



Genworth®  
Financial



# UBS Global Insurance Conference

Michael D. Fraizer  
Chairman & CEO

June 26, 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 respectively. All references to ROE in the business segments are levered, assuming 25% debt to total capital at the product line level.

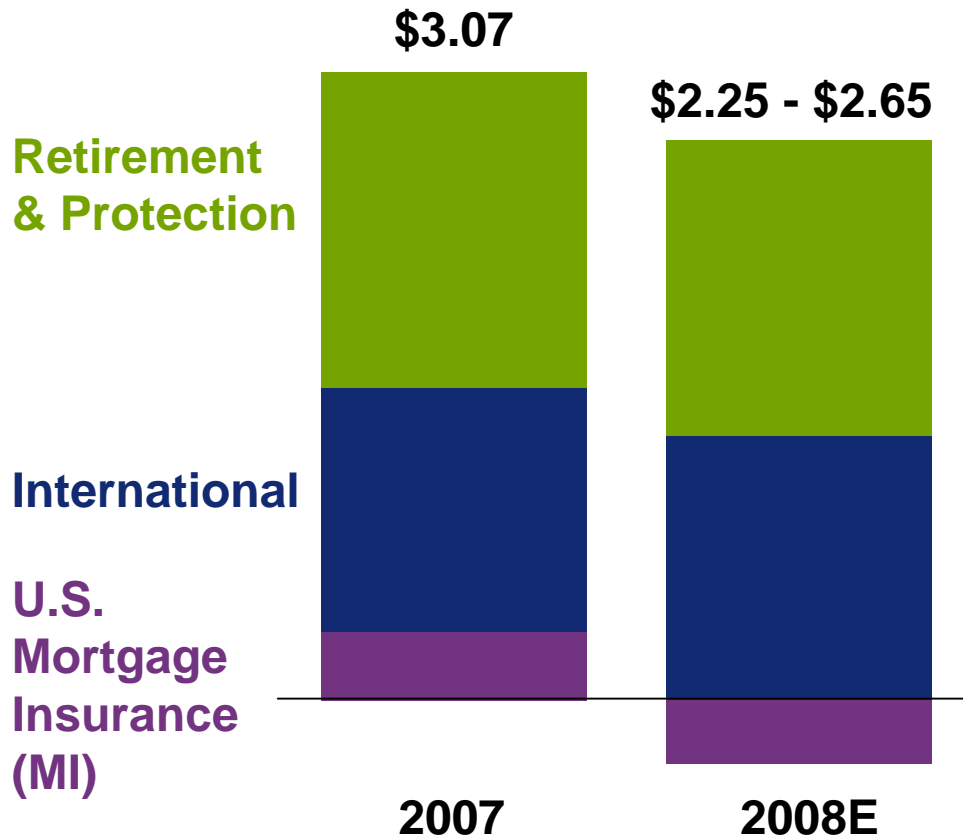
All financial data is as of December 31, 2007 unless otherwise noted. For additional information, please see Genworth’s Fourth Quarter of 2007 and First Quarter of 2008 earnings releases and financial supplements, as well investor materials dated February 8, 2008 regarding Genworth’s U.S. Mortgage Insurance business, posted at [www.genworth.com](http://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.

# Performance Metrics

## Operating EPS



### Sound Franchise

2008 Reflects Tough Environment

– Large U.S. MI Impact

Positioning For Improved Future Performance

EPS Includes Corporate And Other

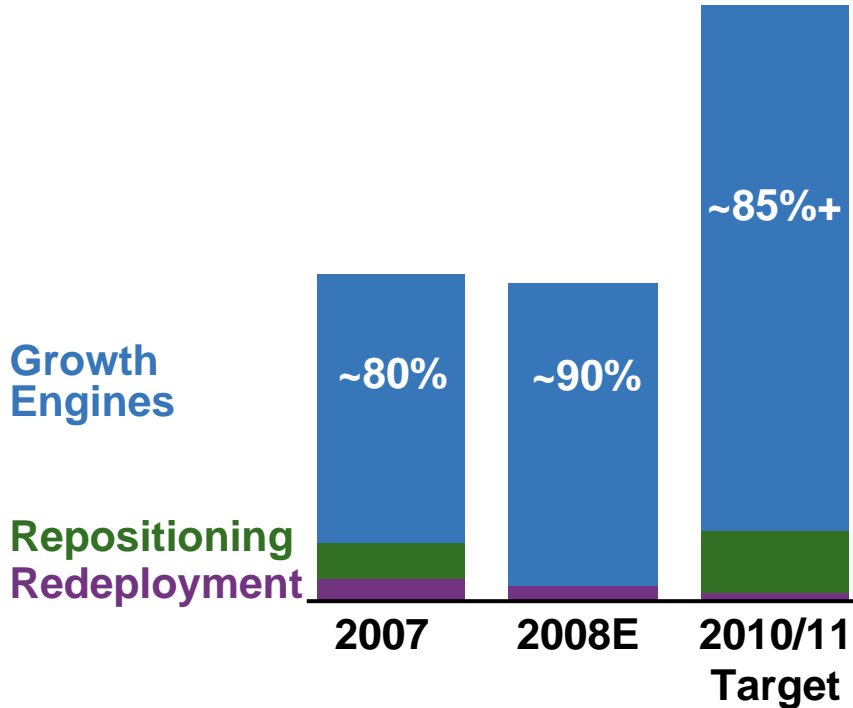
# Genworth Strategy



# Delivering Financial Security

# Positioning For The Future

## Operating Income Mix



## Driving Growth/ROE Expansion

	Sales Growth Targets	New Business ROE
Int'l MI	Balanced	High Teens
Int'l PPI	Double-Digit	High Teens
Fee Based		High Teens
New Life		Low Teens
New LTC		Mid 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

# Levers To Drive Shareholder Value

	Impact		
	2004 – 2007	2008E	2009/10E
<b>Core Growth &amp; Improving Returns</b>			
International/Retirement & Protection	++	++	++
U.S. Mortgage Insurance	+	-	+
<b>Capital Management &amp; Redeployment</b>			
	++	++	++
<b>Cost Efficiencies</b>			
	Neutral/+	++	+
<b>Investment Performance</b>			
	Neutral	+	+
<b>Smart Use Of Capital Markets</b>			
	+	+	++

# 2008 Strategic Priorities

**Navigate The Storm In U.S. Mortgage Insurance**

**Expand Wealth Management & Retirement Income**

**Responsibly Grow International Presence**

**Continue Transition Of Life And Long Term Care**

**Focus On Risk And Capital Management**

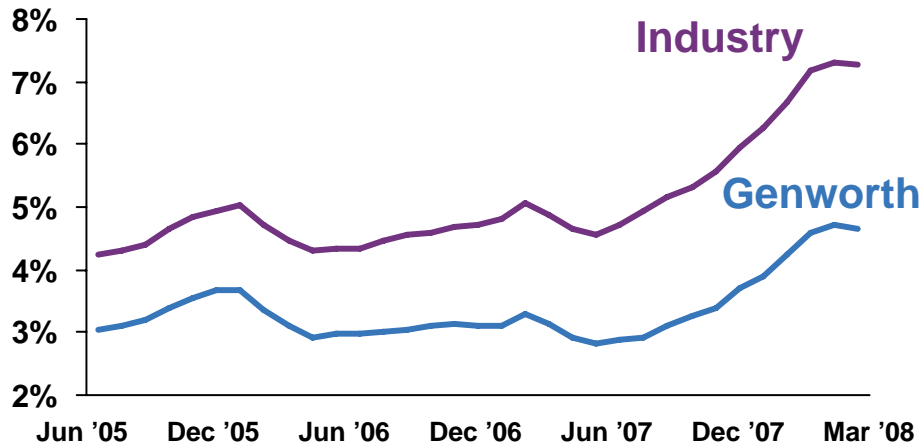
# U.S. Mortgage Insurance Overview

**91% Prime Book**

**Avoided Sub-Prime Bulk & 2<sup>nd</sup> Lien**

**Underweighted California**

## Delinquencies 2005 To Date<sup>1</sup>



**Loss Mitigation**

**Captive Reinsurance**

**Strict Guidelines/Product Exits**

**Public Policy Momentum**

**Shift Business Model**

<sup>1</sup> Primary Delinquencies. Industry Represents MGIC, PMI, UGI, ORI, and Triad Based on MICA Reports.



