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 implementation of the changes introduced by the Government and the potential impact on new insurance written, 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 Annual Information Form dated March 16, 2016, its Short Form Base Shelf Prospectus dated August 9, 2016, its most recently issued 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 (diluted), operating return on equity, insurance in-force, new insurance written, loss ratio, delinquency ratio, investment yield, credit score, gross debt service ratio, ordinary dividend payout ratio, and book value per Common Share (diluted) including accumulated other comprehensive income (“AOCI”). 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.
Agenda and key themes

- Strategic outlook
- Dynamic risk management
- Financial strategy and insights
- Question and answer session
Stuart Levings
President and Chief Executive Officer

Strategic outlook
Genworth Canada overview

WHO WE ARE

LARGEST private residential mortgage insurer in Canada

Helped ~1M+ families achieve homeownership

Supported 250+ Canadian lenders

MARKET FACTS (Q3 2016)

$6.6 billion
Total assets

$3.6 billion
Shareholders’ equity

$3.0 billion*
Market capitalization

92 million
Shares outstanding

WHAT WE DO¹

1. Mortgage Application
2. Mortgage Insurance Application and Premium
3. Insurance Contract
4. Mortgage Loan

- Mandatory for less than 20% down payment
- Covers 100% of loan, secured by property
- Upfront non-refundable premium
- Lender receives protection against loss from mortgage default
- Capital relief for lenders

Note: Company sources
Conservative first-time homebuyer profile

Single-detached residential median prices well below market:

- **Greater Toronto**
  - Genworth Canada: $579k
  - Market: $778k

- **Greater Vancouver**
  - Genworth Canada: $585k
  - Market: $1.4M

- **Greater Calgary**
  - Genworth Canada: $442k
  - Market: $466k

….with similar household median incomes:

- **Greater Toronto**
  - Genworth Canada: $97k
  - Market: $98k

- **Greater Vancouver**
  - Genworth Canada: $90k
  - Market: $93k

- **Greater Calgary**
  - Genworth Canada: $92k
  - Market: $133k

### Loans with Multiple Borrowers

<table>
<thead>
<tr>
<th></th>
<th>Greater Toronto</th>
<th>Greater Vancouver</th>
<th>Greater Calgary</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of loans with multiple borrowers</td>
<td>70%</td>
<td>72%</td>
<td>70%</td>
</tr>
<tr>
<td>% of borrowers buying condos</td>
<td>21%</td>
<td>31%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Genworth internal data, market data median price (CREA); market income (calculated using Stats Canada national income and regional population) Note: % of multiple borrowers and % of borrowers buying condos based on transactional NIW data as at Q3 ’16 YTD.
2016 key accomplishments

Risk well-distributed; portfolio re-balancing in response to tougher economic environment

High quality and diversified insurance portfolio

Portfolio insurance market leader with approximately 50% market share in 2016

2016 loss ratio trending towards lower half of range

Proactive engagement with regulator to influence new capital framework

Strong financial performance; 5% increase in quarterly dividend

Note: Company sources. Portfolio insurance market share based on Q215-Q216.
1. Credit score references the Q3 2016 YTD timeframe.
## Our environment today

### Key takeaways

- GDP growth projection supportive in 2017 (Canada 2.0%; US 2.1%)\(^1\)
- Oil prices stabilizing

- Housing risk in Toronto and Vancouver remains elevated
- Government changes contributing to soft landing

- NIW quality & mix remains strong
- Mortgage reg. changes to have positive long-term impact on portfolio quality

- Mortgage reg. changes impacting market size, but driving safety and soundness
- New capital framework driving higher capital requirements
- Private MI PRMHIA limit increasing to $350 billion

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### Risk | Assessment
--- | ---
Economic | ![Green, Yellow, Red, Blue]  
Housing | ![Green, Yellow, Red, Blue]  
Insurance Portfolio | ![Green, Yellow, Red, Blue]  
Regulatory | ![Green, Yellow, Red, Blue]  

---

**STABLE TO IMPROVING MACROECONOMIC ENVIRONMENT**
Regulatory changes

<table>
<thead>
<tr>
<th>Regulatory change</th>
<th>Business implications</th>
<th>Performance implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio insurance ‘Purpose Test’ rules</td>
<td>Smaller portfolio insurance market size; opportunity for private mortgage insurance</td>
<td>Moderately lower net premiums written in the near term</td>
</tr>
<tr>
<td>Portfolio insurance product restrictions</td>
<td>Improved portfolio quality</td>
<td>Reduced loss ratio volatility due to higher premium rates</td>
</tr>
<tr>
<td>Mortgage rate stress test</td>
<td>Short-term reduction in transactional market size</td>
<td></td>
</tr>
<tr>
<td>Risk sharing proposal</td>
<td>Premium rate increases required to address higher capital</td>
<td></td>
</tr>
<tr>
<td>New capital framework</td>
<td>Targeting pricing ROE of ~13%</td>
<td></td>
</tr>
</tbody>
</table>
Impact of rate ‘stress test’

