
**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**

**July 30, 2019
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 July 30, 2019, Genworth Financial, Inc. (the “Company”) issued (1) a press release announcing its financial results for the quarter ended June 30, 2019, 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, 2019, 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 July 30, 2019.
99.2	Financial Supplement for the quarter ended June 30, 2019.

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: July 30, 2019

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 2019 Results

Net Income Of \$168 Million And Adjusted Operating Income Of \$204 Million

- Merger Agreement With China Oceanwide Holdings Group Co., LTD (Oceanwide) Extended To No Later Than November 30, 2019; Actively Soliciting Interest In Genworth MI Canada
- U.S. Mortgage Insurance (MI) Adjusted Operating Income Of \$147 Million With \$15.8 Billion In New Insurance Written (NIW) And Continued Strong Loss Performance
- U.S. MI's PMIERS ¹ Sufficiency Ratio At 123 Percent, In Excess Of \$650 Million Above The Revised Standards That Became Effective On March 31, 2019
- Continued Strong Capital Levels In Canada And Australia MI With \$58 Million In Capital Returned To The Holding Company
- Continued Progress With Long Term Care Insurance (LTC) In Force Rate Actions In Line With Plan
- Holding Company Cash & Liquid Assets Of \$403 Million

Richmond, VA (July 30, 2019) – Genworth Financial, Inc. (NYSE: GNW) today reported results for the quarter ended June 30, 2019. The company reported net income ² of \$168 million, or \$0.33 per diluted share, in the second quarter of 2019, compared with net income of \$190 million, or \$0.38 per diluted share, in the second quarter of 2018. The company reported adjusted operating income ³ of \$204 million, or \$0.40 per diluted share, in the second quarter of 2019, compared with adjusted operating income of \$200 million, or \$0.40 per diluted share, in the second quarter of 2018.

Strategic Update

Genworth and Oceanwide remain committed to the merger agreement and continue to work towards closing as soon as possible.

On June 30, 2019, Genworth and Oceanwide agreed to an eleventh waiver and extension of the merger agreement to a date not later than November 30, 2019. This waiver and agreement also

¹ Private Mortgage Insurer Eligibility Requirements

² 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.

³ 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.

stated that Oceanwide has agreed to allow Genworth to solicit interest for a potential disposition of its interest in Genworth MI Canada Inc. (Genworth Canada). In the absence of any substantive progress in discussions with Canadian regulators, the parties concluded that exploring disposition options for Genworth Canada is in their best interests to successfully complete the Oceanwide transaction. Since this announcement, Genworth has received expressions of interest for the Genworth Canada business and continues to work with its advisors to assess the best possible disposition strategy.

With respect to the Oceanwide transaction regulatory review process, the parties have received approvals from all necessary U.S. regulators. The parties are in discussion with certain regulators about the impact of the Genworth Canada disposition on their previously issued approvals for the Oceanwide transaction. Further, Oceanwide will need to receive clearance in China for currency conversion and the transfer of funds.

Genworth and Oceanwide remain committed to the capital investment plan under which Oceanwide and/or its affiliates will contribute an aggregate of \$1.5 billion to Genworth over time following the consummation of the merger.

“The extension of the merger agreement provides us with the flexibility to explore our disposition options for Genworth Canada in order to facilitate the Oceanwide transaction and maximize value for Genworth’s stakeholders,” said Tom McInerney, president and CEO of Genworth. “I am pleased with the interest we have received for Genworth Canada, which is a well performing business as demonstrated by its consistent performance this quarter. We remain fully committed to the transaction with Oceanwide and continue to believe that it represents the greatest and most certain value for all Genworth stakeholders. We appreciate Oceanwide’s committed partnership and patience throughout this process and look forward to working towards the successful completion of our transaction.”

LU Zhiqiang, chairman of Oceanwide, added: “Oceanwide remains committed to the transaction at the original purchase price of \$5.43 per share. We also remain committed to the \$1.5 billion contribution to Genworth over time, following the consummation of the transaction. We look forward to closing the transaction as soon as possible so that we can bring certainty to Genworth stockholders and begin to realize the benefits of our merger.”

Financial Performance

Consolidated Net Income & Adjusted Operating Income

	Three months ended June 30				Total % change
	2019		2018		
	Total	Per diluted share	Total	Per diluted share	
<i>(Amounts in millions, except per share)</i>					
Net income available to Genworth's common stockholders	\$ 168	\$ 0.33	\$ 190	\$ 0.38	(12)%
Adjusted operating income	\$ 204	\$ 0.40	\$ 200	\$ 0.40	2 %
Weighted-average diluted shares	508.7		502.6		

	As of June 30	
	2019	2018
Book value per share	\$27.32	\$25.78
Book value per share, excluding accumulated other comprehensive income (loss)	\$21.34	\$21.14

Net investment losses, net of taxes and other adjustments, reduced net income by \$35 million in the quarter, driven primarily by derivative losses and net mark-to-market losses from equity securities and limited partnerships. Net income in the second quarter of 2018 was reduced by net investment losses, net of taxes and other adjustments, of \$10 million.

Net investment income was \$852 million in the quarter, up from \$829 million in the prior quarter and \$828 million in the prior year. Net investment income increased compared to the prior quarter and the prior year primarily due to favorable prepayment speed adjustments on mortgage-backed securities and inflation impact on U.S. Government Treasury Inflation Protected Securities (TIPS). The reported yield and the core yield³ for the quarter were 4.82 percent and 4.74 percent, respectively, compared to 4.71 percent and 4.67 percent, respectively, in the prior quarter.

Genworth's effective tax rate for the quarter was approximately 33 percent. This included \$11 million of unfavorable charges related to the Global Intangible Low Taxed Income (GILTI) provision of the 2017 Tax Cuts and Jobs Act. These charges are reflected in Corporate and Other activities and are expected to continue throughout 2019 and into 2020, although a transaction involving the disposition of Genworth Canada would reduce future GILTI impacts. The effective tax rate was also increased by higher jurisdictional rates of foreign operations as well as the tax effect of forward starting swap gains settled prior to the change in the corporate tax rate, which will 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)	Q2 19	Q1 19	Q2 18
<i>(Amounts in millions)</i>			
U.S. Mortgage Insurance	\$ 147	\$ 124	\$ 137
Canada Mortgage Insurance	41	41	46
Australia Mortgage Insurance	13	14	22
U.S. Life Insurance	66	(5)	57
Runoff	9	20	13
Corporate and Other	(72)	(73)	(75)
Total Adjusted Operating Income	\$ 204	\$ 121	\$ 200

Adjusted operating income (loss) represents income (loss) from continuing operations excluding 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 to adjusted operating income is included at the end of this press release.

Unless specifically noted in the discussion of results for the MI businesses in Canada and Australia, references to percentage changes exclude the impact of translating foreign denominated activity into U.S. dollars (foreign exchange). Percentage changes, which include the impact of foreign exchange, are found in a table at the end of this press release.

U.S. Mortgage Insurance

Operating Metrics <i>(Dollar amounts in millions)</i>	Q2 19	Q1 19	Q2 18
Adjusted operating income	\$ 147	\$ 124	\$ 137
New insurance written			
Primary Flow	\$15,800	\$9,600	\$11,400
Loss ratio	— %	8%	(8)%

U.S. MI reported adjusted operating income of \$147 million, U.S. MI's highest quarterly adjusted operating income since the IPO⁴ of Genworth in 2004, compared with \$124 million in the prior quarter and \$137 million in the prior year. U.S. MI's flow insurance in force increased 12 percent versus the prior year from strong NIW and persistency, driving continued growth in earned premiums, which exceeded \$200 million. The loss ratio in the current quarter was zero, down eight points sequentially and up eight points from the prior year. Losses in the quarter included a favorable \$10 million pre-tax reserve adjustment which reduced the loss ratio by five points. Prior year results included a favorable \$28 million pre-tax reserve adjustment which reduced that period's loss ratio by 15 points. Excluding the impact of reserve adjustments, losses continue to develop favorably with strong cure rates.

U.S. MI achieved \$15.8 billion in flow NIW in the quarter, up 65 percent from the prior quarter driven primarily by a larger estimated mortgage insurance market, from a seasonally higher purchase originations market as well as a higher refinance originations market as rates have remained low. Flow NIW was up 39 percent versus the prior year driven by an estimated increase in the mortgage insurance market from both a higher purchase and refinance originations market as well as an estimated increase in market share with the continued roll-out of the company's proprietary risk-based pricing engine, GenRATE, and selective participation in forward commitment transactions.

⁴ Initial Public Offering

Canada Mortgage Insurance

Operating Metrics

(Dollar amounts in millions)

	<u>Q2 19</u>	<u>Q1 19</u>	<u>Q2 18</u>
Adjusted operating income	\$ 41	\$ 41	\$ 46
New insurance written			
Flow	\$ 3,900	\$ 2,200	\$ 3,700
Bulk	\$ 1,900	\$ 700	\$ 900
Loss ratio	15%	15%	15%

Canada MI reported adjusted operating income of \$41 million, consistent with the prior quarter and compared to \$46 million in the prior year. Compared to the prior year, results declined primarily due to higher taxes and unfavorable foreign exchange impacts. The loss ratio in the quarter was 15 percent, flat both sequentially and versus the prior year from lower levels of new delinquencies, net of cures, offset by a higher average reserve per delinquency, driven primarily from Alberta.

Flow NIW increased 77 percent ⁵ sequentially from a seasonally larger originations market and increased 11 percent ⁵ from the prior year primarily from a modestly larger originations market. Bulk NIW for the quarter increased versus the prior quarter and prior year driven by higher lender demand.

Australia Mortgage Insurance

Operating Metrics

(Dollar amounts in millions)

	<u>Q2 19</u>	<u>Q1 19</u>	<u>Q2 18</u>
Adjusted operating income	\$ 13	\$ 14	\$ 22
New insurance written			
Flow	\$ 3,700	\$ 3,400	\$ 3,700
Bulk	\$ 1,200	\$ 500	\$ 900
Loss ratio	34%	34%	28%

Australia MI reported adjusted operating income of \$13 million versus \$14 million in the prior quarter and \$22 million in the prior year. Results in the prior year were favorably impacted by approximately \$4 million after-tax as a result of increased recognition of premiums driven by higher policy cancellations. The loss ratio in the quarter was 34 percent, flat sequentially and up six points from prior year primarily due to lower levels of earned premium from higher levels of policy cancellations in the prior year and seasoning of the in force portfolio.

Flow NIW was up 12 percent ⁵ sequentially from a seasonally larger originations market and up eight percent ⁵ from the prior year due to higher mortgage origination volume from certain key customers.

⁵ Percent change excludes the impact of foreign exchange.

U.S. Life Insurance**Adjusted Operating Income (Loss)***(Amounts in millions)*

	<u>Q2 19</u>	<u>Q1 19</u>	<u>Q2 18</u>
Long Term Care Insurance	\$ 37	\$ (20)	\$ 22
Life Insurance	10	(2)	4
Fixed Annuities	19	17	31
Total U.S. Life Insurance	<u>\$ 66</u>	<u>\$ (5)</u>	<u>\$ 57</u>

Long Term Care Insurance

Long term care insurance reported adjusted operating income of \$37 million, compared with an adjusted operating loss of \$20 million in the prior quarter and adjusted operating income of \$22 million in the prior year. Compared to the prior quarter and prior year, results reflected higher earnings from in force rate actions and favorable benefit utilization, partially offset by growth in new claims. Compared to the prior year, results reflected favorable development on prior year incurred but not reported claims. Results also benefitted from seasonally higher claim terminations versus the prior quarter.

Life Insurance

Life insurance reported adjusted operating income of \$10 million, compared with an adjusted operating loss of \$2 million in the prior quarter and adjusted operating income of \$4 million in the prior year. Current quarter results included a reinsurance correction and a refinement resulting in a net favorable after-tax impact of \$17 million. Results versus the prior quarter and prior year reflected higher mortality and higher lapses resulting in higher amortization of deferred acquisition costs (DAC) primarily associated with larger 20-year level-premium term life insurance blocks entering their post-level premium periods. Results in the prior quarter also included an unfavorable after-tax impact of \$11 million from model corrections.

Fixed Annuities

Fixed annuities reported adjusted operating income of \$19 million, compared with \$17 million in the prior quarter and \$31 million in the prior year. Results included unfavorable charges of \$4 million after-tax from loss recognition testing on the single premium immediate annuity block versus \$13 million in the prior quarter. Results versus the prior quarter and prior year also reflected lower mortality in the single premium immediate annuity block.

Runoff

Runoff reported adjusted operating income of \$9 million, compared with \$20 million in the prior quarter and \$13 million in the prior year. Results in the current quarter reflected impacts in the company's variable annuity business from less favorable equity market performance and lower interest rates compared to the prior quarter and higher mortality compared to the prior quarter and prior year.

Corporate And Other

Corporate and Other reported an adjusted operating loss of \$72 million, compared with \$73 million in the prior quarter and \$75 million in the prior year. Results in the current quarter reflected the previously mentioned unfavorable tax reform impacts related to GILTI. Results in the current quarter also reflected approximately \$6 million of unfavorable tax timing adjustments required for interim reporting which, in addition to the \$13 million in related tax expenses in the prior quarter, are expected to reverse by year-end.

Capital & Liquidity

Genworth maintains the following capital positions in its operating subsidiaries:

Key Capital & Liquidity Metrics (Dollar amounts in millions)

	Q2 19	Q1 19	Q2 18
U.S. MI			
Consolidated Risk-To-Capital Ratio ⁶	11.8:1	11.9:1	12.6:1
Genworth Mortgage Insurance Corporation Risk-To-Capital Ratio ⁶	12.1:1	12.1:1	12.8:1
Private Mortgage Insurer Eligibility Requirements (PMIERs) Sufficiency Ratio ^{6, 7}	123%	123%	129%
Canada MI			
Mortgage Insurer Capital Adequacy Test (MICAT) Ratio ^{6, 8}	169%	172%	170%
Australia MI			
Prescribed Capital Amount (PCA) Ratio ⁶	208%	201%	190%
U.S. Life Insurance Companies			
Consolidated Risk-Based Capital (RBC) Ratio ⁶	190%	195%	277%
Holding Company Cash and Liquid Assets ^{9, 10}	\$ 403	\$ 405	\$ 622

Key Points

- U.S. MI's PMIERs sufficiency ratio is estimated to be 123 percent under the revised standards that became effective on March 31, 2019, in excess of \$650 million above requirements;
- Canada MI's MICAT ratio is estimated to be 169 percent, above both the regulatory minimum requirement of 150 percent and the company's operating range of 160 to 165 percent;
- Australia MI's PCA ratio increased sequentially to 208 percent, above the company's target operating range of 132 to 144 percent. The increase in the quarter was driven primarily by lower required capital from policy cancellations and seasoning of the in force portfolio, partially offset by share repurchases during the quarter;

⁶ Company estimate for the second quarter of 2019 due to timing of the preparation and filing of statutory statements.

⁷ 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 for the U.S. mortgage insurance business. The periods ending June 30, 2019 and March 31, 2019 reflect the revised PMIERs standards effective March 31, 2019. As of June 30, 2019, March 31, 2019, and June 30, 2018, the PMIERs sufficiency ratios were in excess of \$650 million, \$600 million and \$700 million, respectively, of available assets above the applicable PMIERs requirements.

⁸ MICAT requirements implemented January 1, 2019; the June 30, 2018 period reflects the Minimum Capital Test (MCT) ratio.

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 \$358 million, \$361 million and \$547 million of cash, cash equivalents and restricted cash as of June 30, 2019, March 31, 2019 and June 30, 2018, respectively, which included approximately \$7 million, \$16 million and \$16 million of restricted cash, respectively. Genworth Holdings, Inc. also held \$45 million, \$44 million and \$75 million in U.S. government securities as of June 30, 2019, March 31, 2019 and June 30, 2018, respectively, which included \$42 million, \$37 million and \$36 million, respectively, of restricted assets.

-
- The U.S. Life insurance companies' consolidated RBC ratio is estimated to be approximately 190 percent, down from 195 percent in the prior quarter, with in force statutory earnings more than offset by increases in required capital primarily in variable annuities from lower interest rates and growth of new claims in LTC.
 - The holding company ended the quarter with \$403 million of cash and liquid assets, which is approximately \$100 million below the company's target of two times expected annual debt interest payments excluding restricted cash and assets. Holding company cash is expected to benefit from the \$1.5 billion of capital from Oceanwide after the closing of the transaction and would also benefit from any potential divestment in Genworth Canada.

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. From time to time, Genworth's publicly traded subsidiaries, Genworth MI Canada Inc. and Genworth Mortgage Insurance Australia Limited, separately release financial and other information about their operations. This information can be found at <http://genworth.ca> and <http://www.genworth.com.au>.

Conference Call And Financial Supplement Information

This press release and the second quarter 2019 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 7:00 a.m. on July 31, 2019. Investors are encouraged to review these materials.

Genworth will conduct a conference call on July 31, 2019 at 8:00 a.m. (ET) to discuss business results and provide an update on strategic objectives, including the pending transaction with China Oceanwide Holdings

Group Co., Ltd. The conference call will be accessible via telephone and the Internet. The dial-in number for the conference call is 888 208.1820 or 323 794.2110 (outside the U.S.); conference ID # 3003632. 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.

