Genworth MI Canada Inc.

NEWS RELEASE

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Genworth MI Canada Inc. Reports First Quarter 2011 Results and Year over Year Operating Earnings per Share Increase of $0.05 to $0.74

Net premiums written of $101 million
Net operating income of $78 million

Toronto, ON (May 3, 2011) – Genworth MI Canada Inc. (the "Company") (TSX: MIC) today reported results for the first quarter of 2011 with net income of $80 million or $0.76 per diluted share and net operating income of $78 million or $0.74 per diluted share. Operating earnings per share was higher by $0.05 year over year and sequentially lower by $0.06.

The Company received $101 million in net premiums written, representing a 7% increase over the same period last year. Net operating income decreased 7% sequentially and 5% year over year.

"We delivered solid net premiums written in a slower origination market. As expected, we saw some seasonal loss pressure, which is typical for the first quarter," said Brian Hurley, Chairman and Chief Executive Officer. "As part of our ongoing evaluation of our business needs and capital position, we are focused on capital structure efficiency and are planning a share repurchase. This action will enhance our shareholder value while maintaining financial flexibility."

First Quarter 2011 Key Financial Metrics:

- **Net premiums written** of $101 million were $33 million lower sequentially but $7 million higher year over year. The sequential decrease was primarily due to typical winter seasonality in the mortgage origination market. The year over year increase in net premiums written was due to strong sales and service execution, resulting in continued market penetration.

- **Net premiums earned** of $155 million were $1 million lower sequentially and year over year. At the end of the quarter, the Company had $1.85 billion in unearned premium reserves, which will be earned into premiums over time in accordance with the Company's premium recognition curve.

- **Losses on claims** of $59 million were $9 million higher sequentially and flat on a year over year basis. The loss ratio of 38% in the first quarter was 6 points higher sequentially and flat year over year. The sequential increase in losses on claims was primarily due to seasonality and a higher average reserve per delinquency in Alberta.

- **Investment Income** of $43 million (excluding $3 million of realized and unrealized investment gains) was $1 million lower sequentially and $2 million lower year over year**.**

- **Net operating income** of $78 million was $6 million lower sequentially and $4 million lower year over year. This resulted in an **operating return on equity** of 13% for the quarter, 1 point lower sequentially and flat year over year.

- **The expense ratio** was 17% or 1 point lower sequentially and one point higher year over year, while the **combined ratio** of 55% was 5 points higher sequentially and flat year over year.

- **The regulatory capital ratio** or **Minimum Capital Test ("MCT") ratio** was 155%, 1 point lower sequentially but 5 points higher year over year.

Capital and Shareholders' Equity

- The Company continued to maintain a strong capital position, ending the quarter with a regulatory minimum capital test ratio of 155% and holding company cash of approximately $210 million. As part of the Company's ongoing capital planning to create a more efficient capital structure and to enhance shareholder value while maintaining the flexibility to support growth, the Company plans to repurchase approximately $160 million of its existing common shares in 2011. The nature, size and timing of the potential share repurchase in 2011 will be dependent upon the Company's capital requirements at that time, general market conditions, completion of certain documentation, and the receipt of customary approvals. While there is no assurance that the Company will undertake any such share repurchase, the proposed share repurchase reflects management's confidence in its business operations and its ability to fund growth opportunities going forward.

- As of March 31, 2011, shareholders' equity was $2.6 billion or $24.79 per common share on a fully diluted basis. Excluding accumulated other comprehensive income ("AOCI") or loss, shareholders' equity was $2.5 billion or $23.80 per common share on a fully diluted basis.

First Quarter 2011 Key Operational Highlights:

The Company continued to make solid progress on its strategic priorities. The Company is well-positioned with the financial flexibility and business strength to support its insurance in-force, to fund growth opportunities, to maintain strong credit ratings and to optimize returns.

- New insurance written of $4.4 billion for high loan-to-value mortgages represented a sequential decrease of 23% due to typical seasonality, but a year over year increase of 5% due to improved market penetration. The government mortgage rule changes that took effect March 18, 2011 did not have a material impact on mortgage originations in the quarter.

- While the Company's earned premiums are consistent sequentially and year over year, the current earned premiums have benefited from the large 2007 and 2008 books of business. It is expected that the contributions of these large books to premiums earned will decrease in the coming quarters as they move past their peak earnings period.

- The increase in losses on claims during the quarter was mainly due to typical seasonal pressure on the housing market during the winter season and the loss experience from certain areas in Alberta. The average reserve per delinquency for the quarter improved marginally and sequentially to $58,000 from $60,800 in the fourth quarter of 2010 due to improving severity in Ontario and Quebec, offset by higher severity from claims in Alberta. The Company believes that its average loss ratio for 2011 will be in the mid 30 percent range.

