



Genworth®  
Financial



# Keefe, Bruyette & Woods 2010 Insurance Conference

September 8, 2010

# 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 and risks, including those discussed on page 46, 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 February 26, 2010. Genworth undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

## Use Of Non-GAAP & Select Operating Performance Measures

All financial data as of June 30, 2010 unless otherwise noted. For additional information, please see Genworth’s Quarterly Report on Form 10-Q filed with the SEC on July 30, 2010. All references to return on equity (ROE) refer to operating ROE and are levered assuming a 20% debt to capital at the product line level.

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

Unless otherwise stated, all references in this presentation to net income (loss) and operating income should be read as net income (loss) available to Genworth’s common stockholders and operating income available to Genworth’s common stockholders, respectively.

# Genworth -- Specialist Positioning

## Protection And Retirement

Invest

Protect

Retire



**Life Insurance**  
**Long Term Care Insurance**  
**Wealth Management**  
**Annuities & Supplemental Products**  
**International Lifestyle Protection**

## Mortgage Insurance

Homeownership



**United States**  
**Australia**  
**Canada**  
**Europe**  
**Select New Markets**

# Levers For Improved Earnings & Returns

**New Business With Improved Profitability**

**Investment Portfolio Performance Optimization**

**Risk Management & Loss Mitigation**

**Effective Capital Management & Capital Deployment**

# Attractive New Business Profitability

New Business Pricing ROE	Protection & Retirement	Mortgage Insurance
20%+	Wealth Management	U.S. MI
High Teens	Lifestyle Protection	Australia MI
Mid Teens	Long Term Care Variable Annuities	Canada MI
Low Teens	Life Insurance Fixed Annuities	

 **New Business Pricing ROEs Increased As A Result Of Pricing Actions, Changes In Product Structure Or New Product Introductions**

# Optimize Investment Portfolio

## De-Risk

**Decreased Exposure To Higher Risk Sectors**  
**Disciplined Asset-Liability Management**  
**Exited Selected Limited Partnerships**

## Diversify

**Reducing Larger Exposures**  
**Purchasing In Select Sectors**  
**Adding High-Quality Names Where Exposure Low**

## Reinvest Excess Cash

**Rates Accretive To Portfolio Yield**  
**Completed \$3.5B Cash Reinvestment**  
**Primarily In Retirement & Protection And International**



# Risk Management & Loss Mitigation

## Price Increases/Contract Restructuring

- Australia & Lifestyle Protection
- U.S. Mortgage Insurance
- Monitor Interest Sensitive Products

## Modifications, Settlements, Rescissions & Recoveries

- U.S. Mortgage Insurance
- International Mortgage Insurance

## Capital Optimization

- Capital Efficient New Products
- Life Insurance Reserve Funding

## Investment Strategies

- Derivatives & Hedging Programs
- Optimize Asset/Liability Matching



# Sound Capital & Liquidity Position

## Holding Company

**No Long-Term Debt Maturing Until Mid-2011**

**\$1.1B Of Cash & Highly Liquid Securities**

**Statutory Earnings Build & Debt Market Opportunities**

### U.S. Retirement & Protection

**RBC Ratio ~375%<sup>1</sup>**

**Dividend Source In '11**

### International

**Sound Capital Ratios**

**Excess Capital Build**

**Dividend Source In '10**

### U.S. Mortgage Insurance

**Self-Contained Capital Plan**

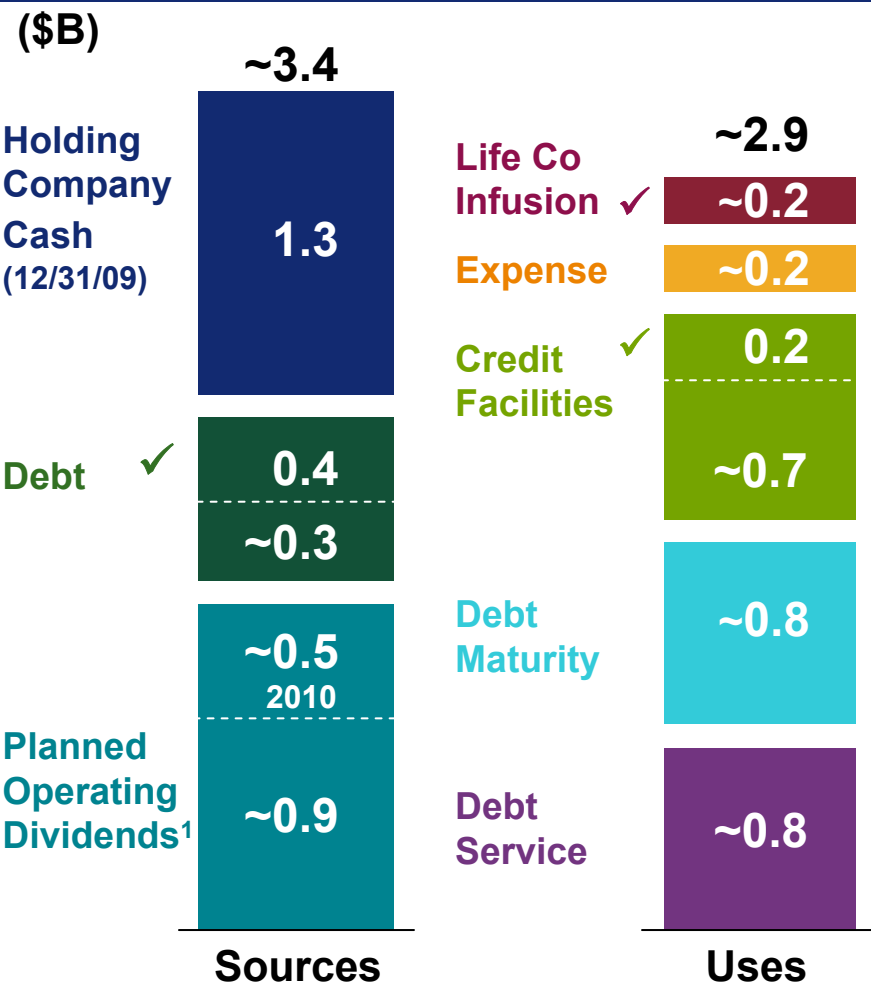
**RTC Ratio 15.1:1<sup>1</sup>**

<sup>1</sup>As of June 30, 2010; Risk-Based Capital (RBC) Ratio Estimate Based On Timing Of Statutory Filings



# Multi-Year Holding Company Capital Plan

## Sources & Uses Through 2012



## Planned Dividend Opportunities

	<u>2010</u>	<u>2011</u>	<u>2012</u>
R&P		+	++
International	++	++	++
U.S. MI			

~\$300MM Additional Dividend Capacity In Excess Of Plans

<sup>1</sup>Includes Expected Net Proceeds Of ~\$175MM From Canada Share Repurchase

# Targeting GNW 10%+ Operating ROE By '12

Levels	2Q10 <sup>1</sup>	Perspectives On ROE Targets
International	12%	Return To Mid Teens Steadily Through 2012 High Teens Longer Term
U.S. MI	(12)%	Qtrly. Op Income Positive By Mid '11 ~20%+ ROE Business Model Over Time
Retirement & Protection	6%	Return To 10% ROE By 2012 Low/Mid Teens Longer Term

<sup>1</sup>2Q10 Annualized & 20% Levered

# The Case For Genworth

**Well Positioned For Sound Growth & Market Recovery**

**Strong Capital & Liquidity**

**Active Risk Management & Loss Mitigation**

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**International Strength & Improving U.S. Retirement & Protection**

**U.S. MI Progression With Self-Contained Capital Plan**

**Optimizing Investment Portfolio & Cash Reinvestment**

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**Clear Path For Earnings Expansion & ROE Growth**

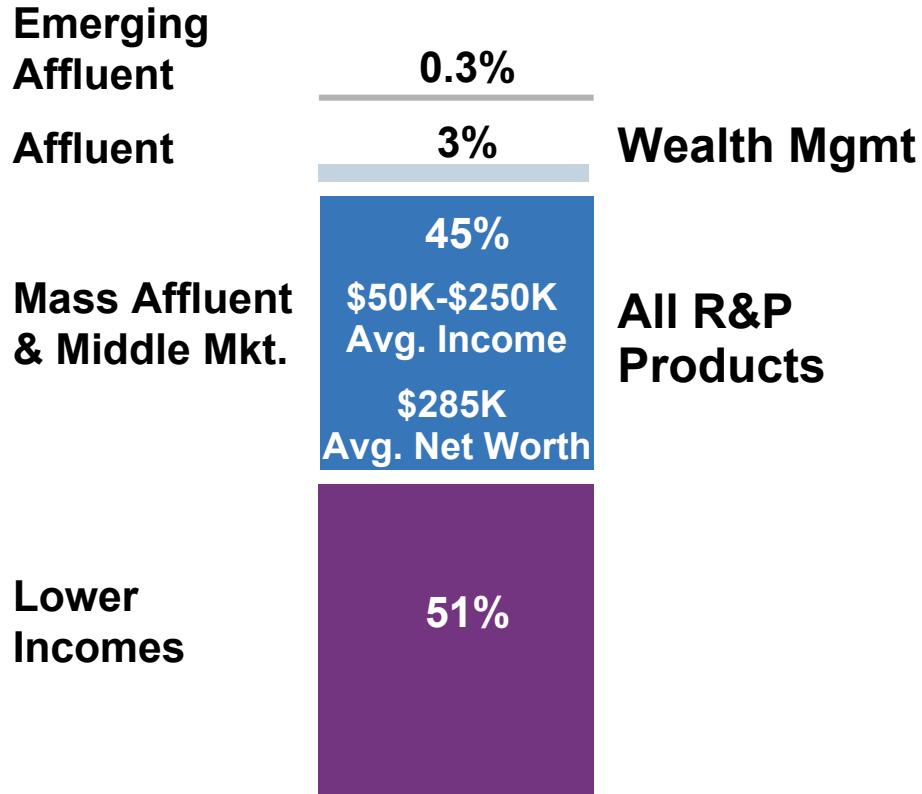
# Retirement & Protection Overview



<sup>1</sup>Comprised Of Fee Based & Spread Based Retirement Income

# “Main Street” Market Focus

## U.S. Households



## Target Consumer Segments

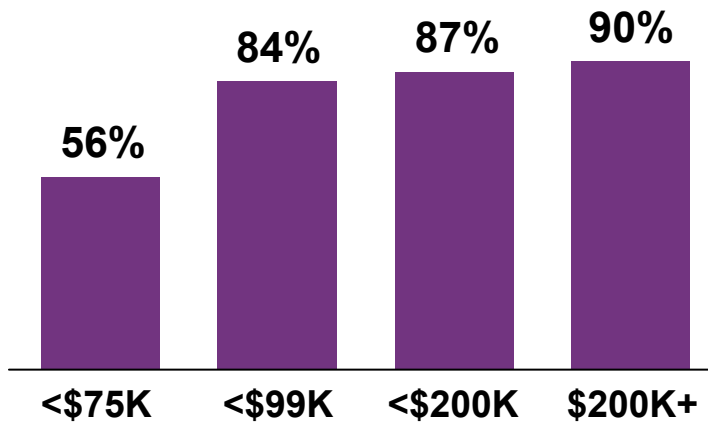


Source: SRI MacroMonitor 2007. Net Worth Excludes Primary Residence.

