Genworth Canada

Third Quarter 2016 Results

November 4th, 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.

Q3 2016 financial results

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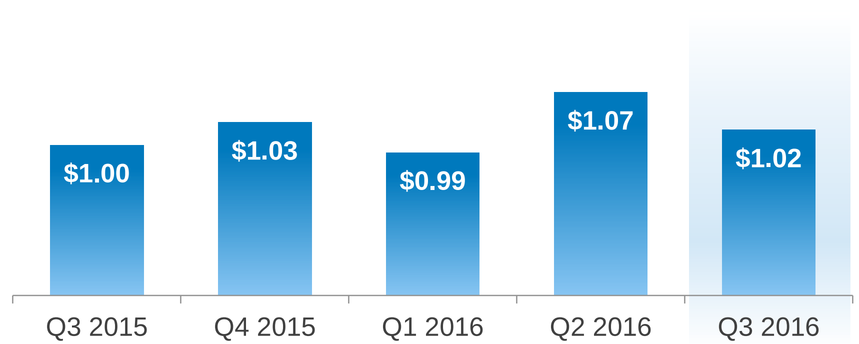
$MM except ROE, EPS & MCT	Q3 2016	Q2 2016	Q3 2015	Q/Q	Y / Y
Premiums written	$223	$249	$260	-10%	-14%
Loss ratio	25%	21%	21%	+4 pts	+4 pts
Net Operating Income	$93	$99	$92	-6%	+1%
Operating ROE	11%	12%	12%	-1%	-1%
Operating EPS (dil.)	$1.02	$1.07	$1.00	-6%	+2%
MCT[1]	236%	233%	228%	+3 pt	+8 pts

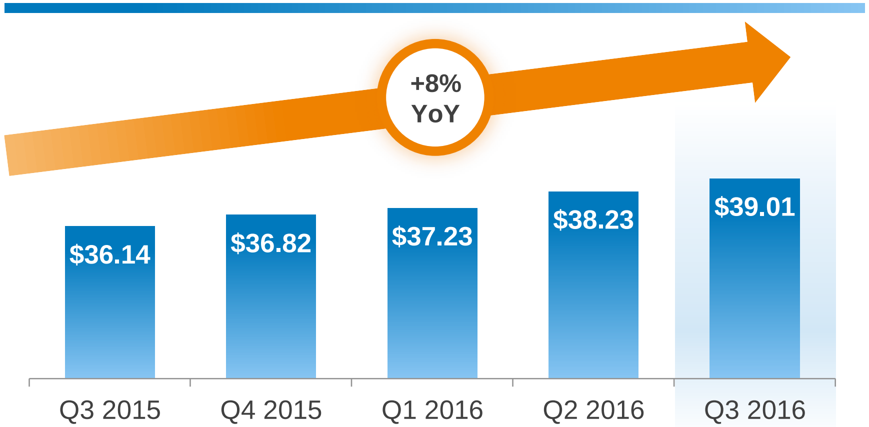
Q3 key highlights

- Increased quarterly dividend by 5% to $0.44 per common share
- Premiums written decreased Q/Q due to lower portfolio insurance volumes, partly offset by premiums from transactional insurance
- Loss ratio rose to 25%, due to an increase in new delinquencies, primarily from oil-producing regions
- Op. income down 6% Q/Q, due to higher losses on claims, partly offset by higher premiums earned
- Ongoing capital strength with MCT ratio of 236%[1]

Operating EPS (diluted)



Book Value Per Share (diluted, incl. AOCI)



