

Investor Day

Genworth MI Canada, Inc.
November 18, 2013

Actionable Strategies for 2014



Samantha Cheung

Vice President, Investor Relations

Welcome

Genworth MI Canada Inc.
Investor Day

November 18, 2013

Actionable Strategies for 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-IFRSs financial measures. Non-IFRSs 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-IFRSs 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-IFRSs 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-IFRSs financial measures to the most readily comparable measures calculated in accordance with IFRSs 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

PANEL 1: Driving Core Growth
PANEL 2: Proactively Mitigating Risk
PANEL 3: Sustaining Profitability

Actionable Strategies for 2014

INTRO

Moderator



Brian Hurley

Chairman, Chief Executive Officer

PANEL MEMBERS

PANEL 1



Stuart Levings



Debbie McPherson



Susan Noonan



Lisa Trudell

PANEL 2



Robert Kirby



Craig Sweeney



Jamie Woods

PANEL 3



Rick Barnett



Winsor Macdonell



Philip Mayers

PANEL 1

DRIVING CORE GROWTH

Moderator



Brian Hurley

Chairman, Chief Executive Officer



Stuart Levings

Senior Vice President, Chief Operating Officer



Debbie McPherson

Senior Vice President, Sales and Marketing



Susan Noonan

Vice President, Operations



Lisa Trudell

Vice-President, Business Development

Genworth Served Market

	Average home price			Average income	Average gross debt servicing
	Genworth	**Market**	**% Variance**	**Genworth**	**Genworth**
Vancouver	$454K	$784K	-42%	$103K	28%
GTA	$417K	$526K	-21%	$101K	28%
Calgary	$387K	$439K	-12%	$107K	25%
Montreal	$303K	$325K	-7%	$83K	26%
Canada	$307K	$389K	-21%	$94K	23%

Note: Genworth averages based on Q22013 data; market averages for property price from CREA, GDS is gross debt service ratio

Our average home price ~21% lower than market average

PANEL 1

DRIVING CORE GROWTH

Stuart Levings

Senior Vice President, Chief Operating Officer

Average High Ratio Borrower ~ 95% LTV

Attributes

	2007	Q3 2013
Credit Score	713	729
Total Debt Service Ratio	34%	33%
Refinance	13%	0%
Amortization	32	25
Fixed Interest Rate	80%	92%
Purchase Plus (Renovation)	2%	7%

Observations

- 16 point increase in credit score
- Stable debt ratios despite prices
- 100% purchase transactions
- 25 year amortization the norm
- First-time buyers locking in rates
- "Buy then renovate" more popular

