

First Quarter Financial Supplement

March 31, 2020

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020**

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Note:

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

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020**

Dear Investor,

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

Regards,

Investor Relations
InvestorInfo@genworth.com

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
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Use of Non-GAAP Measures

This financial supplement includes the non-GAAP financial measures entitled “adjusted operating income (loss)” and “adjusted operating income (loss) per share.” Adjusted operating income (loss) per share is derived from adjusted operating income (loss). The chief operating decision maker evaluates segment performance and allocates resources on the basis of adjusted operating income (loss). The company defines adjusted operating income (loss) as income (loss) from continuing operations excluding the after-tax effects of income (loss) from continuing operations attributable to noncontrolling interests, net investment gains (losses), 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 estimated future credit losses, the size and timing of which can vary significantly depending on market credit cycles. In addition, the size and timing of other investment gains (losses) can be subject to the company’s discretion and are influenced by market opportunities, as well as asset-liability matching considerations. 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.

Adjustments to reconcile net income (loss) available to Genworth Financial, Inc.’s common stockholders to adjusted operating income (loss) assume a 21% tax rate for the company’s domestic segments and a 30% tax rate for its Australia Mortgage Insurance segment and are net of the portion attributable to noncontrolling interests. Net investment gains (losses) are also adjusted for DAC and other intangible amortization and certain benefit reserves (see page 41).

In January 2020, the company paid a pre-tax make-whole expense of \$9 million related to the early redemption of Genworth Holdings, Inc.’s (Genworth Holdings) senior notes originally scheduled to mature in June 2020 and Rivermont Life Insurance Company I, the company’s indirect wholly-owned special purpose consolidated captive insurance subsidiary, early redeemed all of its \$315 million outstanding non-recourse funding obligations originally due in 2050 resulting in a pre-tax loss of \$4 million from the write-off of deferred borrowing costs. The company also repurchased \$14 million principal amount of Genworth Holdings’ senior notes with 2021 maturity dates for a pre-tax gain of \$1 million in the first quarter of 2020. These transactions were excluded from adjusted operating income (loss) as they relate to gains (losses) on the early extinguishment of debt.

The company recorded a pre-tax expense of \$1 million and \$4 million in the first quarters of 2020 and 2019, respectively, related to restructuring costs as it continues to evaluate and appropriately size its organizational needs and expenses. There were no infrequent or unusual items excluded from adjusted operating income (loss) during the periods presented.

The table on page 9 of this financial supplement provides a reconciliation of net income (loss) available to Genworth Financial, Inc.’s common stockholders to adjusted operating income 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 43 and 44 of this financial supplement.

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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 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 products. 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. Risk in-force in the Australia mortgage insurance business is computed using 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 business in Australia. The company also has certain risk share arrangements in Australia 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.

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

<u>Balance Sheet Data</u>	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>September 30,</u> <u>2019</u>	<u>June 30,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
Total Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income	\$10,634	\$10,752	\$10,765	\$10,744	\$10,582
Total accumulated other comprehensive income	3,815	3,433	3,622	3,013	2,492
Total Genworth Financial, Inc.'s stockholders' equity	<u>\$14,449</u>	<u>\$14,185</u>	<u>\$14,387</u>	<u>\$13,757</u>	<u>\$13,074</u>
Book value per share	\$ 28.61	\$ 28.17	\$ 28.57	\$ 27.32	\$ 25.98
Book value per share, excluding accumulated other comprehensive income	\$ 21.05	\$ 21.35	\$ 21.38	\$ 21.34	\$ 21.03
Common shares outstanding as of the balance sheet date	505.1	503.5	503.5	503.5	503.3
Twelve months ended					
<u>Twelve Month Rolling Average ROE</u>	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>September 30,</u> <u>2019</u>	<u>June 30,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
U.S. GAAP Basis ROE	1.0%	3.2%	0.3%	1.5%	1.7%
Operating ROE ⁽¹⁾	3.3%	3.9%	0.9%	0.6%	0.2%
Three months ended					
<u>Quarterly Average ROE</u>	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>September 30,</u> <u>2019</u>	<u>June 30,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
U.S. GAAP Basis ROE	(2.5)%	(0.6)%	0.7%	6.3%	6.6%
Operating ROE ⁽¹⁾	1.2%	0.9%	4.6%	6.7%	3.6%
Three months ended					
<u>Basic and Diluted Shares</u>	<u>March 31, 2020</u>				
Weighted-average common shares used in basic earnings per share calculations	504.3				
Potentially dilutive securities:					
Stock options, restricted stock units and stock appreciation rights	—				
Weighted-average common shares used in diluted earnings per share calculations ⁽²⁾	<u>504.3</u>				

⁽¹⁾ See page 43 herein for a reconciliation of U.S. GAAP Basis ROE to Operating ROE.

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

Consolidated Quarterly Results

GENWORTH FINANCIAL, INC.
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Consolidated Net Income (Loss) by Quarter
(amounts in millions, except per share amounts)

	2020		2019			Total
	1Q	4Q	3Q	2Q	1Q	
REVENUES:						
Premiums	\$1,015	\$1,033	\$1,015	\$1,001	\$ 988	\$4,037
Net investment income	793	794	816	816	794	3,220
Net investment gains (losses)	(152)	23	(2)	(46)	75	50
Policy fees and other income	181	188	191	223	187	789
Total revenues	<u>1,837</u>	<u>2,038</u>	<u>2,020</u>	<u>1,994</u>	<u>2,044</u>	<u>8,096</u>
BENEFITS AND EXPENSES:						
Benefits and other changes in policy reserves	1,361	1,346	1,284	1,251	1,282	5,163
Interest credited	141	138	146	146	147	577
Acquisition and operating expenses, net of deferrals	249	249	247	229	237	962
Amortization of deferred acquisition costs and intangibles	116	164	112	84	81	441
Interest expense	52	60	59	60	60	239
Total benefits and expenses	<u>1,919</u>	<u>1,957</u>	<u>1,848</u>	<u>1,770</u>	<u>1,807</u>	<u>7,382</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	<u>(82)</u>	<u>81</u>	<u>172</u>	<u>224</u>	<u>237</u>	<u>714</u>
Provision (benefit) for income taxes	(10)	26	34	66	69	195
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>(72)</u>	<u>55</u>	<u>138</u>	<u>158</u>	<u>168</u>	<u>519</u>
Income (loss) from discontinued operations, net of taxes ⁽¹⁾	—	(31)	(80)	60	62	11
NET INCOME (LOSS)	<u>(72)</u>	<u>24</u>	<u>58</u>	<u>218</u>	<u>230</u>	<u>530</u>
Less: net income (loss) from continuing operations attributable to noncontrolling interests	(6)	19	10	15	20	64
Less: net income from discontinued operations attributable to noncontrolling interests	—	22	30	35	36	123
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	<u>\$ (66)</u>	<u>\$ (17)</u>	<u>\$ 18</u>	<u>\$ 168</u>	<u>\$ 174</u>	<u>\$ 343</u>
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:						
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders	\$ (66)	\$ 36	\$ 128	\$ 143	\$ 148	\$ 455
Income (loss) from discontinued operations available to Genworth Financial, Inc.'s common stockholders	—	(53)	(110)	25	26	(112)
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	<u>\$ (66)</u>	<u>\$ (17)</u>	<u>\$ 18</u>	<u>\$ 168</u>	<u>\$ 174</u>	<u>\$ 343</u>
Earnings (Loss) Per Share Data:						
Income (loss) from continuing operations available to Genworth Financial, Inc.'s common stockholders per share						
Basic	\$ (0.13)	\$ 0.07	\$ 0.25	\$ 0.29	\$ 0.29	\$ 0.90
Diluted	\$ (0.13)	\$ 0.07	\$ 0.25	\$ 0.28	\$ 0.29	\$ 0.89
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share						
Basic	\$ (0.13)	\$ (0.03)	\$ 0.04	\$ 0.33	\$ 0.35	\$ 0.68
Diluted	\$ (0.13)	\$ (0.03)	\$ 0.04	\$ 0.33	\$ 0.34	\$ 0.67
Weighted-average common shares outstanding						
Basic	504.3	503.5	503.5	503.4	501.2	502.9
Diluted ⁽²⁾	504.3	510.4	511.2	508.7	508.6	509.7

(1) Income (loss) from discontinued operations related to the Canada mortgage insurance business that was sold on December 12, 2019 and the lifestyle protection insurance business that was sold on December 1, 2015. During the fourth quarter of 2019, the company recorded an after-tax loss of \$110 million in connection with pending litigation involving two insurance companies that were part of the sale of the lifestyle protection insurance business.