Replays of the call will be available through August 15, 2019 at 888 203.1112 or 719 457.0820 (outside the U.S.); conference ID # 3003632. 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) attributable to noncontrolling interests, net investment gains (losses), goodwill impairments, gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions, restructuring costs and infrequent or unusual non-operating items. Gains (losses) on insurance block transactions are defined as gains (losses) on the early extinguishment of non-recourse funding obligations, early termination fees for other financing restructuring and/or resulting gains (losses) on reinsurance restructuring for certain blocks of business. The company excludes net investment gains (losses) and infrequent or unusual non-operating items because the company does not consider them to be related to the operating performance of the company’s segments and Corporate and Other activities. A component of the company’s net investment gains (losses) is the result of impairments, the size and timing of which can vary significantly depending on market credit cycles. In addition, the size and timing of other investment gains (losses) can be subject to the company’s discretion and are influenced by market opportunities, as well as asset-liability matching considerations. Goodwill impairments, gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions and restructuring costs are also excluded from 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.

In the first quarter of 2019, the company revised how it taxes the adjustments to reconcile net income (loss) available to Genworth Financial, Inc.’s common stockholders to adjusted operating income (loss) to align the tax rate used in the reconciliation to each segment’s local jurisdictional tax rate. Beginning in the first quarter of 2019, the company used a tax rate of 27 percent and 30 percent for its Canada and Australia Mortgage Insurance segments, respectively, to tax effect their adjustments. Its domestic segments remain at a 21 percent tax rate. In 2018, the company assumed a flat 21 percent tax rate on adjustments for all of its segments to reconcile net income (loss) available to Genworth Financial, Inc.’s common stockholders and adjusted operating income (loss). These adjustments are also net of the portion attributable to noncontrolling interests and net investment gains (losses) are adjusted for DAC and other intangible amortization and certain benefit reserves.

Prior year amounts have not been re-presented to reflect this revised presentation; however, the previous methodology would not have resulted in a materially different segment-level adjusted operating income (loss).

In the second quarter of 2019, the company recorded a pre-tax loss of \$1 million, net of the portion attributable to noncontrolling interests, related to the early redemption of CAD\$100 million of Genworth Canada senior notes originally scheduled to mature in June 2020. The company recorded a pre-tax expense of \$4 million in the first quarter of 2019 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 available to Genworth Financial, Inc.'s common stockholders to adjusted operating income for the three months ended June 30, 2019 and 2018, as well as for the three months ended March 31, 2019, 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 international businesses at their local jurisdictional tax rates and its domestic businesses at the U.S. corporate federal income tax rate of 21 percent. The company's segment tax methodology applies the respective jurisdictional or domestic tax rate to the pre-tax income (loss) of each segment, which is then adjusted in each segment to reflect the tax attributes of items unique to that segment such as foreign withholding taxes and permanent differences between U.S. GAAP and local 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. Sales do not include renewal premiums on policies or contracts written during prior periods. The company considers new insurance written to be a measure of the company's operating performance because 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. Insurance in force for the company's mortgage insurance businesses is a measure of the aggregate original loan balance for outstanding insurance policies as of the respective reporting date. Risk in force for the company's U.S. mortgage insurance business is based on the coverage percentage applied to the estimated current outstanding loan balance. For risk in force in the mortgage insurance businesses in Canada and Australia, the company has computed an "effective" risk in force amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in force has been calculated by applying to insurance in force a factor of 35 percent that represents the highest expected average per-claim payment for any one underwriting year over the life of the company's

mortgage insurance businesses in Canada and Australia. In Australia, the company has certain risk share arrangements where it provides pro-rata coverage of certain loans rather than 100 percent coverage. As a result, for loans with these risk share arrangements, the applicable pro-rata coverage amount provided is used when applying the factor. The company considers insurance in force and risk in force to be measures of 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 mortgage insurance businesses, 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, 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 the transactions with China Oceanwide Holdings Group Co., Ltd. (together with its affiliates, Oceanwide), the company's discussions with regulators in connection therewith and any capital contribution resulting therefrom, as well as any statements regarding the potential disposition of the company's interest in Genworth MI Canada Inc. (Genworth Canada). 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:

- *risks related to the proposed transaction with Oceanwide* including: the company's inability to complete the transaction with Oceanwide in a timely manner or at all; the parties' inability to obtain regulatory approvals, clearances or extensions, or the possibility that such regulatory approvals may further delay the transaction with Oceanwide or will not be received prior to November 30, 2019 (and either or both of the parties may not be willing to further waive their end date termination rights beyond November 30, 2019) or that materially burdensome or adverse regulatory conditions may be imposed or undesirable measures may be required in connection with any such regulatory approvals, clearances or extensions (including those conditions or measures that either or both of the parties may be unwilling to accept or undertake, as applicable) or that with continuing delays, circumstances may arise that make one or both parties unwilling to proceed with the transaction with Oceanwide or unable to comply with the conditions to existing regulatory approvals; the risk that the parties will not be able to obtain other regulatory approvals, clearances or extensions, including in connection with a potential alternative funding structure or the current geo-political environment, or that one or more regulators may rescind or fail to extend existing approvals, or that the revocation by one regulator of approvals will lead to the revocation of approvals by other regulators; the parties' inability to obtain any necessary regulatory approvals, clearances or extensions for the post-closing capital plan; the risk that a condition to the closing of the transaction with Oceanwide may not be satisfied or that a condition to closing that is currently satisfied may not remain satisfied due to the delay in closing the transaction with Oceanwide; risks relating to any potential disposition of Genworth Canada that are similar to the foregoing, including regulatory, legal or contractual restrictions that may impede

Genworth's ability to consummate a disposition of Genworth Canada, the right of Oceanwide to reject the terms of any Genworth Canada sale, in which case the parties will each have the right to terminate the Oceanwide transaction, as well as potential changes in market conditions generally or conditions relating to Genworth Canada's industry or business that may impede any such sale; the risk that existing and potential legal proceedings may be instituted against the company in connection with the transaction with Oceanwide or the potential sale of Genworth Canada that may delay the transaction with Oceanwide, make it more costly or ultimately preclude it; the risk that the proposed transactions disrupt the company's current plans and operations as a result of the announcement and consummation of the transactions; certain restrictions during the pendency of the transactions that may impact the company's ability to pursue certain business opportunities or strategic transactions; continued availability of capital and financing to the company before, or in the absence of, the consummation of the transactions; further rating agency actions and downgrades in the company's debt or financial strength ratings; changes in applicable laws or regulations; the company's ability to recognize the anticipated benefits of the transactions; the amount of the costs, fees, expenses and other charges related to the transactions, including costs and expenses related to conditions imposed in connection with regulatory approvals or clearances, which may be material; the risks related to diverting management's attention from the company's ongoing business operations; the merger agreement may be terminated in circumstances that would require the company to pay Oceanwide a fee; the company's ability to attract, recruit, retain and motivate current and prospective employees may be adversely affected; and disruptions and uncertainty relating to the transaction, whether or not it is completed, may harm the company's relationships with its employees, customers, distributors, vendors or other business partners, and may result in a negative impact on the company's business;

- *strategic risks in the event the proposed transaction with Oceanwide is not consummated* including: the company's inability to successfully execute alternative strategic plans to effectively address its current business challenges (including with respect to stabilizing its U.S. life insurance businesses, debt obligations, cost savings, ratings and capital); 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, in each case, in a timely manner and on anticipated terms; failure to obtain any required regulatory, stockholder and/or noteholder approvals or consents for such alternative strategic plans, or the company's challenges changing or being more costly or difficult to successfully address than currently anticipated or the benefits achieved being less than anticipated; inability to achieve anticipated cost-savings in a timely manner; and adverse tax or accounting charges; and the company's ability to increase the capital needed in its mortgage insurance businesses in a timely manner and on anticipated terms, including through business performance, reinsurance or similar transactions, asset sales, securities offerings or otherwise, in each case as and when required;
- *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 relating to its long term care insurance claim reserves and margin, including risks that additional information obtained in the future or other changes to assumptions or methodologies materially affect the company's margins; 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 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); adverse impact on the company's results of operations, including the outcome of its annual review of the premium earnings pattern for its mortgage insurance businesses; and changes in valuation of fixed maturity and equity securities;
- *risks relating to economic, market and political conditions* including: downturns and volatility in global economies and equity and credit markets; 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 mortgage insurance; 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 the company's subsidiaries (particularly its international subsidiaries) and the inability of any subsidiaries to pay dividends or make other distributions to the company, including as a result of the performance of its subsidiaries and insurance, regulatory or corporate law restrictions; adverse change in regulatory requirements, including risk-based capital; changes in regulations adversely affecting the company's international operations; inability to continue to maintain the private mortgage insurer eligibility requirements (PMIERS); 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 company's mortgage insurance businesses; inability to continue to implement actions to mitigate the impact of statutory reserve requirements; impact of additional regulations pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; changes in tax laws; and changes in accounting and reporting standards;
- *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 ability to obtain further financing under an additional secured term loan or credit facility); future adverse rating agency actions, including with respect to rating downgrades or potential downgrades or being put on review for potential downgrade, all of which could have adverse implications for the company, including with respect to key business relationships, product offerings, business results of operations, financial condition and capital needs, strategic plans, collateral obligations and availability and terms of hedging, reinsurance and borrowings; defaults by counterparties to reinsurance arrangements or derivative instruments; defaults or other events impacting the value of the company's fixed maturity securities portfolio; and defaults on the company's commercial mortgage loans or the mortgage loans underlying its investments in commercial mortgage-backed securities and volatility in performance;
- *operational risks* including: inability to retain, attract and motivate qualified employees or senior management; ineffective or inadequate risk management in identifying, controlling or mitigating risks; reliance on, and loss of, key customer or distribution relationships; competition, including in the company's mortgage insurance businesses from government and government-owned and government-sponsored enterprises (GSEs) offering mortgage insurance; 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 and business continuity plans and failures to safeguard, or breaches of, its confidential information;
- *insurance and product-related risks* including: the company's inability to increase premiums and associated benefit reductions sufficiently, and in a timely manner, on in force long term care insurance policies, and charge higher premiums on policies, in each case, as currently anticipated and as may be required from time to time in the future (including as a result of the company's failure to obtain any necessary regulatory approvals or unwillingness or inability of policyholders to pay increased premiums and/or accept reduced benefits), including to offset any impact on the company's long term care insurance margins; availability, affordability and adequacy of reinsurance to protect the company against losses; inability to realize anticipated benefits of the company's rescissions, curtailments, loan modifications or other similar programs in its mortgage insurance businesses; premiums for the significant portion of the company's mortgage insurance risk in force with high loan-to-value ratios may not be sufficient to compensate the company for the greater risks associated with those policies; decreases in the volume

of high loan-to-value mortgage originations or increases in mortgage insurance cancellations; increases in the use of alternatives to private mortgage insurance and reductions 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: impairments of or valuation allowances against the company's deferred tax assets; the possibility that in certain circumstances the company will be obligated to make payments to General Electric Company (GE) under the tax matters agreement with GE even if its corresponding tax savings are never realized and payments could be accelerated in the event of certain changes in control; and provisions of the company's certificate of incorporation and bylaws and the tax matters agreement with GE may discourage takeover attempts and business combinations that stockholders might consider in their best interests; and
- *risks relating to the company's common stock* including: the continued suspension of payment of dividends; and stock price fluctuations.

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

###

Contact Information :

Investors:

investorinfo@genworth.com

Media:

Julie Westermann, 804 662.2423

julie.westermann@genworth.com

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

	Three months ended		Three months ended
	June 30,		March 31,
	2019	2018	2019
Revenues:			
Premiums	\$ 1,126	\$ 1,136	\$ 1,114
Net investment income	852	828	829
Net investment gains (losses)	(45)	(14)	74
Policy fees and other income	223	209	187
Total revenues	<u>2,156</u>	<u>2,159</u>	<u>2,204</u>
Benefits and expenses:			
Benefits and other changes in policy reserves	1,270	1,205	1,301
Interest credited	146	152	147
Acquisition and operating expenses, net of deferrals	247	253	251
Amortization of deferred acquisition costs and intangibles	95	112	91
Interest expense	73	77	72
Total benefits and expenses	<u>1,831</u>	<u>1,799</u>	<u>1,862</u>
Income before income taxes	325	360	342
Provision for income taxes	107	111	112
Net income	218	249	230
Less: net income attributable to noncontrolling interests	50	59	56
Net income available to Genworth Financial, Inc.'s common stockholders	<u>\$ 168</u>	<u>\$ 190</u>	<u>\$ 174</u>
Net income available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	<u>\$ 0.33</u>	<u>\$ 0.38</u>	<u>\$ 0.35</u>
Diluted	<u>\$ 0.33</u>	<u>\$ 0.38</u>	<u>\$ 0.34</u>
Weighted-average common shares outstanding:			
Basic	<u>503.4</u>	<u>500.6</u>	<u>501.2</u>
Diluted	<u>508.7</u>	<u>502.6</u>	<u>508.6</u>

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

	Three months ended		Three months ended
	June 30,	2018	March 31,
	2019		2019
Net income	\$ 218	\$ 249	\$ 230
Less: net income attributable to noncontrolling interests	50	59	56
Net income available to Genworth Financial, Inc.'s common stockholders	168	190	174
Adjustments to net income available to Genworth Financial, Inc.'s common stockholders:			
Net investment (gains) losses, net ¹¹	43	12	(71)
(Gains) losses on early extinguishment of debt, net ¹²	1	—	—
Expenses related to restructuring	—	—	4
Taxes on adjustments	(8)	(2)	14
Adjusted operating income	<u>\$ 204</u>	<u>\$ 200</u>	<u>\$ 121</u>
Adjusted operating income (loss):			
U.S. Mortgage Insurance segment	\$ 147	\$ 137	\$ 124
Canada Mortgage Insurance segment	41	46	41
Australia Mortgage Insurance segment	13	22	14
U.S. Life Insurance segment:			
Long Term Care Insurance	37	22	(20)
Life Insurance	10	4	(2)
Fixed Annuities	19	31	17
Total U.S. Life Insurance segment	<u>66</u>	<u>57</u>	<u>(5)</u>
Runoff segment	9	13	20
Corporate and Other	(72)	(75)	(73)
Adjusted operating income	<u>\$ 204</u>	<u>\$ 200</u>	<u>\$ 121</u>
Net income available to Genworth Financial, Inc.'s common stockholders per share:			
Basic	<u>\$ 0.33</u>	<u>\$ 0.38</u>	<u>\$ 0.35</u>
Diluted	<u>\$ 0.33</u>	<u>\$ 0.38</u>	<u>\$ 0.34</u>
Adjusted operating income per share:			
Basic	<u>\$ 0.40</u>	<u>\$ 0.40</u>	<u>\$ 0.24</u>
Diluted	<u>\$ 0.40</u>	<u>\$ 0.40</u>	<u>\$ 0.24</u>
Weighted-average common shares outstanding:			
Basic	<u>503.4</u>	<u>500.6</u>	<u>501.2</u>
Diluted	<u>508.7</u>	<u>502.6</u>	<u>508.6</u>

¹¹ For the three months ended June 30, 2019, June 30, 2018 and March 31, 2019, net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves of \$(3) million, \$(1) million and \$(2) million, respectively, and adjusted for net investment gains (losses) attributable to noncontrolling interests of \$1 million, \$(1) million and \$5 million, respectively.

¹² For the three months ended June 30, 2019, (gains) losses on the early extinguishment of debt were adjusted for the portion attributable to noncontrolling interests of \$1 million.

Condensed Consolidated Balance Sheets
(Amounts in millions)

	June 30, 2019 (Unaudited)	December 31, 2018
Assets		
Cash, cash equivalents, restricted cash and invested assets	\$ 77,612	\$ 72,966
Deferred acquisition costs	2,105	3,263
Intangible assets and goodwill	244	347
Reinsurance recoverable	17,211	17,278
Deferred tax and other assets	947	1,210
Separate account assets	6,187	5,859
Total assets	<u>\$ 104,306</u>	<u>\$ 100,923</u>
Liabilities and equity		
Liabilities:		
Future policy benefits	\$ 39,583	\$ 37,940
Policyholder account balances	22,673	22,968
Liability for policy and contract claims	10,677	10,379
Unearned premiums	3,488	3,546
Deferred tax and other liabilities	1,751	1,706
Non-recourse funding obligations	311	311
Long-term borrowings	4,044	4,025
Separate account liabilities	6,187	5,859
Total liabilities	<u>88,714</u>	<u>86,734</u>
Equity:		
Common stock	1	1
Additional paid-in capital	11,983	11,987
Accumulated other comprehensive income (loss):		
Net unrealized investment gains (losses):		
Net unrealized gains (losses) on securities not other-than-temporarily impaired	1,294	585
Net unrealized gains (losses) on other-than-temporarily impaired securities	11	10
Net unrealized investment gains (losses)	1,305	595
Derivatives qualifying as hedges	1,983	1,781
Foreign currency translation and other adjustments	(275)	(332)
Total accumulated other comprehensive income (loss)	3,013	2,044
Retained earnings	1,460	1,118
Treasury stock, at cost	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	13,757	12,450
Noncontrolling interests	1,835	1,739
Total equity	<u>15,592</u>	<u>14,189</u>
Total liabilities and equity	<u>\$ 104,306</u>	<u>\$ 100,923</u>

Impact of Foreign Exchange on Adjusted Operating Income and Flow New Insurance Written ¹³
Three months ended June 30, 2019

	<u>Percentages Including Foreign Exchange</u>	<u>Percentages Excluding Foreign Exchange ¹⁴</u>
Canada Mortgage Insurance (MI):		
Adjusted operating income	(11)%	(7)%
Flow new insurance written	5%	11%
Flow new insurance written (2Q19 vs. 1Q19)	77%	77%
Australia MI:		
Adjusted operating income	(41)%	(36)%
Flow new insurance written	— %	8%
Flow new insurance written (2Q19 vs. 1Q19)	9%	12%

¹³ All percentages are comparing the second quarter of 2019 to the second quarter of 2018 unless otherwise stated.

