Bank of America Annual Investment Conference

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Chairman & CEO

September 15, 2008

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," or words of similar meaning and include, but are not limited to, statements regarding the outlook for the company's future business and financial performance. Forward-looking statements are based on management's current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors, including those discussed in the Appendix and in the risk factors section of the company's Form 10-K filed with the SEC on February 28, 2008. The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

Non-GAAP and Selected Operating Performance Measures

All references to EPS, income, and ROE refer to net operating earnings per diluted share, net operating income and operating return on equity. All references to ROE in the business segments are levered, assuming 25% debt to total capital at the product line level.

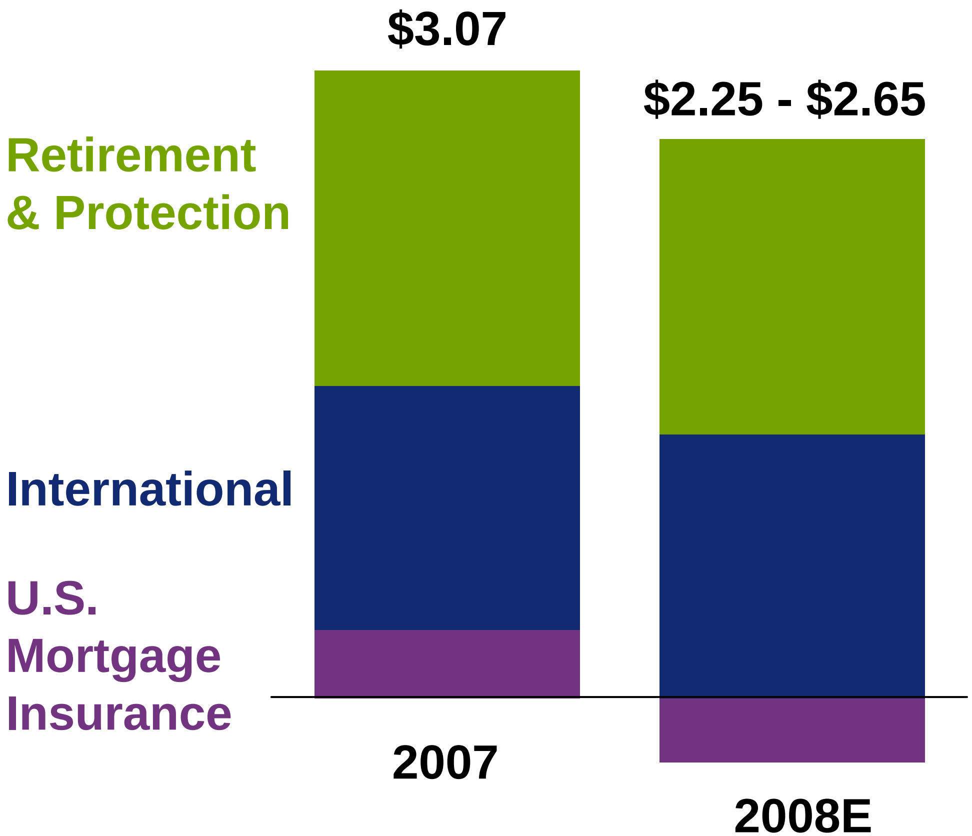
All financial data as of 6/30/08 unless otherwise noted. For additional information, please see Genworth's Fourth Quarter of 2007 and Second Quarter of 2008 earnings releases and financial supplements, posted at www.genworth.com.

For important information regarding the use of non-GAAP measures and selected operating performance measures, see the Appendix.

This presentation should be used in conjunction with the accompanying audio or call transcript.

Performance Metrics

Operating EPS



Sound Franchise

Tough 2008 Environment

– Large U.S. MI Impact

Positioning For Improved Future Performance

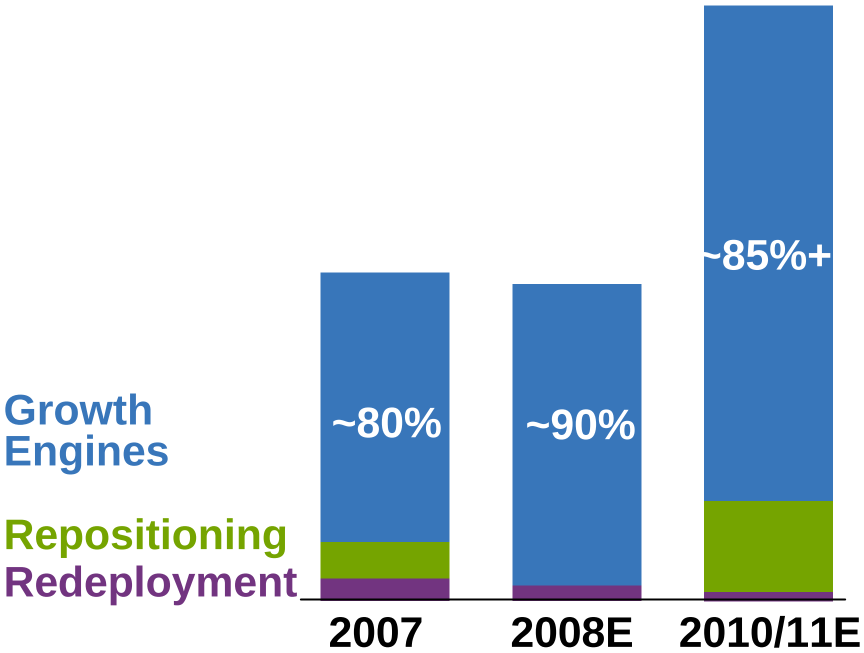
EPS Includes Corporate And Other.

Genworth Strategy

Delivering Financial Security

Positioning For The Future

Operating Income Mix



Driving Growth/ROE Expansion

	Multi-Year Sales Growth Targets	New Business ROE
Int'l MI	Balanced	High Teens
Int'l Protection		High Teens
Fee Based	Double-Digit	High Teens
New LTC		Mid Teens
New Life		Low Teens
Spread	Opportunistic	Low Teens
U.S. MI	Market-Driven	Mid Teens
Old Life/Spread		Extract Capital
Old LTC		Improve ROE/Extract Capital

Fee Based Includes Fee Based Retirement Income & Wealth Management. Spread Includes Spread Based Retirement Income & Institutional

2008 Strategic Priorities

Navigate The Storm In U.S. Mortgage Insurance

Expand Wealth Management And Retirement Income

Responsibly Grow International Presence

Continue Transition Of Life And Long Term Care

Focus On Risk And Capital Management

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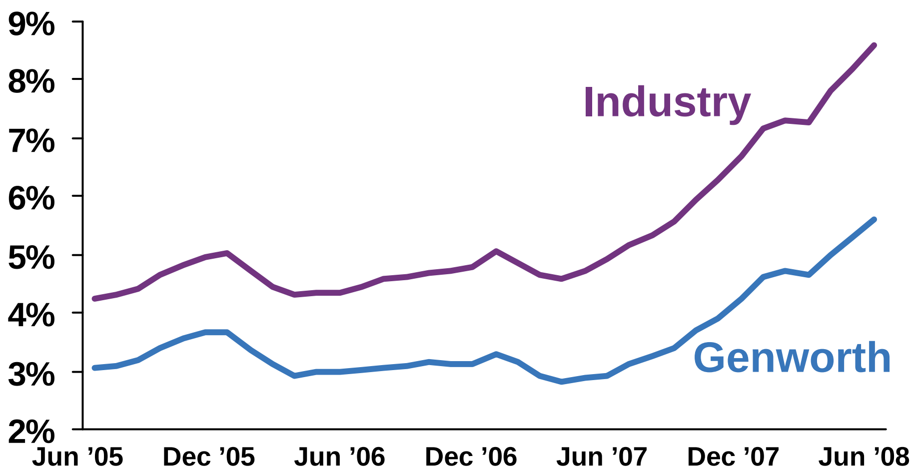
U.S. Mortgage Insurance Overview

Delinquencies 2005 To Date[1]