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

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020**

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

	2020		2019			
	1Q	4Q	3Q	2Q	1Q	Total
NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	\$ (66)	\$ (17)	\$ 18	\$ 168	\$ 174	\$ 343
Add: net income (loss) from continuing operations attributable to noncontrolling interests	(6)	19	10	15	20	64
Add: net income from discontinued operations attributable to noncontrolling interests	—	22	30	35	36	123
NET INCOME (LOSS)	(72)	24	58	218	230	530
Less: income (loss) from discontinued operations, net of taxes	—	(31)	(80)	60	62	11
INCOME (LOSS) FROM CONTINUING OPERATIONS	(72)	55	138	158	168	519
Less: net income (loss) from continuing operations attributable to noncontrolling interests	(6)	19	10	15	20	64
INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	(66)	36	128	143	148	455
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:						
Net investment (gains) losses, net ⁽¹⁾	115	(17)	(5)	43	(71)	(50)
Losses on early extinguishment of debt	12	—	—	—	—	—
Expenses related to restructuring	1	—	—	—	4	4
Taxes on adjustments	(29)	5	—	(8)	14	11
ADJUSTED OPERATING INCOME	<u>\$ 33</u>	<u>\$ 24</u>	<u>\$ 123</u>	<u>\$ 178</u>	<u>\$ 95</u>	<u>\$ 420</u>
ADJUSTED OPERATING INCOME (LOSS):						
U.S. Mortgage Insurance segment	\$ 148	\$ 160	\$ 137	\$ 147	\$ 124	\$ 568
Australia Mortgage Insurance segment	9	12	12	13	14	51
U.S. Life Insurance segment:						
Long-Term Care Insurance	1	19	21	37	(20)	57
Life Insurance	(77)	(164)	(25)	10	(2)	(181)
Fixed Annuities	6	30	3	19	17	69
Total U.S. Life Insurance segment	(70)	(115)	(1)	66	(5)	(55)
Runoff segment	(13)	17	10	9	20	56
Corporate and Other	(41)	(50)	(35)	(57)	(58)	(200)
ADJUSTED OPERATING INCOME	<u>\$ 33</u>	<u>\$ 24</u>	<u>\$ 123</u>	<u>\$ 178</u>	<u>\$ 95</u>	<u>\$ 420</u>
Earnings (Loss) Per Share Data:						
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share						
Basic	\$ (0.13)	\$ (0.03)	\$ 0.04	\$ 0.33	\$ 0.35	\$ 0.68
Diluted	\$ (0.13)	\$ (0.03)	\$ 0.04	\$ 0.33	\$ 0.34	\$ 0.67
Adjusted operating income per share						
Basic	\$ 0.07	\$ 0.05	\$ 0.25	\$ 0.35	\$ 0.19	\$ 0.84
Diluted	\$ 0.07	\$ 0.05	\$ 0.24	\$ 0.35	\$ 0.19	\$ 0.82
Weighted-average common shares outstanding						
Basic	504.3	503.5	503.5	503.4	501.2	502.9
Diluted ⁽²⁾	504.3	510.4	511.2	508.7	508.6	509.7

(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 41 for reconciliation).

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

GENWORTH FINANCIAL, INC.
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Consolidated Balance Sheets
(amounts in millions)

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>	<u>June 30, 2019</u>	<u>March 31, 2019</u>
ASSETS					
Investments:					
Fixed maturity securities available-for-sale, at fair value (amortized cost of \$54,136 and allowance for credit losses of \$— of March 31, 2020)	\$59,051	\$ 60,339	\$ 61,233	\$ 59,491	\$ 57,153
Equity securities, at fair value	188	239	239	262	251
Commercial mortgage loans ⁽¹⁾	6,944	6,976	7,045	7,030	6,998
Less: Allowance for credit losses	(29)	(13)	(12)	(11)	(10)
Commercial mortgage loans, net	6,915	6,963	7,033	7,019	6,988
Policy loans	2,052	2,058	2,069	2,076	1,994
Other invested assets	2,465	1,632	1,693	1,396	1,106
Total investments	70,671	71,231	72,267	70,244	67,492
Cash, cash equivalents and restricted cash	2,483	3,341	1,629	1,715	2,020
Accrued investment income	707	654	643	595	685
Deferred acquisition costs	1,898	1,836	1,881	1,980	2,097
Intangible assets and goodwill	263	201	210	229	250
Reinsurance recoverable	17,122	17,103	17,180	17,211	17,257
Less: Allowance for credit losses	(42)	—	—	—	—
Reinsurance recoverable, net	17,080	17,103	17,180	17,211	17,257
Other assets	456	443	479	516	467
Deferred tax asset	319	425	236	383	573
Separate account assets	4,967	6,108	6,005	6,187	6,210
Assets held for sale related to discontinued operations ⁽²⁾	—	—	5,123	5,246	5,137
Total assets	<u>\$98,844</u>	<u>\$101,342</u>	<u>\$105,653</u>	<u>\$104,306</u>	<u>\$102,188</u>

⁽¹⁾ Net of unamortized balance of loan origination fees and costs of \$4 million as of March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019.

⁽²⁾ Prior to the sale on December 12, 2019, the assets for the Canada mortgage insurance business were held for sale related to discontinued operations and segregated in the consolidated balance sheets.

GENWORTH FINANCIAL, INC.
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Consolidated Balance Sheets
(amounts in millions)

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>	<u>June 30, 2019</u>	<u>March 31, 2019</u>
LIABILITIES AND EQUITY					
Liabilities:					
Future policy benefits	\$39,339	\$ 40,384	\$ 40,489	\$ 39,583	\$ 38,369
Policyholder account balances	22,313	22,217	22,607	22,673	22,651
Liability for policy and contract claims	11,132	10,958	10,780	10,586	10,448
Unearned premiums	1,722	1,893	1,863	1,917	1,964
Other liabilities	1,686	1,562	1,445	1,604	1,564
Non-recourse funding obligations	—	311	311	311	311
Long-term borrowings	2,851	3,277	3,706	3,711	3,711
Separate account liabilities	4,967	6,108	6,005	6,187	6,210
Liabilities held for sale related to discontinued operations ⁽¹⁾	—	—	2,302	2,142	2,078
Total liabilities	<u>84,010</u>	<u>86,710</u>	<u>89,508</u>	<u>88,714</u>	<u>87,306</u>
Equity:					
Common stock	1	1	1	1	1
Additional paid-in capital	11,993	11,990	11,986	11,983	11,989
Accumulated other comprehensive income (loss)	3,815	3,433	3,622	3,013	2,492
Retained earnings	1,340	1,461	1,478	1,460	1,292
Treasury stock, at cost	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Total Genworth Financial, Inc.'s stockholders' equity	14,449	14,185	14,387	13,757	13,074
Noncontrolling interests	385	447	1,758	1,835	1,808
Total equity	<u>14,834</u>	<u>14,632</u>	<u>16,145</u>	<u>15,592</u>	<u>14,882</u>
Total liabilities and equity	<u>\$98,844</u>	<u>\$101,342</u>	<u>\$105,653</u>	<u>\$104,306</u>	<u>\$102,188</u>

⁽¹⁾ Prior to the sale on December 12, 2019, the liabilities for the Canada mortgage insurance business were held for sale related to discontinued operations and segregated in the consolidated balance sheets.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

Consolidated Balance Sheet by Segment
(amounts in millions)

	March 31, 2020					Total
	U.S. Mortgage Insurance	Australia Mortgage Insurance	U.S. Life Insurance	Runoff	Corporate and Other ⁽¹⁾	
ASSETS						
Cash and investments	\$4,385	\$1,915	\$62,482	\$3,634	\$ 1,445	\$73,861
Deferred acquisition costs and intangible assets	48	81	1,855	166	11	2,161
Reinsurance recoverable, net	—	4	16,322	754	—	17,080
Deferred tax and other assets	109	146	(95)	(19)	634	775
Separate account assets	—	—	—	4,967	—	4,967
Total assets	<u>\$4,542</u>	<u>\$2,146</u>	<u>\$80,564</u>	<u>\$9,502</u>	<u>\$ 2,090</u>	<u>\$98,844</u>
LIABILITIES AND EQUITY						
Liabilities:						
Future policy benefits	\$ —	\$ —	\$39,337	\$ 2	\$ —	\$39,339
Policyholder account balances	—	—	18,684	3,629	—	22,313
Liability for policy and contract claims	230	184	10,702	10	6	11,132
Unearned premiums	366	876	476	4	—	1,722
Other liabilities	71	203	733	43	636	1,686
Borrowings	—	122	—	—	2,729	2,851
Separate account liabilities	—	—	—	4,967	—	4,967
Total liabilities	<u>667</u>	<u>1,385</u>	<u>69,932</u>	<u>8,655</u>	<u>3,371</u>	<u>84,010</u>
Equity:						
Allocated equity, excluding accumulated other comprehensive income (loss)	3,891	395	6,643	850	(1,145)	10,634
Allocated accumulated other comprehensive income (loss)	(16)	(19)	3,989	(3)	(136)	3,815
Total Genworth Financial, Inc.'s stockholders' equity	<u>3,875</u>	<u>376</u>	<u>10,632</u>	<u>847</u>	<u>(1,281)</u>	<u>14,449</u>
Noncontrolling interests	—	385	—	—	—	385
Total equity	<u>3,875</u>	<u>761</u>	<u>10,632</u>	<u>847</u>	<u>(1,281)</u>	<u>14,834</u>
Total liabilities and equity	<u>\$4,542</u>	<u>\$2,146</u>	<u>\$80,564</u>	<u>\$9,502</u>	<u>\$ 2,090</u>	<u>\$98,844</u>

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

Consolidated Balance Sheet by Segment
(amounts in millions)

