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Genworth MI Canada Inc. Reports First Quarter 2012 Results

First Quarter Net Operating Income of \$76 million and Net Operating EPS of \$0.77/share

Toronto, ON (May 1, 2012) – Genworth MI Canada Inc. (the “Company”) (TSX: MIC) today reported first quarter 2012 net income of \$81 million or \$0.82 per diluted common share and net operating income of \$76 million or net operating earnings of \$0.77 per diluted common share.

“We started the year with a solid quarter,” said Brian Hurley, Chairman and Chief Executive Officer. “We continue to monitor market dynamics including consumer debt levels and housing developments across Canada. Our view is that the housing market is balanced and the fundamentals remain strong.”

First Quarter 2012 Key Financial Metrics:

- **Net premiums written** of \$79 million were \$44 million lower sequentially and \$22 million lower year over year. The sequential decline was driven primarily by typical winter seasonality. The year over year decline was primarily driven by a smaller high-ratio mortgage origination market, and in particular, lower refinance activity.
- **Net premiums earned** of \$147 million were \$9 million lower sequentially and \$8 million lower year over year. In both cases, the decline is attributed to the maturing of the larger 2007 and 2008 books and a lower adjustment to the quarterly premium recognition curve.
- **Losses on claims** of \$56 million were \$6 million lower sequentially and \$3 million lower year over year. This resulted in a loss ratio of 38% for the quarter, consistent with the Company’s average target loss ratio range of 35-40%.
- **Investment Income** of \$43 million (excluding \$6 million of realized and unrealized investment gains) was \$1 million higher sequentially and flat year over year.
- **Net operating income** of \$76 million was \$3 million lower sequentially and \$2 million lower year over year. **Operating return on equity** was 12% for the quarter, one point lower sequentially and one point lower year over year.
- **The expense ratio** was 18%, 1 percentage point higher sequentially and 1 percentage point higher year over year. Expenses of \$26 million were consistent on a sequential and year over year basis.

- **The unearned premium reserve** was \$1.8 billion at the end of the quarter. These premiums will be earned over time in accordance with the Company's premium recognition curve which follows the Company's loss emergence pattern.
- **The regulatory capital ratio or Minimum Capital Test ("MCT") ratio** was 159%, 3 percentage points lower sequentially and 4 percentage points higher year over year. This capital level is well in excess of the Company's internal MCT target of 145%. The Company continues to have a strong capital position with the financial flexibility to support the business.

Dividends

On March 1, 2012, the Company paid a quarterly dividend of \$0.29 per common share.

The Company also announced today that its Board of Directors approved a dividend of \$0.29 per common share, payable on June 1, 2012, to shareholders of record at the close of business on May 15, 2012.

Shareholders' Equity

As of March 31, 2012, shareholders' equity was \$2.7 billion or a book value of \$27.31 per common share on a fully diluted basis. Excluding accumulated other comprehensive income ("AOCI") or loss, shareholders' equity was \$2.5 billion or a book value of \$25.30 per common share on a fully diluted basis.

First Quarter 2012 Key Highlights:

The Company continued to make solid progress towards its operational targets and continues to maintain its leading position in the Canadian private mortgage insurance industry.

- New insurance written of \$4.1 billion was primarily impacted by typical winter seasonality, resulting in a sequential decline of 34%. The year over year decline of 24% was largely due to a smaller high loan-to-value mortgage originations including lower refinance activity as compared to the prior year. The first quarter of 2011 had benefitted from increased mortgage activity prior to the government guarantee product changes. This impact was partially offset by strengthening market penetration.
- In the Company's insurance portfolio, borrower quality remains strong with high credit scores. The average credit score for new insurance written for the quarter was 726.
- The overall delinquency rate was 0.19%, 1 basis point lower sequentially and 8 basis points lower year over year. However, consistent with typical first quarter seasonality, the Company experienced 7% higher number of net new delinquencies as compared to the previous quarter. The delinquency rate continues to be positively influenced by the increased traction and momentum of the Company's asset management strategy.

- The Company's investment portfolio had a market value of \$5.0 billion at the end of the quarter. The general portfolio had a pre-tax equivalent book yield of 4.3% and duration of 3.7 years as at March 31, 2012. The Company's strategy in managing its high-quality investment portfolio remained consistent with previous quarters and the portfolio continues to be comprised primarily of investment grade fixed income securities.

