

Genworth MI Canada Inc. Reports Solid Third Quarter Results

Higher Net Premiums Written and Lower Losses on Claims Contributed Positively to Results

Toronto, ON (October 29, 2009) – Genworth MI Canada Inc. (the “Company”) (TSX: MIC) today reported solid results for the third quarter of 2009 with net income of \$79 million or \$0.67 per diluted share and net operating income of \$75 million or \$0.63 per diluted share.

“We are pleased with our results this quarter. Low interest rates, increasing consumer confidence and the stabilization of home prices resulted in higher home sales. These factors have all contributed to a sequential improvement in the top line,” said Brian Hurley, Chairman and Chief Executive Officer. “A recovering economy and our proactive loss mitigation strategies resulted in lower losses on claims and improved net income. We are encouraged by these favourable economic developments and how they may impact our results going forward.”

Key Operating Metrics:

- **Net premiums written** were \$104 million, representing an increase of \$22 million over last quarter and a \$119 million decrease over the same period last year. The increase over last quarter was primarily due to traditional strong summer volumes and improving consumer confidence.
- **Net premiums earned** in the quarter of \$154 million were slightly higher than last quarter and \$21 million greater than the same period last year. The year-over-year increase was due to the seasoning of the large 2007 and 2008 books.

- **Losses on claims** of \$64 million were \$7 million lower than in the last quarter and were \$28 million higher than in the same period last year. The loss ratio of 42% and combined ratio of 57% were both lower than last quarter. An improving economic environment, the strengthening of underwriting guidelines and procedures started in early 2008, and continued execution of the Company's Homeownership Assistance Program (HAP) supported the improvement in losses on claims over last quarter. The year-over-year increase in losses on claims was due to prevailing economic conditions including higher levels of unemployment and the seasoning of our large 2007 and 2008 books in this environment.
- **Investment Income** of \$49 million (including gains) was lower than last quarter reflecting lower overall investment yields from new fixed income investments. Investment income was in line with the same quarter last year.
- **Net operating income** of \$75 million was \$6 million higher than last quarter and \$10 million lower than the same quarter last year.
- **The expense ratio** of 15% was the same as last quarter. Overall, expenses increased to \$24 million, up \$6 million from the same quarter last year. The increase in expenses over last year was primarily due to the amortization of previously deferred acquisition expenses related to the growth of premiums earned and incremental expenses related to the transition to a public company.
- **The regulatory capital ratio** increased to 147% from 140% at the end of the second quarter. This is well in excess of the regulatory supervisory target of 120% and the Company's internal regulatory target of 135%.
- **Operating return on equity** was 12% for this quarter, flat from the second quarter. The improvement in earnings related to lower losses was offset by the impact of the increase in equity from the \$25 million of net proceeds from the Company's initial public offering and the higher regulatory capital ratio.

Third Quarter Highlights:

Customer Service

During the quarter, the Company continued to enhance its service offerings to homebuyers and customers while maintaining a sharp focus on risk management in light of economic conditions. The Company enhanced the efficiency of its auto-decisioning process. As part of its ongoing service strategy, the Company will continue to judiciously adapt its underwriting stance and process to changing economic conditions.

Loss Mitigation

The Company's HAP or loss mitigation strategy (workouts and claims management) achieved beneficial results this quarter. As a result of the Company's ongoing commitment to this program, it increased the number of workouts by 8% over last quarter. The Company believes that HAP continues to be a key differentiator for the Company with lenders. If delinquencies continue to stabilize, the Company believes that the volumes going through the HAP program will also start to stabilize.

Economic Drivers

In the third quarter, housing market activity increased in response to improving consumer confidence and housing affordability fueled by low mortgage interest rates. Several economists suggest that the strong third quarter housing market activity was heavily influenced by pent-up demand from the fourth quarter of 2008 and first quarter of 2009. Overall, increased home affordability, low interest rates, and improving consumer confidence are positive for the Company's business and for top line growth. The Company expects that the volume of new insurance written in the fourth quarter of 2009 will be in line with the third quarter of 2009.

After several quarters of job loss data, there were modest job gains in the third quarter, resulting in an 8.4% unemployment rate at the end of the quarter, down from 8.7% in August 2009. An improving Canadian job market should have a positive effect on the Company's losses on claims. In light of improving signs in the housing market, the Company remains cautiously optimistic on the mortgage origination market and future loss performance.