	December 31, 2019					
	U.S. Mortgage Insurance	Australia Mortgage Insurance	U.S. Life Insurance	Runoff	Corporate and Other ⁽¹⁾	Total
ASSETS						
Cash and investments	\$4,373	\$2,212	\$63,453	\$2,927	\$ 2,261	\$ 75,226
Deferred acquisition costs and intangible assets	49	53	1,757	168	10	2,037
Reinsurance recoverable	—	—	16,386	717	—	17,103
Deferred tax and other assets	82	141	44	33	568	868
Separate account assets	—	—	—	6,108	—	6,108
Total assets	<u>\$4,504</u>	<u>\$2,406</u>	<u>\$81,640</u>	<u>\$9,953</u>	<u>\$ 2,839</u>	<u>\$101,342</u>
LIABILITIES AND EQUITY						
Liabilities:						
Future policy benefits	\$ —	\$ —	\$40,382	\$ 2	\$ —	\$ 40,384
Policyholder account balances	—	—	19,006	3,211	—	22,217
Liability for policy and contract claims	233	208	10,500	9	8	10,958
Unearned premiums	384	1,008	498	3	—	1,893
Non-recourse funding obligations	—	—	311	—	—	311
Other liabilities	90	161	520	46	745	1,562
Borrowings	—	140	—	—	3,137	3,277
Separate account liabilities	—	—	—	6,108	—	6,108
Total liabilities	<u>707</u>	<u>1,517</u>	<u>71,217</u>	<u>9,379</u>	<u>3,890</u>	<u>86,710</u>
Equity:						
Allocated equity, excluding accumulated other comprehensive income (loss)	3,702	409	7,111	559	(1,029)	10,752
Allocated accumulated other comprehensive income (loss)	95	33	3,312	15	(22)	3,433
Total Genworth Financial, Inc.'s stockholders' equity	<u>3,797</u>	<u>442</u>	<u>10,423</u>	<u>574</u>	<u>(1,051)</u>	<u>14,185</u>
Noncontrolling interests	—	447	—	—	—	447
Total equity	<u>3,797</u>	<u>889</u>	<u>10,423</u>	<u>574</u>	<u>(1,051)</u>	<u>14,632</u>
Total liabilities and equity	<u>\$4,504</u>	<u>\$2,406</u>	<u>\$81,640</u>	<u>\$9,953</u>	<u>\$ 2,839</u>	<u>\$101,342</u>

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

Deferred Acquisition Costs Rollforward
(amounts in millions)

	<u>U.S. Mortgage Insurance</u>	<u>Australia Mortgage Insurance</u>	<u>U.S. Life Insurance</u>	<u>Runoff</u>	<u>Total</u>
Unamortized balance as of December 31, 2019	\$ 30	\$ 37	\$ 3,039	\$174	\$ 3,280
Costs deferred	3	3	(2)	—	4
Amortization, net of interest accretion	(3)	(3)	(83)	(16)	(105)
Impact of foreign currency translation	—	(5)	—	—	(5)
Unamortized balance as of March 31, 2020	<u>30</u>	<u>32</u>	<u>2,954</u>	<u>158</u>	<u>3,174</u>
Effect of accumulated net unrealized investment (gains) losses	—	—	(1,281)	5	(1,276)
Balance as of March 31, 2020	<u>\$ 30</u>	<u>\$ 32</u>	<u>\$ 1,673</u>	<u>\$163</u>	<u>\$ 1,898</u>

U.S. Mortgage Insurance Segment

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020**

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

	2020		2019			Total
	1Q	4Q	3Q	2Q	1Q	
REVENUES:						
Premiums	\$ 226	\$ 237	\$ 219	\$ 206	\$ 194	\$ 856
Net investment income	33	30	31	28	28	117
Net investment gains (losses)	—	1	—	—	—	1
Policy fees and other income	2	1	1	1	1	4
Total revenues	<u>261</u>	<u>269</u>	<u>251</u>	<u>235</u>	<u>223</u>	<u>978</u>
BENEFITS AND EXPENSES:						
Benefits and other changes in policy reserves	19	11	23	—	16	50
Acquisition and operating expenses, net of deferrals	50	50	51	44	46	191
Amortization of deferred acquisition costs and intangibles	4	4	3	4	4	15
Total benefits and expenses	<u>73</u>	<u>65</u>	<u>77</u>	<u>48</u>	<u>66</u>	<u>256</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	188	204	174	187	157	722
Provision for income taxes	40	43	37	40	33	153
INCOME FROM CONTINUING OPERATIONS	148	161	137	147	124	569
ADJUSTMENTS TO INCOME FROM CONTINUING OPERATIONS:						
Net investment (gains) losses	—	(1)	—	—	—	(1)
Taxes on adjustments	—	—	—	—	—	—
ADJUSTED OPERATING INCOME	<u>\$ 148</u>	<u>\$ 160</u>	<u>\$ 137</u>	<u>\$ 147</u>	<u>\$ 124</u>	<u>\$ 568</u>
SALES:						
Flow New Insurance Written (NIW)	<u>\$17,900</u>	\$18,100	\$18,900	\$15,800	\$9,600	\$62,400

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020		2019							
	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
Product										
Monthly ⁽¹⁾	\$16,400	92%	\$16,300	90%	\$16,800	89%	\$13,900	88%	\$8,400	87%
Single	1,500	8	1,800	10	2,100	11	1,900	12	1,200	13
Total Flow	<u>\$17,900</u>	<u>100%</u>	<u>\$18,100</u>	<u>100%</u>	<u>\$18,900</u>	<u>100%</u>	<u>\$15,800</u>	<u>100%</u>	<u>\$9,600</u>	<u>100%</u>
FICO Scores										
Over 735	\$11,200	63%	\$11,200	62%	\$11,300	60%	\$ 9,200	58%	\$5,500	57%
680-735	5,800	32	6,000	33	6,300	33	5,500	35	3,300	35
660-679 ⁽²⁾	500	3	500	3	700	4	600	4	400	4
620-659	400	2	400	2	600	3	500	3	400	4
<620	—	—	—	—	—	—	—	—	—	—
Total Flow	<u>\$17,900</u>	<u>100%</u>	<u>\$18,100</u>	<u>100%</u>	<u>\$18,900</u>	<u>100%</u>	<u>\$15,800</u>	<u>100%</u>	<u>\$9,600</u>	<u>100%</u>
Loan-To-Value Ratio										
95.01% and above	\$ 1,800	10%	\$ 2,000	11%	\$ 2,900	16%	\$ 2,900	18%	\$1,800	19%
90.01% to 95.00%	7,700	43	7,900	44	8,000	42	6,900	44	4,200	44
85.01% to 90.00%	5,500	31	5,600	31	5,500	29	4,300	27	2,500	26
85.00% and below	2,900	16	2,600	14	2,500	13	1,700	11	1,100	11
Total Flow	<u>\$17,900</u>	<u>100%</u>	<u>\$18,100</u>	<u>100%</u>	<u>\$18,900</u>	<u>100%</u>	<u>\$15,800</u>	<u>100%</u>	<u>\$9,600</u>	<u>100%</u>
Origination										
Purchase	\$12,000	67%	\$12,900	71%	\$14,900	79%	\$13,900	88%	\$8,600	90%
Refinance	5,900	33	5,200	29	4,000	21	1,900	12	1,000	10
Total Flow	<u>\$17,900</u>	<u>100%</u>	<u>\$18,100</u>	<u>100%</u>	<u>\$18,900</u>	<u>100%</u>	<u>\$15,800</u>	<u>100%</u>	<u>\$9,600</u>	<u>100%</u>

(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
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
Net Premiums Written	\$ 208	\$ 208	\$ 213	\$ 204	\$ 193	\$ 818
Flow New Risk Written	\$ 4,405	\$ 4,465	\$ 4,647	\$ 3,931	\$ 2,403	\$15,446
Primary Insurance In-Force⁽¹⁾	\$198,500	\$192,100	\$186,300	\$178,500	\$170,400	
Risk In-Force						
Flow ⁽²⁾	\$ 47,723	\$ 46,228	\$ 44,885	\$ 42,917	\$ 41,020	
Bulk ⁽³⁾	143	150	160	167	173	
Total Primary	47,866	46,378	45,045	43,084	41,193	
Pool	53	56	59	62	66	
Total Risk In-Force	<u>\$ 47,919</u>	<u>\$ 46,434</u>	<u>\$ 45,104</u>	<u>\$ 43,146</u>	<u>\$ 41,259</u>	
Primary Risk In-Force That Is GSE Conforming	92%	93%	93%	93%	93%	
Expense Ratio (Net Earned Premiums)⁽⁴⁾	24%	23%	24%	24%	25%	24%
Expense Ratio (Net Premiums Written)⁽⁵⁾	26%	27%	25%	24%	26%	25%
Flow Persistency	76%	74%	75%	82%	86%	
Risk To Capital Ratio⁽⁶⁾	12.2:1	12.2:1	11.9:1	11.8:1	11.9:1	
PMIERS Sufficiency Ratio⁽⁷⁾	142%	138%	129%	123%	123%	
Average Primary Loan Size (in thousands)	\$ 226	\$ 223	\$ 221	\$ 218	\$ 215	

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 March 31, 2020, 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 March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, the PMIERS sufficiency ratios were in excess of \$1.1 billion, \$1.0 billion, \$850 million, \$650 million and \$600 million, respectively, of available assets above the PMIERS requirements.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
Paid claims						
Flow						
Direct	\$ 20	\$ 22	\$ 28	\$ 24	\$ 30	\$ 104
Assumed ⁽¹⁾	—	—	—	—	—	—
Ceded	—	—	—	—	—	—
Loss adjustment expenses	2	2	1	2	2	7
Total Flow	22	24	29	26	32	111
Bulk	—	1	—	—	—	1
Total Primary	22	25	29	26	32	112
Pool	—	—	1	—	—	1
Total Paid Claims	<u>\$ 22</u>	<u>\$ 25</u>	<u>\$ 30</u>	<u>\$ 26</u>	<u>\$ 32</u>	<u>\$ 113</u>
Average Paid Claim (in thousands)	\$45.0	\$39.2	\$44.2	\$45.4	\$49.0	
Average Reserve Per Delinquency (in thousands)						
Flow	\$14.8	\$14.1	\$15.5	\$16.5	\$17.4	
Bulk loans with established reserve	\$12.4	\$13.4	\$13.3	\$14.1	\$13.8	
Reserves:						
Flow direct case	\$ 201	\$ 204	\$ 216	\$ 222	\$ 246	
Bulk direct case	4	4	4	4	4	
Assumed ⁽¹⁾	1	1	1	1	1	
All other ⁽²⁾	24	24	26	27	29	
Total Reserves	<u>\$ 230</u>	<u>\$ 233</u>	<u>\$ 247</u>	<u>\$ 254</u>	<u>\$ 280</u>	
Beginning Reserves	\$ 233	\$ 247	\$ 254	\$ 280	\$ 296	\$ 296
Paid claims	(22)	(25)	(30)	(26)	(32)	(113)
Increase (decrease) in reserves	19	11	23	—	16	50
Ending Reserves	<u>\$ 230</u>	<u>\$ 233</u>	<u>\$ 247</u>	<u>\$ 254</u>	<u>\$ 280</u>	<u>\$ 233</u>
Loss Ratio⁽³⁾	8%	4%	11%	— %	8%	6%