Borrower quality improved since 2007

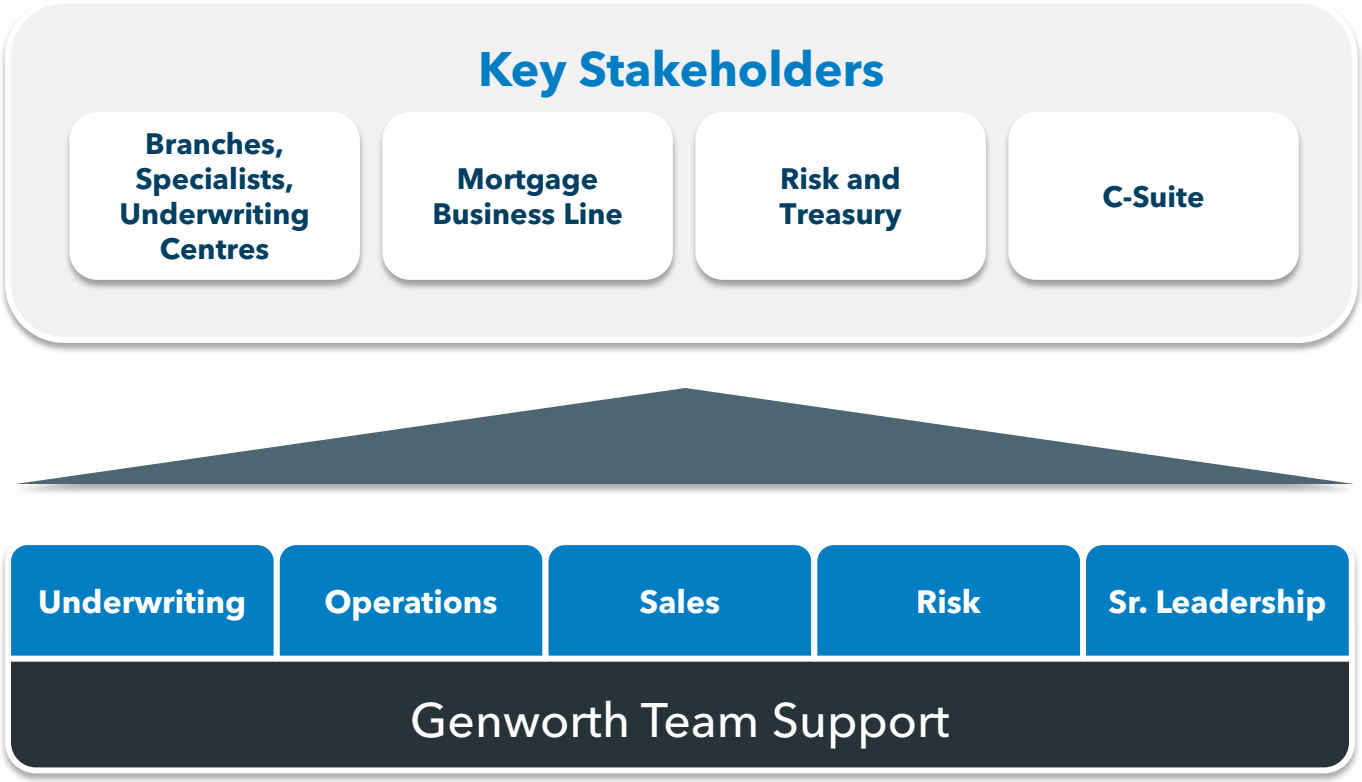
PANEL 1

DRIVING CORE GROWTH

Stuart Levings

Senior Vice President, Chief Operating Officer

Delivering Value Beyond Mortgage Insurance



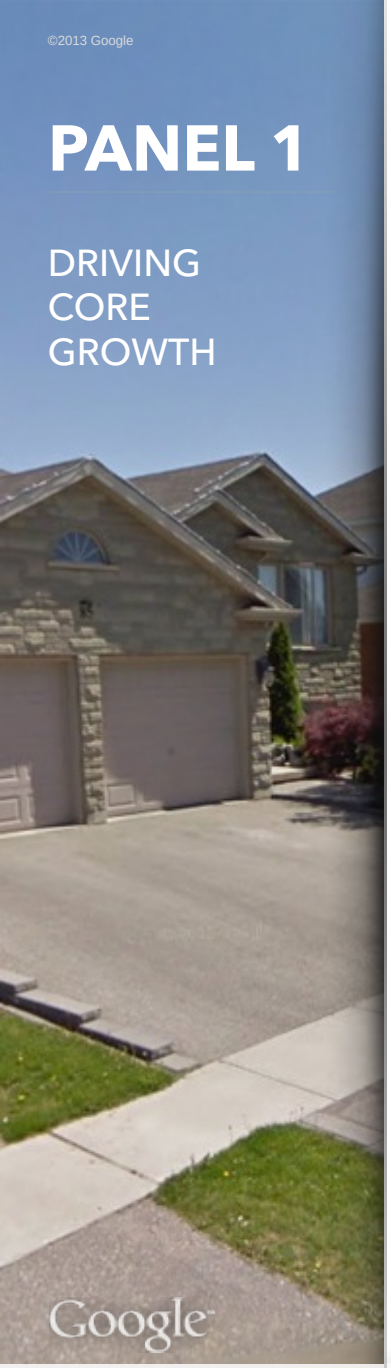
Acknowledged strategic partner

PANEL 1

DRIVING CORE GROWTH

Debbie McPherson

Senior Vice President, Sales and Marketing



TAKEAWAYS

- The first-time buyer market will continue to drive demand for mortgage insurance
- We strategically add value to our lenders
- We have the momentum to drive core growth

PANEL 1

OPEN Q&A

Moderator



Brian Hurley

Chairman, Chief Executive Officer



Stuart Levings

Senior Vice President, Chief Operating Officer



Debbie McPherson

Senior Vice President, Sales and Marketing



Susan Noonan

Vice President, Operations



Lisa Trudell

Vice-President, Business Development

PANEL 2

PROACTIVELY MITIGATING RISK

Moderator



Brian Hurley

Chairman, Chief Executive Officer



Robert Kirby

Vice President, Loss Mitigation and Investigations



Craig Sweeney

Senior Vice President, Chief Risk Officer



Jamie Woods

Regional Risk Manager

Risk Management Framework

Risk Framework	Key Focus Areas
Identify and assess key performance risks	▪ Macro-economic environment ▪ Housing market trends ▪ Regional risk factors
Manage and control quality of new business	▪ Underwriting guidelines/policy ▪ Risk limits and triggers ▪ Robust quality assurance
Monitor and communicate on portfolio performance	▪ Portfolio analytics ▪ Identifying emerging loss trends ▪ Dynamic underwriting policies

PANEL 2

PROACTIVELY MITIGATING RISK

Craig Sweeney

Senior Vice President, Chief Risk Officer

Housing Risk Scorecard

Watch Areas

Acceptable

Monitoring

	Key Risks	Risk Level	Assessment / Actions
Toronto Condos	Oversupply	Monitoring	Increased scrutiny on new projects Rental Market remains tight
Toronto Single Family	Affordability	Monitoring	Increased attention on income / qualifying Strong borrower quality … avg. score 736
Vancouver	Overvaluation	Acceptable	Market has normalized Opportunity to expand risk appetite
Montreal Condos	New projects	Monitoring	Increased scrutiny on builder quality Strong borrower quality … avg. score 746

PANEL 2

PROACTIVELY MITIGATING RISK

Craig Sweeney

Senior Vice President, Chief Risk Officer

Delinquency Cycle – Integration is Key

Assessment	Foreclosure & Sale	Recovery
1 – 3 Months	4 – 18 Months	18 + Months

Prevent

- Awareness/education
- Homeowner assistance program

Engage

- Shortfall sales
- Asset management

Recover

- Third parties
- Borrowers

Best Practice Sharing

Risk | Underwriting | Audit | Lenders | Sales | Finance | Loss Mitigation

PANEL 2

PROACTIVELY MITIGATING RISK

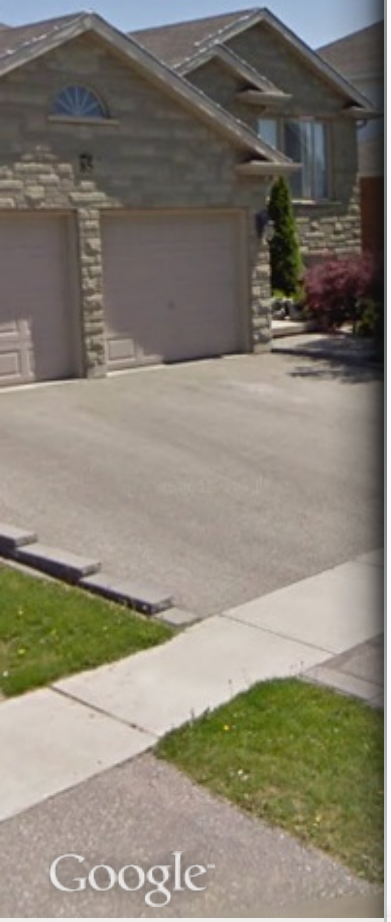
Robert Kirby

Vice President, Loss Mitigation and Investigations

©2013 Google

PANEL 2

PROACTIVELY MITIGATING RISK



TAKEAWAYS

- Our comprehensive risk framework helps us stay ahead of emerging risks
- Our insurance portfolio quality continues to be strong
- Our loss mitigation strategy is a key differentiator

