U.S. Mortgage Insurance Update

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President & CEO
U.S. Mortgage Insurance

September 25, 2008

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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.

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

This presentation should be used in conjunction with the accompanying audio or call transcript.
U.S. MI – Call Objectives

Market Context on Economic Trends

Factors Impacting Portfolio Performance

Portfolio Loss Performance Drivers

Capital Requirements Under Various Economic Scenarios

Our Focus On Managing Through This Period

Initial Thoughts On Legislative Changes
Economic Trends

National

- Unemployment: 6.1%
- Peak-to-Date (PTD) HPA: (10)%
- Forecasted Peak-to-Trough (PTT) HPA: (20)%

State Unemployment Rate as of Aug. ’08 per Bureau of Labor Statistics
HPA: NAR’s Existing Single-Family Home Prices
NAR HPA Baseline Forecast: Economy.com
Liquidity Trends

Reduced Refinancing Opportunities … Less Opportunity to Cure

Fewer Homebuyers Entering Market … Slower Depletion of Housing Inventory

Stricter Lender Underwriting … Impacting Originations

Spread Is 30 Year Fixed Rate Mortgage v 10 Year Treasury
Source: Spread MBA, Fed
Source: Mortgage Originations Inside Mortgage Finance
Primary Risk In Force

Flow

$36B

96%

Bulk

4%

What We Avoided

– Sub-Prime Bulk
– Second Liens

What We Did

– Flow Focused
– 93% Fixed Rate
– Underweighted California
– Low Alt-A ~4%

Alt-A Percentage Does Not Include Loans With Reduced Or Different Documentation That Met Specifications Of GSE Underwriting Systems With Historical And Expected Delinquency Rates Consistent With Standard Documentation Loans.
## Exposure & Severity Definitions

**Claim Payment** = Lesser of “Maximum Exposure” or “Loss on Property Sale”

(Unpaid Principal Balance + Claimable Expenses) x Coverage %

### Maximum Exposure

<table>
<thead>
<tr>
<th>Claimable Expenses</th>
<th>Mortgage Insurance Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued Interest (Typically 65% of Total Claimable)</td>
<td></td>
</tr>
<tr>
<td>Legal Fees</td>
<td>Loan to Value</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>100%</td>
</tr>
<tr>
<td>Hazard Insurance, etc</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td>90%</td>
</tr>
</tbody>
</table>

### Loss On Sale

Property Sale Proceeds
- Unpaid Principal Balance
- Claimable Expenses
- Sales Costs

Loss On Property Sale

### Severity

Claim Payment
Coverage Percent x Unpaid Principal Balance (MI Coverage Amount)
Flow & Bulk Coverage Comparison

**Flow**
- Originator / Investor
- Primary MI (25%)
- Borrower Equity (10%)
- 67% LTV

**Bulk**
- Originator / Investor
- Bulk MI (3%)
- Investor Deductible (1%)
- Borrower Equity or Primary MI (20 – 33%)
- 100% LTV

**Loan Level Coverage**
- 1st Loss Position After Borrower On Each Loan
- Exposure Capped By Coverage And Captive Reinsurance

**Pool Coverage**
- Bulk Covers After Equity, Any Primary MI, and Investor Deductible
- Exposure Capped By Stop Loss

The Charts Above Are Offered To Illustrate Typical Insurance Arrangements For The Flow And Bulk Business. In Practice, There Is Some Variation From These Examples. Captive Reinsurance Arrangements Apply To Approximately 60% Of Genworth’s Flow Risk In Force As Of Q2 2008.
Strong Relative Performance

Primary Delinquency Rates

Industry Represents MGIC, PMI, UGI, ORI and TRIAD Based on MICA Reports.
Flow Drivers - Geography

Magnified Impact In 4 States
Driven By Significant Home Price Declines & Product Concentration

- Sand States ~(25)% HPA
- Other States ~(6)% HPA
Flow Drivers - Products

$34.7B

A-Minus
Alt-A
100 LTV
Core

% of RIF
2Q'08 Change In Loss Reserves

Performance

A-Minus & Alt-A Weak
– Reduced Documentation
– Relaxed Lender Underwriting

100 LTV In Line With RIF

A-Minus
Alt-A
100 LTV
Core

6%
4%
20%
70%
10%
24%
18%
48%

4%
20%
70%

2Q'08 Change In Loss Reserves
Flow Drivers - Vintages

Flow 2005-2007 Books:
- Flat To Negative Home price Appreciation … Lower Refinancing Options Impacting Cure Rates
- Remaining Core: Sub Performance Primarily Driven By Sand States