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⁾ The ratio of benefits and other changes in policy reserves to net earned premiums. The company recorded a favorable reserve adjustment of \$13 million and a favorable adjustment to net earned premiums of \$14 million in the fourth quarter of 2019, which reduced the loss ratio by six percentage points for the three months ended December 31, 2019. The company also recorded a favorable reserve adjustment of \$10 million in the second quarter of 2019, which reduced the loss ratio by five percentage points for the three months ended June 30, 2019. These adjustments reduced the loss ratio by three percentage points for the twelve months ended December 31, 2019.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
Number of Primary Delinquencies						
Flow	15,246	16,209	15,575	15,070	15,764	
Bulk loans with an established reserve	345	348	375	347	360	
Bulk loans with no reserve ⁽¹⁾	57	50	55	65	82	
Total Number of Primary Delinquencies	<u>15,648</u>	<u>16,607</u>	<u>16,005</u>	<u>15,482</u>	<u>16,206</u>	
Beginning Number of Primary Delinquencies	16,607	16,005	15,482	16,206	17,159	17,159
New delinquencies	8,214	8,738	8,650	7,705	8,539	33,632
Delinquency cures	(8,699)	(7,526)	(7,451)	(7,872)	(8,835)	(31,684)
Paid claims	(474)	(610)	(676)	(557)	(657)	(2,500)
Ending Number of Primary Delinquencies	<u>15,648</u>	<u>16,607</u>	<u>16,005</u>	<u>15,482</u>	<u>16,206</u>	<u>16,607</u>
Composition of Cures						
Reported delinquent and cured-intraquarter	2,228	1,681	1,803	1,621	2,342	
Number of missed payments delinquent prior to cure:						
3 payments or less	4,901	4,457	4,280	4,567	4,862	
4-11 payments	1,393	1,179	1,132	1,434	1,345	
12 payments or more	177	209	236	250	286	
Total	<u>8,699</u>	<u>7,526</u>	<u>7,451</u>	<u>7,872</u>	<u>8,835</u>	
Primary Delinquencies by Missed Payment Status						
3 payments or less	7,757	8,703	8,398	7,807	7,873	
4-11 payments	4,953	4,919	4,411	4,243	4,755	
12 payments or more	2,938	2,985	3,196	3,432	3,578	
Primary Delinquencies	<u>15,648</u>	<u>16,607</u>	<u>16,005</u>	<u>15,482</u>	<u>16,206</u>	

Flow Delinquencies and Percentage Reserved by Payment Status

	Delinquencies	Direct Case Reserves ⁽²⁾	Risk In-Force	Reserves as % of Risk In-Force
3 payments or less in default	7,572	\$ 24	\$ 351	7%
4-11 payments in default	4,872	82	230	36%
12 payments or more in default	2,802	95	142	67%
Total	<u>15,246</u>	<u>\$ 201</u>	<u>\$ 723</u>	<u>28%</u>

March 31, 2020

	Delinquencies	Direct Case Reserves ⁽²⁾	Risk In-Force	Reserves as % of Risk In-Force
3 payments or less in default	8,524	\$ 27	\$ 386	7%
4-11 payments in default	4,836	78	224	35%
12 payments or more in default	2,849	99	145	68%
Total	<u>16,209</u>	<u>\$ 204</u>	<u>\$ 755</u>	<u>27%</u>

Flow Delinquencies and Percentage Reserved by Payment Status

	Delinquencies	Direct Case Reserves ⁽²⁾	Risk In-Force	Reserves as % of Risk In-Force
3 payments or less in default	8,524	\$ 27	\$ 386	7%
4-11 payments in default	4,836	78	224	35%
12 payments or more in default	2,849	99	145	68%
Total	<u>16,209</u>	<u>\$ 204</u>	<u>\$ 755</u>	<u>27%</u>

December 31, 2019

	Delinquencies	Direct Case Reserves ⁽²⁾	Risk In-Force	Reserves as % of Risk In-Force
3 payments or less in default	8,524	\$ 27	\$ 386	7%
4-11 payments in default	4,836	78	224	35%
12 payments or more in default	2,849	99	145	68%
Total	<u>16,209</u>	<u>\$ 204</u>	<u>\$ 755</u>	<u>27%</u>

(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
FIRST QUARTER 2020

Portfolio Quality Metrics—U.S. Mortgage Insurance Segment

	2020	2019			
	1Q	4Q	3Q	2Q	1Q
<u>Primary Loans</u>					
Primary loans in-force	876,912	860,214	842,692	818,358	792,800
Primary delinquent loans	15,648	16,607	16,005	15,482	16,206
Primary delinquency rate	1.78%	1.93%	1.90%	1.89%	2.04%
Flow loans in-force	866,562	849,472	831,586	806,739	780,733
Flow delinquent loans	15,246	16,209	15,575	15,070	15,764
Flow delinquency rate	1.76%	1.91%	1.87%	1.87%	2.02%
Bulk loans in-force	10,350	10,742	11,106	11,619	12,067
Bulk delinquent loans	402	398	430	412	442
Bulk delinquency rate	3.88%	3.71%	3.87%	3.55%	3.66%
A minus and sub-prime loans in-force	12,243	12,792	13,450	14,180	14,712
A minus and sub-prime delinquent loans	2,077	2,283	2,339	2,367	2,530
A minus and sub-prime delinquency rate	16.96%	17.85%	17.39%	16.69%	17.20%
<u>Pool Loans</u>					
Pool loans in-force	4,071	4,122	4,261	4,331	4,470
Pool delinquent loans	132	167	168	177	187
Pool delinquency rate	3.24%	4.05%	3.94%	4.09%	4.18%
<u>Primary Risk In-Force by Credit Quality</u>					
Over 735	58%	57%	57%	57%	57%
680-735	33%	33%	33%	32%	32%
660-679 ⁽¹⁾	4%	5%	5%	5%	5%
620-659	4%	4%	4%	5%	5%
<620	1%	1%	1%	1%	1%

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

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

Policy Year	March 31, 2020						
	Average Rate ⁽¹⁾	% of Total Reserves ⁽²⁾	Primary Insurance In-Force	% of Total	Primary Risk In-Force	% of Total	Delinquency Rate
2004 and prior	6.14%	7.2%	\$ 1,290	0.6%	\$ 242	0.5%	11.02%
2005 to 2008	5.47%	48.2	14,870	7.5	3,400	7.1	7.96%
2009 to 2013	4.22%	4.0	6,246	3.1	1,465	3.1	1.84%
2014	4.46%	4.0	6,492	3.3	1,561	3.3	2.05%
2015	4.16%	5.9	13,408	6.8	3,227	6.7	1.52%
2016	3.89%	8.7	25,079	12.6	6,031	12.6	1.21%
2017	4.25%	9.6	27,335	13.8	6,616	13.8	1.29%
2018	4.76%	9.1	29,005	14.6	7,034	14.7	1.21%
2019	4.26%	3.3	56,918	28.7	13,912	29.1	0.30%
2020	3.82%	—	17,824	9.0	4,378	9.1	0.01%
Total	4.40%	100.0%	\$198,467	100.0%	\$47,866	100.0%	1.78%

	March 31, 2020		December 31, 2019		March 31, 2019	
	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)	\$47,866	1.78%	\$ 46,378	1.93%	\$41,193	2.04%
Top 10 lenders	\$15,099	1.82%	\$ 14,013	2.03%	\$11,617	2.38%
Top 20 lenders	\$19,410	1.75%	\$ 18,264	1.91%	\$15,555	2.27%
Loan-to-value ratio						
95.01% and above	\$ 8,482	2.00%	\$ 8,364	3.29%	\$ 7,401	3.46%
90.01% to 95.00%	24,707	1.50%	23,958	1.59%	21,433	1.59%
80.01% to 90.00%	14,540	1.37%	13,912	1.50%	12,195	1.73%
80.00% and below	137	2.42%	144	2.21%	164	2.43%
Total	\$47,866	1.78%	\$ 46,378	1.93%	\$41,193	2.04%
Loan grade						
Prime	\$47,433	1.57%	\$ 45,929	1.69%	\$40,678	1.76%
A minus and sub-prime	433	16.96%	449	17.85%	515	17.20%
Total	\$47,866	1.78%	\$ 46,378	1.93%	\$41,193	2.04%

(1) Average Annual Mortgage Interest Rate.

(2) Total reserves were \$230 million as of March 31, 2020.

