

Genworth MI Canada Inc.



Enabling Homeownership.
Creating Value.








May 2012

Forward-Looking and Non-IFRSs Statements

This presentation includes certain forward-looking statements. These forward-looking statements include, but are not limited to, statements with respect to the Company's future operating and financial results, expectations regarding premiums written, capital expenditure plans, dividend policy and the ability to execute on its future operating, investing and financial strategies, 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," "expects," "anticipates," "contemplates," "intends," "plans," "believes," "seeks," "estimates," or words of similar meaning. 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 control of the Company. The Company's actual results may differ materially from those expressed or implied by such forward-looking statements, including as a result of changes in the facts underlying the Company's assumptions, and the other risks described in the Company's Annual Information Form dated March 20, 2012, its Short Form Base Shelf Prospectus dated May 7, 2010, the Prospectus Supplements thereto and all documents incorporated by reference in such documents. 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-IFRSs financial measures. Non-IFRSs 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 net operating income and return on net operating income. The Company believes that these non-IFRSs 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-IFRSs 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>. To access the glossary, click on the "Glossary of Terms" link under "Investor Resources" subsection on the left navigation bar. A reconciliation from non-IFRSs financial measures to the most readily comparable measures calculated in accordance with IFRSs can be found in the Company's most recent financial statements, which are posted on the Company's website and are also available at www.sedar.com.

Key terms

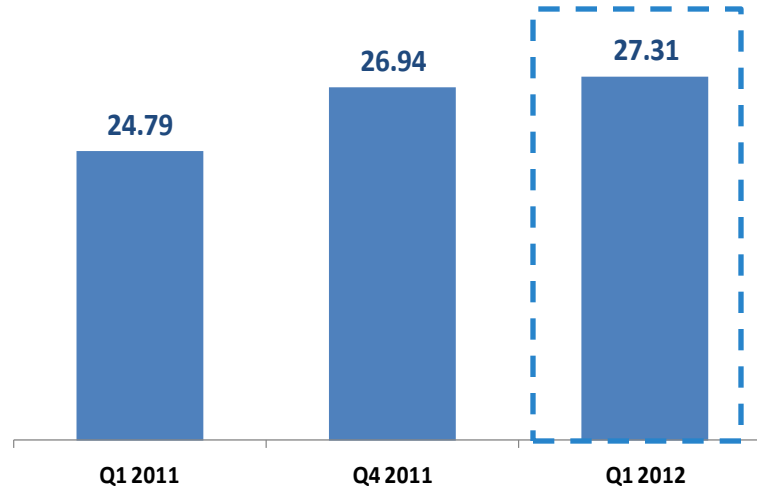
When we say ...		It represents ...
New Insurance Written (NIW)		Original principal balance of mortgages insured in a given period (e.g. one year)
Net Premiums Written (NPW)		Premiums collected on insured loans in a given period
Loan-To-Value (LTV)		Loan amount divided by property value at origination
Insurance In Force (IIF)		Original principal balance of all mortgage loans currently insured
Effective Risk In Force (RIF)		IIF x expected maximum severity of a single book (35%) based on historical loss experience
Unearned Premium Reserve (UPR)		Premiums received but not yet amortized into earnings
Loss Ratio		Incurred losses divided by net earned premiums

Overview

Steady business performance

	Q1 2012	Q4 2011	Q1 2011
Net operating income	\$76 MM	\$79 MM	\$78 MM
Return on equity	12%	13%	13%
Operating earnings per share (diluted)	\$0.77	\$0.80	\$0.73

Book Value Per Share (Diluted, including AOCI)



Delivering solid results

Priorities

Q1 2012

Premiums	Net premiums written of \$79 MM Net earned premiums of \$147 MM
Prudent risk management	Loss ratio of 38%
Investment portfolio	\$43 MM income and book yield of 4.3%
Capital strength	159% MCT vs. 145% internal target
Dividends to shareholders	Competitive dividend of \$0.29 per common share

Stabilizing Canadian economic environment

- **Slowing home price appreciation**

- Balanced market conditions
- Flat outlook for remainder of 2012

- **Smaller high loan-to-value market**

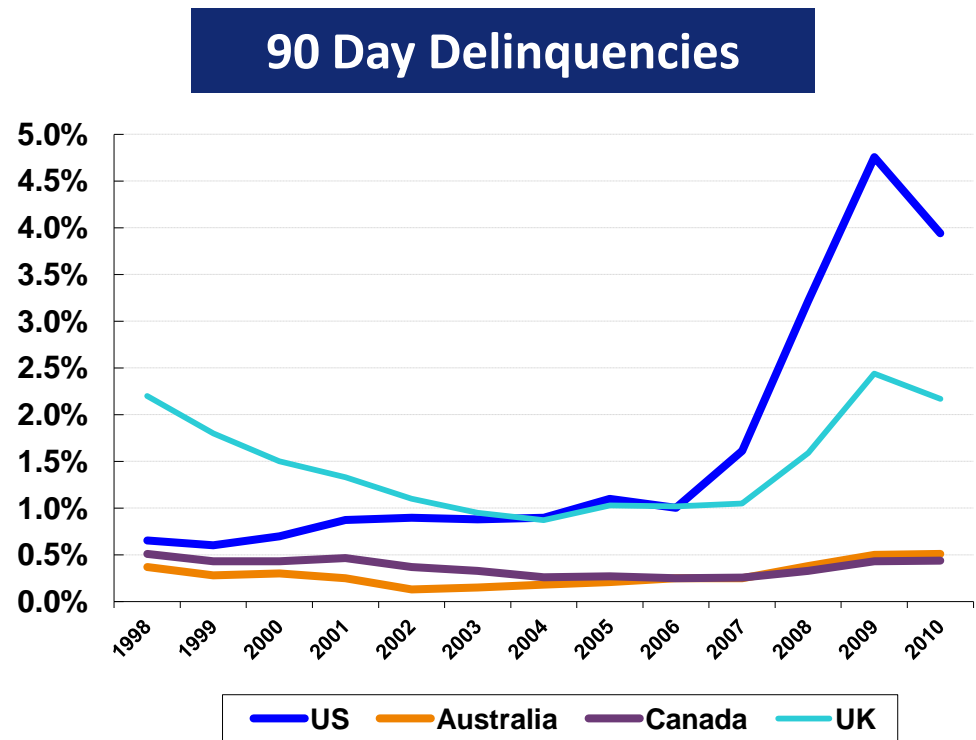
- Government guarantee product changes
- Fewer refinance transactions