# Loss Mitigation

## Active Efforts

### Significant Dedicated Resources

~8,500<sup>1</sup> Outbound Borrower Calls

~1,100<sup>1</sup> Workout Packages Mailed

~4,500<sup>2</sup> Workouts Completed

### Fraud Management – Early Term Delinquencies

## Captive Reinsurance

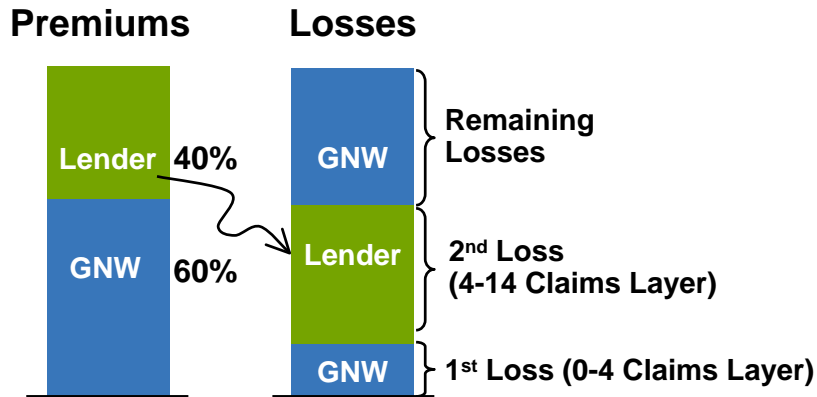
- ✓ Progressing To Attachment
- ✓ 2005 – 2007 Books Emphasis
- ✓ Impact Increases Thru 2008
- ✓ Important Downside Protection

<sup>1</sup>Per Month

<sup>2</sup>Year To Date Through April 30, 2008

# Lender Captive Reinsurance Protection

## 40% Cede Excess Loss Example



~ 2/3 Of Genworth Captives  
 60% Flow Book With Captives  
 “Book Year” Basis By Lender  
 \$930MM In Captive Trusts

## Q1 2008 Status

Risk in Force

\$6.6B

Progression To Attachment

Attached

75 – 99%

\$2.6B

50 – 74%

\$3.3B

0 – 50%

Book Year

2005

2006

2007

Q1 Captive Benefit (\$MM)

\$1

\$17

\$1

Captive Reinsurance Liability Limited to Funds in Trust, Not Subject to Lender Bankruptcy. Trust Balances Impacted by Future Premiums Received, Payment of Claims and Dividends. Percentage of GNW Portfolio in Captive Reinsurance Arrangements And Trust Balances As of March 31, 2008.

# Product Actions Taking Effect

## Product Exits/Guidelines Moves

8 Rounds of Actions Since Jun '07

Alt-A

A Minus

95%+ Loan To Value (LTV)

Interest Only

90%+ LTV Limit In Declining Markets

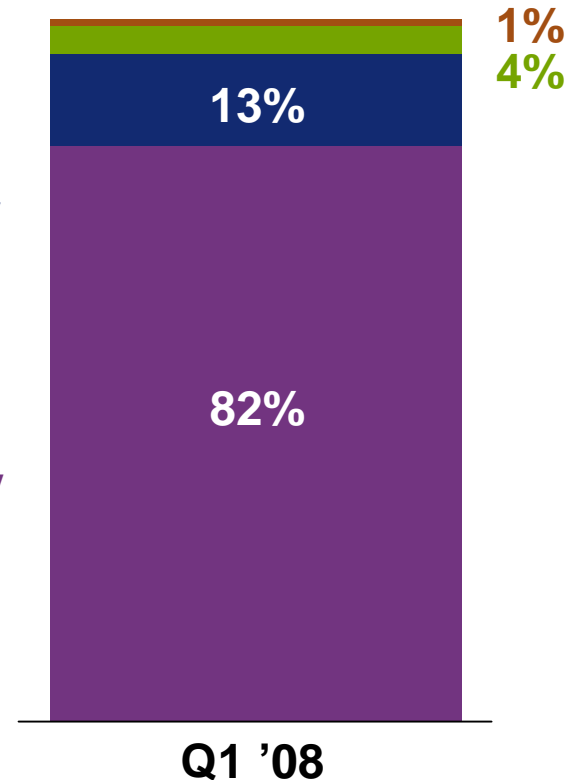
- 120 Specific Metropolitan Statistical Areas (MSAs) Identified

## Flow New Insurance Written

Alt-A  
A-Minus

Prime  
>95% LTV

Prime  
<95% LTV



# Navigating U.S. Mortgage Insurance Storm

## Industry Dynamics – 2003-2007

### Mortgage Insurers

- 40% Excess Of Loss (XOL) Reinsurance
- High Percent of Alternative Products
- Stacked Risk Factors

### Lenders

- Loosened Underwriting
- Grew Alternative Products

## Looking Forward – Shift Model

- ✓ 20% Core Flow Price Increase
- ✓ 25% XOL Max. – Perhaps Lower
- ✓ Return To Core Products

**Underwriting & Regulatory Improvements**

**Single Premium Products**

**Broaden Consumer Proposition**



**15 - 20% ROE Target**

# Fee Based Products - Focused Strategy

## Wealth Management

**Managed Account Platform**  
**Independent Advisor Services**  
**Strong Value Proposition**

## Retirement Income

### Products

- Range of Offerings
- Focused on Key Life Stages

### Distribution

- Multi-Channel
- Focused On Key Firms

**Accumulation/  
Inflation & Market Risk  
Protection**

**Wealth  
Management**

**Genworth  
Solutions**

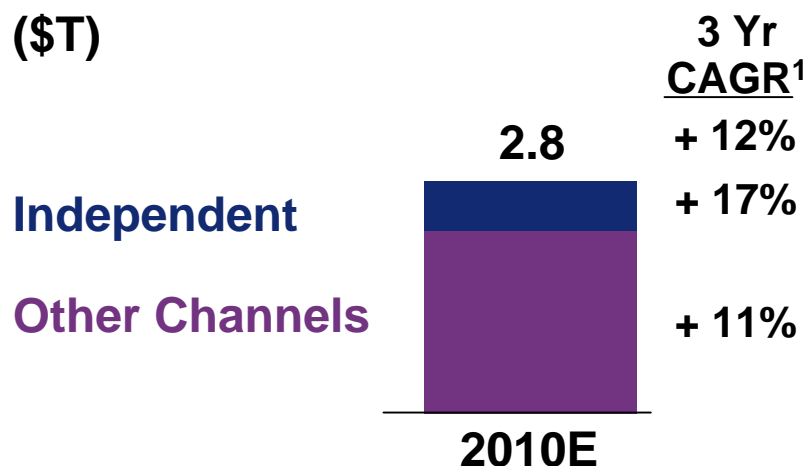
**Guaranteed Income/  
Longevity & Investment  
Protection**