Australia Mortgage Insurance Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020		2019				
	1Q		4Q	3Q	2Q	1Q	Total
REVENUES:							
Premiums	\$ 69		\$ 72	\$ 77	\$ 80	\$ 83	\$ 312
Net investment income	10		11	13	15	16	55
Net investment gains (losses)	(53)		19	(9)	1	12	23
Policy fees and other income	1		—	1	—	(1)	—
Total revenues	<u>27</u>		<u>102</u>	<u>82</u>	<u>96</u>	<u>110</u>	<u>390</u>
BENEFITS AND EXPENSES:							
Benefits and other changes in policy reserves	24		22	28	26	28	104
Acquisition and operating expenses, net of deferrals	17		18	17	17	17	69
Amortization of deferred acquisition costs and intangibles	8		6	9	9	9	33
Interest expense	1		2	2	2	2	8
Total benefits and expenses	<u>50</u>		<u>48</u>	<u>56</u>	<u>54</u>	<u>56</u>	<u>214</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(23)		54	26	42	54	176
Provision (benefit) for income taxes	(7)		16	8	13	16	53
INCOME (LOSS) FROM CONTINUING OPERATIONS	(16)		38	18	29	38	123
Less: net income (loss) from continuing operations attributable to noncontrolling interests	(6)		19	10	15	20	64
INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS	(10)		19	8	14	18	59
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:							
Net investment (gains) losses, net ⁽¹⁾	27		(10)	5	(1)	(6)	(12)
Taxes on adjustments	(8)		3	(1)	—	2	4
ADJUSTED OPERATING INCOME ⁽²⁾	<u>\$ 9</u>		<u>\$ 12</u>	<u>\$ 12</u>	<u>\$ 13</u>	<u>\$ 14</u>	<u>\$ 51</u>
SALES:							
New Insurance Written (NIW)							
Flow	\$4,100		\$4,900	\$4,600	\$3,700	\$3,400	\$16,600
Bulk	200		400	—	1,200	500	2,100
Total Australia NIW ^{(3),(4)}	<u>\$4,300</u>		<u>\$5,300</u>	<u>\$4,600</u>	<u>\$4,900</u>	<u>\$3,900</u>	<u>\$18,700</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	\$ 53	\$ (19)	\$ 9	\$ (1)	\$ (12)	\$ (23)
Adjustment for net investment gains (losses) attributable to noncontrolling interests	(26)	9	(4)	—	6	11
Net investment (gains) losses, net	<u>\$ 27</u>	<u>\$ (10)</u>	<u>\$ 5</u>	<u>\$ (1)</u>	<u>\$ (6)</u>	<u>\$ (12)</u>

(2) Adjusted operating income for the Australian platform adjusted for foreign exchange as compared to the prior year period was \$10 million for the three months ended March 31, 2020.

(3) New insurance written for the Australian platform adjusted for foreign exchange as compared to the prior year period was \$4,500 million for the three months ended March 31, 2020.

(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
FIRST QUARTER 2020

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

	2020		2019				
	1Q		4Q	3Q	2Q	1Q	Total
Net Premiums Written	\$ 62		\$ 92	\$ 70	\$ 58	\$ 52	\$ 272
Loss Ratio ⁽¹⁾	34%		30%	36%	34%	34%	33%
Expense Ratio (Net Earned Premiums) ⁽²⁾	36%		34%	34%	33%	31%	33%
Expense Ratio (Net Premiums Written) ⁽³⁾	40%		26%	38%	44%	50%	38%
Primary Insurance In-Force ⁽⁴⁾	\$ 188,400		\$215,700	\$206,400	\$215,600	\$ 219,200	
Primary Risk In-Force ^{(4),(5)}							
Flow	\$ 60,700		\$ 69,400	\$ 66,400	\$ 69,100	\$ 70,600	
Bulk	5,000		5,700	5,500	6,000	5,700	
Total	<u>\$ 65,700</u>		<u>\$ 75,100</u>	<u>\$ 71,900</u>	<u>\$ 75,100</u>	<u>\$ 76,300</u>	

	March 31, 2020			December 31, 2019		
	Primary	Flow	Bulk	Primary	Flow	Bulk
Risk In-Force by Loan-To-Value Ratio ^{(4),(6)}						
95.01% and above	\$ 8,669	\$ 8,669	\$ —	\$ 10,153	\$10,152	\$ 1
90.01% to 95.00%	18,719	18,711	8	21,284	21,277	7
80.01% to 90.00%	20,899	20,828	71	23,556	23,487	69
80.00% and below	17,363	12,517	4,846	20,156	14,543	5,613
Total	<u>\$ 65,650</u>	<u>\$ 60,725</u>	<u>\$ 4,925</u>	<u>\$ 75,149</u>	<u>\$69,459</u>	<u>\$5,690</u>

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 \$143 million, \$162 million, \$152 million, \$157 million and \$157 million as of March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, 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
FIRST QUARTER 2020

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

Primary Insurance⁽¹⁾	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Insured loans in-force	1,284,120	1,290,216	1,293,961	1,308,811	1,323,172
Insured delinquent loans	7,274	7,221	7,713	7,891	7,490
Insured delinquency rate	0.57%	0.56%	0.60%	0.60%	0.57%
Flow loans in-force	1,183,889	1,189,019	1,192,282	1,200,603	1,217,050
Flow delinquent loans	7,055	7,003	7,469	7,642	7,265
Flow delinquency rate	0.60%	0.59%	0.63%	0.64%	0.60%
Bulk loans in-force	100,231	101,197	101,679	108,208	106,122
Bulk delinquent loans	219	218	244	249	225
Bulk delinquency rate	0.22%	0.22%	0.24%	0.23%	0.21%

Loss Metrics	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Beginning Reserves	\$ 208	\$ 204	\$ 209	\$ 204	\$ 196
Paid claims ⁽²⁾	(21)	(25)	(24)	(20)	(22)
Increase in reserves	24	22	27	27	28
Impact of changes in foreign exchange rates	(27)	7	(8)	(2)	2
Ending Reserves	\$ 184	\$ 208	\$ 204	\$ 209	\$ 204

State and Territory⁽¹⁾	March 31, 2020		December 31, 2019		March 31, 2019	
	% 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%	0.44%	27%	0.42%	28%	0.41%
Queensland	23	0.75%	23	0.75%	23	0.74%
Victoria	23	0.42%	23	0.41%	22	0.42%
Western Australia	13	1.00%	13	1.00%	13	1.05%
South Australia	6	0.67%	6	0.65%	6	0.69%
Australian Capital Territory	3	0.25%	3	0.24%	3	0.19%
Tasmania	2	0.30%	2	0.29%	2	0.28%
New Zealand	2	0.02%	2	0.02%	2	0.04%
Northern Territory	1	0.83%	1	0.71%	1	0.76%
Total	100%	0.57%	100%	0.56%	100%	0.57%

By Policy Year⁽¹⁾	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	
2011 and prior	46%	0.50%	47%	0.50%	49%	0.51%
2012	5	0.93%	5	0.95%	6	1.05%
2013	6	1.06%	6	1.04%	7	0.98%
2014	7	1.05%	7	1.04%	8	0.90%
2015	7	0.79%	7	0.77%	8	0.74%
2016	6	0.64%	6	0.60%	7	0.54%
2017	6	0.51%	7	0.45%	7	0.28%
2018	7	0.35%	7	0.28%	7	0.07%
2019	8	0.04%	8	0.02%	1	— %
2020	2	— %	—	— %	—	— %
Total	100%	0.57%	100%	0.56%	100%	0.57%

(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
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
Paid Claims⁽¹⁾						
Flow	\$ 31	\$ 37	\$ 35	\$ 28	\$ 30	\$ 130
Total Paid Claims	<u>\$ 31</u>	<u>\$ 37</u>	<u>\$ 35</u>	<u>\$ 28</u>	<u>\$ 30</u>	<u>\$ 130</u>
Average Paid Claim (in thousands)	\$92.7	\$99.4	\$97.9	\$94.1	\$94.2	
Average Reserve Per Delinquency (in thousands)	\$41.3	\$41.1	\$39.2	\$37.8	\$38.4	
Loss Metrics						
Beginning Reserves	\$ 297	\$ 302	\$ 298	\$ 288	\$ 279	\$ 279
Paid claims ⁽¹⁾	(31)	(37)	(35)	(28)	(30)	(130)
Increase in reserves	<u>35</u>	<u>32</u>	<u>39</u>	<u>38</u>	<u>39</u>	<u>148</u>
Ending Reserves	<u>\$ 301</u>	<u>\$ 297</u>	<u>\$ 302</u>	<u>\$ 298</u>	<u>\$ 288</u>	<u>\$ 297</u>
Loan Amount^{(2),(3)}						
Over \$550K	20%	19%	19%	19%	18%	
\$400K to \$550K	22	22	22	21	21	
\$250K to \$400K	32	33	33	33	34	
\$100K to \$250K	21	21	21	22	22	
\$100K or Less	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	
Average Primary Loan Size (in thousands)⁽³⁾	\$ 240	\$ 238	\$ 236	\$ 235	\$ 233	

