

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

**August 3, 2021
Date of Report
(Date of earliest event reported)**



GENWORTH FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32195
(Commission
File Number)

80-0873306
(I.R.S. Employer
Identification No.)

6620 West Broad Street, Richmond, VA
(Address of principal executive offices)

23230
(Zip Code)

(804) 281-6000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value \$.001 per share	GNW	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 3, 2021, Genworth Financial, Inc. (the “Company”) issued (1) a press release announcing its financial results for the quarter ended June 30, 2021, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference, and (2) a financial supplement for the quarter ended June 30, 2021, a copy of which is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information contained in this Current Report on Form 8-K (including the exhibits) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the company under the Securities Act of 1933, as amended or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. The information contained in this Current Report on Form 8-K shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

The following materials are furnished as exhibits to this Current Report on Form 8-K:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press Release dated August 3, 2021
99.2	Financial Supplement for the quarter ended June 30, 2021
104	Cover Page Interactive Data File (the Cover Page Interactive Data File is embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GENWORTH FINANCIAL, INC.

Date: August 3, 2021

By: /s/ Matthew D. Farney
Matthew D. Farney
Vice President and Controller
(Principal Accounting Officer)

News Release

6620 West Broad Street
Richmond, VA 23230



Genworth Financial Announces Second Quarter 2021 Results

Second Quarter Net Income Of \$240 Million And Adjusted Operating Income Of \$194 Million

- Continued Progress On Company's Strategic Objectives With Strong Second Quarter Earnings, Preparations For An Initial Public Offering (IPO) Of Minority Interest In Enact¹ And Holding Company Debt Reduction
- Enact Adjusted Operating Income Of \$135 Million From Favorable Loss Performance Driven By Lower New Delinquencies
- Enact's PMIERS² Sufficiency Ratio Estimated At 165 Percent, \$1,941 Million Above Published Requirements
- U.S. Life Insurance Segment Adjusted Operating Income Of \$71 Million Driven By LTC³ Results Benefitting From In Force Rate Actions And Net Investment Income
- Continued Progress Toward LTC Multi-Year Rate Action Plan (MYRAP) With \$49 Million Incremental Annual Rate Increases Approved In Second Quarter, With An Estimated Net Present Value (NPV) Of Approximately \$300 Million
- Holding Company Cash And Liquid Assets Of \$842 Million, Including \$19 Million Restricted
- September 2021 Debt Redemption Of \$513 Million Completed Subsequent To Quarter-End

Richmond, VA (August 3, 2021) – Genworth Financial, Inc. (NYSE: GNW) today reported results for the quarter ended June 30, 2021. The company reported net income⁴ of \$240 million, or \$0.47 per diluted share, in the second quarter of 2021, compared with a net loss of \$441 million, or \$0.86 per diluted share, in the second quarter of 2020. The company reported adjusted operating income⁵ of \$194 million, or \$0.38 per diluted share, in the second quarter of 2021, compared with an adjusted operating loss of \$23 million, or \$0.05 per diluted share, in the second quarter of 2020.

¹ Formerly known as U.S. Mortgage Insurance.

² Private Mortgage Insurer Eligibility Requirements.

³ Long term care insurance.

⁴ Unless otherwise stated, all references in this press release to net income (loss), net income (loss) per share, adjusted operating income (loss), adjusted operating income (loss) per share and book value per share should be read as net income (loss) available to Genworth's common stockholders, net income (loss) available to Genworth's common stockholders per diluted share, adjusted operating income (loss) available to Genworth's common stockholders, adjusted operating income (loss) available to Genworth's common stockholders per diluted share and book value available to Genworth's common stockholders per share, respectively.

⁵ This is a financial measure that is not calculated based on U.S. Generally Accepted Accounting Principles (Non-GAAP). See the Use of Non-GAAP Measures section of this press release for additional information.

Strategic Update

During the current quarter, Genworth continued to make progress on its strategic objectives to strengthen the financial condition of the company and create long-term shareholder value. The company continued preparations for a planned minority IPO of Enact, issued an early redemption notice for the September 2021 debt for a July redemption, made progress on reducing risk associated with the legacy LTC business through the MYRAP and continued planning for a new LTC joint venture in the U.S.

The planned IPO of Enact remains a key strategic objective for Genworth and is subject to market and other conditions, however because the company is in registration and subject to applicable publicity restrictions, Genworth is unable to comment further or provide any additional detail at this time.

On June 21, 2021, Genworth issued a notice of redemption for its outstanding 7.625% senior notes due September 2021. Subsequent to the end of quarter, on July 21, 2021, Genworth completed the redemption of the \$513 million outstanding principal amount of such notes, which reduced remaining parent holding company public debt outstanding to \$1.7 billion, along with the AXA S.A. (AXA) liability of approximately \$345 million. Since 2013, the company has reduced its parent holding company debt by a total of approximately \$2.2 billion, with over \$1.2 billion retired in 2021 as of the date hereof.

Genworth continued to execute on its MYRAP during the current quarter, with the goal of achieving break-even on an economic basis for the legacy LTC business over time. Incremental annual rate increases of \$49 million were approved during the current quarter, bringing the total net present value from LTC premium increases and benefit reductions achieved to \$15.5 billion since 2012.

“We delivered very strong results in the second quarter while making progress on our strategic plan,” said Tom McNerney, Genworth President and CEO. “Today the company is on a more stable trajectory as a result of continued strong operating performance, strategic actions we’ve taken to reduce debt and excellent progress on the MYRAP over the past several years. Our goal is to reduce parent holding company debt to a sustainable level of approximately \$1 billion, creating more financial flexibility to return capital to shareholders and invest in future growth. With an engaged Board of Directors and leadership team, a skilled and dedicated workforce and deep expertise and experience, Genworth is well positioned to create value over the long-term.”

Financial Performance

Consolidated Net Income (Loss) & Adjusted Operating Income (Loss)

	Three months ended June 30				
	2021		2020		Total % change
	Total	Per diluted share	Total	Per diluted share	
<i>(Amounts in millions, except per share)</i>					
Net income (loss) available to Genworth's common stockholders	\$ 240	\$ 0.47	\$ (441)	\$(0.86)	154%
Adjusted operating income (loss)	\$ 194	\$ 0.38	\$ (23)	\$(0.05)	NM ⁶
Weighted-average diluted shares	515.0		512.5		

	As of June 30	
	2021	2020
Book value per share	\$29.89	\$28.96
Book value per share, excluding accumulated other comprehensive income (loss)	\$22.33	\$20.17

Net investment gains, net of taxes and other adjustments, increased net income by \$55 million in the current quarter. The investment gains were primarily driven by mark-to-market gains on limited partnerships in the LTC business. The net loss of \$441 million in the second quarter of 2020 included \$77 million of investment gains, net of taxes and other adjustments.

