



Genworth®  
Financial



# Invested Assets Summary

October 29, 2009

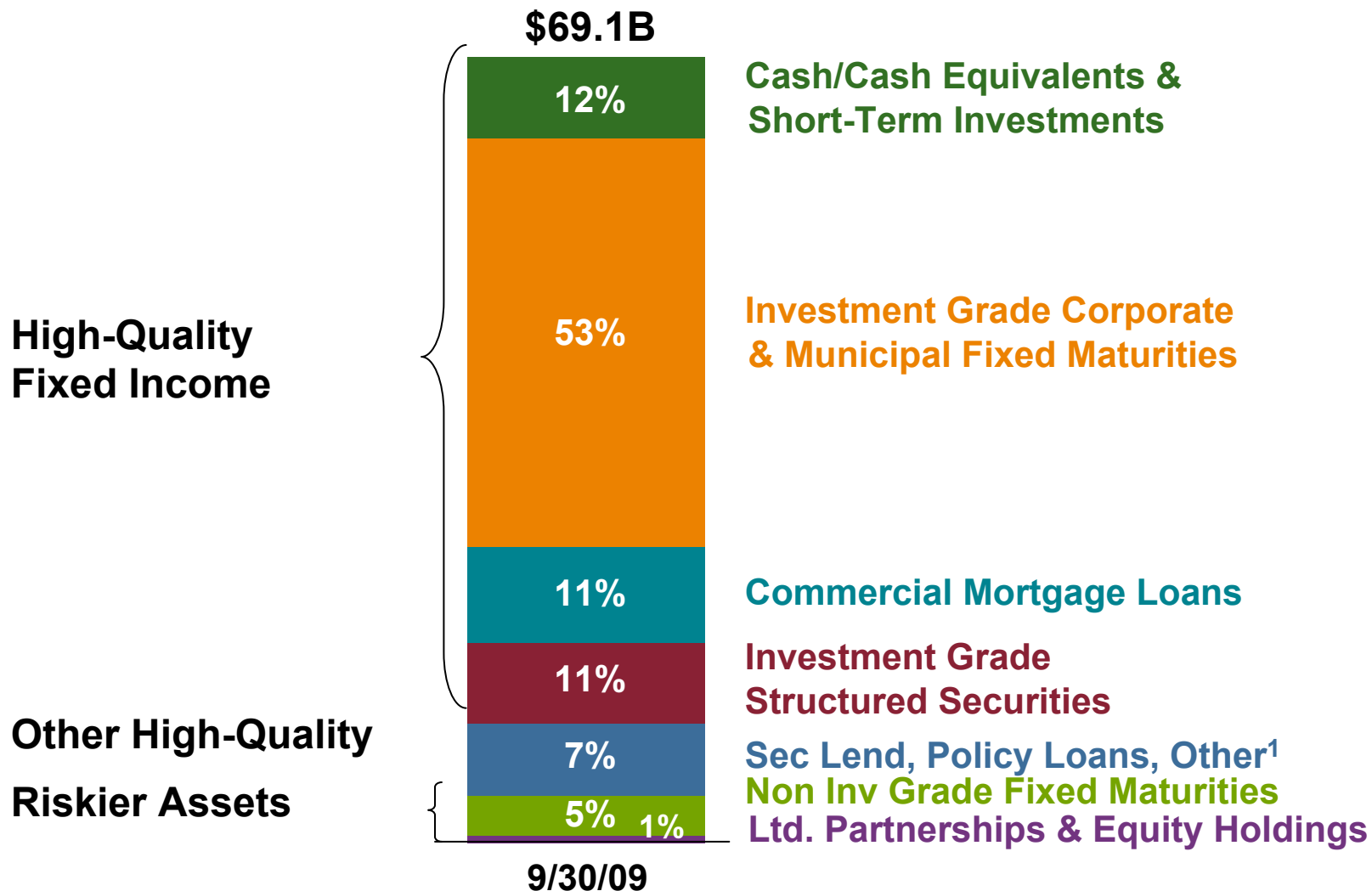
# Forward-Looking Statements

**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 Genworth Financial, Inc.’s (“Genworth”) 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, 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 on March 2, 2009. Genworth undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.**

