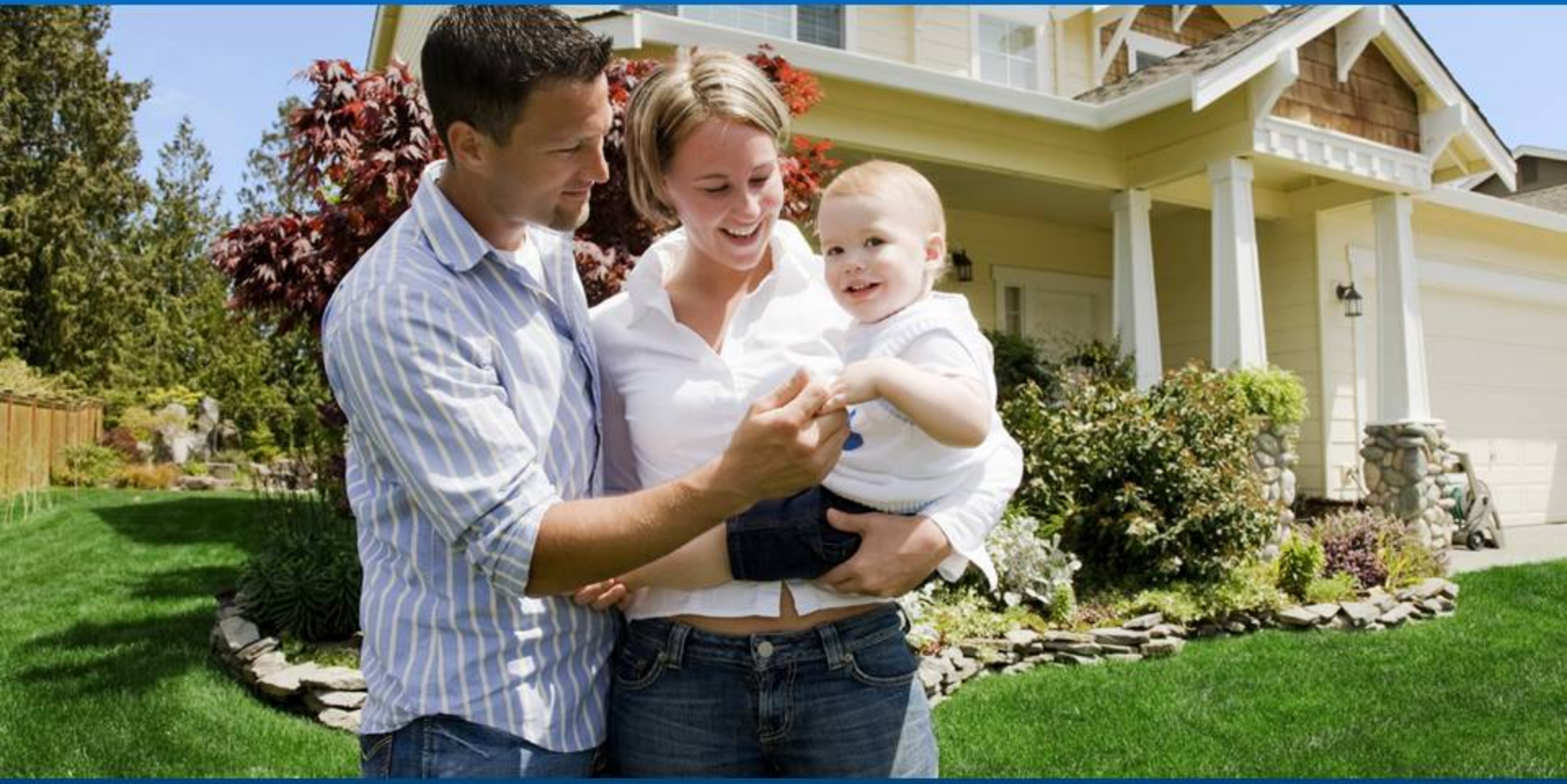
Genworth MI Canada Inc.

Investor Day



Forward-Looking and Non-GAAP Statements

This presentation includes certain forward-looking statements. These forward-looking statements include, but are not limited to, statements with respect to the Company's future operating and financial results, expectations regarding premiums written, capital expenditure plans, dividend policy and the ability to execute on its future operating, investing and financial strategies, and other statements that are not historical facts. These forward-looking statements may be identified by their use of words such as "may," "would," "could," "will," "expects," "anticipates," "contemplates," "intends," "plans," "believes," "seeks," "estimates," or words of similar meaning. These statements are based on the Company's current assumptions, including assumptions regarding economic, global, political, business, competitive, market and regulatory matters. These forward-looking statements are inherently subject to significant risks, uncertainties and changes in circumstances, many of which are beyond the control of the Company. 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 the facts underlying the Company's assumptions, and the other risks described in the Company's Annual Information Form dated March 27, 2010, its Short Form Base Shelf Prospectus dated May 7, 2010, the Prospectus Supplement thereto and all documents incorporated by reference in such documents. 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.

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 measures 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. 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.

Agenda

Topic	Speaker
Welcome	**Samantha Cheung**, VP Investor Relations
Strategic Review and Mortgage Insurance Overview	**Brian Hurley**, Chairman and CEO
Enterprise Risk Management, Housing Outlook, Impact to Insurance Portfolio	**Stuart Levings**, Chief Risk Officer
Loss Mitigation	**Rob Kirby**, VP Loss Mitigation
Growth	**Peter Vukanovich**, President and COO
Organic Growth	**Debbie McPherson**, SVP Sales and Marketing **Susan Noonan**, VP Operations
Levers for Profitability	**Phil Mayers**, CFO
Outlook	**Brian Hurley**, Chairman and CEO
Q and A	
Lunch to be served at 11:45 am	



Strategic Review

BRIAN HURLEY

CHAIRMAN AND CEO

Genworth MI Canada

- Canada's leading private residential mortgage insurer
- Highly attractive mortgage market
- Strong lender relationships
- Consistent profitable growth
- Experienced leadership team
- Well positioned to deliver



Understanding the Premium…

- Lender buys mortgage insurance on $270,000 loan
- Borrower reimburses lender for insurance
- We insure 100% of the mortgage loan
- Upfront premium recognized into revenues over time

House price	$	300,000	
Down payment 10%	$	30,000	90% LTV
Mortgage loan	$	270,000	
Premium paid (2.00%)	$	5,400	
Total insured loan amount	$	275,400	

In the Event of a Claim…

Upon default, the severity of the claim depends on home price

Unpaid loan amount	$	240,000
Legal, real estate, other	$	10,000
Less: Sale price of house	$	(200,000)
Potential Net Claim	$	50,000

