# Fourth Quarter 2015

Earnings Summary

February 5, 2016

Genworth

# Cautionary Note Regarding Forward-Looking Statements

This presentation contains certain “forward-looking statements” within the meaning of the United States 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 future business and financial performance of Genworth Financial, Inc. (Genworth) and its consolidated subsidiaries. Forward-looking statements are based on management’s current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks, including those discussed at the end of this presentation, as well as in the risk factors section of Genworth’s Annual Report on Form 10-K, filed with the United States Securities and Exchange Commission (SEC) on March 2, 2015 and as updated in Genworth’s Form 10-Qs filed with the SEC on April 29, 2015, August 5, 2015 and October 30, 2015. Genworth undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

## Assumptions

This presentation discusses assumptions related to Genworth’s long term care insurance, life insurance and annuities businesses. Genworth calculates and maintains reserves for the estimated future payment of claims to its policyholders and contractholders in accordance with applicable accounting and regulatory requirements. Long term care insurance, life insurance and annuities reserves are based on assumptions which extend for many years into the future about expenses, premium persistency, mortality, morbidity, lapse rates, future yield on related investments and other assumptions. Many factors can affect these reserves, including, but not limited to, interest rates, policyholder behavior, economic and social conditions, mortality and morbidity trends, inflation, healthcare experience, future premium rate increases, changes in doctrines of legal liability and damage awards in litigation. Therefore, the reserves Genworth establishes are necessarily based on estimates, assumptions and its analysis of historical experience and inherently uncertain predictions about the future. Genworth’s results depend significantly upon the extent to which its actual experience (including with respect to future premium increases) is consistent with the assumptions it used in determining its reserves and pricing its products. Genworth’s reserve assumptions and estimates require significant judgment and, therefore, are inherently uncertain. Genworth cannot determine with precision the ultimate amounts that it will pay for actual benefits or the timing of those payments. In addition, where circumstances warrant, Genworth changes its actuarial assumptions based on its monitoring of actual experience. Genworth also bases its reserves on complex calculations run through various models. Refinements to those models also can impact reserve levels. For additional information about Genworth’s assumptions, refer to the Critical Accounting Estimates sub-section of the Management’s Discussion and Analysis of Financial Condition and Results of Operations section of Genworth’s Annual Report on Form 10-K, filed with the SEC on March 2, 2015.

## Non-GAAP[1] And Other Items

All financial data is as of December 31, 2015 unless otherwise noted. For additional information, please see Genworth’s fourth quarter of 2015 earnings release and financial supplement posted at genworth.com.

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

Unless otherwise noted, all references in this presentation to net loss should be read as net loss available to Genworth’s common stockholders.

Portions of this presentation should be used in conjunction with the accompanying audio or call transcript.

[1]U.S. Generally Accepted Accounting Principles

# Strategy & Priorities

## Strategy

**Maximize Our Mortgage Insurance (MI) Opportunities & Restructure U.S. Life Insurance To Rebuild Shareholder Value**

### 2015 Steps Taken

**Achieved PMIERs[1] Compliance**

**Completed Lifestyle Protection Insurance Sale**

**Announced Life Block Sale (Completed In January 2016)**

**Announced Sale Of Mortgage Insurance Europe**

### 2016-2018 Plan

**Mortgage Insurance Opportunities**

- Grow U.S. MI
- Optimize & Grow Canada MI
- Optimize Australia MI

**U.S. Life Insurance Restructuring Plan**

- Suspend Sales Of Traditional Life & Fixed Annuity Products In 1Q16
- Further Reduce Expense Base By ~$50MM
- Repatriate All Business From Bermuda In 2016
- Separate & Isolate Long Term Care (LTC) Business

[1]Private Mortgage Insurer Eligibility Requirements

# Key Themes For The 4th Quarter

## Financial Performance

~$2.5 To $3.0 Billion GAAP LTC Margins

$194 Million Of Universal Life Charges[1] Reflecting Updates To Persistency, Long Term Interest Rates & Mortality Assumptions; In Addition To Other Refinements

Continued Solid MI Loss Performance & Capital Ratios

## Strategic Progress

Achieved PMIERs Compliance

On Target To Achieve Annualized Cash Expense Savings Of $100 Million Or More By Mid 2016; Actions Taken In 2015 Expected To Reduce Annual Run Rate By $90 To $100 Million

Completed Lifestyle Protection Insurance Sale With $321 Million Of Proceeds Used To Pay Off 2016 Debt In January

[1]Includes Both Universal & Term Universal Life Insurance

# 4Q15 Results Summary – Genworth Consolidated

## Net Operating Income (Loss)[1] ($MM)


**U.S. MI: $41**

Continued Solid Loss Ratio Performance

PMIERs Compliant

**Canada MI: $37**

Continued Solid Loss Ratio Performance

Unfavorable FX[2] Versus Prior Year Of $8MM

**Australia MI: $22**

Continued Solid Loss Ratio Performance

Unfavorable FX Of $6MM & Unfavorable $9MM Impact Versus Prior Year From May 2015 Sell Down To 52%

**Runoff: $11**

Favorable Impact From Equity Markets

**U.S. Life Insurance: $(135)**

$194MM Unfavorable Impact From Universal Life (UL) Assumption/Model Updates

**Corporate And Other: $(58)**

Less Favorable Taxes Versus Prior Quarter & Prior Year

[1]Non-GAAP Measure See Appendix For Additional Information [2]Foreign Exchange [3]Represents Business Written By Genworth In 1995 Or Later



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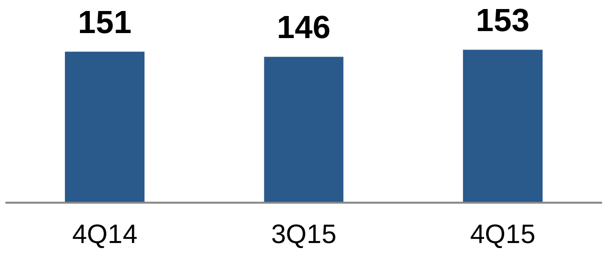
# U.S. Mortgage Insurance

## Premiums

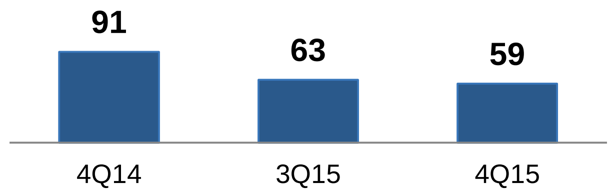
($MM)




| | | | |
|---|---|---|---|
| Flow NIW[1] | 6,900 | 9,300 | 7,800 |

## Benefits/Changes In Policy Reserves

($MM)




| | | | |
|---|---|---|---|
| Loss Ratio | 61% | 43% | 39% |
| Primary Delqs (#) | 39,786 | 32,989 | 31,663 |
| Primary New Delqs (#) | 10,826 | 10,192 | 10,043 |
| Primary Paid Claims (#) | 3,157 | 1,918 | 2,534 |
| Primary Cures (#) | 9,030 | 8,484 | 8,835 |
| % Of RIF[2] 2009+ | 56% | 64% | 67% |

Premiums Increased Sequentially From Cancellations In The Prior Period & Continued Growth In Insurance In Force

Decrease In NIW[1] Sequentially From Seasonally Smaller Purchase Originations

New Flow Delinquencies Down Slightly Sequentially & Down 7% Versus The Prior Year

New Books Continue To Grow & Perform Better Than Pricing

Full Year 2015 Loss Ratio Of 37% Vs. Expectation Of 40-50%

[1]New Insurance Written
[2]Risk In Force



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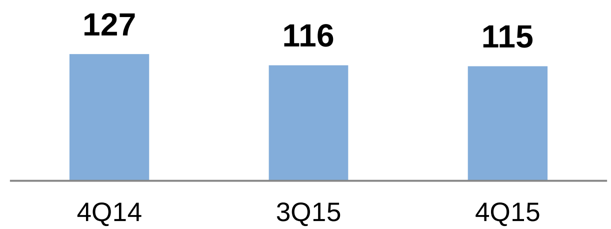
# Canada Mortgage Insurance

## Premiums

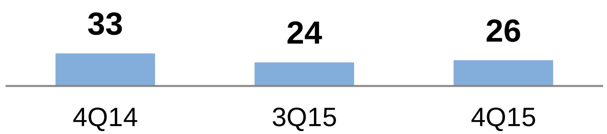
($MM)




| | | | |
|---|---|---|---|
| Flow NIW | 5,500 | 6,600 | 4,700 |
| Bulk NIW | 2,300 | 4,800 | 7,300 |

## Benefits/Changes In Policy Reserves

($MM)




| | | | |
|---|---|---|---|
| Loss Ratio | 26% | 21% | 23% |
| Total Delqs (#) | 1,756 | 1,715 | 1,829 |

Unfavorable $4MM Impact From Foreign Exchange Versus Prior Quarter & Unfavorable $21MM Versus Prior Year

Flow NIW Decreased Sequentially From A Seasonally Smaller Originations Market

Bulk NIW Up From Strong Lender Demand

Total Delinquencies Up 114 Sequentially (Or Up 7%), Including Delinquencies In Alberta Up 46 Sequentially

Loss Ratio Up Sequentially Primarily From A Seasonal Increase In New Delinquencies, Net Of Cures

Full Year 2015 Loss Ratio Of 21% Vs. Expectation Of 20-30%



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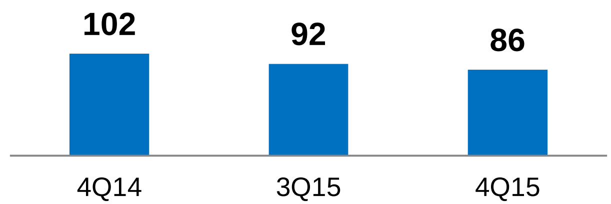
# Australia Mortgage Insurance