**Early  
ClearCourse**

**Pre/Post Retirement  
Annuity & Liquidity**

# Expand U.S. Wealth Management

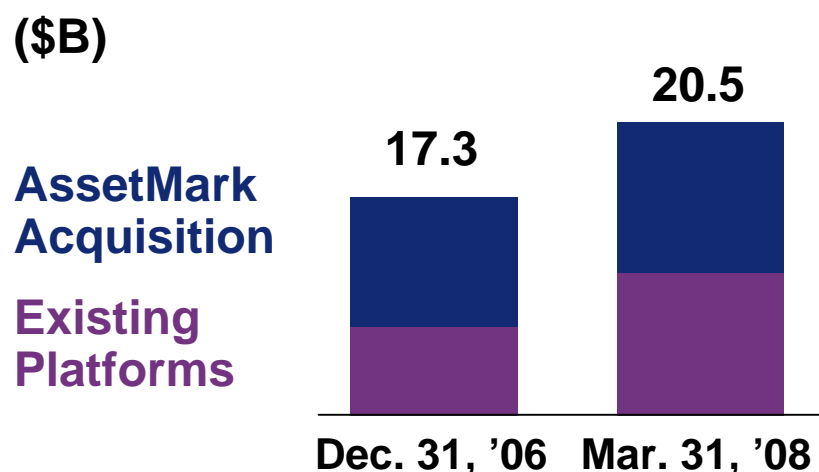
## Total Market AUM Outlook



## Expect Growth Ahead Of Market

- Product Innovation/Income Guarantees
- Expand Service Offerings
- Acquisitions

## Assets Under Management



**Strong Organic & Acquisition Perf.**  
**Advisor Expansion & Penetration**  
**Practice Management Services**  
**Managing Thru Volatile Markets**

<sup>1</sup> Cerulli & Management Estimates

# Penetrate Managed Account Value Chain

## Independent Financial Advisor Services



## Genworth Differentiation

**“Open-Architecture” Investment Platform**

**Product Innovation – Income Guarantees**

**Practice Management/Business Development Tools**

- Rated #1 “Value-Added” Provider<sup>2</sup>
- Expanded Service Offerings

<sup>1</sup> As of March 31, 2008

<sup>2</sup> Source: Financial Research Corporation

# Positioned For Income Guarantee Market

	Individual VA (Retail + Rollover)	401(k) / 403(b)	Wealth Management	Mutual Funds
<b>Market Size<sup>1</sup></b>	~ 5.6	2.8	1.7	2.7
<b>Market Growth<sup>1</sup></b>	5 - 8%	9%	15%+	15%+
<b>Genworth Position</b>	✓ Established	Early Mover	Early Mover	In Process
<b>~\$10 Trillion Opportunity for Income Guarantees</b>				

<sup>1</sup> Company And Third Party Estimates. Market Size In \$ Trillion.

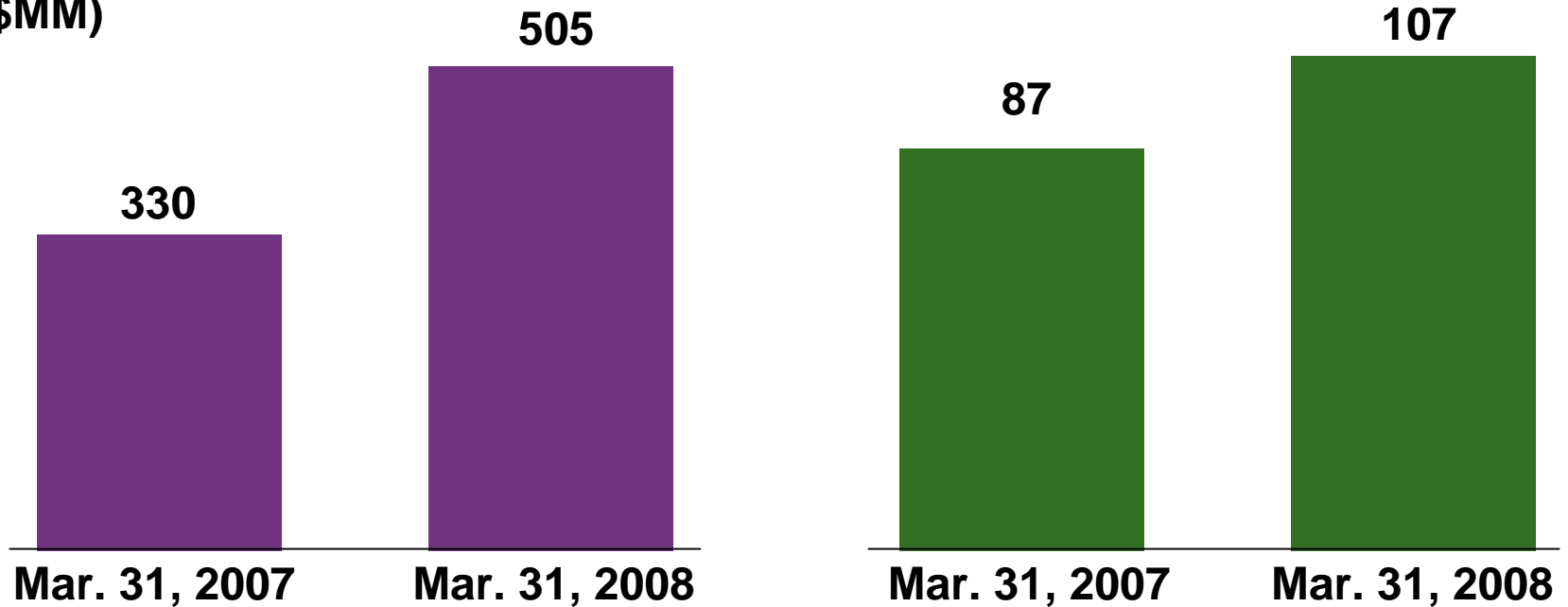


# Retirement Income - Focused Distribution

**“Focus Firm” Sales – 9 Distributors**

**Increased Wholesalers**

(\$MM)



**285 New Producers**

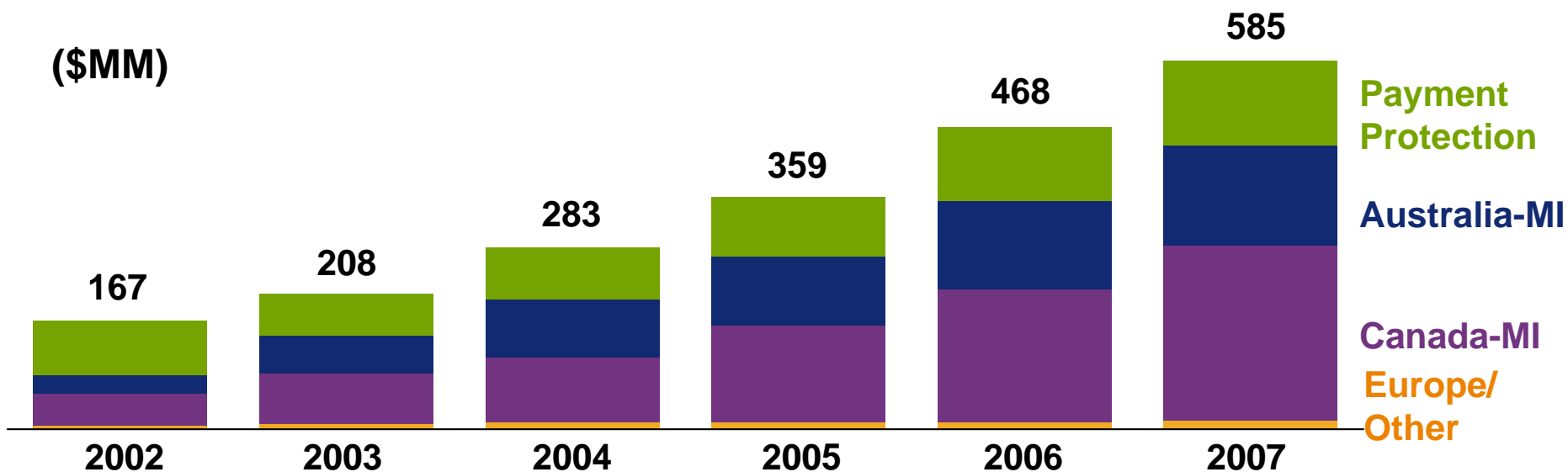
**Increase In Repeat Producers**

**Producers With 6+ Transactions Up 28%**

# Strong International Track Record

## Operating Income

(\$MM)