# “Main Street” Growth Opportunity

## “Main Street” Life Under-Insured

### % Ownership By Family Income

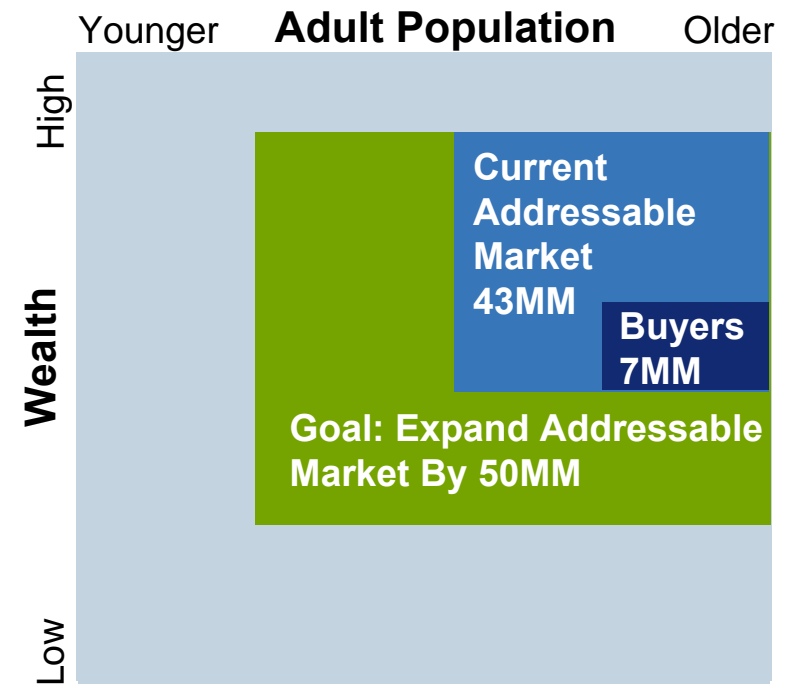


### Median Coverage

1.4X      2.1X      2.1X      2.0X

Industry Recommended Coverage: 5X-10X Income

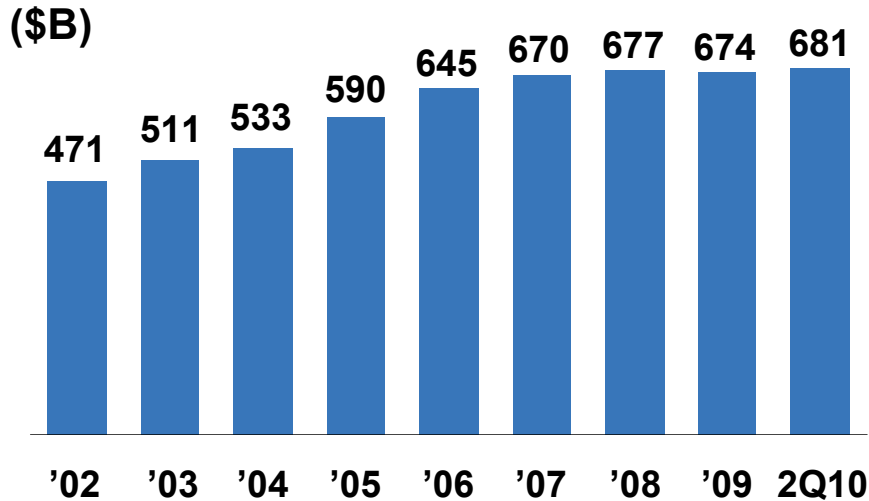
## Opportunity To Double LTC Mkt.



Sources: U.S. Census, Insurance Advisory Board

# Main Street Life -- Leveraging Our Expertise

## Large In Force<sup>1</sup>



## Cost Efficient Platform

**Genworth Operations Run ~30%  
Less Than Industry Average<sup>2</sup>**

**Favorable Mortality Experience**

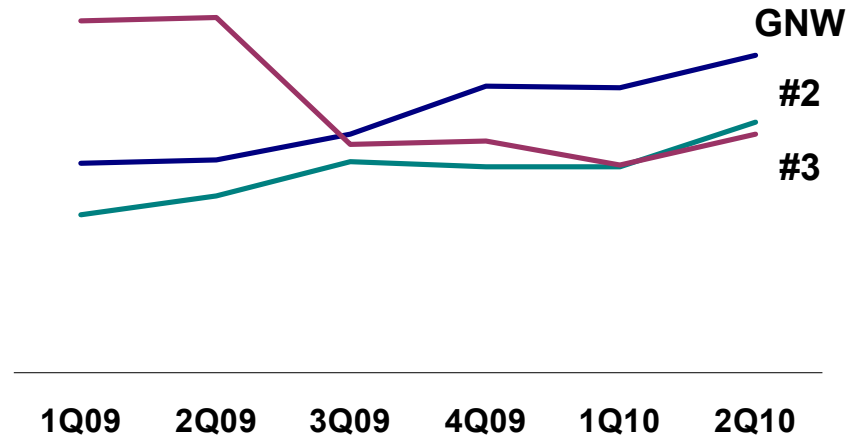
<sup>1</sup>Face Amount Before Reinsurance

<sup>2</sup>Source: 2008 McKinsey Life Insurance Operations Benchmarking Study For Term Independent

<sup>3</sup>LIMRA

## BGA Policy Volume Leader

(Policies Per Quarter)<sup>3</sup>



## Loyal Independent Distribution

**500+ Brokerage General Agencies**

**Relationships Since 1950s**

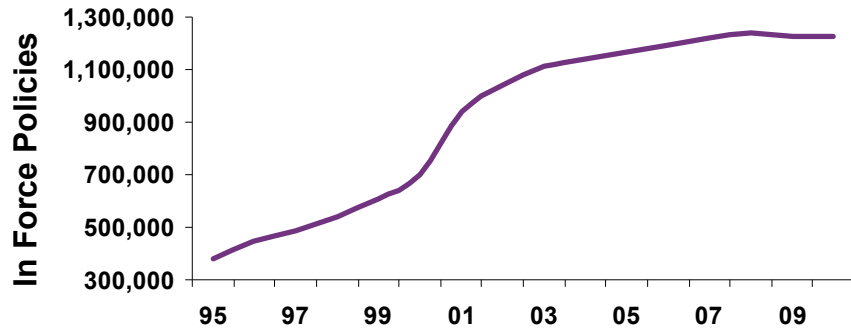
**Aligned With Main Street Focus**

**Strong New Product Adoption**



# Long Term Care -- Leveraging Expertise

## Sizable In Force<sup>1</sup>



<sup>1</sup>Includes Majority Of LTC Individual Policies

## Distribution Leadership

- Specialist Career Sales Force
- Independent Channel Wholesaling
- Affinity -- e.g., AARP
- Growing Group Presence

## Strong Expertise

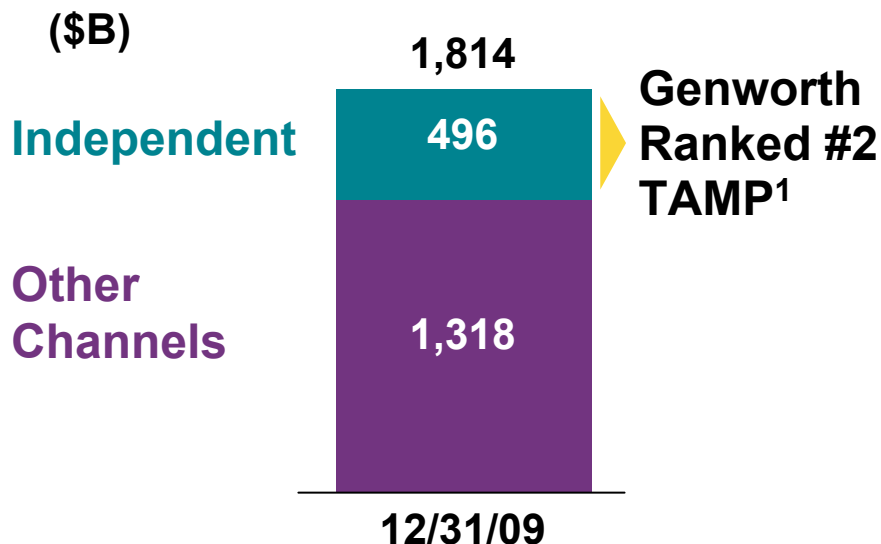
- 35 Years Of Morbidity Experience
- Pricing, Product Design & Underwriting Advantages
- Forward Investing Disciplines
- Care Coordination Benefits

## Scale Advantages

- Process More Business Than Six Of Top 10 Carriers Combined
- 300+ Dedicated Claims Specialists

# Independent Advisor Wealth Management

## Managed Account Market



## How We Differentiate



**“Sailing & Rowing” Framework**

**Operational Ease & Support**

**Practice Management Services**

**Penetrate Advisor Value Chain**

## Broad Value Proposition

**Open Architecture Platform**

**Asset Allocation & Rebalancing**

**Marketing & Technology Services**

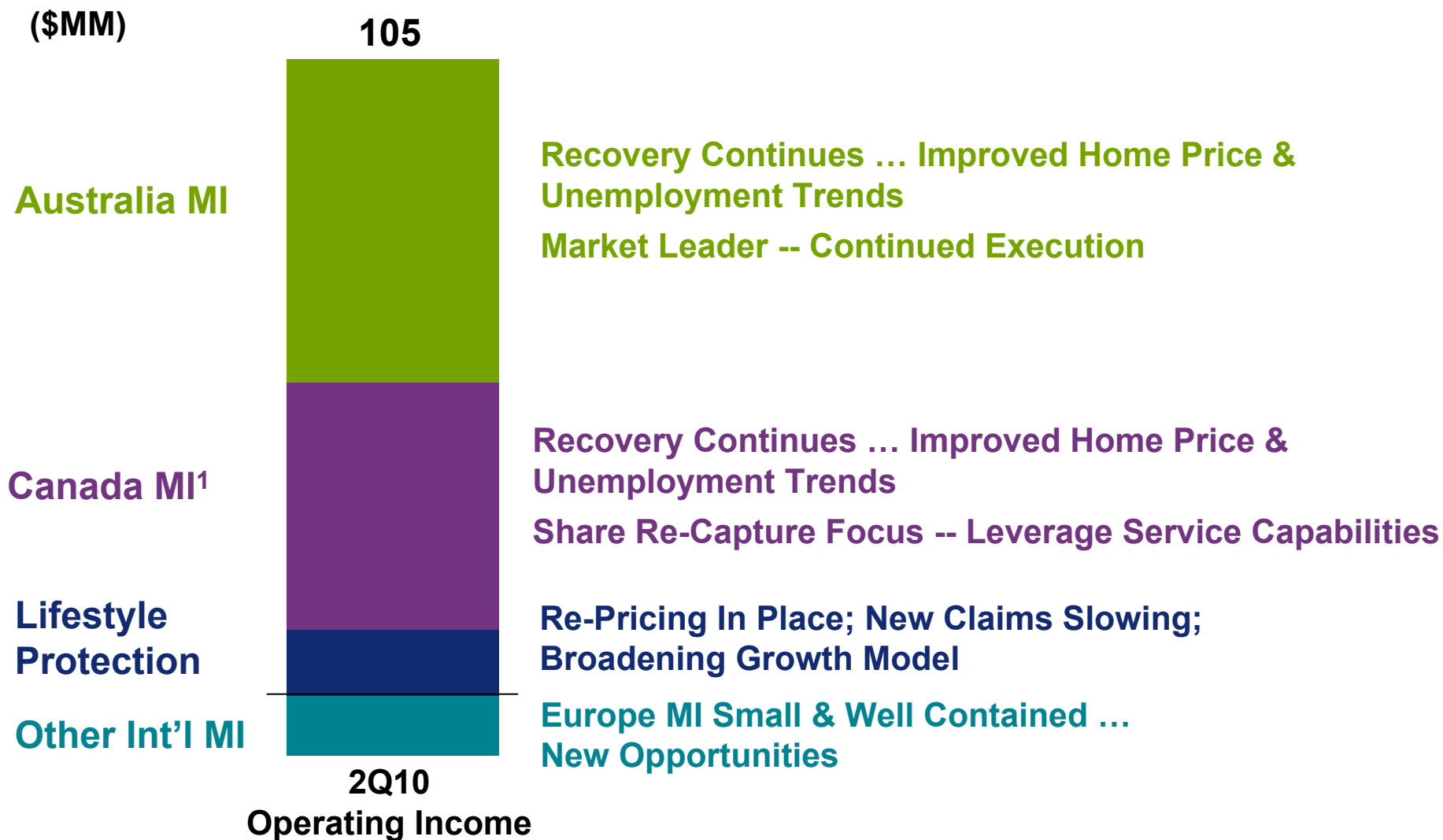
Source: Cerrulli Associates <sup>1</sup>Turnkey Asset Management Program