## Premiums

($MM)




| | | | |
|---|---|---|---|
| Flow NIW | 8,000 | 6,300 | 4,600 |
| Bulk NIW | 100 | - | - |

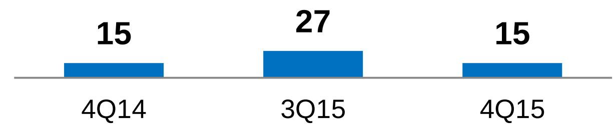
Unfavorable $4MM Impact From Foreign Exchange Versus Prior Quarter & Unfavorable $21MM Versus Prior Year

3Q15 Included $8MM Increase In Premiums Related To Actuarial Update

NIW Down Primarily From Smaller Originations Market Driven By Tighter Underwriting Standards

## Benefits/Changes In Policy Reserves

($MM)




| | | | |
|---|---|---|---|
| Loss Ratio | 15% | 29% | 17% |
| Total Delqs (#) | 4,953 | 5,804 | 5,552 |
| New Delqs (#) | 2,357 | 2,782 | 2,401 |
| Paid Claims (#) | 314 | 325 | 291 |
| Cures (#) | 2,390 | 2,553 | 2,362 |

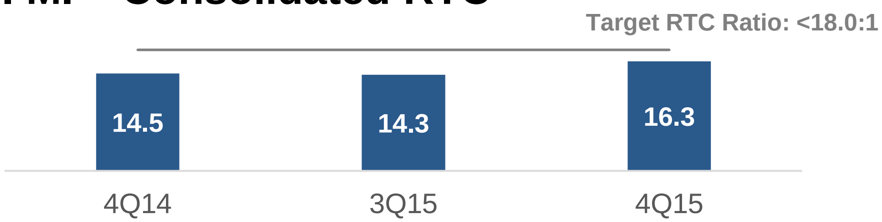
Seasonally Lower New Delinquencies & Lower Cures In The Current Quarter

Actuarial Update To Both Premiums In 3Q15 ($8MM Increase) & Loss Reserves ($9MM Increase) Unfavorably Impacted Loss Ratio By 7 Pts In 3Q15

Full Year 2015 Loss Ratio Of 23% Vs. Expectation Of 25-30%

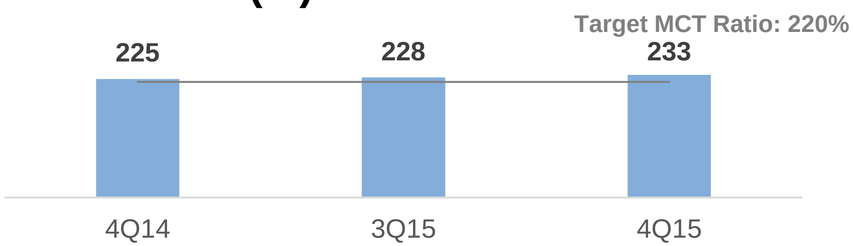
# MI Businesses -- Capital Adequacy[1]

## U.S. MI – Consolidated RTC[2]



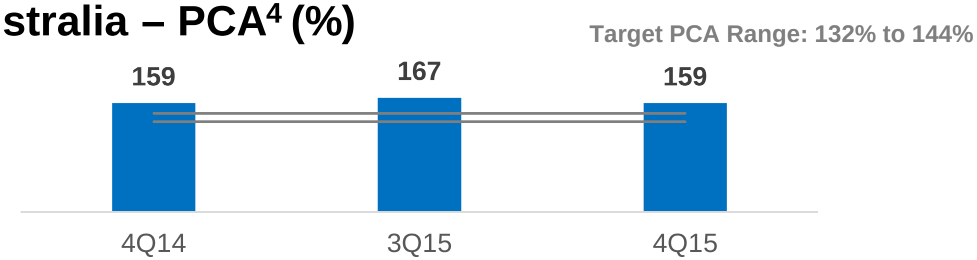

**Sequential Increase Driven By Elimination Of Intercompany Surplus Notes Which Reduced Statutory Affiliate Asset Concentration To 15% Of Total Statutory Assets In 4Q15**

## Canada – MCT[3] (%)




**Increase Primarily From Positive Statutory Income**

## Australia – PCA[4] (%)




**Decrease Driven By AUD$150MM Share Buyback Completed In December Partially Offset By Lower New Business Volumes, Net Of Lapses**

[1]Company Estimate For 4Q15, Due To Timing Of The Filing Of Statutory Statements; [2]Risk-To-Capital; [3]Minimum Capital Test; [4]Prescribed Capital Amount



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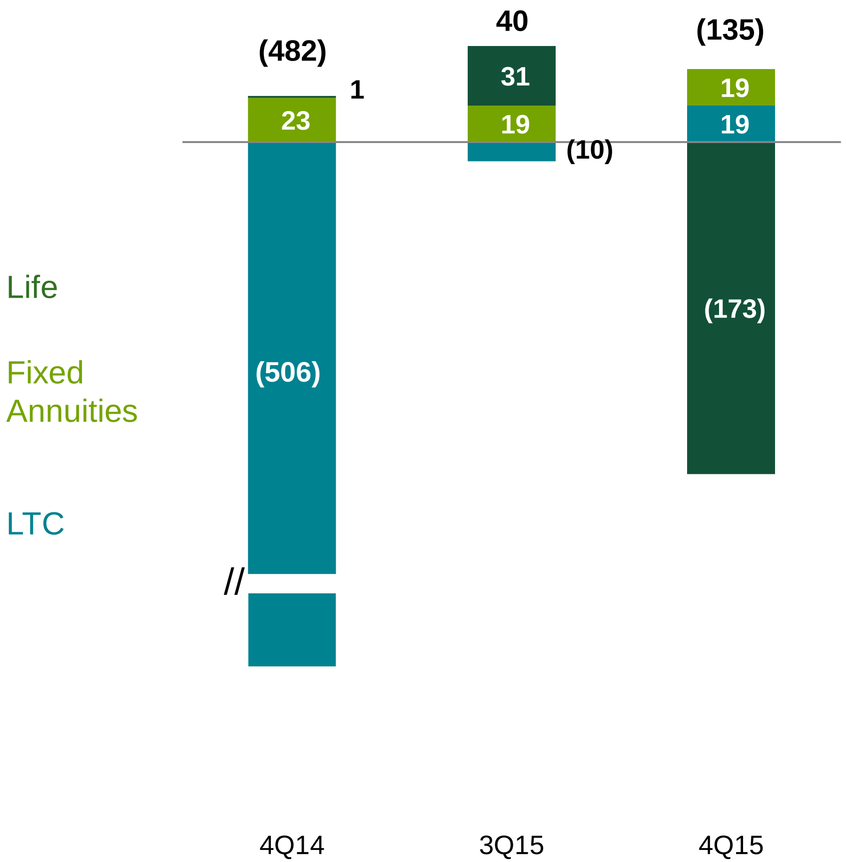
# 4Q15 Summary -- U.S. Life Insurance

## Net Operating Income (Loss)

($MM)




## Highlights

### LTC

- Unfavorable Terminations On Existing Claims Versus The Prior Quarter; Favorable Versus The Prior Year
- Higher New Claim Count & Unfavorable New Claim Severity Versus Prior Year
- Less Favorable Reserve Experience From Policies Not On Claim Related To Acquired Block
- $10MM Net Favorable Items In Current Quarter, $21MM Net Unfavorable Items In Prior Quarter & $494MM Of Unfavorable Items In Prior Year

### Life Insurance

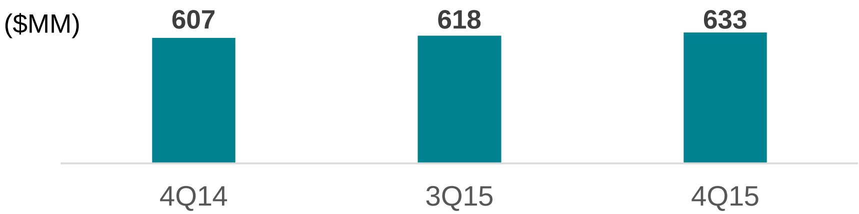
- $194MM Unfavorable Impact From UL Assumption Update
- $32MM Unfavorable Item In Prior Year

### Fixed Annuities

- Unfavorable Impact From Mortality & Lower Bond Calls Versus Prior Year

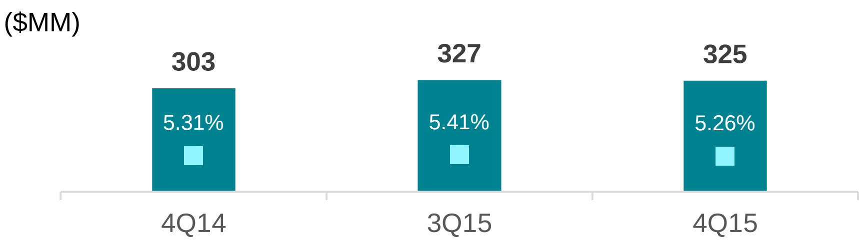
# Long Term Care Insurance

## Premiums



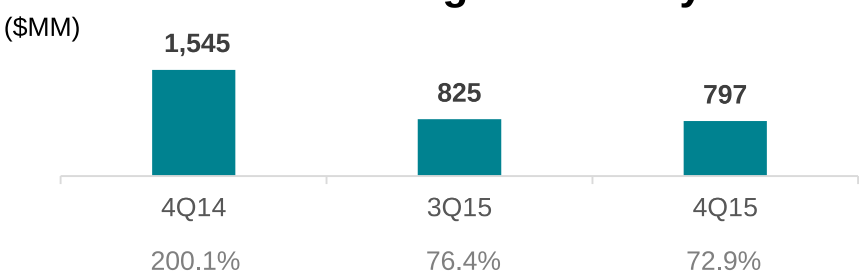

**$238MM Full Year Estimated Pre-Tax Benefit From In Force Premium Rate Actions Implemented To Date[1]**

## Net Investment Income & Yield




**Results Reflect Low Interest Rate Environment & Variability In Prepayment Speeds, Limited Partnership Performance & Bond Call Income**

