Genworth MI Canada Inc.

NEWS RELEASE

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Genworth MI Canada Inc. Reports Fourth Quarter 2011 Results And Year End Results

Fourth Quarter Net Operating Income Of $79 million And Operating EPS of $0.80/share
Full Year Net Operating Income Of $318 million And Operating EPS increased by 4% to $3.12
Operating Return On Equity Of 13%

Toronto, ON (February 2, 2012) – Genworth MI Canada Inc. (the "Company") (TSX: MIC) today reported results for the fourth quarter of 2011 with net income of $79 million or $0.80 per diluted common share and net operating income of $79 million or net operating earnings of $0.80 per diluted common share.

For the full year, net operating earnings per common share (diluted) increased by 4% to $3.12 as compared to $3.01 in 2010. Net operating income for 2011 was $318 million, representing a decrease of $25 million, or 7% as compared to the full 2010 year. The decrease in net operating income was due in part to the payment of a full year of interest expense, lower earned premiums and higher losses.

"We are pleased to continue to deliver consistent and solid performance in 2011," said Brian Hurley, Chairman and CEO. "We achieved higher market penetration and ended the year with fewer delinquencies. Our customer-focused sales and risk management strategies continue to positively influence our results."

Fourth Quarter 2011 Key Financial Metrics:

- **Net premiums written** of $123 million were $37 million lower sequentially and $11 million lower year over year. The sequential decline was primarily driven by typical winter seasonality. The year over year decline was driven by a smaller high ratio mortgage origination market as compared to the prior year, partially offset by increased market penetration by the Company.

- **Net premiums earned** of $156 million were $7 million higher sequentially and the same as reported last year. The sequential increase was due to the quarterly update to the Company's premium recognition curve based on the actuarial analysis of historical loss patterns.

- **Losses on claims** of $62 million were $7 million higher sequentially and $11 million higher year over year. The loss ratio was 39% in the fourth quarter and 37% for the full year. Higher losses in the quarter were driven by a seasonal increase in new delinquencies and reserve strengthening to reflect higher claim severity, particularly in Alberta.

- **Investment Income** of $42 million (excluding $1 million of realized and unrealized investment gains) was $2 million lower sequentially and $2 million lower year over year**.** The decline was primarily due to lower reinvestment yields.

- **Net operating income** of $79 million was $1 million lower sequentially and $5 million lower year over year. **Operating return on equity** was 13% for the quarter, consistent with the prior quarter and 1 point lower than the same quarter in the prior year. Operating return on equity was 13% for the year, one point lower than in the prior year.

- **The expense ratio** was 17%, 1 point higher sequentially and 1 point lower year over year. Expenses of $26 million were $3 million higher sequentially and $1 million lower year over year. On an aggregate basis, expenses were $101 million on a full year basis, or $2 million lower than in the prior year.

- **The unearned premium reserve** was $1.8 billion at the end of the quarter, which will be earned into premiums over time in accordance with the Company's premium recognition curve.

- **The regulatory capital ratio** or **Minimum Capital Test ("MCT") ratio** was 162%, 1 point higher sequentially and 6 points higher year over year. The Company continues to have a strong capital position with the financial flexibility to support the business and its operations.

Dividends

On December 1, 2011, the Company paid a quarterly dividend of $0.29 and a special dividend of $0.50 per common share.

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

Shareholders' Equity

As of December 31, 2011, shareholders' equity was $2.68 billion or a book value of $26.94 per common share on a fully diluted basis. Excluding accumulated other comprehensive income ("AOCI") or loss, shareholders' equity was $2.47 billion or a book value of $24.78 per common share on a fully diluted basis.

Fourth Quarter 2011 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 $5.2 billion on high loan-to-value mortgages represented a sequential decline of 21%, primarily due to typical winter seasonality. The year over year decline of 9% was due to a smaller high loan-to-value ratio mortgage origination market, resulting from a smaller number of refinance transactions as a consequence of recent government product changes, offset by higher market penetration.

- The overall delinquency rate was 0.20%, sequentially lower by 1 basis point and lower by 6 basis points than the same period last year. The delinquency rate is being positively influenced by an increase in paid claims as the Company's asset management strategy gained momentum.

- The Company's loss mitigation strategies continue to positively impact the business with completed workouts under Company's Homeownership Assistance Program representing approximately 40% of new reported delinquencies. As well, the Company's asset management strategy, which assists in accelerating the foreclosure and sale process, continued to have a positive impact by reducing claim severity.

- The Company had an investment portfolio of $5.1 billion at the end of the quarter. The general portfolio had a pre-tax equivalent book yield of 4.3% and duration of 3.9 years as at December 31, 2011. 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[1]

($ millions, except per share amounts)	Three Months Ended December 31 (Unaudited)		Full Year Ended December 31 (Unaudited)	
	2011	2010[1]	2011	2010[1]
New Insurance Written[2]	6,224	6,537	26,586	27,468
Insurance In Force[2]	265,776	244,725	265,776	244,726
Net Premiums Written	123	134	533	552
Net Premiums Earned	156	156	612	621
Losses on Claims	62	50	225	206
Investment Income	42	44	172	176
Realized and Unrealized Gains or Losses on Investments	1	1	7	8
Net Income	79	85	323	348
Net Operating Income[2]	79	84	318	343
Fully Diluted Earnings Per Share	$0.80	$0.80	$3.17	$3.05
Fully Diluted Operating Earnings Per Share[2]	$0.80	$0.80	$3.12	$3.01
Fully Diluted Book Value Per Common Share, including AOCI	$26.94	$24.44	$26.94	$24.44
Fully Diluted Book Value Per Common Share, excluding AOCI[2]	$24.78	$23.27	$24.78	$23.27
Loss Ratio[2]	39%	32%	37%	33%
Combined Ratio[2]	56%	50%	53%	50%
Operating Return on Equity[2]	13%	14%	13%	14%
Minimum Capital Test Ratio (MCT)[2]	162%	156%	162%	156%

[1] Effective January 1, 2010, the Company has adopted International Financial Reporting Standards ("IFRS"). Certain accounting and measurement methods previously applied under Canadian generally accepted accounting principles were amended to comply with IFRS. The comparative figures for 2010 have been restated to reflect these adjustments.

[2] This is a financial measure not calculated based on IFRS. See the "Non-IFRS 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 Review of Performance 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 2011 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 on February 3, 2012 at 10:00 am ET. The dial-in number is 1-888-300-0053 (#I.D. 42071375). 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 of the call will be available on the Company's website until March 15, 2012.

Non-IFRS Financial Measures

To supplement its financial statements, the Company uses select non-IFRS financial measures. Non-IFRS 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. 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 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 of non-IFRS financial measures to the most recently comparable measures calculated in accordance with IFRS can be found in the 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 "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, 2011, Genworth Financial Canada had $5.4 billion total assets and $2.7 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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