Genworth Canada

Second Quarter 2019 Results

July 30th, 2019

Forward-looking and non-IFRS statements

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, Mortgage Insurer Capital Adequacy Test (MICAT) 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.

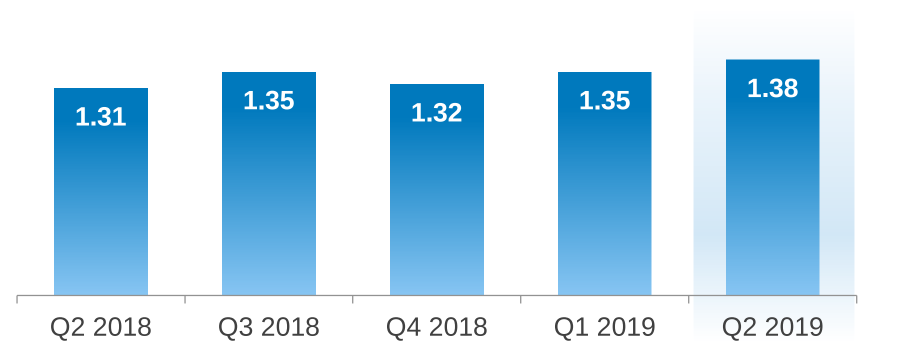
2Q19 financial results

$MM except loss ratio, Op. ROE, Op. EPS & MICAT/MCT ratio	Q2 2019	Q1 2019	Q2 2018	Q / Q	Y / Y
Premiums written	$195	$105	$172	+85%	+14%
Premiums earned	$169	$169	$171	Flat	-2%
Loss ratio	15%	15%	14%	Flat	+1 pt
Net income	$110	$97	$116	+13%	-5%
Net operating income	$120	$119	$117	+1%	+2%
Operating ROE	12%	12%	12%	Flat	Flat
Operating EPS (dil.)	$1.38	$1.35	$1.31	+2%	+5%
MICAT/MCT ratio[1]	169%	172%	170%	-3 pts	-1 pt

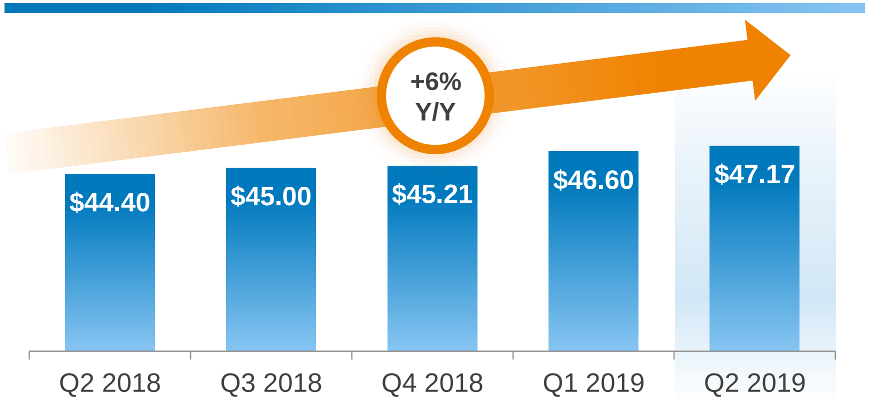
Q2 key highlights

- Total premiums written increased Y/Y by 14% primarily due to increased transactional insurance premiums written, driven by increased housing market activity
- Loss ratio of 15% reflects strong portfolio quality and stable employment in most regions
- Net operating income up modestly Q/Q and Y/Y with operating EPS higher by 2% Q/Q and 5% Y/Y
- Ongoing capital strength with MICAT ratio of 169%[1]; ~$100 million returned to shareholders during the quarter
- Book value per share growth of 6% Y/Y

Operating EPS ($, diluted)



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



1. 2Q19 MICAT ratio represents an estimate. 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 for 2019 remains at 150% and the Company's internal target ratio for 2019 under the MICAT remains unchanged at 157%. Note: Amounts may not total due to rounding.

