

Genworth MI Canada Inc.

Second Quarter 2011

July 29, 2011

# Q2 2011 Review of Performance

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# Forward-Looking and Non-IFRSs 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 27, 2010, its Short Form Base Shelf Prospectus dated May 7, 2010, 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>. To access the glossary, click on the "Glossary of Terms" link under "Investor Resources" subsection on the left navigation bar. 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](http://www.sedar.com).

# Second quarter 2011 – Snapshot

Net operating income	\$81 MM
Return on equity	13%
Operating earnings per share (diluted)	\$0.77

**Delivered book value growth of 9% year over year**

# Market environment

- Housing market supply and demand balanced
- Strong first time home buying intentions
- Job growth is a positive for housing market
- Borrower affordability pressured

**Outlook remains positive for our business**

# Government guarantee legislation

- No change in government guarantee
- Formalize and strengthen Minister of Finance oversight
- Reinforces the stability of Canadian housing finance
- Legislation effective date TBD

# Delivering strong results to investors

## Priorities

## Q2 Results

Premium growth	Net premiums written of \$149 MM
Prudent risk management	Loss ratio of 33%
Investment portfolio return	Book yield of 4.3%
Capital strength	158% MCT
Common dividend	\$0.26 payable per common share

# Second quarter performance

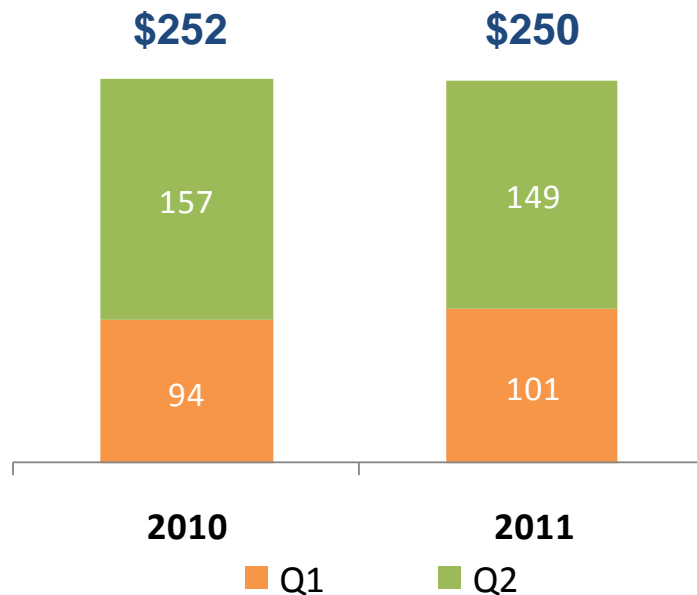
<b>\$ MM (except EPS)</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q2 2010</b>
<b>Net premiums written</b>	<b>\$ 149</b>	<b>\$ 101</b>	<b>\$ 157</b>
<b>Premiums earned</b>	<b>151</b>	<b>155</b>	<b>154</b>
<b>Losses on claims</b>	<b>(50)</b>	<b>(59)</b>	<b>(49)</b>
<b>Underwriting income</b>	<b>77</b>	<b>71</b>	<b>80</b>
<b>Investment income (excl. gains / losses)</b>	<b>43</b>	<b>43</b>	<b>42</b>
<b>Net operating income</b>	<b>\$ 81</b>	<b>\$ 78</b>	<b>\$ 86</b>
<b>Operating EPS (diluted)</b>	<b>\$ 0.77</b>	<b>\$ 0.74</b>	<b>\$ 0.72</b>
<b>Book value per share (diluted and inc AOCI)</b>	<b>\$ 25.59</b>	<b>\$ 24.79</b>	<b>\$ 23.56</b>

**Delivered consistent operating ROE of 13%**



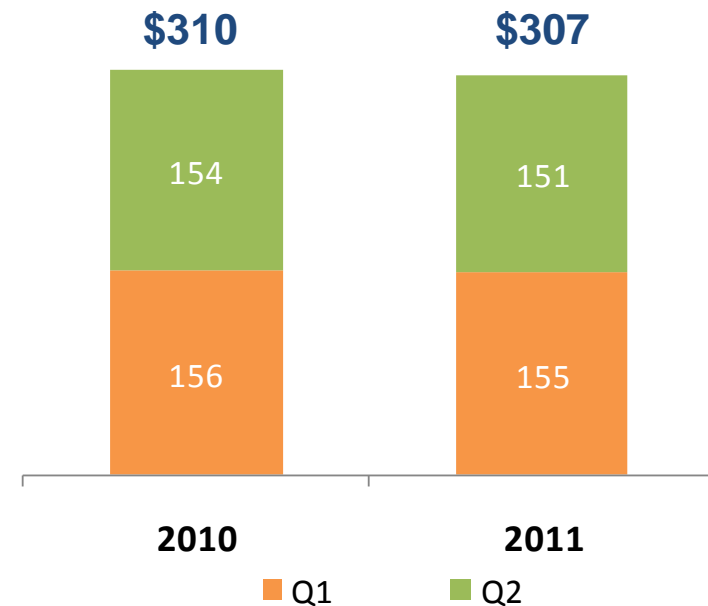
# Top line performance consistent

Net Premiums Written (\$MM)



