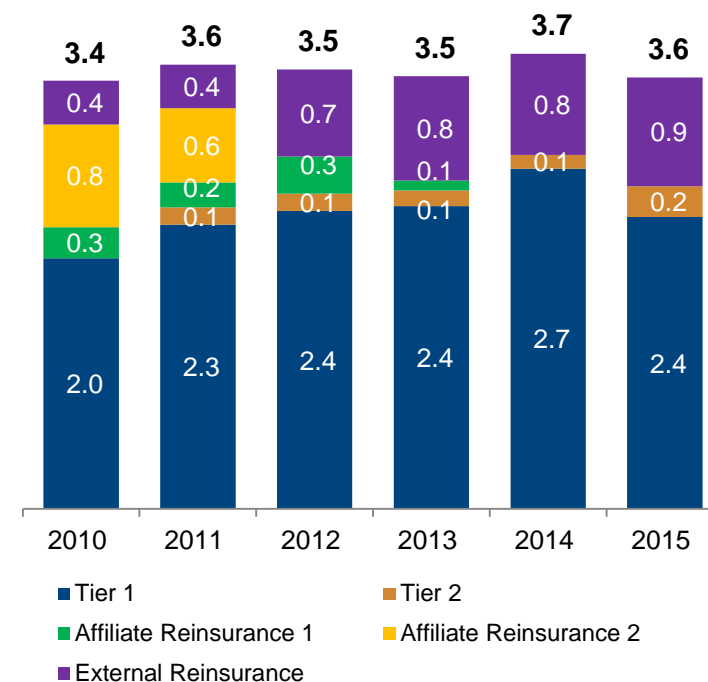
Solvency ratio remains above Board target range

(A\$ in millions) as at	31 Dec 14	31 Dec 15	Pro Forma 1 Jan 16
Capital Base			
Common Equity Tier 1 Capital	2,742.1	2,351.2	2,236.3
Tier 2 Capital	112.0	249.6	249.6
Regulatory Capital Base	2,854.1	2,600.8	2,485.9
Capital Requirement			
Probable Maximum Loss ('PML')	2,586.5	2,509.7	2,509.7
Net premiums liability deduction	(272.4)	(290.0)	(290.0)
Allowable reinsurance	(815.6)	(875.5)	(950.5)
LMI Concentration Risk Charge ('LMICRC')	1,498.5	1,344.2	1,269.2
Asset risk charge	128.0	76.9	76.9
Asset concentration risk charge	-	-	-
Insurance risk charge	202.1	226.6	226.6
Operational risk charge	24.1	27.7	27.7
Aggregation benefit	(60.6)	(37.1)	(37.0)
Prescribed Capital Amount ('PCA')	1,792.1	1,638.3	1,563.4
PCA Coverage ratio (times)	1.59 x	1.59 x	1.59 x

Note: Pro Forma figures include \$950 million in allowable reinsurance and include the payment of \$114.9 million in dividends with respect to second half 2015 earnings.

Evolution of capital sources

\$ billions



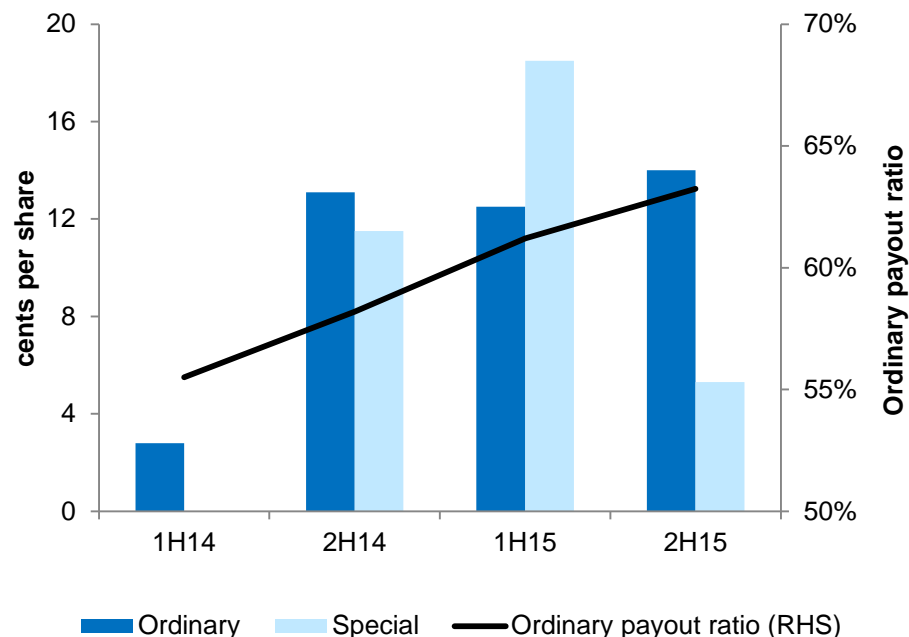
Capital management initiatives

Ongoing program of capital management actions

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



Future actions being considered

- The Group is continuing to evaluate further capital management initiatives that could be implemented in 2016, which would be subject to necessary regulatory and shareholder approvals.

Summary and conclusion

Georgette Nicholas, CEO

2016 outlook

Dynamic mortgage market expected 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

Questions

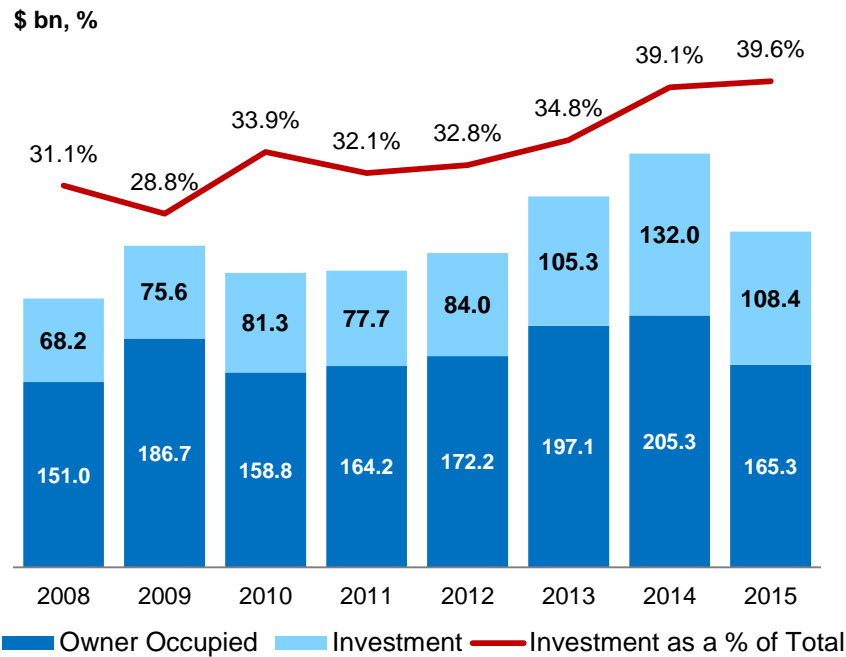
Georgette Nicholas, CEO

Luke Oxenham, CFO

Supplementary Slides

Residential mortgage lending market

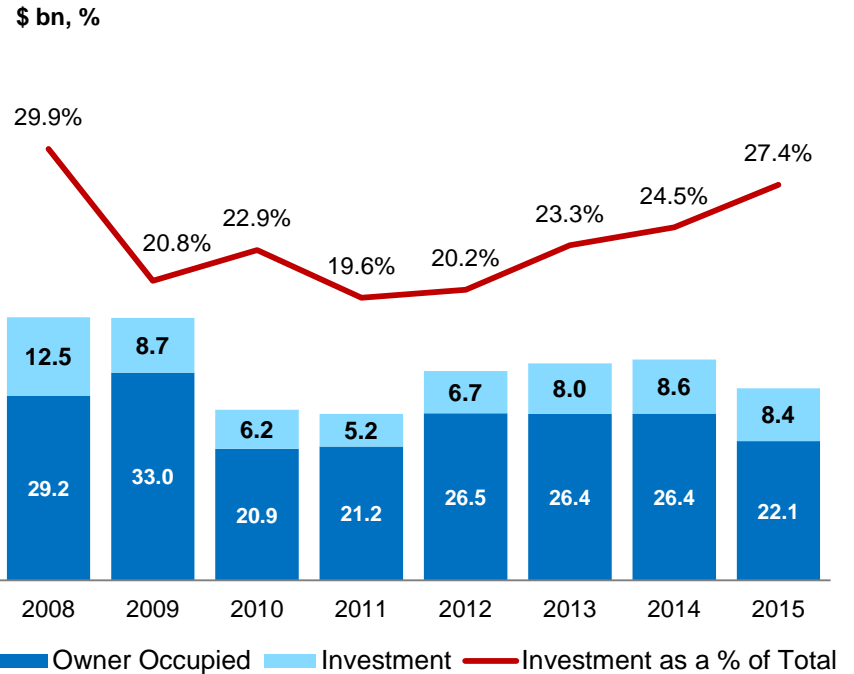
Investment vs. Owner Occupied (APRA statistics)



