Genworth MI Canada Inc.

NEWS RELEASE

2060 Winston Park Drive
Suite 300
Oakville, ON L6H 5R7

Genworth MI Canada Inc. Reports First Quarter 2019 Results Including Net Operating Income of $119 Million

Net Income:	**$97 million**	**Down 24% Y/Y**	**Up 21% Q/Q**
Net Operating Income:	**$119 million**	**Flat Y/Y**	**Up 1% Q/Q**
Fully Diluted Operating EPS:	**$1.35**	**Up 3% Y/Y**	**Up 2% Q/Q**
Transactional Premiums Written:	**$100 million**	**Down 8% Y/Y**	**Down 33% Q/Q**
Total Premiums Written:	**$105 million**	**Down 9% Y/Y**	**Down 32% Q/Q**
Premiums Earned:	**$169 million**	**Down 1% Y/Y**	**Flat Q/Q**
Loss Ratio:	**15%**	**Up 2 pts Y/Y**	**Down 3 pts Q/Q**

Toronto, ON (April 30th, 2019) – Genworth MI Canada Inc. (the "**Company**") (TSX: MIC) today reported first quarter 2019 net income of $97 million, earnings per fully diluted common share of $1.10, net operating income of $119 million, operating earnings per fully diluted common share of $1.35 and an operating return on equity of 12%. First quarter transactional premiums written were seasonally lower compared to the prior quarter, and also lower year-over-year, primarily due to the carry-over impact in the first quarter of 2018 from higher mortgage insurance commitment volumes from the fourth quarter of 2017 associated with increased demand ahead of regulatory changes.

"We delivered another quarter of solid results, in line with our expectations, including a 15 per cent loss ratio and 12 per cent operating return on equity," said Stuart Levings, President and CEO. "We are encouraged by modest growth in year-over-year mortgage insurance commitments this quarter, which should bode well for new insurance written in the second quarter."

Key First Quarter 2019 Financial Results And Operational Metrics:

- **New insurance written** from **transactional insurance** was $2.9 billion, a decrease of $0.3 billion, or 8%, compared to the same quarter in the prior year, primarily due to the carry-over impact in the first quarter of 2018 from higher mortgage insurance commitment volumes from the fourth quarter of 2017 associated with increased demand ahead of regulatory changes. Compared to the prior quarter, transactional new insurance written decreased by $1.4 billion, or 33%, primarily as a result of typical seasonality.

- **Premiums written** from **transactional insurance** were $100 million, representing a decrease of $9 million, or 8%, from the first quarter of 2018, as described above, and a decrease of $50 million, or 33% over the prior quarter, primarily related to lower new insurance written.

- **New insurance written** from **portfolio insurance** on low loan-to-value mortgages was $1.0 billion, a decrease of $0.1 billion compared to the same quarter in the prior year and the prior quarter.

- **Premiums written** from **portfolio insurance** were $5 million, representing a decrease of $1 million compared to the same quarter in the prior year primarily due to a decrease in new insurance written and a lower average premium rate. Compared to the prior quarter, premiums written were essentially flat.

- **Premiums earned** of $169 million were $2 million, or 1%, lower than the same quarter in the prior year, reflecting the relatively lower level of premiums written in recent years. Premiums earned were flat compared to the prior quarter. The **unearned premiums reserve** was $2.0 billion at the end of the quarter, down modestly from December 31, 2018. These unearned premiums will be recognized as premiums earned over time in accordance with the Company's historical pattern of loss emergence.

- **New delinquencies, net of cures,** of 405 were 40 higher than the first quarter of 2018 primarily due to increases in Alberta (59), and the Pacific region (14), partly offset by a decrease in Quebec (34) and the Atlantic region (5). Compared to the prior quarter, new delinquencies, net of cures, increased by 79 primarily due to seasonal increases in Alberta (38), Ontario (32) and the Atlantic region (19), partly offset by a decrease in Quebec (18).

- The **loss ratio**, as a percentage of premiums earned, for the quarter was 15% compared to 13% in the same quarter in the prior year and 18% in the prior quarter. **Losses on claims** of $25 million were $4 million higher than the same quarter in 2018, primarily due to an increase in new reported delinquencies, net of cures, higher average reserve per delinquency and modestly lower favourable loss reserve development. Losses on claims decreased by $5 million from the prior quarter, primarily due to a decrease in average reserve per delinquency, partly offset by a seasonal increase in new delinquencies, net of cures.

