Genworth Canada

Fourth Quarter 2016 Results

February 7th, 2017

Forward-looking and non-IFRS statements

Genworth Canada

Public communications, including oral or written communications such as this document, relating to Genworth MI Canada Inc. (the “Company”, “Genworth Canada” or “MIC”) often contain certain forward-looking statements. These forward-looking statements include, but are not limited to, statements with respect to the implementation of the changes introduced by the Government and the potential impact on new insurance written, as well as the Company’s future operating and financial results, sales expectations regarding premiums written, capital expenditure plans, dividend policy and the ability to execute on its future operating, investing and financial strategies, the Canadian housing market, 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,” “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions. 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 ability of the Company to control or predict. 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 16, 2016, its Short Form Base Shelf Prospectus dated August 9, 2016, its most recently issued Management’s Discussion and Analysis and all documents incorporated by reference in such documents. Management’s current views regarding the Company’s financial outlook are stated as of the date hereof and may not be appropriate for other purposes. 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-IFRS financial measures. Such non-IFRS financial measures include net operating income, operating earnings per common share (basic), operating earnings per common share (diluted), operating return on equity, insurance in-force, new insurance written, loss ratio, expense ratio, combined ratio, investment yield, and Minimum Capital Test (MCT). 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 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-IFRS financial measures to the most readily comparable measures calculated in accordance with IFRS, where applicable, can be found in the Company’s most recent Management’s Discussion and Analysis, which is posted on the Company’s website and is also available at www.sedar.com.

2016 financial results

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$MM except ROE, EPS & MCT	Q4 2016	Q / Q	Y / Y	FY 2016	Y / Y
Premiums written	$171	-23%	-20%	$760	-6%
Loss ratio	18%	-7%	-5%	22%	+1 pt
Net Operating Income	$105	+13%	+11%	$388	+3%
Operating ROE	12%	+1%	Flat	11%	Flat
Operating EPS (dil.)	$1.14	+12%	+11%	$4.23	+4%
MCT[1]	245%	+8 pts	+11 pts	245%	+11 pts

Key highlights

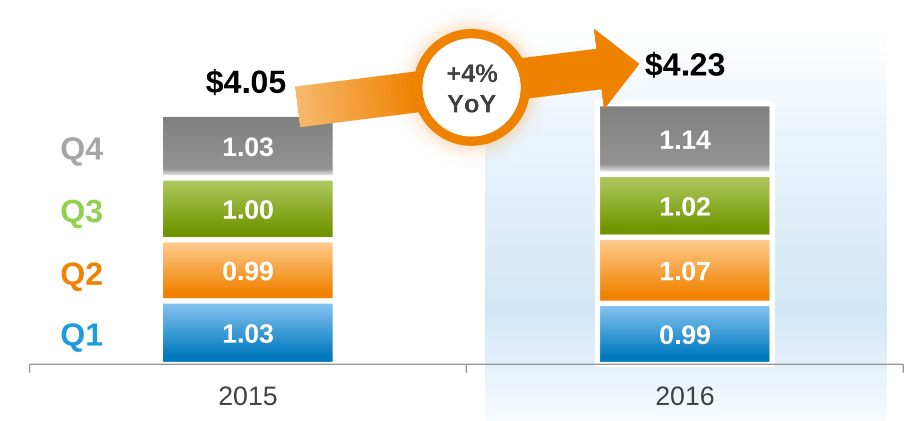
Fourth quarter highlights:

- Loss ratio of 18%, down 5% Y/Y
- NOI of $105 MM, up 11% Y/Y, EPS of $1.14, up 12% Y/Y

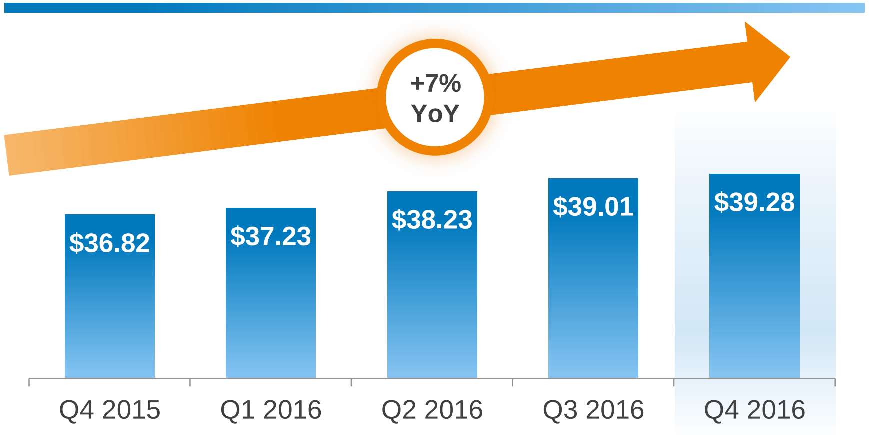
Full year highlights:

- Premiums written decreased by 6%
- Loss ratio of 22%, lower than expected range of 25%-35%
- NOI increased by 3% and Operating EPS up 4% Y/Y
- ROE of 11%, marginally lower Y/Y
- Robust capital position with MCT ratio at 245%[1]
- Book value per share growth of 7% Y/Y

Operating EPS (diluted)



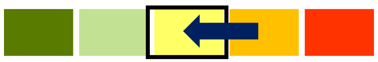
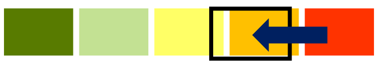
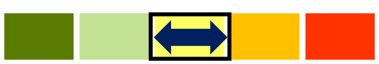
Book Value Per Share (diluted, incl. AOCI)



1. MCT denotes ratio for operating insurance company.

Note: Amounts may not total due to rounding.

Our environment today

Risk	Assessment
Economic	
Housing	
Insurance Portfolio	
Regulatory	

Key takeaways

- GDP growth projection supportive in 2017 (Canada 2.1%; US 2.2%)[1]
- Oil prices stabilizing in the $50 to $60 per barrel range in 2017

- Housing risk in Toronto and Vancouver remains elevated
- Government changes contributing to soft landing
- Longer term improvement in first-time homebuyer affordability

- NIW quality & mix remains strong
- Mortgage rate stress test to have positive long-term impact on portfolio quality

- Mortgage rate stress test impacting mkt. size; drives safety & soundness
- New capital framework driving higher capital requirements and recently announced premium rate increase
- Private MI government guarantee limit increased to $350 billion
- Risk sharing proposal could influence mortgage industry dynamics

STABLE TO IMPROVING MACROECONOMIC ENVIRONMENT

1 Source: GDP projections sourced from Bank of Canada Monetary Policy Report January 2017.

Top line

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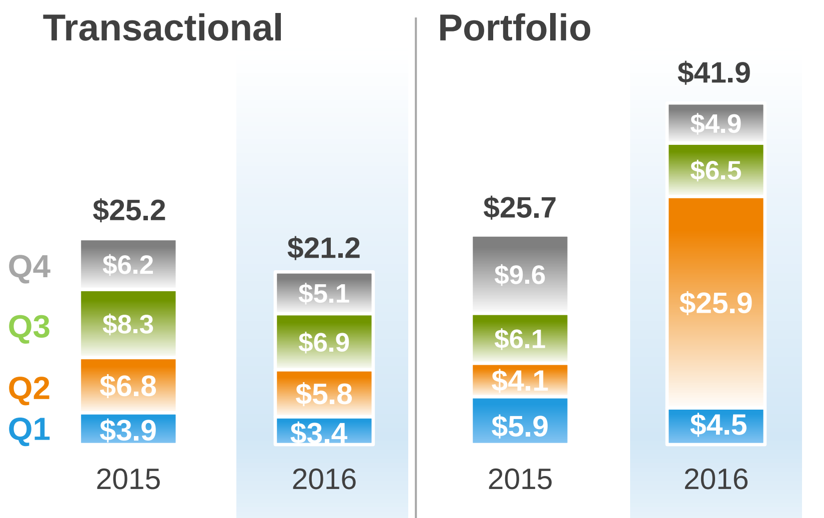
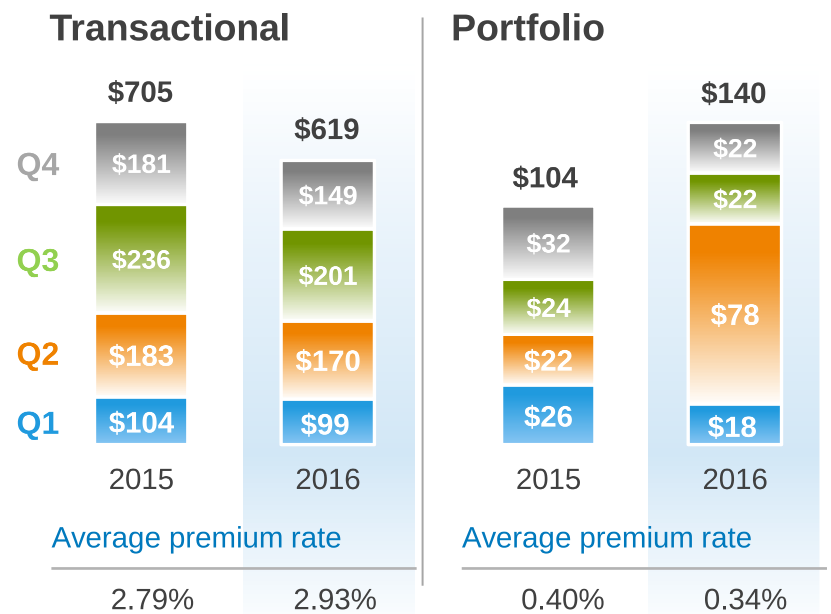
New insurance written ($ billions)