# R&P Product Portfolio Outlook

	Market Growth/ GNW Target vs. Market			GNW New Business Targets
<b>Leadership Businesses</b>	<b>Life</b>	<b>Moderate Growth</b>	<b>Outperform</b>	<b>12%-14% ROE</b>
	<b>LTC</b>	<b>Challenged Industry Growth</b>	<b>Outperform</b>	<b>15%+ ROE</b>
	<b>Managed Accounts</b>	<b>Good Growth</b>	<b>Outperform</b>	<b>20%+ ROE</b>
<b>Targeted Businesses</b>	<b>Variable Annuities</b>	<b>Moderate Growth</b>	<b>In Line</b>	<b>15%+ ROE</b>
	<b>Fixed Annuities</b>	<b>Lower Growth</b>	<b>Managing For ROE</b>	<b>10%+ ROE</b>
	<b>Med Supp</b>	<b>Steady Growth Niche</b>	<b>In Line</b>	<b>12%-14%+ ROE</b>

Sources: LIMRA, VARDS, Cerrulli & Management Estimates

# International Overview



<sup>1</sup>Canada MI Excludes \$35MM Of Operating Income Attributable To Noncontrolling Interests In 2Q10

# Differentiated Housing Market Performance

## Canada/Australia Characteristics

Limited Reliance On Capital Markets

Active Regulatory Oversight

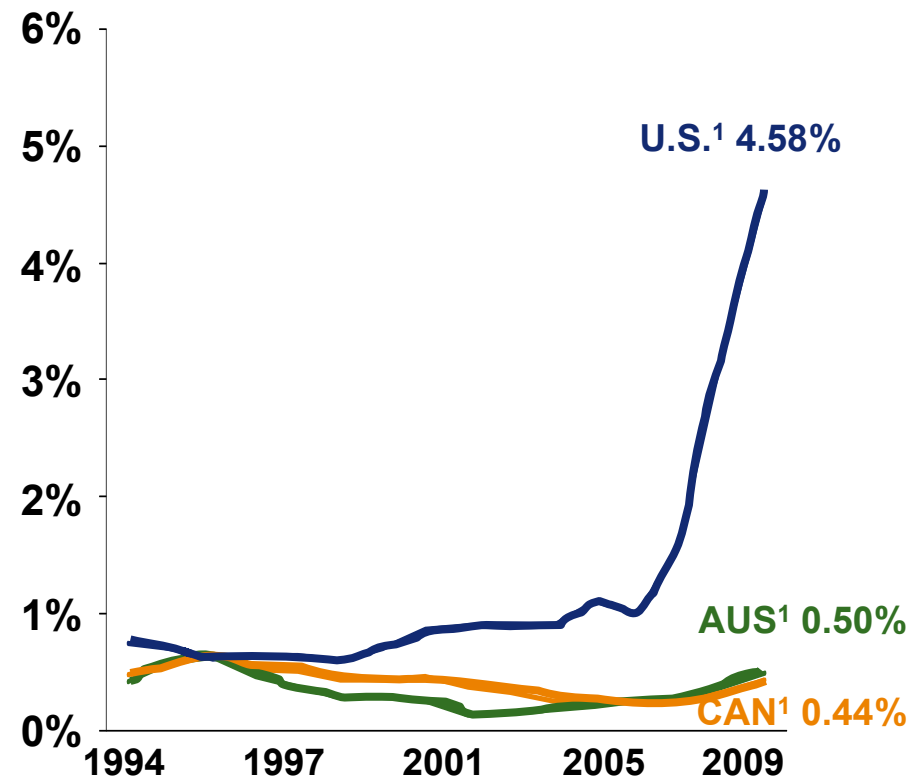
Strong Credit Culture

High Quality Borrowers

Mortgage Interest Not Tax Deductible

Lender-Friendly Legislation

## Mortgage Delinquency Rate

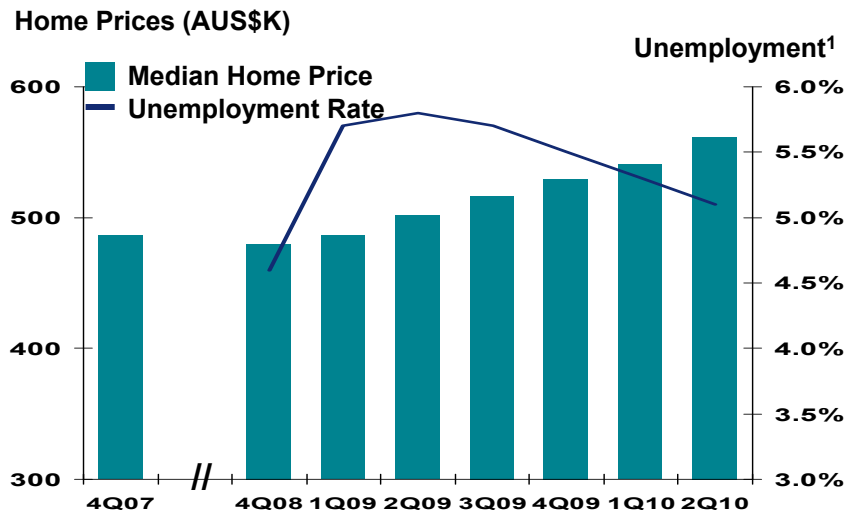


<sup>1</sup>Loans In Arrears 90+ Days. For Australia, Only Includes Loans On Banks' Balance Sheets.

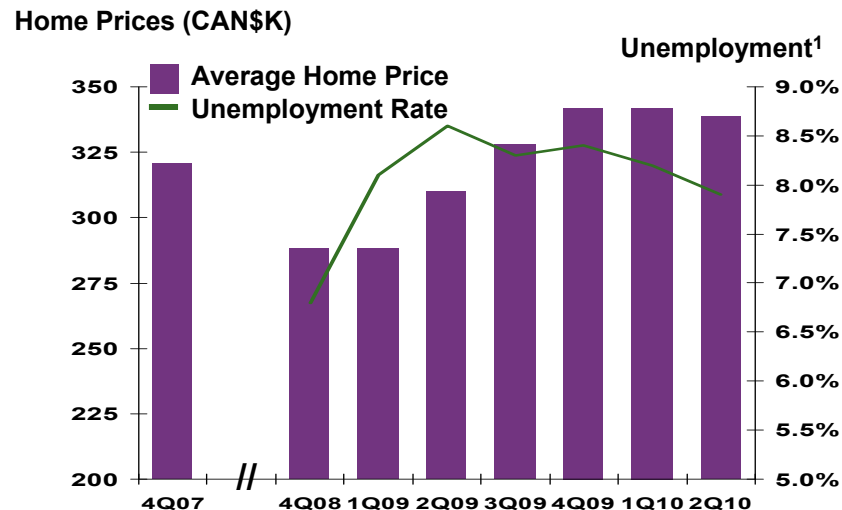
Sources: Reserve Bank Of Australia (4Q09) & Management Estimates, Canadian Bankers Association (1Q10) & U.S. Mortgage Bankers Association (1Q10)

# Home Price Appreciation Trends

## Australia



## Canada



## Observations

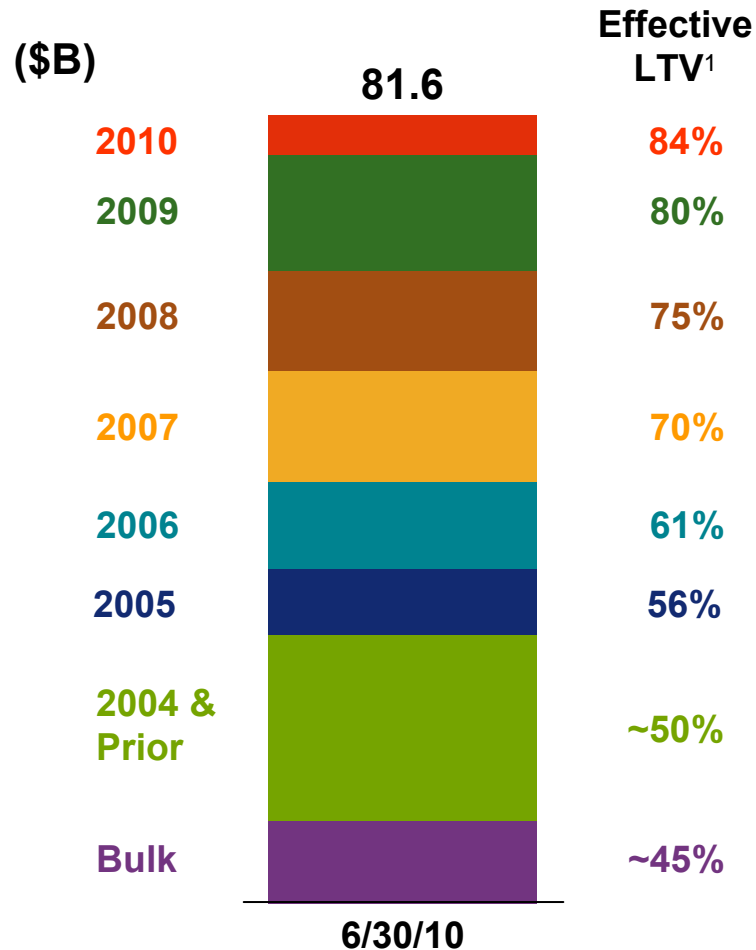
**Home Prices Have Recovered**  
**Unemployment Improvements**  
**Government Stimulus Withdrawals**