Net investment income was \$844 million in the quarter, compared to \$801 million in the prior quarter and \$779 million in the prior year. Net investment income was higher than the prior quarter and prior year as a result of higher variable investment income, including income from limited partnerships, bond calls, commercial mortgage loan prepayments and the inflation impact on Treasury Inflation-Protected Securities (TIPS), primarily in the LTC business. The reported yield and the core yield⁵ for the quarter were 5.11 percent and 4.85 percent, respectively, compared to 4.84 percent and 4.73 percent, respectively, in the prior quarter.

Genworth's effective tax rate on income from continuing operations for the quarter was approximately 23 percent. The effective tax rate was increased by the tax effect of forward starting swap gains settled prior to the change in the corporate tax rate under the 2017 Tax Cuts and Jobs Act, which continue to be tax effected at 35 percent as they are amortized into net investment income.

Adjusted operating income (loss) results by business line are summarized in the table below:

Adjusted Operating Income (Loss) <i>(Amounts in millions)</i>	Q2 21	Q1 21	Q2 20
Enact	\$ 135	\$ 126	\$ (3)
U.S. Life Insurance	71	62	(5)
Runoff	15	12	24
Corporate and Other	(27)	(32)	(39)
Total Adjusted Operating Income (Loss)	\$ 194	\$ 168	\$ (23)

⁶ The company defines "NM" as not meaningful for increases or decreases greater than 200 percent.

Adjusted operating income (loss) represents income (loss) from continuing operations excluding the after-tax effects of income (loss) from continuing operations attributable to noncontrolling interests, net investment gains (losses), gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions, restructuring costs and other adjustments, net of taxes. A reconciliation of net income (loss) to adjusted operating income (loss) is included at the end of this press release.

Enact

Operating Metrics <i>(Dollar amounts in millions)</i>	<u>Q2 21</u>	<u>Q1 21</u>	<u>Q2 20</u>
Adjusted operating income (loss)	\$ 135	\$ 126	\$ (3)
Primary new insurance written	\$26,700	\$24,900	\$28,400
Loss ratio	12%	22%	94%

Enact reported adjusted operating income of \$135 million, compared with adjusted operating income of \$126 million in the prior quarter and an adjusted operating loss of \$3 million in the prior year. Enact's primary insurance in force increased 10 percent versus the prior year from strong new insurance written (NIW), partially offset by lower persistency. Primary NIW increased seven percent from the prior quarter due to an increase in purchase mortgage originations and was down six percent versus the prior year primarily from lower estimated market share partially offset by higher purchase originations and a larger private mortgage insurance market. Earned premiums in the quarter were lower than the prior quarter driven by lower single premium policy cancellations, higher ceded premiums and continued lapse of older, higher priced policies in the current low interest rate environment offset by insurance in force growth. Current quarter earned premiums were flat to the prior year as insurance in force growth was offset by a decrease in single premium policy cancellations, higher ceded premiums in the current year and the continued lapse of older, higher priced policies.

Enact's current quarter results reflected losses of \$30 million and a loss ratio of 12 percent, which were primarily driven by new delinquencies. New delinquencies decreased by 32 percent from 10,053 in the prior quarter to 6,862. Approximately 45 percent of new primary delinquencies in the current quarter were reported in forbearance plans which may cure at elevated rates relative to historical performance. Results in the prior quarter and prior year reflected losses of \$55 million and \$228 million, and a loss ratio of 22 percent and 94 percent, respectively. The sequential decrease in losses was driven mainly by lower losses from new delinquencies and the \$10 million pre-tax reserve strengthening in the prior quarter. Current quarter losses decreased versus the prior year driven by higher new delinquencies and unfavorable reserve adjustments in the prior year as a result of the COVID-19 pandemic. The current quarter expense ratio of 27 percent was unfavorably impacted by approximately two percentage points from \$4 million of strategic transaction preparation costs and restructuring costs of \$2 million.

U.S. Life Insurance

Adjusted Operating Income (Loss) <i>(Amounts in millions)</i>	Q2 21	Q1 21	Q2 20
Long Term Care Insurance	\$ 98	\$ 95	\$ 48
Life Insurance	(40)	(63)	(81)
Fixed Annuities	13	30	28
Total U.S. Life Insurance	<u>\$ 71</u>	<u>\$ 62</u>	<u>\$ (5)</u>

Long Term Care Insurance

Long term care insurance reported adjusted operating income of \$98 million, compared with \$95 million in the prior quarter and \$48 million in the prior year. Earnings from in force rate actions were more favorable than the prior quarter and prior year, driven primarily by higher benefit reductions, which included policyholder benefit reduction elections made as part of a legal settlement, net of litigation expenses and taxes. LTC results also reflected higher net investment income of \$63 million after-tax versus the prior year and \$35 million after-tax versus the prior quarter from limited partnerships, bond calls, commercial mortgage loan prepayments and gains on TIPS.

Claim terminations in the current quarter were significantly lower compared to the prior quarter and prior year, returning to pre-pandemic levels. Higher claim terminations in recent quarters were assumed to be driven by the COVID-19 pandemic and temporary in nature resulting in the establishment, beginning in the fourth quarter of 2020, of a temporary COVID-19 mortality adjustment assuming that its mortality experience on the most vulnerable claimants was accelerated, leaving its overall claim population less likely to terminate compared to the pre-pandemic average population. Therefore, in the prior quarter, the company strengthened its claim reserves to temporarily adjust its mortality assumption by \$53 million after-tax. However, in the current quarter, the company experienced lower mortality as the impacts of the pandemic lessened and did not establish additional claim reserves but reduced a portion of the COVID-19 mortality adjustment leaving a pre-tax balance of \$143 million as of June 30, 2021. As the COVID-19 pandemic continues to develop, short-term mortality experience may fluctuate, and the company would increase or decrease the COVID-19 mortality adjustment accordingly.

New claim incidence increased slightly versus the prior quarter but remained lower than pre-pandemic levels, which drove continued favorable development on incurred but not reported (IBNR) claim reserves. Since the recent decrease in incidence is assumed to be driven by the COVID-19 pandemic and temporary in nature, IBNR claim reserves were strengthened by \$23 million after-tax in the prior quarter and \$29 million after-tax in the prior year.