Premiums written ($ millions)



Transactional insurance highlights

- NIW decreased, reflecting targeted underwriting changes in select markets, and a smaller market size
- Expect volumes to decline 15%-25% in 2017
- Premium rate increases average ~18-20% driving an average transactional premium rate of 330 – 335 bp for 2017 vs. 293 bp in 2016

Portfolio insurance highlights

- NIW increased, driven by higher demand from lenders due to the July 1, 2016 regulatory changes
- Lower portfolio insurance average premium rate due to lower LTVs and strong credit quality
- Expect volumes to decline ~25%-35% as compared to the normalized run rate, post regulatory changes

Note: Company sources.
Note: Amounts may not total due to rounding.

High portfolio quality

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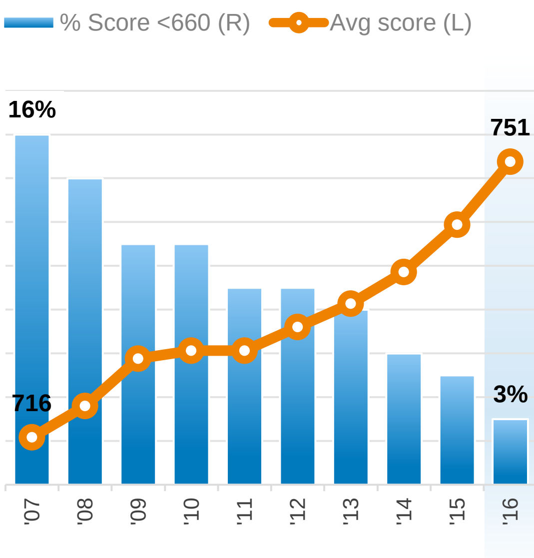
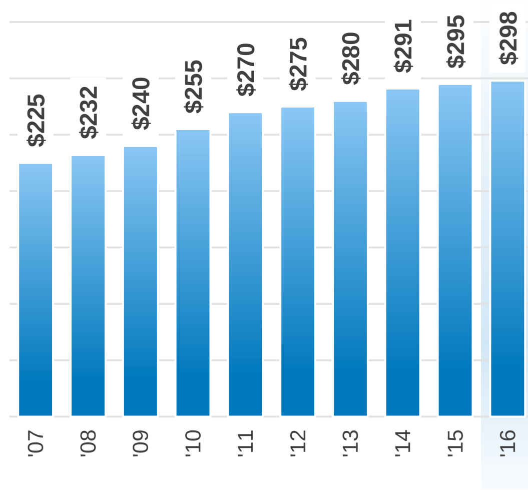
Credit score[1]

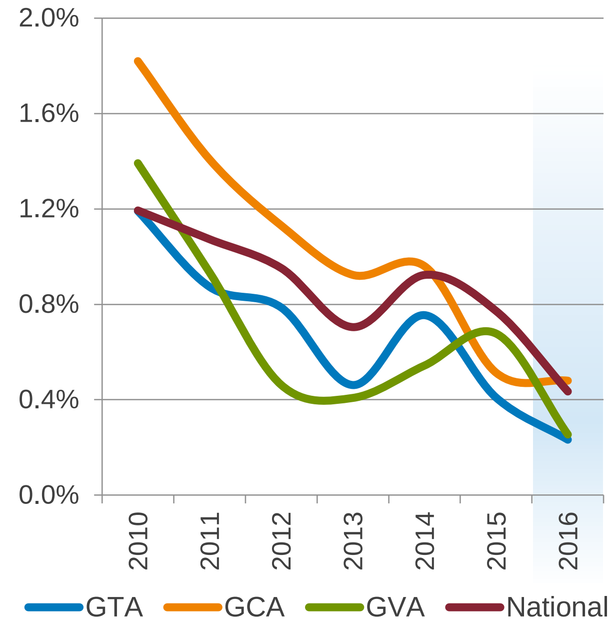


Median home price[2]