Sources: Canadian Real Estate Association; RP Data & Management Estimates

<sup>1</sup>End Of Period Unemployment Rate

# Australia Mortgage Insurance

## Risk In Force By Vintage



## Positioning

**Deep/Consolidating Lender Relationships**

**Eliminated >95% LTV Products In '08**

**Strong Underwriting & Rate Buffers**

**~20% Price Increase 3Q09; +17% In '08**

**Market Duopoly**

## Growth Opportunity

**Customer Value Chain Penetration**

**Targeted Share Penetration**

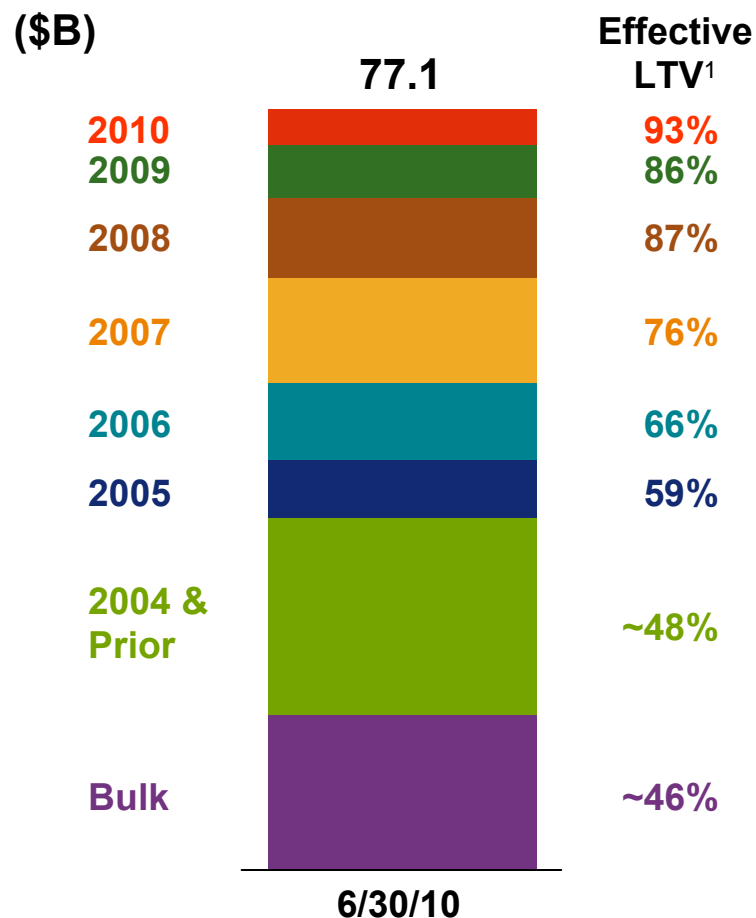
**Slowing Origination Market Given Stimulus Withdrawal**

<sup>1</sup>Book Year Risk In Force Based Upon Flow. Effective LTV Estimated Based On Accumulated Regional HPA.



# Canada Mortgage Insurance

## Risk In Force By Vintage



## Positioning

Integrated In Lender Value Chain

Strong Underwriting

Eliminated >95% LTV & 40 Year Amortization In '08

Increased Lender Training & QA

Executing Capital Optimization Plan

## Growth Opportunity

Origination Market Normalizing

Deepen Lender Relationships

Differentiate On Service

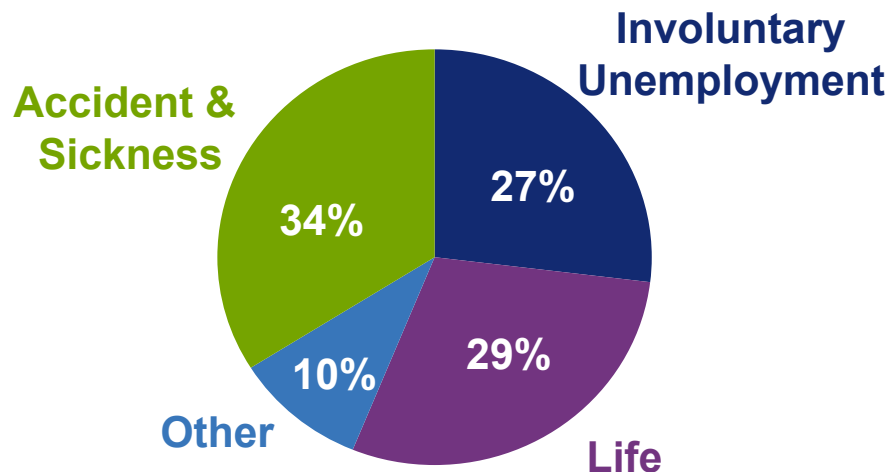
Share Recapture

<sup>1</sup>Book Year Risk In Force Based Upon Flow. Effective LTV Estimated Based On Accumulated Regional HPA.

# Lifestyle Protection

## Coverage Type (1H10)

### Earned Premiums



## Trends

**Slowing New Claim Registrations**

**Claims Durations Extend**

**Consumer Lending Remains Slow**

**Banks Re-Assessing Capital Options**

**Product Value Proposition Strong**

– Regulation Benefit Potential

## Strategic Priorities

Capture Re-Pricing & Distribution Contract Modification Benefits

Active Loss Mitigation – Unemployment & Accident & Sickness

Drive Penetration Of Existing Customers

Expanded Focus On New Products/Channels + Select Additional Countries

# U.S. Mortgage Insurance Portfolio

## Primary Risk In Force

(\$B)

30.3

Flow-Prime

Sub-Prime  
Bulk



6/30/10

**Actively Managing Through Challenging Housing Market**

**Loss Mitigation Focus**

**Self-Contained Capital Disciplines**

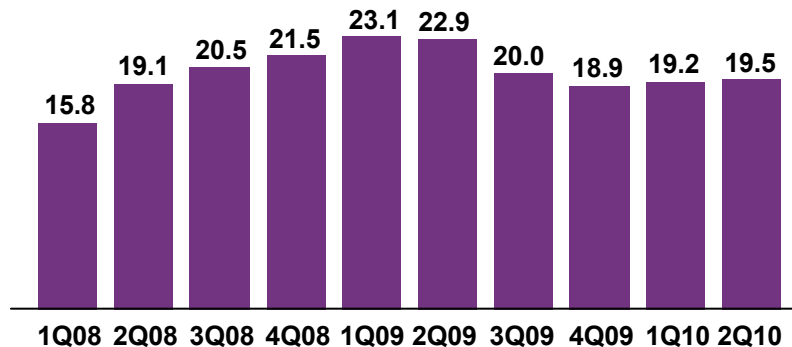
**Grow Highly Profitable New Business**

**Active In Regulatory Reform**

# U.S. MI Flow Delinquency Trends

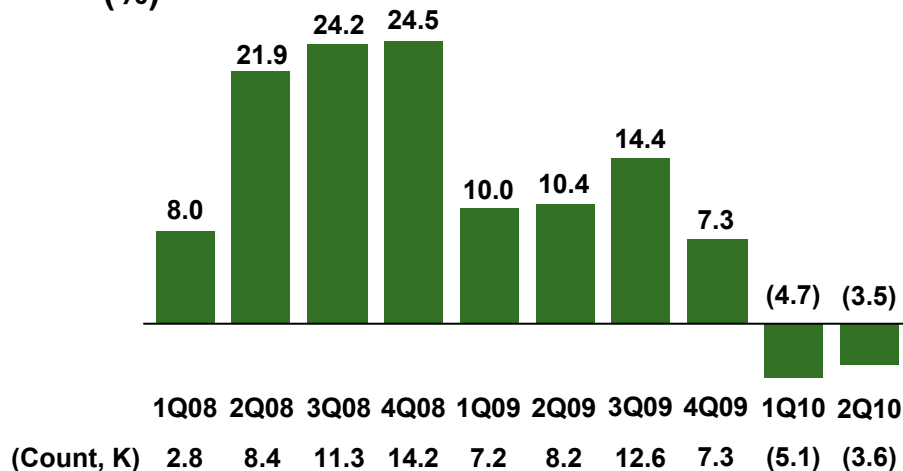
## Avg. Reserve Per Delinquency

(\$K)



## Change In Delinquencies

(%)



## Two Different Housing Cycles

### Bad Products & Originators

Special Products & Sand States Driven  
Declining Impact On New Delinquencies

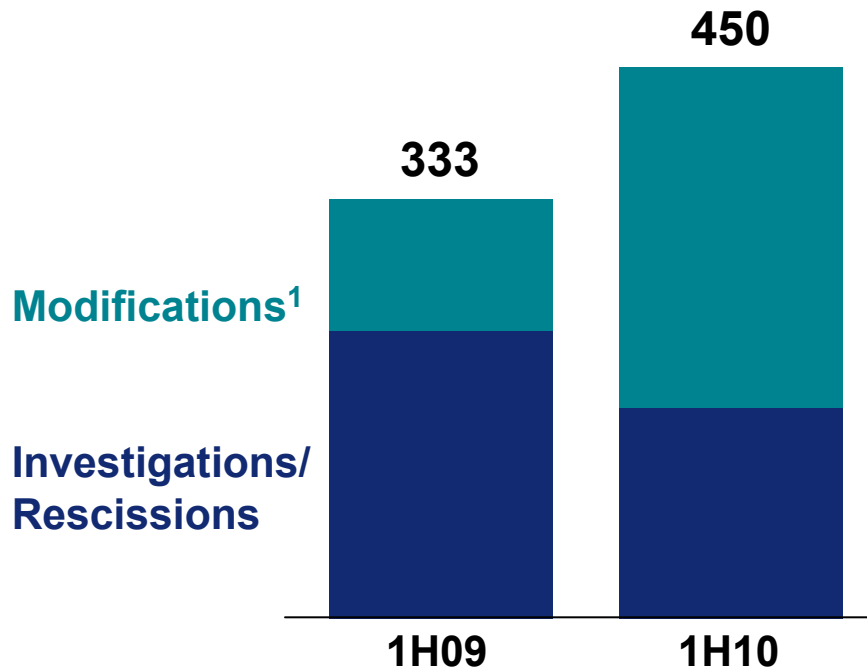
### Standard Products/National Basis

Unemployment Drives Delinquencies  
Seasonal Pattern Returning

# Rising U.S. MI Benefits From Loss Mitigation

## Loss Mitigation Experience

(\$MM)



**2010E Loss Mitigation Savings ~ In Line With 2009 Benefit**

## Trends

**Shift From Rescissions To Modifications**

**Multiple Modification Programs Beyond Government HAMP Effort**

**Modification Programs Have Similar Payment Reductions ~30%**

– Should Lower Redefault Rate

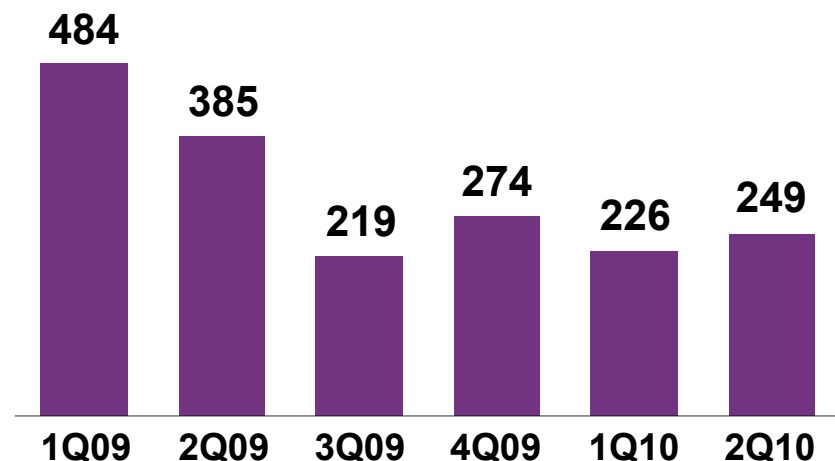
**16,000+ GNW Delinquent Loans In HAMP Trial Period (~16% Of Delqs.)**

<sup>1</sup>Includes Home Affordable Modification Program (HAMP) And Other Modifications As Well As Workouts & Claims Management.

