Genworth Canada

Second Quarter 2016 Results

August 3rd, 2016

Forward-looking and non-IFRS statements

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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 Company’s future operating and financial results, expectations regarding premiums written, losses on claims and investment income, 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 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 most recently issued Annual Information Form, Management’s Discussion and Analysis, its Short Form Base Shelf Prospectus dated June 18, 2014, the Prospectus Supplements thereto, 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. Non-IFRS financial measures include net operating income, interest and dividend income (net of investment expenses), operating earnings per common share (basic), operating earnings per common share (diluted), shareholders’ equity excluding accumulated other comprehensive income (“AOCI”), operating return on equity and underwriting ratios such as loss ratio, expense ratio, combined ratio, cures and effective tax rate. 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.

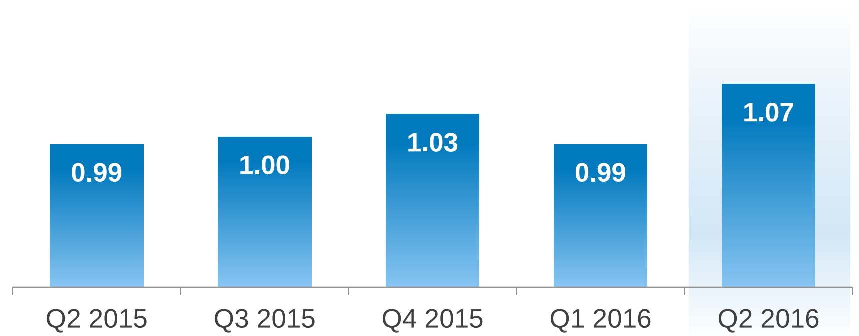
Q2 2016 financial results

$MM except ROE, EPS & MCT	Q2 2016	Q1 2016	Q2 2015	Q/Q	Y / Y
Premiums written	$249	$117	$205	+113%	+21%
Loss ratio	21%	24%	17%	-3 pts	+4 pts
Net Operating Income	$99	$91	$92	+8%	+8%
Operating ROE	12%	11%	12%	+1%	Flat
Operating EPS (dil.)	$1.07	$0.99	$0.99	+8%	+9%
MCT[1]	233%	234%	231%	-1 pt	+2 pts

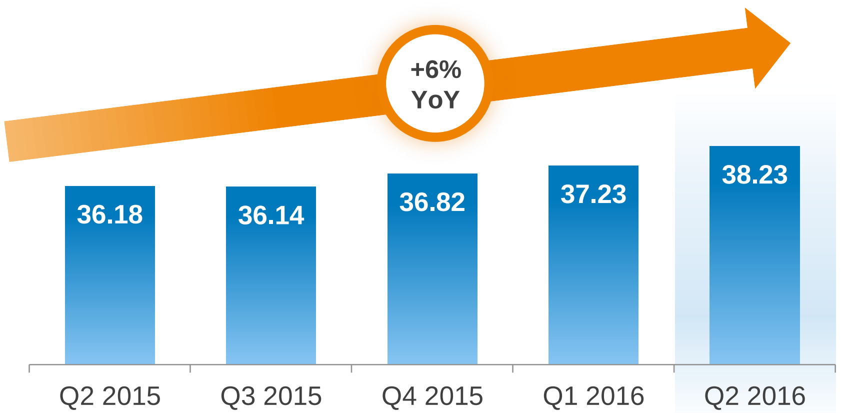
Q2 key highlights

- Premiums written increased Q/Q due to portfolio insurance volumes and seasonality
- Loss ratio of 21%, driven by typical seasonality and improvements in Quebec
- Operating income up 8% Q/Q, driven by higher premiums earned and lower losses on claims
- Ongoing capital strength with MCT ratio of 233%[1]

Operating EPS (diluted)



Book Value Per Share (diluted, incl. AOCI)



1. Q2 2016 MCT company estimate. MCT denotes ratio for operating insurance company.
2. Company sources.

2016 market drivers

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Macroeconomic environment

Expectations for full year 2016[2]	Alberta	National
Unemployment rate	8% to 8.5%	7.1% to 7.6%
Home price appreciation (depreciation)	(5)% to (10)%	2% to 6%