**25+ Countries**

**600+ Distribution Relationships**

**1,900+ Associates**

**Global Risk Management**

**Double Digit Growth**

**22% Operating ROE in 2007**

# International Strategy

## Focus On High Growth/High Return Product Lines/Markets

**Payment Protection**  
**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**

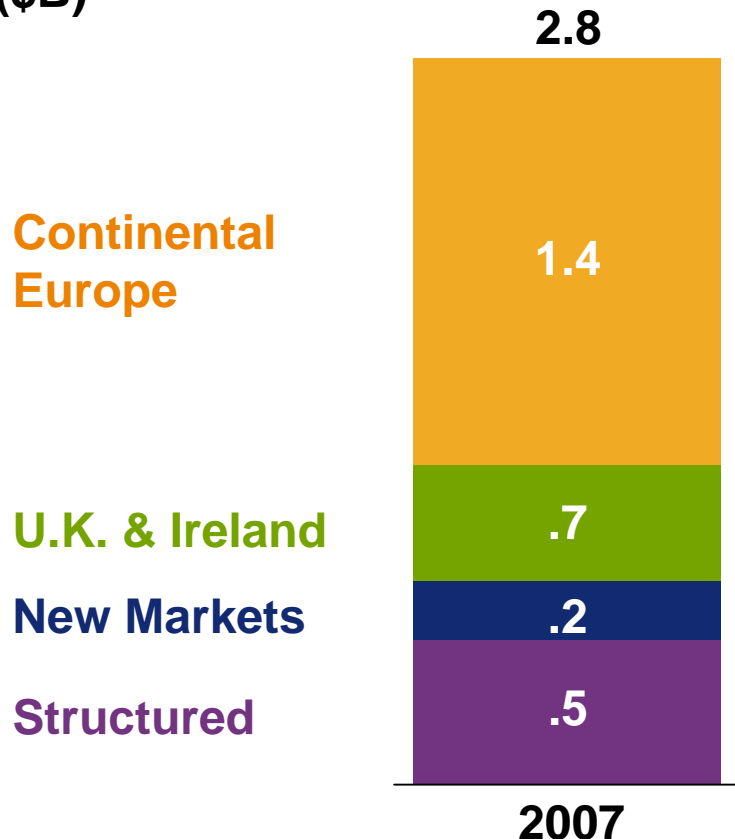
**Retirement Products**  
**2-3 Countries**

**Strategic Partnerships**  
**Bank/Independent Financial Advisor (IFA)**  
**Distribution Potential**  
**Exploratory Phase**

# Payment Protection Opportunity

## Sales By Region

(\$B)



## Established Markets

**Penetrate Significant Customer Base**

**New Products & Customers**

**Lender Structured Transactions**

## New Markets

**Transfer Product/Risk Expertise**

**Leverage Global Client Base**

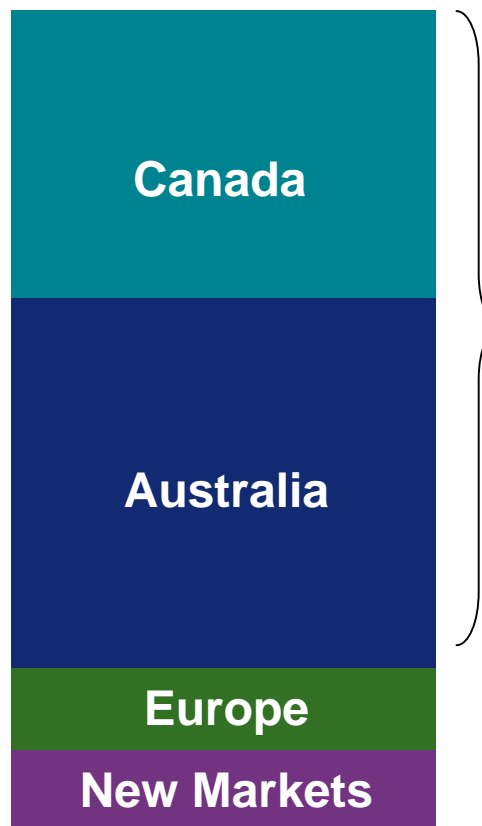
**Mexico, Poland, South Korea, Others**

# Responsibly Grow International Platforms

## Mortgage Insurance Primary Risk In Force

(\$B)

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March 31, 2008

Slowing Originations Moderate Sales Growth  
Underwriting & Pricing Discipline  
Improving Loss Ratio Trends in Australia

Further Concentrating Country Focus  
Reduced Spain Profile + Loss Mitigation  
Mexico, Japan, South Korea, India

# Strong International Platform

## Operating Income

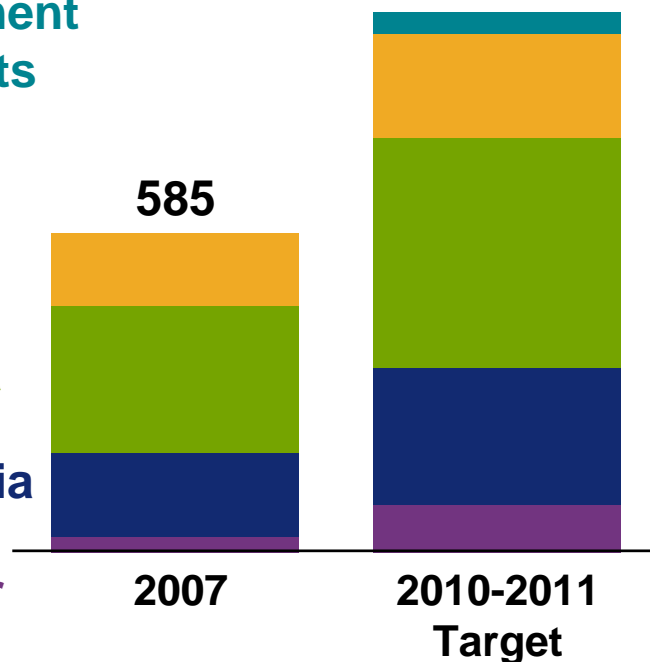
(\$MM)

Retirement  
Products

PPI

Canada

Australia  
Europe  
& Other



**Solid Growth Prospects**

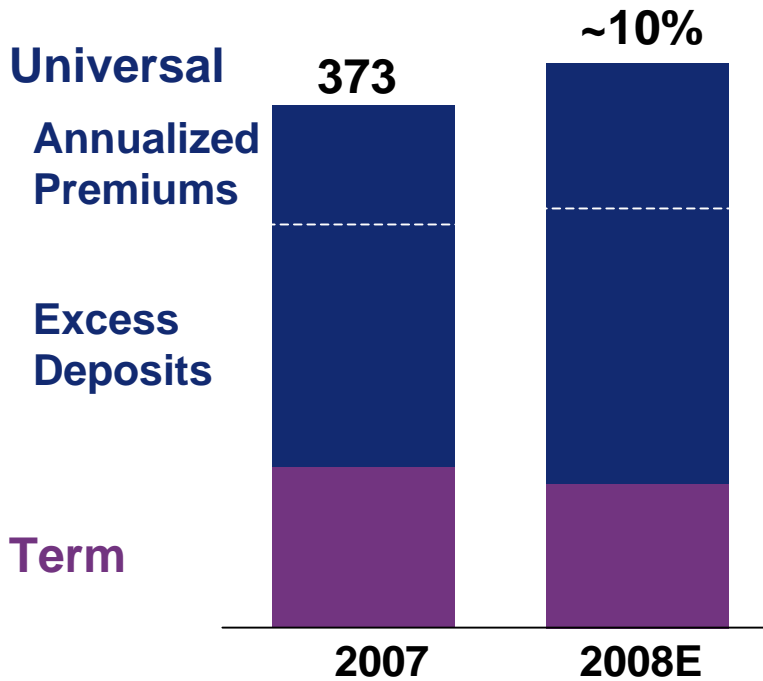
**Disciplined Operating Approach**

**~10% Earnings Growth in 2008**

# Transition From Term To Universal Life

## Life Sales

(\$MM)



