

# 2020 Annual Meeting Of Stockholders

December 10, 2020



# Cautionary Note Regarding Forward-Looking Statements

This presentation contains certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will” or words of similar meaning & include, but are not limited to, statements regarding the outlook for future business and financial performance of Genworth Financial, Inc. (Genworth) and its consolidated subsidiaries. Forward-looking statements are based on management’s current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks, including those discussed at the end of this presentation, as well as in the risk factor section of Genworth’s Annual Report on Form 10-K, filed with the United States Securities and Exchange Commission (SEC) on February 27, 2020, and as updated in its Quarterly Reports on Form 10-Q filed with the SEC on May 6, 2020, August 5, 2020 and November 5, 2020. Genworth undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise. For information regarding forward-looking statements, see the Appendix.

## Non-GAAP<sup>1</sup> And Other Items

For important information regarding the use of non-GAAP measures, see the Appendix.

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

Portions of this presentation should be used in conjunction with the accompanying audio.

<sup>1</sup>U.S. Generally Accepted Accounting Principles

# **Genworth 2020 Annual Meeting of Stockholders**

**December 10, 2020 9:00 am Local Time**

**Call the Meeting to Order**

**Management Presentation**

**Proposals and Discussion**

Proposal 1: Election of Directors

Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation

Proposal 3: Ratification of the Selection of KPMG LLP as the Independent  
Registered Public Accounting Firm for 2020

**Opening of the Polls**

**Voting**

**Questions and Answers**

**Closing of the Polls; Preliminary Results of Voting**

**Adjournment of the Meeting**

**Thank you for Participating in Genworth's 2020 Annual Meeting**

# Key Accomplishments

## 2020 Year-To-Date

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**Nearing Final Steps Of Pending Transaction With China Oceanwide Holdings Group Co., Ltd, With Merger Agreement Deadline Of December 31, 2020**

**Continuing To Serve Customers, While Prioritizing The Health, Well-Being And Safety Of Employees And Their Families During COVID-19 Pandemic; Work From Home Plan Continues To Be In Effect Since Mid-February**

**Consolidated Adjusted Operating Income<sup>1</sup> Of \$144MM Through 3Q20 Driven By Strong U.S. Mortgage Insurance (MI) Performance, Despite Pressure From COVID-19 Pandemic**

**Strong Capital Levels In Mortgage Insurance Platforms And Improvement In U.S. Life Insurance Capital**

**Issued Debt At U.S. Mortgage Insurance Subsidiary<sup>2</sup> Of \$750MM In August 2020 To Generate Liquidity To Genworth Holding Company In Advance Of 2021 Senior Note Maturities**

**Continued Progress On Long Term Care Insurance Rate Actions With 91 Approved State Filings Through 3Q20, With A 29% Weighted-Average Rate Increase On \$595MM Of Annualized In Force Premiums**

<sup>1</sup> Non-GAAP Measure, See Appendix For Additional Information; <sup>2</sup> Debt Issuance At Genworth Mortgage Holdings, Inc., An Indirect Wholly-Owned Mortgage Insurance Subsidiary

# 3Q20 YTD Financial Performance

## Adjusted Operating Income (Loss) (\$MM)

### U.S. MI

Insurance In Force Growth From Strong New Insurance Written Driving Revenue Growth

Increased Losses Driven By Higher New Delinquencies And Reserve Strengthening Attributable To COVID-19 Pandemic, With New Delinquencies Moderating In 3Q20

### Australia MI

Increased Losses Primarily Due To Loss Reserve Strengthening Attributable To COVID-19 Pandemic

### U.S. Life Insurance

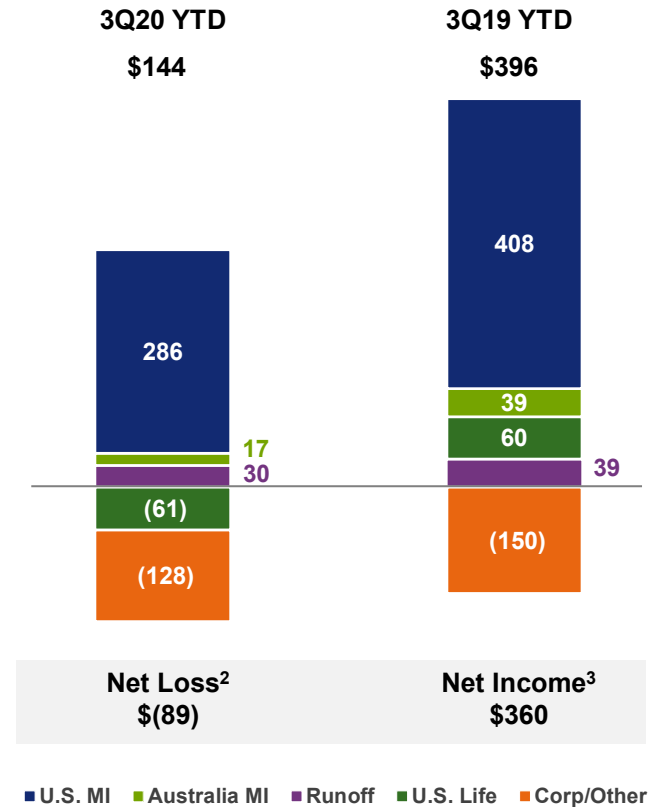
LTC<sup>1</sup> Benefited From Higher Claim Terminations With Elevated Mortality And Lower Claim Incidence, Offset By Unfavorable Life Insurance Performance