Q3 YTD transactional NIW

- Eligible NIW (within debt servicing limits)
- TDS > 44% limit
- GDS > 39% limit
- Both GDS and TDS breach
- Ineligible products

- 66%
- 17%
- 5%
- 7%
- 4%

Large proportion impacted by TDS breach only, which is within borrowers’ control to change

GDS & TDS breach drill-down

- Within 200 bps of limit
- >200 above limit

- 50%
- 50%

Borrowers within 200 bps of GDS breach can reduce target house price by ~10% and qualify to make a purchase

BORROWER BEHAVIOUR EXPECTED TO EVOLVE....REDUCING THE Impact OF CHANGES TO 15%-25% OF 2017 TRANSACTIONAL NEW INSURANCE WRITTEN

1. Product exclusions include: refinances, rentals, credit score <600, property value >$1MM excluded.
2. GDS/TDS re-calculated to determine eligibility under 4.64% interest rate
STRONG DESIRE FOR HOMEOWNERSHIP DRIVES MARKET RECOVERY

Existing Canadian home sales
(Monthly, number of transactions)

Recent mortgage rule changes

- **2015**: minimum down payment requirements increased for homes >$500,000
- **2016**: new qualifying rate requirements and product restrictions in portfolio insurance

- Six rounds of housing rule changes since 2008
- Housing activity typically rebounds within 6-12 months of change
- House price appreciation should return to more sustainable levels in 2017

Data Sources: CREA; all data is monthly and as at Q3’16.
Strategic priorities

Residuals aligned to address dynamic environment and capitalize on new opportunities

Key risks
- Economic
- Housing
- Insurance Portfolio
- Regulatory

Key outcomes
- Modest market share accretion
- Appropriately priced risk
- High quality, diversified portfolio
- Influence government policy
- Capitalize on new opportunities

Prudent growth focus
Risk management discipline
Maintain strong capital and profitability
Strategic execution

1. Invest in process innovation to drive prudent market share expansion

2. Drive pricing strategy for appropriate premium rates and timing of implementation

3. Maintain risk management and expense discipline

4. Leverage government relations strategy to influence regulatory environment

5. Explore private mortgage insurance strategy to differentiate MIC’s offerings
MIC investment thesis

Potential for top-line growth through market size recovery, share growth, and premium rate increases

Seasoned risk management experience and high quality portfolio

Sound product design and strong regulatory environment

ROE improvement and emerging business opportunities

How we measure success

- Market share
- High quality, diversified portfolio
- EPS, ROE and BVPS growth
- Strong employee engagement

PROVEN BUSINESS MODEL AND DEEP MORTGAGE INSURANCE EXPERTISE
Craig Sweeney
Senior Vice President and Chief Risk Officer

Dynamic risk management
Insurance risk framework

RISK PILLARS

Identify & assess key risks
- Macro-economic environment
- Housing market trends
- Regional risk factors

Manage the quality of new business
- Underwriting fundamentals
- Risk limits and triggers
- Proprietary mortgage scoring model
- Robust quality assurance

Portfolio risk management
- Portfolio analytics
- Identification of emerging loss trends
- Dynamic underwriting guidelines
- Proactive loss mitigation

REGULATORY & LEGAL FRAMEWORK

Strong regulatory framework
- Defined underwriting best practices (OSFI's B20 / B21 guidelines support safety and soundness)
- Borrower recourse
- Efficient and effective mortgage foreclosure process
- Risk-sensitive capital framework
Drivers of losses on claims

1. Unemployment

Mortgage arrears and unemployment rate

Strong correlation

2. Portfolio quality

Effective LTV
($223B outstanding insured mortgage balance, national, as at September 30, 2016)

3. House prices

Median house price appreciation
('000s)

Sources: (UE Rate) Statistics Canada, (Mortgage arrears) Canadian Bankers Association, (Eff LTV) Company sources; (Median price) CREA
All data as at Q3’16 except mortgage arrears (Q2’16).
Canadian environment

Economic Indicators

GDP growth expected to improve in 2017. Unemployment rate expected to be relatively stable.

Housing Affordability\(^1\) (Aggregate)

Flat to modest house price depreciation expected in 2017.

STABLE TO IMPROVING MACROECONOMIC ENVIRONMENT

Data sources: GDP & Unemployment Rate (Statistics Canada); Teranet Index (Teranet); Affordability (RBC Economics); 2017 forecast as per management discretion.

