

Genworth MI Canada Inc.

BRIAN HURLEY, Chairman and CEO



Enabling Homeownership.
Creating Value.

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 31, 2012, 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.

Agenda

Our Business

Market Environment

Insurance Portfolio Overview

Our Performance

Summary

Role of mortgage insurance



- Mortgage insurance required for loans > 80% loan to value (LTV)
- Borrower paid premium
- Lender receives protection against loss arising from mortgage default

Our served market - first time home buyers

	Average Home Price			Average Income	Average GDS
	Genworth	Market	% Variance	Genworth	Genworth
Vancouver	\$445K	\$713K	-38%	\$95K	30%
GTA	\$396K	\$499K	-21%	\$87K	29%
Calgary	\$376K	\$411K	-8%	\$101K	27%
Montreal	\$307K	\$330K	-7%	\$84K	25%
Canada	\$297K	\$364K	-18%	\$81K	24%

Our average home price ~20% lower than market average

Note: Genworth averages based on Q22012 data; market averages for property price from CREA, GDS is gross debt service ratio

Stabilizing housing environment

- **Balanced market conditions**

- Slowing home price appreciation
- Flat outlook for remainder of 2012

- **Government guarantee product changes**

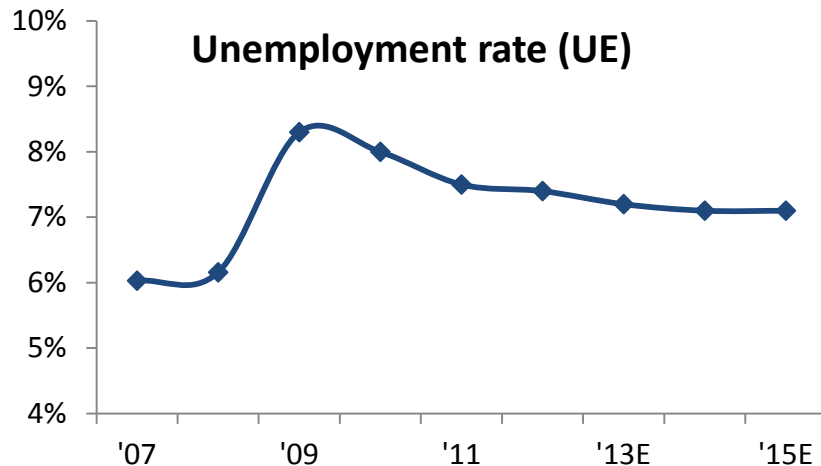
- Smaller high loan-to-value market
- Fewer refinance transactions

- **Continued strong borrower quality**

- Stable debt ratios
- Improving credit scores

Performance drivers

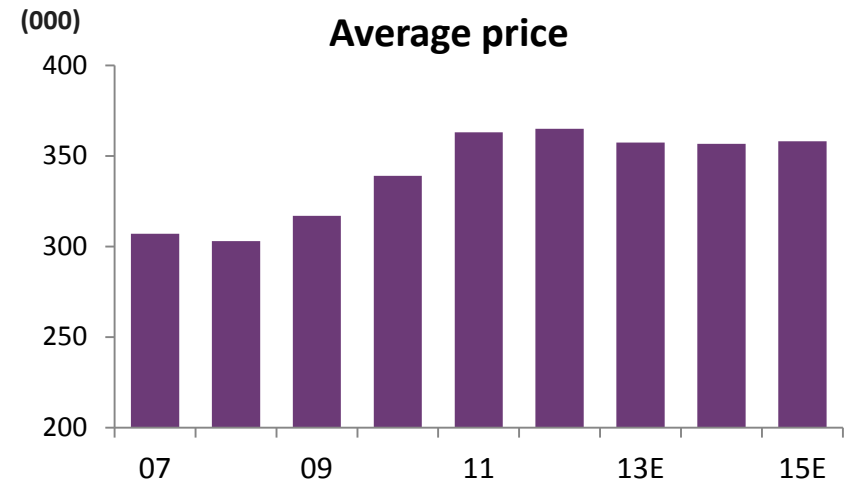
Frequency



- Modest job growth over forecast period
- UE rate moderating towards historical level of 7%

Based on Statistics Canada data

Severity



- Housing market beginning to cool
- Returning to a more balanced state
- HPA to remain relatively flat