# U.S. Mortgage Insurance Loss Trends

## Flow Losses

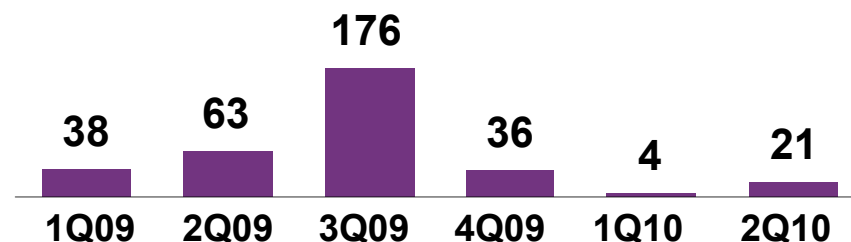
(\$MM)



(\$MM)	2Q09	3Q09	4Q09	1Q10	2Q10
Loss Mit. <sup>1</sup>	188	224	290	233	217
Reins.	77	49	39	35	56
Net Losses	308	170	235	191	193

## Bulk Losses

(\$MM)



(RIF, \$MM)	3Q09	4Q09	1Q10	2Q10
GSE Alt-A	315	295	58	29
FHLB/Other	461	476	465	480
Total RIF	776	771	523	509

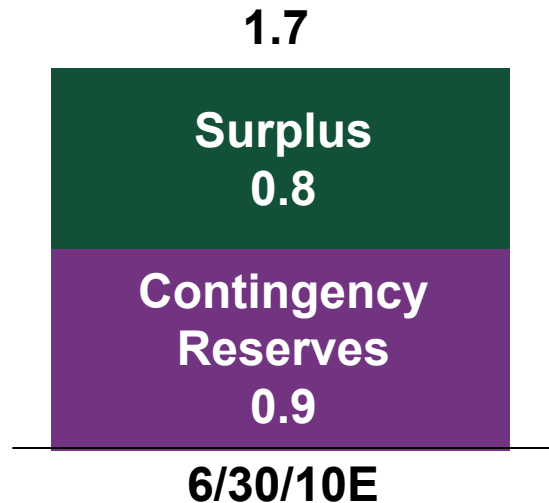
<sup>1</sup>Flow & Bulk, Including Workouts, Presales, Policy Rescissions & Targeted Settlements, Net Of Reinstatements

**Delinquencies On 2005 – 2007 Vintages Peaked In Early 2010**

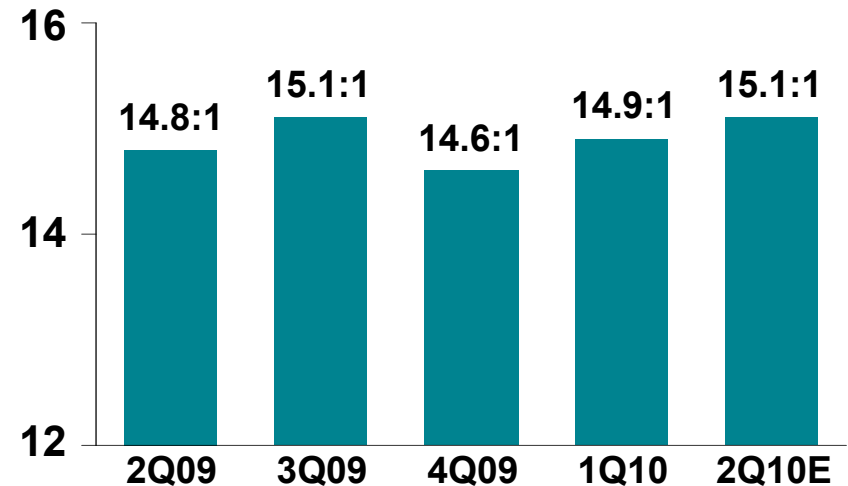
# U.S. MI Self-Contained Capital Plan

## Statutory Position

(\$B)



## Risk To Capital Ratio



## Current Operating Assumptions

**14% To 17%<sup>1</sup> Peak-To-Trough Home Price Decline FHFA<sup>2</sup> Index & 10.3% Unemployment**

**Ability To Absorb Home Price Declines Of 35% To 38% In FHFA Index Peak-To-Trough & 14% Unemployment**

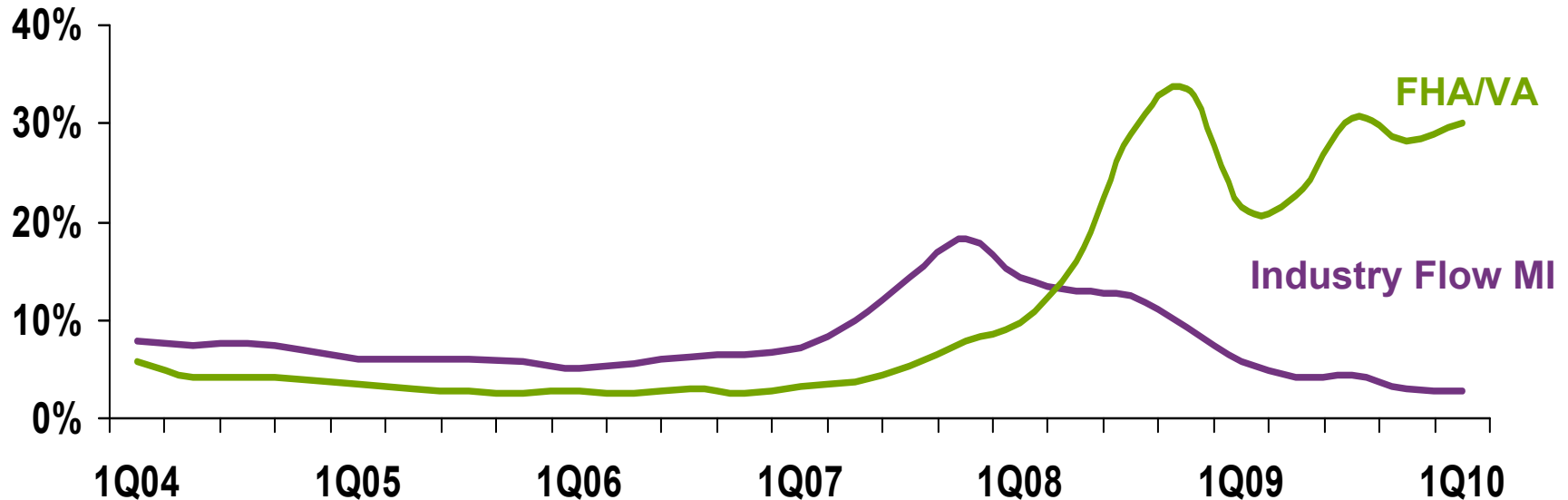
<sup>1</sup> The Portfolio Is Stress-Tested In The Severe Scenario With An 18-20% Home Price Decline Assumption

<sup>2</sup> Federal Housing Finance Agency



# Industry View -- Increase MI Opportunity

## Market Share Trends



**Expect Industry To Regain Share From FHA Over Time**

**Combination Of FHA & GSE Actions Influence Share Shifts**

**Traditional MI Strengths Demonstrated In Current Cycle**

**Anticipate Multiple Proposals For GSE Reform**

Source: *Inside Mortgage Finance* Mortgage Origination Indicators.

# U.S. Mortgage Insurance -- Looking Ahead

Time Period	Loss Trends	Loss Mitigation	Capital & Liquidity	Growth & Margin
2008 Thru 1H09	Pressure From 2005 – 2007 Book Years	Internal Modifications & Rescissions	Defensive Positioning	Limiting MSAs Low Production
2H09 Thru 2011	2005–2007 Books Peaked in Early 2010 Low Losses In Recent Vintages	Addition Of Federal Modifications & Other Servicer Programs	Capital Ratio Flexibility Strong Growth Capacity	35%+ Price Increase Clean Underwriting Recover FHA Share