1. Q3 2016 MCT company estimate. MCT denotes ratio for operating insurance company.
2. Company sources.

Top line

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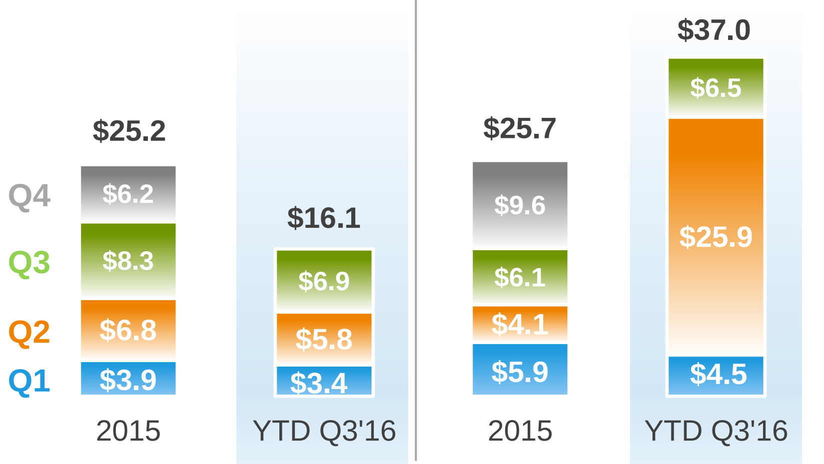
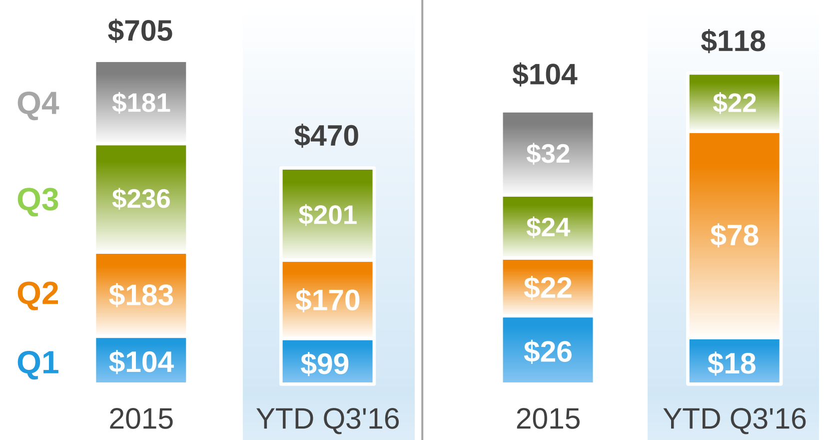
New insurance written ($ billions)

Transactional | Portfolio



Premiums written ($ millions)

Transactional | Portfolio



Average premium rate		Average premium rate	
2.79%	2.93%	0.40%	0.32%

Q3 Highlights

- Transactional NIW decreased, largely due to targeted underwriting changes implemented in the prior year, and a smaller transactional insurance market size
- Transactional premiums written impacted by smaller volumes, partially offset by a higher average premium rate
- Lower portfolio insurance average premium rate due to lower LTVs and higher credit quality

Note: Company sources.

New mortgage rules

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NEW MORTGAGE RULES DRIVE HIGHER QUALITY BUT SMALLER MARKET SIZE

High Loan-to-Value

Effective October 17, 2016, for new originations:

Product

- GDS/TDS of 39% & 44% calculated using greater of contract rate or the Bank of Canada conventional five-year posted rate
- As of September 28, 2016 the Bank of Canada posted rate was 4.64%

Grandfathering provisions

- Loans with a binding offer dated prior to Oct. 17 are exempt from new mortgage rules

Transactional market size expected to decrease by 15% to 25% in 2017

Low Loan-to-Value

Effective November 30, 2016, for new originations:

Product

- GDS/TDS of 39% & 44% calculated using greater of contract rate or the Bank of Canada conventional five-year posted rate
- Purchases and renewals … refinances ineligible
- Max. 25 year amortization
- Property value < $1,000,000
- Min. credit score of 600 at time loan is approved (subject to a 3% exception bucket by lender)
- Owner-occupied & 2-4 unit rentals

Low LTV loans subject to similar high LTV eligibility criteria, starting Nov. 30th

Grandfathering provisions

- Loans with a binding offer dated prior to Oct. 17 (or between Oct. 17-Nov. 29 that close prior to May 1, 2017) are exempt from new mortgage rules
- Grandfathered loans submitted for portfolio insurance after Nov. 30, 2016 will continue to be eligible under the old parameters

Portfolio insured volumes expected to decrease by 25% to 35% of “normalized” volumes (post July 1, 2016 regulatory changes)

