Genworth
Canada

Third Quarter 2018 Results

October 30th, 2018

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 impact of guideline changes by OSFI and legislation introduced in connection with the Protection of Residential Mortgage or Hypothecary Insurance Act (“PRMHIA”); the effect of changes to the mortgage insurance rules, including government guarantee mortgage eligibility rules and provincial housing initiatives; and the Company’s beliefs as to housing demand and home price appreciation, key macroeconomic factors, unemployment rates; 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 most recently issued Annual Information Form, Short Form Base Shelf Prospectus, 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.

3Q18 financial results

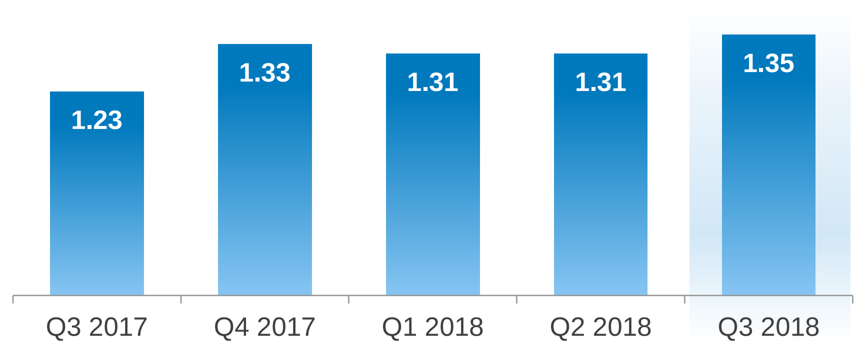
Genworth Canada

$MM except loss ratio, Op. ROE, Op. EPS & MCT ratio	Q3 2018	Q2 2018	Q3 2017	Q / Q	Y / Y
Premiums written	$196	$172	$202	+14%	-3%
Premiums earned	$169	$171	$170	-1%	Flat
Loss ratio	14%	14%	13%	Flat	Flat
Net income	$128	$116	$140	+10%	-8%
Net operating income	$121	$117	$112	+3%	+8%
Operating ROE	12%	12%	12%	Flat	Flat
Operating EPS (dil.)	$1.35	$1.31	$1.23	+3%	+10%
MCT ratio[1]	171%	170%	165%	+1 pt	+6 pts

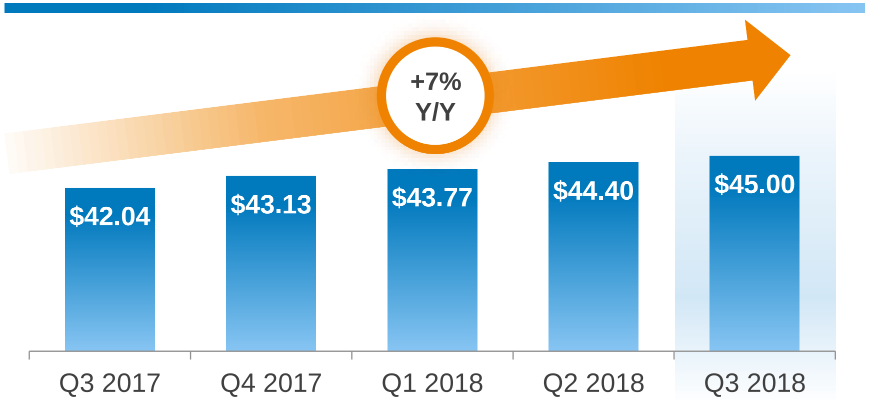
Q3 key highlights

- Total premiums written decreased modestly Y/Y largely due to a smaller transactional market size and a lower portfolio insurance average premium rate
- Low loss ratio of 14% reflects a stable macroeconomic climate and strong portfolio quality
- Net operating income up Q/Q, primarily due to higher operating investment income
- Ongoing capital strength with MCT ratio of 171%[1]
- Book value per share growth of 7% Y/Y

Operating EPS ($, diluted)

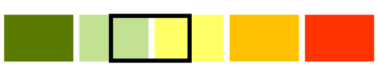


Book Value Per Share ($, diluted, incl. AOCI)



1. MCT denotes ratio for operating insurance company. Company estimate as at Sept. 30th, 2018.
Note: Amounts may not total due to rounding.

