

Scotia Capital Financial Summit 2013

Brian Hurley, Chairman and CEO

the Genworth Canada difference

innovation
excellence
results

Forward-looking and non-IFRS statements

This presentation includes certain forward-looking statements. These forward-looking statements include, but are not limited to, statements with respect to the Company's future operating and financial results, expectations regarding premiums written, capital expenditure plans, dividend policy and the ability to execute on its future operating, investing and financial strategies, and other statements that are not historical facts. These forward-looking statements may be identified by their use of words such as "may," "would," "could," "will," "expects," "anticipates," "contemplates," "intends," "plans," "believes," "seeks," "estimates," or words of similar meaning. These statements are based on the Company's current assumptions, including assumptions regarding economic, global, political, business, competitive, market and regulatory matters. These forward-looking statements are inherently subject to significant risks, uncertainties and changes in circumstances, many of which are beyond the control of the Company. The Company's actual results may differ materially from those expressed or implied by such forward-looking statements, including as a result of changes in the facts underlying the Company's assumptions, and the other risks described in the Company's Annual Information Form dated March 29, 2013, its Short Form Base Shelf Prospectus dated May 31, 2012, the Prospectus Supplements thereto and all documents incorporated by reference in such documents. Other than as required by applicable laws, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

To supplement its financial statements, the Company uses select non-IFRSs financial measures. Non-IFRSs measures used by the Company to analyze performance include underwriting ratios such as loss ratio, expense ratio and combined ratio, as well as other performance measures such as net operating income and return on net operating income. The Company believes that these non-IFRSs financial measures provide meaningful supplemental information regarding its performance and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. Non-IFRSs measures do not have standardized meanings and are unlikely to be comparable to any similar measures presented by other companies. These measures are defined in the Company's glossary, which is posted on the Company's website at <http://investor.genworthmicanada.ca>. A reconciliation from non-IFRSs financial measures to the most readily comparable measures calculated in accordance with IFRSs can be found in the Company's most recent financial statements, which are posted on the Company's website and are also available at www.sedar.com.

Agenda

Business overview

Market Environment

Insurance Portfolio Characteristics

Our Performance

Our Outlook and Strategic Priorities

Our business

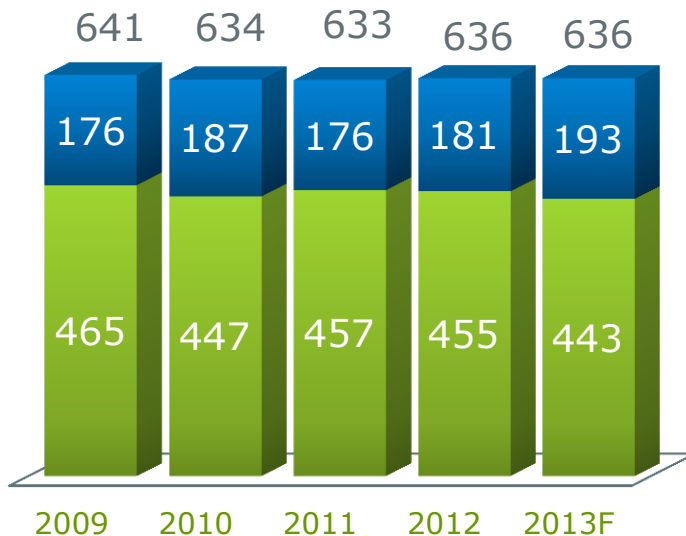


- Mortgage insurance required for loans > 80% loan-to-value (LTV)
- Borrower paid premium
- Lender receives protection against loss arising from mortgage default

Mortgage originations outlook

Housing Resales and Completions (units in thousands)