Higher ROE/Less Volatility Shift

Product, Price & Guideline Changes

Active Portfolio Management

- Risk Mitigation
- Captive Reinsurance Benefit

Enhance Capital Flexibility

Legislative / Regulatory Changes

92% Prime Book

Avoided Sub-Prime Bulk & 2nd Lien

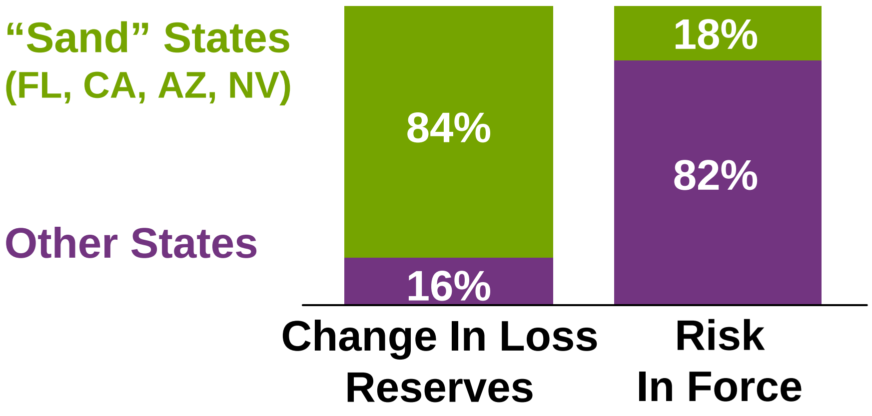
Underweighted California

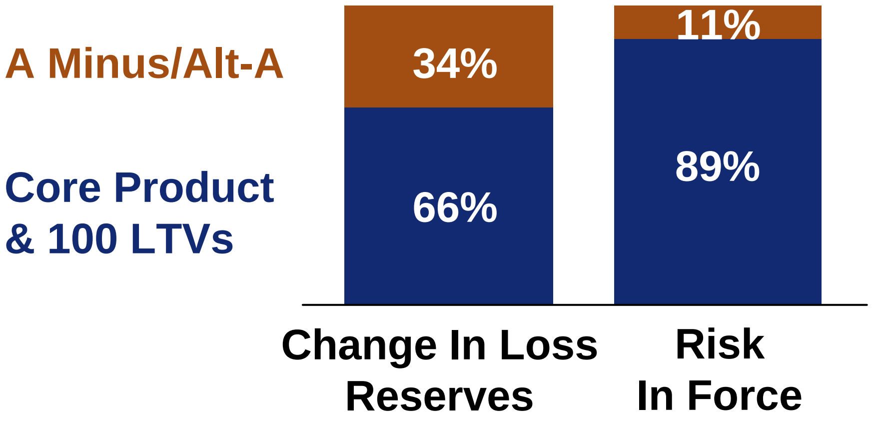
Impacted By Market Downturn

[1] Primary Delinquencies. Industry Represents MGIC, PMI, UGI, Old Republic and TRIAD Based on MICA Reports.

Loss Underperformance Concentrated

2Q 2008 Flow Loss Perspectives





Magnified Impact In 4 States

- Sand States (22%) HPA
- Other States (8%) HPA

A Minus & Alt-A Weak Performance

- Reduced Documentation
- Relaxed Lender Underwriting

Delinquencies Outpacing Cures

- 2005-2007 Book Concentrated

Product Actions Taking Effect

Product Exits/Guidelines Moves

Alt-A

A Minus

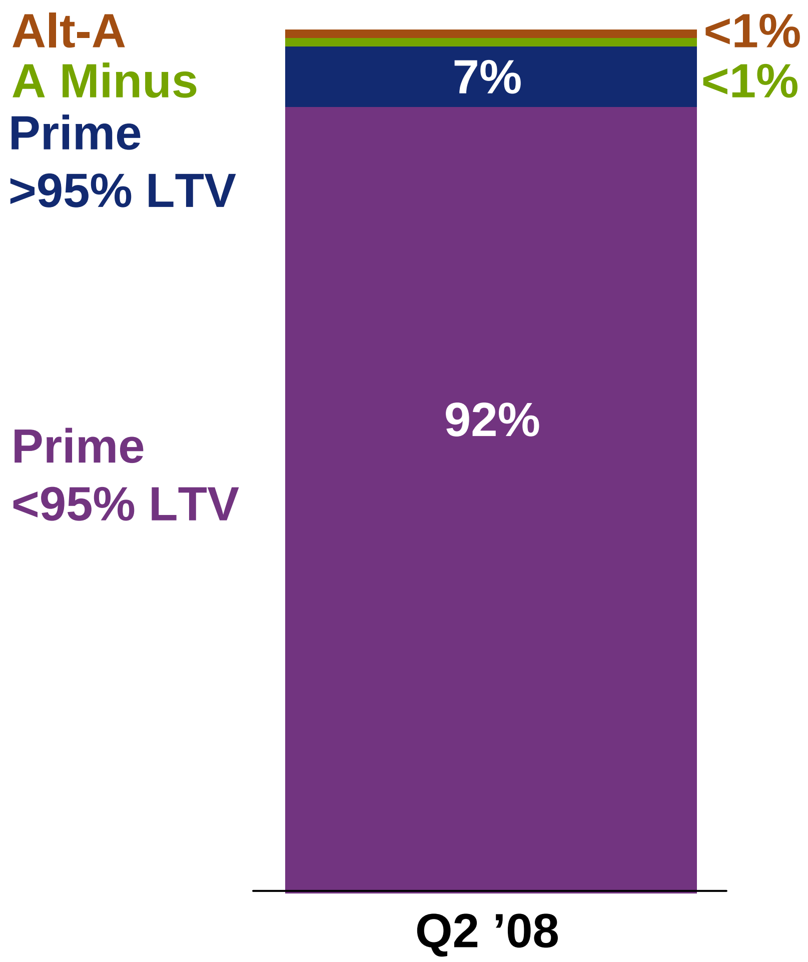
95%+ LTV

Interest Only

90%+ LTV Limit In Declining Markets

– 140 Specific MSAs Identified

Flow New Insurance Written



Genworth Financial

Loss Mitigation

Active Homeowner Assistance

Tripled Dedicated Resources

9,200 Borrower Calls Monthly

5,700 Workouts In First Half 2008

Captive Reinsurance

Progressing To Attachment

2005 – 2007 Books Emphasis

Impact Increases Thru 2008

Important Downside Protection

Fraud Detection

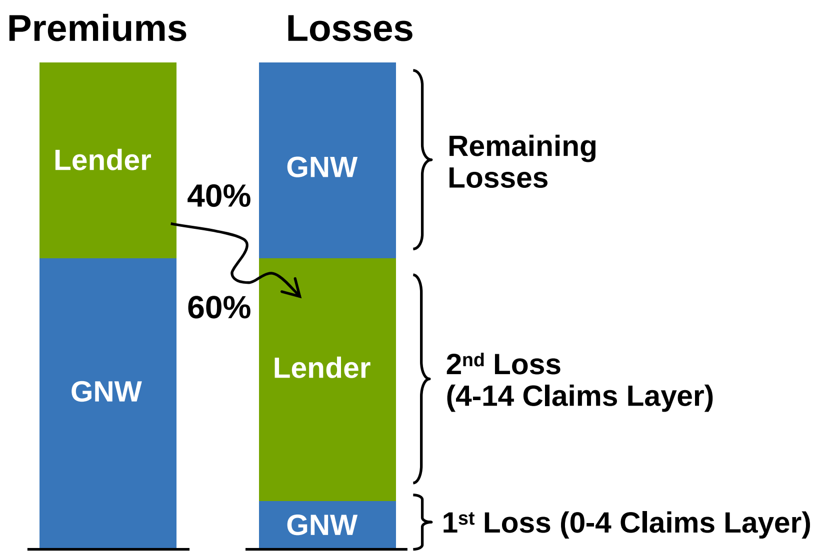
Increased Problem Claims

- Concentrated in 2006/2007 Books
- Reduced Doc Loans
- Relaxed Underwriting

Upholding Master Policy Guidelines

Lender Captive Reinsurance Protection

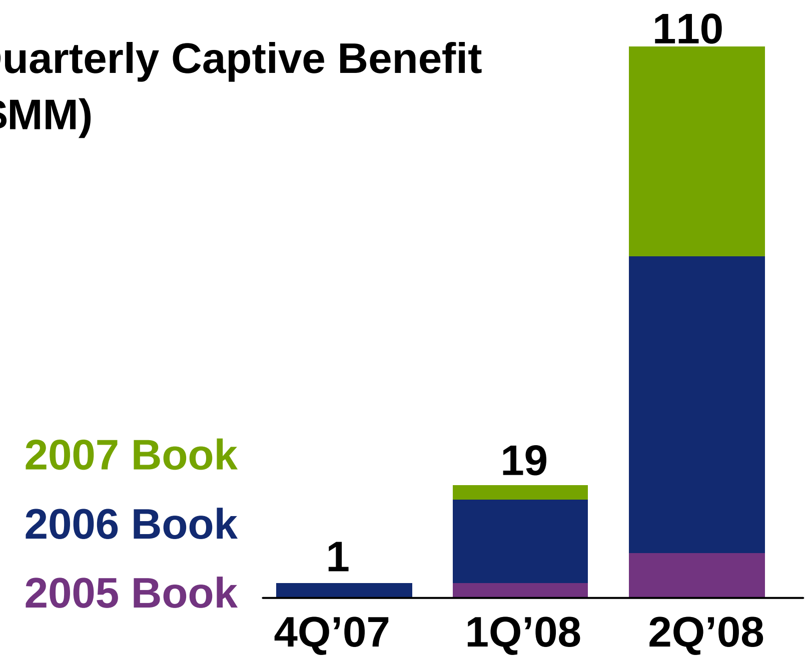
40% Cede Excess Loss Example



- ~ 2/3 Of Genworth Captives
- 60% Flow Book With Captives
- "Book Year" Basis By Lender
- $948MM In Captive Trusts

