

Second Quarter Financial Supplement

June 30, 2021

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021**

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Note:

Unless otherwise stated, all references in this financial supplement to income (loss) from continuing operations, income (loss) from continuing operations per share, net income (loss), net income (loss) per share, adjusted operating income (loss), adjusted operating income (loss) per share, book value and book value per share should be read as income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders, income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders per share, net income (loss) available to Genworth Financial, Inc.'s common stockholders, net income (loss) available to Genworth Financial, Inc.'s common stockholders per share, non-U.S. Generally Accepted Accounting Principles (U.S. GAAP) adjusted operating income (loss) available to Genworth Financial, Inc.'s common stockholders, non-GAAP adjusted operating income (loss) available to Genworth Financial, Inc.'s common stockholders per share, book value available to Genworth Financial, Inc.'s common stockholders and book value available to Genworth Financial, Inc.'s common stockholders per share, respectively.

**GENWORTH FINANCIAL, INC.
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Dear Investor,

During the second quarter of 2021, Genworth Mortgage Holdings, Inc., the primary business in the company’s Enact segment (formerly known as the U.S. Mortgage Insurance segment), changed its name to Enact Holdings, Inc. (Enact Holdings). Differences in the results of operations between the company’s Enact segment included herein and the Enact Holdings standalone results are predominantly due to the allocation of corporate overhead expenses, tax differences and operating results of Enact Holdings’ mortgage insurance business in Mexico reported as Corporate and Other activities for Genworth Financial, Inc. but included in Enact Holdings’ standalone results.

On March 3, 2021, the company completed a sale of its entire ownership interest of approximately 52% in Genworth Mortgage Insurance Australia Limited (“Genworth Australia”) through an underwritten agreement. Genworth Australia, previously the primary business in the Australia Mortgage Insurance segment, is reported as discontinued operations for all periods presented. Accordingly, all prior periods reflected herein have been re-presented on this basis. The following table presents a reconciliation of adjusted operating income (loss) as previously reported to adjusted operating income (loss) re-presented to reflect the Australia mortgage insurance business as discontinued operations for the periods indicated:

<u>(Amounts in millions)</u>	2020				
	4Q	3Q	2Q	1Q	Total
ADJUSTED OPERATING INCOME (LOSS) AS PREVIOUSLY REPORTED	\$173	\$132	\$(21)	\$ 33	\$317
Remove Australia Mortgage Insurance segment adjusted operating (income) loss reported as discontinued operations	16	(7)	(1)	(9)	(1)
Adjustment for corporate overhead allocations, net of taxes ⁽¹⁾	(5)	(4)	(4)	(4)	(17)
Tax adjustments ⁽²⁾	4	4	3	—	11
RE-PRESENTED ADJUSTED OPERATING INCOME (LOSS)	<u>\$188</u>	<u>\$125</u>	<u>\$(23)</u>	<u>\$ 20</u>	<u>\$310</u>

⁽¹⁾ Expenses previously reported in the Australia Mortgage Insurance segment and moved to Corporate and Other activities.

⁽²⁾ Tax impacts resulting from the classification of Genworth Australia as discontinued operations.

Thank you for your continued interest in Genworth Financial, Inc.

Regards,

Investor Relations
InvestorInfo@genworth.com

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Use of Non-GAAP Measures

This financial supplement includes the non-GAAP financial measures entitled “adjusted operating income (loss)” and “adjusted operating income (loss) per share.” Adjusted operating income (loss) per share is derived from adjusted operating income (loss). The chief operating decision maker evaluates segment performance and allocates resources on the basis of adjusted operating income (loss). The company defines adjusted operating income (loss) as income (loss) from continuing operations excluding the after-tax effects of income (loss) from continuing operations attributable to noncontrolling interests, net investment gains (losses), gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions, restructuring costs and infrequent or unusual non-operating items. Gains (losses) on insurance block transactions are defined as gains (losses) on the early extinguishment of non-recourse funding obligations, early termination fees for other financing restructuring and/or resulting gains (losses) on reinsurance restructuring for certain blocks of business. The company excludes net investment gains (losses) and infrequent or unusual non-operating items because the company does not consider them to be related to the operating performance of the company’s segments and Corporate and Other activities. A component of the company’s net investment gains (losses) is the result of estimated future credit losses, the size and timing of which can vary significantly depending on market credit cycles. In addition, the size and timing of other investment gains (losses) can be subject to the company’s discretion and are influenced by market opportunities, as well as asset-liability matching considerations. Gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions and restructuring costs are also excluded from adjusted operating income (loss) because, in the company’s opinion, they are not indicative of overall operating trends. Infrequent or unusual non-operating items are also excluded from adjusted 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) available to Genworth Financial, Inc.’s common stockholders in accordance with U.S. GAAP, the company believes that adjusted operating income (loss) and measures that are derived from or incorporate adjusted operating income (loss), including adjusted operating income (loss) per share on a basic and diluted basis, are appropriate measures that are useful to investors because they identify the income (loss) attributable to the ongoing operations of the business. Management also uses adjusted operating income (loss) as a basis for determining awards and compensation for senior management and to evaluate performance on a basis comparable to that used by analysts. However, the items excluded from adjusted operating income (loss) have occurred in the past and could, and in some cases will, recur in the future. Adjusted operating income (loss) and adjusted operating income (loss) per share on a basic and diluted basis are not substitutes for net income (loss) available to Genworth Financial, Inc.’s common stockholders or net income (loss) available to Genworth Financial, Inc.’s common stockholders per share on a basic and diluted basis determined in accordance with U.S. GAAP. In addition, the company’s definition of adjusted operating income (loss) may differ from the definitions used by other companies.

Adjustments to reconcile net income (loss) available to Genworth Financial, Inc.’s common stockholders to adjusted operating income (loss) assume a 21% tax rate. Net investment gains (losses) are also adjusted for DAC and other intangible amortization and certain benefit reserves (see page 35).

In the first quarter of 2021, the company repurchased \$146 million principal amount of Genworth Holdings, Inc.’s (Genworth Holdings) senior notes due in September 2021 for a pre-tax loss of \$4 million. During 2020, the company repurchased \$84 million principal amount of Genworth Holdings’ senior notes with 2021 maturity dates for a pre-tax gain of \$3 million and \$1 million in the second and first quarters of 2020, respectively. In January 2020, the company paid a pre-tax make-whole expense of \$9 million related to the early redemption of Genworth Holdings’ senior notes originally scheduled to mature in June 2020 and Rivermont Life Insurance Company I, the company’s indirect wholly-owned special purpose consolidated captive insurance subsidiary, early redeemed all of its \$315 million outstanding non-recourse funding obligations originally due in 2050 resulting in a pre-tax loss of \$4 million from the write-off of deferred borrowing costs. These transactions were excluded from adjusted operating income (loss) as they relate to gains (losses) on the early extinguishment of debt.

The company recorded a pre-tax expense of \$5 million and \$21 million in the second and first quarters of 2021, respectively, and \$1 million in each of the fourth, second and first quarters of 2020 related to restructuring costs as it continues to evaluate and appropriately size its organizational needs and expenses. There were no infrequent or unusual items excluded from adjusted operating income (loss) during the periods presented.

The table on page 9 of this financial supplement provides a reconciliation of net income (loss) available to Genworth Financial, Inc.’s common stockholders to adjusted operating income (loss) for the periods presented and reflects adjusted operating income (loss) as determined in accordance with accounting guidance related to segment reporting. This financial supplement includes other non-GAAP measures management believes enhances the understanding and comparability of performance by highlighting underlying business activity and profitability drivers. These additional non-GAAP measures are on pages 37 and 38 of this financial supplement.

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Results of Operations and Selected Operating Performance Measures

The company's chief operating decision maker evaluates segment performance and allocates resources on the basis of adjusted operating income (loss). The table on page 9 of this financial supplement provides a reconciliation of net income (loss) available to Genworth Financial, Inc.'s common stockholders to adjusted operating income (loss) for the periods presented and reflects adjusted operating income (loss) as determined in accordance with accounting guidance related to segment reporting.

The company taxes its businesses at the U.S. corporate federal income tax rate of 21%. Each segment is then adjusted to reflect the unique tax attributes of that segment, such as permanent differences between U.S. GAAP and tax law. The difference between the consolidated provision for income taxes and the sum of the provision for income taxes in each segment is reflected in Corporate and Other activities.

The annually-determined tax rates and adjustments to each segment's provision for income taxes are estimates which are subject to review and could change from year to year.

This financial supplement contains selected operating performance measures including "sales" and "insurance in-force" or "risk in-force" which are commonly used in the insurance industry as measures of operating performance.

Management regularly monitors and reports sales metrics as a measure of volume of new business generated in a period. Sales refer to new insurance written for mortgage insurance products included in the company's Enact segment. The company considers new insurance written to be a measure of the company's operating performance because it represents a measure of new sales of insurance policies during a specified period, rather than a measure of the company's revenues or profitability during that period.

Management regularly monitors and reports insurance in-force and risk in-force for the company's Enact segment. Insurance in-force is a measure of the aggregate unpaid principal balance as of the respective reporting date for loans the company insures. Risk in-force is based on the coverage percentage applied to the estimated current outstanding loan balance. The company considers insurance in-force and risk in-force to be measures of its operating performance because they represent measures of the size of its business at a specific date which will generate revenues and profits in a future period, rather than measures of its revenues or profitability during that period.

Management also regularly monitors and reports a loss ratio for the company's businesses. For the U.S. mortgage insurance business included in the company's Enact segment, the loss ratio is the ratio of benefits and other changes in policy reserves to net earned premiums. For the long-term care insurance business included in the company's U.S. Life Insurance segment, the loss ratio is the ratio of benefits and other changes in reserves less tabular interest on reserves less loss adjustment expenses to net earned premiums. The company considers the loss ratio to be a measure of underwriting performance in these businesses and helps to enhance the understanding of the operating performance of the businesses.

These operating performance 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.