Our environment today

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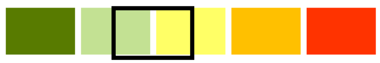
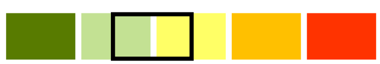
Key observations

Risk	Assessment (⟷ Denotes change from Q1'19)	Key observations
Economic		▪ GDP forecast[1] for 2019 marginally increased to 1.3% (from 1.2%), growth expected to pick up to 1.9% in 2020 ▪ BoC overnight rate maintained at 1.75% in July[1] ▪ Unemployment near all-time lows; stable environment expected for Q3 & Q4
Housing & mortgage markets		▪ Softening GVA market expected to continue into 2020 ▪ Buyers market in Alberta putting downward pressure on prices - primarily driven by oil price sentiment and reduced consumer confidence; economy gaining traction[2] ▪ BoC mortgage qualifying rate reduced by 15 bps in July, modestly improving affordability for first time home buyers
Insurance portfolio		▪ Portfolio quality remains strong supported by over 200 bps qualifying rate buffer and strong underwriting & quality assurance routines ▪ Average credit score for transactional new insurance written was 749 in 2019 ▪ New insurance written with stacked risk factors[3] remains very low
Regulatory		▪ Regulatory environment supporting reduced product risk and strong underwriting practices ▪ Government of Canada's first-time home buyer incentive program expected to launch in September. All mortgage insurers are able to participate in the program

OVERALL MACROECONOMIC ENVIRONMENT CONTINUES TO BE SOUND

1. BoC GDP forecast: Monetary Policy Report, July 2019.
2. TD Economics: Alberta's Economy Gaining Traction, July 2019
3. Stacked risk factors defined as: Purchase only; 90%+ LTV and <=660 credit score, and >40 TDSR.

Regional risk assessment

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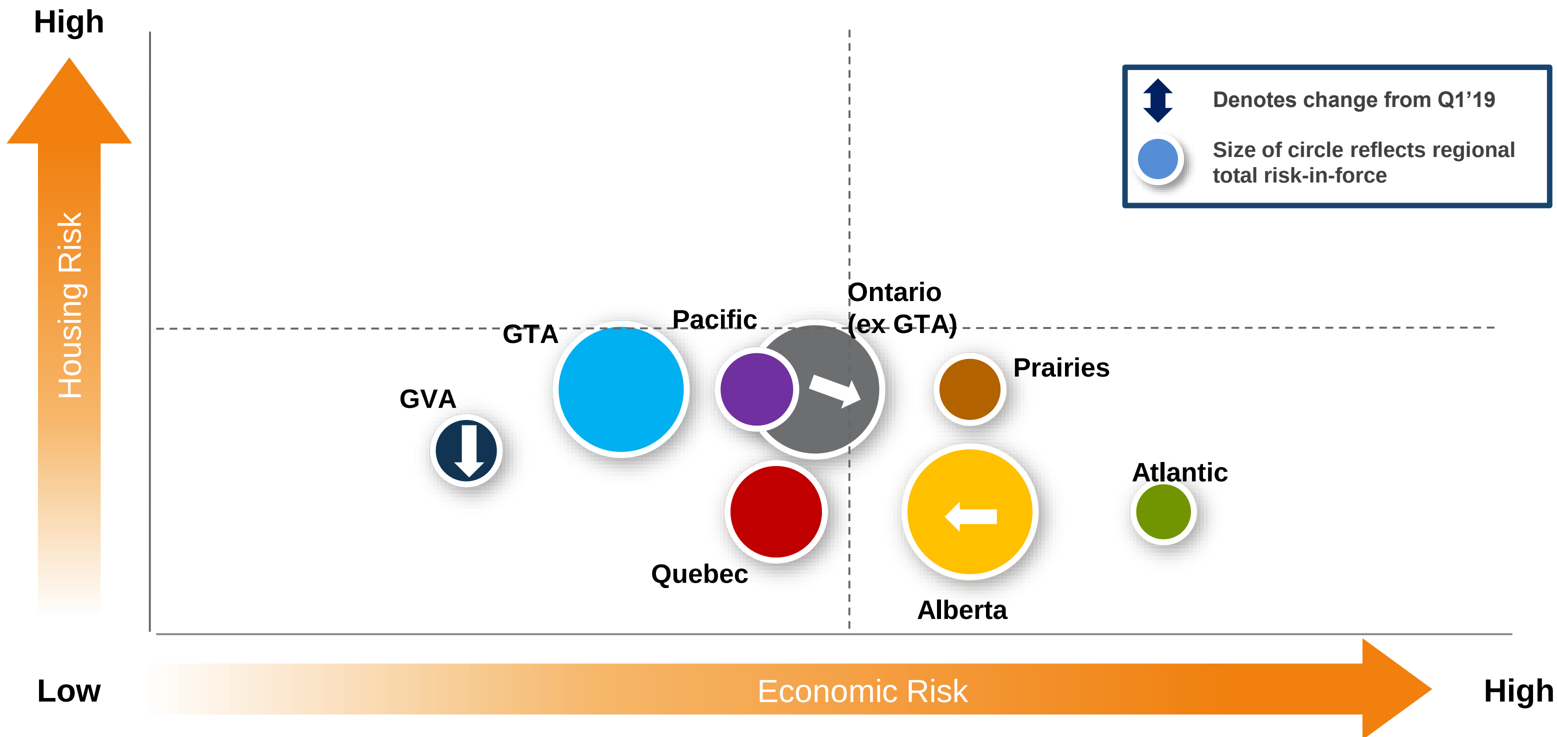
Quarterly Snapshot	TOR	VAN	MTL	CGY	CANADA
Q2'19 Q/Q Teranet HPI [1]	0.9%	-1.2%	0.7%	-0.7%	0.2%
Q2'19 UE Rate [1]	5.9%	4.0%	5.5%	7.2%	5.5%