## Benefits & Other Changes In Policy Reserves & Loss Ratio (%)




**$175MM Full Year Estimated Pre-Tax Benefit From In Force Premium Rate Actions Implemented To Date[1]**

**$15MM Pre-Tax Favorable Items (4Q15); $20MM Pre-Tax Unfavorable Items (3Q15); $753MM Pre-Tax Unfavorable Items (4Q14)**

[1]$393MM Full Year Pre-Tax (Or $255MM Full Year After-Tax) Impact From Rate Actions Includes $(20)MM Impact From Commissions, Premium Tax & Other Adjustments



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# LTC In Force Premium Rate Increase

## 2015 Rate Action Progress ($MM)

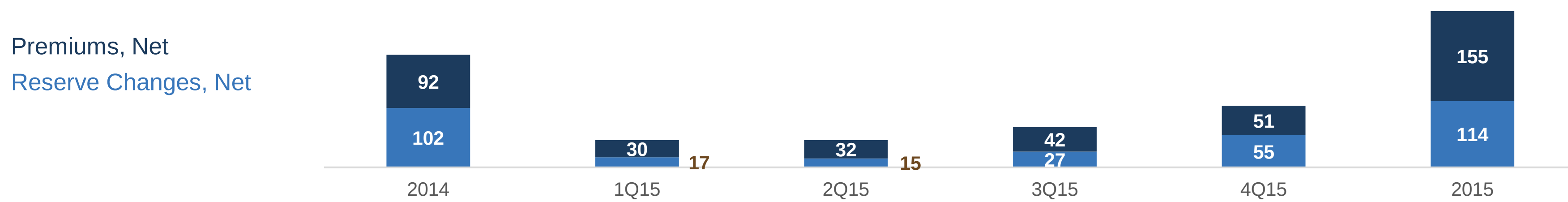
| Approved Filings | 1Q15 Actual | 2Q15 Actual | 3Q15 Actual | 4Q15 Actual | Comments |
|---|---|---|---|---|---|
| State Filings Approved[1] | 11 | 10 | 5 | 9 | Approvals Tracking To In Force Rate Actions Assumed In 2014 Margin Testing |
| Impacted In Force Premium | $172MM | $336MM | $9MM | $222MM | |
| Weighted Average % Rate Increase Approved On Impacted In Force Premium | 19% | 37% | 29% | 25% | |

| 2015 Filings Submitted | 1Q15 Actual | 2Q15 Actual | 3Q15 Actual | 4Q15 Actual | Comments |
|---|---|---|---|---|---|
| State Filings Submitted | 2 | 16 | 5 | 56 | Filings In Line With Expectations In 2014 Margin Testing |
| In Force Premium Submitted | $29MM | $111MM | $74MM | $332MM | |

[1]Includes Multiple Product Filings In An Individual State

## Estimated Impact To Net Operating Income From Rate Actions & Key Drivers[2]

| | 2014 | 1Q15 | 2Q15 | 3Q15 | 4Q15 | 2015 |
|---|---|---|---|---|---|---|
| **Estimated Net Operating Income From Rate Actions[3]** | **186** | 44 | 45 | 64 | 102 | **255** |




[2]Includes All Implemented Rate Actions Since 2012. Earned Premium & Reserve Change Estimates Reflect Certain Simplifying Assumptions That May Vary Materially From Actual Historical Results, Including But Not Limited To, A Uniform Rate Of Co-Insurance & Premium Taxes In Addition To Consistent Policyholder Behavior Over Time. Actual Behavior May Differ Significantly From These Assumptions; [3]Estimated Net Operating Income From Rate Actions Includes Estimates For Commissions & Premium Tax, Net Of Tax Of $(8)MM, $(3)M, $(2)MM, $(5)MM, $(4)MM and $(14)MM, Respectively

# LTC: Margin Testing

## GAAP & Statutory Margin Testing

| Margin | Testing Results |
|---|---|
| PGAAP | Slightly Positive Margin; No Unlocking Of Reserves |
| HGAAP | Margin At Levels Above Prior Year (~$2.5-$3.0B) |
| Statutory (In Process) | Non-NY: Anticipate Positive Margin<br>NY: Discussions Ongoing With Regulator |

## Key Assumption Updates

Claim Frequency: Increased Incidence Assumptions Modestly

Mortality Rates: Lowered Mortality Assumptions On PCS II And Later Products For Policyholders Not Yet On Claim

Premium Rate Increases: Reflected Updated Claim Frequency & Mortality Rate Assumptions; Additional Filings In States With Expected Partial Approvals; Modest Increase In Planned Rate Filing On One Block; Refined Modeling

Reinsurance: Increased Morbidity Assumptions For Assumed Business



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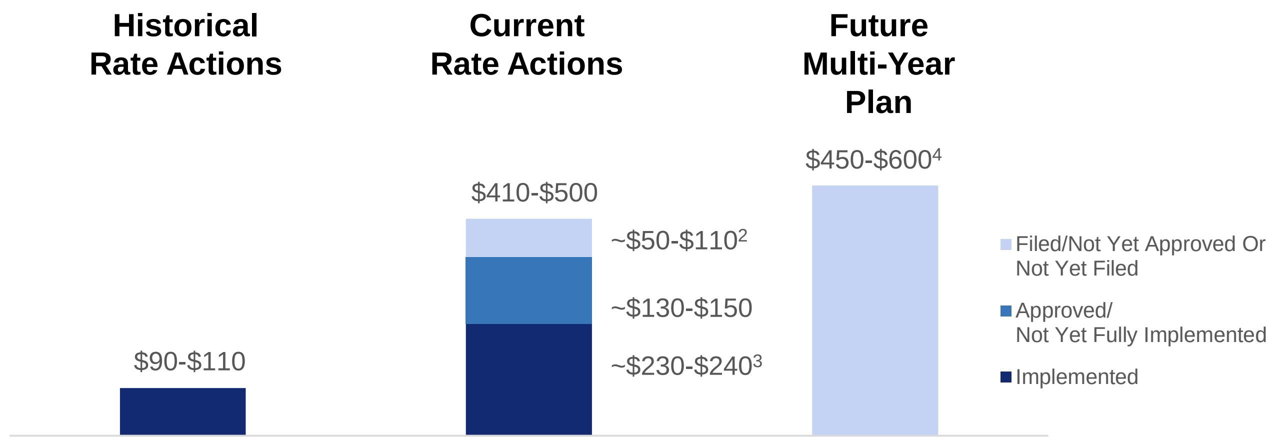
# LTC: In Force Mgmt. Strategy Annual Overview

## Protect In Force Value Through Premium Rate Increases & Benefit Reductions

### Estimated Peak Incremental Annual Premium History & Future Plans[1] ($MM)




| | | | |
|---|---|---|---|
| Filing Dates | 2007, 2010 | 2012-2016 | 2016-2026 |

## Key Takeaways

Achieved 72 - 81% Of Requested Rate Increases To Date On Current Rate Actions… Expected To Increase As Latest Rounds Are Implemented

Current Rate Actions Implemented Over 5 Years; Future Rate Action Plans Expected To Be Implemented Over 10+ Years

[1]Estimated Peak Incremental Annual Premiums ($90-$110MM, $410-$500MM, $450-$600MM) Are Based On Financial Projections/Estimates Performed At Different Points In Time On The Population In Force At That Time; [2]Includes 19 States That Gave Partial Approval For Rate Actions; [3]Estimated Pre-Tax Impact For 2015 Results
[4]Based On 2015 Loss Recognition Testing



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# LTC: Selected Margin Sensitivities

## Margin Impacts ($B)

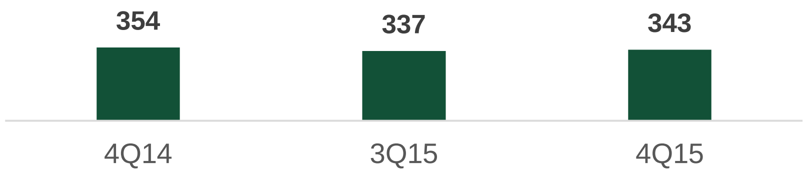
| 2015 Active Life Margins | PGAAP<br>$0.01B<br>(Pre-Tax) | HGAAP<br>~$2.5-$3.0B<br>(Pre-Tax) |
|---|---|---|
| **5% Relative Increase In Future Claims Costs[1]** | **(0.2)** | **~(2.0)** |
| **Discount Rate Decrease Of 25 bps** | **(0.05)** | **~(1.1)** |
| **10% Reduction In Benefit Of Future In Force Rate Actions[2]** | **(0.01)** | **~(0.6)** |

[1]Does Not Include The Impact Of Potential Additional Future Rate Actions
[2]Sensitivity Reflects Future Multi-Year Plan Rate Actions
The sensitivities included on this slide involve matters that are inherently uncertain. Changes in the amounts used in the sensitivities or the use of different factors could result in materially different outcomes from those reflected in the sensitivities.

