Second Quarter Financial Results

July 31, 2009

Genworth MI Canada Inc.

Thank you, Shawna. Good morning, everyone, and welcome to our first conference call as a public company reporting our second quarter results. On the call this morning are Brian Hurley, our Chairman and CEO; Peter Vukanovich, our President and COO; and Philip Mayers, our Chief Financial Officer. Because of the timing of our IPO, this quarter is a bit unique from a reporting perspective. We are announcing full three month and six-month results for our predecessor company, Genworth Canada Holdings.

Agenda

Brian Hurley
Chairman & Chief Executive Officer
Topic: Business Performance, Strategy & Outlook

Peter Vukanovich
President & Chief Operating Officer
Topic: Key Operating Metrics & Loss Mitigation

Philip Mayers
SVP & Chief Financial Officer
Topic: Financial Review, Investment Portfolio

Our news release, including the MD&A and financial supplement, was released last night and is now posted on our website. We have also posted a few slides, which will provide a framework for our discussion today. A replay of this call will be available from our website following today's presentation.

Forward-Looking Statements

This presentation contains forward-looking statements that relate to the company's current expectations and views of future events. These forward-looking statements may be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Management has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect the company's financial condition, results of operations, business strategy and financial needs. Forward-looking statements involve a variety of known and unknown risks, uncertainties and other factors, including those discussed in the risk factors section of the company's amended and restated preliminary base PREP prospectus, which may cause the company's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. The forward-looking statements made in this presentation relate only to events or information as of the current date. The company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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We also draw your attention to our position on forward-looking statement (inaudible).

Non-GAAP Measures

To supplement its financial statements, the Company uses select non-GAAP financial measures. Non-GAAP 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 operating income and return on operating income. The Company believes that these non-GAAP 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-GAAP measures do not have standardized meaning and are unlikely to be comparable to any similar measure presented by other companies. These measures are defined in the Company's glossary which is posted on the Company's website at www.investor.genworthmicanada.ca. Click on the Glossary of Terms under Investor Resources on the left navigation bar.

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I also want to direct your attention toward disclosure on non-GAAP measures (inaudible). We expect our formal remarks to take about 20 minutes, after which we'll open the call for questions.

I will now turn the call over to Brian Hurley, our Chairman and CEO. Brian?

Successful Initial Public Offering

- **One of Canada's largest IPOs in recent years**
- **Strengthens our market position**
- **Improved visibility with customers**
- **Well-positioned and well-capitalized to execute growth**
- **Improves financial flexibility**

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Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

Thank you, Samantha, and good morning. And, thanks for taking the time to join us for our second quarter earnings call. As Samantha mentioned, this is our first call post our successful IPO, which closed earlier this month. And during our road show, our business model and growth strategy resonated with investors, in fact, it resulted in one of the biggest Canadian IPOs in recent years.

And despite the fact that we've been a public company for just a short period of time, we've already felt the impact. The overall awareness of our company in the market has increased, our profile with our customers has improved, and we're better positioned to fund future growth. Overall, we're confident that our status as a public company will help strengthen our already solid position in Canada's mortgage insurance market.

Our second quarter results clearly highlight our strong market position. In a market with some tough economic headwinds, especially around unemployment and job loss, we continue to be a company that executes. Net operating income for the quarter was $69 million or $0.60 per diluted share. This is a solid result in a challenging economic climate.

That said, this was down from the prior year, principally driven by two key factors; the overall deterioration of the economy and our large 2007/2008 books of businesses entering their peak loss period. Both of those factors have influenced the loss performance of the business, and you'll hear more about that later in this call.

Another key measure of our business is return on equity. Consistent with our expectations for the economic environment that we're seeing, our operating return on equity was at 12%. This is lower than the comparative quarter last year, and about the low end of our expected range over a long-term cycle, but within our expected range for the quarter.