- Investment property lending represented 39.6% of originations as at 30 September 2015

Sources: APRA Quarterly ADI property exposures statistics (ADI's new housing loan approvals), September 2015. Statistics only show ADI's mortgage portfolios above \$1 billion, thereby excluding small lenders and non-banks;

Investment vs. Owner Occupied¹ (GMA)



- Investment property lending represented 27.4% of originations for the period ended 31 December 2015

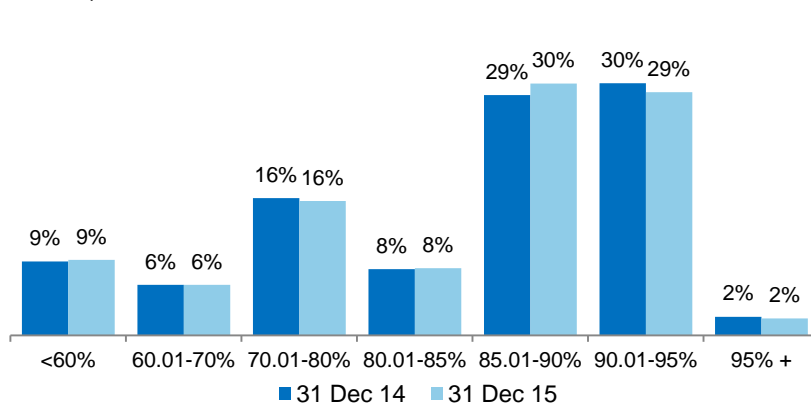
1. Flow NIW only. Owner occupied includes loans for owner occupied and other types.

New Insurance Written & Insurance In Force

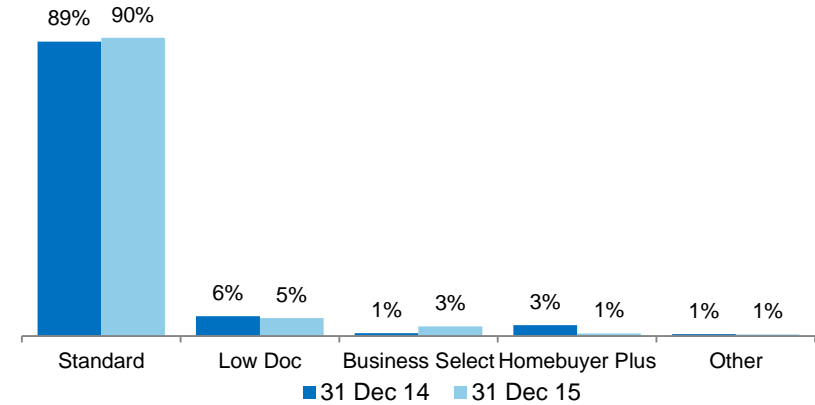
New business and insurance in force reflecting policy changes since 2009