Captives Absorb More Losses

Quarterly Captive Benefit ($MM)



- 2006 Biggest Impact To Date
- 2007 Developing Rapidly
- 2005 Expected To Develop 2H '08

Impact Of Legislative Changes

	GNW Impact
GSE Reform/Takeover	
Sound Oversight/Capital Support	+
Strong Product/Programs Approval	+
Increased Loan Limits	+
FHA Rescue/Expansion	
FHA Insures Refinancings	+
Increased Mortgage Insurance Share For FHA	–
Workout Delinquent Mortgage Insurance Loans	+
Increased Loan Limits	–
Regulatory Influence	
Increase Originator Oversight	+

Positioned For The Future

Industry Dynamics – 2003-2007

Mortgage Insurers

- 40% XOL Lender Captives
- High Percentage of Alt. Products
- Stacked Risk Factors

Lenders

- Loosened Underwriting
- Grew Alternative Products

Investors

- MBS Pricing Not Reflecting Risk

Business Model Shift

20%+ Core Flow Price Increase

25% XOL Max on Captives

Return To Core Products

Underwriting & Regulatory Improvements

Single Premium Products

Broaden Consumer Proposition

15 - 20% ROE Target

International Strategy

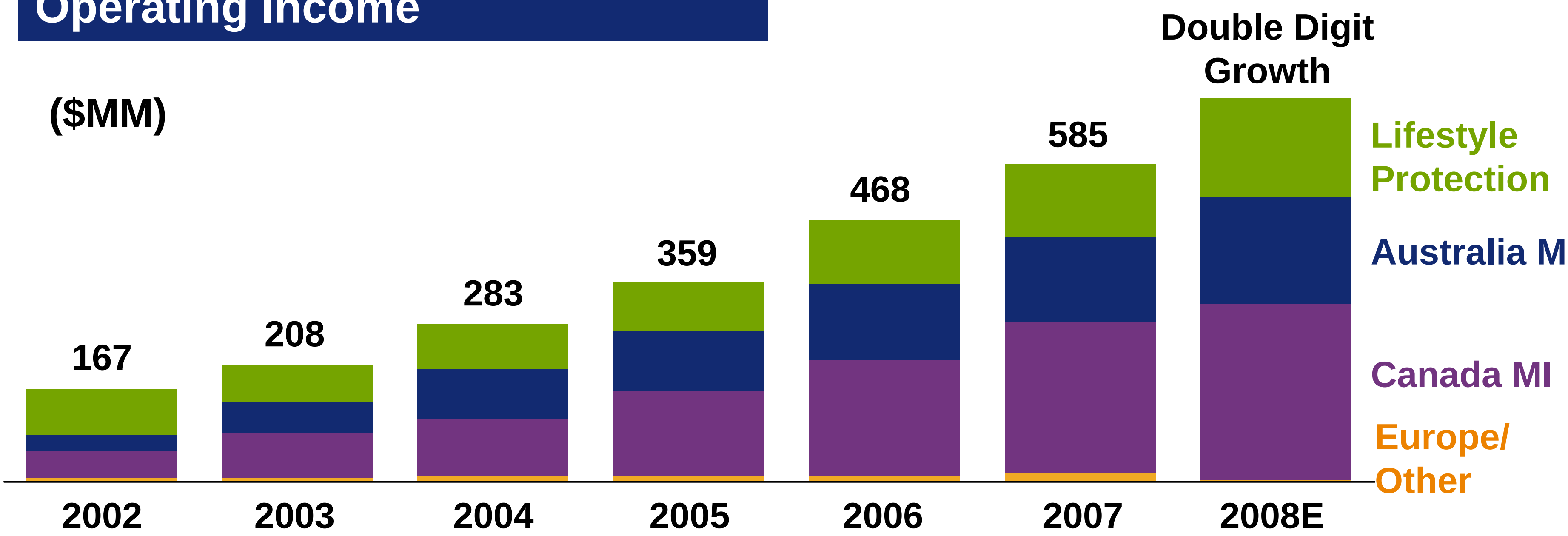
Focus On High Growth/High Return Product Lines/Markets

Lifestyle Protection[1] – 17 Countries	**Broad Market Opportunity** **Bank Distribution** **Replicable/Scalable Model**
Mortgage Insurance – 9 Primary Countries – 7 Countries Early Stage	**Selective Market Opportunity** **Bank Distribution** **Favorable Regulatory/Capital Environment** **Expand Gradually/Risk Management Focus**
Retirement Products – 2-3 Countries	**Strategic Partnerships** **Bank/IFA Distribution Potential** **Exploratory Phase**

[1]Payment Payment Insurance (PPI) Was Recently Renamed Lifestyle Protection

Strong International Track Record

Operating Income



25+ Countries

600+ Distribution Relationships

1,900+ Associates

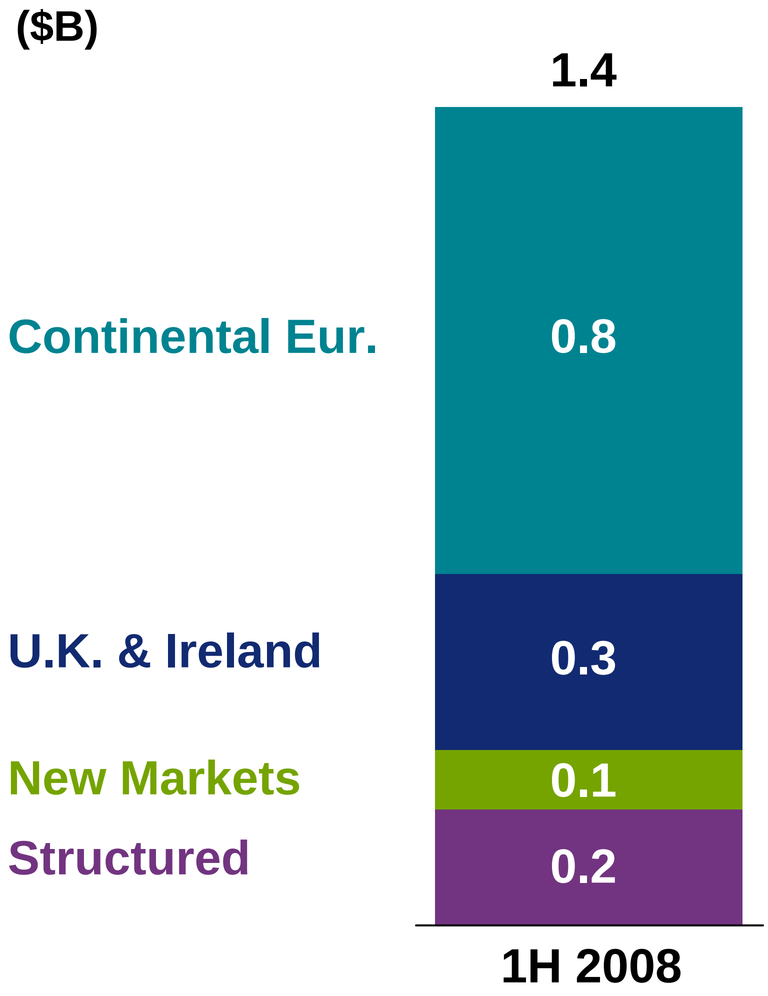
Global Risk Management

Double Digit Growth

22% Operating ROE in 2007

Lifestyle Protection Opportunity

Sales By Region



Established Markets

Penetrate Significant Customer Base

New Products & Customers

Lender Structured Transactions

New Markets

Transfer Product/Risk Expertise

Leverage Global Client Base

Mexico, Poland, South Korea, Others

Responsibly Grow International MI

Key Differences From The U.S.