# Investment Portfolio Overview

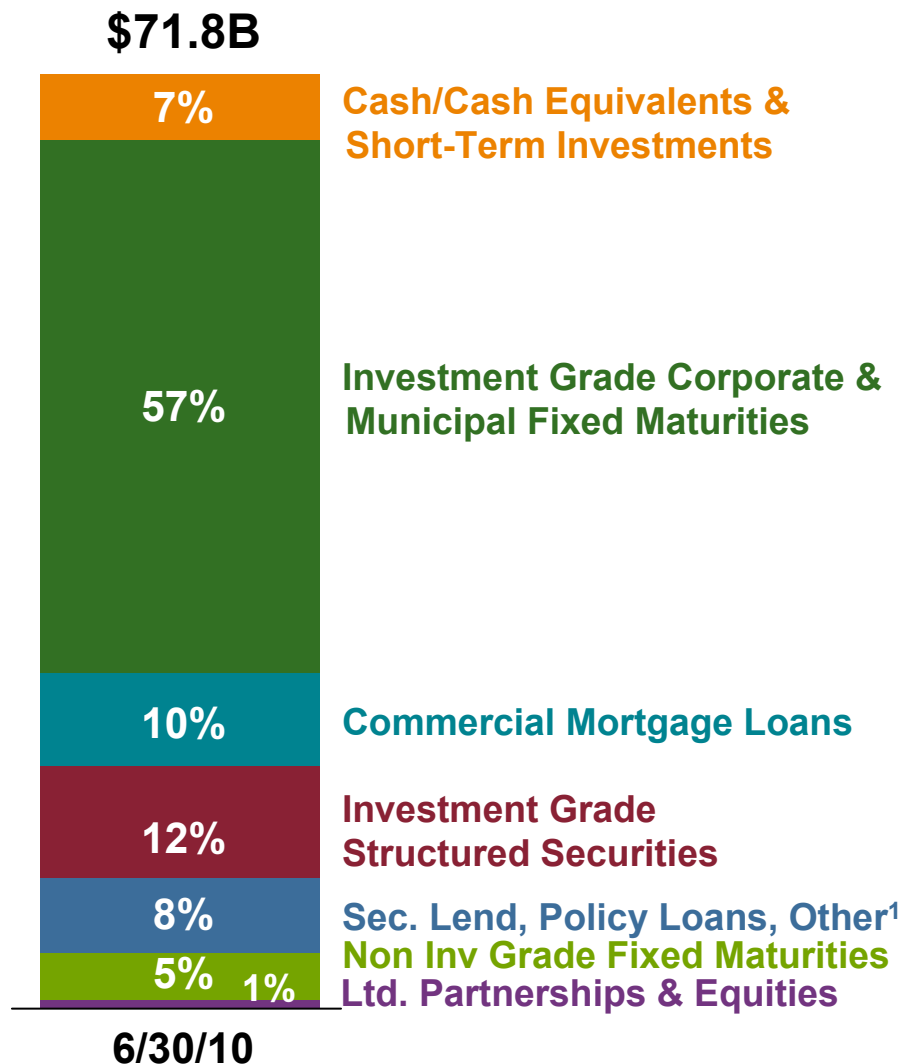
## Key Perspectives

Completed \$3.5B Cash Reinvestment

High Quality Portfolio

Strong Commercial Real Estate

Declining Loss Trends

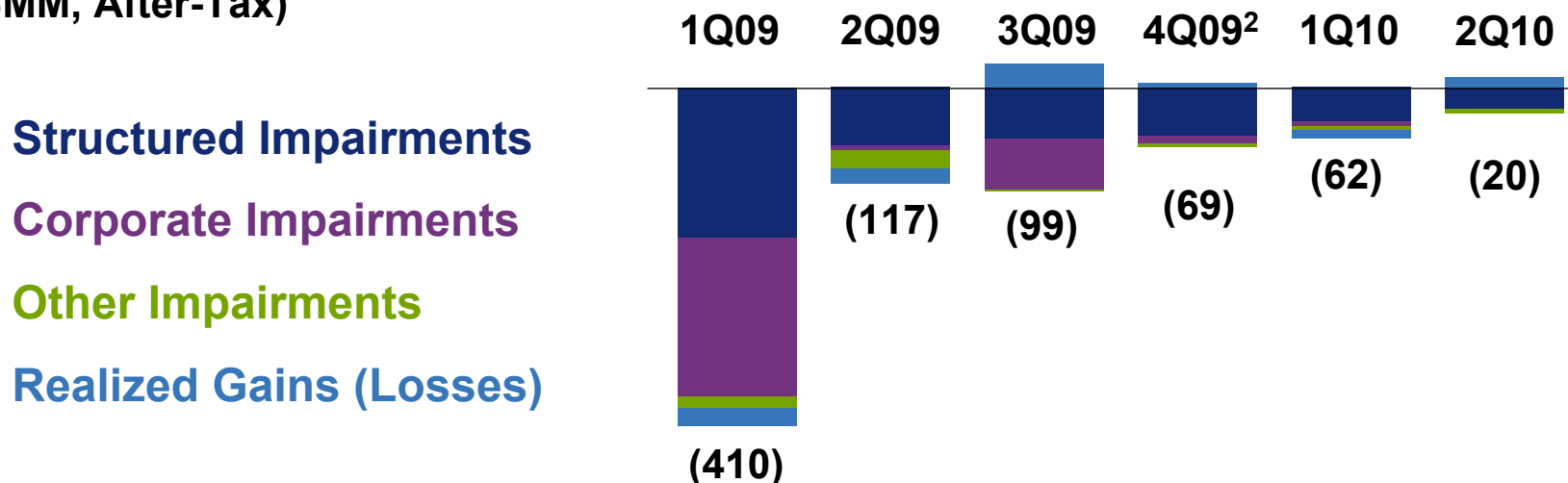


<sup>1</sup>Other Includes: Trading Securities, Derivatives & Restricted Investments Related To Securitization Entities

# Declining Impairments & Losses

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

(\$MM, After-Tax)



✓ Improved Diversification & Deploying Cash Opportunistically

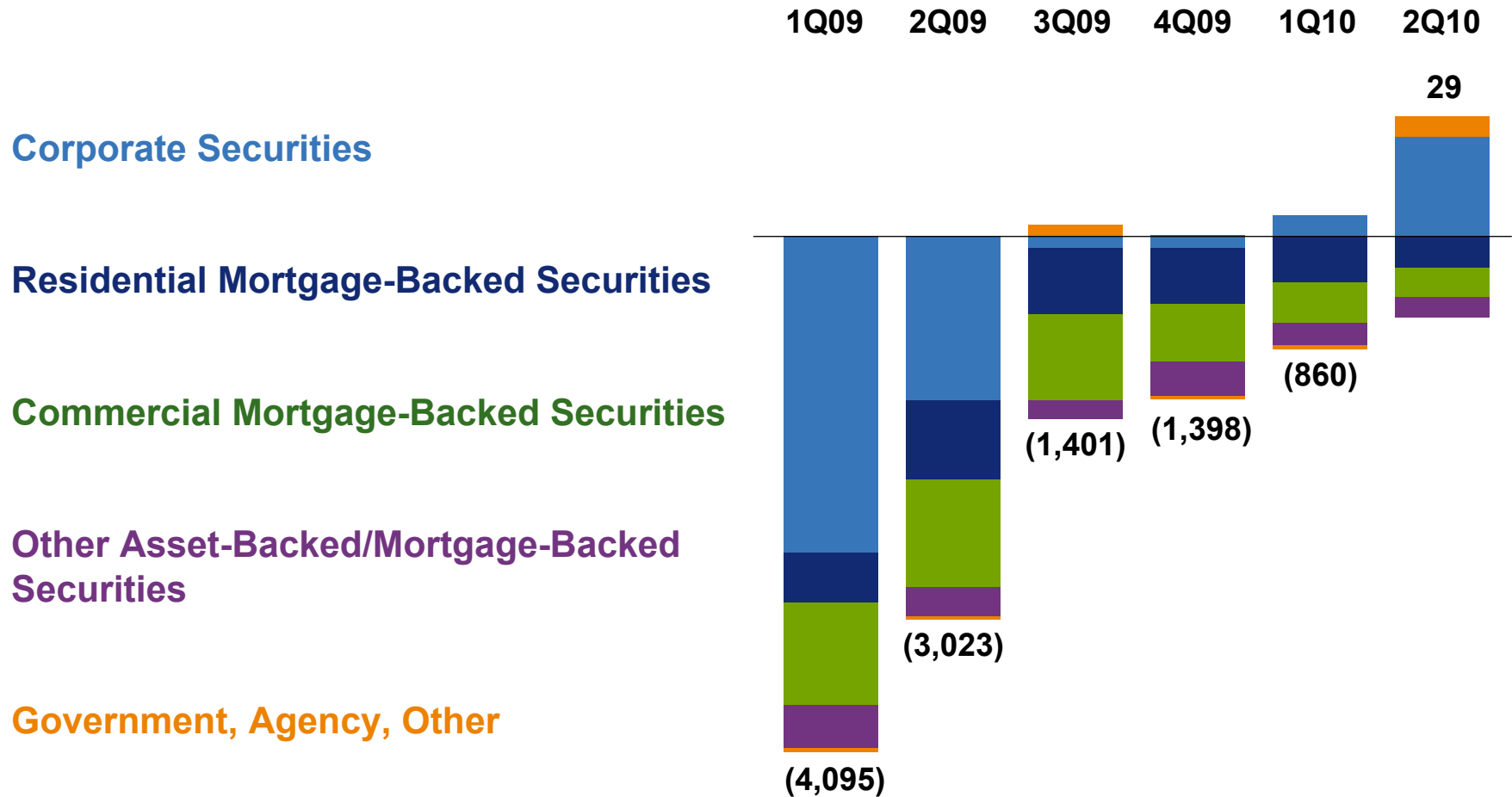
✓ Manageable Stress Loss Scenarios

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

<sup>2</sup>Includes Loss On Sale Of Limited Partnerships

# Declining Net Unrealized Losses

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



# The Case For Genworth

**Well Positioned For Sound Growth & Market Recovery**

**Strong Capital & Liquidity**

**Active Risk Management & Loss Mitigation**

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**International Strength & Improving U.S. Retirement & Protection**

**U.S. MI Progression With Self-Contained Capital Plan**

**Optimizing Investment Portfolio & Cash Reinvestment**

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**Clear Path For Earnings Expansion & ROE Growth**

# Appendix



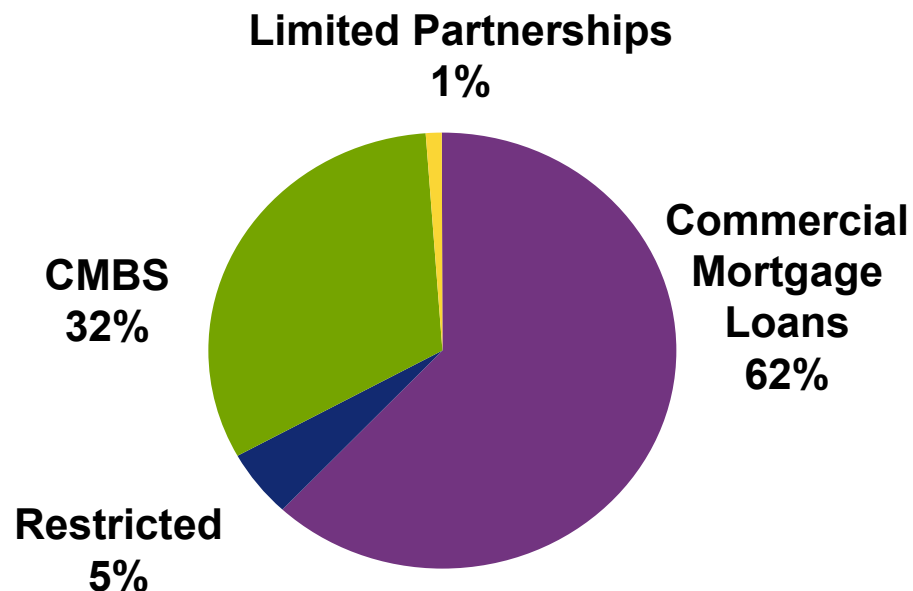
# Commercial Mortgage Loan Comparison

<b>Market Concerns Portfolio</b>	<b>Genworth Portfolio</b>
<b>Concentrated Positions</b>	<b>Portfolio Diversified By Property Type, Geography &amp; Tenancy</b>
<b>Construction Loans</b>	<b>No Construction Loans</b>
<b>Bullet Loans</b>	<b>Amortizing Loans</b>
<b>Inflated Assumptions (Cap Rates, Vacancies &amp; Rent Rolls)</b>	<b>Conservative Assumptions -- In Force Cash Flow Underwriting</b>
<b>LTV At Origination &gt; 80% Weak Amortization</b>	<b>Average Current LTV Of 65% Amortizing Portfolio</b>
<b>High Rollover Risk</b>	<b>Low Rollover Risk</b>
<b>Low Debt Service Coverage &lt;1.2X</b>	<b>High Debt Service Coverage 2.23X</b>

# Total Commercial Real Estate Holdings

**Total Portfolio \$11.6 Billion**

**Commercial Property Types**



	<u>LTV<sup>1</sup></u>	<u>DSCR<sup>2</sup></u>
Retail	63%	2.32X
Office	66%	2.43X
Industrial	62%	1.62X
Apartment	62%	2.03X
Hotel	84%	3.94X
Other	42%	2.46X
<b>Total</b>	<b>65%</b>	<b>2.23X</b>

**Portfolio Diversified By Property Type, Geography & Tenancy**

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

**Low Commercial Real Estate Limited Partnership Exposure Of \$165MM**

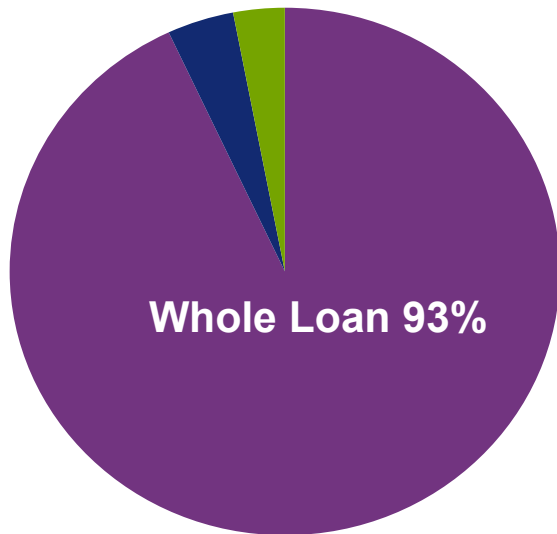
<sup>1</sup>Loan-To-Value Based On Current Valuation.