- The number of **delinquencies outstanding** of 1,760 reflected an increase of 37 delinquencies, as compared to the same quarter in the prior year, including an increase in Alberta (87), partly offset by decreases in Quebec (44) and the Atlantic region (15). Compared to the prior quarter, the number of delinquencies outstanding increased by 76, primarily driven by increases in Alberta (46), and the Atlantic region (23), partly offset by a decrease in Quebec (21).

- **Expenses** were $33 million during the quarter, resulting in an **expense ratio** of 20%, as a percentage of premiums earned. This ratio was one percentage point higher than both the same quarter in the prior year and the prior quarter and consistent with the Company's expected operating range of 18% to 20%.

- The Company's **investment portfolio** had a market value of $6.5 billion at the end of the quarter. The portfolio had a pre-tax equivalent book yield of 3.2% and duration of 3.7 years as at March 31, 2019, each of which were consistent with the prior quarter.

- **Operating investment income,** of $57 million was $7 million higher than the same quarter in the prior year primarily due to an increase in the amount of invested assets and an increase of $5 million of realized income from the Company's interest rate hedging program. Compared to the prior quarter, operating investment income was relatively unchanged.

- **Realized and unrealized losses from investments, derivatives and foreign exchange,** excluding the realized income from the interest rate hedging program of $30 million, were $41 million lower than the prior year period primarily due to the impact of lower interest rates on the market value of the Company's interest rate swaps. Compared to the prior quarter, there was an increase of $16 million primarily due to an increase in the market value of the Company's interest rate swaps.

- **Net income** of $97 million was $31 million lower than the same quarter in the prior year, primarily due to the realized and unrealized losses from investments, derivatives and foreign exchange, and higher losses on claims. Net income was $17 million higher than the prior quarter, primarily due to a lower level of realized and unrealized losses from investments, derivatives and foreign exchange, and lower losses on claims, partially offset by modestly higher expenses.

- **Net operating income** of $119 million was flat relative to the same quarter in the prior year. Net operating income was $2 million higher than the prior quarter primarily due to lower losses on claims, partially offset by modestly higher expenses.

- **Operating return on equity** was 12% for the quarter, consistent with the same quarter in the prior year and the prior quarter.

- **The regulatory capital ratio** or **Mortgage Insurer Capital Adequacy Test ("MICAT") ratio** was approximately 172%, 15 percentage points higher than the Company's internal MICAT ratio target of 157% and 22 percentage points higher than the OSFI Supervisory MICAT ratio target of 150%.

- The Company estimates that its **outstanding principal balance of insured mortgages** as at March 31, 2019, was approximately $206 billion, or 40% of the original insured amount. The Company estimates, that as of December 31, 2018, the outstanding principal balance for all privately insured mortgages was $276 billion relative to the $350 billion aggregate outstanding principal limit under the government guarantee legislation (Protection of Residential Mortgage or Hypothecary Insurance Act).

Dividends

On March 6, 2019, the Company paid a quarterly dividend of $0.51 per common share.

The Company also announced today that its Board of Directors approved a dividend payment of $0.51 per common share, payable on May 29, 2019, to shareholders of record at the close of business on May 10, 2019.

Shareholders' Equity

As at March 31, 2019, shareholders' equity was $4.1 billion, representing a book value including accumulated other comprehensive income ("**AOCI**") of $46.60 per common share on a fully diluted basis. Excluding AOCI, shareholders' equity was $4.1 billion, representing a book value of $46.22 per common share on a fully diluted basis.

Credit and Debt Ratings

The Company's issuer credit rating by DBRS Ratings Limited is 'A' high (stable) and the financial strength rating of the Company's primary operating subsidiary is 'AA' (stable). The Company's credit rating by Standard & Poor's is 'BBB+' (stable) and the financial strength of the Company's primary operating subsidiary is 'A+' (stable).

Detailed Operating Results and Financial Supplement

For more information on the Company's operating results, please refer to the Company's Management's Discussion and Analysis as posted on SEDAR and available at www.sedar.com.

This Press Release, as well as the Company's first quarter 2019 consolidated Financial Statements, Management's Discussion and Analysis ("MD&A") and 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 1st, 2019 at 10:30 am ET (Local: 647-794-4605, Toll free: 1-888-224-1005, Conference ID: 2037032). The call is accessible via telephone and by audio webcast on the Company's website. If listening via webcast, participants are encouraged to pre-register for the webcast through the Company's website. Slides to accompany the call will be posted just prior to its start. A replay of the call will be available until May 30th, 2019 (Local: 647-436-0148, Toll-free 1-888-203-1112, replay passcode 2037032). The webcast will also be available for replay on the Company's website for a period of at least 45 days following the conference call.