## Basis Of Financial Presentation

**All financial data as of September 30, 2009 unless otherwise noted. For additional information, please see Genworth’s Third Quarter of 2009 earnings release and financial supplement posted at [genworth.com](http://genworth.com).**

# Investment Portfolio Overview

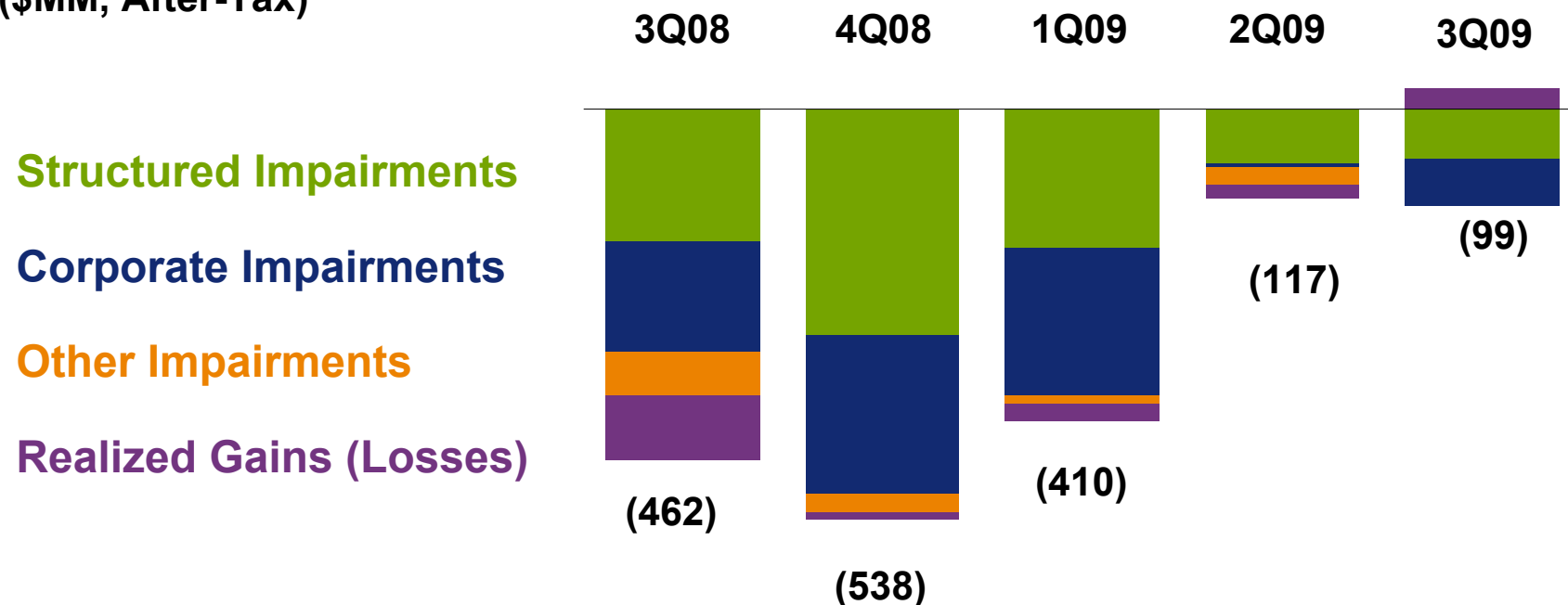


<sup>1</sup> Other Includes: Bank Loans, Trading Securities & Derivatives