Before we dig deeper into the quarterly results this morning, let me share some perspectives on the business environment that we're seeing, as well as our strategy to execute in that environment. As a reminder, the Canadian market is fairly unique in that it requires mortgage insurance on mortgage loans where the loan-to-value is greater than 80%. The product is structured as a single premium product that is paid upfront by the borrower. These premiums are recorded as unearned premium reserves and recognized as revenue over time, and the intent is to match premium recognition for the loss development of the business.

On the competitive front, we have only one major competitor in our business, and we have been investing in resources and technology to solidify our market position. And, in addition, there are also market elements that influence our operating environment; they include items such as housing affordability, such as debt-to-income ratios. In addition to wages, interest rates play a critical role in determining home affordability.

The overall economic environment plays a role, especially the unemployment rate and the resulting job losses. And, consumer confidence and home buyers' overall outlooks are a key influencer. Often times, consumer confidence is one of those items that determines a buy or no-buy decision.

During the second quarter, we were in a low interest rate environment -- the lowest mortgage rates we've seen in quite some time, and this has made homes more affordable for home buyers across Canada. In addition, improving consumer confidence this quarter favorably really impacted buying appetites, and lower home prices in many markets led to improved home affordability. Overall, this is positive for consumers and housing market activity, and positive for our business.

A more challenging aspect of the economy and for the overall housing market was job losses. Rising unemployment in areas like Alberta and Southwest Ontario have had an impact on our business. We've seen increased delinquencies and losses in some areas, and these elements have put pressure on the performance of the business. You'll clearly see the impact of this challenging loss environment as we walk you through the results today. That said, although we don't expect pressure from high unemployment levels to go away in the short-term, as highlighted, we are seeing some encouraging signs in the market.

Strong Business Foundation

- Experienced leadership team
- 12 consecutive years of profitable growth
- Strong relationships with the largest lenders
- Debt-free balance sheet
- Conservative investment portfolio

Delivered $69 MM in Net Operating Income & Solid Returns

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When you dig in to determine how we've been successful in this challenging business environment, it really comes down to our business model. We're focused on building our position as the leading private mortgage insurer in the marketplace, and there are many factors that have contributed to the success of this business. First, we have an experienced leadership team, a team that has achieved 12 consecutive years of profitable growth.

We are debt free, have a strong balance sheet, and have a conservative investment portfolio with $4.9 billion in assets. We have created a strong market position by developing a sustaining competitive advantage that resonates with our customers.

Our competitor advantage is a combination of a number of key factors; strong relationships with the largest lenders, which are the large the banks that control a big portion of the market; high quality customer service, focusing on all the touch points between us and our customers, with decision-making on insurance applications through a fully-integrated technology platform; and strong underwriting expectations, including the prudent management of risk.

With that framework, I'll turn it over to Peter, who will walk us through the operational highlights and key second quarter results. Peter?

Q2 Highlights & Key Metrics

Executing in a challenging economic environment

- Net premiums earned of $153 million
- Net premiums written of $82 million
- Losses of $71 million
- Combined ratio of 62%
- Investment income of $51 million

Net operating income: $69 million

Fully Diluted EPS: $0.60

Peter Vukanovich - Genworth MI Canada, Incorporated - President, COO

Thanks, Brian. Good morning, everyone. Before I jump into the main part of my remarks, I'd just like to thank our employees. I know many of you are excited and listening to the call. Thanks for remaining focused and executing against our objectives during our transition to a public company, as well as delivering these solid financial results in a tough environment. Now, let me take you through some of the key metrics and how we performed against them this quarter.

First, our premiums earned increased 22% to $153 million. This is principally driven by significant premium recognition from our large 2007 and 2008 books. This demonstrates the power of the single upfront premium mortgage insurance model, as premiums collected are primarily amortized into revenue over a five-year period.

Next, while our net premiums written were down significantly to $82 million, this was a result of three factors; market size, market share, and product mix. Let me give you some color on each of these. In terms of the market, Canada saw an unprecedented drop in consumer confidence and mortgage lending in the fourth quarter of '08 and the first quarter of '09. While this confidence and application activity has started to return, they had a significant impact on our premiums written.

With regards to market share, we gave up some ground as lenders became concerned about the difference in the government guarantee from our major competitor. We also made some conscious underwriting decisions to tighten our criteria in certain economically-challenged markets to maintain the strong quality of our portfolio.