High portfolio quality

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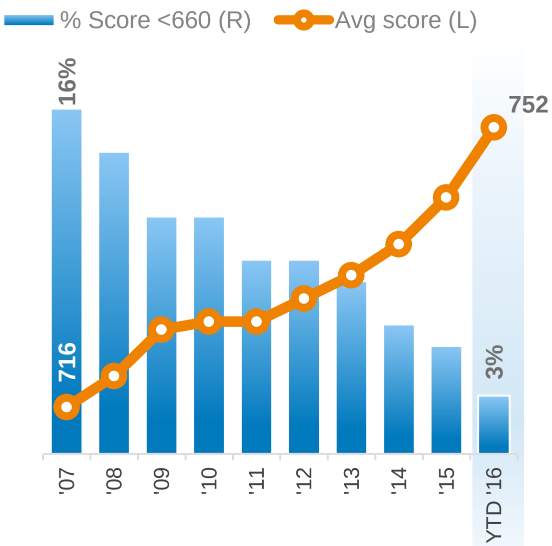
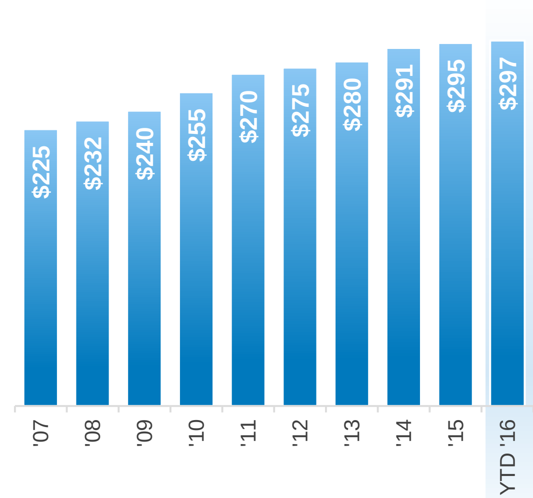
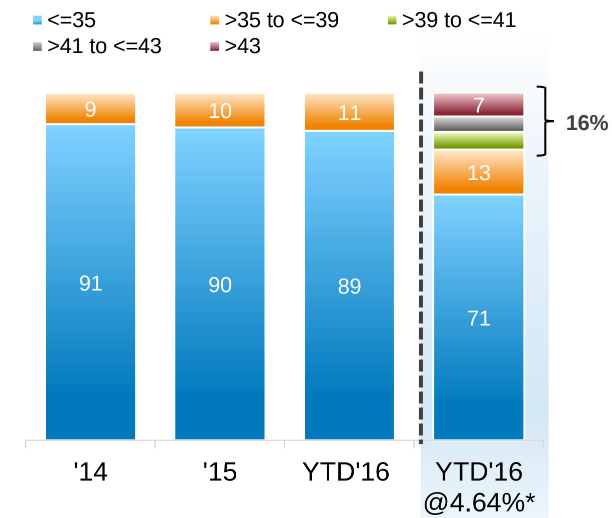
Credit score



Median home price (In '$000s)



Gross debt service ratio distribution (%)



* Note: '14, '15, and YTD '16 based on contract rate. YTD '16 @ 4.64% represents borrowers who would be qualifying at the higher of the contract rate and posted rate.

