Genworth Financial

NEWS RELEASE

Genworth MI Canada Maintains Strong Profitability in its Second Quarter

Toronto, ON (July 30, 2009) – Genworth MI Canada Inc. (TSX: MIC) today reported strong results for the second quarter of 2009 with net income of $74 million or $0.64 per diluted share and net operating income of $69 million or $0.60 per diluted share. This is the Company's first reporting period since becoming a reporting issuer on June 29, 2009 prior to its initial public offering on July 7, 2009.

"The success of the initial public offering strengthens our financial position and reaffirms the important role we play in Canada's mortgage market. We achieved solid results this quarter in a challenging economic environment which is a testament to our risk management discipline," said Brian Hurley, Chairman and Chief Executive Officer. "Over the quarter, the housing market showed positive signs including improved housing affordability due to lower interest rates and home price stabilization. As the economy recovers, our continued emphasis on high quality customer service, deep lender relationships and customized solutions puts us in a strong position to capitalize on growth opportunities."

Key Operating Metrics:

- **Net premiums earned** in the quarter increased 22 percent to $153 million, compared to $125 million last year, reflecting the amortization of the unearned premium reserves as the large 2006, 2007 and 2008 books season. Unearned premium reserves were $2.1 billion. $1.9 billion of these reserves will be recognized over the next 5 years based on the current premium recognition curve.

- **Net premiums written** were $82 million, as compared to $200 million in the same period last year. This decline resulted primarily from a smaller high loan to value (LTV) mortgage origination market, lower market share and a lower average premium rate that primarily resulted from a higher proportion of refinance business.

- **Net operating income** of $69 million was approximately 20 percent lower relative to the same period a year ago due to an increase in losses. These losses were primarily the result of the seasoning of the large 2007 and 2008 insurance-in-force books which were partially offset by higher net premiums earned.

- Job losses across Canada and home price declines in select markets drove losses to $71 million. These factors caused an increase in the **loss ratio** to 46% from 24% in the same period last year.

These losses were partially mitigated by Genworth MI Canada's loss mitigation strategy known as the Homeownership Assistance Program which helps borrowers through temporary financial difficulties. Genworth MI Canada increased loss mitigation resources and saw favourable results.

- The **combined ratio** of 62 percent was up from 54 percent in the first quarter of 2009 and up from 39 percent in the same quarter a year ago, reflecting a higher loss ratio.

- The **regulatory capital ratio** increased to 140 percent from 134 percent at the end of the first quarter. This is well in excess of the regulatory supervisory target of 120 percent.

The Company also announced that the underwriters of its initial public offering have exercised a portion of their over-allotment option to purchase 5.0 million common shares of the Company from the Company's parent company, Genworth Financial Inc., at a purchase price of $19.00 per share. Following the exercise today of the over-allotment option, Genworth Financial Inc., has a 57.5% ownership interest in Genworth MI Canada.

Investments

Investment income of $51 million included $7 million of net investment gains. On the $4.3 billion general investment portfolio, net unrealized gains were $59 million at June 30, 2009. The government guarantee fund of $551 million had a further $25 million in net unrealized gains. There were no impairments in the investment portfolio in the quarter.

Genworth MI Canada continues to proactively manage a diversified portfolio consisting primarily of fixed income government assets and high grade credits. The Company's strategy going forward is to judiciously look for opportunities to enhance the overall yield in its portfolio while maintaining prudent risk and capital management.

Shareholders' Equity

After the reorganization described in the financial statements, pro forma shareholders' equity as of June 30, 2009 was $2.5 billion, or $20.86 per share on a fully diluted basis. Shareholders' equity, excluding accumulated other comprehensive income (loss), as of June 30, 2009 was $2.4 billion, or $20.39 per share on a fully diluted basis.

First Reporting Period

This is Genworth MI Canada's first reporting period since becoming a reporting issuer on June 29, 2009. Since the initial public offering and related reorganization were not completed until after the quarter end, it is announcing full three and six-month results for its subsidiary, Genworth Canada Holdings I Limited, in order to provide shareholders with a more meaningful assessment of recent performance.

