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Genworth MI Canada Inc. Reports Third Quarter 2010 Results

Net Operating Income Increases for the Fifth Consecutive Quarter

Toronto, ON (October 28, 2010) – Genworth MI Canada Inc. (the “Company”) (TSX: MIC) today reported results for the third quarter of 2010 with net income of \$95 million or \$0.84 per diluted share and net operating income of \$92 million or \$0.81 per diluted share. The Company’s reported net operating income represents a 7% sequential increase and a 23% year over year increase.

“We delivered our fifth consecutive quarter of net income growth,” said Brian Hurley, Chairman and Chief Executive Officer. “Our premiums written also improved as a result of sound housing fundamentals and continued execution of our customer strategy. With the potential of a slowing housing market, we are focused on maintaining prudent risk management, a strong financial position and capital flexibility.”

Third Quarter 2010 Key Financial Metrics:

- **Net premiums written** of \$166 million, represented a \$9 million sequential increase and a \$62 million year over year increase. The 6% sequential and 60% year over year increase in net premiums written was the result of a strong spring market, improved market penetration and higher average premiums from increased home purchase volumes relative to home refinances.
- **Net premiums earned** of \$155 million represented a \$1 million sequential and year over year increase. At the end of the quarter, the Company had \$1.9 billion in unearned premium reserves, consistent with the previous quarter.
- **Losses on claims** of \$47 million represented a \$2 million decrease sequentially and \$17 million year over year decrease. The loss ratio of 30% in the third quarter was 2 points lower sequentially and 12 points lower year over year.

- **Investment Income** of \$45 million (excluding \$4 million of realized and unrealized investment gains) was \$3 million higher sequentially and \$2 million higher year over year.
- **Net operating income** of \$92 million was \$6 million higher sequentially and \$17 million higher year over year. Excluding the \$5 million or \$0.04 per share favourable adjustment to prior year's income taxes, net operating income and operating earnings per diluted share were \$87 million and \$0.77, respectively.
- **The expense ratio** was 17%, 2 points higher sequentially and year over year.
- **The combined ratio** of 47% was flat sequentially and 10 points lower year over year.
- **The regulatory capital ratio** or **Minimum Capital Test ("MCT") ratio** was 153%, 1 point lower sequentially and 6 points higher year over year.
- **Operating return on equity** was 14% for the quarter, an increase of 1 point sequentially and 2 points year over year.

Operational Highlights:

The Company continued to make solid progress on its strategic priorities and is well positioned to continue as the leading Canadian private mortgage insurer.

Key highlights for the third quarter of 2010 were:

- The Company continued to improve its market position through the consistent execution of its customer-centric sales and service strategies. New insurance written increased 6% sequentially and 51% over the third quarter of 2009.
- The improving loss ratio was due to fewer new delinquencies and a lower average reserve per delinquent loan resulting from both the improving economic conditions and the continued expansion of the Company's Homeowner Assistance Program.
- The Company had an investment portfolio of \$4.9 billion. Excluding the Guarantee Fund, the portfolio had a book yield of 4.1% and duration of 3.6 years as at September 30, 2010. The higher investment income was a result of the Company's continued strategy to prudently diversify a portion of its portfolio into higher yielding investments. The portfolio continues to be well positioned to benefit from a rising interest rate environment.

Shareholders' Equity

On August 27th, 2010, the Company successfully completed a substantial issuer bid and repurchased 12,310,606 common shares, representing approximately 10.5% of the common shares outstanding, for an aggregate purchase price of approximately \$325 million. Taking the transaction into effect, the Company had 104,789,394 common shares outstanding. Genworth Financial Inc., the principal shareholder of the Company, participated in the share repurchase on a proportional basis and continues to hold approximately 57.5% of the outstanding common shares.

As of September 30, 2010, shareholders' equity was \$2.6 billion or \$24.30 per share on a fully diluted basis. Excluding accumulated other comprehensive income or loss, shareholders' equity was \$2.4 billion or \$22.74 per share on a fully diluted basis.

Dividends

The Company paid a quarterly dividend of \$0.22 per common share on September 1, 2010 to shareholders of record at the close of business on August 15, 2010.

The Company's Board of Directors has approved an amendment to its dividend policy, authorizing the declaration and payment of a fixed dividend of \$0.26 per common share per quarter. The payment of dividends pursuant to this policy, however, is not guaranteed and the amount and timing of any dividends payable remains at the discretion of the Company's Board of Directors.

The Company also announced today that its Board of Directors approved a \$0.26 per common share dividend, payable on December 1, 2010 to shareholders of record at the close of business on November 15, 2010. This is an increase from the dividend of \$0.22 per common share paid by the Company in each of the prior four quarters.

Consolidated Financial Highlights

<i>(\$ millions, except per share amounts)</i>	Three Months Ended September 30 (Unaudited)		Nine months Ended September 30 (Unaudited)	
	2010	2009	2010	2009
New Insurance Written	\$7,630	\$5,051	\$20,931	\$12,701
Insurance In Force	240,417	219,927	240,417	219,927
Net Premiums Written	166	104	417	250
Net Premiums Earned	155	154	465	455 ²
Losses on Claims	47	64	156	195
Investment Income	45	43	132	135
Realized and Unrealized Gains or Losses	4	6	7	9
Net Income	\$95	\$79	\$264	\$228 ²
Net Operating Income¹	\$92	\$75	\$259	\$222 ²
Fully Diluted Earnings Per Share	\$0.84	\$0.67	\$2.27	\$2.00 ²
Fully Diluted Operating Earnings Per Share¹	\$0.81	\$0.63	\$2.22	\$1.95 ²
Loss Ratio	30%	42%	34%	43% ²
Combined Ratio	47%	57%	50%	58% ²
Operating Return on Equity	14%	12%	14%	14% ²
Minimum Capital Test Ratio	153%	147%	153%	147%

¹ 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.

² Including the impact of the change to the premium recognition curve in the first quarter of 2009, financial measures for the nine months ended September 30, 2009 would have been: net premiums earned, \$555; net income, \$291; net operating income, \$286; fully diluted earnings per share, \$2.56; fully diluted operating earnings per share, \$2.51; loss ratio, 35%; combined ratio, 48%, and operating return on equity, 17%.

Detailed Operating Results and Financial Supplement

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

This press release, the financial statements, Management's Discussion and Analysis, and the third quarter 2010 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

Genworth MI Canada Inc.'s third quarter earnings call will be held on October 29, 2010 at 10:30 am EST. The dial-in number is 1-888-300-0053 (#I.D. 16764791). The call is accessible via telephone and by audio webcast on the Company's website. Slides to accompany the call will be posted on October 29th prior to its start. A recording will be available on the Company's website until December 15, 2010.

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 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 (<http://investor.genworthmicanada.ca>). To access the glossary, click on the "Glossary of Terms" link under "Investor Resources" subsection 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. These statements may be identified by their use of words such as "expects", "anticipates", "contemplates", "intends", "plans", "believes", "seeks", "estimates", or words of similar meaning. These statements are based on Genworth MI Canada Inc.'s current beliefs or expectations, including the Company's assumptions, beliefs and expectations regarding its future capital requirements, market conditions and its ability to obtain regulatory approvals. These statements are inherently subject to significant risks, uncertainties and changes in circumstances, many of which are beyond the control of Genworth MI Canada Inc. 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 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 September 30, 2010, Genworth Financial Canada had \$5.3 billion total assets and \$2.6 billion shareholders' equity. Based in Oakville, Ontario, Genworth Financial Canada employs approximately 265 people across Canada. Additional information about Genworth MI Canada Inc. is available at www.genworth.ca.

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