- **Continued strong borrower quality**

- Stable debt ratios
- Improving credit scores

Fewer delinquencies in Canada

- Bank originated mortgages
- Strong credit culture
- Borrower recourse
- Interest not tax deductible
- Active regulatory oversight



Source: MBA, CML, CBA, APRA

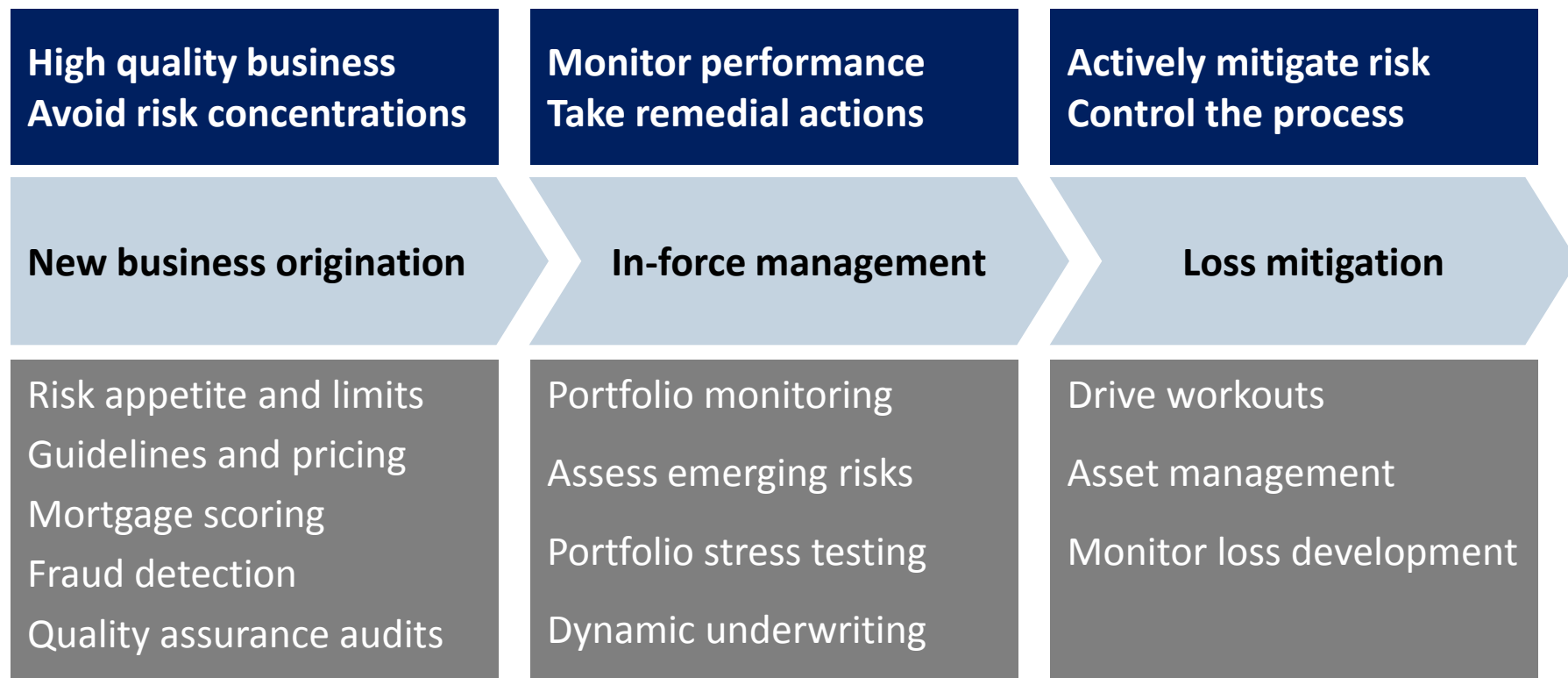
Regulation provides strong support

- Mortgage insurance required for loans > 80% loan-to-value
- Government influences product spectrum
- Insurance operations regulated by OSFI
- 90% government guarantee

Mortgage insurance is an integral part of the housing finance system

High Quality Insurance Portfolio

Total risk management approach



Loan-by-loan underwriting independent of lender

Job loss has the most impact on claims

Frequency

Key driver - Unemployment

Secondary drivers:

- Reduction of income
- Overextension
- Interest rates

Severity

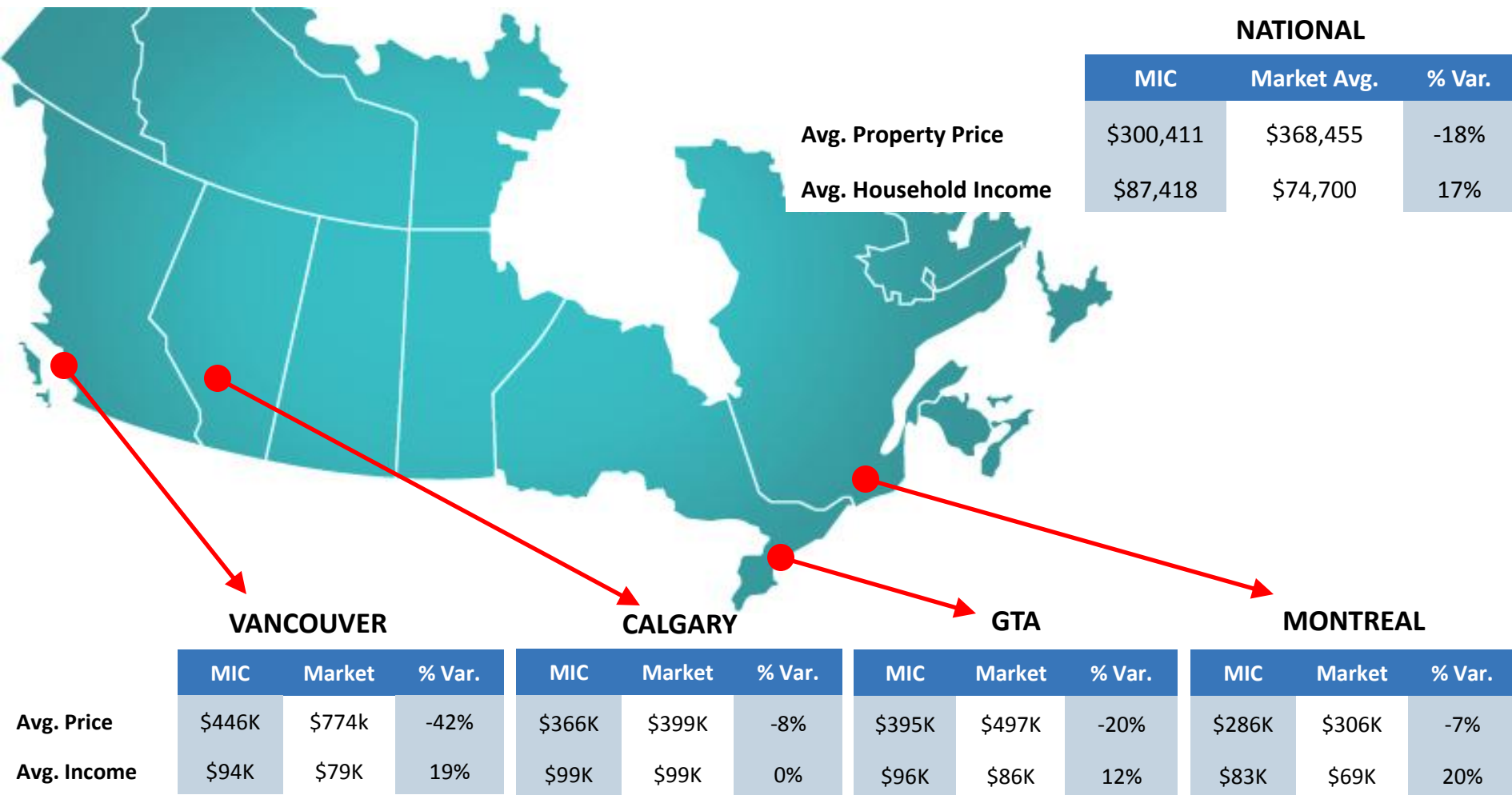
Key driver - House prices

Secondary drivers:

- Property condition
- Extended foreclosure process
- Interest rates

Portfolio quality and borrower recourse help to mitigate macro economic impact

Insured Borrowers Better Than Market



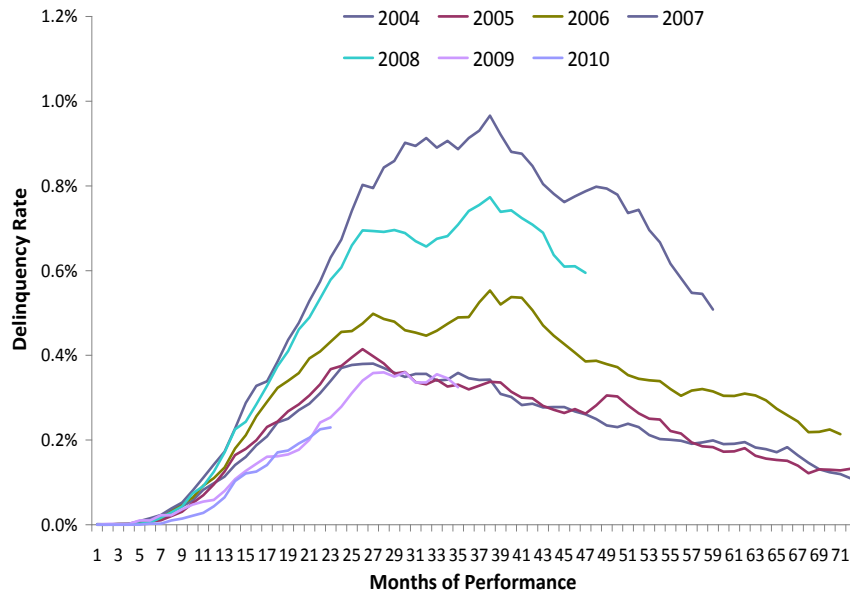
Note: Genworth averages based on Q12012 data; income is Household Income; market averages for property price from CREA & avg after-tax income from Statistics Canada **Table 202-0603** forecasted.

Improving delinquency rate

	Mortgage insurance portfolio delinquency rate			Insurance in-force
	Mar 31 2012	Dec 31 2011	Mar 31 2011	Mar 31 2012
Ontario	0.11%	0.12%	0.18%	46%
BC	0.24%	0.28%	0.31%	16%
Alberta	0.35%	0.40%	0.59%	16%
Quebec	0.24%	0.22%	0.26%	15%
Other	0.17%	0.17%	0.19%	7%
Canada	0.19%	0.20%	0.27%	100%

Positive seasoning trends

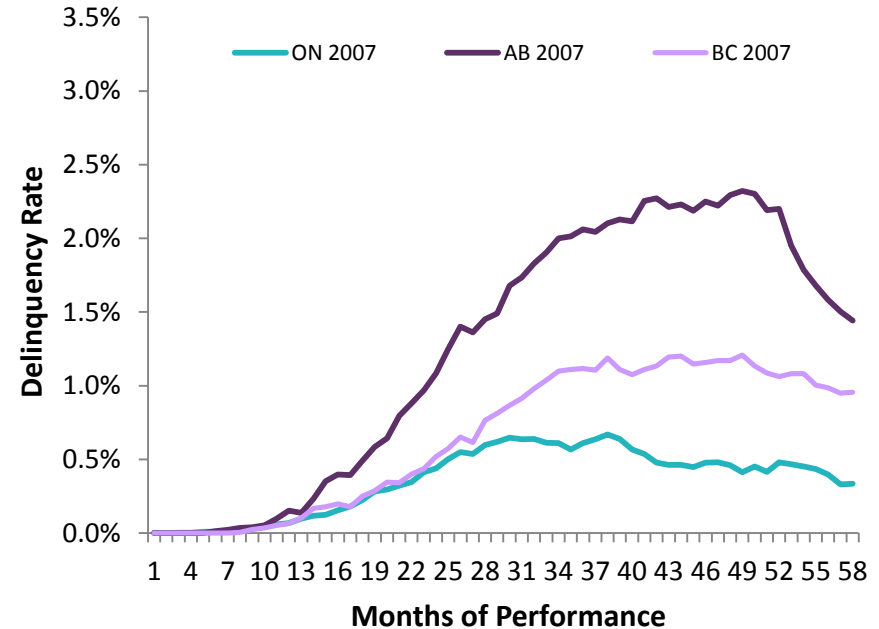
Book year delinquency development



Seasoning as expected for 2009 book

- Tighter underwriting guidelines
- Improved job and housing market

Regional delinquency development



Alberta above expectation in 2007 book

- Written at housing market peak
- Impacted by higher unemployment

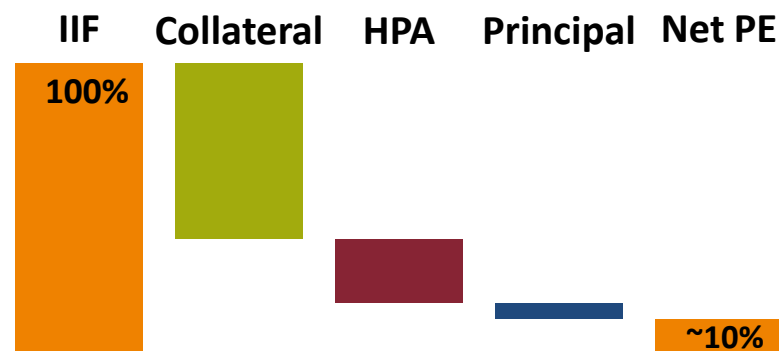
Collateral and seasoning lowers exposure