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\(^1\) Affordability measures the proportion of median pre-tax household income needed to service mortgage payments (P+I), property taxes and utilities. Aggregate refers to all property types.
Regional risk assessment

Key Indicators
- Overvaluation
- Affordability
- Price-to-income
- Supply/demand

Key Metrics: GDP Forecast; UE Rate; Economic diversity

- Elevate housing risk in GTA
- Improving economic forecast for Alberta and Prairies regions
- Balanced risk profile in Quebec and Ontario

Note: Based on Company's estimates of housing and economic risk.
Outstanding insured mortgage balances

Transactional Insurance

Outstanding insured mortgage balance
$121B
(effective LTV by loan bucket, % of transactional business)

Portfolio Insurance

Outstanding insured mortgage balance
$102B
(effective LTV by loan bucket, % of portfolio business)

Note: based on Company’s estimate of outstanding balance of insured mortgages as at September 30, 2016 of $223B.
Strong portfolio quality – credit score

PORTFOLIO QUALITY SIGNIFICANTLY IMPROVED COMPARED TO ‘07/08

Note: Company sources for transactional new insurance written.
Limiting stacked risk factors

DYNAMIC RESPONSE TO INCREASED ECONOMIC AND HOUSING RISK IN 2016

Note: Company sources.
2016 stacked risks based on Oct’15 to Sep’16 New Insurance Written (NIW), purchase only, excludes Alt-A.
2015 stacked risks based on July ‘14 to June ‘15 New Insurance Written (NIW), purchase only deal, excludes Alt-A.
Stacked Risk = >90% LTV and <= 660 score and >40 total debt service ratio (TDSR).
Early term delinquency trend

12-month Delinquency Rate (DR) Trend

- Measure of underwriting quality and potential borrower misrepresentation
- B20/B21 guidelines support strong underwriting discipline
- Key MIC risk processes and controls:
  - Lender underwriting quality assurance
  - Industry information sharing
  - Collateral model tests for inflated values

Note: Company sources as at Q3'16; MI (transactional) data only.
1. *Represents loans that go into delinquency status within the first 12 months.
Proactive risk management

Regional NIW\(^1\) dispersion (Transactional)\(^2\)

- Ontario
- Alberta
- Quebec
- Pacific
- Other

Regional Highlights

Underwriting actions resulting in smaller but better quality Alberta portfolio in 2016

Strong economic conditions in Ontario. Key growth region in 2016 & 2017

Increased focus on appraisals and quality of real estate in Greater Vancouver Area

Note: Company sources.
1. NIW represents new insurance written.
2. Pacific includes BC and Territories.

GEOGRAPHICALLY DIVERSIFIED ... ALBERTA EXPOSURE REDUCED TO 17%
Alberta: improving portfolio quality

Credit score

<table>
<thead>
<tr>
<th>Year</th>
<th>% Score &lt;660 (%)</th>
<th>Avg Score (L)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'07</td>
<td>17</td>
<td>713</td>
</tr>
<tr>
<td>'08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'16 YTD</td>
<td></td>
<td>754</td>
</tr>
</tbody>
</table>

Credit score significantly improved compared to '07/'08.

Median home price

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Home Price ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'07</td>
<td>$303</td>
</tr>
<tr>
<td>'08</td>
<td>$315</td>
</tr>
<tr>
<td>'09</td>
<td>$319</td>
</tr>
<tr>
<td>'10</td>
<td>$320</td>
</tr>
<tr>
<td>'11</td>
<td>$328</td>
</tr>
<tr>
<td>'12</td>
<td>$338</td>
</tr>
<tr>
<td>'13</td>
<td>$355</td>
</tr>
<tr>
<td>'14</td>
<td>$360</td>
</tr>
<tr>
<td>'15</td>
<td>$354</td>
</tr>
<tr>
<td>'16 YTD</td>
<td></td>
</tr>
</tbody>
</table>

Median home price steady over year.

Gross debt service ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Debt Service Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'07</td>
<td>25</td>
</tr>
<tr>
<td>'08</td>
<td>25</td>
</tr>
<tr>
<td>'09</td>
<td>24</td>
</tr>
<tr>
<td>'10</td>
<td>25</td>
</tr>
<tr>
<td>'11</td>
<td>25</td>
</tr>
<tr>
<td>'12</td>
<td>25</td>
</tr>
<tr>
<td>'13</td>
<td>25</td>
</tr>
<tr>
<td>'14</td>
<td>25</td>
</tr>
<tr>
<td>'15</td>
<td>25</td>
</tr>
<tr>
<td>'16 YTD</td>
<td></td>
</tr>
</tbody>
</table>

Gross debt service ratio relatively stable.

Highlights

- **Steady** credit score improvement year-over-year.
- **Stable** home prices for First Time Homebuyer.
- Relatively **stable** GDS from Alberta borrowers.

Note: Company sources for transactional new insurance written.