# Life Insurance

## Premiums & Policy Fees And Other Income

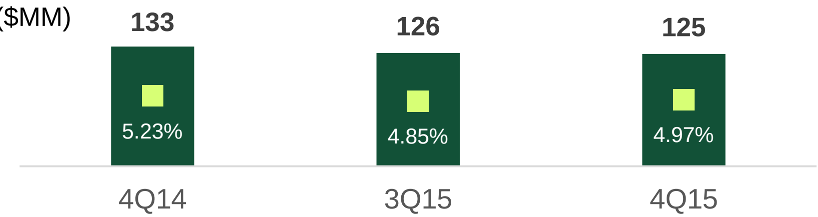
($MM)




**$13MM Pre-Tax Favorable Impact Related To Assumption Updates In UL**

## Net Investment Income & Yield[1]

($MM)

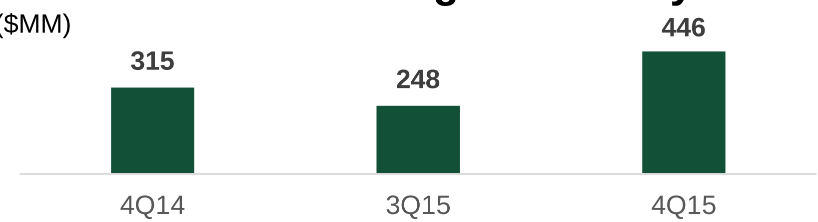



**Results Reflect Low Rate Environment & Variability In Prepayment Speeds, Limited Partnership Performance & Bond Call Income**

[1]Non-GAAP Measure; See Appendix (Reconciliation Of Reported Yields – U.S. Life Insurance Segment). Yields Exclude Captive Reinsurance.

## Benefits & Other Changes In Policy Reserves

($MM)




**$187MM Pre-Tax Increase To Reserves From Assumption Updates In UL**

**$49MM Pre-Tax Increase From Life Reserve Calculation Correction On Reinsurance Transaction In Prior Year**

# Life Insurance: Key Updates For UL

| Assumption | Change Driver |
|---|---|
| **Persistency** | Term UL Post Level Premium Period Shock Lapse Timing<br>Premium Persistency On No-Lapse Guarantee UL |
| **Interest Rates** | Reflecting Latest View Of Forward Curve, Asset Mix, Credit Spreads And Default Rates<br>10-year Treasury Yield At ~3.9% In 30 Years; Down 35-70bps Across Projection |
| **Mortality** | Term UL Post Level Premium Period Mortality Anti-Selection From Shock Lapses |

**Model Refinements**

- **Extend Reserve Projection Horizon To 60 Years**
- **Correction To Reinsurance Modeling**

**Unfavorable $194MM Impact To GAAP Income In Current Quarter**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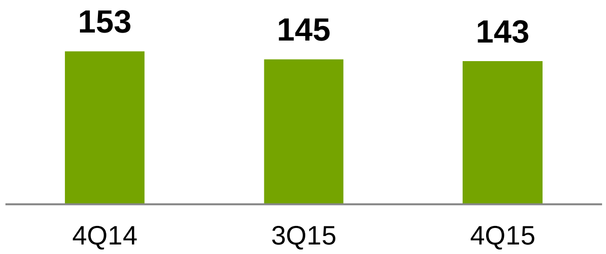
# Fixed Annuities

## Net Investment Spread[1]

($MM)

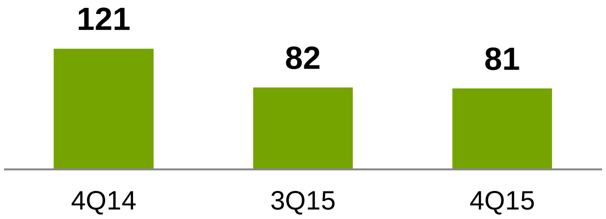



| | | | |
|---|---|---|---|
| SPDA[2] Spread | 1.63% | 1.62% | 1.67% |
| SPIA[3] Spread | 1.25% | 1.08% | 1.00% |

Fixed Annuity Spreads Impacted By Variability In Prepayment Speeds, Limited Partnership Performance & Bond Call Income

## Benefits/Changes In Policy Rsvs & SPIA Mortality

($MM)




| | | | |
|---|---|---|---|
| SPIA Mortality G/(L)[4] | (4) | (9) | (7) |

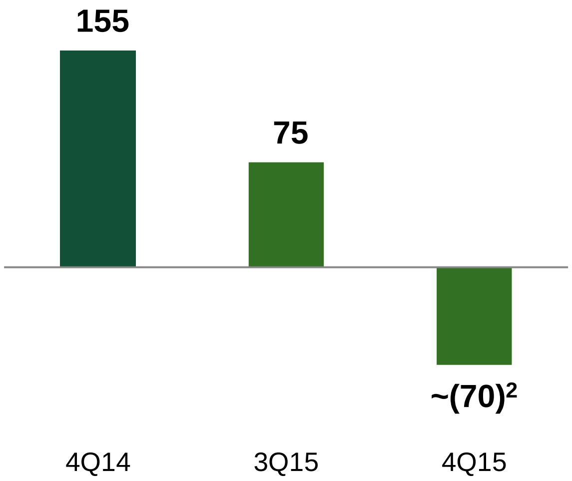
Higher Level Of Life Contingent Sales In Prior Year; Mortality Favorable Versus Prior Quarter & Unfavorable Versus Prior Year

[1]Net Investment Income Less Interest Credited
[2]Single Premium Deferred Annuities; Excludes Fixed Indexed Annuities
[3]Single Premium Immediate Annuities; Includes Both Paid & Unpaid Interest Credited
[4]Excludes Incurred But Not Reported; Mortality Gain (Loss) Represents The Pre-Tax Income Impact Of The Product's Actual Mortality Experience Compared To The Mortality Assumptions Embedded In The Reserves Of The Product

# U.S. Life Company Statutory Results

## Unassigned Surplus

($MM)




| | 4Q14 | 3Q15 | 4Q15 |
|---|---|---|---|
| U.S. Life Co RBC[1] Ratio | 438% | 444% | 430%[2] |
| After-Tax Stat Op Loss[3] | (85) | (91) | (40)[2] |
| After-Tax Stat Net Loss[4] | (98) | (104) | (87)[2] |

## Highlights

4Q15 Unassigned Surplus & RBC Ratio Declined In Part From The Company's Annual Review Of Assumptions In Variable Annuity (VA) Products

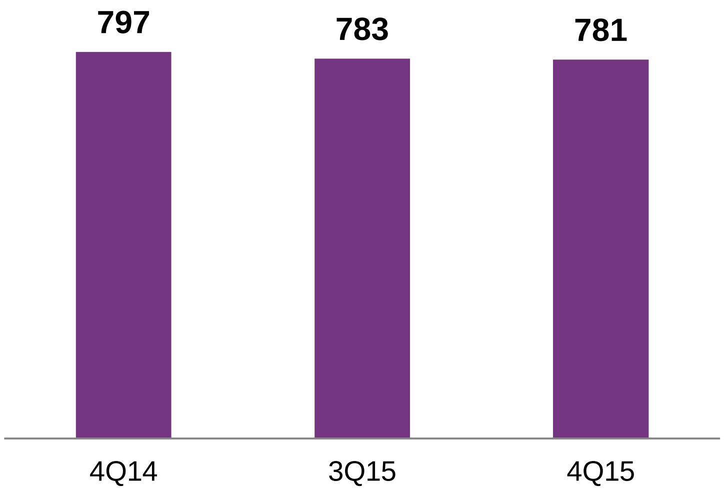
3Q15 Statutory Op Loss Impacted By Unfavorable Market Impact On VA Reserves; Partial Offset In Surplus From Hedging

[1]Risk-Based Capital
[2]Company Estimate For 4Q15, Due To Timing Of The Filing Of Statutory Statements
[3]Consolidated Life Companies; Statutory Annual Statement Line 33
[4]Consolidated Life Companies; Statutory Annual Statement Line 35

# Net Investment Income

## Net Investment Income

($MM)




| | 4Q14 | 3Q15 | 4Q15 |
|---|---|---|---|
| GNW Reported Yield | 4.61% | 4.47% | 4.45% |
| GNW Core Yield[1] | 4.46% | 4.40% | 4.35% |
| U.S. Life Ins. Segment Reported Yield[1,2] | 5.19% | 5.11% | 5.05% |
| Impairments[3] | - | (6) | (9) |

## Highlights

- Decrease In Net Investment Income Versus Prior Year From Unfavorable Foreign Exchange & Continued Impact From Low Rate Environment
- $3.0B Of Purchases In 4Q15
  - $2.2B Primarily In Corporate & Government Debt Securities, ABS[4], CMBS/RMBS[5] & CML[6], With Average Yield Of ~3.46%
  - $0.8B In Treasury Inflation Protected Securities With Average Yield Of ~1.26% Plus Realized Inflation Over The Holding Period

[1]Non-GAAP Measure See Appendix
[2]Yields Exclude Captive Reinsurance
[3]After-Tax
[4]Asset-Backed Securities
[5]Commercial & Residential Mortgage-Backed Securities
[6]Commercial Mortgage Loans