- Slow growth environment with GDP growth of 1.3% in 2016, and 2.2% in 2017[1]
- Average oil price expected to remain in the $40 to $50 range
- Home price appreciation continues to benefit from strong demand outside of oil-producing regions

Business trends

- Modest pressure on share due to prudent underwriting
- Portfolio insurance rule changes impacting demand
- New delinquencies, net of cures, decreased Q/Q due to seasonality

Regulatory environment

- New capital framework expected to be published in September 2016
  - More risk sensitive by incorporating credit scores and outstanding insured amounts
  - Includes supplementary capital for metropolitan areas where regional house price to income metric threshold exceeds OSFI's prescribed threshold… Victoria, GVA, Calgary, Edmonton and GTA exceed proposed thresholds as of Mar. 2016

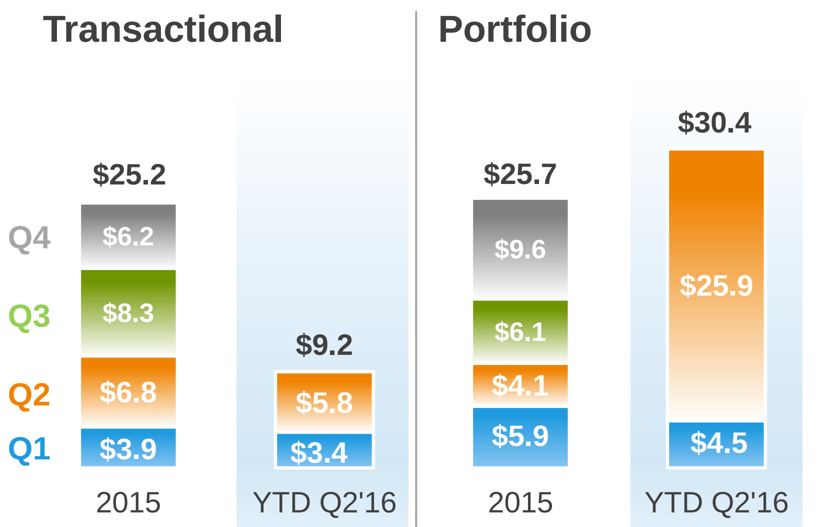
Key takeaways

- Total premiums written expected to be lower than 2015 as modestly lower transactional insurance premiums are partly offset by higher portfolio insurance volumes
- Updated estimated range for 2016 loss ratio: 25% to 35%

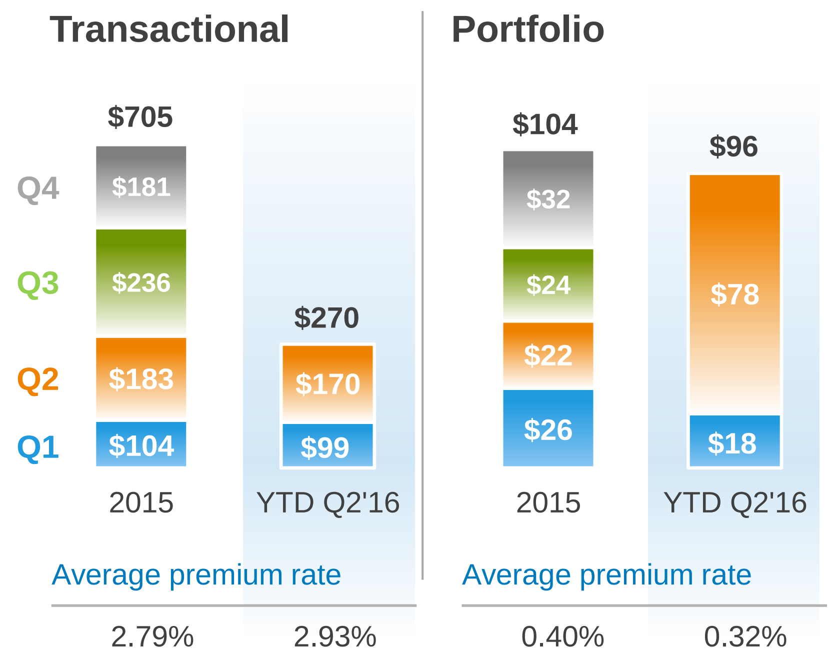
1. Source: Bank of Canada.
2. Company estimates.