PANEL 2

OPEN Q&A

Moderator



Brian Hurley

Chairman, Chief Executive Officer



Robert Kirby

Vice President, Loss Mitigation and Investigations



Craig Sweeney

Senior Vice President, Chief Risk Officer



Jamie Woods

Regional Risk Manager

PANEL 3

SUSTAINING PROFITABILITY

Moderator



Brian Hurley

Chairman, Chief Executive Officer



Rick Barnett

Vice President, Investments



Winsor Macdonell

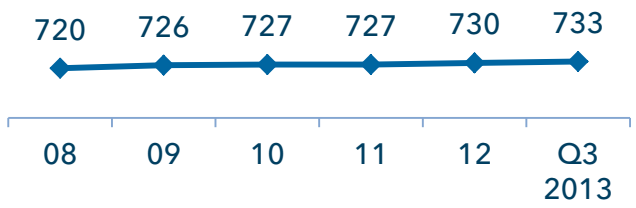
Senior Vice President, General Counsel and Secretary



Philip Mayers

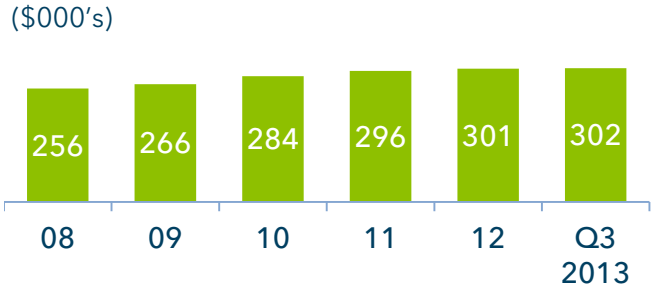
Senior Vice President, Chief Financial Officer

Genworth Served Market Trends



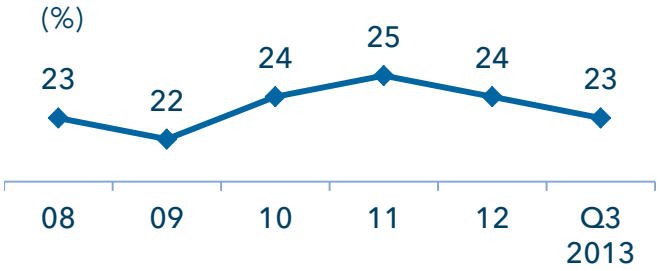
Average Credit Score

- Improving quality
- "A" quality borrower only



Average Home Price

- Modest price increase for balance 2013 for first-time buyer segment



Average Gross Debt Ratios

- Relatively stable

Source: Based on company data as at Sep. 30, 2013. Market averages for property price from CREA, GDS is gross debt service ratio

Smaller… but higher quality borrower profile

PANEL 3

SUSTAINING PROFITABILITY

Winsor Macdonell

Senior Vice President, General Counsel and Secretary

Multiple Top Line Growth Levers

Gross Premiums Written ($MM)



Growth Levers

- Larger high loan-to-value market
- Higher market penetration … capitalize on current momentum
- Potential for pricing increase to reflect higher capital levels

PANEL 3

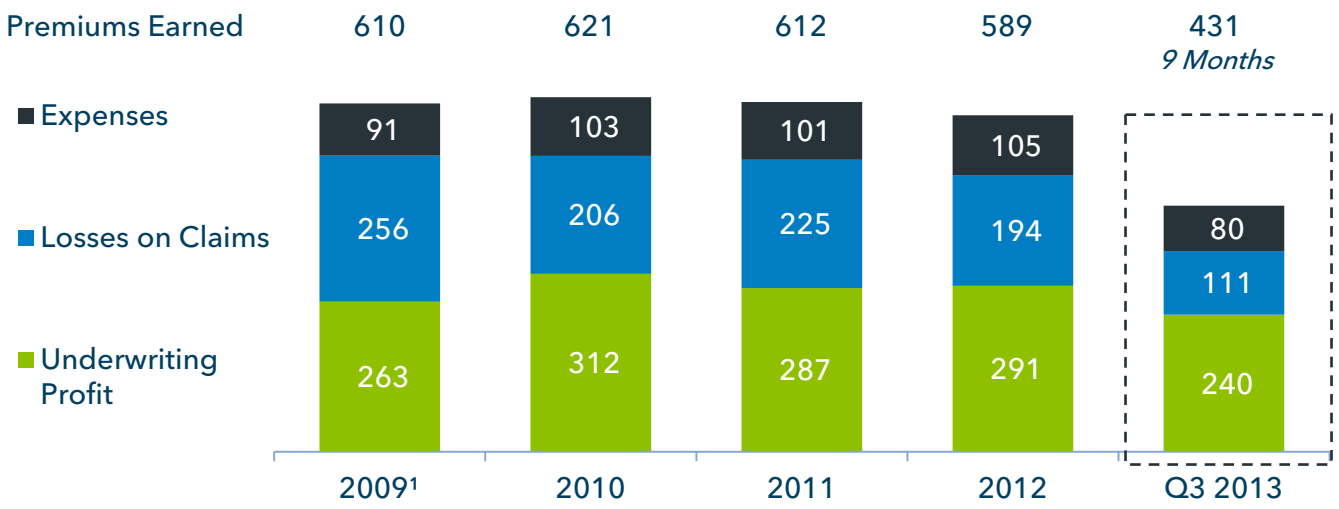
SUSTAINING PROFITABILITY

Philip Mayers

Senior Vice President, Chief Financial Officer

Underwriting Profits

($MM)



Loss Ratio	42%	33%	37%	33%	26%

Notes: Amounts may not total due to rounding.
1. Including the impact of change to the premium recognition curve in the first quarter of 2009, financial measures for the year ended December 31, 2009 would have been: earned premium $710, underwriting profit $357 and loss ratio 36%.

- Loss ratio improvement driving higher underwriting profits
- $1.7 billion unearned premiums represent future revenues ... earnings visibility