Based on CREA data

Expect stability in Canadian housing market

Regulatory dynamics and impact

- **Government changes result in smaller high loan-to-value market**

- Maximum amortization of 25 years – loss of premium surcharge

- Maximum LTV of 80% for refinances – no longer an insured product

- Maximum property value of \$1 million – no impact

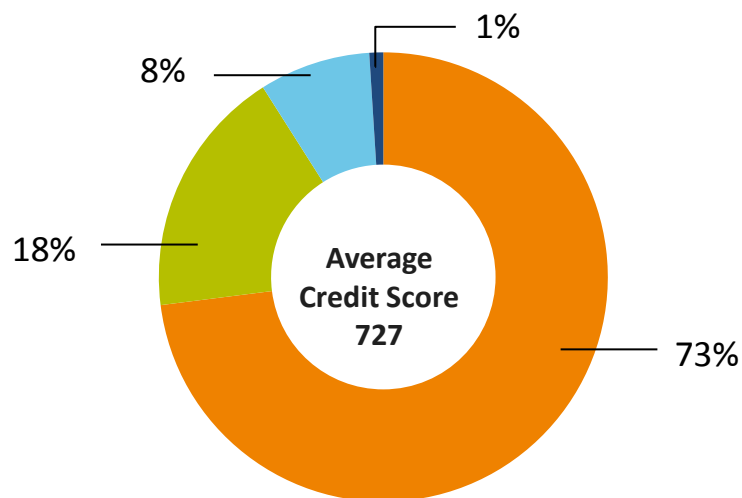
- Maximum gross debt service and total debt service ratios – no impact

- **CMHC now subject to OSFI oversight**

High credit quality... smaller high loan to value market

Well-diversified insurance portfolio

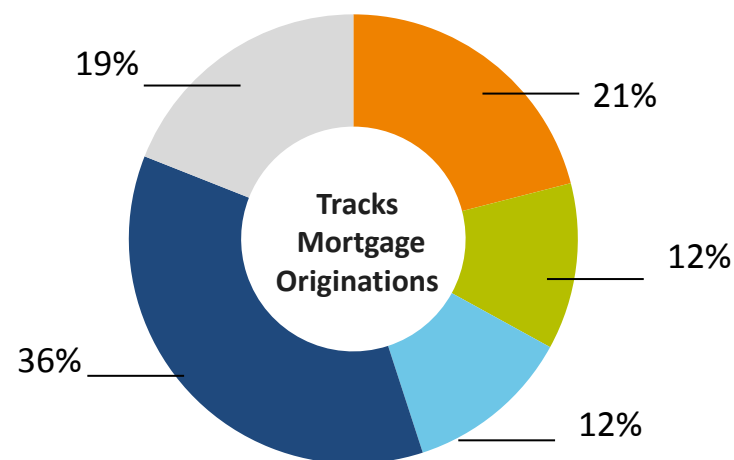
Credit score dispersion



■ >=700 ■ 660 - 699 ■ 600 - 659 ■ <600

% based on new insurance written in 1H2012

Regional dispersion



■ Alberta ■ Other ■ BC ■ Ontario ■ Quebec









% based on new insurance written in 1H2012

Driving improved portfolio quality

Positive delinquency trends by geography

	Mortgage insurance portfolio delinquency rate		
	June 30 2012	Mar 31 2012	June 30 2011
Ontario	0.10%	0.11%	0.17%
BC	0.22%	0.24%	0.31%
Alberta	0.29%	0.35%	0.53%
Quebec	0.22%	0.24%	0.23%
Other	0.14%	0.17%	0.19%
Canada	0.17%	0.19%	0.25%

Regional housing markets watch list

	Metropolitan areas				Sub market areas			
	Toronto	Vancouver	Calgary	Montreal	Toronto single family	Toronto condo	Vancouver served mkt.	Vancouver high end
Housing market Indicators								

Toronto condos (3% of Portfolio)

- Record # of condos under development
- Supply and demand balanced

- Owner occupied units only ... no rentals
- Rigorous underwriting process to ensure good resale appeal

Vancouver high-end (0.1% of Portfolio)

