

2060 Winston Park Drive
Suite 300
Oakville, ON L6R 5R7

Genworth MI Canada Inc. Reports Fourth Quarter 2010 And Year End Results

Full Year Net Operating Income Increased 12% to \$343 million and Operating Return on Equity Improved to 14%

Toronto, ON (February 2, 2011) – Genworth MI Canada Inc. (the “Company”) (TSX: MIC) today reported results for the fourth quarter of 2010 with net income of \$84 million or \$0.80 per diluted share and net operating income of \$84 million or \$0.79 per diluted share. Net operating income decreased by 9% sequentially and 1% compared to the same quarter of 2009.

Net operating income for the full 2010 year was \$343 million, representing an increase of \$36 million, or 12% as compared to the full 2009 year, excluding the impact of the earnings curve adjustment in the first quarter of 2009. As a result, the Company delivered an operating return on equity of 14% for the year, representing a 1 point increase over 2009.

“We are pleased with our solid performance in 2010,” said Brian Hurley, Chairman and Chief Executive Officer. “Against the backdrop of an improving economy, we achieved a 53% increase in net premiums written and a 20% decline in losses on claims, reflecting the success of our focused customer and risk management strategies.”

Fourth Quarter 2010 Key Financial Metrics:

- **Net premiums written** of \$134 million represented a \$32 million sequential decrease and a \$24 million year over year increase. The 19% sequential decrease was primarily due to typical seasonality in the mortgage origination market. The 22% year over year increase in net premiums written was the result of improved market penetration and a slightly stronger mortgage origination market.
- **Net premiums earned** of \$156 million represented a \$1 million sequential increase and \$1 million year over year increase. At the end of the quarter, the Company had \$1.9 billion in unearned premium reserves, which will be earned into premiums over time in accordance with the Company’s premium recognition curve.
- **Losses on claims** of \$50 million represented a \$3 million increase sequentially and \$10 million decrease year over year. The loss ratio of 32% in the fourth quarter was 2 points

higher sequentially and 7 points lower year over year. The modest sequential increase for losses on claims was primarily due to seasonality and the geographic mix of delinquencies.

- **Investment Income** of \$44 million (excluding \$1 million of realized and unrealized investment gains) was \$1 million lower sequentially and \$1 million higher year over year.
- **Net operating income** of \$84 million was \$8 million lower sequentially and \$1 million lower year over year. Excluding favourable tax adjustments of \$5 million in the third quarter of 2010 and \$8 million in the fourth quarter of 2009, net operating income decreased by 3% sequentially and increased 9% year over year. This sequential decrease was primarily due to a higher effective tax rate in the quarter and a modest increase in losses on claims.
- **The expense ratio** was 18%, 1 point higher sequentially and 2 points higher year over year.
- **The combined ratio** of 50% was 3 points higher sequentially and 5 points lower year over year.
- **The regulatory capital ratio or Minimum Capital Test (“MCT”) ratio** was 156%, 3 points higher sequentially and 7 points higher year over year.
- **Operating return on equity** was 14% for the quarter, flat sequentially and year over year.

Fourth Quarter 2010 Key Operational Highlights:

The Company continued to make solid progress on its strategic priorities. The Company is well-positioned with the financial flexibility to support its insurance in force, to fund organic growth opportunities, to maintain strong credit ratings and to optimize returns.

- The Company continued to improve its market position through the consistent execution of its customer-centric sales and service strategies. While new insurance written decreased 14% sequentially due to typical seasonality, it increased 23% year over year due to improved housing market conditions and better market penetration.
- While the Company’s earned premiums are consistent sequentially, the earned premiums have benefited from the previous large books of business and it is expected that the benefit will decrease in the coming quarters as the large 2007 and 2008 books mature past their peak earnings period.