¹⁴ The impact of foreign exchange was calculated using the comparable prior period exchange rates.

Reconciliation of Reported Yield to Core Yield

	Three months ended	
	June 30, 2019	March 31, 2019
(Assets - amounts in billions)		
Reported Total Invested Assets and Cash	\$ 77.0	\$ 74.4
Subtract:		
Securities lending	0.1	0.1
Unrealized gains (losses)	5.9	3.8
Adjusted End of Period Invested Assets and Cash	<u>\$ 71.0</u>	<u>\$ 70.5</u>
Average Invested Assets and Cash Used in Reported Yield Calculation	\$ 70.8	\$ 70.4
Subtract:		
Restricted commercial mortgage loans related to a securitization entity ¹⁵	—	0.1
Average Invested Assets and Cash Used in Core Yield Calculation	<u>\$ 70.8</u>	<u>\$ 70.3</u>
(Income - amounts in millions)		
Reported Net Investment Income	\$ 852	\$ 829
Subtract:		
Bond calls and commercial mortgage loan prepayments	7	6
Other non-core items ¹⁶	7	2
Restricted commercial mortgage loans related to a securitization entity ¹⁵	—	—
Core Net Investment Income	<u>\$ 838</u>	<u>\$ 821</u>
Reported Yield	<u>4.82%</u>	<u>4.71%</u>
Core Yield	<u>4.74%</u>	<u>4.67%</u>

¹⁵ Represents the incremental assets and investment income related to restricted commercial mortgage loans.

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

Second Quarter Financial Supplement

June 30, 2019

Genworth 

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

<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
Consolidated Quarterly Results	
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
Quarterly Results by Business	
Adjusted Operating Income and Sales—U.S. Mortgage Insurance Segment	16-22
Adjusted Operating Income and Sales—Canada Mortgage Insurance Segment	24-27
Adjusted Operating Income and Sales—Australia Mortgage Insurance Segment	29-32
Adjusted Operating Income (Loss)—U.S. Life Insurance Segment	34-37
Adjusted Operating Income (Loss)—Runoff Segment	39
Adjusted Operating Loss—Corporate and Other Activities	41
Additional Financial Data	
Investments Summary	43
Fixed Maturity Securities Summary	44
General Account U.S. GAAP Net Investment Income Yields	45
Net Investment Gains (Losses), Net—Detail	46
Reconciliations of Non-GAAP Measures	
Reconciliation of Operating Return On Equity (ROE)	48
Reconciliation of Core Yield	49
Corporate Information	
Financial Strength Ratings	51

Note:

Unless otherwise stated, all references in this financial supplement to 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 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.

[Table of Contents](#)

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

Dear Investor,

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

Regards,

Investor Relations
InvestorInfo@genworth.com

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

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) attributable to noncontrolling interests, net investment gains (losses), goodwill impairments, gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions, restructuring costs and infrequent or unusual non-operating items. Gains (losses) on insurance block transactions are defined as gains (losses) on the early extinguishment of non-recourse funding obligations, early termination fees for other financing restructuring and/or resulting gains (losses) on reinsurance restructuring for certain blocks of business. The company excludes net investment gains (losses) and infrequent or unusual non-operating items because the company does not consider them to be related to the operating performance of the company’s segments and Corporate and Other activities. A component of the company’s net investment gains (losses) is the result of impairments, the size and timing of which can vary significantly depending on market credit cycles. In addition, the size and timing of other investment gains (losses) can be subject to the company’s discretion and are influenced by market opportunities, as well as asset-liability matching considerations. Goodwill impairments, gains (losses) on the sale of businesses, gains (losses) on the early extinguishment of debt, gains (losses) on insurance block transactions and restructuring costs are also excluded from 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.

In the first quarter of 2019, the company revised how it taxes the adjustments to reconcile net income (loss) available to Genworth Financial, Inc.’s common stockholders to adjusted operating income (loss) to align the tax rate used in the reconciliation to each segment’s local jurisdictional tax rate. Beginning in the first quarter of 2019, the company used a tax rate of 27% and 30% for its Canada and Australia Mortgage Insurance segments, respectively, to tax effect their adjustments. Its domestic segments remain at a 21% tax rate. In 2018, the company assumed a flat 21% tax rate on adjustments for all of its segments to reconcile net income (loss) available to Genworth Financial, Inc.’s common stockholders and adjusted operating income (loss). These adjustments are also net of the portion attributable to noncontrolling interests and net investment gains (losses) are adjusted for DAC and other intangible amortization and certain benefit reserves (see page 46).

Prior year amounts have not been re-presented to reflect this revised presentation; however, the previous methodology would not have resulted in a materially different segment-level adjusted operating income (loss).

In the second quarter of 2019, the company recorded a pre-tax loss of \$1 million, net of the portion attributable to noncontrolling interests, related to the early redemption of CAD\$100 million of Genworth MI Canada Inc.’s senior notes originally scheduled to mature in June 2020. The company recorded a pre-tax expense of \$4 million in the first quarter of 2019 and \$2 million in the third quarter of 2018 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 other than fees incurred during the fourth quarter of 2018 related to Genworth Holdings, Inc.’s bond consent solicitation of \$6 million for broker, advisor and investment banking fees.

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 48 and 49 of this financial supplement.

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

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 international businesses at their local jurisdictional tax rates and its domestic businesses at the U.S. corporate federal income tax rate of 21%. The company's segment tax methodology applies the respective jurisdictional or domestic tax rate to the pre-tax income (loss) of each segment, which is then adjusted in each segment to reflect the tax attributes of items unique to that segment such as foreign withholding taxes and permanent differences between U.S. GAAP and local 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. Sales do not include renewal premiums on policies or contracts written during prior periods. The company considers new insurance written to be a measure of the company's operating performance because 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. Insurance in-force for the company's mortgage insurance businesses is a measure of the aggregate original loan balance for outstanding insurance policies as of the respective reporting date. Risk in-force for the company's U.S. mortgage insurance business is based on the coverage percentage applied to the estimated current outstanding loan balance. For risk in-force in the mortgage insurance businesses in Canada and Australia, the company has computed an "effective" risk in-force amount, which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor of 35% that represents the highest expected average per-claim payment for any one underwriting year over the life of the company's mortgage insurance businesses in Canada and Australia. In Australia, the company has certain risk share arrangements where it provides pro-rata coverage of certain loans rather than 100% coverage. As a result, for loans with these risk share arrangements, the applicable pro-rata coverage amount provided is used when applying the factor. The company considers insurance in-force and risk in-force to be measures of 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 mortgage insurance businesses, 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, 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 2019**

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

Balance Sheet Data	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Total Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income	\$10,744	\$ 10,582	\$ 10,406	\$ 10,731	\$10,583
Total accumulated other comprehensive income	3,013	2,492	2,044	2,067	2,327
Total Genworth Financial, Inc.'s stockholders' equity	<u>\$13,757</u>	<u>\$ 13,074</u>	<u>\$ 12,450</u>	<u>\$ 12,798</u>	<u>\$12,910</u>
Book value per share	\$ 27.32	\$ 25.98	\$ 24.86	\$ 25.56	\$ 25.78
Book value per share, excluding accumulated other comprehensive income	\$ 21.34	\$ 21.03	\$ 20.78	\$ 21.43	\$ 21.14
Common shares outstanding as of the balance sheet date	503.5	503.3	500.8	500.8	500.7
	Twelve months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Twelve Month Rolling Average ROE					
U.S. GAAP Basis ROE	1.5%	1.7%	1.1%	7.7%	7.4%
Operating ROE (1)	1.7%	1.7%	1.7%	7.6%	7.1%
	Three months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Quarterly Average ROE					
U.S. GAAP Basis ROE	6.3%	6.6%	(12.5)%	5.5%	7.2%
Operating ROE (1)	7.7%	4.6%	(11.0)%	5.4%	7.6%
	Three months ended June 30, 2019		Six months ended June 30, 2019		
Basic and Diluted Shares					
Weighted-average common shares used in basic earnings per share calculations	503.4		502.3		
Potentially dilutive securities:					
Stock options, restricted stock units and stock appreciation rights	5.3		6.4		
Weighted-average common shares used in diluted earnings per share calculations	<u>508.7</u>		<u>508.7</u>		

(1) See page 48 herein for a reconciliation of U.S. GAAP Basis ROE to Operating ROE.

Consolidated Quarterly Results

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

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

	2019			2018			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$ 1,126	\$ 1,114	\$ 2,240	\$ 1,121	\$ 1,122	\$ 1,136	\$ 1,140	\$ 4,519
Net investment income	852	829	1,681	815	815	828	804	3,262
Net investment gains (losses)	(45)	74	29	(114)	13	(14)	(31)	(146)
Policy fees and other income	223	187	410	191	193	209	202	795
Total revenues	<u>2,156</u>	<u>2,204</u>	<u>4,360</u>	<u>2,013</u>	<u>2,143</u>	<u>2,159</u>	<u>2,115</u>	<u>8,430</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	1,270	1,301	2,571	1,847	1,321	1,205	1,311	5,684
Interest credited	146	147	293	152	151	152	156	611
Acquisition and operating expenses, net of deferrals	247	251	498	261	243	253	240	997
Amortization of deferred acquisition costs and intangibles	95	91	186	92	83	112	104	391
Interest expense	73	72	145	74	72	77	76	299
Total benefits and expenses	<u>1,831</u>	<u>1,862</u>	<u>3,693</u>	<u>2,426</u>	<u>1,870</u>	<u>1,799</u>	<u>1,887</u>	<u>7,982</u>
INCOME (LOSS) BEFORE INCOME TAXES	325	342	667	(413)	273	360	228	448
Provision (benefit) for income taxes	107	112	219	(86)	63	111	63	151
NET INCOME (LOSS)	218	230	448	(327)	210	249	165	297
Less: net income attributable to noncontrolling interests	50	56	106	2	64	59	53	178
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	<u>\$ 168</u>	<u>\$ 174</u>	<u>\$ 342</u>	<u>\$ (329)</u>	<u>\$ 146</u>	<u>\$ 190</u>	<u>\$ 112</u>	<u>\$ 119</u>
Earnings (Loss) Per Share Data:								
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share								
Basic	\$ 0.33	\$ 0.35	\$ 0.68	\$ (0.66)	\$ 0.29	\$ 0.38	\$ 0.22	\$ 0.24
Diluted	\$ 0.33	\$ 0.34	\$ 0.67	\$ (0.66)	\$ 0.29	\$ 0.38	\$ 0.22	\$ 0.24
Weighted-average common shares outstanding								
Basic	503.4	501.2	502.3	500.8	500.7	500.6	499.6	500.4
Diluted (1)	508.7	508.6	508.7	500.8	503.3	502.6	502.7	504.2

(1) Under applicable accounting guidance, companies in a loss position are required to use basic weighted-average common shares outstanding in the calculation of diluted loss per share. Therefore, as a result of the net loss for the three months ended December 31, 2018, 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 December 31, 2018, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 7.6 million would have been antidilutive to the calculation. If the company had not incurred a net loss for the three months ended December 31, 2018, dilutive potential weighted-average common shares outstanding would have been 508.4 million.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

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

	2019			2018			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
NET INCOME (LOSS)	\$ 218	\$ 230	\$ 448	\$ (327)	\$ 210	\$ 249	\$ 165	\$ 297
Less: net income attributable to noncontrolling interests	50	56	106	2	64	59	53	178
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	168	174	342	(329)	146	190	112	119
ADJUSTMENTS TO NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:								
Net investment (gains) losses, net ⁽¹⁾	43	(71)	(28)	42	(3)	12	17	68
(Gains) losses on early extinguishment of debt, net ⁽²⁾	1	—	1	—	—	—	—	—
Expenses related to restructuring	—	4	4	—	2	—	—	2
Fees associated with bond consent solicitation	—	—	—	6	—	—	—	6
Taxes on adjustments	(8)	14	6	(10)	—	(2)	(4)	(16)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 204</u>	<u>\$ 121</u>	<u>\$ 325</u>	<u>\$ (291)</u>	<u>\$ 145</u>	<u>\$ 200</u>	<u>\$ 125</u>	<u>\$ 179</u>
ADJUSTED OPERATING INCOME (LOSS):								
U.S. Mortgage Insurance segment	\$ 147	\$ 124	\$ 271	\$ 124	\$ 118	\$ 137	\$ 111	\$ 490
Canada Mortgage Insurance segment	41	41	82	48	44	46	49	187
Australia Mortgage Insurance segment	13	14	27	18	17	22	19	76
U.S. Life Insurance segment:								
Long-Term Care Insurance	37	(20)	17	(314)	(24)	22	(32)	(348)
Life Insurance	10	(2)	8	(108)	(2)	4	(1)	(107)
Fixed Annuities	19	17	36	(3)	23	31	28	79
Total U.S. Life Insurance segment	66	(5)	61	(425)	(3)	57	(5)	(376)
Runoff segment	9	20	29	(2)	14	13	10	35
Corporate and Other	(72)	(73)	(145)	(54)	(45)	(75)	(59)	(233)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 204</u>	<u>\$ 121</u>	<u>\$ 325</u>	<u>\$ (291)</u>	<u>\$ 145</u>	<u>\$ 200</u>	<u>\$ 125</u>	<u>\$ 179</u>
Earnings (Loss) Per Share Data:								
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share								
Basic	\$ 0.33	\$ 0.35	\$ 0.68	\$ (0.66)	\$ 0.29	\$ 0.38	\$ 0.22	\$ 0.24
Diluted	\$ 0.33	\$ 0.34	\$ 0.67	\$ (0.66)	\$ 0.29	\$ 0.38	\$ 0.22	\$ 0.24
Adjusted operating income (loss) per share								
Basic	\$ 0.40	\$ 0.24	\$ 0.65	\$ (0.58)	\$ 0.29	\$ 0.40	\$ 0.25	\$ 0.36
Diluted	\$ 0.40	\$ 0.24	\$ 0.64	\$ (0.58)	\$ 0.29	\$ 0.40	\$ 0.25	\$ 0.36
Weighted-average common shares outstanding								
Basic	503.4	501.2	502.3	500.8	500.7	500.6	499.6	500.4
Diluted ⁽³⁾	508.7	508.6	508.7	500.8	503.3	502.6	502.7	504.2

(1) Net investment (gains) losses were adjusted for the portion attributable to noncontrolling interests and DAC and other intangible amortization and certain benefit reserves (see page 46 for reconciliation).

(2) For the three months ended June 30, 2019, (gains) losses on the early extinguishment of debt were adjusted for the portion attributable to noncontrolling interests of \$1 million.

(3) 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 net loss for the three months ended December 31, 2018, 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 December 31, 2018, as the inclusion of shares for stock options, restricted stock units and stock appreciation rights of 7.6 million would have been antidilutive to the calculation. If the company had not incurred a net loss for the three months ended December 31, 2018, dilutive potential weighted-average common shares outstanding would have been 508.4 million.