Key Indicators

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



Key Metrics: GDP Forecast; UE Rate; Economic Diversity

Housing risk moderate to low for most regions

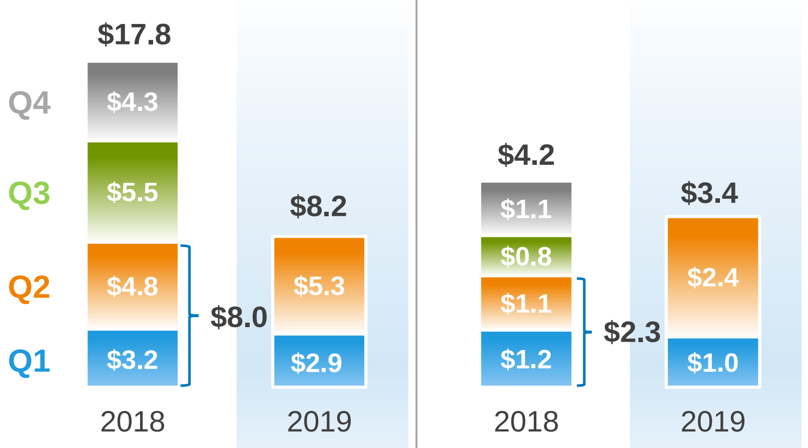
Economic risk primarily driven by oil producing regions. National GDP growth expected to return to ~2% in 2020 & 2021

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 Q2'19, including regional GDP forecast as per BoC/major FIs and key housing indicators at the end of Q2'19.

Top line

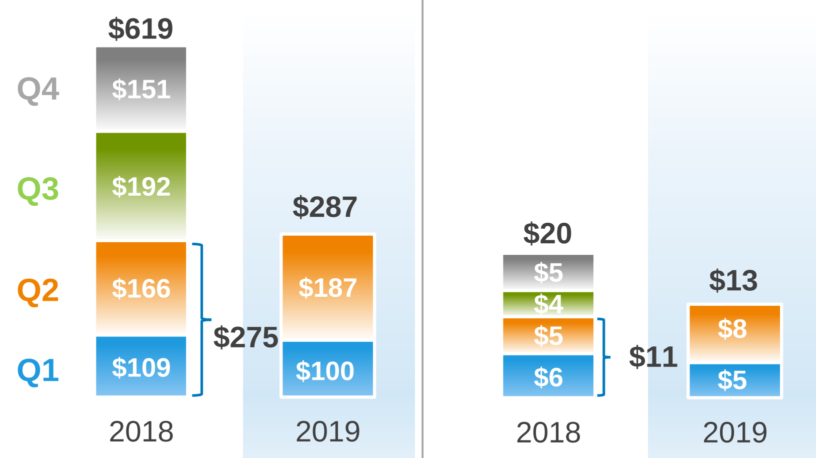
New insurance written ($ billions)

Transactional | Portfolio



Premiums written ($ millions)

Transactional | Portfolio



Average premium rate		Average premium rate	
3.49% (FY)	3.50% (1H19)	0.48% (FY)	0.38% (1H19)