Top line

New insurance written ($ billions)



Net premiums written ($ millions)



Highlights

- Lower Y/Y transactional volumes and premiums written, partially offset by a higher average premium rate
- Total premiums written increased, largely due to portfolio insurance
- Portfolio insurance average premium rate primarily reflects low LTVs and high credit quality

Note: Company sources.

Portfolio quality improving

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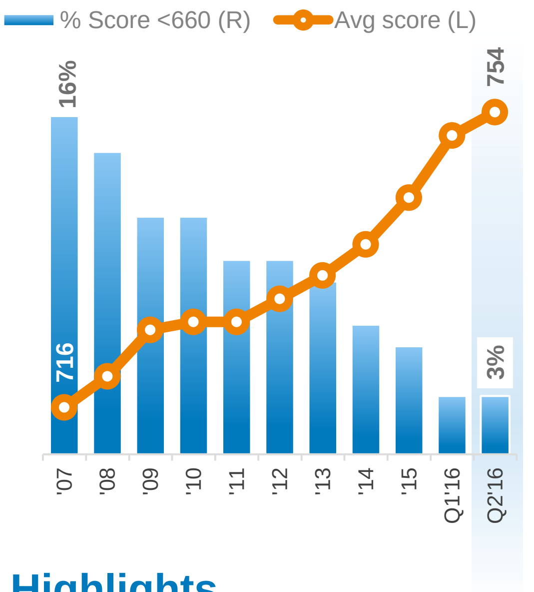
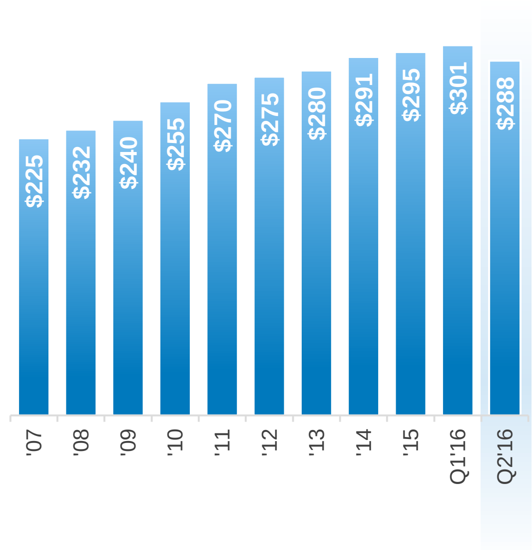
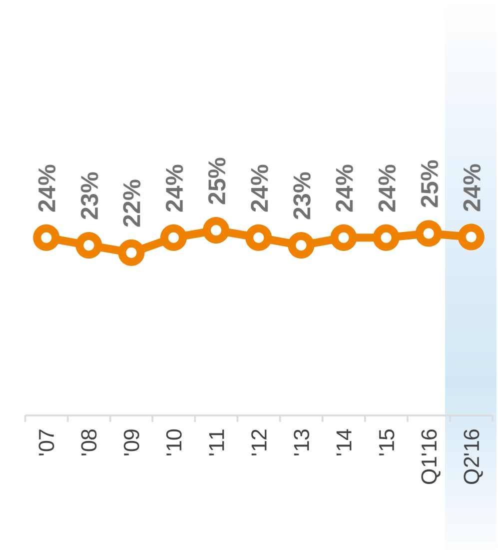
Credit score



Median home price (In '$000s)



Average gross debt service ratio (%)



Highlights

Steady credit score improvement year-over-year

Seasonal decrease due to **regional mix**

Stable debt servicing ratios

TRANSACTIONAL PORTFOLIO QUALITY SIGNIFICANTLY IMPROVED COMPARED TO '07/08

Note: Company sources for transactional new insurance written.