Life Insurance

Life insurance reported an adjusted operating loss of \$40 million, compared with adjusted operating losses of \$63 million in the prior quarter and \$81 million in the prior year. Mortality, attributable in part to the COVID-19 pandemic, was lower compared to the prior quarter but higher compared to the prior year. Current quarter results reflected lower deferred acquisition costs (DAC) amortization compared to the prior year, as the large 20-year level-premium term life insurance block written at the end of 2000 entered its post-level premium period following the 60-day grace period. Results also reflected lower reserve increases during the premium grace period in the 10-year term universal life insurance block associated with policies entering the post-level premium period compared to the prior year. Current quarter results included a \$13 million after-tax charge related to DAC recoverability testing in the company's universal life insurance products versus a \$17 million after-tax charge related to these products in the prior quarter.

Fixed Annuities

Fixed annuities reported adjusted operating income of \$13 million, compared with \$30 million in the prior quarter and \$28 million in the prior year. Results versus the prior quarter and prior year reflected lower mortality in the single premium immediate annuity product and unfavorable impacts from declining interest rates.

Runoff

Runoff reported adjusted operating income of \$15 million, compared with \$12 million in the prior quarter and \$24 million in the prior year. Results in the current quarter reflected a benefit to the company's variable annuity products from equity market performance that was favorable compared to the prior quarter but less favorable compared to the prior year.

Corporate And Other

Corporate and Other reported an adjusted operating loss of \$27 million, compared with adjusted operating losses of \$32 million in the prior quarter and \$39 million in the prior year. Results in the current quarter reflected lower interest expense compared to both the prior quarter and prior year.

Capital & Liquidity

Genworth maintains the following capital positions in its operating subsidiaries:

Key Capital & Liquidity Metrics (Dollar amounts in millions)	Q2 21	Q1 21	Q2 20
Enact			
Consolidated Risk-To-Capital Ratio ⁷	11.8:1	11.7:1	12.0:1
Genworth Mortgage Insurance Corporation Risk-To-Capital Ratio ⁷	12.0:1	11.9:1	12.2:1
Private Mortgage Insurer Eligibility Requirements (PMIERS) Sufficiency Ratio ^{7,8}	165%	159%	143%
U.S. Life Insurance Companies			
Consolidated Risk-Based Capital (RBC) Ratio ⁷	270%	254%	222%
Holding Company Cash and Liquid Assets ^{9,10}	\$ 842	\$ 757	\$ 554

Key Points

- Enact's PMIERS sufficiency ratio is estimated to be 165 percent, \$1,941 million above published PMIERS requirements.¹¹ The PMIERS sufficiency ratio was up six points, or \$177 million, sequentially, driven in part by the completion of an insurance linked notes transaction, which added \$303 million of additional PMIERS capital credit as of June 30, 2021, elevated lapse from prevailing low interest rates, business cash flows and lower delinquencies, partially offset by elevated NIW. Additionally, elevated lapse continued to drive an acceleration of the amortization on reinsurance transactions executed in prior quarters, which caused a reduction in PMIERS capital credit in the current quarter;
- PMIERS sufficiency benefited from a 0.30 multiplier applied to the risk based required asset factor for certain non-performing loans, which resulted in a reduction of the published PMIERS required assets by an estimated \$760 million at the end of the current quarter, compared to \$1,012 million at the end of the prior quarter and \$1,057 million at the end of the second quarter 2020. These amounts are gross of incremental reinsurance benefits from the elimination of the 0.30 multiplier;
- Enact Holdings, Inc.¹² held \$284 million of cash as of June 30, 2021, unchanged from the prior quarter;
- U.S. life insurance companies' consolidated statutory risk-based capital is estimated to be 270 percent, up from the prior quarter primarily from LTC earnings driven by premium rate increases, benefit reductions, including the impacts from a legal settlement, and favorable claims experience; and
- The holding company ended the quarter with \$842 million of cash and liquid assets, including \$19 million that is restricted. Cash and liquid assets increased \$85 million from the prior quarter's ending balance of \$757 million primarily from \$112 million of net tax inflows, partially offset by debt service costs. Subsequent to the quarter, the company redeemed all of its remaining \$513 million of outstanding principal due in September 2021 for approximately \$532 million, which included the principal amount, a make-whole premium and accrued and unpaid interest. The parent holding company public debt outstanding is \$1.7 billion, as of the date hereof, in addition to the AXA liability of approximately \$345 million.

⁷ Company estimate for the second quarter of 2021 due to timing of the preparation and filing of statutory statements.

⁸ The PMIERS sufficiency ratio is calculated as available assets divided by required assets as defined within the published PMIERS. As of June 30, 2021, March 31, 2021, and June 30, 2020, the PMIERS sufficiency ratios were \$1,941 million, \$1,764 million and \$1,275 million, respectively, of available assets above the published PMIERS requirements.

⁹ Holding company cash and 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.

¹⁰ Genworth Holdings, Inc. had \$742 million, \$757 million and \$504 million of cash, cash equivalents and restricted cash as of June 30, 2021, March 31, 2021 and June 30, 2020, respectively, which included \$60 million and \$10 million of restricted cash and cash equivalents as of March 31, 2021 and June 30, 2020, respectively. Genworth Holdings, Inc. also held \$100 million and \$50 million in U.S. government securities as of June 30, 2021 and June 30, 2020, respectively, which included \$19 million and \$49 million, respectively, of restricted assets.

¹¹ The GSEs have imposed certain capital restrictions on the Enact business which remain in effect until certain conditions are met. These restrictions currently require Genworth Mortgage Insurance Corporation, the company's principal U.S. mortgage insurance subsidiary, to maintain 115 percent of PMIERS minimum required assets among other restrictions.

¹² Formerly known as Genworth Mortgage Holdings, Inc., Genworth's indirect wholly-owned mortgage insurance subsidiary.

About Genworth Financial

Genworth Financial, Inc. (NYSE: GNW) is a Fortune 500 insurance holding company committed to helping families achieve the dream of homeownership and address the financial challenges of aging through its leadership positions in mortgage insurance and long term care insurance. Headquartered in Richmond, Virginia, Genworth traces its roots back to 1871 and became a public company in 2004. For more information, visit genworth.com.

From time to time, Genworth releases important information via postings on its corporate website. Accordingly, investors and other interested parties are encouraged to enroll to receive automatic email alerts and Really Simple Syndication (RSS) feeds regarding new postings. Enrollment information is found under the “Investors” section of genworth.com.

Conference Call And Financial Supplement Information

This press release and the second quarter 2021 financial supplement are now posted on the company’s website. Additional information regarding business results will be posted on the company’s website, <http://investor.genworth.com>, by 8:00 a.m. on August 4, 2021. Investors are encouraged to review these materials.

Genworth will conduct a conference call on August 4, 2021 at 9:00 a.m. (ET) to discuss the quarter’s results. Genworth’s conference call will be accessible via telephone and the Internet. The dial-in number for Genworth’s August 4th conference call is 888 208.1820 or 323 794.2110 (outside the U.S.); conference ID # 3957029. To participate in the call by webcast, register at <http://investor.genworth.com> at least 15 minutes prior to the webcast to download and install any necessary software.