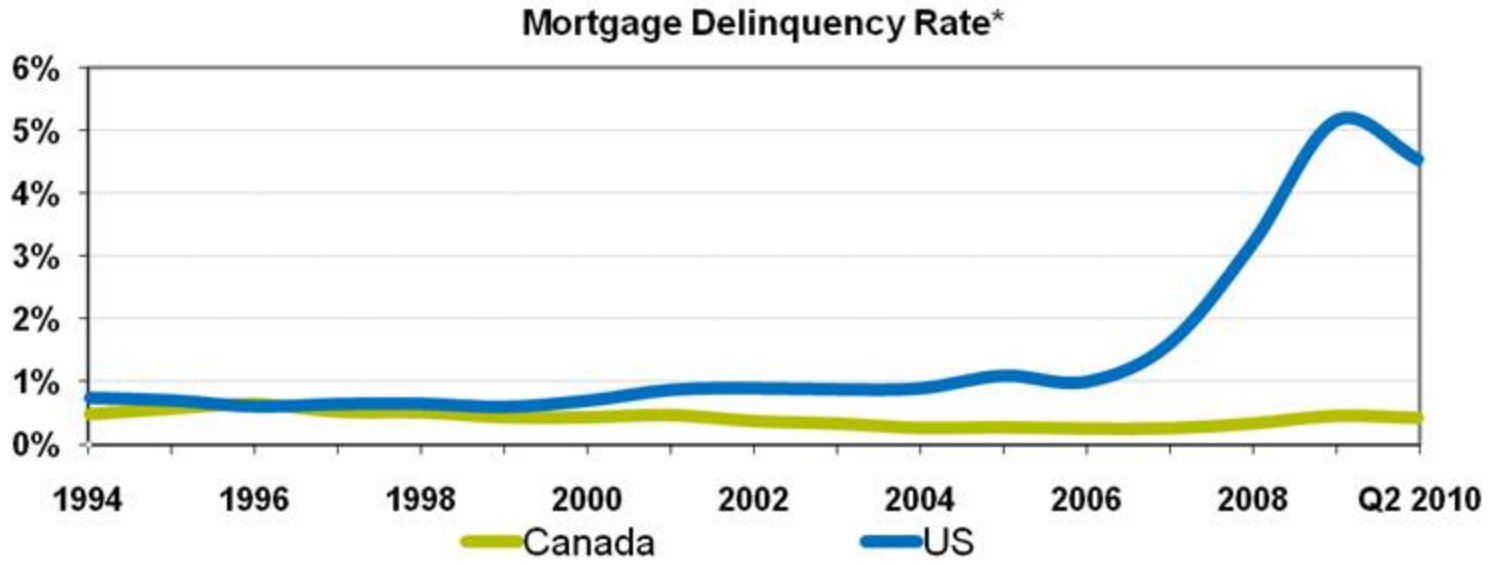
We have recourse to the borrower for the amount of the claim paid

Canada's MI Industry Is Stable



- Strong credit culture
- Interest is not tax deductible
- Prime borrower market
- Mostly bank originated mortgages
- Upfront premium
- Active regulatory oversight
- Borrower recourse

Canada Faring Better Than US



*Loans in arrears 90+ days.
Sources: Canadian Bankers Association, and US Mortgage Bankers Association.

Canada is among the most stable housing markets in the world

Business Strategy

Increase market penetration

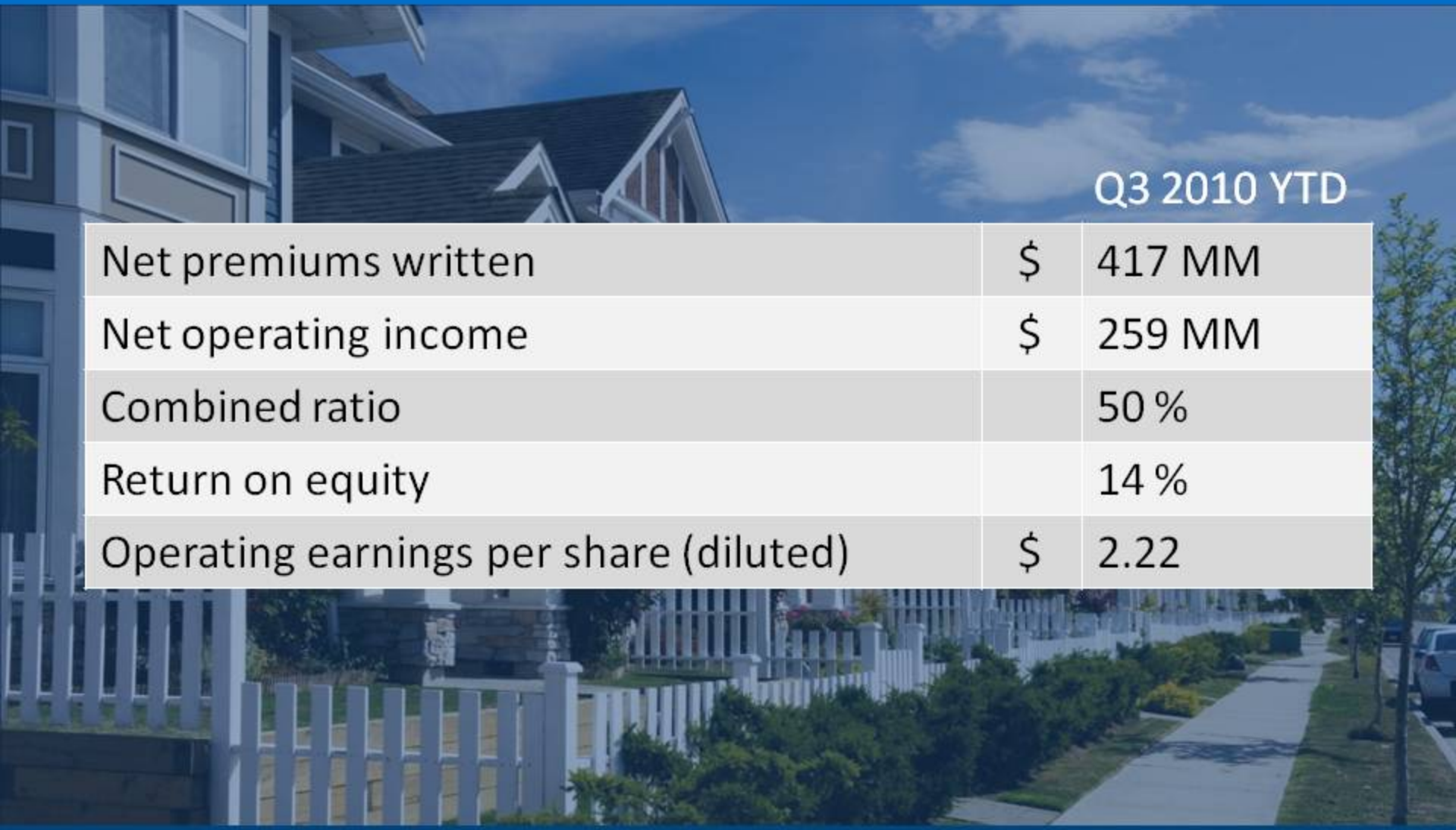
Prudently manage insurance risk

Enhance investment portfolio yield

Operate with efficient capital structure

Executing strategy to enhance shareholder value

Delivering on All Key Metrics



		Q3 2010 YTD
Net premiums written	$	417 MM
Net operating income	$	259 MM
Combined ratio		50 %
Return on equity		14 %
Operating earnings per share (diluted)	$	2.22