Our environment today

Risk	Assessment
Economic	
Housing & mortgage markets	
Insurance portfolio	
Regulatory	

Key observations

- Sound economic environment; GDP forecast growth of 2.1%[1] in ‘18 & 2.1%[1] in ‘19
- Unemployment rate near record low; rising wages in most provinces
- BoC overnight rate increased to 1.75% in October; 3-4 more expected in 2019
- USMCA agreed to in principle reducing uncertainty for exports and investment

- Affordability pressure impacting market size
- GTA market trending toward more normalized state
- Provincial regulations in B.C. starting to slow demand, housing risk measures expected to improve over next two quarters
- Montreal shifting to a strong “sellers” market; housing risk remains modest

- Portfolio quality remains strong. Average credit score for transactional new insurance written was 748 in Q3’18
- New insurance written with stacked risk factors[2] remains low
- Compliance qualifying rate provides ~200bps buffer against payment shock from rising rates

- Regulatory environment supporting reduced product risk and strong underwriting practices
- Regulatory focus shifting to supply and affordability
- Finalized Mortgage Insurer Capital Adequacy Test (MICAT) starting in 2019

SOUND MACROECONOMIC ENVIRONMENT

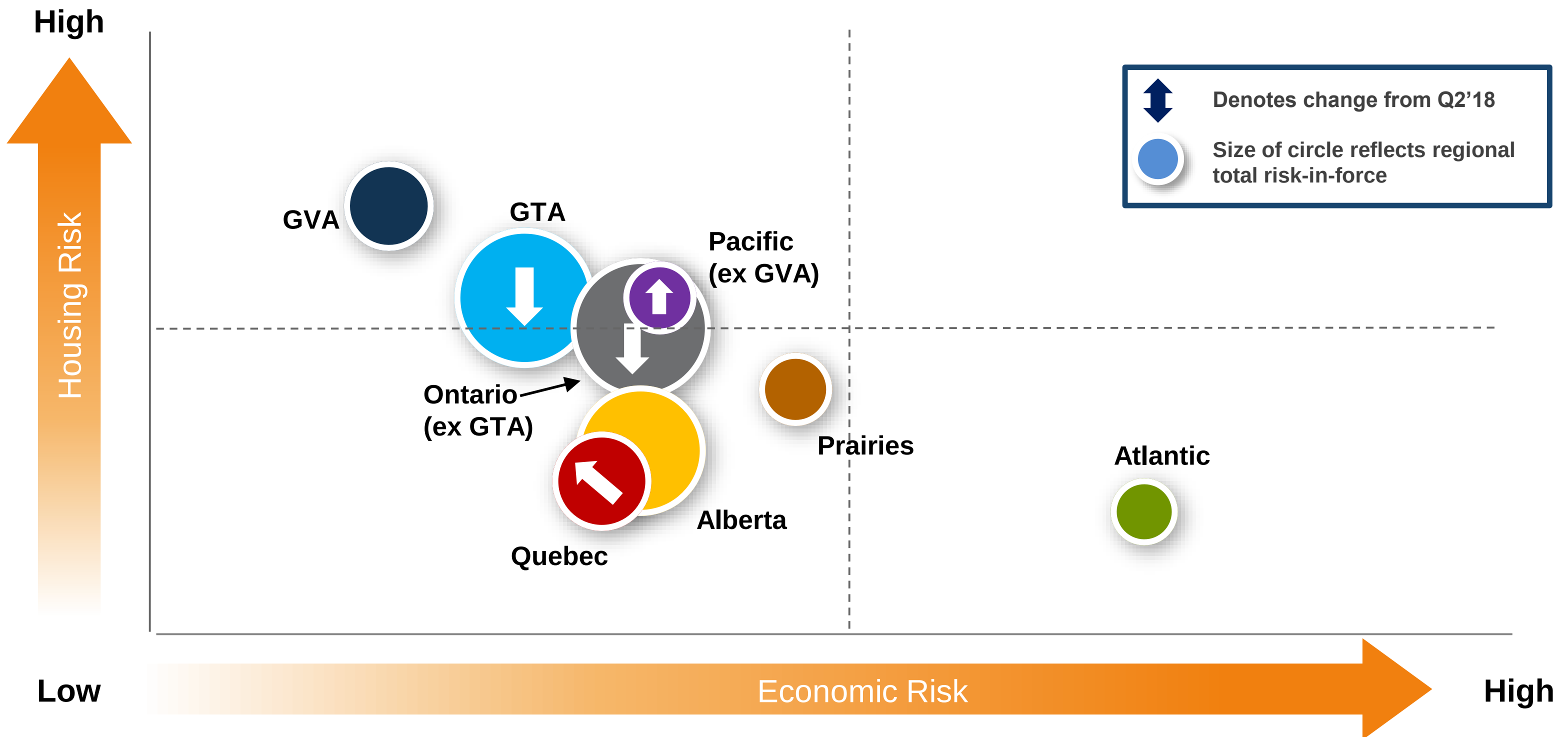
1. BoC GDP forecast: Monetary Policy Report, October 2018.
2. Stacked risk factors defined as: Purchase only; 90%+ LTV and <=660 credit score, and >40 TDSR.
3. Average GDS based on contractual rate.