■ Resales ■ Completions

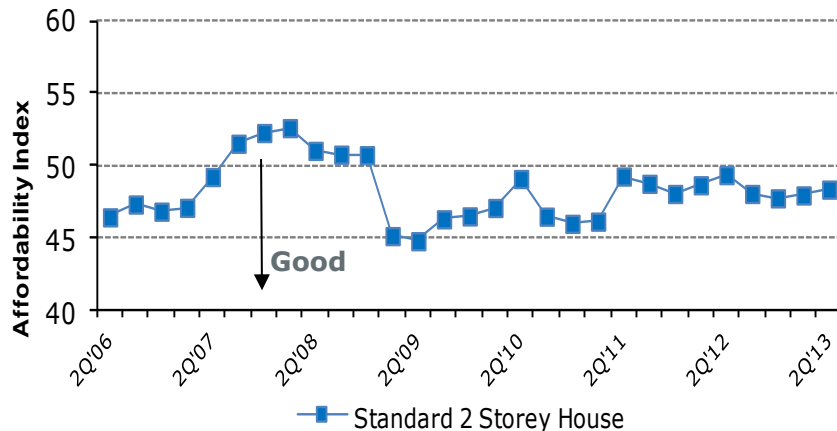


Source: Canadian Real Estate Association and Canadian Conference Board

- High loan-to-value borrowers are ~30% of the market
- Mortgage rule changes impacting housing demand
- Low interest rates help with affordability
- “New to Canada” a key component of growth

Housing market trends

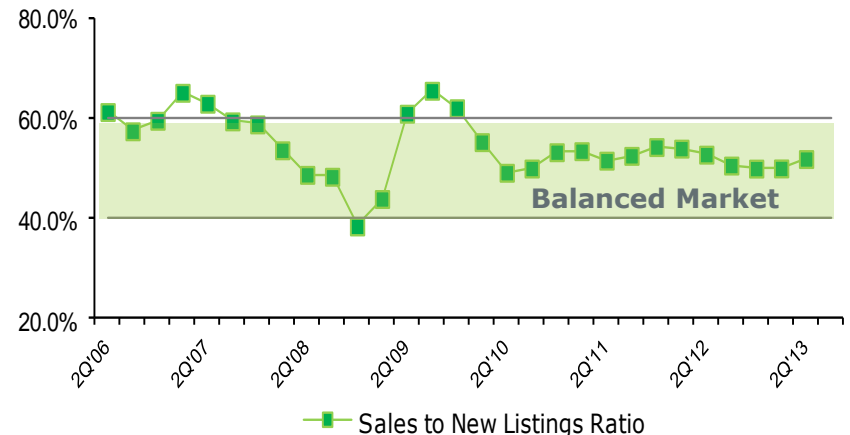
Housing Affordability



Source: RBC Economics

- Flat home prices and low interest rates supporting housing affordability

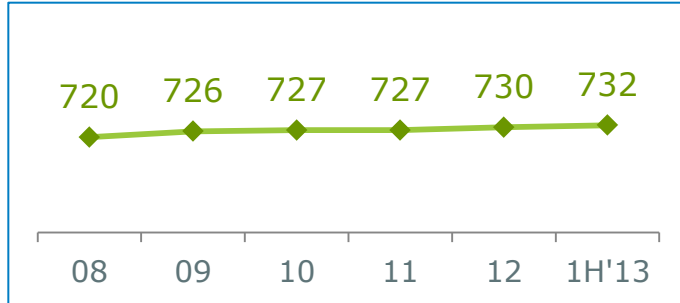
Supply vs. Demand



Source: Canada Real Estate Association

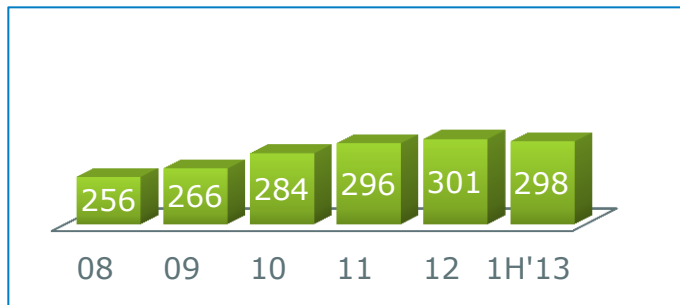
- Stable employment and ongoing housing demand keeping market in balanced territory