# Declining Impairments & Losses

## GAAP: Net Realized Gains (Losses)<sup>1</sup>

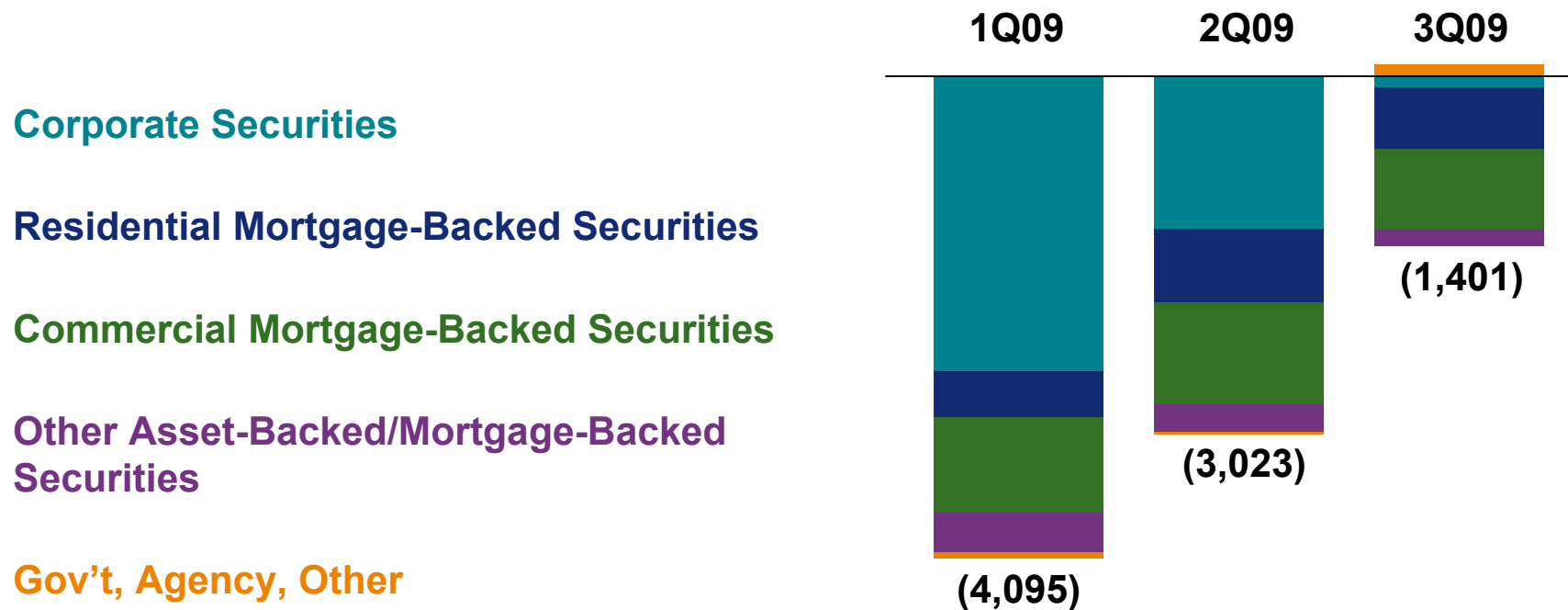
(\$MM, After-Tax)



<sup>1</sup>Exclude Net Investment Gains (Losses) Related To Derivatives, Trading Securities, Bank Loans & Held-for-Sale Mortgage Loans

# Declining Net Unrealized Losses

(\$MM, After-Tax, Deferred Acquisition Costs & Other)