**YTD net premiums written  
flat year over year**

Premiums Earned (\$MM)



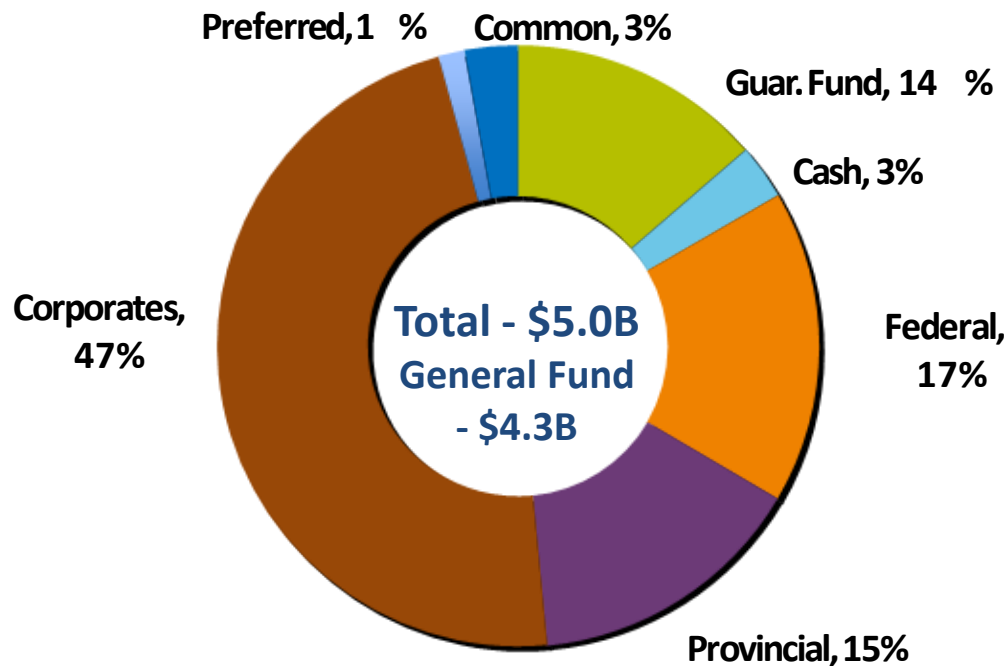
**Large books past peak  
earnings years**

# Lower delinquency rate

	Mortgage insurance portfolio delinquency rate			Insurance in-force
	June 30 2011	March 31 2011	Dec 31 2010	June 30 2011
Ontario	<b>0.17%</b>	0.18%	0.18%	<b>46%</b>
BC	<b>0.31%</b>	0.31%	0.30%	<b>16%</b>
Alberta	<b>0.53%</b>	0.59%	0.62%	<b>16%</b>
Quebec	<b>0.23%</b>	0.26%	0.23%	<b>15%</b>
Other	<b>0.19%</b>	0.19%	0.19%	<b>7%</b>
<b>Canada</b>	<b>0.25%</b>	<b>0.27%</b>	<b>0.26%</b>	

**Loss ratio of 33%**

# Investment portfolio adds income stability



1. Pre-tax equivalent book yield after dividend gross-up

- Primarily fixed income with 96% of bonds rated 'A' or better
- Duration of 3.9 years
- \$210 MM of common and preferred equities
- Book yield<sup>1</sup> of 4.3% as at June 30, 2011

# Strong capital position with flexibility

## Capital Base (MM)

### Public Company

Shareholders' equity (excl. AOCI)	\$2,413
Debt	422
Holding Co. net investments <sup>1</sup>	(99)

### Insurance Company

Capital base (excl. AOCI)	2736
Guarantee fund (net of tax effect)	(499)
AOCI for MCT purposes	84
Other <sup>2</sup>	(202)

Reg. capital available	\$2119
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Reg. capital required - Ins. Co.	\$1,338
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MCT Ratio	158%
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1. Holding company cash & liquid investments net of current liabilities
2. Non-admitted assets including goodwill and deferred acquisition costs

- Debt to total capital ratio of 14%
- MCT ratio of 158%
- Capital priorities
  - Sound regulatory capital
  - Strong credit ratings
  - Growth
  - Dividends
  - Efficient capital structure

# MIC delivering sustainable value

## Disciplined execution

- Prudent underwriting
- Deep lender relationships
- Capital efficiency

## Proven business model

- Geographically diverse
- Solid investment portfolio
- \$1.8 billion unearned premiums

## Solid foundation

- Proactive risk management
- Strong capital position
- Consistent dividend

# Question and Answer

**For further info:**

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