Served market trends



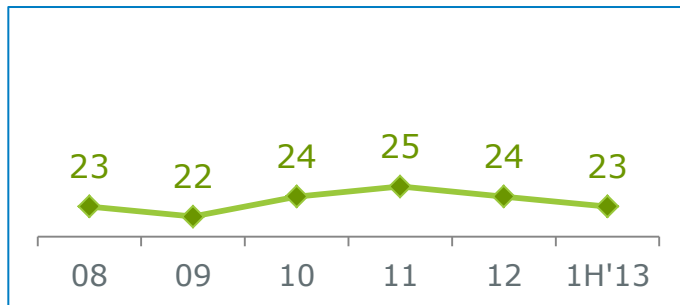
Average credit score

- Improving quality
- “A” quality borrowers only



Average home price

- Flat home price outlook for the balance of 2013 for first-time homebuyer segment

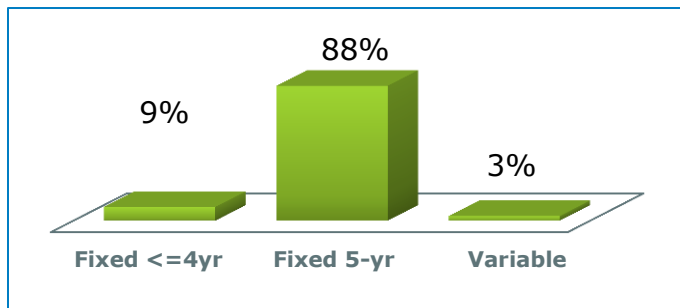
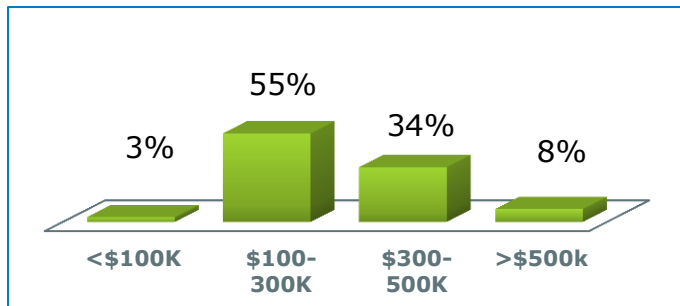
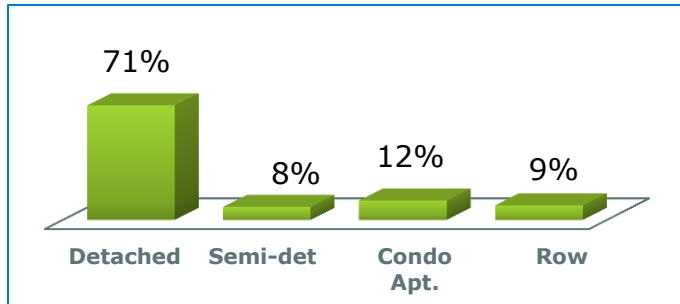


Average gross debt

- Decreasing debt levels for our served market

Note: based on company data for H1 2013, market averages for property price from CREA, GDS is gross debt service ratio

Borrower characteristics H1 2013



Note: based on company data

Property type

- Key served market – families buying suburban detached home
- 72% between the ages of 25-44
- Limited exposure to condos

Purchase price

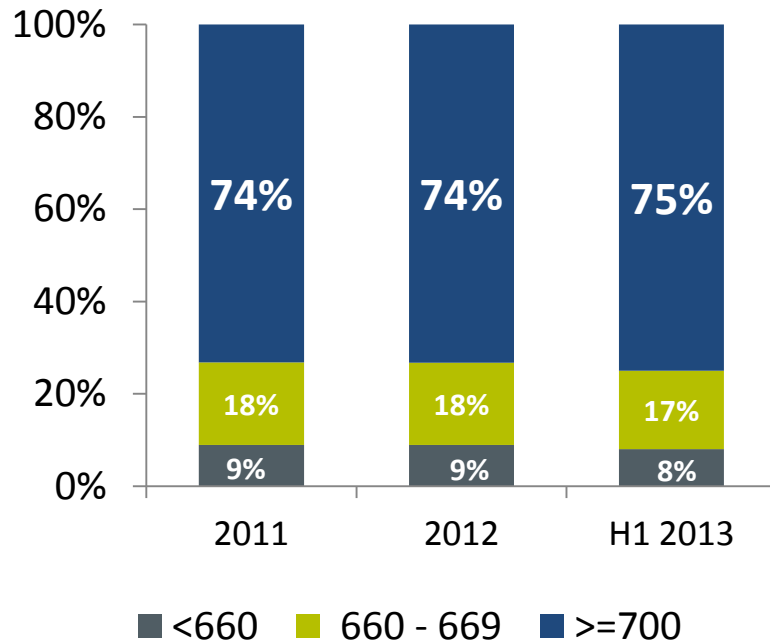
- Strong marketability for properties in the \$100K - \$500K range