### Runoff

Variable Annuity Product Results Driven By Equity Market Performance

### Corporate And Other

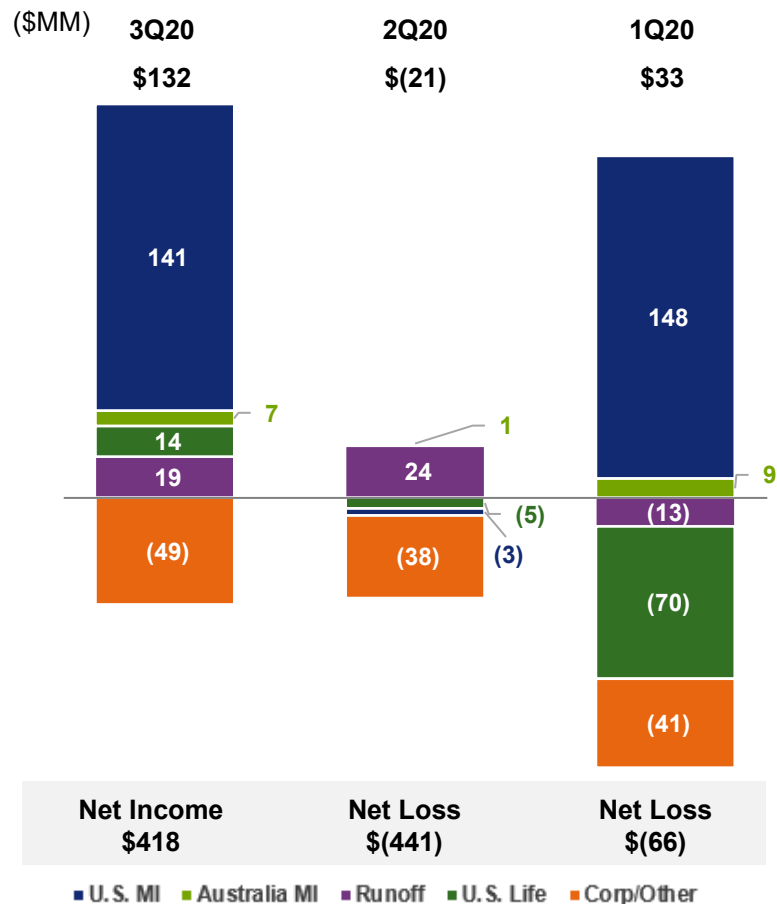
Lower Interest And Corporate Expenses



<sup>1</sup> Long Term Care Insurance; <sup>2</sup> 3Q20 YTD Net Loss Included Net Loss From Discontinued Operations Available To Genworth Financial, Inc.'s Common Stockholders Of \$519MM; <sup>3</sup> 3Q19 YTD Net Income Included A Net Loss From Discontinued Operations Available To Genworth Financial, Inc.'s Common Stockholders Of \$59MM

# 2020 Quarterly Financial Performance

## Adjusted Operating Income (Loss)



## Key Capital & Liquidity Metrics

	3Q20	2Q20	1Q20
U.S. MI PMIERS Sufficiency Ratio <sup>1</sup>	132%	143%	142%
Australia MI PCA Ratio <sup>2</sup>	179%	177%	178%
U.S. Life Insurance Companies Consolidated RBC Ratio	240%	222%	194%
Holding Company Cash & Liquid Assets <sup>3,4</sup>	\$814MM	\$554MM	\$575MM