Last, in terms of product mix, we saw a significant increase in the amount of refinance business versus new purchase business, as well as we no longer ensure loans above 95% loan-to-value or loans with anything longer than a 35-year amortization.

Next, on the loss line we experienced an increase in our losses to $71 million, which resulted in a loss ratio of 46%. And that's no surprise, given job losses drive the frequency of mortgage delinquencies. Also a bigger driver was the housing price adjustments in certain parts of the country, particularly Western Canada, that contributed to above-average amounts of loss per loan. This all resulted in a combined ratio -- combined ratio is a measure of our ability to generate profits from our underwriting activities, with a solid 62%. This is up marginally from the end of the first quarter.

Next, our investment income came in at $51 million, where we executed a strategy to shorten portfolio duration and move into cash to preserve capital. And, as a result, there were no impairments in the investment portfolio in the quarter. We continue to proactively manage a diversified mix of fixed-income assets, consisting primarily of government and high-grade corporate credits.

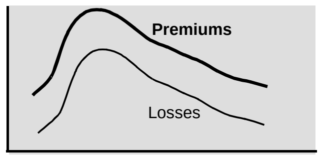
One other thing that I'd like to highlight is how well we are executing our loss mitigation strategies when home owners run into financial difficulties. This quarter, our Homeowner Assistance Plan assisted over 1,200 families to stay in their homes. To put this in some context, we helped 700 families for the entire year of 2008.

The Homeowner Assistance Program has a success rate of about 90%, and has been a real differentiator for us. We've led the industry in creating these win/win/win solutions. And not only do we reduce our potential losses, but we're helping lenders solidify their relationships with homeowners when they need help the most.

To sum things up, we had solid financial results given how tough the environment is, probably the toughest I've seen in the 12 years since I joined the Company. I'm now going to pass the call over to Phil, who will discuss some of the financials in more detail. Thank you.

Appealing Financial Model

- Single premium paid upfront … Cash invested
- Recognized as premiums earned principally over five years … Unearned premiums of $2.1 billion
  - Matches premiums earned to losses
  - 90% of unearned premiums expected to be earned over next 5 years



- Strong Capitalization … Shareholders' Equity of $2.4 billion
  - Minimum Capital Test Ratio of 140%

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Phil Mayers - Genworth MI Canada, Incorporated - CFO

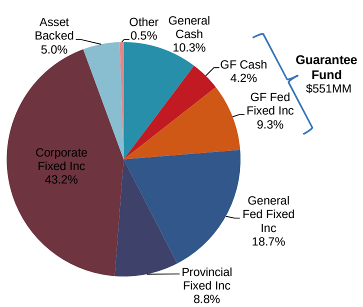
Thanks, Peter, and good morning to everyone. I wanted to walk you through the key aspects of our financial model, and then turn to some key financial metrics, including capitalization. As you've heard before, the single upfront premium leads to substantial buildup of unearned premium reserves, or UPR, and provides good visibility into future premiums earned. As background, we record the single premium into UPR. UPR is then amortized into revenue over time based on the expected loss emergence pattern.

The vast majority of losses occur two to four years after a mortgage is originated, and the premium recognition curve matches this. We estimate that approximately 90% of the UPR, or almost $2 billion, will be earned into revenues over the next five years. In simple terms, this means that we have a guaranteed stream of future revenues that absorbs losses and provides for underwriting profits.

On the capital front, we are very well-positioned with respect to the special risk-based Minimum Capital Test, or MCT, for mortgage insurers. Our MCT ratio increased from 134% at the start of the quarter to 140% at quarter's end. This is well ahead of the supervisory MCT target ratio of 120%, and higher than our internal target of 135%. Unwritten premiums, together with the regulatory capital requirements, generate a large investment portfolio totaling $4.9 billion, which I will review next.