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Financial Highlights
(amounts in millions, except per share data)

<u>Balance Sheet Data</u>	<u>June 30, 2021</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	<u>June 30, 2020</u>
Total Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income	\$11,330	\$11,083	\$10,893	\$10,615	\$10,196
Total accumulated other comprehensive income	3,834	3,675	4,425	4,141	4,447
Total Genworth Financial, Inc.'s stockholders' equity	<u>\$15,164</u>	<u>\$14,758</u>	<u>\$15,318</u>	<u>\$14,756</u>	<u>\$14,643</u>
Book value per share	\$ 29.89	\$ 29.14	\$ 30.28	\$ 29.19	\$ 28.96
Book value per share, excluding accumulated other comprehensive income	\$ 22.33	\$ 21.88	\$ 21.54	\$ 20.99	\$ 20.17
Common shares outstanding as of the balance sheet date	507.4	506.5	505.8	505.6	505.6
	Twelve months ended				
	<u>June 30, 2021</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	<u>June 30, 2020</u>
<u>Twelve Month Rolling Average ROE</u>					
U.S. GAAP Basis ROE	10.3%	4.0%	1.7%	(1.0)%	(4.8)%
Operating ROE ⁽¹⁾	6.2%	4.3%	2.9%	1.2%	1.0%
	Three months ended				
	<u>June 30, 2021</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	<u>June 30, 2020</u>
<u>Quarterly Average ROE</u>					
U.S. GAAP Basis ROE	8.6%	6.8%	9.9%	16.1%	(16.9)%
Operating ROE ⁽¹⁾	6.9%	6.1%	7.0%	4.8%	(0.9)%
	<u>Three months ended June 30, 2021</u>	<u>Six months ended June 30, 2021</u>			
<u>Basic and Diluted Shares</u>					
Weighted-average common shares used in basic earnings per share calculations	507.0	506.5			
Potentially dilutive securities:					
Stock options, restricted stock units and stock appreciation rights	8.0	7.9			
Weighted-average common shares used in diluted earnings per share calculations	<u>515.0</u>	<u>514.4</u>			

⁽¹⁾ See page 37 herein for a reconciliation of U.S. GAAP Basis ROE to Operating ROE.

Consolidated Quarterly Results

GENWORTH FINANCIAL, INC.
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Consolidated Net Income (Loss) by Quarter
(amounts in millions, except per share amounts)

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$ 947	\$ 968	\$1,915	\$ 970	\$ 963	\$ 957	\$ 946	\$3,836
Net investment income	844	801	1,645	846	820	779	782	3,227
Net investment gains (losses)	70	33	103	147	351	93	(99)	492
Policy fees and other income	180	183	363	191	184	174	180	729
Total revenues	2,041	1,985	4,026	2,154	2,318	2,003	1,809	8,284
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	1,161	1,218	2,379	1,157	1,273	1,447	1,337	5,214
Interest credited	127	131	258	132	137	139	141	549
Acquisition and operating expenses, net of deferrals	304	275	579	253	235	210	237	935
Amortization of deferred acquisition costs and intangibles	86	77	163	174	94	87	108	463
Interest expense	43	51	94	55	47	42	51	195
Total benefits and expenses	1,721	1,752	3,473	1,771	1,786	1,925	1,874	7,356
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES								
Provision (benefit) for income taxes	320	233	553	383	532	78	(65)	928
	75	59	134	82	130	23	(5)	230
INCOME (LOSS) FROM CONTINUING OPERATIONS								
Income (loss) from discontinued operations, net of taxes ⁽¹⁾	245	174	419	301	402	55	(60)	698
	(5)	21	16	(35)	34	(473)	(12)	(486)
NET INCOME (LOSS)								
Less: net income from continuing operations attributable to noncontrolling interests	240	195	435	266	436	(418)	(72)	212
Less: net income (loss) from discontinued operations attributable to noncontrolling interests	—	8	8	(1)	18	23	(6)	34
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS								
	\$ 240	\$ 187	\$ 427	\$ 267	\$ 418	\$ (441)	\$ (66)	\$ 178
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:								
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders	\$ 245	\$ 174	\$ 419	\$ 301	\$ 402	\$ 55	\$ (60)	\$ 698
Income (loss) from discontinued operations available to Genworth Financial, Inc.'s common stockholders	(5)	13	8	(34)	16	(496)	(6)	(520)
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS								
	\$ 240	\$ 187	\$ 427	\$ 267	\$ 418	\$ (441)	\$ (66)	\$ 178
Earnings (Loss) Per Share Data:								
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders per share								
Basic	\$ 0.48	\$ 0.35	\$ 0.83	\$ 0.60	\$ 0.79	\$ 0.11	\$ (0.12)	\$ 1.38
Diluted	\$ 0.47	\$ 0.34	\$ 0.82	\$ 0.59	\$ 0.79	\$ 0.11	\$ (0.12)	\$ 1.36
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share								
Basic	\$ 0.47	\$ 0.37	\$ 0.84	\$ 0.53	\$ 0.83	\$ (0.87)	\$ (0.13)	\$ 0.35
Diluted	\$ 0.47	\$ 0.37	\$ 0.83	\$ 0.52	\$ 0.82	\$ (0.86)	\$ (0.13)	\$ 0.35
Weighted-average common shares outstanding								
Basic	507.0	506.0	506.5	505.6	505.6	505.4	504.3	505.2
Diluted ⁽²⁾	515.0	513.8	514.4	512.5	511.5	512.5	504.3	511.6

(1) Income (loss) from discontinued operations relates to the company's former Australia mortgage insurance business that was sold on March 3, 2021 and its former lifestyle protection insurance business that was sold on December 1, 2015. Refer to page 30 for operating results of Genworth Australia reported as discontinued operations. In the first quarter of 2021, due to the sale of Genworth Australia, the company recorded an after-tax favorable adjustment of \$11 million associated with a refinement to its tax matters agreement liability. During the second and first quarters of 2021 and the fourth, third and second quarters of 2020, the company recorded an after-tax loss of \$4 million, \$1 million, \$30 million, \$22 million and \$520 million, respectively, related to a secured promissory note with AXA S.A. (AXA) resulting from a settlement agreement reached in 2020 regarding a dispute over payment protection insurance claims sold by the company's former lifestyle protection insurance business. During the first quarter of 2021 and the third quarter of 2020, based on an updated estimate, the company adjusted a liability associated with underwriting losses on a product sold by a distributor in the company's former lifestyle protection insurance business which resulted in an after-tax benefit (loss) of \$(4) million and \$23 million, respectively.

(2) Under applicable accounting guidance, companies in a loss position are required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share. Therefore, as a result of the loss from continuing operations for the three months ended March 31, 2020, the company was required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share for the three months ended March 31, 2020, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 5.4 million would have been antidilutive to the calculation. If the company had not incurred a loss from continuing operations for the three months ended March 31, 2020, dilutive potential weighted-average common shares outstanding would have been 509.7 million.

**GENWORTH FINANCIAL, INC.
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SECOND QUARTER 2021**

**Reconciliation of Net Income (Loss) to Adjusted Operating Income (Loss)
(amounts in millions, except per share amounts)**

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q		1Q
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	\$ 240	\$ 187	\$ 427	\$ 267	\$ 418	\$ (441)	\$ (66)	\$ 178
Add: net income from continuing operations attributable to noncontrolling interests	—	—	—	—	—	—	—	—
Add: net income (loss) from discontinued operations attributable to noncontrolling interests	—	8	8	(1)	18	23	(6)	34
NET INCOME (LOSS)	240	195	435	266	436	(418)	(72)	212
Less: income (loss) from discontinued operations, net of taxes	(5)	21	16	(35)	34	(473)	(12)	(486)
INCOME (LOSS) FROM CONTINUING OPERATIONS	245	174	419	301	402	55	(60)	698
Less: net income from continuing operations attributable to noncontrolling interests	—	—	—	—	—	—	—	—
INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	245	174	419	301	402	55	(60)	698
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:								
Net investment (gains) losses, net ⁽¹⁾	(70)	(33)	(103)	(144)	(350)	(97)	88	(503)
(Gains) losses on early extinguishment of debt	—	4	4	—	—	(3)	12	9
Expenses related to restructuring	5	21	26	1	—	1	1	3
Taxes on adjustments	14	2	16	30	73	21	(21)	103
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 194</u>	<u>\$ 168</u>	<u>\$ 362</u>	<u>\$ 188</u>	<u>\$ 125</u>	<u>\$ (23)</u>	<u>\$ 20</u>	<u>\$ 310</u>
ADJUSTED OPERATING INCOME (LOSS):								
Enact segment	\$ 135	\$ 126	\$ 261	\$ 95	\$ 141	\$ (3)	\$ 148	\$ 381
U.S. Life Insurance segment:								
Long-Term Care Insurance	98	95	193	129	59	48	1	237
Life Insurance	(40)	(63)	(103)	(20)	(69)	(81)	(77)	(247)
Fixed Annuities	13	30	43	20	24	28	6	78
Total U.S. Life Insurance segment	71	62	133	129	14	(5)	(70)	68
Runoff segment	15	12	27	13	19	24	(13)	43
Corporate and Other	(27)	(32)	(59)	(49)	(49)	(39)	(45)	(182)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 194</u>	<u>\$ 168</u>	<u>\$ 362</u>	<u>\$ 188</u>	<u>\$ 125</u>	<u>\$ (23)</u>	<u>\$ 20</u>	<u>\$ 310</u>

Earnings (Loss) Per Share Data:

Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share								
Basic	\$ 0.47	\$ 0.37	\$ 0.84	\$ 0.53	\$ 0.83	\$ (0.87)	\$ (0.13)	\$ 0.35
Diluted	\$ 0.47	\$ 0.37	\$ 0.83	\$ 0.52	\$ 0.82	\$ (0.86)	\$ (0.13)	\$ 0.35
Adjusted operating income (loss) per share								
Basic	\$ 0.38	\$ 0.33	\$ 0.71	\$ 0.37	\$ 0.25	\$ (0.05)	\$ 0.04	\$ 0.61
Diluted	\$ 0.38	\$ 0.33	\$ 0.70	\$ 0.37	\$ 0.25	\$ (0.05)	\$ 0.04	\$ 0.61
Weighted-average common shares outstanding								
Basic	507.0	506.0	506.5	505.6	505.6	505.4	504.3	505.2
Diluted ⁽²⁾	515.0	513.8	514.4	512.5	511.5	512.5	504.3	511.6

(1) Net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves (see page 35 for reconciliation).

(2) Under applicable accounting guidance, companies in a loss position are required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share. Therefore, as a result of the loss from continuing operations for the three months ended March 31, 2020, the company was required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share for the three months ended March 31, 2020, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 5.4 million would have been antidilutive to the calculation. If the company had not incurred a loss from continuing operations for the three months ended March 31, 2020, dilutive potential weighted-average common shares outstanding would have been 509.7 million.