Insurance in force (IIF)¹ by original LVR² band

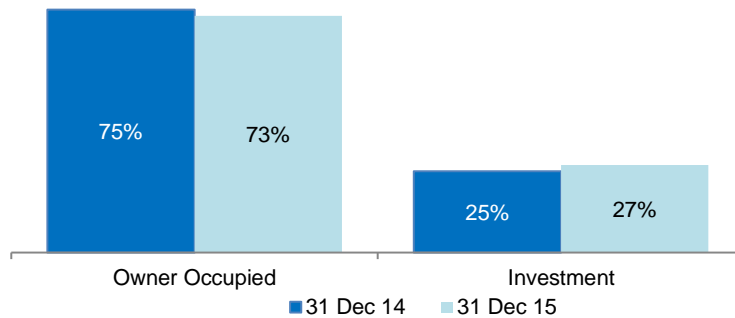
Total IIF \$320 billion



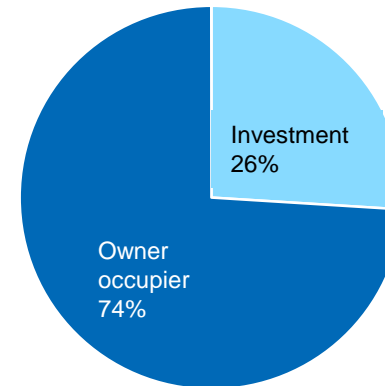
IIF¹ by product type



Flow NIW¹ by loan type



IIF¹ by loan type, as at 31 December 2015

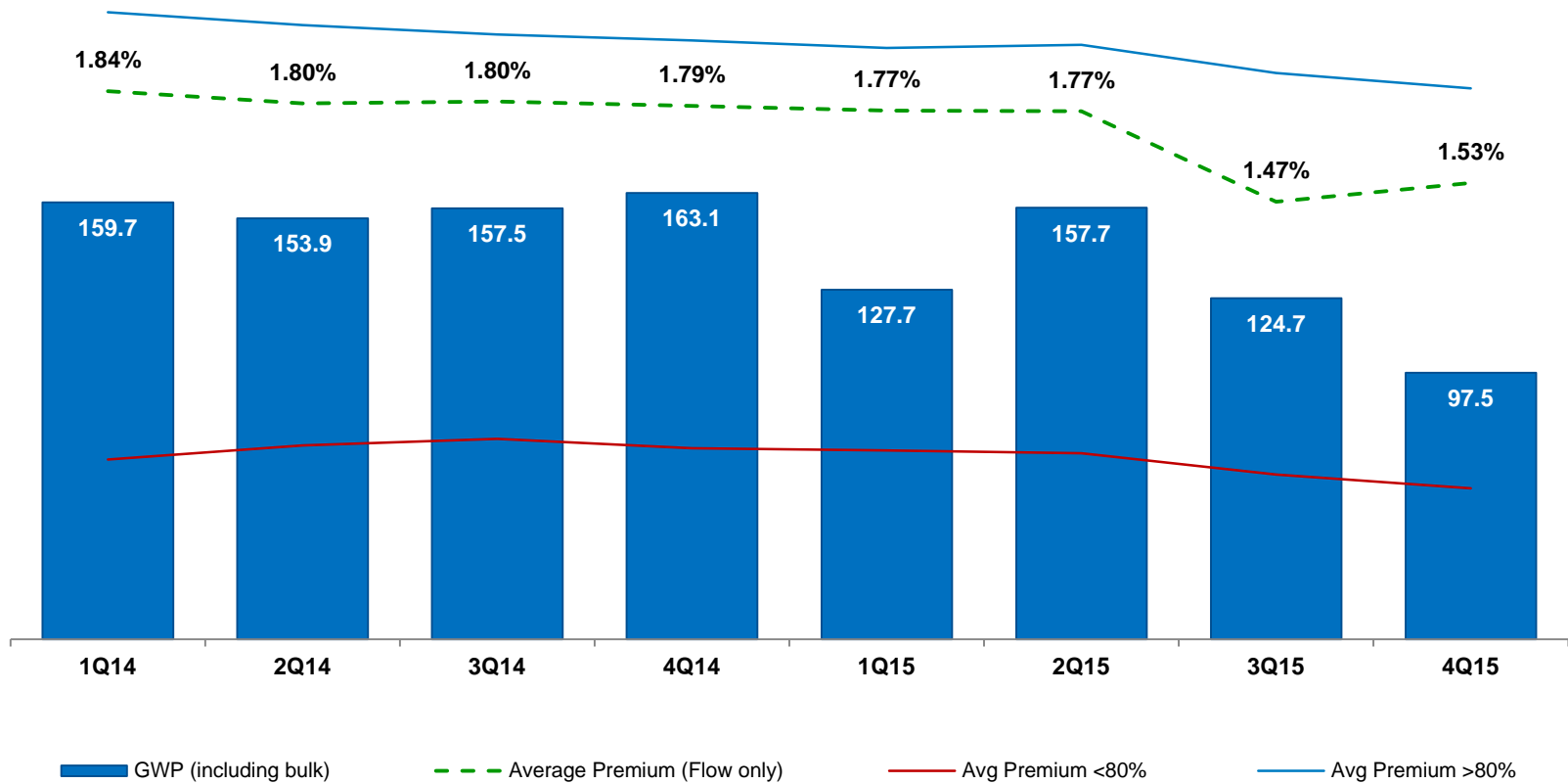


1. NIW and IIF includes capitalised premium
2. Original LVR excludes capitalised premium

Gross written premium

GWP and average price of flow business (GWP/NIW¹)

\$ millions

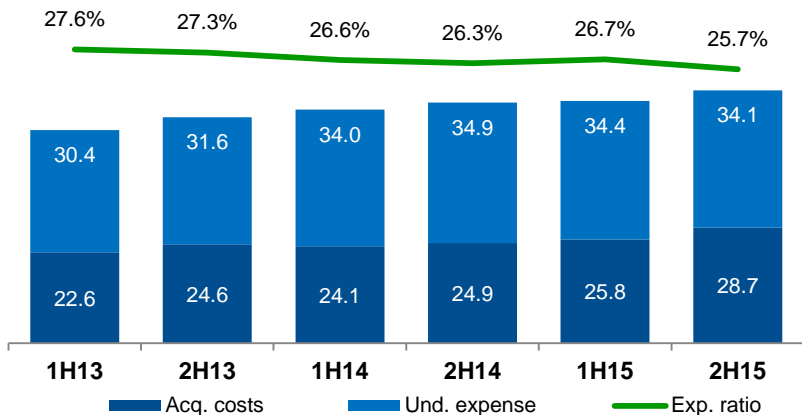


1. NIW includes capitalised premium

Insurance ratio analysis

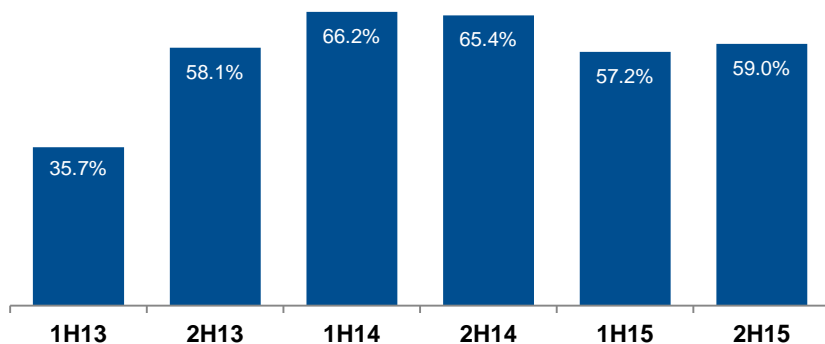
Expenses

\$ millions, %



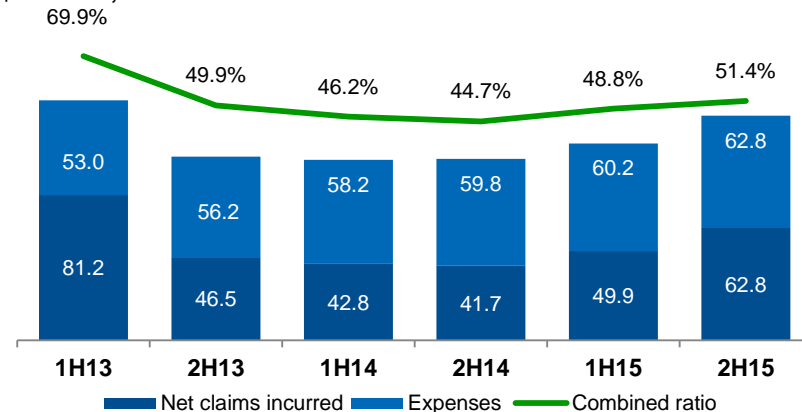
Insurance margin

%



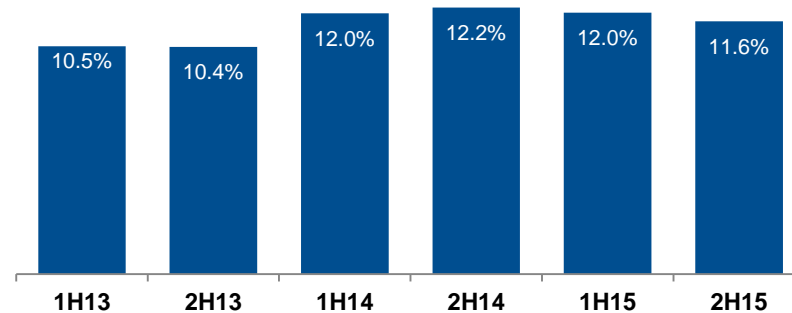
Combined ratio

\$ millions, %



12 month trailing underlying ROE

%



2015 full year performance metrics

Key financial measures	FY14	FY15	Change FY15 vs FY14
NIW (\$ billions)	\$36.2bn	\$32.6bn	(9.9%)
Average price - Flow NIW	1.80%	1.63%	(0.17%)
Gross written premium (\$ millions)	\$634.2 m	\$507.6 m	(20.0%)
Net earned premium (\$ millions)	\$445.8 m	\$469.9 m	5.4%
Loss ratio	19.0%	24.0%	5.0%
Underlying NPAT (\$ millions)	\$279.4m	\$264.7m	(5.3%)
Underlying ROE (trailing 12 months)	12.2%	11.6%	(0.6%)
Total ordinary dividends (cents per share)	15.9	26.5	66.7%
Ordinary dividend payout ratio	57.7%	62.2%	4.5%
Total special dividends (cents per share)	11.5	23.8	107.0%

- Strong, stable balance sheet with \$1.32bn of Unearned Premium Reserve (UPR)
- Cash and fixed interest Investment portfolio of \$4.0bn with 2.5 year duration
- Regulatory capital solvency ratio 159% on a level 2 basis well in excess of Board targeted range

Half yearly financial information

Financial ratios¹

	Pro forma 1H13	Pro forma 2H13	Pro forma 1H14	Actual 2H14	Actual 1H15	Actual 2H15
Loss ratio	42.3%	22.6%	19.6%	18.4%	22.1%	25.7%
Expense ratio	27.6%	27.3%	26.6%	26.3%	26.7%	25.7%
Combined Ratio	69.9%	49.9%	46.2%	44.7%	48.8%	51.4%
Insurance Margin	35.8%	58.1%	66.2%	65.4%	57.2%	59.0%
Effective Tax Rate	30.9%	28.7%	29.9%	29.0%	29.9%	30.0%
ROE	8.1%	10.5%	11.9%	13.8%	11.9%	9.7%
Underlying ROE	10.5%	10.4%	12.0%	12.2%	12.0%	11.6%

Note: ROE is presented on a trailing 12-month basis

(1) The actual financial ratios of GMA and its subsidiary companies for 2H14 have been prepared under a statutory basis (prepared in accordance with Australian accounting standards which comply with International Financial Reporting Standards (IFRS)). The pro forma financial ratios 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.