**ALBERTA PORTFOLIO QUALITY SIGNIFICANTLY IMPROVED COMPARED TO ‘07/08**
Positive seasoning trends

Book year delinquency development

- 2007/08 books experienced significant economic and housing stress
- 2011-14 books benefitting from strong portfolio quality and more stable economic environment

Note: delinquency rate based on original insurance in-force.
Delinquency performance

Number of reported delinquencies

<table>
<thead>
<tr>
<th>Year</th>
<th>Ontario</th>
<th>Quebec</th>
<th>Alberta</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2,046</td>
<td>413</td>
<td>165</td>
<td>183</td>
<td>2,616</td>
</tr>
<tr>
<td>2008</td>
<td>1,415</td>
<td>561</td>
<td>240</td>
<td>484</td>
<td>2,418</td>
</tr>
<tr>
<td>2009</td>
<td>1,232</td>
<td>645</td>
<td>388</td>
<td>862</td>
<td>2,243</td>
</tr>
<tr>
<td>2010</td>
<td>1,047</td>
<td>1,048</td>
<td>493</td>
<td>552</td>
<td>3,030</td>
</tr>
<tr>
<td>2011</td>
<td>735</td>
<td>260</td>
<td>722</td>
<td>554</td>
<td>1,971</td>
</tr>
<tr>
<td>2012</td>
<td>619</td>
<td>238</td>
<td>481</td>
<td>619</td>
<td>1,916</td>
</tr>
<tr>
<td>2013</td>
<td>517</td>
<td>238</td>
<td>344</td>
<td>296</td>
<td>1,537</td>
</tr>
<tr>
<td>2014</td>
<td>482</td>
<td>251</td>
<td>437</td>
<td>282</td>
<td>1,628</td>
</tr>
<tr>
<td>2015</td>
<td>569</td>
<td>299</td>
<td>515</td>
<td>303</td>
<td>2,034</td>
</tr>
<tr>
<td>2016</td>
<td>624</td>
<td>336</td>
<td>482</td>
<td>336</td>
<td>2,027</td>
</tr>
</tbody>
</table>

Loss Ratio¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Q1 '16</th>
<th>Q2 '16</th>
<th>Q3 '16</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>19%</td>
<td>31%</td>
<td>42%</td>
<td>33%</td>
<td>37%</td>
<td>33%</td>
<td>25%</td>
<td>20%</td>
<td>21%</td>
<td>24%</td>
<td>21%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Note: Company sources.
1. Based on outstanding insured mortgages as at Sep. 30, 2016.
2. Loss ratio in 2009 excludes the impact of the change to the premium recognition curve in the first quarter of 2009.
2017 annual loss ratio expectations

MIC loss ratio & CBA delinquency rates

- WTI price-per-barrel in the $40-60 US range
- Canadian dollar remains stable in the 70-80 cent range
- Modest increase in mortgage interest rates

Preliminary 2017 Loss Ratio Range: 25% to 35%

2017 assumptions

<table>
<thead>
<tr>
<th></th>
<th>UE Rate</th>
<th>House Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta</td>
<td>~8.1%</td>
<td>(4.0%)</td>
</tr>
<tr>
<td>National</td>
<td>~7.2%</td>
<td>(2.0%)</td>
</tr>
</tbody>
</table>

Note: 2017 assumptions based on Company estimates; denote exit rates.
Data Sources: Canadian Bankers Association, Company sources; all data as at Q3’16 except CBA delinquency rates (Q2’16)
2009 excludes the impact of the change to the premium recognition curve in Q1’09.
Key takeaways

- Strong portfolio quality
- Underwriting actions reducing risk
- Well positioned to address regional economic pressures
- 2017 annual loss ratio range: 25% to 35%

Prudent risk management
Philip Mayers
Senior Vice President and Chief Financial Officer

Financial strategy and insights
Creating shareholder value

Operating earnings per share (C$, diluted)

- Ordinary dividends paid
- EPS (net of dividends)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total EPS</th>
<th>YTD EPS</th>
<th>Q3'16 EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$2.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$3.02</td>
<td>$3.08</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>$3.43</td>
<td>$3.60</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>$3.86</td>
<td>$4.05</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>$3.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$3.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$3.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$3.09</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7% CAGR

Seven consecutive years of EPS growth

Book value per share (C$, including AOCI, diluted)

Unearned premiums reserve (C$ millions)

EMBEDDED PROFITS IN $2.1 BILLION UNEARNED PREMIUMS RESERVE DRIVING ONGOING PROFITABILITY

1. EPS CAGR represents compounded annual growth rate from 2009 to 2015.
2. 2013 operating EPS excludes the impact of the government guarantee exit fee reversal. Reported operating EPS (diluted) in 2012 was $4.67. 2009 operating EPS excludes the impact of the change to the premiums earned recognition curve. Reported operating EPS (diluted) in 2009 was $3.01.
### Strong balance sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$ 6,248</td>
<td>$ 5,917</td>
</tr>
<tr>
<td>Other assets</td>
<td>338</td>
<td>322</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 6,586</td>
<td>$ 6,239</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss reserves</td>
<td>161</td>
<td>132</td>
</tr>
<tr>
<td><strong>Unearned premiums</strong></td>
<td>2,136</td>
<td>2,021</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>433</td>
<td>433</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>233</td>
<td>233</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>2,963</td>
<td>2,819</td>
</tr>
<tr>
<td>Shareholders’ equity (incl. AOCI)</td>
<td>3,623</td>
<td>3,420</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>$ 6,586</td>
<td>$ 6,239</td>
</tr>
</tbody>
</table>