Regional risk assessment

Quarterly Snapshot	TOR	VAN	MTL	CGY	CANADA
Q3'18 Q/Q Teranet HPI [1]	2.2%	0.9%	2.8%	0.3%	1.9%
Q3'18 UE Rate [1]	6.1%	4.5%	6.1%	8.2%	5.9%

Key Indicators

- **Overvaluation**
- **Affordability**
- **Price-to-income**
- **Price-to-rent**
- **Supply/ demand**



Key Metrics: GDP Forecast; UE Rate; Economic Diversity

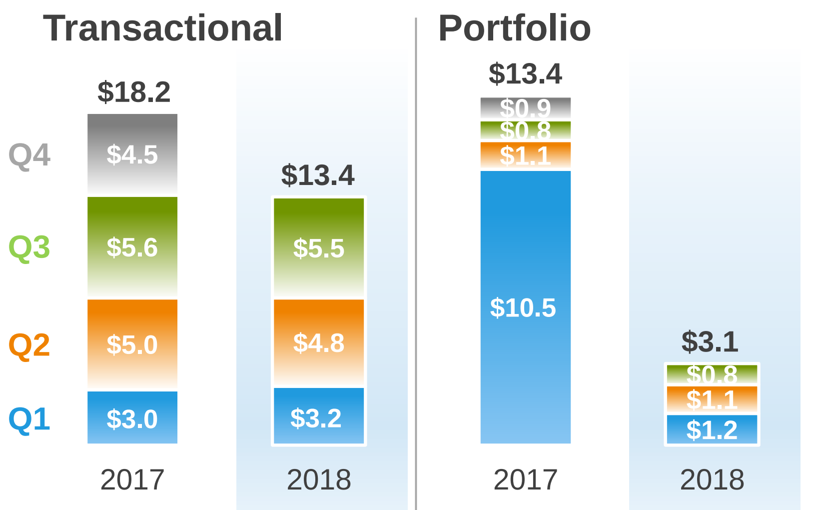
House price gains expected to be modest in the near-term amid rising interest rates