# Credit Migration Manageable

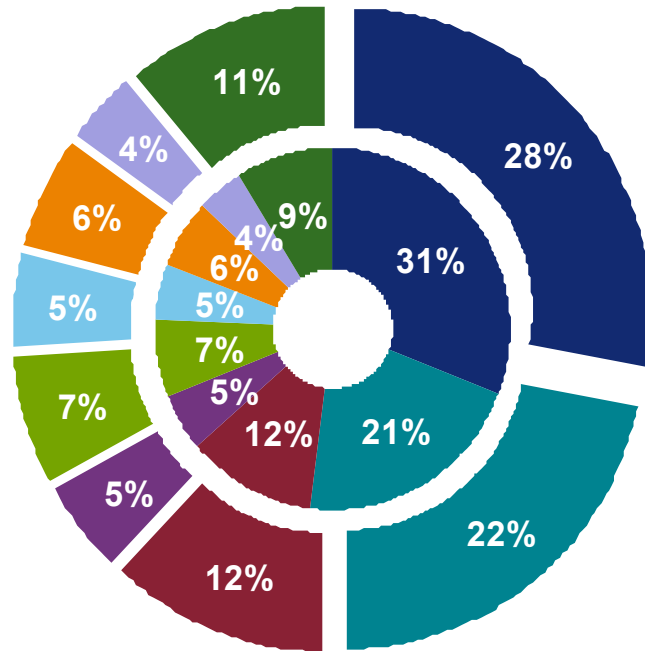
\$MM, Statutory Carrying Value

	Corporate Securities	Structured Securities	Total
No Change To Ratings	22,262	7,968	30,230
Rating Upgrades	186	36	222
Rating Downgrades	619	579	1,198
Net Downgrades	434	542	976
Additional Risk-Based Capital Charge	9	27	36

Note: Credit Migration On U.S. Life Company's Schedule D Part 1, Long-Term Bonds Only, Excluding Sovereigns

# Managing Risk Through Diversification

## Corporate Bond Holdings By Industry



Outside Ring – 3Q09; Inside Ring – 4Q08

**Finance & Insurance**

**Utilities & Energy**

**Consumer Non-Cyclical**

**Consumer Cyclical**

**Capital Goods**

**Industrial**

**Tech. & Comm.**

**Transportation**

**Other**

**Financials Reduced ~3 Percentage Points**

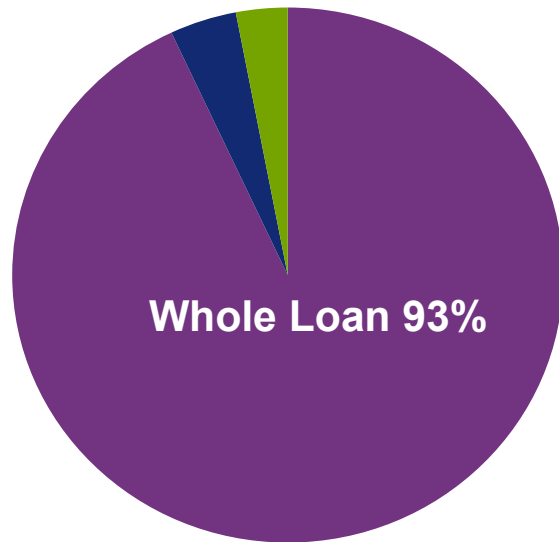
**Diversification Into Non-Financials,**