Q2 transactional insurance highlights

- NIW and premiums written increased 12% Y/Y primarily due to increased housing market activity
- Premiums written increased Q/Q by 86%, primarily as a result of typical seasonality

Q2 portfolio insurance highlights

- NIW increased by $1.3 billion from the prior year period, and $1.4 billion from the prior quarter, primarily due to a $1.5 billion bank transaction
- Premiums written increased Q/Q and Y/Y, primarily due to an increase in NIW, partly offset by a lower average premium rate

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

Strong portfolio quality

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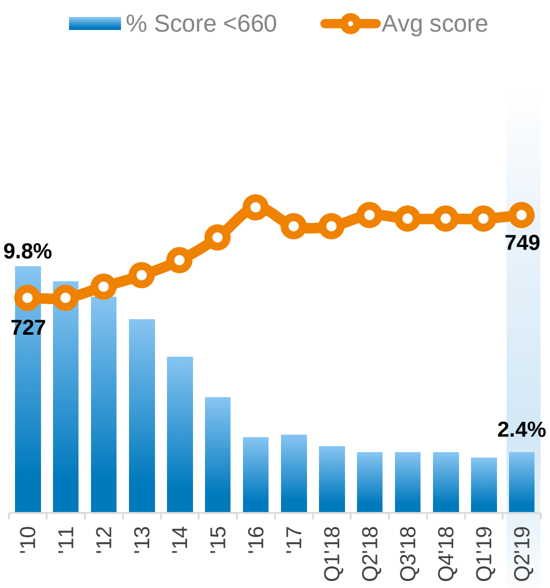
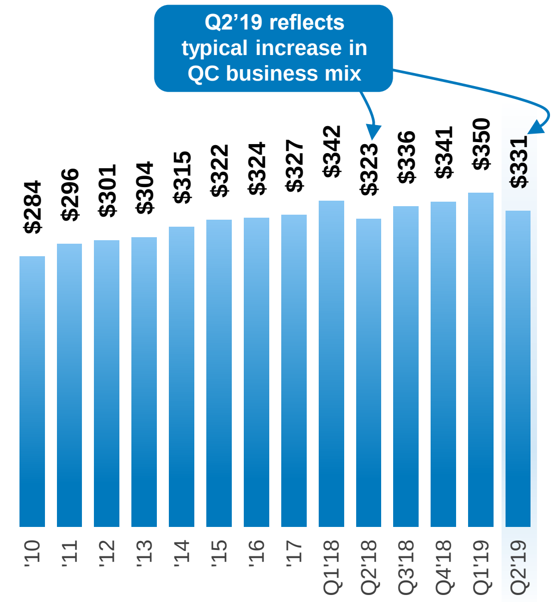
Credit score[1]

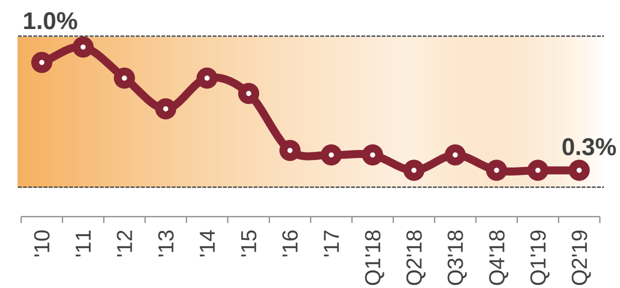


Average home price[2]

(In '$000s)



Stacked risk factors[3]



Highlights

Credit quality remains very strong

Modest increase in average home price Y/Y reflecting modest growth in FTHBs[4] household income[5]

Limited exposure to loans with **stacked risk factors**

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

$MM except EPS & BVPS	Q2'19	Q1'19	Q2'18
Transactional premiums written	$187	$100	$166
Portfolio premiums written	8	5	5
Total premiums written	**$195**	**$105**	**$172**
Premiums earned	169	169	171
Losses on claims	(26)	(25)	(25)
Expenses	(34)	(33)	(33)
Underwriting income	$109	$110	$114
Operating investment income[1]	56	57	51
Net operating income	**$120**	**$119**	**$117**
Net income	**$110**	**$97**	**$116**
Operating EPS (diluted)	**$1.38**	**$1.35**	**$1.31**
Book value per share (diluted, incl. AOCI)	**$47.17**	**$46.60**	**$44.40**