Insurance in-force (IIF)

Original LTV	\$267B	Effective LTV
90%	2011	90%
91%	2010	85%
91%	2009	78%
92%	2008	76%
91%	2007	71%
89%	2006	60%
90%	2005 and Prior	39%
58%	Low Loan to Value	39%
88%	Portfolio	53%

As at Dec 31, 2011

Potential exposure (PE)

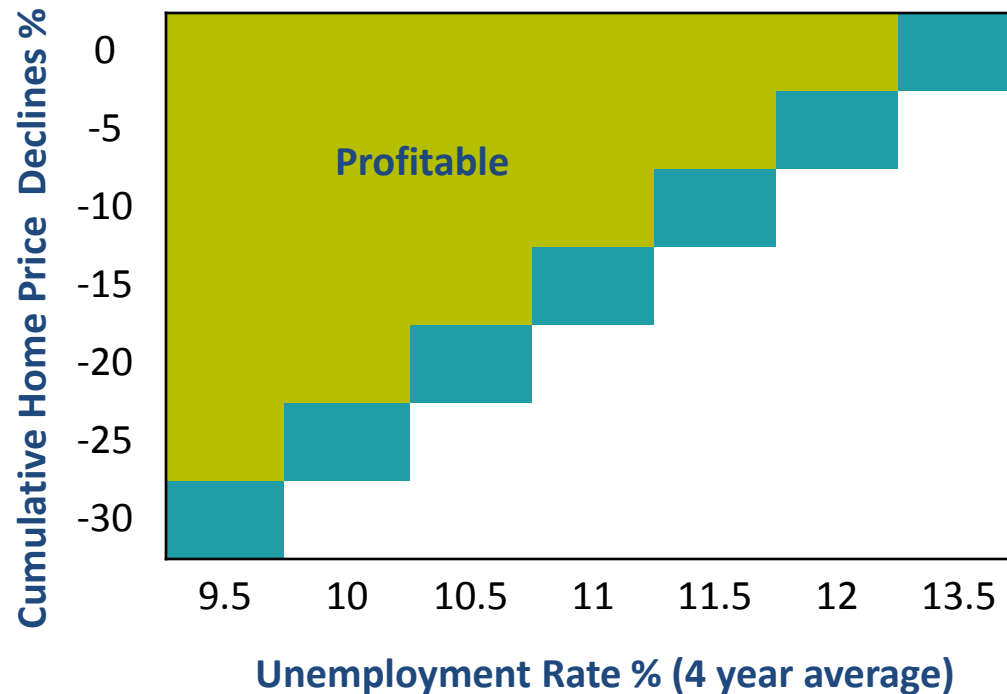


- Effective exposure assumes 100% frequency
- Normal frequency typically ranges ~2-4%
- 100% loss ratio at ~8% frequency