GENWORTH FINANCIAL, INC.
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Consolidated Balance Sheets
(amounts in millions)

	<u>June 30, 2021</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	<u>June 30, 2020</u>
ASSETS					
Investments:					
Fixed maturity securities available-for-sale, at fair value ⁽¹⁾	\$ 61,649	\$60,231	\$ 63,495	\$ 62,372	\$ 61,579
Equity securities, at fair value	147	238	386	575	154
Commercial mortgage loans ⁽²⁾	6,912	6,787	6,774	6,911	6,945
Less: Allowance for credit losses	(33)	(32)	(31)	(31)	(28)
Commercial mortgage loans, net	6,879	6,755	6,743	6,880	6,917
Policy loans	2,083	1,976	1,978	2,153	2,182
Other invested assets	2,260	1,759	2,099	2,171	2,362
Total investments	73,018	70,959	74,701	74,151	73,194
Cash, cash equivalents and restricted cash	2,214	1,964	2,561	2,740	2,523
Accrued investment income	573	704	655	635	587
Deferred acquisition costs	1,212	1,247	1,487	1,585	1,682
Intangible assets	151	155	157	165	177
Reinsurance recoverable	16,716	16,788	16,864	16,832	16,942
Less: Allowance for credit losses	(50)	(44)	(45)	(44)	(44)
Reinsurance recoverable, net	16,666	16,744	16,819	16,788	16,898
Other assets	403	439	404	419	428
Deferred tax asset	211	314	65	201	235
Separate account assets	6,202	6,032	6,081	5,700	5,536
Assets related to discontinued operations ⁽³⁾	—	—	2,817	2,541	2,377
Total assets	<u>\$100,650</u>	<u>\$98,558</u>	<u>\$105,747</u>	<u>\$104,925</u>	<u>\$103,637</u>

(1) Amortized cost of \$53,111 million, \$53,470 million, \$53,417 million, \$53,241 million and \$52,902 million as of June 30, 2021, March 31, 2021, December 31, 2020, September 30, 2020 and June 30, 2020, respectively, and allowance for credit losses of \$—, \$3 million, \$4 million, \$5 million and \$7 million as of June 30, 2021, March 31, 2021, December 31, 2020, September 30, 2020 and June 30, 2020, respectively.

(2) Net of unamortized balance of loan origination fees and costs of \$4 million as of June 30, 2021, March 31, 2021, December 31, 2020, September 30, 2020 and June 30, 2020.

(3) Prior to the sale on March 3, 2021, the assets of Genworth Australia were segregated in the consolidated balance sheets. The major asset categories of Genworth Australia reported as discontinued operations were as follows:

	<u>June 30, 2021</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	<u>June 30, 2020</u>
ASSETS					
Investments:					
Fixed maturity securities available-for-sale, at fair value	\$—	\$—	\$2,295	\$2,044	\$1,965
Equity securities, at fair value	—	—	90	54	52
Other invested assets	—	—	154	231	111
Total investments	—	—	2,539	2,329	2,128
Cash, cash equivalents and restricted cash	—	—	95	40	74
Accrued investment income	—	—	16	15	14
Deferred acquisition costs	—	—	42	38	36
Intangible assets and goodwill	—	—	43	44	46
Reinsurance recoverable	—	—	—	—	2
Less: Allowance for credit losses	—	—	—	—	—
Reinsurance recoverable, net	—	—	—	—	2
Other assets	—	—	40	26	26
Deferred tax asset	—	—	42	49	51
Assets related to discontinued operations	<u>\$—</u>	<u>\$—</u>	<u>\$2,817</u>	<u>\$2,541</u>	<u>\$2,377</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Consolidated Balance Sheets
(amounts in millions)

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	\$ 42,165	\$40,634	\$ 42,695	\$ 41,995	\$ 41,463
Policyholder account balances	19,944	19,999	21,503	22,731	22,921
Liability for policy and contract claims	11,546	11,415	11,486	11,135	11,054
Unearned premiums	695	728	775	794	810
Other liabilities	1,664	1,710	1,614	1,822	1,941
Long-term borrowings	2,924	2,922	3,403	3,401	2,679
Separate account liabilities	6,202	6,032	6,081	5,700	5,536
Liabilities related to discontinued operations ⁽¹⁾	346	360	2,370	2,115	2,145
Total liabilities	85,486	83,800	89,927	89,693	88,549
Equity:					
Common stock	1	1	1	1	1
Additional paid-in capital	12,018	12,011	12,008	11,997	11,996
Accumulated other comprehensive income (loss)	3,834	3,675	4,425	4,141	4,447
Retained earnings	2,011	1,771	1,584	1,317	899
Treasury stock, at cost	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	15,164	14,758	15,318	14,756	14,643
Noncontrolling interests	—	—	502	476	445
Total equity	15,164	14,758	15,820	15,232	15,088
Total liabilities and equity	\$100,650	\$98,558	\$105,747	\$104,925	\$103,637

⁽¹⁾ Liabilities related to discontinued operations relates to a liability recorded in connection with a settlement agreement reached with AXA involving the sale of the company's former lifestyle protection insurance business. Liabilities related to discontinued operations also includes an unrelated liability associated with underwriting losses on a product sold by a distributor in the company's former lifestyle protection insurance business. In addition, prior to the sale on March 3, 2021, the liabilities of Genworth Australia were segregated in the consolidated balance sheets. The major liability categories of Genworth Australia reported as discontinued operations were as follows:

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
LIABILITIES					
Liability for policy and contract claims	\$ —	\$ —	\$ 331	\$ 238	\$ 226
Unearned premiums	—	—	1,193	1,052	994
Other liabilities	—	—	104	91	92
Long-term borrowings	—	—	145	169	138
Liabilities related to discontinued operations	\$ —	\$ —	\$ 1,773	\$ 1,550	\$ 1,450

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Consolidated Balance Sheet by Segment
(amounts in millions)

	June 30, 2021				
	Enact	U.S. Life Insurance	Runoff	Corporate and Other ⁽¹⁾	Total
ASSETS					
Cash and investments	\$5,735	\$65,209	\$2,548	\$2,313	\$ 75,805
Deferred acquisition costs and intangible assets	40	1,195	117	11	1,363
Reinsurance recoverable, net	—	16,001	665	—	16,666
Deferred tax and other assets	70	117	61	366	614
Separate account assets	—	—	6,202	—	6,202
Total assets	<u>\$5,845</u>	<u>\$82,522</u>	<u>\$9,593</u>	<u>\$2,690</u>	<u>\$100,650</u>
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	\$ —	\$42,163	\$ 2	\$ —	\$ 42,165
Policyholder account balances	—	16,968	2,976	—	19,944
Liability for policy and contract claims	624	10,897	15	10	11,546
Unearned premiums	264	428	3	—	695
Other liabilities	107	770	43	744	1,664
Borrowings	739	—	—	2,185	2,924
Separate account liabilities	—	—	6,202	—	6,202
Liabilities related to discontinued operations	—	—	—	346	346
Total liabilities	<u>1,734</u>	<u>71,226</u>	<u>9,241</u>	<u>3,285</u>	<u>85,486</u>
Equity:					
Allocated equity, excluding accumulated other comprehensive income (loss)	3,951	7,613	345	(579)	11,330
Allocated accumulated other comprehensive income (loss)	160	3,683	7	(16)	3,834
Total Genworth Financial, Inc.'s stockholders' equity	4,111	11,296	352	(595)	15,164
Noncontrolling interests	—	—	—	—	—
Total equity	<u>4,111</u>	<u>11,296</u>	<u>352</u>	<u>(595)</u>	<u>15,164</u>
Total liabilities and equity	<u>\$5,845</u>	<u>\$82,522</u>	<u>\$9,593</u>	<u>\$2,690</u>	<u>\$100,650</u>

⁽¹⁾ Includes inter-segment eliminations and other businesses that are managed outside the operating segments.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Consolidated Balance Sheet by Segment
(amounts in millions)

	March 31, 2021				
	Enact	U.S. Life Insurance	Runoff	Corporate and Other ⁽¹⁾	Total
ASSETS					
Cash and investments	\$5,572	\$63,435	\$2,640	\$1,980	\$73,627
Deferred acquisition costs and intangible assets	42	1,226	123	11	1,402
Reinsurance recoverable, net	—	16,064	680	—	16,744
Deferred tax and other assets	69	(373)	46	1,011	753
Separate account assets	—	—	6,032	—	6,032
Total assets	<u>\$5,683</u>	<u>\$80,352</u>	<u>\$9,521</u>	<u>\$3,002</u>	<u>\$98,558</u>
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	\$ —	\$40,632	\$ 2	\$ —	\$40,634
Policyholder account balances	—	16,969	3,030	—	19,999
Liability for policy and contract claims	603	10,785	17	10	11,415
Unearned premiums	281	444	3	—	728
Other liabilities	105	824	49	732	1,710
Borrowings	739	—	—	2,183	2,922
Separate account liabilities	—	—	6,032	—	6,032
Liabilities related to discontinued operations	—	—	—	360	360
Total liabilities	<u>1,728</u>	<u>69,654</u>	<u>9,133</u>	<u>3,285</u>	<u>83,800</u>
Equity:					
Allocated equity, excluding accumulated other comprehensive income (loss)	3,816	7,660	381	(774)	11,083
Allocated accumulated other comprehensive income (loss)	139	3,038	7	491	3,675
Total Genworth Financial, Inc.'s stockholders' equity	3,955	10,698	388	(283)	14,758
Noncontrolling interests	—	—	—	—	—
Total equity	<u>3,955</u>	<u>10,698</u>	<u>388</u>	<u>(283)</u>	<u>14,758</u>
Total liabilities and equity	<u>\$5,683</u>	<u>\$80,352</u>	<u>\$9,521</u>	<u>\$3,002</u>	<u>\$98,558</u>

⁽¹⁾ Includes inter-segment eliminations and other businesses that are managed outside the operating segments.

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021**

**Deferred Acquisition Costs Rollforward
(amounts in millions)**

	<u>Enact</u>	<u>U.S. Life Insurance</u>	<u>Runoff</u>	<u>Total</u>
Unamortized balance as of March 31, 2021	\$ 29	\$ 2,567	\$147	\$ 2,743
Costs deferred	1	—	—	1
Amortization, net of interest accretion	(2)	(71)	(5)	(78)
Unamortized balance as of June 30, 2021	28	2,496	142	2,666
Effect of accumulated net unrealized investment (gains) losses	—	(1,426)	(28)	(1,454)
Balance as of June 30, 2021	<u>\$ 28</u>	<u>\$ 1,070</u>	<u>\$114</u>	<u>\$ 1,212</u>

Enact Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Adjusted Operating Income (Loss) and Sales—Enact Segment
(amounts in millions)

	2021			2020			Total	Total
	2Q	1Q	Total	4Q	3Q	2Q		
REVENUES:								
Premiums	\$ 243	\$ 252	\$ 495	\$ 251	\$ 251	\$ 243	\$ 226	\$ 971
Net investment income	35	35	70	35	34	31	33	133
Net investment gains (losses)	(2)	(1)	(3)	(1)	(2)	(1)	—	(4)
Policy fees and other income	—	2	2	2	1	1	2	6
Total revenues	276	288	564	287	284	274	261	1,106
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	30	55	85	89	45	228	19	381
Acquisition and operating expenses, net of deferrals	63	57	120	55	54	47	50	206
Amortization of deferred acquisition costs and intangibles	4	4	8	10	3	4	4	21
Interest expense	12	13	25	12	6	—	—	18
Total benefits and expenses	109	129	238	166	108	279	73	626
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	167	159	326	121	176	(5)	188	480
Provision (benefit) for income taxes	35	34	69	26	37	(1)	40	102
INCOME (LOSS) FROM CONTINUING OPERATIONS	132	125	257	95	139	(4)	148	378
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses	2	1	3	1	2	1	—	4
Expenses related to restructuring	2	—	2	—	—	—	—	—
Taxes on adjustments	(1)	—	(1)	(1)	—	—	—	(1)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 135</u>	<u>\$ 126</u>	<u>\$ 261</u>	<u>\$ 95</u>	<u>\$ 141</u>	<u>\$ (3)</u>	<u>\$ 148</u>	<u>\$ 381</u>
SALES:								
Primary New Insurance Written (NIW)	\$26,700	\$24,900	\$51,600	\$27,000	\$26,600	\$28,400	\$17,900	\$99,900