(In '$000s)



Stacked risk factors[3]



Highlights

Steady credit score improvement year-over-year

Stable home prices for First Time Homebuyer

Stacked risks decreased year-over-year

PORTFOLIO QUALITY SIGNIFICANTLY IMPROVED COMPARED TO '07/08

1 Company sources for transactional new insurance written. Average score for all borrowers.
2 Company sources for transactional new insurance written, purchase only.
3 Stacked risk factors: 90%+ LTV and <= 660 credit score, and >40 TDSR. GTA = Greater Toronto Area, GCA = Greater Calgary Area, GVA = Greater Vancouver Area.

Delinquency trends

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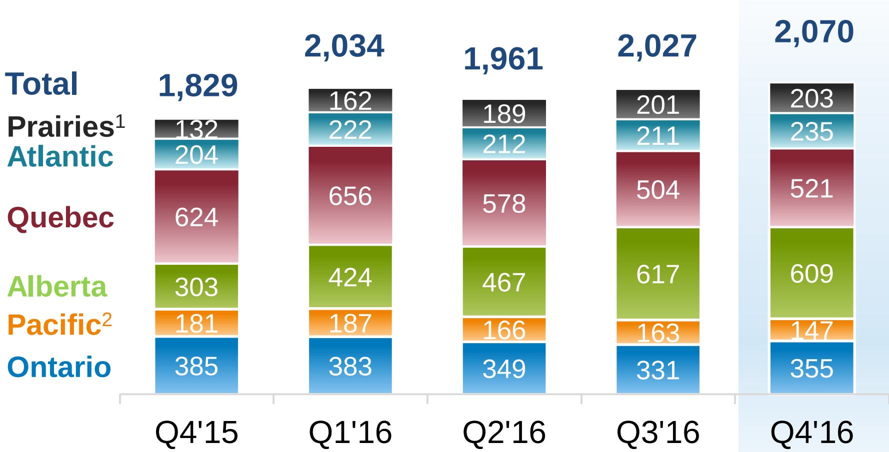
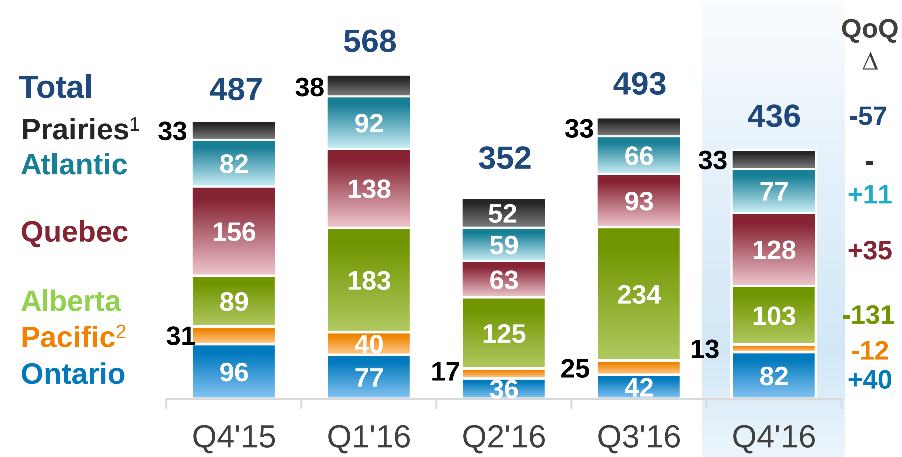
Delinquencies outstanding



New delinquencies, net of cures, by region



Loss ratio	23%	24%	21%	25%	18%

Delinquency ratio based on reported outstanding balances[3]

	Q1'16	Q2'16	Q3'16	Q4'16
Transactional	0.34%	0.33%	0.33%	0.33%
Portfolio	0.09%	0.06%	0.07%	0.08%
Total	**0.23%**	**0.20%**	**0.21%**	**0.21%**

Alberta delinquencies

	Q1'16	Q2'16	Q3'16	Q4'16
New delinquencies	293	277	386	335
Cures	110	152	152	232
New delqs, net of cures	183	125	234	103

2017 FULL YEAR LOSS RATIO RANGE EXPECTED TO BE 25% - 35%

Company sources. [1] Prairies include MB and SK. [2] Pacific includes B.C. and the Territories. [3] Delinquency rates are based on outstanding insured mortgage balances as at the end of the quarter and exclude delinquencies that have been incurred but not reported.