Delinquency trends

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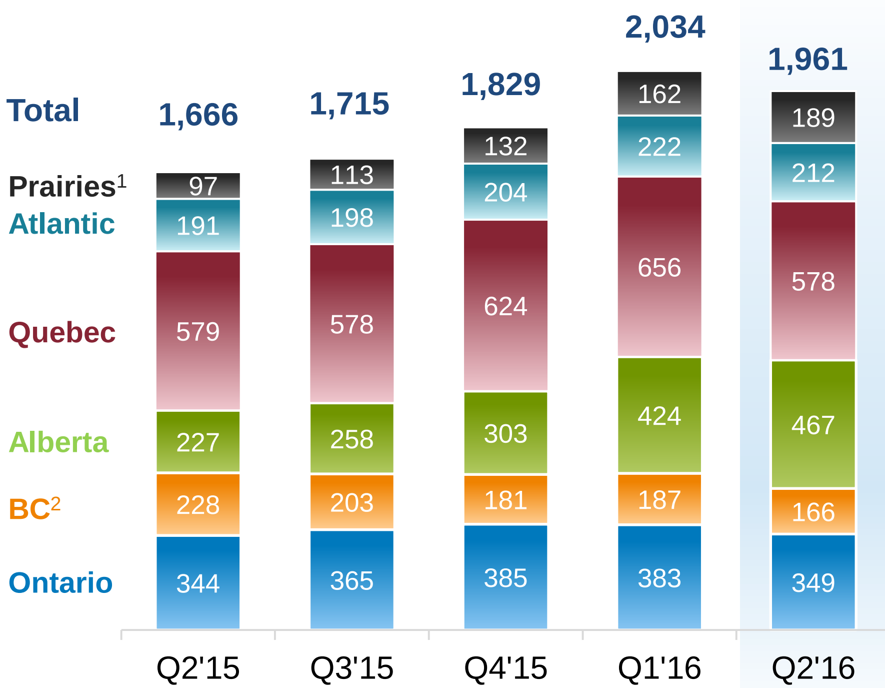
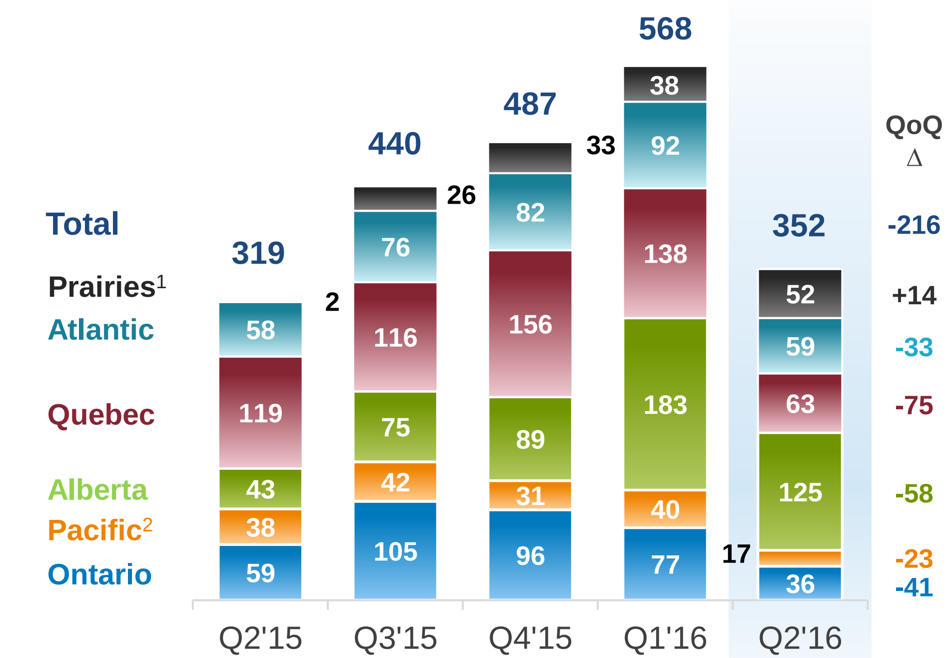
Outstanding delinquencies