Highlights

Steady credit score improvement year-over-year

National median price **stable** with regional variances

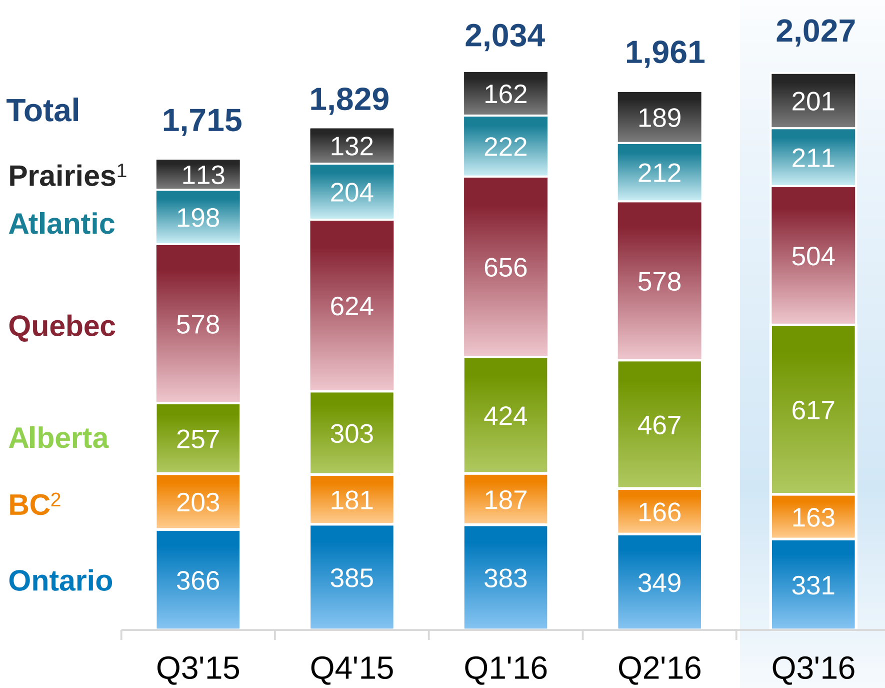
New mortgage eligibility rules would have impacted **16% of borrowers** (YTD '16) with respect to GDS minimum of 39%

WHILE GDS & TDS RESTRICTIONS IMPACTED ~33% OF 2016 YTD BORROWERS, WE EXPECT BORROWERS TO ADAPT BEHAVIOUR, THEREBY LIMITING TRANSACTIONAL MARKET SIZE IMPACT

Note: Company sources for transactional new insurance written.

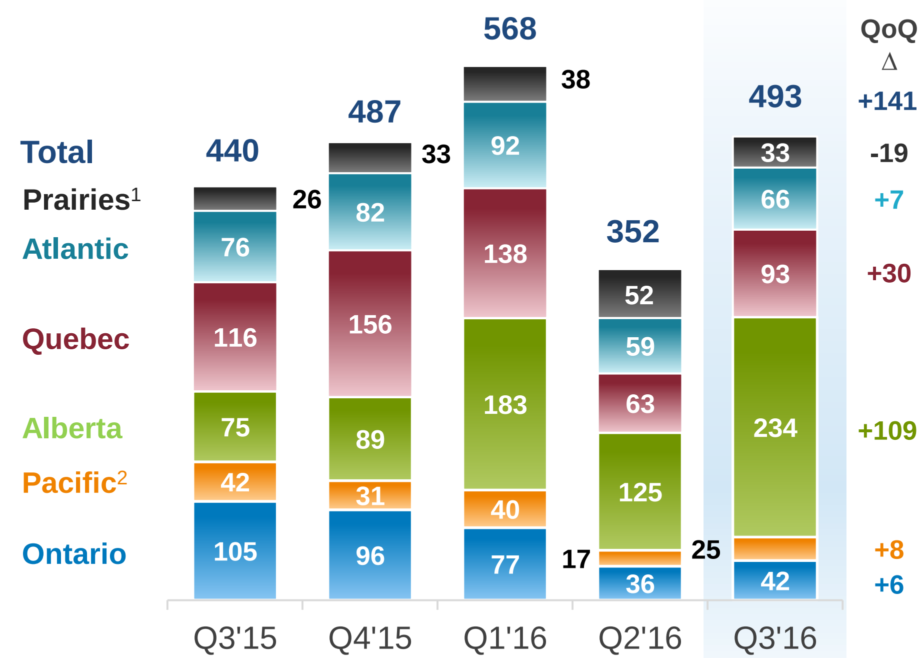
Delinquency trends

Delinquencies outstanding



Based on reported outstanding balances				
Delinquency Rates[3]	Q4'15	Q1'16	Q2'16	Q3'16[4]
Transactional	0.31%	0.34%	0.33%	n.a.
Portfolio	0.08%	0.09%	0.06%	n.a.
Total	**0.21%**	**0.23%**	**0.20%**	**n.a.**