Risk Management, Housing Outlook and Impact

STUART LEVINGS
CHIEF RISK OFFICER

Disciplined Approach

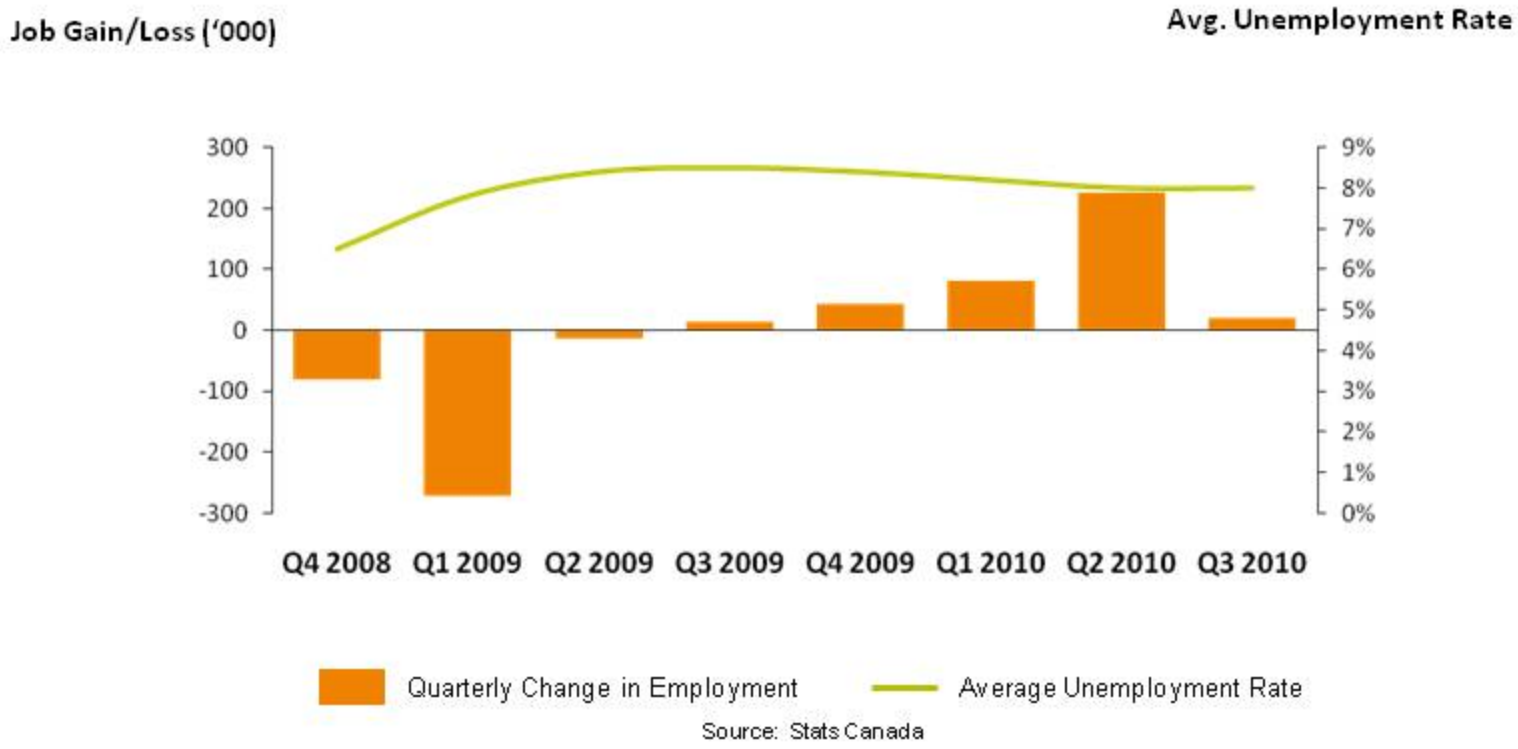
Our Enterprise Risk Management Framework Drives A High Quality Insurance Portfolio

Portfolio Analytics	Quality Assurance
Underwriting Guidelines and Tools	Loss Mitigation
Loan-by-Loan Underwriting	Investment Policy and Regulatory Compliance

Portfolio Analytics

Economic Environment	**Key Driver of Loss Frequency** • Unemployment • GDP
Housing Market	**Loss Severity Driver** • Home prices • Housing activity
Portfolio Performance	**Strong Position** • Embedded home price appreciation • Stabilizing delinquencies

Unemployment Trends



Expect unemployment to improve marginally in 2011

Home Price Trends

Average Home Price **Sequential Home Price Appreciation (HPA)**



Source: Teranet

Expect flat home prices in 2011 followed by moderate growth

Housing Market Assessment

Key Indicators

	National	Vancouver	GTA	Calgary
Home Price Appreciation	Stage 1	Stage 1	Stage 1	Acceptable
Affordability	Acceptable	Acceptable	Acceptable	Acceptable
Supply vs. Demand	Acceptable	Acceptable	Acceptable	Stage 1

- Strong lending standards, enhanced with regulatory changes in Q2 2010
- Prices supported by fundamentals… not speculation
- Balanced housing market driven by solid demand

A Closer View of Our Portfolio

Our Loan Characteristics

- 99% owner occupied
- 16% lower average price
- 17% higher average income
- Higher average credit



High quality portfolio

Our Risk Profile Better Than Market



NATIONAL

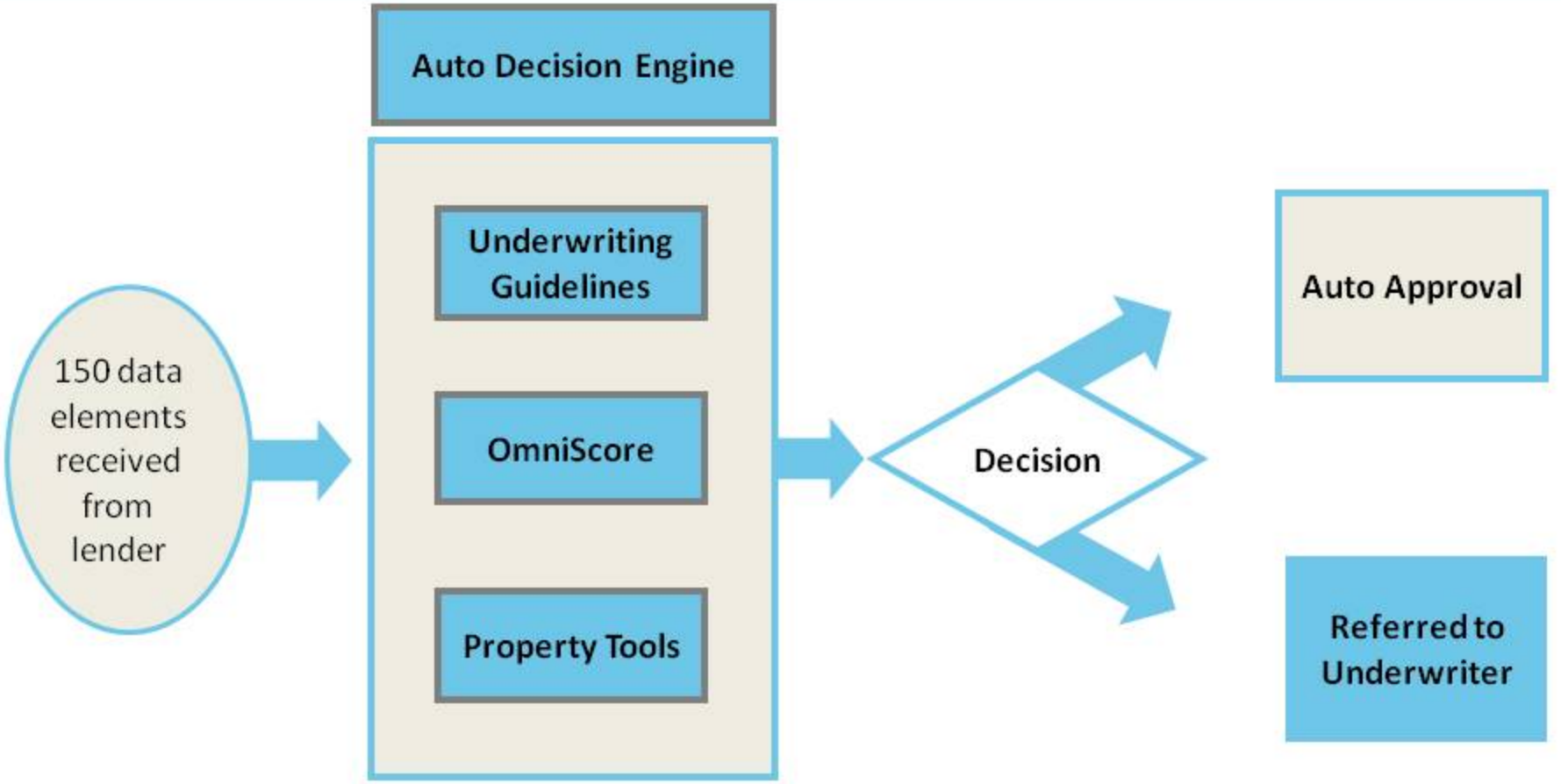
	MIC	Market Avg.	% Var.
Avg. Property Price	$287,100	$340,400	-16%
Avg. Household Income	$83,800	$71,400	17%