**More Defensive Sectors Added**

# Commercial Mortgage Loan Portfolio

**Total Portfolio \$7.7 Billion**

**B-Note 4%**   **Mezzanine 3%**



## Comments

**Low Average Loan Size ~\$4MM**

**Minimal Delinquencies**

**Average Occupancy 90%**

**Majority Fixed Rate Whole Loans**

- Low Refinance Risk As Only 4% Matures In 2010 And 6% In 2011

**Limited B-Note/Mezzanine Holdings**

- Supports Floating Rate Liabilities
- No Maturities In 2009/2010

## Surveillance Practices

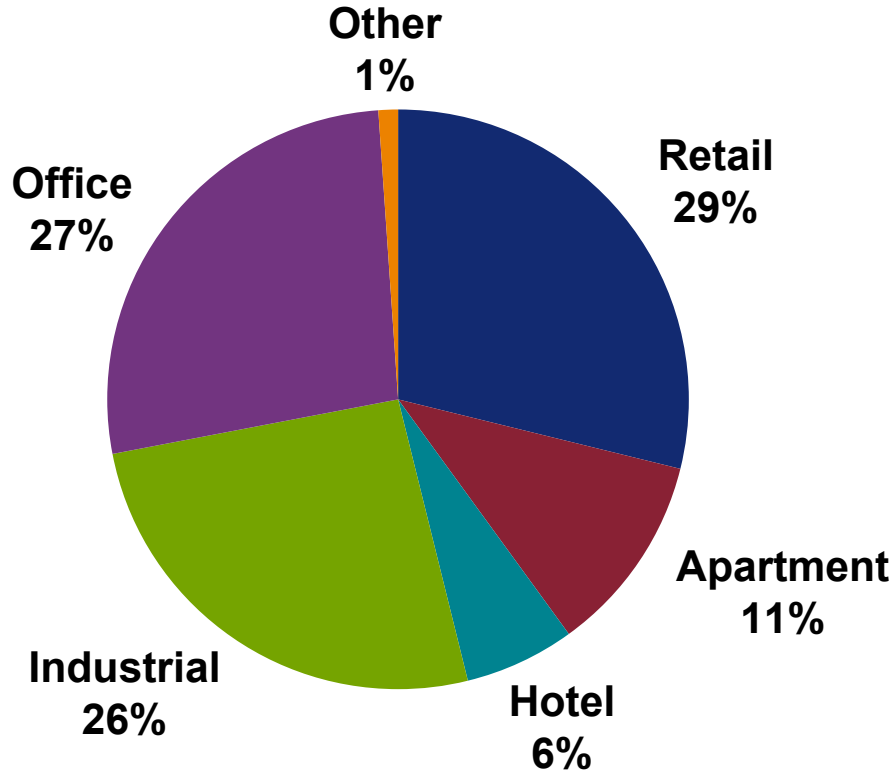
**Annual Revaluation**

**On-Going Surveillance**



# Commercial Mortgage Loan Exposure Detail

## Property Types



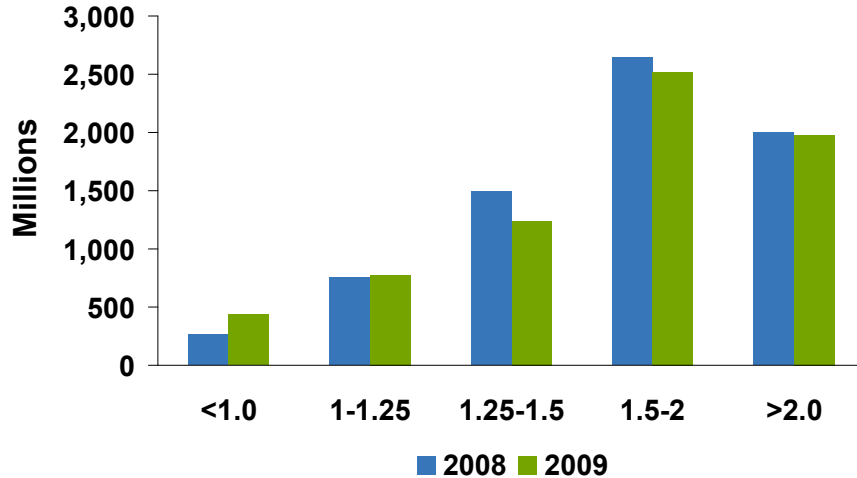
	<u>DCSR<sup>1</sup></u>
Retail	2.28X
Office	2.39X
Industrial	1.76X
Apartment	2.41X
Hotel	2.10X
Other	<u>2.33X</u>
<b>Total</b>	<b>2.18X</b>