Stable **economic forecast** for most regions

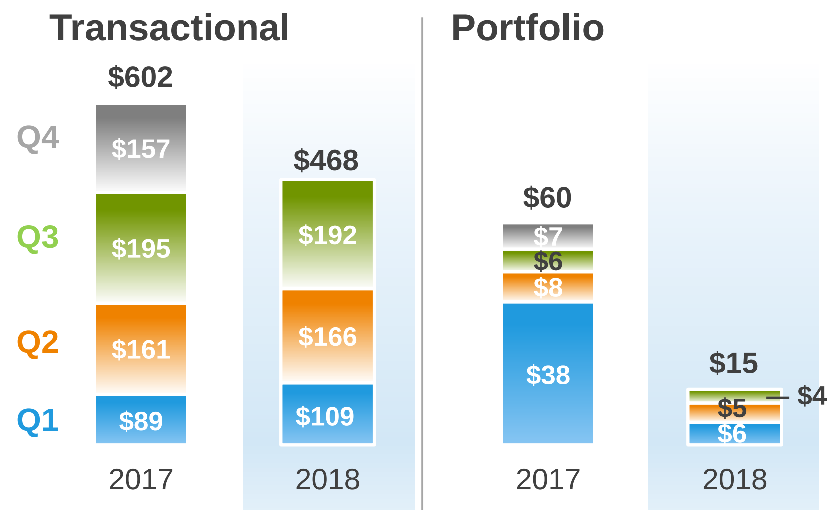
1 HPI and UE based on quarterly averages (Calgary UE uses a three-month rolling exit).
Graph based on Company's estimates of housing and economic risk as at Q3'18, including regional GDP forecast as per BoC/major FIs and key housing indicators at the end of Q3'18.

Top line

New insurance written ($ billions)



Premiums written ($ millions)



Average premium rate (YTD)		Average premium rate (YTD)	
3.31%	3.49%	0.45%	0.49%

Transactional insurance highlights

- NIW decreased modestly Y/Y on a smaller originations market size, but increased significantly Q/Q primarily due to typical seasonality
- Premiums written decreased Y/Y by 1% primarily due to lower new insurance written; and increased Q/Q primarily due to typical seasonality

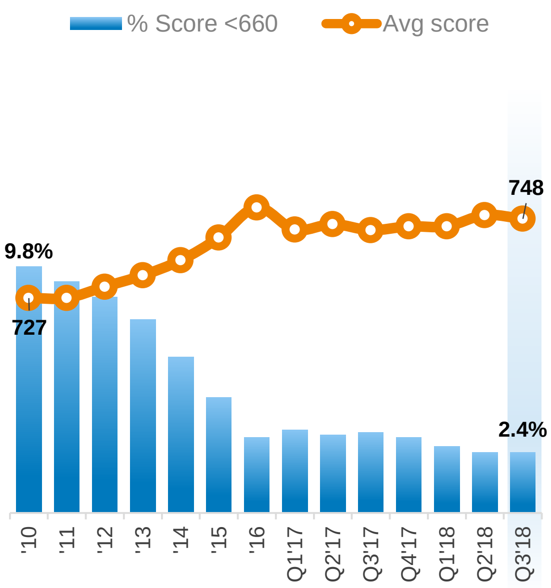
Portfolio insurance highlights

- NIW was relatively consistent with the prior year period, but decreased modestly from the prior quarter
- Premiums written was lower than the prior year period and prior quarter primarily due to a lower average premium rate as a result of a higher proportion of insured mortgages with LTVs below 75% and improved credit scores

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

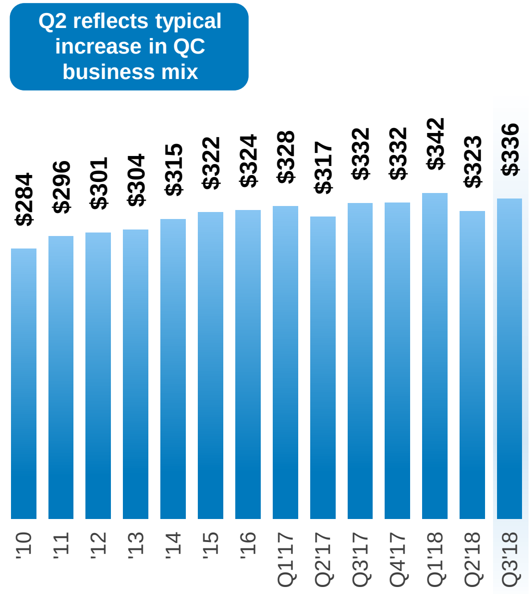
Strong portfolio quality

Credit score[1]