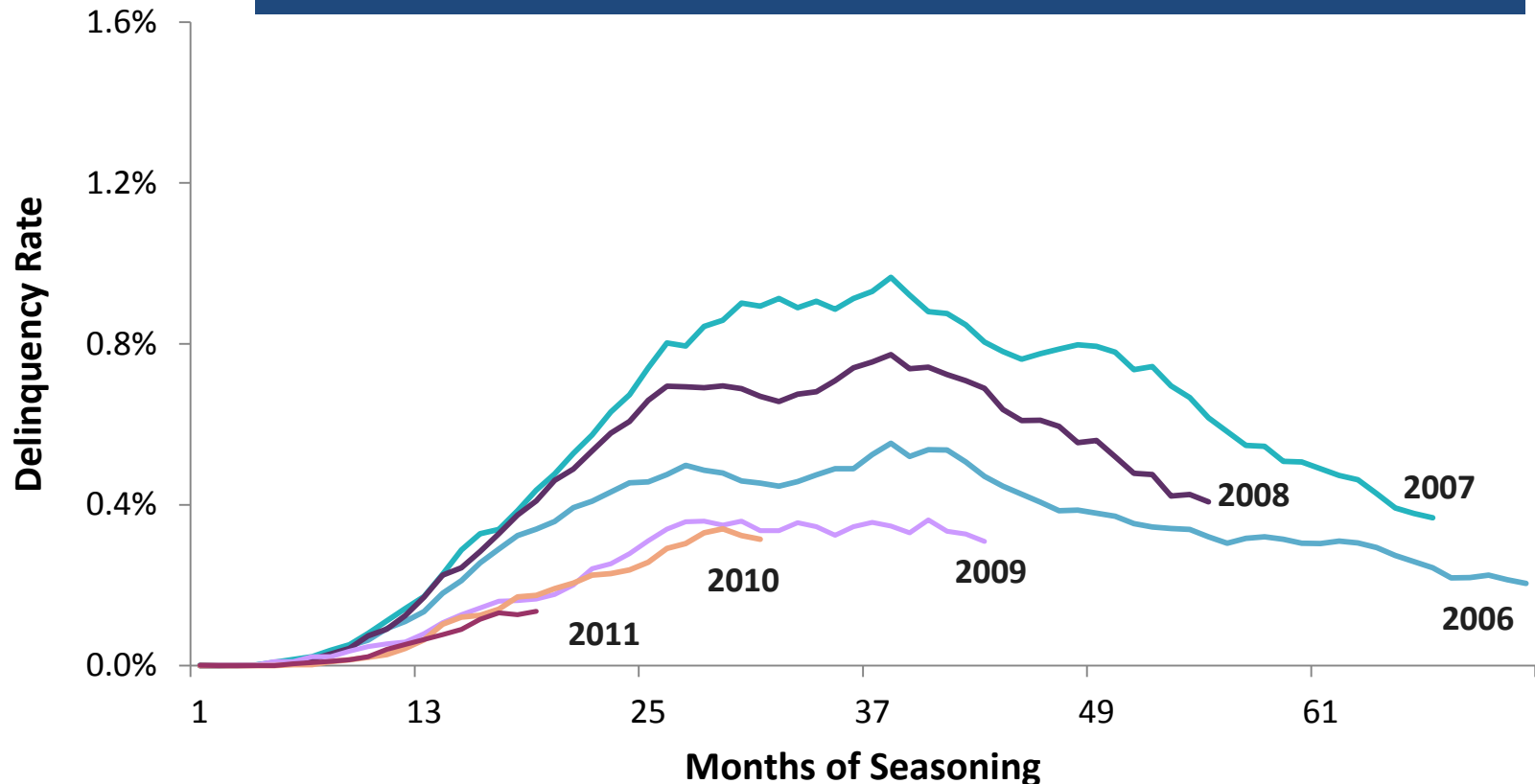
- Softening values in high-end market
- Limited contagion in MIC served market