Consolidated Highlights

(*Amounts in millions, except per share*)	Three Months Ended June 30 (Unaudited)				Six Months Ended June 30 (Unaudited)			
	2009		2008		2009		2008	
	Total	Proforma Diluted EPS[1]	Total	Proforma Diluted EPS[1]	Total	Proforma Diluted EPS[1]	Total	Proforma Diluted EPS[1]
New Insurance Written	$4,198		$8,443		$7,648		$14,883	
Insurance In Force	$216,742		$196,933		$216,742		$196,933	
Net Premiums Written	$82		$200		$146		$331	
Net Premiums Earned	$153		$125		$401[3]		$247	
Loss Ratio	46%		24%		33% [3]		26%	
Combined Ratio	62%		39%		45%[3]		40%	
Investment Income	$51		$71		$94		$110	
Net income	$74	$0.64	$105	$0.89	$211[3]	$1.82	$178	$1.52
Net operating income[2]	$69	$0.60	$87	$0.74	$210[3]	$1.80	$164	$1.40
Minimum Capital Test Ratio	140%		123%		140%		123%	

[1] Pro forma diluted earnings per common share reflect the reorganization that occurred prior to the initial public offering on July 7, 2009 – see Note 1 to the financial statements of Genworth MI Canada Inc.
[2] This is a financial measure not calculated based on Canadian generally accepted accounting principles (GAAP). See the "Non-GAAP Measures" section of this press release for additional information.
[3] Excluding the impact of change to the premium recognition curve, net premiums earned, net income, net operating income, loss ratio and combined ratio for the six months ended June 30, 2009 would have been $301, $148, $146, 44% and 58% respectively.

Detailed Operating Results

For more information on Genworth MI Canada's operating results, please refer to the interim Financial Statements and Management's Discussion & Analysis filed on SEDAR or at http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00028505.

A copy of these statements can also be found on the Company's website at http://investor.genworthmicanada.ca

About Genworth MI Canada

Genworth MI Canada Inc., through its subsidiary, Genworth Financial Mortgage Insurance Company Canada, has been the leading Canadian private residential mortgage insurer since 1995. Known as Genworth Financial Canada, "The Homeownership Company," it provides default mortgage insurance to Canadian residential mortgage lenders that enables low down payment borrowers to own a home more affordably and stay in their homes during difficult financial times. Genworth Financial Canada combines technological and service excellence with risk management expertise to deliver innovation to the mortgage marketplace. As of June 30, 2009, Genworth Financial Canada had $5.0 billion in total assets and $2.3 billion in shareholders' equity. Based in Oakville, Ontario, the Company employs approximately 265 people across Canada. Additional information about Genworth MI Canada is available at www.genworth.ca.

Conference Calls and Financial Supplement Information

This press release and the second quarter 2009 financial supplement are posted on the Company's website. Investors are encouraged to review all of these materials.

Genworth MI Canada's conference call will be accessible via telephone and the Internet. The dial-in number for the July 31 conference call is 1-888-300-0053 (#21064252). The call will also be available in listen-only mode via the Internet at http://investor.genworthmicanada.ca. A replay of the call will be available from the Company's website through September 15, 2009.

Non-GAAP Measures

To supplement its financial statements, the Company uses select non-GAAP financial measures. Non-GAAP 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 operating income and return on operating income. The Company believes that these non-GAAP 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-GAAP measures do not have standardized meaning and are unlikely to be comparable to any similar measure 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. Click on the Glossary of Terms under Investor Resources on the left navigation bar.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain forward-looking statements. These forward-looking statements include, but are not limited to Genworth MI Canada's plans, objectives, expectations and intentions and other statements contained in this release that are not historical facts as well as statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, or words of similar meaning. These statements are based on Genworth MI Canada's current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond the control of Genworth MI Canada. Actual results may differ materially from these expectations due to changes in global, political, economic, business, competitive, market and regulatory factors. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

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