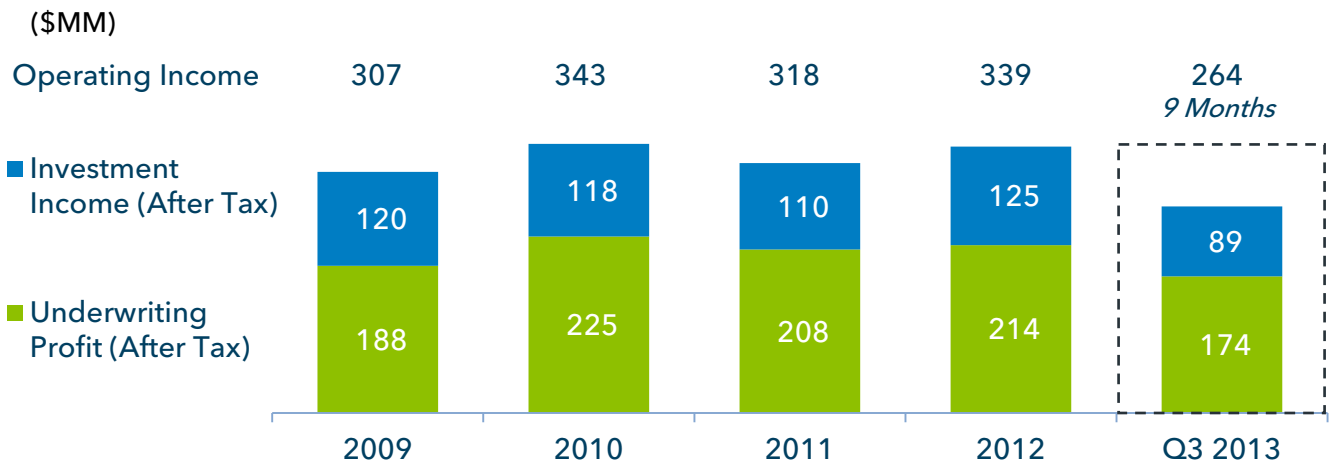
PANEL 3

SUSTAINING PROFITABILITY

Philip Mayers

Senior Vice-President, Chief Financial Officer

Earnings Profile



	2009	2010	2011	2012	Q3 2013
Loss Ratio	42%	33%	37%	33%	26%
Operating EPS	$2.67[1]	$3.01	$3.08	$3.43[2]	$2.70
Operating ROE	13%[1]	14%	13%	13%[2]	12%

1. Excludes the impact of change to the premium recognition curve in the first quarter of 2009,
2. Excludes the impact of the Government Guarantee Fund exit fee reversal of $166 million, related to 2011 and prior years .

Strong and sustainable profitability

PANEL 3

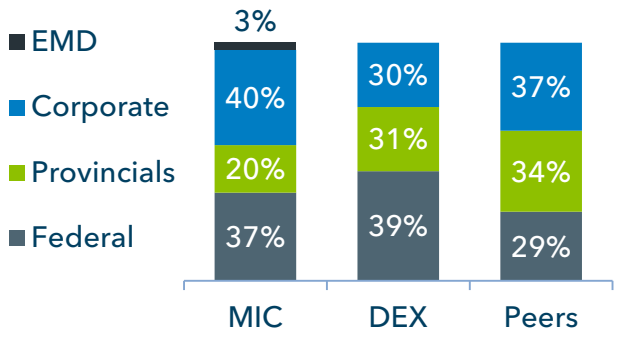
SUSTAINING PROFITABILITY

Philip Mayers

Senior Vice-President, Chief Financial Officer

Fixed Income - $4.9 Billion (As at Sept 30, 2013)

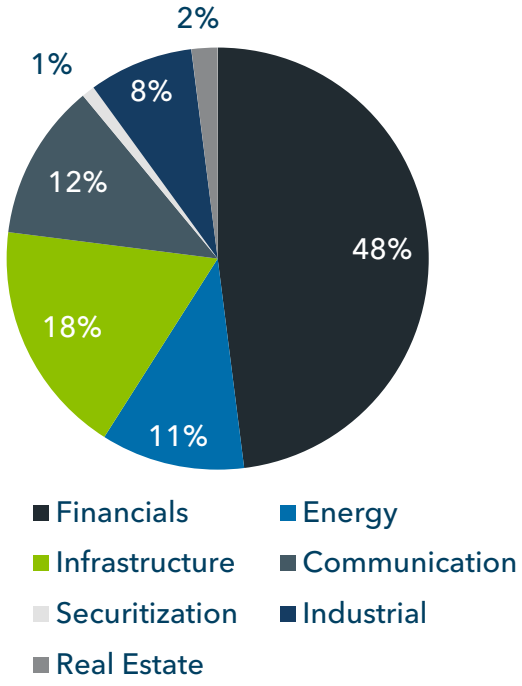
MIC vs. Bond Universe & Peers



	MIC	DEX	Peers
Total Return Q3 13 YTD	3.8%	(1.6)%	0%

Source for Peers: Median portfolio mix from Q2 2013 survey of large property & casualty insurers conducted by PCIM Global Manager Research

MIC Corporate Distribution



- Quality focus ... diversified sector allocations
- Short duration major contribution to returns out performance
- Diversified corporate asset mix

PANEL 3

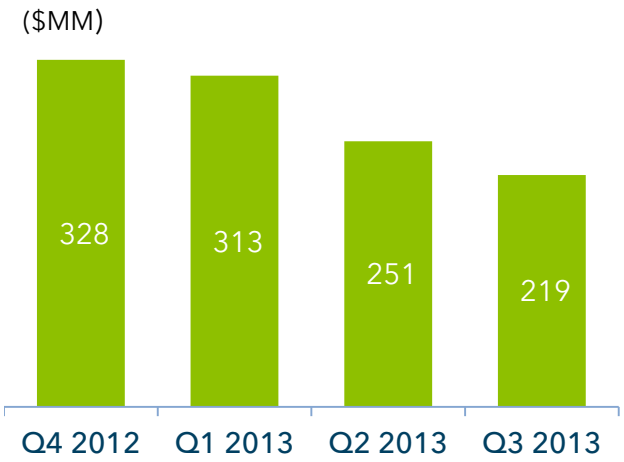
SUSTAINING PROFITABILITY

Rick Barnett

Vice President, Investments

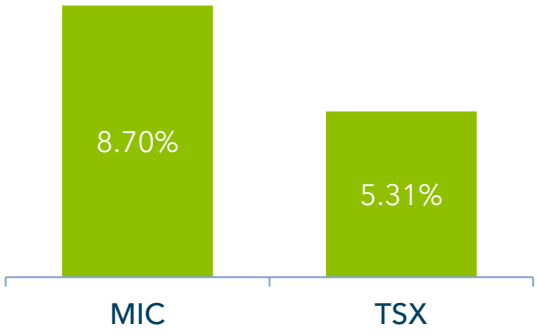
Equities Portfolio - $219 Million (as at Sept 30, 2013)

Portfolio Size



Total Returns

(9 months ended Sept 30, 2013)
(Including dividends)