Based on reported outstanding balances

Delinquency Rates[3]	Q3'15	Q4'15	Q1'16	Q2'16[4]
Transactional	0.29%	0.31%	0.34%	n.a.
Portfolio	0.08%	0.08%	0.09%	n.a.
Total	**0.21%**	**0.21%**	**0.23%**	**n.a.**

New delinquencies, net of cures, by region



Loss ratio	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
Loss ratio	17%	21%	23%	24%	21%

- **Seasonally lower net new delinquencies**
- **2016 revised full year loss ratio range: 25 – 35%**

Company sources. [1] Prairies include MB and SK. [2] BC includes the Territories. [3] Delinquency rates are based on outstanding insured mortgage balances as at the end of the quarter and exclude delinquencies that have been incurred but not reported. [4] Outstanding insured mortgage balances are reported on a one quarter lag.

Solid financial performance

$MM except EPS & BVPS	Q2'16	Q1'16	Q2'15
Transactional premiums written	$170	$99	$183
Portfolio premiums written	78	18	22
Total premiums written	**$249**	**$117**	**$205**
Premiums earned	158	154	144
Losses on claims	(32)	(37)	(25)
Expenses	(30)	(28)	(29)
Underwriting income	$95	$88	$90
Net investment income (excl. realized gains / losses)	44	41	42
Net operating income	**$99**	**$91**	**$92**
Operating EPS (diluted)	**$1.07**	**$0.99**	**$0.99**
Book value per share (diluted, incl. AOCI)	**$38.23**	**$37.23**	**$36.18**

Q2 highlights

- Transactional premiums written lower by 7% Y/Y, primarily due to a decline in volume partially offset by a higher average premium rate
- Premiums earned increased Y/Y by $14 million, or 10%, as expected
- Loss ratio of 21%, down 3 pts Q/Q, primarily due to a seasonal decrease in new delinquencies, net of cures
- Net investment income up $3 million Q/Q
- Net operating income up $7 million Y/Y or 8% on higher dividend income
- Book value per share up 6% Y/Y

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

Solid underwriting profitability

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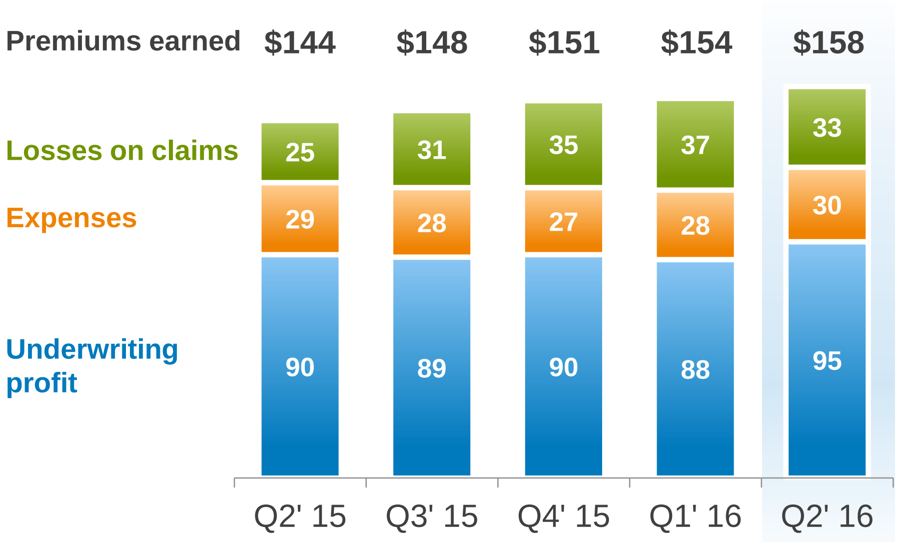
Underwriting profitability ($ millions)



	Q2' 15	Q3' 15	Q4' 15	Q1' 16	Q2' 16
Loss ratio	17%	21%	23%	24%	21%
Expense ratio	20%	19%	18%	19%	19%
Combined ratio	37%	40%	41%	42%	40%
Avg. reserve per delq. ($000s)	$69.8	$70.4	$71.9	$70.9	$75.4
New delqs. net of cures	319	440	487	568	352

Highlights

- Single up-front premium model provides visibility into future premiums earned
  - Six consecutive quarters of Q/Q increases… trend should continue into 2017
  - Premiums earned in 2H16 should consist of approximately $295 to $310 million (from current unearned premiums reserve of $2.1 billion) plus a further amount to be earned from premiums written in 2H16
- YTD loss ratio at 22%; revised 2016 full year range to 25% to 35%
  - Average reserve per delinquency increased primarily due to higher Alberta mix
  - Potential for increased new delinquencies and loss ratio in 2H16 from pressure in oil-producing regions

Company sources.