High Quality Investment Portfolio

Investment Portfolio (June 30, 2009)



Total: $4.9 Billion

Cash or Investments Rated A or Higher	**98%**
Cash or Investments Rated AAA	**46%**
Duration	**3.3 Years**
Book Yield	**4.2%**
Preferred Shares	**None**
Common Shares	**None**
Impairments Since 2007	**$2 million**
AOCI	**$55 million**

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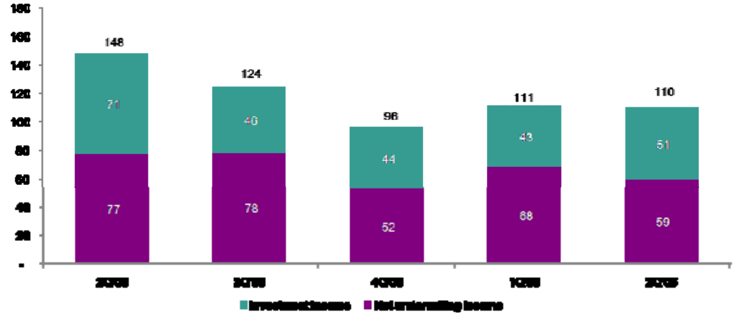
Turning to the investment portfolio, a key driver of our financial performance is the investment income earned from our conservatively managed investment portfolio. Our investment strategy focuses on highly-rated, fixed-income security, at the same time, we actively pursue strategies to enhance the yields. As over 98% of our portfolio in cash are single A or higher rated investments, we have experienced virtually no net realized losses since 2007 and are currently in an unrealized gain position of $59 million.

Interest rate risk was actively managed, and the portfolio duration is relatively short at 3.2 years with a current book yield of 4.2%. Our strong balance sheet is a clear positive for our business. We believe that investment income will be a key source of revenue growth going forward.

Track Record of Profitability

Underwriting & Investment Income



Net income	$105	$86	$72	$74	$74
Net operating income	$87	$86	$72	$77	$69

Notes: Excludes the impact of changes in the premium recognition curve in Q1 2009. Including the impact of these changes, net underwriting income, net income, net operating income, for the quarter ending March 31, 2009 would have been $161 million, $137 million, $142 million.

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Turning now to our track record of profitability, we continued our track record of solid profitability in the second quarter. We achieved net unwritten income of $59 million in the second quarter, with a combined ratio of 62%. Investment income contributed a further $51 million through pre-taxed earn-ins, and is a key lever of both profitability and return.

For example, every 25 basis points increase in after-tax investment yield produce approximately a 50 basis point increase in operating return and equity. Going forward, we are targeting enhanced investment income, as we reduce our cash positions from $600 million and invest in additional high-quality fixed-income securities.

Overall, net income was unchanged from the first quarter at $74 million, as increases in net premiums earned and investment income offset the increase in losses. Net operating income of $69 million, while lower than previous quarters, is still solid performance in a challenging environment. It reflects the resilience of our business model built on a single upfront premium, disciplined risk management, and proactive loss mitigation activities. The Company's strong capital base of $2.5 billion and continued profitability gives us the financial flexibility to both grow the business and pay dividends going forward.

With that, I'll now turn it back to Brian.

Second Quarter Financial Results

July 31, 2009

Genworth MI Canada Inc.

Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

Thank you, Phil. I hope you got a good feel for the key results this morning. And, in particular, I hope you heard that this Company is a company that executes, even in challenging times, that we have a track record that continues with a solid second quarter net income performance, and that we're well-positioned in the market and are investing in key resources focused on our customers. And, as you heard this morning, going forward there are few key levers for growth.

First of all, with low interest rates and home prices stabilizing, we do expect to see a modest lift in mortgage originations and a corresponding lift in high loan-to-value loans, and our opportunity is to capture a greater portion of the market, primarily through greater penetration of the large financial institutions. We have a strong position with them, but intend to make it even stronger.

Becoming a public company is going to allow us to highlight our financial strength and strong balance sheets to these key lenders. When you combine that with continued strong customer service and a focus on key growth niches, we believe this will allow us to grow our share with this important customer base.