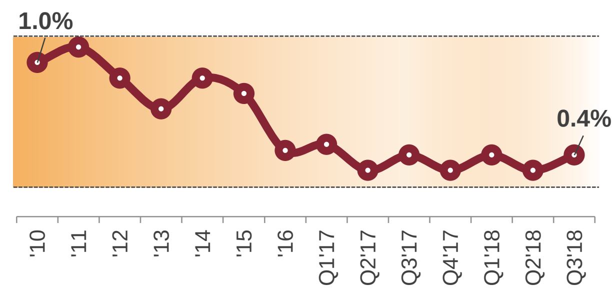


Average home price[2]

(In '$000s)



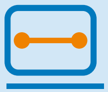
Stacked risk factors[3]



Highlights

Credit quality remains very strong

Relatively stable average home prices in most regions for FTHBs[4] given modest growth in household income[5]



Limited exposure to loans with **stacked risk factors** (low credit scores and high debt service ratios)

CONTINUED PORTFOLIO QUALITY STRENGTH

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: Purchase only; 90%+ LTV and <=660 credit score, and Contractual TDSR >40%. 4 FTHB represents First Time Homebuyers. 5. Statistics Canada

Strong financial performance

Genworth Canada

$MM except EPS & BVPS	Q3'18	Q2'18	Q3'17
Transactional premiums written	$192	$166	$195
Portfolio premiums written	4	5	6
Total premiums written	**$196**	**$172**	**$202**
Premiums earned	169	171	170
Losses on claims	(23)	(25)	(23)
Expenses	(32)	(33)	(34)
Underwriting income	$114	$114	$113
Operating investment income[1]	54	51	44
Net operating income	**$121**	**$117**	**$112**
Net income	**$128**	**$116**	**$140**
Operating EPS (diluted)	**$1.35**	**$1.31**	**$1.23**
Book value per share (diluted, incl. AOCI)	**$45.00**	**$44.40**	**$42.04**

Year-to-date performance

($MM)	Q3'18 YTD	Q3'17 YTD	% change
Net income	$371	$396	**-6%**
Net operating income	$358	$345	**+4%**
Operating EPS	$3.95	$3.76	**+5%**

Q3 highlights

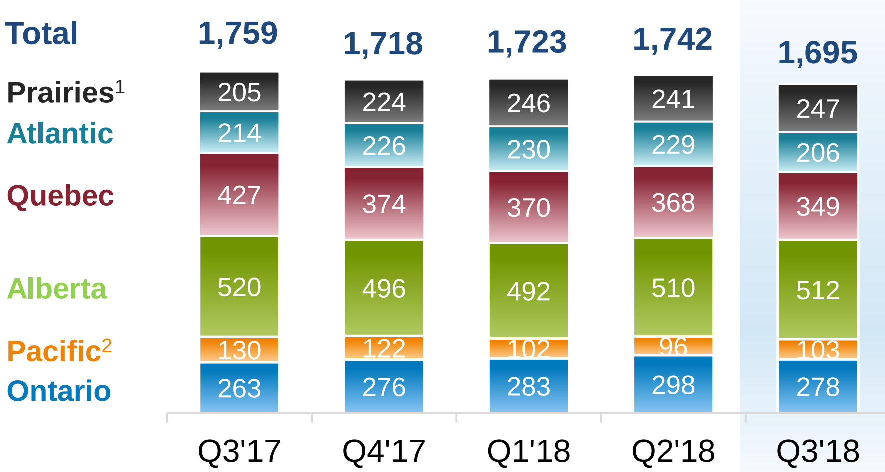
- Transactional premiums written were lower by 1% Y/Y, reflecting a marginally smaller MI market
- Premiums earned consistent Y/Y and down 1% sequentially reflecting seasoning of recent books of business
- Losses on claims relatively consistent Y/Y
- Operating investment income was $10 million higher than the prior year period primarily due to increased invested assets and realized income from interest rate hedging (~$6 million)
- Net operating income modestly higher Q/Q, primarily due to higher operating investment income
- Book value per share up 7% Y/Y to $45.00

Company sources. Note: Amounts may not total due to rounding. 1. Includes realized income from the interest rate hedging program, excl. realized gains / losses.