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

**Consolidated Balance Sheets
(amounts in millions)**

	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
ASSETS					
Investments:					
Fixed maturity securities available-for-sale, at fair value	\$ 63,774	\$ 61,360	\$ 59,661	\$ 59,404	\$ 60,032
Equity securities, at fair value	644	635	655	783	758
Commercial mortgage loans (1)	7,019	6,988	6,749	6,655	6,570
Policy loans	2,076	1,994	1,861	1,859	1,872
Other invested assets	1,535	1,208	1,188	1,354	1,650
Total investments	75,048	72,185	70,114	70,055	70,882
Cash, cash equivalents and restricted cash	1,938	2,221	2,177	2,505	2,243
Accrued investment income	626	726	675	657	602
Deferred acquisition costs	2,105	2,219	3,263	3,336	3,086
Intangible assets and goodwill	244	265	347	355	354
Reinsurance recoverable	17,211	17,257	17,278	17,351	17,385
Other assets	564	532	474	467	574
Deferred tax asset	383	573	736	650	601
Separate account assets	6,187	6,210	5,859	6,745	6,750
Total assets	<u>\$ 104,306</u>	<u>\$ 102,188</u>	<u>\$ 100,923</u>	<u>\$ 102,121</u>	<u>\$ 102,477</u>

(1) Included restricted commercial mortgage loans of \$56 million, \$59 million, \$62 million, \$87 million and \$90 million, respectively, as of June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018 and June 30, 2018 related to a securitization entity.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Consolidated Balance Sheets
(amounts in millions)

	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	\$ 39,583	\$ 38,369	\$ 37,940	\$ 38,018	\$ 37,913
Policyholder account balances	22,673	22,651	22,968	22,993	23,366
Liability for policy and contract claims	10,677	10,536	10,379	9,844	9,665
Unearned premiums	3,488	3,482	3,546	3,668	3,669
Other liabilities	1,723	1,682	1,682	1,830	1,965
Borrowings related to a securitization entity	—	—	—	20	28
Non-recourse funding obligations	311	311	311	310	310
Long-term borrowings	4,044	4,035	4,025	4,051	4,047
Deferred tax liability	28	30	24	21	23
Separate account liabilities	6,187	6,210	5,859	6,745	6,750
Total liabilities	<u>88,714</u>	<u>87,306</u>	<u>86,734</u>	<u>87,500</u>	<u>87,736</u>
Equity:					
Common stock	1	1	1	1	1
Additional paid-in capital	11,983	11,989	11,987	11,983	11,981
Accumulated other comprehensive income (loss):					
Net unrealized investment gains (losses):					
Net unrealized gains (losses) on securities not other-than-temporarily impaired	1,294	932	585	598	726
Net unrealized gains (losses) on other-than-temporarily impaired securities	11	11	10	10	10
Net unrealized investment gains (losses)	1,305	943	595	608	736
Derivatives qualifying as hedges	1,983	1,850	1,781	1,717	1,863
Foreign currency translation and other adjustments	(275)	(301)	(332)	(258)	(272)
Total accumulated other comprehensive income	3,013	2,492	2,044	2,067	2,327
Retained earnings	1,460	1,292	1,118	1,447	1,301
Treasury stock, at cost	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	13,757	13,074	12,450	12,798	12,910
Noncontrolling interests	1,835	1,808	1,739	1,823	1,831
Total equity	<u>15,592</u>	<u>14,882</u>	<u>14,189</u>	<u>14,621</u>	<u>14,741</u>
Total liabilities and equity	<u>\$104,306</u>	<u>\$ 102,188</u>	<u>\$ 100,923</u>	<u>\$ 102,121</u>	<u>\$102,477</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Consolidated Balance Sheet by Segment
(amounts in millions)

	June 30, 2019						
	U.S. Mortgage Insurance	Canada Mortgage Insurance	Australia Mortgage Insurance	U.S. Life Insurance	Runoff	Corporate and Other ⁽¹⁾	Total
ASSETS							
Cash and investments	\$ 3,846	\$ 5,060	\$ 2,303	\$ 62,499	\$ 2,896	\$ 1,008	\$ 77,612
Deferred acquisition costs and intangible assets	50	140	65	1,911	173	10	2,349
Reinsurance recoverable	—	—	2	16,474	735	—	17,211
Deferred tax and other assets	81	72	154	118	27	495	947
Separate account assets	—	—	—	—	6,187	—	6,187
Total assets	<u>\$ 3,977</u>	<u>\$ 5,272</u>	<u>\$ 2,524</u>	<u>\$ 81,002</u>	<u>\$ 10,018</u>	<u>\$ 1,513</u>	<u>\$ 104,306</u>
LIABILITIES AND EQUITY							
Liabilities:							
Future policy benefits	\$ —	\$ —	\$ —	\$ 39,581	\$ 2	\$ —	\$ 39,583
Policyholder account balances	—	—	—	19,434	3,239	—	22,673
Liability for policy and contract claims	254	91	209	10,102	13	8	10,677
Unearned premiums	419	1,571	997	497	4	—	3,488
Non-recourse funding obligations	—	—	—	311	—	—	311
Deferred tax and other liabilities	79	183	185	560	52	692	1,751
Borrowings and capital securities	—	333	140	—	—	3,571	4,044
Separate account liabilities	—	—	—	—	6,187	—	6,187
Total liabilities	<u>752</u>	<u>2,178</u>	<u>1,531</u>	<u>70,485</u>	<u>9,497</u>	<u>4,271</u>	<u>88,714</u>
Equity:							
Allocated equity, excluding accumulated other comprehensive income (loss)	3,148	1,947	453	7,419	515	(2,738)	10,744
Allocated accumulated other comprehensive income (loss)	77	(188)	40	3,098	6	(20)	3,013
Total Genworth Financial, Inc.'s stockholders' equity	<u>3,225</u>	<u>1,759</u>	<u>493</u>	<u>10,517</u>	<u>521</u>	<u>(2,758)</u>	<u>13,757</u>
Noncontrolling interests	—	1,335	500	—	—	—	1,835
Total equity	<u>3,225</u>	<u>3,094</u>	<u>993</u>	<u>10,517</u>	<u>521</u>	<u>(2,758)</u>	<u>15,592</u>
Total liabilities and equity	<u>\$ 3,977</u>	<u>\$ 5,272</u>	<u>\$ 2,524</u>	<u>\$ 81,002</u>	<u>\$ 10,018</u>	<u>\$ 1,513</u>	<u>\$ 104,306</u>

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

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

**Consolidated Balance Sheet by Segment
(amounts in millions)**

	March 31, 2019						
	U.S. Mortgage Insurance	Canada Mortgage Insurance	Australia Mortgage Insurance	U.S. Life Insurance	Runoff	Corporate and Other ⁽¹⁾	Total
ASSETS							
Cash and investments	\$ 3,652	\$ 4,935	\$ 2,300	\$ 61,882	\$ 2,918	\$ (555)	\$ 75,132
Deferred acquisition costs and intangible assets	50	137	69	2,029	189	10	2,484
Reinsurance recoverable	—	—	4	16,513	740	—	17,257
Deferred tax and other assets	106	74	160	195	25	545	1,105
Separate account assets	—	—	—	—	6,210	—	6,210
Total assets	<u>\$ 3,808</u>	<u>\$ 5,146</u>	<u>\$ 2,533</u>	<u>\$ 80,619</u>	<u>\$ 10,082</u>	<u>\$ —</u>	<u>\$ 102,188</u>
LIABILITIES AND EQUITY							
Liabilities:							
Future policy benefits	\$ —	\$ —	\$ —	\$ 38,367	\$ 2	\$ —	\$ 38,369
Policyholder account balances	—	—	—	19,442	3,209	—	22,651
Liability for policy and contract claims	280	88	204	9,946	10	8	10,536
Unearned premiums	421	1,518	1,031	508	4	—	3,482
Non-recourse funding obligations	—	—	—	311	—	—	311
Deferred tax and other liabilities	104	169	177	618	48	596	1,712
Borrowings and capital securities	—	324	141	—	—	3,570	4,035
Separate account liabilities	—	—	—	—	6,210	—	6,210
Total liabilities	<u>805</u>	<u>2,099</u>	<u>1,553</u>	<u>69,192</u>	<u>9,483</u>	<u>4,174</u>	<u>87,306</u>
Equity:							
Allocated equity, excluding accumulated other comprehensive income (loss)	2,973	1,960	450	8,726	598	(4,125)	10,582
Allocated accumulated other comprehensive income (loss)	30	(229)	38	2,701	1	(49)	2,492
Total Genworth Financial, Inc.'s stockholders' equity	<u>3,003</u>	<u>1,731</u>	<u>488</u>	<u>11,427</u>	<u>599</u>	<u>(4,174)</u>	<u>13,074</u>
Noncontrolling interests	—	1,316	492	—	—	—	1,808
Total equity	<u>3,003</u>	<u>3,047</u>	<u>980</u>	<u>11,427</u>	<u>599</u>	<u>(4,174)</u>	<u>14,882</u>
Total liabilities and equity	<u>\$ 3,808</u>	<u>\$ 5,146</u>	<u>\$ 2,533</u>	<u>\$ 80,619</u>	<u>\$ 10,082</u>	<u>\$ —</u>	<u>\$ 102,188</u>

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Deferred Acquisition Costs Rollforward
(amounts in millions)

	U.S. Mortgage Insurance	Canada Mortgage Insurance	Australia Mortgage Insurance	U.S. Life Insurance	Runoff	Total
Unamortized balance as of March 31, 2019	\$ 28	\$ 122	\$ 38	\$ 3,320	\$ 188	\$ 3,696
Costs deferred	3	11	2	2	—	18
Amortization, net of interest accretion	(3)	(10)	(3)	(62)	(4)	(82)
Impact of foreign currency translation	—	2	—	—	—	2
Unamortized balance as of June 30, 2019	<u>28</u>	<u>125</u>	<u>37</u>	<u>3,260</u>	<u>184</u>	<u>3,634</u>
Effect of accumulated net unrealized investment (gains) losses	—	—	—	(1,510)	(19)	(1,529)
Balance as of June 30, 2019	<u>\$ 28</u>	<u>\$ 125</u>	<u>\$ 37</u>	<u>\$ 1,750</u>	<u>\$ 165</u>	<u>\$ 2,105</u>

U.S. Mortgage Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Adjusted Operating Income and Sales—U.S. Mortgage Insurance Segment
(amounts in millions)

	2019			2018			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$ 206	\$ 194	\$ 400	\$ 193	\$ 190	\$ 184	\$ 179	\$ 746
Net investment income	28	28	56	26	23	23	21	93
Net investment gains (losses)	—	—	—	—	—	—	—	—
Policy fees and other income	1	1	2	—	1	1	—	2
Total revenues	235	223	458	219	214	208	200	841
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	—	16	16	14	20	(14)	16	15,800
Acquisition and operating expenses, net of deferrals	44	46	90	44	41	45	39	169
Amortization of deferred acquisition costs and intangibles	4	4	8	3	4	3	4	14
Total benefits and expenses	48	66	114	61	65	34	59	219
INCOME BEFORE INCOME TAXES	187	157	344	158	149	174	141	622
Provision for income taxes	40	33	73	34	31	37	30	132
NET INCOME	147	124	271	124	118	137	111	490
ADJUSTMENTS TO NET INCOME:								
Net investment (gains) losses	—	—	—	—	—	—	—	—
Taxes on adjustments	—	—	—	—	—	—	—	—
ADJUSTED OPERATING INCOME	<u>\$ 147</u>	<u>\$ 124</u>	<u>\$ 271</u>	<u>\$ 124</u>	<u>\$ 118</u>	<u>\$ 137</u>	<u>\$ 111</u>	<u>\$ 490</u>
SALES:								
Flow New Insurance Written (NIW)	<u>\$15,800</u>	\$9,600	\$25,400	\$9,300	\$10,300	\$11,400	\$9,000	\$40,000

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Flow New Insurance Written Metrics—U.S. Mortgage Insurance Segment
(amounts in millions)

Product	2019						2018					
	2Q		1Q		4Q		3Q		2Q		1Q	
	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW	Flow NIW	% of Flow NIW
Monthly (1)	\$13,900	88%	\$8,400	87%	\$7,900	85%	\$ 8,400	82%	\$ 9,700	85%	\$7,300	81%
Single	1,900	12	1,200	13	1,400	15	1,900	18	1,700	15	1,700	19
Total Flow	\$15,800	100%	\$9,600	100%	\$9,300	100%	\$10,300	100%	\$11,400	100%	\$9,000	100%
FICO Scores												
Over 735	\$ 9,200	58%	\$5,500	57%	\$5,200	56%	\$ 6,000	58%	\$ 6,900	60%	\$5,300	59%
680-735	5,500	35	3,300	35	3,200	35	3,300	32	3,700	32	3,000	33
660-679 (2)	600	4	400	4	500	5	500	5	400	4	400	5
620-659	500	3	400	4	400	4	500	5	400	4	300	3
<620	—	—	—	—	—	—	—	—	—	—	—	—
Total Flow	\$15,800	100%	\$9,600	100%	\$9,300	100%	\$10,300	100%	\$11,400	100%	\$9,000	100%
Loan-To-Value Ratio												
95.01% and above	\$ 2,900	18%	\$1,800	19%	\$2,000	21%	\$ 2,000	19%	\$ 2,400	21%	\$1,600	18%
90.01% to 95.00%	6,900	44	4,200	44	4,000	43	4,500	44	4,900	43	3,900	43
85.01% to 90.00%	4,300	27	2,500	26	2,300	25	2,800	27	2,900	25	2,500	28
85.00% and below	1,700	11	1,100	11	1,000	11	1,000	10	1,200	11	1,000	11
Total Flow	\$15,800	100%	\$9,600	100%	\$9,300	100%	\$10,300	100%	\$11,400	100%	\$9,000	100%
Origination												
Purchase	\$13,900	88%	\$8,600	90%	\$8,800	95%	\$ 9,800	95%	\$10,700	94%	\$8,000	89%
Refinance	1,900	12	1,000	10	500	5	500	5	700	6	1,000	11
Total Flow	\$15,800	100%	\$9,600	100%	\$9,300	100%	\$10,300	100%	\$11,400	100%	\$9,000	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 2019

Other Metrics—U.S. Mortgage Insurance Segment
(dollar amounts in millions)

	2019			2018				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Net Premiums Written	\$ 204	\$ 193	\$ 397	\$ 192	\$ 195	\$ 191	\$ 185	\$ 763
Flow New Risk Written	\$ 3,931	\$ 2,403	\$ 6,334	\$ 2,300	\$ 2,559	\$ 2,866	\$ 2,247	\$ 9,972
Primary Insurance In-Force (1)	\$178,500	\$170,400		\$166,700	\$163,200	\$159,500	\$154,900	
Risk In-Force								
Flow (2)	\$ 42,917	\$ 41,020		\$ 40,115	\$ 39,304	\$ 38,433	\$ 37,252	
Bulk (3)	167	173		178	188	195	202	
Total Primary	43,084	41,193		40,293	39,492	38,628	37,454	
Pool	62	66		69	72	75	80	
Total Risk In-Force	<u>\$ 43,146</u>	<u>\$ 41,259</u>		<u>\$ 40,362</u>	<u>\$ 39,564</u>	<u>\$ 38,703</u>	<u>\$ 37,534</u>	
Primary Risk In-Force That Is GSE Conforming	93%	93%		94%	94%	94%	94%	
Expense Ratio (Net Earned Premiums) (4)	24%	25%	25%	24%	23%	26%	24%	25%
Expense Ratio (Net Premiums Written) (5)	24%	26%	25%	25%	23%	25%	23%	24%
Flow Persistence	82%	86%		86%	84%	83%	84%	
Risk To Capital Ratio (6)	11.8:1	11.9:1		12.2:1	12.3:1	12.6:1	12.5:1	
PMIERS Sufficiency Ratio (7)	123%	123%		129%	130%	129%	124%	
Average Primary Loan Size (in thousands)	\$ 218	\$ 215		\$ 213	\$ 211	\$ 209	\$ 207	

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

- (1) Primary insurance in-force represents aggregate loan balances for outstanding insurance policies and is used to determine premiums. Original loan balances are presented for policies with level renewal premiums. Amortized loan balances are presented for policies with annual, amortizing renewal premiums.
- (2) Flow risk in-force represents current loan balances as provided by servicers, lenders and investors and conforms to the presentation under the Private Mortgage Insurer Eligibility Requirements (PMIERS).
- (3) As of June 30, 2019, 88% of the bulk risk in-force was related to loans financed by lenders who participated in the mortgage programs sponsored by the Federal Home Loan Banks.
- (4) 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.
- (5) The ratio of an insurer's general expenses to net premiums written. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.
- (6) 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 U.S. mortgage insurance business.
- (7) 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 for the U.S. mortgage insurance business. As of June 30, 2019 and March 31, 2019, the PMIERS sufficiency ratios were in excess of \$650 million and \$600 million, respectively, of available assets above the PMIERS requirements. As of December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, the PMIERS sufficiency ratios were in excess of \$750 million, \$750 million, \$700 million and \$600 million, respectively, of available assets above the prior PMIERS requirements.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Loss Metrics—U.S. Mortgage Insurance Segment
(amounts in millions)

	2019			2018			Total
	2Q	1Q	Total	4Q	3Q	2Q	
Paid claims							
Flow							
Direct	\$ 24	\$ 30	\$ 54	\$ 34	\$ 52	\$ 45	\$ 184
Assumed (1)	—	—	—	—	—	—	1
Ceded	—	—	—	—	—	—	(1)
Loss adjustment expenses	2	2	4	—	3	2	7
Total Flow	26	32	58	34	55	47	191
Bulk	—	—	—	—	1	—	2
Total Primary	26	32	58	34	56	47	193
Pool	—	—	—	—	—	1	1
Total Paid Claims	\$ 26	\$ 32	\$ 58	\$ 34	\$ 56	\$ 48	\$ 194
Average Paid Claim (in thousands)	\$ 45.4	\$ 49.0		\$ 41.4	\$ 45.9	\$ 43.1	\$ 47.5
Average Reserve Per Delinquency (in thousands)							
Flow	\$ 16.5	\$ 17.4		\$ 17.3	\$ 18.8	\$ 19.6	\$ 20.2
Bulk loans with established reserve	\$ 14.1	\$ 13.8		\$ 14.6	\$ 17.6	\$ 18.4	\$ 17.6
Reserves:							
Flow direct case	\$ 222	\$ 246		\$ 261	\$ 280	\$ 314	\$ 372
Bulk direct case	4	4		5	7	8	8
Assumed (1)	1	1		2	2	2	2
All other (2)	27	29		28	28	28	33
Total Reserves	\$ 254	\$ 280		\$ 296	\$ 317	\$ 352	\$ 415
Beginning Reserves	\$ 280	\$ 296	\$ 296	\$ 317	\$ 352	\$ 415	\$ 455
Paid claims	(26)	(32)	(58)	(34)	(56)	(48)	(195)
Increase (decrease) in reserves	—	16	16	13	21	(15)	36
Ending Reserves	\$ 254	\$ 280	\$ 254	\$ 296	\$ 317	\$ 352	\$ 296
Beginning Reinsurance Recoverable (3)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1
Ceded paid claims	—	—	—	—	—	—	(1)
Ending Reinsurance Recoverable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Loss Ratio (4)	— %	8%	4%	7%	11%	(8)%	9%

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) Assumed is comprised of reinsurance arrangements with state governmental housing finance agencies.

