Genworth MI Canada Inc.

Fourth Quarter 2013

February 5, 2014

Forward-looking and non-IFRS 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 29, 2013, its Short Form Base Shelf Prospectus dated May 31, 2012, the Prospectus Supplements 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-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 and return on 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 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. A reconciliation from non-IFRS financial measures to the most readily comparable measures calculated in accordance with IFRS 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.

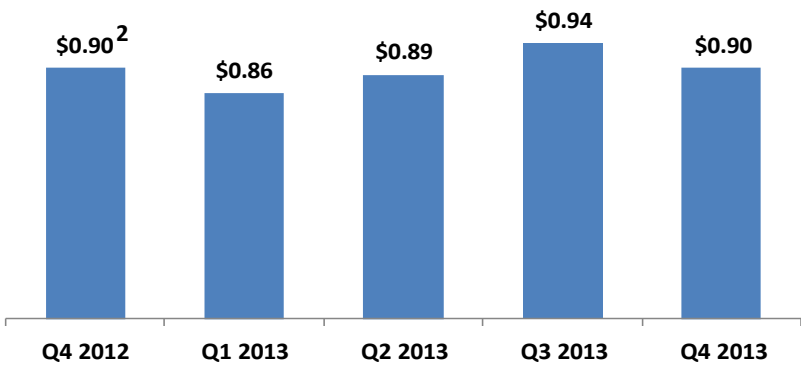
2013 Financial highlights

	2013	Y/Y[1]
Net Operating Income	$349 million	+3%
Operating ROE	12%	(1pt)
Operating EPS (diluted)	$3.60	+5%
MCT	222%	+12 pts (from Jan 1/13)

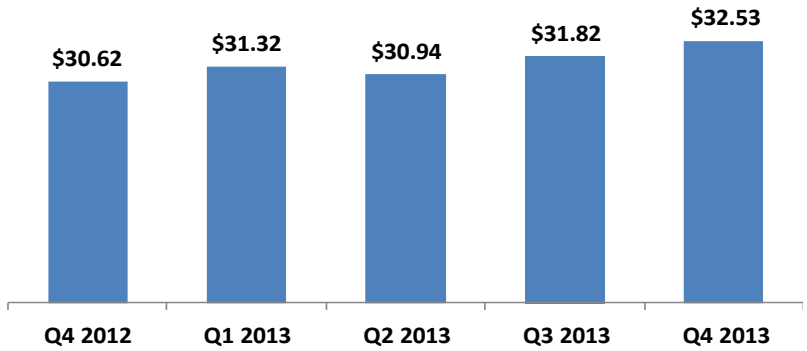
Key messages:

- Solid earnings performance and Y/Y book value growth of 6%
- Low loss ratio driven by strong portfolio quality and favourable economic conditions
- Steady investment income
- Strong capital position - 2013 actions include share buy back and increased Q4 dividends

Operating EPS (diluted)



Book Value Per Share (diluted, including AOCI)



1. YoY comparison is to the adjusted net operating income and operating EPS (diluted) which exclude the impact of the government guarantee fund exit fee reversal of $123 million after taxes.
2. Operating EPS (diluted) in the fourth quarter excludes the favourable impact of the government guarantee fund exit fee reversal of $137 million after taxes.

Market influencers

Dynamics

Housing Market:

- Balanced supply and demand
- Resale volumes and home prices up modestly

Macro-environment:

- Unemployment stable around 7%
- Modest increase in GDP
- Relatively flat rates expected

Business implications

Premiums Written:

- Flat to modest premium growth
- Credit quality expected to remain high

Losses on Claims:

- Losses should continue to perform well with loss ratios within a 25-35% range

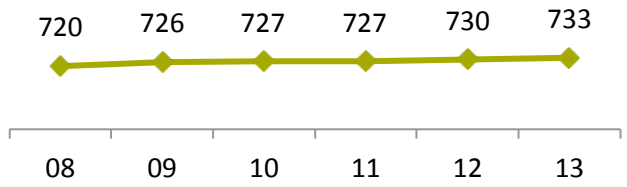
Investment Income:

- Stable investment yield

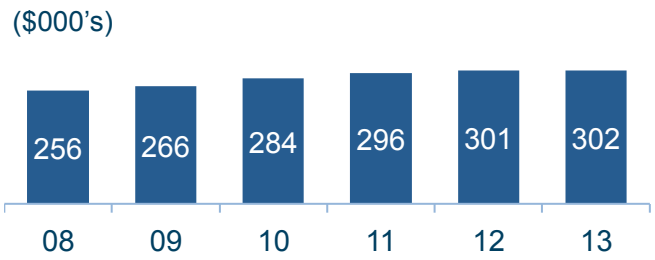
Stable housing market in 2014

Insurance portfolio strength

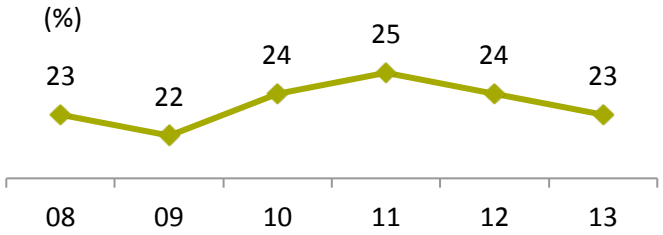
Credit score



Home price



Gross debt

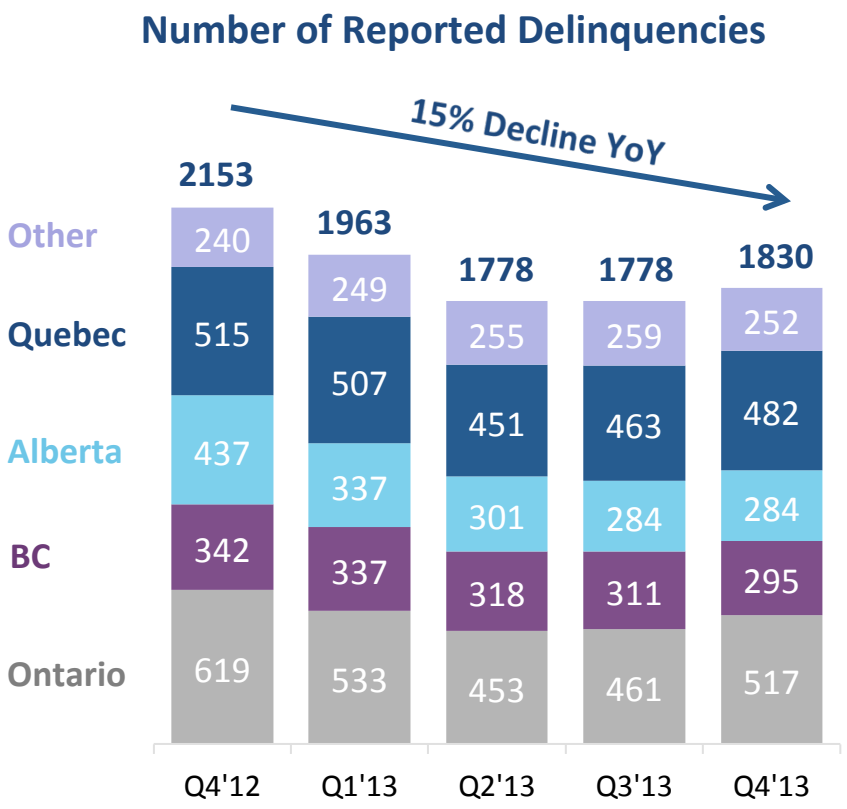


Key highlights:

- High quality insurance written in 2013
- Average credit score remains strong – up 13 pts since 2008
- Average home price relatively stable – up an average of 3% per year since 2008
- Average gross debt ratios well below industry standard

Contributing to lower losses on claims

Delinquency trends



Key highlights:

- Modest increase in Q4 due to typical seasonality
- Decrease in delinquencies driven by stable employment and improving housing markets
- Declining YoY trend in most regions
- Alberta down 35% YoY
- Quebec continues to be a watch area

Q4 2013 Financial highlights

$MM except EPS and BVPS	Q4'13	Q3'13	Q4'12
Net premiums written	$129	$161	$117
Net premiums earned	142	143	147
Losses on claims	31	32	46
Expenses	33	27	28
Underwriting income	78	84	73
Net investment income (Excl. realized gains / losses)	44	51	47[1]
Net Operating Income[1]	**$85**	**$91**	**$89**
Operating EPS[1]	**$0.90**	**$0.94**	**$0.90**
Book value per share	**$32.53**	**$31.82**	**$30.62**

Key messages:

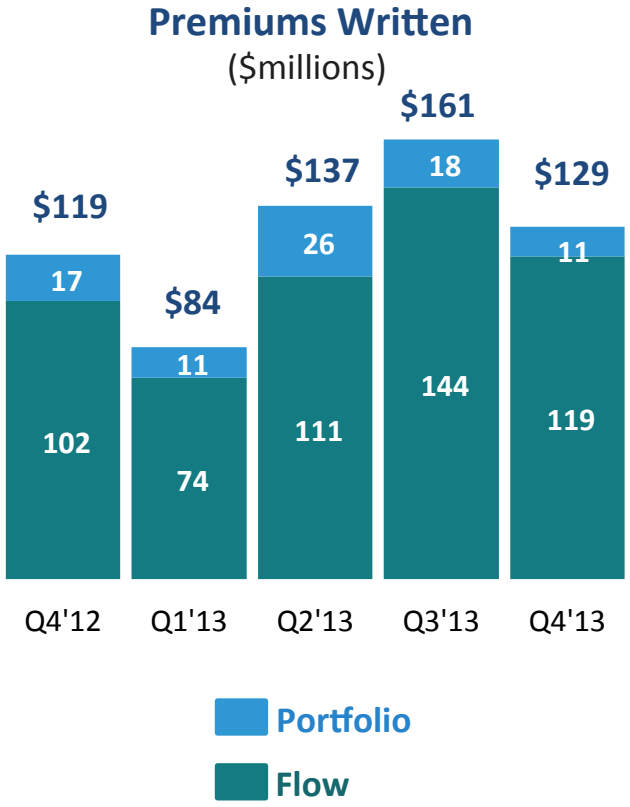
Strong business execution contributing to solid profitability and BVPS growth

- Lower premiums written reflect typical seasonality
- Loss ratio of 22% flat QoQ
- Increase in expenses related to impact of higher share price on share-based compensation

1. Net Investment Income, net operating income and operating EPS (diluted) in the fourth quarter of 2012 excludes the one-time favourable impact of the government guarantee fund exit fee reversal of $186 million or $137 million after taxes.

Strong execution contributing to solid profitability and BVPS growth

Top line impacted by seasonality



Key highlights:

High loan-to-value: $119 MM in Q4

- 17 % lower QoQ consistent with seasonality
- 16% increase YoY reflects normalization of market size resulting from prior product change impact

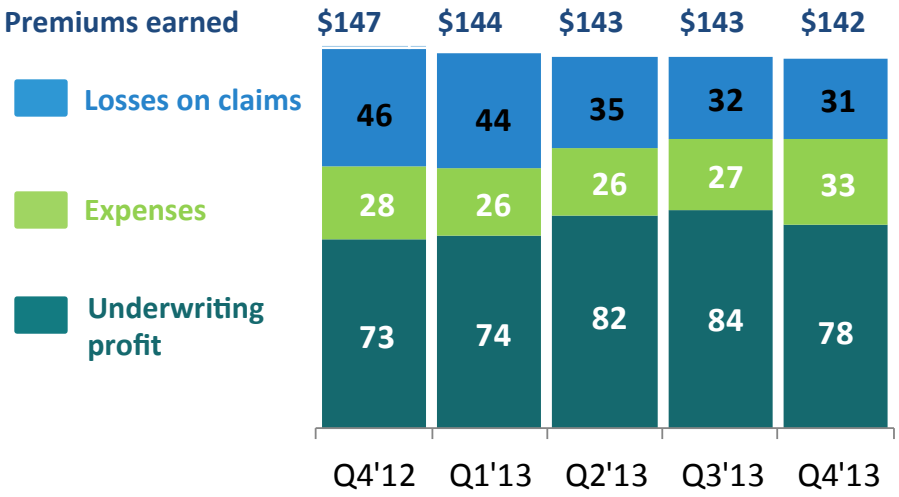
Portfolio: $11 MM in Q4, lower by 39% QoQ

- Continue to capitalize on market opportunities
- Monitoring developments on proposed portfolio insurance restrictions

$1.7 billion in unearned premiums

Profitability driven by low losses

Underwriting profitability
($millions)