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Primary New Insurance Written Metrics—Enact Segment
(amounts in millions)

	2021				2020							
	2Q		1Q		4Q		3Q		2Q		1Q	
	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW	Primary NIW	% of Primary NIW
Product												
Monthly	\$24,900	94%	\$23,400	94%	\$24,700	92%	\$23,400	88%	\$25,800	91%	\$16,200	91%
Single	1,700	6	1,400	6	2,200	8	3,100	12	2,500	9	1,500	8
Other ⁽¹⁾	100	—	100	—	100	—	100	—	100	—	200	1
Total Primary	<u>\$26,700</u>	<u>100%</u>	<u>\$24,900</u>	<u>100%</u>	<u>\$27,000</u>	<u>100%</u>	<u>\$26,600</u>	<u>100%</u>	<u>\$28,400</u>	<u>100%</u>	<u>\$17,900</u>	<u>100%</u>
Origination												
Purchase	\$21,100	79%	\$15,500	62%	\$17,800	66%	\$20,000	75%	\$17,400	61%	\$12,000	67%
Refinance	5,600	21	9,400	38	9,200	34	6,600	25	11,000	39	5,900	33
Total Primary	<u>\$26,700</u>	<u>100%</u>	<u>\$24,900</u>	<u>100%</u>	<u>\$27,000</u>	<u>100%</u>	<u>\$26,600</u>	<u>100%</u>	<u>\$28,400</u>	<u>100%</u>	<u>\$17,900</u>	<u>100%</u>
FICO Scores												
Over 760	\$11,800	44%	\$10,500	42%	\$10,500	39%	\$11,300	43%	\$12,300	43%	\$ 7,500	42%
740 - 759	4,000	15	3,800	15	4,300	16	4,100	15	4,800	17	3,200	18
720 - 739	3,500	13	3,400	14	4,000	15	3,500	13	4,200	15	2,600	14
700 - 719	3,100	12	3,000	12	3,600	13	3,100	12	3,300	11	2,200	12
680 - 699	2,500	9	2,500	10	2,700	10	2,400	9	2,200	8	1,500	8
660 - 679 ⁽²⁾	1,100	4	1,000	4	1,100	4	1,300	5	900	3	500	3
640 - 659	500	2	500	2	600	2	600	2	500	2	300	2
620 - 639	200	1	200	1	200	1	300	1	200	1	100	1
<620	—	—	—	—	—	—	—	—	—	—	—	—
Total Primary	<u>\$26,700</u>	<u>100%</u>	<u>\$24,900</u>	<u>100%</u>	<u>\$27,000</u>	<u>100%</u>	<u>\$26,600</u>	<u>100%</u>	<u>\$28,400</u>	<u>100%</u>	<u>\$17,900</u>	<u>100%</u>
Loan-To-Value Ratio												
95.01% and above	\$ 2,800	11%	\$ 2,200	9%	\$ 2,900	11%	\$ 3,700	14%	\$ 3,200	11%	\$ 1,800	10%
90.01% to 95.00%	10,700	40	9,500	38	11,100	41	11,700	44	12,300	43	7,700	43
85.01% to 90.00%	8,600	32	8,400	34	8,100	30	7,100	27	8,100	29	5,500	31
85.00% and below	4,600	17	4,800	19	4,900	18	4,100	15	4,800	17	2,900	16
Total Primary	<u>\$26,700</u>	<u>100%</u>	<u>\$24,900</u>	<u>100%</u>	<u>\$27,000</u>	<u>100%</u>	<u>\$26,600</u>	<u>100%</u>	<u>\$28,400</u>	<u>100%</u>	<u>\$17,900</u>	<u>100%</u>
Debt-To-Income Ratio												
45.01% and above	\$ 3,300	12%	\$ 2,600	10%	\$ 3,100	11%	\$ 3,100	12%	\$ 4,000	14%	\$ 3,500	20%
38.01% to 45.00%	9,200	35	8,700	35	10,200	38	9,900	37	9,600	34	6,000	33
38.00% and below	14,200	53	13,600	55	13,700	51	13,600	51	14,800	52	8,400	47
Total Primary	<u>\$26,700</u>	<u>100%</u>	<u>\$24,900</u>	<u>100%</u>	<u>\$27,000</u>	<u>100%</u>	<u>\$26,600</u>	<u>100%</u>	<u>\$28,400</u>	<u>100%</u>	<u>\$17,900</u>	<u>100%</u>

⁽¹⁾ Includes loans with annual and split payment types.

⁽²⁾ Loans with unknown FICO scores are included in the 660-679 category.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Other Metrics—Enact Segment
(dollar amounts in millions)

	2021			2020				Total
	2Q	1Q	Total	4Q	3Q	2Q	1Q	
Net Premiums Written	\$ 225	\$ 226	\$451	\$ 229	\$ 240	\$ 217	\$ 208	\$894
Primary Insurance In-Force⁽¹⁾	\$217,500	\$210,200		\$207,900	\$203,000	\$197,000	\$188,000	
Risk In-Force								
Primary ⁽²⁾	\$ 54,643	\$ 52,866		\$ 52,475	\$ 51,393	\$ 49,868	\$ 47,740	
Pool	123	134		146	156	169	179	
Total Risk In-Force	<u>\$ 54,766</u>	<u>\$ 53,000</u>		<u>\$ 52,621</u>	<u>\$ 51,549</u>	<u>\$ 50,037</u>	<u>\$ 47,919</u>	
Expense Ratio (Net Earned Premiums)⁽³⁾	27%	24%	26%	26%	23%	21%	24%	23%
Primary Persistency	63%	56%	59%	57%	59%	59%	74%	59%
Combined Risk To Capital Ratio⁽⁴⁾	11.8:1	11.7:1		12.1:1	12.1:1	12.0:1	12.2:1	
GMICO Risk To Capital Ratio^{(4),(5)}	12.0:1	11.9:1		12.3:1	12.3:1	12.2:1	12.4:1	
PMIERS Available Assets⁽⁶⁾	\$ 4,926	\$ 4,769		\$ 4,588	\$ 4,451	\$ 4,218	\$ 3,974	
PMIERS Required Assets⁽⁶⁾	\$ 2,985	\$ 3,005		\$ 3,359	\$ 3,377	\$ 2,943	\$ 2,803	
Available Assets Above PMIERS Requirements⁽⁶⁾	\$ 1,941	\$ 1,764		\$ 1,229	\$ 1,074	\$ 1,275	\$ 1,171	
PMIERS Sufficiency Ratio⁽⁶⁾	165%	159%		137%	132%	143%	142%	
Average Primary Loan Size (in thousands)	\$ 233	\$ 228		\$ 225	\$ 222	\$ 220	\$ 217	

The expense ratio included above was calculated using whole dollars and may be different than the ratio calculated using the rounded numbers included herein.

- (1) Primary insurance in-force represents aggregate unpaid balance for loans the company insures. Original loan balances are primarily used to determine premiums.
- (2) Primary risk in-force represents risk on current loan balances as provided by servicers, lenders and investors and conforms to the presentation under the Private Mortgage Insurer Eligibility Requirements (PMIERS).
- (3) The ratio of an insurer's general expenses to net earned premiums. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles. Expenses associated with the preparation of a strategic transaction and restructuring costs increased the expense ratio by approximately two percentage points for both the three and six months ended June 30, 2021.
- (4) Certain states limit a private mortgage insurer's risk in-force to 25 times the total of the insurer's policyholders' surplus plus the statutory contingency reserve, commonly known as the "risk to capital" requirement. The current period risk to capital ratio is an estimate due to the timing of the filing of statutory statements and is prepared consistent with the presentation of the statutory financial statements in the combined annual statement of the company's U.S. mortgage insurance subsidiaries.
- (5) Genworth Mortgage Insurance Corporation (GMICO), the company's principal U.S. mortgage insurance subsidiary.
- (6) The PMIERS sufficiency ratio is calculated as available assets divided by required assets as defined within PMIERS. The current period PMIERS sufficiency ratio is an estimate due to the timing of the PMIERS filing and does not take into consideration the impact of restrictions recently imposed by the government-sponsored enterprises (GSEs). The GSEs have imposed certain capital restrictions on the company's Enact segment which remain in effect until certain conditions are met. These restrictions currently require GMICO to maintain 115% of published PMIERS minimum required assets among other restrictions.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Loss Metrics—Enact Segment
(amounts in millions)

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Average Paid Claim (in thousands)	\$63.1	\$54.7		\$47.2	\$55.6	\$47.1	\$45.0	
Average Reserve Per Primary Delinquency (in thousands) ⁽¹⁾	\$17.5	\$13.6		\$11.5	\$ 8.8	\$ 7.1	\$13.1	
Reserves:								
Primary direct case	\$ 589	\$ 564		\$ 517	\$ 436	\$ 379	\$ 202	
All other ⁽²⁾	35	39		38	38	60	28	
Total Reserves	<u>\$ 624</u>	<u>\$ 603</u>		<u>\$ 555</u>	<u>\$ 474</u>	<u>\$ 439</u>	<u>\$ 230</u>	
Beginning Reserves	\$ 603	\$ 555	\$555	\$ 474	\$ 439	\$ 230	\$ 233	\$233
Paid claims	(9)	(7)	(16)	(8)	(10)	(19)	(22)	(59)
Increase in reserves	30	55	85	89	45	228	19	381
Ending Reserves	<u>\$ 624</u>	<u>\$ 603</u>	<u>\$624</u>	<u>\$ 555</u>	<u>\$ 474</u>	<u>\$ 439</u>	<u>\$ 230</u>	<u>\$555</u>
Loss Ratio ⁽³⁾	12%	22%	17%	35%	18%	94%	8%	39%

The loss ratio included above was calculated using whole dollars and may be different than the ratio calculated using the rounded numbers included herein.

⁽¹⁾ Primary direct case reserves divided by primary delinquency count.

⁽²⁾ Other includes loss adjustment expenses, pool, incurred but not reported and reinsurance reserves.