- **High quality investment portfolio** ~95% investment grade fixed income
- **$2.1 billion of unearned premiums** could include significant embedded profits
  - Unearned premiums*: $2.1 B
  - Future losses & expenses: (1.2)
  - Future pre-tax income: 0.9
  - Future net income contribution: $0.7 B
  *Assumes future combined ratio of 55%

- **Translates to over $7 of unrecognized book value per share**
- **Strong capital position to support transition to new capital framework**

---

Note: Amounts may not total due to rounding.
Premiums earned growth

Premiums written
(C$, millions, by type of business)

<table>
<thead>
<tr>
<th>Years</th>
<th>Portfolio</th>
<th>Transactional</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>545</td>
<td>19</td>
</tr>
<tr>
<td>2012</td>
<td>560</td>
<td>77</td>
</tr>
<tr>
<td>2013</td>
<td>512</td>
<td>65</td>
</tr>
<tr>
<td>2014</td>
<td>640</td>
<td>85</td>
</tr>
<tr>
<td>2015</td>
<td>809</td>
<td>106</td>
</tr>
<tr>
<td>2016</td>
<td>588</td>
<td>118</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Earnings curve
(Contribution by book year)

Years
1 2 3 4 5 6 7 8 9

0% 5% 10% 15% 20% 25% 30%

Q4/16 and 2017 premiums written

Run-off of unearned premiums reserve will drive 2017 premiums earned

Note: Earnings curve assumes no material change in the curve with respect to above depiction.

1 Estimates of Q4/16 and 2017 premiums written are for illustrative purposes only and are not to scale.

PREMIUMS EARNED EXPECTED TO GROW MODESTLY IN 2017....
.... AFTER Q3‘16 YTD INCREASE OF 9% YEAR-OVER-YEAR
MAINTAINING QUALITY FOCUS IN LOW RATE ENVIRONMENT

$104 million of maturities in Q4 2016 and a further $471M in 2017

Total invested assets
(Market value of $6.2 billion)

Invested assets
(C$ millions, unless noted)

- Book value: $5.9B (Q4 2015), $6.2B (Q3 2016)
- Net unrealized gain: 32%
- Duration: 3.8 years
- Book yield: 3.2%

- Federals: 32%
- Provincials: 16%
- Investment grade corporates: 6%
- Emerging markets debt: 5%
- Preferred shares: 3%
- Cash & short term investments: 2%

Industry / Sector concentration

Corporate bonds & emerging market debt
(41% of portfolio)

- Financials: 41%
- Industrials, Utilities & Other: 40%
- Pipelines & Distribution: 9%
- Energy: 5%
- Infrastructure: 4%

Preferred shares
(6% of portfolio)

- Financials: 58%
- Industrials, Utilities & Other: 24%
- Pipelines & Distribution: 15%
- Energy: 3%

Note: Company sources.
2. Market value, includes CLOs
## Investments generate steady income stream

### Historical performance

<table>
<thead>
<tr>
<th>Year</th>
<th>AUM (C$B)</th>
<th>Pre-tax book yield</th>
<th>After-tax book yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4.3</td>
<td>4.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2012</td>
<td>5.4</td>
<td>4.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2013</td>
<td>5.4</td>
<td>3.7%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2014</td>
<td>5.4</td>
<td>3.5%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2015</td>
<td>5.9</td>
<td>3.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2016</td>
<td>6.2</td>
<td>3.2%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

### Yield and duration (by asset class)

<table>
<thead>
<tr>
<th></th>
<th>Current book yield</th>
<th>Current duration Sept. 30/16 (years)</th>
<th>1-year forward rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; short-term</td>
<td>0.51%</td>
<td>0.1</td>
<td>0.50%</td>
</tr>
<tr>
<td>Federal agency bonds</td>
<td>2.10%</td>
<td>3.8</td>
<td>2.05%</td>
</tr>
<tr>
<td>Provincial gov’t bonds</td>
<td>3.50%</td>
<td>4.8</td>
<td>2.00%</td>
</tr>
<tr>
<td>Corporate bonds (Single A)</td>
<td>3.30%</td>
<td>3.5</td>
<td>2.05%</td>
</tr>
<tr>
<td>Emerging market debt</td>
<td>3.69%</td>
<td>5.5</td>
<td>3.60%</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>6.70%</td>
<td>4.9</td>
<td>6.70%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.20%</strong></td>
<td><strong>3.8</strong></td>
<td><strong>3.8</strong></td>
</tr>
</tbody>
</table>