## Strong UL Growth

New Product Launch Success

Wholesaler Expansion

Focused Brokerage Approach

## Moderate Term Growth

Highly Competitive Environment

Middle Market Focus

Invest In Fulfillment Capabilities

Leverage Scalable Platform

# Transition Long Term Care

## Sales Growth

(\$MM)

Group

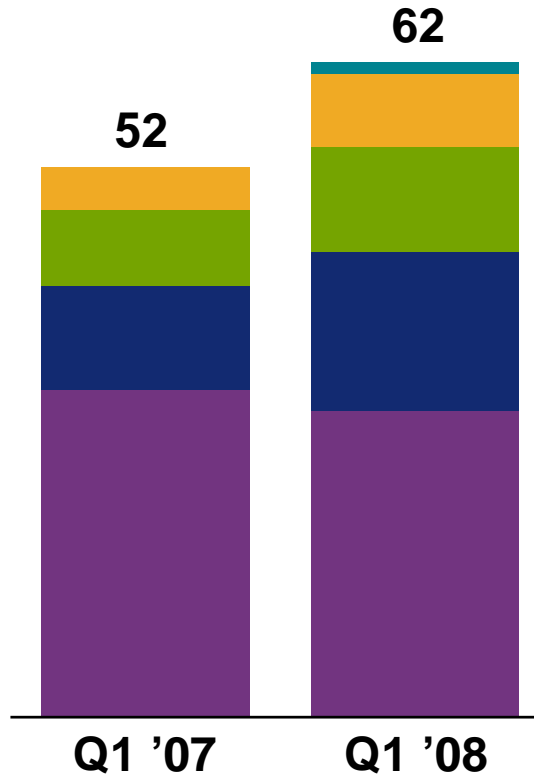
Linked

Benefits

Med Supp

Career

Independent



**Group & Linked Benefits Expansion**

**AARP Launch**

**Affordable Product Growth**

**Career Transition Success**

### In Force Rate Action Update

- \$700MM Premium Block
- Avg. 10% Increase over 2-3 Years
- 50 States + Washington, D.C. Filed; 44 Full and Partial Approvals



# Focus On Redeploying Low Return Capital

## Select Blocks Targeted

(\$B)



**Reassessed Blocks Under Integrated Retirement & Protection Organization**

**Assessing Reinsurance, Capital Markets and Closed Block Options**

**Pricing Action**

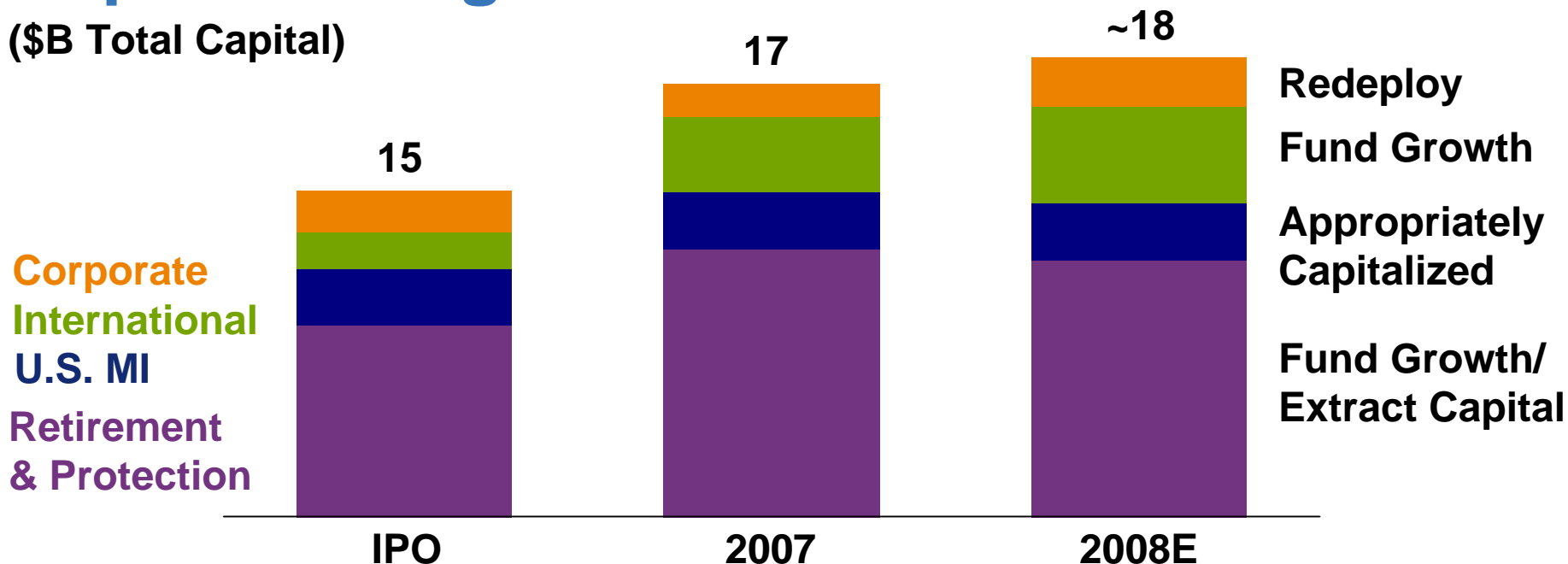
**Pursuing Extraction Options**

– Individual Or Blended Blocks

**Multi-Year Effort**

# Capital Management

(\$B Total Capital)



## Since IPO

- \$0.6 Sale Of Group Businesses
- \$1.5 Run-Off/Extract Excess
- \$0.6 Acquisitions
- \$2.7 Share Repurchases<sup>1</sup>