New delinquencies, net of cures, by region



	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
Loss ratio	21%	23%	24%	21%	25%

- **Increased net new delinquencies, primarily in oil-producing regions**
- **2016 full year loss ratio range remains: 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	Q3'16	Q2'16	Q3'15
Transactional premiums written	$201	$170	$236
Portfolio premiums written	22	78	24
Total premiums written	**$223**	**$249**	**$260**
Premiums earned	162	158	148
Losses on claims	(41)	(32)	(31)
Expenses	(33)	(30)	(28)
Underwriting income	$88	$95	$89
Net investment income (excl. realized gains / losses)	44	44	42
Net operating income	**$93**	**$99**	**$92**
Operating EPS (diluted)	**$1.02**	**$1.07**	**$1.00**
Book value per share (diluted, incl. AOCI)	**$39.01**	**$38.23**	**$36.14**

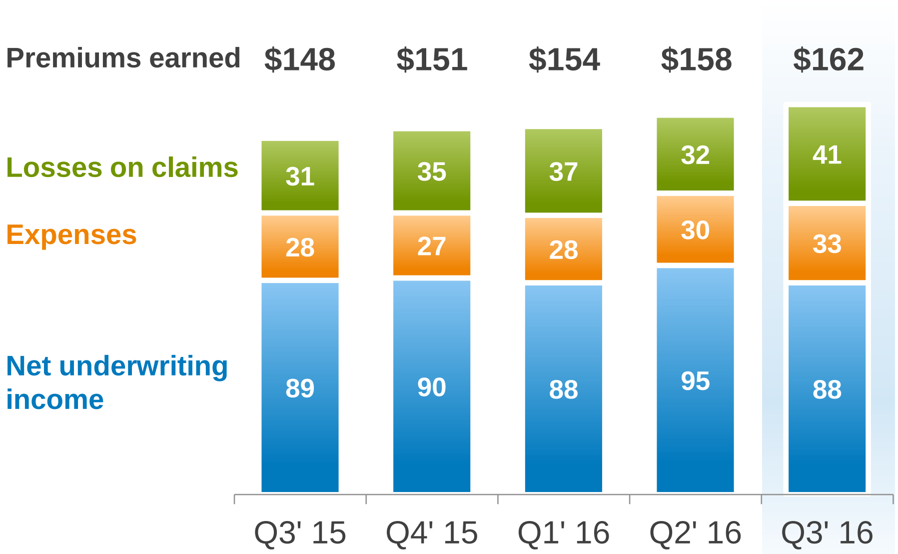
Q3 highlights

- Transactional premiums written lower by 15% Y/Y, primarily due to lower volumes, partially offset by a higher average premium rate
- Premiums earned increased Q/Q by $4 million as expected
- Loss ratio of 25%, up 4 pts Q/Q on higher new delinquencies, net of cures and a modest increase in the average reserve per delinquency primarily related to Alberta
- Net investment income flat Q/Q at $44 million
- Net operating income down $5 million Q/Q primarily due to higher losses on claims, partly offset by higher premiums earned
- Book value per share up 8% Y/Y to $39.01

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

Solid underwriting profitability

Underwriting profitability ($ millions)



	Q3' 15	Q4' 15	Q1' 16	Q2' 16	Q3' 16
Loss ratio	21%	23%	24%	21%	25%
Expense ratio	19%	18%	19%	19%	20%
Combined ratio	40%	41%	42%	40%	45%
Avg. reserve per delq. ($000s)	$70.4	$71.9	$70.9	$75.4	$79.5
New delqs. net of cures	440	487	568	352	493

Highlights

- Single up-front premium model provides visibility into future premiums earned:
  - Eight consecutive quarters of Q/Q increases… higher level of premiums written in last three years driving trend of increased premiums earned
- Flat to modest Q/Q increases in premiums earned expected for next 12 months
- YTD loss ratio at 23%; 2016 full year range remains 25% to 35%
  - New delinquencies net of cures increased by Q/Q by in Alberta (109) and Quebec (30)
  - Average reserve per delinquency increased modestly primarily due to higher Alberta mix

Company sources.