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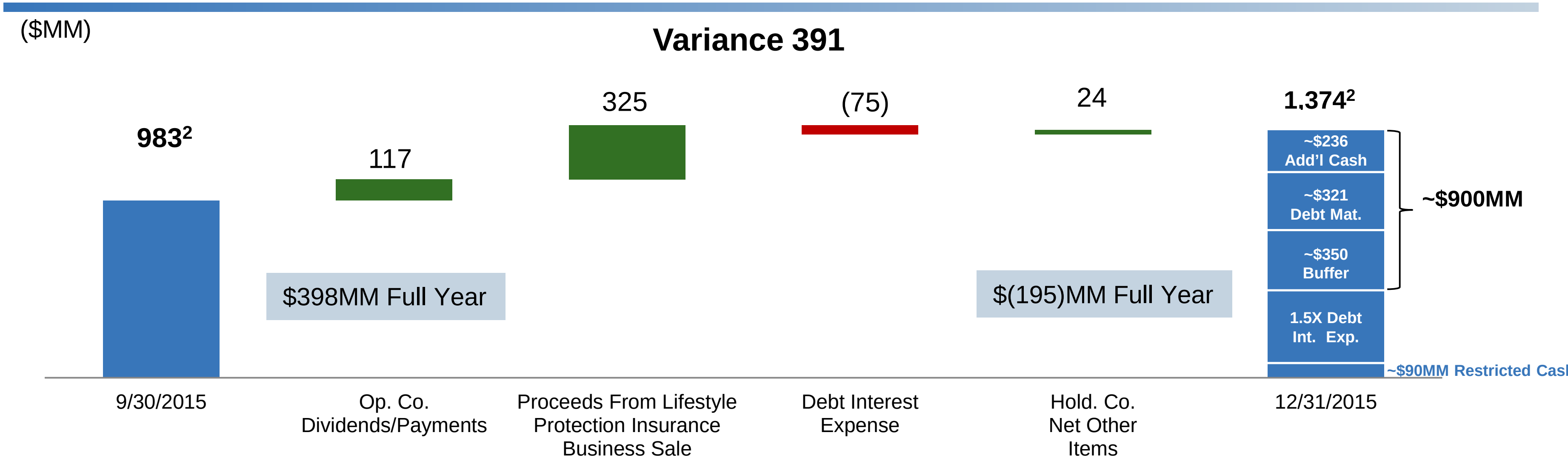
# Holding Company Cash & Liquid Assets[1]

## Cash & Liquid Assets Roll Forward




$117MM Received In Part From Australia & Canada MI; $398MM Received In 2015

$325MM Proceeds From Lifestyle Protection Insurance Business Sale, Used To Redeem 2016 Notes In January 2016

$(195)MM Holding Company Net Other Items For 2015 Includes: $(40)MM Tax Matters Agreement, $(50)MM Taxes, $(50)MM Debt Repurchase, 1Q15 $(25)MM GLICNY Capital Infusion, $(30)MM Other

Target Holding Company Cash & Liquid Assets Of 1.5X Interest Coverage Plus $350MM Buffer Maintained Throughout The Year

Leverage Ratio[3] Of 26.8%

[1]Holding Company Cash & Liquid Assets Comprises Assets Held In Genworth Holdings, Inc. (The Issuer Of Outstanding Public Debt) Which Is A Wholly-Owned Subsidiary Of Genworth Financial, Inc.; [2] Comprises Cash & Cash Equivalents Of $733MM & U.S. Government Bonds Of $250MM As Of 9/30/15 & Comprises Cash & Cash Equivalents Of $1,124MM & U.S. Government Bonds Of $250MM As Of 12/31/15; [3]Non-GAAP Measure, See Appendix

# 2015 Goals Recap

| | 2015 Goals & Milestones | 2015 Results – 4QYTD Observations |
|---|---|---|
| Mortgage Insurance Businesses | Dividends Of $150-$230MM (Australia & Canada) | $301MM YTD; Not Including $238MM From GMA Sell Down & IPO Proceeds |
| | Canada MCT Of 220% | 233%[1] |
| | Australia PCA Range Of 132% To 144% | 159%[1] |
| | 60-70% Of Risk In Force Composed Of 2009+ Books In U.S. MI | 67% |
| | U.S. MI Combined Risk-To-Capital Ratio Of <18:1 (Subject To Final GSE Capital Requirements) | 16.3:1[1] |
| U.S. Life | RBC Ratio > 400% | ~430%[1] |
| Hold Co. | Holding Company Cash & Liquid Assets[2]: Exceed 1.5X Interest Coverage Plus Risk Buffer Of $350MM | $1,374MM[3]; ~$907MM In Excess Of 1.5X Interest Coverage & Restricted Cash |

[1]Company Estimate For 4Q15, Due To Timing Of The Filing Of Statutory Statements; [2]Holding Company Cash & Liquid Assets Comprises Assets Held In Genworth Holdings, Inc. (The Issuer Of Outstanding Public Debt) Which Is A Wholly-Owned Subsidiary Of Genworth Financial, Inc.; [3]Comprises Cash & Cash Equivalents Of $1,124MM & U.S. Government Bonds Of $250MM

# 2016 Goals & Drivers – MI Businesses

## Goals

| | | |
|---|---|---|
| **Dividends** | Australia MI & Canada MI | $100-$150MM |
| **Capital Ratios** | U.S. MI – Combined RTC | < 18.0:1 |
| | Canada MI – MCT | ≥ 220% |
| | Australia MI – PCA | 132-144% |
| **Portfolio Concentration** | U.S. MI – 2009+ Books RIF% | 70-80% |
| | U.S. MI – 2009+ Books + HARP[2] RIF% | 80-90% |

## Drivers

| | | |
|---|---|---|
| **Loss Ratio** | U.S. MI | 30-40% |
| | Canada MI | 25-40% |
| | Australia MI | 25-35% |

[1]Home Affordable Refinance Program

# 2016 Goals – U.S. Life Insurance & Holding Co.

## U.S. Life Insurance

| | |
|---|---|
| **LTC Rate Action** | Continued Execution Of Current Rate Actions & Begin Execution Of Multi-Year Rate Action Filing Plan |
| **U.S. Life Restructuring Plan** | Recapture/Repatriate All Business From Bermuda<br>Meaningful Progress Toward The Separation And Isolation Of LTC<br>Complete Cash Expense Reduction Of $100MM By First Half 2016<br>Complete ~$50MM Expense Reduction From Suspending Sales Of Life & Fixed Annuity |

## Holding Company

| | |
|---|---|
| **Liquidity** | Cash Above 1.5x Annual Debt Service Plus $350MM Buffer At Quarter End Points |

[1]Brookfield Life & Annuity Insurance Company

# Appendix

# LTC: In Force[1] Block Demographics - Appendix

| | Old Block | | | New Block | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Pre PCS | PCS I | PCS II | Choice I[2] | Choice II | PC Flex | MFMP[3] | PC Flex II | PC Flex III |
| In Force Premium ($M) | 77 | 152 | 386 | 657 | 886 | 257 | 100 | 70 | 16 |
| In Force Lives (K) | 61 | 62 | 178 | 308 | 409 | 102 | 44 | 28 | 6 |
| In Force Policies (K) | 61 | 62 | 162 | 283 | 341 | 102 | 44 | 28 | 6 |
| Avg. Attained Age | 85.8 | 82.8 | 77.1 | 69.9 | 66.2 | 60.9 | 64.3 | 60.0 | 59.6 |
| Avg. Issue Age | 62.5 | 64.3 | 61.5 | 58.1 | 58.2 | 57.9 | 60.2 | 58.4 | 58.8 |
| % Lifetime (Only) | 59% | 36% | 32% | 32% | 14% | 3% | 4% | 0% | 0% |
| Avg. Premium ($) | 1,311 | 2,607 | 2,434 | 2,217 | 2,203 | 2,505 | 2,257 | 2,460 | 2,508 |
| Avg. Daily Max Benefit ($) | 146 | 180 | 200 | 228 | 202 | 177 | 167 | 172 | 141 |
| Avg. BP[4]: (Yrs. Excl. Lifetime) | 3.7 | 3.7 | 3.5 | 3.5 | 4.0 | 4.0 | 3.6 | 3.8 | 3.4 |
| Claims Count (Active & Pending)[5] | 8,763 | 10,866 | 13,478 | 7,954 | 2,713 | 86 | 97 | 6 | - |
| Claims Count (Active & Pending) LT[6] | 5,354 | 4,427 | 3,920 | 2,169 | 423 | 5 | 8 | - | - |
| Claims Count (Active & Pending) NLT[7] | 3,409 | 6,439 | 9,558 | 5,785 | 2,290 | 81 | 89 | 6 | - |

[1]In Force Data As of 4Q15; [2]Includes Policies Sold In California Between 2010 & 2013; [3]My Future My Plan (MFMP, AARP Branded Product); [4]Benefit Period; [5]Claim Count Also Excludes An Additional 9,117 Claims Primarily Related To An Assumed Block And Group Policies [6]Lifetime; [7]Non-Lifetime

Note: AARP Group (With The Exception Of MFMP Noted Above), AMEX Life Group, Cornerstone, GE & GNW Group, Harvest, IDS & LTC Business Solutions Have Been Excluded



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# Total Genworth Financial, Inc.'s Stockholders' Equity (GAAP)

| ($MM) | 4Q15 | 3Q15 | 2Q15 | 1Q15 | 4Q14 |
|---|---|---|---|---|---|
| **U.S. MI** | **1,703** | **1,654** | **1,743** | **1,762** | **1,685** |
| **Canada MI** | **1,443** | **1,465** | **1,556** | **1,558** | **1,631** |
| **Australia MI** | **763** | **762** | **868** | **1,126** | **1,197** |
| **U.S. Life Insurance** | **9,851** | **10,194** | **10,091** | **11,297** | **10,975** |
| LTC[1] | 6,690 | 6,741 | 6,311 | 7,116 | 6,649 |
| Life Insurance[1] | 2,096 | 2,358 | 2,590 | 2,831 | 2,987 |
| Fixed Annuities[1] | 1,065 | 1,095 | 1,190 | 1,350 | 1,339 |
| **Runoff[1]** | **704** | **618** | **634** | **796** | **774** |
| **Corporate & Other[1,2,3]** | **(1,640)** | **(1,114)** | **(1,202)** | **(1,215)** | **(1,339)** |
| **Total** | **12,824** | **13,579** | **13,690** | **15,324** | **14,923** |

[1]Includes Estimate Of Allocated Deferred Tax Balances By Product Line; [2]Includes Value Of Long-Term Borrowings Of Genworth Holdings, Inc.; [3]Includes Equity Related To Businesses Held For Sale, Which Include The Lifestyle Protection (Prior To Sale On December 1, 2015) & Europe Mortgage Insurance Businesses, Of Zero, $498, $508, $936 and $1,049, Respectively



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# Use Of Non-GAAP Measures

This presentation includes the non-GAAP[1] financial measures entitled "net operating income (loss)" and "net operating income (loss) per common share." Net operating income (loss) per common share is derived from net operating income (loss). The chief operating decision maker evaluates segment performance and allocates resources on the basis of net operating income (loss). The company defines net operating income (loss) as income (loss) from continuing operations excluding the after-tax effects of income attributable to noncontrolling interests, net investment gains (losses), goodwill impairments, 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 impairments, 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. Goodwill impairments, 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 net 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 net operating income (loss) if, in the company's opinion, they are not indicative of overall operating trends.