<sup>2</sup>Debt Service Coverage Ratios Include Both Fixed (1.71X) & Floating Loans (6.68X).

# Commercial Mortgage Loan Portfolio

**Total Portfolio \$7.2 Billion**

**B-Note 4%**   **Mezzanine 3%**



## Comments

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

**Low 60-Day Delinquencies (0.61%)**

**Average Occupancy 88%**

**Majority Fixed Rate Whole Loans**

Low Refinance Risk As Only  
3% Matures In 2010, 6% In 2011,  
6% In 2012

**Limited B-Note/Mezzanine Holdings**

Supports Floating Rate Liabilities  
No Maturities In 2010

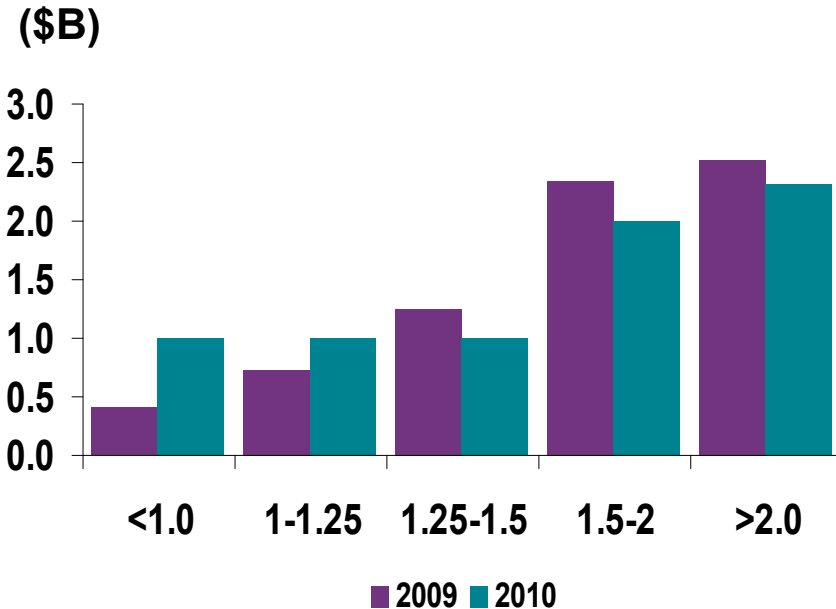
## Surveillance Practices

**Annual Revaluation**

**On-Going Surveillance**

# Commercial Mortgage Portfolio Indicators

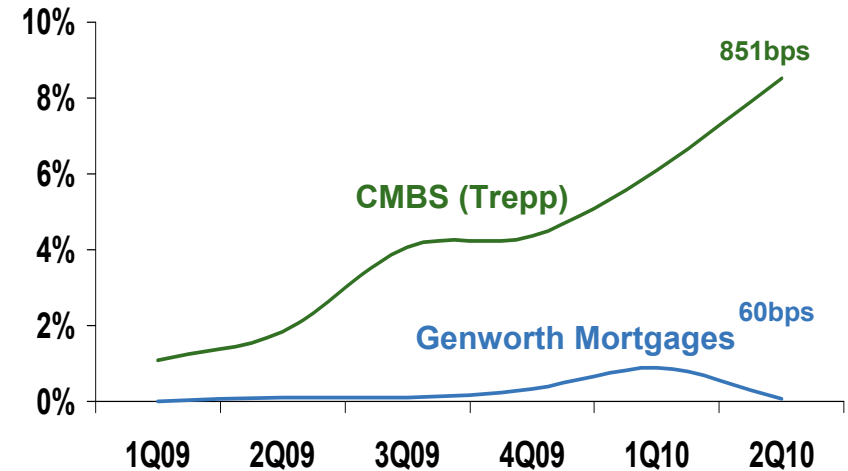
## Debt Service Ratios -- Fixed<sup>1</sup>



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

<sup>1</sup>Chart Excludes Floating Rate Loans Which Have Higher (Better) Ratios

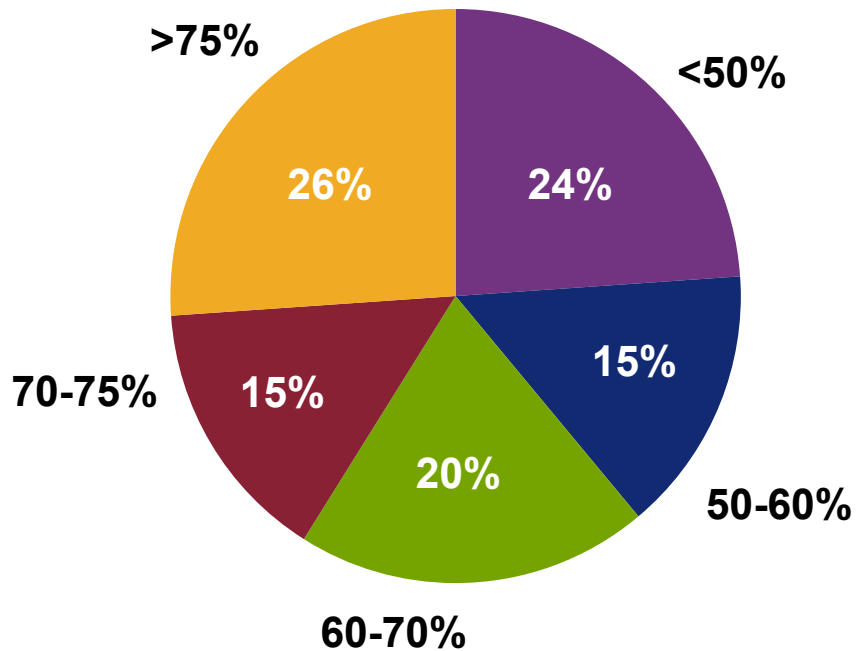
## 60+ Day Delinquency



**Strong Delinquency Performance**

# Commercial Mortgage Loan-To-Value Detail

## Valuations Based On 2009 Property Values



### Positioned To Withstand Property Value Declines

Average LTV Of 65%

High Debt Service Coverage Ratio Of 1.71X For Fixed Rate Loans; 2.23X For The Total Portfolio

### Limited Interest Only Exposure

### Loan Valuation

Primarily Direct Cap Valuation Based On Existing Cash Flow

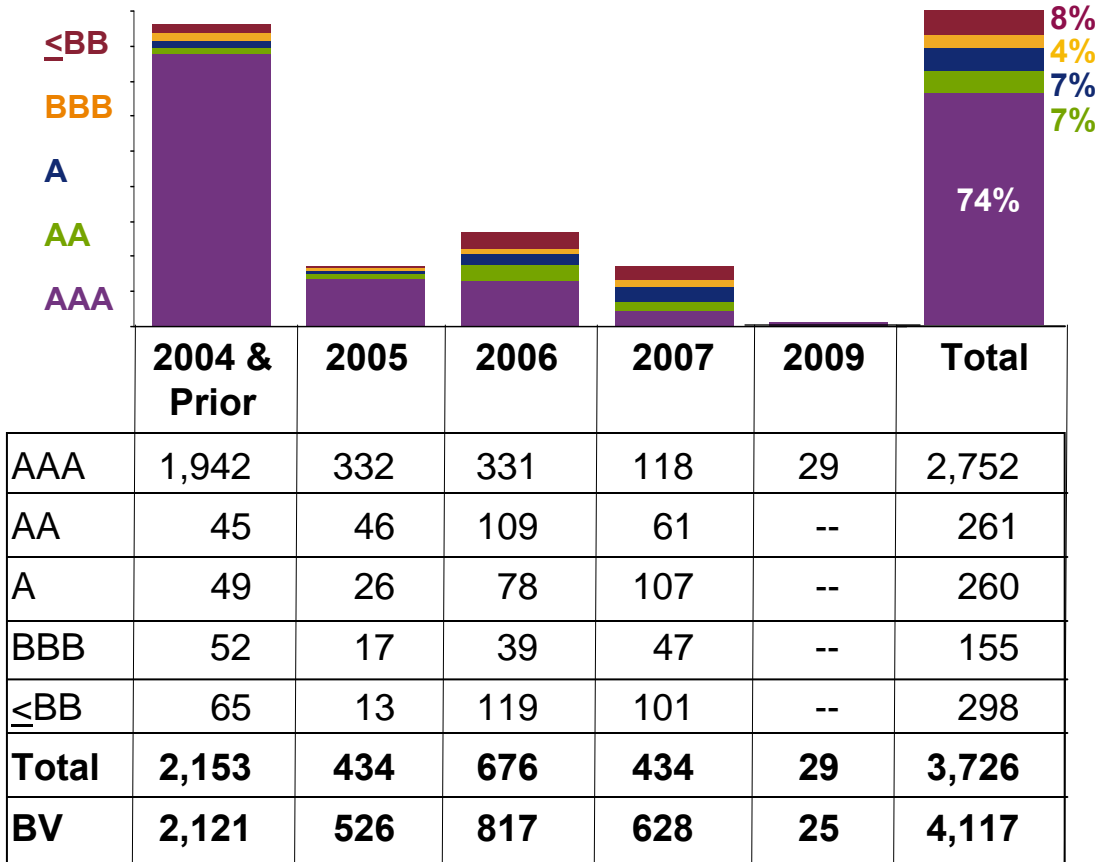
Annual Loan Revaluation In Process

Genworth Valuation At Origination On Avg 10% Below Appraised Value

# Commercial Mortgage-Backed Securities

Fair Value - \$3.7 Billion

(\$MM)



**Highly Rated Portfolio**  
**81% AAA/AA**  
**92% Investment Grade**  
**69% '05 Vintage & Prior**  
**Majority CMBS Well Insulated From Stress Life-Time Loss Estimates; 60% Agency Or 4X Stress Loss Coverage**