Potential loss exposure significantly lower than insurance in-force

Profitable under a variety of stress scenarios

4 Year Economic Stress Scenario

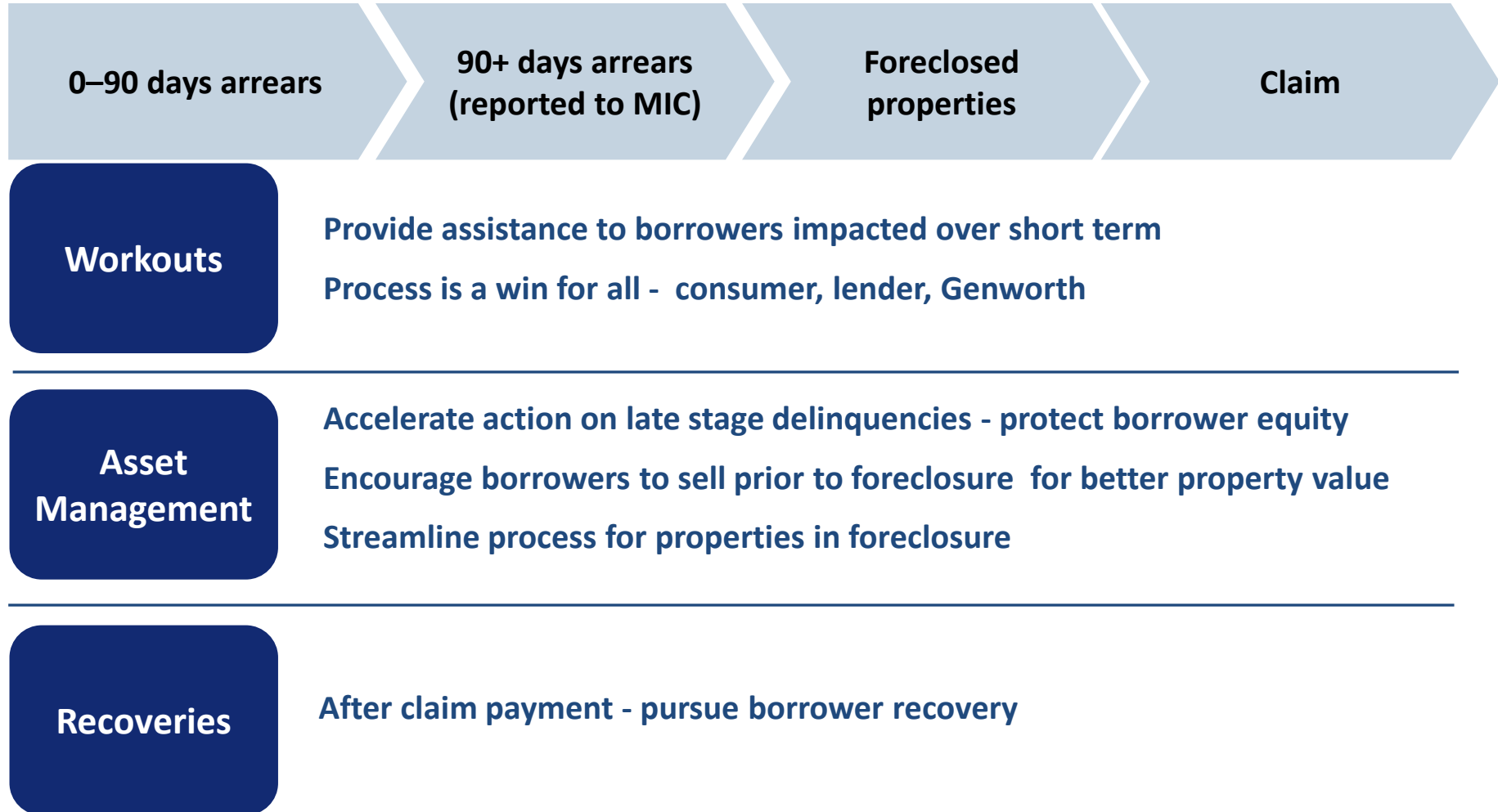


80 – 120% loss ratio (Management estimate Dec. 2011)

Observations

- High quality, diversified portfolio performs well under economic stress
- Low effective loan-to-values buffer against loss
- Loss mitigation a key element in reducing loss severity

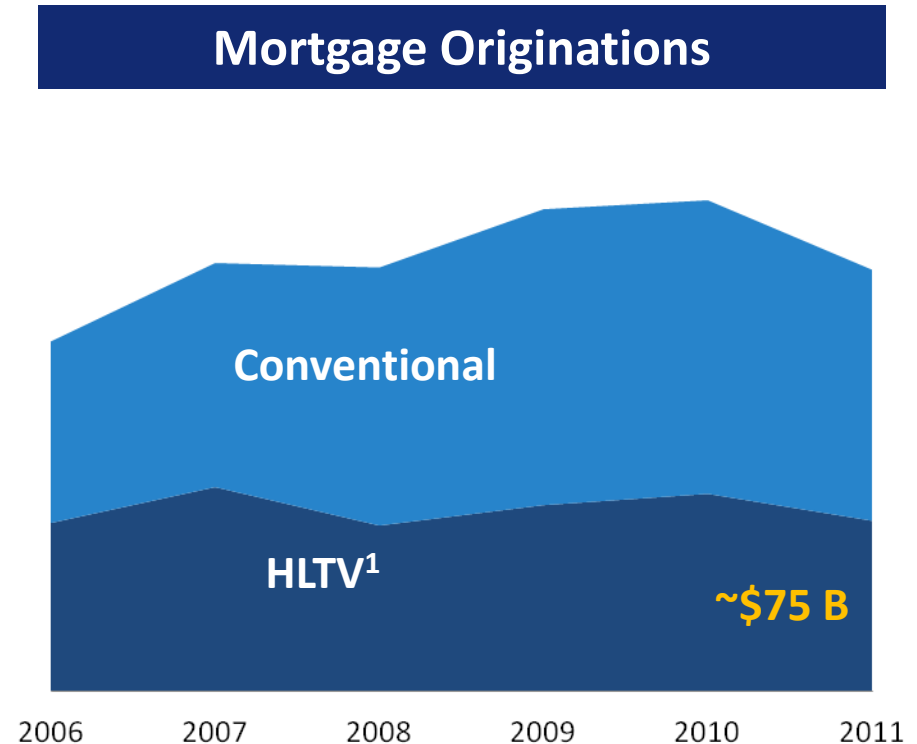
We Mitigate from Delinquency to Claim



Strong Competitive Positioning

Mortgage insurance benefits lenders

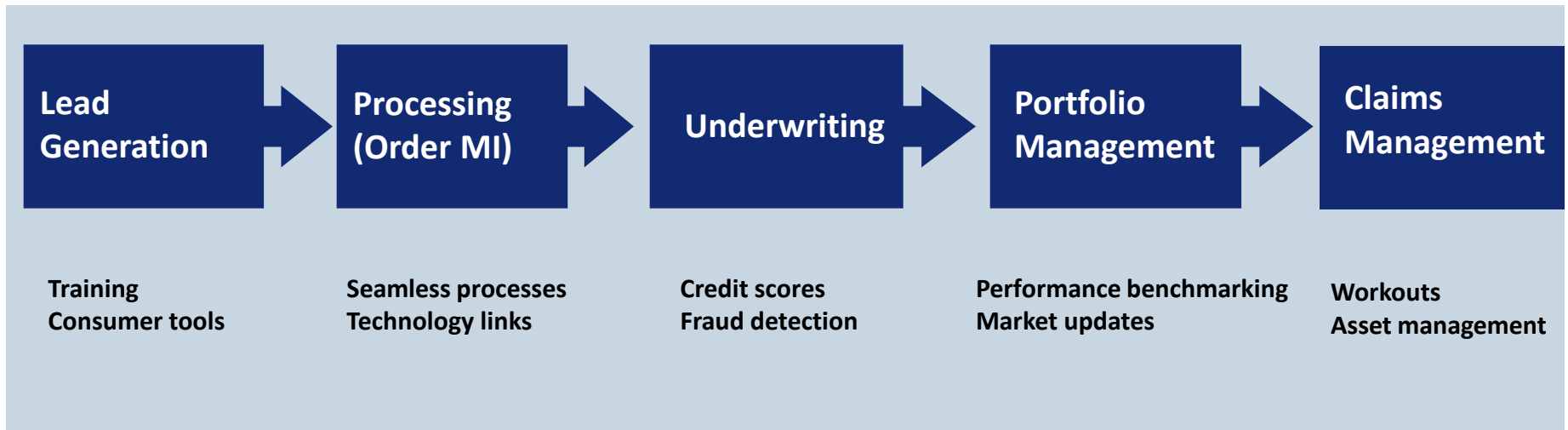
- Capital relief for lenders
- Credit enhancement/funding
- Transfer of risk
- 2nd set of eyes - underwriting
- Market intelligence
- Service innovation
- Mostly large bank distributed