<sup>1</sup>Including \$600MM To Offset Equity Unit Conversion

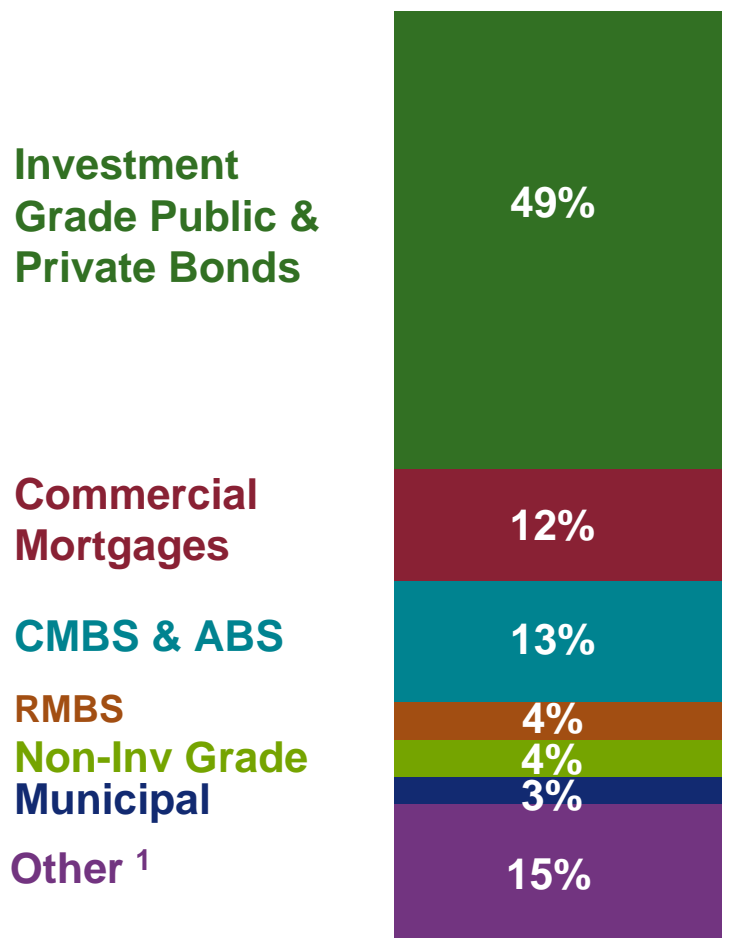
## Future Focus

- Extract Low Return Capital
- Bolt-on Acquisitions
- Selective Share Repurchases

# Investment Portfolio

(\$B)

73



March 31, 2008

## Quality Assessment

Commercial Mortgages LTV ~39%  
 Commercial MBS 98% Investment Grade  
 Avoided RMBS CDOs  
 Munis Underwritten to Underlying Credit  
 Securities Lending A-1/P-1 and AAA

## Risk Considerations

\$2.1B Sub-Prime / Alt-A RMBS  
 Below Investment Grade Under 4%  
 Equities Less Than 1%

<sup>1</sup>Other Includes Cash, Equities, Policy Loans, LPs, Securities Lending & Other Invested Assets

# 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

# U.S. MI Captive Reinsurance - Disclosure

Aggregate Book Year Analysis Provided to Illustrate Directional Progression Toward Captive Attachment <sup>1</sup>

Book Year <sup>2</sup>	Original Book RIF (B)	Progression to Attachment Point	March 31, 2008			December 31, 2007		
			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 Total	\$4.4	0-50%	\$0.5	\$10		\$0.8	\$16	
		50-75%	1.6	72		1.5	56	
		75-99%	0.2	11		0.4	15	
		Attached	0.3	20		-	2	
			\$2.6	\$113	\$1	\$2.7	\$89	\$ -
2006 Total	\$4.2	0-50%	\$0.5	\$11		\$0.7	\$10	
		50-75%	0.3	8		1.8	55	
		75-99%	0.5	23		0.8	31	
		Attached	2.0	113		0.1	5	
			\$3.3	\$155	17	\$3.4	\$101	1
2007 Total	\$7.0	0-50%	\$4.3	\$77		\$6.9	\$56	
		50-75%	1.0	23		-	-	
		75-99%	0.8	25		-	-	
		Attached	0.5	22		-	-	
			\$6.6	\$147	1	\$6.9	\$56	-

Captive Benefit In Quarter (MM)

\$19

\$1

<sup>1</sup> 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.

<sup>2</sup> Book year figures may include loans from additional periods pursuant to reinsurance agreement terms and conditions.

# U.S. MI Portfolio Performance

(\$B) Primary Risk In Force	Total		FICO ≥ 660		FICO 620 - 659		FICO < 620	
	4Q 07	1Q 08	4Q 07	1Q 08	4Q 07	1Q 08	4Q 07	1Q 08
Primary Risk In Force	\$31.3	\$33.9	\$22.1	\$24.2	\$6.4	\$6.7	\$2.9	\$3.0
Default Rate	4.3%	4.7%	2.5%	3.0%	7.5%	7.6%	12.8%	12.7%
2008 Policy Year		\$3.8		\$3.0		\$0.5		\$0.2
Default Rate		0.2%		0.1%		0.4%		1.0%
2007 Policy Year	\$12.1	\$11.8	\$8.5	\$8.2	\$2.4	\$2.3	\$1.3	\$1.3
Default Rate	2.8%	4.5%	1.7%	3.1%	3.8%	5.7%	9.4%	12.3%
2006 Policy Year	\$5.9	\$5.6	\$4.1	\$4.0	\$1.2	\$1.1	\$0.6	\$0.5
Default Rate	5.4%	6.6%	3.6%	5.0%	8.3%	9.3%	15.4%	15.1%
2005 Policy Year	\$4.2	\$4.1	\$3.0	\$2.9	\$0.9	\$0.9	\$0.3	\$0.3
Default Rate	5.2%	5.5%	3.2%	3.8%	8.5%	8.9%	14.4%	13.2%
2004 & Prior Policy Years	\$9.1	\$8.6	\$6.5	\$6.2	\$1.9	\$1.8	\$0.7	\$0.6
Default Rate	4.7%	4.5%	2.4%	2.4%	9.5%	9.1%	15.3%	14.0%
Fixed Rate	\$29.4	\$32.1	\$20.6	\$22.8	\$6.1	\$6.4	\$2.7	\$2.9
Default Rate	4.0%	4.2%	2.1%	2.4%	7.2%	7.3%	12.5%	12.3%
ARMs	\$1.9	\$1.8	\$1.5	\$1.4	\$0.3	\$0.3	\$0.1	\$0.1
Default Rate	7.2%	10.8%	5.9%	9.8%	12.0%	14.4%	23.2%	25.3%
LTV > 95%	\$8.8	\$9.3	\$5.4	\$5.7	\$2.3	\$2.3	\$1.2	\$1.2
Default Rate	5.8%	5.9%	2.6%	2.8%	8.0%	8.3%	15.3%	15.2%
Alt-A	\$1.9	\$1.9	\$1.6	\$1.5	\$0.3	\$0.3	\$0.1	\$0.1
Default Rate	6.2%	8.6%	5.1%	7.5%	11.7%	15.1%	18.2%	20.9%
Interest Only & Option ARMs	\$4.0	\$4.2	\$3.3	\$3.5	\$0.5	\$0.5	\$0.2	\$0.2
Default Rate	5.6%	8.5%	5.0%	7.8%	9.2%	12.1%	16.8%	19.7%