- Focus on high quality dividend paying stocks... beta of 0.7 vs. TSX
- Monetized gains as equity markets have rallied

Active investment portfolio management

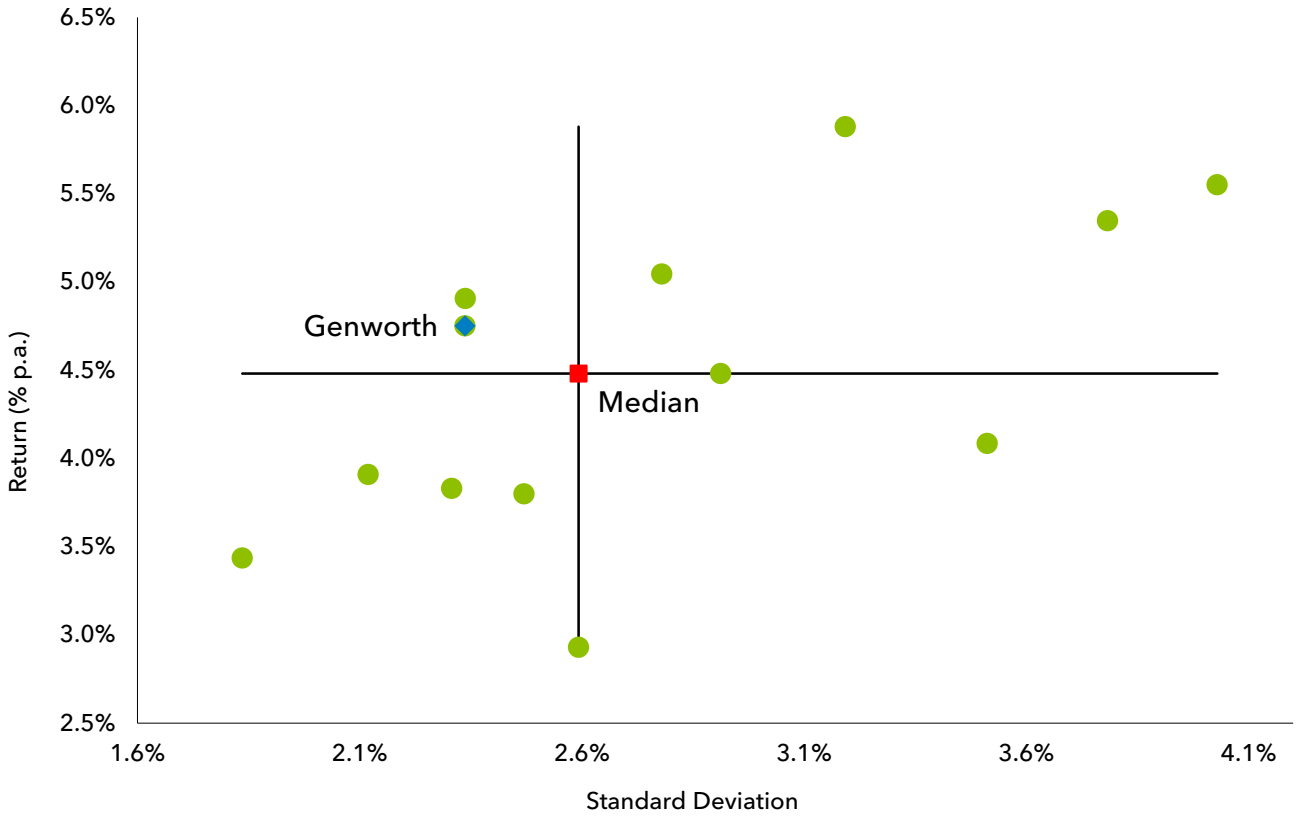
PANEL 3

SUSTAINING PROFITABILITY

Rick Barnett

Vice President, Investments

Fixed Income Portfolio Performance



Source: Q2 2013 Survey of large property & casualty insurers conducted by PCIM Global Manager Research

Favorable risk adjusted return over last 4 years

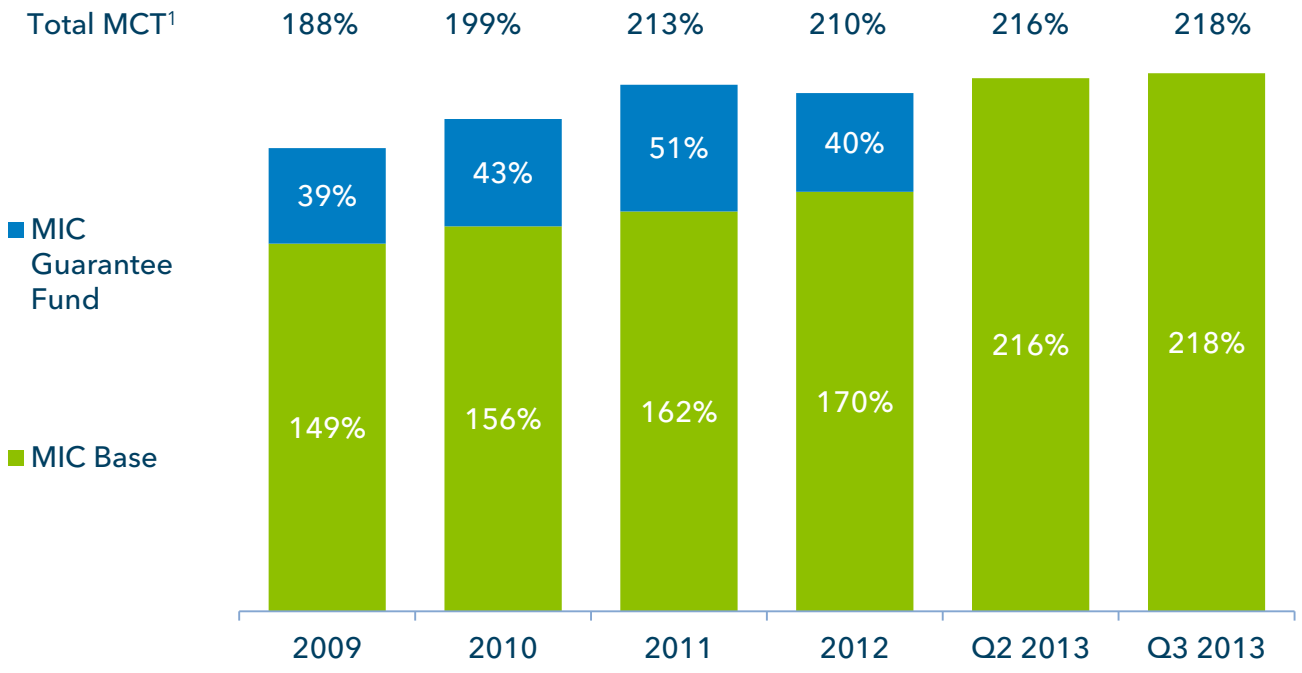
PANEL 3

SUSTAINING PROFITABILITY

Rick Barnett

Vice President, Investments

Regulatory Capital



1. Adjusted for Guarantee Fund which was deducted from regulatory capital available prior to its elimination on Jan 1. 2013