Consolidated Financial Highlights

(\$ millions, except per share amounts)	Three Months Ended March 31 (Unaudited)	
	2012	2011
New Insurance Written ¹	4,106	5,429
Insurance In Force ¹	268,726	248,811
Net Premiums Written	79	101
Net Premiums Earned	147	155
Losses on Claims	56	59
Investment Income	43	43
Realized and Unrealized Gains or Losses on Investments	6	3
Net Income	81	80
Net Operating Income ¹	76	78
Fully Diluted Earnings Per Common Share	\$0.82	\$0.75
Fully Diluted Operating Earnings Per Common Share ¹	\$0.77	\$0.73
Fully Diluted Book Value Per Common Share, including AOCI	\$27.31	\$24.79
Fully Diluted Book Value Per Common Share, excluding AOCI ¹	\$25.30	\$23.80
Loss Ratio ¹	38%	38%
Combined Ratio ¹	56%	55%
Operating Return on Equity ¹	12%	13%
Minimum Capital Test Ratio (MCT) ¹	159%	155%

¹This is a financial measure not calculated based on International Financial Reporting Standards ("IFRSs"). See the "IFRSs and Non-IFRSs Financial Measures" section of this press release for additional information.

Detailed Operating Results and Financial Supplement

For more information on the Company's operating results, please refer to the Management's Discussion and Analysis as posted on SEDAR and available at www.sedar.com.

This press release, the financial statements, Management's Discussion and Analysis, and the first quarter 2012 financial supplement are also posted on the investor section of the Company's website (<http://investor.genworthmicanada.ca>). Investors are encouraged to review all of these materials.

Earnings Call

The Company's first quarter earnings call will be held on May 2, 2012 at 10:30 am ET (Local: 416-644-3415, Toll free: 1-800-814-4859). The call is accessible via telephone and by audio webcast on the Company's website. Slides to accompany the call will be posted just prior to its start. A replay of the call will be available until June 2, 2012 (Local: 416-640-1917, Toll Free: 1-877-289-8525 Access Code 4530613#). Participants are encouraged to pre-register for the webcast through the Company's website. A replay of the call will be available on the Company's website until June 15, 2012.

IFRSs and Non-IFRSs Financial Measures

The Company's consolidated financial statements are prepared in accordance with IFRSs. 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 operating income. Other non-IFRSs measures used by the Company include shareholders' equity excluding accumulated other comprehensive income ("AOCI"), insurance in-force, new insurance written, minimal capital test ratio ("MCT"), delinquency ratio, severity on claims paid, operating earnings per common share of the Company (basic and diluted), book value per common share (basic and diluted; including and excluding AOCI), dividends paid per common share of the Company, and portfolio duration. 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 investor section of the Company's website. To access the glossary, click on the "Glossary of Terms" link under "Investor Resources" subsection on the left navigation bar. A reconciliation of non-IFRSs financial measures to the most recently comparable measures calculated in accordance with IFRSs can be found in Management's Discussion and Analysis filed with the Company's most recent financial statements, which are available on the Company's website and on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain forward-looking statements. These forward-looking statements include, but are not limited to, the Company's plans, objectives, expectations and intentions, and other statements contained in this release that are not historical facts. These statements may be identified by their use of words such as "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", or similar expressions, as they relate to the Company are intended to identify forward-looking statements. Specific forward-looking statements in this document include, but are not limited to, statements with respect to the Company's expectations regarding the Canadian government's proposed changes to the guarantee regime regarding residential mortgages, and the Company's beliefs as to housing demand and home price appreciation, unemployment rates, 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. These statements are inherently subject to significant risks, uncertainties and changes in circumstances, many of which are beyond the Company's control. 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 global, political, economic, business, competitive, market and regulatory factors, and the other risks described in the Company's Annual Information Form. 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.

About Genworth MI Canada Inc.

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 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 Canada combines technological and service excellence with risk management expertise to deliver innovation to the mortgage marketplace. As of March 31, 2012, Genworth Canada had \$5.4 billion total assets and \$2.7 billion shareholders' equity. Based in Oakville, Ontario, Genworth Canada employs approximately 260 people across Canada. Find out more at www.genworth.ca.

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