	VANCOUVER			CALGARY			GTA		
	MIC	Market	% Var.	MIC	Market	% Var.	MIC	Market	% Var.
Avg. Price	$459K	$653K	-30%	$371K	$399K	-7%	$376K	$435K	-14%
Avg. Income	$85K	$77K	10%	$84K	$90K	-7%	$84K	$87K	-4%

Note: genworth averages based on 2010 data; market averages for property price from CREA & income from statscan "Avg. Total income table" forecasted).

Auto Decisioning Process

Filters for High Risk Attributes



Guidelines and tools drive process efficiency and portfolio quality

Comprehensive High Risk Factor Analysis

Stacked Risk Factors

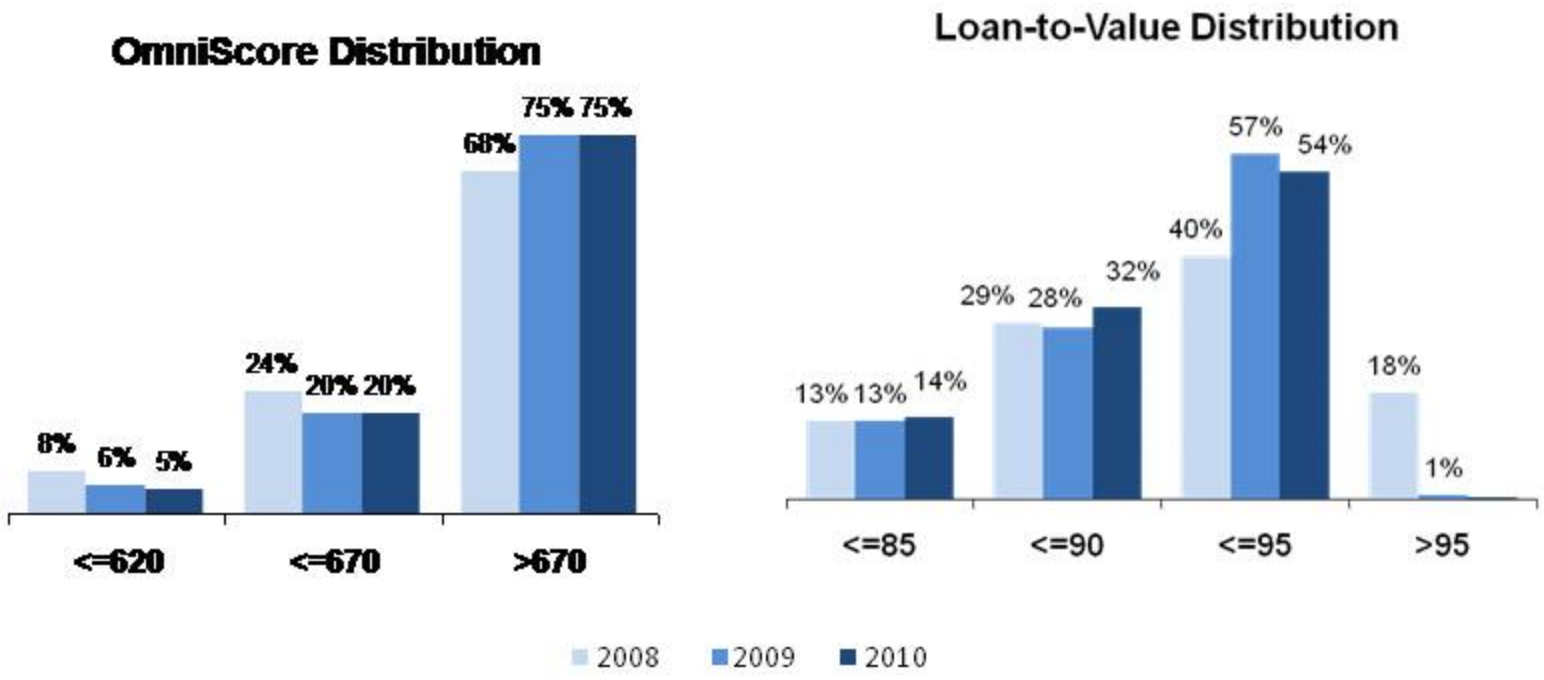
- High Loan-to-Value
  Low Credit Scores
- Limited Job Tenure
  Thin Credit Profile
- Refinance Economically
  Sensitive Area

Unique Risk Factors

- Age and Income Mismatch
- Short Closing Date
- Lender Requests
  File Review

Loss drivers identified and risk mitigated

Disciplined Underwriting Approach



Driving improved portfolio quality

Mortgage Portfolio Performance Stable

	Stabilizing Delinquency Rate			Trend	Insurance In-force
	31 Mar 2010	30 Jun 2010	30 Sept 2010		30 Sept 2010
Ontario	0.23%	0.19%	0.17%	↓	47%
BC	0.25%	0.26%	0.27%	↑	16%
Alberta	0.55%	0.57%	0.58%	↑	15%
Quebec	0.30%	0.24%	0.21%	↓	15%
Other	0.17%	0.17%	0.19%		7%
Canada	**0.28%**	**0.26%**	**0.25%**	→	