Rate and term

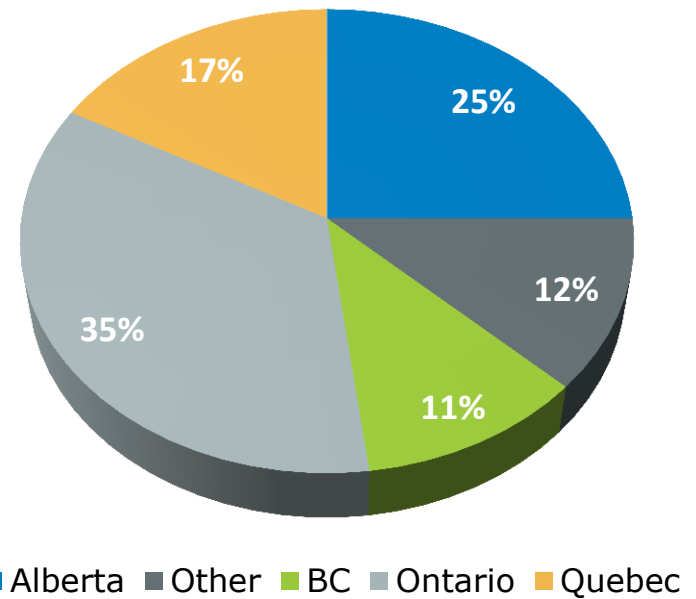
- 88% borrowers choosing the safety and security of a 5-yr fixed rate mortgage

Well-diversified insurance portfolio

Credit score dispersion



Regional dispersion



% based on high loan-to-value new insurance written H1 2013

Driving improved portfolio quality

Performance drivers

Frequency

Unemployment Rate (UE)

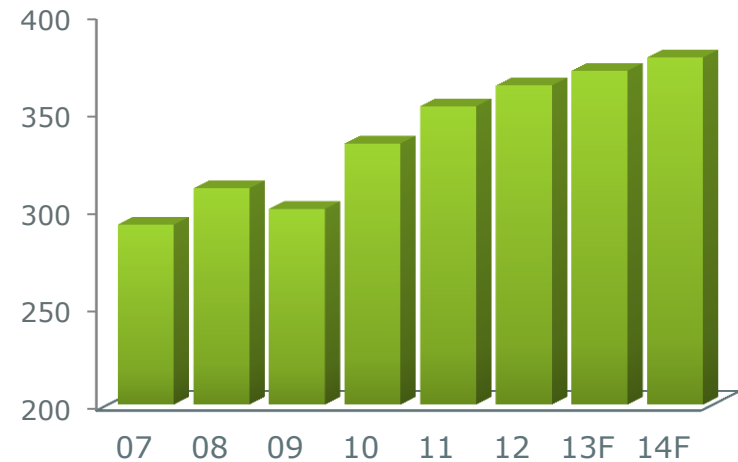


- Modest job growth over forecast period
- UE rate moderating towards historical level of 7%

Source: Statistics Canada

Severity

Average Price (\$000s)



- Housing market cooling
- Home price appreciation likely to remain relatively flat

Source: Canadian Real Estate Association

Key performance indicators suggest stability in Canadian housing market

Broad based improvement in delinquencies

	Number of delinquencies & Delinquency rate			Insurance in-force
	June 30 2013	March 31 2013	June 30 2012	June 30 2013
Ontario	453	533	649	46%
BC	318	337	395	15%
Alberta	301	337	551	16%
Quebec	451	507	587	14%
Other	255	249	226	9%
Total	1,778	1,963	2,408	100%
Delinquency rate	0.12%	0.14%	0.17%	