Investments contribute steady income

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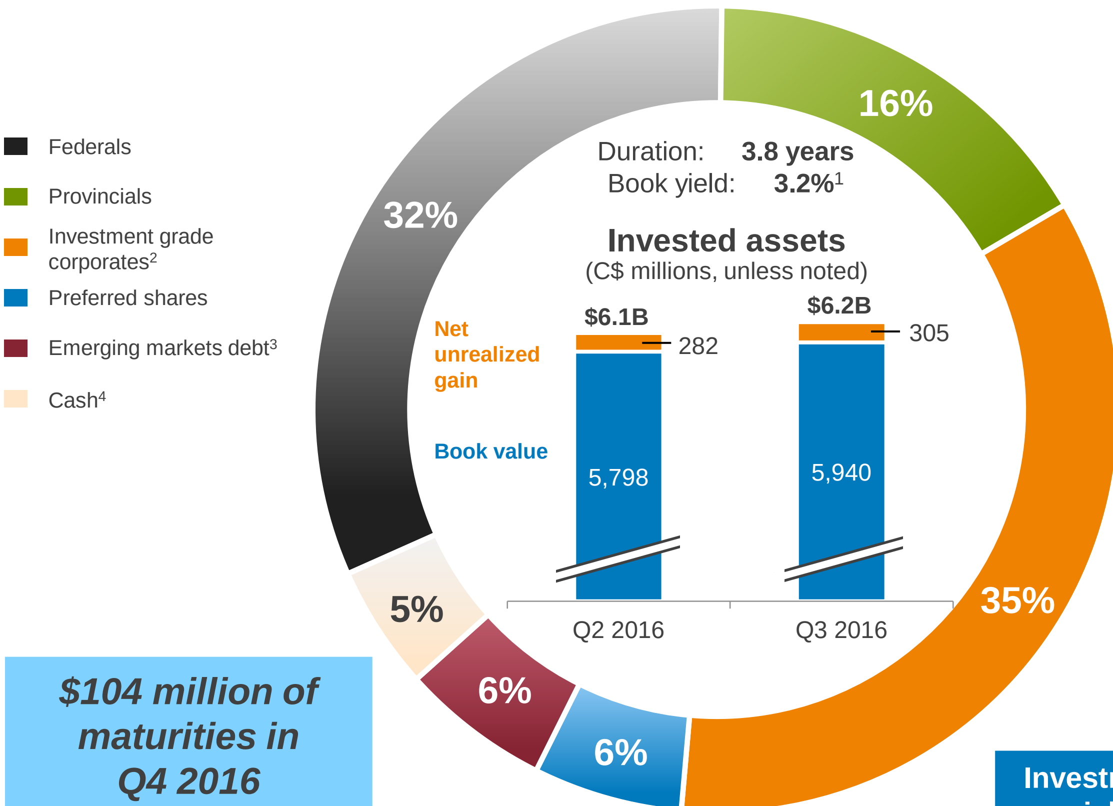
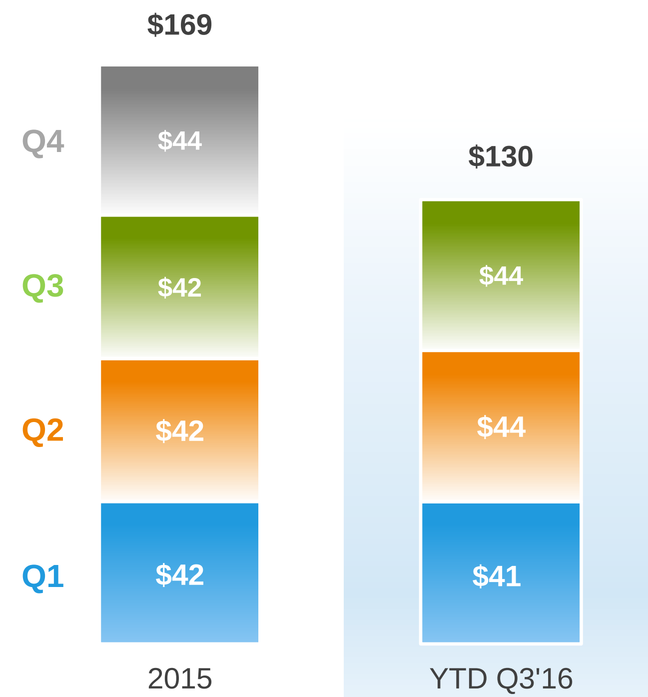
Total Invested Assets ($6.2B portfolio[1])