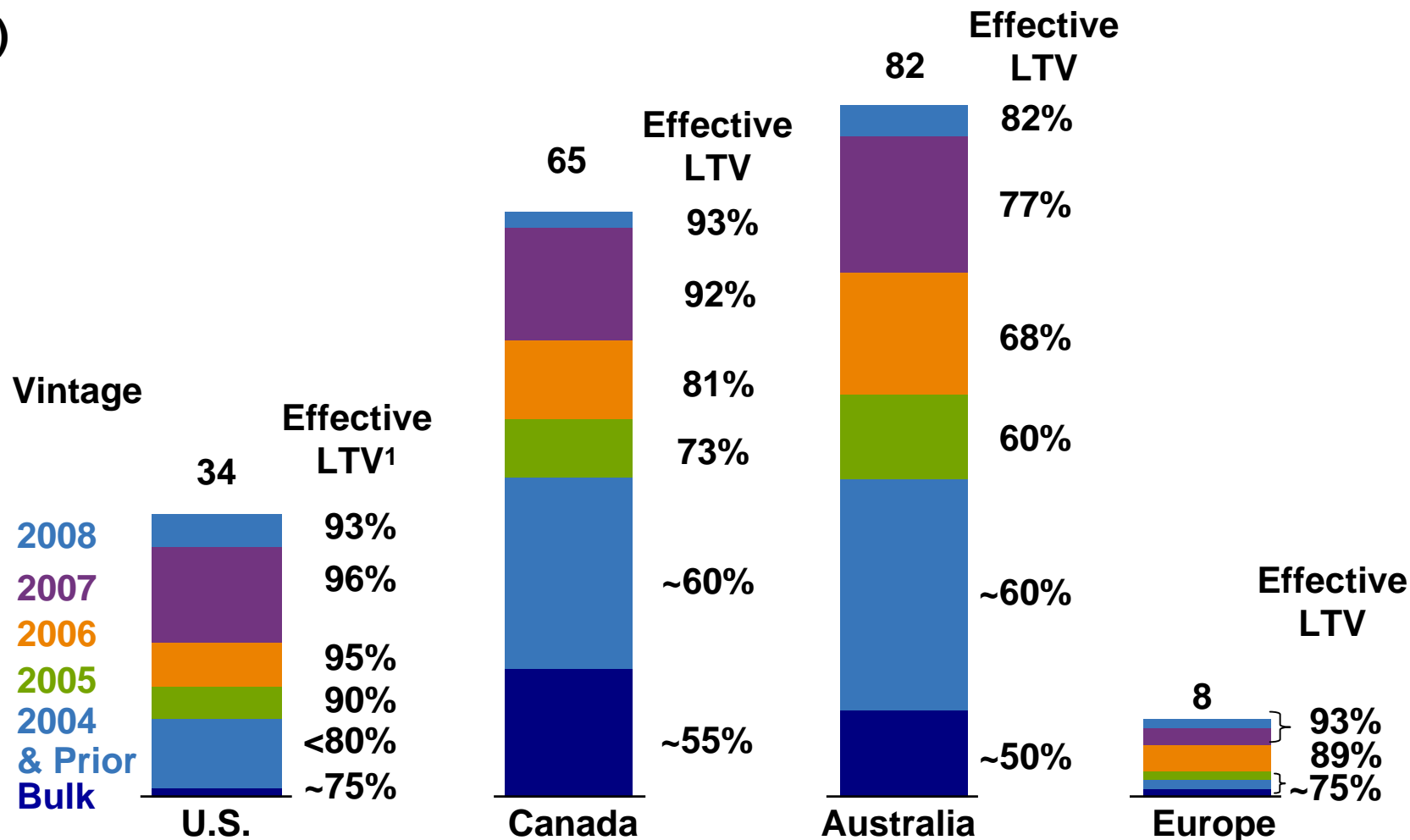
Loans With Unknown FICO Scores Are Included in the FICO 620 – 659 Category

Default Rate Represents Number of Lender Reported Delinquencies Divided By Number of Remaining Policies Consistent With Mortgage Insurance Industry Practices

GNW Alt-A Consists of Loans With Reduced Documentation or Verification of Income or Assets And a Higher Historical And Expected Default Rate Than Standard Documentation Loans.

# Comparing Global MI Risk In Force

(\$B)



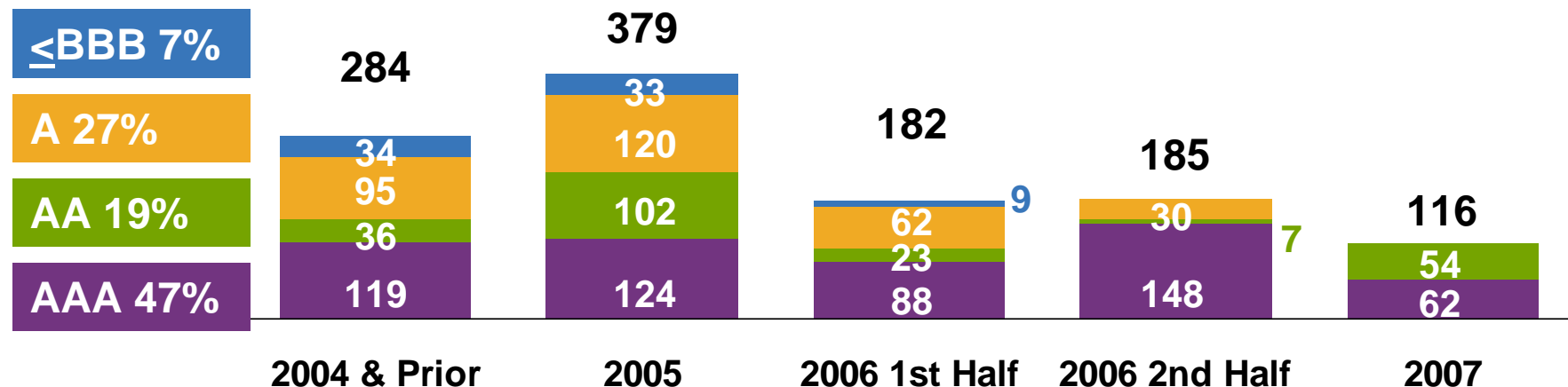
<sup>1</sup> Book Year Risk In Force Based Upon Flow, and Effective LTV Estimated Based on Accumulated Regional HPA; Total Bulk Shown Separately  
 Primary Risk In Force as of March 31, 2008



# Sub-Prime RMBS Holdings (March 31, 2008)

(\$MM)

Total = \$1,146



**Avoided 2nd Liens**

**Underlying LTVs ~80%**

**~4 Year Average Life**

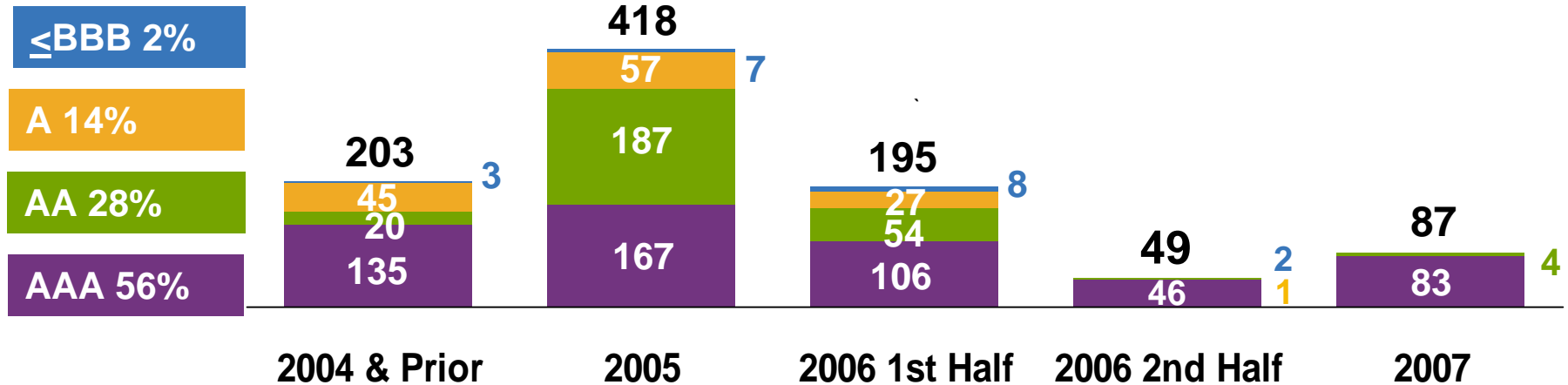
**Market Value At 66% Of Book Value**

Ratings Reflect Levels As Of March 31,2008

# Alt-A RMBS Holdings (March 31, 2008)

(\$MM)

Total = \$952



~85% Fixed Rate Mortgages (> 5 Year)

Weighted Average FICO ~710

Underlying LTVs ~73%

Market Value At 76% Of Book Value

Ratings Reflect Levels As Of March 31, 2008

# Use Of Non-GAAP Measures

This presentation includes the non-GAAP financial measure entitled "net operating income." The chief operating decision maker evaluates segment performance and allocates resources on the basis of net operating income. 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 credit-related impairments 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 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 in accordance with GAAP, the company believes that net operating income, and measures that are derived from or incorporate net operating income, are appropriate measures that are useful to investors because they identify the income attributable to the ongoing operations of the business. However, net operating income should not be viewed as a substitute for GAAP net income. In addition, the company's definition of net operating income may differ from the definitions used by other companies. There were no infrequent or unusual non-operating items excluded from net operating income for the periods presented in this press release 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.