### Investment priorities

- Targeting book yield around 3.2% with duration around 3.8 years
- Rate reset preferred shares offer higher yields and negative correlation to rising interest rates
- Hedging a portion of interest rate risk using fixed-for-floating swaps (approx. 45% currently hedged)

---

1. Pre-tax equivalent yield including gross-up of dividend income.
2. As at December 1, 2016.
3. Federal government bonds constitute government agency bonds and NHA MBS.
## Overview of new capital framework

<table>
<thead>
<tr>
<th>Total Assets Required =</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Requirement</strong></td>
</tr>
<tr>
<td>More Risk Sensitive Based on:</td>
</tr>
<tr>
<td>- Outstanding Balance</td>
</tr>
<tr>
<td>- Modified LTV (outstanding balance / original property value)</td>
</tr>
<tr>
<td>- Remaining Amortization</td>
</tr>
<tr>
<td>- Credit Score</td>
</tr>
<tr>
<td><strong>Supplementary Requirement</strong></td>
</tr>
<tr>
<td>Triggered When Price to Income Metric Exceeds OSFI Prescribed Threshold:</td>
</tr>
<tr>
<td>- Toronto</td>
</tr>
<tr>
<td>- Vancouver</td>
</tr>
<tr>
<td>- Calgary</td>
</tr>
<tr>
<td>- Edmonton</td>
</tr>
<tr>
<td>- Victoria</td>
</tr>
<tr>
<td><strong>Premium Liabilities</strong></td>
</tr>
<tr>
<td>- Unearned Premiums Reserve</td>
</tr>
<tr>
<td>- Reserve for Incurred But Not Reported Losses on Claims</td>
</tr>
</tbody>
</table>

= Capital Required for Insurance Risk

---

**CREATES APPROPRIATE PRICING INCENTIVE.... FOR EXAMPLE, HIGHER PREMIUM RATE REDUCES CAPITAL REQUIREMENT**
New capital framework LTV illustration

Total Asset Requirement by LTV (new vs. current framework, by LTV) at origination
(730 credit score at issue; $300k mortgage)

Table above based on Sept. 23rd, 2016 OSFI draft advisory entitled “Capital Requirements for Federally Regulated Mortgage Insurers”.
* New Base Requirement and New Combined Base & Supplementary Requirement are shown at 150% MCT.
** Current Required Capital for insurance risk is calculated at 220% MCT.

Highlights

- Premium rate increases likely in 2017 in response to higher capital levels from proposed base and supplementary requirement
### New framework – Runoff by LTV

#### Modified LTV as loan ages
(730 credit score at issue; $300k mortgage)

<table>
<thead>
<tr>
<th>LTV</th>
<th>55% level</th>
<th>95% LTV</th>
<th>90% LTV</th>
<th>85% LTV</th>
<th>80% LTV</th>
<th>75% LTV</th>
<th>65% LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>13</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>25</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>37</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>49</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>61</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>73</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>85</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
</tbody>
</table>

#### Total asset requirement run-off
(730 credit score, $300k mortgage)

<table>
<thead>
<tr>
<th>LTV</th>
<th>55% level</th>
<th>95% LTV</th>
<th>90% LTV</th>
<th>85% LTV</th>
<th>80% LTV</th>
<th>75% LTV</th>
<th>65% LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>13</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>25</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
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</tr>
<tr>
<td>37</td>
<td>0.0%</td>
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<td>85.0%</td>
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</tr>
<tr>
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<td>80.0%</td>
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<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>73</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>85</td>
<td>0.0%</td>
<td>95.0%</td>
<td>90.0%</td>
<td>85.0%</td>
<td>80.0%</td>
<td>75.0%</td>
<td>65.0%</td>
</tr>
</tbody>
</table>

**Highlights**

- Total asset requirement is very sensitive to modified LTV and diminishes over 5-8 years as modified LTV approaches 55% to 60%

---

Charts above based on Sept. 23rd, 2016 OSFI draft advisory entitled “Capital Requirements for Federally Regulated Mortgage Insurers”.

1. New Base Requirement 150% MCT.
New framework – credit score impact

Credit score multiplier for total asset requirement

Based on highest credit score for multiple borrowers

Total asset requirement run-off\(^1\) by credit score ($300k mortgage)

Credit score multiplier for total asset requirement

CREDIT SCORE MULTIPLIER DRIVES MATERIALLY HIGHER CAPITAL AS SCORES DECREASE….STRONG CREDIT SCORE IS BENEFICIAL

Charts above based on Sept. 23rd, 2016 OSFI draft advisory entitled “Capital Requirements for Federally Regulated Mortgage Insurers”.