A replay of the call will be available at 888 203.1112 or 719 457.0820 (outside the U.S.); conference ID # 3957209 through August 18, 2021. The webcast will also be archived on the company’s website for one year.

Use of Non-GAAP Measures

This press release includes the non-GAAP financial measures entitled “adjusted operating income (loss)” and “adjusted operating income (loss) per share.” Adjusted operating income (loss) per share is derived from adjusted operating income (loss). The chief operating decision maker evaluates segment performance and allocates resources on the basis of adjusted operating income (loss). The company defines adjusted operating income (loss) as income (loss) from continuing operations excluding the after-tax effects of income (loss) from continuing operations attributable to noncontrolling interests, net investment gains (losses), gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions, restructuring costs and infrequent or unusual non-operating items. Gains (losses) on insurance block transactions are defined as gains (losses) on the early extinguishment of non-recourse funding obligations, early termination fees for other financing restructuring and/or resulting gains (losses) on reinsurance restructuring for certain blocks of business. The company excludes net investment gains (losses) and infrequent or unusual non-operating items because the company does not consider them to be related to the operating performance of the company’s segments and Corporate and Other activities. A component of the company’s net investment gains (losses) is the result of estimated future credit losses, the size and timing of which can vary significantly depending on market credit cycles. In addition, the size and timing of other investment gains (losses) can be subject to the company’s discretion and are influenced by market opportunities, as well as asset-liability matching considerations. Gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions and restructuring costs are also excluded from adjusted operating income (loss) because, in the company’s opinion, they are not indicative of overall operating trends. Infrequent or unusual non-operating items are also excluded from adjusted operating income (loss) if, in the company’s opinion, they are not indicative of overall operating trends.

While some of these items may be significant components of net income (loss) available to Genworth Financial, Inc.’s common stockholders in accordance with U.S. GAAP, the company believes that adjusted operating income (loss) and measures that are derived from or incorporate adjusted operating income (loss), including adjusted operating income (loss) per share on a basic and diluted basis, are appropriate measures that are useful to investors because they identify the income (loss) attributable to the ongoing operations of the business. Management also uses adjusted operating income (loss) as a basis for determining awards and compensation for senior management and to evaluate performance on a basis comparable to that used by analysts. However, the items excluded from adjusted operating income (loss) have occurred in the past and could, and in some cases will, recur in the future. Adjusted operating income (loss) and adjusted operating income (loss) per share on a basic and diluted basis are not substitutes for net income (loss) available to Genworth Financial, Inc.’s common stockholders or net income (loss) available to Genworth Financial, Inc.’s common stockholders per share on a basic and diluted basis determined in accordance with U.S. GAAP. In addition, the company’s definition of adjusted operating income (loss) may differ from the definitions used by other companies.

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

The company repurchased \$52 million and \$146 million principal amount of Genworth Holdings, Inc.’s (Genworth Holdings) senior notes with 2021 maturity dates for a pre-tax gain (loss) of \$3 million and \$(4) million in the second quarter of 2020 and the first quarter of 2021, respectively. These transactions were excluded from adjusted operating income (loss) as they relate to gains (losses) on the early extinguishment of debt.

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

The tables at the end of this press release provide a reconciliation of net income (loss) available to Genworth Financial, Inc.'s common stockholders to adjusted operating income (loss) for the three months ended June 30, 2021 and 2020, as well as for the three months ended March 31, 2021, and reflect adjusted operating income (loss) as determined in accordance with accounting guidance related to segment reporting.

This press release 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 items that do not reflect the underlying performance of the investment portfolio. Management believes that analysis of core yield enhances understanding of the investment yield of the company. However, core yield is not a substitute for investment yield determined in accordance with U.S. GAAP. In addition, the company's definition of core yield may differ from the definitions used by other companies. A reconciliation of reported U.S. GAAP yield to core yield is included in a table at the end of this press release.

Definition of Selected Operating Performance Measures

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

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

The company reports selected operating performance measures including "sales" and "insurance in force" or "risk in force" which are commonly used in the insurance industry as measures of operating performance.

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

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

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

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

Cautionary Note Regarding Forward-Looking Statements

This press release 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. Examples of forward-looking statements include statements the company makes relating to a potential minority IPO of Enact Holdings, Inc. (Enact Holdings), future reductions of debt, potential dividends or share repurchases, and future strategic investments, as well as statements the company makes regarding the potential impacts of the COVID-19 pandemic. 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 from those in the forward-looking statements due to global political, economic, business, competitive, market, regulatory and other factors and risks, including, but not limited to, the following:

- *the company may be unable to successfully execute strategic plans to effectively address its current business challenges* including: the company’s debt maturities and other near-term liabilities and financial obligations, reducing costs, stabilizing its U.S. life insurance businesses without additional capital contributions, improving overall capital and ratings; the risk that the impacts of or uncertainty created by the COVID-19 pandemic delay or hinder strategic transactions or otherwise make strategic transactions less attractive; the inability to pursue strategic transactions; the company’s inability to attract buyers for any businesses or other assets it may seek to sell, or securities it may seek to issue (including a potential partial sale of Enact Holdings) in each case, in a timely manner and on anticipated terms; an 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, debt issuances, securities offerings or otherwise, in each case as and when required; a failure to obtain any required regulatory, stockholder, noteholder approvals and/or other third-party approvals or consents for such strategic transactions; market conditions that do not permit such a strategic transaction to be completed or negatively impacts the overall timing and final terms of such a strategic transaction; 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; an inability to achieve anticipated cost-savings in a timely manner; and adverse tax or accounting charges;
- *risks relating to estimates, assumptions and valuations* including: inadequate reserves and the need to increase reserves (including as a result of any changes the company may make in the future to its assumptions, methodologies or otherwise in connection with periodic or other reviews); risks related to the impact of the company’s annual review of assumptions and methodologies related to its long term care insurance claim reserves and margin reviews, including risks that additional information obtained in the future or other changes to assumptions or methodologies materially affect margins; the inability to accurately estimate the impacts of the COVID-19 pandemic; inaccurate models; deviations from the company’s estimates and actuarial assumptions or other reasons in its long term care insurance, life insurance and/or annuity businesses; accelerated amortization of deferred acquisition costs (DAC) and present value of future profits (PVFP) (including as a result of any future changes it may make to its assumptions, methodologies or otherwise in connection with periodic or other reviews); adverse impact on the company’s financial results as a result of projected profits followed by projected losses (as is currently the case with its long term care insurance business); and changes in valuation of fixed maturity and equity securities;
- *liquidity, financial strength ratings, credit and counterparty risks* including: insufficient internal sources to meet liquidity needs and limited or no access to capital, including the impact on the company’s liquidity due to the repayment of its September 2021 debt maturity; an inability to obtain further financing or liquidity, either by raising capital through issuing additional debt or equity, including convertible or equity-linked securities, and/or selling a percentage of the company’s ownership interest in Enact Holdings prior to the company’s future debt maturities, or an inability to obtain a secured term loan or credit facility; the impact on holding company liquidity caused by the inability to receive dividends or other returns of capital from Enact Holdings, including as a result of the COVID-19 pandemic; the impact of increased leverage as a result of the AXA settlement and related restrictions;