Note: Current Ratings As Of June 30, 2010

# CMBS Stress Testing

## Market Stress Loss Forecasts

### Conduit Stress Loss Rate

	<u>4Q09</u>	<u>1Q10</u>	<u>2Q10</u>
Average	11.3%	11.1%	11.2%
2007	17.7	17.6	17.7
2006	13.7	13.4	13.4
2005	9.4	9.0	9.1
≤ 2004	4.4	4.4	4.7

## GNW CMBS Stress Test Results

### Stress Loss Coverage<sup>1</sup>

	GNW Portfolio %		
	<u>4Q09</u>	<u>1Q10</u>	<u>2Q10</u>
Agency & ≥ 4.0X	59%	62%	60%
<4.0X	41	38	40
<2.0X	11	11	10
<1.2X	4	4	4

## Conclusions

**60% Of Portfolio Can Withstand ≥ 4.0X Stress Lifetime Loss Estimates**

**~90% Of Portfolio Can Withstand ≥ 2.0X Stress Lifetime Loss Estimates**

**Subordination Levels Provide Loss Cushion**

**Average Market Stress Loss Forecasts Stabilized ~11%**

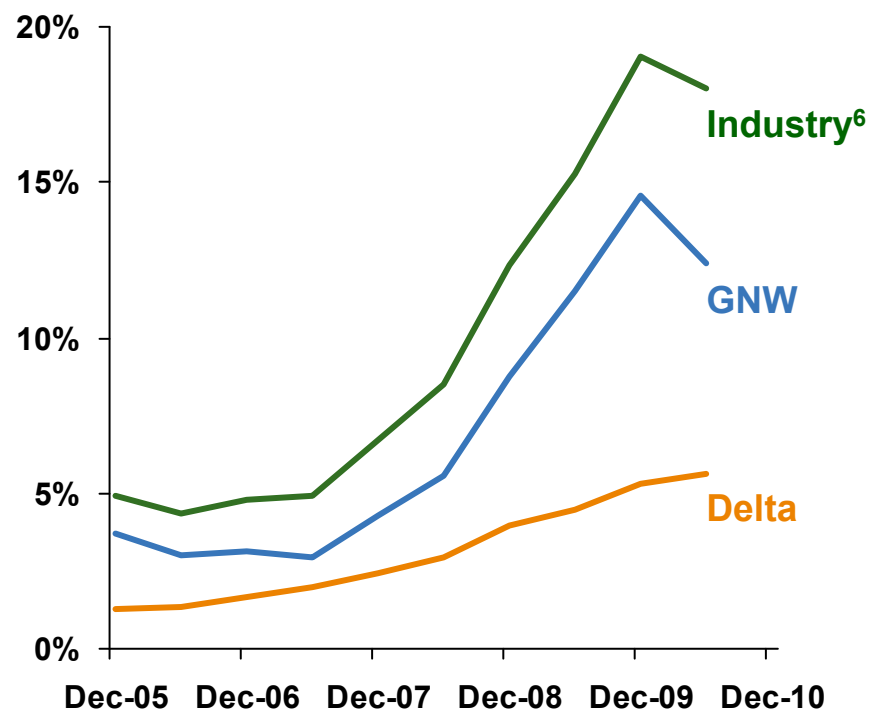
<sup>1</sup>Over The Lifetime Of The Securities. Coverage: CMBS Subordination/Deal Stress Loss. Some Deals Are Not Covered By All Default Models; Only Property & Portfolio Research Data Used For Large Loan Deals. Charts Exclude Interest-Only & Rake Bonds.

# Outperformed U.S. MI Peers Through Cycle

## Key Performance Metrics<sup>1</sup>

Peers	1	2	3	4	GNW
ARM <sup>2</sup> (< 5 Yrs)	11%	7%	9%	5%	2%
Alt-A <sup>2</sup>	12%	12%	16%	11%	3%
Bulk RIF	14%	11%	13%	7%	2% <sup>3</sup>
Geographic <sup>2</sup>					
California	8%	12%	8%	6%	5%
Florida	8%	9%	10%	8%	8%
RTC <sup>4</sup>	17.8	17.9	15.8	23.0	15.1
Net Loss (\$B) (3Q07-2Q10)	(3.8)	(2.2)	(1.9)	(1.4) <sup>5</sup>	(0.8)

## Industry Primary Delq Rates



<sup>1</sup>Data From 8Ks, 10Qs & Supplements Of Peers & Company Reported Through August 3, 2010

<sup>2</sup>Based On Total RIF

<sup>3</sup>As Of June 30, 2010 FHLB Is 78% Of Total Bulk RIF & Is Performing At <2% Delinquency Rate

<sup>4</sup>Risk To Capital Estimate

<sup>5</sup>Pre-Tax Operating Basis

<sup>6</sup>Excludes GNW; Radian Added December 2008



# Use Of Non-GAAP Measures

This presentation includes the non-GAAP financial measure entitled “net operating income.” The company defines net operating income as income (loss) from continuing operations excluding net income attributable to noncontrolling interests, after-tax net investment gains (losses), which can fluctuate significantly from period to period, changes in accounting principles and infrequent or unusual non-operating items. There were no infrequent or unusual non-operating items excluded from net operating income for the periods presented in this presentation.

Management believes that analysis of net operating income enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. However, net operating income should not be viewed as a substitute for GAAP net income. In addition, the company's definition of net operating income may differ from the definitions used by other companies. For a reconciliation of segment net income to segment net operating income, see the company's second quarter 2010 financial supplement on the company's website at [genworth.com](http://genworth.com).

This presentation also includes the non-GAAP financial measure entitled “operating return on equity” or “operating ROE.” The company defines operating ROE as net operating income divided by average ending Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income (AOCI) in average ending Genworth Financial, Inc.'s stockholders' equity. Management believes that analysis of operating ROE enhances understanding of the efficiency with which the company deploys its capital. However, operating ROE as defined by the company should not be viewed as a substitute for GAAP net income divided by average ending Genworth Financial, Inc.'s stockholders' equity. Due to the unpredictable nature of net income and average ending stockholders' equity excluding AOCI, the company is unable to reconcile its outlook for operating ROE to GAAP net income divided by average ending Genworth Financial, Inc.'s stockholders' equity.

# Definition Of Select Operating Performance Measures

This presentation contains selected operating performance measures including "sales," "assets under management" and "insurance in force" or "risk in force" which are commonly used in the insurance and investment industries as measures of operating performance.

Management regularly monitors and reports the sales metrics as a measure of volume of new and renewal business generated in a period. Sales refer to (1) annualized first-year premiums for term life, long term care and Medicare supplement insurance; (2) new and additional premiums/deposits for universal life insurance, linked-benefits, spread-based and variable products; (3) gross and net flows, which represent gross flows less redemptions, for the wealth management business; (4) written premiums and deposits, gross of ceded reinsurance and cancellations, and premium equivalents, where the company earns a fee for administrative services only business, for lifestyle protection insurance; (5) new insurance written for mortgage insurance, which in each case reflects the amount of business the company generated during each period presented; and (6) written premiums, net of cancellations, for the Mexican insurance operations. Sales do not include renewal premiums on policies or contracts written during prior periods.

The company considers annualized first-year premiums, new premiums/deposits, gross and net flows, written premiums, premium equivalents and new insurance written to be measures of the company's operating performance because they represent measures of new sales of insurance policies or contracts during a specified period, rather than measures of the company's revenues or profitability during that period.

Management regularly monitors and reports assets under management for the wealth management business, insurance in force and risk in force. Assets under management for the wealth management business represent third-party assets under management that are not consolidated in the company's financial statements. Insurance in force for the life, international mortgage and U.S. mortgage insurance businesses is a measure of the aggregate face value of outstanding insurance policies as of the respective reporting date. Risk in force for the international and U.S. mortgage insurance businesses is a measure that recognizes that the loss on any particular mortgage loan will be reduced by the net proceeds received upon sale of the underlying property. The company considers assets under management for the wealth management business, insurance in force and risk in force to be measures of the company's operating performance because they represent measures of the size of the business at a specific date, rather than measures of the company's revenues or profitability during that period.

This presentation also includes a metric related to loss mitigation activities for the U.S. mortgage insurance business. The company defines loss mitigation activities as rescissions, cancellations borrower loan modifications, repayment plans, lender- and borrower-titled pre-sales and other loan workouts and claim mitigation actions. Estimated savings related to rescissions are the reduction in carried loss reserves, net of premium refunds and reinstatement of prior rescissions. Estimated savings related to loan modifications and other cure related loss mitigation actions represent the reduction in carried loss reserves. For non-cure related actions, including pre-sales, the estimated savings represent the difference between the full claim obligation and the actual amount paid. The company believes that this metric helps to enhance the understanding of the operating performance of the U.S. mortgage insurance business.

These operating measures enable the company to compare its operating performance across periods without regard to revenues or profitability related to policies or contracts sold in prior periods or from investments or other services.

# 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 the following:

*Risks relating to the company’s businesses*, including downturns and volatility in equity and credit markets, downgrades in the company’s financial strength or credit ratings, interest rate fluctuations and levels, adverse capital and credit market conditions, the valuation of fixed maturity, equity and trading securities, defaults, downgrade or other events impacting the value of the company’s fixed maturity securities portfolio, defaults on the company’s commercial mortgage loans or investments in commercial mortgage-backed securities, goodwill impairments, the soundness of other financial institutions, inability to access the company’s credit facilities, an adverse change in risk-based capital and other regulatory requirements, insufficiency of reserves, legal constraints on dividend distributions by subsidiaries, competition, availability, affordability and adequacy of reinsurance, default by counterparties, loss of key distribution partners, regulatory restrictions on the company’s operations and changes in applicable laws and regulations, legal or regulatory investigations or actions, the failure or any compromise of the security of the company’s computer systems and the occurrence of natural or man-made disasters or a pandemic;

*Risks relating to the 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 research and diagnostic imaging, and related legislation, unexpected changes in persistency rates, ability to continue to implement actions to mitigate the impact of statutory reserve requirements and the failure of demand for long-term care insurance to increase;

*Risks relating to the 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, the significant portion of high loan-to-value insured international mortgage loans which generally result in more and larger claims than lower loan-to-value loans, competition with government-owned and government-sponsored enterprises offering mortgage insurance and changes in regulations;

*Risks relating to the U.S. Mortgage Insurance segment*, including increases in mortgage insurance default rates or severity of defaults, uncertain results of continued investigations of insured U.S. mortgage loans, possible rescissions of coverage and the results of objections to our rescissions, the extent to which loan modifications and other similar programs may provide benefits to the company, unexpected changes in unemployment rates, further deterioration in economic conditions or a further decline in home prices, changes to the role or structure of Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac), competition with government-owned and government-sponsored enterprises offering mortgage insurance (including the Federal Housing Administration), changes in regulations that affect the U.S. mortgage insurance business, 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, the impact of the use of reinsurance with reinsurance companies affiliated with mortgage lending customers, legal actions under Real Estate Settlement Procedures Act of 1974 and potential liabilities in connection with the company’s U.S. contract underwriting services;

*Other risks*, including 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 the company’s corresponding tax savings are never realized and payments could be accelerated in the event of certain changes in control and provisions of the 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 the suspension of dividends and stock price fluctuation.

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