While some of these items may be significant components of net income (loss) available to Genworth's  common stockholders in accordance with GAAP, the company believes that net operating income (loss) and measures that are derived from or incorporate net operating income (loss), including net operating income (loss) per common 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 net 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 net operating income (loss) have occurred in the past and could, and in some cases will, recur in the future. Net operating income (loss) and net operating income (loss) per common share on a basic and diluted basis are not substitutes for net income (loss) available to Genworth's common stockholders or net income (loss) available to Genworth's common stockholders per common share on a basic and diluted basis determined in accordance with GAAP. In addition, the company's definition of net operating income (loss) may differ from the definitions used by other companies.

In the fourth quarter of 2014, the company recorded goodwill impairments of $129 million, net of taxes, in the long-term care insurance business and $145 million, net of taxes, in the life insurance business.

The company recognized an estimated loss of $134 million, net of taxes, in the fourth quarter of 2015 for the planned sale of the mortgage insurance business in Europe, as well as a tax charge of $7 million in the third quarter of 2015 from potential business portfolio changes related to this business resulting in a total estimated loss on sale of $141 million in 2015.

In the third quarter of 2015, the company paid an early redemption payment of approximately $1 million, net of taxes and portion attributable to noncontrolling interests, related to the early redemption of Genworth Financial Mortgage Insurance Pty Limited's notes that were scheduled to mature in 2021. In the third quarter of 2015, the company also repurchased approximately $50 million principal amount of Genworth Holdings, Inc.'s notes with various maturity dates for a loss of $1 million, net of taxes. These transactions were excluded from net operating income (loss) for the periods presented as they related to a loss on the early extinguishment of debt.

In the third quarter of 2015, the company recorded a deferred acquisition cost impairment of $296 million, net of taxes, on certain term life insurance policies in connection with entering into an agreement to complete a life block transaction.

In the fourth quarter of 2015, the company recorded an after-tax expense of $3 million related to restructuring costs as part of an expense reduction plan as the company evaluates and appropriately sizes its organizational needs and expenses.

There were no infrequent or unusual items excluded from net operating income (loss) during the periods presented other than the following items. There was a $205 million net tax impact in the fourth quarter of 2014 from potential business portfolio changes. The company recognized a tax charge of $174 million in the fourth quarter of 2014 associated with the Australian mortgage insurance business as the company can no longer assert its intent to permanently reinvest earnings in that business. In connection with the company's plans to sell the lifestyle protection insurance business, the company made a change to the permanent reinvestment assertion on one of its legal entities recognizing tax expense of $31 million in the fourth quarter of 2014.

[1] U.S. Generally Accepted Accounting Principles

# Use Of Non-GAAP Measures (cont.)

The appendix of this presentation reflects net operating income (loss) as determined in accordance with accounting guidance related to segment reporting and a reconciliation of net operating income (loss) of the company's segments and Corporate and Other activities to net loss available to Genworth's common stockholders.

Adjustments to reconcile net income (loss) attributable to Genworth's common stockholders and net operating income (loss) assume a 35% tax rate and are net of the portion attributable to noncontrolling interests. Net investment gains (losses) are also adjusted for deferred acquisition costs and other intangible amortization and certain benefit reserves.

This presentation includes 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 those items that are not recurring in nature. 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 GAAP. In addition, the company's definition of core yield may differ from the definitions used by other companies. A reconciliation of core yield to reported GAAP yield is included in this appendix.

This presentation also references the non-GAAP financial measure entitled “reported yield excluding captive reinsurance” for the U.S. Life Insurance Segment and the life insurance business as a measure of investment yield. The company excludes assets held by captive reinsurers from reported yield given the nature of the captives which primarily have floating rate assets associated with the floating rate liabilities of these entities. Management believes this measure is more indicative of the underlying performance of the life insurance business. A reconciliation of reported yield to reported yield excluding captive reinsurance is included in this appendix.

This presentation also references the non-GAAP financial measure entitled “leverage ratio” as a measure of financial strength. For a description and reconciliation of this measures see “Reconciliation of Leverage Ratio”.

# Reconciliation Of Net Operating Income (Loss) To Net Loss

| (Amounts in millions, except per share amounts) | 2015 4Q | 2015 3Q | 2014 4Q |
|---|---|---|---|
| U.S. Mortgage Insurance segment | $ 41 | $ 37 | $ 21 |
| Canada Mortgage Insurance segment | 37 | 38 | 36 |
| Australia Mortgage Insurance segment | 22 | 21 | 33 |
| U.S. Life Insurance segment: | | | |
| Long-Term Care Insurance | 19 | (10) | (506) |
| Life Insurance | (173) | 31 | 1 |
| Fixed Annuities | 19 | 19 | 23 |
| Total U.S. Life Insurance segment | (135) | 40 | (482) |
| Runoff segment | 11 | (4) | 16 |
| Corporate and Other | (58) | (68) | (39) |
| **NET OPERATING INCOME (LOSS)** | (82) | 64 | (415) |
| **ADJUSTMENTS TO NET OPERATING INCOME (LOSS):** | | | |
| Net investment gains (losses), net | - | (22) | (4) |
| Goodwill impairment, net | - | - | (274) |
| Gains (losses) on sale of business, net | (134) | (7) | - |
| Gains (losses) on early extinguishment of debt, net | - | (2) | - |
| Gains (losses) from life block transactions, net | - | (296) | - |
| Expenses related to restructuring, net | (3) | - | - |
| Tax impact from potential business portfolio changes | - | - | (205) |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL INC.'S COMMON STOCKHOLDERS** | (219) | (263) | (898) |
| Net income attributable to noncontrolling interests | 52 | 46 | 52 |
| **INCOME (LOSS) FROM CONTINUING OPERATIONS** | (167) | (217) | (846) |
| Income (loss) from discontinued operations, net of taxes | (73) | (21) | 138 |
| **NET INCOME (LOSS)** | (240) | (238) | (708) |
| Less: net income attributable to noncontrolling interests | 52 | 46 | 52 |
| **NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS** | $ (292) | $ (284) | $ (760) |
| | | | |
| **Earnings (Loss) Per Share Data:** | | | |
| Net income (loss) available to Genworth Financial, Inc.'s common stockholders per common share | | | |
| Basic | $ (0.59) | $ (0.57) | $ (1.53) |
| Diluted | $ (0.59) | $ (0.57) | $ (1.53) |
| Net operating income (loss) per common share | | | |
| Basic | $ (0.17) | $ 0.13 | $ (0.83) |
| Diluted | $ (0.17) | $ 0.13 | $ (0.83) |
| Weighted-average common shares outstanding | | | |
| Basic | 497.6 | 497.4 | 496.7 |
| Diluted(1) | 497.6 | 497.4 | 496.7 |

(1)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, the company was required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 1.4 million, 1.3 million and 3.2 million, respectively, for the three months ended December 31, 2015, September 30, 2015 and December 31, 2014 would have been antidilutive to the calculation. If the company had not incurred a loss from continuing operations in these periods, dilutive potential weighted-average common shares outstanding would have been 499.0 million, 498.7 million and 499.9 million, respectively, for the three months ended December 31, 2015, September 30, 2015 and December 31, 2014. Since it had net operating income for the three months ended September 30, 2015, the company used 498.7 million diluted weighted-average common shares outstanding in the calculation of diluted net operating income per common share.

# Reconciliation Of Net Investment Gains (Losses)

| (Amounts in millions) | 2015 4Q | | 2015 3Q | | 2014 4Q | |
|---|---|---|---|---|---|---|
| Net investment gains (losses), gross | $ | (16) | $ | (51) | $ | (11) |
| Adjustments for: | | | | | | |
| Deferred acquisition costs and other intangible amortization and certain benefit reserves | | 12 | | 9 | | 1 |
| Net investment gains (losses) attributable to noncontrolling interests | | 3 | | 8 | | 1 |
| Taxes | | 1 | | 12 | | 5 |
| Net investment gains (losses), net | $ | — | $ | (22) | $ | (4) |



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# Reconciliation Of Core Yield – Genworth Consolidated

| | | 2015 4Q | 2015 3Q | 2014 4Q |
|---|---|---|---|---|
| | **(Assets - amounts in billions)** | | | |
| | **Reported - Total Invested Assets and Cash** | $ 75.1 | $ 75.6 | $ 76.4 |
| | Subtract: | | | |
| | Securities lending | 0.3 | 0.4 | 0.3 |
| | Unrealized gains (losses) | 4.2 | 5.4 | 6.6 |
| | Derivative counterparty collateral | - | - | - |
| | **Adjusted end of period invested assets and cash** | $ 70.6 | $ 69.8 | $ 69.5 |
| **(A)** | **Average Invested Assets and Cash Used in Reported Yield Calculation** | $ 70.2 | $ 70.0 | $ 69.1 |
| | Subtract: | | | |
| | Restricted commercial mortgage loans and other invested assets related to securitization entities[1] | 0.2 | 0.2 | 0.2 |
| **(B)** | **Average Invested Assets and Cash Used in Core Yield Calculation** | $ 70.0 | $ 69.8 | $ 68.9 |
| | **(Income - amounts in millions)** | | | |
| **(C)** | **Reported - Net Investment Income** | $ 781 | $ 783 | $ 797 |
| | Subtract: | | | |
| | Bond calls and commercial mortgage loan prepayments | 18 | 12 | 18 |
| | Other non-core items[2] | (2) | 1 | 8 |
| | Restricted commercial mortgage loans and other invested assets related to securitization entities[1] | 3 | 2 | 2 |
| **(D)** | **Core Net Investment Income** | $ 762 | $ 768 | $ 769 |
| **(C) / (A)** | **Reported Yield** | 4.45% | 4.47% | 4.61% |
| **(D) / (B)** | **Core Yield** | 4.35% | 4.40% | 4.46% |

Note: Yields have been annualized.