continued availability of capital and financing; future adverse rating agency actions against the company or Enact Holdings, including with respect to rating downgrades or potential downgrades or being put on review for potential downgrade, all of which could have adverse implications, 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; defaults by counterparties to reinsurance arrangements or derivative instruments; defaults or other events impacting the value of the company's fixed maturity securities portfolio; defaults on the company's commercial mortgage loans; defaults on mortgage loans or other assets underlying the company's investments in its mortgage-backed and asset-backed securities and volatility in performance;

- *risks relating to economic, market and political conditions* including: downturns and volatility in global economies and equity and credit markets, including as a result of prolonged unemployment, a sustained low interest rate environment and other displacements caused by the COVID-19 pandemic; interest rates and changes in rates have adversely impacted, and may continue to materially adversely impact, the company's business and profitability; deterioration in economic conditions or a decline in home prices that adversely affect the company's loss experience in the company's Enact segment; political and economic instability or changes in government policies; and fluctuations in foreign currency exchange rates and international securities markets;
- *regulatory and legal risks* including: extensive regulation of the company's businesses and changes in applicable laws and regulations (including changes to tax laws and regulations); litigation and regulatory investigations or other actions; dependence on dividends and other distributions from Enact Holdings, and the inability of any subsidiaries to pay dividends or make other distributions to the company, including as a result of the performance of its subsidiaries, heightened regulatory restrictions resulting from the COVID-19 pandemic, and other insurance, regulatory or corporate law restrictions; the inability to successfully seek in force rate action increases (including increased premiums and associated benefit reductions) in the company's long term care insurance business, including as a result of the COVID-19 pandemic; adverse change in regulatory requirements, including risk-based capital; inability to continue to maintain the private mortgage insurer eligibility requirements (PMIERs); risks on Enact Holdings' ability to pay its holding company dividends as a result of the government-sponsored enterprises (GSEs) amendments to PMIERs in response to COVID-19 or additional PMIERs requirements or other restrictions that the GSEs may place on the ability of Enact Holdings to pay dividends to its holding company, including additional potential PMIERs restrictions that the GSEs may impose if the potential partial sale of Enact Holdings does not occur by the beginning of October 2021; the impact on capital levels of increased delinquencies caused by the COVID-19 pandemic; inability of the company's U.S. mortgage insurance subsidiaries to meet minimum statutory capital requirements; 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; adverse changes in regulations affecting the Enact segment; additional restrictions placed on the Enact segment by government and government-owned and the GSEs in connection with a new debt financing and/or sale of a percentage of its ownership interests therein; inability to continue to implement actions to mitigate the impact of statutory reserve requirements; changes in tax laws; and changes in accounting and reporting standards;
- *operational risks* including: the inability to retain, attract and motivate qualified employees or senior management; the impact on processes caused by shelter-in-place or other governmental restrictions imposed as a result of the COVID-19 pandemic; reliance on, and loss of, key customer or distribution relationships; the design and effectiveness of the company's disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations; and failure or any compromise of the security of the company's computer systems, disaster recovery systems, business continuity plans and failures to safeguard or breaches of confidential information;
- *insurance and product-related risks* including: the company's inability to increase premiums and reduce benefits sufficiently, and in a timely manner, on its in force long term care insurance policies, in each case, as currently anticipated and as may be

required from time to time in the future (including as a result of a delay or failure to obtain any necessary regulatory approvals, including as a result of the COVID-19 pandemic, or unwillingness or inability of policyholders to pay increased premiums and/or accept reduced benefits), including to offset any negative impact on the company's long term care insurance margins; availability, affordability and adequacy of reinsurance to protect the company against losses; decreases in the volume of mortgage originations or increases in mortgage insurance cancellations; increases in the use of alternatives to private mortgage insurance and reductions in the level of coverage selected; potential liabilities in connection with the company's U.S. contract underwriting services; and medical advances, such as genetic research and diagnostic imaging, and related legislation that impact policyholder behavior in ways adverse to the company;

- *other risks* including: the occurrence of natural or man-made disasters or a pandemic, similar to the COVID-19 pandemic, could materially adversely affect its financial condition and results of operations.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise. This press release does not constitute an offering of any securities.

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Condensed Consolidated Statements of Income
(Amounts in millions, except per share amounts)
(Unaudited)

	Three months ended		Three months ended
	June 30,		March 31,
	2021	2020	2021
Revenues:			
Premiums	\$ 947	\$ 957	\$ 968
Net investment income	844	779	801
Net investment gains (losses)	70	93	33
Policy fees and other income	180	174	183
Total revenues	<u>2,041</u>	<u>2,003</u>	<u>1,985</u>
Benefits and expenses:			
Benefits and other changes in policy reserves	1,161	1,447	1,218
Interest credited	127	139	131
Acquisition and operating expenses, net of deferrals	304	210	275
Amortization of deferred acquisition costs and intangibles	86	87	77
Interest expense	43	42	51
Total benefits and expenses	<u>1,721</u>	<u>1,925</u>	<u>1,752</u>
Income from continuing operations before income taxes	320	78	233
Provision for income taxes	75	23	59
Income from continuing operations	245	55	174
Income (loss) from discontinued operations, net of taxes	(5)	(473)	21
Net income (loss)	240	(418)	195
Less: net income (loss) from continuing operations attributable to noncontrolling interests	—	—	—
Less: net income from discontinued operations attributable to noncontrolling interests	—	23	8
Net income (loss) available to Genworth Financial, Inc.'s common stockholders	<u>\$ 240</u>	<u>\$ (441)</u>	<u>\$ 187</u>
Net income (loss) available to Genworth Financial, Inc.'s common stockholders:			
Income from continuing operations available to Genworth Financial, Inc.'s common stockholders	\$ 245	\$ 55	\$ 174
Income (loss) from discontinued operations available to Genworth Financial, Inc.'s common stockholders	(5)	(496)	13
Net income (loss) available to Genworth Financial, Inc.'s common stockholders	<u>\$ 240</u>	<u>\$ (441)</u>	<u>\$ 187</u>
Income from continuing operations available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	\$ 0.48	\$ 0.11	\$ 0.35
Diluted	\$ 0.47	\$ 0.11	\$ 0.34
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	\$ 0.47	\$ (0.87)	\$ 0.37
Diluted	\$ 0.47	\$ (0.86)	\$ 0.37
Weighted-average common shares outstanding:			
Basic	507.0	505.4	506.0
Diluted	<u>515.0</u>	<u>512.5</u>	<u>513.8</u>