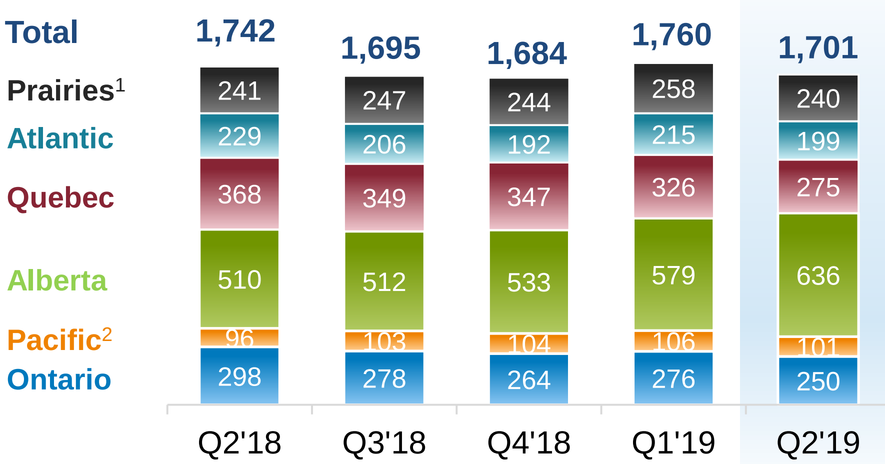
Q2 highlights

- Transactional premiums written higher by 12% Y/Y, driven by increased housing market activity
- Premiums earned flat Q/Q
- Loss ratio of 15%, flat Q/Q, as higher average reserve per delinquency driven by a greater proportion of Alberta delinquencies generally offset a reduction in new delinquencies, net of cures
- Operating investment income relatively flat Q/Q at $56 million
- Net operating income up $3 million Y/Y, and relatively consistent versus the prior quarter
- Operating EPS up 5% Y/Y on modestly higher net operating income and the cumulative benefit of share buybacks over the last 12 months
- Book value per share up 6% Y/Y to $47.17

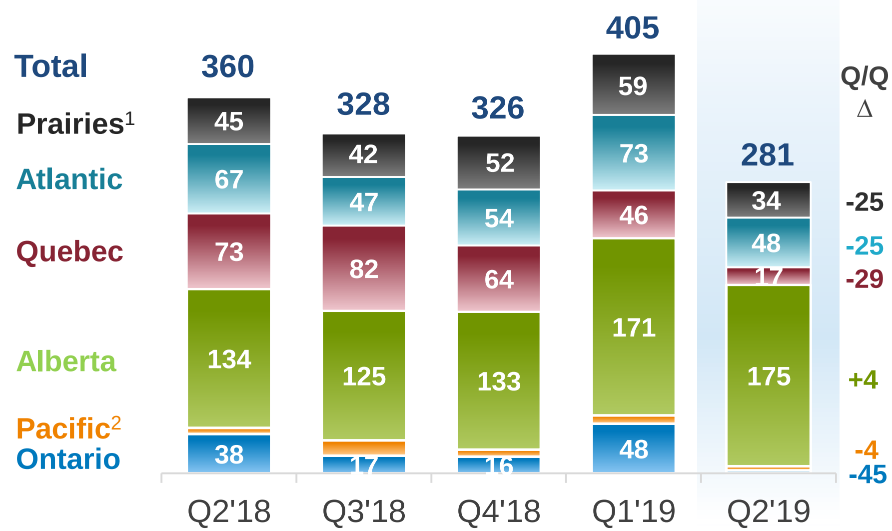
Company sources. Note: Amounts may not total due to rounding. 1. Includes realized income from the interest rate hedging program, excl. realized gains / losses.

Delinquency trends

Outstanding delinquencies



New delinquencies, net of cures, by region



Delinquency rate based on reported outstanding balances[3]

	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
Transactional	0.28%	0.27%	0.26%	0.28%	0.27%
Portfolio	0.08%	0.09%	0.09%	0.09%	0.09%
Total	**0.19%**	**0.18%**	**0.18%**	**0.20%**	**0.19%**

- Lower net new delinquencies Q/Q primarily due to decreases in ON & QC, partly offset by a modest increase in AB