$104 million of maturities in Q4 2016

Net Investment Income ($ millions)[5]



Investment yield	**3.3.%**	**3.2%**

MAINTAINING QUALITY FOCUS IN LOW RATE ENVIRONMENT ... SELECTIVELY ADDING INVESTMENT GRADE PREFERRED SHARES WITH ATTRACTIVE YIELD

Note: Company sources.
1. Represents market value. Book yield represents pre-tax equivalent book yield after dividend gross-up of portfolio (as at September 30, 2016).
2. Market value, includes CLOs. 3. ~99% Investment grade. 4. Cash includes short-term investments. 5. Excludes realized and unrealized gains and losses.

Capital management

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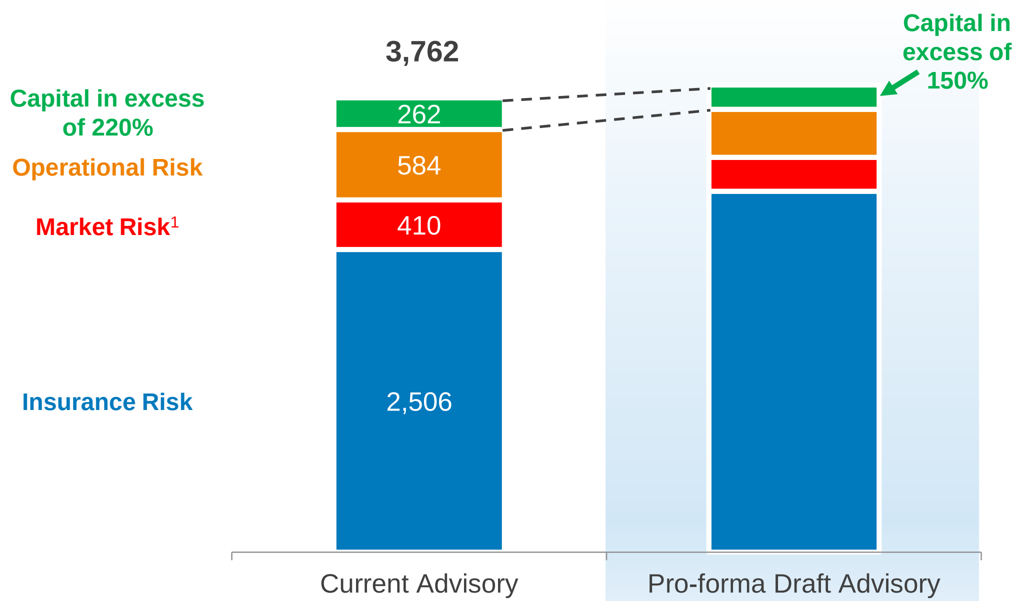
Regulatory capital as at September 30th, 2016

(by category, $ millions unless otherwise noted)



	Current Advisory	Pro-forma Draft Advisory
MCT ratio	236%	155% to 158%
Holding Target	220%	n.a.
MCT Supervisory Target	150%	150%
Holdco cash[2] ($ millions)	$181	$181

Highlights

Increased dividend by 5% to $0.44 per common share

New Capital framework expected to be effective January 1, 2017

- Expect 220% Holding Target to be re-calibrated to 150% MCT Supervisory Target
- Awaiting confirmation of the Government Guarantee MCT Minimum (previously 175% vs. 150% Supervisory target)

Transitional provision limits increase in capital requirements for insurance risk on:

- Legacy extended amortization mortgages (amortization > 25 years)
- Portfolio insured mortgages originated prior to Dec. 31, 2016

For capital required for operational risk, three year transition period expected

Note: Company sources. 1. Market risk includes interest rate, credit, equity risk, and foreign exchange risk. MCT denotes ratio for operating insurance company. 3Q16 MCT based on company estimates.
2. Represents liquid investments and cash held in addition to capital in operating insurance company.