⁽³⁾ The ratio of benefits and other changes in policy reserves to net earned premiums.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Delinquency Metrics—Enact Segment
(dollar amounts in millions)

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Primary Loans								
Primary loans in-force	933,616	922,186		924,624	913,974	896,232	868,111	
Primary delinquent loans	33,568	41,332		44,904	49,692	53,587	15,417	
Primary delinquency rate	3.60%	4.48%		4.86%	5.44%	5.98%	1.78%	
Beginning Number of Primary Delinquencies	41,332	44,904	44,904	49,692	53,587	15,417	16,392	16,392
New delinquencies	6,862	10,053	16,915	11,923	16,664	48,373	8,114	85,074
Delinquency cures	(14,473)	(13,478)	(27,951)	(16,548)	(20,404)	(9,795)	(8,649)	(55,396)
Paid claims	(143)	(134)	(277)	(152)	(152)	(404)	(440)	(1,148)
Rescissions and claim denials	(10)	(13)	(23)	(11)	(3)	(4)	—	(18)
Ending Number of Primary Delinquencies	<u>33,568</u>	<u>41,332</u>	<u>33,568</u>	<u>44,904</u>	<u>49,692</u>	<u>53,587</u>	<u>15,417</u>	<u>44,904</u>
Composition of Cures								
Reported delinquent and cured-intraquarter	1,149	1,549		1,433	1,939	3,992	2,236	
Number of missed payments delinquent prior to cure:								
3 payments or less	4,179	4,812		5,567	13,022	4,522	4,850	
4 - 11 payments	6,055	6,849		9,347	5,239	1,122	1,389	
12 payments or more	3,090	268		201	204	159	174	
Total	<u>14,473</u>	<u>13,478</u>		<u>16,548</u>	<u>20,404</u>	<u>9,795</u>	<u>8,649</u>	
Primary Delinquencies by Missed Payment Status								
3 payments or less	6,030	8,296		10,484	13,904	43,158	7,650	
4 - 11 payments	12,378	21,011		30,324	32,366	7,448	4,909	
12 payments or more	15,160	12,025		4,096	3,422	2,981	2,858	
Primary Delinquencies	<u>33,568</u>	<u>41,332</u>		<u>44,904</u>	<u>49,692</u>	<u>53,587</u>	<u>15,417</u>	

	June 30, 2021		
	Direct Case Reserves	Risk In-Force	Reserves as % of Risk In-Force
Primary Direct Case Reserves⁽¹⁾ and Percentage Reserved by Payment Status			
3 payments or less in default	\$ 32	\$ 318	10%
4 - 11 payments in default	151	717	21%
12 payments or more in default	406	914	44%
Total	<u>\$ 589</u>	<u>\$ 1,949</u>	<u>30%</u>

	December 31, 2020		
	Direct Case Reserves	Risk In-Force	Reserves as % of Risk In-Force
Primary Direct Case Reserves⁽¹⁾ and Percentage Reserved by Payment Status			
3 payments or less in default	\$ 43	\$ 549	8%
4 - 11 payments in default	331	1,853	18%
12 payments or more in default	143	204	70%
Total	<u>\$ 517</u>	<u>\$ 2,606</u>	<u>20%</u>

⁽¹⁾ Primary direct case reserves exclude loss adjustment expenses, incurred but not reported and reinsurance reserves.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Portfolio Quality Metrics—Enact Segment
(amounts in millions)

Policy Year	June 30, 2021						
	Average Rate ⁽¹⁾	% of Direct Case Reserves ⁽²⁾	Primary Insurance In-Force	% of Total	Primary Risk In-Force	% of Total	Delinquency Rate
2004 and prior	6.18%	3%	\$ 621	— %	\$ 177	— %	15.47%
2005 to 2008	5.55%	25	9,061	4	2,317	4	11.87%
2009 to 2013	4.25%	2	1,961	1	528	1	5.89%
2014	4.48%	3	2,709	1	732	1	5.65%
2015	4.16%	5	5,810	3	1,549	3	4.99%
2016	3.88%	8	11,499	5	3,052	6	4.65%
2017	4.26%	11	11,763	6	3,032	5	5.84%
2018	4.78%	13	12,289	6	3,086	6	6.98%
2019	4.20%	19	28,842	13	7,225	13	5.01%
2020	3.26%	11	82,308	38	20,536	38	1.36%
2021	3.01%	—	50,614	23	12,409	23	0.14%
Total	3.65%	100%	\$217,477	100%	\$54,643	100%	3.60%

	June 30, 2021		March 31, 2021		June 30, 2020	
	Primary Risk In-Force	Percent of Primary Risk In-Force	Primary Risk In-Force	Percent of Primary Risk In-Force	Primary Risk In-Force	Percent of Primary Risk In-Force
Loan-to-value ratio						
95.01% and above	\$ 9,228	17%	\$ 9,151	17%	\$ 8,789	18%
90.01% to 95.00%	27,308	50	26,637	51	25,686	51
85.01% to 90.00%	14,776	27	13,997	26	12,957	26
85.00% and below	3,331	6	3,081	6	2,436	5
Total	\$54,643	100%	\$ 52,866	100%	\$49,868	100%

	June 30, 2021		March 31, 2021		June 30, 2020	
	Primary Risk In-Force	Percent of Primary Risk In-Force	Primary Risk In-Force	Percent of Primary Risk In-Force	Primary Risk In-Force	Percent of Primary Risk In-Force
Credit Quality						
Over 760	\$20,908	38%	\$ 19,829	37%	\$19,046	38%
740-759	8,628	16	8,442	16	8,303	17
720-739	7,879	14	7,715	15	7,312	15
700-719	6,848	13	6,678	13	6,016	12
680-699	5,385	10	5,231	10	4,629	9
660-679 ⁽³⁾	2,531	5	2,484	5	2,180	4
640-659	1,494	3	1,485	3	1,358	3
620-639	720	1	734	1	707	1
<620	250	—	268	—	317	1
Total	\$54,643	100%	\$ 52,866	100%	\$49,868	100%

(1) Average annual mortgage interest rate weighted by insurance in-force.

(2) Direct primary case reserves exclude loss adjustment expenses, incurred but not reported and reinsurance reserves.

(3) Loans with unknown FICO scores are included in the 660-679 category.

U.S. Life Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Adjusted Operating Income (Loss)—U.S. Life Insurance Segment
(amounts in millions)

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	\$ 703	\$ 714	\$1,417	\$ 717	\$ 711	\$ 712	\$ 718	\$2,858
Net investment income	763	716	1,479	765	726	692	695	2,878
Net investment gains (losses)	66	42	108	121	348	118	(70)	517
Policy fees and other income	145	148	293	157	152	142	144	595
Total revenues	1,677	1,620	3,297	1,760	1,937	1,664	1,487	6,848
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	1,129	1,155	2,284	1,050	1,221	1,213	1,297	4,781
Interest credited	87	90	177	91	95	97	100	383
Acquisition and operating expenses, net of deferrals	219	192	411	164	158	147	151	620
Amortization of deferred acquisition costs and intangibles	77	68	145	161	87	83	87	418
Interest expense	—	—	—	—	—	—	5	5
Total benefits and expenses	1,512	1,505	3,017	1,466	1,561	1,540	1,640	6,207
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	165	115	280	294	376	124	(153)	641
Provision (benefit) for income taxes	42	32	74	70	87	33	(27)	163
INCOME (LOSS) FROM CONTINUING OPERATIONS	123	83	206	224	289	91	(126)	478
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses, net ⁽¹⁾	(67)	(41)	(108)	(123)	(348)	(121)	67	(525)
Losses on early extinguishment of debt	—	—	—	—	—	—	4	4
Expenses related to restructuring	2	14	16	1	—	—	—	1
Taxes on adjustments	13	6	19	27	73	25	(15)	110
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 71</u>	<u>\$ 62</u>	<u>\$ 133</u>	<u>\$ 129</u>	<u>\$ 14</u>	<u>\$ (5)</u>	<u>\$ (70)</u>	<u>\$ 68</u>

⁽¹⁾ Net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves as reconciled below:

Net investment (gains) losses, gross	\$ (66)	\$ (42)	\$ (108)	\$ (121)	\$ (348)	\$ (118)	\$ 70	\$ (517)
Adjustment for DAC and other intangible amortization and certain benefit reserves	(1)	1	—	(2)	—	(3)	(3)	(8)
Net investment (gains) losses, net	<u>\$ (67)</u>	<u>\$ (41)</u>	<u>\$ (108)</u>	<u>\$ (123)</u>	<u>\$ (348)</u>	<u>\$ (121)</u>	<u>\$ 67</u>	<u>\$ (525)</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Adjusted Operating Income—U.S. Life Insurance Segment—Long-Term Care Insurance
(amounts in millions)

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$ 648	\$ 646	\$1,294	\$ 668	\$ 661	\$ 649	\$ 642	\$2,620
Net investment income	509	465	974	499	456	422	419	1,796
Net investment gains (losses)	67	27	94	118	347	129	(55)	539
Policy fees and other income	2	2	4	3	2	—	—	5
Total revenues	<u>1,226</u>	<u>1,140</u>	<u>2,366</u>	<u>1,288</u>	<u>1,466</u>	<u>1,200</u>	<u>1,006</u>	<u>4,960</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	822	829	1,651	863	901	876	928	3,568
Interest credited	—	—	—	—	—	—	—	—
Acquisition and operating expenses, net of deferrals	176	141	317	114	108	103	101	426
Amortization of deferred acquisition costs and intangibles	27	24	51	21	25	21	24	91
Interest expense	—	—	—	—	—	—	—	—
Total benefits and expenses	<u>1,025</u>	<u>994</u>	<u>2,019</u>	<u>998</u>	<u>1,034</u>	<u>1,000</u>	<u>1,053</u>	<u>4,085</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	201	146	347	290	432	200	(47)	875
Provision (benefit) for income taxes	50	38	88	69	99	49	(4)	213
INCOME (LOSS) FROM CONTINUING OPERATIONS	151	108	259	221	333	151	(43)	662
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses	(67)	(27)	(94)	(118)	(347)	(129)	55	(539)
Expenses related to restructuring	1	10	11	1	—	—	—	1
Taxes on adjustments	13	4	17	25	73	26	(11)	113
ADJUSTED OPERATING INCOME	<u>\$ 98</u>	<u>\$ 95</u>	<u>\$ 193</u>	<u>\$ 129</u>	<u>\$ 59</u>	<u>\$ 48</u>	<u>\$ 1</u>	<u>\$ 237</u>
RATIOS:								
Loss Ratio ⁽¹⁾	62%	62%	62%	65%	71%	69%	78%	71%
Gross Benefits Ratio ⁽²⁾	127%	128%	128%	129%	136%	135%	145%	136%

(1) The loss ratio was calculated by dividing benefits and other changes in policy reserves less tabular interest on reserves less loss adjustment expenses by net earned premiums.