1. High loan-to-value based on Company estimates

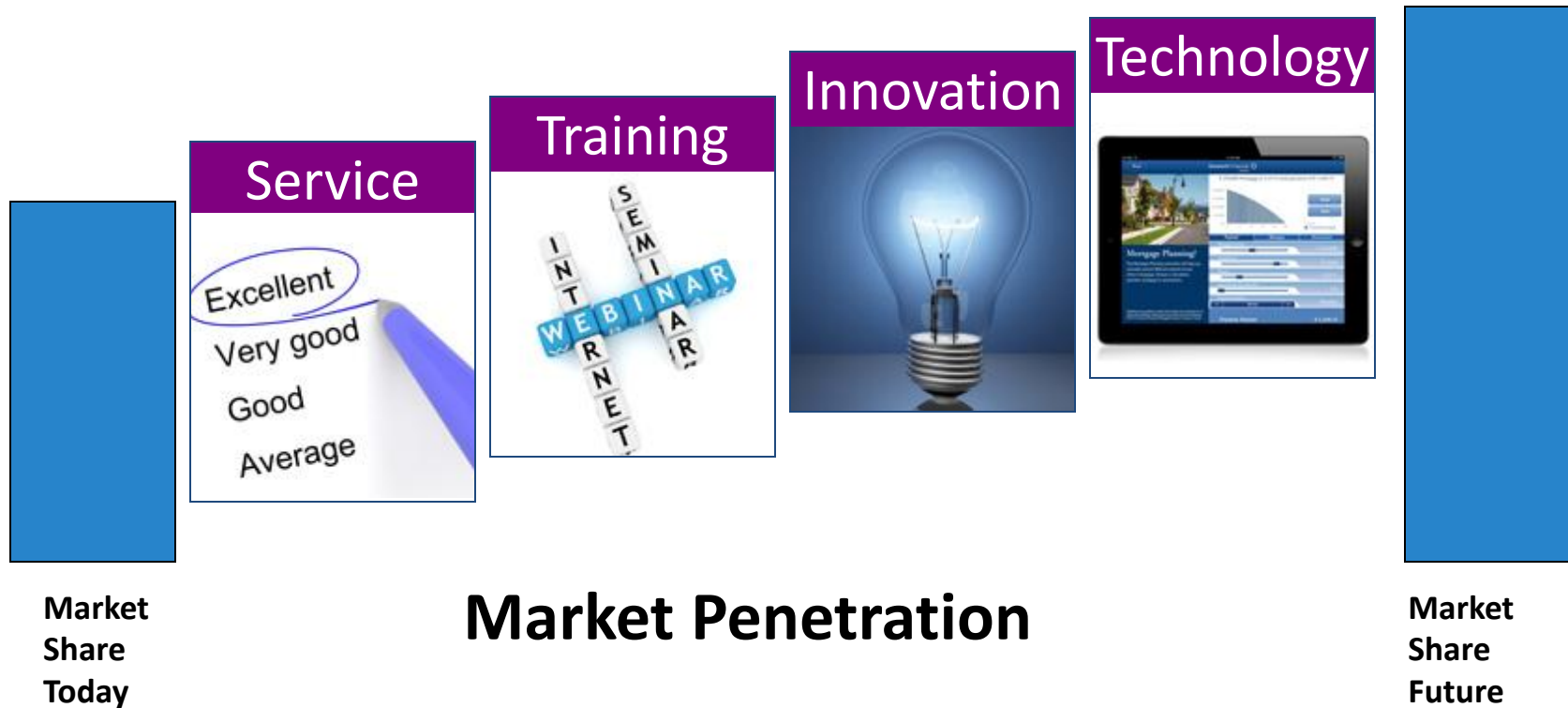
Mortgage insurance market is large and sustainable

Critical part of the mortgage process



- Significant progress in value chain penetration
- Focused on demonstrating strength in claims paying ability
- Positive customer experience drives partnership relationship
- Focused on innovation