Overview of new capital framework

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Total Assets Required =

Base Requirement

More Risk Sensitive Based on:

- Outstanding Balance
- Modified LTV
- Remaining Amortization
- Credit Score

+

Supplemental Requirement

Triggered When Price to Income Metric Exceeds OSFI Prescribed Threshold:

- Toronto
- Vancouver
- Calgary
- Edmonton
- Victoria

-

Premium Liabilities

- Unearned Premiums Reserve
- Reserve for Incurred But Not Reported Losses on Claims

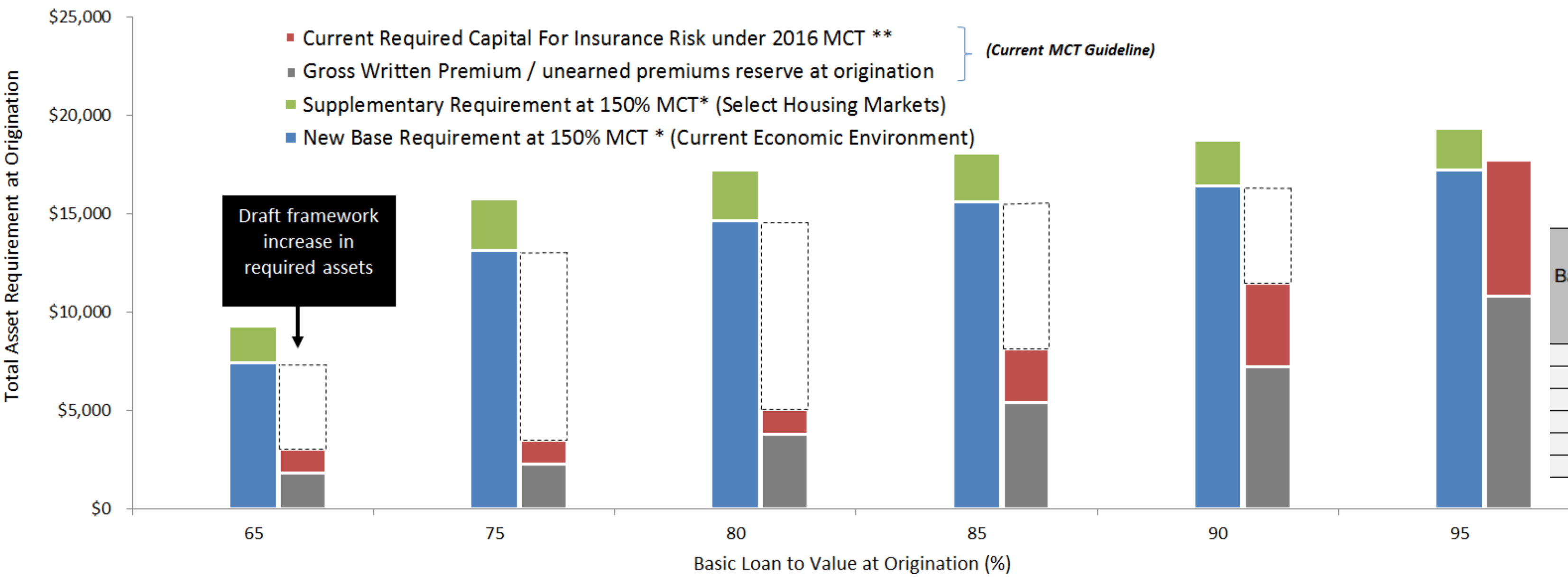
= Capital Required for Insurance Risk

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, 730 credit score at issue; $300k mortgage)



Basic LTV at Issue	Total LTV Including Premium & Taxes
65%	65%
75%	76%
80%	81%
85%	87%
90%	92%
95%	99%

Highlights

- Premium rate increases likely in 2017 in response to higher capital levels from proposed base and supplementary requirement

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.

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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