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
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
REVENUES:						
Premiums	\$ 718	\$ 722	\$ 717	\$ 713	\$ 709	\$2,861
Net investment income	695	705	722	724	701	2,852
Net investment gains (losses)	(70)	23	11	(36)	84	82
Policy fees and other income	144	153	152	187	151	643
Total revenues	<u>1,487</u>	<u>1,603</u>	<u>1,602</u>	<u>1,588</u>	<u>1,645</u>	<u>6,438</u>
BENEFITS AND EXPENSES:						
Benefits and other changes in policy reserves	1,297	1,307	1,225	1,211	1,236	4,979
Interest credited	100	101	106	106	106	419
Acquisition and operating expenses, net of deferrals	151	156	158	142	148	604
Amortization of deferred acquisition costs and intangibles	87	150	89	67	66	372
Interest expense	5	4	4	4	5	17
Total benefits and expenses	<u>1,640</u>	<u>1,718</u>	<u>1,582</u>	<u>1,530</u>	<u>1,561</u>	<u>6,391</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(153)	(115)	20	58	84	47
Provision (benefit) for income taxes	(27)	(19)	10	19	24	34
INCOME (LOSS) FROM CONTINUING OPERATIONS	(126)	(96)	10	39	60	13
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:						
Net investment (gains) losses, net ⁽¹⁾	67	(24)	(14)	35	(86)	(89)
Losses from early extinguishment of debt	4	—	—	—	—	—
Expenses related to restructuring	—	—	—	(1)	4	3
Taxes on adjustments	(15)	5	3	(7)	17	18
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ (70)</u>	<u>\$ (115)</u>	<u>\$ (1)</u>	<u>\$ 66</u>	<u>\$ (5)</u>	<u>\$ (55)</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	\$ 70	\$ (23)	\$ (11)	\$ 36	\$ (84)	\$ (82)
Adjustment for DAC and other intangible amortization and certain benefit reserves	(3)	(1)	(3)	(1)	(2)	(7)
Net investment (gains) losses, net	<u>\$ 67</u>	<u>\$ (24)</u>	<u>\$ (14)</u>	<u>\$ 35</u>	<u>\$ (86)</u>	<u>\$ (89)</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
REVENUES:						
Premiums	\$ 642	\$ 663	\$ 652	\$ 640	\$ 628	\$2,583
Net investment income	419	424	432	428	406	1,690
Net investment gains (losses)	(55)	19	28	(15)	80	112
Policy fees and other income	—	—	(2)	2	—	—
Total revenues	<u>1,006</u>	<u>1,106</u>	<u>1,110</u>	<u>1,055</u>	<u>1,114</u>	<u>4,385</u>
BENEFITS AND EXPENSES:						
Benefits and other changes in policy reserves	928	925	916	896	927	3,664
Interest credited	—	—	—	—	—	—
Acquisition and operating expenses, net of deferrals	101	105	106	93	101	405
Amortization of deferred acquisition costs and intangibles	24	25	25	26	25	101
Interest expense	—	—	—	—	—	—
Total benefits and expenses	<u>1,053</u>	<u>1,055</u>	<u>1,047</u>	<u>1,015</u>	<u>1,053</u>	<u>4,170</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(47)	51	63	40	61	215
Provision (benefit) for income taxes	(4)	17	19	15	19	70
INCOME (LOSS) FROM CONTINUING OPERATIONS	(43)	34	44	25	42	145
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:						
Net investment (gains) losses	55	(19)	(28)	15	(80)	(112)
Expenses related to restructuring	—	—	—	(1)	2	1
Taxes on adjustments	(11)	4	5	(2)	16	23
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ 1</u>	<u>\$ 19</u>	<u>\$ 21</u>	<u>\$ 37</u>	<u>\$ (20)</u>	<u>\$ 57</u>
RATIOS:						
Loss Ratio ⁽¹⁾	78%	76%	76%	74%	81%	77%
Gross Benefits Ratio ⁽²⁾	145%	140%	140%	140%	148%	142%

(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
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
REVENUES:						
Premiums	\$ 76	\$ 59	\$ 65	\$ 73	\$ 81	\$ 278
Net investment income	130	128	133	130	133	524
Net investment gains (losses)	1	6	(2)	(3)	10	11
Policy fees and other income	141	150	151	182	148	631
Total revenues	<u>348</u>	<u>343</u>	<u>347</u>	<u>382</u>	<u>372</u>	<u>1,444</u>
BENEFITS AND EXPENSES:						
Benefits and other changes in policy reserves	302	335	228	244	242	1,049
Interest credited	59	58	60	58	58	234
Acquisition and operating expenses, net of deferrals	39	39	40	37	34	150
Amortization of deferred acquisition costs and intangibles	44	109	50	28	27	214
Interest expense	5	4	4	4	5	17
Total benefits and expenses	<u>449</u>	<u>545</u>	<u>382</u>	<u>371</u>	<u>366</u>	<u>1,664</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(101)	(202)	(35)	11	6	(220)
Provision (benefit) for income taxes	(22)	(43)	(8)	3	1	(47)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(79)	(159)	(27)	8	5	(173)
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:						
Net investment (gains) losses	(1)	(6)	2	3	(10)	(11)
Losses from early extinguishment of debt	4	—	—	—	—	—
Expenses related to restructuring	—	—	—	—	1	1
Taxes on adjustments	(1)	1	—	(1)	2	2
ADJUSTED OPERATING INCOME (LOSS)	<u>\$ (77)</u>	<u>\$(164)</u>	<u>\$(25)</u>	<u>\$ 10</u>	<u>\$ (2)</u>	<u>\$ (181)</u>

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
REVENUES:						
Premiums	\$—	\$—	\$—	\$—	\$—	\$—
Net investment income	146	153	157	166	162	638
Net investment gains (losses)	(16)	(2)	(15)	(18)	(6)	(41)
Policy fees and other income	3	3	3	3	3	12
Total revenues	<u>133</u>	<u>154</u>	<u>145</u>	<u>151</u>	<u>159</u>	<u>609</u>
BENEFITS AND EXPENSES:						
Benefits and other changes in policy reserves	67	47	81	71	67	266
Interest credited	41	43	46	48	48	185
Acquisition and operating expenses, net of deferrals	11	12	12	12	13	49
Amortization of deferred acquisition costs and intangibles	19	16	14	13	14	57
Interest expense	—	—	—	—	—	—
Total benefits and expenses	<u>138</u>	<u>118</u>	<u>153</u>	<u>144</u>	<u>142</u>	<u>557</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(5)	36	(8)	7	17	52
Provision (benefit) for income taxes	(1)	7	(1)	1	4	11
INCOME (LOSS) FROM CONTINUING OPERATIONS	(4)	29	(7)	6	13	41
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:						
Net investment (gains) losses, net ⁽¹⁾	13	1	12	17	4	34
Expenses related to restructuring	—	—	—	—	1	1
Taxes on adjustments	(3)	—	(2)	(4)	(1)	(7)
ADJUSTED OPERATING INCOME	<u>\$ 6</u>	<u>\$ 30</u>	<u>\$ 3</u>	<u>\$ 19</u>	<u>\$ 17</u>	<u>\$ 69</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	\$ 16	\$ 2	\$ 15	\$ 18	\$ 6	\$ 41
Adjustment for DAC and other intangible amortization and certain benefit reserves	(3)	(1)	(3)	(1)	(2)	(7)
Net investment (gains) losses, net	<u>\$ 13</u>	<u>\$ 1</u>	<u>\$ 12</u>	<u>\$ 17</u>	<u>\$ 4</u>	<u>\$ 34</u>

Runoff Segment

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020		2019			Total
	1Q	4Q	3Q	2Q	1Q	
REVENUES:						
Net investment income	\$ 49	\$ 45	\$ 48	\$ 47	\$ 47	\$187
Net investment gains (losses)	(75)	(12)	(9)	(4)	—	(25)
Policy fees and other income	33	35	35	35	35	140
Total revenues	<u>7</u>	<u>68</u>	<u>74</u>	<u>78</u>	<u>82</u>	<u>302</u>
BENEFITS AND EXPENSES:						
Benefits and other changes in policy reserves	20	5	8	13	1	27
Interest credited	41	37	40	40	41	158
Acquisition and operating expenses, net of deferrals	13	13	13	13	13	52
Amortization of deferred acquisition costs and intangibles	17	2	10	4	2	18
Total benefits and expenses	<u>91</u>	<u>57</u>	<u>71</u>	<u>70</u>	<u>57</u>	<u>255</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(84)	11	3	8	25	47
Provision (benefit) for income taxes	(18)	2	—	1	5	8
INCOME (LOSS) FROM CONTINUING OPERATIONS	(66)	9	3	7	20	39
ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS:						
Net investment (gains) losses, net ⁽¹⁾	67	10	9	2	—	21
Taxes on adjustments	(14)	(2)	(2)	—	—	(4)
ADJUSTED OPERATING INCOME (LOSS)	<u><u>\$ (13)</u></u>	<u><u>\$ 17</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 9</u></u>	<u><u>\$ 20</u></u>	<u><u>\$ 56</u></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	\$ 75	\$ 12	\$ 9	\$ 4	\$—	\$ 25
Adjustment for DAC and other intangible amortization and certain benefit reserves	(8)	(2)	—	(2)	—	(4)
Net investment (gains) losses, net	<u><u>\$ 67</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 9</u></u>	<u><u>\$ 2</u></u>	<u><u>\$—</u></u>	<u><u>\$ 21</u></u>

Corporate and Other

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
REVENUES:						
Premiums	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 8
Net investment income	6	3	2	2	2	9
Net investment gains (losses)	46	(8)	5	(7)	(21)	(31)
Policy fees and other income	1	(1)	2	—	1	2
Total revenues	<u>55</u>	<u>(4)</u>	<u>11</u>	<u>(3)</u>	<u>(16)</u>	<u>(12)</u>
BENEFITS AND EXPENSES:						
Benefits and other changes in policy reserves	1	1	—	1	1	3
Acquisition and operating expenses, net of deferrals	18	12	8	13	13	46
Amortization of deferred acquisition costs and intangibles	—	2	1	—	—	3
Interest expense	46	54	53	54	53	214
Total benefits and expenses	<u>65</u>	<u>69</u>	<u>62</u>	<u>68</u>	<u>67</u>	<u>266</u>
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(10)	(73)	(51)	(71)	(83)	(278)
Provision (benefit) for income taxes	2	(16)	(21)	(7)	(9)	(53)
LOSS FROM CONTINUING OPERATIONS	(12)	(57)	(30)	(64)	(74)	(225)
ADJUSTMENTS TO LOSS FROM CONTINUING OPERATIONS:						
Net investment (gains) losses	(46)	8	(5)	7	21	31
Losses on early extinguishment of debt	8	—	—	—	—	—
Expenses related to restructuring	1	—	—	1	—	1
Taxes on adjustments	8	(1)	—	(1)	(5)	(7)
ADJUSTED OPERATING LOSS	<u>\$ (41)</u>	<u>\$ (50)</u>	<u>\$ (35)</u>	<u>\$ (57)</u>	<u>\$ (58)</u>	<u>\$ (200)</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
FIRST QUARTER 2020