(2) Other includes loss adjustment expenses, pool and incurred but not reported reserves.

(3) Reinsurance recoverable excludes ceded unearned premium recoveries and amounts for which cash proceeds have not yet been received.

(4) The ratio of benefits and other changes in policy reserves to net earned premiums. During the second quarter of 2019, the company recorded a favorable reserve adjustment of \$10 million, which reduced the loss ratio by five percentage points for the three months ended June 30, 2019. During the second quarter of 2018, the company recorded a favorable reserve adjustment of \$28 million, which reduced the loss ratio by four percentage points for the twelve months ended December 31, 2018 and 15 percentage points for the three months ended June 30, 2018.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Delinquency Metrics—U.S. Mortgage Insurance Segment
(dollar amounts in millions)

	2019			2018				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Number of Primary Delinquencies								
Flow	15,070	15,764		16,670	16,367	17,505	20,007	
Bulk loans with an established reserve	347	360		403	415	445	494	
Bulk loans with no reserve (1)	65	82		86	92	101	101	
Total Number of Primary Delinquencies	<u>15,482</u>	<u>16,206</u>		<u>17,159</u>	<u>16,874</u>	<u>18,051</u>	<u>20,602</u>	
Beginning Number of Primary Delinquencies	16,206	17,159	17,159	16,874	18,051	20,602	23,188	23,188
New delinquencies	7,705	8,539	16,244	8,719	7,884	7,049	8,409	32,061
Delinquency cures	(7,872)	(8,835)	(16,707)	(7,601)	(7,857)	(8,488)	(9,840)	(33,786)
Paid claims	(557)	(657)	(1,214)	(833)	(1,204)	(1,112)	(1,155)	(4,304)
Ending Number of Primary Delinquencies	<u>15,482</u>	<u>16,206</u>	<u>15,482</u>	<u>17,159</u>	<u>16,874</u>	<u>18,051</u>	<u>20,602</u>	<u>17,159</u>
Composition of Cures								
Reported delinquent and cured-intraquarter	1,621	2,342		1,767	1,651	1,514	2,288	
Number of missed payments delinquent prior to cure:								
3 payments or less	4,567	4,862		4,131	3,951	4,568	5,413	
4 - 11 payments	1,434	1,345		1,382	1,943	2,070	1,719	
12 payments or more	250	286		321	312	336	420	
Total	<u>7,872</u>	<u>8,835</u>		<u>7,601</u>	<u>7,857</u>	<u>8,488</u>	<u>9,840</u>	
Primary Delinquencies by Missed Payment Status								
3 payments or less	7,807	7,873		8,578	7,853	7,539	8,335	
4 - 11 payments	4,243	4,755		4,689	4,745	5,657	6,875	
12 payments or more	3,432	3,578		3,892	4,276	4,855	5,392	
Primary Delinquencies	<u>15,482</u>	<u>16,206</u>		<u>17,159</u>	<u>16,874</u>	<u>18,051</u>	<u>20,602</u>	

	June 30, 2019			Reserves as % of Risk In-Force
	Delinquencies	Direct Case Reserves (2)	Risk In-Force	
3 payments or less in default	7,629	\$ 26	\$ 341	8%
4 - 11 payments in default	4,162	75	190	39%
12 payments or more in default	3,279	121	167	72%
Total	<u>15,070</u>	<u>\$ 222</u>	<u>\$ 698</u>	32%

	December 31, 2018			Reserves as % of Risk In-Force
	Delinquencies	Direct Case Reserves (2)	Risk In-Force	
3 payments or less in default	8,360	\$ 31	\$ 365	8%
4 - 11 payments in default	4,591	88	208	42%
12 payments or more in default	3,719	142	188	76%
Total	<u>16,670</u>	<u>\$ 261</u>	<u>\$ 761</u>	34%

(1) Reserves were not established on loans where the company was in a secondary loss position due to an existing deductible and the company believes they currently have no risk for claim.
(2) Direct flow case reserves exclude loss adjustment expenses, incurred but not reported and reinsurance reserves.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Portfolio Quality Metrics—U.S. Mortgage Insurance Segment

	2019		2018			
	2Q	1Q	4Q	3Q	2Q	1Q
Primary Loans						
Primary loans in-force	818,358	792,800	783,288	773,290	762,727	749,145
Primary delinquent loans	15,482	16,206	17,159	16,874	18,051	20,602
Primary delinquency rate	1.89%	2.04%	2.19%	2.18%	2.37%	2.75%
Flow loans in-force	806,739	780,733	770,657	759,965	748,497	734,411
Flow delinquent loans	15,070	15,764	16,670	16,367	17,505	20,007
Flow delinquency rate	1.87%	2.02%	2.16%	2.15%	2.34%	2.72%
Bulk loans in-force	11,619	12,067	12,631	13,325	14,230	14,734
Bulk delinquent loans	412	442	489	507	546	595
Bulk delinquency rate	3.55%	3.66%	3.87%	3.80%	3.84%	4.04%
A minus and sub-prime loans in-force	14,180	14,712	15,348	16,087	16,928	17,964
A minus and sub-prime delinquent loans	2,367	2,530	2,727	2,817	3,058	3,557
A minus and sub-prime delinquency rate	16.69%	17.20%	17.77%	17.51%	18.06%	19.80%
Pool Loans						
Pool loans in-force	4,331	4,470	4,535	4,636	4,774	4,961
Pool delinquent loans	177	187	220	215	204	220
Pool delinquency rate	4.09%	4.18%	4.85%	4.64%	4.27%	4.43%
Primary Risk In-Force by Credit Quality						
Over 735	57%	57%	57%	57%	57%	57%
680-735	32%	32%	32%	32%	32%	32%
660-679 (1)	5%	5%	5%	5%	5%	5%
620-659	5%	5%	5%	5%	5%	5%
<620	1%	1%	1%	1%	1%	1%

(1) Loans with unknown FICO scores are included in the 660-679 category.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Portfolio Quality Metrics—U.S. Mortgage Insurance Segment
(amounts in millions)

Policy Year	June 30, 2019							
	Average Rate ⁽¹⁾	% of Total Reserves ⁽²⁾	Primary Insurance In-Force	% of Total	Primary Risk In-Force	% of Total	Delinquency Rate	
2004 and prior	6.10%	8.4%	\$ 1,515	0.9%	\$ 285	0.7%	11.39%	
2005 to 2008	5.47%	58.2	17,576	9.8	4,037	9.4	7.79%	
2009 to 2012	4.29%	2.2	3,934	2.2	913	2.1	1.80%	
2013	4.11%	1.8	4,755	2.7	1,162	2.7	1.44%	
2014	4.45%	4.4	8,277	4.6	2,013	4.7	1.80%	
2015	4.15%	6.2	16,648	9.3	4,023	9.3	1.27%	
2016	3.89%	7.5	30,515	17.1	7,348	17.0	0.93%	
2017	4.25%	7.2	33,245	18.6	8,087	18.8	0.90%	
2018	4.77%	3.9	36,887	20.7	9,025	20.9	0.49%	
2019	4.75%	0.2	25,129	14.1	6,191	14.4	0.07%	
Total	4.53%	100.0%	\$ 178,481	100.0%	\$ 43,084	100.0%	1.89%	

	June 30, 2019		March 31, 2019		June 30, 2018	
	Primary Risk In-Force	Primary Delinquency Rate	Primary Risk In-Force	Primary Delinquency Rate	Primary Risk In-Force	Primary Delinquency Rate
Lender concentration (by original applicant)	\$ 43,084	1.89%	\$ 41,193	2.04%	\$ 38,628	2.37%
Top 10 lenders	\$ 12,597	2.11%	\$ 11,617	2.38%	\$ 11,249	2.83%
Top 20 lenders	\$ 16,729	2.03%	\$ 15,555	2.27%	\$ 15,014	2.75%
Loan-to-value ratio						
95.01% and above	\$ 7,837	3.16%	\$ 7,401	3.46%	\$ 6,594	4.22%
90.01% to 95.00%	22,389	1.49%	21,433	1.59%	20,088	1.75%
80.01% to 90.00%	12,699	1.59%	12,195	1.73%	11,762	2.05%
80.00% and below	159	2.43%	164	2.43%	184	2.81%
Total	\$ 43,084	1.89%	\$ 41,193	2.04%	\$ 38,628	2.37%
Loan grade						
Prime	\$ 42,587	1.63%	\$ 40,678	1.76%	\$ 38,035	2.01%
A minus and sub-prime	497	16.69%	515	17.20%	593	18.06%
Total	\$ 43,084	1.89%	\$ 41,193	2.04%	\$ 38,628	2.37%

(1) Average Annual Mortgage Interest Rate.

(2) Total reserves were \$254 million as of June 30, 2019.

Canada Mortgage Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Adjusted Operating Income and Sales—Canada Mortgage Insurance Segment
(amounts in millions)

	2019			2018			Total
	2Q	1Q	Total	4Q	3Q	2Q	
REVENUES:							
Premiums	\$ 125	\$ 126	\$ 251	\$ 128	\$ 127	\$ 131	\$ 139
Net investment income	35	34	69	36	34	34	34
Net investment gains (losses)	1	(1)	—	(136)	29	(15)	(15)
Total revenues	161	159	320	28	190	150	158
BENEFITS AND EXPENSES:							
Benefits and other changes in policy reserves	19	19	38	23	18	19	18
Acquisition and operating expenses, net of deferrals	22	20	42	16	17	20	17
Amortization of deferred acquisition costs and intangibles	11	10	21	11	11	11	10
Interest expense	5	4	9	5	4	4	5
Total benefits and expenses	57	53	110	55	50	54	50
INCOME (LOSS) BEFORE INCOME TAXES	104	106	210	(27)	140	96	108
Provision (benefit) for income taxes	29	29	58	(7)	37	24	30
NET INCOME (LOSS)	75	77	152	(20)	103	72	78
Less: net income (loss) attributable to noncontrolling interests	35	36	71	(6)	46	32	36
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	40	41	81	(14)	57	40	42
ADJUSTMENTS TO NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:							
Net investment (gains) losses, net ⁽¹⁾	—	—	—	78	(17)	8	9
(Gains) losses on early extinguishment of debt, net ⁽²⁾	1	—	1	—	—	—	—
Taxes on adjustments	—	—	—	(16)	4	(2)	(2)
ADJUSTED OPERATING INCOME ⁽³⁾	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 82</u>	<u>\$ 48</u>	<u>\$ 44</u>	<u>\$ 46</u>	<u>\$ 49</u>
SALES:							
New Insurance Written (NIW)							
Flow	\$ 3,900	\$ 2,200	\$ 6,100	\$ 3,300	\$ 4,200	\$ 3,700	\$ 2,500
Bulk	1,900	700	2,600	900	600	900	900
Total Canada NIW ⁽⁴⁾	<u>\$ 5,800</u>	<u>\$ 2,900</u>	<u>\$ 8,700</u>	<u>\$ 4,200</u>	<u>\$ 4,800</u>	<u>\$ 4,600</u>	<u>\$ 3,400</u>

(1) Net investment (gains) losses were adjusted for the portion of net investment gains (losses) attributable to noncontrolling interests as reconciled below:

Net investment (gains) losses, gross	\$ (1)	\$ 1	\$ —	\$ 136	\$ (29)	\$ 15	\$ 15
Adjustment for net investment gains (losses) attributable to noncontrolling interests	1	(1)	—	(58)	12	(7)	(6)
Net investment (gains) losses, net	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 78</u>	<u>\$ (17)</u>	<u>\$ 8</u>	<u>\$ 9</u>

(2) For the three months ended June 30, 2019, (gains) losses on the early extinguishment of debt were adjusted for the portion attributable to noncontrolling interests of \$1 million.

(3) Adjusted operating income for the Canadian platform adjusted for foreign exchange as compared to the prior year period was \$43 million and \$87 million for the three and six months ended June 30, 2019, respectively.

(4) New insurance written for the Canadian platform adjusted for foreign exchange as compared to the prior year period was \$6,100 million and \$9,100 million for the three and six months ended June 30, 2019, respectively.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Selected Key Performance Measures—Canada Mortgage Insurance Segment
(amounts in millions)

	2019			2018				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Net Premiums Written	\$ 145	\$ 79	\$ 224	\$ 119	\$ 150	\$ 133	\$ 92	\$ 494
Loss Ratio (1)	15%	15%	15%	18%	14%	15%	13%	15%
Expense Ratio (Net Earned Premiums) (2)	26%	24%	25%	21%	22%	23%	20%	22%
Expense Ratio (Net Premiums Written) (3)	22%	39%	28%	23%	19%	23%	30%	23%
Primary Insurance In-Force (4)	\$395,700	\$382,200		\$372,000	\$389,400	\$380,200	\$384,600	
Primary Risk In-Force (5)								
Flow	\$ 94,900	\$ 91,600		\$ 89,000	\$ 92,800	\$ 89,800	\$ 90,500	
Bulk	43,600	42,200		41,200	43,500	43,300	44,100	
Total	\$138,500	\$133,800		\$130,200	\$136,300	\$133,100	\$134,600	

Risk In-Force by Loan-To-Value Ratio (6)	June 30, 2019			March 31, 2019		
	Primary	Flow	Bulk	Primary	Flow	Bulk
95.01% and above	\$ 47,842	\$ 47,842	\$ —	\$ 45,964	\$ 45,964	\$ —
90.01% to 95.00%	27,898	27,898	—	26,987	26,987	—
80.01% to 90.00%	15,974	15,974	—	15,532	15,532	—
80.00% and below	46,774	3,152	43,622	45,303	3,075	42,228
Total	\$138,488	\$ 94,866	\$43,622	\$133,786	\$ 91,558	\$ 42,228

The loss and expense ratios included above were calculated using whole dollars and may be different than the ratios calculated using the rounded numbers included herein.

- (1) The ratio of benefits and other changes in policy reserves to net earned premiums.
- (2) 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.
- (3) The ratio of an insurer's general expenses to net premiums written. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.
- (4) As part of an ongoing effort to improve the estimate of outstanding insurance exposure, the company is receiving updated outstanding balances in Canada from almost all of its customers. As a result, the company estimates that the outstanding balance of insured mortgages was approximately \$157.0 billion, \$154.0 billion, \$152.0 billion, \$163.0 billion, \$162.0 billion and \$168.0 billion as of June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, respectively. This is based on the extrapolation of the amounts reported by lenders to the entire insured population. The current period reported amount is an estimate due to the timing of information received by the company's customers.
- (5) The business currently provides 100% coverage on the majority of the loans the company insures. For the purpose of representing the risk in-force, Canada has computed an "effective risk in-force" amount which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor that represents the highest expected average per-claim payment for any one underwriting year over the life of the business. This factor was 35% for all periods presented.
- (6) Loan amount in loan-to-value ratio calculation includes capitalized premiums, where applicable.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Selected Key Performance Measures—Canada Mortgage Insurance Segment
(dollar amounts in millions)

Primary Insurance	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	
Insured loans in-force (1),(2)	2,174,084	2,152,048	2,143,191	2,133,618	2,137,221	
Insured delinquent loans	1,701	1,760	1,684	1,695	1,742	
Insured delinquency rate (2),(3)	0.08%	0.08%	0.08%	0.08%	0.08%	
Flow loans in-force (1)	1,523,128	1,507,283	1,499,304	1,486,859	1,470,826	
Flow delinquent loans	1,340	1,384	1,310	1,327	1,406	
Flow delinquency rate (3)	0.09%	0.09%	0.09%	0.09%	0.10%	
Bulk loans in-force (1)	650,956	644,765	643,887	646,759	666,395	
Bulk delinquent loans	361	376	374	368	336	
Bulk delinquency rate (3)	0.06%	0.06%	0.06%	0.06%	0.05%	
Loss Metrics	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	
Beginning Reserves	\$ 88	\$ 84	\$ 82	\$ 83	\$ 84	
Paid claims (4)	(18)	(19)	(18)	(19)	(20)	
Increase in reserves	19	21	24	17	21	
Impact of changes in foreign exchange rates	2	2	(4)	1	(2)	
Ending Reserves	\$ 91	\$ 88	\$ 84	\$ 82	\$ 83	
	June 30, 2019		March 31, 2019		June 30, 2018	
Province and Territory	% of Primary Risk In-Force	Primary Delinquency Rate	% of Primary Risk In-Force	Primary Delinquency Rate	% of Primary Risk In-Force	Primary Delinquency Rate
Ontario	47%	0.03%	47%	0.03%	47%	0.03%
Alberta	17	0.21%	17	0.19%	16	0.17%
British Columbia	14	0.04%	14	0.04%	14	0.04%
Quebec	13	0.07%	13	0.09%	13	0.10%
Saskatchewan	3	0.27%	3	0.29%	3	0.28%
Nova Scotia	2	0.13%	2	0.13%	2	0.15%
Manitoba	2	0.09%	2	0.11%	2	0.10%
New Brunswick	1	0.08%	1	0.13%	1	0.15%
All Other	1	0.20%	1	0.20%	2	0.20%
Total	100%	0.08%	100%	0.08%	100%	0.08%
By Policy Year						
2010 and prior	39%	0.04%	39%	0.04%	41%	0.05%
2011	5	0.14%	5	0.15%	5	0.13%
2012	6	0.16%	6	0.17%	6	0.18%
2013	6	0.16%	6	0.18%	6	0.15%
2014	7	0.17%	7	0.17%	8	0.16%
2015	10	0.11%	11	0.12%	11	0.11%
2016	13	0.08%	13	0.08%	13	0.08%
2017	7	0.09%	7	0.08%	7	0.04%
2018	5	0.03%	5	0.02%	3	— %
2019	2	— %	1	— %	—	— %
Total	100%	0.08%	100%	0.08%	100%	0.08%