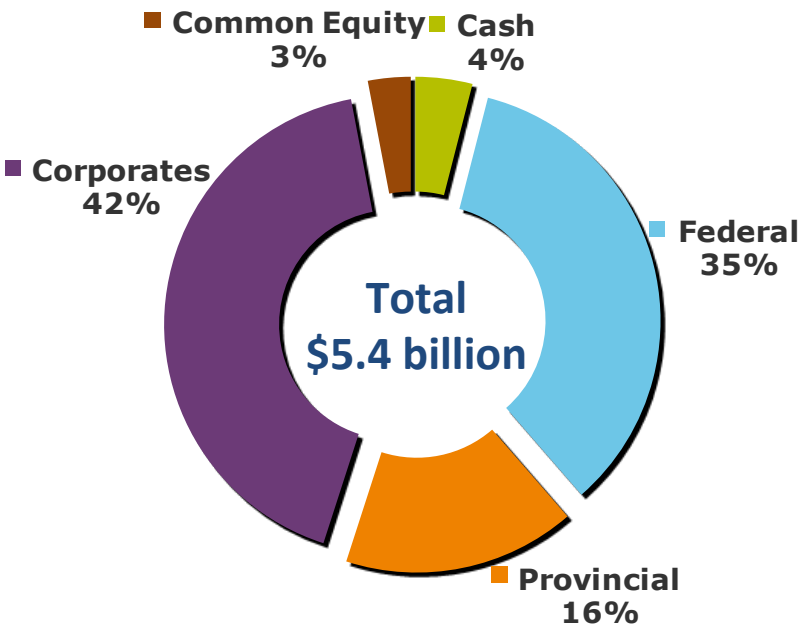
	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
Loss ratio	31%	31%	25%	22%	22%
Expense ratio	19%	18%	18%	19%	23%
Combined ratio	**50%**	**49%**	**43%**	**41%**	**45%**

Key highlights:

- Premiums earned primarily driven by average size of recent books
- Low loss ratio of 22% in Q4 and 25% for 2013
- Expense ratio of 23% in Q4 ... expected to trend back to 19 to 20% range in 2014

Favourable economic conditions contributing to solid results

Investments contribute steady income



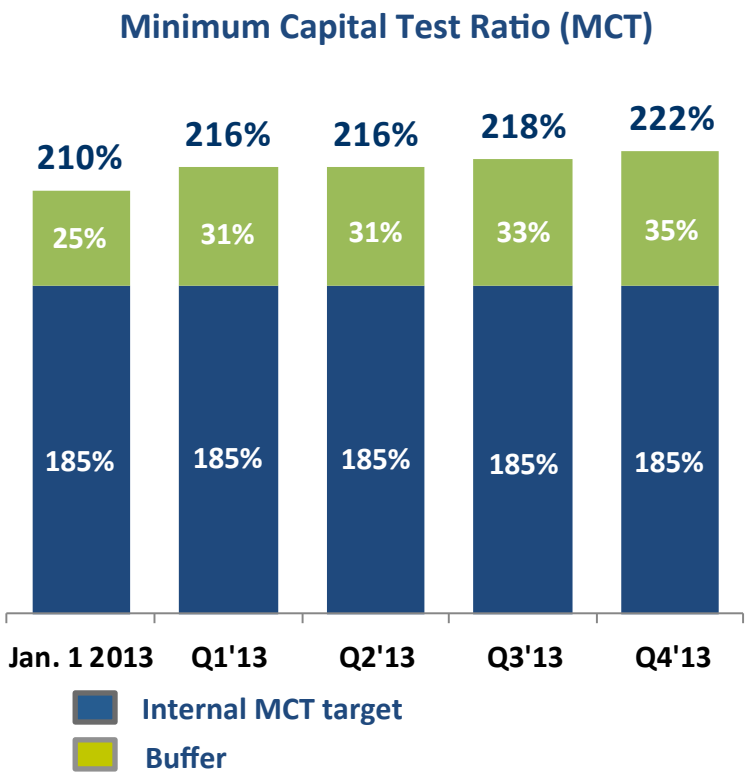
Key highlights:

- High quality mandate continues to drive investment decisions
- Reduced equities by $35 million and realized $8 million gain in Q4
- Near term reinvestment pressure due to low yields, but well-positioned for future

	Portfolio
Assets (market value)	**$5.4 billion**
Pre-tax yield[1]	**3.7 %**
Duration	**3.7 years**

1. Pre-tax equivalent book yield after dividend gross-up of general portfolio (as at December 31, 2013)

Strong capital position



Key highlights:

- Successful actions taken to balance capital strength and efficiency
  - MCT up 4 points QoQ
  - $105 MM share buyback in 2013
  - 9% ordinary dividend increase in Q4'13
  - Holding company cash of $85 MM

Well-positioned in 2014 for capital strength and flexibility

Strategic priorities

- Maintain disciplined underwriting and insurance portfolio quality strength
- Capitalize on sales momentum
- Enhance customer experience through innovation
- Ongoing focus on balancing capital strength with efficiency
- Continue to help shape regulatory environment
- Invest in our people

Driving shareholder value

Question and Answer

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