Portfolio Well Positioned

- Modest improvements in unemployment rate
- Housing markets on solid footing
- Disciplined underwriting approach
- Diversified portfolio of prime quality loans
- Embedded equity adds portfolio stability



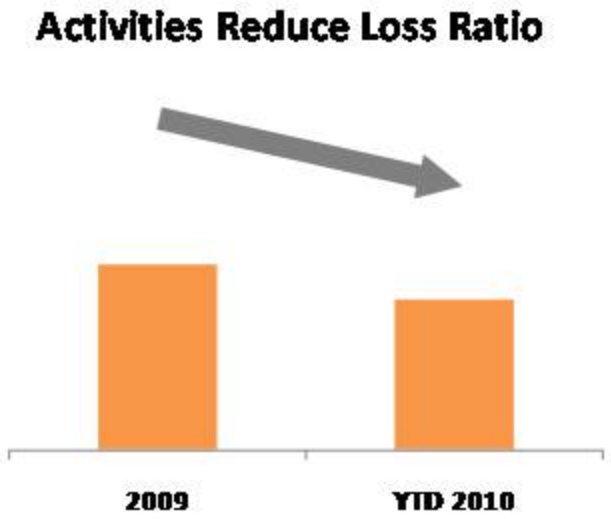


Loss Mitigation

ROB KIRBY
VP LOSS MITIGATION

Proactive Loss Mitigation Strategies

- Prevent
  - Lender awareness
  - Consumer education
- Engage
  - Homeowner Assistance Program
  - Asset management
- Recover
  - Borrower
  - Other or third party



Results in loss savings

Homeowner Assistance Program



- **Root Cause Analysis**
  - Unemployment
  - Reduced income
  - Marital disputes
  - Illness
- **Ability and Willingness**
  - Short or long term

- **Execute Optimal Solution**
  - Capitalization of arrears
  - Deferred payments
  - Partial/shared payments
  - Loan modifications
  - Shortfall sales

- **Impact**
  - Lender value
  - Keep families in homes

Reduce loss frequency

Asset Management



- **Key Success Factors**
  - Early access to property
  - Preparing the property
  - Choosing the right professionals
- **Strong Marketing**
  - Generate the right traffic
  - Screen buyers
  - Accelerate closings
- **Driving Impact**
  - Shorten sales period
  - Maximize values

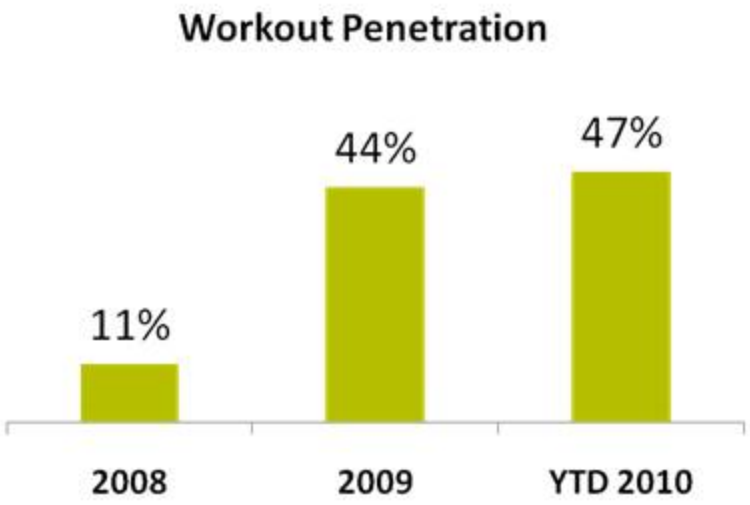
Reduce loss severity

Loss Mitigation Impact

Value Added Loss Mitigation

- Strong lender partnerships
- Business differentiator
- Reduce frequency
- Reduce severity

Loss Mitigation Results





Growth

PETER VUKANOVICH
President and COO

Our Growth Agenda

Sales and Marketing Debbie McPherson **Operations** Susan Noonan	**Organic growth through outstanding customer service**
Investments and Capital Management Phil Mayers	**Multiple levers drive income growth**

Key Stakeholders

Lenders	We are the innovator and growth partner
Homebuyers	Mortgage insurance lowers the cost of borrowing
Influencers	Consumer education and product information
Government	We are a trusted housing policy advisor

Government Relations

Who we talk to

- Federal Department of Finance
- OSFI
- Provincial insurance regulators

Why is MI important

- Competition benefits consumers and lenders
- MI promotes safety and soundness of the financial system

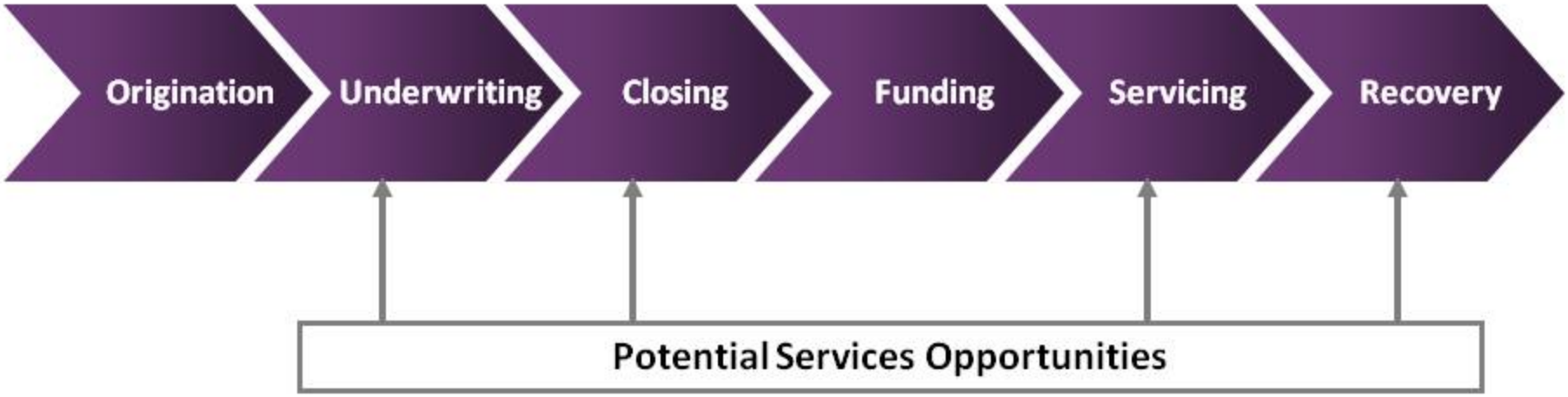
Why lenders care

- Capital – Basel Accord
- Credit enhancement for the sale of mortgage pools to investors

How the guarantee works

- Applies only if insolvent
- 10% deductible to the lender
- We pay a fee and hold a fund

Our Expansion Strategy



- Strengthen lender relationships
- Leverage existing expertise
- Stand alone accretive