- Enhanced underwriting for homes >\$500K
- Maximum property value of \$1MM

Fundamentals remain strong ... mitigants in place to drive portfolio quality

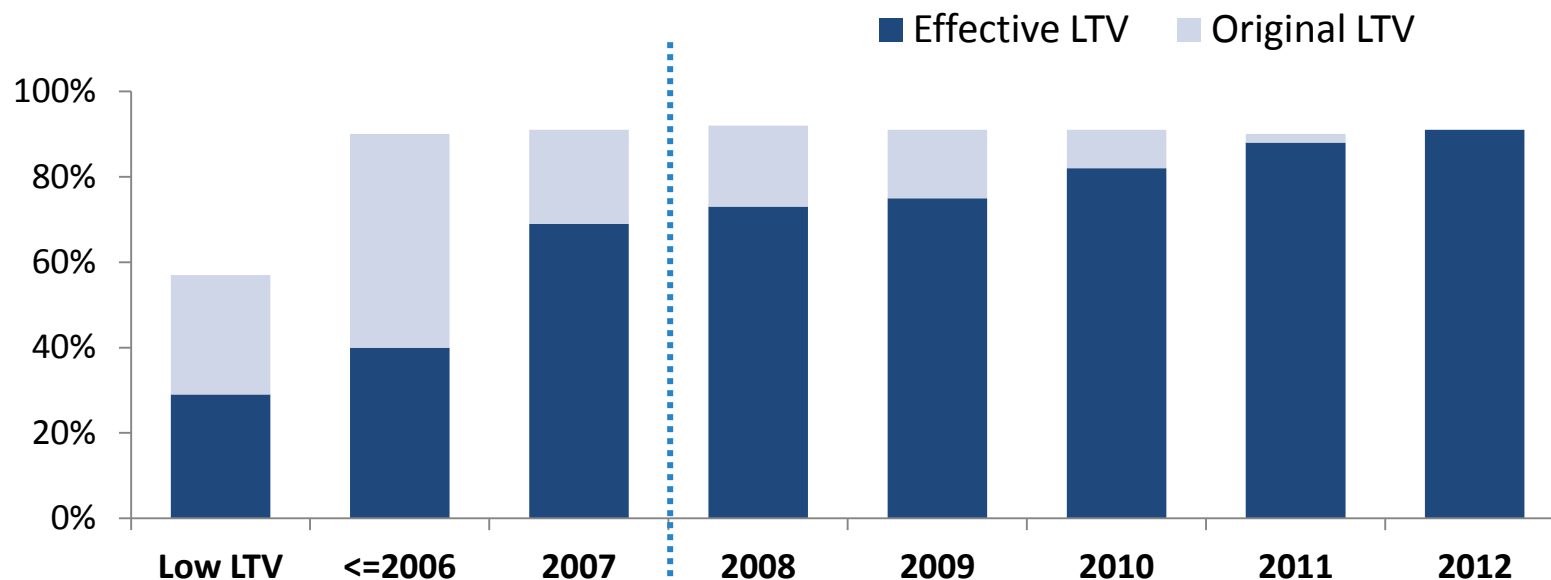
Delinquency trends by book year

2009-11 books are seasoning and performing well



As of 7/31/12
Based on high loan-to-value volumes

Losses more likely to occur from newer books



Seasoned Books

- Insurance in force: \$194B
- Average Effective LTV: 45%

Newer Books

- Insurance in force: \$92B
- Average Effective LTV: 81%

As at Jun 30, 2012

Cumulative home price appreciation reduces potential loss exposure

Premiums cover losses in stress scenario

2011 Book Example	Full Cycle Scenario	Stress Scenario (Early 90's recession*)
New Insurance in Force	\$22 B	\$22 B
Claim Severity	27%	35%
Gross Exposure	\$6 B	\$8 B
Claim Frequency	3%	6%
Loss Exposure	\$181 MM	\$480 MM
Premiums Written	\$514 MM	\$514 MM
Loss Ratio	35%	92%

* Unemployment rose from 8 to 11% , home prices declined by 15% from 1991 to 1994

With investment income, MIC still profitable in a downturn

Solid first half 2012

		1H 2012	1H 2011
✓	Net premiums written	\$256 MM	\$250 MM
✓	Underwriting profits	\$141	\$147
✓	Investment income	\$90	\$91
✓	Net operating income	\$155	\$159
✓	Operating EPS (diluted)	\$1.56	\$1.50
✓	Operating return on equity	12%	13%
✓	Book value/share (diluted, with AOCI)	\$27.88	\$25.59
✓	Loss ratio	35%	35%
✓	Minimum capital test ratio	160%	158%

Top line growth, loss ratio stability, strong insurance portfolio quality

Summary

Disciplined execution

- Prudent risk focused underwriting
- Broad lender market footprint
- Experienced leadership team

Proven business model

- Well diversified insurance portfolio
- Conservative investment portfolio
- \$1.8 billion unearned premiums

Solid financial foundation

- \$2.8 billion of equity
- Competitive dividend yield ~ 5.9%
- Capital strength and flexibility

Ongoing and consistent profitability

Genworth MI Canada Inc.

Questions?



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