Investments Summary
(amounts in millions)

	March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019		March 31, 2019	
	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total	Carrying Amount	% of Total
Composition of Investment Portfolio										
Fixed maturity securities:										
Investment grade:										
Public fixed maturity securities ⁽¹⁾	\$33,056	46%	\$33,684	45%	\$34,280	46%	\$32,958	46%	\$31,497	46%
Private fixed maturity securities	12,736	17	13,384	18	13,411	18	13,091	18	12,566	18
Residential mortgage-backed securities ⁽²⁾	2,243	3	2,232	3	2,335	3	2,395	3	2,498	4
Commercial mortgage-backed securities	2,963	4	3,006	4	3,051	4	2,970	4	2,943	4
Other asset-backed securities	3,061	4	3,257	4	3,337	5	3,287	5	3,021	4
State and political subdivisions ⁽¹⁾	2,864	4	2,747	4	2,729	4	2,636	4	2,546	4
Non-investment grade fixed maturity securities	2,128	3	2,029	3	2,090	3	2,154	3	2,082	3
Equity securities:										
Common stocks and mutual funds	91	—	105	—	107	—	111	—	103	—
Preferred stocks	97	—	134	—	132	—	151	—	148	—
Commercial mortgage loans, net	6,915	10	6,963	9	7,033	10	7,019	10	6,988	10
Policy loans	2,052	3	2,058	3	2,069	3	2,076	3	1,994	3
Cash, cash equivalents, restricted cash and short-term investments	2,696	3	3,601	5	1,839	2	1,907	3	2,117	3
Securities lending	58	—	51	—	62	—	113	—	106	—
Other invested assets:										
Limited partnerships	671	1	634	1	565	1	512	1	462	1
Derivatives:										
Interest rate swaps	1,002	1	197	—	402	1	144	—	59	—
Foreign currency swaps	21	—	4	—	10	—	5	—	3	—
Equity index options	62	—	81	—	62	—	65	—	60	—
Other foreign currency contracts	16	—	8	—	13	—	8	—	5	—
Other	422	1	397	1	369	—	357	—	314	—
Total invested assets and cash	\$73,154	100%	\$74,572	100%	\$73,896	100%	\$71,959	100%	\$69,512	100%
Public Fixed Maturity Securities—Credit Quality:										
NRSRO⁽³⁾ Designation										
AAA	\$11,025	27%	\$10,160	24%	\$10,561	25%	\$10,195	24%	\$ 9,995	25%
AA	3,554	8	3,536	8	3,758	9	3,674	9	3,558	9
A	11,268	27	12,315	29	12,040	28	11,690	28	11,431	28
BBB	14,807	35	15,041	36	15,418	35	14,768	36	13,872	35
BB	1,139	3	1,040	3	1,093	3	1,128	3	1,081	3
B	50	—	44	—	53	—	76	—	76	—
CCC and lower	21	—	26	—	25	—	25	—	25	—
Total public fixed maturity securities	\$41,864	100%	\$42,162	100%	\$42,948	100%	\$41,556	100%	\$40,038	100%
Private Fixed Maturity Securities—Credit Quality:										
NRSRO⁽³⁾ Designation										
AAA	\$ 1,382	8%	\$ 1,536	8%	\$ 1,594	9%	\$ 1,504	8%	\$ 1,480	9%
AA	2,090	12	2,235	12	2,254	12	2,315	13	2,165	13
A	4,914	28	5,182	29	5,296	29	5,286	30	5,032	29
BBB	7,883	46	8,305	46	8,222	45	7,905	44	7,538	44
BB	819	5	844	5	851	5	865	5	839	5
B	98	1	73	—	66	—	58	—	59	—
CCC and lower	1	—	2	—	2	—	2	—	2	—
Total private fixed maturity securities	\$17,187	100%	\$18,177	100%	\$18,285	100%	\$17,935	100%	\$17,115	100%

⁽¹⁾ Certain fixed maturity securities balances have been reclassified as of December 31, 2019 to conform to the current period presentation.

⁽²⁾ The company does not have any material exposure to residential mortgage-backed securities collateralized debt obligations (CDOs).

⁽³⁾ Nationally Recognized Statistical Rating Organizations.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

Fixed Maturity Securities Summary
(amounts in millions)

	March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019		March 31, 2019	
	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	\$ 5,771	10%	\$ 5,025	8%	\$ 5,254	9%	\$ 4,987	8%	\$ 4,731	8%
State and political subdivisions ⁽¹⁾	2,864	5	2,747	5	2,729	4	2,636	4	2,546	4
Foreign government	1,201	2	1,350	2	1,359	2	1,336	2	1,311	2
U.S. corporate ⁽¹⁾	31,077	52	32,111	54	32,424	54	31,329	53	29,872	53
Foreign corporate	9,799	17	10,525	17	10,656	17	10,462	18	10,149	19
Residential mortgage-backed securities	2,273	4	2,270	4	2,375	4	2,436	4	2,540	4
Commercial mortgage-backed securities	2,981	5	3,026	5	3,071	5	2,989	5	2,962	5
Other asset-backed securities	3,085	5	3,285	5	3,365	5	3,316	6	3,042	5
Total fixed maturity securities	<u>\$59,051</u>	<u>100%</u>	<u>\$60,339</u>	<u>100%</u>	<u>\$61,233</u>	<u>100%</u>	<u>\$59,491</u>	<u>100%</u>	<u>\$57,153</u>	<u>100%</u>
Corporate Bond Holdings—Industry Sector:										
Investment Grade:										
Finance and insurance	\$ 9,523	23%	\$ 9,881	23%	\$ 9,995	22%	\$ 9,669	23%	\$ 9,255	24%
Utilities	5,555	14	5,743	14	5,868	14	5,697	14	5,491	14
Energy	2,799	7	3,699	9	3,801	9	3,732	9	3,596	9
Consumer—non-cyclical	6,163	15	6,247	15	6,293	15	6,043	14	5,735	14
Consumer—cyclical	1,856	4	1,937	5	2,003	5	1,836	4	1,731	4
Capital goods	3,076	8	3,161	7	3,243	8	3,108	7	2,956	7
Industrial	2,063	5	2,201	5	2,188	5	2,093	5	1,981	5
Technology and communications	3,966	10	3,966	9	3,919	9	3,821	10	3,580	9
Transportation	2,047	5	2,127	5	2,189	5	2,121	5	2,051	5
Other ⁽¹⁾	1,855	4	1,839	4	1,691	4	1,719	4	1,770	4
Subtotal	<u>38,903</u>	<u>95</u>	<u>40,801</u>	<u>96</u>	<u>41,190</u>	<u>96</u>	<u>39,839</u>	<u>95</u>	<u>38,146</u>	<u>95</u>
Non-Investment Grade:										
Finance and insurance	211	1	212	1	208	—	216	1	200	1
Utilities	77	—	83	—	85	—	100	—	94	—
Energy	391	1	319	1	346	1	331	1	308	1
Consumer—non-cyclical	196	1	138	—	138	—	155	—	168	—
Consumer—cyclical	225	1	220	1	233	1	243	1	237	1
Capital goods	149	—	155	—	137	—	157	—	146	—
Industrial	193	—	183	—	224	1	207	—	189	—
Technology and communications	418	1	417	1	425	1	465	2	452	2
Transportation	29	—	8	—	8	—	8	—	13	—
Other	84	—	100	—	86	—	70	—	68	—
Subtotal	<u>1,973</u>	<u>5</u>	<u>1,835</u>	<u>4</u>	<u>1,890</u>	<u>4</u>	<u>1,952</u>	<u>5</u>	<u>1,875</u>	<u>5</u>
Total	<u>\$40,876</u>	<u>100%</u>	<u>\$42,636</u>	<u>100%</u>	<u>\$43,080</u>	<u>100%</u>	<u>\$41,791</u>	<u>100%</u>	<u>\$40,021</u>	<u>100%</u>
Fixed Maturity Securities—Contractual Maturity Dates:										
Due in one year or less	\$ 1,421	2%	\$ 1,434	2%	\$ 1,587	3%	\$ 1,684	3%	\$ 1,777	3%
Due after one year through five years	8,949	15	9,381	16	9,655	16	9,689	16	9,380	16
Due after five years through ten years	12,642	21	12,296	20	12,387	20	11,985	20	11,554	20
Due after ten years	27,700	48	28,647	48	28,793	47	27,392	46	25,898	46
Subtotal	<u>50,712</u>	<u>86</u>	<u>51,758</u>	<u>86</u>	<u>52,422</u>	<u>86</u>	<u>50,750</u>	<u>85</u>	<u>48,609</u>	<u>85</u>
Mortgage and asset-backed securities	8,339	14	8,581	14	8,811	14	8,741	15	8,544	15
Total fixed maturity securities	<u>\$59,051</u>	<u>100%</u>	<u>\$60,339</u>	<u>100%</u>	<u>\$61,233</u>	<u>100%</u>	<u>\$59,491</u>	<u>100%</u>	<u>\$57,153</u>	<u>100%</u>

⁽¹⁾ Certain fixed maturity securities balances have been reclassified as of December 31, 2019 to conform to the current period presentation.