Flow 2008 Book:
- ’07 Special Product Overhang
- Continued Geographic Weakness In The Sand States
- Substantial Collateral Improvement From New Guidelines
Delinquency Development

Loss Reserves Primarily Driven By New Delinquencies And Aging Of Delinquencies
Cures & Rescissions Impacting New Delinquency Build-up
Loan Workouts Impacting Claim Amount
### Geographic And Loan Balance Influence

#### Average Loan Balance

<table>
<thead>
<tr>
<th>Regions</th>
<th>2006</th>
<th>2007</th>
<th>1H2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast</td>
<td>143</td>
<td>155</td>
<td>159</td>
</tr>
<tr>
<td>South Central</td>
<td>133</td>
<td>147</td>
<td>152</td>
</tr>
<tr>
<td>Northeast</td>
<td>148</td>
<td>165</td>
<td>173</td>
</tr>
<tr>
<td>North Central</td>
<td>140</td>
<td>149</td>
<td>154</td>
</tr>
<tr>
<td>Pacific</td>
<td>216</td>
<td>268</td>
<td>273</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>118</td>
<td>122</td>
<td>124</td>
</tr>
<tr>
<td>Plains</td>
<td>111</td>
<td>121</td>
<td>126</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>171</td>
<td>199</td>
<td>207</td>
</tr>
<tr>
<td>New England</td>
<td>194</td>
<td>210</td>
<td>215</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>146</td>
<td>164</td>
<td>169</td>
</tr>
</tbody>
</table>

Based on Primary (Flow and Bulk) Insurance In Force

#### Average Claim Payments

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>1H2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28</td>
<td>35</td>
<td>43</td>
</tr>
</tbody>
</table>

($000’s)
Severity Profile

Factors Impacting Severity

Claim Factors
– Claimable Expense
– Lower Home Prices

Offsetting Factors
– Borrower Equity
– Total Home Price Appreciation
– Coverage Level

Regional Variation

Genworth Severity By Region

<table>
<thead>
<tr>
<th>Regions</th>
<th>2006</th>
<th>2007</th>
<th>2Q’08</th>
<th>% Flow RIF 2Q’08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast</td>
<td>92%</td>
<td>95%</td>
<td>102%</td>
<td>24%</td>
</tr>
<tr>
<td>South Central</td>
<td>88%</td>
<td>93%</td>
<td>98%</td>
<td>17%</td>
</tr>
<tr>
<td>Northeast</td>
<td>104%</td>
<td>100%</td>
<td>107%</td>
<td>13%</td>
</tr>
<tr>
<td>North Central</td>
<td>96%</td>
<td>98%</td>
<td>101%</td>
<td>12%</td>
</tr>
<tr>
<td>Pacific</td>
<td>75%</td>
<td>89%</td>
<td>102%</td>
<td>11%</td>
</tr>
<tr>
<td>Great Lakes</td>
<td>107%</td>
<td>109%</td>
<td>110%</td>
<td>8%</td>
</tr>
<tr>
<td>Plains</td>
<td>93%</td>
<td>96%</td>
<td>100%</td>
<td>6%</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>88%</td>
<td>93%</td>
<td>101%</td>
<td>5%</td>
</tr>
<tr>
<td>New England</td>
<td>90%</td>
<td>91%</td>
<td>97%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Flow Portfolio

Severity 96% 99% 103% 100%

Severity Based on Simple Average of Claim Payment Experience.
Captive Reinsurance Protects Downside

40% Cede Excess Loss Example

- **Premiums**
  - Lender: 40%
  - GNW: 60%

- **Losses**
  - 1st Loss (0-4 Claims Layer)
  - Remaining Losses
  - 2nd Loss (4-14 Claims Layer)

Captives Absorb More Losses

- Quarterly Captive Benefit ($MM)
- 2007 Book: 110
- 2006 Book: 19
- 2005 Book: 1

~ 2/3 Of Genworth Captives
60% Flow Book With Captives

“Book Year” Basis By Lender

- Funding Adequacy
- Captive Loss Tier Exposure

$948MM In Captive Trusts

See Appendix Page 27 For Additional Detail.
Trust Balances Impacted By Future Premiums Received, Payment Of Claims And Dividends.
Captive Reinsurance Trust Set Up For Each Lender; Each Trust Balance Secures That Lender’s Risk Only.
# Influences On Capital & Loss Scenarios