1. New Base Requirement 150% MCT.
2. Credit Score: As at Sept16. Credit Score bucket based on highest Trans Union Credit Score for all borrowers on the file at time of application.
New framework – pricing implications

Transactional insurance new business (% of loan)

<table>
<thead>
<tr>
<th>Current framework</th>
<th>New framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td></td>
</tr>
<tr>
<td>Premium</td>
<td></td>
</tr>
<tr>
<td>Today</td>
<td>Future</td>
</tr>
</tbody>
</table>

Total assets 15 to 20%
Average 10% to 15%

Target Pricing ROE of ~13%

Portfolio insurance new business (% of loan)

<table>
<thead>
<tr>
<th>Current framework</th>
<th>New framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td></td>
</tr>
<tr>
<td>Premium</td>
<td></td>
</tr>
<tr>
<td>Today</td>
<td>Future</td>
</tr>
</tbody>
</table>

Total assets ~6.7x
2x or more

Capital Required for Insurance Risk = Total Asset Requirement less Unearned Premiums and IBNR¹

Expect 10-15%+ average transactional insurance price increase in 2017

Expect 2x or higher portfolio insurance price increase in 2017

Charts above based on Sept. 23rd, 2016 OSFI draft advisory entitled “Capital Requirements for Federally Regulated Mortgage Insurers”.

1. IBNR is Incurred But Not Required Reserve
# New framework ➔ MCT implications

## MCT Framework (%)

<table>
<thead>
<tr>
<th></th>
<th>Current framework</th>
<th>New framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding target</td>
<td>220%</td>
<td></td>
</tr>
<tr>
<td>Gov't guarantee minimum / supervisory target</td>
<td>175%</td>
<td>150%&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Internal target</td>
<td>185%</td>
<td>155% - 157% (preliminary)</td>
</tr>
<tr>
<td>Operating range</td>
<td>225%+</td>
<td>160%+</td>
</tr>
<tr>
<td>Dollar value per point of MCT</td>
<td>~$15 million</td>
<td>~$25 million</td>
</tr>
</tbody>
</table>

### Highlights

- 220% holding target being recalibrated to 150% supervisory target
- Preliminary new internal target of 155% - 157% represents $125 - $175 million above supervisory minimum

---

<sup>1</sup> Company expectations for government guarantee minimum.
New framework → Pro-forma MCT

MCT New Framework
(C$, millions)

Excess above target: 236%
Operational risk
Market risk
Legacy transactional <= 25 yr. amortization & other insurance risk
Legacy portfolio & transactional extended amortization

Sept 30 2016 Actual

2017 illustration

Sept 30 2016 Pro-forma

Holding target
Supervisory target & expected government guarantee minimum

<table>
<thead>
<tr>
<th>Holding target</th>
<th>Supervisory target &amp; expected government guarantee minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>220%</td>
<td>150%</td>
</tr>
</tbody>
</table>

Highlights

- Targeting operating with MCT above 160% in 2017
- Transitional provisions cap capital requirements for legacy portfolio insurance & extended amortization business at Dec. 31, 2016 level (220% MCT)
- Lower capital requirements for market and operational risk due to reduction in internal target
Capital management strategy

Capital priorities

- Funding organic growth with MCT > 157%
- Maintaining modest leverage of <= 15%
- Holding company cash and liquid investments > $100 MM
- Credit facility of $100 MM
- Sustainable ordinary dividend
- Return of capital when excess capital available

Capital strength

At Q3 2016:
- Pro-forma MCT of 155%-158%
- 11% debt-to-capital

Capital flexibility

At Q3 2016:
- Holdco cash and liquid investments of $181 million
- $100 MM undrawn credit facility

Capital efficiency

At Q3 2016:
- Increased ordinary dividend by 5%
- Payout ratio of 41%
# ROE drivers

**2016 ROE**

- **~11%**

<table>
<thead>
<tr>
<th>Year</th>
<th>New capital framework for legacy books</th>
<th>Impact of price increases</th>
<th>Interest rate outlook</th>
<th>Capital management initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>-</td>
<td>+</td>
<td>Neutral</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>-</td>
<td>+ + +</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>2019</td>
<td>-</td>
<td>+ + + + + + + +</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TARGETING 12%+ ROE IN THE MEDIUM TERM**
Key takeaways

- Smaller MI market size could lead to moderate decline in premiums written in 2017, despite expected higher premium rates.
- Premiums earned expected to modestly increase in 2017 due to large recent books of business.
- Estimated 25% to 35% loss ratio range for 2017.
- Investment income expected to be relatively flat in 2017.
- Managing capital to greater than 160% MCT under new framework.