[1]Represents the incremental assets and investment income related to restricted commercial mortgage loans and other invested assets.

[2]Includes cost basis adjustments on structured securities and various other immaterial items.



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# Reconciliation Of Reported Yield – U.S. Life Insurance

| | | 2015 4Q | 2015 3Q | 2014 4Q |
|---|---|---|---|---|
| | **U.S. Life Insurance Segment** | | | |
| | **(Assets - amounts in millions)** | | | |
| | **Reported - Total Invested Assets and Cash** | $ 60,256 | $ 60,758 | $ 61,024 |
| | Subtract: | | | |
| | Unrealized gains (losses) | 3,963 | 5,093 | 6,213 |
| | **Adjusted end of period invested assets** | 56,293 | 55,665 | 54,811 |
| | Subtract: | | | |
| | Assets related to captive reinsurance | 3,089 | 3,074 | 3,340 |
| | **Adjusted end of period invested assets excluding captive reinsurance** | $ 53,204 | $ 52,591 | $ 51,471 |
| **(A)** | **Average Invested Assets Used in Reported Yield Calculation** | $ 55,956 | $ 55,444 | $ 54,614 |
| | Subtract: | | | |
| | Assets related to captive reinsurance | 3,010 | 3,086 | 3,354 |
| **(B)** | **Average Invested Assets Excluding Captive Reinsurance** | $ 52,946 | $ 52,358 | $ 51,260 |
| | **(Income - amounts in millions)** | | | |
| **(C)** | **Reported - Net Investment Income** | $ 673 | $ 680 | $ 676 |
| | Subtract: | | | |
| | Net investment income related to captive reinsurance | 6 | 11 | 12 |
| **(D)** | **Net Investment Income Excluding Captive Reinsurance** | $ 667 | $ 669 | $ 664 |
| **(C) / (A)** | **Reported Yield** | 4.81% | 4.91% | 4.95% |
| **(D) / (B)** | **Reported Yield Excluding Captive Reinsurance** | 5.05% | 5.11% | 5.19% |
| | **Life Insurance Business** | | | |
| | **(Assets - amounts in millions)** | | | |
| | **Reported - Total Invested Assets and Cash** | $ 13,156 | $ 13,276 | $ 13,493 |
| | Subtract: | | | |
| | Unrealized gains (losses) | 433 | 625 | 857 |
| | **Adjusted end of period invested assets** | 12,723 | 12,651 | 12,636 |
| | Subtract: | | | |
| | Assets related to captive reinsurance | 3,089 | 3,074 | 3,340 |
| | **Adjusted end of period invested assets excluding captive reinsurance** | $ 9,634 | $ 9,577 | $ 9,296 |
| **(E)** | **Average Invested Assets Used in Reported Yield Calculation** | $ 12,620 | $ 12,589 | $ 12,674 |
| | Subtract: | | | |
| | Assets related to captive reinsurers | 3,010 | 3,086 | 3,354 |
| **(F)** | **Average Invested Assets Excluding Captive Reinsurance** | $ 9,610 | $ 9,503 | $ 9,320 |
| | **(Income - amounts in millions)** | | | |
| **(G)** | **Reported - Net Investment Income** | $ 125 | $ 126 | $ 133 |
| | Subtract: | | | |
| | Net investment income related to captive reinsurance | 6 | 11 | 12 |
| **(H)** | **Net Investment Income Excluding Captive Reinsurance** | $ 119 | $ 115 | $ 121 |
| **(G) / (E)** | **Reported Yield** | 3.96% | 4.00% | 4.20% |
| **(H) / (F)** | **Reported Yield Excluding Captive Reinsurance** | 4.97% | 4.85% | 5.23% |

Notes: Yields calculated using whole dollars.
Yields have been annualized.



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# Reconciliation Of Leverage Ratio

| | (Amounts in millions) | As of December 31, 2015 | As of December 31, 2014 |
|---|---|---|---|
| | Long-term borrowings | $ 4,570 | $ 4,612 |
| | Deferred borrowing costs | 27 | 27 |
| | Adjust long-term borrowings related to noncontrolling interests: | | |
| | Canada (noncontrolling interests ownership of 42.7%) | (135) | (160) |
| | Australia (noncontrolling interests ownership of 48.0% and 33.8% as of December 31, 2015 and 2014, respectively) | (87) | (39) |
| | 25% of hybrid debt (Genworth Holdings, Inc.'s 6.15% Junior Notes, due 2066) | (150) | (150) |
| | Operating leases | 66 | 84 |
| A | Adjusted long-term borrowings | $ 4,291 | $ 4,374 |
| | Total Genworth Financial, Inc.'s stockholders' equity | $ 12,824 | $ 14,923 |
| | Exclude net unrealized investment (gains) losses | (1,254) | (2,453) |
| | 25% of hybrid debt (Genworth Holdings, Inc.'s 6.15% Junior Notes, due 2066) | 150 | 150 |
| B | Adjusted total Genworth Financial, Inc.'s stockholders' equity | $ 11,720 | $ 12,620 |
| A + B | Total capital (adjusted long-term borrowings + adjusted total Genworth Financial, Inc.'s stockholders' equity) | $ 16,011 | $ 16,994 |
| A/(A+B) | Leverage ratio (adjusted long-term borrowings/total capital) | 26.8% | 25.7% |
| | GAAP leverage ratio | 26.3% | 23.6% |

The company defines leverage ratio as adjusted long-term borrowings divided by total capital, which it defines as the sum of adjusted long-term borrowings and adjusted total Genworth Financial, Inc.'s stockholders' equity.

The company applies the Moody's Investors Service, Inc. (Moody's) calculation methodology for adjusted financial leverage to the calculation of its leverage ratio, subject to the adjustments described below. Moody's calculates adjusted financial leverage as adjusted long-term borrowings (defined as financial debt, including preferred stock, plus pension liabilities plus the non-equity portion of hybrid debt plus operating lease adjustments) divided by adjusted debt plus stockholder's equity. The company excludes from long-term borrowings (i) that portion of long-term borrowings that is attributable to deferred borrowing costs incurred upon the issuance of the debt, (iI) that portion of long-term borrowings that is attributable to noncontrolling interests (based on the respective ownership percentages) of its majority-owned Canadian and Australian mortgage insurance subsidiaries (excluded to align the presentation of adjusted long-term borrowings with the presentation of adjusted total Genworth Financial, Inc.'s stockholders' equity, which is presented after excluding noncontrolling interests), and (iiI) 25% of Genworth Holdings, Inc.'s outstanding principal amount of 6.15% junior subordinated notes due in 2066 (the "subordinated notes"), which Moody's believes is representative of the equity portion of the subordinated notes, and includes operating leases applying a rent factor of 6 times. For the years ended December 31, 2015 and 2014, the company's rent expense was $11 million and $14 million, respectively, and a rent factor of 6 times has been applied to this amount representing the net present value of future operating lease payments to be consistent with the Moody's calculation methodology.

The company defines adjusted total Genworth Financial, Inc.'s stockholders' equity as total Genworth Financial, Inc.'s stockholders' equity adjusted to exclude net unrealized investment (gains) losses (excluded to align the presentation of adjusted total Genworth Financial, Inc.'s stockholders' equity with its presentation of adjusted long-term borrowings, which are presented at book value) and include 25% of the outstanding principal amount of the subordinated notes, consistent with the Moody's calculation methodology. The company does not add its pension liabilities to adjusted long-term borrowings because it believes they are immaterial. Management believes the leverage ratio, as presented, is an important measurement tool for investors and analysts as it is a measure of financial strength and is based on the Moody's methodology, adjusted to address factors particular to the company. However, this ratio should not be viewed as a substitute for a ratio using the GAAP metric of long-term borrowings to total Genworth Financial, Inc.'s stockholders equity. In addition, the company's definition of leverage ratio may differ from the definitions used by other companies.

# Results Of Operations By Segment

In the first quarter of 2015, the company revised how it allocates the consolidated provision for income taxes to its operating segments to simplify the process and reflect how the chief operating decision maker is evaluating segment performance. The revised methodology applies a specific tax rate to the pre-tax income (loss) of each segment, which is then adjusted in each segment to reflect the tax attributes of items unique to that segment such as foreign income. 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. Previously, the company calculated a unique income tax provision for each segment based on quarterly changes to tax attributes and implications of transactions specific to each product within the segment.

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. Prior year amounts have not been re-presented to reflect this revised presentation and are, therefore, not comparable to the current year provision for income taxes by segment.  However, the company does not believe that the previous methodology would have resulted in a materially different segment-level provision for income taxes.

# Definition Of Selected Operating Performance Measures

Management uses 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 and renewal business generated in a period. Sales refer to new insurance written for mortgage insurance. Sales do not include renewal premiums on policies or contracts written during prior periods. The company considers new insurance written to be a measure of the company's operating performance because they represent a measure of new sales of insurance policies or contracts during a specified period, rather than a measure of the company's revenues or profitability during that period.