In summary, I'd like to leave you with three key points. We had a strong quarter as measured by all our key metrics. The market environment is starting to show encouraging signs of recovery. We have the people, product, and customer relationships to capitalize in that environment and grow our business.

With that, thanks for listening. And now, we'll like to open it up for any questions that you may have.

Ryan Pinton *- Scotia Capital - Analyst*

Good morning.

Brian Hurley *- Genworth MI Canada, Incorporated - Chairman, CEO*

Hi, Ryan.

Ryan Pinton *- Scotia Capital - Analyst*

Hi. You mentioned a 90% success rate on your loss workouts this past quarter. How is that calculated?

Brian Hurley *- Genworth MI Canada, Incorporated - Chairman, CEO*

Thanks for that. Peter, can you handle that?

Peter Vukanovich *- Genworth MI Canada, Incorporated - President, COO*

Basically, the number of times that we actually touch a customer and that we work out a situation with them where it's either a capitalization of a loan or we're making some payments that they do not reoccur and become delinquent.

Paul Holden *- CIBC - Analyst*

Hi. Good morning. I want to talk about market share development maybe in a little more detail. You estimated at the end of '08 your market share for high LTV loans was around 30%. Can you put an estimate on where you think it is year-to-date in 2009?

Brian Hurley *- Genworth MI Canada, Incorporated - Chairman, CEO*

Hi, Paul. I'll turn it over to Peter. But first I'll give some color to say that that's a hard measure, as our competitor, which is a big component of the market, does not report share on a regular basis so we get our share feedback basically from our customer base and basically from our monitoring the market. But with that color, Peter, do you have a view?

Peter Vukanovich *- Genworth MI Canada, Incorporated - President, COO*

Yes, I do. I mean, I walked you through the reasons why we saw some reduction in premiums; the differences in market size, share, and product mix. I think we're seeing some encouraging signs moving into the third quarter, though. It is going to take -- it's going to be a gradual return, in that the loans that we approve today take about two months before they actually show up on our financial statements in terms of an average closing for a consumer taking 45 days to two months.

But, in general, the way I look at market share, it's all about being smart about it and working your way through loans, and making sure that you're putting on high-quality business. It's a relationship business where being a trusted partner is what really matters, and you've got to have value. And our strategy is to wow customers with service, and do it in a way that suits their unique styles and requirements. So hopefully, that answers your question, Paul.

Paul Holden *- CIBC - Analyst*

Okay. So in terms -- a related question. In terms of premium written then, the fact that the market bounced back in Q2, you're saying we're not going to see that until really Q3.

Peter Vukanovich *- Genworth MI Canada, Incorporated - President, COO*

Yes. It will be Q3 and then into Q4.

Paul Holden *- CIBC - Analyst*

Okay. And with respect to the pro forma book value, it looks like there's an approximately $142 million adjustment from what you actually reported on your statements at the end of Q2 to what your pro forma value is. Can you walk us through how you got to that $142 million adjustment?

Brian Hurley *- Genworth MI Canada, Incorporated - Chairman, CEO*

I'll let Phil Mayers take that one.

Phil Mayers *- Genworth MI Canada, Incorporated - CFO*

Certainly, Paul. The adjustments relate to the fact that because this is our first quarter and the IPO took place on July 7, we're showing the financial statements primarily for the main subsidiary, Genworth Holdings I. As a result, we show preferred shares of $50 million under the liability section of the balance sheet, so you need to add that to the equity section. As well as part of the IPO there was the repayment of inter-company debt of $67 million, and that was converted into equity. There was another $25 million that was retained from the IPO proceeds. So when you add the $50 million, $67 million, and $25 million, that gives you the $142 million.

Paul Holden *- CIBC - Analyst*

Great. Thank you.

Peter Vukanovich *- Genworth MI Canada, Incorporated - President, COO*

You're welcome.

Gabriel Dechaine - Genuity Capital Markets - Analyst

Hi. Good morning. Just to talk a bit more about these workouts, I was just wanting a sense of how well-oiled that machine is. I guess with a 98% success rate it sounds like it's functioning pretty well in terms of your staffing and processes and all that. What have you done over the last few months or year to enhance your capacity to handle workouts because obviously that's increasing?