26% decline in number of delinquencies over prior year

Regulatory environment

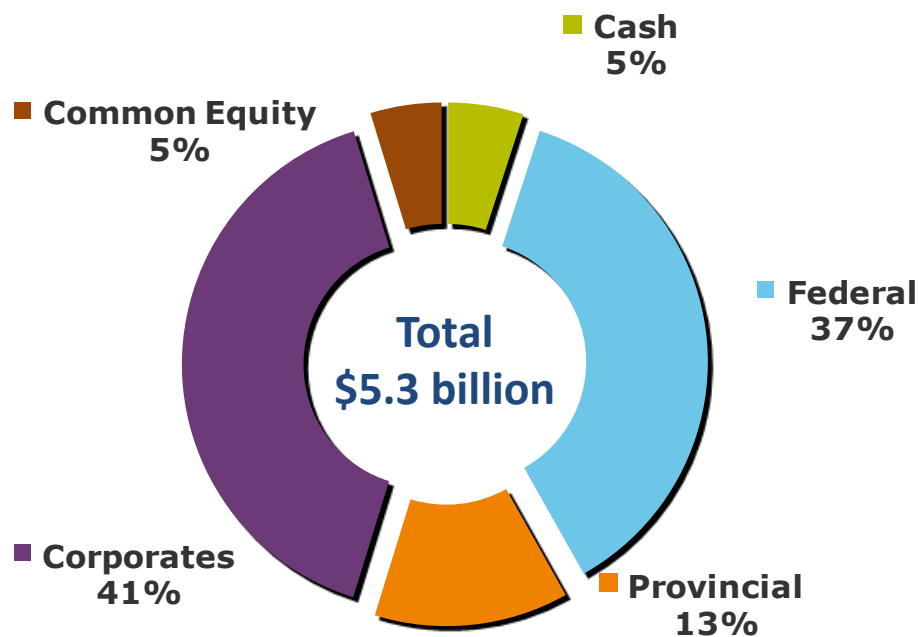
Regulatory focus	Impact
OSFI now responsible for all mortgage insurance providers	<ul style="list-style-type: none">Consistent application of rules and regulationsMore clarity, transparency and insight
B-20 guidelines	<ul style="list-style-type: none">Lender focus... expect specific MI guidelines
Defined mortgage eligibility rules	<ul style="list-style-type: none">Stronger credit risk, shorter amortization, limited refinances
New Government Guarantee framework (PRHMIA)	<ul style="list-style-type: none">Formalizes guarantee and market structureStrengthens claim paying ability
Insurance cap	<ul style="list-style-type: none">Private sector increased to \$300BMore balanced industry opportunities
Low LTV loan restrictions	<ul style="list-style-type: none">Recent federal budget proposed to restrict insured low LTV mortgages to NHA MBS / CMB

Solid first half 2013

	1H 2013	1H 2012
✓ Net premiums written	\$221 MM	\$256 MM
✓ Underwriting profits	\$156	\$141
✓ Investment income	\$108	\$90
✓ Net operating income	\$173	\$155
✓ Operating EPS (diluted)	\$1.75	\$1.56
✓ Operating return on equity	12%	12%
✓ Book value/share (diluted, with AOCI)	\$30.94	\$27.88
✓ Loss ratio	28%	35%
✓ Minimum capital test ratio	216%	160%

Steady top line, low losses, strong credit quality

\$5.3 B investment portfolio adds to stability



- Balanced high quality portfolio
 - 50% federal & provincial bonds
 - 41% corporate bonds
 - 95% of bonds 'A' or higher
- \$193 million positive mark-to-market

\$ Billion	Portfolio
Assets (MV)	\$5.3
Pre-tax yield ¹	3.6 %
Duration	3.6 years

¹Pre-tax equivalent book yield after dividend gross-up of general portfolio (as at June 30, 2013)

Solid business outlook

- Balanced housing market dynamics
- Continued focus on high-quality loans
- Proactive loss mitigation strategy
- Differentiated customer service
- Active government relations efforts
- Balanced investment portfolio

Well-positioned to maintain track record of profitability

Our strategic priorities

Drive positive and powerful customer experience

Ensure high quality portfolio with rigorous underwriting

Strengthen market positioning

Strengthen government relations

Ensure solid financial foundation

Attract and retain top talent

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