Proven business model has positioned MIC for future financial performance.
Stuart Levings
President and Chief Executive Officer

Wrap up
Key takeaways

- Solid business model
- Strong regulatory environment
- Robust profitability drivers
- Disciplined risk management
- M.I. thought leadership

MIC is well-positioned for future success
Q&A
Senior management team

Stuart Levings, President & CEO
15+ years of mortgage insurance experience

Mr. Levings assumed his current role as President and Chief Executive Officer in January 2015. Prior to that Mr. Levings served in such senior leadership positions as Senior Vice President, Chief Operating Officer, Senior Vice President, Chief Operations Officer and Senior Vice President, Chief Risk Officer. Mr. Levings joined the Company in July 2000 as the Financial Controller, and has also held positions in finance and product development, including five years as Chief Financial Officer. Before that, Mr. Levings spent seven years with Deloitte & Touche. Mr. Levings holds a CPA, CA professional designation with over 15 years of professional experience in a variety of industry sectors. Mr. Levings holds a Bachelor of Accounting Science degree from the University of South Africa and is a member of both the South African and Canadian Institutes of Chartered Accountants.

Philip Mayers, SVP & Chief Financial Officer
25+ years of mortgage insurance experience

Mr. Mayers became Chief Financial Officer of the Company in 2009. He has over 25 years of finance and general management experience in financial services businesses. Since joining the Company in 1995, Mr. Mayers has held several senior positions, including Vice President, Finance, Vice President, Operations, and Senior Vice President, Business Development. Prior to joining the Company, he held finance positions with Mortgage Insurance Company of Canada (“MICC”), Esso Petroleum Canada and Deloitte & Touche. He holds CPA, CA and CMA professional designations and has a Master of Accounting degree from the University of Waterloo.
Craig Sweeney, SVP & Chief Risk Officer
15+ years of mortgage insurance experience

Mr. Sweeney has more than 18 years of professional experience in the mortgage and banking industry. Since joining the Company in 1998, Mr. Sweeney has held senior positions in Operations and Business Development, including Director of Risk Operations and Director of Product Development. Mr. Sweeney received an honours Bachelor of Arts degree in Economics from Carleton University in 1994.

Winsor Macdonell, SVP, General Counsel & Secretary
15+ years of mortgage insurance experience

Mr. Macdonell is responsible for all of the Company’s legal and compliance matters, as well as government relations. Mr. Macdonell joined the Company in 1999. He was called to the Bar in Ontario in 1994. Prior to joining the Company, he spent three years in the life and property and casualty industry, and prior to that was in private practice. Mr. Macdonell received an honours Bachelor of Commerce degree from Queens University in 1988 and his LL.B. from Dalhousie University in 1992 and his ICD.D in 2014.
Debbie McPherson, SVP, Sales and Marketing
25+ years of mortgage insurance experience

Ms. McPherson has over 25 years of experience and success in sales and quality management with the Company. Prior to her current position, Ms. McPherson was the Company’s Ontario Regional Sales Director. Ms. McPherson plays an active role in many industry organizations, including the Canadian Association of Accredited Mortgage Professionals, the Canadian Homebuilders Association and the Canadian Real Estate Association. Ms. McPherson graduated from the University of Toronto with a Bachelor of Arts degree.

Scott Gorman, SVP, Operations
15+ years of experience

Mr. Gorman has more than 19 years of International Industry and Consulting experience within the Financial Services Industry. Prior to joining Genworth Canada, Mr. Gorman worked for TD Financial Group as VP, Head of Card Operations & Initiatives, and Royal Sun Alliance (RSA) as the Regional Chief Operating Officer for their Asia and Middle East Region as well as VP of RSA’s Canadian National Operations. Mr. Gorman has a Bachelor’s of Commerce from Memorial University of Newfoundland and an MBA from Schulich School of Business, York University.
Senior management team

Mary-Jo Hewat, SVP, Human Resources and Facilities
20+ years experience

Ms. Hewat brings over 20 years of human resources expertise spanning numerous industries and geographies. Ms. Hewat assumed her current role of Senior Vice President, Human Resources and Facilities in May, 2016. Prior to joining Genworth Canada, she was Senior Vice President, HR Business Partnerships at Ontario Municipal Employees Retirement System (OMERS) as well as Vice President, Human Resources. Her career has also included senior HR roles with Sherritt and Hudson’s Bay. Ms. Hewat has a Bachelor of Commerce from Ryerson University and a Masters in Business Administration from the Schulich School of Business, York University.

Brian Hurley, Executive Chairman
20+ years of mortgage insurance experience

Mr. Hurley led the establishment of Genworth into the Canadian marketplace in 1994 and later led it through its initial public offering in 2009. He stepped down as President and CEO of Genworth Canada and assumed the role of Executive Chairman in January 2015. Mr. Hurley has more than 20 years of senior management experience in the mortgage insurance industry worldwide, including leading Genworth’s activities in key international markets from 2004 to 2009. Prior roles include Senior VP, International of General Electric’s U.S. mortgage insurance business and Senior VP of Sales and Operations. Mr. Hurley graduated from Assumption College in Worcester, Massachusetts with a Bachelor of Science degree in Economics.
Jonathan A. Pinto, MBA, LL.M
Vice President, Investor Relations

905.287.5482  jonathan.pinto@genworth.com

Investor Relations

investor.genworthmicanada.ca  investor@genworth.com