Active dialogue with OSFI on capital levels

PANEL 3

SUSTAINING PROFITABILITY

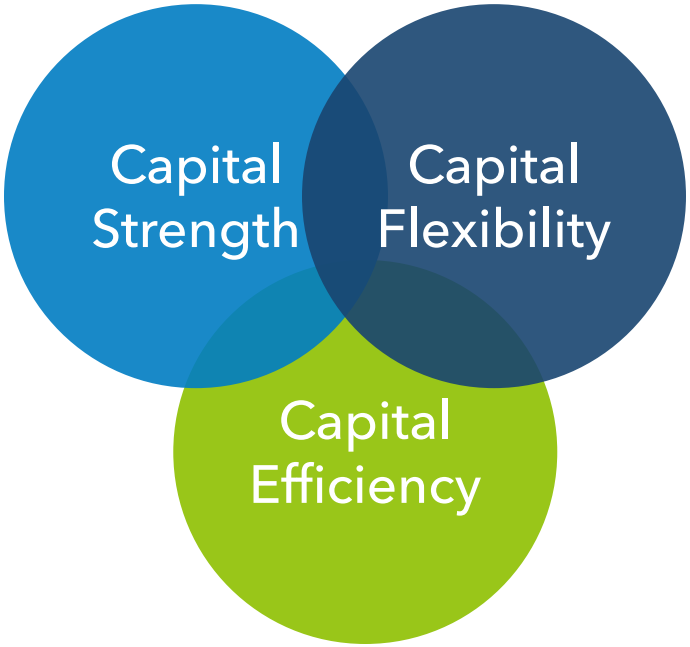
Philip Mayers

Senior Vice President, Chief Financial Officer

MIC Capital Management Objectives

Maintain Strong Claim Paying Ability

- "AA" rating for insurance co.
- Stress testing
- New capital test for 2015



Ongoing Access to Capital Markets

- Staggered debt maturities
- Leverage <20%

Optimize Shareholder Returns

- Return of capital (buybacks, special dividends)
- Ordinary dividends
- Leverage

PANEL 3

SUSTAINING PROFITABILITY

Philip Mayers

Senior Vice President, Chief Financial Officer

Ideal Mortgage Insurance Market

Current Environment

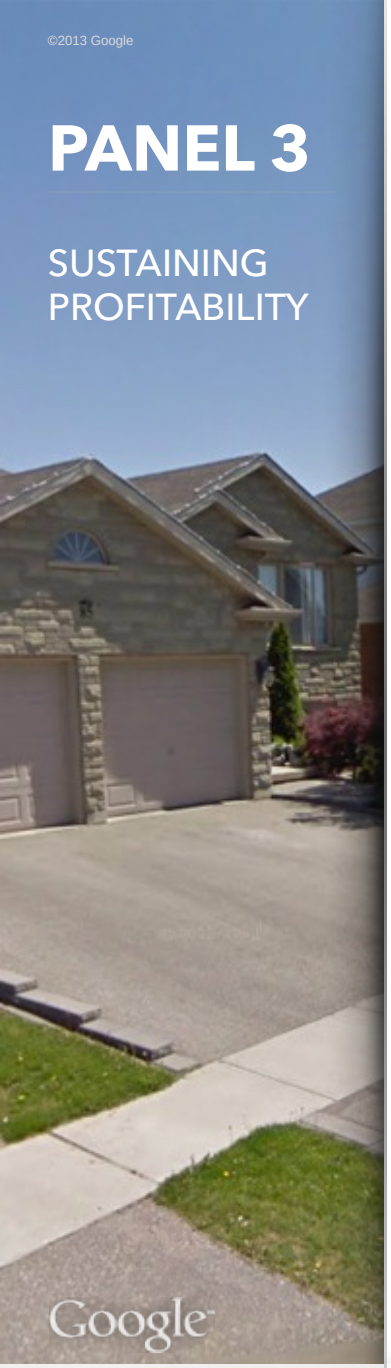
Principle	Benefit to Canadians
Disciplined underwriting	Insurers act as second set of eyes
Rigorous claims process	Clear industry-wide standards and shared accountability
Active regulator	Well capitalized, prudent risk management, responsible loan and insurance products, sound guidelines and oversight
Strong product mix	Consumer-friendly products, portable, serving all regions
Diverse lender base	Fair access to mortgage insurance and funding via government securitization programs enables competition
Government maintains policy levers	Government guarantee gives policy lever … mandatory requirement for mortgage insurance
Commercial pricing	Commercial return on capital … easy for consumers to understand
De-risk taxpayers	Private capital at risk ahead of taxpayer funds
Level playing field	Drives innovation, customer service and consumer focus

PANEL 3

SUSTAINING PROFITABILITY

Winsor Macdonell

Senior Vice President, General Counsel and Secretary



TAKEAWAYS

- Mortgage insurance is an essential element of Canada's housing finance system
- Several levers for core growth
- Active investment portfolio management
- Balancing capital strength, flexibility and efficiency
- Well positioned to deliver sustainable profitability