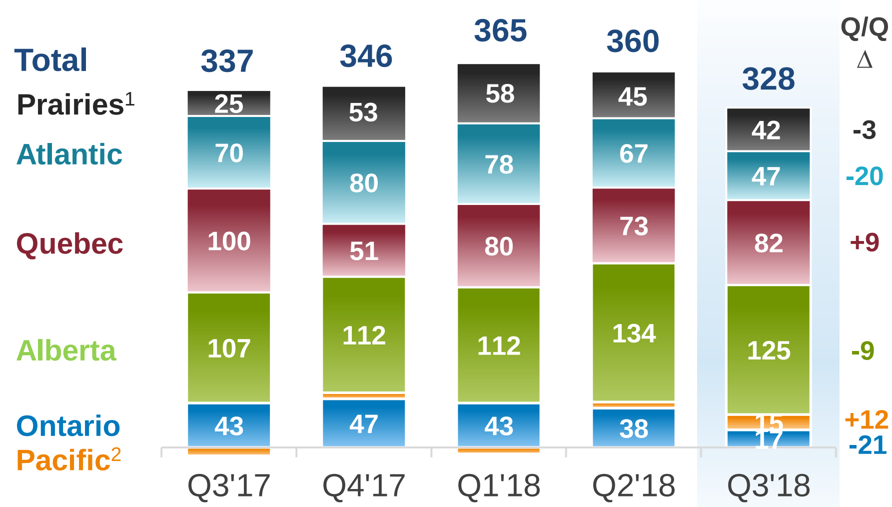
Delinquency trends

Genworth Canada

Outstanding delinquencies



New delinquencies, net of cures, by region



Loss ratio	13%	9%	13%	14%	14%

Delinquency rate based on reported outstanding balances[3]

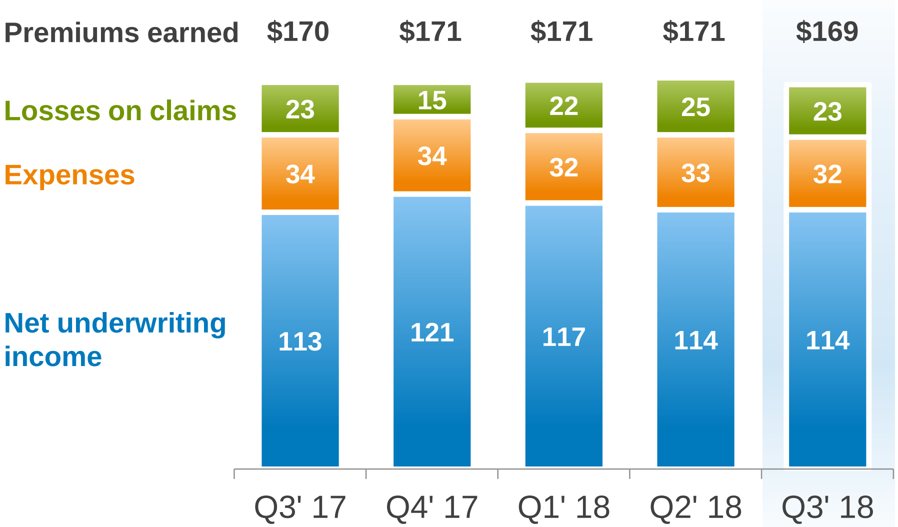
	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Transactional	0.29%	0.28%	0.28%	0.28%	0.27%
Portfolio	0.07%	0.08%	0.08%	0.08%	0.09%
Total	**0.18%**	**0.18%**	**0.18%**	**0.19%**	**0.18%**