Minimal Non-Prime/Alt-A Products

Large Lenders

- Some Reliance on Capital Markets
- Much Less on MBS Markets

Single Premium Product

- $3.5B Unearned Premium Reserve

Specialized Segments	U.S.	CAN	AUS	U.K.	Spain
% Sub-Prime	20%	5%	4%	NA	5%
% MBS	75%	20%	21%	16%	40%

Sources: Standard & Poors, APRA, and Company Estimates. Unearned premium reserve as of 6/30/08.

Global Economies Slowing

Canada GDP Estimated Decrease To 1.4%

Australia Slowing To Lesser Degree

Europe More Pronounced

HPA Declines Expected In 2008 In U.K. And Spain

	% Int'l RIF	GDP 2006	GDP 2007	GDP 2008E	Unemployment 2006	Unemployment 2007	Unemployment 2008E	HPA 2006	HPA 2007	HPA 2008E
U.S.		2.9%	2.2%	1.5%	4.8%	4.6%	5.5%	2%	(3)%	(11)%
CAN	41%	1.9%	2.7%	1.4%	6.2%	6.0%	6.3%	11%	11%	4%
AUS	53%	2.7%	3.9%	3.6%	4.6%	4.3%	4.4%	10%	12%	5%
U.K.	<1%	8.0%	2.6%	(5.0)%	5.4%	5.4%	5.3%	8%	7%	(9)%
Spain	<2%	4.0%	3.3%	0.9%	8.5%	8.3%	9.5%	9%	5%	(5)%

Sources: Australia Bureau of Statistics, Conference Board of Canada, Global Insight and Company Estimates.

Key Risk Management Actions Taken

Australia

15% Price Increase

Tightened Underwriting

Restricting LTV In “Recession” Sensitive Geographies

Europe

Limited New Production

Seasoned U.K./Ireland Books

Price & Product Changes In Spain

Canada

Implementing Government Product Changes

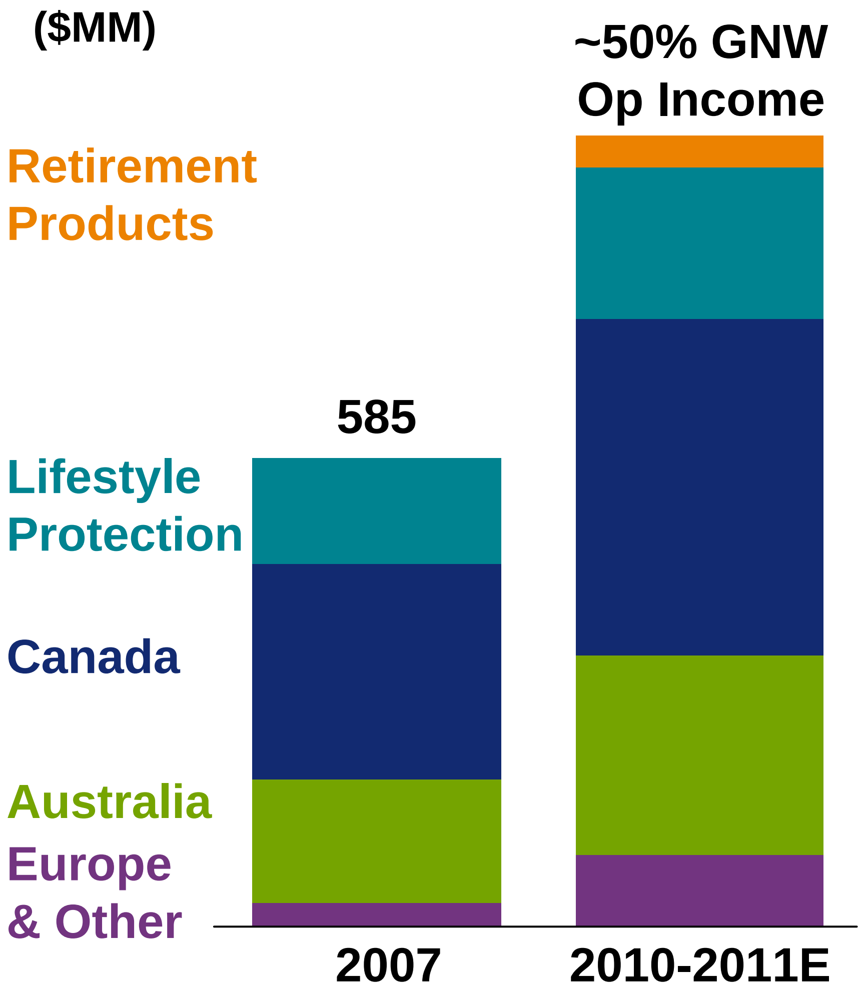
- No LTV 95%+
- No 40 Year Amortization Product
- 3% Limit On Credit Scores <620

Tightened Underwriting

Restricting LTV In “Recession” Sensitive Geographies

Strong International Platform

Operating Income



Solid Growth Prospects

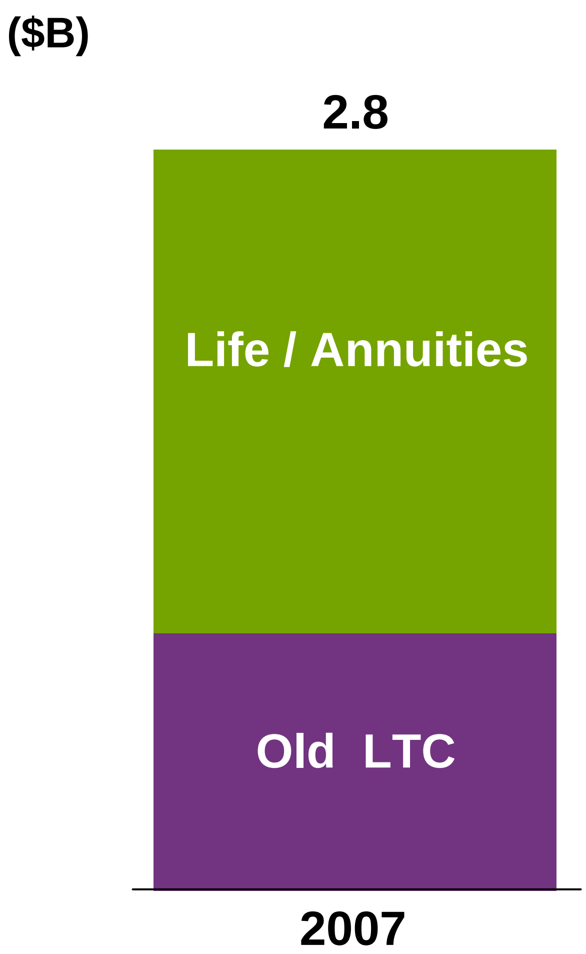
Disciplined Operating Approach

Double Digit 2008E Income Growth

Genworth Financial

Capital Flexibility – Retirement & Protection

Focus on Low Return Capital



Reassessed Blocks Under Integrated Retirement & Protection Organization

Assessing Reinsurance, Capital Markets and Closed Block Options

Pricing Action

Pursuing Extraction Options

- Individual Or Blended Blocks

Multi-Year Effort

Capital Flexibility – U.S. Mortgage Ins.