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

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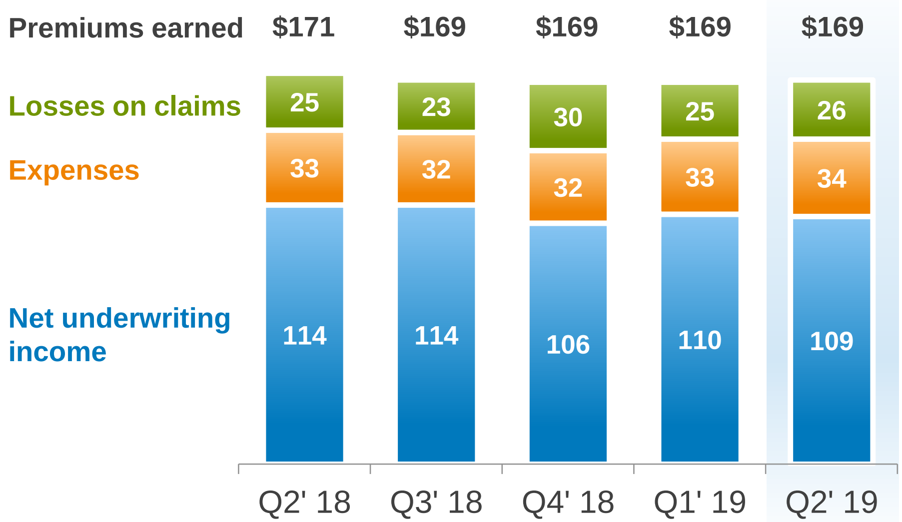
Underwriting profitability ($ millions)



	Q2' 18	Q3' 18	Q4' 18	Q1' 19	Q2' 19
Loss ratio	14%	14%	18%	15%	15%
Expense ratio	19%	19%	19%	20%	20%
Combined ratio	33%	32%	37%	35%	35%
Avg. reserve per delq. ($000s)	$67.7	$67.8	$73.5	$71.7	$76.0
New delqs. net of cures	360	328	326	405	281

Highlights

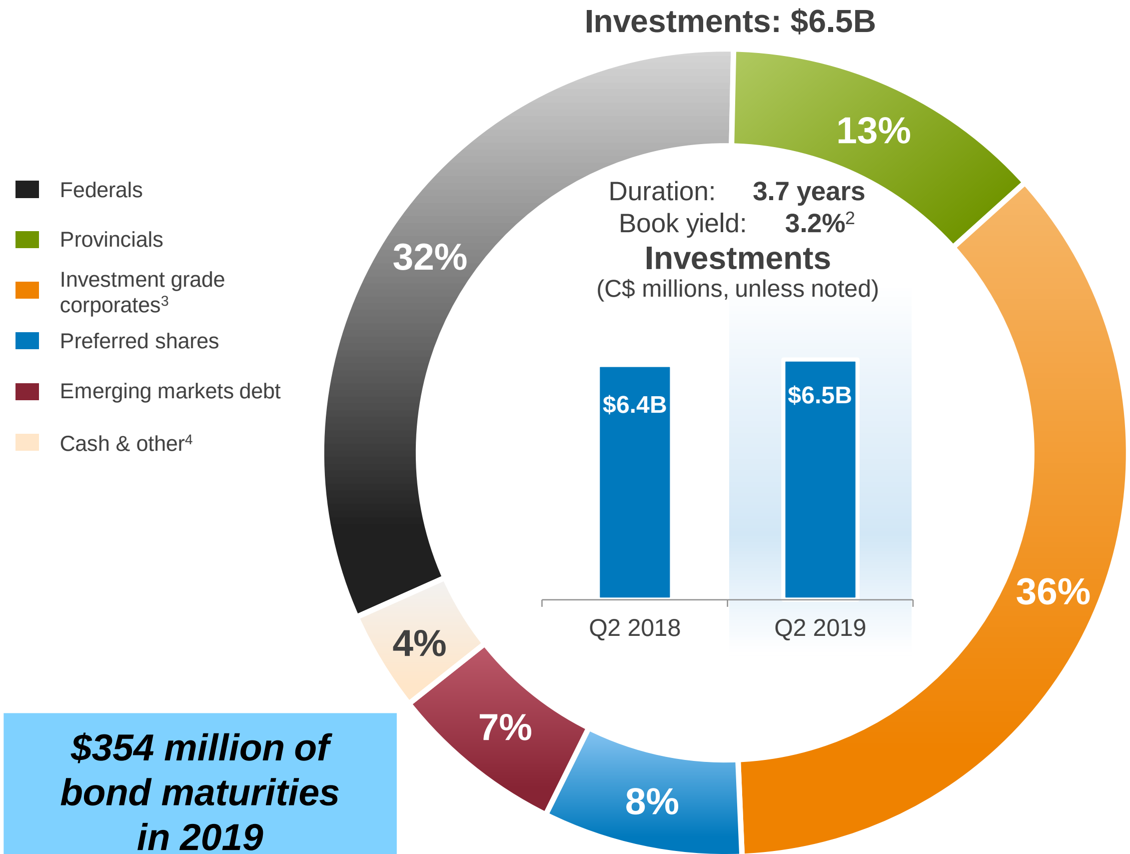
- Full year 2019 premiums earned are expected to be flat to modestly lower Y/Y due to relatively smaller recent books
- Trend of relatively low loss ratios ranging from 14% to 18% over the past 5 quarters reflects strong portfolio quality and stable employment in most regions
- Higher average reserve per delinquency reflects a higher proportion of Alberta delinquencies, which typically have higher claim amounts
- 2019 full year loss ratio expected range remains 15% to 25%, with a bias towards the lower half of the range