<table>
<thead>
<tr>
<th>Traditional Indicators</th>
<th>Historic</th>
<th>New Mkt. Dynamics</th>
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<tbody>
<tr>
<td>Unemployment Rates</td>
<td>Correlated With Delinquencies</td>
<td>Recession Pressure</td>
</tr>
<tr>
<td>Home Price Appreciation</td>
<td>Correlated With Claims</td>
<td>Liquidity</td>
</tr>
</tbody>
</table>

- **Risk To Capital**
  - Statutory Levels 25:1
  - Rating Agencies Differentiate View Based On Risk Profile
## Capital Scenarios

($B$)

### Capital
- **December '09**
  - $2.2$ million

### AA Capital Estimate
- **Risk To Cap.**
  - 15-17:1
  - 17-18:1
  - 18-19:1
- **Add’l Cap. Projects**
  - $250MM
  - $300MM
  - $400MM

### Assumptions
<table>
<thead>
<tr>
<th></th>
<th>Base</th>
<th>Stress</th>
<th>Severe</th>
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</thead>
<tbody>
<tr>
<td>HPA(^1) (Peak To Trough)</td>
<td>20% Decline, Q2 ‘09</td>
<td>29% Decline, Q4 ‘09</td>
<td>33% Decline, Q3 ‘10</td>
</tr>
<tr>
<td>Unemployment(^1)</td>
<td>Peaks in ’09 at 6.5%</td>
<td>Peaks In Q4 ‘09 – Q1 ’10 at 8.3%</td>
<td>Peaks at 9.8% In Q2 ‘10</td>
</tr>
<tr>
<td>Market Liquidity</td>
<td>Returns in 3Q ’09</td>
<td>Returns in Q1 ’10</td>
<td>Returns in Q4 ’10</td>
</tr>
</tbody>
</table>

\(^1\) Source: Economy.com
Performance Management

Proactive Portfolio Monitoring & Actions To Carve Out Sub-Performing Buckets

Rigorous Back-Testing Of Product And Geographic Changes

Forward Looking Declining Market Policy Based On Expected Home Price Declines And Market Conditions
Product Actions Taking Effect

Product Exits/Guidelines Moves

Alt-A
A-Minus
95%+ LTV
Interest Only

Price Increase

20%+ Price Increase In Gross Average Rate
Average Captive Cede Decreasing
Increases Net Premium By 30%

Flow New Insurance Written Product Mix

<table>
<thead>
<tr>
<th></th>
<th>Core 100</th>
<th>Alt A</th>
<th>A-Minus</th>
<th>Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>25%</td>
<td>59%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>1Q'08</td>
<td>13%</td>
<td>82%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>2Q'08</td>
<td>7%</td>
<td>92%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q'08E</td>
<td>2%</td>
<td>98%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q'08E</td>
<td>1%</td>
<td>99%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009E</td>
<td>1%</td>
<td>99%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Address Geographic Risk Trends

Geographic Trends

Peak-to-Date Decline In The Sand States of 25.1%
146 MSAs Identified Under Policy …
57 In The Sand States, 89 In 25 Other States

Ineligible in Declining Markets

LTV > 90%
FICO < 720 In The Sand States
FICO < 680 In Other Declining States
Cash Out Refinance

Total U.S.
371 MSAs

California
26 MSAs
Florida
22 MSAs
Active Portfolio Management

Mitigation Savings

Addressing Loss Development

- Tripled Dedicated Resources
- Expanded Fraud Targeting on High Risk Channels & Portfolio Segments
- Optimizing Loss Mitigation Workflow By Risk Type
- Accelerating Servicer/Realtor Driven Workouts Via Expert Training Programs

![Graph showing Mitigation Savings and Loss Development](image)
Creating Capital Flexibility

**Claims Paying Resources**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (B$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Contingency Reserves</td>
<td>2.1</td>
</tr>
<tr>
<td>Statutory Surplus</td>
<td>0.4</td>
</tr>
<tr>
<td>Captive Trusts</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3.4</strong></td>
</tr>
</tbody>
</table>