Solid financial performance

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$MM except EPS & BVPS	Q4'16	Q3'16	Q4'15
Transactional premiums written	$149	$201	$181
Portfolio premiums written	22	22	32
Total premiums written	**$171**	**$223**	**$213**
Premiums earned	164	162	151
Losses on claims	(29)	(41)	(35)
Expenses	(33)	(33)	(27)
Underwriting income	$103	$88	$90
Net investment income (excl. realized gains / losses)	46	44	44
Net operating income	**$105**	**$93**	**$95**
Operating EPS (diluted)	**$1.14**	**$1.02**	**$1.03**
Book value per share (diluted, incl. AOCI)	**$39.28**	**$39.01**	**$36.82**

Q4 highlights

- Transactional premiums written lower by 17% Y/Y, due to lower NIW
- Premiums earned increased Y/Y by $13 million due to higher level of premiums written in recent years
- Loss ratio of 18%, down 7 pts Q/Q on increased cures in Alberta and favourable case reserve developments in Quebec
- Net investment income modestly up Q/Q at $46 million
- Net operating income up $12 million Q/Q primarily due to lower losses on claims and higher premiums earned
- Book value per share up 7% Y/Y to $39.28

Company sources. Note: Amounts may not total due to rounding.

Announced price increases

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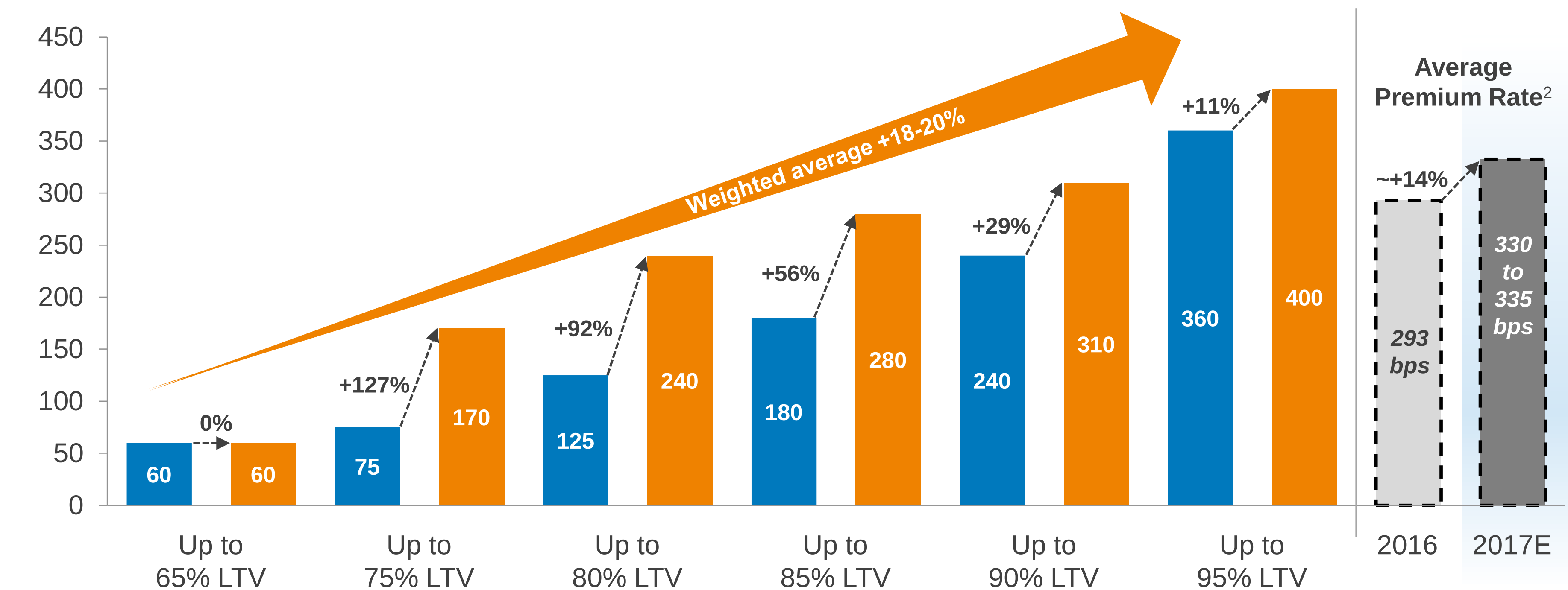
Transactional price by LTV