Company sources. Amounts may not total due to rounding.

Investments contribute steady income

Total investments and net derivative assets

($6.6B[1])



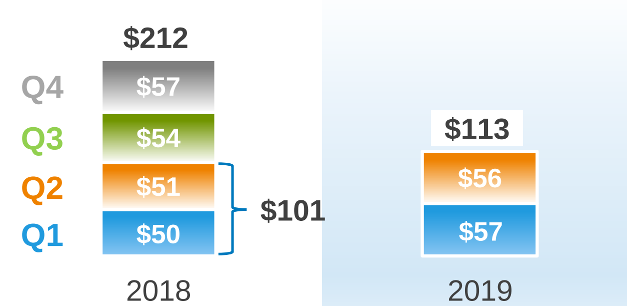
$354 million of bond maturities in 2019

Interest rate hedge program

Interest rate swaps	Forward curve[5]
Notional (C$B)	$3.5
Floating rate[5]	1.75% - 2.00%
Fixed rate[5]	1.17%
Spread	~0.60% - 0.80%
Potential impact on 2019 full year operating investment income	~$20MM - $30MM

Operating Investment Income

(excluding realized/unrealized gains, $ millions)



Q2 investment yield[2]	
3.2%	3.3%

EXPECT FLAT OR MODESTLY HIGHER INVESTMENT INCOME IN 2019 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 Jun. 30th, 2019). 3. Includes CLOs. 4. Cash includes short-term investments. 5. Floating rate reflects management's estimate of the forward curve as at July 29th, 2019; fixed rate represents the contract rates for our existing portfolio of interest rate swaps as at Jun. 30th, 2019.

Capital management

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Regulatory capital as at Jun. 30th, 2019

(by category, $ millions unless otherwise noted)*

	MICAT	
	Jun. 30th, 2019	Mar. 31st, 2019
Capital available	4,419	4,468
Capital required	2,608	2,605
MICAT ratio	**169%**	**172%**
Internal MICAT target	157%	157%
Holdco cash[1]	**~$95 million**	**~$87 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 MICAT ratio of 169% and ample financial flexibility including holding company cash and liquid investments of $95 million and a $300 million undrawn credit facility
- Capital available for redeployment expected to be ~$400 to $550 million for the full year, including the ~$100 million returned to shareholders in Q2
  - Completed $68 million share buyback, and $34 million special dividend in Q2
- Enhanced debt maturity profile, by refinancing $100 million of June 2020 debt maturity

Note: Company sources. MCT / MICAT denotes ratio for operating insurance company. *Totals may not add due to rounding. June 30th, 2019 MICAT ratio represents an estimate.
1. Represents liquid investments and cash held in addition to capital in operating insurance company.

Key strategic priorities

Genworth Canada

1

Drive market share growth by leveraging advanced analytics and process enhancements to improve our **customer experience**

2

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

3

Develop **innovative product solutions** to enhance our **value proposition**

4

Right-size our capital levels to **drive improved returns**

5

Influence key **government stakeholders** to focus on **first time homebuyer affordability**

FOCUSED ON PRUDENT GROWTH AND CAPITAL EFFICIENCY

Genworth Canada

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