**89% Fixed Rate Mortgages, 11% Floating Rate Mortgages**

<sup>1</sup>Debt Service Coverage Ratios Include Both Fixed & Floating Loans

# Commercial Mortgage Portfolio Indicators

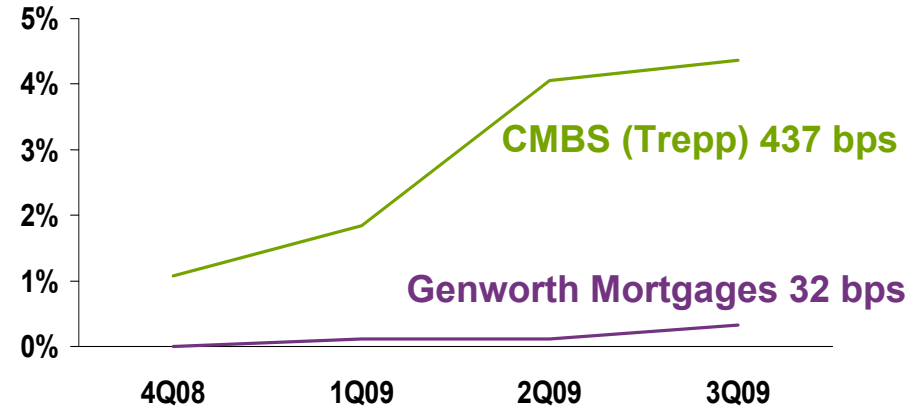
## Debt Service Ratios – Fixed\*



**Debt Service Ratios Remain Strong, But Reflect Declines In Property Income**

\*Chart Excludes Floating Rate Loans Which Have Higher (Better) Ratios

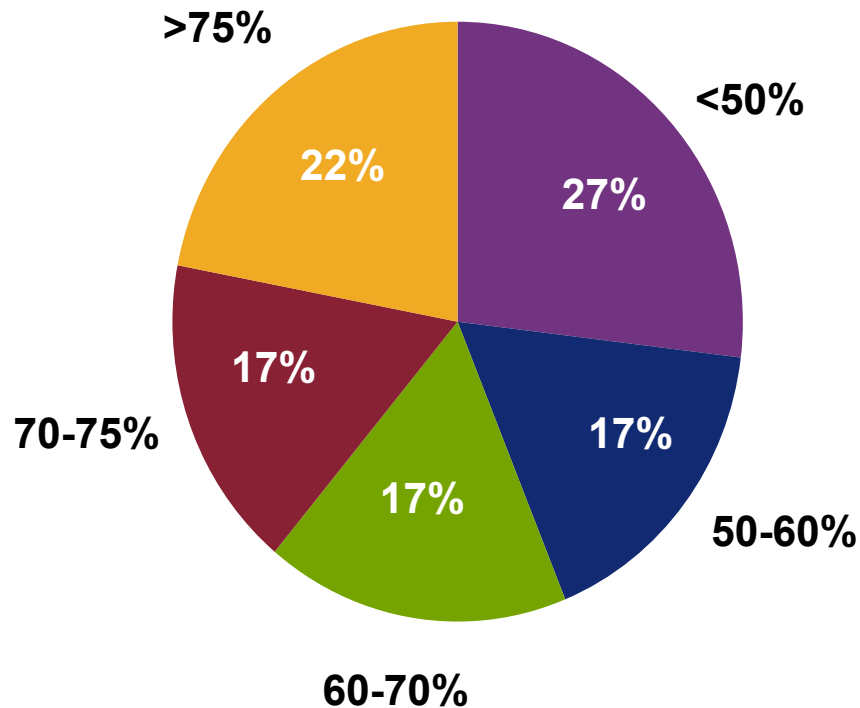
## 60+ Day Delinquency



**Strong Delinquency Performance**  
**Trepp Is A Reporting & Analysis Service Which Tracks CMBS**

# Commercial Mortgage Loan-To-Value Detail

## Current Loan-To-Value Using 2009 Valuations



### Positioned To Withstand Property Value Declines

- Average LTV Of 63%
- High Debt Service Coverage Ratio Of 1.63X For Fixed Rate Loans; 2.18X For The Total Portfolio