- During the quarter, the Company continued to realize positive results from its loss mitigation activities. The Company's Homeowner Assistance Program completed 1,253 workouts representing over 40% of new reported delinquencies. As well, the Company continued to expand its initiative to accelerate and facilitate the conveyance of real estate properties to the Company in selected circumstances. This strategy allows for better control of the marketing process, reduction in carrying costs during the sale process, and the potential realization of a higher property sales price, with the cumulative impact being lower losses.

- The Company had an investment portfolio of $5.1 billion as at March 31, 2011. Excluding the Government Guarantee Fund and debt proceeds received in December 2010, the general portfolio had a pre-tax equivalent book yield of 4.3% and duration of 3.7 years as at March 31, 2011. The portfolio is well-positioned with a short duration and should benefit from a rising interest rate environment as $419 million of investment maturities for the remainder of the year are reinvested.

Dividends

- On March 1, 2011, the Company paid a quarterly dividend of $0.26 per common share. Since becoming a public company in 2009, this dividend represents the sixth consecutive quarterly payment of dividends to shareholders. The Company also announced today that its Board of Directors approved a $0.26 per common share dividend, payable on June 1, 2011 to shareholders of record at the close of business on May 16, 2011.

Consolidated Financial Highlights[1]

($ millions, except per share amounts)	Three Months Ended March 31 (Unaudited)	
	2011	**2010**
New Insurance Written	5,429	6,121
Insurance In Force	248,811	228,656
Net Premiums Written	101	94
Net Premiums Earned	155	156
Losses on Claims	59	59
Investment Income	43	45
Realized and Unrealized Gains or Losses	3	4
Net Income	80	84
Net Operating Income[1]	78	82
Fully Diluted Earnings Per Share	$0.76	$0.71
Fully Diluted Operating Earnings Per Share[2]	$0.74	$0.69
Fully Diluted Book Value Per Common Share, excluding AOCI	$23.80	$22.03
Loss Ratio	38%	38%
Combined Ratio	55%	55%
Operating Return on Equity	13%	13%
Minimum Capital Test Ratio (MCT)	155%	150%

[1] Effective January 1, 2010, the Company has adopted International Financial Reporting Standards ("IFRSs"). Certain accounting and measurement methods previously applied under Canadian GAAP were amended to comply with IFRSs. The comparative figures for 2010 have been restated to reflect these adjustments.

[2] This is a financial measure not calculated based on International Financial Reporting Standards (IFRSs). See the "Non-IFRS Measures" section of this press release for additional information.

Detailed Operating Results and Financial Supplement

For more information on the Company's operating results, please refer to the Company's Review of Performance and Financial Statements as posted on SEDAR and available at:
http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00028505.

This press release, the financial statements, Management Discussion and Analysis, and the first quarter 2011 financial supplement are also posted on the investor section of the Company's website (http://investor.genworthmicanada.ca). Investors are encouraged to review all of these materials.

Earnings Call

The Company's first quarter earnings call will be held on May 4th at 1:00 pm EST. The dial-in number is 1-888-300-0053 (#I.D. 59872678). The call is accessible via telephone and by audio webcast on the Company's website. Slides to accompany the call will be posted just prior to its start. A recording will be available on the Company's website until July 15, 2011.

Non-IFRS Financial Measures

To supplement its financial statements, the Company uses select non-IFRS financial measures. Non-IFRS 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-IFRS 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-IFRS measures do not have standardized meanings 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 investor section of the Company's website (http://investor.genworthmicanada.ca). To access the glossary, click on the "Glossary of Terms" link under "Investor Resources" subsection on the left navigation bar. A reconciliation of non-IFRS financial measures to the most recently comparable measures calculated in accordance with IFRS can be found in the Management Discussion and Analysis filed with the Company's most recent financial statements, which are available on the Company's website and on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain forward-looking statements. These forward-looking statements include, but are not limited to, the Company's plans, objectives, expectations and intentions, and other statements contained in this release that are not historical facts. These statements may be identified by their use of words such as "expects", "anticipates", "contemplates", "intends", "plans", "believes", "seeks", "estimates", or words of similar meaning. These statements are based on the Company's current beliefs or expectations, including the Company's assumptions, beliefs and expectations regarding its future capital requirements, market conditions and its ability to obtain regulatory approvals. These statements are inherently subject to significant risks, uncertainties and changes in circumstances, many of which are beyond the Company's control. 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 global, political, economic, business, competitive, market and regulatory factors, and the other risks described in the Company's Annual Information Form. 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.

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 March 31, 2011, Genworth Financial Canada had $5.4 billion total assets and $2.6 billion shareholders' equity. Based in Oakville, Ontario, Genworth Financial Canada employs approximately 265 people across Canada. Additional information about Genworth MI Canada Inc. is available at www.genworth.ca.

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