**Capital And Liquidity Levels Remain Strong In Uncertain Economic Environment With COVID-19 Pandemic**

<sup>1</sup> The Private Mortgage Insurer Eligibility Requirements (PMIERS) Sufficiency Ratio Is Calculated As Available Assets Divided By Required Assets As Defined Within The Published PMIERS; <sup>2</sup> Prescribed Capital Amount; <sup>3</sup> 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.; <sup>4</sup> Genworth Holdings, Inc. Had \$814MM, \$504MM And \$525MM Of Cash, Cash Equivalents And Restricted Cash As Of September 30, 2020, June 30, 2020 And March 31, 2020, Respectively, Which Included \$74MM And \$10MM Of Restricted Cash And Cash Equivalents As Of September 30, 2020 And June 30, 2020, Respectively. Genworth Holdings, Inc. Also Held \$50MM In U.S. Government Securities As Of June 30, 2020 And March 31, 2020, Which Included \$49MM And \$50MM, Respectively, Of Restricted Assets

# LTC In Force Premium Rate Increases

Approved Filings	FY'18	FY'19	3Q'20 YTD
State Filings Approved	120	116	91
Impacted In-Force Premium (\$MM)	875	817	595
Weighted Average % Rate Increase Approved On Impacted In-Force	45%	41%	29%

Filings Submitted	FY'18	FY'19	3Q'20 YTD
State Filings Submitted	97	98	143
In-Force Premiums Submitted (\$MM)	848	975	727

**Significant Progress To Continue Through 4Q'20**

# Appendix



# Use Of Non-GAAP Measures

This presentation 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 percent tax rate for the company's domestic segments and a 30 percent 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.

In the second quarter of 2020, the company recorded a goodwill impairment of \$3 million, net of the portion attributable to noncontrolling interests, in its Australia mortgage insurance business.

During the second and first quarters of 2020, the company repurchased \$52 million and \$14 million, respectively, principal amount of Genworth Holdings, Inc.'s senior notes with 2021 maturity dates for a pre-tax gain of \$3 million and \$1 million, respectively. In January 2020, the company paid a pre-tax make-whole expense of \$9 million related to the early redemption of Genworth Holdings' senior notes originally scheduled to mature in June 2020 and Rivermont Life Insurance Company I, the company's indirect wholly-owned special purpose consolidated captive insurance subsidiary, early redeemed all of its \$315 million outstanding non-recourse funding obligations originally due in 2050 resulting in a pre-tax loss of \$4 million from the write-off of deferred borrowing costs. These transactions were excluded from adjusted operating income (loss) as they relate to gains (losses) on the early extinguishment of debt.

The company recorded a pre-tax expense of \$1 million in both the second and first quarters of 2020 and \$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 presentation provide a reconciliation of net income (loss) available to Genworth Financial, Inc.'s common stockholders to adjusted operating income (loss) for the three months ended September 30, 2020, June 30, 2020 and March 31, 2020, as well as for the nine months ended September 30, 2020 and 2019, and reflect adjusted operating income (loss) as determined in accordance with accounting guidance related to segment reporting.

# Reconciliation Of Net Income (Loss) To Adjusted Operating Income (Loss)

(\$MM)

	3Q20	2Q20	1Q20	3Q20 YTD	3Q19 YTD
<b>NET INCOME (LOSS) AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS</b>	\$ 418	\$ (441)	\$ (66)	\$ (89)	\$ 360
Add: net income (loss) from continuing operations attributable to noncontrolling interests	18	23	(6)	35	45
Add: net income from discontinued operations attributable to noncontrolling interests	-	-	-	-	101
<b>NET INCOME (LOSS)</b>	436	(418)	(72)	(54)	506
Less: income (loss) from discontinued operations, net of taxes	1	(520)	-	(519)	42
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	435	102	(72)	465	464
Less: net income (loss) from continuing operations attributable to noncontrolling interests	18	23	(6)	35	45
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS</b>	417	79	(66)	430	419
<b>ADJUSTMENTS TO INCOME (LOSS) FROM CONTINUING OPERATIONS AVAILABLE TO GENWORTH FINANCIAL, INC.'S COMMON STOCKHOLDERS:</b>					
Net investment (gains) losses, net <sup>(1)</sup>	(362)	(131)	115	(378)	(33)
Goodwill impairment, net <sup>(2)</sup>	-	3	-	3	-
(Gains) losses on early extinguishment of debt	-	(3)	12	9	-
Expenses related to restructuring	-	1	1	2	4
Taxes on adjustments	77	30	(29)	78	6
<b>ADJUSTED OPERATING INCOME (LOSS)</b>	\$ 132	\$ (21)	\$ 33	\$ 144	\$ 396
<b>ADJUSTED OPERATING INCOME (LOSS):</b>					
U.S. Mortgage Insurance segment	\$ 141	\$ (3)	\$ 148	\$ 286	\$ 408
Australia Mortgage Insurance segment	7	1	9	17	39
U.S. Life Insurance segment:					
Long-Term Care Insurance	59	48	1	108	38
Life Insurance	(69)	(81)	(77)	(227)	(17)
Fixed Annuities	24	28	6	58	39
Total U.S. Life Insurance segment	14	(5)	(70)	(61)	60
Runoff segment	19	24	(13)	30	39
Corporate and Other	(49)	(38)	(41)	(128)	(150)
<b>ADJUSTED OPERATING INCOME (LOSS)</b>	\$ 132	\$ (21)	\$ 33	\$ 144	\$ 396
<b>Earnings (Loss) Per Share Data:</b>					
Net income (loss) available to Genworth Financial, Inc.'s common stockholders per share					
Basic	\$ 0.83	\$ (0.87)	\$ (0.13)	\$ (0.18)	\$ 0.72
Diluted	\$ 0.82	\$ (0.86)	\$ (0.13)	\$ (0.17)	\$ 0.71
Adjusted operating income (loss) per share					
Basic	\$ 0.26	\$ (0.04)	\$ 0.07	\$ 0.29	\$ 0.79
Diluted	\$ 0.26	\$ (0.04)	\$ 0.07	\$ 0.28	\$ 0.78
Weighted-average common shares outstanding					
Basic	505.6	505.4	504.3	505.1	502.7
Diluted <sup>(3)</sup>	511.5	512.5	504.3	511.2	509.5