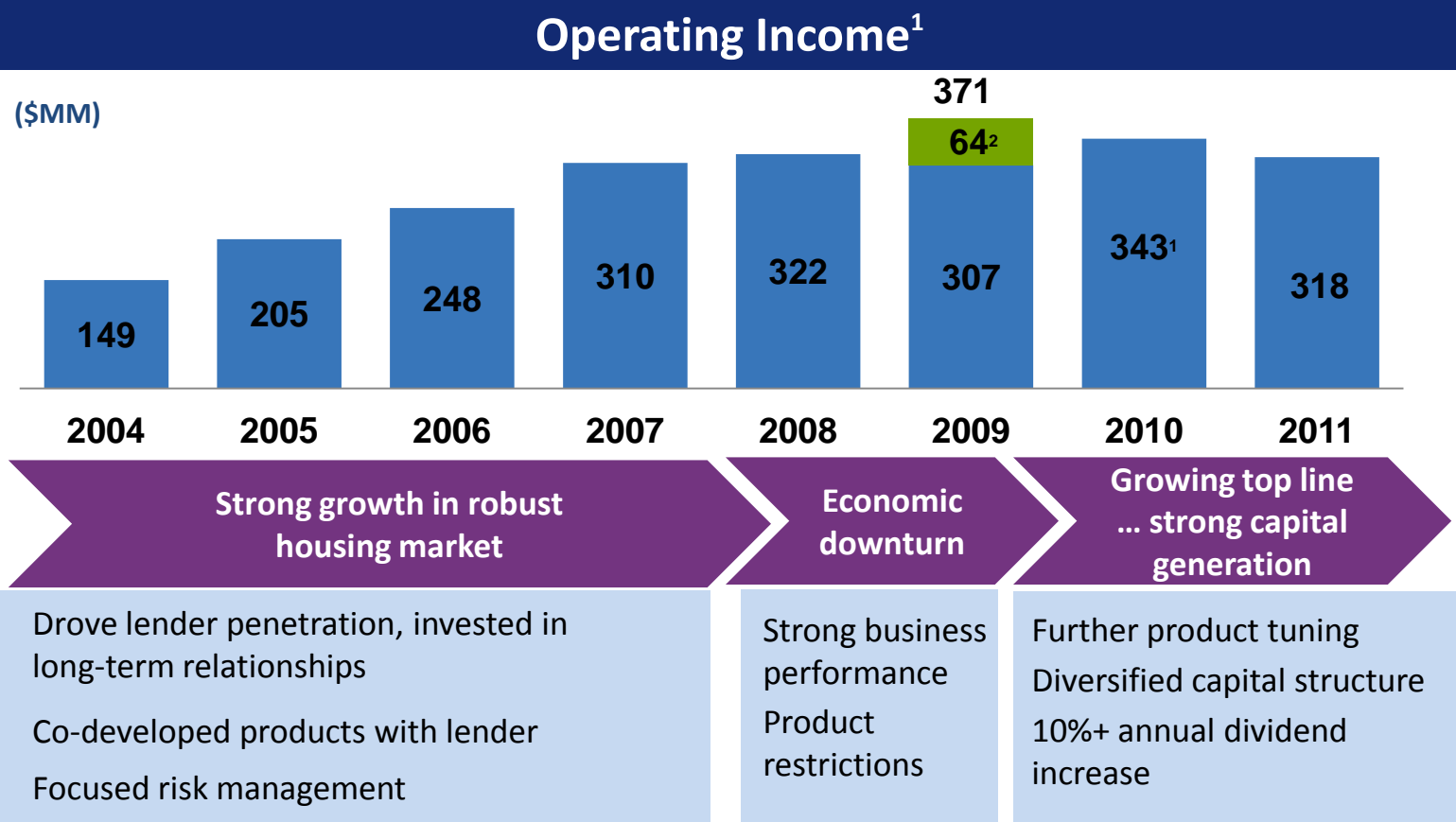
Driving market share



Tailored lender strategies drive top line growth

Delivering Consistent Profitability

Solid financial track record



1. 2004 to 2009 Reflect CGAAP; 2010 – 11 Reflect IFRS

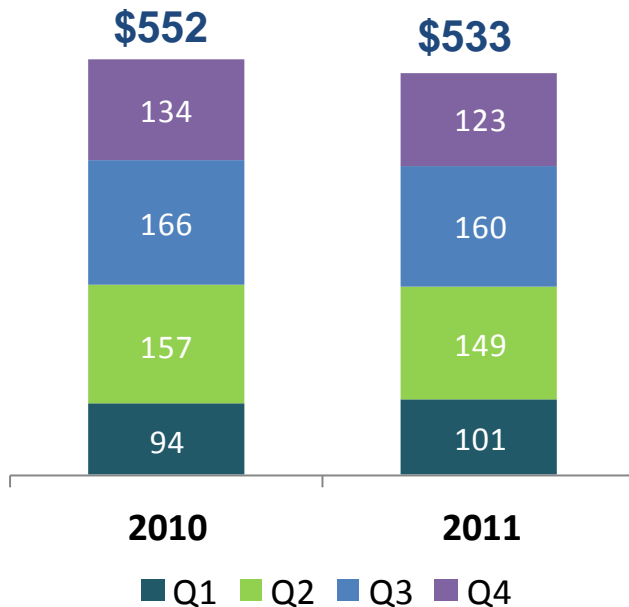
2. Impact of change to the premium recognition curve in 2009

Continued profitability

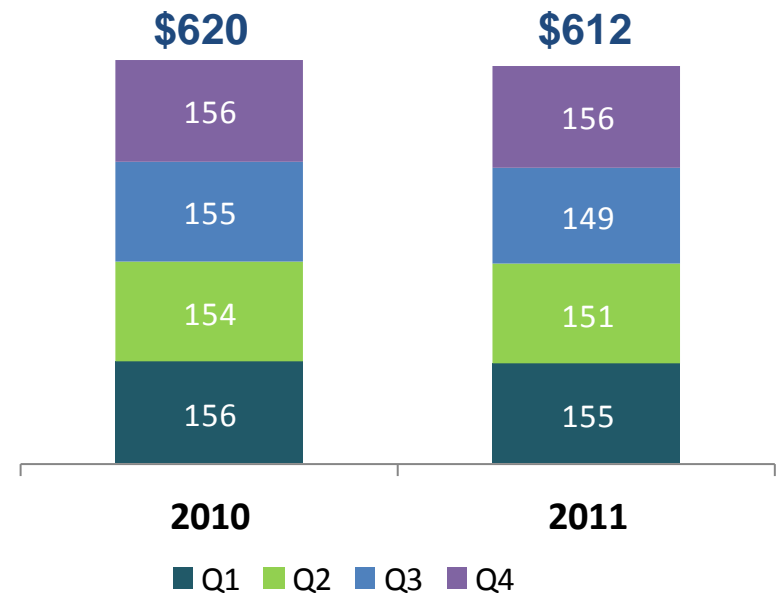
\$ MM (except EPS and BVPS)	Q1 2012	Q4 2011	Q1 2011
Net premiums written	\$ 79	\$ 123	\$ 101
Premiums earned	147	156	155
Losses on claims	(56)	(62)	(59)
Underwriting income	65	68	71
Investment income (excluding gains / losses)	43	42	43
Net operating income	\$ 76	\$ 79	\$ 78
Operating EPS (diluted)	\$ 0.77	\$ 0.80	\$ 0.73
Book value per share (diluted and including AOCI)	\$27.31	\$26.94	\$24.79

Solid progress on market penetration

Net Premiums Written (\$MM)



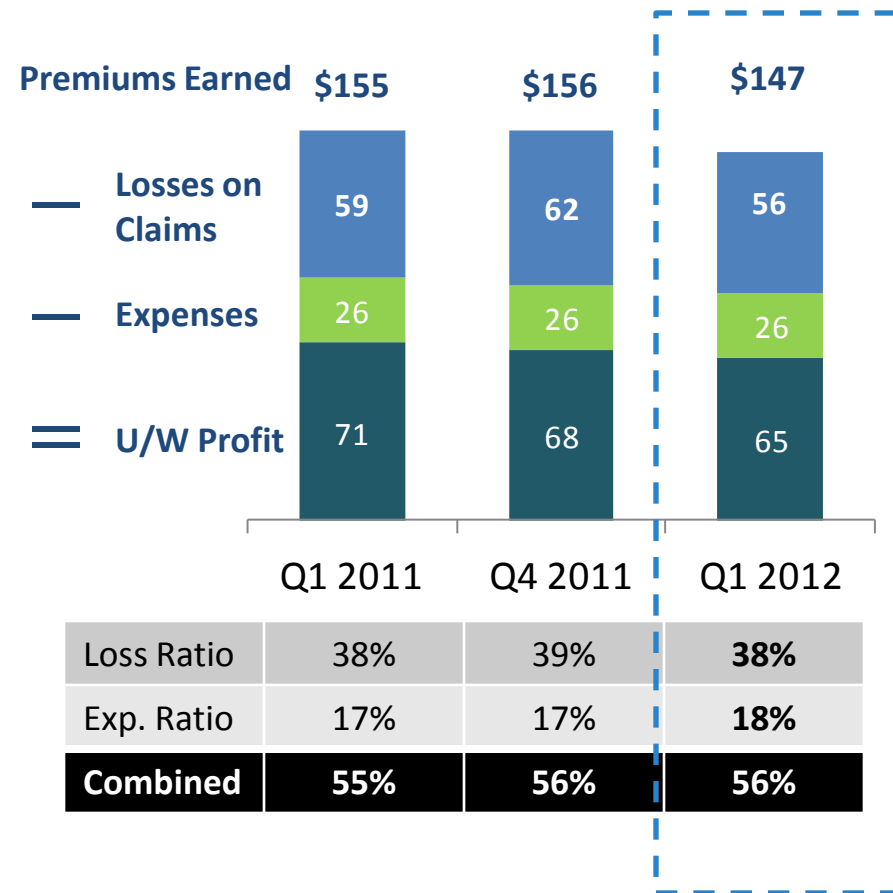
Premiums Earned (\$MM)