(price in basis points)[1]

Previous pricing (prior to March 17th, 2017)
New pricing (effective March 17th, 2017)



Expected NIW MIX %	0%	1%	3%	4%	27%	65%

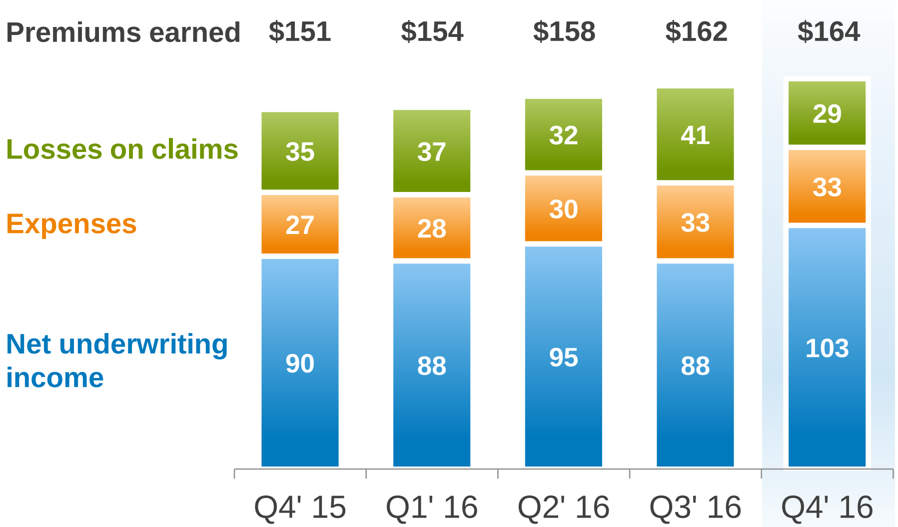
TRANSACTIONAL AVG. PREMIUM RATE OF 293 BP IN 2016 SHOULD INCREASE TO 330-335 BP IN 2017

2X+ HIGHER PORTFOLIO INSURANCE PREMIUM RATE IN 2017

1. Standard, owner-occupied purchase-only funded business written. 2. Represents average premium rate on 2016 and 2017 estimate for transactional new insurance written.

Solid underwriting profitability

Underwriting profitability ($ millions)



	Q4' 15	Q1' 16	Q2' 16	Q3' 16	Q4' 16
Loss ratio	23%	24%	21%	25%	18%
Expense ratio	18%	19%	19%	20%	20%
Combined ratio	41%	42%	40%	45%	38%
Avg. reserve per delq. ($000s)	$71.9	$70.9	$75.4	$79.5	$79.0
New delqs. net of cures	487	568	352	493	436

Highlights

- Higher level of premiums written in last three years driving trend of increased premiums earned…nine consecutive quarters of Q/Q increases
- Modest Y/Y increase in premiums earned expected for 2017; premium rate increases positive for premiums earned in future years
- Q4 loss ratio of 18% driven by discrete items
  - Alberta cures increased by 80
  - Favourable development of Quebec case reserves
  - Average reserve per delinquency essentially flat Q/Q
- 2016 loss ratio of 22%; 2017 full year expected range remains 25% to 35%

Company sources.