(2) The gross benefits ratio was calculated by dividing benefits and other changes in policy reserves by net earned premiums.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Adjusted Operating Loss—U.S. Life Insurance Segment—Life Insurance
(amounts in millions)

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	\$ 55	\$ 68	\$ 123	\$ 49	\$ 50	\$ 63	\$ 76	\$ 238
Net investment income	126	125	251	131	131	127	130	519
Net investment gains (losses)	6	12	18	10	4	5	1	20
Policy fees and other income	142	143	285	151	148	140	141	580
Total revenues	<u>329</u>	<u>348</u>	<u>677</u>	<u>341</u>	<u>333</u>	<u>335</u>	<u>348</u>	<u>1,357</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	245	282	527	131	269	289	302	991
Interest credited	53	56	109	55	57	57	59	228
Acquisition and operating expenses, net of deferrals	34	40	74	38	39	34	39	150
Amortization of deferred acquisition costs and intangibles	43	41	84	133	52	53	44	282
Interest expense	—	—	—	—	—	—	5	5
Total benefits and expenses	<u>375</u>	<u>419</u>	<u>794</u>	<u>357</u>	<u>417</u>	<u>433</u>	<u>449</u>	<u>1,656</u>
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(46)	(71)	(117)	(16)	(84)	(98)	(101)	(299)
Benefit for income taxes	(10)	(15)	(25)	(3)	(18)	(21)	(22)	(64)
LOSS FROM CONTINUING OPERATIONS	(36)	(56)	(92)	(13)	(66)	(77)	(79)	(235)
ADJUSTMENTS TO LOSS FROM CONTINUING OPERATIONS:								
Net investment (gains) losses	(6)	(12)	(18)	(10)	(4)	(5)	(1)	(20)
Losses on early extinguishment of debt	—	—	—	—	—	—	4	4
Expenses related to restructuring	1	3	4	—	—	—	—	—
Taxes on adjustments	1	2	3	3	1	1	(1)	4
ADJUSTED OPERATING LOSS	<u>\$ (40)</u>	<u>\$ (63)</u>	<u>\$ (103)</u>	<u>\$ (20)</u>	<u>\$ (69)</u>	<u>\$ (81)</u>	<u>\$ (77)</u>	<u>\$ (247)</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Adjusted Operating Income—U.S. Life Insurance Segment—Fixed Annuities
(amounts in millions)

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Net investment income	128	126	254	135	139	143	146	563
Net investment gains (losses)	(7)	3	(4)	(7)	(3)	(16)	(16)	(42)
Policy fees and other income	1	3	4	3	2	2	3	10
Total revenues	<u>122</u>	<u>132</u>	<u>254</u>	<u>131</u>	<u>138</u>	<u>129</u>	<u>133</u>	<u>531</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	62	44	106	56	51	48	67	222
Interest credited	34	34	68	36	38	40	41	155
Acquisition and operating expenses, net of deferrals	9	11	20	12	11	10	11	44
Amortization of deferred acquisition costs and intangibles	7	3	10	7	10	9	19	45
Interest expense	—	—	—	—	—	—	—	—
Total benefits and expenses	<u>112</u>	<u>92</u>	<u>204</u>	<u>111</u>	<u>110</u>	<u>107</u>	<u>138</u>	<u>466</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	10	40	50	20	28	22	(5)	65
Provision (benefit) for income taxes	2	9	11	4	6	5	(1)	14
INCOME (LOSS) FROM CONTINUING OPERATIONS	8	31	39	16	22	17	(4)	51
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses, net ⁽¹⁾	6	(2)	4	5	3	13	13	34
Expenses related to restructuring	—	1	1	—	—	—	—	—
Taxes on adjustments	(1)	—	(1)	(1)	(1)	(2)	(3)	(7)
ADJUSTED OPERATING INCOME	<u>\$ 13</u>	<u>\$ 30</u>	<u>\$ 43</u>	<u>\$ 20</u>	<u>\$ 24</u>	<u>\$ 28</u>	<u>\$ 6</u>	<u>\$ 78</u>

(1) Net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves as reconciled below:

Net investment (gains) losses, gross	\$ 7	\$ (3)	\$ 4	\$ 7	\$ 3	\$ 16	\$ 16	\$ 42
Adjustment for DAC and other intangible amortization and certain benefit reserves	(1)	1	—	(2)	—	(3)	(3)	(8)
Net investment (gains) losses, net	<u>\$ 6</u>	<u>\$ (2)</u>	<u>\$ 4</u>	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 34</u>

Runoff Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Adjusted Operating Income (Loss)—Runoff Segment
(amounts in millions)

	2021			2020			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Net investment income	\$ 43	\$49	\$ 92	\$ 52	\$ 55	\$54	\$ 49	\$210
Net investment gains (losses)	10	(6)	4	30	15	4	(75)	(26)
Policy fees and other income	35	33	68	32	33	32	33	130
Total revenues	<u>88</u>	<u>76</u>	<u>164</u>	<u>114</u>	<u>103</u>	<u>90</u>	<u>7</u>	<u>314</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	2	8	10	17	7	4	20	48
Interest credited	40	41	81	41	42	42	41	166
Acquisition and operating expenses, net of deferrals	14	13	27	12	12	11	13	48
Amortization of deferred acquisition costs and intangibles	4	5	9	3	4	(1)	17	23
Total benefits and expenses	<u>60</u>	<u>67</u>	<u>127</u>	<u>73</u>	<u>65</u>	<u>56</u>	<u>91</u>	<u>285</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	28	9	37	41	38	34	(84)	29
Provision (benefit) for income taxes	6	1	7	8	8	6	(18)	4
INCOME (LOSS) FROM CONTINUING OPERATIONS	22	8	30	33	30	28	(66)	25
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:								
Net investment (gains) losses, net ⁽¹⁾	(9)	5	(4)	(25)	(14)	(5)	67	23
Taxes on adjustments	2	(1)	1	5	3	1	(14)	(5)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 15</u>	<u>\$12</u>	<u>\$ 27</u>	<u>\$ 13</u>	<u>\$ 19</u>	<u>\$24</u>	<u>\$(13)</u>	<u>\$ 43</u>

⁽¹⁾ Net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves as reconciled below:

Net investment (gains) losses, gross	\$ (10)	\$ 6	\$ (4)	\$ (30)	\$ (15)	\$ (4)	\$ 75	\$ 26
Adjustment for DAC and other intangible amortization and certain benefit reserves	1	(1)	—	5	1	(1)	(8)	(3)
Net investment (gains) losses, net	<u>\$ (9)</u>	<u>\$ 5</u>	<u>\$ (4)</u>	<u>\$ (25)</u>	<u>\$ (14)</u>	<u>\$ (5)</u>	<u>\$ 67</u>	<u>\$ 23</u>

Corporate and Other

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Adjusted Operating Loss—Corporate and Other^{(1),(2)}
(amounts in millions)

	2021			2020			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$ 1	\$ 2	\$ 3	\$ 2	\$ 1	\$ 2	\$ 2	\$ 7
Net investment income	3	1	4	(6)	5	2	5	6
Net investment gains (losses)	(4)	(2)	(6)	(3)	(10)	(28)	46	5
Policy fees and other income	—	—	—	—	(2)	(1)	1	(2)
Total revenues	—	1	1	(7)	(6)	(25)	54	16
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	—	—	—	1	—	2	1	4
Acquisition and operating expenses, net of deferrals	8	13	21	22	11	5	23	61
Amortization of deferred acquisition costs and intangibles	1	—	1	—	—	1	—	1
Interest expense	31	38	69	43	41	42	46	172
Total benefits and expenses	40	51	91	66	52	50	70	238
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(40)	(50)	(90)	(73)	(58)	(75)	(16)	(222)
Benefit for income taxes	(8)	(8)	(16)	(22)	(2)	(15)	—	(39)
LOSS FROM CONTINUING OPERATIONS	(32)	(42)	(74)	(51)	(56)	(60)	(16)	(183)
ADJUSTMENTS TO LOSS FROM CONTINUING OPERATIONS:								
Net investment (gains) losses	4	2	6	3	10	28	(46)	(5)
(Gains) losses on early extinguishment of debt	—	4	4	—	—	(3)	8	5
Expenses related to restructuring	1	7	8	—	—	1	1	2
Taxes on adjustments	—	(3)	(3)	(1)	(3)	(5)	8	(1)
ADJUSTED OPERATING LOSS	<u>\$ (27)</u>	<u>\$ (32)</u>	<u>\$ (59)</u>	<u>\$ (49)</u>	<u>\$ (49)</u>	<u>\$ (39)</u>	<u>\$ (45)</u>	<u>\$ (182)</u>

⁽¹⁾ Includes inter-segment eliminations and the results of other businesses that are managed outside the operating segments, including certain international mortgage insurance businesses.

⁽²⁾ Income (loss) from discontinued operations is considered part of Corporate and Other activities but is excluded from the above table. Income (loss) from discontinued operations on pages 8 and 9 herein include operating results of Genworth Australia that was sold on March 3, 2021 and amounts related to the company's former lifestyle protection insurance business that was sold on December 1, 2015. Operating results of Genworth Australia reported as discontinued operations were as follows:

	2021			2020			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$—	\$ 51	\$ 51	\$ 72	\$ 71	\$ 62	\$ 69	\$274
Net investment income	—	4	4	8	7	7	11	33
Net investment gains (losses)	—	(5)	(5)	29	24	66	(53)	66
Policy fees and other income	—	—	—	—	—	—	1	1
Total revenues	—	50	50	109	102	135	28	374
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	—	11	11	88	26	39	24	177
Acquisition and operating expenses, net of deferrals	—	7	7	14	14	13	12	53
Amortization of deferred acquisition costs and intangibles	—	6	6	8	7	6	8	29
Goodwill impairment	—	—	—	—	—	5	—	5
Interest expense	—	1	1	2	2	2	1	7
Total benefits and expenses	—	25	25	112	49	65	45	271
INCOME (LOSS) BEFORE INCOME TAXES AND LOSS ON SALE	—	25	25	(3)	53	70	(17)	103
Provision (benefit) for income taxes	—	8	8	2	20	23	(5)	40
INCOME (LOSS) BEFORE LOSS ON SALE	—	17	17	(5)	33	47	(12)	63
Loss on sale, net of taxes	—	(3)	(3)	—	—	—	—	—
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAXES	—	14	14	(5)	33	47	(12)	63
Less: net income (loss) from discontinued operations attributable to noncontrolling interests	—	8	8	(1)	18	23	(6)	34
INCOME (LOSS) FROM DISCONTINUED OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	<u>\$—</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ (4)</u>	<u>\$ 15</u>	<u>\$ 24</u>	<u>\$ (6)</u>	<u>\$ 29</u>

Additional Financial Data

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Investments Summary
(amounts in millions)