- Lower net new delinquencies Q/Q reflecting decreases in Ontario and the Atlantic region
- Strong overall loss ratio performance reflects favourable macroeconomic environment and high quality portfolio
- **Loss ratio range for 2018: 10% - 20%**

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

Solid underwriting profitability

Underwriting profitability ($ millions)



	Q3' 17	Q4' 17	Q1' 18	Q2' 18	Q3' 18
Loss ratio	13%	9%	13%	14%	14%
Expense ratio	20%	20%	19%	19%	19%
Combined ratio	33%	29%	32%	33%	32%
Avg. reserve per delq. ($000s)	$74.5	$69.2	$68.2	$67.7	$67.8
New delqs. net of cures	337	346	365	360	328

Highlights

- Flat-to-modest Y/Y increase expected for the full year in premiums earned; after growing by 6% in 2017
- Trend of relatively low loss ratios ranging from 9% to 14% over the past 5 quarters reflect favourable economic conditions and strong portfolio quality
- 2018 full year loss ratio expected range remains 10% to 20%, driven primarily by the favourable macroeconomic environment and strong portfolio quality

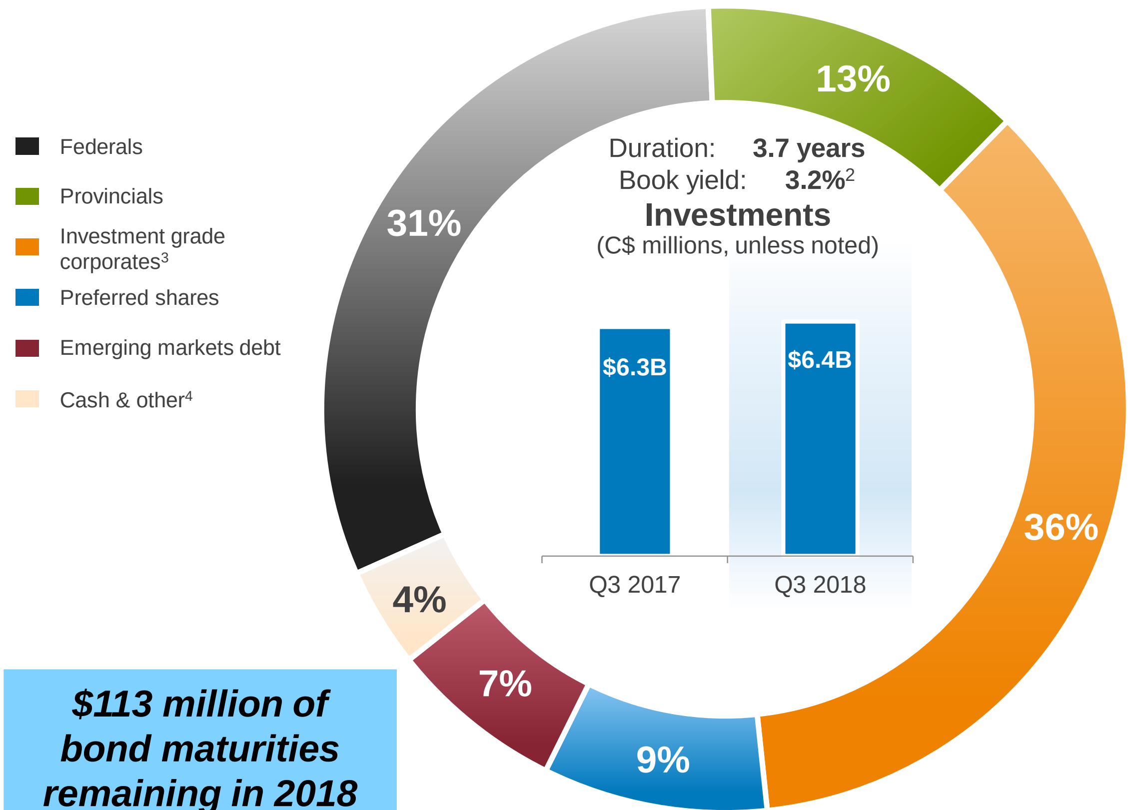
Company sources. Amounts may not total due to rounding.