Delinquency development

Quarterly delinquency roll and delinquency composition

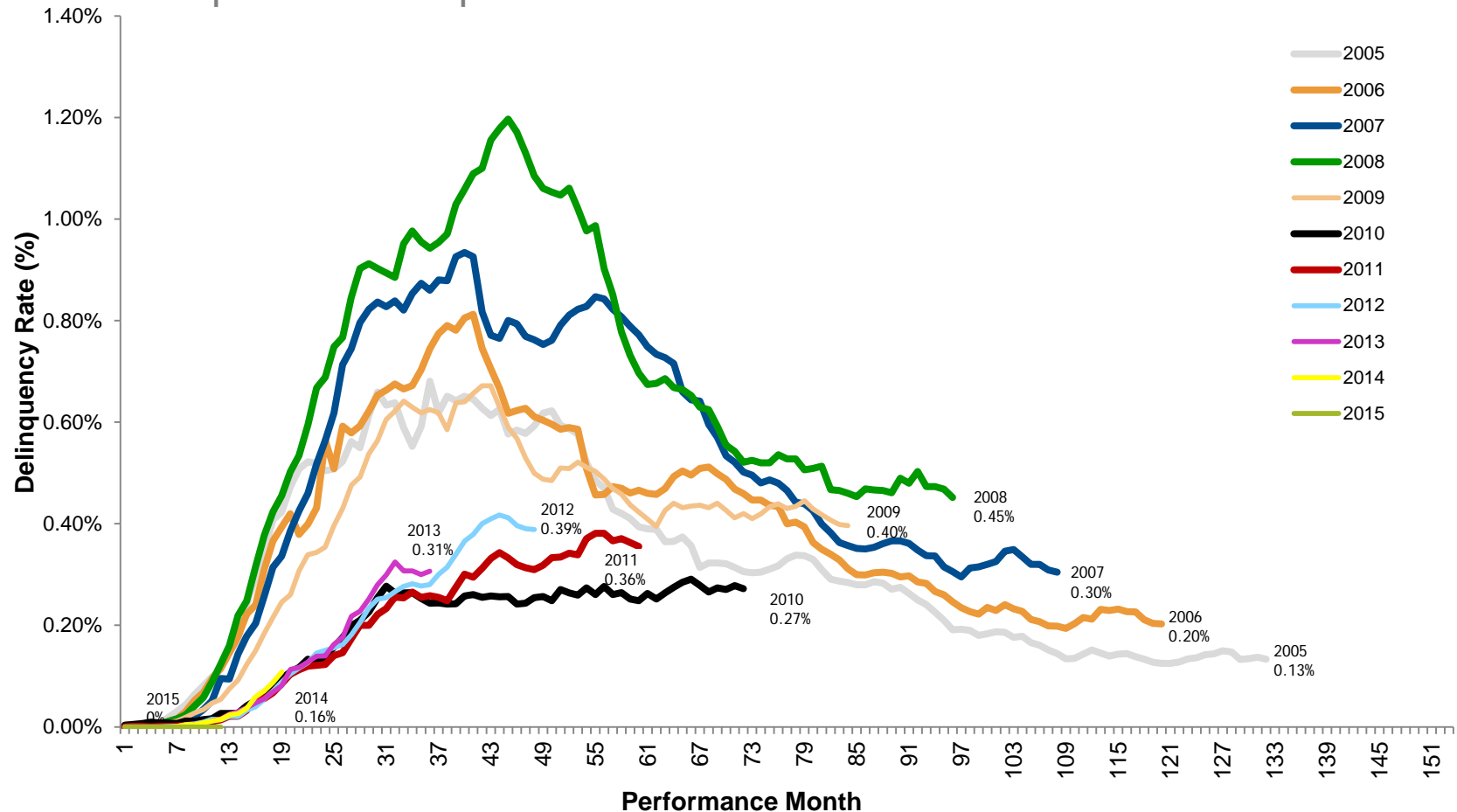
Delinquency Roll	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Opening balance	5,851	5,868	5,820	5,454	4,980	5,070	5,405	5,300	4,953	5,378	5,900	5,804
New delinquencies	2,928	3,095	2,901	2,383	2,689	2,913	2,913	2,913	2,679	3,103	2,782	2,401
Cures	(2,189)	(2,594)	(2,757)	(2,276)	(2,137)	(2,159)	(2,489)	(2,390)	(1,971)	(2,293)	(2,553)	(2,362)
Paid claims	(722)	(549)	(510)	(581)	(462)	(419)	(350)	(314)	(280)	(288)	(325)	(291)
Closing delinquencies	5,868	5,820	5,454	4,980	5,070	5,405	5,300	4,953	5,378	5,900	5,804	5,552
Delinquency rate	0.41%	0.40%	0.37%	0.34%	0.34%	0.36%	0.36%	0.33%	0.36%	0.40%	0.39%	0.38%

Delinquencies by book year	Dec 14	Dec 15	
2007 and prior	1993	2074	0.41%
2008	869	821	0.89%
2009	813	803	0.71%
2010	347	378	0.46%
2011	348	359	0.46%
2012	352	490	0.49%
2013	204	389	0.37%
2014	27	219	0.19%
2015	-	19	0.02%
TOTAL	4,953	5,552	0.38%

Delinquencies by geography	Dec 14	Dec 15	
New South Wales	1,041	1,047	0.27%
Victoria	1,114	1,200	0.33%
Queensland	1,513	1,705	0.53%
Western Australia	513	751	0.46%
South Australia	459	532	0.51%
Australian Capital Territory	56	58	0.17%
Tasmania	130	160	0.32%
Northern Territory	24	27	0.17%
New Zealand	103	72	0.17%
	4,953	5,552	0.38%