Organic Growth

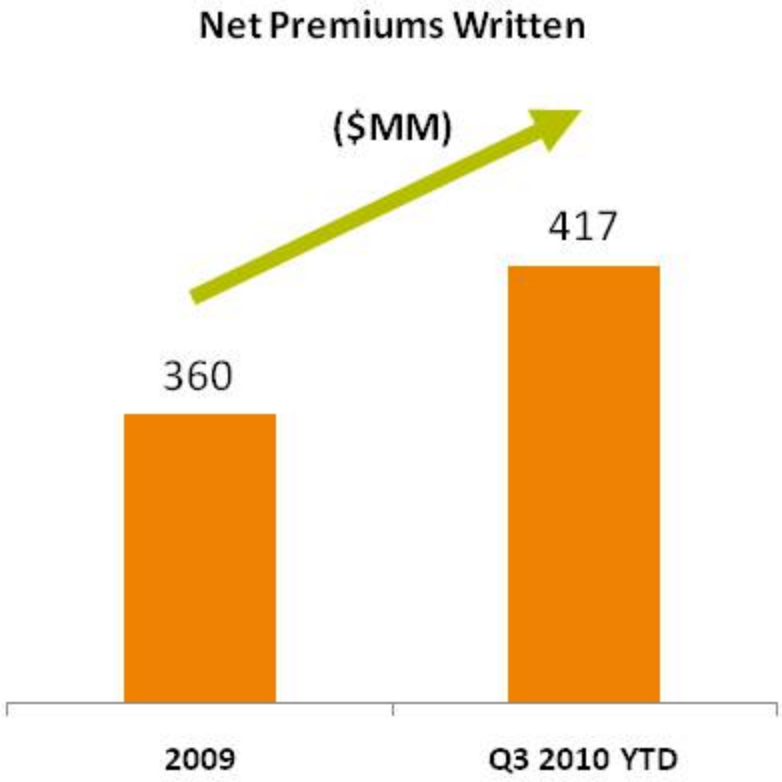


DEBBIE MCPHERSON
SVP SALES AND MARKETING

SUSAN NOONAN
VP OPERATIONS

Well Positioned for Top Line Growth

- Best-in-class service
- Competitive product offerings
- Customized training
- High touch sales… value added relationships



Our Target Market: First Time Buyers

Demographics

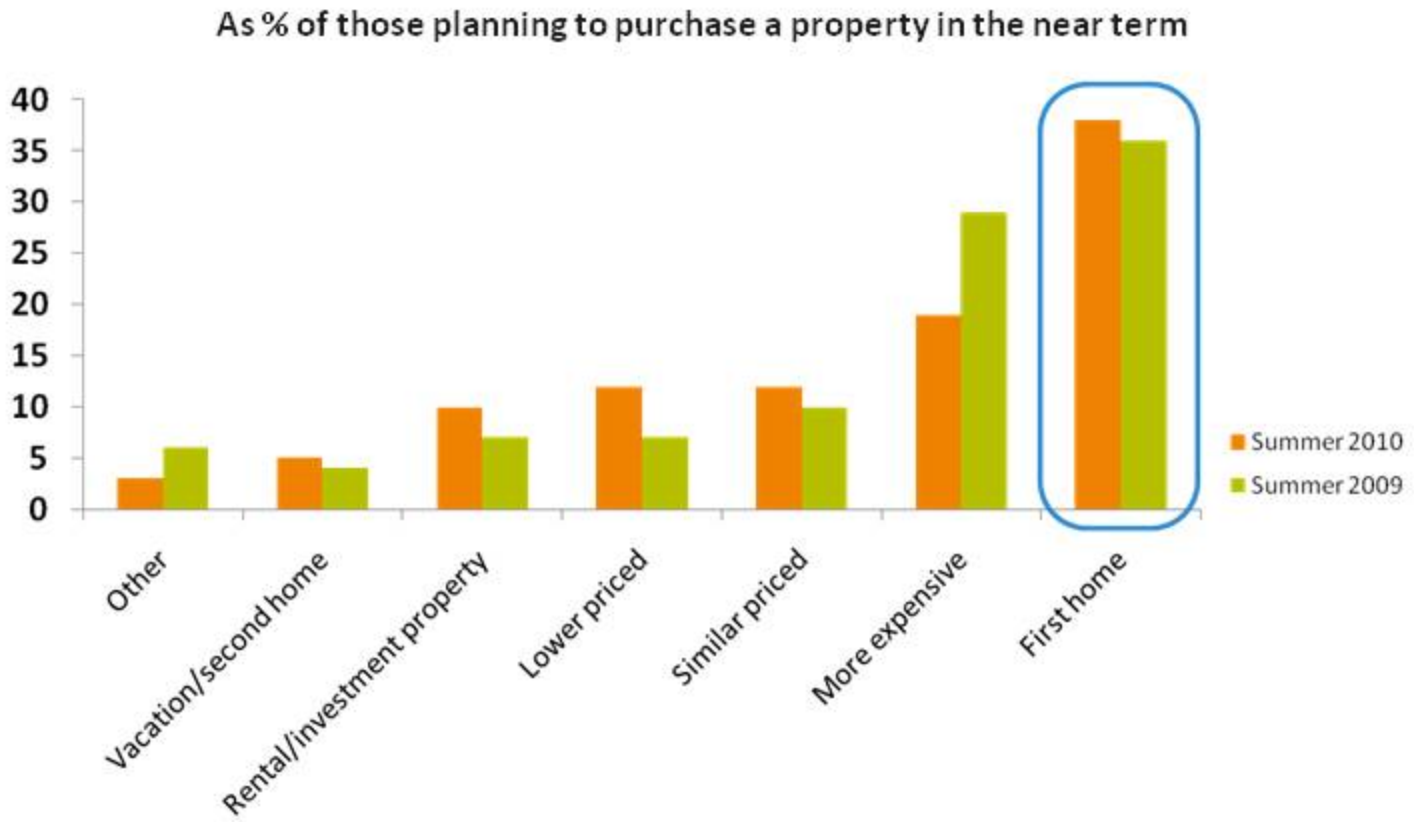
- Ages 25–45
- Family income ~84K

Property characteristics

- Average property price $287,000
- Average mortgage $254,000



Strong First Time Home Buying Intentions



Source: Altus Group/Ipsos-Reid, The FIRM Mortgage Survey

Tailored Strategy for Each Segment

Lender Segmentation

Nationals Field Decisioning	3 Key Originators 25% of Market
Nationals Central Decisioning	3 Key Originators 49% of Market
Regional and Other	>150 Originators 10% of Market
Mortgage Bankers	8 Key Originators 16% of Market