	June 30, 2021		March 31, 2021		December 31, 2020		September 30, 2020		June 30, 2020	
	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total
Composition of Investment Portfolio										
Fixed maturity securities:										
Investment grade:										
Public fixed maturity securities	\$34,610	47%	\$33,376	47%	\$35,678	46%	\$34,742	45%	\$34,868	46%
Private fixed maturity securities	13,722	18	13,402	18	13,734	18	13,522	17	13,148	17
Residential mortgage-backed securities ⁽¹⁾	1,683	2	1,766	2	1,900	2	2,042	3	2,151	3
Commercial mortgage-backed securities	2,714	4	2,770	4	2,955	4	2,957	4	2,952	4
Other asset-backed securities	2,500	3	2,806	4	3,076	4	3,028	4	2,708	4
State and political subdivisions	3,371	4	3,135	4	3,165	4	3,110	4	2,995	4
Non-investment grade fixed maturity securities	3,049	4	2,976	4	2,987	4	2,971	4	2,757	4
Equity securities:										
Common stocks and mutual funds	63	—	155	—	296	—	475	1	52	—
Preferred stocks	84	—	83	—	90	—	100	—	102	—
Commercial mortgage loans, net	6,879	9	6,755	9	6,743	9	6,880	9	6,917	9
Policy loans	2,083	3	1,976	3	1,978	3	2,153	3	2,182	3
Cash, cash equivalents, restricted cash and short-term investments	2,335	3	1,981	3	2,606	3	2,788	3	2,629	3
Securities lending	105	—	68	—	67	—	75	—	59	—
Other invested assets:	1,354	2	1,160	2	1,049	1	844	1	764	1
Derivatives:										
Interest rate swaps	280	—	84	—	468	1	708	1	939	1
Foreign currency swaps	2	—	—	—	1	—	10	—	17	—
Equity index options	47	—	53	—	63	—	67	—	66	—
Other foreign currency contracts	24	—	27	—	42	—	17	—	—	—
Other	327	1	350	—	364	1	402	1	411	1
Total invested assets and cash	\$75,232	100%	\$72,923	100%	\$77,262	100%	\$76,891	100%	\$75,717	100%
Public Fixed Maturity Securities—Credit Quality:										
NRSRO⁽²⁾ Designation										
AAA	\$ 8,505	20%	\$ 8,308	20%	\$ 9,252	21%	\$ 9,409	21%	\$10,292	24%
AA	3,872	9	3,500	8	3,699	8	3,661	8	3,613	8
A	11,158	26	10,986	26	11,784	26	11,852	27	11,751	27
BBB	18,208	41	17,581	42	18,327	41	17,275	40	16,583	38
BB	1,637	4	1,579	4	1,634	4	1,607	4	1,496	3
B	45	—	69	—	74	—	71	—	73	—
CCC and lower	6	—	6	—	6	—	42	—	24	—
Total public fixed maturity securities	\$43,431	100%	\$42,029	100%	\$44,776	100%	\$43,917	100%	\$43,832	100%
Private Fixed Maturity Securities—Credit Quality:										
NRSRO⁽²⁾ Designation										
AAA	\$ 862	5%	\$ 973	5%	\$ 1,103	6%	\$ 1,099	6%	\$ 1,027	6%
AA	1,850	10	1,882	10	2,020	11	2,010	11	1,957	11
A	5,183	28	5,188	29	5,482	29	5,377	29	5,179	29
BBB	8,962	49	8,837	49	8,841	47	8,718	47	8,420	47
BB	1,190	7	1,117	6	1,042	6	1,054	6	993	6
B	162	1	197	1	219	1	183	1	160	1
CCC and lower	9	—	8	—	12	—	14	—	11	—
Total private fixed maturity securities	\$18,218	100%	\$18,202	100%	\$18,719	100%	\$18,455	100%	\$17,747	100%

⁽¹⁾ The company does not have any material exposure to residential mortgage-backed securities collateralized debt obligations (CDOs).

⁽²⁾ Nationally Recognized Statistical Rating Organizations.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Fixed Maturity Securities Summary
(amounts in millions)

	June 30, 2021		March 31, 2021		December 31, 2020		September 30, 2020		June 30, 2020	
	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total
Fixed Maturity Securities—Security Sector:										
U.S. government, agencies and government-sponsored enterprises	\$ 4,484	7%	\$ 4,273	7%	\$ 4,805	8%	\$ 4,792	8%	\$ 5,602	9%
State and political subdivisions	3,371	6	3,135	5	3,165	5	3,110	5	2,995	5
Foreign government	802	1	820	1	854	1	747	1	689	1
U.S. corporate	35,289	57	34,107	57	35,857	56	35,004	56	34,184	55
Foreign corporate	10,744	18	10,485	17	10,811	17	10,595	17	10,201	17
Residential mortgage-backed securities	1,691	3	1,774	3	1,909	3	2,075	3	2,184	4
Commercial mortgage-backed securities	2,734	4	2,794	5	2,974	5	2,976	5	2,970	5
Other asset-backed securities	2,534	4	2,843	5	3,120	5	3,073	5	2,754	4
Total fixed maturity securities	\$61,649	100%	\$60,231	100%	\$63,495	100%	\$62,372	100%	\$61,579	100%
Corporate Bond Holdings—Industry Sector:										
Investment Grade:										
Finance and insurance	\$11,155	24%	\$10,807	25%	\$11,303	25%	\$10,723	24%	\$10,299	22%
Utilities	5,948	13	5,736	13	6,019	13	5,985	13	6,000	14
Energy	3,592	8	3,417	8	3,496	7	3,337	7	3,170	7
Consumer - non-cyclical	6,726	15	6,545	15	6,977	15	6,867	15	6,744	15
Consumer - cyclical	1,979	4	1,922	4	1,944	4	2,043	4	2,004	5
Capital goods	3,371	7	3,275	7	3,431	7	3,485	8	3,469	8
Industrial	2,344	5	2,299	5	2,390	5	2,273	5	2,205	5
Technology and communications	4,518	10	4,376	10	4,589	10	4,258	9	4,150	9
Transportation	1,924	4	1,877	4	2,053	4	2,135	5	2,120	5
Other	1,596	4	1,516	3	1,639	4	1,702	4	1,664	4
Subtotal	43,153	94	41,770	94	43,841	94	42,808	94	41,825	94
Non-Investment Grade:										
Finance and insurance	234	1	243	1	275	1	288	1	256	1
Utilities	88	—	94	—	97	—	95	—	97	—
Energy	759	1	712	1	767	2	738	2	673	2
Consumer - non-cyclical	243	1	243	1	233	—	219	—	217	—
Consumer - cyclical	368	1	389	1	374	1	347	1	295	1
Capital goods	141	—	152	—	136	—	152	—	130	—
Industrial	368	1	356	1	340	1	340	1	288	1
Technology and communications	520	1	488	1	463	1	451	1	434	1
Transportation	26	—	18	—	17	—	56	—	49	—
Other	133	—	127	—	125	—	105	—	121	—
Subtotal	2,880	6	2,822	6	2,827	6	2,791	6	2,560	6
Total	\$46,033	100%	\$44,592	100%	\$46,668	100%	\$45,599	100%	\$44,385	100%
Fixed Maturity Securities—Contractual Maturity Dates:										
Due in one year or less	\$ 1,291	2%	\$ 1,291	2%	\$ 1,305	2%	\$ 1,375	2%	\$ 1,406	2%
Due after one year through five years	9,030	15	8,926	15	9,185	14	8,998	15	8,809	14
Due after five years through ten years	15,158	25	14,904	24	14,759	23	14,548	23	14,182	23
Due after ten years	29,211	47	27,699	46	30,243	48	29,327	47	29,274	48
Subtotal	54,690	89	52,820	87	55,492	87	54,248	87	53,671	87
Mortgage and asset-backed securities	6,959	11	7,411	13	8,003	13	8,124	13	7,908	13
Total fixed maturity securities	\$61,649	100%	\$60,231	100%	\$63,495	100%	\$62,372	100%	\$61,579	100%

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

General Account U.S. GAAP Net Investment Income Yields
(amounts in millions)

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
U.S. GAAP Net Investment Income								
Fixed maturity securities - taxable	\$ 608	\$ 599	\$1,207	\$ 618	\$ 625	\$ 594	\$ 611	\$2,448
Fixed maturity securities - non-taxable	1	2	3	1	2	1	2	6
Equity securities	2	3	5	5	3	2	2	12
Commercial mortgage loans	103	78	181	94	82	84	85	345
Other invested assets	58	58	116	65	57	52	49	223
Limited partnerships	54	31	85	38	22	14	(2)	72
Policy loans	40	50	90	50	51	49	49	199
Cash, cash equivalents, restricted cash and short-term investments	—	—	—	—	1	4	10	15
Gross investment income before expenses and fees	866	821	1,687	871	843	800	806	3,320
Expenses and fees	(22)	(20)	(42)	(25)	(23)	(21)	(24)	(93)
Net investment income	<u>\$ 844</u>	<u>\$ 801</u>	<u>\$1,645</u>	<u>\$ 846</u>	<u>\$ 820</u>	<u>\$ 779</u>	<u>\$ 782</u>	<u>\$3,227</u>
Annualized Yields								
Fixed maturity securities - taxable	4.6%	4.5%	4.5%	4.6%	4.7%	4.5%	4.7%	4.7%
Fixed maturity securities - non-taxable	3.1%	6.3%	4.7%	3.1%	6.2%	2.6%	5.2%	4.3%
Equity securities	4.1%	3.8%	3.9%	4.2%	3.3%	5.3%	4.8%	4.2%
Commercial mortgage loans	6.0%	4.6%	5.3%	5.5%	4.8%	4.9%	4.9%	5.0%
Other invested assets ⁽¹⁾	68.6%	65.0%	67.1%	67.9%	56.2%	50.0%	48.2%	56.0%
Limited partnerships ⁽²⁾	17.2%	11.2%	14.3%	16.1%	10.9%	7.8%	(1.2)%	9.1%
Policy loans	7.9%	10.1%	8.9%	9.7%	9.4%	9.3%	9.5%	9.5%
Cash, cash equivalents, restricted cash and short-term investments	— %	— %	— %	— %	0.1%	0.6%	1.4%	0.5%
Gross investment income before expenses and fees	5.2%	5.0%	5.1%	5.2%	5.1%	4.9%	4.9%	5.0%
Expenses and fees	(0.1)%	(0.2)%	(0.1)%	(0.1)%	(0.2)%	(0.1)%	(0.1)%	(0.1)%
Net investment income	<u>5.1%</u>	<u>4.8%</u>	<u>5.0%</u>	<u>5.1%</u>	<u>4.9%</u>	<u>4.8%</u>	<u>4.8%</u>	<u>4.9%</u>

Yields are based on net investment income as reported under U.S. GAAP and are consistent with how the company measures its investment performance for management purposes. Yields are annualized, for interim periods, and are calculated as net investment income as a percentage of average quarterly asset carrying values except for fixed maturity securities, derivatives and derivative counterparty collateral, which exclude unrealized fair value adjustments and securities lending activity, which is included in other invested assets and is calculated net of the corresponding securities lending liability. See page 38 herein for average invested assets and cash used in the yield calculation.