Investments contribute steady income

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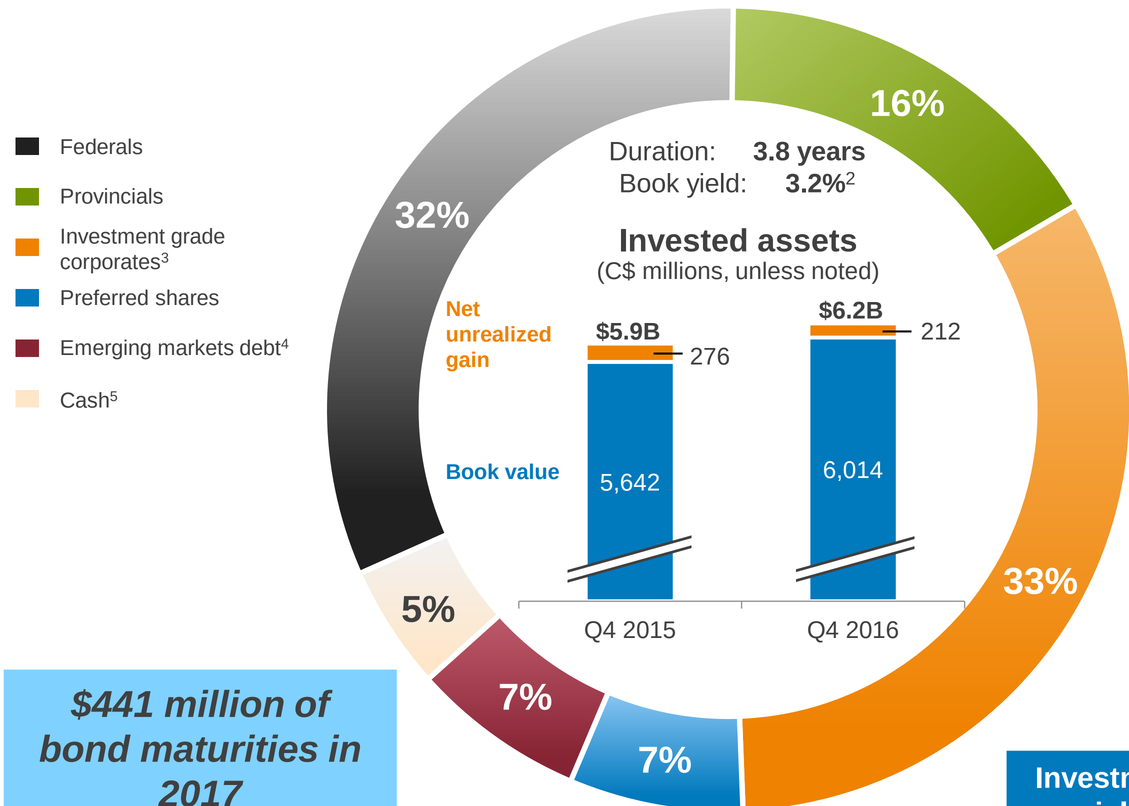
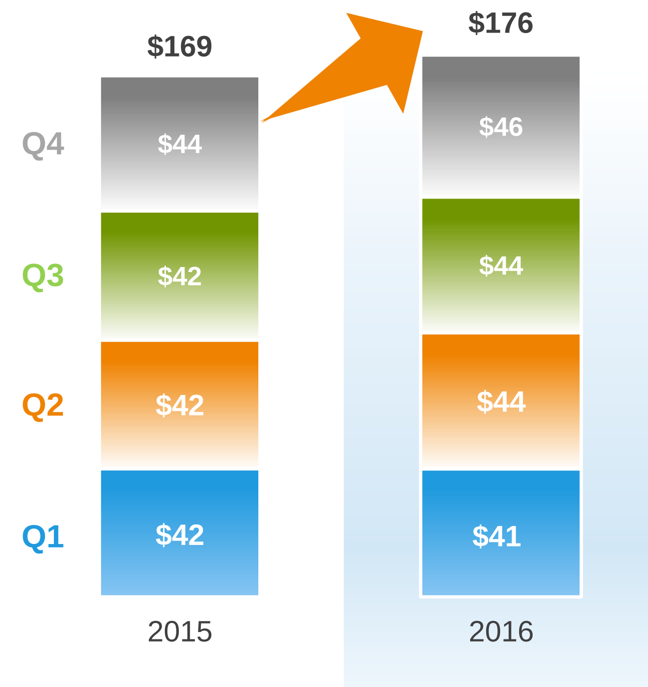
Total Invested Assets ($6.2B portfolio[1])



$441 million of bond maturities in 2017

Net Investment Income ($ millions)[6]