PANEL 3

OPEN Q&A

Moderator



Brian Hurley

Chairman, Chief Executive Officer



Rick Barnett

Vice President, Investments



Winsor Macdonell

Senior Vice President, General Counsel and Secretary



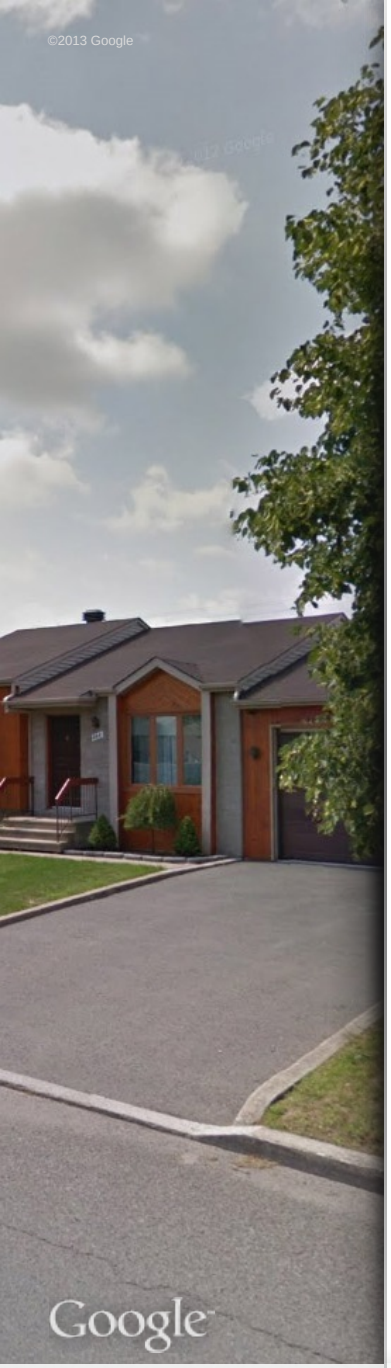
Philip Mayers

Senior Vice President, Chief Financial Officer



Wrap-up

Actionable Strategies for 2014



BIOGRAPHIES



Brian Hurley

Chairman and CEO

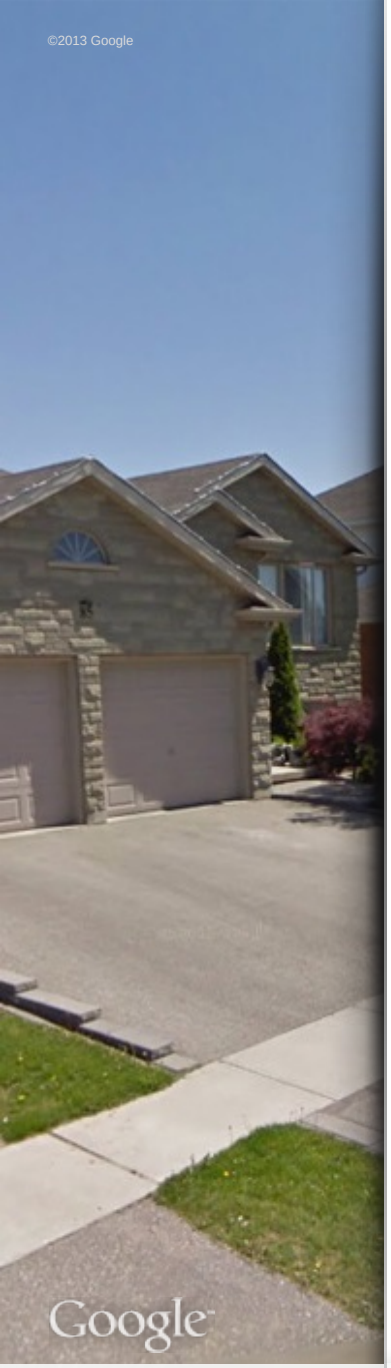
Brian led the establishment of Genworth into the Canadian marketplace in 1994 and later led it through its initial public offering in 2009. He has more than 20 years of senior management experience in the mortgage insurance industry worldwide. From 2004 – 2009 he led Genworth's activities and expansion in key international markets. Prior roles includes Senior Vice President, International of General Electric's U.S. mortgage insurance business and Senior Vice President of Sales and Operations.



Stuart Levings

Senior Vice President, Chief Operating Officer

Stuart Levings is a qualified Chartered Accountant with over 15 years of professional experience in a variety of industry sectors. Since joining the Company in July 2000 as the Financial Controller, Stuart has held positions in finance and product development, including five years as Chief Financial Officer prior to becoming the Chief Risk Officer in January 2008. Before that, Stuart spent seven years with Deloitte & Touche. Stuart holds a Bachelor of Accounting Science degree from the University of South Africa and is a member of both the South African and Canadian Institutes of Chartered Accountants.



BIOGRAPHIES



Debbie McPherson

Senior Vice President, Sales and Marketing

Debbie is responsible for developing and executing sales and marketing strategies, including key initiatives such as customer segmentation and sales program development. She brings more than 20 years of experience and proven success in sales and quality management. Debbie holds an AMP designation and plays an active role in many mortgage industry organizations including the Canadian Real Estate Association, the Canadian Association of Accredited Mortgage Professionals and the Canadian Homebuilders Association.



Susan Noonan

Vice President, Operations

Susan is responsible for developing and executing the customer experience strategies within the Canadian underwriting and call centres. Key initiatives include lender and regional specific underwriting, productivity, process efficiencies and bringing innovation to mortgage underwriting. Susan has more than 20 years of industry experience. Since joining the company in 1995, she has held positions in Sales, Risk and Operations. Susan is a member of the Canadian Association of Accredited Mortgage Professionals and an active volunteer for the United Way and Habitat for Humanity.



BIOGRAPHIES



Lisa Trudell

Vice-President, Business Development

Lisa is responsible for managing key mortgage lender relationships at a national level to develop mutually beneficial strategies and resolve customer issues with the goal of increasing customer satisfaction, market share and revenue. Lisa has more than 25 years of professional experience in the financial services industry and a proven track record in sales & sales management, strategic planning and product development. She holds an MBA from the Ivey School of Business and is a member of the Canadian Association of Accredited Mortgage Professionals. She joined Genworth Canada in 2004.



Robert Kirby

Vice President, Loss Mitigation and Investigations

Robert is responsible for Claims management, Default Management, Quality Assurance, Appraisal Management and our Special Investigations Unit. Since joining the company in 1998, Rob has held the position of Manager, Loss Mitigation; Quality Leader; and, most recently, Leader, Loss Mitigation and Investigations. Rob's previous experience includes 8 years with the Bank of Nova Scotia in Ottawa, holding various management positions within a specialized collection unit.