Management regularly monitors and reports insurance in force and risk in force. Insurance in force for the mortgage insurance businesses is a measure of the aggregate face value of outstanding insurance policies as of the respective reporting date. For risk in force in the mortgage insurance businesses, the company has computed an “effective” risk in force amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Risk in force for the U.S. mortgage insurance business is the obligation that is limited under contractual terms to the amounts less than 100% of the mortgage loan value. Effective risk in force has been calculated by applying to insurance in force a factor of 35% that represents the highest expected average per-claim payment for any one underwriting year over the life of the company’s businesses in Canada and Australia. In Australia, the company has certain risk share arrangements where it provides pro-rata coverage of certain loans rather than 100% coverage. As a result, for loans with these risk share arrangements, the applicable pro-rata coverage amount provided is used when applying the factor. The company considers insurance in force and risk in force to be measures of the company’s operating performance because they represent measures of the size of the business at a specific date which will generate revenues and profits in a future period, rather than measures of the company’s revenues or profitability during that period.

Management also regularly monitors and reports a loss ratio for the company’s businesses. For the mortgage insurance businesses, the loss ratio is the ratio of incurred losses and loss adjustment expenses to net earned premiums. For the long-term care insurance business, 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.

An assumed tax rate of 35% is utilized in certain adjustments to net operating income (loss) and in the explanation of specific variances of operating performance and investment results.

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.

# Cautionary Note Regarding Forward-Looking Statements

This presentation contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “estimates,” “will” or words of similar meaning and include, but are not limited to, statements regarding the outlook for 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 and risks, including, but not limited to, the following:

**Risks relating to all of the company’s businesses, including:**
(i) inability to successfully execute strategic plans to effectively address the company’s current business challenges (including with respect to its long term care insurance business, ratings and capital), including as a result of the inability to complete the planned sale of the company’s European mortgage insurance business at all or on the terms anticipated and failure to attract buyers for any other businesses or other assets the company may seek to sell, or securities it may seek to issue, in each case, in a timely manner on anticipated terms; inability to generate required capital; failure to obtain any required regulatory, stockholder and/or noteholder approvals or consents, or the company’s challenges changing or being more costly or difficult to successfully address than currently anticipated or the benefits achieved being less than anticipated; inability to successfully develop more targeted product features and benefits, strengthen relationships with producers or achieve anticipated cost-savings in a timely manner; adverse tax or accounting charges; (ii) inability to obtain the necessary regulatory approvals and/or third party consents to execute on the company’s internal restructuring initiatives to separate and isolate its long term care insurance business; (iii) inability to achieve the anticipated or expected results from the company’s internal restructuring initiatives; (iv) inability to increase the capital needed in the company’s businesses in a timely manner and on anticipated terms, including through improved business performance, reinsurance or similar transactions, asset sales, securities offerings or otherwise, in each case as and when required; (v) inadequate reserves and the need to increase reserves, including as a result of any changes the company may make to its assumptions, methodologies or otherwise in connection with periodic or other reviews (including as a result of the company’s actual experience differing significantly from its assumptions); (vi) ineffective or inadequate risk management in identifying, controlling or mitigating risks; weaknesses in, or ineffective, internal controls; (vii) inaccurate models to price products, calculate reserves and value assets could have a material adverse impact on the company’s business, results of operations and financial condition; (viii) recent or future adverse rating agency actions, including with respect to rating downgrades or potential downgrades, being placed on negative outlook or being put on review for potential downgrade, all of which could have adverse implications for the company, including with respect to key business relationships, product offerings, business results of operations, financial condition and capital needs, strategic plans, collateral obligations and availability and terms of hedging, reinsurance and borrowings; (ix) inability to retain, attract and motivate qualified employees and independent sales representatives, particularly in the light of the company’s recent business challenges; (x) adverse change in regulatory requirements, including risk-based capital; (xi) dependence on dividends and other distributions from the company’s subsidiaries (particularly the company’s international subsidiaries) and the inability of any subsidiaries to pay dividends or make other distributions to the company, including as a result of the performance of the subsidiaries and insurance, regulatory or corporate law restrictions (including the unwillingness or inability of the subsidiary that indirectly owns most of the company’s interests in the Australian and Canadian mortgage insurance businesses to pay the dividends that it receives from those businesses as a result of the impact on its financial condition of its capital support for certain long term care insurance related reinsurance arrangements); (xii) downturns and volatility in global economies and equity and credit markets; (xiii) interest rates and changes in rates; (xiv) availability, affordability and adequacy of reinsurance to protect the company against losses; (xv) defaults by counterparties to reinsurance arrangements or derivative instruments; (xvi) changes in valuation of fixed maturity, equity and trading securities; (xvii) defaults or other events impacting the value of the company’s fixed maturity securities portfolio; (xviii) defaults on the company’s commercial mortgage loans or the mortgage loans underlying its investments in commercial mortgage-backed securities and volatility in performance; (xix) competitors; (xx) reliance on, and loss of, key customer or distribution relationships; (xxi) extensive regulation of the company’s businesses and changes in applicable laws and regulations; (xxii) litigation and regulatory investigations or other actions (including the two shareholder putative class action lawsuits alleging securities law violations filed against the company in 2014, including as further described below); (xxiii) the material weakness in the company’s internal control over financial reporting in the future; (xxiv) failure or any compromise of the security of the company’s computer systems, disaster recovery systems and business continuity plans and failures to safeguard, or breaches of, the company’s confidential information; (xxv) occurrence of natural or man-made disasters or a pandemic; (xxvi) impact of additional regulations pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; (xxvii) changes in accounting and reporting standards; (xxviii) impairments of or valuation allowances against the company’s deferred tax assets; (xxix) accelerated amortization of DAC and present value of future profits (including as a result of any changes the company may make to its assumptions, methodologies or otherwise in connection with periodic or other reviews); (xxx) political and economic instability or changes in government policies; and (xxxi) fluctuations in foreign currency exchange rates and international securities markets;

# Cautionary Note Regarding Forward-Looking Statements

**Risks relating primarily to the company's mortgage insurance businesses, including:**
(i) deterioration in economic conditions or a decline in home prices that adversely affect the company's loss experience in its mortgage insurance businesses; (ii) competition in the company's mortgage insurance businesses, including from government and government-owned and government-sponsored enterprises (GSEs) offering mortgage insurance; (iii) changes in regulations adversely affecting the mortgage insurance markets in which the company operates; (iv) inability to meet or maintain the requirements mandated by PMIERs because the GSEs amend them or changes to the GSE's interpretation of the financial requirements; (v) inability of U.S. mortgage insurance subsidiaries to meet minimum statutory capital requirements and hazardous financial condition standards; (vi) the influence of Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and a small number of large mortgage lenders on the U.S. mortgage insurance market and adverse changes to the role or structure of Fannie Mae and Freddie Mac; (vii) increases in U.S. mortgage insurance default rates; (viii) uncertainty regarding anticipated benefits from loss mitigation actions or programs in the company's mortgage insurance businesses; (ix) competition with GSEs may put the company at a disadvantage on pricing and other terms and conditions; (x) decreases in the volume of high loan-to-value mortgage originations or increases in mortgage insurance cancellations; (xi) increases in the use of alternatives to private mortgage insurance and reductions in the level of coverage selected; and (xii) potential liabilities in connection with the company's U.S. contract underwriting services;

**Risks relating primarily to the company's long term care insurance, life insurance and annuities businesses, including:**
(i) the company's inability to increase sufficiently, and in a timely manner, premiums on in-force long term care insurance policies and/or reduce in-force benefits, and charge higher premiums on new policies, in each case, as currently anticipated (including the future increases assumed in connection with the completion of the company's margin reviews in the fourth quarters of 2014 and 2015) and as may be required from time to time in the future (including as a result of its failure to obtain any necessary regulatory approvals or unwillingness or inability of policyholders to pay increased premiums); the company's inability to reflect future premium increases and other management actions in its margin calculation as anticipated; (ii) unanticipated adverse events or actions in connection with the suspension of sales of the company's life insurance and fixed annuity products; (iii) failure to sufficiently increase demand for the company's long term care insurance; (iv) adverse impact on the company's financial results as a result of projected profits followed by projected losses (as is currently the case with the company's long term care insurance business); (v) medical advances, such as genetic research and diagnostic imaging, and related legislation that impact policyholder behavior in ways adverse to the company; and (vi) inability to continue to implement actions to mitigate the impact of statutory reserve requirements;

**Other risks, including:**
(i) the possibility that in certain circumstances the company will be obligated to make payments to General Electric Company (GE) under the tax matters agreement with GE even if its corresponding tax savings are never realized and payments could be accelerated in the event of certain changes in control; and (ii) provisions of the company's certificate of incorporation and bylaws and the tax matters agreement with GE may discourage takeover attempts and business combinations that stockholders might consider in their best interests; and

**Risks relating to the company's common stock, including:**
(i) the continued suspension of payment of dividends; and (ii) stock price fluctuations.

With respect to risks relating to the previously-disclosed litigation *In re Genworth Financial, Inc. Securities Litigations*, the court has scheduled a trial to begin on May 9, 2016, and the parties are currently engaging in a mediation process. The plaintiffs have recently taken the position that the class is entitled to recover per share and per bond amounts that, if the plaintiffs were to prevail, would, in the aggregate, be material. There can be no assurance that the mediation will result in a settlement and, if it does not, the company intends to continue to vigorously defend the lawsuit. The company cannot determine or predict the ultimate outcome of this litigation or provide an estimate or range of reasonably possible losses arising from this litigation. Nevertheless, the company believes that it is reasonably possible it will incur additional losses in resolving this litigation beyond the amounts already accrued and, if so, that it is reasonably possible the amount of such losses would be material.

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



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