- (1) Insured loans in-force represent the original number of loans insured for which the coverage term has not expired, and for which no policy level cancellation or termination has been received.
- (2) As part of an ongoing effort to improve the estimate of outstanding insurance exposure, the company is receiving updated outstanding loans in-force in Canada from almost all of its customers. As a result, the company estimates that the outstanding loans in-force were 901,000 as of June 30, 2019, 902,000 as of March 31, 2019, 910,000 as of December 31, 2018, 924,000 as of September 30, 2018 and 935,000 as of June 30, 2018. This is based on the extrapolation of the amounts reported by lenders to the entire insured population. The corresponding insured delinquency rate was 0.19% as of June 30, 2019, 0.20% as of March 31, 2019, 0.18% as of December 31, 2018 and September 30, 2018 and 0.19% as of June 30, 2018. The current period reported amounts are estimates due to the timing of information received by the company's customers.
- (3) Delinquency rates are based on insured loans in-force.
- (4) Paid claims exclude adjustments for expected recoveries related to loss reserves and prior paid claims.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Selected Key Performance Measures—Canada Mortgage Insurance Segment
(Canadian dollar amounts in millions)

	2019			2018			Total
	2Q	1Q	Total	4Q	3Q	2Q	
Paid claims ⁽¹⁾							
Flow	\$ 22	\$ 26	\$ 48	\$ 18	\$ 23	\$ 26	\$ 23
Bulk	1	1	2	2	2	1	2
Total Paid Claims	<u>\$ 23</u>	<u>\$ 27</u>	<u>\$ 50</u>	<u>\$ 20</u>	<u>\$ 25</u>	<u>\$ 27</u>	<u>\$ 25</u>
Average Paid Claim (in thousands)	\$67.0	\$81.2		\$58.1	\$67.4	\$79.4	\$68.5
Average Reserve Per Delinquency (in thousands)	\$69.9	\$66.4		\$68.0	\$62.6	\$62.5	\$62.7
Loss Metrics							
Beginning Reserves	\$ 117	\$ 115	\$ 115	\$ 106	\$ 109	\$ 108	\$ 109
Paid claims ⁽¹⁾	(23)	(27)	(50)	(20)	(25)	(27)	(25)
Increase in reserves	25	29	54	29	22	28	24
Ending Reserves	<u>\$ 119</u>	<u>\$ 117</u>	<u>\$ 119</u>	<u>\$ 115</u>	<u>\$ 106</u>	<u>\$ 109</u>	<u>\$ 108</u>
Loan Amount ⁽²⁾							
Over \$550K	9%	9%		9%	9%	9%	8%
\$400K to \$550K	15	15		15	15	15	15
\$250K to \$400K	35	35		35	34	34	34
\$100K to \$250K	38	38		38	39	39	39
\$100K or Less	3	3		3	3	3	4
Total	<u>100%</u>	<u>100%</u>		<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Average Primary Loan Size (in thousands)	\$ 238	\$ 237		\$ 237	\$ 236	\$ 234	\$ 233

All amounts presented in Canadian dollars.

(1) Paid claims exclude adjustments for expected recoveries related to loss reserves and prior paid claims.

(2) The percentages in this table are based on the amount of primary insurance in-force in each loan band as a percentage of total insurance in-force.

Australia Mortgage Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Adjusted Operating Income and Sales—Australia Mortgage Insurance Segment
(amounts in millions)

	2019			2018			Total
	2Q	1Q	Total	4Q	3Q	2Q	
REVENUES:							
Premiums	\$ 80	\$ 83	\$ 163	\$ 82	\$ 87	\$ 106	\$ 373
Net investment income	15	16	31	15	17	18	67
Net investment gains (losses)	1	12	13	(19)	1	12	(15)
Policy fees and other income	—	(1)	(1)	1	—	—	2
Total revenues	96	110	206	79	105	136	427
BENEFITS AND EXPENSES:							
Benefits and other changes in policy reserves	26	28	54	24	27	29	110
Acquisition and operating expenses, net of deferrals	17	17	34	16	15	17	65
Amortization of deferred acquisition costs and intangibles	9	9	18	10	10	12	43
Interest expense	2	2	4	2	3	2	9
Total benefits and expenses	54	56	110	52	55	60	227
INCOME BEFORE INCOME TAXES	42	54	96	27	50	76	200
Provision for income taxes	13	16	29	8	15	23	60
NET INCOME	29	38	67	19	35	53	140
Less: net income attributable to noncontrolling interests	15	20	35	8	18	27	70
NET INCOME AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	14	18	32	11	17	26	70
ADJUSTMENTS TO NET INCOME AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:							
Net investment (gains) losses, net ⁽¹⁾	(1)	(6)	(7)	10	—	(6)	8
Taxes on adjustments	—	2	2	(3)	—	2	(2)
ADJUSTED OPERATING INCOME ⁽²⁾	<u>\$ 13</u>	<u>\$ 14</u>	<u>\$ 27</u>	<u>\$ 18</u>	<u>\$ 17</u>	<u>\$ 22</u>	<u>\$ 76</u>
SALES:							
New Insurance Written (NIW)							
Flow	\$3,700	\$3,400	\$7,100	\$4,000	\$3,800	\$3,700	\$14,900
Bulk	1,200	500	1,700	800	—	900	1,700
Total Australia NIW ^{(3),(4)}	<u>\$4,900</u>	<u>\$3,900</u>	<u>\$8,800</u>	<u>\$4,800</u>	<u>\$3,800</u>	<u>\$4,600</u>	<u>\$16,600</u>

(1) Net investment (gains) losses were adjusted for the portion of net investment gains (losses) attributable to noncontrolling interests as reconciled below:

Net investment (gains) losses, gross	\$ (1)	\$ (12)	\$ (13)	\$ 19	\$ (1)	\$ (12)	\$ 9	\$ 15
Adjustment for net investment gains (losses) attributable to noncontrolling interests	—	6	6	(9)	1	6	(5)	(7)
Net investment (gains) losses, net	<u>\$ (1)</u>	<u>\$ (6)</u>	<u>\$ (7)</u>	<u>\$ 10</u>	<u>\$ —</u>	<u>\$ (6)</u>	<u>\$ 4</u>	<u>\$ 8</u>

(2) Adjusted operating income for the Australian platform adjusted for foreign exchange as compared to the prior year period was \$14 million and \$30 million for the three and six months ended June 30, 2019, respectively.

(3) New insurance written for the Australian platform adjusted for foreign exchange as compared to the prior year period was \$5,400 million and \$9,600 million for the three and six months ended June 30, 2019, respectively.

(4) The business currently has structured insurance transactions with three lenders where it is in a secondary loss position. The new insurance written associated with these arrangements is excluded from these metrics.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Selected Key Performance Measures—Australia Mortgage Insurance Segment
(amounts in millions)

	2019			2018			Total
	2Q	1Q	Total	4Q	3Q	2Q	
Net Premiums Written	\$ 58	\$ 52	\$ 110	\$ 70	\$ 56	\$ 56	\$ 242
Loss Ratio ⁽¹⁾	34%	34%	34%	29%	31%	28%	30%
Expense Ratio (Net Earned Premiums) ⁽²⁾	33%	31%	32%	32%	29%	27%	29%
Expense Ratio (Net Premiums Written) ⁽³⁾	44%	50%	47%	38%	46%	50%	45%
Primary Insurance In-Force ⁽⁴⁾	\$215,600	\$219,200		\$218,200	\$222,500	\$229,400	\$246,300
Primary Risk In-Force ^{(4),(5)}							
Flow	\$ 69,100	\$ 70,600		\$ 70,300	\$ 71,900	\$ 74,000	\$ 79,600
Bulk	6,000	5,700		5,700	5,600	5,900	6,100
Total	\$ 75,100	\$ 76,300		\$ 76,000	\$ 77,500	\$ 79,900	\$ 85,700

Risk In-Force by Loan-To-Value Ratio ^{(4),(6)}	June 30, 2019			March 31, 2019		
	Primary	Flow	Bulk	Primary	Flow	Bulk
95.01% and above	\$ 10,624	\$ 10,624	\$ —	\$ 11,045	\$ 11,045	\$ —
90.01% to 95.00%	20,938	20,932	6	21,247	21,242	5
80.01% to 90.00%	22,722	22,656	66	22,845	22,783	62
80.00% and below	20,809	14,924	5,885	21,170	15,511	5,659
Total	\$ 75,093	\$ 69,136	\$5,957	\$ 76,307	\$ 70,581	\$ 5,726

The loss and expense ratios included above were calculated using whole dollars and may be different than the ratios calculated using the rounded numbers included herein.

- (1) The ratio of benefits and other changes in policy reserves to net earned premiums.
- (2) 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.
- (3) The ratio of an insurer's general expenses to net premiums written. In the business, general expenses consist of acquisition and operating expenses, net of deferrals, and amortization of DAC and intangibles.
- (4) The business currently has structured insurance transactions with three lenders where it is in a secondary loss position. The insurance in-force and risk in-force associated with these arrangements are excluded from these metrics. The risk in-force on these transactions was approximately \$157 million, \$157 million, \$154 million, \$158 million, \$159 million and \$160 million as of June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, respectively.
- (5) The business currently provides 100% coverage on the majority of the loans the company insures. For the purpose of representing the risk in-force, Australia has computed an "effective risk in-force" amount which recognizes that the loss on any particular loan will be reduced by the net proceeds received upon sale of the property. Effective risk in-force has been calculated by applying to insurance in-force a factor that represents the highest expected average per-claim payment for any one underwriting year over the life of the business. This factor was 35% for all periods presented. Australia also has certain risk share arrangements where it provides pro-rata coverage of certain loans rather than 100% coverage. As a result, for loans with these risk share arrangements, the applicable pro-rata coverage amount provided is used when applying the factor.
- (6) Loan amount in loan-to-value ratio calculation includes capitalized premiums, where applicable.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Selected Key Performance Measures—Australia Mortgage Insurance Segment
(dollar amounts in millions)

Primary Insurance ⁽¹⁾	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Insured loans in-force	1,308,811	1,323,172	1,332,906	1,335,133	1,354,614
Insured delinquent loans	7,891	7,490	7,145	7,350	7,306
Insured delinquency rate	0.60%	0.57%	0.54%	0.55%	0.54%
Flow loans in-force	1,200,603	1,217,050	1,226,219	1,229,558	1,247,229
Flow delinquent loans	7,642	7,265	6,931	7,133	7,076
Flow delinquency rate	0.64%	0.60%	0.57%	0.58%	0.57%
Bulk loans in-force	108,208	106,122	106,687	105,575	107,385
Bulk delinquent loans	249	225	214	217	230
Bulk delinquency rate	0.23%	0.21%	0.20%	0.21%	0.21%
Loss Metrics	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Beginning Reserves	\$ 204	\$ 196	\$ 201	\$ 206	\$ 211
Paid claims ⁽²⁾	(20)	(22)	(25)	(27)	(25)
Increase in reserves	27	28	25	26	29
Impact of changes in foreign exchange rates	(2)	2	(5)	(4)	(9)
Ending Reserves	\$ 209	\$ 204	\$ 196	\$ 201	\$ 206

	June 30, 2019		March 31, 2019		June 30, 2018	
State and Territory ⁽¹⁾	% of Primary Risk In-Force	Primary Delinquency Rate	% of Primary Risk In-Force	Primary Delinquency Rate	% of Primary Risk In-Force	Primary Delinquency Rate
New South Wales	27%	0.45%	28%	0.41%	28%	0.37%
Queensland	23	0.81%	23	0.74%	23	0.73%
Victoria	23	0.45%	22	0.42%	23	0.42%
Western Australia	13	1.10%	13	1.05%	12	0.99%
South Australia	6	0.68%	6	0.69%	6	0.67%
Australian Capital Territory	3	0.25%	3	0.19%	3	0.18%
Tasmania	2	0.31%	2	0.28%	2	0.34%
New Zealand	2	0.02%	2	0.04%	2	0.06%
Northern Territory	1	0.83%	1	0.76%	1	0.61%
Total	<u>100%</u>	<u>0.60%</u>	<u>100%</u>	<u>0.57%</u>	<u>100%</u>	<u>0.54%</u>

By Policy Year ⁽¹⁾	% of Primary Risk In-Force	Primary Delinquency Rate	% of Primary Risk In-Force	Primary Delinquency Rate	% of Primary Risk In-Force	Primary Delinquency Rate
2010 and prior	44%	0.52%	45%	0.49%	47%	0.49%
2011	4	0.80%	4	0.78%	5	0.75%
2012	6	1.11%	6	1.05%	6	0.92%
2013	7	1.10%	7	0.98%	7	0.87%
2014	8	0.97%	8	0.90%	9	0.79%
2015	7	0.82%	8	0.74%	8	0.59%
2016	7	0.60%	7	0.54%	8	0.35%
2017	7	0.36%	7	0.28%	7	0.11%
2018	7	0.15%	7	0.07%	3	— %
2019	3	0.01%	1	— %	—	— %
Total	<u>100%</u>	<u>0.60%</u>	<u>100%</u>	<u>0.57%</u>	<u>100%</u>	<u>0.54%</u>

(1) The business currently has structured insurance transactions with three lenders where it is in a secondary loss position. The loans in-force, including delinquent loans, and risk in-force associated with these arrangements are excluded from these metrics.

(2) Paid claims exclude adjustments for expected recoveries related to loss reserves and prior paid claims.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Selected Key Performance Measures—Australia Mortgage Insurance Segment
(Australian dollar amounts in millions)

	2019			2018			Total
	2Q	1Q	Total	4Q	3Q	2Q	
Paid Claims (1)							
Flow	\$ 28	\$ 30	\$ 58	\$ 34	\$ 38	\$ 33	\$ 44
Total Paid Claims	<u>\$ 28</u>	<u>\$ 30</u>	<u>\$ 58</u>	<u>\$ 34</u>	<u>\$ 38</u>	<u>\$ 33</u>	<u>\$ 44</u>
Average Paid Claim (in thousands)	\$94.1	\$94.2		\$104.2	\$117.2	\$110.1	\$119.5
Average Reserve Per Delinquency (in thousands)	\$37.8	\$38.4		\$ 39.0	\$ 37.9	\$ 38.2	\$ 39.4
Loss Metrics							
Beginning Reserves	\$ 288	\$ 279	\$279	\$ 278	\$ 279	\$ 274	\$ 280
Paid claims (1)	(28)	(30)	(58)	(34)	(38)	(33)	(44)
Increase in reserves	38	39	77	35	37	38	38
Ending Reserves	<u>\$ 298</u>	<u>\$ 288</u>	<u>\$298</u>	<u>\$ 279</u>	<u>\$ 278</u>	<u>\$ 279</u>	<u>\$ 274</u>
Loan Amount (2),(3)							
Over \$550K	19%	18%		18%	18%	17%	17%
\$400K to \$550K	21	21		21	21	21	20
\$250K to \$400K	33	34		34	34	34	35
\$100K to \$250K	22	22		22	22	23	23
\$100K or Less	5	5		5	5	5	5
Total	<u>100%</u>	<u>100%</u>		<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Average Primary Loan Size (in thousands) (3)	\$ 235	\$ 233		\$ 232	\$ 231	\$ 229	\$ 228

All amounts presented in Australian dollars.

- (1) Paid claims exclude adjustments for expected recoveries related to loss reserves and prior paid claims.
- (2) The percentages in this table are based on the amount of primary insurance in-force in each loan band as a percentage of total insurance in-force.
- (3) The business currently has structured insurance transactions with three lenders where it is in a secondary loss position. The loans in-force associated with these arrangements are excluded from these metrics.