About Genworth MI Canada Inc.

Genworth MI Canada Inc. (TSX: MIC) through its subsidiary, Genworth Financial Mortgage Insurance Company Canada ("Genworth Canada"), is the largest private residential mortgage insurer in Canada. The Company provides mortgage default insurance to Canadian residential mortgage lenders, making homeownership more accessible to first-time homebuyers. Genworth Canada differentiates itself through customer service excellence, innovative processing technology, and a robust risk management framework. For more than two decades, Genworth Canada has supported the housing market by providing thought leadership and a focus on the safety and soundness of the mortgage finance system. As at March 31, 2019, the Company had $6.9 billion total assets and $4.1 billion shareholders' equity. Find out more at www.genworth.ca.

Contact Information:

Investors – Jonathan Pinto, 905-287-5482 jonathan.pinto@genworth.com
Media – Susan Carter, 905-287-5520 susan.carter@genworth.com

Consolidated Financial Highlights

($ millions, except per share amounts)	Three Months Ended March 31 (Unaudited)	
	2019	**2018**
Transactional new insurance written[1]	$2,902	$3,156
Portfolio new insurance written[1]	1,014	1,152
Total new insurance written[1]	$3,917	$4,308
Premiums written	105	115
Premiums earned	169	171
Losses on claims	25	22
Expenses	33	32
Net underwriting income	$110	$117
Investment income (interest and dividends, net of expenses) [1]	48	47
Interest rate hedging program income	9	4
Realized gains (losses) on sale of investments	1	(1)
Realized and unrealized gains on derivatives, foreign exchange	(30)	12
Total net investment income	$27	$62
Net income	$97	$128
Net operating income[1]	$119	$119
Basic weighted average common shares outstanding	87,593,413	90,752,714
Diluted weighted average common shares outstanding	87,958,677	91,291,500
Fully diluted earnings per common share	$1.10	$1.38
Fully diluted operating earnings per common share[1]	$1.35	$1.31
Fully diluted book value per common share, incl. AOCI[1]	$46.60	$43.77
Fully diluted book value per common share, excl. AOCI[1]	$46.22	$43.28
Loss ratio[1]	15%	13%
Combined ratio[1]	35%	32%
Operating return on equity[1]	12%	12%
MICAT ratio [1,3]	172%	170%
Transactional delinquency ratio[1, 2]	0.28%	0.28%
Portfolio delinquency ratio[1, 2]	0.09%	0.08%
Delinquency ratio[1, 2]	0.20%	0.18%

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

[2] Based on outstanding balance and excludes delinquencies that have been incurred but not reported.

[3] Company estimate at March 31, 2019. Effective January 1, 2019, the MCT ratio was replaced with the MICAT ratio. The OSFI supervisory MICAT target ratio and minimum MICAT ratio under the Protection of Residential Mortgage or Hypothecary Insurance Act (PRMHIA) for 2019 remains at 150% and the Company's internal target ratio for 2019 under the MICAT remains unchanged at 157%.

Non-IFRS Financial Measures

To supplement the Company's consolidated financial statements, which are prepared in accordance with IFRS, the Company uses certain non-IFRS financial measures to analyze performance. The Company's key performance indicators and certain other information included in this press release include non-IFRS financial measures. Such non-IFRS financial measures used by the Company to analyze performance include, among others, interest and dividend income, net of investment expenses, operating investment income, net operating income, operating earnings per common share (basic) and operating earnings per common share (diluted). 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 financial measures do not have standardized meanings and are unlikely to be comparable to any similar measures presented by other companies.

Non-IFRS financial measures reconciled to comparable IFRS measures for such periods