<sup>(1)</sup> For the three months ended September 30, 2020, June 30, 2020 and March 31, 2020 and nine months ended September 30, 2020 and 2019, net investment (gains) losses were adjusted for DAC and other intangible amortization and certain benefit reserves of \$1 million, \$(4) million, \$(11) million, \$(14) million and \$(8) million, respectively, and adjusted for net investment gains (losses) attributable to noncontrolling interests of \$12 million, \$32 million, \$(26) million, \$18 million and \$2 million, respectively.

<sup>(2)</sup> For the three months ended June 30, 2020, goodwill impairment was adjusted by \$2 million related to the company's mortgage insurance business in Australia for the portion attributable to noncontrolling interests.

<sup>(3)</sup> 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.

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- *risks related to the proposed transaction with Oceanwide* including: the risk that Oceanwide will be unable to raise funding and the company's inability to complete the Oceanwide transaction on the agreed terms, in a timely manner or at all, which may adversely affect the company's business and the price of its common stock; the risk that the company will be unable to address its near-term liabilities and financial obligations, including the risks that it will be unable to raise additional capital and/or sell a percentage of its ownership interest in its U.S. mortgage insurance business to repay the promissory note to AXA S.A. (AXA) and repay and/or refinance its debt maturing in 2021 or beyond; the parties' inability to obtain regulatory approvals, clearances or extensions, or the possibility that such regulatory approvals or clearances may further delay the Oceanwide transaction or may not be received prior to December 31, 2020 (and either or both of the parties may not be willing to further waive their end date termination rights beyond December 31, 2020) 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 more previously obtained regulatory approvals or clearances no longer valid, one or both parties unwilling to proceed with the Oceanwide transaction or unable to comply with the conditions to existing regulatory approvals, or one or both of the parties may be unwilling to accept any new condition under a regulatory approval; 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 Oceanwide transaction 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 Oceanwide transaction or that the parties will be unable to agree upon a closing date following receipt of all regulatory approvals and clearances; the risk regarding the ongoing availability of any required financing; the risk that existing and potential legal proceedings may be instituted against the company in connection with the Oceanwide transaction that may delay the transaction, make it more costly or ultimately preclude it; the risk that the proposed Oceanwide transaction disrupts the company's current plans and operations as a result of the announcement and consummation of the transaction; potential adverse reactions or changes to the company's business relationships with clients, employees, suppliers or other parties or other business uncertainties resulting from the announcement of the Oceanwide transaction or during the pendency of the transaction, including but not limited to such changes that could affect the company's financial performance; certain restrictions during the pendency of the Oceanwide transaction 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 Oceanwide transaction; further rating agency actions and downgrades in the company's credit or financial strength ratings; changes in applicable laws or regulations; the company's ability to recognize the anticipated benefits of the Oceanwide transaction; the amount of the costs, fees, expenses and other charges related to the Oceanwide transaction; the risks related to diverting management's attention from the company's ongoing business operations; and the company's ability to attract, recruit, retain and motivate current and prospective employees may be adversely affected;