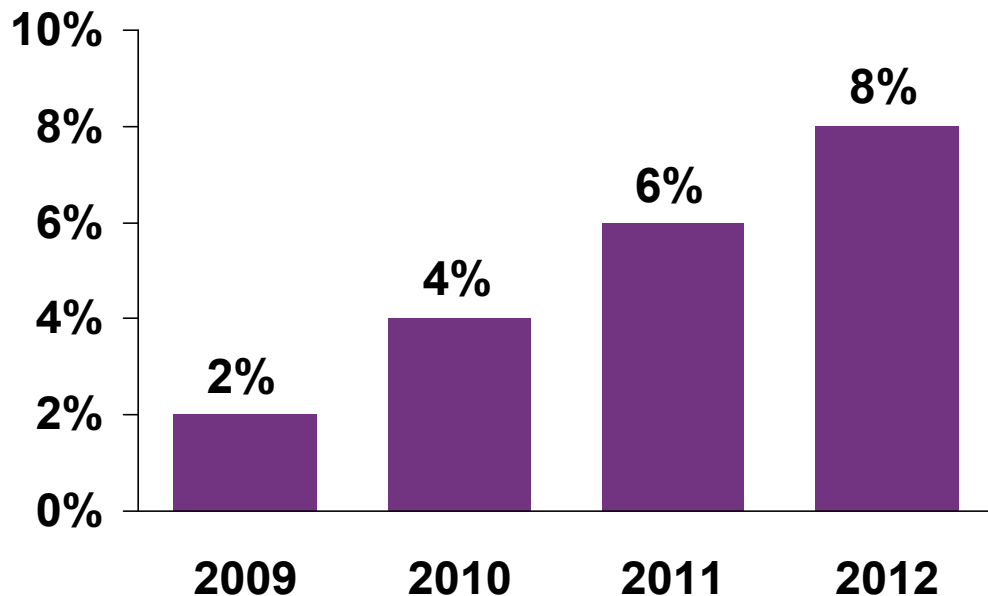
### Limited Interest Only Exposure

### Loan Valuation

- Primarily Direct Cap Valuation Based On Existing Cash Flow
- Completed Annual Loan Revaluation In 3Q09
- Genworth Valuation At Origination On Average 10% Below Appraised Value

# Commercial Mortgage Loan Maturities

## Scheduled Maturities Through 2012



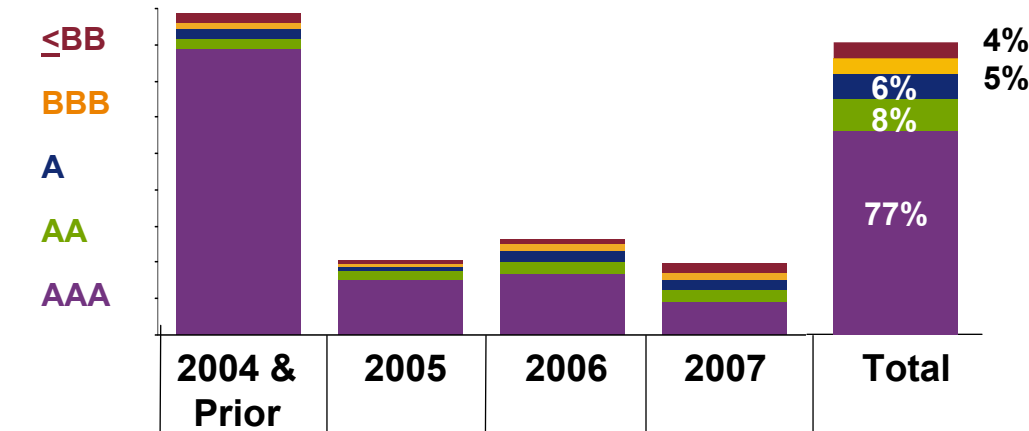
**2009 Maturities Expected  
To Pay As Scheduled**

**Minimal Refinance Risk  
Next Two Years**

# Commercial Mortgage Backed Securities

Market Value - \$3.9 Billion

(\$MM)



	2004 & Prior	2005	2006	2007	Total
AAA	1,974	379	419	231	3,003
AA	62	66	88	82	298
A	77	24	75	62	238
BBB	42	29	48	57	176
≤BB	62	13	30	66	171
<b>Total</b>	<b>2,217</b>	<b>511</b>	<b>660</b>	<b>498</b>	<b>3,886</b>
<b>BV</b>	<b>2,368</b>	<b>664</b>	<b>1,119</b>	<b>910</b>	<b>5,061</b>

## Highly Rated Portfolio

- 85% AAA/AA
- 96% Investment Grade

## 70% 2005 Vintage & Prior

61% Conduit, 20% Large Loan, 16% Agency, 3% Other

Unrealized Losses Improved  
~\$300 Million Since 2Q09

Minimal Impairments

Note: Current Ratings As Of Period Reported

# CMBS Stress Testing

## Market Stress Loss Forecasts

Conduit Stress Loss Rate			
	<u>3Q09</u>	<u>2Q09</u>	<u>1Q09</u>
Average	10.4%	8.4%	6.6%
2007	16.1	12.9	10.5
2006	12.8	10.7	8.1
2005	8.5	6.7	5.2
≤ 2004	4.4	3.4	2.5