Single upfront premium, \$1.8 B in unearned premiums

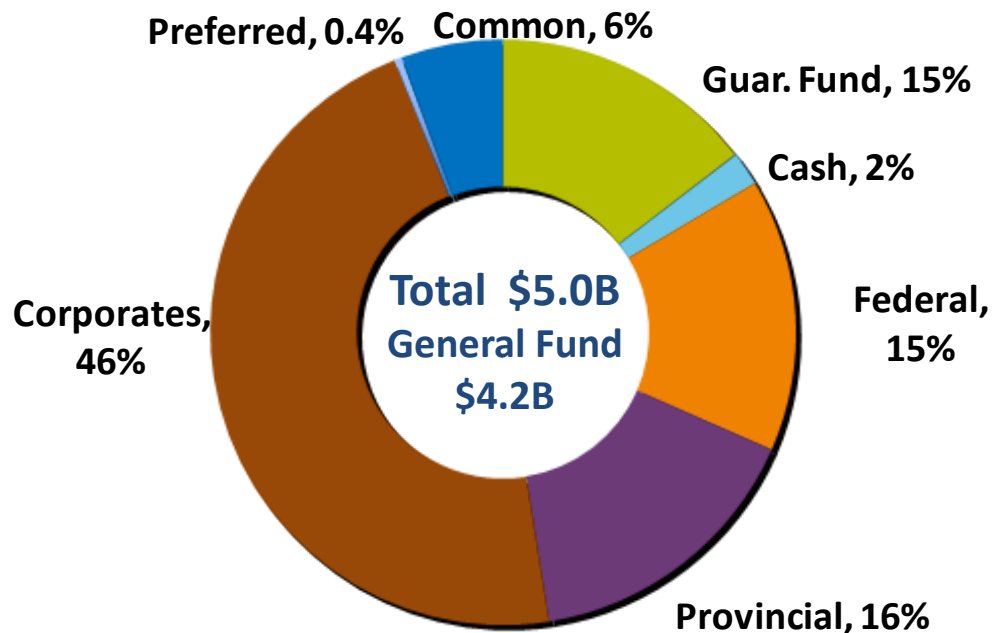
Consistent underwriting results

Underwriting Profit (\$MM)



- Premiums earned moderating
- Loss ratio of 38% within pricing target range of 35 to 40%
- Generates steady underwriting profits

Investment portfolio adds income stability



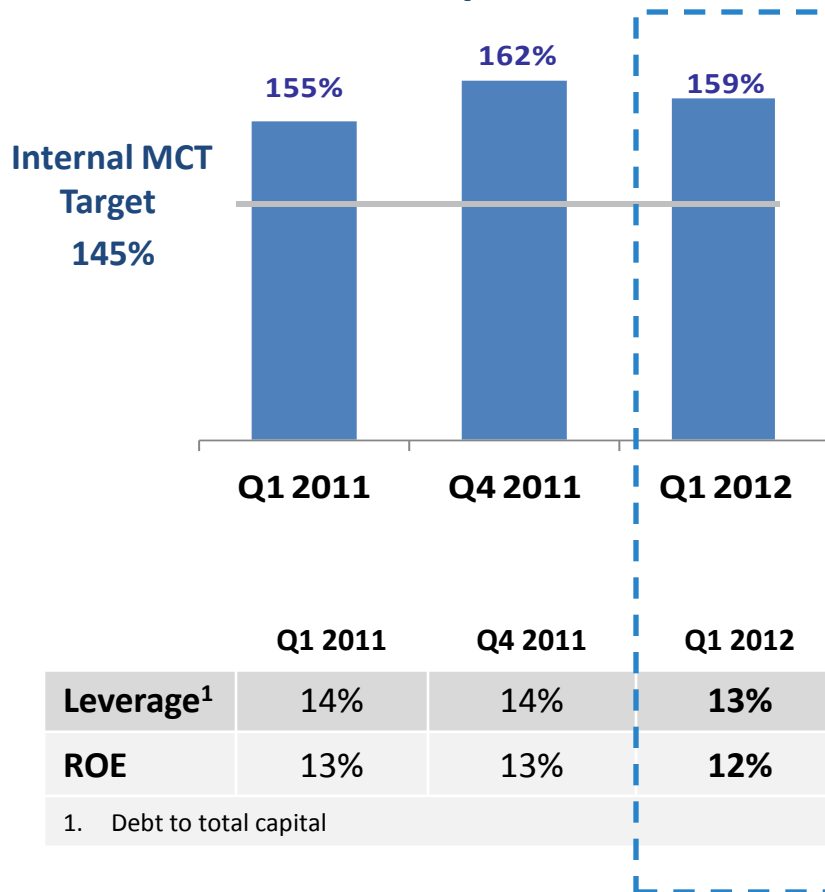
- Primarily fixed income
- 96% of bonds 'A' or better
- 3.7 year duration
- \$303 MM common and preferred equities
- 4.3% book yield¹

1. Pre-tax equivalent book yield after dividend gross-up of General Portfolio (as at March 31, 2012)

Investments generate one third of operating profits

Strong capital position with flexibility

Minimum Capital Test Ratio



- Strong capital flexibility
 - In-force profitability
 - Capital well above 145% internal target
 - Debt capacity
- Strong debt ratings
 - S&P (A- positive)
 - DBRS (AA low stable)
 - Financial Strength
 - S&P (AA-) and DBRS (AA stable)
- Capital management priorities
 - Efficient capital structure
 - Investing for core growth
 - Quarterly common dividends
 - Returning capital to shareholders

Closing thoughts

2012 Strategic priorities

Strengthen and continue to grow market position

Proactive risk management and loss mitigation

Deliver consistent performance and drive profitability

Drive efficient capital management

Strong market position, disciplined execution, solid financial position

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