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

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

	2020	2019				
	1Q	4Q	3Q	2Q	1Q	Total
U.S. GAAP Net Investment Income						
Fixed maturity securities—taxable	\$ 622	\$ 616	\$ 631	\$ 634	\$ 613	\$2,494
Fixed maturity securities—non-taxable	2	2	2	2	2	8
Commercial mortgage loans	85	94	87	85	82	348
Equity securities	2	3	4	5	4	16
Other invested assets	49	50	49	47	44	190
Limited partnerships	(2)	4	13	12	15	44
Policy loans	49	42	47	45	46	180
Cash, cash equivalents, restricted cash and short-term investments	11	9	8	11	11	39
Gross investment income before expenses and fees	818	820	841	841	817	3,319
Expenses and fees	(25)	(26)	(25)	(25)	(23)	(99)
Net investment income	<u>\$ 793</u>	<u>\$ 794</u>	<u>\$ 816</u>	<u>\$ 816</u>	<u>\$ 794</u>	<u>\$3,220</u>
Annualized Yields						
Fixed maturity securities—taxable	4.6%	4.6%	4.7%	4.7%	4.6%	4.6%
Fixed maturity securities—non-taxable	5.2%	6.0%	6.1%	6.1%	6.1%	6.1%
Commercial mortgage loans	4.9%	5.4%	5.0%	4.9%	4.8%	5.0%
Equity securities	3.8%	5.0%	6.4%	7.8%	6.1%	6.3%
Other invested assets ⁽¹⁾	47.8%	52.2%	54.0%	56.1%	65.7%	57.2%
Limited partnerships ⁽²⁾	(1.2)%	2.7%	9.7%	9.9%	13.8%	8.5%
Policy loans	9.5%	8.1%	9.1%	8.8%	9.5%	8.9%
Cash, cash equivalents, restricted cash and short-term investments	1.4%	1.3%	1.7%	2.2%	2.1%	1.7%
Gross investment income before expenses and fees	4.9%	4.9%	5.1%	5.1%	5.0%	5.0%
Expenses and fees	(0.2)%	(0.2)%	(0.2)%	(0.1)%	(0.2)%	(0.1)%
Net investment income	<u>4.7%</u>	<u>4.7%</u>	<u>4.9%</u>	<u>5.0%</u>	<u>4.8%</u>	<u>4.9%</u>

Yields are based on net investment income as reported under U.S. GAAP and are consistent with how the company measures its investment performance for management purposes. Yields are annualized, for interim periods, and are calculated as net investment income as a percentage of average quarterly asset carrying values except for fixed maturity securities, derivatives and derivative counterparty collateral, which exclude unrealized fair value adjustments and securities lending activity, which is included in other invested assets and is calculated net of the corresponding securities lending liability. See page 44 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
FIRST QUARTER 2020

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

	2020	2019				Total
	1Q	4Q	3Q	2Q	1Q	
Net realized gains (losses) on available-for-sale securities:						
Fixed maturity securities:						
U.S. corporate	\$ 2	\$ (2)	\$ 11	\$ (16)	\$ 30	\$ 23
U.S. government, agencies and government-sponsored enterprises	—	—	—	2	33	35
Foreign corporate	—	1	1	(1)	(1)	—
Foreign government	5	4	2	2	—	8
State and political subdivisions	—	—	—	—	—	—
Mortgage-backed securities	—	—	1	1	(2)	—
Asset-backed securities	—	—	—	—	(1)	(1)
Foreign exchange	6	2	1	1	(1)	3
Total net realized gains (losses) on available-for-sale securities	<u>13</u>	<u>5</u>	<u>16</u>	<u>(11)</u>	<u>58</u>	<u>68</u>
Impairments:						
Bank loans	—	(1)	—	—	—	(1)
Total impairments	<u>—</u>	<u>(1)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1)</u>
Net change in allowance for credit losses on available-for-sale fixed maturity securities	—	—	—	—	—	—
Net realized gains (losses) on equity securities sold	—	—	6	—	3	9
Net unrealized gains (losses) on equity securities still held	(19)	1	(4)	5	12	14
Limited partnerships	(40)	19	6	(11)	15	29
Commercial mortgage loans	—	(1)	(1)	1	(1)	(2)
Derivative instruments	(105)	(1)	(29)	(30)	(12)	(72)
Other	(1)	1	4	—	—	5
Net investment gains (losses), gross	(152)	23	(2)	(46)	75	50
Adjustment for DAC and other intangible amortization and certain benefit reserves	11	3	3	3	2	11
Adjustment for net investment (gains) losses attributable to noncontrolling interests	26	(9)	4	—	(6)	(11)
Net investment gains (losses), net	<u><u>\$(115)</u></u>	<u><u>\$ 17</u></u>	<u><u>\$ 5</u></u>	<u><u>\$(43)</u></u>	<u><u>\$ 71</u></u>	<u><u>\$ 50</u></u>

Reconciliations of Non-GAAP Measures

GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020

Reconciliation of Operating ROE
(amounts in millions)

Twelve Month Rolling Average ROE

	Twelve months ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
U.S. GAAP Basis ROE					
Net income available to Genworth Financial, Inc.'s common stockholders for the twelve months ended ⁽¹⁾ . . .	\$ 103	\$ 343	\$ 31	\$ 159	\$ 181
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income ⁽²⁾	\$10,695	\$10,650	\$10,646	\$10,609	\$10,539
U.S. GAAP Basis ROE ^{(1)/(2)}	1.0%	3.2%	0.3%	1.5%	1.7%
Operating ROE					
Adjusted operating income for the twelve months ended ⁽¹⁾	\$ 358	\$ 420	\$ 91	\$ 67	\$ 19
Quarterly average Genworth Financial, Inc.'s stockholders' equity, excluding accumulated other comprehensive income ⁽²⁾	\$10,695	\$10,650	\$10,646	\$10,609	\$10,539
Operating ROE ^{(1)/(2)}	3.3%	3.9%	0.9%	0.6%	0.2%

Quarterly Average ROE

	Three months ended				
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
U.S. GAAP Basis ROE					
Net income (loss) available to Genworth Financial, Inc.'s common stockholders for the period ended ⁽³⁾	\$ (66)	\$ (17)	\$ 18	\$ 168	\$ 174
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income ⁽⁴⁾	\$10,693	\$10,759	\$10,755	\$10,663	\$10,494
Annualized U.S. GAAP Quarterly Basis ROE ^{(3)/(4)}	(2.5)%	(0.6)%	0.7%	6.3%	6.6%
Operating ROE					
Adjusted operating income for the period ended ⁽³⁾	\$ 33	\$ 24	\$ 123	\$ 178	\$ 95
Quarterly average Genworth Financial, Inc.'s stockholders' equity for the period, excluding accumulated other comprehensive income ⁽⁴⁾	\$10,693	\$10,759	\$10,755	\$10,663	\$10,494
Annualized Operating Quarterly Basis ROE ^{(3)/(4)}	1.2%	0.9%	4.6%	6.7%	3.6%

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 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 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
FIRST QUARTER 2020

Reconciliation of Reported Yield to Core Yield

	2020	2019				
	1Q	4Q	3Q	2Q	1Q	Total
(Assets—amounts in billions)						
Reported—Total Invested Assets and Cash	\$73.2	\$74.6	\$73.9	\$72.0	\$69.5	\$ 74.6
Subtract:						
Securities lending	0.1	0.1	0.1	0.1	0.1	0.1
Unrealized gains (losses)	6.0	6.9	7.5	5.7	3.7	6.9
Adjusted end of period invested assets and cash	<u>\$67.1</u>	<u>\$67.6</u>	<u>\$66.3</u>	<u>\$66.2</u>	<u>\$65.7</u>	<u>\$ 67.6</u>
(A) Average Invested Assets and Cash Used in Reported and Core Yield Calculation	\$67.3	\$66.9	\$66.2	\$66.0	\$65.7	\$ 66.3
(Income—amounts in millions)						
(B) Reported—Net Investment Income	\$ 793	\$ 794	\$ 816	\$ 816	\$ 794	\$3,220
Subtract:						
Bond calls and commercial mortgage loan prepayments	16	23	13	7	6	49
Other non-core items ⁽¹⁾	7	(2)	8	7	2	15
(C) Core Net Investment Income	<u>\$ 770</u>	<u>\$ 773</u>	<u>\$ 795</u>	<u>\$ 802</u>	<u>\$ 786</u>	<u>\$3,156</u>
(B) / (A) Reported Yield	4.71%	4.74%	4.93%	4.95%	4.83%	4.86%
(C) / (A) Core Yield	4.57%	4.62%	4.80%	4.86%	4.79%	4.76%

Note: Yields have been annualized.

Non-GAAP Definition for Core Yield

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

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

Corporate Information

**GENWORTH FINANCIAL, INC.
FINANCIAL SUPPLEMENT
FIRST QUARTER 2020**

Financial Strength Ratings As Of May 4, 2020

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

The S&P, Moody's, A.M. Best, HR Ratings and Fitch Rating Service (Fitch) ratings included herewith represent those solicited by the company and are not designed to be, and do not serve as, measures of protection or valuation offered to investors. These financial strength ratings should not be relied on with respect to making an investment in the company's securities.

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

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

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

The 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, 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. The company does not provide information to agencies issuing unsolicited ratings and cannot ensure that any agencies that rate the company or its insurance subsidiaries on an unsolicited basis will continue to do so.

⁽¹⁾ Genworth Financial Mortgage Insurance Pty Limited (Australia) is also rated "A+" by Fitch.

⁽²⁾ In April 2020, the company notified S&P and Moody's of its decision to discontinue the solicitation of financial strength ratings of its principal life insurance subsidiaries. While the company does not provide non-public information to rating agencies issuing unsolicited ratings, it cannot ensure that rating agencies will discontinue their ratings of the company or its insurance subsidiaries on an unsolicited basis going forward.