Execution Priorities

Service

Training

Product Innovation

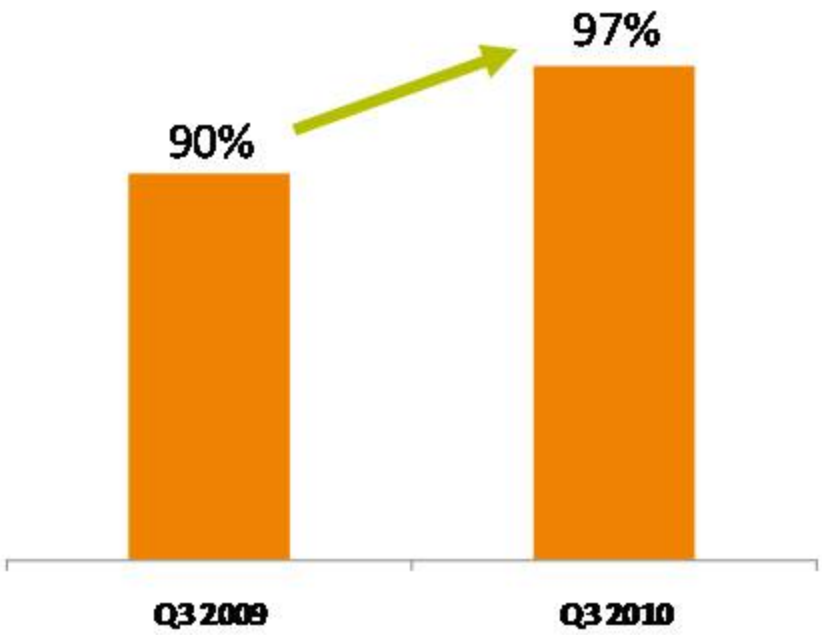
Customer Centric Sales and Service

How We Deliver

- High touch sales culture
- Customized training
- Adaptable service model



Overall Satisfaction



Altitude Marketing Research Inc.
Q3 2010 Lender Satisfaction Report
Annual Sample: n = 1100

Underwriting Impact

Lender Satisfaction Drivers

- Quick turnaround
- Flexible underwriting
- Consistent decisions
- Knowledgeable staff
  - Products
  - Guidelines
  - Lender process

Underwriter Satisfaction



Source: Altitude Marketing Research Inc.
Q3 2010 Lender Satisfaction Survey

Genworth Differentiators

Differentiators

- Entrepreneurial culture
- Collaborative approach
- Dedicated lender teams

Lender Benefits

- Customized service
- Integral part of lender process
- Grow their business

Relentless focus on process improvement

Underwriting Pairing a Success

"Lauren helped me on two files today… she certainly made me look good in front of the brokers."

"Genworth receives the majority of my business because of the relationship with my Account Manager Nancy and my designated Underwriter Sean. Genworth cares about the business I write."

"My Genworth Underwriter is great, she answers all of my questions and works with me to find solutions. She takes the time to discuss a difficult file, if it makes sense she tries to find a way to get it done."

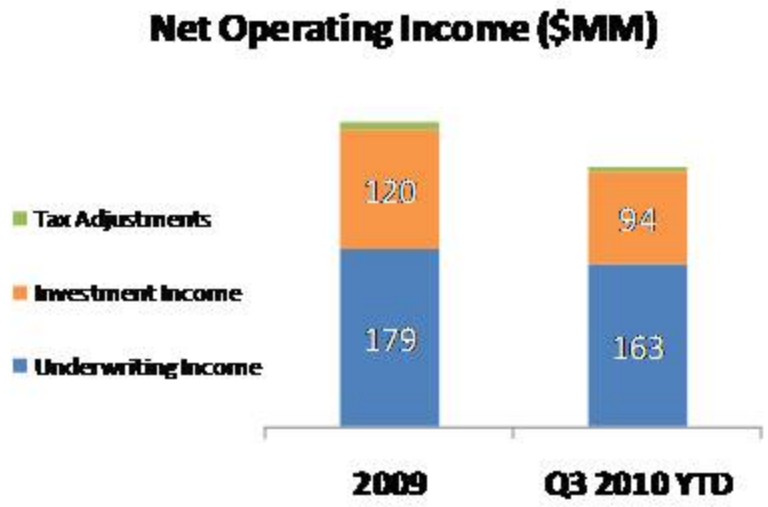
Our differentiation will drive top line growth



Levers for Profitability

PHIL MAYERS
CHIEF FINANCIAL OFFICER

Multiple Levers for Improved Earnings and Returns

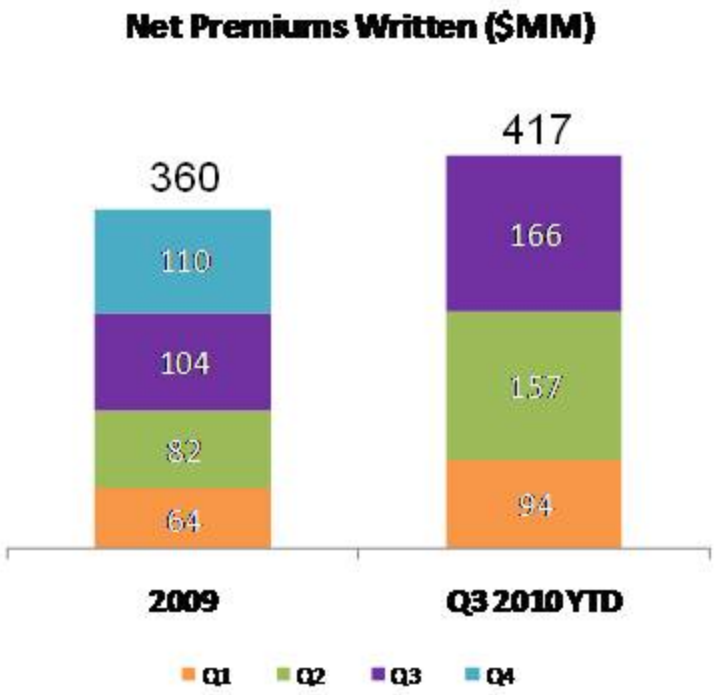


- Grow market penetration
- Optimize investment yield
- Strong risk discipline
- Proactive loss mitigation focus
- Effective capital management

	2009	Q3 2010 YTD
Net Operating Income	$ 307[1]	$ 259[2]
Shareholders' Equity ($B)	$ 2.6	$ 2.6
Operating ROE	13%[1]	14%

Note: Amounts may not total due to rounding
1. Excluding earnings curve adjustment in Q1'2009
2. Includes interest expense