Investments

The Company continues to pro-actively manage a diversified portfolio of \$5.0 billion, including the funds held pursuant to its federal government guarantee, consisting primarily of fixed income government assets and high grade corporate credits. There were no impairments in the quarter. At the end of the quarter, the Company had \$506 million of cash on hand. The Company's strategy is to continue to look for opportunities to enhance the overall yield in its portfolio while maintaining prudent risk and capital management. The Company's general portfolio had an average duration of 3.2 years as at the end of the quarter, which is unchanged from last quarter.

Shareholders' Equity

Shareholders' equity as of September 30, 2009 was \$2.6 billion, or \$21.95 per share on a fully diluted basis. Shareholders' equity, excluding accumulated other comprehensive income (loss), as of September 30, 2009 was \$2.5 billion, or \$21.06 per share on a fully diluted basis.

Consolidated Financial Highlights

(Amounts in millions, except per share)	Three Months Ended Sept. 30 (Unaudited)				Nine Months Ended Sept. 30 (Unaudited)			
	2009		2008		2009		2008	
		Diluted EPS		Diluted EPS		Diluted EPS		Diluted EPS
New Insurance Written	5,051		9,197		12,701		24,081	
Insurance In Force	219,927		204,939		219,927		204,939	
Net Premiums Written	104		223		250		554	
Net Premiums Earned	154		133		555 ²		380	
Losses on Claims	64		36		195		102	
Investment Income	49		46		143		156	
Net Income	79	\$0.67	85	\$0.76	291 ²	\$2.56	262	\$2.36
Net Operating Income²	75	\$0.63	85	\$0.76	286 ²	\$2.51	249	\$2.24
Loss Ratio	42%		27%		35% ²		27%	
Combined Ratio	57%		41%		48% ²		40%	
Minimum Capital Test Ratio	147%		123%		147%		123%	

¹ This is a financial measure not calculated based on Canadian generally accepted accounting principles (GAAP). See the "Non-GAAP Measures" section of this press release for additional information.

² Excluding the impact of change to the premium recognition curve, net premiums earned, net income, net operating income, loss ratio and combined ratio for the nine months ended Sept 30, 2009 would have been \$455, \$228, \$222, 43% and 58%, respectively.

Detailed Operating Results

For more information on Genworth MI Canada Inc.'s operating results, please refer to the Interim Financial Statements and Management's Discussion & Analysis filed on SEDAR and available at

<http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00028505>.

A copy of these statements can also be found on the Company's website at

<http://investor.genworthmicanada.ca>

About Genworth MI Canada Inc.

Genworth MI Canada Inc., through its subsidiary, Genworth Financial Mortgage Insurance Company Canada, has been the leading Canadian private residential mortgage insurer since 1995. Known as Genworth Financial Canada, "The Homeownership Company," it provides default mortgage insurance to Canadian residential mortgage lenders that enables low down payment borrowers to own a home more affordably and stay in their homes during difficult financial times. Genworth Financial Canada combines technological and service excellence with risk management expertise to deliver innovation to the mortgage marketplace. As of September 30, 2009, Genworth Financial Canada had \$5.2 billion in total assets and \$2.6 billion in shareholders' equity. Based in Oakville, Ontario, the Company employs approximately 265 people across Canada. Additional information about Genworth MI Canada Inc. is available at www.genworth.ca.

Conference Calls and Financial Supplement Information

This press release and the third quarter 2009 financial supplement are posted on the Company's website. Investors are encouraged to review all of these materials.

Genworth MI Canada Inc.'s conference call will be accessible via telephone and the Internet. The dial-in number for the October 30, 2009 10:30 am conference call is 1-888-300-0053 (#36091708). The call will also be available in listen-only mode via the Internet at <http://investor.genworthmicanada.ca>. A replay of the call will be available from the Company's website through to December 15, 2009.

Non-GAAP Measures

To supplement its financial statements, the Company uses select non-GAAP financial measures. Non-GAAP 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 operating income and return on operating income. The Company believes that these non-GAAP 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-GAAP measures do not have standardized meaning and are unlikely to be comparable to any similar measure 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>. To access the glossary, click on the "Glossary of Terms" link under "Investor Resources" subsection on the left navigation bar.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain forward-looking statements. These forward-looking statements include, but are not limited to, Genworth MI Canada's plans, objectives, expectations and intentions and other statements contained in this release that are not historical facts as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", or words of similar meaning. These statements are based on Genworth MI Canada Inc.'s current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond the control of Genworth MI Canada Inc. Actual results may differ materially from these expectations due to changes in global, political, economic, business, competitive, market and regulatory factors. 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.

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