Investments contribute steady income

Total investments and net derivative assets

($6.6B[1])

Investments: $6.4B



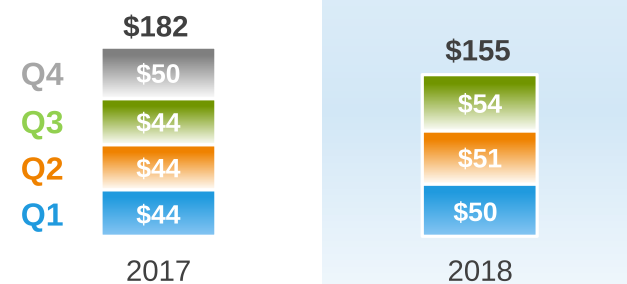
$113 million of bond maturities remaining in 2018

Interest rate hedge program

Interest rate swaps	Forward curve[5]
Notional (C$B)	$3.5
Floating rate[5]	2.00% - 2.20%
Fixed rate[5]	1.17%
Spread	~0.80% - 1.00%
Potential impact on 2018 full year operating investment income	$22MM - $24MM

Operating Investment Income

(excluding realized/unrealized gains, $ millions)



Q3 investment yield[2]	
3.1%	3.2%

EXPECT MODERATELY HIGHER INVESTMENT INCOME IN 2018 INCLUSIVE OF FAVOURABLE CONTRIBUTION FROM INTEREST RATE HEDGING PROGRAM

Note: Company sources.

1. Represents market value, includes accrued investment income and other receivables and net derivative financial instruments. 2. Investment yield represents pre-tax equivalent book yield after dividend gross-up of portfolio (as at Sept. 30th, 2018). 3. Includes CLOs. 4. Cash includes short-term investments. 5. Floating rate reflects the anticipated range of the average for the three months ended Dec. 31st, 2018 based on management's estimate of the forward curve as at Oct. 18th, 2018; fixed rate represents the contract rates for our existing portfolio of interest rate swaps as at Sept. 30th, 2018.

Capital management

Genworth Canada

Regulatory capital as at Sept. 30th, 2018

(by category, $ millions unless otherwise noted)*

	Current MCT	
	Sept. 30, 2018	**Jun. 30, 2018**
Capital available	4,356	4,316
Capital required	2,542	2,536
MCT ratio	**171%**	**170%**
Internal MCT target	157%	157%
Holdco cash[1]	**~$101 million**	**~$133 million**

2019 Mortgage Insurer Capital Adequacy Test

- 2019 Mortgage Insurer Capital Adequacy Test ("MICAT") eliminates the updating of credit scores for 2015 and prior books and increases the base total asset requirement for insurance risk by 5%
- Changes are net positive to capital required in 2019

Highlights

- Strong capital position with MCT ratio of ~171% and holding company cash and liquid investments of $101 million
- Executed $50 million share buyback in 3Q18
- Increased credit facility from $200 million to $300 million in October 2018
- Based on the Company's assessment, the Company believes total regulatory capital requirements should be lower vs. the existing framework, and this may permit capital re-deployment of $500-700 million in 2019, in addition to regular ordinary dividends

Note: Company sources. MCT / MICAT denotes ratio for operating insurance company. *Totals may not add due to rounding. MICAT/MCT estimates as at Sept. 30th, 2018.
1. Represents liquid investments and cash held in addition to capital in operating insurance company.

Strategic priorities for 2018

Genworth Canada

1

Invest in process innovation and technology to drive **improved customer experience**

2

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

3

Leverage our **data** and **mortgage expertise** to influence our regulatory environment

4

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

BUILDING ON SOLID BUSINESS FUNDAMENTALS

Genworth Canada

Jonathan A. Pinto, MBA, LL.M

Vice President, Investor Relations

905.287.5482

jonathan.pinto@genworth.com

Investor Relations

investor.genworthmicanada.ca

investor@genworth.com