Due to the unpredictable nature of the items excluded from the company's definition of net operating income, the company is unable to reconcile its outlook for net operating income to net income 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 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 divided by average ending stockholders' equity. The tables in the appendix of this presentation include a reconciliation of operating ROE to GAAP net income divided by average ending stockholders' equity. Due to the unpredictable nature of net income and average ending stockholders' equity excluding AOCI, the company is unable to reconcile its outlook for operating ROE to GAAP net income divided by average ending stockholders' equity.

# Consolidated Net Income by Quarter

(amounts in millions, except per share amounts)

	2008	2007					2006
	Q1	Q4	Q3	Q2	Q1	Total	Total
<b>REVENUES:</b>							
Premiums	\$ 1,717	\$ 1,670	\$ 1,600	\$ 1,549	\$ 1,511	\$ 6,330	\$ 5,802
Net investment income	1,002	1,053	1,074	1,024	984	4,135	3,787
Net investment gains (losses)	(226)	(214)	(48)	(51)	(19)	(332)	(69)
Insurance and investment product fees and other	260	266	249	243	234	992	765
Total revenues	2,753	2,775	2,875	2,765	2,710	11,125	10,285
<b>BENEFITS AND EXPENSES:</b>							
Benefits and other changes in policy reserves	1,401	1,255	1,168	1,090	1,067	4,580	4,004
Interest credited	345	385	391	391	385	1,552	1,520
Acquisition and operating expenses, net of deferrals	528	551	540	495	489	2,075	1,858
Amortization of deferred acquisition costs and intangibles	203	209	202	207	213	831	686
Interest expense	112	126	124	124	107	481	364
Total benefits and expenses	2,589	2,526	2,425	2,307	2,261	9,519	8,432
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	164	249	450	458	449	1,606	1,853
Provision for income taxes	48	69	111	137	135	452	570
<b>INCOME FROM CONTINUING OPERATIONS</b>	116	180	339	321	314	1,154	1,283
Income from discontinued operations, net of taxes	-	-	-	5	10	15	41
Gain (loss) on sale of discontinued operations, net of taxes	-	(2)	-	53	-	51	-
<b>INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE</b>	116	178	339	379	324	1,220	1,324
Cumulative effect of accounting change, net of taxes	-	-	-	-	-	-	4
<b>NET INCOME</b>	\$ 116	\$ 178	\$ 339	\$ 379	\$ 324	\$ 1,220	\$ 1,328

## Earnings Per Share Data:

Earnings from continuing operations per common share

Basic	\$ 0.27	\$ 0.41	\$ 0.77	\$ 0.73	\$ 0.71	\$ 2.62	\$ 2.81
Diluted	\$ 0.27	\$ 0.41	\$ 0.76	\$ 0.72	\$ 0.69	\$ 2.58	\$ 2.73

Earnings per common share

Basic	\$ 0.27	\$ 0.41	\$ 0.77	\$ 0.86	\$ 0.74	\$ 2.77	\$ 2.91
Diluted	\$ 0.27	\$ 0.40	\$ 0.76	\$ 0.84	\$ 0.71	\$ 2.73	\$ 2.83

Shares outstanding

Basic	433.6	437.4	441.1	439.4	441.0	439.7	455.9
Diluted	436.8	441.1	445.6	449.0	455.0	447.6	469.4

# Net Operating Income by Segment by Quarter

(amounts in millions, except per share amounts)

	2008	2007					2006
	Q1	Q4	Q3	Q2	Q1	Total	Total
<b>Retirement and Protection:</b>							
Wealth Management	\$ 12	\$ 12	\$ 11	\$ 11	\$ 10	\$ 44	\$ 20
Retirement Income	36	41	82	43	46	212	175
Institutional	11	9	10	10	14	43	42
Life Insurance	65	76	81	75	78	310	313
Long-Term Care Insurance	38	36	39	41	37	153	153
<b>Total Retirement and Protection</b>	<b>162</b>	<b>174</b>	<b>223</b>	<b>180</b>	<b>185</b>	<b>762</b>	<b>703</b>
<b>International:</b>							
International Mortgage Insurance - Canada	75	88	68	59	55	270	208
- Australia	47	40	36	44	36	156	137
- Other	-	16	6	4	3	29	10
Payment Protection Insurance	38	36	30	35	29	130	113
<b>Total International</b>	<b>160</b>	<b>180</b>	<b>140</b>	<b>142</b>	<b>123</b>	<b>585</b>	<b>468</b>
<b>U.S. Mortgage Insurance</b>	<b>(36)</b>	<b>(3)</b>	<b>39</b>	<b>66</b>	<b>65</b>	<b>167</b>	<b>259</b>
<b>Corporate and Other</b>	<b>(42)</b>	<b>(37)</b>	<b>(34)</b>	<b>(37)</b>	<b>(33)</b>	<b>(141)</b>	<b>(113)</b>
<b>NET OPERATING INCOME</b>	<b>244</b>	<b>314</b>	<b>368</b>	<b>351</b>	<b>340</b>	<b>1,373</b>	<b>1,317</b>
<b>ADJUSTMENTS TO NET OPERATING INCOME:</b>							
Income from discontinued operations, net of taxes	-	-	-	5	10	15	41
Gain (loss) on sale of discontinued operations, net of taxes	-	(2)	-	53	-	51	-
Net investment gains (losses), net of taxes and other adjustments	(128)	(134)	(29)	(30)	(12)	(205)	(34)
Expenses related to reorganization, net of taxes	-	-	-	-	(14)	(14)	-
Cumulative effect of accounting change, net of taxes	-	-	-	-	-	-	4
<b>NET INCOME</b>	<b>\$ 116</b>	<b>\$ 178</b>	<b>\$ 339</b>	<b>\$ 379</b>	<b>\$ 324</b>	<b>\$ 1,220</b>	<b>\$ 1,328</b>
<b>Earnings Per Share Data:</b>							
Earnings per common share							
Basic	\$ 0.27	\$ 0.41	\$ 0.77	\$ 0.86	\$ 0.74	\$ 2.77	\$ 2.91
Diluted	\$ 0.27	\$ 0.40	\$ 0.76	\$ 0.84	\$ 0.71	\$ 2.73	\$ 2.83
Net operating earnings per common share							
Basic	\$ 0.56	\$ 0.72	\$ 0.83	\$ 0.80	\$ 0.77	\$ 3.12	\$ 2.89
Diluted	\$ 0.56	\$ 0.71	\$ 0.83	\$ 0.78	\$ 0.75	\$ 3.07	\$ 2.80
Shares outstanding							
Basic	433.6	437.4	441.1	439.4	441.0	439.7	455.9
Diluted	436.8	441.1	445.6	449.0	455.0	447.6	469.4

# Selected Operating Performance Measures

This presentation also contains selected operating performance measures including “sales,” “assets under management”, “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 insurance, long-term care insurance and Medicare supplement insurance; (2) new and additional premiums/deposits for universal life insurance, linked-benefits, spread-based and variable products; (3) gross flows and net flows, which represent gross flows 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 payment 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, gross and net flows, written premiums, premium equivalents and new insurance written to be measures of the company’s operating performance because they represent measures 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 mortgage insurance 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, 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 default 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 default 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.