Delinquency development

Favourable performance post 2009

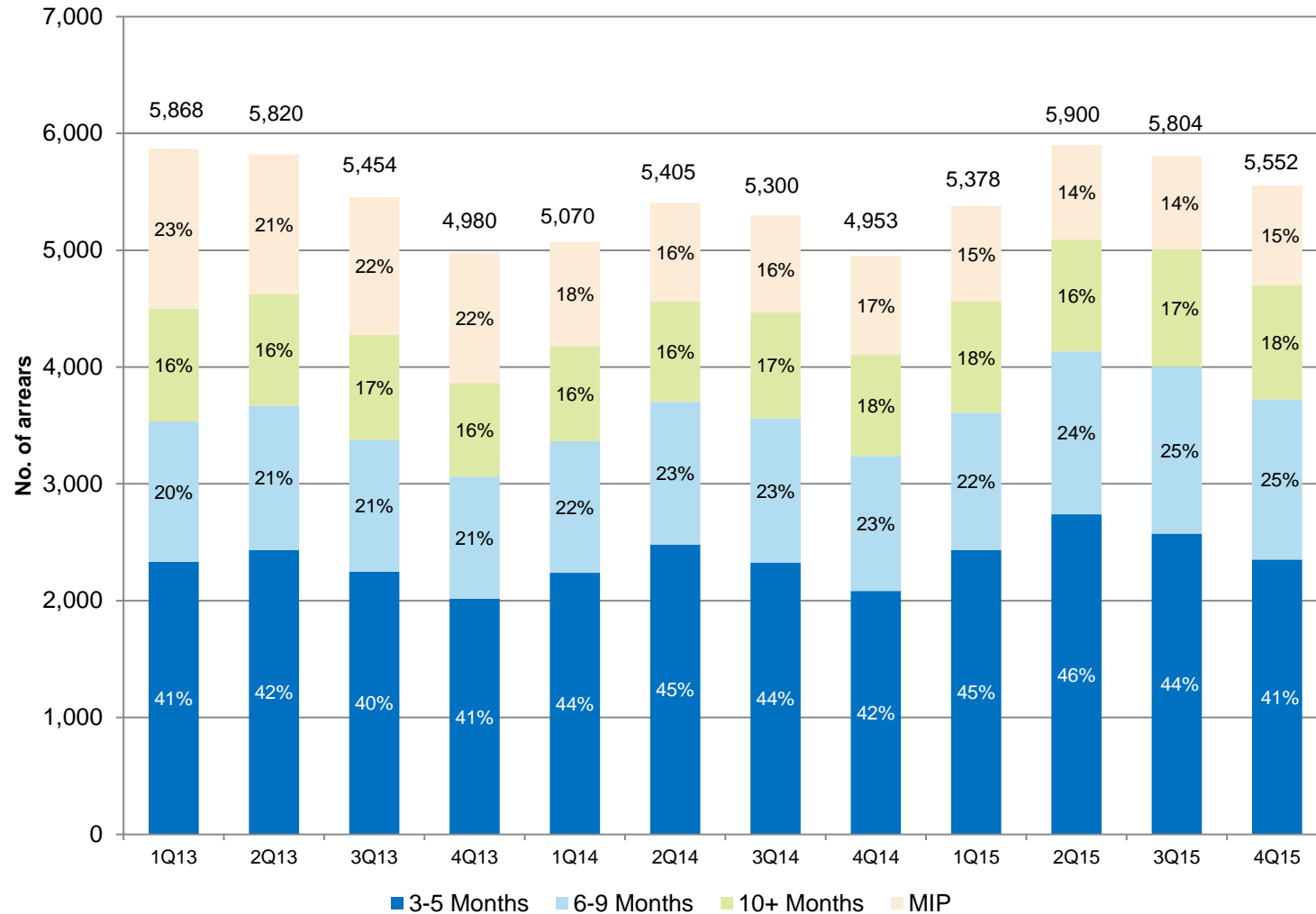


- The 2008 Book Year was affected by the economic downturn experienced across Australia and heightened stress experienced among self-employed borrowers, particularly in Queensland, which was exacerbated by the floods in 2011
- The 2010 to 2015 Book Years are performing favourably relative to the previous five years (2005-2009). However, the recent increase in the 2012 and 2013 book years are due to an increase in delinquencies driven by underperformance of stressed areas of Queensland and Western Australia.

Net incurred claims

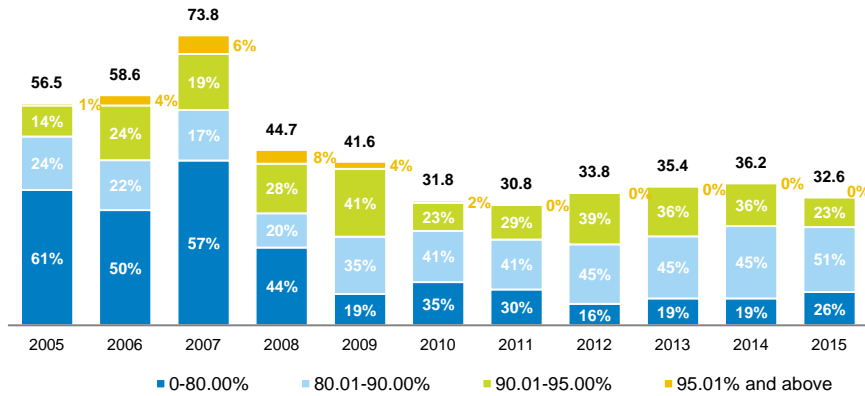
(A\$ millions unless otherwise stated)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Number of paid claims (#)	462	419	350	314	280	288	325	291
Average paid claim (\$'000)	65.1	60.5	58.6	49.6	28.2	69.3	67.4	59.4
Claims paid	30.1	25.3	20.5	15.6	7.9	20.0	21.9	17.2
Movement in reserves	(12.8)	0.2	3.5	2.1	10.5	11.5	19.6	4.1
Net claims incurred	17.3	25.6	24.0	17.7	18.4	31.5	41.5	21.3
Reported loss ratio (%)	15.9%	23.2%	21.4%	15.3%	16.6%	27.4%	33.5%	17.8%
Net earned premium earnings curve adjustment	-	-	-	-	-	-	(11.2)	-
Adjusted net earned premium	108.2	110.1	112.0	115.5	110.8	114.9	112.7	120.3
Borrower recovery accrual	-	-	-	-	9.6	-	-	-
Incurred but not reported (IBNR) adjustment	-	-	-	-	-	-	(12.2)	(5.4)
Normalised net claims incurred	17.3	25.6	24.0	17.7	28.0	31.5	29.3	16.0
Normalised loss ratio (%)	15.9%	23.2%	21.4%	15.3%	25.3%	27.4%	26.0%	13.3%

Delinquency population by MIA aged bucket

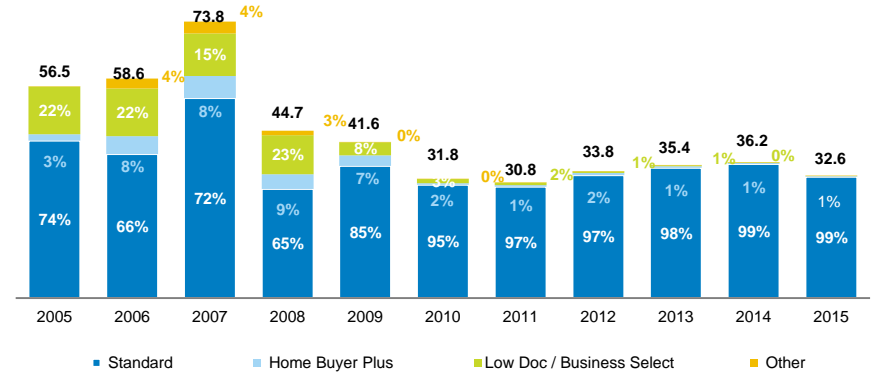


Portfolio evolution (10 year history)

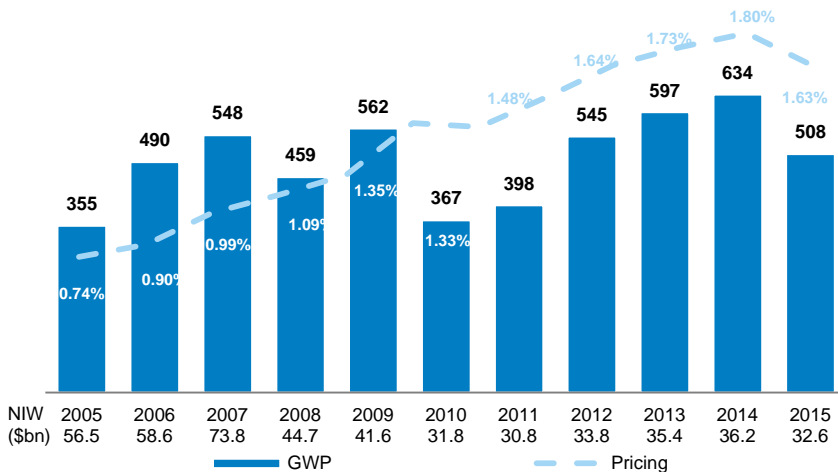
Annual NIW by LVR



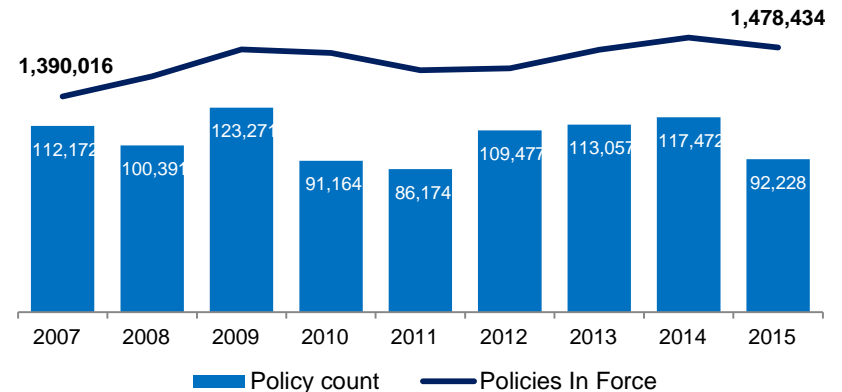
Annual NIW by Product Type



Annual GWP and Average Flow Price



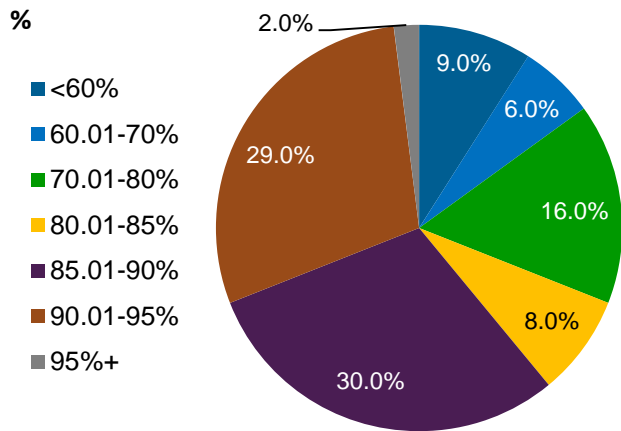
Annual number of New Policies, plus policies outstanding