Investments contribute steady income

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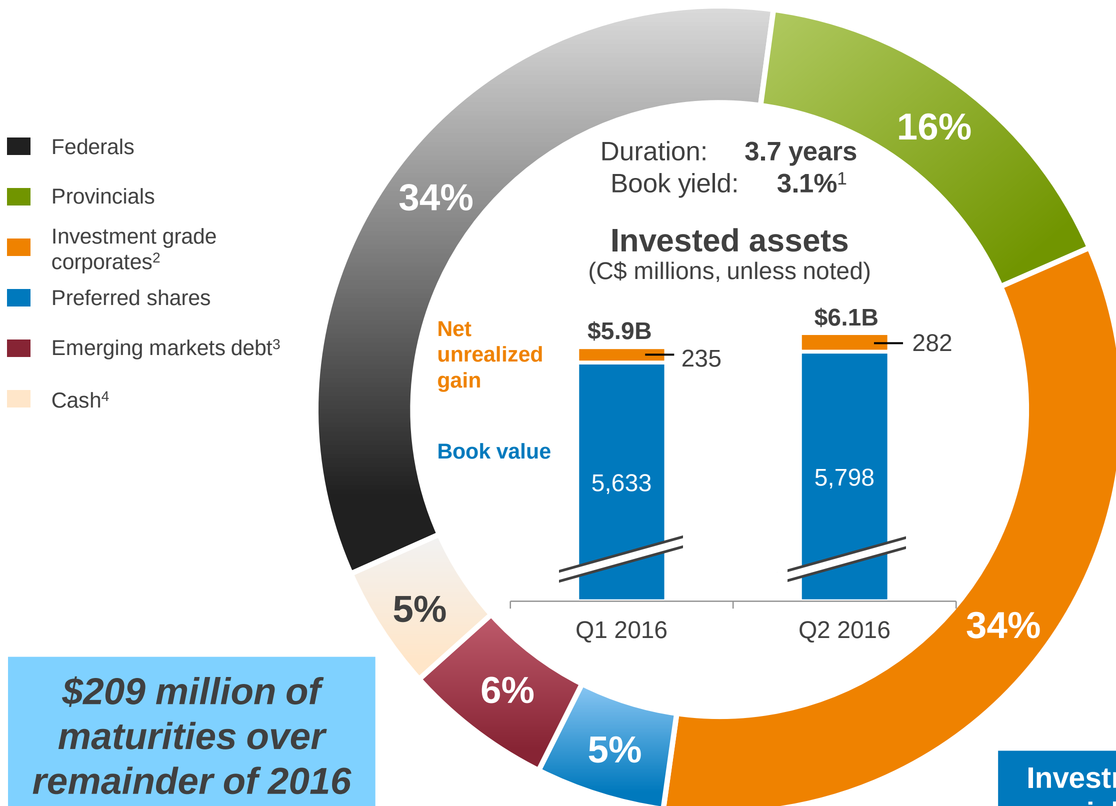
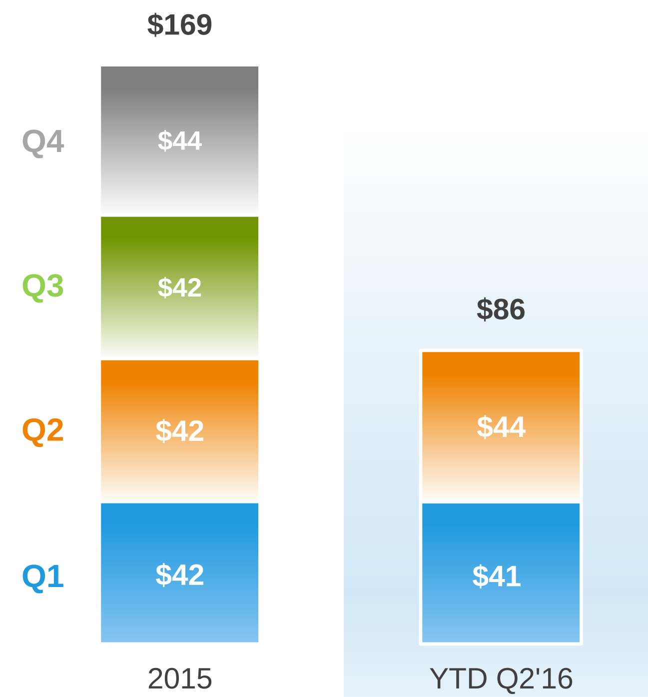
Total Invested Assets ($6.1B portfolio[1])