BIOGRAPHIES



Craig Sweeney

Senior Vice President, Chief Risk Officer

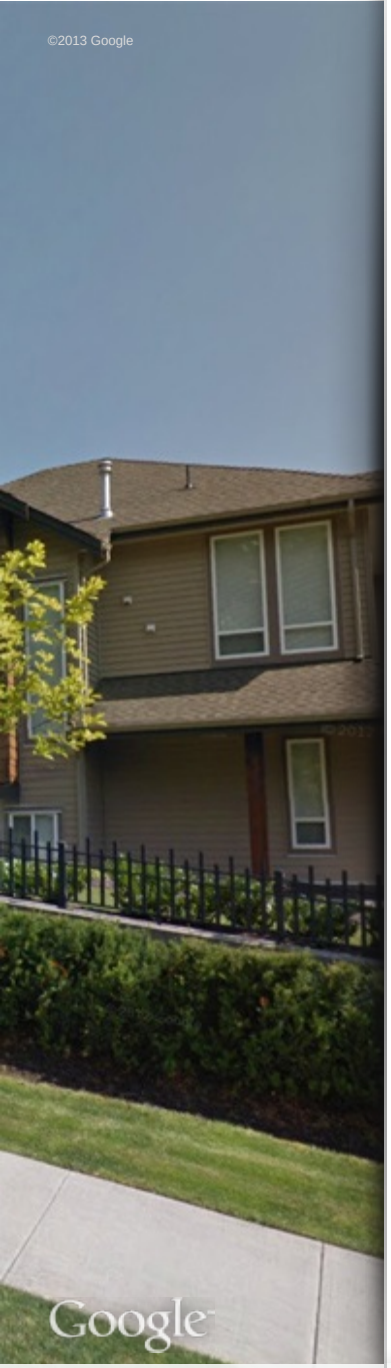
Craig has more than 17 years of professional experience in the mortgage and banking industry. Since joining the Company in 1998, he has held senior positions in Operations and Business Development, including Director of Risk Operations and Director of Product Development.



Jamie Woods

Regional Risk Manager

In his role as a Regional Risk Manager, Jamie provides constant analysis of the impacts of the economy on different segments of the housing market and how it affects Genworth Canada's business. Prior to joining Genworth Canada in 2007, Jamie spent 5 years with the National Bank of Canada and 4 years with HSBC Bank Canada. He holds a bachelor's degree in business administration with a minor in economics and is a member of the Canadian Association of Accredited Mortgage Professionals. He is a member of the Quebec Board of Directors of Habitat for Humanity.



BIOGRAPHIES



Rick Barnett

Vice President, Investments

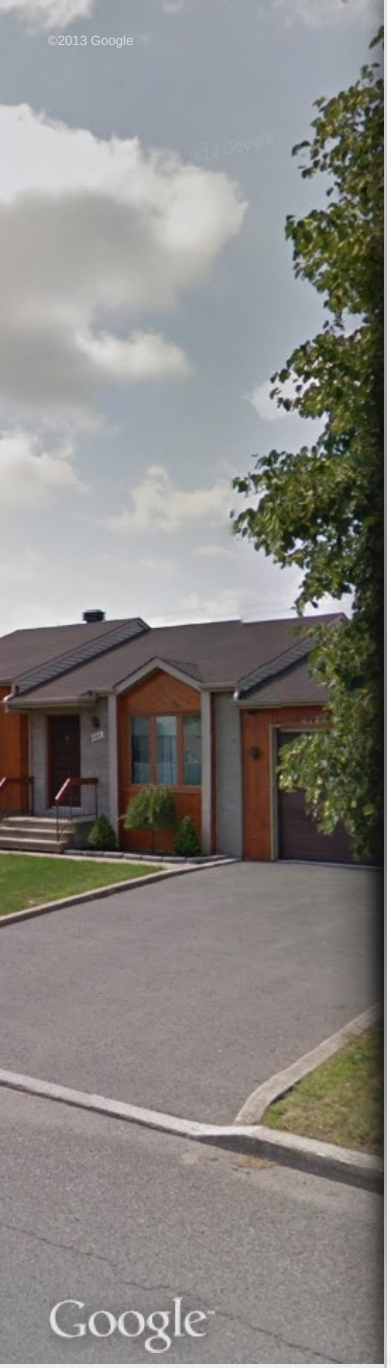
Rick joined Genworth Canada in 2008 after a career of over 20 years of capital markets trading and investment experience. Prior to joining the company, Rick was a Managing Director and Partner with Cornerstone Capital Partners, a Canadian Hedge Fund specializing in global fixed income and currencies, relative value investing. Rick spent the majority of his career at RBC Capital Markets where he was a Managing Director and held senior positions within the firm. Rick is a graduate of University of Toronto with a degree in economics.



Winsor Macdonell

Senior Vice President, General Counsel and Secretary

Winsor is responsible for all of the Company's legal and compliance matters, as well as government relations. Winsor joined the Company in 1999. Prior to joining the Company, he spent several years in the life and property and casualty industry. Winsor received an honours Bachelor of Commerce degree from Queen's University in 1988 and his LL.B. from Dalhousie University in 1992.



BIOGRAPHIES



Philip Mayers

Senior Vice President, Chief Financial Officer

Philip became Chief Financial Officer of the Company in 2009. He has over 20 years of finance and general management experience in financial services businesses. Since joining the Company in 1995, Phillip has held several senior positions, including Vice President, Finance, Vice President, Operations, and Senior Vice President, Business Development. Prior to joining the Company, he held finance positions with MICC, Esso Petroleum Canada and Deloitte & Touche. He holds CPA, CA, CMA and AMP professional designations and has a Master of Accounting degree from the University of Waterloo.



Samantha Cheung

Vice President, Investor Relations

Samantha joined the Company in 2009 at the time of the IPO to establish and lead the Investor Relations platform. Prior to this, she was with CIBC World Markets and Merrill Lynch Canada, in a variety of capital markets roles, including debt origination, derivatives, investment banking and equity research. She is a graduate of engineering from Queen's University and obtained an MBA from the Rotman School of Management in Toronto. Samantha also holds an active board position with Women in Capital Markets.



Investor Day 2013

Actionable Strategies for 2014

CONTACT:
Samantha Cheung, Vice President, Investor Relations
905 287 5482 Samantha.Cheung@genworth.com