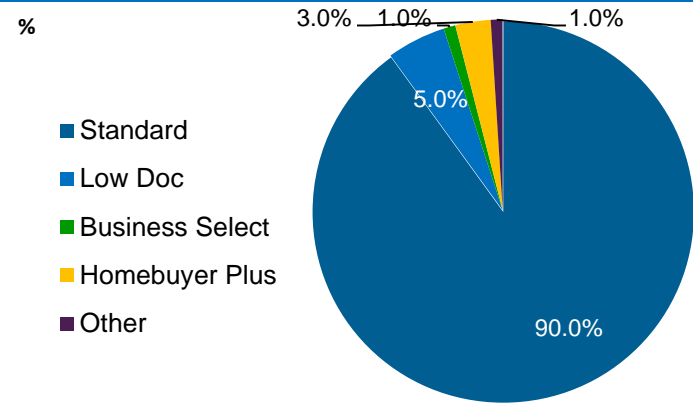
Summary portfolio characteristics

Insurance portfolio as at 31 December 2015 – total \$320 billion

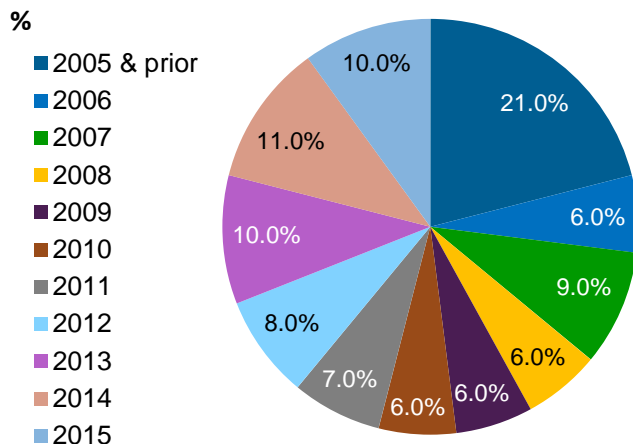
Insurance in force by LVR band (original LVR)



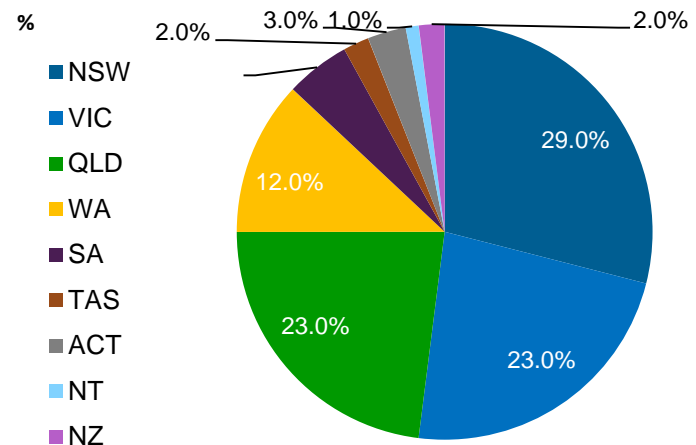
Insurance in force by product type



Insurance in force by book year



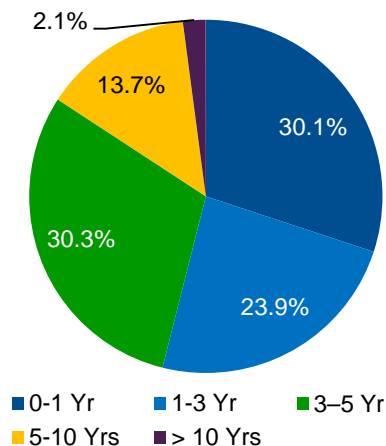
Insurance in force by State



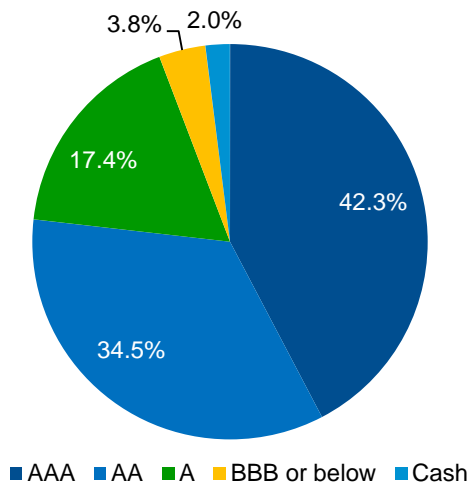
Investment portfolio

Conservative well diversified portfolio with duration to maturity of 2.5 years

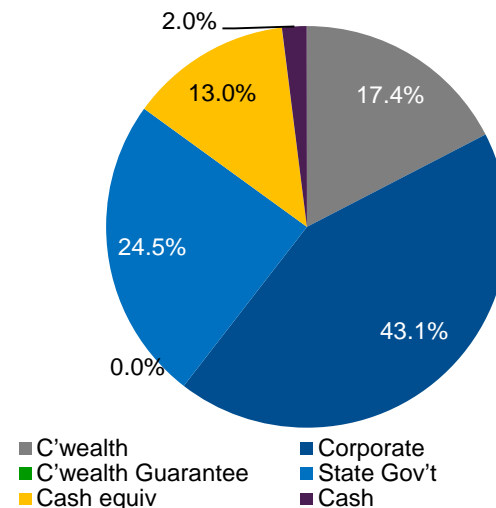
Investment portfolio by maturity



Investment portfolio by rating



Investment portfolio by issuer type



Investment portfolio by maturity

(as at)	31 Dec 14	31 Dec 15
0-1 Yr	1,014	1,181
1-3 Yr	1,362	938
3-5 Yr	1,057	1,188
5-10 Yrs	644	536
> 10 Yrs	83	83
Total	4,160	3,926