Claims Paying Resources

In-Force Capital Management

Shift High Capital Charge Assets

International Reinsurance Changes

Funding New Business Growth

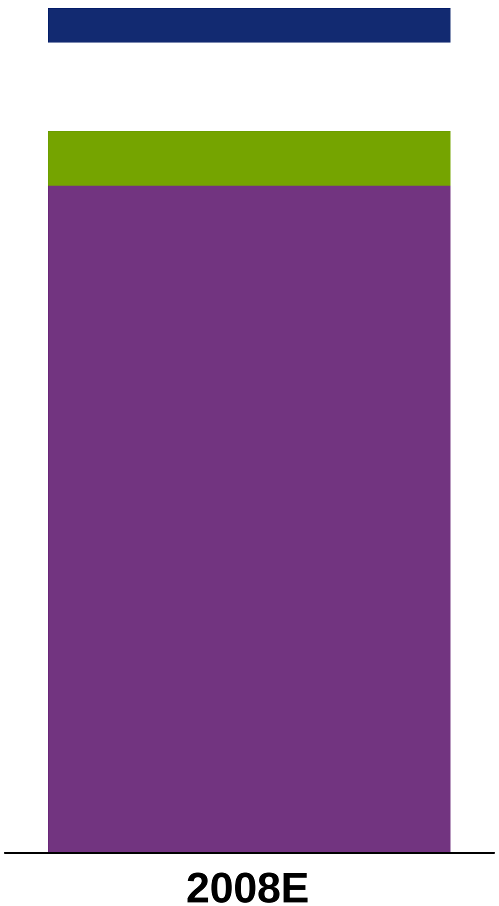
Capture Market Developments

Reinsurance

Sidecar/Venture Structures

Genworth Capital Flexibility

~$17B GAAP Capital



Excess Capital - $300 - $600MM

In Excess Of Ratings Agency Guidance

Includes Debt Capacity

Buffer - $300 - $700 MM

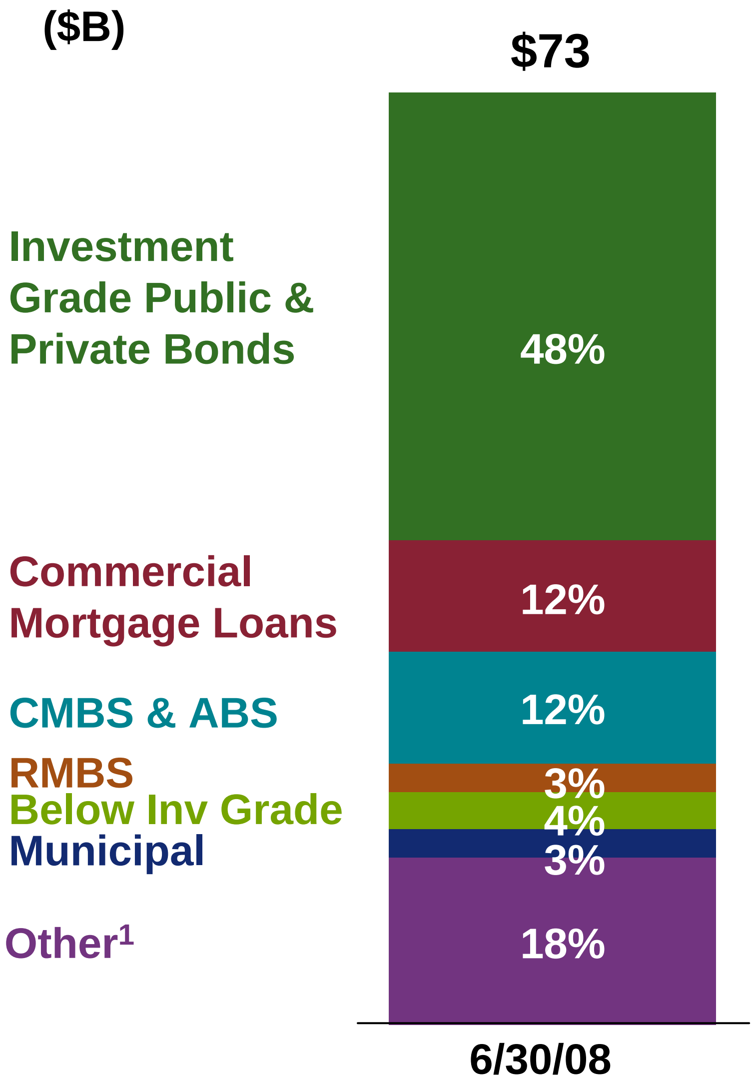
Cushion For Unanticipated Changes

Business Required Capital

Rating Agency & Regulatory Capital

New Business Funding Alternatives

Risk Management – Investment Portfolio



Quality Assessment

Commercial Mortgages LTV ~52%

Commercial MBS 98% Investment Grade

Avoided RMBS CDOs

Munis Underwritten to Underlying Credit

Risk Considerations

$1.7B Sub-Prime / Alt-A RMBS

Below Investment Grade 4%

Equities & Partnerships Each <1%

[1]Other Includes Cash, Equities, Policy Loans, LPs, Securities Lending & Other Invested Assets

Positioning R&P For The Future

Wealth Management Growth

Strong Organic & Acquisition Performance

Advisor Expansion & Penetration

Practice Management Services

Managing Thru Volatile Markets

Retirement Income Growth

Products

– Range of Offerings

– Focused on Key Life Stages

Distribution

– Multi-Channel

– Focused On Key Firms

Life Insurance Transition

Shift To Universal Life

– New Product Success

– Wholesaler Expansion

Very Competitive Term Market

Middle Market Positioning

Long Term Care Transition

Product Expansion Driving Growth

Career Transition Progress

Successful AARP Launch

In Force Rate Action On Track

The Case For Genworth

- ✓ **Shifting Mix For Growth & Returns**
- ✓ **Expanding International & Wealth/Retirement Platforms**
- ✓ **Capital & Risk Management Discipline**
- ✓ **Manageable Disruption In 2008**
- ✓ **Longer Term ROE Expansion Path**

Appendix

Captive Reinsurance - Disclosure

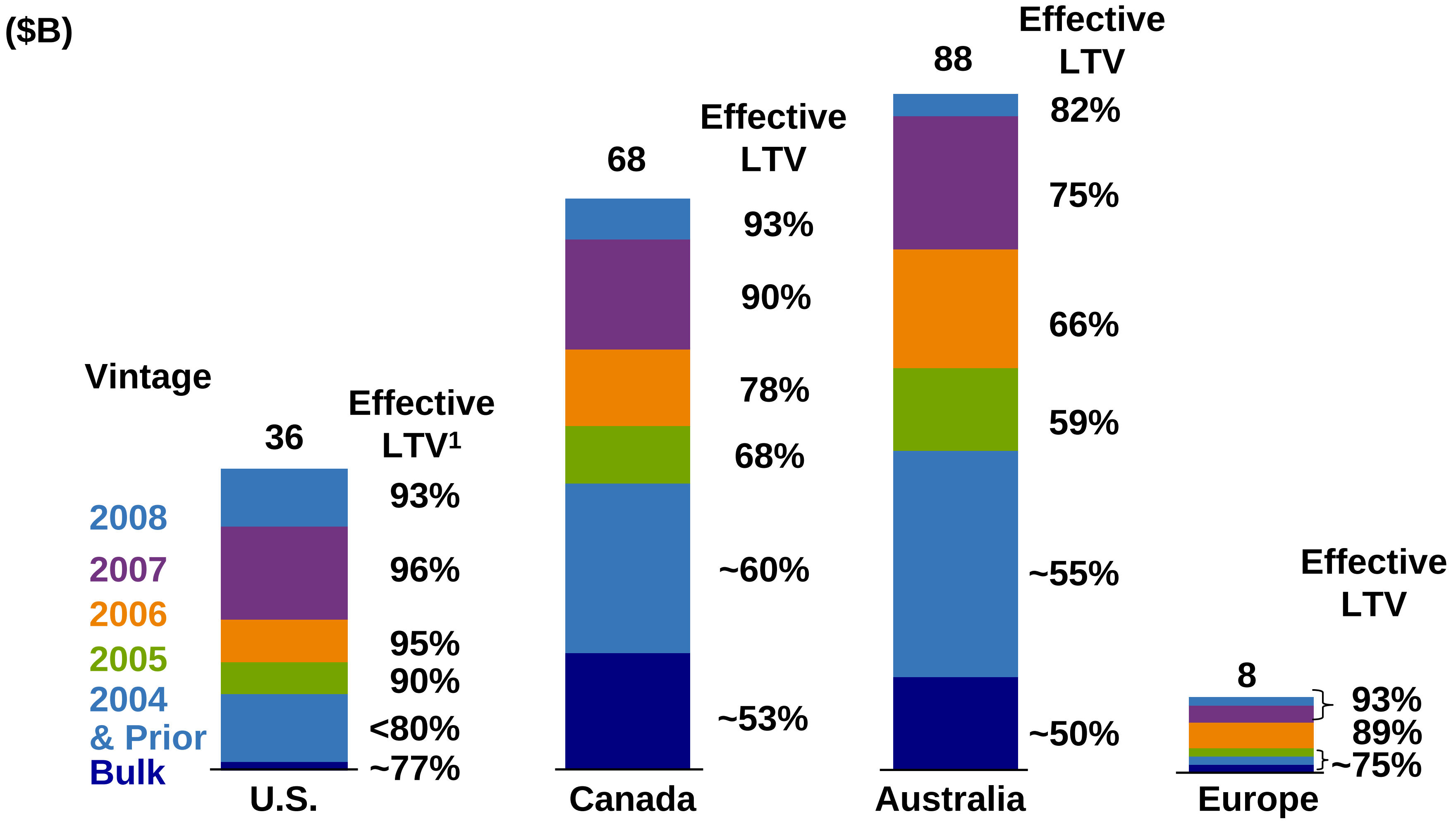
Aggregate Book Year Analysis Provided to Illustrate Directional Progression Toward Captive Attachment [1]