## GNW CMBS Stress Test Results

GNW Portfolio %			
Stress Loss Coverage*	<u>3Q09</u>	<u>2Q09</u>	<u>1Q09</u>
Agency & ≥ 4.0x	66%	71%	85%
<4.0x	34	29	15
<2.0x	10	5	3
<1.2x	3	1	1

\* Coverage: CMBS Subordination/ Deal Stress Loss<sup>1</sup>

## Our Approach

**Gather CMBS Deal Specific Stress Loss Estimates From Street & CRE Firms Models**

**Assume On Average**

- 45+% Drop In CRE
- Unemployment Peaking At 13.7%

**Calculate Cusip-Level Loss Coverage**

## Conclusions

**66% Of Portfolio Can Withstand ≥ 4.0X Stress Loss Estimates**

**Highest Coverage Category Declining Due To Rising Stress Loss Estimates**

**Subordination Levels Provide Loss Cushion**

**Stress Loss Estimates Expected To Stabilize**

<sup>1</sup>Some Deals Are Not Covered By All Default Models; Only Property & Portfolio Research Data Used For Large Loan Deals. Charts Exclude Interest-Only And Rake Bonds.

# Cautionary Note Regarding Forward-Looking Statements

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- *Risks relating to our businesses*, including adverse capital and credit market conditions, downturns and volatility in equity and credit markets, downgrades in our financial strength and credit ratings, impact of the U.S. government’s plan to purchase illiquid mortgage-backed and other securities, ability to access the U.S. government’s financial support programs, interest rate fluctuations, valuation of fixed maturity, equity and trading securities, defaults, downgrades or impairments of our fixed maturity securities portfolio, goodwill impairments, soundness of other financial institutions, inability to access the company’s credit facilities, declines in risk-based capital, insufficiency of reserves, legal constraints on dividend distributions by subsidiaries, intense competition, availability and adequacy of reinsurance, defaults by counterparties, loss of key distribution partners, regulatory restrictions on our operations and changes in applicable laws and regulations, legal or regulatory investigations or actions, the failure or any compromise of the security of our computer systems and the occurrence of natural or man-made disasters or a pandemic;
- *Risks relating to our Retirement and Protection segment*, including changes in morbidity and mortality, accelerated amortization of deferred acquisition costs and present value of future profits, reputational risks as a result of rate increases on certain in-force long-term care insurance products, medical advances such as genetic mapping research, unexpected changes in persistency rates, increases in statutory reserve requirements and the failure of demand for long-term care insurance to increase as we expect;
- *Risks relating to our International segment*, including political and economic instability, foreign exchange rate fluctuations, unexpected changes in unemployment rates, unexpected increases in mortgage insurance default rates or severity of defaults, decreases in the volume of high loan-to-value international mortgage originations, increased competition with government-owned and government-sponsored enterprises offering mortgage insurance and changes in regulations;
- *Risks relating to our U.S. Mortgage Insurance segment*, including our review of strategic alternatives, increases in mortgage insurance default rates or severity of defaults, deterioration in economic conditions or a decline in home price appreciation, effect of the conservatorship of Freddie Mac and Fannie Mae on mortgage originations, 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 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 enterprises offering mortgage insurance, changes in regulations, legal actions under Real Estate Settlement Practices Act of 1974, potential liabilities in connection with the company’s U.S. contract underwriting services, the extent to which the company may continue to realize benefits from rescissions and the extent to which loan modifications and other similar programs may provide benefits to Genworth;
- *Other risks*, including the possibility that in certain circumstances we will be obligated to make payments to General Electric Company (GE) under our tax matters agreement with GE 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; and
- *Risks relating to our common stock*, including the suspension of dividends and fluctuation of our stock price.

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