- (1) Investment income for other invested assets includes amortization of terminated cash flow hedges, which have no corresponding book value within the yield calculation.
- (2) Limited partnership investments are primarily equity-based and do not have fixed returns by period.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Net Investment Gains (Losses), Net—Detail
(amounts in millions)

	2021			2020			Total
	2Q	1Q	Total	4Q	3Q	2Q	
Net realized gains (losses) on available-for-sale securities:							
Fixed maturity securities:							
U.S. corporate	\$ 2	\$ 4	\$ 6	\$ 7	\$ 2	\$ 2	\$ 2
U.S. government, agencies and government-sponsored enterprises	—	—	—	—	316	94	—
Foreign corporate	(2)	1	(1)	5	1	(1)	—
Foreign government	1	—	1	—	—	1	—
Tax exempt	—	—	—	1	—	—	—
Mortgage-backed securities	—	(1)	(1)	11	—	4	—
Asset-backed securities	—	—	—	(1)	—	(2)	—
Total net realized gains (losses) on available-for-sale securities	<u>1</u>	<u>4</u>	<u>5</u>	<u>23</u>	<u>319</u>	<u>98</u>	<u>2</u>
Net change in allowance for credit losses on available-for-sale fixed maturity securities	(4)	(2)	(6)	—	2	(7)	—
Write-down of available-for-sale fixed maturity securities	—	(1)	(1)	—	(4)	—	—
Net realized gains (losses) on equity securities sold	(2)	(5)	(7)	2	(3)	—	—
Net unrealized gains (losses) on equity securities still held	6	(8)	(2)	8	3	5	(12)
Limited partnerships	65	37	102	84	31	37	(40)
Commercial mortgage loans	(1)	(1)	(2)	—	(3)	1	—
Derivative instruments	4	8	12	26	9	(36)	(48)
Other	1	1	2	4	(3)	(5)	(1)
Net investment gains (losses), gross	<u>70</u>	<u>33</u>	<u>103</u>	<u>147</u>	<u>351</u>	<u>93</u>	<u>(99)</u>
Adjustment for DAC and other intangible amortization and certain benefit reserves	—	—	—	(3)	(1)	4	11
Net investment gains (losses), net	<u>\$ 70</u>	<u>\$ 33</u>	<u>\$ 103</u>	<u>\$ 144</u>	<u>\$ 350</u>	<u>\$ 97</u>	<u>\$ (88)</u>

Reconciliations of Non-GAAP Measures

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Reconciliation of Operating ROE
(amounts in millions)

Twelve Month Rolling Average ROE

U.S. GAAP Basis ROE

	Twelve months ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the twelve months ended ⁽¹⁾	\$ 1,112	\$ 431	\$ 178	\$ (106)	\$ (506)
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income ⁽²⁾	\$10,823	\$10,684	\$10,618	\$10,592	\$10,618
U.S. GAAP Basis ROE ^{(1)/(2)}	10.3%	4.0%	1.7%	(1.0)%	(4.8)%

Operating ROE

Adjusted operating income for the twelve months ended ⁽¹⁾	\$ 675	\$ 458	\$ 310	\$ 125	\$ 109
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income ⁽²⁾	\$10,823	\$10,684	\$10,618	\$10,592	\$10,618
Operating ROE ^{(1)/(2)}	6.2%	4.3%	2.9%	1.2%	1.0%

Quarterly Average ROE

U.S. GAAP Basis ROE

	Three months ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the period ended ⁽³⁾	\$ 240	\$ 187	\$ 267	\$ 418	\$ (441)
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income ⁽⁴⁾	\$11,207	\$10,988	\$10,754	\$10,406	\$10,415
Annualized U.S. GAAP Quarterly Basis ROE ^{(3)/(4)}	8.6%	6.8%	9.9%	16.1%	(16.9)%

Operating ROE

Adjusted operating income (loss) for the period ended ⁽³⁾	\$ 194	\$ 168	\$ 188	\$ 125	\$ (23)
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income ⁽⁴⁾	\$11,207	\$10,988	\$10,754	\$10,406	\$10,415
Annualized Operating Quarterly Basis ROE ^{(3)/(4)}	6.9%	6.1%	7.0%	4.8%	(0.9)%

Non-GAAP Definition for Operating ROE

The company references the non-GAAP financial measure entitled "operating return on equity" or "operating ROE." The company defines operating ROE as adjusted operating income (loss) divided by average ending Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income (loss) in average ending Genworth Financial, Inc.'s stockholders' equity. Management believes that analysis of operating ROE enhances understanding of the efficiency with which the company deploys its capital. However, operating ROE is not a substitute for net income (loss) available to Genworth Financial, Inc.'s common stockholders divided by average ending Genworth Financial, Inc.'s stockholders' equity determined in accordance with U.S. GAAP.

- (1) The twelve months ended information is derived by adding the four quarters of net income (loss) available to Genworth Financial, Inc.'s common stockholders and adjusted operating income (loss) from page 9 herein.
- (2) Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, is derived by averaging ending Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, for the most recent five quarters.
- (3) Net income (loss) available to Genworth Financial, Inc.'s common stockholders and adjusted operating income (loss) from page 9 herein.
- (4) Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income, is derived by averaging ending Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Reconciliation of Reported Yield to Core Yield

	2021			2020				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
(Assets - amounts in billions)								
Reported - Total Invested Assets and Cash	\$75.2	\$72.9	\$ 75.2	\$77.3	\$76.9	\$75.7	\$71.3	\$ 77.3
Subtract:								
Securities lending	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Unrealized gains (losses)	8.9	6.9	8.9	10.7	9.9	9.7	6.0	10.7
Adjusted end of period invested assets and cash	<u>\$66.2</u>	<u>\$65.9</u>	<u>\$ 66.2</u>	<u>\$66.5</u>	<u>\$66.9</u>	<u>\$65.9</u>	<u>\$65.2</u>	<u>\$ 66.5</u>
(A) Average Invested Assets and Cash Used in Reported and Core Yield Calculation	\$66.1	\$66.2	\$ 66.2	\$66.7	\$66.4	\$65.6	\$65.3	\$ 66.0
(Income - amounts in millions)								
(B) Reported - Net Investment Income	\$ 844	\$ 801	\$1,645	\$ 846	\$ 820	\$ 779	\$ 782	\$3,227
Subtract:								
Bond calls and commercial mortgage loan prepayments	39	15	54	40	23	8	16	87
Other non-core items ⁽¹⁾	3	2	5	6	6	2	7	21
(C) Core Net Investment Income	<u>\$ 802</u>	<u>\$ 784</u>	<u>\$1,586</u>	<u>\$ 800</u>	<u>\$ 791</u>	<u>\$ 769</u>	<u>\$ 759</u>	<u>\$3,119</u>
(B) / (A) Reported Yield	5.11%	4.84%	4.97%	5.07%	4.94%	4.75%	4.79%	4.89%
(C) / (A) Core Yield	4.85%	4.73%	4.79%	4.80%	4.76%	4.69%	4.65%	4.73%

Note: Yields have been annualized.

Non-GAAP Definition for Core Yield

The company references the non-GAAP financial measure entitled “core yield” as a measure of investment yield. The company defines core yield as the investment yield adjusted for items that do not reflect the underlying performance of the investment portfolio. Management believes that analysis of core yield enhances understanding of the investment yield of the company. However, core yield is not a substitute for investment yield determined in accordance with U.S. GAAP.

⁽¹⁾ Includes cost basis adjustments on structured securities and various other immaterial items.

Corporate Information

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021**

Financial Strength Ratings As Of August 2, 2021

<u>Company</u>	<u>Standard & Poor's Financial Services LLC (S&P)</u>	<u>Moody's Investors Service, Inc. (Moody's)</u>	<u>A.M. Best Company, Inc. (A.M. Best)</u>
Genworth Mortgage Insurance Corporation	BB+ (Marginal)	Baa3 (Adequate)	N/A
Genworth Life Insurance Company	N/A	N/A	C++ (Marginal)
Genworth Life and Annuity Insurance Company	N/A	N/A	B (Fair)
Genworth Life Insurance Company of New York	N/A	N/A	C++ (Marginal)

The ratings included herewith represent those solicited by the company and are not designed to be, and do not serve as, measures of protection or valuation offered to investors. These financial strength ratings should not be relied on with respect to making an investment in the company's securities.

S&P states that an insurer rated "BB" (Marginal) has marginal financial security characteristics. The "BB" range is the fifth-highest of nine financial strength rating ranges assigned by S&P, which range from "AAA" to "R." A plus (+) or minus (-) shows relative standing within a rating category. These suffixes are not added to ratings in the "AAA" category or to ratings below the "CCC" category. Accordingly, the "BB+" rating is the eleventh-highest of S&P's 21 ratings categories.

Moody's states that insurance companies rated "Baa" (Adequate) offer adequate financial security. The "Baa" (Adequate) range is the fourth-highest of nine financial strength rating ranges assigned by Moody's, which range from "Aaa" to "C." Numeric modifiers are used to refer to the ranking within the groups, with 1 being the highest and 3 being the lowest. These modifiers are not added to ratings in the "Aaa" category or to ratings below the "Caa" category. Accordingly, the "Baa3" rating is the tenth-highest of Moody's 21 ratings categories.

A.M. Best states that its "B" (Fair) rating is assigned to companies that have, in its opinion, a fair ability to meet their ongoing insurance obligations while "C++" (Marginal) is assigned to those companies that have, in its opinion, a marginal ability to meet their ongoing insurance obligations. The "B" (Fair) and "C++" (Marginal) ratings are the seventh- and ninth-highest of 15 ratings assigned by A.M. Best, which range from "A++" to "F."

The company also solicits a rating from HR Ratings on a local scale for Genworth Seguros de Credito a la Vivienda S.A. de C.V., its Mexican mortgage insurance subsidiary, with a short-term rating of "HR1" and long-term rating of "HR AA." For short-term ratings, HR Ratings states that "HR1" rated companies are viewed as exhibiting high capacity for timely payment of debt obligations in the short-term and maintain low credit risk. The "HR1" short-term rating category is the highest of six short-term rating categories, which range from "HR1" to "HR D." For long-term ratings, HR Ratings states that "HR AA" rated companies are viewed as having high credit quality and offer high safety for timely payment of debt obligations and maintain low credit risk under adverse economic scenarios. The "HR AA" long-term rating is the second-highest of HR Ratings' eight long-term rating categories, which range from "HR AAA" to "HR D."

S&P, Moody's, A.M. Best and HR Ratings review their ratings periodically and the company cannot assure you that it will maintain the current ratings in the future. These and other agencies may also rate the company or its insurance subsidiaries on a solicited or an unsolicited basis. The company does not provide information to agencies issuing unsolicited ratings and cannot ensure that any agencies that rate the company or its insurance subsidiaries on an unsolicited basis will continue to do so.