U.S. Life Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

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

	2019			2018			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$ 713	\$ 709	\$1,422	\$ 716	\$ 717	\$ 712	\$ 722	\$2,867
Net investment income	724	701	1,425	690	696	707	688	2,781
Net investment gains (losses)	(36)	84	48	38	(7)	(10)	8	29
Policy fees and other income	187	151	338	154	155	169	163	641
Total revenues	<u>1,588</u>	<u>1,645</u>	<u>3,233</u>	<u>1,598</u>	<u>1,561</u>	<u>1,578</u>	<u>1,581</u>	<u>6,318</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	1,211	1,236	2,447	1,767	1,248	1,163	1,238	5,416
Interest credited	106	106	212	113	113	116	119	461
Acquisition and operating expenses, net of deferrals	142	148	290	153	144	146	141	584
Amortization of deferred acquisition costs and intangibles	67	66	133	55	53	78	71	257
Interest expense	4	5	9	4	4	4	4	16
Total benefits and expenses	<u>1,530</u>	<u>1,561</u>	<u>3,091</u>	<u>2,092</u>	<u>1,562</u>	<u>1,507</u>	<u>1,573</u>	<u>6,734</u>
INCOME (LOSS) BEFORE INCOME TAXES	58	84	142	(494)	(1)	71	8	(416)
Provision (benefit) for income taxes	19	24	43	(101)	6	21	6	(68)
NET INCOME (LOSS)	<u>39</u>	<u>60</u>	<u>99</u>	<u>(393)</u>	<u>(7)</u>	<u>50</u>	<u>2</u>	<u>(348)</u>
ADJUSTMENTS TO NET INCOME (LOSS):								
Net investment (gains) losses, net ⁽¹⁾	35	(86)	(51)	(41)	6	9	(9)	(35)
Expenses related to restructuring	(1)	4	3	—	—	—	—	—
Taxes on adjustments	(7)	17	10	9	(2)	(2)	2	7
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 66</u>	<u>\$ (5)</u>	<u>\$ 61</u>	<u>\$ (425)</u>	<u>\$ (3)</u>	<u>\$ 57</u>	<u>\$ (5)</u>	<u>\$ (376)</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	\$ 36	\$ (84)	\$ (48)	\$ (38)	\$ 7	\$ 10	\$ (8)	\$ (29)
Adjustment for DAC and other intangible amortization and certain benefit reserves	(1)	(2)	(3)	(3)	(1)	(1)	(1)	(6)
Net investment (gains) losses, net	<u>\$ 35</u>	<u>\$ (86)</u>	<u>\$ (51)</u>	<u>\$ (41)</u>	<u>\$ 6</u>	<u>\$ 9</u>	<u>\$ (9)</u>	<u>\$ (35)</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

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

	2019			2018			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$ 640	\$ 628	\$1,268	\$ 650	\$ 648	\$ 632	\$ 631	\$2,561
Net investment income	428	406	834	398	397	399	382	1,576
Net investment gains (losses)	(15)	80	65	46	4	3	6	59
Policy fees and other income	2	—	2	—	(1)	1	1	1
Total revenues	<u>1,055</u>	<u>1,114</u>	<u>2,169</u>	<u>1,094</u>	<u>1,048</u>	<u>1,035</u>	<u>1,020</u>	<u>4,197</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	896	927	1,823	1,311	944	874	928	4,057
Interest credited	—	—	—	—	—	—	—	—
Acquisition and operating expenses, net of deferrals	93	101	194	105	99	101	93	398
Amortization of deferred acquisition costs and intangibles	26	25	51	25	24	22	27	98
Interest expense	—	—	—	—	—	—	—	—
Total benefits and expenses	<u>1,015</u>	<u>1,053</u>	<u>2,068</u>	<u>1,441</u>	<u>1,067</u>	<u>997</u>	<u>1,048</u>	<u>4,553</u>
INCOME (LOSS) BEFORE INCOME TAXES	40	61	101	(347)	(19)	38	(28)	(356)
Provision (benefit) for income taxes	15	19	34	(69)	1	14	(1)	(55)
NET INCOME (LOSS)	<u>25</u>	<u>42</u>	<u>67</u>	<u>(278)</u>	<u>(20)</u>	<u>24</u>	<u>(27)</u>	<u>(301)</u>
ADJUSTMENTS TO NET INCOME (LOSS):								
Net investment (gains) losses	15	(80)	(65)	(46)	(4)	(3)	(6)	(59)
Expenses related to restructuring	(1)	2	1	—	—	—	—	—
Taxes on adjustments	(2)	16	14	10	—	1	1	12
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 37</u>	<u>\$ (20)</u>	<u>\$ 17</u>	<u>\$ (314)</u>	<u>\$ (24)</u>	<u>\$ 22</u>	<u>\$ (32)</u>	<u>\$ (348)</u>
RATIOS:								
Loss Ratio (1)	74%	81%	78%	138%	83%	75%	84%	95%
Gross Benefits Ratio (2)	140%	148%	144%	202%	146%	138%	147%	158%

(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 2019

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

	2019			2018			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
REVENUES:								
Premiums	\$ 73	\$ 81	\$ 154	\$ 66	\$ 69	\$ 80	\$ 91	\$ 306
Net investment income	130	133	263	127	128	125	124	504
Net investment gains (losses)	(3)	10	7	(5)	(4)	(2)	5	(6)
Policy fees and other income	182	148	330	151	152	164	159	626
Total revenues	<u>382</u>	<u>372</u>	<u>754</u>	<u>339</u>	<u>345</u>	<u>367</u>	<u>379</u>	<u>1,430</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	244	242	486	367	239	225	247	1,078
Interest credited	58	58	116	61	59	60	61	241
Acquisition and operating expenses, net of deferrals	37	34	71	35	33	33	35	136
Amortization of deferred acquisition costs and intangibles	28	27	55	14	16	42	29	101
Interest expense	4	5	9	4	4	4	4	16
Total benefits and expenses	<u>371</u>	<u>366</u>	<u>737</u>	<u>481</u>	<u>351</u>	<u>364</u>	<u>376</u>	<u>1,572</u>
INCOME (LOSS) BEFORE INCOME TAXES	11	6	17	(142)	(6)	3	3	(142)
Provision (benefit) for income taxes	3	1	4	(30)	(1)	1	—	(30)
NET INCOME (LOSS)	8	5	13	(112)	(5)	2	3	(112)
ADJUSTMENTS TO NET INCOME (LOSS):								
Net investment (gains) losses	3	(10)	(7)	5	4	2	(5)	6
Expenses related to restructuring	—	1	1	—	—	—	—	—
Taxes on adjustments	(1)	2	1	(1)	(1)	—	1	(1)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 10</u>	<u>\$ (2)</u>	<u>\$ 8</u>	<u>\$ (108)</u>	<u>\$ (2)</u>	<u>\$ 4</u>	<u>\$ (1)</u>	<u>\$ (107)</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

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

	2019					2018		
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net investment income	166	162	328	165	171	183	182	701
Net investment gains (losses)	(18)	(6)	(24)	(3)	(7)	(11)	(3)	(24)
Policy fees and other income	3	3	6	3	4	4	3	14
Total revenues	<u>151</u>	<u>159</u>	<u>310</u>	<u>165</u>	<u>168</u>	<u>176</u>	<u>182</u>	<u>691</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	71	67	138	89	65	64	63	281
Interest credited	48	48	96	52	54	56	58	220
Acquisition and operating expenses, net of deferrals	12	13	25	13	12	12	13	50
Amortization of deferred acquisition costs and intangibles	13	14	27	16	13	14	15	58
Interest expense	—	—	—	—	—	—	—	—
Total benefits and expenses	<u>144</u>	<u>142</u>	<u>286</u>	<u>170</u>	<u>144</u>	<u>146</u>	<u>149</u>	<u>609</u>
INCOME (LOSS) BEFORE INCOME TAXES	7	17	24	(5)	24	30	33	82
Provision (benefit) for income taxes	1	4	5	(2)	6	6	7	17
NET INCOME (LOSS)	<u>6</u>	<u>13</u>	<u>19</u>	<u>(3)</u>	<u>18</u>	<u>24</u>	<u>26</u>	<u>65</u>
ADJUSTMENTS TO NET INCOME (LOSS):								
Net investment (gains) losses, net ⁽¹⁾	17	4	21	—	6	10	2	18
Expenses related to restructuring	—	1	1	—	—	—	—	—
Taxes on adjustments	(4)	(1)	(5)	—	(1)	(3)	—	(4)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 19</u>	<u>\$ 17</u>	<u>\$ 36</u>	<u>\$ (3)</u>	<u>\$ 23</u>	<u>\$ 31</u>	<u>\$ 28</u>	<u>\$ 79</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	\$ 18	\$ 6	\$ 24	\$ 3	\$ 7	\$ 11	\$ 3	\$ 24
Adjustment for DAC and other intangible amortization and certain benefit reserves	(1)	(2)	(3)	(3)	(1)	(1)	(1)	(6)
Net investment (gains) losses, net	<u>\$ 17</u>	<u>\$ 4</u>	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 10</u>	<u>\$ 2</u>	<u>\$ 18</u>

Runoff Segment

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

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

	2019			2018			Total
	2Q	1Q	Total	4Q	3Q	2Q	
REVENUES:							
Net investment income	\$ 47	\$ 47	\$ 94	\$ 45	\$ 44	\$ 43	\$ 174
Net investment gains (losses)	(4)	—	(4)	(15)	(3)	(1)	(33)
Policy fees and other income	35	35	70	37	38	38	153
Total revenues	<u>78</u>	<u>82</u>	<u>160</u>	<u>67</u>	<u>79</u>	<u>80</u>	<u>294</u>
BENEFITS AND EXPENSES:							
Benefits and other changes in policy reserves	13	1	14	17	7	7	39
Interest credited	40	41	81	39	38	36	150
Acquisition and operating expenses, net of deferrals	13	13	26	14	14	14	57
Amortization of deferred acquisition costs and intangibles	4	2	6	13	5	8	33
Total benefits and expenses	<u>70</u>	<u>57</u>	<u>127</u>	<u>83</u>	<u>64</u>	<u>65</u>	<u>279</u>
INCOME (LOSS) BEFORE INCOME TAXES	8	25	33	(16)	15	15	15
Provision (benefit) for income taxes	1	5	6	(3)	2	3	2
NET INCOME (LOSS)	<u>7</u>	<u>20</u>	<u>27</u>	<u>(13)</u>	<u>13</u>	<u>12</u>	<u>13</u>
ADJUSTMENTS TO NET INCOME (LOSS):							
Net investment (gains) losses, net ⁽¹⁾	2	—	2	13	1	1	27
Taxes on adjustments	—	—	—	(2)	—	—	(5)
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 9</u>	<u>\$ 20</u>	<u>\$ 29</u>	<u>\$ (2)</u>	<u>\$ 14</u>	<u>\$ 13</u>	<u>\$ 35</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	\$ 4	\$ —	\$ 4	\$ 15	\$ 3	\$ 1	\$ 33
Adjustment for DAC and other intangible amortization and certain benefit reserves	(2)	—	(2)	(2)	(2)	—	(6)
Net investment (gains) losses, net	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ 13</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 27</u>

Corporate and Other

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Adjusted Operating Loss—Corporate and Other ⁽¹⁾
(amounts in millions)

	2019					2018		
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
REVENUES:								
Premiums	\$ 2	\$ 2	\$ 4	\$ 2	\$ 1	\$ 3	\$ 2	\$ 8
Net investment income	3	3	6	3	1	3	2	9
Net investment gains (losses)	(7)	(21)	(28)	18	(7)	—	(1)	10
Policy fees and other income	—	1	1	(1)	(1)	1	(2)	(3)
Total revenues	<u>(2)</u>	<u>(15)</u>	<u>(17)</u>	<u>22</u>	<u>(6)</u>	<u>7</u>	<u>1</u>	<u>24</u>
BENEFITS AND EXPENSES:								
Benefits and other changes in policy reserves	1	1	2	2	1	1	1	5
Acquisition and operating expenses, net of deferrals	9	7	16	18	12	11	11	52
Amortization of deferred acquisition costs and intangibles	—	—	—	—	—	—	1	1
Interest expense	62	61	123	63	61	67	65	256
Total benefits and expenses	<u>72</u>	<u>69</u>	<u>141</u>	<u>83</u>	<u>74</u>	<u>79</u>	<u>78</u>	<u>314</u>
LOSS BEFORE INCOME TAXES	<u>(74)</u>	<u>(84)</u>	<u>(158)</u>	<u>(61)</u>	<u>(80)</u>	<u>(72)</u>	<u>(77)</u>	<u>(290)</u>
Provision (benefit) for income taxes	5	5	10	(17)	(28)	3	(17)	(59)
NET LOSS	<u>(79)</u>	<u>(89)</u>	<u>(168)</u>	<u>(44)</u>	<u>(52)</u>	<u>(75)</u>	<u>(60)</u>	<u>(231)</u>
ADJUSTMENTS TO NET LOSS:								
Net investment (gains) losses	7	21	28	(18)	7	—	1	(10)
Expenses related to restructuring	1	—	1	—	2	—	—	2
Fees associated with bond consent solicitation	—	—	—	6	—	—	—	6
Taxes on adjustments	(1)	(5)	(6)	2	(2)	—	—	—
ADJUSTED OPERATING LOSS	<u><u>\$ (72)</u></u>	<u><u>\$ (73)</u></u>	<u><u>\$ (145)</u></u>	<u><u>\$ (54)</u></u>	<u><u>\$ (45)</u></u>	<u><u>\$ (75)</u></u>	<u><u>\$ (59)</u></u>	<u><u>\$ (233)</u></u>

(1) Includes inter-segment eliminations and the results of other businesses that are managed outside the operating segments, including certain smaller international mortgage insurance businesses.

Additional Financial Data

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

Investments Summary
(amounts in millions)

Composition of Investment Portfolio	June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018		June 30, 2018	
	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total
Fixed maturity securities:										
Investment grade:										
Public fixed maturity securities	\$ 35,114	45%	\$ 33,634	45%	\$ 32,630	45%	\$ 32,496	45%	\$ 32,813	45%
Private fixed maturity securities	14,501	19	13,838	19	13,000	18	12,628	17	12,362	17
Residential mortgage-backed securities ⁽¹⁾	2,697	4	2,908	4	2,998	4	3,178	5	3,522	5
Commercial mortgage-backed securities	2,970	4	2,943	4	3,007	4	3,146	4	3,340	5
Other asset-backed securities	3,698	5	3,405	5	3,414	5	3,044	4	2,950	4
State and political subdivisions	2,636	3	2,546	3	2,552	4	2,795	4	2,855	4
Non-investment grade fixed maturity securities	2,158	3	2,086	3	2,060	3	2,117	3	2,190	3
Equity securities:										
Common stocks and mutual funds	111	—	103	—	141	—	171	—	164	—
Preferred stocks	533	1	532	1	514	1	612	1	594	1
Commercial mortgage loans	6,963	9	6,929	9	6,687	9	6,568	9	6,480	9
Restricted commercial mortgage loans related to a securitization entity	56	—	59	—	62	—	87	—	90	—
Policy loans	2,076	3	1,994	3	1,861	3	1,859	3	1,872	3
Cash, cash equivalents, restricted cash and short-term investments	2,211	3	2,360	3	2,407	3	2,864	4	2,951	4
Securities lending	113	—	106	—	103	—	166	—	211	—
Other invested assets:										
Limited partnerships	512	1	462	1	409	1	372	1	335	—
Derivatives: ⁽²⁾										
Long-term care (LTC) forward starting swap—cash flow	144	—	59	—	42	—	36	—	49	—
Other cash flow	5	—	3	—	6	—	2	—	2	—
Equity index options—non-qualified	65	—	60	—	39	—	80	—	70	—
Other non-qualified	66	—	65	—	91	—	127	—	109	—
Other	357	—	314	—	268	—	212	—	166	—
Total invested assets and cash	\$ 76,986	100%	\$ 74,406	100%	\$ 72,291	100%	\$ 72,560	100%	\$ 73,125	100%
Public Fixed Maturity Securities—Credit Quality:										
NRSRO ⁽³⁾ Designation										
AAA	\$ 10,856	24%	\$ 10,778	25%	\$ 10,799	26%	\$ 11,642	28%	\$ 12,269	29%
AA	4,202	10	4,084	10	4,117	10	4,358	10	4,428	10
A	12,555	29	12,301	29	12,005	29	11,984	28	12,174	28
BBB	15,171	34	14,240	33	13,669	32	12,994	31	12,929	30
BB	1,128	3	1,081	3	1,149	3	1,156	3	1,221	3
B	76	—	76	—	93	—	130	—	123	—
CCC and lower	25	—	25	—	25	—	27	—	31	—
Total public fixed maturity securities	\$ 44,013	100%	\$ 42,585	100%	\$ 41,857	100%	\$ 42,291	100%	\$ 43,175	100%
Private Fixed Maturity Securities—Credit Quality:										
NRSRO ⁽³⁾ Designation										
AAA	\$ 2,726	14%	\$ 2,545	14%	\$ 2,540	14%	\$ 2,109	12%	\$ 2,045	12%
AA	2,507	13	2,364	13	2,198	13	2,224	13	2,156	13
A	5,496	28	5,228	28	4,866	27	4,695	27	4,750	28
BBB	8,103	41	7,734	41	7,407	42	7,281	43	7,091	42
BB	869	4	843	4	737	4	724	4	733	4
B	58	—	59	—	54	—	78	—	80	—
CCC and lower	2	—	2	—	2	—	2	—	2	—
Total private fixed maturity securities	\$ 19,761	100%	\$ 18,775	100%	\$ 17,804	100%	\$ 17,113	100%	\$ 16,857	100%

(1) The company does not have any material exposure to residential mortgage-backed securities collateralized debt obligations (CDOs).
(2) Certain derivative balances have been reclassified as of June 30, 2018 to conform to the current period presentation.
(3) Nationally Recognized Statistical Rating Organizations.