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

	Three months ended		Three months ended
	June 30,	2020	March 31, 2021
Net income (loss) available to Genworth Financial, Inc.'s common stockholders	\$ 240	\$ (441)	\$ 187
Add: net income (loss) from continuing operations attributable to noncontrolling interests	—	—	—
Add: net income from discontinued operations attributable to noncontrolling interests	—	23	8
Net income (loss)	240	(418)	195
Less: income (loss) from discontinued operations, net of taxes	(5)	(473)	21
Income from continuing operations	245	55	174
Less: net income (loss) from continuing operations attributable to noncontrolling interests	—	—	—
Income from continuing operations available to Genworth Financial, Inc.'s common stockholders	245	55	174
Adjustments to income from continuing operations available to Genworth Financial, Inc.'s common stockholders:			
Net investment (gains) losses, net ¹³	(70)	(97)	(33)
(Gains) losses on early extinguishment of debt	—	(3)	4
Expenses related to restructuring	5	1	21
Taxes on adjustments	14	21	2
Adjusted operating income (loss)	<u>\$ 194</u>	<u>\$ (23)</u>	<u>\$ 168</u>
Adjusted operating income (loss):			
Enact segment	\$ 135	\$ (3)	\$ 126
U.S. Life Insurance segment:			
Long Term Care Insurance	98	48	95
Life Insurance	(40)	(81)	(63)
Fixed Annuities	13	28	30
Total U.S. Life Insurance segment	<u>71</u>	<u>(5)</u>	<u>62</u>
Runoff segment	15	24	12
Corporate and Other	(27)	(39)	(32)
Adjusted operating income (loss)	<u>\$ 194</u>	<u>\$ (23)</u>	<u>\$ 168</u>
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	<u>\$ 0.47</u>	<u>\$ (0.87)</u>	<u>\$ 0.37</u>
Diluted	<u>\$ 0.47</u>	<u>\$ (0.86)</u>	<u>\$ 0.37</u>
Adjusted operating income (loss) per share:			
Basic	<u>\$ 0.38</u>	<u>\$ (0.05)</u>	<u>\$ 0.33</u>
Diluted	<u>\$ 0.38</u>	<u>\$ (0.05)</u>	<u>\$ 0.33</u>
Weighted-average common shares outstanding:			
Basic	<u>507.0</u>	<u>505.4</u>	<u>506.0</u>
Diluted	<u>515.0</u>	<u>512.5</u>	<u>513.8</u>

¹³ For the three months ended June 30, 2021, net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves of \$(4) million.

**Reconciliation of Adjusted Operating Loss Previously Reported to Adjusted Operating Loss
Re-Presented to Exclude Discontinued Operations
(Amounts in millions)**

	Three months ended June 30, 2020
Adjusted operating loss as previously reported	\$ (21)
Remove Australia Mortgage Insurance segment adjusted operating income reported as discontinued operations	(1)
Adjustment for corporate overhead allocations, net of taxes ¹⁴	(4)
Tax adjustments ¹⁵	3
Re-presented adjusted operating loss	<u>\$ (23)</u>

¹⁴ Expenses previously reported in the Australia Mortgage Insurance segment and moved to Corporate and Other activities.

¹⁵ Tax impacts resulting from the classification of Genworth Mortgage Insurance Australia Limited as discontinued operations.

Condensed Consolidated Balance Sheets
(Amounts in millions)
(Unaudited)

	June 30, 2021	December 31, 2020
Assets		
Cash, cash equivalents, restricted cash and invested assets	\$ 75,805	\$ 77,917
Deferred acquisition costs	1,212	1,487
Intangible assets	151	157
Reinsurance recoverable, net	16,666	16,819
Deferred tax and other assets	614	469
Separate account assets	6,202	6,081
Assets related to discontinued operations	—	2,817
Total assets	<u>\$100,650</u>	<u>\$ 105,747</u>
Liabilities and equity		
Liabilities:		
Future policy benefits	\$ 42,165	\$ 42,695
Policyholder account balances	19,944	21,503
Liability for policy and contract claims	11,546	11,486
Unearned premiums	695	775
Other liabilities	1,664	1,614
Long-term borrowings	2,924	3,403
Separate account liabilities	6,202	6,081
Liabilities related to discontinued operations	346	2,370
Total liabilities	<u>85,486</u>	<u>89,927</u>
Equity:		
Common stock	1	1
Additional paid-in capital	12,018	12,008
Accumulated other comprehensive income (loss)	3,834	4,425
Retained earnings	2,011	1,584
Treasury stock, at cost	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	<u>15,164</u>	<u>15,318</u>
Noncontrolling interests	—	502
Total equity	<u>15,164</u>	<u>15,820</u>
Total liabilities and equity	<u>\$100,650</u>	<u>\$ 105,747</u>

Reconciliation of Reported Yield to Core Yield

	Three months ended	
	June 30, 2021	March 31, 2021
(Assets - amounts in billions)		
Reported Total Invested Assets and Cash	\$ 75.2	\$ 72.9
Subtract:		
Securities lending	0.1	0.1
Unrealized gains (losses)	8.9	6.9
Adjusted End of Period Invested Assets and Cash	<u>\$ 66.2</u>	<u>\$ 65.9</u>
Average Invested Assets and Cash Used in Reported and Core Yield Calculation	<u>\$ 66.1</u>	<u>\$ 66.2</u>
(Income - amounts in millions)		
Reported Net Investment Income	\$ 844	\$ 801
Subtract:		
Bond calls and commercial mortgage loan prepayments	39	15
Other non-core items ¹⁶	3	2
Core Net Investment Income	<u>\$ 802</u>	<u>\$ 784</u>
Reported Yield	<u>5.11%</u>	<u>4.84%</u>
Core Yield	<u>4.85%</u>	<u>4.73%</u>

¹⁶ Includes cost basis adjustments on structured securities and various other immaterial items.