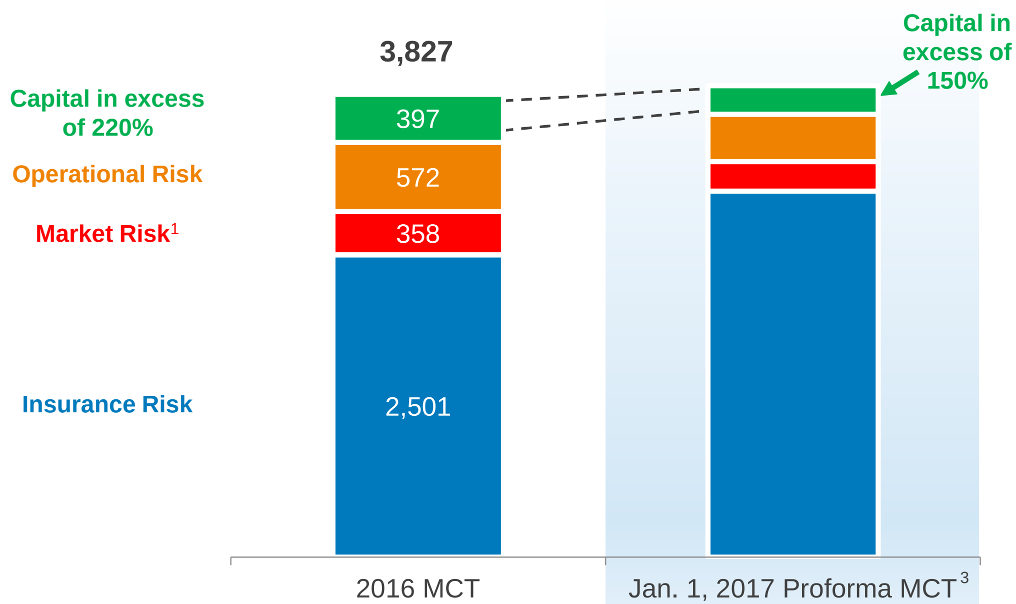
	2015	2016
Investment yield	3.3%	3.2%

MAINTAINING QUALITY FOCUS IN LOW RATE ENVIRONMENT … SELECTIVELY ADDING INVESTMENT GRADE PREFERRED SHARES WITH ATTRACTIVE YIELD

Note: Company sources.
1. Represents market value. 2. Investment yield represents pre-tax equivalent book yield after dividend gross-up of portfolio (as at Dec. 31st, 2016).
3. Market value, includes CLOs. 4. ~99% Investment grade. 5. Cash includes short-term investments. 6. Excludes realized and unrealized gains and losses.

Capital management

Regulatory capital as at December 31st, 2016
(by category, $ millions unless otherwise noted)



	2016 MCT	Jan. 1, 2017 Proforma MCT[3]
MCT ratio	**245%**	**158% to 162%**
Internal MCT target	**185%**	**157%**
Holding Target	**220%**	**n.a.**
MCT Supervisory Target	**150%**	**150%**
Holdco cash[2]	**$180 million**	**$180 million**

Highlights

Strong capital position as we transition to new capital framework for 2017

- 2016 holding target of 220% recalibrated to OSFI supervisory target of 150%
- Minimum MCT for government guarantee reduced to 150%
- New internal MCT target of 157%
- Pro-forma MCT at Jan. 1, 2017 estimated to be in the range of 158%-162%
- Normal course operating range of 160% to 165%

Government guarantee limit for private mortgage insurers increased to $350 billion

Note: Company sources. MCT denotes ratio for operating insurance company.
1. Market risk includes interest rate, credit, equity risk, and foreign exchange risk.
2. Represents liquid investments and cash held in addition to capital in operating insurance company
3. Jan. 1, 2017 Proforma MCT is the Company's estimate under the new capital framework that become effective January 1, 2017..

2017 outlook

Smaller MI market size could lead to **moderate decline** in premiums written **despite rate increases**

Premiums earned **expected to modestly increase in 2017** due to large recent books of business

Estimated **25% to 35% loss ratio** range for 2017

Investment income **expected to be modestly higher** in 2017

Managing capital to **160%-165% MCT** under new framework

Strategic priorities

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1

Invest in process innovation to drive **prudent market share expansion**

2

Continue to exercise prudent **risk management** and proactive **loss mitigation**

3

Leverage our strong **government relations strategy** to influence our regulatory environment

4

Maintain an **efficient capital structure** to ensure capital strength while **maximizing ROE**

5

Explore a **private mortgage insurance** offering to address low ratio mortgage rule changes

BUILDING ON SOLID BUSINESS FUNDAMENTALS

Key takeaways

Keen focus on **risk management**

Balanced approach to writing new business

Proactive **loss mitigation** programs

Investing in our **customer experience strategy**

Proven business model has positioned MIC for **future performance**

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