**In Force Capital Management**

- Shift High Capital Charge Assets
- International Reinsurance Changes

**Funding New Business Growth**

- Reinsurance

**Other Opportunities**

- Venture Structures
## Impact Of Legislative Changes

### GSE Reform
- New Regulator With Strong Oversight
- Strong Product/Programs Approval
- Increased Loan Limits

### FHA Rescue / Modernization
- FHA Insures Refis … Lender Write-Downs
- Workouts of Delinquent MI Loans
- Increased Loan Limits
- One-Year Moratorium on Risk Based Pricing

<table>
<thead>
<tr>
<th>MI Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
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<tr>
<td>+</td>
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<tr>
<td>+</td>
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<tr>
<td>–</td>
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<tr>
<td>+</td>
</tr>
</tbody>
</table>
Emerging Legislation

GSE Conservatorship

- Guarantee Business the Priority
- Secured Lending Credit Facility
- Treasury Program to Buy GSE MBS

Troubled Asset Relief Program

- Mortgage Market Restoration/Liquidity

MI Impact

- +
- +
- +

+
Positioning The Industry For The Future


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

**Lenders**
- Loosened Underwriting
- Grew Alternative Products

**Investors**
- MBS Pricing Not Reflecting Risk

Business Model Shift

- 99% Core Product
- 20%+ Core Flow Price Increase
- 25% XOL Max on Captives
- Underwriting & Regulatory Improvements
- Broaden Consumer Proposition

15 - 20% ROE Target

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Appendix
## Captive Reinsurance - Disclosure

### Aggregate Book Year Analysis Provided to Illustrate Directional Progression Toward Captive Attachment

| Book Year ² | Original Book RIF ($B) | Progression to Attachment Point | June 30, 2008 | | | March 31, 2008 | | | December 31, 2007 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Current RIF ($B) | Ever to Date Incurred Losses ($MM) | Captive Benefit ($MM) | Current RIF ($B) | Ever to Date Incurred Losses ($MM) | Captive Benefit ($MM) | Current RIF ($B) | Ever to Date Incurred Losses ($MM) | Captive Benefit ($MM) |
| 2005 | 0-50% | $0.4 | $10 | $0.5 | $10 | $0.8 | $16 | |
| 2005 | 50-75% | 0.4 | 22 | 1.6 | 72 | 1.5 | 56 | |
| 2005 | 75-99% | 1.1 | 72 | 0.2 | 11 | 0.4 | 15 | |
| 2005 Attached | | 0.6 | 44 | 0.3 | 20 | - | 2 | |
| 2005 Total | $4.4 | | | | | | | | | | |
| 2006 | 0-50% | $0.2 | $2 | $0.5 | $11 | $0.7 | $10 | | | | |
| 2006 | 50-75% | 0.4 | 17 | 0.3 | 8 | 1.8 | 55 | | | |
| 2006 | 75-99% | 0.4 | 26 | 0.5 | 23 | 0.8 | 31 | | | |
| 2006 Attached | | 2.1 | 185 | 2.0 | 113 | 0.1 | 5 | | | |
| 2006 Total | $4.2 | | | | | | | | | | |
| 2007 | 0-50% | $1.0 | $17 | $4.3 | $77 | $6.9 | $56 | | | |
| 2007 | 50-75% | 1.0 | 33 | 1.0 | 23 | - | - | | | |
| 2007 | 75-99% | 2.2 | 77 | 0.8 | 25 | - | - | | | |
| 2007 Attached | | 2.2 | 128 | 0.5 | 22 | - | - | | | |
| 2007 Total | $6.9 | | | | | | | | | | |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>$6.4</th>
<th>$255</th>
<th>43</th>
<th>$6.6</th>
<th>$147</th>
<th>1</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

| Captive Benefit In Quarter ($MM) | | | $110 | $19 | $1 | |

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

² Book year figures may include loans from additional periods pursuant to reinsurance agreement terms and conditions.
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- **Risks relating to our businesses**, including interest rate fluctuations, downturns and volatility in equity and credit markets, downgrades in our financial strength and credit ratings, insufficiency of reserves, legal constraints on dividend distributions by subsidiaries, intense competition, availability and adequacy of reinsurance, defaults by counterparties, legal or regulatory investigations or actions, political or economic instability affecting outsourcing arrangements, regulatory restrictions on our operations and changes in applicable laws and regulations, the failure or any compromise of the security of our computer systems, and the occurrence of natural or man-made disasters or a disease pandemic;

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

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

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