Second Quarter Financial Supplement

June 30, 2021



GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

<u>Table of Contents</u>	<u>Page</u>
Investor Letter	3
Use of Non-GAAP Measures	4
Results of Operations and Selected Operating Performance Measures	5
Financial Highlights	6
<i>Consolidated Quarterly Results</i>	
Consolidated Net Income (Loss) by Quarter	8
Reconciliation of Net Income (Loss) to Adjusted Operating Income (Loss)	9
Consolidated Balance Sheets	10-11
Consolidated Balance Sheets by Segment	12-13
Deferred Acquisition Costs (DAC) Rollforward	14
<i>Quarterly Results by Business</i>	
Adjusted Operating Income (Loss) and Sales - Enact Segment	16-21
Adjusted Operating Income (Loss) - U.S. Life Insurance Segment	23-26
Adjusted Operating Income (Loss) - Runoff Segment	28
Adjusted Operating Loss - Corporate and Other Activities	30
<i>Additional Financial Data</i>	
Investments Summary	32
Fixed Maturity Securities Summary	33
General Account U.S. GAAP Net Investment Income Yields	34
Net Investment Gains (Losses), Net - Detail	35
<i>Reconciliations of Non-GAAP Measures</i>	
Reconciliation of Operating Return On Equity (ROE)	37
Reconciliation of Reported Yield to Core Yield	38
<i>Corporate Information</i>	
Financial Strength Ratings	40

Note:

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Dear Investor,

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

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

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

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

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

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

Regards,

Investor Relations

InvestorInfo@genworth.com

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

Use of Non-GAAP Measures

This financial supplement includes the non-GAAP financial measures entitled “adjusted operating income (loss)” and “adjusted operating income (loss) per share.” Adjusted operating income (loss) per share is derived from adjusted operating income (loss). The chief operating decision maker evaluates segment performance and allocates resources on the basis of adjusted operating income (loss). The company defines adjusted operating income (loss) as income (loss) from continuing operations excluding the after-tax effects of income (loss) from continuing operations attributable to noncontrolling interests, net investment gains (losses), gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions, restructuring costs and infrequent or unusual non-operating items. Gains (losses) on insurance block transactions are defined as gains (losses) on the early extinguishment of non-recourse funding obligations, early termination fees for other financing restructuring and/or resulting gains (losses) on reinsurance restructuring for certain blocks of business. The company excludes net investment gains (losses) and infrequent or unusual non-operating items because the company does not consider them to be related to the operating performance of the company’s segments and Corporate and Other activities. A component of the company’s net investment gains (losses) is the result of estimated future credit losses, the size and timing of which can vary significantly depending on market credit cycles. In addition, the size and timing of other investment gains (losses) can be subject to the company’s discretion and are influenced by market opportunities, as well as asset-liability matching considerations. Gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions and restructuring costs are also excluded from adjusted operating income (loss) because, in the company’s opinion, they are not indicative of overall operating trends. Infrequent or unusual non-operating items are also excluded from adjusted operating income (loss) if, in the company’s opinion, they are not indicative of overall operating trends.

While some of these items may be significant components of net income (loss) available to Genworth Financial, Inc.’s common stockholders in accordance with U.S. GAAP, the company believes that adjusted operating income (loss) and measures that are derived from or incorporate adjusted operating income (loss), including adjusted operating income (loss) per share on a basic and diluted basis, are appropriate measures that are useful to investors because they identify the income (loss) attributable to the ongoing operations of the business. Management also uses adjusted operating income (loss) as a basis for determining awards and compensation for senior management and to evaluate performance on a basis comparable to that used by analysts. However, the items excluded from adjusted operating income (loss) have occurred in the past and could, and in some cases will, recur in the future. Adjusted operating income (loss) and adjusted operating income (loss) per share on a basic and diluted basis are not substitutes for net income (loss) available to Genworth Financial, Inc.’s common stockholders or net income (loss) available to Genworth Financial, Inc.’s common stockholders per share on a basic and diluted basis determined in accordance with U.S. GAAP. In addition, the company’s definition of adjusted operating income (loss) may differ from the definitions used by other companies.

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

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

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

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

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

Results of Operations and Selected Operating Performance Measures

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

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

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

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

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

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

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

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

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

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

Balance Sheet Data	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Total Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income	\$ 11,330	\$ 11,083	\$ 10,893	\$ 10,615	\$ 10,196
Total accumulated other comprehensive income	3,834	3,675	4,425	4,141	4,447
Total Genworth Financial, Inc.'s stockholders' equity	<u>\$ 15,164</u>	<u>\$ 14,758</u>	<u>\$ 15,318</u>	<u>\$ 14,756</u>	<u>\$ 14,643</u>
Book value per share	\$ 29.89	\$ 29.14	\$ 30.28	\$ 29.19	\$ 28.96
Book value per share, excluding accumulated other comprehensive income	\$ 22.33	\$ 21.88	\$ 21.54	\$ 20.99	\$ 20.17
Common shares outstanding as of the balance sheet date	507.4	506.5	505.8	505.6	505.6

Twelve Month Rolling Average ROE	Twelve months ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
U.S. GAAP Basis ROE	10.3%	4.0%	1.7%	(1.0)%	(4.8)%
Operating ROE ⁽¹⁾	6.2%	4.3%	2.9%	1.2%	1.0%

Quarterly Average ROE	Three months ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
U.S. GAAP Basis ROE	8.6%	6.8%	9.9%	16.1%	(16.9)%
Operating ROE ⁽¹⁾	6.9%	6.1%	7.0%	4.8%	(0.9)%

Basic and Diluted Shares	Three months ended June 30, 2021	Six months ended June 30, 2021
	Weighted-average common shares used in basic earnings per share calculations	507.0
Potentially dilutive securities:		
Stock options, restricted stock units and stock appreciation rights	8.0	7.9
Weighted-average common shares used in diluted earnings per share calculations	<u>515.0</u>	<u>514.4</u>

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

Consolidated Quarterly Results

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Consolidated Net Income (Loss) by Quarter
(amounts in millions, except per share amounts)

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

- (1) Income (loss) from discontinued operations relates to the company's former Australia mortgage insurance business that was sold on March 3, 2021 and its former lifestyle protection insurance business that was sold on December 1, 2015. Refer to page 30 for operating results of Genworth Australia reported as discontinued operations. In the first quarter of 2021, due to the sale of Genworth Australia, the company recorded an after-tax favorable adjustment of \$11 million associated with a refinement to its tax matters agreement liability. During the second and first quarters of 2021 and the fourth, third and second quarters of 2020, the company recorded an after-tax loss of \$4 million, \$1 million, \$30 million, \$22 million and \$520 million, respectively, related to a secured promissory note with AXA S.A. (AXA) resulting from a settlement agreement reached in 2020 regarding a dispute over payment protection insurance claims sold by the company's former lifestyle protection insurance business. During the first quarter of 2021 and the third quarter of 2020, based on an updated estimate, the company adjusted a liability associated with underwriting losses on a product sold by a distributor in the company's former lifestyle protection insurance business which resulted in an after-tax benefit (loss) of \$(4) million and \$23 million, respectively.
- (2) Under applicable accounting guidance, companies in a loss position are required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share. Therefore, as a result of the loss from continuing operations for the three months ended March 31, 2020, the company was required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share for the three months ended March 31, 2020, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 5.4 million would have been antidilutive to the calculation. If the company had not incurred a loss from continuing operations for the three months ended March 31, 2020, dilutive potential weighted-average common shares outstanding would have been 509.7 million.