			June 30, 2008			March 31, 2008			December 31, 2007		
Book Year [2]	**Original Book RIF ($B)**	**Progression to Attachment Point**	**Current RIF ($B)**	**Ever to Date Incurred Losses ($MM)**	**Captive Benefit ($MM)**	**Current RIF ($B)**	**Ever to Date Incurred Losses ($MM)**	**Captive Benefit ($MM)**	**Current RIF ($B)**	**Ever to Date Incurred Losses ($MM)**	**Captive Benefit ($MM)**
2005		0-50%	$0.4	$10		$0.5	$10		$0.8	$16	
2005		50-75%	0.4	22		1.6	72		1.5	56	
2005		75-99%	1.1	72		0.2	11		0.4	15	
2005		Attached	0.6	44		0.3	20		-	2	
2005 Total	$4.4		$2.5	$148	$6	$2.6	$113	$1	$2.7	$89	$ -
2006		0-50%	$0.2	$2		$0.5	$11		$0.7	$10	
2006		50-75%	0.4	17		0.3	8		1.8	55	
2006		75-99%	0.4	26		0.5	23		0.8	31	
2006		Attached	2.1	185		2.0	113		0.1	5	
2006 Total	$4.2		$3.1	$230	61	$3.3	$155	17	$3.4	$101	1
2007		0-50%	$1.0	$17		$4.3	$77		$6.9	$56	
2007		50-75%	1.0	33		1.0	23		-	-	
2007		75-99%	2.2	77		0.8	25		-	-	
2007		Attached	2.2	128		0.5	22		-	-	
2007 Total	$6.9		$6.4	$255	43	$6.6	$147	1	$6.9	$56	-
Captive Benefit In Quarter ($MM)					$110			$19			$1

[1] Data presented in aggregate for all trusts. Actual trust attachment and exit points will vary by individual lender contract. For purposes of this illustration, incurred losses equals change in reserves plus paid claims. The information presented excludes quota share captive reinsurance data. Progress toward captive attachment is determined at a lender level for each book year by dividing ever to date incurred losses by original RIF for that book year.

[2] Book year figures may include loans from additional periods pursuant to reinsurance agreement terms and conditions.

Comparing Global MI Risk In Force



[1] Book Year Risk In Force Based Upon Flow, and Effective LTV Estimated Based on Accumulated Regional HPA; Total Bulk Shown Separately
Primary Risk In Force as of 06/30/08

U.S. Portfolio Performance

($B)	FICO > 679		FICO 620 - 679 [1]		FICO < 620		Total	
	2008		2008		2008		2008	
Primary Risk In Force	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1
Total Primary Risk In Force	$ 22.2	$ 20.2	$ 10.8	$ 10.5	$ 3.0	$ 3.0	$ 36.0	$ 33.8
Delinquency rate [2]	3.3%	2.6%	8.1%	6.8%	15.4%	12.7%	5.6%	4.7%
2008 policy year	$ 5.3	$ 2.6	$ 1.5	$ 0.9	$ 0.3	$ 0.2	$ 7.2	$ 3.7
Delinquency rate	0.3%	0.1%	1.2%	0.3%	17.1%	1.0%	0.7%	0.2%
2007 policy year	$ 6.6	$ 6.7	$ 3.6	$ 3.7	$ 1.2	$ 1.3	$ 11.4	$ 11.7
Delinquency rate	4.4%	2.9%	7.5%	5.2%	17.1%	12.3%	6.6%	4.5%
2006 policy year	$ 3.2	$ 3.3	$ 1.7	$ 1.8	$ 0.5	$ 0.5	$ 5.4	$ 5.6
Delinquency rate	6.5%	4.5%	11.4%	8.8%	17.6%	15.1%	8.9%	6.6%
2005 policy year	$ 2.3	$ 2.4	$ 1.3	$ 1.4	$ 0.3	$ 0.3	$ 3.9	$ 4.1
Delinquency rate	4.1%	3.2%	9.5%	8.1%	15.1%	13.2%	6.7%	5.5%
2004 & prior policy years	$ 4.9	$ 5.2	$ 2.6	$ 2.8	$ 0.6	$ 0.6	$ 8.2	$ 8.6
Delinquency rate	2.2%	1.9%	8.6%	8.2%	15.1%	14.0%	4.9%	4.5%
Fixed rate mortgage	$ 21.1	$ 19.1	$ 10.3	$ 10.0	$ 2.9	$ 2.9	$ 34.3	$ 32.0
Delinquency rate	2.6%	2.0%	7.6%	6.4%	15.0%	12.3%	5.0%	4.2%
Adjustable rate mortgage	$ 1.2	$ 1.2	$ 0.5	$ 0.5	$ 0.1	$ 0.1	$ 1.7	$ 1.8
Delinquency rate	12.3%	9.1%	17.2%	14.6%	29.2%	25.3%	13.9%	10.8%
LTV > 95%	$ 4.7	$ 4.5	$ 3.5	$ 3.5	$ 1.2	$ 1.2	$ 9.4	$ 9.3
Delinquency rate	2.8%	2.2%	8.9%	7.1%	18.7%	15.2%	7.2%	5.9%
Alt-A [3]	$ 1.2	$ 1.3	$ 0.5	$ 0.5	$ 0.1	$ 0.1	$ 1.8	$ 1.9
Delinquency rate	10.1%	6.7%	17.8%	13.9%	26.1%	20.9%	12.2%	8.6%
Interest only & option ARMs	$ 3.0	$ 2.9	$ 1.0	$ 1.0	$ 0.2	$ 0.2	$ 4.1	$ 4.1
Delinquency rate	10.6%	7.3%	16.2%	12.0%	25.3%	19.7%	12.0%	8.5%

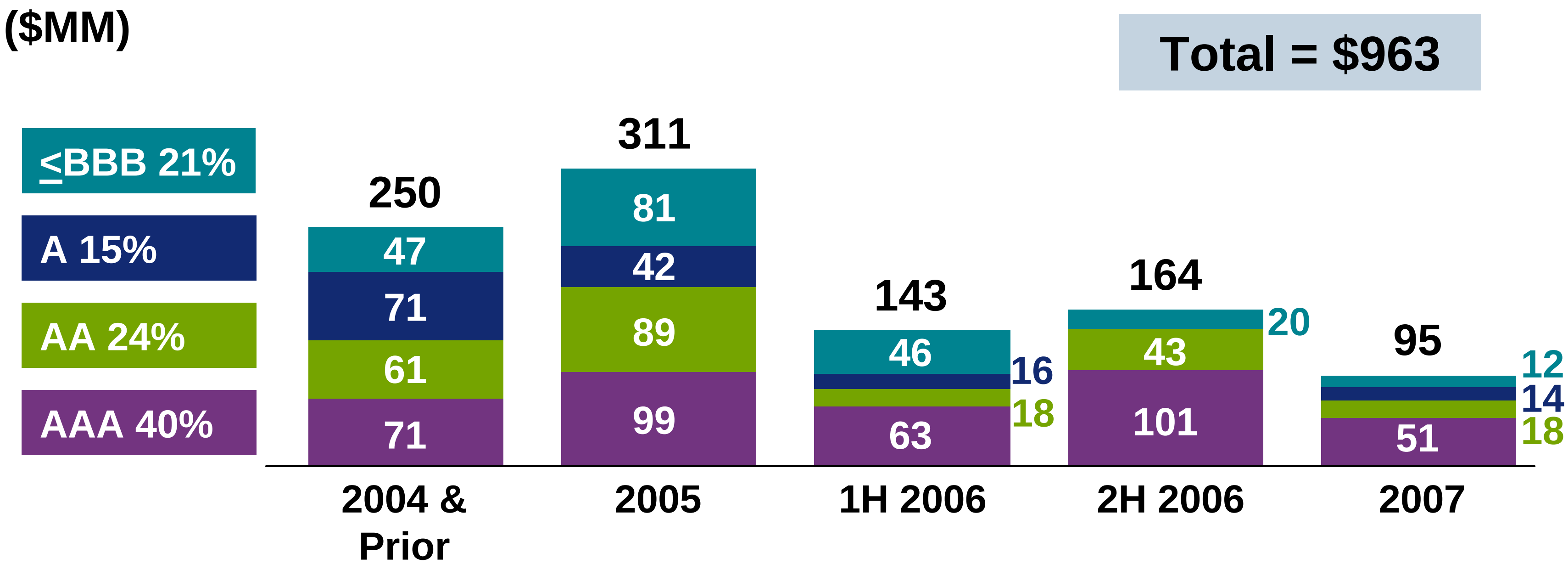
Amounts may not total due to rounding.