- *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 and other obligations, cost savings, ratings and capital); the risk that the impacts of or uncertainty created by the COVID-19 pandemic delay or hinder alternative transactions or otherwise make alternative plans less attractive; 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; adverse tax or accounting charges; and the company's ability to raise 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;

# Cautionary Note Regarding Forward-Looking Statements

- *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 to its assumptions, methodologies or otherwise in connection with periodic or other reviews, including reviews it expects to complete and carry out in the fourth quarter of 2020); risks related to the impact of the company's annual review of assumptions and methodologies related to its long term care insurance claim reserves and margin reviews in the fourth quarter of 2020, including risks that additional information obtained in finalizing its claim reserves and margin reviews in the fourth quarter of 2020 or other changes to assumptions or methodologies materially affect margins; the inability to accurately estimate the impacts of the COVID-19 pandemic; inaccurate models; deviations from the company's estimates and actuarial assumptions or other reasons in its long term care insurance, life insurance and/or annuity businesses; accelerated amortization of deferred acquisition costs (DAC) and present value of future profits (PVFP) (including as a result of any changes it may make to its assumptions, methodologies or otherwise in connection with periodic or other reviews, including reviews it expects to complete and carry out in the fourth quarter of 2020); 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 reviews 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, including as a result of prolonged unemployment, a sustained low interest rate environment and other displacements caused by the COVID-19 pandemic; interest rates and changes in rates have adversely impacted, and may continue to materially adversely impact, the company's business and profitability; deterioration in economic conditions or a decline in home prices that adversely affect the company's loss experience in 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 mortgage insurance 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, heightened regulatory restrictions resulting from the COVID-19 pandemic, and other insurance, regulatory or corporate law restrictions; the inability to successfully seek in force rate action increases (including increased premiums and associated benefit reductions) in the company's long term care insurance business, including as a result of the COVID-19 pandemic; adverse change in regulatory requirements, including risk-based capital; changes in regulations adversely affecting the company's Australian mortgage insurance business; inability to continue to maintain the private mortgage insurer eligibility requirements (PMIERs), including as a result of the interim conditions and applicable requirements imposed by the GSEs on the company's U.S. mortgage insurance subsidiary and/or after the benefit of the 0.30 multiplier applied to non-performing loans expires under the PMIERs temporary amendments; risks on the company's U.S. mortgage insurance subsidiary's ability to pay its holding company dividends as a result of the GSEs' amendments to PMIERs in response to COVID-19; the impact on capital levels of increased delinquencies caused by the COVID-19 pandemic; inability of the company's U.S. mortgage insurance subsidiaries to meet minimum statutory capital requirements; the influence of Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and a small number of large mortgage lenders on the U.S. mortgage insurance market and adverse changes to the role or structure of Fannie Mae and Freddie Mac; adverse changes in regulations affecting the company's mortgage insurance businesses; additional restrictions placed on the company's U.S. mortgage insurance business by government and government-owned and government-sponsored enterprises (GSEs) in connection with a new debt financing and/or sale of a percentage of its ownership interests therein; inability to continue to implement actions to mitigate the impact of statutory reserve requirements; changes in tax laws; and changes in accounting and reporting standards;
- *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, either by raising capital through a debt/equity financing and/or selling a percentage of the company's ownership interests in its mortgage insurance businesses, or under a secured term loan or credit facility); the impact on holding company liquidity caused by the inability to receive dividends or other returns of capital from the company's mortgage insurance businesses as a result of the COVID-19 pandemic; the impact of increased leverage as a result of the AXA settlement and related restrictions; continued availability of capital and financing; future adverse rating agency actions against the company or its U.S. mortgage insurance subsidiary, 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;

# Cautionary Note Regarding Forward-Looking Statements

- *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; the impact on processes caused by shelter-in-place or other governmental restrictions imposed as a result of the COVID-19 pandemic; reliance on, and loss of, key customer or distribution relationships; competition, including in the company's mortgage insurance businesses from 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 reduce benefits sufficiently, and in a timely manner, on its in force long term care insurance policies, in each case, as currently anticipated and as may be required from time to time in the future (including as a result of a delay or failure to obtain any necessary regulatory approvals, including as a result of the COVID-19 pandemic, or unwillingness or inability of policyholders to pay increased premiums and/or accept reduced benefits), including to offset any negative impact on the company's long term care insurance margins; availability, affordability and adequacy of reinsurance to protect the company against losses; decreases in the volume of 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 and the occurrence of natural or man-made disasters or a pandemic, such as the COVID-19 pandemic, could materially adversely affect its financial condition and results of operations.

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