- The increase in losses during the quarter was mainly due to a marginal increase in new delinquencies as a result of typical seasonal pressure on the housing market. This was partially offset by a decline in average reserve per delinquency to \$60,800 from \$68,100 as the larger older reserves, primarily from the 2007 book, were paid out and newer reserves benefited from a stronger housing market with more accumulated home price appreciation. The Company believes it will remain within, or below, the company's target loss ratio range of 35-40%.
- During the quarter, the Company completed a \$150 million offering of 4.59% debentures, maturing on December 15, 2015, under the Company's shelf prospectus dated May 7, 2010. The details of this offering are noted in the prospectus supplement dated December 13, 2010. As at December 31, 2010, the Company's debt to total capital ratio was 14%.
- The Company had an investment portfolio of \$5.1 billion as at December 31, 2010. Excluding the Government Guarantee Fund, the portfolio had a pre-tax equivalent book yield of 4.2% and duration of 3.6 years as at December 31, 2010. During the quarter, the Company continued its strategy to enhance its pre-tax equivalent portfolio yield by increasing its preferred and common share holdings to approximately 4% of its general portfolio. The portfolio is well-positioned with a short duration and will benefit from the anticipated rising interest rate environment.

Shareholders' Equity

As of December 31, 2010, shareholders' equity was \$2.6 billion or \$24.45 per share on a fully diluted basis. Excluding accumulated other comprehensive income ("AOCI") or loss, shareholders' equity was \$2.5 billion or \$23.27 per common share on a fully diluted basis.

Dividends

On December 1, 2010, the Company paid a quarterly dividend of \$0.26 per common share. Since becoming a public company, this dividend represents the fifth consecutive quarterly payment of dividends to shareholders and the first dividend increase from \$0.22 per common share previously.

The Company also announced today that its Board of Directors approved a \$0.26 per common share dividend, payable on March 1, 2011 to shareholders of record at the close of business on February 15, 2011.

Consolidated Financial Highlights

<i>(\$ millions, except per share amounts)</i>	Three Months Ended		Full Year	
	December 31 (Unaudited)		December 31 (Unaudited)	
	2010	2009	2010	2009
New Insurance Written	\$6,537	\$5,307	\$27,468	\$18,007
Insurance In Force	244,725	223,842	244,725	223,842
Net Premiums Written	134	110	552	360
Net Premiums Earned	156	155	621	610 ²
Losses on Claims	50	60	206	256
Investment Income	44	43	176	178
Realized and Unrealized Gains or Losses	1	3	8	12
Net Income	\$84	\$87	\$349	\$315 ²
Net Operating Income¹	\$84	\$85	\$343	\$307 ²
Fully Diluted Earnings Per Share	\$0.80	\$0.74	\$3.06	\$2.74 ²
Fully Diluted Operating Earnings Per Share¹	\$0.79	\$0.72	\$3.01	\$2.67 ²
Fully Diluted Book Value Per Share, excluding AOCI	\$23.27	\$21.58	\$23.27	\$21.58
Loss Ratio	32%	39%	33%	42% ²
Combined Ratio	50%	55%	50%	57% ²
Operating Return on Equity	14%	14%	14%	13% ²
Minimum Capital Test Ratio (MCT)	156%	149%	156%	149%

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 year ended December 31, 2010 would have been: net premiums earned, \$710; net income, \$379; net operating income, \$371; fully diluted earnings per share, \$3.30; fully diluted operating earnings per share, \$3.23; loss ratio, 36%; combined ratio, 50%; and operating return on equity, 16%.

Detailed Operating Results and Financial Supplement

For more information on the Company's operating results, please refer to the Company's Review of Performance 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, Review of Performance, and the fourth 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

The Company's fourth quarter earnings call will be held today at 1:00 pm EST. The dial-in number is 1-888-300-0053 (#I.D. 38815043). 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 recording will be available on the Company's website until April 15, 2011.

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 net operating income and return on net 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 measure 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. A reconciliation from non-GAAP financial measures to the most readily comparable measures calculated in accordance with GAAP can be found in the Company's most recent financial statements, which are posted on the Company's website and are also available 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 "expects", "anticipates", "contemplates", "intends", "plans", "believes", "seeks", "estimates", or words of similar meaning. These statements are based on the Company'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 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 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 December 31, 2010, Genworth Financial Canada had \$5.4 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.

Contact Information:

Investors – Samantha Cheung, 905-287-5482 samantha.cheung@genworth.com

Media – Anita DiPaolo-Booth, 905-287-5394 anita.dipaolobooth@genworth.com