	Three months ended March 31,			
(in millions of dollars, unless otherwise specified)		**2019**		**2018**
Investment income	**$**	**27**	$	62
Adjustment to investment income:				
Net losses (gains) from investments, derivatives and foreign exchange[1]		**30**		(11)
Operating investment income		**57**		50
Realized expense (income) from the interest rate hedging program		**(9)**		(4)
Interest and dividend income, net of investment expenses	**$**	**48**	$	47
Net income		**97**		128
Adjustments to net income, net of taxes:				
Net losses (gains) from investments, derivatives and foreign exchange[1]		**22**		(8)
Net operating income	**$**	**119**	$	119
Earnings per common share (basic)	**$**	**1.11**	$	1.41
Adjustment to earnings per common share, net of taxes:				
Net losses (gains) from investments, derivatives and foreign exchange[1]		**0.25**		(0.09)
Operating earnings per common share (basic)	**$**	**1.36**	$	1.31
Earnings per common share (diluted)[2]	**$**	**1.10**	$	1.38
Adjustment to earnings per common share, net of taxes:				
Share based compensation re-measurement amount		**-**		0.02
Net losses (gains) from investments, derivatives and foreign exchange[1]		**0.25**		(0.09)
Operating earnings per common share (diluted)[2]	**$**	**1.35**	$	1.31

Note: Amounts may not total due to rounding.
[1] Includes realized and unrealized losses (gains) from derivatives and foreign exchange, excluding realized expense (income) from the interest rate hedging program.
[2] The difference between basic and diluted earnings per common share and basic and diluted operating earnings per common share is caused by the potentially dilutive impact of share-based compensation awards.

Definitions of key non-IFRS financial measures and explanations of why these measures are useful to investors and management can be found in the Company's "Glossary", in the "Non-IFRS financial measures" section at the end of the Company's MD&A for the quarter ended March 31, 2019. The MD&A, along with the Company's most recent financial statements, are available on the Company's website and on SEDAR at www.sedar.com.

Caution regarding forward-looking information and statements

Certain statements made in this press release contain forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). When used in this press release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company are intended to identify forward-looking statements. Specific forward-looking statements in this document include, but are not limited to, the Company's future operating and financial results, the payment of dividends; and the operating range for the Company's expense ratio as a percentage of premiums earned.

The forward-looking statements contained herein are based on certain factors and assumptions, certain of which appear proximate to the applicable forward-looking statements contained herein. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Actual results or developments may differ materially from those contemplated by the forward-looking statements.

The Company's actual results and performance could differ materially from those anticipated in these forward-looking statements as a result of both known and unknown risks, including: the continued availability of the Canadian government's guarantee of private mortgage insurance on terms satisfactory to the Company; the Company's expectations regarding its revenues, expenses and operations; the Company's plans to implement its strategy and operate its business; the Company's expectations regarding the compensation of directors and officers; the Company's anticipated cash needs and its estimates regarding its capital expenditures, capital requirements, reserves and its needs for additional financing; the Company's plans for and timing of expansion of service and products; the Company's ability to accurately assess and manage risks associated with the policies that are written; the Company's ability to accurately manage market, interest and credit risks; the Company's ability to maintain ratings, which may be affected by the ratings of its majority shareholder, Genworth Financial, Inc.; interest rate fluctuations; a decrease in the volume of high loan-to-value mortgage originations; the cyclical nature of the mortgage insurance industry; changes in government regulations and laws mandating mortgage insurance; the acceptance by the Company's lenders of new technologies and products; the Company's ability to attract lenders and develop and maintain lender relationships; the Company's competitive position and its expectations regarding competition from other providers of mortgage insurance in Canada; anticipated trends and challenges in the Company's business and the markets in which it operates; changes in the global or Canadian economies; a decline in the Company's regulatory capital or an increase in its regulatory capital requirements; loss of members of the Company's senior management team; potential legal, tax and regulatory investigations and actions; the failure of the Company's computer systems; or potential cyber threats; potential conflicts of interest between the Company and its majority shareholder, Genworth Financial Inc.; and Genworth Financial Inc. closing or failing to execute on a merger agreement entered into with subsidiaries of China Oceanwide Holdings Group Co., Ltd.

This is not an exhaustive list of the factors that may affect any of the Company's forward-looking statements. Some of these and other factors are discussed in more detail in the Company's Annual Information Form (the "**AIF**") dated March 22, 2019. Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. Further information regarding these and other risk factors is included in the Company's public filings with provincial and territorial securities regulatory authorities (including the Company's AIF) and can be found on the SEDAR website at www.sedar.com. The forward-looking statements contained in this press release represent the Company's views only as of the date hereof. Forward-looking statements contained in this press release are based on management's current plans, estimates, projections, beliefs and opinions and the assumptions related to these plans, estimates, projections, beliefs and opinions may change, and are presented for the purpose of assisting the Company's securityholders in understanding management's current views regarding those future outcomes and may not be appropriate for other purposes. While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company does not undertake to update any forward-looking statements, except to the extent required by applicable securities laws.