1 Loans with unknown FICO scores are included in the 620 - 679 category.

2 Delinquency rate represents the number of lender reported delinquencies divided by the number of remaining policies consistent with mortgage insurance practices.

3 Alt-A consists of loans with reduced documentation or verfication of income or assets and a higher historical and expected delinquency rate than standard documentation loans.

Sub-Prime RMBS Holdings



Avoided Second Liens

Underlying LTVs ~80%

~4 Year Average Life

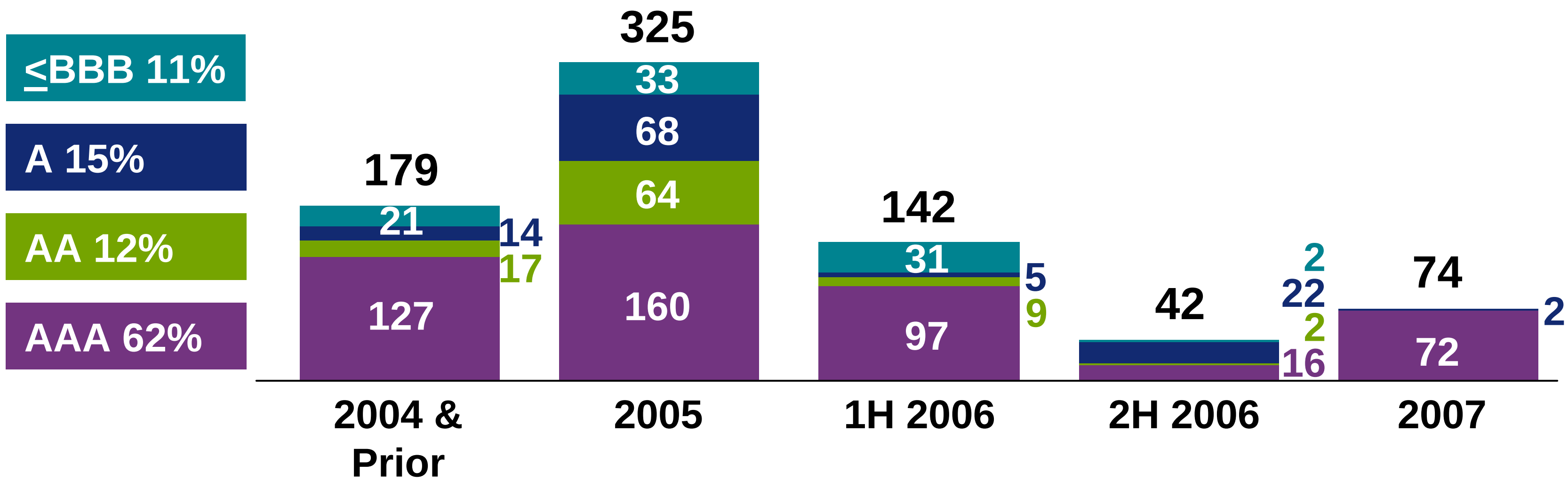
2Q ’08 Impairments: $211MM After-Tax; $159MM Change Of Intent

Ratings Reflect Levels As Of 6/30/08

Alt-A RMBS Holdings

($MM)

Total = $762



~61% Fixed Rate Mortgages (> 5 Year)

Weighted Average FICO ~710

Underlying LTVs ~73%

2Q '08 Impairments: $115MM After-Tax; $55MM Change Of Intent

Ratings Reflect Levels As Of 6/30/08

Use Of Non-GAAP Measures

This presentation includes the non-GAAP financial measure entitled "net operating income (loss)." The chief operating decision maker evaluates segment performance and allocates resources on the basis of net operating income (loss). The company defines net operating income (loss) as income (loss) from continuing operations excluding after-tax net investment gains (losses) and other adjustments and infrequent or unusual non-operating items. This metric excludes these items because the company does not consider them to be related to the operating performance of its segments and Corporate and Other activities. A significant component of the net investment gains (losses) is the result of impairments, including changes in intent to hold securities to recovery, and credit-related gains and losses, the timing of which can vary significantly depending on market credit cycles. In addition, the size and timing of other investment gains (losses) are often subject to Genworth's discretion and are influenced by market opportunities, as well as asset-liability matching considerations. Infrequent or unusual non-operating items are also excluded from net operating income (loss) if, in the company's opinion, they are not indicative of overall operating trends. While some of these items may be significant components of net income (loss) in accordance with GAAP, the company believes that net operating income (loss), and measures that are derived from or incorporate net operating income (loss), are appropriate measures that are useful to investors because they identify the income (loss) attributable to the ongoing operations of the business. However, net operating income (loss) should not be viewed as a substitute for GAAP net income (loss). In addition, the company's definition of net operating income (loss) may differ from the definitions used by other companies. There were no infrequent or unusual non-operating items excluded from net operating income (loss) for the periods presented in this presentation other than a $14 million after-tax expense recorded in the first quarter of 2007 related to reorganization costs. The tables in the appendix of this presentation reflect net operating income (loss) as determined in accordance with Statement of Financial Accounting Standards No. 131, *Disclosures about Segments of an Enterprise and Related Information*, and a reconciliation of net operating income (loss) of the company's segments and Corporate and Other activities to net income (loss).

Due to the unpredictable nature of the items excluded from the company's definition of net operating income (loss), the company is unable to reconcile its outlook for net operating income (loss) to net income (loss) presented in accordance with GAAP.

In this presentation, the company also references the non-GAAP financial measure entitled "operating return on equity" or "operating ROE." The company defines operating ROE as net operating income (loss) divided by average ending stockholders' equity, excluding accumulated other comprehensive income (AOCI) in average ending stockholders' equity. Management believes that analysis of operating ROE enhances understanding of the efficiency with which the company deploys its capital. However, operating ROE as defined by the company should not be viewed as a substitute for GAAP net income (loss) divided by average ending stockholders' equity. The tables in the appendix of this presentation include a reconciliation of operating ROE to GAAP net income (loss) divided by average ending stockholders' equity. Due to the unpredictable nature of net income (loss) and average ending stockholders' equity excluding AOCI, the company is unable to reconcile its outlook for operating ROE to GAAP net income (loss) divided by average ending stockholders' equity.

Consolidated Net Income by Quarter

(amounts in millions, except per share amounts)

	2008			2007				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
REVENUES:								
Premiums	$ 1,709	$ 1,717	$ 3,426	$ 1,670	$ 1,600	$ 1,549	$ 1,511	$ 6,330
Net investment income	953	1,002	1,955	1,053	1,074	1,024	984	4,135
Net investment gains (losses)	(518)	(226)	(744)	(214)	(48)	(51)	(19)	(332)
Insurance and investment product fees and other	254	260	514	266	249	243	234	992
Total revenues	2,398	2,753	5,151	2,775	2,875	2,765	2,710	11,125
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	1,386	1,401	2,787	1,255	1,168	1,090	1,067	4,580
Interest credited	320	345	665	385	391	391	385	1,552
Acquisition and operating expenses, net of deferrals	551	528	1,079	551	540	495	489	2,075
Amortization of deferred acquisition costs and intangibles	209	203	412	209	202	207	213	831
Interest expense	110	112	222	126	124	124	107	481
Total benefits and expenses	2,576	2,589	5,165	2,526	2,425	2,307	2,261	9,519
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(178)	164	(14)	249	450	458	449	1,606
Provision (benefit) for income taxes	(69)	48	(21)	69	111	137	135	452
INCOME (LOSS) FROM CONTINUING OPERATIONS	(109)	116	7	180	339	321	314	1,154
Income from discontinued operations, net of taxes	-	-	-	-	-	5	10	15
Gain (loss) on sale of discontinued operations, net of taxes	-	-	-	(2)	-	53	-	51
NET INCOME (LOSS)	$ (109)	$ 116	$ 7	$ 178	$ 339	$ 379	$ 324	$ 1,220
Earnings (Loss) Per Share Data:								
Earnings (loss) from continuing operations per common share								
Basic	$ (0.25)	$ 0.27	$ 0.02	$ 0.41	$ 0.77	$ 0.73	$ 0.71	$ 2.62
Diluted	$ (0.25)	$ 0.27	$ 0.02	$ 0.41	$ 0.76	$ 0.72	$ 0.69	$ 2.58
Earnings (loss) per common share								
Basic	$ (0.25)	$ 0.27	$ 0.02	$ 0.41	$ 0.77	$ 0.86	$ 0.74	$ 2.77
Diluted	$ (0.25)	$ 0.27	$ 0.02	$ 0.40	$ 0.76	$ 0.84	$ 0.71	$ 2.73
Shares outstanding								
Basic	432.9	433.6	433.3	437.4	441.1	439.4	441.0	439.7
Diluted	432.9	436.8	434.8	441.1	445.6	449.0	455.0	447.6