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

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

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

Earnings (Loss) Per Share Data:

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

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Consolidated Balance Sheets
(amounts in millions)

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

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

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

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Consolidated Balance Sheets
(amounts in millions)

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

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Consolidated Balance Sheet by Segment
(amounts in millions)

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Consolidated Balance Sheet by Segment
(amounts in millions)

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Deferred Acquisition Costs Rollforward
(amounts in millions)

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

Enact Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

(1) Includes loans with annual and split payment types.
(2) Loans with unknown FICO scores are included in the 660-679 category.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Other Metrics—Enact Segment
(dollar amounts in millions)

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

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Loss Metrics—Enact Segment
(amounts in millions)

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

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

- (1) Primary direct case reserves divided by primary delinquency count.
(2) Other includes loss adjustment expenses, pool, incurred but not reported and reinsurance reserves.
(3) The ratio of benefits and other changes in policy reserves to net earned premiums.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Delinquency Metrics—Enact Segment
(dollar amounts in millions)

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

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

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Portfolio Quality Metrics—Enact Segment
(amounts in millions)

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

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

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

(1) Average annual mortgage interest rate weighted by insurance in-force.
(2) Direct primary case reserves exclude loss adjustment expenses, incurred but not reported and reinsurance reserves.
(3) Loans with unknown FICO scores are included in the 660-679 category.

U.S. Life Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

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

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

Runoff Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

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

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

Corporate and Other

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

- (1) Includes inter-segment eliminations and the results of other businesses that are managed outside the operating segments, including certain international mortgage insurance businesses.
- (2) Income (loss) from discontinued operations is considered part of Corporate and Other activities but is excluded from the above table. Income (loss) from discontinued operations on pages 8 and 9 herein include operating results of Genworth Australia that was sold on March 3, 2021 and amounts related to the company's former lifestyle protection insurance business that was sold on December 1, 2015. Operating results of Genworth Australia reported as discontinued operations were as follows:

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

Additional Financial Data

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Investments Summary
(amounts in millions)

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

(1) The company does not have any material exposure to residential mortgage-backed securities collateralized debt obligations (CDOs).
(2) Nationally Recognized Statistical Rating Organizations.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Fixed Maturity Securities Summary
(amounts in millions)

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

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

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

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

	2021			2020			Total
	2Q	1Q	Total	4Q	3Q	2Q	
Net realized gains (losses) on available-for-sale securities:							
Fixed maturity securities:							
U.S. corporate	\$ 2	\$ 4	\$ 6	\$ 7	\$ 2	\$ 2	\$ 13
U.S. government, agencies and government-sponsored enterprises	—	—	—	—	316	94	410
Foreign corporate	(2)	1	(1)	5	1	(1)	5
Foreign government	1	—	1	—	—	1	1
Tax exempt	—	—	—	1	—	—	1
Mortgage-backed securities	—	(1)	(1)	11	—	4	15
Asset-backed securities	—	—	—	(1)	—	(2)	(3)
Total net realized gains (losses) on available-for-sale securities	1	4	5	23	319	98	442
Net change in allowance for credit losses on available-for-sale fixed maturity securities	(4)	(2)	(6)	—	2	(7)	(5)
Write-down of available-for-sale fixed maturity securities	—	(1)	(1)	—	(4)	—	(4)
Net realized gains (losses) on equity securities sold	(2)	(5)	(7)	2	(3)	—	(1)
Net unrealized gains (losses) on equity securities still held	6	(8)	(2)	8	3	5	4
Limited partnerships	65	37	102	84	31	37	112
Commercial mortgage loans	(1)	(1)	(2)	—	(3)	1	(2)
Derivative instruments	4	8	12	26	9	(36)	(49)
Other	1	1	2	4	(3)	(5)	(5)
Net investment gains (losses), gross	70	33	103	147	351	93	492
Adjustment for DAC and other intangible amortization and certain benefit reserves	—	—	—	(3)	(1)	4	11
Net investment gains (losses), net	<u>\$ 70</u>	<u>\$ 33</u>	<u>\$ 103</u>	<u>\$ 144</u>	<u>\$ 350</u>	<u>\$ 97</u>	<u>\$ (88)</u>
							<u>\$ 503</u>

Reconciliations of Non-GAAP Measures

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Reconciliation of Operating ROE
(amounts in millions)

Twelve Month Rolling Average ROE	Twelve months ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
U.S. GAAP Basis ROE					
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the twelve months ended ⁽¹⁾	\$ 1,112	\$ 431	\$ 178	\$ (106)	\$ (506)
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income ⁽²⁾	\$10,823	\$ 10,684	\$ 10,618	\$ 10,592	\$10,618
U.S. GAAP Basis ROE ^{(1)/(2)}	10.3%	4.0%	1.7%	(1.0)%	(4.8)%
Operating ROE					
Adjusted operating income for the twelve months ended ⁽¹⁾	\$ 675	\$ 458	\$ 310	\$ 125	\$ 109
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income ⁽²⁾	\$10,823	\$ 10,684	\$ 10,618	\$ 10,592	\$10,618
Operating ROE ^{(1)/(2)}	6.2%	4.3%	2.9%	1.2%	1.0%
Quarterly Average ROE					
U.S. GAAP Basis ROE					
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the period ended ⁽³⁾	\$ 240	\$ 187	\$ 267	\$ 418	\$ (441)
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income ⁽⁴⁾	\$11,207	\$ 10,988	\$ 10,754	\$ 10,406	\$10,415
Annualized U.S. GAAP Quarterly Basis ROE ^{(3)/(4)}	8.6%	6.8%	9.9%	16.1%	(16.9)%
Operating ROE					
Adjusted operating income (loss) for the period ended ⁽³⁾	\$ 194	\$ 168	\$ 188	\$ 125	\$ (23)
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income ⁽⁴⁾	\$11,207	\$ 10,988	\$ 10,754	\$ 10,406	\$10,415
Annualized Operating Quarterly Basis ROE ^{(3)/(4)}	6.9%	6.1%	7.0%	4.8%	(0.9)%

Non-GAAP Definition for Operating ROE

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

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2021

Reconciliation of Reported Yield to Core Yield

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

Note: Yields have been annualized.

Non-GAAP Definition for Core Yield

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

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

Corporate Information

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

Financial Strength Ratings As Of August 2, 2021

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

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

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

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

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

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

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