$209 million of maturities over remainder of 2016

Net Investment Income ($ millions)



	2015	YTD Q2'16
Investment yield	3.1%	3.3%

LOW RATES CONTINUE TO PRESSURE INVESTMENT YIELD…FOCUS ON OPTIMIZING YIELD WITHIN RISK APPETITE

Note: Company sources.
1. Represents market value. Book yield represents pre-tax equivalent book yield after dividend gross-up of portfolio (as at Jun. 30, 2016).
2. Market value, includes CLOs. 3. ~99% Investment grade. 4. Cash includes short-term investments.

Capital management

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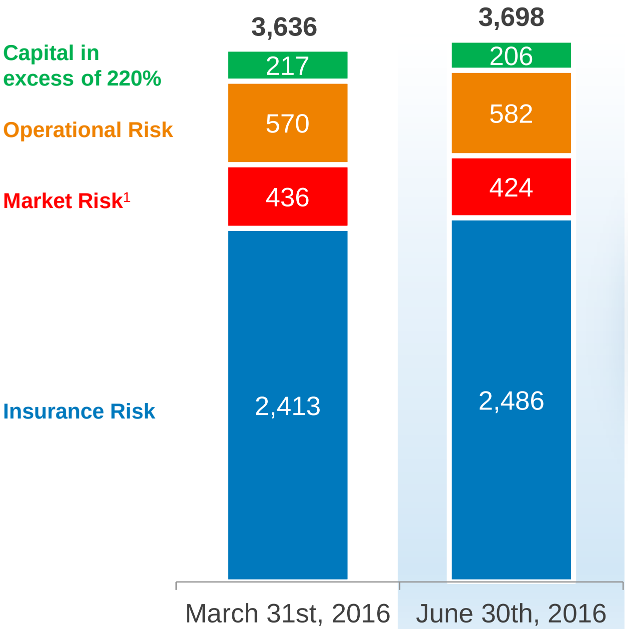
Regulatory capital at 220% MCT holding target

(by risk category, $ millions)



	March 31st, 2016	June 30th, 2016
MCT	234%	233%
Holdco cash[2] ($ millions)	$173	$166

Highlights

- New regulatory framework targeted for Jan. 1, 2017 implementation:
  - Base requirement incorporates credit score, LTV and outstanding insured amount
  - Supplementary capital for metropolitan areas where home price to income metric exceeds OSFI prescribed threshold (Vancouver, Calgary, Edmonton, Toronto, and Victoria as of March 31, 2016 based on draft advisory)
- Established $100 million line of credit for capital flexibility

INTEND TO OPERATE IN THE 225-230% MCT RANGE, PENDING FINALIZATION OF THE CAPITAL FRAMEWORK

Note: Company sources. 1. Market risk includes interest rate, credit, equity risk, and foreign exchange risk. MCT denotes ratio for operating insurance company. 2Q16 MCT based on company estimates.
2. Represents liquid investments and cash held in addition to capital in operating insurance company.

Key takeaways

Keen focus on **risk management**

Balanced approach to writing new business

Proactive **loss mitigation** programs

Investing in our **customer experience strategy**

Proven business model has positioned MIC for **future performance**

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