And also from an accounting perspective, how would it get reflected, the successful workout, in your results? Would it show up as a positive reserve development or some other form?

Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

Okay, Gabriel. Good question. We'll handle that in two parts. Of course, we've been resourcing that area. I'll let Peter talk about how we're ramping up our resources and focusing. And then, Phil can touch on the accounting aspect of it. Peter?

Peter Vukanovich - Genworth MI Canada, Incorporated - President, COO

Good morning, Gabe. I think the real positive developments here for us is that we've ramped our teams up significantly, and we've also lined them up by lender. So, we're really getting that very close interaction with each group. And not every group -- not every lender does it the same way.

But, in general, we've got about 35 people now working these loans and touching each delinquency, trying to figure out whether or not there's a way we can keep the person in the home. If there is any way to do it, it makes a heck of a lot of sense for all three parties. And then with regards to the whole relationship, the lenders have become much, much more accepting of us working directly with the consumer.

I will say over the years there has been some hesitancy in the past. But, given what's going on in the economic environment, they've been much more receptive to having us working even right in their shops. Our people are right down there working side by side with their folks on the collections lines.

Phil Mayers - Genworth MI Canada, Incorporated - CFO

Turning to the accounting question, when we do workouts we assess the potential for loss. And if the workout is approved and it is successful, meaning that the borrower now is no longer delinquent, we no longer hold a reserve for that loan. So, in a sense, there is the positive development from that. At the same time, we've continued to focus on borrowers that are 30 to 60 days delinquent. So, we're really working very early in the process. And essentially, we take credit when the borrower -- when the workout succeeds and the borrower is no longer delinquent, and we no longer hold a reserve in that case.

Ryan Pinton - Scotia Capital - Analyst

I have a few more questions here, if you don't mind. Was there any reserve development in the quarter?

Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

Phil, do you want to take that?

Phil Mayers - Genworth MI Canada, Incorporated - CFO

Yes. With respect to reserve development, it's very -- the cycle for a claim is nine to 12 months from the point of time the borrower misses the first payment until the claim is paid. We continue to monitor our reserves and update our reserves throughout the quarter. Having said that, clearly home price depreciation has impacted the business.

And clearly, as prices have declined in the first quarter of the year and somewhat into the second quarter, some of the reserves that were established in 2008 we have seen some adverse development. With the positive signs in the housing market and with home prices stabilizing, some of that unfavorability may actually return to favorability. So, it's really difficult to measure it on a quarter's basis; you really need to look over a longer period of time. And those are the two factors that we're seeing influencing our reserve development.

Ryan Pinton - Scotia Capital - Analyst

Can we expect to get a number for year-end then?

Phil Mayers - Genworth MI Canada, Incorporated - CFO

At year-end, we will clearly be able to publish a number because then we're able to really measure the 2008 reserves and how they've developed into 2009. Having said that, we estimate that the number will not be a significant amount.

Ryan Pinton - Scotia Capital - Analyst

Any perspective on page 15? The first two months of the second quarter had an expense ratio of 13%, but the quarter ended at 15%. Is there an explanation for the increase over the last month?

Phil Mayers - Genworth MI Canada, Incorporated - CFO

The explanation is really driven by some one-time expenses as a result of us being a -- moving to a public company. There were certain inter-company transactions that previously were not reflected in our books, but as we became a standalone company, we reflected those in our books.

Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

And, Ryan, another piece of that is that we're investing in this business now. We talked about workout and the impact of workout. We're putting more resources in the workout area, putting more resources in the front end to attack some of those customers where there's [surer] opportunities. So, it's a combination of a few things. But generally, we feel that this expense ratio is reasonable and will continue to run in that range. We're addressed all the opportunities that we need from a resourcing perspective.

Paul Holden - CIBC - Analyst

Hi. A couple of follow-up questions. First, with respect to excess regulatory capital -- so you're about 20% over the minimum now. Is there a maximum threshold where you'd be happy to reach and after that point perhaps increase your dividends or buy back stock?

Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

Yes, Paul. I'll take that one. Yes, we are running at excess capital. And there's a couple of parts to that. One, we're comfortable with that now because that's where the regulator likes to see us -- at a higher capitalization in a more challenging economic environment. But, we also are aware of the impact on our ROEs. So, two things we're looking at.

Number one is to take that excess capital and reinvest it in the front end; reinvest it in growing our top line through improving our market penetration. And, to your point, yes, we will continue to evaluate our dividend policy on an ongoing basis. But for the short-term, it's plowing it back in to support the new insurance written.

Paul Holden - CIBC - Analyst

Okay. So just to understand your answer then, your first priority would be to reinvest it in the business before returning it to shareholders?

Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

That is correct.

Paul Holden - CIBC - Analyst

Okay.

Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

And continue to evaluate our dividend policy. That is correct.

Paul Holden - CIBC - Analyst

Great. Okay. Second question then is related to AOCI and how to view that in terms of your investment book. How -- I guess what I'm trying to get at is if you hold most of your bonds to maturity, will those realized or unrealized losses/gains go away, or will they be realized? So, in other words, is market value -- how does market value compare to face value overall?

Phil Mayers - Genworth MI Canada, Incorporated - CFO

We do hold a number of our investments to maturity, and the AOCI reflects the after-tax impact of the unrealized gains in the portfolio. Having said that, if we hold to maturity, clearly those gains will amortize down to zero at the redemption point. Having said that, we do at times do trade.

But, we clearly -- our key metrics for the business is net operating income where we discount any realized gains or losses from more profitability measure. So, we view them as a measure of the performance of the overall portfolio, but we do not necessarily count on gains in terms of our net income.

Gabriel Dechaine - Genuity Capital Markets - Analyst

Hi. Just another question here on one of the comments Peter was making in terms of the market dynamics on the refinance activity versus new purchase activity. Could you go into a bit more of that, and what that impact had?

Peter Vukanovich - Genworth MI Canada, Incorporated - President, COO

Yes. In general, what a refinance does to us is brings our overall average premium rate down because typically refinances were about 25% of what we were doing; we're seeing them up in the 35% to even 40% some weeks. And, again, we get a much lower level of premium. We'll show the full value of the refinance in terms of our insurance written. But, again, based on a percentage of premiums written to that insurance written, it's much lower. So, did I answer your question, Gabe?

Gabriel Dechaine - Genuity Capital Markets - Analyst

Yes. That was perfect. And, actually, my last one -- I didn't see anything on the severity ratio or delinquency ratio, and I noticed that Genworth Financial, your parent, they talked about that. If you can, tell me where those ended up. And I guess Alberta and BC were some of the main contributors to a higher severity ratio.

Peter Vukanovich - Genworth MI Canada, Incorporated - President, COO

I'm going to turn it over to Stu for that.

Stuart Levings - Genworth MI Canada, Incorporated - SVP, Chief Risk Officer

Hi, Gabriel. You're right. Firstly, the supplement to our quarter does disclose all the delinquency rates by region and by book of business. And, you're right. The pressure points are clearly Alberta and BC. And that's because they've seen two things. One, they've seen the higher increases in unemployment. And two, they've had the higher declines in property value. It's probably around 10% to 15% from peak-to-trough at this point. So, you've got both drivers; you've got the frequency driver and the severity driver.

The good news is that we do see the housing markets starting to stabilize there in terms of both average price month-over-month, but also just general activity and volume. So that helps on the severity side. Severity actually came down in the quarter overall slightly from the prior quarter, which is a sign of that. As well, the frequency driver of unemployment is moderating.

We're seeing increases, but it's not as severe as earlier in the year. And, it is quite impacted by the Homeowner Assistance Program that we talked about. So, we're making a dent in that impact. So, I think we feel pretty good about the way the markets are evolving and the economic outlook as we go ahead.

Brian Hurley - Genworth MI Canada, Incorporated - Chairman, CEO

And, Gabe, that was Stuart Levings, our Chief Risk Officer there. So, just to let you know.