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

**Fixed Maturity Securities Summary
(amounts in millions)**

	June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018		June 30, 2018	
	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	\$ 4,987	8%	\$ 4,731	8%	\$ 4,631	8%	\$ 5,181	9%	\$ 5,353	9%
State and political subdivisions	2,636	4	2,546	4	2,552	4	2,795	5	2,855	5
Foreign government	2,649	4	2,518	4	2,393	4	2,289	4	2,380	4
U.S. corporate	31,401	49	29,941	49	28,762	48	27,538	46	27,569	46
Foreign corporate	12,647	20	12,286	20	11,837	20	12,173	20	12,002	20
Residential mortgage-backed securities	2,738	4	2,950	5	3,044	5	3,222	6	3,567	6
Commercial mortgage-backed securities	2,989	5	2,962	5	3,016	5	3,156	5	3,349	5
Other asset-backed securities	3,727	6	3,426	5	3,426	6	3,050	5	2,957	5
Total fixed maturity securities	<u>\$ 63,774</u>	<u>100%</u>	<u>\$ 61,360</u>	<u>100%</u>	<u>\$ 59,661</u>	<u>100%</u>	<u>\$ 59,404</u>	<u>100%</u>	<u>\$ 60,032</u>	<u>100%</u>
Corporate Bond Holdings—Industry Sector:										
Investment Grade:										
Finance and insurance	\$ 10,009	23%	\$ 9,605	22%	\$ 9,062	22%	\$ 8,712	22%	\$ 8,616	22%
Utilities	5,944	13	5,718	14	5,665	14	5,674	14	5,785	15
Energy	3,898	9	3,757	9	3,449	8	3,358	8	3,310	8
Consumer—non-cyclical	6,107	14	5,798	14	5,595	14	5,232	13	5,042	13
Consumer—cyclical	2,055	5	1,950	5	1,900	5	1,887	5	1,875	5
Capital goods	3,158	7	3,005	7	2,876	7	2,788	7	2,815	7
Industrial	2,142	5	2,029	5	1,957	5	1,899	5	2,028	5
Technology and communications	3,964	9	3,720	9	3,582	9	3,424	9	3,346	8
Transportation	2,244	5	2,164	5	2,017	5	1,945	5	1,973	5
Other	2,571	6	2,602	6	2,625	6	2,879	7	2,836	7
Subtotal	<u>42,092</u>	<u>96</u>	<u>40,348</u>	<u>96</u>	<u>38,728</u>	<u>95</u>	<u>37,798</u>	<u>95</u>	<u>37,626</u>	<u>95</u>
Non-Investment Grade:										
Finance and insurance	216	1	200	—	183	—	177	—	196	—
Utilities	100	—	94	—	51	—	57	—	56	—
Energy	331	1	308	1	339	1	357	1	359	1
Consumer—non-cyclical	155	—	168	1	192	1	193	1	201	1
Consumer—cyclical	243	1	237	1	217	1	220	1	220	1
Capital goods	157	—	146	—	130	—	154	—	157	—
Industrial	211	—	193	—	226	1	219	1	232	1
Technology and communications	465	1	452	1	438	1	448	1	442	1
Transportation	8	—	13	—	23	—	13	—	6	—
Other	70	—	68	—	72	—	75	—	76	—
Subtotal	<u>1,956</u>	<u>4</u>	<u>1,879</u>	<u>4</u>	<u>1,871</u>	<u>5</u>	<u>1,913</u>	<u>5</u>	<u>1,945</u>	<u>5</u>
Total	<u>\$ 44,048</u>	<u>100%</u>	<u>\$ 42,227</u>	<u>100%</u>	<u>\$ 40,599</u>	<u>100%</u>	<u>\$ 39,711</u>	<u>100%</u>	<u>\$ 39,571</u>	<u>100%</u>
Fixed Maturity Securities—Contractual Maturity Dates:										
Due in one year or less	\$ 1,973	3%	\$ 2,021	3%	\$ 1,874	3%	\$ 1,719	3%	\$ 1,701	3%
Due after one year through five years	11,602	18	11,105	18	10,952	18	10,987	18	11,149	19
Due after five years through ten years	13,197	21	12,770	21	12,463	21	12,531	21	12,601	21
Due after ten years	27,548	43	26,126	43	24,886	42	24,739	42	24,708	41
Subtotal	54,320	85	52,022	85	50,175	84	49,976	84	50,159	84
Mortgage and asset-backed securities	9,454	15	9,338	15	9,486	16	9,428	16	9,873	16
Total fixed maturity securities	<u>\$ 63,774</u>	<u>100%</u>	<u>\$ 61,360</u>	<u>100%</u>	<u>\$ 59,661</u>	<u>100%</u>	<u>\$ 59,404</u>	<u>100%</u>	<u>\$ 60,032</u>	<u>100%</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019

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

	2019			2018				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
U.S. GAAP Net Investment Income								
Fixed maturity securities—taxable	\$ 665	\$ 643	\$ 1,308	\$ 648	\$ 643	\$ 651	\$ 635	\$ 2,577
Fixed maturity securities—non-taxable	2	2	4	2	3	3	3	11
Commercial mortgage loans	84	81	165	80	81	77	82	320
Restricted commercial mortgage loans related to a securitization entity	1	1	2	2	1	2	2	7
Equity securities	10	9	19	9	11	10	10	40
Other invested assets	47	44	91	49	41	42	37	169
Limited partnerships	12	15	27	(4)	3	11	2	12
Policy loans	45	46	91	44	41	41	43	169
Cash, cash equivalents, restricted cash and short-term investments	11	12	23	12	13	14	12	51
Gross investment income before expenses and fees	877	853	1,730	842	837	851	826	3,356
Expenses and fees	(25)	(24)	(49)	(27)	(22)	(23)	(22)	(94)
Net investment income	<u>\$ 852</u>	<u>\$ 829</u>	<u>\$ 1,681</u>	<u>\$ 815</u>	<u>\$ 815</u>	<u>\$ 828</u>	<u>\$ 804</u>	<u>\$ 3,262</u>
Annualized Yields								
Fixed maturity securities—taxable	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%	4.4%	4.5%
Fixed maturity securities—non-taxable	6.1%	6.1%	6.1%	3.7%	3.9%	3.8%	3.7%	4.0%
Commercial mortgage loans	4.8%	4.8%	4.8%	4.8%	5.0%	4.8%	5.2%	4.9%
Restricted commercial mortgage loans related to a securitization entity	7.0%	6.7%	6.8%	10.8%	4.5%	8.4%	7.8%	7.9%
Equity securities	6.3%	5.6%	5.9%	5.0%	5.7%	5.1%	5.1%	5.3%
Other invested assets (1)	56.1%	65.7%	61.1%	99.0%	107.9%	150.0%	129.8%	111.9%
Limited partnerships (2)	9.9%	13.8%	11.7%	(4.1)%	3.4%	13.8%	2.9%	3.6%
Policy loans	8.8%	9.5%	9.2%	9.5%	8.8%	9.0%	9.6%	9.2%
Cash, cash equivalents, restricted cash and short-term investments	1.9%	2.0%	2.0%	1.8%	1.8%	1.7%	1.3%	1.6%
Gross investment income before expenses and fees	5.0%	4.8%	4.9%	4.8%	4.8%	4.8%	4.8%	4.8%
Expenses and fees	(0.2)%	(0.1)%	(0.1)%	(0.2)%	(0.2)%	(0.1)%	(0.2)%	(0.2)%
Net investment income	<u>4.8%</u>	<u>4.7%</u>	<u>4.8%</u>	<u>4.6%</u>	<u>4.6%</u>	<u>4.7%</u>	<u>4.6%</u>	<u>4.6%</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 49 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 2019

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

	2019			2018				
	2Q	1Q	Total	4Q	3Q	2Q	1Q	Total
Net realized gains (losses) on available-for-sale securities:								
Fixed maturity securities:								
U.S. corporate	\$ (15)	\$ 30	\$ 15	\$ 10	\$ (6)	\$ (7)	\$ (3)	\$ (6)
U.S. government, agencies and government-sponsored enterprises	2	33	35	54	1	—	—	55
Foreign corporate	(1)	(1)	(2)	(6)	—	(2)	(3)	(11)
Foreign government	11	1	12	(4)	(2)	—	—	(6)
State and political subdivisions	—	—	—	(1)	—	—	—	(1)
Mortgage-backed securities	1	(2)	(1)	(5)	(2)	2	(2)	(7)
Asset-backed securities	—	(1)	(1)	—	—	(1)	—	(1)
Foreign exchange	1	(1)	—	2	1	—	(1)	2
Total net realized gains (losses) on available-for-sale securities	(1)	59	58	50	(8)	(8)	(9)	25
Net realized gains (losses) on equity securities sold	—	3	3	1	—	8	2	11
Net unrealized gains (losses) on equity securities still held	(12)	8	(4)	(83)	—	3	(18)	(98)
Limited partnerships	(11)	15	4	3	3	(2)	7	11
Commercial mortgage loans	1	(1)	—	—	—	—	—	—
Derivative instruments	(22)	(10)	(32)	(85)	18	(15)	(13)	(95)
Net investment gains (losses), gross	(45)	74	29	(114)	13	(14)	(31)	(146)
Adjustment for DAC and other intangible amortization and certain benefit reserves	3	2	5	5	3	1	3	12
Adjustment for net investment (gains) losses attributable to noncontrolling interests	(1)	(5)	(6)	67	(13)	1	11	66
Net investment gains (losses), net	<u>\$ (43)</u>	<u>\$ 71</u>	<u>\$ 28</u>	<u>\$ (42)</u>	<u>\$ 3</u>	<u>\$ (12)</u>	<u>\$ (17)</u>	<u>\$ (68)</u>

Reconciliations of Non-GAAP Measures

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

**Reconciliation of Operating ROE
(amounts in millions)**

Twelve Month Rolling Average ROE

	Twelve months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
U.S. GAAP Basis ROE					
Net income available to Genworth Financial, Inc.'s common stockholders for the twelve months ended (1)	\$ 159	\$ 181	\$ 119	\$ 801	\$ 762
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income (2)	\$ 10,609	\$ 10,539	\$ 10,500	\$ 10,426	\$ 10,264
U.S. GAAP Basis ROE (1)/(2)	1.5%	1.7%	1.1%	7.7%	7.4%
Operating ROE					
Adjusted operating income for the twelve months ended (1)	\$ 179	\$ 175	\$ 179	\$ 796	\$ 727
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income (2)	\$ 10,609	\$ 10,539	\$ 10,500	\$ 10,426	\$ 10,264
Operating ROE (1)/(2)	1.7%	1.7%	1.7%	7.6%	7.1%

Quarterly Average ROE

	Three months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
U.S. GAAP Basis ROE					
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the period ended (3)	\$ 168	\$ 174	\$ (329)	\$ 146	\$ 190
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income (4)	\$ 10,663	\$ 10,494	\$ 10,569	\$ 10,657	\$ 10,487
Annualized U.S. GAAP Quarterly Basis ROE (3)/(4)	6.3%	6.6%	(12.5)%	5.5%	7.2%
Operating ROE					
Adjusted operating income (loss) for the period ended (3)	\$ 204	\$ 121	\$ (291)	\$ 145	\$ 200
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income (4)	\$ 10,663	\$ 10,494	\$ 10,569	\$ 10,657	\$ 10,487
Annualized Operating Quarterly Basis ROE (3)/(4)	7.7%	4.6%	(11.0)%	5.4%	7.6%

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 2019

Reconciliation of Core Yield

(Assets—amounts in billions)	2019			2018			Total	
	2Q	1Q	Total	4Q	3Q	2Q		1Q
Reported—Total Invested Assets and Cash	\$77.0	\$74.4	\$ 77.0	\$72.3	\$72.6	\$73.1	\$74.6	\$ 72.3
Subtract:								
Securities lending	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1
Unrealized gains (losses)	5.9	3.8	5.9	1.9	2.2	2.7	3.7	1.9
Adjusted end of period invested assets and cash	<u>\$71.0</u>	<u>\$70.5</u>	<u>\$ 71.0</u>	<u>\$70.3</u>	<u>\$70.2</u>	<u>\$70.2</u>	<u>\$70.7</u>	<u>\$ 70.3</u>
(A) Average Invested Assets and Cash Used in Reported Yield Calculation	\$70.8	\$70.4	\$ 70.6	\$70.2	\$70.2	\$70.4	\$70.7	\$ 70.4
Subtract:								
Restricted commercial mortgage loans related to a securitization entity ⁽¹⁾	—	0.1	—	—	—	—	0.1	—
(B) Average Invested Assets and Cash Used in Core Yield Calculation	<u>\$70.8</u>	<u>\$70.3</u>	<u>\$ 70.6</u>	<u>\$70.2</u>	<u>\$70.2</u>	<u>\$70.4</u>	<u>\$70.6</u>	<u>\$ 70.4</u>
(Income—amounts in millions)								
(C) Reported—Net Investment Income	\$ 852	\$ 829	\$1,681	\$ 815	\$ 815	\$ 828	\$ 804	\$3,262
Subtract:								
Bond calls and commercial mortgage loan prepayments	7	6	13	8	8	9	11	36
Other non-core items ⁽²⁾	7	2	9	2	1	2	(2)	3
Restricted commercial mortgage loans related to a securitization entity ⁽¹⁾	—	—	—	1	1	—	1	3
(D) Core Net Investment Income	<u>\$ 838</u>	<u>\$ 821</u>	<u>\$1,659</u>	<u>\$ 804</u>	<u>\$ 805</u>	<u>\$ 817</u>	<u>\$ 794</u>	<u>\$3,220</u>
(C) / (A) Reported Yield	4.82%	4.71%	4.76%	4.64%	4.64%	4.70%	4.55%	4.63%
(D) / (B) Core Yield	4.74%	4.67%	4.70%	4.58%	4.59%	4.64%	4.50%	4.58%

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) Represents the incremental assets and investment income related to restricted commercial mortgage loans.
(2) Includes cost basis adjustments on structured securities and various other immaterial items.

Corporate Information

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
SECOND QUARTER 2019**

Financial Strength Ratings As Of July 29, 2019

Company	Standard & Poor's Financial Services LLC (S&P)	Moody's Investors Service, Inc. (Moody's)	A.M. Best Company, Inc. (A.M. Best)
Genworth Mortgage Insurance Corporation	BB+ (Marginal)	Baa3 (Adequate)	N/A
Genworth Financial Mortgage Insurance Company Canada (1)	A+ (Strong)	N/A	N/A
Genworth Financial Mortgage Insurance Pty Limited (Australia) (2)	A (Strong)	N/A	N/A
Genworth Life Insurance Company	B- (Weak)	B3 (Poor)	B- (Fair)
Genworth Life and Annuity Insurance Company	B- (Weak)	B1 (Poor)	B+ (Good)
Genworth Life Insurance Company of New York	B- (Weak)	B3 (Poor)	B- (Fair)

The S&P, Moody's, A.M. Best, Dominion Bond Rating Service (DBRS) and Fitch Rating Service (Fitch) ratings included 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 "A" (Strong) has strong financial security characteristics that outweigh any vulnerabilities and is highly likely to have the ability to meet financial commitments. Insurers rated "A" (Strong), "BB" (Marginal) or "B" (Weak) have strong, marginal or weak financial security characteristics, respectively. The "A," "BB" and "B" ranges are the third-, fifth- and sixth-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 "A+," "A," "BB+" and "B-" ratings are the fifth-, sixth-, eleventh- and sixteenth-highest of S&P's 21 ratings categories.

Moody's states that insurance companies rated "Baa" (Adequate) offer adequate financial security and those rated "B" (Poor) offer questionable financial security. The "Baa" (Adequate) and "B" (Poor) ranges are the fourth- and sixth-highest, respectively, 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," "B1" and "B3" ratings are the tenth-, fourteenth- and sixteenth-highest, respectively, of Moody's 21 ratings categories.

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

DBRS states that long-term obligations rated "AA" are of superior credit quality. Given the restrictive definition DBRS has for the "AAA" category, entities rated "AA" are also considered to be strong credits, typically exemplifying above-average strength in key areas of consideration and unlikely to be significantly affected by reasonably foreseeable events.

The Australian mortgage insurance subsidiary also solicits a rating from Fitch. Fitch states that "A" (Strong) rated insurance companies are viewed as possessing strong capacity to meet policyholder and contract obligations. The "A" rating category is the third-highest of nine financial strength rating categories, which range from "AAA" to "C." The symbol (+) or (-) may be appended to a rating to indicate the relative position of a credit within a rating category. These suffixes are not added to ratings in the "AAA" category or to ratings below the "B" category. Accordingly, the "A+" rating is the fifth-highest of Fitch's 21 ratings categories.

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 Rating's eight long-term rating categories, which range from "HR AAA" to "HR D."

S&P, Moody's, A.M. Best, DBRS, Fitch 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.

- (1) Genworth Financial Mortgage Insurance Company Canada is also rated "AA" by DBRS.
- (2) Genworth Financial Mortgage Insurance Pty Limited (Australia) is also rated "A+" by Fitch.