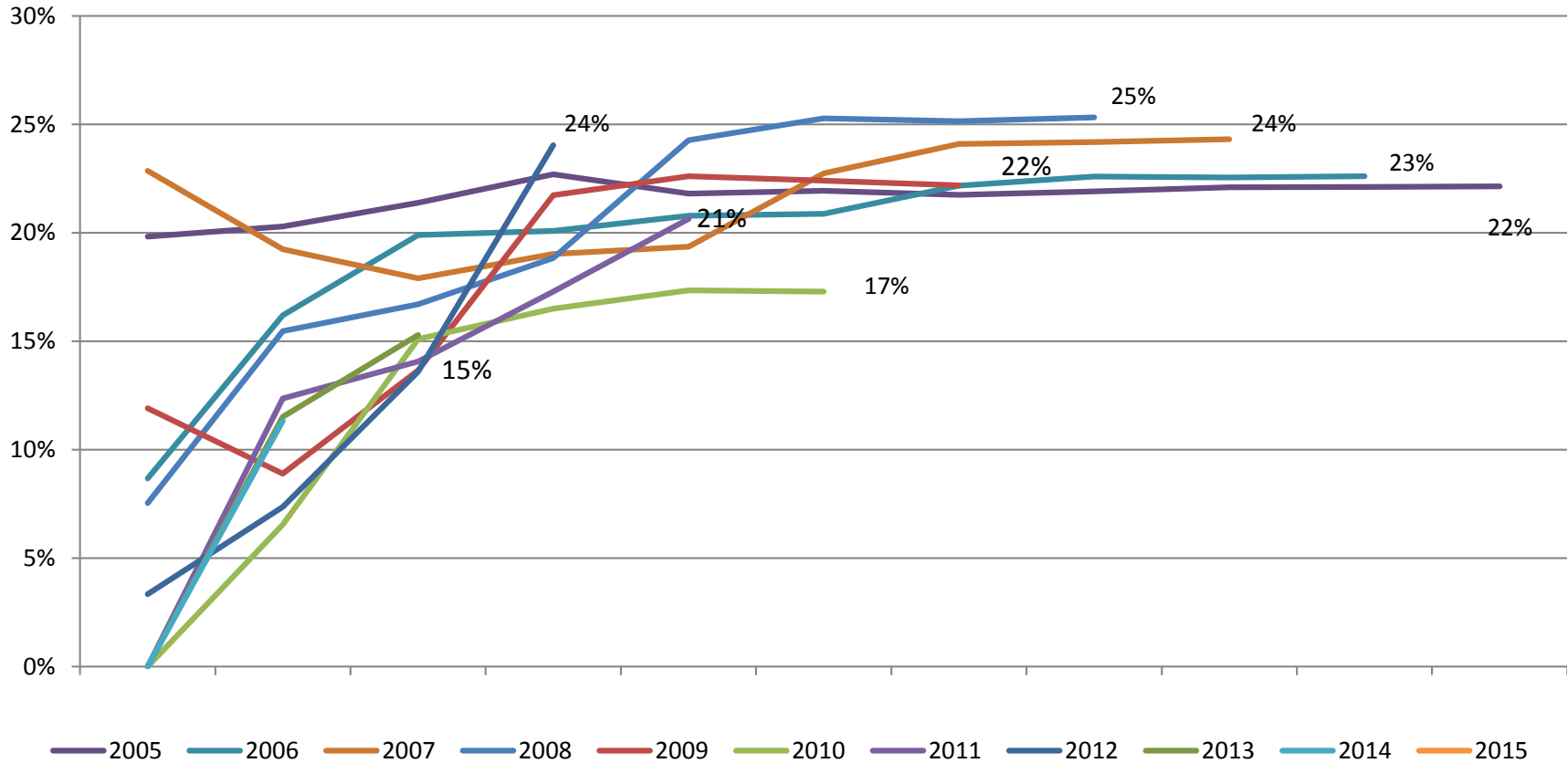
Investment portfolio by rating

(as at)	31 Dec 14	31 Dec 15
AAA	1,563	1,659
AA	1,420	1,355
A	964	685
BBB or below	124	149
Cash	89	78
Total	4,160	3,926

Investment portfolio by issuer type

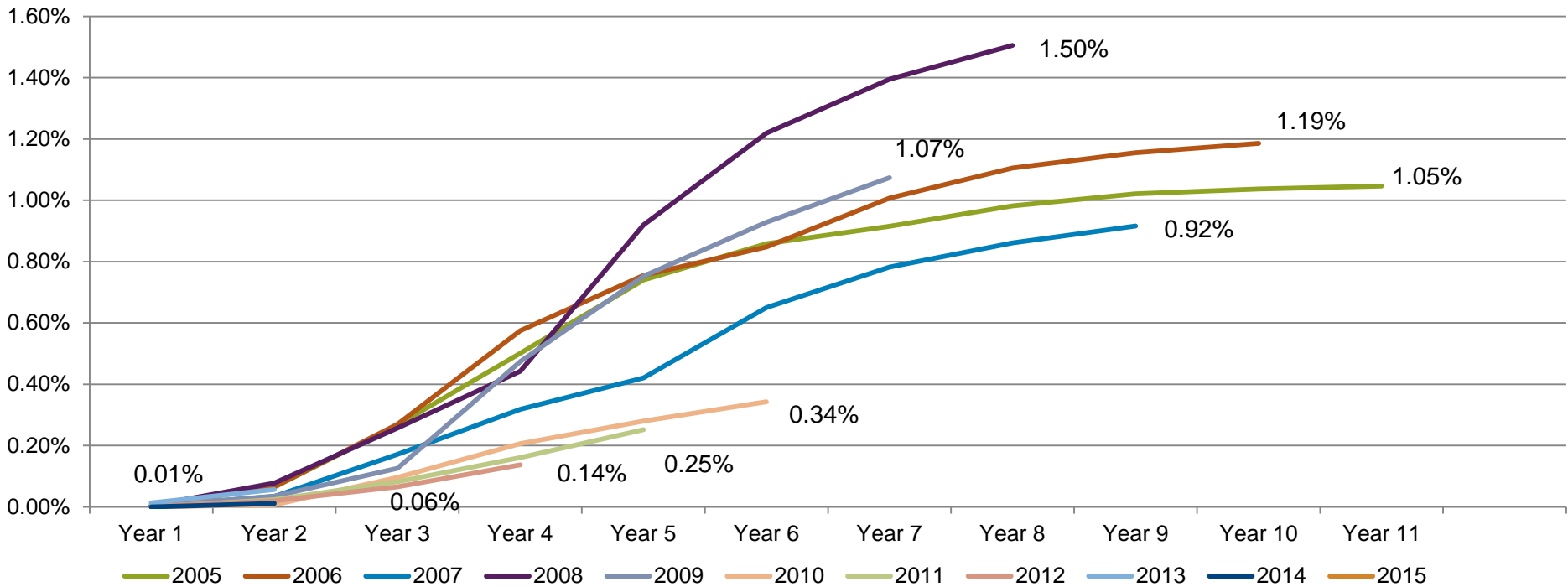
(as at)	31 Dec 14	31 Dec 15
C'wealth	482	684
Corporate	1,961	1,692
C'wealth guaranteed	10	-
State gov't	1,194	964
Cash equiv.	424	509
Cash	89	78
Total	4,160	3,926

Claims severity¹



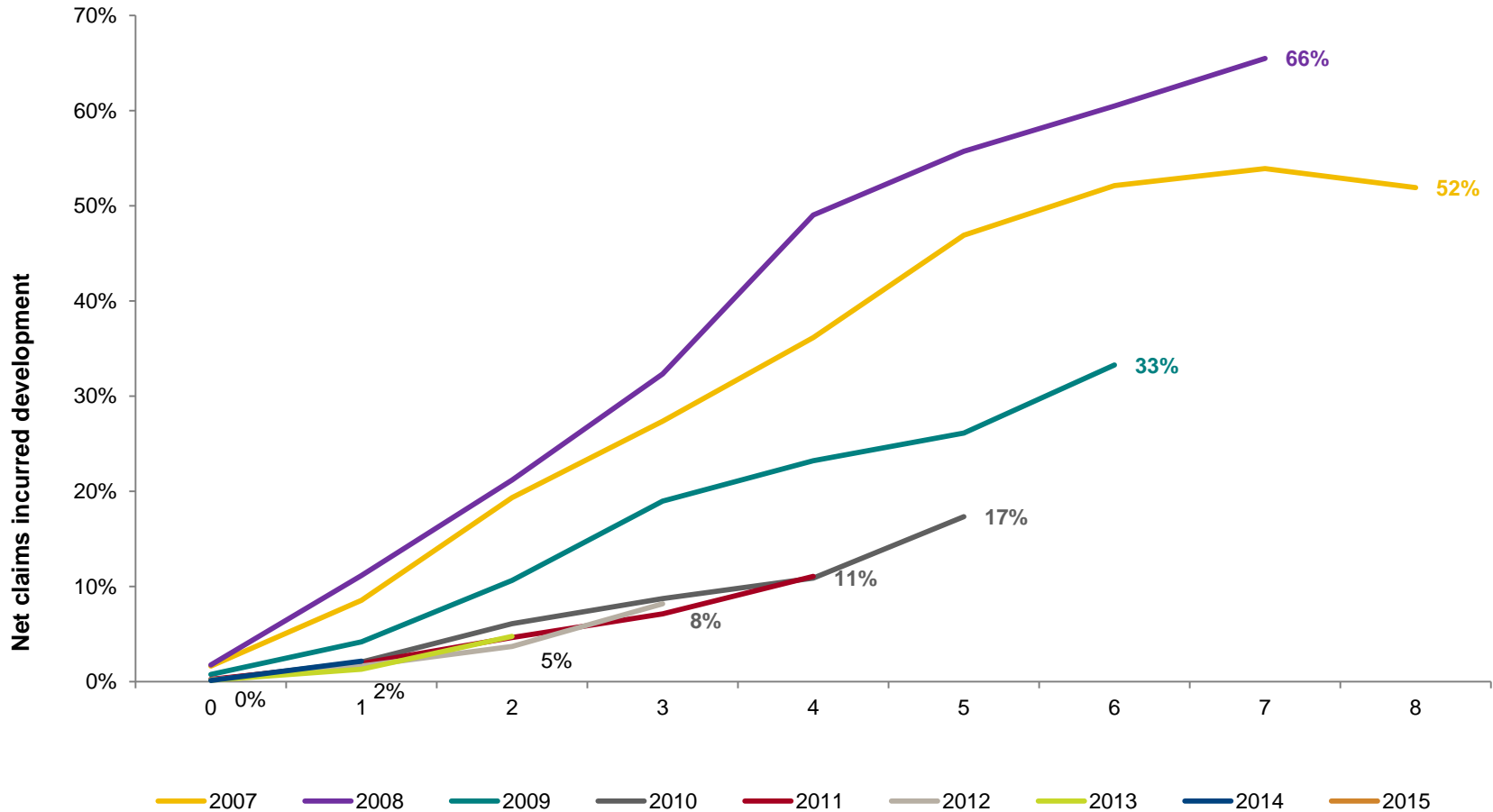
1. Claim severity refers to the size of net claims paid as a proportion of the original residential mortgage loan amount
 The above figure excludes Inward Reinsurance, New Zealand, Genworth Financial Mortgage Indemnity and portfolio
 Book years between 2011 and 2014 are early in their development and are expected to continue to season, which may lead to an increase in claims severity for these Book Years