Net Operating Income by Segment by Quarter

(amounts in millions, except per share amounts)

	2008			2007				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Retirement and Protection:								
Wealth Management	$ 11	$ 12	$ 23	$ 12	$ 11	$ 11	$ 10	$ 44
Retirement Income	13	36	49	41	82	43	46	212
Institutional	5	11	16	9	10	10	14	43
Life Insurance	87	65	152	76	81	75	78	310
Long-Term Care Insurance	34	38	72	36	39	41	37	153
Total Retirement and Protection	150	162	312	174	223	180	185	762
International:								
International Mortgage Insurance - Canada	83	75	158	88	68	59	55	270
- Australia	50	47	97	40	36	44	36	156
- Other	1	-	1	16	6	4	3	29
Payment Protection Insurance	49	38	87	36	30	35	29	130
Total International	183	160	343	180	140	142	123	585
U.S. Mortgage Insurance	(59)	(36)	(95)	(3)	39	66	65	167
Corporate and Other	(62)	(42)	(104)	(37)	(34)	(37)	(33)	(141)
NET OPERATING INCOME	212	244	456	314	368	351	340	1,373
ADJUSTMENTS TO NET OPERATING INCOME:								
Income from discontinued operations, net of taxes	-	-	-	-	-	5	10	15
Gain (loss) on sale of discontinued operations, net of taxes	-	-	-	(2)	-	53	-	51
Net investment gains (losses), net of taxes and other adjustments	(321)	(128)	(449)	(134)	(29)	(30)	(12)	(205)
Expenses related to reorganization, net of taxes	-	-	-	-	-	-	(14)	(14)
NET INCOME (LOSS)	$ (109)	$ 116	$ 7	$ 178	$ 339	$ 379	$ 324	$ 1,220
Earnings (Loss) Per Share Data:								
Earnings (loss) per common share								
Basic	$ (0.25)	$ 0.27	$ 0.02	$ 0.41	$ 0.77	$ 0.86	$ 0.74	$ 2.77
Diluted	$ (0.25)	$ 0.27	$ 0.02	$ 0.40	$ 0.76	$ 0.84	$ 0.71	$ 2.73
Net operating earnings per common share								
Basic	$ 0.49	$ 0.56	$ 1.05	$ 0.72	$ 0.83	$ 0.80	$ 0.77	$ 3.12
Diluted	$ 0.49	$ 0.56	$ 1.05	$ 0.71	$ 0.83	$ 0.78	$ 0.75	$ 3.07
Shares outstanding								
Basic	432.9	433.6	433.3	437.4	441.1	439.4	441.0	439.7
Diluted	432.9	436.8	434.8	441.1	445.6	449.0	455.0	447.6

Selected Operating Performance Measures

This presentation also contains selected operating performance measures including “sales,” “assets under management” and “insurance in-force” or “risk in-force” which are commonly used in the insurance and investment industries as measures of operating performance.

Management regularly monitors and reports sales metrics as a measure of volume of new and renewal business generated in a period. Sales refers to (1) annualized first-year premiums for term life, long-term care and Medicare supplement insurance; (2) new and additional premiums/deposits for universal life insurance, linked-benefits, spread-based and variable products; (3) gross and net flows, which represent deposits less redemptions, for our wealth management business; (4) written premiums and deposits, gross of ceded reinsurance and cancellations, and premium equivalents, where we earn a fee for administrative services only business, for lifestyle protection insurance; (5) new insurance written for mortgage insurance, which in each case reflects the amount of business the company generated during each period presented; and (6) written premiums, net of cancellations, for our Mexican insurance operations. Sales do not include renewal premiums on policies or contracts written during prior periods.

The company considers annualized first-year premiums, new premiums/deposits, deposit and net flows, written premiums, premium equivalents and new insurance written to be measures of the company’s operating performance because they represent a measure of new sales of insurance policies or contracts during a specified period, rather than measures of the company’s revenues or profitability during that period.

Management regularly monitors and reports assets under management for the company’s wealth management business, insurance in-force and risk in-force. Assets under management for the company’s wealth management business represent third-party assets under management that are not consolidated in our financial statements. Insurance in-force for the company’s life insurance, international mortgage insurance and U.S. mortgage insurance businesses is a measure of the aggregate face value of outstanding insurance policies as of the respective reporting date. Risk in-force for the company’s international and U.S. mortgage insurance businesses is a measure that recognizes that the loss on any particular mortgage loan will be reduced by the net proceeds received upon sale of the underlying property. The company considers assets under management for the company’s wealth management business, insurance in-force and risk in-force to be measures of the company’s operating performance because they represent measures of the size of the company’s business at a specific date, rather than measures of the company’s revenues or profitability during that period.

These operating measures enable the company to compare its operating performance across periods without regard to revenues or profitability related to policies or contracts sold in prior periods or from investments or other sources.

Cautionary note regarding forward-looking statements

This presentation contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “estimates,” “will,” or words of similar meaning and include, but are not limited to, statements regarding the outlook for our future business and financial performance. Forward-looking statements are based on management’s current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks, including the following:

- *Risks relating to our businesses*, including interest rate fluctuations, downturns and volatility in equity and credit markets, downgrades in our financial strength and credit ratings, insufficiency of reserves, legal constraints on dividend distributions by subsidiaries, intense competition, availability and adequacy of reinsurance, defaults by counterparties, legal or regulatory investigations or actions, political or economic instability affecting outsourcing arrangements, regulatory restrictions on our operations and changes in applicable laws and regulations, the failure or any compromise of the security of our computer systems, and the occurrence of natural or man-made disasters or a disease pandemic;

- *Risks relating to our Retirement and Protection segment*, including changes in morbidity and mortality, accelerated amortization of deferred acquisition costs and present value of future profits, goodwill impairments, reputational risks as a result of an announced rate increase on certain in-force long-term care insurance products, medical advances such as genetic mapping research, unexpected changes in persistency rates, increases in statutory reserve requirements, and the failure of demand for long-term care insurance to increase as we expect;

- *Risks relating to our International segment*, including political and economic instability, foreign exchange rate fluctuations, unexpected changes in unemployment rates, deterioration in economic conditions or decline in home price appreciation, unexpected increases in mortgage insurance delinquency rates or severity of defaults, decreases in the volume of high loan-to-value international mortgage originations, increased competition with government-owned and government-sponsored entities offering mortgage insurance, changes in regulations, and growth in the global mortgage insurance market that is lower than we expect;

- *Risks relating to our U.S. Mortgage Insurance segment*, including increases in mortgage insurance delinquency rates or severity of defaults, deterioration in economic conditions or a decline in home price appreciation, the influence of Fannie Mae, Freddie Mac and a small number of large mortgage lenders and investors, decreases in the volume of high loan-to-value mortgage originations or increases in mortgage insurance cancellations, increases in the use of alternatives to private mortgage insurance (such as simultaneous second mortgages) and reductions by lenders in the level of coverage they select, increases in the use of reinsurance with reinsurance companies affiliated with our mortgage lending customers, increased competition with government-owned and government-sponsored entities offering mortgage insurance, changes in regulations, legal actions under Real Estate Settlement Practices Act, and potential liabilities in connection with our U.S. contract underwriting services; and

- *Other risks*, including the possibility that in certain circumstances we will be obligated to make payments to General Electric (GE) under our tax matters agreement even if our corresponding tax savings are never realized and payments could be accelerated in the event of certain changes in control, and provisions of our certificate of incorporation and by-laws and our tax matters agreement with GE may discourage takeover attempts and business combinations that stockholders might consider in their best interests.

We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.