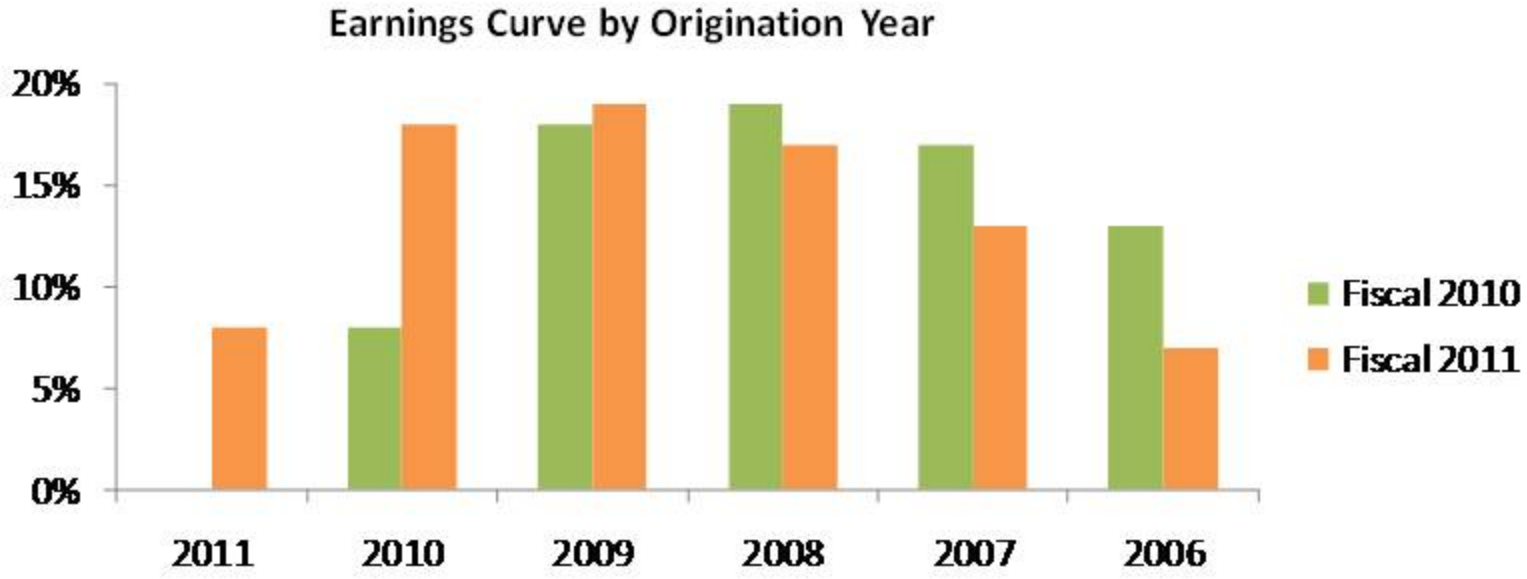
Continued Focus on Top Line Growth



- Low mortgage rates driving strong housing affordability
- First time home buyer market expected to remain strong
- Lower mortgage originations
- Higher HLTV penetration

Premiums Earned

$1.9B of unearned premiums
Facing pressure as large 2007 and 2008 books season

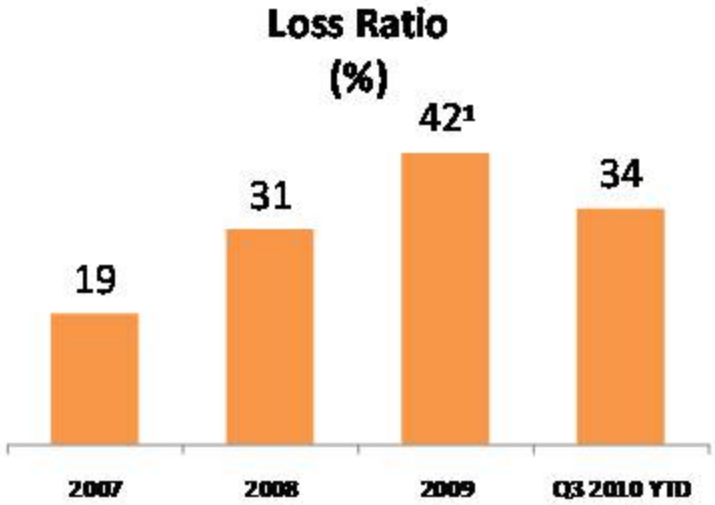


Net Premiums Written	**$417** [1]	**$360**	**$706**	**$984**	**$594**

[1] Q3 YTD 2010 Net Premiums Written

Loss Ratio Trend



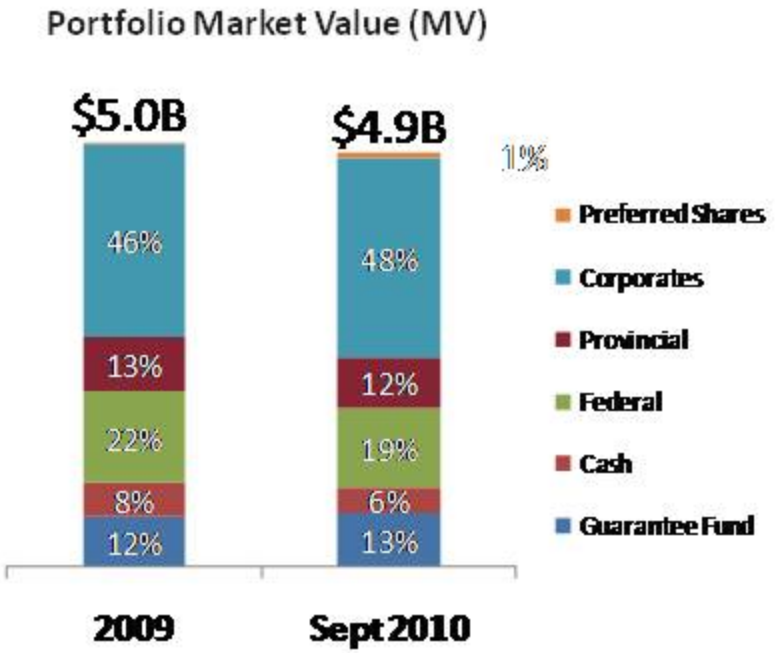


- Size of recent books impacting premiums earned
  - Large 2007 book maturing
  - Small 2009 book impacting 2011

- Economic recovery driving improved loss ratios
- Maintaining strong risk discipline and loss mitigation focus

[1] Excluding earnings curve adjustment in Q1'2009

Balancing Yield and Quality in Investments

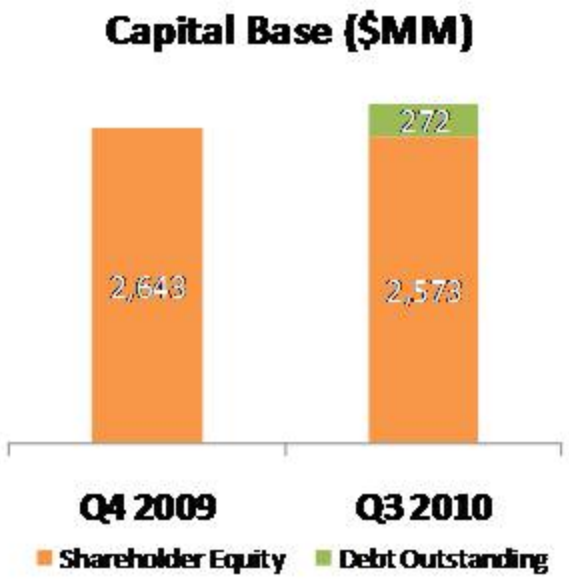


- Challenges
  - Low rate environment
  - Short portfolio duration
- Opportunities
  - Adding asset classes
    - Preferred shares
    - Dividend paying common shares
  - Extend duration

	As at Dec 31 2009	As at Sept 30 2010
Duration	3.1 Years	3.6 Years
Book Yield	4.0%	4.1%

Every 10 bps improvement in yield drives $3 MM in net income

Strong Capital Position with Flexibility



Leverage[1]	-	10%
ROE[2]	13%	14%
MCT	149%	153%

1. Debt to total capital
2. Excluding earnings curve adjustment in Q1'2009

Generating excess capital

- In-force profitability
- Large 2006 to 2008 books consuming less capital

Capital management priorities

- Investing for growth
- Returning capital to shareholders
- Quarterly common dividends



Our Future

BRIAN HURLEY
CHAIRMAN AND CEO

Proven Results, Promising Future

- Prudent risk management is our strength
- Outstanding service drives business growth
- Financial strength provides stability and flexibility

Positioned for sustainable growth



Genworth MI Canada Inc.

Investor Day