Claims frequency by Book Year (%) as at 31 December 2015



The above figure excludes Inward Reinsurance, New Zealand, Genworth Financial Mortgage Indemnity and portfolio

Ever to Date Loss Ratio by Book Year (%) as at 31 December 2015



Effective LVR

As at 31 Dec 15

Book year	Insurance in force		LVR		Change in house price %
	\$ billion	%	Original	Effective	
2002 & prior	13.7	5%	78.4%	18.9%	172%
2003	7.1	2%	73.5%	29.1%	91%
2004	7.7	3%	71.6%	32.8%	75%
2005	11.5	4%	75.6%	38.0%	69%
2006	15.5	5%	78.0%	44.3%	57%
2007	19.1	7%	79.7%	53.0%	41%
2008	18.2	6%	82.2%	59.8%	33%
2009	20.9	7%	84.9%	61.2%	30%
2010	16.5	6%	81.5%	65.8%	18%
2011	17.9	6%	83.9%	67.5%	21%
2012	25.3	9%	86.3%	68.6%	24%
2013	29.3	10%	87.1%	72.5%	19%
2014	32.4	11%	87.0%	79.5%	10%
2015	30.0	10%	85.8%	83.9%	3%
Total Flow	265.0	92%	82.0%	57.6%	45%
Portfolio	22.0	8%	54.9%	25.1%	87%
Total/ Weighted Avg.	287.0	100%	79.4%	54.5%	49%

As at 31 Dec 14

Book year	Insurance in force		LVR		Change in house price %
	\$ billion	%	Original	Effective	
2002 & prior	15.0	5%	78.1%	21.3%	154%
2003	7.7	3%	73.4%	32.3%	78%
2004	8.5	3%	71.9%	36.5%	63%
2005	12.8	5%	76.0%	41.8%	57%
2006	17.2	6%	78.4%	48.3%	46%
2007	21.1	8%	80.1%	57.4%	31%
2008	20.1	7%	82.5%	64.5%	23%
2009	23.2	8%	85.3%	66.5%	21%
2010	18.2	7%	81.9%	71.6%	10%
2011	19.8	7%	84.2%	73.3%	12%
2012	28.0	10%	86.4%	73.9%	16%
2013	31.9	11%	86.9%	78.1%	11%
2014	34.0	12%	86.7%	85.2%	3%
Total Flow	257.5	92%	81.7%	60.0%	39%
Portfolio	21.6	8%	54.6%	27.1%	74%
Total/ Weighted Avg.	279.1	100%	79.0%	56.7%	42%

NOTE: Excludes Inward Reinsurance, NZ and Genworth Financial Mortgage Indemnity, as Genworth Australia does not have comparative available data for these businesses. Genworth Australia calculates an estimated house price adjusted effective LVR, using the RP Data-Rismark Home Value Index that provides detail of house price movements across different geographic regions and assumes 30 year principal and interest amortising loan, with the mortgage rate remaining unchanged through the period. Effective LVR is not adjusted for prepayments, redraws or non-amortising residential mortgage loans insured. Excludes Inwards reinsurance, NZ and Genworth Financial Mortgage Indemnity as Genworth Australia does not have comparative available data for these lines of businesses.

Income statement reconciliation

Reconciling to the US GAAP figures reported by Genworth Financial, Inc.

Walk from US GAAP AUS Segment Results to AIFRS GMA Consolidated Income Statement for Year Ended 31 December 2015	USGAAP	Add back:	USGAAP	USGAAP	Adjustments						Total adjustments	GMA Group
	Aus Segment Results in USD	Non Controlling Interest (NCI)	Aus Segment Results + NCI	Aus Segment Results + NCI	(a)	(b)	(c)	(d)	(e)	(f)		
in \$m	US\$m	US\$m	US\$m	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
Premiums	357	-	357	470	-	-	-	-	-	-	-	470
Interest income	114	-	114	149	2	-	-	-	-	-	2	151
Realised investment gains/ losses	6	-	6	9	-	-	1	-	-	-	1	10
Unrealised gains/ losses	-	-	-	-	-	-	(52)	-	-	-	(52)	(52)
Other income	(3)	-	(3)	(4)	6	-	-	-	-	(2)	4	-
Total Revenue	474	-	474	624	8	-	(51)	-	(2)	(45)	579	
Net claims incurred	81	-	81	107	-	-	-	6	-	6	113	
Other underwriting expenses	98	-	98	130	(18)	(39)	-	(3)	-	(2)	(62)	68
Amortization of Intangibles	2	-	2	2	-	-	-	-	-	-	-	2
Acquisition costs (DAC amortisation)	16	-	16	21	-	33	-	-	-	-	33	54
Interest Expense/Financing related costs	10	-	10	14	-	-	-	3	-	-	3	17
Total Expenses	207	-	207	274	(18)	(6)	-	-	6	(2)	(20)	254
Total Pre-tax Income	267	-	267	350	26	6	(51)	-	(6)	-	(25)	325
Total Tax Expense	80	-	80	105	7	2	(15)	-	(2)	-	(8)	97
Net income	187	-	187	245	19	4	(36)	-	(4)	-	(17)	228
Less: net income attributable to noncontrolling interests	84	(84)	-	-	-	-	-	-	-	-	-	-
Net income available to GNW common stockholders	103	84	187	245	19	4	(36)	-	(4)	-	(17)	228

a) Investment income and FX measurement adjustment for GFI entities outside GMA Australia Group but included as part of USGAAP Aus Segment results, Corporate overhead allocation and U.S. Shareholder tax impact

(b) Differing treatment of DAC, with AGAAP seeing a higher level of deferral and amortisation

(c) Under AGAAP unrealised gains/(losses) on investments are recognised in the income statement

(d) Under AGAAP redemption costs on Tier II debt is treated as financing related costs rather than other underwriting expenses under USGAAP

(e) AGAAP requires reserves to be held with a risk margin and an adjustment to the level of reserves for the non-reinsurance recoveries

(f) Additional local share based payments and other misc expense differences